

The Most Compelling Planning Opportunities Today



Equity Markets Have Rallied

MSCI World: Growth of \$100 Oct 31, 2007–Sep 30, 2009



Source: FactSet, MSCI and AllianceBernstein

Sentiment Was Grim

■ **“Is this the end of capitalism?”**

—*Wall Street Journal*, Apr 2

■ **“Fear of depression concentrates minds”**

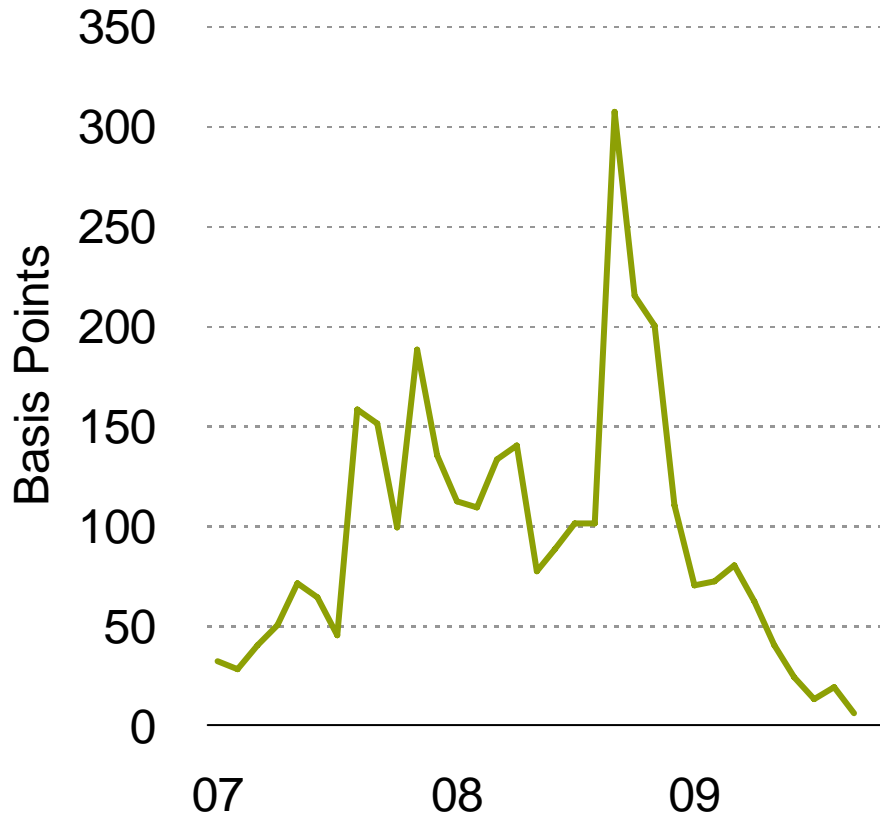
—*Financial Times*, Apr 2

■ **“From bubble to Depression?”**

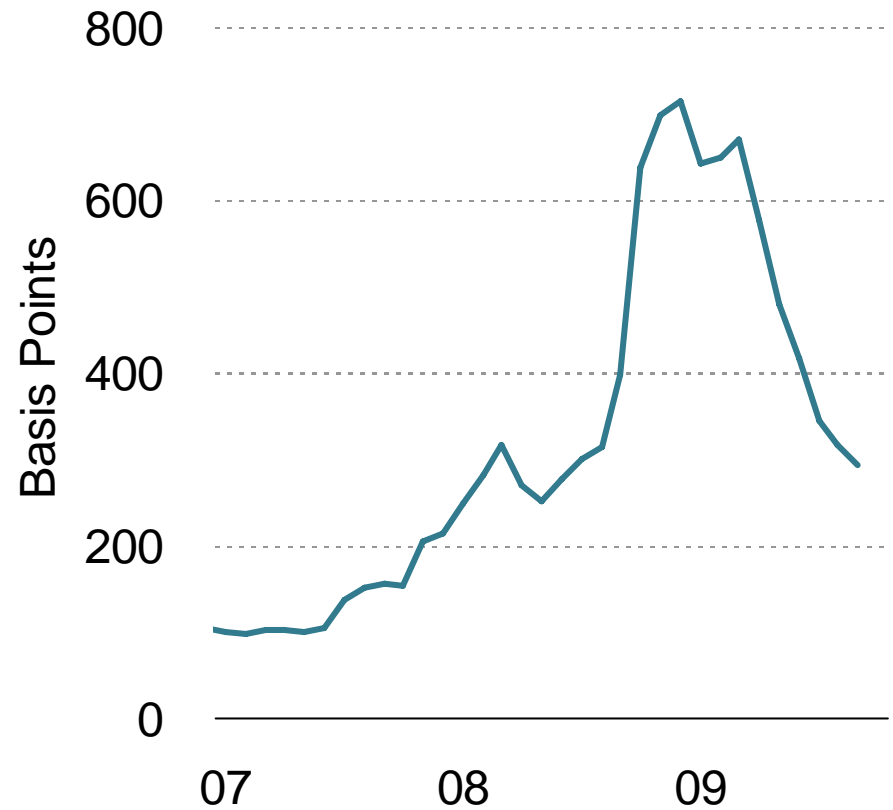
—*Wall Street Journal*, Apr 6

Global Financial Meltdown Is Behind Us

US Interbank Cash Spreads*



Global BBB Corporates Spreads vs. Government Bonds



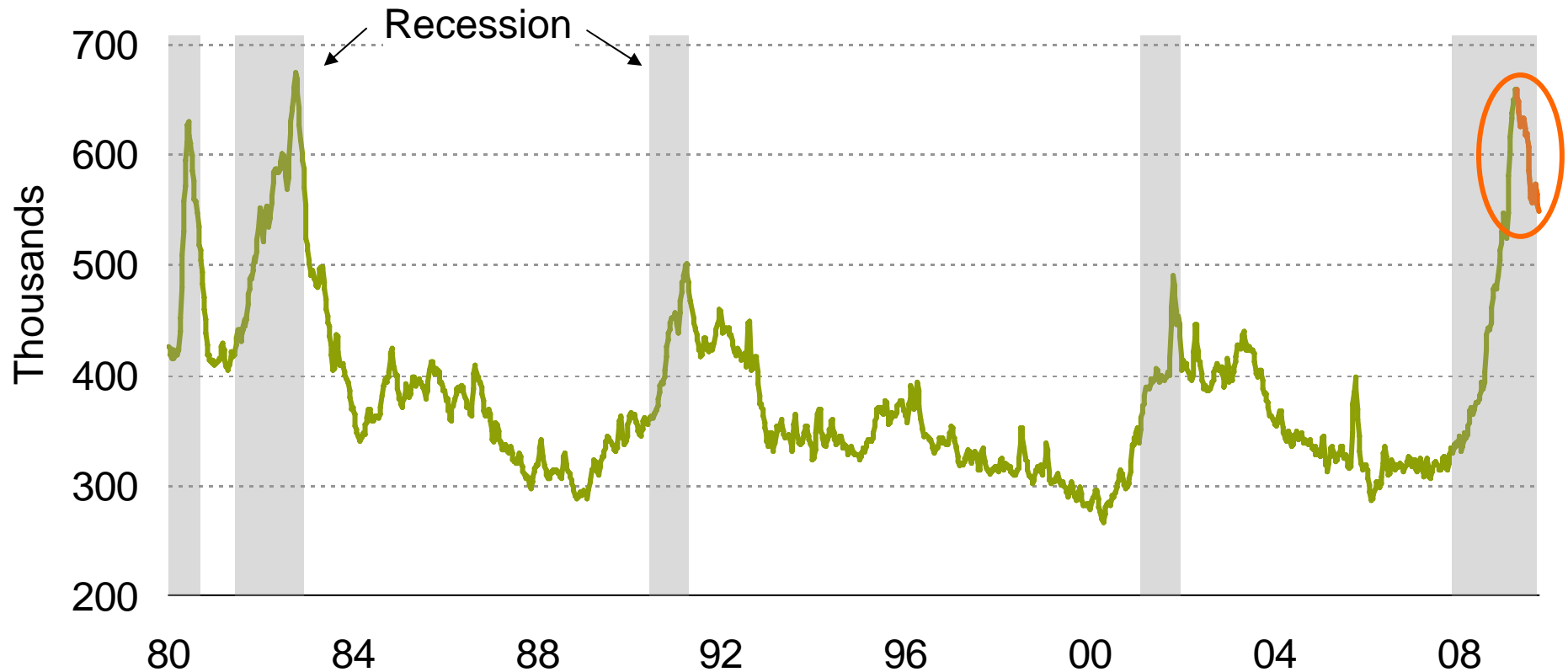
Through September 30, 2009

*Three-month USD LIBOR versus three-month US Treasury bills

Source: Barclays Capital, Bloomberg and AllianceBernstein

Slowdown in Job Losses Typically Precedes Recovery

US Unemployment Insurance: Initial Claims



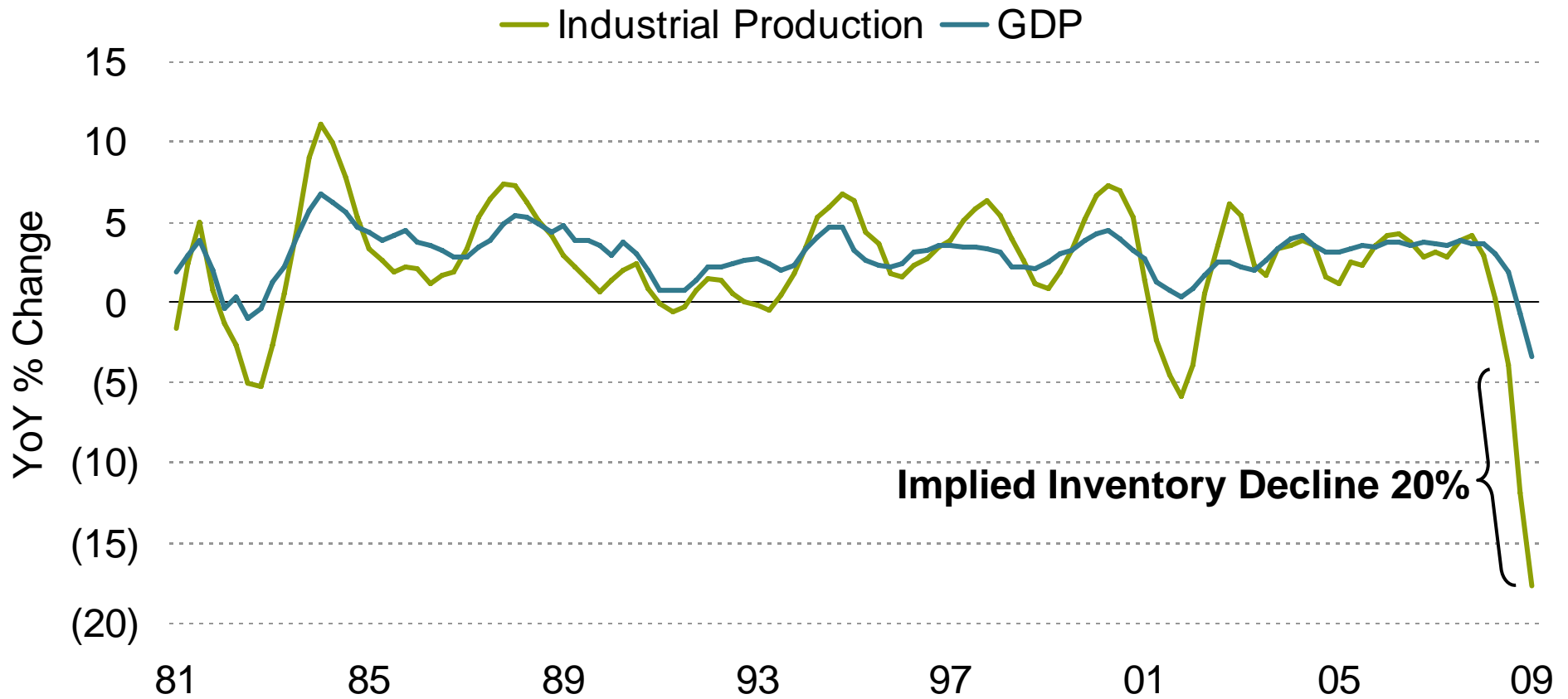
Through September 30, 2009

Four-week moving average

Source: Haver Analytics, National Bureau of Economic Research, US Department of Labor and AllianceBernstein

Production Collapse Points to Huge Inventory Drawdown

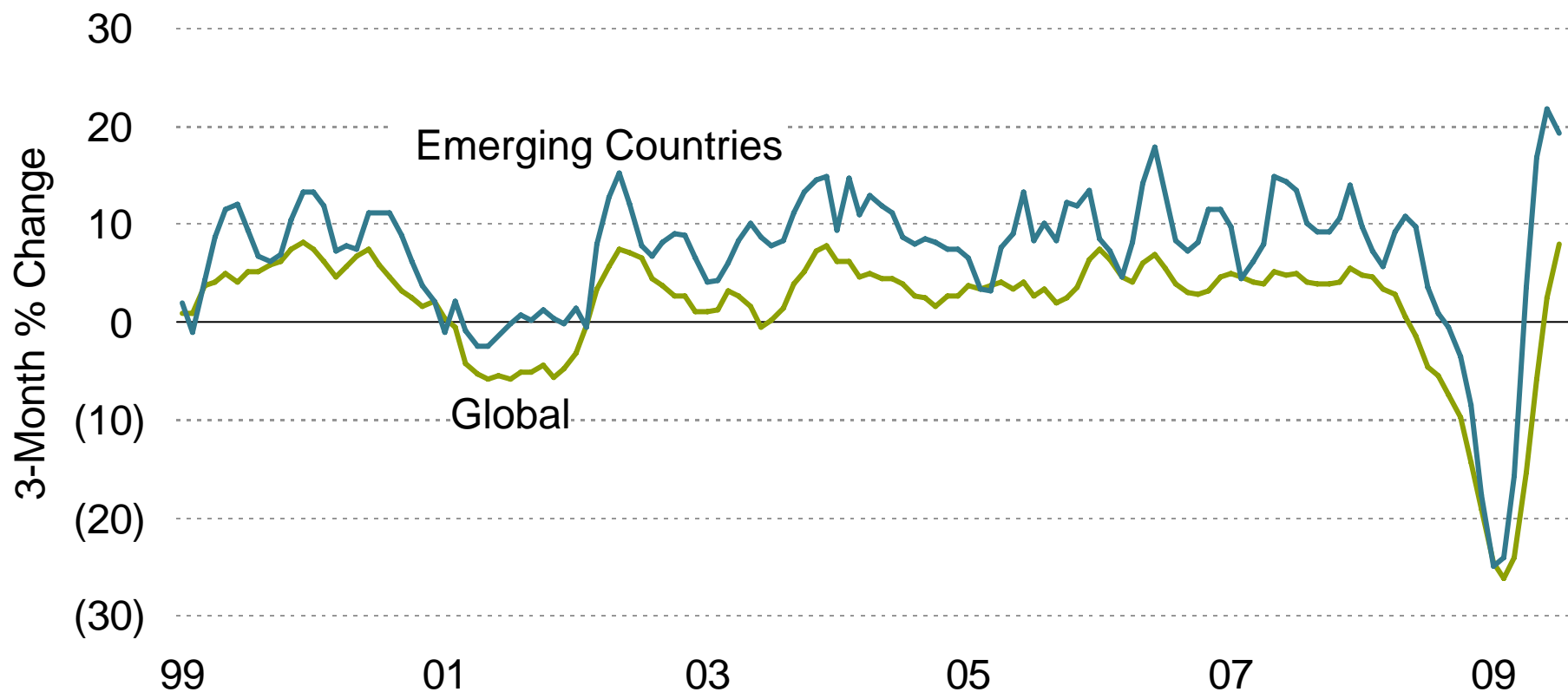
Global Real GDP and Industrial Production



Through March 31, 2009
Source: Haver Analytics and AllianceBernstein

Industrial Production Has Recovered as Companies Rebuild Inventories

Industrial Production



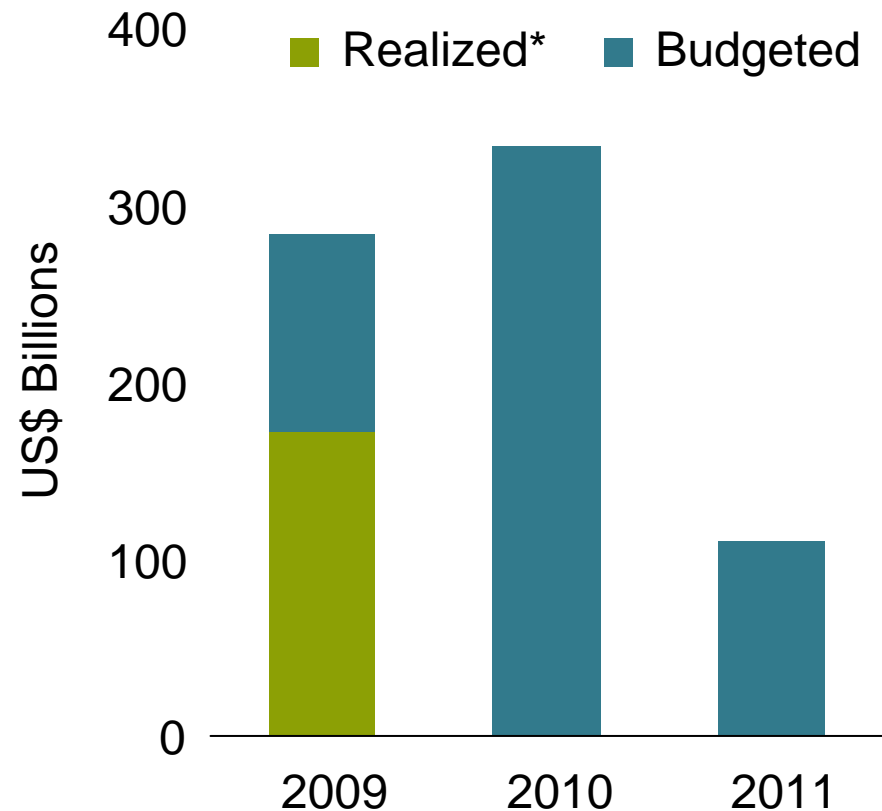
Through July 31, 2009
Source: Haver Analytics and AllianceBernstein

