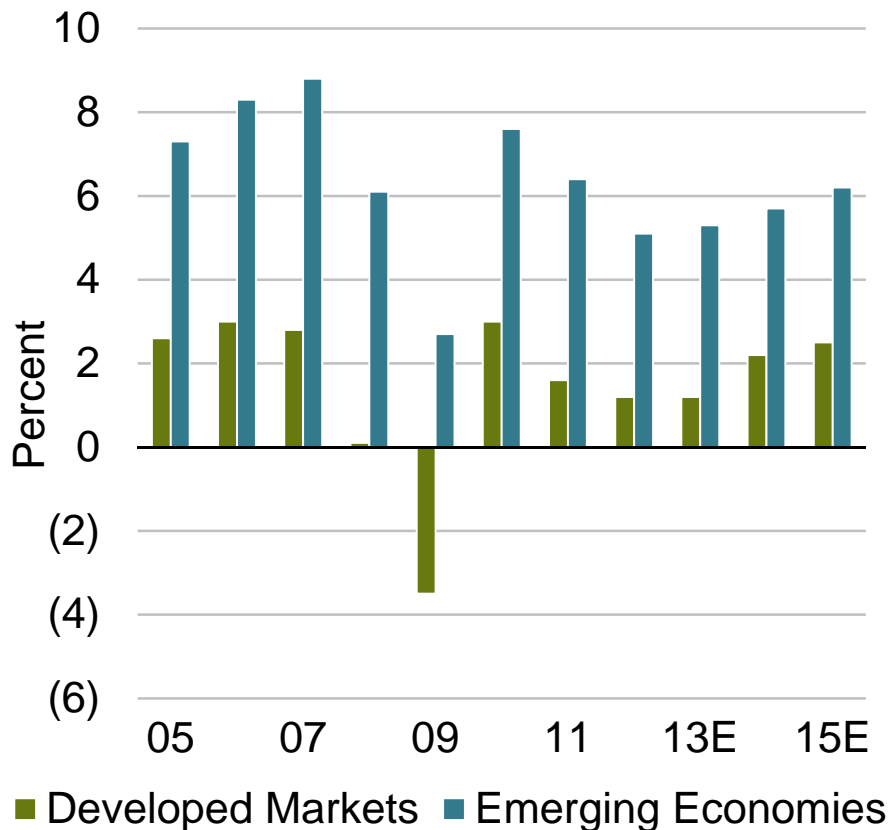
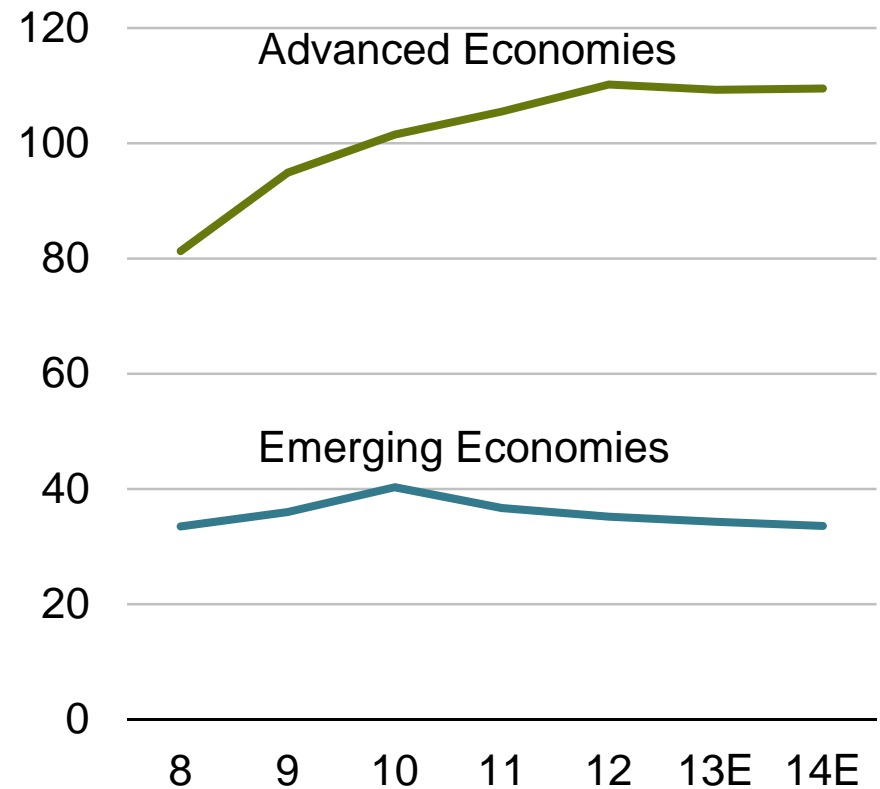


Emerging Markets: Faster Growth and Better Credit Metrics

Real GDP Growth



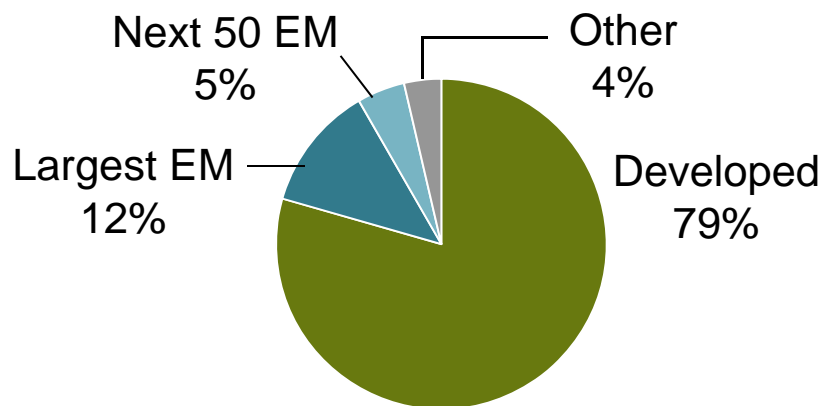
General Government Debt as a Percentage of GDP



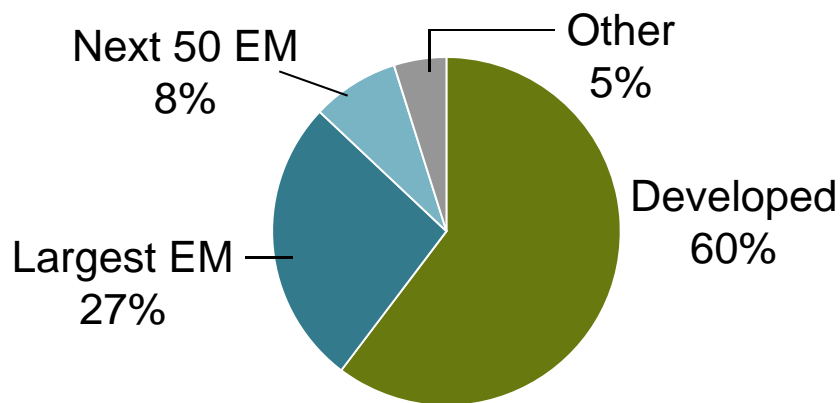
As of April 2013
Source: International Monetary Fund and AllianceBernstein

