

September 28, 2009

# University of Western Ontario

Second Quarter 2009 Current Strategy Review

**Morgan Harting, CFA**, Senior Portfolio Manager—Value Equities

**Scott DiMaggio**, Director—Fixed Income

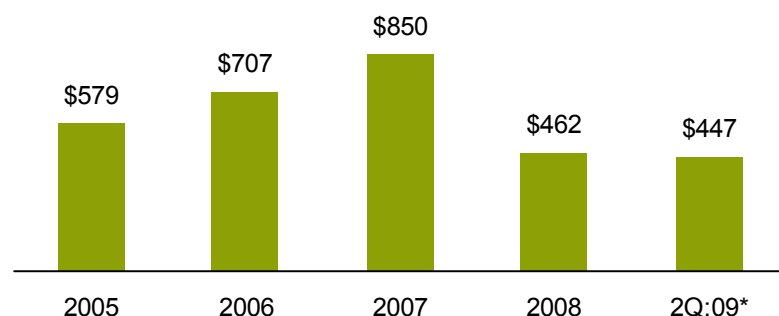
**Michael Parsons, CFA**, Director—Client Relations



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# AllianceBernstein: A Strong Partner

## Assets Under Management (USD Billions) AUM Have Stabilized



## Number of Buy-Side Analysts Continued Commitment to Research

	Growth	Value	Fixed Income	Multi-Asset**	Total
Fundamental	66	54	41***	7	168
Quantitative	8	11	11	48	78
Economists	0	1	8	0	9
<b>Total Analysts</b>	<b>74</b>	<b>66</b>	<b>60</b>	<b>55</b>	<b>255</b>

## Years at AllianceBernstein Continuity in Investment Leadership

Sharon Fay	19	Doug Peebles	22
John Mahedy	14	Jim Reilly	24
Seth Masters	18	Lisa Shalett	15

## Year-to-Date Relative Return of Flagship Services Performance is Improving

USSV	+6.8%	Global Research Growth	+1.0%
USDV (R1000V)	+1.7%	International Style Blend	+1.1%
International Value	+2.3%	Global Style Blend	+1.7%
Global Value	+1.9%	US Strategic Core Plus FI	+6.5%
US Large Cap Growth	(0.7)%	Global Plus FI—Unhedged	+5.2%

Data are as of June 30, 2009, except the Number of Buy-Side Analysts chart, which is as of March 31, 2009

\*Preliminary

\*\*Includes 12 Blend, 8 Alternatives/Product Development, 11 Portfolio Analytics, 10 Wealth Management, 4 Strategic Change, 3 Defined Contribution, 3 Early Stage Growth, 3 Currency Strategies and 1 Quantitative Data analyst.

\*\*\*Includes Fixed Income Risk Management and Fixed Income Solutions analysts

Source: AllianceBernstein

# AllianceBernstein in Canada

## Assets Managed for Canadian Investors (CAD Millions)

US Equities	C\$1,867
Canadian Value	1,652
EAFE & Global Equities	16,431
Fixed Income	8,262
Alternatives	423
<b>Total</b>	<b>C\$28,635</b>

## Fixed Income Mandates Managed for Canadian Investors (CAD Millions)

Canada Core	C\$1,726
Canada Core Plus	4,463
Canada Core Plus Advanced	246
Other	1,827
<b>Total</b>	<b>C\$8,262</b>

## Representative Clients in Canada

bclMC (Province of British Columbia)	IWA – Forest Industry
BMO Investments	Memorial University
Carleton University	NAV CANADA
City of Toronto Civic— Employees' Pension & Benefit Fund	Northern Trust Global Advisors
Concordia University Foundation	Queen's University
Dana Canada	Royal Bank of Canada
Desjardins Investment Management	Standard Life
Gesca	University of Western Ontario
Imperial Tobacco Canada	West Fraser Mills
	Workers' Compensation Board of Alberta

As of June 30, 2009

The clients identified in the list set forth herein were selected based on a variety of factors, including name recognition, industry, geographic region and investment mandate. The investment performance of the accounts managed by AllianceBernstein, including those identified on this list, was not considered. The list is neither a statement of a client's experience with, nor an endorsement of, AllianceBernstein by the clients identified in the list. It is not known whether the clients identified in the list approve or disapprove of AllianceBernstein's advisory services. Source: AllianceBernstein

# University of Western Ontario: Performance Summary

In Canadian Dollars

Periods Ended August 31, 2009

	2Q 2009	Jan-Aug 2009	One Year	Three Years	Five Years	Since Inception
<b>International Value</b>	<b>17.6%</b>	<b>13.1%</b>	<b>(17.2)%</b>	<b>(8.8)%</b>	<b>1.5%</b>	<b>1.4%</b>
MSCI EAFE	15.8	10.5	(11.9)	(5.1)	2.0	(0.6)
Relative Performance	+1.8%	+2.6%	(5.3)%	(3.8)%	(0.5)%	+2.0%
<b>International Value CTF</b>	<b>17.9%</b>	<b>14.1%</b>	<b>(18.6)%</b>	<b>(8.3)%</b>	<b>2.0%</b>	<b>3.6%</b>
MSCI EAFE	15.8	10.5	(11.9)	(5.1)	2.0	2.2
Relative Performance	+2.1%	+3.6%	(6.7)%	(3.2)%	0.0%	+1.4%

Inception date: International Value—3/01/01; International Value CTF—11/10/97

Periods of more than one year are annualized. Numbers may not sum due to rounding. Past performance is no guarantee of future results. The returns presented above are gross of fees. The results do not reflect the deduction of investment-management fees; the client's return will be reduced by the management fees and any other expenses incurred in the management of its account. For example, a C\$100 million account, paying a 0.50% annual fee, with a given rate of 10% compounded over a 10-year period would result in a net-of-fee return of 9.5%. Investment advisory fees are described in Part II of AllianceBernstein's Form ADV.

Source: MSCI and Bernstein

# Bernstein International Value: Performance Summary

In Canadian Dollars

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD 6/30/09
<b>International Value CTF</b>	<b>18.9%</b>	<b>10.9 %</b>	<b>0.7%</b>	<b>(7.6)%</b>	<b>(7.8)%</b>	<b>14.4%</b>	<b>15.9%</b>	<b>17.9%</b>	<b>32.2%</b>	<b>(7.3)%</b>	<b>(38.2)%</b>	<b>4.1%</b>
MSCI EAFE Index	28.8	20.0	(11.2)	(16.5)	(16.8)	13.4	11.5	10.7	25.9	(5.7)	(29.2)	1.6
Relative Performance	(9.9)%	(9.1)%	+11.9%	+8.9%	+9.0%	+1.0%	+4.4%	+7.2%	+6.3%	(1.6)%	(9.0)%	+2.5%

Inception date: International Value Canadian Trust Fund – November 3, 1997

Periods of more than one year are annualized. Numbers may not sum due to rounding. Past performance is no guarantee of future results. The returns presented above are gross of fees. The results do not reflect the deduction of investment-management fees; the client's return will be reduced by the management fees and any other expenses incurred in the management of its account. For example, a C\$100 million account, paying a 0.50% annual fee, with a given rate of 10% compounded over a 10-year period would result in a net-of-fee return of 9.5%. Investment advisory fees are described in Part II of AllianceBernstein's Form ADV.

Source: MSCI and Bernstein; see Performance Disclosure.

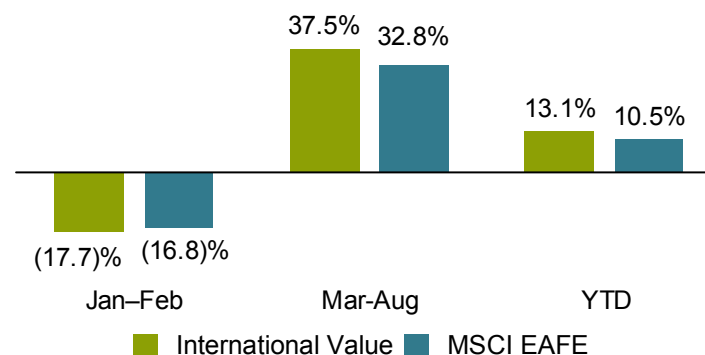
# Diverse Holdings Drove Improving Performance in Second Quarter

■ After a weak start to the year, markets have rallied since March and our portfolios outperformed

■ Outperformance was driven by a wide range of companies from a variety of sectors

■ Telecom stocks were the main detractors

## IV and MSCI EAFE Performance\*



## Contributors for YTD\*\*

### Financials

- BNP Paribas
- Societe Generale
- Deutsche Bank
- Credit Agricole

### Industrial Commodities

- JFE Holdings
- Mitsubishi

### Capital Equipment

- Nissan Motor
- Renault

## Detractors for YTD\*\*

### Telecom

- KDDI
- Nippon Telegraph

### Financials

- Royal Bank of Scotland
- HSBC

As of August 31, 2009

\*Based on the University of Western Ontario International Value accounts. Past performance is no guarantee of future results. The returns presented above are gross of fees. The results do not reflect the deduction of investment-management fees; the client's return will be reduced by the management fees and any other expenses incurred in the management of its account. For example, a US\$100 million account, paying a 0.50% annual fee, with a given rate of 10% compounded over a 10-year period would result in a net-of-fee return of 9.5%. Investment advisory fees are described in Part II of AllianceBernstein's Form ADV.

\*\*Based on a representative International Value account. Data are preliminary.

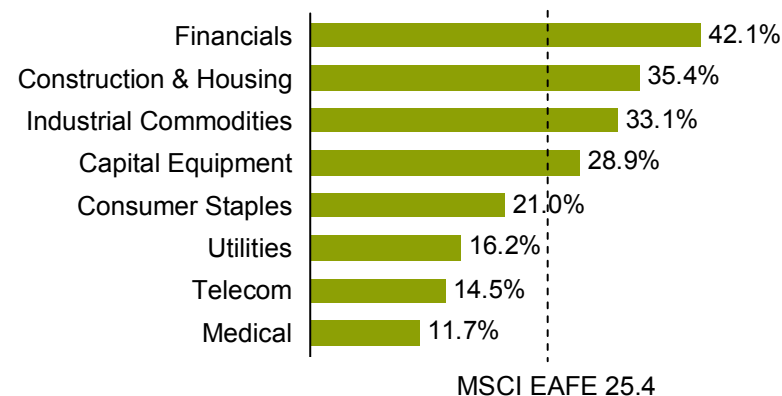
Source: MSCI and Bernstein; see Performance Disclosure and Disclosures and Important Information.

# Riskier Stocks Led the Global Rally

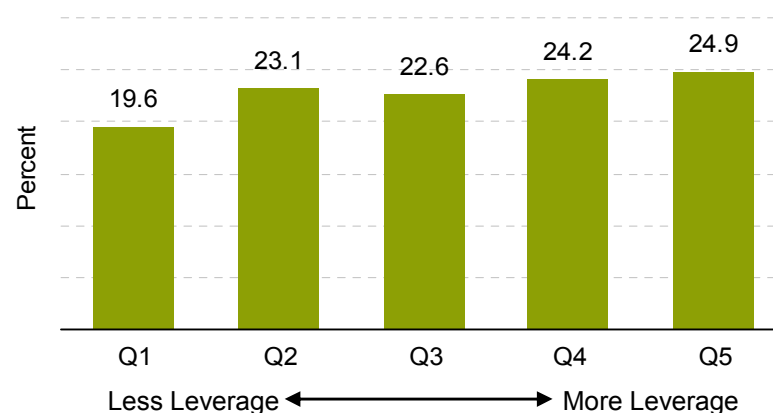
- Financials and cyclicals led the rally. Defensive sectors trailed the market, but also posted gains

- Stocks with higher balance sheet risk were the best performers

2Q 2009: Selected Sector Returns in USD\*



2Q 2009: Quintile Returns by Leverage\*\*



As of June 30, 2009

\*MSCI EAFE Index, Bernstein sectors

\*\*MSCI World local gross returns ex financials; quintile returns are equally weighted. Leverage = net debt/book equity

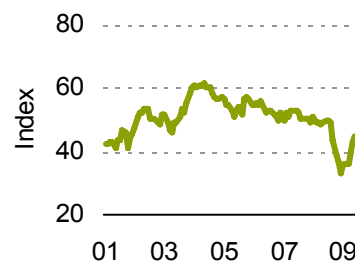
Source: Compustat, FactSet, MSCI, Worldscope and Bernstein

# Early Signs of Stabilization Have Emerged

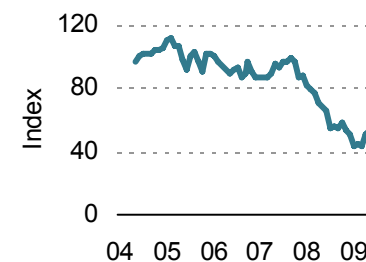
- Business and consumer sentiment is improving globally
- Credit markets continue to thaw, as debt issuance surges and credit spreads narrow
- We expect modest economic growth in 2010

## Confidence

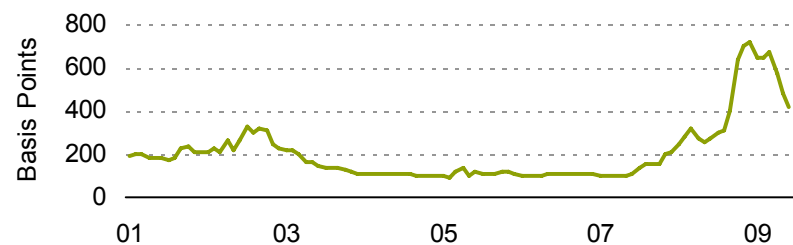
US Purchasing Managers Survey



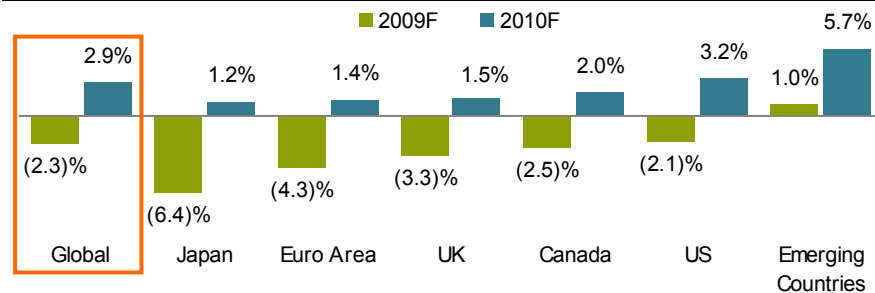
UK Consumer Confidence



## Global BBB Corporate Spreads



## AllianceBernstein Real GDP Forecasts



Through June 30, 2009

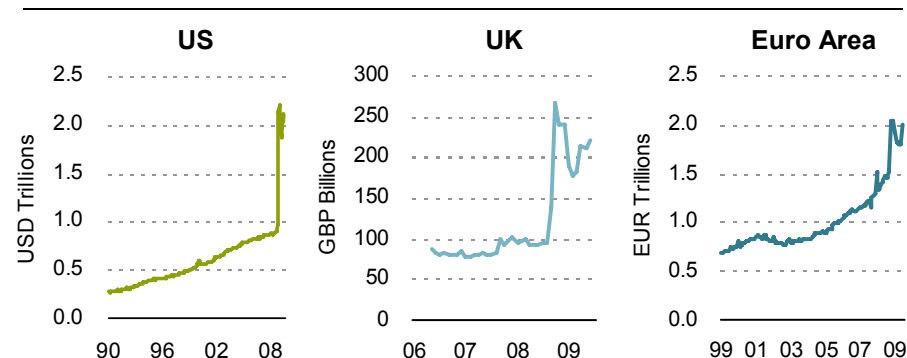
Source: Barclays Capital, Bloomberg, Institute for Supply Management, Nationwide Building Society and AllianceBernstein



# Inflation Is Not a Major Threat at This Point

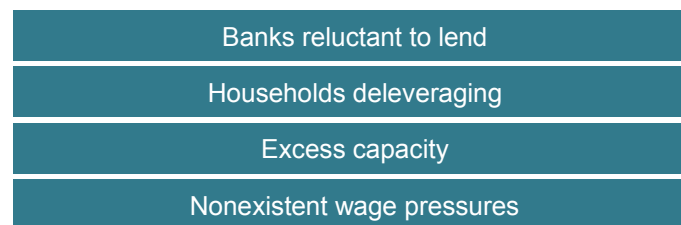
- Central bank balance sheets have grown dramatically, stoking fears of inflation...

## Central Bank Balance Sheets



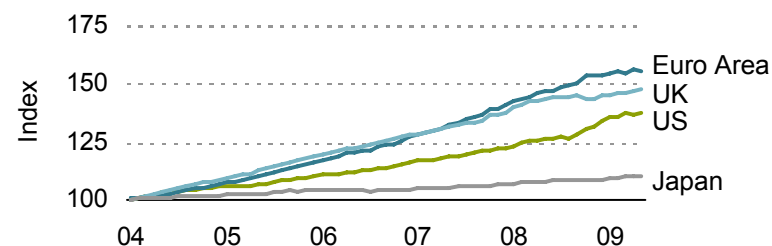
- ...but widespread uncertainty is generating offsetting factors

## Offsetting Factors



- As a result, money supply is not increasing too rapidly, alleviating inflationary pressures

## Money Supply: M2\*



Central bank balance sheets through June 30, 2009; money supply through May 31, 2009

\*M2=currency, checking, savings and money-market accounts

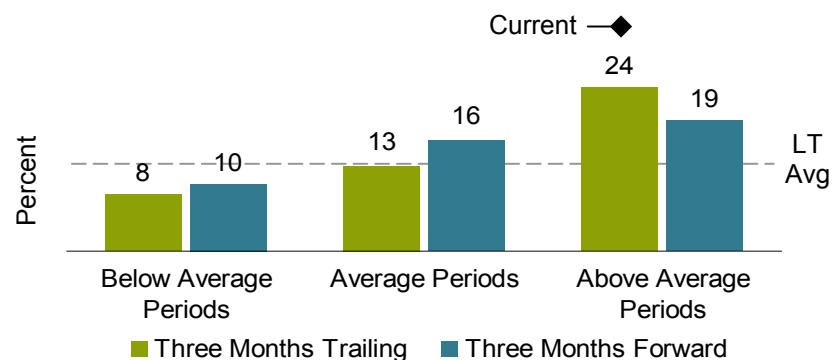
Source: Bank of England, Bloomberg, European Central Bank, US Federal Reserve and AllianceBernstein

# Investor Anxiety Remains High

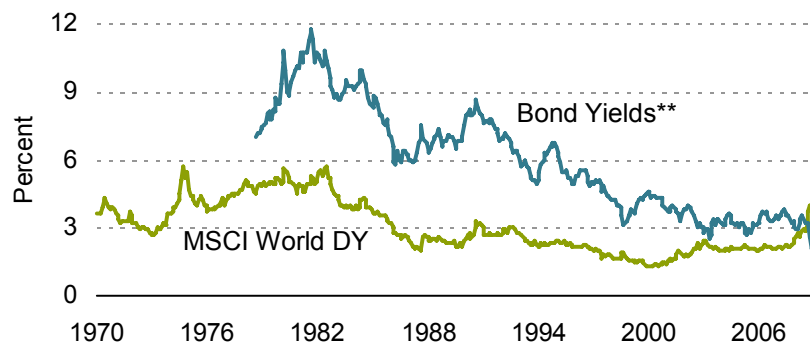
- Ongoing anxiety is likely to keep volatility elevated

- Stocks look attractive relative to bonds

**Global Annualized Volatility: Three Months Forward\***



**Global Dividend Yields vs. Bond Yields**



Through June 30, 2009

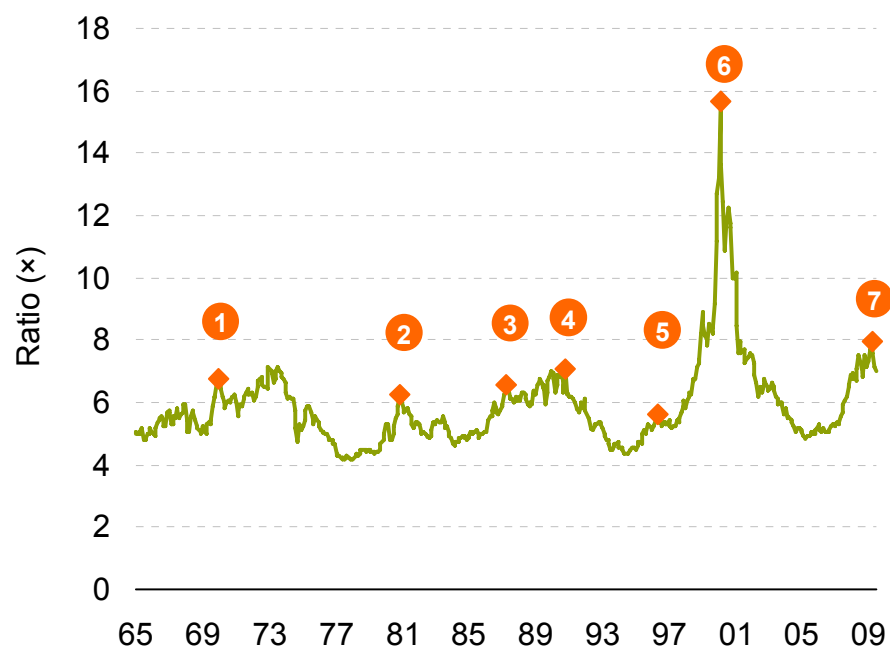
\*Persistence of volatility using daily hedged returns. AB Composite, 1970–1980; MSCI World 1980–2008

\*\*Average yields of 10-year government bonds in Germany, Japan and US. Standard global bond indices have shorter history.