Significant Fiscal Stimulus Remains in Pipeline

2009 Fiscal Stimulus

	US\$ Bil.	% GDP
United States	\$280	2.0%
Europe	128	0.9
Japan	147	2.9
Asia ex Japan	278	2.9
Latin America	35	1.2
Eastern Europe	69	2.8
Global	\$969	2.0%

US Fiscal Stimulus



As of September 15, 2009

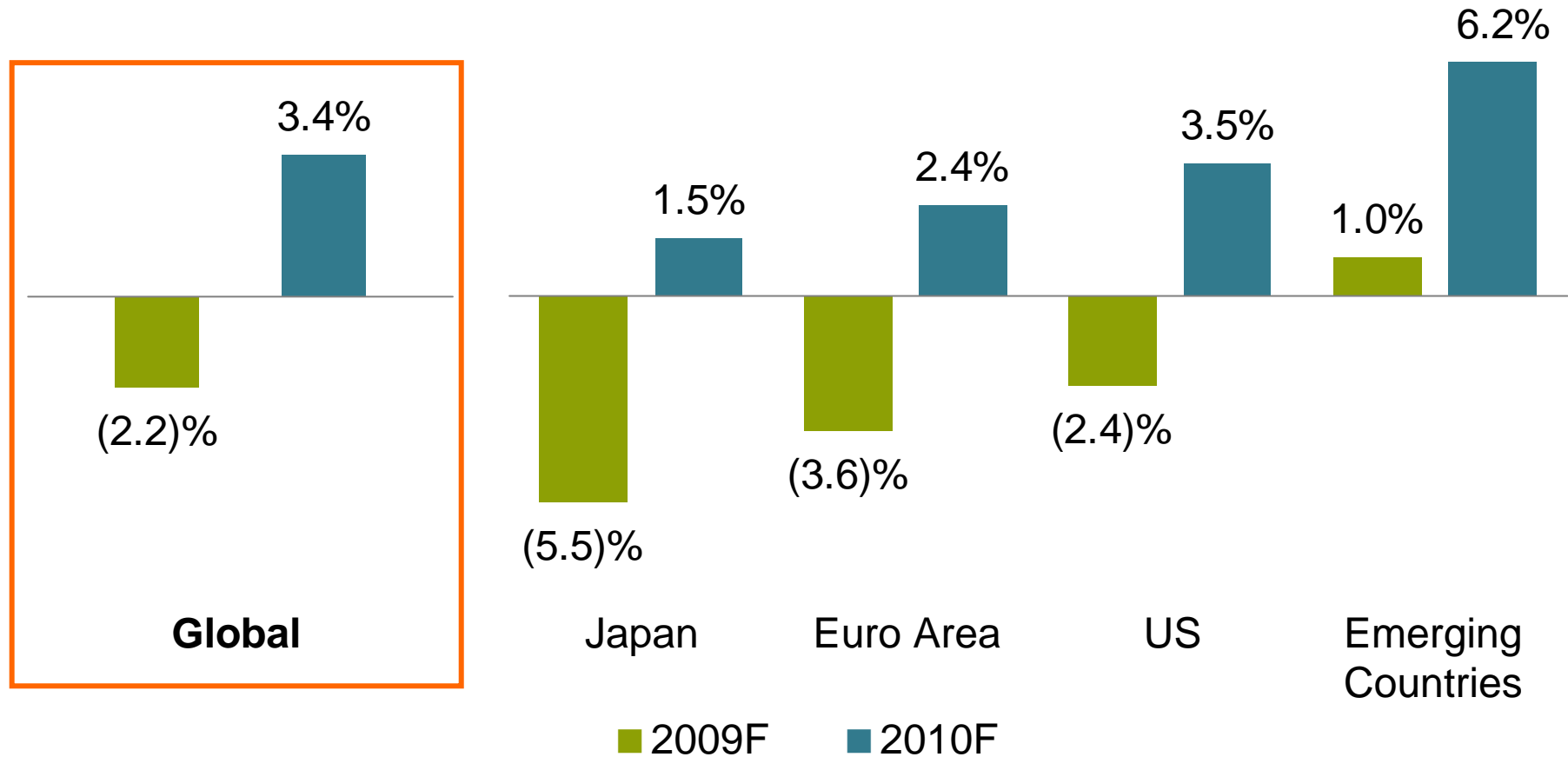
Includes increases in federal spending and tax cuts to individuals and businesses. Direct aid to specific firms or sectors is not included.

*Includes realized tax cuts and amount paid out

Source: Congressional Budget Office, Recovery Accountability and Transparency Board, US federal agency financial and activity reports, and AllianceBernstein

2010 Outlook Is Brighter, Though Still Modest by Historical Standards

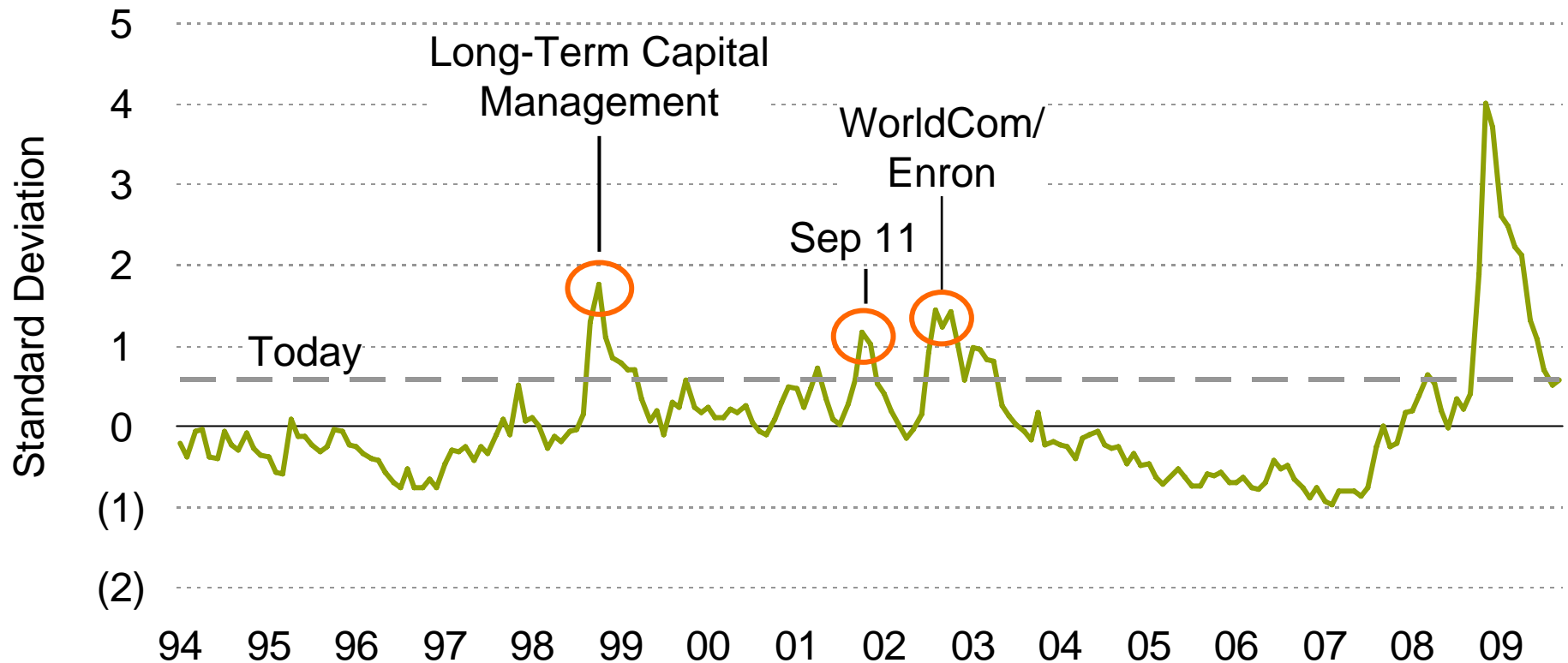
GDP Forecasts



As of October 1, 2009
Source: AllianceBernstein

Risk Aversion Has Declined but Remains Elevated

Global Risk Aversion Indicator



Through September 1, 2009

Incorporates equity index-implied volatilities, bond spreads, currency index-implied volatilities and equity mutual fund flows

Source: Bloomberg, Investment Company Institute and AllianceBernstein

Continuing Risks

- Credit availability
 - Credit markets are normalizing, but it's still expensive to raise capital

- Consumers—particularly in the US
 - Persistently high unemployment and uncertainty hamper consumer spending

- Fiscal and monetary policy
 - Can governments unwind the programs they've put in place?

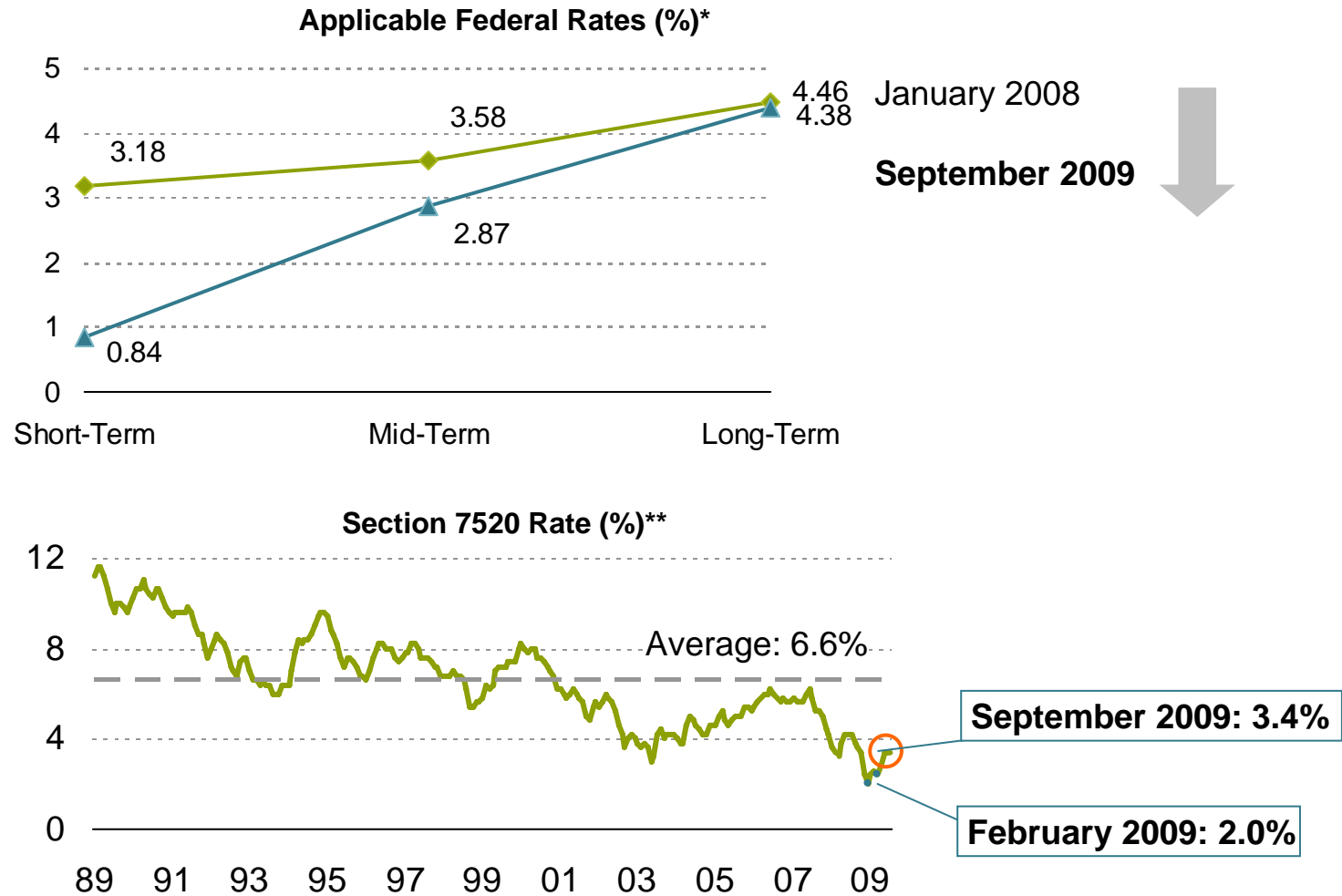
Investors Fled to Safety, Driving Treasury Yields to Near Zero

US Three-Month Treasury Yield



Through July 31, 2009
Source: Bloomberg and AllianceBernstein

The AFRs and the 7520 Rate Have Fallen Dramatically



*Section 1274(d) of the Internal Revenue Code of 1986, as amended (Code)

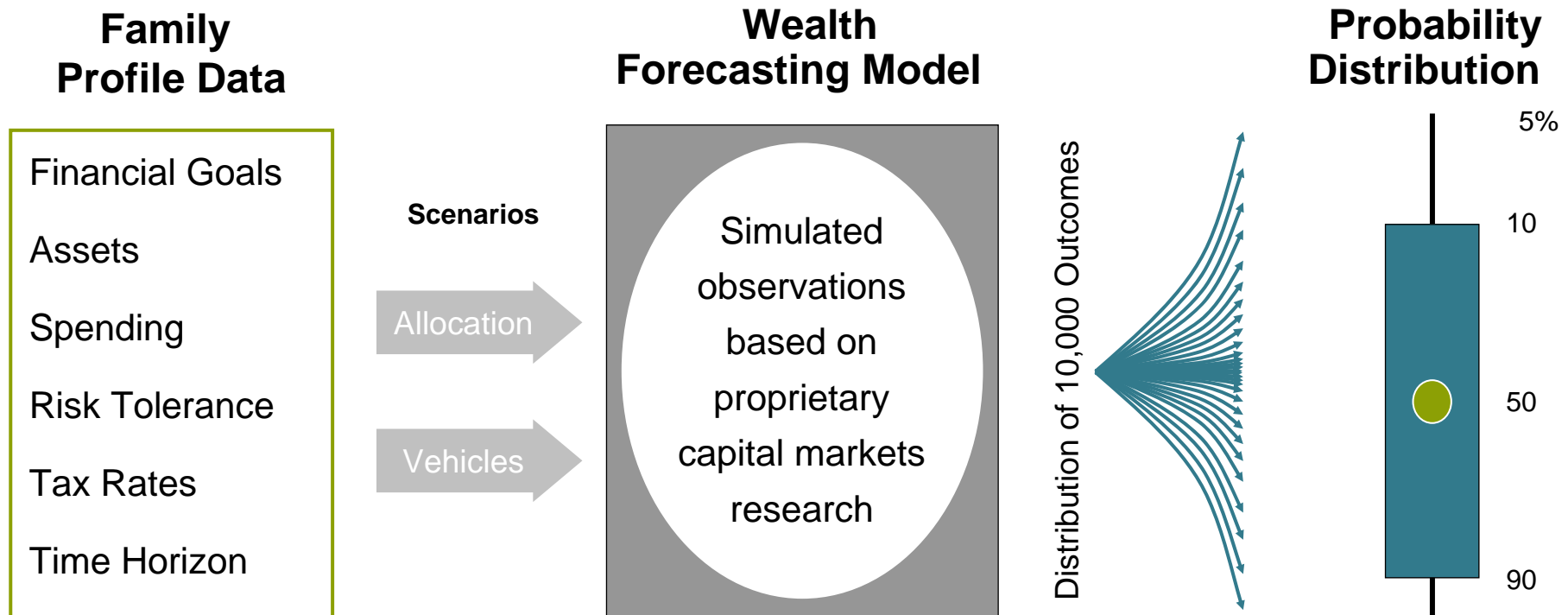
**Code Section 7520 as of September 2009

Source: Internal Revenue Service (IRS) and AllianceBernstein

Important Questions to Be Addressed or Readdressed Today

- Do I have enough to live on for my lifetime?
- What are the best planning opportunities today?
- How much wealth can I transfer with the different strategies?
- What about anticipated changes in tax law?

Quantifying Today's Opportunity—the Wealth Forecasting System



- Based upon the current state of the capital markets
- Prospective returns
- Forecasts returns for 30+ asset classes and 16 different planning vehicles
- Tracks wealth of G1, G2, G3, charity after income and transfer taxes

Basic Planning

Can I Still Afford to Make Gifts? Core vs. Excess Capital



Core Capital

- Amount to ensure spending needs are met
- Calculated at 95% level of confidence

- How much do you spend?
- What is your age?
- What is your risk tolerance?

