

REGULATORY DISCLOSURES

Dear Client,

This letter provides information in connection with the brokerage services that Bernstein Institutional Services LLC ("Bernstein") and its clearing agent, SG Americas Securities LLC ("SGAS"), provide to you, our institutional client. In this letter, we use the terms "we", "us" or "our" to refer to Bernstein or SGAS individually or, as the context may require, collectively. Bernstein and SGAS are registered as broker-dealers with the U.S. Securities and Exchange Commission ("SEC"), are members of the Financial Industry Regulatory Authority Inc. ("FINRA") and are members of numerous other self-regulatory organizations (each, an "SRO"). As regulated broker-dealers, Bernstein and SGAS are required to provide various disclosures to our institutional clients, a number of which are contained within this document.

Bernstein and SGAS may update these Regulatory Disclosures from time to time. The most current version is available on our [website](#) or by contacting your trading representative.

1. **INFORMATION GENERALLY**

1.1. **Information Bernstein Provides to You**

We provide a variety of research, sales, execution and trading services. Any information provided by us in connection with these services is, to the best of our knowledge, accurate and not misleading. We rely on what we believe to be reliable sources of information in providing information to you.

1.2. **Information You Provide to Bernstein**

We have controls to ensure that information that you provided to us is not provided to parties outside of Bernstein. In instances in which we must provide information to others in order to consummate a transaction to benefit you, such as to source liquidity, we strive to provide only the information necessary to accomplish your goals.

Please note that we may also be required to share necessary information with a variety of governmental and regulatory authorities.

2. **TRADING**

Bernstein has established and maintains and enforces policies and procedures relating to customer priority, parity, precedence and best execution that are designed to comply with applicable regulatory requirements.

2.1. **General Order Handling and Execution**

Bernstein's policies and industry-wide regulations require us to execute your orders in a

manner that does not disadvantage our institutional clients or place our financial interests ahead of your order. Generally, we accept client order flow on a “not held” basis. By placing an order in this manner, you are granting us price and time discretion in managing the order, allowing us to “work” the order to achieve your overall intended result. While working such an order, we may trade along with your order in instances where we have previously principally facilitated a client order or when engaged in hedging activities.

Additionally, we review all principal facilitation activities to ensure that such transactions do not adversely affect the best execution of client orders.

When principally facilitating listed equity derivatives orders, we may engage in hedging transactions in either another listed equity derivative security or in the underlying security. Such activities have the potential for affecting the market of the underlying security or potentially the derivative. When engaging in such hedging activities, we do not hedge prior to facilitating a client’s order. Additionally, we review all hedging activities to ensure that such transactions do not unintentionally affect our client’s interests adversely.

Bernstein may route certain equity securities orders to other broker-dealers, alternative trading systems, dark pools or national or regional exchanges for execution. We prepare and publish our execution quality data and order routing data in accordance with SEC Rules 605 and 606, and this data is available on FINRA’s Data website by clicking [here](#). Under SEC Rule 606(b)(1), broker-dealer clients can request specific order routing and execution information for the preceding six months, and this information will include the identity of the venue where the client’s orders were routed for execution, whether the orders were directed or non-directed, and if executed, the time of execution. Under SEC Rule 606(b)(3), broker-dealers are required, upon request of a client that places not-held orders, to provide specific disclosures regarding routing and execution of such orders for the prior six months. Please send any requests for information pursuant to SEC Rule 606 to Rule606Requests.us@bernsteinsg.com.

2.2. Payment for Order Flow

SEC Rule 607 requires broker-dealers to disclose at account opening and annually thereafter their policies regarding payment for order flow and order routing practices.

Bernstein routes equity orders to national securities exchanges, alternative trading systems (ATSs), including electronic communications networks (ECNs), dark pools and other liquidity providing venues. Certain of these venues offer cash credits for orders that provide liquidity to their books and charge an explicit fee for orders that extract liquidity from their books (and certain venues invert this practice). The amount of credits we receive from one or more of the venues may exceed the amount that we are charged. We may also receive incremental pricing benefits from certain of the venues if certain volume thresholds are met. Such payments constitute payment for order flow.

Bernstein has not entered into any agreements with any market centers regarding remuneration (“payment for order flow”) for directing institutional equity or listed option order flow to any specific venue. Bernstein does not determine the venue for execution

based upon either receipt of, or payment for, explicit fees. Bernstein's routing practices take into consideration the price, depth and liquidity of the venue, not whether we receive payment.