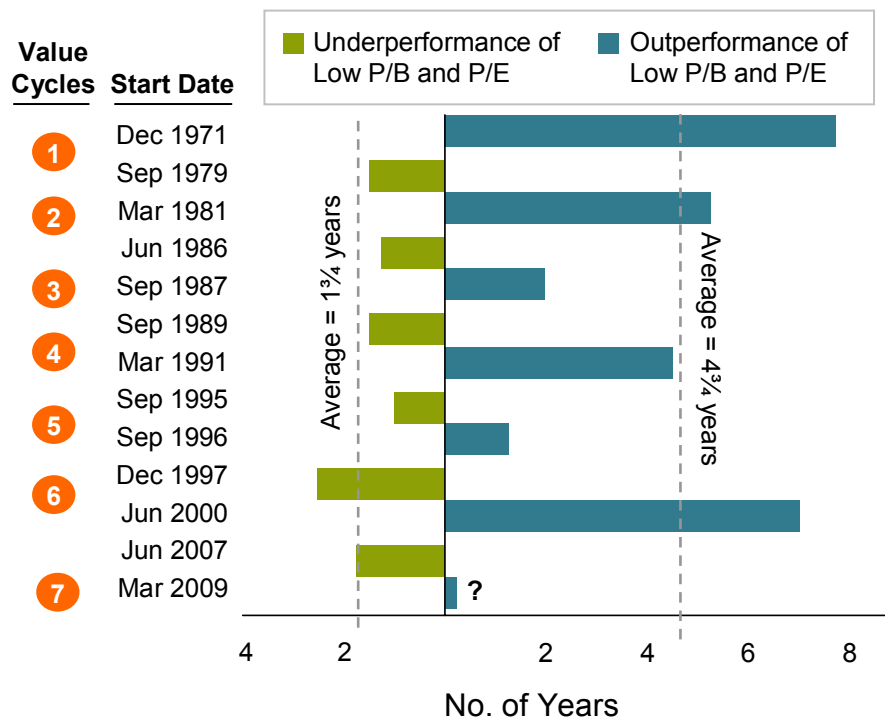
Source: Bloomberg, FactSet, Investment Company Institute, MSCI and AllianceBernstein

# Value Style Recoveries Are Often Strong and Long Lasting

Global Equities: Q5/Q1 Price/Book Spread (1965–2009)\*



Duration of Value Cycles (1971–2009)\*\*



\*Global developed large-cap stocks; represents the ratio of most expensive quintile to cheapest quintile of stocks. Diamonds represent peak spreads prior to value-style recovery; value cycles are defined as at least three quarters of rolling one-year outperformance or underperformance of combined price/book value and price/earnings factors versus the MSCI World Index hedged into USD; through June 30, 2009.

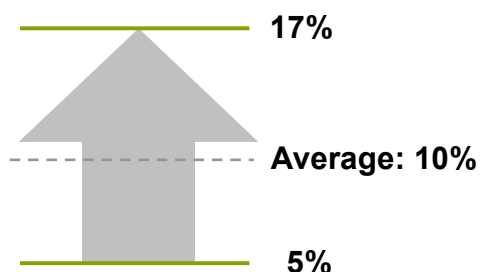
\*\*Value cycles defined as at least three quarters of rolling one-year outperformance or underperformance of combined price/book value and price/earnings factors versus the MSCI World Index hedged into USD

Source: Center for Research in Security Prices (CRSP), FactSet, MSCI and Bernstein

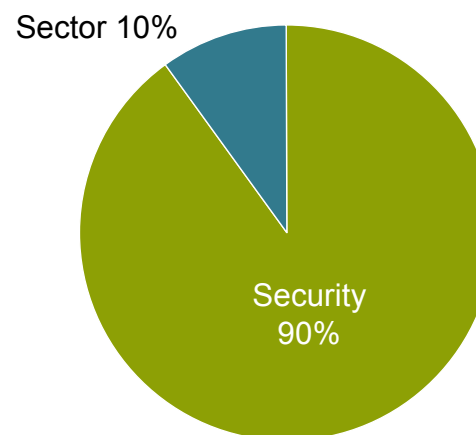
# Stock Selection Dominates Value Outperformance

1971–2007

## Outperformance Range of Low P/B and P/E



## Outperformance Attribution

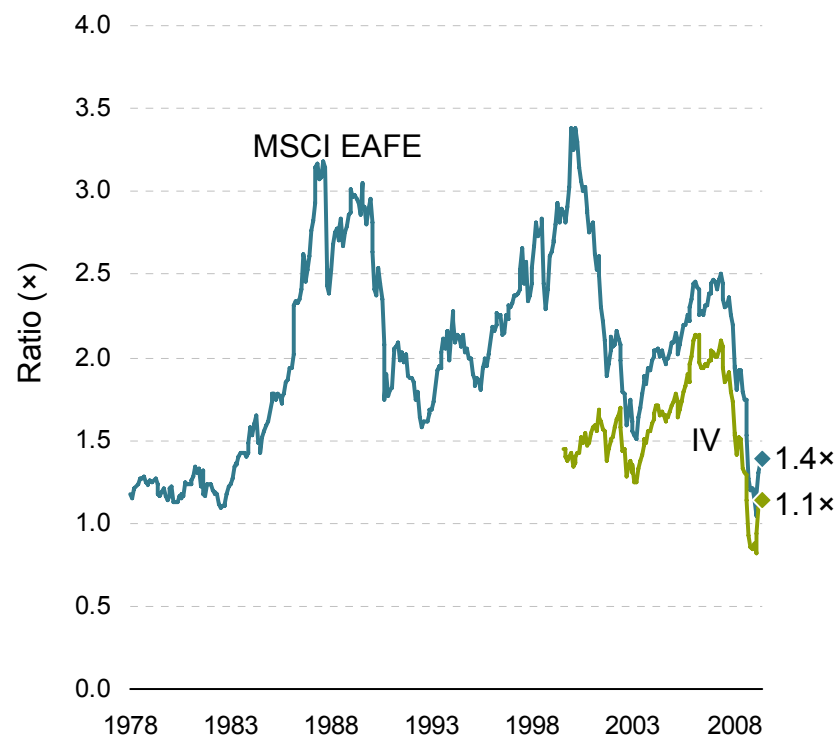


- Value recovery annual outperformance: 5%–17%
- First-year average outperformance: 17%
- Security selection attribution first 3–6 months: 75%
- Security selection attribution in recovery: 90%

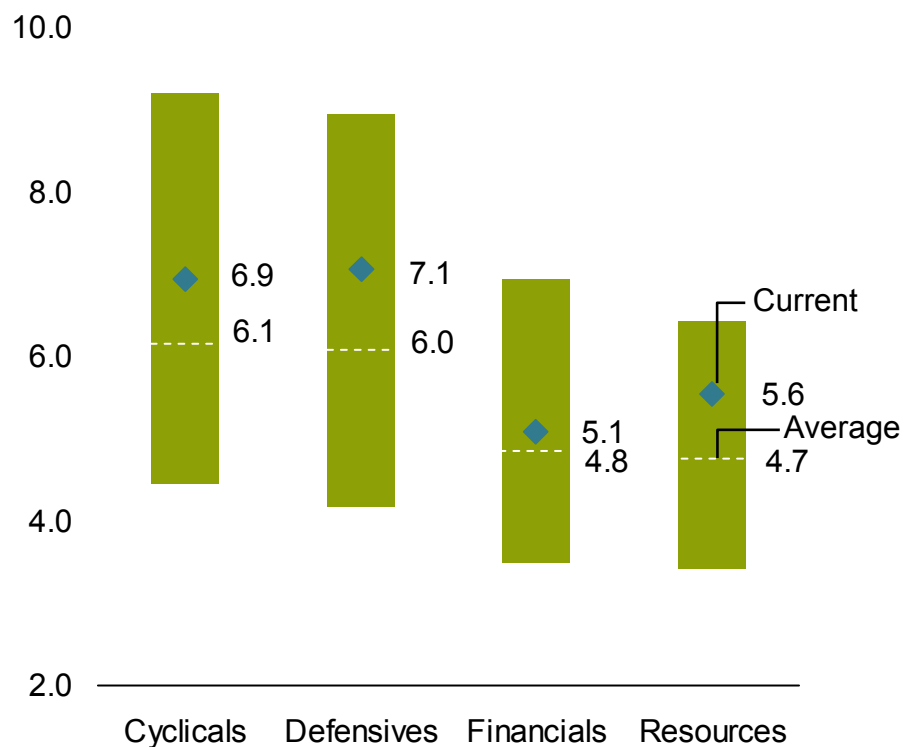
For a portfolio of the cheapest P/B and P/E quintile versus the MSCI World hedged into USD over each full value recovery period from 1971 to 2007. The returns presented are not intended to represent the performance of any AllianceBernstein managed portfolio. Source: Compustat, CRSP, FactSet, MSCI, Thomson Financial, Worldscope and Bernstein

# The Portfolio Includes Attractively Valued Stocks in All Sectors

## Price/Book



## Range of Price/Book Valuation Spread Ratios: 1971–2009\*



As of June 30, 2009

Based on a representative International Value account

\*The ratio of the highest price/book quintile to the lowest price/book quintile in the Bernstein global large-cap developed universe; cyclicals include construction, consumer cyclicals, capital equipment, technology/electronics and transportation; defensives include consumer staples, medical, telecom and utilities; resources include energy and industrial commodities.

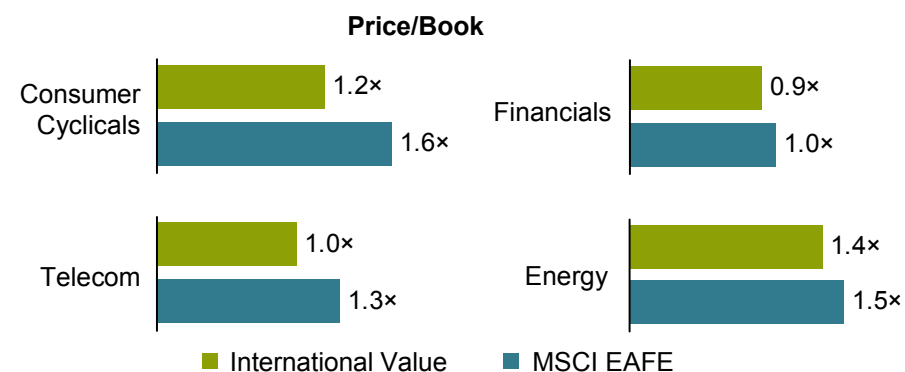
Source: CRSP, FactSet, MSCI, S&P Compustat, Thomson Financial, Worldscope and Bernstein

# Portfolio Strategy: Balancing Widespread Opportunity with Continuing Risks

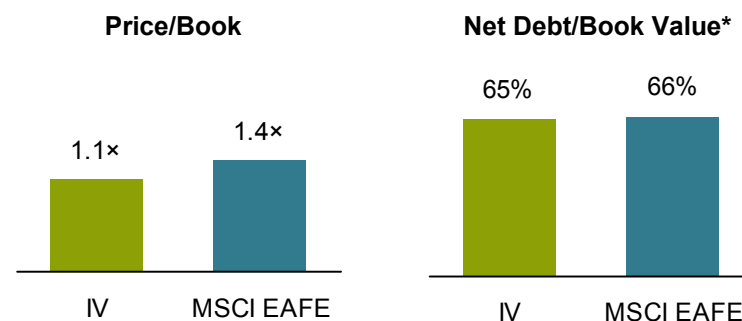
## Major Transactions

	Buy/Add	Sell/Trim
<b>Consumer Cyclicals</b>	<ul style="list-style-type: none"> <li>■ Randstad</li> <li>■ Metro</li> <li>■ Deutsche Post</li> </ul>	
<b>Telecom</b>	<ul style="list-style-type: none"> <li>■ Telefónica</li> <li>■ Vodafone</li> <li>■ BT Group</li> </ul>	
<b>Financials</b>	<ul style="list-style-type: none"> <li>■ ANZ</li> <li>■ Banco do Brasil</li> <li>■ GarantiBank</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit Suisse</li> <li>■ Deutsche Bank</li> <li>■ Barclays</li> </ul>
<b>Energy</b>	<ul style="list-style-type: none"> <li>■ Nexen</li> </ul>	<ul style="list-style-type: none"> <li>■ Total</li> <li>■ Sinopec</li> <li>■ Petro-Canada</li> </ul>

## Portfolio Sector Characteristics



## Portfolio vs. Benchmark



As of June 30, 2009

\*Ex financials

Based on a representative International Value account

Source: MSCI and Bernstein; see Disclosures and Important Information.

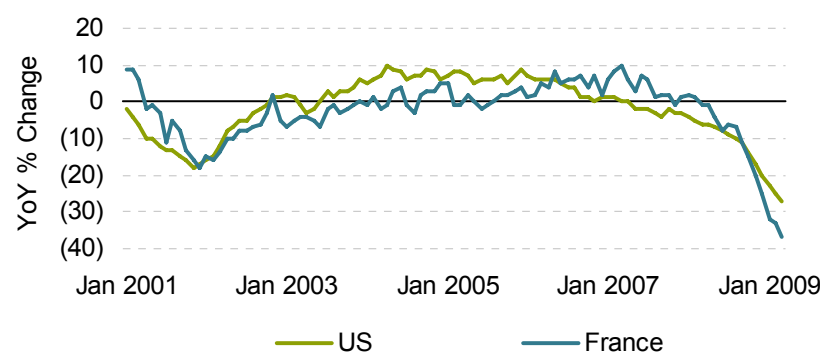
# Consumer Cyclical: Randstad and Adecco Withstand Staffing Slowdown

- Temporary recruitment companies are suffering as unemployment surges in key markets

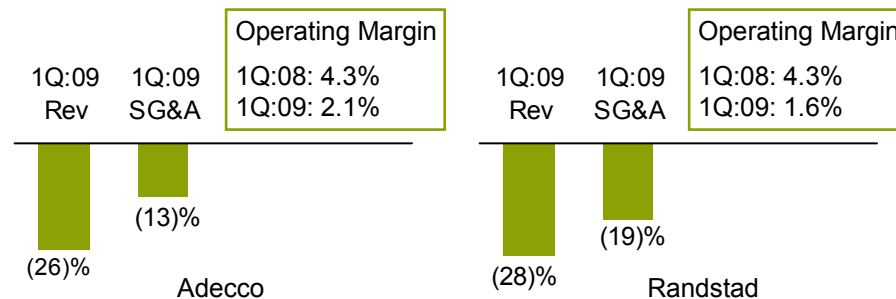
- Randstad and Adecco have cut costs to maintain profitability amid plunging revenues. Randstad has financial flexibility to help it meet debt covenants

- Shares of both companies are attractively valued, especially given their potential to benefit during the early stages of an economic recovery

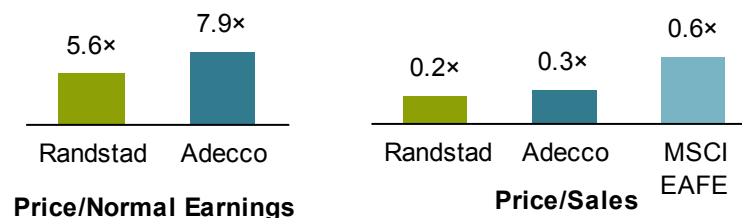
### Temporary Staffing Market Volumes



### Operating Margins



### Valuations



As of June 30, 2009

Source: BLS for US, Bloomberg, MSCI, Prisme for France and AllianceBernstein; see Disclosures and Important Information

# Telecom: Market Undervalues Solid Cash Flows

- BT's new management is restructuring operations to generate substantial cash gains, allowing the company to meet pension funding obligations and maintain dividends

- Despite the deep recession, wireless telecom revenue growth has continued to grow, supporting strong cash flows at Vodafone and Telefónica

- Our telecom stocks are attractively valued

As of June 30, 2009

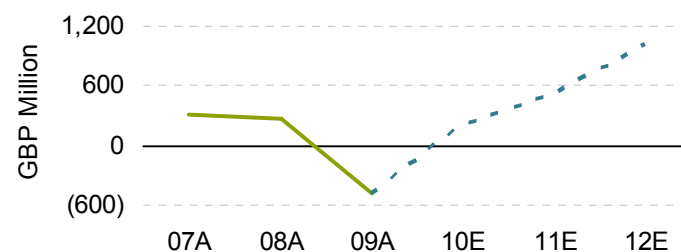
\*Fiscal year through March, i.e., 2009 = actual reported results through March 31, 2009

\*\*Spot currency from 2009 onward

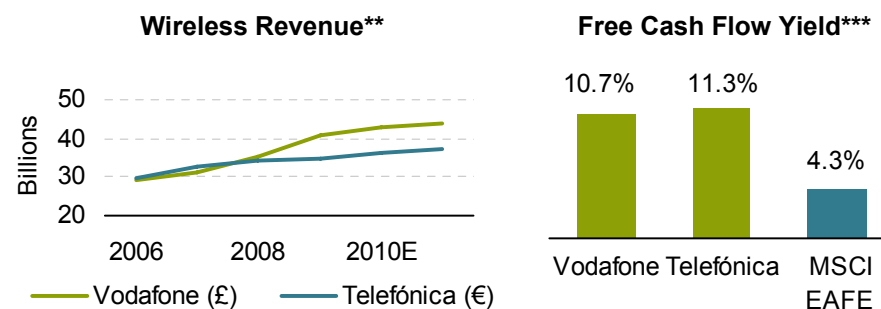
\*\*\*Free cash flow yield = reported free cash flow divided by market cap as of June 30, 2009

Source: Factset, FTSE, MSCI, Worldscope, company reports and Bernstein; see Disclosures and Important Information.

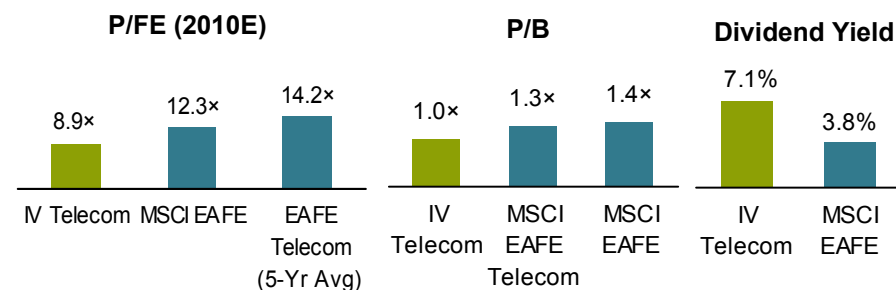
## BT: Net Cash Generation\*



## Revenue and Cash Flow



## Telecom Holding Price/Book

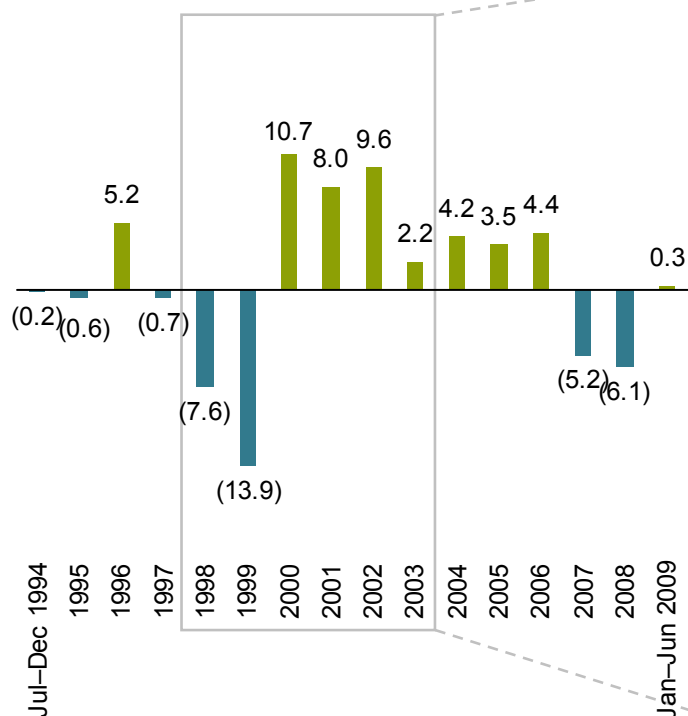




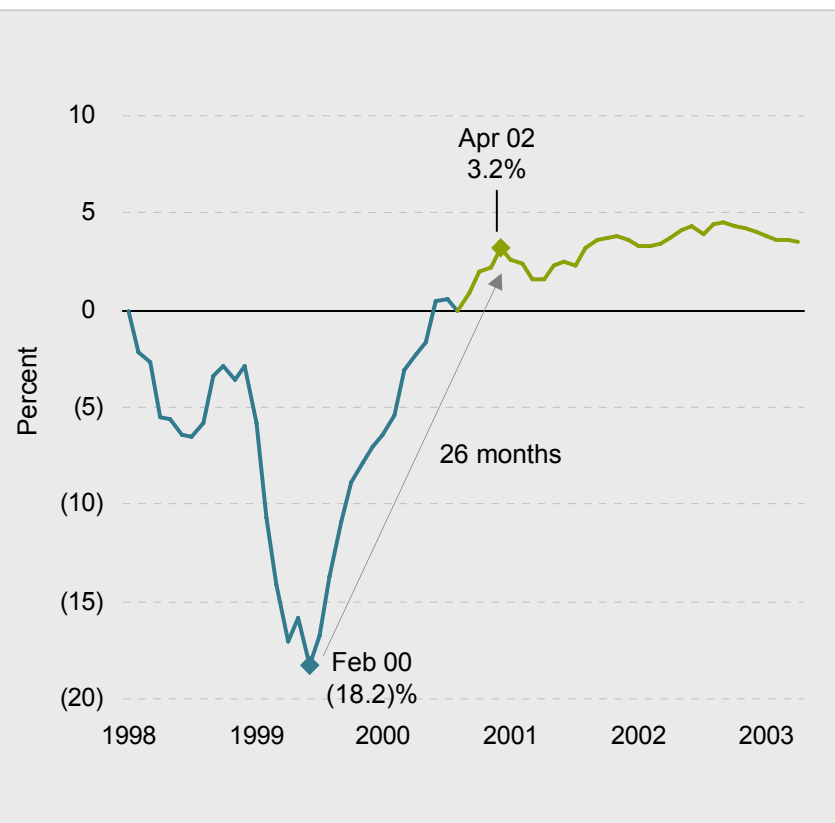
# International Value Has Recovered from Poor Performance in the Past

