



EPISODE TRANSCRIPT

Embracing a Growth Mindset: Best Practices for Top Advisors from AllianceBernstein's Head of Private Wealth

A conversation with Onur Erzan – Head of Global Client Group and Head of Private Wealth at AllianceBernstein.

Mindy Diamond:

Welcome to the latest episode of our podcast series for financial advisors. Today's episode is Embracing a Growth Mindset: Best Practices for Top Advisors From AllianceBernstein's Head of Private Wealth. It's a conversation with Onur Erzan, Head of Global Client Group and Head of Private Wealth at AllianceBernstein. I'm Mindy Diamond and this is The Diamond Podcast for Financial Advisors.

This podcast is designed for advisors like you who are interested in learning more about the evolving wealth management industry through candid dialogue with breakaway advisors, those from the C-suite, and industry thought leaders. It's available on our website, diamond-consultants.com, as well as Apple Podcasts and other major podcast platforms. So be sure to subscribe and share it with your colleagues

At Diamond Consultants, our mission is to help advisors live their best business life. We want every elite advisor to find exactly the right place for their business and their clients to thrive. Whether it's at a wirehouse, a regional, a boutique, or independent firm. As the industry's leading recruiters and consultants, we've transitioned more than a quarter of a trillion dollars in assets under management in the past decade. And each year, 25% of transitioning advisors who manage a billion dollars or more are our clients. Curious about where, why, and how advisors like you are moving? Download the latest Advisor Transition Report to learn more, including Intel on recruiting deals and our insight and analysis on the latest trends in the wealth management space. You'll find it at diamond-consultants.com/transitionreport. Or if you'd like to talk, feel free to give us a call at (908) 879-1002.

What do all top advisors have in common? A hyper-focus on client service, of course, but also an obsession with growth, the twin pillars of any successful wealth management business. Yet the growth mindset as it's often called, isn't necessarily an innate trait, but one that can develop over time and most certainly can be learned from others, like this episode's guest, Onur Erzan.

Onur has always had a fascination with the topic of growth, sharing how the constant ability to learn and adapt to change while also embracing the lessons learned from failures is the driving force behind successful individuals and firms. It was a mindset that started when Onur was in business school and continued through nearly two decades at the powerhouse global consulting firm, McKinsey & Company, where his most recent role was senior partner and co-leader of its wealth and asset management practice. Yet as he shared in a Barron's interview, Onur wanted to have a more lasting impact on the space, which led him to join AllianceBernstein in 2021. As head of the Global Client Group and head of Private Wealth, Onur oversees the firm's entire private wealth management business and third-party institutional and retail franchise and is responsible for all client services, sales and marketing, as well as product strategy, management, and development worldwide.

In this episode, Onur discusses how his growth mindset is transcending the culture at Bernstein and how their value proposition has become attractive to top advisors. He shares valuable advice for advisors

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from his own life experience on the value of having a growth mindset. Listen in to learn how from the culture of the firm down to individual advisors, there are specific intentions and actions that influence growth. Plus, he offers his viewpoints on the future of wealth management, the value of technology, his perspective on AI, the key things advisors need to be paying attention to, and much more. Onur has a great deal of wisdom to share, so let's get to it.

Onur, thank you so much for making yourself available today and for being willing to share so graciously with our audience.

Onur Erzan:

Mindy, thanks for having me.

Mindy Diamond:

A lot to talk about. I'd love to start at the beginning to give people some perspective about your background. So maybe you could talk with us a bit about your path to this role as head of private wealth at Bernstein.

Onur Erzan:

Sure. Starting from the beginning. The journey started with me coming to US and New York for the first time for business school 25 years ago. I think that tells a little bit about my starting from zero or going all in kind of mindset. From there, from business school, I joined McKinsey. I had roughly a 20-year career there. Started in corporate finance, then led the asset and wealth management practice after focusing on serving financial services, particularly asset and wealth management clients for a long time.

