



Investing in a World Where Nothing Is Cheap

The information herein reflects prevailing market conditions and our judgments as of the date of this document, which are subject to change. 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 which 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.

The Big Picture

- Global growth expected at 2.7% in 2014, rising to 3.2% in 2015
- Monetary policy in major developed economies is generally accommodative, but diverging
- Interest rates remain low, but US official rates expected to begin rising in 1H:2015
- Bond investors should position for a gradual increase in rates
 - Balance credit and interest-rate risk
 - Go global to capitalize on diverging policies
 - Be selective and avoid stretching for yield
 - Diversify across sectors to benefit from relative value opportunities
- Equity-market returns should be attractive, but muted going forward
 - Global valuations are extended, but investment opportunities remain
 - Corporate fundamentals remain solid, and earnings growth should drive returns
 - The environment increasingly favors active management and high active share to generate alpha

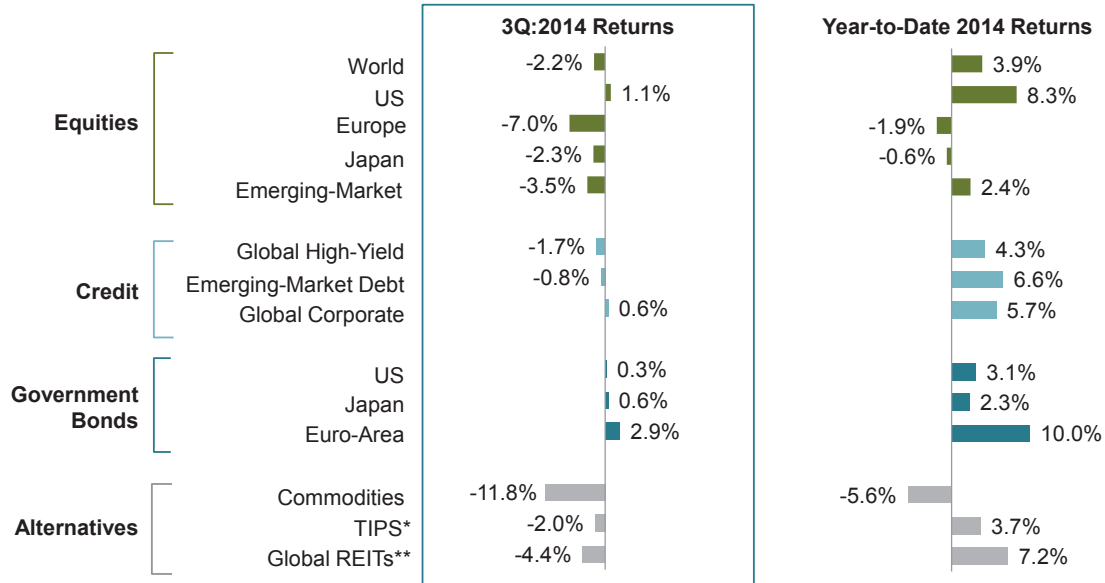
Current analysis does not guarantee future results.

As of 30 September 2014

Source: AllianceBernstein

Investor Concerns Undermine Risk Assets...

Returns in US dollars



Past performance does not guarantee future results.

As of 30 September 2014

Global high yield, global corporates, 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 AllianceBernstein portfolio. The unmanaged index does not reflect fees and expenses associated with the active management of a portfolio.

*Treasury Inflation-Protected Securities. **Real Estate Investment Trusts

Source: Barclays, FactSet, FTSE, MSCI, S&P Dow Jones and AllianceBernstein

...in Part Due to Questions About Valuations

Investors Seem Worried About Current Valuations...

Welcome to the Everything Boom, or
Maybe the Everything Bubble

7 July 2014

The New York Times

The Choice: Expensive Assets or
Negative Returns?

4 August 2014

INVESTMENT WEEK

S&P 500 Rises to Record as
Treasuries Gain, Dollar Slips

5 September 2014

Bloomberg

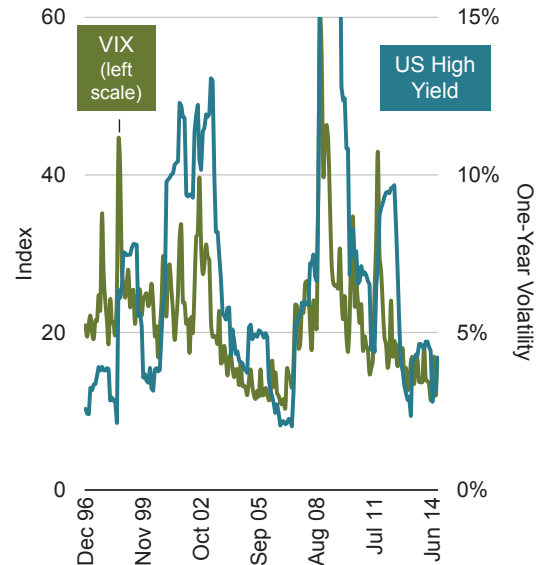
Historical analysis does not guarantee future results.

As of 30 September 2014

Right display VIX CBOE Market: Volatility Index; US High Yield represented by Barclays US Corporate High-Yield Index. An investor cannot invest directly in an index and its performance does not reflect the performance of any AllianceBernstein portfolio. The unmanaged index does not reflect fees and expenses associated with the active management of a portfolio.

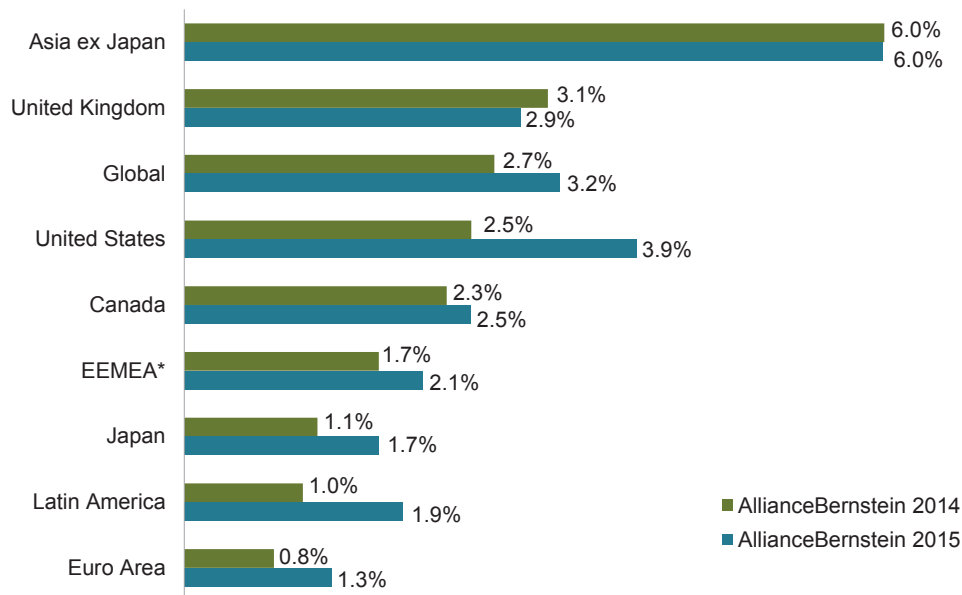
Source: Barclays, Bloomberg, Investment Week, The New York Times and AllianceBernstein

...and Markets Remain Largely Complacent



Continued Moderate—but Uneven—Global Growth

AllianceBernstein World Economic Growth Forecast
(Calendar Year Percentage Change)



Historical analysis and current forecasts do not guarantee future results.

