This attachment contains the two most recent Senior Officer Fee Summaries for the Fund.

THE FOLLOWING IS NOT PART OF THE SHAREHOLDER REPORT OR THE FINANCIAL STATEMENTS

SUMMARY OF SENIOR OFFICER'S EVALUATION OF INVESTMENT ADVISORY AGREEMENT[1]

The following is a summary of the evaluation of the Investment Advisory Agreement between AllianceBernstein L.P. (the "Adviser") and AB Bond Fund, Inc. (the "Fund"), in respect of AB All Market Real Return Portfolio (the "Portfolio").[2, 3] The evaluation of the Investment Advisory Agreement was prepared by Philip L. Kirstein, the Senior Officer of the Fund, for the Directors of the Fund, as required by the August 2004 agreement between the Adviser and the New York State Attorney General (the "NYAG"). The Senior Officer's evaluation of the Investment Advisory Agreement is not meant to diminish the responsibility or authority of the Board of Directors of the Fund to perform its duties pursuant to Section 15 of the Investment Company Act of 1940 (the "40 Act") and applicable state law. The purpose of this summary is to provide shareholders with a synopsis of the independent evaluation of the reasonableness of the advisory fees proposed to be paid by the Portfolio which was provided to the Directors in connection with their review of the proposed continuance of the Investment Advisory Agreement. The Senior Officer's evaluation considered the following factors:

1. Advisory fees charged to institutional and other clients of the Adviser for like services;
2. Advisory fees charged by other mutual fund companies for like services;

[1] The Senior Officer's fee evaluation was completed on October 20, 2016 and discussed with the Board of Directors on November 1-3, 2016.
[2] Future references to the Fund or the Portfolio do not include "AB."
[3] Effective December 15, 2014, the Portfolio changed its name from Real Asset Strategy to All Market Real Return Portfolio.

3. Costs to the Adviser and its affiliates of supplying services pursuant to the advisory agreement, excluding any intra-corporate profit;
4. Profit margins of the Adviser and its affiliates from supplying such services;
5. Possible economies of scale as the Portfolio grows larger; and
6. Nature and quality of the Adviser's services including the performance of the Portfolio..

These factors, with the exception of the first factor, are generally referred to as the "*Gartenberg* factors," which were articulated by the United States Court of Appeals for the Second Circuit in 1982. *Gartenberg v. Merrill Lynch Asset Management, Inc.*, 694 F. 2d 923 (2d Cir. 1982). On March 30, 2010, the Supreme Court held the *Gartenberg* decision was correct in its basic formulation of what Section 36(b) requires: to face liability under Section 36(b), "an investment adviser must charge a fee that is so disproportionately large that it bears no reasonable relationship to the services rendered and could not have been the product of arm's length bargaining." *Jones v. Harris Associates L.P.*, 130 S. Ct. 1418 (2010). In *Jones*, the Court stated the *Gartenberg* approach fully incorporates the correct understanding of fiduciary duty within the context of Section 36(b) and noted with approval that "*Gartenberg* insists that all relevant circumstances be taken into account" and "uses the range of fees that might result from arm's length bargaining as the benchmark for reviewing challenged fees."[4]

[4] *Jones v. Harris* at 1427.

INVESTMENT ADVISORY FEES, NET ASSETS & EXPENSE RATIOS

The Adviser proposed that the Portfolio pay the advisory fee set forth below for receiving the services to be provided pursuant to the Investment Advisory Agreement.

Portfolio	Net Assets 9/30/16 ($MM)	Advisory Fee Schedule Based on the Average Daily Net Assets of the Portfolio
All Market Real Return Portfolio	$583.6	0.75% (flat fee)

The Adviser is reimbursed as specified in the Investment Advisory Agreement for certain clerical, legal, accounting, administrative and other services provided to the Portfolio. During the Portfolio's fiscal year ended October 31, 2015, the Adviser received $49,900 (0.009% of the Portfolio's average daily net assets) for such services.

The Adviser agreed to waive that portion of its advisory fees and/or reimburse the Portfolio for that portion of the Portfolio's total operating expenses to the degree necessary to limit the Portfolio's expense ratios to the amounts set forth below for the Portfolio's current fiscal year. The waiver is terminable by the Adviser upon at least 60 days' notice prior to the Portfolio's prospectus update. In addition, set forth below are the Portfolio's gross expense ratios for the most recent semi-annual period.[5]

[5] Semi-annual total expense ratios are unaudited.

Fund		Expense Cap Pursuant to Expense Limitation Undertaking[6]	Gross Expense Ratio	Fiscal Year End
All Market Real Return Portfolio[7, 8]	Advisor	1.05%	1.18%	Oct. 31 (ratios as of Apr. 30, 2016)
	Class A	1.30%	1.45%	
	Class C	2.05%	2.20%	
	Class R	1.55%	1.67%	
	Class K	1.30%	1.36%	
	Class I	1.05%	0.93%	
	Class Z	1.05%	0.94%	
	Class 1	1.30%	1.16%	
	Class 2	1.05%	0.91%	

I. ADVISORY FEES CHARGED TO INSTITUTIONAL AND OTHER CLIENTS

The advisory fees charged to investment companies which the Adviser manages and sponsors are normally higher than those charged to similar sized institutional accounts, including pension plans and sub-advised investment companies. The fee differential reflects, among other things, different services provided to such clients, and different liabilities assumed. Services provided by the Adviser to the Portfolio that are not provided to non-investment company clients include providing office space and personnel to serve as Fund Officers, who among other responsibilities make the certifications required under the Sarbanes–Oxley Act of 2002, and coordinating with and monitoring the Portfolio's third party service providers such as Fund counsel, auditors, custodians, transfer agents and pricing services. The accounting, administrative, legal and compliance requirements for the Portfolio are more costly than those for institutional client assets due to the greater complexities and time required for investment companies, although as previously noted, the Adviser is reimbursed for providing such services.

