



ALLIANCEBERNSTEIN[®]

First Quarter 2021

CAPITAL MARKETS OUTLOOK

Investing During the Coronavirus Pandemic and Beyond

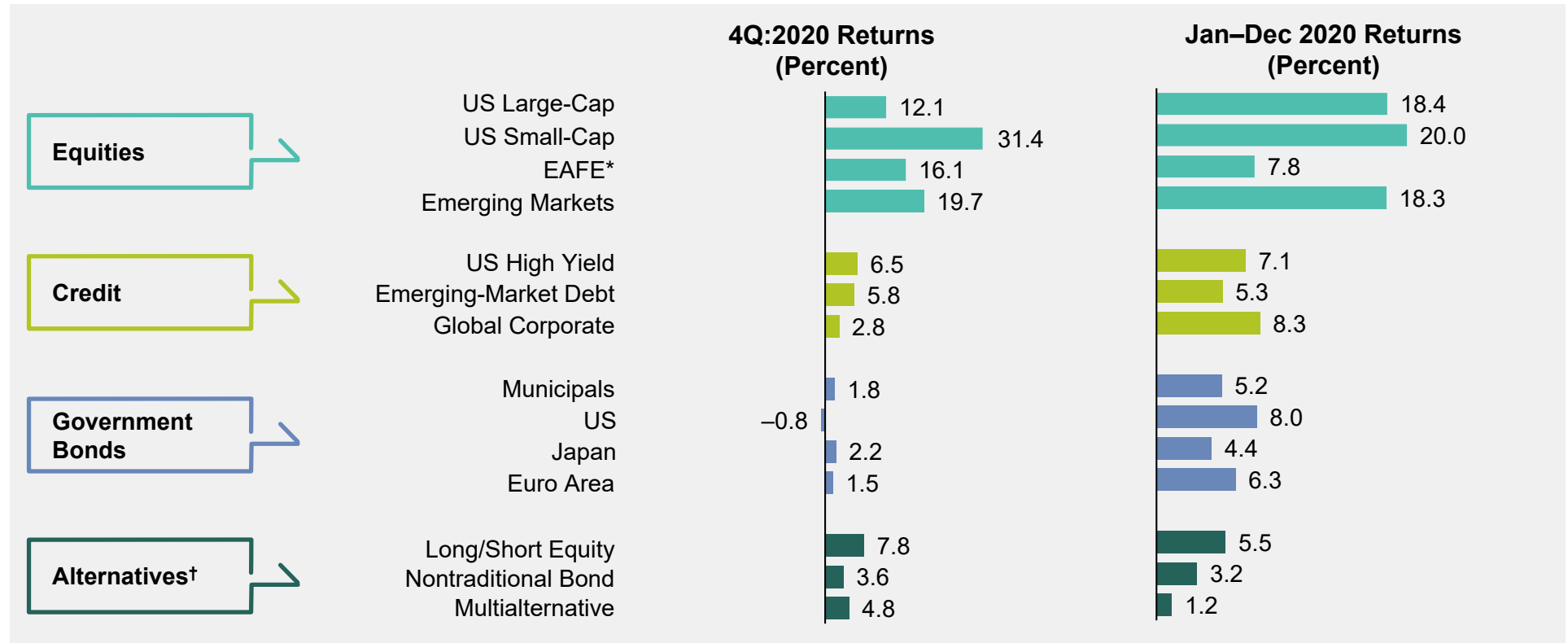
The information herein reflects prevailing market conditions and our judgments, which are subject to change, as of the date of this document. In preparing this document, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources. Opinions and estimates may be changed without notice and involve a number of assumptions that may not prove valid. There is no guarantee that any forecasts or opinions in this material will be realized. Information should not be construed as investment advice.

Investment Products Offered:

- Are Not FDIC Insured
- May Lose Value
- Are Not Bank Guaranteed

4Q 2020 Returns Recap: Strong Returns Across the Capital Markets

Returns in US Dollars



Past performance does not guarantee future results.

Global corporates and Japan and euro-area government bonds in hedged USD terms. All other non-US returns in unhedged USD terms. An investor cannot invest directly in an index, and its performance does not reflect the performance of any AB portfolio. The unmanaged index does not reflect the fees and expenses associated with the active management of a portfolio.

*Europe, Australasia and the Far East

†Returns reflect Morningstar US open-end fund category averages.

As of December 31, 2020

Source: Bloomberg Barclays, Morningstar Direct, S&P and AB



Fourth Quarter Stimulus Concerns Give Way to “Vaccine Mondays”

Flatten the Curve Part 1: Slow the Spread & Arm the Frontlines

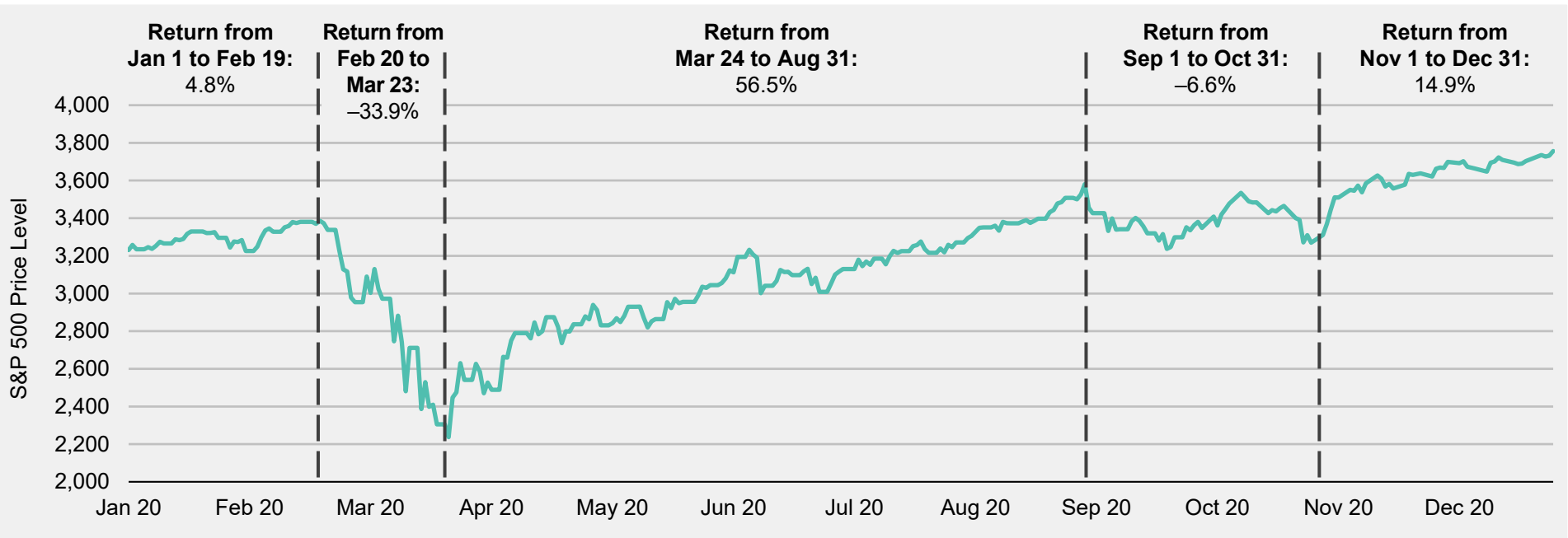
- + Social Distancing
- + Fiscal Policy Support + Medical
- + Private Sector Support + Medical
- + Trials for Vaccines & Treatments

Flatten the Curve Part 2: Backstop “Victims” of Social Distancing

- + Backstop Businesses
- + Backstop Incomes
- + Employee Benefits

Flatten the Curve Part 3: Dust Off '08 Playbook + Provide Liquidity

- + Rates to Remain at Zero Bound
- + Quantitative Easing
- + Fed’s Lending Facilities



Analysis provided for illustrative purposes only and is subject to revision.

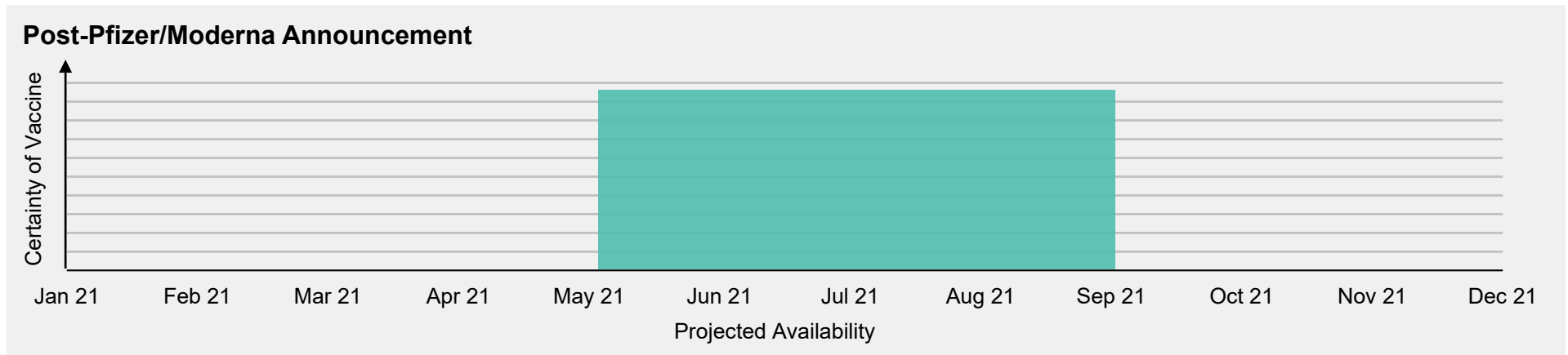
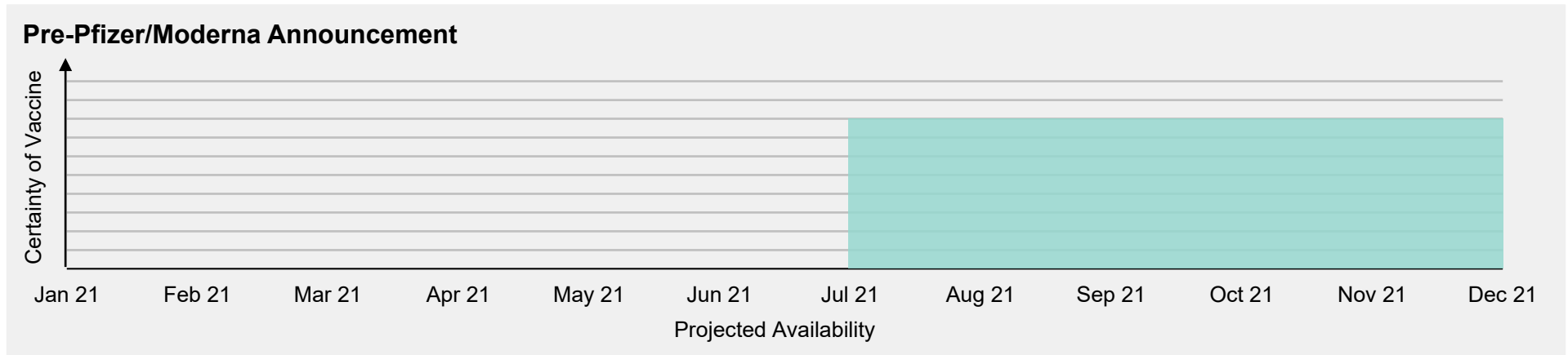
S&P 500 Price Returns through December 31, 2020

Source: Morningstar, S&P and AB



The Critical Question from the Beginning

Will the Fiscal and Monetary Bridge Be Long Enough and Strong Enough to Get to the Other Side of the Virus?

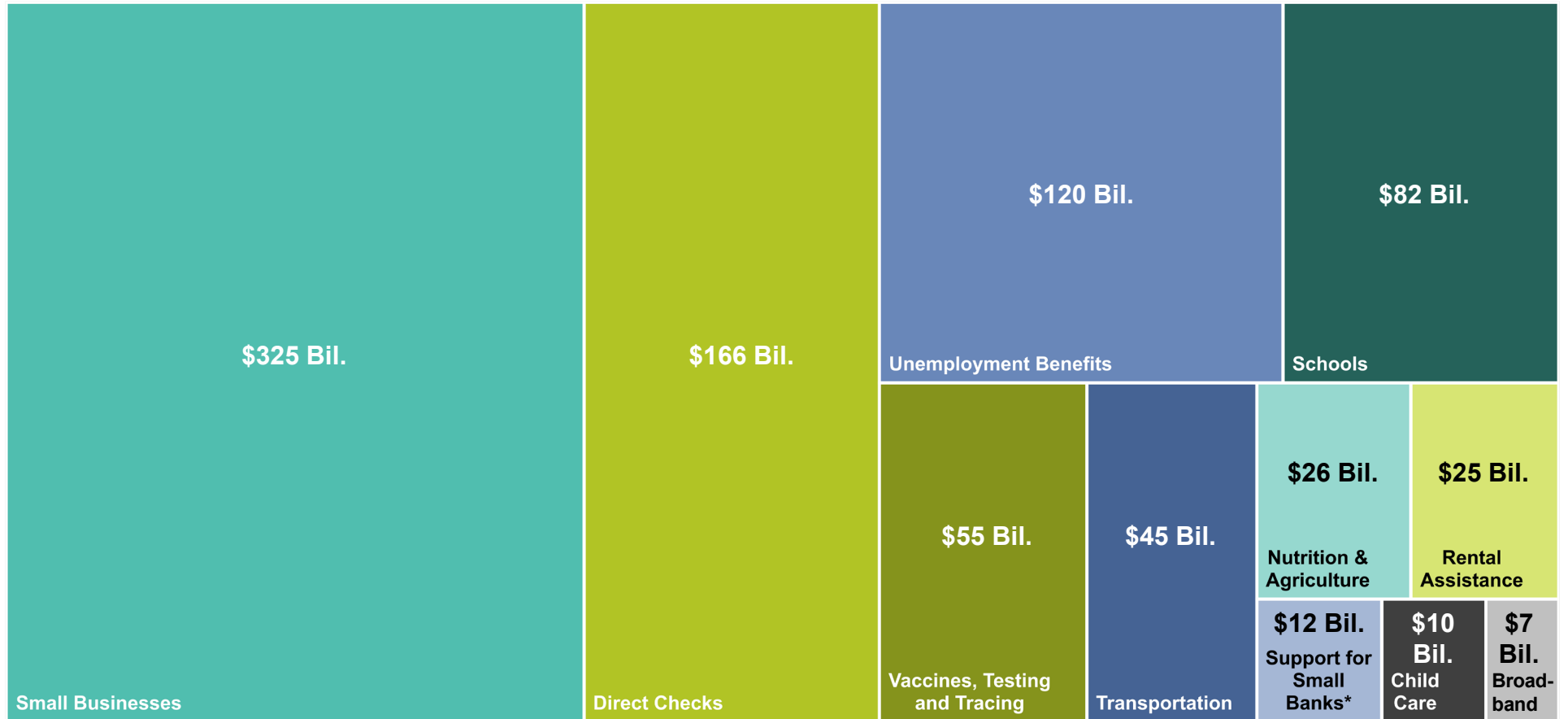


For illustrative purposes only



Anatomy of a Bridge

Structure of the US\$900 Billion COVID-19 Bill



*Serving low-income and minority communities

As of December 31, 2020

Source: the *Wall Street Journal*

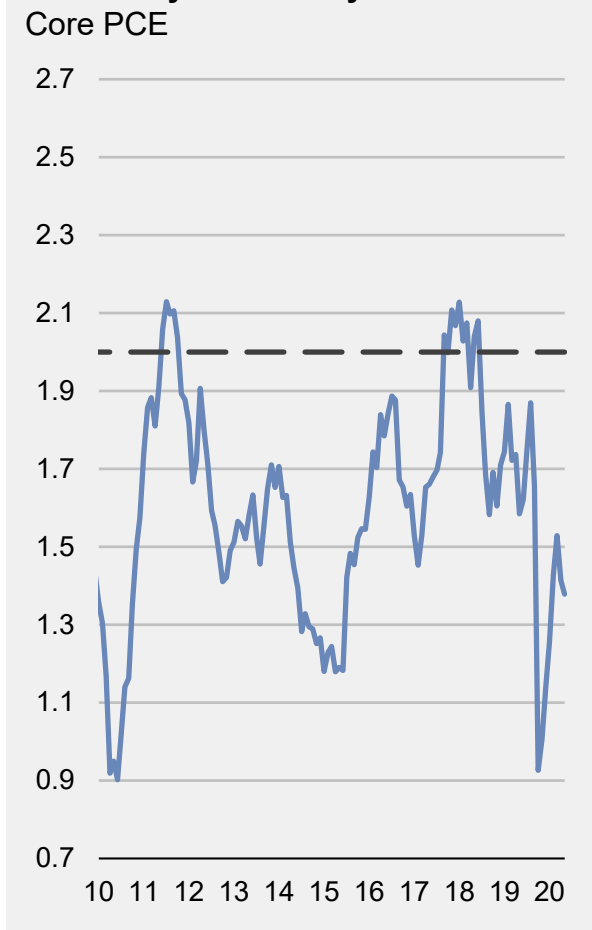


Saved by Zero? The Fed Will Be Locked In at ZIRP for Some Time

Fed Dot Plot*: Current View Says Rates Will Be at Zero Beyond 2023

Percent	2020	2021	2022	2023	Longer Term
3.000					••
2.875					
2.750					•
2.625					
2.500					••••••••
2.375					•
2.250					•••
2.125					
2.000					•
1.875					
1.750					
1.625					
1.500					
1.375				•	
1.250					
1.125					
1.000					
0.875					
0.750					
0.625			•	•	
0.500					
0.375				••	
0.250					
0.125	••••••••••	••••••••••	••••••••••	••••••••	
0.000					

...and Maybe Well Beyond 2023



Current analysis does not guarantee future results.

*Each dot indicates the value of an individual participant's judgment of the midpoint of the appropriate target range for the fed funds rate or the appropriate target level for the fed funds rate at the end of the specified calendar year. Projections are from the September 16, 2020, meeting.

Left display as of September 16, 2020; right display as of November 30, 2020

Source: Bloomberg, US Federal Reserve and AB



Economic Expectations from One Side of the Virus to the Other...