And then eventually, although I enjoyed my clients and consulting, I thought it was time to make a change in the middle of COVID to go from sharing my insights, making recommendations, to going in the field and being an operator, if you will. So as a result of that, I joined AllianceBernstein roughly three years ago. This is my fourth year and counting. And in that kind of capacity, first I was running global distribution for our asset management business, and then about a couple of years ago, I added the private wealth management leadership role to my responsibilities. So I run our private wealth business in addition to running distribution for our asset management business. So I have a little bit of a dual career at the AB, which is very exciting.

Mindy Diamond:

Yeah. And I want to unpack more of what you're doing, what you are personally responsible for at Bernstein, and what the firm is doing in just a bit. But I'm interested in the almost 20 years or so you spent at McKinsey, where part of that time you were co-leader of their wealth and asset management practice. So maybe you could start out by telling us a little bit about the clients you served while you



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were there, and then probably more importantly, the kind of perspective you gained on the wealth management industry while at McKinsey.

Onur Erzan:

Thanks for that. Yeah, obviously, over a 20-year career, you end up spending a lot of great time with a phenomenal set of institutions domestically, at times internationally. Within that, I spent a lot of time with large management firms, large asset managers, also, to a certain extent, large banks, and insurance companies. Within wealth management, it was the whole gamut from large digital platforms to broker-dealers, wirehouses, regionals, independents, RIAs, aggregators, FinTech, you name it, so it was a phenomenal set of experiences.

And in terms of what I observed and learned, if you will, I think some of it transcends across industries, whether in my experience in the corporate finance arena across sectors or zooming into financial services, wealth management, and asset management, I was always fascinated with high growth businesses and spent a lot of my time on growth type of topics. And within that, it was almost surprising to see some in my common patterns.

When I looked at growth companies, whether it's in different sectors or asset management or wealth management, it always came down to a few fundamentals in my humble opinion. One was always strong growers had strong cultures. They always had strong values that were the North Stars of these organizations. And that helped them navigate challenging times. Because at the end of the day, almost every sector is cyclical or goes through change and disruption, and having that strong cultural foundation is important. And second, all had a growth mindset. I know it's a little bit of an overly used word these days, but I think, to me, it's all about having that constant ability to learn as an organization, adapt to change, and then also embracing the lessons learned from failures, but also having the discipline not to repeat the same mistakes, if you will.

And then finally focus, it came down to these organizations making clear choices and trade-offs not only on where to compete, how to compete, but also being decisive about not to do, what to de-prioritize, and being comfortable with those choices.

Mindy Diamond:

Thank you for sharing that. A lot of our listeners, Onur, are people advisors that are very successful where they are wherever they're practicing, a traditional brokerage firm, a small broker-dealer, whatever it may be, and contemplating the notion of either changing firms or going some version of independence, setting up their own firm. And regardless of where they practice or where they want to practice, everyone is interested in growth. That is the number one watchword or the number one goal of most any advisor. And so those three principles, if you will, strong culture focus on the North Star,



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growth mindset, willingness to learn from failures or mistakes, and then a strong focus and ability to be decisive are great lessons for an individual advisor as they are for the largest of wealth management firms.

But I'm curious, just as a follow-up to that. Think about the brokerage firms that might've been your clients at McKinsey. How did they think about pursuing growth?

Onur Erzan:

Absolutely. And the good news is they're still my clients in our asset management business. So I spend a lot of time with them and a lot of respect for what they're doing for their advisors and clients as well. For them, it eventually comes down, to my opinion, two things. One, really having the scalable operating model. As we know, this is a high attrition business, whether it's the advisors, clients, or products. There is constant change. So as a result, if you want to maintain a strong economic model, you need to have a scalable operating model and a scalable business. So I think there's a lot of focus on building this scalable, repeatable business model. That's one.

I think the second is really, given the size of these large brokerage firms, at the end of the day, it's the law of the large numbers. And what makes them successful is the ability to create strong client acquisition pipes to their business, whether it's through combining themselves with banks or coming up with digital tools or building additional capabilities to acquire clients at scale, or allowing or enabling their advisors to acquire clients at scale. So in my opinion, those are the two big aspects of where brokerage firms have been focused on, and obviously, under number one and number two to a large extent the technology role investing, making the necessary investments in technology in addition to some of the more core product and other investments in their business.

