Overall Morningstar Rating™
Advisor Class Shares

★★★★

Rated against 1138 funds in the Large Growth Category, based on risk-adjusted returns.

AB FLEXFEE™ LARGE CAP GROWTH PORTFOLIO

Advisor Class: FFLYX

MARKET OVERVIEW

The reopening and economic recovery continued to propel US equities with the S&P 500 posting its fifth consecutive quarterly gain. Growth stocks regained favor after lagging in prior quarters, with the Russell 1000 Growth Index returning 11.93% in the second quarter versus the Russell 1000 Value Index at 5.21%. Much of the outperformance of growth stocks occurred later in the period as interest rates retraced.

The FlexFee Large Cap Growth Portfolio outperformed its Russell 1000 Growth benchmark in the quarter and on a year-to-date basis. Stock selection contributed to relative outperformance in the quarter, which is reassuring as first-quarter reports confirmed broad profit gains across the market, commensurate with an early-stage economic rebound. Within stock selection, healthcare and technology contributed the most. Sector selection detracted from relative performance, particularly, an underweight to technology and overweight to consumer staples.

Are the economy and markets transitioning from early cycle to mid-cycle? The yield curve flattening and the 10-year yield ending the quarter below 1.5% certainly signal that accelerating demand is peaking. As for inflation peaking, current bond market pricing appears to embrace the Fed's assessment that inflation is transitory and overstated by prior year base effects. Given the unprecedented nature of the COVID-19 economic shutdown and reopening, we remain cautious about bold declarations of normalization. On the positive side of the ledger, the duration of the economic expansion could surpass expectations as the consumer spends rounds of stimulus payments and jobs recover; corporate investment addresses needs for greater resilience and capacity exposed by the pandemic; and perhaps even government infrastructure spending kicks in. On the negative side of the ledger, the persistence of inflationary pressures remains unknown, particularly as services ramp and demand labor. As the Fed continues to spend $120 billion per month on the monetary side, the amount of liquidity in the financial system and markets is overwhelming and could help to explain why high-yield bonds are setting record lows below 5%. If mid-cycle margin pressures do emerge sooner than anticipated, recall that our philosophy of demanding proven profitability means that the Fund's companies exhibit above-average operating efficiencies and pricing power that help to better manage cost pressures. Also, we maintain valuation discipline, which helps insulate us on a relative basis from bond market readjustment. In strong or weak economies, as bottom-up stock pickers who acknowledge our inability to forecast macro turns, we construct the Fund as the most resilient operating plan to compound profits regardless of the backdrop.

ROPER TECHNOLOGIES: DIGITIZING IN THE INDUSTRIAL SECTOR

Although growth through acquisition maintains a poor overall track record, select companies operating in cyclical sectors have defied the odds and improved returns on capital by acquiring smaller companies at sensible valuations, thus improving operating and financial results. Roper Technologies has pursued capital-light software targets within industrials to further enhance returns. Recently, the company delivered better-than-expected 1Q:21 results on both core sales and margins, raised FY:21 guidance, paid down $500 million of debt, and started to discuss its ability to pursue more than bolt-on acquisitions by the end of 2022—which was a little faster than people might have expected after the 3Q:20 Vertafore deal. In addition, the sharp rally in more cyclical stocks off 2020 lows looks to have at least moderated after probably overshooting sustainable long-term fundamentals for many of the companies in this cohort. Roper Technologies tends to outperform in downturns due to the nature of its diverse, highly cash-generative portfolio, and otherwise has been a steady compounder on the back of acquisitions and solid core growth.

ADOBE: CREATING THE DIGITAL EXPERIENCE

Adobe's core franchise, Creative Cloud, continues to experience stronger-than-expected growth in both revenues and annual recurring revenue (ARR), while its Experience Cloud segment's revenue and ARR growth has also accelerated over the last two quarters. This has driven operating margins higher than expected, which has also resulted in Adobe's return on assets improving to over 20%.

Past performance does not guarantee future results. Morningstar ratings are specific metrics of performance and do not represent absolute performance of any fund. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance, placing more emphasis on downward variations and rewarding consistent performance. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. The Fund was rated 4 stars against 1138 funds in the category for the three- year periods, respectively. The Fund's other share classes may have different performance characteristics.

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

What does this mean qualitatively? Adobe continues to bring increased value to its core creative customers with the move away from periodic product sales to a unified cloud platform (Creative Cloud) and subscriptions. This has resulted in improved growth, efficiency and returns over the last five years. What is unanticipated and not priced into the stock is that Adobe is in the process of transitioning its Experience Cloud business to the same model. Experience Cloud helps customers implement digital campaigns, so consider the power of finally integrating internal and acquired solutions onto a platform for customers. For shareholders, like the Creative Cloud tailwind, the integrated Experience Cloud offering should sustain both growth and improved margins and returns over the next several years.

MONSTER BEVERAGE: STAPLES ARE NOT ALWAYS STABLE

Monster Beverage was among the top detractors from relative returns during the quarter as shares recently underperformed due to raw material inflation and shortages of key inputs such as aluminum cans against a robust demand backdrop. On its earnings report in May, the company warned that gross margins would be under significant pressure through 2021, which led analysts to reduce profit estimates for the year. While we agree with being prudent on this year's earnings forecast, we believe the odds are high that Monster Beverage and its main competitor, which together represent nearly 80% of the energy drink category, will take price increases to offset this pressure. Recall that Monster Beverage and Red Bull have maintained better returns than Coke and Pepsi in the carbonated soda category by competing on product innovation and marketing differentiation, rather than overusing price to drive volume.

The top five (held) contributors to relative performance in the second quarter were Alphabet Inc., Intuitive Surgical, Fortinet, Zoetis and Edwards Lifesciences.

