March 2012

AllianceBernstein

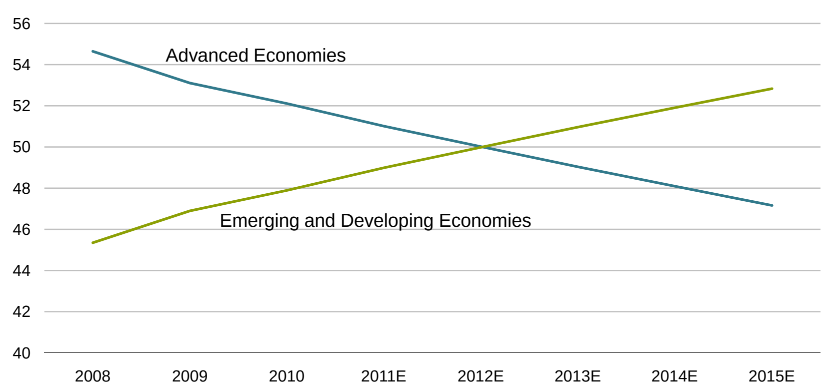
An Integrated Approach to Emerging Markets Investing

Morgan Harting Portfolio Manager—Emerging Markets Multi-Asset Strategy

AllianceBernstein

According to IMF Estimates, Emerging Markets Will Account for Half of the Global Economy

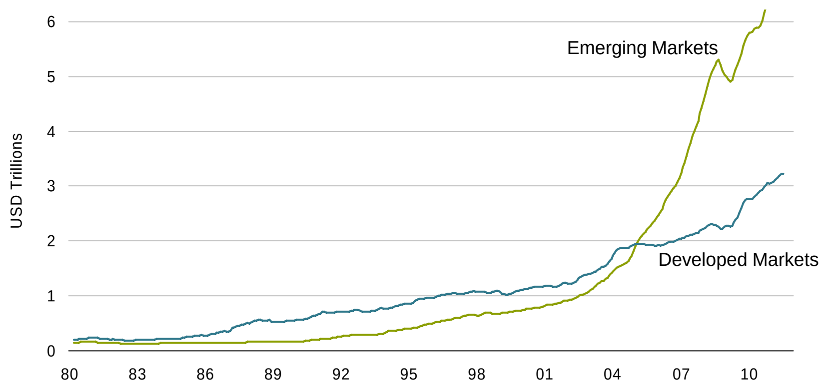
Projected Share of World GDP
Percent



Historical analysis and current estimates do not guarantee future results.
*As of 30 September 2011. GDP (gross domestic product) is the total market value of goods and services produced by a nation's economy during 2010
Developed markets consists of 27 countries: Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Israel, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, UK and US. Emerging Markets consists of the other 147 countries covered by the IMF. GDP statistics are at market exchange rates.
Source: International Monetary Fund's International Finance Statistics and World Economic Outlook

And Hold Significant Currency Reserves…

Foreign Exchange Reserves*



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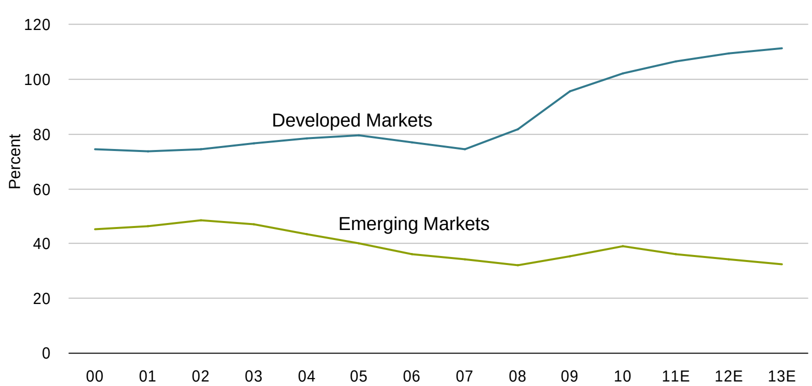
*As of 31 August 2011; three-month moving average
Developed markets consists of 27 countries: Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Israel, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, UK and US. Emerging Markets consists of the other 147 countries covered by the IMF. GDP statistics are at market exchange rates.
Source: International Monetary Fund's International Finance Statistics and World Economic Outlook

