

The New Mix

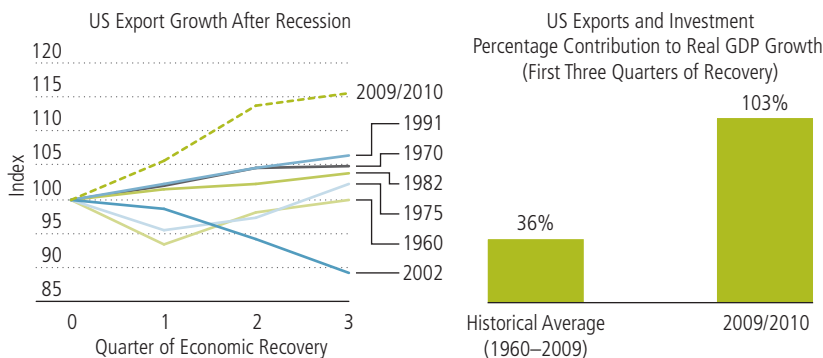
Realigning the Sources of US Economic Growth

When the technology and equity market bubbles burst a decade ago and pushed the US economy into recession, sharp interest-rate cuts quickly defeated the downturn by inducing a rebound in domestic consumer spending and housing. It was a familiar pattern. After every postwar slump, the US has always relied on the sheer size, vast wealth and unrivaled flexibility of its home market to overcome economic adversity.

Not anymore. Despite an aggressive monetary policy response to the recession of 2008–2009, the US was left with fiscal imbalances, indebted consumers, a shattered housing market and a constrained banking sector. With its inner resilience battered, some experts concluded that US economic growth would be subdued for many years.

We beg to differ. While it's true that the traditional domestic growth engines are sputtering, our research suggests that several powerful forces are creating a new mix of US gross domestic product (GDP). In particular, the increasing influence of emerging markets is driving an export boom, making an unprecedented contribution to the nascent recovery (see *below*) that may reshape the sources of long-term growth for the US economy.

Exports Fuel New Mix of GDP Growth in Nascent US Recovery



*Through March 31, 2010. Historical analysis is not a guarantee of future trends.
 Source: Haver Analytics, Institute for Supply Management, US Bureau of Economic Analysis and AllianceBernstein*

SUMMARY

Booming exports to emerging markets have made an unprecedented contribution to reviving US economic growth since mid-2009, fueling a rebound in manufacturing production and investment. We believe these trends represent a durable shift away from the US economy's traditional engines, consumption and housing, that will lead to a healthier balance of real GDP growth in the decade ahead.

Joseph G. Carson

Senior Vice President and Director—Global Economic Research

During the first nine months of the current expansion, exports added 1.6 percentage points to real GDP growth—four times exports average contribution at this stage of a US economic cycle, according to data from the Bureau of Economic Analysis (BEA). In addition, surging exports have stimulated an investment rebound by US companies. The export and investment components of GDP have made a combined impact of 3.8 percentage points on growth, exceeding the two traditional domestic growth engines, consumer spending and housing, for the first time ever in an economic recovery.

Of course, domestic difficulties pose significant challenges to restoring the US economy's long-term growth trend of about 3.25% to 3.50% per year. However, our research suggests that the resurgence of US exports is not just a temporary aberration from historical trends, but the result of changing global economic dynamics and a more competitive American manufacturing sector. We believe that the strong export cycle, coupled with the attendant rise in capital spending, heralds the start of an enduring realignment in the sources of US economic growth.

Emerging Markets Engine Drives Export Boom

To evaluate the magnitude of these changes, let's start by taking a broader look at the role of the US in global economic cycles. In the past, when the global economy stumbled, US demand typically led the world back to growth. Often, domestic consumer spending and housing would prompt the US recovery

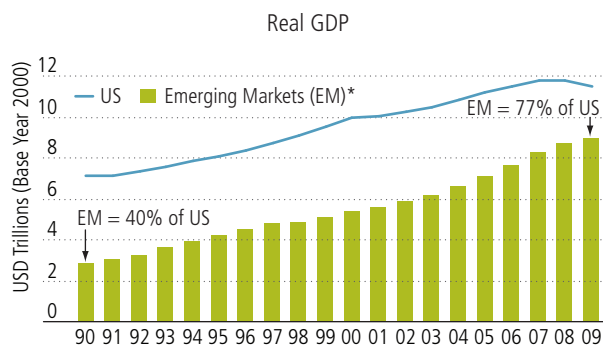
by adding 3.5 percentage points on average to the first nine months of economic growth after a recession. Since American consumers served as a key end-market for companies around the world, a rebound in US demand typically helped power economic recovery in many countries. This pattern changed dramatically in 2009, when the world recovery began instead in emerging markets, with countries such as China, India and Brazil leading the way well before most developed market countries were on their feet again.