Excess Capital

- Amount that can be transferred

- How much?
- To whom?
- How quickly?
- What techniques?

Age and Spending Determine Core Capital

Example
 60-Year-Old Couple
 Spending Needs: \$400K
 ÷ Spending Rate: 3.2%
 = Core Capital: \$12.5 Mil.

Sustainable After-Tax Spending Rate in Hostile Markets*

Age	50	55	60	65	70	75	80	85
Spending Rate	2.8%	3.0%	3.2%	3.5%	3.9%	4.4%	5.1%	6.0%

Annual Spending

Core Capital Amounts (\$ Millions)

\$100,000	\$3.6	\$3.3	\$3.1	\$2.9	\$2.6	\$2.3	\$2.0	\$1.7
\$200,000	7.1	6.7	6.3	5.7	5.1	4.5	3.9	3.3
\$300,000	10.7	10.0	9.4	8.6	7.7	6.8	5.9	5.0
\$400,000	14.3	13.3	12.5	11.4	10.3	9.1	7.8	6.7
\$500,000	17.9	16.7	15.6	14.3	12.8	11.4	9.8	8.3
\$750,000	26.8	25.0	23.5	21.4	19.2	17.0	14.7	12.5
\$1.0 Mil.	35.7	33.3	31.3	28.6	25.6	22.7	19.6	16.7

Data do not represent past performance and are not a promise of actual future results.

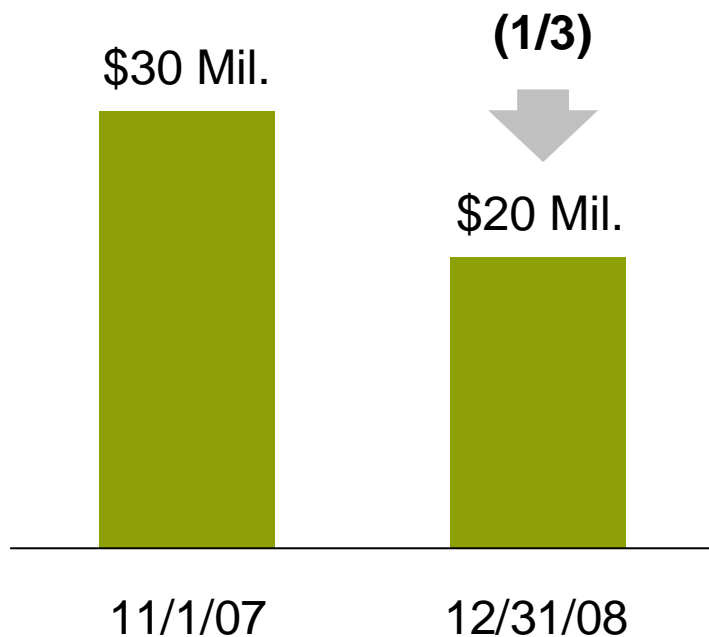
*These spending rates are for couples and assume an allocation of 60% globally diversified stocks (35% US Value and 35% US Growth, 25% developed foreign markets, 5% emerging markets) and 40% diversified intermediate-term municipal bonds. Spending is percentage of initial value of portfolio grown with inflation; sustainable spending rates assume maintaining spending with a 95% level of confidence. Based on Bernstein estimates of the range of returns for the applicable capital markets over the periods analyzed. See Notes on Wealth Forecasting at the end of this presentation for further details.

All information on longevity and mortality-adjusted investment analyses in this study are based on mortality tables compiled in 2000. In our mortality adjusted analyses, the lifespan of an individual varies in each of our 10,000 trials in accordance with mortality tables.

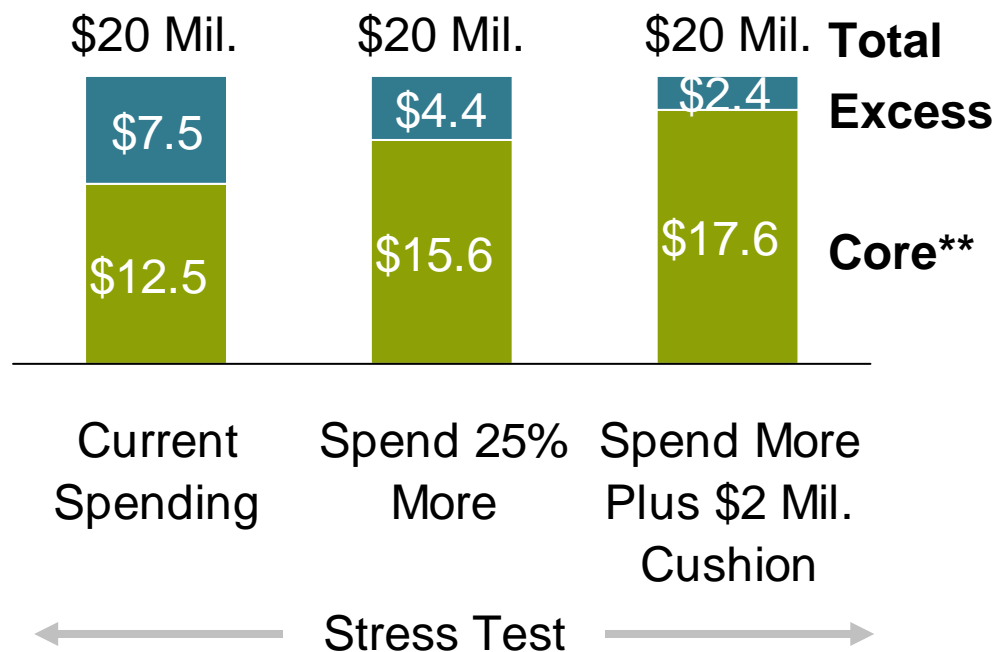
Source: Society of Actuaries RP-2000 mortality tables and AllianceBernstein

Many Clients Still Have Excess Capital Despite Downturn

Balanced Portfolios*



Core vs. Excess Capital



Data do not represent past performance and are not a promise of actual future results.

*Balanced portfolio defined as 60% stocks/40% bonds. Cumulative return from 11/1/2007 through 12/31/2008 for 60/40 portfolio is (28)% (42% S&P 500, 15% MSCI EAFE, 3% MSCI Emerging Markets, 40% Lipper Int. Municipal Bond Fund Avg.).

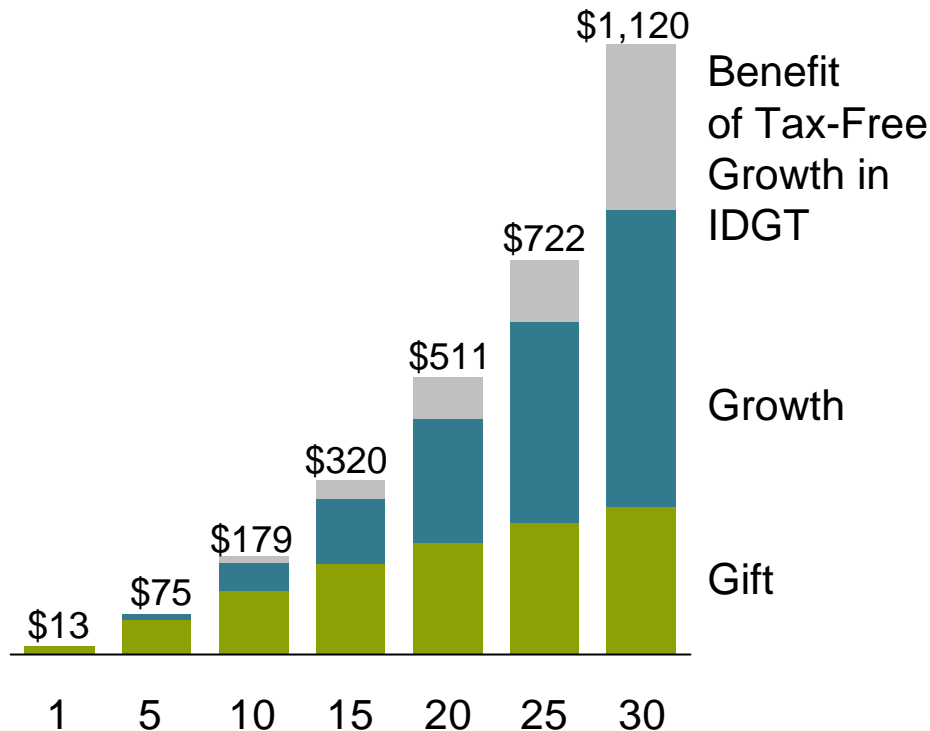
**Required starting assets for a 60-year-old couple to maintain spending with a 95% level of confidence assuming an allocation of 60% globally diversified stocks (35% US Value and 35% US Growth, 25% developed foreign markets, 5% Emerging Markets) and 40% diversified intermediate term municipal bonds. Current spending is \$400,000/year grown with inflation. Based on Bernstein estimates of the range of returns for the applicable capital markets over the periods analyzed. See Notes on Wealth Forecasting at the end of this presentation for further details.

Source: AllianceBernstein

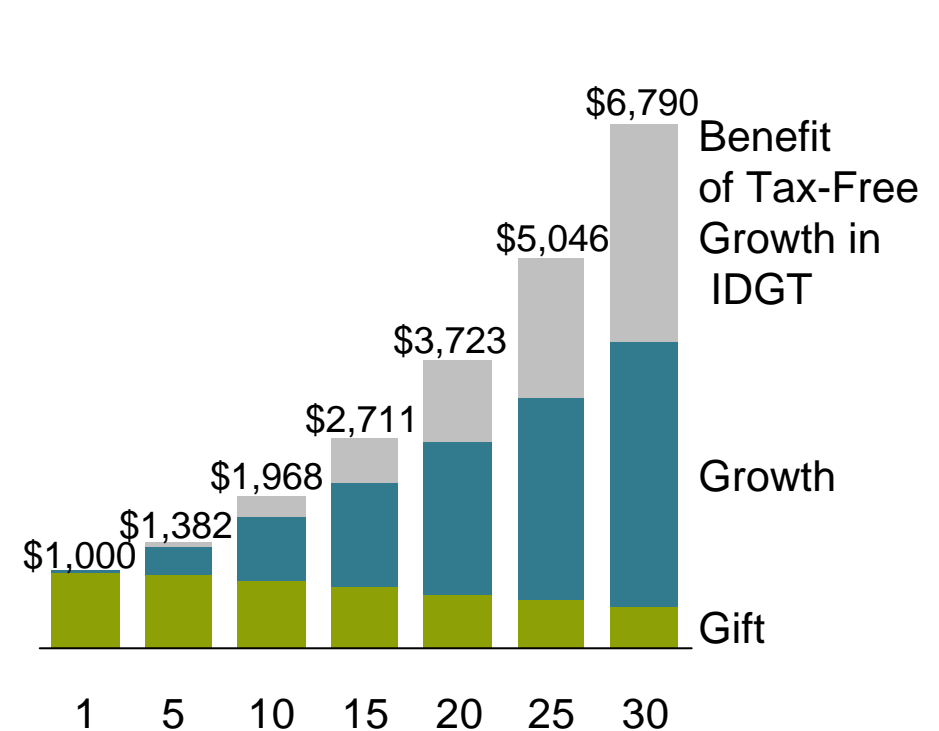
Basic Gifting, Grantor Trusts, Growth and Time

Amount Transferred (Median Results, After Inflation)

Annual Exclusion Gifts (Per Donee, \$000)



\$1 Million Lifetime Exclusion Gift (\$000)



Data do not represent past performance and are not a promise of actual future results or a range of results.

All accounts are invested in 100% globally diversified equities. Based on Bernstein estimates of the range of returns for the applicable capital markets over the duration of the analysis. See Notes on Wealth Forecasting at the end of this presentation for further details.

Source: AllianceBernstein

Advanced Wealth Transfer

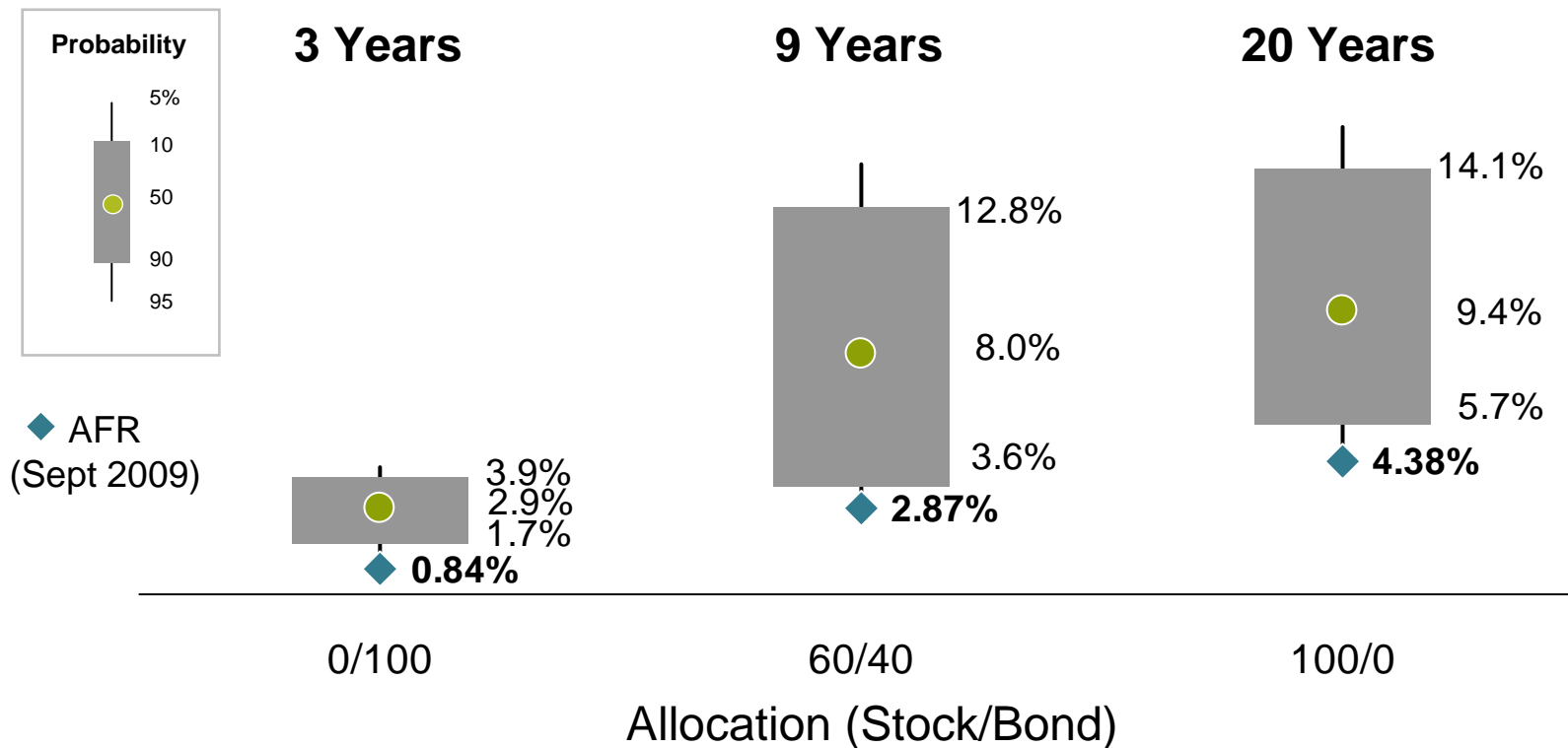
Extraordinary Wealth Transfer Opportunity Today

- Many advanced wealth transfer techniques take advantage of depressed asset values and high risk premiums
 - Intra-family loans
 - Installment sales to intentionally defective grantor trusts (IDGTs)
 - Grantor retained annuity trusts (GRATs)
 - Charitable lead annuity trusts (CLATs)

- Especially when interest rates are low—and today these rates are at historic lows

Intra-Family Loans: AFR vs. Potential Return

Forecasted Annualized Return (Nominal)*



Data do not represent past performance and are not a promise of actual future results.

*Range of annualized return based on years and allocations as indicated. Income taxes have been ignored. Bonds are defined as short duration taxable fixed income for the three-year note and intermediate duration taxable fixed income for the nine-year note. Stock is defined as 35% US Value and 35% US Growth, 25% developed international, and 5% emerging markets. Based on Bernstein estimates of the range of returns for the applicable capital markets over the periods analyzed.

See Notes on Wealth Forecasting at the end of this presentation for further details.

**Reflects the September 2009 AFRs for short-term, mid-term and long-term loans based on annual compounding.

Source: AllianceBernstein

Intra-Family Loans Are Extremely Attractive

Wealth Transfer After Loan Repayment* \$10 Million Loan (Median Results, After Inflation)

■ Level Payment

■ Interest Only
with Balloon



Probability of Remainder >0:

85% 97%

88% 93%

88% 94%

Allocation (Stock/Bond)

0/100

60/40

100/0

Data do not represent past performance and are not a promise of actual future results.

*Range of annualized return based on years and allocations as indicated. Income taxes have been ignored. Bonds are defined as short duration taxable fixed income for the three-year note and intermediate duration taxable fixed income for the nine-year note. Stock is defined as 35% US Value and 35% US Growth, 25% developed international, and 5% emerging markets. Based on Bernstein estimates of the range of returns for the applicable capital markets over the periods analyzed.

