



Overall Morningstar Rating™
Advisor Class Shares



Rated against 1235 funds in the Large Growth Category, based on risk-adjusted returns.

AB LARGE CAP GROWTH FUND

Advisor Class: APGYX

OVERVIEW

US equities advanced in the second quarter, rising 4.3%, as measured by the S&P 500 Index, despite sharp declines in May. Year to date, the index is up 18.5%. The financials and materials sectors did well, while energy stocks underperformed. Value stocks trailed growth stocks.

Escalating US trade tensions with China and Mexico jolted markets in May as the US imposed additional tariffs on goods from China and warned that all goods could be subject to tariffs if the two countries could not reach a compromise. China then retaliated with tariffs of its own. The imposition of restrictions on exports of US technology to Chinese telecom equipment maker Huawei Technologies in May further increased tensions. Investor sentiment improved in June, as the US suspended scheduled tariffs on Mexican goods and agreed to resume trade talks with China during the Group of 20 summit at the end of the month. Expectations that the US Federal Reserve could begin to cut interest rates sent stocks higher.

PORTFOLIO PERFORMANCE

For the quarter, the US Large Cap Growth Fund rose in absolute terms but underperformed its benchmark, the Russell 1000 Growth Index, which rose 4.6%. During the quarter, security selection in industrials and consumer staples contributed, while security selection in communication services and consumer discretionary detracted. An overweight to healthcare and the Fund's cash balance detracted from performance, while underweights in industrials and energy contributed.

Regeneron Pharmaceuticals detracted in the quarter as concerns regarding healthcare reform and its pricing impact, specifically on the company's lead product Eylea, weighed on shares. In addition, the company indicated higher spending in the quarter on research and development, which in the short term reduces the company's profitability.

Networking and security company Arista Networks detracted in 2Q following its 1Q earnings report, in which the company reported an in-line 1Q but gave underwhelming 2Q revenue guidance. The revenue shortfall projected for 2Q (versus expectations) was driven by

a large hyperscale customer completely halting spend with Arista in the quarter, leading to concerns about slowing technology spend going forward. We continue to like the company, given its technological advantage over its competitors, specifically for cloud applications.

Surgical robotics company Intuitive Surgical was also among the top detractors in the quarter. Despite the company's strong outperformance in June, its shares were down for the quarter, driven by lower-than-expected system placements. We believed that the sell-off was overdone. On a longer-term basis, strong procedure growth and enthusiasm regarding the company's pipeline have supported our thesis and underpinned the stock's strength. Intuitive Surgical is the leading provider of robotic surgery systems and instruments. Robotic surgery is disruptive and is still in the early innings, as it is underpenetrated in procedures and geographies. Intuitive Surgical's competition is unlikely to make significant inroads on a relative basis, given Intuitive's advantages, such as technology, patent estate, infrastructure and focus.

Monster Beverage contributed after the company reported strong results in the face of investor skepticism and fear around competitive threats. The reacceleration of growth was also largely helped by new product innovation in the US and strength in the core business overseas. The company is benefiting from excitement around the introduction of its new Reign Total Body Fuel product line. Monster has demonstrated an ability to innovate and offset higher input costs with its pricing power.

Animal healthcare company Zoetis contributed as it continued to report strong results, driven by growth in its companion animal business. We continue to like the position given the highly profitable business and its position out of the crosshairs of healthcare reform, given its focus on animals.

Salvage and auto auction provider Copart also contributed. The company has been a strong performer on the back of strong volume and pricing trends in its core salvage auto auction business. Copart is also demonstrating traction tied to its European expansion and share

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gains in whole car (non-salvage) auto auctions. We continue to like the business, given the improving profitability of the company.

OUTLOOK

The boost from last year's tax cuts has largely dissipated, but incoming data continue to support a generally healthy US economy. However, the ongoing trade conflict between the US and China, with threat of conflict between the US and other trading partners, such as Mexico, has generated significant uncertainty, which may contribute to capital expenditure deferment, lower consumer confidence and, ultimately, a slowing economy. The drop in long-term interest rates and yield-curve inversion signal caution. After a decade of solid equity market performance, and amid signs of slowing global economic growth, the market has been eyeing the trade conflict warily, with an expectation that the Fed will cut the fed funds rate this year. Late

cycle, the equity markets will remain sensitive to any new developments in the Fed's economic outlook and management of the economic cycle, the ongoing global trade disputes and the US political landscape approaching the 2020 US elections.

We do not forecast but evaluate. At the company level, we are always watching for signs of demand changing precipitately. In terms of late-cycle dynamics, we rigorously evaluate companies' abilities to manage cost pressures such as labor.

The Fund remains defensively positioned as we believe that market valuations are elevated, particularly within the technology sector. We continue to maintain a list of companies that we'll engage at appropriate levels, and we remain laser-focused on identifying companies that generate a high return on assets with high-reinvestment-rate opportunities.