2.3. FINRA Rule 5270 Notice – Front-Running of Block Transactions

In accordance with FINRA Rule 5270 ("Front Running of Block Transactions") ("Rule 5270"), Bernstein and its associated persons are prohibited from executing or causing to be executed an order to buy or sell a security, or a "related financial instrument" when either Bernstein or an associated person has material, non-public market information concerning an imminent block transaction in that security, related financial instrument or a security underlying the related financial instrument. Such orders must not be executed until such time as the material non-public information concerning the block transaction has been made "publicly available" or has otherwise become "stale or obsolete." Bernstein maintains order handling policies and procedures that are designed to prevent instances of front-running. Pursuant to Rule 5270, Bernstein may, however, trade ahead of a block transaction if:

- Bernstein has information barriers established to prevent internal disclosure of such information;
- the transactions in the same security are related to a prior customer order in that security;
- the transactions are to correct bona fide errors; or
- the transactions are to offset odd-lot orders.

Rule 5270 also allows the use of a facilitation exemption that permits Bernstein to engage in transactions undertaken for the purpose of fulfilling, or facilitating the execution of, the customer block order (*e.g.*, hedging or other positioning activity undertaken in connection with the handling of a customer order). However, when engaging in trading activity that could affect the market for the security that is the subject of the customer block order, Bernstein and its associated persons must:

- minimize any potential disadvantage or harm in the execution of the customer's order;
- not place their financial interests ahead of those of its customer; and
- obtain the customer's consent to such trading activity.

The notice is intended to inform you of Bernstein's intent to rely on the facilitation exemption described above. If you do not consent to the facilitation exemption you may do so in writing. Please send your written notification to berncomply.bsg@bernsteinsg.com. If we do not receive such a notification from you, we will conclude that you consent to Bernstein relying on the facilitation exemption. If you require further information regarding this notification, please send an email to berncomply.bsg@bernsteinsg.com.

2.4. FINRA Rule 5320 – Prohibition Against Trading Ahead of Customer Orders

FINRA Rule 5320 generally provides that if a broker-dealer handling a client order in an equity security is prohibited from trading that security for its own proprietary account at a price that would satisfy the client order unless the broker-dealer immediately executes the client's order up to the size of its own order at the same execution price or better. While the rule applies broadly to all types of client orders, it provides exemptions that permit broker-dealers to trade for their own accounts provided certain conditions are met.

FINRA Rule 5320 does not require consent on an order-by-order basis, but rather allows for blanket consent to be obtained from clients to allow Bernstein to trade along with your orders. However, with a view toward having a precise understanding of your needs for each order, Bernstein requests trade along consent on an order-by-order basis.

Bernstein may execute for its own account, from time-to-time, at prices that otherwise might satisfy customer order flow. These principal account executions are typically executions in relation to market making activities, including trading activity in connection with capital commitment and bona-fide hedging activities (for options principal client facilitation) and error trades.

2.5. Compliance with Regulation NMS Order Protection Rule

The SEC's Order Protection Rule has a number of order handling obligations for securities exchanges, market makers and broker-dealers. The Order Protection Rule prohibits securities exchanges, market makers and broker-dealers from executing transactions outside ("trading through") the prevailing best bid or offer ("protected quotations"). Protected quotations are the best bid and offers on each of the various U.S. Exchanges, FINRA's Alternative Display Facility ("ADF") and other publicly displayed market venues. A trade through occurs when a market participant executes an order at a price that is inferior to the protected quotations for the subject security displayed in these markets. Therefore, Bernstein, as your executing broker-dealer, is prohibited from executing your order at a price that is lower (higher) than the best bid (offer) displayed in the market for the subject security, without simultaneously attempting to satisfy those better priced, protected quotations.

The Order Protection Rule contains a variety of exceptions, which under specific circumstances, permit the execution of the order to occur at prices that would otherwise be viewed as a trade through. However, where there are no exceptions available, Bernstein will utilize the required order type designated by the SEC (an Inter-market Sweep Order ("ISO")) to fulfill our regulatory obligation(s) to sweep the market and execute any better priced quotations. In instances where we may principally facilitate your order at a price outside the protected quotations, you may choose to waive the executions obtained by us via the ISOs. If you choose to waive those executions, we will still be required to satisfy those better priced quotations and the benefit of those executions will be factored into your negotiated price. You may choose to receive the ISO executions, in which case your transaction price will reflect those ISO executions and accordingly, may differ from the originally negotiated price. Regardless of your choice, you will receive the benefit of the

better priced quotations.

