

First Quarter 2015



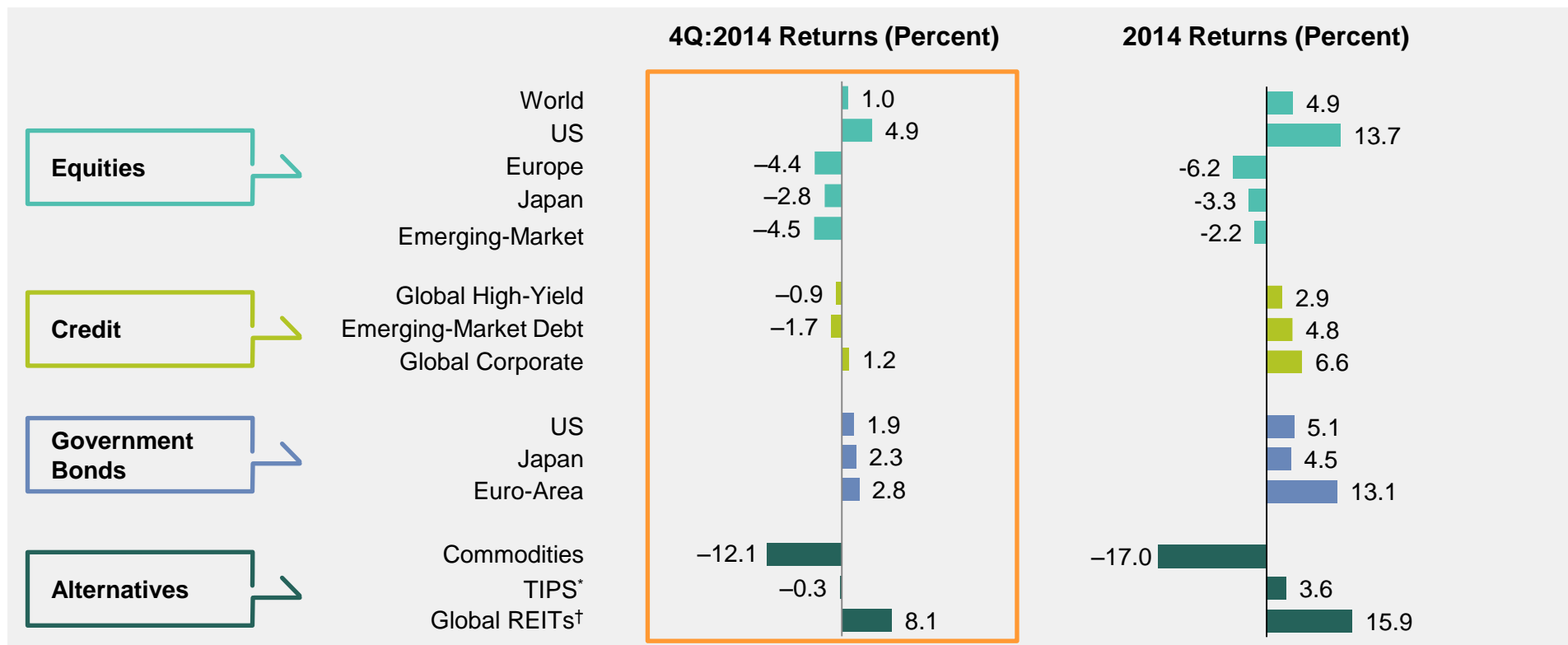
GLOBAL CAPITAL MARKETS OUTLOOK

NAVIGATING DIVERGENCE IN GLOBAL MARKETS AND ECONOMIES

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.

A Strong Year Overall from Global Capital Markets

Returns in US Dollars



Past performance does not guarantee future results.

As of 31 December 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.

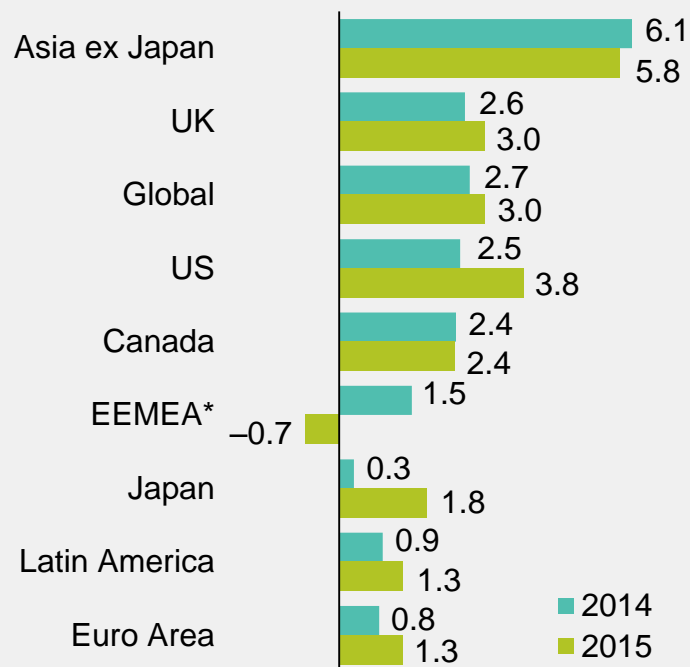
*Treasury Inflation-Protected Securities. †Real Estate Investment Trusts

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

Growth and Inflation Patterns Becoming More Diverse

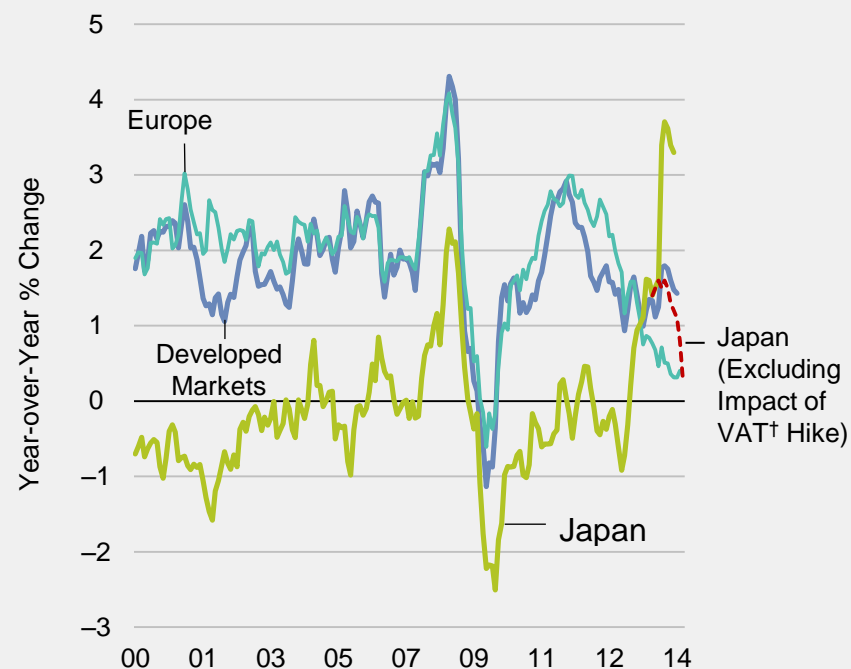
GDP Trajectories Aren't the Same Across All Regions

AllianceBernstein World Economic Growth Forecast
(Calendar Year Percentage Change)



Inflation Is Relatively Benign—but Not Uniform

Regional Inflation Rates



Historical analysis and current forecasts do not guarantee future results.

Left display as of 2 January 2015; right display through 31 October 2014

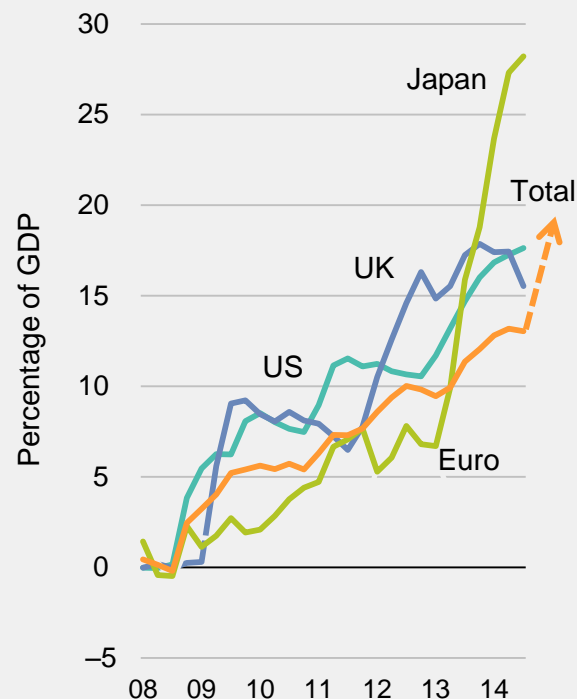
*Emerging Europe, Middle East and Africa (the forecast aggregate includes Hungary, Poland, Turkey, Russia and South Africa)

†Value-Added Tax

Source: Haver Analytics, Office for National Statistics, US Bureau of Labor Statistics and AB

Policy Generally Accommodative, but with Differences Appearing

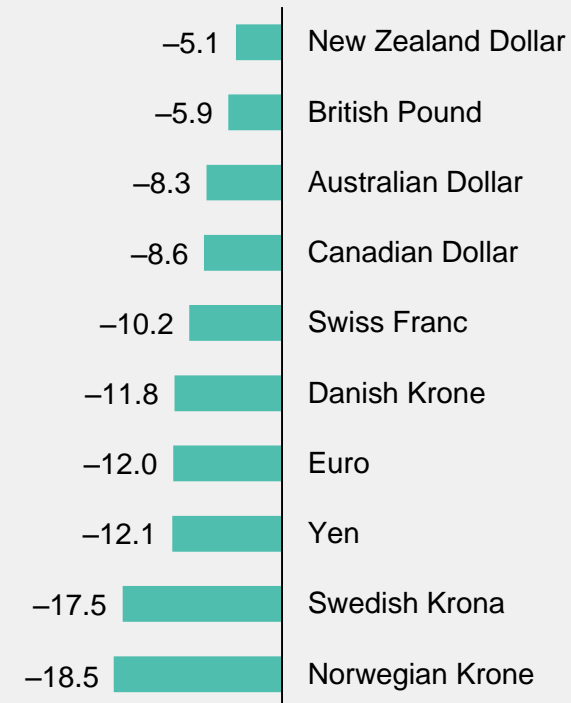
Differences in Monetary Policies...
G4 Aggregate Change in Base Money Since 2008 as a Percentage of GDP



...and Variations in Official Rates...
Short-Term Policy Rates

	Current	2015F	
UK	0.50	1.00	↑
US	0.13	1.50	↑
Canada	1.00	1.50	↑
Mexico	3.00	3.50	↑
Euro Area	0.10	0.10	↔
Japan	0.10	0.10	↔
Brazil	11.75	11.75	↔
Australia	2.50	2.00	↓
China	3.00	2.50	↓
India	8.00	7.75	↓
Korea	2.00	1.75	↓

....Lead to Divergent Currency Moves
Spot Return: G10 Currencies vs. USD



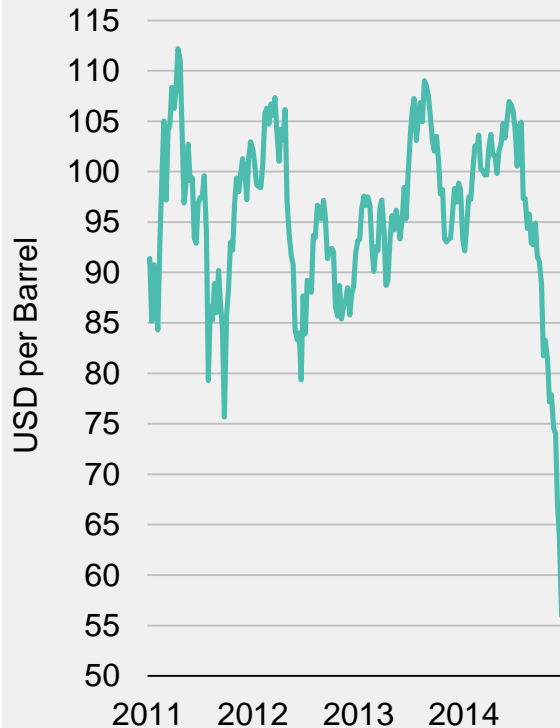
Current analysis does not guarantee future results.

