



ALLIANCEBERNSTEIN®

AB Separately Managed Accounts

Institutional-Quality Solutions
for a Clear Path Forward



Investment Products Offered • Are Not FDIC Insured • May Lose Value • Are Not Bank Guaranteed

AB Separately Managed Accounts:

Customized Solutions for Individual Investors

The Basics on SMAs

What Are They? SMAs are investment strategies just like mutual funds and exchange-traded funds (ETFs). But with those options, investors pool their money as part owners of a vehicle that invests in the same securities for everyone. SMAs are different. With an SMA, you own the individual stocks or bonds directly and can customize the securities in your portfolio. SMAs are not a one-size-fits-all solution like mutual funds or ETFs, which offer partial ownership in a pooled investment vehicle that is designed to fit a broader investor group.

Who Should Consider Them? SMAs are best suited for high-income earners, or individuals that have substantial investable assets, looking for a professionally managed portfolio that offers personalization, transparency and tax advantages.

Why Are They Effective? SMAs are most attractive to higher earners because of their investment flexibility and typically lower costs. Additionally, owning individual securities gives you a clear understanding of the securities owned, as well as the market-weighted value of each—not limited to just cost basis, capital gains/losses or number of shares. This ownership and transparency allows for additional benefits through tax harvesting.

What Is Tax Harvesting? Tax harvesting is the ability to manage the taxation of your investment portfolio by selectively selling investments with capital losses to offset capital gains on other securities or vice versa. You can work with your investment advisor to identify capital gains or losses that can be offset through tax harvesting.

Fully Invested in Delivering Better Outcomes

SMA's offer many benefits—how does your current investment portfolio stack up?

See If You Can Answer “Yes” to the Following Questions:

- **Professional Management:** Is your portfolio managed by an experienced asset-management firm with a proven history?
- **Personalization:** Do your investments align with your individual values and the things that really matter to you?
- **Transparency:** Do you receive detailed statements and reporting that show you the securities and number of shares you own?
- **Tax Efficiency:** Are you able to manage your tax exposure by selling specific securities to realize capital gains and losses at year-end?
- **Low Cost:** Are you tapping into the most cost-effective investment vehicle given the amount of assets you can invest?
- **Control:** Would you like to be a direct owner of the companies you invest in, which in turn can give you a say as a shareholder in the business?

Not all investments are created equal...asset managers aren't either.

Researching companies and designing portfolios is an enormously complex job. For investors, it's important to hire an investment manager with industry knowledge, experience across all market cycles and the ability to ask the tough questions. At AB, we're putting our experience and expertise to work to help our clients navigate ever-changing markets with confidence.

AB: A Long History of Investing

50+
Years of Experience

\$613 billion
Firm Assets Under Management

72,000+
Retail Separately Managed Accounts

\$32 billion+
Retail Separately Managed Account Assets

As of December 31, 2022
Source: AB

AB Equities

Investing for Growth

Quality investments are an important ingredient within portfolios and can lead to impressive long-term returns. At AB, we view quality as a combination of interconnected factors that emphasize strong fundamentals of a company. This requires a discerning view of a company's underlying characteristics, and we pass

these considerations through to our high-conviction active-equity strategies, providing a quality approach to equity investing.

With a long history, our equity investment teams provide the skills and judgment to navigate shifting market environments with confidence.

124

Investment Professionals

22

Average Years of Experience

\$218 billion

Assets Under Management

As of December 31, 2022

Featured Portfolios

AB Large Cap Growth Portfolio (SMA)

Objective

- Seeks long-term growth of capital

Portfolio Overview

- A focused, high-conviction portfolio
- Uses bottom-up research to identify companies with high levels of profitability and strong reinvestment opportunities, driving persistent growth
- Led by a team with extensive experience managing US equity portfolios

Primary Investments

- Approximately 50 to 70 US large-cap stocks

AB Concentrated Growth Portfolio (SMA)

Objective

- Seeks long-term growth of capital

Portfolio Overview

- A concentrated, high-conviction portfolio with high active share
- Bottom-up process seeks high-quality businesses with long-term, consistent earnings growth
- Experienced investment team, with one of the highest "analyst-to-company" ratios in the industry

Primary Investments

- Approximately 20 US large-cap stocks

AB Fixed Income

Investing for Efficient Income

AB offers core bond solutions for tax-sensitive investors through a suite of municipal SMAs. With a global fixed-income platform that integrates fundamental and quantitative research, we work to provide clients with insight-driven clarity and conviction in a complex investment world.

