



**ALLIANCEBERNSTEIN®**

**AB<sup>1</sup>**

## SINGAPORE PROSPECTUS

### **Equity**

- > Global Equity Blend Portfolio
- > Emerging Markets Growth Portfolio
- > Asia Ex-Japan Equity Portfolio
- > Japan Strategic Value Portfolio

### **Fixed-Income**

- > Short Duration Bond Portfolio
- > Global High Yield Portfolio
- > American Income Portfolio
- > European Income Portfolio
- > Emerging Markets Debt Portfolio
- > Mortgage Income Portfolio

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<sup>1</sup> AB FCP I (referred to as “**AB**” or the “**Fund**” in this Singapore Prospectus) is a mutual investment fund (fonds commun de placement) organized under the laws of the Grand Duchy of Luxembourg. AllianceBernstein and the AB logo are registered trademarks and service marks used by permission of the owner, AllianceBernstein L.P. The Fund is constituted outside of Singapore. This Singapore Prospectus incorporates and should be read in conjunction with the Luxembourg prospectus of the Fund dated March 2024 (as may be amended or supplemented from time to time) (the “**Luxembourg Prospectus**”).

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10 May 2024

**Important Notice**

This Singapore Prospectus relates to the above portfolios of the Fund ("**Portfolios**") and incorporates the Luxembourg Prospectus. The Portfolios have been recognised for retail distribution in Singapore under the Securities and Futures Act 2001 (the "**SFA**").

AllianceBernstein (Luxembourg) S.à r.l., the management company of the Portfolios and the offeror of shares in the Portfolios, has appointed AllianceBernstein (Singapore) Ltd. as its agent for service of process and as its Singapore representative (whose details appear in Paragraphs 8 and 9 of this Singapore Prospectus).

This Singapore Prospectus is authorised for distribution only when accompanied by the Luxembourg Prospectus. Please read this Singapore Prospectus and the Luxembourg Prospectus for full information on the Portfolios.

**Investors should note that the Asia Ex-Japan Equity Portfolio, Short Duration Bond Portfolio and Global High Yield Portfolio may invest in financial derivative instruments for investment purposes in addition to hedging and/or efficient portfolio management ("EPM") purposes, details of which are set out in paragraph 15 of this Singapore Prospectus and relevant sections of the Luxembourg Prospectus.**

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## IMPORTANT ADDITIONAL INFORMATION FOR SINGAPORE INVESTORS IN AB

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**IMPORTANT: PLEASE READ AND RETAIN THIS SINGAPORE PROSPECTUS AND THE LUXEMBOURG PROSPECTUS FOR FUTURE REFERENCE**

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### **1. SINGAPORE PROSPECTUS AND LUXEMBOURG PROSPECTUS**

This Singapore Prospectus relating to the following:

- 1.1 AB — Global Equity Blend Portfolio ("**Global Equity Blend Portfolio**");
- 1.2 AB — Emerging Markets Growth Portfolio ("**Emerging Markets Growth Portfolio**");
- 1.3 AB — Asia Ex-Japan Equity Portfolio ("**Asia Ex-Japan Equity Portfolio**");
- 1.4 AB — Japan Strategic Value Portfolio ("**Japan Strategic Value Portfolio**");
- 1.5 AB — Short Duration Bond Portfolio ("**Short Duration Bond Portfolio**");
- 1.6 AB — Global High Yield Portfolio ("**Global High Yield Portfolio**");
- 1.7 AB — American Income Portfolio ("**American Income Portfolio**");
- 1.8 AB — European Income Portfolio ("**European Income Portfolio**");
- 1.9 AB — Emerging Markets Debt Portfolio ("**Emerging Markets Debt Portfolio**"); and
- 1.10 AB — Mortgage Income Portfolio ("**Mortgage Income Portfolio**"),

(collectively, the "**Portfolios**" and each a "**Portfolio**")

incorporates and shall be read in conjunction with the Luxembourg Prospectus. Unless the context otherwise requires, terms defined in the Luxembourg Prospectus shall have the same meanings when used in this Singapore Prospectus except where specifically provided for otherwise in this Singapore Prospectus.

### **2. SINGAPORE RECOGNITION OF PORTFOLIOS**

The Portfolios offered in this Singapore Prospectus are recognised collective investment schemes under the SFA. A copy of this Singapore Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the "**Authority**"). The Authority assumes no responsibility for the contents of this Singapore Prospectus. The registration of this Singapore Prospectus by the Authority does not imply that the SFA or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the Portfolios.

### **3. DATE OF REGISTRATION**

The date of registration of this Singapore Prospectus is 10 May 2024. This Singapore Prospectus shall be valid for a period of 12 months after the date of registration (i.e., up to and including 9 May 2025) and shall expire on 10 May 2025.

#### 4. PORTFOLIOS

The Fund is structured as an "umbrella fund" comprising separate pools of assets of portfolios. The Portfolios are each a separate portfolio of the Fund, which is an umbrella mutual investment fund (*fonds commun de placement*) organised under the laws of the Grand Duchy of Luxembourg as an unincorporated co-proprietorship of its securities and qualifies as an undertaking for collective investment in transferable securities (a "UCITS") within the meaning of Article 1(2) of the EC Directive 2009/65 of 13 July 2009, as amended.

#### 5. CLASSES OF SHARES

Separate classes of Shares are issued in relation to each Portfolio. The classes of Shares of each Portfolio being offered under this Singapore Prospectus and the relevant denominated currencies ("Denominated Currencies") are indicated in the table below.

Fund	Currency of Share Class	Share Class*
Global Equity Blend Portfolio	Dollar (Base Currency)	Class A Class B Class C Class I Class S1
	Euro (Denominated Currency)	Class A EUR Class C EUR Class I EUR Class S1 EUR
	SGD (Denominated Currency)	Class A SGD Class B SGD Class S1 SGD
European Income Portfolio	Euro (Base Currency)	Class A Class A2 Class AA Class AT Class B2 Class C Class CT Class C2 Class I Class IA Class IT Class S Class S1 Class W2 Class WA Class WT

Fund	Currency of Share Class	Share Class*
	Dollar (Denominated Currency)	Class A USD Class A2 USD Class AT USD Class B USD Class B2 USD Class C USD Class C2 USD Class S1 USD
	AUD Hedged	Class AA AUD H Class AT AUD H Class I2 AUD H Class IT AUD H
	SGD Hedged	Class AT SGD H Class AA SGD H
	USD Hedged	Class A2 USD H Class AA USD H Class AT USD H Class I2 USD H Class IT USD H Class IA USD H Class WA USD H Class WT USD H Class W2 USD H
	HKD Hedged	Class AA HKD H
	CHF Hedged	Class W2 CHF H
<b>Mortgage Income Portfolio</b>	Dollar (Base Currency)	Class A Class AA Class AX Class A2 Class A2X Class AT Class BX Class C Class C2 Class CX Class I Class I2 Class IX Class S Class S1
	Euro (Denominated Currency)	Class A2 EUR Class A2X EUR Class AT EUR Class AX EUR Class BX EUR Class C2 EUR Class I EUR Class I2 EUR

<b>Fund</b>	<b>Currency of Share Class</b>	<b>Share Class*</b>
	AUD Hedged	Class AA AUD H Class AT AUD H
	SGD Hedged	Class AT SGD H Class AA SGD H
	RMB <sup>2</sup> Hedged	Class AA RMB H
<b>Emerging Markets Growth Portfolio</b>	Dollar (Base Currency)	Class A Class B Class C Class I Class S Class S1
	Euro (Denominated Currency)	Class A EUR Class C EUR Class I EUR Class S1 EUR
	SGD (Denominated Currency)	Class A SGD
	AUD Hedged	Class A AUD H Class C AUD H Class I AUD H
	SGD Hedged	Class A SGD H
<b>Asia Ex-Japan Equity Portfolio</b>	Dollar (Base Currency)	Class A Class AD Class C Class I Class ID Class S Class S1
	Euro (Denominated Currency)	Class A EUR Class AD EUR Class C EUR Class I EUR
	AUD Hedged	Class A AUD H Class AD AUD H Class C AUD H Class ID AUD H
	SGD Hedged	Class A SGD H Class AD SGD H
<b>Japan Strategic Value Portfolio</b>	Yen (Base Currency)	Class A Class C Class I Class S
	Dollar (Denominated Currency)	Class A USD Class C USD Class I USD Class S1 USD

<sup>2</sup> "RMB" refers to offshore RMB ("CNH") and not onshore RMB known as CNY.

Fund	Currency of Share Class	Share Class*
	Euro (Denominated Currency)	Class A EUR Class C EUR Class I EUR Class S1 EUR
	SGD (Denominated Currency)	Class A SGD Class I SGD
	EUR Hedged	Class A EUR H Class C EUR H Class I EUR H
	USD Hedged	Class A USD H Class S USD H
	AUD Hedged	Class A AUD H
	SGD Hedged	Class A SGD H
<b>Short Duration Bond Portfolio</b>	Dollar (Base Currency)	Class A Class A2 Class AT Class C Class C2 Class I Class I2 Class S
	Euro (Denominated Currency)	Class A EUR Class A2 EUR Class AT EUR
	Euro Hedged	Class A2 EUR H Class AT EUR H Class I2 EUR H Class S EUR H Class S1 EUR H
	AUD Hedged	Class AT AUD H Class I2 AUD H
	CAD Hedged	Class AT CAD H
	SGD Hedged	Class AA SGD H Class AT SGD H
<b>Global High Yield Portfolio</b>	Dollar (Base Currency)	Class A Class A2 Class AA Class AT Class B Class B2 Class BT Class C Class C2 Class CT Class I Class I2 Class IT



Fund	Currency of Share Class	Share Class*
		Class S1 Class W Class W2 Class WT
	Euro (Denominated Currency)	Class A EUR Class A2 EUR Class AT EUR Class C EUR Class C2 EUR Class I EUR Class I2 EUR Class W EUR
	HKD (Denominated Currency)	Class A2 HKD Class AT HKD
	SGD (Denominated Currency)	Class A2 SGD Class AT SGD Class I2 SGD
	Euro Hedged	Class A2 EUR H Class AA EUR H Class AT EUR H Class C2 EUR H Class I2 EUR H Class IT EUR H Class WT EUR H Class W2 EUR H
	AUD Hedged	Class AA AUD H Class AT AUD H Class BT AUD H Class I2 AUD H Class IA AUD H Class IT AUD H Class WT AUD H
	SGD Hedged	Class A2 SGD H Class AT SGD H Class AA SGD H Class I2 SGD H
	RMB <sup>3</sup> Hedged <sup>4</sup>	Class AA RMB H Class AT RMB H Class IT RMB H Class WT RMB H
	GBP Hedged	Class AA GBP H Class AT GBP H Class IT GBP H

<sup>3</sup> "RMB" refers to offshore RMB ("CNH") and not onshore RMB known as CNY.

<sup>4</sup> Certain shares may only be purchased through a distributor authorized by the Singapore Representative to offer such shares. Investors considering an investment in these shares should speak with their financial advisors for details.

Fund	Currency of Share Class	Share Class*
		Class WT GBP H
	NZD Hedged	Class AA NZD H Class AT NZD H Class IT NZD H
	CAD Hedged	Class AT CAD H Class IT CAD H Class WT CAD H
	CHF Hedged	Class W2 CHF H
<b>American Income Portfolio</b>	Dollar (Base Currency)	Class A Class A2 Class AA Class AT Class B Class B2 Class BT Class C Class C2 Class CT Class I Class I2 Class IA Class IT Class S Class S1 Class W Class W2 Class WT
	Euro (Denominated Currency)	Class A EUR Class A2 EUR Class AT EUR Class C EUR Class C2 EUR Class I EUR Class I2 EUR Class S1 EUR
	HKD (Denominated Currency)	Class A2 HKD Class AA HKD Class AT HKD Class I2 HKD Class IT HKD Class WT
	SGD (Denominated Currency)	Class A2 SGD Class AT SGD Class IT
	AUD Hedged	Class AA AUD H Class AT AUD H Class IA AUD H Class IT AUD H

Fund	Currency of Share Class	Share Class*
		Class WT AUD H
	SGD Hedged	Class A2 SGD H Class AT SGD H Class AA SGD H Class I2 SGD H Class IT SGD H Class WT SGD H
	EUR Hedged	Class AA EUR H Class A2 EUR H Class AT EUR H Class C2 EUR H Class I2 EUR H Class IT EUR H Class W2 EUR H Class WT EUR H
	RMB <sup>5</sup> Hedged	Class AA RMB H Class AT RMB H Class IT RMB H
	GBP Hedged	Class AA GBP H Class AT GBP H Class IT GBP H Class WT GBP H
	NZD Hedged	Class AA NZD H Class AT NZD H Class IT NZD H
	CAD Hedged	Class AT CAD H Class IT CAD H
	CHF Hedged	Class W2 CHF H Class A2 CHF H Class I2 CHF H
<b>Emerging Markets Debt Portfolio</b>	Dollar (Base Currency)	Class A Class A2 Class AA Class AT Class BT Class C Class C2 Class CT Class I Class I2 Class S Class S1 2

<sup>5</sup> "RMB" refers to offshore RMB ("CNH") and not onshore RMB known as CNY.

Fund	Currency of Share Class	Share Class*
	Euro (Denominated Currency)	Class A EUR Class A2 EUR Class AT EUR Class C EUR Class C2 EUR Class I2 EUR
	Euro Hedged	Class AA EUR H Class A2 EUR H Class AT EUR H Class C2 EUR H Class I2 EUR H Class S EUR H Class S1 EUR H
	AUD Hedged	Class AA AUD H Class AT AUD H
	GBP Hedged	Class AA GBP H Class AT GBP H
	SGD Hedged	Class A2 SGD H Class AT SGD H
	RMB <sup>6</sup> Hedged	Class AT RMB H
	NZD Hedged	Class AA NZD H Class AT NZD H

*\* Class AX, A2X, BX, CX, and IX Shares are no longer open for subscription by new investors, except to the existing Shareholders holding the relevant Class of Shares as more particularly described in the Luxembourg Prospectus. Effective 15 December 2016, Class B Shares will no longer be offered. However, Class B Shares may be made available for exchange to Shareholders holding Class B Shares (or a variation thereof including hedged share classes) in another Portfolio or other AB fund that is available for offer in Singapore.*

The Management Company shall have the discretion to determine whether to commence accepting applications for Shares in each Currency Hedged Share Class at any time, and different Currency Hedged Share Classes of different Portfolios may have different commencement dates. Investors should check with Singapore distributors on whether the particular Currency Hedged Share Class which they are interested in is available for subscription.

The sale of class S and S1 shares in the Fund is restricted to persons who qualify as institutional investors within the meaning of Article 174 of the law of 17 December 2010 relating to undertakings for collective investment (the "**Law of 2010**"). Class S shares are reserved for institutional investors that have entered into an agreement with the Management Company and are being charged an investment management fee separately.

*The other portfolios and classes of Shares referred to in the Luxembourg Prospectus, but which are not included in the list above, are currently not available for offer to the public in Singapore.*

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<sup>6</sup> "RMB" refers to offshore RMB ("CNH") and not onshore RMB known as CNY.

## 6. DISCLAIMERS

The managers of the Management Company (the "**Managers**") have taken all reasonable care to ensure that the information contained in this Singapore Prospectus is true and accurate in all material respects and that there are no other material facts the omission of which makes any statement of fact or opinion in this Singapore Prospectus misleading. The Managers accept responsibility accordingly.

The distribution of this Singapore Prospectus and the offering of the Portfolios and the Shares may be restricted in certain jurisdictions. This Singapore Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

Prospective investors should inform themselves as to the legal requirements, exchange control regulations and tax consequences within the countries of their residence and domicile for the acquisition, holding or disposal of Shares and any foreign exchange restrictions that may be relevant to them. Shares that are acquired by persons not entitled under the Management Regulations to hold them may be redeemed by the Management Company on behalf of the Fund at the current Net Asset Value.

The Shares referred to in this Singapore Prospectus are offered solely on the basis of the information contained in this Singapore Prospectus and in the Luxembourg Prospectus and in the reports and documents referred to in this Singapore Prospectus and the Luxembourg Prospectus. In connection with the offer made hereby, no person is authorised to give any information or to make any representations other than those contained in this Singapore Prospectus or in the documents referred to herein and read in conjunction with the Luxembourg Prospectus. If given or made, such information or representations must not be relied upon as having been authorised by the Management Company, Singapore Representative or the distributor and any purchase made by any person on the basis of statements or representations which are not contained in or which are inconsistent with the information contained in this Singapore Prospectus, read in conjunction with the Luxembourg Prospectus, shall be solely at the risk of the purchaser.

The delivery of this Singapore Prospectus or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Portfolios or Fund have not changed since the date hereof. To reflect material changes, this Singapore Prospectus may be updated from time to time and investors should investigate whether a more recent Singapore Prospectus is available.

Investors are advised to carefully consider the risk factors set out under Paragraph 15 of this Singapore Prospectus, the "Other Portfolio Information – Risk Profile" set out in Section I of the Luxembourg Prospectus relating to each Portfolio and "Risk Factors" in Section II of the Luxembourg Prospectus.

Investors may wish to consult their independent financial adviser about the suitability of shares of the Portfolios for their investment needs.

## 7. CONSTITUTIVE DOCUMENTS

The constitutive documents of the Fund are its Management Regulations described under the heading "Additional Information" in Section II of the Luxembourg Prospectus. Copies of the Management Regulations as amended or supplemented are available for inspection by investors

in Singapore at the registered office of the Singapore Representative, free of charge, during normal Singapore business hours.

## 8. SINGAPORE REPRESENTATIVE

AllianceBernstein (Singapore) Ltd. has been appointed as the representative (the "**Singapore Representative**") of the Management Company of the Portfolios and the offeror of the Shares in the Portfolios, AllianceBernstein (Luxembourg) S.à r.l. for the purposes of performing administration and other related functions relating to the offer of the Shares under Section 287 of the SFA.

The Singapore Representative has also been appointed by the Management Company as its local agent in Singapore to accept service of process on behalf of the Management Company.

In addition, the Singapore Representative acts as the agent of the Registrar and Transfer Agent of the Fund, the Management Company or AllianceBernstein Investor Services, a unit of the Management Company, in Singapore to provide the Fund with registrar and transfer agent services in relation to the shareholders of the Portfolios who purchased Shares in Singapore (the "**Singapore Shareholders**").

A copy of the relevant extracts from the register of the Portfolios relating to the Singapore Shareholders is available for inspection at the registered office of the Singapore Representative, free of charge, during normal Singapore business hours.

## 9. SINGAPORE DIRECTORY

### **Singapore Representative and Agent for Service of Process in Singapore**

AllianceBernstein (Singapore) Ltd.

Registered Office:  
One Raffles Quay  
#27-11 South Tower  
Singapore 048583

### **Legal Advisers as to Singapore Law**

Sidley Austin LLP  
Level 31  
Six Battery Road  
Singapore 049909

## 10. MANAGEMENT COMPANY AND INVESTMENT MANAGER

The Management Company of the Fund is AllianceBernstein (Luxembourg) S.à r.l. (formerly known as AllianceBernstein (Luxembourg) S.A.), a company incorporated in Luxembourg whose registered office is at 2-4, rue Eugène Ruppert, L-2453, Luxembourg. The Management Company has been managing funds since 1990.

Effective as of 11 April 2011, AllianceBernstein (Luxembourg) S.A. has changed its corporate form from a "*société anonyme*" (public limited company) to a "*société à responsabilité limitée*" (private limited company). It therefore changed its name from AllianceBernstein (Luxembourg) S.A. to AllianceBernstein (Luxembourg) S.à r.l.. It constitutes the same legal entity and will

continue to operate as a UCITS-compliant Management Company subject to the supervision of the *Commission de Surveillance du Secteur Financier*, the Luxembourg financial supervisory authority. Therefore, its articles of incorporation were amended on 25 March 2011.

The Management Company has appointed AllianceBernstein L.P., as the Investment Manager for the Portfolios. Pursuant to this arrangement, the Management Company has delegated its investment management and advisory functions to the Investment Manager. The Investment Manager is a Delaware limited partnership domiciled in Delaware, U.S.A. The Investment Manager has been managing funds since 1971. The Investment Manager is registered with the U.S. Securities and Exchange Commission as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended.

The Management Company has delegated the administration functions to Brown Brothers Harriman (Luxembourg) S.C.A.

The Board of Directors and key executives of the Management Company comprise of:

- a) **Silvio D. Cruz**, Senior Vice President and Managing Director, AllianceBernstein L.P. Mr. Cruz is an internationally oriented senior investment management profession with seventeen years of experience in serving cross-border Retail, Institutional and Private Client/HNW distribution channels, fund structuring, fund launches, fund governance, business strategy and oversight, product development, fund accounting, fund administration, custody and transfer agency activities. He possesses extensive experience supporting AllianceBernstein's investment management and funds-related activities in Luxembourg, the United Kingdom, Ireland, Japan, the United States and the Cayman Islands. Prior to joining AllianceBernstein, Mr. Cruz was a mutual fund accountant at New York Life Insurance Co. Mr. Cruz is a graduate of Rutgers University with a B.S. in Accounting and earned his MBA, with a concentration in Finance, from Rutgers Business School. He is a FINRA registered General Securities Representative licensed in the State of New York with Series 7 and 63;
- b) **Bertrand Reimmel**, Managing Director and Senior Vice President, AllianceBernstein (Luxembourg) S.à r.l. Mr. Reimmel joined AB Lux in August 2005, as the Head of the Legal & Compliance department and as Company Secretary since 2006. Mr. Reimmel is a member of the ALFI Working Groups on UCITS Eligible Assets and Anti-Money Laundering. Before joining AB Lux, Mr. Reimmel was a member of the Luxembourg Bar from 1997 until 2005 and worked for eight years as a Senior Associate for Elvinger, Hoss & Prussen (one of the two leading Luxembourg law firms with respect to undertakings for collective investments) in their Investment Funds department. Previously, he spent two years as an internal legal counsel at Finconsult, a Luxembourg company offering corporate governance services to holding companies. He earned a Maîtrise en Droit et Certificat de Droit Fiscal (MA in law and a degree in fiscal law) in 1995 and Licence de Droit (BA in law) in 1994 from Robert Schumann University of Strasbourg;
- c) **Steven M. Eisenberg**, Steven M. Eisenberg, Senior Vice President and Chief Operating Officer, AllianceBernstein L.P. Steven Eisenberg is the Chief Operating Officer for AllianceBernstein's Institutional and Retail businesses, and head of its global client service and marketing teams—positions he has held since 2009. In 2014, Steve also became responsible for the firm's product development and strategy effort. Prior to his current position, Steve served five years as Global Head of Client Service and Business Operations for the Institutional sales and client-service division of the firm, focusing on building out a global client service and sales infrastructure during a period of rapid global

expansion and growth. In this role, Steve spent a year in the firm's Tokyo office developing a robust client-service infrastructure, appointing and developing a leadership team and recruiting staff. Prior to these global management positions, Steve was responsible for overseeing client-service teams and servicing institutional clients in North America for several years. Among his earlier positions in the firm, Steve spent time as a business analyst and project manager, where he took on responsibility for integrating sales and client-service-systems and processes following the merger of Alliance Capital, LP and Sanford C. Bernstein in 2000. Steve earned a BA from the University of Delaware and an MBA from New York University, Stern School of Business. Steve has been with the firm since 1997 and is based in New York;

- d) **John Schiavetta**, Senior Vice President and Chief Risk Officer, AllianceBernstein L.P. John Schiavetta is a Senior Vice President and Chief Risk Officer for AB, overseeing all aspects of risk management to ensure that risks being taken are well understood and appropriately managed. He joined AB in 2008 as director of risk management, with responsibilities for fixed-income risk, liquidity risk, counterparty risk and valuation and is based in Nashville, TN. Previously, Schiavetta was at Fitch Ratings for 15 years, most recently as group managing director, responsible for managing the agency's global structured credit ratings group. Prior to that, he was product manager at pension consulting firm CDA Investment Technologies. Schiavetta began his career at the Dreyfus Corporation. He holds a BA in economics from Bates College and is a CFA Charterholder; and
- e) **Eileen Koo**, Chief Executive Officer – Australia and Chief Compliance Officer (Asia ex-Japan). Eileen is the Chief Executive Officer – Australia and is responsible for co-ordinating execution of the strategic priorities of the local business and compliance with governance and corporate policies. She was appointed in April 2024. She is also Chief Compliance Officer for the Asia-Pacific ex Japan region where she is responsible for regulatory risk across Australia, Hong Kong, Singapore, Taiwan, South Korea and China. Eileen joined AB in 2004 and moved from the firm's Sydney office to its Hong Kong office in 2010. She previously worked for Colonial First State Investments and Perpetual Trustees Australia. Eileen holds a BCom and an MLS, both from the University of New South Wales and is a Certified Practising Accountant (Australia). In 2024 Eileen relocated back to Australia to work in the Sydney office. Location: Sydney Australia

## 11. DEPOSITARY AND DEPOSITARY ARRANGEMENTS

Brown Brothers Harriman (Luxembourg) S.C.A. (the "**Depositary**") has been appointed depositary of the Fund pursuant to the terms of the depositary agreement between the Management Company and the Depositary. The Depositary is a credit institution established in Luxembourg, whose registered office is situated at 80, route d'Esch, L-1470 Luxembourg, and which is registered with the Luxembourg register of commerce and companies under number B29923. It is licensed by the *Commission de Surveillance du Secteur Financier* to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended.

The Depositary is entrusted with the safekeeping of the Fund's assets. The Depositary also ensures that the Fund's cash flows are properly monitored, and in particular that the subscription monies have been received and all cash of the Fund has been booked in the cash account in the name of (i) the Fund, (ii) the Management Company on behalf of the Fund or (iii) the Depositary on behalf of the Fund.



For further information about the Depositary and the depositary arrangements, please refer to the heading “**Depositary**” under the "Management and Administration" section in Section II of the Luxembourg Prospectus.

## **12. AUDITOR**

The Management Company has appointed Ernst & Young S.A., Independent Public Accountants, 35E, avenue John F. Kennedy, L-1855 Luxembourg, as independent auditor of the Fund. Ernst & Young will, with respect to the assets of the Fund, carry out the duties prescribed by the Law of 2010.

## **13. INVESTMENT OBJECTIVE, FOCUS AND APPROACH**

### **13.1 Investment Objective and Strategy**

The main investment objectives of the Portfolios are as set out in the table below. Please refer to the "Investment Objective and Policies" for each Portfolio as set out in Section I of the Luxembourg Prospectus and the section on "Investment Restrictions" in Appendix A in Section II of the Luxembourg Prospectus for further details on the investment objective, focus and approach of the Portfolios.

Please also refer to “Benchmark” for each Portfolio as set out in Section I of the Luxembourg Prospectus for further details on each Portfolio’s benchmark, the purpose of each benchmark, and how each Portfolio uses its benchmark.

Portfolio	Investment Objective and Strategy	Profile of Typical Investor
<b>Global Equity Blend Portfolio</b>	<p>The Portfolio seeks to achieve long-term growth of capital.</p> <p>The Portfolio invests in global equity portfolios that are designed as solutions for investors who seek equity returns but also want broad diversification of the related risks across styles, sectors and geographic regions. In managing the Portfolio, the Investment Manager efficiently diversifies between growth and value equity investment styles. The Investment Manager selects growth and value equity securities by drawing from a variety of its fundamental growth and value investment disciplines to produce a blended portfolio.</p> <p>Normally, the Investment Manager's targeted allocation for the Portfolios is an equal weighting of 50% growth stocks and 50% value stocks. The Investment Manager will allow the relative weightings of the Portfolio's growth and value components to vary in response to markets, but ordinarily only within a range of +/- 5% of the Portfolio. Beyond those ranges, the Investment Manager will generally rebalance the Portfolio toward the targeted allocation. However, under extraordinary circumstances, when the Investment Manager believes that conditions favoring one or the other investment are compelling, the range may expand to +/-10% of the Portfolio before rebalancing occurs.</p> <p>The Portfolio's growth stocks are selected using the Investment Manager's growth investment discipline. The growth investment team selects stocks using a process that seeks to identify companies with superior earnings growth prospects. This discipline relies heavily upon the fundamental analysis and research of the Investment Manager's large internal growth research staff of approximately 50 dedicated growth analysts, which follows approximately 1,400 companies.</p> <p>The Investment Manager places research emphasis on identifying companies whose</p>	<p>The Portfolio will suit higher risk-tolerant investors seeking the medium to long term rewards of equity investment. Investors are encouraged to consult their independent financial advisors regarding the suitability of Shares of the Portfolio for their investment needs.</p>

Portfolio	Investment Objective and Strategy	Profile of Typical Investor
	<p>substantially above-average prospective earnings growth potential appears likely to outpace market expectations.</p> <p>The Portfolio's value stocks are selected using the fundamental value investment discipline of the Investment Manager's Bernstein Unit. In selecting stocks, the Investment Manager's value investment teams seek to identify companies whose long-term earning power and dividend paying capability are not reflected in the current market price of their securities. This fundamental value discipline relies heavily upon the Investment Manager's large internal value research staff, which follows over 2,700 companies. Teams within the value research staff cover a given industry worldwide, to better understand each company's competitive position in a global context. The Investment Manager's staff of approximately 70 dedicated value analysts prepares its own earnings estimates and financial models for each company analyzed. The Investment Manager identifies and quantifies the critical variables that control a business's performance and analyzes the results in order to forecast each company's long-term prospects and expected returns.</p> <p>The "Value" investment discipline attempts to identify securities that are undervalued using a disciplined fundamental value approach. The Investment Manager believes that, over time, a company's stock price will come to reflect its intrinsic economic value. The Investment Manager's fundamental value approach to equity investing generally defines value by reference to the relationship between a security's current price and its intrinsic economic value as measured by long-term earnings prospects. In each market, this approach seeks to identify a universe of securities that are considered to be undervalued because they are attractively priced relative to their future earnings power. Accordingly, forecasting corporate earnings and dividend-paying capability is the heart of</p>	

Portfolio	Investment Objective and Strategy	Profile of Typical Investor
	<p>the fundamental approach. Securities of companies in any industry, country or region can become mispriced, and the Investment Manager will seek to exploit all such opportunities when selecting securities for the Portfolio.</p> <p>The Portfolio may use derivatives for EPM and hedging purposes.</p>	
<p><b>Emerging Markets Growth Portfolio</b></p>	<p>The investment objective of the Portfolio is long-term growth of capital.</p> <p>The Portfolio seeks to achieve its investment objective by investing in a portfolio of equity securities of companies in emerging markets. Emerging markets include but are not limited to those countries listed in the MSCI Emerging Markets Index. The Portfolio may also invest in frontier markets from time to time. Frontier markets include but are not limited to those countries listed in the S&amp;P Frontier Broad Market Index. In selecting securities for investment, the Investment Manager seeks to invest in high-quality issuers that it believes are well-positioned to grow over the long term.</p> <p>The Investment Manager expects that, under normal market conditions, the Portfolio's total assets will be predominantly invested in the equity securities of emerging market and frontier market companies. The Portfolio will invest at least two-thirds of its assets in emerging markets issuers and at least 50% of its net assets in equity securities. Emerging market and frontier market companies include any company that (i) is domiciled or organized in; (ii) is established and conducting business in; (iii) conducts a significant part of its economic activities in; or (iv) has business activities that are meaningfully impacted by economic developments in, emerging markets or frontier markets.</p> <p>The Portfolio may use derivatives: (i) as an alternative to investing directly in the underlying investments, (ii) to hedge against equity markets risk, specific issuer risk and</p>	<p>The Portfolio will suit higher risk-tolerant investors seeking the medium to long term rewards of equity investment. Investors are encouraged to consult their independent financial advisors regarding the suitability of Shares of the Portfolio for their investment needs.</p>

Portfolio	Investment Objective and Strategy	Profile of Typical Investor
	currency fluctuations and (iii) for EPM purposes.	
<b>Asia Ex-Japan Equity Portfolio</b>	<p>The investment objective of the Portfolio is long-term growth of capital and income.</p> <p>The Portfolio seeks to achieve its investment objective by investing in a portfolio of equity securities of companies in the Asia ex-Japan region that are determined by the Investment Manager to be undervalued. The Portfolio's investment universe will consist of countries contained in the MSCI AC (All Country) Asia ex Japan Index and the MSCI Frontier Markets Index, although the Portfolio may invest in securities outside the MSCI AC (All Country) Asia ex Japan Index and the MSCI Frontier Markets Index.</p> <p>The Investment Manager believes that, over time, a company's stock price will come to reflect its intrinsic economic value. The Investment Manager's fundamental value approach to equity investing generally defines value by reference to the relationship between a security's current price and its intrinsic economic value as measured by long-term earnings prospects.</p> <p>This approach seeks to identify, in the first instance, a universe of Asia ex-Japan securities that are considered to be undervalued because they are attractively priced relative to their future earnings power. Accordingly, forecasting corporate earnings and cash generation is the heart of the fundamental value approach.</p> <p>Under normal market conditions the Portfolio will invest in a portfolio of approximately 60-100 companies.</p> <p>The Portfolio may use derivatives for EPM, hedging and investment purposes.</p>	<p>The Portfolio will suit higher risk-tolerant investors seeking the medium to long term rewards of equity investment. Investors are encouraged to consult their independent financial advisors regarding the suitability of Shares of the Portfolio for their investment needs.</p>
<b>Japan Strategic Value Portfolio</b>	<p>The investment objective of the Portfolio is long-term capital growth by investing in a portfolio of equity securities of Japanese companies that are determined by the Investment Manager to be undervalued. For</p>	<p>The Portfolio will suit higher risk-tolerant investors seeking the medium to long term rewards of equity</p>

Portfolio	Investment Objective and Strategy	Profile of Typical Investor
	<p>these purposes, a "Japanese company" is a company that (i) is domiciled or organized in Japan, or (ii) is established and conducting business in Japan or (iii) carries out the preponderant part of its economic activities in Japan.</p> <p>The Investment Manager believes that, over time, a company's stock price will come to reflect its intrinsic economic value. The Investment Manager's fundamental value approach to equity investing generally defines value by reference to the relationship between a security's current price and its intrinsic economic value as measured by long-term earnings prospects. This approach seeks to identify, in the first instance, a universe of Japanese securities that are considered to be undervalued because they are attractively priced relative to their future earnings power. Accordingly, forecasting corporate earnings and dividend-paying capability is the heart of the fundamental value approach.</p> <p>Under normal market conditions the Portfolio will invest in a portfolio of approximately 30-50 companies.</p> <p>The Portfolio may use derivatives for EPM or hedging purposes. Such derivative techniques may include the use of exchange-traded and "over the counter" derivative instruments, including swaps, options, futures and currency transactions.</p>	<p>investment. Investors are encouraged to consult their independent financial advisors regarding the suitability of Shares of the Portfolio for their investment needs.</p>
<p><b>Short Duration Bond Portfolio</b></p>	<p>The Portfolio's investment objective is high total investment return through investments predominantly in Investment Grade fixed-income securities denominated in various currencies.</p> <p>The Portfolio's total investment return may consist generally of interest and dividend income, as well as discount accruals and capital changes, including changes in the value of portfolio securities and other assets and liabilities resulting from currency fluctuations. Under normal market conditions,</p>	<p>The Portfolio will suit medium risk-tolerant investors seeking the income potential of Investment Grade fixed-income investment. Investors are encouraged to consult their independent financial advisors regarding the suitability of Shares of the Portfolio for their investment</p>

Portfolio	Investment Objective and Strategy	Profile of Typical Investor
	<p>the Portfolio expects that no less than 70% of its total assets will be invested in securities denominated in the Currency of the Portfolio or securities hedged to the Currency of the Portfolio.</p> <p>The Portfolio may purchase debt obligations issued by sovereign or other governmental or local authorities, including, but not limited to, governmental agencies and instrumentalities (collectively, "<b>governmental entities</b>"), as well as debt obligations issued or guaranteed by various organizations or entities established generally to promote global, regional or country-specific economic reconstruction or development (collectively, "<b>supranational entities</b>"). In addition, the Portfolio may purchase debt obligations of companies or other entities. The Investment Manager will invest at any time at least two-thirds of the Portfolio's total assets in straight bonds, i.e. non-convertible bonds.</p> <p>Securities held by the Portfolio will possess upon initial purchase an Investment Grade credit rating or will be determined by the Investment Manager to be of comparable quality. In the event a particular security is assigned a credit rating that is lower than Investment Grade or ceases to be rated, the Investment Manager promptly will reassess whether the Portfolio should continue to hold such security. The Portfolio normally will dispose of any such non-Investment Grade or unrated security, unless (i) the Investment Manager determines that for the time being it is not in the best interest of the Portfolio to do so and (ii) aggregate non-Investment Grade securities do not exceed 5% of the Portfolio's net assets.</p> <p>The Portfolio may use derivatives: (i) for investment purposes as an alternative to investing directly in the underlying investment, (ii) for hedging purposes, and (iii) for EPM purposes.</p>	<p>needs.</p>

Portfolio	Investment Objective and Strategy	Profile of Typical Investor
<b>Global High Yield Portfolio</b>	<p>The investment objective of the Portfolio is to produce high current income as well as overall total return.</p> <p>In seeking to achieve this objective, the Portfolio will invest primarily, and at any time at least two-thirds of its assets in, a portfolio of high yielding debt securities of issuers located throughout the world, including U.S. issuers and issuers in emerging market countries. In selecting its investments, the Portfolio intends to allocate its assets among three main types of investments: (i) high yielding non-Investment Grade debt securities of U.S. corporate issuers; (ii) non-Investment Grade debt securities of issuers located in emerging market countries; and (iii) sovereign debt obligations issued by emerging market countries. However, the Portfolio is not prohibited from investing in other types of debt securities as the Investment Manager deems appropriate. For example, the Portfolio may invest in debt securities having an Investment Grade rating if the Investment Manager determines that such debt securities possess desirable yield and/or total return characteristics. In addition, the Portfolio may utilize financial derivative instruments in executing its investment strategy as more particularly described in the Luxembourg Prospectus.</p> <p>The Portfolio's investments may be denominated in various currencies. In addition to the restrictions provided in Appendix A to Section II of the Luxembourg Prospectus, the Portfolio will not invest more than 20% of its total assets in one country; provided, however, that such limitation will not apply to investments by the Portfolio in U.S. issuers. Investing on an international basis involves special considerations.</p> <p>The Portfolio may use derivatives: (i) as an alternative to investing directly in the underlying instruments, (ii) to manage duration and volatility, (iii) to hedge against interest rate, credit and currency fluctuations,</p>	<p>The Portfolio will suit higher risk-tolerant investors seeking the income potential of fixed income investment. Investors are encouraged to consult their independent financial advisors regarding the suitability of Shares of the Portfolio for their investment needs.</p>



Portfolio	Investment Objective and Strategy	Profile of Typical Investor
	(iv) to obtain currency exposure and (v) for EPM purposes.	
<b>American Income Portfolio</b>	<p>The primary investment objective of the Portfolio is to seek to provide a high level of current income consistent with preservation of capital.</p> <p>The Portfolio seeks to meet its investment objective by investing in a diversified portfolio of fixed-income securities.</p> <p>As a secondary objective, the Portfolio will seek to increase its capital through appreciation of its investments in order to preserve and, if possible, increase the purchasing power of each Shareholder's investment.</p> <p>The Portfolio's investments may include all types of U.S. Government Securities, including those backed by the full faith and credit of the U.S. Government, those supported by the right to borrow from the U.S. Treasury and those backed by the credit of the issuing agency itself. The Portfolio may also invest in fixed-income securities issued by U.S. corporations and by non-U.S. corporations and by governments other than that of the United States (including, but not limited to, states, provinces and municipalities) or their agencies and instrumentalities ("<b>governmental entities</b>") issuing securities denominated in Dollars and a variety of mortgage-backed securities and zero coupon securities. In addition, the Portfolio may utilize financial derivative instruments for hedging, risk management, efficient portfolio management and as an alternative to investing directly in the underlying investments.</p> <p>The Portfolio will maintain investment exposure of at least 65% of its total assets in U.S. issuers. The Investment Manager anticipates that the Portfolio will maintain investment exposure of at least 50% of its total assets in (i) U.S. Government Securities,</p>	<p>The Portfolio will suit higher risk-tolerant investors seeking the income potential of fixed-income investment. Investors are encouraged to consult their independent financial advisors regarding the suitability of Shares of the Portfolio for their investment needs.</p>

Portfolio	Investment Objective and Strategy	Profile of Typical Investor
	<p>as described below, and (ii) other fixed-income securities described herein that, at the time of investment, are considered Investment Grade, or if not so rated, are determined by the Investment Manager to be of equivalent quality. Notwithstanding the foregoing, under certain market conditions the Investment Manager may obtain investment exposure in excess of 50% of the Portfolio's assets in securities that are rated below Investment Grade if the Investment Manager deems such investments appropriate in light of current market conditions and the Portfolio's investment objective. The Portfolio will generally not invest in securities rated below B (including B1, B2 and B3) by Moody's or B (including B+ and B-) by S&amp;P or, if unrated by an IRSO, considered by the Investment Manager to be of equivalent quality to such a rating.</p> <p>The Portfolio may use derivatives: (i) as an alternative to investing directly in the underlying investments, (ii) to manage duration, (iii) to hedge against interest rate, credit and currency fluctuations and (iv) for EPM purposes.</p>	
<b>European Income Portfolio</b>	<p>The investment objective of the Portfolio is to maximize current income while seeking preservation of capital.</p> <p>The Investment Manager intends to manage the Portfolio to maximize current income by taking advantage of market developments, yield disparities and variations in the creditworthiness of issuers.</p> <p>The Portfolio will pursue this objective through investment primarily in fixed-income securities of European companies and governments. The Investment Manager will invest at any time at least two-thirds (2/3) of the Portfolio's total assets in such securities, and may invest up to one-third (1/3) of total assets in Euro- or European currency-denominated fixed-income securities of non-European issuers.</p> <p>Also, the Investment Manager expects that</p>	<p>The Portfolio will suit higher risk-tolerant investors seeking the income potential of fixed-income investment. Investors are encouraged to consult their independent financial advisors regarding the suitability of Shares of the Portfolio for their investment needs.</p>

Portfolio	Investment Objective and Strategy	Profile of Typical Investor
	<p>approximately 65% of the Portfolio's total assets will be invested in Investment Grade fixed-income securities, with approximately 35% of the Portfolio's total assets invested in securities that are rated below Investment Grade. However, the Portfolio will be authorized to invest up to 50% of its total assets in below Investment Grade fixed-income securities if the Investment Manager deems such investments appropriate in light of prevailing market conditions.</p> <p>When implementing the investment strategy, the Portfolio seeks preservation of capital but may benefit from capital appreciation.</p> <p>The Portfolio may use derivatives for EPM or hedging purposes.</p>	
<b>Emerging Markets Debt Portfolio</b>	<p>The Portfolio's investment objective is to maximize total returns from price appreciation and income.</p> <p>The Investment Manager believes inefficiencies in the global debt markets arise from investor emotion, market complexity and conflicting investment agendas. The Investment Manager combines quantitative forecasts with fundamental credit and economic research in seeking to exploit these inefficiencies.</p> <p>AB's Emerging Market Debt Strategy seeks to generate returns in excess of the benchmark through a combination of country selection, currency allocation, sector analysis and security selection.</p> <p>The Portfolio's investments in sovereign debt obligations and non-U.S. corporate fixed-income securities emphasize countries that are included in the J.P. Morgan Emerging Markets Bond Index Global or are considered at the time of purchase to be emerging markets or developing countries. The Portfolio invests at least two-thirds of its total assets in sovereign and quasi-sovereign (i.e. debt issued by supranational organizations and other government-related entities) debt</p>	<p>The Portfolio will suit higher risk-tolerant investors seeking the income potential of fixed-income investment. Investors are encouraged to consult their independent financial advisors regarding the suitability of Shares of the Portfolio for their investment needs.</p>

Portfolio	Investment Objective and Strategy	Profile of Typical Investor
	<p>obligations.</p> <p>The Portfolio is non-diversified, meaning it may invest more of its assets in a fewer number of issuers.</p> <p>The Portfolio may use derivatives: (i) as an alternative to investing directly in the underlying investments, (ii) to manage duration, (iii) to hedge against interest rate, credit and currency fluctuations, and (iv) for EPM purposes.</p>	
<b>Mortgage Income Portfolio</b>	<p>The investment objective of the Portfolio is to achieve a high risk-adjusted total return.</p> <p>The Portfolio seeks to achieve its objective by investing in mortgage-related securities and other asset-backed securities. The Portfolio may invest in securities of both Investment Grade and non-Investment Grade quality originated by a wide array of originators and sponsors. The Portfolio's investments may include fixed and floating rate securities, including agency mortgage-backed securities and non-agency (i.e., privately issued) mortgage-backed securities ("<b>MBS</b>") as well as other asset-backed securities ("<b>ABS</b>"), commercial mortgage-backed securities ("<b>CMBS</b>"), and collateralized debt obligations ("<b>CDOs</b>") and related financial derivative instruments and currencies. The Portfolio will have at least two-thirds of its total assets invested in mortgage-related securities.</p> <p>The Portfolio's assets may be invested in Investment Grade, below-Investment Grade securities and unrated securities of investment quality determined by the Investment Manager. However, it is anticipated that under normal market conditions no more than 50% of the Portfolio's net assets will be invested in below-Investment Grade securities at time of purchase. "Investment Grade" means fixed-income securities rated Baa (including Baa1, Baa2 and Baa3) or higher by Moody's or BBB (including BBB+ and BBB-) or higher by S&amp;P.</p>	<p>The Portfolio will suit higher risk-tolerant investors seeking the income potential of mortgage-related fixed-income investment. Investors are encouraged to consult their independent financial advisors regarding the suitability of Shares of the Portfolio for their investment needs.</p>

Portfolio	Investment Objective and Strategy	Profile of Typical Investor
	<p>If a security is unrated, the Investment Manager will apply, in its discretion, a credit rating it deems appropriate. For split credit ratings, the lower rating shall apply.</p> <p>In managing the Portfolio's investments, under normal market conditions, the Investment Manager seeks to construct an investment portfolio with a weighted average effective duration of no more than eight years.</p> <p>The Portfolio may use derivatives: (i) as an alternative to investing directly in the underlying investments, (ii) to manage duration, (iii) to hedge against interest rate, credit and currency fluctuations and (iv) for EPM purposes.</p>	

#### 14. FEES AND CHARGES

##### Fees and Charges payable by Shareholders

##### Initial sales charge and Contingent deferred sales charge ("CDSC")

Fund	Share Class	Initial Sales Charge of Share Class (as a percentage of purchase price)	Contingent deferred sales charge*
<b>Global Equity Blend Portfolio</b>	Class A Class A EUR Class A SGD	Up to 5.00%	None
	Class I Class I EUR	Up to 1.50%	None
	Class B Class B SGD	None	0.1 year held = 4.0% 1-2 years held = 3.0% 2-3 years held = 2.0% 3-4 years held = 1.0% 4+ years held = 0.0%
	Class C Class C EUR	None	0-1 year held = 1.0% Thereafter 0%  (Currently all Singapore distributors have elected to waive CDSC for Class C Shares.)
	Class S1 Class S1 EUR Class S1 SGD	None	None

<b>Fund</b>	<b>Share Class</b>	<b>Initial Sales Charge of Share Class (as a percentage of purchase price)</b>	<b>Contingent deferred sales charge*</b>
<b>Emerging Markets Growth Portfolio</b>	Class A Class A EUR Class A SGD Class A AUD H Class A SGD H	Up to 5.00%	None
	Class I Class I EUR Class I AUD H	Up to 1.50%	None
	Class B	None	0-1 year held = 4.0% 1-2 years held = 3.0% 2-3 years held = 2.0% 3-4 years held = 1.0% 4+ years held = 0.0%
	Class C Class C EUR Class C AUD H	None	0-1 year held = 1.0% Thereafter 0%  (Currently all Singapore distributors have elected to waive CDSC for Class C and C AUD H Shares.)
	Class S Class S1 Class S1 EUR	None	None
<b>Asia Ex-Japan Equity Portfolio</b>	Class A Class A EUR Class A AUD H Class A SGD H Class AD Class AD EUR Class AD AUD H Class AD SGD H	Up to 5.00%	None
	Class I Class I EUR Class ID Class ID AUD H	Up to 1.50%	None
	Class C Class C EUR Class C AUD H	None	0-1 year held = 1.0% Thereafter 0%  (Currently all Singapore distributors have elected to waive CDSC for Class C and C AUD H Shares.)
	Class S	None	None

<b>Fund</b>	<b>Share Class</b>	<b>Initial Sales Charge of Share Class (as a percentage of purchase price)</b>	<b>Contingent deferred sales charge*</b>
	Class S1		
<b>Japan Strategic Value Portfolio</b>	Class A Class A EUR Class A SGD Class A USD Class A AUD H Class A EUR H Class A USD H Class A SGD H	Up to 5.00%	None
	Class I Class I EUR Class I SGD Class I USD Class I EUR H	Up to 1.50%	None
	Class C Class C EUR Class C USD Class C EUR H	None	0-1 year held = 1.0% Thereafter 0%  (Currently all Singapore distributors have elected to waive CDSC for Class C and C EUR H Shares.)
	Class S Class S USD H Class S1 EUR Class S1 USD	None	None
<b>Short Duration Bond Portfolio</b>	Class A Class A EUR Class A2 Class A2 EUR Class A2 EUR H Class AT Class AT EUR Class AT EUR H Class AT AUD H Class AT CAD H Class AT SGD H Class AA SGD H	Up to 5.00%	None
	Class I Class I2 Class I2 EUR H Class I2 AUD H	Up to 1.50%	None
	Class C Class C2	None	0-1 year held = 1.0% Thereafter 0%

<b>Fund</b>	<b>Share Class</b>	<b>Initial Sales Charge of Share Class (as a percentage of purchase price)</b>	<b>Contingent deferred sales charge*</b>
			(Currently all Singapore distributors have elected to waive CDSC for Class C and C2 Shares.)
	Class S Class S EUR H Class S1 EUR H	None	None
<b>Global High Yield Portfolio</b>	Class A Class A EUR Class AA Class A2 Class A2 EUR Class A2 HKD Class A2 SGD Class A2 EUR H Class A2 SGD H Class AT Class AT EUR Class AT HKD Class AT SGD Class AT EUR H Class AT SGD H Class AT AUD H Class AT RMB H Class AT GBP H Class AT NZD H Class AT CAD H Class AA SGD H Class AA EUR H Class AA AUD H Class AA GBP H Class AA RMB H Class AA NZD H	Up to 5.00%	None
	Class I Class I EUR Class I2 Class I2 EUR Class I2 SGD Class IT Class I2 EUR H Class I2 AUD H Class I2 SGD H Class IT EUR H Class IT CAD H	Up to 1.50%	None



<b>Fund</b>	<b>Share Class</b>	<b>Initial Sales Charge of Share Class (as a percentage of purchase price)</b>	<b>Contingent deferred sales charge*</b>
	Class IT GBP H Class IT RMB H Class IT NZD H Class IT AUD H Class IA AUD H		
	Class B Class B2 Class BT Class BT AUD H	None	0-1 year held = 3.0% 1-2 years held = 2.0% 2-3 years held = 1.0% 3+ years held = 0.0%
	Class C Class C EUR Class C2 Class C2 EUR Class C2 EUR H Class CT	None	0-1 year held = 1.0% Thereafter 0%  (Currently all Singapore distributors have elected to waive CDSC for Class C, C2, C2 EUR H and CT Shares.)
	Class S1 Class W Class W EUR Class WT Class WT EUR H Class WT AUD H Class WT CAD H Class WT GBP H Class WT RMB H Class W2 Class W2 EUR H Class W2 CHF H	None	None
<b>American Income Portfolio</b>	Class A Class A EUR Class AA Class AA HKD Class A2 Class A2 EUR Class A2 HKD Class A2 SGD Class A2 SGD H Class A2 EUR H Class A2 CHF H Class AT Class AT EUR Class AT HKD Class AT SGD	Up to 5.00%	None

Fund	Share Class	Initial Sales Charge of Share Class (as a percentage of purchase price)	Contingent deferred sales charge*
	Class AT AUD H Class AT SGD H Class AT EUR H Class AT RMB H Class AT GBP H Class AT NZD H Class AT CAD H Class AA AUD H Class AA EUR H Class AA NZD H Class AA GBP H Class AA SGD H Class AA RMB H		
	Class I Class I EUR Class IA Class IA AUD H Class I2 Class I2 EUR Class I2 HKD Class I2 EUR H Class I2 SGD H Class I2 CHF H Class IT Class IT HKD Class IT SGD Class IT EUR H Class IT CAD H Class IT SGD H Class IT GBP H Class IT RMB H Class IT NZD H Class IT AUD H	Up to 1.50%	None
	Class B Class B2 Class BT	None	0-1 year held = 3.0% 1-2 years held = 2.0% 2-3 years held = 1.0% 3+ years held = 0.0%
	Class C Class C EUR Class C2 Class C2 EUR Class C2 EUR H Class CT	None	0-1 year held = 1.0% Thereafter 0%  (Currently all Singapore distributors have elected to waive CDSC for Class C, C2, C2 EUR H and CT)

<b>Fund</b>	<b>Share Class</b>	<b>Initial Sales Charge of Share Class (as a percentage of purchase price)</b>	<b>Contingent deferred sales charge*</b>
			Shares.)
	Class S Class S1 Class S1 EUR Class W Class WT Class WT AUD H Class WT SGD H Class WT EUR H Class WT GBP H Class W2 Class W2 EUR H Class W2 CHF H	None	None
<b>European Income Portfolio</b>	Class A Class A USD Class AA Class A2 Class A2 USD Class AT Class AT USD Class A2 USD H Class AT AUD H Class AT SGD H Class AT USD H Class AA AUD H Class AA SGD H Class AA USD H Class AA HKD H	Up to 5.00%	None
	Class I Class I2 Class I2 USD H Class I2 AUD H Class IT Class IT USD H Class IT AUD H Class IA Class IA USD H	Up to 1.50%	None
	Class B USD Class B2 Class B2 USD	None	0-1 year held = 3.0% 1-2 years held = 2.0% 2-3 years held = 1.0% 3+ years held = 0.0%
	Class C Class C USD Class C2 Class C2 USD	None	0-1 year held = 1.0% Thereafter 0%  (Currently all Singapore

<b>Fund</b>	<b>Share Class</b>	<b>Initial Sales Charge of Share Class (as a percentage of purchase price)</b>	<b>Contingent deferred sales charge*</b>
	Class CT		distributors have elected to waive CDSC for Class C, C2 and CT Shares.)
	Class S Class S1 Class S1 USD Class WA Class WA USD H Class WT Class WT USD H Class W2 Class W2 USD H Class W2 CHF H	None	None
<b>Emerging Markets Debt Portfolio</b>	Class A Class A EUR Class AA Class A2 Class A2 EUR Class A2 EUR H Class A2 SGD H Class AT Class AT EUR Class AT EUR H Class AT AUD H Class AT GBP H Class AT SGD H Class AT RMB H Class AT NZD H Class AA AUD H Class AA EUR H Class AA GBP H Class AA NZD H	Up to 5.00%	None
	Class I Class I2 Class I2 EUR Class I2 EUR H	Up to 1.50%	None
	Class BT	None	0-1 year held = 3.0% 1-2 years held = 2.0% 2-3 years held = 1.0% 3+ years held = 0.0%
	Class C Class C EUR Class C2 Class C2 EUR	None	0-1 year held = 1.0% Thereafter 0%  (Currently all Singapore

Fund	Share Class	Initial Sales Charge of Share Class (as a percentage of purchase price)	Contingent deferred sales charge*
	Class C2 EUR H Class CT		distributors have elected to waive CDSC for Class C, C2, C2 EUR H and CT Shares.)
	Class S Class S EUR H Class S1 EUR H Class S1 2 (USD)	None	None
<b>Mortgage Income Portfolio<sup>7</sup></b>	Class A Class AA Class AX Class AX EUR Class A2 Class A2 EUR Class A2X Class A2X EUR Class AT Class AT EUR Class AT AUD H Class AT SGD H Class AA AUD H Class AA SGD H Class AA RMB H	Up to 5.00%	None
	Class I Class I EUR Class IX Class I2 Class I2 EUR	Up to 1.50%	None
	Class BX Class BX EUR	No longer offered	0-1 year held = 3.0% 1-2 years held = 2.0% 2-3 years held = 1.0% 3+ years held = 0.0%
	Class C Class CX Class C2 Class C2 EUR	None	0-1 year held = 1.0% Thereafter 0%  (Currently all Singapore distributors have elected to waive CDSC for Class C and C2 Shares.)

<sup>7</sup> Class AX, A2X, BX, CX, and IX Shares are no longer open for subscription by new investors, except to the existing shareholders holding the relevant Class of Shares as more particularly described in the Luxembourg Prospectus.

Fund	Share Class	Initial Sales Charge of Share Class (as a percentage of purchase price)	Contingent deferred sales charge*
	Class S Class S1	None	None

*\* Expressed as a percentage of the lesser of the current Net Asset Value or original cost of the Shares being redeemed and based upon the duration that such shares are held.*

**Please note that some Singapore distributors may impose other fees and charges which are not listed in this Singapore Prospectus when you subscribe for Shares through them. You should check with the relevant distributor on whether there are any such fees and charges payable to them.**

**Fees and charges currently payable by the Portfolios (as an annual percentage of average daily Net Asset Value)**

**Management Fee (excluding Management Company Fee below)<sup>8</sup>**

<b>Fund</b>	<b>Management Fee (excluding Management Company Fee below)</b>	<b>Share Class (Fee levels for the share classes listed below include corresponding currency denominated share classes and corresponding H share classes)</b>
<b>Global Equity Blend Portfolio</b>	1.60%	Class A Class B
	2.05%	Class C
	0.80%	Class I
	0.70%	Class S1
<b>Emerging Markets Growth Portfolio</b>	1.70%	Class A Class B
	2.15%	Class C
	0.90%	Class I Class S1
	None	Class S
<b>Asia Ex-Japan Equity Portfolio</b>	1.70%	Class A Class AD
	2.15%	Class C
	0.90%	Class I Class ID Class S1
	None	Class S
<b>Japan Strategic Value Portfolio</b>	1.50%	Class A
	1.95%	Class C
	0.70%	Class I
	None	Class S
	0.65%	Class S1
<b>Short Duration Bond Portfolio</b>	0.85%	Class A Class A2 Class AT Class AA
	1.25%	Class C Class C2
	0.325%	Class I Class I2
	0.25%	Class S1
	None	Class S
<b>Global High Yield Portfolio<sup>9</sup></b>	Up to 1.45%	Class A

<sup>8</sup> Class S Shares are reserved for institutional investors that have entered into an agreement with the Management Company and are being charged an investment management fee separately.

<sup>9</sup> For all Shares except Class S1, W, W2 and WT Shares, consecutive fee levels listed apply with respect to (1) the first US\$15,000,000,000 of the collective net assets of these Portfolio Share Classes and (2) the amount of the collective net assets of these Portfolio Share Classes over US\$15,000,000,000.

<b>Fund</b>	<b>Management Fee (excluding Management Company Fee below)</b>	<b>Share Class (Fee levels for the share classes listed below include corresponding currency denominated share classes and corresponding H share classes)</b>
	Up to 1.25%	Class AA Class A2 Class AT Class B Class B2 Class BT
	Up to 1.95% Up to 1.75%	Class C Class C2 Class CT
	Up to 0.95% Up to 0.75%	Class I Class I2 Class IT Class IA
	0.90%	Class S1
	Up to 1.15%	Class W Class WT Class W2
<b>American Income Portfolio</b>	1.10%	Class A Class AA Class A2 Class AT Class B Class B2 Class BT
	1.55%	Class C Class C2 Class CT
	0.55%	Class I Class I2 Class IT Class IA
	0.50%	Class S1
	None	Class S
	Up to 0.55%	Class W Class W2
<b>European Income Portfolio</b>	1.10%	Class A Class AA Class A2 Class AT Class B Class B2
	1.55%	Class C Class C2 Class CT



<b>Fund</b>	<b>Management Fee (excluding Management Company Fee below)</b>	<b>Share Class (Fee levels for the share classes listed below include corresponding currency denominated share classes and corresponding H share classes)</b>
	0.55%	Class I Class I2 Class IT Class IA
	None	Class S
	0.50%	Class S1
	Up to 0.55%	Class WA Class WT Class W2
<b>Emerging Markets Debt Portfolio</b>	1.10%	Class A Class AA Class A2 Class AT Class BT
	1.55%	Class C Class C2 Class CT
	0.55%	Class I Class I2 Class S1 Class S1 2
	None	Class S
<b>Mortgage Income Portfolio<sup>10,11</sup></b>	1.10%	Class A Class AA Class A2 Class AT
	1.05%	Class AX
	1.00%	Class A2X
	0.95%	Class BX
	1.55%	Class C Class C2
	1.50% 1.45% 1.40%	Class CX
	0.55%	Class I Class I2
	0.50%	Class IX

<sup>10</sup> Class AX, A2X, BX, CX, and IX Shares are no longer open for subscription by new investors, except to the existing shareholders holding the relevant Class of Shares as more particularly described in the Luxembourg Prospectus.

<sup>11</sup> Consecutive fee levels listed apply with respect to (1) the first US\$100,000,000 of the net assets of the Portfolio, (2) the next US\$100,000,000 of the net assets of the Portfolio and (3) the amount of the net assets of the Portfolio over US\$200,000,000.

<b>Fund</b>	<b>Management Fee (excluding Management Company Fee below)</b>	<b>Share Class (Fee levels for the share classes listed below include corresponding currency denominated share classes and corresponding H share classes)</b>
	0.45%	
	0.40%	
	None	Class S
	0.50%	Class S1

The Investment Manager is entitled to the payment of an investment management fee with respect to each Portfolio, accrued daily and payable monthly, at the annual rate, based on the average daily Net Asset Value of the Shares of such Portfolio.

### **Distribution Fee**

Distribution fees with respect to a relevant class of Shares will be paid to the distributor as compensation for providing distribution related services to a Portfolio with respect to such Shares.

<b>Fund</b>	<b>Share Class</b>	<b>Distribution Fee</b>
<b>Global Equity Blend Portfolio</b>	Class A Class A EUR Class A SGD	None
	Class I Class I EUR	None
	Class B Class B SGD	1.00%
	Class C Class C EUR	None
	Class S1 Class S1 EUR Class S1 SGD	None
<b>Emerging Markets Growth Portfolio</b>	Class A Class A EUR Class A SGD Class A AUD H Class A SGD H	None
	Class I Class I EUR Class I AUD H	None
	Class B	1.00%
	Class C Class C EUR Class C AUD H	None
	Class S Class S1 Class S1 EUR	None

<b>Fund</b>	<b>Share Class</b>	<b>Distribution Fee</b>
<b>Asia Ex-Japan Equity Portfolio</b>	Class A Class A EUR Class A AUD H Class A SGD H Class AD Class AD EUR Class AD AUD H Class AD SGD H	None
	Class I Class I EUR Class ID Class ID AUD H	None
	Class C Class C EUR Class C AUD H	None
	Class S Class S1	None
<b>Japan Strategic Value Portfolio</b>	Class A Class A EUR Class A SGD Class A USD Class A AUD H Class A EUR H Class A USD H Class A SGD H	None
	Class I Class I EUR Class I SGD Class I USD Class I EUR H	None
	Class C Class C EUR Class C USD Class C EUR H	None
	Class S Class S USD H Class S1 EUR Class S1 USD	None

<b>Fund</b>	<b>Share Class</b>	<b>Distribution Fee</b>
<b>Short Duration Bond Portfolio</b>	Class A Class A EUR Class A2 Class A2 EUR Class A2 EUR H Class AT Class AT EUR Class AT EUR H Class AT AUD H Class AT CAD H Class AT SGD H Class AA SGD H	None
	Class I Class I2 Class I2 EUR H Class I2 AUD H	None
	Class C Class C2	None
	Class S Class S EUR H Class S1 EUR H	None
<b>Global High Yield Portfolio</b>	Class A Class A EUR Class AA Class A2 Class A2 EUR Class A2 HKD Class A2 SGD Class A2 EUR H Class A2 SGD H Class AT Class AT EUR Class AT HKD Class AT SGD Class AT EUR H Class AT SGD H Class AT AUD H Class AT RMB H Class AT GBP H Class AT NZD H Class AT CAD H Class AA SGD H Class AA EUR H Class AA AUD H Class AA GBP H Class AA RMB H Class AA NZD H	None

Fund	Share Class	Distribution Fee
	Class I Class I EUR Class I2 Class I2 EUR Class I2 SGD Class IT Class I2 EUR H Class I2 AUD H Class I2 SGD H Class IT EUR H Class IT CAD H Class IT GBP H Class IT RMB H Class IT NZD H Class IT AUD H Class IA AUD H	None
	Class B Class B2 Class BT Class BT AUD H	1.00%
	Class C Class C EUR Class C2 Class C2 EUR Class C2 EUR H Class CT	None
	Class S1	None
	Class W Class W EUR Class WT Class WT EUR H Class WT AUD H Class WT CAD H Class WT GBP H Class WT RMB H Class W2 Class W2 EUR H Class W2 CHF H	None
<b>American Income Portfolio</b>	Class A Class A EUR Class AA Class AA HKD Class A2 Class A2 EUR Class A2 HKD Class A2 SGD Class A2 SGD H Class A2 EUR H Class A2 CHF H	None

Fund	Share Class	Distribution Fee
	Class AT	
	Class AT EUR	
	Class AT HKD	
	Class AT SGD	
	Class AT AUD H	
	Class AT SGD H	
	Class AT EUR H	
	Class AT RMB H	
	Class AT GBP H	
	Class AT NZD H	
	Class AT CAD H	
	Class AA AUD H	
	Class AA EUR H	
	Class AA NZD H	
	Class AA GBP H	
	Class AA SGD H	
	Class AA RMB H	
	Class I	None
	Class I EUR	
	Class IA	
	Class IA AUD H	
	Class I2	
	Class I2 HKD	
	Class I2 EUR	
	Class I2 EUR H	
	Class I2 SGD H	
	Class I2 CHF H	
	Class IT	
	Class IT HKD	
	Class IT SGD	
	Class IT EUR H	
	Class IT CAD H	
	Class IT SGD H	
	Class IT GBP H	
	Class IT RMB H	
	Class IT NZD H	
	Class IT AUD H	
	Class B	0.70%
	Class B2	
	Class BT	
	Class C	None
	Class C EUR	
	Class C2	
	Class C2 EUR	
	Class C2 EUR H	
	Class CT	
	Class S	None
	Class S1	
	Class S1 EUR	

Fund	Share Class	Distribution Fee
	Class W Class WT Class WT AUD H Class WT SGD H Class WT EUR H Class WT GBP H Class W2 Class W2 EUR H Class W2 CHF H	None
<b>European Income Portfolio</b>	Class A Class A USD Class AA Class A2 Class A2 USD Class AT Class AT USD Class A2 USD H Class AT AUD H Class AT SGD H Class AT USD H Class AA AUD H Class AA SGD H Class AA USD H Class AA HKD H	None
	Class I Class I2 Class I2 USD H Class I2 AUD H Class IT Class IT USD H Class IT AUD H Class IA Class IA USD H	None
	Class B USD Class B2 Class B2 USD	0.70%
	Class C Class C USD Class C2 Class C2 USD Class CT	None
	Class S Class S1 Class S1 USD	None
	Class WA Class WA USD H Class WT Class WT USD H Class W2	None

Fund	Share Class	Distribution Fee
	Class W2 USD H Class W2 CHF H	
<b>Emerging Markets Debt Portfolio</b>	Class A Class A EUR Class AA Class A2 Class A2 EUR Class A2 EUR H Class A2 SGD H Class AT Class AT EUR Class AT EUR H Class AT AUD H Class AT GBP H Class AT SGD H Class AT RMB H Class AT NZD H Class AA AUD H Class AA EUR H Class AA GBP H Class AA NZD H	None
	Class I Class I2 Class I2 EUR Class I2 EUR H	None
	Class BT	1.00%
	Class C Class C EUR Class C2 Class C2 EUR Class C2 EUR H Class CT	None
	Class S Class S EUR H Class S1 EUR H Class S1 2 (USD)	None



<b>Fund</b>	<b>Share Class</b>	<b>Distribution Fee</b>
<b>Mortgage Income Portfolio<sup>12</sup></b>	Class A	None
	Class AA	
	Class AX	
	Class AX EUR	
	Class A2	
	Class A2 EUR	
	Class A2X	
	Class A2X EUR	
	Class AT	
	Class AT EUR	
	Class AT AUD H	
	Class AT SGD H	
	Class AA AUD H	
	Class AA SGD H	
	Class AA RMB H	
	Class I	None
	Class I EUR	
	Class IX	
	Class I2	
	Class I2 EUR	
	Class BX	0.45%
	Class BX EUR	
	Class C	None
	Class CX	
	Class C2	
	Class C2 EUR	
	Class S	None
	Class S1	

### Trailer Fees of the Portfolios

The Investment Manager may pay out of its management fee trailer fees to distributors for certain classes of Portfolios. Such trailer fees are only paid out of the management fee of the relevant classes and are not separately charged to the Portfolios or to investors. The balance amount of the management fee that is not paid out as trailer fees is retained by the Investment Manager.

<b>Portfolio/ Class*</b>	<b>Trailer Fee** (calculated as a percentage of Management Fee^)</b>
<b>Global Equity Blend Portfolio</b>	

<sup>12</sup> Class AX, A2X, BX, CX, and IX Shares are no longer open for subscription by new investors, except to the existing shareholders holding the relevant Class of Shares as more particularly described in the Luxembourg Prospectus.

<b>Portfolio/ Class*</b>	<b>Trailer Fee** (calculated as a percentage of Management Fee^)</b>
Class A Shares	0-75%
Class B Shares	0-75%
Class C Shares	0-80%
Class I Shares	0-25%
Class S1 Shares	N/A
<b>European Income Portfolio</b>	
Class A Shares	0-75%
Class A2 Shares	0-75%
Class AA Shares	0-75%
Class AT Shares	0-75%
Class B Shares	0-75%
Class B2 Shares	0-75%
Class C Shares	0-80%
Class C2 Shares	0-80%
Class CT Shares	0-80%
Class I Shares	0-25%
Class I2 Shares	0-25%
Class IA Shares	0-25%
Class IT Shares	0-25%
Class S Shares	N/A
Class S1 Shares	N/A
Class WA Shares	N/A
Class WT Shares	N/A
Class W2 Shares	N/A

<b>Portfolio/ Class*</b>	<b>Trailer Fee** (calculated as a percentage of Management Fee^)</b>
<b>Mortgage Income Portfolio<sup>13</sup></b>	
Class A Shares	0-75%
Class A2 Shares	0-75%
Class A2X Shares	0-75%
Class AA Shares	0-75%
Class AT Shares	0-75%
Class AX Shares	0-75%
Class BX Shares	0-75%
Class C Shares	0-80%
Class C2 Shares	0-80%
Class CX Shares	0-80%
Class I Shares	0-25%
Class I2 Shares	0-25%
Class IX Shares	0-25%
Class S Shares	N/A
Class S1 Shares	N/A
<b>Emerging Markets Growth Portfolio</b>	
Class A Shares	0-75%
Class B Shares	0-75%
Class C Shares	0-80%
Class I Shares	0-25%

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<sup>13</sup> Class AX, A2X, BX, CX, and IX Shares are no longer open for subscription by new investors, except to the existing shareholders holding the relevant Class of Shares as more particularly described in the Luxembourg Prospectus.

<b>Portfolio/ Class*</b>	<b>Trailer Fee** (calculated as a percentage of Management Fee^)</b>
Class S Shares	N/A
Class S1 Shares	N/A
<b>Asia Ex-Japan Equity Portfolio</b>	
Class A Shares	0-75%
Class AD Shares	0-75%
Class C Shares	0-80%
Class I Shares	0-25%
Class ID Shares	0-25%
Class S Shares	N/A
Class S1 Shares	N/A
<b>Japan Strategic Value Portfolio</b>	
Class A Shares	0-75%
Class C Shares	0-80%
Class I Shares	0-25%
Class S Shares	N/A
Class S1 Shares	N/A
<b>Short Duration Bond Portfolio</b>	
Class A Shares	0-75%
Class A2 Shares	0-75%
Class AA Shares	0-75%
Class AT Shares	0-75%
Class C Shares	0-80%
Class C2 Shares	0-80%

<b>Portfolio/ Class*</b>	<b>Trailer Fee** (calculated as a percentage of Management Fee^)</b>
Class I Shares	0-25%
Class I2 Shares	0-25%
Class S Shares	N/A
Class S1 Shares	N/A
<b>Global High Yield Portfolio</b>	
Class A Shares	0-75%
Class A2 Shares	0-75%
Class AA Shares	0-75%
Class AT Shares	0-75%
Class B Shares	0-75%
Class B2 Shares	0-75%
Class BT Shares	0-75%
Class C Shares	0-80%
Class C2 Shares	0-80%
Class CT Shares	0-80%
Class I Shares	0-25%
Class I2 Shares	0-25%
Class IA Shares	0-25%
Class IT Shares	0-25%
Class S1 Shares	N/A
Class W Shares	N/A
Class WT Shares	N/A
Class W2 Shares	N/A

<b>Portfolio/ Class*</b>	<b>Trailer Fee** (calculated as a percentage of Management Fee^)</b>
<b>American Income Portfolio</b>	
Class A Shares	0-75%
Class A2 Shares	0-75%
Class AA Shares	0-75%
Class AT Shares	0-75%
Class B Shares	0-75%
Class B2 Shares	0-75%
Class BT Shares	0-75%
Class C Shares	0-80%
Class C2 Shares	0-80%
Class CT Shares	0-80%
Class I Shares	0-25%
Class I2 Shares	0-25%
Class IA Shares	0-25%
Class IT Shares	0-25%
Class S Shares	N/A
Class S1 Shares	N/A
Class W Shares	N/A
Class WT Shares	N/A
Class W2 Shares	N/A
<b>Emerging Markets Debt Portfolio</b>	
Class A Shares	0-75%
Class A2 Shares	0-75%
Class AA Shares	0-75%
Class AT Shares	0-75%

<b>Portfolio/ Class*</b>	<b>Trailer Fee** (calculated as a percentage of Management Fee^)</b>
Class BT Shares	0-75%
Class C Shares	0-80%
Class C2 Shares	0-80%
Class CT Shares	0-80%
Class I Shares	0-25%
Class I2 Shares	0-25%
Class S Shares	N/A
Class S1 Shares	N/A
Class S1 2 Shares	N/A

\* The trailer fee for each share class applies to its corresponding currency-denominated and currency-hedged share classes as well.

\*\* The trailer fees are based on figures as of 31 August 2023.

^ The range may change from time to time without prior notice. Trailer fees may differ between financial advisors. Your financial advisor is required to disclose to you the amount of trailer fee it receives from the Investment Manager and/or its appointed distributors.

### **Management Company Fee**

<b>Fund</b>	<b>Management Company Fee (to cover operational and central administrative expenses in Luxembourg)</b>	<b>Share Class (Fee levels for the share classes listed below include corresponding currency denominated share classes and corresponding H share classes)</b>
<b>Global Equity Blend Portfolio</b>	0.10%	All Classes except Class S1
	Lesser of US\$50,000 or 0.01%	Class S1
<b>Emerging Markets Growth Portfolio</b>	0.10%	All Classes except Class S and S1
	Lesser of US\$50,000 or 0.01%	Class S Class S1
<b>Asia Ex-Japan Equity Portfolio</b>	0.05%	All Classes except Class S and S1

<b>Fund</b>	<b>Management Company Fee (to cover operational and central administrative expenses in Luxembourg)</b>	<b>Share Class (Fee levels for the share classes listed below include corresponding currency denominated share classes and corresponding H share classes)</b>
	Lesser of US\$50,000 or 0.01%	Class S Class S1
<b>Japan Strategic Value Portfolio</b>	0.05%	All Classes except Class S and S1
	Lesser of US\$50,000 or 0.01%	Class S Class S1
<b>Short Duration Bond Portfolio</b>	0.10%	All Classes except Class S and S1
	Lesser of US\$50,000 or 0.01%	Class S Class S1
<b>Global High Yield Portfolio</b>	0.10%	All Classes except Class S1
	Lesser of US\$50,000 or 0.01%	Class S1
<b>American Income Portfolio</b>	0.10%	All Classes except Class S and S1
	Lesser of US\$50,000 or 0.01%	Class S Class S1
<b>European Income Portfolio</b>	0.10%	All Classes except Class S and S1
	Lesser of US\$50,000 or 0.01%	Class S Class S1
<b>Emerging Markets Debt Portfolio</b>	0.05%	All Classes except Class S, S1 and S1 2
	Lesser of US\$50,000 or 0.01%	Class S Class S1 Class S1 2
<b>Mortgage Income Portfolio<sup>14</sup></b>	0.05%	All Classes except Class S and S1
	Lesser of US\$50,000 or 0.01%	Class S Class S1

<sup>14</sup> Class AX, A2X, BX, CX, and IX Shares are no longer open for subscription by new investors, except to the existing shareholders holding the relevant Class of Shares as more particularly described in the Luxembourg Prospectus.



### Other fees and charges<sup>15</sup>

Type of Fee/Charge	Administrator Fee*	Depository Fee*	Transfer Agent Fee*	Any Other Charges greater than 0.1%**
<b>Global Equity Blend Portfolio</b>	0.03%	0.02%	0.03%	0.12%
<b>Emerging Markets Growth Portfolio</b>	0.01%	0.04%	0.04%	0.04%
<b>Asia Ex-Japan Equity Portfolio</b>	0.02%	0.05%	0.03%	0.09%
<b>Japan Strategic Value Portfolio</b>	0.06%	0.06%	0.03%	0.24%
<b>Short Duration Bond Portfolio</b>	0.02%	0.03%	0.04%	0.07%
<b>Global High Yield Portfolio</b>	0.00%	0.01%	0.03%	0.01%
<b>American Income Portfolio</b>	0.00%	0.01%	0.03%	0.01%
<b>European Income Portfolio</b>	0.01%	0.01%	0.02%	0.02%
<b>Emerging Markets Debt Portfolio</b>	0.01%	0.02%	0.04%	0.04%
<b>Mortgage Income Portfolio</b>	0.01%	0.01%	0.03%	0.03%

\* Annualised amount expressed as a percentage of the average daily Net Asset Value of each Portfolio. Based on 31 August 2023 accounts.

\*\* The organisation charges, administrative charges, and miscellaneous charges of each Portfolio for the period indicated are aggregated here. Other charges include Accounting, Audit, Legal, Printing, Organizational, & Miscellaneous expenses.

Each of the Administrator, Depository and Transfer Agent is entitled to receive, out of the assets of each Portfolio, a fee in accordance with the usual practice in Luxembourg. Such fees are a combination of asset-based fees and transaction charges as further described under "Other

<sup>15</sup> As of 31 August 2023. The fees and charges do not reflect where a cap may be imposed on total expenses for a Class of Shares.

Portfolio Information—Management Company, Administrator, Depositary and Transfer Agent Fees" in Section I of the Luxembourg Prospectus with respect to each Portfolio.

Each Portfolio also bears all of its other expenses. For more information, see "How to Purchase Shares" and "Additional Information — Fees and Expenses" in Section II of the Luxembourg Prospectus.

#### 14.1 Voluntary Expense Limits

As indicated under the "Summary Information" in Section I of the Luxembourg Prospectus, with respect to some share classes of certain Portfolios, the Management Company has voluntarily undertaken, until Shareholders are notified to the contrary, that if, in any fiscal year, the aggregate fees and expenses with respect to the relevant share classes of the Portfolios (including the management fee and all other fees and expenses summarised above and further described under the heading "Additional Information — Fees and Expenses" in Section II of the Luxembourg Prospectus but exclusive of taxes, brokerage, interest on borrowings and any other expenses) exceed the percentages of the relevant Portfolio's average Net Asset Value for the fiscal year attributable to the relevant class of Shares of the Portfolio set out in the table below, the Fund may deduct from the payment to be made to the Management Company, or the Management Company will otherwise bear, such excess fees and expenses.

##### Voluntary Expense Limits

Fund	Voluntary Expense Limits (as a percentage of average daily Net Asset Value)	Share Class (Fee levels for the share classes listed below include corresponding currency denominated share classes and corresponding H share classes)
<b>Global Equity Blend Portfolio</b>	2.10%	Class A
	3.10%	Class B
	2.55%	Class C
	1.30%	Class I
	0.80%	Class S1
<b>Emerging Markets Growth Portfolio</b>	None	Class A Class B Class C Class I
	0.30%	Class S
	1.20%	Class S1
<b>Asia Ex-Japan Equity Portfolio</b>	2.05%	Class A Class AD
	2.50%	Class C
	1.25%	Class I Class ID
	0.30%	Class S
	1.20%	Class S1
<b>Japan Strategic Value Portfolio</b>	1.70%	Class A
	2.60%	Class C
	0.90%	Class I

<b>Fund</b>	<b>Voluntary Expense Limits (as a percentage of average daily Net Asset Value)</b>	<b>Share Class (Fee levels for the share classes listed below include corresponding currency denominated share classes and corresponding H share classes)</b>
	0.15%	Class S
	0.80%	Class S1
<b>Short Duration Bond Portfolio</b>	1.20%	Class A Class A2 Class AT Class AA
	1.60%	Class C Class C2
	0.575%	Class I Class I2
	0.10	Class S
	0.35%	Class S1
<b>Global High Yield Portfolio<sup>16</sup></b>	None	Class A Class AA Class A2 Class AT Class B Class B2 Class BT Class C Class C2 Class CT Class I Class I2 Class IT Class IA Class W Class WT Class W2
	1.00%	Class S1
<b>American Income Portfolio</b>	1.50%	Class A Class AA Class A2 Class AT
	2.20%	Class B Class B2 Class BT

<sup>16</sup> For all Shares except Class S1 Shares, consecutive fee levels listed apply with respect to (1) the first US\$5,000,000,000 of the net assets of the Portfolio and (2) the amount of net assets of the Portfolio over US\$5,000,000,000. "Consecutive fee level" means that where a share class lists multiple management fees, the management fees are applied consecutively to the dollar amounts noted. By way of illustration, if the split management fee is 2%/1.75%, the total management fees will be the sum of 2% on the first US\$5,000,000,000 and 1.75% on any amount over US\$5,000,000,000.

<b>Fund</b>	<b>Voluntary Expense Limits (as a percentage of average daily Net Asset Value)</b>	<b>Share Class (Fee levels for the share classes listed below include corresponding currency denominated share classes and corresponding H share classes)</b>
	1.95%	Class C Class C2 Class CT
	0.95%	Class I Class I2 Class IT Class IA Class W Class WT Class W2
	0.15%	Class S
	0.65%	Class S1
<b>European Income Portfolio</b>	1.41%	Class A Class AA Class A2 Class AT
	2.11%	Class B Class B2
	1.86%	Class C Class C2 Class CT
	0.86%	Class I Class I2 Class IT Class IA
	0.15%	Class S
	0.65%	Class S1
	0.86%	Class WA Class WT Class W2
<b>Emerging Markets Debt Portfolio</b>	1.50%	Class A Class AA Class A2 Class AT
	2.50%	Class BT
	1.95%	Class C Class C2 Class CT
	0.95%	Class I Class I2
	0.15%	Class S
	0.70%	Class S1 Class S1 2
<b>Mortgage Income</b>	1.50%	Class A

Fund	Voluntary Expense Limits (as a percentage of average daily Net Asset Value)	Share Class (Fee levels for the share classes listed below include corresponding currency denominated share classes and corresponding H share classes)
Portfolio <sup>17</sup>		Class AA Class A2 Class AT
	1.25%	Class AX Class A2X
	1.70%	Class BX Class CX
	1.95%	Class C Class C2
	0.95%	Class I Class I2
	0.70%	Class IX
	0.15%	Class S
	0.65%	Class S1

## 15. RISKS

### 15.1 General Risks

As an investment in any of the Portfolios is meant to produce returns over the long-term, investors should not expect to obtain short-term gains from such investment.

Investors should be aware that the price of Shares, and the income from them, may fall or rise. Investors should note that they may not get back their original investment.

For a chart summarizing the principal risks of the Portfolios and a more detailed discussion of these and other risks applicable to the Portfolio, investors should refer to "Risk Factors" in Section II of the Luxembourg Prospectus.

### 15.2 Specific Risks

The specific considerations and risks involved in an investment in any of the Portfolios are described under the "Other Portfolio Information — Risk Profile" with respect to the relevant Portfolio in Section I of the Luxembourg Prospectus and under "Risk Factors" in Section II of the Luxembourg Prospectus. In addition, the below chart displays the principal risks of each Portfolio. However, the chart does not purport to provide a complete explanation of the risks associated with acquiring and holding Shares in each Portfolio of the Fund.

The Fund's risk management procedures have been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* and supplementary information on the risk profile of each Portfolio is available upon request from the Management Company or the Singapore Representative at its registered office, during normal Singapore business hours.

<sup>17</sup> Class AX, A2X, BX, CX, and IX Shares are no longer open for subscription by new investors, except to the existing shareholders holding the relevant Class of Shares as more particularly described in the Luxembourg Prospectus.

## Equity

		Global Equity Blend Portfolio	Emerging Markets Growth Portfolio	Asia Ex-Japan Equity Portfolio	Japan Strategic Value Portfolio
Investment Risks	Strategy				
Country Risk—Emerging Markets		•	•	•	
Country Risks – China					
Focused Portfolio Risk					•
Allocation Risk		•			
Turnover Risk		•	•	•	•
Smaller Capitalization Companies Risk			•	•	
Financial Instruments Risks					
Derivatives Risks		•	•	•	•
OTC Derivatives Counterparty Risk		•	•	•	•
Commodity-Related Risk					
Structured Instruments Risk					
Equity Securities Risks					
Equity Securities Risk		•	•	•	•
Debt Securities Risks					
Fixed-Income Securities Risk—General			•		
Fixed-Income Securities Risk—Lower-Rated and Unrated Instruments					
Credit Risk—Sovereign Debt Obligations					
Credit Risk—Corporate Debt Obligations					
Securities Lending Risk		•	•	•	•
Sustainability Risks		•	•	•	•

## Fixed-Income

	Short Duration Bond Portfolio	Global High Yield Portfolio	American Income Portfolio	European Income Portfolio	Emerging Markets Debt Portfolio	Mortgage Income Portfolio
<b>Investment Strategy Risks</b>						
Country Risk—Emerging Markets	•	•	•	•	•	
Country Risks – China	•					
Liquidity Risk	•	•	•	•	•	•
Focused Portfolio Risk			•	•	•	
Allocation Risk					•	•
Turnover Risk	•	•	•	•	•	•
Smaller Capitalization Companies Risk						
<b>Financial Instruments Risks</b>						
Derivatives Risk	•	•	•	•	•	•
OTC Derivatives Counterparty Risk	•	•	•	•	•	•
Commodity-Related Risk						
Structured Investments Risk	•	•	•	•	•	•
<b>Equity Securities Risks</b>						
Equity Securities Risk						
<b>Debt Securities Risks</b>						
Fixed-Income Securities Risk—General	•	•	•	•	•	•
Fixed-Income Securities Risk—Lower-Rated and Unrated Instruments		•	•	•	•	•
Credit Risk—Sovereign Debt Obligations	•	•	•	•	•	•
Credit Risk—Corporate Debt Obligations	•	•	•	•	•	•
<b>Securities Lending Risk</b>						
<b>Sustainability Risks</b>	•	•	•	•	•	•

### 15.3 Investments in Derivatives

The Asia Ex-Japan Equity Portfolio, Short Duration Bond Portfolio and Global High Yield Portfolio may invest in financial derivative instruments ("FDIs") for investment purposes in addition to hedging and/or EPM purposes (including as an alternative to investing directly in the underlying investments).

Investors may refer to "Risk Factors — Derivatives Risk" in Section II of the Luxembourg Prospectus for a discussion of the risks relating to the use of derivatives. Details on the types of FDIs which may be used, the extent of leverage and the risk profiles and risk management of these Portfolios may be found under these headings:

- 15.3.1 *Asia Ex-Japan Equity Portfolio*: "Investment Objective and Policies" — "Financial Derivatives Instruments/Efficient Portfolio Management Techniques" and "Other Portfolio

Information — "Risk Profile" for the Asia Ex-Japan Equity Portfolio in Section I of the Luxembourg Prospectus and Appendix C in Section II of the Luxembourg Prospectus;

15.3.2 *Short Duration Bond Portfolio*: "Investment Objective and Policies — "Financial Derivative Instruments/Efficient Portfolio Management Techniques" and "Other Portfolio Information — "Risk Profile" for the Short Duration Bond Portfolio in Section I of the Luxembourg Prospectus and Appendix C in Section II of the Luxembourg Prospectus; and

15.3.3 *Global High Yield Portfolio*: "Investment Objective and Policies" — "Financial Derivative Instruments/Efficient Portfolio Management Techniques" and "Other Portfolio Information" — "Risk Profile" for the Global High Yield Portfolio in Section I of the Luxembourg Prospectus and Appendix C in Section II of the Luxembourg Prospectus.

The Investment Manager will ensure that the risk management and compliance procedures are adequate and have been implemented. The Investment Manager has the necessary expertise to manage the risk relating to the use of FDIs.

All other Portfolios may use FDIs for hedging and/or EPM purposes.

#### 15.4 **Currency Risks**

Underlying investments of a Portfolio may be denominated in one or more currencies different than that in which such Portfolio is denominated. This means currency movements in such underlying investments may significantly affect the Net Asset Value in respect of such Portfolio's Shares. Investments by the Portfolios that are denominated in a particular currency are subject to the risk that the value of such currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Portfolios are not limited in the percentage of its assets that may be denominated in currencies other than the Currency of the Portfolio.

The Investment Manager will take into account, and may hedge to reduce the risk of, such risks by investing in one or more currencies, futures contracts on multiple currencies and options thereon, forward currency exchange contracts on multiple currencies, or any combination thereof. The Investment Manager is not obligated to engage in such currency hedging transactions and may elect to do so in its sole discretion. No assurance can be made that such currency hedging strategies will be effective. In addition, a Portfolio may seek active speculative investment opportunities by taking long or short positions in currencies through use of currency-related derivatives such as currency options and forward contracts, subject to certain limitations in such Portfolio's investment objective and policies. Such currency transactions involve a significant degree of risk and the markets in which currency exchange transactions are effected may be highly volatile.

The Distributor occasionally may arrange for foreign exchange facilities that allow investors to use certain currencies other than the Denominated Currencies of a Portfolio for subscription and redemption of Shares. Such transactions are conducted outside of the Fund and at the investor's own risk and expense. Investors utilizing such facilities may be subject to foreign exchange risks related to timing of settlement upon subscription and changes in exchange rates during the period of investment in the Fund.



## 15.5 Country Risks – China

**Investors should note that these risks are relevant to the Short Duration Bond Portfolio.**

The legal rights of investors in China are uncertain, government intervention is common and unpredictable, investors from outside China are subject to holding limits and reporting requirements (which could change at any time without notice), and some major trading and custody systems are unproven. Investments in China are also subject to emerging/frontier markets risks.

In China, it is uncertain whether a court would protect the portfolio's rights to securities it may purchase, including the right to take legal action, via the QFI Scheme, the China Connect Scheme (defined below), or other methods whose regulations are untested and subject to change.

The China regulatory, legal and tax framework for capital markets may not be as well developed as developed countries and changes to law, regulations and tax legislation could affect a portfolio's investment in China. Additionally, there may be less publicly available information of Chinese companies and such information may be less reliable as Chinese companies are subject to accounting standard that differ in significant respect to those companies established in developed countries. As such, the lower levels of disclosure and transparency may impact the value of investments in China.

In China, the government maintains two forms of its currency, the renminbi (RMB). Internal renminbi (CNY) is used inside China only, is not freely convertible and is subject to exchange controls. External renminbi (CNH) is used outside China, can be owned by anyone and is freely tradeable outside of China but still subject to control, limits and availability. Currently, the exchange rate between CNY and CNH is based on market supply and demand but with an element of government management and control as well as the potential for the government to impose or modify restrictions on conversion of CNY to CNH. Thus the portfolio's investments in China are subject to an additional layer of currency risk (between CNH and CNY), which will be affected by market forces as well as government policies and actions and can result in significant volatility and liquidity risk.

**China Interbank Bond Market.** A Portfolio may invest directly or indirectly in debt instruments through the China Interbank Bond Market ("**CIBM**"). The CIBM is an over-the-counter market outside the two main stock exchanges in China and amount to over 90% of total trading volume by bond value in China. The CIBM is regulated and supervised by the People's Bank of China ("**PBOC**"). Trading on the CIBM is subject to relevant rules promulgated by the PBOC including, but not limited to, the Announcement (2016) No. 3 and other rules for listing, trading and operations ("**CIBM Rules**"). A Portfolio is permitted to invest in the CIBM as a foreign institutional investor in accordance with CIBM Rules such as the Announcement (2016) No. 3 ("**Foreign Access Regime**") or the Interim Measures for the Administration of Mutual Bond Market Access between mainland China and Hong Kong (Decree No.1 [2017]) ("**Bond Connect**"). The main debt instruments traded on the CIBM include government bonds, corporate bonds, bond repurchase transactions, bond loans, PBOC bills, and other financial debt instruments. The CIBM is in early stages of development, and therefore the market capitalisation and trading volume may be lower than those of more developed markets. The PBOC is responsible for establishing rules for listing, trading, and functioning rules of the CIBM, and for supervising the market operators of the CIBM.

A portfolio may invest in the CIBM as a foreign institutional investor (see "*Foreign Access Regime*" and "*Bond Connect*" below). Although there is no quota limitation under CIBM Rules for

either of these methods, a portfolio's onshore settlement agent or registration agent must file information with the PBOC about the portfolio's investments and must update the filings for any significant changes. The PBOC supervises the onshore settlement agent and the SICAV's trading, and may take administrative actions such as suspension of trading and mandatory exit against the SICAV and/or the investment manager in the event of non-compliance with CIBM Rules. CIBM securities may be held directly or indirectly by an entity trading on CIBM.

As a most recent regulatory development, in September 2020, PBOC, China Securities Regulatory Commission and State Administration of Foreign Exchange jointly released a consultation draft regarding investment in China's bond markets by foreign institutional investors, which, if formally promulgated, will bring changes to access filing, custody model and other aspects of foreign investor's investment in CIBM.

*Foreign Access Regime.* Under this method, a foreign institutional investor that wishes to invest directly in the CIBM can do so via an onshore settlement agent, who is responsible for making the relevant filings and account openings with the relevant authorities. Once an account is established, securities may be traded via bilateral negotiation or via click-and-deal. Bilateral negotiation is applied to all inter-bank products and uses the China Foreign Exchange Trading System & National Interbank Funding Centre ("**CFETS**"), a unified trading platform for the CIBM. One-click trading is only applied to cash bonds and interest rate derivatives.

A market-maker mechanism by which a third party entity ensures bilateral quotations for bonds was introduced in 2001 and can provide lower trading and settlement costs. Bond transactions must be conducted by way of bilateral trading through independent negotiations on a transaction-by-transaction basis. Bid and ask prices for primary bond transactions and repurchase interest rates must be determined independently by the parties to the transaction. Both parties typically send instructions for delivery of bonds and funds and provide for delivery on the agreed date. Depending on the type of bonds traded on the CIBM, the clearing and settlement institution will be China Central Depository & Clearing Co., Ltd ("**CCDC**") or Shanghai Clearing House Co., Ltd. ("**SCH**"). When trading via the Foreign Access Regime, CIBM securities are held in the name of portfolio in one of its local accounts (currently either CCDC or SCH).

In September 2020, CIBM direct RFQ trading service was launched by CFETS. Under such service, foreign investors under Foreign Access Regime may solicit cash bond trading with domestic market makers by requesting for quotation ("**RFQ**") and confirm the trades in CFETS system. As a novel arrangement under Foreign Access Regime, CIBM direct RFQ trading may be subject to further adjustments and uncertainties in implementation, which may have an adverse impact on the portfolio's investment to the extent the portfolio transacts via CIBM direct RFQ trading mechanism.

Under Foreign Access Regime, as all filings, registrations and account openings must be carried out by third parties, a portfolio may be exposed to counterparty and operational risks.

*Bond Connect.* In 2017, a second northbound trading link, Bond Connect, became available to foreign investors. Bond Connect is the common name for the Interim Measures for the Administration of Mutual Bond Market Access between mainland China and Hong Kong (Decree No.1 [2017]). Governed by the authorities of mainland China, Bond Connect allows mutual bond market access between Hong Kong and mainland China established by CFETS, CCDC, SCH, HKEx and Central Moneymarkets Unit ("**CMU**"). All bonds traded by eligible foreign investors will be registered in the name of the CMU, which holds the bonds as nominee.

Under Bond Connect, eligible foreign investors must appoint the CFETS or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC. An offshore custody agent recognised by the Hong Kong Monetary Authority (currently, CMU) must

open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, CCDC and SCH).

## 16. LEVERAGE AND RISK MANAGEMENT DISCLOSURES

The Investment Manager will utilize either a commitment approach in accordance with the CSSF Circular 11/512 ("**Commitment**") or Value-at-Risk ("**VaR**") methodology to monitor the global exposure (market risk) for the Portfolios. The table below sets out the following information for those Portfolios that are using either the Commitment or VaR methodology: (a) whether a Portfolio is using the Commitment, Absolute VaR or Relative VaR model, and if the Portfolio is using the Relative VaR model, the reference benchmark being used; and (b) the expected level of leverage for the Portfolios which is calculated as the sum of the notionals of the financial derivative instruments used. For further information on the leverage and VaR methodology or commitment approach applicable to a particular Portfolio, please refer to the sections titled "Leverage" (in the case of a Portfolio using a VaR methodology) and "Risk Measurement" (in the case of a Portfolio using either a VaR methodology or commitment approach) of the Portfolio in Part I of the Luxembourg Prospectus.

<b>Portfolio</b>	<b>(a) Commitment / Absolute VaR / Relative VaR (Reference Benchmark/Portfolio)<sup>18</sup></b>	<b>(b) Expected level of leverage based on the sum of the notional of the derivatives used<sup>19</sup></b>
Global Equity Blend Portfolio	Commitment	N/A
Emerging Markets Growth Portfolio	Commitment	N/A
Asia Ex-Japan Equity Portfolio	Commitment	N/A
Japan Strategic Value Portfolio	Commitment	N/A
Short Duration Bond Portfolio	Absolute VaR	0% to 150% of NAV*
Global High Yield Portfolio	Absolute VaR	0% to 100% of NAV*
American Income Portfolio	Absolute VaR	0% to 100% of NAV*
European Income Portfolio	Absolute VaR	0% to 100% of NAV*
Emerging Markets Debt Portfolio	Absolute VaR	0% to 100% of NAV*

<sup>18</sup> Where the Absolute VaR model is used, the VaR of the Portfolio may not exceed 20% of the Net Asset Value of the Portfolio. Where the Relative VaR model is used, the VaR of the Portfolio may not exceed twice the VaR of a reference benchmark.

<sup>19</sup> There is a possibility that the actual leverage of the Portfolios may deviate from the above mentioned expected level of leverage.

<b>Portfolio</b>	<b>(a) Commitment / Absolute VaR / Relative VaR (Reference Benchmark/Portfolio)<sup>18</sup></b>	<b>(b) Expected level of leverage based on the sum of the notional of the derivatives used<sup>19</sup></b>
Mortgage Income Portfolio	Absolute VaR	0% to 100% of NAV*

*Notes:*

- \* Pursuant to the CSSF Circular 11/512 dated 30 May 2011, this calculation methodology neither takes into account the fact that a particular financial derivative instrument increases or decreases the Portfolio's investment risks nor permits to net financial derivative instruments with reverse positions. Shareholders should be aware that (i) a higher level of expected leverage does not automatically imply a higher level of investment risk and (ii) the expected level of leverage disclosed above is mainly generated by the use of derivatives for hedging purposes or for EPM.

### **Liquidity Risk Management Policy**

The Management Company has established a liquidity risk management policy which is part of the Management Company's risk management policy with the aim to enable it to identify, monitor, manage, and mitigate the liquidity risks of the Portfolios and to ensure that the liquidity risk profile of the investments of the Portfolios will facilitate compliance with the Portfolios' obligation to meet redemption requests under normal market conditions. Such policy, combined with the governance framework in place and the liquidity management tools of the Management Company and the Investment Manager, also seeks to achieve fair treatment of shareholders and safeguard the interests of the remaining or existing shareholders in case of sizeable redemptions or subscriptions.

The Management Company's liquidity risk management policy takes into account the investment strategy, dealing frequency, underlying assets' liquidity, and the ability to meet the redemptions.

The liquidity risk management policy also involves monitoring the profile of investments held by the Portfolios on an on-going basis with the aim to ensure that each Portfolio can meet the terms of redemption requests as outlined in the prospectus.

Further, the liquidity risk management policy includes details on periodic stress testing carried out to manage the liquidity risk of the Portfolios in times of exceptional market conditions.

The Management Company's risk management function is independent from the investment portfolio management function and is responsible for performing monitoring of the Portfolios' liquidity risk in accordance with the Management Company's liquidity risk management policy. Exceptions on liquidity risk related issues are escalated to the Management Company's management committees with appropriate actions to be taken, if any, and with such actions being properly documented.

The Management Company may employ one or more tools to manage liquidity risks, including, but not limited to:

- Limiting the number of Shares redeemed for a Portfolio on any Trade Date up to 10% of the relevant Portfolio outstanding as of such date (or such lower percentage as may be

stated in the description of such Portfolio), in which case Shares of the Portfolio may be redeemed on a pro rata basis. Please refer to the heading "How to Redeem Shares" in Section II of the Luxembourg Prospectus;

- Applying a swing pricing policy with the aim to counter the effects of dilution on a Portfolio's Net Asset Value brought about by large purchases or redemptions of the Portfolio's Shares, the Board has implemented a swing pricing policy. Please refer to the heading "Swing Pricing Adjustment" under "Determination of Net Asset Value" in Section II of the Luxembourg Prospectus;
- Declaring a suspension of the determination of the Net Asset Value of a Portfolio as outlined under the heading "Suspension of Issue, Redemption and Exchange of Shares and Calculation of Net Asset Value" under "Determination of Net Asset Value" in Section II of the Luxembourg Prospectus;
- Efficient Portfolio Management techniques such as repurchase and reverse repurchase agreements as described in the Luxembourg Prospectus;
- Accepting transfers in kind; and/or
- Making use of an overdraft facility up to 10% of the Net Asset Value as described under the heading "Risk Factors" in Section II of the Luxembourg Prospectus.

## **17. SECURITIES LENDING**

### **17.1 Loans of Portfolio Securities and Repurchase Agreements**

A Portfolio may make secured loans of its securities. Securities lending will be used to generate income and this income only comes through a fee paid by the borrower to the Portfolio. In determining whether to lend securities to a particular borrower, the Investment Manager will consider all relevant facts and circumstances, including the creditworthiness of the borrower. While securities are on loan, the borrower may pay the Portfolio concerned any income from the securities. The Portfolio may invest any cash collateral in money market instruments, thereby earning additional income, or receive an agreed upon amount of income from a borrower who has delivered equivalent collateral. The Portfolio may have the right to regain record ownership of loaned securities or equivalent securities in order to exercise ownership rights such as voting rights, subscription rights and rights to dividends, interest or distributions. A Portfolio may pay reasonable finders', administrative and other fees in connection with a loan.

Repurchase agreements will be used for financing purposes primarily. Reverse repurchase agreements will be used to take advantage of opportunities where securities "trade special". A repurchase agreement arises when a buyer purchases a security and simultaneously agrees to resell it to the vendor at an agreed-upon future date, normally a day or a few days later. The resale price is greater than the purchase price, reflecting an agreed-upon interest rate for the period the buyer's money is invested in the security. Such agreements permit a Portfolio to keep all of its assets at work while retaining "overnight" flexibility in pursuit of investments of a longer-term nature. If a vendor defaults on its repurchase obligation, the Portfolio concerned would suffer a loss to the extent that the proceeds from the sale of the collateral were less than the repurchase price. If a vendor goes bankrupt, the relevant Portfolio might be delayed in, or prevented from, selling the collateral for its benefit. The Investment Manager monitors the creditworthiness of the vendors with which a Portfolio enters into repurchase agreements.

## **17.2 Conflicts of Interest**

The Investment Manager manages any conflicts of interest that may arise in accordance with what the Investment Manager considers to be best practice. The Investment Manager will also have regard to its obligations under the Investment Management Agreement and, in particular, to its obligations to act in the best interests of the Fund.

## **17.3 Risks**

If a Portfolio lends securities, it takes on counterparty risk with respect to the borrower as well as the risk that any collateral from the counterparty may prove insufficient to cover all costs and liabilities incurred.

The use of repurchase and reverse repurchase agreements by the Fund involves certain risks. If a Portfolio uses repurchase and reverse repurchase agreements, it takes on counterparty risks such as the counterparty defaulting on its obligations. A default by a counterparty could result in the Portfolio suffering a loss to the extent that the proceeds from the sale of securities are insufficient to replace the cash owed by the counterparty or to the extent that cash received by the Portfolio as part of the transaction is insufficient to replace the securities to be returned by the counterparty. The Investment Manager monitors the creditworthiness of the counterparty with which a Portfolio enters into repurchase agreements.

## **17.4 Revenue Sharing**

There is no revenue sharing arrangement between the Fund and the Investment Manager.

# **18. SUBSCRIPTION FOR SHARES**

## **18.1 Subscription Procedure**

The Management Company is currently offering through this Singapore Prospectus the relevant classes of Shares indicated under Paragraph 5 with respect to each Portfolio.

Full details of the issue of Shares in the Portfolios and the subscription procedure are set out under "How to Purchase Shares" in Section II of the Luxembourg Prospectus.

Applications for Shares may be made through the Singapore Representative or any agent or distributor appointed by the Management Company or any other sales channel, if applicable, on any Business Day. All classes of Shares may be subscribed and paid with cash in the relevant currency.

No cancellation period is available and you cannot cancel your subscription into a Portfolio.

## **18.2 Minimum Initial Investment and Minimum Subsequent Investment**

The minimum initial investment and the minimum subsequent investment for the classes of Shares of the Portfolios are set forth below. For certain classes of Shares and certain categories of investors, the minimum initial and subsequent investment may be reduced by the Management Company. In addition, the Management Company may, in its sole discretion, allow distributors or dealers to establish different minimums for initial and subsequent investments with respect to any class of Shares.

### 18.2.1 Global Equity Blend Portfolio

	<b>Class A</b>	<b>Class A EUR</b>	<b>Class A SGD</b>	<b>Class B</b>	<b>Class B SGD</b>	<b>Class C</b>
<b>Minimum Initial Investment</b>	\$2,000	€2,000	S\$3,000	\$2,000	S\$3,000	\$2,000
<b>Minimum Subsequent Investment</b>	\$750	€750	S\$1,000	\$750	S\$1,000	\$750
	<b>Class C EUR</b>	<b>Class I</b>	<b>Class I EUR</b>	<b>Class S1</b>	<b>Class S1 EUR</b>	<b>Class S1 SGD</b>
<b>Minimum Initial Investment</b>	€2,000	\$1 million*	€1 million*	\$25 million*	€20 million*	S\$37.5 million*
<b>Minimum Subsequent Investment</b>	€750	None	None	None	None	None

\*May be waived by the Management Company in its sole discretion

### 18.2.2 Emerging Markets Growth Portfolio

	<b>Class A</b>	<b>Class A EUR</b>	<b>Class A SGD</b>	<b>Class A AUD H</b>	<b>Class A SGD H</b>	<b>Class B</b>
<b>Minimum Initial Investment</b>	\$2,000	€2,000	S\$3,000	A\$2,000	S\$3,000	\$2,000
<b>Minimum Subsequent Investment</b>	\$750	€750	S\$1,000	A\$750	S\$1,000	\$750
	<b>Class C</b>	<b>Class C EUR</b>	<b>Class C AUD H</b>	<b>Class I</b>	<b>Class I EUR</b>	<b>Class I AUD H</b>
<b>Minimum Initial Investment</b>	\$2,000	€2,000	A\$2,000	\$1 million*	€1 million*	A\$1 million*

<b>Minimum Subsequent Investment</b>	\$750	€750	A\$750	None	None	None
	<b>Class S</b>	<b>Class S1</b>	<b>Class S1 EUR</b>			
<b>Minimum Initial Investment</b>	\$25 million*	\$25 million*	€20 million*			
<b>Minimum Subsequent Investment</b>	None	None	None			

\*May be waived by the Management Company in its sole discretion

#### 18.2.3 Asia Ex-Japan Equity Portfolio

	<b>Class A</b>	<b>Class A EUR</b>	<b>Class AD</b>	<b>Class AD EUR</b>	<b>Class A AUD H</b>	<b>Class AD AUD H</b>
<b>Minimum Initial Investment</b>	\$2,000	€2,000	\$2,000	€2,000	A\$2,000	A\$2,000
<b>Minimum Subsequent Investment</b>	\$750	€750	\$750	€750	A\$750	A\$750
	<b>Class A SGD H and AD SGD H</b>	<b>Class C</b>	<b>Class C EUR</b>	<b>Class C AUD H</b>	<b>Class I</b>	<b>Class I EUR</b>
<b>Minimum Initial Investment</b>	S\$3,000	\$2,000*	€2,000*	A\$2,000*	\$1 million*	€1 million*
<b>Minimum Subsequent Investment</b>	S\$1,000	\$750	€750	A\$750	None	None
	<b>Class ID</b>	<b>Class ID AUD H</b>	<b>Class S</b>	<b>Class S1</b>		
<b>Minimum Initial Investment</b>	\$1 million*	A\$1 million*	\$25 million*	\$25 million*		



<b>Minimum Subsequent Investment</b>	None	None	None	None
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\*May be waived by the Management Company in its sole discretion

#### 18.2.4 Japan Strategic Value Portfolio

	<b>Class A</b>	<b>Class A EUR</b>	<b>Class A SGD</b>	<b>Class A USD</b>	<b>Class A EUR H</b>	<b>Class C</b>
<b>Minimum Initial Investment</b>	¥200,000	€2,000	S\$3,000	\$2,000	€2,000	¥200,000
<b>Minimum Subsequent Investment</b>	¥80,000	€750	S\$1,000	\$750	€750	¥80,000
	<b>Class C EUR</b>	<b>Class C USD</b>	<b>Class C EUR H</b>	<b>Class I</b>	<b>Class I EUR</b>	<b>Class I SGD</b>
<b>Minimum Initial Investment</b>	€2,000	\$2,000	€2,000	¥100 million*	€1 million*	S\$1.5 million*
<b>Minimum Subsequent Investment</b>	€750	\$750	€£750	None	None	None
	<b>Class I USD</b>	<b>Class I EUR H</b>	<b>Class S</b>	<b>Class S USD H</b>	<b>Class S1 EUR</b>	<b>Class S1 USD</b>
<b>Minimum Initial Investment</b>	\$1 million*	€1 million*	¥2.5 billion*	\$25 million*	€20 million*	\$25 million*
<b>Minimum Subsequent Investment</b>	None	None	None	None	None	None
	<b>Class A USD H</b>	<b>Class A AUD H</b>	<b>Class A SGD H</b>			
<b>Minimum Initial Investment</b>	\$2,000	A\$2,000	S\$3,000			
<b>Minimum Subsequent Investment</b>	\$750	A\$750	S\$1,000			

\*May be waived by the Management Company in its sole discretion

### 18.2.5 Short Duration Bond Portfolio

	<b>Class A</b>	<b>Class A EUR</b>	<b>Class A2</b>	<b>Class A2 EUR</b>	<b>Class AT</b>	<b>Class AT EUR</b>
<b>Minimum Initial Investment</b>	\$2,000	€2,000	\$2,000	€2,000	\$2,000	€2,000
<b>Minimum Subsequent Investment</b>	\$750	€750	\$750	€750	\$750	€750
	<b>Class A2 EUR H</b>	<b>Class AT EUR H</b>	<b>Class AT AUD H</b>	<b>Class AT SGD H</b>	<b>Class AT CAD H</b>	<b>Class AA SGD H</b>
<b>Minimum Initial Investment</b>	€2,000	€2,000	A\$2,000	S\$3,000	C\$2,000	S\$3,000
<b>Minimum Subsequent Investment</b>	€750	€750	A\$750	S\$1,000	C\$750	S\$1,000
	<b>Class C</b>	<b>Class C2</b>	<b>Class I</b>	<b>Class I2</b>	<b>Class I2 EUR H</b>	<b>Class I2 AUD H</b>
<b>Minimum Initial Investment</b>	\$2,000	\$2,000	\$1 million*	\$1 million*	€1 million*	A\$1 million*
<b>Minimum Subsequent Investment</b>	\$750	\$750	None	None	None	None
	<b>Class S</b>	<b>Class S EUR H</b>	<b>Class S1 EUR H</b>			
<b>Minimum Initial Investment</b>	\$25 million*	€20 million*	€20 million*			
<b>Minimum Subsequent Investment</b>	None	None	None			

\*May be waived by the Management Company in its sole discretion

## 18.2.6 Global High Yield Portfolio

	<b>Class A</b>	<b>Class A EUR</b>	<b>Class A2</b>	<b>Class A2 EUR</b>	<b>Class A2 HKD</b>	<b>Class A2 SGD</b>
<b>Minimum Initial Investment</b>	\$2,000	€2,000	\$2,000	€2,000	HK\$15,000	S\$3,000
<b>Minimum Subsequent Investment</b>	\$750	€750	\$750	€750	HK\$5,000	S\$1,000
	<b>Class AT</b>	<b>Class AT EUR</b>	<b>Class AT HKD</b>	<b>Class AT SGD</b>	<b>Class B</b>	<b>Class B2</b>
<b>Minimum Initial Investment</b>	\$2,000	€2,000	HK\$15,000	S\$3,000	\$2,000	\$2,000
<b>Minimum Subsequent Investment</b>	\$750	€750	HK\$5,000	S\$1,000	\$750	\$750
	<b>Class BT</b>	<b>Class C</b>	<b>Class C EUR</b>	<b>Class C2</b>	<b>Class C2 EUR</b>	<b>Class CT</b>
<b>Minimum Initial Investment</b>	\$2,000	\$2,000	€2,000	\$2,000	€2,000	\$2,000
<b>Minimum Subsequent Investment</b>	\$750	\$750	€750	\$750	€750	\$750
	<b>Class I</b>	<b>Class I EUR</b>	<b>Class I2</b>	<b>Class I2 EUR</b>	<b>Class I2 SGD</b>	<b>Class IT</b>
<b>Minimum Initial Investment</b>	\$1 million*	€1 million*	\$1 million*	€1 million*	S\$1.5 million*	\$1 million*
<b>Minimum Subsequent Investment</b>	None	None	None	None	None	None
	<b>Class S1</b>	<b>Class A2 EUR H</b>	<b>Class AT EUR H</b>	<b>Class C2 EUR H</b>	<b>Class I2 EUR H</b>	<b>Class AT AUD H</b>
<b>Minimum Initial Investment</b>	\$25 million*	€2,000	€2,000	€2,000	€1 million*	A\$2,000

<b>Minimum Subsequent Investment</b>	None	€750	€750	€750	None	A\$750
	<b>Class BT AUD H</b>	<b>Class I2 AUD H</b>	<b>Class A2 SGD H</b>	<b>Class AT SGD H</b>	<b>Class AA SGD H</b>	<b>Class AT CAD H</b>
<b>Minimum Initial Investment</b>	A\$2,000	A\$1 million*	S\$3,000	S\$3,000	S\$3,000	C\$2,000
<b>Minimum Subsequent Investment</b>	A\$750	None	S\$1,000	S\$1,000	S\$1,000	C\$750
	<b>Class AT GBP H</b>	<b>Class AT RMB H</b>	<b>Class AT NZD H</b>	<b>Class AA</b>	<b>Class AA EUR H</b>	<b>Class AA AUD H</b>
<b>Minimum Initial Investment</b>	£2,000	RMB 10,000	NZ\$3,000	\$2,000	€2,000	A\$2,000
<b>Minimum Subsequent Investment</b>	£750	RMB 3,750	NZ\$1000	\$750	€750	A\$750
	<b>Class AA GBP H</b>	<b>Class AA RMB H</b>	<b>Class AA NZD H</b>	<b>Class I2 SGD H</b>	<b>Class IT EUR H</b>	<b>Class IT CAD H</b>
<b>Minimum Initial Investment</b>	£2,000	RMB 10,000	NZ\$3,000	S\$1.5 million*	€1 million*	C\$1 million*
<b>Minimum Subsequent Investment</b>	£750	RMB 3,750	NZ\$1,000	None	None	None
	<b>Class IT GBP H</b>	<b>Class IT RMB H</b>	<b>Class IT NZD H</b>	<b>Class IT AUD H</b>	<b>Class IA AUD H</b>	<b>Class W</b>
<b>Minimum Initial Investment</b>	£500,000*	RMB 5 million*	NZD1.5 million*	A\$1 million*	A\$1 million*	\$1 million*
<b>Minimum Subsequent Investment</b>	None	None	None	None	None	None
	<b>Class W EUR</b>	<b>Class WT</b>	<b>Class W2</b>	<b>Class WT EUR H</b>	<b>Class WT AUD H</b>	<b>Class WT CAD H</b>

<b>Minimum Initial Investment</b>	€1 million*	\$1 million*	\$1 million*	€1 million*	A\$1 million*	C\$1 million*
<b>Minimum Subsequent Investment</b>	None	None	None	None	None	None
	<b>Class WT GBP H</b>	<b>Class WT RMB H</b>	<b>Class W2 EUR H</b>	<b>Class W2 CHF H</b>		
<b>Minimum Initial Investment</b>	£500,000*	RMB 5 million*	€1 million*	CHF 1 million*		
<b>Minimum Subsequent Investment</b>	None	None	None	None		

\*May be waived by the Management Company in its sole discretion.