Left display through 30 September 2014; middle display as of 1 December 2014; right display represents year-to-date returns as of 31 December 2014

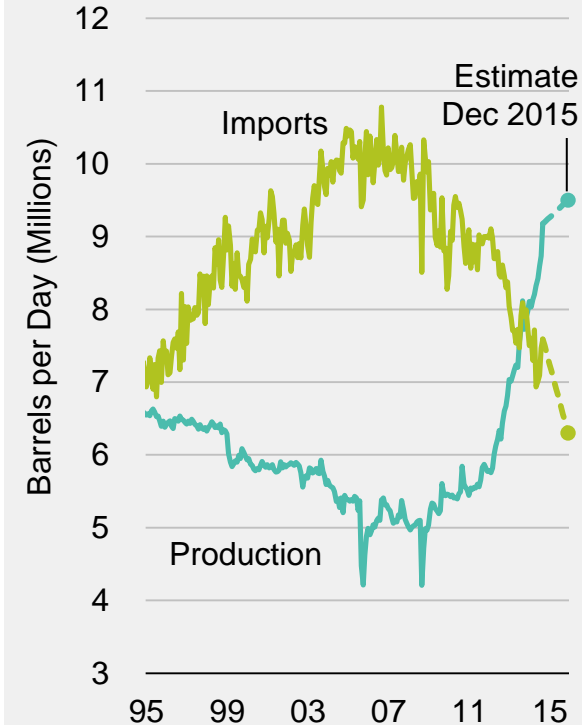
Source: Bloomberg; Cabinet Office; Government of Japan; CEIC Data; Eurostat; Haver Analytics; Ministry of Internal Affairs and Communications Japan; Thomson Reuters Datastream and AB

Cheaper Oil Creates Losers and (Mostly) Winners...

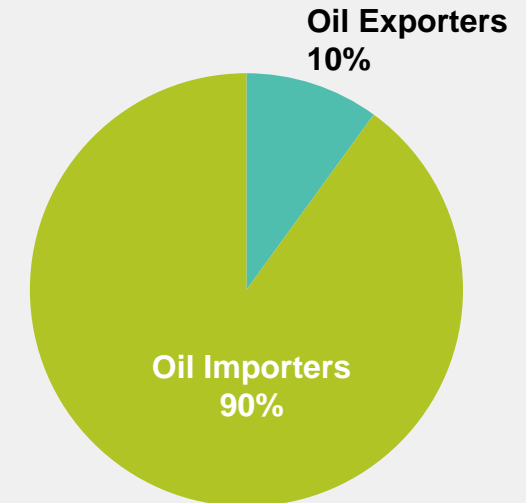
Oil Prices Have Been Volatile
Domestic Spot Price: Crude Oil



Recent Decline Is Mainly Fundamental
Domestic Crude Oil Production and Imports



Net Importers Should Largely Benefit
Share of Global Nominal GDP*



Estimated Wealth Transfer if
Average Oil Price Is **\$75** per
Barrel: **\$819 Billion**[†]

Historical analysis and current forecasts do not guarantee future results.

Left display through 31 December 2014; middle display as of 30 September 2014; right display as of 30 November 2014

*Represents 2014 estimates by Energy Information Administration (EIA) and AllianceBernstein. Oil exporters are the 15 countries that represent the vast majority of global oil exporters. Oil importers represent the rest of the world.

†According to AllianceBernstein and EIA estimates. Assumes petroleum consumption remains unchanged at 2014 levels (91.4 million barrels per day)

Source: Chicago Mercantile Exchange, Energy Information Administration and Haver Analytics

...with the Line Drawn Between Consumers and Producers. The Big Winner? The Global Economy

A **10%** Change in Oil Is Associated with a **0.2%** Change in Global GDP (IMF)

Losers

Net Oil Exporters

+ Russia	+ Iran	+ Nigeria
+ Venezuela	+ Iraq	

High-Cost Oil Producers

+ US Independent E&P	+ Canada Tar Sands
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Other Energy

+ Natural Gas	+ Alternative Energy
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Central Banks Fighting De/Disinflation

+ ECB	+ BOJ
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Winners

Net Oil Importers

+ US	+ Japan	+ South Korea
+ China	+ India	

Energy/Energy Intensive Industries

+ Refiners	+ Transportation
+ Pipelines	+ Airlines
+ Petrochemical Users	+ Lodging/Destinations
+ Agriculture	

Oil Subsidizers

+ Indonesia	+ Brazil
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Consumer Goods/Services

“if oil prices stay between \$**75**–\$**95** a barrel, we would see the kind of stimulus package that the Federal Reserve or Congress could never do.” Douglas R. Oberhelman, CEO, Caterpillar (*The New York Times*, Nov. 13, 2014)

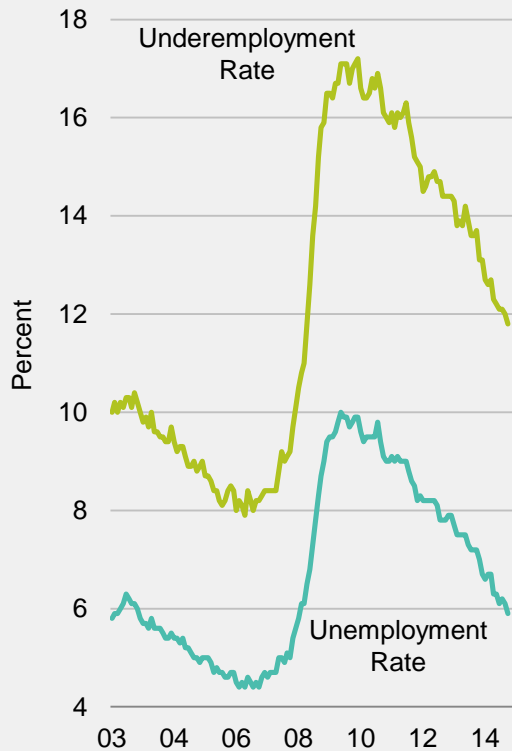
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As of 31 December 2014

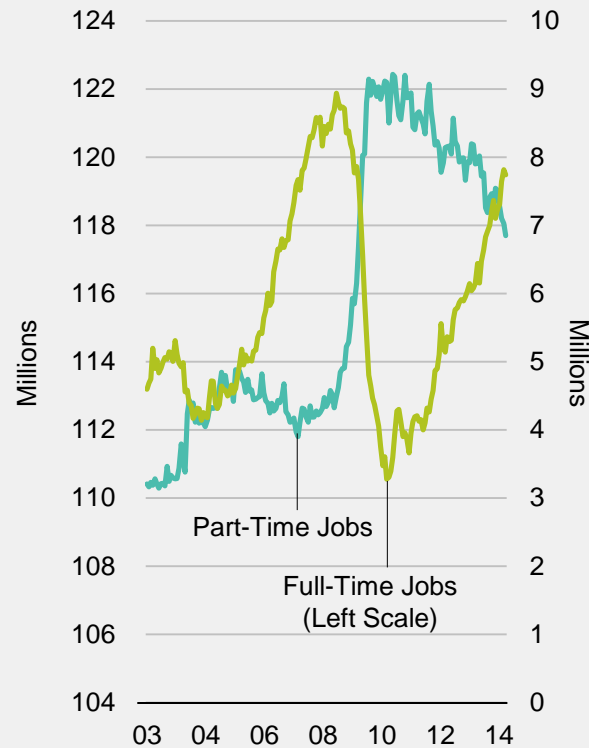
Source: *The New York Times* and AB

US: Continued Improvement in Labor Market

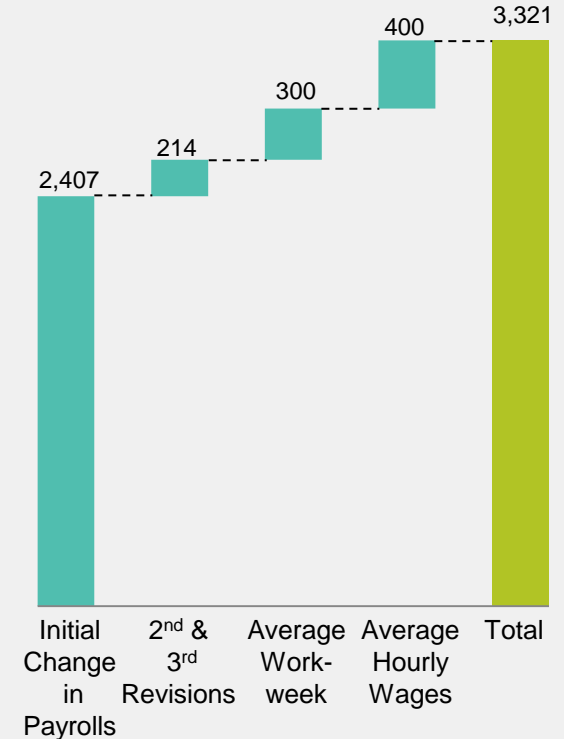
Unemployment Continues to Decline
Domestic Spot Price: Crude Oil



Most New Hires Have Been Full-Time
Household Survey: New Jobs



Job Creation Has Been Impressive
Equivalent Jobs Created: Jan–Nov 2014*
(in Thousands)



Historical analysis and current forecasts do not guarantee future results.

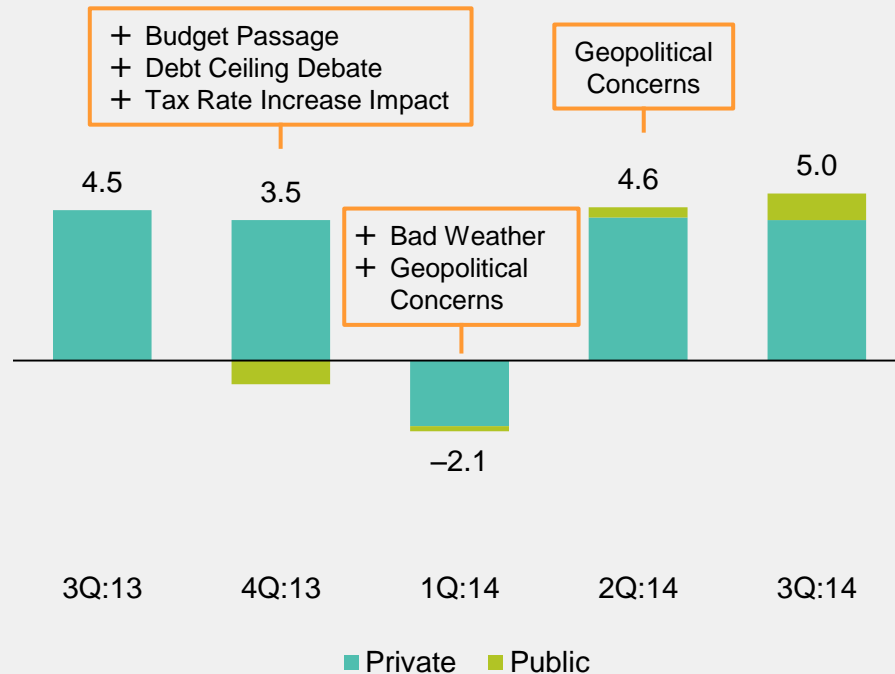
Left and middle displays through 30 November 2014; right display as of 22 December 2014

*Revisions are only available for payroll data through September 2014. Analysis assumes that an increase of 0.1 hour in the length of the average workweek or a 10-cent increase in hourly wages is equivalent to the creation of 100,000 jobs.