There were good reasons for developing economies to recover first. Emerging-market banks had dodged the worst of the crisis, as they had little exposure to the structured finance segments that triggered the crisis in world financial markets in 2007 and 2008. In addition, the global recession failed to extinguish the internal domestic growth forces of many developing countries in Asia, Latin America and eastern Europe, which continued to benefit from a growing middle class. The ongoing development of key sectors and industries in these countries was strengthened further by major fiscal stimulus packages. Emerging markets awakened from recession quickly, and returned to a path toward sustainable growth much faster than anticipated.

The impact of this growth spurt was magnified because emerging markets had become much bigger players in the world economy than ever before (*Displays 1 and 2*). Just two

Display 1

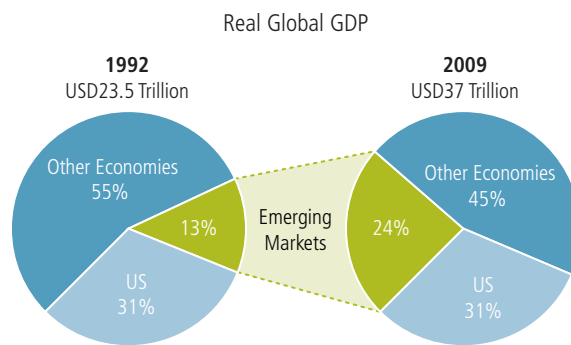
Emerging Markets Have Grown Substantially...



Through December 31, 2009. Historical analysis is not a guarantee of future trends.
 *23 largest emerging-market countries
 Source: Haver Analytics, National Accounts and AllianceBernstein

Display 2

...and Secured an Influential Role in Global Economy



As of December 31, 2009. Data are subject to change.
 Source: Haver Analytics and International Monetary Fund

decades ago, the combined value of emerging markets' GDP was merely 40% of the US economy. By the time the global economic recovery began in 2009, the combined size of emerging markets had reached 77% of the US economy, and nearly a quarter of global GDP. Emerging markets were by then big enough to ignite a global economic recovery, as demand from their end-markets had replaced the function traditionally performed by the US in recoveries.

For the US economy, the burgeoning role of emerging markets on the world economic stage came at an ideal time. With consumer spending depressed at home, American companies needed a new growth engine. They found it in emerging

markets, where domestic demand had been rising at an annualized pace of 5.5% since 2000.

Even before the recession, US manufacturers were steadily shipping more goods to emerging-market countries (*Display 3, next page*). Now, they grasped an opportunity to further increase their market share. By riding the growth wave in emerging markets during the first three quarters of the current economic recovery, US merchandise exports posted average annual growth of 23%, according to BEA. These were the fastest gains during the initial stage of any recovery in the postwar period.

Understanding GDP and Component Contributions

Gross domestic product (GDP) is the total value of goods and services produced in an economy, estimated by summing the levels of its key components. These include: consumer spending; business spending on structures and equipment; housing; exports; the change in business inventories; and government spending. Imports of foreign goods and services are included in purchases of each GDP component, and are therefore deducted from the total.

The Bureau of Economic Analysis (BEA) is the US governmental statistical agency that collects and aggregates data to estimate GDP. In each quarter, BEA publishes real and nominal levels of total GDP and its components, and shows both the growth rates and contributions of each component. Growth rates are provided as an annualized percentage gain versus the previous quarter. Contributions show a percentage point count to the overall GDP growth rate.

Official GDP accounts are shown in four main categories: consumption, investment, net exports and government. Net exports—or exports minus imports—are shown for convenience, as it is impossible to trace the flow of imports to all end-markets. This represents the balance of transactions between US residents and the rest of the world. However, for our analysis, we separated exports and imports to better illustrate the contributions of various US economic sectors.

