



# AB DYNAMIC MULTI-ASSET INCOME 0/100 PORTFOLIO

LPL Model Wealth Portfolios

## Market Overview

Global equity markets, as measured by the MSCI All Country World Index (ACWI) rose 6.68% during the fourth quarter ended December 31, 2021, bringing year-to-date returns to 18.54% (all returns in US-dollar terms). Strong third-quarter earnings reports pushed global equities to new highs throughout much of the quarter, but the emergence and rapid spread of the highly transmissible coronavirus omicron variant and a hawkish shift by the US Federal Reserve, driven by persistently rising inflation, triggered periods of volatility and some sharp sell-offs.

Despite continuing supply-chain disruptions, rising inflation and concern over the direction of monetary policy, risk sentiment remained positive throughout much of the quarter. Consumer demand continued to be resilient, and companies were largely able to pass on rising input costs, fueling another round of better-than-expected quarterly results. Late in the quarter, the emergence of the coronavirus omicron variant triggered a sharp sell-off amid fear that the highly transmissible variant could slow the global economic recovery. Investors returned to buy the dip, however, as findings pointed to the possibility that the omicron variant might prove to be milder than initially feared and that the spike in cases could subside quickly. Positive developments in COVID-19 treatments and vaccines and a reluctance to reinstate widespread shutdowns and restrictions also buoyed investor optimism. At the end of the quarter, equity market volatility increased as the Fed took a hawkish pivot and the Bank of England raised interest rates in response to growing inflation risk. The Fed confirmed that it would accelerate the wind down of its bond purchases and indicated that it would raise rates multiple times in 2022 in order to rein in inflation, which it would no longer describe as transitory. After digesting the Fed's comments, investors appeared to adjust to the shift and remained focused on still generally supportive monetary policy, which raised expectations for strong fourth-quarter results. The ECB confirmed that it would gradually continue to wind down its bond-buying program but would soften the transition by simultaneously expanding an older quantitative easing program while targeting early 2023 for interest-rate liftoff.

Despite a rotation toward value-style stocks in December, growth-style stocks outperformed value-style stocks for the quarter (as

measured by the MSCI ACWI Growth and Value indices). Sector performance was mostly positive, led by outperformance in the technology and utilities sectors; communications services underperformed on a relative basis.

## Portfolio Performance

The AB Dynamic Multi-Asset Income 0/100 Portfolio increased in absolute terms and outperformed its benchmark, the 50% Bloomberg Global Aggregate Index/50% Bloomberg Global High Yield Index, during the fourth quarter. The Portfolio's allocation to long-term US Treasury bonds was the leading contributor. Allocations to the AB Limited Duration Fund and the AB High Income Fund also contributed, as both strategies outperformed their respective benchmarks during the quarter. The primary detractors consisted of security selection within the AB High Yield Fund, an underweight to US high-yield bonds and an overweight to short-term US Treasury bonds.

## Outlook

As of the end of the quarter, the Portfolio remains positioned with an underweight to credit exposure. Within credit, the team trimmed the underweight allocation to high-yield bonds and maintained an overweight to emerging-market bonds. The Portfolio ended the quarter with an overweight to rates exposure. Within rates, the team moderated the Portfolio's overweight to investment-grade bonds and remained overweight to US Treasury bonds. The team continues to acknowledge uncertainties stemming from increased risk to the strength of the global economic expansion from the emergence of the omicron variant as well as higher inflation that led the Fed to contemplate a faster taper of accommodating policies. Despite these near-term risks, the team has maintained our positive, long-term outlook for return-seeking assets, as there is continued evidence that suggests the underlying strength of the global economic recovery is unlikely to stall. The team's expectations remain that pent-up consumer and corporate demand, strong consumer and corporate quality metrics, effective medical advancements to combat COVID-19, and supportive policies will continue to fuel the global economic expansion.

**Current forecasts and performance are no guarantee of future results.** References to specific securities are presented to illustrate our investment philosophy and are not to be considered advice or recommendations. This information reflects prevailing market conditions and our judgments as of the date indicated, which are subject to change. In preparing this presentation, we have relied upon and assumed without independent verification, the accuracy and completeness of all information available from third-party sources. It should not be assumed that any investments made in the future will be profitable or will equal the performance of the selected investments referenced herein.