Next 1–5 Months

Very Slow Growth and Low Inflation

- + More than 50% probability that Fed eases further—probably by adjusting QE
- + Divided government will likely struggle to deliver meaningful fiscal stimulus
- + 10-year Treasury yields range from 0.75% to 1.25%
- + Equity markets wrestle with vaccine optimism, elevated valuations and fiscal impasse
- + Dollar more likely to weaken than strengthen

2Q 2021–4Q 2021

Accelerating Growth and Temporary Inflation Bump

- + Assuming vaccine progress, mobility and activity improve
- + Inflation likely to exceed Fed's target briefly next spring, with headline CPI topping 2.0%
- + Limited fiscal support at best
- + Rates likely range from 1.0% to 1.50% for most of year
- + Equity markets wrestle with elevated valuations and better economy; Fed expectations could be tiebreaker
- + Dollar most likely weakens

2022 and Beyond

Sluggish Growth and Tepid Inflation

- + Debt, populism, deglobalization continue to weigh on growth
- + Relative low-growth, low-inflation environment causes Fed to keep rates down
- + Stagnant or contractionary fiscal policy could flatten out GDP before other countries
- + Environment could erode growth advantage that has bolstered US equity markets versus other regions
- + Scope for long-term dollar rise if US lags in reflation

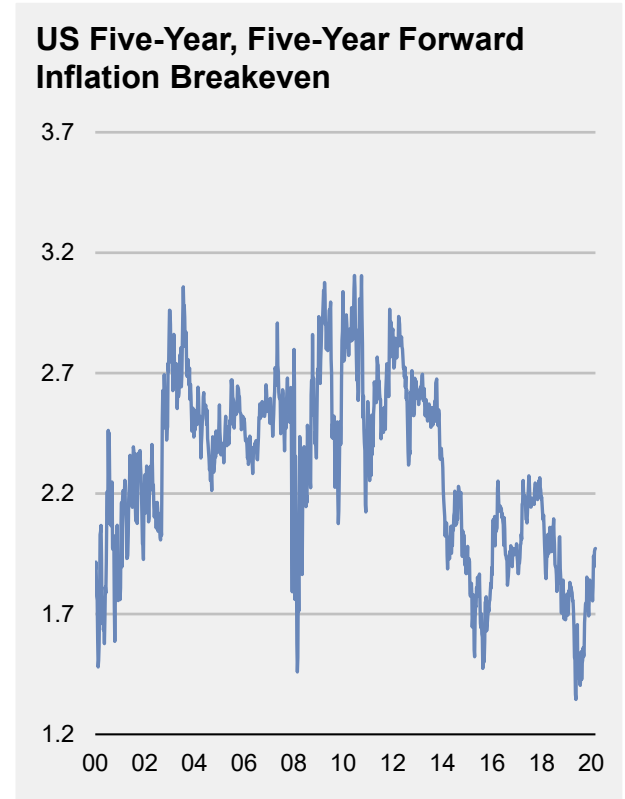
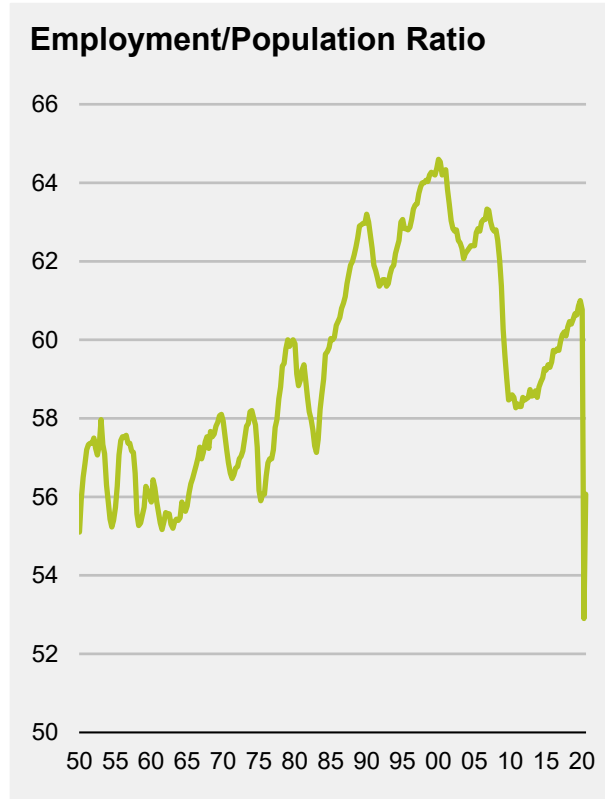
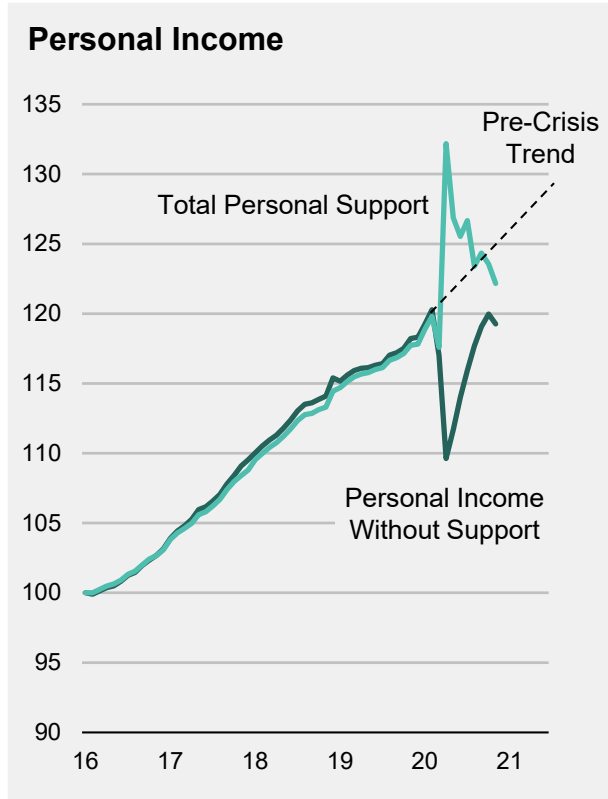
Current forecasts do not guarantee future results.

As of December 31, 2020

Source: AB



...and the Key Metrics to Watch for Each



Past performance does not guarantee future results.

Left display as of November 13, 2020; middle display through August 14, 2020; right display through January 1, 2021
Source: Bloomberg, Refinitiv Datastream and AB



Macro Summary

Global Growth to Recover in 2021, but End Points Relative to Pre-COVID-19 Numbers Varied

AB Global Economic Forecast: January 2021

	Real Growth (Percent)		Inflation (Percent)		Official Rates (Percent)		Long Rates (Percent)	
	20F	21F	20F	21F	20F	21F	20F	21F
Global	-3.7	4.8	2.0	2.2	1.66	1.45	1.81	2.04
Industrial Countries	-4.9	3.6	0.8	1.4	-0.08	-0.07	0.35	0.66
Emerging Countries	-2.0	6.6	3.8	3.4	4.34	3.78	4.10	4.18
US	-2.9	4.9	1.3	2.0	0.13	0.15	0.90	1.35
Euro Area	-7.2	2.4	0.3	0.8	-0.50	-0.50	-0.50	-0.25
UK	-10.7	2.3	0.8	1.6	0.10	0.10	0.25	0.50
Japan	-5.3	2.6	0.2	0.3	-0.10	-0.10	0.02	0.00
China	2.0	8.2	2.5	2.3	4.35	4.10	3.30	3.50

Historical analysis and current forecasts do not guarantee future results.

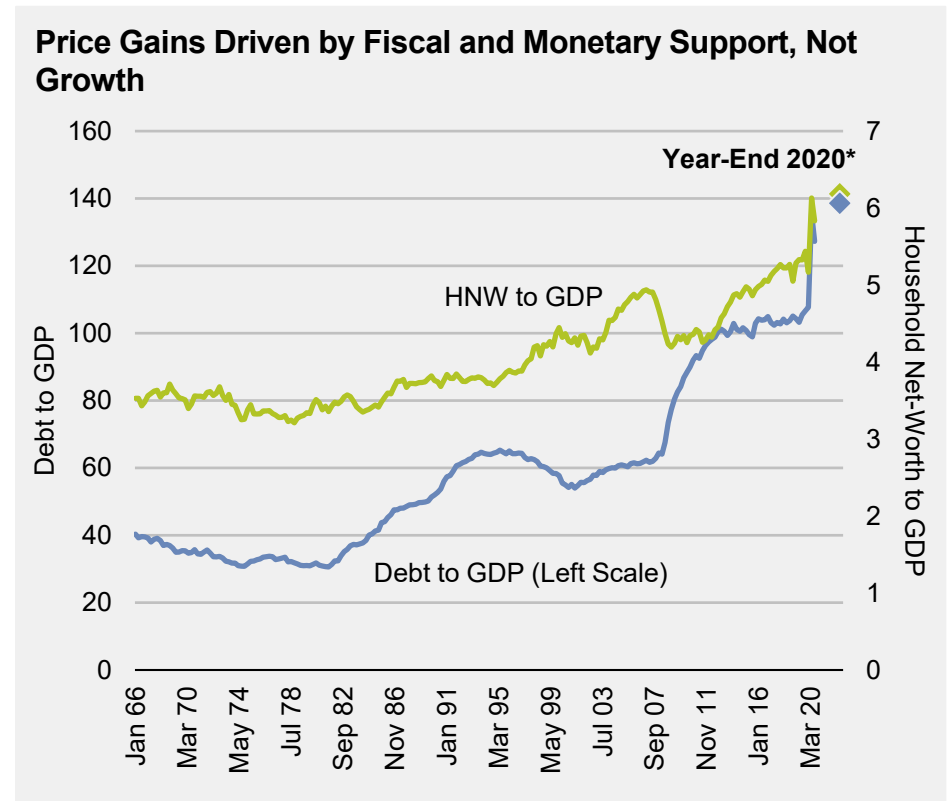
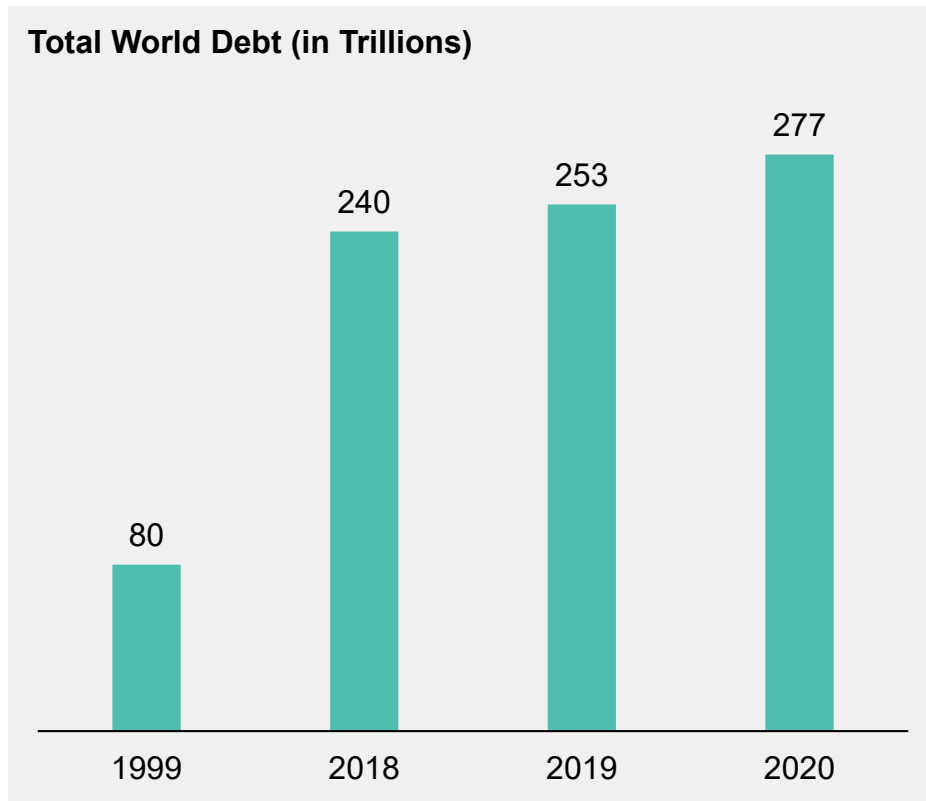
Growth and inflation forecasts are calendar-year averages. Interest rates are year-end forecasts. Real growth aggregates represent 48 country forecasts, not all of which are shown. Long rates are 10-year yields.

As of January 2021

Source: AB



World Debt Growth Accelerated in 2019, Jumped in 2020 on Stimulus



Historical analysis and current forecasts do not guarantee future results.

*Current forecast

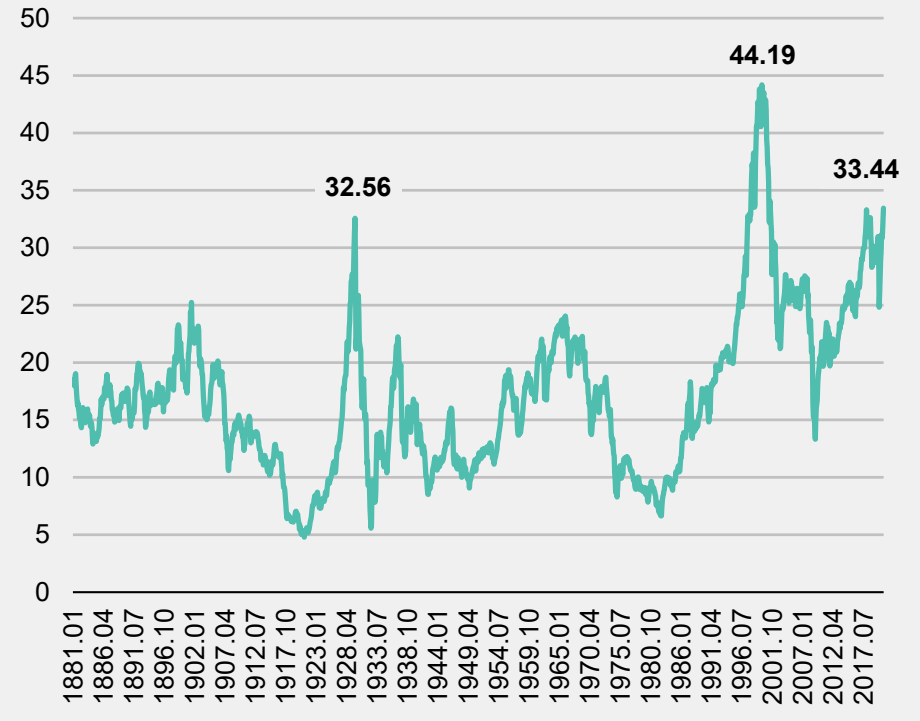
Through December 31, 2020

Source: Institute of International Finance and AB



Shiller CAPE Ends 2020 at Highest Ex-Tech Bubble Level in 140 Years

Historically High Shiller P/E Ratio



S&P 500 Blended Forward 12 Month EPS vs. Price



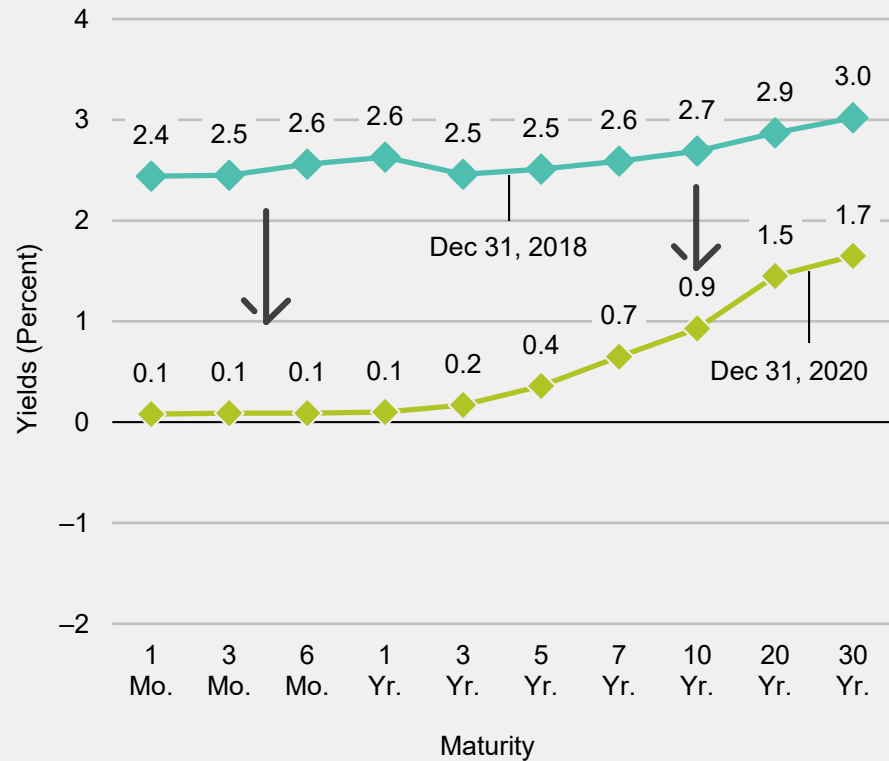
For illustrative purposes only
 As of December 31, 2020
 Source: Bloomberg and Yale



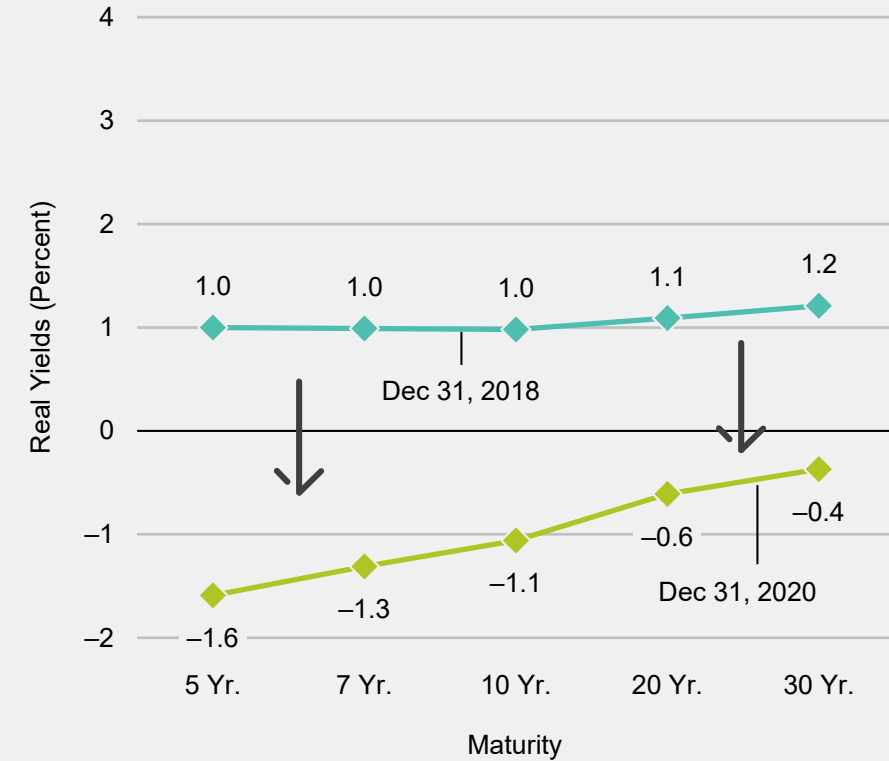
Are Core Bonds Broken?

Yield Levels Create Challenges for Bonds as Portfolio Diversifier and Real Income Generator

US Treasury: Nominal Yield-Curve Change



US Treasury: Real Yield-Curve Change



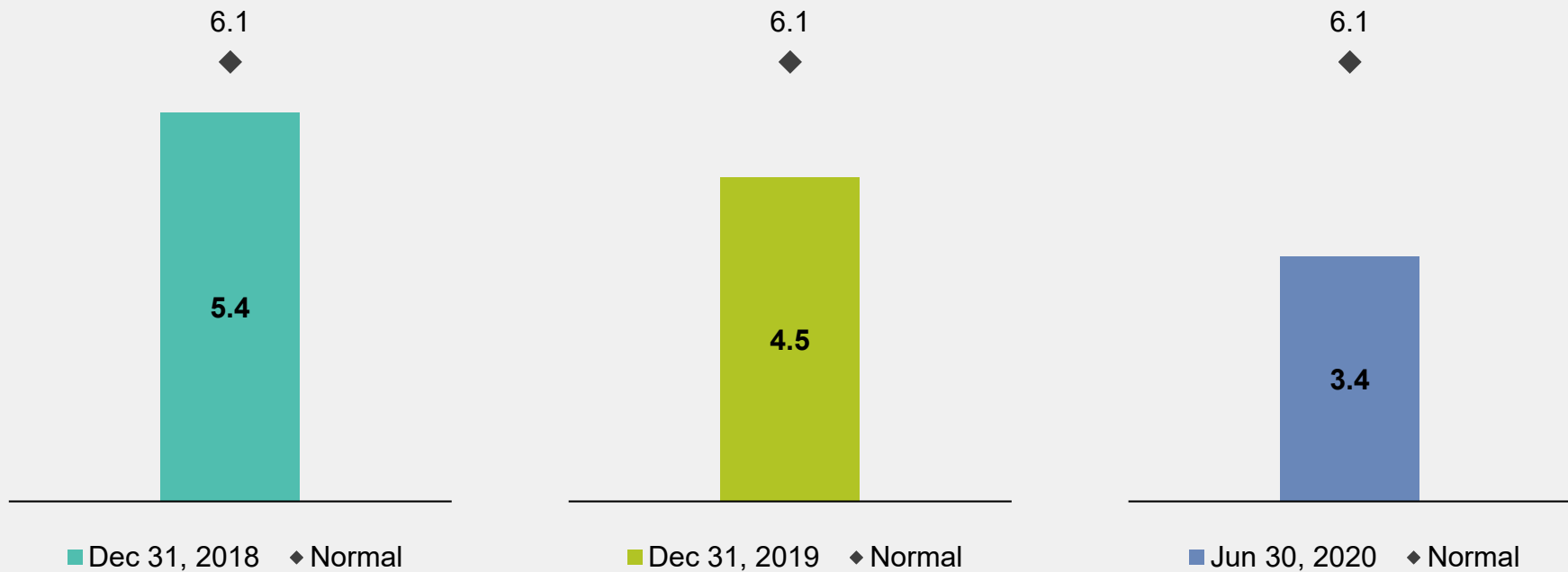
Past performance and current analysis do not guarantee future results. For illustrative purposes only
 Source: US Department of the Treasury and AB



Non-Growth-Driven Current Returns Come at a Future Cost

Forecasted Returns of 60/40 Stock/Bond Mix Over the Next Decade Continue to Fall

Forward Return Projections: 10-Year Horizon (Percent)



Data do not represent past performance and are not a promise of actual results or a range of future results.