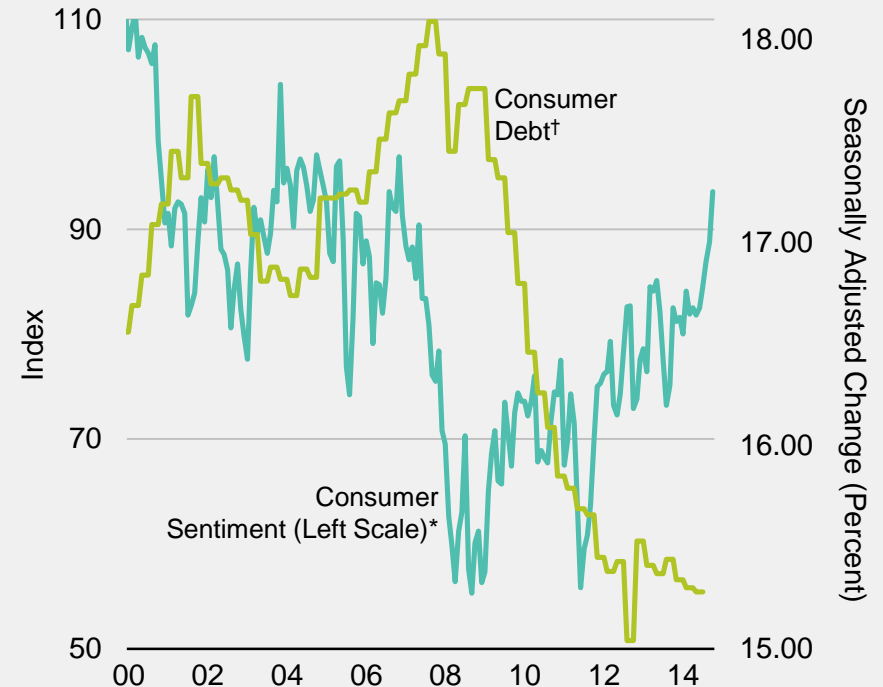
Source: Haver Analytics, US Bureau of Labor Statistics and AB

US: Growth Continues, with Consumers Stepping Up

GDP Has Rebounded, with Public Sector Contributing
Real GDP Growth (Percent)



Consumers Seem Poised to Continue Spending
Consumer Sentiment/Household Debt


















Historical analysis and current forecasts do not guarantee future results.




Left display: Quarter-over-quarter annualized growth through 31 December 2014. Right display: consumer sentiment through 31 December 2014; consumer debt through 30 September 2014

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

Source: Bureau of Economic Analysis, Haver Analytics, University of Michigan, US Federal Reserve and AB

Corporate Fundamentals: Improved Globally, with US Stronger

	US		EAFE		Emerging Markets	
	31 Oct 2007	30 Nov 2014	31 Oct 2007	30 Nov 2014	31 Oct 2007	30 Nov 2014
Cash Flow per Share	\$77.86	 \$181.66	\$155.51	 \$181.56	\$96.64	 \$121.66
Net Debt/Equity*	156%	 41%	79%	 58%	48%	 50%
Return on Equity*	22%	 22%	21%	 15%	25%	 18%
Free-Cash-Flow Yield*	3.5%	 3.4%	4.2%	 4.0%	2.9%	 2.7%
Price to Forward Earnings	15.6x	 16.7x	13.7x	 14.1x	14.5x	 10.8x

-  Better
-  Largely Unchanged
-  Worse

Historical analysis and current forecasts do not guarantee future results.

As of 30 November 2014

*Net debt/equity, return on equity and free-cash-flow yield are based on data from the AllianceBernstein US, International Developed, and Emerging Markets Large-Cap universes, capitalization weighted, excluding financials. Cash flow per share and price to forward earnings based on the S&P 500, MSCI EAFE and MSCI Emerging Markets indices.

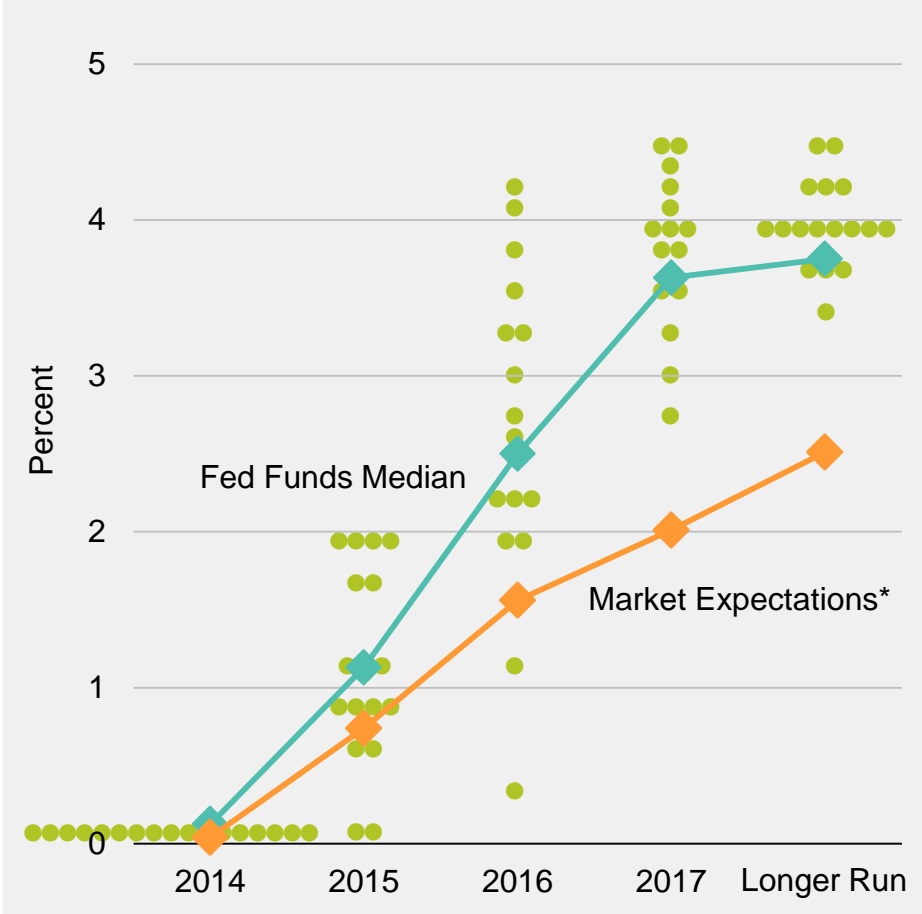
Price/forward earnings for next 12 months. An investor cannot invest directly in an index and its performance does not reflect the performance of any AllianceBernstein portfolio.

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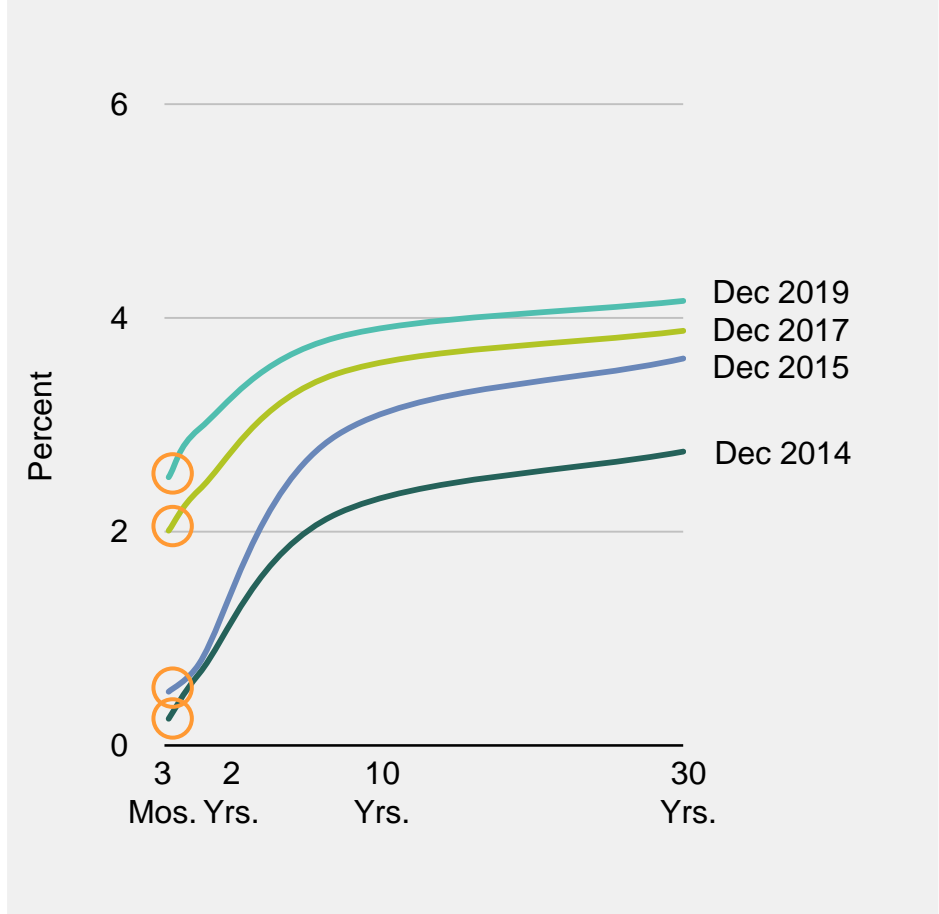
Source: Bloomberg, Center for Research in Security Prices, MSCI, S&P Dow Jones and AB

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

Federal Funds Rate at Year-End



Current and Projected US Yield Curves†



Current analysis and forecasts do not guarantee future results.

As of 31 December 2014

*Longer-run expectations by the market are defined as expectations for the official rates on 31 December 2019.

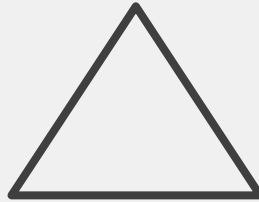
†Yield curves projected based on historical analysis of Treasury yield curves and on applying the slope to the fed funds rate projections as implied by the forward market.

Source: Barclays, Bloomberg, US Federal Reserve and AB

The Fixed-Income Investor's Rising-Rate Playbook

Rates

- + Globalize
- + Position along the yield curve: take advantage of roll



Credit

- + Be selective
- + Avoid crowded trades
 - + Loans
 - + CCC-rated bonds
- + Diversify across sectors
- + Alternative strategies: understand your approach

Current analysis does not guarantee future results.