The top five (held) detractors from relative performance in the second quarter were Monster Beverage, Vertex Pharmaceuticals, Home Depot, IPG Photonics and UnitedHealth Group.

As always, thank you for your continued support.

Frank Caruso, John Fogarty and Vinay Thapar

PORTFOLIO INFORMATION

Class	Ticker	Inception Date
Advisor	FFLYX	6/28/17

Portfolio Characteristics	Portfolio	Benchmark[1]
Total Number of Holdings	51	499
P/E Ratio (Stock Price/Earnings; last 12 mo)	40.50x	46.29x
P/CF Ratio (Stock Price/Cash Flow)	28.93x	27.71x
ROE (Return on Equity; next 12 mo)	35.63%	45.66%
Median Market Cap ($ Billions)	48.3	18.3
Weighted Market Cap ($ Billions)	517.2	733.3
EPS (Earnings per Share) Growth Rate (2021/2020)	27.33%	32.68%

Portfolio Statistics	
Beta (3 yr)[2]	0.84
Sharpe Ratio (3 yr)[3]	1.44
Standard Deviation (3 yr)[4]	16.83
Alpha (3 yr)[5]	3.35

Top Ten Equity Holdings[6]		
Company	**Sector**	
Alphabet	Communication Services	8.50%
Microsoft	Information Technology	8.10
Amazon	Consumer Discretionary	5.75
Facebook	Communication Services	5.74
Visa	Information Technology	4.88
UnitedHealth	Healthcare	4.18
Zoetis	Healthcare	3.34
Nike	Consumer Discretionary	3.05
Adobe	Information Technology	3.03
Home Depot	Consumer Discretionary	3.01

Sector Breakdown[6]	Portfolio	Benchmark[1]
Information Technology	33.49%	44.10%
Healthcare	19.39	9.07
Communication Services	16.18	12.63
Consumer Discretionary	14.71	18.50
Consumer Staples	5.15	3.88
Industrials	4.84	6.37
Materials	1.44	1.03
Financials	0.23	2.33
Cash and Cash Equivalents	4.57	–
Real Estate	–	1.74
Energy	–	0.33
Utilities	–	0.03

Top Five Contributors	Top Five Detractors
Alphabet	Monster Beverage
Intuitive Surgical	Vertex Pharmaceuticals
Fortinet	Home Depot
Zoetis	IPG Photonics
Edwards Lifesciences	UnitedHealth Group

1 Russell 1000 Growth Index.
2 Beta measures a fund's volatility relative to its benchmark.
3 Sharpe Ratio is a measure of the fund's return relative to the investment risk it has taken. A higher Sharpe Ratio means the fund's returns have been better given the level of risk the fund has taken.
4 Standard Deviation is a measure of the dispersion of a portfolio's return from its mean.
5 Alpha is the risk-adjusted measurement of 'excess return' over the benchmark.
6 Holdings are expressed as a percentage of total investments and may vary over time. They are provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned.

QUARTERLY AVERAGE ANNUAL TOTAL RETURNS AS OF 06/30/21: ADVISOR CLASS PERFORMANCE

	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception	Expense Ratios*
FlexFee Large Cap Growth Portfolio†	13.86%	15.22%	40.02%	25.36%	–	–	24.60%	as of 4/30/21 Gross 0.24% Net‡ 0.10% as of 6/30/21 Gross 1.01% Net‡ 0.92%
Russell 1000 Growth Index	11.93	12.99	42.50	25.14	–	–	24.07	
Morningstar Large Growth Category	10.28	12.38	41.70	22.56	–	–	21.38	

The performance shown above represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance information shown. You may obtain performance information current to the most recent month-end by visiting www.abfunds.com. The investment return and principal value of an investment in the Portfolio will fluctuate, so that your shares, when redeemed, may be worth more or less than their original cost. Advisor Class shares have no front-end or contingent deferred sales charges, however when purchased through a financial advisor additional fees may apply. Performance assumes reinvestment of distributions, the deduction of all fund expenses, and does not account for taxes. If applicable, high double-digit returns are highly unusual and cannot be sustained; such returns are primarily achieved during favorable market conditions.

*** If applicable, this reflects the Adviser's contractual waiver of a portion of its advisory fee and/or reimbursement of a portion of the Fund's operating expenses. This waiver extends through April 30, 2022, and may be extended by the Adviser for additional one-year terms. Absent reimbursements or waivers, performance would have been lower.**

† The Fund's Advisor Class share inception date is 6/28/17 and is the date used to calculate since inception annualized performance.

‡ Excludes expenses associated with acquired fund fees and expenses other than the advisory fees of any AB mutual funds in which the Fund may invest, interest expense, taxes, extraordinary expenses, and brokerage commissions and other transaction costs. Expenses are subject to change.

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

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

Sources: FactSet, Morningstar Inc. and AB.

FEES LINKED TO OUTPERFORMANCE

	Fund Performance (assumes deduction of TER) vs Benchmark	Total Expense Ratio (TER)*
Min Fee	Index or lower	0.10%
	+0.20%	0.18%
	+0.40	0.25
	+0.60	0.32
	+0.80	0.39
	+ 1.00	0.46
	+ 1.20	0.53
Mid Fee	Index + 1.40%	0.60%
	+ 1.60%	0.67%
	+ 1.80	0.74
	+2.00	0.81
	+ 2.20	0.88
	+ 2.40	0.95
	+2.60	1.02
Max Fee	Index + 2.80% or higher	1.10%

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:** Investing in derivative instruments such as options, futures, forwards or swaps can be riskier than traditional investments, and may be more volatile, especially in a down market.

UMF-200409-2021-07-10
FFLCG-11EC-0621