Emerging Markets: An Increasingly Important Part of the Global Economy

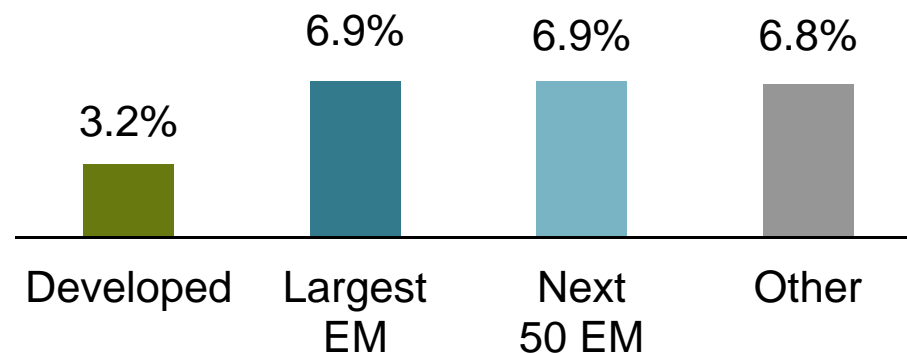
**Share of Global GDP
1991**



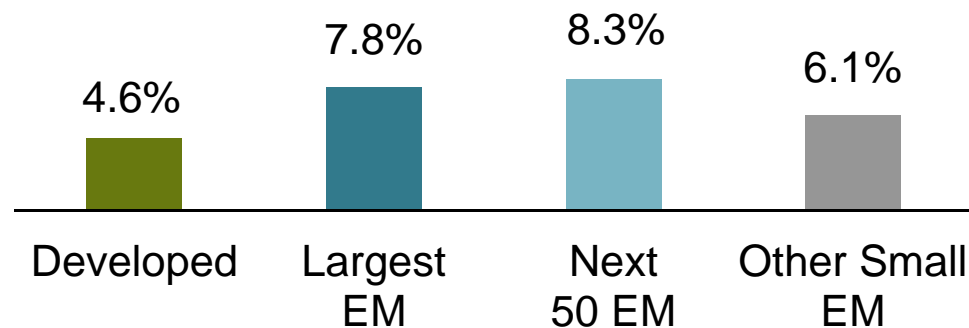
2011



**Forecast Average Annual GDP
Growth (2012–2018)**



**Forecast Average Annual
Investment Growth (2012–2018)**

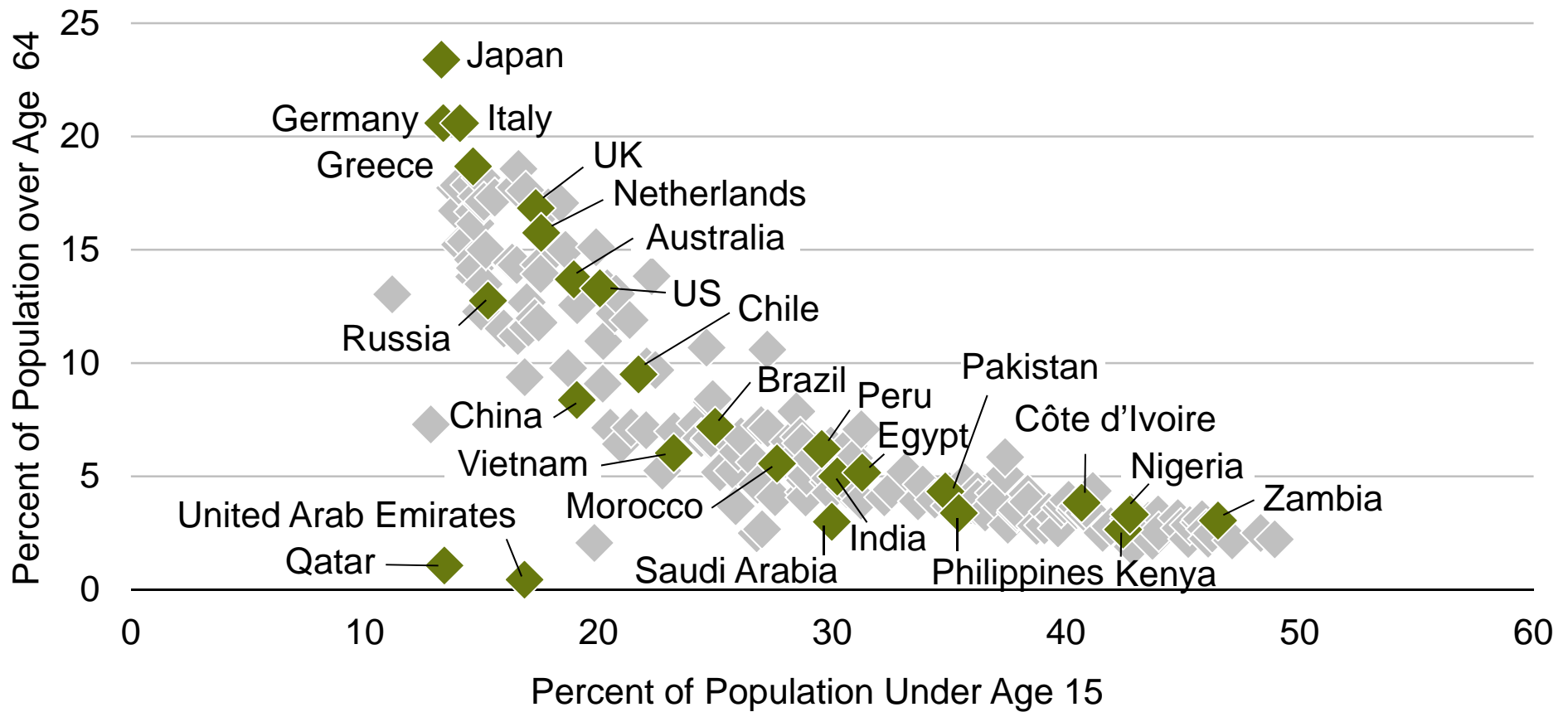


As of April 2013

Developed countries include those considered developed market countries by MSCI. Largest EM countries include Brazil, China, India, Korea, Malaysia, Mexico, Poland, Russia, Saudi Arabia, South Africa, Thailand and Turkey. Next 50 EM countries include those listed on page 2. Historical data assumes current country classifications.

Source: IMF April 2013 World Economic Outlook, World Bank and AllianceBernstein

Smaller EM Population Demographics Are Favorable

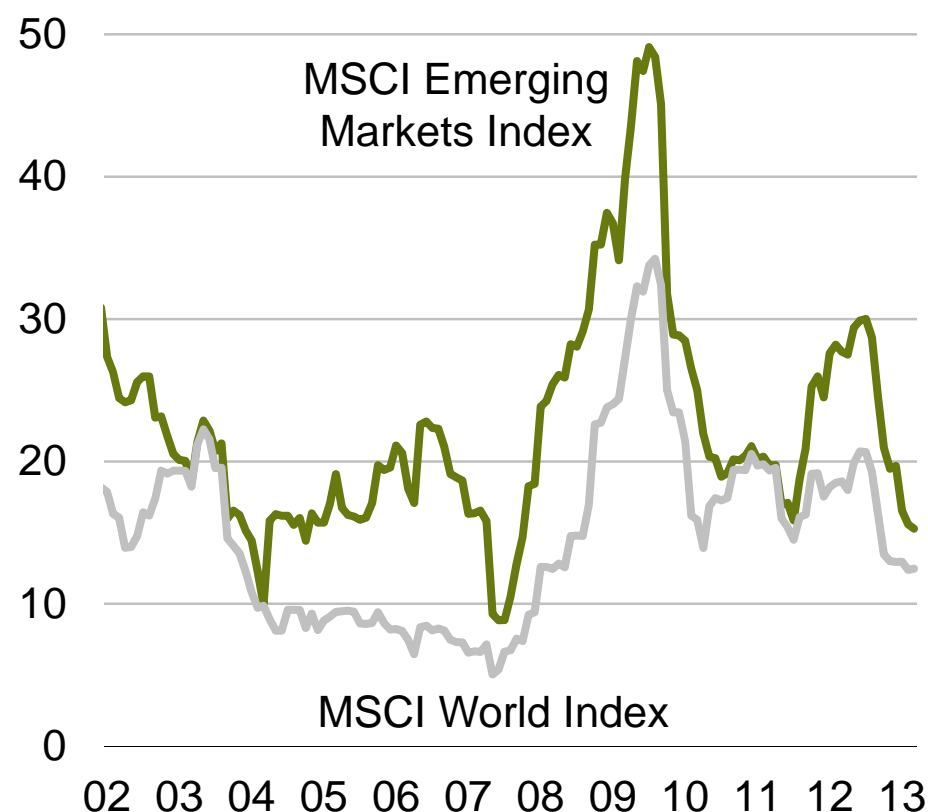


As of April 2013
Source: World Bank and AllianceBernstein

The Investor's Emerging Dilemma

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

Equity Benchmark Volatility



Historical analysis does not guarantee future results.