As a practice, we will provide you with all better priced ISO executions. You need not take any actions to elect to receive the better priced ISO executions.

2.6. Market Volatility Disclosure

Events show that the way some securities are traded is changing dramatically, and the change in trading methods may affect price volatility and cause increased trading volume. This price volatility and increased volume present new hazards to investors, regardless of whether trading occurs on-line or otherwise.

Delays. High volumes of trading at the market opening or intra-day may cause delays in execution and executions at prices significantly away from the market price quoted or displayed at the time the order was entered. Market Makers may execute orders manually or reduce their size guarantees during periods of volatility, resulting in possible delays in order execution and losses. Consequently, investors may receive executions away instead of at or near the quotes displayed on their computer screens.

Types of Orders. There is a difference between market and limit orders. Firms are required to execute a market order fully and promptly without regard to price and that, while a customer may receive a prompt execution of a market order, the execution may be at a price significantly different from the current quoted price of that security. Limit orders will be executed only at a specified price or better and that, while the customer receives price protection, there is the possibility that the order will not be executed.

Access. Customers may suffer market losses during periods of volatility in the price and volume of a particular security when systems problems result in inability to place buy or sell orders. Customers trading on-line may have difficulty accessing their accounts due to high Internet traffic or because of systems capacity limitations. Customers trading through representatives of Bernstein when on-line trading has been disabled or is not available because of systems limitations may have difficulty reaching account representatives on the telephone during periods of high volume. Bernstein may suspend customer access to exchanges during period of high volatility.

2.7. FINRA Rule 5131 - Orders for New Issues

To comply with FINRA Rule 5131, Bernstein does not accept market orders to purchase securities in the secondary market prior to commencement of secondary market trading in relation to an Initial Public Offering.

2.8. NYSE Rule 108 - Limitation on Members' Bids and Offers. subsection (a) On Parity

Please be advised that should part of your order be routed to a NYSE floor broker for execution, Bernstein generally allows the floor broker to be on parity with the NYSE Specialist for some or all of the associated executions provided that the executions are

consistent with best execution obligations. Should you object to this practice, you may inform us in writing of your objection so that we may act in accordance with your objection when handling your order.

2.9. FINRA 2124 - Net Transactions with Customers

Currently, Bernstein does not engage in “net trading” for our customers.

2.10. Step Out Trades

At times you may instruct Bernstein to “step out” to other broker-dealers a portion or all of the securities that we have purchased or sold on your behalf. You should understand that:

- Bernstein may be stepping out to the other broker dealer at a net price. If you are a money manager or investment adviser placing trades for your managed account(s), you may have certain independent disclosure obligations to your clients;
- you (or your managed accounts) will not be receiving a separate confirmation from us with respect to a step out trade;
- the trade cannot be used to generate research credits with us.

Again, no action is necessary unless you wish to alter the handling of your orders to reflect a net basis. If you wish to make any changes to these terms and conditions, please contact your salesperson promptly.

We will provide you with further information about any transaction we have executed on your behalf when requested. Please contact your salesperson should you have any questions regarding this matter.

2.11. Trading Authorizations

You may from time to time submit to Bernstein lists of individuals within your organization who are authorized to place trades on your behalf for execution. We recognize that authorized trading lists are useful to clients to ensure accurate order submissions to us. However, it is your ultimate responsibility to ensure that only authorized individuals within your firm can submit orders to us. In addition, it is your responsibility to raise any questions or concerns in a timely manner to us regarding any transactions executed on your behalf. We will make all reasonable attempts to ensure that the individuals placing orders on your behalf are individuals authorized by you.

2.12. Sell Long/Sell Short

When placing an order to sell a security “long”, you must represent to Bernstein that you own the security and will deliver the security in good deliverable form by settlement date of the transaction. If you do not deliver the security by settlement date, we may close out the transaction by purchasing like securities for your account and at your market risk.

When placing an order to sell a security "short", you are required to provide information to us relating to the location where the shares can be borrowed for delivery by settlement date of the transaction. You must communicate the name of the member firm ("MPID") where the "locate" has been obtained either electronically in the appropriate electronic field, or verbally to our sales-trader or trader. Failure to provide that information at the time of order submission requires us to contact you to obtain that information prior to submitting the order for execution, which could delay the execution of the order. By entering or providing the locate information, you are representing to us that you have already located, at a specific member firm, the required quantity in accordance with the regulatory requirements of Regulation SHO. If you do not deliver the security(ies) by settlement date, we may close out the transaction by purchasing like securities for your account, at your market risk, and may impose additional restrictions on you prior to accepting or executing further short sales.

