An Investor's Guide to Buffered ETFs

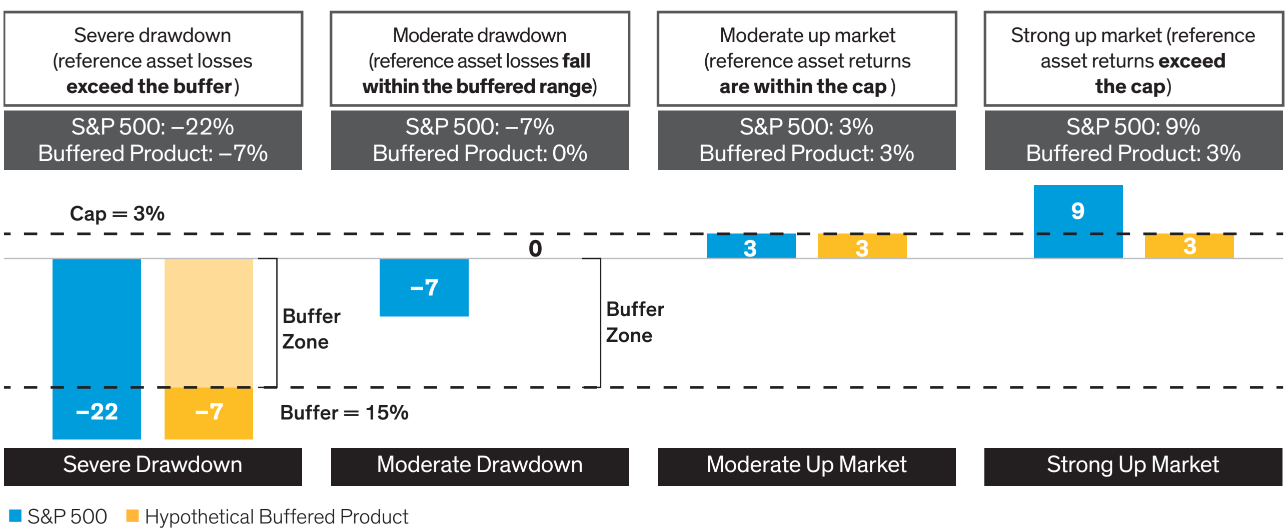
Diversifying a portfolio across stocks and bonds may not be enough to safeguard assets against today's fluctuating market conditions.

Standing on the sidelines or trying to predict which way the market is headed could leave investors coming up short of their objectives. Buffered exchange-traded funds (ETFs) may help with this dilemma.

Designed to reduce portfolio volatility, buffered ETFs provide a specific protection level against equity market losses while still enabling investors to benefit from upside participation when stocks rise. Buffered ETFs get their name from the "buffer" they provide against downside volatility in exchange for a "cap" on the upside return potential of the "reference asset," often a broad index.

HOW DOES A HYPOTHETICAL BUFFERED ETF PERFORM IN DIFFERENT MARKET SCENARIOS?

Illustrative scenarios at the end of a three-month period for a 0% to –15% buffered product*



For illustrative use only

***This is a depiction of a three-month outcome period for a hypothetical buffered product that seeks to track the S&P 500 with a 0% to 15% buffer and 3% cap over each three-month period. Simulated or hypothetical performance results have certain inherent limitations. Simulated or hypothetical trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve returns or a volatility profile similar to those being shown.

Introducing BUFC: AB's Conservative Buffered ETF

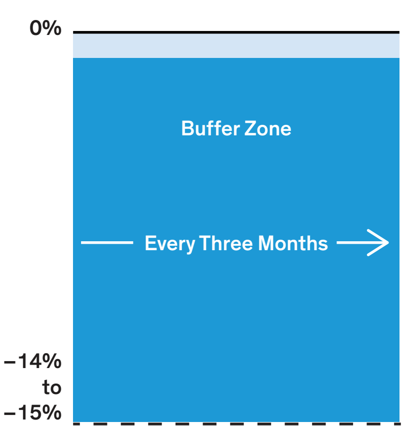
Key Characteristics and Features

- 14%–15% downside loss protection that resets on a rolling three-month basis
- Participation in US equity market growth up to a specified cap that resets on a rolling three-month basis
- Systematic reset of the upside cap and downside buffer is triggered when a predefined return target is achieved, preventing the fund from "capping out."
- ETF may experience a first loss of up to –1% before protection starts, which enables more upside capture in rising markets.