As of 1 October 2014

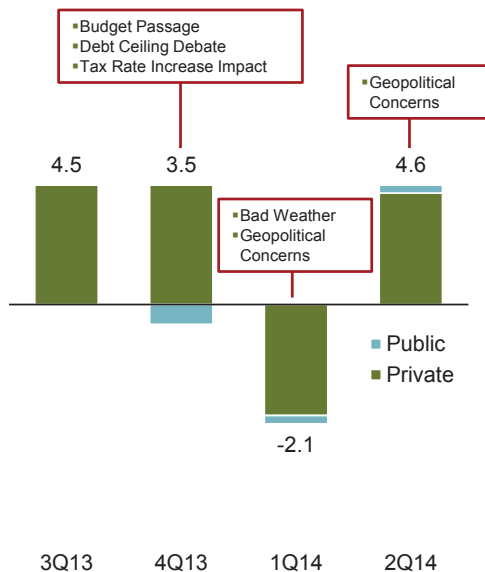
*Emerging Europe, Middle East and Africa (the forecast aggregate includes Hungary, Poland, Turkey, Russia, and South Africa)

Source: AllianceBernstein

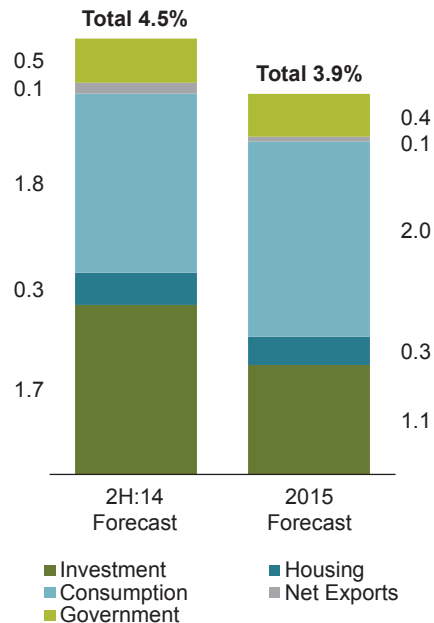
US: Economic Growth Should Continue to Improve

Growth Has Been Better Than You May Have Thought

Real Gross Domestic Product (GDP) Growth



Resurgent Private Sector, Modest Public Contribution



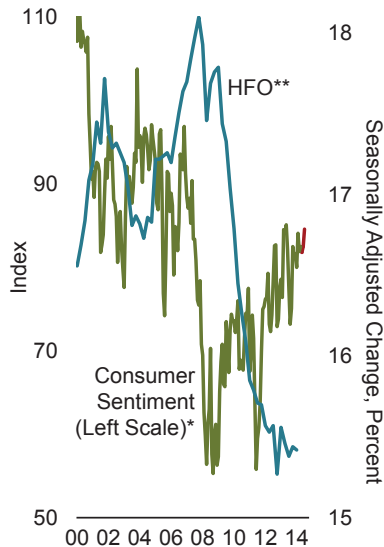
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Left display: Quarter-over-quarter annualized growth through 30 September 2014; right display as of 30 September 2014. Numbers might not sum due to rounding.

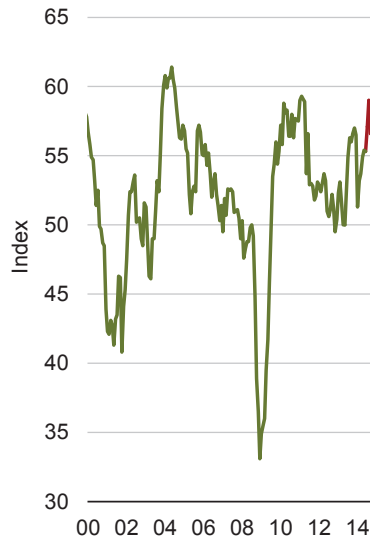
Source: Haver Analytics, US Bureau of Economic Analysis and AllianceBernstein

US: Strong Support for Private-Sector Expansion

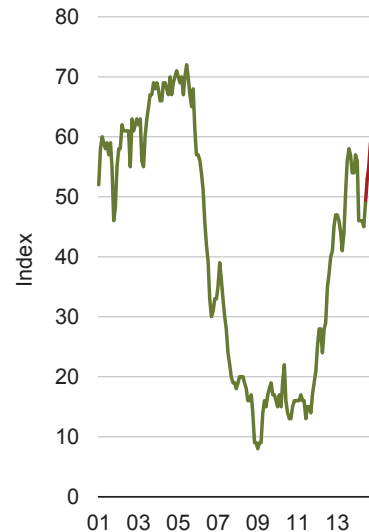
Consumer Indicators



Manufacturing PMI†



New Home Sales Expectations‡



Historical analysis does not guarantee future results.

Left display: consumer sentiment as of 30 September 2014, HFO through 30 June 2014; middle and right displays through 30 September 2014

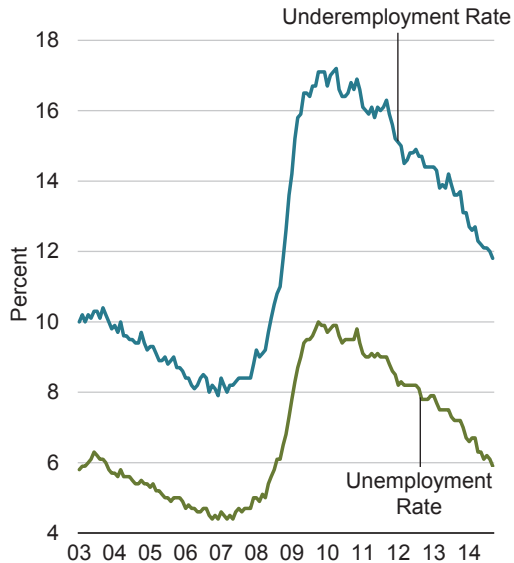
*University of Michigan Consumer Sentiment Index. **Household Financial Obligation Ratio.

†Purchasing Managers' Index. ‡National Association of Home Builders (NAHB) Housing Market Index (Expectations for Sales of New Homes—Diffusion Index).

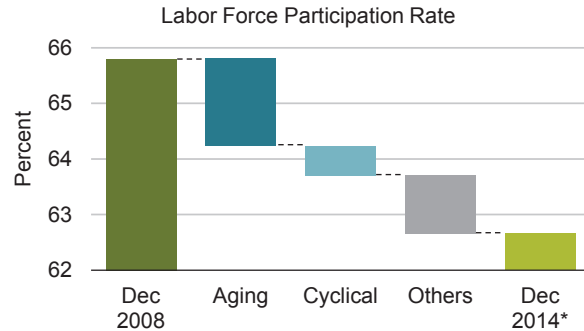
Source: Haver Analytics, Institute for Supply Management, University of Michigan, US Bureau of Labor Statistics, US Federal Reserve Board and AllianceBernstein

US: Employment Discussion Turns from Quantity to Quality

The Overall Jobs Picture Continues to Improve



When Will the Cyclically Unemployed Return?



No Broad-Based Wage Pressures Evident



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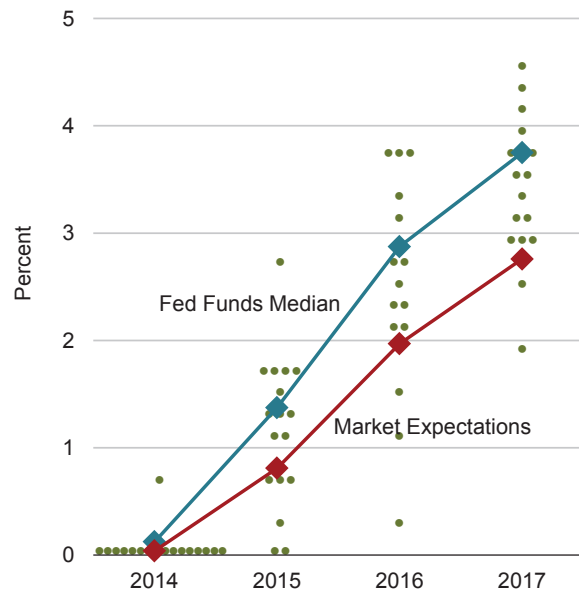
Left and top right displays through 30 September 2014; bottom right display through 31 August 2014

*Interpolated based on US Bureau of Labor Statistics (BLS) forecast

Source: BLS, Haver Analytics and AllianceBernstein

US Rates: A Long Path to “Normal,” as Market/Fed Debate Continues

Federal Funds Rate at Year-End



Projected Total Return (Percent)

	30 Sep 2014 Yield	Total Return		
		1 Year	3 Year	5 Year
US 5-Year	1.76	1.54	1.68	2.19
US 10-Year	2.49	0.17	0.53	1.28
US 30-Year	3.20	-1.87	-1.42	-0.37

Current analysis and forecasts do not guarantee future results.