For illustrative purposes. As of 31 December 2014

Source: AB

Interest Rates: Policy Differences Create Active Opportunities in Global Bonds

Monetary Policy Influences Yields

	10-Year Bond Yield	Rating*
Australia	2.74	AAA
US	2.17	AAA
Canada	1.79	AAA
Germany	0.54	AAA
UK	1.76	AA+
France	0.82	AA+
New Zealand	3.68	AA+
Japan	0.32	A+
Spain	1.60	BBB
Italy	1.88	BBB
Portugal	2.65	BB

Yield Changes Drive Return Variances

Global Bond Returns Hedged to USD (Percent)[†]

2010	2011	2012	2013	2014	Best Performer ^
UK 7.2	UK 16.1	Euro Area 11.2	Euro Area 2.5	UK 14.2	
US 5.9	US 9.8	UK 2.4	Japan 2.3	Euro Area 13.1	
Canada 5.6	Australia 8.9	Japan 2.2	Australia -2.4	Australia 8.3	
Japan 2.9	Canada 8.3	US 2.0	US -2.8	Canada 6.5	
Euro Area 1.0	Japan 2.6	Australia 1.4	Canada -3.1	US 5.1	Worst Performer v
Australia 0.3	Euro Area 2.6	Canada 1.4	UK -4.4	Japan 4.7	
6.9 13.5 9.8 6.8 9.5					
Gap between best and worst					

Global Bonds: Better Return Profile

Up vs. Down Capture (Percent)
Mar 1990–Dec 2014



Current analysis does not guarantee future results.

As of 31 December 2014

*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).

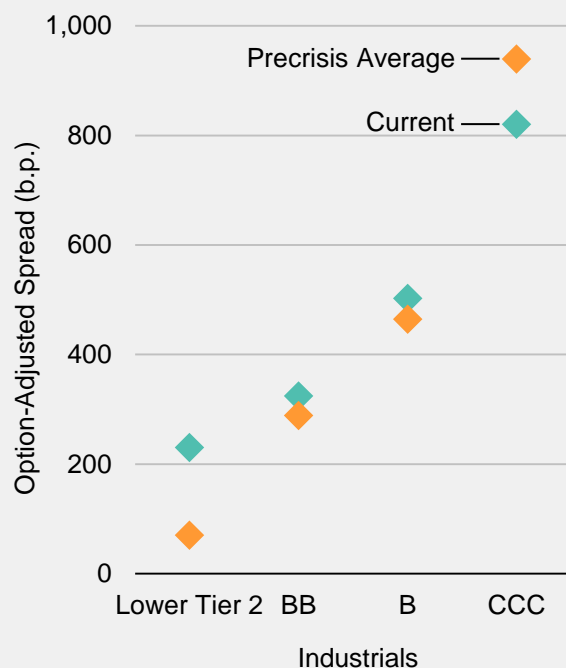
†Returns represented by Barclays government bond indices. An investor cannot invest directly in an index and its performance does not reflect the performance of any AllianceBernstein portfolio. The unmanaged index does not reflect fees and expenses associated with the active management of a portfolio.

Source: Barclays, Bloomberg and AB

Credit: Still Attractive, but Investors Must Be Selective

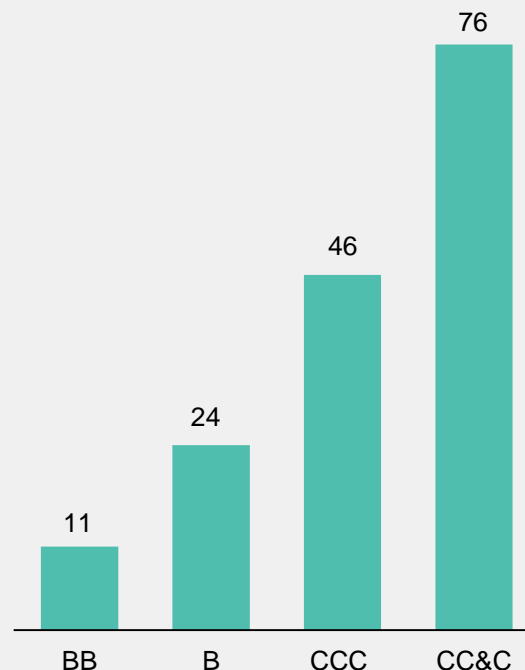
More Value in Higher-Quality Corporates

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



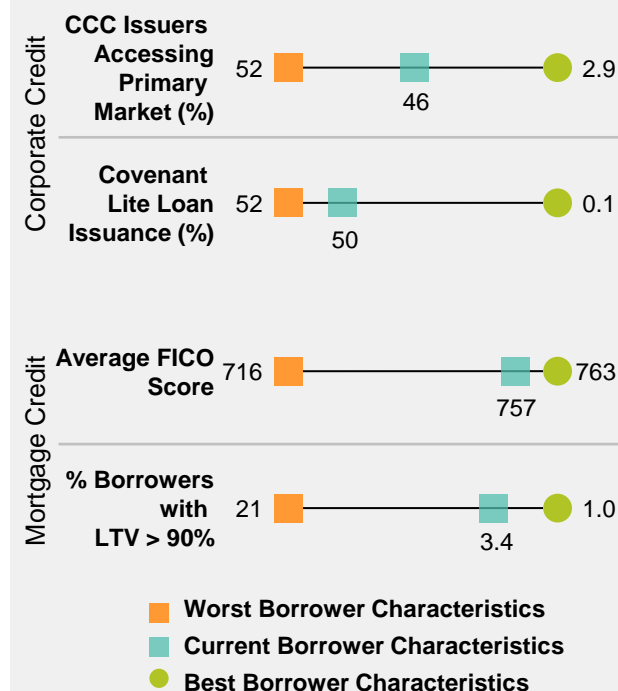
Defaults Should Magnify Differences

Global Bond Returns Hedged to USD (Percent)



Mortgages Look Attractive by Comparison

Credit Metrics: Jan 2006–Jun 2014



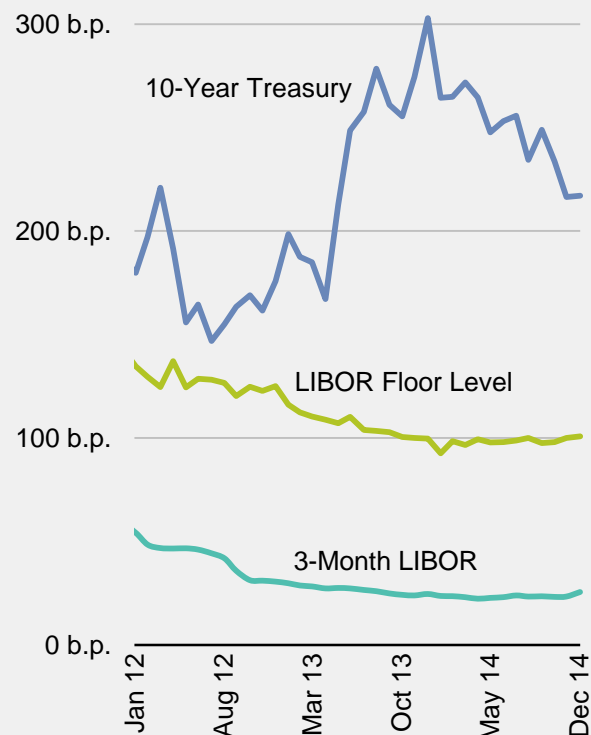
Historical analysis does not guarantee future results.

Left display as of 31 December 2014. Precrisis average for BBs, Bs and CCCs is for the period 30 September 1995–31 December 2007; precrisis average for Tier 2 is for the period 31 January 2001–31 December 2007. 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. Mortgage credit data reflects Freddie Mac averages for cohorts from 2006 to 2013 for loans with original loans to value of 60%–80% and excludes loans with mortgage insurance.

Source: Bank of America Merrill Lynch, Barclays, Freddie Mac, Moody's Analytics, Trepp and AB

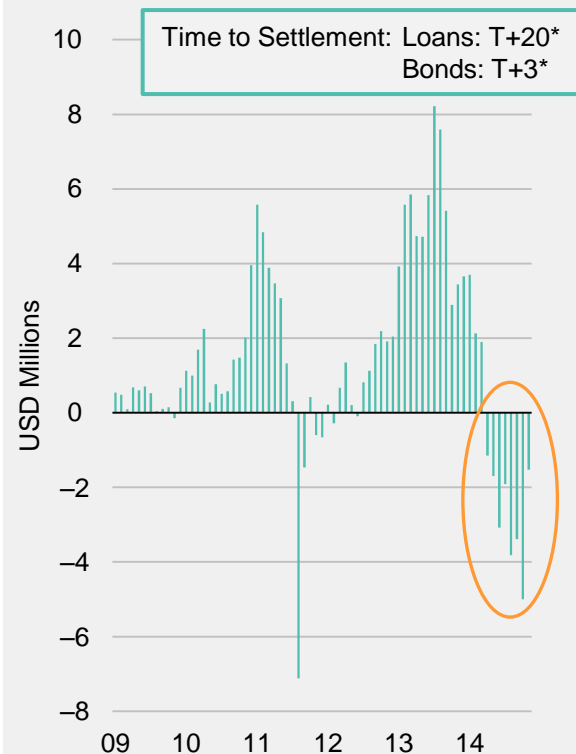
Credit: Bank Loans Still Seem Unattractive

Loan Rates Haven't Risen as Expected



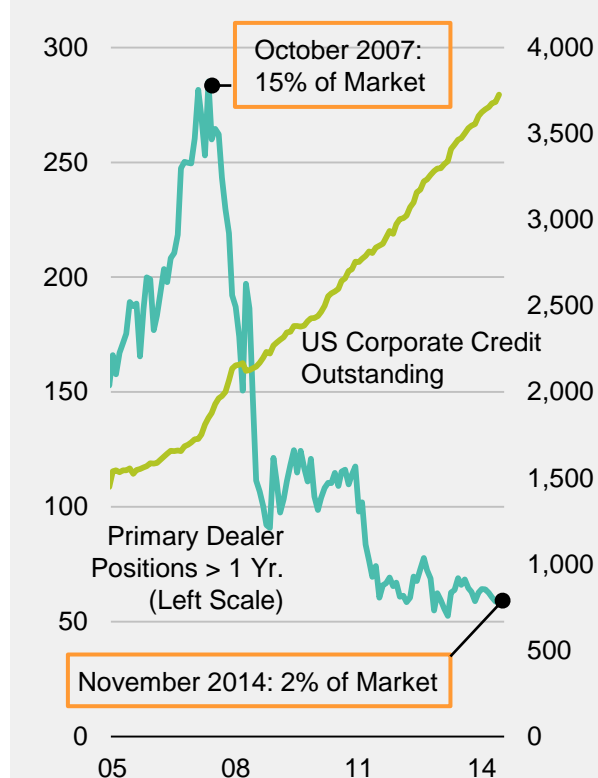
Recent Outflows Exacerbate Liquidity Concerns...

Bank Loan Flows



...in a Lower-Liquidity Environment

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



Current analysis does not guarantee future results.