In US Dollars

**International Value—Developed Annual Net Performance Relative to MSCI EAFE (%)**



**Annualized Relative Net Returns for an Investment Starting in October 1998**



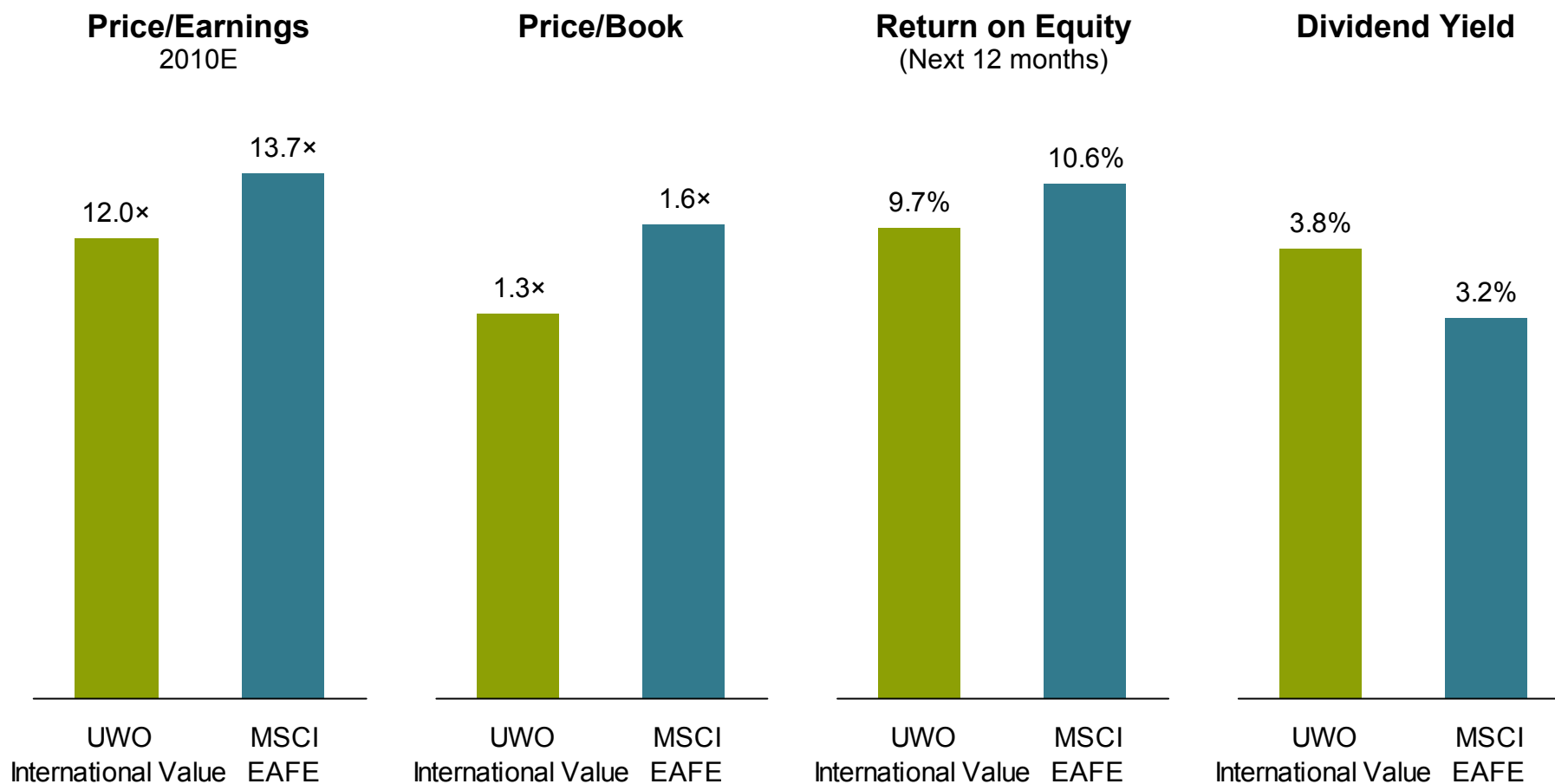
As of June 30, 2009

Past performance is no guarantee of future results. Periods of more than one year are annualized. The returns presented above are International Value—Developed composite returns net of fees relative to MSCI EAFE (net), in US dollars.

Source: MSCI and Bernstein; see Performance Disclosure.

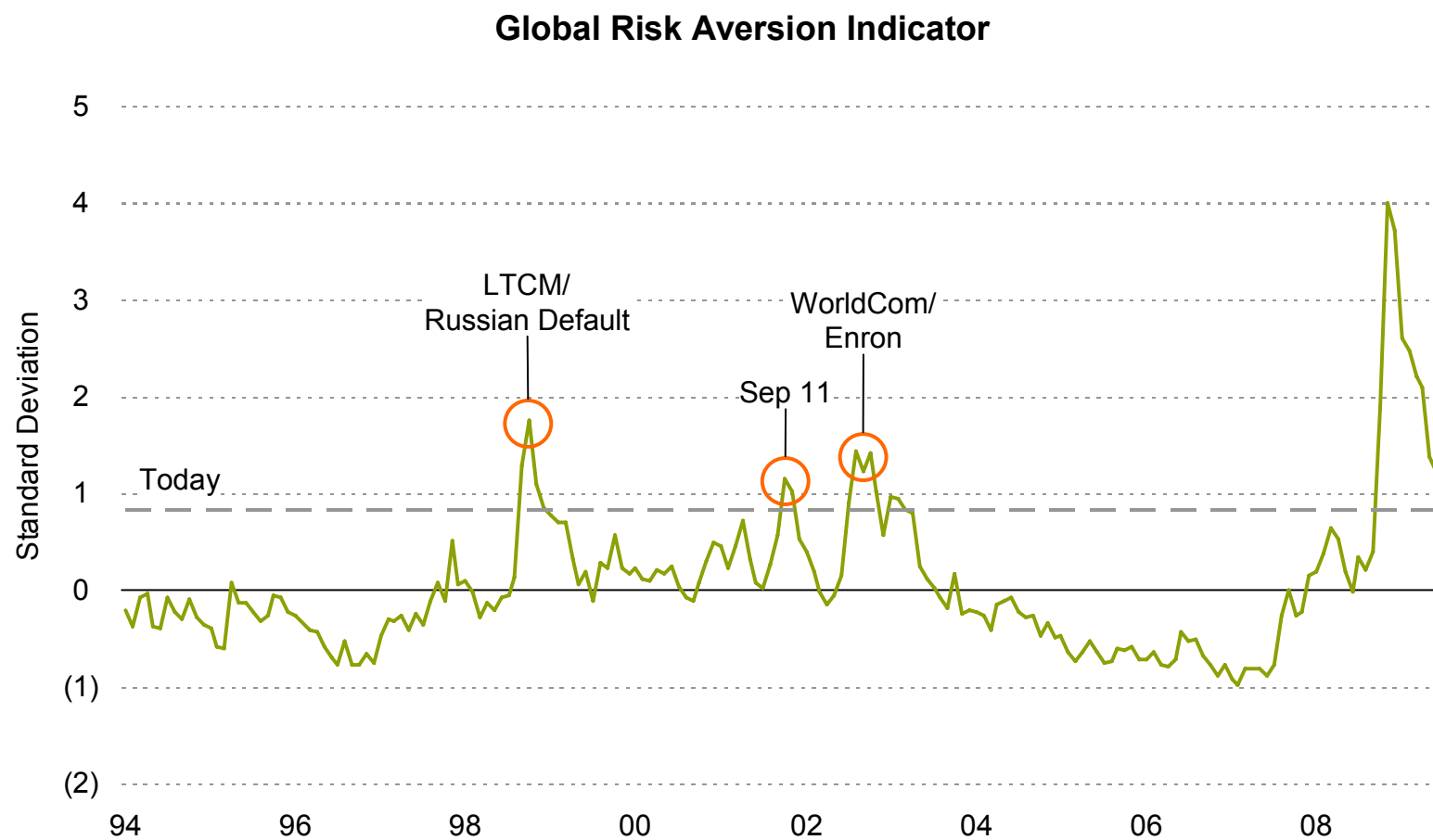
# Appendix

# Portfolio Characteristics: High Yields at Attractive Valuations



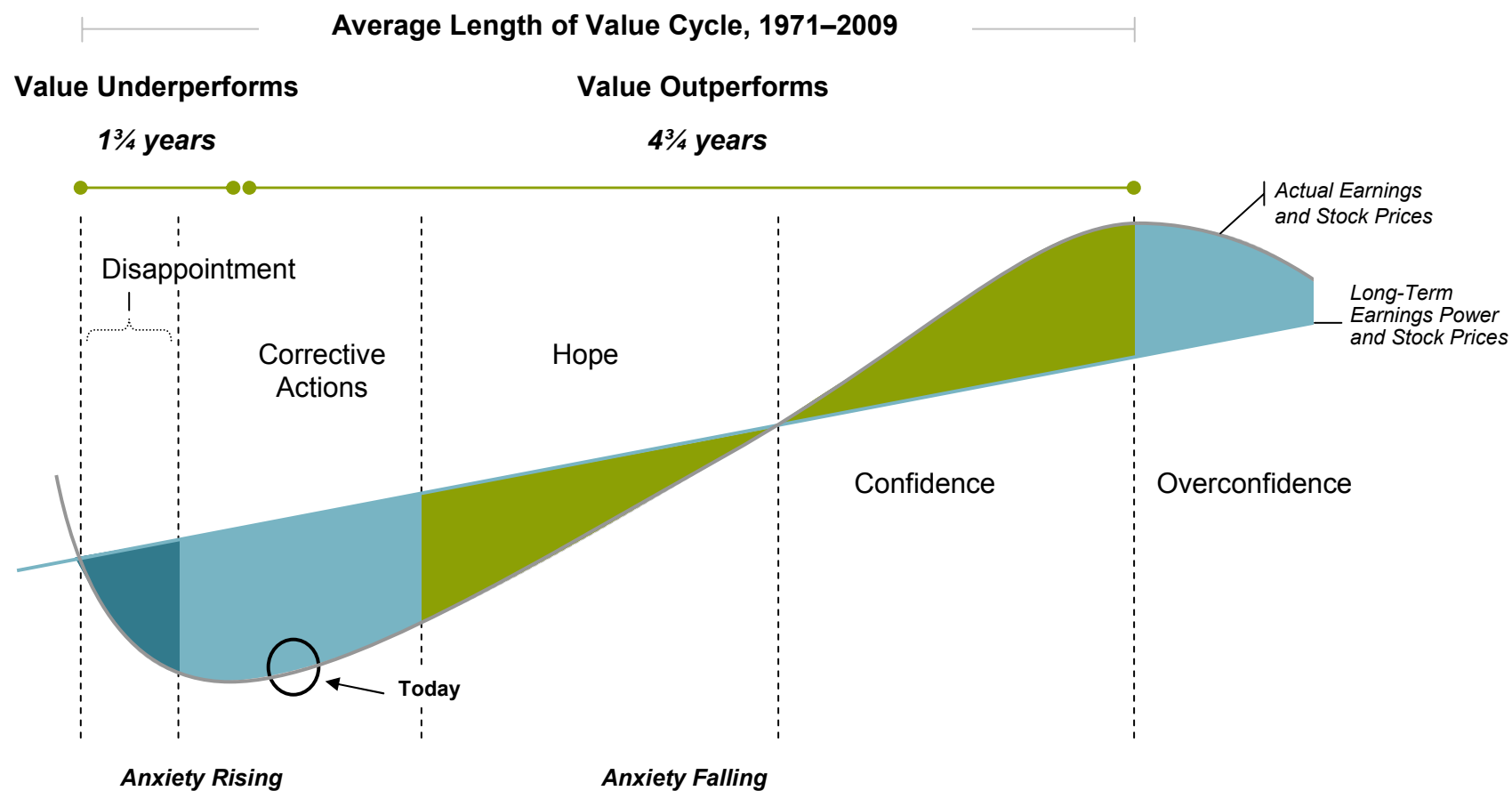
As of August 31, 2009  
 Based on the University of Western Ontario International Value account  
 Source: MSCI, Thomson I/B/E/S and Bernstein

# Global Risk Aversion, While Down from Its Peak, Remains Elevated



Through July 1, 2009  
Incorporates equity index-implied volatilities, bond spreads, currency index-implied volatilities and equity mutual fund flows  
Source: Bloomberg, Investment Company Institute and AllianceBernstein

# Human Behavior Drives Long Value Cycles



Value cycles defined as at least three quarters of rolling one-year outperformance or underperformance of combined price/book value and price/earnings factors versus the MSCI World Index hedged into USD  
From January 1971–March 31, 2009  
Source: MSCI and Bernstein

# The “Path to Normal” Takes on Increased Importance

	Long-Term Thesis	Short-Term Observation
What matters?	<ul style="list-style-type: none"><li>■ Economics drive returns</li></ul>	<ul style="list-style-type: none"><li>■ Near-term risks may dominate<ul style="list-style-type: none"><li>● E.g., refinancing, mark to market</li></ul></li></ul>
How long will it take?	<ul style="list-style-type: none"><li>■ Normalization takes about three years</li></ul>	<ul style="list-style-type: none"><li>■ Economic weakness may persist<ul style="list-style-type: none"><li>● Balance value opportunity with risks to near-term cash flow</li></ul></li></ul>
What are the portfolio implications?	<ul style="list-style-type: none"><li>■ Concentrate portfolio in cheapest stocks</li></ul>	<ul style="list-style-type: none"><li>■ Single stock risk remains elevated<ul style="list-style-type: none"><li>● “What makes this company vulnerable?”</li></ul></li></ul>

# Our Research Is Adapting to the Uncertain Environment

## Deepen downside risk analysis

### Fundamental Research

- Stress test balance sheets for extreme outcomes
- Scrutinize debt covenants, maturity patterns and sources of funding
- Identify vulnerabilities to noneconomic forces

### Quantitative Research

- Use scenario analysis in our risk model to stress test volatility assumptions
- Use refinancing tool to identify at-risk companies
- Extend use of external risk models

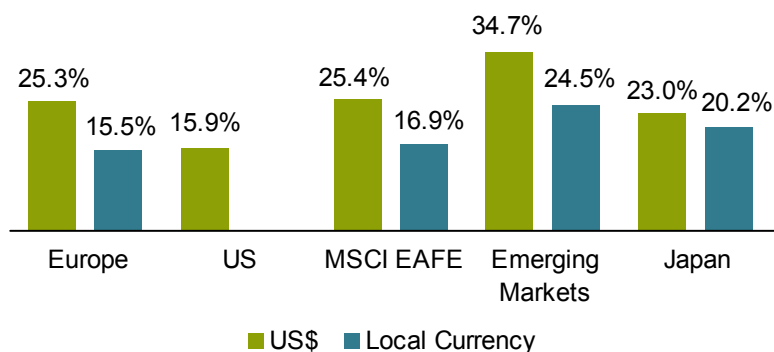
## Broaden perspective

- Exercise greater caution when signals disagree
- Understand the bear case
- Broaden analysis of other stakeholder behavior

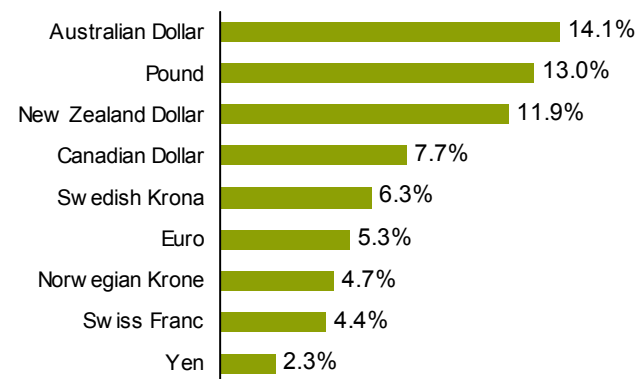
- Supplement return model with additional metrics: net equity issuance, change in short interest, sell-side earnings revisions
- Explore broader set of risk and return factors
- Explore more adaptive risk models

# Stocks Rallied Across Global Markets

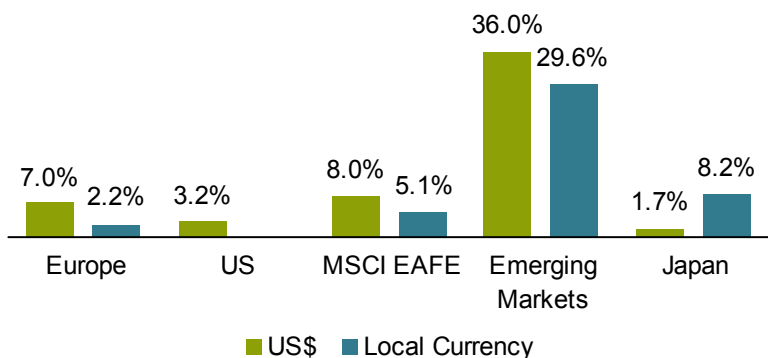
2Q 2009: Index Returns\*



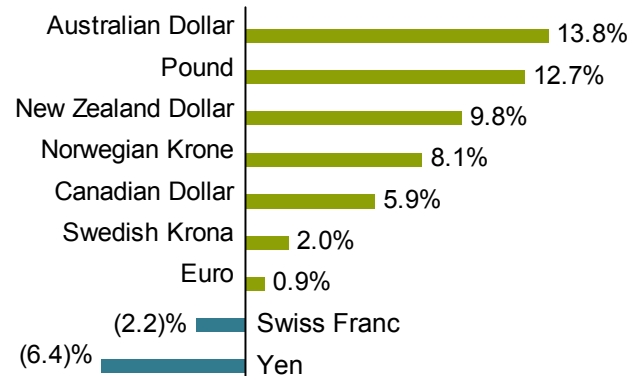
2Q 2009: Currency Returns vs. US Dollar



YTD 2009: Index Returns\*



YTD 2009: Currency Returns vs. US Dollar

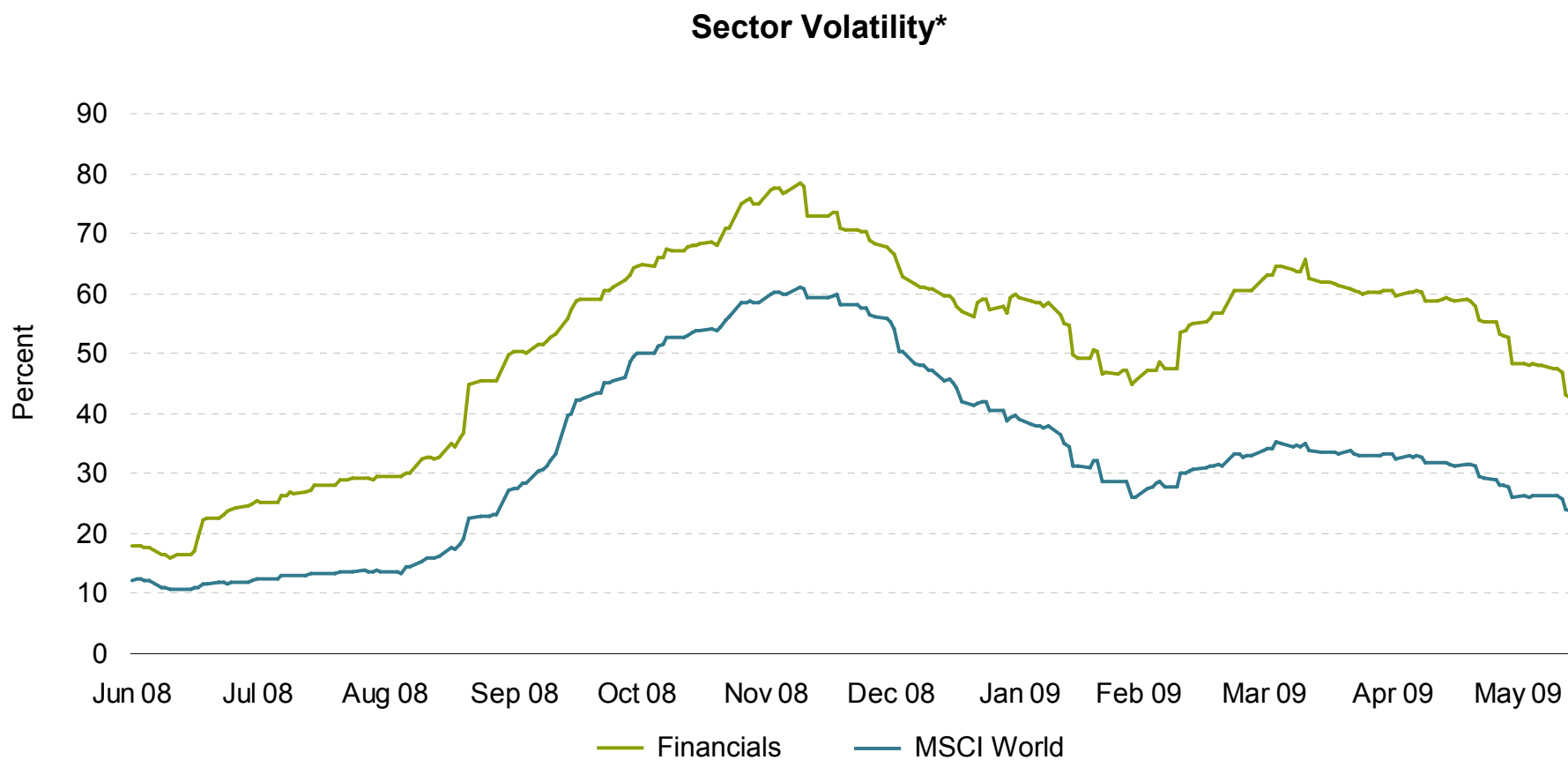


Through June 30, 2009

\*Emerging markets represented by MSCI EM; Europe by MSCI Europe; US by S&P 500; and Japan by TOPIX  
Source: Bloomberg, Factset, MSCI, S&P, Tokyo Stock Exchange and Bernstein