Mindy Diamond:

Let me ask you a follow-up question to that. The very thing that you are saying, big firms, big brokerage firms are focused on, scale and large numbers, are the things that are sometimes causing that attrition of advisors. Those are the things that are making some of the best advisors say, "In my firm's focus on scale and the need to manage the lowest common denominator and do things that are best for a large organization, it's making this organization less user-friendly, more bureaucratic. I have less ability to customize." So it becomes a trade-off a lot of times for advisors. Do I choose the scale that comes along with a big firm who has the ability to invest in and innovate in platform and technology in the way a smaller firm won't? Or do I choose a boutique firm that allows me to be more of an individual? What would you say to that?

Onur Erzan:



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I agree with the trade-off. In my opinion, that trade-off is not only constrained or relevant to brokerage firms. I think it's the classic trade-off, in my opinion, in terms of the large organizations trying to get bigger versus the boutiques, if you will. So I think independent of the business model or the type of the institution, you have a little bit of that tension.

I think the other aspect of it is sometimes the advisor's own preferences might change. Because an advisor might come into a firm at a different stage of her or his career, and then as the book of business gets built or changed, the preferences of the advisor might change as well, either based on the nature of the clients or based on the work-life balance, or other considerations of the advisor. So I think it's very dynamic. It really depends on the type of the advisor and the advisor practice. So there are a lot of aspects to it.

But in general, I agree. Ultimately, there is at times a trade-off in terms of repeatable process, scalable offering versus the individual customization, and advisor's desire for autonomy in the way the advisor wants to manage the client portfolios and the like. Technology might provide some solution to that trade-off, but I think we're in the early innings, in my opinion, in terms of that whole kind of customization through technology.

Mindy Diamond:

And in your work at McKinsey, did you do any work or think about it all the independent space? This trend of advisors more and more breaking away from the big firms and going independent, whether that be building their own firm from scratch or being backed by a private equity firm and launching their own firm, or joining an established independent firm.

Onur Erzan:

Yeah, absolutely. So again, I did work across the spectrum. I've worked with large independent firms. I worked with large wirehouses, as well as some of the private equity firms, and RIA aggregators. So I've definitely been around the block working with the different participants in the "ecosystem", if you will.

Mindy Diamond:

And do you think that those independent firms and the independent firms that we continue to see pop up, can they compete in terms of technology, in terms of access to the kind of products and services that the ultra-high net worth clients need as an independent versus being at a big firm?

Onur Erzan:

Yeah, obviously, ultra-high net worth space is a little different. So at the end of the day, even mass clients, mass affluence, affluence, and high net worth clients have different type of sub-segments within each, so I don't want to have a broad brush view of these client types just based on the wealth level. But



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ultimately, if you zoom into ultra-high net worth, that's a relatively small portion of the US households, depending on where you put the minimums. I think you are looking at probably somewhere in the 100 to 200,000 US households that are in that wealth bucket. And it's a highly-contested space given those clients obviously have large asset bases, and as a result, offer an important revenue pool for the industry.

In my opinion, with the progress in the technology and with the "democratization of access" to different asset classes, it's becoming more accessible. But I would still argue ultra-high net worth, if you want to do it at scale, doing it at a very small shop has its own challenges. It doesn't mean you cannot do it, but ultimately, it's going to be a pretty tough journey because you are competing against a large number of institutions. And these clients, given the complexities of their wealth, have very complex needs. And it's not only limited to one or two areas. As a small shop, I think dealing with that diversity of needs is not easy. As a result, if I were to make a general statement, probably it's easier to scale in the affluent market as opposed to in the ultra-high net worth market when it comes to truly independent small boutiques. That's my opinion.