Through March 31, 2013

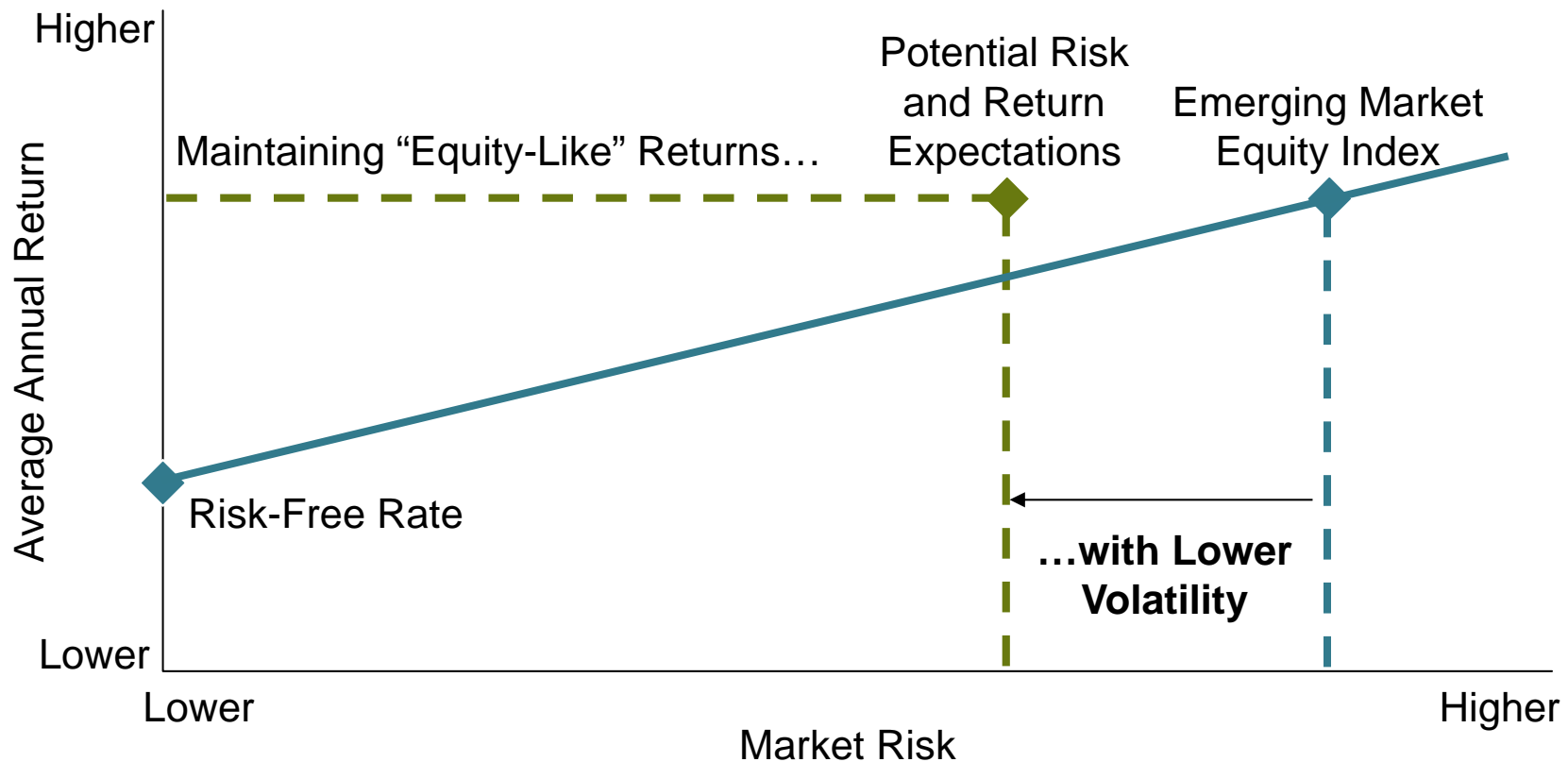
Volatilities shown are calculated based on trailing 12-month standard deviations. Standard deviation is a statistical measure of risk that shows how aligned or at variance the returns of an asset, industry or fund are relative to their historical performance.

Source: MSCI and AllianceBernstein

Multi-Asset Approach: The Value of Lower Volatility

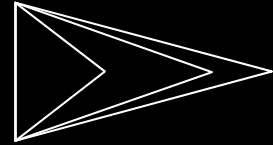
Maintaining compelling potential returns with lower volatility

