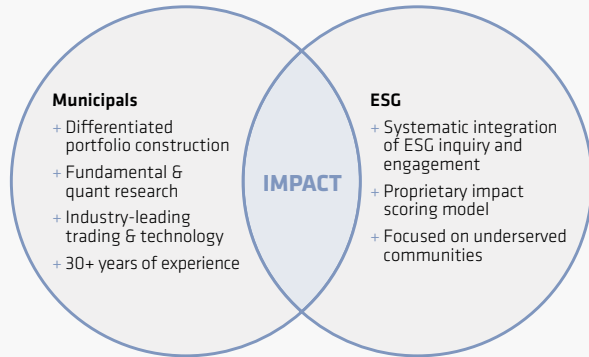


**ALLIANCEBERNSTEIN®**

# AB MUNICIPAL IMPACT PORTFOLIO

## THE MUNI MARKET'S EMPHASIS ON IMPROVING COMMUNITIES MAKES IT PERFECT FOR INVESTORS SEEKING TO MAKE AN IMPACT

AB's approach leverages a powerful combination of municipal investing expertise and environmental, social and governance (ESG) research capabilities.



Source: AB

## THE STRATEGY FOCUSES ON ISSUERS THAT INTEND TO MAKE POSITIVE ENVIRONMENTAL AND/OR SOCIAL IMPACTS

Our impact investing process leverages a use-of-proceeds-driven model. Each investment has a specific purpose that must be measurable, which allows us to deliver a solution with intentionality and authenticity.

+ Sample sectors of focus:



**Education**



**Healthcare**



**Energy Efficiency**



**Mass Transit**



**Sustainable Water**



**Economic Community Development**

+ Each issuer scored 1 (worst) to 3 (best) on ESG criteria



+ Minimum 6 total rating required for portfolio inclusion

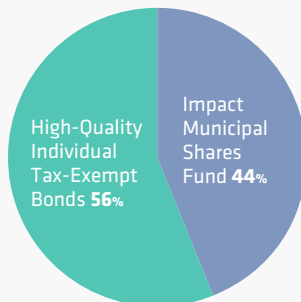
+ Ongoing engagement with issuers on ESG issues and quantitative impact

As of June 30, 2021 | Source: AB

## THE PORTFOLIO'S DISTINCTIVE DESIGN HELPS SOLVE INCOME NEEDS TODAY WHILE DELIVERING A POSITIVE IMPACT AT THE LOCAL LEVEL

The portfolio diversifies across individual high-quality core muni bonds and a muni impact completion fund, enhancing portfolio diversification and liquidity.

### Target Portfolio Construction



#### High-Quality Individual Bonds

- + AAA/AA rated
- + Intermediate and shorter maturities
- + 10-20 holdings

#### Impact Municipal Shares Fund

- + A, BBB, and BB rated and below
- + Well-diversified (200+ bonds)

#### Portfolio Characteristics

- + Overall credit quality A+ to A
- + Average duration 4-6 years

As of June 30, 2021 | Source: AB

## THE STRATEGY'S TRACK RECORD DEMONSTRATES THAT IMPACT INVESTING DOESN'T REQUIRE INVESTORS TO SACRIFICE PERFORMANCE

The Muni Impact SMA's innovative design and in-depth, on-the-ground approach to ESG and fundamental research has demonstrated that investing for purpose can deliver meaningful results over time.

	Periods Ended June 30, 2021			
	2Q 2021	One Year	Three Years	Since Inception
<b>AB Municipal Impact SMA</b>	<b>1.40%</b>	<b>4.23%</b>	<b>5.07%</b>	<b>4.37%</b>
Morningstar Muni Intermediate SMA Median	1.05	2.59	4.53	3.83
ESG Muni Peer Group Universe*	0.88	2.03	4.17	3.61

Annual returns of Muni Impact SMA gross of fees. Inception date: February 1, 2017  
Source: Bloomberg Barclays, Morningstar and AB