Bonds are represented by 60% global investment-grade bonds and 40% global sovereign bonds; stocks are represented by a universe similar to the MSCI World; both are reported in and hedged into US dollars.

As of December 31, 2020

Source: AB



Investing in a Time of COVID-19...and Beyond

“A Time of COVID-19”

- + There is still room in the COVID-19 uncertainty premium
- + Equity Risk Premium reasonable relative to history
- + Further risk asset gains likely until we get to “one day after the virus”
 - + At an index/beta level
 - + Within credit spreads
 - + Rotation trade, aka the “Return to Normal” trade

One Day After the Virus

“...and Beyond”

- + Absent additional meaningful stimulus, asset returns become much more challenged
- + Elevated valuations, tight credit spreads and low yields
- + Already moderating pre-COVID-19 economic growth resumes with a further post-COVID-19 dampener challenge top line growth
- + Pre-existing debt, demographic, populism and deglobalization elements challenge growth and increase downside risks

Current forecasts do not guarantee future results.

As of December 31, 2020

Source: AB



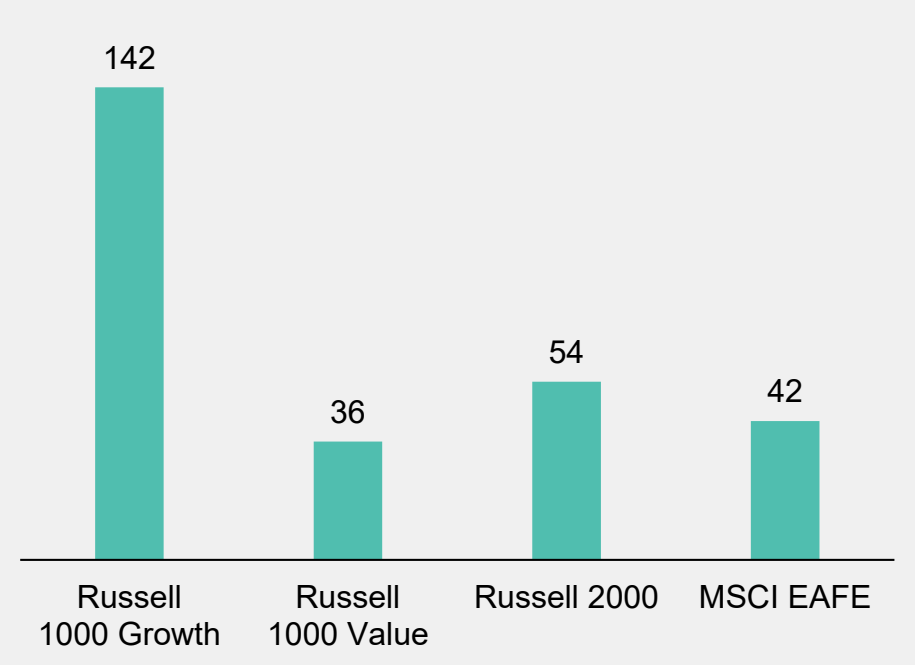


EQUITY

Pro-Cyclical Rotation Following Long Period of Growth Outperformance

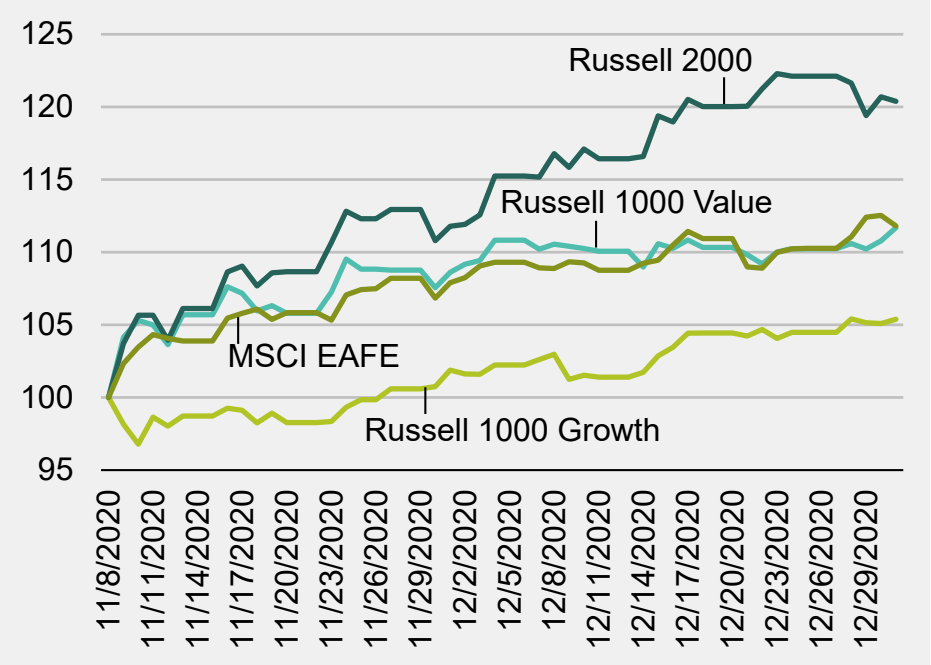
Large Cap US Growth Dominant Since Last Period of Pro-Cyclical Outperformance

Cumulative Returns from 2017 to Present (Percent)



More Cyclical Asset Classes May Benefit Further from Economic Healing

Daily Returns November 8 = 100



Past performance does not guarantee future results.

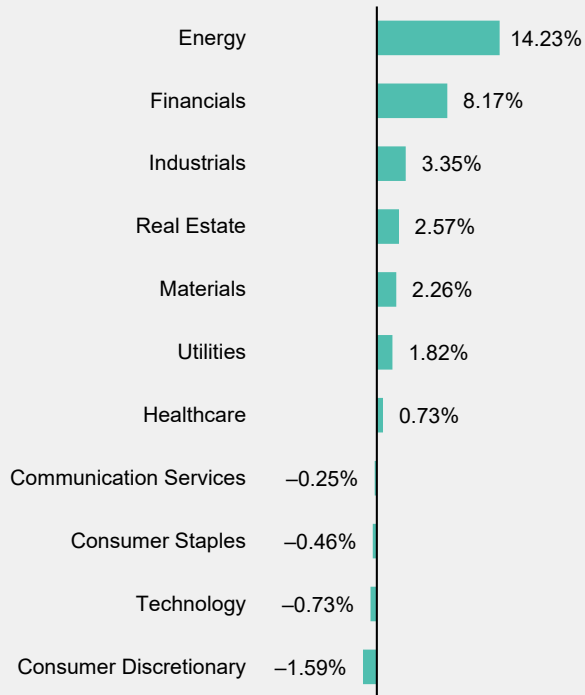
As of December 31, 2020

Source: FTSE Russell, Morningstar, MSCI and AB

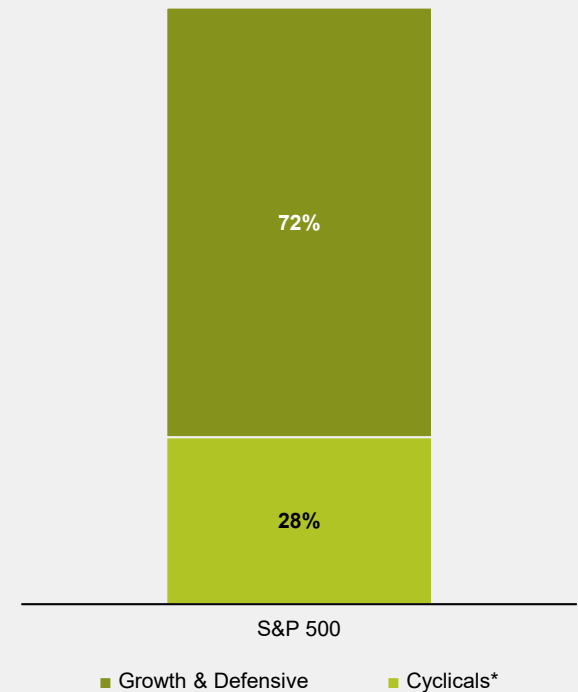


Pfizer Vaccine News: A Pre-Experience of the Reopen Trade?

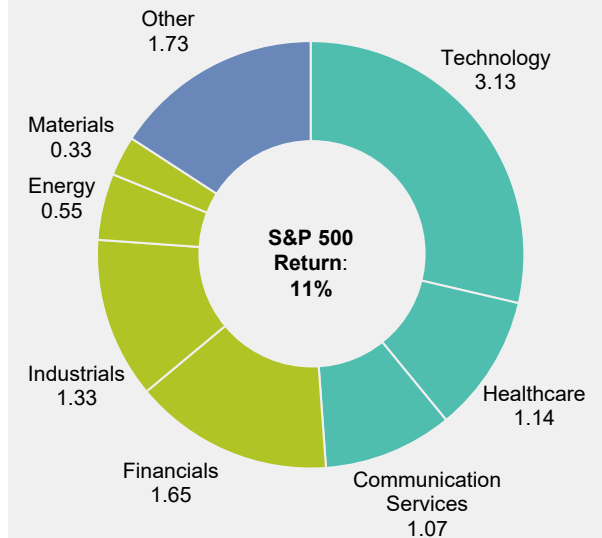
Day of Pfizer News: Sector Return November 9



Key, Large-Cap US Indices Have Become More Growth Centric Lower Cyclical Content



Contribution to S&P 500: Economic Healing May Augment Market Breadth Month of November



Past performance does not guarantee future results.

*Cyclicals include financials, industrials, materials and energy

As of November 30, 2020

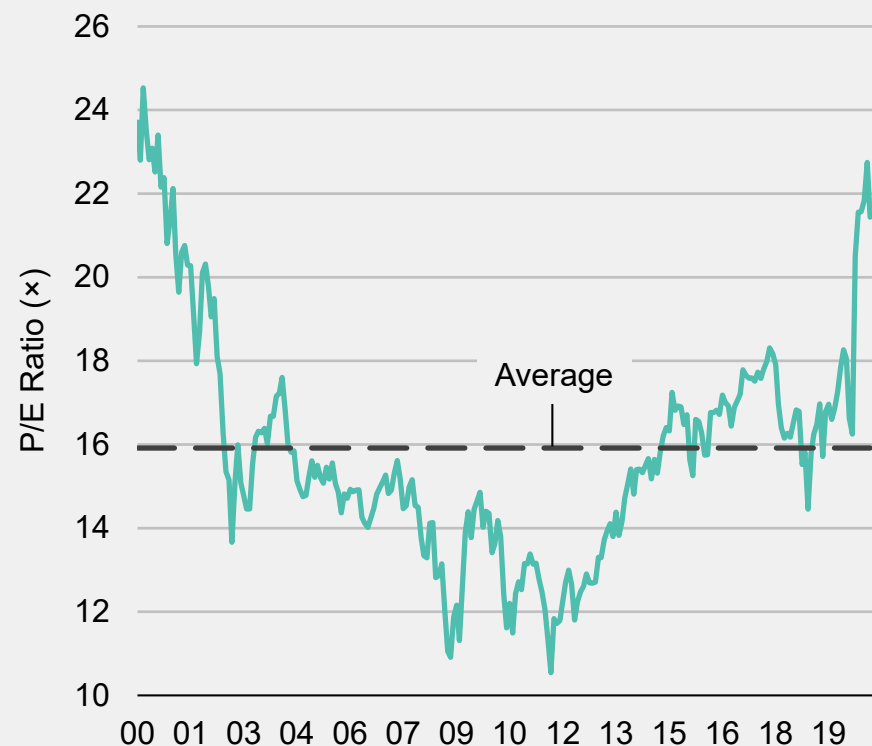
Source: Bloomberg, Morningstar and AB



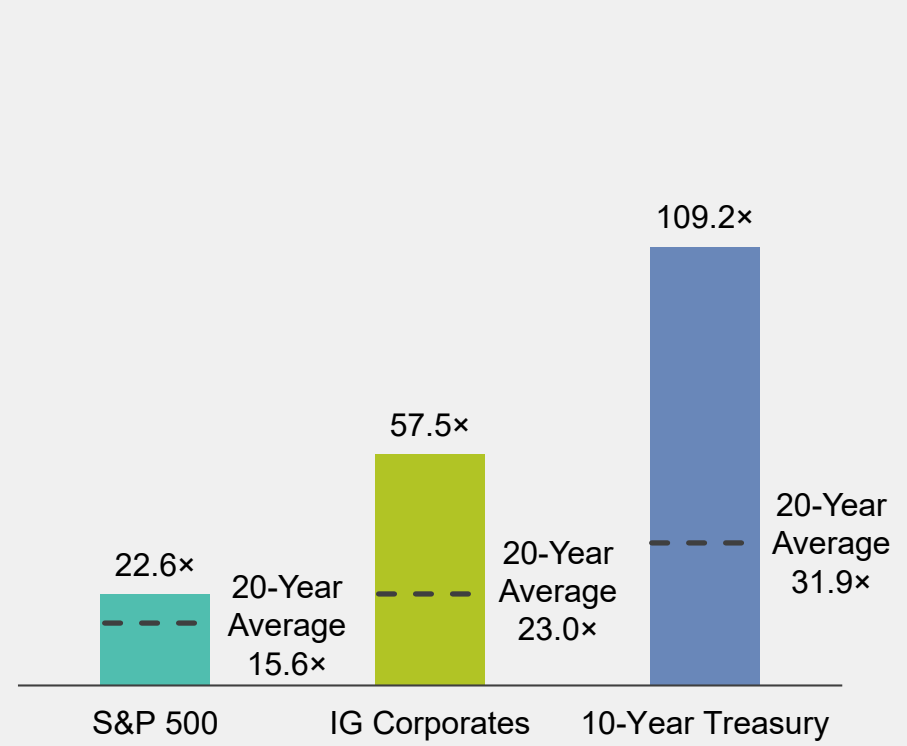
Valuations Remain Elevated, but Low Rates Still Supportive

S&P 500 Price-to-Earnings Ratio*

Well Above the Long-Term Average



S&P 500 Price-to-Earnings Ratio vs. Investment-Grade Credit and 10-Year Treasury Valuations†



Historical analysis and current forecasts do not guarantee future results.

*All data are for S&P 500. Earnings estimates are represented by Bloomberg consensus blended forward 12-month estimates.

†Treasury valuation is calculated as $100/0.92\%$, which estimates the price an investor pays for the income on the government bond. The same methodology using the Bloomberg Barclays US Aggregate Corporate yield to worst is utilized to estimate the price an investor pays for the income on Investment Grade Corporate bonds.

As of December 31, 2020

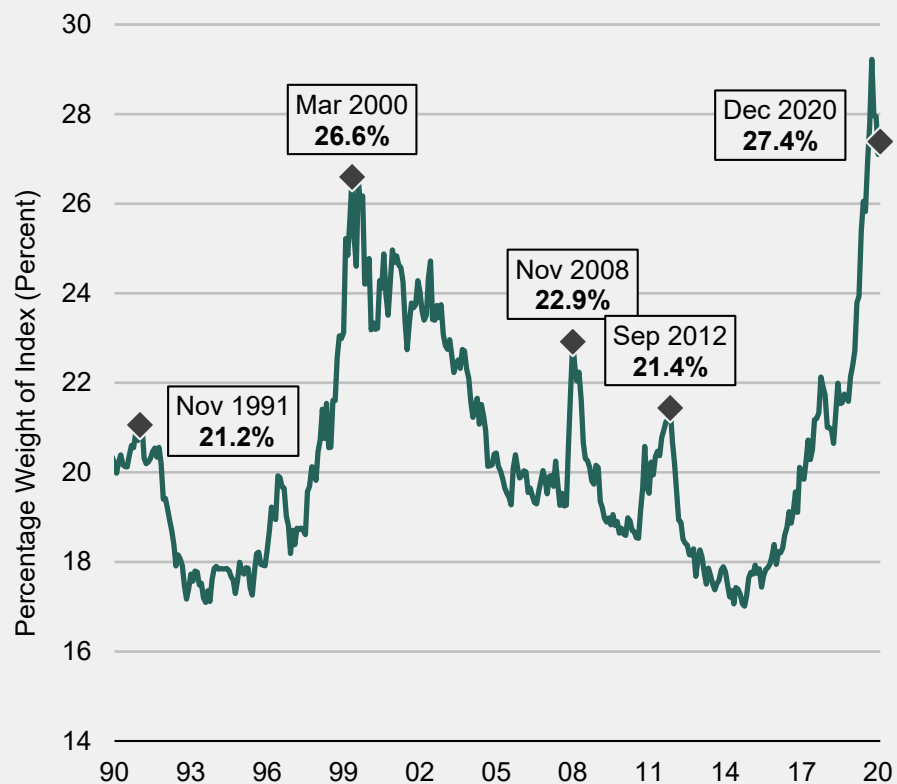
Source: Bloomberg, S&P and AB



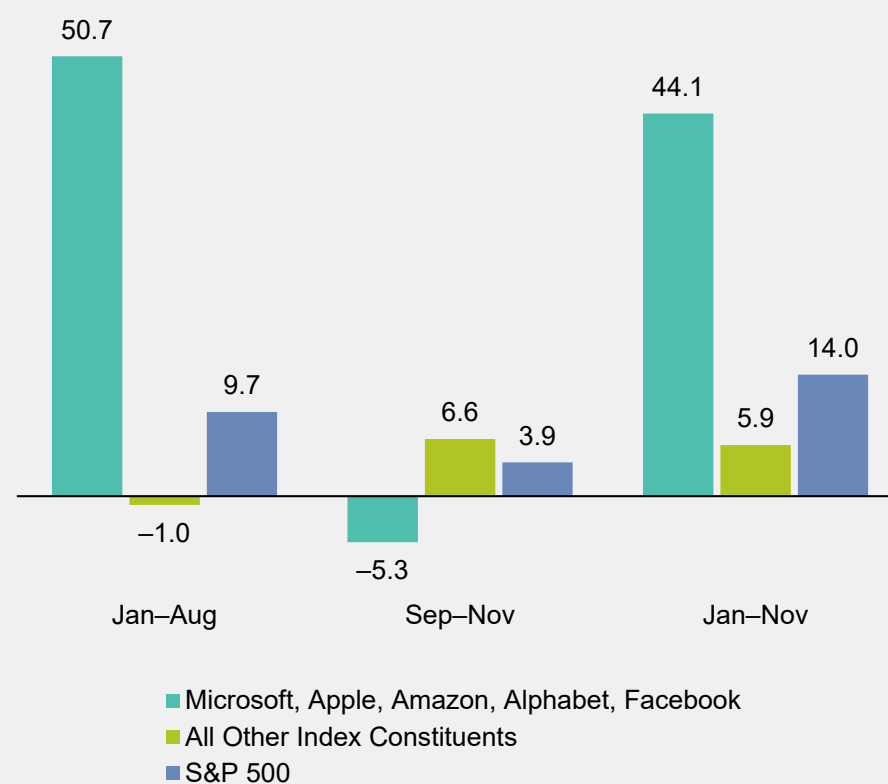
Rotation Notwithstanding, Concentration Remains Among US Large Caps

The Quarter's Fade of the Top Five Names Reinforces the Notion of Casting a Wider Net

10 Largest Companies in S&P 500



Composition of S&P 500 Returns



Historical analysis and current forecasts do not guarantee future results.

Peaks shown are for the last day of each month displayed.

*Numbers may not sum due to rounding.