Potential Long-Term Risk and Return

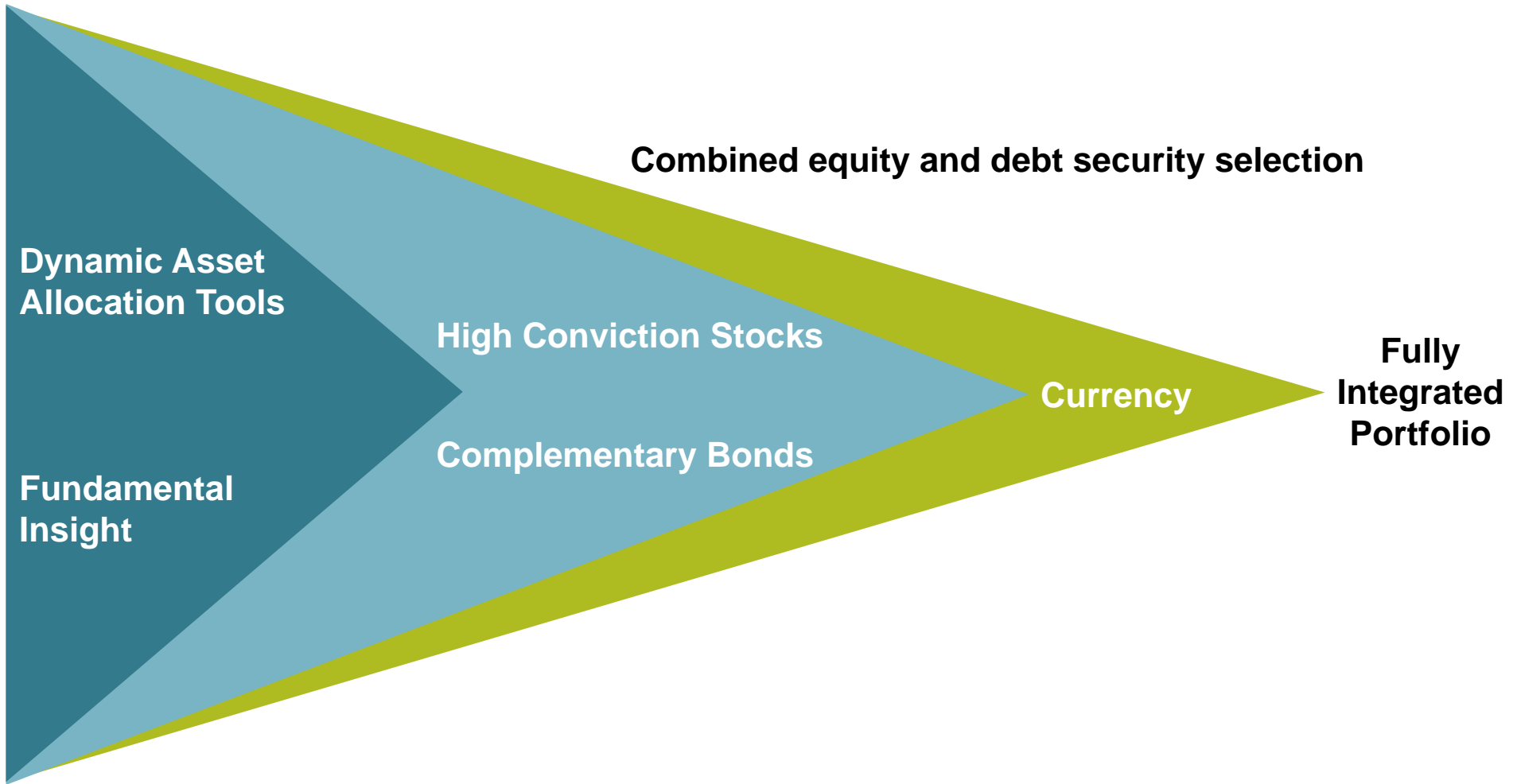


For illustrative purposes only
Source: AllianceBernstein

Multi-Asset Portfolio Construction Process



Assess environment for risk and return



For illustrative purposes only.
Source: AllianceBernstein.

Equity and Debt Returns Likely to Diverge After Identical Returns in 2012

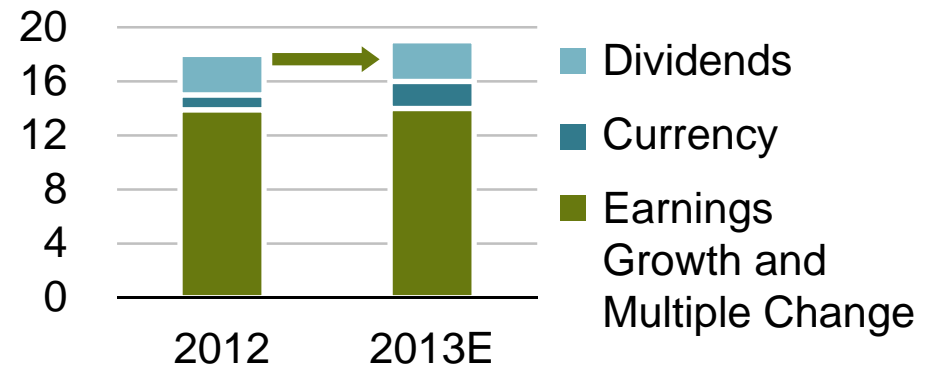
Equity Trends

Strong Earnings + Attractive Valuations =



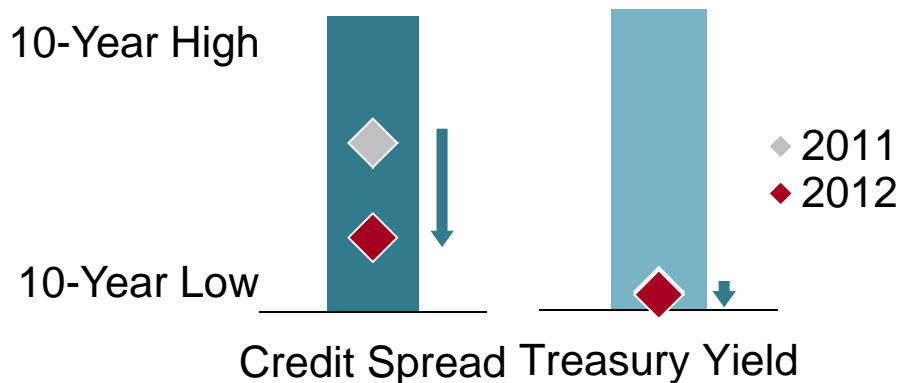
Robust Returns

In 2013



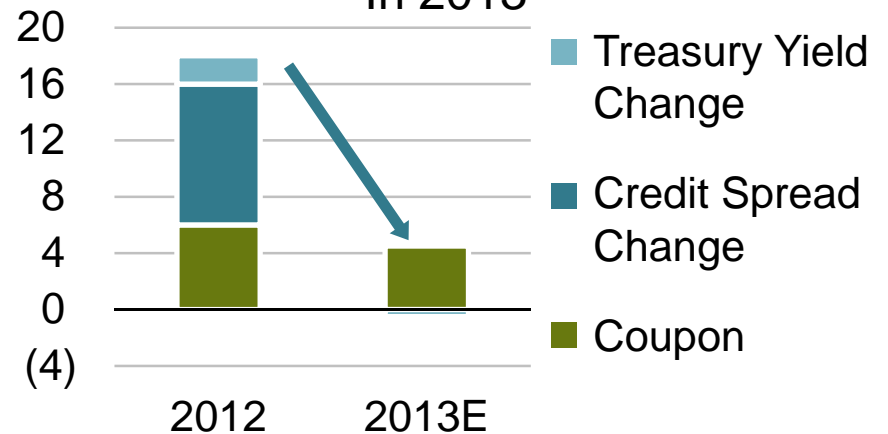
Debt

Tighter Spreads + Falling Yields =



Lower Returns

In 2013



As of December 31, 2012

Based on historical ranges from December 31, 2002 to December 31, 2012. Equity: MSCI Emerging markets Index. Debt: JPM EMBI Index

