Investments

Broaden Your Horizons
Opportunities in International Investing

- International equities have enjoyed strong recent performance
- Valuations for international stocks are still attractive
- We believe that international stocks should be part of any long-term investment strategy

Investment Products Offered

- Are Not FDIC Insured
- May Lose Value
- Are Not Bank Guaranteed
The international opportunity hasn’t passed.

International stocks have dominated capital market returns in recent years. Since 2001, developed-market and emerging-market stocks have outperformed U.S. stocks by wide margins. Some investors might look at this performance streak and wonder whether the international opportunity has already passed them by. We don’t think it has.

In our opinion, although international stocks are unlikely to outperform by as much as they have recently, they’re still attractive, and emerging-market stocks are particularly so.

Global Stock Markets Have Historically Traded Leadership

Beyond their attractive current valuations, there’s a broader case to be made for international stocks. It starts with the changing nature of capital-market leadership over time.

Global stock-market leadership has tended to change hands historically, and it’s hard to predict which market will outperform at a given time. This unpredictability creates a strong argument for making international stocks a part of your diversified, long-term portfolio strategy.

Learn from the Pros

Some of the most sophisticated institutional investors—including large pension plans—have already embraced this message. They’ve allocated between 30% and 40% of their stock portfolios to international stocks.

Individual investors, on the other hand, have allocated less than 15% to international stocks. But there’s still time for individual investors to take a page from the playbook used by investment professionals.
In fact, international stocks offer lasting benefits…

A World of Investment Opportunity
Today, non-U.S. companies account for more than half of the world’s stock market, making international investing vital in expanding the available universe.

Non-U.S. companies account for the majority of the global stock market…

Percentage of Global Stock Market Capitalization*

<table>
<thead>
<tr>
<th></th>
<th>Int’l</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Int’l</td>
<td>61.7%</td>
<td>38.3%</td>
</tr>
</tbody>
</table>

As of December 31, 2006
*MSCI All-Country World Index
Source: MSCI

In some industries, the international presence is even stronger: non-U.S. firms command overwhelming market shares, making it almost impossible to gain adequate exposure without investing outside the U.S.

…and dominate key industries.

Percentage of Global Industry by Market Value*

<table>
<thead>
<tr>
<th></th>
<th>International</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking</td>
<td>87%</td>
<td>13%</td>
</tr>
<tr>
<td></td>
<td>HSBC (U.K.)</td>
<td>China Construction Bank</td>
</tr>
<tr>
<td>Automobiles</td>
<td>93%</td>
<td>7%</td>
</tr>
<tr>
<td></td>
<td>Toyota (Japan)</td>
<td>Honda (Japan)</td>
</tr>
<tr>
<td>Household Durables</td>
<td>74%</td>
<td>26%</td>
</tr>
<tr>
<td></td>
<td>Matsushita (Japan)</td>
<td>Koninklijke Philips</td>
</tr>
</tbody>
</table>

As of December 31, 2006
*The securities discussed are for illustrative purposes only and are not recommendations.
Source: MSCI and AllianceBernstein

International Stocks
Can Increase Diversification Benefits
While an expanded opportunity set is a major reason to invest internationally, international stocks can also provide valuable diversification benefits and reduce risk.

Investors should note that diversification doesn’t guarantee improved performance and can’t completely eliminate general investment risk. International investing clearly involves risks beyond investing in the U.S., including currency fluctuations and economic and political uncertainty. But in a portfolio context, an allocation to international stocks can be valuable.

As shown below, a portfolio with some exposure to non-U.S. stocks has historically had less risk than a U.S.-only strategy.

There’s a sweet spot in a U.S./international portfolio.

Annualized Risk Level

<table>
<thead>
<tr>
<th>(% of Int’l Stocks)</th>
<th>U.S. Stocks Only</th>
<th>Int’l Stocks Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Lower Volatility</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Historical analysis does not guarantee future results.
Based on historic annualized volatilities of the S&P 500 and MSCI EAFE Index (unhedged) from January 1970 to December 2006, measured as the standard deviation of average returns.
Standard deviation indicates the percentage by which a portfolio’s performance has varied from its average performance. The higher the standard deviation, the greater the range of performance, indicating greater volatility. See back panel for index descriptions.
Source: MSCI, Standard & Poor’s and AllianceBernstein
Global Perspective and Local Expertise

International investing calls for a global perspective, but it also requires something more: the deep local and industry expertise of experienced analysts.