As of Dec 31, 2020

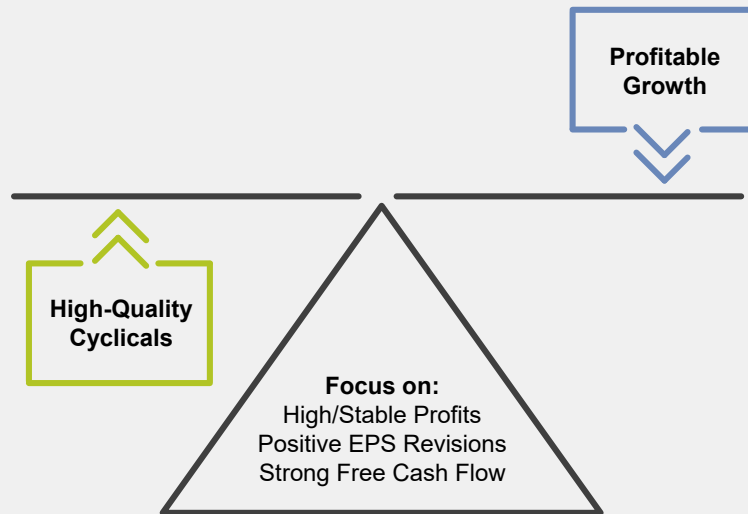
Source: Bloomberg, Morningstar, S&P and AB



Quality Is a Durable Factor That Can Be Found in Both Value and Growth

But P/E Multiple Expansion Likely to Be Limited

Potential Downside Risks Suggest Overexposure to Strong Business Models, While...



...Higher Visibility into an Economic Recovery Suggests Rebalancing Where Appropriate

Multiples Have Risen as Financial Conditions Have Eased
P/Es Constrained: Financial Conditions Are Near Record Highs



Historical analysis and current forecasts do not guarantee future results.

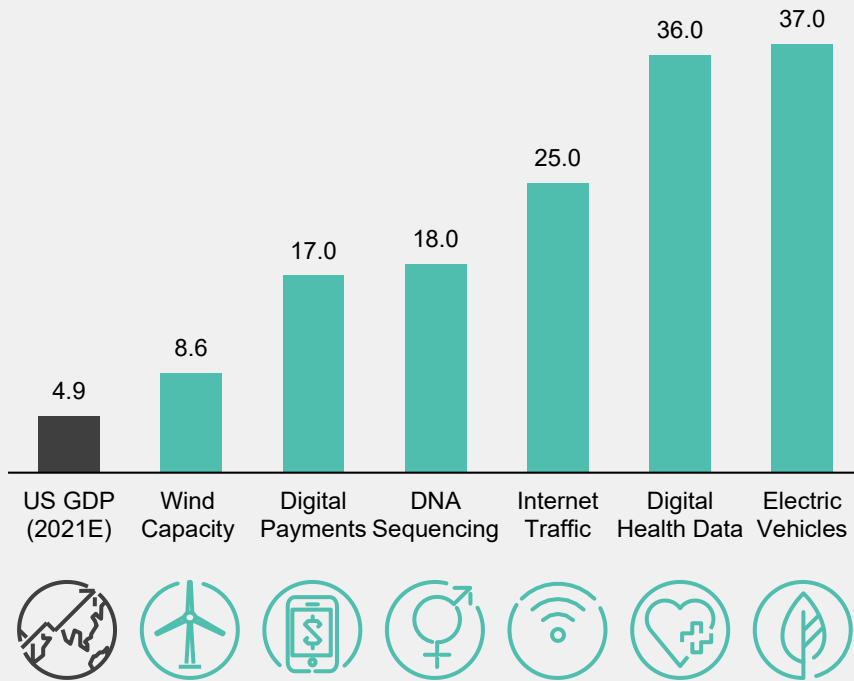
As of December 31, 2020

Source: Bloomberg, Goldman Sachs, S&P and AB

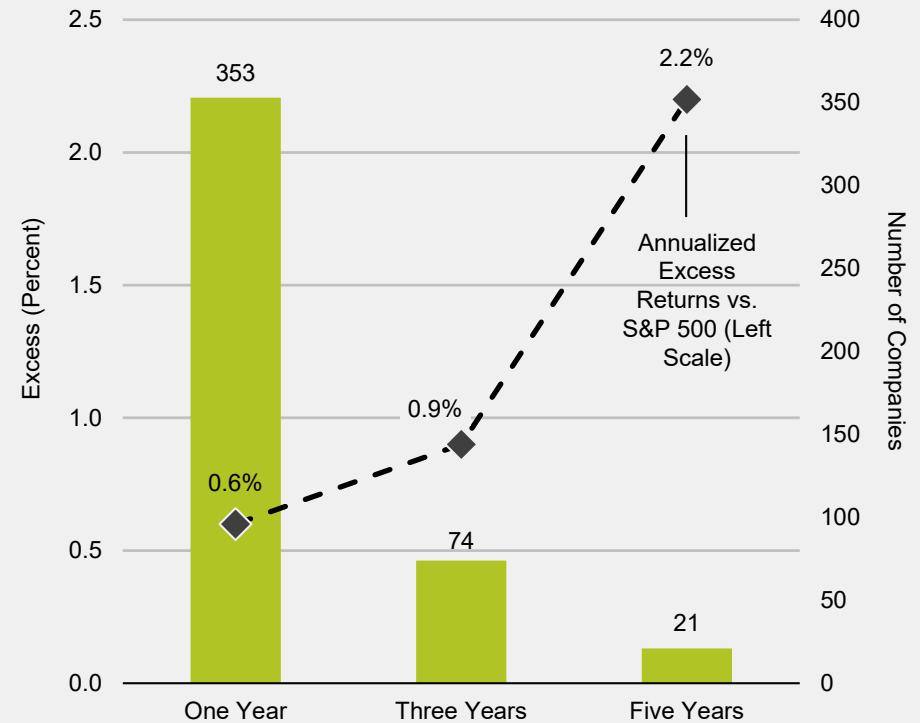


Paths to Quality: Seek Persistent Themes and Growth

Secular Trends Offer Outsized Growth Potential
Compounded Annual Growth Rates (Percent)



Companies Persisting with $\geq 10\%$ YoY Earnings Growth
Top 1,000 US Companies (1979–2020)*



Current forecasts do not guarantee future results.

US GDP estimate from AB economists as of November 30, 2020. Wind capacity 2019–2025; global digital payments 2020–2024; global DNA sequencing 2020–2023; global internet traffic 2015–2020; digital health data 2018–2025; and electric vehicle units 2020–2025

*Universe consists of the top 1,000 companies by market cap each year from 1979 through 2018 with annual rebalancing.

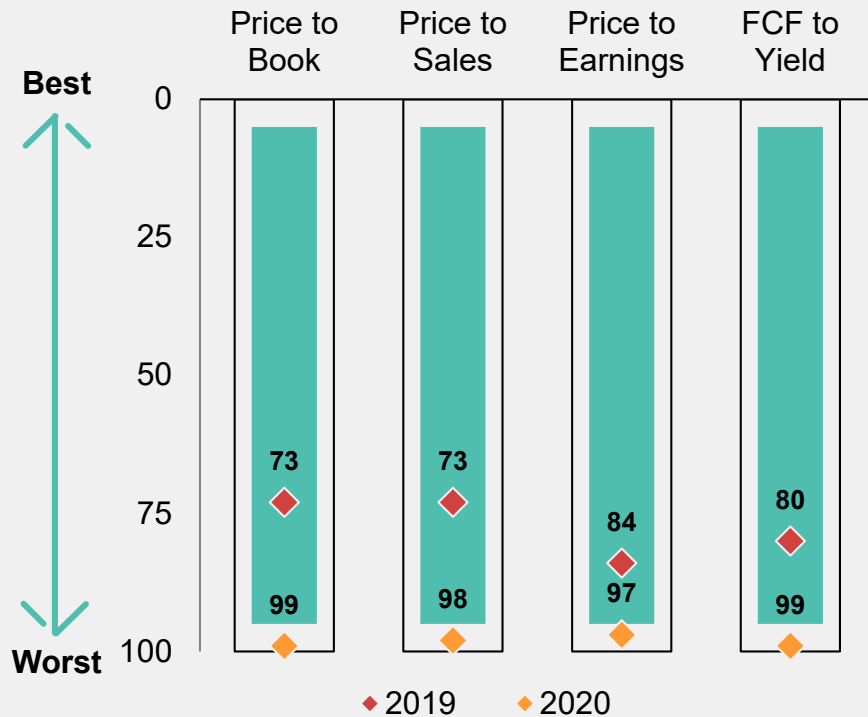
As of December 31, 2020

Source: BCC Research, Center for Research in Security Prices, Cisco Systems, FactSet, Global Wind Energy Council, IDC, Morgan Stanley, S&P Compustat, Statista and AB

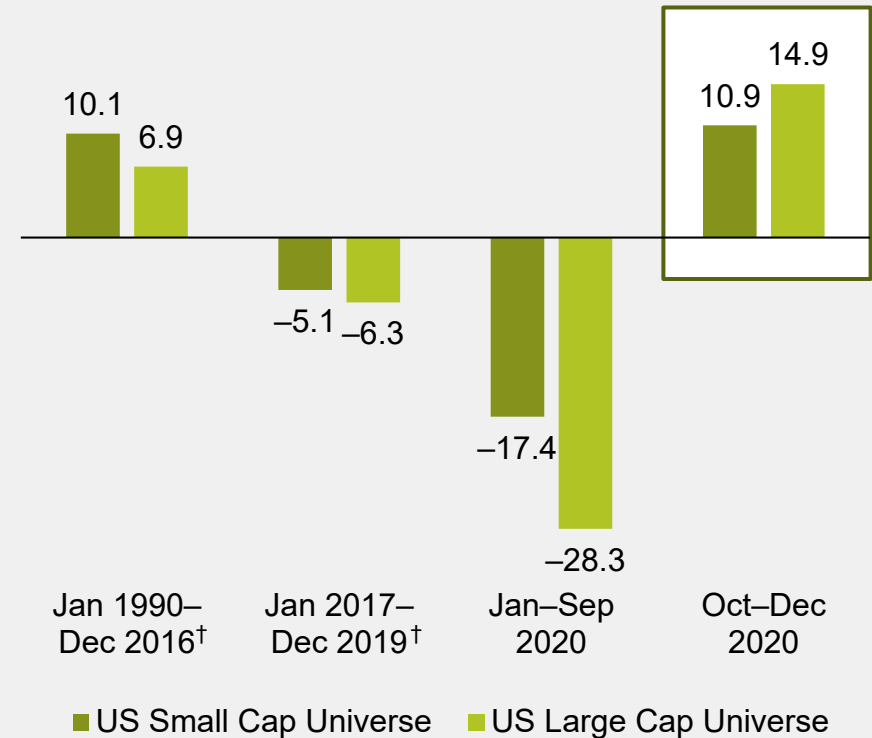


Historic Underperformance of Value: Upside Remains, but Be Selective

Relative Performance Rankings: Value's Rough Road*



Price/Free Cash Flow: An Effective Factor Revived
First Quintile vs. Market: Excess Return (Percent)



Past performance and historical analysis does not guarantee future results.

*Ranks based on calendar years since 1977

†Annualized

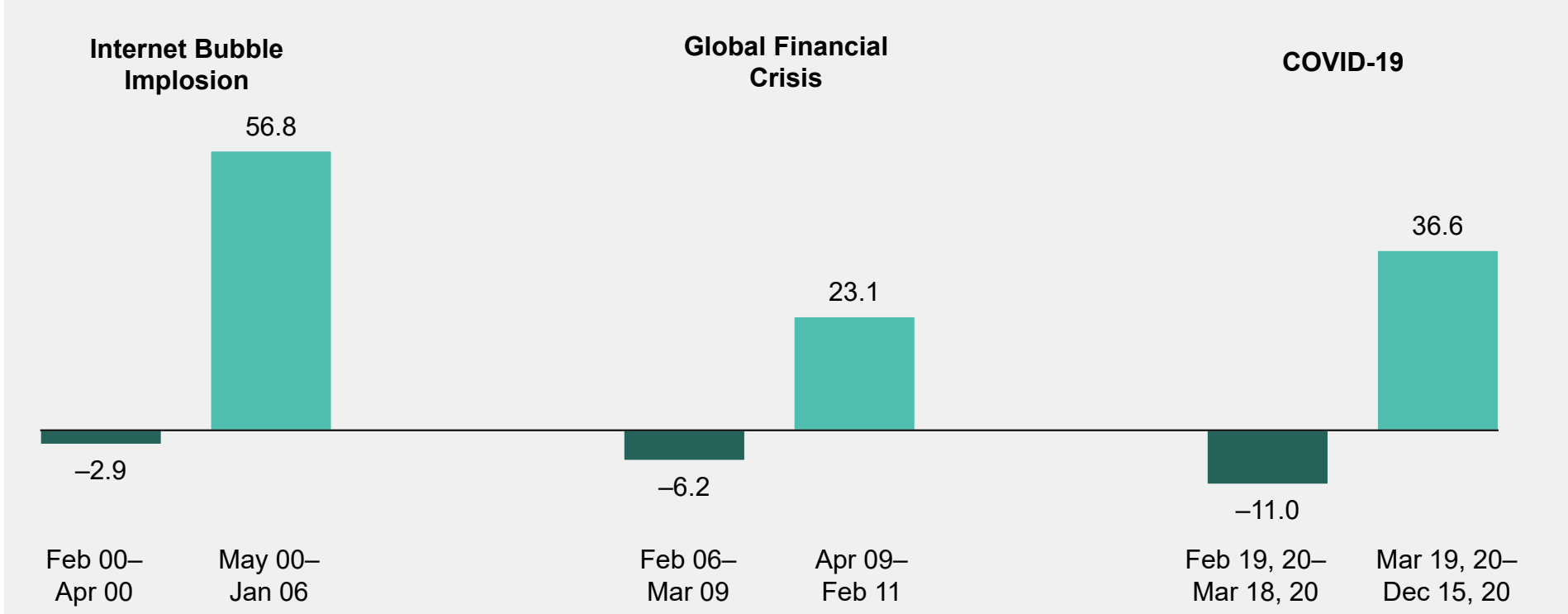
As of December 31, 2020

Source: AB; see Disclosures and Important Information.



Small-Cap Stocks Do Well in Recoveries

Russell 2000 vs. Russell 1000 Relative Performance*



Past performance and historical analysis do not guarantee future results.

*Cumulative returns were used for all time periods shown.

Through December 31, 2020

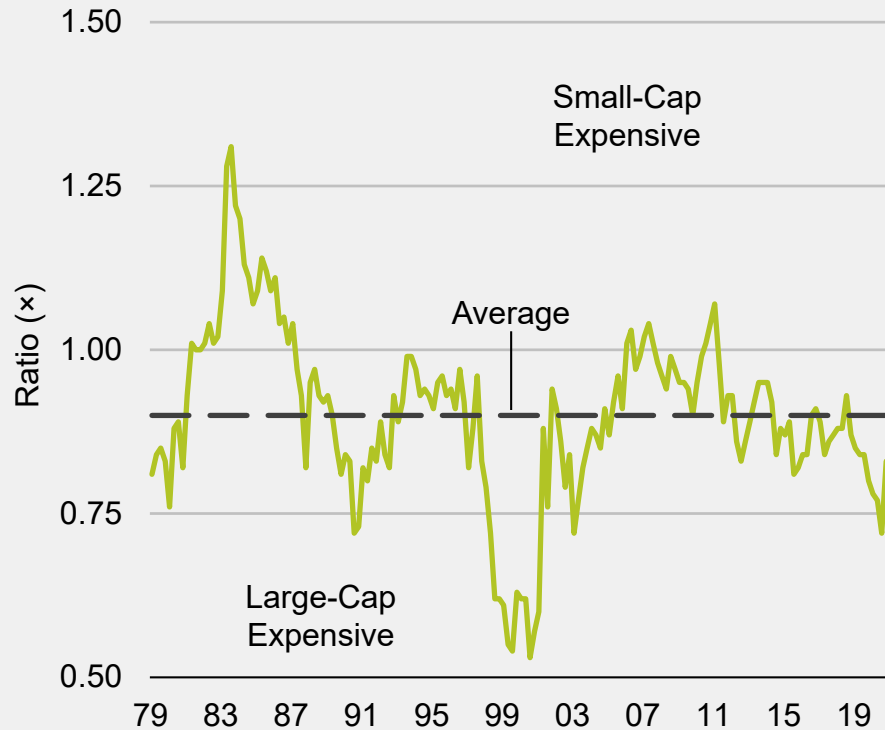
Source: FTSE Russell and AB



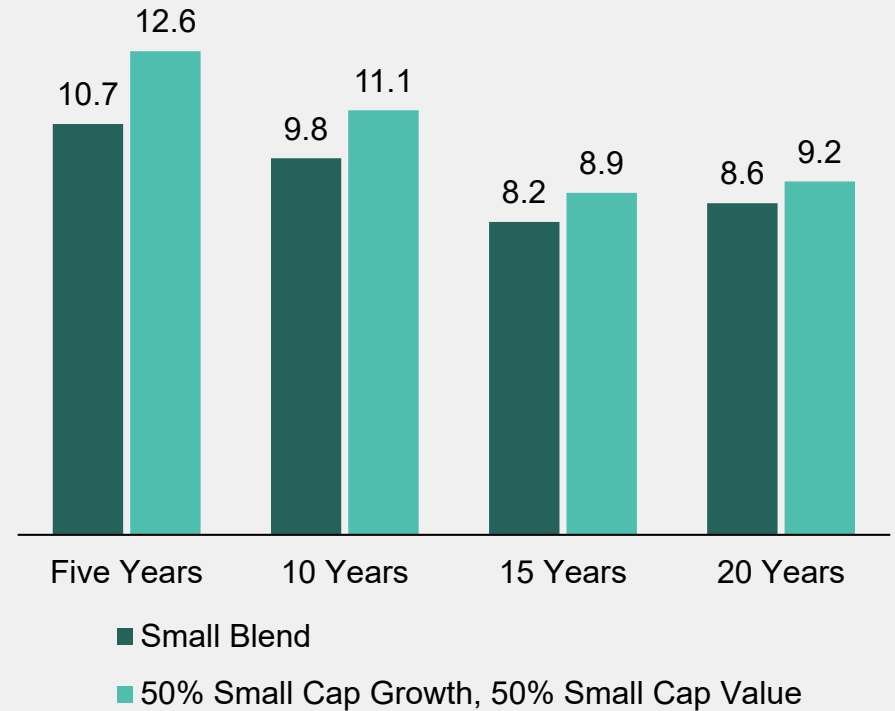
Small Caps Remain Attractively Valued: Be Discerningly Active

The Growth-Value Continuum Tails Are Ripe with Richer Opportunities vs. a Core Approach

Russell 2000 vs. Russell 1000*



The Benefit of Investing in Small-Cap Style†
Percent (Annualized)



Past performance does not guarantee future results.