The highly experienced municipal team has 25 years of industry experience and manages a flexible suite of core fixed-income solutions designed to deliver attractive after-tax returns.

99

Investment Professionals

19

Average Years of Experience

\$237 billion

Assets Under Management

As of February 21, 2023

Featured Portfolios

AB Tax Aware Fixed Income Portfolio (SMA)

Objective

- Seeks to maximize after-tax return of income with preservation of capital

Portfolio Overview

- Invests flexibly across both municipal and taxable bonds, seeking attractive after-tax returns
- Manages interest-rate exposure, with the ability to invest in lower-rated munis and corporate bonds
- Leverages the strength of AB's award-winning fixed-income platform

Primary Investments

- Municipal and taxable fixed-income securities
- Invests selectively in below-investment-grade bonds

AB Municipal Income Portfolio (SMA)

Objective

- Seeks to earn the highest available level of current income exempt from federal taxes, without assuming what the Advisor considers undue risk

Portfolio Overview

- A core-plus municipal strategy that focuses on investment-grade bonds with selective investments in high yield
- Manages interest risk by targeting the "sweet spot," or intermediate part, of the yield curve
- Leverages the strength of AB's award-winning fixed-income platform

Primary Investments

- Diversified portfolio of municipal bonds generating income exempt from federal taxes (some may be subject to alternative minimum tax)


AB's Portfolios with Purpose

Investing responsibly is important to many investors—and as we see it, environmental, social and governance (ESG) considerations are financial considerations too.

That's why we integrate ESG into our investment process across our actively managed portfolios—and we engage with companies on the issues.


ESG integration and engagement are a strong foundation, but many investors want solutions that go even further, enabling them to invest both for financial objectives and with purpose.

That's what our Portfolios with Purpose are designed to do. And, because they come in an SMA, you can take a personalized approach to purpose-driven investing.



Impact

Impact solutions seek to make a measurable social or environmental impact



Sustainable

Sustainable solutions seek to generate attractive financial returns through investments that contribute to positive social and environmental outcomes

AB Municipal Impact Portfolio (SMA)

Objective

- Seeks the highest level of after-tax income without undue risk

Portfolio Overview

- Invests in issues that deliver a positive social and environmental impact, with a focus on underserved and low-socioeconomic-status communities
- Reviews and scores each issuer based on environmental, social and governance criteria for portfolio inclusion
- Sectors include—but are not limited to—education, healthcare, low carbon/renewable energy, mass transit, water/wastewater management, economic/community development

Primary Investments

- High-quality, intermediate portfolio with the ability to invest selectively in lower-rated bonds

AB Strategic Research Portfolio (SMA)

Objective

- Seeks to outperform the broad US equity market by integrating top-down investment themes with bottom-up security selection

Portfolio Overview

- Identifies sustainable investment themes that are broadly consistent with aligning with United Nations Sustainable Development Goals (SDGs)
- Focuses on sustainable investment themes that offer differentiated opportunities for secular growth
- Invests in high-quality companies with strong environmental, social and governance (ESG) practices that are aligned with these powerful, long-term themes

Primary Investments

- Equities of US companies, diversified across industries

Frequently Asked Questions

Can I customize an SMA, and exclude specific stocks or sectors that I don't want to invest in? Yes, because SMA accountholders own the underlying portfolio securities, you can request the exclusion of specific securities or social sectors to personalize the holdings. Simply request to have these customizations applied to the SMA through your financial advisor. The customization cannot change the underlying portfolio by more than 10% of market value based on when the restriction is initiated.

How can I exclude specific stocks or sectors that I don't want to invest in? Simply tell your financial advisor, who can have these preferences applied to the SMA, not changing the underlying portfolio by more than 10% of market value based on when the restriction is initiated.

Why would I want to customize an SMA? Some investors receive stocks from inheritance or compensation and don't want to further invest in those stocks through the SMA. Other investors may choose to exclude specific stocks or social sectors that conflict with their personal or religious views or values.