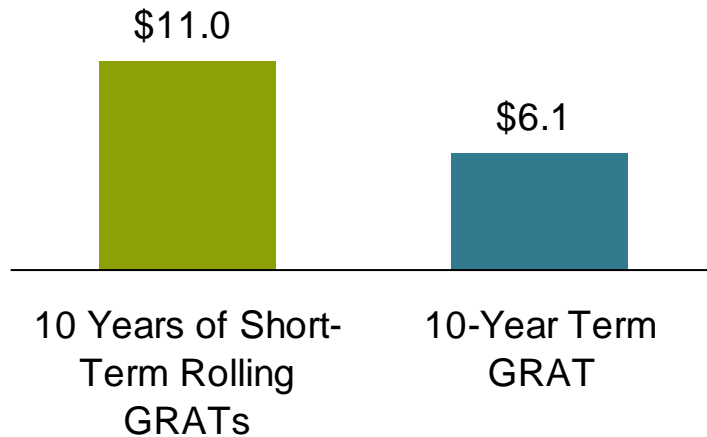
See Notes on Wealth Forecasting at the end of this presentation for further details.

Source: AllianceBernstein

History Shows Rolling GRATs Prevail

All 10-Year Periods 1941–1998*

Median Wealth Transfer (Real, \$ Millions)



Probability of Success:

100%

80%

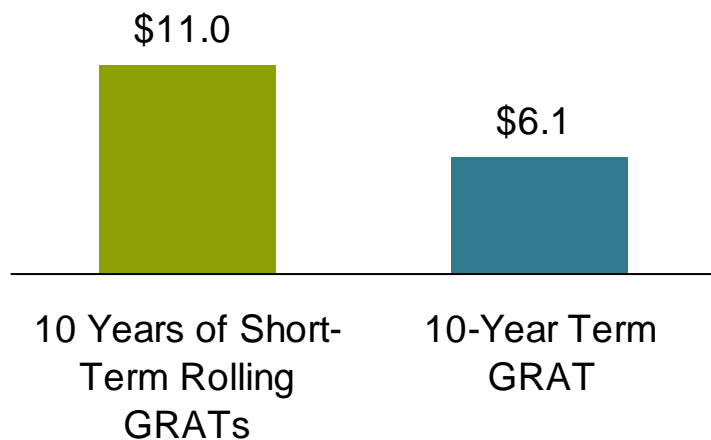
All strategies were assumed to have been funded with \$10 million. Wealth to beneficiaries is reinvested and adjusted for inflation.

*All assets invested in a portfolio representative of the S&P 500. Wealth transferred over 684 10-year periods beginning monthly from 1941–1998. Uses a proxy for the 7520 rate before 1989 based on IRS methodology. Term GRATs assume 20% increasing annuities, while rolling GRATs assume constant annuities. The analysis assume the remainder of any GRAT remains invested in a grantor trust.

Source: Standard & Poor's and AllianceBernstein

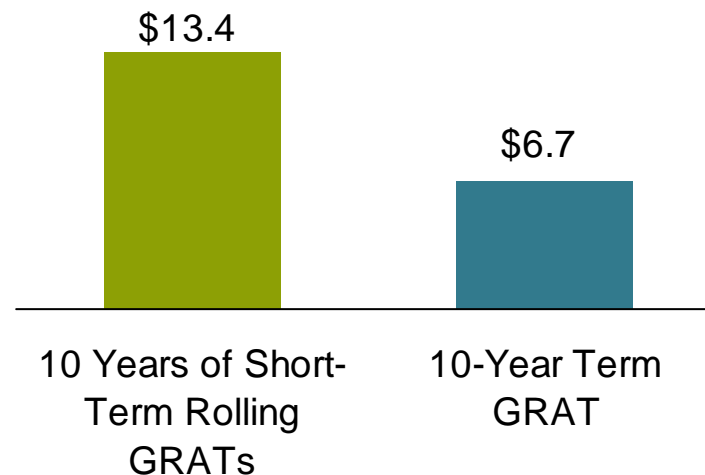
Our Outlook Today

All 10-Year Periods 1941–1998* Median Wealth Transfer (Real, \$ Millions)



Probability of Success:	
100%	80%

Wealth Forecasting Analysis* Year 10—Median Wealth Transfer (Real, \$ Millions)



Probability of Success:	
>98%	85%

All strategies were assumed to have been funded with \$10 million. Wealth to beneficiaries is reinvested and adjusted for inflation.

*All assets invested in a portfolio representative of the S&P 500. Wealth transferred over 684 10-year periods beginning monthly from 1941–1998. Uses a proxy for the 7520 rate before 1989 based on IRS methodology. Term GRATs assume 20% increasing annuities, while rolling GRATs assume constant annuities. The analysis assumes the remainder of any GRAT remains invested in a grantor trust.

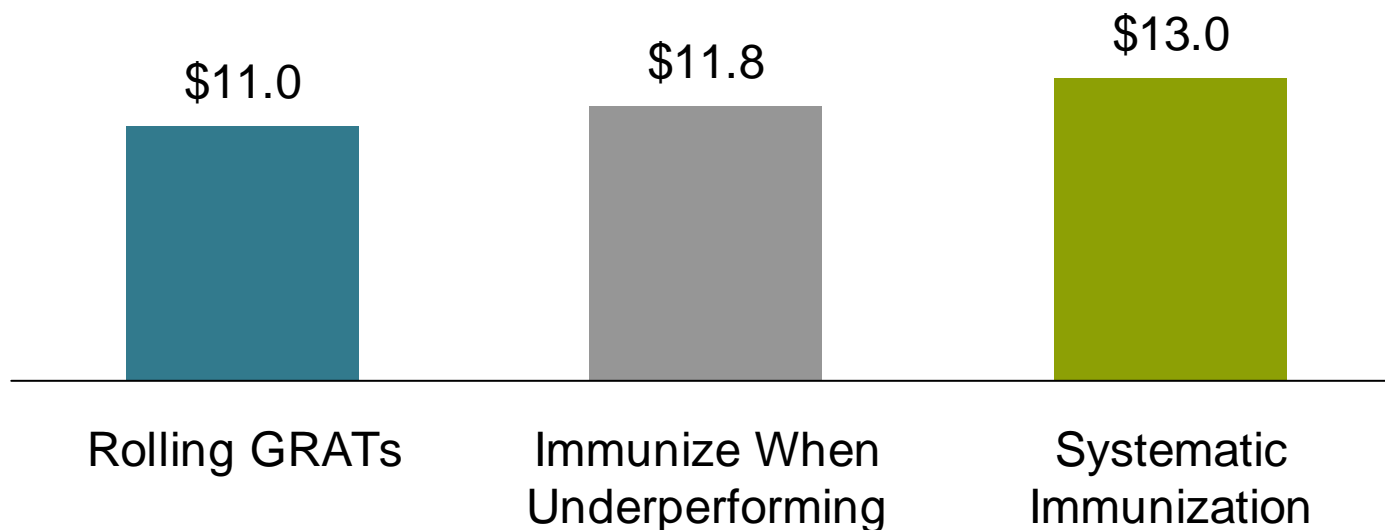
**All assets are invested in a globally diversified portfolio composed of 35% US value stocks, 35% US growth stocks, 25% developed country international stocks and 5% emerging market stocks.

Term GRAT funded at a 3.4% 7520 rate and assumes 20% increasing annuities, while rolling GRATs assume constant annuities.

Source: Standard & Poor's and AllianceBernstein

Monitoring GRATs over Time Improves Wealth Transfer

“Immunizing” Median Wealth Transfer (\$ Millions)



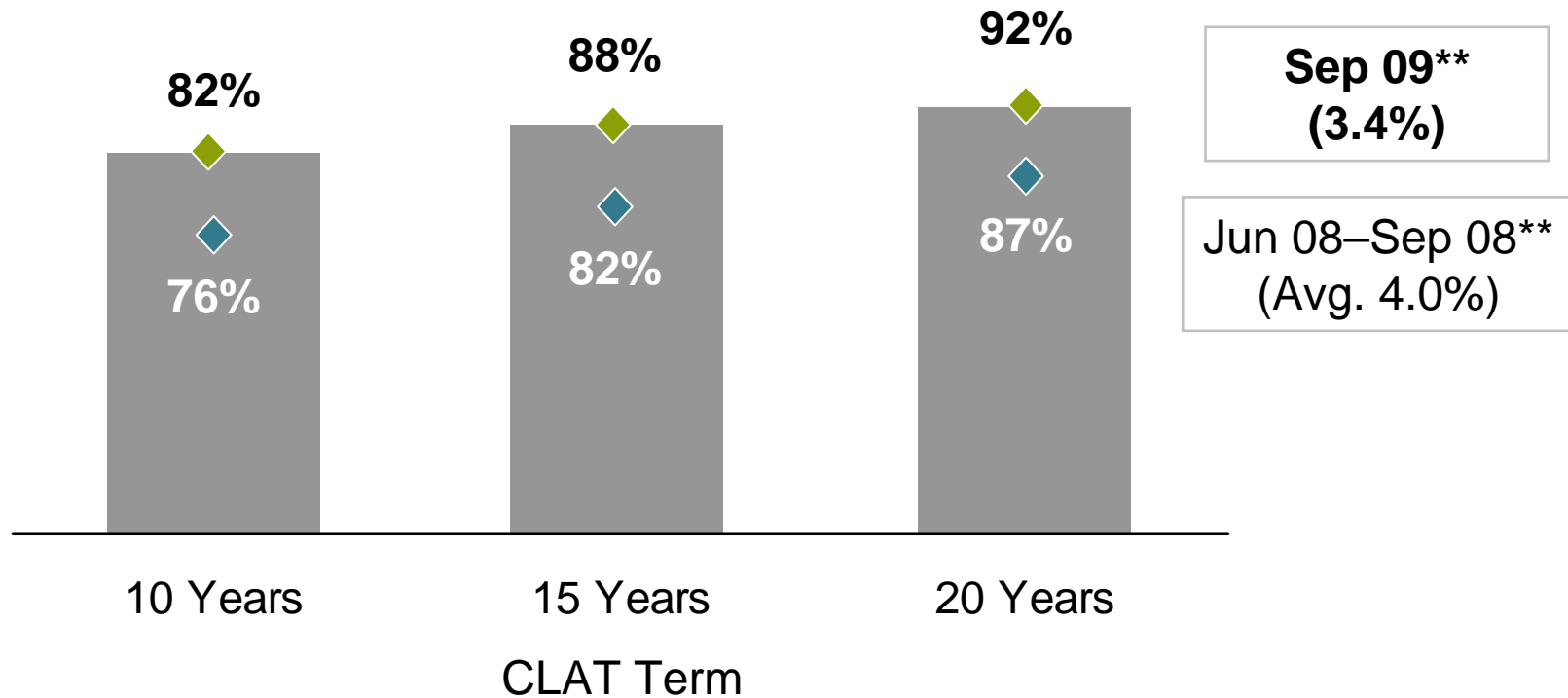
For grantors with sufficient low-risk personal capital, *systematically* immunizing GRATs at the one-year anniversary is the superior strategy

Assumes the GRATs are funded with \$10 million, with an initial 7520 rate of 4.2%, and level annuities. The GRATs are invested in a globally diversified portfolio of equities. All wealth to beneficiaries is reinvested and held in an IDGT. The asset allocation of equity portfolios is 35% in US value stocks, 35% in US growth stocks, 25% in developed international stocks and 5% in Emerging Markets stocks. To immunize, the equities are replaced by a diversified portfolio of US intermediate-term municipal bonds.

Source: AllianceBernstein

The Opportunity for CLATs Has Never Been Better

Probability of CLAT Success* (100% Global Equities)



*Probability of remainder interest >\$0.

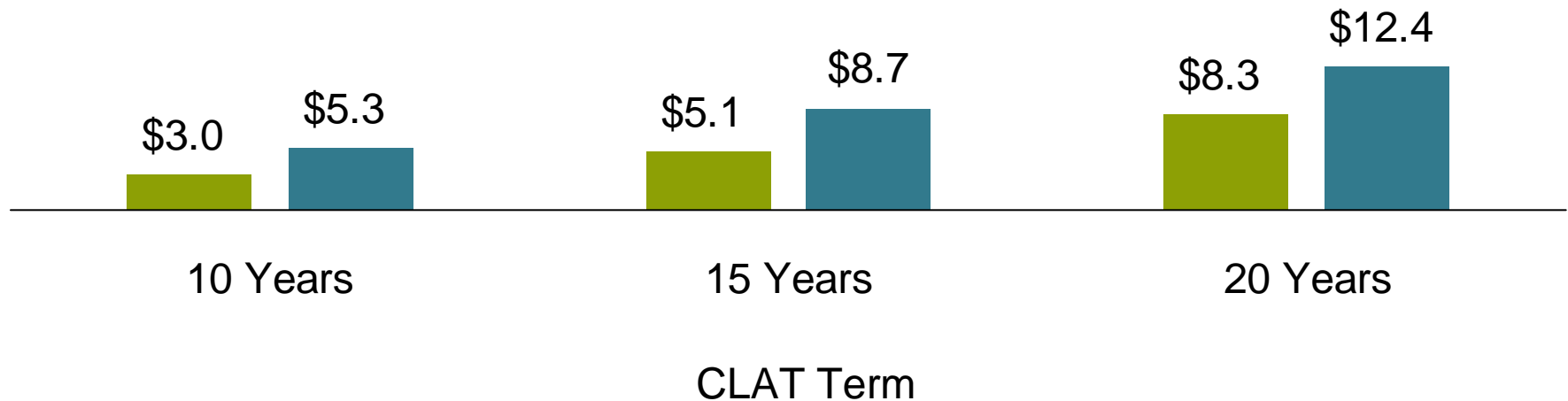
**September numbers calculated using a 3.4% 7520 Rate and Bernstein's estimates of the range of capital market returns as of June 30, 2009. June 2008 (3.8% 7520) through September 2008 (4.2% 7520) numbers calculated using a 4.0% 7520 Rate and Bernstein's estimates of the range of capital market returns as of June 30, 2008. All CLATS are "zeroed-out." Global equities defined as 35% US Value, 35% US Growth, 25% Developed International and 5% emerging markets.

Source: AllianceBernstein

Potential Wealth Transfer Has Never Been Better

Median Wealth Transferred*
\$10 Million, Non-Grantor CLATs
(Real, \$ Millions)

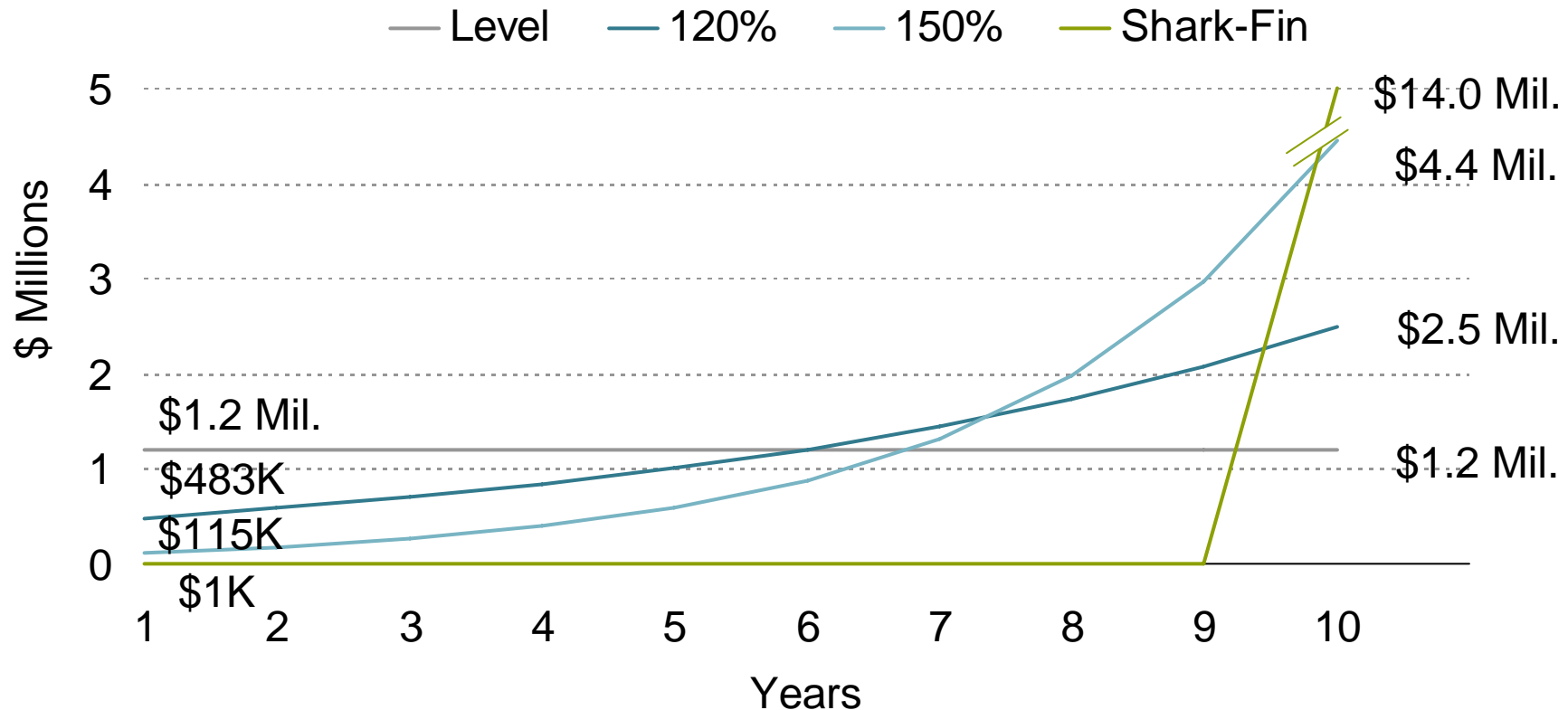
■ Jun 08–Sep 08 ■ Sep 09



*Median inflation-adjusted non-grantor CLAT remainder assuming \$10 million zeroed-out CLAT funded at the mentioned 7520 rate, invested 100% global equity.
Source: AllianceBernstein

