

AllianceBernstein

1345 Avenue of the Americas
New York, New York 10105

Style: US Tax Free Core
Sub-Style: Tax Free Core
Firm AUM: \$479.0 billion
Firm Strategy AUM: \$3.8 billion

Year Founded: 1971
GIMA Status: Approved
Firm Ownership: AXA Financial, Inc.
Professional-Staff: 3450

PRODUCT OVERVIEW

Their Tax-Aware Fixed Income Managed Account Strategy seeks to earn the highest available level of current income exempt from federal income tax, without assuming undue risk to principal or income. Portfolios in this Strategy invest at least 55% of their assets at all times in individual municipal bonds, and can invest up to the remaining 45% into three zero-fee commingled vehicles. They maintain the ability to allocate to these commingled vehicles for two primary reasons: Increased Alpha Potential: They know that the best-performing fixed income market sector, on an after-tax basis, can change from year-to-year, driven by different supply/demand factors, varying credit quality trends and issues, volatility, and changes in tax laws. They have found that portfolios with the flexibility to capture varying sector opportunities have the potential to deliver more consistent outperformance than portfolios without this ability. Increased Diversification: Historically, fixed income market sectors have exhibited fairly low correlations with each other. The low correlations among other fixed income sectors provides valuable diversification to their Tax-Aware Fixed Income Managed Accounts Strategy.

TARGET PORTFOLIO CHARACTERISTICS

Number of bond holdings:	17
Average credit quality:	AA
Average maturity:	1.96
Average duration:	4.67
Average coupon:	4.40
Average turnover rate:	—

PORTFOLIO STATISTICS *

	03/16	09/15	
	AB	Index***	AB
Number of bond holdings	17	—	—
SEC Yield	—	—	—
Avg credit quality	AA	—	—
Avg maturity	1.96 yrs.	—	—
Avg duration	4.67 yrs.	—	—
Avg coupon	4.4%	—	—

FIXED INCOME SECTOR DISTRIBUTION (%) * *

	03/16	12/15	09/15	06/15
U.S. Treasury	4.12	0.13	0.00	0.00
Asset-Backed Securities	0.32	0.23		
Municipals	85.04	90.66		
Collateralized Mortgage Obligations	0.03	0.03		
Financials ¹	0.59	0.29		
Industrials ¹	0.98	0.43		
Medium capitalization ¹	0.03	0.01		
Cash/Cash Equivalents	8.69	8.10		
Other	0.20	0.12		

¹High Grade Corporates

***Index : BC Muni

²Total may not equal 100% due to rounding.

³As represented by AllianceBernstein L.P..

MANAGER'S INVESTMENT PROCESS		RISK CONSIDERATIONS	PORTFOLIO'S MATURITY STRUCTURE (%) * *					
		Investing in securities entails risks, including: Municipalities may realize gains, and shareholders will incur a tax liability from time to time. Income from the portfolios that invest in them are subject to state and local taxes and may at times be subject to the alternative minimum tax. It's important to note that a portfolio concentrating in a single state is subject to greater risk of adverse economic conditions and regulatory changes than a portfolio with broader geographical diversification. Fixed Income securities may be sensitive to changes in prevailing interest rates. When rates rise the value generally declines. Growth investing does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations. Value investing does not guarantee a profit or eliminate risk. Not all companies whose stocks are considered to be value stocks are able to turn their business around or successfully employ corrective strategies which would result in stock prices that do not rise as initially expected.	03/16	12/15	09/15	06/15		
			0 to 2 Years	4.56	3.04	0.00	0.00	
			2 to 4 Years	8.24	8.34	0.00	0.00	
			4 to 6 Years	23.24	21.72	0.00	0.00	
			6 to 8 Years	21.16	24.66	0.00	0.00	
			8 to 12 Years	8.01	8.02	0.00	0.00	
			12 to 17 Years	7.01	6.49	0.00	0.00	
			Over 17 Years	19.09	19.63	0.00	0.00	
			Cash/Cash Equivalents	8.69	8.10	0.00	0.00	
			PORTFOLIO'S CREDIT QUALITY STRUCTURE (%) +					
			Investment Grade					
				03/16	12/15	09/15	06/15	
			AAA	22.18	20.65	0.00	0.00	
			AA	42.16	42.90	0.00	0.00	
			A	10.96	8.70	0.00	0.00	
			BBB	6.38	5.00	0.00	0.00	
			Below Investment Grade					
				BB	1.54	2.20	0.00	0.00
				B	1.49	1.20	0.00	0.00
				Below B	0.14	0.10	0.00	0.00
				Not Rated	6.46	11.15	0.00	0.00
				Cash/Cash Equivalents	8.69	8.10	0.00	0.00