The changing dynamics of the business cycle are captured in the table below. Indeed, exports and investment, which account for roughly one-fifth of total GDP, contributed 3.8 percentage points to the overall gain in real GDP during the first three quarters of the recovery. This is the largest contribution on record and the first time that exports and investment added more to growth than consumption and housing did at the start of a US economic recovery. ■

GDP Breakdown Captures Changing Economic Dynamics

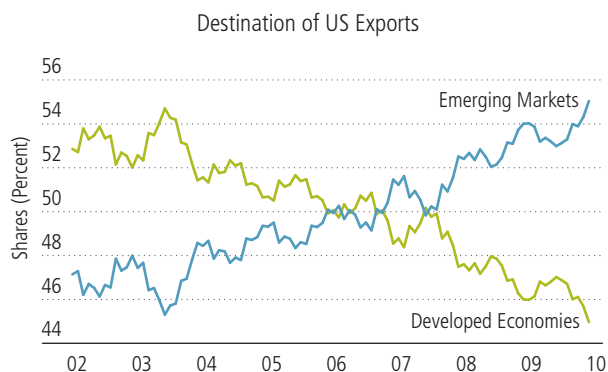
US Real Gross Domestic Product				
Component	2009 USD Bil.	Percent Distribution	Current Cycle	Historical Average*
Real GDP	12,298.4	100.0%	3.6%	4.7%
Consumption and Housing	9,593.8	73.9	1.9	3.5
Exports and Investment	2,655.2	20.4	3.8	1.7
Government	2,564.6	19.7	0.0	0.4
Imports	-1,828.0	-14.1	-2.1	-0.9

*Numbers may not sum due to rounding.
As of March 31, 2010. Data are subject to change.
* 1960–2009*

Source: US Bureau of Economic Analysis and AllianceBernstein

Display 3

US Manufacturers Grasp Opportunity in Emerging Markets



Through March 31, 2010. Historical analysis is not a guarantee of future trends. Source: Haver Analytics and US Census Bureau

Export growth to emerging markets is currently helping to offset some risks from weaker pockets of the global economy, in particular risks emanating from Europe. US merchandise shipments to Europe rose by just 2.7% over the nine-month period through March 2010 and accounted for just a small fraction of the export boom, according to the US Census Bureau.* Since Europe has not played a key role in the US export cycle, we believe that a potential slowdown in the euro area, stemming from the fiscal crisis in Greece or belt-tightening in other vulnerable European countries, would make a very minor impact on US growth in 2010. It is unlikely to undermine the exceptionally strong global export growth, which was the main catalyst for a manufacturing output boom in 2008/2009 that doubled the pace of the past two recoveries, in 2002 and 1991.

Broad Gains Across Manufacturing Industries

Is this trend sustainable? In the short term, we believe the answer is yes. The exports boom has spanned a wide range of sectors, from consumer goods to capital equipment and agricultural products to industrial materials. Civilian aircraft is the only one of 18 export categories that has trailed, and we believe that this, too, will ultimately rebound as global travel picks up, improving the production and order flow at US aviation giant Boeing.

*European data are from second quarter of 2009 to first quarter of 2010, and are not seasonally adjusted. Other export data in this section are seasonally adjusted.

Display 4

Strong Competitive Position for US Companies



Historical analysis is not a guarantee of future trends. Source: US Bureau of Labor Statistics and AllianceBernstein

Over the longer run, we think underlying trends in emerging markets will play to the strengths of US companies. In these economies, GDP is likely to run at twice the pace of US growth, underpinning conditions for a prolonged cycle. Rapid growth will compel emerging markets to continue developing and expanding domestic sectors of their economies, efforts which will require considerable amounts of capital goods and technology products designed, engineered and manufactured in the US.