[6] The expense cap pursuant to the expense limitation undertaking for each Fund excludes interest expense.
[7] Prior to February 1, 2016, the expense cap for each share class other than Class A was 0.05% lower.
[8] The Fund's percentage of net assets allocated to ETFs as July 31, 2016 is 8.55% the Fund's acquired fund fees and expenses related to such ETF holdings is 0.0279%.

Also, retail mutual funds managed by the Adviser are widely held and accordingly, servicing the Portfolio's investors is more time consuming and labor intensive compared to servicing institutional clients since the Adviser needs to communicate with a more extensive network of financial intermediaries and shareholders. The Adviser also believes that it incurs substantial entrepreneurial risk when offering a new mutual fund since establishing a new mutual fund requires a large upfront investment and it may take a long time for the fund to achieve profitability since the fund must be priced to scale from inception in order to be competitive and assets are acquired one account at a time. In addition, managing the cash flow of an investment company may be more difficult than that of a stable pool of assets, such as an institutional account with little cash movement in either direction, particularly if the Portfolio is in net redemption and the Adviser is frequently forced to sell securities to raise cash for redemptions. However, managing a fund with positive cash flow may be easier at times than managing a stable pool of assets. Finally, in recent years, investment advisers have been sued by institutional clients and have suffered reputational damage both by the attendant publicity and outcomes other than complete victories. Accordingly, the legal and reputational risks associated with institutional accounts are greater than previously thought, although arguably still not equal to those related to the mutual fund industry.

Notwithstanding the Adviser's view that managing an investment company is not comparable to managing other institutional accounts because the services provided are different, the Supreme Court has indicated consideration should be given to the advisory fees charged to institutional accounts with a similar investment style as the Portfolio.[9] In

[9] The Supreme Court stated that "courts may give such comparisons the weight that they merit in light of the similarities and differences between the services that the clients in question require, but the courts must

addition to the AB Institutional fee schedule, set forth below is what would have been the effective advisory fee for the Portfolio had the AB Institutional fee schedule been applicable to the Portfolio versus the Portfolio 's advisory fees based on September 30, 2016 net assets:[10]

Portfolio	Net Assets 09/30/16 ($MM)	AB Institutional Fee Schedule	Effective AB Inst. Adv. Fee	Strategy Advisory Fee
All Market Real Return Portfolio	$583.6	Real Asset Strategy Schedule 0.75% on 1st $150 million 0.60% on next $150 million 0.50% on the balance *Minimum Acct Size: $150 million*	0.590%	0.750%

The Adviser also manages and sponsors retail mutual funds, which are organized in jurisdictions outside the United States, generally Luxembourg, Japan, Taiwan, and South Korea, and sold to non-United States resident investors. The Adviser charges the following fees for Real Asset Portfolio, a Luxembourg fund that has a somewhat similar investment style as the Portfolio:

Portfolio	Luxembourg Fund	Fee[11]
All Market Real Return Portfolio	Real Asset Portfolio	
	Class A	1.55%
	Class I (Institutional)	0.75%

be wary of inapt comparisons." Among the significant differences the Supreme Court noted that may exist between services provided to mutual funds and institutional accounts are "higher marketing costs." *Jones v. Harris* at 1428.

[10] The Adviser has indicated that with respect to institutional accounts with assets greater than $300 million, it will negotiate a fee schedule. Discounts that are negotiated vary based upon each client relationship.

[11] Class A shares of the fund are charged an "all-in" fee, which includes investment advisory services and distribution related services, while Class I shares, whose fee is for investment advisory services only.

The Adviser represented that it does not provide any sub-advisory investment services to other investment companies that have a substantially similar investment style as the Portfolio.

II. MANAGEMENT FEES CHARGED BY OTHER MUTUAL FUND COMPANIES FOR LIKE SERVICES.

Broadridge Financial Solutions, Inc. ("Broadridge"), an analytical service that is not affiliated with the Adviser, compared the fees charged to the Portfolio with fees charged to other investment companies for similar services by other investment advisers.[12, 13] Broadridge's analysis included the comparison of the Portfolio's contractual management fee, estimated at the approximate current asset level of the subject Portfolio, to the median of the Portfolio's Broadridge Expense Group ("EG")[14] and the Portfolio's contractual management fee ranking.[15]

Broadridge describes an EG as a representative sample of comparable funds. Broadridge's standard methodology for screening funds to be included in an EG entails the consideration of several fund criteria, including fund type, Lipper investment classification/objective, load type, similar 12b-1/non-12b-1 service fees, asset (size)

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[12] The Supreme Court cautioned against accepting mutual fund fee comparisons without careful scrutiny since "these comparisons are problematic because these fees, like those challenged, may not be the product of negotiations conducted at arm's length." *Jones v. Harris* at 1429.

[13] On June 5, 2015, Broadridge acquired the Fiduciary Services and Competitive Intelligence unit, *i.e.*, the group responsible for providing the Portfolio's 15(c) reports, from Thomson Reuters' Lipper division. The group that maintains Lipper's expense and performance databases and investment classifications/objectives remains a part of Thomson Reuters' Lipper division. Accordingly, the Portfolio's investment classification/objective continues to be determined by Lipper.

[14] Broadridge does not consider average account size when constructing EGs. Funds with relatively small average account sizes tend to have higher transfer agent expense ratios than comparable sized funds that have relatively large average account sizes. There are limitations to Lipper expense category data because different funds categorize expenses differently.

[15] The contractual management fee is calculated by Broadridge using the Portfolio's contractual management fee rate at the hypothetical asset level. The hypothetical asset level is based on the combined net assets of all classes of the Portfolio, rounded up to the next $25 million. Broadridge's total expense ratio information is based on the most recent annual report except as otherwise noted. A ranking of "1" would mean that Portfolio had the lowest effective fee rate in the Broadridge peer group.

comparability, expense components and attributes. An EG will typically consist of seven to twenty funds.