*Valuation composite is one-third price/forward earnings, one-third price/book and one-third price/sales. Period covered starts at the inception date for the Russell indices

†Includes active managers in the Small Cap Growth, Small Cap Blend and Small Cap Value Morningstar categories

As of December 31, 2020

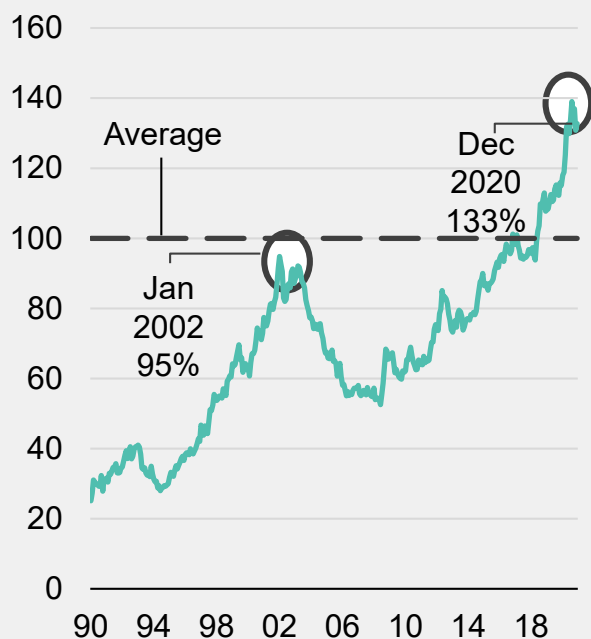
Source: FTSE Russell, Morningstar and AB



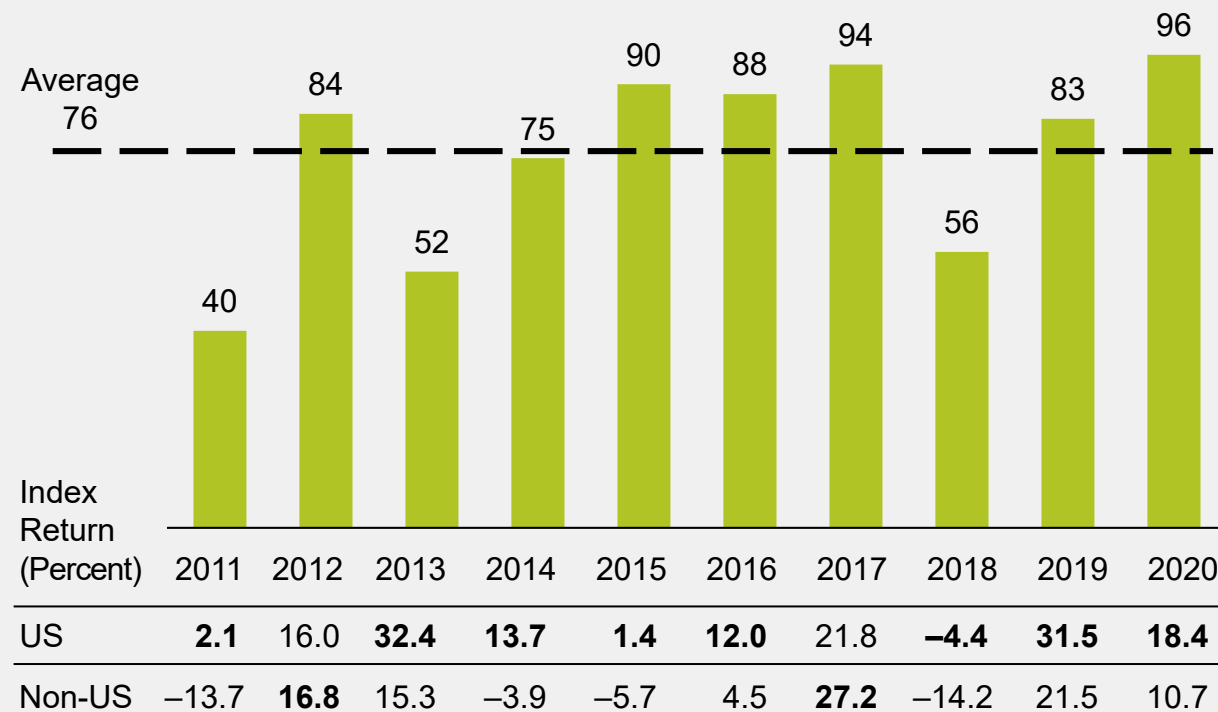
International Equities: Plenty of Room and Exceptional Performers Exist

Provides Diversification Away from US Index Concentration Issues

Market Value of 100 Largest US Companies as a Percentage of All Non-US Developed Markets (USD)*



Annual Percentage of the Top 50 Stocks That Were Non-US†



Index Return (Percent)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
US	2.1	16.0	32.4	13.7	1.4	12.0	21.8	-4.4	31.5	18.4
Non-US	-13.7	16.8	15.3	-3.9	-5.7	4.5	27.2	-14.2	21.5	10.7

Historical analysis and current forecasts do not guarantee future results.

*S&P 100 market value as a percentage of MSCI EAFE Index

†Top 50 stocks are the companies with the highest total returns in the S&P 500 and MSCI ACWI ex US each year. Returns table uses S&P 500 and MSCI ACWI ex US in USD for US and non-US, respectively.

Through December 31, 2020

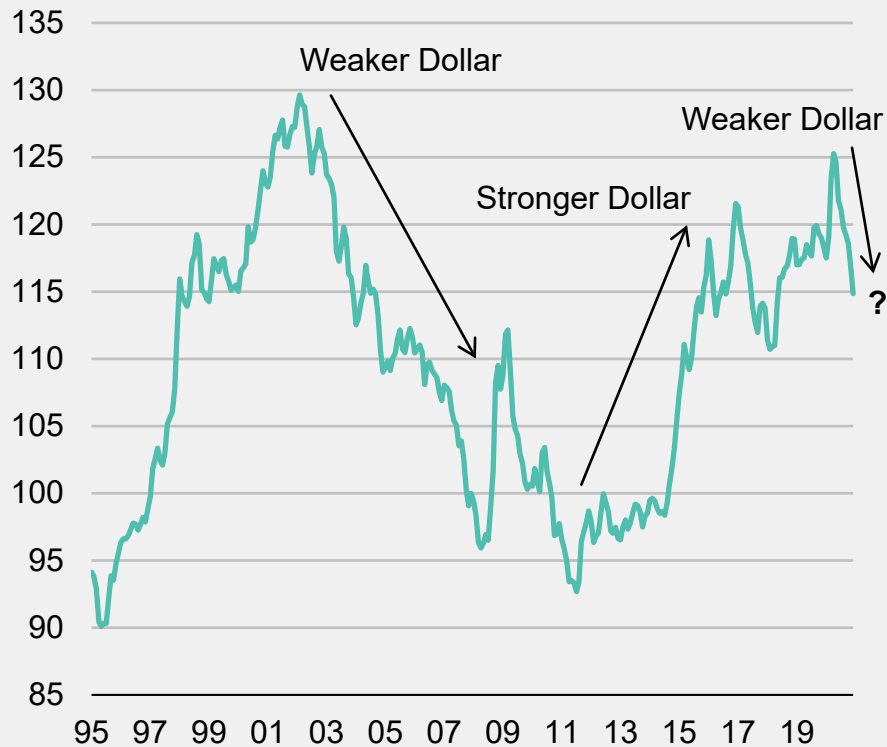
Source: Bloomberg, FactSet, FTSE Russell, MSCI, S&P and AB



Currency: Elongated Cycles That Impact US Investor Returns

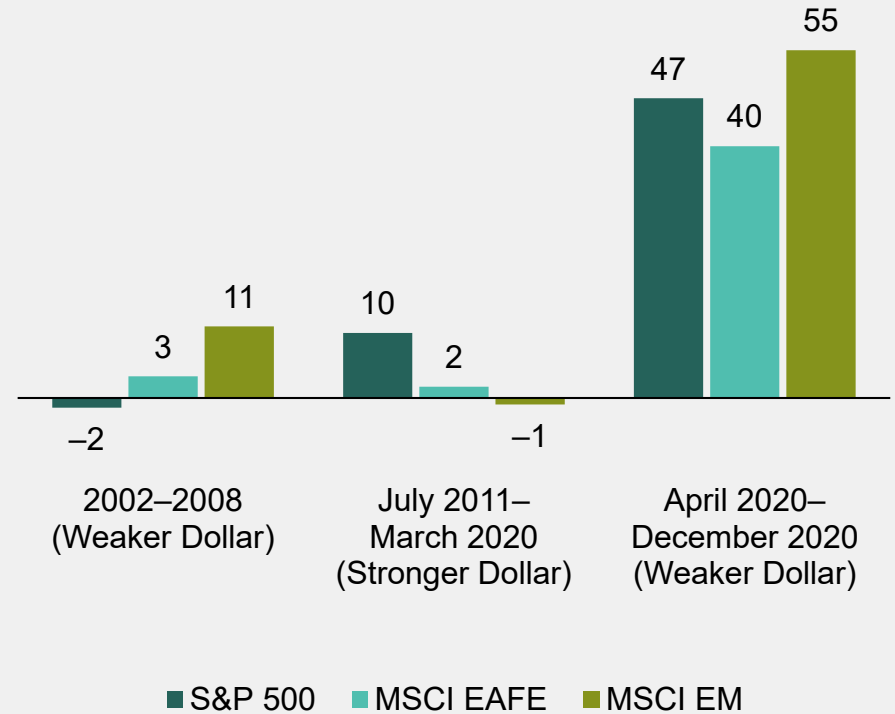
The Start of a New Phase?

Daily Trade-Weighted Dollar Index 1997=100



Weaker Dollar Boosts International Equity Returns (Percent)

Annualized Asset Class Returns (in USD)

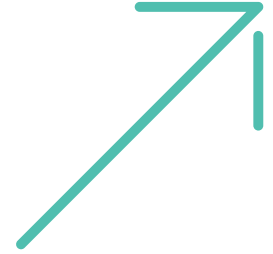


Past performance does not guarantee future results.

As of December 31, 2020

Source: Bloomberg, Federal Reserve Economic Data, Morningstar and AB





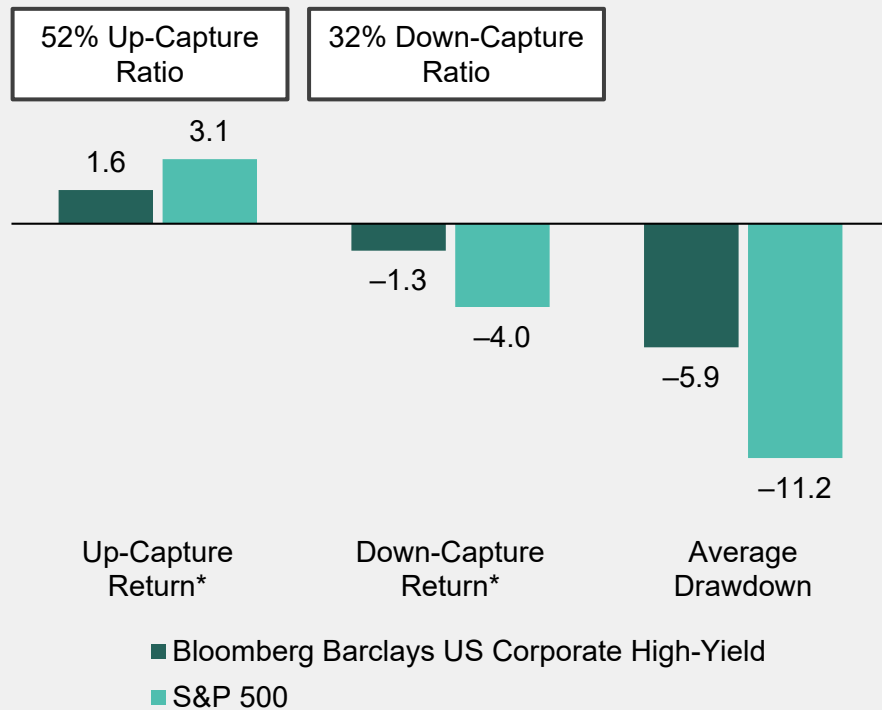
TAXABLE FIXED

High Yield as Equity De-Risk

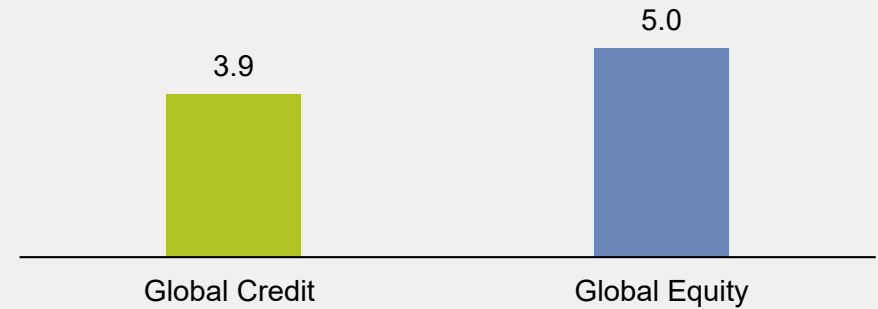
High-Quality High Yield Enhances Equity Allocation with Less Downside

Capture and Drawdown Statistics

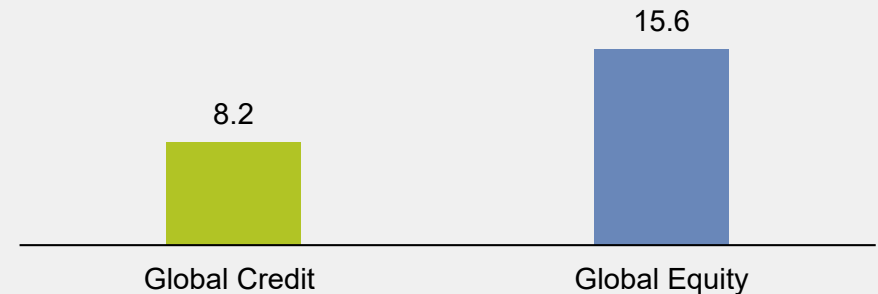
Jan 2000–Dec 2020 (Percent)



Expected 10-Year Return



Expected 10-Year Volatility



Past performance does not guarantee future results.

Hedged returns in US dollars. Equity markets referenced represent broad universes similar to the corresponding MSCI indices: for example, global large-cap stocks represents a universe similar to the MSCI World. *Up-capture return and down-capture return are shown using Bloomberg Barclays US Corporate High-Yield as the calculation benchmark. Ten-Year Volatility is defined by Average Expected Volatility (AEV). If the annual returns are serially independent and identically distributed, then the AEV will equal the first-year volatility. When returns are mean reverting—as for equities whose valuations follow the business cycle—the AEV will be smaller than the first-year volatility, whereas when returns are persistent—as for bonds driven by yield momentum—the AEV will exceed first-year volatility.

Left display as of December 31, 2020; right display as of June 30, 2020

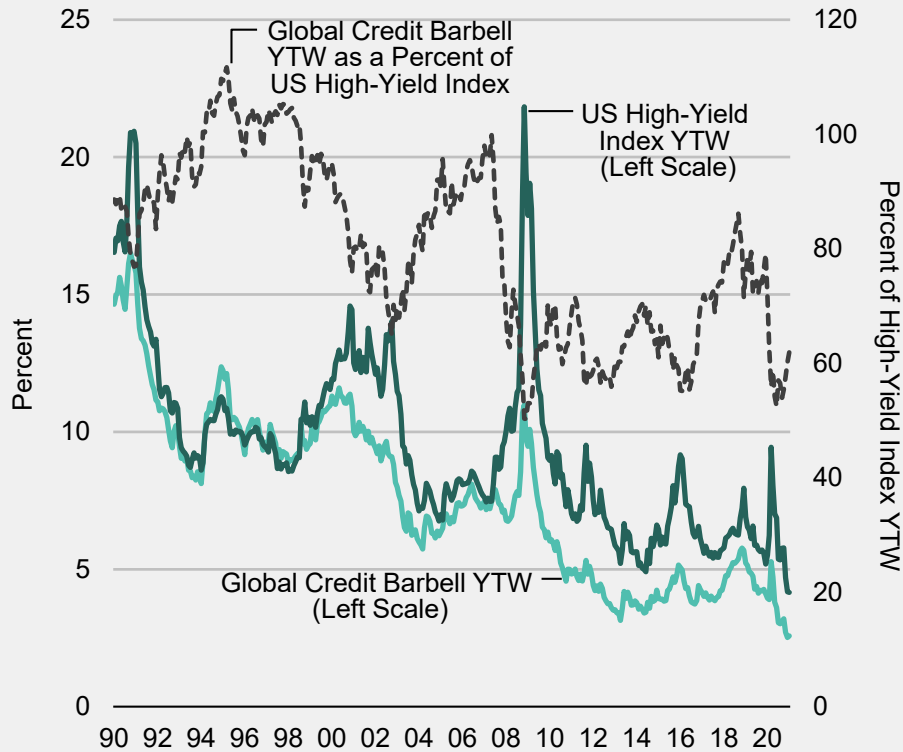
Source: Bloomberg Barclays, Morningstar Direct and AB



Late-Cycle Income with the Downside Mitigation of Treasuries

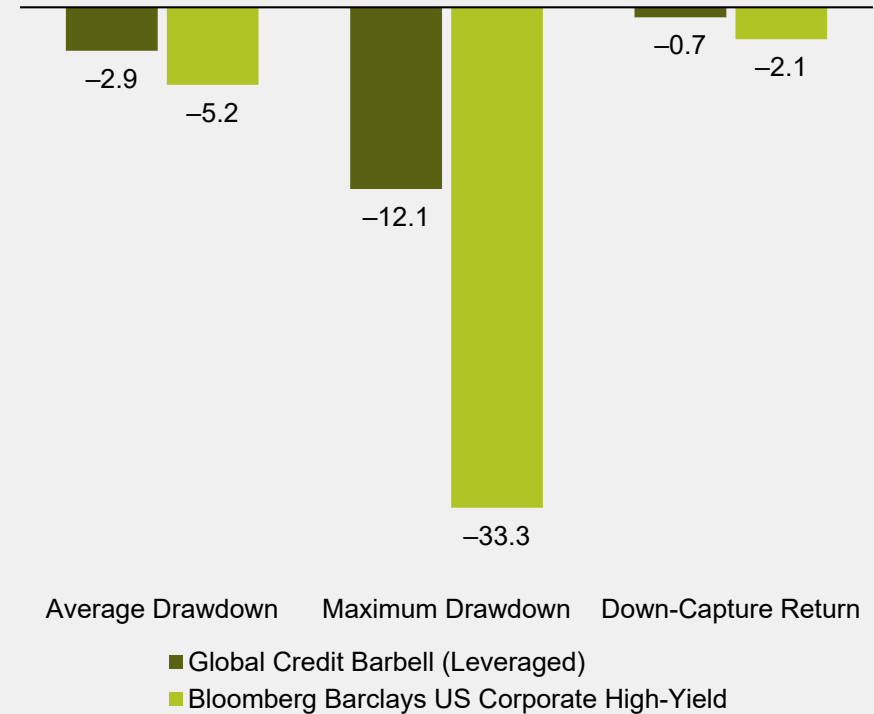
Currently, a Global Credit Barbell Generates ~62% of the Income of the High-Yield Index

Yield to Worst (YTW) of Global Credit Barbell and Bloomberg Barclays US Corporate High-Yield



Downside Risk Statistics

Feb 1990–Dec 2020 (Percent)



Past performance and current analysis do not guarantee future results.

Global credit barbell is a hypothetical risk-weighted portfolio made up of 65% Bloomberg Barclays US Treasury and 35% Bloomberg Barclays Global High-Yield, leveraged 30%. Any benchmark or index cited herein is used for comparison purposes only. An investor cannot invest directly in an index. The unmanaged index performance does not reflect any fees and expenses associated with the active management of an AB portfolio.