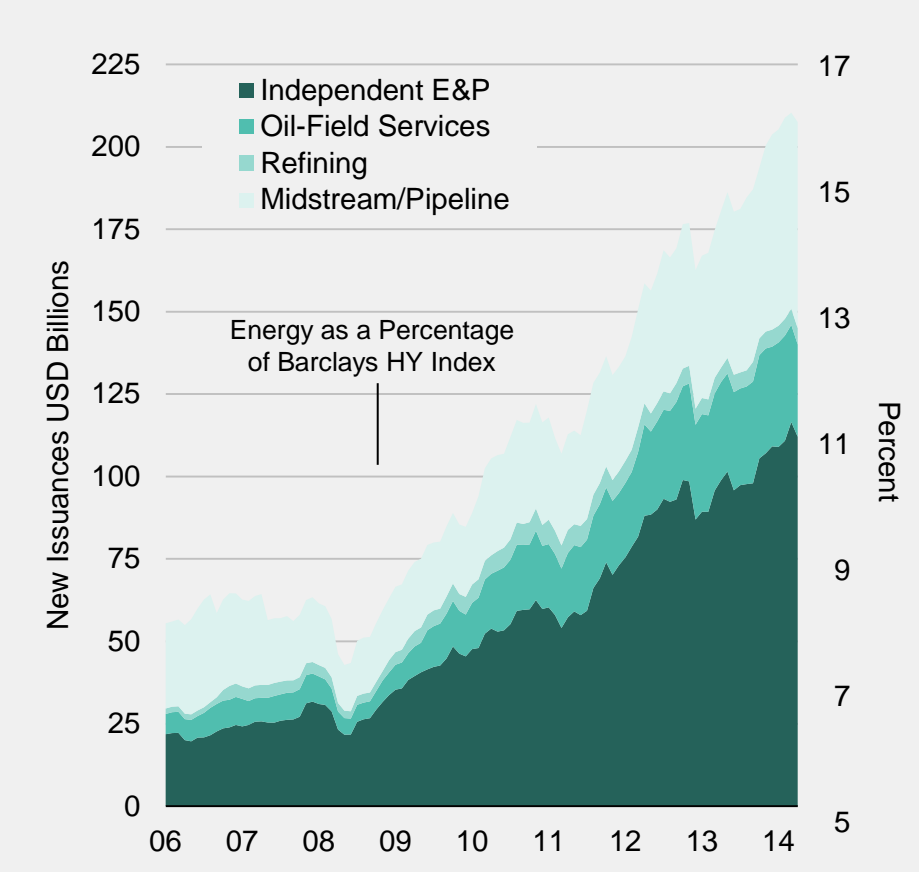
Left display through 31 December 2014; middle and right displays through 30 November 2014

*T=trade date

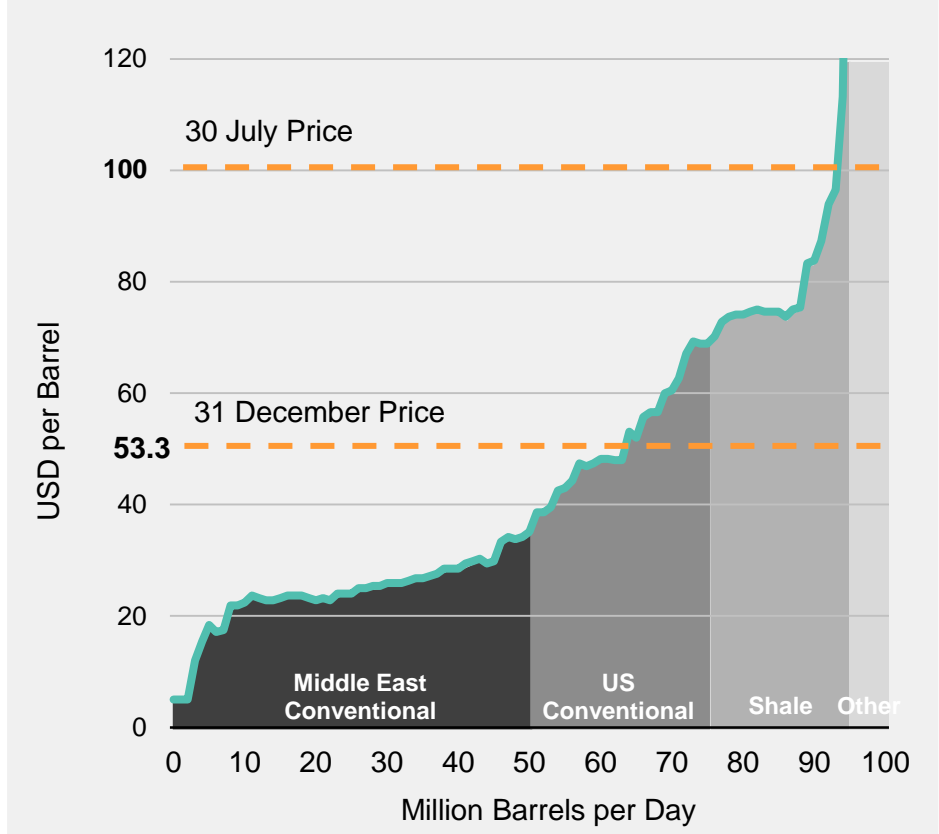
Source: Barclays, Bloomberg, Credit Suisse, Haver Analytics, J.P. Morgan, the Loan Syndications & Trading Association, US Federal Reserve and AB

Credit: Not All Energy Sectors Are Alike

Most Debt Increase Has Been in Exploration & Production



Many High-Yield E&P Issuers Will Struggle with Cheap Oil 2012 Petroleum Supply Curve



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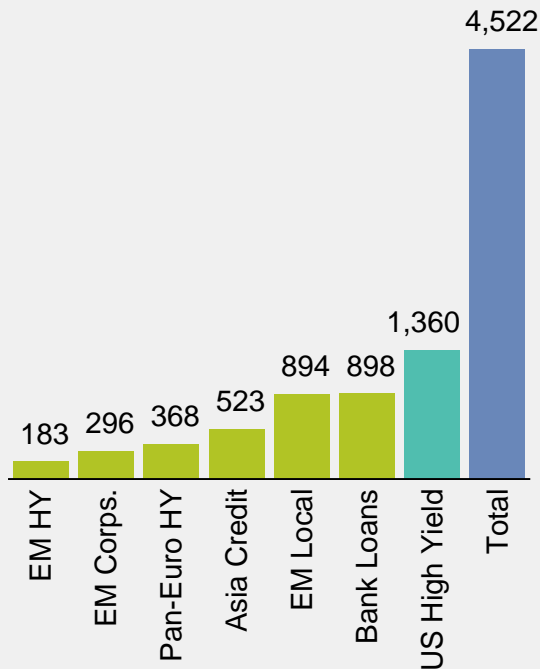
Left display through 31 October 2014; right display as of 3 December 2014

For illustrative purposes only.

Source: Barclays, J.P. Morgan and S&P Leveraged Commentary & Data

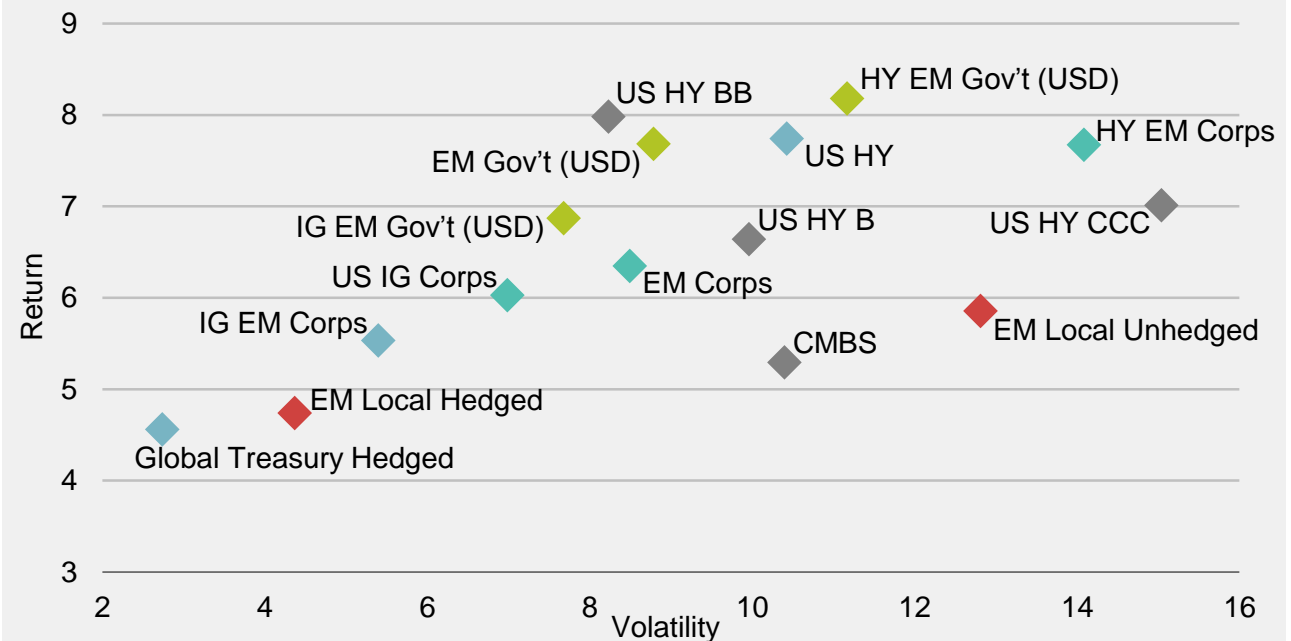
Credit: The Benefits of a Diversified Global Approach

Diversifying Across Sectors Expands Opportunity Set



High Income Offers Diverse Risk/Return Profiles

Risk & Return: July 2004 to June 2014



As of 31 December 2014

Historical data for illustrative purposes only. Past performance is no guarantee of future result

EM Local Bonds (Unhedged) is the JP Morgan GBI-EM Global Index, EM Local Bonds (Hedged) is the JP Morgan GBI-EM Global Hedged Index, EM \$ Govt is the JP Morgan EMBIG Index, EM IG Govt is the JP Morgan EMBIG Investment Grade Index, EM Corps is the JP Morgan CEMBI Broad Diversified Index, EM HY Govt is the JP Morgan EMBIG High Yield Index, Global Treasury (Hedged) is the Barclays Global Treasury Index, US HY is the Barclays US High Yield Index, US IG Corps is the Capital US Credit Corp Index, IG EM Corps is the JP Morgan CEMBI Broad Diversified Investment Grade Index, HY EM Corps is the JP Morgan CEMBI Broad Diversified High Yield Index, Emerging-market high yield by J.P. Morgan EMBI Global Non-Investment Grade; Pan-European high yield by Barclays Pan-European High-Yield (EUR); Asia credit by J.P. Morgan Asia Credit; bank loans by Credit Suisse Leveraged Loan; and emerging-market local by J.P. Morgan GBI-EM. An investor cannot invest directly in an index or average and neither includes sales charges or operating expenses associated with an investment in a mutual fund, which would reduce total returns.

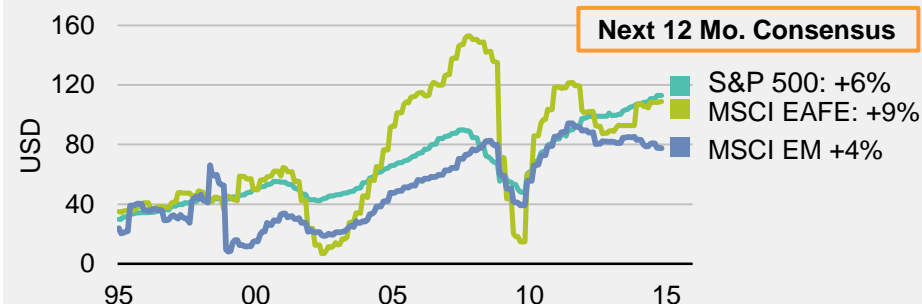
Source: JP Morgan, Barclays, Credit Suisse, and AllianceBernstein

US Equity Market: Looking Back, Looking Forward

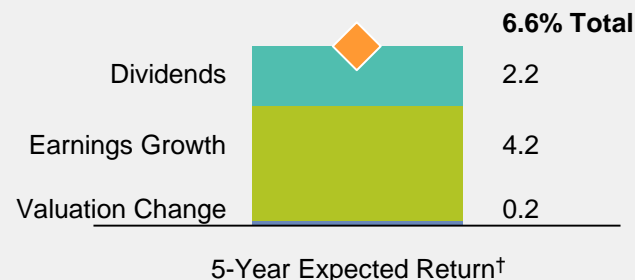
AB's Perspective at Beginning of 2014

- + Strong corporate fundamentals
- + Solid earnings growth
- + Higher revenue growth if global GDP growth improves
- + Margins high but sustainable
- + Shareholder-friendly corporate actions will continue
- + Valuations extended but sustainable
- + Rising interest rates not a challenge for equity returns
- + High-conviction active equity strategies can capture upside to market returns and/or provide downside protection

Earnings per Share (EPS) Have Continued to Rise*



Earnings Growth to Drive Stock Returns (Percent)



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As of 30 November 2014

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Columns may not sum due to rounding.