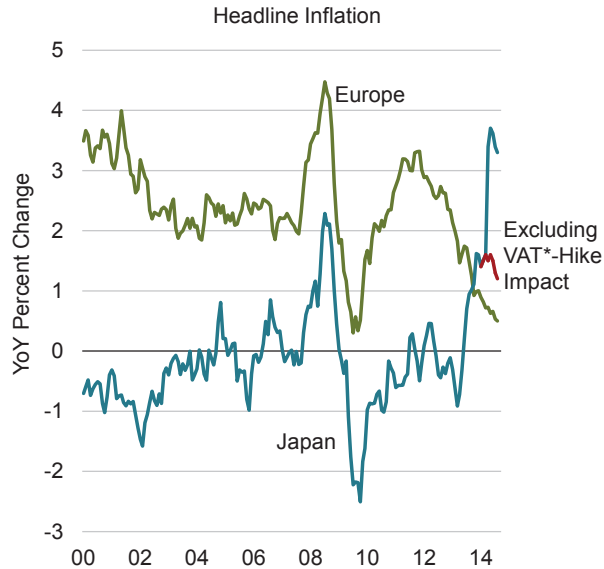
Left display as of 2 October 2014. Right display as of 30 September 2014

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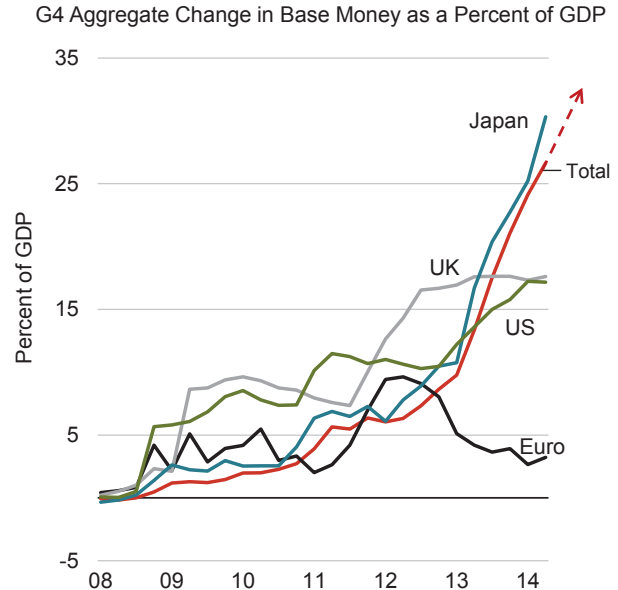
Source: Barclays, Bloomberg, US Federal Reserve and AllianceBernstein

Policies Begin to Diverge Globally, but Remain Accommodative Overall

Fears of Deflation...



...Lead to More Stimulus



Current analysis does not guarantee future results.

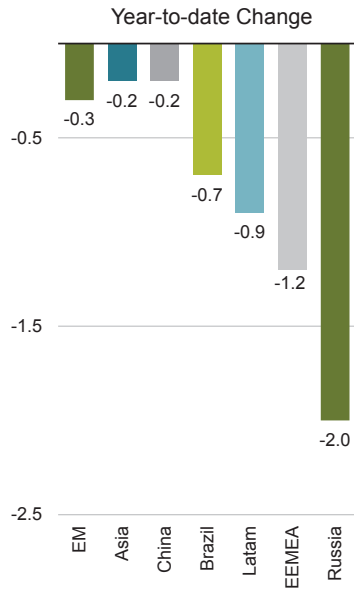
Left display through 31 August 2014. Tokyo-area CPI for June used to estimate national reading for June; right display through 30 June 2014

*Value-Added Tax

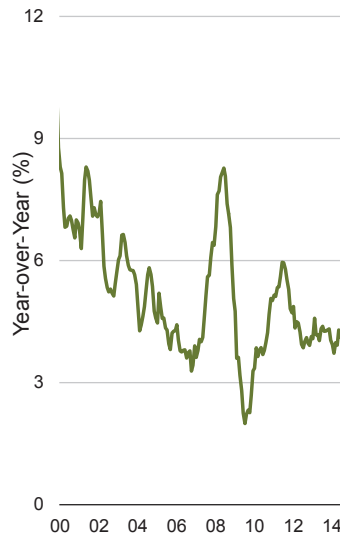
Source: Bloomberg, Cabinet Office Government of Japan, CEIC Data, Eurostats, Haver Analytics, Ministry of Internal Affairs and Communications Japan, Thomson Reuters Datastream and AllianceBernstein

Emerging Markets: No Urgency to Tighten Monetary Policy in Most Cases

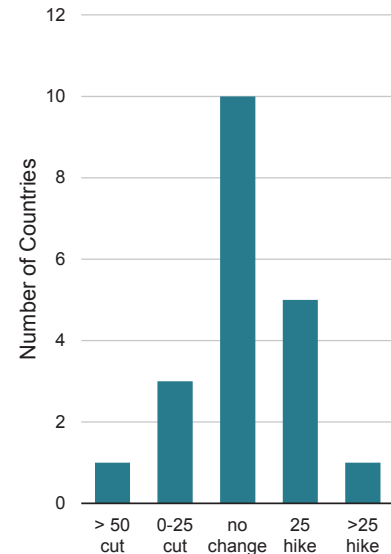
Revisions to 2014 Consensus Growth Forecasts



Inflation



Expected Policy Rate Changes



Current analysis does not guarantee future results.
As of 31 August 2014
Source: Consensus Economics and AllianceBernstein

Policy Divergence Creates Active Opportunities in Global Bonds

Yields Influenced by Monetary Policies...

	10-Year Yield	Rating
Australia	3.51	AAA
US	2.54	AAA
Canada	2.20	AAA
Germany	0.95	AAA
UK	2.45	AA+
France	1.29	AA+
New Zealand	4.20	AA
Japan	0.53	AA-
Spain	2.14	BBB
Italy	2.33	BBB
Portugal	3.15	BB

...and Drive Diverse Return Patterns over Time

Global Bond Returns Hedged to USD (Percent)*

2010	2011	2012	2013	YTD 2014	
UK 7.2	UK 16.1	Euro Area 11.2	Euro Area 2.5	Euro Area 10.0	Best Performer ↑ ↓ Worst Performer
US 5.9	US 9.8	UK 2.4	Japan 2.3	UK 7.2	
Canada 5.6	Australia 8.9	Japan 2.2	Australia -2.4	Australia 4.1	
Japan 2.9	Canada 8.3	US 2.0	US -2.8	Canada 4.1	
Euro Area 1.0	Japan 2.6	Australia 1.4	Canada -3.1	US 3.1	
Australia 0.3	Euro Area 2.6	Canada 1.4	UK -4.4	Japan 2.4	
6.9	13.5	9.8	6.8	7.6	Gap between best and worst

Current analysis does not guarantee future results.