# Financial Sector Volatility Remains Elevated



As of June 15, 2009

\*Annualized rolling 60-day volatility of sector returns

Source: MSCI and Bernstein

# Retail: Metro Should Benefit from Resilient Business Mix

- Investors fear that Metro's Eastern European businesses are vulnerable, but these sales are dominated by resilient food sales. The European consumer electronics unit is gaining market share, which should help to fuel a recovery

- The shares have been depressed by fears of possible bankruptcy at Metro's family-owned parent, Haniel. We believe that even if Haniel goes bankrupt, the effect on Metro will be limited

- Metro shares are attractively valued based on our estimates of the company's long-term growth potential

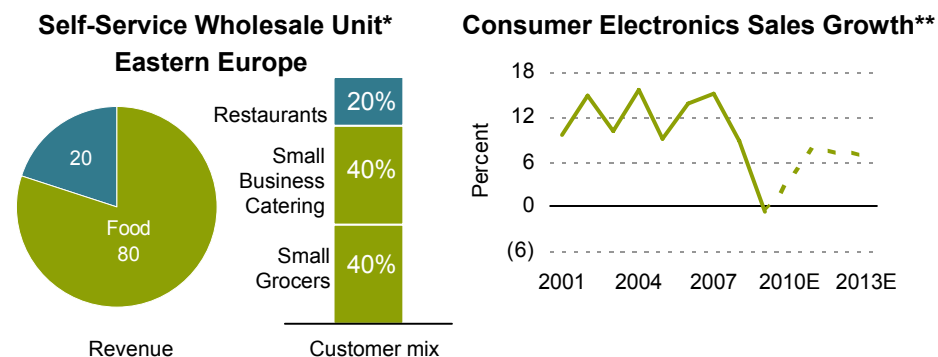
As of June 30, 2009

\* Cash & carry unit

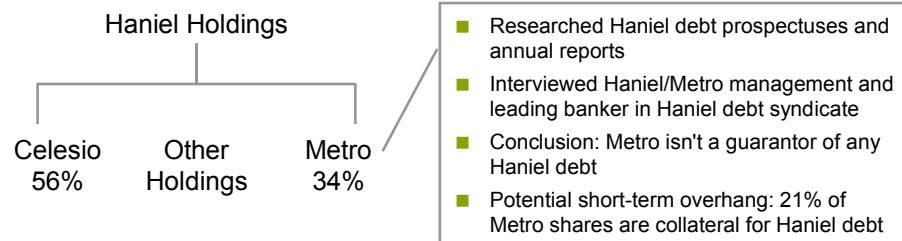
\*\* Media Markt unit

Source: Company reports and Bernstein; see Disclosures and Important Information

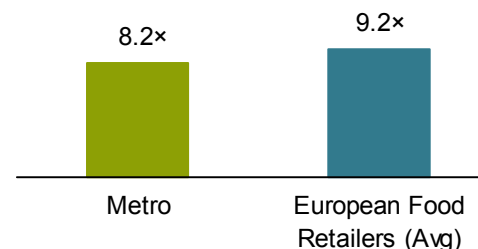
## Business Resilience



## Balance Sheet Insulation



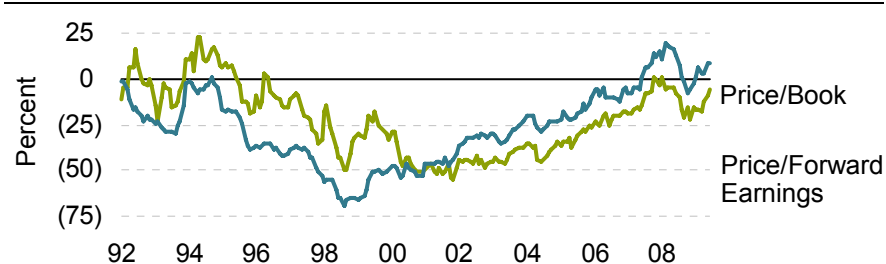
## Price/Normal Earnings (2013E)



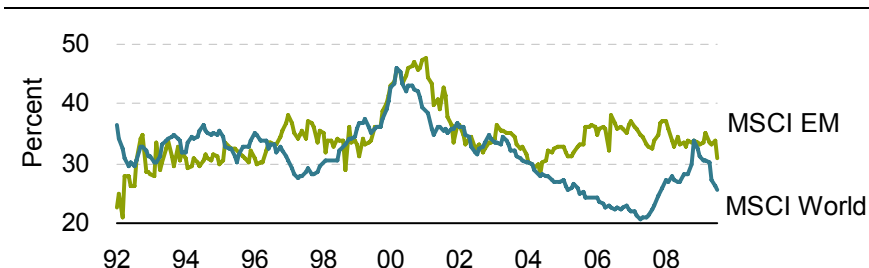
# Emerging Markets: Bottom-Up Stock Selection Yields Opportunities

- Emerging markets have rallied strongly since March, but are still priced at a small discount to developed-market equities on a forward-earnings basis, despite higher expected profitability
- Our estimate of the value opportunity in emerging markets is somewhat higher than in the developed markets
- We continue to find compelling opportunities across a variety of sectors

## Relative Valuations:\* Emerging vs. Developed Markets



## Discount to Fair Value of Most Attractive Stocks\*\*



## Select Emerging-Market Opportunities

Holding	Industry	Country	Price to Book
LUKOIL	Energy	Russia	0.7
AU Optronics	Technology	Taiwan	0.9
Samsung Electronics	Technology	S. Korea	1.5
Banco do Brasil	Finance	Brazil	1.8x

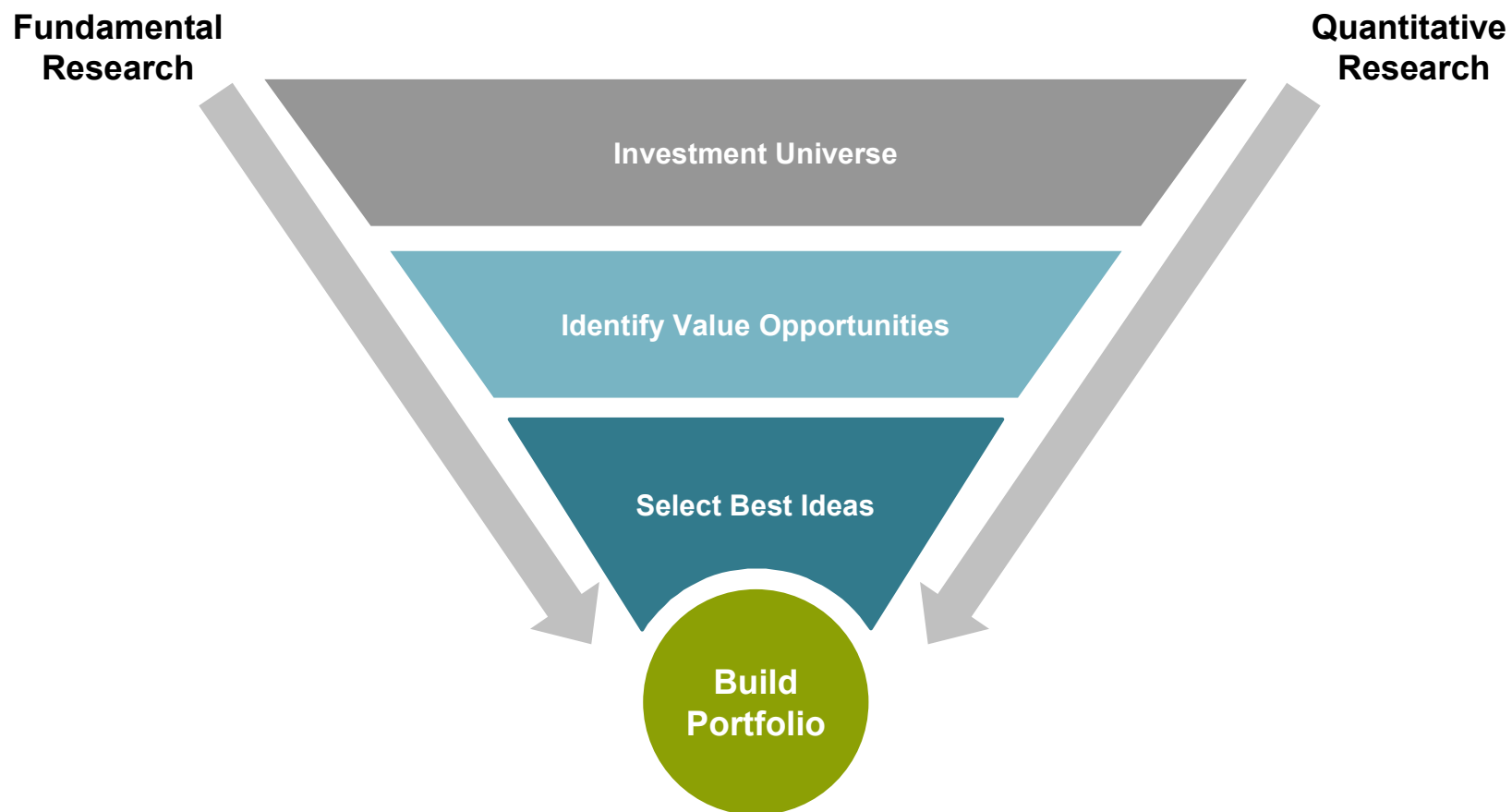
Through June 30, 2009

\*Discount of MSCI EM to MSCI World

\*\*These data represent Bernstein's estimate of the amount by which the most attractively priced emerging-market and large-cap global stocks sell below overall market valuations. The proportion of Bernstein investments in stocks from this group will vary over time but will typically be high. Bernstein's estimates of the fair value of these stocks may not be realized for a variety of reasons. Source: Center for Research in Security Prices (CRSP), FactSet, MSCI, S&P Compustat, Thomson, Worldscope and Bernstein

# Investment Process Overview

Explicit Marriage of Fundamental and Quantitative Research



# Bernstein Value Equities: Extensive Research Reach

## Sharon Fay, CIO—Global Value Equities

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### New York

---

#### Chief Investment Officers

Henry D'Auria  
James MacGregor  
Giulio Martini  
Teresa Marziano  
Gerry Paul  
Kevin Simms

#### Directors of Research

Andrew Chin  
Peter Frith  
Kent Hargis  
Greg Powell  
Sammy Suzuki  
Andrew Weiner  
David Yuen

#### Senior Portfolio Managers

Kevin Boreen  
Eric Franco  
Morgan Harting  
Chris Marx  
John Phillips  
Amanda Tepper

30 Fundamental Research Analysts  
8 Quantitative Research Analysts

### London

---

**Avi Lavi**, CIO—UK & European Value Equities  
**Tawhid Ali**, Director of Research

3 Senior Portfolio Managers  
9 Fundamental Research Analysts  
1 Quantitative Research Analyst

### Sydney

---

**Roy Maslen**, Director of Research—Australia  
**Stuart Keighran**, CIO—Australian Real Estate Investments

1 Senior Portfolio Manager  
4 Fundamental Research Analysts



### Hong Kong

---

**Stuart Rae**, CIO—Pacific Basin Value Equities  
**Matthew Kennedy**, Director of Research

5 Fundamental Research Analysts  
2 Quantitative Research Analysts

### Tokyo

---

**Katsuaki Ogata**, CIO—Japan Value Equities  
**Takeo Aso**, Director of Research

2 Senior Portfolio Managers  
6 Fundamental Research Analysts

As of June 30, 2009

# Bernstein Global Value Equities: Investment Policy Group

## Cross-Border Team

**Sharon Fay**  
Chief Investment Officer—Global Value Equities

**Henry D'Auria**  
Chief Investment Officer—Emerging Markets  
Value Equities

**Kevin Simms**  
Director of Research—Global Value Equities

**Gerry Paul**  
Global Head of Diversified Value  
Co-Chief Investment Officer—US Large Cap Value Equities

## Local Experts

**North America**  
David Yuen  
James MacGregor  
Peter Frith

**Emerging Markets**  
Sammy Suzuki  
Matthew Kennedy

**UK & Europe**  
Avi Lavi  
Tawhid Ali

**Japan**  
Katsuaki Ogata  
Takeo Aso

**Pacific Basin**  
Stuart Rae  
Roy Maslen

## Portfolio Specialists

Andrew Chin  
Giulio Martini  
Gregory Powell

- Average Experience in Industry: 20 Years
- Average Tenure with Bernstein: 13 Years

As of September 2009

# University of Western Ontario International Value: Largest Active Weights

## 10 Largest Overweights

Societe Generale	+1.5%
Credit Agricole	+1.5
Vodafone	+1.4
Nissan Motor	+1.3
BASF	+1.1
Muenchener Rueckversicherungs	+1.1
BNP Paribas	+1.1
Deutsche Bank	+1.1
Renault	+1.1
ANZ	+1.1

As of August 31, 2009

Based on the University of Western Ontario International Value account versus the MSCI EAFE

Source: MSCI and Bernstein

# University of Western Ontario International Value: Sector and Country Weights

## Largest Sector Overweights & Underweights

Telecom	+5.9%
Technology	+1.8
Energy	+1.4
Medical	+1.2
Utilities	+0.8
Transportation	-0.9
Construction & Housing	-1.4
Capital Equipment	-2.1
Industrial Commodities	-2.8
Consumer Staples	-5.1

## Largest Country Overweights & Underweights

Germany	+8.7%
France	+2.6
Italy	+2.2
UK	+1.7
Netherlands	+1.1
Australia	-1.2
Spain	-1.2
Singapore	-1.3
Switzerland	-5.6
Japan	-6.6

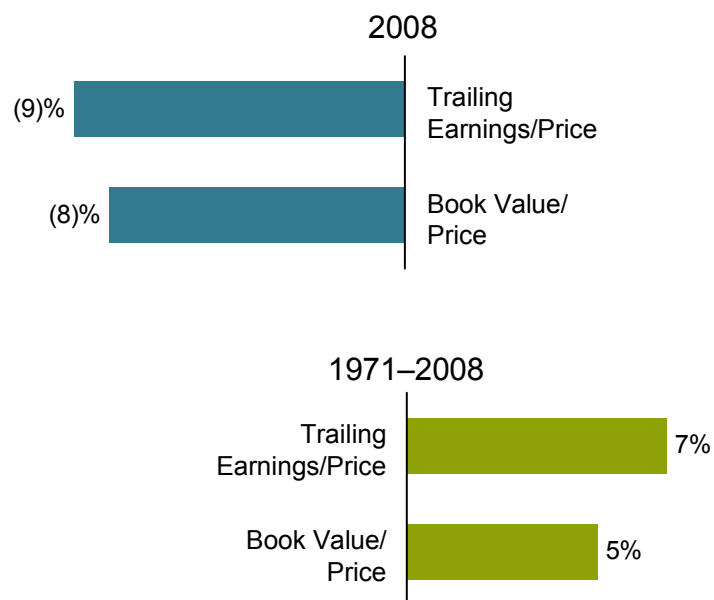
As of August 31, 2009  
 Based on the University of Western Ontario International Value account versus the MSCI EAFE  
 Source: MSCI and Bernstein



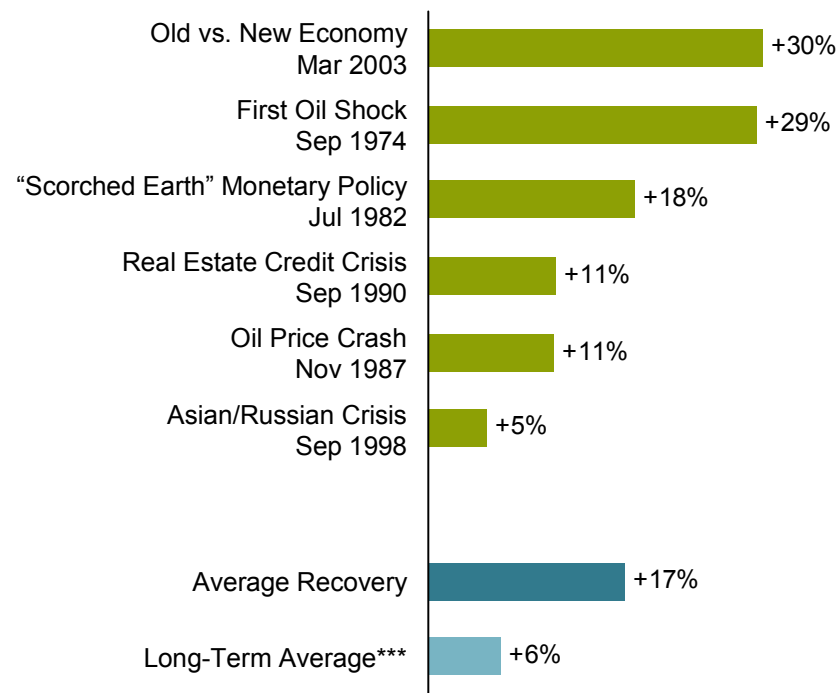
# Value Factors Have Performed Well During Market Recoveries

## Value Factor Relative Returns Top Quintile of Stocks

### 2008 vs. Long Term\*



### 12 Months Following Market Trough\*\*



\*Hedged relative returns in USD, based on the Bernstein global large-cap universe of stocks, measuring the difference in returns of the most attractive 20% of stocks versus the universe for each factor

\*\*Hedged relative returns in USD, based on the MSCI World, measuring the difference in returns of the most attractive 20% of stocks, based on average of book/price and trailing earnings/price factors, versus the index

\*\*\*1971–2008

Source: Compustat, MSCI, Worldscope and Bernstein

# AllianceBernstein: A Strong Partner

## Financial Strength

- The highest S&P (AA-) and Moody's (A1) ratings among investment managers
- A clean balance sheet with very low debt, significant cash and liquid securities
- No derivative or off-balance-sheet obligations

## Organizational Stability

- Solely dedicated to research and investment management for more than four decades
- Diverse income stream derived from multiple countries and client types
- Long-standing client relationships
- Executive Committee with average 26 years of industry experience and 14 with firm
- One of only three managers selected by US Treasury to manage its assets under TARP

## Client Commitment

- Over 600 investment and client professionals looking after client accounts globally
- A local presence in all major markets around the world
- Broad array of services across asset classes

As of May 1, 2009  
Source: AllianceBernstein

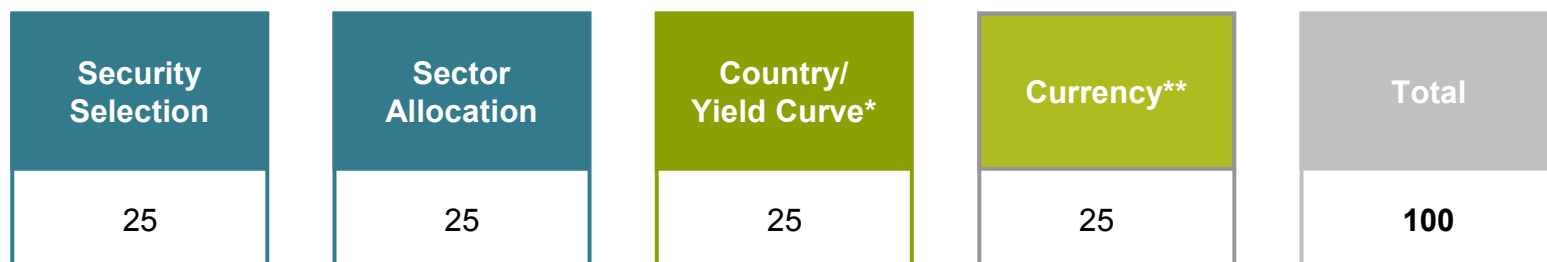
A stylized illustration of a hand in a white shirt sleeve pointing towards a sign. The sign has a red border and contains the text 'INSERT: Fixed Income TAB'.

