



ALLIANCEBERNSTEIN®

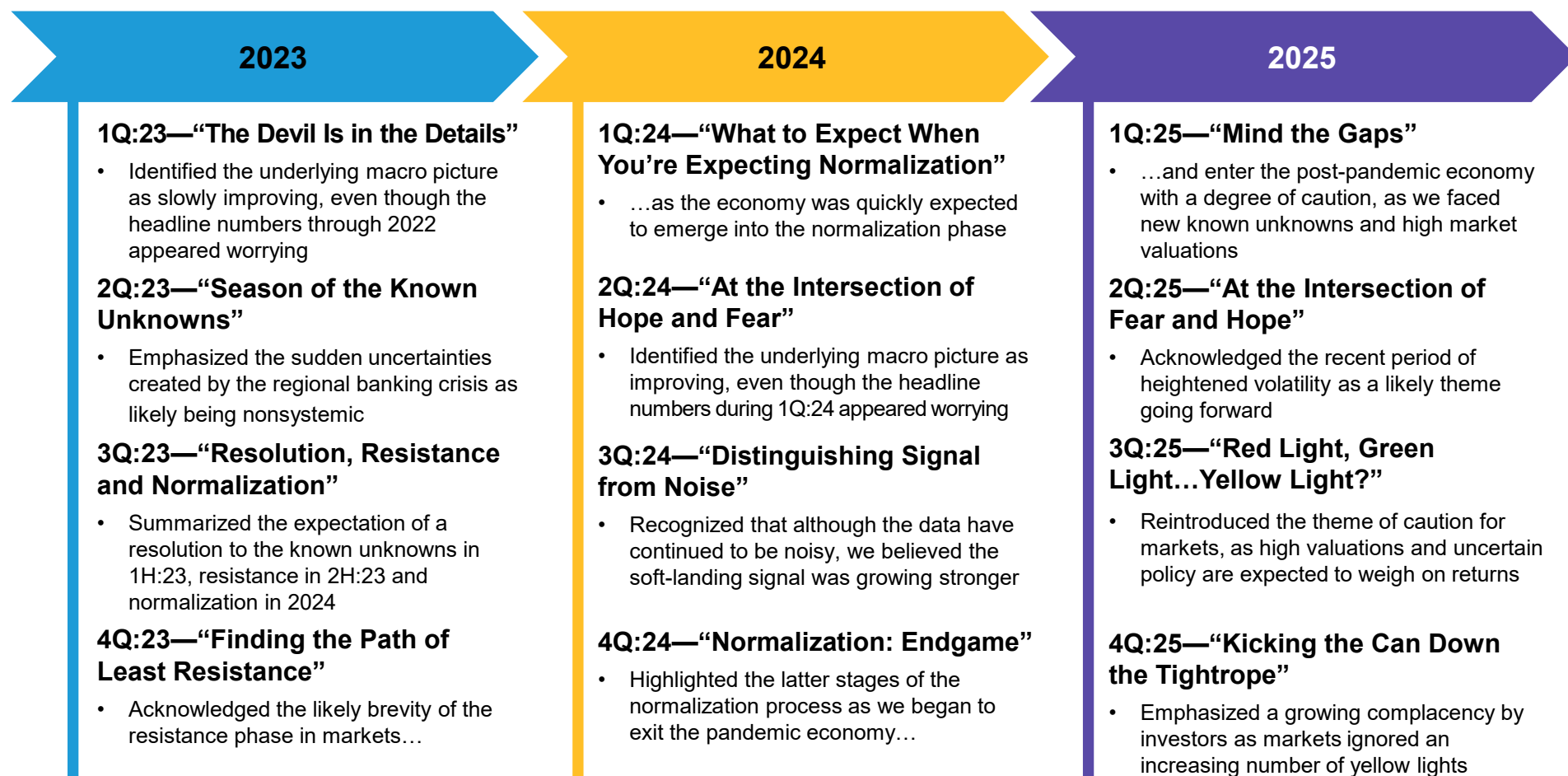
Global Capital Markets Outlook

Kicking the Can Down the
Tightrope

Fourth Quarter 2025

The information herein reflects prevailing market conditions and our judgments, which are subject to change, as of the date of this document. In preparing this document, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources. Opinions and estimates may be changed without notice and involve a number of assumptions that may not prove valid. There is no guarantee that any forecasts or opinions in this material will be realized. Information should not be construed as investment advice.

Timeline of AB's Capital Markets Outlook Themes



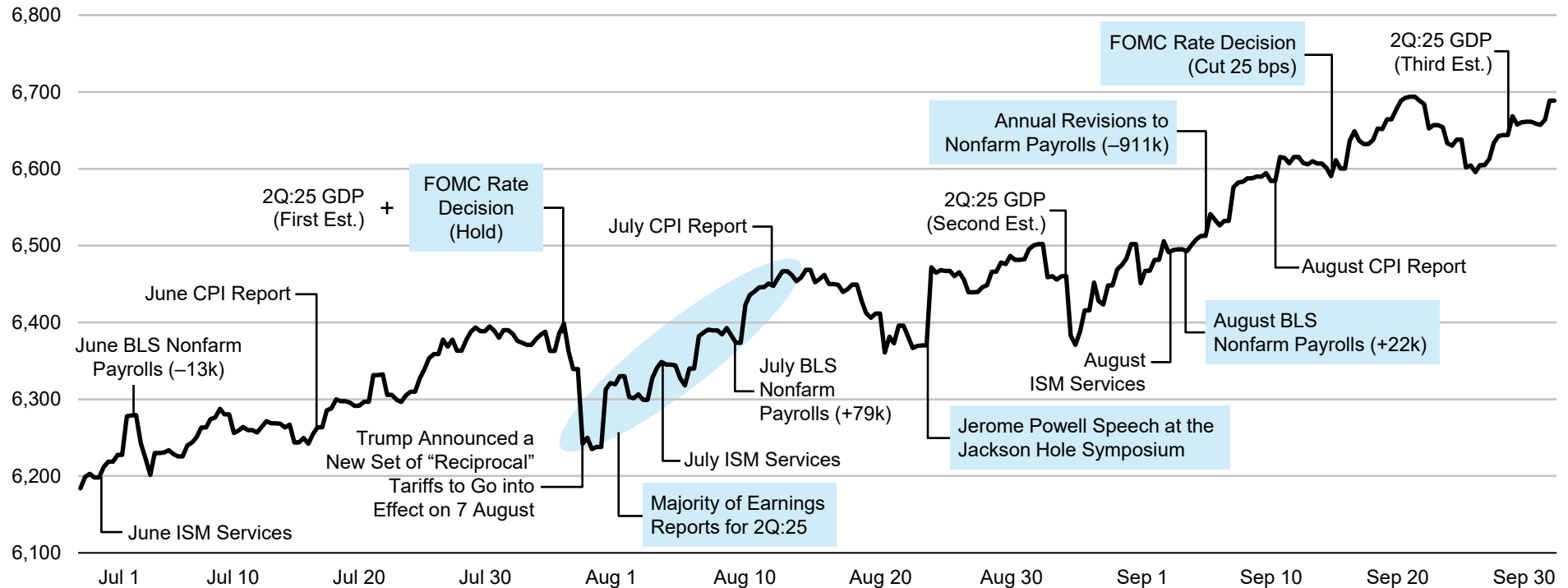
Current analysis does not guarantee future results.

1H: first half; 2H: second half

Source: AB

3Q 25: Good News Is Good News; Bad News Is Also Good News

S&P 500 Price Chart (in USD)



Past performance does not guarantee future results.

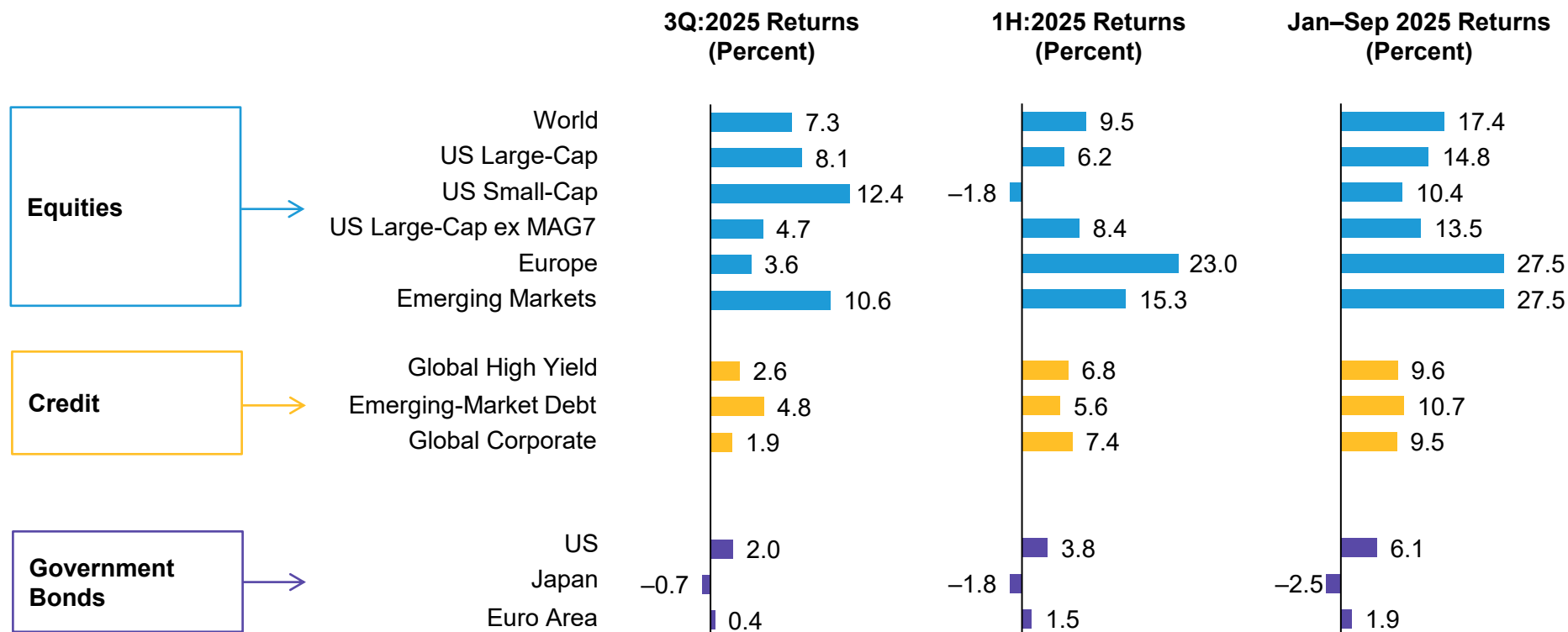
BLS: US Bureau of Labor Statistics; bps: basis points; FOMC: Federal Open Market Committee; ISM: Institute for Supply Management

Returns are price returns; event dates are approximate.

Through 30 September 2025

Source: Bloomberg, BLS, Federal Reserve, Institute for Supply Management, S&P and AB

Despite First-Half Volatility, the Artificial Intelligence Trade Pushed Markets Back to All-Time Highs During the Third Quarter



Past performance does not guarantee future results.

Returns in US dollars. "World", "Emerging-Markets" and "Europe" returns are net returns; all other returns are total returns. Japan government bonds are in hedged USD terms. All other non-US returns are in unhedged USD terms. US large-cap is represented by S&P 500. US small-cap is represented by Russell 2000. US large-cap ex MAG7 is represented by Bloomberg US Large Cap ex Magnificent 7 Total Return. Emerging-market debt returns are for dollar-denominated bonds as represented by the J.P. Morgan Emerging Markets Bond Index Global Diversified. An investor cannot invest directly in an index, and its performance does not reflect the performance of any AB portfolio. The unmanaged index does not reflect the fees and expenses associated with the active management of a portfolio.

As of 30 September 2025

Source: Bloomberg, J.P. Morgan, FTSE Russell, MSCI, Standard & Poor's (S&P) and AB

Parts of the “Trinity” Are Increasingly Flashing Yellow

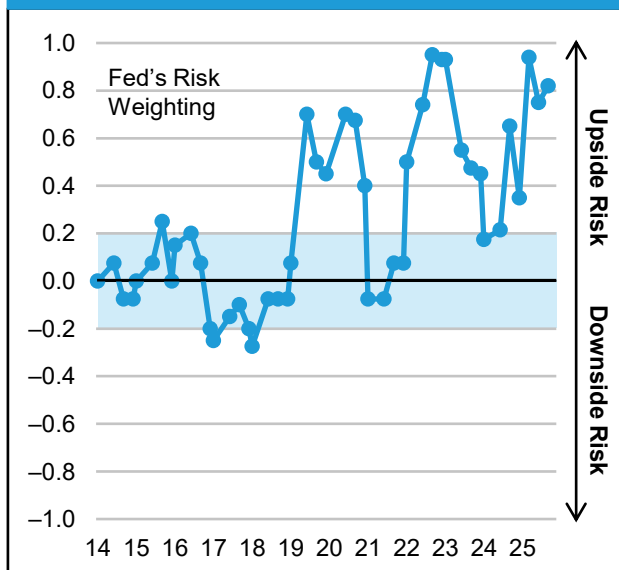
Rates

“4.3% [the unemployment rate] is still a low level, but... this speedy decline in both supply and demand has certainly gotten everyone’s attention.”

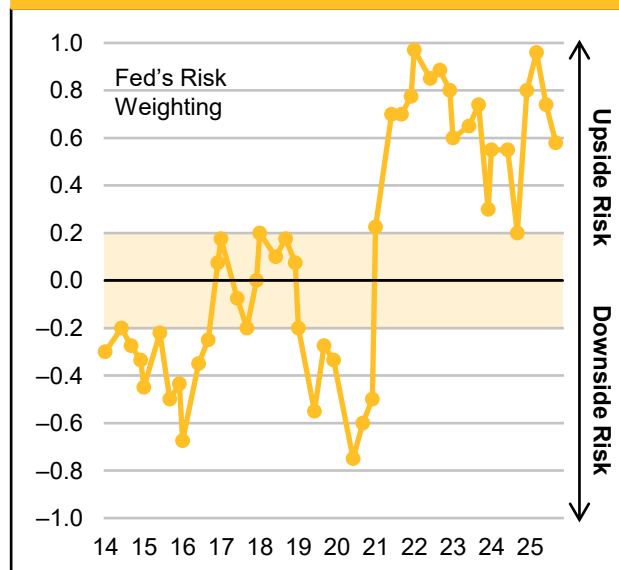
“A reasonable base case is that the effects on inflation will be relatively short-lived, a one-time shift in the price level. But it is also possible that the inflationary effects could... be more persistent.”

“Recent indicators suggest that growth...has moderated. GDP rose at a pace of around 1.5% in the first half of the year, down from 2.5% last year. The moderation...largely reflects a slowdown in consumer spending.”

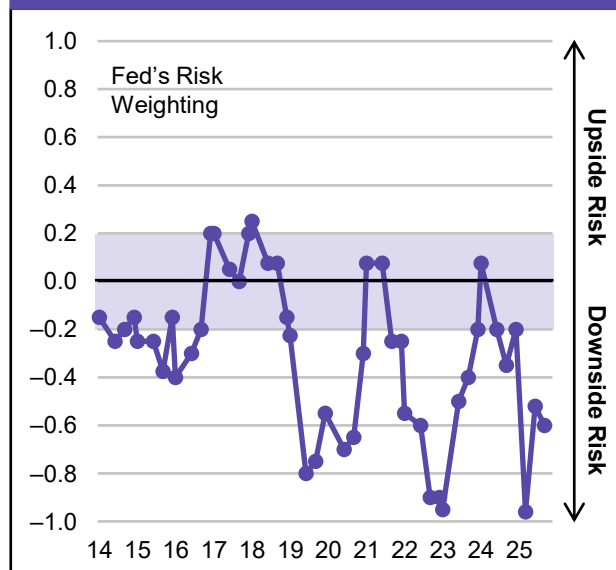
Labor Market



Inflation



Growth



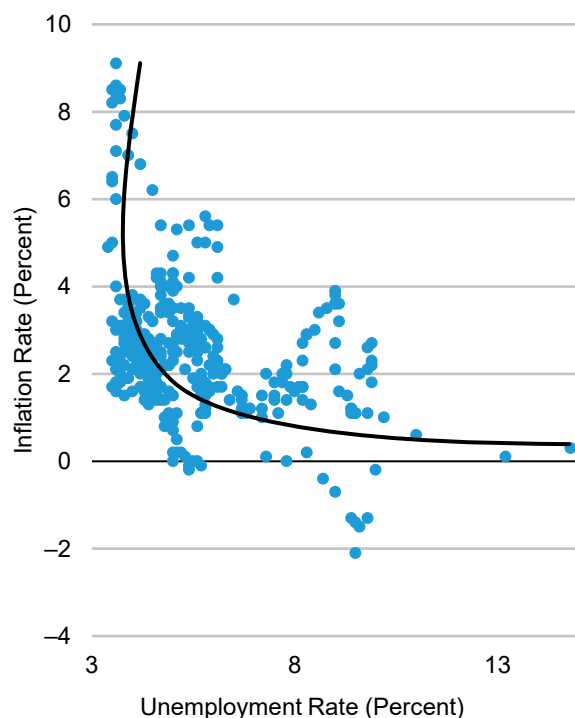
Historical analysis and current forecasts do not guarantee future results.

Quotes are from Jerome Powell on 17 September 2025. The shaded areas are considered risk weightings that are more neutral. Each point in the diffusion indices represents the number of participants who responded “weighted to the upside” minus the number who responded “weighted to the downside,” divided by the total number of participants. Through 30 September 2025. Source: Federal Reserve and AB

The Fed's Dual Mandate: "No Risk-Free Paths Now"

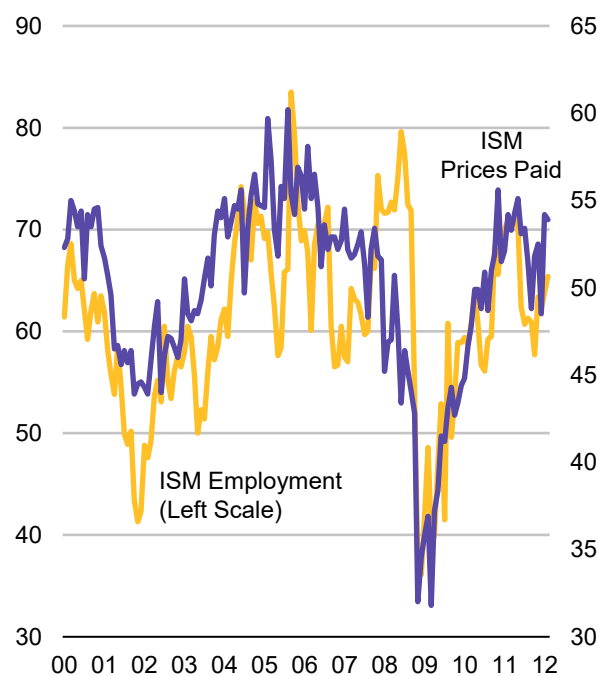
The Fed's Dual Mandate

Maximum employment and stable prices



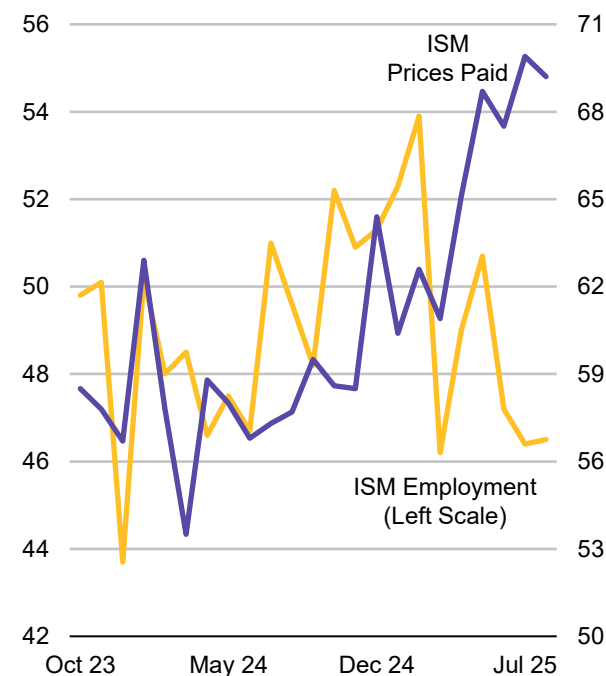
Relationship of Typical Inflation to Labor

One balances the other



Relationship of Current Inflation to Labor

Largest gap outside GFC and COVID-19



Current analysis does not guarantee future results.

GFC: global financial crisis; ISM: Institute for Supply Management

Left display shows unemployment and inflation data over the last 30 years; middle and right displays are in "points."

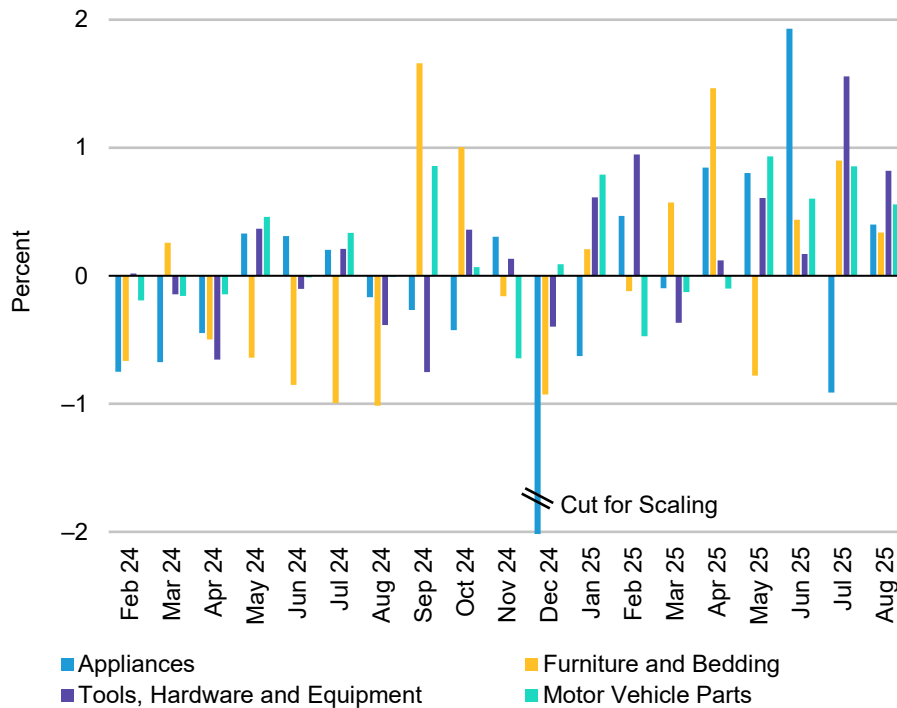
As of 30 September 2025

Source: Bloomberg, ISM, US Bureau of Labor Statistics and AB

Inflation Is Rising Once Again...

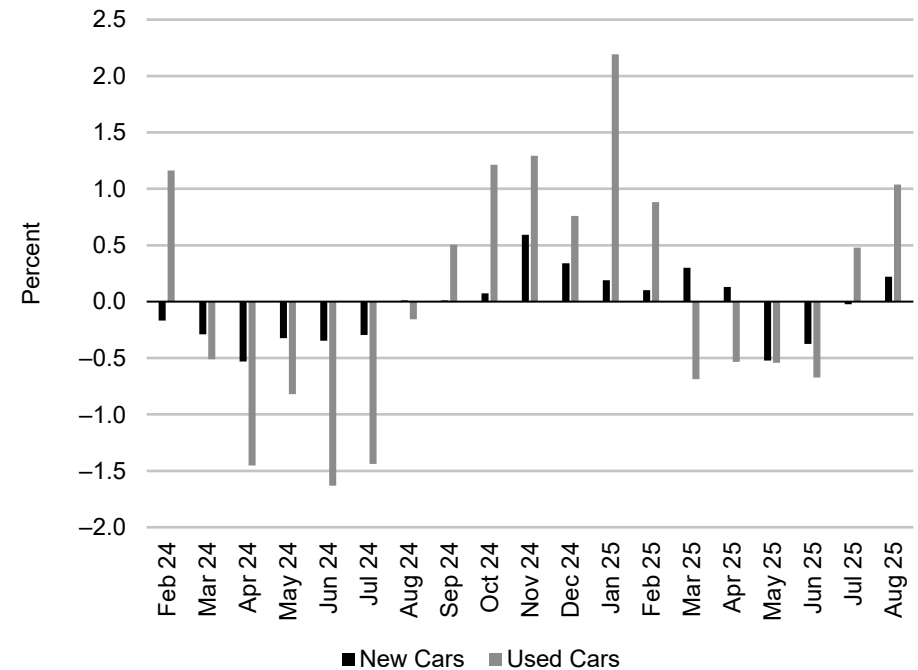
Goods Prices MoM

Most goods prices have seen an uptick since tariff implementation



Goods Prices MoM

But not all goods...sellers of the highest-priced goods are having a harder time passing on costs



Current analysis does not guarantee future results.