You must also be aware that we are subject to Regulation SHO with respect to the failure to deliver long and/or short sales and will act in accordance with that rule with respect to the delivery of shares for long and/or short sales.

2.13. FINRA Rule 2265 - Extended Hours Trading Risk Disclosure

Bernstein conducts agency and riskless principal trading on behalf of our customers during regular market hours and generally do not conduct trading outside of regular market hours. Regular market hours for the U.S. securities markets are from 9:30 AM (Eastern) until 4:00 PM (Eastern).

From time to time, however, we will, upon customer request, trade securities during extended hours. Trading outside of regular market hours (i.e., prior to 9:30 AM and after 4:00 PM) carries a number of risks that you should be aware of prior to placing orders for execution. These risks include, but are not limited to, the following:

- ***Risk of Lower Liquidity:*** Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in the market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, or not at all.
- ***Risk of Higher Volatility:*** Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its prices swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price in extended hours trading than you would during regular market hours.
- ***Risk of Changing Prices:*** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular trading hours, or upon the

opening the next morning. As a result, you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.

- ***Risk of Unlinked Markets:*** Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.
- ***Risk of New Announcements:*** Normally, issuers make news announcements that may affect the price of their securities after regular trading hours. Similarly, important financial information is frequently announced outside of regular trading hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.
- ***Risk of Wider Spreads:*** The spread refers to the difference between the current bid to sell and offer to buy a security. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.
- ***Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value ("IIV"):*** For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. Since the underlying index value and IIV are not calculated or widely disseminated during extended hours trading sessions, an investor who is unable to calculate implied values for certain derivative securities products in those sessions may be at a disadvantage to market professionals.

We strongly recommend that customers wishing to conduct trading activities outside of regular market hours do so by placing limit orders in order to minimize the various risks of extended hours trading.

2.14. Special Statement Regarding Uncovered Options Writers

There are special risks associated with uncovered options writing that expose the investor to potentially significant loss. Therefore, this type of strategy may not be suitable for all customers approved for options transactions. Please read the following carefully:

- The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position and may incur large losses if the value of the underlying instrument increases above the exercise price.
- As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears the risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument.

- Uncovered option writing is thus suitable only for the knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. In this regard, if the value of the underlying instrument moves against an uncovered writer's options position, the investor's broker may request significant additional margin payments. If an investor does not make such margin payments, the broker may liquidate stock or options positions in the investor's account, with little or no prior notice in accordance with the investor's margin agreement.
- For combination writing, where the investor writes both a put and a call on the same underlying instrument, the potential risk is unlimited.
- If a secondary market in options were to be unavailable, investors could not engage in closing transactions, and an option writer would remain obligated until expiration or assignment.
- The writer of an American-style option is subject to being assigned an exercise at any time after he/she has written the option until the option expires. By contrast, the writer of a European-style option is subject to exercise assignment only during the exercise period.

NOTE: It is expected that you will read [Characteristics and Risks of Standardized Options](#). In particular, your attention should be directed to the chapter entitled Risks of Buying and Writing Options. This Special Statement is not intended to enumerate all of the risks entailed in writing uncovered options.

2.15. Electronic Trading and Order Routing System Controls

Electronic trading and order routing systems differ from traditional open outcry pit trading and manual order routing methods. Transactions using exchange-sponsored electronic system are often subject to the rules and regulations of the exchange(s) offering the system and/or listing the contract. Before you engage in transactions using an exchange sponsored electronic system, you should carefully review the rules and regulations of the exchange(s) offering the system and/or listing contracts you intend to trade.

2.16. Differences Among Electronic Trading Systems

Trading or routing orders through electronic systems varies widely among the different firms or exchanges offering electronic execution systems. You should consult with the firm and/or exchange regarding the various methods you can transmit orders and how those orders will be handled by the firm or exchange. In addition, you should familiarize yourself with various order delivery requirements and order handling processes the firm or the exchange may utilize in executing your order. Among other things, in the case of trading systems, the system's order matching procedure(s), opening and closing procedures and prices, error trade policies, and trading limitations or requirements; and in the case of all systems, qualifications for access and grounds for termination and limitations on the types of orders that may be entered into the system. Each of these matters may present different risk factors with respect to trading on or using a particular system. Each system may also

present risks related to system access, varying response times, and security. In the case of internet-based systems, there may be additional types of risks related to system access, varying response times and security, as well as risks related to service providers and the receipt and monitoring of electronic mail. With respect to our electronic program or algorithmic systems processes, it is important that you contact the Program and Algorithmic Trading group to obtain more details regarding how we undertake electronic trading on your behalf.