Through December 31, 2020

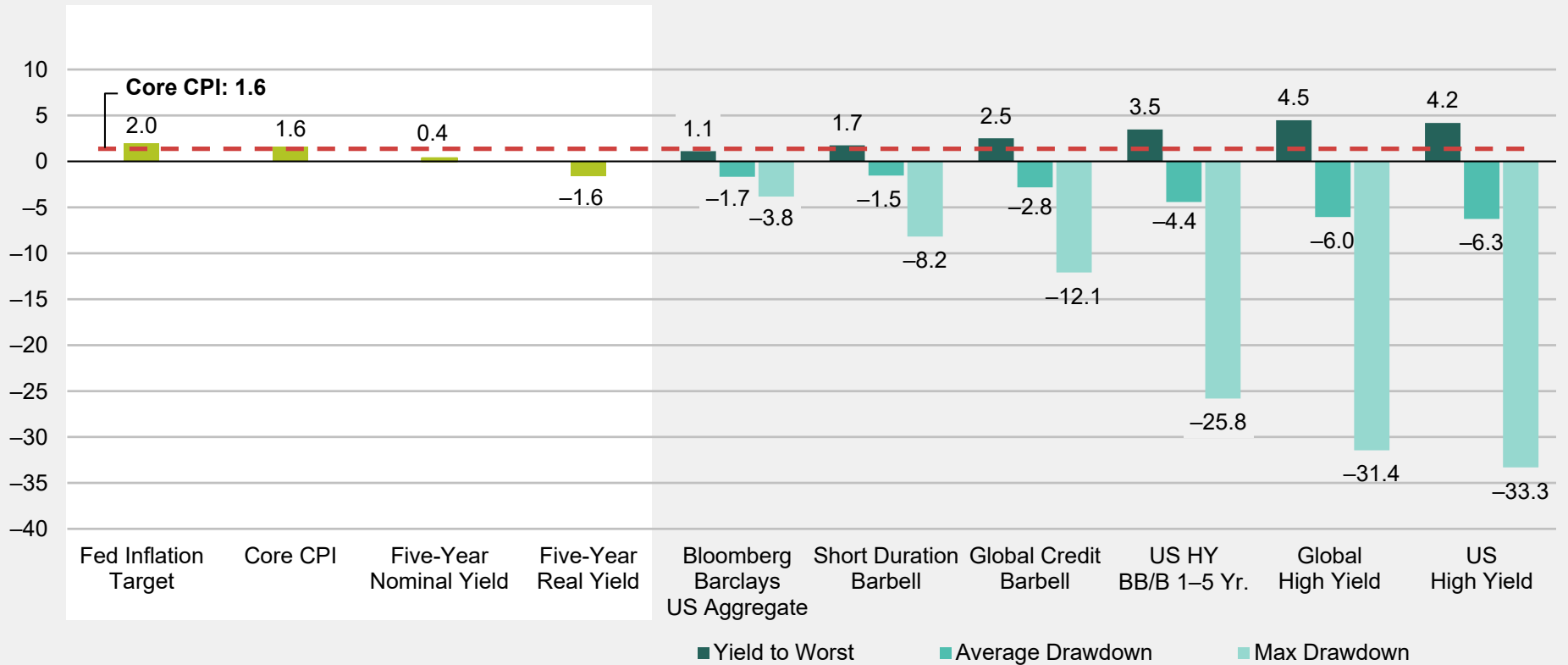
Source: Bloomberg Barclays, Morningstar and AB



Focus on Efficient Income in a Low-Yield Environment to Beat Inflation

Yield-to-Worst and Historical Drawdowns (Percent)

Jan 2007–Dec 2020



Past performance does not guarantee future results.

Short Duration Barbell is a hypothetical risk-weighted portfolio made up of 65% Bloomberg Barclays US Treasury 1–5 Yr. Index and 35% Bloomberg Barclays US High-Yield BB/B 1–5 Yr. Index and leveraged 30%. Global credit barbell is a hypothetical risk-weighted portfolio made up of 65% Bloomberg Barclays US Treasury and 35% Bloomberg Barclays Global High-Yield and leveraged 30%. Any benchmark or index cited herein is used for comparison purposes only. An investor cannot invest directly in an index. The unmanaged index performance does not reflect any fees and expenses associated with the active management of an AB portfolio.

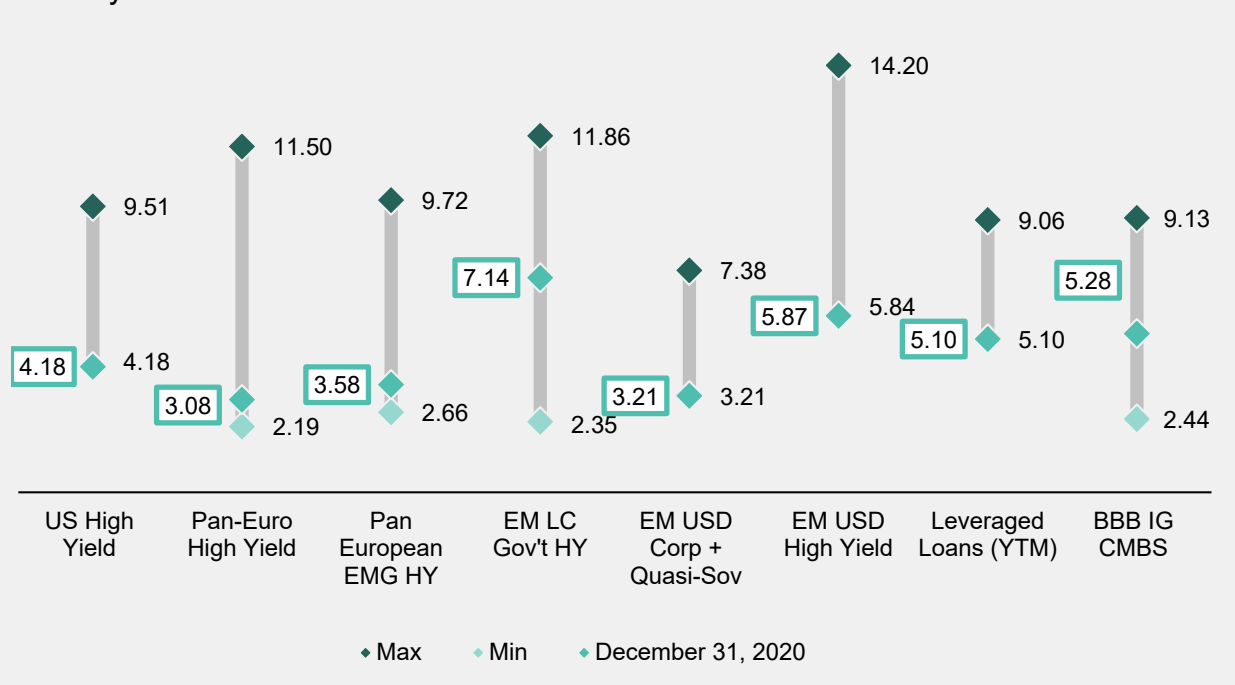
As of December 31, 2020. Source: Morningstar Direct and AB



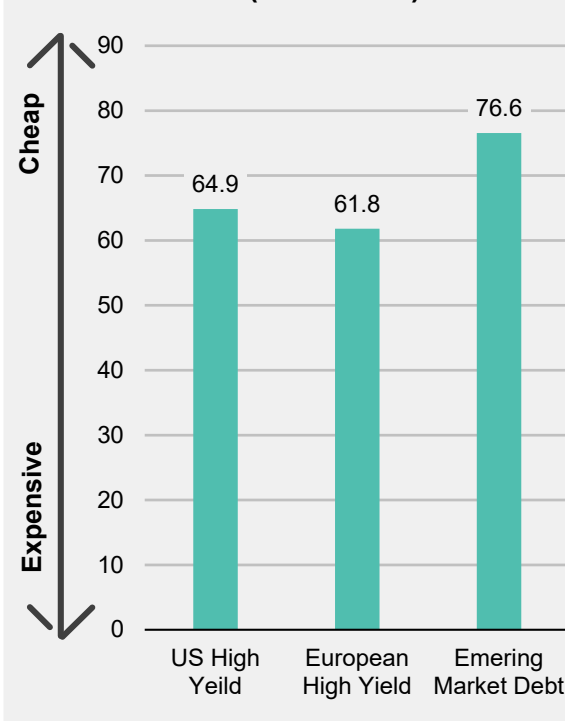
Global Multisector High-Yield Investing Provides Greater Yield Potential

10-Year Yield to Worst Range

January 2011–December 2020



Relative Value (Percentile)



Past performance does not guarantee future results.

Historical information provided for illustrative purposes only. US High Yield is represented by Bloomberg Barclays US High Yield Corporate Index; Pan-Euro High Yield by Bloomberg Barclays Pan-European High Yield; Pan-European EMG HY by Bloomberg Barclays Pan European EMG High Yield; EM LC Gov't HY by Bloomberg Barclays EM Local Currency Government High Yield; EM USD Corp + Quasi-Sov by Bloomberg Barclays EM USD Corp + Quasi Sovereign High Yield; EM USD High Yield by Bloomberg Barclays EM USD Sovereign High Yield; Leveraged Loans (YTM) by Credit Suisse Leveraged Loan Index; BBB IG CMBS by Bloomberg Barclays CMBS IG BBB Index

As of December 31, 2020

Source: Bloomberg, Morningstar and AB



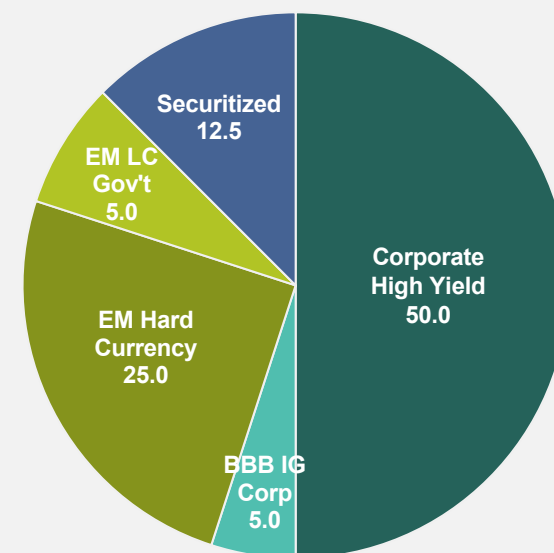
By the Numbers

A Blended Credit Portfolio Offers a Better Income-to-Risk Profile Today

Hypothetical Portfolio Characteristics

	Corporate Credit		Emerging Markets			Securitized Credit		Hypothetical Portfolio	US High Yield Index
	Global High Yield	IG BBB Corp	EM HC Sov	EM HC Corp	EM LC Gov't	CRTs	IG BBB CMBS	Global High Yield Strategy	US High Yield Index
Percent Market Weight	50.0%	5.0%	15.0%	10.0%	7.5%	5.0%	7.5%	100%	100%
YTW (Percent)	4.5	2.1	5.9	5.6	7.1	4.8	5.3	5.0	4.2
OAS (b.p.)	409	212	525	494	124	452	473	411	360
Credit Quality	B+	BBB	B	BB/B	B	B	BBB	Ba/B	Ba/B
Duration (Years)	4.2	8.7	5.6	4.2	4.2	0.3	5.0	4.5	3.6

Sector Allocation: Market Weight Percent



Past performance does not guarantee future results.

Simulated or hypothetical performance results have certain inherent limitations. Unlike the results shown in an actual performance record, these results do not represent actual trading. Results include estimates of trading costs and market impact; however, because these trades have not actually been executed, results may have under- or overcompensated for these costs. Simulated or hypothetical trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve returns or a volatility profile similar to those being shown. IG BBB Corp: Investment-Grade Corporates; Securitized includes Agency CRTs; BBB Commercial Mortgage-Backed Securities; EM Hard Currency includes USD denominated EM Corporate and Sovereign Debt

As of December 31, 2020

Source: Bloomberg Barclays and AB



Municipal Credit: Mid-Grades Offer Significantly Higher Yields, Along with Total Return Potential Through Spread Reversion

AAA Municipal Inside 10-Year Offer Sub 1% Yields



Municipal Ladders Lock in Yields Lower than Inflation

Core CPI	1.6
Five-Year Inflation Breakeven	1.95

Strategy Mandate	Yield to Worst	Duration
60/40 Blend (AA/BBB)	1.35%	5.62
1–5-Year Ladder	0.22%	2.63
1–10-Year Ladder	0.41%	5.50
1–15-Year Ladder	0.61%	6.93
5–15-Year Ladder	0.76%	8.67

Current analysis does not guarantee future results. There is no guarantee any investment objective will be achieved.

As of December 31, 2020

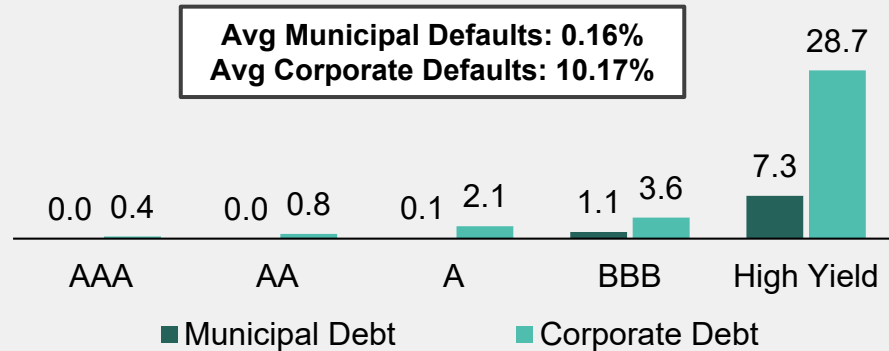
Source: Bloomberg, Federal Reserve Bank of St. Louis and AB



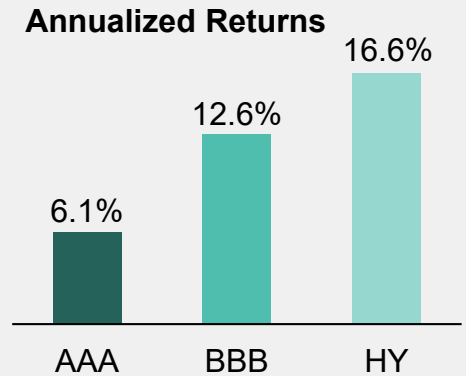
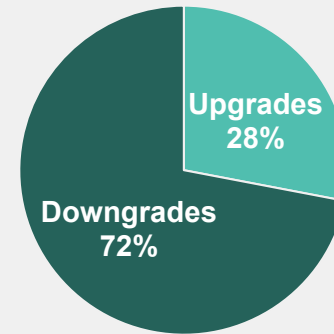
Opportunity for Muni Credit Remains

Muni Market Has Had Low Historical Default Rates

10-Year Cumulative Default Rates (1970–2019)

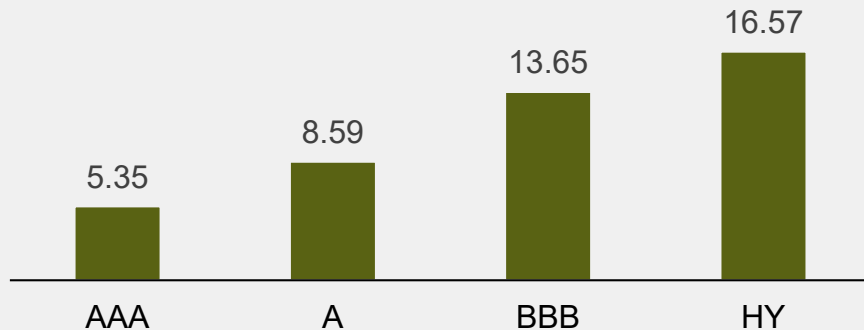


Ratings Activity and Returns* (2009–2012)



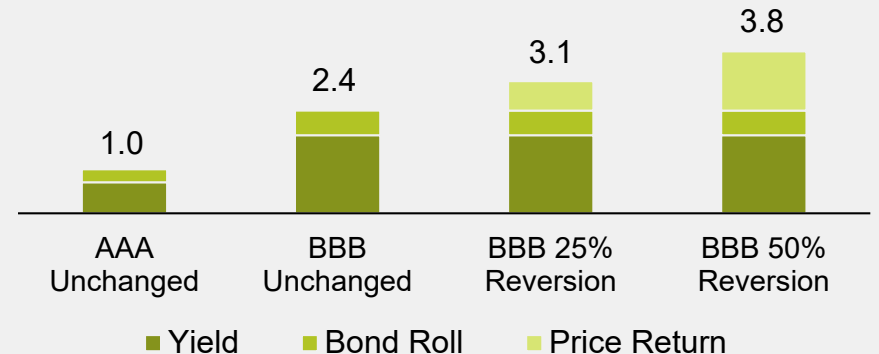
Performance by Credit Quality Since May

Percent



AAA/BBB Spread Reversion Scenarios

12-Month Hypothetical Return



Current analysis does not guarantee future results. There is no guarantee any investment objective will be achieved.

As of December 31, 2020

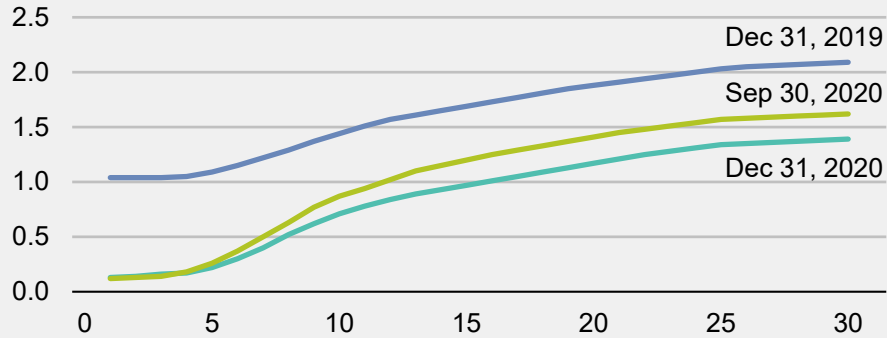
Source: Bloomberg, Moody's, Morningstar, Municipal Market Data and AB



Making the Case for Credit in 2021

Micro Conditions Are Favorable

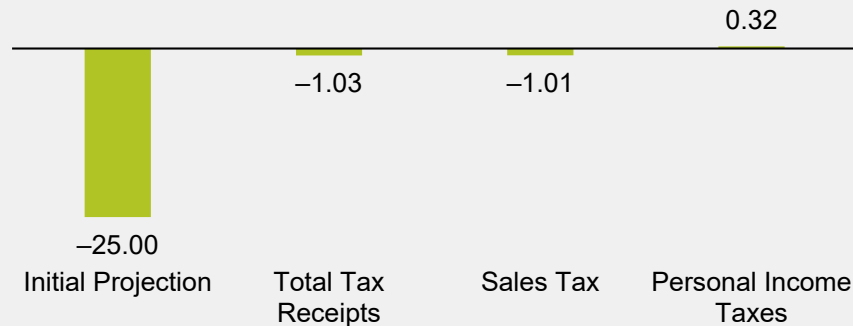
AAA Municipals Yields Are Near or at All-Time Lows
Percent



2020 and 2021 Forecasted Net Municipal Issuance
USD Billions



Aggregate YTD Tax Collections
Percent



Credit Spreads Remain Wide

	A	BBB	HY
3/2/2020	0.32	0.70	2.18
12/31/2020	0.57	1.29	3.06
Change	0.25	0.59	0.88

Current analysis does not guarantee future results. There is no guarantee any investment objective will be achieved.

As of December 31, 2020

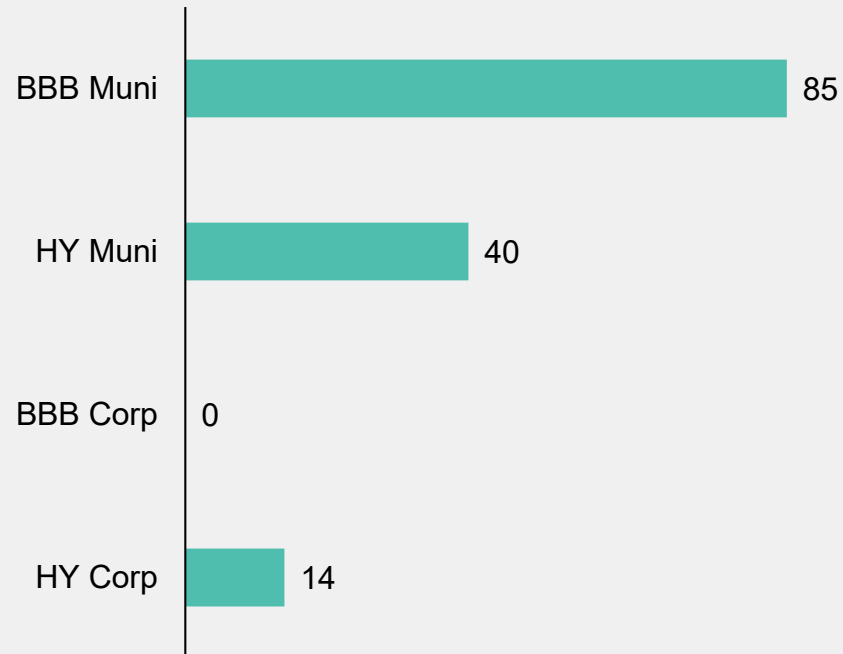
Source: Bloomberg, J.P. Morgan, Morningstar, Municipal Market Data and AB



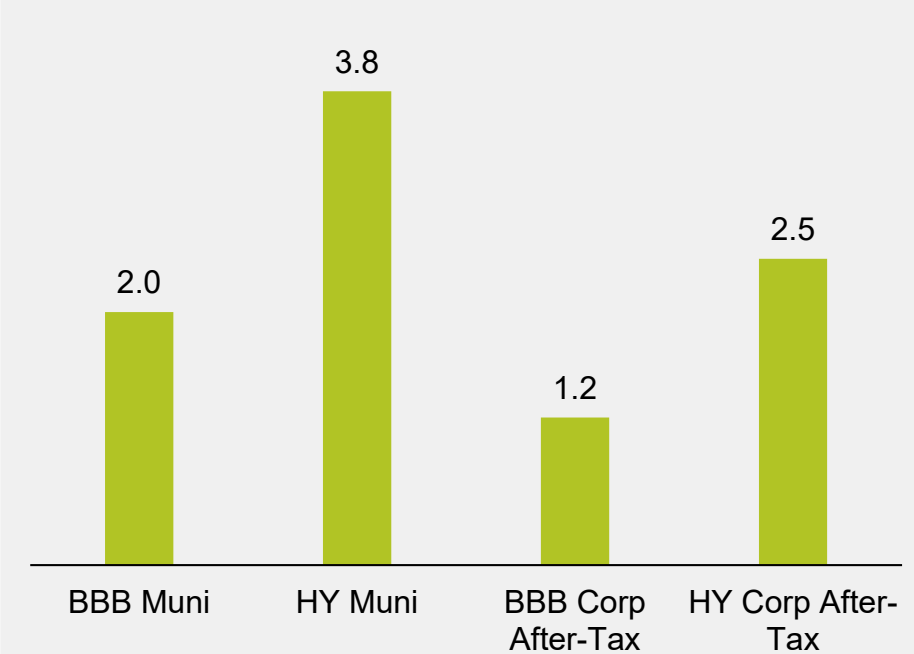
Municipal Credit Offers Attractive Yield and Is Cheap on a Relative Basis

Spreads Remain Wide to Other Fixed-Income Options

Percentage Wider Relative to Credit Spread Tights in Q1
Percent



Indices Yields
Percent



Analysis provided for illustrative purposes only and is subject to revision.