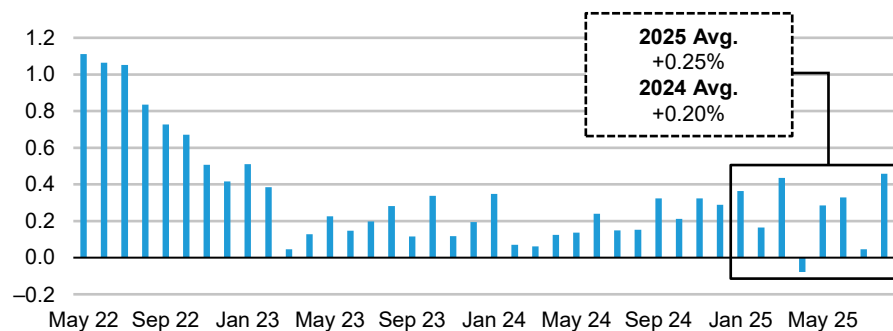
MoM: month over month. Data are seasonally adjusted.

As of 30 September 2025

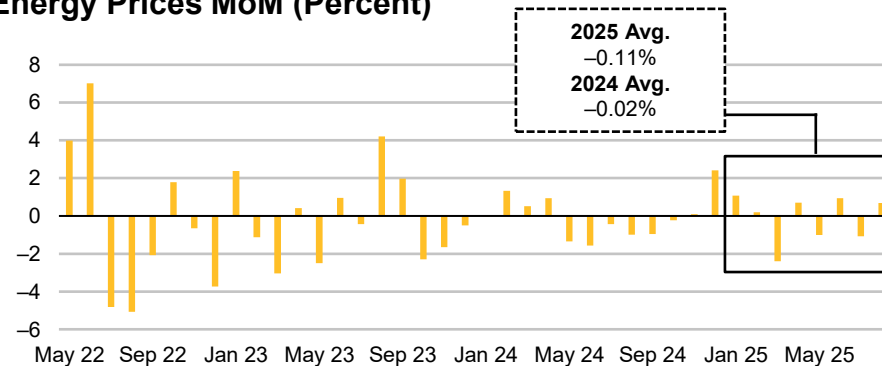
Source: Bloomberg, US Bureau of Labor Statistics and AB

...However, These Price Increases Have Occurred Predictably...

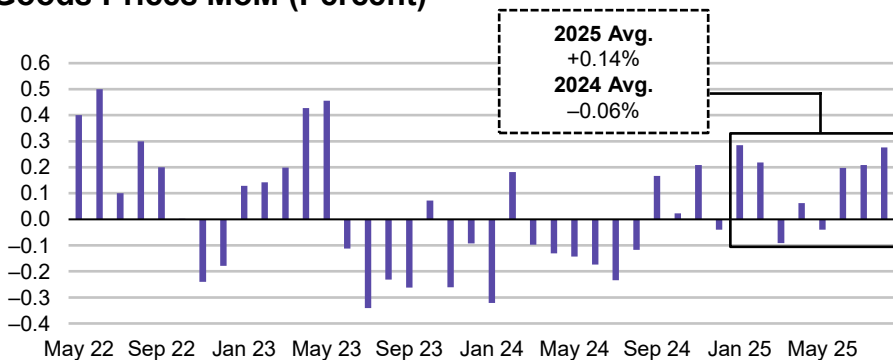
Food Prices MoM (Percent)



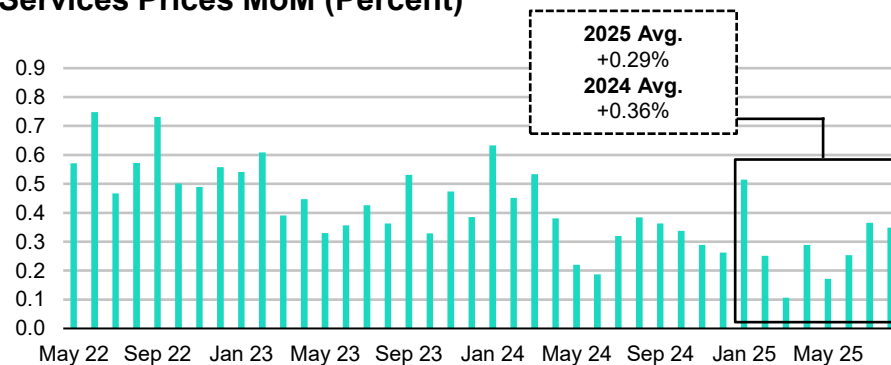
Energy Prices MoM (Percent)



Goods Prices MoM (Percent)



Services Prices MoM (Percent)



Current analysis does not guarantee future results.

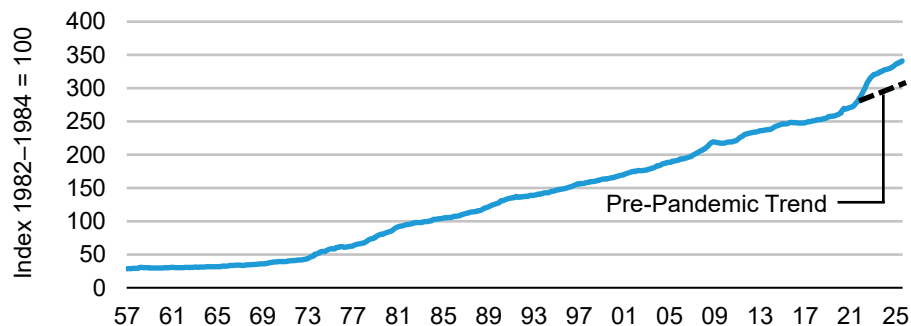
MoM: month over month; data are seasonally adjusted.

As of 30 September 2025

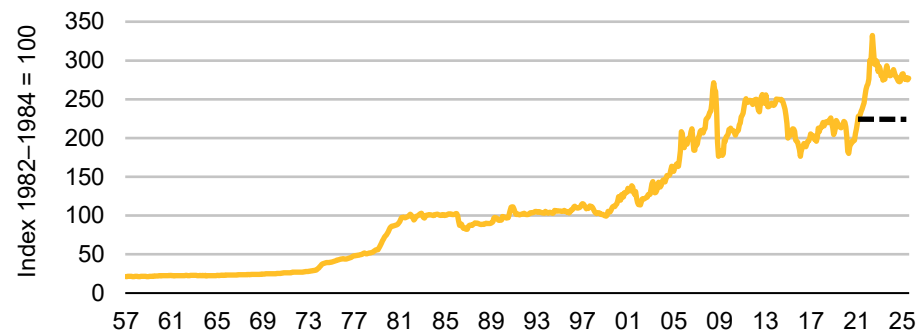
Source: Bloomberg, US Bureau of Labor Statistics and AB

...and Any Tariff-Related Step-Up in Prices Would Likely Face Resistance After the Pandemic-Era Step-Up in Prices

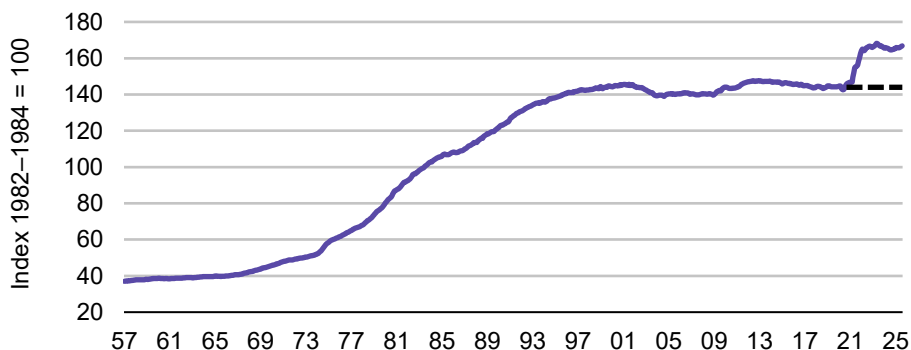
Food Prices (Percent)



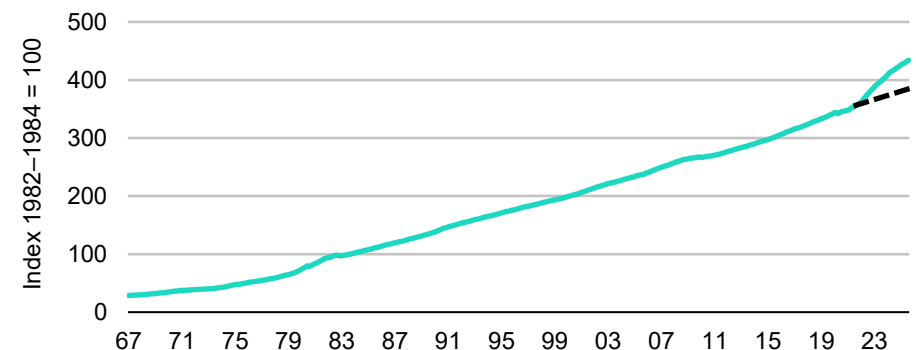
Energy Prices (Percent)



Goods Prices (Percent)



Services Prices (Percent)



Current analysis does not guarantee future results.

Indices are seasonally adjusted.

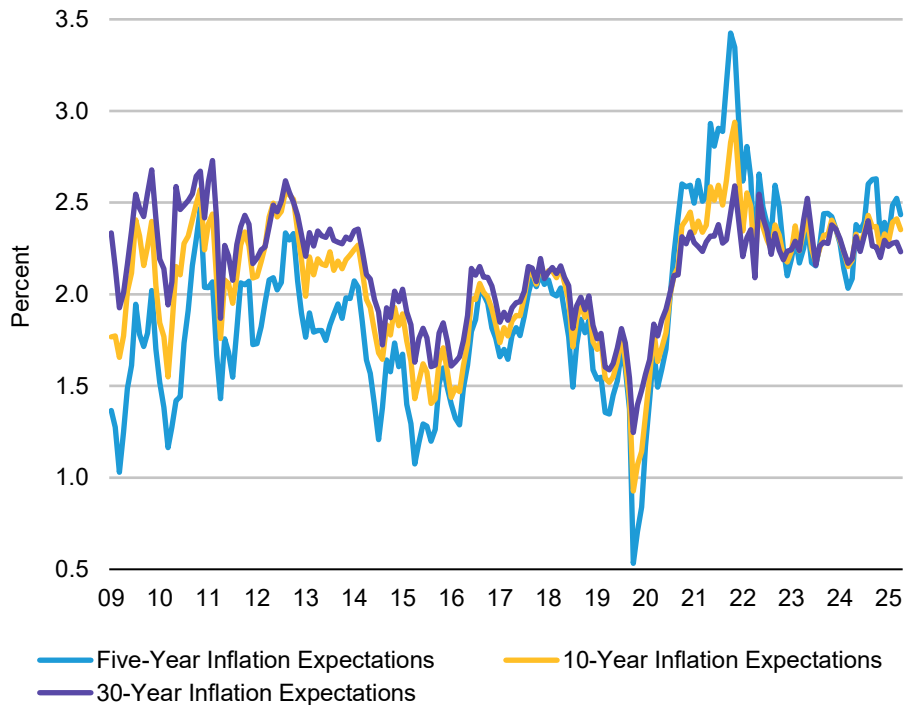
As of 30 September 2025

Source: Bloomberg, US Bureau of Labor Statistics and AB

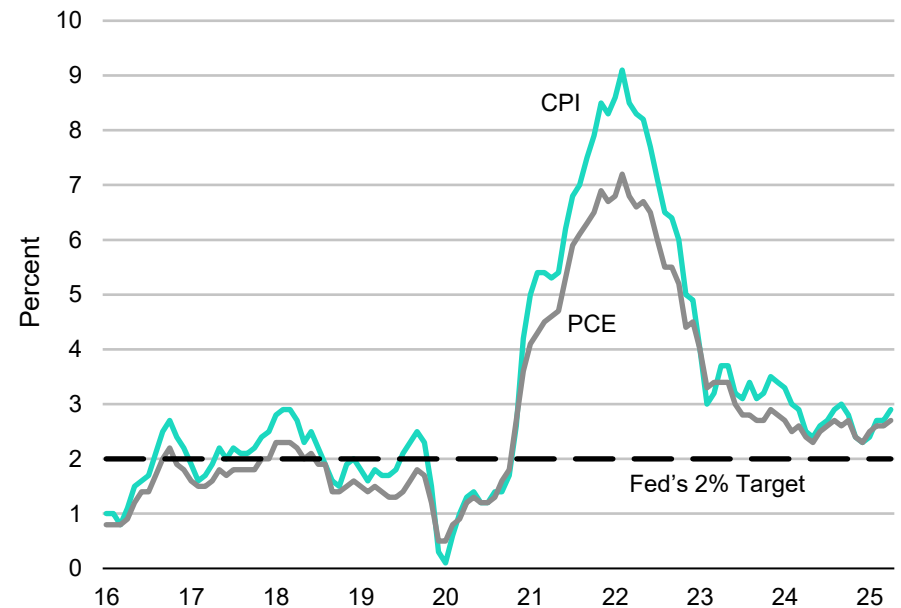
Equally as Important, Inflation Expectations Have Remained Anchored

What to keep an eye on: inflation expectations

Inflation Expectations (BEIs) Have Not Risen in Response to Tariffs



The Fed Is Willing to Cede the “Last Mile” of the Inflation Battle in Order to Protect Labor



Current analysis does not guarantee future results.

BEI: break-even inflation; PCE: Personal Consumption Expenditures Price Index

Through 30 September 2025

Source: Bloomberg, US Bureau of Labor Statistics and AB

Labor: The Fed's Lynchpin for Lower Rates

Labor: "A Curious Balance"

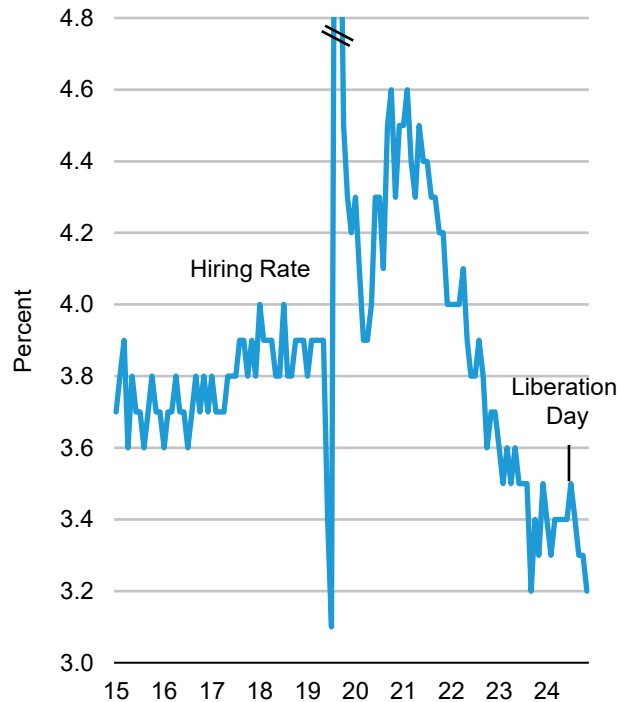
It's really the risks that we're seeing to the labor market that were the focus of today's [rate-cutting] decision."

—Jerome Powell
17 September 2025

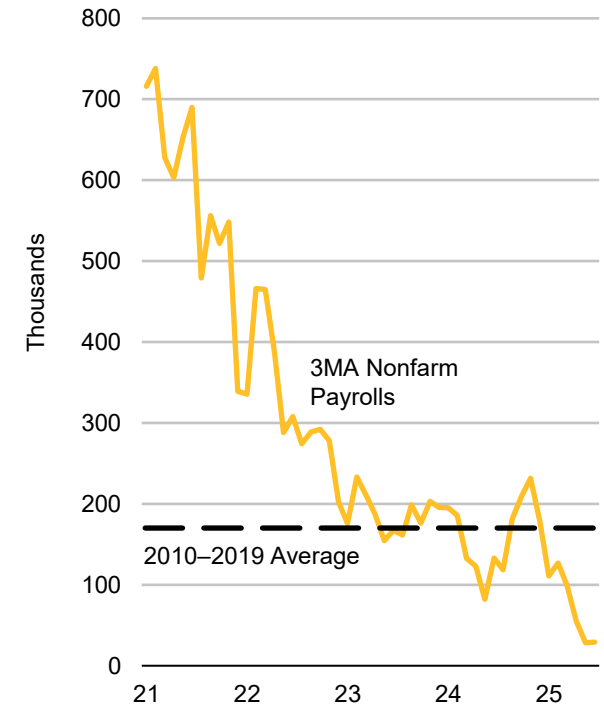
Typically, when we say things are 'in balance,' that sounds good. But, in this case, **the balance is because both supply and demand have come down quite sharply**, now demand [is] coming down...more sharply because we see... the unemployment rate edging up."

—Jerome Powell
17 September 2025

Anemic Demand Is Plaguing the Labor Market



Since Last Quarter, the Labor Market Went from Stable to Stalling



Current analysis does not guarantee future results.

3MA: three-month moving average

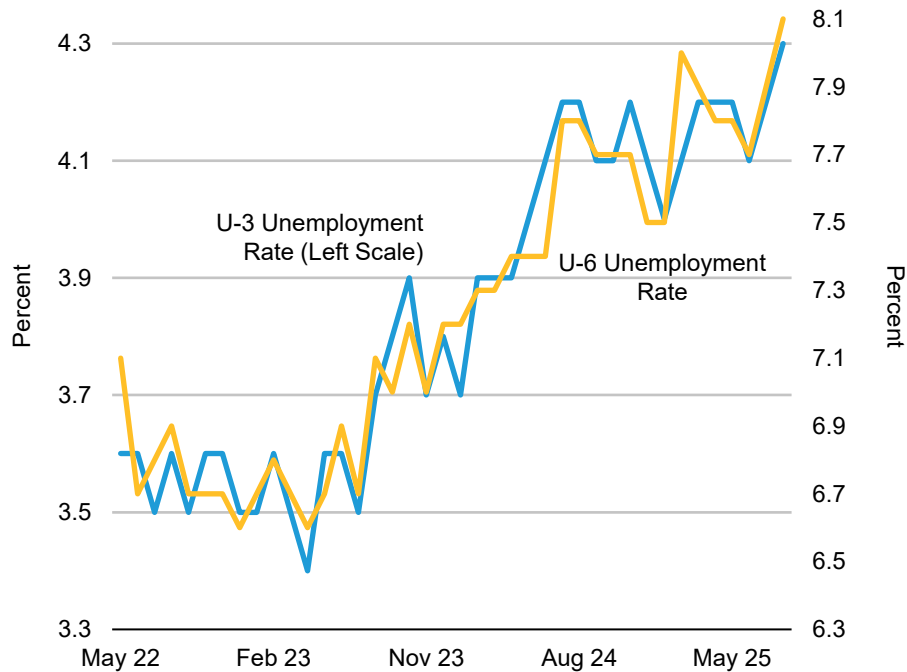
As of 30 September 2025

Source: Bloomberg, US Bureau of Labor Statistics and AB

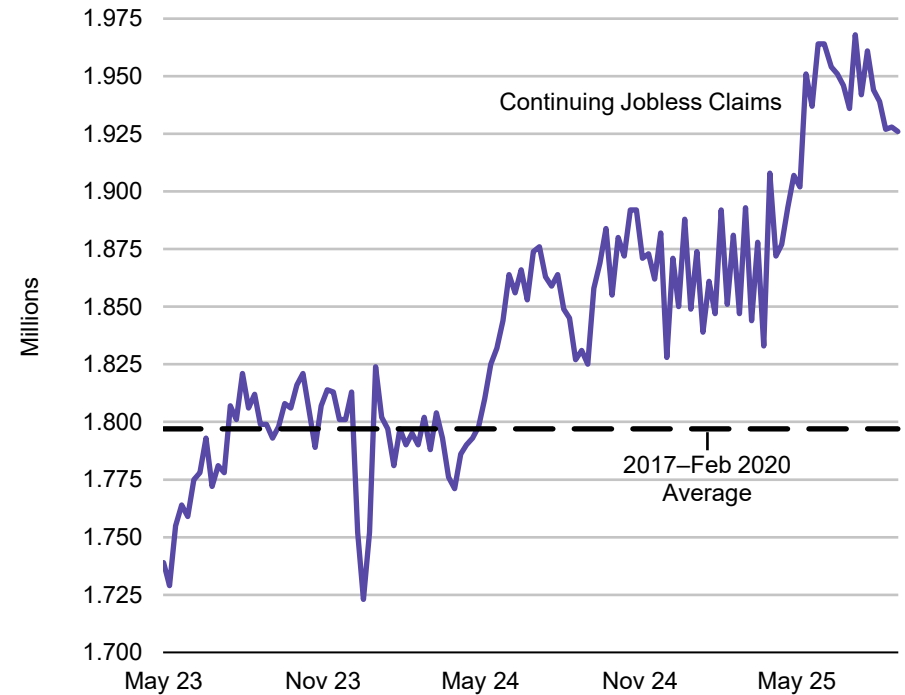
Labor: The Fed’s “No Further Cooling” Request Has Gone Unanswered

What to keep an eye on: the hiring rate

On the Move Once Again: The Unemployment Rate Broke Above the Range It’s Been Hovering at for the Last Year...



...While Continuing Jobless Claims Have Also Risen to Levels Well Above the Pre-Pandemic Average



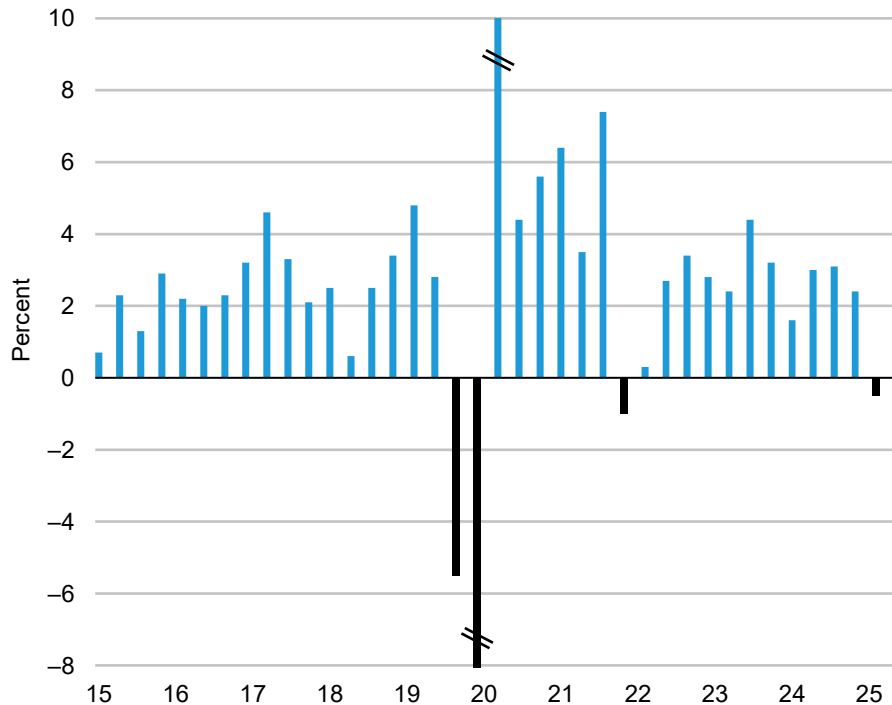
Current analysis does not guarantee future results.