Possible Guaranteed Annuities (Rev. Proc. 2007-45)

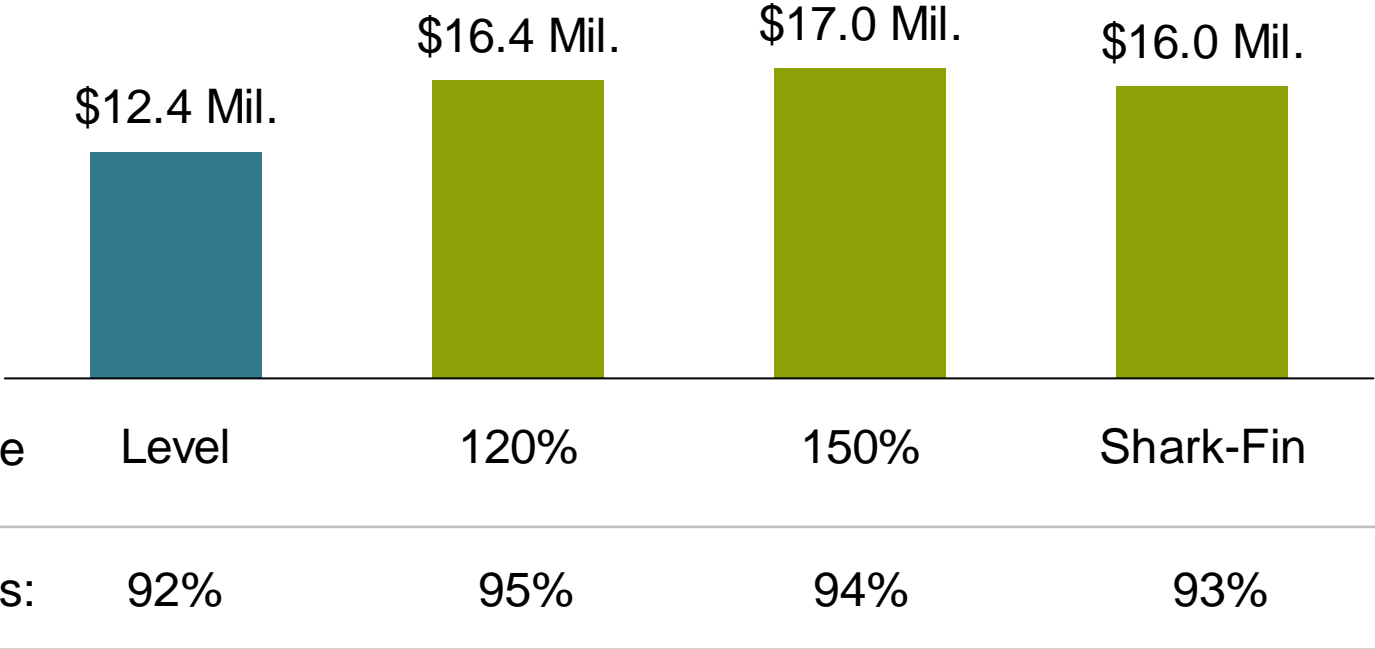
Ten-Year “Zeroed-Out” CLAT Annuities at 3.4%*
(\$10 Million Contribution)



All CLATS are zeroed-out based upon a contribution of \$10 million. In the case of the Shark-Fin CLAT, all of the payments are \$1,000 except for the final payment in the last year.

Back-Loading Increases Wealth Transfer...Only to a Point

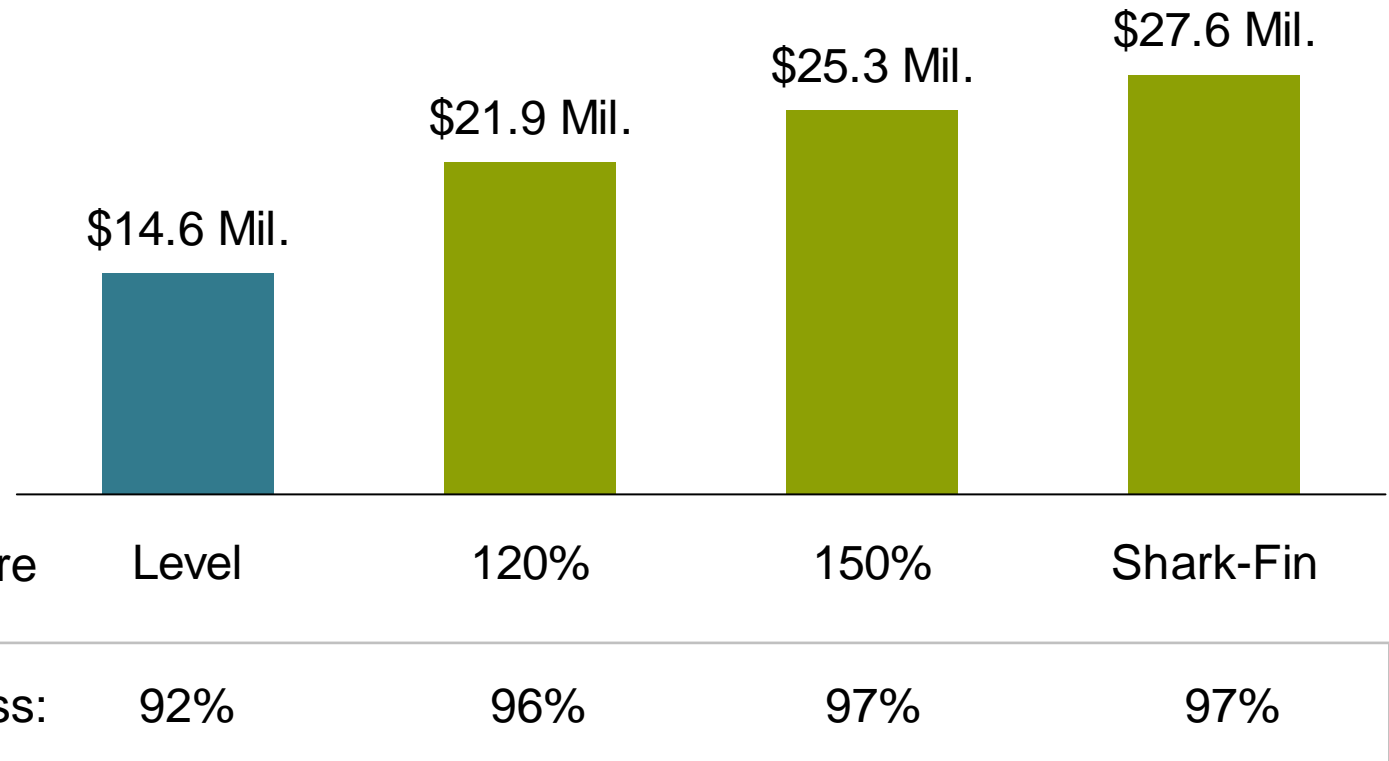
Median Wealth Transferred*
 \$10 Million, 20-Year Term CLAT
 (Real, \$ Millions)



*Median inflation-adjusted non-grantor CLAT remainder assuming \$10 million zeroed-out 20-year CLAT funded at 3.4% 7520 rate, invested 100% global equity. Probability of success defined as remainder interest >\$0.

“Intentionally Defective” Grantor CLAT

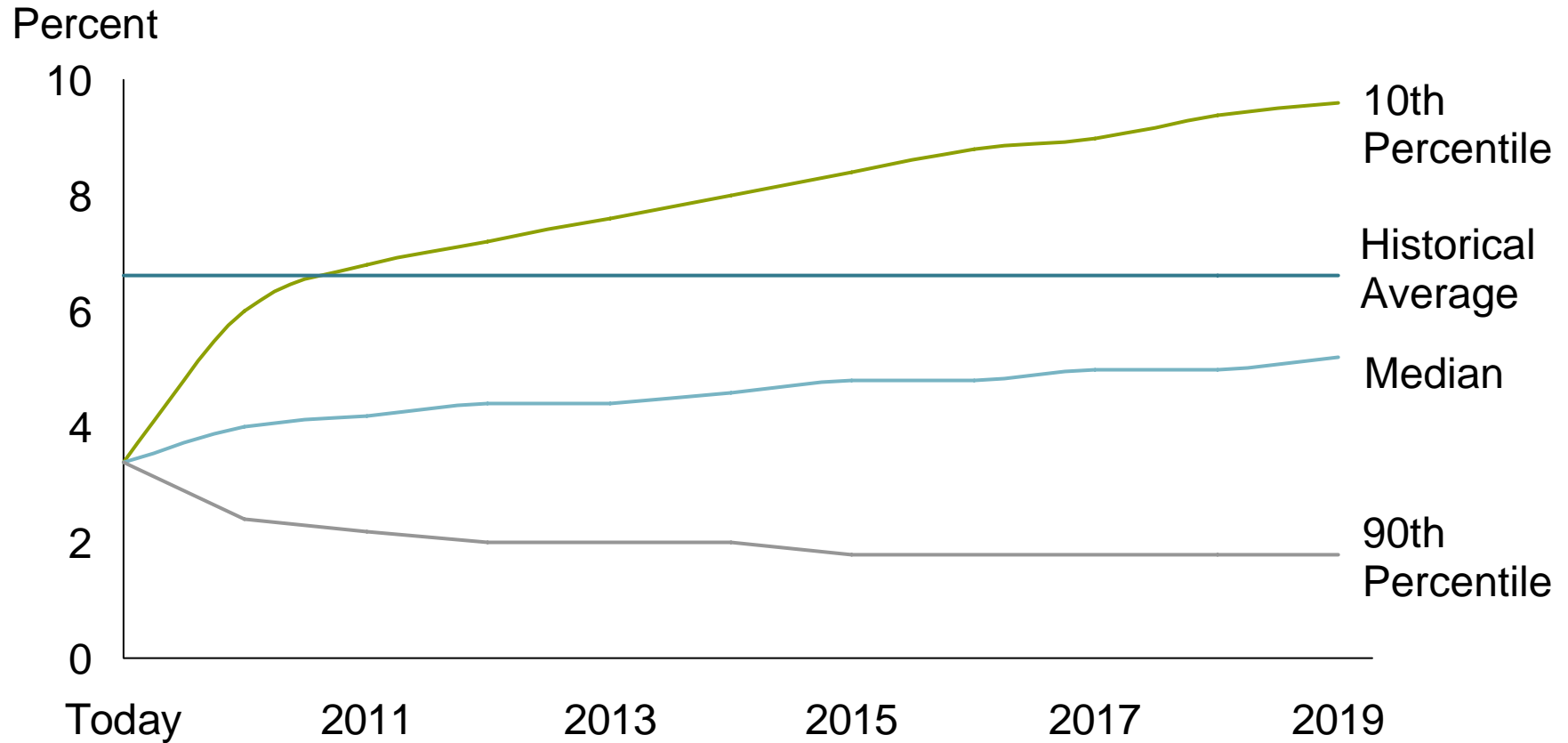
Median Wealth Transferred*
 \$10 Million, 20-Year Term CLAT
 (Real, \$ Millions)



*Median inflation-adjusted non-grantor CLAT remainder assuming \$10 million zeroed-out 20-year CLAT funded at 3.4% 7520 rate, invested 100% global equity. Probability of success defined as remainder interest >\$0.

CLATs: Now or Later?

Projected 7520 Rate



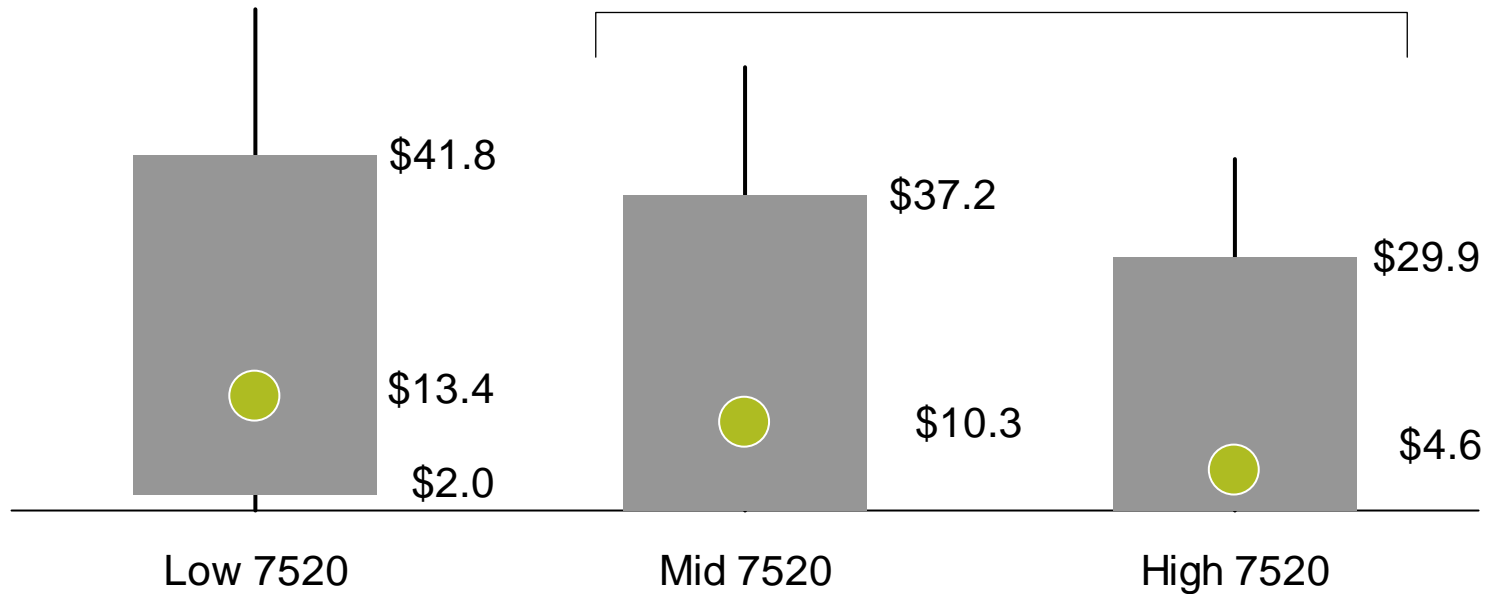
*Only 25% of forecasted trials resulted in a 7520 rate of 3.4% or less 10 years from now.
Source: AllianceBernstein

Where Will the 7520 Rate Be When It Counts?

Testamentary CLAT 10 Years Later

Median Wealth Transferred* at End of 20-Year Term (Inflation-Adjusted)
(\$ Millions)

75% Chance of Mid to High 7520 Rate**



**Probability
of Success:**

95%

87%

67%

*Zeroed-out 20-year testamentary CLAT established 10 years from now at prevailing 7520 rate (funded with \$10 million). Low Section 7520 rates are the lowest quartile; Mid the second and third quartiles; High, the highest quartile. Probability of success is defined as the probability of having some assets remaining in the portfolio at the end of the 20-year testamentary CLAT.