2.17. Risks Associated with System Failure

Trading through an electronic trading or order routing system exposes you to risks associated with system or component failure. In the event of system or component failure, it is possible that, for a certain time period, you may not be able to enter new orders, execute existing orders, or modify or cancel orders that were previously entered. System or component failure may also result in loss of orders or order priority.

2.18. Limitation of Liability

Firms and exchanges, including ourselves, offering an electronic trading or order routing system and/or listing the contract and software and communication system vendors may have adopted policies and rules to limit their liability and the amount of damages you may collect for system failure and delays. These limitations of liability provisions vary among the firms and exchanges. You should consult the firm and or exchange regarding their procedures or rules and regulations in order to understand these liability limitations.

3. OTHER TOPICS

3.1. FINRA Rule 4311 Disclosures – Clearing Services

Pursuant to FINRA Rule 4311, the following is a summary of the responsibilities allocated to Bernstein and SGAS pursuant to the Clearing Agreement between Bernstein and SGAS with respect to the DVP/RVP accounts at Bernstein for which SGAS provides clearing services.

Responsibilities of Bernstein:

- Approving and opening the account, including obtaining necessary documentation to verify Client's identity and help fight the funding of terrorism and money laundering activities;
- Servicing and supervising the account in accordance with its own policies and procedures and applicable laws;
- Accepting orders for securities transactions and transmitting such orders to market centers for execution and to SGAS for clearing and settlement;
- Resolving any complaints relating to your account; and

- Otherwise managing its relationship with you and the account.

Responsibilities of SGAS:

- Processing, clearing, and settling securities transactions;
- Sending transaction confirmations and account statements (when applicable);
- In limited circumstances, acting as custodian for funds and securities;
- Assisting Bernstein with resolving any discrepancies or errors that may occur in the processing of transactions; and
- Maintaining records of transactions executed through the account.

SGAS acts in a limited capacity when clearing transactions for your account. SGAS's responsibilities with respect to your account are limited to the responsibilities that are specifically allocated to SGAS and/or that are required under applicable laws. SGAS is not responsible for (i) supervising the activities of Bernstein or its employees, (ii) verifying the information provided by Bernstein regarding your account or the transactions processed for your account or (iii) reviewing the appropriateness of any transactions for your account that are submitted to SGAS for clearance and settlement.

3.2. FINRA BrokerCheck

In accordance with the Financial Industry Regulatory Authority ("FINRA") rules pertaining to investor education and protection, you should know that FINRA BrokerCheck can be reached [here](#) or at (800) 289-9999. A copy of a brochure that includes important information regarding FINRA BrokerCheck may be obtained by contacting [BrokerCheck](#).

3.3. SIPC

Bernstein and SGAS are members of the Securities Investor Protection Corporation ("SIPC"), which protects securities customers of its members up to \$500,000 (including \$250,000 for claims for cash). More information about SIPC protections is available upon request [here](#) or by phone at (202) 371-8300.

3.4. No FDIC Insurance

Neither Bernstein nor SGAS is a bank. Securities and other non-deposit investment products recommended, offered or sold by Bernstein and/or SGAS are not insured by the Federal Deposit Insurance Corporation ("FDIC"), are not a deposit or other obligation of, or guaranteed by, a depository institution and are subject to investment risks, including possible loss of the principal amount invested.

3.5. Business Continuity Plan

Bernstein and SGAS each maintain a business continuity plan. Details regarding

Bernstein's plan made be found [here](#). SGAS's plan may be found [here](#).

3.6. SGAS Financial Disclosure

SGAS will make available for inspection by a customer, upon request, the information relative to its financial condition that is disclosed in its most recent balance sheet prepared either in accordance with its usual practice or as required by any State or Federal securities laws, or any rule or regulation thereunder. The term "customer" in this context includes any person other than:

- another broker or dealer who is exempted by paragraph (c)(1) of SEC Rule 17a-5(c)(1);
- a general, special or limited partner or director or officer of a broker-dealer, or;
- any person to the extent that such person has a claim for property or funds which by contract, agreement or understanding, or by operation of law, is part of the capital of the broker or dealer or is subordinated to the claims of creditors of the broker or dealer, for or with whom a broker or dealer has effected a securities transaction in a particular month, which month shall be either the month preceding the balance sheet date or the month following the balance sheet date in which the statement is sent. The term "customer" also includes any person for whom the broker or dealer holds securities for safekeeping or as collateral or for whom the broker or dealer carries a free credit balance in the month in which customers are determined for purposes of SEC Rule 17a- 5(c).