THE AB CONSERVATIVE BUFFER ETF (BUFC) IS AN ACTIVELY MANAGED, BUFFERED STRATEGY PACKAGED IN A LOW-COST, TRANSPARENT AND LIQUID ETF.

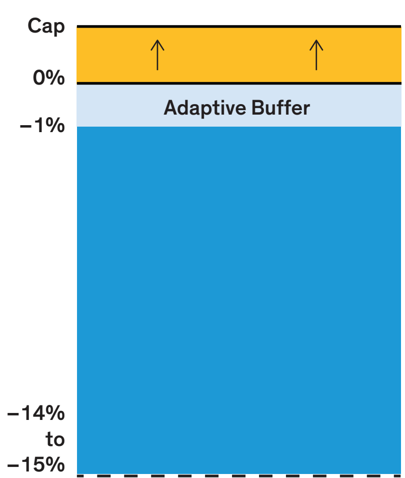
How the AB Conservative Buffer ETF Design Helps Investors

14%–15% Quarterly Buffer



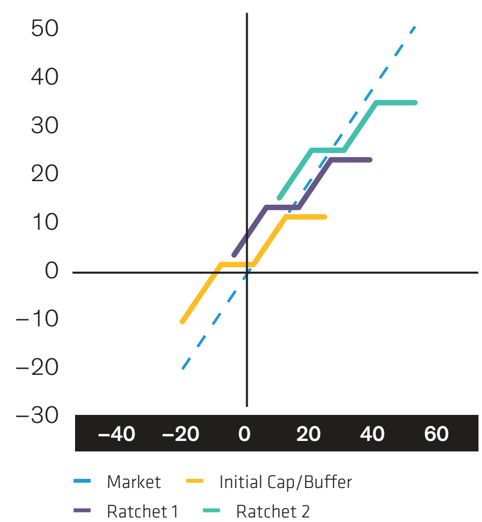
14%–15% downside loss protection resets on a rolling three-month basis. Historically, only 2% of three-month periods have seen losses of more than –15%.*

Adaptive Buffer



By using an adaptive buffer and introducing a first loss when needed, the strategy is able to set higher performance caps. The adaptive buffer allows the buffer to start anywhere between 0% and -1% of loss and is introduced only to increase cap potential.

Upside Ratchet



The cap will systematically reset higher during strong markets, enabling investors to benefit from rapidly rising markets. The ratchet feature is triggered within a single three-month outcome period when a predetermined return is realized intraperiod. This can happen once per period and triggers a brand new buffer and cap period when employed.

Simulated or hypothetical performance results have certain inherent limitations. Simulated or hypothetical trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve returns or a volatility profile similar to those being shown. In order for an investor to realize the full benefits of the buffer, the ETF must be held for the entire three-month period.

*Data from January 1940 through August 2023

Source: Morningstar, S&P and AllianceBernstein (AB)

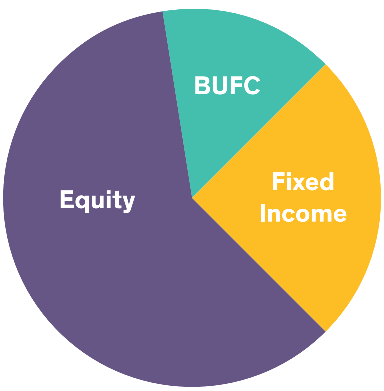
How BUFC Can Be Used in Portfolio Allocation

Buffered ETFs, such as the AB Conservation Buffer ETF (BUFC), can be integrated into an overall portfolio in a variety of ways. Depending on individual investors' needs, these solutions can be used to seek better growth potential, lower overall volatility or help bolster diversification.