With Better Debt Dynamics

Public Debt as a Percentage of GDP*



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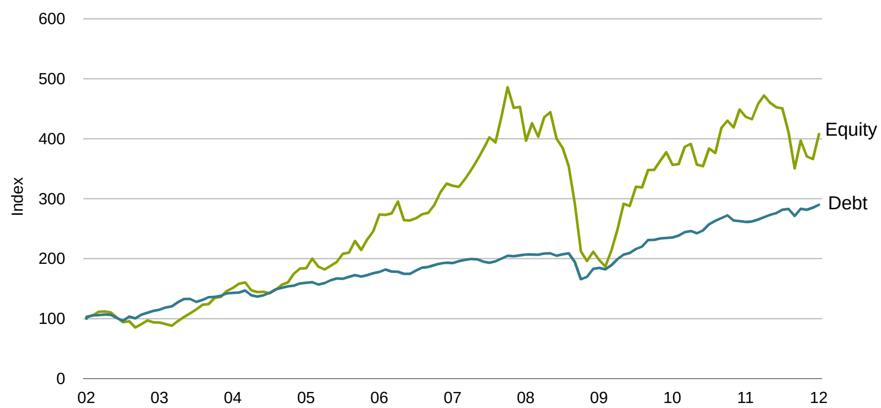
Source: International Monetary Fund's International Finance Statistics and World Economic Outlook

Supporting strong investment returns across equity and debt

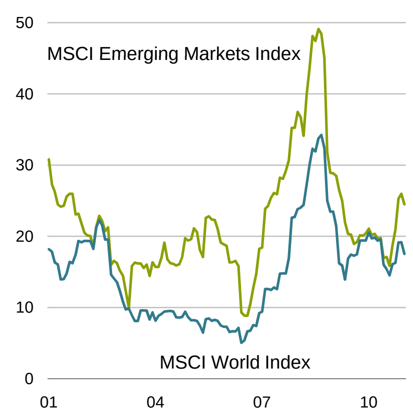


Past performance does not guarantee future results.
Through 31 January 2012
Equity is the MSCI EM index, debt represents J.P. Morgan EMBI Global index.
Source: J.P. Morgan, MSCI and AllianceBernstein

The Investor's Emerging Dilemma

- Expectations of future growth are alluring but markets remain volatile
- Is it possible to reduce Emerging Markets volatility without sacrificing return potential?
- Our research suggests it may be through:
  - Combining equities, bonds and currencies
  - Taking an active, unconstrained and integrated approach to portfolio construction
  - Leveraging a global research footprint

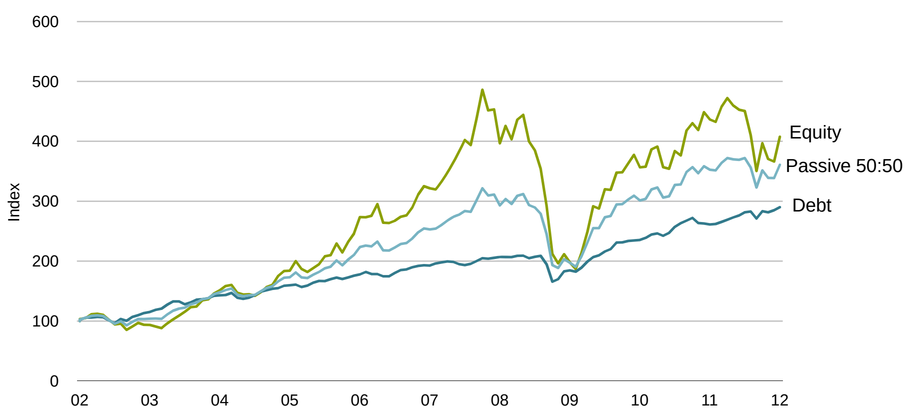
Equity Benchmark Volatility



Historical analysis does not guarantee future results.
Through 31 December 2011
Volatilities shown are calculated based on trailing 12-month standard deviations. Standard deviation is a statistical measure of risk that shows how aligned or at variance the returns of an asset, industry or fund are relative to their historical performance.
Source: MSCI and AllianceBernstein