As of 30 September 2014

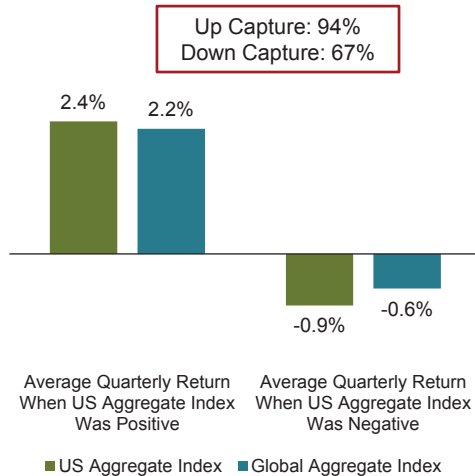
*Returns represented by respective Barclays government bond indices within each country. A credit rating is a measure of the quality and safety of a bond or portfolio, based on the issuer's financial condition. AAA is highest (best) and D is lowest (worst). An investor cannot invest directly in an index and its performance does not reflect the performance of any AllianceBernstein portfolio. The unmanaged index does not reflect fees and expenses associated with the active management of a portfolio.

Source: Barclays, Bloomberg and AllianceBernstein

Global Bonds: Attractive Risk/Return Characteristics

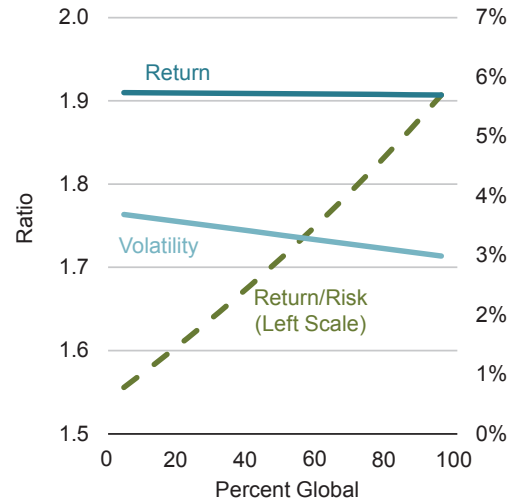
Global Bonds Capture Greater Upside and Less Downside

Up vs. Down Capture: March 1990–December 2013



How Much Global?

Returns Hedged to USD: 1994–2013



Past performance does not guarantee future results.

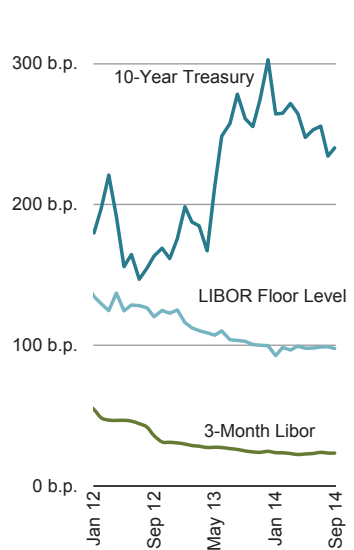
As of 31 December 2013

Returns represented by Barclays US Aggregate Bond Index and Barclays Global Aggregate Bond Index Hedged to USD. An investor cannot invest directly in an index and its performance does not reflect the performance of any AllianceBernstein portfolio. The unmanaged index does not reflect fees and expenses associated with the active management of a portfolio.

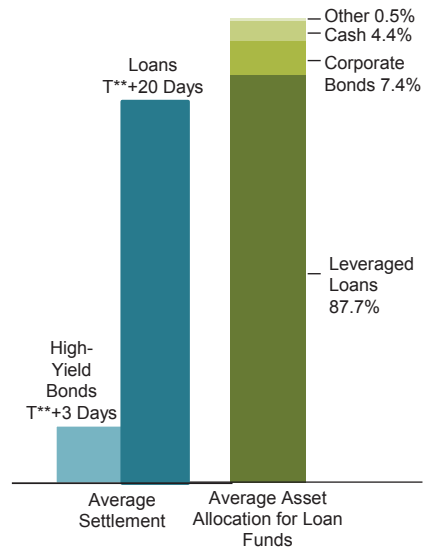
Source: Barclays and AllianceBernstein

Crowded Trades: The Bank Loan Story

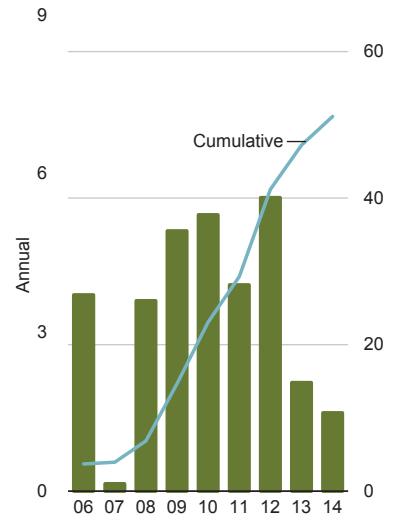
Loan Rates Don't Rise with Longer-Term Yields*



Loans Pose a Liquidity Challenge



Bonds Have Led When Rates Rise



Current analysis does not guarantee future results.

Left display through 25 September 2014; middle display as of 30 June 2014; right display as of 30 September 2014

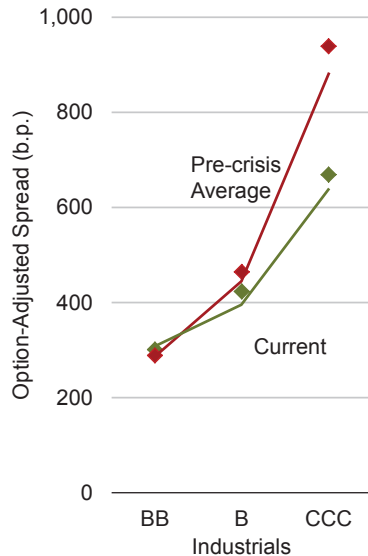
*New-issue first-lien loans. Basis point (b.p.): a unit that is equal to 1/100th of 1% and is used to denote the change in a financial instrument.

***"T" represents trade date

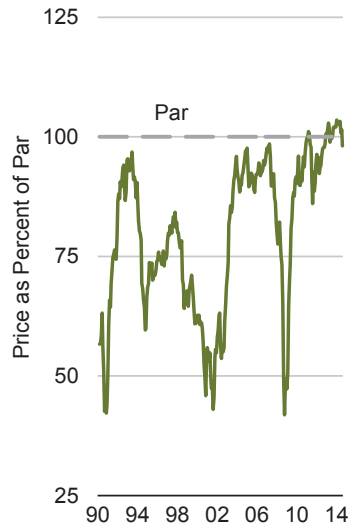
Source: Barclays, Bloomberg, Credit Suisse, J.P. Morgan, The Loan Syndications and Trading Association, and AllianceBernstein

Not the Time to Reach for Yield

Lower-Rated Bond Spreads Are Tight

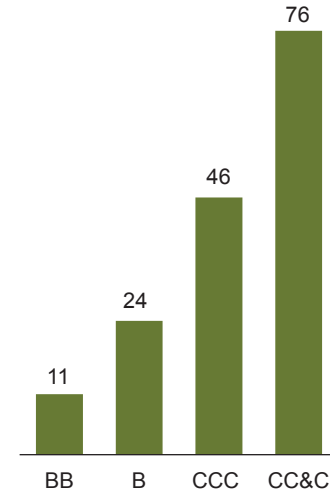


CCC-Rated Bond Discount Is Minimal



Lower-Rated Defaults Are Substantial

Five-Year Cumulative Default Rates 1983–2013 (Percent)



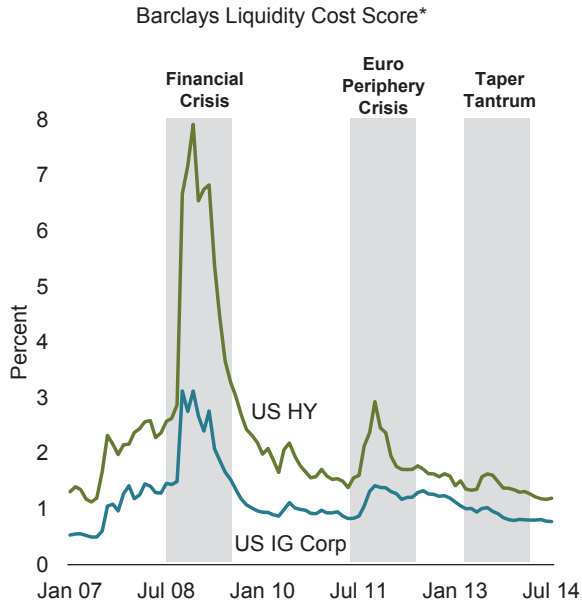
Historical analysis does not guarantee future results.