Add Growth Potential

BUFC allocation sourced from conservative assets to help boost potential capital appreciation

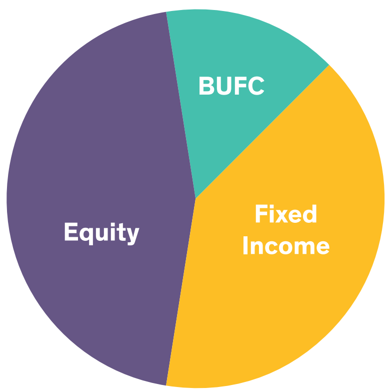
May help protect against downside risk while remaining invested



Reduce Volatility

BUFC allocation sourced from equity exposure to help improve portfolio defenses

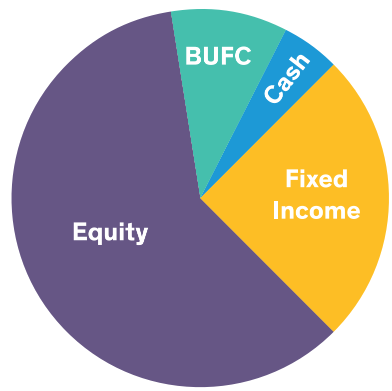
May provide upside participation and mitigate downside risk



Enhance Diversification

BUFC allocation may replace illiquid or alternative assets with little correlation to bonds, equities and cash

May enhance diversification



For informational purposes only. There can be no assurance that any investment objectives will be achieved.

Source: AB

Investing in securities involves risk, and there is no guarantee of principal.

Investors should consider the investment objectives, risks, charges and expenses of the Fund/Portfolio carefully before investing. For copies of our prospectus or summary prospectus, which contain this and other information, visit us online at www.alliancebernstein.com or contact your AB representative. Please read the prospectus and/or summary prospectus carefully before investing.

S&P (Standard & Poor's) 500 Index includes 500 US stocks and is a common representation of the performance of the overall US stock market. 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.

Shares of the ETF may be bought or sold throughout the day at their market price on the exchange on which they are listed. The market price of an ETF's shares may be at, above or below the ETF's net asset value (NAV), and will fluctuate with changes in the NAV as well as with supply and demand in the market for the shares. Shares of the ETF may only be redeemed directly with the ETF at NAV by authorized participants, in very large creation units. There can be no guarantee that an active trading market for the Fund's shares will develop or be maintained, or that their listing will continue or remain unchanged. Buying or selling the Fund's shares on an exchange may require the payment of brokerage commissions, and frequent trading may incur brokerage costs that detract significantly from investment returns.