PORTFOLIO INFORMATION

Class	Ticker	Inception Date
A	APGAX	9/28/92
B	APGBX	9/28/92
C	APGCX	5/3/93
Advisor	APGYX	10/1/96
I	ALLIX	3/1/05
Z	APGZX	6/30/15

Portfolio Characteristics	Portfolio	Benchmark ¹
Total Number of Holdings	49	546
P/E Ratio (Stock Price/Earnings; last 12 mo)	29.57x	25.91x
P/CF Ratio (Stock Price/Cash Flow)	22.25x	16.84x
ROE (Return on Equity; next 12 mo)	34.48%	34.98%
Median Market Cap (\$ Billions)	38.3	12.2
Weighted Market Cap (\$ Billions)	211.7	283.4
EPS (Earnings per Share) Growth Rate (2019/2018)	9.86%	8.99%

Portfolio Statistics	
Beta (3 yr) ²	0.89
Sharpe Ratio (3 yr) ³	1.49
Standard Deviation (3 yr) ⁴	12.09
Alpha (3 yr) ⁵	2.77

Top Ten Equity Holdings ⁶		
Company	Sector	
Alphabet	Communication Services	6.82%
Microsoft	Information Technology	6.15
UnitedHealth	Healthcare	5.15
Facebook	Communication Services	4.98
Visa	Information Technology	4.92
Monster Beverage	Consumer Staples	3.69
Zoetis	Healthcare	3.66
Home Depot	Consumer Discretionary	3.55
Booking Holdings	Consumer Discretionary	3.40
Vertex Pharmaceuticals	Healthcare	2.95

Sector Breakdown ⁶	Portfolio	Benchmark ¹
Healthcare	22.73%	12.62%
Information Technology	22.28	33.55
Consumer Discretionary	14.44	15.22
Communication Services	13.83	11.99
Consumer Staples	7.27	5.74
Industrials	6.69	11.52
Materials	2.46	1.86
Financials	0.79	4.45
Cash and Cash Equivalents	9.51	–
Real Estate	–	2.35
Energy	–	0.69

Top Five Contributors	Top Five Detractors
Monster Beverage	Regeneron Pharmaceuticals
Copart	Arista Networks
Zoetis	Intuitive Surgical
Allegion	Alphabet
Visa	Xilinx

1 Russell 1000 Growth Index.

2 Beta measures a fund's volatility relative to its benchmark.

3 Sharpe Ratio is a measure of the fund's return relative to the investment risk it has taken. A higher Sharpe Ratio means the fund's returns have been better given the level of risk the fund has taken.

4 Standard Deviation is a measure of the dispersion of a portfolio's return from its mean.

5 Alpha is the risk-adjusted measurement of 'excess return' over the benchmark.

6 Holdings are expressed as a percentage of total investments and may vary over time. They are provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned.

QUARTERLY AVERAGE ANNUAL TOTAL RETURNS AS OF 06/30/19: ADVISOR CLASS PERFORMANCE

	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception	Expense Ratios as of 10/31/18	
Large Cap Growth Fund [†]	4.22%	20.86%	13.77%	19.42%	15.17%	17.10%	10.40%	Gross	0.68%
Russell 1000 Growth Index	4.64	21.49	11.56	18.07	13.39	16.28	9.45	Net [‡]	0.66%
Morningstar Large Growth Category	4.63	21.11	10.02	16.97	11.33	14.71	8.79		

The performance shown above represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance information shown. You may obtain performance information current to the most recent month-end by visiting www.abfunds.com. The investment return and principal value of an investment in the Portfolio will fluctuate, so that your shares, when redeemed, may be worth more or less than their original cost. Advisor Class shares have no front-end or contingent deferred sales charges, however when purchased through a financial advisor additional fees may apply. Returns for other share classes will vary due to different charges and expenses. Performance assumes reinvestment of distributions and does not account for taxes. If applicable, high double-digit returns are highly unusual and cannot be sustained; such returns are primarily achieved during favorable market conditions.

[†] The performance for Advisor Class shares prior to 10/1/96, the share class's inception date, reflects Class A share performance, adjusted for differences in operating expenses. The inception date of the Class A shares is 9/28/92.

[^] Reflects a 2.77% and 15.92% increase in NAV on January 18, 2011 and December 23, 2008, respectively, from the proceeds of the Enron class action settlement. Reflects a 0.38% and 0.08% increase in NAV on June 8, 2016 and November 2, 2017 as a result of the Fund recording a receivable on its books and records in connection with the distributions by the Alliance Fair Fund and Bank of America Fair Fund, respectively.

[‡] If applicable, this reflects the Adviser's contractual waiver of a portion of its advisory fee and/or reimbursement of a portion of the Fund's operating expenses. Absent reimbursements or waivers, performance would have been lower.

Russell 1000 Growth Index represents the performance of large-cap growth companies within the US.

Investors cannot invest directly in indices or averages, and their performance does not reflect fees and expenses or represent the performance of any AB fund.

Sources: FactSet, Morningstar Inc. and AB.

A WORD ABOUT RISK

Market Risk: The market values of the portfolio's holdings rise and fall from day to day, so investments may lose value. **Focused Portfolio Risk:** Portfolios that hold a smaller number of securities may be more volatile than more diversified portfolios, since gains or losses from each security will have a greater impact on the portfolio's overall value. **Foreign (Non-US) Risk:** Non-US securities may be more volatile because of political, regulatory, market and economic uncertainties associated with such securities. Fluctuations in currency exchange rates may negatively affect the value of the investment or reduce returns. These risks are magnified in emerging or developing markets. **Derivatives Risk:** Investing in derivative instruments such as options, futures, forwards or swaps can be riskier than traditional investments, and may be more volatile, especially in a down market.