Source: J.P. Morgan, MSCI and AllianceBernstein

Equity and Debt Returns Likely to Diverge After Identical Returns in 2012

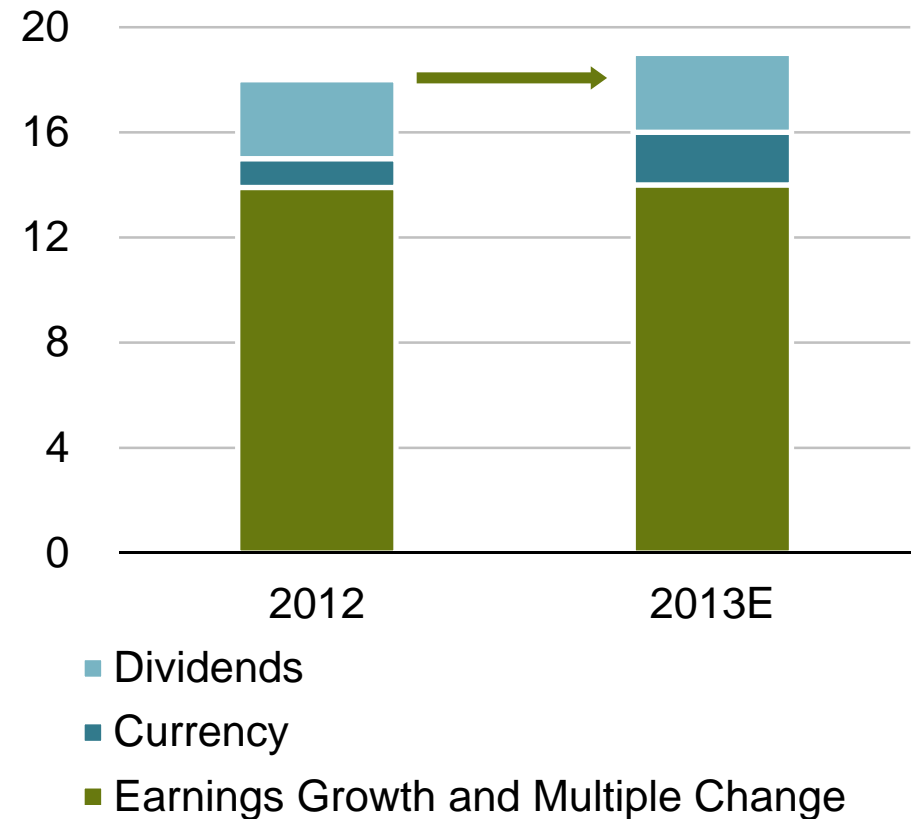
Equity Trends

Strong Earnings + Attractive Valuations =



Robust Returns

In 2013



As of December 31, 2012

Based on historical ranges from December 31, 2002 to December 31, 2012. Equity: MSCI Emerging markets Index. Debt: JPM EMBI Index

Source: J.P. Morgan, MSCI and AllianceBernstein

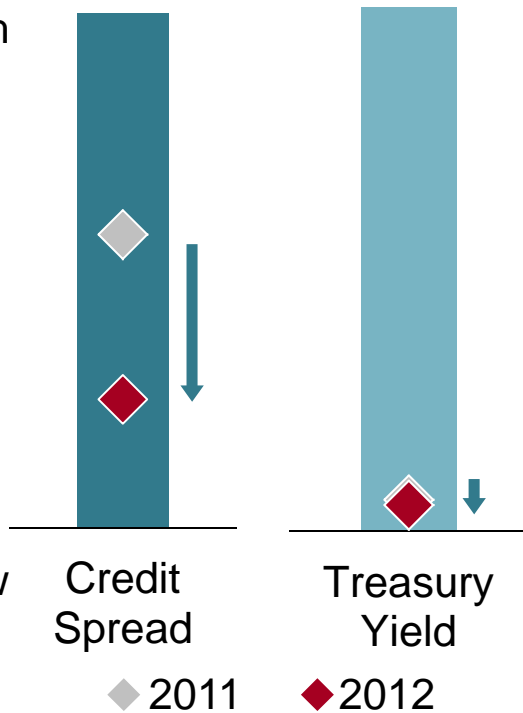
Equity and Debt Returns Likely to Diverge After Identical Returns in 2012 (cont.)