#### 18.2.7 American Income Portfolio

	<b>Class A</b>	<b>Class A EUR</b>	<b>Class A2</b>	<b>Class A2 EUR</b>	<b>Class A2 HKD</b>	<b>Class A2 SGD</b>
<b>Minimum Initial Investment</b>	\$2,000	€2,000	\$2,000	€2,000	HK\$15,000	S\$3,000
<b>Minimum Subsequent Investment</b>	\$750	€750	\$750	€750	HK\$5,000	S\$1,000
	<b>Class A2 EUR H</b>	<b>Class A2 SGD H</b>	<b>Class A2 CHF H</b>	<b>Class AT</b>	<b>Class AT EUR</b>	<b>Class AT HKD</b>
<b>Minimum Initial Investment</b>	€2,000	S\$3,000	CHF 2,000	\$2,000	€2,000	HK\$15,000
<b>Minimum Subsequent Investment</b>	€750	S\$1,000	CHF 750	\$750	€750	HK\$5,000

	<b>Class AT SGD</b>	<b>Class AT EUR H</b>	<b>Class AT SGD H</b>	<b>Class AT AUD H</b>	<b>Class AT CAD H</b>	<b>Class AT GBP H</b>
<b>Minimum Initial Investment</b>	S\$3,000	€2,000	S\$3,000	A\$2,000	C\$2,000	£2,000
<b>Minimum Subsequent Investment</b>	S\$1,000	€750	S\$1,000	A\$750	C\$750	£750
	<b>Class AT RMB H</b>	<b>Class AT NZD H</b>	<b>Class AA SGD H</b>	<b>Class B</b>	<b>Class B2</b>	<b>Class BT</b>
<b>Minimum Initial Investment</b>	RMB 10,000	NZ\$3,000	S\$3,000	\$2,000	\$2,000	\$2,000
<b>Minimum Subsequent Investment</b>	RMB 3,750	NZ\$1,000	S\$1,000	\$750	\$750	\$750
	<b>Class C</b>	<b>Class C EUR</b>	<b>Class C2</b>	<b>Class C2 EUR</b>	<b>Class C2 EUR H</b>	<b>Class CT</b>
<b>Minimum Initial Investment</b>	\$2,000	€2,000	\$2,000	€2,000	€2,000	\$2,000
<b>Minimum Subsequent Investment</b>	\$750	€750	\$750	€750	€750	\$750
	<b>Class I</b>	<b>Class I EUR</b>	<b>Class I2</b>	<b>Class I2 EUR</b>	<b>Class I2 HKD</b>	<b>Class I2 EUR H</b>
<b>Minimum Initial Investment</b>	\$1 million*	€1 million*	\$1 million*	€1 million*	HK\$8 million*	€1 million*
<b>Minimum Subsequent Investment</b>	None	None	None	None	None	None

	<b>Class I2 SGD H</b>	<b>Class I2 CHF H</b>	<b>Class IT</b>	<b>Class IT HKD</b>	<b>Class IT EUR H</b>	<b>Class IT CAD H</b>
<b>Minimum Initial Investment</b>	S\$1.5 million*	CHF 1 million*	\$1 million* S\$1.5 million*	HK\$8 million*	€1 million*	C\$1 million*
<b>Minimum Subsequent Investment</b>	None	None	None	None	None	None
	<b>Class IT SGD H</b>	<b>Class IT GBP H</b>	<b>Class IT RMB H</b>	<b>Class IT NZD H</b>	<b>Class IT AUD H</b>	<b>Class IA</b>
<b>Minimum Initial Investment</b>	S\$1.5 million*	£500,000*	RMB 5 million *	NZ\$1.5 million*	A\$1 million*	\$1 million*
<b>Minimum Subsequent Investment</b>	None	None	None	None	None	None
	<b>Class IA AUD H</b>	<b>Class S</b>	<b>Class S1</b>	<b>Class S1 EUR</b>	<b>Class AA</b>	<b>Class AA HKD</b>
<b>Minimum Initial Investment</b>	A\$1 million*	\$25 million*	\$25 million*	€20 million*	\$2,000	HK\$15,000
<b>Minimum Subsequent Investment</b>	None	None	None	None	\$750	HK\$5,000
	<b>Class AA AUD H</b>	<b>Class AA EUR H</b>	<b>Class AA GBP H</b>	<b>Class AA RMB H</b>	<b>Class AA NZD H</b>	<b>Class W</b>
<b>Minimum Initial Investment</b>	A\$2,000	€2,000	£2,000	RMB 10,000	NZ\$3,000	\$1 million*
<b>Minimum Subsequent Investment</b>	A\$750	€750	£750	RMB 3,750	NZ\$1,000	None
	<b>Class WT</b>	<b>Class WT EUR H</b>	<b>Class WT GBP H</b>	<b>Class W2</b>	<b>Class WT AUD H</b>	<b>Class W2 EUR H</b>
<b>Minimum Initial Investment</b>	\$1 million* HK\$8 million*	€1 million*	£500,000*	\$1 million*	A\$1 million*	€1 million*

<b>Minimum Subsequent Investment</b>	None	None	None	None	None	None
	<b>Class WT SGD H</b>	<b>Class W2 CHF H</b>				
<b>Minimum Initial Investment</b>	S\$1.5 million*	CHF 1 million*				
<b>Minimum Subsequent Investment</b>	None	None				

\*May be waived by the Management Company in its sole discretion



## 18.2.8 European Income Portfolio

	<b>Class A</b>	<b>Class A USD</b>	<b>Class A2</b>	<b>Class A2 USD</b>	<b>Class AT</b>	<b>Class AT USD</b>
<b>Minimum Initial Investment</b>	€2,000	\$2,000	€2,000	\$2,000	€2,000	\$2,000
<b>Minimum Subsequent Investment</b>	€750	\$750	€750	\$750	€750	\$750
	<b>Class AT AUD H</b>	<b>Class AT SGD H</b>	<b>Class A2 USD H and AT USD H</b>	<b>Class AA SGD H</b>	<b>Class B USD</b>	<b>Class B2</b>
<b>Minimum Initial Investment</b>	A\$2,000	S\$3,000	\$2,000	S\$3,000	\$2,000	€2,000
<b>Minimum Subsequent Investment</b>	A\$750	S\$1,000	\$750	S\$1,000	\$750	€750
	<b>Class B2 USD</b>	<b>Class C</b>	<b>Class C USD</b>	<b>Class CT</b>	<b>Class C2</b>	<b>Class C2 USD</b>
<b>Minimum Initial Investment</b>	\$2,000	€2,000	\$2,000	€2,000	€2,000	\$2,000
<b>Minimum Subsequent Investment</b>	\$750	€750	\$750	€750	€750	\$750
	<b>Class I</b>	<b>Class I2</b>	<b>Class I2 AUD H</b>	<b>Class I2 USD H</b>	<b>Class IT</b>	<b>Class IT USD H</b>
<b>Minimum Initial Investment</b>	€1 million*	€1 million*	A\$1 million*	\$1 million*	€1 million*	\$1 million*
<b>Minimum Subsequent Investment</b>	None	None	None	None	None	None

\*May be waived by the Management Company in its sole discretion

	<b>Class IT AUD H</b>	<b>Class IA</b>	<b>Class IA USD H</b>	<b>Class S</b>	<b>Class S1</b>	<b>Class S1 USD</b>
<b>Minimum Initial Investment</b>	A\$1 million*	€1 million*	\$1 million*	€25 million*	€25 million*	\$20 million*
<b>Minimum Subsequent Investment</b>	None	None	None	None	None	None
	<b>Class AA EUR</b>	<b>Class AA AUD H</b>	<b>Class AA USD H</b>	<b>Class AA HKD H</b>	<b>Class WA</b>	<b>Class WT</b>
<b>Minimum Initial Investment</b>	€2,000	A\$2,000	\$2,000	HK\$15,000	€1 million*	€1 million*
<b>Minimum Subsequent Investment</b>	€750	A\$750	\$750	HK\$5,000	None	None
	<b>Class W2</b>	<b>Class WA USD H</b>	<b>Class WT USD H</b>	<b>Class W2 USD H</b>	<b>Class W2 CHF H</b>	
<b>Minimum Initial Investment</b>	€1 million*	\$1 million*	\$1 million*	\$1 million*	CHF 1 million*	
<b>Minimum Subsequent Investment</b>	None	None	None	None	None	

\*May be waived by the Management Company in its sole discretion

#### 18.2.9 Emerging Markets Debt Portfolio

	<b>Class A</b>	<b>Class A EUR</b>	<b>Class A2</b>	<b>Class A2 EUR</b>	<b>Class A2 EUR H</b>	<b>Class A2 SGD H</b>
<b>Minimum Initial Investment</b>	\$2,000	€2,000	\$2,000	€2,000	€2,000	S\$3,000
<b>Minimum Subsequent Investment</b>	\$750	€750	\$750	€750	€750	S\$1,000

	<b>Class AT</b>	<b>Class AT EUR</b>	<b>Class AT EUR H</b>	<b>Class AT SGD H</b>	<b>Class AT AUD H</b>	<b>Class AT RMB H</b>
<b>Minimum Initial Investment</b>	\$2,000	€2,000	€2,000	S\$3,000	A\$2,000	RMB 10,000
<b>Minimum Subsequent Investment</b>	\$750	€750	€750	S\$1,000	A\$750	RMB 3,750
	<b>Class AT NZD H</b>	<b>Class BT</b>	<b>Class C</b>	<b>Class C EUR</b>	<b>Class C2</b>	<b>Class C2 EUR</b>
<b>Minimum Initial Investment</b>	NZ\$3,000	\$2,000	\$2,000	€2,000	\$2,000	€2,000
<b>Minimum Subsequent Investment</b>	NZ\$1,000	\$750	\$750	€750	\$750	€750
	<b>Class C2 EUR H</b>	<b>Class CT</b>	<b>Class I</b>	<b>Class I2</b>	<b>Class I2 EUR</b>	<b>Class I2 EUR H</b>
<b>Minimum Initial Investment</b>	€2,000	\$2,000	\$1 million*	\$1 million*	€1 million*	€1 million*
<b>Minimum Subsequent Investment</b>	€750	\$750	None	None	None	None
	<b>Class S</b>	<b>Class S EUR H</b>	<b>Class S1 EUR H</b>	<b>Class S1 2</b>	<b>Class AA</b>	<b>Class AA EUR H</b>
<b>Minimum Initial Investment</b>	\$25 million*	€20 million*	€20 million*	\$25 million*	\$2,000*	€2,000
<b>Minimum Subsequent Investment</b>	None	None	None	None	\$750	€750
	<b>Class AT GBP H</b>	<b>Class AA GBP H</b>	<b>Class AA AUD H</b>	<b>Class AA NZD H</b>		
<b>Minimum Initial Investment</b>	£2,000	£2,000	A\$2,000	NZ\$3,000		

<b>Minimum Subsequent Investment</b>	£750	£750	A\$750	NZ\$1,000
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\*May be waived by the Management Company in its sole discretion

#### 18.2.10 Mortgage Income Portfolio<sup>20</sup>

	<b>Class A</b>	<b>Class A2</b>	<b>Class A2 EUR</b>	<b>Class AT</b>	<b>Class AT EUR</b>	<b>Class AT AUD H</b>
<b>Minimum Initial Investment</b>	\$2,000	\$2,000	€2,000	\$2,000	€2,000	A\$2,000
<b>Minimum Subsequent Investment</b>	\$750	\$750	€750	\$750	€750	A\$750
	<b>Class AT SGD H</b>	<b>Class AA SGD H</b>	<b>Class C</b>	<b>Class C2</b>	<b>Class C2 EUR</b>	<b>Class I</b>
<b>Minimum Initial Investment</b>	S\$3,000	S\$3,000	\$2,000	\$2,000	€2,000	\$1 million*
<b>Minimum Subsequent Investment</b>	S\$1,000	S\$1,000	\$750	\$750	€750	None
	<b>Class I EUR</b>	<b>Class I2</b>	<b>Class I2 EUR</b>	<b>Class S</b>	<b>Class S1</b>	<b>Class BX</b>
<b>Minimum Initial Investment</b>	€1 million*	\$1 million*	€1 million*	\$25 million*	\$25 million*	No longer offered
<b>Minimum Subsequent Investment</b>	None	None	None	None	None	No longer offered
	<b>Class A2X</b>	<b>Class A2X EUR</b>	<b>Class IX</b>	<b>Class AA</b>	<b>Class AA AUD H</b>	<b>Class AA RMB H</b>
<b>Minimum Initial Investment</b>	No longer offered to new investors	No longer offered to new investors	No longer offered to new investors	\$2,000	A\$2,000	RMB10,000

<sup>20</sup> Class AX, A2X, BX, CX, and IX Shares are no longer open for subscription by new investors, except to the existing shareholders holding the relevant Class of Shares as more particularly described in the Luxembourg Prospectus.

<b>Minimum Subsequent Investment</b>	\$750	€750	None	\$750	A\$750	RMB3,750
	<b>Class AX</b>	<b>Class AX EUR</b>	<b>Class CX</b>			
<b>Minimum Initial Investment</b>	No longer offered to new investors	No longer offered to new investors	No longer offered to new investors			
<b>Minimum Subsequent Investment</b>	\$750	€750	\$750			

\*May be waived by the Management Company in its sole discretion

### 18.3 Dealing Deadline and Pricing Basis

The dealing deadline is the Order Cut-Off Time (the "**Dealing Deadline**"), being 4 p.m. U.S. Eastern Time for each Portfolio on each Business Day (save for the Currency Hedged Share Classes of each Portfolio, and for the Asia Ex-Japan Equity Portfolio and Japan Strategic Value Portfolio).

The Dealing Deadline for the Currency Hedged Share Classes of each Portfolio (save for the RMB Hedged Share Classes of the Global High Yield Portfolio, the American Income Portfolio and the Emerging Markets Debt Portfolio), and for the Asia Ex-Japan Equity Portfolio and Japan Strategic Value Portfolio is 6 p.m. Central European Time on each Business Day.

The Dealing Deadline for the RMB Hedged Share Classes of the Global High Yield Portfolio, the American Income Portfolio and the Emerging Markets Debt Portfolio is 1 p.m. Central European Time on each Business Day.

Please refer to the heading "How to Purchase Shares - Purchases of Shares" in Section II of the Luxembourg Prospectus for details on the pricing basis.

The Net Asset Value will be calculated on a forward pricing basis in the relevant currency of the Share Class on the relevant Business Day.

Valid and complete purchase orders received and accepted by the Singapore Representative or any agent or distributor appointed by the Management Company before the Dealing Deadline on any Trade Date are processed on such Trade Date, at the Net Asset Value determined on such Trade Date. Orders received and accepted after the Dealing Deadline for each Trade Date will be processed on the next Business Day at the Net Asset Value as determined as of such Business Day.

### 18.4 Numerical Example of how Shares are Allotted

Based on an investment amount of US\$10,000 at the notional Net Asset Value of US\$10.00 per Share, the number of Shares allotted will be calculated as follows:

Classes for which an initial sales charge applies

e.g.	US\$10,000	/	US\$10.42	=	959.693
Where	Investment amount		Offering price (inclusive of assumed 4% initial sales charge)		Number of Shares issued
	Offering price	=	$\frac{\text{Net Asset Value}}{(100\% - 4\%)}$	=	$\frac{\text{US\$10.00}}{0.96} = \text{US\$10.42}$

e.g.	US\$10,000	/	US\$10.10	=	990.099
Where	Investment amount		Offering price (inclusive of assumed 1% initial sales charge)		Number of Shares issued
	Offering price	=	$\frac{\text{Net Asset Value}}{(100\% - 1\%)}$	=	$\frac{\text{US\$10.00}}{0.99} = \text{US\$10.10}$

Classes which are subject to contingent deferred sales charge ("**CDSC**")

e.g.	US\$10,000	/	US\$10.00	=	1,000.000
	Investment amount		Offering price (Net Asset Value)		Number of Shares issued
<p><i>N.B. Certain Classes of Shares are subject to a CDSC if such Shares are redeemed within three or four years of purchase, as applicable. Please see the heading "How to Purchase Shares - Share Classes" in Section II of the Luxembourg Prospectus for details on the CDSC and the applicable rate of CDSC for each Portfolio in Paragraph 14 and the "Summary Information" in Section I of the Luxembourg Prospectus. Currently, all Singapore distributors have elected to waive CDSC for Class C, C EUR H, C2 and C2 EUR H shares.</i></p>					

*The above examples are for illustrative purposes only and are not a forecast or indication of any expectation of performance. Computation of offering price will be inclusive of the applicable initial sales charge and based on the formula as follows:*

$$\frac{\text{Net Asset Value}}{(100\% - \text{initial sales charge})}$$

*and the offering price will be rounded half up to two decimal places.*

## **18.5 Confirmation of Purchase**

A confirmation note providing full details of the transaction will be sent by ordinary mail, fax or email from Luxembourg to the investors on the Business Day following the receipt and acceptance of the investor's settlement payment, which in the normal course will take five Business Days (save that if the fifth Business Day is a day on which banks in Singapore are closed for business, the period will be extended for another Business Day).

Please refer to the heading "How to Purchase Shares — Confirmation Notes and Certificates" in Section II of the Luxembourg Prospectus for more details on confirmation of applications.

## **19. REDEMPTION OF SHARES**

### **19.1 Redemption Procedure**

Full details of the redemption of Shares in the Portfolios and the redemption procedure are set out under "How to Redeem Shares" in Section II of the Luxembourg Prospectus.

Singapore Shareholders may redeem their Shares on any Business Day through the Singapore Representative or any agent or distributor appointed by the Management Company or any other sales channel, if applicable.

The redemption order must include the name of the Fund and Portfolio, the share class, the number of Shares to be redeemed or the total value of Shares to be redeemed, together with the Shareholder's name and AB funds account number as registered with the Fund. Payment of redemption proceeds will be made in the currency in which the Shareholder's AB funds accounts is denominated. Under certain circumstances outlined below in Paragraph 23 of this Singapore Prospectus, the Management Company may suspend the right of Shareholders to redeem Shares.

### **19.2 Minimum Value of Shareholding**

The minimum holding for each Class of Shares is US\$1,000 (or the equivalent amount in another Denominated Currency depending on the currency in which the Singapore Shareholder's AB funds account is denominated).

If, as a result of any redemption request, a Singapore Shareholder's AB funds account falls below the relevant minimum holding, such redemption request shall be deemed to apply to the Singapore Shareholder's entire AB funds account.

There are no minimum redemption amounts applicable to the Shares.

### **19.3 Dealing Deadline and Pricing Basis**

The Dealing Deadline for redemptions is the same as for applications as set out in Paragraph 18.3 of this Singapore Prospectus.

Please refer to the heading "How to Redeem Shares" in Section II of the Luxembourg Prospectus for details on the pricing basis.

Valid and complete redemption requests received and accepted by the Singapore Representative or any agent or distributor appointed by the Management Company before the Dealing Deadline on any Trade Date are processed on such Trade Date, at the Net Asset Value determined on such Trade Date. Redemption requests received and accepted after the Dealing

Deadline for each Trade Date will be processed on the next Business Day at the Net Asset Value as determined as of such Business Day.

#### 19.4 Numerical Example of Calculation of Redemption Proceeds

##### Classes with no redemption charge

Based on the redemption of 1,000 Shares of any Portfolio of the above listed classes at a notional redemption price of US\$15.00 per Share, the redemption proceeds payable to the Shareholder will be calculated as follows:

1,000 Shares	X US\$15.00	= US\$15,000.00
Redemption Request	Redemption Price (no redemption charge)	Redemption Proceeds
<p><i>N.B. Certain Class of Shares of the Portfolios are not subject to any contingent deferred sales charges ("<b>CDSC</b>"). Currently, all Singapore distributors have elected to waive CDSC for Class C, C EUR H, C2 and C2 EUR H shares.</i></p>		

##### Classes which are subject to contingent deferred sales charge

For Classes which are subject to CDSC, the CDSC will be calculated in the Currency of the Portfolio on the amount which is the lesser of the current Net Asset Value or original cost of the Shares of such Classes being redeemed and, if applicable, thereafter expressed in the Denominated Currency at the applicable conversion rate on each Valuation Point. Please see "How to Purchase Shares - Share Classes" in Section II of the Luxembourg Prospectus for details on the CDSC and the applicable rate of CDSC for each Portfolio in Paragraph 14 and the "Summary Information" in Section I of the Luxembourg Prospectus. In addition, no charge will be assessed on Shares derived from reinvestment of dividends or capital gains distributions. In determining whether a CDSC is applicable to the proceeds of a redemption, the calculation will be determined in the manner that results in the lowest possible rate being charged.

Assume an investor purchased 100 Class B Shares of Global High Yield Portfolio at US\$10 per Class B Share (at a cost of US\$1,000) and between the second and third year after issuance, the net asset value per Share is US\$12.

If at such time the investor makes his first redemption of 50 Class B Shares (gross proceeds of US\$600), the CDSC is applied only to the original cost of US\$10 per Share and not to the increase in net asset value of US\$2 per Share. Therefore, US\$500 of the US\$600 redemption proceeds will be charged a CDSC at a rate of 1.0%, being the applicable rate after the second year following issuance of Class B Shares of Global High Yield Portfolio (resulting in a CDSC of US\$5), which means the investor will receive net redemption proceeds calculated as follows:



50 Class B Shares of Global High Yield Portfolio	x US\$12.00	= US\$600.00	- US\$5.00	= US\$595.00
Redemption Request	Redemption Price	Gross Redemption Proceeds	CDSC	Net Redemption Proceeds

*The above example relates to Class B of Global High Yield Portfolio Shares. Note that for Class B Shares of a different Portfolio, a different CDSC rate may apply.*

*The above example is for illustrative purposes only and is not a forecast or indication of any expectation of performance.*

## 19.5 Payment of Redemption Proceeds

Redemption proceeds shall normally be paid in the relevant currency of the Share Class being redeemed, usually within four Business Days for the Japan Strategic Value Portfolio and three Business Days for the other Portfolios after the relevant Trade Date to the account of the registered Shareholder (save that if the third or fourth Business Day, as the case may be, is a day on which banks in Singapore are closed for business, the payment period will be extended for another Business Day), unless the redemption of Shares has been suspended in accordance with Paragraph 23 of this Singapore Prospectus.

## 20. EXCHANGE OR CONVERSION OF SHARES

Singapore Shareholders may exchange their Shares of a particular class for shares of the same class in other portfolios within the Fund or for shares/units of the same class in other AB funds which are available for offer in Singapore (the "**New Shares**"), provided that they meet all applicable requirements for investing in the New Shares.

Singapore Shareholders of CDSC Shares for which a conversion right has been provided in Section I of the Luxembourg Prospectus ("**Eligible CDSC Shares**") have the right to convert such Eligible CDSC Shares to such other share classes of the same Portfolio as stipulated in Section I of the Luxembourg Prospectus after such Eligible CDSC Shares have been held for the number of years specified in Section I of the Luxembourg Prospectus without charge from either the Fund or the Management Company.

Effective January 2021, Eligible CDSC Shares held in the name of a single investor (and not in an omnibus account) will be converted automatically into such other share classes of the same Portfolio as specified in Section I of the Luxembourg Prospectus after such Eligible CDSC Shares have been held for the number of years specified in Section I of the Luxembourg Prospectus. Shares held through a financial intermediary in an omnibus account for which the recordkeeping on the underlying investors is managed by the financial intermediary will continue to be converted based on the instructions of the registered owner of the omnibus account.

Please refer to the heading "How to Exchange or Convert Shares" in Section II of the Luxembourg Prospectus for further conditions in relation to the exchange and conversion of Shares.

Singapore shareholders should contact the Singapore Representative or the distributor through which they had subscribed for their Shares for details on the procedures for exchanging or converting their Shares.

## **21. OBTAINING PRICE INFORMATION**

The indicative Net Asset Value per Share of the Shares may be obtained from the Singapore Representative in Singapore two Business Days after the relevant Business Day on which the Net Asset Value of a class of Shares is determined.

## **22. METHOD OF VALUATION FOR THE PORTFOLIOS' INVESTMENTS**

The Net Asset Value per Share of each class of Shares, expressed in the Currency of the Portfolio and any other Denominated Currency, will be determined by the Management Company as of 4:00 p.m. U.S. Eastern time on each Business Day. To the extent feasible, investment income, interest payable, fees and other liabilities (including management fees) will be accrued daily.

In all cases, the Net Asset Value per Share of each class of Shares is determined by dividing the value of the total assets of each Portfolio properly allocable to such class of Shares less the liabilities of such Portfolio properly allocable to such class of Shares by the total number of Shares of such class outstanding on each Business Day. The Net Asset Value per Share of each class of Shares of a Portfolio may differ as a result of the different fees assessed on each class of Shares of such Portfolio.

With respect to securities for which market quotations are readily available, the market value of a security held by a Portfolio will be determined as follows:

- a) securities listed on an exchange are valued at the last sale price reflected on the consolidated tape at the close of the exchange on the Business Day as of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the closing bid and asked prices on such day. If no bid or asked prices are quoted on such day, then the security is valued in good faith at fair value by, or in accordance with procedures established by, the Management Company;
- b) securities traded on more than one exchange are valued in accordance with paragraph (a) above by reference to the principal exchange on which the securities are traded;
- c) securities traded in the over-the-counter market, including securities listed on an exchange whose primary market is believed to be over-the-counter (but excluding securities traded on The Nasdaq Stock Market, Inc. ("**NASDAQ**")) are valued at the mean of the current bid and asked prices;
- d) securities traded on NASDAQ are valued in accordance with the NASDAQ Official Closing Price;
- e) listed put or call options purchased by a Portfolio are valued at the last sale price. If there has been no sale on that day, such securities will be valued at the closing bid prices on that day;
- f) open futures contracts and options thereon will be valued using the closing settlement price or, in the absence of such a price, the most recent quoted bid price. If there are no

quotations available for the day of valuations, the last available closing settlement price will be used;

- g) U.S. Government securities and other debt instruments having 60 days or less remaining until maturity are generally valued at market by an independent pricing vendor, if a market price is available. If a market price is not available, the securities are valued at amortized cost. This methodology pertains to short term securities that have an original maturity of 60 days or less, as well as short term securities that had an original term to maturity that exceeded 60 days. In instances where amortized cost is utilized, the Management Company must reasonably conclude that the utilization of amortized cost is approximately the same as the fair value of the security. Such factors the Management Company will consider include, but are not limited to, an impairment of the creditworthiness of the issuer or material changes in interest rate;
- h) fixed income securities are valued at the most recent bid price provided by the principal market makers;
- i) mortgage-backed and asset-backed securities may be valued at prices that reflect the market value of such securities and that are obtained from a bond pricing service or at a price that reflects the market value of such securities and that is obtained from one or more of the major broker-dealers in such securities when such prices are believed to reflect the fair market value of such securities. In cases where broker-dealer quotes are obtained, the Investment Manager may establish procedures whereby changes in market yields or spreads are used to adjust, on a daily basis, a recently obtained quoted bid price on a security;
- j) OTC and other derivatives are valued on the basis of a quoted bid price or spread from a major broker-dealer in such security; and
- k) all other securities will be valued in accordance with readily available market quotations as determined in accordance with procedures established by the Management Company. In the event that extraordinary circumstances render such a valuation impracticable or inadequate, the Management Company is authorized to follow other rules prudently and in good faith in order to achieve a fair valuation of the assets of the Fund.

The Fund values its securities at their current market value determined on the basis of market quotations or, if market quotations are not readily available or are unreliable, at "fair value" as determined in accordance with procedures established by and under the general supervision of the Management Company. When the Fund uses fair value pricing, it may take into account any factors it deems appropriate. The Fund may determine fair value based upon developments related to a specific security or current valuations of market indices. The prices of securities used by the Fund to calculate its Net Asset Value may differ from quoted or published prices for the same securities. Fair value pricing involves subjective judgments and it is possible that the fair value determined for a security is materially different than the value that could be realized upon the sale of that security.

The Fund expects to use fair value pricing for securities primarily traded on exchanges in the Americas only under very limited circumstances, such as the early closing of the exchange on which a security is traded or suspension of trading in the security. The Fund may use fair value pricing more frequently for securities primarily traded outside of the Americas because, among other things, most markets outside of the Americas close well before the Fund values its securities at 4:00 p.m. U.S. Eastern Time. The earlier close of these markets gives rise to the possibility that significant events, including broad market moves, may have occurred in the

interim. To account for this, the Fund may frequently value many of its non-Americas securities using fair value prices based on third party vendor modelling tools to the extent available.

Accordingly, as may also be the case with a previously reported stock exchange price, the price of any Portfolio security determined utilizing fair value pricing procedures may be materially different from the price to be realized upon the sale of such security.

For purposes of determining the Fund's Net Asset Value per Share, all assets and liabilities initially expressed in a currency other than the Currency of the Portfolio will be converted into such currency at the mean of the current bid and asked prices of such currency against the Currency of the Portfolio last quoted by a major bank that is a regular participant in the relevant exchange market or on the basis of a pricing service that takes into account the quotes provided by a number of such major banks. If such quotations are not available as of the close of the Exchange, the rate of exchange will be determined in good faith by, or under the direction of, the Board of Managers of the Management Company.

In the event that extraordinary circumstances render such a valuation impracticable or inadequate, the Management Company is authorized to follow other rules prudently and in good faith in order to achieve a fair valuation of the assets of the Fund.

Brown Brothers Harriman (Luxembourg) S.C.A. has been appointed by the Management Company to make the daily determination of the Net Asset Value per Share of each class of Shares of each Portfolio. The Net Asset Value in respect of a particular Valuation Point will be available at or around 6:00 p.m. U.S. Eastern time on such Business Day. For purposes of issues and redemptions, the Net Asset Value may be converted in other currencies as specified in the Luxembourg Prospectus.

### **Swing Pricing Policy**

In order to counter the effects of dilution on a Portfolio's Net Asset Value brought about by large purchases or redemptions of the Portfolio's Shares, the Board has implemented a swing pricing policy.

Dilution involves a reduction in the Net Asset Value brought about by investors purchasing, selling and/or exchanging in and out of a Portfolio of the Fund at a price that does not reflect the dealing costs associated with the Portfolio's trade activity undertaken to accommodate the corresponding cash inflows or outflows. Dilution occurs when the actual cost of purchasing or selling the underlying assets of a Portfolio deviates from the valuation of these assets in the Portfolio due to dealing charges, taxes and any spread between the buying and selling prices of the underlying assets. Dilution may have an adverse effect on the value of a Portfolio and therefore impact Shareholders.

Under the Fund's swing pricing policy, if on any Business Day, the aggregate net investor inflows or outflows in Shares of a Portfolio exceed a pre-determined threshold, as determined from time to time by the Board, the Net Asset Value of the Portfolio may be adjusted upwards or downwards to reflect the costs attributable to such net inflows or net outflows. The threshold is set by the Board taking into account factors such as the prevailing market conditions, the estimated dilution costs and the size of a Portfolio. The level of swing pricing adjustment will be reviewed and may be adjusted on a periodic basis to reflect an approximation of dealing costs as determined by the Board. The application of swing pricing will be triggered automatically on a daily basis upon crossing the relevant threshold. The swing pricing adjustment will be applicable to all Shares of a Portfolio (and all transactions) on that Business Day. When reviewing and implementing the Fund's swing pricing policy, the Board may receive input and expertise from

various business units within AB Group including *inter alia* the risk management, legal and compliance, trading, and product development units.

The swing pricing adjustment may vary by Portfolio and is dependent upon the particular assets in which a Portfolio is invested. The swing pricing adjustment will generally not exceed 2% of the original Net Asset Value of a Portfolio under normal market conditions. However, in extraordinary circumstances typically when there is heightened volatility and price discovery is challenged, the transaction costs may increase dramatically and the Board may decide, in order to protect existing shareholders of a Portfolio, to increase the swing pricing adjustment beyond 2%. The Board will publish such decision on the Fund's website as soon as practicable thereafter.

The Portfolios' performances will be calculated based on their Net Asset Values, which may be adjusted on certain days under the swing pricing policy. Investors are advised that the application of swing pricing may result in increased volatility in a Portfolio's valuation and performance, and a Portfolio's Net Asset Value may deviate from the underlying investments' performance on a particular Business Day as a result of the application of swing pricing. Typically, such adjustment will increase the Net Asset Value per Share on a given Business Day when there are net inflows into a Portfolio and decrease the Net Asset Value per Share when there are net outflows. For any Portfolio that has an incentive or performance fee for a particular Share Class, the incentive or performance fee will be calculated on the basis of the applicable NAV without taking into account the effects of the swing pricing mechanism.

Investors should also note that the Fund's swing pricing policy is designed to approximate, and may not exactly offset the dilution effect brought about by transactions in underlying securities held by a portfolio due to purchase/redemption/exchange activity. In addition, as the swing pricing adjustment is only triggered when the level of purchase/redemption/exchange activity crosses the relevant threshold for a Portfolio, there may still be some dilution impact for existing Shareholders of that Portfolio on days when there are subscriptions/redemptions/exchanges below the relevant threshold.

## **23. SUSPENSION OF DEALINGS**

The Management Company may temporarily suspend the determination of the Net Asset Value of any Portfolio, and consequently the issue, redemption and exchange of Shares relating to all Classes in such Portfolio, in any of the following events:

- a) when one or more stock exchanges or markets that provide the basis for valuing a substantial portion of the assets of a Portfolio, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the Portfolio are denominated, is closed otherwise than for ordinary holidays or if dealings therein are restricted or suspended;
- d) when, as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the Management Company, disposal of the assets of a Portfolio is not reasonably or normally practicable without being seriously detrimental to the interests of the Shareholders;
- c) in the case of a breakdown in the normal means of communication used for the valuation of any investment of a Portfolio or if, for any reason, the value of any asset of a Portfolio may not be determined as rapidly and accurately as required; or

- d) if, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of a Portfolio are rendered impracticable or if purchases and sales of the Portfolio's assets cannot be effected at normal rates of exchange.

The decision to suspend temporarily the determination of the Net Asset Value of Shares of a Portfolio does not necessarily entail the same decision for the classes of Shares of another Portfolio, if the assets within such other Portfolio are not affected to the same extent by the same circumstances. Suspensions of the calculation of the Net Asset Value will be published in the manner prescribed for notices to Shareholders under the heading "Meetings and Reports to Shareholders" in Section II of the Luxembourg Prospectus if such suspension is likely to exceed ten days.

## 24. PERFORMANCE OF PORTFOLIOS\*

### Past performance of the Portfolios (as of 29 February 2024)

	(%)	Average annual compounded return (%)				
Portfolio / Class / Benchmark	1 Year	3 years	5 years	10 years	15 years	Since Inception
<b>Equity</b>						
<b>Global Equity Blend Portfolio</b>						
Class A Shares (USD) (incepted 12 June 2003)	8.94	0.76	7.23	5.77	8.92	4.76
Class A EUR Shares (incepted 15 July 2021)	6.59	-	-	-	-	0.84
Class A SGD Shares (incepted 15 July 2021)	8.70	-	-	-	-	-2.75
Class B Shares (USD) (incepted 12 June 2003)	8.27	0.46	7.04	5.14	8.12	3.93
Class B SGD Shares (incepted 15 July 2021)	8.09	-	-	-	-	-2.96
Class C Shares (USD) (incepted 2 November 2004)	12.93	1.69	7.63	5.72	8.72	3.91
Class C EUR Shares (incepted 26 October 2021)	10.61	-	-	-	-	-0.54
Class I Shares (USD) (incepted 12 June 2003)	12.64	2.45	8.65	6.89	9.97	5.74

\* Investors should refer to the clarifying Notes directly below the past performance table for details about the information in this section.

	(%)	Average annual compounded return (%)				
<b>Portfolio / Class / Benchmark</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>	<b>15 years</b>	<b>Since Inception</b>
Class I EUR Shares (incepted 15 July 2021)	10.20	-	-	-	-	2.65
Class S1 Shares (USD) (incepted 19 December 2003)	14.91	3.43	9.47	7.55	10.62	5.82
Class S1 EUR Shares (incepted 15 July 2021)	12.42	-	-	-	-	3.74
Class S1 SGD Shares (incepted 15 July 2021)	14.65	-	-	-	-	0.04
Benchmark: MSCI World Index	24.96	8.64	11.66	9.06	12.59	8.59
<b>Emerging Markets Growth Portfolio</b>						
Class A Shares (USD) (incepted 30 October 1992)	-1.24	-11.34	0.52	1.55	5.75	4.62
Class A EUR Shares (incepted 15 July 2021)	-3.32	-	-	-	-	-9.06
Class A SGD Shares (incepted 15 July 2021)	-1.43	-	-	-	-	-12.30
Class B Shares (USD) (incepted 30 October 1992)	-2.13	-11.62	0.33	0.96	4.98	3.74
Class C Shares (USD) (incepted 6 December 1994)	2.41	-10.53	0.88	1.52	5.56	2.78
Class C EUR Shares (incepted 15 July 2021)	0.25	-	-	-	-	-8.04
Class I Shares (USD) (incepted 18 July 1997)	2.17	-9.85	1.85	2.63	6.78	4.14
Class I EUR Shares (incepted 15 July 2021)	-0.02	-	-	-	-	-7.41
Class S Shares (USD) (dormant) <sup>21</sup>	-	-	-	-	-	-
Class S1 Shares (USD) (incepted 15 November 2004)	3.91	-9.25	2.35	3.00	7.11	5.32
Class S1 EUR Shares (incepted 15 July 2021)	1.70	-	-	-	-	-6.68

<sup>21</sup> This class was liquidated on 25 March 2022 but may be reactivated at a future date for subscriptions.

	(%)	Average annual compounded return (%)				
Portfolio / Class / Benchmark	1 Year	3 years	5 years	10 years	15 years	Since Inception
Class A AUD H Shares (incepted 30 July 2010)	-3.32	-13.20	-1.93	0.39	-	0.94
Class A SGD H Shares (incepted 15 April 2011)	-3.14	-12.33	-0.57	0.70	-	-0.76
Class C AUD H Shares (dormant) <sup>22</sup>	-	-	-	-	-	-
Class I AUD H Shares (incepted 30 July 2010)	0.00	-11.68	-0.59	1.49	-	1.88
Benchmark: MSCI Emerging Markets Index	8.73	-6.30	1.89	3.01	7.44	6.28
<b>Asia Ex-Japan Equity Portfolio</b>						
Class A Shares (USD) (incepted 30 November 2009)	1.95	-6.63	0.91	2.88	-	2.76
Class A EUR Shares (incepted 15 July 2021)	-0.24	-	-	-	-	-4.31
Class AD Shares (USD) (incepted 30 November 2009)	1.94	-6.63	0.89	2.88	-	2.76
Class AD EUR Shares (incepted 15 July 2021)	-0.25	-	-	-	-	-4.28
Class C Shares (USD) (incepted 30 November 2009)	5.73	-5.77	1.28	2.84	-	2.59
Class C EUR Shares (incepted 15 July 2021)	3.37	-	-	-	-	-3.27
Class I Shares (USD) (incepted 30 November 2009)	5.43	-5.06	2.25	3.98	-	3.78
Class I EUR Shares (incepted 15 July 2021)	3.20	-	-	-	-	-2.56
Class ID Shares (USD) (dormant) <sup>23</sup>	-	-	-	-	-	-
Class S Shares (USD) (incepted 30 November 2009)	8.16	-3.59	3.65	5.28	-	5.01

<sup>22</sup> This class was liquidated on 25 March 2022 but may be reactivated at a future date for subscriptions.

<sup>23</sup> This class was liquidated on 25 March 2022 but may be reactivated at a future date for subscriptions.



	(%)	Average annual compounded return (%)				
Portfolio / Class / Benchmark	1 Year	3 years	5 years	10 years	15 years	Since Inception
Class S1 Shares (USD) (incepted 30 November 2009)	7.18	-4.46	2.72	4.33	-	4.06
Class A AUD H Shares (incepted 30 June 2010)	0.05	-8.40	-1.37	1.77	-	2.51
Class A SGD H Shares (incepted 15 April 2011)	0.12	-7.66	-0.21	2.00	-	0.21
Class AD AUD H Shares (incepted 30 June 2010)	0.02	-8.41	-1.38	1.77	-	2.52
Class AD SGD H Shares (dormant) <sup>24</sup>	-	-	-	-	-	-
Class C AUD H Shares (dormant) <sup>25</sup>	-	-	-	-	-	-
Class ID AUD H Shares (dormant) <sup>26</sup>	-	-	-	-	-	-
Benchmark: MSCI All Country Asia ex-Japan Index	4.94	-8.40	1.78	4.02	N/A	4.60
<b>Japan Strategic Value Portfolio</b>						
Class A Shares (JPY) (incepted 15 December 2005)	24.66	11.24	8.19	6.64	8.86	2.36
Class A EUR Shares (incepted 15 July 2021)	10.82	-	-	-	-	1.06
Class A SGD Shares (incepted 15 July 2021)	12.98	-	-	-	-	-2.55
Class A USD Shares (incepted 15 July 2021)	13.26	-	-	-	-	-2.29
Class C Shares (JPY) (incepted 22 September 2006)	28.94	11.93	8.39	6.51	8.60	2.21
Class C EUR Shares (incepted 15 July 2021)	14.61	-	-	-	-	1.88

<sup>24</sup> This class was liquidated on 25 March 2022 but may be reactivated at a future date for subscriptions.

<sup>25</sup> This class was liquidated on 25 March 2022 but may be reactivated at a future date for subscriptions.

<sup>26</sup> This class was liquidated on 25 March 2022 but may be reactivated at a future date for subscriptions.

	(%)	Average annual compounded return (%)				
<b>Portfolio / Class / Benchmark</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>	<b>15 years</b>	<b>Since Inception</b>
Class C USD Shares (incepted 15 July 2021)	17.06	-	-	-	-	-1.53
Class I Shares (JPY) (incepted 22 September 2006)	28.95	13.06	9.61	7.77	9.92	3.47
Class I EUR Shares (incepted 15 July 2021)	14.59	-	-	-	-	2.87
Class I SGD Shares (dormant) <sup>27</sup>	-	-	-	-	-	-
Class I USD Shares (incepted 15 July 2021)	17.09	-	-	-	-	-0.56
Class S Shares (JPY) (dormant) <sup>28</sup>	-	-	-	-	-	-
Class S1 EUR Shares (incepted 15 July 2021)	16.45	-	-	-	-	3.65
Class S1 USD Shares (incepted 15 July 2021)	19.00	-	-	-	-	0.20
Class S USD H Shares (not incepted yet)	-	-	-	-	-	-
Class A AUD H Shares (dormant) <sup>29</sup>	-	-	-	-	-	-
Class A EUR H Shares (incepted 13 September 2010)	29.04	12.07	8.14	6.12	-	6.82
Class A USD H (incepted 14 October 2011)	31.39	14.16	10.32	7.72	-	9.63
Class A SGD H Shares (incepted 7 May 2015)	29.37	13.36	9.53	-	-	5.06
Class C EUR H (incepted 13 September 2010)	33.46	12.80	8.39	6.02	-	6.51
Class I EUR H (incepted 13 September 2010)	33.36	13.91	9.59	7.34	-	7.89
Benchmark: TOPIX	37.64	15.58	13.46	10.72	11.21	5.06

<sup>27</sup> This Class was liquidated on 15 May 2023 but may be reactivated at a future date for subscriptions.

<sup>28</sup> This Class was liquidated on 29 May 2018 but may be reactivated at a future date for subscriptions.

<sup>29</sup> This Class was liquidated on 25 March 2022 but may be reactivated at a future date for subscriptions.

	(%)	Average annual compounded return (%)				
Portfolio / Class / Benchmark	1 Year	3 years	5 years	10 years	15 years	Since Inception
<b>Fixed-Income</b>						
<b>Short Duration Bond Portfolio</b>						
Class A Shares (USD) (incepted 14 October 1996)	1.84	-0.62	0.14	0.15	1.77	2.84
Class A EUR Shares (incepted 15 July 2021)	-0.32	-	-	-	-	2.64
Class A2 Shares (USD) (incepted 12 May 1999)	1.81	-0.64	0.11	0.15	1.75	2.24
Class A2 EUR Shares (incepted 15 July 2021)	-0.35	-	-	-	-	2.66
Class AT Shares (USD) (incepted 26 September 2002)	1.70	-0.66	0.12	0.13	1.75	2.09
Class AT EUR Shares (incepted 15 July 2021)	-0.46	-	-	-	-	2.59
Class C Shares (USD) (incepted 12 March 1998)	4.03	-0.17	0.22	-0.04	1.48	1.75
Class C2 Shares (USD) (incepted 16 May 2001)	3.99	-0.18	0.23	-0.02	1.49	1.88
Class I Shares (USD) (incepted 20 November 1996)	3.47	0.32	0.93	0.87	2.43	3.38
Class I2 Shares (USD) (incepted 2 November 2006)	3.43	0.32	0.94	0.83	2.39	2.16
Class S Shares (USD) (incepted 1 April 2020)	5.51	1.29	-	-	-	1.65
Class A2 EUR H Shares (incepted 30 July 2010)	-0.14	-2.32	-1.69	-1.43	-	-0.76
Class AT EUR H Shares (incepted 30 July 2010)	-0.16	-2.33	-1.68	-1.49	-	-0.82
Class AT AUD H Shares (incepted 10 September 2010)	0.43	-1.53	-0.74	0.25	-	1.32
Class AT CAD H (incepted 15 April 2011)	1.21	-0.90	-0.23	-0.10	-	0.36

	(%)	Average annual compounded return (%)				
Portfolio / Class / Benchmark	1 Year	3 years	5 years	10 years	15 years	Since Inception
Class AT SGD H (incepted 11 March 2013)	0.22	-1.25	-0.41	-0.18	-	-0.23
Class AA SGD H Shares (incepted 27 February 2014)	0.17	-1.25	-0.43	-0.16	-	-0.16
Class I2 EUR H Shares (incepted 30 July 2010)	1.49	-1.39	-0.86	-0.76	-	-0.12
Class I2 AUD H Shares (dormant) <sup>30</sup>	-	-	-	-	-	-
Class S EUR H Shares (dormant) <sup>31</sup>	-	-	-	-	-	-
Class S1 EUR H Shares (incepted 18 July 2023)	-	-	-	-	-	-
Benchmark: Bloomberg Global 1-3 Year Treasury Index (USD Hedged) <sup>@1</sup>	4.97	0.96	1.54	1.41	2.44	4.02
<b>Global High Yield Portfolio</b>						
Class A Shares (USD) (incepted 22 September 1997)	7.70	-0.11	1.86	2.28	7.38	4.82
Class A EUR Shares (incepted 15 July 2021)	5.81	-	-	-	-	2.36
Class A2 Shares (USD) (incepted 14 March 2002)	8.00	0.00	1.87	2.30	7.39	6.28
Class A2 EUR Shares (incepted 15 July 2021)	5.68	-	-	-	-	2.23
Class A2 HKD Shares (incepted 15 July 2021)	7.73	-	-	-	-	-0.86
Class A2 SGD Shares (incepted 15 July 2021)	7.78	-	-	-	-	-1.40
Class AT Shares (USD) (incepted 26 September 2002)	7.74	-0.06	1.85	2.30	7.40	6.99

<sup>30</sup> This class was liquidated on 25 March 2022 but may be reactivated at a future date for subscriptions.

<sup>31</sup> This class was liquidated on 25 March 2022 but may be reactivated at a future date for subscriptions.

	(%)	Average annual compounded return (%)				
<b>Portfolio / Class / Benchmark</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>	<b>15 years</b>	<b>Since Inception</b>
Class AT EUR Shares (incepted 15 July 2021)	5.83	-	-	-	-	2.22
Class AT HKD Shares (incepted 15 July 2021)	7.72	-	-	-	-	-0.87
Class AT SGD Shares (incepted 15 July 2021)	7.78	-	-	-	-	-1.36
Class B Shares (USD) (incepted 22 September 1997)	6.85	-0.45	1.35	1.52	6.47	3.83
Class B2 Shares (USD) (incepted 30 October 1998)	6.64	-0.50	1.36	1.55	6.51	5.02
Class BT Shares (USD) (incepted 26 May 2003)	6.84	-0.38	1.36	1.54	6.52	4.86
Class C Shares (USD) (incepted 22 September 1997)	10.15	0.28	1.88	2.06	7.05	4.23
Class C EUR Shares (incepted 15 July 2021)	7.76	-	-	-	-	2.78
Class C2 Shares (USD) (incepted 8 April 2005)	10.19	0.34	1.89	2.08	7.08	4.74
Class C2 EUR Shares (incepted 15 July 2021)	7.87	-	-	-	-	2.72
Class CT Shares (USD) (incepted 28 June 2012)	10.27	0.34	1.89	2.09	-	3.13
Class I Shares (USD) (incepted 22 September 1997)	9.78	0.83	2.67	2.98	8.06	5.48
Class I EUR Shares (incepted 15 July 2021)	7.52	-	-	-	-	3.30
Class IT Shares (USD) (incepted 24 April 2013)	9.75	0.83	2.59	2.96	-	3.09
Class I2 Shares (USD) (incepted 25 April 2007)	9.71	0.88	2.60	2.95	8.06	4.82
Class I2 EUR Shares (incepted 15 July 2021)	7.36	-	-	-	-	3.19
Class I2 SGD Shares (incepted 15 July 2021)	9.37	-	-	-	-	-0.53
Class S1 Shares (USD) (incepted 3 June 2010)	11.52	1.54	3.12	3.37	-	5.23

	(%)	Average annual compounded return (%)				
<b>Portfolio / Class / Benchmark</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>	<b>15 years</b>	<b>Since Inception</b>
Class A2 EUR H Shares (incepted 15 December 2009)	5.82	-1.98	-0.34	0.47	-	3.02
Class A2 SGD H Shares (incepted 15 April 2011)	6.15	-0.85	1.02	1.77	-	2.79
Class AT EUR H Shares (incepted 15 December 2009)	5.82	-2.00	-0.36	0.45	-	2.98
Class AT AUD H Shares (incepted 8 June 2010)	6.18	-1.35	0.19	1.89	-	4.75
Class AT SGD H Shares (incepted 14 April 2011)	6.15	-0.84	1.00	1.77	-	2.78
Class AT RMB H Shares (incepted 10 February 2012)	4.94	-0.39	1.86	3.53	-	4.71
Class AT GBP H Shares (incepted 14 October 2011)	7.12	-0.99	0.46	1.22	-	3.06
Class AT NZD H Shares (incepted 28 September 2012)	7.62	-0.53	0.91	2.50	-	3.33
Class AT CAD H (incepted 15 April 2011)	7.03	-0.58	0.99	1.68	-	2.90
Class AA Shares (USD) (incepted 9 January 2014)	7.98	0.00	1.88	2.30	-	2.44
Class AA AUD H Shares (incepted 14 January 2014)	6.19	-1.36	0.17	1.88	-	2.04

	(%)	Average annual compounded return (%)				
<b>Portfolio / Class / Benchmark</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>	<b>15 years</b>	<b>Since Inception</b>
Class AA EUR H Shares (incepted 19 May 2014)	5.75	-2.00	-0.35	-	-	0.26
Class AA GBP H Shares (incepted 19 May 2014)	7.24	-0.94	0.49	-	-	1.04
Class AA SGD H Shares (incepted 13 March 2014)	6.23	-0.85	1.01	-	-	1.78
Class AA NZD H Shares (incepted 19 May 2014)	7.66	-0.50	0.92	-	-	2.36
Class AA RMB H Shares (incepted 19 May 2014)	4.93	-0.38	1.86	-	-	3.34
Class BT AUD H Shares (incepted 8 June 2010)	4.87	-1.73	-0.27	1.16	-	3.91
Class C2 EUR H Shares (incepted 5 April 2011)	7.97	-1.64	-0.32	0.24	-	1.55
Class IT EUR H (incepted 29 September 2017)	7.30	-1.20	0.37	-	-	-0.25
Class IT CAD H (incepted 23 December 2015)	8.71	0.25	1.72	-	-	3.47
Class IT GBP H (incepted 23 December 2015)	8.86	-0.08	1.22	-	-	2.97
Class IT RMB H (incepted 16 Jan 2014)	6.61	0.47	2.64	4.19	-	4.30
Class IT NZD H (dormant) <sup>32</sup>	-	-	-	-	-	-
Class IT AUD H (incepted 24 April 2013)	7.84	-0.48	0.91	2.55	-	2.91
Class IA AUD H (incepted 23 December 2015)	7.78	-0.54	0.88	-	-	3.32

<sup>32</sup> This class was liquidated on 25 March 2022 but may be reactivated at a future date for subscriptions.

	(%)	Average annual compounded return (%)				
<b>Portfolio / Class / Benchmark</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>	<b>15 years</b>	<b>Since Inception</b>
Class I2 EUR H Shares (incepted 15 December 2009)	7.42	-1.18	0.35	1.09	-	3.60
Class I2 SGD H Shares (incepted 16 March 2015)	7.80	-0.02	1.74	-	-	2.63
Class I2 AUD H Shares (incepted 8 September 2010)	7.81	-0.50	0.94	2.57	-	4.89
Class W (USD) (incepted 3 October 2019)	11.51	1.50	-	-	-	2.48
Class W EUR (incepted 15 July 2021)	9.09	-	-	-	-	-0.66
Class WT (USD) (incepted 11 January 2018)	11.55	1.49	3.09	-	-	2.41
Class WT EUR H (incepted 11 January 2018 )	9.23	-0.53	0.83	-	-	0.04
Class WT AUD H (incepted 11 January 2018)	9.67	0.17	1.42	-	-	0.96
Class WT CAD H (incepted 3 October 2019)	10.59	0.94	-	-	-	1.59
Class WT GBP H (incepted 3 October 2019)	10.58	0.51	-	-	-	1.09
Class WT RMB H (incepted 3 October 2019)	8.34	1.11	-	-	-	2.43
Class W2 (USD) (incepted 11 January 2018)	11.50	1.50	3.09	-	-	2.40
Class W2 EUR H (incepted 3 October 2019)	9.20	-0.56	-	-	-	0.30
Class W2 CHF H (incepted 11 January 2018)	6.94	-1.45	0.18	-	-	-0.56
Benchmark: Bloomberg Global High Yield Index (USD Hedged) <sup>@2</sup>	12.14	1.52	3.45	3.59	6.81	6.40



	(%)	Average annual compounded return (%)				
Portfolio / Class / Benchmark	1 Year	3 years	5 years	10 years	15 years	Since Inception
<b>American Income Portfolio</b>						
Class A Shares (USD) (incepted 1 July 1993)	3.12	-2.99	0.56	1.75	4.57	5.12
Class A EUR Shares (incepted 15 July 2021)	0.99	-	-	-	-	-0.71
Class A2 Shares (USD) (incepted 26 October 1998)	3.22	-2.95	0.61	1.76	4.60	4.82
Class A2 HKD Shares (incepted 15 July 2021)	2.96	-	-	-	-	-3.78
Class A2 SGD Shares (incepted 15 July 2021)	3.00	-	-	-	-	-4.32
Class A2 EUR Shares (incepted 15 July 2021)	1.01	-	-	-	-	-0.77
Class A2 CHF H (incepted 20 December 2012)	-1.23	-5.90	-2.31	-0.70	-	-0.56
Class AT Shares (USD) (incepted 16 September 2002)	3.15	-2.98	0.60	1.76	4.59	4.44
Class AT EUR Shares (incepted 15 July 2021)	0.99	-	-	-	-	-0.82
Class AT HKD Shares (incepted 15 July 2021)	2.97	-	-	-	-	-3.78
Class AT SGD Shares (incepted 15 July 2021)	3.14	-	-	-	-	-4.28
Class B Shares (USD) (incepted 1 July 1993)	2.21	-3.11	0.40	1.29	4.01	4.46
Class B2 Shares (USD) (incepted 10 August 1999)	2.14	-3.14	0.41	1.31	4.04	4.28
Class BT Shares (USD) (incepted 1 October 2002)	2.23	-3.09	0.41	1.32	4.05	3.90
Class C Shares (USD) (incepted 1 July 1993)	5.38	-2.59	0.64	1.55	4.27	4.62
Class C EUR Shares (incepted 15 July 2021)	3.07	-	-	-	-	-0.17
Class C2 Shares (USD) (incepted 8 December 1994)	5.41	-2.57	0.66	1.57	4.30	4.85
Class C2 EUR Shares (incepted 15 July 2021)	3.14	-	-	-	-	-0.25

	(%)	Average annual compounded return (%)				
<b>Portfolio / Class / Benchmark</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>	<b>15 years</b>	<b>Since Inception</b>
Class CT Shares (USD) (incepted 27 June 2012)	5.32	-2.57	0.66	1.56	-	1.82
Class I Shares (USD) (incepted 6 November 1997)	4.79	-2.12	1.34	2.44	5.23	5.03
Class I EUR Shares (incepted 15 July 2021)	2.59	-	-	-	-	0.19
Class IT Shares (USD) (incepted 31 Jan 2013)	4.91	-2.07	1.38	2.43	-	2.36
Class IT HKD Shares (incepted 15 July 2021)	4.58	-	-	-	-	-6.59
Class IT Shares (SGD) (incepted 19 October 2023)	-	-	-	-	-	-
Class IA Shares (USD) (incepted 23 December 2015)	4.89	-2.09	1.36	-	-	2.79
Class I2 Shares (USD) (incepted 30 May 2006)	4.89	-2.09	1.37	2.43	5.24	4.36
Class I2 EUR Shares (incepted 15 July 2021)	2.55	-	-	-	-	0.16
Class I2 HKD Shares (incepted 15 July 2021)	4.73	-	-	-	-	-2.82
Class I2 CHF H (incepted 20 December 2012)	0.39	-5.04	-1.55	-0.06	-	0.09
Class S Shares (USD) (incepted 27 December 2013)	7.25	-0.87	2.41	3.34	-	3.57
Class S1 Shares (USD) (incepted 24 January 2011)	6.71	-1.37	1.91	2.83	-	3.55
Class S1 EUR (dormant) <sup>33</sup>	-	-	-	-	-	-
Class A2 SGD H Shares (incepted 15 April 2011)	1.42	-3.74	-0.15	1.29	-	2.04
Class A2 EUR H Shares (incepted 1 March 2011)	0.97	-4.94	-1.56	-0.07	-	1.10

<sup>33</sup> This class was liquidated on 8 December 2022 but may be reactivated at a future date for subscriptions.

	(%)	Average annual compounded return (%)				
<b>Portfolio / Class / Benchmark</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>	<b>15 years</b>	<b>Since Inception</b>
Class AT AUD H Shares (incepted 28 July 2010)	1.54	-4.18	-0.78	1.57	-	3.40
Class AT SGD H Shares (incepted 15 April 2011)	1.44	-3.74	-0.15	1.29	-	2.04
Class AT EUR H Shares (incepted 10 September 2010)	1.10	-4.91	-1.55	-0.06	-	1.17
Class AT RMB H Shares (incepted 18 May 2012)	0.28	-3.33	0.66	3.01	-	3.49
Class AT GBP H Shares (incepted 19 December 2011)	2.40	-3.80	-0.59	0.79	-	1.52
Class AT NZD H Shares (incepted 28 September 2012)	2.87	-3.38	-0.12	2.15	-	2.34
Class AT CAD H Shares (incepted 15 April 2011)	2.39	-3.48	-0.09	1.30	-	2.23
Class C2 EUR H Shares (incepted 1 March 2011)	3.08	-4.54	-1.51	-0.27	-	0.83
Class IT EUR H Shares (incepted 23 December 2015)	2.53	-4.07	-0.83	-	-	0.58
Class IT CAD H Shares (incepted 31 December 2015)	4.02	-2.56	0.66	-	-	2.11
Class IT SGD H Shares (incepted 8 Aug 2013)	3.04	-2.89	0.60	1.97	-	2.21
Class IT GBP H Shares (incepted 23 December 2015)	4.04	-2.99	0.14	-	-	1.56
Class IT RMB H Shares (incepted 13 June 2019)	1.87	-2.47	-	-	-	0.65

	(%)	Average annual compounded return (%)				
<b>Portfolio / Class / Benchmark</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>	<b>15 years</b>	<b>Since Inception</b>
Class IT NZD H Shares (incepted 23 December 2015)	4.45	-2.54	0.62	-	-	2.58
Class IT AUD H Shares (incepted 24 April 2013)	3.13	-3.27	-0.01	2.23	-	2.19
Class IA AUD H Shares (incepted 23 December 2015)	3.14	-3.29	0.00	-	-	2.10
Class I2 SGD H Shares (incepted 23 December 2015)	3.13	-2.88	0.61	-	-	2.14
Class I2 EUR H Shares (incepted 10 September 2010)	2.58	-4.07	-0.82	0.57	-	1.84
Class AA Shares (USD) (incepted 9 January 2014)	3.22	-2.95	0.60	1.76	-	1.95
Class AA HKD Shares (incepted 15 July 2021)	2.97	-	-	-	-	-3.78
Class AA AUD H Shares (incepted 14 January 2014)	1.53	-4.11	-0.74	1.59	-	1.78
Class AA EUR H Shares (incepted 19 May 2014)	0.92	-4.91	-1.59	-	-	-0.29
Class AA GBP H Shares (incepted 19 May 2014)	2.40	-3.84	-0.66	-	-	0.56
Class AA NZD H Shares (incepted 19 May 2014)	2.75	-3.43	-0.15	-	-	1.92
Class AA SGD H Shares (incepted 13 March 2014)	1.52	-3.75	-0.15	-	-	1.30
Class AA RMB H Shares (incepted 19 May 2014)	0.28	-3.32	0.65	-	-	2.80
Class W Shares (USD) (incepted 16 January 2018)	6.57	-1.44	1.80	-	-	1.90

	(%)	Average annual compounded return (%)				
<b>Portfolio / Class / Benchmark</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>	<b>15 years</b>	<b>Since Inception</b>
Class W2 Shares (USD) (incepted 16 January 2018)	6.64	-1.42	1.84	-	-	1.94
Class W2 CHF H Shares (incepted 16 January 2018)	2.11	-4.40	-1.09	-	-	-1.08
Class W2 EUR H Shares (incepted 16 January 2018)	4.34	-3.42	-0.34	-	-	-0.39
Class WT Shares (USD) (incepted 16 January 2018)	6.60	-1.44	1.84	-	-	1.93
Class WT Shares (HKD) (incepted 15 July 2021)	6.36	-	-	-	-	-2.14
Class WT AUD H Shares (incepted 16 January 2018)	4.85	-2.65	0.46	-	-	0.72
Class WT SGD H Shares (incepted 16 January 2018)	4.66	-2.25	1.05	-	-	1.12
Class WT EUR H Shares (incepted 13 June 2019)	4.35	-3.42	-	-	-	-1.08
Class WT GBP H Shares (incepted 13 June 2019)	5.79	-2.30	-	-	-	-0.23
Benchmark: Bloomberg US Aggregate Index <sup>@3</sup>	3.33	-3.16	0.56	1.92	4.09	5.65

	(%)	Average annual compounded return (%)				
Portfolio / Class / Benchmark	1 Year	3 years	5 years	10 years	15 years	Since Inception
<b>European Income Portfolio</b>						
Class A Shares (EUR) (incepted 26 February 1999)	5.62	-2.37	0.20	1.29	5.64	2.89
Class A USD Shares (incepted 15 July 2021)	7.89	-	-	-	-	-6.32
Class AA Shares (EUR) (incepted 9 January 2014)	5.58	-2.35	0.21	1.28	-	1.42
Class AA AUD H Shares (incepted 14 January 2014)	6.01	-1.68	0.86	2.84	-	2.98
Class AA SGD H Shares (incepted 27 February 2014)	5.91	-1.28	1.48	2.56	-	2.55
Class AA USD H Shares (incepted 14 January 2014)	7.77	-0.52	2.23	3.01	-	3.10
Class AA HKD H Shares (incepted 19 May 2014)	6.49	-1.25	1.71	-	-	2.40
Class A2 Shares (EUR) (incepted 26 February 1999)	5.64	-2.34	0.21	1.29	5.66	2.87
Class A2 USD Shares (incepted 15 July 2021)	7.92	-	-	-	-	-6.36
Class AT Shares (EUR) (incepted 9 October 2003)	5.80	-2.32	0.23	1.30	5.67	3.43
Class AT USD Shares (incepted 15 July 2021)	7.89	-	-	-	-	-6.36
Class B USD Shares (incepted 15 July 2021)	6.73	-	-	-	-	-6.43
Class B2 Shares (EUR) (incepted 26 February 1999)	4.55	-2.53	0.02	0.84	5.10	2.27

	(%)	Average annual compounded return (%)				
<b>Portfolio / Class / Benchmark</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>	<b>15 years</b>	<b>Since Inception</b>
Class B2 USD Shares (incepted 15 July 2021)	6.92	-	-	-	-	-6.44
Class C Shares (EUR) (incepted 26 February 1999)	7.82	-1.93	0.27	1.10	5.35	2.47
Class C USD Shares (incepted 15 July 2021)	10.11	-	-	-	-	-5.85
Class C2 Shares (EUR) (incepted 26 February 2003)	7.82	-1.96	0.27	1.09	5.36	3.22
Class C2 USD Shares (incepted 15 July 2021)	10.22	-	-	-	-	-5.86
Class CT Shares (EUR) (not incepted yet)	-	-	-	-	-	-
Class I Shares (EUR) (incepted 26 February 1999)	7.06	-1.45	0.96	1.95	6.28	3.51
Class IT Shares (EUR) (incepted 29 December 2015)	7.23	-1.47	0.95	-	-	1.77
Class I2 Shares (EUR) (incepted 3 October 2006)	7.21	-1.47	0.96	1.96	6.31	3.64
Class IA Shares (EUR) (incepted 29 December 2015)	7.27	-1.45	0.98	-	-	1.78
Class S Shares (EUR) (dormant) <sup>34</sup>	-	-	-	-	-	-
Class S1 Shares (EUR) (incepted 19 April 2010)	9.15	-0.75	1.51	2.35	-	3.86
Class S1 USD Shares (incepted 15 July 2021)	11.57	-	-	-	-	-4.70
Class AT AUD H Shares (incepted 8 September 2010)	6.06	-1.69	0.88	2.85	-	4.74
Class AT SGD H Shares (incepted 27 February 2014)	5.84	-1.29	1.48	2.55	-	2.55

<sup>34</sup> This Class was liquidated on 17 August 2021 but may be reactivated at a future date for subscriptions.

	(%)	Average annual compounded return (%)				
<b>Portfolio / Class / Benchmark</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>	<b>15 years</b>	<b>Since Inception</b>
Class AT USD H Shares (incepted 8 September 2010)	7.75	-0.49	2.23	3.03	-	4.09
Class A2 USD H Shares (incepted 30 January 2015)	7.67	-0.50	2.23	-	-	2.74
Class IT USD H (incepted 24 Nov 2014)	9.43	0.38	3.01	-	-	3.61
Class IT AUD H Shares (not incepted yet)	-	-	-	-	-	-
Class IA USD H (incepted 29 December 2015)	8.80	0.19	2.87	-	-	3.78
Class I2 AUD H Shares (incepted 8 September 2010)	7.67	-0.81	1.62	3.51	-	5.39
Class I2 USD H Shares (incepted 8 September 2010)	9.41	0.39	3.00	3.67	-	4.73
Class WA Shares (EUR) (incepted 10 October 2019)	9.13	-0.80	-	-	-	0.43
Class WA USD H Shares (incepted 10 October 2019)	11.27	1.08	-	-	-	2.33
Class WT Shares (EUR) (incepted 10 October 2019)	9.03	-0.81	-	-	-	0.43
Class WT USD H Shares (incepted 10 October 2019)	11.25	1.05	-	-	-	2.32
Class W2 Shares (EUR) (incepted 10 October 2019)	9.14	-0.79	-	-	-	0.44
Class W2 USD H Shares (incepted 10 October 2019)	11.27	1.07	-	-	-	2.32
Class W2 CHF H Shares (incepted 16 January 2018)	6.49	-1.87	0.65	-	-	0.45



	(%)	Average annual compounded return (%)				
Portfolio / Class / Benchmark	1 Year	3 years	5 years	10 years	15 years	Since Inception
Benchmark: Bloomberg Euro Aggregate Index <sup>@4</sup>	5.60	-4.62	-1.45	0.97	4.29	3.58
<b>Emerging Markets Debt Portfolio</b>						
Class A Shares (USD) (incepted 23 March 2006)	8.36	-4.13	-0.43	1.44	5.41	4.04
Class A EUR Shares (incepted 15 July 2021)	6.15	-	-	-	-	-2.26
Class A2 Shares (USD) (incepted 23 March 2006)	8.46	-4.10	-0.41	1.45	5.43	4.06
Class A2 EUR Shares (incepted 15 July 2021)	6.17	-	-	-	-	-2.31
Class AT Shares (USD) (incepted 23 March 2006)	8.48	-4.10	-0.41	1.45	5.44	4.06
Class AT EUR Shares (incepted 15 July 2021)	6.15	-	-	-	-	-2.32
Class BT Shares (USD) (incepted 23 March 2006)	7.12	-4.53	-0.90	0.70	4.56	3.17
Class C Shares (USD) (incepted 23 March 2006)	10.67	-3.74	-0.36	1.24	5.12	3.72
Class C EUR Shares (incepted 15 July 2021)	8.32	-	-	-	-	-1.73
Class C2 Shares (USD) (incepted 23 March 2006)	10.74	-3.72	-0.36	1.25	5.13	3.74
Class C2 EUR Shares (incepted 15 July 2021)	8.37	-	-	-	-	-1.82
Class CT Shares (USD) (incepted 3 April 2013)	10.78	-3.70	-0.35	1.27	-	0.76
Class I Shares (USD) (incepted 23 March 2006)	10.14	-3.23	0.34	2.11	6.06	4.67
Class I2 Shares (USD) (incepted 23 March 2006)	10.17	-3.25	0.34	2.11	6.08	4.69
Class I2 EUR Shares (incepted 15 July 2021)	7.80	-	-	-	-	-1.40

	(%)	Average annual compounded return (%)				
<b>Portfolio / Class / Benchmark</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>	<b>15 years</b>	<b>Since Inception</b>
Class S Shares (USD) (incepted 15 September 2010)	12.65	-2.07	1.36	3.02	-	3.85
Class S1 2 Shares (USD) (incepted 16 September 2008)	12.01	-2.62	0.79	2.45	6.39	5.08
Class A2 EUR H Shares (incepted 30 June 2010)	6.04	-6.15	-2.63	-0.44	-	1.26
Class A2 SGD H Shares (incepted 15 April 2011)	6.56	-4.96	-1.29	0.85	-	1.72
Class AT EUR H Shares (incepted 30 June 2010)	5.99	-6.21	-2.64	-0.44	-	1.27
Class AT AUD H Shares (incepted 30 June 2010)	6.70	-5.45	-2.16	0.97	-	3.17
Class AT SGD H Shares (incepted 15 April 2011)	6.66	-4.95	-1.29	0.85	-	1.71
Class AT RMB H Shares (dormant) <sup>35</sup>	-	-	-	-	-	-
Class AT NZD H Shares (incepted 28 September 2012)	8.06	-4.76	-1.51	1.55	-	1.35
Class C2 EUR H Shares (incepted 30 June 2010)	8.30	-5.78	-2.58	-0.62	-	1.02
Class I2 EUR H Shares (incepted 30 June 2010)	7.68	-5.33	-1.89	0.23	-	1.93

<sup>35</sup> This class was liquidated on 15 July 2022 but may be reactivated at a future date for subscriptions.

	(%)	Average annual compounded return (%)				
Portfolio / Class / Benchmark	1 Year	3 years	5 years	10 years	15 years	Since Inception
Class AA Shares (USD) (incepted 9 January 2014)	8.43	-4.12	-0.41	1.44	-	1.63
Class AA AUD H Shares (incepted 14 January 2014)	6.66	-5.43	-2.13	0.99	-	1.19
Class AA EUR H Shares (incepted 27 May 2014)	6.11	-6.17	-2.62	-	-	-0.92
Class AA GBP H Shares (incepted 27 May 2014)	7.35	-5.16	-1.88	-	-	-0.16
Class AT GBP H Shares (incepted 3 April 2013)	7.49	-5.09	-1.86	0.33	-	-0.03
Class AA NZD H Shares (incepted 27 May 2014)	8.05	-4.74	-1.50	-	-	1.04
Class S EUR H Shares (dormant) <sup>36</sup>	-	-	-	-	-	-
Class S1 EUR H Shares (incepted 10 September 2010)	9.59	-4.68	-1.41	0.60	-	1.85
Benchmark: JP Morgan EMBI Global Diversified Index @ <sup>5</sup>	10.05	-2.39	0.58	2.71	5.74	4.88
<b>Mortgage Income Portfolio<sup>37</sup></b>						
Class A Shares (USD) (incepted 20 February 2014)	9.28	3.52	2.29	2.86	-	2.86
Class AA Shares (USD) (incepted 20 February 2014)	9.25	3.56	2.28	2.88	-	2.89

<sup>36</sup> This class was liquidated on 25 March 2022 but may be reactivated at a future date for subscriptions.

<sup>37</sup> Class AX, A2X, BX, CX, and IX Shares are no longer open for subscription by new investors, except to the existing shareholders holding the relevant Class of Shares as more particularly described in the Luxembourg Prospectus.

	(%)	Average annual compounded return (%)				
<b>Portfolio / Class / Benchmark</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>	<b>15 years</b>	<b>Since Inception</b>
Class AA AUD H Shares (incepted 21 February 2014)	7.81	2.58	1.09	2.80	-	2.80
Class AA RMB H Shares (incepted 16 March 2015)	6.23	3.34	2.37	-	-	3.96
Class AX Shares (USD) (incepted 27 September 1994)	9.23	3.59	2.36	2.99	3.47	2.29
Class AX EUR Shares (incepted 15 July 2021)	6.82	-	-	-	-	7.08
Class A2 Shares (USD) (incepted 20 February 2014)	9.23	3.56	2.29	2.89	-	2.90
Class A2 EUR Shares (incepted 15 July 2021)	6.94	-	-	-	-	6.97
Class A2X Shares (USD) (incepted 17 November 2000)	9.38	3.65	2.36	3.00	3.47	1.78
Class A2X EUR Shares (incepted 15 July 2021)	7.00	-	-	-	-	7.10
Class AT Shares (USD) (incepted 20 February 2014)	9.31	3.55	2.30	2.87	-	2.89
Class AT EUR Shares (incepted 15 July 2021)	6.91	-	-	-	-	6.96
Class AT AUD H Shares (incepted 13 Mar 2014)	7.87	2.63	1.12	-	-	2.82
Class AT SGD H (incepted 20 Mar 2014)	7.55	2.88	1.61	-	-	2.48
Class AA SGD H (incepted 20 Mar 2014)	7.49	2.88	1.59	-	-	2.49
Class BX Shares (USD) (incepted 27 September 1994)	8.78	3.75	2.43	2.80	3.19	1.92
Class BX EUR Shares (incepted 15 July 2021)	6.26	-	-	-	-	7.31
Class C Shares (USD) (incepted 20 February 2014)	11.53	3.96	2.35	2.66	-	2.66

	(%)	Average annual compounded return (%)				
<b>Portfolio / Class / Benchmark</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>	<b>15 years</b>	<b>Since Inception</b>
Class CX Shares (USD) (incepted 4 October 1994)	11.77	4.04	2.43	2.80	3.19	1.92
Class C2 Shares (USD) (incepted 20 February 2014)	11.53	3.94	2.35	2.67	-	2.67
Class C2 EUR Shares (incepted 15 July 2021)	9.17	-	-	-	-	7.53
Class I Shares (USD) (incepted 20 February 2014)	10.95	4.46	3.05	3.54	-	3.54
Class I EUR Shares (incepted 15 July 2021)	8.60	-	-	-	-	8.07
Class IX Shares (USD) (incepted 23 January 1998)	11.03	4.51	3.15	3.68	4.11	2.59
Class I2 Shares (USD) (incepted 20 February 2014)	10.98	4.49	3.06	3.56	-	3.56
Class I2 EUR Shares (incepted 15 July 2021)	8.62	-	-	-	-	8.02
Class S Shares (USD) (incepted 20 February 2014)	13.44	5.77	4.12	4.46	-	4.47
Class S1 Shares (USD) (incepted 20 February 2014)	12.85	5.18	3.57	3.94	-	3.94
Benchmark: Secured Overnight Financing Rate (SOFR) <sup>@6</sup>	5.10	2.19	1.94	1.45	N/A	1.44

*Notes:*

1. *Source: AllianceBernstein L.P. The benchmarks are provided for reference purposes only.*
2. *Performance calculations with respect to the classes of Shares of the Portfolios are based on a single pricing basis, taking into account an assumed initial sales charge and a contingent deferred sales charge (where applicable) as specified in the table below and on the assumption that all distributions or dividends are reinvested, taking into account any applicable charges payable upon such reinvestment:*

	<b>Initial sales charge</b>	<b>Contingent deferred sales charge</b>
<b>Equity (and corresponding Denominated Currency Shares and H Shares)</b>		
<i>Class A, AD</i>	4.0%	None
<i>Class B</i>	None	4.0%
<i>Class C</i>	None	None
<i>Class I, ID</i>	1.5%	None
<i>Class S, S1</i>	None	None
<b>Fixed-Income (and corresponding Denominated Currency Shares and H Shares)</b>		
<i>Class A, A2, AT, AA</i>	2.5%	None
<i>Class B, B2, BT</i>	None	3.0%
<i>Class C, C2, CT</i>	None	None
<i>Class I, I2, IT, IA</i>	1.5%	None
<i>Class S, S1, S1 2</i>	None	None
<i>Class W, WT, WA, W2</i>	None	None

3. *Unless otherwise stated in these notes, the performance of a benchmark of a Portfolio since inception is calculated with reference to the inception date of the Share Class of that Portfolio which was launched the earliest (or the nearest month end after such inception date).*
4. *An investor may not be able to invest directly in an index and the performance calculations of the benchmarks do not take into account sales charges or operating expenses associated with an investment in a mutual fund, which would reduce total returns.*
5. ***Investors should note that the past performance of the Portfolios are not necessarily indicative of the future performance of the Portfolios.***

@1 *The Short Duration Bond Portfolio (formerly known as Global Bond Portfolio prior to 1 July 2019) uses a blended benchmark in accordance with the historical benchmark changes as follows: Prior to 14 December 2012, the benchmark for this Portfolio was Barclays Capital Global Aggregate Bond Index (USD Hedged). Effective 14 December 2012, the benchmark was changed to Barclays Global Treasury 1-3 Year (USD Hedged), to better reflect the investment policies of Short Duration Bond Portfolio which were changed on the same date. Pursuant to the Barclays Risk Analytics and Index Solutions Ltd. (BRAIS) acquisition by Bloomberg L.P. on 24 August 2016, all Barclays indices were renamed as Bloomberg Barclays indices. Subsequently, pursuant to Barclay's rebranding of the Bloomberg Barclays fixed income benchmark indices to "Bloomberg indices",*

with effect from 24 August 2021 the name of this benchmark was changed from Bloomberg Barclays Global 1-3 Year Treasury Index (USD Hedged) to Bloomberg Global 1-3 Year Treasury Index (USD Hedged).

@2 The Global High Yield Portfolio uses a blended benchmark in accordance with the historical benchmark changes as follows: Prior to 1 January 2008, the benchmark for this Portfolio was 33% BofA Merrill Lynch Global High Yield Index / 33% JP Morgan Emerging Markets Bond Index-Global and / 33% JP Morgan Emerging Markets Local Index Plus. From 1 January 2008 to 1 September 2016, the benchmark was 33% Barclays High Yield 2% Constrained Index / 33% JPMorgan Government Bond Index-Emerging Markets (GBI-EM) and / 33% JPMorgan Emerging Markets Bond Index Global to better reflect the local emerging markets and to provide a better attribution analysis. Effective 1 September 2016, the benchmark for this Portfolio was changed to the Barclays Global High Yield Index (USD Hedged), to better reflect the investment universe for the Global High Yield Portfolio. Pursuant to the Barclays Risk Analytics and Index Solutions Ltd. (BRAIS) acquisition by Bloomberg L.P. on 24 August 2016, all Barclays indices were renamed as Bloomberg Barclays indices. Subsequently, pursuant to Barclay's rebranding of the Bloomberg Barclays fixed income benchmark indices to "Bloomberg indices", with effect from 24 August 2021 the name of this benchmark was changed from Bloomberg Barclays Global High Yield Index (USD Hedged) to Bloomberg Global High Yield Index (USD Hedged).

@3 The American Income Portfolio uses a blended benchmark in accordance with the historical benchmark changes as follows: Prior to 1 January 2008, the benchmark for this Portfolio was 50% Merrill Lynch Government, 15% Merrill Lynch High Yield and 35% JP Morgan Emerging Markets Bond Index Global ("**JPM EMBIG**"). With effect from 1 January 2008, the benchmark was changed to 50% Lehman Brothers Government Index, 15% Lehman Brothers High Yield 2% Constrained and 35% JPM EMBIG. This change was made because the new benchmark better reflected the local emerging markets and to provide a better attribution analysis. Subsequently, pursuant to the Lehman Brothers acquisition by Barclays Capital on November 2008, all Lehman Brothers indices were renamed as Barclays Capital indices, and pursuant to the Barclays Risk Analytics and Index Solutions Ltd. (BRAIS) acquisition by Bloomberg L.P. on 24 August 2016, all Barclays indices were renamed as Bloomberg Barclays indices. Hence the benchmark was referred to as 50% Bloomberg Barclays Capital Government Index, 15% Bloomberg Barclays Capital High Yield 2% Constrained and 35% JP Morgan Emerging Markets Bond Index Global (note that benchmark data prior to 1994 is not available, therefore, the since inception performance of the benchmark is calculated with reference to 1 January 1994). With effect from 1 February 2018, the benchmark was changed to the Bloomberg Barclays US Aggregate Index. This change was made to ensure consistency of the benchmarks (Bloomberg Barclays Aggregate benchmarks) used across the Income Portfolio offering range. Subsequently, pursuant to Barclay's rebranding of the Bloomberg Barclays fixed income benchmark indices to "Bloomberg indices", with effect from 24 August 2021 the name of this benchmark was changed from Bloomberg Barclays US Aggregate Index to Bloomberg US Aggregate Index.

@4 The European Income Portfolio uses a blended benchmark in accordance with the historical benchmark changes as follows: Prior to 1 January 2008, the benchmark

for this Portfolio was 65% Lehman Brothers Euro Aggregate (“**LBEA**”) and 35% Merrill Lynch European Currency High Yield Index (Hedged in Euro). With effect from 1 January 2008, the benchmark was changed to 65% LBEA and 35% Lehman Euro High Yield 2% Constrained (Hedged in Euro). This change was made because the new benchmark better reflected the local emerging markets and to provide a better attribution analysis. Subsequently, pursuant to the Lehman Brothers acquisition by Barclays Capital on November 2008, all Lehman Brothers indices were renamed as Barclays Capital indices, and pursuant to the Barclays Risk Analytics and Index Solutions Ltd. (BRAIS) acquisition by Bloomberg L.P. on 24 August 2016, all Barclays indices were renamed as Bloomberg Barclays indices. Hence the benchmark was referred to as 65% Bloomberg Barclays Capital Euro Aggregate and 35% Bloomberg Barclays Euro High Yield 2% Constrained (Hedged in Euro). With effect from 1 February 2018, the benchmark was changed to the Bloomberg Barclays Euro Aggregate Index. This change was made to ensure consistency of the benchmarks (Bloomberg Barclays Aggregate benchmarks) used across the Income Portfolio offering range. Subsequently, pursuant to Barclay’s rebranding of the Bloomberg Barclays fixed income benchmark indices to “Bloomberg indices”, with effect from 24 August 2021 the name of this benchmark was changed from Bloomberg Barclays Euro Aggregate Index to Bloomberg Euro Aggregate Index.

@5 The Emerging Markets Debt Portfolio will use a blended benchmark in accordance with the benchmark changes as follows: Prior to 31 January 2018, the benchmark for this Portfolio was JP Morgan Emerging Markets Bond Global Index. With effect from 1 February 2018, the benchmark was changed to JP Morgan EMBI Global Diversified Index. This change is being made because the new index allows this Portfolio to be more diversified and to better manage distinctive country risk.

@6 The Mortgage Income Portfolio uses a blended benchmark in accordance with historical benchmark changes as follows: Pursuant to the renaming of the Short Maturity Dollar Portfolio to the Mortgage Income Portfolio and other changes to the Short Maturity Dollar Portfolio which came into effect on 20 February 2014, the benchmark (previously LIBOR 1 Month USD) was changed to LIBOR 3 Month USD to reflect the change in investment policies of the Mortgage Income Portfolio. Pursuant to the retirement of the London Interbank Offered Rate (LIBOR) at the end of 2021, the benchmark of Mortgage Income Portfolio was changed from 3 Month LIBOR USD to Secured Overnight Financing Rate (SOFR) effective 1 January 2022. Due to these changes, the since inception performance of the benchmark is calculated with reference to 20 February 2014.

6. A track record of at least one year is not available for certain classes of Shares of American Income Portfolio, Asia Ex-Japan Equity Portfolio, Emerging Markets Debt Portfolio, Emerging Markets Growth Portfolio, European Income Portfolio, Global High Yield Portfolio, Japan Strategic Value Portfolio and Short Duration Bond Portfolio as they are dormant, have been incepted for less than a year as at 29 February 2024, or have not been incepted or launched as at 29 February 2024.

Prior to 15 July 2021, certain share classes of each of the Portfolios mentioned in the table below, while denominated in the base currency of each Portfolio (“**base currency**”), were offered for subscription in other currencies (“**OOC Shares Classes**”). On 15 July 2021, the OOC Share Classes were restructured



into multiple share classes through a split (“**Share Class Split**”). As a result, each OOC Share Class has been split into distinct share classes denominated in the relevant offered currencies (“**Denominated Currency Shares Classes**”) in addition to the share class denominated in the base currency of the relevant Portfolio. The Denominated Currency Shares Classes have identical characteristics to the former corresponding OOC Share Classes including the same ISIN, save that a Denominated Currency Share Class is denominated in the relevant offered currency instead of the base currency. The share classes in the table below are all Denominated Currency Share Classes resulting from the Share Class Split. Each “since inception” date stated in the table below reflects the original inception date of the former corresponding OOC Share Class. The past performance for each Denominated Currency Share Class as set out in the table below is, prior to 15 July 2021, based on the NAV of the former corresponding OOC Share Class converted at the prevailing foreign exchange spot rate (as determined by AB) from the base currency to the denominated currency of the Denominated Currency Share Class and going forward past performance from 15 July 2021 onwards will be based on the NAV of the Denominated Currency Share Class.<sup>38</sup>

**Past Performance (as of 29 February 2024)**

			(%)	Average annual compounded return (%)		
Portfolio / Class / Benchmark	1 year	3 years	5 years	10 years	15 years	Since inception
American Income Portfolio						
A EUR (incepted 1 June 2001)	0.99	0.68	1.60	4.31	5.72	3.42
A2 EUR (incepted 1 June 2001)	1.01	0.69	1.64	4.28	5.72	3.38
A2 HKD (incepted 9 March 2009)	2.96	-2.64	0.56	1.85	-	4.78
A2 SGD (incepted 24 January 2012)	3.00	-2.62	0.53	2.38	-	2.80
AA HKD (incepted 6 May 2014)	2.97	-2.64	0.56	-	-	1.71
AT EUR (incepted 1 October 2007)	0.99	0.68	1.61	4.28	5.71	5.17

<sup>38</sup> Investors should refer to the clarifying Notes directly preceding this paragraph for details about the information in this table below.

		(%)	Average annual compounded return (%)			
Portfolio / Class / Benchmark	1 year	3 years	5 years	10 years	15 years	Since inception
AT HKD (incepted 9 March 2009)	2.97	-2.67	0.54	1.86	-	4.78
AT SGD (incepted 24 June 2005)	3.14	-2.63	0.53	2.38	3.64	2.43
C EUR (incepted 1 June 2001)	3.07	1.07	1.67	4.05	5.38	2.99
C2 EUR (incepted 1 June 2001)	3.14	1.09	1.69	4.08	5.41	3.01
I EUR (incepted 1 June 2001)	2.59	1.55	2.35	4.94	6.35	4.03
I2 HKD (incepted 11 Nov 2015)	4.73	-1.74	1.35	-	-	2.71
I2 EUR (incepted 30 May 2006)	2.55	1.57	2.41	4.96	6.37	5.40
IT HKD (incepted 12 March 2013)	4.58	-1.78	1.32	2.52	-	2.43
WT (HKD) (incepted 16 January 2018)	6.36	-1.11	1.80	-	-	1.95
Benchmark: Bloomberg US Aggregate Index <sup>@3</sup>	3.33	-3.16	0.56	1.92	4.09	5.65
<b>Asia Ex-Japan Equity Portfolio</b>						
A EUR (incepted 30 November 2009)	-0.24	-3.14	1.94	5.42	-	5.15
AD EUR (incepted 30 November 2009)	-0.25	-3.13	1.93	5.42	-	5.16

		(%)	Average annual compounded return (%)			
Portfolio / Class / Benchmark	1 year	3 years	5 years	10 years	15 years	Since inception
C EUR (incepted 30 November 2009)	3.37	-2.28	2.28	5.37	-	4.98
I EUR (incepted 30 November 2009)	3.20	-1.52	3.29	6.55	-	6.20
Benchmark: MSCI All Country Asia ex- Japan Index	4.94	-8.40	1.78	4.02	N/A	4.60
<b>Emerging Markets Debt Portfolio</b>						
A EUR (incepted 23 March 2006)	6.15	-0.55	0.59	3.93	6.53	4.63
A2 EUR (incepted 23 March 2006)	6.17	-0.51	0.59	3.96	6.56	4.66
AT EUR (incepted 31 August 2009)	6.15	-0.52	0.58	3.96	-	5.62
C EUR (incepted 23 March 2006)	8.32	-0.13	0.66	3.74	6.24	4.32
C2 EUR (incepted 23 March 2006)	8.37	-0.11	0.65	3.75	6.25	4.33
I2 EUR (incepted 23 March 2006)	7.80	0.38	1.36	4.64	7.21	5.30
Benchmark: JP Morgan EMBI Global Diversified Index @5	10.05	-2.39	0.58	2.71	5.74	4.88

		(%)	Average annual compounded return (%)			
Portfolio / Class / Benchmark	1 year	3 years	5 years	10 years	15 years	Since inception
<b>Emerging Markets Growth Portfolio</b>						
A EUR (incepted 24 November 2000)	-3.32	-8.02	1.54	4.06	6.87	3.67
A SGD (incepted 14 November 2005)	-1.43	-11.03	0.44	2.17	4.77	1.45
C EUR (incepted 24 November 2000)	0.25	-7.17	1.92	4.03	6.69	3.27
I EUR (incepted 24 November 2000)	-0.02	-6.48	2.89	5.17	7.92	4.63
S1 EUR (incepted 15 November 2004)	1.70	-5.80	3.42	5.56	8.26	6.32
Benchmark: MSCI Emerging Markets Index	8.73	-6.30	1.89	3.01	7.44	6.28
<b>European Income Portfolio</b>						
A USD (incepted 26 February 1999)	7.89	-5.84	-0.82	-1.13	4.53	2.84
A2 USD (incepted 2 March 1999)	7.92	-5.87	-0.81	-1.15	4.54	2.86
AT USD (incepted 14 September 2006)	7.89	-5.84	-0.82	-1.15	4.54	2.07
B USD (incepted 26 February 1999)	6.73	-6.02	-1.02	-1.59	3.97	2.21

		(%)	Average annual compounded return (%)			
Portfolio / Class / Benchmark	1 year	3 years	5 years	10 years	15 years	Since inception
B2 USD (incepted 26 February 1999)	6.92	-6.05	-0.98	-1.59	3.99	2.19
C USD (incepted 9 March 1999)	10.11	-5.49	-0.77	-1.33	4.23	2.43
C2 USD (incepted 26 February 2003)	10.22	-5.49	-0.73	-1.35	4.25	3.21
S1 USD (incepted 19 April 2010)	11.57	-4.33	0.49	-0.11	-	2.22
Benchmark: Bloomberg Euro Aggregate Index <sup>@4</sup>	5.60	-4.62	-1.45	0.97	4.29	3.58
<b>Global Equity Blend Portfolio</b>						
A EUR (incepted 12 June 2003)	6.59	4.54	8.32	8.38	10.08	5.20
A SGD (incepted 12 May 2005)	8.70	1.10	7.14	6.40	7.90	2.85
B SGD (incepted 12 May 2005)	8.09	0.83	6.96	5.78	7.12	2.06
I EUR (incepted 12 June 2003)	10.20	6.29	9.75	9.52	11.15	6.18
S1 EUR (incepted 19 December 2003)	12.42	7.29	10.59	10.21	11.80	6.56
S1 SGD (incepted 27 August 2008)	14.65	3.79	9.38	8.21	9.60	5.13
Benchmark: MSCI World Index	24.96	8.64	11.66	9.06	12.59	8.59

		(%)	Average annual compounded return (%)			
Portfolio / Class / Benchmark	1 year	3 years	5 years	10 years	15 years	Since inception
<b>Global High Yield Portfolio</b>						
A EUR (incepted 1 June 2001)	5.81	3.64	2.91	4.81	8.53	4.81
A2 EUR (incepted 14 March 2002)	5.68	3.75	2.90	4.84	8.54	5.29
A2 HKD (incepted 9 March 2009)	7.73	0.32	1.82	2.39	-	7.66
A2 SGD (incepted 12 April 2010)	7.78	0.33	1.78	2.91	-	3.65
AT EUR (incepted 1 October 2007)	5.83	3.75	2.90	4.80	8.53	5.97
AT HKD (incepted 9 March 2009)	7.72	0.31	1.79	2.39	-	7.67
AT SGD (incepted 24 June 2005)	7.78	0.31	1.78	2.93	6.42	3.77
C EUR (incepted 1 June 2001)	7.76	3.99	2.93	4.59	8.21	4.32
C2 EUR (incepted 8 April 2005)	7.87	4.11	2.92	4.61	8.22	5.74
I EUR (incepted 1 June 2001)	7.52	4.55	3.74	5.52	9.19	5.44
I2 EUR (incepted 25 April 2007)	7.36	4.61	3.65	5.50	9.21	6.28
I2 SGD (incepted 24 January 2012)	9.37	1.18	2.52	3.56	-	4.73
W EUR (incepted 17 October 2019)	9.09	5.26	-	-	-	3.08

		(%)	Average annual compounded return (%)			
Portfolio / Class / Benchmark	1 year	3 years	5 years	10 years	15 years	Since inception
Benchmark: Bloomberg Global High Yield Index (USD Hedged) <sup>@2</sup>	12.14	1.52	3.45	3.59	6.81	6.40
<b>Japan Strategic Value Portfolio</b>						
A EUR (incepted 15 December 2005)	10.82	3.02	3.03	5.15	6.91	1.51
A SGD (incepted 13 November 2006)	12.98	-0.40	1.85	3.21	4.80	-0.02
A USD (incepted 15 December 2005)	13.26	-0.71	1.96	2.61	5.79	0.95
C EUR (incepted 22 September 2006)	14.61	3.68	3.23	5.02	6.66	1.73
C USD (incepted 22 September 2006)	17.06	-0.10	2.15	2.47	5.53	0.75
I EUR (incepted 22 September 2006)	14.59	4.74	4.39	6.27	7.96	2.99
I USD (incepted 22 September 2006)	17.09	0.92	3.30	3.69	6.81	1.99
S1 EUR (incepted 15 December 2005)	16.45	5.49	5.04	6.80	8.40	2.87
S1 USD (incepted 15 December 2005)	19.00	1.66	3.95	4.21	7.26	2.30

		(%)	Average annual compounded return (%)			
Portfolio / Class / Benchmark	1 year	3 years	5 years	10 years	15 years	Since inception
Benchmark: TOPIX	37.64	15.58	13.46	10.72	11.21	5.06
<b>Mortgage Income Portfolio</b>						
A2 EUR (incepted 20 February 2014)	6.94	7.44	3.34	5.44	-	5.38
A2X EUR (incepted 21 September 2001)	7.00	7.56	3.41	5.54	4.58	0.93
AT EUR (incepted 20 February 2014)	6.91	7.41	3.34	5.42	-	5.36
AX EUR (incepted 25 November 1999)	6.82	7.41	3.40	5.51	4.57	1.63
BX EUR (incepted 24 November 2000)	6.26	7.58	3.45	5.31	4.28	0.35
C2 EUR (incepted 20 February 2014)	9.17	7.85	3.41	5.22	-	5.16
I EUR (incepted 20 February 2014)	8.60	8.35	4.13	6.08	-	6.02
I2 EUR (incepted 20 February 2014)	8.62	8.41	4.13	6.13	-	6.07
Benchmark: Secured Overnight Financing Rate (SOFR) <sup>@6</sup>	5.10	2.19	1.94	1.45	N/A	1.44



		(%)	Average annual compounded return (%)			
Portfolio / Class / Benchmark	1 year	3 years	5 years	10 years	15 years	Since inception
<b>Short Duration Bond Portfolio</b>						
A EUR (incepted 1 June 2001)	-0.32	3.09	1.13	2.62	2.84	1.00
A2 EUR (incepted 1 June 2001)	-0.35	3.12	1.13	2.64	2.85	0.99
AT EUR (incepted 1 October 2007)	-0.46	3.10	1.13	2.63	2.84	3.06
Benchmark: Bloomberg Global 1-3 Year Treasury Index (USD Hedged) <sup>@1</sup>	4.97	0.96	1.54	1.41	2.44	4.02

#### 24.1 Expense Ratios and Turnover Ratios of the Portfolios

The expense ratios and the turnover ratios of the Portfolios for the financial year ended on 31 August 2023 are as follows:

Portfolio/ Class	Expense Ratio (%) (Refer to Notes 1 and 2)	Turnover Ratio (%) (Refer to Note 3)
<b>Global Equity Blend Portfolio</b>		48.34
Class A Shares	2.07	
Class A EUR	2.07	
Class A SGD	2.07	
Class B Shares	3.07	
Class B SGD	3.07	
Class C Shares	2.52	
Class C EUR	2.33	

<b>Portfolio/ Class</b>	<b>Expense Ratio (%) (Refer to Notes 1 and 2)</b>	<b>Turnover Ratio (%) (Refer to Note 3)</b>
Class I Shares	1.27	
Class I EUR	1.27	
Class S1 Shares	0.80	
Class S1 EUR	0.80	
Class S1 SGD	0.80	
<b>Emerging Markets Growth Portfolio</b>		42.51
Class A Shares	2.00	
Class A EUR Shares	2.00	
Class A SGD Shares	2.00	
Class B Shares	3.00	
Class C Shares	2.45	
Class C EUR Shares	2.45	
Class I Shares	1.20	
Class I EUR Shares	1.20	
Class S Shares	N/A*	
Class S1 Shares	1.03	
Class S1 EUR Shares	0.97	
Class A AUD H Shares	2.00	
Class A SGD H Shares	2.00	
Class C AUD H Shares	N/A*	
Class I AUD H Shares	1.19	
<b>Asia Ex-Japan Equity Portfolio</b>		126.82
Class A Shares	2.01	
Class A EUR Shares	2.00	

<b>Portfolio/ Class</b>	<b>Expense Ratio (%) (Refer to Notes 1 and 2)</b>	<b>Turnover Ratio (%) (Refer to Note 3)</b>
Class AD Shares	2.01	
Class AD EUR Shares	2.01	
Class C Shares	2.45	
Class C EUR Shares	2.50	
Class I Shares	1.21	
Class I EUR Shares	1.21	
Class ID Shares	N/A*	
Class S Shares	0.18	
Class S1 Shares	1.08	
Class A AUD H Shares	2.01	
Class A SGD H Shares	2.01	
Class AD AUD H Shares	2.01	
Class AD SGD H Shares	N/A*	
Class C AUD H Shares	N/A*	
Class ID AUD H Shares	N/A*	
<b>Japan Strategic Value Portfolio</b>		99.75
Class A Shares	1.70	
Class A EUR Shares	1.68	
Class A SGD Shares	1.70	
Class A USD Shares	1.70	
Class C Shares	2.50	
Class C EUR Shares	2.50	
Class C USD Shares	2.55	
Class I Shares	0.88	

<b>Portfolio/ Class</b>	<b>Expense Ratio (%) (Refer to Notes 1 and 2)</b>	<b>Turnover Ratio (%) (Refer to Note 3)</b>
Class I EUR Shares	0.90	
Class I SGD Shares	N/A*	
Class I USD Shares	0.90	
Class S Shares	N/A*	
Class S1 EUR Shares	0.80	
Class S1 USD Shares	0.80	
Class S USD H Shares	N/A*	
Class A AUD H Shares	N/A*	
Class A USD H Shares	1.70	
Class A EUR H Shares	1.70	
Class A SGD H Shares	1.54	
Class C EUR H Shares	2.47	
Class I EUR H Shares	0.90	
<b>Short Duration Bond Portfolio</b>		111.13
Class A Shares	1.18	
Class A EUR Shares	1.18	
Class A2 Shares	1.18	
Class A2 EUR Shares	1.18	
Class AT Shares	1.18	
Class AT EUR Shares	1.18	
Class C Shares	1.58	
Class C2 Shares	1.58	
Class I Shares	0.58	
Class I2 Shares	0.58	

<b>Portfolio/ Class</b>	<b>Expense Ratio (%) (Refer to Notes 1 and 2)</b>	<b>Turnover Ratio (%) (Refer to Note 3)</b>
Class S Shares	0.10	
Class A2 EUR H Shares	1.18	
Class AT EUR H Shares	1.18	
Class AT AUD H Shares	1.18	
Class AT CAD H Shares	1.18	
Class AT SGD H Shares	1.18	
Class AA SGD H Shares	1.18	
Class I2 EUR H Shares	0.58	
Class I2 AUD H Shares	N/A*	
Class S EUR H Shares	N/A*	
Class S1 EUR H Shares	0.26	
<b>Global High Yield Portfolio</b>		31.79
Class A Shares	1.62	
Class A EUR Shares	1.62	
Class AA Shares	1.62	
Class A2 Shares	1.62	
Class A2 EUR Shares	1.62	
Class A2 HKD Shares	1.62	
Class A2 SGD Shares	1.62	
Class AT Shares	1.62	
Class AT EUR Shares	1.62	
Class AT HKD Shares	1.62	
Class AT SGD Shares	1.62	
Class B Shares	2.62	

<b>Portfolio/ Class</b>	<b>Expense Ratio (%) (Refer to Notes 1 and 2)</b>	<b>Turnover Ratio (%) (Refer to Note 3)</b>
Class B2 Shares	2.61	
Class BT Shares	2.62	
Class C Shares	2.12	
Class C EUR Shares	2.12	
Class C2 Shares	2.12	
Class C2 EUR Shares	2.11	
Class CT Shares	2.12	
Class I Shares	1.12	
Class I EUR Shares	1.12	
Class IT Shares	1.12	
Class I2 Shares	1.12	
Class I2 EUR Shares	1.12	
Class I2 SGD Shares	1.12	
Class S1 Shares	0.94	
Class A2 EUR H Shares	1.61	
Class A2 SGD H Shares	1.62	
Class AT EUR H Shares	1.62	
Class AT AUD H Shares	1.62	
Class AT SGD H Shares	1.62	
Class AT RMB H Shares	1.62	
Class AT GBP H Shares	1.62	
Class AT NZD H Shares	1.62	
Class AT CAD H Shares	1.62	
Class AA EUR H Shares	1.62	
Class AA AUD H Shares	1.62	

<b>Portfolio/ Class</b>	<b>Expense Ratio (%) (Refer to Notes 1 and 2)</b>	<b>Turnover Ratio (%) (Refer to Note 3)</b>
Class AA GBP H Shares	1.62	
Class AA RMB H Shares	1.62	
Class AA NZD H Shares	1.62	
Class AA SGD H Shares	1.62	
Class BT AUD H Shares	2.59	
Class C2 EUR H Shares	2.12	
Class IT EUR H Shares	1.11	
Class IT CAD H Shares	1.12	
Class IT GBP H Shares	1.12	
Class IT RMB H Shares	1.11	
Class IT NZD H Shares	N/A*	
Class IT AUD H Shares	1.12	
Class IA AUD H Shares	1.12	
Class I2 EUR H Shares	1.13	
Class I2 AUD H Shares	1.11	
Class I2 SGD H Shares	1.12	
Class W Shares	0.96	
Class W EUR Shares	0.95	
Class WT Shares	0.95	
Class WT EUR H Shares	0.96	
Class WT AUD H Shares	0.96	
Class WT CAD H Shares	0.96	
Class WT GBP H Shares	0.96	
Class WT RMB H Shares	0.95	
Class W2 Shares	0.96	

<b>Portfolio/ Class</b>	<b>Expense Ratio (%) (Refer to Notes 1 and 2)</b>	<b>Turnover Ratio (%) (Refer to Note 3)</b>
Class W2 EUR H Shares	0.96	
Class W2 CHF H Shares	0.95	
<b>American Income Portfolio</b>		32.28
Class A Shares	1.30	
Class A EUR Shares	1.30	
Class A2 Shares	1.30	
Class A2 EUR Shares	1.31	
Class A2 HKD Shares	1.31	
Class A2 SGD Shares	1.31	
Class A2 CHF H Shares	1.30	
Class AA Shares	1.31	
Class AA HKD Shares	1.30	
Class AT Shares	1.30	
Class AT EUR Shares	1.30	
Class AT HKD Shares	1.30	
Class AT SGD Shares	1.31	
Class B Shares	2.00	
Class B2 Shares	2.00	
Class BT Shares	2.00	
Class C Shares	1.75	
Class C EUR Shares	1.75	
Class C2 Shares	1.75	
Class C2 EUR Shares	1.75	
Class CT Shares	1.75	



<b>Portfolio/ Class</b>	<b>Expense Ratio (%) (Refer to Notes 1 and 2)</b>	<b>Turnover Ratio (%) (Refer to Note 3)</b>
Class I Shares	0.75	
Class I EUR Shares	0.75	
Class IT Shares (USD)	0.76	
Class IT HKD Shares	0.76	
Class IT Shares (SGD)	N/A*	
Class IA Shares	0.75	
Class I2 Shares	0.75	
Class I2 EUR Shares	0.76	
Class I2 HKD Shares	0.75	
Class I2 CHF H Shares	0.76	
Class S Shares	0.03	
Class S1 Shares	0.53	
Class S1 EUR Shares	N/A*	
Class A2 SGD H Shares	1.31	
Class A2 EUR H Shares	1.31	
Class AT AUD H Shares	1.30	
Class AT SGD H Shares	1.30	
Class AT EUR H Shares	1.31	
Class AT RMB H Shares	1.31	
Class AT GBP H Shares	1.31	
Class AT NZD H Shares	1.30	
Class AT CAD H Shares	1.30	
Class AA SGD H Shares	1.30	
Class AA AUD H Shares	1.30	

<b>Portfolio/ Class</b>	<b>Expense Ratio (%) (Refer to Notes 1 and 2)</b>	<b>Turnover Ratio (%) (Refer to Note 3)</b>
Class AA EUR H Shares	1.31	
Class AA GBP H Shares	1.30	
Class AA RMB H Shares	1.31	
Class AA NZD H Shares	1.30	
Class C2 EUR H Shares	1.75	
Class IT EUR H Shares	0.76	
Class IT CAD H Shares	0.75	
Class IT SGD H Shares	0.76	
Class IT GBP H Shares	0.75	
Class IT RMB H Shares	0.76	
Class IT NZD H Shares	0.75	
Class IT AUD H Shares	0.75	
Class IA AUD H Shares	0.75	
Class I2 SGD H Shares	0.76	
Class I2 EUR H Shares	0.75	
Class W Shares	0.59	
Class W2 Shares	0.59	
Class W2 CHF H Shares	0.59	
Class W2 EUR H Shares	0.59	
Class WT Shares (USD)	0.59	
Class WT Shares (HKD)	0.59	
Class WT AUD H Shares	0.58	
Class WT SGD H Shares	0.59	
Class WT EUR H Shares	0.59	
Class WT GBP H Shares	0.59	

Portfolio/ Class	Expense Ratio (%) (Refer to Notes 1 and 2)	Turnover Ratio (%) (Refer to Note 3)
<b>European Income Portfolio</b>		60.00
Class A Shares	1.34	
Class A USD Shares	1.34	
Class AA Shares	1.34	
Class A2 Shares	1.34	
Class A2 USD Shares	1.34	
Class AT Shares	1.34	
Class AT USD Shares	1.34	
Class B USD Shares	2.04	
Class B2 Shares	2.03	
Class B2 USD Shares	2.04	
Class C Shares	1.79	
Class C USD Shares	1.80	
Class C2 Shares	1.79	
Class C2 USD Shares	1.79	
Class CT Shares	N/A*	
Class I Shares	0.80	
Class IT Shares	0.79	
Class IA Shares	0.80	
Class I2 Shares	0.79	
Class S Shares	N/A*	
Class S1 Shares	0.58	
Class S1 USD Shares	0.57	
Class A2 USD H Shares	1.34	

<b>Portfolio/ Class</b>	<b>Expense Ratio (%) (Refer to Notes 1 and 2)</b>	<b>Turnover Ratio (%) (Refer to Note 3)</b>
Class AT AUD H Shares	1.34	
Class AT SGD H Shares	1.34	
Class AT USD H Shares	1.34	
Class AA AUD H Shares	1.34	
Class AA SGD H Shares	1.34	
Class AA USD H Shares	1.34	
Class AA HKD H Shares	1.34	
Class IT USD H Shares	0.79	
Class IT AUD H Shares	N/A*	
Class IA USD H Shares	0.81	
Class I2 AUD H Shares	0.79	
Class I2 USD H Shares	0.80	
Class WA Shares	0.63	
Class WA USD H Shares	0.63	
Class WT Shares	0.63	
Class WT USD H Shares	0.63	
Class W2 Shares	0.63	
Class W2 USD H Shares	0.63	
Class W2 CHF H Shares	0.63	
<b>Emerging Markets Debt Portfolio</b>		102.79
Class A Shares	1.36	
Class A EUR Shares	1.35	
Class AA Shares	1.35	
Class A2 Shares	1.35	

<b>Portfolio/ Class</b>	<b>Expense Ratio (%) (Refer to Notes 1 and 2)</b>	<b>Turnover Ratio (%) (Refer to Note 3)</b>
Class A2 EUR Shares	1.36	
Class AT Shares	1.36	
Class AT EUR Shares	1.36	
Class BT Shares	2.36	
Class C Shares	1.81	
Class C EUR Shares	1.79	
Class C2 Shares	1.81	
Class C2 EUR Shares	1.80	
Class CT Shares	1.78	
Class I Shares	0.81	
Class I2 Shares	0.82	
Class I2 EUR Shares	0.79	
Class S Shares	0.09	
Class S1 2 Shares (USD)	0.67	
Class A2 EUR H Shares	1.36	
Class A2 SGD H Shares	1.35	
Class AT EUR H Shares	1.35	
Class AT AUD H Shares	1.36	
Class AT SGD H Shares	1.36	
Class AT RMB H Shares	N/A*	
Class AT NZD H Shares	1.36	
Class AT GBP H Shares	1.35	
Class AA EUR H Shares	1.32	
Class AA GBP H Shares	1.33	
Class AA AUD H Shares	1.36	

<b>Portfolio/ Class</b>	<b>Expense Ratio (%) (Refer to Notes 1 and 2)</b>	<b>Turnover Ratio (%) (Refer to Note 3)</b>
Class AA NZD H Shares	1.35	
Class C2 EUR H Shares	1.78	
Class I2 EUR H Shares	0.80	
Class S EUR H Shares	N/A*	
Class S1 EUR H Shares	0.62	
<b>Mortgage Income Portfolio<sup>39</sup></b>		11.41
Class A Shares	1.33	
Class AA Shares	1.33	
Class AX Shares	1.25	
Class AX EUR Shares	1.25	
Class A2 Shares	1.33	
Class A2 EUR Shares	1.33	
Class A2X Shares	1.25	
Class A2X EUR Shares	1.25	
Class AT Shares	1.33	
Class AT EUR Shares	1.33	
Class AT AUD H Shares	1.33	
Class AT SGD H Shares	1.33	
Class AA AUD H Shares	1.33	
Class AA SGD H Shares	1.33	
Class AA RMB H Shares	1.33	
Class BX Shares	1.70	

<sup>39</sup> Class AX, A2X, BX, CX, and IX Shares are no longer open for subscription by new investors, except to the existing shareholders holding the relevant Class of Shares as more particularly described in the Luxembourg Prospectus.