The original EG for All Market Real Return Portfolio had an insufficient number of peers. Consequently, Broadridge expanded the Portfolio's EG to include peers that have a similar but not the same Lipper investment classification/objective. However, because Broadridge had expanded the Portfolio's EG, under Broadridge's standard guidelines, the Portfolio's Broadridge Expense Universe ("EU") was also expanded to include the universes of those peers that have a similar but the same Lipper investment classification/objective. The EU is a broader group compared to the EG, consisting of all funds that have the same Lipper investment classification/objective and load type as the subject Portfolio.[16] A "normal" EU will include funds that have same investment classification/objective as the subject Portfolio.[17]

Portfolio	Contractual Management Fee (%)	Broadridge EG Median (%)	Broadridge EG Rank
All Market Real Return Portfolio[18]	0.750	0.795	3/8

Broadridge also compared the Portfolio's total expense ratio to the medians of the Portfolio's EG and Broadridge EU. The Portfolio's total expense ratio rankings are also shown below.

[16] Except for asset (size) comparability, Broadridge uses the same criteria for selecting an EG when selecting an EU. Unlike the EG, the EU allows for the same adviser to be represented by more than just one fund.
[17] Except for asset size comparability, Broadridge uses the same EG criteria for selecting an EU peer. Unlike the EG, the EU allows for the same adviser to be represented by more than just one fund.
[18] The Fund's EG includes the Fund, two other Alternative Global Macro ("AGM") funds, one Global Natural Resources ("GNR") fund, and four Flexible Portfolio ("FX") funds.

Portfolio	Expense Ratio (%)	Broadridge EG Median (%)	Broadridge Group Rank	Broadridge EU Median (%)	Broadridge EU Rank
All Market Real Return Portfolio[19]	1.302	1.303	4/8	1.249	10/17

Based on this analysis, the Portfolio has a more favorable ranking on a contractual management fee than on a total expense ratio basis.

III. COSTS TO THE ADVISER AND ITS AFFILIATES OF SUPPLYING SERVICES PURSUANT TO THE MANAGEMENT FEE ARRANGEMENT, EXCLUDING ANY INTRA-CORPORATE PROFIT.

The Adviser utilizes two profitability reporting systems, which operate independently but are aligned with each other, to estimate the Adviser's profitability in connection with investment advisory services provided to the Portfolio. The Senior Officer has retained a consultant to provide independent advice regarding the alignment of the two profitability systems as well as the methodologies and allocations utilized by both profitability systems. See Section IV for additional discussion.

IV. PROFIT MARGINS OF THE ADVISER AND ITS AFFILIATES FOR SUPPLYING SUCH SERVICES.

The profitability information for the Portfolio, prepared by the Adviser for the Board of Directors, was reviewed by the Senior Officer and the independent consultant. The Adviser's profitability from providing investment advisory services to the Portfolio decreased during calendar year 2015, relative to 2014.

In addition to the Adviser's direct profits from managing the Portfolio, certain of the Portfolio's affiliates have business relationships with the Portfolio and may earn a

[19] The Portfolio's EU includes the Portfolio, EG, and all other AGM, GNR, and FX funds, excluding outliers.

profit from providing other services to the Portfolio. The courts have referred to this type of business opportunity as "fall-out benefits" to the Adviser and indicated that such benefits should be factored into the evaluation of the total relationship between the Portfolio and the Adviser. Neither case law nor common business practice precludes the Adviser's affiliates from earning a reasonable profit on this type of relationship provided the affiliates' charges and services are competitive. These affiliates provide transfer agent, distribution and brokerage related services to the Portfolio and receive transfer agent fees, front-end sales loads, Rule 12b-1 payments, contingent deferred sales charges ("CDSC") and brokerage commissions. In addition, the Adviser benefits from soft dollar arrangements which offset expenses the Adviser would otherwise incur. During the Portfolio's most recently completed fiscal year, ABI received from the Portfolio $1,109, $1,361,873 and $826 front-end sales charges, Rule 12b-1 and CDSC fees, respectively.[20]

AllianceBernstein Investments, Inc. ("ABI"), an affiliate of the Adviser, is the Portfolio's principal underwriter. ABI and the Adviser have disclosed in the Portfolio's prospectus that they may make revenue sharing payments from their own resources, in addition to revenues derived from sales loads and Rule 12b-1 fees, to firms that sell shares of the Portfolio. In 2015, ABI paid approximately 0.05% of the average monthly assets of the AB Mutual Funds or approximately $20.0 million for distribution services and educational support (revenue sharing payments).

Fees and reimbursements for out of pocket expenses charged by AllianceBernstein Investor Services, Inc. ("ABIS"), the affiliated transfer agent for the Portfolio, are charged on a per account basis, based on the level of service provided and

[20] As a result of discussions between the Board and the Adviser, ABI will reduce the Portfolio's Class A shares Rule 12b-1 fee payment rate from 0.30% to 0.25% effective on February 1, 2016.

the class of share held by the account. ABIS also receives a fee per shareholder sub-account for each account maintained by an intermediary on an omnibus basis. During the Portfolio's most recently completed fiscal year, ABIS received $110,359 in fees from the Portfolio.

The Portfolio did not effect any brokerage transactions through and did not pay any commissions to the Adviser's U.S. and U.K. affiliate, Sanford C. Bernstein & Co., LLC ("SCB & Co.") and, Sanford C. Bernstein Limited ("SCB Ltd."), collectively "SCB". The Adviser represented that SCB's profitability from any future business conducted with the Portfolio would be comparable to the profitability of SCB's dealings with other similar third party clients. In the ordinary course of business, SCB receives and pays liquidity rebates from electronic communications networks ("ECNs") derived from trading for its clients. These credits and charges are not being passed onto to any SCB client. The Adviser also receives certain soft dollar benefits from brokers that execute agency trades for its clients. These soft dollar benefits reduce the Adviser's research expense and increase its profitability.