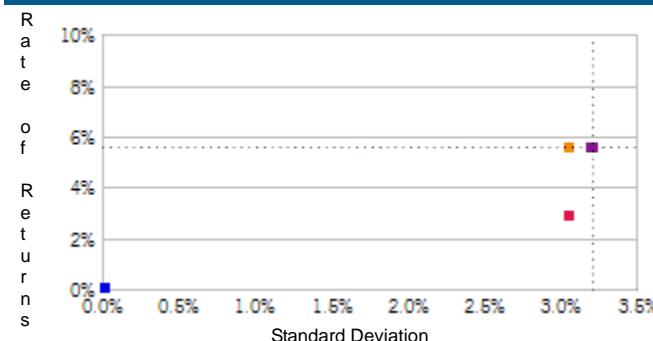
¹High Grade Corporates

²Total may not equal 100% due to rounding.

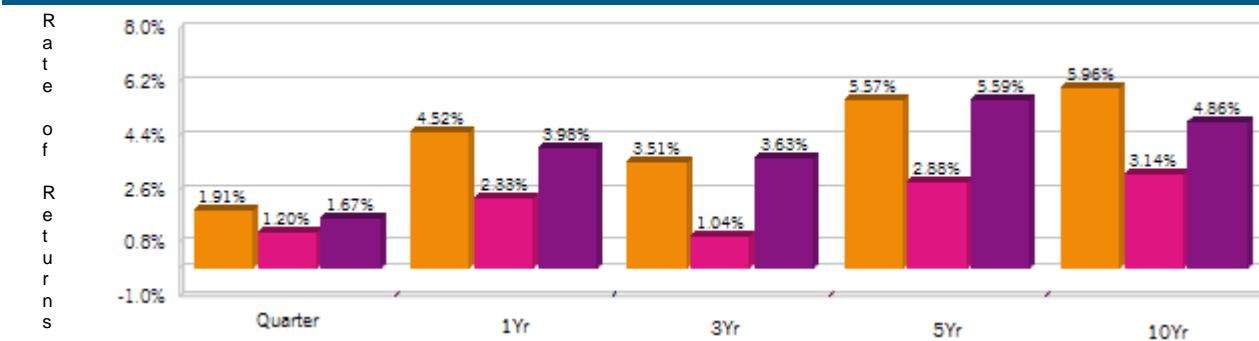
³As represented by AllianceBernstein L.P..

***Index : BC Muni

RISK/RETURN ANALYSIS - 5 YEARS ENDING 03/31/16



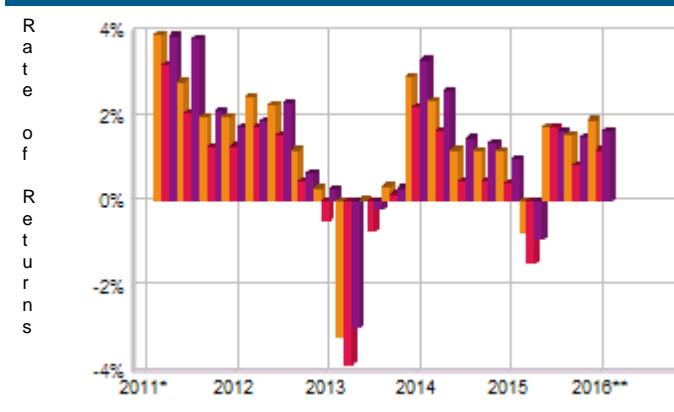
AVERAGE ANNUAL TOTAL RETURN (%) - PERIODS ENDING 03/31/16



	STD	ROR
AB (Gross)	3.06	5.57
AB (Net)	3.06	2.88
BC Muni	3.21	5.59
90-Day T-Bills	0.02	0.06