Through 30 September 2025

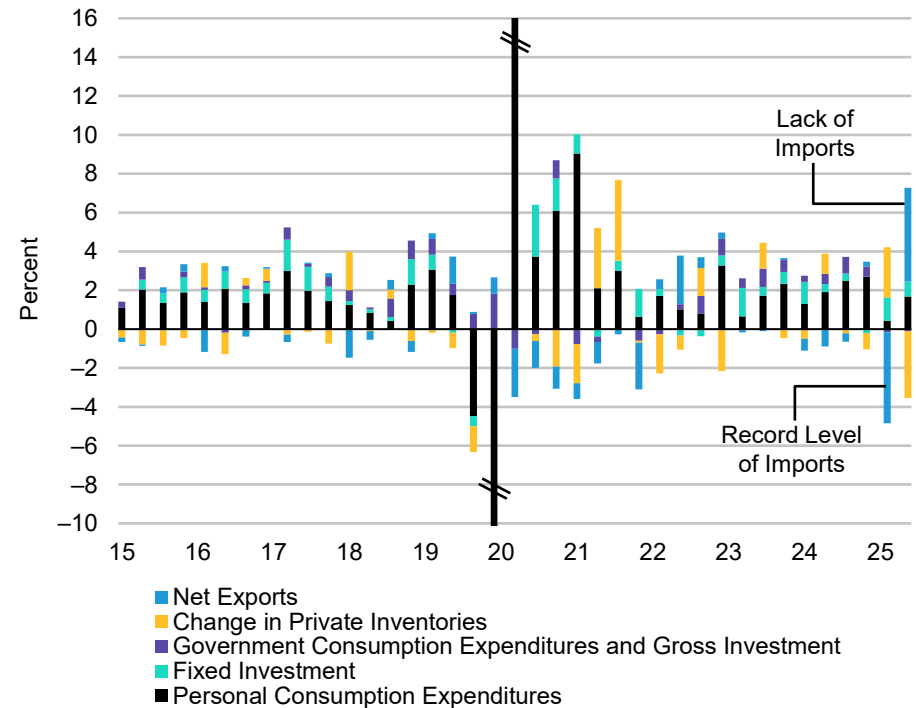
Source: Bloomberg, US Bureau of Labor Statistics and AB

Growth: Stable, but Noisy

After a Rare Negative Real GDP Print in 1Q:25, 2Q:25 Saw a Strong Bounce Back



However, Most of This Pick-Up Was a Direct Result of the Same Math That Drove Us Lower During the First Quarter



Current analysis does not guarantee future results.

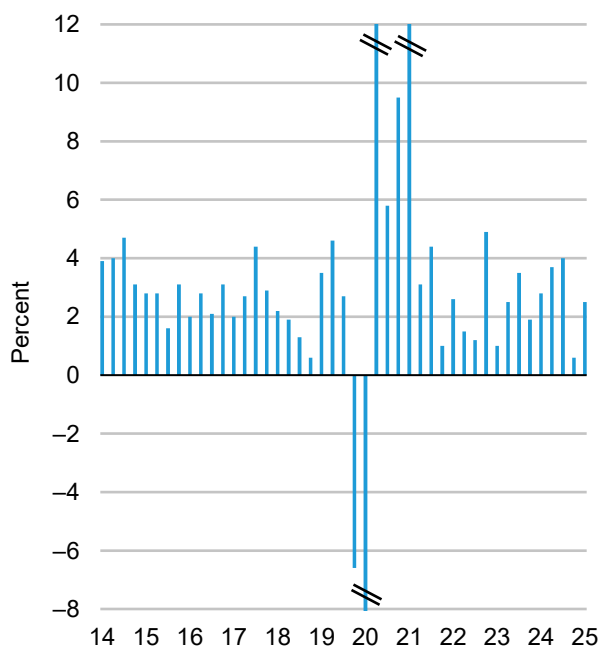
Through 30 September 2025

Source: Bloomberg, Bureau of Economic Analysis and AB

Growth Has Been Kept Afloat by Top Earners, but Cracks May Be Forming

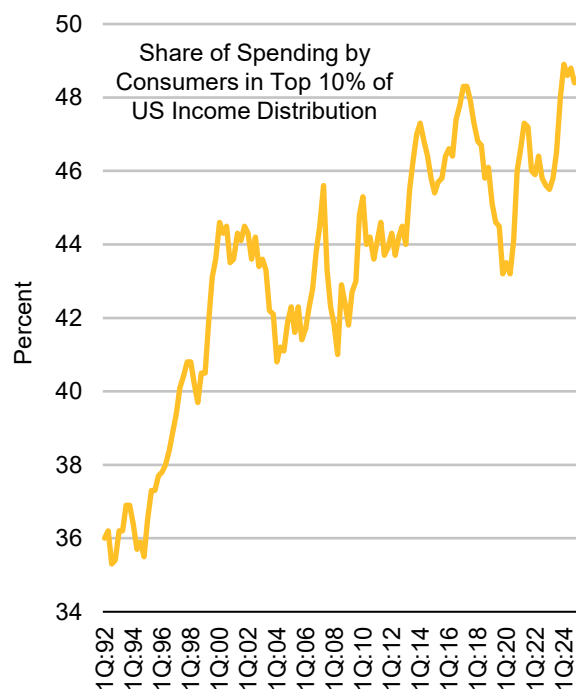
What to keep an eye on: personal consumption

Although Net Exports Was the Main Source of Noise During 1H 25, Personal Spending Also Saw Some Volatility



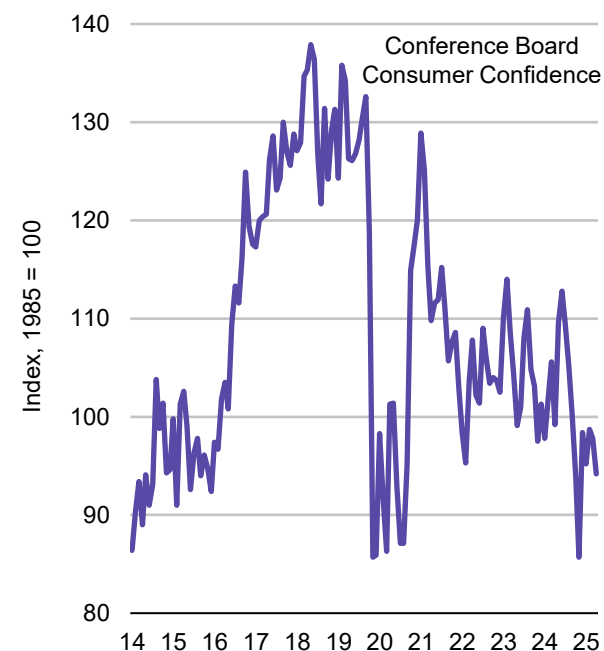
The Growth Lynchpin

Top 10% of earners make up nearly half of all consumer spending



Beware of Persistent Soft Data

Consumer confidence has not recovered since initial tariff hit



Current analysis does not guarantee future results.

1H 25: first half of 2025

As of 30 September 2025

Source: Bloomberg, Bureau of Economic Analysis, Moody's Analytics, The Conference Board and AB

Bringing It All Together: What Does the Fed Think?

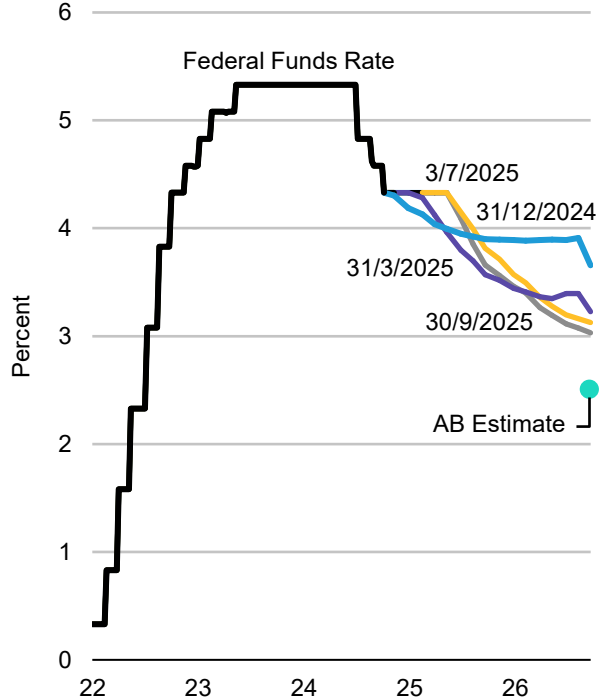
Fed Projections for Year-End 2025 Have Shifted over Time Due to Fiscal Policy Uncertainty

Pre-Election Day		Pre-"Liberation Day"		Most Recent Day
Inflation				
Year-End 2025 Fed Estimate				
Sep 24 Projection	vs.	Mar 25 Projection	vs.	Sep 25 Projection
2.1%		2.7%		3.0%
Real GDP				
Year-End 2025 Fed Estimate				
Sep 24 Projection	vs.	Mar 25 Projection	vs.	Sep 25 Projection
2.0%		1.7%		1.6%
Unemployment				
Year-End 2025 Fed Estimate				
Sep 24 Projection	vs.	Mar 25 Projection	vs.	Sep 25 Projection
4.4%		4.4%		4.5%

However, as This Uncertainty Has Waned, the Fed Has Signaled a Commitment to a Rate-Cutting Cycle

%	2025	2026	2027	Longer Run
5.00	—	—	—	—
4.75	—	—	—	—
4.50	•	—	—	—
4.25	•••••	—	—	—
4.00	••	••	••	•
3.75	••••••••	••••••••	••	••
3.50	—	••	••	•••
3.25	—	••••	••••••	•••
3.00	•	•••	•••	•••••
2.75	—	••	••	•••••
2.50	—	—	•	—
2.25	—	—	—	—
2.00	—	—	—	—
1.75	—	—	—	—

As a Result, the Market-Implied Terminal Rate Has Continued Lower, to Levels More Similar to Our Original Projections



Current analysis does not guarantee future results.

In the middle display, each dot represents a vote from a Federal Open Market Committee member; the gold dots are the approximate median dots.

As of 30 September 2025

Source: Bloomberg, Federal Reserve, Thomson Reuters and AB

Macro Summary Recap and Outlook

Reviewing the “holy trinity” for markets

Inflation

Rising, but within reason

- After a long normalization process post-pandemic, inflation is once again under pressure, this time due to tariffs
- While rising inflation is not ideal, the increase is not yet alarming:
 - Price pressures are occurring in less-sticky areas and in categories where one-off price changes related to tariffs are expected
 - Companies have limited ability to increase prices further after the pandemic-era inflation
- A key variable to monitor going forward is inflation expectations (BEIs)
- The Fed is willing to allow slightly higher inflation to protect the labor market
 - The Fed prefers 2.5% inflation with a more stable labor market over 2% inflation and a deteriorating labor market

Labor Market

Soft and vulnerable to a shock

- The labor market has become the weak link and primary focus of the Fed
- After a period of overhiring during the pandemic, a cooler labor market was initially welcomed. However, instead of stabilizing at neutral levels, it has cooled further, especially in recent months
- Both supply and demand for labor are down, with demand starting to decrease at a faster rate
- The buffer in the labor market is gone, making it vulnerable to stalling as fears grow. The Fed is cutting rates in an attempt to prevent further contagion
- A key variable to monitor going forward is the hiring rate

Growth

Moderating but stable

- Growth has slowed from last year's pace due to the impact of restrictive monetary policy and uncertain fiscal policy on the economy
- Although demand has cooled, consumer spending should remain positive. The top 10% of earners, who account for nearly 50% of all consumer spending, remain largely unfazed by higher inflation and a weaker labor market
- Key areas to monitor going forward include personal consumption and the general level of capital markets. A downturn in the housing and stock markets could have significant consequences on spending, as the wealth effect has been a major tailwind for the economy

Historical analysis and current forecasts do not guarantee future results.

BEI: break-even inflation

As of 30 September 2025

Source: AB

Macro Summary

AB Global Economic Forecast

	Real Growth (Percent)		Inflation (Percent)		Official Rates (Percent)		Long Rates (Percent)	
	25F	26F	25F	26F	25F	26F	25F	26F
Global ex Russia	2.4	2.3	3.0	2.7	3.63	3.19	4.02	4.00
Industrial Countries	1.4	1.2	2.9	2.3	2.83	2.28	3.47	3.32
Emerging Countries	3.8	3.8	3.7	3.5	5.69	5.16	4.77	4.80
US	1.2	1.4	3.3	2.6	3.63	2.63	4.00	3.75
Euro Area	1.1	1.0	2.1	1.8	1.75	1.75	2.60	2.75
UK	1.2	1.0	3.5	2.6	3.75	3.25	4.70	4.10
Japan	1.0	1.0	2.8	2.0	0.50	0.75	1.70	2.00
China	4.5	4.3	0.5	1.0	1.00	1.25	2.00	2.25

Past performance and current analysis do not guarantee future results.

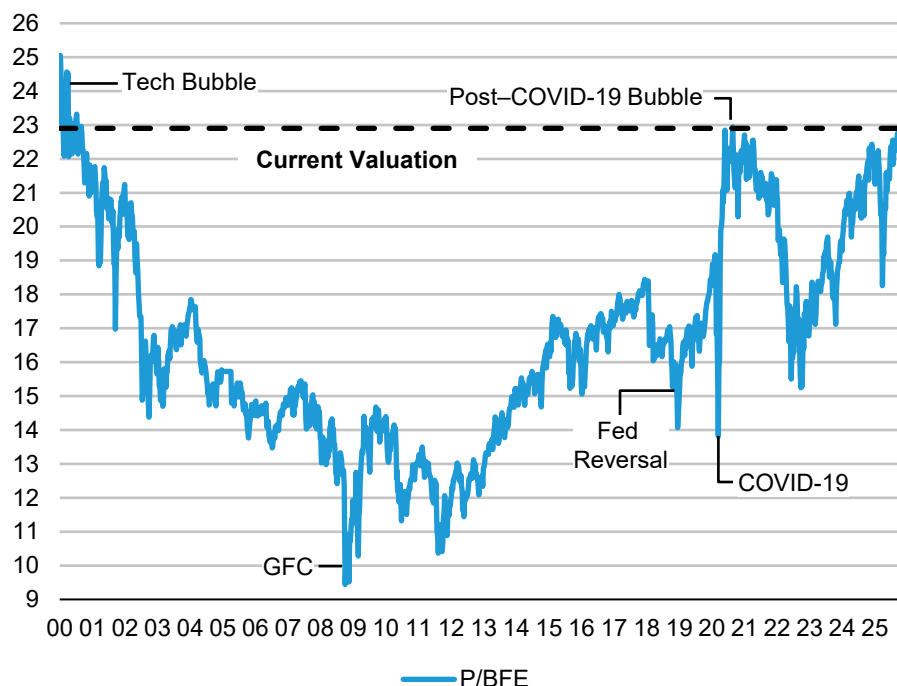
Inflation is a Core Consumer Price Index (CPI) estimate. Growth and inflation forecasts are calendar-year averages. Interest rates are year-end forecasts. Real growth aggregates represent 29 country forecasts, not all of which are shown. Long rates are 10-year yields.

As of 30 September 2025

Source: AB

S&P 500 Valuations: More Certainty Around Tariffs and the Start of a New Rate-Cutting Cycle Sent Valuations Above COVID-19 Heights

S&P 500 Multiples



Time Period	P/E	P/BFE
30 September 2025	25.6	22.8
31 December 2024	24.7	21.5
31 December 2023	21.5	19.6
31 December 2022	17.2	16.8
Pre-Pandemic*	20.3	18.9
10-Year Average	20.5	18.7
Pre-Pandemic Five-Year Average	18.3	16.9
Average Since 2000	19.0	16.7

Current analysis does not guarantee future results.

GFC: global financial crisis. Price/earnings (P/E) is for the trailing 12 months; price/blended forward earnings (P/BFE) is for the next 12 months.

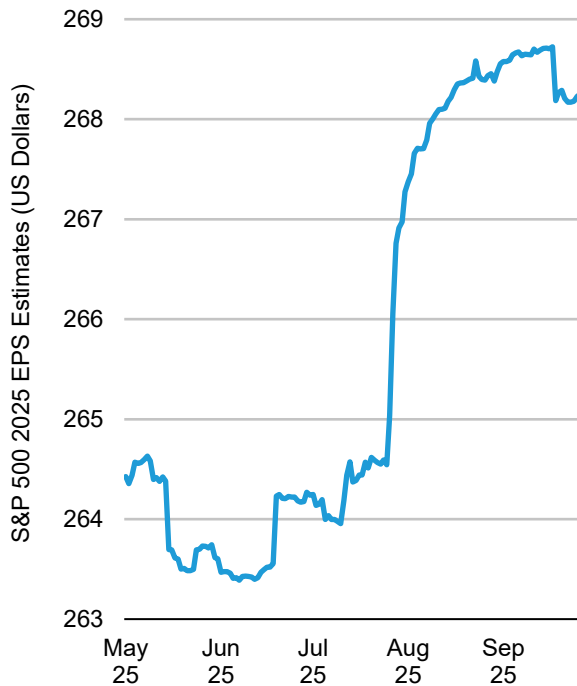
*21 February 2020

As of 30 September 2025

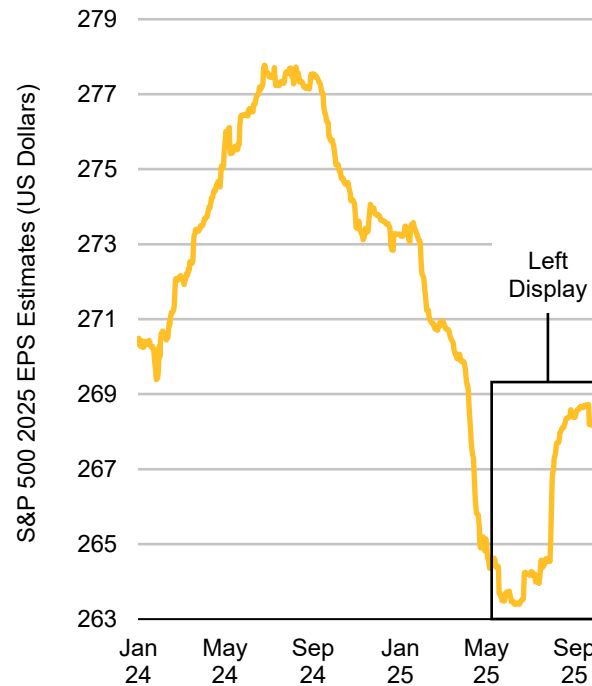
Source: Bloomberg, S&P and AB

S&P 500 Earnings: Companies Showed Resilience in the Face of Uncertainty, but Context Is Still King

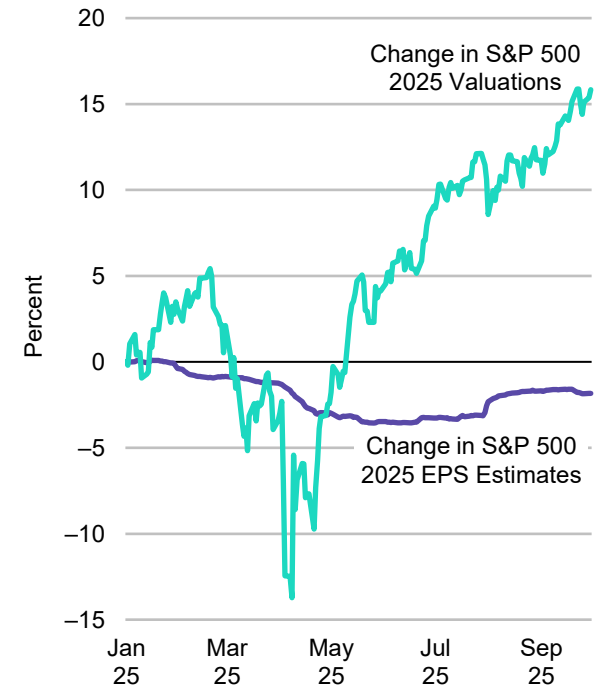
Many Headlines Suggested a Massive Beat in Earnings During the Second Quarter



However, This “Beat” Mostly Represented Companies Recovering from the Worst-Case Estimates



In Reality, All S&P 500 Price Performance This Year Is Due to Multiple Expansion



Historical analysis and current forecasts do not guarantee future results.

EPS: earnings-per-share

Through 30 September 2025

Source: Bloomberg, FactSet, S&P and AB

S&P 500 Scenario Chart: Using Earnings and Valuations to Form a Price Target Range

Choose Your Own Adventure

2025												
	18	19	20	21	22	23	24	25	26		S&P Price Level	2025 Price Return*
245	4,410	4,655	4,900	5,145	5,390	5,635	5,880	6,125	6,370		5,700	-14.8%
250	4,500	4,750	5,000	5,250	5,500	5,750	6,000	6,250	6,500		5,900	-11.8
255	4,590	4,845	5,100	5,355	5,610	5,865	6,120	6,375	6,630		6,000	-10.3
260	4,680	4,940	5,200	5,460	5,720	5,980	6,240	6,500	6,760		6,200	-7.3
265	4,770	5,035	5,300	5,565	5,830	6,095	6,360	6,625	6,890		6,350	-5.1
270	4,860	5,130	5,400	5,670	5,940	6,210	6,480	6,688	7,020		6,550	-2.1
275	4,950	5,225	5,500	5,775	6,050	6,325	6,600	6,875	7,150		6,688	0.0
280	5,040	5,320	5,600	5,880	6,160	6,440	6,720	7,000	7,280		6,850	2.4
285	5,130	5,415	5,700	5,985	6,270	6,555	6,840	7,125	7,410		7,000	4.7

2026												
	15	16	17	18	19	20	21	22	23		S&P Price Level	2025-26 Price Return†
275	4,125	4,400	4,675	4,950	5,225	5,500	5,775	6,050	6,325		5,800	-9.0%
280	4,200	4,480	4,760	5,040	5,320	5,600	5,880	6,160	6,440		6,000	-6.9
285	4,275	4,560	4,845	5,130	5,415	5,700	5,985	6,270	6,555		6,100	-5.9
290	4,350	4,640	4,930	5,220	5,510	5,800	6,090	6,380	6,670		6,300	-3.9
295	4,425	4,720	5,015	5,310	5,605	5,900	6,195	6,490	6,785		6,400	-2.9
300	4,500	4,800	5,100	5,400	5,700	6,000	6,300	6,688	6,900		6,500	-1.9
305	4,575	4,880	5,185	5,490	5,795	6,100	6,405	6,710	7,015		6,688	0.0
310	4,650	4,960	5,270	5,580	5,890	6,200	6,510	6,820	7,130		6,900	2.1
315	4,725	5,040	5,355	5,670	5,985	6,300	6,615	6,930	7,245		7,100	4.0

■ 30 September 2025 (What's Currently Priced In by Markets*)

■ AB's Most Likely Range of Future Outcomes

Historical analysis and current forecasts do not guarantee future results.

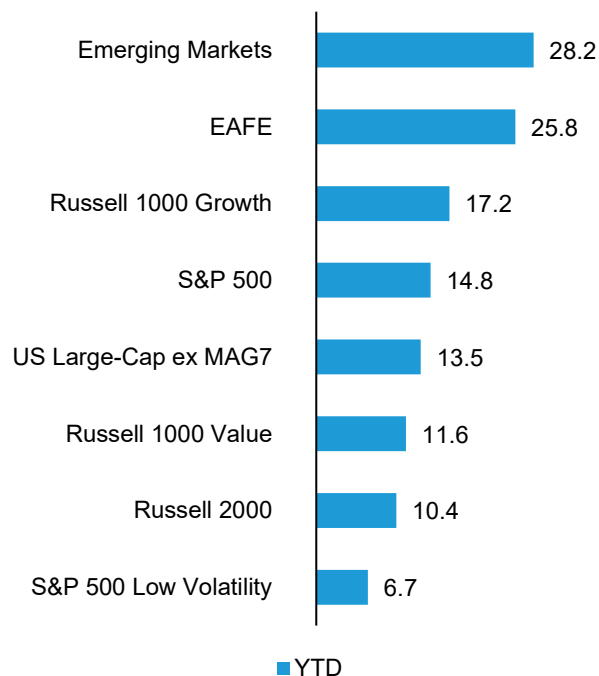
*Based on S&P 500's 3Q:25 closing price of 6,688; horizontal axis contains forward price/earnings multiples; vertical axis contains forward earnings; numbers may not sum due to rounding; †Annualized

As of 30 September 2025

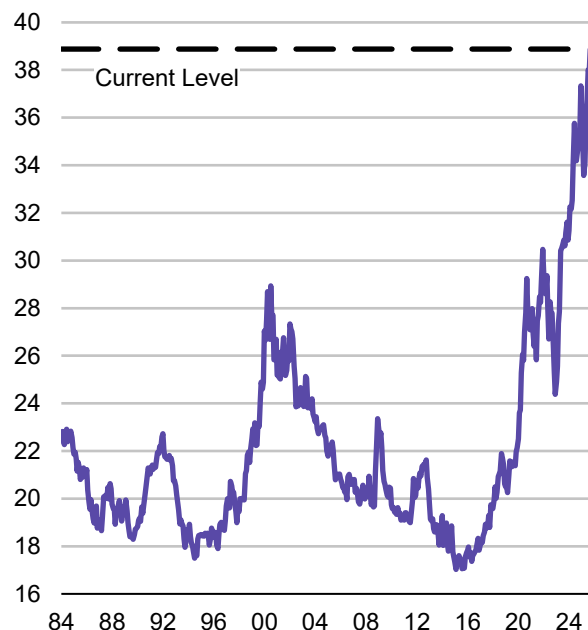
Source: Bloomberg, S&P and AB

International and Growth Equities Lead, and Concentration Levels Hit New Highs

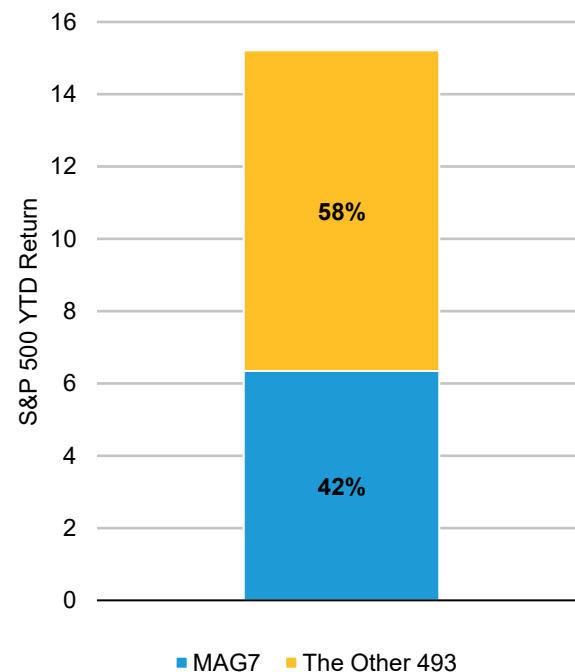
Index Returns Have Been Strong YTD Percent



Record Levels of S&P 500 Concentration 10 largest combined weights (percent)



S&P 500 Returns Have Had a Meaningful Magnificent Seven Tilt (Percent)



Past performance does not guarantee future results. Analysis is provided for illustrative purposes only and is subject to revision. References to specific securities discussed are not to be considered recommendations by AllianceBernstein L.P.

