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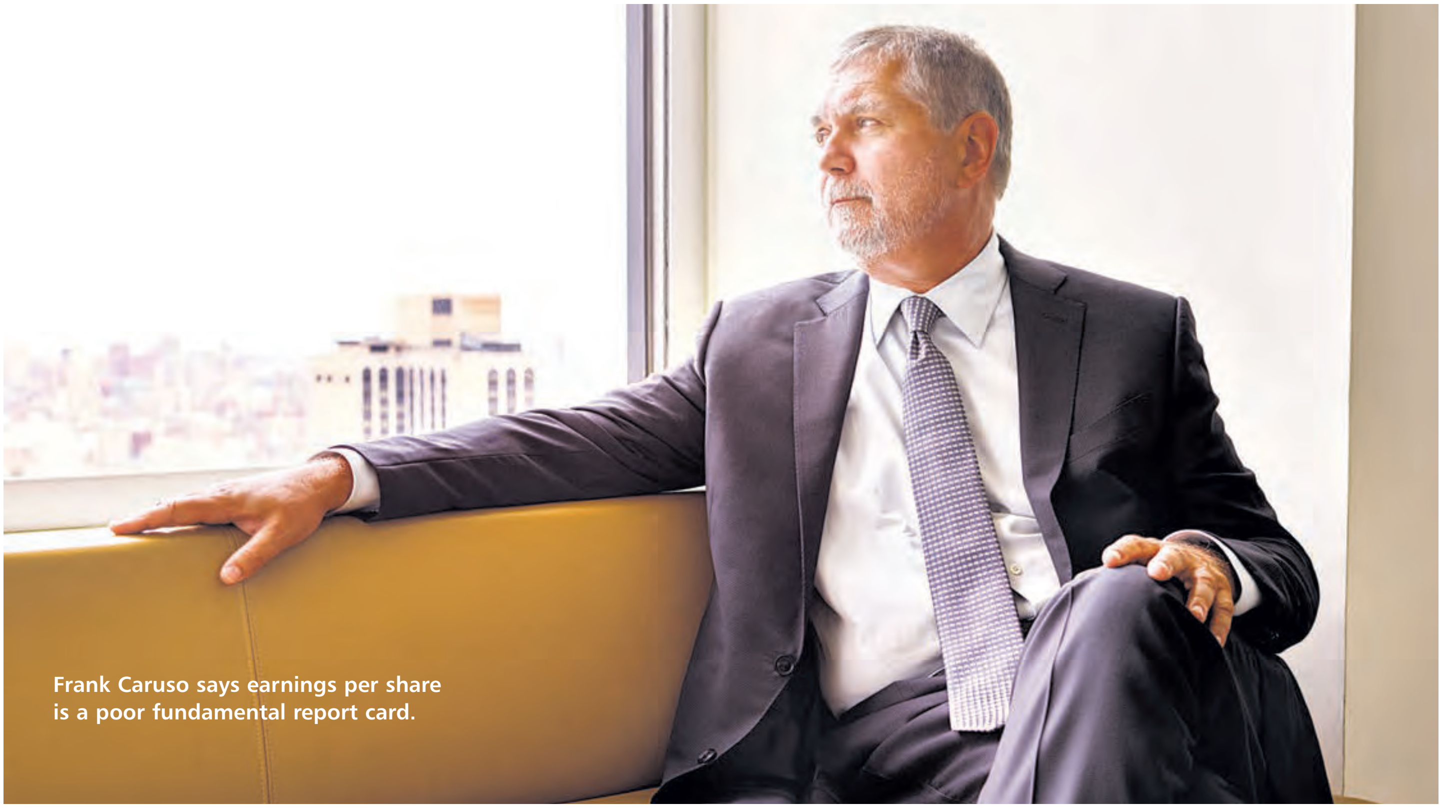

Frank Caruso says earnings per share is a poor fundamental report card.

Rick Wenner for *Barron's*

MUTUAL FUND PROFILE

A Fund That Thrives by Looking Beyond Metrics

Frank Caruso's AB Large Cap Growth fund results confirm his skepticism of timeworn investment metrics.

By SARAH MAX

Among the awards and memorabilia hanging in his home office, Frank Caruso displays four framed rejection letters from prospective employers. These are among his favorites, picked out of a manila envelope that once held 60 rejections, and "a great reminder for myself and my children that persistence and talent will get you far in life," says Caruso, 60.