<b>Portfolio/ Class</b>	<b>Expense Ratio (%) (Refer to Notes 1 and 2)</b>	<b>Turnover Ratio (%) (Refer to Note 3)</b>
Class BX EUR Shares	1.70	
Class C Shares	1.78	
Class CX Shares	1.70	
Class C2 Shares	1.78	
Class C2 EUR Shares	1.75	
Class I Shares	0.78	
Class I EUR Shares	0.77	
Class IX Shares	0.70	
Class I2 Shares	0.78	
Class I2 EUR Shares	0.77	
Class S Shares	0.09	
Class S1 Shares	0.61	

*\* The expense ratio for this Class is not available as this Class was either dormant/had not been incepted as at 31 August 2023, or had been incepted for less than a year as at 31 August 2023.*

*Notes:*

1. *The expense ratios are calculated in accordance with the Investment Management Association of Singapore's (IMAS) guidelines on the disclosure of expense ratios and based on the latest audited accounts.*
2. *The following expenses are excluded from the calculation of the expense ratios:*
  - (a) *brokerage and other transaction costs;*
  - (b) *foreign exchange gains/losses;*
  - (c) *front or backend loads arising from the purchase or sale of other funds, and*
  - (d) *tax deducted at source or arising out of income received.*
3. *The turnover ratios are calculated based on the lesser of purchases or sales expressed as a percentage over average net asset value, i.e., average daily asset value, over the same period used for calculation of the expense ratios.*

## **25. SOFT DOLLAR ARRANGEMENTS**

Although currently the Management Company does not receive or enter in soft dollar commissions/arrangements, the Investment Manager does receive and has entered into soft-dollar commissions/arrangements with brokers relating to the Portfolios which invest in equity securities, in respect of which certain goods and services used to support the investment decision making process were received. Please refer to the heading "Soft-Dollar Arrangements" under the "Additional Information - Conflicts of Interest" in Section II of the Luxembourg Prospectus for details on the soft dollar arrangements aforementioned.

## **26. CONFLICTS OF INTEREST**

The Management Company, the Investment Manager, the Depositary, the Administrator, distributors and other service providers and their respective affiliates, directors, officers and unitholders are or may be involved in other financial, investment and professional activities that may create conflicts of interest with the management and administration of the Fund. Please refer to "Conflicts of Interest" under "Additional Information" in Section II of the Luxembourg Prospectus for a full description of the other potential situations of conflict of interest.

The Fund is subject to a number of actual and potential conflicts of interest involving the AB Group. While conflicts of interest are inherent to the relationships among the AB Group, merely because an actual or potential conflict of interest exists does not mean that it will be acted upon to the detriment of the Fund. The Investment Manager will, in such event, have regard to its obligations under the Investment Management Agreement and, in particular, to its obligations to act in the best interests of the Fund, so far as practicable having regard to its obligations to other clients, when undertaking any investments where potential conflicts of interest may arise. Should a conflict of interest arise, the Investment Manager will endeavor to ensure that it is resolved fairly.

Without limitation, such conflicts may include a circumstance whereby an Interested Party may sell or purchase investments to or from the Fund, provided that (i) the sale or purchase is effected on an official stock exchange or other organized market where the purchaser or vendor is undisclosed at the time of the sale or purchase or in other circumstances where the vendor and purchaser are not identified to each other; or (ii) the terms and conditions of any such sale or purchase are effected on an arm's-length basis and approved by the Board of Managers of the Management Company before such sale or purchase is effected.

## **27. REPORTS**

### **27.1 Financial Year End**

The financial year end of the Fund is 31 August of each year.

### **27.2 Annual Reports and Semi-annual Reports**

The latest audited annual reports and unaudited semi-annual reports of the Portfolios will be published and made available to the Singapore Shareholders at no cost to them at the registered office of the Singapore Representative during normal Singapore business hours. Electronic copies of the latest annual and semi-annual reports will be made available on the following AllianceBernstein website: [www.alliancebernstein.com](http://www.alliancebernstein.com) within four months of end August (for annual reports) and within two months of end February (for semi-annual reports).



In addition, hard copies of the latest annual reports and semi-annual reports may also be sent to Singapore Shareholders upon request within four months of end August (for annual reports) and within two months of end February (for semi-annual reports).

## **28. CERTAIN SINGAPORE TAX CONSIDERATIONS**

Investors should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or other kinds of tax on distributions or deemed distributions of the Portfolios, capital gains within the Portfolios, whether or not realised, income received or accrued or deemed received within the Portfolios etc. Investors who are in doubt of their tax position should consult their own independent tax advisers.

## **29. OTHER IMPORTANT INFORMATION**

In the event that the Depositary becomes insolvent, the Management Company may terminate the Depositary Agreement, provided that the Depositary Agreement shall not be terminated until a replacement depositary is appointed.

In the event that the Investment Manager becomes insolvent, the Board may take actions it deems are in the best interest of the Shareholders including, *inter alia*, appointing a replacement investment manager or dissolving the Fund. In the case where the Fund is dissolved, the Management Company will realize the assets of each Portfolio in the best interest of the Shareholders, and the Depositary will distribute the net liquidation proceeds corresponding to each class of Shares of each Portfolio, after deduction of liquidation charges and expenses, to the holders of Shares of each class in the proportion of the respective rights of each class, all in accordance with the direction of the Management Company.

## **30. QUERIES AND COMPLAINTS**

Investors may contact the Singapore Representative at 6230 4600 or at One Raffles Quay, #27-11 South Tower, Singapore 048583 to raise any queries or complaints regarding the Fund or any of the Portfolios.

**AB**  
**Singapore Prospectus required pursuant to the**  
**Securities and Futures Act 2001**

Signed:

Signed:

---

Signed by Ajai M. Kaul  
For and on behalf of  
Silvio D. Cruz  
Director

---

Signed by Ajai M. Kaul  
For and on behalf of  
Bertrand Reimmel  
Director

Signed:

Signed:

---

Signed by Ajai M. Kaul  
For and on behalf of  
Steven Eisenberg  
Director

---

Signed by Ajai M. Kaul  
For and on behalf of  
John Schiavetta  
Director

Signed:

---

Signed by Ajai M. Kaul  
For and on behalf of  
Eileen Koo  
Director



**ALLIANCEBERNSTEIN®**

**PROSPECTUS**

## **AB FCP I**

**8 MARCH 2024**

### **Equity**

- > Global Equity Blend Portfolio
- > Emerging Markets Growth Portfolio
- > Asia Ex-Japan Equity Portfolio
- > Japan Strategic Value Portfolio

### **Fixed-Income**

- > Short Duration Bond Portfolio
- > Global High Yield Portfolio
- > American Income Portfolio
- > European Income Portfolio
- > Emerging Markets Debt Portfolio
- > Mortgage Income Portfolio

The Fund is a mutual investment fund (*fonds commun de placement*) organized under Luxembourg law. AllianceBernstein and the AB logo are registered trademarks and service marks used by

**VISA 2024/175684-983-0-PC**

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité  
Luxembourg, le 2024-02-27  
Commission de Surveillance du Secteur Financier

## Important Information

**If you are in any doubt about the contents of this offering document, you should seek independent professional financial advice.**

Prospective investors should inform themselves as to the legal requirements, exchange control regulations and tax consequences within the countries of their residence and domicile for the acquisition, holding or disposal of shares and any foreign exchange restrictions that may be relevant to them. Shares that are acquired by persons not entitled under the Management Regulations to hold them may be redeemed by the Management Company on behalf of the Fund at the current Net Asset Value.

Subscriptions can be made on the basis of this document and the KIDs, which shall be updated by the latest available annual report of the Fund containing its audited accounts, and by the latest semi-annual report, if later than such annual report. Copies of such reports may be requested from an authorized financial advisor or at the registered office of the Management Company.

The Shares referred to in this document are offered solely on the basis of the information contained herein and in the reports and documents referred to herein. In connection with the offer made hereby, no person is authorized to give any information or to make any representations other than those contained herein or in the documents referred to herein. If given or made, such information or representations must not be relied upon as having been authorized by the Fund, the Management Company or the Distributor and any purchase made by any person on the basis of statements or representations which are not contained in or which are inconsistent with the information contained herein or in the documents referred to herein shall be solely at the risk of the purchaser.

All references herein to (i) "Dollar" and to "\$" are to the U.S. Dollar, (ii) "Euro" and "€" are to the Euro, (iii) "GBP" and "£" are to the Great Britain Pound Sterling, (iv) "SGD" or "S\$" are to the Singapore Dollar, (v) "HKD" and "HK\$" are to the Hong Kong Dollar, (vi) "AUD" and "A\$" are to the Australian Dollar, (vii) "Yen" or "¥" are to the Japan Yen, (viii) "CAD" and "C\$" are to the Canadian Dollar, (ix) "NZD" or "NZ\$" are to the New Zealand Dollar, (x) "CHF" is to Swiss Franc, (xi) "ZAR" is to South African Rand, (xii) "RMB" refers to offshore RMB ("CNH") and not onshore RMB known as CNY, (xiii) "CZK" are to the Czech Koruna, (xiv) "PLN" are to the Polish Zloty and (xv) "BRL" are to Brazilian Real.

**None of the Shares has been or will be registered under the U.S. Securities Act of 1933, as amended, and the Shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States (as defined in the glossary of defined terms) or to any U.S. Person (as defined in the glossary of defined terms). The Fund has not been registered under the U.S. Investment Company Act of 1940, as amended.**

AllianceBernstein Investments, a unit of the Management Company and/or AllianceBernstein Investments, a unit of AllianceBernstein Investments, Inc., will act as Distributor of the Shares in connection with the offering of the Shares referred to herein. Application forms for Shares are subject to acceptance by the Distributor and the Management Company on behalf of the Fund.

Any information contained herein or in any other sales document relating to the Fund or on the AB funds website, [www.alliancebernstein.com](http://www.alliancebernstein.com), does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. In particular, the information in the AB funds website is not for distribution in the United States or to U.S. Persons other than in accordance with the laws of the United States. If a prospective investor has accessed the AB funds website from another website, the Fund, the Management Company and the Distributor are not responsible for the accuracy of information contained within the websites of other providers which have links to any page of the AB funds website.

Copies of the Fund's Prospectus, Management Regulations, latest annual report and, if issued thereafter, the latest semi-annual report, as well as copies of the KIDs of the Fund, may be obtained at the office of the Management Company and the Distributor without cost.

### Data Protection

#### *Personal Data processing*

Shareholders are informed that certain data relating to them as natural persons or to other identified or identifiable natural persons - such as but not limited to their representatives and ultimate beneficial owners - (all together referred herein as the "**Data Subjects**") and their holdings in Shares (the "**Personal Data**") will be collected, stored and/or processed by the Fund and/or the Management Company acting on behalf of the Fund (acting as joint data controllers) and/or by the Transfer Agent, the Depositary, the Paying Agent (if any) and/or certain of the Management Company's and/or the Transfer Agent's affiliates within the AB Group as well as their authorized agents (acting as data processors) (the "**Relevant Parties**"). The personal data will be processed (i) as a result of the contractual relationship between the Shareholder and the Fund and to provide related services to the Shareholders and/or (ii) to comply with applicable laws and regulations (including in situations where the Shareholder has no direct contractual relationship with the Fund).

Personal Data will only be used for the purpose for which it was collected, unless the Shareholders are informed in advance of its use for a different purpose.

#### *Personal Data transfer*

Personal Data may be transferred, subject to applicable laws and regulations, to the Relevant Parties, acting as data processors or as data controllers, which may be located in or outside the European Economic Area ("**EEA**"). Personal Data may therefore be transferred to entities located in countries which are not covered by an adequacy decision of the European Commission (such as, but not limited to, Singapore, Taiwan, India, Canada and United States of America) or where data protection laws might not exist or be of a lower standard than in the EEA. Such Personal Data transfers outside the European Union may be carried out (i) based on binding corporate rules concluded within the AB Group and/or (ii) based on standard data protection clauses

adopted by the European Commission and/or (iii) where such transfer is necessary for the performance of the services provided to the Fund and/or the Shareholder, and/or (iv) where such transfer is necessary for the performance of the services based on a contract concluded between the Fund and/or the Management Company with a third party to which Shareholders are indirectly part and which is concluded in the Shareholders' interest.

#### *Mandatory disclosure of Personal Data*

In addition, the Data Subjects are informed that the Relevant Parties may disclose and transfer Personal Data to third parties such as courts and/or legal, governmental or regulatory bodies including tax authorities, auditors and accountants in Luxembourg as well as in other jurisdictions for the purpose of complying with applicable laws and regulations, as long as an international agreement, such as a mutual legal assistance treaty, is in force between the requesting third country and the EEA or Luxembourg.

#### *Personal Data retention*

Personal Data will be retained only as long as necessary for fulfilling the services required by Shareholders or in accordance with applicable laws and regulations.

#### *Shareholders' representation*

By submitting Personal Data to the Relevant Parties, the Shareholders represent that they have authority to provide that Personal Data to the Relevant Parties. The Management Company and the Fund may assume, where applicable, that

the Data Subjects have, where necessary, given such consent and have been informed of the processing of their Personal Data and of their rights as described herein.

#### *Shareholders' rights*

The Shareholders (and where applicable, their Data Subjects) are entitled to request (i) the access to, (ii) the correction or completion, (iii) the erasure, (iv) a limitation of the processing of, (v) the portability of any Personal Data processed by the Fund and/or the Management Company, in the manner and subject to the limitations prescribed in applicable laws and regulations. Such request must be directed to the Data Protection Officer of the Management Company via post mail or e-mail.

#### *Additional information*

Additional information related to the processing or transfer of Personal Data and contact details of the Data Protection Officer of the Management Company are available at <https://www.alliancebernstein.com/funds/abii/documents/annoucement/ab-lux-data-protection-disclosure-to-investors.pdf>

#### **Benchmark**

Apart from the stated Benchmark Usage in each Portfolio's Details, the same Benchmark may also be used for other comparison purposes such as sectors, credit quality and carbon footprint under specific circumstances and upon request.

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## Important Considerations

The Fund is structured as an "umbrella fund" comprising separate pools of assets (each a "Portfolio"). Investors should reference Section I to determine the particular portfolios to which this Prospectus relates and read these "Important Considerations" with particular attention to those important considerations which pertain to the underlying investments of each such Portfolio. In addition, investors should read carefully the "Risk Profile" set out in Section I relating to each Portfolio, as well as the "Risk Factors" in Section II.

The value of Shares of the portfolios to which this Prospectus relates will change with the value of such portfolios' underlying investments. Hence, the value of Shares and any income arising from them will fluctuate and is not guaranteed. Consequently, investors may not get back the full amount of their investment upon redemption.

For any portfolio that invests in stocks, the value of underlying investments may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market or economic conditions. For any portfolio that invests in fixed-income securities, the value of the underlying investments will depend generally upon interest rates and the credit quality of the issuer as well as general market or economic conditions.

For any portfolio that invests in fixed-income securities, the value of the shares of such portfolio and any income arising from such shares will change in response to fluctuations in interest rates and currency exchange rates. A portfolio may invest in high yielding securities where the risk of depreciation and realization of capital losses on some of the securities held will be unavoidable. In addition, medium- and lower-rated securities and unrated securities of comparable quality may be subject to wider fluctuations in yield and market values than higher-rated securities.

Any portfolio which invests in essentially only one country will have greater exposure to market, political and economic risks of that country. Any portfolio which invests in multiple

countries will have less exposure to the risks of any one country, but will be exposed to risks in a larger number of countries.

Many of the underlying investments of a particular portfolio may be denominated in different currencies than that of the particular portfolio. This means currency movements in underlying investments may significantly affect the value of any such portfolio's share prices.

In addition, a particular portfolio may invest, in whole or in part, in emerging markets securities to the extent permitted by such portfolio's stated investment objective and policies. Investors should appreciate that these securities may be more volatile than securities issued by issuers located in more developed markets. As a result, there may be a greater risk of price fluctuation and of the suspension of redemptions in such portfolios, compared with a portfolio investing in more mature markets. This volatility may stem from political and economic factors, and may be exacerbated by legal, trading liquidity, settlement, transfer of securities and currency factors. Some emerging market countries have relatively prosperous economies but may be sensitive to world commodity prices. Others are especially vulnerable to economic conditions in other countries. Although care is taken to understand and manage these risks, the respective portfolios and their Shareholders ultimately bear the risks associated with investing in these markets.

A particular portfolio may use various techniques for hedging against market risks. These techniques and the instruments used are described in Appendix A to Section II. In addition, a particular portfolio may make ancillary use of these techniques and instruments for the purpose of efficient portfolio management.

Investors are encouraged to consult their independent financial advisors regarding the suitability of shares of a particular portfolio for their investment needs.

## Glossary of Defined Terms

**AB funds** means the collective investment undertakings distributed under the service mark "AB" and sponsored by AllianceBernstein L.P. and/or its affiliates

**AB funds account** means a notional account established by the Management Company or the Transfer Agent for each Shareholder and reflecting all his or her shareholdings in AB funds

**AB Group** means AllianceBernstein L.P. and its subsidiaries and affiliates

**Administration Agreement** means the agreement between the Management Company and the Administrator

**Administrator** means Brown Brothers Harriman (Luxembourg) S.C.A.

**ADRs** means American Depositary Receipts

**Business Day** means any day when both the New York Stock Exchange and Luxembourg banks are open for business, unless otherwise provided for in the Summary Information of a specific portfolio

**Cash equivalent** means a security that can be easily converted into cash (treasury bill or other short-term government bond, bank deposit, money-market instrument or fund)

**CDSC Shares** means Shares possessing a contingent deferred sales charge

**Currency of the Portfolio** means the base currency of a portfolio in which its accounting records are kept as indicated under "Summary Information" in Section I with respect to that portfolio

**dealer** means, as the context requires, broker-dealers, banks, registered investment advisers, independent financial advisers and other financial intermediaries with whom the Distributor has agreements

**Depository** means Brown Brothers Harriman (Luxembourg) S.C.A.

**Depository Agreement** means the agreement between the Management Company and the Depository

**Distribution Agreements** means the relevant agreements between the Management Company and the Distributor relating to each of the portfolios

**Distributor** means AllianceBernstein Investments, a unit of the Management Company

**EDRs** means European Depositary Receipts

**EEA** means member states of the EU and Iceland, Norway and Liechtenstein

**Eligible State** means any Member State, any member state of the Organisation for Economic Co-operation and Development ("OECD"), and any other state which the Board of Managers of the Management Company deems appropriate with regard to the investment objectives of each Portfolio

**EU** means the European Union

**Fund** means AB FCP I, a mutual investment fund (*fonds commun de placement*) organized under the laws of the Grand Duchy of Luxembourg

**GDRs** means Global Depositary Receipts

**Interested Party** means the Investment Manager or its affiliates (which includes the Management Company)

**Investment Grade** means fixed-income securities rated Baa (including Baa1, Baa2 and Baa3) or higher by Moody's or BBB (including BBB+ and BBB-) or higher by S&P, or the equivalent thereof by at least one IRSO

**Investment Management Agreement** means the agreement between the Management Company and the Investment Manager

**Investment Manager** means AllianceBernstein L.P., a Delaware limited partnership

**IRC** means the U.S. Internal Revenue Code of 1986, as amended

**IRS** means the United States Internal Revenue Service

**IRSO** means an internationally recognized statistical ratings organization

**KID** means the key information documents relating to a specific portfolio's share class

**Law of 2010** means the law of 17 December 2010 on undertakings for collective investment, as amended

**Management Company** means AllianceBernstein (Luxembourg) S.à r.l., a *société à responsabilité limitée* organized under the laws of the Grand Duchy of Luxembourg

**Management Regulations** means the latest version of the Management Regulations of the Fund

**Mémorial** means the *Mémorial C, Recueil des Sociétés et Associations*

**Moody's** means Moody's Investors Services, Inc.

**Net Asset Value** means the value of the total assets of a portfolio less the total liabilities of such portfolio as described under "Determination of the Net Asset Value of Shares" in Section II

**OECD** means the Organization for Economic Cooperation and Development

**Offered Currency** means, for a portfolio, each currency in which the Shares are offered, as indicated under "Summary Information" in Section I with respect to that portfolio

**Order Cut-off Time** means point in time by which orders for purchase, exchange, or redemption must be received on each Business Day, which is 4:00 p.m. U.S. Eastern time or otherwise as indicated under "Summary Information" in Section I with respect to a portfolio

**OTC** means over the counter

**Portfolio** means the portfolio(s) of the Fund identified in Section I hereof (or in a subsection of Section I as the context requires)

**portfolio** means one or more portfolios of the Fund as the context requires

**Prospectus** means this version of the Prospectus of the Fund

**QFI** means qualified foreign investor(s) (including, if applicable, qualified foreign institutional investors (QFII) and Renminbi qualified foreign institutional investors (RQFII)) approved pursuant to the relevant People's Republic of China ("PRC") laws and regulations, as may be promulgated and/or amended from time to time

**Regulated Market** means a regulated market according to the European Parliament and the Council Directive 2014/65/EU of 15 May 2014 on market in financial instruments, as amended by the European Parliament and the Council Directive 2016/1034, as well as any other market in an Eligible State which is regulated, operates regularly and is recognized and open to the public

**RESA** means the *Recueil Electronique des Sociétés et Associations*

**S&P** means S&P Global Ratings, a division of S&P Global, Inc.



**SFT Regulation** means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012

**Shareholders** means the owners of Shares, as reflected in the shareholder register of the Fund, in respect of one or more portfolios, as the context requires

**Shares** means shares of the Fund of whatever class and whatever portfolio

**total assets** means total net assets of the Portfolio as the context requires

**Trade Date** means the Business Day as of which any transaction in Shares (purchase, redemption or exchange) for a portfolio is recorded in the Shareholder register of the Fund, in respect of one or more portfolios, as the context requires, as having been accepted

**Transfer Agent** means the Management Company or AllianceBernstein Investor Services, a unit of the Management Company, the Fund's registrar and transfer agent

**UCI** means an Undertaking for Collective Investment

**UCITS** means an open-end mutual investment fund or investment company qualifying as an undertaking for collective investment in transferable securities

**UCITS Directive** means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended

**United Kingdom** means the United Kingdom of Great Britain and Northern Ireland

**United States** means the United States of America or any of its territories or possessions or any area subject to its jurisdiction, including the Commonwealth of Puerto Rico

**U.S. Person** means (i) with respect to any person, any individual or entity that would be a U.S. Person under Regulation S promulgated under the U.S. Securities Act of 1933, as amended; (2) with respect to individuals, any U.S. citizen or "resident alien" within the meaning of U.S. income tax laws as in effect from time to time; or (iii) with respect to persons other than individuals, (A) a corporation or partnership created or organized in the United States or under the laws of the United States or any U.S. state; (B) a trust where (I) a U.S. court is able to exercise primary supervision over the administration of the trust and (II) one or more U.S. persons have the authority to control all substantial decisions of the trust; and (C) an estate which is subject to U.S. tax on its worldwide income from all sources

**Valuation Point** means the point in time at which the Net Asset Value per Share is calculated with respect to a Trade Date, being 4:00 p.m. U.S. Eastern time on each Business Day

# AB FCP I—Global Equity Blend Portfolio

## Investment Objective and Policies

### Investment Objective

The Portfolio seeks to achieve long-term growth of capital.

The Portfolio invests in global equity portfolios that are designed as solutions for investors who seek equity returns but also want broad diversification of the related risks across styles, sectors and geographic regions. In managing the Portfolio, the Investment Manager efficiently diversifies between growth and value equity investment styles. The Investment Manager selects growth and value equity securities by drawing from a variety of its fundamental growth and value investment disciplines to produce a blended portfolio.

Normally, the Investment Manager's targeted allocation for the Portfolios is an equal weighting of 50% growth stocks and 50% value stocks. The Investment Manager will allow the relative weightings of the Portfolio's growth and value components to vary in response to markets, but ordinarily only within a range of +/- 5% of the Portfolio. Beyond those ranges, the Investment Manager will generally rebalance the Portfolio toward the targeted allocation. However, under extraordinary circumstances, when the Investment Manager believes that conditions favoring one or the other investment are compelling, the range may expand to +/-10% of the Portfolio before rebalancing occurs.

### Description of Investment Disciplines and Processes

**Global Growth.** The Portfolio's growth stocks are selected using the Investment Manager's growth investment discipline. The growth investment team selects stocks using a process that seeks to identify companies with superior earnings growth prospects. This discipline relies heavily upon the fundamental analysis and research of the Investment Manager's large internal growth research staff of approximately 50 dedicated growth analysts, which follows approximately 1,400 companies.

The Investment Manager places research emphasis on identifying companies whose substantially above-average prospective earnings growth potential appears likely to outpace market expectations.

The Portfolio's total net assets invested in global equity securities utilizing the Investment Manager's Global Growth investment discipline will be allocated by the Investment Manager among various industry sectors determined by the Investment Manager to possess superior growth potential, each such industry sector designated a "subportfolio." The individual global equity securities represented by a subportfolio relating to a particular industry sector will be selected by the Investment Manager's in-house research specialist(s) responsible for that particular industry sector.

The current subportfolios designated by the Investment Manager in conjunction with the Investment Manager's Global Growth investment discipline are as follows: (1) technology, (2) consumer, (3) finance and (4) industrial cyclicals. The percentage of the Portfolio's total net assets allocated to any one subportfolio will depend upon the Investment Manager's assessment of current and forecasted investment opportunities and conditions.

The Investment Manager's Investment Team may (i) redesignate or alter the criteria relating to an existing subportfolio as a particular industry sector's growth potential fluctuates, (ii) retire an existing subportfolio as the growth potential of the relevant industry sector decreases or (iii) establish a new subportfolio as the growth potential of a new or different industry sector increases.

**Global Value.** The Portfolio's value stocks are selected using the fundamental value investment discipline of the Investment Manager's Bernstein Unit. In selecting stocks, the Investment Manager's value investment teams seek to identify companies whose long-term earning power and dividend paying capability are not reflected in the current market price of their securities. This fundamental value discipline relies heavily upon the Investment Manager's large internal value research staff, which follows over 2,700 companies. Teams within the value research staff cover a given industry worldwide, to better understand each company's competitive position in a global context. The Investment Manager's staff of approximately 70 dedicated value analysts prepares its own earnings estimates and financial models for each company analyzed. The Investment Manager identifies and quantifies the critical variables that control a business's performance and analyzes the results in order to forecast each company's long-term prospects and expected returns.

The "Value" investment discipline attempts to identify securities that are undervalued using a disciplined fundamental value approach. The Investment Manager believes that, over time, a company's stock price will come to reflect its intrinsic economic value. The Investment Manager's fundamental value approach to equity investing generally defines value by reference to the relationship between a security's current price and its intrinsic economic value as measured by long-term earnings prospects. In each market, this approach seeks to identify a universe of securities that are considered to be undervalued because they are attractively priced relative to their future earnings power. Accordingly, forecasting corporate earnings and dividend-paying capability is the heart of the fundamental approach. Securities of companies in any industry, country or region can become mispriced, and the Investment Manager will seek to exploit all such opportunities when selecting securities for the Portfolio.

### Other Investment Policies

The Portfolio is not subject to any limitation on the portion of its total assets that may be invested in any one country or region. The Portfolio intends to spread investment risk and expect to invest in equity securities of issuers domiciled in developed countries, including Australia, Canada, Japan, the United States and the developed nations in Europe and Asia. The Portfolio will be permitted to invest in securities of issuers domiciled, or with significant operations, in other countries, including emerging market countries.

The Portfolio's investments in securities of issuers domiciled in emerging market countries are not expected to

exceed 30% of the Portfolio's net assets. The Investment Manager, in its discretion, will determine which countries constitute "emerging market countries." In general, emerging market countries will be countries considered by the global financial community to be developing countries, including countries from time to time included in the MSCI Emerging Markets Index<sup>SM</sup>, a free float-adjusted market capitalization index designed to measure equity market performance in the global emerging markets. The Investment Manager's determination of which countries constitute emerging market countries may change from time to time.

The Investment Manager will, based upon its currency research and outlook, adjust the Portfolio's currency exposures while taking into account both (a) the Portfolio's overall non-base currency exposure, as well as (b) the expected risk and return of each of the particular currencies in the Portfolio's portfolio. The Investment Manager uses its in-house models developed specifically for this purpose. Accordingly, the Investment Manager may hedge all, some or none of the currency exposures depending on whether its research indicates that the currency is poised to fall or rise against the Portfolio's base currency.

As a temporary defensive measure or to provide for redemptions, the Portfolio may, without limit, hold cash, cash equivalents, or short-term fixed-income obligations, including money market instruments.

The Portfolio may invest up to 10% of its net assets in securities for which there is no ready market. See paragraph (5) of "Investment Restrictions" in Appendix A to Section II. The Portfolio may therefore not be readily able to sell such securities. Moreover, there may be contractual restrictions on the resale of such securities.

The Investment Manager expects that at any time at least 90% of the Portfolio's total assets will be invested in equity securities and in no case will the amount of the Portfolio's assets invested in such securities be less than two-thirds of the Portfolio's total assets.

#### **Financial Derivative Instruments/Efficient Portfolio Management Techniques.**

Efficient portfolio management and hedging techniques may include use of exchange-traded and OTC derivative instruments, including swaps, options, futures and currency transactions.

In accordance with the transparency requirements of the SFT Regulation the chart below reflects, where applicable, the expected and maximum level of the Portfolio's net assets that will be subject to securities financing transactions (*i.e.* securities lending transactions as well as repurchase agreements and reverse repurchase agreements) ("*SFTs*") and total return swaps and/or other financial derivative instruments with similar characteristics ("*TRS*"); being specified that in certain circumstances this proportion may be higher.

<b>Type of Transactions</b>	<b>Expected Range</b>	<b>Maximum</b>
TRS	0%-10%	50%
Repurchase agreements and reverse repurchase agreements	N/A	N/A
Securities lending transactions	0%-10%	25%

For further details concerning SFTs and TRS, please refer to "Appendix C: Additional Information relating to Financial Derivative Instruments, Financial Techniques and Instruments and Collateral Management."

**Risk Measurement.** The methodology used in order to monitor the global exposure (market risk) resulting from the use of financial derivative instruments is the commitment approach in accordance with the CSSF Circular 11/512.

**Benchmark.** The Portfolio's benchmark is the MSCI World Index. The Portfolio uses the benchmark for performance comparison. The Portfolio is actively managed and the Investment Manager is not constrained by its benchmark when implementing the Portfolio's investment strategy. Although the Portfolio may hold, in certain market conditions and subject to the Investment Manager's full discretion, a significant part of the components of the benchmark, it will not hold every component of the benchmark and may also hold securities that are not part of it.

#### **Currency Hedged Share Classes**

One or more of the Portfolio's share classes offered in a particular currency (each, an "Offered Currency") may be hedged to such Offered Currency. Any such share class will constitute a "Currency Hedged Share Class." Currency Hedged Share Classes aim to provide investors a return more closely correlated to the Portfolio's base currency return by reducing the effect of exchange rate fluctuations between the Portfolio's base currency (*i.e.*, Dollar) and the relevant Offered Currency, taking into account practical considerations such as transaction costs. The hedging strategy employed is designed to reduce, but may not eliminate, currency exposure between the Portfolio's base currency and the Offered Currency.

Currency Hedged Share Classes do not affect the investment management of the Portfolio's underlying assets since it is only the net asset value (NAV) of the Currency Hedged Share Classes, not the Portfolio's underlying assets, which is hedged to the Offered Currency. Expenses incurred as a result of such hedging activity will be borne by the Currency Hedged Share Class in relation to which such expenses are incurred.

For additional information on share class hedging, see "How to Purchase Shares—Currency Hedged Share Classes" in Section II.

**Responsible investing.** The Portfolio integrates ESG considerations. The Portfolio applies certain exclusions and details can be found at

[www.alliancebernstein.com/go/ABFCPIExclusionChart](http://www.alliancebernstein.com/go/ABFCPIExclusionChart).

The Portfolio is of the category that promotes environmental and social characteristics (SFDR Article 8; see “Appendix E: SFDR Pre-Contractual Disclosures” for more information).

## Summary Information

**Portfolio Features**

Currency of the Portfolio	USD	Class Names	<b>H</b> means Currency Hedged Share Classes. For additional information on share class hedging, see “How to Purchase Shares—Currency Hedged Share Classes” and “Risk Factors -- Currency Hedged Share Class Risk” in Section II.
Net Asset Value Calculation	Each Business Day		
Net Asset Value Publication	Available at <a href="http://www.alliancebernstein.com">www.alliancebernstein.com</a>		
Cut-Off Times	<p><i>For USD-Denominated Share Classes, EUR-Denominated Share Classes, GBP-Denominated Share Classes, HKD-Denominated Share Classes and SGD-Denominated Share Classes</i> 4:00 P.M. U.S. Eastern Time on each Business Day</p> <p><i>For Currency Hedged Share Classes</i> 6:00 P.M. Central European Time on each Business Day</p>	Distributions*	None. See “Distributions” below.  * Includes Hedged Share Classes.

**Share Class Fees and Charges<sup>1</sup>**

	Initial Sales Charge <sup>3</sup>	Management Fee <sup>4</sup>	Distribution Fee <sup>5</sup>	Contingent Deferred Sales Charge <sup>6</sup>
<b>USD-Denominated Share Classes</b>				
Class A Shares	Up to 5.00%	1.60%	None	None 0—1 year held=4.0% 1—2 yrs=3.0% 2—3 yrs=2.0% 3—4 yrs=1.0% 4+ yrs=0%
Class B Shares <sup>2*</sup>	None	1.60%	1.00%	0—1 year held=1.0% thereafter 0%
Class C Shares	None	2.05%	None	None
Class I Shares <sup>9</sup>	Up to 1.50%	0.80%	None	None
Class S1 Shares	None	0.70%	None	None
<b>EUR-Denominated Share Classes</b>				
Class A Shares	Up to 5.00%	1.60%	None	None 0—1 year held=1.0% thereafter 0%
Class C Shares	None	2.05%	None	None
Class I Shares <sup>9</sup>	Up to 1.50%	0.80%	None	None
Class S1 Shares	None	0.70%	None	None
<b>HKD-Denominated Share Classes</b>				
Class S Shares <sup>7</sup>	None	None	None	None
<b>SGD-Denominated Share Classes</b>				
Class A Shares	Up to 5.00%	1.60%	None	None 0—1 year held=4.0% 1—2 yrs=3.0% 2—3 yrs=2.0% 3—4 yrs=1.0% 4+ yrs=0%
Class B Shares <sup>2*</sup>	None	1.60%	1.00%	None
Class S1 Shares	None	0.70%	None	None
<b>EUR Hedged Share Classes</b>				
Class A EUR H Shares	Up to 5.00%	1.60%	None	None
<b>Fiscally Transparent Share Classes [for Certain Eligible Investors with approval from the Management Company]<sup>8</sup></b>				
Class SA GB Shares	None	None	None	None
Class S1A GB and S1B GB Shares	None	0.70%	None	None

- 1 The Management Company, Administrator, Depositary and Transfer Agent are entitled to receive, out of the assets of the Portfolio, fees as described under "Other Portfolio Information—Management Company, Administrator, Depositary and Transfer Agent Fees" below. The Portfolio also bears all of its other expenses. See "How to Purchase Shares" and "Additional Information—Fees and Expenses" in Section II. The Management Company has voluntarily undertaken, until the Management Company on behalf of the Fund notifies Shareholders to the contrary, that if, in any fiscal year, the aggregate fees and expenses with respect to the following share classes of the Portfolio (including any management fee and all other fees and expenses set out in "Additional Information—Fees and Expenses" in Section II, including Luxembourg *Taxe d'Abonnement* but exclusive of certain other taxes, brokerage (if applicable) and interest on borrowings) exceed the following percentages of the average Net Asset Value for the fiscal year attributable to the Portfolio's share classes (and corresponding H shares) as follows: A (2.10%), B (3.10%), C (2.55%), I (1.30%), S (0.10%), S1 (0.80%), SA GB (0.10%) and S1A GB (0.80%) and S1B GB (0.80%), the Fund may deduct from the payment to be made to the Management Company, or the Management Company will otherwise bear, such excess fees and expenses.
- 2 After six years from the date of purchase, class B shares are eligible for conversion to class A shares without charge. For further details on the conversion of shares, please refer to "How to Exchange or Convert Shares—Conversion of CDSC Shares" in Section II.
- 3 As a percentage of purchase price.
- 4 As an annual percentage of average daily Net Asset Value. With respect to certain share classes, the management fee may also include a component that is paid to distributors or other financial intermediaries and service providers. For further details on the management fee, please refer to "Additional Information—Fees and Expenses" in Section II.
- 5 As an annual percentage of average daily Net Asset Value.
- 6 As a percentage of the lesser of the current Net Asset Value or original cost of the Shares being redeemed and based upon the duration that such Shares are held. CDSC Shares may only be purchased through a dealer authorized by the Distributor to offer such shares. Those investors considering an investment in CDSC Shares should speak with their financial advisor for details. With respect to class C shares, a dealer may elect to waive the contingent deferred sales charge in certain circumstances.
- 7 Class S shares are reserved for institutional investors that have entered into an agreement with the Management Company and are being charged an investment management fee separately.
- 8 Class SA GB and S1A GB Shares are available only to those UK institutional investors who demonstrate to the satisfaction of the Management Company that they are exempt from withholding tax on U.S.-source dividend income under the relevant tax treaty between the investor's country of tax residence and the United States and agree to provide the Management Company certain other certifications and information to the extent required to establish their eligibility for these shares.  
  
Class S1B GB Shares are available only to those UK/Irish institutional investors who demonstrate to the satisfaction of the Management Company that they are entitled to reduced withholding tax of 15% on US-source dividend income under the relevant tax treaty between the investor's country of tax residence and the United States and agree to provide the Management Company certain other certifications and information to the extent required to establish their eligibility for these shares.
- 9 For further information on this share class, see "Additional Share Class Information" in Section II.
- \* Effective 15 December 2016, Class B shares will no longer be offered. However, Class B shares may be made available for exchange to shareholders holding Class B shares (or a variation thereof including hedged share classes) in another Portfolio or other AB fund.

## Other Share Class Features

	Offered Currencies	Minimum Initial Investment*	Minimum Subsequent Investment*	Maximum Investment**	Luxembourg Taxe d'Abonnement***
<b>USD-Denominated Share Classes</b>					
Class A Shares	Dollar	\$2,000	\$750	None	0.05%
Class B Shares	Dollar	\$2,000	\$750	\$250,000	0.05%
Class C Shares	Dollar	\$2,000	\$750	None	0.05%
Class I Shares	Dollar	\$1 million**	None	None	0.05%
Class S1 Shares	Dollar	\$25 million**	None	None	0.01%
<b>EUR-Denominated Share Classes</b>					
Class A Shares	EUR	€2,000	€750	None	0.05%
Class C Shares	EUR	€2,000	€750	None	0.05%
Class I Shares	EUR	€1,000,000**	None	None	0.05%
Class S1 Shares	EUR	€20 million**	None	None	0.01%
<b>HKD-Denominated Share Classes</b>					
Class S Shares	HKD	HK\$200 million**	None	None	0.01%
<b>SGD-Denominated Share Classes</b>					
Class A Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class B Shares	SGD	S\$3,000	S\$1,000	S\$350,000	0.05%
Class S1 Shares	SGD	S\$ 37.5 million**	None	None	0.01%
<b>Fiscally Transparent Share Classes [for Certain Eligible Investors with approval from the Management Company]</b>					
Class SA GB Shares	Dollar	\$25 million**	None	None	0.01%
Class S1A GB and S1B GB Shares	Dollar	\$25 million**	None	None	0.01%

	<b>Hedged Currencies</b>	<b>Minimum Initial Investment*</b>	<b>Minimum Subsequent Investment*</b>	<b>Maximum Investment**</b>	<b>Luxembourg <i>Taxe d'Abonnement</i>***</b>
<b>EUR Hedged Share Classes</b>					
Class A EUR H Shares	EUR	€2,000	€750	None	0.05%

\* Does not apply to automatic investment plans, where offered.

\*\* May be waived by the Management Company in its sole discretion.

\*\*\* Annual Luxembourg tax payable quarterly by each portfolio.

## Other Portfolio Information

### Principal Investment Types

For a chart summarizing the principal types of investments used by the Portfolio and a description of securities and other instruments in which the Portfolio may invest, investors should refer to "Investment Types" in Section II. The ability of the Portfolio to invest in any securities or instruments is subject to the restrictions in the Portfolio's stated investment objective and policies and the limitations contained in "Investment Restrictions" in Appendix A to Section II.

### Risk Profile

Investments of the Portfolio are subject to higher risks inherent in equity investments. In general, the value of equity investments may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market, economic, political and natural conditions that are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

The Portfolio is subject to market, interest rate and currency fluctuations and to other risks inherent in investing in securities. Therefore, no assurance can be given that the investment objective will be achieved, that invested capital will be preserved, or that capital appreciation will occur. Investment results may vary substantially on a monthly, quarterly or annual basis. An investment in the Portfolio does not represent a complete investment program.

For a chart summarizing the principal risks of the Portfolio and a more detailed discussion of these and other risks applicable to the Portfolio, investors should refer to "Risk Factors" in Section II.

### Profile of the Typical Investor

The Portfolio will suit higher risk-tolerant investors seeking the medium to long term rewards of equity investment. Investors are encouraged to consult their independent financial advisors regarding the suitability of Shares of the Portfolio for their investment needs.

### Distributions

The Management Company currently does not intend to pay dividends with respect to the Shares. Therefore, any net income and net realized profits attributable to the Shares will be reflected in the respective Net Asset Value of the Shares.

### Management Company, Administrator, Depositary and Transfer Agent Fees

For all Shares (and corresponding H shares) except class S and S1 shares, the Management Company is paid an annual fee out of the assets of the Portfolio on the aggregate Net Asset Value attributable to the Shares equal to 0.10% of average daily Net Asset Value. The Management Company is paid an annual fee out of the assets of the Portfolio on the aggregate Net Asset Value attributable to the class S and S1 shares equal to the lesser of \$50,000 or 0.01% of average daily Net Asset Value.

The Administrator fee, Depositary fee and Transfer Agent fee for the Portfolio are paid out of the assets of the Portfolio in accordance with the usual practice in Luxembourg and shall not exceed a fixed maximum specified under Section II of the prospectus under "Administrator, Depositary and Transfer Agent Fees". These fees are subject to the limitation on expenses discussed in note 1 to "Summary Information—Share Class Fees and Charges" above and may decrease or increase depending on the assets of the Portfolio and transaction volume or for other reasons.

### Organizational Expenses

The Portfolio has no unamortized organizational expenses.

### Historical Performance

Information on the historical performance of the Portfolio may be found at [www.alliancebernstein.com](http://www.alliancebernstein.com).

### History

The Portfolio was established on 15 July 2002 as a portfolio within ACM Bernstein Blended Style Investments, a mutual investment fund managed by the Management Company and organized under the laws of the Grand Duchy of Luxembourg, under the name "Global Equity Portfolio". On 1 September 2003, ACM Bernstein Blended Style Investments was amalgamated into the Fund and the assets of Global Equity Portfolio were contributed into the Global Blend Portfolio, a new portfolio created within the Fund. On 10 November 2004, Global Blend Portfolio was renamed "Global Equity Blend Portfolio".



# AB FCP I—Emerging Markets Growth Portfolio

## Investment Objective and Policies

### Investment Objective

The investment objective of the Portfolio is long-term growth of capital.

### Investment Policies

The Portfolio seeks to achieve its investment objective by investing in a portfolio of equity securities of companies in emerging markets. Emerging markets include but are not limited to those countries listed in the MSCI Emerging Markets Index. The Portfolio may also invest in frontier markets from time to time. Frontier markets include but are not limited to those countries listed in the S&P Frontier Broad Market Index. In selecting securities for investment, the Investment Manager seeks to invest in high-quality issuers that it believes are well-positioned to grow over the long term.

The Investment Manager expects that, under normal market conditions, the Portfolio's total assets will be predominantly invested in the equity securities of emerging market and frontier market companies. The Portfolio will invest at least two-thirds of its assets in emerging markets issuers and at least 50% of its net assets in equity securities. Emerging market and frontier market companies include any company that (i) is domiciled or organized in; (ii) is established and conducting business in; (iii) conducts a significant part of its economic activities in; or (iv) has business activities that are meaningfully impacted by economic developments in, emerging markets or frontier markets.

The Portfolio may invest in common stocks, including the stock of companies conducting an initial public offering, and securities convertible into common stock, preferred stocks, the equity securities of real estate investments trusts ("REITs"), depositary receipts (including ADRs and GDRs), and exchange-traded funds ("ETFs") qualified as UCITS or eligible UCI within the meaning of Article 41(1)e) of the Law of 2010, as well as financial derivative instruments.

**Currency Management.** The Portfolio may utilize currency management techniques to hedge currency exposure or provide exposure greater than that provided by the underlying equity positions.

**Financial Derivative Instruments/Efficient Portfolio Management Techniques.** The Investment Manager may use derivative products and strategies when implementing the Portfolio's investment strategy. Such financial derivative instruments (including OTC and exchange-traded financial derivative instruments) may include, but are not limited to, options, futures, forwards and swaps, including transactions on equity securities and currencies, as well as "local access products" (such as equity linked certificates, participation notes and warrants). These financial derivative instruments and efficient portfolio management techniques will be predominantly employed (i) as an alternative to investing directly in the underlying investments, (ii) to hedge against equity markets risk, specific issuer risk and currency fluctuations and (iii) for efficient portfolio management purposes.

In accordance with the transparency requirements of the SFT Regulation the chart below reflects, where applicable, the expected and maximum level of the Portfolio's net assets that will be subject to securities financing transactions (*i.e.* securities lending transactions as well as repurchase agreements and reverse repurchase agreements) ("*SFTs*") and total return swaps and/or other financial derivative instruments with similar characteristics ("*TRS*"); being specified that in certain circumstances this proportion may be higher.

Type of Transactions	Expected Range	Maximum
TRS	0%-10%	25%
Repurchase agreements and reverse repurchase agreements	N/A	N/A
Securities lending transactions	0%-10%	25%

For further details concerning SFTs and TRS, please refer to "Appendix C: Additional Information relating to Financial Derivative Instruments, Financial Techniques and Instruments and Collateral Management."

**Risk Measurement.** The methodology used in order to monitor the global exposure (market risk) resulting from the use of financial derivative instruments is the commitment approach in accordance with the CSSF Circular 11/512.

**Benchmark.** The Portfolio's benchmark is the MSCI Emerging Markets Index. The Portfolio uses the benchmark for performance comparison. The Portfolio is actively managed and the Investment Manager is not constrained by its benchmark when implementing the Portfolio's investment strategy. Although the Portfolio may hold, in certain market conditions and subject to the Investment Manager's full discretion, a significant part of the components of the benchmark, it will not hold every component of the benchmark and may also hold securities that are not part of it.

### Other Investment Policies

**Lack of Liquidity.** The Portfolio may invest up to 10% of its net assets in securities for which there is no ready market. See paragraph (5) of "Investment Restrictions" in Appendix A to Section II. The Portfolio may therefore not be readily able to sell such securities. Moreover, there may be contractual restrictions on the resale of such securities.

**Defensive Position – Holding Cash or Cash Equivalents.** The Portfolio may hold cash or cash equivalents and short-term fixed-income securities, including money market instruments, as a temporary

defensive measure or to provide for redemptions or in anticipation of investment in various international markets.

**Future Developments.** On an ancillary basis, the Portfolio may take advantage of other investment instruments and strategies including those that are not currently contemplated for use by the Portfolio to the extent such investment practices are consistent with the Portfolio's investment objective and legally permissible.

#### **Currency Hedged Share Classes**

One or more of the Portfolio's share classes offered in a particular currency (each, an "Offered Currency") may be hedged to such Offered Currency. Any such share class will constitute a "Currency Hedged Share Class." Currency Hedged Share Classes aim to provide investors a return more closely correlated to the Portfolio's base currency return by reducing the effect of exchange rate fluctuations between the Portfolio's base currency (i.e., Dollar) and the relevant Offered Currency, taking into account practical considerations such as transaction costs. The hedging strategy employed is designed to reduce, but may not eliminate, currency exposure between the Portfolio's base currency and the Offered Currency.

Currency Hedged Share Classes do not affect the investment management of the Portfolio's underlying assets since it is only the net asset value (NAV) of the Currency Hedged Share Classes, not the Portfolio's underlying assets, which is hedged to the Offered Currency. Expenses incurred as a result of such hedging activity will be borne by the Currency Hedged Share Class in relation to which such expenses are incurred.

**Responsible investing.** The Portfolio integrates ESG considerations. The Portfolio applies certain exclusions and details can be found at

[www.alliancebernstein.com/go/ABFCPIExclusionChart](http://www.alliancebernstein.com/go/ABFCPIExclusionChart).

The Portfolio is of the category that promotes environmental and social characteristics (SFDR Article 8; see "Appendix E: SFDR Pre-Contractual Disclosures" for more information).

## Summary Information

**Portfolio Features**

Currency of the Portfolio	USD	Order Cut-Off Times	<i>For USD-Denominated Share Classes, EUR-Denominated Share Classes, GBP-Denominated Share Classes, HKD-Denominated Share Classes and SGD-Denominated Share Classes</i> 4:00 P.M. U.S. Eastern Time on each Business Day
Net Asset Value Calculation	Each Business Day		
Net Asset Value Publication	Available at <a href="http://www.alliancebernstein.com">www.alliancebernstein.com</a>		
Class Names	<b>H</b> means Currency Hedged Share Classes. For additional information on share class hedging, see “How to Purchase Shares—Currency Hedged Share Classes” and “Risk Factors – Currency Hedged Share Class Risk” in Section II.	Distributions*	<i>For Currency Hedged Share Classes</i> 6:00 P.M. Central European Time on each Business Day  <i>For class A, B, C, I, N, S, S1, and W shares</i> None.  <i>For class AD and ED shares</i> To be declared and payable monthly  See “Distributions” below.

\*Includes Hedged Share Classes

**Share Class Fees and Charges<sup>1</sup>**

	Initial Sales Charge <sup>3</sup>	Management Fee <sup>4</sup>	Distribution Fee <sup>5</sup>	Contingent Deferred Sales Charge <sup>6</sup>
<b>USD-Denominated Share Classes</b>				
Class A Shares	Up to 5.00%	1.70%	None	None
Class AD Shares	Up to 5.00%	1.70%	None	None
Class B Shares <sup>2*</sup>	None	1.70%	1.00%	0–1 year held=4.0% 1–2 yrs=3.0% 2–3 yrs=2.0% 3–4 yrs=1.0% 4+ yrs=0%
Class C Shares	None	2.15%	None	0–1 year held=1.0% thereafter 0%
Class ED Shares <sup>9</sup>	None	1.70%	1.00%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class I Shares <sup>8</sup>	Up to 1.50%	0.90%	None	None
Class N Shares	Up to 3.00%	2.15%	None	None
Class S Shares <sup>7</sup>	None	None	None	None
Class S1 Shares	None	0.90%	None	None
Class W Shares <sup>8</sup>	None	0.70%	None	None
<b>EUR-Denominated Share Classes</b>				
Class A Shares	Up to 5.00%	1.70%	None	None
Class C Shares	None	2.15%	None	0–1 year held=1.0% thereafter 0%
Class I Shares <sup>8</sup>	Up to 1.50%	0.90%	None	None
Class S1 Shares	None	0.90%	None	None
<b>GBP-Denominated Share Classes</b>				
Class S1 Shares	None	0.90%	None	None
<b>HKD-Denominated Share Classes</b>				
Class A Shares	Up to 5.00%	1.70%	None	None
<b>SGD-Denominated Share Classes</b>				
Class A Shares	Up to 5.00%	1.70%	None	None

<b>AUD Hedged Share Classes</b>				
Class A AUD H Shares	Up to 5.00%	1.70%	None	None
Class AD AUD H Shares	Up to 5.00%	1.70%	None	None
Class C AUD H Shares	None	2.15%	None	0–1 year held=1.0% thereafter 0%
Class ED AUD H Shares <sup>9</sup>	None	1.70%	1.00%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class I AUD H Shares <sup>8</sup>	Up to 1.50%	0.90%	None	None
<b>SGD Hedged Share Classes</b>				
Class A SGD H Shares	Up to 5.00%	1.70%	None	None
<b>CHF Hedged Share Classes</b>				
Class A CHF H Shares	Up to 5.00%	1.70%	None	None
Class I CHF H Shares <sup>8</sup>	Up to 1.50%	0.90%	None	None
<b>PLN Hedged Share Classes</b>				
Class A PLN H Shares	Up to 5.00%	1.70%	None	None
<b>ZAR Hedged Share Classes</b>				
Class AD ZAR H Shares	Up to 5.00%	1.70%	None	None
Class ED ZAR H Shares <sup>9</sup>	None	1.70%	1.00%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%

1 The Management Company, Administrator, Depositary and Transfer Agent are entitled to receive, out of the assets of the Portfolio, fees as described under "Other Portfolio Information—Management Company, Administrator, Depositary and Transfer Agent Fees" below. The Portfolio also bears all of its other expenses. See "How to Purchase Shares" and "Additional Information—Fees and Expenses" in Section II. The Management Company has voluntarily undertaken, until the Management Company on behalf of the Fund notifies Shareholders to the contrary, that if, in any fiscal year, the aggregate fees and expenses with respect to the following share classes of the Portfolio (including any management fee and all other fees and expenses set out in "Additional Information—Fees and Expenses" in Section II, including Luxembourg *Taxe d'Abonnement* but exclusive of certain other taxes, brokerage (if applicable) and interest on borrowings) exceed the following percentages of the Portfolio's average Net Asset Value for the fiscal year attributable to the Portfolio's share classes as follows: S (0.30%), S1 (1.20%), and W (0.99%), the Fund may deduct from the payment to be made to the Management Company, or the Management Company will otherwise bear, such excess fees and expenses.

2 After six years from the date of purchase, class B shares are eligible for conversion to class A shares without charge from either the Fund or the Management Company. For further details on the conversion of shares, please refer to "How to Exchange or Convert Shares—Conversion of CDSC Shares" in Section II of the Prospectus.

3 As a percentage of purchase price.

4 As an annual percentage of average daily Net Asset Value. With respect to certain share classes, the management fee may also include a component that is paid to distributors or other financial intermediaries and service providers. For further details on the

management fee, please refer to "Additional Information—Fees and Expenses" in Section II.

5 As an annual percentage of average daily Net Asset Value.

6 As a percentage of the lesser of the current Net Asset Value or original cost of the Shares being redeemed and based upon the duration that such Shares are held. CDSC Shares may only be purchased through a dealer authorized by the Distributor to offer such shares. Those investors considering an investment in CDSC Shares should speak with their financial advisor for details. With respect to class C shares (and corresponding H shares classes), a dealer may elect to waive the contingent deferred sales charge in certain circumstances.

7 Class S shares are reserved for institutional investors that have entered into an agreement with the Management Company and are being charged an investment management fee separately.

8 For further information on this share class, see "Additional Share Class Information" in Section II.

9 After three years from the date of purchase, class ED shares (and corresponding H shares) will be converted to class AD shares (and corresponding H shares) without charge from either the Fund or the Management Company. For further details on the conversion of shares, please refer to "How to Exchange or Convert Shares—Conversion of CDSC Shares" in Section II of the Prospectus.

\* Effective 15 December 2016, Class B shares will no longer be offered. However, Class B shares may be made available for exchange to shareholders holding Class B shares (or a variation thereof including hedged share classes) in another Portfolio or other AB fund.

**Other Share Class Features**

	<b>Offered Currencies</b>	<b>Minimum Initial Investment*</b>	<b>Minimum Subsequent Investment*</b>	<b>Maximum Investment**</b>	<b>Luxembourg Taxe d'Abonnement***</b>
Class A Shares	Dollar	\$2,000	\$750	None	0.05%
Class AD Shares	Dollar	\$2,000	\$750	None	0.05%
Class B Shares	Dollar	\$2,000	\$750	\$250,000	0.05%
Class C Shares	Dollar	\$2,000	\$750	None	0.05%
Class ED Shares	Dollar	\$2,000	\$750	None	0.05%
Class I Shares	Dollar	\$1 million**	None	None	0.05%
Class N Shares	Dollar	\$2,000	\$750	None	0.05%
Class S Shares	Dollar	\$25 million**	None	None	0.01%
Class S1 Shares	Dollar	\$25 million**	None	None	0.01%
Class W Shares	Dollar	\$1 million**	None	None	0.05%
<b>EUR-Denominated Share Classes</b>					
Class A Shares	EUR	€ 2,000	€ 750	None	0.05%
Class C Shares	EUR	€ 2,000	€ 750	None	0.05%
Class I Shares <sup>8</sup>	EUR	€1 million**	None	None	0.05%
Class S1 Shares	EUR	€20 million**	None	None	0.01%
<b>GBP-Denominated Share Classes</b>					
Class S1 Shares	GBP	£15 million**	None	None	0.01%
<b>HKD-Denominated Share Classes</b>					
Class A Shares	HKD	HK\$15,000	HK\$5,000	None	0.05%
<b>SGD-Denominated Share Classes</b>					
Class A Shares	SGD	S\$3,000	S\$1,000	None	0.05%
	<b>Hedged Currencies</b>	<b>Minimum Initial Investment*</b>	<b>Minimum Subsequent Investment*</b>	<b>Maximum Investment**</b>	<b>Luxembourg Taxe d'Abonnement***</b>
<b>AUD Hedged Share Classes</b>					
Class A AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class AD AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class C AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class ED AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class I AUD H Shares	AUD	A\$1 million**	None	None	0.05%
<b>SGD Hedged Share Classes</b>					
Class A SGD H Shares	SGD	S\$3,000	S\$1,000	None	0.05%
<b>CHF Hedged Share Classes</b>					
Class A CHF H Shares	CHF	CHF 2,000	CHF 1,000	None	0.05%
Class I CHF H Shares	CHF	CHF 1,000,000**	None	None	0.05%
<b>PLN Hedged Share Classes</b>					
Class A PLN H Shares	PLN	PLN 7,500	PLN 3,000	None	0.05%
<b>ZAR Hedged Share Classes</b>					
Class AD ZAR H Shares	ZAR	ZAR 20,000	ZAR 7,000	None	0.05%
Class ED ZAR H Shares	ZAR	ZAR 20,000	ZAR 7,000	None	0.05%

\* Does not apply to automatic investment plans, where offered.

\*\* May be waived by the Management Company in its sole discretion.

\*\*\* Annual Luxembourg tax payable quarterly by each portfolio

## Other Portfolio Information

### Principal Investment Types

For a chart summarizing the principal types of investments used by the Portfolio and a description of securities and other instruments in which the Portfolio may invest, investors should refer to "Investment Types" in Section II. The ability of the Portfolio to invest in any securities or instruments is subject to the restrictions in the Portfolio's stated investment objective and policies and the limitations contained in "Investment Restrictions" in Appendix A to Section II.

### Risk Profile

It is intended that this Portfolio will make use of financial derivative instruments. The investment restrictions (9) to (13) set forth in Appendix A to Section II will not apply.

Investments of the Portfolio are subject to the higher risks inherent in equity investments. In general, the value of equity investments may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market, economic, political and natural conditions that are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment instruments.

Fixed-income securities in which the Portfolio will invest are subject to the credit risk of the private and public institutions offering these securities and their market value is influenced by changes in interest rates. There can be no assurance that any distribution payments will occur and the Portfolio has no specific maturity.

The Portfolio is subject to market, interest rate and currency fluctuations and to other risks inherent in investing in securities. Therefore, no assurance can be given that the investment objective will be achieved, that invested capital will be preserved or that capital appreciation will occur. Investment results may vary substantially on a monthly, quarterly or annual basis. An investment in the Portfolio does not represent a complete investment program.

For a chart summarizing the principal risks of the Portfolio and a more detailed discussion of these and other risks applicable to the Portfolio, investors should refer to "Risk Factors" in Section II.

### Profile of the Typical Investor

The Portfolio will suit higher risk-tolerant investors seeking the medium to long term rewards of equity investment. Investors are encouraged to consult their independent financial advisors regarding the suitability of Shares of the Portfolio for their investment needs.

### Distributions

For class A, B, C, I, N, S, S1 and W shares (and corresponding H Shares), the Management Company currently does not intend to pay dividends with respect to the Shares. Therefore,

any net income and net realized profits attributable to the Shares will be reflected in the respective Net Asset Value of the Shares.

For class AD and ED shares (and corresponding H shares), the Management Company intends to declare and pay monthly distributions. The Management Company intends to maintain a stable distribution rate per share for such share classes, and therefore distributions may come from gross income (before reduction for fees and expenses), realized and unrealized gains and capital attributable to the relevant class. Distributions in excess of net income (gross income less fees and expenses) may represent a return of the investor's original investment amount and as such may result in a decrease in the NAV per share for the relevant class.

The Management Company also may determine if and to what extent distributions paid include realized capital gains and/or are paid out of capital, attributable to the relevant class of Shares. Distributions may be automatically reinvested at the election of the Shareholder.

### Management Company, Administrator, Depositary and Transfer Agent Fees

For all Shares (and corresponding H shares) except class S and S1 shares (and corresponding H shares), the Management Company is paid an annual fee out of the assets of the Portfolio on the aggregate Net Asset Value attributable to the Shares equal to 0.10% of average daily Net Asset Value. The Management Company is paid an annual fee out of the assets of the Portfolio on the aggregate Net Asset Value attributable to the class S and S1 shares (and corresponding H shares) equal to the lesser of \$50,000 or 0.01% of average daily Net Asset Value.

The Administrator fee, Depositary fee and Transfer Agent fee for the Portfolio are paid out of the assets of the Portfolio in accordance with the usual practice in Luxembourg and shall not exceed a fixed maximum specified under Section II of the prospectus under "Administrator, Depositary and Transfer Agent Fees". These fees may decrease or increase depending on the assets of the Portfolio and transaction volume or for other reasons.

### Organizational Expenses

The Portfolio has no unamortized organizational expenses.

### Historical Performance

Information on the historical performance of the Portfolio may be found at [www.alliancebernstein.com](http://www.alliancebernstein.com).

### History

The Portfolio was established as a portfolio of the Fund on 30 October 1992 under the name "Developing Regional Markets Portfolio." The Portfolio changed its name to "Emerging Markets Growth Portfolio" on 16 August 2004.

# AB FCP I—Asia Ex-Japan Equity Portfolio

## Investment Objective and Policies

### Investment Objective

The investment objective of the Portfolio is long-term growth of capital and income.

### Investment Discipline and Processes

The Portfolio seeks to achieve its investment objective by investing in a portfolio of equity securities of companies in the Asia ex-Japan region that are determined by the Investment Manager to be undervalued. The Portfolio's investment universe will consist of countries contained in the MSCI AC (All Country) Asia ex Japan Index and the MSCI Frontier Markets Index, although the Portfolio may invest in securities outside the MSCI AC (All Country) Asia ex Japan Index and the MSCI Frontier Markets Index.

The Investment Manager believes that, over time, a company's stock price will come to reflect its intrinsic economic value. The Investment Manager's fundamental value approach to equity investing generally defines value by reference to the relationship between a security's current price and its intrinsic economic value as measured by long-term earnings prospects.

This approach seeks to identify, in the first instance, a universe of Asia ex-Japan securities that are considered to be undervalued because they are attractively priced relative to their future earnings power. Accordingly, forecasting corporate earnings and cash generation is the heart of the fundamental value approach.

Under normal market conditions the Portfolio will invest in a portfolio of approximately 60-100 companies.

The Investment Manager's value analysis depends heavily upon its large internal research staff and fundamental company and industry research. The Investment Manager's analysts are organized into global industry teams rather than by geography or asset class, since companies around the world within an industry tend to share similar profit and market dynamics. Company and industry analysts research Asia ex-Japan companies, which are screened by a proprietary quantitative return model, to forecast earnings, cash flow, and balance sheet strength for the companies for each of the next five years. If a company has many business lines, the analysts conduct this exercise for each in order to build a composite forecast for the company based in part on present and future determinants of demand for any company's products or services. These analysts also evaluate pricing strategies used by companies when competing for market share. Finally, an evaluation of the management and the financial ability of each company to implement its corporate strategy supplement the analysis.

The Investment Manager seeks undervalued securities based on the disparity between a company's intrinsic economic value and its stock price, with companies having the greatest disparities being considered the most undervalued.

The Investment Manager considers aggregate portfolio characteristics when deciding how much of each security to purchase for the Portfolio. The Investment Manager's quantitative analysts build valuation and risk models to ensure that the portfolio is constructed to obtain an effective balance of

risk and return. By evaluating overall sector concentration, degree of undervaluation and other subtle similarities among investments, the Investment Manager seeks to minimize overall Portfolio volatility by favoring those attractive securities that also tend to diversify the Portfolio's risk.

A disparity between a company's current stock price and the assessment of intrinsic value can arise, at least in part, as a result of adverse, short-term market reactions to recent events or trends. In order to reduce the risk that an undervalued security will be purchased before such an adverse market reaction has run its course, the Investment Manager also monitors analysts' earnings estimate revisions and relative return trends (also called "price momentum").

### Description of Currency Strategy

The Investment Manager may employ a currency overlay strategy. This strategy involves the adjustment of the Portfolio's various currency exposures to take into account the risk and return outlook of both the Portfolio's base currency and of other currencies. Accordingly, at any time, the Investment Manager may adjust the Portfolio's currency exposures depending on the expected return and risk characteristics which its research indicates those currencies are likely to offer.

The Investment Manager's currency overlay strategy may be implemented through transactions in certain currency-related derivative instruments, such as forward foreign currency exchange contracts, currency futures, currency options, options on currency futures and currency swaps, intended to protect the Portfolio against adverse currency effects and/or to seek active investment opportunities based on the risk and return outlook of different currencies. For example, when the Investment Manager's research indicates that a particular foreign currency offers a lower expected return than the base currency, the Investment Manager may enter into a forward foreign currency exchange contracts to sell an amount of the foreign currency expected to offer a lower return. Such instruments may also be employed to increase the Portfolio's exposure to a particular currency such that the Portfolio's exposure to that currency exceeds the value of the Portfolio's securities denominated in that currency (including on occasion cases where the Portfolio's investment portfolio includes no securities denominated in that currency) when the Investment Manager's research indicates that that currency is likely to offer an attractive return. The Investment Manager utilizes its in-house models developed specifically for these purposes as well as its fundamental research-based outlook.

Within this currency overlay strategy framework, the Investment Manager will control the Portfolio's currency exposures in order to ensure that stock selection remains the main driver of the Portfolio's investment returns and in order to seek to ensure that the risk arising from those currency exposures is proportionate to the expected return opportunities they offer.

## Financial Derivative Instruments/Efficient Portfolio Management Techniques

**General.** The Investment Manager may employ financial derivative instruments and efficient portfolio management techniques for investment, efficient portfolio management and hedging purposes. These financial derivative instruments may include, but are not limited to, "local access products" (such as equity linked certificates, participation notes, and warrants), and securities convertible into common stock, futures, and options on futures on stock indices.

In accordance with the transparency requirements of the SFT Regulation the chart below reflects, where applicable, the expected and maximum level of the Portfolio's net assets that will be subject to securities financing transactions (*i.e.* securities lending transactions as well as repurchase agreements and reverse repurchase agreements) ("*SFTs*") and total return swaps and/or other financial derivative instruments with similar characteristics ("*TRS*"); being specified that in certain circumstances this proportion may be higher.

Type of Transactions	Expected Range	Maximum
TRS	0%-10%	25%
Repurchase agreements and reverse repurchase agreements	N/A	N/A
Securities lending transactions	0%-10%	25%

For further details concerning SFTs and TRS, please refer to "Appendix C: Additional Information relating to Financial Derivative Instruments, Financial Techniques and Instruments and Collateral Management."

**Risk Measurement.** The methodology used in order to monitor the global exposure (market risk) resulting from the use of financial derivative instruments is the commitment approach in accordance with the CSSF Circular 11/512.

**Benchmark.** The Portfolio's benchmark is the MSCI All Country Asia ex-Japan Index. The Portfolio uses the benchmark for performance comparison. The Portfolio is actively managed and the Investment Manager is not constrained by its benchmark when implementing the Portfolio's investment strategy. Although the Portfolio may hold, in certain market conditions and subject to the Investment Manager's full discretion, a significant part of the components of the benchmark, it will not hold every component of the benchmark and may also hold securities that are not part of it.

## Other Investment Policies

As a temporary defensive measure, or to provide for redemptions, the Portfolio may, without limit, hold cash, cash

equivalents, or short-term fixed-income obligations, including money market instruments.

The Portfolio may invest up to 10% of its net assets in securities for which there is no ready market. See paragraph (5) of "Investment Restrictions" in Appendix A to Section II. The Portfolio may therefore not be readily able to sell such securities. Moreover, there may be contractual restrictions on the resale of such securities.

The Investment Manager expects that at any time at least 80% of the Portfolio's total assets will be invested in equity securities of Asia ex-Japan companies, and in no case will the amount of the Portfolio's total assets invested in such securities be less than two-thirds of the Portfolio's total assets.

## Currency Hedged Share Classes

One or more of the Portfolio's share classes offered in a particular currency (each, an "Offered Currency") may be hedged to such Offered Currency. Any such share class will constitute a "Currency Hedged Share Class." Currency Hedged Share Classes aim to provide investors a return more closely correlated to the Portfolio's base currency return by reducing the effect of exchange rate fluctuations between the Portfolio's base currency (*i.e.*, Dollar) and the relevant Offered Currency, taking into account practical considerations such as transaction costs. The hedging strategy employed is designed to reduce, but may not eliminate, currency exposure between the Portfolio's base currency and the Offered Currency.

Currency Hedged Share Classes do not affect the investment management of the Portfolio's underlying assets since it is only the net asset value (NAV) of the Currency Hedged Share Classes, not the Portfolio's underlying assets, which is hedged to the Offered Currency. Expenses incurred as a result of such hedging activity will be borne by the Currency Hedged Share Class in relation to which such expenses are incurred.

For additional information on share class hedging, see "How to Purchase Shares—Currency Hedged Share Classes" in Section II.

**Responsible investing.** The Portfolio integrates ESG considerations. The Portfolio applies certain exclusions and details can be found at [www.alliancebernstein.com/go/ABFCPIExclusionChart](http://www.alliancebernstein.com/go/ABFCPIExclusionChart).

The Portfolio is of the category that promotes environmental and social characteristics (SFDR Article 8; see "Appendix E: SFDR Pre-Contractual Disclosures" for more information).



## Summary Information

**Portfolio Features**

Currency of the Portfolio	USD	Order Cut-Off Times	6:00 P.M. Central European Time on each Business Day
Net Asset Value Calculation	Each Business Day		
Net Asset Value Publication	Available at <a href="http://www.alliancebernstein.com">www.alliancebernstein.com</a>		
Class Names	<b>H</b> means Currency Hedged Share Classes. For additional information on share class hedging, see “How to Purchase Shares—Currency Hedged Share Classes” and “Risk Factors -- Currency Hedged Share Class Risk” in Section II.		
	Distributions*	<i>For class A, C, I, S and S1 shares</i> None  <i>For class AD, ED, ID and SD shares</i> To be declared and payable monthly  <i>For class AY and BY shares</i> To be declared and paid at the Management Company's discretion  See "Distributions" below.  *Includes Hedged Share Classes	

**Share Class Fees and Charges<sup>1</sup>**

	Initial Sales Charge <sup>3</sup>	Management Fee <sup>4</sup>	Distribution Fee <sup>5</sup>	Contingent Deferred Sales Charge <sup>6</sup>
<b>USD-Denominated Share Classes</b>				
Class A and AD Shares	Up to 5.00%	1.70%	None	None
Class C Shares	None	2.15%	None	0–1 year held=1.0% thereafter 0%
Class ED Shares <sup>9</sup>	None	1.70%	1.00%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class I and ID Shares <sup>8</sup>	Up to 1.50%	0.90%	None	None
Class S Shares <sup>7</sup>	None	None	None	None
Class S1 Shares	None	0.90%	None	None
Class SD Shares <sup>7</sup>	None	None	None	None
<b>JPY-Denominated Share Classes</b>				
Class AY Shares	Up to 5.00%	1.70%	None	None
Class BY Shares <sup>2</sup>	None	1.45%	0.72%	0–1 year held=4.50% 1–2 yrs=3.75% 2–3 yrs=3.25% 3–4 yrs=2.50% 4–5 yrs=2.00% 5–6 yrs=1.25% 6–7 yrs=0.75% 7+ yrs=0%

**GBP-Denominated Share Classes**

Class I Shares <sup>8</sup>	Up to 1.50%	0.90%	None	None
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**EUR-Denominated Share Classes**

Class A and AD Shares	Up to 5.00%	1.70%	None	None
Class C Shares	None	2.15%	None	0–1 year held=1.0% thereafter 0%
Class I Shares <sup>8</sup>	Up to 1.50%	0.90%	None	None
Class S1 Shares	None	0.90%	None	None

**HKD-Denominated Share Classes**

Class A and AD Shares	Up to 5.00%	1.70%	None	None
Class S Shares <sup>7</sup>	None	None	None	None

**AUD Hedged Share Classes**

Class A AUD H and AD AUD H Shares	Up to 5.00%	1.70%	None	None
Class C AUD H Shares	None	2.15%	None	0–1 year held=1.0% thereafter 0%
Class ED AUD H Shares <sup>9</sup>	None	1.70%	1.00%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class ID AUD H Shares <sup>8</sup>	Up to 1.50%	0.90%	None	None

**SGD Hedged Share Classes**

Class A SGD H and AD SGD H Shares	Up to 5.00%	1.70%	None	None
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**CAD Hedged Share Classes**

Class AD CAD H Shares	Up to 5.00%	1.70%	None	None
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**GBP Hedged Share Classes**

Class AD GBP H Shares	Up to 5.00%	1.70%	None	None
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**EUR Hedged Share Classes**

Class AD EUR H Shares	Up to 5.00%	1.70%	None	None
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**NZD Hedged Share Classes**

Class AD NZD H Shares	Up to 5.00%	1.70%	None	None
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**ZAR Hedged Share Classes**

Class AD ZAR H Shares	Up to 5.00%	1.70%	None	None
Class ED ZAR H Shares <sup>9</sup>	None	1.70%	1.00%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%

- 1 The Management Company, Administrator, Depositary and Transfer Agent are entitled to receive, out of the assets of the Portfolio, fees as described under "Other Portfolio Information—Management Company, Administrator, Depositary and Transfer Agent Fees" below. The Portfolio also bears all of its other expenses. See "How to Purchase Shares" and "Additional Information—Fees and Expenses" in Section II. The Management Company has voluntarily undertaken, until the Management Company on behalf of the Fund notifies Shareholders to the contrary, that if, in any fiscal year, the aggregate fees and expenses with respect to the following share classes of the Portfolio (including any management fee and all other fees and expenses set out in "Additional Information—Fees and Expenses" in Section II, including Luxembourg *Taxe d'Abonnement* but exclusive of certain other taxes, brokerage (if applicable) and interest on borrowings) exceed the following percentages of the Portfolio's average Net Asset Value for the fiscal year attributable to the Portfolio's share classes (and corresponding H shares) as follows: A (2.05%), AD (2.05%), AY (2.05%), BY (2.52%), C (2.50%), ED (3.05%), I (1.25%), ID (1.25%), S (0.30%) S1 (1.20%) and SD (0.30%), the Fund may deduct from the payment to be made to the Management Company, or the Management Company will otherwise bear, such excess fees and expenses.
- 2 After seven years from the date of purchase, BY shares are eligible for conversion to class AY shares, without charge from either the Fund or the Management Company. For further details on the conversion of shares, please refer to "How to Exchange or Convert Shares—Conversion of CDSC Shares" in Section II of the Prospectus.
- 3 As a percentage of purchase price.
- 4 As an annual percentage of average daily Net Asset Value. With respect to certain share classes, the management fee may also include a component that is paid to distributors or other financial intermediaries and service providers. For further details on the management fee, please refer to "Additional Information—Fees and Expenses" in Section II.
- 5 As an annual percentage of average daily Net Asset Value.
- 6 For all relevant share classes except BY, as a percentage of the lesser of the current Net Asset Value or original cost of the Shares being redeemed and based upon the duration that such Shares are held. For class BY shares, as a percentage of the original cost of the shares being redeemed and based upon the duration that such shares are held. CDSC Shares may only be purchased through a dealer authorized by the Distributor to offer such shares. Those investors considering an investment in CDSC Shares should speak with their financial advisor for details. With respect to class C shares (and corresponding H shares), a dealer may elect to waive the contingent deferred sales charge in certain circumstances.
- 7 Class S and SD shares are reserved for institutional investors that have entered into an agreement with the Management Company and are being charged an investment management fee separately.
- 8 For further information on this share class, see "Additional Share Class Information" in Section II.
- 9 After three years from the date of purchase, class ED shares (and corresponding H shares) will be converted to class AD shares (and corresponding H shares) without charge from either the Fund or the Management Company. For further details on the conversion of shares, please refer to "How to Exchange or Convert Shares—Conversion of CDSC Shares" in Section II of the Prospectus.
- \*\* Effective 15 December 2016, Class B shares will no longer be offered. However, Class B shares may be made available for exchange to shareholders holding Class B shares (or a variation thereof including hedged share classes) in another Portfolio or other AB fund.

### Other Share Class Features

	Offered Currencies	Minimum Initial Investment*	Minimum Subsequent Investment*	Maximum Investment**	Luxembourg Taxe d'Abonnement***
<b>USD-Denominated Share Classes</b>					
Class A and AD Shares	Dollar	\$2,000**	\$750	None	0.05%
Class C Shares	Dollar	\$2,000**	\$750	None	0.05%
Class ED Shares	Dollar	\$2,000	\$750	None	0.05%
Class I and ID Shares	Dollar	\$1 million**	None	None	0.05%
Class S Shares	Dollar	\$25 million**	None	None	0.01%
Class S1 Shares	Dollar	\$25 million**	None	None	0.01%
Class SD Shares	Dollar	\$25 million**	None	None	0.01%
<b>JPY-Denominated Share Classes</b>					
Class AY Shares	JPY	¥200,000**	¥80,000	None	0.05%
Class BY Shares	JPY	¥200,000**	¥80,000	¥20,000,000	0.05%
<b>GBP-Denominated Share Classes</b>					
Class I Shares	GBP	£1,000,000	None	None	0.05%
<b>EUR-Denominated Share Classes</b>					
Class A and AD Shares	EUR	€ 2,000	€ 750	None	0.05%
Class C Shares	EUR	€ 2,000	€ 750	None	0.05%
Class I Shares	EUR	€1 million**	None	None	0.05%
Class S1 Shares	EUR	€20 million**	None	None	0.01%
<b>HKD-Denominated Share Classes</b>					
Class A and AD Shares	HKD	HK\$15,000	HK\$5,000	None	0.05%
Class S Shares	HKD	HK\$200 million**	None	None	0.01%

	<b>Hedged Currencies</b>	<b>Minimum Initial Investment*</b>	<b>Minimum Subsequent Investment*</b>	<b>Maximum Investment**</b>	<b>Luxembourg Tax d'Abonnement***</b>
<b>AUD Hedged Share Classes</b>					
Class A AUD H and AD AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class C AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class ED AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class ID AUD H Shares	AUD	A\$1 million**	None	None	0.05%
<b>SGD Hedged Share Classes</b>					
Class A SGD H and AD SGD H Shares	SGD	S\$3,000	S\$1,000	None	0.05%
<b>CAD Hedged Share Classes</b>					
Class AD CAD H Shares	CAD	C\$2,000	C\$750	None	0.05%
<b>GBP Hedged Share Classes</b>					
Class AD GBP H Shares	GBP	£2,000	£750	None	0.05%
<b>EUR Hedged Share Classes</b>					
Class AD EUR H Shares	EUR	€2,000	€750	None	0.05%
<b>NZD Hedged Share Classes</b>					
Class AD NZD H Shares	NZD	NZ\$3,000	NZ\$1,000	None	0.05%
<b>ZAR Hedged Share Classes</b>					
Class AD ZAR H Shares	ZAR	ZAR 20,000	ZAR 7,000	None	0.05%
Class ED ZAR H Shares	ZAR	ZAR 20,000	ZAR 7,000	None	0.05%

\* Does not apply to automatic investment plans, where offered.

\*\* May be waived by the Management Company in its sole discretion.

\*\*\* Annual Luxembourg tax payable quarterly by each portfolio.

## Other Portfolio Information

### Principal Investment Types

For a chart summarizing the principal types of investments used by the Portfolio and a description of securities and other instruments in which the Portfolio may invest, investors should refer to "Investment Types" in Section II. The ability of the Portfolio to invest in any securities or instruments is subject to the restrictions in the Portfolio's stated investment objective and policies and the limitations contained in "Investment Restrictions" in Appendix A to Section II.

### Risk Profile

It is intended that this Portfolio will make use of financial derivative instruments. The investment restrictions (9) to (13) set forth in Appendix A to Section II will not apply.

Investments of the Portfolio are subject to higher risks inherent in equity investments. In general, the value of equity investments may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market, economic, political and natural conditions that are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

Because the Portfolio will primarily invest in securities of issuers situated in the Asia ex-Japan region it will be directly affected by volatility in various securities markets in the region, which have experienced periods of dramatic expansion and contraction, and changes in economic and political climate in the region generally.

The Portfolio is subject to market, interest rate and currency fluctuations and to other risks inherent in investing in securities. Therefore, no assurance can be given that the investment objective will be achieved, that invested capital will be preserved, or that capital appreciation will occur. Investment results may vary substantially on a monthly, quarterly or annual basis. An investment in the Portfolio does not represent a complete investment program.

For a chart summarizing the principal risks of the Portfolio and a more detailed discussion of these and other risks applicable to the Portfolio, investors should refer to "Risk Factors" in Section II.

### Profile of the Typical Investor

The Portfolio will suit higher risk-tolerant investors seeking the medium to long term rewards of equity investment. Investors are encouraged to consult their independent financial advisors regarding the suitability of Shares of the Portfolio for their investment needs.

### Distributions

For class A, C, I, S and S1 shares (and corresponding H shares), the Management Company currently does not intend

to pay distributions with respect to the Shares. Therefore, any net income and net realized profits attributable to the Shares will be reflected in the respective Net Asset Value of the Shares.

For class AY and class BY shares, the Management Company has discretion to declare and pay distributions based on the Portfolio's net income attributable to each class of Shares.

For class AD, ED, ID and SD shares (and corresponding H shares), the Management Company intends to declare and pay monthly distributions. The Management Company intends to maintain a stable distribution rate per share for such share classes, and therefore distributions may come from gross income (before reduction for fees and expenses), realized and unrealized gains and capital attributable to the relevant class. Distributions in excess of net income (gross income less fees and expenses) may represent a return of the investor's original investment amount and as such may result in a decrease in the NAV per share for the relevant class.

The Management Company also may determine if and to what extent distributions paid include realized capital gains and/or are paid out of capital attributable to the relevant class of Shares. Distributions may be automatically reinvested at the election of the Shareholder.

### Management Company, Administrator, Depositary and Transfer Agent Fees

For all Shares (and corresponding H shares) except class S, S1 shares and SD, the Management Company is paid an annual fee out of the assets of the Portfolio on the aggregate Net Asset Value attributable to the Shares equal to 0.05% of average daily Net Asset Value. The Management Company is paid an annual fee out of the assets of the Portfolio on the aggregate Net Asset Value attributable to the class S, S1 shares and SD equal to the lesser of \$50,000 or 0.01% of average daily Net Asset Value.

The Administrator fee, Depositary fee and Transfer Agent fee for the Portfolio are paid out of the assets of the Portfolio in accordance with the usual practice in Luxembourg and shall not exceed a fixed maximum specified under Section II of the prospectus under "Administrator, Depositary and Transfer Agent Fees". These fees may decrease or increase depending on the assets of the Portfolio and transaction volume or for other reasons.

### Organizational Expenses

The Portfolio has no unamortized organizational expenses.

### Historical Performance

Information on the historical performance of the Portfolio, once available, may be found at [www.alliancebernstein.com](http://www.alliancebernstein.com).

### History

The Portfolio was established as a portfolio of the Fund on 30 November 2009.

# AB FCP I—Japan Strategic Value Portfolio

## Investment Objective and Policies

### Investment Objective

The investment objective of the Portfolio is long-term capital growth by investing in a portfolio of equity securities of Japanese companies that are determined by the Investment Manager to be undervalued. For these purposes, a "Japanese company" is a company that (i) is domiciled or organized in Japan, or (ii) is established and conducting business in Japan or (iii) carries out the preponderant part of its economic activities in Japan.

### Description of Investment Discipline and Process

The Investment Manager believes that, over time, a company's stock price will come to reflect its intrinsic economic value. The Investment Manager's fundamental value approach to equity investing generally defines value by reference to the relationship between a security's current price and its intrinsic economic value as measured by long-term earnings prospects. This approach seeks to identify, in the first instance, a universe of Japanese securities that are considered to be undervalued because they are attractively priced relative to their future earnings power. Accordingly, forecasting corporate earnings and dividend-paying capability is the heart of the fundamental value approach.

Under normal market conditions the Portfolio will invest in a portfolio of approximately 30-50 companies.

The Investment Manager's value analysis depends heavily upon its large internal research staff and fundamental company and industry research. The Investment Manager's analysts are organized into global industry teams rather than by geography or asset class, since companies around the world within an industry tend to share similar profit and market dynamics. Company and industry analysts research Japanese companies, which are screened by a proprietary quantitative return model, to forecast earnings, cash flow, and balance sheet strength for the companies for each of the next five years. If a company has many business lines, the analysts conduct this exercise for each in order to build a composite forecast for the company based in part on present and future determinants of demand for any company's products or services. These analysts also evaluate pricing strategies used by companies when competing for market share. Finally, an evaluation of the management and the financial ability of each company to implement its corporate strategy supplement the analysis.

The Investment Manager seeks undervalued securities based on the disparity between a company's intrinsic economic value and its stock price, with companies having the greatest disparities being considered the most undervalued.

The Investment Manager considers aggregate portfolio characteristics when deciding how much of each security to purchase for the Portfolio. The Investment Manager's quantitative analysts build valuation and risk models to ensure that the portfolio is constructed to obtain an effective balance of risk and return. By evaluating overall sector concentration, degree of undervaluation and other subtle similarities among investments, the Investment Manager seeks to minimize overall Portfolio volatility by favoring those attractive securities that also tend to diversify the Portfolio's risk.

A disparity between a company's current stock price and the assessment of intrinsic value can arise, at least in part, as a result of adverse, short-term market reactions to recent events or trends. In order to reduce the risk that an undervalued security will be purchased before such an adverse market reaction has run its course, the Investment Manager also monitors analysts' earnings estimate revisions and relative return trends (also called "price momentum") so as to better time new purchases and sales of securities.

### Other Investment Policies

As a temporary defensive measure, or to provide for redemptions, the Portfolio may, without limit, hold cash, cash equivalents, or short-term fixed-income obligations, including money market instruments.

The Portfolio may invest up to 10% of its net assets in securities for which there is no ready market. See paragraph (5) of "Investment Restrictions" in Appendix A to Section II. The Portfolio may therefore not be readily able to sell such securities. Moreover, there may be contractual restrictions on the resale of such securities.

The Investment Manager expects that at any time at least 80% of the Portfolio's total assets will be invested in equity securities of Japanese companies, and in no case will the amount of the Portfolio's total assets invested in such securities be less than two-thirds of the Portfolio's total assets.

Efficient portfolio management and hedging techniques may include use of exchange-traded and OTC derivative instruments, including swaps, options, futures and currency transactions.

In accordance with the transparency requirements of the SFT Regulation the chart below reflects, where applicable, the expected and maximum level of the Portfolio's net assets that will be subject to securities financing transactions (*i.e.* securities lending transactions as well as repurchase agreements and reverse repurchase agreements) ("*SFTs*") and total return swaps and/or other financial derivative instruments with similar characteristics ("*TRS*"); being specified that in certain circumstances this proportion may be higher.

Type of Transactions	Expected Range	Maximum
TRS	0%-10%	25%
Repurchase agreements and reverse repurchase agreements	N/A	N/A
Securities lending transactions	0%-10%	25%

For further details concerning SFTs and TRS, please refer to “Appendix C: Additional Information relating to Financial Derivative Instruments, Financial Techniques and Instruments and Collateral Management.”

### Currency Hedged Share Classes

One or more of the Portfolio’s share classes offered in a particular currency (each, an “Offered Currency”) may be hedged to such Offered Currency. Any such share class will constitute a “Currency Hedged Share Class.” Currency Hedged Share Classes aim to provide investors a return more closely correlated to the Portfolio’s base currency return by reducing the effect of exchange rate fluctuations between the Portfolio’s base currency (*i.e.*, Yen) and the relevant Offered Currency, taking into account practical considerations such as transaction costs. The hedging strategy employed is designed to reduce, but may not eliminate, currency exposure between the Portfolio’s base currency and the Offered Currency.

Currency Hedged Share Classes do not affect the investment management of the Portfolio’s underlying assets since it is only the net asset value (NAV) of the Currency Hedged Share Classes, not the Portfolio’s underlying assets, which is hedged to the Offered Currency. Expenses incurred as a result of such hedging activity will be borne by the Currency Hedged Share Class in relation to which such expenses are incurred.

For additional information on share class hedging, see “How to Purchase Shares—Currency Hedged Share Classes” in Section II.

**Risk Measurement.** The methodology used in order to monitor the global exposure (market risk) resulting from the use of financial derivative instruments is the commitment approach in accordance with the CSSF Circular 11/512.

**Benchmark.** The Portfolio’s benchmark is the TOPIX Index. The Portfolio uses the benchmark for performance comparison. The Portfolio is actively managed and the Investment Manager

is not constrained by its benchmark when implementing the Portfolio’s investment strategy. Although the Portfolio may hold, in certain market conditions and subject to the Investment Manager’s full discretion, a significant part of the components of the benchmark, it will not hold every component of the benchmark and may also hold securities that are not part of it.

**Responsible investing.** The Portfolio integrates ESG considerations. The Portfolio applies certain exclusions and details can be found at

[www.alliancebernstein.com/go/ABFCPIExclusionChart](http://www.alliancebernstein.com/go/ABFCPIExclusionChart).

The Portfolio is of the category that promotes environmental and social characteristics (SFDR Article 8; see “Appendix E: SFDR Pre-Contractual Disclosures” for more information).

## Summary Information

**Portfolio Features**

Currency of the Portfolio	Yen	Distributions*	<i>For class A, C, I, S, S1 and 2 shares</i> None
Net Asset Value Calculation	Each Business Day		<i>For class AD and SD shares</i> To be declared and payable monthly
Net Asset Value Publication	Investors should contact the Management Company for current Net Asset Value		See "Distributions" below. *Includes Hedged Share Classes
Class Name	<b>H</b> means Currency Hedged Share Classes. For additional information on share class hedging, see "How to Purchase Shares—Currency Hedged Share Classes" and "Risk Factors -- Currency Hedged Share Class Risk" in Section II.	Redemptions	Payment of the redemption proceeds (the redemption price less any applicable contingent deferred sales charge) will be made by the Depositary or its agents usually within four Business Days. For further details on redemptions, please refer to "How to Redeem Shares" in Section II.
Order Cut-Off Time	6:00 P.M. Central European Time on each Business Day		

**Share Class Fees and Charges<sup>1</sup>**

	Initial Sales Charge <sup>2</sup>	Management Fee <sup>3</sup>	Distribution Fee <sup>4</sup>	Contingent Deferred Sales Charge <sup>5</sup>
<b>JPY-Denominated Share Classes</b>				
Class A Shares	Up to 5.00%	1.50%	None	None
Class AD Shares	Up to 5.00%	1.50%	None	None
Class C Shares	None	1.95%	None	0—1 year held=1.0% thereafter 0%
Class I Shares <sup>7</sup>	Up to 1.50%	0.70%	None	None
Class S Shares <sup>6</sup>	None	None	None	None
Class SD Shares <sup>6</sup>	None	None	None	None
Class 2 Shares	None	1.20%	None	None
<b>EUR-Denominated Share Classes</b>				
Class A Shares	Up to 5.00%	1.50%	None	None
Class C Shares	None	1.95%	None	0—1 year held=1.0% thereafter 0%
Class I Shares <sup>7</sup>	Up to 1.50%	0.70%	None	None
Class S1 Shares	None	0.65%	None	None
<b>SGD-Denominated Share Classes</b>				
Class A Shares	Up to 5.00%	1.50%	None	None
Class I Shares <sup>7</sup>	Up to 1.50%	0.70%	None	None
<b>USD-Denominated Share Classes</b>				
Class A Shares	Up to 5.00%	1.50%	None	None
Class C Shares	None	1.95%	None	0—1 year held=1.0% thereafter 0%
Class I Shares <sup>7</sup>	Up to 1.50%	0.70%	None	None
Class S1 Shares	None	0.65%	None	None



**EUR Hedged Share Classes**

Class A EUR H Shares	Up to 5.00%	1.50%	None	None
Class C EUR H Shares	None	1.95%	None	0—1 year held=1.0% thereafter 0%
Class I EUR H Shares <sup>7</sup>	Up to 1.50%	0.70%	None	None
Class S1 EUR H Shares	None	0.65%	None	None

**USD Hedged Share Classes**

Class A USD H Shares	Up to 5.00%	1.50%	None	None
Class AD USD H Shares	Up to 5.00%	1.50%	None	None
Class I USD H Shares <sup>7</sup>	Up to 1.50%	0.70%	None	None
Class S USD H Shares <sup>6</sup>	None	None	None	None
Class S1 USD H Shares	None	0.65%	None	None

**AUD Hedged Share Classes**

Class A AUD H Shares	Up to 5.00%	1.50%	None	None
Class AD AUD H Shares	Up to 5.00%	1.50%	None	None

**NZD Hedged Share Classes**

Class A NZD H Shares	Up to 5.00%	1.50%	None	None
Class AD NZD H Shares	Up to 5.00%	1.50%	None	None

**SGD Hedged Share Classes**

Class A SGD H Shares	Up to 5.00%	1.50%	None	None
Class AD SGD H Shares	Up to 5.00%	1.50%	None	None
Class I SGD H Shares <sup>7</sup>	Up to 1.50%	0.70%	None	None

**ZAR Hedged Share Classes**

Class AD ZAR H Shares	Up to 5.00%	1.50%	None	None
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**CZK Hedged Share Classes**

Class A CZK H Shares	Up to 5.00%	1.50%	None	None
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**HKD Hedged Share Classes**

Class I HKD H Shares <sup>7</sup>	Up to 1.50%	0.70%	None	None
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1 The Management Company, Administrator, Depositary and Transfer Agent are entitled to receive, out of the assets of the Portfolio, fees as described under "Other Portfolio Information—Management Company, Administrator, Depositary and Transfer Agent Fees" below. The Portfolio also bears all of its other expenses. See "How to Purchase Shares" and "Additional Information—Fees and Expenses" in Section II. The Management Company has voluntarily undertaken, until the Management Company on behalf of the Fund notifies Shareholders to the contrary, that if, in any fiscal year, the aggregate fees and expenses with respect to the following share classes of the

Portfolio (including any management fee and all other fees and expenses set out in "Additional Information—Fees and Expenses" in Section II, including Luxembourg *Taxe d'Abonnement* but exclusive of certain other taxes, brokerage (if applicable) and interest on borrowings) exceed the following percentages of the Portfolio's average Net Asset Value for the fiscal year attributable to the Portfolio's share classes (and corresponding H shares) as follows: A (1.70%), AD (1.70%), C (2.60%), I (0.90%), S (0.15%), S1 (0.80%), SD (0.15%) and 2 (1.35%), the Fund may deduct from the payment to be made to the Management Company, or

the Management Company will otherwise bear, such excess fees and expenses.

2 As a percentage of purchase price.

3 As an annual percentage of average daily Net Asset Value. With respect to certain share classes, the management fee may also include a component that is paid to distributors or other financial intermediaries and service providers. For further details on the management fee, please refer to "Additional Information—Fees and Expenses" in Section II.

4 As an annual percentage of average daily Net Asset Value.

5 As a percentage of the lesser of the current Net Asset Value or original cost of the Shares being redeemed and based upon the duration that such Shares are held. CDSC Shares may only be purchased through a dealer authorized by the Distributor to offer such

shares. Those investors considering an investment in CDSC Shares should speak with their financial advisor for details. With respect to class C shares (and corresponding H shares), a dealer may elect to waive the contingent deferred sales charge in certain circumstances.

6 Class S and SD shares are reserved for institutional investors that have entered into an agreement with the Management Company and are being charged an investment management fee separately.

7 For further information on this share class, see "Additional Share Class Information" in Section II.

## Other Share Class Features

Offered Currencies		Minimum Initial Investment*	Minimum Subsequent Investment*	Maximum Investment**	Luxembourg Taxe d'Abonnement***
<b>JPY-Denominated Share Classes</b>					
Class A Shares	Yen	¥200,000	¥80,000	None	0.05%
Class AD Shares	Yen	¥200,000	¥80,000	None	0.05%
Class C Shares	Yen	¥200,000	¥80,000	None	0.05%
Class I Shares	Yen	¥100 million**	None	None	0.05%
Class S Shares	Yen	¥2.5 billion**	None	None	0.01%
Class SD Shares	Yen	¥2.5 billion**	None	None	0.01%
Class 2 Shares	Yen	¥400 million**	None	None	0.05%
<b>EUR-Denominated Share Classes</b>					
Class A Shares	Euro	€2,000	€750	None	0.05%
Class C Shares	Euro	€2,000	€750	None	0.05%
Class I Shares	Euro	€1 million**	None	None	0.05%
Class S1 Shares	Euro	€20 million**	None	None	0.01%
<b>SGD-Denominated Share Classes</b>					
Class A Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class I Shares	SGD	S\$1.5 million**	None	None	0.05%
<b>USD-Denominated Share Classes</b>					
Class A Shares	Dollar	\$2,000	\$750	None	0.05%
Class C Shares	Dollar	\$2,000	\$750	None	0.05%
Class I Shares	Dollar	\$1 million**	None	None	0.05%
Class S1 Shares	Dollar	\$25 million**	None	None	0.01%
Hedged Currencies		Minimum Initial Investment*	Minimum Subsequent Investment*	Maximum Investment**	Luxembourg Taxe d'Abonnement***
<b>EUR Hedged Share Classes</b>					
Class A EUR H Shares	Euro	€2,000	€750	None	0.05%
Class C EUR H Shares	Euro	€2,000	€750	None	0.05%
Class I EUR H Shares	Euro	€1 million**	None	None	0.05%
Class S1 EUR H Shares	Euro	€20 million**	None	None	0.01%
<b>USD Hedged Share Classes</b>					
Class A USD H Shares	Dollar	\$2,000	\$750	None	0.05%
Class AD USD H Shares	Dollar	\$2,000	\$750	None	0.05%
Class I USD H Shares	Dollar	\$1 million**	None	None	0.05%
Class S USD H Shares	Dollar	\$25 million**	None	None	0.01%
Class S1 USD H Shares	Dollar	\$25 million**	None	None	0.01%
<b>AUD Hedged Share Classes</b>					
Class A AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class AD AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%

<b>NZD Hedged Share Classes</b>					
Class A NZD H Shares	NZD	NZ\$3,000	NZ\$1,000	None	0.05%
Class AD NZD H Shares	NZD	NZ\$3,000	NZ\$1,000	None	0.05%
<b>SGD Hedged Share Classes</b>					
Class A SGD H Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class AD SGD H Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class I SGD H Shares	SGD	S\$1.5 million**	None	None	0.05%
<b>ZAR Hedged Share Classes</b>					
Class AD ZAR H Shares	ZAR	ZAR 20,000	ZAR 7,000	None	0.05%
<b>CZK Hedged Share Classes</b>					
Class A CZK H Shares	CZK	CZK 50,000	CZK 20,000	None	0.05%
<b>HKD Hedged Share Classes</b>					
Class I HKD H Shares	HKD	HKD 8,000,000**	None	None	0.05%

\* Does not apply to automatic investment plans, where offered.

\*\* May be waived by the Management Company in its sole discretion.

\*\*\* Annual Luxembourg tax payable quarterly by each portfolio.

## Other Portfolio Information

### Principal Investment Types

For a chart summarizing the principal types of investments used by the Portfolio and a description of securities and other instruments in which the Portfolio may invest, investors should refer to "Investment Types" in Section II. The ability of the Portfolio to invest in any securities or instruments is subject to the restrictions in the Portfolio's stated investment objective and policies and the limitations contained in "Investment Restrictions" in Appendix A to Section II.

### Risk Profile

Investments of the Portfolio are subject to higher risks inherent in equity investments. In general, the value of equity investments may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market, economic, political and natural conditions that are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

Because the Portfolio will primarily invest in securities of issuers situated in Japan it will be directly affected by volatility in Japanese securities markets, which have experienced periods of dramatic expansion and contraction, and changes in economic and political climate in Japan generally.

The Portfolio is subject to market, interest rate and currency fluctuations and to other risks inherent in investing in securities. Therefore, no assurance can be given that the investment objective will be achieved, that invested capital will be preserved, or that capital appreciation will occur. Investment results may vary substantially on a monthly, quarterly or annual basis. An investment in the Portfolio does not represent a complete investment program.

For a chart summarizing the principal risks of the Portfolio and a more detailed discussion of these and other risks applicable to the Portfolio, investors should refer to "Risk Factors" in Section II.

### Profile of the Typical Investor

The Portfolio will suit higher risk-tolerant investors seeking the medium to long term rewards of equity investment. Investors are encouraged to consult their independent financial advisors regarding the suitability of Shares of the Portfolio for their investment needs.

### Distributions

For class A, C, I, S, S1 and 2 shares (and corresponding H shares), the Management Company currently does not intend to pay distributions with respect to the Shares. Therefore, any

net income and net realized profits attributable to the Shares will be reflected in the respective Net Asset Value of the Shares.

For class AD and SD shares (and corresponding H shares), the Management Company intends to declare and pay monthly distributions. The Management Company intends to maintain a stable distribution rate per share for such share classes, and therefore distributions may come from gross income (before reduction for fees and expenses), realized and unrealized gains and capital attributable to the relevant class. Distributions in excess of net income (gross income less fees and expenses) may represent a return of the investor's original investment amount and as such may result in a decrease in the NAV per share for the relevant class.

The Management Company in its discretion also may determine if and to what extent distributions paid include realized capital gains and/or are paid out of capital attributable to the relevant class of Shares. Distributions may be automatically reinvested at the election of the Shareholder.

### Management Company, Administrator, Depositary and Transfer Agent Fees

For all Shares (and corresponding H shares) except class S, S1 shares and SD (and corresponding H shares), the Management Company is paid an annual fee out of the assets of the Portfolio on the aggregate Net Asset Value attributable to the Shares equal to 0.05% of average daily Net Asset Value. The Management Company is paid an annual fee out of the assets of the Portfolio on the aggregate Net Asset Value attributable to the class S, S1 shares and SD (and corresponding H shares) equal to the lesser of \$50,000 or 0.01% of average daily Net Asset Value.

The Administrator fee, Depositary fee and Transfer Agent fee for the Portfolio are paid out of the assets of the Portfolio in accordance with the usual practice in Luxembourg and shall not exceed a fixed maximum specified under Section II of the prospectus under "Administrator, Depositary and Transfer Agent Fees". These fees may decrease or increase depending on the assets of the Portfolio and transaction volume or for other reasons.

### Organizational Expenses

The Portfolio has no unamortized organizational expenses.

### Historical Performance

Information on the historical performance of the Portfolio, once available, may be found at [www.alliancebernstein.com](http://www.alliancebernstein.com).

### History

The Portfolio was established as a portfolio of the Fund on 15 December 2005.

# AB FCP I—Short Duration Bond Portfolio

## Investment Objective and Policies

### Investment Objective

The Portfolio's investment objective is high total investment return through investments predominantly in Investment Grade fixed-income securities denominated in various currencies. The Portfolio's total investment return may consist generally of interest and dividend income, as well as discount accruals and capital changes, including changes in the value of portfolio securities and other assets and liabilities resulting from currency fluctuations. Under normal market conditions, the Portfolio expects that no less than 70% of its total assets will be invested in securities denominated in the Currency of the Portfolio or securities hedged to the Currency of the Portfolio.

### Description of Investment Discipline and Process

The Portfolio may purchase debt obligations issued by sovereign or other governmental or local authorities, including, but not limited to, governmental agencies and instrumentalities (collectively, "governmental entities"), as well as debt obligations issued or guaranteed by various organizations or entities established generally to promote global, regional or country-specific economic reconstruction or development (collectively, "supranational entities"). In addition, the Portfolio may purchase debt obligations of companies or other entities. The Investment Manager will invest at any time at least two-thirds of the Portfolio's total assets in straight bonds, *i.e.* non-convertible bonds.

Securities held by the Portfolio will possess upon initial purchase an Investment Grade credit rating or will be determined by the Investment Manager to be of comparable quality. In the event a particular security is assigned a credit rating that is lower than Investment Grade or ceases to be rated, the Investment Manager promptly will reassess whether the Portfolio should continue to hold such security. The Portfolio normally will dispose of any such non-Investment Grade or unrated security, unless (i) the Investment Manager determines that for the time being it is not in the best interest of the Portfolio to do so and (ii) aggregate non-Investment Grade securities do not exceed 5% of the Portfolio's net assets.

The Portfolio may also utilise bond markets including Bond Connect in order to invest in China securities. For more information, see "Country Risks – China, Bond Connect" in Section II.

The Investment Manager seeks to reduce the risks inherent in the Portfolio's investment in fixed-income securities through diversification, in its discretion, and the Investment Manager's internal credit and economic analysis resources, as well as information obtained from other sources.

With respect to sovereign or other governmental issuers of debt obligations in which the Portfolio invests, the Investment Manager considers the financial position of the issuer and political and economic conditions in the relevant country. Investment in debt obligations issued or guaranteed by supranational entities is subject to the additional risk that member governments may fail to make required or regular capital contributions and that a supranational entity thus may be unable to fulfill its obligations.

With respect to corporate issuers of debt obligations in which the Portfolio invests, the Investment Manager considers the financial condition of the issuer and market and economic conditions relevant to its operations. The Investment Manager's analysis focuses on relative values based on such factors, for example, as interest coverage, asset coverage, earnings prospects and the experience and managerial strength of each such issuer.

As a general matter, in evaluating investments, the Investment Manager will consider, among other factors, the relative levels of interest rates prevailing in various countries and the potential appreciation of such investments in their denominated currencies. In seeking capital appreciation, the Portfolio may invest in relatively low-yielding securities in expectation of favorable currency fluctuations or interest rate movements, thereby potentially reducing the Portfolio's yield. In seeking income, the Portfolio may invest in short-term securities with relatively high yields (as compared to other debt securities) meeting the Portfolio's investment criteria, thereby potentially reducing the Portfolio's capital appreciation.

In addition, the Portfolio may invest in debt obligations denominated in the currency of one country although issued by a governmental entity, corporation or financial institution of another country. For example, the Portfolio may invest in a Yen-denominated obligation issued by a German corporation. Such investments involve credit risks associated with the issuer as well as currency risks associated with the currency in which the obligation is denominated.

**Duration.** Under normal market conditions, the Portfolio's weighted average duration will not exceed five years. Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates.

### Financial Derivative Instruments/Efficient Portfolio

**Management techniques.** The Investment Manager may utilize a wide array of derivative products and techniques when implementing the Portfolio's investment strategy. The Portfolio may utilize derivatives (i) for investment purposes as an alternative to investing directly in the underlying investment, (ii) for hedging purposes and (iii) for efficient portfolio management purposes. Such financial derivative instruments may include, but are not limited to futures, options, swaps (including interest rate swaps) and currency transactions.

In accordance with the transparency requirements of the SFT Regulation the chart below reflects, where applicable, the expected and maximum level of the Portfolio's net assets that will be subject to securities financing transactions (*i.e.* securities lending transactions as well as repurchase agreements and reverse repurchase agreements) ("*SFTs*") and total return swaps and/or other financial derivative instruments with similar characteristics ("*TRS*"); being specified that in certain circumstances this proportion may be higher.

Type of Transactions	Expected Range	Maximum
TRS	0%-5%	25%
Repurchase agreements and reverse repurchase agreements	0%-5%	10%
Securities lending transactions	N/A	N/A

For further details concerning SFTs and TRS, please refer to “Appendix C: Additional Information relating to Financial Derivative Instruments, Financial Techniques and Instruments and Collateral Management.”

### Other Investment Policies

The Portfolio may invest in structured securities issued by a wide range of originators and sponsors. Structured securities may include agency (i.e. issued or guaranteed by an Eligible State or Eligible State government sponsored entities) mortgage-backed securities and non-agency (i.e. privately issued) mortgage-backed securities (“MBS”). MBS may include adjustable-rate mortgage securities (“ARMS”) and collateralized mortgage obligations (“CMOs”), as well as other asset-backed securities (“ABS”), commercial mortgage-backed securities (“CMBS”) and collateralized debt obligations (“CDOs”) and related financial derivative instruments and currencies. The Portfolio’s investments in structured securities will not exceed 20% of its net assets, provided that such limit will not apply to investments in such securities issued or guaranteed by the United States government or any other Eligible State or United States or other Eligible State government sponsored entities.

Except to the extent provided herein (including Appendix A to Section II), the Portfolio is not subject to any limitation on the portion of its assets which may be invested in any one country.

The Investment Manager will, based upon its currency research and outlook, adjust the Portfolio’s currency exposures while taking into account both (a) the Portfolio’s overall non-base currency exposure, as well as (b) the expected risk and return of each of the particular currencies in the relevant Portfolio’s portfolio. The Investment Manager uses its in-house models developed specifically for this purpose. Accordingly, the Investment Manager may hedge all, some or none of the currency exposures depending on whether its research indicates that the currency is poised to fall or rise against the Portfolio’s base currency.

As a temporary defensive measure or to provide for redemptions, the Portfolio may, without limit, hold cash, cash equivalents, or short-term fixed-income obligations, including money market instruments.

The Portfolio may invest up to 10% of its net assets in securities for which there is no ready market. See paragraph (5) of “Investment Restrictions” in Appendix A to Section II. The Portfolio may therefore not be readily able to sell such securities. Moreover, there may be contractual restrictions on the resale of such securities.

The Portfolio will invest no more than 25% of its total assets in convertible bonds, no more than 30% of its total assets in

money market instruments and no more than 10% of its total assets in equity securities.

### Currency Hedged Share Classes

One or more of the Portfolio’s share classes offered in a particular currency (each, an “Offered Currency”) may be hedged to such Offered Currency. Any such share class will constitute a “Currency Hedged Share Class.” Currency Hedged Share Classes aim to provide investors a return more closely correlated to the Portfolio’s base currency return by reducing the effect of exchange rate fluctuations between the Portfolio’s base currency (i.e., Dollar) and the relevant Offered Currency, taking into account practical considerations such as transaction costs. The hedging strategy employed is designed to reduce, but may not eliminate, currency exposure between the Portfolio’s base currency and the Offered Currency.

Currency Hedged Share Classes do not affect the investment management of the Portfolio’s underlying assets since it is only the net asset value (NAV) of the Currency Hedged Share Classes, not the Portfolio’s underlying assets, which is hedged to the Offered Currency. Expenses incurred as a result of such hedging activity will be borne by the Currency Hedged Share Class in relation to which such expenses are incurred.

For additional information on share class hedging, see “How to Purchase Shares—Currency Hedged Share Classes” in Section II.