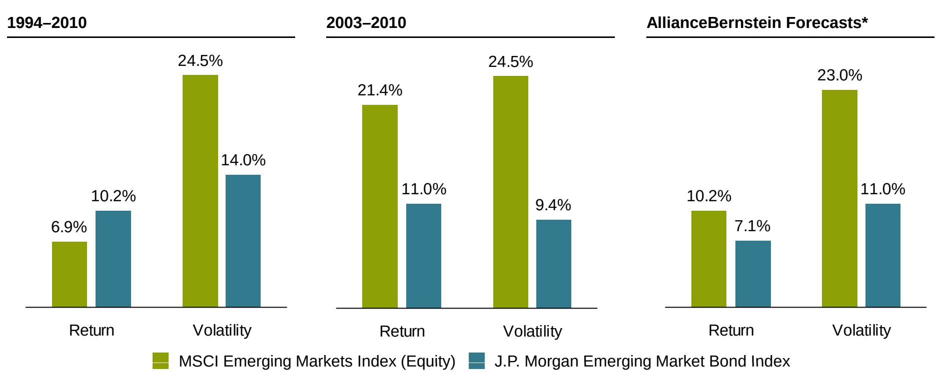
Naively Combining EM Debt and Equity Would Have Produced Good Risk-adjusted Returns

Cumulative Emerging-Market Equity and Debt Returns



Past performance does not guarantee future results.
Through 31 January 2012
Equity is the MSCI EM index, debt represents J.P. Morgan EMBI Global index. Passive 50:50 represents an equally weighted combination of debt and equity indices.
Source: J.P. Morgan, MSCI and AllianceBernstein

What About the Next Decade?



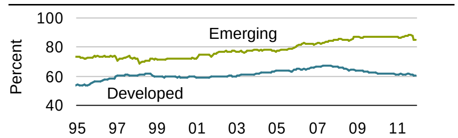
- Since the bond index inception in 1994, bonds have delivered better returns with lower volatility
- More recently, there has been a huge return advantage to equities
- Our forecasts suggest that stocks may outperform bonds and are likely to remain volatile

Historical analysis and current forecasts do not guarantee future results. Past performance is not a guide to future performance.
As of 31 December 2010
*For illustrative purposes only over the medium- to long-term (five–10 years); based on AllianceBernstein's proprietary Capital Markets Engine, a tool designed to forecast the long-term behavior of asset classes.
Source: J.P. Morgan, MSCI and AllianceBernstein

Company-specific factors are increasingly important in EM equities

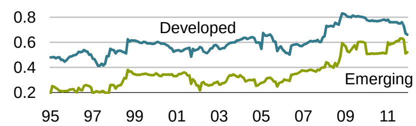
- Comparing fundamentals are now more important than comparing countries

Single-Stock Variance from Company and Sector Risk*



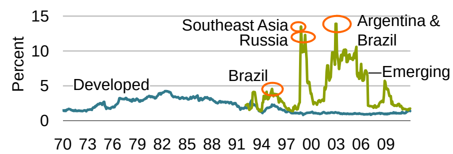
- Stock correlations are lower making EM better for stock picking

Average Correlation Between Countries (Hedged)**



- For Fixed Income, country factors still matter more

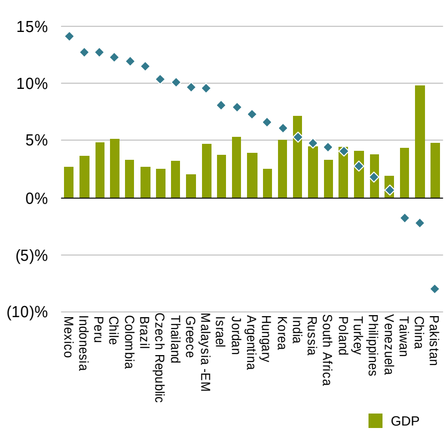
Standard Deviation of Government Bond Yields**



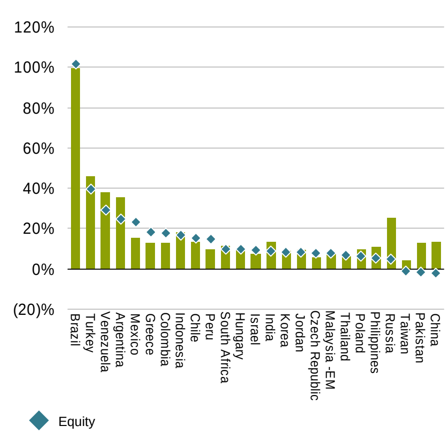
Historical analysis and current forecasts do not guarantee future results
*Rolling three-year periods through 31 December 2011
**Data through 31 December 2011
Source: JPMorgan Chase, MSCI and AllianceBernstein; see Disclosures and Important Information.