	Annual Rates of Return (%)						10 Year - Ending 03/31/16					
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Annual	Std. Dev.
AB (Gross)	4.20	7.34	1.66	10.58	6.86	9.83	8.15	-2.51	7.91	3.77	5.96	3.61
AB (Net)	1.32	4.39	-1.17	7.54	3.91	6.78	5.17	-4.79	4.93	1.57	3.14	3.60
BC Muni	4.84	3.36	-2.48	12.92	2.38	10.70	6.78	-2.55	9.05	3.30	4.86	4.15

RISK VOLATILITY (%)



PORTFOLIO'S QUARTERLY RETURNS (%)

	Quarter1		Quarter2		Quarter3		Quarter4	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
2006	-0.43	-1.14	-0.08	-0.79	3.77	3.06	0.93	0.23
2007	1.31	0.60	-0.49	-1.20	3.24	2.54	3.13	2.42
2008	1.11	0.41	-0.29	-1.00	-1.23	-1.93	2.09	1.38
2009	2.44	1.74	1.80	1.10	6.30	5.57	-0.26	-0.96
2010	1.89	1.19	3.57	2.85	3.85	3.13	-2.50	-3.18
2011	0.80	0.08	3.92	3.20	2.81	2.09	2.00	1.28
2012	2.00	1.30	2.46	1.74	2.26	1.55	1.20	0.49
2013	0.31	-0.44	-3.18	-3.84	0.03	-0.71	0.36	0.17
2014	2.94	2.23	2.36	1.65	1.20	0.49	1.19	0.49
2015	1.18	0.44	-0.76	-1.46	1.76	1.76	1.56	0.85
2016	1.91	1.20						

Related Fiduciary Services

PORTFOLIO'S RISK STATISTICS - PERIODS ENDING 03/31/16^{1,2}

	3 Year	5 Year
Standard Deviation	3.26%	3.06%
Standard Deviation of Primary Benchmark	3.33%	3.21%
Sharpe Ratio	1.06	1.80
Sharpe Ratio of Primary Benchmark	1.08	1.73
Alpha	-0.01%	0.34%
Beta	0.97	0.93
Downside Risk	0.36%	0.54%
R-Squared	0.98	0.95
Tracking Error	0.43%	0.68%
Information Ratio	-0.27	-0.03

*04/01/11-12/31/11

**01/01/16-03/31/16

	Number Of	Up Qtrs.	Down
AB (Gross)	18	2	
AB (Net)	16	4	
BC Muni	17	3	

PORTFOLIO DIVERSIFICATION - R²(INCEPTION THROUGH 12/14)+

AB vs. BC Muni	R ²
	0.87

+Statistics are calculated using gross of fee performance only.

1. Statistics are calculated using gross of fee performance only.

2. BC Muni was used as the primary benchmark and the 90-Day T-Bills Index as the risk-free benchmark.

See important notes and disclosures pages for a discussion of the sources of the performance data used to calculate the performance results and related analyses shown above.

IMPORTANT NOTES AND DISCLOSURES

INDEX DESCRIPTIONS

90-Day T-Bills

The 90-Day Treasury Bill is a short-term obligation issued by the United States government. T-bills are purchased at a discount to the full face value, and the investor receives the full value when they mature. The difference of discount is the interest earned. T-bills are issued in denominations of \$10,000 auction and \$1,000 increments thereafter.

BC Muni

The Barclays Municipal Bond Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. To be included in the index, bonds must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following ratings agencies: Moody's, S&P, 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 investment-grade. They must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a dated-date after December 31, 1990, and must be at least one year from their maturity date. Remarketed issues, taxable municipal bonds, bonds with floating rates, and derivatives, are excluded from the benchmark. The index has four main sectors: general obligation bonds, revenue bonds, insured bonds (including all insured bonds with a Aaa/AAA rating), and prerefunded bonds. Most of the index has historical data to January 1980. In addition, subindices have been created based on maturity, state, sector, quality, and revenue source, with inception dates later than January 1980.

S&P 500

The S&P 500 Total Return has been widely regarded as the best single gauge of the large cap U.S. equities market since the index was first published in 1957. The index has over \$5.58 trillion benchmarked, with index assets comprising approximately \$1.31 trillion of this total. The index includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities. This index includes dividend reinvestment.