V. POSSIBLE ECONOMIES OF SCALE

The Adviser has indicated that economies of scale are being shared with shareholders through pricing to scale, breakpoints, fee reductions/waivers and enhancement to services.

In May 2012, an independent consultant, retained by the Senior Officer, provided the Board of Directors information on the Adviser's firm-wide average costs from 2005 through 2011 and the potential economies of scale. The independent consultant noted that from 2005 through 2007 the Adviser experienced significant growth in assets under

management ("AUM"). During this period, operating expenses increased, in part to keep up with growth, and in part reflecting market returns. However, from 2008 through the first quarter of 2009, AUM rapidly and significantly decreased due to declines in market value and client withdrawals. When AUM rapidly decreased, some operating expenses categories, including base compensation and office space, adjusted more slowly during this period, resulting in an increase in average costs. Since 2009, AUM has experienced less significant changes. The independent consultant noted that changes in operating expenses reflect changes in business composition and business practices in response to changes in financial markets. Finally, the independent consultant concluded that the increase in average cost and the decline in net operating margin across the Adviser since late 2008 are inconsistent with the view that there are currently reductions in average costs due to economies of scale that can be shared with the AB Mutual Funds managed by the Adviser through lower fees.

Previously, in February 2008, the independent consultant provided the Board of Directors an update of the Deli[21] study on advisory fees and various fund characteristics.[22] The independent consultant first reiterated the results of his previous two dimensional comparison analysis (fund size and family size) with the Board of Directors.[23] The independent consultant then discussed the results of the regression

[21] The Deli study, originally published in 2002 based on 1997 data and updated for the February 2008 Presentation, may be of diminished value due to the age of the data used in the presentation and the changes experienced in the industry over the last four years. Source: Deli, Daniel N. "Mutual Fund Advisory Contracts: An Empirical Investigation." *Journal of Finance*, 57(1): 109-133 (2002).

[22] As mentioned previously, the Supreme Court cautioned against accepting mutual fund fee comparisons without careful scrutiny since the fees may not be the product of negotiations conducted at arm's length. See *Jones V. Harris* at 1429.

[23] The two dimensional analysis showed patterns of lower advisory fees for funds with larger asset sizes and funds from larger family sizes compared to funds with smaller asset sizes and funds from smaller family sizes, which according to the independent consultant is indicative of a sharing of economies of scale and scope. However, in less liquid and active markets, such is not the case, as the empirical analysis

model that was utilized to study the effects of various factors on advisory fees. The regression model output indicated that the bulk of the variation in fees predicted were explained by various factors, but substantially by fund AUM, family AUM, index fund indicator and investment style. The independent consultant also compared the advisory fees of the AB Mutual Funds to similar funds managed by 19 other large asset managers, regardless of the fund size and each Adviser's proportion of mutual fund assets to non-mutual fund assets.

VI. NATURE AND QUALITY OF THE ADVISER'S SERVICES, INCLUDING THE PERFORMANCE OF THE FUND

With assets under management of approximately $490 billion as of September 30, 2016, the Adviser has the investment experience to manage and provide non-investment services (described in Section I) to the Portfolio.

The information below shows the 1, 3, and 5 year performance returns and rankings of the Portfolio [24] relative to its Broadridge Performance Group ("PG") and Broadridge Performance Universe ("PU")[25] for the period ended July 31, 2016.[26]

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showed potential for diseconomies of scale in those markets. The empirical analysis also showed diminishing economies of scale and scope as funds surpassed a certain high level of assets.

[24] The performance returns and rankings are for the Class A shares of the Portfolio. The performance returns of the Portfolio were provided Broadridge.

[25] The Portfolio's PG/PU is not identical to the Portfolio's EG/EU as the criteria for including/excluding a fund in/from a PG/PU is somewhat different from that of an EG/EU.

[26] The current Lipper investment classification/objective dictates the PG and PU throughout the life of the Portfolio even if the Portfolio may have had a different investment classification/objective at different points in time.

	Fund Return (%)	PG Median (%)	PU Median (%)	PG Rank	PU Rank
All Market Real Return Portfolio					
1 year	-0.41	-0.41	-0.50	2/3	30/60
3 year	-6.19	-4.60	1.61	3/3	46/48
5 year	-5.49	0.22	1.72	2/2	31/31

Set forth below are the 1, 3, and 5 year and since inception net performance returns of the Portfolio (in bold)[27] versus its benchmark.[28] Portfolio and benchmark volatility and reward-to-variability ratio ("Sharpe Ratio") information is also shown.[29]

Period Ending July 31, 2016
Annualized Net Performance

	1 Year (%)	3 Year (%)	5 Year (%)	Since Inception (%)	Volatility (%)	Sharpe (%)	Risk Period (Year)
All Market Real Return Portfolio	**-0.41**	**-6.19**	**-5.49**	**-1.11**	**14.98**	**-0.30**	**5**
MSCI AC World Commodity Producers Index	2.89	-5.81	-7.06	-3.15	N/A	N/A	N/A
All Market Real Return Index	2.67	-3.18	-3.76	0.07	14.79	-0.19	5

Inception Date: March 8, 2010

[27] The performance returns and risk measures shown in the table are for the Class A shares of the Portfolio.
[28] The Adviser provided Portfolio and benchmark performance return information for the periods through July 31, 2016.
[29] Portfolio and benchmark volatility and Sharpe Ratio information was obtained through Lipper LANA, a database maintained by Lipper. Volatility is a statistical measure of the tendency of a market price or yield to vary over time. A Sharpe Ratio is a risk adjusted measure of return that divides a fund's return in excess of the riskless return by the fund's standard deviation. A fund with a greater volatility would be viewed as more risky than a fund with equivalent performance but lower volatility; for that reason, a greater return would be demanded for the more risky fund. A fund with a higher Sharpe Ratio would be viewed as better performing than a fund with a lower Sharpe Ratio.