Real GDP Growth Has Been Good, But it's not a Sufficient Basis for Investment Decisions

Stock Market Returns vs. Real Economic Growth: USD



Stock Market Returns vs. Nominal Economic Growth: Local Currencies



Historical analysis and current forecasts do not guarantee future results
Annualized returns are calculated 1990--2011 (or subset thereof if data is incomplete)
Source: Factset, MSCI, IMF
As of 31 December 2011

Active Currency Management: Multiple Uses and Benefits

Generate Return

- Long China
  - Solid fundamentals and policy objectives support gradual appreciation versus USD with low volatility
- Long Mexico
  - Now priced near financial crisis level despite economic recovery and attractive interest rate advantage

Manage Risk

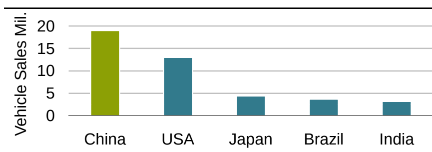
- Company risk: partial hedge of Russian ruble
  - Volatility of Russian energy stocks exacerbated by country risk more than company fundamentals; focus on more attractive element by reducing ruble risk
- Country risk: full hedge of Turkish lira
  - Inconsistent monetary and exchange rate policies bode ill for currency but we still find attractive stocks
- Portfolio risk: hedge euro
  - EUR cheaper to hedge than local EM currencies; European concerns weigh on emerging European exposures

The strategies described here are for illustrative purposes only and should not be construed as investment advice.
As of December 31, 2011
Source: AllianceBernstein

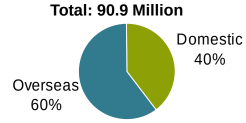
Accessing the Largest Auto Market in the World by Looking Beyond Emerging Markets

- China is now the largest market for automobiles, but the dominant players are off-limits
  - Shanghai Auto and First Auto represent more than 30% market share, but are inaccessible
- Sumitomo Rubber is listed in Japan, but manufactures tires in China, Thailand and Indonesia, as well as in Japan for export to emerging Asia. The bulk of the company's sales are outside Japan, primarily to China and other emerging markets
- Despite its robust business, its valuation was weighed down by concerns about Japan

2011 Global Automotive Sales Forecast

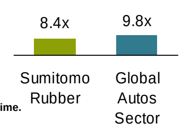


Sumitomo Rubber: Total Units by Destination, 2010

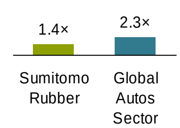


Sumitomo Rubber: Valuation vs. Peers*

Price/Normalised Earnings



Price/Book

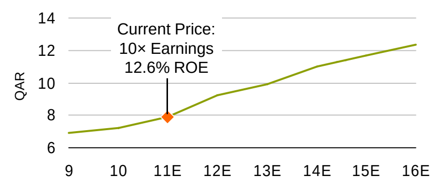


Historical analysis and current forecasts do not guarantee future results. Holdings will vary over time.
As of 15 February 2011
*As of 5 August 2011
Source: Bloomberg, J.D. Power Global Automotive Outlook 2011

An Integrated Approach to Enterprise Value and Risk May Be Better

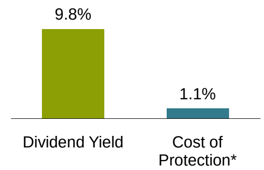
- "Frontier" equity designation associated with risk
  - **Commercial Bank of Qatar** is expected to see continued earnings growth, and offers a particularly high dividend

Projected Earnings per Share



- But investment-grade rating makes protection cheap
  - The high-dividend yield amply covers the cost of insurance against extreme events, leaving all the upside of market appreciation

Differing Perceptions of Risk Create Opportunity

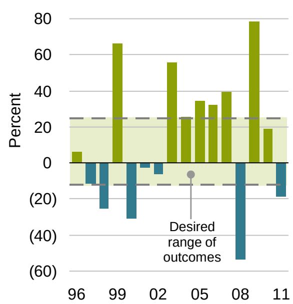


Historical analysis and current forecasts do not guarantee future results. Past performance is no guarantee of future results. Holdings will vary over time.
As of 15 April 2011
*Cost of five-year credit protection for Qatar government debt
Source: Bloomberg and AllianceBernstein; see Disclosures and Important Information.