INSERT:  
**“Fixed Income”**  
TAB

# University of Western Ontario Fixed Income: Sources of Value Added

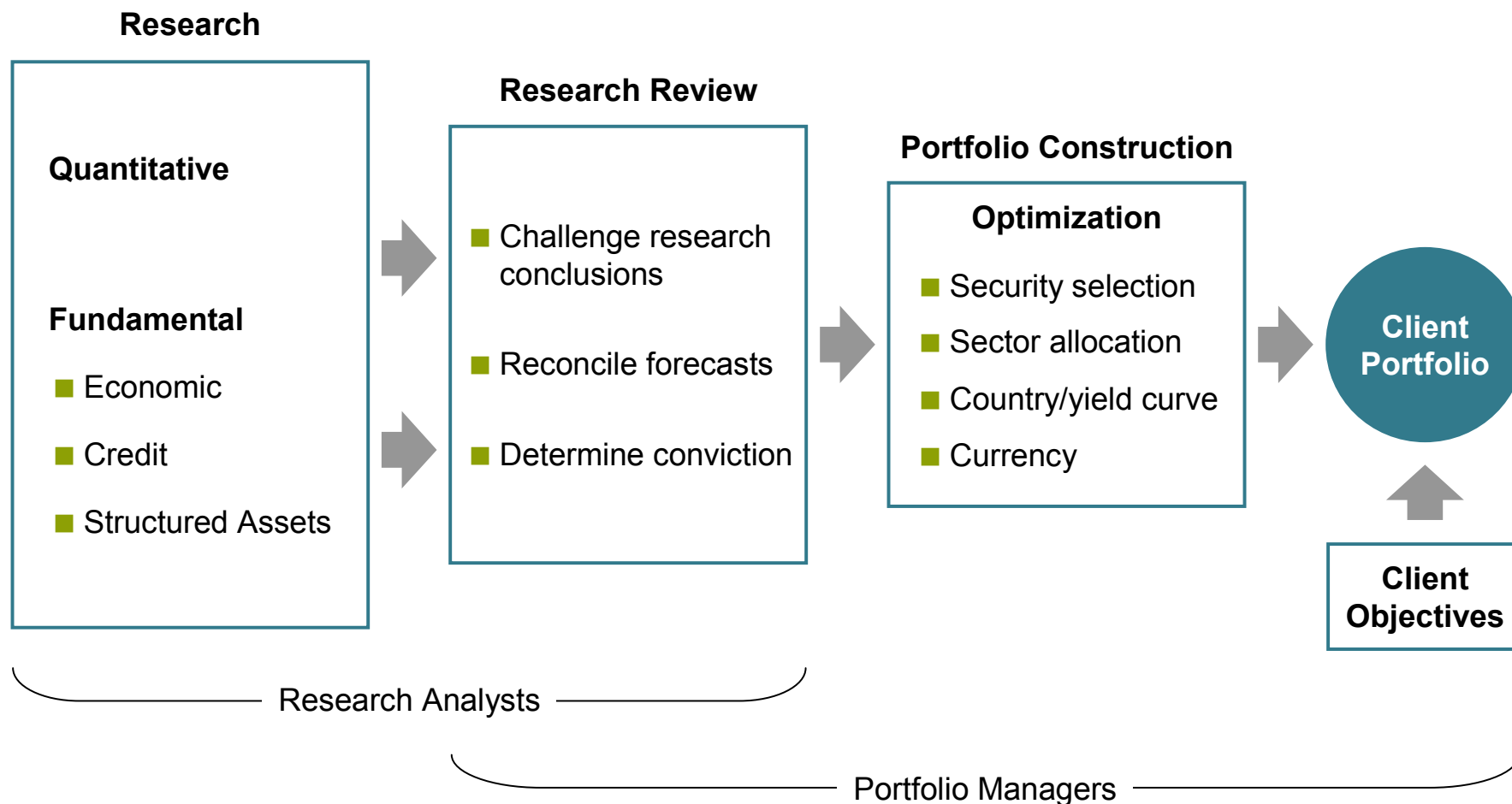
- **Investment Objective:** 50% Lehman Global Aggregate (Hedged in Canadian dollar)/ 50% DEX Universe
- **Tracking Error:** 150 basis points

## Sources of Long-Term Expected Value Basis Points

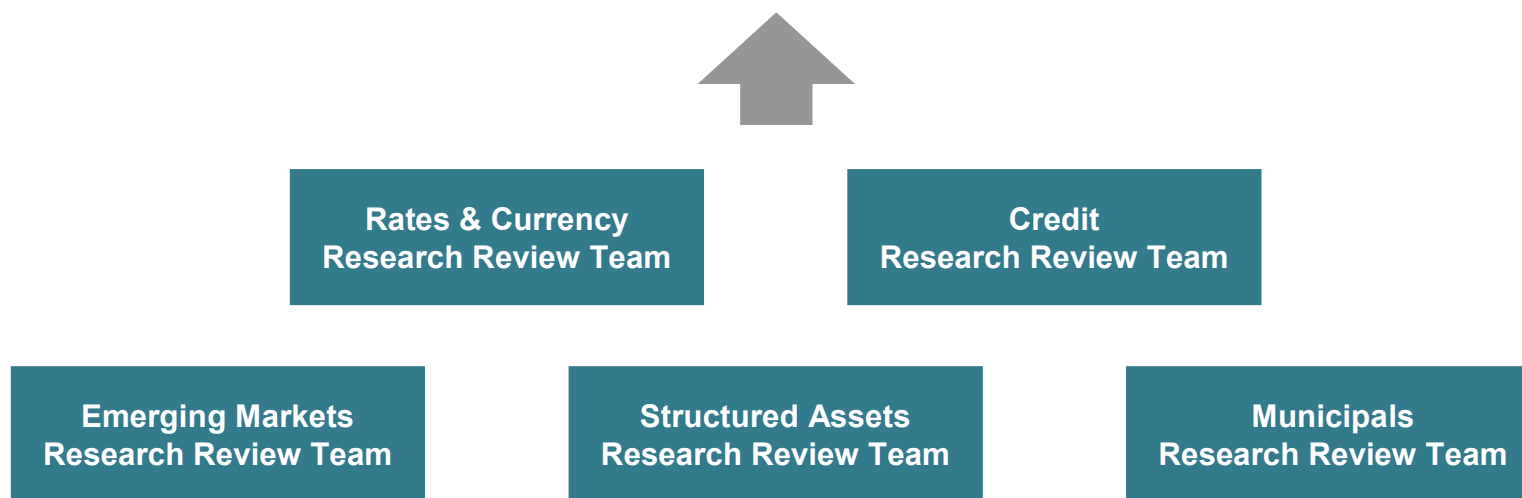
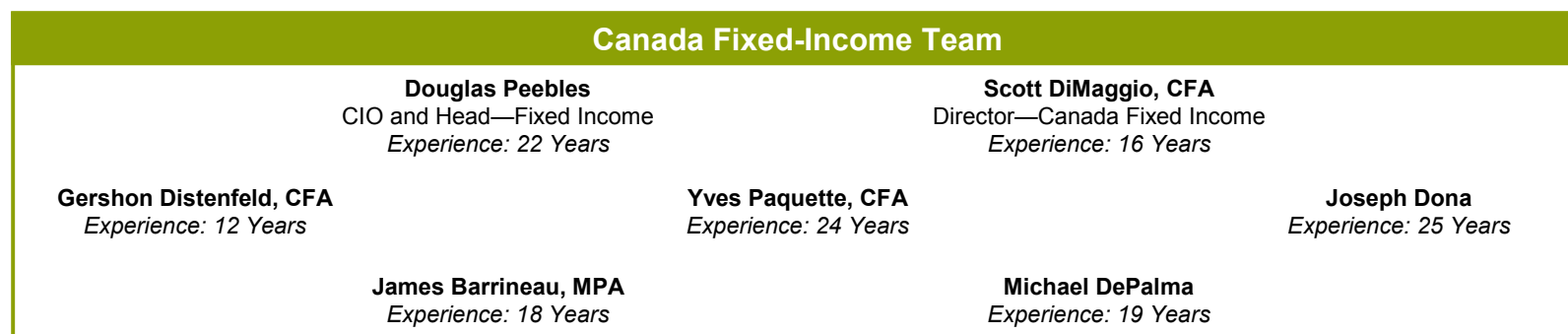


\*Yield-curve positioning  
\*\*Optional

# Research Drives the Investment Process



# Portfolio Construction Team: Canada Fixed Income



As of January 1, 2009  
Some individuals are members of multiple teams.

# University of Western Ontario: Performance Summary

	Periods Ended June 30, 2009						
	Jul-Aug 2009	Jan-Aug 2009	2Q 2009	One Year	Three Years	Five Years	Since Inception
<b>UWO Combined Account</b>	<b>4.15%</b>	<b>10.06%</b>	<b>7.10%</b>	<b>0.25%</b>	<b>5.20%</b>	<b>1.04%</b>	<b>1.91%</b>
Customized Benchmark*	2.04	4.27	1.38	7.03	7.37	2.05	2.83
Relative Performance	+2.11%	+5.79%	+5.72%	(6.78)%	(2.17)%	(1.01)%	(0.92)%
DEX Domestic Universe	1.80	4.64	1.25	7.02	6.19	5.90	5.76**

In Canadian dollars

Inception dates: University of Western Ontario—12/2/03

\*Index: 50% Lehman Global Aggregate (hedged to Canada) / 50% Scotia Universe from 2/1/07 to present; Lehman Global Aggregate prior (unhedged in Canada).

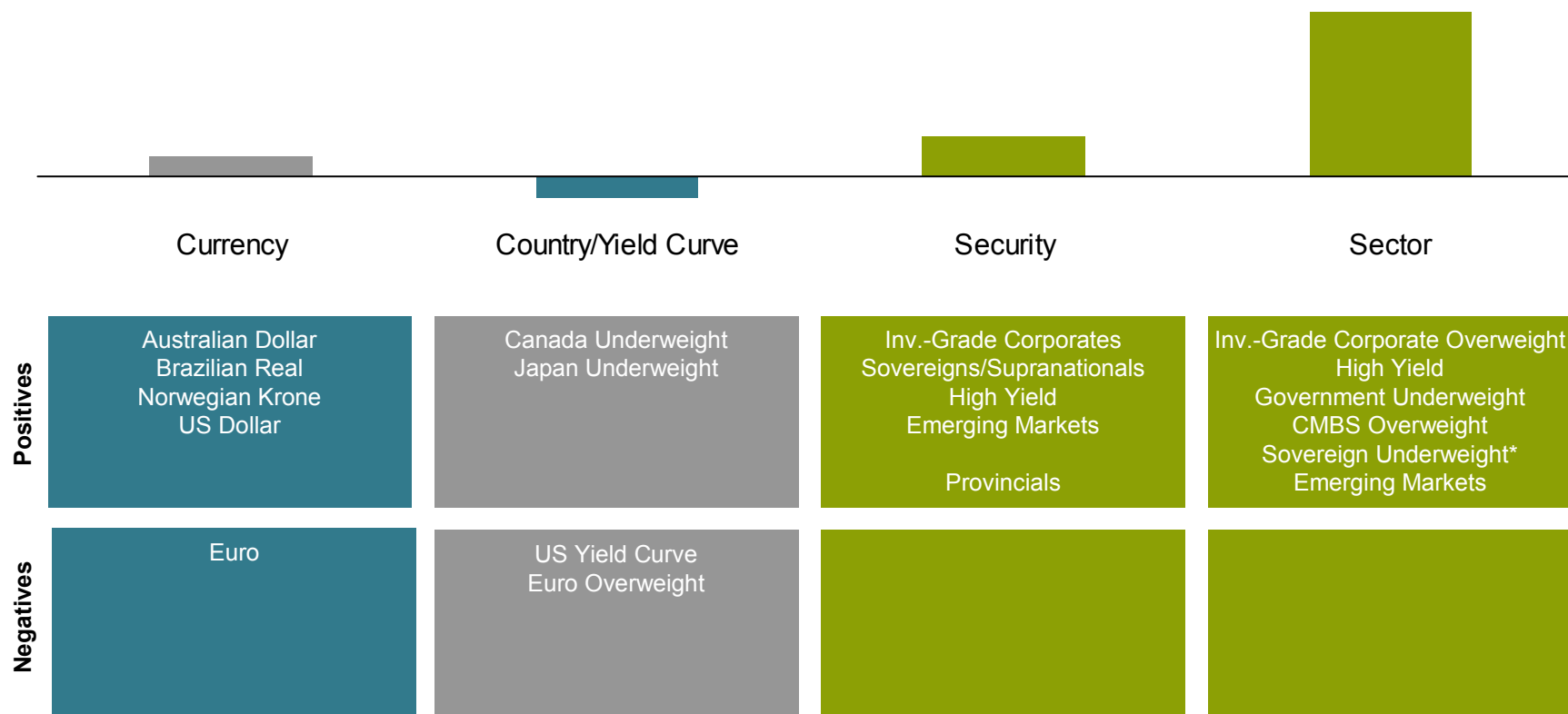
\*\*Inception date: 11/30/03

Periods of more than one year are annualized. Past performance is no guarantee of future results. The returns presented above are gross of fees. The results do not reflect the deduction of investment-management fees; the client's return will be reduced by the management fees and any other expenses incurred in the management of its account. For example, a C\$100 million account, paying a 0.50% annual fee, with a given rate of 10% compounded over a 10-year period would result in a net-of-fee return of 9.5%. Investment advisory fees are described in Part II of AllianceBernstein's Form ADV.

Source: DEX and AllianceBernstein; see Performance Disclosures.

# University of Western Ontario: Sector Allocations Drove Outperformance

Year to Date Through August 31, 2009

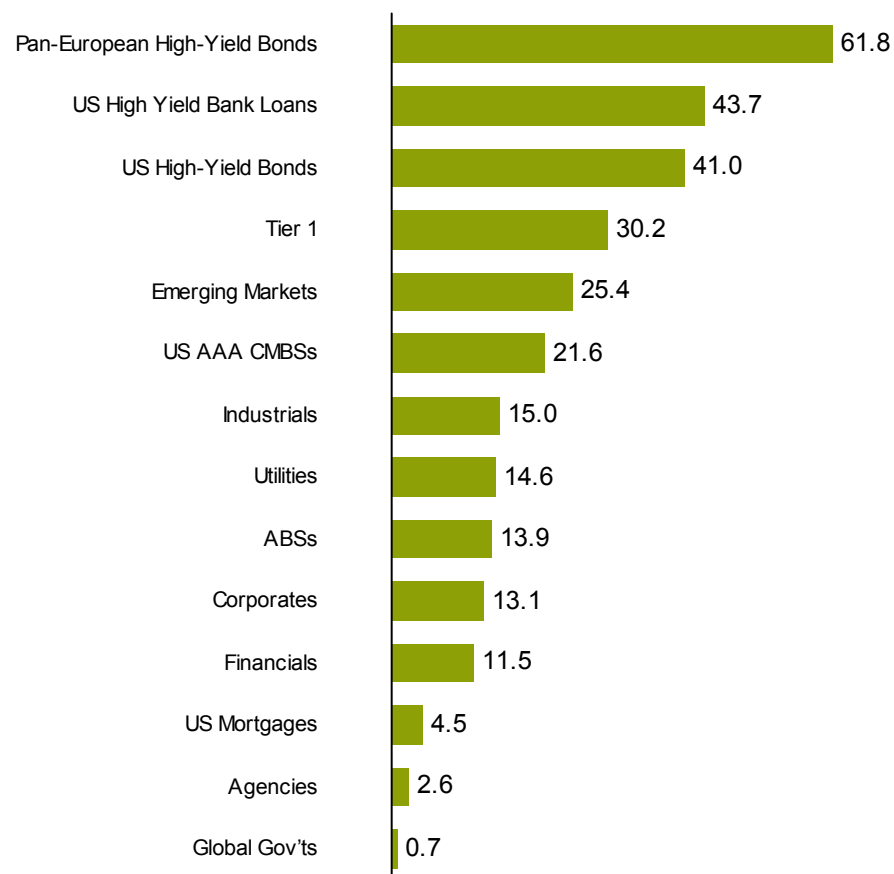


\*Includes supranationals  
Source: AllianceBernstein

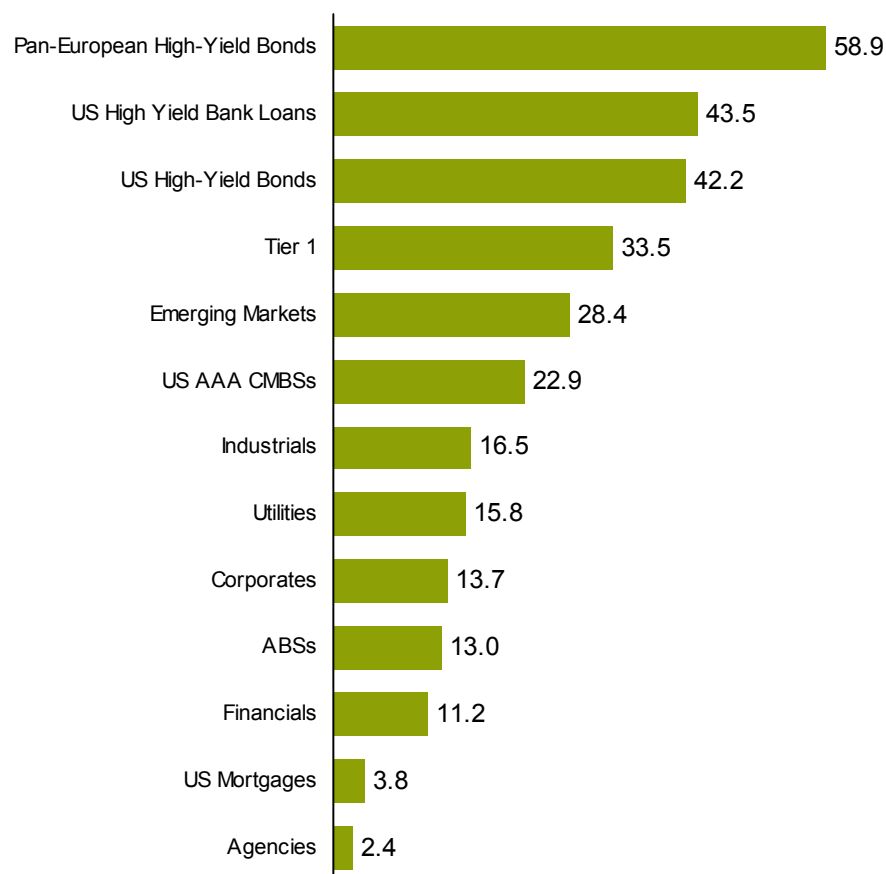


# Government Programs Supported Strong Rebound in Credit Markets

**Absolute Returns—Global: YTD August 31, 2009 (Percent)**



**Excess Returns—Global: YTD August 31, 2009 (Percent)**

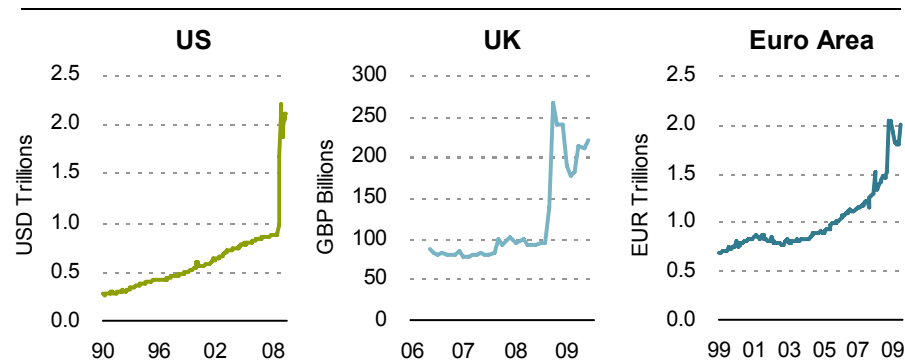


Hedged into US dollars  
Source: Barclays Capital

# Inflation Is Not a Major Threat at This Point

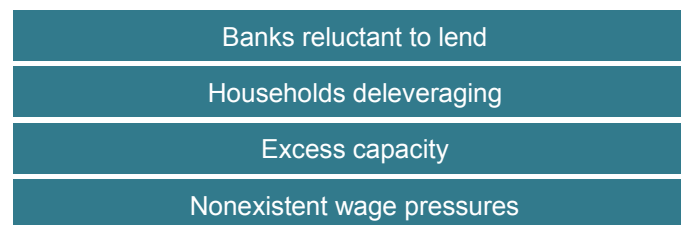
- Central bank balance sheets have grown dramatically, stoking fears of inflation...