Left display as of 30 September 2014. Pre-crisis average is for 30 September 1995–31 December 2007; middle display through 30 September 2014; right display as of 31 December 2013. A credit rating is a measure of the quality and safety of a bond or portfolio, based on the issuer's financial condition. AAA is highest (best) and D is lowest (worst). Ratings are subject to change. Investment-grade securities are those rated BBB and above.

Source: Barclays, Moody's and AllianceBernstein

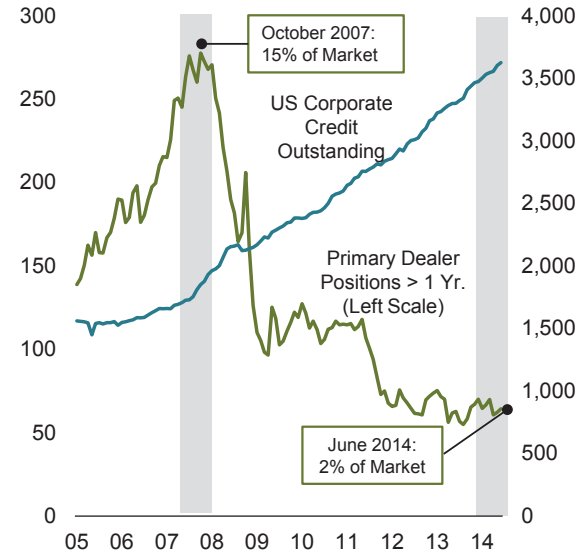
Liquidity Risk: A New Challenge for Investors

Liquidity (and Illiquidity) Vary over Time



Secondary Liquidity Has Declined

Growth of Market vs. Dealer Balance Sheets (USD Billions)



Historical analysis does not guarantee future results.

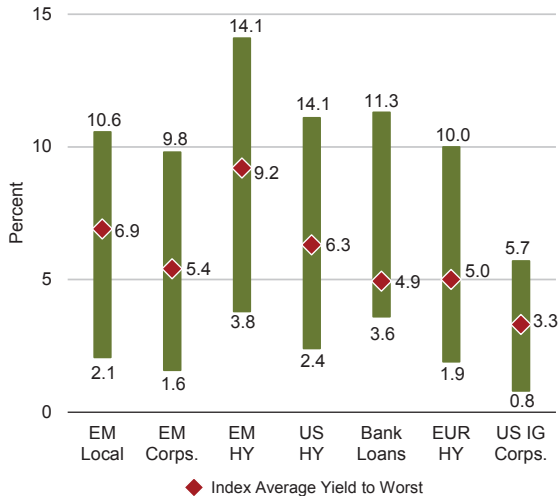
Left display as of 31 August 2014; right display as of 30 June 2014

*Measures the cost of immediately executing a round-trip transaction for a standard institutional trade. US HY represented by the Barclays US Corporate High Yield Index; US IG Corp represented by the Barclays US Corporate Investment Grade Index. An investor cannot invest directly in an index and its performance does not reflect the performance of any AllianceBernstein portfolio. The unmanaged index does not reflect fees and expenses associated with the active management of a portfolio.

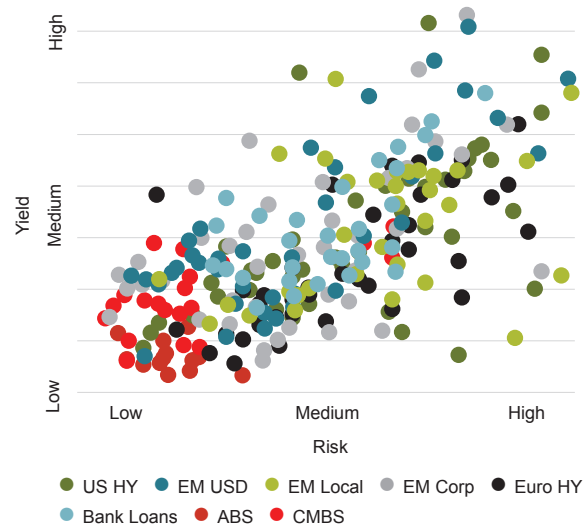
Source: Barclays, Bloomberg, Haver Analytics, Investment Company Institute, US Federal Reserve Board and AllianceBernstein

Diversification Creates a Broader Opportunity Set

Yield Differentials Can Be Significant Within Each Sector*



Opportunities Should Be Evaluated Across Issuers



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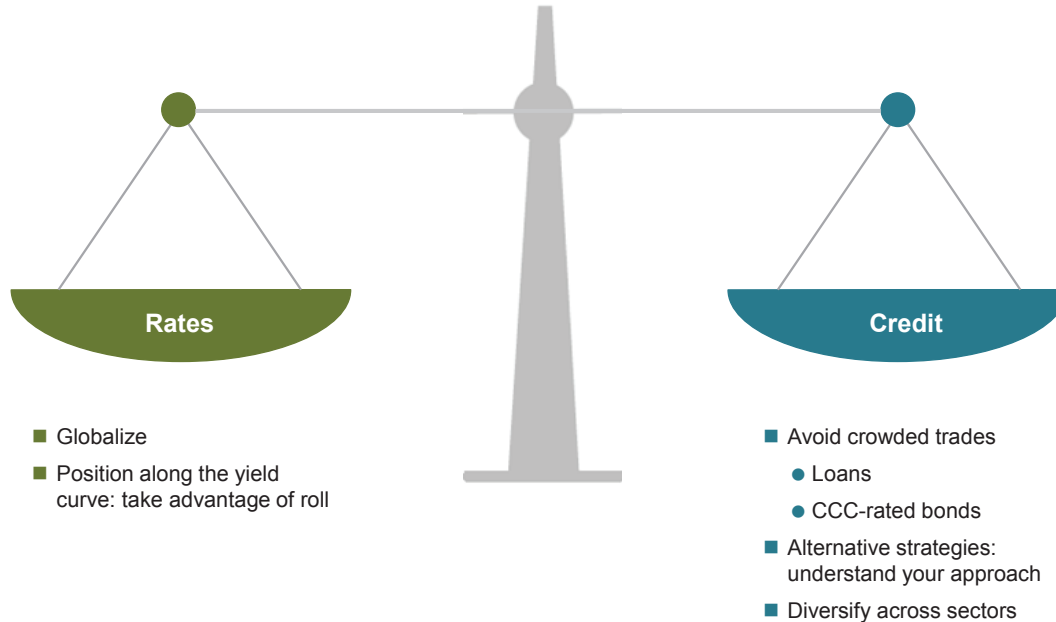
As of 31 December 2013

Emerging-market local is represented by J.P. Morgan GBI-EM (since 2002) and J.P. Morgan ELMI+ (prior to 2002); emerging-market corporates by J.P. Morgan CEMBI Broad Diversified; US high yield by Barclays US Corporate High-Yield; bank loans by Credit Suisse Leveraged Loan; Pan-European high yield by Barclays Pan-European High-Yield; US mortgage-backed securities by Barclays US MBS; global governments (hedged) by Barclays Global Treasury; US investment-grade corporates by Barclays US Corporate Investment Grade; and commercial mortgage-backed securities by Barclays CMBS. An investor cannot invest directly in an index and its performance does not reflect the performance of any AllianceBernstein portfolio. An unmanaged index does not reflect fees and expenses associated with the active management of a portfolio.