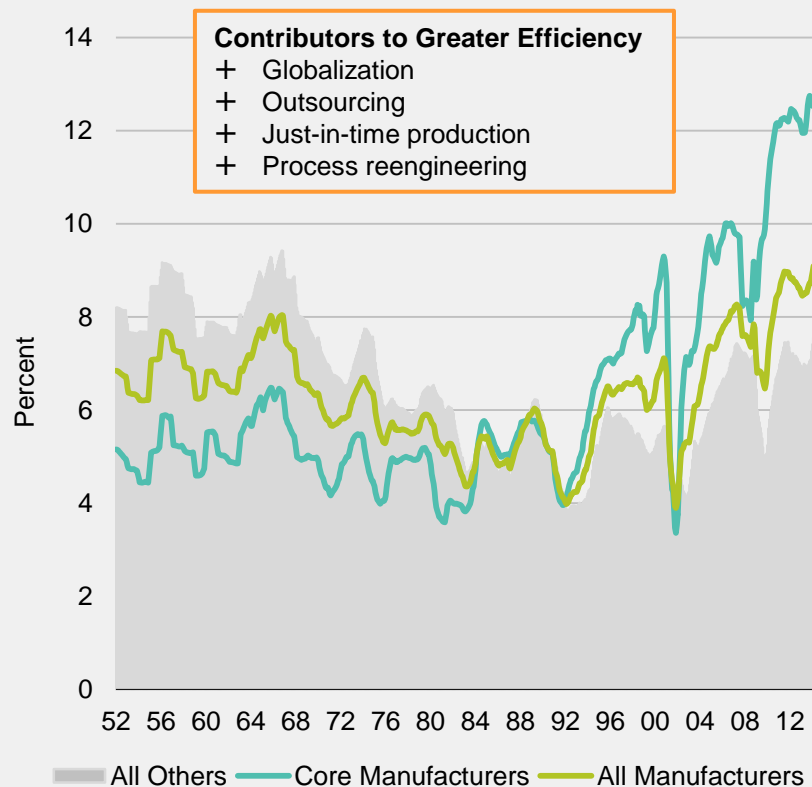
*Trailing 12-month EPS; next 12 months' consensus EPS growth is the next four quarters' consensus EPS versus the current trailing 12-month EPS.

†Five-year annualized expected return for US equities uses AllianceBernstein proprietary Capital Markets Engine forecasts. Chart reflects composition of expected US equity returns.

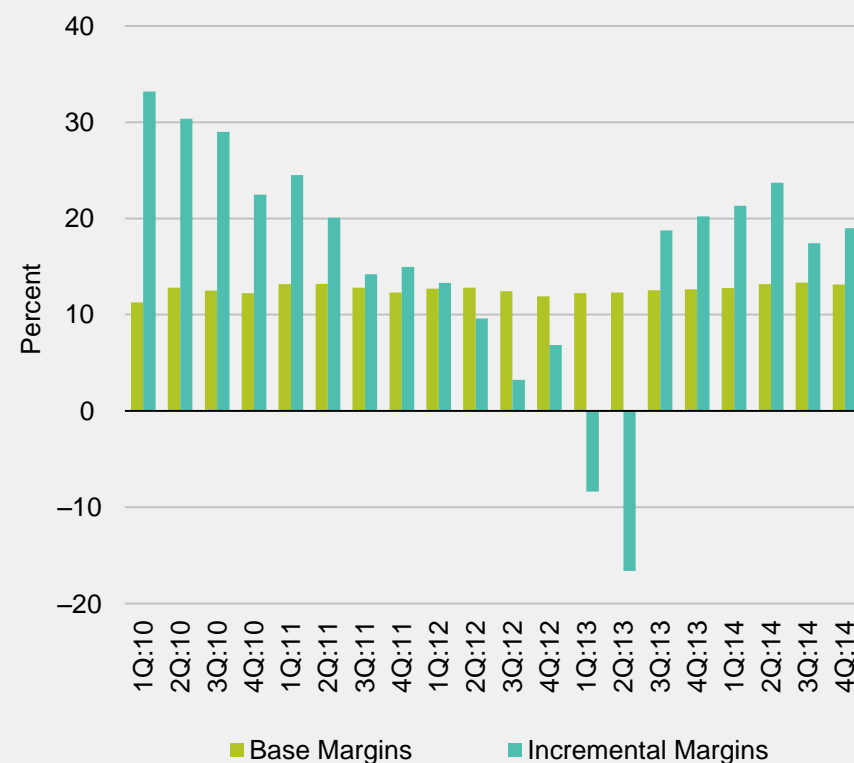
Source: Bloomberg, MSCI, S&P Dow Jones and AB

Better Efficiency Supports High and Rising Incremental Margins

Net Profit Margins*



Pretax Profit Margins for the Core S&P 500†



Historical analysis does not guarantee future results.

As of 30 November 2014

*1952 through 3Q:2014E. Trailing four-quarter data. Smoothed on a trailing three-month basis. Manufacturers include 173 companies with at least some manufacturing business.

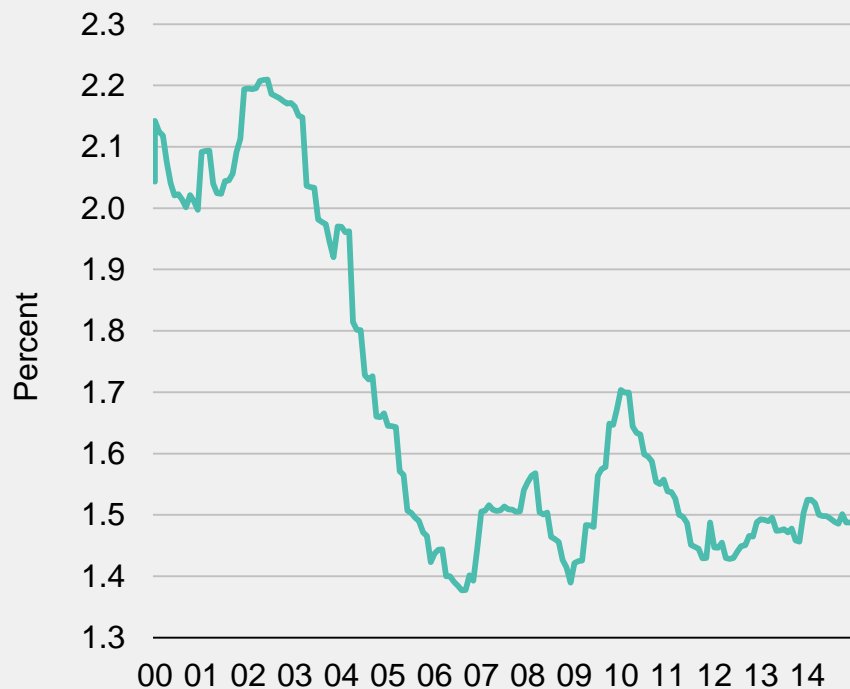
†Excludes financials, energy and utilities. Base margins are one-year trailing operating earnings divided by revenues; incremental margins are year-on-year change in quarterly operating earnings divided by year-on-year change in quarterly revenues; 3Q:14E and 4Q:14E

Source: Empirical Research Partners, S&P, corporate reports and AB

Rising Interest Rates Are Unlikely to Hurt Profit Margins

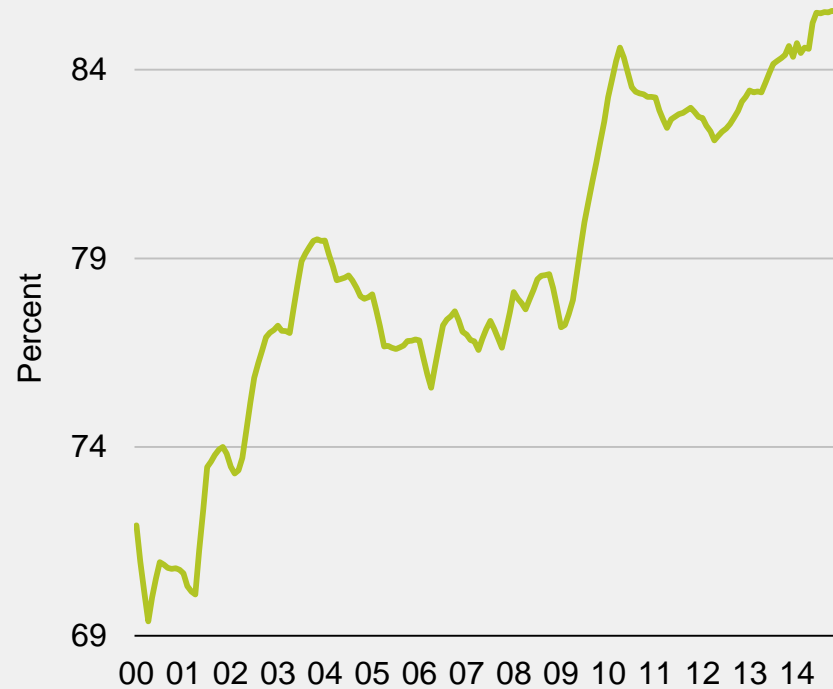
Interest Expense Declined as Rates Fell

Interest Expense as Percent of Sales



Companies Extended Maturities to Lock in Low Rates

Long-Term Debt as Percent of Total Debt



Historical analysis does not guarantee future results.

Through 31 December 2014

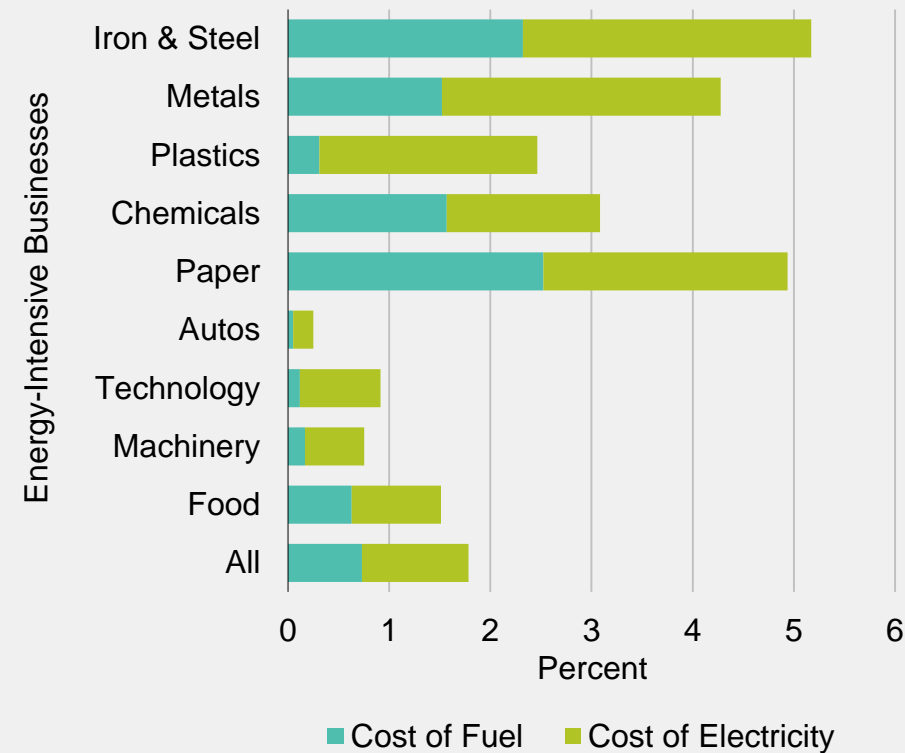
Data is for US large-cap stocks, excluding financials