**PERFORMANCE DISCLOSURE**

**AB MUNICIPAL IMPACT (MA) COMPOSITE (IN US DOLLARS)**

Annualized Returns as of June 30, 2021 (%)	QTD	YTD	One Year	Three Years	Five Years	10 Years	Since Inception
<b>AB Municipal Impact (MA) (Gross of Fees)</b>	<b>1.40</b>	<b>1.00</b>	<b>4.23</b>	<b>5.07</b>	–	–	<b>4.37</b>
Bloomberg Barclays Muni Bond Index	1.42	1.06	4.17	5.10	–	–	4.47
Relative Return	-0.02	-0.06	+0.07	-0.03	–	–	-0.10

Inception date: February 1, 2017

Period	Composite Assets (USD millions)	Composite Accounts at End of Period	Net Return (%)	Pure Gross Return (%)†	Internal Composite Dispersion (%)	Composite 3-Yr Ann ex Post Std Deviation (%)	Benchmark 3-Yr Ann ex Post Std Deviation (%)	Total Firm Assets (USD billions)	Bloomberg Barclays Muni Bond (Gross) Return (%)	% of Managed Accounts
2020	35.9	34	3.26	4.81	0.45	4.26	3.96	611.5	5.21	100
2019	9.4	20	6.25	7.85	0.20	NA	NA	574.4	7.54	100
2018	4.4	12	-0.26	1.24	NM	NA	NA	473.5	1.28	100
2/1-12/31/2017	0.3	1	3.09	4.51	NA	NA	NA	512.9	4.76	100
3 Years‡	–	–	3.05	4.60	–	–	–	–	4.64	–
Since Inception‡ (2/1/2017)	–	–	3.13	4.67	–	–	–	–	4.77	–

NM: not meaningful; fewer than two accounts were included in the Composite for the full period. NA: not applicable; less than minimum time period. \*ESG Muni peer group universe is the average of all strategies within all municipal SMA's that utilize a responsible, Impact or ESG approach to managing municipal portfolios. As of 6/30/2021, this contained 15 strategies. †Pure gross return is supplemental information. ‡Annualized through most recent year-end.

Source: Bloomberg Barclays and AB

**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 2/2006, 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 firmwide 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 Municipal Impact Managed Account Composite (the “Composite”). The Composite includes all fee-paying discretionary accounts. The Composite consists of accounts managed in an active fixed-income strategy that primarily invests in a municipal bond strategy that builds on AB’s credit expertise to invest in issues whose proceeds have a positive impact from an environmental, social and/or governance perspective as well as pooled vehicles designed to provide exposure to a diversified pool of municipal impact bonds. The strategy will typically have an intermediate duration profile and an investment-grade average credit quality. The strategy seeks to specifically promote and favor investment in underserved communities or those with a lower socioeconomic status. Accounts that are more than \$10 million in market value may elect to use individual bonds, rather than pooled vehicles, to invest in these sectors. The Composite seeks to maximize after-tax return with limited volatility. For the period prior to 9/30/17, the Composite has been linked to the firm’s Municipal Impact Strategy Composite. From 10/2017 to 12/2017, 100% of the Composite assets were in a non-fee-paying proprietary account. As of 12/31/18, 12/31/19, and 12/31/20, 6%, 3% and 1% of the Composite assets were in a non-fee-paying proprietary account. The creation date of this Composite is 10/2017, and the inception date is 1/31/17. 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 long or short derivative contracts, including but not limited to, swaps, swaptions, options, futures, options on futures and currency transactions (including forward currency contracts) for risk-management purposes, duration management, yield-curve management or the enhancement of 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 these positions would not be implemented if doing so would violate 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 subtracting the highest applicable Managed Account fee (1.5% on an annual basis or 0.125% 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 the Bloomberg Barclays Municipal Bond (Gross) Unhedged to USD. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Credit quality is a measure of the quality and safety of a bond or portfolio, based on the issuer’s financial condition, and not based on the financial condition of the fund itself. 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.

Bloomberg Barclays Municipal Bond Index represents the performance of the long-term tax-exempt bond market consisting of investment-grade bonds.

**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.**

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