**Leverage.** The Investment Manager does not expect to utilize bank borrowing in implementing the Portfolio’s investment strategy. The expected level of leverage of the Portfolio is estimated to be in the 0% to 150% range of its Net Asset Value. The expected level of leverage is calculated as the sum of the notionals of the financial derivative instruments held by the Portfolio. Pursuant to the CSSF Circular 11/512 dated 30 May 2011, this calculation methodology neither takes into account the fact that a particular financial derivative instrument increases or decreases the Portfolio’s investment risks nor permits to net financial derivative instruments with reverse positions. Shareholders should be aware that (i) a higher level of expected leverage does not automatically imply a higher level of investment risk and (ii) the expected level of leverage disclosed above is mainly generated by the use of derivatives for hedging purposes or for efficient portfolio management. In addition, the actual leverage of the Portfolio may deviate from the above mentioned expected level of leverage.

**Risk Measurement.** The Investment Manager will utilize a Value-at-Risk (“VaR”) methodology to monitor the global exposure (market risk) for the Portfolio. The global exposure of the Portfolio is measured by the absolute VaR methodology pursuant to which the VaR of the Portfolio may not exceed 20% of its Net Asset Value.

**Benchmark.** The Portfolio’s benchmark is the Bloomberg Global 1-3 Year Treasury Index (USD Hedged). The Portfolio uses the benchmark for performance comparison. The Portfolio is actively managed and the Investment Manager is not constrained by its benchmark when

implementing the Portfolio's investment strategy. Although the Portfolio may hold, in certain market conditions and subject to the Investment Manager's full discretion, a significant part of the components of the benchmark, it will not hold every component of the benchmark and may also hold securities that are not part of it.

**Responsible investing.** The Portfolio integrates ESG considerations. The Portfolio applies certain exclusions and details can be found at [www.alliancebernstein.com/go/ABFCPIExclusionChart](http://www.alliancebernstein.com/go/ABFCPIExclusionChart).

The Portfolio is of the category that promotes environmental and social characteristics (SFDR Article 8; see "Appendix E: SFDR Pre-Contractual Disclosures" for more information).

## Summary Information

**Portfolio Features**

Currency of the Portfolio	USD	Distributions*	<i>For class A, AX, C, I and S shares</i> To be declared daily and payable monthly
Net Asset Value Calculation	Each Business Day		<i>For class AJ, AT, CT, IT, NT and S1T shares</i> To be declared and payable monthly
Net Asset Value Publication	Available at <a href="http://www.alliancebernstein.com">www.alliancebernstein.com</a>		<i>For class AA and SA shares</i> To be declared and payable monthly with a distribution rate to be derived from gross income (before deduction of fees and expenses)
Class Names	<b>H</b> means Currency Hedged Share Classes. For additional information on share class hedging, see “How to Purchase Shares—Currency Hedged Share Classes” and “Risk Factors -- Currency Hedged Share Class Risk” in Section II.		<i>For class AR shares</i> To be declared and payable annually with a distribution rate to be derived from gross income (before deduction of fees and expenses)
Order Cut-Off Times	<i>For USD-Denominated Share Classes, EUR-Denominated Share Classes and HKD-Denominated Share Classes</i> 4:00 P.M. U.S. Eastern Time on each Business Day  <i>For Currency Hedged Share Classes</i> 6:00 P.M. Central European Time on each Business Day		<i>For class A2, C2, I2, N2, S EUR H, S1, S SGD H, S2 and S1 2 shares</i> None.  See “Distributions” below.  *Includes Hedged Share Classes (unless noted otherwise)

**Share Class Fees and Charges<sup>1</sup>**

	Initial Sales Charge <sup>2</sup>	Management Fee <sup>3</sup>	Distribution Fee <sup>4</sup>	Contingent Deferred Sales Charge <sup>5</sup>
<b>USD-Denominated Share Classes</b>				
Class A and A2 Shares	Up to 5.00%	0.85%	None	None
Class AJ Shares	Up to 3.00%	0.65%	None	None
Class AT Shares	Up to 5.00%	0.85%	None	None
Class AA Shares	Up to 5.00%	0.85%	None	None
Class AX Shares	No longer offered	0.65%	None	None
Class C and C2 Shares	None	1.25%	None	0–1 year held=1.0% thereafter 0%
Class CT Shares	None	1.25%	None	0–1 year held=1.0% thereafter 0%
Class I and I2 Shares <sup>7</sup>	Up to 1.50%	0.325%	None	None
Class IT Shares <sup>7</sup>	Up to 1.50%	0.325%	None	None
Class N2 and NT Shares	Up to 3.00%	1.35%	None	None
Class S Shares <sup>6</sup>	None	None	None	None
Class S1T Shares	None	0.25%	None	None
Class SA Shares	None	None	None	None
Class S2 Shares <sup>6</sup>	None	None	None	None
Class S1 2 Shares	None	0.25%	None	None



**EUR-Denominated Share Classes**

Class A and A2 Shares	Up to 5.00%	0.85%	None	None
Class AT Shares	Up to 5.00%	0.85%	None	None
Class S1T Shares	None	0.25%	None	None
Class S1 2 Shares	None	0.25%	None	None

**HKD-Denominated Share Classes**

Class A2 Shares	Up to 5.00%	0.85%	None	None
Class AA Shares	Up to 5.00%	0.85%	None	None
Class AT Shares	Up to 5.00%	0.85%	None	None

**EUR Hedged Share Classes**

Class A2 EUR H Shares	Up to 5.00%	0.85%	None	None
Class AT EUR H Shares	Up to 5.00%	0.85%	None	None
Class AR EUR H Shares	Up to 5.00%	0.85%	None	None
Class I2 EUR H Shares <sup>7</sup>	Up to 1.50%	0.325%	None	None
Class S EUR H Shares <sup>6</sup>	None	None	None	None
Class S1 EUR H Shares	None	0.25%	None	None

**AUD Hedged Share Classes**

Class AT AUD H Shares	Up to 5.00%	0.85%	None	None
Class AA AUD H Shares	Up to 5.00%	0.85%	None	None
Class I2 AUD H Shares <sup>7</sup>	Up to 1.50%	0.325%	None	None
Class IT AUD H Shares <sup>7</sup>	Up to 1.50%	0.325%	None	None

**CAD Hedged Share Classes**

Class AT CAD H Shares	Up to 5.00%	0.85%	None	None
Class AA CAD H Shares	Up to 5.00%	0.85%	None	None

**GBP Hedged Share Classes**

Class AT GBP H Shares	Up to 5.00%	0.85%	None	None
Class AA GBP H Shares	Up to 5.00%	0.85%	None	None

**SGD Hedged Share Classes**

Class A2 SGD H Shares	Up to 5.00%	0.85%	None	None
Class AT SGD H Shares	Up to 5.00%	0.85%	None	None
Class AA SGD H Shares	Up to 5.00%	0.85%	None	None
Class S SGD H Shares <sup>6</sup>	None	None	None	None

**NZD Hedged Share Classes**

Class AT NZD H Shares	Up to 5.00%	0.85%	None	None
Class AA NZD H Shares	Up to 5.00%	0.85%	None	None

1 The Management Company, Administrator, Depositary and Transfer Agent are entitled to receive, out of the assets of the Portfolio, fees as described under "Other Portfolio Information—Management Company, Administrator, Depositary and Transfer Agent Fees" below. The Portfolio also bears all of its other expenses. See "How to Purchase Shares" and "Additional Information—Fees and Expenses" in Section II. The Management Company has voluntarily undertaken, until the Management Company on behalf of the Fund notifies Shareholders to the contrary, that if, in any fiscal year, the aggregate fees and expenses with respect to the following share classes of the Portfolio (including any management fee and all other fees and expenses set out in "Additional Information—Fees and Expenses" in Section II, including Luxembourg *Taxe d'Abonnement* but exclusive of certain other taxes, brokerage (if applicable) and interest on borrowings) exceed the following percentages of the average Net Asset Value for the fiscal year attributable to the Portfolio's share classes (and corresponding H shares), as follows: A (1.20%), A2 (1.20%), AJ (1.00%), AR (1.20%), AT (1.20%), AA (1.20%), AX (1.00%), C (1.60%), C2 (1.60%), CT (1.60%), I (0.575%), I2 (0.575%), IT (0.575%), N2 (1.70%), NT (1.70%), S (0.10%), S1 (0.35%), S1T (0.35%), S2 (0.10%), SA (0.10%) and S12(0.35%), the Fund may deduct from the payment to be made to the Management Company, or the Management Company will otherwise bear, such excess fees and expenses.

2 As a percentage of purchase price.

3 As an annual percentage of average daily Net Asset Value. With respect to certain share classes, the management fee may also include a component that is paid to distributors or other financial

intermediaries and service providers. For further details on the management fee, please refer to "Additional Information—Fees and Expenses" in Section II.

4 As an annual percentage of average daily Net Asset Value.

5 As a percentage of the lesser of the current Net Asset Value or original cost of the Shares being redeemed and based upon the duration that such Shares are held. CDSC Shares may only be purchased through a dealer authorized by the Distributor to offer such shares. Those investors considering an investment in CDSC Shares should speak with their financial advisor for details. With respect to class C, C2 and CT shares (and corresponding H shares), a dealer may elect to waive the contingent deferred sales charge in certain circumstances.

6 Class S, SA and S2 shares are reserved for institutional investors that have entered into an agreement with the Management Company and are being charged an investment management fee separately.

7 For further information on this share class, see "Additional Share Class Information" in Section II.

**Other Share Class Features**

	Offered Currencies	Minimum Initial Investment*	Minimum Subsequent Investment*	Maximum Investment**	Luxembourg Taxe d'Abonnement***
<b>USD-Denominated Share Classes</b>					
Class A and A2 Shares	Dollar	\$2,000	\$750	None	0.05%
Class AJ Shares	Dollar	\$2,000	\$750	None	0.05%
Class AT Shares	Dollar	\$2,000	\$750	None	0.05%
Class AX Shares	Dollar	No longer offered	No longer offered	No longer offered	0.05%
Class AA Shares	Dollar	\$2,000	\$750	None	0.05%
Class C and C2 Shares	Dollar	\$2,000	\$750	None	0.05%
Class CT Shares	Dollar	\$2,000	\$750	None	0.05%

Class I and I2 Shares	Dollar	\$1 million**	None	None	0.05%
Class IT Shares	Dollar	\$1 million**	None	None	0.05%
Class N2 and NT Shares	Dollar	\$2,000	\$750	None	0.05%
Class S and S2 Shares	Dollar	\$25 million**	None	None	0.01%
Class S1T and S1 2 Shares	Dollar	\$25 million**	None	None	0.01%
Class SA Shares	Dollar	\$25 million**	None	None	0.01%

**EUR-Denominated Share Classes**

Class A and A2 Shares	Euro	€2,000	€750	None	0.05%
Class AT Shares	Euro	€2,000	€750	None	0.05%
Class S1T and S1 2 Shares	Euro	€20 million**	None	None	0.01%

**HKD-Denominated Share Classes**

Class A2 Shares	HKD	HK\$15,000	HK\$5,000	None	0.05%
Class AA Shares	HKD	HK\$15,000	HK\$5,000	None	0.05%
Class AT Shares	HKD	HK\$15,000	HK\$5,000	None	0.05%

**EUR Hedged Share Classes**

Class A2 EUR H Shares	Euro	€2,000	€750	None	0.05%
Class AT EUR H Shares	Euro	€2,000	€750	None	0.05%
Class AR EUR H Shares	Euro	€2,000	€750	None	0.05%
Class I2 EUR H Shares	Euro	€1 million**	None	None	0.05%
Class S EUR H Shares	Euro	€20 million**	None	None	0.01%
Class S1 EUR H Shares	Euro	€20 million**	None	None	0.01%

**AUD Hedged Share Classes**

Class AT AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class AA AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class I2 AUD H Shares	AUD	A\$1 million**	None	None	0.05%
Class IT AUD H Shares	AUD	A\$1 million**	None	None	0.05%

**CAD Hedged Share Classes**

Class AT CAD H Shares	CAD	C\$2,000	C\$750	None	0.05%
Class AA CAD H Shares	CAD	C\$2,000	C\$750	None	0.05%

**GBP Hedged Share Classes**

Class AT GBP H Shares	GBP	£2,000	£750	None	0.05%
Class AA GBP H Shares	GBP	£2,000	£750	None	0.05%

**SGD Hedged Share Classes**

Class A2 SGD H Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class AT SGD H Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class AA SGD H Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class S SGD H Shares	SGD	S\$20 million**	None	None	0.01%

**NZD Hedged Share Classes**

Class AT NZD H Shares	NZD	NZ\$3,000	NZ\$1,000	None	0.05%
Class AA NZD H Shares	NZD	NZ\$3,000	NZ\$1,000	None	0.05%

\* Does not apply to automatic investment plans, where offered.

\*\* May be waived by the Management Company in its sole discretion.

\*\*\* Annual Luxembourg tax payable quarterly by each portfolio.

## Other Portfolio Information

### Principal Investment Types

For a chart summarizing the principal types of investments used by the Portfolio and a description of securities and other instruments in which the Portfolio may invest, investors should refer to "Investment Types" in Section II. The ability of the Portfolio to invest in any securities or instruments is subject to the restrictions in the Portfolio's stated investment objective and policies and the limitations contained in "Investment Restrictions" in Appendix A to Section II.

### Risk Profile

The Portfolio may make use of financial derivative. The investment restrictions (9) to (13) set forth in Appendix A to Section II will not apply. This Portfolio shall employ instead the Value-at-Risk (VaR) approach. For further details concerning the VaR approach, please refer to "Appendix C: Additional Information relating to Financial Derivative Instruments, Financial Techniques and Instruments and Collateral Management".

Fixed-income securities in which the Portfolio will invest are subject to the credit risk of the private and public institutions offering these securities and their market value is influenced by changes in interest rates. The Portfolio's fixed-income securities investments will generally be of Investment Grade or equivalent quality. There can be no assurance that any distribution payments will occur and the Portfolio has no specific maturity.

Investing in equity securities in China involves particular risks and special considerations not typically associated with investment in more developed economies or markets, such as greater political, operational, tax, foreign exchange, liquidity and regulatory risks. For further information about the risks associated with investment in China, please see "Risk Factors—Country Risks-China" in the General Information of the Fund.

The Portfolio is subject to market, interest rate and currency fluctuations and to other risks inherent in investing in securities. Therefore, no assurance can be given that the investment objective will be achieved, that invested capital will be preserved, or that capital appreciation will occur. Investment results may vary substantially on a monthly, quarterly or annual basis. An investment in the Portfolio does not represent a complete investment program.

For a chart summarizing the principal risks of the Portfolio and a more detailed discussion of these and other risks applicable to the Portfolio, investors should refer to "Risk Factors" in Section II.

### Profile of the Typical Investor

The Portfolio will suit medium risk-tolerant investors seeking the income potential of Investment Grade fixed-income investment. Investors are encouraged to consult their independent financial advisors regarding the suitability of Shares of the Portfolio for their investment needs.

### Distributions

For class A, AX, C, I and S shares (and corresponding H shares, unless noted otherwise), the Management Company intends to declare daily and pay monthly dividends equal to all

or substantially all of the Portfolio's net income attributable to each class of Shares.

For class AJ, AT, CT, IT, NT and S1T shares (and corresponding H shares), the Management Company intends to declare and pay monthly dividends equal to all or substantially all of the Portfolio's net income attributable to each class of Shares.

For class AA and SA shares (and corresponding H shares), the Management Company intends to declare and make monthly distributions. The Management Company intends to maintain a stable distribution rate per share for such share classes. For class AR shares (and corresponding H shares), the Management Company intends to declare and make annual distributions. The distribution rate is to be derived from gross income (before deduction of fees and expenses) and distributions may also include realized and unrealized gains and capital attributable to such classes of Shares. Since fees and expenses do not reduce the distribution rate, the NAV per Share of the relevant classes will be reduced by such fees and expenses.

The Management Company also may determine if and to what extent dividends paid include realized capital gains and/or are paid out of capital, attributable to the relevant class of Shares. To the extent the net income and net realized profits attributable to these Shares exceed the amount declared payable, the excess return will be reflected in the respective Net Asset Value of such Shares. Dividends may be automatically reinvested at the election of the Shareholder.

For class A2, C2, I2, N2, S1, S2 and S1 2 shares (and corresponding H shares) and S EUR H, S SGD H shares, the Management Company currently does not intend to pay dividends with respect to the Shares. Therefore, any net income and net realized profits attributable to the Shares will be reflected in the respective Net Asset Value of the Shares.

### Management Company, Administrator, Depositary and Transfer Agent Fees

For all Shares (and corresponding H shares) except class S, S1, S1T, S2, SA and S1 2 (and corresponding H shares) shares, the Management Company is paid an annual fee out of the assets of the Portfolio on the aggregate Net Asset Value attributable to the Shares equal to 0.10% of average daily Net Asset Value. The Management Company is paid an annual fee out of the assets of the Portfolio on the aggregate Net Asset Value attributable to the class S, S1, S1T, S2, SA and S1 2 shares (and corresponding H shares) equal to the lesser of \$50,000 or 0.01% of average daily Net Asset Value.

The Administrator fee, Depositary fee and Transfer Agent fee for the Portfolio are paid out of the assets of the Portfolio in accordance with the usual practice in Luxembourg and shall not exceed a fixed maximum specified under Section II of the prospectus under "Administrator, Depositary and Transfer Agent Fees". These fees are subject to the limitation on expenses discussed in note 1 to "Summary Information—Share Class Fees and Charges" above and may decrease or increase

depending on the assets of the Portfolio and transaction volume or for other reasons.

**Organizational Expenses**

The Portfolio has no unamortized organizational expenses.

**Historical Performance**

Information on the historical performance of the Portfolio may be found at [www.alliancebernstein.com](http://www.alliancebernstein.com).

**History**

The Portfolio was established as a portfolio of the Fund on 16 September 1996. Prior to this date, the Portfolio's assets were managed by the Management Company as the Alliance Worldwide Income Fund ("Worldwide"), a mutual investment fund organized under the laws of the Grand Duchy of Luxembourg. On 16 September 1996, all of Worldwide's assets were transferred to, and all of Worldwide's liabilities were assumed by, the Portfolio. It was renamed Short Duration Bond Portfolio on 1 July 2019.

# AB FCP I—Global High Yield Portfolio

## Investment Objective and Policies

### Investment Objective

The investment objective of the Portfolio is to produce high current income as well as overall total return.

### Description of Investment Discipline and Process

In seeking to achieve this objective, the Portfolio will invest primarily, and at any time at least two-thirds of its assets in, a portfolio of high yielding debt securities of issuers located throughout the world, including U.S. issuers and issuers in emerging market countries. In selecting its investments, the Portfolio intends to allocate its assets among three main types of investments: (i) high yielding non-Investment Grade debt securities of U.S. corporate issuers; (ii) non-Investment Grade debt securities of issuers located in emerging market countries; and (iii) sovereign debt obligations issued by emerging market countries. However, the Portfolio is not prohibited from investing in other types of debt securities as the Investment Manager deems appropriate. For example, the Portfolio may invest in debt securities having an Investment Grade rating if the Investment Manager determines that such debt securities possess desirable yield and/or total return characteristics. In addition, the Portfolio may utilize financial derivative instruments in executing its investment strategy as set forth below under Financial Derivative Instruments.

The Portfolio's investments may be denominated in various currencies. In addition to the restrictions provided in Appendix A to Section II, the Portfolio will not invest more than 20% of its total assets in one country; provided, however, that such limitation will not apply to investments by the Portfolio in U.S. issuers. Investing on an international basis involves special considerations.

The debt securities of U.S. and non-U.S. corporate issuers in which the Portfolio may invest include bonds, debentures, bills and notes. These debt securities may have equity features, such as conversion rights or warrants, which may provide the Portfolio with opportunities to enhance its return on its investment. See "Investment Types—Debt Securities Types—Convertible Securities" in Section II. There is no minimum rating requirement with respect to the Portfolio's investments in debt securities of corporate issuers.

The Portfolio's investments in emerging market debt securities may consist of (i) debt securities or obligations issued or guaranteed by governments, governmental agencies or instrumentalities and political subdivisions located in emerging market countries, (ii) debt securities or obligations issued by government-owned, controlled or sponsored entities located in emerging market countries, (iii) obligations of issuers organized and operated for the purpose of restructuring the investment characteristics of securities issued by any of the entities described above and (iv) financial derivative instruments related to the instruments listed in (i)-(iii) above. These debt securities are expected to be rated, at the time of investment, below Investment Grade or, if not rated, determined by the Investment Manager to be of comparable quality. Emerging market debt securities in which the Portfolio may invest will be subject to higher risk, will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognized rating agency.

Emerging market countries are those not characterized as high income countries by the World Bank, based on per capita gross national income (to obtain the World Bank's list of such countries, please go to:

<http://siteresources.worldbank.org/DATASTATISTICS/Resources/CLASS.XLS>) . The Investment Manager's

determination of which countries constitute emerging market countries may change from time to time.

However, investing in many emerging market debt securities is not feasible or may involve unacceptable political, economic and social risks. See "Risks Factors and Special Considerations—General Risks—Country Risk—Emerging Markets" in Section II. As opportunities to invest in debt securities in other emerging market countries develop, the Portfolio expects to expand and diversify its portfolio investments. Emerging market debt securities may take the form of bonds, debentures, bills, notes, convertible securities, warrants, mortgage or other asset-backed securities and interests in entities organized and operated for the purpose of restructuring the investment characteristics of emerging market debt securities. The portfolio may also use a variety of financial derivative instruments or structured products to effectively and efficiently replicate exposure to emerging market bonds. For further information regarding certain of these investments, see "Investment Types" in Section II.

In evaluating obligations, the Investment Manager will utilize its internal credit analysis resources as well as financial and economic information obtained from other sources. With respect to foreign corporate issuers, the Investment Manager will consider the financial condition of the issuer and market and economic conditions relevant to its operations. In terms of foreign governmental obligations, the Investment Manager will review the financial position of the issuer and political and economic conditions in the country. Investment in securities of supranational entities is subject to the additional risk that member governments may fail to make required capital contributions and that a supranational entity may thus be unable to meet its obligations.

The Fund's fully managed approach for the Portfolio enables the Portfolio to seek high current income plus overall total investment return by making investments in various currencies on the basis of the potential capital appreciation of such instruments in Dollars and the rates of income paid on such instruments. As a general matter, in evaluating investments, the Fund will consider, among other factors, the relative levels of interest rates prevailing in various countries, the potential appreciation of such investments in their denominated currencies and, for debt instruments not denominated in Dollars, the potential movement in the value of such currencies compared to the Dollar. In seeking capital appreciation for the Portfolio, the Fund may invest in relatively low yielding instruments in expectation of favorable currency fluctuations or interest rate movements, thereby potentially reducing the Portfolio's yield. In seeking income for the Portfolio, the Fund may invest in short term instruments with relatively high yields

(as compared to other debt securities) notwithstanding that the Fund does not anticipate that such instruments will experience substantial capital appreciation.

The average maturity of the securities of the Portfolio will vary based upon the Investment Manager's assessment of economic and market conditions. As with all debt securities, changes in interest rates will affect the Fund's asset value as the prices of portfolio securities generally increase when interest rates decline and decrease when interest rates rise. Prices of longer term securities generally fluctuate more in response to interest rate changes than do shorter term securities. The Fund does not expect the average maturity of the Portfolio to exceed 15 years.

#### **Financial Derivative Instruments/Efficient Portfolio**

**Management Techniques.** The Investment Manager may use derivative products and strategies when implementing the Portfolio's investment strategy. Such financial derivative instruments may include, but are not limited to, swaps (including interest rate swaps ("IRS"), total rate of return swaps ("TRS") and credit default swaps ("CDS")), credit linked notes, swaptions, options, futures and currency transactions (including forward currency contracts). These financial derivative instruments (including OTC derivatives and exchange-traded financial derivative instruments) and efficient portfolio management techniques may be employed for the following purposes: (i) as an alternative to investing directly in the underlying instruments, (ii) to manage duration and volatility, (iii) to hedge against interest rate, credit and currency fluctuations, (iv) to obtain currency exposure and (v) for efficient portfolio management purposes. With respect to CDS, the Portfolio may both "sell" protection in order to gain exposure and "buy" protection to hedge credit exposure.

In accordance with the transparency requirements of the SFT Regulation the chart below reflects, where applicable, the expected and maximum level of the Portfolio's net assets that will be subject to securities financing transactions (*i.e.* securities lending transactions as well as repurchase agreements and reverse repurchase agreements) ("*SFTs*") and total return swaps and/or other financial derivative instruments with similar characteristics ("*TRS*"); being specified that in certain circumstances this proportion may be higher.

Type of Transactions	Expected Range	Maximum
TRS	0%-20%	50%
Repurchase agreements and reverse repurchase agreements	0%-5%	10%
Securities lending transactions	N/A	N/A

For further details concerning SFTs and TRS, please refer to "Appendix C: Additional Information relating to Financial Derivative Instruments, Financial Techniques and Instruments and Collateral Management."

**Leverage.** The Investment Manager does not expect to utilize bank borrowing in implementing the Portfolio's investment

strategy. The expected level of leverage of the Portfolio is estimated to be in the 0% to 100% range of its Net Asset Value. The expected level of leverage is calculated as the sum of the notionals of the financial derivative instruments held by the Portfolio. Pursuant to the CSSF Circular 11/512 dated 30 May 2011, this calculation methodology neither takes into account the fact that a particular financial derivative instrument increases or decreases the Portfolio's investment risks nor permits to net financial derivative instruments with reverse positions. Shareholders should be aware that (i) a higher level of expected leverage does not automatically imply a higher level of investment risk and (ii) the expected level of leverage disclosed above is mainly generated by the use of derivatives for hedging purposes or for efficient portfolio management. In addition, the actual leverage of the Portfolio may deviate from the above mentioned expected level of leverage.

**Risk Measurement.** The Investment Manager will utilize a Value-at-Risk ("VaR") methodology to monitor the global exposure (market risk) for the Portfolio. The global exposure of the Portfolio is measured by the absolute VaR methodology pursuant to which the VaR of the Portfolio may not exceed 20% of its Net Asset Value.

**Benchmark.** The Portfolio's benchmark is the Bloomberg Global High Yield Index (USD Hedged). The Portfolio uses the benchmark for performance comparison. The Portfolio is actively managed and the Investment Manager is not constrained by its benchmark when implementing the Portfolio's investment strategy. Although the Portfolio may hold, in certain market conditions and subject to the Investment Manager's full discretion, a significant part of the components of the benchmark, it will not hold every component of the benchmark and may also hold securities that are not part of it.

#### **Other Investment Policies**

The Portfolio anticipates that a substantial portion of its assets will be denominated in currencies other than the Dollar. The Portfolio is not restricted in the portion of its assets that may be invested in securities denominated in a particular currency. The portion of the Portfolio's assets invested in securities denominated in currencies other than the Dollar will vary depending on market conditions. The analysis of currencies is made independently of the analysis of markets. The Investment Manager analyzes current account and capital account performance and real interest rates to adjust for shorter-term currency flows. See "Risk Factors—General Risks—Currency Risk" in Section II.

The Portfolio may, as a temporary defensive measure or to provide for redemptions or in anticipation of investment in foreign markets, hold cash or cash equivalents (in Dollars or foreign currencies) and short-term securities, including money market securities.

The Portfolio may invest up to 10% of its total net assets in securities for which there is no ready market. See paragraph (5) of "Investment Restrictions" in Appendix A to Section II. The Portfolio may therefore not be readily able to sell such securities. Moreover, there may be contractual

restrictions on the resale of such securities. In addition, other types of securities are subject to this 10% restriction.

### **Currency Hedged Share Classes**

One or more of the Portfolio's share classes offered in a particular currency (each, an "Offered Currency") may be hedged to such Offered Currency. Any such share class will constitute a "Currency Hedged Share Class." Currency Hedged Share Classes aim to provide investors a return more closely correlated to the Portfolio's base currency return by reducing the effect of exchange rate fluctuations between the Portfolio's base currency (i.e., Dollar) and the relevant Offered Currency, taking into account practical considerations such as transaction costs. The hedging strategy employed is designed to reduce, but may not eliminate, currency exposure between the Portfolio's base currency and the Offered Currency.

Currency Hedged Share Classes do not affect the investment management of the Portfolio's underlying assets since it is only the net asset value (NAV) of the Currency Hedged Share Classes, not the Portfolio's underlying assets, which is hedged to the Offered Currency. Expenses incurred as a result of such hedging activity will be borne by the Currency Hedged Share Class in relation to which such expenses are incurred.

**Risk Factors linked to RMB Hedged Share Classes.** Since 2005, the RMB exchange rate is no longer pegged to the U.S. dollar. RMB has now moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. The daily trading price of the RMB against other major currencies in the inter-bank foreign exchange market is allowed to float within a narrow band around the central parity published by the People's Bank of China. RMB convertibility from offshore RMB (CNH) to

onshore RMB (CNY) is a managed currency process subject to foreign exchange control policies of and repatriation restrictions imposed by the Chinese government in coordination with the Hong Kong Monetary Authority (HKMA). The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions pursued by the Chinese government from time-to-time as well as other external market forces.

Since 2005, foreign exchange control policies pursued by the Chinese government have resulted in the general appreciation of RMB (both CNH and CNY). This appreciation may or may not continue and there can be no assurance that RMB will not be subject to devaluation at some point. Any devaluation of RMB could adversely affect the value of investors' investments in the RMB H shares.

The RMB H shares participate in the offshore RMB (CNH) market, which allows investors to freely transact CNH outside of mainland China with approved banks in the Hong Kong market (HKMA approved banks). The RMB H shares will have no requirement to remit CNH to onshore RMB (CNY).

### **Responsible investing.**

The Portfolio integrates ESG considerations. The Portfolio applies certain exclusions and details can be found at [www.alliancebernstein.com/go/ABFCPIExclusionChart](http://www.alliancebernstein.com/go/ABFCPIExclusionChart).

The Portfolio is of the category that promotes environmental and social characteristics (SFDR Article 8; see "Appendix E: SFDR Pre-Contractual Disclosures" for more information).



## Summary Information

<b>Portfolio Features</b>				
Currency of the Portfolio	USD	Distributions*	<p><i>For class A, B, C, I, JA, J and W shares</i> To be declared daily and payable monthly</p> <p><i>For class AT, BT, CT, IT, NT, S1D, S1D2 and WT shares</i> To be declared and payable monthly</p> <p><i>For class AA, EA, IA and SA shares</i> To be declared and payable monthly with a distribution rate to be derived from gross income (before deduction of fees and expenses)</p> <p><i>For class SHK shares</i> To be declared daily and payable monthly with a distribution rate to be derived from gross income (before deduction of fees and expenses)</p>	
Class Name	H means Currency Hedged Share Classes. For additional information on share class hedging, see “How to Purchase Shares—Currency Hedged Share Classes” and “Risk Factors—Currency Hedged Share Class Risk” in Section II.			
Net Asset Value Calculation	Each Business Day			
Net Asset Value Publication	Available at <a href="http://www.alliancebernstein.com">www.alliancebernstein.com</a>		<p><i>For class AR shares</i> To be declared and payable annually with a distribution rate to be derived from gross income (before deduction of fees and expenses)</p>	
Order Cut-Off Times	<p><i>For USD-Denominated Share Classes, EUR-Denominated Share Classes, HKD-Denominated Share Classes and SGD-Denominated Share Classes</i> 4:00 P.M. U.S. Eastern Time on each Business Day</p> <p><i>For Currency Hedged Share Classes (except RMB Hedged Share Classes)</i> 6:00 P.M. Central European Time on each Business Day</p> <p><i>For RMB Hedged Share Classes</i> 1:00 P.M. Central European Time on each Business Day</p>		<p><i>For class SK shares</i> To be declared and payable at the Management Company’s discretion</p> <p><i>For class A2, B2, C2, E2, I2, N2, S, S1 and W2 shares</i> None.</p> <p><i>For class IQD and S1QD shares</i> To be declared and payable quarterly</p> <p><i>For class AK shares</i> To be declared and payable bi-annually</p> <p><i>For class S1L shares</i> To be declared and payable monthly with distributions based on net income and will not pay out of capital</p>	
			See “Distributions” below.	
			* Includes hedged share classes.	

<b>Share Class Fees and Charges<sup>1</sup></b>				
	<b>Initial Sales Charge<sup>3</sup></b>	<b>Management Fee<sup>4</sup></b>	<b>Distribution Fee<sup>5</sup></b>	<b>Contingent Deferred Sales Charge<sup>6</sup></b>
<b>USD-Denominated Share Classes</b>				
Class A and A2 Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class AT Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class AK Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class AA Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None

Class B and B2 Shares <sup>2**</sup>	None	Up to 1.45% Up to 1.25%	1.00%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class BT Shares <sup>2**</sup>	None	Up to 1.45% Up to 1.25%	1.00%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class C and C2 Shares	None	Up to 1.95% Up to 1.75%	None	0–1 year held=1.0% thereafter 0%
Class CT Shares	None	Up to 1.95% Up to 1.75%	None	0–1 year held=1.0% thereafter 0%
Class E2 Shares <sup>11</sup>	None	Up to 1.45% Up to 1.25%	0.50%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class EA Shares <sup>11</sup>	None	Up to 1.45% Up to 1.25%	0.50%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class I and I2 Shares <sup>9</sup>	Up to 1.50%	Up to 0.95% Up to 0.75%	None	None
Class IT Shares <sup>9</sup>	Up to 1.50%	Up to 0.95% Up to 0.75%	None	None
Class IQD Shares <sup>9</sup>	Up to 1.50%	Up to 0.95% Up to 0.75%	None	None
Class JA Shares	None	Up to 1.45% Up to 1.25%	None	None
Class J Shares <sup>2</sup>	None	Up to 1.45% Up to 1.25%	1.00%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class N2 and NT Shares	Up to 3.00%	Up to 2.00% Up to 1.85%	None	None
Class S Shares <sup>7</sup>	None	None	None	None
Class S1 Shares	None	0.90%	None	None
Class SA Shares <sup>7</sup>	None	None	None	None
Class S1D Shares <sup>10</sup>	None	0.90%	None	None
Class S1D2 Shares	None	0.90%	None	None
Class S1QD Shares	None	0.90%	None	None
Class SK Shares <sup>8</sup>	None	0.65%	None	None
Class SHK Shares <sup>8</sup>	None	None	None	None
Class W Shares <sup>9</sup>	None	Up to 1.15%	None	None
Class WT Shares <sup>9</sup>	None	Up to 1.15%	None	None
Class W2 Shares <sup>9</sup>	None	Up to 1.15%	None	None

**EUR-Denominated Share Classes**

Class A and A2 Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class AT Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class AK Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None

Class C and C2 Shares	None	Up to 1.95% Up to 1.75%	None	0–1 year held=1.0% thereafter 0%
Class I and I2 Shares <sup>9</sup>	Up to 1.50%	Up to 0.95% Up to 0.75%	None	None
Class W Shares <sup>9</sup>	None	Up to 1.15%	None	None
<b>HKD-Denominated Share Classes</b>				
Class A2 Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class AT Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class AA Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class IT Shares <sup>9</sup>	Up to 1.50%	Up to 0.95% Up to 0.75%	None	None
<b>SGD-Denominated Share Classes</b>				
Class A2 Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class AT Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class I2 Shares <sup>9</sup>	Up to 1.50%	Up to 0.95% Up to 0.75%	None	None
<b>EUR Hedged Share Classes</b>				
Class A2 EUR H Shares and Class AT EUR H Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class AK EUR H Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class AA EUR H Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class AR EUR H Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class C2 EUR H Shares and Class CT EUR H Shares	None	Up to 1.95% Up to 1.75%	None	0–1 year held=1.0% thereafter 0%
Class I2 EUR H Shares <sup>9</sup>	Up to 1.50%	Up to 0.95% Up to 0.75%	None	None
Class IT EUR H Shares <sup>9</sup>	Up to 1.50%	Up to 0.95% Up to 0.75%	None	None
Class S EUR H Shares <sup>7</sup>	None	None	None	None
Class S1 EUR H Shares	None	0.90%	None	None
Class S1QD EUR H Shares	None	0.90%	None	None
Class WT EUR H Shares <sup>9</sup>	None	Up to 1.15%	None	None
Class W2 EUR H Shares <sup>9</sup>	None	Up to 1.15%	None	None
<b>AUD Hedged Share Classes</b>				
Class AT AUD H Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None

Class AA AUD H Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class BT AUD H Shares <sup>2**</sup>	None	Up to 1.45% Up to 1.25%	1.00%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class EA AUD H Shares <sup>11</sup>	None	Up to 1.45% Up to 1.25%	0.50%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class I2 AUD H Shares <sup>9</sup>	Up to 1.50%	Up to 0.95% Up to 0.75%	None	None
Class IT AUD H Shares <sup>9</sup>	Up to 1.50%	Up to 0.95% Up to 0.75%	None	None
Class IA AUD H Shares <sup>9</sup>	Up to 1.50%	Up to 0.95% Up to 0.75%	None	None
Class S1 AUD H Shares	None	0.90%	None	None
Class WT AUD H Shares <sup>9</sup>	None	Up to 1.15%	None	None
<b>SGD Hedged Share Classes</b>				
Class A2 SGD H Shares and Class AT SGD H Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class AA SGD H Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class I2 SGD H Shares <sup>9</sup>	Up to 1.50%	Up to 0.95% Up to 0.75%	None	None
Class IT SGD H Shares <sup>9</sup>	Up to 1.50%	Up to 0.95% Up to 0.75%	None	None
<b>CAD Hedged Share Classes</b>				
Class AT CAD H Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class AA CAD H Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class IT CAD H Shares <sup>9</sup>	Up to 1.50%	Up to 0.95% Up to 0.75%	None	None
Class WT CAD H Shares <sup>9</sup>	None	Up to 1.15%	None	None
<b>GBP Hedged Share Classes</b>				
Class AT GBP H Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class AA GBP H Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class IT GBP H Shares <sup>9</sup>	Up to 1.50%	Up to 0.95% Up to 0.75%	None	None
Class S1L GBP H Shares	None	0.90%	None	None
Class WT GBP H Shares <sup>9</sup>	None	Up to 1.15%	None	None

**RMB\* Hedged Share Classes**

Class AT RMB H Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class AA RMB H Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class I2 RMB H Shares <sup>9</sup>	Up to 1.50%	Up to 0.95% Up to 0.75%	None	None
Class IT RMB H Shares <sup>9</sup>	Up to 1.50%	Up to 0.95% Up to 0.75%	None	None
Class WT RMB H Shares <sup>9</sup>	None	Up to 1.15%	None	None

**NZD Hedged Share Classes**

Class AT NZD H Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class AA NZD H Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class IT NZD H Shares <sup>9</sup>	Up to 1.50%	Up to 0.95% Up to 0.75%	None	None

**ZAR Hedged Share Classes**

Class AA ZAR H Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class EA ZAR H Shares <sup>11</sup>	None	Up to 1.45% Up to 1.25%	0.50%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%

**CHF Hedged Share Classes**

Class A2 CHF H Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class I2 CHF H Shares <sup>9</sup>	Up to 1.50%	Up to 0.95% Up to 0.75%	None	None
Class W2 CHF H Shares <sup>9</sup>	None	Up to 1.15%	None	None

**PLN Hedged Share Classes**

Class A2 PLN H Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class I2 PLN H Shares <sup>9</sup>	Up to 1.50%	Up to 0.95% Up to 0.75%	None	None

**CZK Hedged Share Classes**

Class A2 CZK H Shares	Up to 5.00%	Up to 1.45% Up to 1.25%	None	None
Class I2 CZK H Shares <sup>9</sup>	Up to 1.50%	Up to 0.95% Up to 0.75%	None	None

<sup>1</sup> The Management Company, Administrator, Depositary and Transfer Agent are entitled to receive, out of the assets of the Portfolio, fees as described under "Other Portfolio Information—Management Company, Administrator, Depositary and Transfer Agent Fees" below. The Portfolio also bears all of its other expenses. See "How to Purchase Shares" and "Additional Information—Fees and Expenses" in Section II. The Management Company has voluntarily undertaken, until the Management Company on behalf of the Fund notifies Shareholders to the contrary, that if, in any fiscal year, the aggregate fees and expenses with respect to the following

share classes of the Portfolio (including any management fee and all other fees and expenses set out in "Additional Information—Fees and Expenses" in Section II, including Luxembourg *Taxe d'Abonnement* but exclusive of certain other taxes, brokerage (if applicable) and interest on borrowings) exceed the following percentages of the Portfolio's average Net Asset Value for the fiscal year attributable to the Portfolio's share classes (and corresponding H shares) as follows: S (0.10%), SK (0.75%), SHK (0.10%), S1 (1.00%), S1D (1.00%), S1D2 (1.00%), S1L (1.00%), S1QD (1.00%) and SA (0.10%), the Fund may deduct from the payment to be

- made to the Management Company, or the Management Company will otherwise bear, such excess fees and expenses.
- 2 After four years from the date of purchase, class B, B2, BT and J shares are eligible for conversion to class A, A2, AT and JA shares, respectively, without charge from either the Fund or the Management Company. For further details on the conversion of shares, please refer to "How to Exchange or Convert Shares—Conversion of CDSC Shares" in Section II of the Prospectus.
- 3 As a percentage of purchase price.
- 4 As an annual percentage of average daily Net Asset Value. With respect to certain share classes, the management fee may also include a component that is paid to distributors or other financial intermediaries and service providers. For further details on the management fee, please refer to "Additional Information—Fees and Expenses" in Section II. For all Shares except class, S, S1, S1D, S1D2, S1L, S1QD, W, W2, and WT shares (and corresponding H shares), consecutive fee levels listed apply with respect to (1) the first \$15,000,000,000 of the collective net assets of these Portfolio share classes and (2) the amount of the collective net assets of these Portfolio share classes over \$15,000,000,000.
- 5 As an annual percentage of average daily Net Asset Value.
- 6 For class B, B2 and BT shares, as a percentage of the lesser of the current Net Asset Value or original cost of the Shares being redeemed and based upon the duration that such Shares are held. For class J shares, as a percentage of the current Net Asset Value of the Shares being redeemed. CDSC Shares may only be purchased through a dealer authorized by the Distributor to offer such shares. Those investors considering an investment in CDSC Shares should speak with their financial advisor for details. With respect to class C, CT and C2 shares (and corresponding H shares), a dealer may elect to waive the contingent deferred sales charge in certain circumstances.

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- Class S and SA shares are reserved for institutional investors that have entered into an agreement with the Management Company and are being charged an investment management fee separately.
- 8 Class SK and SHK shares are reserved for investments by AB funds.
- 9 For further information on this share class, see "Additional Share Class Information" in Section II.
- 10 Class S1D shares are open to new purchases from existing shareholders of this share class only.
- 11 After three years from the date of purchase, class E2, EA shares (and corresponding H shares) will be converted to class A2, AA shares (and corresponding H shares) without charge from either the Fund or the Management Company. For further details on the conversion of shares, please refer to "How to Exchange or Convert Shares—Conversion of CDSC Shares" in Section II of the Prospectus.
- \* "RMB" refers to offshore RMB ("CNH") and not onshore RMB known as CNY.
- \*\* Effective 15 December 2016, Class B shares will no longer be offered. However, Class B shares may be made available for exchange to shareholders holding Class B shares (or a variation thereof including hedged share classes) in another Portfolio or other AB fund.

**Other Share Class Features**

	<b>Offered Currencies*</b>	<b>Minimum Initial Investment**</b>	<b>Minimum Subsequent Investment**</b>	<b>Maximum Investment***</b>	<b>Luxembourg Tax d'Abonnement****</b>
<b>USD-Denominated Share Classes</b>					
Class A and A2 Shares	Dollar	\$2,000	\$750	None	0.05%
Class AT Shares	Dollar	\$2,000	\$750	None	0.05%
Class AK Shares	Dollar	\$2,000	\$750	None	0.05%
Class AA Shares	Dollar	\$2,000	\$750	None	0.05%
Class B and B2 Shares	Dollar	\$2,000	\$750	\$250,000	0.05%
Class BT Shares	Dollar	\$2,000	\$750	\$250,000	0.05%
Class C and C2 Shares	Dollar	\$2,000	\$750	None	0.05%
Class CT Shares	Dollar	\$2,000	\$750	None	0.05%
Class E2 Shares	Dollar	\$2,000	\$750	None	0.05%
Class EA Shares	Dollar	\$2,000	\$750	None	0.05%
Class I, I2 and IQD Shares	Dollar	\$1 million***	None	None	0.05%
Class IT Shares	Dollar	\$1 million***	None	None	0.05%
Class JA Shares	Dollar	300 shares	\$750	None	0.05%
Class J Shares	Dollar	300 shares	\$750	None	0.05%
Class N2 and NT Shares	Dollar	\$2,000	\$750	None	0.05%
Class S Shares	Dollar	\$25 million***	None	None	0.01%
Class S1 Shares	Dollar	\$25 million***	None	None	0.01%
Class SA Shares	Dollar	\$25 million***	None	None	0.01%
Class S1D Shares	Dollar	No longer offered to new investors	None	None	0.01%
Class S1D2 Shares	Dollar	\$25 million***	None	None	0.01%
Class S1QD Shares	Dollar	\$25 million***	None	None	0.01%
Class SK Shares	Dollar	\$25 million***	None	None	0.01%
Class SHK Shares	Dollar	\$25 million***	None	None	0.01%
Class W Shares	Dollar	\$1 million***	None	None	0.05%
Class WT Shares	Dollar	\$1 million***	None	None	0.05%
Class W2 Shares	Dollar	\$1 million***	None	None	0.05%
<b>EUR-Denominated Share Classes</b>					
Class A and A2 Shares	Euro	€2,000	€750	None	0.05%
Class AT Shares	Euro	€2,000	€750	None	0.05%

Class AK Shares	Euro	€2,000	€750	None	0.05%
Class C Shares	Euro	€2,000	€750	None	0.05%
Class C2 Shares	Euro	€2,000	€750	None	0.05%
Class I Shares	Euro	€1 million***	None	None	0.05%
Class I2 Shares	Euro	€1 million***	None	None	0.05%
Class W Shares	Euro	€1 million***	None	None	0.05%

**HKD-Denominated Share Classes**

Class A2 Shares	HKD	HK\$15,000	HK\$5,000	None	0.05%
Class AT Shares	HKD	HK\$15,000	HK\$5,000	None	0.05%
Class AA Shares	HKD	HK\$15,000	HK\$5,000	None	0.05%
Class IT Shares	HKD	HK\$8 million***	None	None	0.05%

**SGD-Denominated Share Classes**

Class A2 Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class AT Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class I2 Shares	SGD	S\$1.5 million***	None	None	0.05%

	Hedged Currencies	Minimum Initial Investment**	Minimum Subsequent Investment**	Maximum Investment***	Luxembourg Tax d'Abonnement****
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**EUR Hedged Share Classes**

Class A2 EUR H Shares and Class AT EUR H Shares	Euro	€2,000	€750	None	0.05%
Class AK EUR H Shares	Euro	€2,000	€750	None	0.05%
Class AA EUR H Shares	Euro	€2,000	€750	None	0.05%
Class AR EUR H Shares	Euro	€2,000	€750	None	0.05%
Class C2 EUR H Shares and Class CT EUR H Shares	Euro	€2,000	€750	None	0.05%
Class I2 EUR H Shares	Euro	€1 million***	None	None	0.05%
Class IT EUR H Shares	Euro	€1 million***	None	None	0.05%
Class S EUR H Shares	Euro	€20 million***	None	None	0.01%
Class S1 EUR H Shares	Euro	€20 million***	None	None	0.01%
Class S1QD EUR H Shares	Euro	€20 million***	None	None	0.01%
Class WT EUR H Shares	Euro	€1 million***	None	None	0.05%
Class W2 EUR H Shares	Euro	€1 million***	None	None	0.05%

**AUD Hedged Share Classes**

Class AT AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class AA AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class BT AUD H Shares	AUD	A\$2,000	A\$750	A\$250,000	0.05%
Class EA AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class I2 AUD H Shares	AUD	A\$1 million***	None	None	0.05%
Class IT AUD H Shares	AUD	A\$1 million***	None	None	0.05%
Class IA AUD H Shares	AUD	A\$1 million***	None	None	0.05%
Class S1 AUD H Shares	AUD	A\$25 million	None	None	0.01%
Class WT AUD H Shares	AUD	A\$1 million***	None	None	0.05%



<b>SGD Hedged Share Classes</b>					
Class A2 SGD H Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class AT SGD H Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class AA SGD H Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class I2 SGD H Shares	SGD	S\$1.5 million***	None	None	0.05%
Class IT SGD H Shares	SGD	S\$1.5 million***	None	None	0.05%
<b>CAD Hedged Share Classes</b>					
Class AT CAD H Shares	CAD	C\$2,000	C\$750	None	0.05%
Class AA CAD H Shares	CAD	C\$2,000	C\$750	None	0.05%
Class IT CAD H Shares	CAD	C\$1 million***	None	None	0.05%
Class WT CAD H Shares	CAD	C\$1 million***	None	None	0.05%
<b>GBP Hedged Share Classes</b>					
Class AT GBP H Shares	GBP	£2,000	£750	None	0.05%
Class AA GBP H Shares	GBP	£2,000	£750	None	0.05%
Class IT GBP H Shares	GBP	£500,000***	None	None	0.05%
Class S1L GBP H Shares	GBP	£15,000,000	None	None	0.01%
Class WT GBP H Shares	GBP	£500,000***	None	None	0.05%
<b>RMB Hedged Share Classes</b>					
Class AT RMB H Shares	RMB	RMB 10,000	RMB 3,750	None	0.05%
Class AA RMB H Shares	RMB	RMB 10,000	RMB 3,750	None	0.05%
Class I2 RMB H Shares	RMB	RMB 5,000,000***	None	None	0.05%
Class IT RMB H Shares	RMB	RMB 5,000,000***	None	None	0.05%
Class WT RMB H Shares	RMB	RMB 5,000,000***	None	None	0.05%
<b>NZD Hedged Share Classes</b>					
Class AT NZD H Shares	NZD	NZ\$3,000	NZ\$1,000	None	0.05%
Class AA NZD H Shares	NZD	NZ\$3,000	NZ\$1,000	None	0.05%
Class IT NZD H Shares	NZD	NZD1.5 million***	None	None	0.05%
<b>ZAR Hedged Share Classes</b>					
Class AA ZAR H Shares	ZAR	ZAR 20,000	ZAR 7,000	None	0.05%
Class EA ZAR H Shares	ZAR	ZAR 20,000	ZAR 7,000	None	0.05%
<b>CHF Hedged Share Classes</b>					
Class A2 CHF H Shares	CHF	CHF 2,000	CHF 750	None	0.05%
Class I2 CHF H Shares	CHF	CHF 1million***	None	None	0.05%
Class W2 CHF H Shares	CHF	CHF 1 million***	None	None	0.05%
<b>PLN Hedged Share Classes</b>					
Class A2 PLN H Shares	PLN	PLN 7,500	PLN 3,000	None	0.05%
Class I2 PLN H Shares	PLN	PLN 4,000,000***	None	None	0.05%
<b>CZK Hedged Share Classes</b>					
Class A2 CZK H Shares	CZK	CZK 50,000	CZK 20,000	None	0.05%
Class I2 CZK H Shares	CZK	CZK 25,000,000***	None	None	0.05%

\* Does not denote that such Offered Currency is hedged at the Share Class level.

\*\* Does not apply to automatic investment plans, where offered.

\*\*\* May be waived by the Management Company in its sole discretion.

\*\*\*\* Annual Luxembourg tax payable quarterly by each portfolio.

## Other Portfolio Information

### Principal Investment Types

For a chart summarizing the principal types of investments used by the Portfolio and a description of securities and other instruments in which the Portfolio may invest, investors should refer to "Investment Types" in Section II. The ability of the Portfolio to invest in any securities or instruments is subject to the restrictions in the Portfolio's stated investment objective and policies and the limitations contained in "Investment Restrictions" in Appendix A to Section II.

### Risk Profile

It is intended that this Portfolio will make use of financial derivative instruments. The investment restrictions (9) to (13) set forth in Appendix A to Section II will not apply. This Portfolio shall employ the Value-at-Risk (VaR) approach. For further details concerning the VaR approach, please refer to "Appendix C: Additional Information relating to Financial Derivative Instruments, Financial Techniques and Instruments and Collateral Management".

Fixed-income securities in which the Portfolio will invest are subject to the credit risk of the private and public institutions offering these securities and their market value is influenced by changes in interest rates. Because the Portfolio's fixed-income securities investments may be below Investment Grade quality, these risks are higher for this Portfolio than for a portfolio that invests solely in Investment Grade or equivalent quality fixed-income securities. Below Investment Grade securities are also subject to greater risk of loss of principal and interest and are generally less liquid and more volatile. There can be no assurance that any distribution payments will occur and the Portfolio has no specific maturity.

The Portfolio is subject to market, interest rate and currency fluctuations and to other risks inherent in investing in securities. Therefore, no assurance can be given that the investment objective will be achieved, that invested capital will be preserved, or that capital appreciation will occur. Investment results may vary substantially on a monthly, quarterly or annual basis. An investment in the Portfolio does not represent a complete investment program.

For a chart summarizing the principal risks of the Portfolio and a more detailed discussion of these and other risks applicable to the Portfolio, investors should refer to "Risk Factors" in Section II.

### Profile of the Typical Investor

The Portfolio will suit higher risk-tolerant investors seeking the income potential of fixed-income investment. Investors are encouraged to consult their independent financial advisors regarding the suitability of Shares of the Portfolio for their investment needs.

### Distributions

For class A, B, C, I, JA, J and W shares (and corresponding H shares), the Management Company intends to declare daily and pay monthly dividends equal to all or substantially all of the Portfolio's net income attributable to each class of Shares.

For class AT, BT, CT, IT, NT, S1D, S1D2 and WT shares (and corresponding H shares), the Management Company intends to declare and pay monthly dividends equal to all or

substantially all of the Portfolio's net income attributable to each class of Shares.

For class IQD and S1QD shares, the Management Company intends to declare and pay quarterly dividends equal to all or substantially all of the Portfolio's net income attributable to the class of Shares. For class SK shares, the Management Company may declare and pay dividends at its discretion.

For class AK shares (and corresponding H shares), the Management Company intends to declare and pay bi-annually dividends equal to all or substantially all of the Portfolio's net income attributable to the relevant class of Shares.

For class AA, EA, IA and SA shares (and corresponding H shares), the Management Company intends to declare and make monthly distributions. The Management Company intends to maintain a stable distribution rate per share for such share classes.

For class AR shares (and corresponding H shares), the Management Company intends to declare and make annual distributions. For class SHK shares, the Management Company intends to declare daily and make monthly distributions. The distribution rate is to be derived from gross income (before deduction of fees and expenses) and distributions may also include realized and unrealized gains and capital attributable to such classes of Shares. Since fees and expenses do not reduce the distribution rate, the NAV per Share of the relevant classes will be reduced by such fees and expenses.

For class S1L shares (and corresponding H shares), the Management Company intends to declare and make monthly dividends equal to all or substantially all of the Portfolio's net income attributable to the class of Shares. Such dividends will not be paid out of capital attributable to the share class of Shares.

The Management Company also may determine if and to what extent dividends paid include realized capital gains and/or are paid out of capital attributable to the relevant class of Shares. To the extent the net income and net realized profits attributable to these Shares exceed the amount declared payable, the excess return will be reflected in the respective Net Asset Value of such Shares. Dividends may be automatically reinvested at the election of the Shareholder.

For class A2, B2, C2, E2, I2, N2, S, S1 and W2 shares (and corresponding H shares), the Management Company currently does not intend to pay dividends with respect to the Shares. Therefore, any net income and net realized profits attributable to the Shares will be reflected in the respective Net Asset Value of the Shares.

### Management Company, Administrator, Depositary and Transfer Agent Fees

For all Shares (and corresponding H shares) except class S, SK, SHK, S1D, S1D2, S1QD, S1 and SA shares (and corresponding H shares), the Management Company is

paid an annual fee out of the assets of the Portfolio on the aggregate Net Asset Value attributable to the Shares equal to 0.10% of average daily Net Asset Value. The Management Company is paid an annual fee out of the assets of the Portfolio on the aggregate Net Asset Value attributable to the class S, SK, SHK, S1D, S1D2, S1QD, S1 and SA shares (and corresponding H shares) equal to the lesser of \$50,000 or 0.01% of average daily Net Asset Value.

The Administrator fee, Depositary fee and Transfer Agent fee for the Portfolio are paid out of the assets of the Portfolio in accordance with the usual practice in Luxembourg and shall not exceed a fixed maximum specified under Section II of the prospectus under “Administrator, Depositary and Transfer Agent Fees”. These fees may decrease or increase depending

on the assets of the Portfolio and transaction volume or for other reasons.

### **Organizational Expenses**

The Portfolio has no unamortized organizational expenses.

### **Historical Performance**

Information on the historical performance of the Portfolio may be found at [www.alliancebernstein.com](http://www.alliancebernstein.com).

### **History**

The Portfolio was established as a portfolio of the Fund on 22 September 1997.

# AB FCP I—American Income Portfolio

## Investment Objective and Policies

### Investment Objective

The primary investment objective of the Portfolio is to seek to provide a high level of current income consistent with preservation of capital.

The Portfolio seeks to meet its investment objective by investing in a diversified portfolio of fixed-income securities.

As a secondary objective, the Portfolio will seek to increase its capital through appreciation of its investments in order to preserve and, if possible, increase the purchasing power of each Shareholder's investment.

### Description of Investment Discipline and Process

The Portfolio's investments may include all types of U.S. Government Securities, including those backed by the full faith and credit of the U.S. Government, those supported by the right to borrow from the U.S. Treasury and those backed by the credit of the issuing agency itself. The Portfolio may also invest in fixed-income securities issued by U.S. corporations and by non-U.S. corporations and by governments other than that of the United States (including, but not limited to, states, provinces and municipalities) or their agencies and instrumentalities ("governmental entities") issuing securities denominated in Dollars and a variety of mortgage-backed securities and zero coupon securities. In addition, the Portfolio may utilize financial derivative instruments for hedging, risk management, efficient portfolio management and as an alternative to investing directly in the underlying investments.

The Portfolio will maintain investment exposure of at least 65% of its total assets in U.S. issuers. The Investment Manager anticipates that the Portfolio will maintain investment exposure of at least 50% of its total assets in (i) U.S. Government Securities, as described below, and (ii) other fixed-income securities described herein that, at the time of investment, are considered Investment Grade, or if not so rated, are determined by the Investment Manager to be of equivalent quality. Notwithstanding the foregoing, under certain market conditions the Investment Manager may obtain investment exposure in excess of 50% of the Portfolio's assets in securities that are rated below Investment Grade if the Investment Manager deems such investments appropriate in light of current market conditions and the Portfolio's investment objective. The Portfolio will generally not invest in securities rated below B (including B1, B2 and B3) by Moody's or B (including B+ and B-) by S&P or, if unrated by an IRSO, considered by the Investment Manager to be of equivalent quality to such a rating.

Securities rated below Investment Grade are commonly referred to as "junk bonds." See "Risk Factors—Debt Securities Risks—Fixed-Income Securities Risks—Lower-Rated and Unrated Instruments" in Section II. The Portfolio expects that it will generally not retain a security which is downgraded below B (including B1, B2 and B3) by Moody's or B (including B+ and B-) by S&P or, if unrated by an IRSO, determined by the Investment Manager to have undergone similar credit quality deterioration subsequent to purchase.

As used herein, "U.S. Government Securities" include, without limitation, the following:

1. *U.S. Treasury Bills.* Direct obligations of the U.S. Treasury which are issued in maturities of one year or less. No interest is paid on U.S. Treasury Bills; instead, they are issued at a discount and repaid at full face value when they mature. They are backed by the full faith and credit of the U.S. Government.
2. *U.S. Treasury Notes.* Direct obligations of the U.S. Treasury issued in maturities which vary between one and ten years, with interest payable every six months. They are backed by the full faith and credit of the U.S. Government.
3. *U.S. Treasury Bonds.* These direct obligations of the U.S. Treasury are issued in maturities of more than ten years from the date of issue, with interest payable every six months. They are backed by the full faith and credit of the U.S. Government.
4. *Guaranteed Mortgage Pass-Through Securities.* These are mortgage-related securities issued or guaranteed by the Government National Mortgage Association ("Ginnie Mae" or "GNMA"), the Federal National Mortgage Association ("Fannie Mae" or "FNMA") or the Federal Home Loan Mortgage Corporation ("Freddie Mac" or "FHLMC"). Fannie Mae and Freddie Mac securities are not backed by the full faith and credit of the U.S. Government. See "Types of Investments—Debt Securities Types—Pass-Through Mortgage-Related Securities" in Section II.
5. *Governmental "CMOs."* These are securities issued by a U.S. Government instrumentality or agency which are backed by a portfolio of mortgages or mortgage-backed securities held under an indenture. See "Investment Types Investments—Debt Securities Types—Collateralized Mortgage Obligations and Multi-Class Pass-Through Securities" in Section II.

### Financial Derivative Instruments/Efficient Portfolio Management Techniques.

The Investment Manager may use derivative products and strategies when implementing the Portfolio's investment strategy. Such financial derivative instruments may include, but are not limited to, swaps (including interest rate swaps ("IRS"), total rate of return swaps ("TRS") and credit default swaps ("CDS")), swaptions, options, futures and currency transactions (including forward currency contracts). These financial derivative instruments (including OTC derivatives and exchange-traded financial derivative instruments) and efficient portfolio management techniques may be employed for the following purposes: (i) as an alternative to investing directly in the underlying investments, (ii) to manage duration, (iii) to hedge against interest rate, credit and currency fluctuations and (iv) for efficient portfolio management purposes. With respect to CDS, the Portfolio may both "sell" protection in order to gain exposure and "buy" protection to hedge credit exposure.

In accordance with the transparency requirements of the SFT Regulation the chart below reflects, where applicable, the expected and maximum level of the Portfolio's net

assets that will be subject to securities financing transactions (i.e. securities lending transactions as well as repurchase agreements and reverse repurchase agreements) (“SFTs”) and total return swaps and/or other financial derivative instruments with similar characteristics (“TRS”); being specified that in certain circumstances this proportion may be higher.

Type of Transactions	Expected Range	Maximum
TRS	0%-20%	50%
Repurchase agreements and reverse repurchase agreements	0%-5%	10%
Securities lending transactions	N/A	N/A

For further details concerning SFTs and TRS, please refer to “Appendix C: Additional Information relating to Financial Derivative Instruments, Financial Techniques and Instruments and Collateral Management.”

#### Other Investment Policies

The Portfolio will not invest more than 5% of its total assets in the securities of any one issuer, excepting obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities. Further, the Portfolio will not own more than 10% of the outstanding voting securities of any issuer. The Portfolio has complete flexibility as to the types of securities and financial derivative instruments in which it will invest and the relative proportions thereof, and the Portfolio plans to vary the proportions of its holdings of long- and short-term fixed-income securities (including debt securities, convertible debt securities, U.S. Government obligations) and of preferred stocks, in order to reflect its assessment of prospective cyclical changes even if such action may adversely affect current income. However, substantially all of the Portfolio's investments will be income-producing. The Portfolio may maintain investment exposure of up to 35% of its total assets in securities of non-U.S. issuers. The purchase of securities of non-U.S. issuers entails certain political and economic risks, and accordingly the Portfolio has restricted its investments in securities in this category to issues of high quality. Payment of interest and principal upon these obligations may also be affected by governmental action in the country of domicile (generally referred to as “sovereign risk”). In addition, evidences of ownership of portfolio securities may be held outside of the United States and the Portfolio may be subject to the risks associated with the holding of such property overseas. Examples of governmental actions would be the imposition of currency controls, interest limitations, seizure of assets, or the declaration of a moratorium.

The Portfolio may not invest in securities which are not quoted securities or which cannot be readily resold because of legal or contractual restrictions or which are not otherwise readily marketable or in debt instruments which are not treated, because of their characteristics, as equivalent to transferable securities and which are, *inter alia*, transferable, liquid and have a value that can be accurately determined at any Business Day, if, regarding all such securities, more than 10%

of the total net assets of the Portfolio would be invested in such securities immediately after and as a result of such transaction. See paragraph (5) in Appendix A to Section II. Investment by the Portfolio in certain of the securities described in Section II under “Investment Types” will be subject to the limitation described in the foregoing sentence. In particular, private mortgage pass-through securities, privately issued collateralized mortgage obligations, privately issued multi-class pass-through securities, certain options relating to securities and certain zero coupon securities will be subject to the foregoing limits unless such securities are traded on a securities exchange or on another regulated market. In addition, other types of securities are subject to this 10% restriction.

The Portfolio will maintain investment exposure of at least 80% of its total assets in fixed-income securities, and in no case will the amount of the Portfolio's investment exposure in such securities be less than half of the Portfolio's total assets. In no case will the amount of the Portfolio's investment exposure to securities issued by American issuers be less than two-thirds of the Portfolio's total assets. For these purposes, an “American issuer” is a government, governmental agency, company or other entity that (i) is domiciled or organized in, or (ii) is established and conducting business in, or (iii) carries out the preponderant part of its economic activities in North, South or Central America.

**Leverage.** The Investment Manager does not expect to utilize bank borrowing in implementing the Portfolio's investment strategy. The expected level of leverage of the Portfolio is estimated to be in the 0% to 100% range of its Net Asset Value. The expected level of leverage is calculated as the sum of the notional of the financial derivative instruments held by the Portfolio. Pursuant to the CSSF Circular 11/512 dated 30 May 2011, this calculation methodology neither takes into account the fact that a particular financial derivative instrument increases or decreases the Portfolio's investment risks nor permits to net financial derivative instruments with reverse positions. Shareholders should be aware that (i) a higher level of expected leverage does not automatically imply a higher level of investment risk and (ii) the expected level of leverage disclosed above is mainly generated by the use of derivatives for hedging purposes or for efficient portfolio management. In addition, the actual leverage of the Portfolio may deviate from the above mentioned expected level of leverage.

**Risk Measurement.** The Investment Manager will utilize a Value-at-Risk (“VaR”) methodology to monitor the global exposure (market risk) for the Portfolio. The global exposure of the Portfolio is measured by the absolute VaR methodology pursuant to which the VaR of the Portfolio may not exceed 20% of its Net Asset Value.

**Benchmark.** The Portfolio's benchmark is the Bloomberg US Aggregate Index. The Portfolio uses the benchmark for performance comparison. The Portfolio is actively managed and the Investment Manager is not constrained by its benchmark when implementing the Portfolio's investment strategy. Although the Portfolio may hold, in certain market conditions and subject to the Investment Manager's full

discretion, a significant part of the components of the benchmark, it will not hold every component of the benchmark and may also hold securities that are not part of it.

### **Partial Duration Hedged Share Classes**

For classes designated with DUR PH, the Investment Manager intends to hedge a portion of the interest rate risk of the Portfolio through the use of financial derivative instruments. These share classes intend to provide investors a return that is less sensitive to interest rate fluctuations by partially hedging the duration of the overall Portfolio for shareholders in the Partial Duration Hedged Share Class. The partial duration hedging strategy is designed to reduce, though may not eliminate, the interest rate risk of the overall Portfolio in the Partial Duration Hedged Share Class.

Managing the interest rate risk at the Partial Duration Hedged Share Classes level does not affect the investment management of the Portfolio's underlying assets since the financial derivative instrument transactions used to hedge the interest rate risk will be performed at the net asset value (NAV) of the Partial Duration Hedged Share Classes. Expenses incurred as a result of such hedging activity will be borne on a pro rata basis by all Partial Duration Hedged Share Classes issued within the Portfolio.

Shareholders should be aware that Partial Duration Hedged Share Classes may still have significant sensitivity to changes in interest rates, which would impact the NAV of the Partial Duration Hedged Share Class.

For additional information on share class hedging, see "How to Purchase Shares—Partial Duration Hedged Share Classes" and "Risk Factors—Partial Duration Hedged Share Classes" in Section II.

### **Currency Hedged Share Classes**

One or more of the Portfolio's share classes offered in a particular currency (each, an "Offered Currency") may be hedged to such Offered Currency. Any such share class will constitute a "Currency Hedged Share Class." Currency Hedged Share Classes aim to provide investors a return more closely correlated to the Portfolio's base currency return by reducing the effect of exchange rate fluctuations between the Portfolio's base currency (*i.e.*, Dollar) and the relevant Offered Currency, taking into account practical considerations such as transaction costs. The hedging strategy employed is designed to reduce, but may not eliminate, currency exposure between the Portfolio's base currency and the Offered Currency.

Currency Hedged Share Classes do not affect the investment management of the Portfolio's underlying assets since it is only the net asset value (NAV) of the Currency Hedged Share Classes, not the Portfolio's underlying assets, which is hedged to the Offered Currency. Expenses incurred as a result of such hedging activity will be borne by the Currency Hedged Share Class in relation to which such expenses are incurred.

**Risk Factors linked to RMB Hedged Share Classes.** Since 2005, the RMB exchange rate is no longer pegged to the U.S. dollar. RMB has now moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. The daily trading price of the RMB against other major currencies in the inter-bank foreign

exchange market is allowed to float within a narrow band around the central parity published by the People's Bank of China. RMB convertibility from offshore RMB (CNH) to onshore RMB (CNY) is a managed currency process subject to foreign exchange control policies of and repatriation restrictions imposed by the Chinese government in coordination with the Hong Kong Monetary Authority (HKMA). The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions pursued by the Chinese government from time-to-time as well as other external market forces.

Since 2005, foreign exchange control policies pursued by the Chinese government have resulted in the general appreciation of RMB (both CNH and CNY). This appreciation may or may not continue and there can be no assurance that RMB will not be subject to devaluation at some point. Any devaluation of RMB could adversely affect the value of investors' investments in the RMB H shares.

The RMB H shares participate in the offshore RMB (CNH) market, which allows investors to freely transact CNH outside of mainland China with approved banks in the Hong Kong market (HKMA approved banks). The RMB H shares will have no requirement to remit CNH to onshore RMB (CNY).

### **Responsible investing.**

The Portfolio integrates ESG considerations. The Portfolio applies certain exclusions and details can be found at [www.alliancebernstein.com/go/ABFCPIExclusionChart](http://www.alliancebernstein.com/go/ABFCPIExclusionChart).

The Portfolio is of the category that promotes environmental and social characteristics (SFDR Article 8; see "Appendix E: SFDR Pre-Contractual Disclosures" for more information).

## Summary Information

Portfolio Features				
Currency of the Portfolio	USD	Distribution*	<i>For class A, B, C, I, JA, J and W shares</i> To be declared daily and payable monthly	
Net Asset Value Calculation	Each Business Day		<i>For class AT, BT, CT, IT, LT, NT, S1D, S1D2, WT and ZT shares</i> To be declared and payable monthly	
Net Asset Value Publication	Available at <a href="http://www.alliancebernstein.com">www.alliancebernstein.com</a>		<i>For class AA, BA, EA, IA and SA shares</i> To be declared and payable monthly with a distribution rate to be derived from gross income (before deduction of fees and expenses)	
Class Names	<p><b>H</b> means Currency Hedged Share Classes. For additional information on share class hedging, see “How to Purchase Shares—Currency Hedged Share Classes” and “Risk Factors -- Currency Hedged Share Class Risk” in Section II.</p> <p><b>DUR PH</b> means Partial Duration Hedged Share Classes. For additional information on share class hedging, see “How to Purchase Shares—Partial Duration Hedged Share Classes” and “Risk Factors -- Partial Duration Hedged Share Class Risk” in Section II.</p>		<p><i>For class SHK shares</i> To be declared daily and payable monthly with a distribution rate to be derived from gross income (before deduction of fees and expenses)</p> <p><i>For class AR shares</i> To be declared and payable annually with a distribution rate to be derived from gross income (before deduction of fees and expenses)</p>	
Order Cut-Off Times	<p><i>For USD-Denominated, EUR-Denominated Share Classes, HKD Denominated Share Classes and SGD Denominated Share Classes</i> 4:00 P.M. U.S. Eastern Time on each Business Day</p> <p><i>For JPY-Denominated Share Classes, Currency Hedged Share Classes (except for RMB Hedged Share Classes) and Partial Duration Hedged Share Classes</i> 6:00 P.M. Central European Time on each Business Day</p> <p><i>For RMB Hedged Share Classes</i> 1:00 P.M. Central European Time on each Business Day</p>		<p><i>For class A2, B2, C2, E2, I2, L2, N2, S, S1 and W2 shares</i> None.</p> <p><i>For class AK and CK shares</i> To be declared and payable bi-annually</p> <p><i>For class S1QD shares</i> To be declared and payable quarterly</p> <p>See “Distributions” below.</p> <p>*Includes Hedged and Partial Duration Hedged Share Classes</p>	

Share Class Fees and Charges<sup>1</sup>

	Initial Sales Charge <sup>3</sup>	Management Fee <sup>4</sup>	Distribution Fee <sup>5</sup>	Contingent Deferred Sales Charge <sup>6</sup>
<b>USD-Denominated Share Classes</b>				
Class A and A2 Shares	Up to 5.00%	1.10%	None	None
Class AT Shares	Up to 5.00%	1.10%	None	None
Class AK Shares	Up to 5.00%	1.10%	None	None
Class AA Shares	Up to 5.00%	1.10%	None	None

Class B and B2 Shares <sup>2**</sup>	None	1.10%	0.70%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class BT Shares <sup>2**</sup>	None	1.10%	0.70%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class C and C2 Shares	None	1.55%	None	0–1 year held=1.0% thereafter 0%
Class CT Shares	None	1.55%	None	0–1 year held=1.0% thereafter 0%
Class CK Shares	None	1.55%	None	0–1 year held=1.0% thereafter 0%
Class E2 Shares <sup>11</sup>	None	1.10%	0.50%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class EA Shares <sup>11</sup>	None	1.10%	0.50%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class I and I2 Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class IA Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class IT Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class JA Shares	Up to 5.00%	1.10%	None	None
Class J Shares <sup>2</sup>	None	1.10%	0.70%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class N2 and NT Shares	Up to 3.00%	1.65%	None	None
Class S Shares <sup>7</sup>	None	None	None	None
Class SHK Shares <sup>9</sup>	None	None	None	None
Class S1 Shares	None	0.50%	None	None
Class SA Shares <sup>7</sup>	None	None	None	None
Class S1D Shares <sup>10</sup>	None	0.50%	None	None
Class S1D2 Shares	None	0.50%	None	None
Class W Shares <sup>8</sup>	None	Up to 0.55%	None	None
Class WT Shares <sup>8</sup>	None	Up to 0.55%	None	None
Class W2 Shares <sup>8</sup>	None	Up to 0.55%	None	None
Class ZT Shares <sup>9</sup>	None	None	None	None
<b>Partial Duration Hedged Share Classes</b>				
Class AT DUR PH Shares†	No longer offered	1.10%	None	None
Class AA DUR PH Shares†	No longer offered	1.10%	None	None
Class A2 DUR PH Shares†	No longer offered	1.10%	None	None
Class I2 DUR PH Shares <sup>8†</sup>	No longer offered	0.55%	None	None
<b>JPY-Denominated Share Classes</b>				
Class IT Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None



**EUR-Denominated Share Classes**

Class AR Shares	Up to 5.00%	1.10%	None	None
Class A and A2 Shares	Up to 5.00%	1.10%	None	None
Class AT Shares	Up to 5.00%	1.10%	None	None
Class AK Shares	Up to 5.00%	1.10%	None	None
Class C and C2 Shares	None	1.55%	None	0–1 year held=1.0% thereafter 0%
Class I and I2 Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class S1 Shares	None	0.50%	None	None

**HKD-Denominated Share Classes**

Class A2 Shares	Up to 5.00%	1.10%	None	None
Class AA Shares	Up to 5.00%	1.10%	None	None
Class AT Shares	Up to 5.00%	1.10%	None	None
Class I2 Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class IT Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class WT Shares <sup>8</sup>	None	Up to 0.55%	None	None

**SGD-Denominated Share Classes**

Class A2 Shares	Up to 5.00%	1.10%	None	None
Class AT Shares	Up to 5.00%	1.10%	None	None
Class IT Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None

**AUD Hedged Share Classes**

Class AT AUD H Shares	Up to 5.00%	1.10%	None	None
Class AA AUD H Shares	Up to 5.00%	1.10%	None	None
Class EA AUD H Shares <sup>11</sup>	None	1.10%	0.50%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class I2 AUD H and IT AUD H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class IA AUD H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class L2 AUD H Shares <sup>8</sup>	Up to 1.50%	0.90%	None	None
Class LT AUD H Shares <sup>8</sup>	Up to 1.50%	0.90%	None	None
Class WT AUD H Shares <sup>8</sup>	None	Up to 0.55%	None	None

**EUR Hedged Share Classes**

Class AT EUR H Shares	Up to 5.00%	1.10%	None	None
Class A2 EUR H Shares	Up to 5.00%	1.10%	None	None

Class AK EUR H Shares	Up to 5.00%	1.10%	None	None
Class AA EUR H Shares	Up to 5.00%	1.10%	None	None
Class AR EUR H Shares	Up to 5.00%	1.10%	None	None
Class C2 EUR H Shares	None	1.55%	None	0–1 year held=1.0% thereafter 0%
Class CK EUR H Shares	None	1.55%	None	0–1 year held=1.0% thereafter 0%
Class I2 EUR H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class IT EUR H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class S1QD EUR H Shares	None	0.50%	None	None
Class W2 EUR H Shares <sup>8</sup>	None	Up to 0.55%	None	None
Class WT EUR H Shares <sup>8</sup>	None	Up to 0.55%	None	None
<b>SGD Hedged Share Classes</b>				
Class AT SGD H Shares	Up to 5.00%	1.10%	None	None
Class AA SGD H Shares	Up to 5.00%	1.10%	None	None
Class A2 SGD H Shares	Up to 5.00%	1.10%	None	None
Class IT SGD H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class I2 SGD H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class L2 SGD H Shares <sup>8</sup>	Up to 1.50%	0.90%	None	None
Class LT SGD H Shares <sup>8</sup>	Up to 1.50%	0.90%	None	None
Class WT SGD H Shares <sup>8</sup>	None	Up to 0.55%	None	None
<b>CAD Hedged Share Classes</b>				
Class AT CAD H Shares	Up to 5.00%	1.10%	None	None
Class AA CAD H Shares	Up to 5.00%	1.10%	None	None
Class IT CAD H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class L2 CAD H Shares <sup>8</sup>	Up to 1.50%	0.90%	None	None
Class LT CAD H Shares <sup>8</sup>	Up to 1.50%	0.90%	None	None
<b>GBP Hedged Share Classes</b>				
Class AT GBP H Shares	Up to 5.00%	1.10%	None	None
Class AA GBP H Shares	Up to 5.00%	1.10%	None	None
Class IT GBP H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class WT GBP H Shares <sup>8</sup>	None	Up to 0.55%	None	None
<b>RMB* Hedged Share Classes</b>				
Class AA RMB H Shares	Up to 5.00%	1.10%	None	None
Class AT RMB H Shares	Up to 5.00%	1.10%	None	None
Class IT RMB H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None

NZD Hedged Share Classes				
Class AT NZD H Shares	Up to 5.00%	1.10%	None	None
Class AA NZD H Shares	Up to 5.00%	1.10%	None	None
Class IT NZD H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
CHF Hedged Share Classes				
Class A2 CHF H Shares	Up to 5.00%	1.10%	None	None
Class I2 CHF H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class WT CHF H Shares <sup>8</sup>	None	Up to 0.55%	None	None
Class W2 CHF H Shares <sup>8</sup>	None	Up to 0.55%	None	None
JPY Hedged Share Classes				
Class IT JPY H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
ZAR Hedged Share Classes				
Class AA ZAR H Shares	Up to 5.00%	1.10%	None	None
Class EA ZAR H Shares <sup>11</sup>	None	1.10%	0.50%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
PLN Hedged Share Classes				
Class A2 PLN H Shares	Up to 5.00%	1.10%	None	None
Class I2 PLN H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
CZK Hedged Share Classes				
Class A2 CZK H Shares	Up to 5.00%	1.10%	None	None
Class I2 CZK H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None

1 The Management Company, Administrator, Depositary and Transfer Agent are entitled to receive, out of the assets of the Portfolio, fees as described under “Other Portfolio Information—Management Company, Administrator, Depositary and Transfer Agent Fees” below. The Portfolio also bears all of its other expenses. See “How to Purchase Shares” and “Additional Information—Fees and Expenses” in Section II. The Management Company has voluntarily undertaken, until the Management Company on behalf of the Fund notifies Shareholders to the contrary, that if, in any fiscal year, the aggregate fees and expenses with respect to the following share classes of the Portfolio (including any management fee and all other fees and expenses set out in “Additional Information—Fees and Expenses” in Section II, including Luxembourg *Taxe d’Abonnement* but exclusive of certain other taxes, brokerage (if applicable) and interest on borrowings) exceed the following percentages of the Portfolio’s average Net Asset Value for the fiscal year attributable to the Portfolio’s share classes (and corresponding H and DUR PH shares) as follows: A (1.50%), AT (1.50%), A2 (1.50%), AK (1.50%), AA (1.50%), AR (1.50%), B (2.20%), BT (2.20%), B2 (2.20%), C (1.95%), C2 (1.95%), CT (1.95%), CK (1.95%), E2 (2.00%), EA (2.00%), I (0.95%), I2 (0.95%), IT (0.95%), IA (0.95%), L2 (1.05%), LT (1.05%), NT (2.05%), N2 (2.05%), S (0.15%), SHK (0.15%), S1 (0.65%), SA (0.15%), S1D (0.65%), S1D2 (0.65%), S1QD (0.65%), W (0.95%), WT (0.95%), W2 (0.95%) and ZT (0.05%), the Fund may deduct from the payment to be made to the Management Company, or the

Management Company will otherwise bear, such excess fees and expenses.

- 2 After six years from the date of purchase, class B, B2, BT and J shares are eligible for conversion to class A, A2, AT and JA shares, respectively, without charge from either the Fund or the Management Company. For further details on the conversion of shares, please refer to “How to Exchange or Convert Shares—Conversion of CDSC Shares” in Section II of the Prospectus.
- 3 As a percentage of purchase price.
- 4 As an annual percentage of average daily Net Asset Value. With respect to certain share classes, the management fee may also include a component that is paid to distributors or other financial intermediaries and service providers. For further details on the management fee, please refer to “Additional Information—Fees and Expenses” in Section II.
- 5 As an annual percentage of average daily Net Asset Value.
- 6 For class B, B2 and BT shares, as a percentage of the lesser of the current Net Asset Value or original cost of the Shares being redeemed and based upon the duration that such Shares are held. For class J shares, as a percentage of the current Net Asset Value of the Shares being redeemed. CDSC Shares may only be purchased through a dealer authorized by the Distributor to offer such shares. Those investors considering an investment in CDSC Shares should speak with their financial advisor for details. With respect to class C, C2, CK and CT shares (and

corresponding H shares), a dealer may elect to waive the contingent deferred sales charge in certain circumstances.

- 7 Class S and SA shares are reserved for institutional investors that have entered into an agreement with the Management Company and are being charged an investment management fee separately.
- 8 For further information on this share class, see “Additional Share Class Information” in Section II.
- 9 Class SHK and ZT shares are reserved for investments by AB funds.
- 10 Class S1D shares are open to new purchases from existing shareholders of this share class only.
- 11 After three years from the date of purchase, class E2, EA shares (and corresponding H shares) will be converted to class A2, AA shares (and corresponding H shares) without charge from either the Fund or the Management Company. For further details on the conversion of

shares, please refer to “How to Exchange or Convert Shares—Conversion of CDSC Shares” in Section II of the Prospectus.

† Class AT DUR PH, AA DUR PH, A2 DUR PH and I2 DUR PH have been retired and are no longer offered.

\* “RMB” refers to offshore RMB (“CNH”) and not onshore RMB known as CNY.

\*\* Effective 15 December 2016, Class B shares will no longer be offered. However, Class B shares may be made available for exchange to shareholders holding Class B shares (or a variation thereof including hedged share classes) in another Portfolio or other AB fund.

## Other Share Class Features

	Offered Currencies	Minimum Initial Investment*	Minimum Subsequent Investment*	Maximum Investment**	Luxembourg Taxe d'Abonnement***
<b>USD-Denominated Share Classes</b>					
Class A and A2 Shares	Dollar	\$2,000	\$750	None	0.05%
Class AK Shares	Dollar	\$2,000	\$750	None	0.05%
Class AT Shares	Dollar	\$2,000	\$750	None	0.05%
Class AA Shares	Dollar	\$2,000	\$750	None	0.05%
Class B and B2 Shares	Dollar	\$2,000	\$750	\$250,000	0.05%
Class BT Shares	Dollar	\$2,000	\$750	\$250,000	0.05%
Class C and C2 Shares	Dollar	\$2,000	\$750	None	0.05%
Class CT Shares	Dollar	\$2,000	\$750	None	0.05%
Class CK Shares	Dollar	\$2,000	\$750	None	0.05%
Class E2 Shares	Dollar	\$2,000	\$750	None	0.05%
Class EA Shares	Dollar	\$2,000	\$750	None	0.05%
Class I and I2 Shares	Dollar	\$1 million**	None	None	0.05%
Class IA Shares	Dollar	\$1 million**	None	None	0.05%
Class IT Shares	Dollar	\$1 million**	None	None	0.05%
Class JA Shares	Dollar	300 shares	\$750	None	0.05%
Class J Shares	Dollar	300 shares	\$750	None	0.05%
Class N2 and NT Shares	Dollar	\$2,000	\$750	None	0.05%
Class S Shares	Dollar	\$25 million**	None	None	0.01%
Class SHK Shares	Dollar	\$25 million**	None	None	0.01%
Class S1 Shares	Dollar	\$25 million**	None	None	0.01%
Class SA Shares	Dollar	\$25 million**	None	None	0.01%
Class S1D Shares	Dollar	No longer offered to new investors	None	None	0.01%
Class S1D2 Shares	Dollar	\$25 million**	None	None	0.01%
Class W Shares	Dollar	\$1 million**	None	None	0.05%
Class WT Shares	Dollar	\$1 million**	None	None	0.05%

Class W2 Shares	USD	\$1 million**	None	None	0.05%
Class ZT Shares	USD	\$25 million**	None	None	0.01%

**Partial Duration Hedged Share Classes**

Class AT DUR PH Shares	Dollar	No longer offered	No longer offered	None	0.05%
Class AA DUR PH Shares	Dollar	No longer offered	No longer offered	None	0.05%
Class A2 DUR PH Shares	Dollar	No longer offered	No longer offered	None	0.05%
Class I2 DUR PH Shares	Dollar	No longer offered	None	None	0.05%

**JPY-Denominated Share Classes**

Class IT Shares	JPY	¥100million**	None	None	0.05%
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**EUR-Denominated Share Classes**

Class AR Shares	EUR	€2,000	€750	None	0.05%
Class A and A2 Shares	EUR	€2,000	€750	None	0.05%
Class AT Shares	EUR	€2,000	€750	None	0.05%
Class AK Shares	EUR	€2,000	€750	None	0.05%
Class C and C2 Shares	EUR	€2,000	€750	None	0.05%
Class I and I2 Shares	EUR	€1 million**	None	None	0.05%
Class S1 Shares	EUR	€20 million**	None	None	0.01%

**HKD-Denominated Share Classes**

Class A2 Shares	HKD	HK\$15,000	HK\$5,000	None	0.05%
Class AA Shares	HKD	HK\$15,000	HK\$5,000	None	0.05%
Class AT Shares	HKD	HK\$15,000	HK\$5,000	None	0.05%
Class I2 Shares	HKD	HK\$8million**	None	None	0.05%
Class IT Shares	HKD	HK\$8million**	None	None	0.05%
Class WT Shares	HKD	HK\$8million**	None	None	0.05%

**SGD-Denominated Share Classes**

Class A2 Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class AT Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class IT Shares	SGD	S\$1.5 million**	None	None	0.05%

**AUD Hedged Share Classes**

Class AT AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class AA AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class EA AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class I2 AUD H and IT AUD H Shares	AUD	A\$1 million**	None	None	0.05%
Class IA AUD H Shares	AUD	A\$1 million**	None	None	0.05%
Class L2 AUD H Shares	AUD	A\$500,000**	None	None	0.05%
Class LT AUD H Shares	AUD	A\$500,000**	None	None	0.05%
Class WT AUD H Shares	AUD	A\$1 million**	None	None	0.05%

**EUR Hedged Share Classes**

Class AT EUR H Shares	EUR	€2,000	€750	None	0.05%
Class A2 EUR H Shares	EUR	€2,000	€750	None	0.05%
Class AK EUR H Shares	EUR	€2,000	€750	None	0.05%
Class AA EUR H Shares	EUR	€2,000	€750	None	0.05%
Class AR EUR H Shares	EUR	€2,000	€750	None	0.05%
Class C2 EUR H Shares	EUR	€2,000	€750	None	0.05%
Class CK EUR H Shares	EUR	€2,000	€750	None	0.05%
Class I2 EUR H Shares	EUR	€1 million**	None	None	0.05%
Class IT EUR H Shares	EUR	€1 million**	None	None	0.05%
Class W2 EUR H Shares	EUR	€1 million**	None	None	0.05%
Class WT EUR H Shares	EUR	€1 million**	None	None	0.05%

SGD Hedged Share Classes					
Class AT SGD H Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class AA SGD H Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class A2 SGD H Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class IT SGD H Shares	SGD	S\$1.5 million**	None	None	0.05%
Class I2 SGD H Shares	SGD	S\$1.5 million**	None	None	0.05%
Class L2 SGD H Shares	SGD	S\$750,000	None	None	0.05%
Class LT SGD H Shares	SGD	S\$750,000	None	None	0.05%
Class WT SGD H Shares	SGD	S\$1.5 million**	None	None	0.05%
CAD Hedged Share Classes					
Class AT CAD H Shares	CAD	C\$2,000	C\$750	None	0.05%
Class AA CAD H Shares	CAD	C\$2,000	C\$750	None	0.05%
Class IT CAD H Shares	CAD	C\$1 million**	None	None	0.05%
Class L2 CAD H Shares	CAD	C\$500,000**	None	None	0.05%
Class LT CAD H Shares	CAD	C\$500,000**	None	None	0.05%
GBP Hedged Share Classes					
Class AT GBP H Shares	GBP	£2,000	£750	None	0.05%
Class AA GBP H Shares	GBP	£2,000	£750	None	0.05%
Class IT GBP H Shares	GBP	£500,000**	None	None	0.05%
Class WT GBP H Shares	GBP	£500,000**	None	None	0.05%
RMB Hedged Share Classes					
Class AA RMB H Shares	RMB	RMB 10,000	RMB 3,750	None	0.05%
Class AT RMB H Shares	RMB	RMB 10,000	RMB 3,750	None	0.05%
Class IT RMB H Shares	RMB	RMB 5,000,000**	None	None	0.05%
NZD Hedged Share Classes					
Class AT NZD H Shares	NZD	NZ\$3,000	NZ\$1,000	None	0.05%
Class AA NZD H Shares	NZD	NZ\$3,000	NZ\$1,000	None	0.05%
Class IT NZD H Shares	NZD	NZ\$1.5 million**	None	None	0.05%
CHF Hedged Share Classes					
Class A2 CHF H Shares	CHF	CHF 2,000	CHF 750	None	0.05%
Class I2 CHF H Shares	CHF	CHF 1 million**	None	None	0.05%
Class WT CHF H Shares	CHF	CHF 1 million**	None	None	0.05%
Class W2 CHF H Shares	CHF	CHF 1 million**	None	None	0.05%
JPY Hedged Share Classes					
Class IT JPY H Shares	JPY	¥100 million**	None	None	0.05%
ZAR Hedged Share Classes					
Class AA ZAR H Shares	ZAR	ZAR 20,000	ZAR 7,000	None	0.05%
Class EA ZAR H Shares	ZAR	ZAR 20,000	ZAR 7,000	None	0.05%
PLN Hedged Share Classes					
Class A2 PLN H Shares	PLN	PLN 7,500	PLN 3,000	None	0.05%
Class I2 PLN H Shares	PLN	PLN 4,000,000**	None	None	0.05%
CZK Hedged Share Classes					
Class A2 CZK H Shares	CZK	CZK 50,000	CZK 20,000	None	0.05%
Class I2 CZK H Shares	CZK	CZK 25,000,000**	None	None	0.05%

\* Does not apply to automatic investment plans, where offered.

\*\* May be waived by the Management Company in its sole discretion.

\*\*\* Annual Luxembourg tax payable quarterly by each portfolio.

## Other Portfolio Information

### Principal Investment Types

For a chart summarizing the principal types of investments used by the Portfolio and a description of securities and other instruments in which the Portfolio may invest, investors should refer to "Investment Types" in Section II. The ability of the Portfolio to invest in any securities or instruments is subject to the restrictions in the Portfolio's stated investment objective and policies and the limitations contained in "Investment Restrictions" in Appendix A to Section II.

### Risk Profile

It is intended that this Portfolio will make use of financial derivative instruments. The investment restrictions (9) to (13) set forth in Appendix A to Section II will not apply. This Portfolio shall employ the Value-at-Risk (VaR) approach. For further details concerning the VaR approach, please refer to "Appendix C: Additional Information relating to Financial Derivative Instruments, Financial Techniques and Instruments and Collateral Management".

Fixed-income securities in which the Portfolio will invest are subject to the credit risk of the private and public institutions offering these securities and their market value is influenced by changes in interest rates. Because the Portfolio's fixed-income securities investments may be below Investment Grade quality, these risks are higher for this Portfolio than for a portfolio that invests solely in Investment Grade or equivalent quality fixed-income securities. Below Investment Grade securities are also subject to greater risk of loss of principal and interest and are generally less liquid and more volatile. There can be no assurance that any distribution payments will occur and the Portfolio has no specific maturity.

The Portfolio is subject to market, interest rate and currency fluctuations and to other risks inherent in investing in securities. Therefore, no assurance can be given that the investment objective will be achieved, that invested capital will be preserved, or that capital appreciation will occur. Investment results may vary substantially on a monthly, quarterly or annual basis. An investment in the Portfolio does not represent a complete investment program.

For a chart summarizing the principal risks of the Portfolio and a more detailed discussion of these and other risks applicable to the Portfolio, investors should refer to "Risk Factors" in Section II.

### Profile of the Typical Investor

The Portfolio will suit higher risk-tolerant investors seeking the income potential of fixed-income investment. Investors are encouraged to consult their independent financial advisors regarding the suitability of Shares of the Portfolio for their investment needs.

### Distributions

For class A, B, C, I, JA, J and W shares (and corresponding H shares), the Management Company intends to declare daily and pay monthly dividends equal to all or substantially all of the Portfolio's net income attributable to each class of Shares.

For class AT, BT, CT, IT, LT, NT, S1D, S1D2, WT and ZT shares (and corresponding H and DUR PH shares), the Management Company intends to declare and pay monthly dividends equal to all or substantially all of the Portfolio's net income attributable to each class of Shares.

For class AK and CK shares (and corresponding H shares), the Management Company intends to declare and pay bi-annually dividends equal to all or substantially all of the Portfolio's net income attributable to each class of Shares.

For class AA, EA, IA and SA shares (and corresponding H and DUR PH shares), the Management Company intends to declare and make monthly distributions. For class SHK shares (and corresponding H shares), the Management Company intends to declare daily and make monthly distributions. The Management Company intends to maintain a stable distribution rate per share for such share classes. For class AR shares (and corresponding H shares), the Management Company intends to declare and make annual distributions. The distribution rate is to be derived from gross income (before deduction of fees and expenses) and distributions may also include realized and unrealized gains and capital attributable to such classes of Shares. Since fees and expenses do not reduce the distribution rate, the NAV per Share of the relevant classes will be reduced by such fees and expenses.

For class S1QD shares (and corresponding H shares), the Management Company intends to declare and pay quarterly dividends equal to all or substantially all of the Portfolio's net income attributable to the class of Shares.

The Management Company also may determine if and to what extent dividends paid include realized capital gains and/or are paid out of capital attributable to the relevant class of Shares. To the extent the net income and net realized profits attributable to these Shares exceed the amount declared payable, the excess return will be reflected in the respective Net Asset Value of such Shares. Dividends may be automatically reinvested at the election of the Shareholder.

For class A2, B2, C2, E2, I2, L2, N2, S, S1 and W2 shares (and corresponding H and DUR PH shares), the Management Company currently does not intend to pay dividends with respect to the Shares. Therefore, any net income and net realized profits attributable to the Shares will be reflected in the respective Net Asset Value of the Shares.

### Management Company, Administrator, Depositary and Transfer Agent Fees

For all Shares (and corresponding H and DUR PH shares) except class S, SHK, S1D, S1D2, S1QD, S1 and SA shares (and corresponding H shares), the Management Company is paid an annual fee out of the assets of the Portfolio on the aggregate Net Asset Value attributable to the Shares equal to 0.10% of average daily Net Asset Value. The Management Company is paid an annual fee out of the assets of the Portfolio on the aggregate Net Asset Value attributable to the class S, SHK, S1D, S1D2, S1QD, S1 and SA shares (and corresponding H shares) equal to the lesser of \$50,000 or 0.01% of average daily Net Asset Value. The Management Company fee is waived with respect to class ZT shares to avoid duplication of fees as the Management Company fee is

paid at the level of the AB fund that invests in class ZT shares.

The Administrator fee, Depositary fee and Transfer Agent fee for the Portfolio are paid out of the assets of the Portfolio in accordance with the usual practice in Luxembourg and shall not exceed a fixed maximum specified under Section II of the prospectus under “Administrator, Depositary and Transfer Agent Fees”. These fees may decrease or increase depending on the assets of the Portfolio and transaction volume or for other reasons.

### **Organizational Expenses**

The Portfolio has no unamortized organizational expenses.

### **Historical Performance**

Information on the historical performance of the Portfolio may be found at [www.alliancebernstein.com](http://www.alliancebernstein.com).

### **History**

The Portfolio was established as a portfolio of the Fund on 1 July 1993.



# AB FCP I—European Income Portfolio

## Investment Objective and Policies

### Investment Objective

The investment objective of the Portfolio is to maximize current income while seeking preservation of capital. The Investment Manager intends to manage the Portfolio to maximize current income by taking advantage of market developments, yield disparities and variations in the creditworthiness of issuers.

### Description of Investment Discipline and Process

The Portfolio will pursue this objective through investment primarily in fixed-income securities of European companies and governments. The Investment Manager will invest at any time at least two-thirds (2/3) of the Portfolio's total assets in such securities, and may invest up to one-third (1/3) of total assets in Euro- or European currency-denominated fixed-income securities of non-European issuers.

Also, the Investment Manager expects that approximately 65% of the Portfolio's total assets will be invested in Investment Grade fixed-income securities, with approximately 35% of the Portfolio's total assets invested in securities that are rated below Investment Grade. However, the Portfolio will be authorized to invest up to 50% of its total assets in below Investment Grade fixed-income securities if the Investment Manager deems such investments appropriate in light of prevailing market conditions.

When implementing the investment strategy, the Portfolio seeks preservation of capital but may benefit from capital appreciation.

In addition, the Investment Manager expects that 100% of the Portfolio's total assets will be invested in securities denominated in European currencies, with at least 65% of such securities denominated in Euros. A "European company" is a company that has its registered office in Europe or that carries out a preponderant part of its economic activities in Europe. European countries comprise Western, Central and Eastern Europe (both EU and non-EU members), as well as Turkey.

Investments will be made in securities listed on regulated markets, which are generally recognized, operational and open to the public in Western, Central and Eastern Europe (including both EU and non-EU members), as well as Turkey.

The Portfolio has no limitation as to the amount of its total assets that may be invested in a single country or a single industry. The Portfolio may invest up to 25% of its total assets in newly developing markets that are not Investment Grade rated. The Portfolio also may invest up to 10% of its total assets in securities not quoted or in the process of being quoted.

The Portfolio may invest up to 10% of its assets in contingent convertible bonds ("CoCos"). CoCos may be issued as Additional Tier 1 securities, as a perpetual instrument, with discretionary coupons or as Tier 2 instruments with a stated maturity and with fixed coupons. For additional details on CoCos, please see "Contingent convertible bonds (CoCos) risk" in "Risk Factors" in Section II.

The Investment Manager believes that the continued pace of economic integration and political change in Europe creates the potential for many attractive investment opportunities for the Fund. As protectionism is reduced coincident with the entry of various European countries into the EU, many companies will seek to raise capital in the international capital markets in the form of debt issuance, particularly in Euro-denominated debt.

The Portfolio seeks to take advantage of the Investment Manager's fixed income research capabilities. The Investment Manager's team of fixed income research analysts has broad-based, multi-sector experience. Their efforts are supplemented by the extensive industry expertise of the Investment Manager's equity and international research analysts.

In evaluating fixed income obligations, the Investment Manager will utilize its internal credit analysis resources as well as financial and economic information obtained from other sources. With respect to corporate issuers, the Investment Manager will consider the financial condition of the issuer and market and economic conditions relevant to its operations. In terms of governmental obligations, the Investment Manager will review the financial position of the issuer and political and economic conditions in the relevant country. Investment in securities of supranational entities is subject to the additional risk that member governments may fail to make required capital contributions and that a supranational entity may thus be unable to meet its obligations.

The Investment Manager will attempt to reduce the risk inherent in the Portfolio's investment approach through credit analysis, diversification and attention to current developments and trends in interest rates and economic and political situations in European countries.

### Other Investment Policies

The Portfolio may seek to hedge against securities market and currency fluctuations through the use of listed futures and options, and OTC derivative instruments, including swaps, options and currency transactions. Investing in the fixed-income securities of European companies and sovereigns and the other securities in which the Portfolio may invest involve special considerations and risks.

In accordance with the transparency requirements of the SFT Regulation the chart below reflects, where applicable, the expected and maximum level of the Portfolio's net assets that will be subject to securities financing transactions (*i.e.* securities lending transactions as well as repurchase agreements and reverse repurchase agreements) ("*SFTs*") and total return swaps and/or other financial derivative instruments with similar characteristics ("*TRS*"); being specified that in certain circumstances this proportion may be higher.

Type of Transactions	Expected Range	Maximum
TRS	0%-10%	25%

Repurchase agreements and reverse repurchase agreements	0%-5%	10%
Securities lending transactions	N/A	N/A

For further details concerning SFTs and TRS, please refer to “Appendix C: Additional Information relating to Financial Derivative Instruments, Financial Techniques and Instruments and Collateral Management.”

### Currency Hedged Share Classes

One or more of the Portfolio’s share classes offered in a particular currency (each, an “Offered Currency”) may be hedged to such Offered Currency. Any such share class will constitute a “Currency Hedged Share Class.” Currency Hedged Share Classes aim to provide investors a return more closely correlated to the Portfolio’s base currency return by reducing the effect of exchange rate fluctuations between the Portfolio’s base currency (*i.e.*, Euro) and the relevant Offered Currency, taking into account practical considerations such as transaction costs. The hedging strategy employed is designed to reduce, but may not eliminate, currency exposure between the Portfolio’s base currency and the Offered Currency.

Currency Hedged Share Classes do not affect the investment management of the Portfolio’s underlying assets since it is only the net asset value (NAV) of the Currency Hedged Share Classes, not the Portfolio’s underlying assets, which is hedged to the Offered Currency. Expenses incurred as a result of such hedging activity will be borne by the Currency Hedged Share Class in relation to which such expenses are incurred.

For additional information on share class hedging, see “How to Purchase Shares—Currency Hedged Share Classes” in Section II.

**Risk Factors linked to RMB Hedged Share Classes.** Since 2005, the RMB exchange rate is no longer pegged to the U.S. dollar. RMB has now moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. The daily trading price of the RMB against other major currencies in the inter-bank foreign exchange market is allowed to float within a narrow band around the central parity published by the People’s Bank of China. RMB convertibility from offshore RMB (CNH) to onshore RMB (CNY) is a managed currency process subject to foreign exchange control policies of and repatriation restrictions imposed by the Chinese government in coordination with the Hong Kong Monetary Authority (HKMA). The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions pursued by the Chinese government from time-to-time as well as other external market forces.

Since 2005, foreign exchange control policies pursued by the Chinese government have resulted in the general appreciation of RMB (both CNH and CNY). This appreciation may or may not continue and there can be no assurance that RMB will not be subject to devaluation at some point. Any devaluation of

RMB could adversely affect the value of investors’ investments in the RMB H shares.

The RMB H shares participate in the offshore RMB (CNH) market, which allows investors to freely transact CNH outside of mainland China with approved banks in the Hong Kong market (HKMA approved banks). The RMB H shares will have no requirement to remit CNH to onshore RMB (CNY).

**Leverage.** The Investment Manager does not expect to utilize bank borrowing in implementing the Portfolio’s investment strategy. The expected level of leverage of the Portfolio is estimated to be in the 0% to 100% range of its Net Asset Value. The expected level of leverage is calculated as the sum of the notional of the financial derivative instruments held by the Portfolio. Pursuant to the CSSF Circular 11/512 dated 30 May 2011, this calculation methodology neither takes into account the fact that a particular financial derivative instrument increases or decreases the Portfolio’s investment risks nor permits to net financial derivative instruments with reverse positions. Shareholders should be aware that (i) a higher level of expected leverage does not automatically imply a higher level of investment risk and (ii) the expected level of leverage disclosed above is mainly generated by the use of derivatives for hedging purposes or for efficient portfolio management. In addition, the actual leverage of the Portfolio may deviate from the above mentioned expected level of leverage.

**Risk Measurement.** The Investment Manager will utilize a Value-at-Risk (“VaR”) methodology to monitor the global exposure (market risk) for the Portfolio. The global exposure of the Portfolio is measured by the absolute VaR methodology pursuant to which the VaR of the Portfolio may not exceed 20% of its Net Asset Value.

**Benchmark.** The Portfolio’s benchmark is the Bloomberg Euro Aggregate Index. The Portfolio uses the benchmark for performance comparison. The Portfolio is actively managed and the Investment Manager is not constrained by its benchmark when implementing the Portfolio’s investment strategy. Although the Portfolio may hold, in certain market conditions and subject to the Investment Manager’s full discretion, a significant part of the components of the benchmark, it will not hold every component of the benchmark and may also hold securities that are not part of it.

**Responsible investing.** The Portfolio integrates ESG considerations. The Portfolio applies certain exclusions and details can be found at

[www.alliancebernstein.com/go/ABFCPIExclusionChart](http://www.alliancebernstein.com/go/ABFCPIExclusionChart).

The Portfolio is of the category that promotes environmental and social characteristics (SFDR Article 8; see “Appendix E: SFDR Pre-Contractual Disclosures” for more information).

## Summary Information

Portfolio Features			
Currency of the Portfolio	Euro	Distributions*	<i>For class A, B, C, and I shares</i> To be declared daily and payable monthly
Net Asset Value Calculation	Each Business Day		<i>For class AT, CT, IT, NT, S1D and WT shares</i> To be declared and payable monthly
Net Asset Value Publication	Available at <a href="http://www.alliancebernstein.com">www.alliancebernstein.com</a>		<i>For class AA, IA, SA and WA shares</i> To be declared and payable monthly with a distribution rate to be derived from gross income (before deduction of fees and expenses)
Class Names	<b>H</b> means Currency Hedged Share Classes. For additional information on share class hedging, see “How to Purchase Shares—Currency Hedged Share Classes” and “Risk Factors -- Currency Hedged Share Class Risk” in Section II.		<i>For class SHK shares</i> To be declared daily and payable monthly with a distribution rate to be derived from gross income (before deduction of fees and expenses)
Order Cut-Off Times	<i>For Euro-Denominated Share Classes and USD-Denominated Share Classes</i> 4:00 P.M. U.S. Eastern Time on each Business Day		<i>For class A2, B2, C2, E2, I2, S, S1 and W2 shares</i> None.
	<i>For Currency Hedged Share Classes (except RMB Hedged Share Classes)</i> 6:00 P.M. Central European Time on each Business Day		<i>For class AK and CK shares</i> To be declared and payable bi-annually
	<i>For RMB Hedged Share Classes</i> 1:00 P.M. Central European Time on each Business Day		<i>For class AR shares</i> To be declared and payable annually with a distribution rate to be derived from gross income (before deduction of fees and expenses)
			See "Distributions" below.
*Includes Hedged Share Classes			

**Share Class Fees and Charges<sup>1</sup>**

	Initial Sales Charge <sup>3</sup>	Management Fee <sup>4</sup>	Distribution Fee <sup>5</sup>	Contingent Deferred Sales Charge <sup>6</sup>
<b>Euro-Denominated Share Classes</b>				
Class A and A2 Shares	Up to 5.00%	1.10%	None	None
Class AT Shares	Up to 5.00%	1.10%	None	None
Class AK Shares	Up to 5.00%	1.10%	None	None
Class AA Shares	Up to 5.00%	1.10%	None	None
Class AR Shares	Up to 5.00%	1.10%	None	None
Class B2 Shares <sup>2**</sup>	None	1.10%	0.70%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%

AB FCP I—European Income Portfolio

Class C and C2 Shares	None	1.55%	None	0–1 year held=1.0% thereafter 0%
Class CT Shares	None	1.55%	None	0–1 year held=1.0% thereafter 0%
Class CK Shares	None	1.55%	None	0–1 year held=1.0% thereafter 0%
Class E2 Shares <sup>10</sup>	None	1.10%	0.50%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class I and I2 Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class IT Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class IA Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class S Shares <sup>7</sup>	None	None	None	None
Class SHK Shares <sup>9</sup>	None	None	None	None
Class S1 Shares	None	0.50%	None	None
Class S1D Shares	None	0.50%	None	None
Class W2 Shares <sup>8</sup>	None	Up to 0.55%	None	None
Class WA Shares <sup>8</sup>	None	Up to 0.55%	None	None
Class WT Shares <sup>8</sup>	None	Up to 0.55%	None	None

**USD-Denominated Share Classes**

Class A and A2 Shares	Up to 5.00%	1.10%	None	None
Class AT Shares	Up to 5.00%	1.10%	None	None
Class B and B2 Shares <sup>2**</sup>	None	1.10%	0.70%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class C and C2 Shares	None	1.55%	None	0–1 year held=1.0% thereafter 0%
Class I and I2 Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class S1 Shares	None	0.50%	None	None

**USD Hedged Share Classes**

Class A2 USD H Shares	Up to 5.00%	1.10%	None	None
Class AT USD H Shares	Up to 5.00%	1.10%	None	None
Class AA USD H Shares	Up to 5.00%	1.10%	None	None
Class C2 USD H Shares	None	1.55%	None	0–1 year held=1.0% thereafter 0%
Class CT USD H Shares	None	1.55%	None	0–1 year held=1.0% thereafter 0%

Class I2 USD H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class IT USD H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class IA USD H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class NT USD H Shares	Up to 3.00%	1.65%	None	None
Class S1 USD H Shares	None	0.50%	None	None
Class SA USD H Shares <sup>7</sup>	None	None	None	None
Class W2 USD H Shares <sup>8</sup>	None	Up to 0.55%	None	None
Class WA USD H Shares <sup>8</sup>	None	Up to 0.55%	None	None
Class WT USD H Shares <sup>8</sup>	None	Up to 0.55%	None	None

**AUD Hedged Share Classes**

Class AT AUD H Shares	Up to 5.00%	1.10%	None	None
Class AA AUD H Shares	Up to 5.00%	1.10%	None	None
Class I2 AUD H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class IT AUD H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None

**SGD Hedged Share Classes**

Class A2 SGD H Shares	Up to 5.00%	1.10%	None	None
Class AT SGD H Shares	Up to 5.00%	1.10%	None	None
Class AA SGD H Shares	Up to 5.00%	1.10%	None	None

**HKD Hedged Share Classes**

Class AA HKD H Shares	Up to 5.00%	1.10%	None	None
Class IA HKD H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None

**RMB\* Hedged Share Classes**

Class AA RMB H Shares	Up to 5.00%	1.10%	None	None
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**CHF Hedged Share Classes**

Class A2 CHF H Shares	Up to 5.00%	1.10%	None	None
Class I2 CHF H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class W2 CHF H Shares <sup>8</sup>	None	Up to 0.55%	None	None

**PLN Hedged Share Classes**

Class A2 PLN H Shares	Up to 5.00%	1.10%	None	None
Class I2 PLN H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None

**CZK Hedged Share Classes**

Class A2 CZK H Shares	Up to 5.00%	1.10%	None	None
Class I2 CZK H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None

**GBP Hedged Share Classes**

Class AT GBP H Shares	Up to 5.00%	1.10%	None	None
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- 1 The Management Company, Administrator, Depositary and Transfer Agent are entitled to receive, out of the assets of the Portfolio, fees as described under "Other Portfolio Information—Management Company, Administrator, Depositary and Transfer Agent Fees" below. The Portfolio also bears all of its other expenses. See "How to Purchase Shares" and "Additional Information—Fees and Expenses" in Section II. The Management Company has voluntarily undertaken, until the Management Company on behalf of the Fund notifies Shareholders to the contrary, that if, in any fiscal year, the aggregate fees and expenses with respect to the following share classes of the Portfolio (including any management fee and all other fees and expenses set out in "Additional Information—Fees and Expenses" in Section II, including Luxembourg *Taxe d'Abonnement* but exclusive of certain other taxes, brokerage (if applicable) and interest on borrowings) exceed the following percentages of the Portfolio's average Net Asset Value for the fiscal year attributable to the Portfolio's share classes (and corresponding H shares) as follows: A (1.41%), AT (1.41%), A2 (1.41%), AK (1.41%), AA (1.41%), AR (1.41%), B (2.11%), B2 (2.11%), C (1.86%), C2 (1.86%), CT (1.86%), CK (1.86%), E2 (2.00%), I (0.86%), I2 (0.86%), IT (0.86%), IA (0.86%), NT (1.96%), S (0.15%), SHK (0.15%), S1 (0.65%), S1D (0.65%), SA (0.15%), W2 (0.86%), WA (0.86%) and WT (0.86%), the Fund may deduct from the payment to be made to the Management Company, or the Management Company will otherwise bear, such excess fees and expenses.
  - 2 After six years from the date of purchase, class B and B2 shares are eligible for conversion to class A and A2 shares, respectively, without charge from either the Fund or the Management Company. For further details on the conversion of shares, please refer to "How to Exchange or Convert Shares—Conversion of CDSC Shares" in Section II of the Prospectus.
  - 3 As a percentage of purchase price.
  - 4 As an annual percentage of average daily Net Asset Value. With respect to certain share classes, the management fee may also include a component that is paid to distributors or other financial intermediaries and service providers. For further details on the management fee, please refer to "Additional Information—Fees and Expenses" in Section II.
  - 5 As an annual percentage of average daily Net Asset Value.
  - 6 As a percentage of the lesser of the current Net Asset Value or original cost of the Shares being redeemed and based upon the duration that such Shares are held. CDSC Shares may only be purchased through a dealer authorized by the Distributor to offer such shares. Those investors considering an investment in CDSC Shares should speak with their financial advisor for details. With respect to class C, C2, CK and CT shares (and corresponding H shares), a dealer may elect to waive the contingent deferred sales charge in certain circumstances.
  - 7 Class S and SA USD H shares are reserved for institutional investors that have entered into an agreement with the Management Company and are being charged an investment management fee separately.
  - 8 For further information on this share class, see "Additional Share Class Information" in Section II.
  - 9 Class SHK shares are reserved for investments by AB funds.
  - 10 After three years from the date of purchase, class E2 shares will be converted to class A2 shares without charge from either the Fund or the Management Company. For further details on the conversion of shares, please refer to "How to Exchange or Convert Shares—Conversion of CDSC Shares" in Section II of the Prospectus.
- \* "RMB" refers to offshore RMB ("CNH") and not onshore RMB known as CNY.
- \*\* Effective 15 December 2016, Class B shares will no longer be offered. However, Class B shares may be made available for exchange to shareholders holding Class B shares (or a variation thereof including hedged share classes) in another Portfolio or other AB fund.