**Only 13.6% of forecasted trials resulted in a 7520 rate of 2.0% or less 10 years from now.

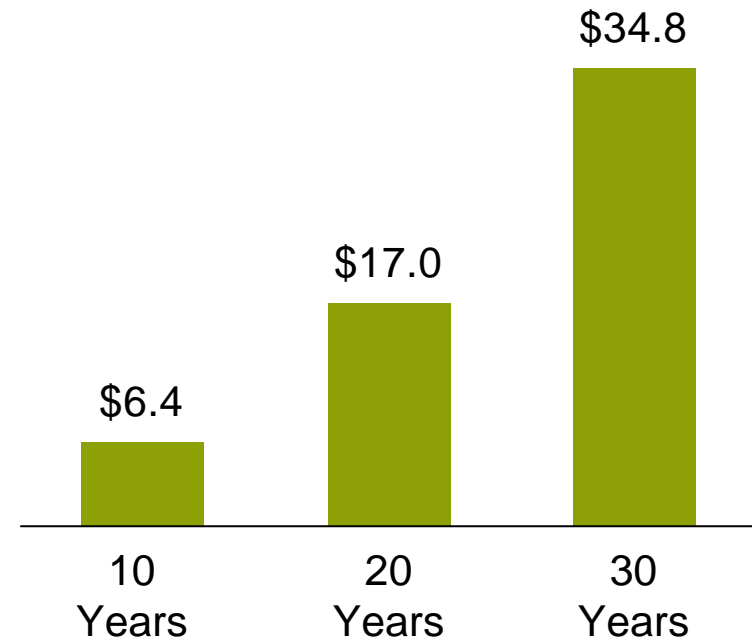
Source: AllianceBernstein

Benefits of GST Exemption Are Large and Time-Sensitive

**Gift Exclusion vs. Estate/
GST Exemption**
(\$ Millions)



**Using GST Exemption Today
Rather than Later***
Median Advantage (Real)
(\$ Millions)

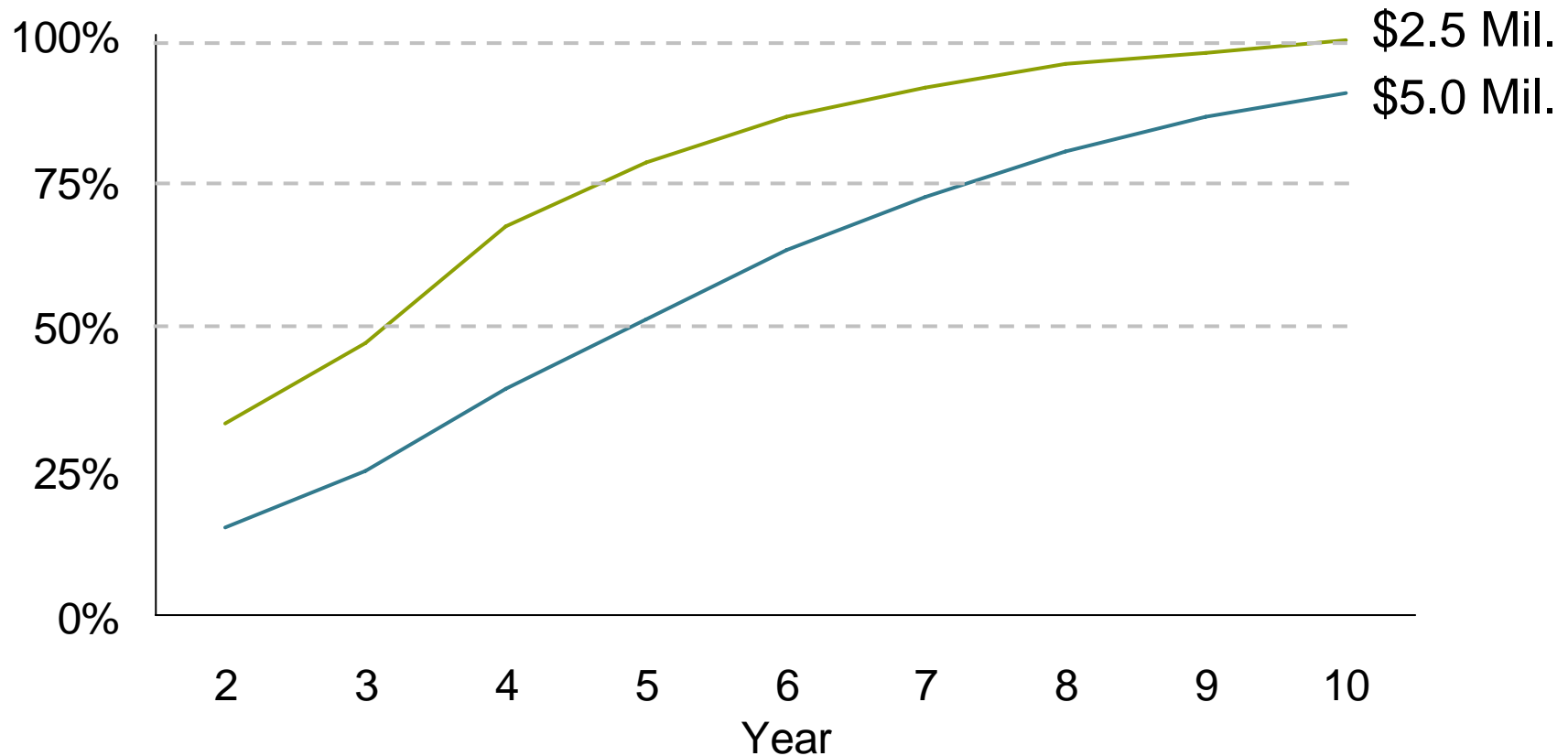


*Compares incremental wealth advantage of transferring \$7 million today (full GST exemption) versus \$2 million today (lifetime gift exemption) and \$5 million 10, 20 or 30 years later. Assumes 100% global equity allocation.

Source: AllianceBernstein

GRATs Are One Solution to Utilizing the Additional GST Exemption

Probability of Transferring Unused GST Exemption
($\$10$ Million in Two-Year Rolling GRATs)



Source: AllianceBernstein

The Impact of Comprehensive Planning

Median (Inflation-Adjusted) Values in 30 Years

(\$20 Million in Initial Assets)

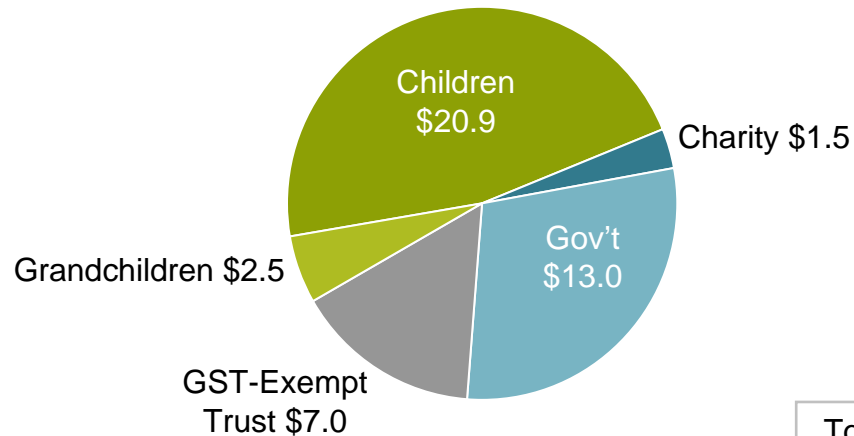
(\$ Millions)

Simple Plan

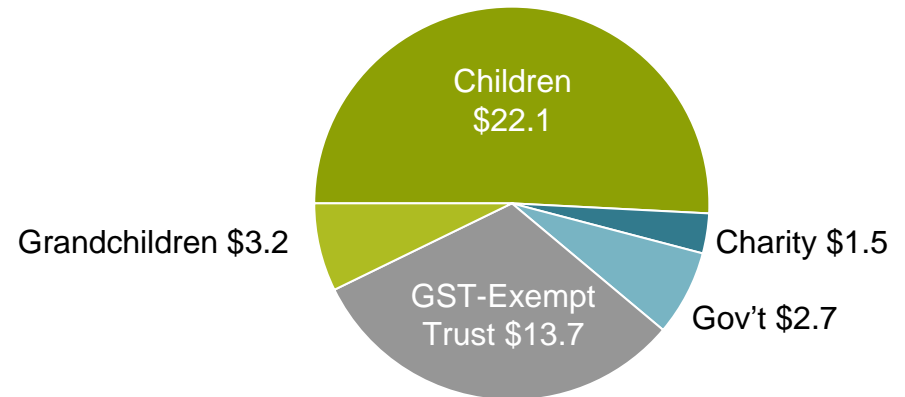
Annual Exclusion Gifts to Taxable Trusts
\$100,000 Annually to Charity

Advanced Plan

Annual Exclusion Gifts to IDGTs
\$2 Million Gift to GST-Exempt IDGT
\$3.0 Million in "Rolling" Two-Year GRATs
\$1.4 Million in 20-Year CLAT



(Real) Wealth Transferred: **\$31.9**
Estate Taxes: **(13.0)**



\$40.1
(3.0)

Total Estate Tax Savings
\$10.3 Million

Data do not represent any past performance and are not a promise of actual future results.

*Annual spending of \$200,000 adjusted for inflation. Annual Exclusion Gifts assumed to four children (two children plus spouses) and two grandchildren. Non-grantor CLT is zeroed-out over 20 years at a 3.4% 7520 rate. Rolling GRATs continue for 10 years. All asset allocations are assumed 60% globally diversified equities and 40% intermediate duration municipal bonds except the CLT and GRAT allocations which are 100% globally diversified equity. Assumes that the spouses die in same year, an estate tax rate of 45% and an inflation-adjusted \$3.5 million per person estate and GST exemption. In the limited planning case, we assume the combined \$7 million of estate and GST exemption is used to fund a GST-exempt trust and the remaining assets pass to their children after estate taxes. In the advanced planning case, we assume a \$2 million initial gift to the GST-exempt trust. This reduces the remaining estate tax exclusion in this case to \$5 million for the couple. This \$5 million is assumed go to the GST-exempt trust upon death. Based on Bernstein estimates of the range of returns for the applicable capital markets over the duration of the analysis. See Notes on Wealth Forecasting System at the end of this presentation for further details.

Source: AllianceBernstein

In Summary: The Planning Opportunity

- For those with excess capital, today may be the best time ever to transfer wealth

- Outstanding wealth transfer planning opportunities today with
 - Gifts to IDGTs
 - Intra-family loans
 - GRATs (both short- and long-term)
 - Long-term inter-vivos CLATs

Roth Conversion

Roth Conversion Trade-Off: Pay Now or Pay Later?

Traditional IRA “Tax-Deferred”

- **Distributions** taxed as ordinary income
- Mandatory withdrawals at 70½

Roth IRA “Tax-Free”

- **Contributions** (conversions) taxed as ordinary income
- No mandatory withdrawals*
- Taxes can be paid from outside the IRA
- Distributions are not taxed (with some exceptions)

Tax Rate, Spending and Time Horizon Are Key

*For original account owner; beneficiary of an inherited Roth IRA must take MRDs.

Roths Often Have an Edge

Median Wealth After Taxes and Inflation \$1 Million IRA, \$450,000 Taxable Account (60%/40%)*

	Traditional IRA	Roth; Tax from IRA	Roth; Tax from Outside IRA**
Liquidate After 20 Years	\$2.9 Mil.	\$3.0 Mil.	\$3.5 Mil.
Stretch +30 Years	\$8.2 Mil.	\$9.6 Mil.	\$12.5 Mil.

*Assumes initial account values at investor age 65, tax on converting a \$1 million traditional IRA to a Roth IRA would total \$450,000, and payment of any death taxes out of assets that are not the subject of this analysis. Assumes IRA participant passes away at age 85 at which time the beneficiary of the IRA is 55. Assumes MRDs from traditional IRA based on participant's age until his passing, at which point MRDs are calculated based on the beneficiary's age. Assumes no distributions from the Roth IRA until the participant's passing, at which point MRDs are calculated based on the beneficiary's age. Assumes any traditional IRA assets remaining after 20 years in the non-Stretch scenario and after 50 years in the Stretch scenario are liquidated, resulting in an income tax liability. Wealth values are adjusted for inflation.

**The investor's taxable account

Based on Bernstein estimates of the range of returns for the applicable capital markets over the next 50 years. Data do not represent past performance and are not a promise of actual future results or a range of results. See Notes on Wealth Forecasting at the end of this presentation for further details.

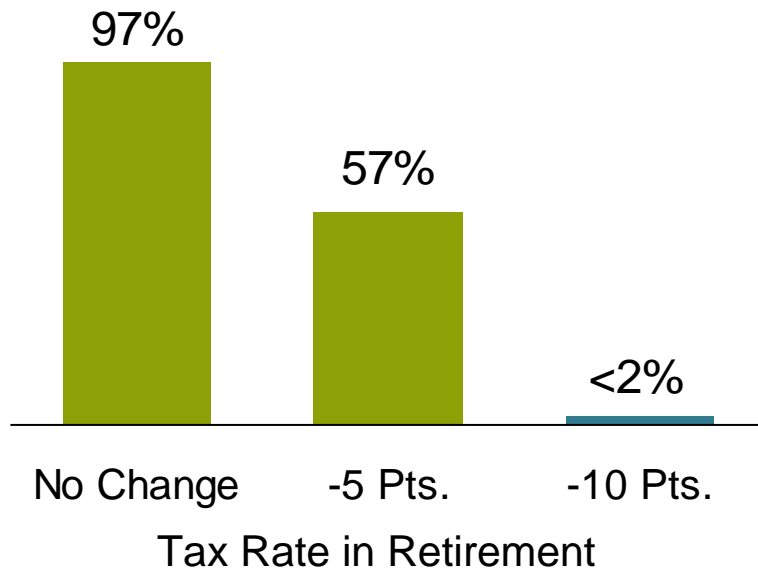
For Those Who Will Spend Down Their IRAs, Stick with the Traditional If Taxes Will Fall

Year 20

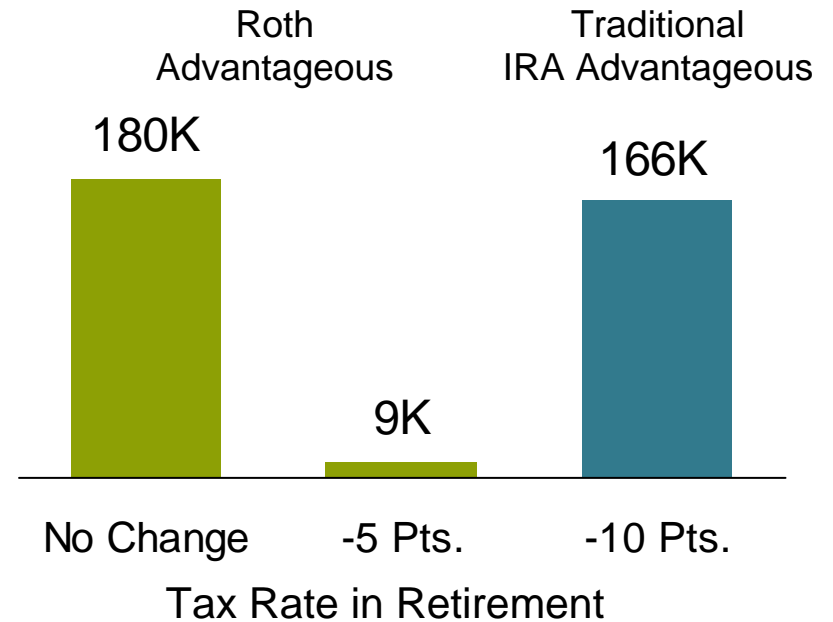
\$1 Million IRA, \$450,000 Taxable Account (60%/40%)

Spend Down over Retirement (\$000)*

Probability Roth Wins



Median Wealth Advantage

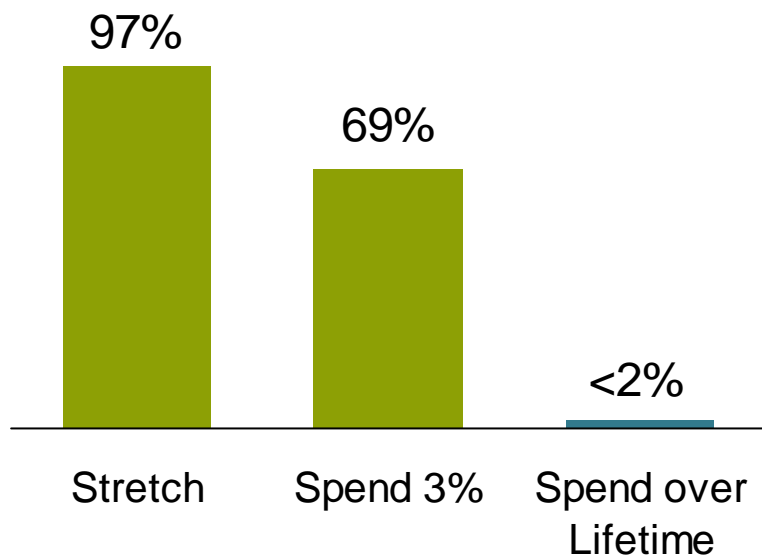


*Wealth adjusted for inflation; assumes that investor pays 45% blended federal/state tax rate upon conversion; taxes on Roth are paid out of a taxable account. Investor owns IRA between ages 65 and 85. We assume that any estate taxes are paid out of assets that are not the subject of this analysis. Assuming distribution and spending of 1/20 of Roth IRA in Year 1 at age 65, 1/19 of remaining Roth IRA in Year 2 at age 66, and so on, until 100% of the Roth IRA is distributed and spent in Year 20 at age 85. Assumes the identical dollar-value of distributions and spending from the traditional IRA scenario. Assumes any traditional IRA assets remaining after 20 years are liquidated, resulting in an income tax liability. Based on Bernstein estimates of the range of returns for the applicable capital markets over the next 20 years. Data do not represent past performance and are not a promise of actual future results or a range of results. See Notes on Wealth Forecasting at the end of this presentation for further details.