Tax rate used is 40.8%, which is the top federal tax rate plus 3.8% Medicare surcharge.

As of December 31, 2020

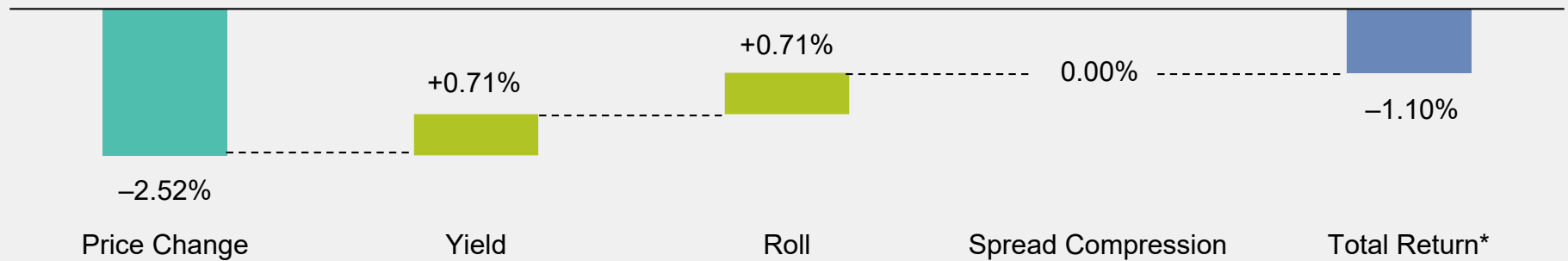
Source: Bloomberg and AB



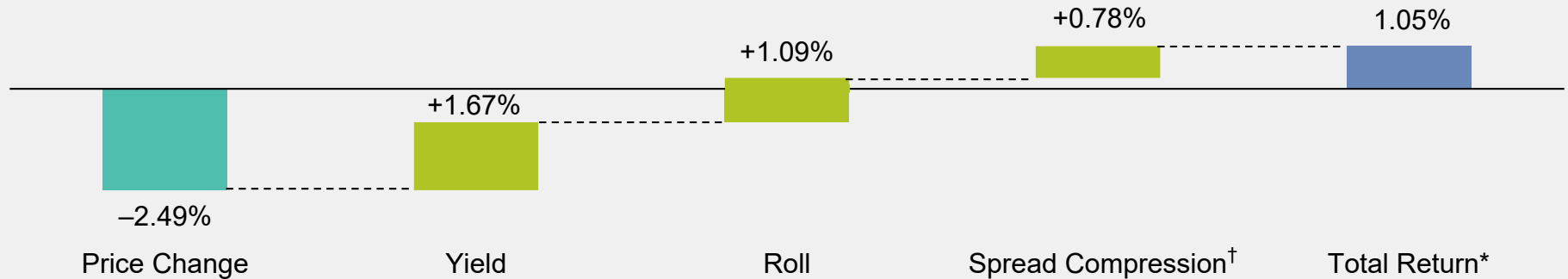
Credit Outperforms as Yields Rise

Power of Income, Roll and Wide Spreads

10-Year Maturity AAA-Rated Bond If Municipal Yields Increase by 30 Basis Points



10-Year Maturity BBB-Rated Bond If Municipal Yields Increase by 30 Basis Points



Analysis provided for illustrative purposes only and is subject to revision.

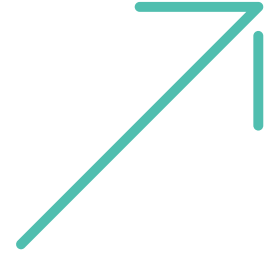
*Assumes muni yields increase 30 b.p.

†Assumes 10 b.p. of credit spread compression

As of December 31, 2020

Source: Municipal Market Data and AB



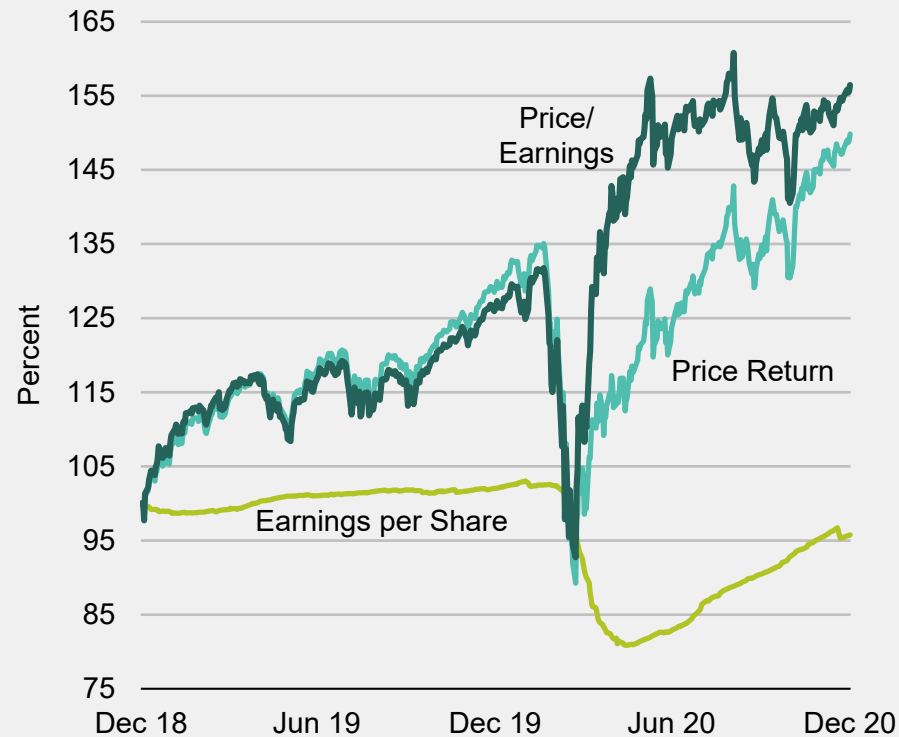


APPENDIX

Returns Still Not Driven by Earnings Growth and P/Es Have Limited Upside

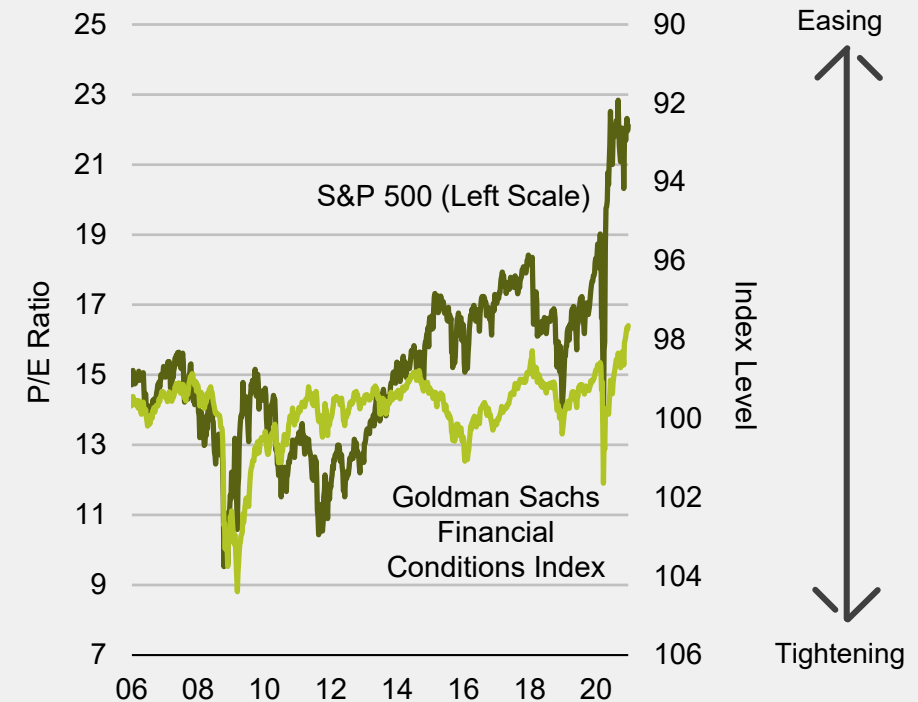
S&P 500 2020 Return Profile*

Driven by Multiple Expansion



Multiples Have Risen as Financial Conditions Have Eased

P/Es Constrained: Financial Conditions Are Near Record Highs



Historical analysis and current forecasts do not guarantee future results.

*All data for S&P 500. Earnings estimates are represented by Bloomberg consensus-blended forward 12-month estimates.

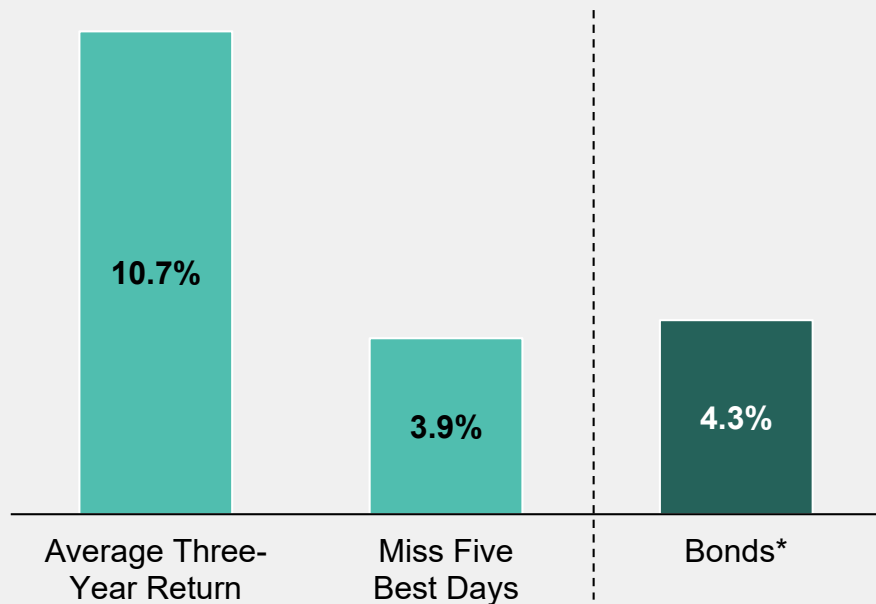
Through December 31, 2020

Source: Bloomberg, Cornerstone Macro, FactSet, Goldman Sachs, MSCI, S&P and AB

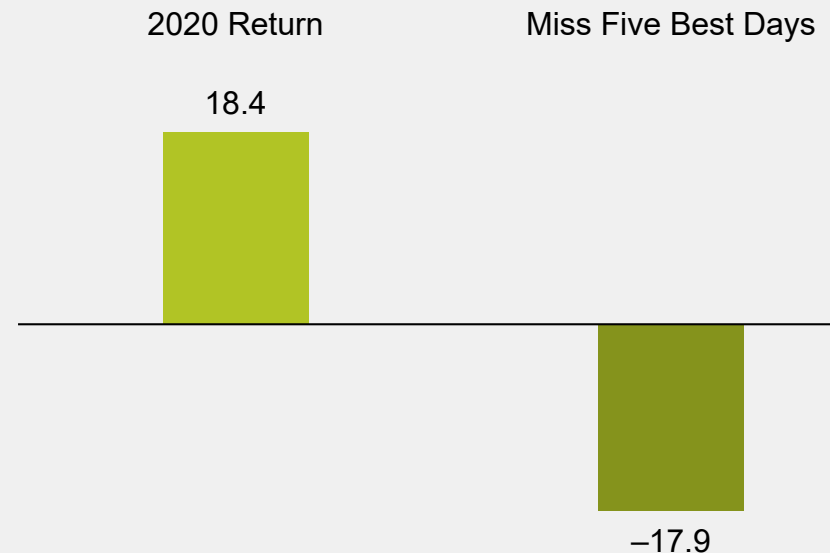


Timing the Market Means Getting Out and Getting Back In

S&P 500 Rolling Three-Year Returns
Annualized from 1988 through 2020



The Cost of Missing Out: S&P 500 Return in 2020
Percent



Historical analysis and current forecasts do not guarantee future results.

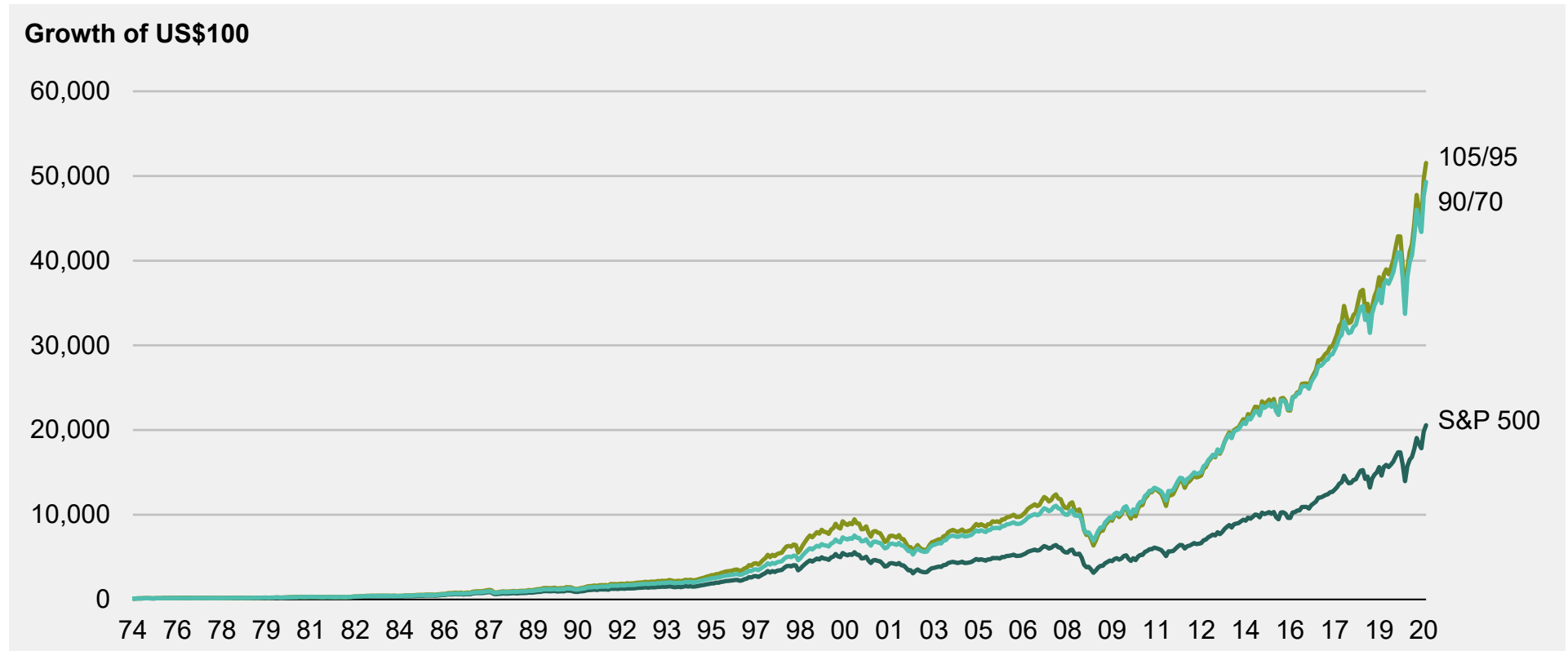
*Bonds represented by Lipper Short/Intermediate Municipal Bond Fund Average.

Left display as of November 30, 2020; right display as of December 31, 2020

Source: Bloomberg, Lipper, Morningstar, S&P and AB



Quality Stocks Foster Better Upside/Downside Capture and Outperformance



Past performance does not guarantee future results.

Returns shown are for illustrative purposes and not representative of any AB fund. It is not possible to invest in an index.

Performance calculated by multiplying all positive monthly returns (0% or greater) of the S&P 500 by 105% or 95% and all negative returns (less than 0%) by 95% or 70%; shown in logarithmic scale

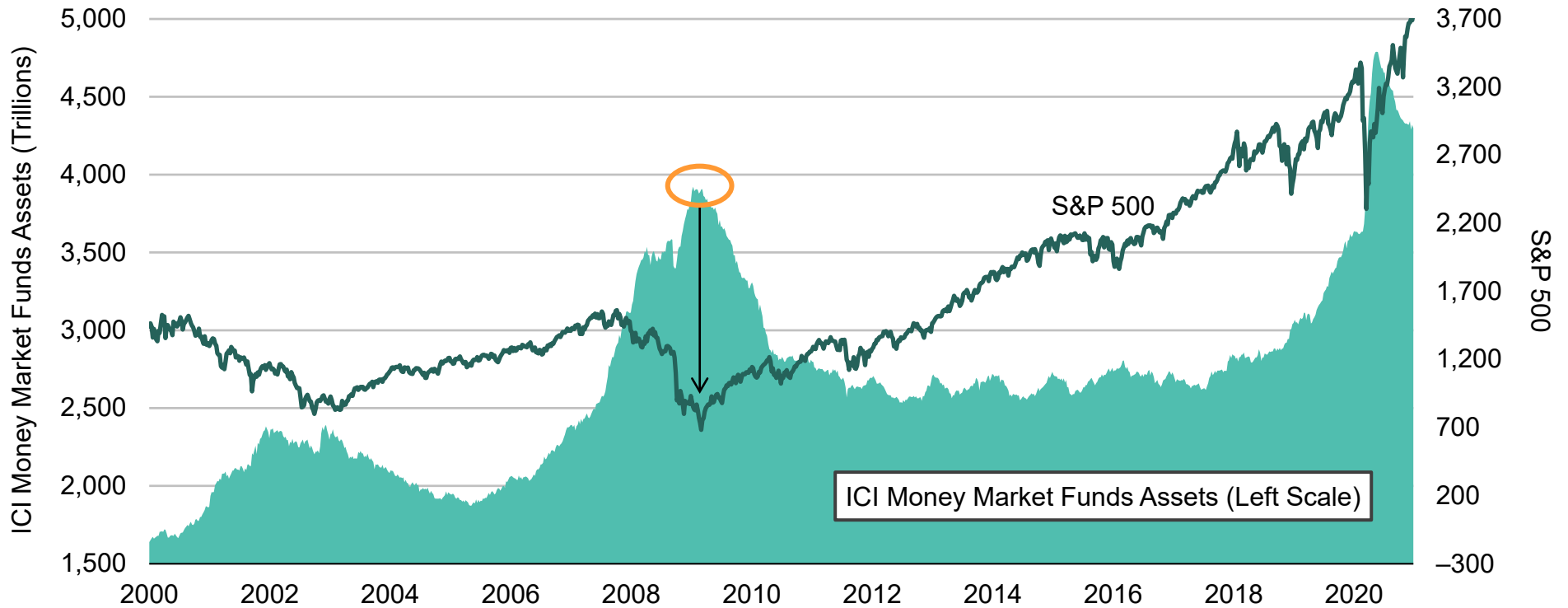
Through December 31, 2020

Source: S&P and AB



Cash in Money Market Funds Remains at Elevated Levels

Added Buying Power When Confidence Returns



Historical analysis and current forecasts do not guarantee future results.