## Central Bank Balance Sheets



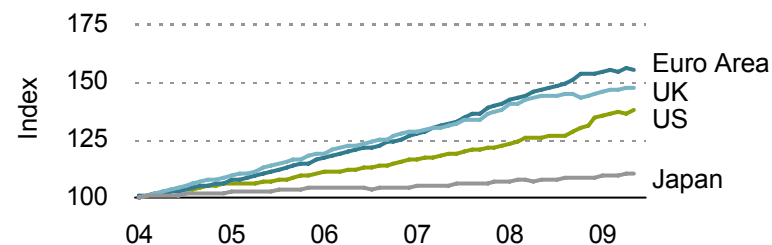
- ...but widespread uncertainty is generating offsetting factors

## Offsetting Factors



- As a result, money supply is not increasing too rapidly, alleviating inflationary pressures

## Money Supply: M2\*



Central bank balance sheets through June 30, 2009; money supply through May 31, 2009

\*M2=currency, checking, savings and money-market accounts

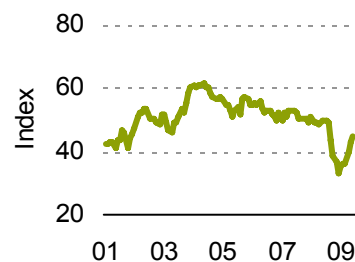
Source: Bank of England, Bloomberg, European Central Bank, US Federal Reserve and AllianceBernstein

# Early Signs of Stabilization Have Emerged

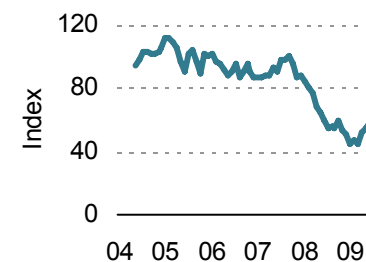
- Business and consumer sentiment is improving globally
- Credit markets continue to thaw, as debt issuance surges and credit spreads narrow
- We expect modest economic growth in 2010

## Confidence

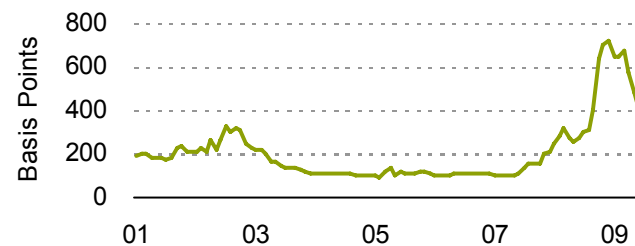
US Purchasing Managers Survey



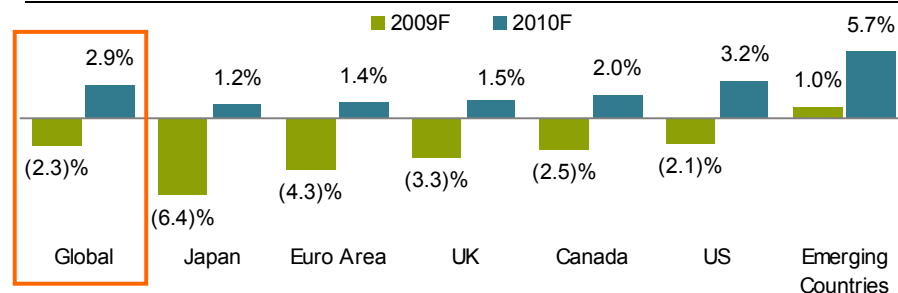
UK Consumer Confidence



## Global BBB Corporate Spreads



## AllianceBernstein Real GDP Forecasts

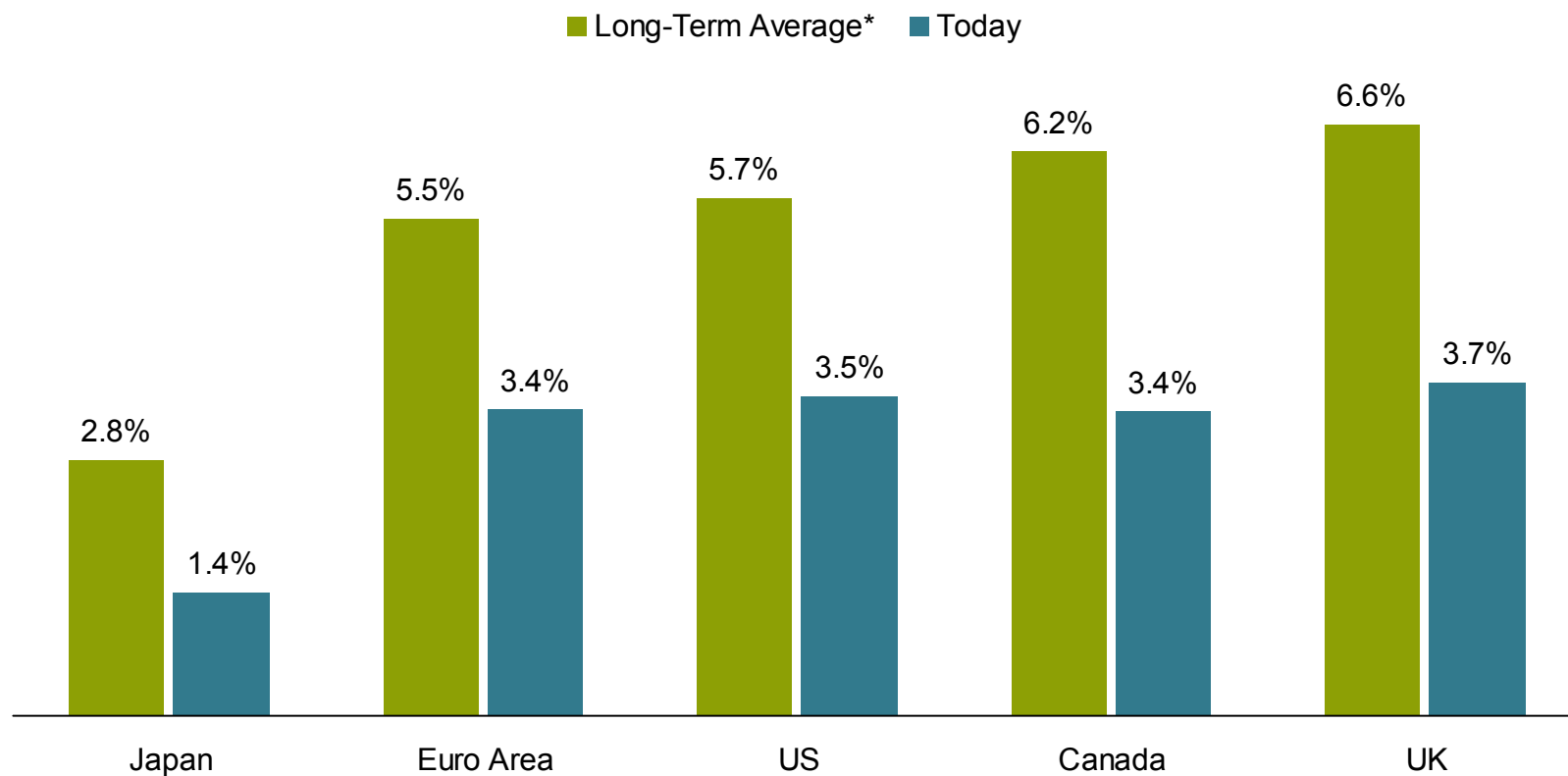


Through June 30, 2009

Source: Barclays Capital, Bloomberg, Institute for Supply Management, Nationwide Building Society and AllianceBernstein

# Uncertainty Is Keeping “Risk Free” Rates at Extreme Lows

## 10-Year Government Bond Yields



As of June 30, 2009

\*Long-term averages for all: January 1989–present; German data used in lieu of euro-area yields prior to 1999

Source: Bloomberg

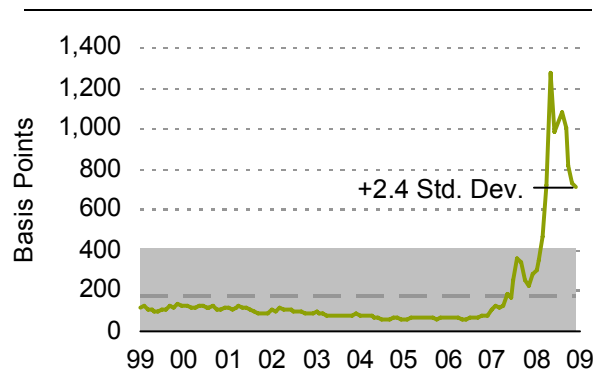
# Spreads Are Narrower, but Opportunities Remain Compelling

## Spreads to Governments

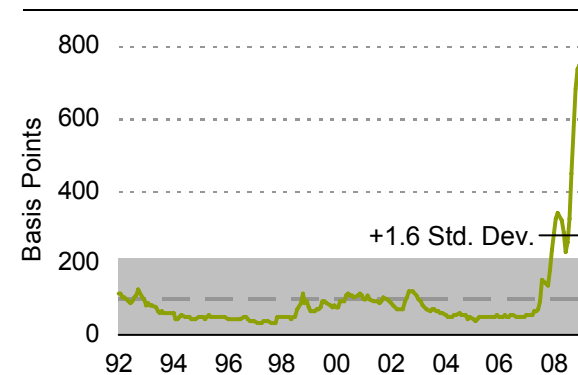
### Global Investment-Grade Corporates



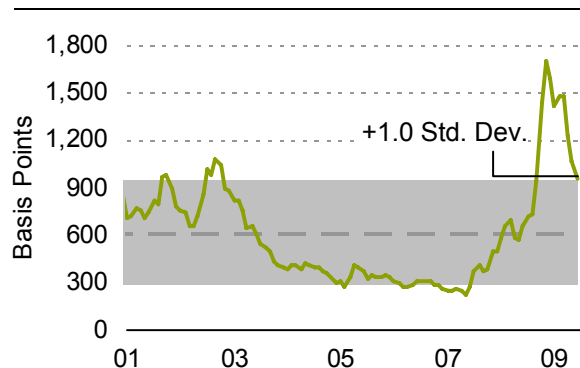
### US AAA CMBSs



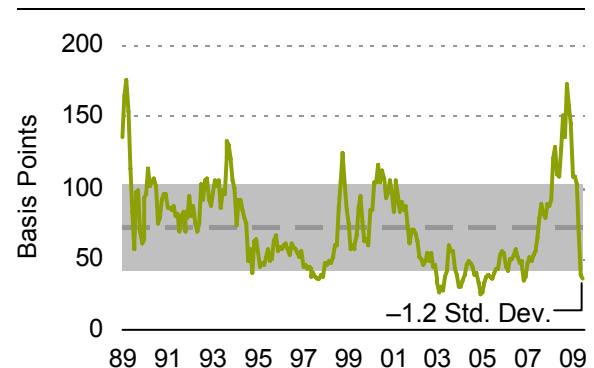
### US AAA ABSs



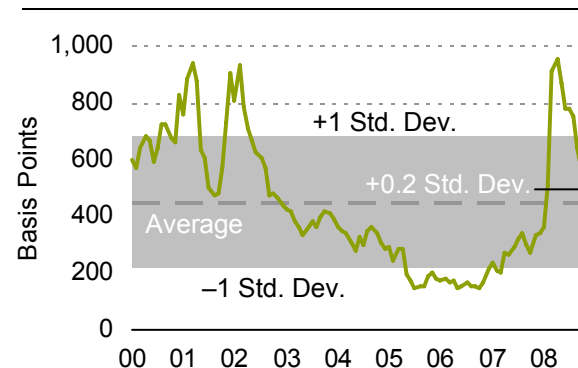
### Global High-Yield Bonds



### US Mortgages



### Emerging-Market Debt



Through June 30, 2009  
 Averages and standard-deviation ranges are for the periods shown; emerging-market debt is US dollar only.  
 Source: Barclays Capital and AllianceBernstein

# The Credit Opportunity Isn't Over

- Nonfinancial companies, which entered the liquidity crunch with solid balance sheets, have cut costs to remain resilient and nimble

- In addition, slashed inventories mean companies will benefit quickly from any uptick in demand

- Corporations are again able to raise capital and issue debt, providing a buffer in a challenging economic environment

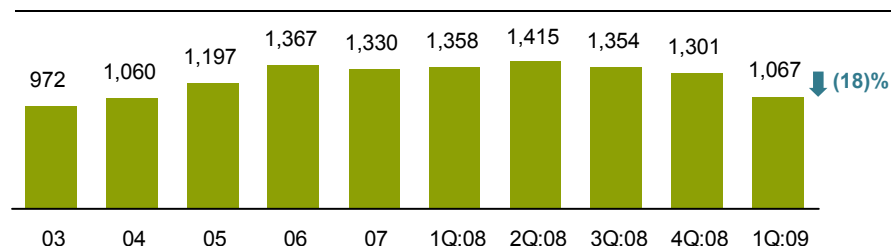
Capex, GDP and production through March 31, 2009; issuance through June 30, 2009

\*Quarterly figures are seasonally adjusted annual rates.

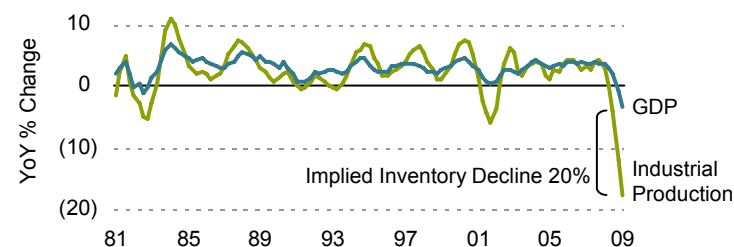
\*\*Measures all investment-grade corporate bonds issued globally in US dollars, regardless of the issuer's home country

Source: Bloomberg, Haver Analytics, JPMorgan Chase, Thomson Financial, US Federal Reserve and AllianceBernstein

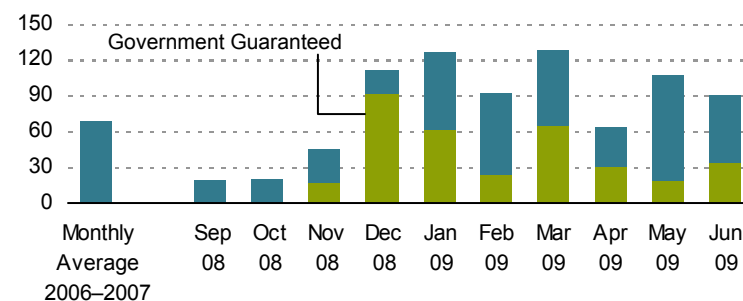
Capex of US Nonfinancial Corporations:\* USD Billions



Global Real GDP and Industrial Production



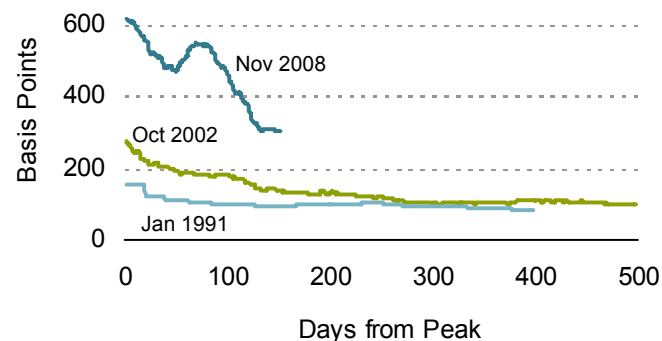
Corporate Bond Issuance:\*\* USD Billions



# Despite Recent Rally, Credit Opportunity Remains

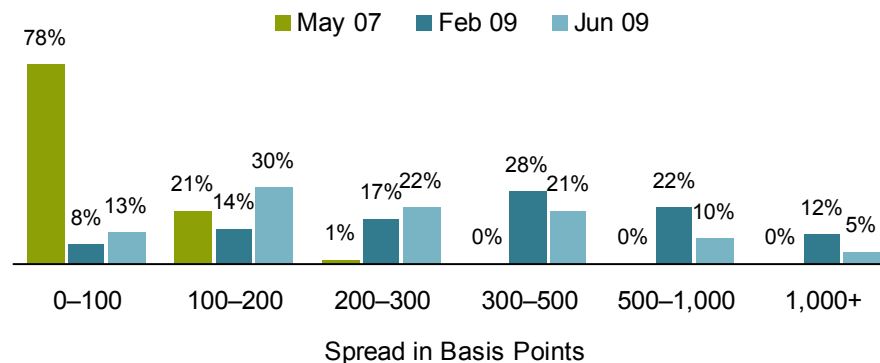
- While yield spreads have narrowed meaningfully from their peaks, compression could persist

Spread Tightening from Peak: US Corporates



- Our focus is on higher-beta, higher-spread securities, which should benefit as spread dispersion contracts

Share of Market by Spread Level:\* Global Corporates



As of June 30, 2009

Spreads are for investment-grade corporates and are option adjusted.

\*As a percent of par value

Source: Barclays Capital, Merrill Lynch and AllianceBernstein

# CMBSs Face Heavy Challenges, but Super Seniors Are Well Protected

- Fundamentals continue to deteriorate for commercial real estate; S&P will be downgrading many securities due to changes in rating methodology

- However, the loss tolerance of super-senior CMBSs significantly exceeds expected loan losses; government programs such as TALF and PPIP provide additional support to the sector

Through June 30, 2009

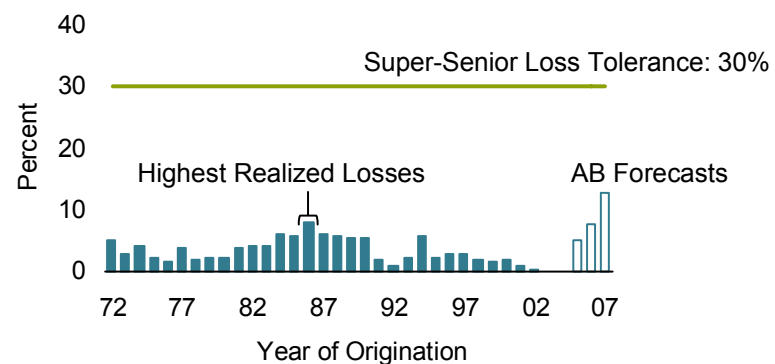
\*1972–1994 are actual losses; 1995–present are losses for CMBS universe; 1998–2004 are losses to date (rather than 10-year losses); and 2005–2007 are AllianceBernstein's forecasted losses.

Source: Howard Esaki and Masumi Goldman, *Commercial Mortgage Defaults: 30 Years of History* (CMSA, 2005); Intex Solutions; Trepp; Wachovia Capital Markets; and AllianceBernstein

Commercial Mortgage Delinquency Rate: 60+ Days



CMBS Loss Rates: 10-Year Cumulative\*





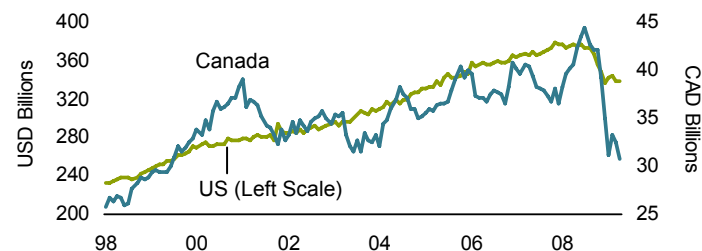
# Underweight Canadian Provincials

- Exports and other data suggest that the Canadian economy faces significant near-term headwinds

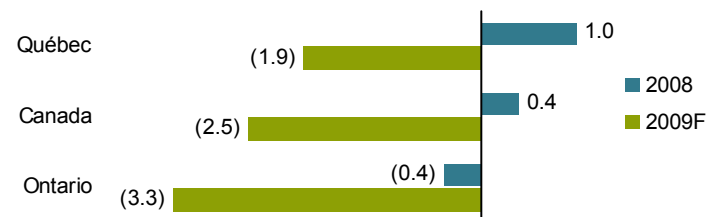
- Many provinces will run deep budget deficits over the coming years. Ontario, for example, is not expecting to balance its budget until 2016

- Consequently, we are underweighting short-to-intermediate provincials, as we see little value here compared with federal agency-guaranteed debt

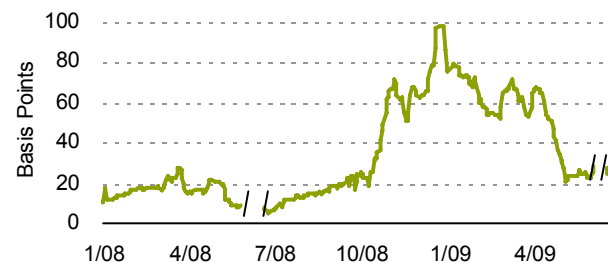
## Exports



## Real GDP Growth: Canadian Provinces (Percent)



## Ontarios vs. CMBs: Five-Year Spreads\*



Exports through April 30, 2009; growth forecasts and spreads through June 30, 2009

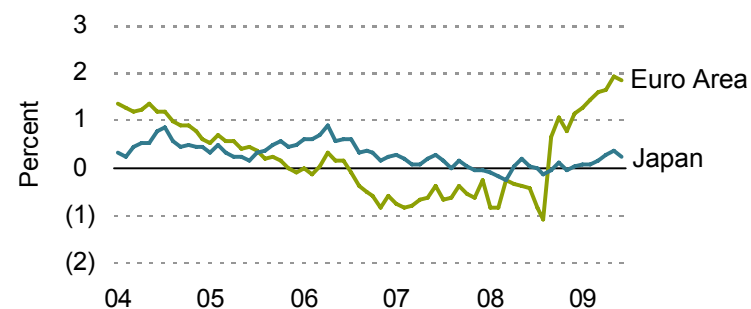
\*On-the-run (most recently issued) Canada Mortgage Bonds consist of bonds maturing on June 15 of 2012, 2013 and 2014.