Buffered Loss Risk: There can be no guarantee that the Fund will be successful in its strategy to buffer against underlying ETF price declines. Despite the intended hedge period buffer, a shareholder may lose money by investing in the Fund. If, during a Hedge Period, an investor purchases shares of the Fund after the date on which the Fund has entered into FLEX Options or sells shares of the Fund prior to the expiration of the FLEX Options, the Hedge Period Buffer that the Fund seeks to provide may not be available and the investor may not receive the full, or any, benefit of the Hedge Period Buffer. The Fund does not provide principal protection, and an investor may experience significant losses on an investment in the Fund. A blended portfolio of expiring options and new options could impact the Fund's ability to realize the full, or any, benefit of the Hedge Period Buffer and may subject the Fund's return to an upside limit that is slightly lower or higher than the Hedge Period Cap for the applicable Hedge Period. Accordingly, an investor may bear losses against which the Hedge Period Buffer is anticipated to protect and may be subject to an upside limit that is lower than the Hedge Period Cap. **Buffer/Cap Change Risk:** A new hedge period buffer and a new hedge period cap are established each time the Options Portfolio is implemented, including after an upside-ratchet event. The duration of a hedge period cap or hedge period buffer may vary. **Capped Upside Risk:** If an investor purchases shares of the Fund after the first day of a hedge period and the value of the underlying ETF shares is at or near the hedge period cap for that hedge period, there may be little or no ability for that investor to experience an investment gain on their Fund shares unless the Fund engages in an upside ratchet of the Fund's Options Portfolio. If an investor does not hold their shares of the Fund for an entire hedge period, the returns realized by that investor may not replicate those the Fund seeks to achieve. If the underlying ETF experiences gains during a hedge period in excess of the hedge period cap, unless the Fund has engaged in an upside ratchet the Fund will not participate in those gains beyond the hedge period cap. **FLEX Options Correlation Risk:** Although the value of the FLEX Options structure held by the Fund generally correlates with the share price of the underlying ETF, the FLEX Options are exercisable at the strike price only on their expiration date, and their daily valuation will not change at the same percentage as the share price of the underlying ETF. Accordingly, the Fund's NAV or market price will not directly correlate on a day-to-day basis with the share price of the underlying ETF. **FLEX Options Liquidity Risk:** The FLEX Options are listed on an exchange; however, there is no guarantee that a liquid secondary trading market will exist for the FLEX Options. A less liquid trading market may adversely impact the value of the FLEX Options and the value of your investment. **FLEX Options Valuation Risk:** FLEX Options held by the Fund will be exercisable at the strike price only on their expiration date. The value of the FLEX Options will be determined based upon market quotations or using other recognized pricing methods. The value of a FLEX Option prior to its expiration date may vary because of related factors other than the value of the underlying ETF. During periods of reduced market liquidity, or in the absence of readily available market quotations for the holdings of the Fund, FLEX Options may become more difficult to value, and the judgment of the Adviser, as the Fund's valuation designee, may play a greater role in the valuation of the Fund's holdings due to reduced availability of reliable objective pricing data. **Hedge Period Risk:** The Fund's investment strategy is designed to deliver returns that reference an underlying ETF and are based on options contracts that are designed to be in place for 90-day periods, although in some cases the Fund will hold options contracts of longer duration. The Fund may not hold its Options Portfolio for the full duration of the options contracts, and the Adviser may change the Options Portfolio at any time, which would begin a new hedge period. There is no guarantee that any upside ratchet will be successfully implemented or that it will deliver the desired investment result. Active Trading Risk: The Fund expects to engage in active and frequent trading, which will increase the portfolio turnover rate. A higher portfolio turnover increases transaction costs and may negatively affect the Fund's return. **Non-Diversification Risk:** The Fund may have more risk because it is "non-diversified," meaning that it can invest more of its assets in a smaller number of issuers. Accordingly, changes in the value of a single security may have a more significant effect, either negative or positive, on the Fund's NAV. **Underlying ETF Risk:** The Fund invests in FLEX Options that reference an ETF, which subjects the Fund to certain of the risks of owning shares of an ETF as well as the types of instruments in which the underlying ETF invests. **Cash Transactions Risk:** The Fund intends to effectuate all or a portion of the issuance and redemption of creation units for cash, rather than in-kind securities. As a result, an investment in the Fund may be less tax-efficient than an investment in an ETF that effectuates its creation units only on an in-kind basis. **Derivatives Risk:** Derivatives may be more sensitive to changes in market conditions and may amplify risks. **Leverage Risk:** To the extent the Fund uses leveraging techniques, its NAV may be more volatile because leverage tends to exaggerate the effect of changes in interest rates, and any increase or decrease in the value of the Fund's investments. **New Fund Risk:** The Fund is recently organized, which gives prospective investors a limited track record on which to base their investment decision.

AllianceBernstein L.P. (AB) is the investment advisor for the Fund.

Distributed by Foreside Fund Services, LLC. Foreside is not related to AB.

AL-454344-2023-11-08
ETF–8365–1123
alliancebernstein.com