Source: S&P Compustat and AB

Falling Oil Prices a Boon for US Manufacturers and Consumers

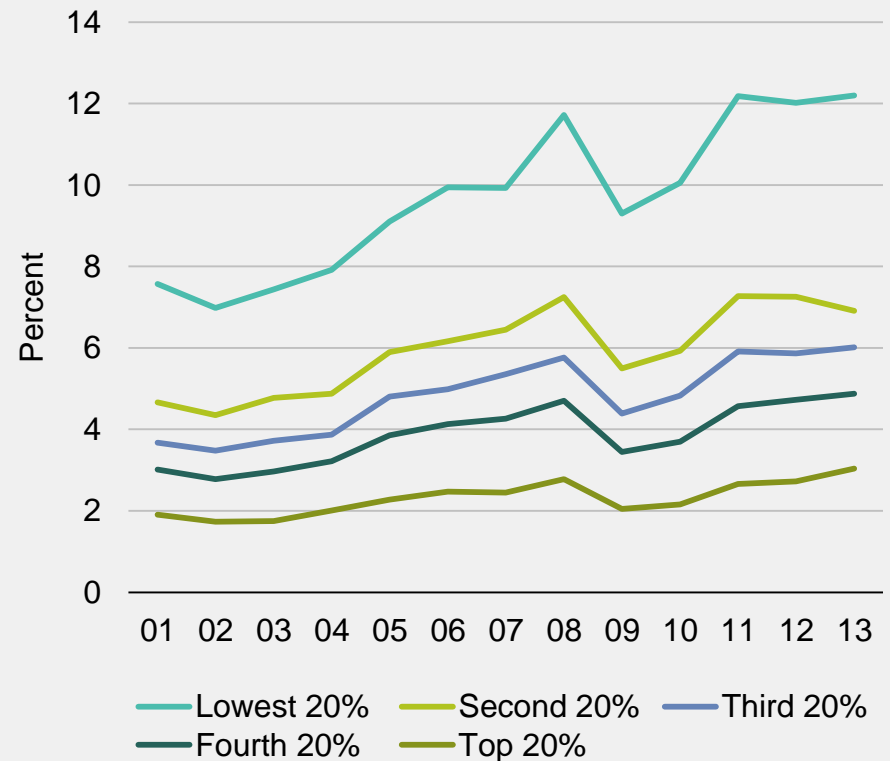
Cheaper Oil Helps Energy-Hungry Industries...

Energy Costs of US Manufacturing Plants as Percent of Total Expenses*



...and Helps the US Low/Middle-Income Consumer Most

After-Tax Income Spent on Gasoline by Income Quintile†



Historical analysis does not guarantee future results.

Left display as of 30 November 2014; right display as of 31 December 2013

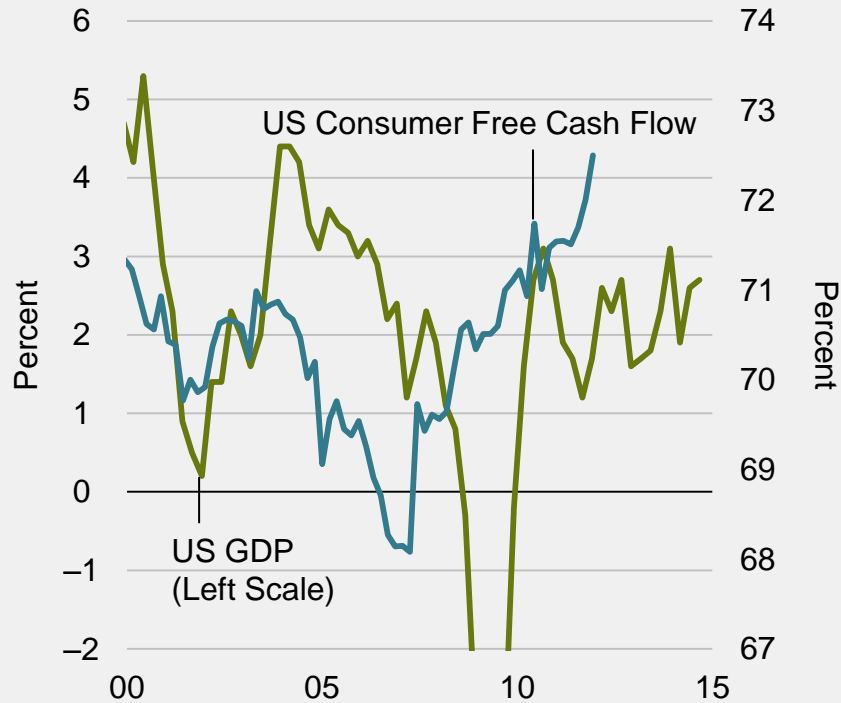
*2012 Annual Survey of Manufactures.

†Quintiles formed based on income before taxes, showing the percent of income after taxes spent on gasoline and motor oil.

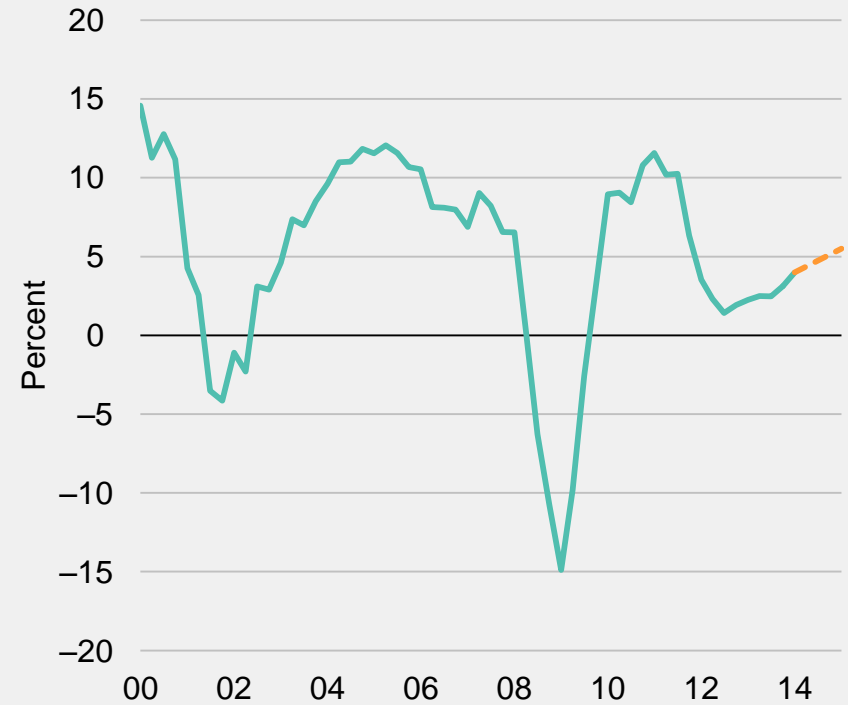
Source: Empirical Research Partners, US Bureau of Labor Statistics and AB

Accelerating US Economic Growth Leads to Sales Growth

Historically Close Relationship Between Consumer Free Cash Flow and GDP*



S&P 500 Sales Growth†



Past performance and current forecasts do not guarantee future results.

Through 30 September 2014

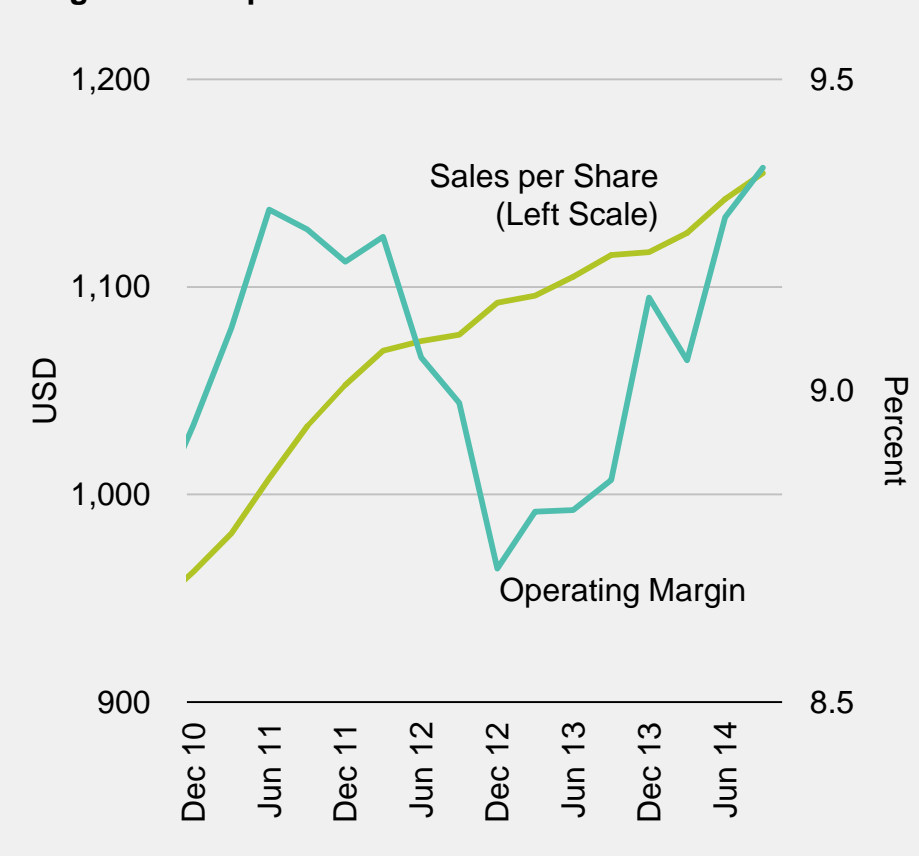
*Year-over-year GDP vs. consumer free cash flow advanced 12 months forward

†Consensus sales growth estimates. Forecast data is for 4Q:14 vs. 4Q:13 and for 4Q:15 vs. 4Q:14

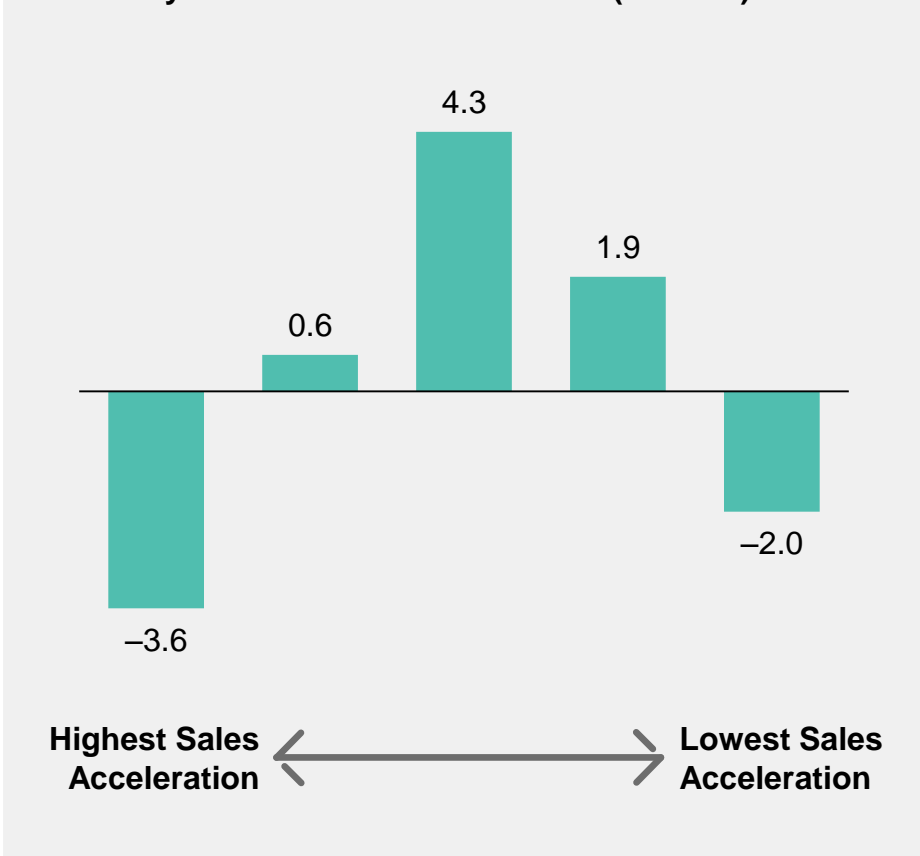
Source: Bloomberg, Cornerstone Macro, FactSet, S&P and AB

High-Conviction Active Equity: Preference for Sustainable Growth

Margins and Top-Line Sales Growth



Returns by Sales Acceleration Quintile (Percent)*



Historical analysis does not guarantee future results.

