

News Release

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AllianceBernstein to Launch a First Age-Based Index Portfolio for College Savers Based on Morningstar's 529 College Savings Indexes

New passively managed age-based portfolio designed to track the Morningstar® 529 College Savings Moderate IndexSM series

Rhode Island's CollegeBoundfund® introduces new enhancements to its active investment options

New York, March 24, 2014— [AllianceBernstein L.P. \(AllianceBernstein\)](http://www.alliancebernstein.com), a global investment management firm with \$458 billion in assets under management and the program manager for Rhode Island's 529 savings plan *CollegeBoundfund*, announced today it has made a series of enhancements to the plan, most notably adding a first-of-its-kind passively managed age-based index portfolio—**Age-Based CollegeBoundfund Morningstar Index Portfolio**. The portfolio, which will be managed by AllianceBernstein, is designed to track Morningstar's 529 College Savings Moderate Index and will make *CollegeBoundfund* the first 529 plan to have an investment option tracking this index series. The portfolio is available for investment today, March 24, 2014, and will complement *CollegeBoundfund*'s current actively managed options while also providing financial advisors with an option typically found only in direct-sold 529 plans.

"It is clear families and advisors have become increasingly interested in lower-cost passively managed investments, and by being the first to add an option that intends to track the age-based index that underlies Morningstar's 529 College Savings Moderate index series, *CollegeBoundfund* can now offer more flexibility in accessing risk-managed investment solutions at a lower cost," said Vadim Zlotnikov, Co-Head of AllianceBernstein's Multi-Asset Solutions Group. "We see a portfolio that uses Morningstar's 529 College Savings Index series as its tracking indices as a strong complement to our actively managed options; with this addition we can provide college savers with much greater choice in creating an investment strategy that best meets their specific needs and risk appetite."

In this new product, Morningstar is responsible for the Morningstar 529 College Savings Moderate Index series, while AllianceBernstein is responsible for managing the Age-Based CollegeBound*fund* Morningstar Index Portfolio option.

"We are pleased that AllianceBernstein chose to use one of our 529 index series to create a new passive investment option for the CollegeBound*fund*," said Sanjay Arya, head of Morningstar Indexes. "The Morningstar 529 College Savings Index Series is based on well-established asset allocation methodology from Ibbotson Associates, a Morningstar company and a leader in the field of asset allocation theory. Each index underlying the 529 Index Series provides diversified asset-class exposure to global equities, bonds, Treasury Inflation Protected Securities, and cash by using existing Morningstar Indexes as asset allocation building blocks."

AllianceBernstein broadens active portfolio options in its 529 CollegeBound*fund*

To reflect the evolving risk appetites and investment styles preferable to college savers, AllianceBernstein also made a series of enhancements to the underlying funds in the Active Age-Based and Fixed Allocation Portfolios, called Education Strategies.

These changes include:

- Moving US Growth Portfolio assets to Growth & Income Fund
- Moving US Value Portfolio assets to Growth & Income Fund
- Moving International Growth Fund assets to the newly added International Factor Portfolio
- Moving International Value Fund assets to the newly added International Factor Portfolio

For advisors and college savers that prefer to choose individual funds, AllianceBernstein enhanced its lineup with new offerings, such as a bond inflation strategy to provide an important, inflation-sensitive fixed income component to the plan.

These changes include:

- Replacing Value Fund with Growth & Income Fund
- Replacing International Value Fund with International Value Index Portfolio¹
- Replacing Global Thematic Growth Fund with Discovery Growth Fund
- Replacing Intermediate Bond Portfolio with Global Bond Fund (new option)

¹ Rhode Island Direct Investor clients will have the Vanguard International Stock Index Portfolio option

- Adding Bond Inflation Strategy Fund (new option)

“Every individual has different investment goals and styles. We think the enhancements we’ve made to our 529 CollegeBound*fund* will better allow financial advisors to create an approach that is tailored to each individual’s investment goals, risk tolerance and time horizon,” added Zlotnikov. “By now offering active and passive education strategies along with our individual fund selection, we think we’ve created one of the most comprehensive college savings plans in the country.”

About AllianceBernstein

AllianceBernstein is a leading global investment management firm that offers high-quality research and diversified investment services to institutional investors, individuals and private clients in major world markets.

At December 31, 2013, AllianceBernstein Holding L.P. owned approximately 35.8% of the issued and outstanding AllianceBernstein Units and AXA, one of the largest global financial services organizations, owned an approximate 63.7% economic interest in AllianceBernstein.