Please be advised that SGAS delivers the Statement of Financial Condition to all customers on a semiannual basis.

3.7. Options Disclosures

If you trade options through Bernstein, you acknowledge that you are aware of and agree to be bound by the rules of FINRA applicable to the trading of option contracts. If you engage in transactions in options issued by The Options Clearing Corporation ("OCC"), other than solely for OCC Cleared OTC Options, you acknowledge that you have received a copy of the [Options Disclosure Document](#) titled "Characteristics and Risks of Standardized Options," which summarizes the risk factors involved in options trading, and you have determined that, in view of your financial situation and investment needs and objectives, options trading is not unsuitable for you. You acknowledge that you are aware of and agree to be bound by (i) the rules of the OCC and (ii) the position limits established pursuant to FINRA Rule 2360(b)(3) and the exercise limits established pursuant to FINRA Rule 2360(b)(4).

3.8. Privacy Policy

It is the policy of Bernstein and SGAS to protect the privacy of our clients and their trading activity. We treat clients' information as confidential and recognize the importance of

protecting that information. We will not share client information with others, except to effect trade settlement and in the case of a bona fide regulatory request. Please see our Privacy Policy [here](#).

3.9. Anti-Money Laundering

Important Information About Procedures for Opening a New Account Under the USA PATRIOT Act of 2001

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth for individuals, and any other information that will allow us to identify you. In certain situations, we may also ask to see a form of identification with your photograph. For entities we may request beneficial ownership information or ask to see formative documents, and for private investment vehicles and trusts we may ask to see evidence of source of funds and beneficial ownership or other identifying documents.

Special Measures (Section 311) Customer Notification

The U.S. Department of the Treasury requires the following notification:

Pursuant to U.S. regulations issued under Section 311 of the USA PATRIOT Act, 31 USC 5318A, Bernstein is prohibited from establishing, maintaining, administering, or managing an account for, or on behalf of:

Iranian financial institutions as defined in 31 CFR 1010.661(a); ABLV Bank or any of its branches, offices, and subsidiaries; Bank of Dandong or any of its branches, offices, and subsidiaries; the Commercial Bank of Syria or any of its branches, offices, or subsidiaries (including Syrian Lebanese Commercial Bank); North Korean banking or financial institutions as defined in 31 CFR 1010.659; and/or FBME Bank, Ltd. or any of its branches, offices, and subsidiaries (collectively "Section 311 Entities").

The regulations also require us to notify you that your account with our financial institution may not be used to provide services to or on behalf of, or involve, any of the Section 311 Entities. If any Section 311 Entities are found to be indirectly using or accessing the account you hold at our financial institution, we will be required to take appropriate steps to prevent such access, including terminating your account.

Office of Foreign Assets Control

Bernstein and SGAS must comply with the sanctions administered and enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("[OFAC](#)") and any other related U.S. laws and regulatory requirements, whether as a matter of law or Bernstein policy. In addition, Bernstein and SGAS comply with the European Union ("EU")

sanctions and restrictive measures which apply across all its member states (available [here](#)) as well as sanctions imposed by the United Nations. OFAC sanctions prohibit or restrict Bernstein from engaging in activity that involves sanctioned persons or comprehensively sanctioned countries and regions. Depending on the particular sanctions, Bernstein may be required to freeze assets, reject transactions, not extend credit or provide services, or take other specific actions. Bernstein and SGAS are prohibited from engaging in or facilitating transactions that have any connection to sanctioned countries or regions unless such activity is exempt from the prohibitions or is subject to a general or specific OFAC license. Except as specifically authorized or permitted by OFAC and other applicable sanctions regulations, Bernstein customers must ensure that none of their investments, services, goods or trade involving sanctioned persons, countries or regions are sent to or processed through Bernstein or SGAS or are funded or otherwise facilitated by financing provided by Bernstein or SGAS. Bernstein will take appropriate action, including potentially blocking (i.e., freezing) or rejecting funds, with respect to transactions that appear to violate applicable sanctions.

