ALLIANCEBERNSTEIN®

Quarterly Commentary **2Q** 2024

AB Low Volatility Total Return Equity Portfolio

Market Overview

- Global equities rallied in the second quarter, with strong gains in May and June offsetting a weak April. The initial decline due to persistent inflationary pressures was followed by a rally, driven by AI optimism, robust quarterly earnings, and expectations of the European Central Bank cutting interest rates. Concerns over the sustainability of mega-cap tech stocks triggered some volatility towards the quarter-end, but major US indices continued to rally, buoyed by easing inflation and the prospect of lower US interest rates.
- The MSCI All Country World Index jumped 2.9% during the quarter, culminating in an 11.3% rise for the year to date. The ICE BofAML 3-Month US Treasury Bill Index was up 1.3% during the quarter, bringing year-to-date returns to 2.6% (all returns in US dollar terms).
- Growth stocks—led by the tech sector and AI optimism—rose during the second quarter, while value-oriented stocks fell. At the sector level, technology and communication services rallied, while materials and real estate lagged.

Portfolio Performance (as of 30/06/24) #

	3 Months	Year to Date	Since Inception 31/01/2019 (Annualized)
Class A USD (NAV)	2.37%	3.62%	1.21%
Charges Applied (4%)	-1.72%	-0.50%	0.45%

- During the quarter, the Portfolio's long equity positions delivered positive returns, but the gains were partially offset by losses from our short equity positions, used to hedge against market volatility. Our cash exposure also detracted, while currency forwards contributed positively.
- At the stock level, major detractors from performance included **Honda Motor**, **Amdocs** and **AutoZone**. Shares of Honda Motor declined with other automakers during the quarter as electric vehicle (EV) trends slowed while companies continued to make large investments in EV strategies. Amdocs dipped after lowering its full-year guidance, while AutoZone's mixed quarterly results weighed on its share price.
- Major positive contributors included **Broadcom**, **Apple** and **Novo Nordisk**. Both Broadcom and Apple benefited from better-than-expected earnings results, while Novo Nordisk was buoyed by the strength of its weight loss drugs.

Market Outlook

- Looking ahead, equity returns are expected to broaden beyond the concentrated gains seen in the Magnificent Seven. We think a wider range of companies will likely drive equity returns, as earnings growth forecasts improve across the market.
- Besides AI, growth opportunities are also present in other sectors such as healthcare, cloud computing, fintech, and European industrials.
- We think earnings will face continued headwinds due to limited pricing power, sticky inflation, and slowing GDP growth, while geopolitical risks from ongoing conflicts and political changes could fuel volatility.
- Despite these challenges, a soft landing for the global economy is anticipated. The US economy continues to outperform, with growth holding up well.

Past performance is not indicative of future results. Performance calculations are based on a single pricing basis, include the change in Net Asset Value and reinvestment of any distributions paid on Portfolio shares for the period shown, net of assumed front-end load (FEL) 4% for Class A shares. For Class A shares, maximum front-end load (FEL): Up to 5%. Accordingly, these figures do not represent actual returns to an investor.

Investment risks to consider. These and other risks are described in the Portfolio's prospectus.

Investment in the Portfolio entails certain risks. Investment returns and principal value of the Portfolio will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Some of the principal risks of investing in the Portfolio include: **Currency Risk:** To the extent that the Portfolio holds assets that are denominated in currencies other than its Base Currency, any changes in currency exchange rates could reduce investment gains or income, or increase investment losses, in some cases significantly. Hedging may reduce but not eliminate currency risk. **Concentration/Focus Risk:** To the extent that the Portfolio invests a large portion of its assets in a limited number of industries, sectors or issuers, or within a limited geographical area, it can be riskier and subject to greater volatility than a Portfolio that invests more broadly. **Derivatives Risk:** The portfolio may invest in financial derivative instruments for investment purposes in addition to hedging and/or efficient portfolio management purposes and hence this may lead to a higher volatility to the net asset value of the Portfolio. **Equity Securities Risk:** Equities can lose value rapidly, in response to such factors as activities of individual companies, general market or economic conditions, or changes in currency exchange rates. Equities typically involve higher (often significantly higher) market risks than bonds, money market instruments, or other debt securities. **Liquidity Risk:** The risk that arises when adverse market conditions affect the ability to sell assets when necessary. Reduced liquidity may have a negative impact on the price of the assets.

Important Information

The Portfolio is part of AB SICAV I (referred to as "AB"). AB is an open-ended investment company with variable capital (société d'investissement à capital variable) under the laws of the Grand Duchy of Luxembourg.

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