The chief investment officer of AllianceBernstein's U.S. growth strategies, and lead manager of its flagship $5 billion AB Large Cap Growth fund (ticker: APGAX), has applied the same resolve to investing. The fund has returned an average of 17.1% a year over the past five years, beating 93% of large growth funds tracked by Morningstar. During that time, it has captured 104% of market upside and just 78% of downside. The fund was one of just 40 (out of 383 funds with five-year records) to beat its benchmark in up markets and lose less in down markets.

Caruso adheres to a simple philosophy: Buy growth companies, not growth stocks. When investors focus on the long-term growth of the business, as opposed to earnings per share, they will be rewarded with above-average returns and less volatility, he says. "At the core is the belief that EPS is a poor fundamental report card," he says. "The reason is it doesn't bring in the efficiency of how a company deploys capital."

Born and raised on New York's Staten Island, Caruso knew nothing about income statements and balance sheets. "My father was a custodian at my middle school," says Caruso, who first took an interest in economics after learning about the 1929 stock market crash in history class. He went on to major in economics at the State University of New York, Oneonta, and considered himself lucky to land a job working for a merchandiser after graduation in 1979.

"When I decided to leave retail and go to capital markets, I

(over please)

AB Large Cap Growth

	TOTAL RETURN* 1-Yr	5-Yr	10-Yr
APGAX	20.6%	17.1%	10.3%
Russell 1000 Growth	20.1	15.7	8.8

Top 10 Holdings Company / Ticker	% of Portfolio**
Alphabet / GOOG	7.5%
Facebook / FB	6.4
Visa / V	4.9
UnitedHealth Group / UNH	4.1
Apple / AAPL	3.8
Home Depot / HD	3.7
Edwards Lifesciences / EW	3.5
Nike / NKE	3.5
Intuitive Surgical / ISRG	3.3
Xilinx / XLNX	2.8
TOTAL	**43.5**

*All returns are as of 7/19; five- and 10-year returns are annualized.
**As of 6/30 Sources: Morningstar; AllianceBernstein

was typecast by my background," he says. "I was getting funneled into back-office or operation-centric jobs." A window of opportunity opened when he took an entry-level job at E.F. Hutton and answered the chief investment officer's request for a volunteer to sort and deliver research reports once a week. He sorted on Fridays, flagged interesting reports to read over the weekend, then delivered them, sometimes with his own comments, to portfolio managers on Monday.

These efforts so endeared Caruso to the CIO that he became his career-long mentor and eventually recommended him for a portfolio-manager position.

In 2012, Caruso's career reached another milestone, when he was charged with turning around the AB Large Cap Growth fund, launched in 1992. Caruso and his team—now three co-managers and seven dedicated analysts—revamped the fund, using an all-cap growth strategy they had devised in 2009.

To help identify and analyze growth companies, Caruso and his team developed what they call a "persistent return model," which looks at more than a handful of factors, including return on assets.

NIKE (NKE), FOR EXAMPLE, has a history of generating high returns on assets, with an 18.2% ROA over the past five years, compared with 8.5% for the Standard & Poor's 500 index. And it is in the process of transforming its design and manufacturing model to allow for more automation. That translates to less reliance on low-cost labor in Asia, shorter lead times, and less inventory risk. It also helps the company increase its direct-to-consumer sales by offering customers a wider selection and the option to customize. Contrast that with Under Armour (UAA), which in 2013 was a hot stock but growing its asset base at a far faster clip than it was growing earnings.

Conversely, sometimes EPS doesn't do a company justice. Consider one of the fund's top holdings, Facebook (FB), which has a return on assets of 9.2% over the past five years. The team started investing in late 2012, when the stock was trading around $20 a share and 150 times earnings. The stock has started every calendar year since with a price/earnings ratio several times that of the S&P 500. Yet, if you bought Facebook in January 2013 and just held it, you paid less than five times trailing earnings as of June 30, 2017.

To manage risk in the 52-stock portfolio, the team tracks each stock's contribution to tracking error—the difference between the fund's performance and that of its benchmark, the Russell 1000 Growth index—to make sure the fund's success or failure isn't linked too closely to one holding. If any single company's contribution to tracking error exceeds 10%, Caruso says, they trim the position.