Three Implementation Approaches

To Enter Emerging Markets*

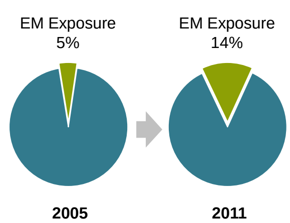
MSCI EM Equity Returns (USD)



- Capture returns, limit downside

To Diversify EM Equity Exposure

Typical Recommended Asset-Allocation Model



- How do you diversify this exposure?
  - Products
  - Managers
  - Asset Classes

To De-Risk EM Exposure

- Multi-Asset strategies with a risk management tool aim to:
- Participate in market rallies
- De-risk during equity downturns
- And so deliver a better risk-adjusted return for investors

Historical analysis and current estimates do not guarantee future results.
*As of 31 December 2011. Yearly returns of MSCI Emerging Markets Index in USD.
Source: J.P. Morgan, MSCI and AllianceBernstein; see Notes on Simulation Results.

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Notes on Simulation Results

The asset-allocation framework discussed in this presentation is a new strategy for which actual data are not yet available. The portfolios and their performance are hypothetical and do not represent the investment performance or the actual accounts of any investors. The securities in these hypothetical portfolios were selected with the full benefit of hindsight, after their performance over the period shown was known. The results achieved in our simulations do not guarantee future investment results.

The model performance information in this presentation is based on the back-tested performance of hypothetical investments over the time periods indicated. "Back-testing" is a process of objectively simulating historical investment returns by applying a set of rules for buying and selling securities, and other assets, backward in time, testing those rules, and hypothetically investing in the securities and other assets that are chosen. Back-testing is designed to allow investors to understand and evaluate certain strategies by seeing how they would have performed hypothetically during certain time periods. It is possible that the markets will perform better or worse than shown in the projections; that the actual results of an investor who invests in the manner these projections suggest will be better or worse than the projections; and that an investor may lose money by investing in the manner the projections suggest.

The projections assume the reinvestment of dividends and include transaction costs of 0.6% for purchases and sales of equities and bonds and 1.0% for real estate investment trusts (REITs). For equity and bond derivatives, we assume total one-way transaction costs and cost of financing of 0.5%. We assume no deduction for advisory fees, and that assets are allocated in the manner the projections suggest for nearly 40 years and are rebalanced monthly.

Although the information contained herein has been obtained from sources believed to be reliable, its accuracy and completeness cannot be guaranteed. While back-testing results reflect the rigorous application of the investment strategy selected, back-tested results have certain limitations and should not be considered indicative of future results. In particular, they do not reflect actual trading in an account, so there is no guarantee that an actual account would have achieved the results shown. Back-tested results also assume that asset allocations would not have changed over time and in response to market conditions, which might have occurred if an actual account had been managed during the time period shown. AllianceBernstein L.P. may have a different investment perspective and maintain different asset allocation or other recommendations from those shown here.

Notes on Simulation Results (Cont'd)

Emerging Markets Multi-Asset Strategy Simulation

The back-tested simulation of the "Passive 50:50" includes beta (market exposures) only. It does not include any impact from security selection or from asset allocation. The back-tested simulation of the Dynamic Allocation portfolio includes beta exposures, security selection and the application of a proprietary asset-allocation tool.

The Passive 50:50 portfolio results are based on its strategic (neutral) composition of 50% emerging-market debt, as represented by the J.P. Morgan EMBI Global Index, and 50% emerging-market equity, as represented by the MSCI EM Index. The portfolio is rebalanced to 50/50 at the end of every month. We assume no transaction costs. These monthly returns are then geometrically linked, or compounded, to calculate cumulative and/or annualized rates of return for various time periods.

The Dynamic Allocation Portfolio simulation results are based on a combination of the Bernstein Emerging Markets Value composite returns and the AllianceBernstein Emerging Markets Debt composite returns. The relative weight in either product depends upon the output of a proprietary asset allocation tool.

Disclosures and Important Information

Disclosure on Security Examples
References to specific securities are presented to illustrate the application of our investment philosophy only and are not to be considered recommendations by AllianceBernstein. The specific securities identified and described in this presentation do not, and it should not be assumed that investments in the securities identified were or will be profitable.

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