EAFE: Europe, Australasia and the Far East; MAG7: Magnificent Seven; YTD: year to date

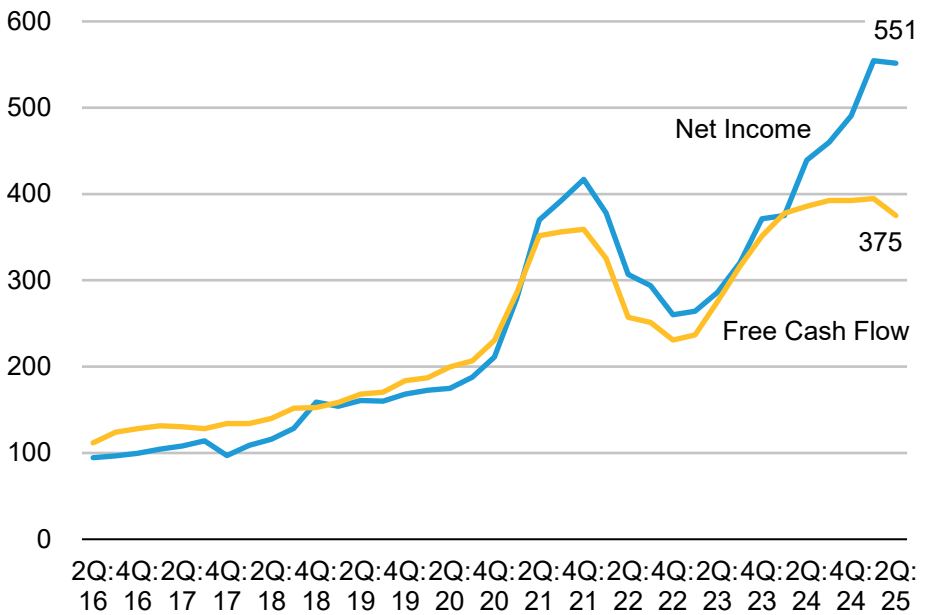
As of 30 September 2025

Source: Bloomberg, FTSE Russell, MSCI, S&P and AB

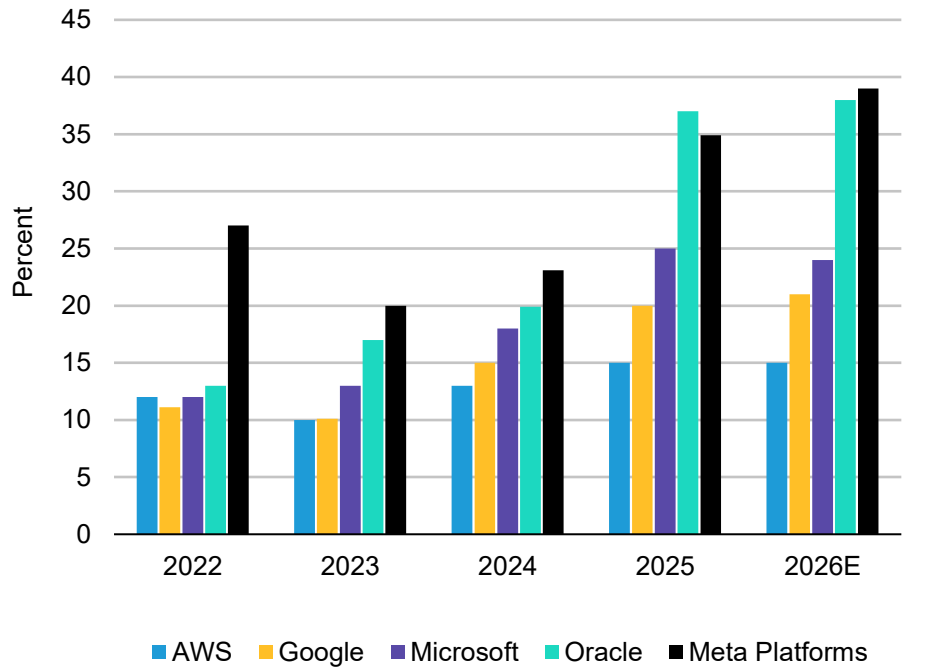
Earnings for the MAG7 Have Been Strong, but Free Cash Flow Has Stalled

Hyperscalers' massive capital spending could pressure their future profits and their monolithic status

Magnificent Seven Earnings vs. Free Cash Flow
Last 12 months (USD billions)



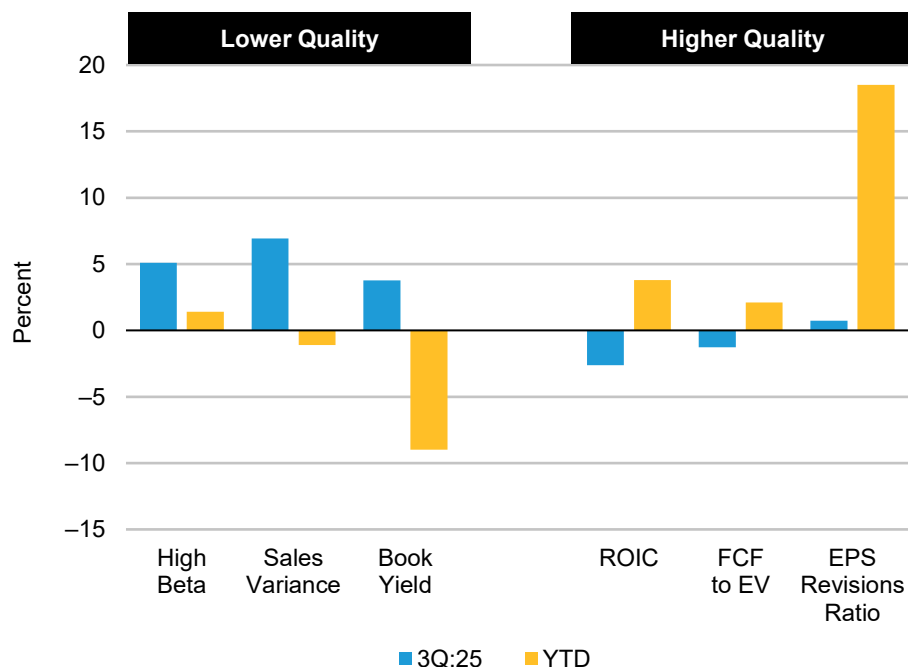
Spending Spree Has Led to Hyperscalers Becoming More Asset-Heavy vs. Asset-Light Businesses
Hyperscalers capex as a percent of sales



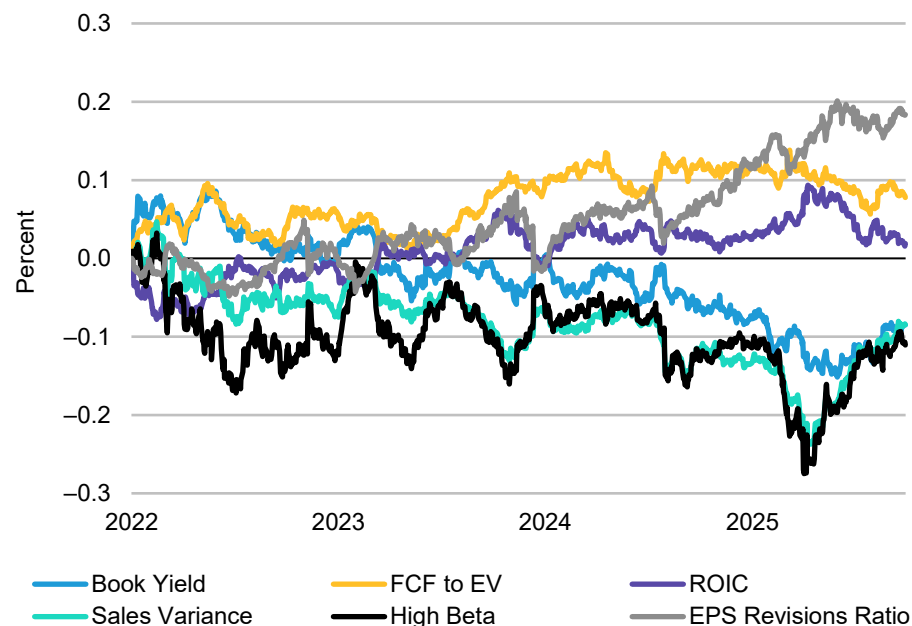
Past performance and current analysis do not guarantee future results.
Left display through 28 August 2025; right display as of 30 September 2025
Source: Amazon Web Services (AWS), Bloomberg, Goldman Sachs, Google, Meta Platforms, Microsoft, NVIDIA, Oracle, S&P and AB

Lower Quality and Beta Surged in the Period, but Quality Has Endured

Quality Factors Badly Lagged in the Risk-On Third Quarter, but They Have Outperformed Year to Date*



In the Post-COVID Era, Quality Has Remained in Vogue Despite Beta's Sharp Rise Since Early April 2025



Past performance does not guarantee future results.

YTD: year to date; high beta: the regression between the monthly stock return and the monthly market return over the last five years; sales variance: four-year variance in year-over-year last 12 months' (LTM) sales growth; book yield: book value per share divided by current share price; return on invested capital (ROIC): LTM net income divided by LTM average total invested capital; free cash flow to enterprise value (FCF to EV): LTM free cash flow divided by (market value + debt – cash); earnings-per-share (EPS) revisions ratio: (upward revisions – downward revisions) divided by total EPS revisions

*Factor returns are calculated by the relative performance of the top-quintile cohort vs. the bottom-quintile cohort within the S&P 500.

As of 30 September 2025. Source: Piper Sandler, S&P and AB

Value or Growth...Yes! In a Fast-Changing World, Optionality Is Key

Remain style neutral, given high index valuations and a diverse opportunity set

Value Areas of Focus

Financials

2025/2026 YoY
EPS Growth: 11%

Industrials

2025/2026 YoY
EPS Growth: 17%

Favored Industries



Capital Markets



Machinery



Commercial Banks



Electrical Equipment



Insurance



Industrial
Conglomerates

Growth Areas of Focus

Communication Services

2025/2026 YoY
EPS Growth: 8%

Healthcare

2025/2026 YoY
EPS Growth: 10%

Favored Industries



Interactive Media



Life-Science Tools
and Services



Entertainment



Healthcare Providers
and Services



Wireless Telecom



Pharmaceuticals

Current analysis does not guarantee future results.

EPS: earnings-per-share; YoY: year-over-year

As of 30 September 2025

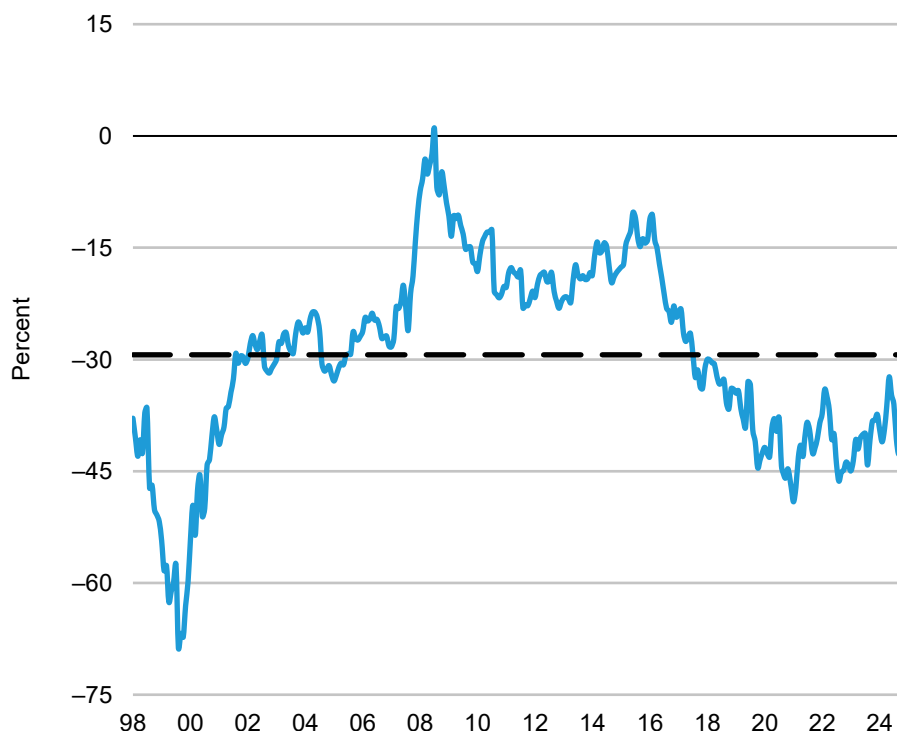
Source: Bloomberg, FactSet and AB

Not All Stocks Are Expensive, and Cheap Does Not Mean Dull

Many value stocks have strong earnings potential, and an economic recovery would be a boost

Russell 1000 Value vs. Russell 1000 Growth

Price/forward earnings discount



Past performance and current analysis do not guarantee future results.

YoY: year-over-year; EPS: earnings-per-share

Left display through 31 August 2025; right display as of 30 September 2025

Source: FactSet, FTSE Russell and AB

Finding Growth Within Value

Key investment themes

Commercial Aircraft Manufacturing

2025/2026 YoY EPS Growth: 22%

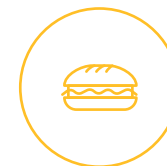
- Commercial aircraft production has been crimped in the last five years, and consumers still prefer experiences over goods



Cyclically Depressed Consumer Spending

2025/2026 YoY EPS Growth: 10%

- Recent, softer consumer demand has led to faster-growing quick-service restaurants and entertainment parks being attractively priced



Agricultural Cycle and Productivity

2025/2026 YoY EPS Growth: 24%

- Farm equipment and seed sales are off from COVID-19's surge but are needed to spur agricultural productivity, given limited acreage availability



Healthcare Spending

2025/2026 YoY EPS Growth: 8%

- The managed-care industry's long-term growth is intact despite cyclical pressures, and secular R&D spending is likely to remain above GDP growth

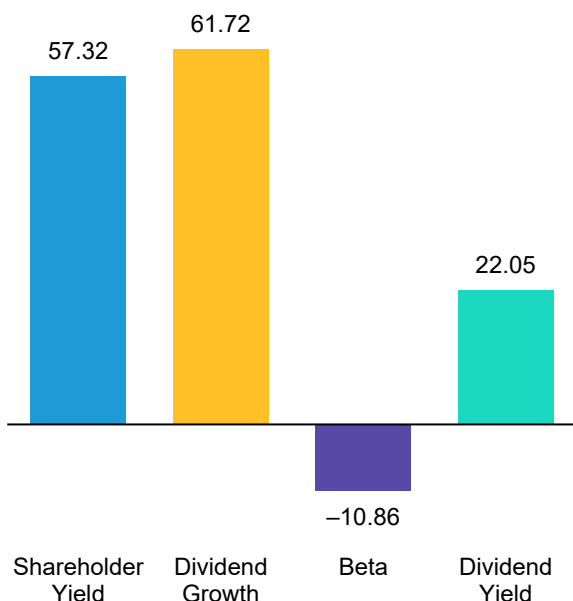


Sharing the Wealth Pays, Especially When the Fed Lowers Rates

Companies that thoughtfully return capital outpace more volatile ones over time, and the price is right

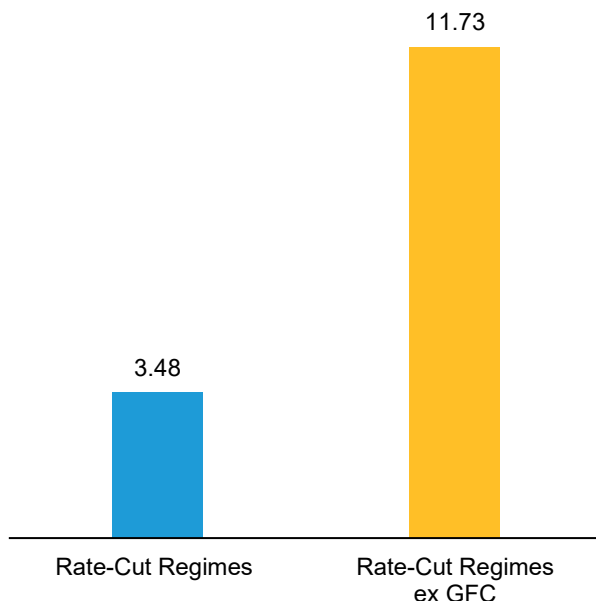
History Tells Us Beta's Staying Power Is Not Robust*

20-year cumulative returns (percent)



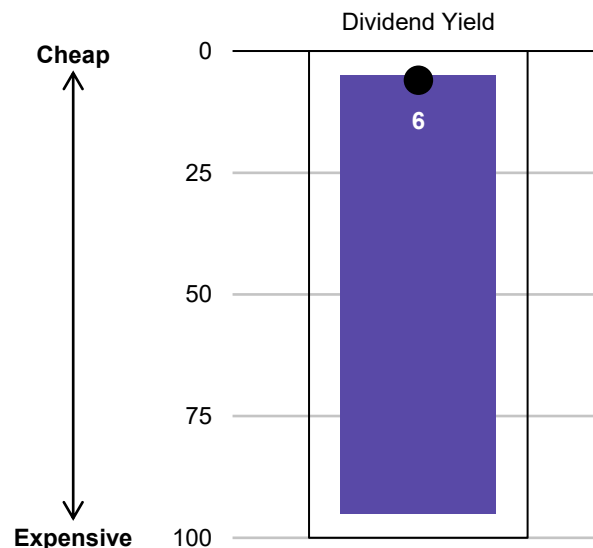
Dividend Stocks Have Delivered When the Fed Has Cut Rates†

Percent



Dividend Payers: An Inexpensive Space, and You Get Paid While You Wait‡

Percentile



Past performance does not guarantee future results.

GFC: global financial crisis. *Factor returns are calculated by the relative performance of the top-quintile cohort vs. the bottom-quintile cohort within the S&P 500. †Top tercile of dividend payers, cap-weighted, recalculated monthly returns vs. the S&P 500 over six distinct Fed cutting regimes, starting from 1998, where a regime is defined to be at least three months of consecutive rate cuts. ‡Percentile rankings are based on monthly valuations (i.e., relative price to earnings of first quarter for each factor vs. Russell 1000) from 1990.

Dividend yield: last 12 months' dividends per share divided by current share price.

Left display as of 30 September 2025; middle display as of 31 December 2024; right display as of 31 August 2025

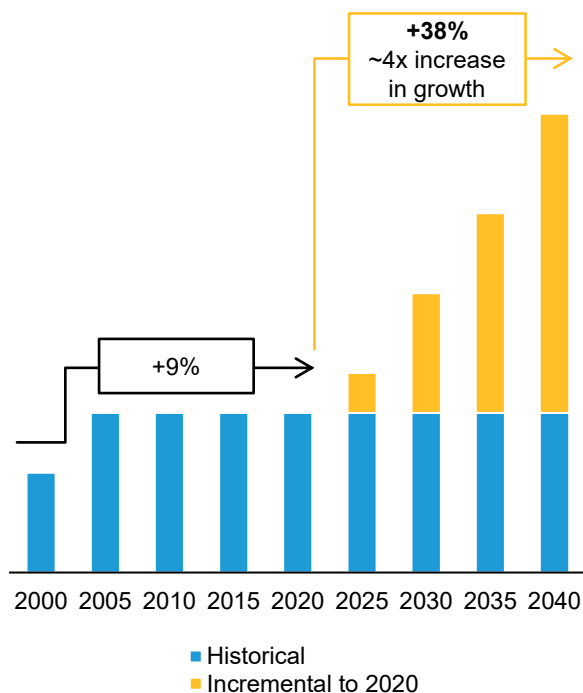
Source: Bloomberg, FTSE Russell, Piper Sandler, S&P, US Federal Reserve and AB

Power Demand and Cybersecurity: Two Vital Needs in Today's World

Secular themes are driving demand growth across multiple industries

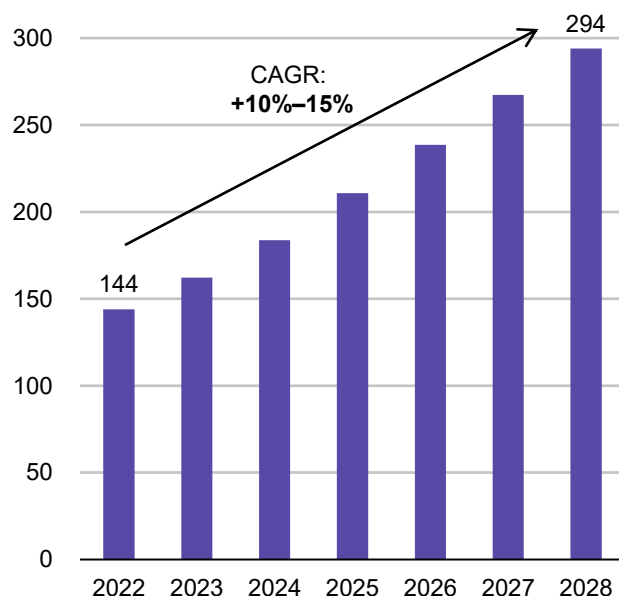
US Power Demand Is Expected to Grow ~38% over the Next Two Decades

US power demand, thousand TWh*



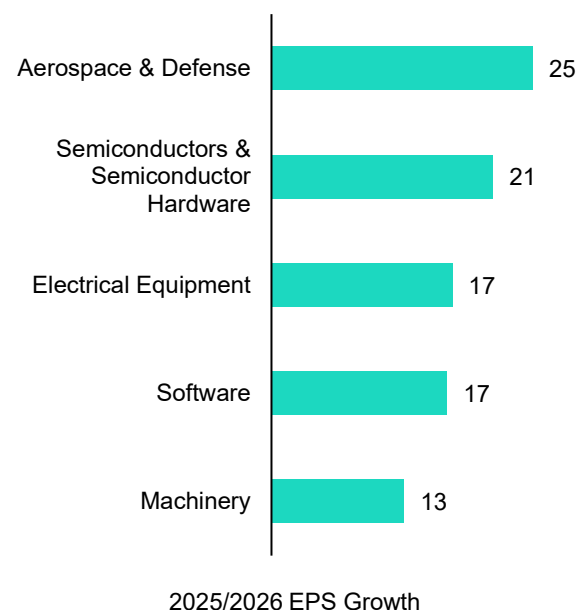
Cybersecurity Market: Continued Double-Digit Growth Is Forecast

Global cybersecurity spending (USD billions)



Favorable Earnings Growth Rates That Are Linked to These Trends

Earnings-growth forecast (percent)†



Current analysis does not guarantee future results.

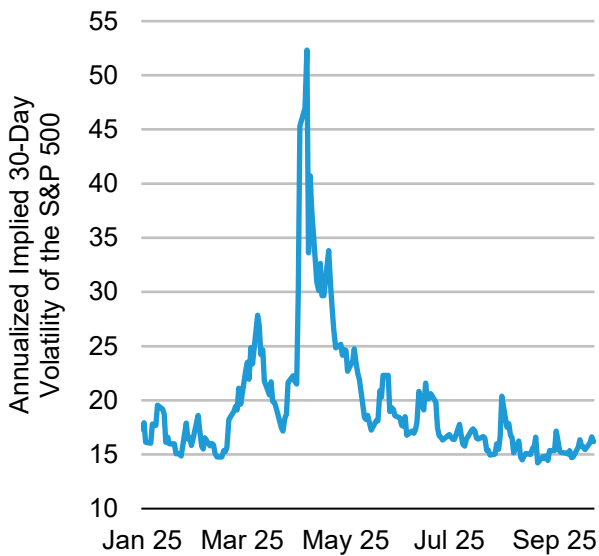
CAGR: compound annual growth rate; EPS: earnings-per-share; TWh: terawatt hour. *McKinsey & Company Global Energy Perspective 2023; US Energy Information Administration (EIA) Annual Energy Outlook 2023. †Earnings-growth forecasts are based on consensus estimates.

