BUILD A BETTER PATH

TARGETING BETTER PORTFOLIO UP/DOWN CAPTURE

Rising volatility and yields. Toppy valuations. Global policy uncertainty. To handle these bumps in the road, investors need to build a better return path—one that seeks to capture more of a market's upside than its downside.

THREE KEY AREAS THAT CAN HELP DEFINE THE EFFECTIVENESS OF PORTFOLIO UP/DOWN CAPTURE

ASPECT	APPROACH
MARKET EXPOSURE	**Better Beta:** Some markets and market factors have better up/down capture than other, similar markets or market factors—we refer to them as better beta. A good example? Currency-hedged global bonds versus US bonds.
PORTFOLIO ASSEMBLY	**Efficient Structure:** Combining certain betas in a portfolio may create more efficient up/down capture. For example, a combination of 50% high-yield securities and 50% Treasuries has historically had a better up/down capture than either investment on its own.
MANAGER SKILL	**Targeted Alpha:** Outperformance through active management, or "alpha," can further enhance up/down capture. But it's important to pick your spots. Look for: 1) long-term opportunities created by postcrisis market conditions, 2) areas where investors can gain an information advantage and 3) inefficient indices that are easier to beat.

Past performance and historical analysis do not guarantee future results. Examples are presented using indices to illustrate the application of an investment philosophy and are used for comparison purposes only. An investor cannot invest directly in an index. Beta is a measure of an investment's volatility in comparison to the market as a whole. Alpha is the risk-adjusted measurement of "excess return" over a benchmark.
Source: Bloomberg Barclays, Morningstar and AB

+ A portfolio with a high up/down capture ratio can improve the return sequence and investors' experience—resulting in higher returns with lower volatility and losses.

+ To pursue a better up/down capture, investors first need to specify their goals and preferences, matching them with a portfolio design that creates a more appropriate return path.

+ To fully benefit from a portfolio with effective up/down capture, we believe investors have to invest across the market cycle—that includes both the ups and downs.

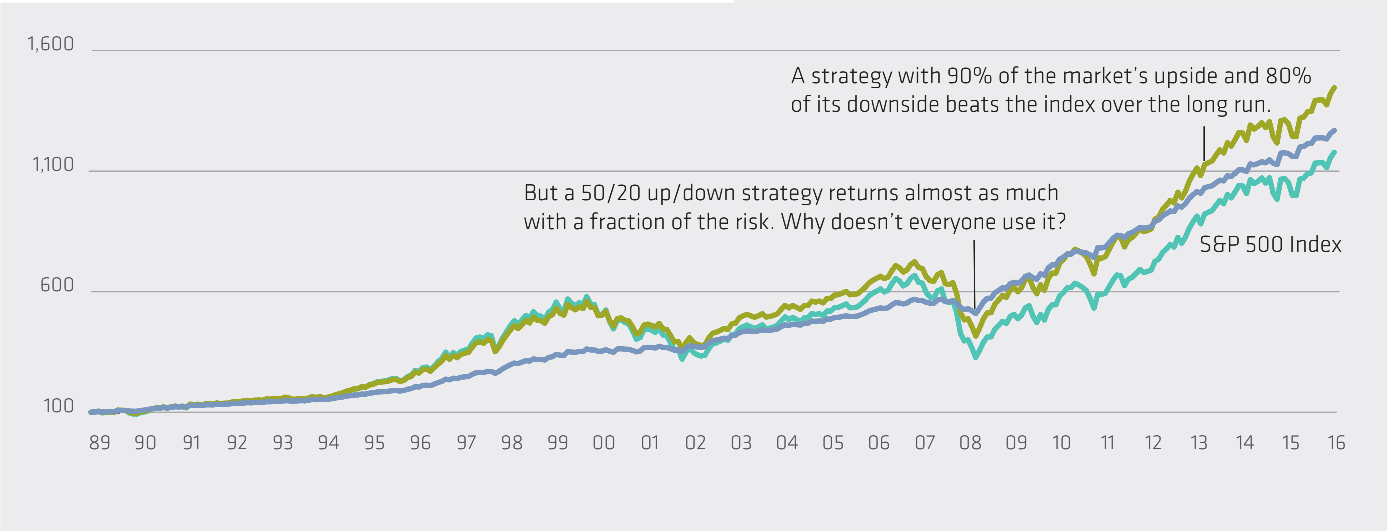
Up capture is a portfolio's return as a percentage of the market's return when markets are rising. **Down capture** is a portfolio's return as a percentage of the market's return when markets are falling. **Up/down capture** is the ratio of a portfolio's up-capture percentage to its down-capture percentage.

TIME FRAME MATTERS IN UP/DOWN CAPTURE EXPERIENCE

To fully benefit from up/down capture, we believe investors must stay the course through market cycles—even in periods when they don't capture the full upside of a market that's trending upward over time.