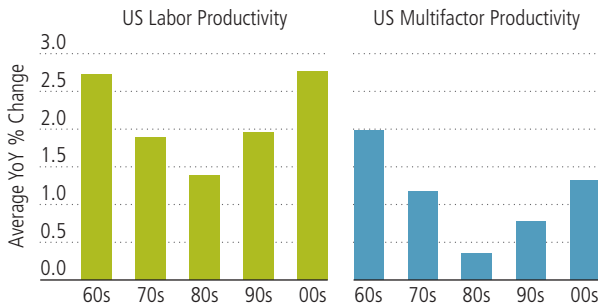
Meanwhile, as emerging markets mature, increasing consumer sophistication and spending power will evolve into larger end-markets for a range of US-manufactured durable consumer goods. Wealthier consumers tend to spend more on things like cars and technology, but American-made nondurable goods, such as food, pharmaceuticals and personal care items, are likely to benefit as well. Indeed, during the early stages of the recovery, strong export orders were posted in many consumer industries that were long considered lost to US manufacturers. However, US industry cannot take for granted its place in emerging markets—it is imperative for companies to continue investing in order to retain or expand global market share.

Sharpening the Competitive Edge

In recent years, US companies have learned important lessons about competing in a global marketplace. For example, they

Display 5

Broad Productivity Gains Have Accelerated in Recent Decades



Labor productivity as of December 31, 2009. Multifactor productivity as of December 31, 2008. Historical analysis is not a guarantee of future trends. Source: Haver Analytics and US Bureau of Labor Statistics

know that global consumers and businesses will only buy American-made goods if they are appealing in terms of price and quality, or offer unique innovation and design. From a manufacturer’s perspective, this requires a relentless focus on design, engineering and new products. It sounds like an impossible task. How can US companies possibly compete against rivals in countries with much cheaper labor?

Labor costs, while important, have become a much smaller part of the overall cost structure as companies have employed more technology on factory floors. Moreover, labor costs are only one component of the efficiency equation. In our view, it’s even more important to assess the relative productivity of a labor force in order to evaluate a country’s competitive edge, and the US ranks particularly high in terms of know-how and flexibility.

In fact, when lined up against the biggest industrialized countries, productivity gains of US manufacturers have out-paced improvements in Europe, Canada and Australia from 2000 to 2008 (*Display 4, previous page*). These robust gains have continued into 2009 and 2010, as US companies pressed ahead with efforts to sharpen their competitive position.

Indeed, multifactor productivity, a broad measure of efficiency across an economy, shows that US companies are making better use of capital and labor and reducing the amount of inputs needed to produce a unit of real GDP (*Display 5*).

Display 6

Exports Account for Increasing Share of US Manufacturing



Through March 31, 2010. Historical analysis is not a guarantee of future trends. Source: Haver Analytics and US Census Bureau

Multifactor productivity is a good gauge of innovation at work within an economy—and it tells an insightful story: through a combination of cost cuts, product innovation and cutting-edge manufacturing processes, US companies are more efficient than ever before and are likely to maintain a high position in global competitiveness rankings, in our view. It’s no coincidence that improved productivity has helped sharpen the global competitive edge of US manufacturers, which, in turn, has led to a strong rebound in exports (*Display 6*), allowing the US to recapture market share lost decades ago.

These changes have generated tangible improvements for US companies. During the first quarter of 2010, as the economic recovery gained traction, most S&P 500 companies reported rising operating profits, significantly exceeding analyst expectations. Earnings reports illustrate how the new mix is playing out in the domestic and international operations of US companies.

Corporate Evidence Confirms Shift Overseas

The industrial sector provides ample evidence of these unfolding trends. Most major US industrial firms—including Caterpillar, Parker Hannifin, Eaton, 3M and GE—have cited strong export markets as an important business impetus in earnings reports for early 2010. Jim Owens, CEO of Caterpillar, predicted record exports by the end of 2010 for his company. At GE, exports surged by 2.5 times in absolute dollar terms from 2001 to 2009, increasing from 10% to 18% of the company’s manufacturing sales over the period.

FAQ on US Domestic Economic Challenges

Following the most severe recession in a generation, the US economy was left with massive imbalances. Tough decisions are needed to alleviate systemic stresses, improve the monetary policy framework and avoid repeating mistakes of the past. But these challenges don't necessarily undermine the new mix thesis. The following responses provide context to key questions about US domestic economic issues.

Is the Household Debt Burden a Major Obstacle?