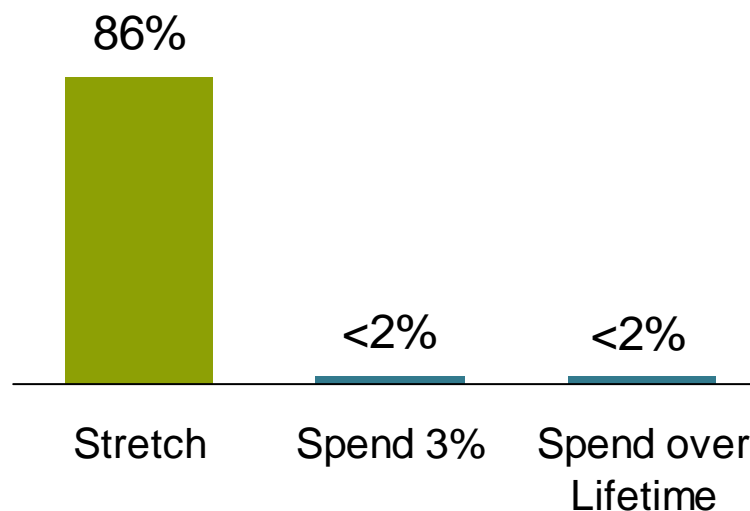
Less Spending or Stretch: Roths Overcome Tax Decline

Probability of Roth Conversion Winning \$1 Million IRA, \$450,000 Taxable Account (60%/40%)

10% Drop in Tax Rates



20% Drop in Tax Rates

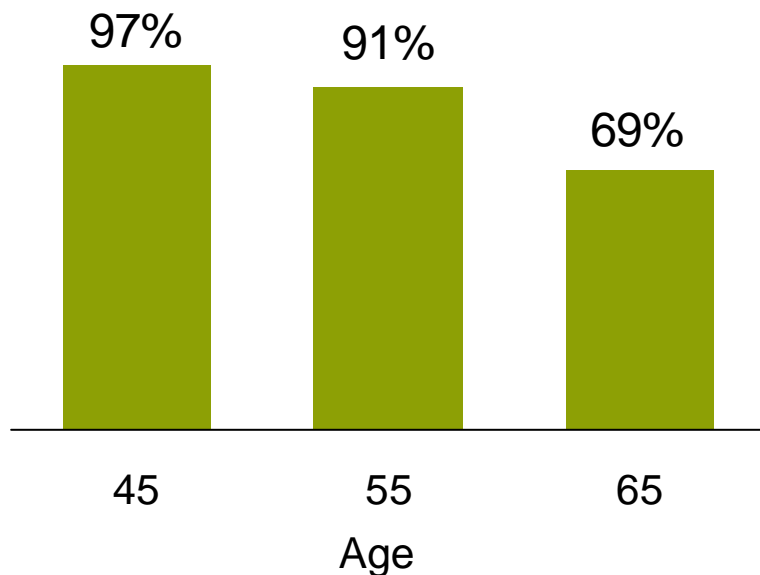


Assumes that investor pays 45% blended federal/state tax rate upon conversion; taxes on Roth are paid out of a taxable account. Investor owns IRA between age 65 and 85. We assume that any estate taxes are paid out of assets that are not the subject of this analysis. Stretch scenario assumes IRA participant passes away at age 85 at which time the beneficiary of the IRA is 55, and beneficiary stretches the IRA for another 30 years. Spend 3% scenario assumes an after-tax distribution and spending amount equivalent to the stated percentage of the Roth IRA value in year one. Thereafter, after-tax distributions and spending are assumed to increase by the rate of inflation each year for 20 years. Spend over Lifetime scenario assumes distribution and spending of 1/20 of Roth IRA at age 65, 1/19 of remaining Roth IRA at age 66, and so on, until 100% of the Roth IRA is distributed and spent at age 85. Each spending scheme assumes the identical dollar-value of distributions and spending from the traditional IRA scenario. Assumes any traditional IRA assets remaining at the end of the term are liquidated, resulting in an income tax liability. Based on Bernstein estimates of the range of returns for the applicable capital markets over the next 20 years. Data do not represent past performance and are not a promise of actual future results or a range of results. See Notes on Wealth Forecasting at the end of this presentation for further details.

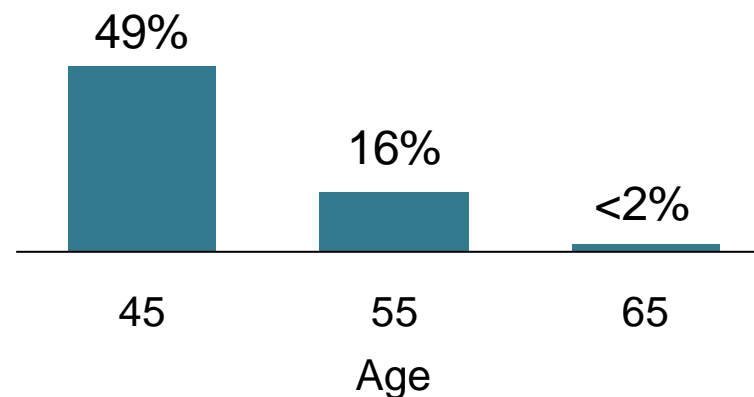
Long Time Horizon Can Help Overcome Tax-Rate Decline

Probability of Roth Conversion Winning \$1 Million IRA, \$450,000 Taxable Account (60%/40%) 3% Spending

10% Drop in Tax Rates



20% Drop in Tax Rates



Assumes an after-tax distribution and spending amount equivalent to 3% of the Roth IRA value in year one. Thereafter, after-tax distributions and spending are assumed to increase by the rate of inflation each year. Assumes the identical dollar value of distributions and spending to the traditional IRA scenario. Assumes any traditional IRA assets remaining at the end of the term are liquidated, resulting in an income tax liability.

Assumes that investor pays 45% blended federal/state tax rate upon conversion; taxes on Roth are paid out of a taxable account. Investor owns IRA between the stated age and age 85. We assume that any estate taxes are paid out of assets that are not the subject of this analysis. Assumes no distributions or spending until age 65.

Based on Bernstein estimates of the range of returns for the applicable capital markets over the next 40 years. Data do not represent past performance and are not a promise of actual future results or a range of results. See Notes on Wealth Forecasting at the end of this presentation for further details.

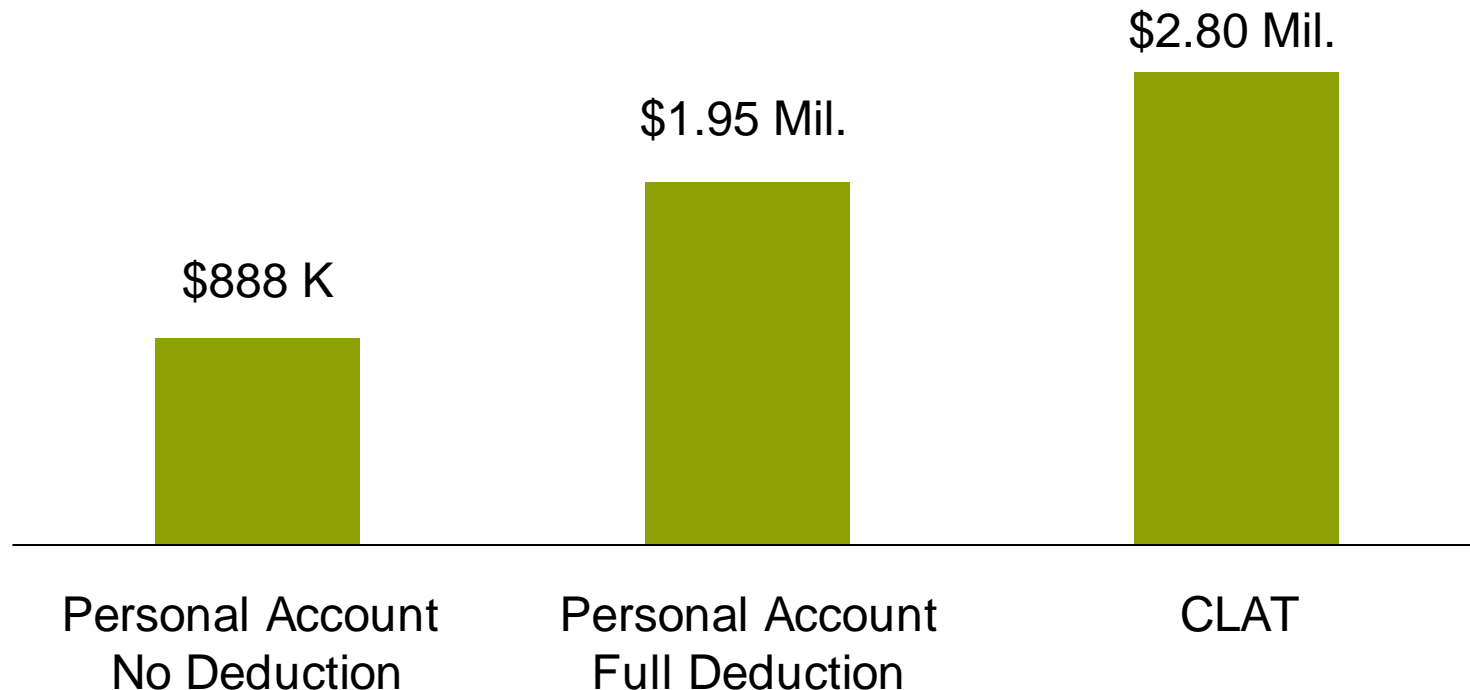
Good Candidates for Roth Conversion

- Do not expect significant decline in effective tax rate in retirement years
- Intend to transfer IRA to family who will stretch it
- Don't expect to spend meaningfully (or at all) from IRA in retirement
- Can pay conversion taxes from other (non-retirement) assets
- Don't plan to leave IRA to charity

Appendix

Direct Gifts to Charity vs. Inter-Vivos CLATs

Direct Annual Gifts of \$100,000 vs. 20-Year Term CLAT Median Wealth to Children (Real)—Year 20*

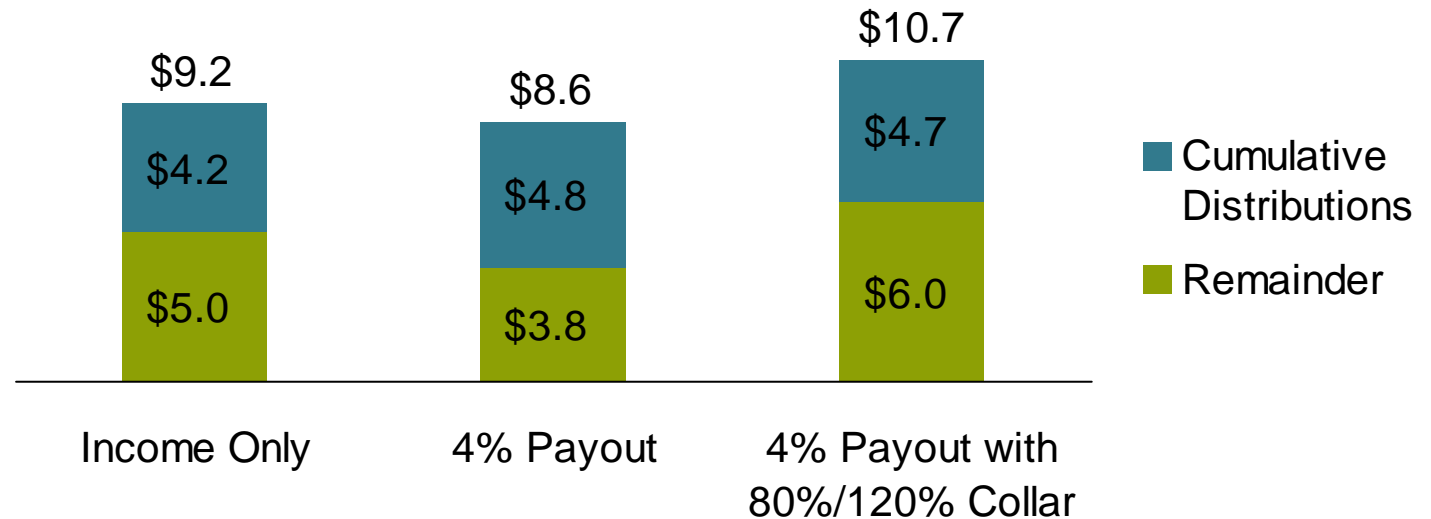


*Median case; asset allocation 100% globally diversified equities; 20-year zeroed-out non-grantor CLAT based on 3.4% 7520 rate (September 2009); \$100,000 to charity each year; assumes assets in personal account would otherwise be subject to an estate tax of 55%; compares \$1.43 million CLAT to \$1.43 million personal account that makes annual gifts to charity directly; No Deduction assumes taxpayer cannot use any of the tax deduction, and Full Deduction assumes that the deduction is used in full in the current year and offsets ordinary income otherwise taxed at a 38.3% blended rate in years 1 and 2, and at a 42.6% blended rate in years 3–20.

Source: AllianceBernstein

Taking Advantage of the Federal Estate Tax Applicable Exclusion

After-Tax Wealth (Inflation-Adjusted)—Year 30 Taxable Trust Funded with \$3.5 Million (\$ Millions)



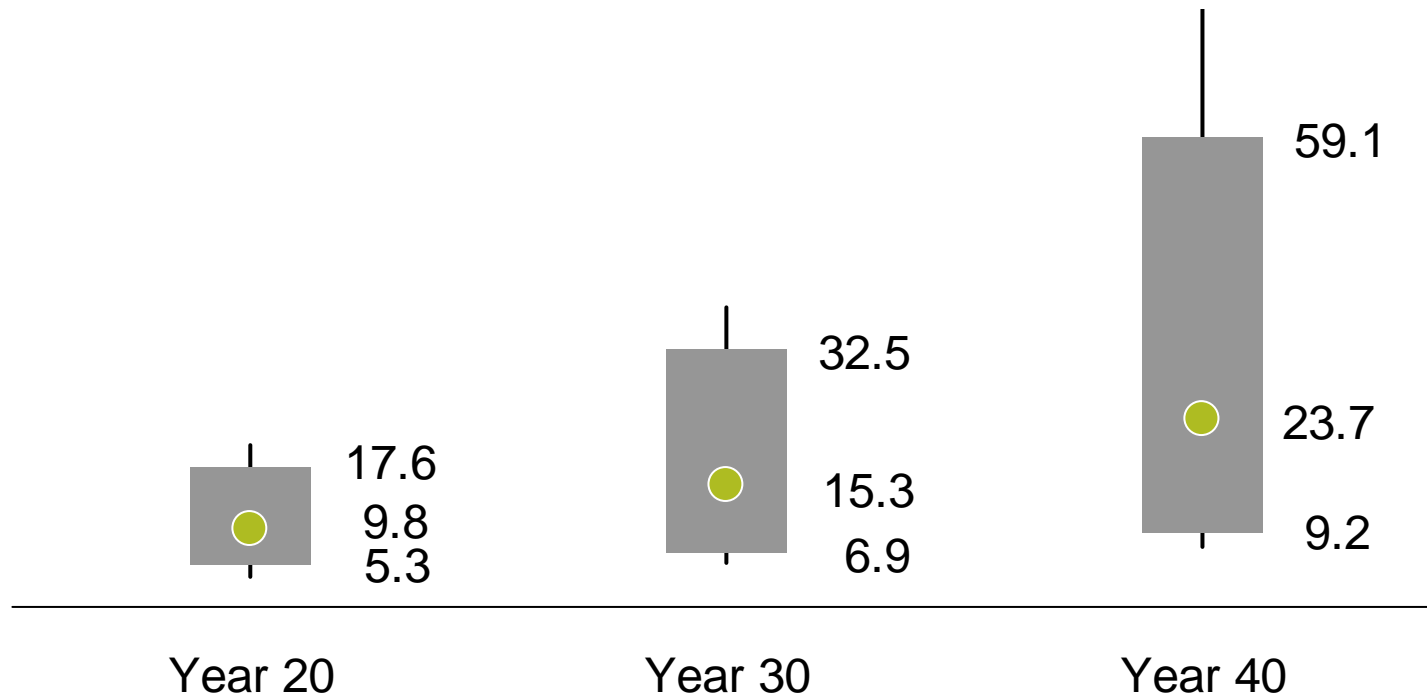
Allocation (Stock/Bond):	60/40	60/40	80/20
Probability of Peak-to-Trough Distribution Decline >30%:	72%	62%	18%

Data do not represent past performance and are not a promise of actual future results.

Fixed income modeled as diversified intermediate term municipal bonds. Based on Bernstein estimates of the range of returns for the applicable capital markets over the periods analyzed. See Notes on Wealth Forecasting at the end of this presentation for further details.

For GST Tax-Exempt Trusts, This Can Mean a Significant Legacy

Trust Values (Inflation-Adjusted) (\$3.5 Million, 60/40 Allocation)



Data do not represent past performance and are not a promise of actual future results.

Taxes are assumed to be paid from grantor portfolio. Based on Bernstein estimates of the range of returns for the applicable capital markets over the periods analyzed. See Notes on Wealth Forecasting at the end of this presentation for further details.

Index Descriptions

The unmanaged **S&P 500 Index** comprises 500 large-capitalization US stocks and is a common measure of the performance of the US stock market.

The **MSCI EAFE (Europe, Australasia, Far East) Index** is a free-float-adjusted market-capitalization-weighted index that is designed to measure developed market equity performance, excluding the US and Canada.

The **MSCI Emerging Markets Index** is a free-float-adjusted market-capitalization-weighted index that is designed to measure equity market performance in the global emerging markets.

The **MSCI World Index** is a free-float-adjusted market-capitalization-weighted index that is designed to measure global developed market equity performance.

The **Russell 1000® Growth Index** measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.*

The **Russell 1000® Value Index** measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.*

*The Russell Index methodology results in some companies appearing in both the growth and value indexes.

Index Descriptions (continued)

The **Lipper Short Municipal Debt Funds Index** tracks funds that invest in municipal debt issues with dollar-weighted average maturities of less than three years.