3.10. ERISA Section 408(b)(2) Disclosure

Disclosure Audience

This disclosure is provided by Bernstein and SGAS to the responsible fiduciaries of employee benefit pension plans (“Plans”) that are subject to the Employee Retirement Income Security Act of 1974, as amended, (“ERISA”).

If you are not the responsible plan fiduciary authorized to engage service providers for the services described herein, please forward this disclosure to the appropriate fiduciary. If you have questions about Bernstein’s SGAS’s services, compensation or any arrangement with respect to a Plan, please email Bernstein at berncomply.bsg@bernsteinsg.com or SGAS at client.notices@sgcib.com.

Disclosure to Fiduciaries of Employee Benefit Plans

ERISA is a US Federal law that regulates US private sector employee benefit plans and sets forth certain minimum standards with respect to such plans. This disclosure is being provided to fiduciaries in connection with the US Department of Labor regulation (“408(b)(2) Regulation”) relating to the application of the prohibited transaction exemption. Section 408(b)(2) of ERISA provides an exemption from the prohibited transaction rules of ERISA with respect to the provision of services to a Plan by a party in interest if (i) the contract or arrangement is reasonable, (ii) the services are necessary for the establishment or operation of the Plan and (iii) no more than reasonable compensation is paid for the services. The 408(b)(2) Regulation sets forth certain disclosure obligations for certain “covered service providers” to Plans. This disclosure document is based on currently available guidance with respect to the 408(b)(2) Regulation.

It should be noted that other prohibited transaction exemptions under ERISA may be available to provide relief for the transactions described herein, or relief may not be

required. This disclosure does not limit the application of any other exemptions Bernstein or SGAS may rely on instead of ERISA section 408(b)(2). Bernstein and SGAS receive compensation in connection with the services they perform for Plans and such compensation is disclosed below and in the other agreements, disclosures, notices and documents Bernstein and SGAS has provided. This document should be read in connection with any other agreements, disclosures, notices or other documents provided by Bernstein and SGAS and other relevant third parties relating to the services set forth below.

Status

Unless otherwise noted in writing, neither Bernstein nor SGAS is acting as and should not be considered to be acting as a Plan's fiduciary within the meaning of Section 3(21) of ERISA in connection with the provision of the services described herein. Bernstein acts as an investment adviser with respect to research services solely when the client pays Bernstein compensation in a manner that constitutes special compensation under the Investment Advisers Act of 1940, such as separate or "hard dollar" cash payments.

Brokerage and Research Services

As further described in your applicable agreement(s) with Bernstein and SGAS and in this letter, Bernstein provides execution services as a broker in connection with the purchase and sale of equities and equity options, and SGAS provides clearance and settlement services in connection with such securities. Bernstein pursues different execution strategies consistent with our best execution obligation.

Bernstein also provides investment research services.

Direct Compensation

Bernstein generally charges a commission in connection with trades executed on behalf of Plans when acting as agent. Bernstein's commission for services rendered is agreed to with the Plan and/or the responsible Plan's fiduciary. The commission charged may vary depending upon several factors, including, among others, (1) type of security, (2) prevailing market conditions, (3) size of the transaction, (4) market volume, (5) relevant trading desk and exchanges or trading venues used, and (6) account size. Given the foregoing, it is very difficult to quantify what a Plan might expect to pay in the form of commissions, which are determined by Bernstein on a client-by-client basis. Specific commission schedules are agreed to with each Plan, and commissions are fully transparent and disclosed in every trade confirmation.

The fees that Bernstein charges clients, including Plans, for research services will vary as a result of the overall client relationship and the types of research services the client elects to receive from Bernstein. The fees for Bernstein's research services, and the method for payment, are disclosed in our agreement with the client.

Indirect Compensation

Bernstein routes orders to exchanges, alternative trading systems (“ATS”), electronic communication networks, broker-dealers and other trading venues (“Execution Venues”). As is the case with other executing broker-dealers and futures commission merchants, Bernstein has fee and potential rebate schedules established by such Execution Venues. Any fee and potential rebate schedule at an Execution Venue is based on Bernstein’s volume and factors outside our control including competition among the Execution Venues, overall market conditions and U.S. regulations. Whether and to what extent any such benefits are received is generally dependent upon different factors, including, among others, which venue is utilized, volume of transactions or orders and whether Bernstein provides or takes net liquidity. Execution Venues frequently revisit fee and potential rebate schedules for all clients (not just Bernstein). As a result, it is not possible to predict with reasonable certainty any indirect compensation, if any, that Bernstein may receive from a Plan’s particular order. In general, Bernstein expects to incur a net charge rather than receive any credit rebate from any Execution Venue. Further information on fee schedules for Execution Venues can be found at their respective websites.