CONCLUSION:

Based on the factors discussed above the Senior Officer's conclusion is that the proposed advisory fee for the Portfolio is reasonable and within the range of what would have been negotiated at arm's-length in light of all the surrounding circumstances. This conclusion in respect of the Portfolio is based on an evaluation of all of these factors and no single factor was dispositive.

Dated: November 18, 2016

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SUMMARY OF SENIOR OFFICER'S EVALUATION OF INVESTMENT ADVISORY AGREEMENT[1]

The following is a summary of the evaluation of the Investment Advisory Agreement between AllianceBernstein L.P. (the "Adviser") and AB Bond Fund, Inc. (the "Fund"), in respect of AB All Market Real Return Portfolio (the "Portfolio").[2, 3] The evaluation of the Investment Advisory Agreement was prepared by Philip L. Kirstein, the Senior Officer of the Fund, for the Directors of the Fund, as required by the August 2004 agreement between the Adviser and the New York State Attorney General (the "NYAG"). The Senior Officer's evaluation of the Investment Advisory Agreement is not meant to diminish the responsibility or authority of the Board of Directors of the Fund to perform its duties pursuant to Section 15 of the Investment Company Act of 1940 (the "40 Act") and applicable state law. The purpose of this summary is to provide shareholders with a synopsis of the independent evaluation of the reasonableness of the advisory fees proposed to be paid by the Portfolio which was provided to the Directors in connection with their review of the proposed continuance of the Investment Advisory Agreement. The Senior Officer's evaluation considered the following factors:

1. Advisory fees charged to institutional and other clients of the Adviser for like services;
2. Advisory fees charged by other mutual fund companies for like services;

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[1] The Senior Officer's fee evaluation was completed on October 22, 2015 and discussed with the Board of Directors on November 3-5, 2015.
[2] Future references to the Fund or the Portfolio do not include "AB."
[3] Effective December 15, 2014, the Portfolio changed its name from Real Asset Strategy to All Market Real Return Portfolio.

3. Costs to the Adviser and its affiliates of supplying services pursuant to the advisory agreement, excluding any intra-corporate profit;
4. Profit margins of the Adviser and its affiliates from supplying such services;
5. Possible economies of scale as the Portfolio grows larger; and
6. Nature and quality of the Adviser's services including the performance of the Portfolio..

These factors, with the exception of the first factor, are generally referred to as the "*Gartenberg* factors," which were articulated by the United States Court of Appeals for the Second Circuit in 1982. *Gartenberg v. Merrill Lynch Asset Management, Inc.*, 694 F. 2d 923 (2d Cir. 1982). On March 30, 2010, the Supreme Court held the *Gartenberg* decision was correct in its basic formulation of what Section 36(b) requires: to face liability under Section 36(b), "an investment adviser must charge a fee that is so disproportionately large that it bears no reasonable relationship to the services rendered and could not have been the product of arm's length bargaining." *Jones v. Harris Associates L.P.*, 130 S. Ct. 1418 (2010). In *Jones*, the Court stated the *Gartenberg* approach fully incorporates the correct understanding of fiduciary duty within the context of Section 36(b) and noted with approval that "*Gartenberg* insists that all relevant circumstances be taken into account" and "uses the range of fees that might result from arm's length bargaining as the benchmark for reviewing challenged fees."[4]

INVESTMENT ADVISORY FEES, NET ASSETS & EXPENSE RATIOS

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[4] *Jones v. Harris* at 1427.

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All Market Real Return Portfolio	$522.9	0.75% (flat fee)

The Adviser is reimbursed as specified in the Investment Advisory Agreement for certain clerical, legal, accounting, administrative and other services provided to the Portfolio. During the Portfolio's fiscal year ended October 31, 2014, the Adviser received $57,849 (0.009% of the Portfolio's average daily net assets) for such services.

The Adviser agreed to waive that portion of its advisory fees and/or reimburse the Portfolio for that portion of the Portfolio's total operating expenses to the degree necessary to limit the Portfolio's expense ratios to the amounts set forth below for the Portfolio's current fiscal year. The waiver is terminable by the Adviser upon at least 60 days' notice prior to the Portfolio's prospectus update. In addition, set forth below are the Portfolio's gross expense ratios for the most recent semi-annual period.[5]

[5] Semi-annual total expense ratios are unaudited.

Portfolio		Expense Cap Pursuant to Expense Limitation Undertaking[6] Current	Effective 02/01/16	Gross Expense Ratio[7]	Fiscal Year End
All Market Real Return Portfolio[8, 9, 10]	Advisor	1.00%	1.05%	1.02%	Oct. 31 (ratios as of Apr. 30, 2015)
	Class A	1.30%	1.30%	1.32%	
	Class C	2.00%	2.05%	2.03%	
	Class R	1.50%	1.55%	1.62%	
	Class K	1.25%	1.30%	1.32%	
	Class I	1.00%	1.05%	0.98%	
	Class Z	1.00%	1.05%	0.92%	
	Class 1	1.25%	1.30%	1.15%	
	Class 2	1.00%	1.05%	0.90%	

I. ADVISORY FEES CHARGED TO INSTITUTIONAL AND OTHER CLIENTS

The advisory fees charged to investment companies which the Adviser manages and sponsors are normally higher than those charged to similar sized institutional accounts, including pension plans and sub-advised investment companies. The fee differential reflects, among other things, different services provided to such clients, and different liabilities assumed. Services provided by the Adviser to the Portfolio that are not provided to non-investment company clients include providing office space and personnel to serve as Fund Officers, who among other responsibilities make the certifications required under the Sarbanes–Oxley Act of 2002, and coordinating with and monitoring the Portfolio's third party service providers such as Fund counsel, auditors,