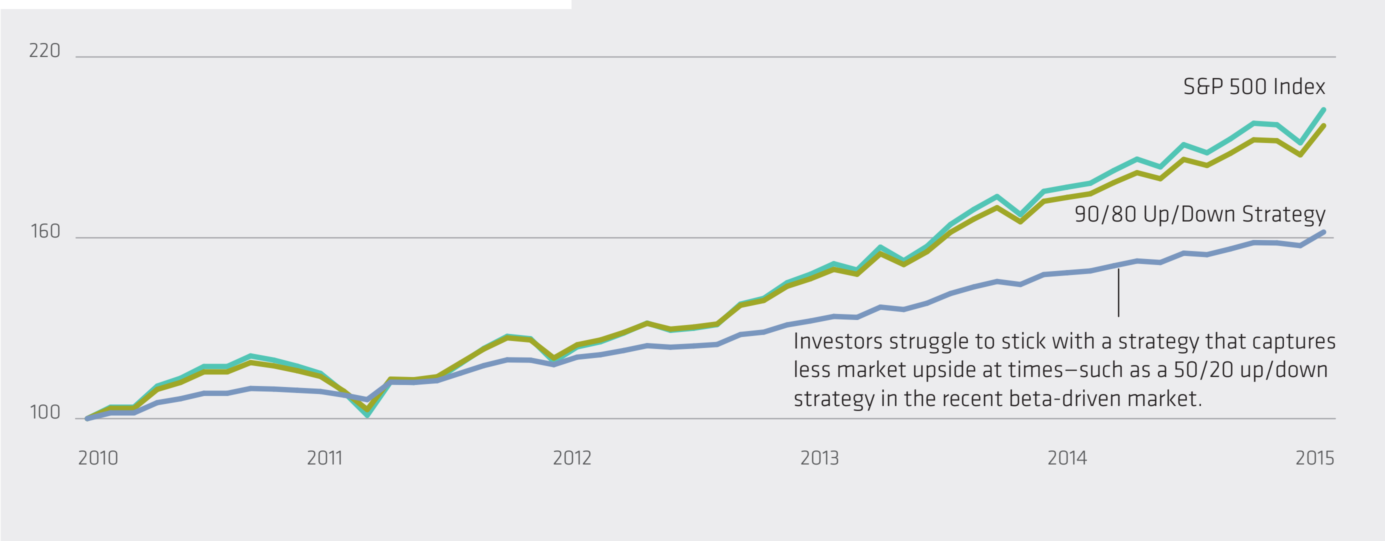
UP/DOWN CAPTURE HAS BEEN EFFECTIVE OVER THE LONG RUN...

Hypothetical Growth of $100*



...BUT CAN STRUGGLE IN BETA-DRIVEN MARKETS

Hypothetical Growth of $100†



Past performance does not guarantee future results. An investor cannot invest in an index.
***** Data are from October 31, 1989, through December 31, 2016.
† Data are from September 30, 2010, through February 28, 2015.
The 90/80 portfolio returns were calculated from monthly returns of the S&P 500 Index. For months where the S&P 500 had positive returns, 90% of the return was captured. For months where the S&P 500 had negative returns, 80% of the return was captured. The 50/20 portfolio returns were calculated from monthly returns of the S&P 500. For months where the S&P 500 had positive returns, 50% of the return was captured. For months where the S&P 500 had negative returns, 20% of the return was captured. Performance in the two graphs above does not represent an actual account or portfolio, and as such, the performance is hypothetical. This illustration is not intended to provide a complete analysis regarding any or all of the variables that could affect any particular portfolio. **There can be no assurance that an actual portfolio based on the hypothetical portfolio underlying the above illustration could be created or, if created, that it would achieve the results implied above or be profitable.**
Source: Standard & Poor's and AB

AB FUNDS HAVE HISTORICALLY PRODUCED ATTRACTIVE UP/DOWN CAPTURE RATIOS

						Average Annual Total Return As of March 31, 2017					Total Expense Ratio	
Fund	Symbol	Index	Up Capture	Down Capture	Ratio	1-Year	5-Year	10-Year or Life	Overall Morningstar Rating	Inception Date	Net*/ Gross	As of Date
AB Large Cap Growth Fund	APGYX	Russell 1000 Growth	109	104	1.05	14.66	14.67	10.76	★★★★★	10/1/96	0.77	2/3/17
AB Concentrated Growth Fund	WPSGX	S&P 500	95	89	1.06	16.98	12.09	8.10	★★★★	2/28/94	0.99/ 1.01	10/31/16
AB Discovery Value Fund	ABYSX	Russell 2500 Value	109	105	1.04	21.93	13.27	8.26	★★★	3/29/01	0.89	2/28/17
AB Emerging Markets Multi-Asset Portfolio	ABYEX	MSCI EM	76	74	1.04	12.07	1.48	1.59	★★★★	8/31/11	0.99/ 2.43	2/3/17
AB High Income Municipal Portfolio	ABTYX	BofAML Muni HY	84	66	1.27	0.71	5.65	6.86	★★★★	1/26/10	0.61/ 0.63	9/30/16
AB Income Fund	ACGYX	Bloomberg Barclays US Agg	147	132	1.12	5.71	4.93	6.90	★★★★★	8/28/87	0.79/ 0.86	1/30/17
AB Global Bond Fund	ANAYX	Bloomberg Barclays US Agg	121	122	1.00	3.50	3.60	5.31	★★★★	11/5/07	0.58	1/30/17
AB High Income Fund	AGDYX	Bloomberg Barclays US HY	101	98	1.03	15.53	7.28	8.60	★★★★★	1/28/08	0.58	1/30/17

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. Returns for other share classes will vary due to different charges and expenses. If applicable, please keep in mind that high, double-digit returns are highly unusual and cannot be sustained. Investors should also be aware that these returns were primarily achieved during favorable market conditions.