Mindy Diamond:

I think that's a fair statement. So let's pivot now and talk about AllianceBernstein and Bernstein Private Wealth. So for context, tell us about AllianceBernstein's business makeup and structure.

Onur Erzan:

Sure. We have three major lines of business. Wealth management, which is Bernstein Private Wealth, asset management, and research. Our DNA is in essence capital markets, investments, and wealth management. Capital markets with a focus on research, obviously. And that makes us, I think, a pure form specialist in the world of investments and wealth management.

Mindy Diamond:

Let's talk then, because this podcast is for wealth advisors, what is Bernstein Private Wealth's value proposition?

Onur Erzan:

Absolutely. Our business is in essence focused on creating and delivering bespoke solutions to high-net-worth and ultra-high-net-worth individuals and families with a boutique approach by leveraging the resources and expertise of a global asset manager. That's how I would characterize our platform.

As I mentioned, investments, wealth planning, and management is our bread and butter. Our core business is our focus. We are not an insurance company. We are not a bank. We, in essence, focus on one aspect of financial services, which I think is important from an expertise perspective. And with that



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mindset, we have a really strong, long-tenured financial advisor base that is equipped with a wide range of time-tested tools because our private wealth heritage goes back more than 50 years. And we surround our advisors that seat with a very heavy specialist resource, whether it's product specialists, whether it's wealth planning experts, whether it's access to our investment management professionals or our research professionals, I think the ratio of advisors to resource is very attractive for our advisors. And I think that translates into a very strong proposition for our clients because they get very differentiated insights into investments, and they get very bespoke wealth planning and other holistic solutions around estates and other complex needs of wealth.

Mindy Diamond:

There are a little more than 200 or so wealth advisors at Bernstein currently, correct?

Onur Erzan:

Correct. Including some of our more junior advisors in larger teams, it's closer to 300, but definitely, yes, you're in the right ballpark.

Mindy Diamond:

Got it. So let me ask you, you're talking about how you believe that Bernstein's boutique value proposition really enables advisors to be better, to do better because they're surrounded by tremendous support and resources. But one of the things that has always been true, at least from my perspective, or recruiter's perspective about Bernstein is never looking to recruit competitive advisor talent. So meaning if there were an advisor at UBS who had interest in Bernstein and had an existing book of business, there would not be interest in recruiting him or her and definitely not in paying the kind of competitive transition packages that the street pays, that other big brokerage firm pays, and instead, recruiting homegrown talent, if you will, people from other industries and really training them in-house. Is that still the case?

Onur Erzan:

Great question. And first of all, we really take pride in our best-in-class talent development approach. I think that's what we have been known for decades in terms of our focus on attracting new advisors to the industry and developing them with a very robust and intensive training and development program. That is our DNA, so we'll definitely continue to stay the course on that. That said, we are a learning organization. We have a growth mindset, we adapt with times, and we are also quite active in adding more experienced advisors to our ranks because at the end of the day, it's both a national business but also a local business that are different geographies where we definitely want to grow faster. And although we believe in organic talent development and we are very successful at it, sometimes, adding



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experienced financial advisors, wealth advisors to our ranks prior to geographies, whether it's in Atlanta or Denver or Dallas, naming a few examples, we are very open to adding experienced advisors.

Now, it comes down to culture. We definitely want to have the right cultural fit again, to keep that strong heritage, and the boutique culture. We would like to have the right fit with that fiduciary mindset.

Mindy Diamond:

The other issue that has often come up over the years about Bernstein's investment platform is that it's not an open architecture one. Is that an accurate statement still?

Onur Erzan:

No. Obviously, we take a strong pride in our institutional quality, multi-asset investment platform. At the end of the day, if you think about our asset management business, not only we manage money for US retail intermediaries and their clients, we also manage money for top institutional clients in the US as well as worldwide. Think about leading pension plans, think about leading sovereign wealth funds, the most sophisticated investors of the world, so we have a world-class investment platform that's recognized by those institutional quality clients. Hence, having access to that platform in a privileged way, that proximity to the portfolio managers, to those investment insights and perspectives is very attractive. Think about the time when we were going through the mini regional banking crisis earlier in 2023. Within hours, we were able to get multiple portfolio managers, research analysts all together in a podcast on a weekend or a webcast for our advisors, for them to share their real-time perspective. So really having that kind of an investment platform in-house is a differentiator for our advisors, which then translates into a lot of value for our clients.