Debt

Tighter Spreads + Falling Yields =

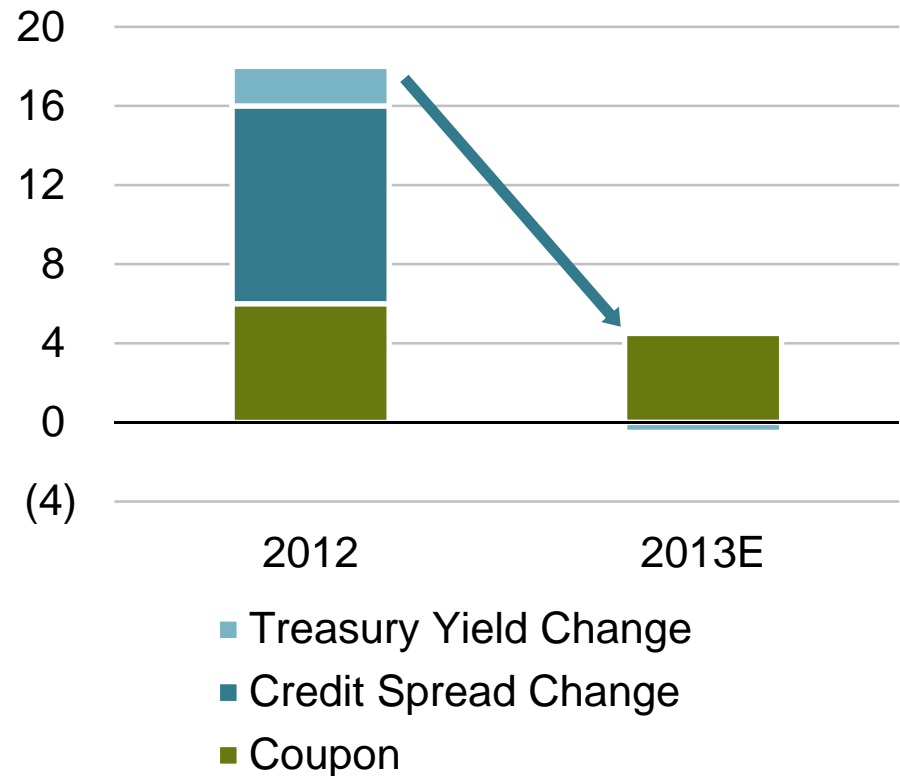
10-Year High

10-Year Low



Lower Returns

In 2013

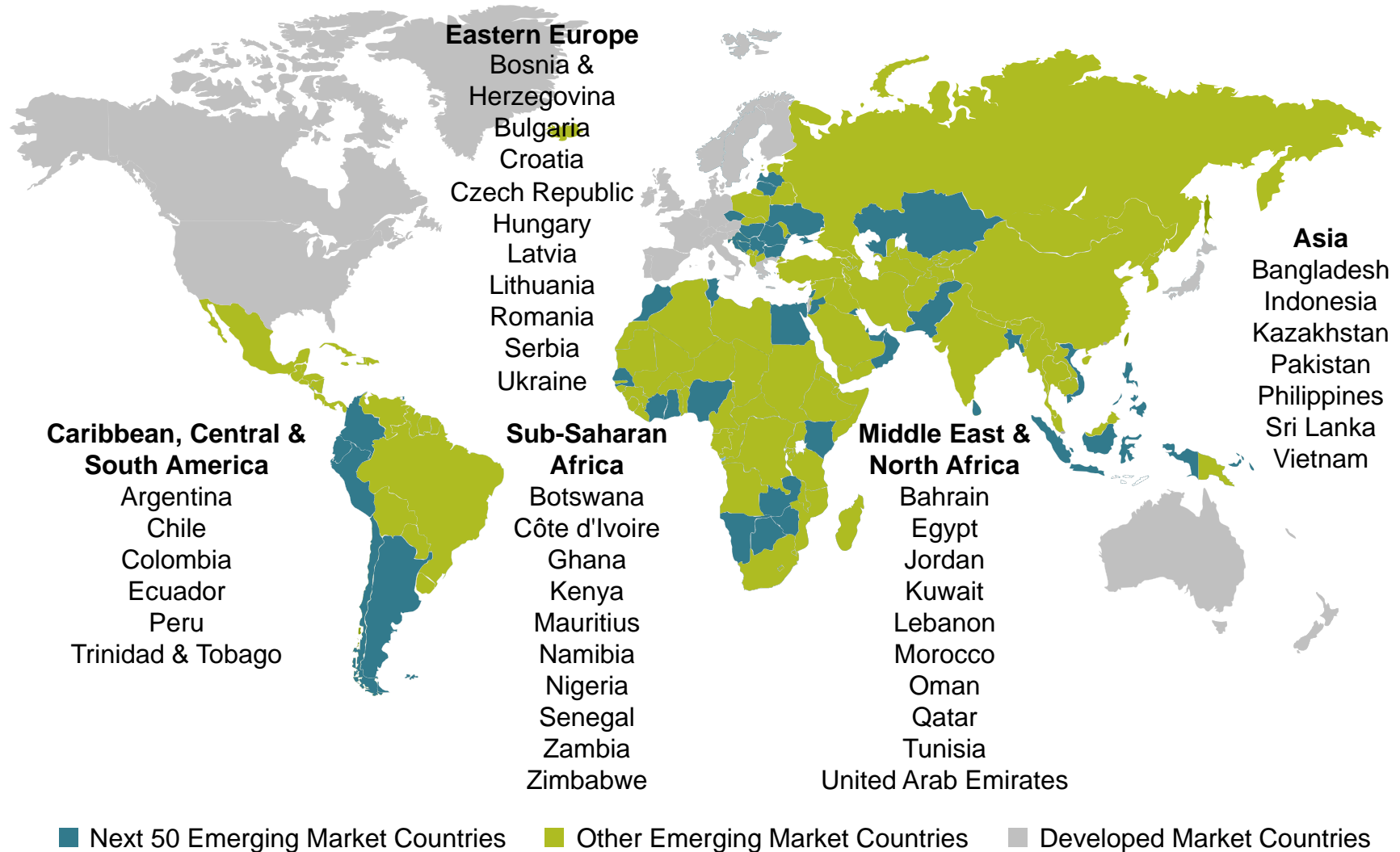


As of December 31, 2012

Based on historical ranges from December 31, 2002 to December 31, 2012. Equity: MSCI Emerging markets Index. Debt: JPM EMBI Index

Source: J.P. Morgan, MSCI and AllianceBernstein

Next 50 Emerging Markets: A Diverse Set of Dynamic Countries



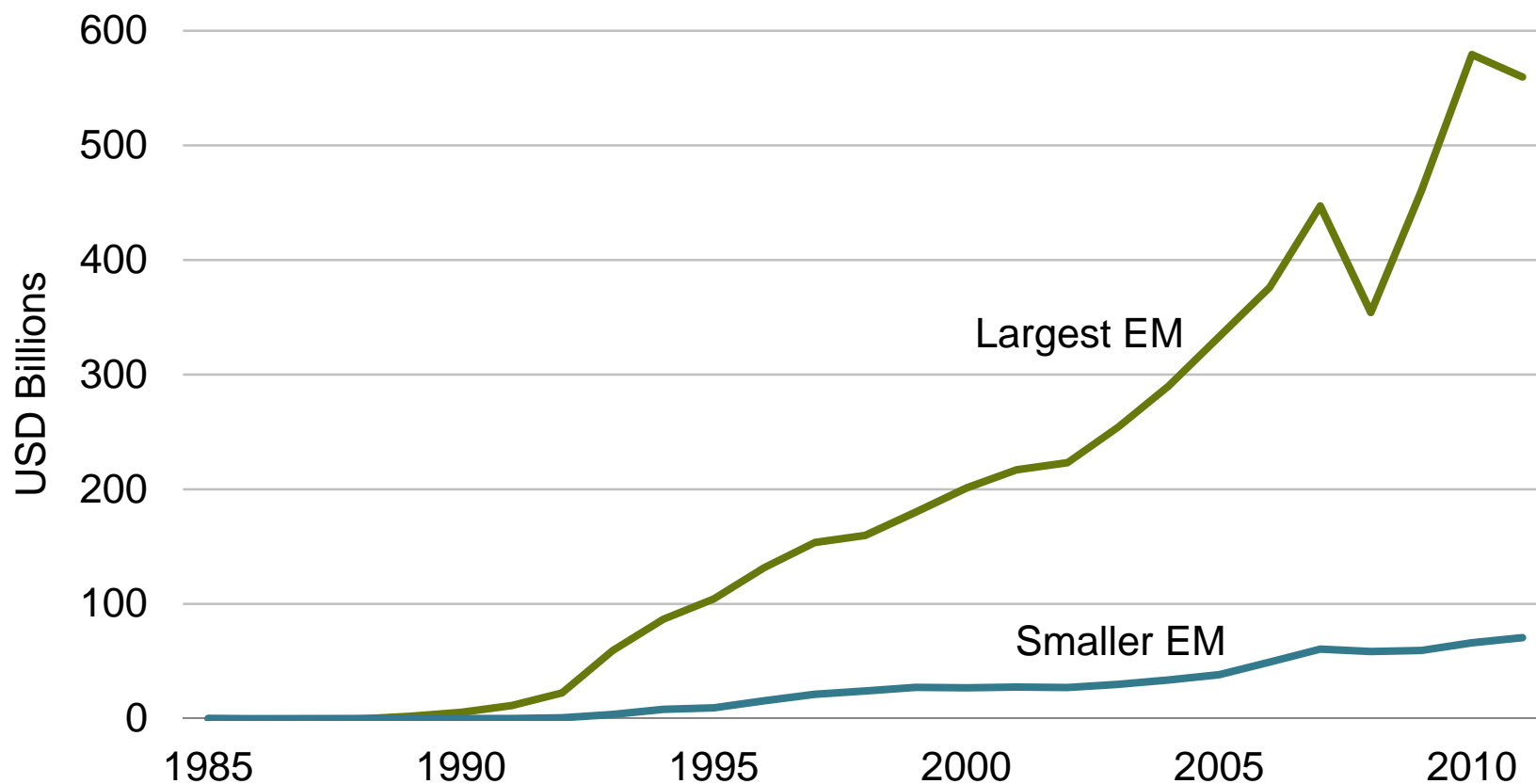
As of December 2012.

Countries included in the 'Next 50' are subject to change and may not all be represented in the portfolio at all times.

Source: AllianceBernstein and MSCI

Smaller Emerging Markets: A Less Crowded Investment Destination

Cumulative Net Investment Flows 1985–2011



Data through December 31, 2011

Based on IMF balance of payment data; only includes countries for which the IMF tracks data

Largest EM countries include Brazil, China, India, Korea, Malaysia, Mexico, Poland, Russia, Saudi Arabia, South Africa, Thailand and Turkey

Source: Haver Analytics, International Monetary Fund and AllianceBernstein

More Modest Flows Have Created Greater Opportunity in Smaller Markets

■ After a period of strong capital flows, \$1 of capital is valued more highly in large EMs, no matter how big the company...

■ ...despite generally lower profitability than small EM companies of similar size

Price/Book Value

Book Value USD	Large EM	Small EM
<\$250 million	2.39	1.69
\$250–500 million	1.94	1.68
\$0.5–\$1.5 billion	1.87	1.71
\$1.5–\$2.5 billion	1.98	1.72
\$2.5–\$5.0 billion	1.78	1.73
\$5.0–\$10.0 billion	1.78	1.34
>\$10 billion	1.20	1.76

Return on Equity

Book Value USD	Large EM	Small EM
<\$250 million	10.0%	12.5%
\$250–500 million	10.4%	13.2%
\$0.5–\$1.5 billion	11.7%	13.5%
\$1.5–\$2.5 billion	12.4%	12.3%
\$2.5–\$5.0 billion	12.0%	12.4%
\$5.0–\$10.0 billion	12.1%	10.0%
>\$10 billion	14.0%	13.8%