The **Lipper Short-Intermediate Municipal Debt Funds Index** tracks funds that invest in municipal debt issues with dollar-weighted average maturities of one to five years.

The **Lipper Intermediate Municipal Debt Funds Index** tracks funds that invest in municipal debt issues with dollar-weighted average maturities of five to 10 years.

The **FTSE NAREIT Equity Index** is an unmanaged, market-capitalization-weighted index that tracks the performance of publicly traded REITs across a range of US geographies and property types.

The **FTSE EPRA/NAREIT Global Real Estate Index** is a market-capitalization-weighted index that tracks the performance of listed real estate companies and REITs across a range of property types worldwide.

Notes on Wealth Forecasting System

1. Purpose and Description of Wealth Forecasting Analysis

Bernstein's Wealth Forecasting AnalysisSM is designed to assist investors in making long-term investment decisions regarding their allocation of investments among categories of financial assets. Our new planning tool consists of a four-step process: (1) Client Profile Input: the client's asset allocation, income, expenses, cash withdrawals, tax rate, risk-tolerance level, goals, and other factors; (2) Client Scenarios: in effect, questions the client would like our guidance on, which may touch on issues such as when to retire, what his/her cash-flow stream is likely to be, whether his/her portfolio can beat inflation long term and how different asset allocations might impact his/her long-term security; (3) The Capital Markets Engine: Our proprietary model, which uses our research and historical data to create a vast range of market returns, takes into account the linkages within and among the capital markets as well as their unpredictability; and finally (4) A Probability Distribution of Outcomes: Based on the assets invested pursuant to the stated asset allocation, 90% of the estimated ranges of returns and asset values the client could expect to experience are represented within the range established by the 5th and 95th percentiles on "box and whiskers" graphs. However, outcomes outside this range are expected to occur 10% of the time; thus, the range does not establish the boundaries for all outcomes. Expected market returns on bonds are derived taking into account yield and other criteria. An important assumption is that stocks will, over time, outperform long bonds by a reasonable amount, although this is in no way a certainty. Moreover, actual future results may not meet Bernstein's estimates of the range of market returns, as these results are subject to a variety of economic, market and other variables. Accordingly, the analysis should not be construed as a promise of actual future results, the actual range of future results or the actual probability that these results will be realized.

2. Retirement Vehicles

Each retirement plan is modeled as one of the following vehicles: Traditional IRA, 401(k), 403(b), Keogh or Roth IRA/401(k). One of the significant differences among these vehicle types is the date at which mandatory distributions commence. For traditional IRA vehicles, mandatory distributions are assumed to commence during the year in which the investor reaches the age of 70.5. For 401(k), 403(b) and Keogh vehicles, mandatory distributions are assumed to commence at the later of (i) the year in which the investor reaches the age of 70.5 or (ii) the year in which the investor retires. In the case of a married couple, these dates are based on the date of birth of the older spouse. The minimum mandatory withdrawal is estimated using the Minimum Distribution Incidental Benefit tables as published on www.irs.gov. For Roth IRA/401(k) vehicles, there are no mandatory distributions. Distributions from Roth IRA/401(k) that exceed principal will be taxed and/or penalized if the distributed assets are less than five years old and the contributor is less than 59.5 years old. All Roth 401(k) plans will be rolled into a Roth IRA plan when the investor turns 59.5 years old to avoid Minimum Distribution requirements.

3. Rebalancing

Another important planning assumption is how the asset allocation varies over time. We attempt to model how the portfolio would actually be managed. Cash flows and cash generated from portfolio turnover are used to maintain the selected asset allocation between cash, bonds, stocks, REITs, and hedge funds over the period of the analysis. Where this is not sufficient, an optimization program is run to trade off the mismatch between the actual allocation and targets against the cost of trading to rebalance. In general, the portfolio allocation will be maintained reasonably close to its target. In addition, in later years, there may be contention between the total relationship's allocation and those of the separate portfolios. For example, suppose an investor (in the top marginal federal tax bracket) begins with an asset mix consisting entirely of municipal bonds in his/her personal portfolio and entirely of stocks in his/her retirement portfolio. If personal assets are spent, the mix between stocks and bonds will be pulled away from targets. We put primary weight on maintaining the overall allocation near target, which may result in an allocation to taxable bonds in the retirement portfolio as the personal assets decrease in value relative to the retirement portfolio's value.

Notes on Wealth Forecasting System

4. Expenses and Spending Plans (Withdrawals)

All results are generally shown after applicable taxes and after anticipated withdrawals and/or additions, unless otherwise noted. Liquidations may result in realized gains or losses, which will have capital gains tax implications.

5. Modeled Asset Classes

The following assets or indexes were used in this analysis to represent the various model classes:

Asset Class	Modeled As...	Annual Turnover Rate
Cash Equivalents	3-month Treasury bills	100%
Intermediate-Term Diversified Municipals	AA-rated diversified municipal bonds of 7-year maturity	30%
Intermediate-Term Taxables	Taxable bonds with maturity of 7 years	30%
US Value	S&P/Barra Value Index	15%
US Growth	S&P/Barra Growth Index	15%
Developed International	MSCI EAFE Unhedged	15%
Emerging Markets	MSCI Emerging Markets Index	20%

6. Volatility

Volatility is a measure of dispersion of expected returns around the average. The greater the volatility, the more likely it is that returns in any one period will be substantially above or below the expected result. The volatility for each asset class used in this analysis is listed on the Capital Markets Projections page at the end of these Notes. In general, two-thirds of the returns will be within one standard deviation. For example, assuming that stocks are expected to return 8.0% on a compounded basis and the volatility of returns on stocks is 17.0%, in any one year it is likely that two-thirds of the projected returns will be between (8.9)% and 28.8%. With intermediate government bonds, if the expected compound return is assumed to be 5.0% and the volatility is assumed to be 6.0%, two-thirds of the outcomes will typically be between (1.1)% and 11.5%. Bernstein's forecast of volatility is based on historical data and incorporates Bernstein's judgment that the volatility of fixed income assets is different for different time periods.

7. Technical Assumptions

Bernstein's Wealth Forecasting Analysis is based on a number of technical assumptions regarding the future behavior of financial markets. Bernstein's Capital Markets Engine is the module responsible for creating simulations of returns in the capital markets. These simulations are based on inputs which summarize the current condition of the capital markets as of June 30, 2009. Therefore, the first 12-month period of simulated returns represents the period from June 30, 2009 through June 30, 2010, and not necessarily the calendar year of 2009. A description of these technical assumptions is available on request.

Notes on Wealth Forecasting System

8. Tax Implications

Before making any asset allocation decisions, an investor should review with his/her tax advisor the tax liabilities incurred by the different investment alternatives presented herein including any capital gains that would be incurred as a result of liquidating all or part of his/her portfolio, retirement-plan distributions, investments in municipal or taxable bonds, etc. Bernstein does not provide tax, legal or accounting advice. In considering this material, you should discuss your individual circumstances with professionals in those areas before making any decisions.

9. Tax Rates

Bernstein's Wealth Forecasting Analysis has used the following tax rates for this analysis:

Taxpayer	Scenario	Start Year	End Year	Federal Income Tax Rate	Federal Capital Gains Tax Rate	State Income Tax Rate	State Capital Gains Tax Rate	Tax Method Type
Sample Client	All	2009	2038	see below	see below	5.00%	5.00%	Top Marginal

The federal income tax rate represents Bernstein's estimate of either the top marginal tax bracket or an "average" rate calculated based upon the marginal-rate schedule. The federal capital gains tax rate is represented by the lesser of the top marginal income tax bracket or the current cap on capital gains for an individual or corporation, as applicable. Federal tax rates are blended with applicable state tax rates by including, among other things, federal deductions for state income and capital gains taxes. The state tax rate generally represents Bernstein's estimate of the top marginal rate, if applicable.

The Wealth Forecasting System uses the following top marginal tax rates: From now until 2010, a federal income tax rate of 35% and a federal capital gains tax rate of 15%. For 2011 and beyond, the federal income tax rate becomes 39.6% and the federal capital gains tax rate becomes 20%. The system uses the following AMT rates: From now until 2010, a federal income tax rate of 28% and a federal capital gains tax rate of 15%. For 2011 and beyond, the federal income tax rate becomes 28% and the federal capital gains tax rate becomes 20%.

10. Private Foundations

The Private Foundation is modeled as a charitable trust or not-for-profit corporation, which can be either a private operating foundation or a private non-operating foundation. The foundation may receive an initial donation and periodic funding from either the personal portfolio modeled in the system or an external source. Annual distributions from the foundation may be structured in a number of different ways, so long as the foundation distributes the minimum amount required under federal regulations, including: 1) only the minimum amount; 2) an annuity or fixed dollar amount, which may be increased annually by inflation or by a fixed percentage; 3) a unitrust, or annual payout of a percentage of foundation assets, based on a single year or averaged over multiple years; 4) a linear distribution of foundation assets, determined each year by dividing the foundation assets by the remaining number of years; or 5) the greater of the previous year's distribution or any of the above methods. These distribution policies can be varied in any given year. For non-operating foundations, the system calculates the excise tax on net investment income.

Notes on Wealth Forecasting System

11. Charitable Lead Trusts

The Charitable Lead Trust (CLT) is modeled as a portfolio which receives its initial funding from the grantor and transfers payments to one or more charitable recipients each year for a specified number of years. The annual payments may be a fixed dollar amount (Charitable Lead Annuity Trust or CLAT) or a percentage of the trust's assets (Charitable Lead Unitrust or CLUT). In the case of a CLAT, annuities may be fixed (the same amount each year), or increasing (growing each year by no more than 20% of the previous year's amount). The annual payment is made first from available cash and then from other trust assets in kind. The trust will pay income taxes on retained income and will receive a charitable income tax deduction for income paid to the charitable recipient(s). Realized capital gains may be treated in one of two ways, as directed: 1) taxed entirely to the trust, or 2) included in the payment to charity and, therefore, deducted from the trust's income, to the extent the payment exceeds traditional income. When the CLT term ends, the remainder, if any, may be transferred in kind to 1) a non-modeled recipient, 2) a taxable trust, or 3) a beneficiary's portfolio. The transferred assets will have carryover basis.

12. Rolling Grantor Retained Annuity Trust Strategy

The Rolling Grantor Retained Annuity Trust (GRAT) is a wealth transfer strategy which consists of a series of GRATs. Each GRAT is a wealth transfer vehicle that receives its initial funding from the grantor, and transfers annuity payments to the grantor's personal portfolio. Each year, the annuity payments from all existing GRATs are used to establish a new GRAT. The annuity amounts, which are determined in advance, may be fixed (the same amount each year) or increasing (growing each year by no more than 20% of the previous year's amount). Because the GRAT is modeled as a grantor trust, the system calculates all taxes on income and realized capital gains that occur in all GRAT portfolios each year, based on the grantor's tax rates and other income, and pays them either from the grantor's personal portfolio, or if specified, from annuity payments before funding the next GRAT. The remainders of all individual GRATs may be transferred in cash or in kind to (1) a non-modeled recipient, (2) a continuing grantor trust, (3) a taxable trust, or (4) a taxable portfolio for someone other than the grantor. In each year in which a new GRAT is to be created (aside from Year 1), we use our Capital Markets Engine to generate an IRS Section 7520 rate that is consistent with the concurrent yield curve environment. Using this rate as a discount rate, we are able to continually construct new "zeroed-out" GRATs in an ever-changing interest rate environment.

13. Intentionally Defective Grantor Trusts

The Intentionally Defective Grantor Trust (IDGT) is modeled as an irrevocable trust whose assets are treated as the grantor's for income tax purposes, but not for gift or estate tax purposes. Some income- and transfer-tax consequences associated with transfers to and the operation of an IDGT remain uncertain, and the strategy may be subject to challenge by the IRS. Hence, this technique requires substantial guidance from tax and legal advisors. The grantor may give assets to the trust, which will require using gift tax exemptions or exclusions, or paying gift taxes. The IDGT is modeled with one or more current beneficiaries, and one or more remainder beneficiaries. Distributions to the current beneficiaries are not required, but the system permits the user to structure annual distributions in a number of different ways, including 1) an amount or a percentage of fiduciary accounting income (FAI) (which may be defined to include some or all realized capital gains); 2) FAI plus some principal, expressed either as a percentage of trust assets or as a dollar amount; 3) An annuity, or fixed dollar amount, which may be increased annually by inflation, or by a fixed percentage; 4) A unitrust, or annual payment of a percentage of trust assets, based on the trust's value at the beginning of the year, or average over multiple years; or 5) any combination of the above four payout methods. Because the IDGT is modeled as a grantor trust, the system calculates all taxes on income and realized capital gains that occur in the IDGT portfolio each year, based on the grantor's tax rates and other income, and pays them from the grantor's personal portfolio. The IDGT may continue for the duration of the analysis, or the trust assets may be distributed in cash or in kind at a specific point in time or periodically to 1) a non-modeled recipient, 2) a taxable trust, or 3) a taxable portfolio for someone other than the grantor. If applicable, an installment sale to an IDGT may be modeled as a user-entered initial 'seed' gift followed by a sale of additional assets to the trust. The system will use one of two methods to repay the value of the sale assets plus interest (less any user-specified discount to the grantor): 1) user-defined payback schedule, or 2) annual interest-only payments at the applicable federal rate (AFR) appropriate for the month of sale and the term of the installment note, with a balloon payment of principal plus any unpaid interest at the end of the specified term.

14. Lifetime Gifting and Generation Skipping Trusts

The Wealth Forecasting System models the transfer taxes on gifts to descendants, including generation-skipping transfers (i.e., direct skips, taxable terminations and taxable distributions). The system applies the transfer tax regime applicable in the year of the gift under the current law. The system takes into account gifts made prior to the beginning of the analysis by the transferor and the transferor's spouse (if applicable). The system reflects the use of credits, exemptions and exclusions resulting from transfers to portfolios that are not modeled in the system (e.g. a life insurance trust). When modeling gifts from a member of a married couple, it is assumed that the couple "splits" gifts throughout the duration of the analysis. For transfers to children (the second generation) or grandchildren (the third generation), the system assumes that the gifts are made in equal shares to each member of the generation to which the gift is made.

Notes on Wealth Forecasting System

15. Estate Transfer and Taxation

The Wealth Forecasting System models the transfer of assets to children, more remote descendants, and charities, taking into account applicable wealth transfer taxes. If the analysis concerns a grantor and his or her spouse, the System assumes that only the first to die owns assets in his or her individual name and that no assets are owned jointly. It is further assumed that the couple's estate plan provides that an amount equal to the largest amount that can pass free of Federal estate tax by reason of the Federal unified credit against estate taxes (or, if desired, the largest amount that can pass without state death tax, if less) passes to a trust for the benefit of the surviving spouse and/or descendants of the first-to-die, or directly to one or more of those descendants. It is further assumed that the balance of the first-to-die's individually owned assets passes outright to the surviving spouse and that such transfer qualifies for the Federal estate tax marital deduction. Any state death taxes payable at the death of the first-to-die before 2010 are assumed to be paid from the assets otherwise passing to the surviving spouse. To the extent that this assumption results in an increase in state death taxes under any state's law, this increase is ignored. In addition, it is assumed that the surviving spouse "rolls over" into a traditional IRA in his or her own name any assets in any retirement accounts (e.g., a traditional IRA), except Roth IRA, owned by the first to die. Roth IRA assets are rolled over into a Roth IRA plan owned by the surviving spouse. The surviving spouse withdraws each year at least the minimum required distribution ("MRD"), if any, from the traditional IRA. At the survivor's death, all applicable wealth transfer taxes are paid, taking into account any deductions to which the survivor's estate may be entitled for gifts to charity and/or (before 2010) the payment of state death taxes. The balance of the survivor's individually owned assets passes to descendants and/or charities and/or trusts for their benefit. The survivor's retirement accounts (if any) pass to descendants and/or charities. To the extent that a retirement account passes to more than one individual beneficiary, it is assumed that separate accounts are established for each beneficiary and that each takes at least the MRD each year from the Roth IRA and/or traditional IRA account. In all cases, it is assumed that all expenses are paid from an individual's taxable accounts rather than his or her retirement accounts to the maximum extent possible.

16. Equity

Unless otherwise noted equity has been modeled as 35% US value, 35% US growth, 25% developed international and 5% emerging markets.

Notes on Wealth Forecasting System

	Median 30-Year Growth Rate	Mean Annual Return	Mean Annual Income	One- Year Volatility	30-Year Annual Equivalent Volatility
Cash Equivalents	3.2%	3.5%	3.5%	0.5%	9.8%
Int.-Term Diversified Municipals	3.5	3.8	3.7	5.4	7.9
Int.-Term Taxables	4.8	5.1	5.8	6.4	8.9
US Value	9.2	10.8	3.7	24.1	14.8
US Growth	8.9	10.9	2.3	27.4	15.8
Developed International	9.8	12.1	4.0	29.1	16.5
Emerging Markets	7.6	11.7	3.0	39.7	25.8
Inflation	2.3	2.6	n/a	1.1	9.1

Data do not represent any past performance and are not a guarantee of future specific risk levels or returns or any specific range of risk levels or returns.

Based on 10,000 simulated trials each consisting of 30-year periods.

Reflects Bernstein's estimates and the capital market conditions of June 30, 2009.