That being said, we recognize that the investment platform has different needs and we won't always choose to manufacture the product that we need for wealth. So for that reason, we have an independent CIO and we have an independent investment function within private wealth. Although we use our in-house portfolio management teams for active long-only strategies, I would highlight three things.

One, our CIO is empowered as a fiduciary to make the hiring and firing decisions for managers, so that kind of ensures we have a very robust platform. Number two, when it comes to model portfolios, passive, different types of alternatives, we use third-party managers, and we have a third-party manager research function under our CIO, private wealth CIO so that definitely is the non-proprietary part of our platform.

And number three, proprieties sometimes sound singular, so it's not like a single at-the-end portfolio management team. Using equities as an example, our equity platform, which goes back again multiple



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decades, more than 60 years, within that, we have 20 or so independent portfolio management teams with their own dedicated research function, and they make independent non-correlated investment decisions day in, day out. And they have different styles. They have different focus areas in terms of markets, types of investments they make, so as a result, even though in active long-only, we have our proprietary focus. Within that, we have the diversity of 20 independent teams, for instance, in our equity platform. So hence, I think our clients have, in my opinion, the benefit of both worlds. One, you get a choice. Second, you get the intimacy and proximity of being adjacent to a world-class asset manager.

Mindy Diamond:

I don't know why Bernstein has always had the reputation of being closed architecture. Yet I know that this sort of allowing your private wealth advisors to either use the proprietary asset management tools or use external managers has been the case for a long time. So why the reputation? And I'm happy to have had you clarify that here.

Onur Erzan:

No, absolutely. At the end of the day, sometimes your greatest strengths might become your kind of brand, and as a result, when the platform changes, sometimes people recognize you for your historical strengths. So given our combined asset and wealth management business structure, given the history, going back to Bernstein, I think that is probably the market memory if you will. But for many years actually, we added great alternative managers to our platform, whether it's in private equity secondaries, whether it's real estate equity, whether it's impact investing as examples, as well as passive solutions when it comes to constructing our model portfolios. And we use a number of actually traditional asset management products, passive ETFs being a great example of that, to make sure we deliver the best outcomes for our clients and have the right cost and investment outcome priorities.

Mindy Diamond:

Onur, there are many firms that are popping up and many firms that have been around for a long time that would be described as a boutique, as Bernstein describes its wealth management unit. So what do you think are the things that differentiate Bernstein's boutique wealth management unit most from all the others?

Onur Erzan:

Yeah. As I mentioned, not many of those other institutions have world-class institutional quality, multi-asset class asset management firm behind them. And that scale I think is quite differentiated in addition to the breadth and depth of the investment expertise. Ultimately, we are also a publicly listed company that gives us our own currency and ability to invest, raise capital, et cetera, so that I think is very unique.



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I would also argue, given our heritage and research and investment management in addition to private wealth, we have been early movers in some of the important aspects of wealth planning and investments. So we have been pioneers in some of the wealth planning tools. We built in-house alternative investment allocation tools, for instance, ahead of the curve. While many others were not embracing alternatives as much as they do today in the client portfolios, we took advantage of, for instance, our expertise in private credit. And then we have been offering private credit-type solutions in our private wealth business for a decade now.

I know it's a very popular idea right now, but we have the experience of doing that for more than a decade. So to me, again, what makes it very unique is, we have that boutique feel to our clients, given our unique focus on high net worth and ultra-high net worth. We have great geographical access, but we still operate out of 21 offices. It's not 500 offices, so you still get that client intimacy with the few hundred advisors versus thousands of advisors. And then you take advantage of the scale where the scale matters, whether it's the access to product, ability to invest in technology, the balance sheet to use for different purposes, organic and inorganic.