Before the recession, US households took on record debt, increasing the amount of income needed to service their financial obligations and reducing cash flow available for other purchases. But the deleveraging process is more advanced than perceived. Efforts by the federal government and private financial institutions have helped households cut financial obligations as a proportion of disposable income to 17.5% at the end of 2009, from 18.8% in the first quarter of 2009, according to the Federal Reserve Board. These improvements are encouraging: unlike previous deleveraging cycles, recent declines reflect an absolute drop in financial obligations—including principal interest payments, rent, leases, and insurance and property taxes. It will still take time to wean US households off their addiction to debt, but it is important to note that the financial obligation ratio has fallen back to the level it was before the debt binge began in 2000, which should help promote a modest recovery in consumer spending.

Will Tighter Credit Stifle GDP Growth?

While it's true that the US economy—particularly households—took on record debt in the last decade, the link between credit and GDP growth is often overstated. For example, most household debt was channeled toward purchasing existing real estate assets. Such transactions often have no direct impact on GDP in the quarter or year of purchase, since the assets acquired were built in previous years, in some cases many years earlier. Credit growth will likely be slower in the coming years, but if capital is directed to more productive uses, then overall real GDP growth may match or exceed norms of the past decade.

What About Financial Regulation?

The financial sector is likely to face tighter regulation as lawmakers attempt to remedy some excesses of the credit crisis. It will take time before new rules are approved and their impact on economic growth can be properly assessed. However, new financial market regulations do not automatically mean less economic growth. Many financial transactions of past years had no direct impact on the economy.

How Will Fiscal Imbalances Affect the Economy?

During the crisis, the federal government used its balance sheet to support the banking system as well as US states, households and specific industries. Sustained economic growth over the next several years should ultimately help close half of the gap. However, policymakers and lawmakers must revise spending and tax laws to cover the rest. The structure and timing of these changes will have an impact on economic growth, but it's too early to assess the potential ramifications of fiscal changes, as they are unlikely to be discussed in detail until 2011 or 2012.

The more immediate impact may come from fiscal adjustments made by states and local governments. By law, every state (except Vermont) must approve a balanced budget. Until now, states have benefited from direct federal aid. This has helped limit service cuts and increases to state taxes and fees. Federal support is set to expire in December 2010, but efforts are under way in Congress to extend part of the aid.

It is important to keep in mind that fiscal balance requirements refer to state operating budgets—which account for more than 50% of state spending—and not capital budgets. Operating budgets include health and welfare benefits, aid to local governments and salaries of state workers. Capital budgets are used for new building and highway projects. The continuation of the Build America Bonds, which enables state governments to raise funds to finance capital projects, could partially soften the blow from other spending cuts. ■

These examples help dispel the popular myth that US manufacturing has lost its way and is powerless to compete effectively in world markets. Even in the troubled US auto industry, many products now compete favorably in terms of quality with overseas competitors. According to J.D. Power and Associates, the independent consumer survey group, US automakers have reduced the “quality gap” between domestic and imported vehicles to a negligible difference. In our view, corporate earnings trends confirm that US companies have effectively penetrated world markets by strategically sharpening their competitive edge, and no longer depend exclusively on the domestic market for growth.

Some skeptics argue that American companies have only gained market share in recent years due to the weakness of the dollar against other currencies, which makes US goods more favorably priced for export markets. If so, a revaluation of the dollar would quickly undermine US export growth. The potential impact of currency on US exports has become an increasing concern in light of fiscal troubles in Europe during early 2010, which have led to a weaker euro and a stronger dollar.

However, it’s important to put recent changes in perspective. For example, even after European fiscal issues prompted an appreciation of the dollar during April and May 2010, the real broad trade-weighted dollar index remained lower than a year earlier, and well below the levels of three and five years ago. History

shows there is a long lag before changes in exchange rates affect trade flows. In addition, over the past decade, US manufacturers have improved productivity more than twice as fast as their European peers. As a result, we don’t expect currency fluctuations to outweigh competitive gains made by US companies.

We believe the evidence clearly shows that recent US gains on world markets are not a temporary blip, driven by a weak dollar or a postrecession fad. Rather, they are the product of an increasingly efficient US manufacturing sector, which has adapted to the global competitive challenge over many years.