Left display as of 31 March 2025; middle display as of 31 December 2024; right display as of 30 September 2025. Source: Bank of America, Bloomberg, EIA, Electric Reliability Council of Texas, Federal Reserve Bank of St. Louis, Gartner, McKinsey & Company, Office of Management and Budget and AB

Calmer and Quality Confines; Often a Good Home for Cautious Investors

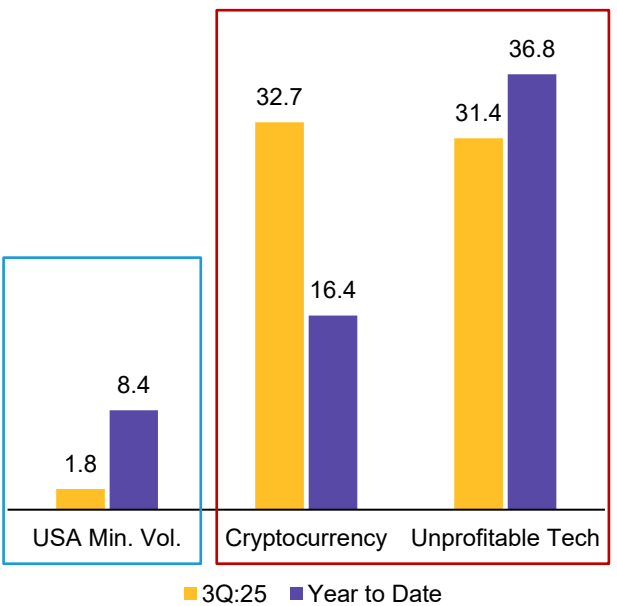
If the market goes off the rails on a beta train, lower-volatility equities could prevent goal derailment

What, Me Worry? CBOE Volatility Index (VIX) Reflects a Lack of Concern



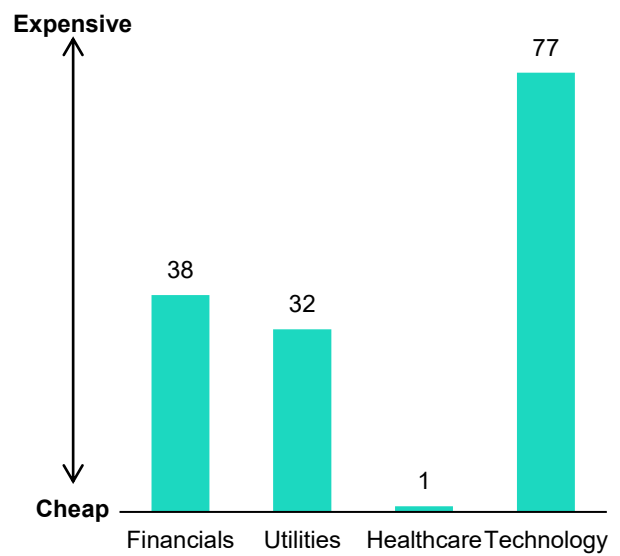
Lower-Volatility Stocks Shunned in Favor of High-Beta Offerings

Percent



Financials and Defensives Are Preferred vs. Select, Speculative Tech Stocks

Relative-valuation percentiles*



Past performance does not guarantee future results.

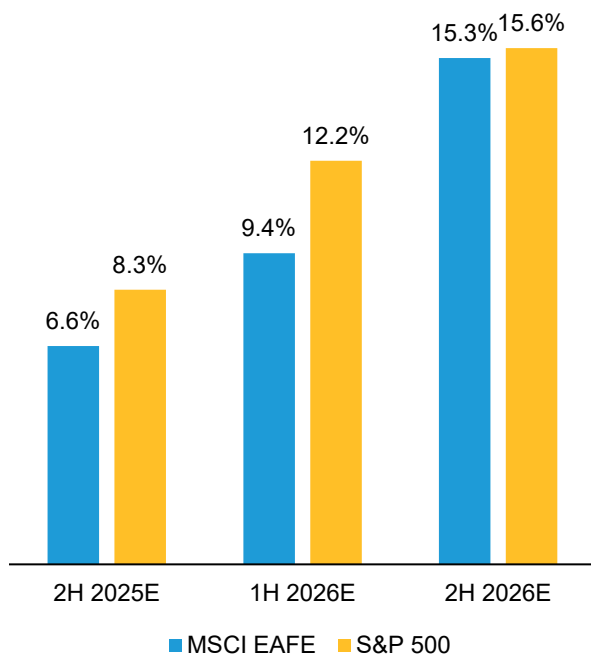
Returns in US dollars. Unless otherwise stated, all returns are total returns. USA Min. Vol. is represented by the MSCI USA Minimum Volatility. Cryptocurrency is represented by the Bloomberg Galaxy Crypto Price Return. Unprofitable Tech is represented by the Goldman Sachs Non-Profitable Tech. An investor cannot invest directly in an index, and its performance does not reflect the performance of any AB portfolio. The unmanaged index does not reflect the fees and expenses associated with the active management of a portfolio. *Valuation percentiles for sectors are cap-weighted average price-to-next-12-months earnings forecast relative to the benchmark and relative to their own history. The investable benchmark is the S&P 500.

Left display through 24 September 2025; middle display as of 30 September 2025; right display as of 31 August 2025
Source: Bloomberg, Cboe, FTSE Russell, Goldman Sachs, MSCI, S&P and AB

Many Dynamics Are Aligning to Continue International Stocks' Advance

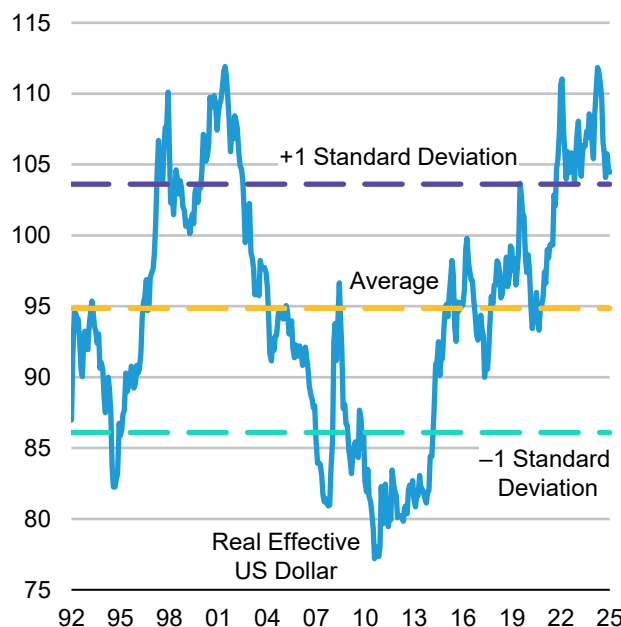
Non-US Earnings Growth Is Poised to Catch Up with Robust US Markets

Year-over-year earnings growth*



The US Dollar Is Relatively Overvalued

Real effective trade-weighted US dollar (Indexed to 100)



Favoring Long-Cycle Industrials, Banks with Strong Shareholder Yields and Differentiated Consumer Businesses

Industry Overweights

Electrical Equipment
2025/2026 YoY EPS Growth: 15%



Commercial Banks
2025/2026 YoY EPS Growth: 9%



Leisure and Interactive Media
2025/2026 YoY EPS Growth: 15%



Past performance does not guarantee future results.

2H: second half; 1H: first half; EPS: earnings-per-share; YoY: year-over-year

*Earnings-growth forecasts are based on consensus estimates.

Left display as of 29 September 2025; middle and right displays as of 30 September 2025

Source: Bloomberg, FactSet, MSCI, S&P and AB

4Q 2025 Equity Playbook



Current Market Backdrop

- The S&P 500 (S&P) trades well above its long-term averages, and the top-10 biggest stocks' weighting attained new heights
- While not declaring the end of the Magnificent Seven and tech run, concerns have emerged on select hyperscalers' massive capital spending
- Improved earnings outlooks across the cap spectrum led to other asset classes, such as small-cap stocks, participating in the upswing
- Higher-beta, momentum and lower-quality stocks fueled recent equity gains, but we advise a focus on durable businesses with staying power



Key Areas of Conviction

- **Large-Cap Quality-Core:** Optionality is key, as a fast-changing world and passive index concentration offer diverse opportunities to be active
 - Financials, industrials, communication services and healthcare
- **Value:** Attractive price points, an easing Fed and slow but positive economic growth argue for a gradual rotation into high cash-flow generators
 - Commercial aircraft manufacturing, select consumer businesses, agricultural productivity, healthcare-spending beneficiaries
 - Sustainable dividend growers that could get a tailwind from expected Fed easing
- **Thematic:** Long-term trends offer many avenues to capitalize on them; the opportunity set intersects with traditional growth and value stocks
 - Robust power demand and cybersecurity solutions capital-spending beneficiaries
- **Low-Volatility:** Higher-quality, lower-beta names are typically more resilient in market pullbacks, especially when speculation is out of favor
 - Healthcare, utilities and financials
- **International:** Encouraging earnings growth, expected additional dollar weakness and many stocks still trading at a discount
 - Electrical equipment, commercial banks, leisure and online media



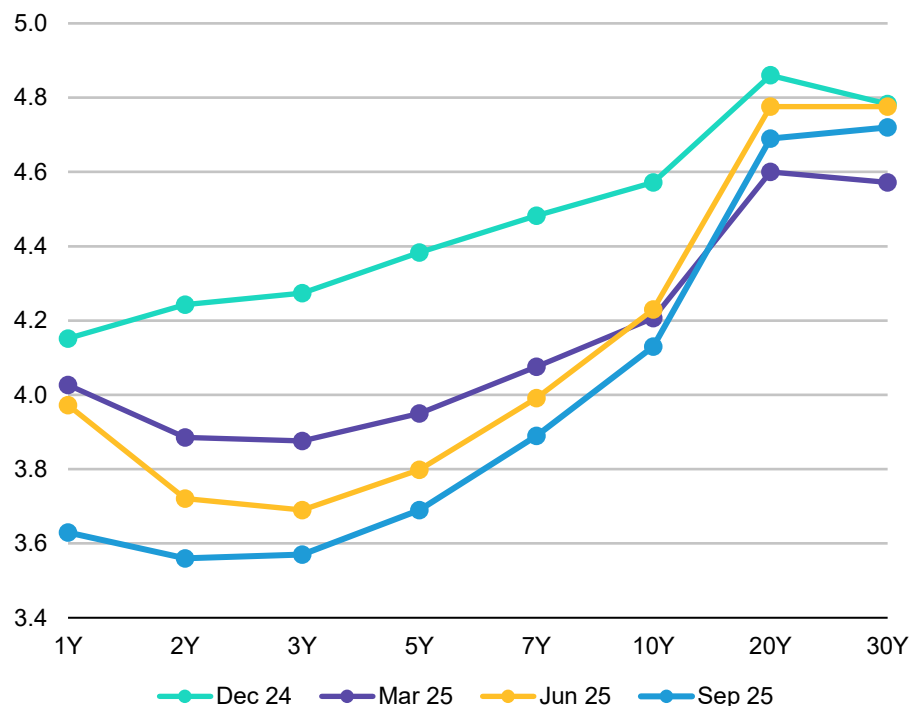
Other Thoughts

- Maintain quality small-cap exposures—recent rally has favored lower-quality segments, which historically underperform over the long term

The Treasury Curve Has Continued to Steepen in 2025, Led by a Decline in Front-End Yields

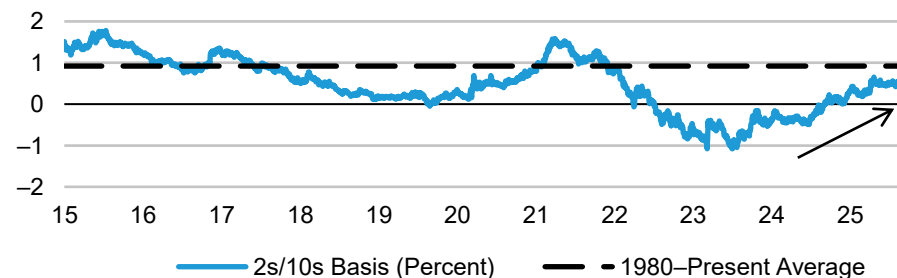
The Front End of the Curve Has Continued to Fall in 2025

Yield (percent)

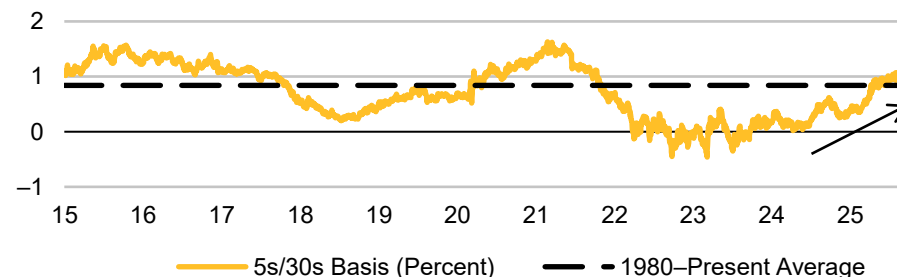


The Yield Pickup Between 10-Year and Two-Year Treasuries Has Increased...

Basis (difference in yield)



...as Has the Yield Pickup Between the 30-Year and Five-Year Basis (difference in yield)



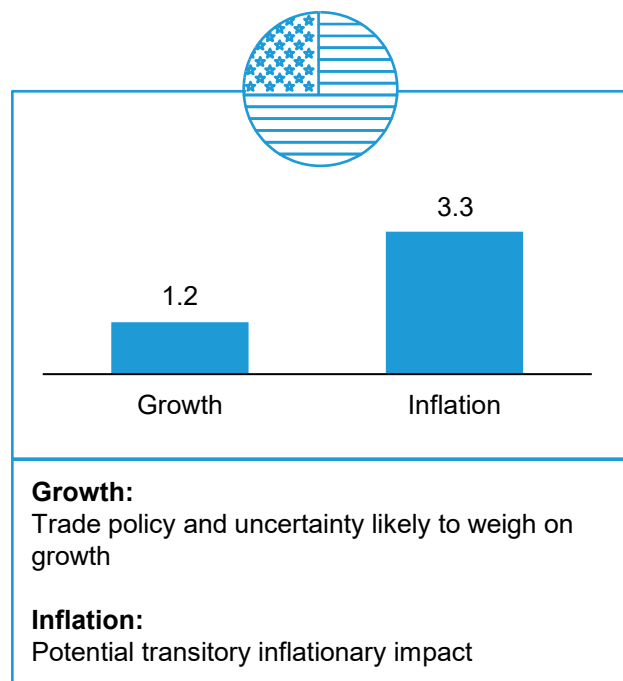
Historical analysis does not guarantee future results.

As of 30 September 2025
Source: Bloomberg and AB

Tariffs Have a Different Impact on the US than on Europe

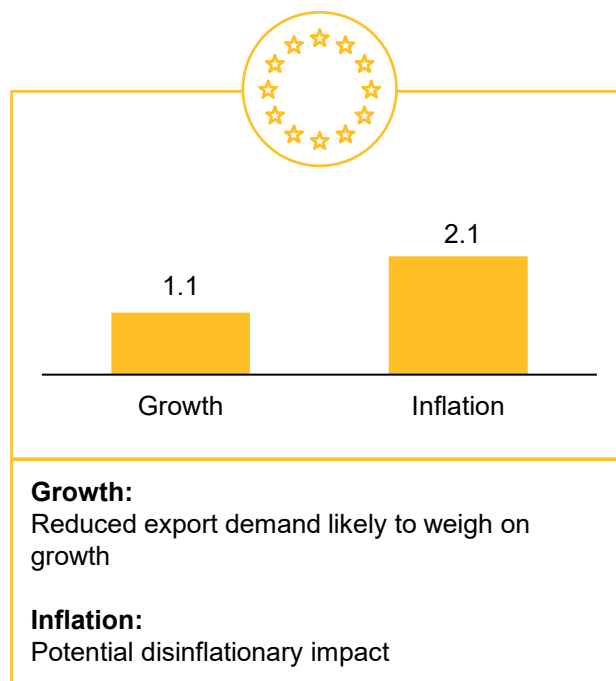
US Outlook: Growth Uncertainty and Inflationary Trends

2025 forecast (percent)



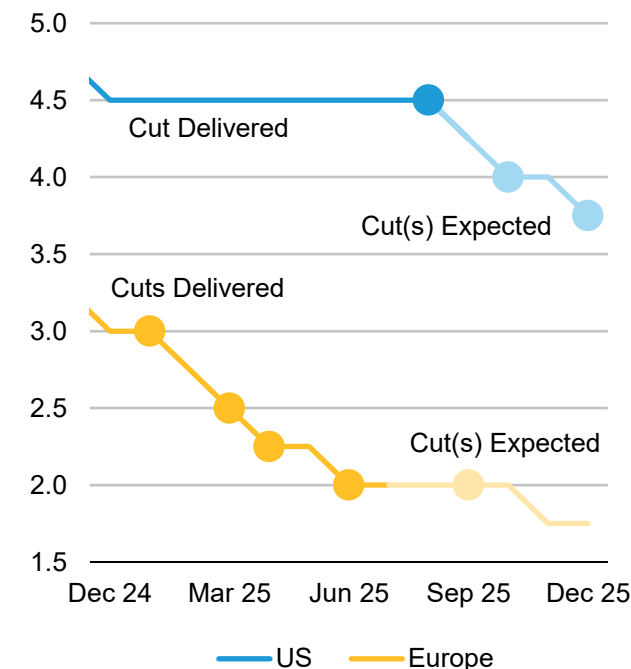
EU Outlook: Export Demand Weakness and Disinflationary Trends

2025 forecast (percent)



The ECB Has Cut Interest Rates Four Times Already This Year

Fed and ECB policy rates (percent)



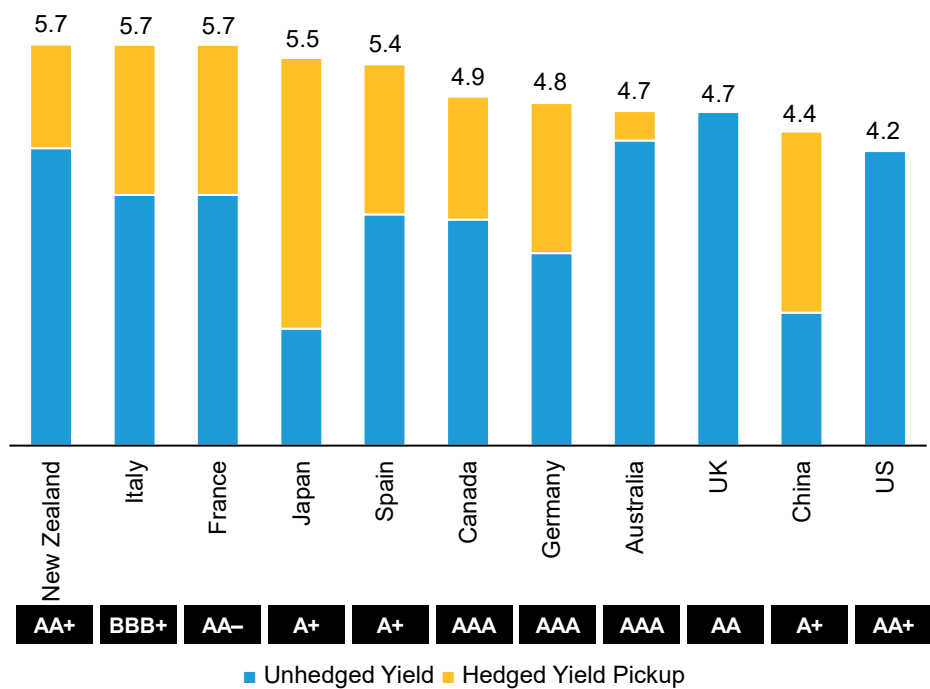
Current analysis does not guarantee future results.

As of September 2025

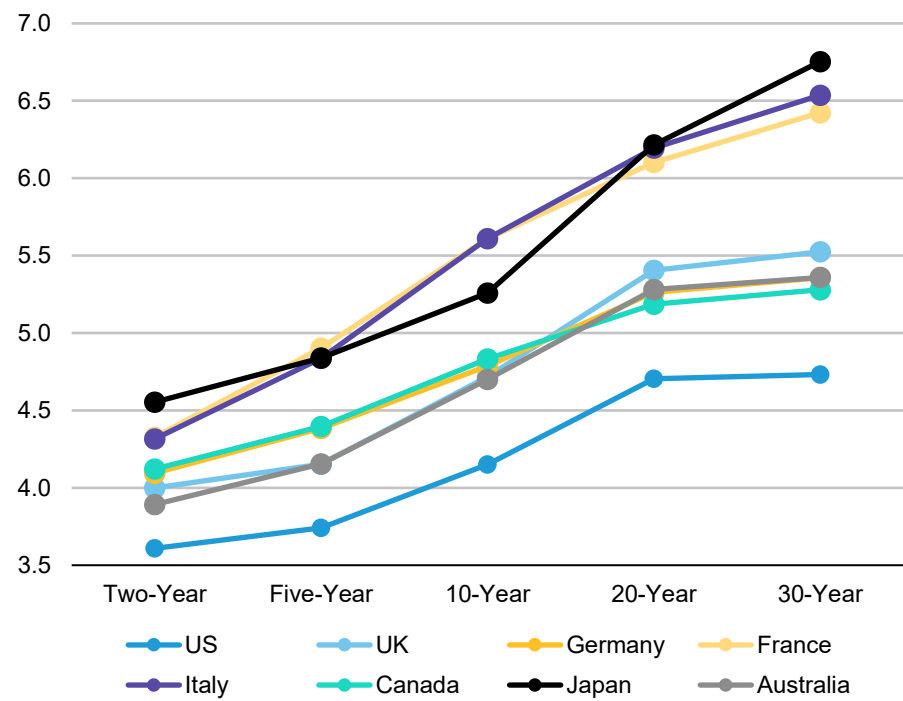
Source: AB

Navigating Global Rates

US Treasury Yields Look Low Compared to Attractive USD-Hedged Global Yields
Percent



Major Developed-Market Yield Curves, Hedged
Percent



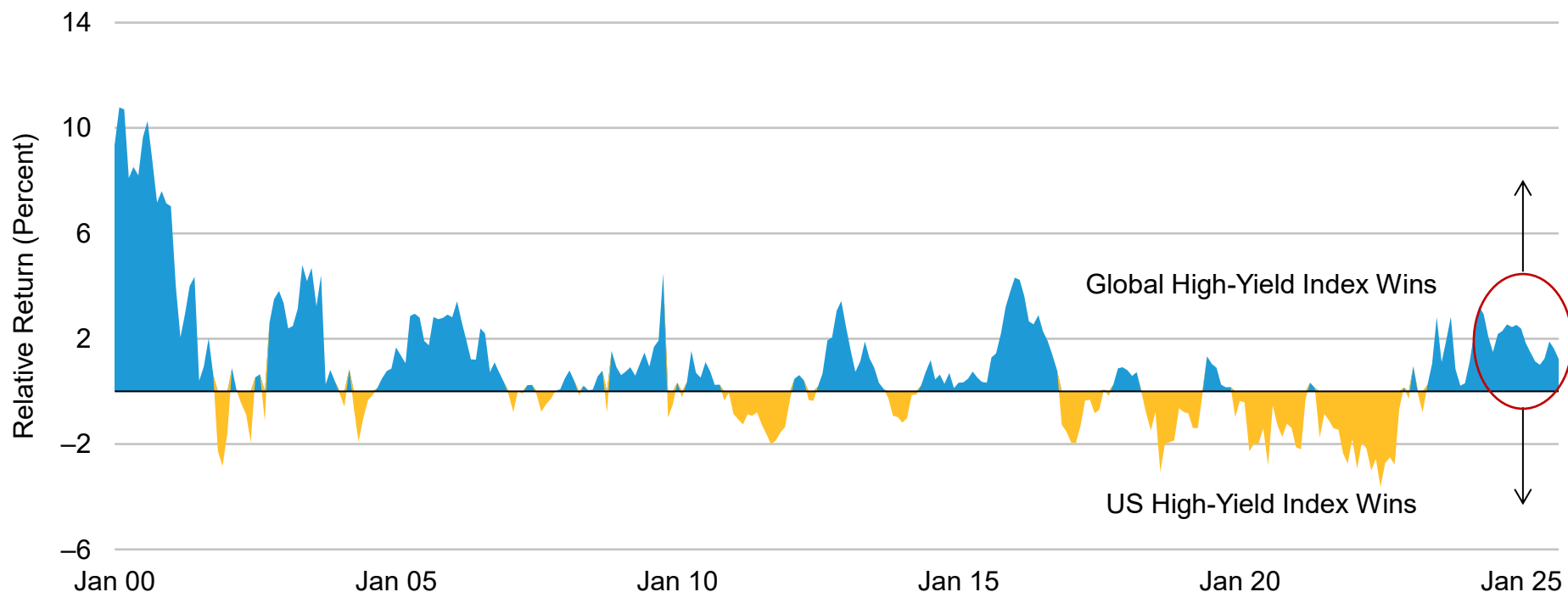
Past performance does not guarantee future results.
Hedged yields are hedged to US dollars. France is rated; left display shows 10-year maturities
As of 30 September 2025
Source: Bloomberg and AB

Globalizing Your Exposure Could Generate Additional Alpha

Global high yield historically outperforms US high yield ~64% of the time

Global Is Back in Favor After Lagging US High Yield in Recent Years

Trailing 12-month relative return



Past performance and current analysis do not guarantee future results.