For a listing of the primary US options exchanges to which Bernstein routes customers’ orders, please see Bernstein’s SEC Rule 606 [here](#).

Payments to SGAS for Clearing Services

Pursuant to the Clearing Agreement between Bernstein and SGAS, Bernstein will pay compensation to SGAS that reimburses SGAS for its costs of providing the services, plus a mark-up. This compensation is not transaction-based.

Compensation for Termination of Contract or Arrangement

Except as otherwise specifically provided in the document(s) governing the provision of services, Bernstein and SGAS does not reasonably expect to receive compensation in connection with the termination of a contract or arrangement other than previously incurred but unpaid amounts.

Compensation Among Related Parties

Bernstein may, in connection with a transaction for a Plan executed on a non-US exchange, share part of its commission with a non-USA affiliate of Bernstein or SGAS that ultimately executed the transaction on the relevant exchange based on an agreement between parties. As described above, Bernstein will compensate SGAS for the services that SGAS provides for the clearing and settlement of your transactions.

Non-Monetary Compensation; Conferences

Bernstein and SGAS employees may from time to time receive gifts or entertainment (including, for this purpose, meals) from service providers with whom they may engage in business dealings on behalf of clients (including Plans) or attend conferences hosted by third parties. However, given the nature of Bernstein’s and SGAS’s businesses, they reasonably believe that any gifts and entertainment received by their (or their affiliates’)

employees are received in the context of a general business relationship and should not be viewed as attributable or allocable to any transactions engaged in on behalf of their clients, including Plans. Bernstein and SGAS and their affiliates maintain policies and procedures relating to their gifts and entertainment activities in response to numerous laws and regulations. Bernstein and SGAS do not expect to receive gifts with respect to any specific Plan in excess of the de minimis threshold established under the DOL's regulations and guidance.

Existing Contract or Agreement

This disclosure is not intended to replace or amend any contract or agreement governing the services described herein. In the event of any inconsistency between this disclosure and any existing agreement or contract, the provisions of the contract or agreement will govern. This disclosure should not be regarded as constituting an agreement for services and, further, the information herein should not be regarded as any guarantee regarding the pricing of services.

3.11. Voice Recording Disclosure

Bernstein may record telephone conversations with your trading, marketing and other personnel. By transacting with Bernstein, you are deemed to have consented, to the extent permitted by applicable law, to the submission of such recordings as evidence in any legal proceedings, or to the submission of such recordings to any regulator, court or other authority having jurisdiction over Bernstein, upon request.

3.12. Complaints

You may contact Bernstein or SGAS with any complaints at the addresses or telephone numbers listed below:

Bernstein Institutional Services
Attn: Compliance Department
2nd Floor
245 Park Avenue
New York, New York 10167
212-278-6000

SG Americas Securities LLC
Attn: Compliance Department
245 Park Avenue
New York, New York 10167
212-278-6000

4. LINKS TO VARIOUS REGULATORY AND EXCHANGE RULE BOOKS

We have not attempted to cite every applicable rule number in this letter. Below are links to the main webpage for various regulators and SROs and to their rule books. The below organizations may from time to time update their rules or change the links to their rule books. You should be aware that we do not routinely review for the accuracy of the below links, especially if the identified body were to alter or move its website address. The information is being provided to you as service in some cases and as a regulatory requirement in others. If the below link does not resolve, we suggest that you perform an internet search for the rule book in question in those instances.

[Securities and Exchange Commission](#)

[Rule Book](#)

[FINRA](#)

[Rule Book](#)

[Options Clearing Corp.](#)

[Rule Book](#)

[CBOE Exchanges](#)

CBOE

[Rule Book](#)

CBOE: BZX, BYX, EDGA, EDGX

[Rule Books](#)

[Nasdaq Exchanges](#)
(ICE, BX, PHLX)

[Rule Books](#)

[NYSE Exchanges](#)
(NYSE, American, Arca, National, Chicago)

[Rule Book](#)

[Investors Exchange \("IEX"\)](#)

[Rule Book](#)

5. CONCLUSION

We are providing this notice for informational purposes. Please contact your sales representative if you have any questions or concerns regarding this notice.

As a valued customer, we thank you for your valuable time and consideration in reading this letter.

Sincerely,

Bernstein Institutional Services LLC and SG Americas Securities LLC