## Other Share Class Features

	Offered Currencies	Minimum Initial Investment*	Minimum Subsequent Investment*	Maximum Investment**	Luxembourg Taxe d'Abonnement***
<b>Euro-Denominated Share Classes</b>					
Class A and A2 Shares	Euro	€2,000	€750	None	0.05%
Class AT Shares	Euro	€2,000	€750	None	0.05%
Class AK Shares	Euro	€2,000	€750	None	0.05%
Class AA Shares	Euro	€2,000	€750	None	0.05%
Class AR Shares	Euro	€2,000	€750	None	0.05%
Class B2 Shares	Euro	€2,000	€750	€250,000	0.05%
Class C and C2 Shares	Euro	€2,000	€750	None	0.05%
Class CT Shares	Euro	€2,000	€750	None	0.05%
Class CK Shares	Euro	€2,000	€750	None	0.05%
Class E2 Shares	Euro	€2,000	€750	None	0.05%
Class I and I2 Shares	Euro	€1 million**	None	None	0.05%
Class IT Shares	Euro	€1 million**	None	None	0.05%
Class IA Shares	Euro	€1 million**	None	None	0.05%
Class S Shares	Euro	€20 million**	None	None	0.01%
Class SHK Shares	Euro	€20 million**	None	None	0.01%
Class S1 Shares	Euro	€20 million**	None	None	0.01%

Class S1D Shares	Euro	€20 million**	None	None	0.01%
Class W2 Shares	Euro	€1 million**	None	None	0.05%
Class WA Shares	Euro	€1 million**	None	None	0.05%
Class WT Shares	Euro	€1 million**	None	None	0.05%

**USD-Denominated Share Classes**

Class A and A2 Shares	Dollar	\$2,000	\$750	None	0.05%
Class AT Shares	Dollar	\$2,000	\$750	None	0.05%
Class B and B2 Shares	Dollar	\$2,000	\$750	\$250,000	0.05%
Class C and C2 Shares	Dollar	\$2,000	\$750	None	0.05%
Class I and I2 Shares	Dollar	\$1 million**	None	None	0.05%
Class S1 Shares	Dollar	\$25 million**	None	None	0.01%

	Hedged Currencies	Minimum Initial Investment*	Minimum Subsequent Investment*	Maximum Investment**	Luxembourg Taxe d'Abonnement***
<b>AUD Hedged Share Classes</b>					
Class AT AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class AA AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class I2 AUD H Shares	AUD	A\$1 million**	None	None	0.05%
Class IT AUD H Shares	AUD	A\$1 million**	None	None	0.05%

**USD Hedged Share Classes**

Class A2 USD H Shares	Dollar	\$2,000	\$750	None	0.05%
Class AT USD H Shares	Dollar	\$2,000	\$750	None	0.05%
Class AA USD H Shares	Dollar	\$2,000	\$750	None	0.05%
Class C2 USD H Shares	Dollar	\$2,000	\$750	None	0.05%
Class CT USD H Shares	Dollar	\$2,000	\$750	None	0.05%
Class I2 USD H Shares	Dollar	\$1 million**	None	None	0.05%
Class IT USD H Shares	Dollar	\$1 million**	None	None	0.05%
Class IA USD H Shares	Dollar	\$1 million**	None	None	0.05%
Class NT USD H Shares	Dollar	\$2,000	\$750	None	0.05%
Class S1 USD H Shares	Dollar	\$25 million**	None	None	0.01%
Class SA USD H Shares	Dollar	\$25 million**	None	None	0.01%
Class W2 USD H Shares	Dollar	\$1 million**	None	None	0.05%
Class WA USD H Shares	Dollar	\$1 million**	None	None	0.05%
Class WT USD H Shares	Dollar	\$1 million**	None	None	0.05%

**SGD Hedged Share Classes**

Class A2 SGD H Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class AT SGD H Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class AA SGD H Shares	SGD	S\$3,000	S\$1,000	None	0.05%

**HKD Hedged Share Classes**

Class AA HKD H Shares	HKD	HK\$15,000	HK\$5,000	None	0.05%
Class IA HKD H Shares	HKD	HK\$8 million**	None	None	0.05%

**RMB Hedged Share Classes**

Class AA RMB H Shares	RMB	RMB 10,000	RMB 3,750	None	0.05%
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**CHF Hedged Share Classes**

Class A2 CHF H Shares	CHF	CHF 2,000	CHF 750	None	0.05%
Class I2 CHF H Shares	CHF	CHF 1 million**	None	None	0.05%
Class W2 CHF H Shares	CHF	CHF 1 million**	None	None	0.05%

**GBP Hedged Share Classes**

Class AT GBP H Shares	GBP	£2,000	£750	None	0.05%
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**PLN Hedged Share Classe**

Class A2 PLN H Shares	PLN	PLN 7,500	PLN 3,000	None	0.05%
Class I2 PLN H Shares	PLN	PLN 4,000,000**	None	None	0.05%

**CZK Hedged Share Classes**

Class A2 CZK H Shares	CZK	CZK 50,000	CZK 20,000	None	0.05%
Class I2 CZK H Shares	CZK	CZK 25,000,000**	None	None	0.05%

\* Does not apply to automatic investment plans, where offered.

\*\* May be waived by the Management Company in its sole discretion.

\*\*\* Annual Luxembourg tax payable quarterly by each portfolio.



## Other Portfolio Information

### Principal Investment Types

For a chart summarizing the principal types of investments used by the Portfolio and a description of securities and other instruments in which the Portfolio may invest, investors should refer to "Investment Types" in Section II. The ability of the Portfolio to invest in any securities or instruments is subject to the restrictions in the Portfolio's stated investment objective and policies and the limitations contained in "Investment Restrictions" in Appendix A to Section II.

### Risk Profile

Fixed-income securities in which the Portfolio will invest are subject to the credit risk of the private and public institutions offering these securities and their market value is influenced by changes in interest rates. Because the Portfolio's fixed-income securities investments may be below Investment Grade quality, these risks are higher for this Portfolio than for a portfolio that invests solely in Investment Grade or equivalent quality fixed-income securities. Below Investment Grade securities are also subject to greater risk of loss of principal and interest and are generally less liquid and more volatile. There can be no assurance that any distribution payments will occur and the Portfolio has no specific maturity.

The Portfolio is subject to market, interest rate and currency fluctuations and to other risks inherent in investing in securities. Therefore, no assurance can be given that the investment objective will be achieved, that invested capital will be preserved, or that capital appreciation will occur. Investment results may vary substantially on a monthly, quarterly or annual basis. An investment in the Portfolio does not represent a complete investment program.

For a chart summarizing the principal risks of the Portfolio and a more detailed discussion of these and other risks applicable to the Portfolio, investors should refer to "Risk Factors" in Section II.

### Profile of the Typical Investor

The Portfolio will suit higher risk-tolerant investors seeking the income potential of fixed-income investment. Investors are encouraged to consult their independent financial advisors regarding the suitability of Shares of the Portfolio for their investment needs.

### Distributions

For class A, B, C and I shares, the Management Company intends to declare daily and pay monthly dividends equal to all or substantially all of the Portfolio's net income attributable to each class of Shares. For class AT, CT, IT, NT, S1D and WT shares (and corresponding H shares), the Management Company intends to declare and pay monthly dividends equal to all or substantially all of the Portfolio's net income attributable to each class of Shares.

For class AK and CK shares, the Management Company intends to declare and pay bi-annually dividends equal to all or substantially all of the Portfolio's net income attributable to each class of Shares.

For class AA, IA, SA and WA shares (and corresponding H shares), the Management Company intends to declare and make monthly distributions. For class SHK shares (and

corresponding H shares), the Management Company intends to declare daily and make monthly distributions. The Management Company intends to maintain a stable distribution rate per share for such share classes. For class AR shares (and corresponding H shares), the Management Company intends to declare and make annual distributions. The distribution rate is to be derived from gross income (before deduction of fees and expenses) and distributions may also include realized and unrealized gains and capital attributable to such classes of Shares. Since fees and expenses do not reduce the distribution rate, the NAV per Share of the relevant classes will be reduced by such fees and expenses.

The Management Company also may determine if and to what extent dividends paid include realized capital gains and/or are paid out of capital attributable to the relevant class of Shares. To the extent the net income and net realized profits attributable to these Shares exceed the amount declared payable, the excess return will be reflected in the respective Net Asset Value of such Shares. Dividends may be automatically reinvested at the election of the Shareholder.

For class A2, B2, C2, E2, I2, S, S1 and W2 shares (and corresponding H shares), the Management Company currently does not intend to pay dividends with respect to the Shares. Therefore, any net income and net realized profits attributable to the Shares will be reflected in the respective Net Asset Value of the Shares.

### Management Company, Administrator, Depositary and Transfer Agent Fees

For all Shares (and corresponding H shares) except class S, SHK, S1, S1D and SA shares (and corresponding H shares), the Management Company is paid an annual fee out of the assets of the Portfolio on the aggregate Net Asset Value attributable to the Shares equal to 0.10% of average daily Net Asset Value. The Management Company is paid an annual fee out of the assets of the Portfolio on the aggregate Net Asset Value attributable to the class S, SHK, S1, S1D and SA shares (and corresponding H shares) equal to the lesser of \$50,000 or 0.01% of average daily Net Asset Value.

The Administrator fee, Depositary fee and Transfer Agent fee for the Portfolio are paid out of the assets of the Portfolio in accordance with the usual practice in Luxembourg and shall not exceed a fixed maximum specified under Section II of the prospectus under "Administrator, Depositary and Transfer Agent Fees". These fees may decrease or increase depending on the assets of the Portfolio and transaction volume or for other reasons.

### Organizational Expenses

The Portfolio has no unamortized organizational expenses.

### Historical Performance

Information on the historical performance of the Portfolio may be found at [www.alliancebernstein.com](http://www.alliancebernstein.com).

### History

The Portfolio was established as a portfolio of the Fund on 26 February 1999.

# AB FCP I—Emerging Markets Debt Portfolio

## Investment Objective and Policies

### Investment Objective

The Portfolio's investment objective is to maximize total returns from price appreciation and income.

### Investment Discipline and Processes

**General.** The Investment Manager believes inefficiencies in the global debt markets arise from investor emotion, market complexity and conflicting investment agendas. The Investment Manager combines quantitative forecasts with fundamental credit and economic research in seeking to exploit these inefficiencies.

**Investment Strategy.** AB's Emerging Market Debt Strategy seeks to generate returns in excess of the benchmark through a combination of country selection, currency allocation, sector analysis and security selection.

The Portfolio's investments in sovereign debt obligations and non-U.S. corporate fixed-income securities emphasize countries that are included in the J.P. Morgan Emerging Markets Bond Index Global or are considered at the time of purchase to be emerging markets or developing countries. The Portfolio invests at least two-thirds of its total assets in sovereign and quasi-sovereign (*i.e.* debt issued by supranational organizations and other government-related entities) debt obligations.

The Portfolio is non-diversified, meaning it may invest more of its assets in a fewer number of issuers.

### Investment Policies

The Investment Manager expects that at any time at least 80% of the Portfolio's total assets will be invested in emerging market debt securities, and in no case will the amount of the Portfolio's total assets invested in such securities be less than two-thirds of the Portfolio's total assets. Emerging market countries are those not characterized as high income countries by the World Bank, based on per capita gross national income (to obtain the World Bank's list of such countries, please go to: <http://siteresources.worldbank.org/DATASTATISTICS/Resources/CLASS.XLS>). Furthermore, the Portfolio will invest no more than 25% of its total assets in convertible bonds, no more than 30% of its total assets in money market instruments and no more than 10% of its total assets in equity securities. Fixed-income securities and other assets, including cash, which the Portfolio may hold, may be denominated in various currencies. The Portfolio may invest in structured securities (both Investment Grade and non-Investment Grade) originated by a wide range of originators and sponsors.

The Portfolio may invest up to 10% of its assets in contingent convertible bonds ("**CoCos**"). CoCos may be issued as Additional Tier 1 securities, as a perpetual instrument, with discretionary coupons or as Tier 2 instruments with a stated maturity and with fixed coupons. For additional details on CoCos, please see "Contingent convertible bonds (CoCos) risk" in "Risk Factors" in Section II.

### Financial Derivative Instruments/Efficient Portfolio

**Management Techniques.** The Investment Manager may use a wide array of derivative products and strategies when implementing the Portfolio's investment strategy. Such

financial derivative instruments may include, but are not limited to, swaps (including interest rate swaps ("IRS"), total rate of return swaps ("TRS") and credit default swaps ("CDS")), swaptions, options, futures and currency transactions (including forward currency contracts). These financial derivative instruments (including OTC derivatives and exchange-traded financial derivative instruments) and efficient portfolio management techniques may be employed for the following purposes: (i) as an alternative to investing directly in the underlying investments, (ii) to manage duration, (iii) to hedge against interest rate, credit and currency fluctuations, and (iii) for efficient portfolio management purposes. With respect to CDS, the Portfolio may both "sell" protection in order to gain exposure and "buy" protection to hedge credit exposure.

In accordance with the transparency requirements of the SFT Regulation the chart below reflects, where applicable, the expected and maximum level of the Portfolio's net assets that will be subject to securities financing transactions (*i.e.* securities lending transactions as well as repurchase agreements and reverse repurchase agreements) ("**SFTs**") and total return swaps and/or other financial derivative instruments with similar characteristics ("**TRS**"); being specified that in certain circumstances this proportion may be higher.

Type of Transactions	Expected Range	Maximum
TRS	0%-10%	25%
Repurchase agreements and reverse repurchase agreements	0%-5%	10%
Securities lending transactions	N/A	N/A

For further details concerning SFTs and TRS, please refer to "Appendix C: Additional Information relating to Financial Derivative Instruments, Financial Techniques and Instruments and Collateral Management."

**Leverage.** The Investment Manager does not expect to utilize bank borrowing in implementing the Portfolio's investment strategy. The expected level of leverage of the Portfolio is estimated to be in the 0% to 100% range of its Net Asset Value. The expected level of leverage is calculated as the sum of the notionals of the financial derivative instruments held by the Portfolio. Pursuant to the CSSF Circular 11/512 dated 30 May 2011, this calculation methodology neither takes into account the fact that a particular financial derivative instrument increases or decreases the Portfolio's investment risks nor permits to net financial derivative instruments with reverse positions. Shareholders should be aware that (i) a higher level of expected leverage does not automatically imply a higher level of investment risk and (ii) the expected level of leverage disclosed above is mainly generated by the use of

derivatives for hedging purposes or for efficient portfolio management. In addition, the actual leverage of the Portfolio may deviate from the above mentioned expected level of leverage.

**Risk Measurement.** The Investment Manager will utilize a Value-at-Risk ("VaR") methodology to monitor the global exposure (market risk) for the Portfolio. The global exposure of the Portfolio is measured by the absolute VaR methodology pursuant to which the VaR of the Portfolio may not exceed 20% of its Net Asset Value.

VaR approach takes into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions in the Portfolio to give an estimate of the level of potential loss on a portfolio.

**Benchmark.** The Portfolio's benchmark is the JPMorgan EMBI Global Diversified Index. The Portfolio uses the benchmark for performance comparison. The Portfolio is actively managed and the Investment Manager is not constrained by its benchmark when implementing the Portfolio's investment strategy. Although the Portfolio may hold, in certain market conditions and subject to the Investment Manager's full discretion, a significant part of the components of the benchmark, it will not hold every component of the benchmark and may also hold securities that are not part of it.

**Structured Investments.** The Portfolio may invest in structured securities (both Investment Grade and non-Investment Grade) originated by a wide range of originators and sponsors. Structured securities may include non-agency (*i.e.* privately issued) mortgage-backed securities ("MBS") and adjustable-rate mortgage securities ("ARMS") and collateralized mortgage obligations ("CMOs"), as well as other asset-backed securities ("ABS"), commercial mortgage-backed securities ("CMBS") and collateralized debt obligations ("CDOs") and related financial derivative instruments and currencies.

**Credit Quality.** The Portfolio's assets may be invested both in Investment Grade and below investment grade securities, which may include securities having the lowest rating for non-subordinated debt instruments and unrated securities of equivalent investment quality. The Investment Manager currently expects that a significant portion of the Portfolio, which may at any time exceed 50% of total assets, may be invested in non-Investment Grade securities.

**Maturity and Duration.** The Investment Manager expects that the weighted average maturity of the Portfolio's investments will normally range between nine and 30 years.

**Country Concentration.** The Portfolio may invest up to 30% of its net assets in a single country.

**Currency Management.** The Portfolio generally invests in Dollar-denominated sovereign debt obligations and U.S. and non-U.S. corporate fixed-income securities. The Investment Manager may adjust the Portfolio's currency exposures and/or invest in any currency based on the anticipated risk/return profile of such currencies as indicated by the Investment Manager's research. The Portfolio may invest in non-U.S. Dollar-denominated fixed-income securities; however, the Investment Manager intends to limit the Portfolio's currency

exposure to (i) 5% in any single non-U.S. Dollar currency and (ii) 20% in aggregate non-US Dollar currency.

**Pooled Vehicles.** The Portfolio may also invest up to 10% of its net assets in pooled vehicles sponsored by the Investment Manager to both more efficiently manage its assets and to gain exposure to certain asset classes.

#### **Other Investment Policies**

**Lack of Liquidity.** The Portfolio may invest up to 10% of its net assets in securities which have a lack of liquidity. See paragraph (5) of "Investment Restrictions" in Appendix A to Section II. The Portfolio may not be readily able to sell such securities. Moreover, there may be contractual restrictions on resale of securities. In addition, other types of securities are subject to this 10% restriction.

#### **Defensive Position – Holding Cash or Cash**

**Equivalents.** The Portfolio may, as a temporary defensive measure or to provide for redemptions or in anticipation of investment in various international markets, hold cash or cash equivalents (in Dollars or other currencies) and short-term fixed-income securities, including money market securities.

Fixed-income securities and other assets, including cash, which the Portfolio may hold, may be denominated in various currencies.

#### **Currency Hedged Share Classes**

One or more of the Portfolio's share classes offered in a particular currency (each, an "Offered Currency") may be hedged to such Offered Currency. Any such share class will constitute a "Currency Hedged Share Class." Currency Hedged Share Classes aim to provide investors a return more closely correlated to the Portfolio's base currency return by reducing the effect of exchange rate fluctuations between the Portfolio's base currency (*i.e.*, Dollar) and the relevant Offered Currency, taking into account practical considerations such as transaction costs. The hedging strategy employed is designed to reduce, but may not eliminate, currency exposure between the Portfolio's base currency and the Offered Currency.

Currency Hedged Share Classes do not affect the investment management of the Portfolio's underlying assets since it is only the net asset value (NAV) of the Currency Hedged Share Classes, not the Portfolio's underlying assets, which is hedged to the Offered Currency. Expenses incurred as a result of such hedging activity will be borne by the Currency Hedged Share Class in relation to which such expenses are incurred.

#### **Risk Factors linked to RMB Hedged Share Classes.**

Since 2005, the RMB exchange rate is no longer pegged to the U.S. dollar. RMB has now moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. The daily trading price of the RMB against other major currencies in the inter-bank foreign exchange market is allowed to float within a narrow band around the central parity published by the People's Bank of China. RMB convertibility from offshore RMB (CNH) to onshore RMB (CNY) is a managed currency process subject to foreign exchange control policies of and repatriation restrictions imposed by the

Chinese government in coordination with the Hong Kong Monetary Authority (HKMA). The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions pursued by the Chinese government from time-to-time as well as other external market forces.

Since 2005, foreign exchange control policies pursued by the Chinese government have resulted in the general appreciation of RMB (both CNH and CNY). This appreciation may or may not continue and there can be no assurance that RMB will not be subject to devaluation at some point. Any devaluation of RMB could adversely affect the value of investors' investments in the RMB H shares.

The RMB H shares participate in the offshore RMB (CNH) market, which allows investors to freely transact CNH outside

of mainland China with approved banks in the Hong Kong market (HKMA approved banks). The RMB H shares will have no requirement to remit CNH to onshore RMB (CNY).

**Responsible investing.** The Portfolio integrates ESG considerations. The Portfolio applies certain exclusions and details can be found at

<http://www.alliancebernstein.com/go/ABFCPIExclusionChart>.

The Portfolio integrates sustainability risks into its investment decisions (see "SFDR Pre-Contractual Disclosures" for more information).

## Summary Information

<b>Portfolio Features</b>				
Currency of the Portfolio	USD	Distributions*	<i>For class A, C and I shares</i> To be declared daily and payable monthly	
Net Asset Value Calculation	Each Business Day Available at <a href="http://www.alliancebernstein.com">www.alliancebernstein.com</a>		<i>For class AT, BT, CT, IT, NT and ZT shares</i> To be declared and payable monthly	
Net Asset Value Publication	<b>H</b> means Currency Hedged Share Classes. For additional information on share class hedging, see “How to Purchase Shares—Currency Hedged Share Classes”, and “Risk Factors - Currency Hedged Share Class Risk” in Section II.		<i>For class AA, EA and SA shares</i> To be declared and payable monthly with a distribution rate to be derived from gross income (before deduction of fees and expenses)	
Class Names			<i>For class AI and EI shares</i> To be declared and payable monthly with a distribution rate to be derived from gross income (before deduction of fees and expenses) and from capital (potentially to a significant extent)	
			<i>For class S1QD shares</i> To be declared and payable quarterly	
Order Cut-Off Times	<i>For USD-Denominated, EUR-Denominated Share Classes and HKD-Denominated Share Classes</i> 4:00 P.M. U.S. Eastern Time on each Business Day  <i>For Currency Hedged Share Classes (except RMB Hedged Share Classes)</i> 6:00 P.M. Central European Time on each Business Day  <i>For RMB Hedged Share Classes</i> 1:00 P.M. Central European Time on each Business Day		<i>For class AR shares</i> To be declared and payable annually with a distribution rate to be derived from gross income (before deduction of fees and expenses)  <i>For class S1L shares</i> To be declared and payable monthly with distributions based on net income and will not pay out of capital  <i>For class A2, C2, E2, I2, N2, S, S1 and S1 2 shares</i> None.  See "Distributions" below.	
			*Includes Hedged Share Classes	

**Share Class Fees and Charges<sup>1</sup>**

	Initial Sales Charge <sup>3</sup>	Management Fee <sup>4</sup>	Distribution Fee <sup>5</sup>	Contingent Deferred Sales Charge <sup>6</sup>
<b>USD-Denominated Share Classes</b>				
Class A and A2 Shares	Up to 5.00%	1.10%	None	None
Class AT Shares	Up to 5.00%	1.10%	None	None
Class AA Shares	Up to 5.00%	1.10%	None	None
Class AI Shares	Up to 5.00%	1.10%	None	None
Class BT Shares <sup>2**</sup>	None	1.10%	1.00%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class C and C2 Shares	None	1.55%	None	0-1 year held=1.0% thereafter 0%

Class CT Shares	None	1.55%	None	0-1 year held=1.0% thereafter 0%
Class E2 Shares <sup>9</sup>	None	1.10%	0.50%	0-1 year held=3.0% 1-2 yrs=2.0% 2-3 yrs=1.0% 3+ yrs=0%
Class EA Shares <sup>9</sup>	None	1.10%	0.50%	0-1 year held=3.0% 1-2 yrs=2.0% 2-3 yrs=1.0% 3+ yrs=0%
Class EI Shares <sup>9</sup>	None	1.10%	0.50%	0-1 year held=3.0% 1-2 yrs=2.0% 2-3 yrs=1.0% 3+ yrs=0%
Class I and I2 Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class N2 and NT Shares	Up to 3.00%	1.65%	None	None
Class S Shares <sup>7</sup>	None	None	None	None
Class S1 2 Shares	None	0.55%	None	None
Class S1L Shares	None	0.55%	None	None
Class SA Shares <sup>7</sup>	None	None	None	None
Class ZT Shares <sup>10</sup>	None	None	None	None
<b>EUR-Denominated Share Classes</b>				
Class AR Shares	Up to 5.00%	1.10%	None	None
Class A and A2 Shares	Up to 5.00%	1.10%	None	None
Class AT Shares	Up to 5.00%	1.10%	None	None
Class C and C2 Shares	None	1.55%	None	0-1 year held=1.0% thereafter 0%
Class I2 Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
<b>HKD-Denominated Share Classes</b>				
Class A2 and AA Shares	Up to 5.00%	1.10%	None	None
Class AT Shares	Up to 5.00%	1.10%	None	None
<b>EUR Hedged Share Classes</b>				
Class A2 EUR H Shares	Up to 5.00%	1.10%	None	None
Class AT EUR H Shares	Up to 5.00%	1.10%	None	None
Class AA EUR H Shares	Up to 5.00%	1.10%	None	None
Class C2 EUR H Shares	None	1.55%	None	0-1 year held=1.0% thereafter 0%
Class I2 EUR H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class IT EUR H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class S EUR H Shares <sup>7</sup>	None	None	None	None
Class S1 EUR H Shares	None	0.55%	None	None
Class S1QD EUR H Shares	None	0.55%	None	None

**GBP Hedged Share Classes**

Class AT GBP H Shares	Up to 5.00%	1.10%	None	None
Class AA GBP H Shares	Up to 5.00%	1.10%	None	None
Class S GBP H Shares <sup>7</sup>	None	None	None	None
Class S1 GBP H Shares	None	0.55%	None	None

**AUD Hedged Share Classes**

Class AT AUD H Shares	Up to 5.00%	1.10%	None	None
Class AA AUD H Shares	Up to 5.00%	1.10%	None	None
Class AI AUD H Shares	Up to 5.00%	1.10%	None	None
Class EA AUD H Shares <sup>9</sup>	None	1.10%	0.50%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class EI AUD H Shares <sup>9</sup>	None	1.10%	0.50%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class I2 AUD H and IT AUD H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None

**SGD Hedged Share Classes**

Class A2 SGD H Shares	Up to 5.00%	1.10%	None	None
Class AT SGD H Shares	Up to 5.00%	1.10%	None	None
Class IT SGD H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None

**RMB\* Hedged Share Classes**

Class AT RMB H Shares	Up to 5.00%	1.10%	None	None
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**CHF Hedged Share Classes**

Class A2 CHF H Shares	Up to 5.00%	1.10%	None	None
Class I2 CHF H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None

**NZD Hedged Share Classes**

Class AT NZD H Shares	Up to 5.00%	1.10%	None	None
Class AA NZD H Shares	Up to 5.00%	1.10%	None	None

**CAD Hedged Share Classes**

Class AT CAD H Shares	Up to 5.00%	1.10%	None	None
Class AA CAD H Shares	Up to 5.00%	1.10%	None	None

**ZAR Hedged Share Classes**

Class AA ZAR H Shares	Up to 5.00%	1.10%	None	None
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Class EA ZAR H Shares <sup>9</sup>	None	1.10%	0.50%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
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**CZK Hedged Share Classes**

Class A2 CZK H Shares	Up to 5.00%	1.10%	None	None
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**PLN Hedged Share Classes**

Class A2 PLN H Shares	Up to 5.00%	1.10%	None	None
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- 1 The Management Company, Administrator, Depositary and Transfer Agent are entitled to receive, out of the assets of the Portfolio, fees as described under "Other Portfolio Information—Management Company, Administrator, Depositary and Transfer Agent Fees" below. The Portfolio also bears all of its other expenses. See "How to Purchase Shares" and "Additional Information—Fees and Expenses" in Section II. The Management Company has voluntarily undertaken, until the Management Company on behalf of the Fund notifies Shareholders to the contrary, that if, in any fiscal year, the aggregate fees and expenses with respect to the following share classes of the Portfolio (including any management fee and all other fees and expenses set out in "Additional Information—Fees and Expenses" in Section II, including Luxembourg *Taxe d'Abonnement* but exclusive of certain other taxes, brokerage (if applicable) and interest on borrowings) exceed the following percentages of the Portfolio's average Net Asset Value for the fiscal year attributable to the Portfolio's share classes (and corresponding H shares) as follows: A (1.50%), A2 (1.50%), AT (1.50%), AA (1.50%), AI (1.50%), AR (1.50%), BT (2.50%), C (1.95%), C2 (1.95%), CT (1.95%), E2 (2.00%), EA (2.00%), EI (2.00%), I (0.95%), I2 (0.95%), IT (0.95%), N2 (2.05%), NT (2.05%), S (0.15%), S1 (0.70%), S1L (0.70%), S1 2 (0.70%), S1QD (0.70%), SA (0.15%) and ZT (0.05%), the Fund may deduct from the payment to be made to the Management Company, or the Management Company will otherwise bear, such excess fees and expenses.
  - 2 After four years from the date of purchase, class BT shares are eligible for conversion to class AT shares, without charge from either the Fund or the Management Company. For further details on the conversion of shares, please refer to "How to Exchange or Convert Shares—Conversion of CDSC Shares" in Section II of the Prospectus.
  - 3 As a percentage of purchase price.
  - 4 As an annual percentage of average daily Net Asset Value. With respect to certain share classes, the management fee may also include a component that is paid to distributors or other financial intermediaries and service providers. For further details on the management fee, please refer to "Additional Information—Fees and Expenses" in Section II.
  - 5 As an annual percentage of average daily Net Asset Value.
  - 6 As a percentage of the lesser of the current Net Asset Value or original cost of the Shares being redeemed and based upon the duration that such Shares are held. CDSC Shares may only be purchased through a dealer authorized by the Distributor to offer such shares. Those investors considering an investment in CDSC Shares should speak with their financial advisor for details. With respect to class C, C2 and CT shares (and corresponding H shares), a dealer may elect to waive the contingent deferred sales charge in certain circumstances.
  - 7 Class S and SA shares are reserved for institutional investors that have entered into an agreement with the Management Company and are being charged an investment management fee separately.
  - 8 For further information on this share class, see "Additional Share Class Information" in Section II.
  - 9 After three years from the date of purchase, class E2, EA and EI shares (and corresponding H shares) will be converted to class A2, AA and AI shares (and corresponding H shares) without charge from either the Fund or the Management Company. For further details on the conversion of shares, please refer to "How to Exchange or Convert Shares—Conversion of CDSC Shares" in Section II of the Prospectus.
  - 10 Class ZT shares are reserved for investments by AB funds.
- \* "RMB" refers to offshore RMB ("CNH") and not onshore RMB known as CNY.
- \*\* Effective 15 December 2016, Class B shares will no longer be offered. However, Class B shares may be made available for exchange to shareholders holding Class B shares (or a variation thereof including hedged share classes) in another Portfolio or other AB fund.

**Other Share Class Features**

	Offered Currencies	Minimum Initial Investment*	Minimum Subsequent Investment*	Maximum Investment**	Luxembourg Taxe d'Abonnement***
<b>USD-Denominated Share Classes</b>					
Class A and A2 Shares	Dollar	\$2,000	\$750	None	0.05%
Class AT Shares	Dollar	\$2,000	\$750	None	0.05%
Class AA Shares	Dollar	\$2,000	\$750	None	0.05%
Class AI Shares	Dollar	\$2,000	\$750	None	0.05%
Class BT Shares	Dollar	\$2,000	\$750	\$250,000	0.05%
Class C and C2 Shares	Dollar	\$2,000	\$750	None	0.05%
Class CT Shares	Dollar	\$2,000	\$750	None	0.05%



Class E2 Shares	Dollar	\$2,000	\$750	None	0.05%
Class EA Shares	Dollar	\$2,000	\$750	None	0.05%
Class EI Shares	Dollar	\$2,000	\$750	None	0.05%
Class I and I2 Shares	Dollar	\$1 million**	None	None	0.05%
Class N2 and NT Shares	Dollar	\$2,000	\$750	None	0.05%
Class S Shares	Dollar	\$25 million**	None	None	0.01%
Class S1 2 Shares	Dollar	\$25 million**	None	None	0.01%
Class S1L Shares	Dollar	\$25 million**	None	None	0.01%
Class SA Shares	Dollar	\$25 million**	None	None	0.01%
Class ZT Shares	Dollar	\$50 million**	None	None	0.01%

**EUR-Denominated Share Classes**

Class AR Shares	Euro	€2,000	€750	None	0.05%
Class A and A2 Shares	Euro	€2,000	€750	None	0.05%
Class AT Shares	Euro	€2,000	€750	None	0.05%
Class C and C2 Shares	Euro	€2,000	€750	None	0.05%
Class I2 Shares	Euro	€1 million**	None	None	0.05%

**HKD-Denominated Share Classes**

Class A2 and AA Shares	HKD	HK\$15,000	HK\$5,000	None	0.05%
Class AT Shares	HKD	HK\$15,000	HK\$5,000	None	0.05%

	Hedged Currencies	Minimum Initial Investment*	Minimum Subsequent Investment*	Maximum Investment**	Luxembourg Taxe d'Abonnement***
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**EUR Hedged Share Classes**

Class A2 EUR H Shares	Euro	€2,000	€750	None	0.05%
Class AT EUR H Shares	Euro	€2,000	€750	None	0.05%
Class AA EUR H Shares	Euro	€2,000	€750	None	0.05%
Class C2 EUR H Shares	Euro	€2,000	€750	None	0.05%
Class I2 EUR H Shares	Euro	€1 million**	None	None	0.05%
Class IT EUR H Shares	Euro	€1 million**	None	None	0.05%
Class S EUR H Shares	Euro	€20 million**	None	None	0.01%
Class S1 EUR H Shares	Euro	€20 million**	None	None	0.01%
Class S1QD EUR H Shares	Euro	€25 million**	None	None	0.01%

**GBP Hedged Share Classes**

Class AT GBP H Shares	GBP	£2,000	£750	None	0.05%
Class AA GBP H Shares	GBP	£2,000	£750	None	0.05%
Class S GBP H Shares	GBP	£15 million**	None	None	0.01%
Class S1 GBP H Shares	GBP	£15 million**	None	None	0.01%

**AUD Hedged Share Classes**

Class AT AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class AA AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class AI AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class EA AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class EI AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class I2 AUD H and IT AUD H Shares	AUD	A\$1 million**	None	None	0.05%

**SGD Hedged Share Classes**

Class A2 SGD H Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class AT SGD H Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class IT SGD H Shares	SGD	S\$1.5 million**	None	None	0.05%

<b>RMB Hedged Share Classes</b>					
Class AT RMB H Shares	RMB	RMB 10,000	RMB 3,750	None	0.05%
<b>CHF Hedged Share Classes</b>					
Class A2 CHF H Shares	CHF	CHF 2,000	CHF 750	None	0.05%
Class I2 CHF H Shares	CHF	CHF 1 million**	None	None	0.05%
<b>NZD Hedged Share Classes</b>					
Class AT NZD H Shares	NZD	NZ\$3,000	NZ\$1,000	None	0.05%
Class AA NZD H Shares	NZD	NZ\$3,000	NZ\$1,000	None	0.05%
<b>CAD Hedged Share Classes</b>					
Class AT CAD H Shares	CAD	C\$2,000	C\$750	None	0.05%
Class AA CAD H Shares	CAD	C\$2,000	C\$750	None	0.05%
<b>ZAR Hedged Share Classes</b>					
Class AA ZAR H Shares	ZAR	ZAR 20,000	ZAR 7,000	None	0.05%
Class EA ZAR H Shares	ZAR	ZAR 20,000	ZAR 7,000	None	0.05%
<b>CZK Hedged Share Classes</b>					
Class A2 CZK H Shares	CZK	CZK 50,000	CZK 20,000	None	0.05%
<b>PLN Hedged Share Classes</b>					
Class A2 PLN H Shares	PLN	PLN 7,500	PLN 3,000	None	0.05%

\* Does not apply to automatic investment plans, where offered.

\*\* May be waived by the Management Company in its sole discretion.

\*\*\* Annual Luxembourg tax payable quarterly by each portfolio.

## Other Portfolio Information

### Principal Investment Type

For a chart summarizing the principal types of investments used by the Portfolio and a description of securities and other instruments in which the Portfolio may invest, investors should refer to "Investment Types" in Section II. The ability of the Portfolio to invest in any securities or instruments is subject to the restrictions in the Portfolio's stated investment objective and policies and the limitations contained in "Investment Restrictions" in Appendix A to Section II.

### Risk Profile

It is intended that this Portfolio will make use of financial derivative instruments. The investment restrictions (9) to (13) set forth in Appendix A to Section II will not apply. This Portfolio shall employ instead the Value-at-Risk (VaR) approach. For further details concerning the VaR approach, please refer to "Appendix C: Additional Information relating to Financial Derivative Instruments, Financial Techniques and Instruments and Collateral Management".

Fixed-income securities in which the Portfolio will invest are subject to the credit risk of the private and public institutions offering these securities and their market value is influenced by changes in interest rates. Because the Portfolio's fixed-income securities investments may be below Investment Grade quality, these risks are higher for this Portfolio than for a portfolio that invests solely in Investment Grade or equivalent quality fixed-income securities. Below Investment Grade securities are also subject to greater risk of loss of principal and interest and are generally less liquid and more volatile. There can be no assurance that any distribution payments will occur and the Portfolio has no specific maturity.

The Portfolio will invest in securities of issuers situated in emerging markets and it may consequently experience greater price volatility and significantly lesser liquidity than a portfolio invested solely in equity securities or issuers located in more developed countries. Such securities are also subject to higher risks of political or economic instability; fluctuations in exchange rates, differing legal and accounting systems, national policies limiting investment opportunities, and higher investment costs.

The Portfolio is subject to market, interest rate and currency fluctuations and to other risks inherent in investing in securities. Therefore, no assurance can be given that the investment objective will be achieved, that invested capital will be preserved, or that capital appreciation will occur. Investment results may vary substantially on a monthly, quarterly or annual basis. An investment in the Portfolio does not represent a complete investment program.

For a chart summarizing the principal risks of the Portfolio and a more detailed discussion of these and other risks applicable to the Portfolio, investors should refer to "Risk Factors" in Section II.

### Profile of the Typical Investor

The Portfolio will suit higher risk-tolerant investors seeking the income potential of fixed-income investment. Investors are encouraged to consult their independent financial advisors regarding the suitability of Shares of the Portfolio for their investment needs.

### Distributions

For class A, C and I shares (and corresponding H shares), the Management Company intends to declare daily and pay monthly dividends equal to all or substantially all of the Portfolio's net income attributable to each class of Shares.

For class AT, BT, CT, IT, NT and ZT shares (and corresponding H shares), the Management Company intends to declare and pay monthly dividends equal to all or substantially all of the Portfolio's net income attributable to each class of Shares.

For class AA, EA and SA shares (and corresponding H shares), the Management Company intends to declare and make monthly distributions. The Management Company intends to maintain a stable distribution rate per share for such share classes. For class AR shares, the Management Company intends to declare and make annual distributions. The distribution rate is to be derived from gross income (before deduction of fees and expenses) and distributions may also include realized and unrealized gains and capital attributable to such classes of Shares. Since fees and expenses do not reduce the distribution rate, the NAV per Share of the relevant classes will be reduced by such fees and expenses.

The Management Company also may determine if and to what extent dividends paid include realized capital gains and/or are paid out of capital, attributable to the relevant class of Shares. To the extent the net income and net realized profits attributable to these Shares exceed the amount declared payable, the excess return will be reflected in the respective Net Asset Value of such Shares. Dividends may be automatically reinvested at the election of the Shareholder.

For class AI and EI shares (and corresponding H shares), the Management Company intends to declare and make monthly distributions. The Management Company intends to maintain a stable distribution rate per share for such share classes. Distributions may come from gross income (before reduction for fees and expenses), realized and unrealized gains and, potentially to a significant extent from capital attributable to the relevant class. Distributions in excess of net income (gross income less fees and expenses) may represent a return of the investor's original investment amount and as such, may result in a decrease in the Net Asset Value per share for the relevant class. If the Net Asset Value per share falls below, respectively USD 1 and AUD 1, the Management Company will contemplate at its full discretion, either (i) the restructuring of the Share Class including through the merger with a Share Class with similar features or (ii) the liquidation of the Share Class. Distributions may be automatically reinvested at the election of the Shareholder.

For class S1L shares, the Management Company intends to declare and make monthly dividends equal to all or substantially all of the Portfolio's net income attributable to the class of Shares. Such dividends will not be paid out of capital attributable to the share class of Shares.

For class A2, C2, E2, I2, N2, S, S1 and S1 2 shares (and corresponding H shares), the Management Company currently does not intend to pay dividends with respect to the Shares. Therefore, any net income and net realized profits attributable to the Shares will be reflected in the respective Net Asset Value of the Shares.

For class S1QD shares (and corresponding H shares), the Board intends to declare and pay quarterly dividends equal to all or substantially all of the Portfolio's net income attributable to the class of Shares.

#### **Management Company, Administrator, Depositary and Transfer Agent Fees**

For all Shares (and corresponding H shares) except class S, S1, SA, S1 2 and S1QD shares (and corresponding H shares), the Management Company is paid an annual fee out of the assets of the Portfolio on the aggregate Net Asset Value attributable to the Shares equal to 0.05% of average daily Net Asset Value. The Management Company is paid an annual fee out of the assets of the Portfolio on the aggregate Net Asset Value attributable to the class S, S1, SA, S1 2 and S1QD shares (and corresponding H shares) equal to the lesser of \$50,000 or 0.01% of average daily Net Asset Value. The Management Company fee is waived with respect to class ZT shares to avoid duplication of fees as the Management Company fee is paid at the level of the AB fund that invests in class ZT shares.

The Administrator fee, Depositary fee and Transfer Agent fee for the Portfolio are paid out of the assets of the Portfolio in accordance with the usual practice in Luxembourg and shall not exceed a fixed maximum specified under Section II of the prospectus under "Administrator, Depositary and Transfer Agent Fees". These fees may decrease or increase depending on the assets of the Portfolio and transaction volume or for other reasons.

#### **Organizational Expenses**

The Portfolio has no unamortized organizational expenses.

#### **Historical Performance**

Information on the historical performance of the Portfolio, once available, may be found at [www.alliancebernstein.com](http://www.alliancebernstein.com).

#### **History**

The Portfolio was established as a portfolio of the Fund on 22 March 2006.

# AB FCP I—Mortgage Income Portfolio

## Investment Objective and Policies

### Investment Objective

The investment objective of the Portfolio is to achieve a high risk-adjusted total return.

### Investment Policies

The Portfolio seeks to achieve its objective by investing in mortgage-related securities and other asset-backed securities. The Portfolio may invest in securities of both Investment Grade and non-Investment Grade quality originated by a wide array of originators and sponsors. The Portfolio's investments may include fixed and floating rate securities, including agency mortgage-backed securities and non-agency (i.e., privately issued) mortgage-backed securities ("MBS") as well as other asset-backed securities ("ABS"), commercial mortgage-backed securities ("CMBS"), and collateralized debt obligations ("CDOs") and related financial derivative instruments and currencies. The Portfolio will have at least two-thirds of its total assets invested in mortgage-related securities.

**Credit Quality.** The Portfolio's assets may be invested in Investment Grade, below-Investment Grade securities and unrated securities of investment quality determined by the Investment Manager. However, it is anticipated that under normal market conditions no more than 50% of the Portfolio's net assets will be invested in below-Investment Grade securities at time of purchase. "Investment Grade" means fixed-income securities rated Baa (including Baa1, Baa2 and Baa3) or higher by Moody's or BBB (including BBB+ and BBB-) or higher by S&P.

If a security is unrated, the Investment Manager will apply, in its discretion, a credit rating it deems appropriate. For split credit ratings, the lower rating shall apply.

**Duration.** In managing the Portfolio's investments, under normal market conditions, the Investment Manager seeks to construct an investment portfolio with a weighted average effective duration of no more than eight years.

**Currency Management.** The Investment Manager expects, under normal circumstances, to hedge non-USD investments and other exposures, including derivatives exposures, such that the Portfolio's net non-USD currency exposure will not exceed 5% of its net assets.

**Financial Derivative Instruments/Efficient Portfolio Management Techniques.** The Investment Manager may use a wide array of derivative products and strategies when implementing the Portfolio's investment strategy. Such financial derivative instruments may include, but are not limited to, stripped mortgage-related securities ("SMRS"), swaps (including interest rate swaps ("IRS"), total rate of return swaps ("TRS") and credit default swaps ("CDS")), swaptions, options, futures and currency transactions (including forward currency contracts). These financial derivative instruments (including OTC derivatives and exchange-traded financial derivative instruments) and efficient portfolio management techniques

may be employed for the following purposes: (i) as an alternative to investing directly in the underlying investments, (ii) to manage duration; (iii) to hedge against interest rate, credit and currency fluctuations and (iv) for efficient portfolio management purposes. With respect to CDS, the Portfolio may both "sell" protection in order to gain exposure and "buy" protection to hedge credit exposure.

In accordance with the transparency requirements of the SFT Regulation the chart below reflects, where applicable, the expected and maximum level of the Portfolio's net assets that will be subject to securities financing transactions (i.e. securities lending transactions as well as repurchase agreements and reverse repurchase agreements) ("SFTs") and total return swaps and/or other financial derivative instruments with similar characteristics ("TRS"); being specified that in certain circumstances this proportion may be higher.

Type of Transactions	Expected Range	Maximum
TRS	0%-10%	25%
Repurchase agreements and reverse repurchase agreements	0%-5%	10%
Securities lending transactions	N/A	N/A

For further details concerning SFTs and TRS, please refer to "Appendix C: Additional Information relating to Financial Derivative Instruments, Financial Techniques and Instruments and Collateral Management."

**Leverage.** The Investment Manager does not expect to utilize bank borrowing in implementing the Portfolio's investment strategy. The expected level of leverage of the Portfolio is estimated to be in the 0% to 100% range of its Net Asset Value. The expected level of leverage is calculated as the sum of the notionals of the financial derivative instruments held by the Portfolio. Pursuant to the CSSF Circular 11/512 dated 30 May 2011, this calculation methodology neither takes into account the fact that a particular financial derivative instrument increases or decreases the Portfolio's investment risks nor permits to net financial derivative instruments with reverse positions. Shareholders should be aware that (i) a higher level of expected leverage does not automatically imply a higher level of investment risk and (ii) the expected level of leverage disclosed above is mainly generated by the use of derivatives for hedging purposes or for efficient portfolio management. In addition, the actual leverage of the Portfolio may deviate from the above mentioned expected level of leverage.

**Risk measurement.** The Investment Manager will utilize a Value-at-Risk (“VaR”) methodology to monitor the global exposure (market risk) for the Portfolio. The global exposure of the Portfolio is measured by the absolute VaR methodology pursuant to which the VaR of the Portfolio may not exceed 20% of its Net Asset Value.

**Benchmark.** The Portfolio’s benchmark is the Secured Overnight Financing Rate (SOFR). The Portfolio uses the benchmark for performance comparison. The Portfolio is actively managed and the Investment Manager is not constrained by its benchmark when implementing the Portfolio’s investment strategy. Although the Portfolio may hold, in certain market conditions and subject to the Investment Manager’s full discretion, a significant part of the components of the benchmark, it will not hold every component of the benchmark and may also hold securities that are not part of it.

### Other Investment Policies

**Lack of Liquidity.** The Portfolio may invest up to 10% of its net assets in securities which have a lack of liquidity. See paragraph (5) of “Investment Restrictions” in Appendix A to Section II. The Portfolio may not be readily able to sell such securities. Moreover, there may be contractual restrictions on resale of securities. In addition, other types of securities are subject to this 10% restriction.

### Defensive Position – Holding Cash or Cash Equivalents.

The Portfolio may, as a temporary defensive measure or to provide for redemptions or in anticipation of investment in various international markets, hold cash or cash equivalents and short term fixed-income securities, including money market instruments.

### Currency Hedged Share Classes

One or more of the Portfolio’s share classes offered in a particular currency (each, an “Offered Currency”) may be hedged to such Offered Currency. Any such share class will constitute a “Currency Hedged Share Class.” Currency Hedged Share Classes aim to provide investors a return more closely correlated to the Portfolio’s base currency return by reducing the effect of exchange rate fluctuations between the Portfolio’s base currency (*i.e.*, Dollar) and the relevant Offered Currency, taking into account practical considerations such as transaction costs. The hedging strategy employed is designed to reduce, but may not eliminate, currency exposure between the Portfolio’s base currency and the Offered Currency.

Currency Hedged Share Classes do not affect the investment management of the Portfolio’s underlying assets since it is only the net asset value (NAV) of the Currency Hedged Share Classes, not the Portfolio’s underlying assets, which is hedged to the Offered Currency. Expenses incurred as a result of such hedging activity will be borne by the Currency Hedged Share Class in relation to which such expenses are incurred.

**Risk Factors linked to RMB Hedged Share Classes.** Since 2005, the RMB exchange rate is no longer pegged to the U.S. dollar. RMB has now moved to a managed floating exchange rate based on market supply and demand with reference to a

basket of foreign currencies. The daily trading price of the RMB against other major currencies in the inter-bank foreign exchange market is allowed to float within a narrow band around the central parity published by the People’s Bank of China. RMB convertibility from offshore RMB (CNH) to onshore RMB (CNY) is a managed currency process subject to foreign exchange control policies of and repatriation restrictions imposed by the Chinese government in coordination with the Hong Kong Monetary Authority (HKMA). The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions pursued by the Chinese government from time-to-time as well as other external market forces.

Since 2005, foreign exchange control policies pursued by the Chinese government have resulted in the general appreciation of RMB (both CNH and CNY). This appreciation may or may not continue and there can be no assurance that RMB will not be subject to devaluation at some point. Any devaluation of RMB could adversely affect the value of investors’ investments in the RMB H shares.

The RMB H shares participate in the offshore RMB (CNH) market, which allows investors to freely transact CNH outside of mainland China with approved banks in the Hong Kong market (HKMA approved banks). The RMB H shares will have no requirement to remit CNH to onshore RMB (CNY).

**Responsible investing.** The Portfolio integrates ESG considerations. The Portfolio applies certain exclusions and details can be found at [www.alliancebernstein.com/go/ABFCPIExclusionChart](http://www.alliancebernstein.com/go/ABFCPIExclusionChart).

The Portfolio is of the category that promotes environmental and social characteristics (SFDR Article 8; see “Appendix E: SFDR Pre-Contractual Disclosures” for more information).

## Summary Information

**Portfolio Features**

Currency of the Portfolio	USD	Distributions*	<i>For class A, AX, BX, C, CX, I, IX, S and S1X shares</i> To be declared daily and payable monthly
Net Asset Value Calculation	Each Business Day		<i>For class AT, ATX, IT, NT and ZT shares</i> To be declared and payable monthly
Net Asset Value Publication	Available at <a href="http://www.alliancebernstein.com">www.alliancebernstein.com</a>		<i>For class AA, EA and SA shares</i> To be declared and payable monthly with a distribution rate to be derived from gross income (before deduction of fees and expenses)
Class Names	<b>H</b> means Currency Hedged Share Classes. For additional information on share class hedging, see "How to Purchase Shares—Currency Hedged Share Classes", and "Risk Factors -- Currency Hedged Share Class Risk" in Section II.		<i>For class AR shares</i> To be declared and payable annually with a distribution rate to be derived from gross income (before deduction of fees and expenses)
Order Cut-Off Times	<i>For USD-Denominated Share Classes, EUR-Denominated Share Classes and HKD-Denominated Share Classes</i> 4:00 P.M. U.S. Eastern Time on each Business Day  <i>For Currency Hedged Share Classes and JPY Denominated Share Classes</i> 6:00 P.M. Central European Time on each Business Day  <i>For RMB Hedged Share Classes</i> 1:00 P.M. Central European Time on each Business Day		<i>For class A2, A2X, C2, C2X, E2, I2, I2X N2, S1 and S2 shares</i> None.  <i>For class S1L shares</i> To be declared and payable monthly with distributions based on net income and will not pay out of capital  See "Distributions" below.
			*Includes Hedged Share Classes

**Share Class Fees and Charges<sup>1</sup>**

	Initial Sales Charge <sup>3</sup>	Management Fee <sup>4</sup>	Distribution Fee <sup>5</sup>	Contingent Deferred Sales Charge <sup>6</sup>
<b>USD-Denominated Share Classes</b>				
Class A and A2 Shares	Up to 5.00%	1.10%	None	None
Class AT Shares	Up to 5.00%	1.10%	None	None
Class AA Shares	Up to 5.00%	1.10%	None	None
Class C and C2 Shares	None	1.55%	None	0-1 year held=1.0% thereafter 0%
Class E2 Shares <sup>10</sup>	None	1.10%	0.50%	0-1 year held=3.0% 1-2 yrs=2.0% 2-3 yrs=1.0% 3+ yrs=0%
Class EA Shares <sup>10</sup>	None	1.10%	0.50%	0-1 year held=3.0% 1-2 yrs=2.0% 2-3 yrs=1.0% 3+ yrs=0%
Class I and I2 Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class N2 Shares	Up to 3.00%	1.65%	None	None
Class NT Shares	Up to 3.00%	1.65%	None	None
Class S Shares <sup>7</sup>	None	None	None	None

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Class S1 Shares	None	0.50%	None	None
Class S1L Shares	None	0.50%	None	None
Class SA Shares <sup>7</sup>	None	None	None	None
Class AX and A2X Shares <sup>†</sup>	Up to 5.00%	1.05% 1.00% 0.95% 1.05%	None	None
Class ATX Shares <sup>†</sup>	Up to 5.00%	1.00% 0.95%	None	None
Class BX Shares <sup>2†</sup>	No longer offered	1.05% 1.00% 0.95%	0.45%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class CX and C2X Shares <sup>†</sup>	None	1.50% 1.45% 1.40%	None	0-1 year held=1.0% thereafter 0%
Class IX and I2X Shares <sup>8†</sup>	Up to 1.50%	0.50% 0.45% 0.40%	None	None
Class S1X Shares <sup>†</sup>	None	0.40%	None	None
Class ZT Shares <sup>9</sup>	None	None	None	None

**EUR-Denominated Share Classes**

Class A2 Shares	Up to 5.00%	1.10%	None	None
Class AX and A2X Shares <sup>†</sup>	Up to 5.00%	1.05% 1.00% 0.95%	None	None
Class AT Shares	Up to 5.00%	1.10%	None	None
Class BX Shares <sup>2†</sup>	No longer offered	1.05% 1.00% 0.95%	0.45%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class C2 Shares	None	1.55%	None	0-1 year held=1.0% thereafter 0%
Class I and I2 Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None

**HKD-Denominated Share Classes**

Class A2 Shares	Up to 5.00%	1.10%	None	None
Class AT Shares	Up to 5.00%	1.10%	None	None
Class AA Shares	Up to 5.00%	1.10%	None	None

**JPY Denominated Share Classes**

Class S1 Shares	None	0.50%	None	None
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**AUD Hedged Share Classes**

Class AT AUD H Shares	Up to 5.00%	1.10%	None	None
Class AA AUD H Shares	Up to 5.00%	1.10%	None	None



Class EA AUD H Shares <sup>10</sup>	None	1.10%	0.50%	0–1 year held=3.0% <sup>6</sup> 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
Class S1 AUD H Shares	None	0.50%	None	None
<b>SGD Hedged Share Classes</b>				
Class AT SGD H Shares	Up to 5.00%	1.10%	None	None
Class AA SGD H Shares	Up to 5.00%	1.10%	None	None
<b>ZAR Hedged Share Classes</b>				
Class AA ZAR H Shares	Up to 5.00%	1.10%	None	None
Class EA ZAR H Shares <sup>10</sup>	None	1.10%	0.50%	0–1 year held=3.0% 1–2 yrs=2.0% 2–3 yrs=1.0% 3+ yrs=0%
<b>RMB* Hedged Share Classes</b>				
Class AA RMB H Shares	Up to 5.00%	1.10%	None	None
<b>EUR Hedged Share Classes</b>				
Class A2 EUR H Shares	Up to 5.00%	1.10%	None	None
Class AR EUR H Shares	Up to 5.00%	1.10%	None	None
Class AT EUR H Shares	Up to 5.00%	1.10%	None	None
Class AA EUR H Shares	Up to 5.00%	1.10%	None	None
Class I2 EUR H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class IT EUR H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
Class S1 EUR H Shares	None	0.50%	None	None
<b>CHF Hedged Share Classes</b>				
Class A2 CHF H Shares	Up to 5.00%	1.10%	None	None
Class I2 CHF H Shares <sup>8</sup>	Up to 1.50%	0.55%	None	None
<b>NZD Hedged Share Classes</b>				
Class AT NZD H Shares	Up to 5.00%	1.10%	None	None
Class AA NZD H Shares	Up to 5.00%	1.10%	None	None
<b>CAD Hedged Share Classes</b>				
Class AT CAD H Shares	Up to 5.00%	1.10%	None	None
Class AA CAD H Shares	Up to 5.00%	1.10%	None	None
Class S2 CAD H Shares <sup>7</sup>	None	None	None	None
<b>GBP Hedged Share Classes</b>				
Class AT GBP H Shares	Up to 5.00%	1.10%	None	None
Class AA GBP H Shares	Up to 5.00%	1.10%	None	None

1 The Management Company, Administrator, Depositary and Transfer Agent are entitled to receive, out of the assets of the Portfolio, fees as described under "Other Portfolio Information—Management Company, Administrator, Depositary and Transfer Agent Fees" below. The Portfolio also bears all of its other expenses. See "How to Purchase Shares" and "Additional Information—Fees and Expenses" in Section II. The Management Company has voluntarily undertaken, until the Management Company on behalf of the Fund notifies Shareholders to the contrary, that if, in any fiscal year, the aggregate fees and expenses with respect to the following share classes of the Portfolio (including any management fee and all other fees and expenses set out in "Additional Information—Fees and Expenses" in Section II, including Luxembourg *Taxe d'Abonnement* but exclusive of certain other taxes, brokerage (if applicable) and interest on borrowings) exceed the following

percentages of the Portfolio's average Net Asset Value for the fiscal year attributable to the Portfolio's share classes (and corresponding H shares) as follows: A (1.50%), AX (1.25%), A2 (1.50%), A2X (1.25%), AT (1.50%), ATX (1.25%), AA (1.50%), AR (1.50%), BX (1.70%), C (1.95%), CX (1.70%), C2 (1.95%), C2X (1.70%), E2 (2.00%), EA (2.00%), I (0.95%), IT (0.95%), IX (0.70%), I2 (0.95%), I2X (0.70%), N2 (2.05%), NT (2.05%), S (0.15%), S1 (0.65%), S1L (0.65%), S2 (0.15%), SA (0.15%), S1X (0.55%) and ZT (0.05%), the Fund may deduct from the payment to be made to the Management Company, or the Management Company will otherwise bear, such excess fees and expenses.

2 After six years from the date of purchase, class BX shares are eligible for conversion to class AX shares, without charge from either the Fund or the Management Company. For further details on the conversion of shares, please refer to "How to Exchange or

Convert Shares—Conversion of CDSC Shares" in Section II of the Prospectus.

- 3 As a percentage of purchase price.
- 4 As an annual percentage of average daily Net Asset Value. With respect to certain share classes, the management fee may also include a component that is paid to distributors or other financial intermediaries and service providers. For further details on the management fee, please refer to "Additional Information—Fees and Expenses" in Section II. For class AX, A2X, ATX, BX, CX, C2X, IX and I2X shares, consecutive fee levels listed apply with respect to (1) the first \$100,000,000 of the net assets of the Portfolio, (2) the next \$100,000,000 of the net assets of the Portfolio and (3) the amount of the net assets of the Portfolio over \$200,000,000.
- 5 As an annual percentage of average daily Net Asset Value.
- 6 As a percentage of the lesser of the current Net Asset Value or original cost of the Shares being redeemed and based upon the duration that such Shares are held. CDSC Shares may only be purchased through a dealer authorized by the Distributor to offer such shares. Those investors considering an investment in CDSC Shares should speak with their financial advisor for details. With respect to class C, CX, C2 and C2X shares, a dealer may elect to waive the contingent deferred sales charge in certain circumstances.

- 7 Class S, S2 and SA shares (and corresponding Hedged Share Classes) are reserved for institutional investors that have entered into an agreement with the Management Company and are being charged an investment management fee separately.
  - 8 For further information on this share class, see "Additional Share Class Information" in Section II.
  - 9 Class ZT shares are reserved for investment by AB funds.
  - 10 After three years from the date of purchase, class E2, EA shares (and corresponding H shares) will be converted to class A2, AA shares (and corresponding H shares) without charge from either the Fund or the Management Company. For further details on the conversion of shares, please refer to "How to Exchange or Convert Shares—Conversion of CDSC Shares" in Section II of the Prospectus.
- \* "RMB" refers to offshore RMB ("CNH") and not onshore RMB known as CNY.
- † Class AX, A2X, ATX, BX, CX, C2X, IX, I2X and S1X shares have been retired and are no longer open to new purchases, except from existing shareholders of these share classes.

**Other Share Class Features**

	Offered Currencies	Minimum Initial Investment*	Minimum Subsequent Investment*	Maximum Investment**	Luxembourg Taxe d'Abonnement***
<b>USD-Denominated Share Classes</b>					
Class A and A2 Shares	Dollar	\$2,000	\$750	None	0.05%
Class AT Shares	Dollar	\$2,000	\$750	None	0.05%
Class AA Shares	Dollar	\$2,000	\$750	None	0.05%
Class C and C2 Shares	Dollar	\$2,000	\$750	None	0.05%
Class E2 Shares	Dollar	\$2,000	\$750	None	0.05%
Class EA Shares	Dollar	\$2,000	\$750	None	0.05%
Class I and I2 Shares	Dollar	\$1 million**	None	None	0.05%
Class N2 Shares	Dollar	\$2,000	\$750	None	0.05%
Class NT Shares	Dollar	\$2,000	\$750	None	0.05%
Class S Shares	Dollar	\$25 million**	None	None	0.01%
Class S1 Shares	Dollar	\$25 million**	None	None	0.01%
Class S1L Shares	Dollar	\$25 million**	None	None	0.01%
Class SA Shares	Dollar	\$25 million**	None	None	0.01%
Class AX and A2X Shares	Dollar	No longer offered to new investors	\$750	None	0.05%
Class ATX Shares	Dollar	No longer offered to new investors	\$750	None	0.05%
Class BX Shares	Dollar	No longer offered	No longer offered	No longer offered	0.05%
Class CX and C2X Shares	Dollar	No longer offered to new investors	\$750	None	0.05%
Class IX and I2X Shares	Dollar	No longer offered to new investors	None	None	0.05%
Class S1X Shares	Dollar	No longer offered to new investors	None	None	0.01%
Class ZT Shares	Dollar	\$25 million**	None	None	0.01%
<b>EUR-Denominated Share Classes</b>					
Class A2 Shares	EUR	€ 2,000	€ 750	None	0.05%
Class AX and A2X Shares	EUR	No longer offered to new investors	€ 750	None	0.05%
Class AT Shares	EUR	€ 2,000	€ 750	None	0.05%
Class BX Shares	EUR	No longer offered	No longer offered	No longer offered	0.05%
Class C2 Shares	EUR	€ 2,000	€ 750	None	0.05%
Class I and I2 Shares	EUR	€ 1 million**	None	None	0.05%
<b>HKD-Denominated Share Classes</b>					
Class A2 Shares	HKD	HK\$15,000	HK\$5,000	None	0.05%
Class AT Shares	HKD	HK\$15,000	HK\$5,000	None	0.05%
Class AA Shares	HKD	HK\$15,000	HK\$5,000	None	0.05%
<b>JPY Denominated Share Classes</b>					
Class S1 Shares	Yen	¥2.5 billion**	None	None	0.01%

	Hedged Currencies	Minimum Initial Investment*	Minimum Subsequent Investment*	Maximum Investment**	Luxembourg Taxe d'Abonnement***
<b>AUD Hedged Share Classes</b>					
Class AT AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class AA AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class EA AUD H Shares	AUD	A\$2,000	A\$750	None	0.05%
Class S1 AUD H Shares	AUD	A\$25 million**	None	None	0.01%
<b>SGD Hedged Share Classes</b>					
Class AT SGD H Shares	SGD	S\$3,000	S\$1,000	None	0.05%
Class AA SGD H Shares	SGD	S\$3,000	S\$1,000	None	0.05%
<b>ZAR Hedged Share Classes</b>					
Class AA ZAR H Shares	ZAR	ZAR 20,000	ZAR 7,000	None	0.05%
Class EA ZAR H Shares	ZAR	ZAR 20,000	ZAR 7,000	None	0.05%
<b>RMB Hedged Share Classes</b>					
Class AA RMB H Shares	RMB	RMB 10,000	RMB 3,750	None	0.05%
<b>EUR Hedged Share Classes</b>					
Class A2 EUR H Shares	EUR	€ 2,000	€ 750	None	0.05%
Class AR EUR H Shares	EUR	€ 2,000	€ 750	None	0.05%
Class AT EUR H Shares	EUR	€ 2,000	€ 750	None	0.05%
Class AA EUR H Shares	EUR	€ 2,000	€ 750	None	0.05%
Class I2 EUR H Shares	EUR	€ 1 million**	None	None	0.05%
Class IT EUR H Shares	EUR	€ 1 million**	None	None	0.05%
Class S1 EUR H Shares	EUR	€ 25 million**	None	None	0.01%
<b>CHF Hedged Share Classes</b>					
Class A2 CHF H Shares	CHF	CHF 2,000	CHF 750	None	0.05%
Class I2 CHF H Shares	CHF	CHF 1 million**	None	None	0.05%
<b>NZD Hedged Share Classes</b>					
Class AT NZD H Shares	NZD	NZ\$3,000	NZ\$1,000	None	0.05%
Class AA NZD H Shares	NZD	NZ\$3,000	NZ\$1,000	None	0.05%
<b>CAD Hedged Share Classes</b>					
Class AT CAD H Shares	CAD	C\$2,000	C\$750	None	0.05%
Class AA CAD H Shares	CAD	C\$2,000	C\$750	None	0.05%
Class S2 CAD H Shares	CAD	C\$25 million**	None	None	0.01%
<b>GBP Hedged Share Classes</b>					
Class AT GBP H Shares	GBP	£2,000	£750	None	0.05%
Class AA GBP H Shares	GBP	£2,000	£750	None	0.05%

\* Does not apply to automatic investment plans, where offered.

\*\*\* Annual Luxembourg tax payable quarterly by each portfolio.

\*\* May be waived by the Management Company in its sole discretion.

## Other Portfolio Information

### Principal Investment Types

For a chart summarizing the principal types of investments used by the Portfolio and a description of securities and other instruments in which the Portfolio may invest, investors should refer to "Investment Types" in Section II. The ability of the Portfolio to invest in any securities or instruments is subject to the restrictions in the Portfolio's stated investment objective and policies and the limitations contained in "Investment Restrictions" in Appendix A to Section II.

### Risk Profile

The Portfolio may make use of financial derivatives. The investment restrictions (9) to (13) set forth in Appendix A to Section II will not apply. This Portfolio shall employ instead the Value-at-Risk (VaR) approach. For further details concerning the VaR approach, please refer to "Appendix C: Additional Information relating to Financial Derivative Instruments, Financial Techniques and Instruments and Collateral Management".

Fixed-income securities in which the Portfolio will invest are subject to the credit risk of the private and public institutions offering these securities and their market value is influenced by changes in interest rates. The Portfolio's fixed-income securities investments will generally be of Investment Grade or equivalent quality. There can be no assurance that any distribution payments will occur and the Portfolio has no specific maturity.

The Portfolio is subject to market, interest rate and currency fluctuations and to other risks inherent in investing in securities. Therefore, no assurance can be given that the investment objective will be achieved, that invested capital will be preserved, or that capital appreciation will occur. Investment results may vary substantially on a monthly, quarterly or annual basis. An investment in the Portfolio does not represent a complete investment program.

For a chart summarizing the principal risks of the Portfolio and a more detailed discussion of these and other risks applicable to the Portfolio, investors should refer to "Risk Factors" in Section II.

### Profile of the Typical Investor

The Portfolio will suit higher risk-tolerant investors seeking the income potential of mortgage-related fixed-income investment. Investors are encouraged to consult their independent financial advisors regarding the suitability of Shares of the Portfolio for their investment needs.

### Distributions

For class A, AX, BX, C, CX, I, IX, S and S1X shares, the Management Company intends to declare daily and pay monthly dividends equal to all or substantially all of the Portfolio's net income attributable to each class of Shares.

For class AT, ATX, IT, NT and ZT shares, the Management Company intends to declare and pay monthly dividends equal to all or substantially all of the Portfolio's net income attributable to each class of Shares.

For class AA, EA and SA shares (and corresponding H shares), the Management Company intends to declare and make monthly distributions. The Management Company intends to maintain a stable distribution rate per share for such share classes. For class AR shares (and corresponding H shares), the Management Company intends to declare and make annual distributions. The distribution rate is to be derived from gross income (before deduction of fees and expenses) and distributions may also include realized and unrealized gains and capital attributable to such classes of Shares. Since fees and expenses do not reduce the distribution rate, the NAV per Share of the relevant classes will be reduced by such fees and expenses.

The Management Company also may determine if and to what extent dividends paid include realized capital gains and/or are paid out of capital, attributable to the relevant class of Shares. To the extent the net income and net realized profits attributable to these Shares exceed the amount declared payable, the excess return will be reflected in the respective Net Asset Value of such Shares. Dividends may be automatically reinvested at the election of the Shareholder.

For class S1L shares, the Management Company intends to declare and make monthly dividends equal to all or substantially all of the Portfolio's net income attributable to the class of Shares. Such dividends will not be paid out of capital attributable to the share class of Shares.

For class A2, A2X, C2, C2X, E2, I2, I2X, N2, S1 and S2 shares (and corresponding H shares), the Management Company currently does not intend to pay dividends with respect to the Shares. Therefore, any net income and net realized profits attributable to the Shares will be reflected in the respective Net Asset Value of the Shares.

### Management Company, Administrator, Depositary and Transfer Agent Fees

For all Shares except class S, S1, S2, SA and S1X shares (and corresponding H shares), the Management Company is paid an annual fee out of the assets of the Portfolio on the aggregate Net Asset Value attributable to the Shares equal to 0.05% of average daily Net Asset Value. The Management Company is paid an annual fee out of the assets of the Portfolio on the aggregate Net Asset Value attributable to the class S, S1, S2, SA and S1X shares (and corresponding H shares) equal to the lesser of \$50,000 or 0.01% of average daily Net Asset Value. The Management Company fee is waived with respect to class ZT shares to avoid duplication of fees as the Management Company fee is paid at the level of the AB fund that invests in class ZT shares.

The Administrator fee, Depositary fee and Transfer Agent fee for the Portfolio are paid out of the assets of the Portfolio in accordance with the usual practice in Luxembourg and shall not exceed a fixed maximum specified under Section II of the prospectus under "Administrator, Depositary and Transfer Agent Fees". These fees may decrease or increase depending on the assets of the Portfolio and transaction volume or for other reasons.

**Organizational Expenses**

The Portfolio has no unamortized organizational expenses.

**Historical Performance**

Information on the historical performance of the Portfolio may be found at [www.alliancebernstein.com](http://www.alliancebernstein.com).

**History**

The Portfolio was established as a portfolio of the Fund under the name Short Maturity Dollar Portfolio on 27 September 1994. It was renamed Mortgage Income Portfolio on 20 February 2014.

## Section II: Core Information

### The Fund

AB FCP I is a mutual investment fund (*fonds commun de placement*) organized under the laws of the Grand Duchy of Luxembourg as an unincorporated co-proprietorship of its securities and is registered under Part I of the Law of 2010. The Fund is registered under number K 217 at the *Registre de Commerce et des Sociétés* of Luxembourg. The Fund qualifies as a UCITS within the meaning of Article 1 (2) of the UCITS Directive. The Fund is managed in the interest of its Shareholders by the Management Company in accordance with the Fund's Management Regulations, as amended from time to time. See "Additional Information—Management Regulations." The assets of the Fund, including the assets of each portfolio, are separate from those of the Management Company. All actions referred to herein as being performed by the Fund or a portfolio will be performed by the Management Company or its agents on behalf of the Fund or such portfolio.

The Fund is structured as an "umbrella fund" comprising separate pools of assets (each a "portfolio"). Each portfolio is answerable only for its own obligations and expenses, and not for the liabilities of any other portfolio. The Fund offers various

classes of Shares of each of its portfolios. In the future, the Fund may issue Shares of other classes of one or more portfolios or Shares of other classes related to newly established portfolios. All Shares of the same class have the same rights as to dividends and redemptions.

### Responsible Investing

The Board of Managers of the Management Company believes that it must serve shareholders' interests by providing investment solutions that deliver long-term competitive performance. AB Group's strong commitment to responsible investing is an integral part of this duty. Responsible investing entails making better-informed investment decisions, addressing ESG issues and dilemmas, including associated risks, and influencing companies in Portfolios to contribute to a positive outcome.

For more information on how a Portfolio has a sustainable investment objective or promotes environmental and/or social characteristics, if applicable, please see "Appendix E: SFDR Pre-Contractual Disclosures" for more information.

## How to Purchase Shares

### General

The Fund is offering through this document the classes of Shares indicated under "Summary Information" with respect to each portfolio in Section I. "Summary Information" indicates the Offered Currency or Offered Currencies in which such Shares are offered for subscription and redemption. The Shares being offered hereby may be subject to different sales charges and ongoing distribution and other fees. These alternative sale arrangements permit an investor to choose the method of purchasing shares that is most beneficial given the amount of the purchase, the length of time the investor expects to hold the shares and other circumstances.

The minimum initial investment, minimum subsequent investment and maximum investment, if any, are indicated under "Summary Information" in Section I. For certain classes of Shares and certain categories of investors the minimum initial and subsequent investment may be reduced and any maximum investment amount may be waived by the Management Company in its sole discretion. In addition, the Management Company, in its sole discretion, may allow distributors or dealers to establish different minimums for initial and subsequent investments with respect to any class of Shares.

The Fund does not currently accept payment in any currency other than an Offered Currency. The offering price of each class of Shares will be available for inspection at the registered office of the Management Company. The Management Company on behalf of the Fund may refuse any order to purchase Shares for any reason. In this regard, the Fund reserves the right to restrict purchases of Shares (including through exchanges) when they appear to evidence a pattern of frequent purchases and redemptions made in response to short-term considerations. See "Excessive and Short-Term Trading Policy and Procedures" in Appendix B.

The Management Company may, at any time at its discretion, temporarily discontinue, cease indefinitely or limit the issue of Shares to investors resident or established in certain countries or territories. The Management Company may also prohibit certain investors from acquiring Shares if necessary for the protection of the Shareholders as a whole and the Fund.

### Anti-Money Laundering Compliance

Pursuant to (i) international rules comprising, but not limited to, applicable Financial Action Task Force (FATF) anti-money laundering/counter terrorism financing ("AML/CTF") standards, (ii) Executive Orders administered by the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC"), and (iii) Luxembourg laws and regulations comprising, but not limited to, the law of 12 November 2004 on the fight against money laundering and financing of terrorism (the "**Lux AML Law**"), the Grand Ducal Regulation dated 1 February 2010 and the CSSF Regulation 12-02 of 14 December 2012, and any respective amendments or replacements, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes.

As a result of such provisions, the Management Company, or any delegate thereof, must amongst other obligations, ascertain the identity of the legal owner and of the beneficial

owners of the Shares of the Fund. The documents and information required to make this verification will be communicated along the application form. The Management Company may require Shareholders to provide additional documents or information in case the gathered information is not satisfactory to the Management Company. In any case, the Management Company may require, at any time, additional documentation to comply with applicable legal and regulatory requirements.

Information provided to the Management Company is collected and processed for anti-money laundering and counter-terrorist financing compliance purposes only (please refer to the Data Protection section).

In case of delay or failure by a Shareholder to provide the documents required, no Shares will be issued to it or, if applicable, no distribution will be made to it. Neither the Management Company nor any of its appointed agents will have any liability for delays or failure to process issue or redemption of Shares as a result of the applicant providing no or incomplete documentation.

To the extent required by and subject to the conditions of the law of 13 January 2019 establishing a register of beneficial owners, the Shareholders shall provide the Management Company, or any delegate thereof, with any information necessary to identify beneficial owner(s) of the Fund within the meaning of Article 1(7) of the Lux AML Law. Such information may be reported and made available to general public through the Luxembourg beneficial owner register (the "**RBO**"). By executing an application form with respect to the Fund, each Shareholder acknowledges that failure by a Shareholder, or, as applicable, beneficial owner(s) thereof, to provide the Management Company, or any delegate thereof, with any relevant information and supporting documentation necessary for the Management Company to comply with the obligation to provide information and documentation to the RBO is subject to criminal fines in Luxembourg.

**The Management Company shall ensure due diligence measures on the Fund's investments are applied on a risk-based approach in accordance with Luxembourg applicable laws and regulations.**

### Purchases of Shares

Shares will be available for purchase in the Offered Currencies at their respective Net Asset Values (plus any applicable sales charge) on any Business Day. The Net Asset Value will be calculated in the Currency of the Portfolio and additionally a Net Asset Value in another Offered Currency will be determined based upon the applicable conversion rate(s) on such Business Day. The Net Asset Value is determined for each Trade Date as of its Valuation Point, which is 4:00 p.m. U.S. Eastern time on such Trade Date, unless otherwise provided for in the relevant part of Section I relating to a specific portfolio. Orders from investors will be accepted only upon receipt of cleared funds by the Depositary unless, in a particular case, an investor has provided a written undertaking acceptable to the Management Company or the Distributor obligating such investor to effect payment in full for shares within a



customary period of time. Any such arrangement may be accepted by the Management Company or the Distributor in its or their sole discretion. Each order should specify the Offered Currency in which the payment will be made. In cases where the Management Company consents to payments in a currency other than in an Offered Currency, the order will be accepted only upon conversion in the Currency of the Portfolio of the amount received and the reconciliation thereof with the relevant application.

Purchase orders for a given Trade Date may be accepted up to the Order Cut-off Time (4:00 p.m. U.S. Eastern time, or otherwise as defined in the relevant part of Section I relating to a specific portfolio) for such Trade Date. Valid and complete orders received and accepted by the Management Company or its agents within this time frame are processed as of such Trade Date, in the relevant Offered Currency, at the Net Asset Value per Share of the appropriate class determined as of the Valuation Point for such Trade Date. Orders received and accepted after the Order Cut-off Time (4:00 p.m. U.S. Eastern time, or otherwise as defined in the relevant part of Section I relating to a specific portfolio) are processed on the next Business Day at the appropriate Net Asset Value determined as of the Valuation Point on such Business Day, in which case the Trade Date in respect of such purchase, redemption or exchange request will be such Business Day. At the discretion of the Management Company, Trade Dates, Valuation Points or the foregoing Order Cut-off Times may be changed, and additional Trade Dates, Valuation Points and Order Cut-off Times may be designated. The Management Company will notify Shareholders of any such changes. In the event the Management Company has suspended or postponed the determination of Net Asset Values as set out in "Suspension of Issue, Redemption and Exchange of Shares and Calculation of Net Asset Value", the Net Asset Value determined at the next Valuation Point will be utilized.

Orders generally will be forwarded to the Management Company by the Distributor or selling dealer on the date received, provided the order is received by the Distributor or dealer prior to such deadline as may from time to time be established by the office in which the order is placed. Neither the Distributor nor any dealer is permitted to withhold placing orders to benefit themselves by a price change.

## Share Classes

The maximum sales charge, if any, with respect to the Shares offered is indicated under "Summary Information" in Section I. The Distributor may fully reallocate the amount of the sales charge to dealers with whom it has agreements. If in any country in which shares are offered, local law or practice requires or permits a lower sales charge than that indicated under "Summary Information" for any individual purchase order, the Distributor may sell shares and may authorize or require dealers to sell shares within such country with a lower sales charge. The Distributor also receives, for certain classes of shares, a distribution fee, accrued daily and paid monthly in arrears, at the annual rates indicated under "Summary Information" on the Portfolio's aggregate average daily Net Asset Value attributable to the appropriate class of shares.

With respect to certain classes of shares (such as class B shares), the proceeds of these Shares redeemed by an investor within a certain number of years of the date such Shares were issued will be assessed a contingent deferred sales charge. Unless otherwise provided for in the relevant part

of Section I relating to a specific portfolio, the charge will be calculated in the Currency of the Portfolio on the amount which is the lesser of the current Net Asset Value or original cost of the Shares being redeemed, and if applicable, thereafter, expressed in the Offered Currency at the applicable conversion rate on each Valuation Point. In addition, no charge will be assessed on Shares derived from reinvestment of dividends or capital gains distributions. In determining whether a contingent deferred sales charge is applicable to the proceeds of a redemption, the calculation will be determined in the manner that results in the lowest possible rate being charged, while taking into account that a request by an investor to redeem such class of Shares will be deemed to have been given for the Shares which have been held for the longest period by such investor.

Proceeds from the contingent deferred sales charge are paid to the Distributor and are used in whole or in part by the Distributor to defray its expenses in providing distribution-related services to the Fund with a contingent deferred sales charge and the furnishing of services to Shareholders by sales and marketing personnel of the Distributor. The combination of the contingent deferred sales charge and the distribution fee is designed to finance the distribution of such Shares through the Distributor and dealers without a sales charge being assessed at the time of purchase. The Management Company and the Distributor reserve the right to modify the contingent deferred sales charge schedule applicable in certain jurisdictions. Shares subject to a contingent deferred sales charge may not be held within omnibus account arrangements unless the Management Company and Distributor consent.

All Shares of a class convey, upon issue, the same rights as to redemption and distributions. The Net Asset Value per Share of the various classes of Shares in respect of a particular portfolio may differ as a result of the different fees assessed on each class of Shares.

The Fund currently offers, and in the future may offer in respect of each portfolio, various classes of Shares with differing fee structures and subscription requirements to meet the needs of certain classes of investors or to conform to market practice or requirements in certain jurisdictions. The Fund retains the right to offer only one or more class of Shares for purchase by investors in any particular jurisdiction. In addition, the Fund or the Distributor may adopt standards applicable to classes of investors or transactions which permit, or limit investment to, the purchase of a particular class of Shares. Prospective investors should consult their financial adviser to determine which classes of Shares may be available in their particular jurisdiction and best suit their investment needs.

The attention of Shareholders is drawn to the fact that the Fund is authorized, from time to time, to create and offer Share Classes in addition to those currently described within the present Prospectus to the extent the same type of shares already exists in the same Portfolio. Such newly created Share Classes will be reflected in the next update of the Prospectus.

A complete list of available Share Classes may be obtained from [www.alliancebernstein.com](http://www.alliancebernstein.com) or the registered office of the Management Company.

## Additional Share Class Information

### CLASS A SHARES

Class A Shares are offered to selected dealers or distribution agents appointed by the Management Company purchasing Shares on behalf of their clients.

A portion of the fee charged for Class A Shares may be paid to dealers, distribution agents and/or platforms for certain maintenance and/or administration type fees (where legally permissible).

Class A Shares are available for distribution in the EU except to (i) MiFID distributors providing independent advice (e.g., independent financial investment advisors) or portfolio management services (e.g. discretionary investment managers) or (ii) any client on whose behalf a foregoing MiFID distributors is acting.<sup>1</sup>

### CLASS C SHARES

Class C Shares are offered to selected dealers or distribution agents appointed by the Management Company purchasing Shares on behalf of their clients.

A portion of the fee charged for Class C Shares may be paid to dealers, distribution agents and/or platforms for certain maintenance and/or administration type fees (where legally permissible).

Class C Shares are available for distribution in the EU except to (i) entities providing independent advice (e.g., independent financial investment advisors) or portfolio management services (e.g. discretionary investment managers) or (ii) any client on whose behalf a foregoing entity is acting<sup>2</sup>.

### CLASS F SHARES

Class F Shares are offered to institutional investors.

With respect to distribution within the EU, no portion of the fees charged for Class F Shares is paid to third parties such as dealers or distribution agents, except maintenance and/or administration type fees (where legally permissible) including payments to platforms. Accordingly, within the EU, Class F Shares are available to entities providing portfolio management services (e.g. discretionary investment managers) or any client on whose behalf a foregoing entity is acting.

Class F Shares are not subject to an initial sales charge or CDSC.

### CLASS E SHARES

Class E Shares are offered to selected dealers or distribution agents appointed by the Management Company purchasing Shares on behalf of their clients.

A portion of the fee charged for Class E Shares may be paid to dealers, distribution agents and/or platforms for certain maintenance and/or administration type fees (where legally permissible).

Class E Shares are not subject to an initial sales charge.

Class E Shares are not available for distribution in the EU.

### CLASS I SHARES

Class I Shares are offered to (i) retail and institutional investors purchasing Shares through dealers or distribution agents who have separate fee arrangements with such investors, (ii) product structures that purchase Shares directly, or on behalf of an end investor and assess such investor a fee at the product level; and (iii) other investors at the Management Company's discretion where such offering and/or sale takes place outside the EU.

With respect to distribution within the EU, no portion of fees charged by the Management Company involving Class I Shares is paid to dealers and/or distribution agents, except maintenance and/or administration type fees (where legally permissible) including payments to platforms. Accordingly, within the EU, Class I Shares are available for purchase by (or on behalf of) customers of: (i) dealers and/or distribution agents providing independent advice (e.g., independent financial investment advisors) or portfolio management services (e.g., discretionary investment managers); and (ii) dealers and/or distribution agents purchasing Class I Shares on behalf of their clients where either an arrangement with their client or applicable law prohibits such dealers and/or distribution agents from retaining any payment from a third-party.

### CLASS L SHARES

Class L Shares are offered to selected dealers or distribution agents appointed by the Management Company purchasing Shares on behalf of their clients.

A portion of the fee charged for Class L Shares may be paid to dealers, distribution agents and/or platforms for certain maintenance and/or administration type fees (where legally permissible).

<sup>1</sup> Notwithstanding the foregoing, the only circumstance where such class of Shares are available for distribution in the EU to entities providing independent advice or portfolio management services is where the relevant entity has provided the Management Company a written undertaking that any amount(s) received by it in respect of Class of Shares will be credited, in full, to such entity's client(s) and that no amount(s) in respect thereof will be retained by such entity, in each case in accordance with applicable law.

<sup>2</sup> Notwithstanding the foregoing, the only circumstance where such Class of Shares are available for distribution in the EU to entities providing independent advice or portfolio management services is where the relevant entity has provided the Management Company a written undertaking that any amount(s) received by it in respect of Class of Shares will be credited, in full, to such entity's client(s) and that no amount(s) in respect thereof will be retained by such entity, in each case in accordance with applicable law.

Class L Shares are available for distribution in the EU except to (i) MiFID distributors providing independent advice (e.g., independent financial investment advisors) or portfolio management services (e.g. discretionary investment managers) or (ii) any client on whose behalf a foregoing MiFID distributor is acting<sup>2</sup>.

## CLASS N SHARES

Class N Shares are offered to selected dealers or distribution agents appointed by the Management Company purchasing Shares on behalf of their clients.

A portion of the fee charged for Class N Shares may be paid to dealers, distribution agents and/or platforms for certain maintenance and/or administration type fees (where legally permissible).

Class N Shares are available for distribution in the EU except to (i) entities providing independent advice (e.g., independent financial investment advisors) or portfolio management services (e.g. discretionary investment managers) or (ii) any client on whose behalf a foregoing entity is acting<sup>2</sup>.

## CLASS S SHARES

Class S shares are offered to institutional investors that have entered into an agreement with the Management Company and are being charged an investment management fee separately.

With respect to distribution within the EU, no portion of the fees charged for Class S Shares is paid to third parties such as dealers or distribution agents, except maintenance and/or administration type fees (where legally permissible) including payments to platforms. Accordingly, within the EU, Class S Shares are available to entities providing portfolio management services (e.g. discretionary investment managers) or any client on whose behalf a foregoing entity is acting.

## CLASS S1 SHARES

Class S1 shares are offered to institutional investors.

With respect to distribution within the EU, no portion of the fees charged for Class S1 Shares is paid to third parties such as dealers or distribution agents, except maintenance and/or administration type fees (where legally permissible) including payments to platforms. Accordingly, within the EU, Class S1 Shares are available to entities providing portfolio management services (e.g. discretionary investment managers) or any client on whose behalf a foregoing entity is acting.

## CLASS W SHARES

Class W Shares are available through (i) Distributors (a) who have separate fee arrangements with their investors and (b) whose investors' aggregated holdings in the Portfolio exceed \$500 million; (ii) and through other dealers or distribution agents at the Management Company's discretion.

With respect to distribution within the EU, no portion of the fees charged for Class W Shares is paid to third parties such as

dealers or distribution agents, except maintenance and/or administration type fees (where legally permissible) including payments to platforms. Accordingly, within the EU, Class W Shares are available to entities providing portfolio management services (e.g. discretionary investment managers) or any client on whose behalf a foregoing entity is acting.

## CLASS Z SHARES

Class Z Shares are reserved for investment by AB funds.

**Currency Hedged Share Classes.** One or more of a portfolio's share classes offered in a particular currency (each, an "Offered Currency") may be hedged to such Offered Currency. Any such share class will constitute a "Currency Hedged Share Class." Currency Hedged Share Classes aim to provide investors a return more closely correlated to the Portfolio's base currency return by reducing the effect of exchange rate fluctuations between the portfolio's base currency (e.g., US Dollars) and the relevant Offered Currency, taking into account practical considerations such as transaction costs. The hedging strategy employed is designed to reduce, but may not eliminate, currency exposure between the portfolio's base currency and the Offered Currency.

The precise hedging strategy applied to a particular Hedged Share Class may vary from one portfolio offering Currency Hedged Share Class(es) to another. But, in general, the amount of net subscriptions of a particular Currency Hedged Share Class will be converted into the portfolio's base currency at the applicable spot rate. At the same time, the Investment Manager will enter into a forward currency exchange contract for the same amount. Thereafter the hedge will be monitored and adjusted from time-to-time to take account of net subscriptions/redemptions attributable to investor flows as well as the net asset value of the relevant Currency Hedged Share Class. The degree of effectiveness provided by a particular hedge will depend, among other things, on the Investment Manager's ability to enter into corresponding forward currency exchange contracts in order to match the most recently available value of the portfolio's assets attributable to the Currency Hedged Share Class with corresponding forward currency exchange contracts. During the life of each foreign currency exchange contract, any gains or losses on the forward position is incorporated into the daily net asset value of the Currency Hedged Share Class and is realized on the settlement of the forward currency exchange contract in-question. These forward positions are then rolled from one forward currency exchange contract to another thereby continuing the hedge.

The returns of Currency Hedged Share Classes denominated in the Offered Currencies are intended to correlate significantly with the returns of share classes denominated in a portfolio's base currency. However, these returns will not correlate perfectly due to various factors, including short-term interest rate differentials, unrealized gains/losses on currency forward positions' not being invested until the gains/losses are realized, the target hedge ratio and deviation range employed by the Investment Manager (the deviation range is designed to avoid higher transaction costs associated with excessive minor hedge adjustments but results in minor over/under

hedges), the timing of the market value hedge adjustments relative to the portfolio's Valuation Point, and transaction costs attributable to hedging activity.

These hedging transactions for the Currency Hedged Share Classes are intended to be entered into continuously whether the Offered Currency in which the Currency Hedged Share Class is denominated is declining or increasing in value relative to other currencies. Therefore such hedging will tend to protect investors in the relevant Currency Hedged Share Classes to the extent the value of the Currency Hedged Share Class's Offered Currency rises relative to the portfolio's base currency. Conversely, such hedging will tend to prevent investors from benefiting if the value of a Currency Hedged Share Class's Offered Currency decreases relative to the portfolio's base currency.

Currency Hedged Share Classes do not affect the investment management of the portfolio's underlying assets since it is only the net asset value of the Currency Hedged Share Classes which is hedged, not the portfolio's underlying assets.

In contrast to the rationale underlying Currency Hedged Share Classes, a particular portfolio's investment strategy may seek to fully or partially hedge currency exposures arising from some or all of the portfolio's underlying assets to the portfolio's base currency to the extent indicated in the description of a particular portfolio's investment strategy set out in Section I. This type of hedging activity (i.e., hedging the currency exposures of a portfolio's investments against the portfolio's base currency) is separate from – and unrelated to – the hedging activity discussed under this heading relating solely to Currency Hedged Share Classes.

To the extent a particular portfolio offers Currency Hedged Share Classes and seeks also to fully or partially hedge currency exposures relating to some or all of the portfolio's underlying assets to the portfolio's base currency, certain costs and inefficiencies could result.

Finally, shareholders should be aware that the level of leverage of Currency Hedged Share Classes will automatically be higher than the expected level of leverage disclosed for a specific portfolio. Indeed, such expected level of leverage does not take into account the hedging transactions used for the Currency Hedged Share Classes.

The attention of Shareholders is drawn to the fact that the Fund is authorized, from time to time, to create and offer Currency Hedged Share Classes in addition to those currently described within the present Prospectus. Such newly created Currency Hedged Share Classes will be reflected in the next update of the Prospectus.

**BRL Hedged Share Classes.** Class BRL H Shares are reserved for investors domiciled in Brazil and will adopt a different hedging model than used for our other hedged share classes due to the currency controls in Brazil. As BRL is a restricted currency, Class BRL H Shares cannot be denominated in BRL but instead will be denominated in the base currency of the relevant Portfolio. BRL currency hedging will be obtained by converting the NAV of the Class BRL H Shares into BRL using financial derivative instruments (e.g. a non-deliverable currency forward). It is expected that the NAV of Class BRL H Shares will fluctuate in line with changes in the exchange rate between the BRL and base currency of the relevant Portfolio and performance may therefore differ, including significantly, from that of other Share Classes in the

same Portfolio. Any profit or loss as well as costs and expense resulting from these transactions will be reflected exclusively in the NAV of Class BRL H Shares.

A complete list of available Share Classes may be obtained from [www.alliancebernstein.com](http://www.alliancebernstein.com) or the registered office of the Management Company.

### Partial Duration Hedged Share Classes

For some fixed-income portfolios, the Management Company may offer Partial Duration Hedged Share Classes. Partial Duration Hedged Share Classes intend to provide investors a return that is less sensitive to interest rate fluctuations by partially hedging the duration of the overall Portfolio for shareholders in the Partial Duration Hedged Share Class. Changes in interest rates will influence the total return of such fixed-income portfolios.

The partial duration hedging strategy is designed to reduce, however it may not eliminate, the interest rate risk of the overall portfolio in the Partial Duration Hedged Share Class. Managing the interest rate risk at the Partial Duration Hedged Share Classes level does not affect the investment management of the portfolio's underlying assets since the financial derivative instrument transactions used to hedge the interest rate risk will be performed at the net asset value (NAV) of the Partial Duration Hedged Share Classes. Shareholders should be aware that Partial Duration Hedged Share Classes may still have significant sensitivity to changes in interest rates, which would impact the NAV of the Partial Duration Hedged Share Class.

Such partial duration hedging strategy will be achieved through the use of financial derivative instruments, such as interest rate futures. Expenses incurred as a result of such hedging activity will be borne on a pro rata basis by all Partial Duration Hedged Share Classes issued within the same portfolio.

Finally, shareholders should be aware that the level of leverage of Partial Duration Hedged Share Classes will automatically be higher than the expected level of leverage disclosed for a specific portfolio. Indeed, such expected level of leverage does not take into account the hedging transactions used for the Partial Duration Hedged Share Classes.

### Issuance and Settlement

Payments for Shares subscribed for should accompany the investor's Application Form, since the application will be accepted only upon identification of the payment made in respect of the Shares to be purchased, or, if Shares are subscribed for and purchased from or through an authorized selling dealer or the Distributor, payment should be made within three Business Days of the relevant Trade Date, unless otherwise stated in the portfolio details of a Portfolio in Part I, and in accordance with such procedures as may be adopted by such dealer and approved by the Distributor and the Fund. Different settlement periods may apply in certain jurisdictions where the Shares are sold. Payment for Shares purchased directly from the Fund are payable to the account of the Fund as indicated in the Application Form. Upon receipt of payment by the Fund, the Management Company will issue whole and fractional Shares and certificates, if requested. Confirmations will be

delivered to the investor. Payment for shares and the applicable sales charge, if any, must be made in an Offered Currency.

### **Confirmation Notes and Certificates**

A confirmation note will be sent to the investor on the Business Day following the issue of the Shares, providing full details of the transaction. All Shares are issued in registered form, and the Fund's Shareholder register in respect of the relevant portfolio maintained by the Transfer Agent is evidence of ownership. The Management Company treats the registered owner of a Share as the absolute and beneficial owner thereof. Shares are issued in uncertificated form unless a certificate is specifically requested at the time of application. The uncertificated form enables the Fund to effect redemption instructions without undue delay and consequently the Fund recommends that investors maintain their Shares in uncertificated form. If an investor requests Shares to be issued in certificated form, a Share certificate is sent either to the investor or that person's nominated agent (at the investor risk) normally within 28 days of completion of the registration process or transfer, as the case may be, of the Shares.

### **AB Funds Accounts and Account Numbers**

Upon acceptance of an investor's Application Form in connection with the investor's first investment in an AB fund, the Transfer Agent will establish an account in its Shareholder processing system in which the investor's AB fund Shares will be recorded. This account reflects an investor's share position in the relevant AB fund. An AB funds account will be denominated in the Offered Currency in which the investor's first AB fund subscription is made. An AB funds account can only be denominated in one currency and thus will only record

holdings of Shares denominated in the same currency. Investors desiring to hold Shares in multiple Offered Currencies will therefore have more than one AB funds account and will receive separate statements with respect to each such account. Investors will be given an AB funds account number with respect to each AB funds account they establish, and this number, together with the investor's pertinent details, constitutes proof of identity. This AB funds account number should be used for all future dealings by the investor in respect of any AB fund Shares of such accounts. Any change to an investor's personal details, loss of AB funds account number(s) or loss of Share certificates must be notified immediately to the Transfer Agent in writing. The Fund reserves the right to require an indemnity or verification of identity countersigned by a bank, stockholder or other party acceptable to it before accepting such instructions.

### **Subscriptions in Kind**

The Management Company may accept securities as payment for Shares at its discretion provided that the contribution of such securities are consistent with policies pursued by the Investment Manager and will not result in a breach of the relevant portfolio's investment objective and policies or the Fund's investment restrictions. In such case, an auditor's report will be necessary to value the contribution in kind. Expenses in connection with the establishment of such report and any other expenses in connection with the subscription in kind will be borne by the subscriber that has chosen this method of payment, or by the Fund when the quantifiable benefits to the Fund exceed the cost of such auditor's report.

## How to Redeem Shares

Shareholders may redeem their Shares on any Business Day through the Distributor or any authorized dealer, or by transmitting an irrevocable redemption order by facsimile or mail to the Management Company or its authorized agent. The redemption order must clearly state the name of the Fund and portfolio, the Share class, the number of Shares to be redeemed or the total value (in the Offered Currency in which the Shareholder has elected to purchase the Shares) of Shares to be redeemed, together with the Shareholder's name and AB funds account number (for that Offered Currency) as registered with the Fund. Payments of redemption proceeds will be made in the Offered Currency in which the Shareholder's AB funds account is denominated.

If, as a result of any redemption request, a Shareholder's AB funds account falls below \$1,000 (or the equivalent amount in another Offered Currency depending on the currency in which the Shareholder's AB funds account is denominated), such redemption request may be deemed to apply to the Shareholder's entire AB funds account.

The redemption price will be equal to the Net Asset Value per Share in the relevant Offered Currency of the relevant share class determined for the appropriate Trade Date as of the Valuation Point, which is 4:00 p.m. U.S. Eastern time on such Trade Date, unless otherwise provided for in the relevant part of Section I relating to a specific portfolio. Redemption requests for a given Trade Date may be accepted up to the Order Cut-off Time (4:00 p.m. U.S. Eastern time, or otherwise as defined in the relevant part of Section I relating to a specific portfolio) for such Trade Date. Valid and complete redemption requests received within this time frame are normally processed as of such Trade Date at the redemption price as stated above. Redemption requests received after such Order Cut-off Time (4:00 p.m. U.S. Eastern time, or otherwise as defined in the relevant part of Section I relating to a specific portfolio) will be processed on the next Business Day at the appropriate Net Asset Value determined as of the Valuation Point on such Business Day, in which case the Trade Date in respect of such redemption request will be such Business Day. Depending on the Net Asset Value calculated with respect to a given Trade Date, the redemption price of Shares may be higher or lower than the price paid for such Shares at the time of subscription.

Unless otherwise provided for in the relevant part of Section I relating to a specific portfolio, payment of the redemption proceeds (the redemption price less any applicable contingent deferred sales charge) will be made by the Depositary or its agents in the relevant Offered Currency, usually within three Business Days after the relevant Trade Date to the account of the registered Shareholder, provided that (i) a redemption order has been received by the Management Company, or its authorized agent, in the appropriate form and (ii) the certificates (if issued) for the Shares to be redeemed have been received by the Management Company, or its authorized agent, prior to the Valuation Point with respect to such Trade Date. Notwithstanding the foregoing, if in exceptional circumstances the liquidity of the Fund is not sufficient to enable payment or redemption to be made within this period, such payment will be made as soon as reasonably practicable thereafter, but without interest. Payments can be made only to

the registered owner of the Shares; third party payments cannot be made. Payments will be made by wire transfer. Please note that payment of redemption proceeds may be delayed if the Management Company, or its authorized agent, has not received all required original documentation from Shareholders or their financial advisers, as appropriate, via mail. Wire transfer instructions should be included in an investor's original Application Form, otherwise wire transfer instructions must be received (and verified) by the Management Company, or its authorized agent, via mail or facsimile transmission before wire transfers of redemption proceeds may be sent.

The Management Company will endeavor to ensure, for any Trade Date, that an appropriate level of liquidity is maintained in respect of each portfolio so that redemption of Shares may, under normal circumstances, be made promptly on such date to Shareholders requesting redemption. However, the Management Company may limit the redemption of Shares in the event the Fund receives as of any Trade Date requests to redeem more than 10% of the Shares of the relevant portfolio or class outstanding as of such date (or such lower percentage as may be stated in the description of such portfolio in Section I), in which case Shares of the portfolio or class may be redeemed on a pro rata basis. Any part of a redemption request to which effect is not given by reason of the exercise of this power by or on behalf of the Management Company will be treated as if a request has been made in respect of the next Trade Date and all following Trade Dates (in relation to which the Management Company has the same power) until the original request has been satisfied in full. Any such limitation will be notified to those Shareholders who have applied for redemption. In addition, under certain circumstances, the Management Company may suspend the right of Shareholders to redeem Shares. See "Additional Information—Suspension of Issue, Redemption and Exchange of Shares and Calculation of Net Asset Value."

### Transfers

Except as set out below and under "Additional Information—Restrictions on Ownership," the Shares which are listed are freely transferable. The Shares may not be transferred to U.S. Persons without the consent of the Management Company.

### Redemptions in Kind

If requested by the Shareholder, redemptions may be made in kind at the discretion of the Management Company. Expenses in connection with the redemption in kind (mainly costs relating to the drawing up of an auditor's report) will be borne by the Shareholder that has chosen this method of redemption or by the Fund when the quantifiable benefits to the Fund exceed the cost of such auditor's report. To the extent reasonably possible, such redemption in kind will normally be made on a pro rata basis of all investments held by the Fund (having always due regard to and/or protecting the interests of the Fund).

## How to Exchange or Convert Shares

### **Exchange for Shares of Other Portfolios within the Fund and Certain Other AB Funds**

Shareholders have the option to exchange Shares for Shares of the same class of any other portfolio of the Fund or Shares of the same class of certain other AB funds. Any such exchange will be subject to the minimum investment requirements and any other applicable terms set out in the Prospectus relating to the Shares of the portfolio of the Fund or other AB fund to be acquired upon exchange. The Management Company reserves the right, in its discretion, to waive any applicable minimum subscription amounts.

The applicable Order Cut-off Time for an exchange will be the earlier of the Order Cut-off Times of the two AB funds or share classes that are associated with the exchange. If the earlier Order Cut-off Time is not met, the exchange will not be considered for acceptance until the next common Business Day of the two AB funds. Following receipt and acceptance by the Management Company, or its agent, of a valid and complete exchange order, exchanges will be effected, in each case, at the Net Asset Value as next determined in accordance with the terms set out in "Additional Information—Determination of the Net Asset Value of the Shares" below. Exchanges involving other AB funds will be effected by means of a redemption of the original Shares and a subscription for and purchase of the Shares to be acquired upon exchange. Each side of an exchange transaction will be effected on the same trade date.

The Management Company, on behalf of the Fund and the Distributor, reserves the right (i) to reject any order to acquire shares through exchange at any time or (ii) otherwise modify, restrict or terminate the exchange privilege generally at any time on 60 days' notice to Shareholders.

In respect of any exchange order involving a class of Shares possessing a contingent deferred sales charge, the holding period for purposes of calculating the contingent deferred sales charge due upon redemption, if applicable, relating to Shares acquired in an exchange, will be based on the date of purchase of the original Shares. The contingent deferred sales charge on Shares acquired in an exchange will be calculated based on the contingent deferred sales charge schedule associated to the original Shares at the time of purchase. Such restrictions may be waived under certain circumstances in the sole discretion of the Management Company, on behalf of the Fund.

Exchanges will be effected in a manner such that upon redemption of the Shares acquired in the exchange, the redemption price will be paid in the Offered Currency in which the Shareholder's AB funds account is denominated. In the event a Shareholder exchanges original Shares into Shares that are not available in the Offered Currency in which the Shareholder's AB funds account is denominated, a second AB funds account denominated in the second Offered Currency will be opened in order for such Shares to be recorded therein. Shareholders will be issued a second AB funds account number and receive separate account statements with respect to any such second account.

Transaction costs, if any, incurred in respect of an exchange of Shares of the same class but involving different currencies will be reflected in the amount of Shares realized by the investor upon exchange.

Investors interested in exchanging Shares should contact their financial adviser or the Distributor for more information about the exchange option. Neither the Fund nor the Management Company currently charges any administrative or other fees in connection with exchanges. However, investors who hold their Shares through accounts with a dealer should contact such dealer to determine if any such fees apply in connection with exchanges.

### **Conversion of CDSC Shares**

#### **Conversion of B CDSC Shares**

##### Conversion at Shareholder's Option

Shareholders of B CDSC Shares for which a conversion right has been provided in Section I ("Eligible B CDSC Shares") will have the right to convert such Eligible B CDSC Shares to such other share classes of the same Portfolio as stipulated in Section I after such Eligible B CDSC Shares have been held for the number of years specified in Section I without charge from either the Fund or the Management Company. Except as otherwise described below, conversions will be effected only at the election of the registered holder of such Eligible B CDSC Shares (i.e., the owner of such Eligible B CDSC Shares as reflected in the Fund's shareholder register). Accordingly, investors who hold their Eligible B CDSC Shares through accounts with a financial intermediary should contact such financial intermediary for more information about converting their Eligible B CDSC Shares.

##### Automatic Conversion

Effective January 2021, Eligible B CDSC Shares held in the name of a single investor (and not in an omnibus account) will be converted automatically into such other share classes of the same Portfolio as specified in Section I after such Eligible B CDSC Shares have been held for the number of years specified in Section I. Shares held through a financial intermediary in an omnibus account for which the recordkeeping on the underlying investors is managed by the financial intermediary will continue to be converted based on the instructions of the registered owner of the omnibus account.

Notwithstanding the above, as of the Effective Date (as defined below), Eligible B CDSC Shares held by Shareholders residing in Taiwan will be converted automatically into such other share classes of the same Portfolio as specified in Section I after such Eligible B CDSC Shares have been held for the number of years specified in Section I. The Effective Date for these purposes shall be 30 April 2016 or such later date as is required by an account holder/financial intermediary to implement the relevant enhancements necessary to process the automatic conversion.

## Conversion of E CDSC Shares

### Automatic Conversion

E CDSC Shares, if held directly, will be converted automatically into such other share classes of the same Portfolio as specified in Section I after such E CDSC Shares have been held for the number of years specified in Section I.

E CDSC Shares, if held through a financial intermediary in an omnibus account for which the recordkeeping on the underlying investors is maintained by the financial intermediary, will be converted based on the instructions of the registered owner of the omnibus account after such E CDSC Shares have been held for the number of years specified in Section I.

Shareholders should consult their financial intermediary for additional information on conversions.

### **Taxation**

The conversion of Eligible B CDSC Shares and E CDSC Shares may give rise to a tax liability for Shareholders in certain jurisdictions. Shareholders should consult their tax advisor as to the tax implications of such conversion under the laws of their home jurisdiction.



## Determination of Net Asset Value

The Net Asset Value per Share of each class of Shares, expressed in the Currency of the Portfolio and any other Offered Currency, will be determined by the Management Company as of 4:00 p.m. U.S. Eastern time on each Business Day. To the extent feasible, investment income, interest payable, fees and other liabilities (including management fees) will be accrued daily.

In all cases, the Net Asset Value per Share of each class of Shares is determined by dividing the value of the total assets of each portfolio properly allocable to such class of Shares less the liabilities of such portfolio properly allocable to such class of Shares by the total number of Shares of such class outstanding on each Business Day. The Net Asset Value per Share of each class of Shares of a portfolio may differ as a result of the different fees assessed on each class of Shares of such portfolio.

With respect to securities for which market quotations are readily available, the market value of a security held by a portfolio will be determined as follows:

- (a) securities listed on an exchange are valued at the last sale price reflected on the consolidated tape at the close of the exchange on the Business Day as of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the closing bid and asked prices on such day. If no bid or asked prices are quoted on such day, then the security is valued in good faith at fair value by, or in accordance with procedures established by, the Management Company;
- (b) securities traded on more than one exchange are valued in accordance with paragraph (a) above by reference to the principal exchange on which the securities are traded;
- (c) securities traded in the over-the-counter market, including securities listed on an exchange whose primary market is believed to be over-the-counter (but excluding securities traded on The Nasdaq Stock Market, Inc. ("NASDAQ")) are valued at the mean of the current bid and asked prices;
- (d) securities traded on NASDAQ are valued in accordance with the NASDAQ Official Closing Price;
- (e) listed put or call options purchased by a portfolio are valued at the last sale price. If there has been no sale on that day, such securities will be valued at the closing bid prices on that day;
- (f) open futures contracts and options thereon will be valued using the closing settlement price or, in the absence of such a price, the most recent quoted bid price. If there are no quotations available for the day of valuations, the last available closing settlement price will be used;
- (g) U.S. Government securities and other debt instruments having 60 days or less remaining until maturity are generally valued at market by an independent pricing vendor, if a market price is available. If a market price is not available, the securities are valued at amortized cost. This methodology pertains to short term securities that have an original maturity of 60 days or less, as well as

short term securities that had an original term to maturity that exceeded 60 days. In instances where amortized cost is utilized, the Management Company must reasonably conclude that the utilization of amortized cost is approximately the same as the fair value of the security. Such factors the Management Company will consider include, but are not limited to, an impairment of the creditworthiness of the issuer or material changes in interest rate

- (h) fixed income securities are valued at the most recent bid price provided by the principal market makers;
- (i) mortgage-backed and asset-backed securities may be valued at prices that reflect the market value of such securities and that are obtained from a bond pricing service or at a price that reflects the market value of such securities and that is obtained from one or more of the major broker-dealers in such securities when such prices are believed to reflect the fair market value of such securities. In cases where broker-dealer quotes are obtained, the Investment Manager may establish procedures whereby changes in market yields or spreads are used to adjust, on a daily basis, a recently obtained quoted bid price on a security;
- (j) OTC and other derivatives are valued on the basis of a quoted bid price or spread from a major broker-dealer in such security; and
- (k) all other securities will be valued in accordance with readily available market quotations as determined in accordance with procedures established by the Management Company. In the event that extraordinary circumstances render such a valuation impracticable or inadequate, the Management Company is authorized to follow other rules prudently and in good faith in order to achieve a fair valuation of the assets of the Fund.

The Fund values its securities at their current market value determined on the basis of market quotations or, if market quotations are not readily available or are unreliable, at "fair value" as determined in accordance with procedures established by and under the general supervision of the Management Company. In determining whether to apply fair value pricing, the Fund considers a number of factors, such as the Order Cut-off Time for a particular Portfolio, the close of the securities markets in which such Portfolio trades and the existence of extraordinary events. When the Fund uses fair value pricing, it may take into account any factors it deems appropriate. The Fund may determine fair value based upon developments related to a specific security or current valuations of market indices. The prices of securities used by the Fund to calculate its Net Asset Value may differ from quoted or published prices for the same securities.

Accordingly, as may also be the case with a previously reported stock exchange price, the price of any portfolio security determined utilizing fair value pricing procedures may be materially different from the price to be realized upon the sale of such security.