The fund's focus on high returns on assets tends to lead to an overweight in health care and technology, which recently represented 19.7% and 35.7% of the fund, respectively. It has little or no exposure to energy and utilities, which Caruso says "have big balance sheets and low profitability." And while financial-services stocks got a lift after last year's election, "we don't think of banks as growth businesses," he says of the fund's underweighting in that sector.

A consistent and improving ROA prompted Caruso to buy shares in robotic surgical company Intuitive Surgical (ISRG) in 2012 and hold on when legal issues related to surgical errors cast a cloud over the stock. "In many cases, it was not the robot but the surgeon that had committed the error," he says. The company's ROA over the past five years has been 14.8%, and there is more room for growth as it expands internationally and robotic-assisted surgery becomes more widely used.

While most of the fund's assets are in what Caruso calls "wheelhouse names," the team makes smaller investments in earlier-stage growth companies, such as Arista Networks (ANET), which is carving out a networking niche at large data centers and has a higher ROA than Cisco Systems (CSCO). When Cisco sued Arista over what it claimed was patent infringement, "that gave us confidence that Arista was on to something," he says. Caruso bought the stock in September 2015, at about $60. It recently fetched $154.

AB Large Cap Growth Fund

This reprint must be accompanied by the most recent quarter-end Large Cap Growth Class A fact sheet.

Risks to Consider:
Market Risk: The market values of the portfolio's holdings rise and fall from day to day, so investments may lose value.
Foreign (Non-US) Risk: Investing in non-US securities may be more volatile because of political, regulatory, market and economic uncertainties associated with such securities. These risks are magnified in securities of emerging or developing markets.
Derivatives Risk: Investing in derivative instruments such as options, futures, forwards or swaps can be riskier than traditional investments, and may be more volatile, especially in a down market.

Investors should consider the investment objectives, risks, charges and expenses of the Fund/Portfolio carefully before investing. For copies of our prospectus or summary prospectus, which contain this and other information, contact your AB representative. Please read the prospectus and/or summary prospectus carefully before investing.

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Overall Morningstar Rating™
Class A Shares
★★★★★
Rated against 1213 funds in the Large Growth Category, based on risk-adjusted returns.

AB LARGE CAP GROWTH FUND

Class A: APGAX / Class C: APGCX / Advisor Class: APGYX

OBJECTIVE

+ Long-term growth of capital

PRIMARY INVESTMENTS

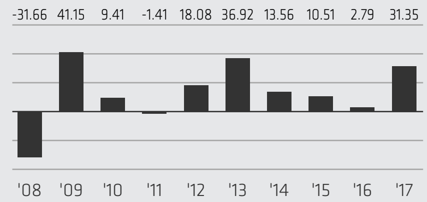
+ Large-cap US stocks, but may invest in non-US securities
+ Normally holds 50 to 70 stocks

FUND OVERVIEW

+ Seeks growth potential from a high-conviction, concentrated portfolio
+ Uses bottom-up research to identify companies with the ability to deliver persistent growth
+ Led by disciplined team averaging 27 years of industry experience

ANNUAL PERFORMANCE FOR CLASS A WITHOUT SALES CHARGE

Total Return (%)



AVERAGE ANNUAL TOTAL RETURNS: CLASS A PERFORMANCE

	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception†	Expense Ratios as of 10/31/17
Large Cap Growth Fund (without sales charge)^	2.03%	2.03%	22.06%	12.88%	16.77%	13.02%	9.80%	Gross 1.02%
Large Cap Growth Fund (with max 4.25% sales charge)	-2.31	-2.31	16.86	11.26	15.76	12.53	9.62	Net‡ 1.00%
Russell 1000 Growth Index	1.42	1.42	21.25	12.90	15.53	11.34	9.22	
Morningstar Large Growth Category	2.30	2.30	20.41	10.64	13.81	9.87	8.61	

The performance shown above represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance information shown. You may obtain performance information current to the most recent month-end by visiting www.abfunds.com. The investment return and principal value of an investment in the Portfolio will fluctuate, so that your shares, when redeemed, may be worth more or less than their original cost. Returns for other share classes will vary due to different charges and expenses. Performance assumes reinvestment of distributions and does not account for taxes. If applicable, high double-digit returns are highly unusual and cannot be sustained; such returns are primarily achieved during favorable market conditions.

† The Fund's Class A share inception date is 9/28/92 and is the date used to calculate since inception annualized performance.