[6] The expense cap pursuant to the expense limitation undertaking for the Portfolio excludes interest expense.
[7] Annualized.
[8] The Rule 12b-1 fee for Class A shares will bill reduced from 0.30% to 0.25%, effective on February 1, 2016. The expense cap for Class A shares will remain at the same level (1.30%).
[9] Class I, Class Z, Class 1, and Class 2 shares of the Portfolio were operating below their respective expense caps, and their net expense ratio during the most recent semi-annual period were 0.97%, 0.91%, 1.15% and 0.90, respectively.
[10] The Portfolio's fiscal percentage of net assets allocated to ETFs as of July 31, 2015 is 0.36%%. The Portfolio's acquired funds expense ratio related to such ETF holdings is 0.0022%.

custodians, transfer agents and pricing services. The accounting, administrative, legal and compliance requirements for the Portfolio are more costly than those for institutional client assets due to the greater complexities and time required for investment companies, although as previously noted, the Adviser is reimbursed for providing such services. Also, retail mutual funds managed by the Adviser are widely held and accordingly, servicing the Portfolio's investors is more time consuming and labor intensive compared to servicing institutional clients since the Adviser needs to communicate with a more extensive network of financial intermediaries and shareholders. The Adviser also believes that it incurs substantial entrepreneurial risk when offering a new mutual fund since establishing a new mutual fund requires a large upfront investment and it may take a long time for the fund to achieve profitability since the fund must be priced to scale from inception in order to be competitive and assets are acquired one account at a time. In addition, managing the cash flow of an investment company may be more difficult than that of a stable pool of assets, such as an institutional account with little cash movement in either direction, particularly if the Portfolio is in net redemption and the Adviser is frequently forced to sell securities to raise cash for redemptions. However, managing a fund with positive cash flow may be easier at times than managing a stable pool of assets. Finally, in recent years, investment advisers have been sued by institutional clients and have suffered reputational damage both by the attendant publicity and outcomes other than complete victories. Accordingly, the legal and reputational risks associated with institutional accounts are greater than previously thought, although arguably still not equal to those related to the mutual fund industry.

Notwithstanding the Adviser's view that managing an investment company is not comparable to managing other institutional accounts because the services provided are different, the Supreme Court has indicated consideration should be given to the advisory fees charged to institutional accounts with a similar investment style as the Portfolio.[11] In addition to the AB Institutional fee schedule, set forth below is what would have been the effective advisory fee for the Portfolio had the AB Institutional fee schedule been applicable to the Portfolio versus the Portfolio 's advisory fees based on September 30, 2015 net assets:[12]

Portfolio	Net Assets 09/30/15 ($MM)	AB Institutional Fee Schedule	Effective AB Inst. Adv. Fee	Strategy Advisory Fee
All Market Real Return Portfolio	$522.9	Real Asset Strategy Schedule 0.75% on 1st $150 million 0.60% on next $150 million 0.50% on the balance *Minimum Acct Size: $150 million*	0.600%	0.750%

The Adviser also manages and sponsors retail mutual funds, which are organized in jurisdictions outside the United States, generally Luxembourg, Japan, Taiwan, and South Korea, and sold to non-United States resident investors. The Adviser charges the following fees for Real Asset Portfolio, a Luxembourg fund that has a somewhat similar investment style as the Portfolio:

[11] The Supreme Court stated that "courts may give such comparisons the weight that they merit in light of the similarities and differences between the services that the clients in question require, but the courts must be wary of inapt comparisons." Among the significant differences the Supreme Court noted that may exist between services provided to mutual funds and institutional accounts are "higher marketing costs." *Jones v. Harris* at 1428.

[12] The Adviser has indicated that with respect to institutional accounts with assets greater than $300 million, it will negotiate a fee schedule. Discounts that are negotiated vary based upon each client relationship.

Portfolio	Luxembourg Fund	Fee[13]
All Market Real Return Portfolio	Real Asset Portfolio	
	Class A	1.55%
	Class I (Institutional)	0.75%

The Adviser represented that it does not provide any sub-advisory investment services to other investment companies that have a substantially similar investment style as the Portfolio.

II. MANAGEMENT FEES CHARGED BY OTHER MUTUAL FUND COMPANIES FOR LIKE SERVICES.

Broadridge, Financial Solutions, Inc. ("Broadridge"), an analytical service that is not affiliated with the Adviser, compared the fees charged to the Portfolio with fees charged to other investment companies for similar services by other investment advisers.[14, 15] Broadridge's analysis included the comparison of the Portfolio's contractual management fee, estimated at the approximate current asset level of the subject Portfolio, to the median of the Portfolio's Broadridge Expense Group ("EG")[16] and the Portfolio's contractual management fee ranking.[17]

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[13] Class A shares of the fund are charged an "all-in" fee, which includes investment advisory services and distribution related services, while Class I shares, whose fee is for investment advisory services only.

[14] The Supreme Court cautioned against accepting mutual fund fee comparisons without careful scrutiny since "these comparisons are problematic because these fees, like those challenged, may not be the product of negotiations conducted at arm's length." *Jones v. Harris* at 1429.

[15] On June 5, 2015, Broadridge acquired the Fiduciary Services and Competitive Intelligence unit, *i.e.*, the group responsible for providing the Portfolio's 15(c) reports, from Thomson Reuters' Lipper division. The group that maintains Lipper's expense and performance databases and investment classifications/objectives remains a part of Thomson Reuters' Lipper division. Accordingly, the Portfolio's investment classification/objective continues to be determined by Lipper.

[16] Broadridge does not consider average account size when constructing EGs. Funds with relatively small average account sizes tend to have higher transfer agent expense ratios than comparable sized funds that have relatively large average account sizes. There are limitations to Lipper expense category data because different funds categorize expenses differently.