Mindy Diamond:

Yeah. So let me ask you about the ultra-high net worth focus. You mentioned earlier that there's been this democratization in the industry of access for clients of any level to what they need, but how it's harder to get that democratization because of the complex needs at the ultra-high net worth level. So how are, in general, ultra-high net worth client needs evolving beyond investments to include areas like family governance? And you mentioned some of these. Wealth planning for multi-generational families, tax planning for families with a global footprint, for example.

Onur Erzan:

No, absolutely. So we always embrace the complexities that come with wealth. So our clients, whether individuals or families, domestic or international, ultimately, as they navigate the complexities of wealth, to your point, they need help and guidance in many aspects of wealth or beyond. And that is definitely much greater or broader than pure investments or asset allocation. That goes back to, for us focusing on important transitions, for instance. We touched on family governance, stewardships. As we think about our engagement with our ultra-high net worth families, we would like to really focus on those transitions, thinking about succession, thinking about different types of family situations, whether sometimes wealth is intertwined with the business. Sometimes it's multi-generational old wealth that is going through another round of intergenerational wealth transfer. All of these are basically not only hard technical problems, it's also hearts and minds, just having the right understanding, the empathy of the situation, having the pattern recognition of decades to deal with those situations, having the long-standing trust-based relationships to get into the intimacy of those kind of situations.



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Because again, these situations are very personal and we really focus on those complex needs and we focus on engaging with those clients not only on the hard technical aspects of wealth and planning, which we are great at, but also on the softer aspects. And this ranges from, again, engaging on succession planning in families to financial literacy and education for the younger generation. Obviously, focusing on women as they increasingly control wealth and they are the main financial decision-makers in the household. So it has many different aspects.

Mindy Diamond:

What are your thoughts related not only to the ultra-high net worth, but the industry as a whole on evolving technology in the wealth management space, and specifically, the balance between tech and human advice? Should advisors be worried that AI will replace them?

Onur Erzan:

I'm not very worried about that personally, particularly in the ultra-high net worth and to a large extent in the high net worth space. I'll come back to role of technology more broadly. But at the high level, the reason why I say what I say is ultimately wealth is a very personal thing. It's very trust-based. And as I mentioned previously, as you think about the complexities of managing and dealing with wealth, it transcends many different topics and it's very nuanced. Although I embrace technology and I use it in my personal and professional life heavily, ultimately, I also believe in the IQ-EQ combination of a human. And I definitely have seen the power of a effective wealth advisor and how they can change lives and how they can be extremely impactful with clients because it goes back to not only the technical aspects of it, but also it's the trust, the hearts and minds to really have the client interest in mind and then helping clients take the right action.

As a result, I think the human touch and human advice will remain very central to wealth management in the foreseeable future. I think post-COVID we have seen that in spades as a proof point. But technology also has a phenomenal role to play. First of all, in any aspect of transaction processing, the servicing, there are a lot of areas where technology offers automation and smart ways to handle those kind of activities. I think whether it's client reporting, whether it's cash flows, there are a lot of areas where technology is definitely creating a lot of effectiveness and efficiency benefits.

And then the next curve or the next frontier is how to further empower the advisor by unleashing the AI and broader technologies to get even better at being effective in their client's journey and how to support those clients with the most complex needs. So to me, it's almost empowering the human with technology, creating those "superhumans" as opposed to technology replacing the human.

Mindy Diamond:

So it's not the next big thing for the industry?

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Onur Erzan:

My opinion is we tend to overestimate the short-term impact of big trends, and then underestimate the long-term impact. So the short answer is yes, but I think there is a little bit of a hype right now around AI. I'm not ignoring the power of AI and how revolutionary it's going to be in many aspects of our lives, including wealth management. That being said, I think it's a journey. I don't think everything is going to be improved with AI in the very short period of time, so there might be a little bit of overestimation of the short-term impact. And then by the same token, probably we are under-appreciating and underestimating the long-term impact because sometimes it's hard to see the art of the possible. So that's in my opinion, the answer. So yes, AI is a big thing. It's going to influence wealth management. No doubt. But my perspective is probably longer-term impact is going to be much more transformative than the way the short term.