*The bottom range is the fifth percentile and the top range is the 95th percentile of the yield-to-worst data for the indices.

Source: Barclays, Credit Suisse, J.P. Morgan and AllianceBernstein

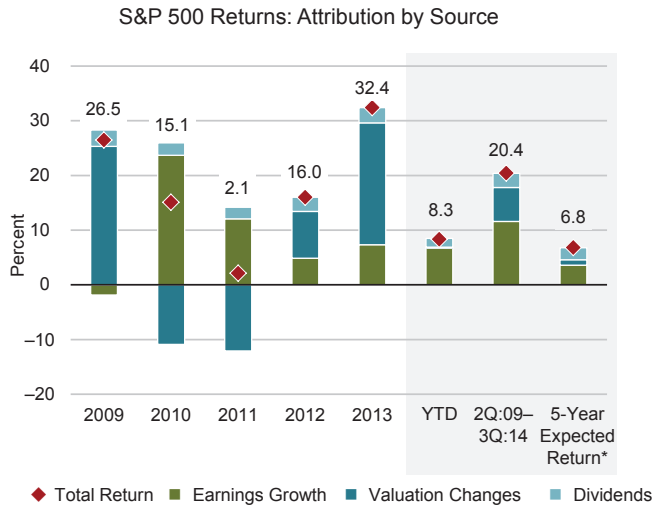
The Fixed-Income Investor's Rising-Rate Playbook



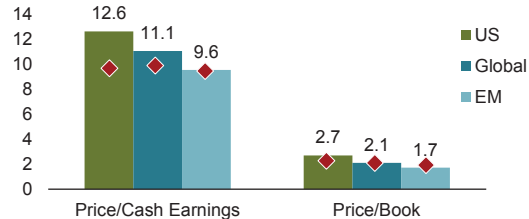
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For illustrative purposes. As of 30 September 2014
Source: AllianceBernstein

Attractive Equity Returns Still Likely, Even with Current Valuations

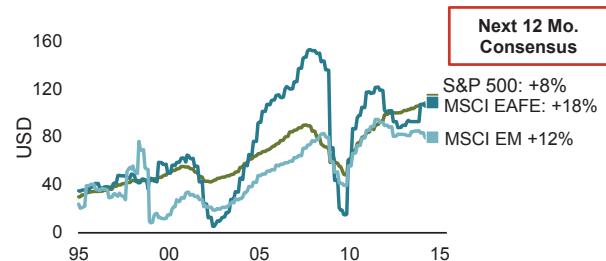
Equity Returns Are Driven by Different Factors over Time



Equity Valuations Are Extended**—Particularly in US



Earnings per Share (EPS)† Have Continued to Rise



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Left display as of 30 September 2014; right displays as of 31 August 2014.

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*Five-year annualized expected return for US equities uses AllianceBernstein proprietary Capital Markets Engine forecasts.

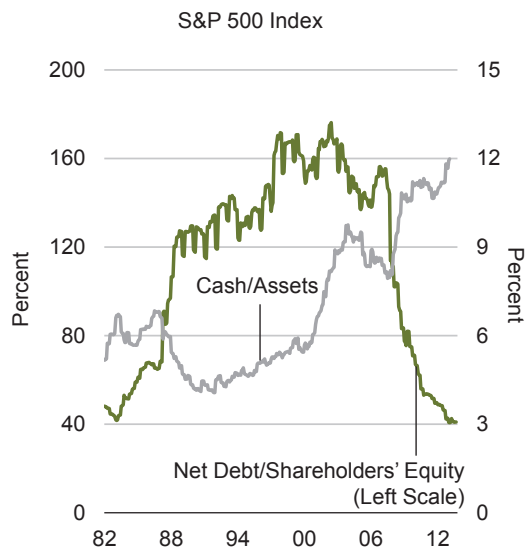
**Average S&P 500 and MSCI World valuations since 1970, and MSCI Emerging Markets valuations since January 1988

†Trailing 12-month EPS; next 12 months consensus EPS growth is the next four quarters' consensus EPS versus the current trailing 12-month EPS.

Source: Bloomberg, Center for Research in Security Prices (CRSP), Cornerstone Macro, MSCI, S&P Dow Jones and AllianceBernstein

Corporate Fundamentals Remain Strong

Cash Levels Are High and Debt Remains Low



Earnings and Balance Sheet Quality Are Higher Today

S&P 500 Index*

	24 Mar 2000	31 Oct 2007	31 Aug 2014
Cash Flow per Share	\$87	\$75	\$184
Net Debt/Equity	171%	156%	41%
Return on Equity	20%	22%	22%
Free-Cash-Flow Yield	1.6%	3.5%	3.4%
Net Profit Margins	6.7%	7.6%	9.2%
Price/Forward Earnings	20.4x	15.6x	16.5x

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As of 31 August 2014

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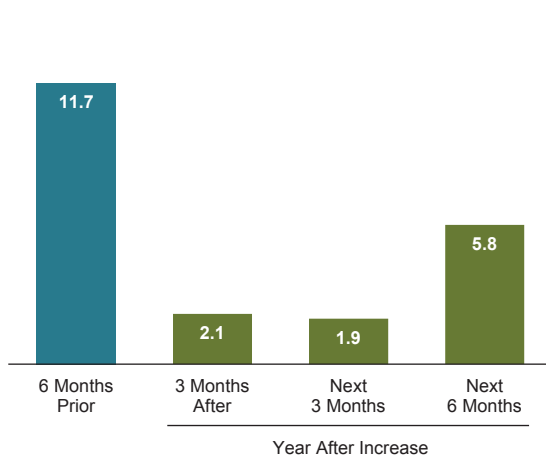
*Net debt/equity is total debt less cash and cash equivalents divided by total equity capitalization. Return on equity and free-cash-flow yield are based on data from the AllianceBernstein US large-cap universe, capitalization weighted, excluding financials. Average net profit margins were 6.3% since 1952, through 2Q14.

Source: Bloomberg, CRSP, Deutsche Bank, Empirical Research Partners, MSCI, S&P Dow Jones and AllianceBernstein

Policy Concerns May Be Overstated

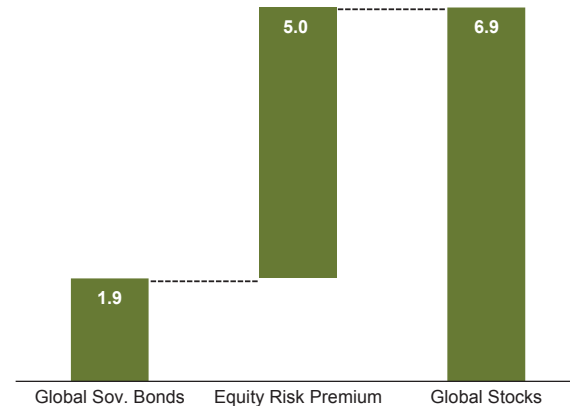
Large-Cap Stocks* Have Fared Well in Rate-Hike Cycles

Average Returns Before and After Fed Funds Initial Rate Increase 1952–2014



Equity Risk Premium Is Still Attractive

Median Annualized Growth Rates** 10-Year Outlook (Percent)



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Left display as of 16 September 2014; right display as of 30 June 2014

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*Average returns for the Empirical US Large-Cap universe, equal weighted six months before and one year after the initial increase in the Fed Fund Rate, based on 20 episodes.

**Global sovereign bonds are represented by global developed sovereign seven-year constant-maturity nominal bonds; global stocks by a universe similar to MSCI World; both are reported in and hedged into US dollars.

Source: Empirical Research Partners, MSCI, S&P Dow Jones, US Federal Reserve Board and AllianceBernstein

Is a US Equity-Market Correction Imminent?