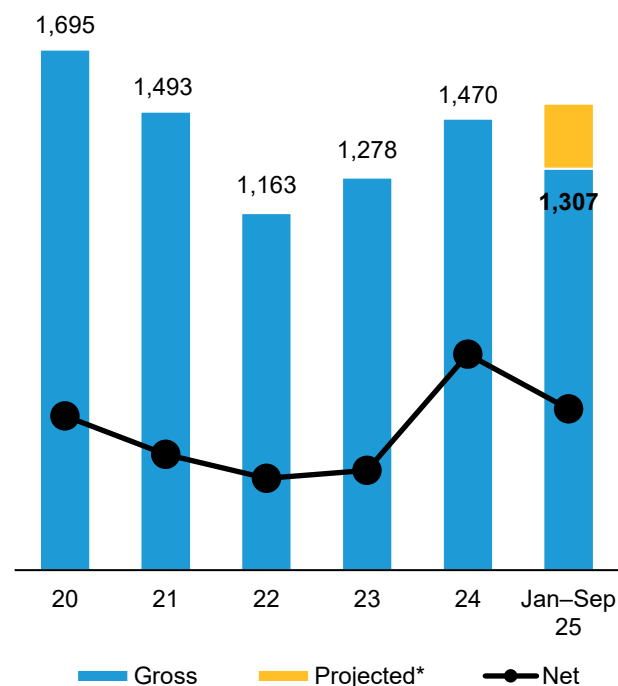
Global high-yield index USD hedged is represented by the Bloomberg Global High Yield USD Hedged; US high-yield index is represented by the Bloomberg US Corporate High Yield. Relative return represents rolling 12-month outperformance of global high-yield and US high-yield indices.

31 December 1999, through 30 June 2025. Source: Bloomberg and AB

Investment-Grade Corporates Can Help Diversify Investors' Credit Allocations

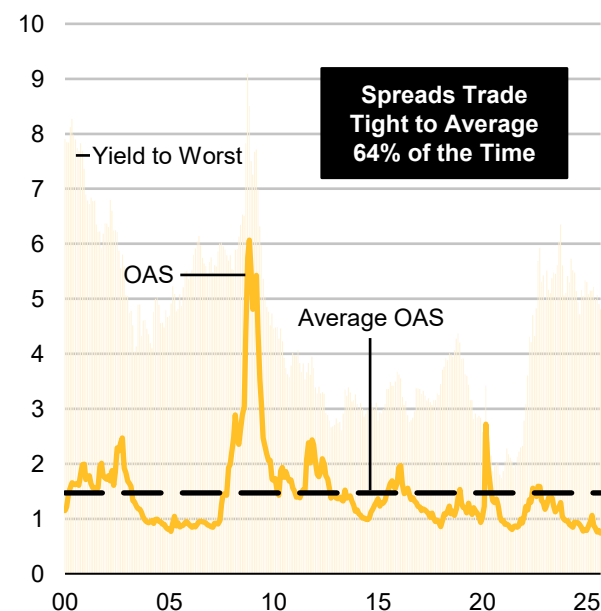
Net Supply Remains Manageable in the Face of Strong Demand

US IG supply (billions)



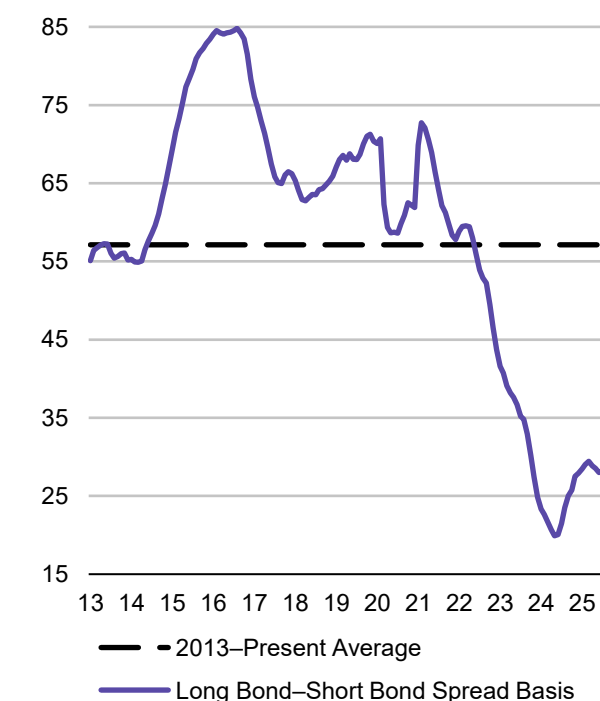
Yields Are Compelling, While Spreads Are Still Tight

Percent



Long-End Bonds Are Offering Historically Low Spread Pickup

OAS (basis points)



Historical and current analyses do not guarantee future results.

IG: investment-grade; OAS: option-adjusted spread

*Full-year 2025 projection from J.P. Morgan. Long bonds are defined as having a maturity of 20 or more years; short bonds are defined as having a maturity of under 10 years.

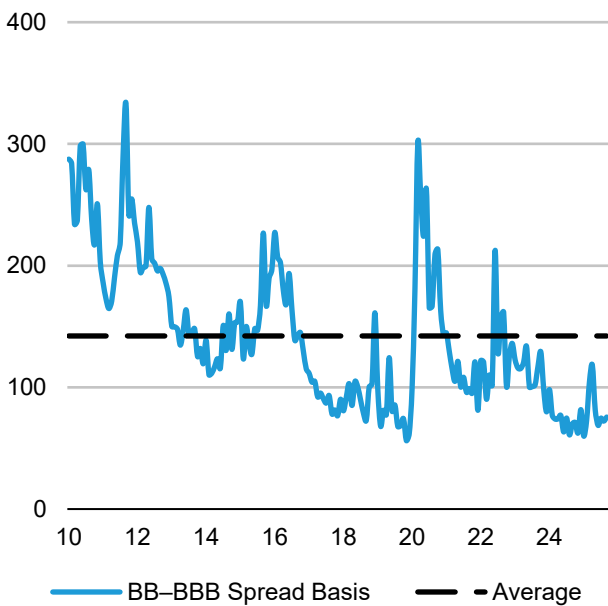
Middle display average since 1 January 2000; right display index represented by Bloomberg US Corporate

Through 30 September 2025

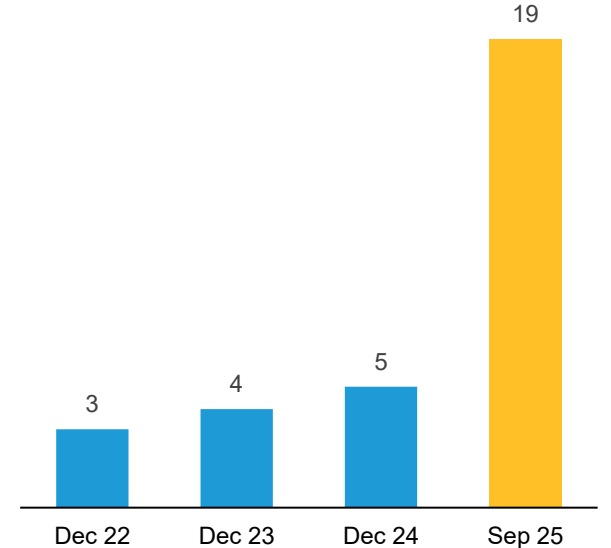
Source: Bloomberg, J.P. Morgan and AB

Investors Can Move Up in Quality from BBs to BBBs Without Giving Up Much (or Any) Yield

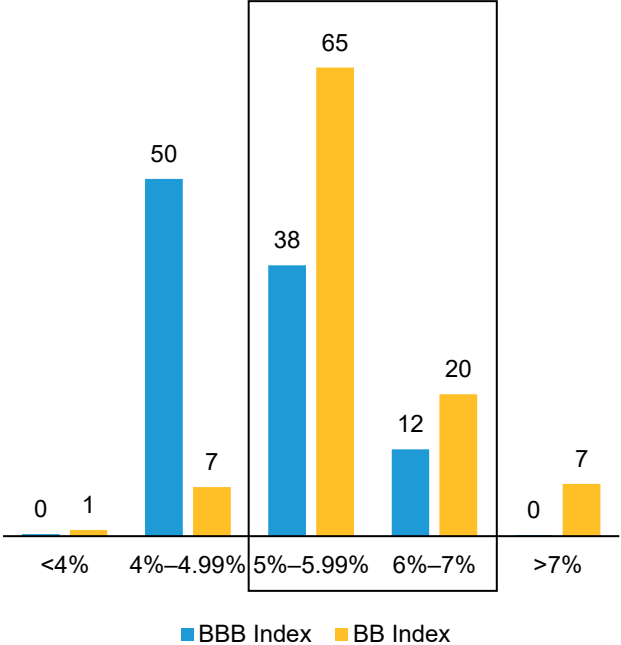
The BB–BBB Spread Ratio Is Trading at Tight Levels...
Spread (basis points)



...Dramatically Increasing the Share of BBB Bonds that Yield More than the BB Market
Percent of BBB cohort with YTW above BB cohort



50% of the BBB Market Offers Yields Similar to BBs
Yield-to-worst buckets (percent)

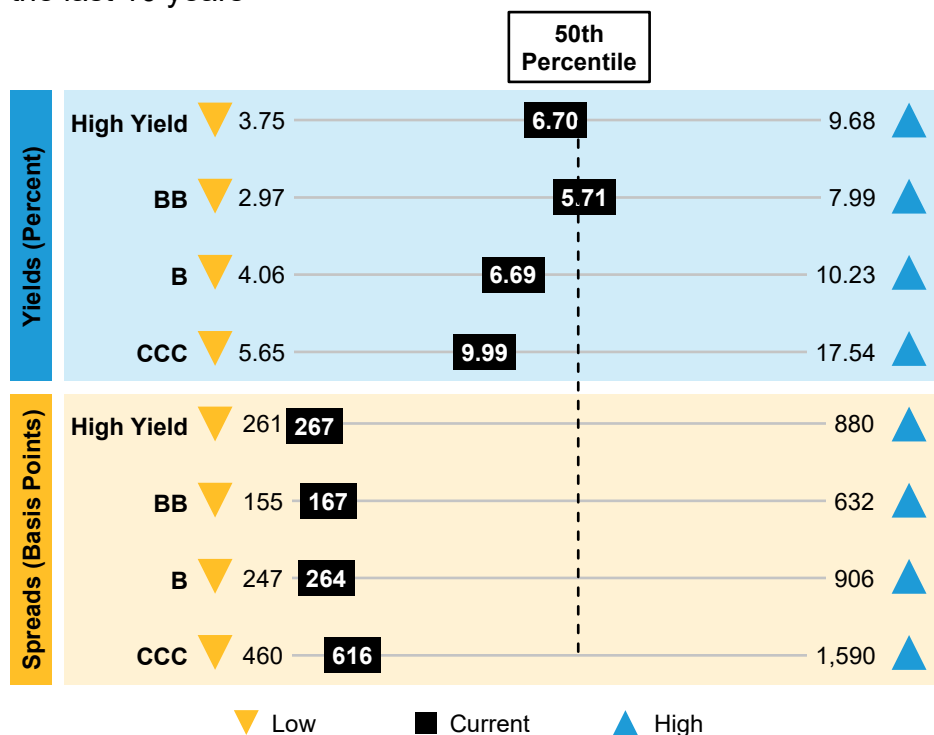


Past performance does not guarantee future results.
YTW: yield to worst. Bonds are rated by a nationally recognized statistical rating organization; AAA is highest (best) and D is lowest (worst). BBB bonds are represented by the BBB cohort bonds in the Bloomberg US Credit Corp. BB bonds are represented by the BB cohort bonds in the Bloomberg US High Yield Corporate.
Left display from February 2010 to June 2025. Middle display: percent of BBB portion of investment-grade market trading with a yield above the BB index yield at that point
As of 30 September 2025
Source: Bloomberg and AB

US High Yield: Current High-Yield Valuations May Lead to Attractive Future Returns

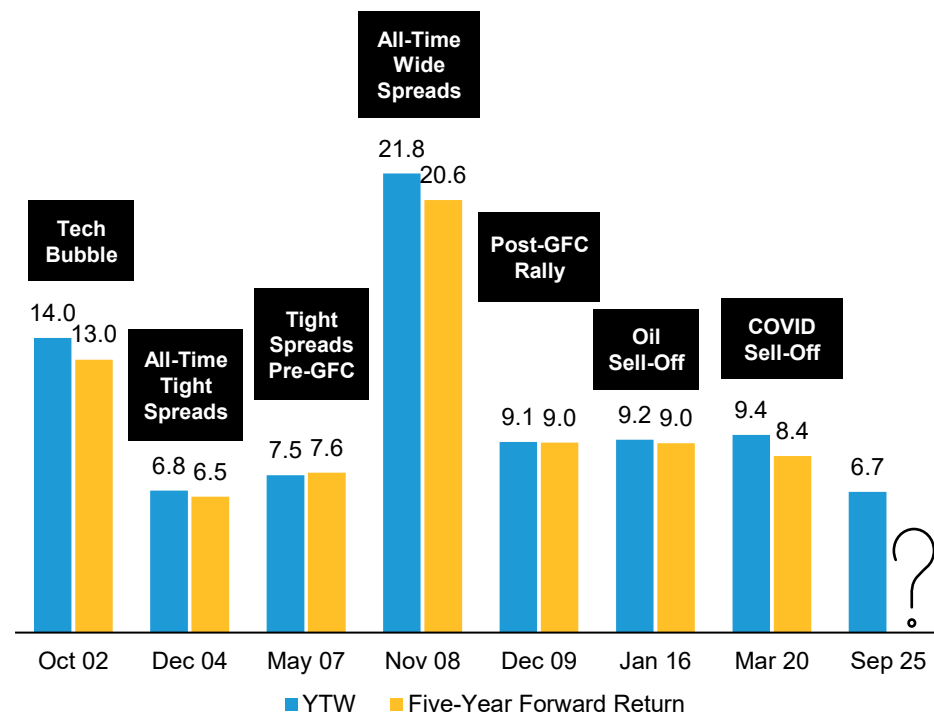
Spreads Are Tight but Yields Are Attractive

Yields on the high-yield index are still at the 70th percentile over the last 10 years



Yield to Worst Has Historically Been a Strong Predictor of Future Returns

Yield to worst and five-year forward annualized returns (percent)



Past performance and historical analysis do not guarantee future results.

GFC: global financial crisis; YTW: yield to worst

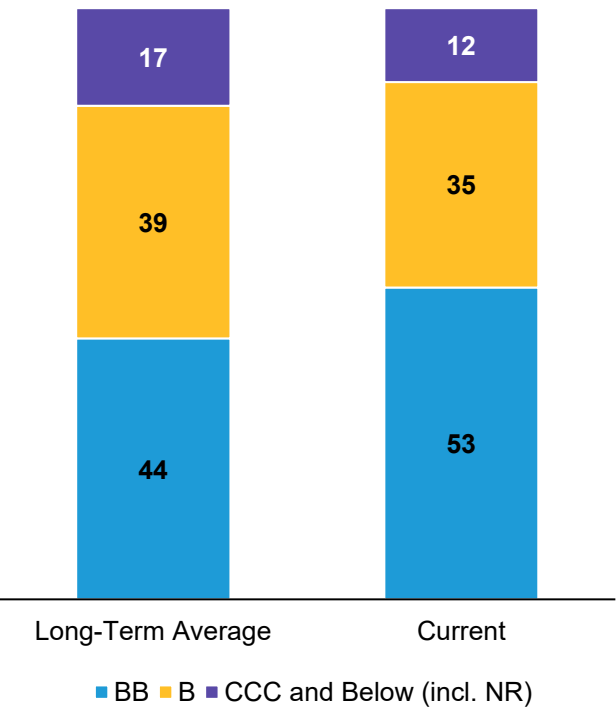
Both displays are represented by the Bloomberg US Corporate High Yield.

Data from October 2015 to September 2025

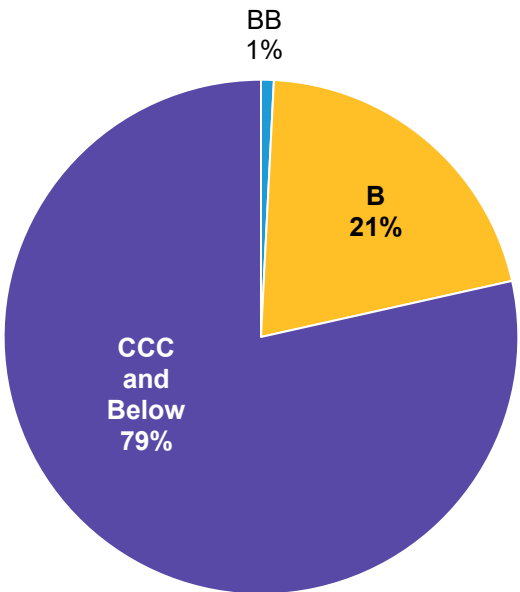
As of 30 September 2025. Source: Bloomberg and AB

Higher-Quality Market May Help with Defaults, Possibly Leading to Better Returns

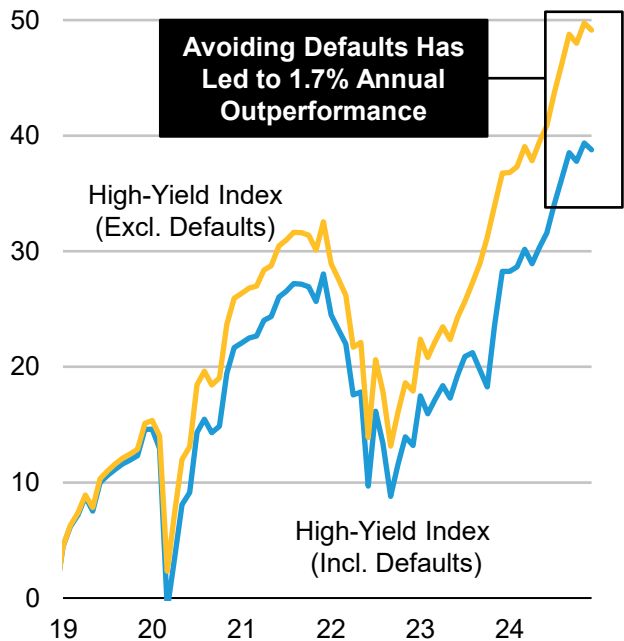
HY Index Is Higher Quality Today, with Fewer CCCs than Long-Term Averages
Percent



Defaults Tend to Be Concentrated in CCCs
Default by rating, January 1998 to December 2024



Avoiding Defaults Has Led to Better Outcomes
Cumulative return (percent)



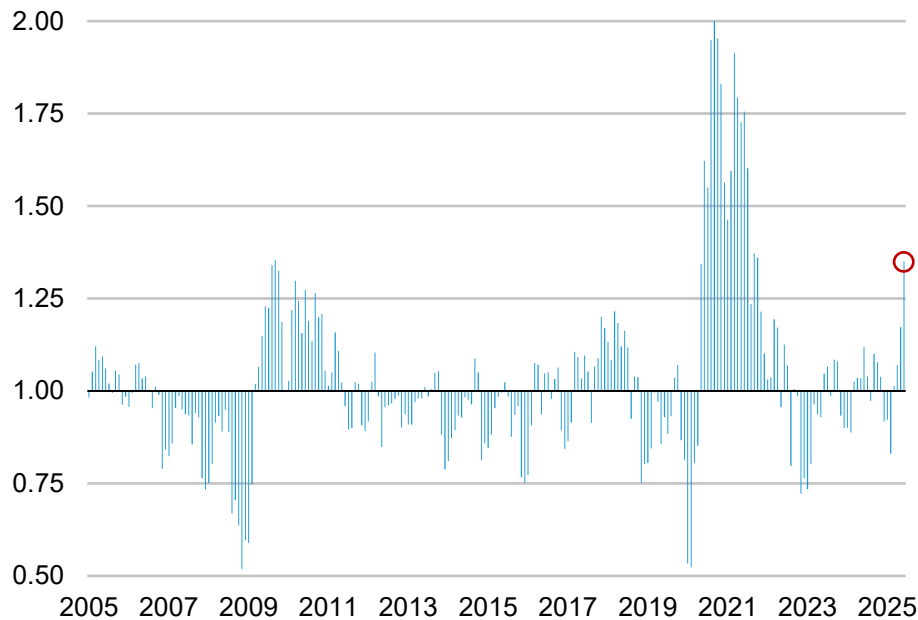
Past performance and current analysis do not guarantee future results.
HY: high-yield; NR: not rated. Left display: long-term average is based on data from January 2005 to June 2025. Middle display: Numbers may not sum due to rounding. Data are based on credit rating one year prior to default. Right display: High-yield index excluding defaults is based on high-yield index returns, excluding returns of defaulted issuers in the given year. Data are from January 2019 to December 2024. Based on the Bloomberg US High Yield As of 30 September 2025. Source: Barclays, Bloomberg, J.P. Morgan and AB

Appendix

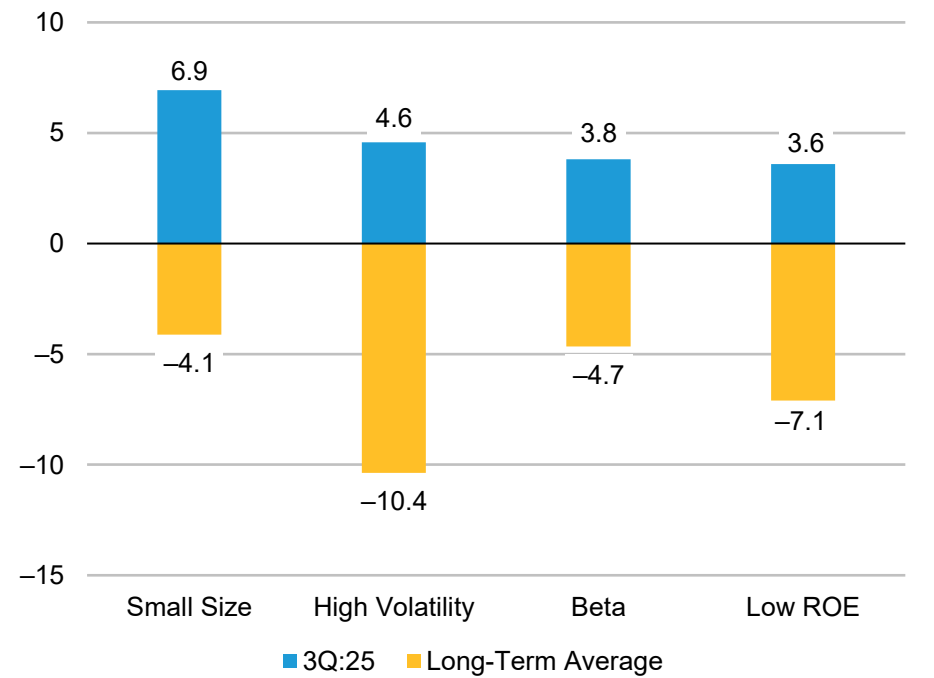
Maintain Your Small-Cap Exposures, but What You Own Matters

The recent rally was dominated by lower-quality stocks, but staying there has not worked well

A Long-Awaited Turn for Earnings-per-Share Revisions (Up/Down)
Russell 2000



Low-Quality Factor* Returns Relative to the Russell 2000 Growth vs. Long-Term Average
Percent



Past performance does not guarantee future results. There can be no assurance that any investment objectives will be achieved.
ROE: return on equity. Long-term average relative returns for fifth quintile are relative to the Russell 2000 Growth from 1 January 2001, through 31 August 2025.
*Quality is measured by factor quintile, with “high-quality” representing first-quintile returns and “low-quality” representing fifth-quintile returns.
As of 31 August 2025
Source: FactSet, FTSE Russell and AB