Mindy Diamond:

What are some of the other next big things for the industry, either in the next five to 10 years or well beyond that?

Onur Erzan:

I think some of it is I would say the basics, but still evergreen important topics. Intergenerational wealth transfer, I know we have been talking about it for a long time, but demographics obviously don't change overnight. As a result, we have an enormous wealth transition that's happening today, and it's going to continue to grow over the next several years. So as a result, that is an important defining moment for the industry. Because as we know, transitions are always great risks and great opportunities, so hence, that is a big area.

I think the other big one is how to revolutionize the client portfolios. I think in terms of using alternatives in the client portfolios, I think we are still in the early innings. Even at Bernstein, I know we have been at that journey for more than a decade, and we have great expertise in incorporating alternatives, including taking advantage of tax-efficient income and other aspects of alternatives. But as we know, it's a constant innovation cycle. The products change. And I think there's more room for the industry to up-train the advisors in their understanding of alternatives and how to best use in client portfolios. And then obviously evolution in terms of access through vehicles and through other means. So in my opinion, probably, intergenerational wealth transfer alternatives are true.

And then finally, I mentioned it before, but it's such an important priority for us as well. Women in wealth, whether it is addressing the needs of women in wealth management, but also growing the female wealth advisors and other professionals in our business, in my opinion, is a very critical topic.

Mindy Diamond:

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And how about if we talk a little bit about what the best advisors are doing? You talk about how certainly many of them at Bernstein are best-in-class and have done heroic things for clients, something that technology could never replace. But what are some of those things in your view, whether it be advisors you see the best advisors doing at Bernstein, or the advisors you saw at your clients when you were at McKinsey, what are some of the things that those best advisors do differently than their peers?

Onur Erzan:

Absolutely. I don't think it's one size fits all, but if I were to maybe highlight a few teams I've seen either from our great advisors at Bernstein Private Wealth or other advisors we serve through our asset management business. I think the one commonality perhaps is that whole passion for client excellence. Really investing the time to understanding what matters for the client. And if I were to name one common denominator, if you will, every advisor has different ways of approaching their clients and differences in their practices. All great advisors I have seen have a unique ability to identify what matters for that client and then have the passion, the resilience, and the drive to deliver that thing to their client. So that's I think one thing that I've seen as more universal.

Then on top of that, the couple of other things I've seen with our great advisors, again, the best ones really learn and adapt. They embrace innovation when they see changes in the investment landscape or tools, whether technology, broader wealth planning tools, they don't hesitate to embrace new ways of serving their clients. So they keep up with times because as we know, unless you are doing something new with your clients, somebody else will. And in that competitive world, you need to adapt.

And then finally, they really excel at taking a long-term view, just staying invested, thinking about what is the next critical thing in the client's journey. For instance, for our business owner, entrepreneur kind of clients, our best advisors start that engagement with those business owners and entrepreneurs, sometimes five years before the liquidity event, whether it's a business sale or IPO. And the best advisors are great team players. They excel at bringing the best of resources to their clients' needs, whether it's proprietor resources that Bernstein offers to our advisors, but also the broader network, whether it's the centers of influence outside Bernstein. So whatever is the best-in-class resource they incorporate into their practice and into their teaming approach if you will.

Mindy Diamond:

I love all those ideas, but the idea of passion for client excellence is your words, and identifying what matters to the client, and then delivering on that is this whole notion of customization. And going back to when we think about the advisors that we have the privilege of counseling, what they talk about, what frustrates them more than anything is an inability to customize. They identify a need for a client, and they feel constrained in one way or another from being able to deliver on that in a customizable manner. So I think you're right. Part of passion for client excellence is asking some of the tough



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questions, is where I'm practicing the right place to be doing it. Do I have all of the support I need to be able to really service clients best? And am I willing to do whatever it takes to get there?