^ Reflects a 2.77% and 15.92% increase in NAV on January 18, 2011 and December 23, 2008, respectively, from the proceeds of the Enron class action settlement. Reflects a 0.38% and 0.08% increase in NAV on June 8, 2016 and November 2, 2017 as a result of the Fund recording a receivable on its books and records in connection with the distributions by the Alliance Fair Fund and Bank of America Fair Fund, respectively.

‡ If applicable, this reflects the Adviser's contractual waiver of a portion of its advisory fee and/or reimbursement of a portion of the Fund's operating expenses. Absent reimbursements or waivers, performance would have been lower.

Russell 1000 Growth Index represents the performance of 1,000 large-cap growth companies within the US.

Investors cannot invest directly in indices or averages, and their performance does not reflect fees and expenses or represent the performance of any AB fund.

Sources: FactSet, Morningstar Inc. and AB.

Past performance does not guarantee future results. Morningstar ratings are specific metrics of performance and do not represent absolute performance of any fund. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance, placing more emphasis on downward variations and rewarding consistent performance. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. The Fund was rated 4, 5 and 5 stars against 1213, 1099 and 779 funds in the category for the three-, five- and ten- year periods, respectively. The Fund's other share classes may have different performance characteristics.

AB LARGE CAP GROWTH FUND

Class A: APGAX / Class C: APGCX / Advisor Class: APGYX

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PORTFOLIO MANAGEMENT AND YEARS OF INDUSTRY EXPERIENCE

+ Frank V. Caruso, 37 years
+ Vincent C. Dupont, 19 years
+ John H. Fogarty, 25 years
+ Karen A. Sesin, 30 years

Portfolio Characteristics & Statistics	
Assets ($mil)	$6,347.8
Beta (Trailing 3-year)[1]	0.93
Standard Deviation (Trailing 3-year)[2]	10.50
Weighted Avg Cap	$180.2B
Total Number of Holdings	46
Portfolio Turnover Rate (as of 10/31/17)[3]	60%
Class A Inception Date	9/28/92
Class C Inception Date	5/3/93
Advisor Class Inception Date	10/1/96

1 Beta measures a fund's volatility relative to its benchmark. A fund with a beta higher than 1 has been more volatile than the benchmark over the period of measurement. Conversely, a fund with a beta less than 1 has been less volatile than the benchmark over the given period of time.

2 Standard Deviation is a measure of the dispersion of a portfolio's return from its mean. The more spread apart the returns, the higher the deviation.

3 Portfolio Turnover Rate is a measure of how frequently assets within a fund are bought and sold by the managers.

4 Holdings are expressed as a percentage of total investments and may vary over time. They are provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned.

Top Ten Equity Holdings[4]

Company	Sector	
Alphabet	Information Technology	7.76%
Facebook	Information Technology	6.75
Visa	Information Technology	5.03
Biogen	Healthcare	4.22
UnitedHealth	Healthcare	3.98
Home Depot	Consumer Discretionary	3.95
Costco Wholesale	Consumer Staples	3.62
Apple	Information Technology	3.55
Constellation Brands	Consumer Staples	3.38
Intuitive Surgical	Healthcare	3.15

Sector Breakdown[4]	
Information Technology	36.63%
Healthcare	19.76
Consumer Discretionary	13.06
Consumer Staples	9.39
Cash and Cash Equivalents	8.10
Industrials	7.76
Financials	3.41
Materials	1.89

A WORD ABOUT RISK

Market Risk: The market values of the portfolio's holdings rise and fall from day to day, so investments may lose value. **Focused Portfolio Risk:** Portfolios that hold a smaller number of securities may be more volatile than more diversified portfolios, since gains or losses from each security will have a greater impact on the portfolio's overall value. **Foreign (Non-US) Risk:** Non-US securities may be more volatile because of political, regulatory, market and economic uncertainties associated with such securities. Fluctuations in currency exchange rates may negatively affect the value of the investment or reduce returns. These risks are magnified in emerging or developing markets. **Derivatives Risk:** Investing in derivative instruments such as options, futures, forwards or swaps can be riskier than traditional investments, and may be more volatile, especially in a down market.

Investors should consider the investment objectives, risks, charges and expenses of the Fund/Portfolio carefully before investing. For copies of our prospectus or summary prospectus, which contain this and other information, visit us online at www.abfunds.com or contact your AB representative. Please read the prospectus and/or summary prospectus carefully before investing.

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