For purposes of determining the Fund's Net Asset Value per Share, all assets and liabilities initially expressed in a currency other than the Currency of the Portfolio will be converted into such currency at the mean of the current bid

and asked prices of such currency against the Currency of the Portfolio last quoted by a major bank that is a regular participant in the relevant exchange market or on the basis of a pricing service that takes into account the quotes provided by a number of such major banks. If such quotations are not available as of the close of the Exchange, the rate of exchange will be determined in good faith by, or under the direction of, the Board of Managers of the Management Company.

In the event that extraordinary circumstances render such a valuation impracticable or inadequate, the Management Company is authorized to follow other rules prudently and in good faith in order to achieve a fair valuation of the assets of the Fund.

Brown Brothers Harriman (Luxembourg) S.C.A. has been appointed by the Management Company to make the daily determination of the Net Asset Value per Share of each class of Shares of each portfolio. The Net Asset Value in respect of a particular Valuation Point will be available at or around 6:00 p.m. U.S. Eastern time on such Business Day. For purposes of issues and redemptions, the Net Asset Value may be converted in other currencies as specified in this Prospectus.

### Swing Pricing Adjustment

In order to counter the effects of dilution on a Portfolio's Net Asset Value brought about by large purchases or redemptions of the Portfolio's Shares, the Board has implemented a swing pricing policy.

Dilution involves a reduction in the Net Asset Value brought about by investors purchasing, selling and/or exchanging in and out of a Portfolio of the Fund at a price that does not reflect the dealing costs associated with the Portfolio's trade activity undertaken to accommodate the corresponding cash inflows or outflows. Dilution occurs when the actual cost of purchasing or selling the underlying assets of a Portfolio deviates from the valuation of these assets in the Portfolio due to dealing charges, taxes and any spread between the buying and selling prices of the underlying assets. Dilution may have an adverse effect on the value of a Portfolio and therefore impact Shareholders.

Under the Fund's swing pricing policy, if on any Business Day, the aggregate net investor inflows or outflows in Shares of a Portfolio exceed a pre-determined threshold, as determined from time to time by the Board, the Net Asset Value of the Portfolio may be adjusted upwards or downwards to reflect the costs attributable to such net inflows or net outflows. The threshold is set by the Board taking into account factors such as the prevailing market conditions, the estimated dilution costs and the size of a Portfolio. The level of swing pricing adjustment will be reviewed and may be adjusted on a periodic basis to reflect an approximation of dealing costs as determined by the Board. The application of swing pricing will be triggered automatically on a daily basis upon crossing the relevant threshold. The swing pricing adjustment will be applicable to all Shares of a Portfolio (and all transactions) on that Business Day. When reviewing and implementing the Fund's swing pricing policy, the Board may receive input and expertise from various business units within AB Group including *inter alia* the risk management, legal and compliance, trading, and product development units.

The swing pricing adjustment may vary by Portfolio and is dependent upon the particular assets in which a Portfolio is invested. The swing pricing adjustment will generally not exceed 2% of the original Net Asset Value of a Portfolio under normal market conditions. However, in extraordinary circumstances typically when there is heightened volatility and price discovery is challenged, the transaction costs may increase dramatically and the Board may decide, in order to protect existing shareholders of a Portfolio, to increase the swing pricing adjustment beyond 2%. The Board will publish such decision on the Fund's website as soon as practicable thereafter.

Investors are advised that the application of swing pricing may result in increased volatility in a Portfolio's valuation and performance, and a Portfolio's Net Asset Value may deviate from the underlying investments' performance on a particular Business Day as a result of the application of swing pricing. Typically, such adjustment will increase the Net Asset Value per Share on a given Business Day when there are net inflows into a Portfolio and decrease the Net Asset Value per Share when there are net outflows. For any Portfolio that has an incentive or performance fee for a particular Share Class, the incentive or performance fee will be calculated on the basis of the applicable NAV without taking into account the effects of the swing pricing mechanism.

For a list of portfolios of the Fund that do not apply any swing pricing adjustment, please refer to:  
[www.alliancebernstein.com/go/Swing-Pricing-Exclusion-List](http://www.alliancebernstein.com/go/Swing-Pricing-Exclusion-List)

### Suspension of Issue, Redemption and Exchange of Shares and Calculation of Net Asset Value

The Management Company may temporarily suspend the determination of Net Asset Value of a portfolio, and consequently the issue, redemption and exchange of Shares of such portfolio, in any of the following events:

- When one or more stock exchanges or markets that provide the basis for valuing a substantial portion of the assets of a portfolio, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the portfolio are denominated, is closed otherwise than for ordinary holidays or if dealings therein are restricted or suspended.
- When, as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the Management Company, disposal of the assets of a portfolio is not reasonably or normally practicable without being seriously detrimental to the interests of the Shareholders.
- In the case of a breakdown in the normal means of communication used for the valuation of any investment of a portfolio or if, for any reason, the value of any asset of a portfolio may not be determined as rapidly and accurately as required.
- If, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of a portfolio are rendered impracticable or if purchases and sales of the portfolio's assets cannot be effected at normal rates of exchange.

The decision to suspend temporarily the determination of the Net Asset Value of Shares of a portfolio does not necessarily entail the same decision for the classes of Shares of another portfolio, if the assets within such other portfolio are not affected to the same extent by the same circumstances. Suspensions of the calculation of the Net Asset Value will be

published in the manner prescribed for notices to Shareholders under the heading "Meetings and Reports to Shareholders" in this Section II if such suspension is likely to exceed ten days.

## Investment Types

The following chart displays the principal investment types in which each Portfolio may invest, but does not purport to provide a complete explanation of all investment types in which each portfolio of the Fund may invest. This chart of investment types is merely illustrative and should not be construed as limiting a Portfolio's ability to invest in other types of securities. Investment types not indicated for a particular Portfolio may still be used to some extent by that Portfolio at various times subject to the restrictions in such Portfolio's stated investment objective and policies and the limitations contained in "Investment Restrictions" in Appendix A. Each of these investment types is described in detail on the following pages.

Investors should further note that the Investment Manager may vary a Portfolio's holdings due to changing market conditions, as further described below.

**Temporary Defensive Position.** Under extraordinary circumstances and for a limited period, the Investment Manager may take temporary defensive measures, varying the investment policy of any portfolio during periods in which conditions in securities markets or other economic or political conditions warrant. The Fund may reduce a portfolio's position in equity securities or long-term debt securities, as appropriate, and increase its position in other debt securities, which may include short-term fixed-income securities issued or guaranteed by the U.S. Government or by a governmental entity of any member state of the OECD, or by European, U.S. or multinational companies or supranational organizations rated AA or better by S&P or Aa or better by Moody's, or the equivalent thereof by at least one IRSO, or if not so rated, determined by the Investment Manager to be of equivalent investment quality. Such securities may be denominated in a portfolio's base currency or in a non-base currency. A portfolio may also hold ancillary liquid assets comprised of cash and money market instruments issued or guaranteed by such highly rated institutions provided their maturity is less than 120 days. A portfolio may also at any time temporarily invest funds awaiting reinvestment or held as reserves for dividends and other distributions to Shareholders in money market instruments referred to above. While a portfolio invests for temporary defensive purposes, it may not meet its investment objective.

**Future Developments.** On an ancillary basis, each portfolio may take advantage of other investment practices that are not currently contemplated for use by the portfolio to the extent such investment practices are consistent with the portfolio's investment objective and legally permissible. Such investment practices, if they arise, may involve risks that exceed those involved in the practices described herein.

**Lack of Liquidity of Certain Securities.** Certain securities in which the Fund may invest may become subject to legal or other restrictions on transfer and there may be no liquid market for such securities. Each portfolio will maintain no more than 10% of its total net assets in securities which have a lack of liquidity. For this purpose, such securities include, among others (a) direct placements or other securities which are subject to legal or contractual restrictions on resale or for which there is no readily available market (e.g., trading in the security is suspended or, in the case of unlisted securities, market makers do not exist or will not entertain bids or offers), including many currency swaps and any assets used to cover currency swaps, (b) OTC options and assets used to cover written OTC options, and (c) repurchase agreements not terminable within seven days. Securities that have legal or contractual restrictions on resale but have a readily available market are not deemed illiquid. The Investment Manager will monitor the liquidity of the portfolio securities of each portfolio. If a portfolio invests in securities having a lack of liquidity, it may not be able to sell such securities and may not be able to realize their full value upon sale.

See paragraph (5) of "Investment Restrictions" in Appendix A for a discussion of securities having a lack of liquidity in which a portfolio may invest.

## Equity

	Global Equity Blend Portfolio	Emerging Markets Growth Portfolio	Asia Ex-Japan Equity Portfolio	Japan Strategic Value Portfolio
<b>Equity Securities Types</b>				
Equity Securities	•	•	•	•
REITs	•			
<b>Debt Securities Types</b>				
Fixed-Income Securities				
Residential Mortgage-Backed Securities (RMBS) *				
Commercial Mortgage-Backed Securities (CMBS) *				
Other Asset-Backed Securities*				
Structured Securities and Basket Securities*				•
<b>Other Investments Types</b>				
Options, Rights and Warrants	•	•	•	•
Futures Contracts	•	•	•	•
Forward Commitments	•	•	•	•
Repurchase Agreements/Reverse Repurchase Agreements				
Swaps, Caps, Floors	•	•	•	•
Synthetic Equity Securities		•	•	

## Fixed-Income

	Short Duration Bond Portfolio	Global High Yield Portfolio	American Income Portfolio	European Income Portfolio	Emerging Markets Debt Portfolio	Mortgage Income Portfolio
<b>Equity Securities Types</b>						
Equity Securities						
REITs						
<b>Debt Securities Types</b>						
Fixed-Income Securities	•	•	•	•	•	•
Residential Mortgage-Backed Securities (RMBS) *	•	•	•	•	•	•
Commercial Mortgage-Backed Securities (CMBS) *	•	•	•	•	•	•
Other Asset-Backed Securities*	•	•	•	•	•	•
Structured Securities and Basket Securities*	•	•	•	•	•	•
<b>Other Investments Types</b>						
Options, Rights and Warrants	•	•	•	•	•	•
Futures Contracts	•		•	•	•	•
Forward Commitments	•	•	•	•	•	
Repurchase Agreements/Reverse Repurchase Agreements	•	•	•	•	•	•
Currency Transactions	•	•	•	•	•	•
Swaps, Caps, Floors		•	•		•	•
Synthetic Equity Securities						

\* Unless otherwise provided for in the specific information relating to a particular portfolio contained in part I of this Prospectus, investments in Asset and Mortgage Backed Securities and Structured Securities are limited to 20% of the net assets of any portfolio

Portfolios of the Fund may invest in any of the following types of investments subject to the restrictions in the Portfolio's stated investment objective and policies and the limitations contained in "Investment Restrictions" in Appendix A.

In the Investment Manager's sole discretion, a portfolio may, for the purpose of efficient portfolio management and to hedge against market risks or provide exposure towards certain markets without direct purchase of the underlying assets, engage in various derivative strategies subject to the restrictions set out in the Fund's "Investment Restrictions" in Appendix A. Such transactions in which such portfolio may engage include derivative instruments such as swaps, including interest rate swaps, total rate of return swaps and credit default swaps, transactions in financial futures and options. A portfolio may also engage in transactions in options on portfolio securities. A portfolio may seek to hedge its investments against currency fluctuations which are adverse to the Currency of the Portfolio by utilizing currency options, futures contracts and forward currency contracts. The use of these derivative transactions involves certain risks and there can be no assurance that the objective sought to be obtained from the use of such instruments will be achieved. See "Risk Factors" below.

### Equity Securities Types

**Equity Securities.** The equity securities in which a portfolio may invest include common stock, preferred stock, securities convertible into common stock or preferred stock and equity interests in partnerships, trusts or other types of equity securities that qualify as transferable securities.

In addition to directly purchasing securities of corporate issuers in various securities markets, a portfolio may invest in ADRs, EDRs, GDRs or other securities representing securities of companies based in countries other than the United States. Depositary receipts may not necessarily be denominated in the same currency as the underlying securities for which they may be exchanged. In addition, the issuers of the stock of unsponsored depositary receipts are not obligated to disclose material information in the United States and, therefore, there may not be a correlation between such information and the market value of the depositary receipts. ADRs are depositary receipts typically issued by a U.S. bank or trust company that evidence ownership of underlying securities issued by a non-U.S. corporation. EDRs, GDRs and other types of depositary receipts are typically issued by non-U.S. banks or trust companies and evidence ownership of underlying securities issued by either a non-U.S. or an U.S. company. Generally, ADRs, in registered form, are designed for use in the U.S. securities markets, and EDRs, in bearer form, are designed for use in non-U.S. securities markets. For purposes of determining the country of issuance, investments in depositary receipts of either type are deemed to be investments in the underlying securities.

**REITs.** A portfolio may invest in global real estate investment trusts ("REITs") and other global real estate industry companies which do not qualify as open-ended investment companies within the meaning of Luxembourg law and which are listed and publicly traded on stock exchanges in the United States or elsewhere. A "real estate industry company" is a company that derives at least 50% of its gross revenues or net profits from the ownership, development, construction,

financing, management or sale of commercial, industrial or residential real estate or interests therein or from ownership and servicing of real estate related loans or interests. The equity securities in which a portfolio will invest for this purpose consist of common stock, Shares of beneficial interest of REITs and securities with common stock characteristics, such as preferred stock or convertible securities. REITs are pooled investment vehicles which invest primarily in income producing real estate or real estate related loans or interests. REITs are generally classified as equity REITs, mortgage REITs that invest in commercial mortgages or residential mortgages, or a combination of equity and mortgage REITs. Equity REITs invest the majority of their assets directly in real property and derive income primarily from the collection of rents. Equity REITs can also realize capital gains by selling properties that have appreciated in value.

### Debt Securities Types

**Fixed-Income Securities.** The fixed-income obligations in which a portfolio will invest include fixed-income securities issued by governmental entities, supranational entities, companies and other entities.

#### *Convertible Securities.*

Convertible securities include bonds, debentures, corporate notes and preferred stocks that are convertible at a stated exchange rate into common stock. Prior to conversion, convertible securities have the same general characteristics as nonconvertible debt securities, which provide a stable stream of income with generally higher yields than those of equity securities of the same or similar issuers. The price of a convertible security will normally vary with changes in the price of the underlying stock, although the higher yield tends to make the convertible security less volatile than the underlying common stock. As with debt securities, the market value of convertible securities tends to decline as interest rates increase and increase as interest rates decline. While convertible securities generally offer lower interest or dividend yields than nonconvertible debt securities of similar quality, they enable investors to benefit from increases in the market price of the underlying common stock.

Convertible securities also include contingent convertible bonds which imply specific risks, details of which may be found under "Contingent convertible bonds (CoCos) risk" in "Risk Factors" in Section II.

**"Zero Coupon" Treasury Securities.** A portfolio may invest in "zero coupon" Treasury securities, which are U.S. Treasury bills issued without interest coupons, U.S. Treasury notes and bonds which have been stripped of their unmatured interest coupons, and receipts or certificates representing interests in such stripped debt obligations and coupons. A zero coupon security pays no interest to its holder during its life. Its value to an investor consists of the difference between its face value at the time of maturity and the price for which it was acquired, which is generally an amount significantly less than its face value (sometimes referred to as a "deep discount" price). Such securities usually trade at a deep discount from their face or

par value and will be subject to greater fluctuations of market value in response to changing interest rates than debt obligations of comparable maturities which make current distributions of interest. On the other hand, because there are no periodic interest payments to be reinvested prior to maturity, zero coupon securities eliminate reinvestment risk and lock in a rate of return to maturity.

Currently the only U.S. Treasury security issued without coupons is the Treasury bill. Although the U.S. Treasury does not itself issue Treasury notes and bonds without coupons, under the U.S. Treasury Separate Trading of Registered Interest and Principal of Securities, or STRIPS, program interest and principal payments on certain long-term Treasury securities may be maintained separately in the Federal Reserve book entry system and may be separately traded and owned. In addition, in the last few years a number of banks and brokerage firms have separated ("stripped") the principal portions ("corpus") from the coupon portions of U.S. Treasury bonds and notes and sold them separately in the form of receipts or certificates representing interests in these instruments (which instruments are generally held by a bank in a custodial or trust account).

***Variable, Floating and Inverse Floating Rate Securities.*** Fixed-income securities may have fixed, variable or floating rates of interest. Variable and floating rate securities pay interest at rates that are adjusted periodically, according to a specified formula. A "variable" interest rate adjusts at predetermined intervals (e.g., daily, weekly or monthly), while a "floating" interest rate adjusts whenever a specified benchmark rate (such as the bank prime lending rate) changes.

A portfolio may invest in fixed-income securities that pay interest at a coupon rate equal to a base rate, plus additional interest for a certain period of time if short-term interest rates rise above a predetermined level or "cap." The amount of such an additional interest payment typically is calculated under a formula based on a short-term interest rate index multiple by a designated factor.

Leveraged inverse floating rate fixed-income securities are sometimes known as inverse floaters. The interest rate on an inverse floater resets in the opposite direction from the market rate of interest to which the inverse floater is indexed. An inverse floater may be considered to be leveraged to the extent that its interest rate varies by a magnitude that exceeds the magnitude of the change in the index rate of interest. The higher degree of leverage inherent in inverse floaters is associated with greater volatility in market value, such that, during periods of rising interest rates, the market values of inverse floaters will tend to decrease more rapidly than those of fixed rate securities.

***Inflation-Protected Securities.*** A portfolio may invest in certain types of government-issued inflation-protected securities, including U.S. Treasury Inflation Protected Securities ("U.S. TIPS") and inflation-protected securities issued by the governments of other nations. U.S. TIPS are fixed-income securities issued by the U.S. Department of the Treasury, the principal amounts of which are adjusted daily based upon changes in the rate of inflation (currently represented by the non-seasonally adjusted Consumer Price Index for All Urban Consumers, calculated with a three-month lag). The U.S. Treasury currently issues U.S. TIPS in only ten-year maturities, although it is possible that U.S. TIPS with other

maturities will be issued in the future. U.S. TIPS have previously been issued with maturities of five, ten or thirty years. U.S. TIPS pay interest on a semi-annual basis, equal to a fixed percentage of the inflation-adjusted principal amount. The interest rate on these bonds is fixed at issuance, but over the life of the bond, this interest may be paid on an increasing or decreasing principal value that has been adjusted for inflation. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed even during a period of deflation. However, if a portfolio purchases U.S. TIPS in the secondary market whose principal values have been adjusted upward due to inflation since issuance, the portfolio may experience a loss if there is a subsequent period of deflation. In addition, the current market value of the bonds is not guaranteed, and will fluctuate. If inflation is lower than expected during the period a portfolio holds a U.S. TIPS, the portfolio may earn less on this type of security than on a conventional bond. Inflation-protected securities of other governments may be subject to additional or different issues and risks depending on their structure and local markets.

#### **Residential Mortgage-Backed Securities ("RMBS").**

Holders of residential mortgage-backed securities ("RMBS") bear various risks, including credit, market, interest rate, structural and legal risks. RMBS represent interests in pools of residential mortgage loans secured by one to four family residential mortgage loans. Such loans may be prepaid at any time. Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity, although such loans may be securitized by government agencies and the securities issued guaranteed. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the geographic area where the mortgaged property is located, the terms of the mortgage loan, the borrower's "equity" in the mortgaged property and the financial circumstances of the borrower.

***Pass-Through Mortgage-Related Securities.*** The mortgage-related securities in which a portfolio may invest provide funds for mortgage loans made to U.S. residential home buyers. These include securities which represent interests in pools of mortgage loans made by lenders such as savings and loan institutions, mortgage bankers and commercial banks. Pools of mortgage loans are assembled for sale to investors (such as a portfolio) by various U.S. governmental, government-related and private organizations.

Interests in pools of mortgage-related securities differ from other forms of traditional debt securities, which normally provide for periodic payment of interest in fixed amounts with principal payments at maturity or specified call dates. Instead, mortgage-related securities provide a monthly payment which consists of both interest and principal. In effect, these payments are a "pass-through" of the monthly interest and principal payments made by the individual borrowers on their residential mortgage loans, net of any fees paid to the issuer, servicer or guarantor of such securities. Additional payments result from repayments of principal resulting from the sale of the underlying residential property, refinancing or foreclosure, net of fees or costs



which may be incurred. Some mortgage-related securities, such as securities issued by the Government National Mortgage Association ("GNMA"), are described as "modified pass-through." These securities entitle the holder to receive all interest and principal payments owed on the mortgage pool, net of certain fees, regardless of whether or not the mortgagors actually make mortgage payments when due.

The investment characteristics of pass-through mortgage-related securities differ from those of traditional fixed-income securities. The major differences include the payment of interest and principal on the mortgage-related securities on a more frequent schedule, as described above, and the possibility that principal may be prepaid at any time due to prepayments on the underlying mortgage loans or other assets.

The occurrence of mortgage prepayments is affected by factors including the level of interest rates, general economic conditions, the location and age of the mortgage and other social and demographic conditions. Generally, prepayments on pass-through mortgage-related securities increase during periods of falling mortgage interest rates and decrease during periods of rising mortgage interest rates. Reinvestment of prepayments may occur at higher or lower interest rates than the original investment, thus affecting the yield of the portfolios.

The principal U.S. governmental (*i.e.*, backed by the full faith and credit of the U.S. Government) guarantor of mortgage-related securities is GNMA. GNMA is a wholly-owned U.S. Government corporation within the Department of Housing and Urban Development. GNMA is authorized to guarantee, with the full faith and credit of the U.S. Government, the timely payment of principal and interest on securities issued by institutions approved by GNMA (such as savings and loan institutions, commercial banks and mortgage bankers) and backed by pools of Federal Housing Administration-insured or Veterans Administration-guaranteed mortgages.

U.S. Government-related (*i.e.*, not backed by the full faith and credit of the U.S. Government) guarantors include the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC"). FNMA is a government-sponsored corporation owned entirely by private stockholders. Pass-through securities issued by FNMA are guaranteed as to timely payment of principal and interest by FNMA but are not backed by the full faith and credit of the U.S. Government. FHLMC is a corporate instrumentality of the U.S. Government. Participation certificates issued by FHLMC are guaranteed as to the timely payment of interest and ultimate (or, in some cases, timely) collection of principal but are not backed by the full faith and credit of the U.S. Government.

Commercial banks, savings and loan institutions, private mortgage insurance companies, mortgage bankers and other secondary market issuers also create pass-through pools of conventional residential mortgage loans. Such issuers may also be the originators of the underlying mortgage loans as well as the guarantors of the mortgage-related securities. Pools created by such non-governmental issuers generally offer a higher rate of interest than government and government-related pools because there are no direct or indirect government guarantees of payments in the former pools. However, timely payment of interest and principal of these pools is generally supported by various forms of insurance or guarantees, including individual loan, title, pool and hazard

insurance. The insurance and guarantees are issued by government entities, private insurers and the mortgage poolers. Such insurance and guarantees and the creditworthiness of the issuers thereof will be considered in determining whether a mortgage-related security meets a portfolio's investment quality standards. There can be no assurance that the private insurers can meet their obligations under the policies. A portfolio may buy mortgage-related securities without insurance or guarantees if through an examination of the loan experience and practices of the poolers the Investment Manager determines that the securities meet the portfolio's quality standards. Although the market for such securities is becoming increasingly liquid, securities issued by certain private organizations may not be readily marketable.

*Collateralized Mortgage Obligations and Multi-Class Pass-Through Securities.* Mortgage-related securities in which a portfolio may invest may also include collateralized mortgage obligations ("CMOs") and multi-class pass-through securities. CMOs are debt obligations issued by special purpose entities that are secured by mortgage-backed certificates, including, in many cases, certificates issued by governmental or government-related guarantors, including GNMA, FNMA and FHLMC, together with certain funds and other collateral. Multi-class pass-through securities are equity interests in a trust composed of mortgage loans or other mortgage-related securities. Payments of principal and interest on underlying collateral provide the funds to pay debt service on the CMO or make scheduled distributions on the multi-class pass-through security. CMOs and multi-class pass-through securities (collectively CMOs unless the context indicates otherwise) may be issued by agencies or instrumentalities of the U.S. Government or by private organizations. The issuer of a CMO may elect to be treated as a Real Estate Mortgage Investment Conduit ("REMIC").

In a CMO, a series of bonds or certificates is issued in multiple classes. Each class of CMOs, often referred to as a "tranche," is issued at a specific coupon rate and has a stated maturity or final distribution date. Principal prepayments on collateral underlying a CMO may cause it to be retired substantially earlier than the stated maturities or final distribution dates. The principal and interest on the underlying mortgages may be allocated among the several classes of a series of a CMO in many ways. In a common structure, payments of principal, including any principal prepayments, on the underlying mortgages are applied to the classes of the series of a CMO in a specified order, so that no payment of principal will be made on certain classes of a CMO until certain other classes have been paid in full.

One or more tranches of a CMO may have coupon rates which reset periodically at a specified increment over an index such as SOFR (as defined below). These adjustable rate tranches known as "floating rate CMOs" will be considered as ARMS (as defined below) by a portfolio. Floating rate CMOs are typically issued with lifetime caps on the coupon rate thereon. These caps, similar to the caps on adjustable rate mortgages described in "Adjustable Rate Mortgage Securities" below represent a ceiling beyond which the coupon rate on a floating rate CMO may not be increased regardless of increases in the interest rate index to which the floating rate CMO is tied.

**Adjustable Rate Mortgage Securities.** Adjustable rate mortgage securities ("ARMS") in which a portfolio may invest include (i) pass-through securities backed by adjustable rate mortgages and issued by GNMA, FNMA, FHLMC and by private organizations and (ii) floating rate CMOs. The coupon rates on ARMS are reset at periodic intervals to an increment over some predetermined interest rate index. There are three main categories of indices: (i) those based on U.S. Treasury securities, (ii) those derived from a calculated measure such as a cost of funds index or a moving average of mortgage rates and (iii) those based on short-term rates such as the Secured Overnight Financing Rate ("SOFR"), Certificates of Deposit ("CDs") or the prime rate. Many issuers have selected as indices the yields of one-, three- and five-year U.S. Treasury notes, the discount rate of six-month U.S. Treasury bills as reported in two Federal Reserve statistical releases, the monthly G.13 (415) and the weekly H.15 (519), the CD composite, the prime rate, SOFR and other indices. Additional indices may be developed in the future. In selecting a type of ARMS for investment, the Investment Manager will also consider the liquidity of the market for such ARMS.

The underlying adjustable rate mortgages which back ARMS in which a portfolio may invest will frequently have caps and floors which limit the maximum amount by which the loan rate to the residential borrower may change up or down (i) per reset or adjustment interval and (ii) over the life of the loan. Some residential adjustable rate mortgage loans limit periodic adjustments by limiting changes in the borrower's monthly principal and interest payments rather than limiting interest rate changes. These payment caps may result in negative amortization (*i.e.*, an increase in the balance of the mortgage loan). ARMS in which a portfolio may invest may also be backed by fixed-rate mortgages. Such ARMS, known as floating rate CMOs (as described above), generally have lifetime caps on the coupon rate thereon.

The ARMS in which a portfolio may invest include pass-through mortgage-related securities backed by adjustable rate mortgages and floating rate CMOs. As described above, adjustable rate mortgages typically have caps, which limit the maximum amount by which the coupon rate may be increased or decreased at periodic intervals or over the life of the loan. Floating rate CMOs have similar lifetime caps. To the extent that interest rates rise faster than the allowable caps on ARMS, such ARMS will behave more like securities backed by fixed-rate mortgages than by adjustable rate mortgage loans. Consequently, interest rate increases in excess of caps can be expected to cause ARMS to behave more like traditional debt securities than adjustable rate securities and, accordingly, to decline in value to a greater extent than would be the case in the absence of such caps.

As noted above, because the coupon rates on ARMS are adjusted in response to changing interest rates, fluctuations in prices of ARMS due to changes in interest rates will be less than in the case of traditional debt securities. The adjustable rate feature of ARMS will not, however, eliminate such price fluctuations, particularly during periods of extreme fluctuations in interest rates. Also, since many adjustable rate mortgages only reset on an annual basis, it can be expected that the prices of ARMS will fluctuate to the extent that changes in prevailing interest rates are not immediately reflected in the coupon rates payable on the underlying adjustable rate mortgages.

**Stripped Mortgage-Related Securities.** Stripped mortgage-related securities ("SMRS") are derivative multi-class mortgage-related securities. SMRS may be issued by the U.S. Government, its agencies or instrumentalities, or by private originators of, or investors in, mortgage loans, including savings and loan associations, mortgage banks, commercial banks, investment banks and special purpose subsidiaries of the foregoing.

SMRS are usually structured with two classes that receive different proportions of the interest and principal distributions on a pool of GNMA, FNMA or FHLMC certificates, whole loans or private pass-through mortgage-related securities ("Mortgage Assets"). A common type of SMRS will have one class receiving some of the interest and most of the principal from the Mortgage Assets, while the other class will receive most of the interest and the remainder of the principal. In the most extreme case, one class will receive all of the interest (the interest-only or "IO" class), while the other class will receive all of the principal (the principal-only or "PO" class). The yield to maturity on an IO class is extremely sensitive to the rate of principal payments (including prepayments) on the related underlying Mortgage Assets, and a rapid rate of principal prepayments may have a material adverse effect on the yield to maturity of the IO class. The rate of principal prepayment will change as the general level of interest rates fluctuates. If the underlying Mortgage Assets experience greater than anticipated principal prepayments, the portfolio may fail to fully recoup its initial investment in these securities, even if the securities are rated AAA by S&P or Aaa by Moody's or the equivalent thereof by another NRSRO. Due to their structure and underlying cash flows, SMRS may be more volatile than mortgage-related securities that are not stripped.

**Types of Credit Support.** To lessen the effect of failures by obligors on underlying assets to make payments, non-GNMA, -FNMA or -FHLMC mortgage-related securities are likely to contain cash flow support. Such cash flow support falls into two categories: (i) liquidity protection and (ii) credit protection against losses resulting from ultimate default by an obligor on underlying assets. Liquidity protection refers to the provision of advances to cover delinquent (*e.g.*, 30-60 days late) payments, generally by the entity administering the pool of assets, to ensure that the pass-through of payments due on the underlying pool occurs in a timely fashion. Credit protection against losses resulting from ultimate default enhances the likelihood of ultimate payment of the obligations on at least a portion of the assets in the pool. These protections may be provided through guarantees, insurance policies or letters of credit obtained by the issuer or sponsor from third parties, through various means of structuring the transaction, as described below, or through a combination of these approaches.

The ratings of securities for which third-party credit enhancement provides liquidity protection or protection against losses from default are generally dependent upon the continued creditworthiness of the enhancement provider. The ratings of such securities could be subject to reduction in the event of deterioration in the creditworthiness of the enhancement provider even in cases where the delinquency and loss experience on the underlying pool of assets is better than expected.

Examples of credit support arising out of the structure of the transaction include "senior-subordinated securities" (multiple class securities with one or more classes subordinate to other classes as to the payment of principal thereof and interest thereon, with the result that defaults on the underlying assets are borne first by the holders of the subordinated class), creation of "reserve funds" (where cash or investments, sometimes funded from a portion of the payments on the underlying assets, are held in reserve against future losses) and "over collateralization" (where the scheduled payments on, or the principal amount of, the underlying assets exceed those expected to be required to make payment on the securities and pay any servicing or other fees). The degree of credit support provided for each issue is generally based on historical information with respect to the level of credit risk associated with the underlying assets. Other information which may be considered includes demographic factors, loan underwriting practices and general market and economic conditions. Delinquency or loss in excess of that which is anticipated could adversely affect the return on an investment in such a security.

#### **Commercial Mortgage-Backed Securities ("CMBS").**

Commercial mortgage-backed securities are securities that represent an interest in, or are secured by, mortgage loans secured by multifamily or commercial properties, such as industrial and warehouse properties, office buildings, retail space and shopping malls, and cooperative apartments, hotels and motels, nursing homes, hospitals and senior living centers. Commercial mortgage-backed securities have been issued in public and private transactions by a variety of public and private issuers using a variety of structures, some of which were developed in the residential mortgage context, including multi-class structures featuring senior and subordinated classes. Commercial mortgage-backed securities may pay fixed or floating-rates of interest. The commercial mortgage loans that underlie commercial mortgage-backed securities have certain distinct risk characteristics. Commercial mortgage loans generally lack standardized terms, which may complicate their structure, tend to have shorter maturities than residential mortgage loans and may not be fully amortizing. Commercial properties themselves tend to be unique and are more difficult to value than single-family residential properties. In addition, commercial properties, particularly industrial and warehouse properties, are subject to environmental risks and the burdens and costs of compliance with environmental laws and regulations.

Commercial mortgage-backed securities, like all fixed-income securities, generally decline in value as interest rates rise. Moreover, although generally the value of fixed-income securities increases during periods of falling interest rates, this inverse relationship may not be as marked in the case of single-family residential mortgage-backed securities due to the increased likelihood of prepayments during periods of falling interest rates in the case of commercial mortgage-backed securities. The process used to rate commercial mortgage-backed securities may focus on, among other factors, the structure of the security, the quality and adequacy of collateral and insurance, and the creditworthiness of the originators, servicing companies and providers of credit support.

**Other Asset-Backed Securities.** A portfolio may invest in certain high quality asset-backed securities. Through the use of trusts, special purpose corporations and other vehicles, various

types of assets, including automobile and credit card receivables, home equity loans and equipment leases, may be securitized in pass-through structures similar to the mortgage pass-through structures described above or in a pay-through structure similar to the CMO structure. The collateral behind asset-backed securities tends to have a controlled or limited prepayment rate. In addition, the short-term nature of asset-backed loans reduces the impact of any change in prepayment level. Due to amortization, the average life for asset-backed securities is also the conventional proxy for maturity.

Because of the possibility that prepayments (on mortgage loans, automobile loans or other collateral) will alter the cash flow on asset-backed securities, it is not possible to determine in advance the actual final maturity date or average life. Faster prepayment will shorten the average life and slower prepayments will lengthen it. However, it is possible to determine what the range of the movement could be and to calculate the effect that it will have on the price of the security.

**Structured Securities and Basket Securities.** A portfolio may invest in various types of structured securities and basket securities. Structured securities in which a portfolio invests may represent, for example, interests in entities organized and operated solely for the purpose of restructuring the investment characteristics of particular fixed-income obligations. This type of restructuring involves the deposit with or purchase by an entity, such as a corporation or trust, of specified instruments and the issuance by that entity of one or more classes of structured securities backed by, or representing interests in, the underlying instruments. The cash flow on the underlying instruments may be apportioned among the newly issued structured securities to create securities with different investment characteristics such as varying maturities, payment priorities and interest rate provisions, and the extent of the payments made with respect to structured securities is dependent on the extent of the cash flow on the underlying instruments. Structured securities of a given class may be either subordinated or unsubordinated to the right of payment of another class. Subordinated structured securities typically have higher yields and present greater risks than unsubordinated structured securities.

Basket securities in which a portfolio invests may consist of entities organized and operated for the purpose of holding a basket of fixed-income obligations of various issuers or a basket of other transferable securities. Baskets involving fixed-income obligations may be designed to represent the characteristics of some portion of the fixed-income securities market or the entire fixed-income securities market.

Subject to the Fund's Investment Restrictions set out in Appendix A, a portfolio may invest in structured securities and basket securities.

**Collateralized Debt Obligations.** Collateralized Debt Obligations ("CDOs") are instruments representing interests, generally divided into tranches, in pools, the underlying asset classes of which may include certain fixed income securities, such as asset-backed securities, corporate leveraged loans, other CDOs, credit default

swaps and other derivatives. There are a variety of different types of CDOs, including CDOs collateralized by trust preferred securities and asset-backed securities and CDOs collateralized by corporate loans and debt securities called collateralized loan obligations ("CLOs"). CDOs may issue several types of securities or tranches, including, without limitation, CDO and CLO equity, multi-sector CDO equity, trust preferred CDO equity and CLO debt. CDO equity tranches may be unrated or non-investment grade. CDOs are subject to credit, liquidity and interest rate risks, which are each discussed in greater detail below.

## Other Investments Types

**Options, Rights and Warrants.** An option gives the purchaser of the option, upon payment of a premium, the right to deliver to (in the case of a put) or receive from (in the case of a call) the writer of such option a specified amount of a security (or, in the case of an option on an index, cash) on or before a fixed date at a predetermined price. A call option written by a portfolio is "covered" if the portfolio owns the underlying security, has an absolute and immediate right to acquire that security upon conversion or exchange of another security it holds, or holds a call option on the underlying security with an exercise price equal to or less than that of the call option it has written. A put option written by a portfolio is covered if the portfolio holds a put option on the underlying securities with an exercise price equal to or greater than that of the put option it has written.

A call option is for cross-hedging purposes if a portfolio does not own the underlying security but seeks to provide a hedge against a decline in value of another security that the portfolio owns or has the right to acquire. A portfolio would write a call option for cross-hedging purposes, instead of writing a covered call option, when the premium to be received from the cross-hedge transaction would exceed that which would be received from writing a covered call option, while at the same time achieving the desired hedge.

Rights and warrants entitle the holder to buy equity securities at a specific price for a specific period of time. A portfolio may invest in rights or warrants only if the underlying equity securities themselves are deemed appropriate by the Investment Manager for inclusion in the relevant portfolio. Rights are generally issued to existing Shareholders of an issuer and in some countries are referred to as "preferential subscription rights." Rights are similar to warrants except that they have a substantially shorter duration. Rights and warrants may be considered more speculative than certain other types of investments in that they do not entitle a holder to dividends or voting rights with respect to the underlying securities nor do they represent any rights in the assets of the issuing company. The value of a right or warrant does not necessarily change with the value of the underlying security, although the value of a right or warrant may decline because of a decrease in the value of the underlying security, the passage of time or a change in perception as to the potential of the underlying security, or any combination of these factors. If the market price of the underlying security is below the exercise price set out in the warrant on the expiration date, the warrant will expire worthless. Moreover, a right or warrant ceases to have value if it is not exercised prior to the expiration date.

**Futures Contracts.** A "sale" of a futures contract means the acquisition of a contractual obligation to deliver the securities or foreign currencies or commodity indices called for by the contract at a specified price on a specified date. A "purchase" of a futures contract means the incurring of an obligation to acquire the securities, foreign currencies or commodity indices called for by the contract at a specified price on a specified date. The purchaser of a futures contract on an index agrees to take or make delivery of an amount of cash equal to the differences between a specified multiple of the value of the index on the expiration date of the contract ("current contract value") and the price at which the contract was originally struck. No physical delivery of the securities underlying the index is made. A Portfolio may also invest in options on futures contracts, which are options that call for the delivery of futures contracts upon exercise. Options on futures contracts written or purchased by a portfolio will be traded on an exchange or OTC and will be used only for efficient management of its securities portfolio.

**Forward Commitments.** Forward commitments for the purchase or sale of securities may include purchases on a "when-issued" basis or purchases or sales on a "delayed delivery" basis. In some cases, a forward commitment may be conditioned upon the occurrence of a subsequent event, such as approval and consummation of a merger, corporate reorganization or debt restructuring (*i.e.*, a "when, as and if issued" trade).

When forward commitment transactions are negotiated, the price is fixed at the time the commitment is made, but delivery and payment for the securities take place at a later date. Normally, the settlement date occurs within two months after the transaction, but settlements beyond two months may be negotiated. Securities purchased or sold under a forward commitment are subject to market fluctuations, and no interest or dividends accrue to the purchaser prior to the settlement date.

The use of forward commitments enables a portfolio to protect against anticipated changes in interest rates and prices. For instance, in periods of rising interest rates and falling bond prices, a portfolio might sell securities held by it on a forward commitment basis to limit its exposure to falling prices. In periods of falling interest rates and rising bond prices, a portfolio might sell a security held by it and purchase the same or a similar security on a when-issued or forward commitment basis, thereby obtaining the benefit of currently higher cash yields. However, if the Investment Manager were to forecast incorrectly the direction of interest rate movements, the portfolio concerned might be required to complete such when-issued or forward transactions at a price inferior to the then current market values. When-issued securities and forward commitments may be sold prior to the settlement date, but a portfolio will enter into when-issued and forward commitments only with the intention of actually receiving securities or delivering them, as the case may be. If a portfolio chooses to dispose of the right to acquire a when-issued security prior to its acquisition or dispose of its right to deliver or receive against a forward commitment, it may incur a gain or loss. Any significant commitment of a portfolio's assets to the purchase of securities on a "when, as and if issued" basis

may increase the volatility of such portfolio's Net Asset Value. In the event the other party to a forward commitment transaction were to default, the portfolio might lose the opportunity to invest money at favorable rates or to dispose of securities at favorable prices.

### **Efficient Portfolio Management Techniques**

Subject to the conditions and within the limits laid down in the Law of 2010 as well as any circulars issued by the CSSF from time to time, and in particular the CSSF Circular 14/592 transposing the ESMA/2014/937 Guidelines for competent authorities and UCITS management companies - Guidelines on ETFs and other UCITS issues (the "ESMA Guidelines"), a portfolio may employ techniques and instruments relating to transferable securities and money market instruments, such as securities lending and repurchase agreement transactions, provided that such techniques and instruments are used for the purpose of efficient portfolio management. For further information about efficient portfolio management techniques employed by the Fund, see "Appendix C: Additional Information relating to Financial Derivative Instruments, Financial Techniques and Instruments and Collateral Management."

**Repurchase and Reverse Repurchase Agreements.** A reverse repurchase agreement arises when the Fund "buys" a security from a counterparty and simultaneously agrees to sell it back to the counterparty at an agreed-upon future date and price. In a repurchase transaction, the Fund "sells" a security to a counterparty and simultaneously agrees to repurchase it back from the counterparty at an agreed-upon future date and price. The repurchase price is the sum of repurchase agreement principal plus an agreed interest rate for the period the buyer's money is invested in the security. Such agreements provide the Investment Manager with additional flexibility to pursue the portfolio's investment objective.

**Currency Transactions.** Transactions in currencies may include options, forwards, futures and swaps and are subject to a number of risks, in particular, the risk posed by fluctuations in the market price of currency contracts.

*Options on Currencies.* As in the case of other kinds of options, the writing of an option on a currency constitutes only a partial hedge, up to the amount of the premium received, and the portfolio concerned could be required to purchase or sell currencies at disadvantageous exchange rates, thereby incurring losses. The purchase of an option on a currency may constitute an effective hedge against fluctuations in exchange rates although, in the event of rate movements adverse to the portfolio's position, it may forfeit the entire amount of the premium plus related transaction costs.

*Forward Foreign Currency Exchange Contracts.* A portfolio may purchase or sell forward foreign currency exchange contracts to reduce or obtain exposure to the Currency of the Portfolio, the currency of an underlying investment and/or other currencies. A forward foreign currency exchange contract is an obligation to purchase or sell a specific currency for an agreed price at a future date, and is individually negotiated and privately traded.

A portfolio may enter into a forward foreign currency exchange contract, for example, when it enters into a contract for the purchase or sale of a security denominated in a foreign

currency in order to "lock in" the price, in the Currency of the Portfolio, of the security ("transaction hedge"). A portfolio may engage in transaction hedges with respect to the currency of a particular country to an amount equal to the aggregate amount of the portfolio's transactions in that currency, or such greater or lesser amount as may be required to accommodate for unrealized gains or losses in a portfolio or to adjust for subscription and redemption activity giving rise to the purchase or sale of underlying portfolio securities. Such outstanding currency positions opened for the purpose of a transaction hedge are not required to be adjusted unless any excess of the amount of such a transaction hedge over the aggregate market value from time-to-time of portfolio securities denominated or quoted in such currency exceeds 0.50% of the portfolio's net assets. When a portfolio believes that a currency in which its investments are denominated may suffer a substantial decline against the Currency of the Portfolio, it may enter into a forward sale contract to sell an amount of that other currency approximating the value of some or all of its investments denominated in such foreign currency, or when a portfolio believes that the Currency of the Portfolio may suffer a substantial decline against another currency it may enter into a forward purchase contract to buy that other currency for a fixed amount in the Currency of the Portfolio ("position hedge"). A portfolio generally may position hedge with respect to a particular currency to an amount equal to the aggregate market value (at the time of making such sale) of the securities held in its portfolio denominated or quoted in that currency, or such greater or lesser amount as may be required to accommodate for unrealized gains or losses in a portfolio or to adjust for subscription and redemption activity giving rise to the purchase or sale of underlying portfolio securities. Such outstanding currency positions opened for the purpose of a position hedge are not required to be adjusted unless any excess of the amount of such a position hedge over the aggregate market value from time-to-time of portfolio securities denominated or quoted in such currency exceeds 0.50% of the portfolio's net assets. As an alternative to a position hedge, a portfolio may enter into a forward contract to sell a different foreign currency for a fixed amount, in the Currency of the Portfolio, where such portfolio believes that the value in the Currency of the Portfolio of the currency to be sold pursuant to the forward contract will fall whenever there is a decline in the value, in the Currency of the Portfolio, of the currency in which portfolio securities of such portfolio are denominated ("cross-hedge"). Unanticipated changes in currency prices may result in poorer overall performance for a portfolio than if had not entered into such forward foreign currency exchange contracts. Hedging against a decline in the value of a currency does not eliminate fluctuations in the prices of portfolio securities or prevent losses if the prices of such securities decline. Such transactions also preclude the opportunity for gain if the value of the hedged currency should rise. Moreover, it may not be possible for a portfolio to hedge against a devaluation that is so generally anticipated that the portfolio is not able to contract to sell the currency at a price above the devaluation level it anticipates.

**Swaps, Caps, Floors.** A portfolio may enter into swaps (including interest rate swaps), may purchase and sell

interest rate caps, may purchase or sell floors and may buy and sell options on all the aforementioned transactions. Portfolios expect to enter into these transactions to preserve a return or spread on a particular investment or portion of a portfolio or for other hedging purposes. A portfolio may also enter into these transactions to protect against any increase in the price of securities the portfolio anticipates purchasing at a later date or to manage the duration of a portfolio. Interest rate swaps involve the exchange by a portfolio with another party of their respective commitments to pay or receive interest (e.g., an exchange of floating-rate payments for fixed-rate payments). The purchase of an interest rate cap would entitle a portfolio, to the extent that a specified index exceeds a predetermined interest rate, to receive payments of interest on a contractually based notional amount from the party selling the interest rate cap. The purchase of an interest rate floor would entitle a portfolio to the extent that a specified index falls below a predetermined interest rate, to receive payments of interest on a contractually based notional amount from the party selling the interest rate floor. The sale of an interest rate cap would require that portfolio, to the extent that a specified index rises above a predetermined interest rate, to make payments of interest on a contractually based notional amount to the party purchasing the cap in exchange for receipt of a premium by the portfolio. The sale of an interest rate floor would require that a portfolio, to the extent that a specified index falls below a predetermined interest rate, to make payments of interest on a contractually based notional amount to the party purchasing the interest rate floor.

A portfolio may enter into swaps, caps and floors on either an asset-based or liability-based basis, depending on whether it is hedging its assets or its liabilities, and will usually enter into swaps on a net basis (i.e., the two payment streams are netted out, with the portfolio receiving or paying, as the case may be, only the net amount of the two payments). The net amount of the excess, if any, of the relevant portfolio's obligations over its entitlements with respect to each swap will be accrued on a daily basis. If a portfolio enters into a swap on other than a net basis, the portfolio will maintain a segregated account in the full amount accrued on a daily basis of the portfolio's obligations with respect to the swap. The Investment Manager will monitor the creditworthiness of counterparties to its swap, cap and floor transactions on an ongoing basis.

The use of swaps (including caps and floors) involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If the Investment Manager is incorrect in its forecasts of the market values, interest rates and other applicable factors, the investment performance of the portfolio would diminish compared with what it would have been if these investment techniques were not used. Moreover, even if the Investment Manager is correct in its forecasts, there is a risk that the swap position may correlate imperfectly with the price of the asset or liability being hedged.

**Currency Swaps.** Currency swaps involve the individually negotiated exchange by a portfolio with another party of a series of payments in specified currencies. A currency swap may involve the delivery at the end of the exchange period of a substantial amount of one designated currency in exchange for the other designated currency. Therefore the entire principal of a currency swap is subject to the risk that the other party to the swap will default on its

contractual delivery obligations. The net amount of the excess, if any, of the portfolio's obligations over its entitlements with respect to each currency swap will be accrued on a daily basis. If there is a default by the other party to such a transaction, the portfolio will have contractual remedies pursuant to the agreements related to the transactions.

**Credit Default Swaps.** A portfolio may enter into a credit default swap, or CDS, with institutions subject to prudential supervision, and belonging to the categories approved by the CSSF referencing any of the aforementioned eligible investments for hedging purposes or speculation. When used for hedging purposes, the portfolio will be the buyer of a CDS contract. In this case, a portfolio will pay to the counterparty a periodic stream of payments over the term of the CDS, in return for a right to exchange the debt obligation or cash settlement in lieu thereof for par value (or other agreed-upon value) upon the occurrence of a "credit event" on the issuer of the specified debt obligation. If a credit event does not occur, a portfolio will have spent the stream of payments received on the CDS without having received any benefit. Conversely, when a portfolio is the seller of a CDS, it receives the stream of payments and is obligated to pay to the counterparty par value (or other agreed-upon value) of the referenced debt obligation in exchange for the debt obligation or cash settlement in lieu thereof upon the occurrence of such a credit event. As the seller, a portfolio will be subject to the credit risk of the issuer since it will have to look to the issuer in order to be made whole. A portfolio may invest in single name, index, tranche, basket or bespoke CDS transaction.

**Total Return Swaps and Other Financial Derivative Instruments with Similar Characteristics.** In case where a portfolio enters into a total return swap or invests in other financial derivative instruments with similar characteristics, the assets held by the portfolio must comply with the diversification limits set out in Articles 43, 44, 45, 46 and 48 of the Law of 2010. At the same time, pursuant to Article 42(3) of the Law of 2010 and Article 48(5) of CSSF Regulation 10-4, the Management Company must ensure that the underlying exposures of the total return swap or of the other financial derivative instruments with similar characteristics are taken into account to calculate the portfolio investment limits laid down in accordance with Article 43 of the Law of 2010.

In addition, where a portfolio enters into a total return swap or invests in other financial derivative instruments with similar characteristics, the underlying exposure gained directly or via a recognized index, must be in line with the relevant portfolio's investment objective and policy set out in Section I of this prospectus.

The counterparties to such type of transactions must be highly rated financial institutions specialized in this type of transaction and are selected from a list of authorized counterparties established by the Investment Manager.

Unless otherwise provided for in the relevant part of Section I relating to a specific portfolio, the counterparty has no discretion over the composition or management of the portfolio's investments or of the underlying assets or reference index of the financial derivative instrument. If, for

a specific portfolio, the counterparty has any discretion over the composition or management of the portfolio's investments or of the underlying assets of the financial derivative instruments, the agreement between the portfolio and the counterparty should be considered as an investment management delegation arrangement and should comply with the UCITS requirements on delegation. In such case, the part of Section I relating to the relevant portfolio will describe the details of the agreement.

A portfolio that enters into a total return swap or invests in other financial derivative instruments with similar characteristics is subject to the risk of counterparty default which may affect the return of the shareholders of this portfolio. For more information on this risk and other risks applicable to such type of transactions, investors should refer to "Risk Factors" below and more specifically to the "Derivatives Risk" provisions thereof.

**Synthetic Equity Securities.** The portfolios may invest in synthetic equity securities, referred to as "local access products" or "participation notes" or "low exercise price warrants". These instruments are typically issued by banks or other financial institutions, and may or may not be traded on an exchange. These instruments are a form of derivative security that may give holders the right to buy or sell an underlying security or a basket of securities representing an index, in accordance with Article 41 (1) of the Law of 2010, from or to the issuer for a particular price or may entitle holders to receive a cash payment relating to the value of the underlying security or index. These instruments are similar to options in that they are exercisable by the holder for an underlying security or the value of that security, but are generally exercisable over a longer term than typical options. These instruments typically have an exercise price, which is fixed at the time of issuance.

These instruments entitle the holder to purchase from the issuer common stock of a company or receive a cash payment. The cash payment is calculated according to a predetermined formula. The instruments typically have an exercise price that is very low relative to the market price of the underlying

instrument at the time of issue (e.g., one U.S. cent). The buyer of a low exercise price warrant effectively pays the full value of the underlying common stock at the outset. In the case of any exercise of warrants, there may be a time delay between the time a holder of warrants gives instructions to exercise and the time the price of the related common stock relating to exercise or settlement date is determined, during which time the price of the underlying security could change significantly. In addition, the exercise or settlement date of the warrants may be affected by certain market disruption events, such as the imposition of capital controls by a local jurisdiction or changes in the laws relating to investors in other jurisdictions. These events could lead to a change in the exercise date or settlement currency of the warrants, or postponement of the settlement date. In some cases, if the market disruption events continue for a certain period of time, the warrants may become worthless resulting in a total loss of the purchase price of the warrants.

The portfolios will acquire such instruments issued by entities deemed to be creditworthy by the Investment Manager, who will monitor the creditworthiness of the issuers on an on-going basis. Investments in these instruments involve the risk that the issuer of the instrument may default on its obligation to deliver the underlying security or cash in lieu thereof. These instruments may also be subject to liquidity risk because there may be a limited secondary market for trading the warrants.

The portfolios may also invest in long-term options of, or relating to, certain issuers. Long-term options are call options created by an issuer, typically a financial institution, entitling the holder to purchase from the issuer outstanding securities of another issuer. Long-term options have an initial period of one year or more, but generally have terms between three and five years. Long-term options do not settle through a clearing corporation that guarantees the performance of the counterparty. Instead, they are traded on an exchange and are subject to the exchange's trading regulations.

## Risk Factors

### General Risks

Each portfolio is involved in the business of investing in securities, which entails certain risks. The following general risk factors apply to all Portfolios of the Fund.

**Country Risks—General.** A portfolio may invest in securities of issuers located in various countries and geographic regions. The economies of individual countries may differ favorably or unfavorably from each other in such respects as growth of gross domestic product or gross national product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments position. Issuers in general are subject to varying degrees of regulation with respect to such matters as insider trading rules, restrictions on market manipulation, shareholder proxy requirements and timely disclosure of information. The reporting, accounting and auditing standards of issuers may differ, in some cases significantly, from country to country in important respects and less information from country to country may be available to investors in securities or other assets.

Nationalization, expropriation or confiscatory taxation, currency blockage, political changes, government regulation, political or social instability or diplomatic developments could affect adversely the economy of a country or a portfolio's investments in such country. In the event of expropriation, nationalization or other confiscation, a portfolio could lose its entire investment in the country involved. In addition, laws in countries governing business organizations, bankruptcy and insolvency may provide limited protection to security holders such as a portfolio.

Portfolios which invest essentially in securities whose issuers are domiciled in only one country will have greater exposure to market, political and economic risks of that country than portfolios that have more geographically diversified investments. Portfolios which invest in securities whose issuers are domiciled in multiple countries will have less exposure to the risks of any one country, but will be exposed to a larger number of countries.

A portfolio may trade its securities in a variety of markets with many different brokers and dealers. The failure of a broker or dealer may result in the complete loss of a portfolio's assets on deposit with such broker or dealer depending on the regulatory rules governing such broker or dealer. In addition, brokerage commissions in certain countries may be higher than in others, and securities markets in certain countries may be less liquid, more volatile and less subject to governmental supervision than in others.

The securities markets of many countries are also relatively small, with the majority of market capitalization and trading volume concentrated in a limited number of companies representing a small number of industries. Consequently, a portfolio invested in equity securities of companies in such countries may experience greater price volatility and significantly lower liquidity than a portfolio invested solely in equity securities of companies in countries with relatively larger securities markets. These smaller markets may be subject to greater influence by adverse events generally affecting the market, and by large investors trading significant blocks of securities. Securities settlements may in some instances be subject to delays and related administrative uncertainties.

Certain countries require governmental approval prior to investments by foreign persons or limit investment by foreign persons to only a specified percentage of an issuer's outstanding securities or a specific class of securities that may have less advantageous terms (including price) than securities of the company available for purchase by nationals. These restrictions or controls may at times limit or preclude investment in certain securities and may increase the costs and expenses of a portfolio. In addition, the repatriation of investment income, capital, or the proceeds of sales of securities from certain countries is controlled under regulations, including in some cases the need for certain advance government notification or authority. If deterioration occurs in a country's balance of payments, the country could impose temporary restrictions on foreign capital remittances. A portfolio also could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation, as well as by the application of other restrictions on investment. Investing in local markets may require a portfolio to adopt special procedures that may involve additional costs to the portfolio. These factors may affect the liquidity of the portfolio's investments in any country and the Investment Manager will monitor the effect of any such factor or factors on the portfolio's investments.

**Cybersecurity Risk.** As part of the Fund's business, the Management Company and Investment Manager process, store and transmit large amounts of electronic information, including information relating to the transactions of the Fund and personally identifiable information of the Shareholders. Similarly, service providers of the Fund may process, store and transmit such information. The Management Company and Investment Manager have procedures and systems in place that they believe are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Management Company and Investment Manager may be susceptible to compromise, leading to a breach of the Management Company's or Investment Manager's network. Systems, facilities or online services may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Breach of the Management Company's or Investment Manager's information systems may cause information relating to the transactions of the Fund and personally identifiable information of the Shareholders to be lost or improperly accessed, used or disclosed.

The service providers of the Management Company, Investment Manager and the Fund are subject to similar electronic information security threats. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Fund and personally identifiable information of the Shareholders may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of the Fund's proprietary information may cause the Fund to suffer, among other things, financial loss, the disruption of its business,



liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Fund and the Shareholders' investments therein.

**Liquidity Risk.** A security or position of a Portfolio could become hard to value, sell, or sell at the at the desired time or price and as such may impact the Portfolio's ability to meet redemption requests.

#### Overview

Liquidity risk can occur due to various factors including the types of securities, restrictions on selling, and market conditions.

Some securities are less liquid such as, *inter alia*, below Investment Grade debt securities, small-capitalization equities, securities from emerging market issuers, 144A issuances and securities that represent a small issue, trade infrequently or are traded on markets that are comparatively small or have long settlement times.

Hard to sell securities often require more time and higher costs, including brokerage and other transaction fees, than the sale of more liquid securities.

Liquidity risk may be increased during extreme market conditions such as, *inter alia*, economic, market or political events, adverse investor perceptions, or the sudden change, possibly without warning, to the market of particular issuers, industries, or investment category.

Liquidity risk and impacts on specific asset classes may change overtime and unexpectedly as markets, trading, and instruments evolve.

#### Impact to the Portfolios

In extreme market conditions, due to, *inter alia*, the lack of willing buyers, it may be impossible or more expensive for a Portfolio to liquidate its positions or holdings. Consequently, the Portfolio may be obliged to accept a lower price or may not be able to sell the investments at all.

An inability to sell securities may adversely affect a Portfolio's value or prevent such Portfolio from being able to take advantage of new investment opportunities.

Liquidity risk may also impact the Portfolio's ability to meet redemption requests, raise cash, and/or pay out proceeds holdings within the necessary time period.

Large redemption requests may also cause liquidity risk. In order to meet large redemption requests, the Portfolio will typically have to sell the most liquid securities first or sell less liquid securities at a potentially discounted price.

#### Liquidity risk management tools

In order to mitigate liquidity risks the Fund has implemented liquidity risk management tools to help manage the liquidity of the Portfolios in various ways, such as:

- redemption gates
- swing pricing
- temporary borrowing in order to meet redemption request

- the ability to suspend redemptions in certain situations

Shareholders should be aware that the implementation of such liquidity risk management tools may, in certain circumstances, affect their redemption rights or the redemption price of their Shares.

For more information on the liquidity risk management tools, please refer to the following sections of the Prospectus: "How to Redeem Shares", "Determination of the Net Asset Value" and "Borrowing risk".

**Market risk.** Prices and yields of many securities can change frequently, sometimes with significant volatility, and can fall, based on a wide variety of factors. Examples of these factors include:

- political and economic news;
- government policy;
- changes in technology and business practices;
- changes in demographics, cultures and populations;
- health crises (i.e. pandemic and epidemic diseases);
- natural or human-caused disasters;
- weather and climate patterns;
- scientific or investigative discoveries; and
- costs and availability of energy, commodities and natural resources.

The public's fear and/or response to the above-mentioned diseases or events may have now, or in the future, adverse effects on a Fund's investments and NAV and may lead to increased market volatility. The occurrence and duration of such diseases or events may also adversely affect the economies and financial markets in specific countries or worldwide. The effects of market risk can be immediate or gradual, short-term or long-term, or narrow or broad.

**Currency Risk.** Underlying investments of a portfolio may be denominated in one or more currencies different than that in which such portfolio is denominated. This means currency movements in such underlying investments may significantly affect the Net Asset Value in respect of such portfolio's Shares. Investments by the portfolios that are denominated in a particular currency are subject to the risk that the value of such currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The portfolios are not limited in the percentage of its assets that may be denominated in currencies other than the Currency of the Portfolio.

The Investment Manager will take into account, and may hedge to reduce the risk of, such risks by investing in one or more currencies, futures contracts on multiple currencies and options thereon, forward currency exchange contracts on multiple currencies, or any combination thereof. The

Investment Manager is not obligated to engage in such currency hedging transactions and may elect to do so in its sole discretion. No assurance can be made that such currency hedging strategies will be effective. In addition, a portfolio may seek active speculative investment opportunities by taking long or short positions in currencies through use of currency-related derivatives such as currency options and forward contracts, subject to certain limitations in such portfolio's investment objective and policies. Such currency transactions involve a significant degree of risk and the markets in which currency exchange transactions are effected may be highly volatile.

In addition, because the Shares of certain portfolios are offered in more than one currency, such portfolio and holders of the Shares are subject to certain additional currency risks. For example, such portfolio may be subject to the risk of an unfavorable change in the Dollar/Euro rate of exchange in respect of Euro subscriptions accepted on a particular Trade Date but for which actual Euro subscription amounts are not received by the Depositary until a subsequent Trade Date. Also, the portfolio may be subject to the risk of a decline in the value of the Dollar relative to the Euro subsequent to a Euro redemption and prior to the payment of Euro redemption amounts to the redeeming Shareholder.

Additionally, when a portfolio quotes its Shares' Net Asset Values in a currency other than the Currency of the Portfolio, such values are derived from the spot foreign exchange rate of the other Offered Currency on each Valuation Point. Accordingly, the total return ultimately realized by a Shareholder upon redemption in respect of an investment in Shares made in such other Offered Currency will be directly affected, either positively or negatively, by changes in the exchange rate between such other Offered Currency and the Currency of the Portfolio from the date of subscription to the date of redemption. All expenses related to converting subscription and redemption amounts into and out of the Currency of the Portfolio and other Offered Currencies are borne by the portfolio concerned and attributed to the Shares of such portfolio.

The Distributor occasionally may arrange for foreign exchange facilities that allow investors to use certain currencies other than the Offered Currencies of a portfolio for subscription and redemption of Shares. Such transactions are conducted outside of the Fund and at the investor's own risk and expense. Investors utilizing such facilities may be subject to foreign exchange risks related to timing of settlement upon subscription and changes in exchange rates during the period of investment in the Fund.

**Currency Hedged Share Class Risk.** The precise hedging strategy applied to a particular Currency Hedged Share Class will vary from one portfolio offering Currency Hedged Share Class(es) to another, as set out in Section I. Each such portfolio will apply a hedging strategy which aims to mitigate currency risk between the base currency Net Asset Value (NAV) of the Portfolio and the Offered Currency in which the Currency Hedged Share Class is denominated, while taking account of various practical considerations including transaction costs. The hedging strategy employed is designed to reduce, but may not eliminate, currency exposure between the Portfolio's base currency and the Offered Currency.

Hedging strategies in connection with Currency Hedged Share Classes may be entered into whether the portfolio's base currency is declining or increasing in value relative to the relevant Offered Currency in which the Currency Hedged Share Class in question is denominated and so, where such hedging is undertaken it may substantially protect investors in the relevant Currency Hedged Share Class against a decrease in the value of the portfolio's base currency relative to the Offered Currency in which such Currency Hedged Share Class is denominated, but at the same time it may also prevent investors from benefiting from an increase in the value of the portfolio's base currency relative to the Offered Currency.

Given that there is no segregation of liabilities between the various share classes within a portfolio, there is a remote risk that, under certain circumstances, currency hedging transactions in relation to a Currency Hedged Share Class could result in liabilities which might affect the Net Asset Value of the other share classes of the same Portfolio, in which case assets of the other share classes of the Portfolio may be used to cover the liabilities incurred by such Currency Hedged Share Class.

**Partial Duration Hedged Share Class Risk.** Certain portfolio share classes apply a partial duration hedging strategy which aims to reduce the impact of an increase in interest rates movements. The partial duration hedging strategy is designed to reduce, however it may not eliminate, the interest rate risk of the overall portfolio in the Partial Duration Hedged Share Class.

Shareholders should be aware that investments in Partial Duration Hedged Share Classes of a portfolio are expected to outperform the relevant portfolio's performance when interest rates rise. Conversely, there is a risk that, where interest rates are stable or falling, Partial Duration Hedged Share Classes may underperform the overall portfolio's performance.

Hedging strategies relating to Partial Duration Hedged Share Classes seek to mitigate the effect of rising interest rates without impacting credit risk. However, duration risk and credit risk in fixed-income products may be negatively correlated, and so hedging interest rate risk may in some circumstances result in higher exposure to downside credit risk.

With respect to the financial derivative instruments used for duration hedging purposes, a portfolio may be required to transfer cash or Treasuries to counterparties as collateral. Consequently, the Partial Duration Hedged Share Class may be allocated a greater proportion of cash than the other Share Classes. The impact on performance resulting from such larger cash balances may be positive or negative, and will impact only the relevant Partial Duration Hedged Share Class.

Shareholders in Partial Duration Hedged Share Classes should also be aware that the duration hedging strategies employed by the Investment Manager may only partially hedge duration. Furthermore, there is no guarantee that such hedging strategies will be successful.

**Borrowing Risk.** A portfolio may borrow from a bank or other entity in a privately arranged transaction for temporary purposes, which includes for purposes of redeeming Shares, in an amount not exceeding 10% of the value of the Portfolio's total assets. Borrowing creates an opportunity for a

portfolio to finance the limited activities described above without the requirement that portfolio securities be liquidated at a time when it would be disadvantageous to do so. Any investment income or gains on, or savings in transaction costs made through the retention of, portfolio securities in excess of the interest paid on and the other costs of the borrowings will cause the net income or Net Asset Value per Share of the Shares to be greater than would otherwise be the case. On the other hand, if the income or gain, if any, on the securities retained fails to cover the interest paid on and the other costs of the borrowing, the net income or Net Asset Value per Share of the Shares will be less than would otherwise be the case.

**Loans of Portfolio Securities.** A portfolio may make secured loans of its securities. The risks in lending securities, as with other extensions of credit, consist of possible loss of rights in the collateral should the borrower fail financially. In addition, a portfolio will be exposed to the risk that the sale of any collateral realized upon the borrower's default will not yield proceeds sufficient to replace the loaned securities. In determining whether to lend securities to a particular borrower, the Investment Manager will consider all relevant facts and circumstances, including the creditworthiness of the borrower. While securities are on loan, the borrower may pay the portfolio concerned any income from the securities. The portfolio may invest any cash collateral in money market instruments, thereby earning additional income, or receive an agreed upon amount of income from a borrower who has delivered equivalent collateral. The portfolio may have the right to regain record ownership of loaned securities or equivalent securities in order to exercise ownership rights such as voting rights, subscription rights and rights to dividends, interest or distributions. A portfolio may pay reasonable finders', administrative and other fees in connection with a loan.

**Distributions out of capital risk.** For Distribution Classes, including Classes paying a distribution rate determined by the Board of Managers, Classes paying a stable distribution rate per Unit, and share classes paying a distribution rate based on gross income, a Portfolio may pay distributions equal to all or in excess of the net income attributable to such Distribution Classes. As a result, distributions in such Distribution Classes may be paid out of the capital of a Portfolio. Such distributions may come from gross income (before reduction for fees and expenses), realized and unrealized gains and capital attributable to the relevant Distribution Classes. Investors should note that distributions in excess of net income (gross income less fees and expenses) may represent a return of the investor's original investment amount and as such may result in a decrease in the Net Asset Value per Unit for the relevant share class and reduce capital accumulation. Distributions out of capital may be taxed as income in certain jurisdictions. For further information about the distribution policy of a particular share class, refer to the relevant portfolio details of a Portfolio in Part I.

There is no guarantee that distributions will be made. A high distribution yield does not necessarily imply a positive or high return.

**Taxation Risk.** A portfolio may be subject to taxation resulting, for example, from income or realized capital gains attributable to certain portfolio securities. In certain cases, a double-taxation treaty may exist and serve to eliminate or

ameliorate the effect of such taxation. In other cases, no such double-taxation treaty may exist. For example, a portfolio may invest in equity securities of U.S. issuers. Dividends on the equity securities of U.S. corporations generally will be subject to a 30% U.S. withholding tax. Interest payments on certain debt obligations of U.S. obligors similarly may be subject to a 30% U.S. withholding tax. Distributions on the non-U.S. securities in which the Portfolio invests, including ADRs, EDRs and GDRs, may be subject to taxes withheld by the country of residence of the issuer of the underlying securities. In general, these taxes will be neither refundable nor subject to reduction under an income tax treaty between the country of source and the country of residence of the Fund. No assurance can be given that applicable tax laws and interpretations thereof will not be changed or amended in the future in a manner that will adversely affect the Net Asset Value of the Shares.

**FATCA and Certain Withholding Risk.** The Foreign Account Tax Compliance Act ("FATCA"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It generally requires financial institutions outside the U.S. ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified U.S. Persons", directly or indirectly, to the U.S. tax authorities on an annual basis, or else become subject to withholding tax on certain U.S. source income and possibly gross proceeds.

In order to avoid a U.S. withholding tax of 30% on certain payments (including payments of gross proceeds) made with respect to certain actual and deemed U.S. investments, the Fund and/or each portfolio generally will be required to timely register with the IRS and agree to identify, and report information with respect to certain of their direct and indirect U.S. account holders (including debtholders and equityholders). Luxembourg has signed a Model 1A (reciprocal) inter-governmental agreement with the United States (the "US IGA") to give effect to the foregoing withholding and reporting rules. So long as the Fund complies with the US IGA and the enabling legislation, the Investment Manager anticipates that the Fund will not be subject to the related U.S. withholding tax.

A non-U.S. investor in the Fund will generally be required to provide to the Fund (or in certain cases, a distributor, intermediary or certain other entities through which such non-U.S. investor invests (each, an "Intermediary")) information which identifies its direct and indirect U.S. ownership. Under the US IGA, any such information provided to the Fund will be shared with the Luxembourg Minister of Finance or its delegate (the "Luxembourg MOF"), unless such U.S. ownership is exempt from the reporting rules. The Luxembourg MOF will provide the information reported to it with the IRS annually on an automatic basis. A non-U.S. investor that is a "foreign financial institution" within the meaning of Section 1471(d)(4) of the IRC will also generally be required to timely register with the IRS and agree to identify, and report information with respect to certain of its own direct and indirect U.S. account holders (including debtholders and equityholders). A non-U.S. investor who fails to provide such information to the Fund (or, if applicable, an Intermediary) or timely register and agree to identify and report information with respect to such account holders (as applicable), may be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund, and the

Management Company may take any action in relation to an investor's Shares or redemption proceeds to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or comply with such requirements gave rise to the withholding, subject to applicable laws and regulations and provided that the Management Company acts in good faith and on reasonable grounds. Shareholders should consult their own tax advisors regarding the possible implications of these rules on their investments in the Fund.

Non-U.S. shareholders may also be required to make certain certifications to the Fund as to the beneficial ownership of the Shares and the non-U.S. status of such beneficial owner, in order to be exempt from U.S. information reporting and backup withholding on a redemption of Shares.

It is possible that further inter-governmental agreements ("future IGAs") similar to the US IGA may be entered into with other third countries by the Luxembourg Government to introduce similar regimes for reporting to such third countries' fiscal authorities ("foreign fiscal authorities").

By investing (or continuing to invest) in the Fund, investors shall be deemed to acknowledge that:

1. the Fund (or its agent or an Intermediary) may be required to disclose to the Luxembourg MOF certain confidential information in relation to the investor, including, but not limited to, the investor's name, address, tax identification number (if any), social security number (if any) and certain information relating to the investor's investment;
2. the Luxembourg MOF may provide information as outlined above with the IRS, the Luxembourg Minister of Finance and other foreign fiscal authorities;
3. the Fund (or its agent or an Intermediary) may disclose to the IRS, the Luxembourg Minister of Finance and other foreign fiscal authorities certain confidential information when registering with such authorities and if such authorities contact the Fund (or its agent directly) with further enquiries;
4. the Fund or an Intermediary may require the investor to provide additional information and/or documentation which the Fund or an Intermediary may be required to disclose to the Luxembourg MOF;
5. in the event an investor does not provide the requested information and/or documentation and/or has not itself complied with the applicable requirements, the Fund reserves the right to take any action and/or pursue all remedies at its disposal, including, without limitation, action to ensure that any withholding imposed in respect of such investor's Shares or redemption proceeds is economically borne by such investor and compulsory redemption of the investor concerned; and
6. no investor affected by any such action or remedy shall have any claim against the Fund (or its agent) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with FATCA, any of the US IGA or any future IGAs, or any of the relevant underlying legislation and regulations.

**Sustainability risks.** Sustainability risk means an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of a Sub-fund's investment. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed.

Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a loss of its value and therefore an impact on the net asset value of the concerned Portfolio.

**Portfolio Risks.**

The following chart displays the principal risks of each Portfolio, but does not purport to provide a complete explanation of the risks associated with acquiring and holding Shares in each portfolio of the Fund. For information on the general risks associated with each Portfolio, please see

“General Risks” above. Risks not indicated for a particular Portfolio may, however, still apply to some extent to that Portfolio at various times, and not every risk applicable to an investment in a Portfolio may be shown. Each of these risk factors is described in detail on the following pages.

**Equity**

	Global Equity Blend Portfolio	Emerging Markets Growth Portfolio
<b>Investment Strategy Risks</b>		
Country Risk—Emerging Markets	•	•
Country Risks – China		
Focused Portfolio Risk		
Dynamic Asset Allocation Risk		
Allocation Risk	•	
Turnover Risk	•	•
Smaller Capitalization Companies Risk		•
<b>Financial Instruments Risks</b>		
Derivatives Risk	•	•
OTC Derivatives Counterparty Risk	•	•
Commodity-Related Risk		
Structured Instruments Risk		
<b>Equity Securities Risks</b>		
Equity Securities Risk	•	•
<b>Debt Securities Risks</b>		
Fixed-Income Securities Risk—General		•
Fixed-Income Securities Risk—Lower-Rated and Unrated Instruments		
Credit Risk—Sovereign Debt Obligations		
Credit Risk—Corporate Debt Obligations		
<b>Securities Lending Risk</b>	•	•
<b>Sustainability Risks</b>	•	•

	Asia Ex-Japan Equity Portfolio	Japan Strategic Value Portfolio
<b>Investment Strategy Risks</b>		
Country Risk—Emerging Markets	•	
Country Risks - China		
Focused Portfolio Risk		•
Dynamic Asset Allocation Risk		
Allocation Risk		
Turnover Risk	•	•
Smaller Capitalization Companies Risk	•	
<b>Financial Instruments Risks</b>		
Derivatives Risk	•	•
OTC Derivatives Counterparty Risk	•	•
Commodity-Related Risk		
Structured Instruments Risk		
<b>Equity Securities Risks</b>		
Equity Securities Risk	•	•
<b>Debt Securities Risks</b>		
Fixed-Income Securities Risk—General		
Fixed-Income Securities Risk—Lower-Rated and Unrated Instruments		
Credit Risk—Sovereign Debt Obligations		
Credit Risk—Corporate Debt Obligations		
<b>Securities Lending Risk</b>	•	•
<b>Sustainability Risks</b>	•	•

## Fixed-Income

	Short Duration Bond Portfolio	Global High Yield Portfolio	American Income Portfolio	European Income Portfolio	Emerging Markets Debt Portfolio	Mortgage Income Portfolio
<b>Investment Strategy Risks</b>						
Country Risk—Emerging Markets	•	•	•	•	•	
Country Risks – China	•					
Liquidity Risk	•	•	•	•	•	•
Focused Portfolio Risk			•	•	•	
Allocation Risk					•	•
Turnover Risk	•	•	•	•	•	•
Smaller Capitalization Companies Risk						
<b>Financial Instruments Risks</b>						
Derivatives Risk	•	•	•	•	•	•
OTC Derivatives Counterparty Risk	•	•	•	•	•	•
Commodity-Related Risk						
Structured Investments Risk	•	•	•	•	•	•
<b>Equity Securities Risks</b>						
Equity Securities Risk						
<b>Debt Securities Risks</b>						
Fixed-Income Securities Risk—General	•	•	•	•	•	•
Fixed-Income Securities Risk—Lower-Rated and Unrated Instruments		•	•	•	•	•
Credit Risk—Sovereign Debt Obligations	•	•	•	•	•	•
Credit Risk—Corporate Debt Obligations	•	•	•	•	•	•
<b>Securities Lending Risk</b>						
<b>Sustainability Risks</b>	•	•	•	•	•	•

## Investment Strategy Risks

Each portfolio engages in a business involving special considerations and risks, including some or all of those discussed below. There can be no assurance that the portfolio's investment objective will be achieved or that there will be any return of capital, and investment results may vary substantially on a monthly, quarterly or annual basis. An investment in a portfolio does not represent a complete investment program.

**Country Risks—Emerging Markets.** A portfolio may be permitted to invest in securities of emerging market issuers. A portfolio consequently may experience greater price volatility and significantly lower liquidity than a portfolio invested solely in equity securities of issuers located in more developed markets. Investments in securities of emerging market issuers entail significant risks in addition to those customarily associated with investing in securities of issuers in more developed markets, such as (i) low or non-existent trading volume, resulting in a lack of liquidity and increased volatility in prices for such securities, as compared to securities of comparable issuers in more developed capital markets, (ii) uncertain national policies and social, political and economic instability, increasing the potential for expropriation of assets, confiscatory taxation, high rates of inflation or unfavorable diplomatic developments, (iii) possible fluctuations in exchange rates, differing legal systems and the existence or possible imposition of exchange controls, custodial restrictions or other laws or restrictions applicable to such investments, (iv) national policies which may limit a portfolio's investment opportunities such as restrictions on investment in issuers or industries deemed sensitive to national interests, and (v) the lack or relatively early development of legal structures governing private and foreign investments and private property.

Other risks relating to investments in emerging market issuers include: the availability of less public information on issuers of securities; settlement practices that differ from those in more developed markets and may result in delays or may not fully protect a portfolio against loss or theft of assets; the possibility of nationalization of a company or industry and expropriation or confiscatory taxation; and the imposition of foreign taxes. Investments in emerging markets securities will also result in generally higher expenses due to: the costs of currency exchange; higher brokerage commissions in certain emerging markets; and the expense of maintaining securities with foreign custodians.

Issuers in emerging markets may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which companies in developed markets are subject. In certain emerging market countries, reporting standards vary widely. As a result, traditional investment measurements used in developed markets, such as price/earnings ratios, may not be applicable in certain emerging markets.

In addition to the above risks generic to all emerging markets, there are specific risks linked to investing in Russia. Investors should be aware that the Russian market presents specific risks in relation to the settlement and safekeeping of securities as well as in the registration of assets, where registrars are not always subject to effective government

supervision. Russian securities are not on physical deposit with the Depositary or its local agents in Russia. Therefore, neither the Depositary nor its local agents in Russia can be considered to be performing a physical safekeeping or custody function in the traditional sense. The Depositary's liability only extends to its own negligence and willful default and to negligence and willful misconduct of its local agents in Russia and does not extend to losses due to the liquidation, bankruptcy, negligence and willful default of any registrar. In the event of such losses, the Fund will have to pursue its rights against the issuer and/or its appointed registrar.

### Country Risks – China.

The legal rights of investors in China are uncertain, government intervention is common and unpredictable, investors from outside China are subject to holding limits and reporting requirements (which could change at any time without notice), and some major trading and custody systems are unproven. Investments in China are also subject to emerging/frontier markets risks.

In China, it is uncertain whether a court would protect the portfolio's rights to securities it may purchase, including the right to take legal action, via the QFI scheme, the China Connect Scheme (defined below), or other methods whose regulations are untested and subject to change.

The China regulatory, legal and tax framework for capital markets may not be as well developed as developed countries and changes to law, regulations and tax legislation could affect a portfolio's investment in China. Additionally, there may be less publicly available information of Chinese companies and such information may be less reliable as Chinese companies are subject to accounting standard that differ in significant respect to those companies established in developed countries. As such, the lower levels of disclosure and transparency may impact the value of investments in China.

In China, the government maintains two forms of its currency, the renminbi (RMB). Internal renminbi (CNY) is used inside China only, is not freely convertible and is subject to exchange controls. External renminbi (CNH) is used outside China, can be owned by anyone and is freely tradeable outside of China but still subject to control, limits and availability. Currently, the exchange rate between CNY and CNH is based on market supply and demand but with an element of government management and control as well as the potential for the government to impose or modify restrictions on conversion of CNY to CNH. Thus the portfolio's investments in China are subject to an additional layer of currency risk (between CNH and CNY), which will be affected by market forces as well as government policies and actions and can result in significant volatility and liquidity risk.

**China Connect.** A portfolio may invest directly or indirectly in eligible China A shares ("China Connect Securities") through the China Connect Scheme, including investment in financial instruments and other market access products linked to China Connect Securities. The China Connect Scheme is a securities trading and clearing linked program developed by, amongst others, The Stock Exchange of Hong Kong Limited (SEHK), Shanghai Stock Exchange (SSE), Shenzhen Stock Exchange (SZSE) (together with SSE, each a China Connect Market), Hong Kong Securities



Clearing Company Limited (HKSCC) and China Securities Depository and Clearing Corporation Limited (ChinaClear), with an aim to achieve mutual stock market access between mainland China and Hong Kong. Under the China Connect Scheme, the Shanghai Connect and the Shenzhen Connect operate independently from each other although subject to substantially similar regulatory framework and the SEHK is subject to potential suspension of trading to ensure an orderly and fair market.

As the China Connect Scheme is relatively new, it remains not fully developed, the rules governing it and trading are subject to changes, and the availability of securities and products may fluctuate. Accordingly, trading on the China Connect Scheme has additional risks such as liquidity, counterparty and best execution. Additionally, the various rights of the portfolio associated with investing in China Connect Securities are still undefined and may differ from more developed markets.

A portfolio may invest in China Connect Securities through a “Northbound Trading Link” offered by China Connect Scheme, subject to applicable rules and regulations issued from time to time. Under the Northbound Trading Link, a portfolio, through its Hong Kong brokers and a securities trading service company established by SEHK respectively in Shanghai (for trading under the Shanghai Connect) and Shenzhen (for trading under the Shenzhen Connect), place orders to trade China Connect Securities listed on each relevant China Connect Market by routing orders to that relevant China Connect Market.

Under the China Connect Scheme, HKSCC, also a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited (HKEx), will be responsible for the clearing and settlement and for the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors. China Connect Securities held in broker and custody account at the Central Clearing and Settlement System (CCASS) operated by HKSCC may be vulnerable to default or bankruptcy of HKSCC/CCASS.

China Connect Securities eligible for trading on the Northbound Trading Link include certain shares listed on the SSE and SZSE and are subject to change and to various conditions for eligibility.

All trading in China Connect Securities is made in RMB which may not be the base currency of a portfolio.

Trading on the China Connect Scheme is subject to a daily quota that limits the maximum net buy value of cross-border trades via the Northbound Trading Link and such quota may change and affect the availability of buy orders.

China Connect Securities are held in ChinaClear. HKSCC is a direct participant in ChinaClear and China Connect Securities acquired by investors through Northbound Trading will be recorded in the name of HKSCC in the nominee securities account opened by HKSCC with ChinaClear, with HKSCC the nominee holder of such China Connect Securities, and will be held under the depository of ChinaClear and registered in the name of HKSCC in the shareholders' register of the listed companies on the relevant China Connect Market.

HKSCC will record interests in such China Connect Securities in the CCASS stock account of the relevant CCASS clearing participant. HKSCC will be deemed the legal owner of such securities holding their beneficial entitlement on behalf of the clearing participant who has a direct or indirect custody arrangement with the portfolio's custodian. Such China Connect Securities will be recorded in a nominee account opened by HKSCC with ChinaClear, and Northbound investors retain rights and interest in such securities according to applicable law.

A portfolio investing through the Northbound Trading Link will be recognised as ultimate owner of China Connect Securities. A portfolio may exercise its rights through HKSCC as nominee holder and retain actual control of voting rights for China Connect Securities. HKSCC, as nominee, does not guarantee the title to China Connect Securities held through it and is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners (such as the portfolio). As such, the precise nature and rights of a portfolio, investing through the Northbound Trading Link, as beneficial owner is not fully defined and subject to additional risks.

Should a portfolio suffer losses resulting from the performance or insolvency of HKSCC, the portfolio would have no direct legal recourse against HKSCC, because applicable law does not recognize any direct legal relationship between HKSCC and either the portfolio or the depository. Should ChinaClear default, HKSCC's contractual liabilities will be limited to assisting participants with claims. A portfolio's attempts to recover lost assets could involve considerable delays and expenses and may not be successful.

Some China Connect Securities, predominantly shares of innovative growth enterprises, are traded on ChiNext. ChiNext is part of the SZSE's multitiered capital market. Investing on ChiNext may contain different risks from that investing China Connect Securities on other markets.

**QFI scheme.** A portfolio may invest in mainland China securities via the QFI scheme. Investing through a FII license involves its own risks. A portfolio's ability to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on investments and repatriation of principal and profits) in the People's Republic of China (“PRC”, which are subject to change and such change may have potential retrospective effect. A portfolio may suffer substantial losses if the approval of QFI status ie being revoked / terminated or otherwise invalidated as such portfolio may be prohibited from trading of relevant securities and repatriation of such portfolio's monies, or if any of the key operators or parties (including QFI custodian / brokers) is bankrupt / in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

Investing through the QFI scheme involves repatriation and liquidity risks as the market is regulated by the State Administration of Foreign Exchange (SAFE) and the People's Bank of China (“PBOC”), which may take actions outside the investment manager's control. Although the relevant QFI regulations have been revised to relax certain regulatory

restrictions on the onshore investment and capital management by QFIs (including but not limited to removing investment quota limit and simplifying process for repatriation of investment proceeds), it is subject to uncertainties as to how well it will be implemented in practice. On the other hand, the amended QFI regulations are also enhancing ongoing supervision on QFIs in terms of information disclosure among other aspects. In particular, QFIs are required to procure their underlying clients (such as the portfolio investing in mainland China securities via the QFI scheme) to comply with PRC disclosure of interests rules and make the required disclosure on behalf of such underlying clients. In addition, the China Securities Regulatory Commission (CSRC) may also require QFIs to report the offshore hedging positions related to their domestic investment. The information reported may include information on the portfolio as applicable.

In addition, the nature of enforcement actions and future regulatory changes cannot be predicted.

AllianceBernstein Hong Kong Limited, a subsidiary of the investment manager, has obtained the QFI status.

**CIBM.** A portfolio may invest directly or indirectly in debt instruments through the China Interbank Bond Market (CIBM). The CIBM is an over-the-counter market outside the two main stock exchanges in China and generally amounts to over 90% of total trading volume by bond value in China. The CIBM is regulated and supervised by PBOC.

Trading on the CIBM is subject to relevant rules promulgated by the PBOC including, but not limited to, the Announcement (2016) No. 3 and other rules for listing, trading and operations (CIBM Rules). A portfolio is permitted to invest in the CIBM as a foreign institutional investor in accordance with CIBM Rules such as the Announcement (2016) No. 3 (Foreign Access Regime) or the Interim Measures for the Administration of Mutual Bond Market Access between Mainland China and Hong Kong (Decree No.1 [2017]) (Bond Connect).

The main debt instruments traded on the CIBM include government bonds, corporate bonds, bond repurchase transactions, bond loans, PBOC bills and other financial debt instruments. The CIBM is in early stages of development, and therefore the market capitalisation and trading volume may be lower than those of more developed markets. The PBOC is responsible for establishing rules for listing, trading and functioning rules of the CIBM, and for supervising the market operators of the CIBM. While there are no quota restrictions under the current CIBM, the repatriation of funds from the PRC may be subject to the restrictions in the futures if such restrictions are promulgated by the PBOC. Any future restrictions on repatriation of funds from the PRC may impact a portfolio's ability to meet redemptions.

Trading through the CIBM involves liquidity risk. Bid/offer spreads of CIBM-traded securities may be large, and for securities with low trading volumes may fluctuate significantly. A portfolio may incur significant trading and realization costs and may even suffer losses when selling such securities.

Although delivery-versus-payment (DVP) settlement is the dominant method used by the China Central Depository & Clearing Co., Ltd. (CCDC) and the Shanghai Clearing House

Co., Ltd. (SCH) for all CIBM bond transactions, settlement risk still exists. DVP practices in the PRC may differ from those in developed markets. For example, settlement may be subject to a delay of several hours or longer rather than being instantaneous. Where the counterparty does not perform its obligations under a transaction or there is otherwise a failure due to CCDC or SCH, a portfolio may sustain losses.

Investments in the CIBM are subject to regulatory and tax risks, as the CIBM is relatively new and has a short operating history. As the applicable CIBM laws, regulations and legal requirements are equally new, they are subject to change, including tax exemptions relating to CIBM purchases, and their interpretation and enforcement involve significant uncertainty. Any change in existing law, regulations, policies and practices in the PRC, including potentially retroactive changes, may also impact Chinese companies and transactions in their securities. PRC laws governing business organisations, bankruptcy and insolvency may provide substantially less protection to security holders than the laws of more developed countries. These factors (individually or combined) could adversely affect a portfolio.

A portfolio may invest in the CIBM as a foreign institutional investor (see "Foreign Access Regime" and "Bond Connect" below). Although there is no quota limitation under CIBM Rules for either of these methods, a portfolio's onshore settlement agent or registration agent must file information with the PBOC about the portfolio's investments and must update the filings for any significant changes. The PBOC supervises the onshore settlement agent and the Fund's trading, and may take administrative actions such as suspension of trading and mandatory exit against the Fund and/or the investment manager in the event of non-compliance with CIBM Rules. CIBM securities may be held directly or indirectly by an entity trading on CIBM.

As a most recent regulatory development, in September 2020, PBOC, CSRC and SAFE jointly released a consultation draft regarding investment in China's bond markets by foreign institutional investors, which, if formally promulgated, will bring changes to access filing, custody model and other aspects of foreign investor's investment in CIBM.

**Foreign Access Regime.** Under this method, a foreign institutional investor that wishes to invest directly in the CIBM can do so via an onshore settlement agent, who is responsible for making the relevant filings and account openings with the relevant authorities. Once an account is established, securities may be traded via bilateral negotiation or via click-and-deal. Bilateral negotiation is applied to all inter-bank products and uses the China Foreign Exchange Trading System & National Interbank Funding Centre (CFETS), a unified trading platform for the CIBM. One-click trading is only applied to cash bonds and interest rate derivatives.

A market-maker mechanism by which a third party entity ensures bilateral quotations for bonds was introduced in 2001 and can provide lower trading and settlement costs. Bond transactions must be conducted by way of bilateral trading through independent negotiations on a transaction-by-transaction basis. Bid and ask prices for primary bond transactions and repurchase interest rates must be determined independently by the parties to the transaction. Both parties typically send instructions for delivery of bonds

and funds and provide for delivery on the agreed date. Depending on the type of bonds traded on the CIBM, the clearing and settlement institution will be CCDC or SCH. When trading via the Foreign Access Regime, CIBM securities are held in the name of portfolio in one of its local accounts (currently either CCDC or SCH).

**CIBM Direct RFQ Trading.** In September 2020, CIBM direct RFQ trading service was launched by CFETS. Under such service, foreign investors under Foreign Access Regime may solicit cash bond trading with domestic market makers by requesting for quotation (RFQ) and confirm the trades in CFETS system. As a novel arrangement under Foreign Access Regime, CIBM direct RFQ trading may be subject to further adjustments and uncertainties in implementation, which may have an adverse impact on the portfolio's investment to the extent the portfolio transacts via CIBM direct RFQ trading mechanism.

Under Foreign Access Regime, as all filings, registrations and account openings must be carried out by third parties, a portfolio may be exposed to counterparty and operational risks.

**Bond Connect.** In 2017, a second northbound trading link, Bond Connect, became available to foreign investors. Bond Connect is the common name for the Interim Measures for the Administration of Mutual Bond Market Access between Mainland China and Hong Kong (Decree No.1 [2017]). Governed by the authorities of mainland China, Bond Connect allows mutual bond market access between Hong Kong and mainland China established by CFETS, CCDC, SCH, HKEx and Central Moneymarkets Unit (CMU). All bonds traded by eligible foreign investors will be registered in the name of the CMU, which holds the bonds as nominee.

Under Bond Connect, eligible foreign investors must appoint the CFETS or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC. An offshore custody agent recognised by the Hong Kong Monetary Authority (currently, CMU) must open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, CCDC and SCH).

**Credit Ratings.** A portfolio may invest in securities the credit ratings of which are assigned by the Chinese local credit rating agencies. However, the rating criteria and methodology used by such agencies may be different from those adopted by most of the established international credit rating agencies. Therefore, such rating system may not provide an equivalent standard for comparison with securities rated by international credit rating agencies.

**Urban Investment Bonds.** Risks of Urban Investment Bonds, which are issued by Local Government Financing Vehicles (LGFVs), include the risk of financial difficulties of the underlying operations.

**China Taxation.** Investments in mainland China securities are subject to additional tax regimes. For example, certain investment in PRC resident enterprise may be subject to a withholding income tax.

Although the investment manager intends to operate the portfolio to minimise the impact of PRC taxation and to take action to address any tax impacts, such as income tax on

capital gains arising from the disposal of PRC bonds, it is possible the PRC could consider the portfolio subject to PRC Corporate Income Tax. This would have various impacts, such as taxes on interest, dividends and capital gains.

**Focused Portfolio Risk.** Certain Portfolios may invest in a limited number of issuers, industries or sectors or countries and may therefore be subject to greater volatility than a portfolio invested in a larger or more diverse array of securities. Such concentration could expose such investors to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in securities in which the Portfolio is invested. Market or economic factors affecting issuers, industries or sectors in which the Portfolio's investments are concentrated could have a significant effect on the value of the portfolio's investments.

**Dynamic Asset Allocation Risk.** The allocation of investments among different global asset classes may have a significant effect on the Portfolio's performance when one of these asset classes is performing more poorly than others. As both the direct investments and derivative positions may be periodically rebalanced to reflect the Investment Manager's view of market and economic conditions, there will be transaction costs which may be, over time, significant. In addition, there is a risk that certain asset allocation decisions may not achieve the desired results and, as a result, the Portfolio may incur significant losses.

**Allocation Risk.** This is the risk that the allocation of investments between growth and value companies may have a more significant effect on a portfolio's Net Asset Value when one of these styles is performing more poorly than the other. Also, the transaction costs of rebalancing a portfolio's investments may be, over time, significant.

**Turnover Risk.** A portfolio may be actively managed and, in some cases in response to market conditions, the portfolio's turnover may exceed 100%. A higher rate of portfolio turnover increases brokerage and other expenses, which must be borne by a portfolio and its Shareholders. High portfolio turnover also may result in the realization of substantial net short term capital gains, which, when distributed, may be taxable to Shareholders.

In addition, a portfolio may experience relatively higher turnover attributable to investors in a particular country where such portfolio is available for purchase. This activity may adversely affect such portfolio's performance and the interests of long-term investors. Volatility resulting from excessive purchases and redemptions or exchanges of Shares, especially involving large dollar amounts, may disrupt efficient portfolio management. In particular, a portfolio may have difficulty implementing long-term investment strategies if it is unable to anticipate what portion of assets it should retain in cash to provide liquidity to Shareholders. Also, excessive purchases and redemptions or exchanges of Shares may force a portfolio to maintain a disadvantageously large cash position to accommodate short duration trading activity. Further, excessive purchases and redemptions or exchanges of a portfolio's Shares may force a portfolio to sell portfolio securities at inopportune times to raise cash to accommodate short duration trading activity. Additionally, portfolios may incur increased expenses if one

or more Shareholders engage in excessive purchase and redemption or exchange activity. For example, a portfolio that is forced to liquidate investments due to short duration trading activity may incur increased brokerage and tax costs without attaining any investment advantage. Similarly, a portfolio may bear increased administrative costs as a result of the asset level and investment volatility that accompanies patterns of short duration trading activity.

**Smaller Capitalization Companies Risk.** A Portfolio may invest in securities of companies with relatively small market capitalizations. Securities of these smaller capitalization companies may be subject to more abrupt or erratic market movements than the securities of larger, more established companies, both because the securities are typically traded in lower volume and because the companies are subject to greater business risk. Also, in certain emerging market countries, volatility may be heightened by actions of a few major investors. For example, substantial increases or decreases in cash flows of mutual funds investing in these markets could significantly affect local stock prices and, therefore, Share prices of a portfolio.

### Financial Instruments Risks

**Derivatives Risk.** A portfolio may use derivatives, which are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate, or index. The Investment Manager will sometimes use derivatives as part of a strategy designed to reduce other risks. Generally, however, a portfolio may use derivatives as direct investments to earn income, enhance yield and broaden portfolio diversification. In addition to other risks such as the credit risk of the counterparty, derivatives involve the risk of difficulties in pricing and valuation and the risk that changes in the value of the derivative may not correlate perfectly with relevant underlying assets, rates, or indices.

While the judicious use of derivatives by experienced investment advisers such as the Investment Manager may promote portfolio management efficiencies, mitigate certain risks, and increase exposure towards certain markets without direct purchase in the underlying assets, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing in a portfolio.

- **Market Risk.** This is the general risk attendant to all investments that the value of a particular investment will change in a way detrimental to the portfolio's interest.
- **Management Risk.** Derivative products are highly specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The successful use of derivative transactions will be subject to the Investment Manager's ability to correctly predict price movements, interest rates, or currency exchange rate movements. Should prices, interest rates, or exchange rates move unexpectedly, a portfolio may not achieve the anticipated benefits of the transactions or may realize losses and thus be in a worse position than if such strategies had not been used. The use of a derivative

requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a portfolio and the ability to forecast price, interest rate or currency exchange rate movements correctly.

- **Credit Risk.** This is the risk that a loss may be sustained by a portfolio as a result of the failure of another party to a derivative (usually referred to as a "counterparty") to comply with the terms of the derivative contract. The credit risk for exchange-traded derivatives is generally less than for privately negotiated derivatives, since the clearing house, which is the issuer or counterparty to each exchange-traded derivative, provides a guarantee of performance. This guarantee is supported by a daily payment system (*i.e.*, margin requirements) operated by the clearing house in order to reduce overall credit risk. For privately negotiated derivatives, there is no similar clearing agency guarantee. Therefore, the Investment Manager will consider the creditworthiness of each counterparty to a privately negotiated derivative in evaluating potential credit risk.
- **Liquidity Risk.** Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous price.
- **Leverage Risk.** Since warrants, options and many derivatives (to the extent utilized) have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the warrant, option or derivative itself. In the case of swaps, the risk of loss generally is related to a notional principal amount, even if the parties have not made any initial investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment.
- **Other Risks.** Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Many derivatives, in particular privately negotiated derivatives, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the portfolio concerned. Derivatives do not always perfectly or even highly correlate or track the value of the assets, rates or indices they are designed to track. Consequently, a portfolio's use of derivatives may not always be an effective means of, and sometimes could be counterproductive to, furthering the portfolio's investment objective.

**Securities lending Risk.** If a Portfolio lends securities, it takes on counterparty risk with respect to the borrower as well as the risk that any collateral from the counterparty may prove insufficient to cover all costs and liabilities incurred.

**Repurchase/reverse repurchase agreement Risk.** If a Portfolio uses repurchase and reverse repurchase agreements, it takes on counterparty risks such as the counterparty defaulting on its obligations. A default by a counterparty could result in the Portfolio suffering a loss to the extent that the proceeds from the sale of securities are insufficient to replace the cash owed by the counterparty or to the extent that cash received by the Portfolio as part of the transaction is insufficient to replace the securities to be returned by the counterparty.

**OTC Derivatives Counterparty Risk.** In addition to the general risks of derivatives discussed above, transactions in the OTC derivatives markets may involve the following particular risks.

- Absence of regulation; counterparty default.** In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, credit default swaps, total return swaps and certain options on currencies are generally traded) than of transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with OTC transactions. Therefore, any portfolio entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the portfolio will sustain losses. A portfolio will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of the measures the Fund may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses as a result.
- Liquidity; requirement to perform.** From time to time, the counterparties with which the Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Fund might be unable to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments, forward, spot and option contracts on currencies do not provide the Investment Adviser with the possibility to offset the Fund's obligations through an equal and opposite transaction. For this reason, in entering into forward, spot or options contracts, the Fund may be required, and must be able, to perform its obligations under the contracts.
- Necessity for counterparty trading relationships.** As noted above, participants in the OTC market typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While the Fund and the Investment Manager believe that the Fund will be able to establish multiple counterparty business relationships to permit the Fund to effect transactions in the OTC market and other counterparty markets (including credit default swaps, total return swaps and other swaps market as applicable), there can be no assurance that it will be able to do so. An inability to establish or maintain such relationships would potentially increase the Fund's counterparty credit risk, limit its operations and could require the Fund to cease investment operations or conduct a substantial portion of such operations in the futures markets. Moreover, the counterparties with which the Fund expects to establish such relationships will not be obligated to maintain the credit lines extended to the Fund, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

**Commodity Related Risk.** Investing in commodity-linked derivative instruments may subject a portfolio to greater volatility than investments in traditional securities. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

**Structured Instruments Risk.** Structured instruments are potentially more volatile and carry greater market risks than traditional debt instruments. Depending on the structure of the particular structured instrument, changes in a Benchmark may be magnified by the terms of the structured instrument and have an even more dramatic and substantial effect upon the value of the structured instrument. The prices of the structured instrument and the Benchmark or Underlying Asset may not move in the same direction or at the same time. Structured instruments may be less liquid and more difficult to price than less complex securities or instruments or more traditional debt securities. The risk of these investments can be substantial; possibly all of the principal is at risk.

## Equity Securities Risks

**Equity Securities Risk.** The value of underlying equity investments of a portfolio may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions and changes in currency exchange rates. The value of a portfolio's investments may decline over short- or long-term periods.

## Debt Securities Risks

**Fixed-Income Securities Risk—General.** The Net Asset Value of a portfolio invested in fixed-income securities will change in response to fluctuations in interest rates and currency exchange rates, as well as changes in credit quality

of the issuer. Some portfolios may invest in high yielding fixed-income securities where the risk of depreciation and realization of capital losses on some of the fixed-income securities held will be unavoidable. In addition, medium- and lower-rated and unrated fixed-income securities of comparable quality may be subject to wider fluctuations in yield and market values than higher-rated fixed-income securities.

**Fixed-Income Securities and Interest Rates.** The value of a portfolio's Shares will fluctuate with the value of its investments. The value of a portfolio's investments in fixed-income securities will change as the general level of interest rates fluctuates. During periods of falling interest rates, the values of fixed-income securities generally rise, although if falling interest rates are viewed as a precursor to a recession, the values of a portfolio's securities may fall along with interest rates. Conversely, during periods of rising interest rates, the values of fixed-income securities generally decline. Changes in interest rates have a greater effect on fixed-income securities with longer maturities and durations than those with shorter maturities and durations.

**Fixed-Income Securities and Prepayment.** Many fixed-income securities, especially those issued at high interest rates, provide that the issuer may repay them early. Issuers often exercise this right when interest rates decline. Accordingly, holders of securities that may be called or prepaid may not benefit fully from the increase in value that other fixed-income securities experience when rates decline. Furthermore, in such a scenario a portfolio may reinvest the proceeds of the payoff at then-current yields, which would be lower than those paid by the security that was paid off. Prepayments may cause losses on securities purchased at a premium, and unscheduled prepayments, which will be made at par, will cause a portfolio to experience a loss equal to any unamortized premium.

**Rating Agencies.** Future actions of any rating agency can adversely affect the market value or liquidity of fixed-income securities, and a rating agency may, at any time and without any change in its published ratings criteria or methodology, lower or withdraw any rating assigned by it to any class of securities. Any such revision or withdrawal of a rating as a result of such a failure might adversely affect the liquidity and value of a fixed-income security.

**Contingent convertible bonds (CoCos) risk.** CoCos are comparatively untested, their income payments may be cancelled or suspended, they are more vulnerable to losses than equities, they carry extension risk and liquidity risk and they can be highly volatile.

CoCos are a form of contingent securities primarily issued by global financial institutions as an efficient means of raising capital. CoCos may be issued as Additional Tier 1 securities, as a perpetual instrument, with discretionary coupons (AT1 CoCos), or as Tier 2 instruments with a stated maturity and with fixed coupons (T2 CoCos). CoCos are usually subordinated and behave like debt securities in normal circumstances but either convert to equity securities and/or have a write-down (either full or partial) on the occurrence of a particular trigger event.

CoCos may be exposed to further risks depending on their features and structure:

*Call extension.*

AT1 CoCos are a form of permanent capital for the issuing financial institution callable at pre-defined levels only with the approval of the issuer's regulatory supervisor. Therefore, it cannot be assumed that AT1 CoCos (which are otherwise perpetual) will be called on the call date. For this and other reasons, there is no guarantee that a Portfolio will receive return of principal paid for these types of CoCos.

*Capital structure inversion.*

CoCos are typically subordinated to traditional convertible bonds in the issuer's capital structure. In certain scenarios, investors in CoCos may suffer a loss of capital when the issuer's equity holders suffer little or loss of capital.

*Conversions.*

Whereas traditional convertible bonds are convertible at the option of the investor and the investor of such bonds will generally convert when the issuer's share price is higher than the strike price, CoCos do not convert at the option of the investor; instead, CoCos tend to convert when the issuer is in crisis. Additionally, CoCos may be convertible at the discretion of regulatory bodies or mandatorily upon the occurrence of a particular trigger event. CoCos may experience a sudden drop in value should a pre-defined trigger be breached. Any conversion on such trigger event may occur when the share price of the issuer's equity is less than when the CoCo was issued or purchased. In case of conversion to the issuer's equity securities, the Investment Manager might have to sell some or all of these equities in order to ensure compliance with the investment policy of a relevant Portfolio.

*Coupon cancellation.*

While CoCos (both AT1 and T2) are subject to conversion and write-down when the issuing financial institution reaches the trigger level, for AT1 CoCos there is an additional source of risk for the investor in the form of coupon cancellation in a going concern situation. Coupon payments on AT1 CoCos are entirely discretionary and may be cancelled or postponed by the issuer at any point, for any reason and for any length of time. The cancellation of coupon payments on AT1 CoCos does not amount to an event of default. Cancelled payments do not accumulate and are instead written off. This significantly increases uncertainty in the valuation of AT1 CoCos and may lead to mispricing of risk. In addition, among other things, investors in AT1 CoCos may see their coupons cancelled or postponed while the issuer continues to pay dividends on its common equity and/or coupons on other debt higher in the issuer's capital structure.

*Financial sector concentration.*

CoCos are primarily issued by global financial institutions, in particular banks, subject to the supervision of a wide array of national and potentially supranational regulatory bodies. These global financial institutions may be adversely affected by market events and could be forced into restructurings, mergers with other financial institutions, full or partial nationalisation, be subject to government intervention or become bankrupt or insolvent. Each of these events may affect securities issued by any such financial institution, especially CoCos and result in the disruption or complete cancellation of payments to investors, conversion of debt and/or loss of capital.

*Liquidity.*

CoCos are a relatively new instrument and are only issued by a limited number of financial institutions. Additionally, as CoCos are an innovative instrument, the secondary market for CoCos is limited to investors with sufficient knowledge and experience to invest in CoCos. As such, the market prices and overall liquidity of CoCos is subject to change which may result in a loss of value of CoCos as well as a Portfolio's inability to sell CoCos within a reasonable time.

*Trigger events.*

CoCos may convert following a trigger event. Trigger events leading to conversion are disclosed in the Prospectus or other offering document relating to each CoCo issuance. Trigger events may be of various types, such as mechanical (for example, based on the issuer's regulatory capital ratios) or subject to a regulatory supervisor's discretionary determination. For example, a trigger event may occur if a banking regulator determines that a particular CoCo issuer is no longer viable — that is, the bonds are "bail-in-able" at the "point of nonviability" (PONV). Trigger Events may differ among individual CoCos and the same or different issuers. Therefore, the actual occurrence of a trigger event based on an issuer's regulatory capital ratios, for example, is a function of the distance at any time between such ratios and a CoCo's pre-defined trigger. For this reason, the Investment Manager, on behalf of the relevant Portfolio investing in CoCos, needs to understand and monitor the amount of regulatory capital the issuer has in place relative to the trigger. Due to these and other uncertainties, it may be difficult for the Investment Manager to assess at any time whether a trigger event will occur and what exactly such trigger event will entail, including how a particular CoCo will behave on conversion.

*Unknown/Innovation.*

CoCos are innovative and not completely tested in various market scenarios including times of crisis for the financial credit sector. In a stressed environment, when the underlying features of CoCos will be put to the test, it is uncertain how they will perform. Initially, singular or isolated conversions of CoCos upon trigger events may result in volatility to the asset

class as a whole, leading to downward pressures on prices, valuation issues and illiquidity.

*Write-downs.*

Some or all of the principal amount of a CoCo may be written down as a loss-absorbing measure by the issuer.

*Yields/valuations.*

Attractive yields have led to the growth of the CoCo market since its inception, which may be viewed as a complexity premium. Relative to more highly rated debt issues of the same issuer or similarly rated debt issues of other issuers, CoCos tend to compare favorably from a yield standpoint. Yet it remains unclear whether investors have fully considered the underlying risks associated with CoCos, such as the risk of conversion upon trigger events, or, for AT1 CoCos, coupon cancellation.

Unless otherwise stated in the Portfolio Details of a Portfolio in Part I, a Portfolio is prohibited to invest more than 5% of its net assets in this type of instruments.

**Fixed-Income Securities Risk—Lower-Rated and Unrated Instruments.** A portfolio's assets may be invested, in whole or in part, in high yield, high risk debt securities that are rated in the lower rating categories (*i.e.*, below Investment Grade) or which are unrated but are of comparable quality as determined by the Investment Manager. Debt securities rated below Investment Grade are commonly referred to as "junk bonds" and are considered to be subject to greater risk of loss of principal and interest than higher-rated securities and are considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal, which may in any case decline during sustained periods of deteriorating economic conditions or rising interest rates. Lower-rated securities generally are considered to be subject to greater market risk than higher-rated securities in times of deteriorating economic conditions. In addition, lower-rated securities may be more susceptible to real or perceived adverse economic and competitive industry conditions than Investment Grade securities, although the market values of lower-rated securities tend to react less to fluctuations in interest rate levels than do those of higher-rated securities. The market for lower-rated securities may be thinner and less active than that for higher-quality securities, which can adversely affect the prices at which these securities can be sold. To the extent that there is no regular secondary market trading for certain lower-rated securities, the Investment Manager may experience difficulty in valuing such securities and, in turn, a portfolio's assets. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may tend to decrease the market value and liquidity of such lower-rated securities. Transaction costs with respect to lower-rated securities may be higher, and in some cases information may be less available, than is the case with Investment Grade securities.

Since the risk of default is higher for lower-rated securities, the Investment Manager's research and credit analysis are a

correspondingly important aspect of its program for managing a portfolio's investment in these securities. In considering investments for a portfolio, the Investment Manager will attempt to identify those high-yielding securities the financial condition of which is adequate to meet future obligations or has improved, or is expected to improve in the future. The Investment Manager's analysis focuses on relative values based on such factors as interest or dividend coverage, asset coverage, earnings prospects, and the experience and managerial strength of the issuer.

Unrated securities will be considered for investment by a portfolio when the Investment Manager believes that the financial condition of the issuers of such securities, or the protection afforded by the terms of the securities themselves, limits the risk to the portfolio to a degree comparable to that of rated securities which are consistent with the portfolio's objectives and policies.

In seeking to achieve a portfolio's primary objective, there will be times, such as during periods of rising interest rates, when depreciation and realization of capital losses on securities in the portfolio will be unavoidable. Moreover, medium- and lower-rated securities and unrated securities of comparable quality may be subject to wider fluctuations in yield and market values than higher-rated securities under certain market conditions. Such fluctuations after a security is acquired do not affect the cash income received from that security but are reflected in the Net Asset Value of a portfolio.

***Distressed Securities.*** Certain securities may become distressed when the issuer of such securities enters into default or is in high risk of default. Such securities often have a credit rating of CC or below. An issuer of securities may experience a risk of default for a number of reasons, including weak financial condition, poor operating results, substantial capital needs, negative cash flow or net worth, and changes in market or competitive conditions which adversely affect the issuer's business, among other factors. A Portfolio may invest in distressed securities where the Investment Manager believes that the market valuation of such securities is below their fair value. While higher in risk, distressed securities generally offer a correspondingly greater potential for higher returns. Distressed securities may be difficult to value due to legal and market uncertainties, and the level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is high. Accordingly, there can be no assurance that investments in such securities will generate returns to compensate Shareholders adequately for the risks assumed and without experiencing a loss. Distressed securities may also be affected by laws concerning issuer reorganization, bankruptcy, and creditor and shareholder rights, and such laws may vary considerably in various jurisdictions, leading to uncertainty as to the enforceability of claims by investors and lenders and delay in the recoupment of an investment.