Investment Products Offered

- Are Not FDIC/NCUA Insured
- Are Not Bank/Credit Union Guaranteed
- May Lose Value
- Are Not Guaranteed by Any Government Agency
- Are Not a Bank/Credit Union Deposit

**PORTFOLIO INFORMATION**

Holdings <sup>1</sup>	
<b>Global Fixed Income</b>	<b>100.0%</b>
SPDR Portfolio Intermediate Term Treasury (SPTI)	15.5
AB High Income (AGDYX)	15.1
AB Income (ACGYX)	12.4
AB Limited Duration High Income (ALHYX)	12.2
AB Short Duration Income (SHUYX)	10.1
AB High Yield (HIYYX)	9.6
SPDR Long Term Treasury (SPTL)	9.0
iShares JP Morgan EM Bond (EMB)	7.6
Schwab Short Term US Treasury (SCHO)	3.6
iShares iBoxx Investment Grade Corporate Bond (LQD)	2.6
Cash	2.3
<b>Total</b>	<b>100.0</b>

Portfolio Characteristics <sup>1</sup>	
Number of Holdings	10
Duration (years)	5.9
Yield (%)	3.0
Annual Turnover Range	30-50%

**You should not assume that these securities or investments we make in the future were or will be profitable or will equal the performance of the securities discussed in this document.**

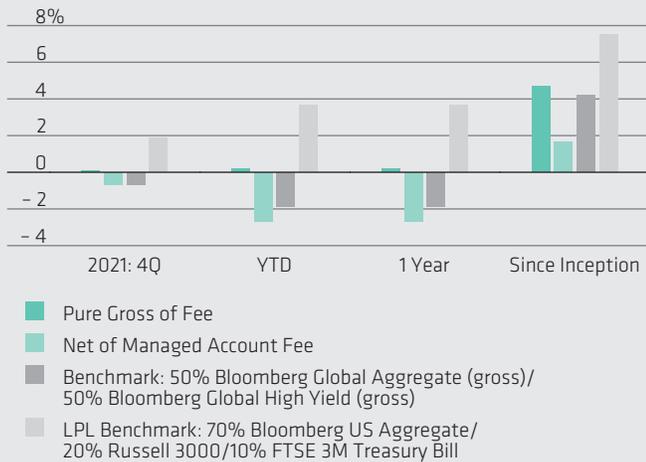
**Market Risk:** The market values of the portfolio's holdings rise and fall from day to day, so investments may lose value.

<sup>1</sup> Based on a representative account as of 12/31/21. Portfolio holdings, characteristics and weightings will vary over time. Contact your financial advisor for a complete list of portfolio holdings. These are not recommendations to buy or sell any security.

Source: AB.

**This is supplemental information to the AB Dynamic Multi-Asset Income 0/100 Managed Account Composite Performance Disclosure which can be found on the next page.**

**ANNUALIZED RETURNS** (Preliminary)



	Pure Gross of Fee <sup>2</sup>	Net of Managed Account Fee	50% Bloomberg Gbl Agg (gross)/ 50% Bloomberg Gbl HY (gross)	LPL Benchmark
2021: 4Q	0.07%	-0.67%	-0.68%	1.85%
YTD	0.21	-2.71	-1.88	3.67
1 Year	0.21	-2.71	-1.88	3.67
Since Inception	4.70	1.64	4.18	7.53

<sup>2</sup> Pure gross-of-fees do not reflect the deduction of any expenses, including trading costs, and are presented as supplemental information to net returns. Returns will vary, based on the client's actual portfolio holdings and the actual fees charged to the account. Performance results are shown pure gross of all fees and net of a maximum 3.0% managed account fee, which includes transaction costs, custodial service fees and investment advisory fees. Please see the Composite Performance Disclosure below. **Past performance does not guarantee future results.**

**COMPOSITE PERFORMANCE DISCLOSURE**

Period	Composite Assets (USD millions)	Composite Accounts at End of Period	Net Return (%)	Pure Gross Return (%) <sup>3</sup>	Internal Composite Dispersion (%)	Composite 3-Yr Ann ex Post Std Deviation (%)	Benchmark 3-Yr Ann ex Post Std Deviation (%)	Total Firm Assets (USD billions)	50% Bloomberg Gbl Agg (gross)/ 50% Bloomberg Gbl HY (gross) Return (%)	% of Managed Accounts
2020	0.0	1	3.20	6.30	NM	NA	NA	611.5	8.38	100
4/1-12/31/2019	0.0	1	4.17	6.51	NA	NA	NA	574.4	5.24	100
Since Inception <sup>4</sup>			4.22	7.36					7.81	

NM Not Meaningful, fewer than two accounts were included in the Composite for the full period. NA Not Applicable, less than minimum time period. <sup>3</sup> Pure Gross Return is supplemental information. <sup>4</sup> Annualized through most recent year-end; inception date 4/1/2019.