S&P 500 Market Peaks*	Higher Inflation	Fed Rate Hikes	Rise in Long-Term Yields	ISM** Manufacturing Survey Decline	Declining Sentiment	Market Valuations	Rise in Global Policy Rates	Higher Volatility
Nifty 50	●			●		CHEAP	●	
1980s Inflation	●	●	●	●		CHEAP	●	●
Late '80s Financial Crisis	●	●	●		●	EXPENSIVE		●
Tech & Telecom	●	●		●	●	EXPENSIVE	●	●
Global Financial Crisis	●		●	●	●	CHEAP	●	●
Today		○				EXPENSIVE		

Current analysis does not guarantee future results.

As of 30 September 2014

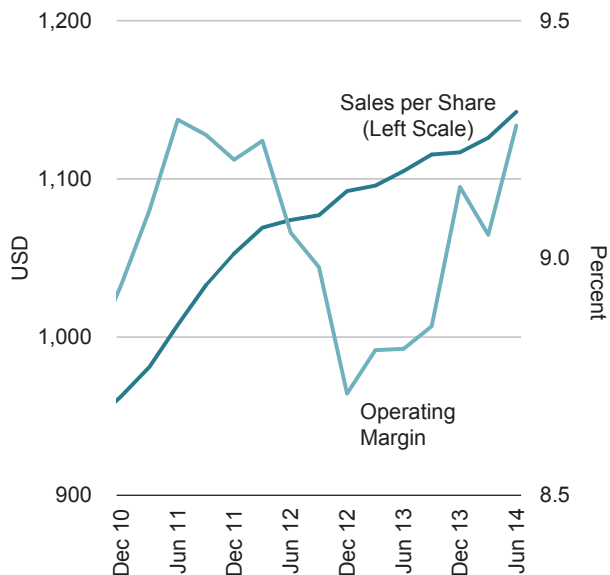
*Nifty 50: 31 December 1976, 1980s Inflation: 13 February 1980; Late '80s Financial Crisis: 25 August 1987; Tech & Telecom: 1 September 2000; Global Financial Crisis: 9 October 2007

**Institute for Supply Management (ISM)

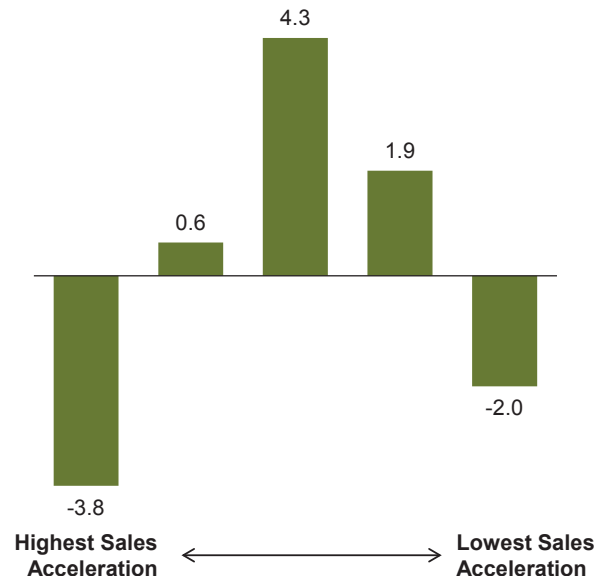
Source: Cornerstone Macro and AllianceBernstein

Given Historically High Margins, Preference for Sustainable Growth

Margins and Top-Line Growth



Return by Sales Acceleration* Quintile (Percent)



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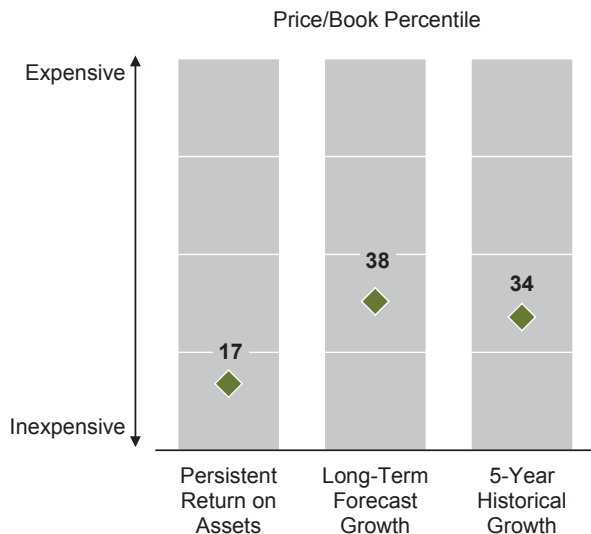
Through 30 June 2014

*Returns for the largest 1,500 US stocks by market cap sorted into sales growth quintiles from 1 January 1969 to 30 June 2014.

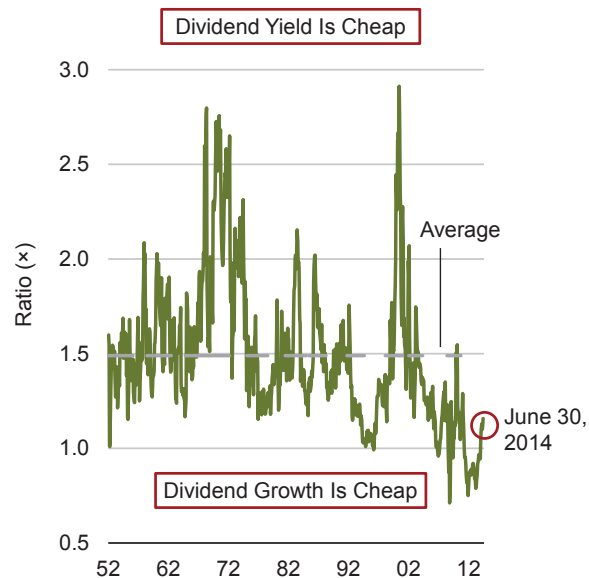
Source: CRSP, Empirical Research Partners, MSCI, S&P Dow Jones and AllianceBernstein

Consistent Profits and Dividend Growth Offer a Compelling Opportunity

Consistent Profitability, Higher Growth Attractively Priced*



Dividend Growth Cheaper than Dividend Yield**



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Left display as of 30 September 2014; right display as of 30 June 2014

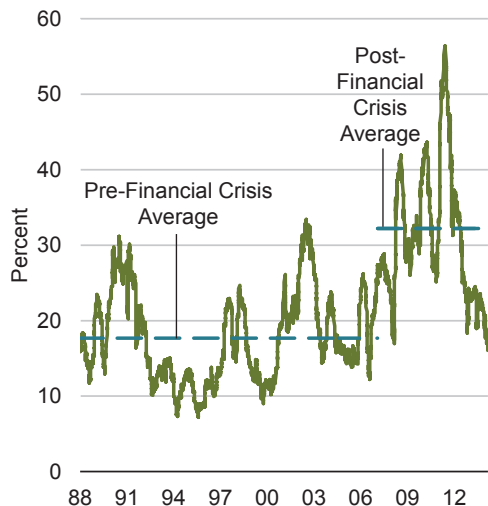
*Refers to the current percentile for the top quintile of each factor in the AllianceBernstein US Large Cap universe. Valuation data from 1 January 1990 to 30 September 2014.