Profits and Growth: A Virtuous Circle

Corporate success translates into tangible benefits for US economic growth. In particular, rising earnings create a virtuous circle for companies and the US economy by generating cash flow for investment in further expansion (*Display 7*). By the end of the first quarter of 2010, US companies had generated a record net cash flow of more than \$1.67 trillion. Net cash flow, a measure of cash available for operations after payment of dividends and taxes, reached a ratio of 1.3 times overall nonresidential fixed investment. Never before in the postwar period have US companies generated so much cash relative to current fixed investment expenditures.

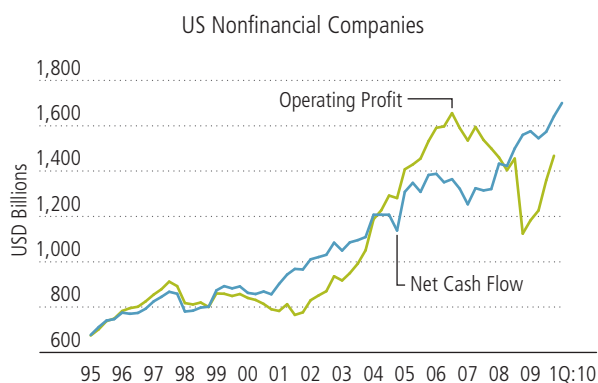
In fact, net cash flow has usually run below investment spending, as companies relied on borrowing—through banks or the capital markets—to help finance their capital expenditures. The growing cash pile should dispel fears that a constrained credit environment in the postrecession world will stifle corporate spending and economic growth. In our view, strong cash positions are a potent antidote to tighter credit markets and will promote a sustainable economic recovery by giving companies the ability to invest and hire within the US to grow their businesses and compete in world markets.

Realigning the US Economy

Until the global recession of the early 1980s, foreign trade had little bearing on the overall performance of the US economy. That’s because US markets were the largest and most dynamic in the world and American companies faced little competition from rivals overseas. Following the 1981–1982 recession, trade and foreign competition became much more important for US companies and the US economy. The US market attracted

Display 7

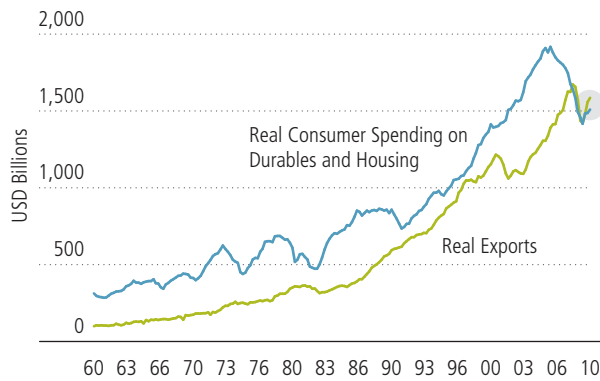
Strong Earnings Create Virtuous Circle for Investment



As of March 31, 2010. Historical analysis is not a guarantee of future trends.
Source: Bureau of Economic Analysis

Display 8

Export Power Exceeds Key Domestic Sectors



Through March 31, 2010. Historical analysis is not a guarantee of future trends. Source: Haver Analytics and US Bureau of Economic Analysis

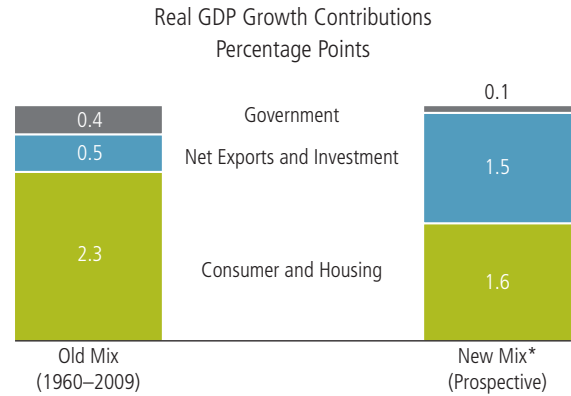
foreign producers who were new to the world scene, offering economies of scale and distribution benefits. US companies never had a similar outlet for their own exports—no other single country was big enough to offset the domestic market.

Today, global growth and trade patterns have been irrevocably altered and the competitiveness of US firms has dramatically changed. US companies have adjusted to a new world order by developing innovative products and improving the quality of existing products, while lowering unit labor costs and increasing productivity relative to the global average. Meanwhile, over the past decade, emerging-market economies have become a magnet for US goods, with rapid growth creating meaningful spending power. Many of these countries are still in early stages of development, with secular growth rates of 6% to 7% that are likely to persist for an extended period.