***** If applicable, net expense ratio 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 the Fund's current fiscal year and may be extended by the Adviser for additional one-year terms. Absent reimbursements or waivers, performance would have been lower.

Up/down capture calculated using monthly returns over ten-year period ending March 31, 2017, or since the Fund's inception. Advisor share classes used for all Funds. Specific references to the AB funds shown above are for illustrative purposes only and are not to be considered recommendations by AB. It should not be assumed that any of the AB funds were or will be profitable. Indices are used for comparison purposes only, and the comparison should not be understood to mean there would necessarily be a correlation between the respective AB Fund's returns and any index. An investor cannot invest directly in an index.

Source: Bank of America Merrill Lynch, Bloomberg Barclays, Morningstar Direct, MSCI, Russell Investments, S&P and AB

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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.

S&P 500 Index: Includes a representative sample of 500 leading companies in leading industries of the US economy. **Bloomberg Barclays US Aggregate Bond Index:** Represents the performance of securities within the US investment-grade fixed-rate bond market, with index components for government and corporate securities, mortgage pass-through securities, asset-backed securities, and commercial mortgaged-backed securities. **Bloomberg Barclays US Corporate High Yield Index:** Represents the corporate component of the Bloomberg Barclays US High Yield Index. **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. **Russell 2500 Value Index:** Represents the performance of 2,500 small to mid-cap value companies within the US. **Russell 1000 Growth Index:** Represents the performance of 1,000 large-cap growth companies within the US. **BofA/Merrill Lynch Muni High Yield Index:** Represents the performance of US dollar-denominated below-investment-grade-rated corporate debt publically issued in the US domestic market.

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RISKS TO CONSIDER

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. **Focused Portfolio Risk:** Portfolios that hold a smaller number of securities may be more volatile than more diversified portfolios, since gains or losses from each security will have a greater impact on the portfolio's overall value. **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. **Leverage Risk:** Trying to enhance investment returns by borrowing money or using other leverage tools magnifies both gains and losses, resulting in greater volatility. **Liquidity Risk:** The difficulty of purchasing or selling a security at an advantageous time or price. **Below-Investment-Grade Securities Risk:** Investments in fixed-income securities with lower ratings (commonly known as "junk bonds") tend to have a higher probability that an issuer will default or fail to meet its payment obligations. **Credit Risk:** A bond's credit rating reflects the issuer's ability to make timely payments of interest or principal—the lower the rating, the higher the risk of default. If the issuer's financial strength deteriorates, the issuer's rating may be lowered and the bond's value may decline. **Interest-Rate Risk:** As interest rates rise, bond prices fall and vice versa—long-term securities tend to rise and fall more than short-term securities. **Inflation Risk:** Prices for goods and services tend to rise over time, which may erode the purchasing power of investments. **Municipal Market Risk:** Debt securities issued by state or local governments may be subject to special political, legal, economic and market factors that can have a significant effect on the portfolio's yield or value.

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's other share classes may have different performance characteristics.

AB Large Cap Growth Fund was rated 5, 5 and 5 stars against 1,306, 1,154 and 800 funds in the Large Growth category for the three-, five- and 10-year periods, respectively. AB Concentrated Growth Fund was rated 4, 3 and 4 stars against 1,306, 1,154 and 800 funds in the Large Growth category for the three-, five- and 10-year periods, respectively. AB Discovery Value Fund was rated 3, 3 and 3 stars against 341, 301 and 212 funds in the Mid-Cap Value category for the three-, five- and 10-year periods, respectively. AB Emerging Markets Multi-Asset Portfolio was rated 5 and 4 stars against 629 and 429 funds in the Diversified Emerging Markets category for the three- and five-year periods, respectively. AB High Income Municipal Portfolio was rated 4 and 4 stars against 145 and 118 funds in the High Yield Muni category for the three- and five-year periods, respectively. AB Income Fund was rated 5, 5 and 5 stars against 851, 750 and 538 funds in the Intermediate-Term Bond category for the three-, five- and 10-year periods, respectively. AB Global Bond Fund was rated 5, 4 and 4 stars against 312, 247 and 128 funds in the World Bond category for the three-, five- and 10-year periods, respectively. AB High Income Fund was rated 5 and 5 stars against 596 and 471 funds in the High Yield category for the three- and five-year periods, respectively.

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