As of October 31, 2012

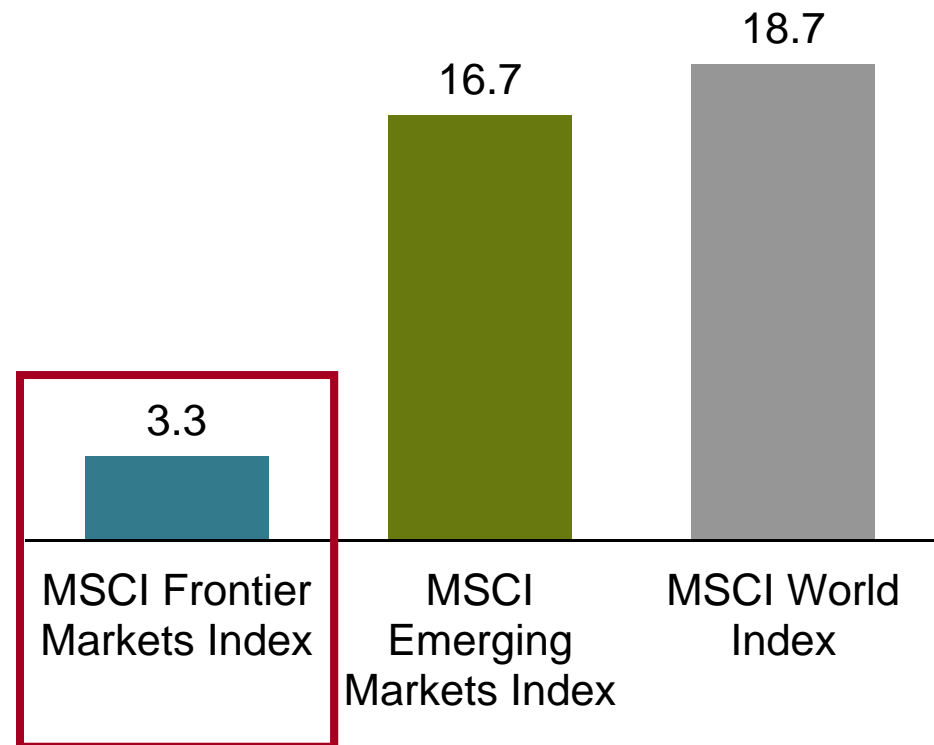
Largest EM countries include Brazil, China, India, Korea, Malaysia, Mexico, Poland, Russia, Saudi Arabia, South Africa, Thailand and Turkey. Small EM countries include the Next 50 countries for which reliable historical security-level data is available (Argentina, Bahrain, Chile, Columbia, Czech Republic, Egypt, Hungary, Indonesia, Jordan, Kuwait, Morocco, Oman, Pakistan, Peru, Philippines, Qatar, Sri Lanka and United Arab Emirates).

Source: Factset, Interactive Data, MSCI and AllianceBernstein

Rich Opportunity for Active Management

- Smaller Emerging Markets offer more opportunity for managers with proprietary fundamental research
 - Less sell-side research coverage
 - Wider range of earnings estimates
 - Larger price distortions

Average Number of Analysts Covering Each Stock

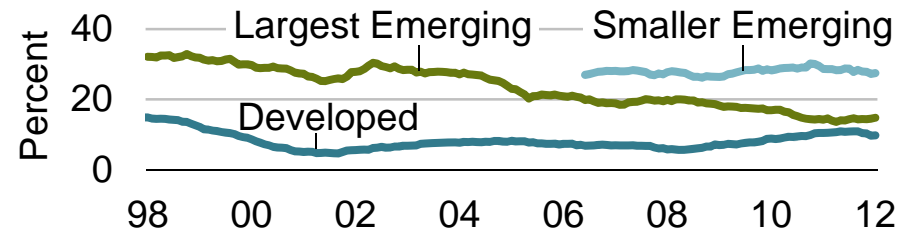


As of October 31, 2012
An investor cannot invest in an index.
Source: Factset, MSCI and AllianceBernstein

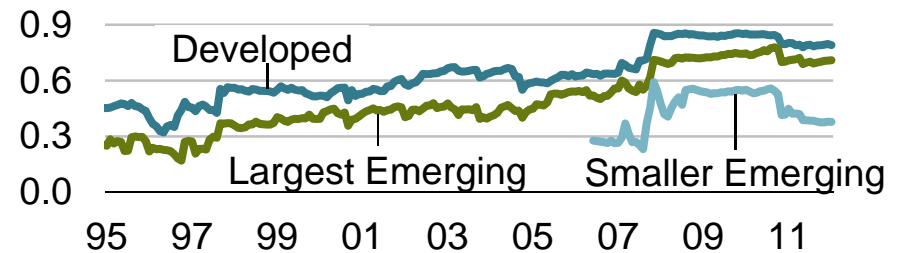
Small Emerging Country Risk Is More like EM of Old

- As risks in the larger emerging countries have declined, less of a stock's volatility is driven by its home market
- And this has led to increased correlation across the larger EM Countries
- The convergence in large EM risk and return is evident. Small EM should provide global investors with greater diversification benefits

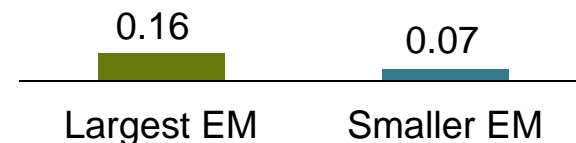
Single-Stock Variance from Country Risk



Average Correlation Between Countries (Hedged)



Correlation of Excess Returns vs. MSCI AC World Index



As of October 31, 2012

Developed countries include those considered developed market countries by MSCI. Largest EM countries include Brazil, China, India, Korea, Malaysia, Mexico, Poland, Russia, Saudi Arabia, South Africa, Thailand and Turkey. Small EM countries include the Next 50 countries for which reliable historical security-level data is available (Argentina, Bahrain, Chile, Columbia, Czech Republic, Egypt, Hungary, Indonesia, Jordan, Kuwait, Morocco, Oman, Pakistan, Peru, Philippines, Qatar, Sri Lanka and United Arab Emirates).

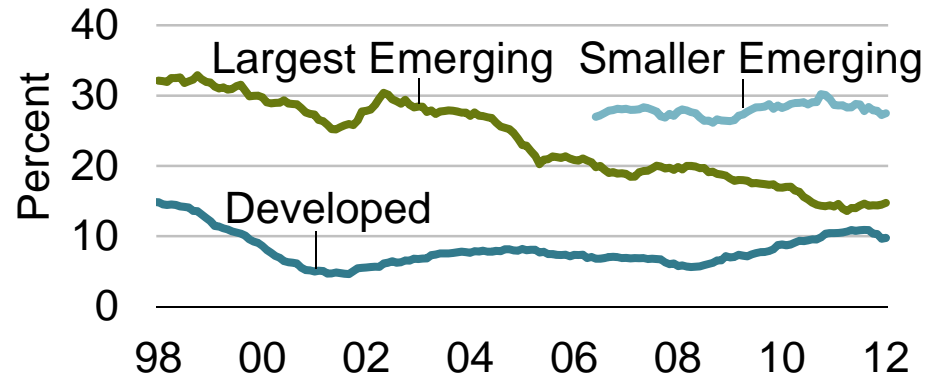
Source: Factset, Interactive Data, MSCI and AllianceBernstein; see Disclosures and Important Information.