These changes are having a profound impact on the relationship between the US and the world economy. Exports rarely attract public attention like domestic economic sectors do. Yet the export sector is nearly as large as the consumer-durable sector and almost five times larger than housing: the value of exports has already surpassed these two domestic sectors (*Display 8*), and we believe a continuation of the vibrant exports boom over the next decade would secure a long-term reorientation of the US economy.

Display 9

New Mix to Provide More Balance for Long-Term US Growth



*Projected annual composition of GDP growth over next 10 years. Annual GDP growth estimated at 3.2%. Projected composition of growth is subject to change. Source: US Bureau of Economic Analysis and AllianceBernstein

Of course, it's too early to definitively predict that trends driving the cyclical rebound in 2009 and 2010 will persist. However, US productivity gains and emerging-market demand growth have been unfolding for years, and should continue to bolster export growth. We think these signals suggest that the cyclical trends may evolve into a structural realignment of the sources of US economic growth over the next decade (*Display 9*).

A Transformational Shift

This would be a transformational shift for the entire US economy. It may spark a rebirth of the manufacturing sector, triggering investment and job creation in several industries, including design, engineering, production and distribution businesses. In time, this type of economic cycle may also generate benefits for the traditional domestic engines—consumption and housing—through job and wealth creation, which will further bolster long-term GDP growth.

In our view, investors will need to modify their frame of reference for assessing earnings as, in the future, US companies with greater exposure to exports and manufacturing may prove to be stronger performers than those weighted more heavily toward domestic and consumer markets. As the realignment of growth progresses, we believe the US will benefit from a more balanced and sustainable economic cycle that is more appropriate to the global economic landscape of the 21st century. ■

About AllianceBernstein

AllianceBernstein L.P. is a leading investment manager. Our worldwide presence breadth of services and depth of research allow us to offer a full array of investment solutions to meet our client' diverse needs.

Research Excellence We believe that research excellence is the ultimate source of enhanced investment outcomes. To this end, we have built one of the largest research organizations in our business, with about 250 analysts operating in every meaningful capital market around the world. We integrate fundamental and quantitative analysis of securities with economic, currency and other specialized research in pursuit of unique investment insight.

Disciplined Investment Processes Across all our services, our investment teams follow centralized and consistent processes to help ensure that our portfolios deliver the characteristics and long-term performance patterns our clients expect.

Broad Array of Services Our portfolio-management expertise covers traditional and alternative asset classes across global, regional and local markets. This includes value and growth equities, blend strategies, fixed income, alternatives, passive indexing, and a host of both packaged and highly customized multi-asset-class solutions.

Client Service and Communications Our global client base ranges from retail investors to wealthy individuals and families to institutions large and small. Each is supported by distinct teams of client-service and investment-advisor professionals to ensure we offer solutions appropriate to each client's needs. Our industry-leading communications share our research insights on important investment and wealth-management issues, as well as the current strategy and performance of our portfolios.

AllianceBernstein L.P.
1345 Avenue of the Americas
New York, NY 10105
212.969.1000

AllianceBernstein Limited
Devonshire House, One Mayfair Place
London W1J 8AJ, United Kingdom
+44 20 7470 0100

AllianceBernstein Australia Limited
Level 37, Chifley Tower, 2 Chifley Square
Sydney NSW 2000, Australia
+61 2 9255 1200

AllianceBernstein Canada, Inc.
Brookfield Place, 161 Bay Street, 27th Floor
Toronto, Ontario M5J 2S1
416.572.2335

AllianceBernstein Japan Ltd.
Marunouchi Trust Tower Main 17F
1-8-3, Marunouchi, Chiyoda-ku
Tokyo 100-0005, Japan
+81 3 5962 9000

AllianceBernstein Investments, Inc.
Tokyo Branch
Marunouchi Trust Tower Main 17F
1-8-3, Marunouchi, Chiyoda-ku
Tokyo 100-0005, Japan
+81 3 5962 9700

AllianceBernstein Hong Kong Limited
Suite 3401, 34/F
One International Finance Centre
1 Harbour View Street, Central, Hong Kong
+852 2918 7888

AllianceBernstein (Singapore) Ltd.
30 Cecil Street, #28-01, Prudential Tower
Singapore 049712
+65 6230 4600

Sanford C. Bernstein & Co., LLC
1345 Avenue of the Americas
New York, NY 10105
212.969.1000

© 2010 AllianceBernstein L.P.