Source: CIBC World Markets, Haver Analytics, Statistics Canada, US Census Bureau and AllianceBernstein

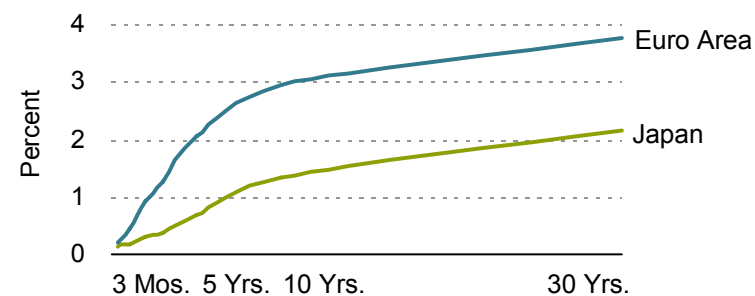
# Favoring the Euro Area over Japan

- With less aggressive fiscal and monetary stimuli, a strong currency and rigid labor markets, the euro area's recovery may lag most industrialized and emerging-market countries. As a result, its yield curve is historically steep
- Steep yield curves provide a key advantage: rising prices as bonds "roll" down the yield curve over time
- In contrast to the euro area, Japan's hedged yields are relatively low, and its yield curve offers less potential price appreciation from roll

Yield-Curve Slope vs. Historical Average\*



Yield Curves\*\*



Through June 30, 2009

\*Current slope less average historical slope, where slope is measured as the difference between three-month and 10-year yields

\*\*Hedged into US dollars

Source: Bloomberg and AllianceBernstein

# Currency Opportunities Reappear

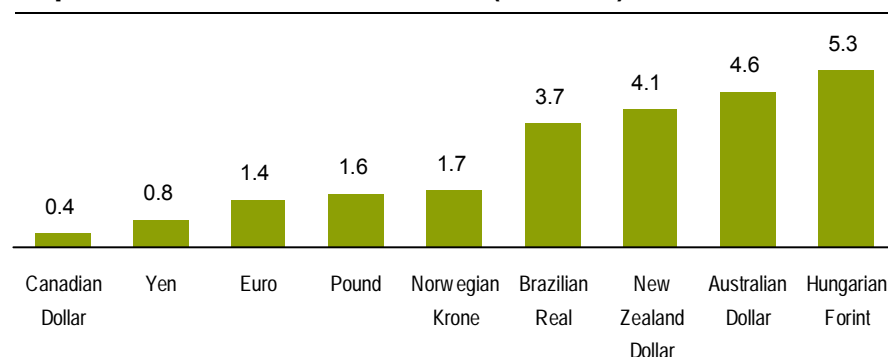
■ Attractive opportunities for commodity currencies are emerging as prospects improve for modest global growth

■ In addition, relatively high rates make certain currencies especially attractive

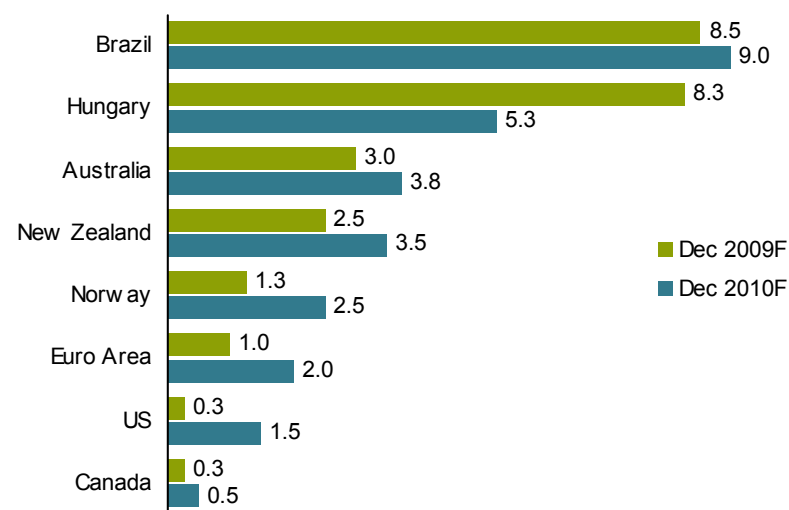
As of June 30, 2009

\*Expected return over next three months, annualized. AllianceBernstein developed-market currency model and emerging-market currency model (Hungarian forint and Brazilian real) use different factors.  
Source: AllianceBernstein

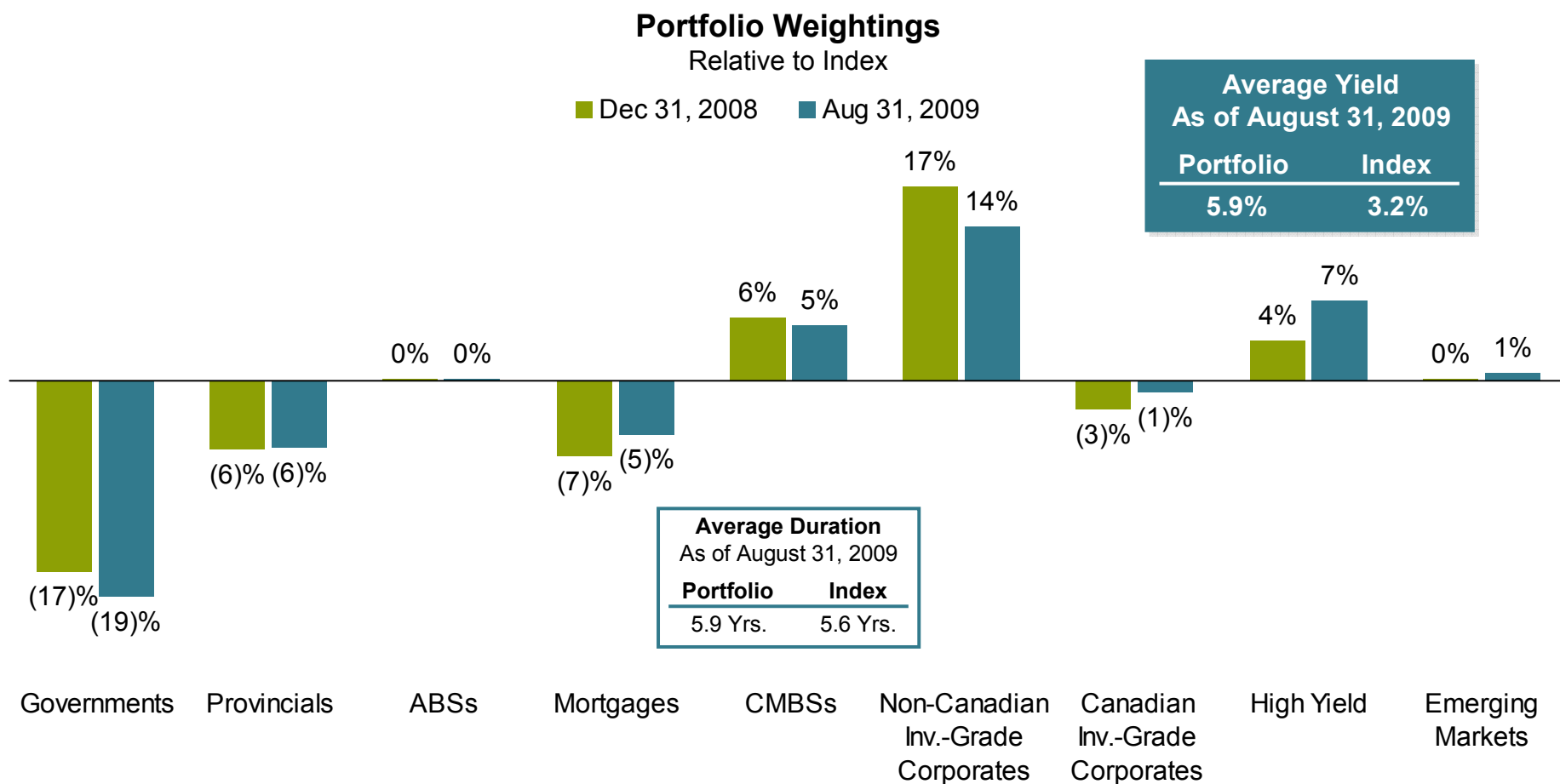
Expected Return vs. US Dollar\* (Percent)



AllianceBernstein Official-Rate Forecasts (Percent)



# Powerful Yield Advantage: Generous Compensation as We Await Recovery



Numbers may not sum due to rounding.

\*50% DEX Universe/50% Lehman Global Aggregate in CAD.

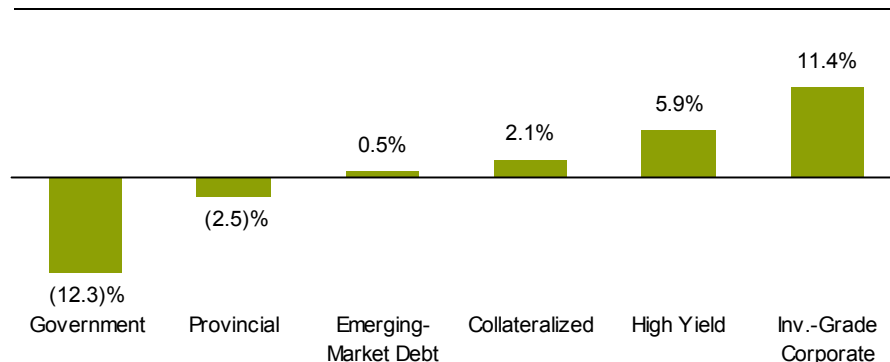
Governments category includes quasi-sovereigns and supranationals and excludes futures; emerging-market category represents below-investment-grade issues only.

Source: DEX and AllianceBernstein

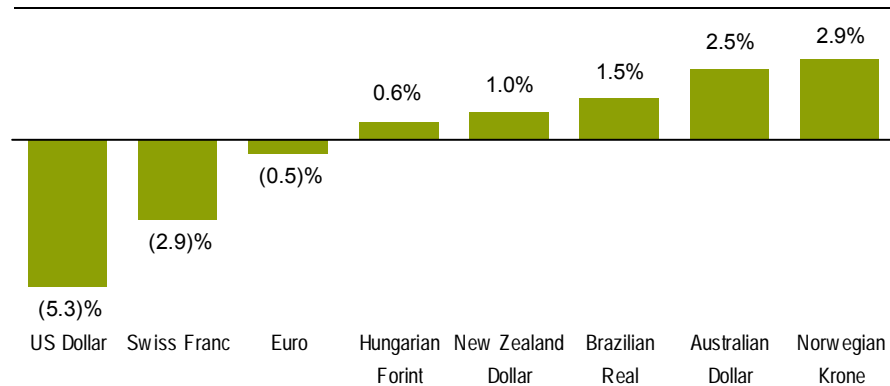
# Appendix

# University of Western Ontario: Portfolio Positioning

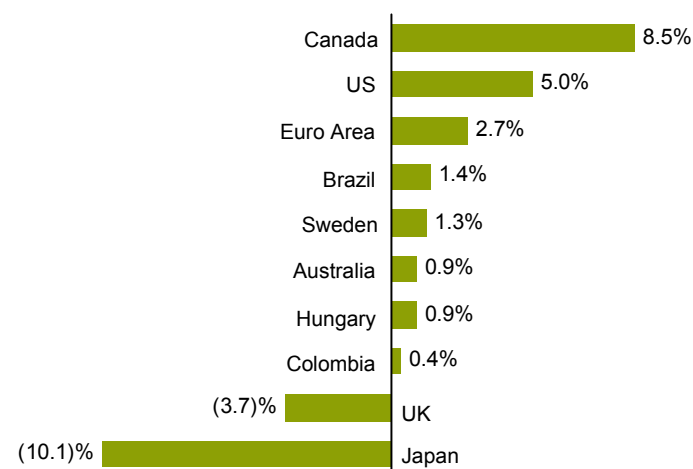
## Portfolio Exposures in Duration by Sector: Relative to Index



## Currency Exposures



## Portfolio Exposures in Duration by Country: Relative to Index



## Average Duration

Portfolio	Index
5.9 Yrs.	5.6 Yrs.

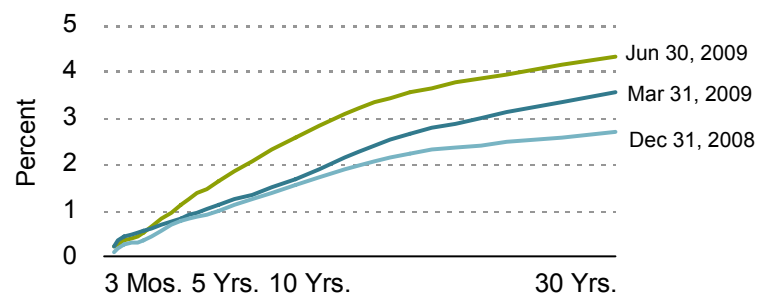
As of August 31, 2009

\*50% DEX Universe/50% Barclays Global Aggregate in CAD.

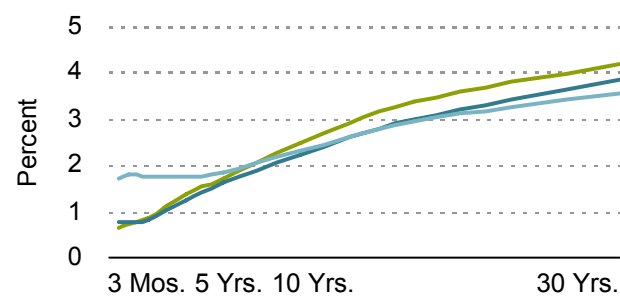
Government category includes futures. Source: DEX and AllianceBernstein