PRESENTATION OF THE FIRM—AllianceBernstein L.P. ("ABL") is a registered investment advisor with the US Securities and Exchange Commission. AB Institutional Investments and AB Investments (collectively, the "Firm") are the institutional and retail sales, marketing and client service units of ABLP. In February 2006, Alliance Capital Management L.P. changed its name to ABLP. COMPLIANCE STATEMENT—The Firm claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The Firm has been independently verified for the periods from 1993 through 2019. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. COMPOSITE DESCRIPTION—The performance results displayed herein represent the investment performance record for the Dynamic Multi-Asset Income 0/100 Managed Account Composite (the "Composite"). The Composite includes all fee-paying discretionary accounts. The Investment Team seeks to build a portfolio that generates a high and consistent level of current income with low sensitivity to equity markets. The strategy will target a strategic allocation comprised entirely of fixed income and will be implemented with both actively managed funds and ETFs. Since inception to current, 100% of the Composite assets were in a non-fee paying proprietary account. Prior to October 2020, the Composite was known as the Dynamic Income Managed Account Composite. The creation date of this Composite is June 2019 and the inception date is 3/31/19. For the performance period presented, investment professionals may have changed or departed, none of which in the Firm's view have altered the composite's strategy. Accounts in the Composite may utilize derivative contracts, including but not limited to, swaps, swaptions, options, futures, options on futures and currency transactions for risk-management purposes or for enhancing expected returns by adjusting exposure to the markets, sectors, countries, currencies or specific securities permitted by these guidelines. The impact of all derivatives is fully incorporated into the calculation of risk and return and the use of derivatives shall not violate the investment guidelines that limit exposure to markets, sectors, countries, currencies or specific securities. Investment in non-exchange-traded (over-the-counter) derivatives exposes the accounts within the Composite to counterparty risk. A complete list including composite descriptions, pooled fund descriptions for limited distribution pooled funds, and broad distribution funds managed by the Firm is available upon request. Additional information regarding policies for valuing accounts, calculating performance, and preparing GIPS reports is also available upon request via email to CompositeRequests@alliancebernstein.com. TOTAL RETURN METHODOLOGY AND FEE STRUCTURE—Performance results are shown in two formats. Pure gross returns do not reflect the deduction of any trading costs, fees or expenses. Pure gross of fee returns are supplemental to net returns. Net returns are calculated by deducting the highest applicable Managed Account fee (3.0% on an annual basis, or 0.25% on a monthly basis) on a monthly basis from the pure gross Composite monthly return. The Managed Account fee includes transaction costs, custodial service fees and investment advisory fees. RATE OF RETURN—No representation is made that the performance shown in this presentation is indicative of future performance. An account could incur losses as well as generate gains. Performance figures for each account are calculated monthly on a trade-date basis using a total rate-of-return calculation. Investment transactions are recorded on a trade date basis, and interests and dividends are recorded on accrual basis, net of withholding taxes, if applicable. Investments in securities are valued in accordance with the Firm's Valuation Policies and reflect a good faith estimate of fair value levels for all investments, which may not be realized upon liquidation. The fair valuation process requires judgment and estimation by the Firm. The gross-of-fee returns reflect the deduction of trading costs. The Composite returns are calculated based on the asset-weighted monthly composite constituent account returns where the weight is the beginning fair value of the accounts. DISPERSION—Internal dispersion is calculated using the asset-weighted standard deviation of all accounts included in the Composite for the entire year; it is not presented for periods less than one year or when there were fewer than two accounts in the Composite for the entire year. The three-year annualized ex post standard deviation measures the variability of the Composite and the benchmark returns over the preceding 36-month period; it is not presented for periods of less than three years. The benchmark, which is not covered by the report of independent verifiers, is a 50/50 blend of the Bloomberg Global Aggregate Gross, Unhedged to USD and the Bloomberg Global High Yield Gross, Unhedged to USD. The benchmark is weighted monthly and the monthly returns are geometrically linked to calculate cumulative and/or annualized rates of return for longer time periods. Prior to 10/1/20, the primary benchmark was Bloomberg US Aggregate Index (Gross) local. The benchmark change was made to more appropriately reflect the allocations in the portfolio and investment universe. The change has been applied retroactively since the inception of the Composite. There has been no change to the investment process or universe of securities from which the portfolio is constructed. 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Bloomberg Global Aggregate Bond Index represents the performance of the global investment-grade developed fixed-income markets. Bloomberg Global High Yield Index represents the performance of non investment-grade fixed-income securities in US, developed and emerging markets. Bloomberg US Aggregate is a broad-based benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market including instruments with a remaining maturity of no greater than 10 years. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency). Russell 3000 Index measures the performance of the 3,000 largest US companies based on total market capitalization. The Financial Times Stock Index, or FTSE, is a British provider of stock market indices and associated data services, wholly owned by the London Stock Exchange.