Developed non-U.S. and emerging markets combined host more than three times as many companies as the U.S., but there are far fewer earnings estimates available for the average company. This creates the potential for investors with on-the-ground expertise to benefit from an information advantage.

International stocks are less widely followed.

As globalization aligns the world’s stock markets, we believe that the traditional approach of buying companies to gain exposure to their home countries is becoming less effective, while company selection is becoming more important.

This is where local expertise comes into play. By applying the fundamental and quantitative expertise of our on-the-ground analysts, we hope to use this information advantage to find stronger companies that will drive better performance.

Current analysis does not guarantee future results.
*Limited to stocks with a market capitalization of greater than $10 billion.
As of December 31, 2006
Source: I/B/E/S, MSCI and AllianceBernstein

To learn more about the benefits of AllianceBernstein’s International Services, contact either your financial advisor or AllianceBernstein Investments at 800.227.4618.

You can also visit our website at www.alliancebernstein.com.

For more information about the suitability of international investing in your portfolio, please contact your financial advisor.

Well-known international companies that are woven into the fabric of our everyday lives. We drive German-made cars, listen to stereos imported from Japan, and eat chocolate bars made by a Swiss food conglomerate.*

With such a high level of “international” consumption in our daily lives, why is it that so many still treat international stocks like a foreign concept?

AllianceBernstein’s extensive research suggests that an allocation to international stocks would have produced returns similar to those of U.S. equities but with lower risk and more consistency over time.

*References to specific securities are presented to illustrate the application of our investment philosophy only and are not to be considered recommendations by AllianceBernstein Investments. The specific securities identified and described in this presentation do not represent all of the securities purchased, sold or recommended for the portfolio, and it should not be assumed that investments in the securities identified were or will be profitable. Upon request, we will furnish a listing of all investments made during the prior one-year period.

How much international exposure is enough?

Current analysis does not guarantee future results. The above is a hypothetical illustration only and is not intended to represent any particular investment. The asset allocation that is right for each individual will vary.
AllianceBernstein is one of the largest and most established managers in the investment management industry. We manage over $700 billion in assets for retail, institutional and high-net-worth clients, leveraging our strength in both growth and value investing.¹ We’re particularly proud of having been named Institutional Equity Manager of the Year by Global Money Management magazine in 2006.²

Index Descriptions: The S&P 500 Index is an unmanaged index of 500 U.S. companies and is a common measure of the performance of the overall U.S. stock market. The MSCI EAFE Index (Europe, Australia, Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the U.S. & Canada. The MSCI Emerging Markets Free Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in global emerging markets. The MSCI World Index is a free float-adjusted market capitalization index that is designed to measure global developed market equity performance.

A Word About Risk—Past performance is no guarantee of future results. The investment return and principal value of an investment in any fund will fluctuate as the prices of the individual securities in which they invest fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. Investing in non-U.S. companies is subject to certain risks not associated with domestic investing, such as currency fluctuations and changes in political and economic conditions. The fluctuation and risks of international securities may be magnified due to changes in foreign exchange rates and political and economic uncertainties in foreign countries. Because funds may invest in emerging markets and in developing countries, investments also have the risk that market changes or other factors affecting emerging markets and developing countries, including political instability and unpredictable economic conditions, may have a significant effect on the funds’ net asset value. Diversification does not guarantee a profit or protect against a loss.

There is no guarantee that any forecasts or opinions in this material will be realized. Information should not be construed as investment advice.

Past performance does not guarantee future results. You should consider the investment objectives, risks, charges and expenses of any AllianceBernstein mutual fund carefully before investing. To obtain a free prospectus, which contains this and other information, call your financial advisor, visit us on the web at www.alliancebernstein.com or call us at 800.227.4618. Please read the prospectus carefully before you invest.

Note to Canadian Readers: AllianceBernstein provides its investment management services in Canada through its affiliates Sanford C. Bernstein & Co., LLC and AllianceBernstein Canada, Inc. AllianceBernstein Investments, Inc. is an affiliate of AllianceBernstein L.P. and is a member of the NASD.

AllianceBernstein® and the AB logo are registered trademarks and service marks used by permission of the owner, AllianceBernstein L.P.

¹ As of December 31, 2006
² Institutional Investor News awards honor the organizations that made an impact on the financial services industry in 2005. Although nominations are solicited from the industry, award winners are researched and selected by the editorial staff. The breadth of the awards includes 10 categories, each with three nominees from across the global pension industry.