**Represents large-cap stocks' highest quintiles of dividend growth and dividend yield and the ratio of their trailing P/Es

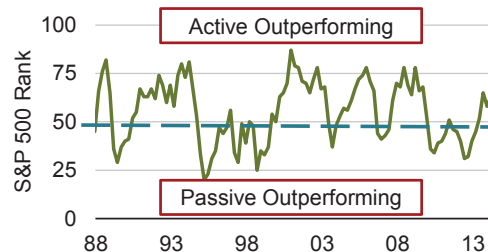
Source: Company reports, CRSP, FactSet, MSCI, Russell Investments, S&P Dow Jones and AllianceBernstein

Now May Be the Time for Higher Active Share

Intra-Market Correlations* Have Declined

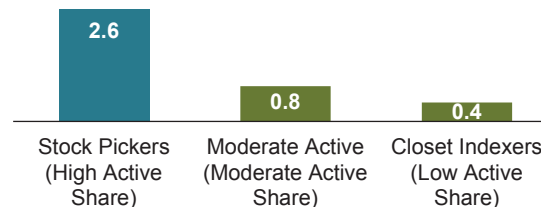


Active Management May Be Rebounding**



US Managers with High Active Share Have Outperformed

Ann. Performance of US Mutual Funds 1990–2009 (Percent)†



Historical analysis does not guarantee future results.

Left display through 17 September 2014; upper right display through 30 June 2014; lower right display through 31 December 2009

*Daily average pairwise correlation of global stock returns based on the MSCI World Index

**Reflects the percentile ranking of the S&P 500 versus the eVestment US Large-Cap Core universe. Data for rolling one-year periods ending quarterly. Figures are gross of fees on both active managers and index returns.

†Performance reflects the gross returns of each type of fund's stock holdings and does not include any fees or transaction costs. Index funds, sector funds and funds with less than \$10 million in assets have been excluded. The information in the chart above is being provided for illustrative purposes only and does not represent any product or strategy managed by AllianceBernstein. From Antti Petajisto, "Active Share and Mutual Fund Performance," *Financial Analysts Journal* (July/August 2013)

Source: Bloomberg, eVestment, Financial Analysts Journal, Lipper, MSCI, S&P Dow Jones and AllianceBernstein

Summary

- The global economy should continue to produce moderate economic growth.
- Monetary policy in major developed economies is generally accommodative, but we're seeing divergence among countries.
- Interest rates remain low, but we expect official US short-term rates to begin rising in the first half of 2015.
- Bond investors should position for a gradual increase in interest rates, using a variety of strategies.
- Equity returns should be attractive, but somewhat muted going forward. Valuations are extended, particularly in the US, but we see plenty of opportunities.
- Corporate fundamentals remain solid, and continued earnings growth should be the key driver of equity returns.
- The environment increasingly favors active management to generate alpha.

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 AllianceBernstein mutual fund.

- **Barclays EM USD Aggregate Index:** A flagship hard-currency emerging-market-debt benchmark that includes USD-denominated debt from sovereign, quasi-sovereign and corporate EM issuers. The index is broad based in its coverage by sector and by country, and reflects the evolution of EM benchmarking from traditional sovereign bond indices to aggregate-style benchmarks that are more representative of the EM investment choice set. (Represents emerging-market debt on slide 2.)
- **Barclays Global Aggregate–Corporate Bond Index:** Tracks the performance of investment-grade corporate bonds publicly issued in the global market found in the Global Aggregate. (Represents global corporates on slide 2.)
- **Barclays Global High Yield 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. (Represents global high yield on slide 2.)
- **Barclays Global Treasury: Australia Bond Index:** Includes fixed-rate, local-currency sovereign debt that makes up the Australian Treasury sector of the Global Aggregate Index.
- **Barclays Global Treasury Bond Index:** Tracks fixed-rate, local-currency sovereign debt of investment-grade countries. The index represents the Treasury sector of the Global Aggregate Index and currently contains issues from 37 countries denominated in 23 currencies. The three major components of this index are the US Treasury Index, the Pan-European Treasury Index and the Asian-Pacific Treasury Index, in addition to Canadian, Chilean, Mexican and South African government bonds.
- **Barclays Global Treasury: Canada Bond Index:** Includes fixed-rate, local-currency sovereign debt that makes up the Canadian Treasury sector of the Global Aggregate Index.
- **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 Index. (Represents euro-area government bonds on slide 2.)
- **Barclays Global Treasury: Japan Bond Index:** Includes fixed-rate, local-currency sovereign debt that makes up the Japanese Treasury sector of the Global Aggregate Index. (Represents Japan government bonds on slide 2.)
- **Barclays Global Treasury: United Kingdom Bond Index:** Includes fixed-rate, local-currency sovereign debt that makes up the UK Treasury sector of the Global Aggregate Index.
- **Barclays Investment Grade CMBS Index:** Designed to mirror commercial mortgage-backed securities of investment-grade quality (Baa3/BBB-/BBB- or above) using Moody's, S&P and Fitch respectively, with maturity of at least one year.
- **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.)

Index Definitions (continued)

- **Barclays Pan-European High Yield (Euro) Index:** Covers the universe of fixed-rate, sub-investment-grade debt denominated in euros or other European currencies (except Swiss francs). This index includes only euro- and sterling-denominated bonds, because no issues in the other European currencies now meet all the index requirements. To be included, the bonds must be rated high-yield (Ba1/BB+ or lower) by at least two of the following ratings agencies: Moody's, S&P or Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be high yield. Bonds must have at least one year to maturity and an outstanding par value of at least EUR50 million. The index does not include non-rated bonds, and it excludes debt from entities in countries that are designated as emerging markets.
- **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 (MBSs [agency fixed-rate and hybrid ARM passthroughs]), asset-backed securities (ABSs) and commercial mortgage-backed securities (CMBSs).
- **Barclays US Corporate Bond Index:** A broad-based benchmark that measures the investment-grade, USD-denominated, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by US and non-US industrial, utility and financial issuers that meet specified maturity, liquidity and quality requirements.
- **Barclays US Corporate High-Yield 2% Issuer Capped Bond Index:** A component of the US Corporate High-Yield Bond Index, which covers the universe of fixed-rate, noninvestment-grade corporate debt of issuers in developed-market countries. It is not market-capitalization weighted—each issuer is capped at 2% of the index.
- **Barclays US Corporate High Yield Index:** Represents the corporate component of the Barclays US High Yield Index.
- **Barclays US Corporate Investment Grade Index:** Represents the performance of US corporate bonds within the US investment-grade fixed-rate bond market.
- **Barclays US MBS Fixed Securities Index:** Covers the mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The MBS Index is formed by grouping the universe of over 600,000 individual fixed rate MBS pools into approximately 3,500 generic aggregates.
- **Barclays US Treasury Inflation-Protected Securities (TIPS) Index:** Consists of inflation-protected securities issued by the US Treasury. (Represents TIPS on slide 2.)
- **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.)
- **Bloomberg Commodities Index:** Consists of exchange-traded futures on 19 physical commodities that are weighted to account for economic significance and market liquidity. (Represents commodities on slide 2.)
- **Credit Suisse Leveraged Loan Index®:** Represents the performance of the USD-denominated leveraged loan market.
- **FTSE EPRA/NAREIT Global Real Estate Index:** Designed to represent general trends in eligible real estate equities worldwide. (Represents global REITs on slide 2.)
- **J. P. Morgan Corporate Emerging Markets Bond Index—Broad Diversified:** A global, liquid corporate emerging-market benchmark that tracks US dollar-denominated corporate bonds issued by emerging-market entities. It includes smaller issues to cover a wider array of corporate bonds.
- **J. P. Morgan ELMi+ Index:** Tracks total returns for local-currency denominated money market instruments in 23 emerging markets. References to country-specific local currencies refer to that country's sub index in the JPM ELMi+.
- **J. P. Morgan GBI-Emerging Markets Index (GBI-EM) :** Represents the performance of local-currency government bonds issued by emerging markets.

Index Definitions (continued)

- **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.
- **MSCI Europe Index:** A free float–adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. (Represents Europe 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 World Index:** A market capitalization–weighted index that measures the performance of stock markets in 24 countries. (Represents World on slide 2.)
- **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.)
- **S&P 500 Index:** Includes a representative sample of 500 leading companies in leading industries of the US economy. (Represents US on slide 2.)

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