AB STRATEGIC RESEARCH PORTFOLIO
SEPARATELY MANAGED ACCOUNT

FORWARD-LOOKING THEMES FOR AN EVOLVING ENVIRONMENT

+ High-conviction, benchmark-agnostic equity portfolio focused on secular investment themes
+ Strategy combines dynamic top-down themes and disciplined bottom-up stock selection
+ Managed by a seasoned team averaging 19 years of experience, with over $8 billion in assets under management
INVESTING IN THE TRENDS OF TOMORROW

GUIDED BY LONG-TERM THEMATIC TRENDS, WE SEEK SUPERIOR VALUE CREATION BY OWNING COMPETITIVELY ADVANTAGED COMPANIES LEVERED TO TOMORROW’S BIG IDEAS.

INVESTMENT PROCESS

- The portfolio is built on a powerful foundation of megatrends: multidecade forces with lasting characteristics that are building blocks for our themes.
- Portfolio themes, such as digital disruption, are diverse and reach across sectors, creating flexibility to manage in different market environments.
- The team weighs the return potential of each stock against forward-looking risk analysis, including the potential impact of material environmental, social and governance factors.
- The result is a balanced, high-conviction portfolio that can be effective in diverse market conditions.
THEMATIC APPROACHES HAVE MULTIPLE WAYS TO WIN

GROWTH ISN’T ALWAYS ABOUT THE ECONOMY—SECULAR FORCES CAN HAVE THEIR OWN MOMENTUM.

SECULAR TAILWINDS AND ASSOCIATED THEMES
COMPOUNDED ANNUAL GROWTH RATES (PERCENT)

+ Even in a period of slowing macro-economic activity, pockets of growth exist in the world.
+ Secular forces have their own drivers, independent of economic growth or interest-rate levels.
+ Companies tapping into or enabling these secular tailwinds should experience stronger and more sustainable growth trends than the overall market.

US GDP estimate from AB economists as of December 31, 2018. Theme growth uses a representative holding. Active safety revenues from January 1, 2017, through December 31, 2025; Internet of Things connections from January 1, 2024, through December 31, 2025; childcare revenues from January 1, 2018 through December 31, 2022; private pension AUM from January 1, 2017 through December 31, 2025; digital health data from January 1, 2018 through December 31, 2025 and mobile data traffic from January 1, 2017 through December 31, 2025.

As of December 31, 2018.

Source: Cisco Systems; Citigroup; Ericsson Mobility Report November 2018; David Reinsel, John Gantz, and John Rydning, Data Age 2025: The Digitization of the World From Edge to Core, an IDC white paper (November 2018); OECD; Roland Berger; Statista and AB.
PORTFOLIO THEMES
THE WORLD AROUND US IS CONSTANTLY TRANSFORMING AND CHANGING THE INVESTMENT LANDSCAPE. WHAT FORCES WILL REDEFINE OPPORTUNITIES IN THE YEARS AHEAD?

ARTIFICIAL INTELLIGENCE: WHAT IF YOU COULD BUY A CAR THAT NEVER CRASHED?
Machine intelligence has surpassed human capabilities in some applications, thanks to big data and low-cost computing resources. We invest in companies that facilitate artificial intelligence (AI) development as well as the early adopters of AI technology that are using it to offer more compelling products and services.

CONSUMERCARE: HOW WILL HEALTHCARE CHANGE IN MY LIFETIME?
Medical information is digitizing. The focus of care will shift from treating the sick to keeping people healthy. Rapid growth in medical data, combined with strained budgets from individuals to governments around the world, is ushering in a new age of empowered healthcare consumers.

SUSTAINABLE PLANET: IS SAVING THE PLANET A WORTHWHILE INVESTMENT?
By 2050, the global population is expected to grow by one-third. Demand for fresh water is projected to increase 80%, for food 70% and for energy 60%. Private firms with innovative solutions will be vital to addressing these fundamental challenges.

FORTIFIED FRANCHISES: WHAT’S THE VALUE OF A STRONG BRAND?
Consumers and businesses tend to give repeat business to companies they can trust. Companies that leverage strong brands and implement best-in-class ESG practices create sustainable advantages that often lead to superior shareholder returns.

DIGITAL DISRUPTION: WHAT ARE THE IMPLICATIONS OF AN INCREASINGLY CONNECTED WORLD?
The amount of digital information in the world is doubling every two to three years. We see significant potential in the enablers of the digital data explosion, those protecting digital assets and businesses that cater to digital-first generations.

FINANCIAL SECURITY: IN AN EVER MORE TRANSPARENT SOCIETY, WHICH FINANCIAL FIRMS WILL THRIVE?
Companies that promote secure, transparent and low-cost financial outcomes while emphasizing overall financial well-being should gain both mind and wallet share from traditional institutions built on high-fee models and opaque pricing schemes.

As of December 31, 2018
Source: AB
With ESG incorporated in our investment process, we combine top-down and bottom-up research to identify attractive investments that tap into tomorrow’s secular themes.

On-the-ground grassroots research is embedded in our process. It’s a unique approach to discovering progressive trends and companies.

The equity team leverages a global perspective, deep industry knowledge and a collaborative research culture to identify disruptive secular trends.

**HIGH-CALIBER LEADERSHIP**
- Daniel Roarty
- Benjamin Ruegsegger

**EXPERIENCE COUNTS**
- The seasoned portfolio team averages 19 years in the industry and more than a decade of experience in thematic investing

**SOLUTIONS THAT MATTER**
A forward-looking solution designed to create superior value by analyzing the world through a different lens

As of December 31, 2018
Source: AB
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.

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: Investments 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.

Capitalization Size Risk (Small/Mid): Small- and mid-cap stocks are often more volatile than large-cap stocks—smaller companies generally face higher risks due to their limited product lines, markets and financial resources.

There is no assurance that a separately managed account will achieve its investment objective. Separately managed accounts are subject to market risk: the market values of securities owned will fluctuate so that your investment, when redeemed, may be worth more or less than its original cost.

The [A/B] logo is a registered service mark of AllianceBernstein and AllianceBernstein® is a registered service mark used by permission of the owner, AllianceBernstein L.P.

© 2019 AllianceBernstein L.P., 1345 Avenue of the Americas, New York, NY 10105