[17] The contractual management fee is calculated by Broadridge using the Portfolio's contractual management fee rate at the hypothetical asset level. The hypothetical asset level is based on the combined net assets of all classes of the Portfolio, rounded up to the next $25 million. Broadridge's total expense ratio information is based on the most recent annual report except as otherwise noted. A ranking of "1" would mean that Portfolio had the lowest effective fee rate in the Broadridge peer group.

Broadridge describes an EG as a representative sample of comparable funds. Broadridge's standard methodology for screening funds to be included in an EG entails the consideration of several fund criteria, including fund type, Lipper investment classification/objective, load type, similar 12b-1/non-12b-1 service fees, asset (size) comparability, expense components and attributes. An EG will typically consist of seven to twenty funds.

Portfolio	Contractual Management Fee (%)	Broadridge EG Median (%)	Broadridge EG Rank
All Market Real Return Portfolio	0.750	0.804	7/16

Broadridge also compared the Portfolio's total expense ratio to the medians of the Portfolio's EG and Broadridge Expense Universe ("EU"). The EU is a broader group compared to the EG, consisting of all funds that have the same Lipper investment classification/objective and load type as the subject Portfolio.[18] Pro-forma total expense ratio (italicized) is shown to reflect the Portfolio's anticipated 12b-1 fee reduction.

Portfolio	Expense Ratio (%)	Broadridge EG Median (%)	Broadridge Group Rank	Broadridge EU Median (%)	Broadridge EU Rank
All Market Real Return Portfolio	1.230	1.277	7/16	1.288	36/97
Pro-forma	*1.230*	*1.277*	7/16	*1.288*	*36/97*

Based on this analysis, considering pro-forma information where available, the Portfolio has an equally favorable ranking on a total expense ratio basis and on a contractual management fee basis.

[18] Except for asset (size) comparability, Broadridge uses the same criteria for selecting an EG when selecting an EU. Unlike the EG, the EU allows for the same adviser to be represented by more than just one fund.

III. COSTS TO THE ADVISER AND ITS AFFILIATES OF SUPPLYING SERVICES PURSUANT TO THE MANAGEMENT FEE ARRANGEMENT, EXCLUDING ANY INTRA-CORPORATE PROFIT.

The Adviser utilizes two profitability reporting systems, which operate independently but are aligned with each other, to estimate the Adviser's profitability in connection with investment advisory services provided to the Portfolio. The Senior Officer has retained a consultant to provide independent advice regarding the alignment of the two profitability systems as well as the methodologies and allocations utilized by both profitability systems. See Section IV for additional discussion.

IV. PROFIT MARGINS OF THE ADVISER AND ITS AFFILIATES FOR SUPPLYING SUCH SERVICES.

The profitability information for the Portfolio, prepared by the Adviser for the Board of Directors, was reviewed by the Senior Officer and the independent consultant. The Adviser's profitability from providing investment advisory services to the Portfolio increased during calendar year 2014, relative to 2013.

In addition to the Adviser's direct profits from managing the Portfolio, certain of the Portfolio's affiliates have business relationships with the Portfolio and may earn a profit from providing other services to the Portfolio. The courts have referred to this type of business opportunity as "fall-out benefits" to the Adviser and indicated that such benefits should be factored into the evaluation of the total relationship between the Portfolio and the Adviser. Neither case law nor common business practice precludes the Adviser's affiliates from earning a reasonable profit on this type of relationship provided the affiliates' charges and services are competitive. These affiliates provide transfer agent, distribution and brokerage related services to the Portfolio and receive transfer agent fees, front-end sales loads, Rule 12b-1 payments, contingent deferred sales charges

("CDSC") and brokerage commissions. In addition, the Adviser benefits from soft dollar arrangements which offset expenses the Adviser would otherwise incur. During the Portfolio's most recently completed fiscal year, ABI received from the Portfolio $996, $1,471,103 and $775 front-end sales charges, Rule 12b-1 and CDSC fees, respectively.[19]

AllianceBernstein Investments, Inc. ("ABI"), an affiliate of the Adviser, is the Portfolio's principal underwriter. ABI and the Adviser have disclosed in the Portfolio's prospectus that they may make revenue sharing payments from their own resources, in addition to revenues derived from sales loads and Rule 12b-1 fees, to firms that sell shares of the Portfolio. In 2014, ABI paid approximately 0.05% of the average monthly assets of the AB Mutual Funds or approximately $19.4 million for distribution services and educational support (revenue sharing payments).

Fees and reimbursements for out of pocket expenses charged by AllianceBernstein Investor Services, Inc. ("ABIS"), the affiliated transfer agent for the Portfolio, are charged on a per account basis, based on the level of service provided and the class of share held by the account. ABIS also receives a fee per shareholder sub-account for each account maintained by an intermediary on an omnibus basis. During the Portfolio's most recently completed fiscal year, ABIS received $88,332 in fees from the Portfolio.

The Portfolio effected brokerage transactions through the Adviser's affiliate, Sanford C. Bernstein & Co., LLC ("SCB & Co.") and its U.K. affiliate, Sanford C. Bernstein Limited ("SCB Ltd."), collectively "SCB," and paid commissions for such transactions during the Portfolio's most recently completed fiscal year. The Adviser

[19] As a result of discussions between the Board and the Adviser, ABI will reduce the Portfolio's Class A shares Rule 12b-1 fee payment rate from 0.30% to 0.25% effective on February 1, 2016.

represented that SCB's profitability from business conducted with the Portfolio is comparable to the profitability of SCB's dealings with other similar third party clients. In the ordinary course of business, SCB receives and pays liquidity rebates from electronic communications networks ("ECNs") derived from trading for its clients. These credits and charges are not being passed onto to any SCB client. The Adviser also receives certain soft dollar benefits from brokers that execute agency trades for its clients. These soft dollar benefits reduce the Adviser's research expense and increase its profitability.

V. POSSIBLE ECONOMIES OF SCALE

The Adviser has indicated that economies of scale are being shared with shareholders through pricing to scale, breakpoints, fee reductions/waivers and enhancement to services.