Additional information about AllianceBernstein may be found on our internet site, www.alliancebernstein.com.

About AllianceBernstein’s Multi-Asset Solutions Group

AllianceBernstein’s Multi-Asset Solutions Group is a dedicated team that draws on its deep capital-markets expertise, research insights and a full range of risk/return sources as building blocks to create integrated multi-asset investment solutions tailored to the needs of each client. These include glidepath strategies like target-date and lifetime income solutions for defined contribution plans, asset allocation strategies and solutions targeting unique market index and factor exposures. With a team of more than 25 investment professionals, the Multi-Asset Solutions Group works to provide comprehensive solutions to long-term investment objectives through the use of multiple asset classes, strategies, and approaches that are integrated into single portfolios and actively managed on an ongoing basis.

About Morningstar, Inc. and Ibbotson Associates, Inc.

Morningstar, Inc. is a leading provider of independent investment research in North America, Europe, Australia, and Asia. The company offers an extensive line of products and services for individual investors, financial advisors, asset managers, and retirement plan providers and sponsors. Morningstar provides data on approximately 446,000 investment offerings, including stocks, mutual funds, and similar vehicles, along with real-time global market data on more than 10 million equities, indexes, futures, options, commodities, and precious metals, in addition to foreign exchange and Treasury markets. Morningstar also offers investment

management services through its registered investment advisor subsidiaries. The company has operations in 27 countries.

Ibbotson Associates, Inc. is a registered investment advisor and wholly owned subsidiary of Morningstar, Inc. It is part of the Morningstar Investment Management group, which creates custom investment solutions that combine award-winning research and global resources with proprietary Morningstar data. With approximately \$159 billion* in assets under advisement and management, the Morningstar Investment Management group provides comprehensive retirement, investment advisory, and portfolio management services for financial institutions, plan sponsors, and advisors around the world.

**Data as of Dec. 31, 2013. Includes Morningstar Associates, Ibbotson Associates, Morningstar Investment Services, OBSR Advisory Services, and Ibbotson Australia.*

Morningstar® is a registered trademark of Morningstar, Inc. All indexes under the Morningstar® 529 College Savings Moderate IndexSM series are service marks of Morningstar, Inc. and have been licensed for certain purposes by AllianceBernstein L.P. Morningstar, Inc. does not sponsor, endorse, issue, sell or promote the CollegeBoundfund including the CollegeBoundfund Morningstar Age-Based Index Portfolio, makes no representation regarding the advisability of investing in CollegeBoundfund including the CollegeBoundfund Morningstar Age-Based Index Portfolio, and bears no liability with respect to that security or any other security linked to the Morningstar 529 College Savings Moderate Index series. The indexes within Morningstar 529 College Savings Moderate Index series cannot be invested in directly. The past performance of the Morningstar 529 College Savings Moderate Index series is not a guarantee of that Index's future performance results.

Important Information

Investors should consider the investment objectives, risks, charges and expenses of CollegeBoundfund carefully before investing. For a copy of the Program Description, which contains this and other information, visit our website at www.collegeboundfund.com, or call your financial representative or AllianceBernstein Investments at (888) 324-5057. Please read the Program Description carefully before investing.

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If an investor is not a Rhode Island resident or has taxable income in another state, please note that depending on the laws of the investor's or beneficiary's home state, favorable state tax treatment or other benefits offered by such home state for investing in 529 college savings plans may be available only for investments in the home state's 529 plan. Any state-based benefit offered with respect to this plan should be one of many appropriately weighted factors to be considered before making an investment decision. Investors are urged to consult their financial, tax or other advisors to learn more about how state-based benefits (including any limitations) would apply to their specific circumstances. Investors may also wish to contact their home state or

another state's 529 plan to learn more about its features, benefits and limitations before investing. Statements in this material concerning taxation are not offered as individual tax advice.

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The investments in CollegeBoundfund are not guaranteed by the State of Rhode Island, the Rhode Island Higher Education Assistance Authority (which established and implemented CollegeBoundfund and makes rules and regulations governing the program), the Rhode Island State Investment Commission (which oversees the investments of the assets of CollegeBoundfund), the Federal Deposit Insurance Corporation (FDIC) or any instrumentality thereof. CollegeBoundfund is managed by AllianceBernstein L.P. and distributed by AllianceBernstein Investments, member FINRA.