What are completion funds and why are they in my SMA? As the fixed-income markets evolved, AB started utilizing completion funds in 2010 to provide the flexibility needed to make strategic and tactical shifts in less liquid parts of fixed-income markets. These funds offer increased diversification and access to opportunities that would be hard to obtain with individual bonds. The general public can't invest in completion funds—also known as income shares or commingled vehicles—as they're for the exclusive use of SMAs.

What exactly is tax harvesting and how do I know when to do it? Tax harvesting is the ability to manage the taxation of your investment portfolio by selectively selling investments with capital losses to

offset capital gains on other securities or vice versa. You can work with your investment advisor to identify capital gains or losses that can be offset through tax harvesting.

What AllianceBernstein investment strategies are available in an SMA? AB offers a range of equity, fixed-income and multi-asset SMAs. These include ESG-themed Portfolios with Purpose, for investors who want to combine financial objectives and investing for purpose.

What kind of SMA statements will I receive? You'll receive account statements from your sponsor or custodian that show the securities and number of shares you own, along with other details to help you better understand your investment returns.

How does the cost of an SMA compare to a similar mutual fund strategy? SMAs may have a higher investment minimum, but the fees are typically lower compared with a mutual fund. For example, the average management fee for the AB Large Cap Growth SMA is 0.34% versus 0.61% for the advisor share class of the AB Large Cap Growth Mutual Fund (APGYX).

How long has AB been managing SMAs? AB has been managing SMAs since 1980, giving us more than 40 years of experience in this type of vehicle.

Why should I own an SMA? In addition to the potential lower cost of an SMA, owning individual securities gives you a clear understanding of the securities owned, as well as the market-weighted value of each—not limited to just cost basis, capital gains/losses or number of shares. This ownership and transparency allows for additional benefits through tax harvesting.

Learn More

(800) 247 4154
ABFUNDS.COM

A WORD ABOUT RISK

Market Risk: The market values of the portfolio's holdings rise and fall from day to day, so investments may lose value. **Diversification Risk:** Portfolios that hold a smaller number of securities may be more volatile than more diversified portfolios, since gains or losses from each security will have a greater impact on the portfolio's overall value. **Derivatives Risk:** Investing in derivative instruments such as options, futures, forwards or swaps can be riskier than traditional investments, and may be more volatile, especially in a down market. **Capitalization-Size Risk (Small/Mid):** Small- and mid-cap stocks are often more volatile than large-cap stocks—smaller companies generally face higher risks due to their limited product lines, markets and financial resources. **Foreign (Non-US) Risk:** Non-US securities may be more volatile because of the political, regulatory, market and economic uncertainties associated with such securities. Fluctuations in currency exchange rates may negatively affect the value of the investment or reduce returns. These risks are magnified in emerging or developing markets. **Interest-Rate Risk:** Fixed-income securities may lose value if interest rates rise or fall—long-term securities tend to rise and fall more than short-term securities. The values of mortgage-related and asset-backed securities are particularly sensitive to changes in interest rates due to prepayment risk. **Credit Risk:** A bond's credit rating reflects the issuer's ability to make timely payments of interest or principal—the lower the rating, the higher the risk of default. If the issuer's financial strength deteriorates, the issuer's rating may be lowered and the bond's value may decline. **Inflation Risk:** Prices for goods and services tend to rise over time, which may erode the purchasing power of investments. **Leverage Risk:** Trying to enhance investment returns by borrowing money or using other leverage tools magnifies both gains and losses, resulting in greater volatility. **Municipal Market Risk:** Debt securities issued by state or local governments may be subject to special political, legal, economic and market factors that can have a significant effect on the portfolio's yield or value. **ESG Risk:** Applying ESG and sustainability criteria to the investment process may exclude securities of certain issuers for nonfinancial reasons and, therefore, the strategy may forgo some market opportunities available to strategies that do not use ESG or sustainability criteria.

There is no assurance that a separately managed account will achieve its investment objective. Separately managed accounts are subject to market risk, the market values of securities owned will fluctuate so that your investment, when redeemed, may be worth more or less than its original cost. AB does not provide tax, legal or accounting advice.

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