Note to All Readers: The information contained herein reflects, as of the date hereof, the views of AllianceBernstein L.P. (or its applicable affiliate providing this publication) ("AllianceBernstein") and sources believed by AllianceBernstein to be reliable. No representation or warranty is made concerning the accuracy of any data compiled herein. In addition, there can be no guarantee that any projection, forecast or opinion in these materials will be realized. Past performance is neither indicative of, nor a guarantee of, future results. The views expressed herein may change at any time subsequent to the date of issue hereof. These materials are provided for informational purposes only, and under no circumstances may any information contained herein be construed as investment advice. AllianceBernstein does not provide tax, legal or accounting advice. The information contained herein does not take into account your particular investment objectives, financial situation, or needs, and you should, in considering this material, discuss your individual circumstances with professionals in those areas before making any decisions. Any information contained herein may not be construed as any sales or marketing materials in respect of, or an offer or solicitation for the purchase or sale of, any financial instrument, product or service sponsored or provided by AllianceBernstein L.P. or any affiliate or agent thereof. References to specific securities are presented solely in the context of industry analysis and are not to be considered recommendations by AllianceBernstein. AllianceBernstein and its affiliates may have positions in, and may effect transactions in, the markets, industry sectors and companies described herein.

Note to Canadian Readers: This publication has been provided by AllianceBernstein Canada, Inc., or Sanford C. Bernstein & Co., LLC, and is for general information purposes only. It should not be construed as advice as to the investing in or the buying or selling of securities, or as an activity in furtherance of a trade in securities. Neither AllianceBernstein Institutional Investments nor AllianceBernstein L.P. provides investment advice or deals in securities in Canada.

Note to UK Readers: This document has been provided by AllianceBernstein Limited. Authorised and regulated in the UK by the Financial Services Authority. The value of investments can fall as well as rise and you may not get back the original amount invested.

Note to Japanese Institutional Readers: This document has been provided by AllianceBernstein Japan Ltd. AllianceBernstein Japan Ltd. is a registered investment-management company (registration number: Kanto Local Financial Bureau no. 303). The firm is also a member of Japan Securities Investment Advisers Association and the Investment Trusts Association, Japan.

Note to Australian and New Zealand Readers: This document has been issued by AllianceBernstein Australia Limited (ABN 53 095 022 718 and AFSL 230698). Information in this document is intended for wholesale investors only, and is not to be construed as advice.

Note to Singapore Readers: This document has been issued by AllianceBernstein (Singapore) Ltd. (Company Registration No. 199703364C). The Company is a holder of a Capital Markets Services Licence issued by the Monetary Authority of Singapore to conduct regulated activity in fund management.

Note to Hong Kong Readers: This document is issued in Hong Kong by AllianceBernstein Hong Kong Limited, a licensed entity regulated by the Hong Kong Securities and Futures Commission. This document has not been reviewed by the Hong Kong Securities and Futures Commission.

Note to Readers in Vietnam, the Philippines, Brunei, Thailand, Indonesia and India: This document is provided solely for the informational purposes of institutional investors and is not investment advice, nor is it intended to be an offer or solicitation, and does not pertain to the specific investment objectives, financial situation or particular needs of any person to whom it is sent. This document is not an advertisement and is not intended for public use or additional distribution. AllianceBernstein is not licensed to, and does not purport to, conduct any business or offer any services in any of the above countries.

Note to Readers in Malaysia: Nothing in this document should be construed as an invitation or offer to subscribe to or purchase any securities, nor is it an offering of fund management services, advice, analysis or a report concerning securities. AllianceBernstein is not licensed to, and does not purport to, conduct any business or offer any services in Malaysia. Without prejudice to the generality of the foregoing, AllianceBernstein does not hold a capital markets services license under the Capital Markets & Services Act 2007 of Malaysia, and does not, nor does it purport to, deal in securities, trade in futures contracts, manage funds, offer corporate finance or investment advice, or provide financial planning services in Malaysia.