Indices are unmanaged and have no expenses. You cannot invest directly in an index.

GLOSSARY OF TERMS

Alpha is a mathematical estimate of risk-adjusted return expected from a portfolio above and beyond the benchmark return at any point in time.

American Depository Receipts (ADRs) are receipts for shares of a foreign-based corporation held in the vault of a U.S. bank.

Average Portfolio Beta is a measure of the sensitivity of a benchmark or portfolio's rates of return to changes against a market return. The market return is the S&P 500 Index. It is the coefficient measuring a stock or a portfolio's relative volatility.

Beta is a measure of the sensitivity of a portfolio's rates of return to changes in the market return. It is the coefficient measuring a stock or a portfolio's relative volatility.

Bottom-Up Stock Selection Emphasis primarily on individual stock selection. Considerations of economic and industry factors are of secondary importance in the investment decision-making process.

Capitalization is defined as the following: Mega (Above \$100 billion), Large (\$12 to \$100 billion), Medium (\$2.5 - \$12 billion), Small (\$.50 - \$2.5 billion) and Micro (below \$.50 billion).

Dividend a portion of a company's profit paid to common and preferred shareholders.

Downside Risk is a measure of the risk associated with achieving a specific target return. This statistic separates portfolio volatility into downside risk and upside uncertainty. The downside considers all returns below the target return, while the upside considers all returns equal to or above the target return.

Duration is a measure of price sensitivity expressed in years.

High Grade Corporate Bonds corporate bonds from issuers with credit ratings of AA or AAA.

Information Ratio is a measure of the investment manager's skill to add active value against a given benchmark relative to how stable that active return has been. Essentially, the information ratio explains how significant a manager's alpha is. Therefore, the higher the information ratio, the more significant the alpha.

Investment Grade Bonds are those rated by Standard & Poor's AAA (highest rated), AA, A or BBB (or equivalent rating by other rating agencies or, in the case of securities not rated, by the investment manager).

Price/Book Ratio (P/B) weighted average of the stocks' price divided by book value per share. Book value per share is defined as common equity, including intangibles, divided by shares outstanding times the adjustment factor.

Price/Cash Flow Ratio a ratio used to compare a company's market value to its cash flow. It is calculated by dividing the company's market cap by the company's operating cash flow in the most recent fiscal year (or the most recent four fiscal quarters); or, equivalently, divide the per-share stock price by the per-share operating cash flow.

Price/Earnings Ratio (P/E Ratio) shows the multiple of earnings at which a stock sells. Determined by dividing current stock price by current earnings per share (adjusted for stock splits). Earnings per share for the P/E ratio are determined by dividing earnings for past 12 months by the number of common shares outstanding. The P/E ratio shown here is calculated by the harmonic mean.

Price/Sales Ratio determined by dividing current stock price by revenue per share (adjusted for stock splits). Revenue per share for the P/S ratio is determined by dividing revenue for past 12 months by number of shares outstanding.

R2 (R-Squared)/Portfolio Diversification indicates the proportion of a security's total variance that is benchmark-related or is explained by variations in the benchmark.

Sharpe Ratio measures the efficiency, or excess return per unit of volatility, of a manager's returns. It evaluates managers' performance on a volatility-adjusted basis.

Standard Deviation is a statistical measure of historical variability or spread of returns around a mathematical average return that was produced by the investment manager over a given measurement period. The higher the standard deviation, the greater the variability in the investment manager's returns relative to its average return.

Top-Down/Economic Analysis Emphasis primarily on macroeconomic trends as opposed to bottom-up stock selection.

Tracking Error represents the standard deviation of the difference between the performance of the investment strategy and the benchmark. This provides a historical measure of the variability of the investment strategy's returns relative to its benchmark.

U.S. Treasury Bonds a marketable, fixed interest U.S. government debt security with a maturity of more than 10 years. Treasury bonds make interest payments semi-annually and the income that holders receive is only taxed at the federal level.

Volatility a measure of risk based on the standard deviation of the asset return. Volatility is a variable that appears in option pricing formulas, where it denotes the volatility of the underlying asset return from now to the expiration of the option. There are volatility indexes. Such as a scale of 1-9; a higher rating means higher risk.