The Rally in CCCs Has Left Far Fewer Bonds with Attractive Yields

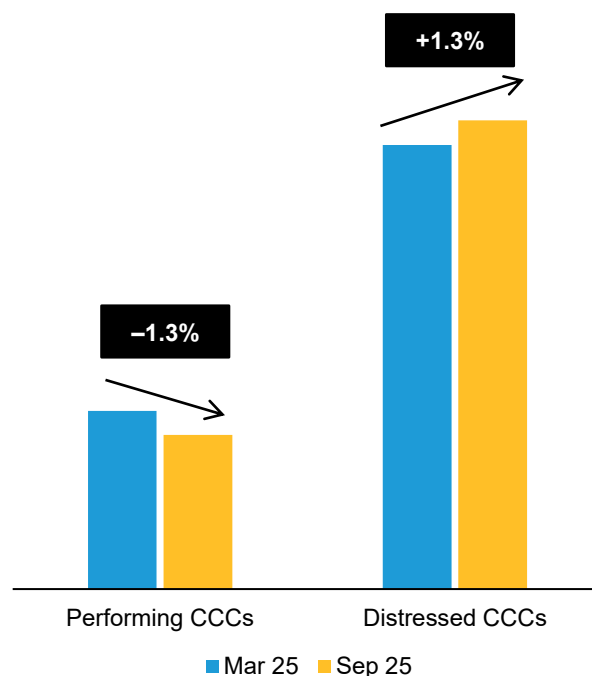
The Yield of the CCC Index Has Fallen Significantly Since Liberation Day

Yield to worst (percent)



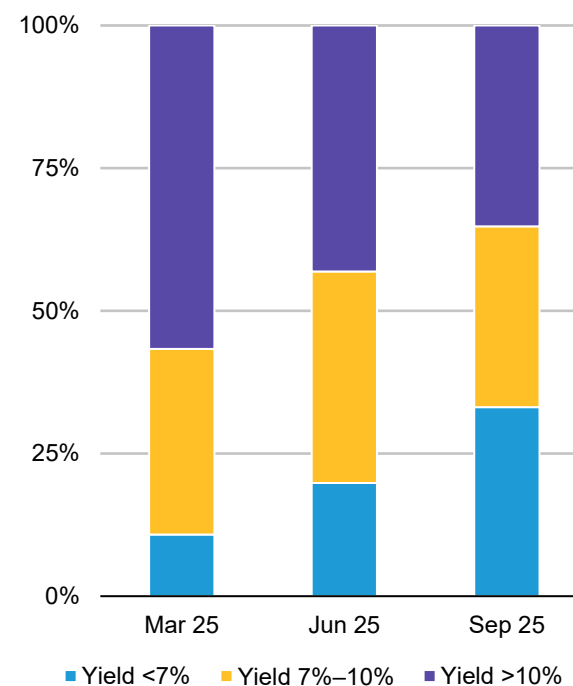
Performing CCCs Have Rallied, Distressed CCCs Have Not

Yield to worst (percent)



Thus, Far Fewer CCC-Rated Bonds Have Attractive Yields

Percent of CCC index



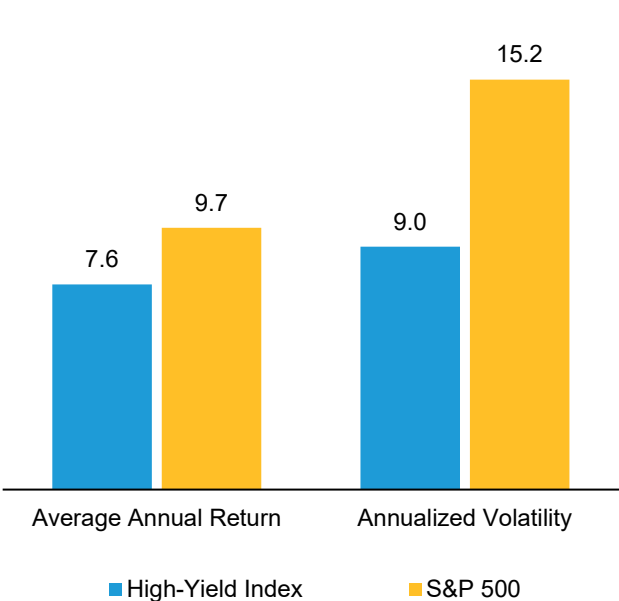
Current and historical analysis do not guarantee future results.

Left display: CCC index is defined as the CCC–C-rated portion of the Bloomberg US High Yield Corporate Bond. Middle display: Performing CCCs are defined as bonds in the CCC–C-rated portion of the Bloomberg US High Yield Corporate Bond with spread of less than 1,000 basis points (bps); distressed CCCs are defined as bonds in the CCC–C-rated portion of the Bloomberg US High Yield Corporate Bond with spread of at least 1,000 bps. Right display: CCC index is defined as the CCC–C-rated portion of the Bloomberg US High Yield Corporate Bond.

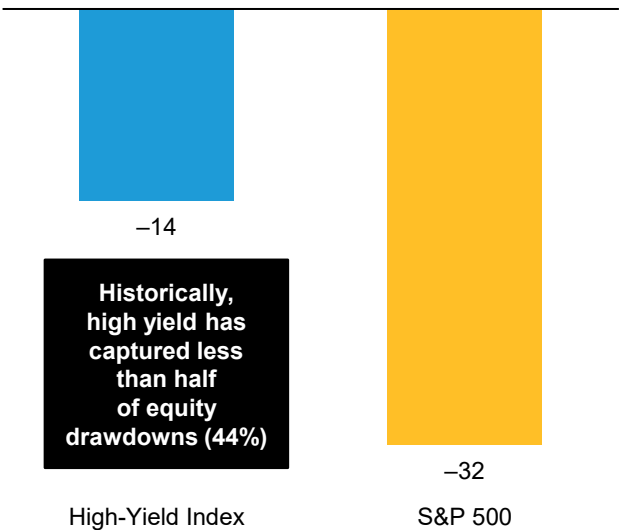
As of 30 September 2025. Source: Barclays, Bloomberg and AB

High Yield Has Provided Equity-Like Upside, with Better Downside Protection in Sell-Off Periods

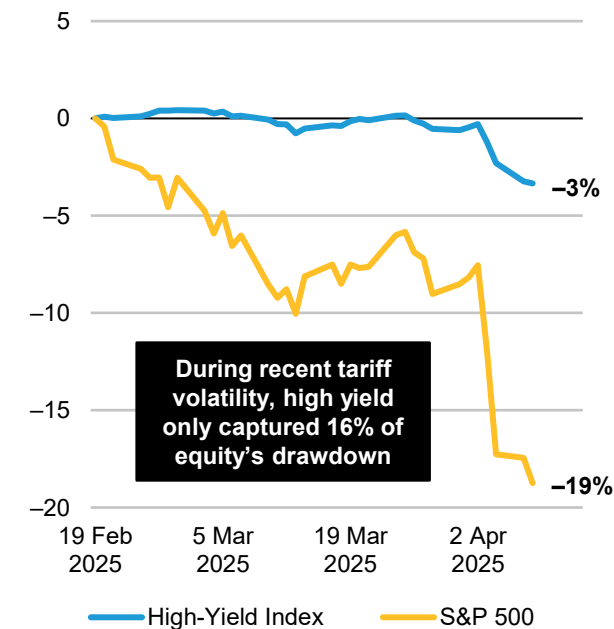
High Yield Has Provided Equity-Like Returns with Just over Half the Risk
January 2000–September 2025 (percent)



Returns from Peak to Trough During Large Equity Sell-Offs
Median total return (percent)



High Yield Was Even More Insulated During the 2025 Sell-Off
Return (percent)

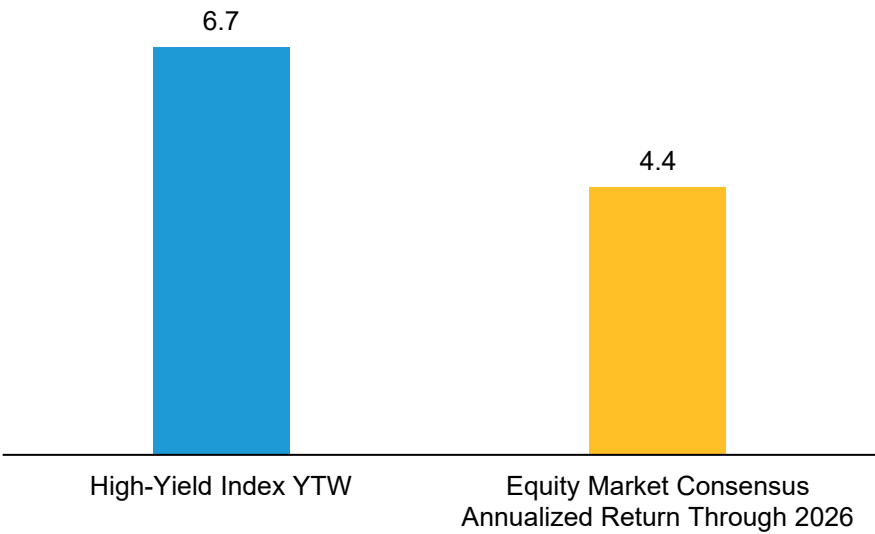


Past performance and historical analysis do not guarantee future results. Individuals cannot invest directly in an index.

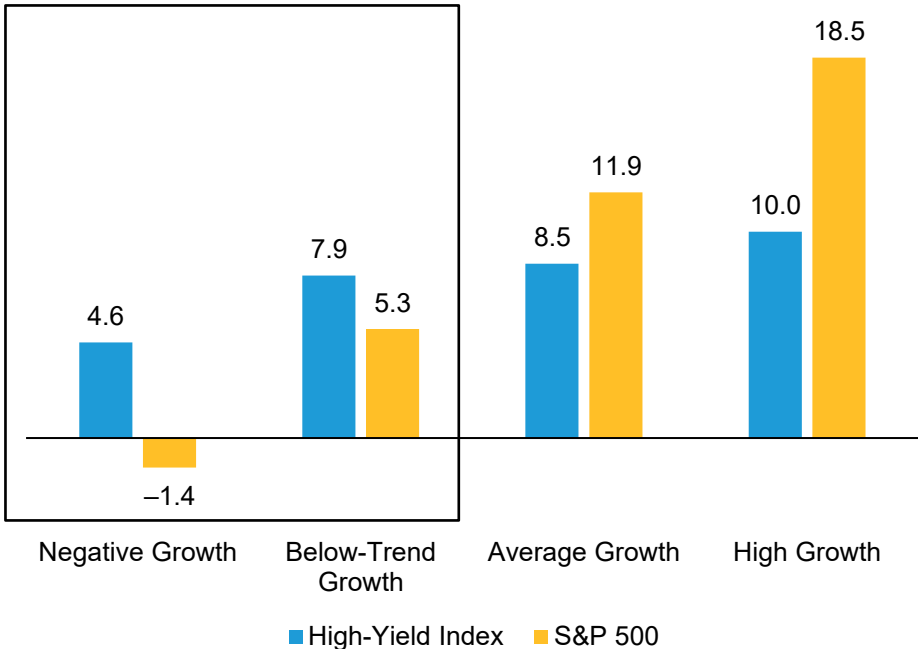
Left display: high-yield index is represented by Bloomberg US Corporate High Yield. Middle display: large drawdown periods are defined as S&P 500 Total Return peak to trough: dot-com bubble (1 September 2000–9 October 2002), global financial crisis (9 October 2007–9 March 2009), commodity crisis (17 July 2015–11 February 2016), COVID-19 (19 February 2020–20 March 2020), 2022 hiking cycle (3 January 2022–12 October 2022) and tariff concerns (18 February 2025–8 April 2025). Right display: beta is measured as the historical performance deviation of S&P 500 daily returns relative to the Bloomberg US Corporate High Yield over a six-month rolling period. As of 30 September 2025. Source: Bloomberg, Morningstar, S&P and AB

High Yield Presents a Compelling Opportunity, Given Equity Forecasts and the Macro Landscape

The YTW of the High-Yield Market Exceeds Equity Market Expected Returns
Percent



High-Yield and Equity Performance Across Different Growth Environments
Percent



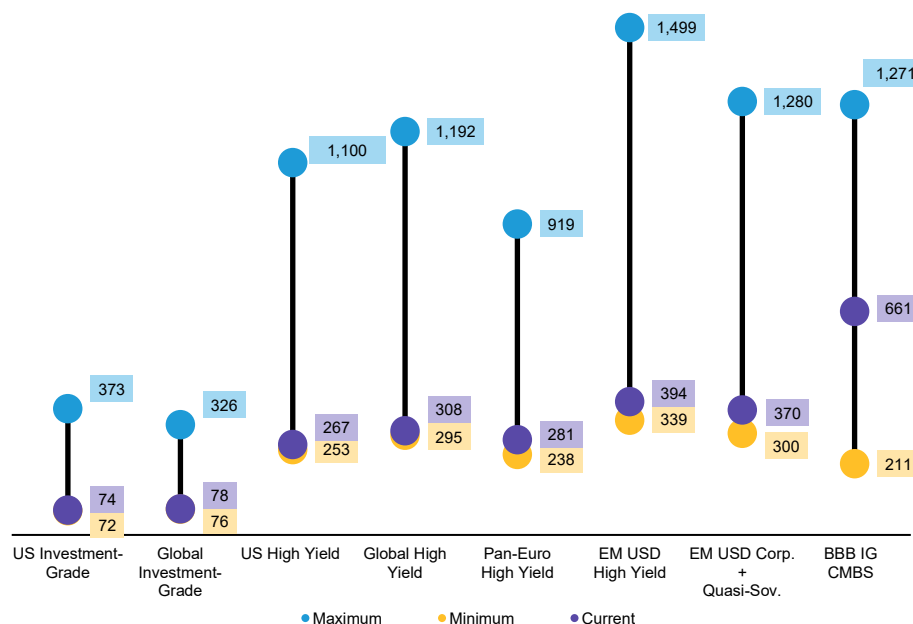
Past performance and historical analysis do not guarantee future results.
YTW: yield to worst; YoY: year-over-year. High-yield index is represented by Bloomberg US Corporate High Yield. Left display: Equity market annualized returns are based on the consensus 2026 S&P 500 price target on Bloomberg. Right display: GDP growth is represented by GDP by quarter; negative growth is based on GDP YoY growth less than 0%; below-trend growth is based on YoY GDP between 0% and 2%; average growth is based on GDP YoY growth between 2% and 3%; and high growth is based on GDP YoY growth 3% or higher. Data are from 1983 to 2024.
As of 30 September 2025
Source: Bloomberg, S&P and AB



Spreads Are at Relatively Tight Levels, but Yields Are Still Attractive

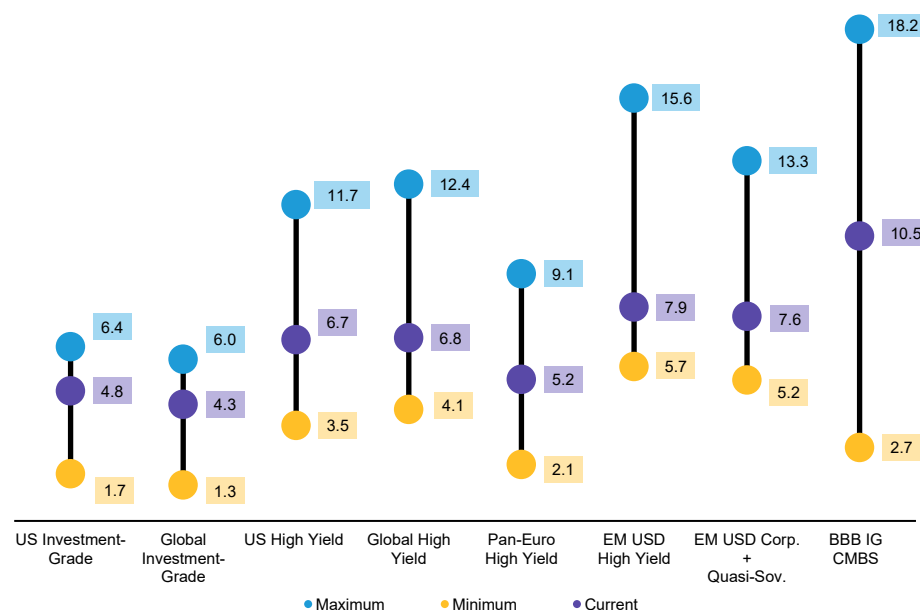
Spread Ranges

January 2010–September 2025



Yield Ranges

January 2010–September 2025



Past performance does not guarantee future results.

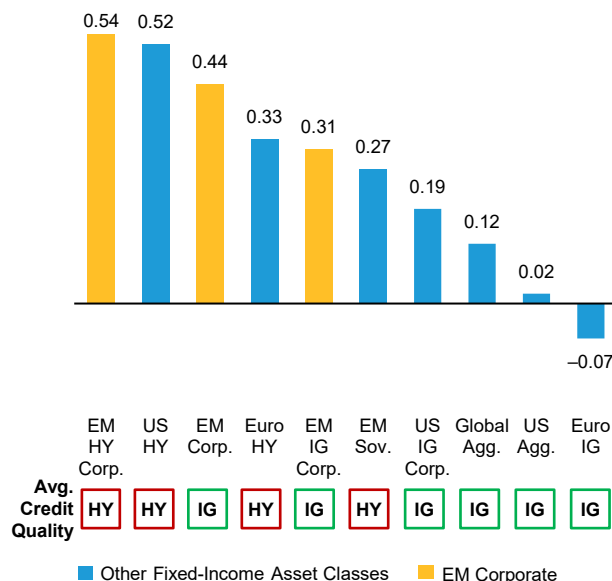
CMBS: commercial mortgage-backed securities; EM: emerging-market; IG: investment-grade; quasi-sov.: quasi-sovereign; USD: US dollar. Historical information is provided for illustrative purposes only. US investment-grade is represented by Bloomberg US Agg Corporate; global investment-grade by Bloomberg Global Agg Corporate; US high yield by Bloomberg US Corporate High Yield; global high yield by Bloomberg Global High Yield Corporate; Pan-Euro high yield by Bloomberg Pan-European High Yield; EM USD high yield by Bloomberg Emerging Market Sovereign High Yield USD; EM USD corp. + quasi-sov. by Bloomberg EM USD Sovereign + Quasi-Sov.; BBB IG CMBS by the BBB ratings bucket of Bloomberg US CMBS Investment Grade.

As of 30 September 2025. Source: Bloomberg and AB

We See Opportunities in Emerging Markets Across Sub-Asset Classes

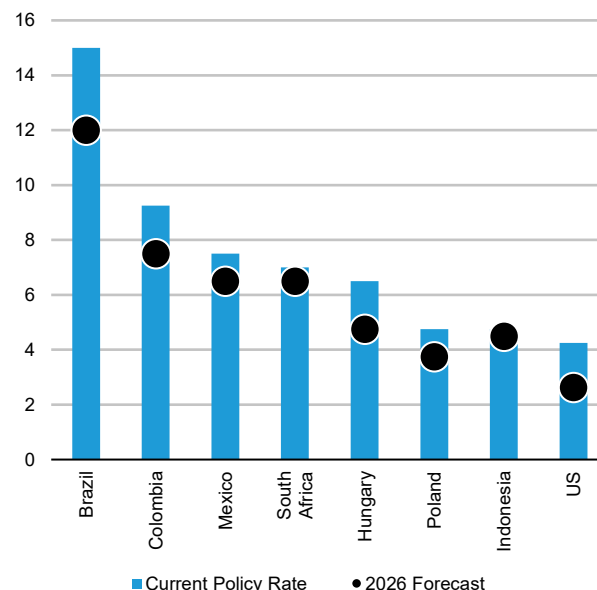
EM Corporates Offer Strong Risk-Adjusted Returns

Sharpe ratios (2015–2025)



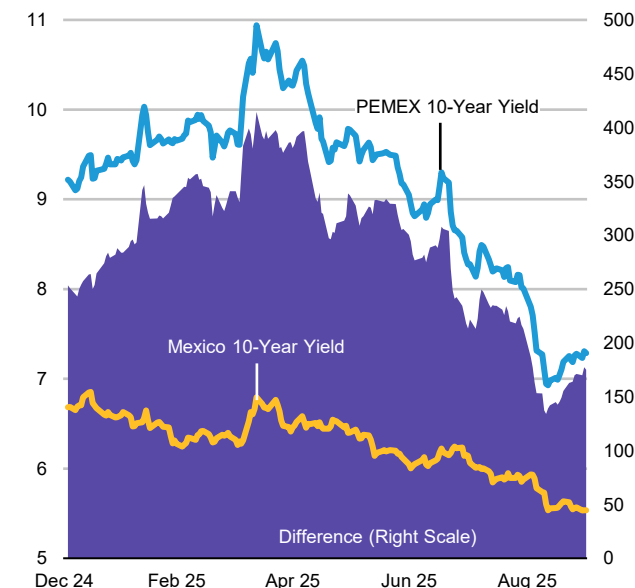
Some EM Central Banks Have Room to Ease Alongside the Fed

Policy rates (percent)



PEMEX Spread over Sovereign Has Tightened Due to Latest Support

Relative yield to maturity (basis points)



Current analysis does not guarantee future results.

agg.: aggregate; EM: emerging-market; HY: high-yield; IG: investment-grade; sov.: sovereigns

EM HY corporates are represented by J.P. Morgan CEMBI Broad Diversified-HY; US HY by Bloomberg US Corporate High Yield; EM corporates by J.P. Morgan CEMBI Broad Diversified; European HY by Bloomberg Pan-European High Yield; EM IG corporates by J.P. Morgan CEMBI Broad Diversified-IG; EM sovereigns by J.P. Morgan EMBI Global Diversified; US IG corporates by Bloomberg US Corporate Investment Grade; global aggregate by Bloomberg Global Aggregate; US aggregate by Bloomberg US Aggregate; and Euro IG by Bloomberg Pan-European Aggregate Corporate.

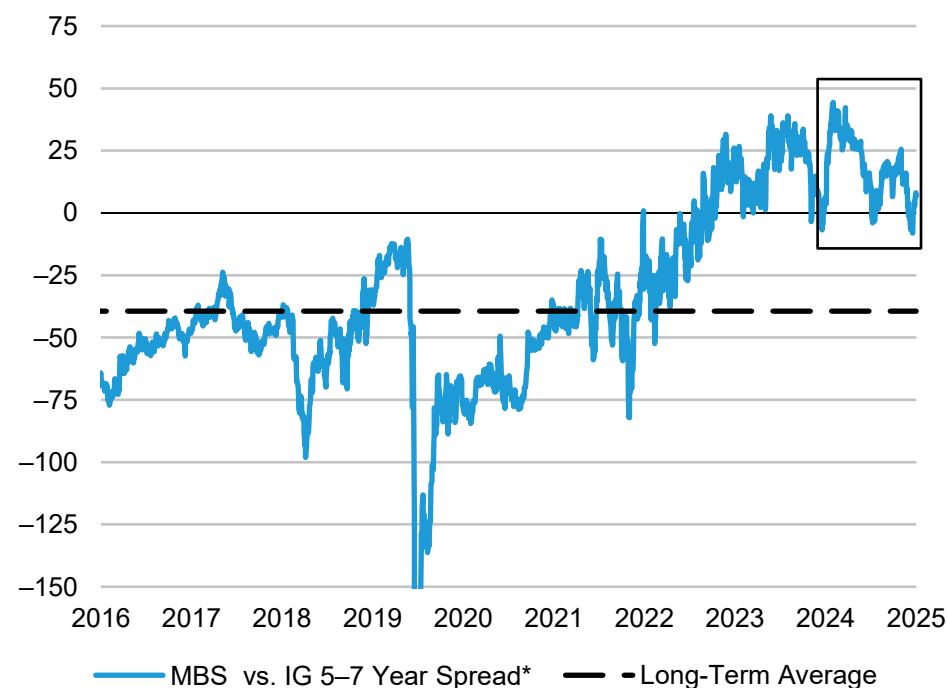
As of 30 September 2025

Source: Bloomberg, J.P. Morgan and AB

Agency Mortgage-Backed Securities Deserve a Place in Today's Asset Allocation

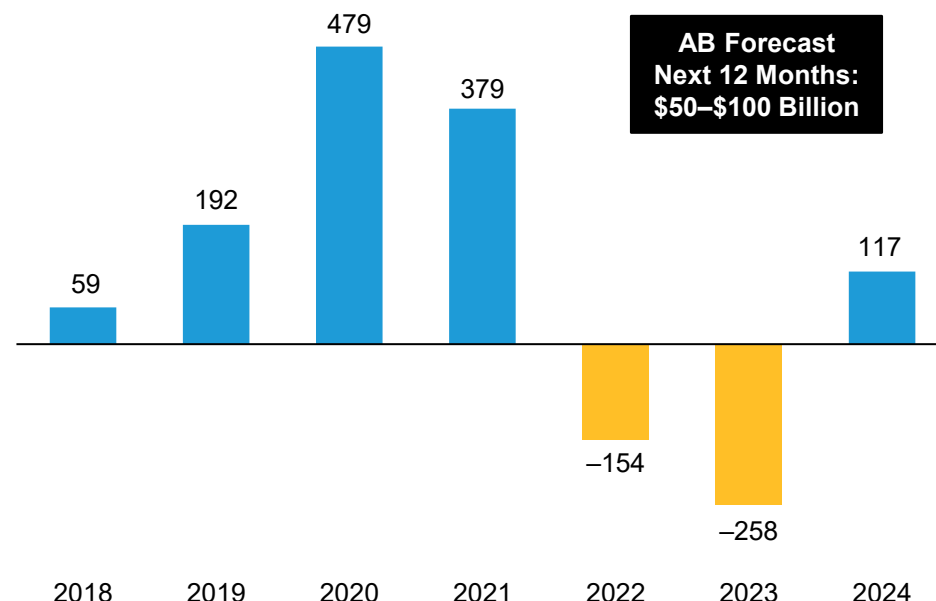
Agency MBS Spreads Remain Historically Attractive vs. IG Corporates

Spread difference (basis points)



Banks Are Returning as a Source of Demand for Agency MBS

Bank agency MBS purchases (USD billions)



Past performance does not guarantee future results. There is no guarantee that any estimates or forecasts will be realized.