# Government Bond Yields

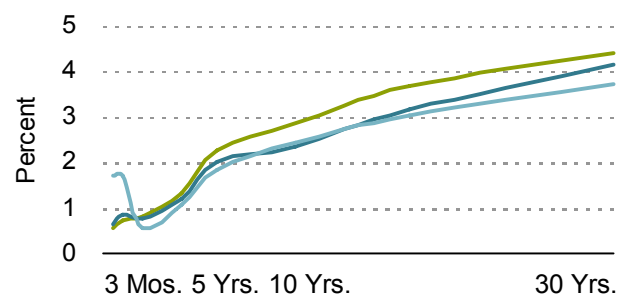
## US



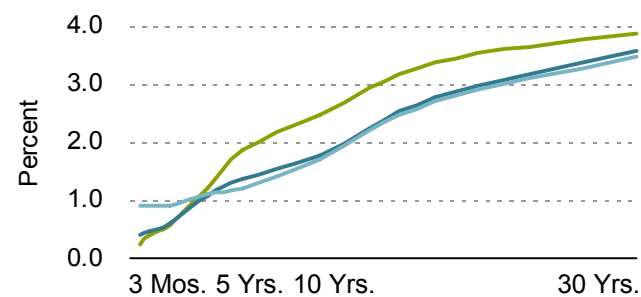
## Euro Area



## UK



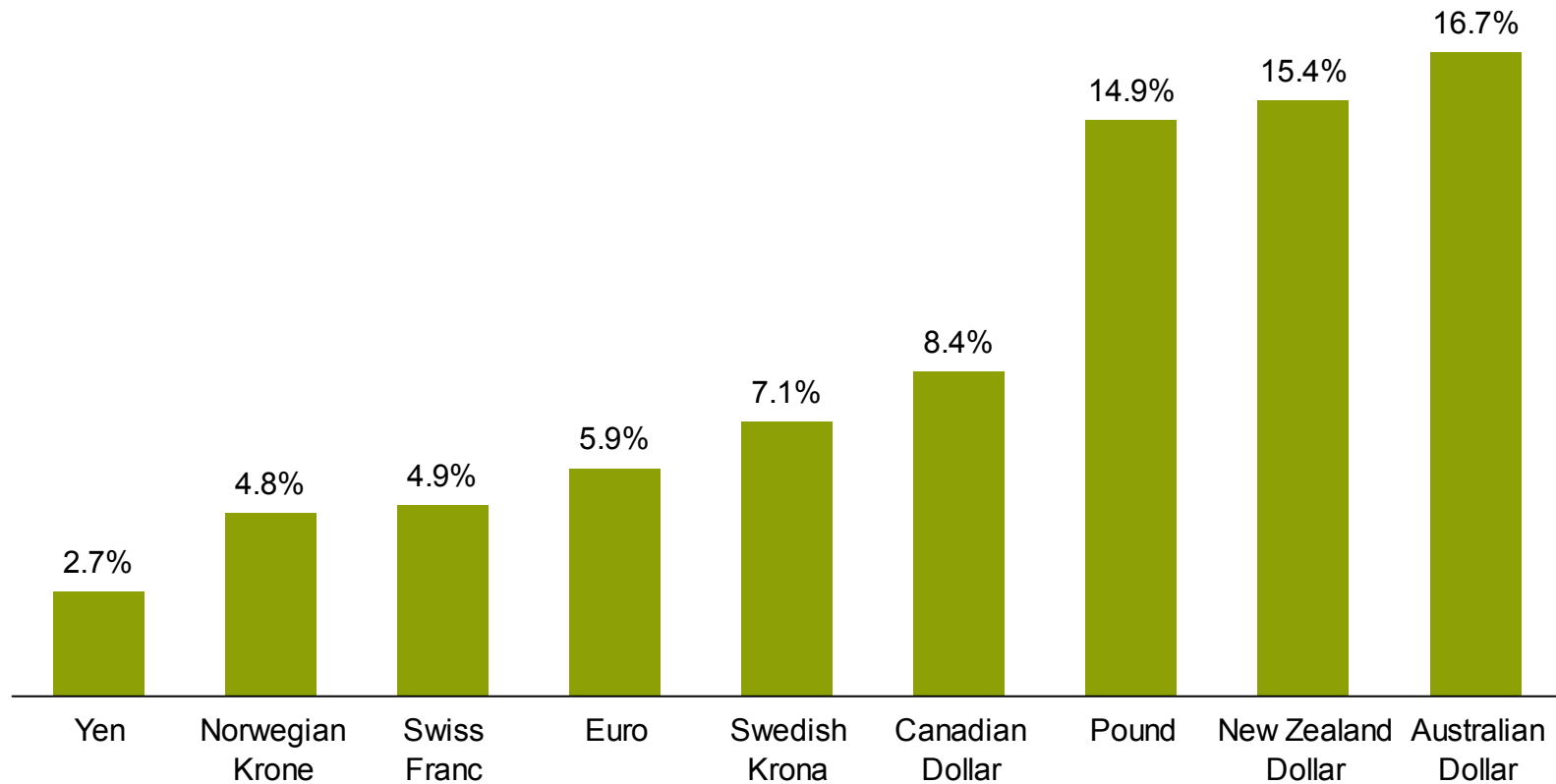
## Canada



Source: Bloomberg

# US Dollar Underperformed All Other Major Currencies in 2Q:2009

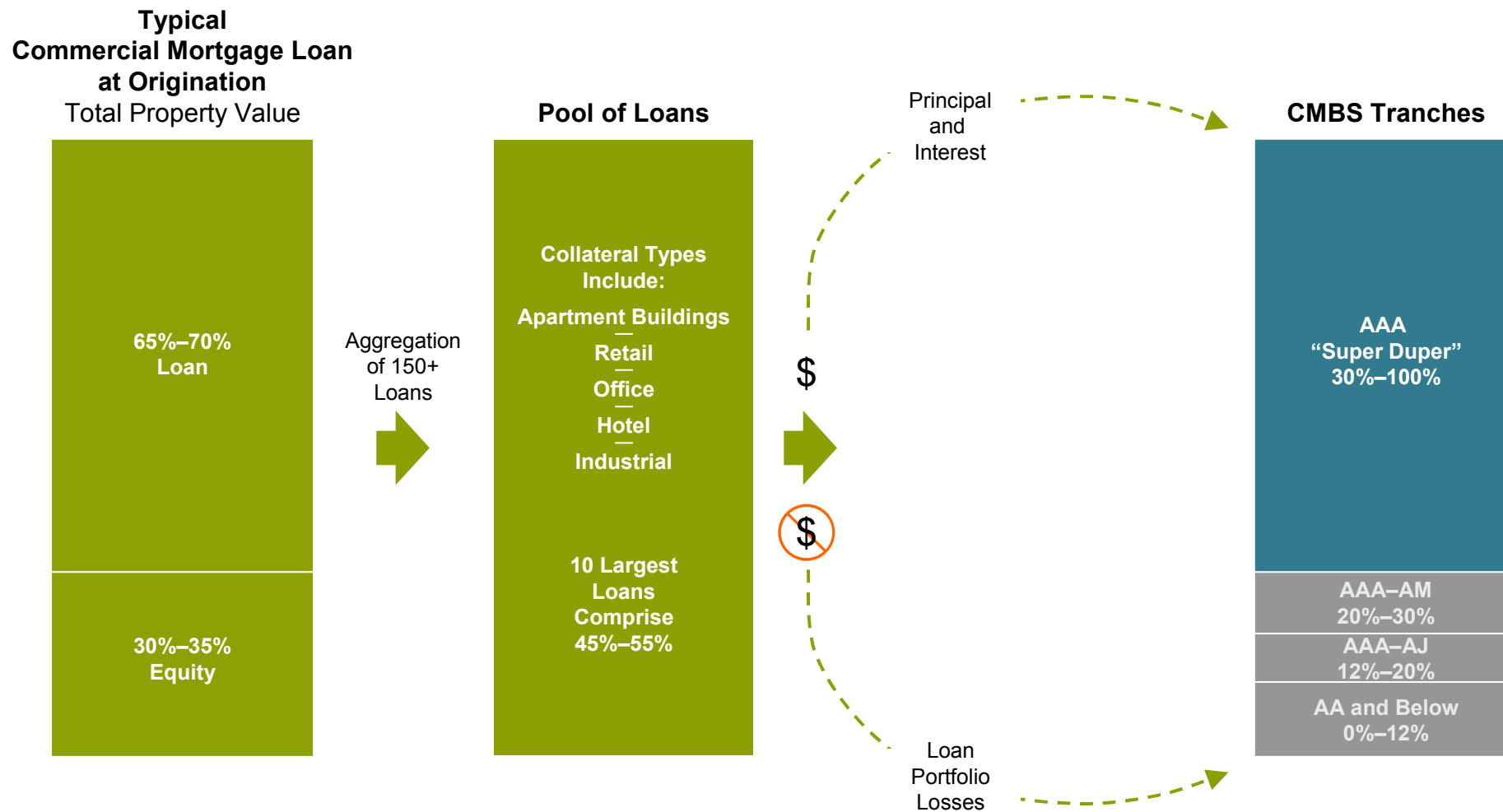
Currency Returns vs. US Dollar



Source: Bloomberg

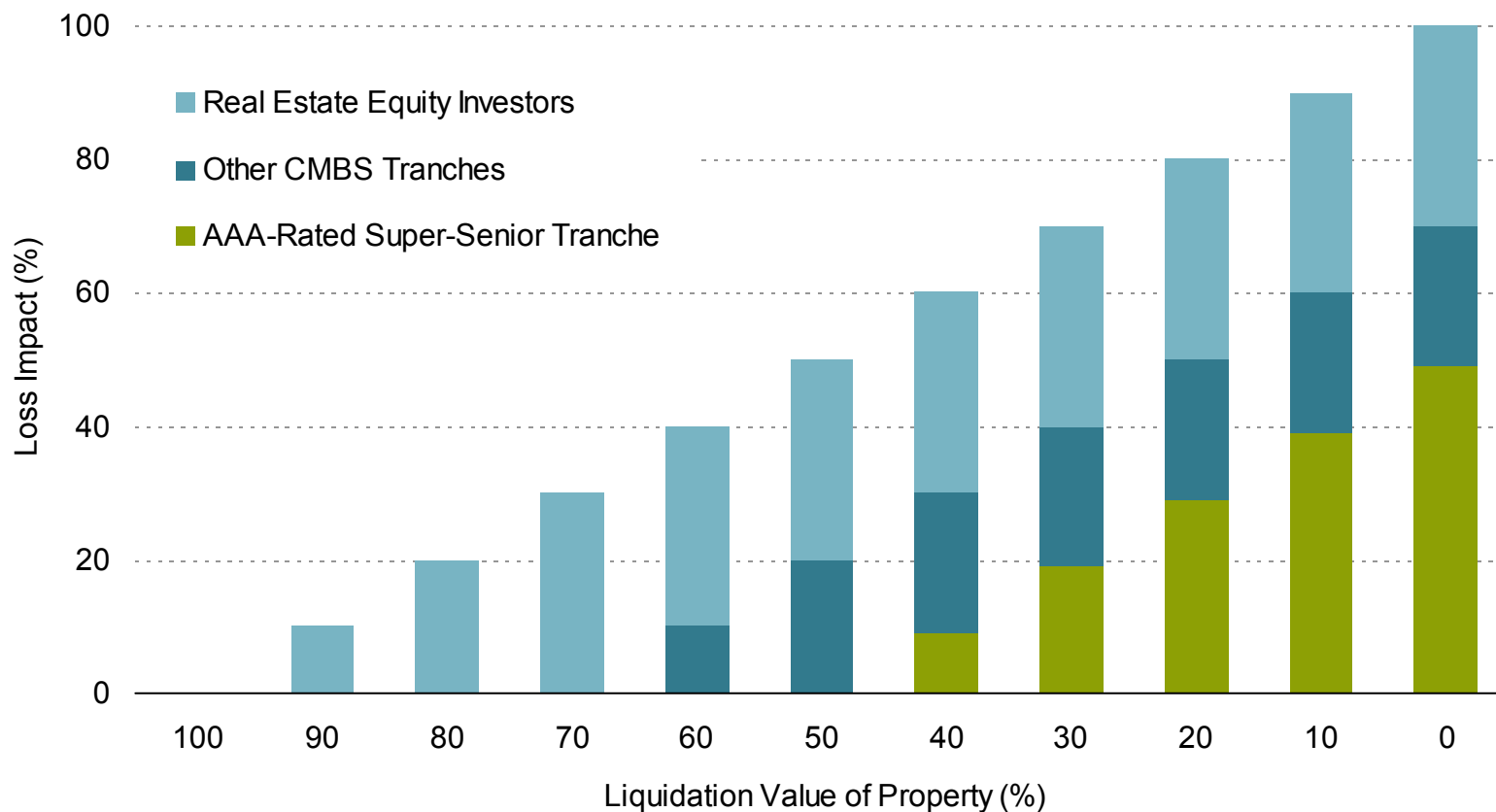


# Mechanics of Commercial Mortgage-Backed Securities



# Super-Senior CMBSs Offer Significant Loss Protection

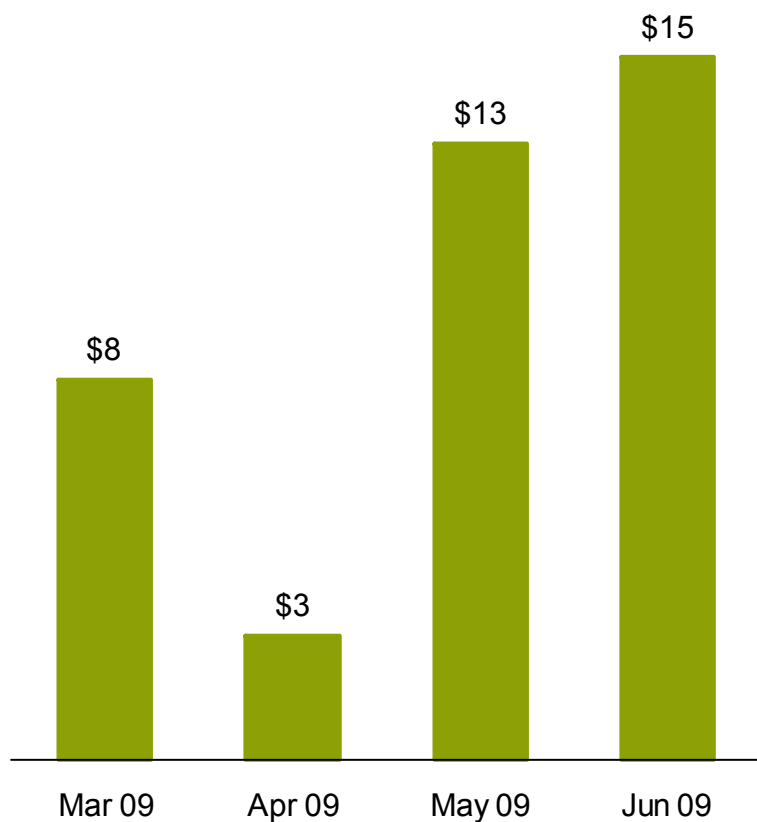
## Hypothetical Loss Impact by Investor Class



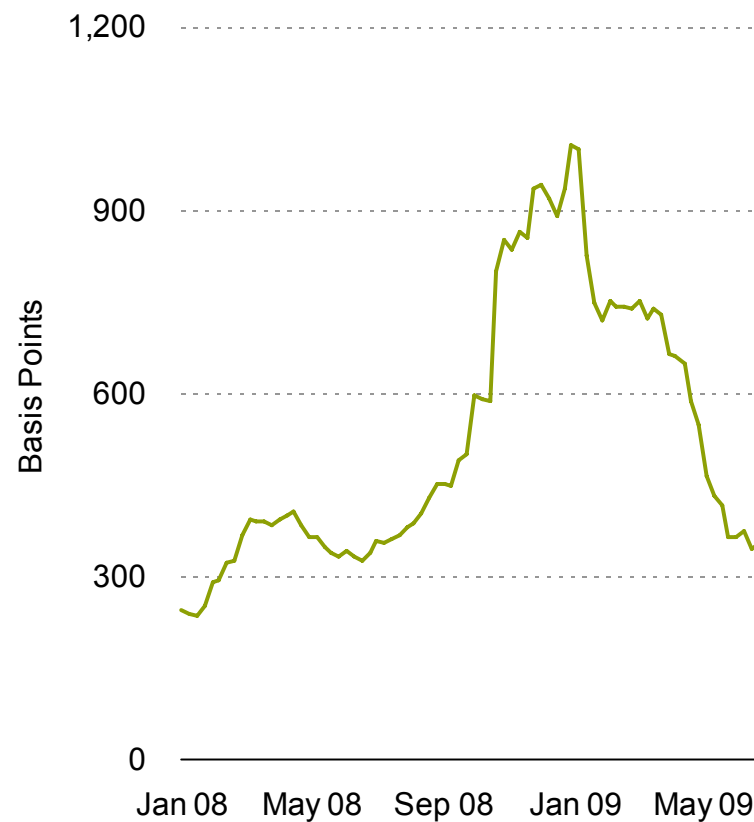
Assumes a single commercial mortgage loan with an equity value of 30% at origination and a loan value of 70%. Assumes a hypothetical CMBS structure based on the single loan, with the AAA-rated super-senior tranche comprising 70% of the structure. Calculations are for illustrative purposes only.  
Source: AllianceBernstein

# Securitization Markets Are Beginning to Revive

TALF Issuance: USD Billions



Asset-Backed Security Spreads



Through June 30, 2009  
Source: Barclays Capital, Bloomberg and AllianceBernstein

# Disclosures

# Disclosures and Important Information

## **Disclosure on Security Examples**

References to specific securities are presented to illustrate the application of our investment philosophy only and are not to be considered recommendations by AllianceBernstein. 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.

Past performance is not a guide to future performance.

## **Additional Information**

The value of investments and the income from them can fall as well as rise and you may not get back the original amount invested.

The value of non-domestic securities may be subject to exchange-rate fluctuations.

The views and opinions expressed in this presentation are based on AllianceBernstein's internal forecasts and should not be relied upon as an indication of future market performance or any guarantee of return from an investment in any AllianceBernstein services.

# Performance Notes

# Performance Disclosure

## Bernstein International Value

Period	Composite Assets (USD Millions)	# of Accounts	Gross Return (%)	Net Return (%)	Composite Dispersion (%)	Firm Assets (USD Billions)	MSCI EAFE Index Return (%)
2008	9,106.1	65	(50.22)	(50.62)	1.27	389.1	(43.38)
2007	16,326.3	65	7.75	6.89	1.58	689.9	11.17
2006	10,528.8	48	32.49	31.44	1.10	622.0	26.34
2005	6,127.1	33	20.06	19.10	1.91	494.5	13.54
2004	3,611.8	15	26.97	25.90	0.93	465.8	20.25
2003	500.2	4	45.59	44.36	NM	420.0	38.59
2002	123.7	2	(5.36)	(6.16)	NM	346.9	(15.94)
2001	145.2	2	(13.40)	(14.13)	NM	412.2	(21.44)
2000	128.6	2	(2.49)	(3.31)	NM	58.7	(14.17)
9/30–12/31/99	130.4	2	5.05	4.83	NM	16.6	16.99
3 Years*			(10.76)	(11.47)			(8.10)
5 Years*			1.61	0.79			(0.51)
Since Inception* (9/30/99)			3.08	2.23			(0.64)

NM = not meaningful, fewer than five accounts were included in the composite for the full period

\*Annualized through most recent year-end

1) PRESENTATION OF THE FIRM% AllianceBernstein L.P. ("ABLP") is a registered investment adviser. AllianceBernstein Institutional Investments and AllianceBernstein Investments (collectively, the "Firm") is the institutional and retail sales, marketing and client service unit of ABLP. The Firm has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). In October 2000 the Firm was redefined when Alliance Capital Management L.P. ("ACMLP") and Sanford C. Bernstein & Co., Inc. ("Bernstein") merged. The investment adviser continued to operate as ACMLP. Prior to the merger the firms were reporting under their respective names. In February 2006, ACMLP changed its name to ABLP. The Firm has been verified by an independent verifier on an annual basis from 1993 through 2007.

2) COMPOSITE STRUCTURE% The performance results displayed herein represents the investment performance record for the institutional International Value Composite (the "Composite"). The Composite consists of accounts which invest in stocks based in both developed and emerging markets outside the US, and seeks a long-term premium relative to their benchmark with moderate sensitivity to benchmark risk. The Composite includes all fee-paying institutional discretionary accounts. The Composite was created in June 2004 with an inception date of September 30, 1999.

3) A complete list of all composites with descriptions managed by the Firm and/or additional information regarding policies for calculating and reporting returns is available upon request via email to: [CompositeRequests@AllianceBernstein.com](mailto:CompositeRequests@AllianceBernstein.com).

4) TOTAL RETURN METHODOLOGY AND FEE STRUCTURE% Performance figures in this report have been presented gross and net of investment-management fees. Net performance figures have been calculated by deducting the highest fee payable by an account of this type; 0.85% of assets, annually, through 2004, 0.80% of assets, annually, thereafter. Net-of-fee performance figures reflect the compounding effect of such fees. The investment advisory fee schedule is disclosed in Part II of ABLP's Form ADV.

5) RATE OF RETURN% No representation is made that the performance shown in this presentation is indicative of future performance. An account could incur losses as well as gains. Performance returns for each account are calculated monthly using trade-date accounting. Performance results are reported on a total-return basis, which includes all income from dividends and interest, and realized and unrealized gains or losses. Account returns are net of foreign withholding taxes. The benchmark return is net of withholding taxes from a Luxembourg tax perspective. Prior to 2001, if an account's net monthly cash flows were equal to or exceeded 10% of its beginning market value, the Modified Dietz Method was used to daily weight the cash flows. When an account's net monthly cash flows were less than 10% of its beginning market value, the cash flows were assumed to have occurred on the last day of the month. Beginning 2001, all cash flows are daily weighted using the Modified Dietz Method. The monthly Composite returns are calculated by weighting each account's monthly return by its beginning market value as a percent of the total Composite's beginning market value. These monthly performance figures are geometrically linked to calculate cumulative and/or annualized "time-weighted" rates of return for various time periods. The Composite contains accounts of clients denominated in foreign currencies. To calculate composite performance, each account's monthly returns are converted to US dollars using WM Reuters month-end exchange rates.

6) DISPERSION% Internal dispersion is calculated using the asset-weighted standard deviation of all accounts that were included in the Composite for the entire period.

7) The benchmark, which is not covered by the report of independent accountants, is the MSCI EAFE (Europe, Australasia, and Far East) Index. The MSCI EAFE Index is widely regarded as the standard for measuring large-cap international stock market performance.

As of December 31, 2008

# Performance Disclosure

## Bernstein International Value (In Canadian Dollars)

Period	Composite Assets (CAD Millions)	# of Accounts	Gross Return (%)	Net Return (%)	Composite Dispersion (%)	Firm Assets (USD Billions)	MSCI EAFE Index Return (%)
2008	11,241.4	65	(37.74)	(38.23)	1.27	389.1	(29.18)
2007	16,113.3	65	(8.62)	(9.34)	1.58	689.9	(5.72)
2006	12,252.3	48	31.98	30.93	1.10	622.0	25.86
2005	7,157.4	33	17.05	16.12	1.91	494.5	10.69
2004	4,327.5	15	17.73	16.73	0.93	465.8	11.49
2003	646.3	4	19.09	18.08	NM	420.0	13.36
2002	195.4	2	(6.33)	(7.13)	NM	346.9	(16.81)
2001	231.7	2	(7.96)	(8.74)	NM	412.2	(16.51)
2000	193.2	2	0.92	0.07	NM	58.7	(11.17)
9/30–12/31/99	189.2	2	3.75	3.53	NM	16.6	15.54
3 Years*			(9.11)	(9.83)			(5.63)
5 Years*			0.69	(0.12)			0.73
Since Inception* (9/30/99)			1.16	0.32			(1.89)

NM = not meaningful, fewer than five accounts were included in the composite for the full period

\*Annualized through most recent year-end

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2) COMPOSITE STRUCTURE—The performance results displayed herein represents the investment performance record for the institutional International Value Composite (the “Composite”). The Composite consists of accounts which invest in stocks based in both developed and emerging markets outside the US, and seeks a long-term premium relative to their benchmark with moderate sensitivity to benchmark risk. The Composite includes all fee-paying institutional discretionary accounts. The Composite was created in June 2004 with an inception date of September 30, 1999.

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6) DISPERSION—Internal dispersion is calculated using the asset-weighted standard deviation of all accounts that were included in the Composite for the entire period.

7) The benchmark, which is not covered by the report of independent accountants, is the MSCI EAFE (Europe, Australasia, and Far East) Index. The MSCI EAFE Index is widely regarded as the standard for measuring large-cap international stock market performance.

As of December 31, 2008



# Performance Disclosure

## AllianceBernstein Canada Core-Plus Fixed Income (In Canadian Dollars)

Period	Composite Assets (CAD Millions)	# of Accounts	Gross Return (%)	Net Return (%)	Composite Dispersion (%)	Firm Assets (USD Billions)	Customized Benchmark (%)
2008	2,820.0	5	(2.75)	(2.93)	0.91	389.1	5.67
2007	2,258.7	4	3.96	3.76	0.35	689.9	3.13
2006	1,586.0	3	4.77	4.56	0.03	622.0	4.01
2005	1,303.9	3	9.39	9.17	1.34	494.5	9.09
2004	424.8	1	8.95	8.73	NM	465.8	8.39
2003	382.4	1	10.21	9.99	NM	420.0	7.39
2002	150.5	1	6.72	6.46	NM	346.9	8.73
2001	141.0	1	7.79	7.53	NM	412.2	8.08
3 Years*			1.94	1.74			4.27
5 Years*			4.77	4.56			6.03
Since Inception* (12/31/00)			6.06	5.83			6.79

\*Annualized through most recent year-end

NM = not meaningful, only one account in the composite for the full period

1) PRESENTATION OF THE FIRM—AllianceBernstein L.P. ("ABL") is a registered investment adviser. AllianceBernstein Institutional Investments and AllianceBernstein Investments (collectively, the "Firm") is the institutional and retail sales, marketing and client service unit of ABLP. The Firm has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). In October 2000 the Firm was redefined when Alliance Capital Management L.P. ("ACMLP") and Sanford C. Bernstein & Co., Inc. ("Bernstein") merged. The investment adviser continued to operate as ACMLP. Prior to the merger, the firms were reporting under their respective names. In February 2006, ACMLP changed its name to ABLP. The Firm has been verified by an independent verifier on an annual basis from 1993 through 2007.

2) COMPOSITE STRUCTURE—The Canada Core Plus Composite (the "Composite") consists of accounts which invest in a multi-sector fixed income strategy. This service invests in Canadian investment-grade fixed income sectors with opportunistic investments in bonds issued outside of the domestic market. This includes investment-grade and high-yield corporates as well as emerging market debt. Accounts in the Composite may also utilize derivatives, including but not limited to, swaps (including interest-rate swaps, total rate of return swaps and credit default swaps), swaptions, options, futures, options on futures and currency transactions (including forward currency contracts) for risk management, duration management, yield-curve management, or to enhance expected returns by adjusting exposure to the bond market sectors permitted by these guidelines. The term "derivatives" includes transactions or instruments that are in use as of the date hereof as well as those that may be developed or used in the future. The impact of all derivatives will be fully incorporated into the calculation of the portfolio risk including the portfolio's duration, and the portfolio (including the derivatives) must remain within its applicable duration range. Furthermore, the use of derivatives shall not violate the investment guidelines that limit exposure to markets, sectors, issuers or specific securities. Currency and bond futures and swaps at fair value made up 22%-41% of the Composite constituent accounts' market value during year 2008. A futures contract is an agreement that obligates the buyer to buy and the seller to sell a specified quantity of an underlying asset (or settle for cash the value of a contract based on an underlying asset, rate or index) at a specific price on the contract maturity date. Futures contracts are standardized, exchange-traded instruments and are fungible (meaning they are considered to be perfect substitutes for each other). This fungibility allows futures contracts to be readily offset or canceled through the acquisition of equal but opposite positions, which is the primary method by which futures contracts are liquidated. A cash-settled futures contract does not require physical delivery of the underlying asset but instead is settled for cash equal to the difference between the values of the contract on the date it is entered into and its maturity date. It is recognized that there are numerous definitions of leverage and as many different methods for calculating leverage. Notwithstanding the fact that the application of some of these definitions may result in the use of reverse repurchase agreements, net forward purchase agreements, or derivatives being deemed to create leverage, the Manager does not consider its use of these instruments or techniques to manage an account's duration, sector and yield-curve exposure to violate guideline provisions prohibiting leverage, provided the portfolio complies with all duration, sector, and security level guidelines. The Composite seeks a long-term premium relative to its benchmark with moderate sensitivity to benchmark risk and includes all fee-paying discretionary non-tax-managed accounts and, when applicable, pooled investment vehicles, with assets over 10 million in Canadian dollars. The creation date of this Composite is December 21, 2001. The Composite was formerly named Canadian Core Plus Composite.

3) A complete list of all composites with descriptions managed by the Firm and/or additional information regarding policies for calculating and reporting returns is available upon request via email to: [CompositeRequests@AllianceBernstein.com](mailto:CompositeRequests@AllianceBernstein.com).

4) TOTAL RETURN METHODOLOGY AND FEE STRUCTURE—Performance figures in this presentation have been presented gross and net of investment-management fees. The Composite's net-of-fee return is calculated by deducting a weighted average of the actual fee rates charged to each account in the Composite. Net-of-fee performance figures reflect the compounding effect of such fees. The current investment advisory fee schedule applicable for this Composite is as follows:

0.500% on the first C\$40 million

0.200% on the balance

5) RATE OF RETURN—No representation is made that the performance shown in this presentation is indicative of future performance. A portfolio could incur losses as well as gains. Performance figures for each account are calculated monthly on a trade-date basis using a total rate-of-return calculation. Monthly market values include income accruals, realized and unrealized gains and losses and reflect the daily weighting of cash flows. The Composite results are asset-weighted on a monthly basis. Performance results include the reinvestment of dividends and other earnings. Returns for the accounts in the Composite are calculated in Canadian dollars.

6) DISPERSION—Internal dispersion is calculated using the asset-weighted standard deviation of all accounts that were included in the Composite for the entire period.

7) The benchmark, which is not covered by the report of independent public accountants, is a customized benchmark ("Customized Benchmark"). It is a customized, asset-weighted blend of the benchmarks of each of the accounts in the Composite. A weighting is applied to the benchmarks by using the prior month-end market values of the portfolios within the Composite. Prior to the beginning of a new quarter, if an account is added or deleted, the Customized Benchmark will automatically be rebalanced to include the new account's market value and benchmark. The terminated account's market value and benchmark return will be excluded.

As of December 31, 2008