Small Emerging Country Risk Is More like EM of Old

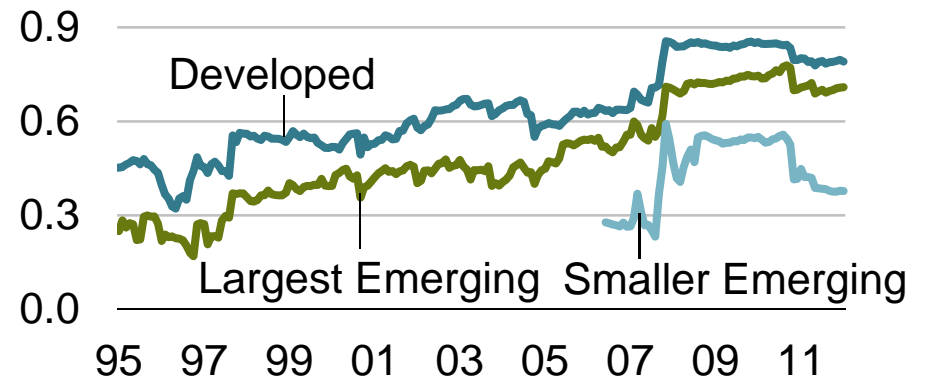
■ As risks in the larger emerging countries have declined, less of a stock's volatility is driven by its home market

■ And this has led to increased correlation across the larger EM Countries

Single-Stock Variance from Country Risk



Average Correlation Between Countries (Hedged)



As of October 31, 2012

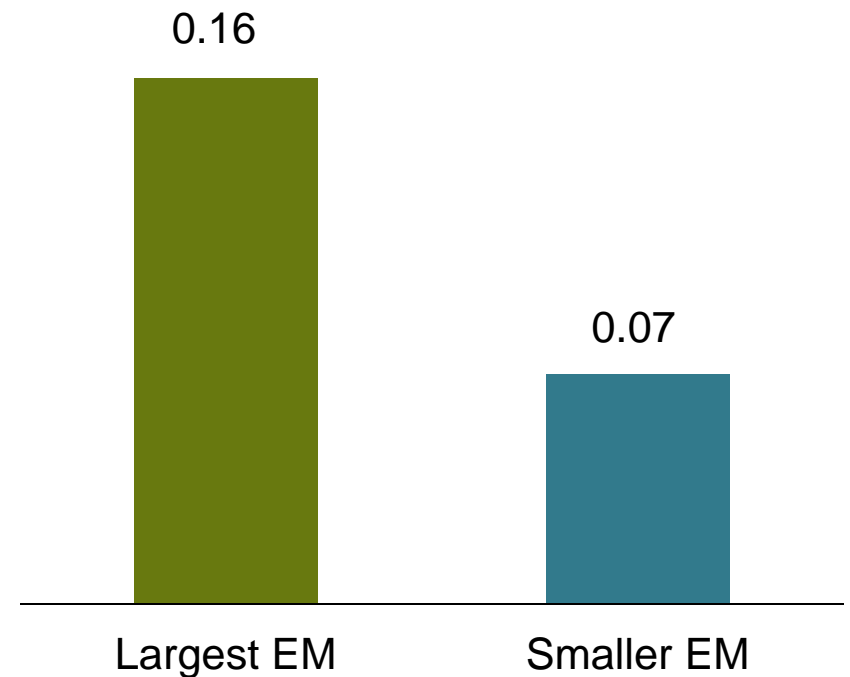
Developed countries include those considered developed market countries by MSCI. Largest EM countries include Brazil, China, India, Korea, Malaysia, Mexico, Poland, Russia, Saudi Arabia, South Africa, Thailand and Turkey. Small EM countries include the Next 50 countries for which reliable historical security-level data is available (Argentina, Bahrain, Chile, Columbia, Czech Republic, Egypt, Hungary, Indonesia, Jordan, Kuwait, Morocco, Oman, Pakistan, Peru, Philippines, Qatar, Sri Lanka and United Arab Emirates).

Source: Factset, Interactive Data, MSCI and AllianceBernstein; see Disclosures and Important Information.

Small Emerging Country Risk Is More like EM of Old (cont.)

Correlation of Excess Returns vs. MSCI AC World Index

- The convergence in large EM risk and return is evident. Small EM should provide global investors with greater diversification benefits



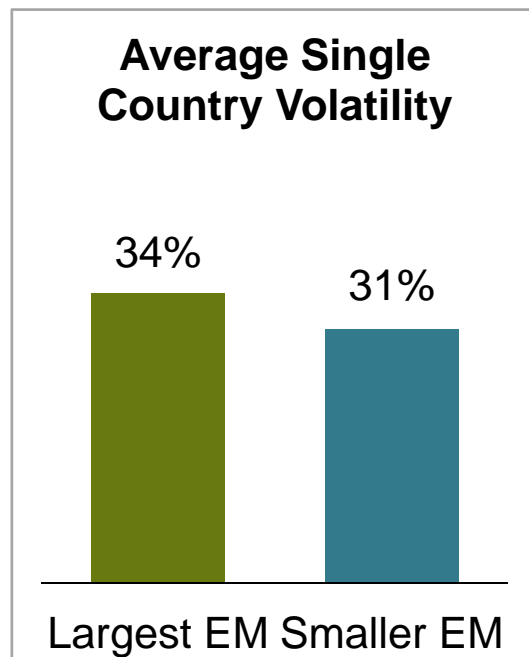
As of October 31, 2012

Developed countries include those considered developed market countries by MSCI. Largest EM countries include Brazil, China, India, Korea, Malaysia, Mexico, Poland, Russia, Saudi Arabia, South Africa, Thailand and Turkey. Small EM countries include the Next 50 countries for which reliable historical security-level data is available (Argentina, Bahrain, Chile, Columbia, Czech Republic, Egypt, Hungary, Indonesia, Jordan, Kuwait, Morocco, Oman, Pakistan, Peru, Philippines, Qatar, Sri Lanka and United Arab Emirates).

Source: Factset, Interactive Data, MSCI and AllianceBernstein; see Disclosures and Important Information.

High Diversification Across Countries Moderates Portfolio Risk

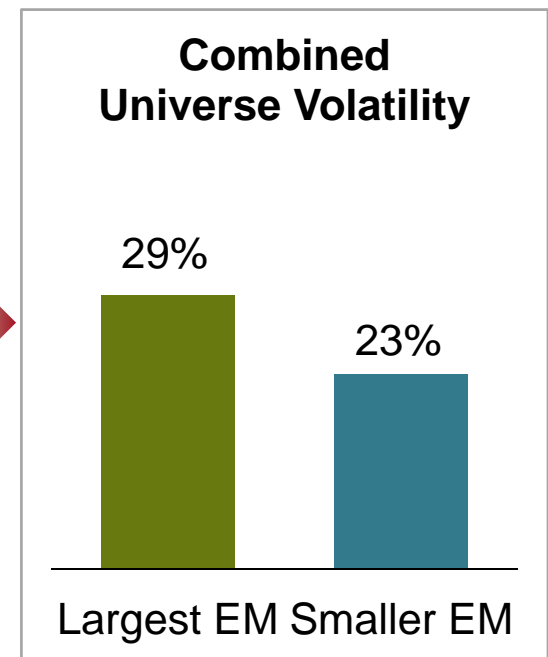
**The Higher Volatility
of Large EMs
Reflects Their
Stronger Rebound
Since 2009**



**The High
Correlation Between
Large EM Countries
Is Likely to Persist**



**Therefore, a Basket of
Small EMs Should
Remain Less Volatile
Even if Single Country
Volatility Increases**



Five years through October 31, 2012; Based on monthly returns, unhedged in US dollars

Largest EM countries include Brazil, China, India, Korea, Malaysia, Mexico, Poland, Russia, Saudi Arabia, South Africa, Thailand and Turkey. Small EM countries include the Next 50 countries for which reliable historical security-level data is available (Argentina, Bahrain, Chile, Columbia, Czech Republic, Egypt, Hungary, Indonesia, Jordan, Kuwait, Morocco, Oman, Pakistan, Peru, Philippines, Qatar, Sri Lanka and United Arab Emirates).

Source: Factset, Interactive Data, MSCI and AllianceBernstein; see Disclosures and Important Information.