In May 2012, an independent consultant, retained by the Senior Officer, provided the Board of Directors information on the Adviser's firm-wide average costs from 2005 through 2011 and the potential economies of scale. The independent consultant noted that from 2005 through 2007 the Adviser experienced significant growth in assets under management ("AUM"). During this period, operating expenses increased, in part to keep up with growth, and in part reflecting market returns. However, from 2008 through the first quarter of 2009, AUM rapidly and significantly decreased due to declines in market value and client withdrawals. When AUM rapidly decreased, some operating expenses categories, including base compensation and office space, adjusted more slowly during this period, resulting in an increase in average costs. Since 2009, AUM has experienced less significant changes. The independent consultant noted that changes in operating expenses reflect changes in business composition and business practices in response to

changes in financial markets. Finally, the independent consultant concluded that the increase in average cost and the decline in net operating margin across the Adviser since late 2008 are inconsistent with the view that there are currently reductions in average costs due to economies of scale that can be shared with the AB Mutual Funds managed by the Adviser through lower fees.

Previously, in February 2008, the independent consultant provided the Board of Directors an update of the Deli[20] study on advisory fees and various fund characteristics.[21] The independent consultant first reiterated the results of his previous two dimensional comparison analysis (fund size and family size) with the Board of Directors.[22] The independent consultant then discussed the results of the regression model that was utilized to study the effects of various factors on advisory fees. The regression model output indicated that the bulk of the variation in fees predicted were explained by various factors, but substantially by fund AUM, family AUM, index fund indicator and investment style. The independent consultant also compared the advisory fees of the AB Mutual Funds to similar funds managed by 19 other large asset managers, regardless of the fund size and each Adviser's proportion of mutual fund assets to non-mutual fund assets.

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[20] The Deli study, originally published in 2002 based on 1997 data and updated for the February 2008 Presentation, may be of diminished value due to the age of the data used in the presentation and the changes experienced in the industry since 2008.

[21] As mentioned previously, the Supreme Court cautioned against accepting mutual fund fee comparisons without careful scrutiny since the fees may not be the product of negotiations conducted at arm's length. See *Jones V. Harris* at 1429.

[22] The two dimensional analysis showed patterns of lower advisory fees for funds with larger asset sizes and funds from larger family sizes compared to funds with smaller asset sizes and funds from smaller family sizes, which according to the independent consultant is indicative of a sharing of economies of scale and scope. However, in less liquid and active markets, such is not the case, as the empirical analysis showed potential for diseconomies of scale in those markets. The empirical analysis also showed diminishing economies of scale and scope as funds surpassed a certain high level of assets.

VI. NATURE AND QUALITY OF THE ADVISER'S SERVICES, INCLUDING THE PERFORMANCE OF THE FUND

With assets under management of approximately $463 billion as of September 30, 2015, the Adviser has the investment experience to manage and provide non-investment services (described in Section I) to the Portfolio.

The information below shows the 1, 3, and 5 year performance returns and rankings of the Portfolio [23] relative to its Broadridge Performance Group ("PG") and Broadridge Performance Universe ("PU")[24] for the period ended July 31, 2015.[25]

Portfolio	Fund Return (%)	PG Median (%)	PU Median (%)	PG Rank	PU Rank
All Market Real Return Portfolio					
1 year	-25.18	3.13	-1.74	5/5	59/59
3 year	-6.53	7.09	2.30	5/5	39/39
5 year	-1.10	7.21	3.72	5/5	21/24

Set forth below are the 1, 3, and 5 year and since inception net performance returns of the Portfolio (in bold)[26] versus its benchmark.[27] Portfolio and benchmark volatility and reward-to-variability ratio ("Sharpe Ratio") information is also shown.[28]

[23] The performance returns and rankings are for the Class A shares of the Portfolio. The performance returns of the Portfolio were provided Broadridge.
[24] The Portfolio's PG/PU is not identical to the Portfolio's EG/EU as the criteria for including/excluding a fund in/from a PG/PU is somewhat different from that of an EG/EU.
[25] The current Lipper investment classification/objective dictates the PG and PU throughout the life of the Portfolio even if the Portfolio may have had a different investment classification/objective at different points in time.
[26] The performance returns and risk measures shown in the table are for the Class A shares of the Portfolio.
[27] The Adviser provided Portfolio and benchmark performance return information for the periods through July 31, 2015.
[28] Portfolio and benchmark volatility and Sharpe Ratio information was obtained through Lipper LANA, a database maintained by Lipper. Volatility is a statistical measure of the tendency of a market price or yield to vary over time. A Sharpe Ratio is a risk adjusted measure of return that divides a fund's return in excess of the riskless return by the fund's standard deviation. A fund with a greater volatility would be viewed as

Period Ending July 31, 2015
Annualized Net Performance

	1 Year (%)	3 Year (%)	5 Year (%)	Since Inception (%)	Volatility (%)	Sharpe (%)	Risk Period (Year)
All Market Real Return Portfolio	**-25.18**	**-6.53**	**-1.10**	**-1.24**	**14.69**	**-0.01**	**5**
MSCI AC World Commodity Producers Index	-30.57	-6.39	-3.02	-4.23	N/A	N/A	N/A
All Market Real Return Index	-19.81	-4.17	-0.12	-0.40	14.82	0.06	5

Inception Date: March 8, 2010

CONCLUSION:

Based on the factors discussed above the Senior Officer's conclusion is that the proposed advisory fee for the Portfolio is reasonable and within the range of what would have been negotiated at arm's-length in light of all the surrounding circumstances. This conclusion in respect of the Portfolio is based on an evaluation of all of these factors and no single factor was dispositive.

Dated: November 25, 2015

more risky than a fund with equivalent performance but lower volatility; for that reason, a greater return would be demanded for the more risky fund. A fund with a higher Sharpe Ratio would be viewed as better performing than a fund with a lower Sharpe Ratio.