IG: investment-grade; MBS: mortgage-backed securities. Agency MBS spread is represented by J.P. Morgan 30-Year Current Coupon Zero-Volatility Spread; IG spread by JULI All Main Sectors ALL 5-7 Portfolio Spread (Treasury). *MBS spread is represented by current coupon zero-volatility spread.

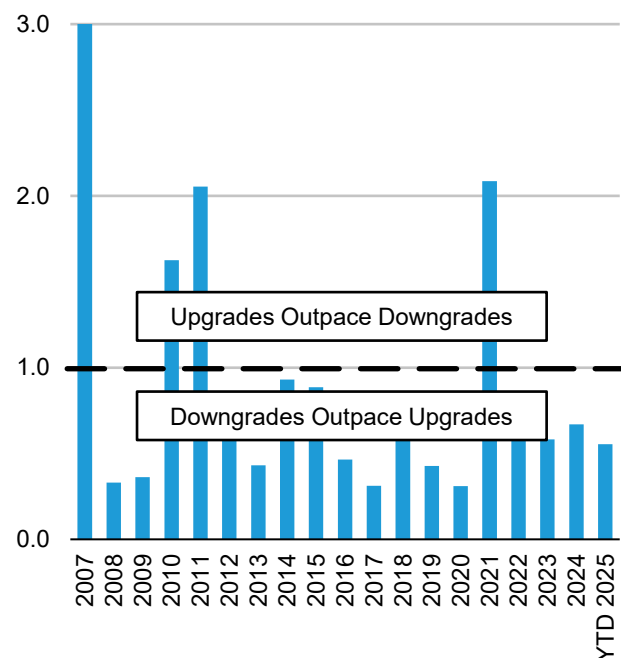
Left display from 1 October 2015 to 30 September 2025; right display as of 31 December 2024

Source: Bloomberg, J.P. Morgan and AB

While Cautious on Underlying Loans, CLOs Offer a Resilient Structure with an Attractive Spread Pickup over Corporates

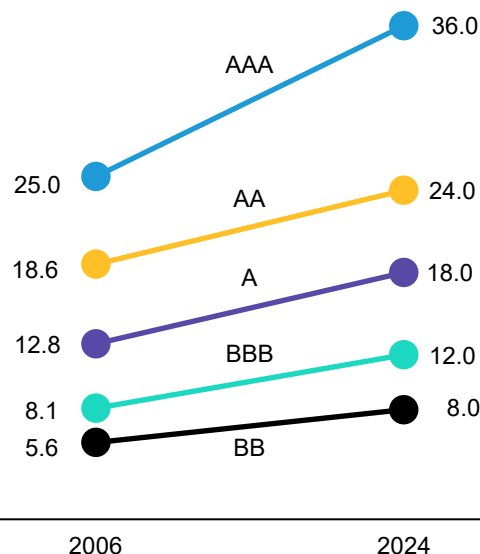
Loan Market Quality Is Declining

Ratings upgrade/downgrade ratio by amount outstanding



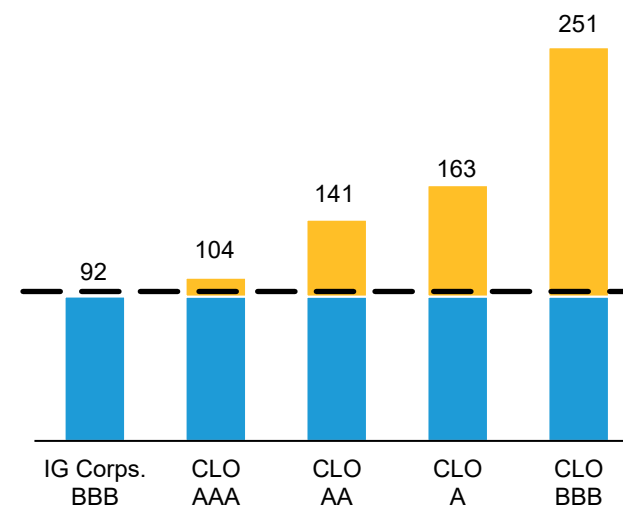
Newly Issued CLOs Have Stronger Credit Enhancements than Pre-GFC

Credit enhancement levels* (percent)



CLOs Offer a Compelling Spread Pickup over BBB Corporate Bonds

Spreads (basis points)



Past performance does not guarantee future results.

CLO: collateralized loan obligation; GFC: global financial crisis; IG: investment-grade; YTD: year to date

Bonds are rated by a nationally recognized statistical rating organization; AAA is highest (best) and D is lowest (worst). Ratings are subject to change. Investment-grade securities are those rated BBB and above.

*Credit enhancement levels are for broadly syndicated loan CLOs.

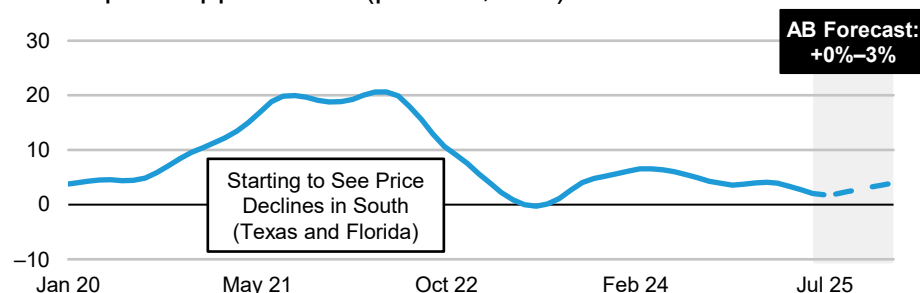
Left display as of 31 August 2025; middle and right displays as of 30 September 2025

Source: Bloomberg, J.P. Morgan, KANERAI, Wells Fargo and AB

CRTs Are Supported by Solid Housing Market and Strong Fundamentals

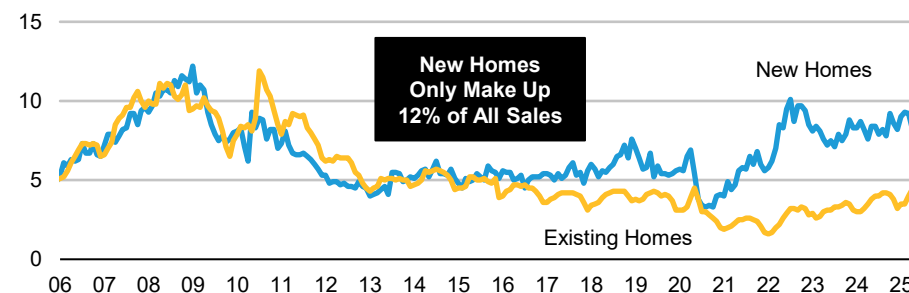
Home Prices Are Still Increasing, Though Some Regions Are Starting to See Pressure

Home price appreciation (percent, YoY)



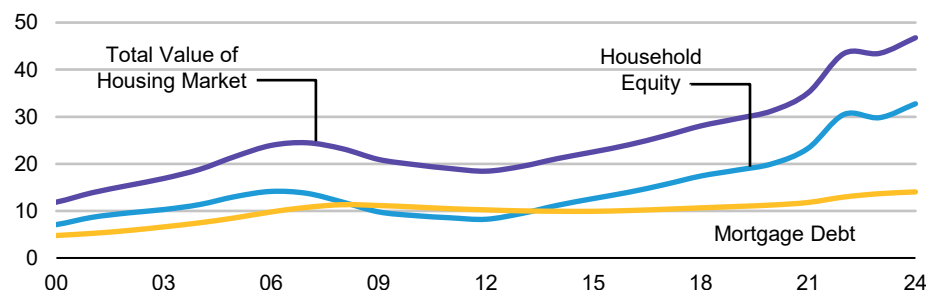
Inventory Levels Remain Historically Low

Months of supply



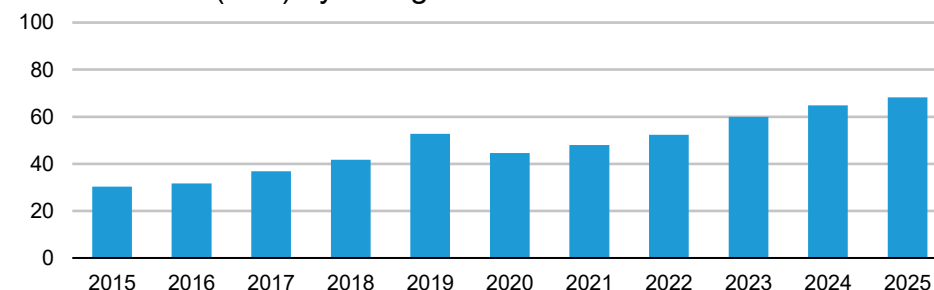
Household Equity Has Reached Record Highs

USD billions



Strong Home-Price Appreciation and Delivering Have Benefited Older CRT Vintages

Loan to value (LTV) by vintage: GSE CRT universe*



Current analysis and forecasts do not guarantee future results.

CRT: credit risk-transfer security; GSE: government-sponsored enterprise; YoY: year over year

*This analysis does not include mortgage insurers. LTV on bottom right display is adjusted for home-price appreciation.

Top left display as of 31 May 2025; all other displays as of 30 June 2025

Source: Bloomberg, US Federal Reserve and AB

A Word About Risk

Note to All Readers: The information contained here reflects the views of AllianceBernstein L.P. or its affiliates and sources it believes are reliable as of the date of this publication. AllianceBernstein L.P. makes no representations or warranties concerning the accuracy of any data. There is no guarantee that any projection, forecast or opinion in this material will be realized. The views expressed here may change at any time after the date of this publication. This document is for informational purposes only and does not constitute investment advice. AllianceBernstein L.P. does not provide tax, legal or accounting advice. It does not take an investor's personal investment objectives or financial situation into account; investors should discuss their individual circumstances with appropriate professionals before making any decisions. This information should not be construed as sales or marketing material or an offer or solicitation for the purchase or sale of any financial instrument, product or service sponsored by AB or its affiliates. References to specific securities are presented to illustrate the application of our investment philosophy only and are not to be considered recommendations by AB. The specific securities identified and described herein do not represent all the securities purchased, sold or recommended for the Portfolio, and it should not be assumed that investments in the securities identified were or will be profitable. **Note to Readers in Canada:** AllianceBernstein provides its investment-management services in Canada through its affiliates Sanford C. Bernstein & Co. LLC and AllianceBernstein Canada, Inc. It should not be construed as advice as to the investing in or the buying or selling of securities, or as an activity in furtherance of a trade in securities. **Note to Readers in Europe:** This information is issued by AllianceBernstein (Luxembourg) S.à r.l. Société à responsabilité limitée, R.C.S. Luxembourg B 34 305, 2-4, rue Eugène Ruppert, L-2453 Luxembourg. Authorised in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF). **Note to Readers in Japan: For Institutional Investor use only. Not for inspection by, distribution or quotation to, the general public.** This document has been provided by AllianceBernstein Japan Ltd. AllianceBernstein Japan Ltd. is a registered investment-management company (registration number: Kanto Local Financial Bureau no. 303). It is also a member of the Japan Investment Advisers Association; the Investment Trusts Association, Japan; the Japan Securities Dealers Association; and the Type II Financial Instruments Firms Association. The product/service may not be offered or sold in Japan; this document is not made to solicit investment. **Note to Readers in Australia and New Zealand: For Institutional Investor use only. Not for inspection by, distribution or quotation to, the general public.** This document has been issued by AllianceBernstein Australia Limited (ABN 53 095 022 718 and AFSL 230698). Information in this document is intended only for persons who qualify as "wholesale clients," as defined in the Corporations Act 2001 (Cth of Australia) or the Financial Advisers Act 2008 (New Zealand), and should not be construed as advice. **Note to Readers in Singapore: For financial representative use only. Not for inspection by, distribution or quotation to, the general public.** This document has been issued by AllianceBernstein (Singapore) Ltd. ("ABSL", Company Registration No. 199703364C). AllianceBernstein (Luxembourg) S.à r.l. is the management company of the Portfolio and has appointed ABSL as its agent for service of process and as its Singapore representative. AllianceBernstein (Singapore) Ltd. is regulated by the Monetary Authority of Singapore. This advertisement has not been reviewed by the Monetary Authority of Singapore. **Note to Readers in Hong Kong: For financial representative or professional investor use only. Not for inspection by, distribution or quotation to, the general public.** The issuer of this document is AllianceBernstein Hong Kong Limited 聯博香港有限公司. This document has not been reviewed by the Securities and Futures Commission. **Note to Readers in Vietnam, the Philippines, Brunei, Thailand, Indonesia, China, Taiwan and India:** This document is provided solely for the informational purposes of institutional investors and is not investment advice, nor is it intended to be an offer or solicitation, and does not pertain to the specific investment objectives, financial situation or particular needs of any person to whom it is sent. This document is not an advertisement and is not intended for public use or additional distribution. AB is not licensed to, and does not purport to, conduct any business or offer any services in any of the above countries. **Note to Readers in Malaysia: For Institutional Investor use only. Not for inspection by, distribution or quotation to, the general public.** Nothing in this document should be construed as an invitation or offer to subscribe to or purchase any securities, nor is it an offering of fund management services, advice, analysis or a report concerning securities. AB is not licensed to, and does not purport to, conduct any business or offer any services in Malaysia. Without prejudice to the generality of the foregoing, AB does not hold a capital-markets services license under the Capital Markets & Services Act 2007 of Malaysia, and does not, nor does it purport to, deal in securities, trade in futures contracts, manage funds, offer corporate finance or investment advice, or provide financial-planning services in Malaysia. **Important Note for UK and EU Readers:** For Professional Client or Investment Professional use only. Not for inspection by distribution or quotation to, the general public.

A Word About Risk

The information contained here reflects the views of AllianceBernstein L.P. or its affiliates and sources it believes are reliable as of the date of this publication. AllianceBernstein L.P. makes no representations or warranties concerning the accuracy of any data. There is no guarantee that any projection, forecast or opinion in this material will be realized. Past performance does not guarantee future results. The views expressed here may change at any time after the date of this publication. This document is for informational purposes only and does not constitute investment advice. AllianceBernstein L.P. does not provide tax, legal or accounting advice. It does not take an investor's personal investment objectives or financial situation into account; investors should discuss their individual circumstances with appropriate professionals before making any decisions. This information should not be construed as sales or marketing material or an offer or solicitation for the purchase or sale of any financial instrument, product or service sponsored by AllianceBernstein L.P. or its affiliates.

Important Risk Information Related to Investing in Equity and Short Strategies

All investments involve risk. Equity securities may rise and decline in value due to both real and perceived market and economic factors as well as general industry conditions.

A short strategy may not always be able to close out a short position on favorable terms. Short sales involve the risk of loss by subsequently buying a security at a higher price than the price at which it sold the security short. The amount of such loss is theoretically unlimited (since it is limited only by the increase in value of the security sold short). In contrast, the risk of loss from a long position is limited to the investment in the long position, since its value cannot fall below zero. Short selling is a form of leverage. To mitigate leverage risk, a strategy will always hold liquid assets (including its long positions) at least equal to its short position exposure, marked to market daily.

Important Risk Information Related to Investing in Emerging Markets and Foreign Currencies

Investing in emerging-market debt poses risks, including those generally associated with fixed-income investments. Fixed-income securities may lose value due to market fluctuations or changes in interest rates. Longer-maturity bonds are more vulnerable to rising interest rates. A bond issuer's credit rating may be lowered due to deteriorating financial condition; this may result in losses and potentially default, or failure to meet payment obligations. The default probability is higher in bonds with lower, noninvestment-grade ratings (commonly known as "junk bonds").

There are other potential risks when investing in emerging-market debt. Non-US securities may be more volatile because of the associated political, regulatory, market and economic uncertainties; these risks can be magnified in emerging-market securities. Emerging-market bonds may also be exposed to fluctuating currency values. If a bond's currency weakens against the US dollar, this can negatively affect its value when translated back into US-dollar terms.

Bond Ratings Definition

A measure of the quality and safety of a bond or portfolio, is based on the issuer's financial condition, and not based on the financial condition of the fund itself. AAA is highest (best) and D is lowest (worst). Ratings are subject to change. Investment-grade securities are those rated BBB and above. If applicable, the Pre-Refunded category includes bonds which are secured by US government securities and therefore are deemed high-quality investment grade by the advisor.

Index Definitions

Following are definitions of the indices referred to in this presentation. It is important to recognize that all indices are unmanaged and do not reflect fees and expenses associated with the active management of a mutual fund portfolio. Investors cannot invest directly in an index, and its performance does not reflect the performance of any AB mutual fund.

- **Bloomberg Commodity Index:** is calculated on an excess return basis and reflects commodity futures price movements. The index is designed to minimize concentration in any one commodity or sector. It currently has 23 commodity futures in six sectors. No one commodity can compose more than 15% of the index, no one commodity and its derived commodities can compose more than 25% of the index, and no sector can represent more than 33% of the index (as of the annual weightings of the components)
- **Bloomberg Emerging Markets Hard Currency (USD) Aggregate Index:** A hard currency emerging markets debt benchmark that includes USD-denominated debt from sovereign, quasi-sovereign, and corporate EM issuers
- **Bloomberg Emerging Markets Local Currency Government Index:** Tracks the fixed-rate local currency sovereign debt of emerging market countries
- **Bloomberg Emerging Markets USD Aggregate Index:** A hard currency Emerging Markets debt benchmark that includes fixed and floating-rate US dollar-denominated debt issued from sovereign, quasi-sovereign, and corporate EM issuers
- **Bloomberg Global Aggregate Corporate Bond Index:** Tracks the performance of investment-grade corporate bonds publicly issued in the global market and found in the Global Aggregate. (Represents global corporate on slide 4)
- **Bloomberg Global High-Yield Bond Index:** Provides a broad-based measure of the global high-yield fixed-income markets. It represents the union of the US High-Yield, Pan-European High Yield, US Emerging Markets High-Yield, CMBS High Yield and Pan-European Emerging Markets High-Yield indices. (Represents high yield on slide 4)
- **Bloomberg Global Investment Grade Corporate Bond Index:** a rules-based market-value-weighted index engineered to measure the investment-grade, fixed rate, global corporate bond market
- **Bloomberg Global Treasury Index:** Tracks fixed-rate local currency government debt of investment-grade countries. The index represents the Treasury sector of the Global Aggregate Bond Index
- **Bloomberg Global Treasury: Euro Bond Index:** Includes fixed-rate, local-currency sovereign debt that makes up the Euro Area Treasury sector of the Global Aggregate Bond Index. (Represents euro-area government bonds on slide 4)
- **Bloomberg Global Treasury: Japan Bond Index:** Includes fixed-rate, local-currency sovereign debt that makes up the Japanese Treasury sector of the Global Aggregate Bond Index. (Represents Japan government bonds on slide 4)
- **Bloomberg Leveraged Loan Index:** A market value-weighted index designed to measure the performance of the US leveraged loan market based upon market weightings, spreads and interest payments

Index Definitions (cont.)

- **Bloomberg MBS Index:** tracks fixed-rate agency mortgage-backed pass-through securities guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC)
- **Bloomberg Pan-European High Yield Index:** Measures the market of non-investment grade, fixed-rate corporate bonds denominated in the following currencies: euro, pounds sterling, Danish krone, Norwegian krone, Swedish krona, and Swiss franc
- **Bloomberg US Aggregate Bond Index:** A broad-based benchmark that measures the investment-grade, US dollar–denominated, fixed-rate, taxable bond market, including US Treasuries, government-related and corporate securities, mortgage-backed securities (MBS [agency fixed-rate and hybrid ARM pass-throughs]), asset-backed securities (ABS), and commercial mortgage-backed securities (CMBS)
- **Bloomberg US CMBS Investment Grade Index:** Measures the market of US Agency and US Non-Agency conduit and fusion CMBS deals with a minimum current deal size of \$300mn
- **Bloomberg US Corporate High-Yield Bond Index:** Represents the corporate component of the Bloomberg US High-Yield Index and measures the USD-denominated, high yield, fixed-rate corporate bond market
- **Bloomberg US Treasury Index:** Includes fixed-rate, local-currency sovereign debt that makes up the US Treasury sector of the Global Aggregate Index. (Represents US government bonds on slide 4)
- **J.P. Morgan Emerging Market Bond Index Global:** A benchmark index for measuring the total return performance of government bonds issued by emerging-market countries that are considered sovereign (issued in something other than local currency) and that meet specific liquidity and structural requirements. In order to qualify for index membership, the debt must be more than one year to maturity, have more than \$500 million outstanding, and meet stringent trading guidelines to ensure that pricing inefficiencies don't affect the index. (Represents emerging-market debt on slide 4)
- **MSCI EAFE Index:** A free float–adjusted, market capitalization–weighted index designed to measure developed-market equity performance, excluding the US and Canada. It consists of 22 developed-market country indices
- **MSCI Emerging Markets Index:** A free float–adjusted, market capitalization–weighted index designed to measure equity market performance in the global emerging markets. It consists of 21 emerging-market country indices. (Represents emerging markets on slide 4)
- **MSCI Europe Index:** Represents the performance of large and mid-cap equities across 15 developed countries in Europe. (Represents European Equities on slide 4)
- **MSCI USA Index:** Measures the performance of the large and mid-cap segments of the US market. With 624 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the US
- **MSCI USA Minimum Volatility Index:** aims to reflect the performance characteristics of a minimum variance strategy applied to the US large and mid-cap equity universe
- **MSCI World Index:** A market capitalization–weighted index that measures the performance of stock markets in 24 countries. (Represents world on slide 4)

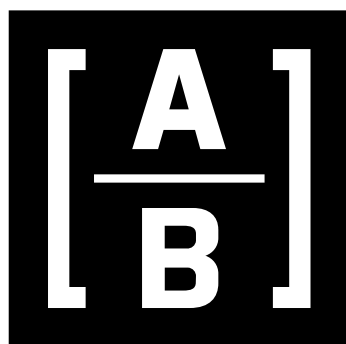
Index Definitions (cont.)

- **Russell 1000 Index:** A stock market index that represents the highest-ranking 1,000 stocks in the Russell 3000 Index, representing about 90% of the total market capitalization of that index.
- **Russell 2000 Index:** Measures the performance of the small-cap segment of the US equity universe. It is a subset of the Russell 3000 Index, representing approximately 8% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. Represents US Small Cap on slide 4)
- **S&P 500 Index:** Includes a representative sample of 500 leading companies in leading industries of the US economy. (Represents US Large Cap on slide 4)
- **S&P Global REIT:** serves as a comprehensive benchmark of publicly traded equity REITs listed in both developed and emerging markets

MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI.

Notes on Simulation Results

Hypothetical or simulated performance results have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading. Also, since the trades have not actually been executed, the results may not reflect the impact that certain material economic and market factors might have had on an investment advisor's actual decision-making if they were reflected of a managed account. Simulated trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will, or is likely to, achieve profits or losses similar to those shown.



ALLIANCEBERNSTEIN[®]

The [A/B] logo and AllianceBernstein[®] are registered trademarks used by permission of the owner, AllianceBernstein L.P.

© 2025 AllianceBernstein L.P. www.alliancebernstein.com

UaLf-820070-2025-10-14