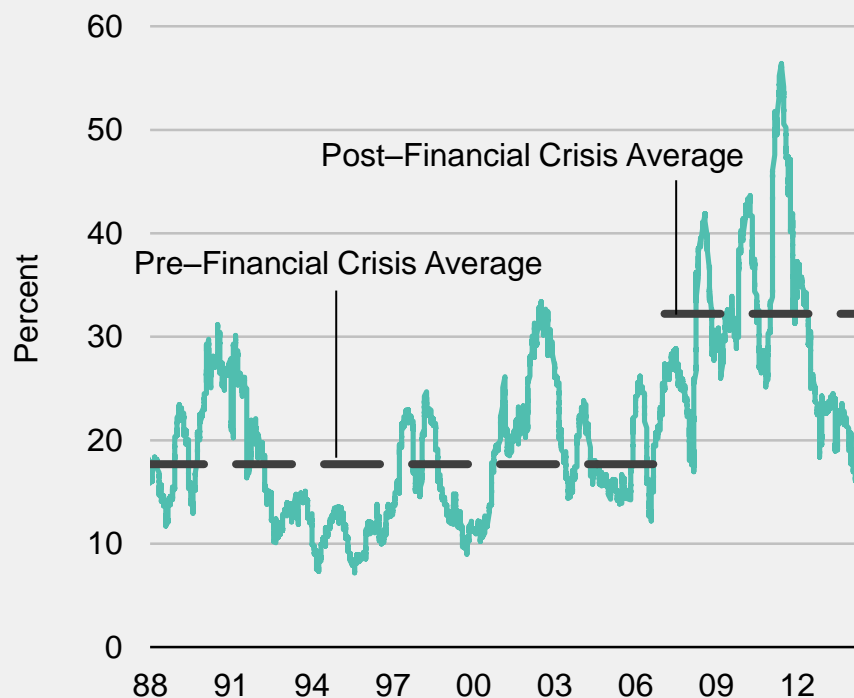
Left display through 30 September 2014; right display through 30 November 2014

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

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

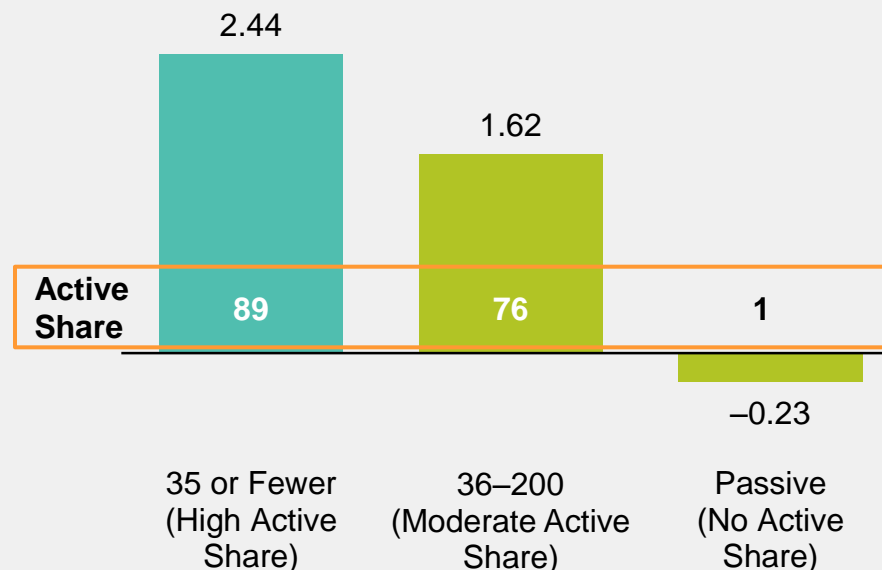
High-Conviction Active Equity: Preference for Concentrated Approaches

Intra-Market Correlations Have Declined*



Concentrated Portfolios with High Active Share Have Outperformed

Median Alpha Performance of Large/Mid-Cap Strategies 2003–2013 (Percent)[†]



Historical analysis does not guarantee future results.

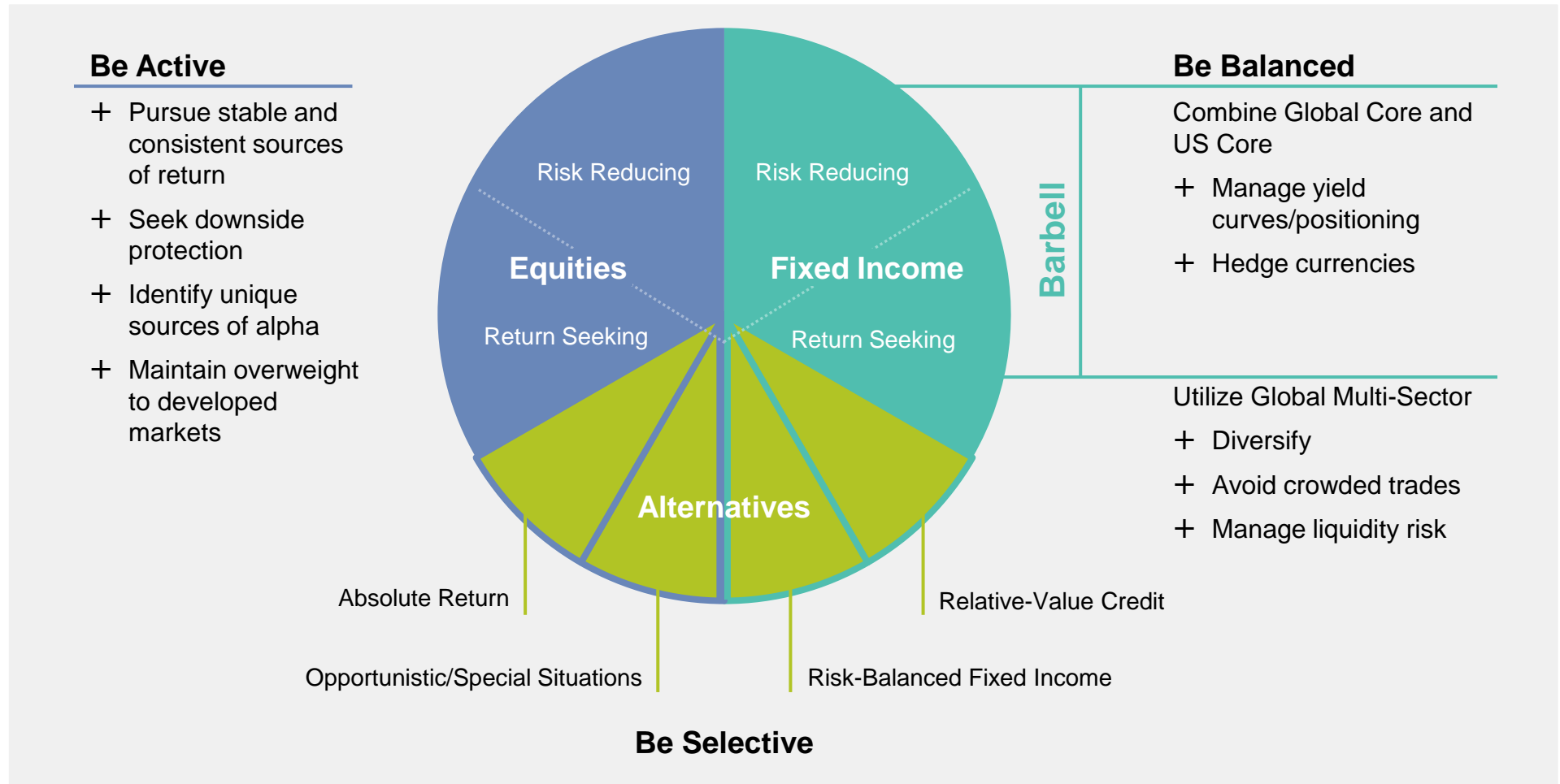
Left display through 15 December 2014; right display through 31 December 2013

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

[†]Includes a universe of 1,253 large- and mid-capitalization US equity separate accounts with a minimum three-year track record and \$100 million in strategy assets; 231 strategies have less than 35 stocks, 1,022 fall into the 36–200 bucket, and passive is represented by the top largest passive strategies (benchmarked to the S&P 500). All data is shown gross of fees. Active share is a five-year average.

Source: Bloomberg, Lipper, Morningstar, MSCI, S&P Dow Jones and AB

Putting It All Together



Current analysis does not guarantee future results.

As of 31 December 2014

Source: AB

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 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.

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 corporate on slide 1.)

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 1.)

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 1.)

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 1.)

Index Definitions (continued)

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 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 Treasury Inflation-Protected Securities (TIPS) Index: Consists of inflation-protected securities issued by the US Treasury. (Represents TIPS on slide 1.)

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 1.)

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 1.)

FTSE EPRA/NAREIT Global Real Estate Index: Designed to represent general trends in eligible real estate equities worldwide. (Represents global REITs on slide 1.)

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.

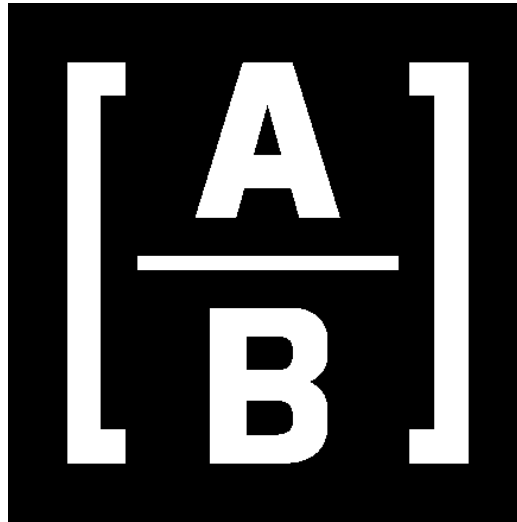
MSCI Emerging Markets Index: A free float–adjusted, market capitalization–weighted index designed to measure equity-market performance in the global emerging markets. It consists of 21 emerging-market country indices. (Represents Emerging Markets on slide 1.)

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 World Index: A market capitalization–weighted index that measures the performance of stock markets in 24 countries. (Represents World on slide 1.)

S&P 500 Index: Includes a representative sample of 500 leading companies in leading industries of the US economy. (Represents US on slide 1.)

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