**Credit Risk—Sovereign Debt Obligations.** By investing in debt obligations of governmental entities, a portfolio will be exposed to the direct or indirect consequences of political, social and economic changes in various countries. Political changes in a particular country may affect the willingness of a particular government to make or provide for timely payments of its debt obligations. The country's economic status, as

reflected, among other things, in its inflation rate, the amount of its external debt and its gross domestic product, will also affect the government's ability to honor its obligations.

The ability of governments to make timely payments on their debt obligations is likely to be influenced strongly by the issuer's balance of payments, including export performance, and its access to international credits and investments. To the extent that a particular country receives payment for its exports in currencies other than the Currency of the Portfolio, such country's ability to make debt payments denominated in the Currency of the Portfolio could be adversely affected. To the extent that a particular country develops a trade deficit, such country will need to depend on continuing loans from foreign governments, supranational entities or private commercial banks, aid payments from foreign governments and on inflows of foreign investment. The access of a particular country to these forms of external funding may not be certain, and a withdrawal of external funding could adversely affect the capacity of such country to make payments on its debt obligations. In addition, the cost of servicing debt obligations can be affected by a change in global interest rates since the majority of these debt obligations carry interest rates that are adjusted periodically based upon global rates.

A portfolio may invest in debt obligations of governmental entities and supranational entities, for which a limited or no established secondary markets may exist. Reduced secondary market liquidity may have an adverse effect on the market price and a portfolio's ability to dispose of particular instruments when necessary to meet its liquidity requirements or in response to specific economic events such as deterioration in the creditworthiness of the issuer. Reduced secondary market liquidity for such debt obligations may also make it more difficult for a portfolio to obtain accurate market quotations for the purpose of valuing its portfolio. Market quotations are generally available on many sovereign debt obligations only from a limited number of dealers and may not necessarily represent firm bids of those dealers or prices for actual sales.

A portfolio may have limited legal recourse in the event of a default with respect to certain sovereign debt obligations it holds. For example, remedies from defaults on certain debt obligations of governmental entities, unlike those on private debt, must, in some cases, be pursued in the courts of the defaulting party itself. Legal recourse therefore may be significantly diminished. Bankruptcy, moratorium and other similar laws applicable to issuers of sovereign debt obligations may be substantially different from those applicable to issuers of private debt obligations. The political context, expressed as the willingness of an issuer of sovereign debt obligations to meet the terms of the debt obligation, for example, is of considerable importance. In addition, no assurance can be given that the holders of commercial bank debt will not contest payments to the holders of securities issued by foreign governments in the event of default under commercial bank loan agreements.

In addition, a portfolio's investment in debt obligations of supranational entities is subject to the additional risk that one or more member governments may fail to make required capital contributions to a particular supranational entity and, as a result, such supranational entity may be unable to meet



its obligations with respect to its debt obligations held by the portfolio.

**Credit Risk—Corporate Debt Obligations.** By investing in debt obligations issued by companies and other entities, a portfolio will be subject to the risk that a particular issuer may not fulfill its payment or other obligations in respect of such debt obligations. Additionally, an issuer may experience an adverse change in its financial condition which may in turn result in a decrease in the credit rating assigned by an IRSO to such issuer and its debt obligations, possibly below Investment Grade. Such adverse change in financial condition or decrease in credit rating(s) may result in increased volatility in the price of an issuer's debt obligations and negatively affect liquidity, making any such debt obligation more difficult to sell.

**General Risks of CDO Investments.** The value of any CDOs owned by a Portfolio generally will fluctuate with, among other things, the financial condition of the obligors or issuers of the underlying portfolio of assets of the related CDO ("CDO Collateral"), general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Consequently, holders of CDOs must rely solely on distributions on the CDO Collateral or proceeds thereof for payment in respect thereof. CDO Collateral may consist of high yield debt securities, loans, ABS and other instruments, which often are rated below

investment grade (or of equivalent credit quality). The lower ratings of high yield securities and below investment grade loans reflect a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the related issuer or obligor to make payments of principal or interest. In addition, the lack of an established, liquid secondary market for some CDOs (CDO equity securities in particular) may have an adverse effect on the market value of those CDOs and will in most cases make it difficult to dispose of such CDOs at market or near-market prices.

*Rating Agencies.* Future actions of any rating agency can adversely affect the market value or liquidity of CDOs, and a rating agency may, at any time and without any change in its published ratings criteria or methodology, lower or withdraw any rating assigned by it to any class of CDO security. Any such revision or withdrawal of a rating as a result of such a failure might adversely affect the liquidity and value of the CDO security.

*Effects of Regulation on CDO Market.* Legislative or regulatory action taken by the U.S. federal government or any U.S. regulatory body (or other non-U.S. authority or regulatory body) in response to economic conditions or otherwise may negatively impact the liquidity and value of CDOs.

## Meetings and Reports to Shareholders

### Shareholders' Information

The latest audited annual reports and unaudited semi-annual reports will be made available to the Shareholders at no cost to them at the offices of the Management Company and the Depositary. Electronic copies of such annual and semi-annual reports are also available on the following website: [www.alliancebernstein.com](http://www.alliancebernstein.com). The accounts of each portfolio will be established in the relevant Currency of the Portfolio and consolidated accounts of the Fund are established in Dollars. Any other financial information to be published concerning any portfolio of the Fund or the Management Company, including the daily Net Asset Value of the Shares of any class of any portfolio and any suspension of such valuation, will be made available to the Shareholders at no cost to them at the offices of the Management Company and the Depositary.

If required by law and applicable regulations, notices to Shareholders will be published in the RESA and in such other newspaper(s) in such countries as the Management Company may from time to time determine.

In addition the Net Asset Value of the Shares is published as provided for in Section I for each Portfolio.

**The Management Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund if the investor is registered himself and in his own name in the Shareholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Fund. Investors are advised to take advice on their rights.**

### Shareholder Meetings

The Management Regulations do not provide for meetings of Shareholders, and the Fund does not intend to call any such meetings.

## Management and Administration

### Investment Management

AllianceBernstein L.P., a Delaware limited partnership with principal offices at 501 Commerce Street, Nashville TN 37203, U.S.A., a leading global investment manager providing diversified services to institutions and individuals through a broad line of investments, has been appointed as the investment manager for the Fund pursuant to the terms of an Investment Management Agreement. The Investment Management Agreement may be terminated by the Management Company on behalf of the Fund or by the Investment Manager upon sixty days' written notice to the other. AllianceBernstein Corporation, the Investment Manager's general partner, is an indirect wholly owned subsidiary of AXA Financial, Inc., which in turn is a wholly owned subsidiary of AXA, a French company.

The Investment Manager is registered with the U.S. Securities and Exchange Commission (the "SEC") as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended. Additional information about the Investment Manager is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration with the SEC or with any U.S. state securities authority does not imply a certain level of skill or training.

In providing discretionary investment management services to the Fund, the Investment Manager may sub-delegate some of its investment management services to one or more of its wholly owned subsidiaries (the "Affiliated Sub-Investment Managers"). The Affiliated Sub-Investment Managers may, under the Investment Manager's responsibility and oversight, take investment decisions on a discretionary basis as well as acquire and dispose of securities and assets of the Portfolios to which they provide such sub-delegated services. All Affiliated Sub-Investment Managers are authorised, registered, or approved to provide investment management services and are subject to prudential supervision by their supervisory authority.

The Affiliated Sub-Investment Managers involved in the management of the Fund are:

- **AllianceBernstein Limited**, whose principal office is situated at 60 London Wall, London, EC2M 5SJ, United Kingdom
- **AllianceBernstein Hong Kong Limited**, whose principal office is situated at 39th Floor, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong
- **AllianceBernstein (Singapore) Ltd.**, whose principal office is situated at One Raffles Quay, #27-11 South Tower. Singapore 048583
- **AllianceBernstein (Japan) Ltd.**, whose principal office is situated at Hibiya Park Front Building 14F, 2-1-6 Uchisaiwaicho, Chiyoda-ku, 14th Floor Tokyo 100-001, Japan

- **AllianceBernstein Australia Limited**, Aurora Place, Level 32F, 88 Phillip Street, Sydney, New South Wales, 2000, Australia

Further details on the Affiliated Sub-Investment Managers involved in the management of the Fund, including the portfolios of the Fund in scope are provided on [www.alliancebernstein.com/go/Sub-Inv-Manager-Affiliates](http://www.alliancebernstein.com/go/Sub-Inv-Manager-Affiliates).

The Investment Manager and the Affiliated Sub-Investment Managers provide their investment management services (i) under the supervision of the Management Company, (ii) in accordance with instructions received from and investment allocation criteria laid down by the Management Company from time to time, and (iii) in compliance with the stated investment objectives and restrictions of the relevant Portfolios.

### The Management Company

AllianceBernstein (Luxembourg) S.à r.l. (formerly known AllianceBernstein (Luxembourg) S.A.), the principal shareholder of which is AllianceBernstein Holdings Limited, a wholly owned subsidiary of the Investment Manager, was organized as a *société anonyme* under the laws of the Grand Duchy of Luxembourg by notarial deed dated 31 July 1990, and published in the *Mémorial* on 9 November 1990. It has been incorporated for an undetermined period and its registered and principal office is at 2-4, rue Eugène Ruppert, L-2453, Luxembourg. Effective as of April 11th, 2011, AllianceBernstein (Luxembourg) S.A. has changed its corporate form from a "société anonyme" (public limited company) to a "société à responsabilité limitée" (private limited company). It therefore changed its name from AllianceBernstein (Luxembourg) S.A. to AllianceBernstein (Luxembourg) S.à r.l..

It constitutes the same legal entity and will continue to operate as a UCITS-compliant Management Company subject to the supervision of the *Commission de Surveillance du Secteur Financier*, the Luxembourg financial supervisory authority. Its articles of incorporation were amended for the last time on 1 February 2019. It is registered with the *Registre de Commerce et des Sociétés* in Luxembourg under No. B 34.405. The issued capital of the Management Company is €16,300,000, divided into 163,000 registered shares with no par value, all of which are fully paid. The Management Company is (i) a management company authorized under chapter 15 of the Law of 2010 and (ii) an alternative investment fund manager in Luxembourg authorized under chapter 2 of the law of 12 July 2013 on alternative investment fund managers.

The object of the Management Company is the creation and management of collective investment undertakings on behalf of their respective shareholders. It will carry out the administration and management of the Fund on behalf of the Shareholders, including the purchase, sale, subscription and exchange of securities, and it may exercise all rights related to the Fund's assets.

The Management Company may also be appointed to act as management company for other investment funds, the list of which will be available, upon request, at the registered office of the Fund and the Management Company.

**Remuneration Policy.** The Management Company has established remuneration policies for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company or the Fund, that:

- are consistent with and promote a sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles of the Fund or with its Management Regulations;
- are in line with the business strategy, objective values and interests of the Management Company and the Fund and of the shareholders of the Fund, and includes measures to avoid conflict of interest;
- include an assessment of performance set in a multi-year framework appropriate to the holding period recommended to the shareholders of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period; and
- fixed and variable components of total remuneration are appropriately balanced and the fixed components represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

In particular, based on established remuneration policies, no employee of the Management Company is paid based on the investment performance of the Fund. Moreover variable remuneration of employees is based on function-specific objectives and company-wide performance criteria and it does not usually exceed 40% of the total compensation.

In accordance with ESMA Guidelines on sound remuneration policies under the UCITS Directive and AIFMD, the Management Company has not established a remuneration committee separated from the remuneration committee established at the AB Group level.

The up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, are available at [www.alliancebernstein.com/go/remuneration\\_policy](http://www.alliancebernstein.com/go/remuneration_policy). A paper copy is available free of charge upon request at the Management Company's registered office.

The managers of the Management Company are:

**Silvio D. Cruz**, Senior Vice President and Managing Director, AllianceBernstein L.P., 501 Commerce Street, Nashville, TN 37203 USA;

**Bertrand Reimmel**, Managing Director and Senior Vice President, AllianceBernstein (Luxembourg) S.à r.l., 2-4, rue Eugène Ruppert L-2453, Luxembourg;

**Steven M. Eisenberg**, Senior Vice President and Chief Operating Officer, AllianceBernstein L.P., 1345 Avenue of the Americas, New York, New York 10105, U.S.A.;

**Eileen Koo**, Senior Vice President and Chief Compliance Officer (Asia ex-Japan), AllianceBernstein Hong Kong Limited, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong and

**John Schiavetta**, Senior Vice President and Chief Risk Officer, AllianceBernstein L.P., 501 Commerce Street, Nashville, TN 37203 USA.

#### Administrator

Brown Brothers Harriman (Luxembourg) S.C.A. has been appointed as the administrator of the Fund pursuant to the terms of the Administration Agreement. In such capacity it is responsible for the general administrative functions of the Fund required by Luxembourg law, such as the calculation of the Net Asset Value of the Shares and the maintenance of accounting records. Brown Brothers Harriman (Luxembourg) S.C.A. also acts as paying agent of the Fund. Either the Administrator or the Management Company may terminate the Administrator's appointment at any time on giving ninety days' written notice.

#### Depositary

Brown Brothers Harriman (Luxembourg) S.C.A. (the "Depositary") has been appointed as depositary of the Fund for (i) the safekeeping of the assets of the Fund (ii) the cash monitoring, (iii) the oversight functions and (iv) such other services as agreed from time to time and reflected in the Depositary Agreement.

The Depositary is a credit institution established in Luxembourg, whose registered office is situated at 80, route d'Esch, L-1470 Luxembourg, and which is registered with the Luxembourg register of commerce and companies under number B29923. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended.

**Duties of the Depositary.** The Depositary is entrusted with the safekeeping of the Fund's assets. For the financial instruments which can be held in custody, they may be held either directly by the Depositary or, to the extent permitted by applicable laws and regulations, through every third-party custodian/sub-custodian providing, in principle, the same guarantees as the Depositary itself, i.e. for Luxembourg institutions to be a credit institution within the meaning of the law of 5 April 1993 on the financial sector or for foreign institutions, to be a financial institution subject to the rules of prudential supervision considered as equivalent to those provided by EU legislation. The Depositary also ensures that the Fund's cash flows are properly monitored, and in particular that the subscription monies have been received and all cash of the Fund has been booked in the cash account in the name of (i) the Fund, (ii) the Management Company on behalf of the Fund or (iii) the Depositary on behalf of the Fund.

In addition, the Depositary shall also ensure:

- (i) that the sale, issue, repurchase, redemption and cancellation of the Shares of the Fund are carried

out in accordance with Luxembourg law and the Management Regulations;

- (ii) that the value of the Shares of the Fund is calculated in accordance with Luxembourg law and the Management Regulations;
- (iii) to carry out the instructions of the Fund and the Management Company acting on behalf of the Fund, unless they conflict with Luxembourg law or the Management Regulations;
- (iv) that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits;
- (v) that the Fund's incomes are applied in accordance with Luxembourg law and the Management Regulations.

The Depositary regularly provides the Fund and its Management Company with a complete inventory of all assets of the Fund.

**Delegation of functions.** Pursuant to the provisions of Article 34bis of the Law of 2010 and of the Depositary Agreement, the Depositary may, subject to certain conditions and in order to more efficiently conduct its duties, delegate part or all of its safekeeping duties over the Fund's assets set out in Article 34(3) of the Law of 2010, including but not limited to holding assets in custody or, where assets are of such a nature that they cannot be held in custody, verification of the ownership of those assets as well as record-keeping for those assets, to one or more third-party delegates appointed by the Depositary from time to time (the "Correspondents").

In relation to the Correspondents, the Depositary has a process in place designed to select the highest quality third-party provider(s) in each market. The Depositary shall exercise due care and diligence in choosing and appointing each Correspondent so as to ensure that each Correspondent has and maintains the required expertise and competence. The Depositary shall also periodically assess whether Correspondents fulfill applicable legal and regulatory requirements and shall exercise ongoing supervision over each Correspondent to ensure that the obligations of the Correspondents continue to be appropriately discharged. The fees of any Correspondents appointed by the Depositary shall be paid by the Fund.

The liability of the Depositary shall not be affected by the fact that it has entrusted all or some of the Fund's assets in its safekeeping to such Correspondents.

In the case of a loss of a financial instrument held in custody, the Depositary shall return a financial instrument of an identical type or the corresponding amount to the Fund without undue delay, except if such loss results from an external event beyond the Depositary's reasonable control and the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

**Conflicts of interest.** In carrying out its functions, the Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the Fund and the Shareholders of the Fund.

The Depositary maintains comprehensive and detailed corporate policies and procedures requiring the Depositary to comply with applicable laws and regulations.

The Depositary has policies and procedures governing the management of conflicts of interest ("Col"). These policies and procedures address Cols that may arise through the provision of services to the Fund.

The Depositary's policies require that all material Cols involving internal or external parties are promptly disclosed, escalated to senior management, registered, mitigated and/or prevented, as appropriate. In the event a conflict of interest may not be avoided, the Depositary shall maintain and operate effective organizational and administrative arrangements in order to take all reasonable steps to properly (i) disclosing conflicts of interest to the Fund and to Shareholders (ii) managing and monitoring such conflicts.

The Depositary ensures that employees are informed, trained and advised of Col policies and procedures and that duties and responsibilities are segregated appropriately to prevent Col issues.

Compliance with Col policies and procedures is supervised and monitored by the Board of Managers as general partner of the Depositary and by the Depositary's Authorized Management, as well as the Depositary's compliance, internal audit and risk management functions.

The Depositary shall take all reasonable steps to identify and mitigate potential Cols. This includes implementing its Col policies that are appropriate for the scale, complexity and nature of its business. This policy identifies the circumstances that give rise or may give rise to a Col and includes the procedures to be followed and measures to be adopted in order to manage Cols. A Col register is maintained and monitored by the Depositary.

Potential conflicts of interest may nevertheless arise from time to time from the provision by the Depositary and/or its affiliates of other services to the Fund, the Management Company and/or other parties. Depositary's affiliates may also be appointed as third-party delegates of the Depositary. Potential conflicts of interest which have been identified between the Depositary and its affiliates may include mainly fraud (unreported irregularities to the competent authorities to avoid bad reputation), legal recourse risk (reluctance or avoidance to take legal steps against the Depositary), selection bias (the choice of the Depositary not based on quality and price), insolvency risk (lower standards in asset segregation or attention to the Depositary's solvency) or single group exposure risk (intragroup investments).

The Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Fund and/or other funds for which the Depositary (or any of its affiliates) acts. For example, the Depositary and/or its affiliates may act as the depositary, custodian and/or administrator of other funds.

The Depositary also acts as administrator pursuant to the terms of the Administration Agreements between the Depositary and the Fund. The Depositary has implemented appropriate segregation of activities between the Depositary and the administration services, including escalation processes and governance. In addition, the depositary

function is hierarchically and functionally segregated from the administration services business unit.

A potential risk of conflicts of interest may occur in situations where the Correspondents may enter into or have a separate commercial and/or business relationship with the Depositary in parallel to the safekeeping delegation relationship. In the conduct of its business, conflicts of interest may arise between the Depositary and the Correspondent. Where a Correspondent shall have a group link with the Depositary, the Depositary undertakes to identify potential conflicts of interest arising from that link, if any, and to take all reasonable steps to mitigate those conflicts of interest.

The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to any Correspondent. The Depositary will notify the Fund and the Management Company of any such conflict should it so arise.

To the extent that any other potential conflicts of interest exist pertaining to the Depositary, they have been identified, mitigated and addressed in accordance with the Depositary's policies and procedures.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Fund and will treat the Fund and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are based on objective pre-defined criteria and meet the sole interest of the Fund and the Shareholders of the Fund.

**Information.** Information about the safekeeping functions which have been delegated and the list of the Correspondents are available at <https://www.bbh.com/en-us/investor-services/custody-and-fund-services/depositary-and-trustee>. This list may be updated from time to time and is available from the Depositary upon written request.

**Updated information regarding the description of the Depositary's duties and of conflicts of interest that may arise as well as of any safekeeping functions delegated by the Depositary and any conflicts of interest that may arise from such a delegation, may be obtained, free of charge and upon written request, from the Depositary.**

**Miscellaneous.** The Depositary or the Management Company may terminate the Depositary Agreement at any time upon ninety (90) calendar days' written notice (or earlier in case of certain breaches of the Depositary Agreement, including the insolvency of any party), provided that the Depositary Agreement shall not be terminated until a replacement depositary is appointed.

### Registrar and Transfer Agent

AllianceBernstein Investor Services, a unit of the Management Company, acts as registrar and transfer agent of the Fund. In such capacity, the Transfer Agent is responsible for processing purchases, redemptions, exchanges and transfers of Shares of the Fund.

### Distributor

Pursuant to the Distribution Agreement, AllianceBernstein Investments, a unit of the Management Company acts as the

Distributor for the Shares on a best efforts basis. The Distribution Agreement possesses an unlimited duration and may be terminated by either party thereto upon sixty days' notice. The Distributor has contracted with dealers for the distribution of Shares outside the United States.

### Auditors

The Management Company has appointed Ernst & Young S.A., Independent Public Accountants, 35E, avenue John F. Kennedy, L-1855 Luxembourg, as independent auditor of the Fund. Ernst & Young will, with respect to the assets of the Fund, carry out the duties prescribed by the Law of 2010.

### Qualified Foreign Investor

Foreign institutional investors who wish to invest directly in the PRC domestic securities market may apply to be a qualified foreign investor (QFI) pursuant to the prevailing QFI regulations of the PRC. The Management Company or an affiliate (the "QFI Holder") acquire the QFI status for investment in mainland Chinese securities.

The QFI regime is governed by rules and regulations as promulgated by the mainland Chinese authorities, i.e., the CSRC, the SAFE and the PBOC). Such rules and regulations may be amended from time to time and include (but are not limited to):

(i) the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors jointly issued by the CSRC, the PBOC and the SAFE on 25 September 2020 and effective from 1 November 2020 (《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》);

(ii) the Provisions on Issues Concerning the Implementation of the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors jointly issued by the CSRC, the PBOC and the SAFE on 25 September 2020 and effective from 1 November 2020 (關於實施《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》有關問題的規定);

(iii) the "Regulations on Funds of Securities and Futures Investment by Foreign Institutional Investors" issued by the PBOC and the SAFE on 7 May 2020 and effective from 6 June 2020 (境外機構投資者境內證券期貨投資資金管理規定); and

(iv) any other applicable regulations promulgated by the relevant authorities.

### Co-Management of Assets

For the purpose of effective management, where the investment policies of a portfolio so permit, the Management Company may choose to co-manage assets of certain portfolios within or outside the Fund. In such cases, assets of different portfolios or strategies will be managed in common. The assets which are co-managed shall be referred to as a "pool." These pooling arrangements are an administrative device designed to reduce operational and other expenses and do not change the legal rights and obligations of Shareholders. The pools do not constitute separate entities and are not directly accessible to investors.

Each of the co-managed portfolios or strategies shall remain entitled to its specific assets. Where the assets of more than one portfolio or strategy are pooled, the assets attributable to each participating portfolio or strategy will initially be determined by reference to its initial allocation of assets to such a pool and will change in the event of additional allocations or withdrawals. The entitlements of each participating portfolio or strategy to the co-managed assets apply to each and every line of investments of such pool. Additional investments made on behalf of the co-managed portfolios or strategies shall be allotted to such portfolios or

strategies in accordance with their respective entitlement, whereas assets sold shall be levied similarly on the assets attributable to each participating portfolio or strategy. A review of the tax impact of the pooling arrangements has been undertaken in Luxembourg. It is not anticipated that any material Luxembourg taxes will arise due to the implementation of the pooling arrangements as described in this Prospectus. There may be a risk of taxation impacts in other jurisdictions where securities located in those countries are pooled as described in this Prospectus, though any additional taxes arising are not anticipated to be material.

## Additional Information

### Management Regulations

The Fund is managed by the Management Company in accordance with the Management Regulations. The initial Management Regulations of the Fund, dated 21 August 1991, were published in the *Mémorial* on 26 September 1991. Initially, the Fund was established under the name "Alliance Global Growth Trends Portfolio." Subsequently, the Management Regulations were amended and the new name "Alliance Global Investments" and the umbrella structure were adopted on 22 July 1992. The Management Regulations were then amended when the name of the Fund was changed to "ACM Global Investments," and this amendment became effective on 1 January 1997 and to "ACMBernstein" as of 31 July 2006. Thereafter, the Management Regulations were amended at various points in time. The Management Regulations were amended on 5 February 2016 when the name was changed to "AB FCP I". The Management Regulations have been amended for the last time on 5 July 2021 and such amendment has been published in the RESA through a notice advising of the deposit of such document with the *Registre de Commerce et des Sociétés* of Luxembourg.

**The Management Regulations may be amended from time to time by the Management Company, subject to the approval of the Depositary. Amendments to the Management Regulations are deposited with the *Registre de Commerce et des Sociétés* in Luxembourg and they will become effective the day of the publication in the *Mémorial* of a notice of such deposit.**

### Applicable Law and Jurisdiction

The Management Regulations are governed by the laws of the Grand Duchy of Luxembourg and any dispute arising among the shareholders, the Management Company and the Depositary will be subject to the jurisdiction of the District Court of Luxembourg.

Notwithstanding the foregoing, the Management Company and the Depositary may subject themselves and the Fund to the jurisdiction of the courts of the countries in which the Shares of the Fund are offered and sold with respect to claims by investors resident in such countries, and with respect to matters relating to subscriptions and repurchases of such Shares by Shareholders resident in such countries, to the laws of such countries. The claims of the Shareholders against the Management Company or the Depositary will lapse five years after the date of the event which gave rise to such claims.

The Management Regulations in their consolidated form are on file with the *Registre de Commerce et des Sociétés* in Luxembourg where they may be inspected and where copies thereof may be obtained.

By acquiring Shares, every Shareholder approves and fully accepts that the Management Regulations will govern the relationship among the Shareholders, the Management Company and the Depositary. The Management Regulations place certain restrictions and limitations on the Management Company in connection with its operation of the Fund and the portfolios. Such restrictions and limitations are set out in Appendix A. The Management Company may from time to time impose further investment restrictions other than those set

out in Appendix A as are compatible with or in the interest of the Shareholders, in order to comply with the laws and regulations of the various countries where the Shares of the Fund's portfolios are sold.

### Investor Suitability

Investors should consult the section titled "Profile of the Typical Investor" in Section I of the Portfolio in which they are interested in investing for information on the suitability of the Portfolio for such investor's investment goals. AB Portfolios that are not deemed to be cash-equivalent or identified as short-term are described as suitable for investors seeking a medium to long term investment horizon in the Section I of the relevant Portfolio. A particular investor's view as to their and the Portfolio's appropriate investment horizon may vary depending on a number of factors, including the intended use of the Portfolio (whether as a stand-alone strategy or as part of a larger asset allocation strategy), the relevant Shares in which such investor invests, risks and general market conditions applicable to the Portfolio in which such investor invests, and circumstances unique to the investor's situation. Investors are encouraged to consult their independent financial advisors regarding the suitability of Shares of the Portfolio for their investment goals. Independent financial advisors may work with individual investors to assess suitability based on a more holistic approach that takes into consideration factors unique to such investor, including their financial situation, life circumstances and goals, and other factors.

### Fees and Expenses

In addition to the sales charge and contingent deferred sales charge that investors purchasing Shares may incur, the Fund and each portfolio are also subject to ongoing fees and expenses. Distribution fees are accrued and charged as expenses of the portfolio to which they relate.

**Management Fee.** The Management Company is entitled to a management fee with respect to each portfolio, accrued daily and payable monthly, at the annual rate, based on the average daily Net Asset Value of the Shares, indicated under "Summary Information" in Section I.

From the management fee paid to the Management Company by a portfolio, the Investment Manager is entitled to the payment of an investment management fee with respect to such portfolio, accrued daily and payable monthly, at the annual rate, based on the average daily Net Asset Value of the Shares of such portfolio. Class S, SP, SK and S2 shares are reserved for institutional investors that have entered into an agreement with the Management Company and are being charged an investment management fee separately. With respect to certain share classes, the management fee may also include a component that is paid to distributors or other financial intermediaries and service providers to cover shareholder servicing and other administrative expenses. In the event that the Investment Manager does not act as investment manager for a complete month, the management fee payable by such portfolio for such month will be prorated to reflect the portion of such month in which the Investment



Manager acted as such under the Investment Management Agreement.

The Management Company or the Investment Manager, or an affiliate thereof, may make cash payments from time to time from such entity's own resources to distributors, dealers or other entities in connection with the sale of Shares of a portfolio. Such payments may include payments to reimburse directly or indirectly the costs associated with these firms' marketing, educational and training efforts and other support activities. A number of factors are considered in determining the amount of these payments, including each firm's AB funds sales, assets and redemption rates, and the willingness and ability of the firm to provide access to its financial advisors for educational and marketing purposes. In some cases, firms may include AB funds on a "preferred list." The goal is to make the financial advisors who interact with current and prospective Shareholders more knowledgeable about AB funds so that they can provide suitable information and advice about AB funds and related investor services.

If one fund sponsor makes greater distribution assistance payments than another, a financial advisor in such arrangements and his or her firm may have an incentive to recommend one fund complex over another. Similarly, if such a financial advisor or his or her firm receives more distribution assistance for one share class versus another, then they may have an incentive to recommend that class.

Those considering an investment in AB funds should speak with their financial advisor to learn more about the total amounts paid to the financial advisor and his or her firm by the Management Company, the Investment Manager and their affiliates and by sponsors of other funds he or she may recommend and should also consult disclosures made by their financial advisor at the time of purchase. Under certain circumstances, an investor in class S, S1 and S1 2 shares may receive payments from the Management Company or the Investment Manager, or an affiliate thereof, out of such entity's own resources.

**Distribution Fee.** Distribution fees with respect to a class of Shares will be paid to the Distributor as compensation for providing distribution-related services to the Fund with respect to such Shares at the rate indicated under "Summary Information" in Section I. Any shareholder servicing fees with respect to a class of shares will be paid by the Management Company out of the Management Fee to the Distributor as compensation for providing ongoing shareholder services to the Fund for holders of such Shares. The Distributor may pay some or all of such distribution or shareholder servicing fees to dealers who distribute Shares based on the average daily Net Asset Value of shares owned by such dealers' clients during such month. The distribution fee and the shareholder servicing fee of a particular class will not be used to subsidize the sale of shares of any other class.

**Management Company Fee.** The Management Company is entitled to receive out of the assets of the portfolios a fee that is intended to cover the expenses of the services it provides in connection with the operation and central administration of the portfolios in Luxembourg. The amount of the fee payable with respect to each share class of a portfolio is set forth in Section I with respect to each portfolio. The Management Company fee is accrued daily and paid monthly.

#### **Administrator, Depositary and Transfer Agent Fees.**

Each of the Administrator, Depositary and Transfer Agent is entitled to receive out of the assets of each portfolio a fee in accordance with the usual practice in Luxembourg. Such fees are a combination of asset-based fees and transaction fees as described in "Other Portfolio Information—Management Company, Administrator, Depositary and Transfer Agent Fees" in Section I with regard to each portfolio.

Unless otherwise provided for in the relevant part of Section I relating to a specific portfolio, the Administrator, Depositary and Transfer Agent fees will generally be of a maximum of 1.00% per year, calculated on the basis of the Net Asset Value of a portfolio. The Depositary fees do not comprise the costs of correspondent banks, certain other taxes, brokerage (if applicable) and interest on borrowings which will be charged separately. The Administrator, Depositary and Transfer Agent fees are eligible for the total expense ratio caps disclosed in the relevant part of Section I relating to a specific portfolio. The actual amounts of such fees are detailed in the annual report of the Fund.

**Other Expenses.** Each portfolio bears all of its other expenses, including, but not limited to (a) all taxes which may be due on the assets and the income of the portfolio and any entity-level taxes, (b) the reasonable disbursements and out-of-pocket expenses (including, without limitation, telephone, telex, cable and postage expenses) incurred by the Depositary and any custody charges of banks and financial institutions to which custody of assets of the portfolio is entrusted, (c) usual banking fees due on transactions involving securities held in the portfolio (such fees to be included in the acquisition price and to be deducted from the selling price), (d) any remuneration and out-of-pocket expenses of the Transfer Agent which will be payable monthly, (e) legal expenses incurred by the Management Company or the Depositary while acting in the interest of the Shareholders, and (f) the cost of printing certificates, the cost of preparing and/or filing the Management Regulations and all other documents concerning the portfolio, including registration statements, prospectuses and explanatory memoranda with all authorities (including local securities dealers' associations) having jurisdiction over the portfolio and any other costs of qualifying or registering the Shares of the portfolio for offer or sale in any jurisdiction, the cost of preparing, in such languages as are necessary for the benefit of the Shareholders, including the beneficial holders of the Shares, and distributing annual and semiannual reports and such other reports or documents as may be required under the applicable laws or regulations of the above-cited authorities; the cost of accounting, bookkeeping and calculating the daily Net Asset Value; the cost of preparing and distributing public notices to the Shareholders; lawyers' and auditor's fees; the costs incurred with the admission and the maintenance of the Shares on the stock exchanges on which they are listed; annual Luxembourg registration fees; and all similar administrative charges, including, unless otherwise decided by the Management Company, all other expenses directly incurred in offering or distributing the Shares, including the printing costs of copies of the above-mentioned documents or reports, which are utilized

by the distributors or dealers of the Shares in the course of their business activities.

Unless otherwise provided for in the relevant part of Section I relating to a specific share class of a portfolio, all recurring charges will be charged first against income, then against capital gains and then against assets. Expenses attributable to a particular portfolio are charged to that portfolio, while expenses not attributable to a specific portfolio will be allocated among the Fund's portfolios on such basis as the Board of Managers of the Management Company determines is fair and equitable. Different classes of Shares within a portfolio will bear all expenses attributable to that class of Shares, and if expenses of a portfolio are not attributable to a specific class of Shares of such portfolio, such expenses will be allocated among the classes of Shares of such portfolio on such basis as the Board of Managers of the Management Company determines is fair and equitable.

The Management Company expects the annual expense ratio of each portfolio to be comparable to that of other collective investment undertakings with similar investment objectives.

### **Risk Management**

The Management Company will employ, or will ensure that the Investment Manager will employ, a risk management process with respect to the Fund that enables the Management Company to monitor and measure at any time the risk of the positions in the portfolios and their contribution to the overall risk profile of the portfolios.

In relation to financial derivative instruments, the risk management process is designed to ensure accurate and independent assessment of the value of OTC derivatives and to ensure that each portfolio's global risk exposure relating to financial derivative instruments does not exceed the limits specified in the prospectus, the Law of 2010 and the relevant circulars of the Luxembourg *Commission de Surveillance du Secteur Financier*.

The global risk exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time necessary to liquidate the positions.

Each portfolio also may invest according to its investment objectives and policies and within the limitations contained in "Investment Restrictions" in Appendix A in financial derivative instruments. When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with such limitations.

**Conflicts of Interest.** The Management Company, the Investment Manager, the Depositary, the Administrator, distributors and other service providers and their respective affiliates, directors, officers and unitholders are or may be involved in other financial, investment and professional activities that may create conflicts of interest with the management and administration of the Fund. These include the management of other funds, purchases and sales of securities, brokerage services, custodian and safekeeping services, and serving as directors, officers, advisors or agents for other funds or other companies, including companies that a portfolio may invest in. Each of the parties will ensure that the performance of their respective duties will not be impaired by any such other involvement that they might have. In the event

that a conflict of interest does arise, the managers of the Management Company and the relevant parties involved shall endeavour to resolve it fairly, within a reasonable time and in the interest of the Fund.

Potential investors should also be aware that the Fund is subject to a number of actual and potential conflicts of interest involving the AB Group. While conflicts of interest are inherent to the relationships among the AB Group, merely because an actual or potential conflict of interest exists does not mean that it will be acted upon to the detriment of the Fund. The Investment Manager will, in such event, have regard to its obligations under the Investment Management Agreement and, in particular, to its obligations to act in the best interests of the Fund, so far as practicable having regard to its obligations to other clients, when undertaking any investments where potential conflicts of interest may arise. Should a conflict of interest arise, the Investment Manager will endeavor to ensure that it is resolved fairly. Without limitation, these conflicts may include the following:

- *Other Funds Managed by the Investment Manager.* An Interested Party may make investments for other clients without making the same available to the Fund. In the event any investment is made in funds already managed or advised directly or indirectly by the Investment Manager itself or a company with which it is linked by way of common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes, such investment will be effected only on terms which either avoid, or make appropriate provision to effectively eliminate, double charging of investment management or advisory fees. Furthermore, the Management Company or other company will not charge subscription or redemption fees in connection with an acquisition or disposal of such investments.
- *Allocation Among Clients.* An Interested Party may make investments for other clients without making the same available to the Fund. In addition, to the extent that the Investment Manager deems it advisable to seek investments for the Fund and for its other client accounts in the same security at the same time, the Fund may not be able to acquire as large an allocation of such security as it desires, or it may have to pay a higher price or obtain a lower yield for such security. Allocation will be made in a manner deemed equitable by the Investment Manager, taking into account size of account, amount purchased or sold and any other factor it may deem relevant.
- *Services to Other Clients.* An Interested Party may enter into financial, banking, currency, advisory (including corporate finance advice) or other transactions on an arm's-length basis with the Fund or any company in the investment portfolio of the Fund for which it may receive and retain fees. *Cross Trades.* To the extent permitted by applicable law, an Interested Party may engage in cross trades of securities between its clients as well cross trades between its clients and brokerage clients of its affiliates for whom the Investment Manager does not provide asset management services. In the event that the Investment Manager effects a cross trade to which the Fund is a

party, the Investment Manager will act on behalf of both the Fund and the other party to the cross trade, and thus may have a potentially conflicting division of loyalty to such parties. In order to address such potentially conflicting divisions of loyalty, the Investment Manager has established policies and procedures with respect to cross trades so that neither party to a cross trade is unfairly advantaged or disadvantaged relative to the other party. All cross trades will be executed on an agency basis at the current fair market value and otherwise consistent with the Investment Manager's fiduciary obligations. None of the foregoing activities should interfere substantially with the commitment of time necessary for the Investment Manager or its principals to perform their responsibilities to the Fund.

- **Sales to and from the Fund.** An Interested Party may sell or purchase investments to or from the Fund, provided that (i) the sale or purchase is effected on an official stock exchange or other organized market where the purchaser or vendor is undisclosed at the time of the sale or purchase or in other circumstances where the vendor and purchaser are not identified to each other; or (ii) the terms and conditions of any such sale or purchase are effected on an arm's-length basis and approved by the Board of Managers of the Management Company before such sale or purchase is effected.
- **Transactions with Affiliated Broker/Dealers.** The Investment Manager may, in the normal course of business, utilize the brokerage services of affiliated broker/dealers including, but not limited to, Sanford C. Bernstein & Co., LLC and Sanford C. Bernstein Limited subject to the Investment Manager's obligation to execute transactions on behalf of the Fund consisted with best execution standards.
- **Soft-Dollar Arrangements.** Although currently the Management Company does not receive or enter into soft-dollar commissions/arrangements, the Investment Manager does receive and has entered into soft-dollar commissions/arrangements with brokers relating to portfolios of the Fund that invest in equity securities, in respect of which certain goods and services used to support the investment decision making process were received. The soft commission arrangements were entered into on the basis that the execution of transactions on behalf of the Fund will be consistent with best execution standards and brokerage rates will not be in excess of customary institutional full-service brokerage rates. The goods and services received include specialist industry, company and consumer research, portfolio and market analysis and computer software used for the delivery of such services. The nature of the goods and services received is such that the benefits provided under the arrangement must be those which assist in the provision of investment services to the Fund and may contribute to an improvement in the Fund's performance. For the avoidance of doubt, such goods and services do not include travel, accommodations, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees' salaries or direct money payments. Disclosure of soft commission arrangements will be made in the periodic reports of the Fund.

- **Research.** The principal portfolio themes for the Fund may take into account forecast information provided by equity, credit, quantitative, economic, and structured asset fixed-income research analysts employed by an Interested Party and other research firms. Accordingly, estimates of earnings and dividends related to investments of the Fund may differ from estimates of the Interested Party's institutional research analysts. Further, the Investment Manager's buy-sell actions for the Fund may differ from those recommended by the Interested Party's institutional research analysts.
- **No Independent Legal Counsel.** The Fund is represented by Dechert LLP with respect to U.S. law. The Fund is represented by Elvinger Hoss Prussen, *société anonyme*, with respect to Luxembourg law. Dechert LLP and Elvinger Hoss Prussen, *société anonyme*, have been selected to act as independent legal counsel to the Interested Parties and the Fund, as applicable, by the AB Group. Dechert LLP and Elvinger Hoss Prussen, *société anonyme*, each also acts as legal counsel to certain other investment funds, accounts, and vehicles managed by the AB Group and its affiliates. Conflicts could arise due to these multiple legal representations. Prospective and existing investors in the Fund have not been, and will not be, represented by Dechert LLP or Elvinger Hoss Prussen, *société anonyme*, and are encouraged to seek the advice of their own legal counsel in evaluating the merits and risks of this offering and the operations of the Fund.

### Restrictions on Ownership

**U.S. Persons.** Pursuant to its powers as set out in the Management Regulations, the Management Company has resolved to restrict or prevent the ownership of shares by any "U.S. Person." Investors will be required to provide assurances satisfactory to the Distributor, the dealer or the Fund indicating that the prospective purchaser is not a U.S. Person. Shareholders are required to notify the Management Company immediately of any change in such information. IT IS THE RESPONSIBILITY OF EACH SHAREHOLDER TO VERIFY THAT IT IS NOT A U.S. PERSON THAT WOULD BE PROHIBITED FROM OWNING SHARES IN THE FUND.

In addition, the Management Company, in its discretion, may permit the ownership of Shares by U.S. Persons in certain circumstances.

If it shall come to the attention of the Management Company at any time that Shares of the Fund are beneficially owned by a U.S. Person, either alone or in conjunction with any other person, the Management Company, on behalf of the Fund, may in its discretion compulsorily repurchase such Shares at their redemption price as described herein. Not less than ten days after the Fund gives notice of such compulsory repurchase, the Shares will be redeemed and Shareholders will cease to be the owners of such Shares.

**Class S, SK, SHK, SQ, SD, SA, SP, S1P, SA GB, SB GB, S1A GB, S1B GB, S2, S1, S1D, S1D2, S1L, S1NN, S1QD, S1X, S1T and S1 2 Shares (and corresponding H shares) (the "Institutional Share Classes").** The sale of

the Institutional Share Classes in the Fund is restricted to persons who qualify as institutional investors within the meaning of Article 174 of the Law of 2010. Class S, SP, SK, and S2 shares (and corresponding H shares) are reserved for institutional investors that have entered into an agreement with the Management Company and are being charged an investment management fee separately.

The Management Company will, at its discretion, refuse to issue shares of Institutional Share Classes if there is not sufficient evidence that the person to whom such shares of Institutional Share Classes are sold is an institutional investor or in any other circumstances where any such issue would be detrimental to the Fund or its shareholders.

In considering the qualification of a subscriber as an institutional investor, the Management Company will have due regard to the guidelines or recommendations of the competent supervisory authority.

Institutional investors subscribing for shares of Institutional Share Classes in their own name, but on behalf of a third party, must certify to the Management Company that such subscription is made on behalf of an institutional investor as aforesaid, and the Management Company may require, at its sole discretion, evidence that the beneficial owner of the shares of Institutional Share Classes is an institutional investor.

If it shall come to the attention of the Management Company at any time that shares of Institutional Share Classes are beneficially owned by a United States Person, non-institutional investor or by another person who is not authorized to hold such shares of Institutional Share Classes, either alone or in conjunction with any other person, the Management Company, on behalf of the Fund, may in its discretion compulsorily repurchase such shares of Institutional Share Classes at their redemption price as described herein. Not less than ten days after the Fund gives notice of such compulsory repurchase, the shares of Institutional Share Classes will be redeemed and Shareholders will cease to be the owners of such shares of Institutional Share Classes.

### Listing

Share Classes of each portfolio of the Fund may be listed on the Luxembourg Stock Exchange. It is unlikely that a trading market for the Shares will develop or continue.

### Portfolio Holdings

For certain portfolios, the Management Company publishes a complete schedule of the portfolio holdings monthly on [www.alliancebernstein.com](http://www.alliancebernstein.com). This posted information generally remains accessible on the website for three months. In addition, the Management Company may post information concerning the number of securities a portfolio holds, a summary of the portfolio ten largest holdings (including name and the percentage of the portfolio's assets invested in each holding), and a percentage breakdown of the portfolio's investments by country, sector and industry, as applicable. Monthly portfolio holdings information is generally posted between 30 and 90 days after the end of that month.

### Taxation

**The following summaries do not purport to be complete in all respects and do not constitute investment or tax advice and investors should consult their own professional**

**advisers as to the tax implications under the laws of the countries of their nationality, residence, domicile or incorporation of an investment in the portfolios.**

The taxation of income and capital gains of the Fund and Shareholders is subject to the fiscal law and practice of Luxembourg, any jurisdiction in which the Fund makes investments and of the jurisdictions in which Shareholders are resident or otherwise subject to tax. The following general summary of the anticipated tax treatment in Luxembourg and the United States does not constitute legal or tax advice and applies only to Shareholders holding Shares as an investment.

Prospective Shareholders should inform themselves of, and where appropriate take advice on, the laws and regulations (such as taxation and exchange controls) applicable to the subscription, purchase, redemption, exchange, conversion, holding and realization of Shares and the receipt of distributions (whether or not on redemption) in the place of their citizenship, residence, domicile or incorporation.

The information below is based on current law and interpretations thereof on the date of this document. No assurance can be given that applicable tax law and interpretations thereof will not be changed in the future. The following tax summary is not a guarantee to any Shareholder of the tax results of investing in the Fund.

**No Payment of Additional Taxes or Assessments.** Each Shareholder will assume and be responsible to the proper governmental or regulatory authority for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessments or charges that may be applicable to any payment in respect of the Shares made by the Fund, the Management Company or the Administrator. None of the Fund, the Management Company or the Administrator will pay any additional amounts to Shareholders to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments on the Shares by the Fund, the Management Company or the Administrator. None of the Fund, the Management Company or the Administrator will be responsible for the payment of any additional amount of withholding tax which may become payable due to an increase in any applicable withholding tax rates.

**Luxembourg Taxation.** The following is a general summary of the anticipated tax treatment in Luxembourg.

**The Fund.** The Fund is subject to Luxembourg law in respect of its tax status. Under legislation and regulations currently prevailing in Luxembourg, each portfolio is subject to an annual tax on their Net Asset Value attributable to the Shares at the annual rate indicated under "Summary Information" in Section I, accrued daily and calculated and payable quarterly. No such tax is applicable in respect of assets invested in Luxembourg undertakings for collective investment which are themselves subject to such tax. Under present law the Fund is not subject to any Luxembourg tax on income or capital gains nor to any estate tax. The Fund may however be subject to taxation, including withholding tax, on income and/or gains in countries where the assets are located (including Luxembourg).

**Shareholders.** Under current legislation Shareholders holding Shares of the Fund are not subject to any capital gains, income, withholding, estate, inheritance or other taxes in Luxembourg (except for those resident or having permanent establishment in Luxembourg).

**Automatic Exchange of Information.** The Organisation for Economic Co-operation and Development ("OECD") has developed a Common Reporting Standard ("CRS") to achieve a comprehensive and multilateral Automatic Exchange Of Information ("AEOI") on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted in order to implement the CRS among the Member States. For Austria, the Euro-CRS Directive applies the first time by 30 September 2018 for the calendar year 2017, i.e. the Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments will apply one year longer.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law"). The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Fund may require its investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status and report information regarding an investor and his/her/its account to the Luxembourg tax authorities (*Administration des Contributions Directes*), if such account is deemed a CRS reportable account under the CRS Law. The Fund shall communicate any information to the investor according to which (i) the Fund is responsible for the treatment of the personal data provided for in the CRS Law; (ii) the personal data will only be used for the purposes of the CRS Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*); (iv) responding to CRS-related questions is mandatory and accordingly the potential consequences in case of no response; and (v) the investor has a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS Law. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

The Fund reserves the right to refuse any application for Shares if the information provided or not provided does not satisfy the requirements under the CRS Law.

Investors in the Fund may therefore be reported to the Luxembourg and other relevant tax authorities in accordance with applicable rules and regulations.

Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS Law.

#### **United States Taxation.**

THE DISCUSSION HEREIN IS FOR INFORMATIONAL PURPOSES ONLY AND IS A DISCUSSION PRIMARILY OF THE U.S. TAX CONSEQUENCES TO PROSPECTIVE SHAREHOLDERS. EACH PROSPECTIVE SHAREHOLDER SHOULD CONSULT ITS PROFESSIONAL TAX ADVISOR WITH RESPECT TO THE TAX ASPECTS OF AN INVESTMENT IN THE FUND. TAX CONSEQUENCES MAY VARY DEPENDING UPON THE PARTICULAR STATUS OF A PROSPECTIVE SHAREHOLDER. IN ADDITION, SPECIAL CONSIDERATIONS (NOT DISCUSSED HEREIN) MAY APPLY TO PERSONS WHO ARE NOT DIRECT SHAREHOLDERS IN THE FUND BUT WHO ARE DEEMED TO OWN SHARES AS A RESULT OF THE APPLICATION OF CERTAIN ATTRIBUTION RULES.

The Fund has not sought a ruling from the IRS or any other U.S. federal, state or local agency with respect to any of the tax issues affecting the Fund, nor has it obtained an opinion of counsel with respect to any tax issues..

The following is a summary of certain potential U.S. federal tax consequences which may be relevant to prospective shareholders. The discussion contained herein is not a full description of the complex tax rules involved and is based upon existing laws, judicial decisions and administrative regulations, rulings and practices, all of which are subject to change, retroactively as well as prospectively. A decision to invest in the Fund should be based upon an evaluation of the merits of the trading program, and not upon any anticipated U.S. tax benefits.

**U.S. Tax Status.** The U.S. federal tax classification of segregated portfolios of a non-U.S. entity such as the Fund is not entirely clear. The Fund intends to take the position that each Portfolio of the Fund is a separate entity for U.S. federal tax purposes due to the segregation of a Portfolio's assets and liabilities under the laws of Luxembourg. The remainder of the U.S. tax discussion herein assumes that the each Portfolio will be treated as a separate corporation for U.S. federal tax purposes. The references to "the Fund" below shall be read to apply to each Portfolio, unless otherwise indicated.

**U.S. Trade or Business.** Section 864(b)(2) of the IRC, provides a safe harbor (the "Safe Harbor") applicable to a non-U.S. corporation (other than a dealer in securities) that engages in the U.S. in trading securities (including contracts or options to buy or sell securities) for its own account pursuant to which such non-U.S. corporation will not be deemed to be engaged in a U.S. trade or business. The Safe Harbor also provides that a non-U.S. corporation (other than a dealer in commodities) that engages in the

U.S. in trading commodities for its own account is not deemed to be engaged in a U.S. trade or business if "the commodities are of a kind customarily dealt in on an organized commodity exchange and if the transaction is of a kind customarily consummated at such place." Pursuant to proposed regulations, a non-U.S. taxpayer (other than a dealer in stocks, securities, commodities or derivatives) that effects transactions in the United States in derivatives (including (i) derivatives based upon stocks, securities, and certain commodities and currencies, and (ii) certain notional principal contracts based upon an interest rate, equity, or certain commodities and currencies) for its own account is not deemed to be engaged in a United States trade or business. Although the proposed regulations are not final, the IRS has indicated in the preamble to the proposed regulations that for periods prior to the effective date of the proposed regulations, taxpayers may take any reasonable position with respect to the application of Section 864(b)(2) of the IRC to derivatives, and that a position consistent with the proposed regulations will be considered a reasonable position.

The Fund intends to conduct its business in a manner so as to meet the requirements of the Safe Harbor. Thus, based on the foregoing, the Fund's securities and commodities trading activities are not expected to constitute a U.S. trade or business and, except in the limited circumstances discussed below, the Fund does not expect to be subject to the regular U.S. income tax on any of its trading profits. However, if certain of the Fund's activities were determined not to be of the type described in the Safe Harbor, the Fund's activities may constitute a U.S. trade or business, in which case the Fund would be subject to U.S. income and branch profits tax on the income and gain from those activities.

Even if the Fund's securities trading activity does not constitute a U.S. trade or business, gains realized from the sale or disposition of stock or securities (other than debt instruments with no equity component) of U.S. Real Property Holding Corporations (as defined in Section 897 of the IRC) ("USRPHCs"), including stock or securities of certain Real Estate Investment Trusts ("REITs"), will be generally subject to U.S. income tax on a net basis. However, a principal exception to this rule of taxation may apply if such USRPHC has a class of stock which is regularly traded on an established securities market and the Fund generally did not hold (and was not deemed to hold under certain attribution rules) more than 5% (10% in the case of a REIT) of the value of a regularly traded class of stock or securities of such USRPHC at any time during the five year period ending on the date of disposition.<sup>3</sup> Moreover, if the Fund were deemed to be engaged in a U.S. trade or business as a result of owning a limited partnership interest in a U.S. business partnership or a similar ownership interest, income and gain realized from that investment would be subject to U.S. income and branch profits tax.

### ***Identity of Beneficial Ownership; Withholding on Certain Payments.***

United States. In order to avoid a U.S. withholding tax of 30% on certain payments (including payments of gross proceeds) made with respect to certain actual and deemed U.S. investments, the Fund generally will be required to timely register with the Service and agree to identify certain direct and indirect U.S. account holders (including debtholders and equityholders). Luxembourg has signed a Model 1A (reciprocal) inter-governmental agreement with the United States (the "US IGA") to give effect to the foregoing withholding and reporting rules. So long as the Fund complies with the US IGA and the enabling legislation, the Investment Manager anticipates that the Fund will not be subject to the related U.S. withholding tax.

A non-U.S. investor in the Fund will generally be required to provide to the Fund (or in certain cases, a distributor, intermediary or certain other entities through which a non-U.S. investor invests (each, an "Intermediary")) information which identifies its direct and indirect U.S. ownership. Under the US IGA, any such information provided to the Fund will be shared with the Luxembourg Minister of Finance or its delegate (the "Luxembourg MOF"), unless such U.S. ownership is exempt from the reporting rules. The Luxembourg MOF will provide the information reported to it with the Service annually on an automatic basis. A non-U.S. investor that is a "foreign financial institution" within the meaning of Section 1471(d)(4) of the IRC will also generally be required to timely register with the Service and agree to identify certain of its own direct and indirect U.S. account holders (including debtholders and equityholders). A non-U.S. investor who fails to provide such information to the Fund (or, if applicable, an Intermediary) or timely register and agree to identify and report information with respect to such account holders (as applicable), may be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund, and the Fund may take any action in relation to an investor's Shares or redemption proceeds to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or comply with such requirements gave rise to the withholding, subject to applicable laws and regulations and provided that the Management Company acts in good faith and on reasonable grounds. Shareholders should consult their own tax advisors regarding the possible implications of these rules on their investments in the Fund.

Non-U.S. shareholders may also be required to make certain certifications to the Fund as to the beneficial ownership of the Shares and the non-U.S. status of such beneficial owner, in order to be exempt from U.S. information reporting and backup withholding on a

<sup>3</sup> The Fund will also be exempt from tax on dispositions of REIT shares, whether or not those shares are regularly traded, if less than 50% of the value of such shares is held, directly or indirectly, by non-U.S. persons at all times during the five-year period ending on the date of disposition. However, even if the disposition of REIT shares would be exempt from tax on a net basis, distributions from a REIT (whether or not such REIT is a

USRPHC), to the extent attributable to the REIT's disposition of interests in U.S. real property, are subject to tax on a net basis when received by the Fund and may be subject to the branch profits tax. Distributions from certain publicly traded REITs to non-U.S. shareholders owning 10% or less of the shares are subject to a 30% gross withholding tax on those distributions and are not subject to tax on a net basis.

redemption of Shares.

In General. It is possible that further inter-governmental agreements ("future IGAs") similar to the US IGA may be entered into with other third countries by the Luxembourg Government to introduce similar regimes for reporting to such third countries' fiscal authorities ("foreign fiscal authorities").

By investing (or continuing to invest) in the Fund, investors shall be deemed to acknowledge that:

- (i) the Fund (or its agent or an Intermediary) may be required to disclose to the Luxembourg MOF certain confidential information in relation to the investor, including, but not limited to, the investor's name, address, tax identification number (if any), social security number (if any) and certain information relating to the investor's investment;
- (ii) the Luxembourg MOF may provide information as outlined above with the Service, the Luxembourg Minister of Finance and other foreign fiscal authorities;
- (iii) the Fund (or its agent or an Intermediary) may disclose to the Service, the Luxembourg Minister of Finance and other foreign fiscal authorities certain confidential information when registering with such authorities and if such authorities contact the Fund (or its agent directly) with further enquiries;
- (iv) the Fund or an Intermediary may require the investor to provide additional information and/or documentation which the Fund or an Intermediary may be required to disclose to the Luxembourg MOF;
- (v) in the event an investor does not provide the requested information and/or documentation and/or has not itself complied with the applicable requirements, the Fund reserves the right to take any action and/or pursue all remedies at its disposal, including, without limitation, action to ensure that any withholding imposed in respect of such investor's Shares or redemption proceeds is economically borne by such investor and compulsory redemption of the investor concerned; and
- (vi) no investor affected by any such action or remedy shall have any claim against the Fund (or its agent) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with FATCA, any of the US IGA or any future IGAs, or any of the relevant underlying legislation and regulations.

**U.S. Withholding Tax.** In general, under Section 881 of the IRC, a non-U.S. corporation which does not conduct a U.S. trade or business is nonetheless subject to tax at a flat rate of 30% (or lower tax treaty rate) on the gross amount of certain U.S. source income which is not effectively connected with a U.S. trade or business, generally payable through withholding. Income subject to such a flat tax rate is of a fixed or determinable annual or periodic nature, including dividends, certain "dividend equivalent payments" and certain interest income. In some cases, dividend income subject to the 30% (or lower tax treaty rate), can be imputed to holders of certain equity interests or equity derivative instruments, such as

options or convertible debt, as a result of an adjustment by the issuing corporation to the exercise or conversion ratio, or as a result of other corporate action which has the effect of increasing a holder's interest in the earnings and profits, or assets of the issuing corporation.

Certain types of income are specifically exempted from the 30% tax and thus withholding is not required on payments of such income to a non-U.S. corporation. The 30% tax does not apply to U.S. source capital gains (whether long or short-term) or to interest paid to a non-U.S. corporation on its deposits with U.S. banks. The 30% tax also does not apply to interest which qualifies as portfolio interest. The term "portfolio interest" generally includes interest (including original issue discount) on an obligation in registered form which has been issued after July 18, 1984 and with respect to which the person who would otherwise be required to deduct and withhold the 30% tax receives the required statement that the beneficial owner of the obligation is not a U.S. person within the meaning of the IRC. In addition, if any credit default swap is characterized as a contract of insurance or a guarantee, payments received under such credit default swap may be subject to an excise tax or a withholding tax.

**Redemption of Shares.** Gain realized by shareholders who are not U.S. persons within the meaning of the IRC ("non-U.S. shareholders") upon the sale, exchange or redemption of Shares held as a capital asset should generally not be subject to U.S. federal income tax provided that the gain is not effectively connected with the conduct of a trade or business in the U.S. However, in the case of nonresident alien individuals, such gain will be subject to the 30% (or lower tax treaty rate) U.S. tax if (i) such person is present in the U.S. for 183 days or more during the taxable year (on a calendar year basis unless the nonresident alien individual has previously established a different taxable year) and (ii) such gain is derived from U.S. sources.

Generally, the source of gain upon the sale, exchange or redemption of Shares is determined by the place of residence of the shareholder. For purposes of determining the source of gain, the IRC defines residency in a manner that may result in an individual who is otherwise a nonresident alien with respect to the U.S. being treated as a U.S. resident only for purposes of determining the source of income. Each potential individual shareholder who anticipates being present in the U.S. for 183 days or more (in any taxable year) should consult his tax advisor with respect to the possible application of this rule.

Gain realized by a non-U.S. shareholder engaged in the conduct of a U.S. trade or business will be subject to U.S. federal income tax upon the sale, exchange or redemption of Shares if such gain is effectively connected with its U.S. trade or business.

**Estate and Gift Taxes.** Individual holders of Shares who are neither present nor former U.S. citizens or U.S. residents (as determined for U.S. estate and gift tax purposes) are not subject to U.S. estate and gift taxes with respect to their ownership of such Shares.

**Claims of U.S. Treaty Benefits by Certain Investors in Fiscally Transparent Share Classes.** The Fund is generally subject to U.S. withholding tax on U.S. source dividends paid to the Fund at the standard statutory rate of 30 percent. A lower rate is possible under certain circumstances, however.

Residents of countries that have a double taxation treaty with the United States are generally entitled to rates of withholding on U.S. source dividends that are lower than the standard 30 percent rate provided by U.S. law. When such a person invests in a non-U.S. investment vehicle, that person may be able to claim a reduced withholding rate on U.S. source income paid to the investment vehicle, provided that three conditions are met:

1. The investment vehicle is treated as fiscally transparent by the country in which the investor is a tax resident;
2. The investor is not itself treated as fiscally transparent by the country in which the investor is a tax resident; and
3. The investor's country of tax residence and the U.S. take a similar approach to fiscal transparency.

Under these provisions, a non-U.S. investment vehicle is generally treated as fiscally transparent with respect to an item of income to the extent that the country in which the investor is a tax resident requires the investor to separately take into account, on a current basis, its respective share of an item of income paid to the investment vehicle, whether or not the item of income is distributed to the investor by the investment vehicle, and provided the character and source of the item of income in the hands of the investor are determined as if such item were realized directly from the source from which it was realized by the investment vehicle.

However, a non-U.S. investment vehicle will not be treated as fiscally transparent for this purpose if the investor is required to include in gross income a share of all or part of the entity's income on a current basis under any type of anti-deferral regime or comparable mechanism.

The Fund has obtained rulings from the taxing authorities or opinions of counsel concerning the laws of the United Kingdom, Ireland, and the Netherlands confirming the fiscal transparency of the Fund under the income tax laws of those countries. Therefore, an investor in one of the above-named classes that is not itself treated as fiscally transparent by one of the foregoing countries in which it is a tax resident and that satisfies certain documentation requirements may be able to claim a reduced (or in some cases, zero) rate of U.S. tax withholding with respect to a U.S. source item of income under the relevant treaty as if the item of income in-question were realized directly from the source from which it is realized by the Fund. A non-U.S. investor who claims such a benefit under the relevant double-taxation treaty also may be required to disclose that it has done so on Form 8833 filed with the U.S. tax authorities. **Persons who are considering an investment in the above-referenced fiscally transparent share classes should consult a U.S. tax advisor.**

#### **Other Fiscal Transparency Issues**

In addition, certain countries treat investors in the Fund as if they had directly purchased a pro rata interest in the assets of the Fund. Accordingly, a non-U.S. investor may be required to take into account its proportionate share of the Fund's income currently for income tax purposes in its country of tax residence regardless of whether the Fund makes any distributions or

redemptions. An investor should consult with its own tax advisor prior to investing in the Fund to determine if it is required to do so. The Fund, the Management Company, and the Depositary do not intend to provide investors with investment reports more extensive than currently provided. An investor should consult with its own tax advisor prior to investing in the Fund to ensure that the investor is able to comply with tax laws in its country of tax residence.

#### **People's Republic of China ("PRC") Taxation**

By investing in shares of PRC resident enterprises (including China A-, B- and H-shares), RMB denominated corporate and government bonds, securities investment funds and warrants listed on the PRC stock exchanges or PRC inter-bank bond markets, a Portfolio may be subject to withholding income tax ("WIT") and other taxes imposed in the PRC.

##### **(a) PRC Corporate Income Tax ("CIT"):**

Lacking specific guidance, it is uncertain whether the QFI or the relevant investing Portfolios would be considered the taxpayer with respect to the PRC-sourced income derived from the investment in bonds, shares and other securities in the PRC. In the event the QFI were considered to be the taxpayer, any PRC taxes levied against the QFI would be reimbursed and ultimately borne by the relevant Portfolios of the Fund.

If the relevant Portfolios are deemed to be the taxpayer, then such Portfolios will be subject to PRC CIT at 25% on its worldwide taxable income if it is considered to be a tax resident enterprise of the PRC. If a Portfolio is considered to be a non-tax resident enterprise with an establishment or place of business ("PE") in the PRC, the PRC sourced profits attributable to that PE would be subject to CIT at 25%.

Under the PRC CIT Law effective from 1 January 2008, a foreign enterprise without a PE in the PRC will generally be subject to a WIT at the current rate of 10% on its PRC sourced income, including but not limited to passive income (e.g. dividends, interest, gains arising from transfer of assets, etc.), subject to the application of treaty relief.

The Investment Manager intends to manage and operate the Portfolios in such a manner that the Portfolios and the Fund not be treated as a tax resident enterprise of the PRC or a non-tax resident enterprise with a PE in the PRC for CIT purposes, although this cannot be guaranteed. As such, it is expected that the Portfolios should only be subject to WIT at 10% to the extent the relevant Portfolio directly derives PRC sourced income in respect of its investment in bonds, shares and other securities in the PRC.

##### **(i) Interest**

Unless a specific exemption is applicable, non-PRC tax residents, including the Fund is subject to PRC WIT on interest received on debt instruments issued by PRC tax residents, including bonds issued by enterprises established within mainland China. The general WIT rate applicable is 10%, subject to reduction under an applicable double tax treaty.



Interest derived from government bonds issued by the PRC Ministry of Finance and local governments is exempt from PRC CIT under the PRC CIT Law. Local government bonds refer to bonds issued by a government of a province, autonomous region, municipality directly under the Central Government, or municipality separately listed on the PRC's state plan.

Under the "Arrangement between the mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income" (the "Mainland-HK Arrangement"), if a Hong Kong tax resident derives interest income from the PRC, the WIT rate can be reduced to 7% provided that the Hong Kong tax resident is the beneficial owner of the interest income under the Mainland-HK Arrangement. Pre-approval from the PRC tax authorities is required before the reduced 7% rate can apply. Under the PRC-Luxembourg Double Taxation Agreement (the "PRC-Luxembourg DTA"), no treaty relief is available to the Fund with respect to PRC-sourced interest income, and thus a 10% WIT rate will apply. There are still uncertainties as to how the PRC tax authorities will assess the beneficial ownership issue for investment funds and whether the QFI or the Fund would be considered the taxpayer in respect of interest income on bonds. If the relevant approval is not obtained or a Portfolio is considered to be the taxpayer, the general rate of 10% will be applicable to the Fund's Portfolios that invest in the PRC.

#### (ii) Dividends

The Fund will be subject to 10% WIT on PRC-sourced dividends (including dividends on A-shares, B-shares and H-shares), which may be reduced by the relevant double tax treaty. The Fund may not be eligible for treaty relief on PRC-sourced dividends pursuant to the Mainland-HK Arrangement or PRC-Luxembourg DTA as it is unlikely that the Fund would own a 25% or greater equity interest in a PRC enterprise due to regulatory restriction.

#### (iii) Capital gain

##### *Debt investments*

There are no specific rules or regulations governing the CIT treatment of gains derived from the disposal of debt instruments in the PRC by the Fund, and thus the general principles of the CIT law should be followed if no special exemption is granted by the Chinese government.

The tax treatment for a Fund investing in debt instruments in the PRC is governed by the general taxation provisions of the CIT Law. Under such general principles, a Fund may not be subject to 10% PRC WIT on gains derived from the disposal of bonds in the PRC as such gains may not be considered to be PRC-source income.

In the event gains derived from the disposal of bonds in the PRC are considered to be PRC-sourced income, the Fund may be eligible for treaty relief under the Capital Gains Article of the Mainland-HK Arrangement or PRC-Luxembourg DTA with respect to such gains.

For tax residents in Hong Kong or Luxembourg that have no PE in the PRC, capital gains arising from the disposal of bonds in the PRC, pursuant to the Mainland-HK Arrangement or PRC-Luxembourg DTA, may be exempted from the PRC WIT, subject to the approval of the PRC tax authorities.

The Investment Manager or QFI Holder will further assess and seek to apply with PRC tax authorities to enjoy the above capital gain tax exemption under the Mainland-HK Arrangement or PRC-Luxembourg DTA (as applicable), although this cannot be guaranteed. Without the relevant approval, the general rate of 10% may be applicable to the capital gains derived by the Fund on bonds in the PRC.

##### *Equity investments*

With the approval from the PRC State Council, the PRC State Administration of Taxation, the PRC Ministry of Finance and the CSRC have jointly issued Caishui [2014] 79 ("Circular 79") to clarify the WIT treatment with respect to gains derived by QFIIs and RQFIIs from the disposal of equity investments, including shares in PRC enterprises. According to Circular 79, QFIIs and RQFIIs are temporarily exempt from WIT with respect to gains derived from the disposal of equity investments, including shares in PRC enterprises (e.g. A-Shares), via the QFI or RQFI schemes, effective from 17 November 2014. With respect to gains derived prior to 17 November 2014, QFIIs and RQFIIs are subject to WIT in accordance with the relevant laws.

#### (b) Business Tax ("BT"), Value-Added Tax ("VAT") and surtaxes

With effect from 1 May 2016, all industries formerly subject to BT have transited to VAT pursuant to the *Circular on Overall Replacement of Business Tax by Value-added Tax on A Pilot Basis* (Caishui [2016] No. 36) jointly issued by MOF and SAT on 24 March 2016 ("Circular 36"). Circular 36 provides for a 6% VAT rate for financial services (including trading financial instruments), replacing the 5% tax rate formerly applied under the BT regime. VAT for trading securities by QFIs in China is provisionally exempted according to the *Supplemental Notice on the VAT Policies of Inter-bank Transactions* (Caishui [2016] No. 70) jointly issued by MOF and SAT on 30 June 2016, with a retrospective effect from 1 May 2016.

#### (c) Stamp Duty ("SD")

SD under the PRC laws generally applies to the execution and receipt of all taxable documents listed in the PRC's Provisional Rules on SD. SD is generally imposed on the seller of shares of Chinese companies listed on the PRC stock exchanges at a rate of 0.1% of the sales consideration. The Fund will be subject to this tax on each disposal of such PRC listed shares.

Shareholders should seek their own tax advice on their tax position with regard to their investment in the Fund and a particular Portfolio.

Various tax reform policies have been implemented by the PRC government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is a possibility that the current tax laws, regulations and practice in the PRC will be changed with retrospective effect in the future and any such change may have an adverse effect on the net asset value of the Fund. Moreover, there is no assurance that tax incentives currently offered to companies, if any, will not be abolished and that existing tax laws and regulations will not be revised or amended in the future. Any changes in tax policies may reduce the after-tax profits of the companies in the PRC in

which the Fund invests, thereby reducing the income from, and/or value of such investments.

**In light of the uncertainty on the income tax treatment on capital gains arising from the disposal of PRC bonds, and in order to meet this potential tax liability for capital gains, the Investment Manager currently intends to make provisions from the relevant Portfolios of the Fund for any PRC WIT that is potentially payable by the such Portfolios at a rate of 10% on the gross realised and unrealised capital gains derived from the disposal of PRC bonds since the launch of the relevant Portfolio of the Fund.**

Upon the availability of a definitive tax assessment by the competent authorities, any sums withheld in excess of the tax liability incurred or is expected to be incurred by the relevant Portfolios of the Fund shall be released and transferred to such Portfolio's accounts. The amount of any such tax provision will be disclosed in the accounts of the Fund.

It should be noted that the actual applicable tax rates imposed by SAT may be different from the WIT provision. There is a possibility of taxes being applied retrospectively. As such, any provision for taxation made by the Investment Manager may be inadequate to meet actual PRC tax liabilities on gains derived from PRC securities held by the Fund. In such event, the Fund may experience a drop in NAV which may cause losses to investors.

#### **PRC tax disclosure regarding the China Connect Scheme**

In addition to investing in A-Shares via the QFI status of the QFI Holder, the Fund may gain exposure to A-Shares through the China Connect Scheme, under which the Shanghai Connect has commenced trading as of 17 November 2014 and the Shenzhen Connect has commenced trading as of 5 December 2016.

With the approval from the PRC State Council, the PRC State Administration of Taxation, the PRC Ministry of Finance and the CSRC have jointly issued (i) Caishui [2014] 81 ("Circular 81") to clarify the PRC tax treatment regarding the trading under the Shanghai Connect; and (ii) Caishui [2016] 127 ("Circular 127") to expand the PRC tax treatment under Circular 81 to cover the tradings under the Shenzhen Stock Connect Scheme and clarify certain other tax issues under the China Connect Scheme. Circular 81 is effective on 17 November 2014, and Circular 127 is effective on 5 December 2016.

According to Circular 155, Circular 36, Circular 81 and Circular 127, the Fund is subject to the following PRC income tax treatment with respect to the Northbound Trading under the China Connect Scheme (*i.e.* trading of certain A-Shares on SSE/SZSE):

- Temporarily exempt from PRC WIT with respect to gains derived from trading A-Shares.
- Subject to PRC WIT at 10% with respect to dividends received from A-Shares (refund may be applied based on applicable tax treaties).
- Temporarily exempt from PRC BT (before 1 May 2016) and VAT (after 1 May 2016) with respect to gains derived from trading A-Shares.

- Subject to PRC SD at 0.1% with respect to the sale, inheritance and gift of A-Shares (*i.e.* the purchase of A-Shares is not subject to PRC SD).
- Temporarily exempt from PRC SD with respect to the borrowing and returning of the China Connect Securities under covered short selling.

Investors should note that the China Connect Scheme has limited or no history, and, accordingly, the taxation rules applicable to the China Connect Securities traded on SSE/SZSE are not long established and subject to change in the future. Investors should seek advice from their professional tax advisors with any questions regarding the China Connect Securities.

#### **Fiscal Year**

The Fund's financial year ends 31 August.

#### **Duration of the Fund, Liquidation, Amalgamation**

The Fund and the various portfolios have been established for an indefinite period. Shareholders, their heirs and any other beneficiaries may not demand the dissolution or division of the Fund or of a portfolio. A portfolio may be dissolved by the Management Company at any time. Any notice of dissolution will be published in the *Mémorial* and in at least two newspapers with appropriate distribution, at least one of which must be a Luxembourg newspaper, to be determined jointly by the Management Company and the Depositary. No Shares of such portfolio may be issued after the date of such decision of the Management Company. The Fund will be dissolved when the last portfolio is dissolved. In the event of the liquidation of the last portfolio, the Management Company will realize the assets of that portfolio in the best interest of the Shareholders, and the Depositary will distribute the net liquidation proceeds corresponding to each class of Shares of that portfolio, after deduction of liquidation charges and expenses, to the holders of Shares of each class in the proportion of the respective rights of each class, all in accordance with the directions of the Management Company. Liquidation proceeds which cannot be distributed to the persons entitled thereto at the close of liquidation will be deposited with the *Caisse de Consignation* in Luxembourg until the applicable prescription period shall have elapsed.

If the Management Company decides to dissolve any portfolio without terminating the Fund, it will refund to the Shareholders of each class of such portfolio the full Net Asset Value of the Shares within each class of such portfolio. Such action will be publicized by the Management Company and the proceeds of the refund which can not be distributed to the persons entitled thereto will be deposited with the *Caisse de Consignation* in Luxembourg within nine months following the decision of the Board of Managers of the Management Company to dissolve the relevant portfolio. By decision of the Management Company, two or more portfolios may be amalgamated and the corresponding class of Shares converted into Shares of the corresponding class of another portfolio. The rights of the different Share classes will in such event be determined in the proportion of the respective Net Asset Values. Notice of such an amalgamation will be given at least one month prior thereto in order to allow investors to request

redemption of their Shares without cost if they do not wish to participate in the portfolio so established.

### **Governing Language**

English will be the governing language of the Management Regulations, *provided, however*, that the Management Company and the Depositary may, on behalf of themselves and the Fund, consider as binding the translation into languages of the countries in which the Shares are offered and sold with respect to Shares of the Fund sold to investors in such countries.

### **Documents Available for Inspection**

The following documents are available for inspection during normal business hours at the office of the Management

Company: (1) the Management Regulations; (2) the Depositary Agreement; (3) the Administration Agreement; (4) the Investment Management Agreement relating to each portfolio; (5) the articles of incorporation of the Management Company; (6) the Distribution Agreement; (7) the latest semi-annual and annual reports relating to the Fund and, if available, each portfolio; (8) the Prospectus of the Fund; and (9) KIDs of the Fund. Copies of the Fund's Prospectus, Management Regulations, latest annual report and, if issued thereafter, the latest semi-annual report, as well as copies of the KIDs of each Portfolio of the Fund, may be obtained at the offices of the Management Company and the Distributor without cost.

## Local Information

Information in relation to facilities for investors related to Article 92.1. b) to f) of the UCITS Directive and other local information.

Country	Where information in relation to facilities for investors related to Article 92 1. b) to f) of the UCITS Directive is made available.	
Austria	<p>Available at <a href="http://www.eifs.lu/alliancebernstein">www.eifs.lu/alliancebernstein</a></p> <p>Facilities requirements for investors related to Article 92 1. a) of the UCITS Directive will be processed by AllianceBernstein (Luxembourg) S.à r.l.</p>	
Croatia		
Czech Republic		
Denmark		
Finland		
Hungary		
Iceland		
Liechtenstein		
Luxembourg		
Netherlands		
Norway		
Sweden		
Poland		
Portugal		
Romania		
Slovakia		
	Where information in relation to facilities for investors related to Article 92 1. b) to f) of the UCITS Directive is made available:	Additional Country Information
France	<p>Available at <a href="http://www.eifs.lu/alliancebernstein">www.eifs.lu/alliancebernstein</a></p> <p>Facilities requirements for investors related to Article 92 1. a) of the UCITS Directive will be processed by AllianceBernstein (Luxembourg) S.à r.l.</p>	BNP Paribas Securities Services, 3, rue d'Antin – 75002 Paris, France is the Centralizing Correspondent of the Fund.

Germany	<p>Available at <a href="http://www.eifs.lu/alliancebernstein">www.eifs.lu/alliancebernstein</a></p> <p>Facilities requirements for investors related to Article 92 1. a) of the UCITS Directive will be processed by AllianceBernstein (Luxembourg) S.à r.l.</p>	<p>Any notices will be sent to the registered shareholders at their address registered in the register of shareholders and will be published on <a href="http://www.alliancebernstein.com">www.alliancebernstein.com</a>. In the following cases, a notice to shareholders will be published by means of a durable medium: suspension of the redemption of the shares; termination of the management of the Fund or the winding-up of the Fund; amendments to the Fund rules which are inconsistent with existing investment principles, amendments to material investor rights to the detriment of investors, or amendments to the detriment of investors relating to remuneration or the reimbursement of expenses that may be taken out of the Fund (including the reasons for the amendments and the rights of investors); the merger of the Fund or a Portfolio; and the conversion of the Fund or a Portfolio into a feeder fund.</p> <p><b>German Taxation</b></p> <p>At least 50% of the following Portfolios' respective net assets will be invested in equities in the meaning of Art. 2 Par. 8 of the German Investment Tax Act:</p> <table><tr><td>Asia Ex-Japan Equity Portfolio</td></tr><tr><td>Emerging Markets Growth Portfolio</td></tr><tr><td>Global Equity Blend Portfolio</td></tr><tr><td>Japan Strategic Value Portfolio</td></tr></table>	Asia Ex-Japan Equity Portfolio	Emerging Markets Growth Portfolio	Global Equity Blend Portfolio	Japan Strategic Value Portfolio
Asia Ex-Japan Equity Portfolio						
Emerging Markets Growth Portfolio						
Global Equity Blend Portfolio						
Japan Strategic Value Portfolio						
Hong Kong	N/A	<p><b>Representative of the Fund</b></p> <p>AllianceBernstein Hong Kong Limited, 39th floor, One Island East, Taikoo Place, 18 Westlands Road Quarry Bay, Hong Kong</p> <p>The Hong Kong Representative is authorized to receive requests from Hong Kong investors (including Shareholders) for subscription for Shares and receive requests from Shareholders in Hong Kong for redemption of Shares. The Hong Kong Representative will forward such requests to the Transfer Agent upon receipt. The Hong Kong Representative has, however, no authority to agree, on behalf of the Fund, that requests will be accepted. The Hong Kong Representative and the Fund cannot, in absence of negligence, accept responsibility for any failure by the Hong Kong Representative to forward any application, exchange or redemption instruction of the Fund or for any delay in doing so.</p>				

<b>Italy</b>	<p><b>Paying Agents</b></p> <p>Allfunds Bank, S.A., Milan branch Via Santa Margherita 7 Milan, Italy</p> <p>Société Générale Securities Services S.p.A. Santa Chiara 19 Turin, Italy</p> <p>Banca Sella Holdings S.p.A., Piazza Gaudenzio Sella Biella, Italy</p> <p>CACEIS Bank, Italy Branch Piazza Cavour n°5 20121 Milan, Italy</p>	<p>The paying agents in Italy may charge a commission in respect of each request for subscription, exchange or redemption of shares.</p>
<b>Poland</b>	<p><b>Paying Agent</b></p> <p>Bank Polska Kasa Opieki Spółka Akcyjna ul. Grzybowska 53/57 00-950 Warsaw, Poland</p>	
<b>Singapore</b>	N/A	<p><b>Representative of the Fund</b></p> <p>AllianceBernstein (Singapore) Ltd. One Raffles Quay, #27-11 South Tower Singapore 048583</p> <p>Copies of the Fund's Prospectus, Management Regulations and the latest annual and semi-annual reports are available for inspection, free of charge, at the registered office of the Representative of the Fund, during Singapore business hours.</p>
<b>Spain</b>	<p><b>Representative of the Fund</b></p> <p>AllFunds Bank, S.A. calle Nuria no. 57, Colonia Mirasierra 28034 Madrid, Spain</p>	

<p><b>Switzerland</b></p>	<p><b>Representative and Paying Agent of the Fund</b></p> <p>BNP Paribas Paris, Zurich branch Selnaustrasse 16 8002 Zurich, Switzerland</p>	<p><u>1. Location where the relevant documents may be obtained</u></p> <p>The Prospectus, KIDs related to the portfolios of the Fund, Management Regulations and the annual and semi-annual reports of the Fund may be obtained free of charge from the Swiss Representative.</p> <p><u>2. Publications</u></p> <p>The Fund's publications in Switzerland are made on <a href="http://www.fundinfo.com">www.fundinfo.com</a>. Each time Shares are issued or redeemed, the issue and redemption prices of the Shares of all of the portfolios of the Fund, respectively the Net Asset Value per Share (with the mention “excluding commissions”), are published jointly and on a daily basis on <a href="http://www.fundinfo.com">www.fundinfo.com</a>.</p> <p><u>3. Payment of retrocessions and rebates</u></p> <p>The Management Company and its agents on behalf of the Fund may pay retrocessions as remuneration for distribution activity in respect of Shares of the Fund distributed in or from Switzerland. This remuneration may be deemed payment for the following services in particular:</p> <ul style="list-style-type: none"> <li>• client relations and management of investor accounts and activity;</li> <li>• assistance in marketing Shares of the Fund and assessment of suitability of Shares for investors; and</li> <li>• cooperation in respect of regulatory compliance, AML and other laws applicable to investor accounts.</li> </ul> <p>Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors. The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution. On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the investors.</p> <p>In the case of distribution activity in or from Switzerland, the Management Company and its agents may, upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investor in question. Rebates are permitted provided that</p> <ul style="list-style-type: none"> <li>• they are paid from fees received by the Management Company and therefore do not represent an additional charge on the Fund assets;</li> <li>• they are granted on the basis of objective criteria; and</li> <li>• all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.</li> </ul> <p>The objective criteria for the granting of rebates by the Management Company are as follows:</p> <ul style="list-style-type: none"> <li>• the volume subscribed by the investor or the total volume they hold in the collective investment scheme or, where applicable, in the product range of the promoter;</li> <li>• support provided in the launch phase of the Fund;</li> </ul>
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		<ul style="list-style-type: none"> <li>• strategic market of the investor; and</li> <li>• legal and regulatory considerations applicable to an investor.</li> </ul> <p>At the request of the investor, the Management Company must disclose the amounts of such rebates free of charge.</p> <p><u>4.Place of performance and jurisdiction</u></p> <p>In respect of the Shares distributed in and from Switzerland, the place of performance is at the registered office of the Swiss Representative and the place of jurisdiction is at the registered office of the Swiss Representative or at the seat/domicile of the investor.</p>
<b>United Arab Emirates (Dubai)</b>	N/A	<p>This Prospectus relates to a fund which is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA"). The DFSA has no responsibility for reviewing or verifying any Prospectus or other documents in connection with the Fund. Accordingly, the DFSA has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus, and has no responsibility for it. The Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Shares offered should conduct their own due diligence on the Shares. If you do not understand the contents of this document you should consult an authorised financial adviser.</p>
<b>United Kingdom</b>	See "Appendix D: Additional Information for UK Investors"	

## Appendix A: Investment Restrictions

### Investment Restrictions

The following restrictions apply individually to each portfolio of the Fund and not in aggregate to the Fund as a whole, unless specifically so stated. The Management Regulations place the following restrictions on the Management Company:

- (1) The Fund may not borrow money except from banks on a temporary basis, which includes for purposes of redeeming Shares, and only if the aggregate of the amount borrowed would not exceed 10% of the value of the total net assets of the portfolio concerned, provided, however, that this restriction shall not prevent the Fund from acquiring foreign currencies by means of a back to back loan;
- (2) The Fund may not mortgage, pledge, hypothecate or in any manner transfer, as security for indebtedness, any securities owned or held by the Fund except as may be necessary in connection with (i) borrowings mentioned in (1) above, and then such mortgaging, pledging or hypothecating may not exceed 10% of the total net assets of the portfolio concerned, and/or (ii) margin requirements which the Fund may have with respect to its transactions in forward or futures contracts or in options, and/or (iii) swap transactions;
- (3) Without prejudice to other provisions contained herein, the Fund may not grant loans to or act as a guarantor on behalf of third parties;
- (4) (i) The Fund may not invest in the transferable securities or money market instruments of any single issuer if more than 10% of the total net assets of the portfolio concerned would consist of the transferable securities or money market instruments of such issuer. The Fund may not invest more than 20% of its assets in deposits made with the same body. The total value of the transferable securities and the money market instruments held by the Fund in issuers in which it invests more than 5% of the total net assets of a portfolio may not exceed, at the time of any investment, 40% of the total net assets of such portfolio provided, this limitation does not apply to deposits made with financial institutions subject to prudential supervision. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.  
Notwithstanding the individual limits laid down in paragraph (1), the Fund may not combine:
  - investments in transferable securities or money market instruments issued by, and/or
  - deposits made with,
  - exposures arising from OTC derivative transactions undertaken with,
  - a single body in excess of 20% of the net assets of a portfolio.
- (ii) The above limit of 10% shall be 35% in respect of the transferable securities or the money market instruments issued or guaranteed by any Member State of the EU or any local authority thereof, or public international bodies

of which one or more Member States of the EU are members or any other non Member State;

- (iii) The above limit of 10% shall be 25% in respect of certain authorized bonds when these are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

When the Fund may invest more than 5% of the assets of a portfolio in the bonds referred to above and issued by one issuer, the total value of these investments may not exceed 80% of the value of the assets of the portfolio concerned.

- (iv) The transferable securities and the money market instruments referred to in items (ii) and (iii) shall not be included in applying the limit of 40% set out in this paragraph; and
- (v) **Notwithstanding the foregoing, the Fund may invest up to 100% of the assets of any portfolio in different transferable securities or money market instruments issued or guaranteed by any Member State of the EU, its local authorities, or public international bodies of which one or more of such Member States are members, or by any Member State of the OECD, provided that the Fund holds within such portfolio transferable securities or money market instruments from at least six different issues, and transferable securities or money market instruments from any one issue shall not account for more than 30% of the net assets of such portfolio.**

The limits provided for in paragraphs (i), (ii) and (iii) may not be combined, and thus investments in transferable securities or money market instruments issued by the same body or in deposits made with this body carried out in accordance with paragraphs (i), (ii) and (iii) shall under no circumstances exceed in total 35% of the net assets of a portfolio.

Issuers which are included in the same group for the purposes of consolidated accounts, as defined in

accordance with Directive 83/349/EEC<sup>1</sup> or in accordance with recognized international accounting rules, are regarded as a single body for the purpose of calculating the limits contained therein.

The Fund may invest concurrently in transferable securities and money market instruments of issuers within the same group up to a limit of 20% of the net assets of the portfolio concerned.

(4bis) (i) Without prejudice to the limits set forth in investment restriction (6) the limits laid down in investment restriction (4) may be raised to a maximum of 20% for investment in shares and/or debt securities issued by the same body when the aim of the portfolio's investment policy as described in this Prospectus is to replicate the composition of a certain stock or debt securities index which is recognized by the Luxembourg *Commission de Surveillance du Secteur Financier* (the "CSSF") on the following basis:

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner.

(ii) The limit laid down in item (i) may be raised to a maximum of 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for one single issuer.

(5) The Fund may not on behalf of a portfolio invest more than 10% of its assets in transferable securities and money market instruments other than:

- (a) transferable securities and money market instruments admitted to or dealt in on a regulated market;
- (b) transferable securities and money market instruments dealt in on another market in a Member State of the EU which is regulated, operates regularly and is recognized and open to the public;
- (c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the EU or dealt in on another market in a non-Member State of the EU which is regulated, operates regularly and is recognized and open to the public provided that the choice of the stock exchange or market has been provided for in the constitutional documents of the UCITS;
- (d) recently issued transferable securities and money market instruments, provided that:
  - the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another regulated market which operates regularly and is recognized and open to the public, provided that the choice of the stock

exchange or the market has been provided for in the constitutional documents of the UCITS;

- such admission is secured within one year of issue;

(e) Money market instruments other than those dealt in on a regulated market and which fall under Article 1 of the Law of 2010, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non-Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
- issued by an undertaking any securities of which are dealt in on regulated markets referred to in subparagraphs (a), (b) or (c) above, or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law; or
- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (10,000,000 euro) and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitization vehicles which benefit from a banking liquidity line.

(6) (i) The Fund may not purchase securities of any issuer if, upon such purchase, the Fund owns more than 10% of any class of the securities of such issuer, or if, as a result of such purchase, the Management Company may exercise a significant influence over the management of the issuer.

(ii) Moreover, the Fund may acquire no more than:

- 10% of the debt securities of the same issuer
- 25% of the units of any single collective investment undertaking except in connection with a merger or amalgamation
- 10% of the money market instruments of any single issuing body

<sup>1</sup> Seventh Council Directive 83/349/EEC of 13 June 1983 based on the Article 54(3)(g) of the Treaty on consolidated accounts (OJ L 193, 18.7.1983, p. 1). Directive repealed by Directive 2013/34/EU.

The limits laid down in the indents above may be disregarded at the time of acquisition if at that time the gross amount of such money market instruments or debt securities, or the net amount of the securities in issue, cannot be calculated.

- (iii) The limits set forth in items (i) and (ii) shall not apply to (i) transferable securities or money market instruments issued or guaranteed by any Member State of the EU or any local authority thereof, or issued by public international bodies of which one or more Member States of the EU are members or issued or guaranteed by any member state of the OECD, or (ii) shares held by the Fund in the capital of a company incorporated in a State which is not a Member State of the EU investing its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State, if that company, in its investment policy, complies with the limits laid down in Articles 43 and 46 and in paragraphs (1) and (2) of Article 48 of the Law of 2010 or (iii) shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unitholders' request exclusively on its or their behalf.
- (7) The Fund may not underwrite or subunderwrite securities of other issuers except to the extent that, in connection with the disposition of portfolio securities, the Fund may be deemed to be an underwriter under applicable securities laws;
- (8) The Fund may not purchase securities of other undertakings for collective investment of the open-ended type, except in compliance with the following
  - it may invest in collective investment undertakings qualifying as undertakings for collective investment in transferable securities authorized according to the UCITS Directive and/or undertakings for collective investments within the meaning of the first and second indent of Article 1 (2) of the UCITS Directive whether they are situated in a EU Member State or not provided that:
  - such undertakings for collective investment must be authorized under laws which provide that they are subject to supervision considered to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured,
  - the level of protection for unitholders in these undertakings for collective investment must be equivalent to that provided for unitholders in an undertaking for collective investment in transferable securities registered in a EU Member State, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive,
  - the business of these undertakings for collective investment must be reported in half-yearly and annual reports to enable an assessment to be made of the assets

and liabilities, income and operations over the reporting period,

- no more than 10% of the assets of such an undertaking for collective investments, whose acquisition is contemplated, may, according to their constitution documents, in aggregate be invested in units of other undertakings for collective investment, and/or

provided that it may not invest more than 10% of the net assets of a portfolio in units or shares of undertakings for collective investment as mentioned above;

When the Fund invests in units of other undertakings for collective investment in transferable securities and/or other undertakings for collective investment that are managed, directly or by delegation, by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, the Management Company or other company may not charge subscription or redemption fees in connection with an acquisition or disposal of the units of such other undertakings for collective investment.

- (9) The Fund may not trade in options on securities or money market instruments unless the following limitations are observed:
  - (i) individual purchases of call and put options and the writing of call options shall be limited so that upon exercise thereof none of the preceding restrictions would be infringed;
  - (ii) put options may be written by the Fund provided adequate liquid assets are set aside until the expiry of said put options to cover the aggregate exercise price of the securities to be acquired by the Fund pursuant thereto;
  - (iii) call options will only be written if such writing does not result in a short position; in such event the Fund will maintain within the relevant portfolio the underlying securities until the expiry date of the relevant call options granted by the Fund, except that the Fund may dispose of said securities in declining markets under the following circumstances:
    - (a) the market must be sufficiently liquid to enable the Fund to cover its position at any time;
    - (b) the aggregate of the exercise prices payable under such options written shall not exceed 25% of the net assets of each portfolio concerned; and
    - (c) no option will be purchased or sold unless it is quoted on a stock exchange or dealt in on a regulated market and provided, immediately after its acquisition, the aggregate of the acquisition prices of all options held by the Fund (in terms of premiums paid) does not exceed 15% of the net assets of each portfolio concerned;
- (10) The Fund may for the purpose of hedging currency risks hold forward currency contracts or currency futures or acquire currency options for amounts not exceeding, respectively, the aggregate value of securities and other assets held within each portfolio concerned denominated in a particular currency,

provided, however, that the Fund may also purchase the currency concerned through a cross transaction (entered into through the same counterparty), or, within the same limits, enter into currency swaps, should the cost thereof be more advantageous to the Fund. Contracts on currencies must either be quoted on a stock exchange or dealt in or on a regulated market except that the Fund may enter into currency forward contracts or swap arrangements with highly rated financial institutions;

(11) The Fund may not trade in index options except that

1. for the purpose of hedging the risk of the fluctuation of the value of the securities within a portfolio, the Fund may, on behalf of such portfolio, sell call options on stock indices or acquire put options on stock indices. In such event the value of the underlying securities included in the relevant stock index options shall not exceed, together with outstanding commitments in financial futures contracts entered into for the same purpose, the aggregate value of the portion of the assets of the portfolio concerned to be hedged; and
2. for the purpose of the efficient management of its securities portfolio, the Fund may acquire call options on stock indices mainly in order to facilitate changes in the allocation of the assets of a portfolio between markets or in anticipation of or in a significant market sector advance, provided the value of the underlying securities included in the relevant stock index options is covered within such portfolio by uncommitted cash reserves, short dated debt securities and instruments or securities to be disposed of at predetermined prices;

Such options on stock index futures must either be listed on an exchange or dealt in on a regulated market, except that the Fund may purchase or sell OTC options on financial instruments, if such transactions are more advantageous to the Fund or if quoted options having the required features are not available, provided such transactions are made with highly rated counterparties specializing in these types of transactions. Further, the aggregate acquisition cost (in terms of premiums paid) of all options on securities and such options on interest rate futures and other financial instruments purchased by the Fund for purposes other than hedging, shall not exceed 15% of the net assets of each of the portfolios concerned;

(12) The Fund may not enter into interest rate futures contracts, trade in options on interest rates or enter into interest rate swap transactions except that

1. for the purpose of hedging the risk of fluctuations of the value of the assets of a portfolio, the Fund may sell interest rate futures or write call options or purchase put options on interest rates or enter into interest rate swaps. Such contracts or options must be denominated in the currencies in which the assets of such portfolio are denominated, or in currencies which are likely to fluctuate in a similar manner, and they must be listed on an exchange or dealt in on a regulated market, provided, however, that interest rate swap transactions may be entered into by private agreement with highly rated financial institutions; and

2. for the purpose of efficient portfolio management, the Fund may enter into interest rate futures purchase contracts or acquire call options on interest rate futures, mainly in order to facilitate changes in the allocation of the assets of a portfolio between shorter or longer term markets, in anticipation of or in a significant market sector advance, or to give a longer term exposure to short term investments, provided, always, that sufficient uncommitted cash reserves, short dated debt securities or instruments or securities to be disposed of at predetermined value exist to match the underlying exposure of both such futures positions and the value of the underlying securities included in call options on interest rate futures acquired for the same purpose and for the same portfolio;

Such options on interest rate futures must either be listed on an exchange or dealt in on a regulated market, except that the Fund may purchase or sell OTC options on financial instruments, if such transactions are more advantageous to the Fund or if quoted options having the required features are not available, provided such transactions are made with highly rated counterparties specializing in these types of transactions. Further, the aggregate acquisition costs (in terms of premiums paid) of all options on securities and such options on interest rate futures and other financial instruments purchased by the Fund for purposes other than hedging, shall not exceed 15% of the net assets of each of the portfolios concerned;

(13) The Fund may not trade in stock index futures except that

1. for the purpose of hedging the risk of fluctuations of the value of the assets of a portfolio, the Fund may have outstanding commitments on behalf of such portfolio in respect of index futures sales contracts not exceeding the corresponding risk of fluctuation of the value of the corresponding portion of such assets; and
2. for the purpose of efficient portfolio management, the Fund may enter into index futures purchase contracts, mainly in order to facilitate changes in the allocation of a portfolio's assets between markets or in anticipation of or in a significant market sector advance, provided that sufficient uncommitted cash reserves, short dated debt securities or instruments owned by the portfolio concerned or securities to be disposed of by such portfolio at a predetermined value exist to match the underlying exposure of both such futures positions and the value of the underlying securities included in call stock index options acquired for the same purpose;

provided, further, that all such index futures must either be listed on an exchange or dealt in on a regulated market;

- (14) The Fund may not lend portfolio investments except against receipt of adequate security either in the form of bank guarantees of highly rated financial institutions or in the form of a pledge of cash or securities issued

by governments of member states of the OECD. No securities lending may be made, except through recognized clearing houses or highly rated financial institutions specializing in these types of transactions and for more than one half of the value of the securities of each portfolio and for periods exceeding 30 days;

- (15) The Fund may not purchase real estate, but the Fund may make investments in companies which invest in or own real estate;
- (16) The Fund may not enter into transactions involving commodities, commodity contracts or securities representing merchandise or rights to merchandise, and for purposes hereof commodities includes precious metals, except that the Fund may purchase and sell securities that are secured by commodities and securities of companies which invest or deal in commodities and may enter into derivative instruments transactions on commodity indices provided that such financial indices comply with the criteria laid down in Article 9 of the Grand-Ducal Regulation dated 8 February 2008 relating to certain definitions of the Law of 2010 and in the CSSF Circular 08/339 dated 19 February 2008 regarding guidelines of the Committee of European Securities Regulators (CESR) concerning eligible assets for investment by UCITS; and
- (17) The Fund may not purchase any securities on margin (except that the Fund may obtain such short-term credit as may be necessary for the clearance of purchases and sales of portfolio securities) or make short sales of securities or maintain a short position, except that it may make initial and maintenance margin deposits in respect of futures and forward contracts (and options thereon).
- (18) The Fund must employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each portfolio; it must employ a process for accurate and independent assessment of the value of OTC derivative instruments.

Under no circumstances shall these operations cause the Fund to diverge from its investment objectives as laid down in the description of the portfolio concerned as specified in the relevant portion of Section I hereof.

The Fund shall ensure that its global exposure relating to derivative instruments of each portfolio does not exceed the total net value of the relevant securities portfolio.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

The Fund also may invest in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in investment restriction (4). When the Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in investment restriction (4).

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account

when complying with the requirements of this investment restriction 18.

- (19) The Fund may invest in financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
- the underlying consists of securities covered by Article 41(1) of the Law of 2010, financial indices, interest rates, foreign exchange rates or currencies, in which the portfolios may invest according to their investment objective;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.

If provided otherwise in Section I of this prospectus for any specific portfolio, the Fund may invest in financial derivative instruments.

To the extent a portfolio invests in financial derivative instruments, the investment policy of the relevant portfolio will describe the financial derivative instruments which will be used.

- (20) A portfolio of the Fund may subscribe, acquire and/or hold shares to be issued or issued by one or more portfolios of the Fund (the "Target Portfolio(s)") under the condition that:
- the Target Portfolio(s) do(es) not, in turn, invest in the portfolio;
  - no more than 10% of the assets of the Target Portfolio(s) whose acquisition is contemplated may be invested in units of other funds;
  - in any event, for as long as these shares are held by the portfolio, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Law of 2010; and
  - there is no duplication of management/subSCRIPTION or redemption fees between those at the level of the portfolio and the Target Portfolio(s).

**Master Feeder Structure.** Notwithstanding the above and under the conditions laid down by the Law of 2010 and regulations, each portfolio may act as a feeder fund (the "Feeder") of a UCITS or of a portfolio of such UCITS (the "Master"), which shall neither itself be a feeder fund nor hold units/shares of a feeder fund. In such a case the Feeder shall invest at least 85% of its assets in shares/units of the Master.

The Feeder may not invest more than 15% of its assets in one or more of the following:

(a) ancillary liquid assets in accordance with Article 41 (2), second paragraph of the Law of 2010;

(b) financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 (1) g) and Article 42 (2) and (3) of the Law of 2010;

When a portfolio qualifying as a Feeder invests in the shares/units of a Master, the Master may not charge subscription or redemption fees on account of the portfolio's investment in the shares/units of the Master.

Should a portfolio qualify as a Feeder, a description of all remuneration and reimbursement of costs payable by the Feeder by virtue of its investments in shares/units of the Master, as well as the aggregate charges of both the Feeder and the Master, shall be disclosed in the relevant section of the prospectus relating to such Portfolio.

**Note on Investment Restrictions.** The Management Company need not comply with the investment limit percentages set forth above when exercising subscription rights attaching to transferable securities or money market instruments which form part of the assets of the Fund.

If, by reason of subsequent fluctuations in values of the Fund's assets or as a result of the exercise of subscription rights, the investment limit percentages above are infringed, priority will be given, when sales of securities are made, to correcting the situation, having due regard to the interests of Shareholders.

The Management Company may from time to time impose further investment restrictions as are compatible with or in the interest of the Shareholders, in order to comply with the laws and regulations of the countries where the Shares are sold.

If provided otherwise in Section I of this prospectus for any specific portfolio, the Fund may derogate from the above investment restrictions to the extent that it does not exceed any investment restriction laid down in the UCITS Directive.

**Taiwan Investment Restrictions.** For a portfolio registered with the Taiwan Securities and Futures Bureau, the following shall apply in addition to the Investment Restrictions set out in the Prospectus. The total value of the non-offset short position in derivatives shall not exceed the total market value of the relevant securities held by the portfolio and the total value of the non-offset long position in derivatives shall not exceed 40% of the Net Asset Value of such portfolio (determined in accordance with any applicable interpretations from the Taiwan Securities and Futures Commission Bureau), unless approval for waiver of such 40% derivatives limit is obtained from the Taiwan Securities and Futures Bureau.

In addition, the following restrictions shall apply to investments related to the PRC: a portfolio's direct investment in securities issued in the PRC's securities markets is limited to listed securities and securities traded in the Chinese Interbank Bond Market and the total amount of such investment is not permitted to exceed 20% of the Net Asset Value of such portfolio, unless approval for extending such limit to 40% is obtained from the Taiwan Securities and Futures Bureau.

**Restrictions on Investments in Russia.** Currently, certain markets in Russia do not qualify as regulated markets under the Fund's investment restrictions, and, therefore, investments

in securities dealt on such markets are subject to the 10% limit set forth in paragraph (5) above (however, exposure to Russia through other regulated markets is not subject to this restriction). As of the date of this Prospectus, the Russian Trading Stock Exchange and the Moscow Interbank Currency Exchange qualify as regulated markets under the Fund's investment restrictions.

**Restrictions on Investments in Korea.** For a Portfolio registered with the Korean Financial Services Commission, such Portfolio may invest no more than 40% of its net assets in Korean Won-denominated assets.

**Restrictions on Investments in Hong Kong.** For a Portfolio authorized by the Securities and Futures Commission, unless otherwise specifically stated in a Portfolio's investment objective and policies, the following shall apply in addition to the Investment Restrictions set out in the Prospectus. A Portfolio's exposure to Loss-absorption Products as defined by the Securities and Futures Commission, including, but not limited to, contingent convertible securities shall be less than 30% of its Net Assets.

#### **Environmental, Social, and Governance Integration**

**Policy.** Environmental, social and governance (ESG) considerations are integrated into the Investment Manager's research and investment processes through the the AB Stewardship Approach. Investment Manager's research analysts are experts in the specific industries and the companies and issuers they cover. Using their own proprietary research, third-party research and findings from other sources incorporated in Investment Manager's research collaboration platform, they analyze firms' and issuers' ESG practices to identify potentially material ESG factors that can vary company by company and issuer by issuer. ESG considerations are incorporated into the Investment Manager's research and investment process and are one of several considerations for making investment decisions. After consideration of all ESG factors including those that could negatively impact a security of issuers or companies, the Investment Manager may still purchase the security and/or retain it in the Portfolio. ESG considerations may not be applicable to all types of instruments or investments. Analysts also may monitor and engage with companies and issuers in which Investment Manager's invest or intend to invest. More information on the AB Stewardship Approach can be found at the responsible investment section under the Management Company website.

**Controversial Weapons Policy.** The Management Company arranges for the screening of companies globally for their involvement in the production of anti-personnel mines, cluster munitions and/or munitions made with depleted uranium, biological weapons, chemical weapons and/or incendiary weapons. Where such involvement in production has been verified, the Management Company's policy is not to permit the Fund to invest in securities issued by such companies.

## Appendix B: Excessive and Short-Term Trading Policy and Procedures

Purchases and exchanges of Shares should be made for investment purposes only. The Management Company of the Fund does not permit market-timing or other excessive trading practices. Excessive, short-term trading practices may disrupt portfolio management strategies and harm Fund performance. The Management Company reserves the right to restrict, reject or cancel, without any prior notice, any purchase or exchange order for any reason, including any purchase or exchange order accepted by any Shareholder's financial intermediary. The Management Company will not be held liable for any loss resulting from rejected orders.

**Surveillance procedures.** The Management Company of the Fund has adopted policies and procedures designed to detect and deter frequent purchases and redemptions of Shares or excessive or short-term trading that may disadvantage long-term Shareholders. The Management Company, through its agents, maintains surveillance procedures to detect excessive or short-term trading in Shares. This surveillance process involves several factors, which include scrutinizing transactions in Shares that exceed certain monetary thresholds or numerical limits within a specified period of time. For purposes of these transaction surveillance procedures, the Management Company may consider trading activity in multiple accounts under common ownership, control, or influence. Trading activity identified by either, or a combination, of these factors, or as a result of any other information available at the time, will be evaluated to determine whether such activity might constitute excessive or short-term trading. Despite the efforts of the Management Company and its agents to detect excessive or short duration trading in Shares, there is no guarantee that the Management Company will be able to identify these Shareholders or curtail their trading practices.

**Account Blocking Procedures.** If the Management Company determines, in its sole discretion, that a particular transaction or pattern of transactions identified by the transaction surveillance procedures is excessive or short-term trading in nature, the relevant AB funds account(s) will be immediately "blocked" and no future purchase or exchange activity will be permitted. However, redemptions

will continue to be permitted in accordance with the terms of the Prospectus. A blocked account will generally remain blocked unless and until the account holder or the associated financial intermediary provides evidence or assurance acceptable to the Management Company that the account holder did not or will not in the future engage in excessive or short-term trading.

**Application of Surveillance Procedures and Restrictions to Omnibus Accounts.** Omnibus account arrangements are common forms of holding Shares, particularly among financial intermediaries. The Management Company seeks to apply its surveillance procedures to these omnibus account arrangements. The Management Company will monitor turnover of assets as a result of purchases and redemptions in the omnibus account. If excessive turnover, in the opinion of the Management Company or its agents, is detected, the Management Company will notify the intermediary and request that the financial intermediary review individual account transactions for excessive or short-term trading activity and take appropriate action to curtail the activity, which may include applying blocks to accounts to prohibit future purchases and exchanges of Shares. The Management Company will continue to monitor the turnover attributable to a financial intermediary's omnibus account arrangement and may consider whether to terminate the relationship if the financial intermediary does not demonstrate that appropriate action has been taken.

**Limitations on Ability to Detect and Curtail Excessive Trading Practices.** While the Management Company will try to prevent market timing by utilizing adopted procedures, these procedures may not be successful in identifying or stopping excessive or short-term trading. Shareholders seeking to engage in excessive short-term trading activities may deploy a variety of strategies to avoid detection and, despite the efforts of the Management Company and its agents to detect excessive or short duration trading in Shares, there is no guarantee that the Management Company will be able to identify these Shareholders or curtail their trading practices.



## Appendix C: Additional Information relating to Financial Derivative Instruments, Financial Techniques and Instruments and Collateral Management

The following provisions apply individually to each portfolio of the Fund that invests in financial derivative instruments and/or enters into the financial techniques and instruments as described below.

### Financial Derivative Instruments

#### *General*

To the extent provided for in its investment policy a portfolio may invest in financial derivative instruments within the limits laid down in (i) the Appendix A “Investment Restrictions” and (ii) the relevant part of Section I of the prospectus relating to such portfolio.

A portfolio may use financial derivative instruments for hedging, efficient portfolio management and, to the extent permitted by its investment policy, for investment purposes. Under no circumstances shall the use of these financial derivative instruments cause a portfolio to diverge from its investment policy or objective.

When a portfolio invests in financial derivative instruments; the underlying of which is an eligible index, such investment will not be taken in account to determine the concentration limits and investment restrictions laid down in Appendix A “Investment Restrictions”.

Unless otherwise provided for in its investment policy, a portfolio shall not enter into financial derivative instruments the counterparty of which may assume any discretion over the composition of the underlying of the financial derivative instruments.

When a transferable security or money market instrument embeds a financial derivative instrument, such financial derivative instrument must be taken into account when complying with the limits laid down either in Appendix A “Investment Restrictions” or in the relevant part of Section I of the prospectus relating to a specific portfolio.

Whenever a portfolio enters into financial derivative instruments, it shall ensure that it holds sufficient liquid assets to cover at any time the portfolio’s obligations resulting from such financial derivative instruments.

#### *Agreements on OTC derivatives*

Unless otherwise provided for in its investment policy, a portfolio may enter into OTC derivatives transactions to the extent that the counterparties to such transactions are institutions which are either credit institutions or investment firms subject to prudential supervision, and belonging to the categories approved by the CSSF. Each counterparty is selected on the basis of the following combined criteria: regulatory status, protection provided by local legislation, operational processes and creditworthiness analysis including review of available credit spreads and/or external credit ratings.

The identity of the counterparties will be disclosed in the annual report of the Fund.

Finally, the risk exposure to a single counterparty generated through OTC financial derivative instruments and efficient portfolio management techniques may not exceed 10% of the portfolio’s assets when the counterparty is a credit institution referred to in Article 41(1) (f) of the Law of 2010 or 5% of the portfolio’s assets in other cases.

#### *Total return swaps and other financial derivative instruments with similar characteristics*

A total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses. The counterparties to these transactions are subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law. Each counterparty is selected on the basis of the following combined criteria: regulatory status, protection provided by local legislation, operational processes and creditworthiness analysis including review of available credit spreads and/or external credit ratings.

Total return swaps entered into by a Portfolio may be in the form of funded and/or unfunded swaps. Total return swaps are in principle unfunded. However, the Investment Manager reserves the right to enter into funded swaps. An unfunded swap means a swap where no upfront payment is made by the total return receiver at inception. A funded swap means a swap where the total return receiver pays an upfront amount in return for the total return of the reference asset and can therefore be costlier due to the upfront payment requirement.

In case where a specific portfolio enters into total return swaps and/or other financial derivative instruments with similar characteristics (“**TRSS**”), the type of underlying assets to which exposure will be gained through such TRSS have to comply with the relevant portfolio’s investment policy in Section I of this prospectus.

In case where a specific portfolio enters into TRSSs, the maximum and the expected proportions of the portfolio’s assets under management that could be subject to TRSSs are disclosed in the relevant part of Section I relating to such portfolio.

All revenues resulting from TRSSs relating to a specific portfolio are allocated to such portfolio and neither the Investment Manager nor the Management Company will take any fees out of those revenues.

#### *Global exposure*

As per Article 42(3) of the Law of 2010, a Portfolio “shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio. The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.”

The Management Company shall ensure that the global exposure of each portfolio relating to financial derivative instruments does not exceed the total net assets of the portfolio. The portfolio's overall risk exposure shall consequently not exceed 200% of its total net assets. This overall risk limit may be increased by 10% by means of temporary borrowing.

The global exposure relating to financial derivative instruments of a portfolio may be calculated through either the "Value-at-Risk" or the "Commitment" approach.

The "Value-at-Risk" approach

The "Value-at-Risk" ("**VaR**") approach is an approach for measuring the global exposure based on the maximum potential loss that can arise at a given confidence level over a specific time period under normal market conditions.

VaR reports will be produced and monitored on a daily basis based on the following criteria:

- 1 month holding period;
- 99% confidence level; and
- stress testing will also be applied on an ad hoc basis.

VaR may be expressed either in absolute terms ("**Absolute VaR**") or in relative terms, where the VaR of a portfolio is compared to the VaR of the portfolio's benchmark ("**Relative VaR**").