ICI Money Market Funds Assets (MMFA): total assets in money market funds for the week. Figure is a total of taxable and tax-exempt funds that report to the Investment Company Institute.

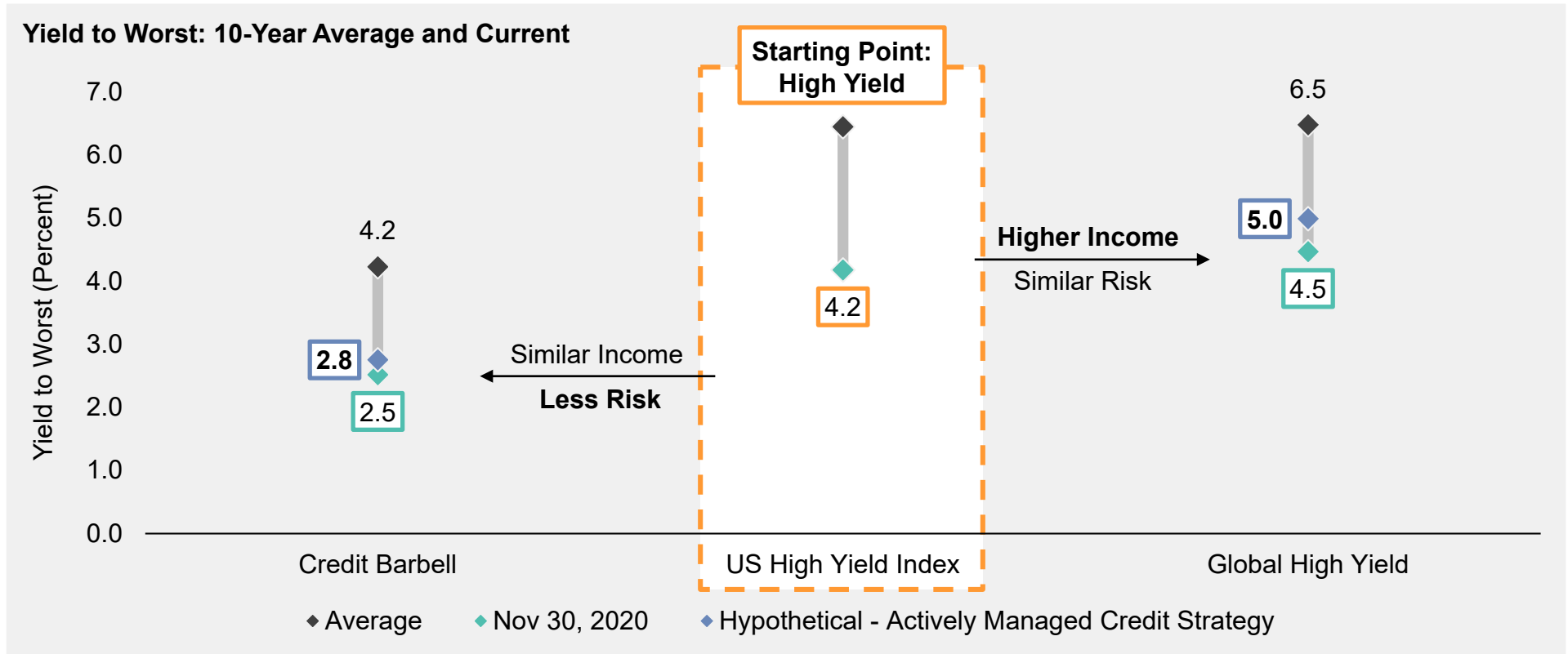
Through December 31, 2020

Source: Bloomberg, S&P and AB



Global Multisector Approach to Risk-Managed Efficient Income

Higher Income Potential, While Historically Reducing Drawdowns and Default Risk



Past performance and current analysis do not guarantee future results.

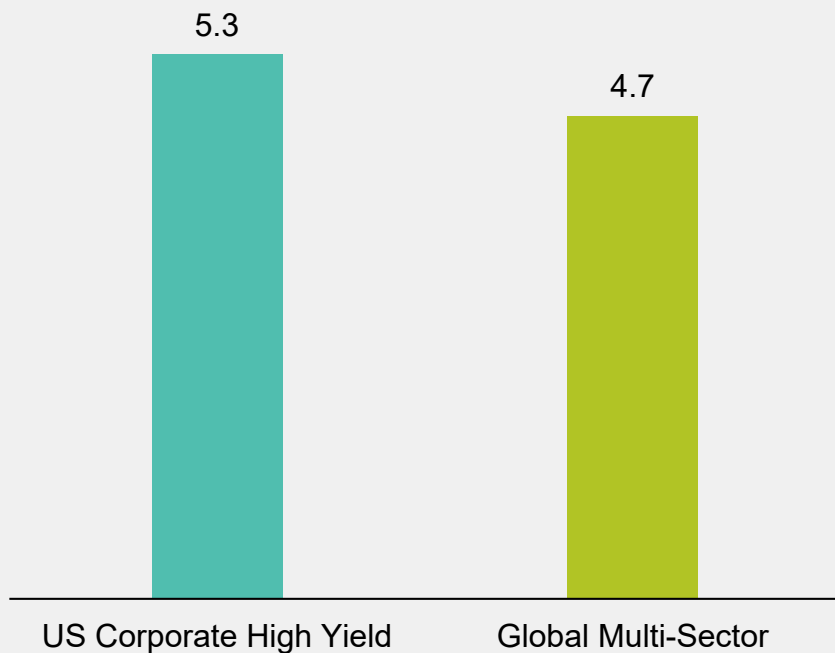
As of November 30, 2020

Source: Bloomberg Barclays, Morningstar Direct and AB

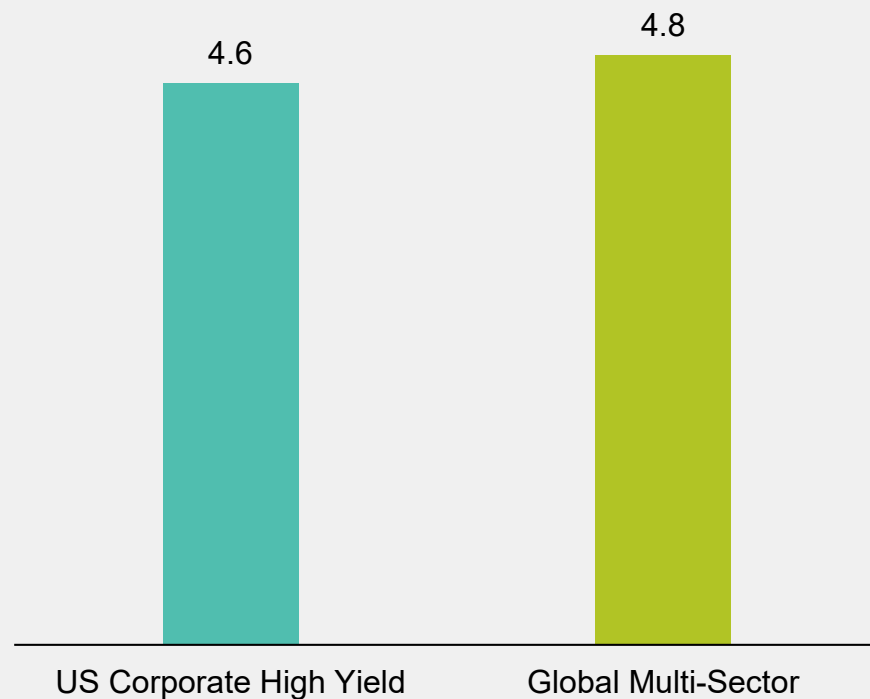


Recent Underperformance Creates Attractive Entry Point for Global Multi-Sector Bonds

Three-Year Returns (Percent Annualized)



Yield to Worst (Percent)



Past performance does not guarantee future results.

Global Multi-Sector is represented by Bloomberg Barclays Global High Yield TR Hedge USD.

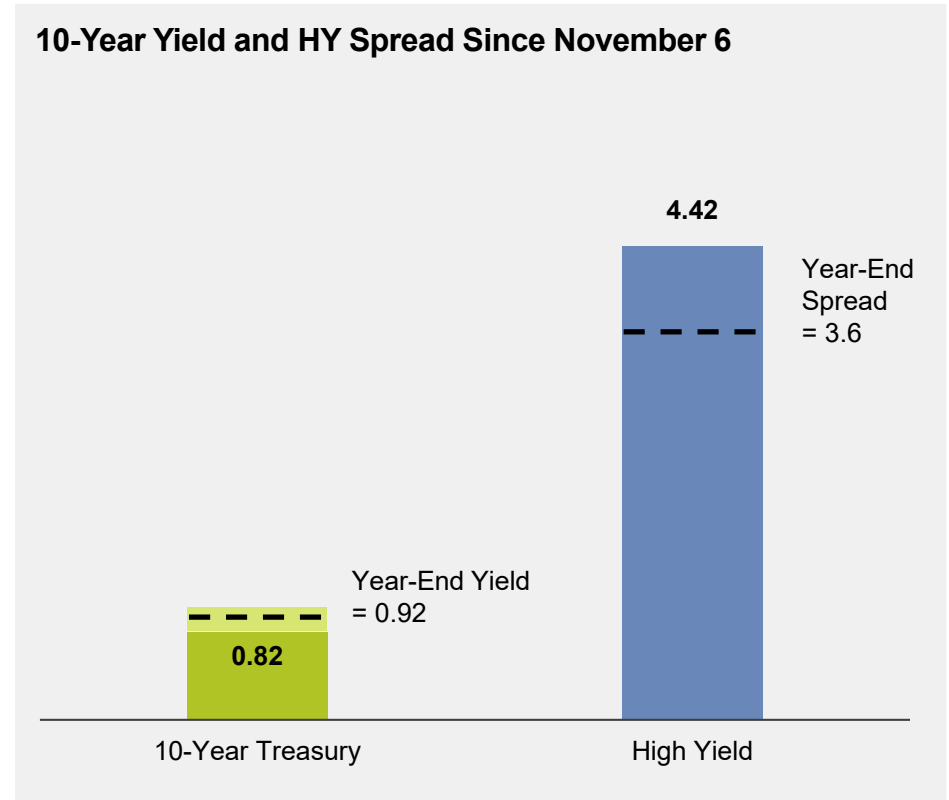
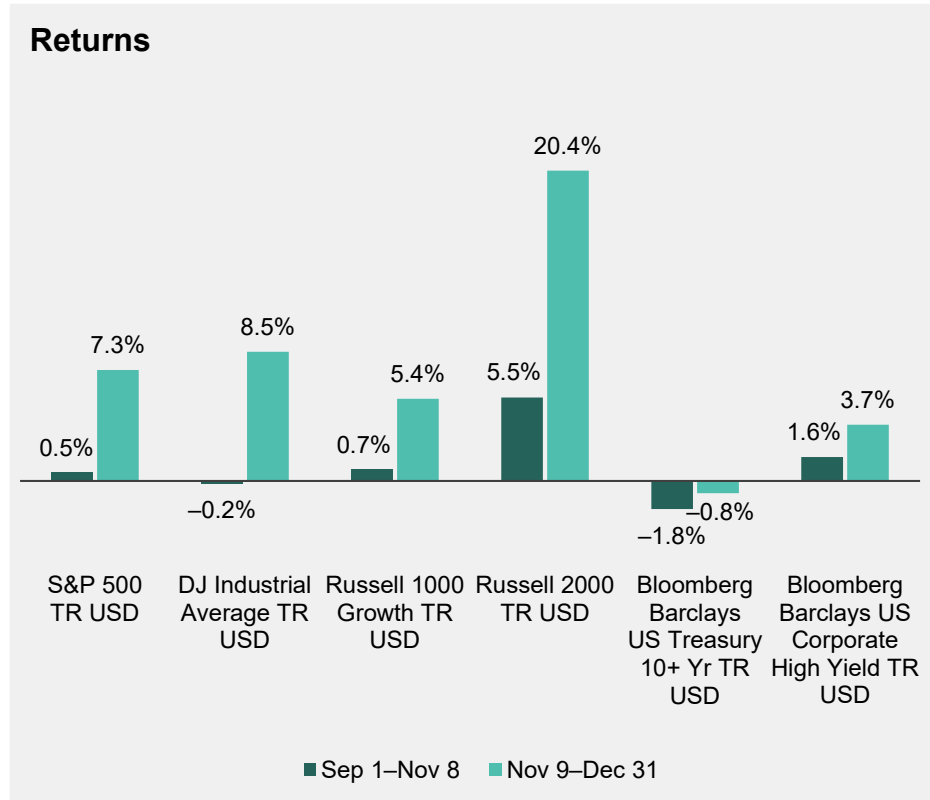
Return-based statistics use a 20-year time period.

As of November 1, 2020

Source: Morningstar and AB



Fourth Quarter Returns: A Tale of Two Halves



Historical analysis does not guarantee future performance.

Through December 31, 2020

Source: Bloomberg



A Word About Risk

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Important Risk Information Related to Investing in Equity and Short Strategies

All investments involve risk. Equity securities may rise and decline in value due to both real and perceived market and economic factors as well as general industry conditions.

A short strategy may not always be able to close out a short position on favorable terms. Short sales involve the risk of loss by subsequently buying a security at a higher price than the price at which it sold the security short. The amount of such loss is theoretically unlimited (since it is limited only by the increase in value of the security sold short). In contrast, the risk of loss from a long position is limited to the investment in the long position, since its value cannot fall below zero. Short selling is a form of leverage. To mitigate leverage risk, a strategy will always hold liquid assets (including its long positions) at least equal to its short position exposure, marked to market daily.

Important Risk Information Related to Investing in Emerging Markets and Foreign Currencies

Investing in emerging-market debt poses risks, including those generally associated with fixed-income investments. Fixed-income securities may lose value due to market fluctuations or changes in interest rates. Longer-maturity bonds are more vulnerable to rising interest rates. A bond issuer's credit rating may be lowered due to deteriorating financial condition; this may result in losses and potentially default, or failure to meet payment obligations. The default probability is higher in bonds with lower, noninvestment-grade ratings (commonly known as "junk bonds").

There are other potential risks when investing in emerging-market debt. Non-US securities may be more volatile because of the associated political, regulatory, market and economic uncertainties; these risks can be magnified in emerging-market securities. Emerging-market bonds may also be exposed to fluctuating currency values. If a bond's currency weakens against the US dollar, this can negatively affect its value when translated back into US-dollar terms.

Bond Ratings Definition

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. AAA is highest (best) and D is lowest (worst). Ratings are subject to change. Investment-grade securities are those rated BBB and above. If applicable, the Pre-Refunded category includes bonds which are secured by US government securities and therefore are deemed high-quality investment grade by the advisor.

Index Definitions

Following are definitions of the indices referred to in this presentation. It is important to recognize that all indices are unmanaged and do not reflect fees and expenses associated with the active management of a mutual fund portfolio. Investors cannot invest directly in an index, and its performance does not reflect the performance of any AB mutual fund.

- + **Bloomberg Barclays Global Aggregate Corporate Bond Index:** Tracks the performance of investment-grade corporate bonds publicly issued in the global market and found in the Global Aggregate. (Represents global corporate on slide 2.)
- + **Bloomberg Barclays Global High-Yield Bond Index:** Provides a broad-based measure of the global high-yield fixed-income markets. It represents the union of the US High-Yield, Pan-European High Yield, US Emerging Markets High-Yield, CMBS High Yield and Pan-European Emerging Markets High-Yield indices.
- + **Bloomberg Barclays Global Treasury Index:** Tracks fixed-rate local currency government debt of investment-grade countries. The index represents the Treasury sector of the Global Aggregate Bond Index.
- + **Bloomberg Barclays Global Treasury: Euro Bond Index:** Includes fixed-rate, local-currency sovereign debt that makes up the Euro Area Treasury sector of the Global Aggregate Bond Index. (Represents euro-area government bonds on slide 2.)
- + **Bloomberg Barclays Global Treasury: Japan Bond Index:** Includes fixed-rate, local-currency sovereign debt that makes up the Japanese Treasury sector of the Global Aggregate Bond Index. (Represents Japan government bonds on slide 2.)
- + **Bloomberg Barclays Municipal Bond Index:** A rules-based, market value-weighted index engineered for the long-term tax-exempt bond market. (Represents municipals on slide 2.)
- + **Bloomberg Barclays US Aggregate Bond Index:** A broad-based benchmark that measures the investment-grade, US dollar-denominated, fixed-rate, taxable bond market, including US Treasuries, government-related and corporate securities, mortgage-backed securities (MBS [agency fixed-rate and hybrid ARM pass-throughs]), asset-backed securities (ABS), and commercial mortgage-backed securities (CMBS).
- + **Bloomberg Barclays US Corporate High-Yield Bond Index:** Represents the corporate component of the Bloomberg Barclays US High-Yield Index. (Represents US high yield on slide 2.)
- + **Bloomberg Barclays US Treasury Index:** Includes fixed-rate, local-currency sovereign debt that makes up the US Treasury sector of the Global Aggregate Index. (Represents US government bonds on slide 2.)
- + **Credit Suisse Leveraged Loan Index:** Tracks the investable market of the US dollar-denominated leveraged loan market. It consists of issues rated 5B or lower, meaning that the highest-rated issues included in this index are Moody's/S&P ratings of Baa1/BB+ or Ba1/BBB+. All loans are funded term loans with a tenor of at least one year and are made by issuers domiciled in developed countries.

Index Definitions (cont.)

- + **HFRI Equity Hedge Index:** Investment managers who maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. Equity Hedge managers would typically maintain at least 50% exposure to, and may in some cases be entirely invested in, equities, both long and short.
- + **J.P. Morgan Emerging Market Bond Index Global:** A benchmark index for measuring the total return performance of government bonds issued by emerging-market countries that are considered sovereign (issued in something other than local currency) and that meet specific liquidity and structural requirements. In order to qualify for index membership, the debt must be more than one year to maturity, have more than \$500 million outstanding, and meet stringent trading guidelines to ensure that pricing inefficiencies don't affect the index. (Represents emerging-market debt on slide 2.)
- + **MSCI EAFE Index:** A free float-adjusted, market capitalization-weighted index designed to measure developed-market equity performance, excluding the US and Canada. It consists of 22 developed-market country indices. (Represents EAFE on slide 2.)
- + **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. (Represents emerging markets on slide 2.)
- + **MSCI Europe ex UK Index:** Captures large- and mid-cap representation across 14 developed markets countries in Europe. With 345 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across European developed markets, excluding the UK.
- + **MSCI Japan Index:** Designed to measure the performance of the large- and mid-cap segments of the Japanese market. With 321 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.
- + **MSCI United Kingdom Index:** Designed to measure the performance of the large- and mid-cap segments of the UK market. With 97 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the UK.
- + **MSCI World Index:** A market capitalization-weighted index that measures the performance of stock markets in 24 countries.
- + **Russell 1000 Index:** A stock market index that represents the highest-ranking 1,000 stocks in the Russell 3000 Index, representing about 90% of the total market capitalization of that index.
- + **Russell 2000 Index:** Measures the performance of the small-cap segment of the US equity universe. It is a subset of the Russell 3000 Index, representing approximately 8% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. (Represents US small-cap on slide 2.)

Index Definitions (cont.)

+ **S&P 500 Index:** Includes a representative sample of 500 leading companies in leading industries of the US economy. (Represents US large-cap on slide 2.)

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Notes on Simulation Results

Hypothetical or simulated performance results have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading. Also, since the trades have not actually been executed, the results may not reflect the impact that certain material economic and market factors might have had on an investment adviser's actual decision-making if they were reflected of a managed account. Simulated trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will, or is likely to, achieve profits or losses similar to those shown.



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