Onur Erzan:

Yes. Ultimately, customization plays an important role. But I would argue, I think the fundamental thing is really having that great ear to really listen to what the client needs, and then being creative to deliver against that need. And at times, I know customization is a great word, and obviously, we all aspire to be very custom-solution builders. But in many cases, the great advisors apply their creativity to really find an existing solution to a client need by really being very sharp in understanding what is the core need. Because at times, even a simple existing solution might be the best remedy. I don't think every complex need always require a custom solution. There are instances where custom solutions are necessary. But in many cases, I think that the ability to listen, the ability to influence, and having the discipline, I think count as much as customization.

Mindy Diamond:

Yeah, I don't think you're wrong. And actually, I love the word creativity. Because in a lot of cases, it's about being creative at working within the confines of the toolbox you have as long as that works. And I think for many that's exactly what they do. Let me ask you a question, Onur, from a more personal perspective. In your long career, in your esteemed career, what was the best advice you ever received?

Onur Erzan:

Great question. I had the privilege of having many mentors, including today. The few things that always resonated with me or stood well with me, maybe focusing on a couple.

One, I really liked the advice I received in terms of leading with vulnerability. Making yourself vulnerable versus leading with fear. I think that is a little nuanced, but ultimately, in your career, whether you're a junior person or senior person, whether you're an individual contributor or running large teams, you need to make decisions for yourself, for your teams, for your clients. Ultimately, leading with confidence, being humble about the vulnerabilities that you have, and exposing yourself is, in my opinion, a much better leadership approach. At least that worked well for me as opposed to leading with fear, leading with the risk of failure, and alike. So that's, I think, one advice that really has been my North Star for a long time.

I think keeping it simple is important. Ultimately, what I learned is the most successful individuals have the capacity to process a lot of complexity. But ultimately, they bring it down to very simple takeaways they can act on. So to me, keeping it simple is also a great advice that I followed. And the final one I would add to that is focus. At times, probably it's a evergreen challenge for me and very busy individuals, advisors, executives, but really forcing yourself to focus on what matters, what moves the



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needle, and elevating yourself to make a deliberate set of choices on those things that matter versus getting lost in business as usual, if you will.

Mindy Diamond:

One final question I like to ask a lot of business leaders. What do you think is the best or most impactful business book you've read?

Onur Erzan:

Oh, there are quite a number. In terms of the books I really liked, there are a couple of books about the Netflix story that resonated with me because it's a phenomenal disruptive company, and they came in and changed the business model. I always embrace companies that change their industry's innovations. So to me, I really liked a couple of the books about Netflix. I liked Satya's book on Microsoft for a different reason because it's a bit of a reinvention or refresh story. That kind of resonated with me because ultimately not many large storied companies that gets challenged find their way back to greatness again, and I think Microsoft did that. So those are a few examples that come to mind.

Mindy Diamond:

Yeah. Thank you for that. Onur, this was incredibly fascinating. And I'm really grateful for your time, your willingness to share. So honestly, I'm actually excited that you're saying Bernstein is really willing to consider competitive talent because I think that there are probably not a lot, but some folks in our orbit that could have real interest in a model like this. So I love your growth mindset. As I said, grateful for the wisdom and we wish you continued success.

Onur Erzan:

Thank you very much. I very much enjoyed the conversation. It's always a pleasure and honor to talk about our business. I really think very highly of our platform and our talents, and definitely very excited about the prospects of adding best-in-class talent to our business. Again, we are a very strong, storied platform with \$120 billion or so in assets. Sometimes I joke with my colleagues that we are a well-kept secret in the industry. It's always good to get the story out and always engage with others in the industry.

Mindy Diamond:

Thank you. Curious about where, why, and how advisors like you are moving? Download the latest Advisor Transition Report to learn more, including Intel on recruiting deals and our insight and analysis on the latest trends in the wealth management space. You'll find it at diamond-consultants.com/transitionreport. Or if you'd like to talk, feel free to give us a call at (908) 879-1002.