**Absolute VaR** – The Absolute VaR methodology is generally used in the absence of an identifiable reference portfolio or benchmark. Under the Absolute VaR approach, the limit is set as a percentage of the net asset value of the portfolio. The limit for the portfolio using the Absolute VaR methodology is set at 20% of the portfolio's NAV.

**Relative VaR** – The Relative VaR methodology is used for any portfolio where a benchmark reflecting the investment strategy of the portfolio is identifiable and available. Under the Relative VaR methodology a limit is set as a percentage of the VaR of the benchmark or the reference portfolio. The maximum VaR limit of a portfolio using the Relative VaR methodology is set up at 200% of the portfolio's benchmark which is disclosed in the relevant part of Section I of the prospectus.

#### *The Commitment Approach*

The commitment approach converts the financial derivative instruments into equivalent positions in the underlying assets of those financial derivative instruments, after netting and hedging arrangements where the market value of underlying security positions may be offset by other commitments related to the same underlying positions. Under the commitment approach, the global exposure of a portfolio related solely to financial derivative instruments may not exceed 100% of total net assets of such portfolio.

### **Efficient Portfolio Management Techniques**

Subject to the conditions and within the limits laid down in the Law of 2010 as well as any circulars issued by the CSSF from time to time, and in particular the CSSF Circular 14/592 transposing the ESMA/2014/937 Guidelines for competent authorities and UCITS management companies - Guidelines on ETFs and other UCITS issues (the "ESMA Guidelines"), a portfolio may employ techniques and instruments relating to transferable securities and money market instruments, such as securities lending and repurchase agreement transactions, provided that such techniques and instruments are used for the purpose of efficient portfolio management. These techniques will be used in accordance with the investment policy of the relevant Portfolio in order to seek to achieve the investment objective and/or increase financial returns for the Portfolio. Securities Lending will be used on a continuous basis. Other SFTs will be used where the opportunity arises in the opinion of the Investment Manager.

Under no circumstances shall these operations cause the portfolio to diverge from its investment objectives as specified in the relevant portion of Section I hereof nor entail any substantial supplementary risks.

All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the portfolio. These costs and fees should not include hidden revenue.

The annual report of the Fund shall contain details of (i) the revenues arising from efficient portfolio management techniques for the entire reporting period together with (ii) the direct and indirect operational costs and fees incurred by each Portfolio in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary, the Investment Manager or the Management Company, if applicable.

The Management Company will maintain the volume of these transactions at a level such that it is able, at all times, to meet redemption requests.

**Securities Lending Transactions.** A portfolio may enter into securities lending transactions which are transactions through which the portfolio lends its securities to another party, the borrower, which is contractually obliged to return equivalent securities at the end of an agreed period. While securities are on loan, the borrower pays the portfolio concerned (i) a loan fee and (ii) any income from the securities. A portfolio may enter only into securities lending transactions provided that it complies with the following rules:

- (i) the portfolio may lend securities to a borrower either directly or through a standardized system organized by a recognized clearing institution or through a lending system organized by a financial institution subject to prudential supervision rules

considered by the CSSF as equivalent to those provided by Community law and specializing in this type of transaction;

- (ii) the counterparty to the securities lending agreement must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law. Securities Lending counterparties are based in OECD countries and are selected by the Lending Agent subject to the Lending Agent's credit review. Each counterparty is selected on the basis of the following combined criteria: regulatory status, protection provided by local legislation, operational processes and creditworthiness analysis including review of available credit spreads and/or external credit ratings.
- (iii) the risk exposure to a single counterparty generated through a securities lending transaction or other efficient portfolio management techniques and OTC financial derivative instruments may not exceed 10% of the portfolio's assets when the counterparty is a credit institution referred to in Article 41(1) (f) of the Law of 2010 or 5% of the portfolio's assets in other cases.

Securities Lending will be used to generate income and this income only comes through a fee paid by the borrower to the Portfolio.

The Management Company will receive, for each portfolio that participates in the securities lending programme, collateral that is at least equivalent to 105% of the value of the lent securities.

A portfolio may only enter into securities lending transactions provided that (i) it is entitled at all times to request the return of the securities lent or to terminate any securities lending transactions and (ii) that these transactions do not jeopardize the management of the portfolio's assets in accordance with its investment policy.

In case where a specific portfolio enters into securities lending transactions, the maximum and the expected proportions of the portfolio's assets under management that could be subject to securities lending transactions are disclosed in the relevant part of Section I of the prospectus relating to such portfolio.

The Management Company, acting on behalf of the Fund, has appointed Brown Brothers Harriman & Co., a New York limited partnership with an office in Boston, Massachusetts (the "Lending Agent") to carry out the securities lending transactions, and notably for the counterparties' selection, subject to the Management Company's pre-approval, and the management of the collateral. To the extent a portfolio enters into securities lending transactions, it will receive 80% of the associated revenue generated. The outstanding 20% will be allocated to the Lending Agent in consideration

for its services and the guaranty provided. As securities lending revenue sharing does not increase the costs of running the portfolio, the amount allocated to the Lending Agent has been excluded from the ongoing charges.

**Repurchase and Reverse Repurchase Agreements.** To the extent permitted by its investment policy, a portfolio may enter either into reverse repurchase agreements or repurchase agreements. A repurchase agreement transaction consists in a transaction where a portfolio sells securities to a counterparty and simultaneously commits itself to repurchase the securities from the counterparty at an agreed-upon date and price. Repurchase agreements will be used for financing purposes primarily. Reverse repurchase agreements will be used to take advantage of opportunities where securities "trade special". A reverse repurchase agreement is a transaction where a portfolio buys securities from a counterparty and simultaneously commits itself to resell the securities to the counterparty at an agreed-upon date and price. A portfolio may enter into repurchase and reverse repurchase agreements provided it complies with the following rules:

- (i) the counterparties to these transactions are subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law. Each counterparty is selected on the basis of the following combined criteria: regulatory status, protection provided by local legislation, operational processes and creditworthiness analysis including review of available credit spreads and/or external credit ratings;
- (ii) securities purchased with a repurchase option or through a reverse repurchase agreement transaction must be compliant with the relevant CSSF circulars and the portfolio's investment policy and must together with the other securities that the portfolio holds, comply with the portfolio's investment restrictions;
- (iii) the risk exposure to a counterparty generated through such transactions or other efficient portfolio management techniques and OTC financial derivative instruments may not exceed 10% of the portfolio's assets when the counterparty is a credit institution referred to in Article 41(1) (f) of the Law of 2010 or 5% of the portfolio's assets in other cases.

A portfolio may only enter into (i) a repurchase agreement provided that it shall be able at any time to recall any securities or to terminate the agreement and (ii) a reverse repurchase agreement provided that it shall be able at any time to recall the full amount of cash or to terminate the agreement on either an accrued basis or a mark-to-market basis, it being understood that when the cash is callable

at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value.

Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days are considered as arrangements on terms that allow the assets to be recalled at any time by the portfolio.

All revenues resulting from repurchase and reverse repurchase agreements relating to a specific portfolio are allocated to such portfolio.

In case where a specific portfolio enters into repurchase agreements and/or reverse repurchase agreements, the maximum and the expected proportions of the portfolio's assets under management that could be subject to such transactions are disclosed in the relevant part of Section I of the prospectus relating to such portfolio.

#### **Management of collateral received with respect to OTC derivative transactions and efficient portfolio management techniques**

As per the ESMA Guidelines, the risk exposures to a counterparty arising from OTC derivative transactions and efficient portfolio management techniques should be combined when calculating the counterparty risk limits referred to in Article 43 of the Law of 2010.

All assets received by a portfolio in the context of OTC derivative transactions or efficient portfolio management techniques should be considered as collateral and should comply with all the criteria laid down below.

Where a portfolio enters into OTC derivative transactions and efficient portfolio management techniques, all collateral used to reduce counterparty risk exposure of such portfolio should comply at all times with the following criteria:

a) *Liquidity* – Any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing to ensure that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Article 43 of the Law of 2010.

b) *Valuation* – Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.

c) *Issuer credit quality* – Collateral received should be of high quality.

d) *Correlation* – the collateral received by a portfolio should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of such counterparty.

e) *Collateral diversification (asset concentration)* – Collateral received should be sufficiently diversified in

terms of country, markets and issuers. As per the ESMA Guidelines, the criterion of sufficient diversification with respect to issuer concentration is considered to be respected if a portfolio receives from a counterparty of efficient portfolio management and OTC derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. In addition, if a portfolio is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. Notwithstanding the above provisions, a portfolio may be fully collateralized in transferable securities and money market instruments issued or guaranteed by sovereign or other governmental issuers with a short term credit rating of at least A-1+ or its equivalent by at least one major recognized rating agency, provided that such portfolio must receive securities from at least six different issues and securities from one issue do not account for more than 30% of the total assets of such portfolio.

f) *Risks linked to the management of collateral* – Risks linked to the management of collateral such as operational and legal risks, should be identified, managed and mitigated by the risk management process.

g) *Title of transfer of the collateral* – Where there is a title transfer, the collateral received should be held by the depositary of the portfolio. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

h) *Collateral received* should be capable of being fully enforced by the portfolio at any time without reference to or approval from the counterparty.

i) *Non-cash collateral* received should not be sold, re-invested or pledged.

j) *Cash collateral* received should only be:

- placed on deposit with entities prescribed in Article 41 (f) of the Law of 2010;
- invested in high-quality government bonds;
- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the portfolio is able to recall at any time the full amount of cash on accrued basis; and
- invested in short-term money market funds as defined in the CESR Guidelines 10-049 on a Common Definition of European Money Market Funds .

As long as it complies with the above mentioned conditions, the collateral may consist of (i) cash, (ii) corporate bonds

and/or (iii) debt securities (as further described in the table hereinafter).

The Management Company will receive, for each portfolio that participates in the securities lending programme, collateral that is at least equivalent to 105% of the value of the lent securities. With respect to bilateral OTC financial derivative instruments, the valuation of such instruments has to be marked-to-market daily. As a result of such valuations, the counterparty, subject to minimum transfer amounts, will have to post additional collateral when the market value of its obligation has risen or remove collateral when it has fallen.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral. As of the date of this Prospectus, the Fund does not re-invest cash collateral. Should the Fund decide in the future to re-invest the cash collateral of a specific portfolio, the re-investment policy will be reflected in the next update of the Prospectus.

Where a portfolio receives collateral for at least 30% of its assets, the Management Company will put in place an appropriate stress testing policy to ensure regular stress tests are carried out under normal and exceptional liquidity

conditions to enable the Management Company to assess the portfolio's liquidity risk attached to the collateral. Finally, the Management Company has applied a haircut policy adapted for each class of assets received as collateral with respect to OTC derivative transactions and efficient portfolio management techniques. A haircut is a percentage, deducted from the market value of the asset received as collateral, meant to reflect the perceived risk associated with holding the asset. The haircut policy takes account of the characteristics of the relevant securities received as collateral such as the maturity and the credit rating of the issuer of such securities, the historical price volatility of the securities as well as the results of any stress tests which may be performed from time to time in accordance with the rules laid down in the ESMA Guidelines.

The following haircuts for collateral in OTC derivative transactions are used by the Management Company to enter into negotiations with counterparties. Generally the final arrangements with counterparties as defined in the respective derivative transaction documentation will conform with these haircut ranges (the Management Company reserves the right to vary this policy at any time and will update the Prospectus as soon as practicable):

Collateral	Haircut		
1. Cash	0% - 1%		
2. money market instruments with an external credit rating A or above	0% - 2%		
3. bonds issued or guaranteed by a central, regional or local authority or by a central bank of an <b>eligible jurisdiction</b> (and in the case of a Federal State, by one of the members making up the federation) or by a public international body to which one or more <b>eligible jurisdiction</b> belong.	<b>Residual Maturity</b>		
	1 to 5 years	5 to 10 years	Beyond 10 Years
	2% - 5%	2% - 10%	3% - 25%
4. corporate debt instruments (US denominated)	<b>Credit Rating</b>		
	At least AA or equivalent	At least A or equivalent	At least BBB or equivalent
	6% - 10%	10% - 15%	20% - 25%
5. Equity security part of a main market index	10% -30%		

#### **Risk and potential Conflicts of Interest associated with OTC derivative transactions and efficient portfolio management techniques**

There are certain risks involved in OTC derivative transactions, efficient portfolio management techniques and the management of collateral in relation to such activities. For more information on the risks applicable to such type of transactions, investors should refer to the section "Risk Factors" of this Prospectus and more specifically to the "Derivatives Risk" and "Conflicts of Interest" provisions thereof.

## Appendix D: Additional Information for UK Investors

### General

This Supplement should be read in conjunction with the Fund's Prospectus, of which it forms part. References to the "Prospectus" are to be taken as references to that document as supplemented or amended hereby.

Potential investors should note that the investments of the Fund are subject to risks inherent in investing in shares and other securities. The risks associated with an investment in the Fund are set out in Section II of this Prospectus in the sub-section entitled "Risk Factors."

The value of investments and the income from them, and therefore the value of, and income from, the Shares of each class can go down as well as up and an investor may not get back the amount he invests. Changes in exchange rates between currencies may also cause the value of the investment to diminish or increase.

### UK Taxation

The summary below is intended to be a general outline of the anticipated United Kingdom tax treatment applicable to Shareholders who are resident and domiciled (in the case of individuals) in the United Kingdom and are the beneficial owners of their Shares.

**The Fund.** As a Luxembourg mutual investment fund (*fonds commun de placement*), the Fund will be treated for the purposes of United Kingdom income tax and corporation tax on income (but not for the purposes of United Kingdom capital gains tax or corporation tax on chargeable gains, as to which see below) as a "tax-transparent" entity. Accordingly, the Fund will not be liable for United Kingdom taxation on its income (although it may receive interest and certain other kinds of income after deduction of United Kingdom income tax withheld at source, where that income has a United Kingdom source).

For the purposes of United Kingdom capital gains tax and corporation tax on chargeable gains, the Fund, as an entity that is an "offshore fund" for United Kingdom tax purposes but that is not a company, a partnership or a unit trust scheme, will be treated as if it were a "tax-opaque" company. The Management Company of the Fund intends to conduct the affairs of the Fund in such a way that the Fund is neither resident for tax purposes in the United Kingdom nor carrying on a trade in the United Kingdom. In such circumstances, the Fund will not be liable to United Kingdom taxation on capital gains arising from the disposal of its assets.

The Management Company has obtained UK reporting fund status in respect of the following classes of Shares of the Fund at the date of this prospectus and intend to comply with the regime going forward (although there can be no guarantee that this status will continue to be available):

Portfolio	Share Class	Currency
Asia Ex-Japan Equity Portfolio	I	Dollar Sterling (denominated)

Emerging Markets Growth Portfolio	I	Dollar
Japan Strategic Value Portfolio	I	Yen

Where a Shareholder disposes of Shares of a class that has had "reporting fund" status continuously throughout the period that the Shareholder has held those Shares, and provided the Shares are not held as trading stock, the gain realised by the Shareholder on disposal of those Shares will be subject to capital gains tax in the case of an individual Shareholder (in which case the amount of the Shareholder's chargeable gain may be reduced by the annual CGT exemption) or corporation tax on chargeable gains for corporate entities (in which case the amount of the Shareholder's chargeable gain may be reduced by indexation allowance). Losses on disposals of Shares will be eligible for capital gains loss relief.

Shareholders should, however, be aware that "reporting fund" status must be maintained throughout the Shareholder's entire period of holding in order for the Shareholder to avail itself of such capital gains treatment. Where a Shareholder holds Shares of a class that has not had "reporting fund" status throughout the entire period of holding, the entirety of any gains realised on a disposal of Shares will be taxed as "offshore income gain" at the rates of tax applicable to income and not as capital gain.

For as long as a class of Shares has "reporting fund" status, the Fund will be required (as a condition of the "reporting fund" regime) to calculate on an annual basis the "reportable income" (which excludes capital gains) attributable to the relevant class of Shares and "report" that income to the Shareholders holding Shares of that class. The method of computation of "reportable income" is set out in the Offshore Funds (Tax) Regulations 2009 (the "Regulations"). "Reportable income" reported to Shareholders in accordance with the Regulations will be treated as though it were in fact distributed. Accordingly, Shareholders holding Shares of the relevant class on the register on the last day of the period will be subject to tax on this deemed distribution as at the "fund distribution date" (i.e. the date six months after the last day of the reporting period) or such earlier date as the reported income is recognised in the Shareholder's accounts. Relief will be available for such reported but undistributed income when the Shareholder ultimately calculates their capital gain on disposal of Shares, so that these amounts will not be subject to UK taxation a second time.

Special rules apply to certain categories of United Kingdom investors, including pension funds, insurance companies, investment trusts, authorised unit trusts and open ended investment companies. Such investors should consult their legal counsel for further information.

### Important

A United Kingdom investor who enters into an investment agreement with the Fund to acquire Shares in response to the Prospectus will not have the right to cancel the agreement under the cancellation rules made by the Financial Services Authority ("FSA"). The agreement will be binding upon acceptance of the order by the Fund.

The Fund does not carry on any regulated activity from a permanent place of business in the United Kingdom and United Kingdom investors are advised that most of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Fund. Shareholders in the Fund may not be protected by the Financial Services Compensation Scheme established in the United Kingdom. The registered address of the Management Company is set out in the "Directory" to the Prospectus.

### Dealing Arrangements and Information

AllianceBernstein Limited (the "Facilities Agent") will act as the facilities agent for the Fund in the United Kingdom and it has agreed to provide certain facilities at its offices at 60 London Wall, London, EC2M 5SJ, United Kingdom, in respect of the Fund.

### Publication of Information

The Net Asset Value per Share of each class of Shares is available on each Business Day at the registered office of the Management Company and from the Facilities Agent by telephone on +44-207-470-0100 and at its above-mentioned offices. Details of the determination of the Net Asset Value per Share are set out in the paragraph entitled "Determination of the Net Asset Value of Shares" to the sub-section headed "Additional Information" in Section II of the Prospectus.

### Subscription and Redemption Procedures

The attention of investors is drawn to the purchase and redemption procedures set out in Section II of the Prospectus in the sub-sections entitled "How to Purchase Shares" and "How to Redeem Shares", in particular with regard to the deadline for receipt of purchase orders or redemption requests for Shares on a Trade Date. Orders

for the purchase of Shares and redemption requests should be sent to the Management Company's transfer agent division, details of which are contained in the Directory to the Prospectus or alternatively, requests for redemption can be made directly to the Facilities Agent at the above-mentioned offices, attn: Managing Director of AllianceBernstein Global Wealth Management, phone number: 0207 959 4900, fax number: 0207 1980854.

### Documents Available For Inspection

Copies of the following documents may be inspected free of charge during usual business hours on any week day (Saturday and public holidays excepted) at the offices of the Facilities Agent:

- (a) the Management Regulations of the Fund and any amendments thereto;
- (b) the Articles of Association of the Management Company and any amendments thereto;
- (c) the Prospectus most recently issued by the Fund together with any supplements;
- (d) the key investor information documents most recently issued by the Fund; and
- (e) the most recently published annual and half yearly reports relating to the Fund.

The above documents may be delivered to interested investors at their request.

Facilities available in English at the offices of the Facilities Agent are:

- (1) Arrangement for redemption requests and payment of redemption proceeds
- (2) Payments of dividends
- (3) Details/copies of notices to participants
- (4) Nature of right represented by the Shares
- (5) Details of voting rights
- (6) Information on NAVs
- (7) Receipt of complaints (complaints about the operation of the Fund may be submitted to the Management Company of the Fund directly or through the Facilities Agent at the above-mentioned address).

## Appendix E: SFDR Pre-Contractual Disclosures

The following disclosures are made in accordance with and for the purposes of Regulation (EU) 2019/2088, as amended and supplemented from time to time ("SFDR") and are not meant to provide exhaustive information on the suitability of a Portfolio for a prospective investor's investment needs.

For more information on the Management Company's Sustainability-Related Disclosures, please refer to the Management Company website.

Any reference to "AB" herein refers to the Investment Manager, the Management Company, and/or another ABLP subsidiary providing directly or indirectly investment management services to the Portfolios, as the case may be. For Portfolios classified as Article 8 or 9 under SFDR, AB has assessed the impact of Sustainability Risks in connection with their respective investment strategy and considers such risks to be relevant as environmental, social or governance event or conditions that, if to occur, would cause an actual or a potential material negative impact on the value of their investments. The likely impacts of Sustainability Risks will differ between investment objectives, strategies, and policies but, given the respective investment universe, AB believes that an environmental, social, or governance event is likely to have materially negative impacts on, inter alia, the value, quality, and/or stability of a security, the financial health of an investee issuer, the credit quality of an issuer, and/or the ability of an issuer of debt to pay coupons or meet their other obligations.

### Key definitions

<b>AB Stewardship Approach</b>	AB Global Stewardship Statement: AB's policy on responsible investing, ESG integration, engagement and collaboration which can be found here as well as a summary provided below.
<b>ESG</b>	Environmental, social and/or governance
<b>ESG Factors</b>	ESG issues that may present risks or opportunities as well as Sustainability Risks.
<b>Exclusion Policy</b>	A Portfolio's separate Exclusion Policy which includes both exclusions based on various metrics as well as details on alignment criteria with respect to the Portfolio's investment strategy. The general purpose of the Exclusion Policy is to identify the Portfolio's investible universe from which sustainable investments will be selected.

<b>Sustainable Investments</b>	Economic activity that contributes to environmental and/or social objectives provided that such corresponding investments do not significantly harm any of the applicable environmental and/or social objectives and that the investee issuers follow good governance practices.
<b>Sustainability Risks</b>	ESG events or conditions that, if it occurred, could cause an actual or a potential material negative impact on the value of an investment. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Consequent impacts to the occurrence of sustainability risk can be many and vary according to a specific risk, region or asset class. Generally, when a sustainability risk occurs for an asset, there will be a negative impact and potentially a loss of its value and therefore an impact on the net asset value of the concerned Portfolio.
<b>EU Taxonomy Regulation</b>	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.



**Product name: American Income Portfolio**

**Legal entity identifier: 549300P5SETOP8U4QS26**

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___%  <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments  <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and/or social characteristics ("E/S Characteristics") promoted by the Portfolio include:

- ESG Integration. When making investment decisions, including the ongoing assessment and monitoring of the Portfolio's holdings, AB uses fundamental research to assess target issuers. As part of the AB Stewardship Approach, fundamental research includes the consideration of ESG Factors meaning AB will assess ESG Factors for a target issuer at every stage of the investment decision-making process. This includes engagements where AB encourages issuers to undertake actions that may promote better outcomes for environmental and social objectives as well as benefits to financial outcomes of the issuer and/or the Portfolio.
- ESG Scoring. AB uses a variety of proprietary scoring methodologies to score issuers using ESG Factors.
- Exclusions listed out in the Prospectus. The Portfolio excludes investments in certain sectors as further outlined in the Prospectus.

More information on these characteristics can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/FI8webdisclosures](http://www.alliancebernstein.com/go/FI8webdisclosures) and more information on the AB Stewardship Approach can be found at [www.alliancebernstein.com/go/ABGlobalStewardship](http://www.alliancebernstein.com/go/ABGlobalStewardship).

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

AB measures the attainment of E/S Characteristics promoted through various quantitative and qualitative methodologies including the measurement of documented ESG research, ESG scoring, engagement, and relevant investment exclusions, subject to satisfactory data and data sourcing.

This includes, but is not limited to, reviewing, monitoring, and/or measuring the various ESG Factors or topics that are considered as part of the various quantitative and qualitative methodologies.

More information on these indicators can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/FI8webdisclosures](http://www.alliancebernstein.com/go/FI8webdisclosures)



## Does this financial product consider principal adverse impacts on sustainability factors?

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes, the Portfolio considers the following PAIs:

- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (#10)
- Exposure to controversial weapons (#14)

For PAI 10, AB monitors for breaches of the UN Global Compact principles for securities held by a Portfolio and for any breach, AB will undertake additional research to clarify the breach and make a determination whether the security should remain in the Portfolio's investible universe.

For PAI 14, the Portfolio excludes controversial weapons.

The specific PAI indicators that are taken into consideration may evolve over time. Additional information on PAIs will be published in the Fund's annual report as required by SFDR Article 11(2).

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

As outlined in the relevant Portfolio Details, the Portfolio is actively managed and AB uses the AB Stewardship Approach when seeking to achieve the investment objective. Through the AB Stewardship Approach, fundamental research includes a robust ESG integration process, whereby AB assesses and incorporates ESG Factors in all phases of the investment process.

More information on the Portfolio's investment objective and investment strategy can be found in the relevant Portfolio Details in the Prospectus.

### ● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Portfolio promotes E/S Characteristics by holding securities that AB believes promote E/S Characteristics. A security may be deemed to promote one or more E/S Characteristics if the following binding elements are satisfied:

- Documented ESG integration via evidenced ESG research, a minimum ESG score and/or evidenced Engagement;
- The issuer of the security follows good governance practices according to AB's Good Governance Policy; and
- The Portfolio's investment exclusions are met.

More information on ESG integration, ESG research, ESG scoring, and engagements can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/FI8webdisclosures](http://www.alliancebernstein.com/go/FI8webdisclosures). More information on exclusions used by the Portfolio can be found in the Responsible Investing section of the Prospectus. More information on AB's Good Governance Policy can be found below.

### ● What is the policy to assess good governance practices of the investee companies?

AB has developed a proprietary Good Governance Policy using a combination of external and internal data sources along with assessments or scoring based on specific governance criteria, including sound management structures, employee relations, remuneration of staff and tax compliance. The specific governance indicators includes UN Global Compact principles and controversies related to the governance criteria. The foregoing Good Governance Policy is subject to, and dependent on, available data.

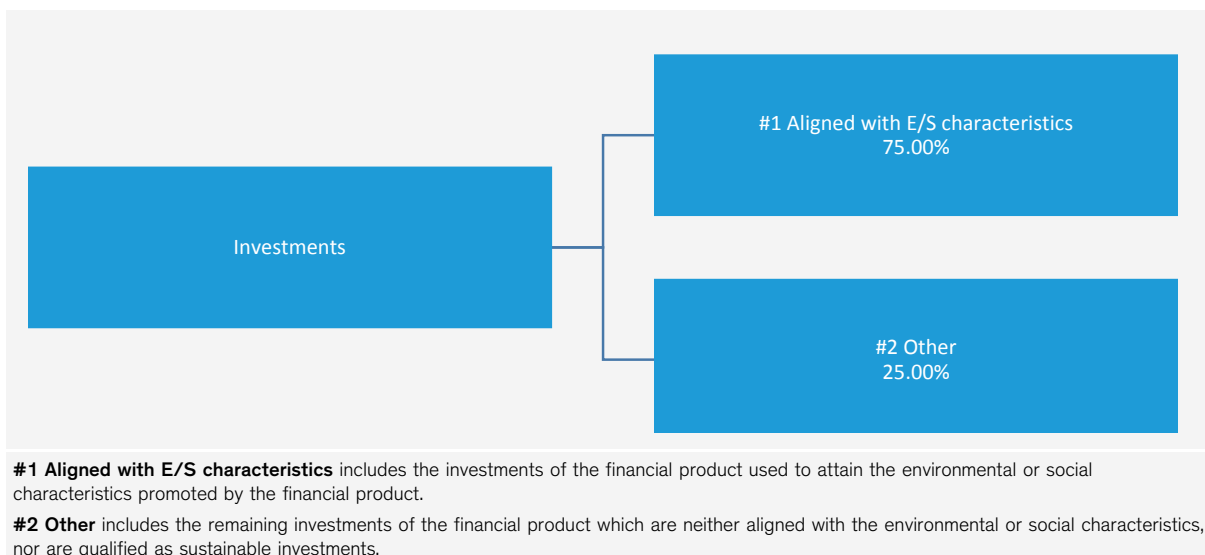


## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

#1 Minimum Aligned with E/S: 75%

#2 Maximum Other: 25%



Based on the Portfolio's net assets. All numbers are shown based on normal market conditions and are based on the average holdings of each month end for the fiscal year. The Portfolio will publish information regarding the percentage of net assets that promote E/S Characteristics in the Fund's annual report.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Portfolio may use derivatives for hedging, efficient portfolio management, and other investment purposes. For derivatives used for other investment purposes, exposure may be to securities that are deemed to promote E/S Characteristics.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

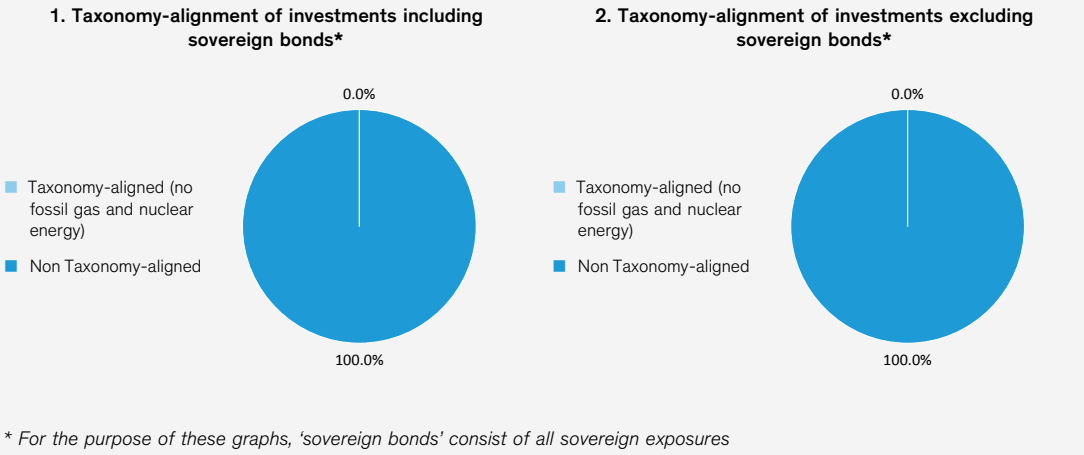
There is currently no data to measure whether the Portfolio invests in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy. It may, as a result of the implementation of its specific investment strategy, hold investments having a marginal exposure to such activities, but until there is external vendor data enabling measurement of such exposure, the Portfolio does not commit to any minimum exposure.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in light blue the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

- This includes:
- Securities that AB believes can be held by the Portfolio in order to achieve its investment objective but are not deemed to promote E/S Characteristics, as outlined above, subject to satisfaction of AB's Good Governance Policy.
  - Derivatives used for hedging purposes.
- For these assets, there are no minimum environmental or social safeguards.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The Portfolio does not use a designated reference benchmark for measuring sustainability or determining E/S Characteristics.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.



### Where can I find more product specific information online?

More product-specific information can be found on the website: [www.alliancebernstein.com/go/FI8webdisclosures](http://www.alliancebernstein.com/go/FI8webdisclosures)

## Product name: Asia Ex-Japan Equity Portfolio

Legal entity identifier: 5493000X8WIUONC9A180

### Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
Yes	No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



### What environmental and/or social characteristics are promoted by this financial product?

The environmental and/or social characteristics ("E/S Characteristics") promoted by the Portfolio include:

- ESG Integration. When making investment decisions, including the ongoing assessment and monitoring of the Portfolio's holdings, AB uses fundamental research to assess target issuers. As part of the AB Stewardship Approach, fundamental research includes the consideration of ESG Factors, meaning AB will assess ESG Factors for a target issuer at every stage of the investment decision-making process. This includes ESG scoring of equity securities.
- Engagement. AB encourages issuers to undertake actions that may promote better outcomes for environmental and social objectives as well as benefits to financial outcomes of the issuer and/or the Portfolio.
- Exclusions listed out in the Prospectus. The Portfolio excludes investments in certain sectors as further outlined in the Prospectus.

More information on these characteristics can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/EQ8webdisclosures](http://www.alliancebernstein.com/go/EQ8webdisclosures) and more information on the AB Stewardship Approach can be found at [www.alliancebernstein.com/go/ABGlobalStewardship](http://www.alliancebernstein.com/go/ABGlobalStewardship).

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

#### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

AB measures the attainment of E/S Characteristics promoted through various quantitative and qualitative methodologies including the measurement of documented ESG research, engagement, and relevant investment exclusions, subject to satisfactory data and data sourcing.

This includes, but is not limited to, reviewing, monitoring, and/or measuring the various ESG Factors or topics that are considered as part of the various quantitative and qualitative methodologies.

More information on these indicators can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/EQ8webdisclosures](http://www.alliancebernstein.com/go/EQ8webdisclosures)



## Does this financial product consider principal adverse impacts on sustainability factors?

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes, the Portfolio considers the following PAIs:

- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (#10)
- Exposure to controversial weapons (#14)

For PAI 10, AB monitors for breaches of the UN Global Compact principles for securities held by a Portfolio and for any breach, AB will undertake additional research to clarify the breach and make a determination whether the security should remain in the Portfolio's investible universe.

For PAI 14, the Portfolio excludes controversial weapons.

The specific PAI indicators that are taken into consideration may evolve over time. Additional information on PAIs will be published in the Fund's annual report, as required by SFDR Article 11(2).

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

As outlined in the relevant Portfolio Details, the Portfolio is actively managed and AB uses the AB Stewardship Approach when seeking to achieve the investment objective. Through the AB Stewardship Approach, fundamental research includes a robust ESG integration process, whereby AB assesses and incorporates ESG Factors in all phases of the investment process.

More information on the Portfolio's investment objective and investment strategy can be found in the relevant Portfolio Details in the Prospectus.

### ● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Portfolio promotes E/S Characteristics by holding securities that AB believes promote E/S Characteristics. A security may be deemed to promote one or more E/S Characteristics if the following binding elements are satisfied:

- Documented ESG integration via evidenced ESG research and Engagements;
- The issuer of the security follows good governance practices according to AB's Good Governance Policy; and
- The Portfolio's investment exclusions are met.

More information on ESG integration, ESG research, and engagements can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/EQ8webdisclosures](http://www.alliancebernstein.com/go/EQ8webdisclosures). More information on exclusions used by the Portfolio can be found in the Prospectus. More information on AB's Good Governance Policy can be found below.

### ● What is the policy to assess good governance practices of the investee companies?

AB has developed a proprietary Good Governance Policy using a combination of external and internal data sources along with assessments or scoring based on specific governance criteria, including sound management structures, employee relations, remuneration of staff and tax compliance. The specific governance indicators includes UN Global Compact principles and controversies related to the governance criteria. The foregoing Good Governance Policy is subject to, and dependent on, available data.

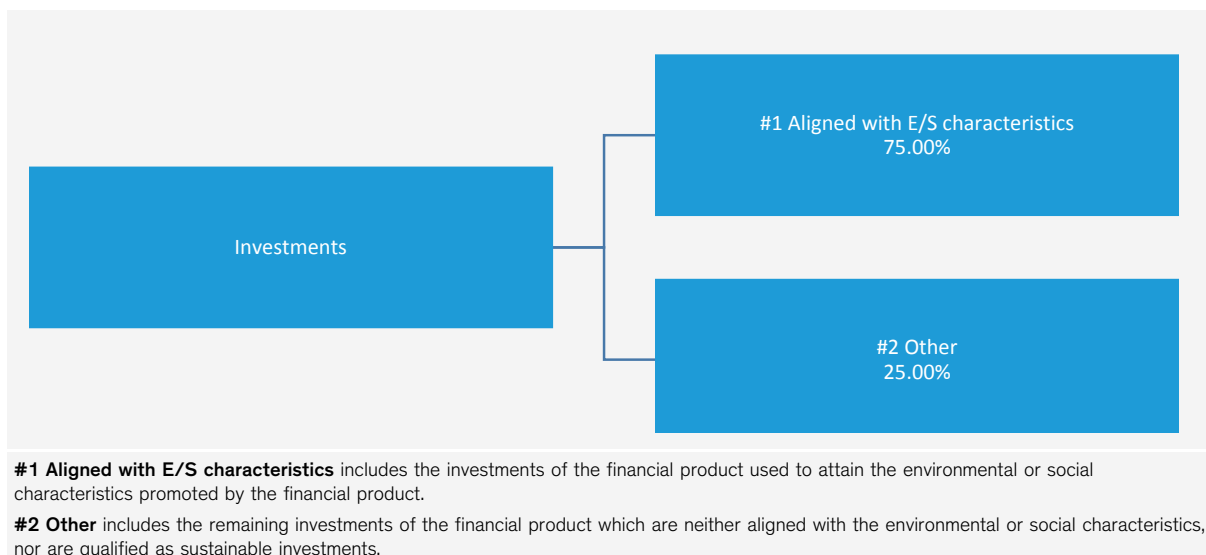


## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

#1 Minimum Aligned with E/S: 75%

#2 Maximum Other: 25%



Based on the Portfolio's net assets. All numbers are shown based on normal market conditions and are based on the average holdings of each month end for the fiscal year. The Portfolio will publish information regarding the percentage of net assets that promote E/S Characteristics in the Fund's annual report.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Portfolio may use derivatives for hedging, efficient portfolio management, and other investment purposes. For derivatives used for other investment purposes, exposure may be to securities that are deemed to promote E/S Characteristics.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

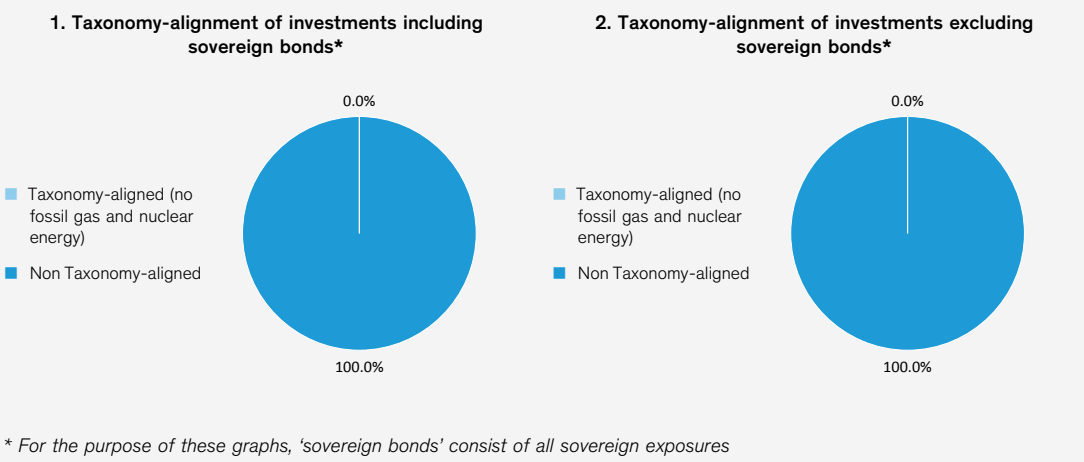
There is currently no data to measure whether the Portfolio invests in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy. It may, as a result of the implementation of its specific investment strategy, hold investments having a marginal exposure to such activities, but until there is external vendor data enabling measurement of such exposure, the Portfolio does not commit to any minimum exposure.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in light blue the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

- This includes:
- Securities that AB believes can be held by the Portfolio in order to achieve its investment objective but are not deemed to promote E/S Characteristics, as outlined above, subject to satisfaction of AB's Good Governance Policy.
  - Cash and cash-equivalents held as liquidity, risk management purposes, or collateral management purposes.
  - Derivatives used for the purposes outlined in Portfolio Details in the Prospectus. Exposure to securities that promote E/S Characteristics will be captured in #1 Aligned with E/S Characteristics.
- For these assets, there are no minimum environmental or social safeguards.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The Portfolio does not use a designated reference benchmark for measuring sustainability or determining E/S Characteristics.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.



### Where can I find more product specific information online?

More product-specific information can be found on the website: [www.alliancebernstein.com/go/EQ8webdisclosures](http://www.alliancebernstein.com/go/EQ8webdisclosures)



## Product name: Emerging Markets Growth Portfolio

Legal entity identifier: 54930091TH504X4KPV52

### Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
Yes	No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



### What environmental and/or social characteristics are promoted by this financial product?

The environmental and/or social characteristics ("E/S Characteristics") promoted by the Portfolio include:

- ESG Integration. When making investment decisions, including the ongoing assessment and monitoring of the Portfolio's holdings, AB uses fundamental research to assess target issuers. As part of the AB Stewardship Approach, fundamental research includes the consideration of ESG Factors, meaning AB will assess ESG Factors for a target issuer at every stage of the investment decision-making process. This includes ESG scoring of equity securities.
- Engagement. AB encourages issuers to undertake actions that may promote better outcomes for environmental and social objectives as well as benefits to financial outcomes of the issuer and/or the Portfolio.
- Exclusions listed out in the Prospectus. The Portfolio excludes investments in certain sectors as further outlined in the Prospectus.

More information on these characteristics can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/EQ8webdisclosures](http://www.alliancebernstein.com/go/EQ8webdisclosures) and more information on the AB Stewardship Approach can be found at [www.alliancebernstein.com/go/ABGlobalStewardship](http://www.alliancebernstein.com/go/ABGlobalStewardship).

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

#### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

AB measures the attainment of E/S Characteristics promoted through various quantitative and qualitative methodologies including the measurement of documented ESG research, engagement, and relevant investment exclusions, subject to satisfactory data and data sourcing.

This includes, but is not limited to, reviewing, monitoring, and/or measuring the various ESG Factors or topics that are considered as part of the various quantitative and qualitative methodologies.

More information on these indicators can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/EQ8webdisclosures](http://www.alliancebernstein.com/go/EQ8webdisclosures)



## Does this financial product consider principal adverse impacts on sustainability factors?

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes, the Portfolio considers the following PAIs:

- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (#10)
- Exposure to controversial weapons (#14)

For PAI 10, AB monitors for breaches of the UN Global Compact principles for securities held by a Portfolio and for any breach, AB will undertake additional research to clarify the breach and make a determination whether the security should remain in the Portfolio's investible universe.

For PAI 14, the Portfolio excludes controversial weapons.

The specific PAI indicators that are taken into consideration may evolve over time. Additional information on PAIs will be published in the Fund's annual report, as required by SFDR Article 11(2).

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

As outlined in the relevant Portfolio Details, the Portfolio is actively managed and AB uses the AB Stewardship Approach when seeking to achieve the investment objective. Through the AB Stewardship Approach, fundamental research includes a robust ESG integration process, whereby AB assesses and incorporates ESG Factors in all phases of the investment process.

More information on the Portfolio's investment objective and investment strategy can be found in the relevant Portfolio Details in the Prospectus.

### ● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Portfolio promotes E/S Characteristics by holding securities that AB believes promote E/S Characteristics. A security may be deemed to promote one or more E/S Characteristics if the following binding elements are satisfied:

- Documented ESG integration via evidenced ESG research and Engagements;
- The issuer of the security follows good governance practices according to AB's Good Governance Policy; and
- The Portfolio's investment exclusions are met.

More information on ESG integration, ESG research, and engagements can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/EQ8webdisclosures](http://www.alliancebernstein.com/go/EQ8webdisclosures). More information on exclusions used by the Portfolio can be found in the Prospectus. More information on AB's Good Governance Policy can be found below.

### ● What is the policy to assess good governance practices of the investee companies?

AB has developed a proprietary Good Governance Policy using a combination of external and internal data sources along with assessments or scoring based on specific governance criteria, including sound management structures, employee relations, remuneration of staff and tax compliance. The specific governance indicators includes UN Global Compact principles and controversies related to the governance criteria. The foregoing Good Governance Policy is subject to, and dependent on, available data.

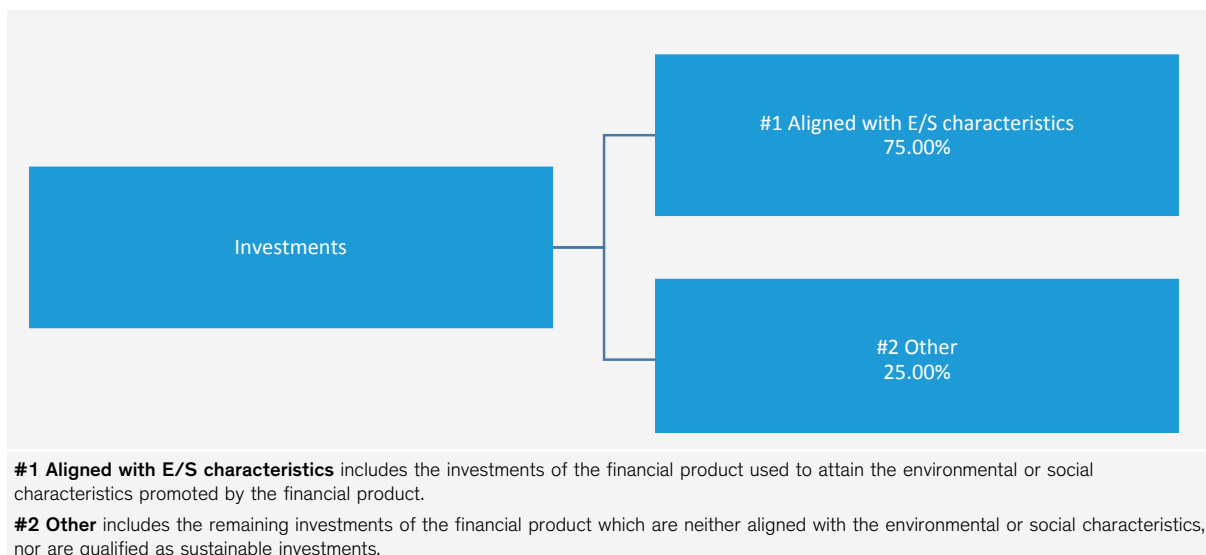


## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

#1 Minimum Aligned with E/S: 75%

#2 Maximum Other: 25%



Based on the Portfolio's net assets. All numbers are shown based on normal market conditions and are based on the average holdings of each month end for the fiscal year. The Portfolio will publish information regarding the percentage of net assets that promote E/S Characteristics in the Fund's annual report.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Portfolio may use derivatives for hedging, efficient portfolio management, and other investment purposes. For derivatives used for other investment purposes, exposure may be to securities that are deemed to promote E/S Characteristics.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

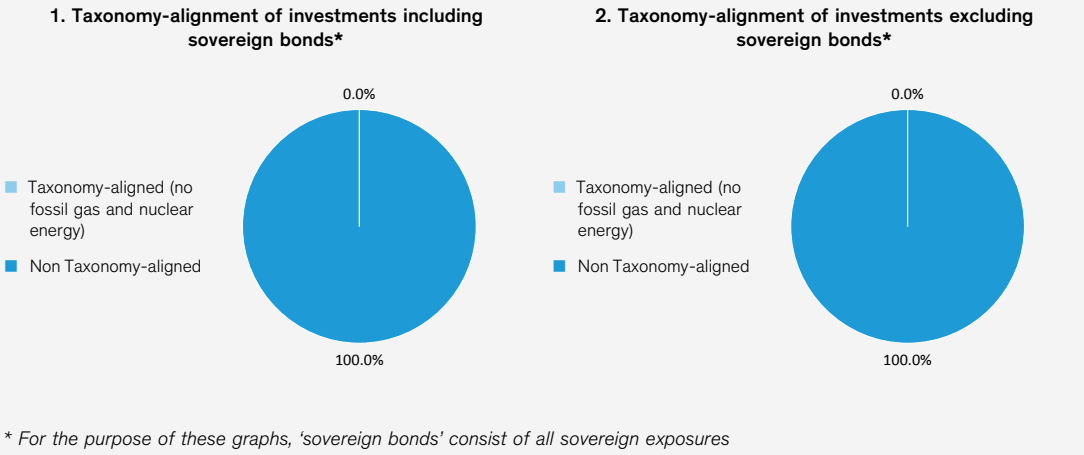
There is currently no data to measure whether the Portfolio invests in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy. It may, as a result of the implementation of its specific investment strategy, hold investments having a marginal exposure to such activities, but until there is external vendor data enabling measurement of such exposure, the Portfolio does not commit to any minimum exposure.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in light blue the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

- This includes:
- Securities that AB believes can be held by the Portfolio in order to achieve its investment objective but are not deemed to promote E/S Characteristics, as outlined above, subject to satisfaction of AB's Good Governance Policy.
  - Cash and cash-equivalents held as liquidity, risk management purposes, or collateral management purposes.
  - Derivatives used for the purposes outlined in Portfolio Details in the Prospectus. Exposure to securities that promote E/S Characteristics will be captured in #1 Aligned with E/S Characteristics.
- For these assets, there are no minimum environmental or social safeguards.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The Portfolio does not use a designated reference benchmark for measuring sustainability or determining E/S Characteristics.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.



### Where can I find more product specific information online?

More product-specific information can be found on the website: [www.alliancebernstein.com/go/EQ8webdisclosures](http://www.alliancebernstein.com/go/EQ8webdisclosures)

**Product name: European Income Portfolio**

**Legal entity identifier: 54930042M4B6EGTPOK76**

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___ %  <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___ % of sustainable investments  <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> ___ %	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and/or social characteristics ("E/S Characteristics") promoted by the Portfolio include:

- ESG Integration. When making investment decisions, including the ongoing assessment and monitoring of the Portfolio's holdings, AB uses fundamental research to assess target issuers. As part of the AB Stewardship Approach, fundamental research includes the consideration of ESG Factors meaning AB will assess ESG Factors for a target issuer at every stage of the investment decision-making process. This includes engagements where AB encourages issuers to undertake actions that may promote better outcomes for environmental and social objectives as well as benefits to financial outcomes of the issuer and/or the Portfolio.
- ESG Scoring. AB uses a variety of proprietary scoring methodologies to score issuers using ESG Factors.
- Exclusions listed out in the Prospectus. The Portfolio excludes investments in certain sectors as further outlined in the Prospectus.

More information on these characteristics can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/FI8webdisclosures](http://www.alliancebernstein.com/go/FI8webdisclosures) and more information on the AB Stewardship Approach can be found at [www.alliancebernstein.com/go/ABGlobalStewardship](http://www.alliancebernstein.com/go/ABGlobalStewardship).

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

AB measures the attainment of E/S Characteristics promoted through various quantitative and qualitative methodologies including the measurement of documented ESG research, ESG scoring, engagement, and relevant investment exclusions, subject to satisfactory data and data sourcing.

This includes, but is not limited to, reviewing, monitoring, and/or measuring the various ESG Factors or topics that are considered as part of the various quantitative and qualitative methodologies.

More information on these indicators can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/FI8webdisclosures](http://www.alliancebernstein.com/go/FI8webdisclosures)



## Does this financial product consider principal adverse impacts on sustainability factors?

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes, the Portfolio considers the following PAIs:

- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (#10)
- Exposure to controversial weapons (#14)

For PAI 10, AB monitors for breaches of the UN Global Compact principles for securities held by a Portfolio and for any breach, AB will undertake additional research to clarify the breach and make a determination whether the security should remain in the Portfolio's investible universe.

For PAI 14, the Portfolio excludes controversial weapons.

The specific PAI indicators that are taken into consideration may evolve over time. Additional information on PAIs will be published in the Fund's annual report as required by SFDR Article 11(2).

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

As outlined in the relevant Portfolio Details, the Portfolio is actively managed and AB uses the AB Stewardship Approach when seeking to achieve the investment objective. Through the AB Stewardship Approach, fundamental research includes a robust ESG integration process, whereby AB assesses and incorporates ESG Factors in all phases of the investment process.

More information on the Portfolio's investment objective and investment strategy can be found in the relevant Portfolio Details in the Prospectus.

### ● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Portfolio promotes E/S Characteristics by holding securities that AB believes promote E/S Characteristics. A security may be deemed to promote one or more E/S Characteristics if the following binding elements are satisfied:

- Documented ESG integration via evidenced ESG research, a minimum ESG score and/or evidenced Engagement;
- The issuer of the security follows good governance practices according to AB's Good Governance Policy; and
- The Portfolio's investment exclusions are met.

More information on ESG integration, ESG research, ESG scoring, and engagements can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/FI8webdisclosures](http://www.alliancebernstein.com/go/FI8webdisclosures). More information on exclusions used by the Portfolio can be found in the Responsible Investing section of the Prospectus. More information on AB's Good Governance Policy can be found below.

### ● What is the policy to assess good governance practices of the investee companies?

AB has developed a proprietary Good Governance Policy using a combination of external and internal data sources along with assessments or scoring based on specific governance criteria, including sound management structures, employee relations, remuneration of staff and tax compliance. The specific governance indicators includes UN Global Compact principles and controversies related to the governance criteria. The foregoing Good Governance Policy is subject to, and dependent on, available data.

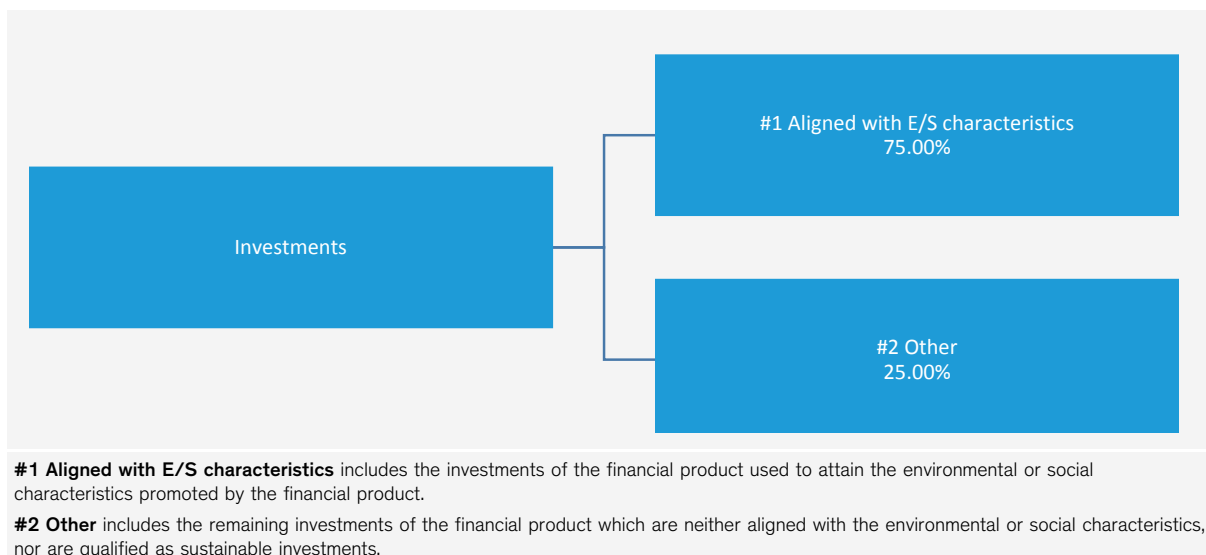


## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

#1 Minimum Aligned with E/S: 75%

#2 Maximum Other: 25%



Based on the Portfolio's net assets. All numbers are shown based on normal market conditions and are based on the average holdings of each month end for the fiscal year. The Portfolio will publish information regarding the percentage of net assets that promote E/S Characteristics in the Fund's annual report.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Portfolio may use derivatives for hedging, efficient portfolio management, and other investment purposes. For derivatives used for other investment purposes, exposure may be to securities that are deemed to promote E/S Characteristics.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

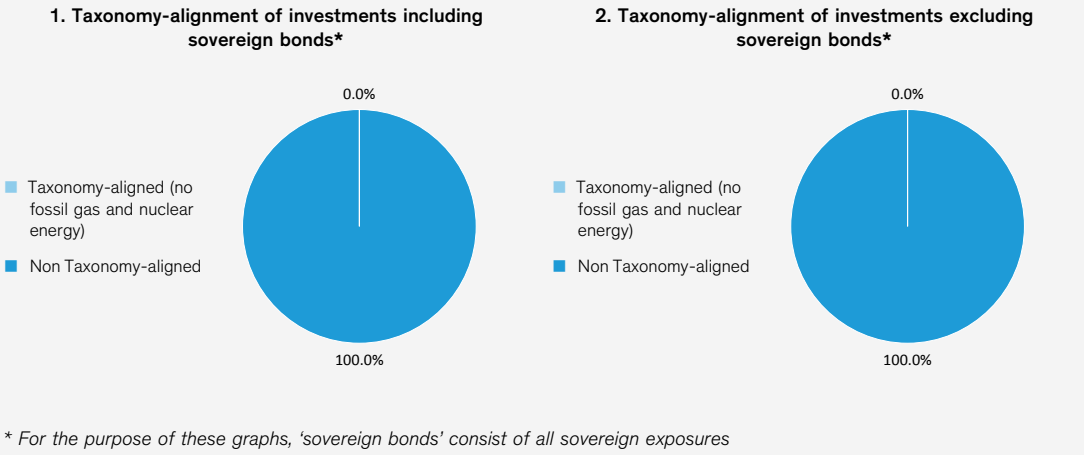
There is currently no data to measure whether the Portfolio invests in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy. It may, as a result of the implementation of its specific investment strategy, hold investments having a marginal exposure to such activities, but until there is external vendor data enabling measurement of such exposure, the Portfolio does not commit to any minimum exposure.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in light blue the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

- This includes:
- Securities that AB believes can be held by the Portfolio in order to achieve its investment objective but are not deemed to promote E/S Characteristics, as outlined above, subject to satisfaction of AB's Good Governance Policy.
  - Derivatives used for hedging purposes.
- For these assets, there are no minimum environmental or social safeguards.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The Portfolio does not use a designated reference benchmark for measuring sustainability or determining E/S Characteristics.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.



### Where can I find more product specific information online?

More product-specific information can be found on the website: [www.alliancebernstein.com/go/FI8webdisclosures](http://www.alliancebernstein.com/go/FI8webdisclosures)



Template pre-contractual disclosure for financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852.

**Product name: Global Equity Blend Portfolio**

**Legal entity identifier: 549300ZT0SC5CC5SFG94**

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___%  <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments  <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and/or social characteristics ("E/S Characteristics") promoted by the Portfolio include:

- ESG Integration. When making investment decisions, including the ongoing assessment and monitoring of the Portfolio's holdings, AB uses fundamental research to assess target issuers. As part of the AB Stewardship Approach, fundamental research includes the consideration of ESG Factors, meaning AB will assess ESG Factors for a target issuer at every stage of the investment decision-making process. This includes ESG scoring of equity securities.
- Engagement. AB encourages issuers to undertake actions that may promote better outcomes for environmental and social objectives as well as benefits to financial outcomes of the issuer and/or the Portfolio.
- Exclusions listed out in the Prospectus. The Portfolio excludes investments in certain sectors as further outlined in the Prospectus.

More information on these characteristics can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/EQ8webdisclosures](http://www.alliancebernstein.com/go/EQ8webdisclosures) and more information on the AB Stewardship Approach can be found at [www.alliancebernstein.com/go/ABGlobalStewardship](http://www.alliancebernstein.com/go/ABGlobalStewardship).

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

AB measures the attainment of E/S Characteristics promoted through various quantitative and qualitative methodologies including the measurement of documented ESG research, engagement, and relevant investment exclusions, subject to satisfactory data and data sourcing.

This includes, but is not limited to, reviewing, monitoring, and/or measuring the various ESG Factors or topics that are considered as part of the various quantitative and qualitative methodologies.

More information on these indicators can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/EQ8webdisclosures](http://www.alliancebernstein.com/go/EQ8webdisclosures)



## Does this financial product consider principal adverse impacts on sustainability factors?

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes, the Portfolio considers the following PAIs:

- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (#10)
- Exposure to controversial weapons (#14)

For PAI 10, AB monitors for breaches of the UN Global Compact principles for securities held by a Portfolio and for any breach, AB will undertake additional research to clarify the breach and make a determination whether the security should remain in the Portfolio's investible universe.

For PAI 14, the Portfolio excludes controversial weapons.

The specific PAI indicators that are taken into consideration may evolve over time. Additional information on PAIs will be published in the Fund's annual report, as required by SFDR Article 11(2).

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

As outlined in the relevant Portfolio Details, the Portfolio is actively managed and AB uses the AB Stewardship Approach when seeking to achieve the investment objective. Through the AB Stewardship Approach, fundamental research includes a robust ESG integration process, whereby AB assesses and incorporates ESG Factors in all phases of the investment process.

More information on the Portfolio's investment objective and investment strategy can be found in the relevant Portfolio Details in the Prospectus.

### ● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Portfolio promotes E/S Characteristics by holding securities that AB believes promote E/S Characteristics. A security may be deemed to promote one or more E/S Characteristics if the following binding elements are satisfied:

- Documented ESG integration via evidenced ESG research and Engagements;
- The issuer of the security follows good governance practices according to AB's Good Governance Policy; and
- The Portfolio's investment exclusions are met.

More information on ESG integration, ESG research, and engagements can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/EQ8webdisclosures](http://www.alliancebernstein.com/go/EQ8webdisclosures). More information on exclusions used by the Portfolio can be found in the Prospectus. More information on AB's Good Governance Policy can be found below.

### ● What is the policy to assess good governance practices of the investee companies?

AB has developed a proprietary Good Governance Policy using a combination of external and internal data sources along with assessments or scoring based on specific governance criteria, including sound management structures, employee relations, remuneration of staff and tax compliance. The specific governance indicators includes UN Global Compact principles and controversies related to the governance criteria. The foregoing Good Governance Policy is subject to, and dependent on, available data.

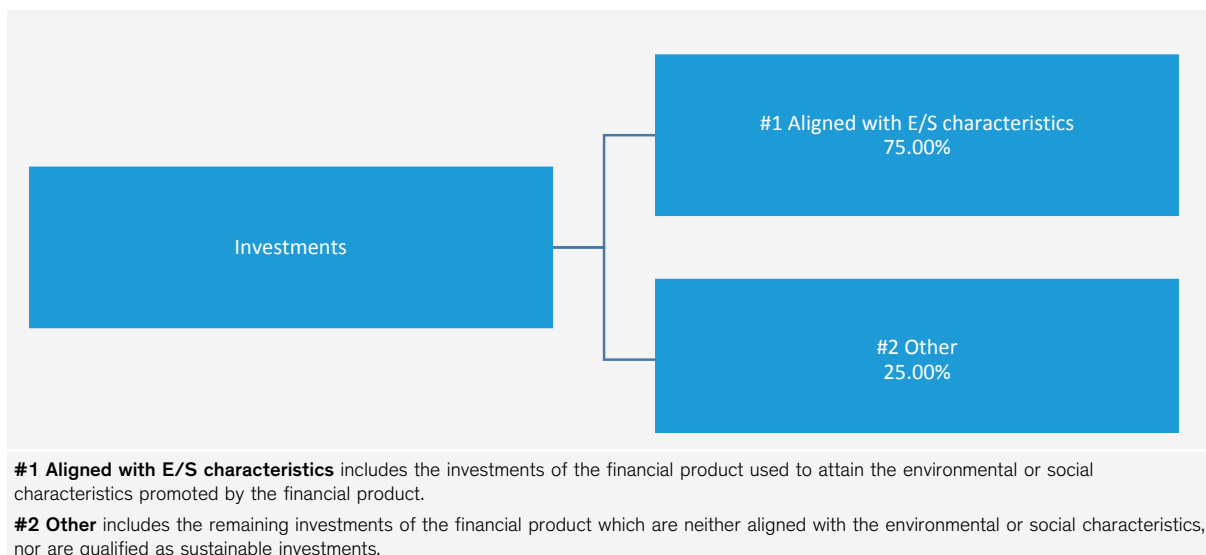


## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

#1 Minimum Aligned with E/S: 75%

#2 Maximum Other: 25%



Based on the Portfolio's net assets. All numbers are shown based on normal market conditions and are based on the average holdings of each month end for the fiscal year. The Portfolio will publish information regarding the percentage of net assets that promote E/S Characteristics in the Fund's annual report.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Portfolio may use derivatives for hedging, efficient portfolio management, and other investment purposes. For derivatives used for other investment purposes, exposure may be to securities that are deemed to promote E/S Characteristics.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

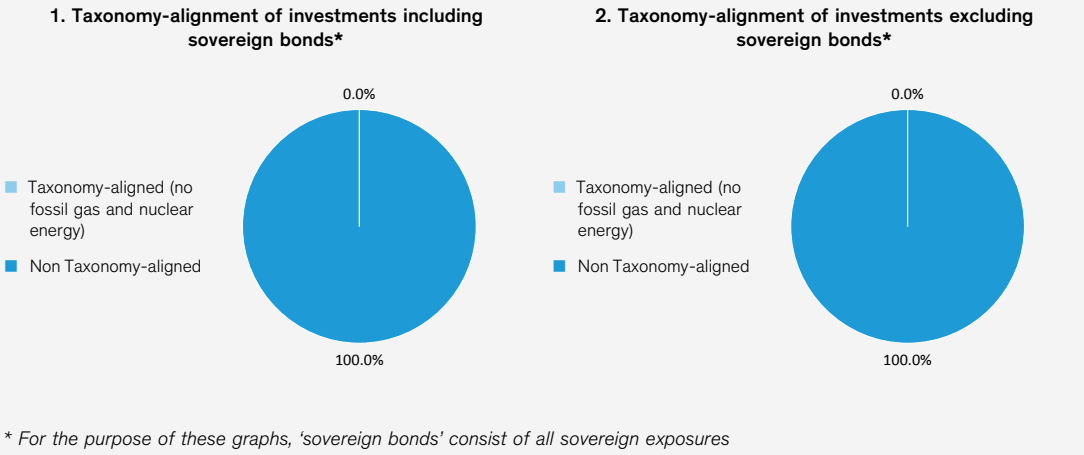
There is currently no data to measure whether the Portfolio invests in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy. It may, as a result of the implementation of its specific investment strategy, hold investments having a marginal exposure to such activities, but until there is external vendor data enabling measurement of such exposure, the Portfolio does not commit to any minimum exposure.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in light blue the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

- This includes:
- Securities that AB believes can be held by the Portfolio in order to achieve its investment objective but are not deemed to promote E/S Characteristics, as outlined above, subject to satisfaction of AB's Good Governance Policy.
  - Cash and cash-equivalents held as liquidity, risk management purposes, or collateral management purposes.
  - Derivatives used for the purposes outlined in Portfolio Details in the Prospectus. Exposure to securities that promote E/S Characteristics will be captured in #1 Aligned with E/S Characteristics.
- For these assets, there are no minimum environmental or social safeguards.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The Portfolio does not use a designated reference benchmark for measuring sustainability or determining E/S Characteristics.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.



### Where can I find more product specific information online?

More product-specific information can be found on the website: [www.alliancebernstein.com/go/EQ8webdisclosures](http://www.alliancebernstein.com/go/EQ8webdisclosures)

**Product name: Global High Yield Portfolio**

**Legal entity identifier: 549300417QYQZJ6D2I52**

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> Yes	<input type="radio"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___%  <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments  <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and/or social characteristics ("E/S Characteristics") promoted by the Portfolio include:

- ESG Integration. When making investment decisions, including the ongoing assessment and monitoring of the Portfolio's holdings, AB uses fundamental research to assess target issuers. As part of the AB Stewardship Approach, fundamental research includes the consideration of ESG Factors meaning AB will assess ESG Factors for a target issuer at every stage of the investment decision-making process. This includes engagements where AB encourages issuers to undertake actions that may promote better outcomes for environmental and social objectives as well as benefits to financial outcomes of the issuer and/or the Portfolio.
- ESG Scoring. AB uses a variety of proprietary scoring methodologies to score issuers using ESG Factors.
- Exclusions listed out in the Prospectus. The Portfolio excludes investments in certain sectors as further outlined in the Prospectus.

More information on these characteristics can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/FI8webdisclosures](http://www.alliancebernstein.com/go/FI8webdisclosures) and more information on the AB Stewardship Approach can be found at [www.alliancebernstein.com/go/ABGlobalStewardship](http://www.alliancebernstein.com/go/ABGlobalStewardship).

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

AB measures the attainment of E/S Characteristics promoted through various quantitative and qualitative methodologies including the measurement of documented ESG research, ESG scoring, engagement, and relevant investment exclusions, subject to satisfactory data and data sourcing.

This includes, but is not limited to, reviewing, monitoring, and/or measuring the various ESG Factors or topics that are considered as part of the various quantitative and qualitative methodologies.

More information on these indicators can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/FI8webdisclosures](http://www.alliancebernstein.com/go/FI8webdisclosures)



## Does this financial product consider principal adverse impacts on sustainability factors?

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes, the Portfolio considers the following PAIs:

- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (#10)
- Exposure to controversial weapons (#14)

For PAI 10, AB monitors for breaches of the UN Global Compact principles for securities held by a Portfolio and for any breach, AB will undertake additional research to clarify the breach and make a determination whether the security should remain in the Portfolio's investible universe.

For PAI 14, the Portfolio excludes controversial weapons.

The specific PAI indicators that are taken into consideration may evolve over time. Additional information on PAIs will be published in the Fund's annual report as required by SFDR Article 11(2).

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

As outlined in the relevant Portfolio Details, the Portfolio is actively managed and AB uses the AB Stewardship Approach when seeking to achieve the investment objective. Through the AB Stewardship Approach, fundamental research includes a robust ESG integration process, whereby AB assesses and incorporates ESG Factors in all phases of the investment process.

More information on the Portfolio's investment objective and investment strategy can be found in the relevant Portfolio Details in the Prospectus.

### ● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Portfolio promotes E/S Characteristics by holding securities that AB believes promote E/S Characteristics. A security may be deemed to promote one or more E/S Characteristics if the following binding elements are satisfied:

- Documented ESG integration via evidenced ESG research, a minimum ESG score and/or evidenced Engagement;
- The issuer of the security follows good governance practices according to AB's Good Governance Policy; and
- The Portfolio's investment exclusions are met.

More information on ESG integration, ESG research, ESG scoring, and engagements can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/FI8webdisclosures](http://www.alliancebernstein.com/go/FI8webdisclosures). More information on exclusions used by the Portfolio can be found in the Responsible Investing section of the Prospectus. More information on AB's Good Governance Policy can be found below.

### ● What is the policy to assess good governance practices of the investee companies?

AB has developed a proprietary Good Governance Policy using a combination of external and internal data sources along with assessments or scoring based on specific governance criteria, including sound management structures, employee relations, remuneration of staff and tax compliance. The specific governance indicators includes UN Global Compact principles and controversies related to the governance criteria. The foregoing Good Governance Policy is subject to, and dependent on, available data.

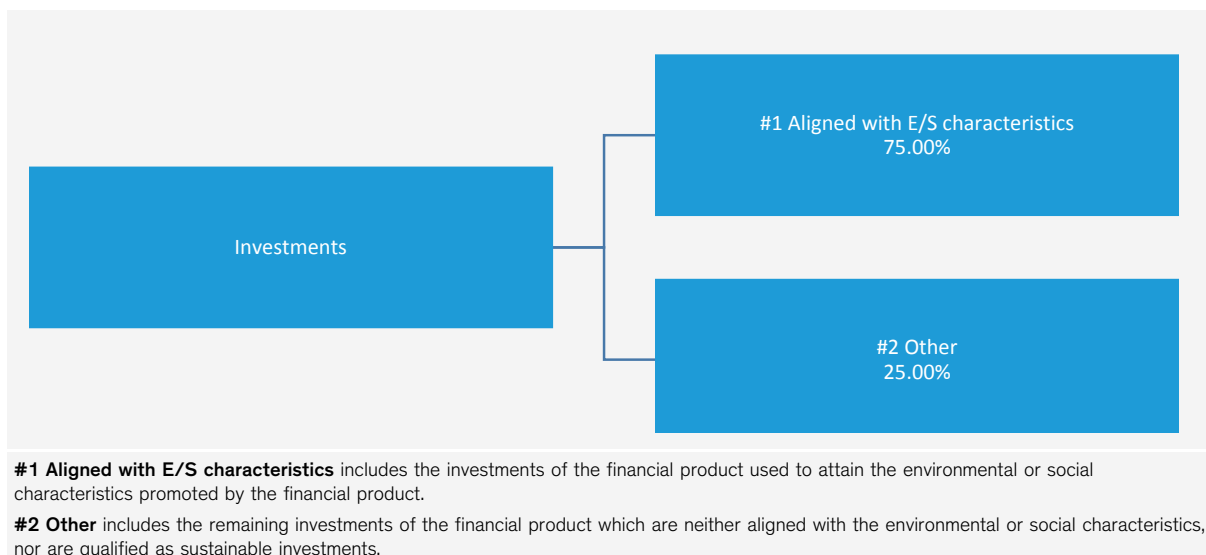


## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

#1 Minimum Aligned with E/S: 75%

#2 Maximum Other: 25%



Based on the Portfolio's net assets. All numbers are shown based on normal market conditions and are based on the average holdings of each month end for the fiscal year. The Portfolio will publish information regarding the percentage of net assets that promote E/S Characteristics in the Fund's annual report.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Portfolio may use derivatives for hedging, efficient portfolio management, and other investment purposes. For derivatives used for other investment purposes, exposure may be to securities that are deemed to promote E/S Characteristics.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

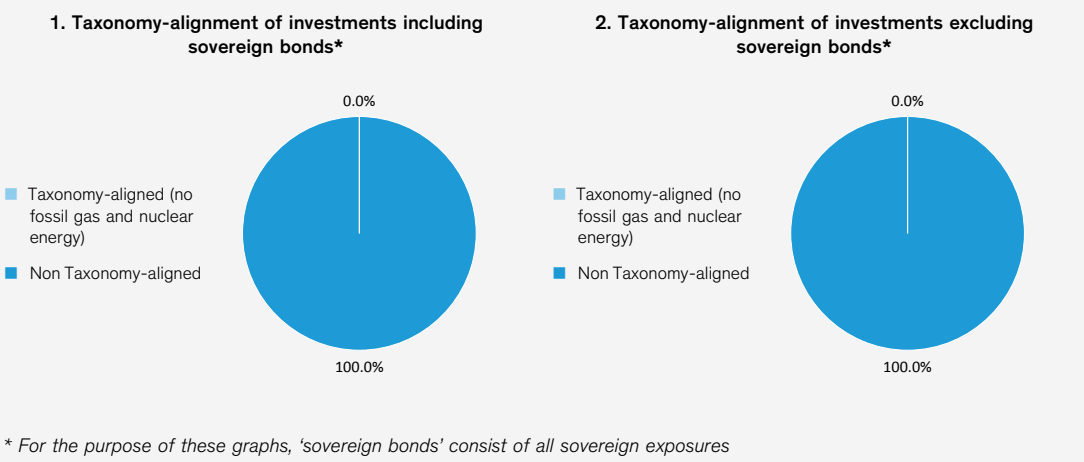
There is currently no data to measure whether the Portfolio invests in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy. It may, as a result of the implementation of its specific investment strategy, hold investments having a marginal exposure to such activities, but until there is external vendor data enabling measurement of such exposure, the Portfolio does not commit to any minimum exposure.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in light blue the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

- This includes:
- Securities that AB believes can be held by the Portfolio in order to achieve its investment objective but are not deemed to promote E/S Characteristics, as outlined above, subject to satisfaction of AB's Good Governance Policy.
  - Derivatives used for hedging purposes.
- For these assets, there are no minimum environmental or social safeguards.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The Portfolio does not use a designated reference benchmark for measuring sustainability or determining E/S Characteristics.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.



### Where can I find more product specific information online?

More product-specific information can be found on the website: [www.alliancebernstein.com/go/FI8webdisclosures](http://www.alliancebernstein.com/go/FI8webdisclosures)



**Product name: Japan Strategic Value Portfolio**

**Legal entity identifier: 549300V153FTE4MYIJ29**

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___%  <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> ___%	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments  <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with a social objective  <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and/or social characteristics ("E/S Characteristics") promoted by the Portfolio include:

- ESG Integration. When making investment decisions, including the ongoing assessment and monitoring of the Portfolio's holdings, AB uses fundamental research to assess target issuers. As part of the AB Stewardship Approach, fundamental research includes the consideration of ESG Factors, meaning AB will assess ESG Factors for a target issuer at every stage of the investment decision-making process. This includes ESG scoring of equity securities.
- Engagement. AB encourages issuers to undertake actions that may promote better outcomes for environmental and social objectives as well as benefits to financial outcomes of the issuer and/or the Portfolio.
- Exclusions listed out in the Prospectus. The Portfolio excludes investments in certain sectors as further outlined in the Prospectus.

More information on these characteristics can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/EQ8webdisclosures](http://www.alliancebernstein.com/go/EQ8webdisclosures) and more information on the AB Stewardship Approach can be found at [www.alliancebernstein.com/go/ABGlobalStewardship](http://www.alliancebernstein.com/go/ABGlobalStewardship).

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

AB measures the attainment of E/S Characteristics promoted through various quantitative and qualitative methodologies including the measurement of documented ESG research, engagement, and relevant investment exclusions, subject to satisfactory data and data sourcing.

This includes, but is not limited to, reviewing, monitoring, and/or measuring the various ESG Factors or topics that are considered as part of the various quantitative and qualitative methodologies.

More information on these indicators can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/EQ8webdisclosures](http://www.alliancebernstein.com/go/EQ8webdisclosures)



## Does this financial product consider principal adverse impacts on sustainability factors?

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes, the Portfolio considers the following PAIs:

- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (#10)
- Exposure to controversial weapons (#14)

For PAI 10, AB monitors for breaches of the UN Global Compact principles for securities held by a Portfolio and for any breach, AB will undertake additional research to clarify the breach and make a determination whether the security should remain in the Portfolio's investible universe.

For PAI 14, the Portfolio excludes controversial weapons.

The specific PAI indicators that are taken into consideration may evolve over time. Additional information on PAIs will be published in the Fund's annual report, as required by SFDR Article 11(2).

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

As outlined in the relevant Portfolio Details, the Portfolio is actively managed and AB uses the AB Stewardship Approach when seeking to achieve the investment objective. Through the AB Stewardship Approach, fundamental research includes a robust ESG integration process, whereby AB assesses and incorporates ESG Factors in all phases of the investment process.

More information on the Portfolio's investment objective and investment strategy can be found in the relevant Portfolio Details in the Prospectus.

### ● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Portfolio promotes E/S Characteristics by holding securities that AB believes promote E/S Characteristics. A security may be deemed to promote one or more E/S Characteristics if the following binding elements are satisfied:

- Documented ESG integration via evidenced ESG research and Engagements;
- The issuer of the security follows good governance practices according to AB's Good Governance Policy; and
- The Portfolio's investment exclusions are met.

More information on ESG integration, ESG research, and engagements can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/EQ8webdisclosures](http://www.alliancebernstein.com/go/EQ8webdisclosures). More information on exclusions used by the Portfolio can be found in the Prospectus. More information on AB's Good Governance Policy can be found below.

### ● What is the policy to assess good governance practices of the investee companies?

AB has developed a proprietary Good Governance Policy using a combination of external and internal data sources along with assessments or scoring based on specific governance criteria, including sound management structures, employee relations, remuneration of staff and tax compliance. The specific governance indicators includes UN Global Compact principles and controversies related to the governance criteria. The foregoing Good Governance Policy is subject to, and dependent on, available data.

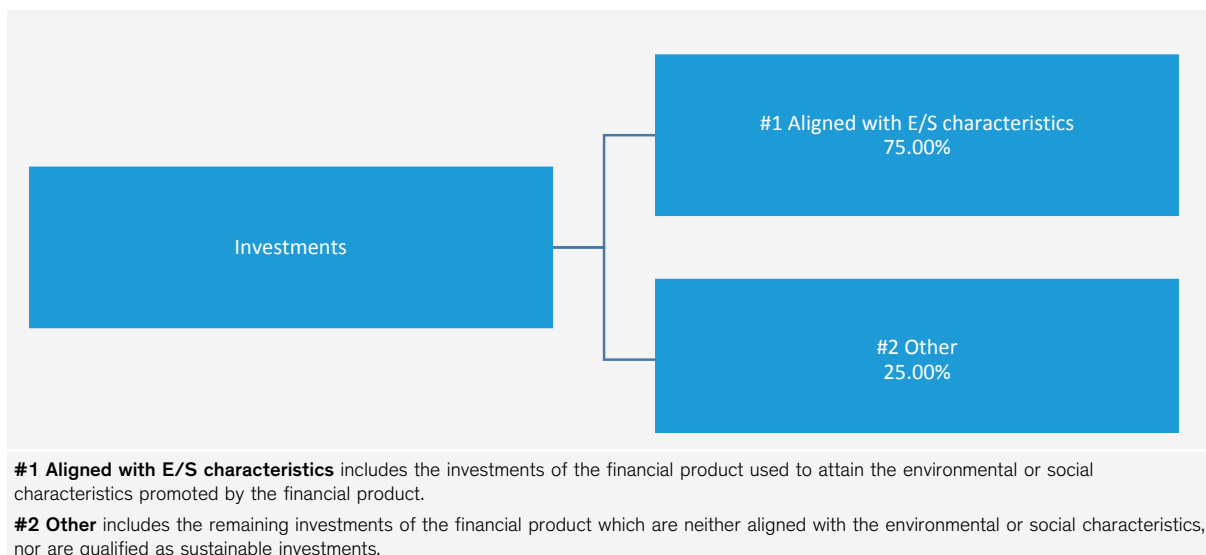


## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

#1 Minimum Aligned with E/S: 75%

#2 Maximum Other: 25%



Based on the Portfolio's net assets. All numbers are shown based on normal market conditions and are based on the average holdings of each month end for the fiscal year. The Portfolio will publish information regarding the percentage of net assets that promote E/S Characteristics in the Fund's annual report.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Portfolio may use derivatives for hedging, efficient portfolio management, and other investment purposes. For derivatives used for other investment purposes, exposure may be to securities that are deemed to promote E/S Characteristics.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

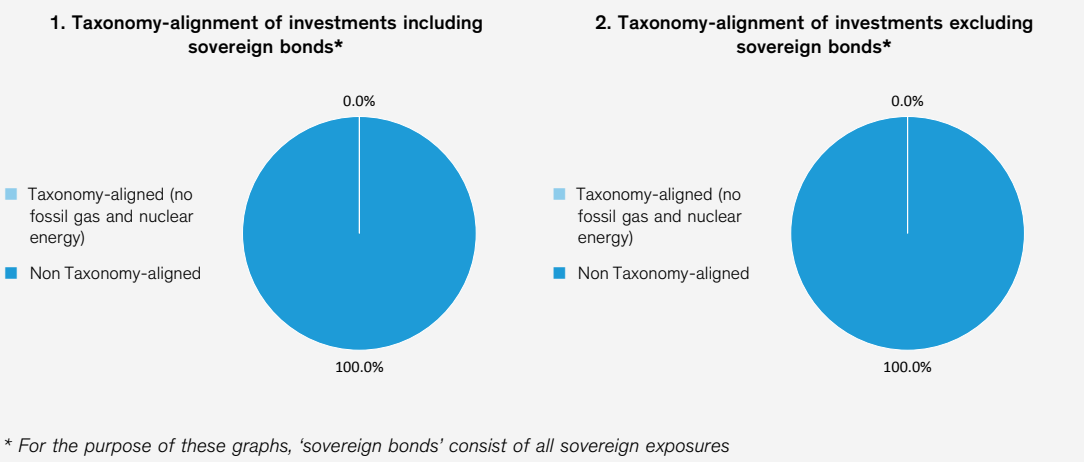
There is currently no data to measure whether the Portfolio invests in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy. It may, as a result of the implementation of its specific investment strategy, hold investments having a marginal exposure to such activities, but until there is external vendor data enabling measurement of such exposure, the Portfolio does not commit to any minimum exposure.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in light blue the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

- This includes:
- Securities that AB believes can be held by the Portfolio in order to achieve its investment objective but are not deemed to promote E/S Characteristics, as outlined above, subject to satisfaction of AB's Good Governance Policy.
  - Cash and cash-equivalents held as liquidity, risk management purposes, or collateral management purposes.
  - Derivatives used for the purposes outlined in Portfolio Details in the Prospectus. Exposure to securities that promote E/S Characteristics will be captured in #1 Aligned with E/S Characteristics.
- For these assets, there are no minimum environmental or social safeguards.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The Portfolio does not use a designated reference benchmark for measuring sustainability or determining E/S Characteristics.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.



### Where can I find more product specific information online?

More product-specific information can be found on the website: [www.alliancebernstein.com/go/EQ8webdisclosures](http://www.alliancebernstein.com/go/EQ8webdisclosures)

**Product name: Mortgage Income Portfolio**

**Legal entity identifier: 5493000MZT8X07P03L08**

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___ %  <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___ % of sustainable investments  <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> ___ %	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and/or social characteristics ("E/S Characteristics") promoted by the Portfolio include:

- ESG Integration. When making investment decisions, including the ongoing assessment and monitoring of the Portfolio's holdings, AB uses fundamental research to assess target issuers. As part of the AB Stewardship Approach, fundamental research includes the consideration of ESG Factors meaning AB will assess ESG Factors for a target issuer at every stage of the investment decision-making process. This includes engagements where AB encourages issuers to undertake actions that may promote better outcomes for environmental and social objectives as well as benefits to financial outcomes of the issuer and/or the Portfolio.
- ESG Scoring. AB uses a variety of proprietary scoring methodologies to score issuers using ESG Factors.
- Exclusions listed out in the Prospectus. The Portfolio excludes investments in certain sectors as further outlined in the Prospectus.

More information on these characteristics can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/FI8webdisclosures](http://www.alliancebernstein.com/go/FI8webdisclosures) and more information on the AB Stewardship Approach can be found at [www.alliancebernstein.com/go/ABGlobalStewardship](http://www.alliancebernstein.com/go/ABGlobalStewardship).

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

AB measures the attainment of E/S Characteristics promoted through various quantitative and qualitative methodologies including the measurement of documented ESG research, ESG scoring, engagement, and relevant investment exclusions, subject to satisfactory data and data sourcing.

This includes, but is not limited to, reviewing, monitoring, and/or measuring the various ESG Factors or topics that are considered as part of the various quantitative and qualitative methodologies.

More information on these indicators can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/FI8webdisclosures](http://www.alliancebernstein.com/go/FI8webdisclosures)



## Does this financial product consider principal adverse impacts on sustainability factors?

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes, the Portfolio considers the following PAIs:

- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (#10)
- Exposure to controversial weapons (#14)

For PAI 10, AB monitors for breaches of the UN Global Compact principles for securities held by a Portfolio and for any breach, AB will undertake additional research to clarify the breach and make a determination whether the security should remain in the Portfolio's investible universe.

For PAI 14, the Portfolio excludes controversial weapons.

The specific PAI indicators that are taken into consideration may evolve over time. Additional information on PAIs will be published in the Fund's annual report as required by SFDR Article 11(2).

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

As outlined in the relevant Portfolio Details, the Portfolio is actively managed and AB uses the AB Stewardship Approach when seeking to achieve the investment objective. Through the AB Stewardship Approach, fundamental research includes a robust ESG integration process, whereby AB assesses and incorporates ESG Factors in all phases of the investment process.

More information on the Portfolio's investment objective and investment strategy can be found in the relevant Portfolio Details in the Prospectus.

### ● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Portfolio promotes E/S Characteristics by holding securities that AB believes promote E/S Characteristics. A security may be deemed to promote one or more E/S Characteristics if the following binding elements are satisfied:

- Documented ESG integration via evidenced ESG research, a minimum ESG score and/or evidenced Engagement;
- The issuer of the security follows good governance practices according to AB's Good Governance Policy; and
- The Portfolio's investment exclusions are met.

More information on ESG integration, ESG research, ESG scoring, and engagements can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/FI8webdisclosures](http://www.alliancebernstein.com/go/FI8webdisclosures). More information on exclusions used by the Portfolio can be found in the Responsible Investing section of the Prospectus. More information on AB's Good Governance Policy can be found below.

### ● What is the policy to assess good governance practices of the investee companies?

AB has developed a proprietary Good Governance Policy using a combination of external and internal data sources along with assessments or scoring based on specific governance criteria, including sound management structures, employee relations, remuneration of staff and tax compliance. The specific governance indicators includes UN Global Compact principles and controversies related to the governance criteria. The foregoing Good Governance Policy is subject to, and dependent on, available data.

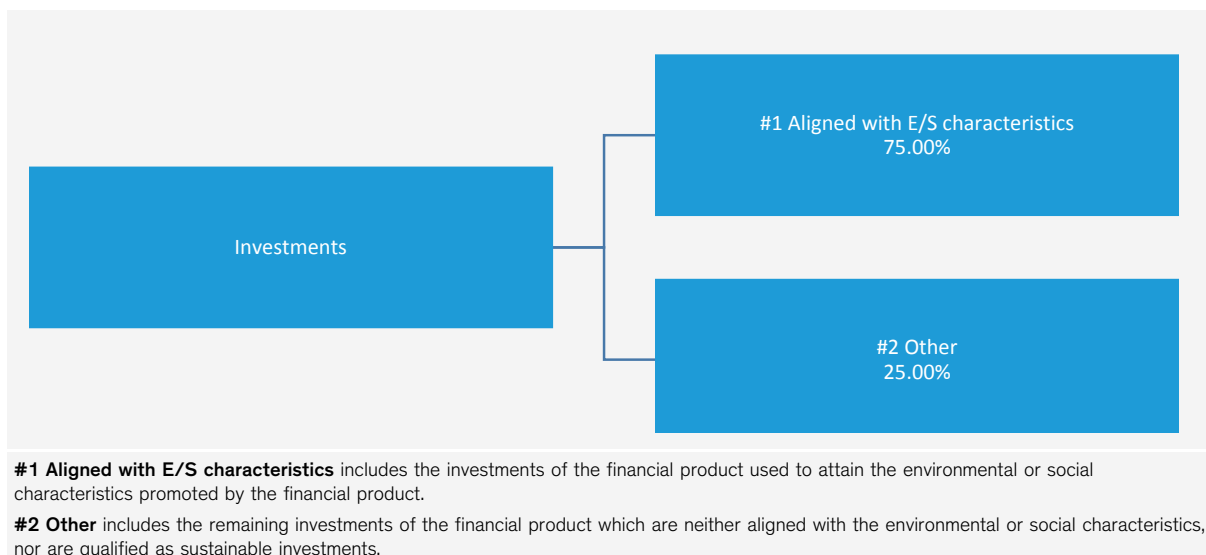


## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

#1 Minimum Aligned with E/S: 75%

#2 Maximum Other: 25%



Based on the Portfolio's net assets. All numbers are shown based on normal market conditions and are based on the average holdings of each month end for the fiscal year. The Portfolio will publish information regarding the percentage of net assets that promote E/S Characteristics in the Fund's annual report.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Portfolio may use derivatives for hedging, efficient portfolio management, and other investment purposes. For derivatives used for other investment purposes, exposure may be to securities that are deemed to promote E/S Characteristics.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

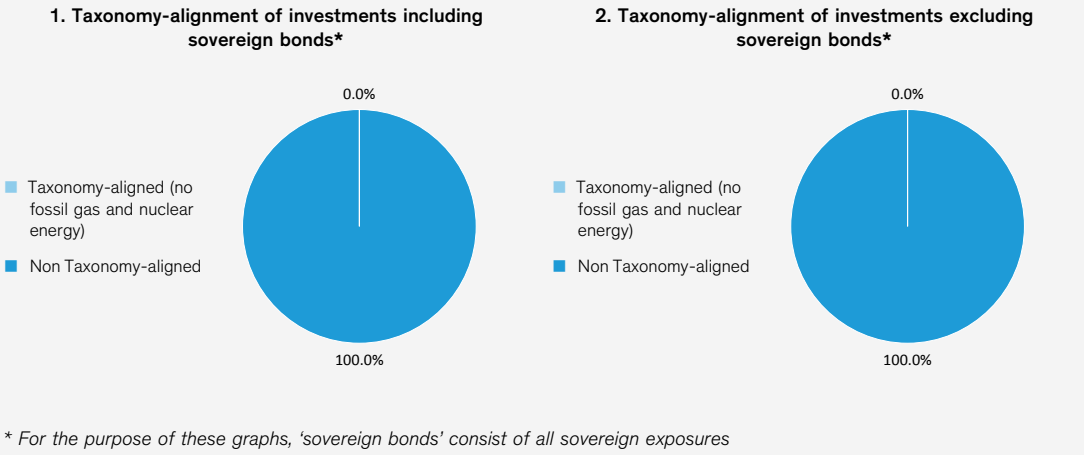
There is currently no data to measure whether the Portfolio invests in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy. It may, as a result of the implementation of its specific investment strategy, hold investments having a marginal exposure to such activities, but until there is external vendor data enabling measurement of such exposure, the Portfolio does not commit to any minimum exposure.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in light blue the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

- This includes:
- Securities that AB believes can be held by the Portfolio in order to achieve its investment objective but are not deemed to promote E/S Characteristics, as outlined above, subject to satisfaction of AB's Good Governance Policy.
  - Derivatives used for hedging purposes.
- For these assets, there are no minimum environmental or social safeguards.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The Portfolio does not use a designated reference benchmark for measuring sustainability or determining E/S Characteristics.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.



### Where can I find more product specific information online?

More product-specific information can be found on the website: [www.alliancebernstein.com/go/FI8webdisclosures](http://www.alliancebernstein.com/go/FI8webdisclosures)



## Product name: Short Duration Bond Portfolio

Legal entity identifier: 5493000WCKR7B0RK1D59

### Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
Yes	No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



### What environmental and/or social characteristics are promoted by this financial product?

The environmental and/or social characteristics ("E/S Characteristics") promoted by the Portfolio include:

- ESG Integration. When making investment decisions, including the ongoing assessment and monitoring of the Portfolio's holdings, AB uses fundamental research to assess target issuers. As part of the AB Stewardship Approach, fundamental research includes the consideration of ESG Factors meaning AB will assess ESG Factors for a target issuer at every stage of the investment decision-making process. This includes engagements where AB encourages issuers to undertake actions that may promote better outcomes for environmental and social objectives as well as benefits to financial outcomes of the issuer and/or the Portfolio.
- ESG Scoring. AB uses a variety of proprietary scoring methodologies to score issuers using ESG Factors.
- Exclusions listed out in the Prospectus. The Portfolio excludes investments in certain sectors as further outlined in the Prospectus.

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**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

#### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

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More information on these indicators can be found in AB's Sustainability-Related Disclosures [www.alliancebernstein.com/go/FI8webdisclosures](http://www.alliancebernstein.com/go/FI8webdisclosures)



## Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, the Portfolio considers the following PAIs:

- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (#10)
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For PAI 14, the Portfolio excludes controversial weapons.

The specific PAI indicators that are taken into consideration may evolve over time. Additional information on PAIs will be published in the Fund's annual report as required by SFDR Article 11(2).

☐ No

### Principal adverse impacts

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



## What investment strategy does this financial product follow?

As outlined in the relevant Portfolio Details, the Portfolio is actively managed and AB uses the AB Stewardship Approach when seeking to achieve the investment objective. Through the AB Stewardship Approach, fundamental research includes a robust ESG integration process, whereby AB assesses and incorporates ESG Factors in all phases of the investment process.

More information on the Portfolio's investment objective and investment strategy can be found in the relevant Portfolio Details in the Prospectus.

### The investment strategy

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

### ● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

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- The issuer of the security follows good governance practices according to AB's Good Governance Policy; and
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### ● What is the policy to assess good governance practices of the investee companies?

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### Good governance

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



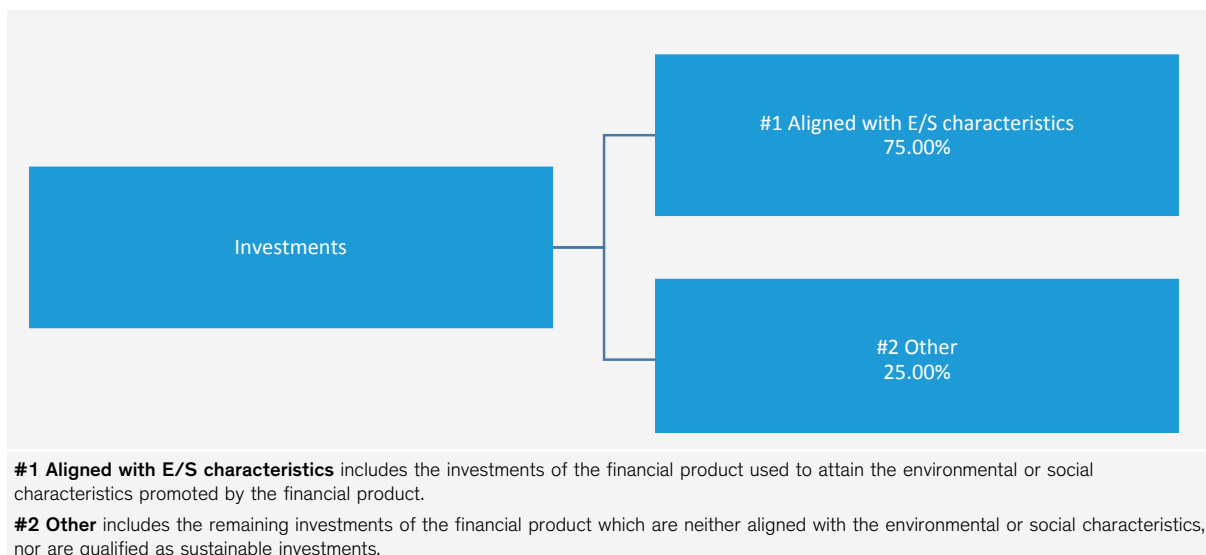
## What is the asset allocation planned for this financial product?

#1 Minimum Aligned with E/S: 75%

#2 Maximum Other: 25%

### Asset allocation

Asset allocation describes the share of investments in specific assets.



Based on the Portfolio's net assets. All numbers are shown based on normal market conditions and are based on the average holdings of each month end for the fiscal year. The Portfolio will publish information regarding the percentage of net assets that promote E/S Characteristics in the Fund's annual report.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Portfolio may use derivatives for hedging, efficient portfolio management, and other investment purposes. For derivatives used for other investment purposes, exposure may be to securities that are deemed to promote E/S Characteristics.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

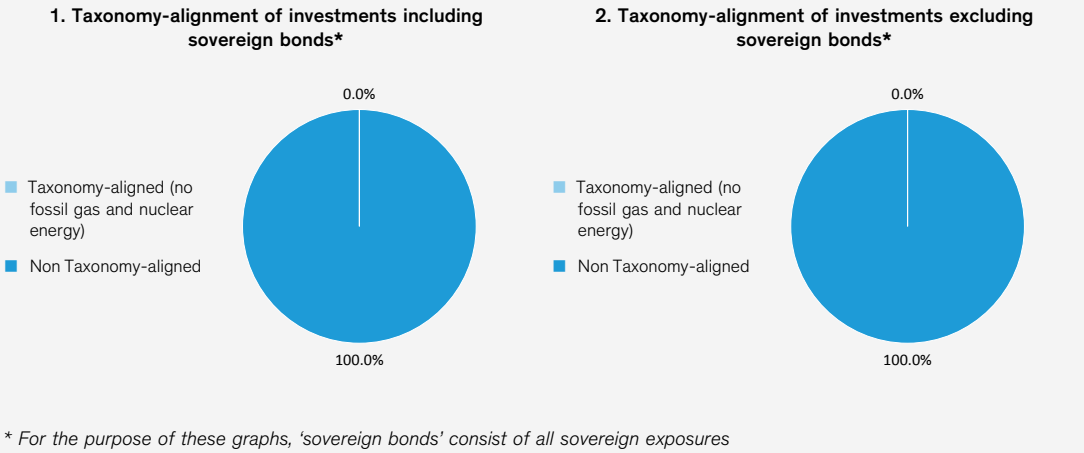
There is currently no data to measure whether the Portfolio invests in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy. It may, as a result of the implementation of its specific investment strategy, hold investments having a marginal exposure to such activities, but until there is external vendor data enabling measurement of such exposure, the Portfolio does not commit to any minimum exposure.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
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The two graphs below show in light blue the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

- This includes:
- Securities that AB believes can be held by the Portfolio in order to achieve its investment objective but are not deemed to promote E/S Characteristics, as outlined above, subject to satisfaction of AB's Good Governance Policy.
  - Derivatives used for hedging purposes.
- For these assets, there are no minimum environmental or social safeguards.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The Portfolio does not use a designated reference benchmark for measuring sustainability or determining E/S Characteristics.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.



### Where can I find more product specific information online?

More product-specific information can be found on the website: [www.alliancebernstein.com/go/FI8webdisclosures](http://www.alliancebernstein.com/go/FI8webdisclosures)

## AB's Strategies That Integrate Sustainability Risks Into Their Investment Decisions — Article 6 (Neutral) Portfolios

Portfolio in scope:

- Emerging Markets Debt Portfolio

The above Neutral Portfolio does not have an objective of sustainable investments and does not promote environmental and/or social characteristics, but integrates Sustainability Risks as part of the investment decision making process.

AB has assessed the impact of Sustainability Risks in connection with this Neutral Portfolio's investment strategy and considers such risks to be relevant as an environmental, social or governance event or conditions that, if to occur, could have material negative impact on the value of the investments of the Neutral Portfolio. The likely impacts of Sustainability Risks will differ between investment objectives, strategies, and policies but, given the respective investment universe, AB believes an environmental, social, or governance event would have some negative impacts on the value, quality, and/or stability of a security, the financial health of a investee issuer, the credit quality of an issuer, and the ability of an issuer of debt to pay coupons or meet their other obligations.

Additionally, when implementing the respective investment strategy, while AB may use the AB Stewardship Approach, it does not do so robustly and therefore may not integrate ESG considerations or Sustainability Risks into all its investment decisions.

Accordingly, AB may not consider the negative impacts of investment decisions on sustainability factors, as taking into account such risks and impacts would affect or possibly prevent AB from achieving the specific investment objective. For the sake of clarity, AB does not consider the principal adverse impacts of its investment decisions on sustainability factors for the above-mentioned reason.

While this Neutral Portfolio does not consider the impacts of investment decisions sustainability factors, this Neutral Portfolio complies with AB's commitment to environmental stewardship and responsible investing which includes, inter alia, screening out of certain types of investments.

As this Neutral Portfolio does not have an objective in Sustainable Investments, the investments underlying these financial products do not take into account the EU criteria for environmentally sustainable economic activities. Accordingly, the obligations under the EU Taxonomy Regulation are inapplicable.

### AB Stewardship Approach

#### I. Introduction

AB has long recognized that ESG considerations present both potential risks and opportunities that can impact the

performance of an AB Product. The AB Stewardship Approach outlines the various ESG considerations, including sustainability risks (defined as those ESG events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of an investment) (herein, "ESG Factors"). AB has analyzed and systematically integrated these ESG Factors into all steps of its investment process which AB believes leads to improved investment decisions, enhanced financial outcomes, progress to AB's commitment to responsible investment and global advancement towards ESG objectives.

When AB became a "Principles for Responsible Investment signatory" in November 2011, AB formalized the integration of ESG Factors into AB's investment processes for most actively-managed strategies, with the exception of certain strategies, where the integration of ESG Factors is either not relevant to the strategy or would possibly prevent AB from achieving the specific AB Product's investment objective (i.e. Neutral products). For certain AB Products, language regarding the integration of ESG Factors was included in the applicable offering document.

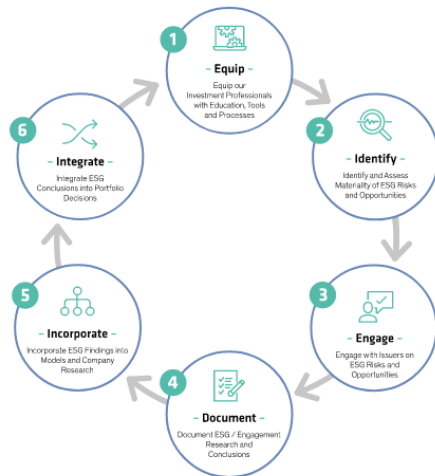
AB created a management infrastructure for responsible investment leadership that today drives AB's firm's strategy and commitment to these issues firmwide. AB's Global Stewardship Statement and Annual Stewardship Report detail AB's activities. Please see <https://www.alliancebernstein.com/corporate-responsibility/responsible-investing.htm> for more information.

When implementing an investment strategy that integrates ESG Factors, AB takes into account the desired level of risk and return of the strategy and the financial or economic impact of ESG Factors in the risk and return assessment. Analyzing and assessing issuers through the lens of long-term value creation often allows AB to achieve strong financial outcomes while reducing risks through a more thorough analysis of all the factors, including ESG Factors, that will impact a security throughout the course of the investment horizon and beyond.

As further discussed below, when integrating ESG Factors and making investment decisions, AB will also consider the principal adverse impacts of investment decisions on those ESG Factors. These impacts are documented as part of the AB Stewardship Approach.

#### II. Integration of Sustainability Risks

AB integrates ESG Factors as part of its investment decision process through six steps: Equip, Identify, Engage, Document, Incorporate and Integrate. Depending on the AB Product, the degree and focus of integration may differ but the goal will be the same of seeking to achieve the investment objective where the relevant AB investment teams utilize AB's ESG-experts and responsible investing professionals ("**Responsible Investing Team**") to integrate ESG at every step of its research process.



## (1) Equip

The process starts with equipping AB's investment teams with frameworks, tools and training to enable them to adequately understand, research and integrate material ESG Factors. This includes:

- **Proprietary toolsets.** To augment third-party data and tool sets, AB has developed proprietary research and collaboration tools to strengthen ESG and climate research and systematize integration across the firm—including AB's ESIGHT platform for research and collaboration and PRISM for credit ratings and scoring. AB has also created an Alternative Data Dashboard that combines the industry-specific knowledge of AB's fundamental analysts with the capabilities of AB's Data Science Team to create better insights from alternative data and AB research.
- **Third-party data and toolsets.** All AB's investment teams have access to a range of data services that enable them to gain a broad understanding of the ESG characteristics of, inter alia, an issuer or a sector. These include but are not limited to ESG data from Bloomberg and FactSet, MSCI ESG Ratings, Carbon Delta and MSCI Carbon Emissions data, Sustainalytics Risk Ratings, Global Norms and Controversies analysis, ISS-Ethix Controversial Weapons Analysis, and ISS and Glass-Lewis corporate governance and proxy research. The Responsible Investing Team continually evaluates its current and new providers to ensure AB is providing AB's investment teams with the best possible data and information.
- **Strategic partnerships with world-class institutions.** AB has collaborated on climate change with the Earth Institute at Columbia University. Phase One of the collaboration involved the joint development of a Climate Science and Portfolio Risk curriculum that addresses the science, regulatory, legal and public policy aspects of climate change as well as how to integrate climate change into company and issuer financial analysis. Phase Two will involve joint research with the scientists on an array of climate-change topics.

- **Extensive training programs.** In addition to AB's Climate Change Curriculum, AB offers AB's investment teams ongoing ESG training. This includes peer-to-peer learning for CIOs and portfolio managers, during which a select group of managers present how ESG is integrated in their specific strategies. AB has also systematized training on external data, systems and tools and educational sessions across a suite of topics ranging from modern slavery, corporate governance, sector-specific themes, and how to integrate ESG in portfolio decision making.
- **Broad participation.** AB has broad participation in the development of intellectual property, frameworks, tools and systems. In addition to the Responsible Investing Team, approximately 100 additional AB personnel participate in one or more ESG working teams.

## (2) Identify

AB investment teams begin the ESG integration process by identifying and assessing material ESG Factors with respect to the relevant investment strategy. Materiality of ESG Factors differs by sector, industry and geographical location.

Working with over 120 AB analysts within AB's investment teams across asset classes, AB developed a proprietary materiality matrix that covers more than 40 ESG Factors and spans almost 70 subsectors. AB can apply the matrix as appropriate, giving AB's investment teams valuable perspective on the impact of ESG Factors and therefore AB's long-term financial forecast for a target issuer. In AB's view, a consistent framework for identifying adverse sustainability impacts helps AB's investment teams make better-informed investment decisions and ultimately enables AB to deliver better investment outcomes. These ESG Factors currently include:

### **Environmental Factors**

- Carbon Emissions
- Product Carbon Footprint
- Climate Change Vulnerability
- Water Management
- Resource Management
- Biodiversity & Land Use
- Toxic Emissions & Hazardous Waste
- COVID-19 and the Environment
- Packaging Waste
- Electronic Waste
- Supply Chain – Environmental
- Opportunities in Clean Tech
- Opportunities in Green Buildings
- Opportunities in Renewable Energy

### **Social Factors**

- Labor Management
- Human Capital Development



- Employee Health & Safety
- Product Safety & Quality
- COVID-19 & Social Issues
- Financial Product Safety
- Privacy & Data Security
- Supply Chain – Social
- Responsible Investment
- Insuring Health & Demographic Risk
- Opportunities in Communications
- Opportunities in Financial Inclusion
- Opportunities in Healthcare
- Opportunities in Nutrition & Healthier Products
- Opportunities in Education

## **Governance Factors**

### *Board*

- Board Independence
- Board Gender Diversity
- Combined CEO & Chair
- Entrenched Board

### *Oversight and Risk Management*

- Accounting
- Anti-Competitive Practices
- Business Ethics
- Corruptions and Instability
- Financial System Instability
- Organizational Culture
- Pay
- Sanctions
- COVID-19 & Governance

### *Shareholder Access Rights*

- One Share, One Vote
- Proxy Access
- Right to Call Special Meetings

AB also adheres to internationally recognized standards for due diligence and reporting, such as the UN Global Compact, to help guide AB's research. All issuers deemed to be in breach of these global norms are flagged for in-depth research on their suitability for inclusion in an AB Product. This in-depth analysis will assess the reason for an issuer's breach and whether the issuer could still be suitable, taking into account the investment strategy of the relevant AB Product. ESG Factors and corresponding impacts may not be applicable to all types of instruments or investments.

## **(3) Engage**

AB's investment teams also engage with issuers on these ESG Factors. ESG Engagement has always been a vital part of AB's investment process. Each year, AB's investment teams engage with the leaders of public and private issuers and non-corporate entities, including municipalities, supranational and sovereign issuers. In 2020, AB logged over 15,000 meetings, including issuer-specific engagements and strategic thematic

and collaborative engagements. AB will engage on topics and goals other than ESG Factors as part of its engagement policy.

Engaging on ESG issues is a key part of AB's research and stewardship processes as part of AB's commitment to be a leader in responsible investing.

Engagement helps AB to better understand issuers, protect AB Products' interests as shareholders and bondholders of such issuers, and encourages issuers to deploy strategies that may, inter alia, provide progress toward ESG goals. Engagement allows AB to encourage issuers to take actions that AB believes will improve financial outcomes of the issuers and/or AB Products. AB does not outsource engagement. AB's investment teams engage directly with issuers, often collaborating with the Responsible Investing team. In AB's view, a hands-on engagement approach is the path to better research, better outcomes and better service to AB Products.

AB's Engagement Policy, found at:

<https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/ABGlobalStewardship.pdf>, describes in more detail AB's engagement with issuers. AB's Engagement Policy also outlines AB collaboration in industry engagement and AB's identification and resolution of potential conflicts of interest when engaging with issuers. AB's engagement policy includes, inter alia, how AB exercises voting rights and other rights attached to shares, cooperates with other shareholders, communicates with relevant stakeholders of the investee issuers and manages actual and potential conflicts of interests in relation to their engagement.

## **(4) Document and (5) Incorporate**

ESIGHT, a proprietary research and collaboration platform, integrates AB's ESG issuer assessments, proxy-voting history, engagements and third-party research from MSCI and Sustainalytics. ESIGHT is also a knowledge center that houses ESG information, including thematic sell-side research reports, academic studies, non-government entity reports, specialist sustainability and climate-change think-tank papers, and AB's own proprietary ESG ratings.

With ESIGHT, AB's corporate bond and equity investment teams can access and share information during all steps of the investment process about issuers' ESG practices. When AB investment teams conduct research or prepare for an engagement, they can explore previous interactions, querying by issuer, AB investment team, or ESG topic and theme. ESIGHT also enhances portfolio management and reporting: AB professionals can assess ESG topics by company or issuer, industry, or portfolio and share engagement statistics, examples and outcomes with clients.

PRISM, a proprietary credit rating and scoring system integrates fixed-income ESG research into a fully digitalized data and security analysis platform. With PRISM, analysts can develop and share views on individual issuers in a consistent, comparable and quantifiable way across industries, ratings categories and geographies. Analysts also have access to MSCI scores through the system. Analysts evaluate each

issuer on multiple dimensions, using research and engagement insights to assign specific ESG scores, which are used in credit scoring. PRISM scoring will weigh ESG Factors differently depending on the industry being analysed and are based on what AB analysts view as the most important ESG Factors for the company or issuer. Any fixed income portfolio manager or analyst can access PRISM's ESG scores at all times during the investment process.

### (6) Integrate

AB's investment teams integrate ESG Factors into the investment decision-making process, leading to better informed investment decision. Analysts within AB's investment teams are responsible for considering ESG Factors at the beginning of the investment decision process by identifying them, researching them, engaging with issuers, and incorporating the ESG Factors into the AB Products investment models and frameworks, as applicable.

An AB analyst's recommendation and evaluation of the ESG Factors may impact investment decisions in multiple ways, not just whether or not to buy a security. For example, the impact of ESG Factors on cash flows, credit ratings or discount rates may have an influence on the investment decision and position sizing.

After considering ESG Factors, including any applicable scoring, depending on the investment objective and upon the type of AB Product (i.e. Dark Green vs. Light Green v. Neutral), AB may still purchase the security and/or retain it as a holding.

### III. Structure and Governance to Support ESG Sustainability Integration

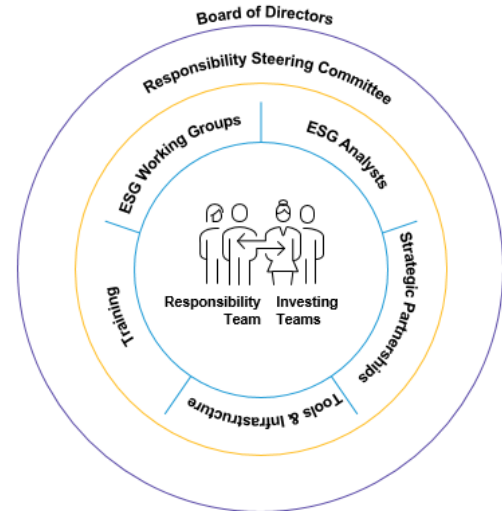
To oversee AB's ESG and sustainability activities, including the AB Stewardship Approach, AB created a structure that reflects AB's commitment to responsibility at all levels of AB's organization.

AB's Board of Directors and CEO established the position of Chief Responsibility Officer (CRO) in 2020. This position has direct supervisory control over AB's corporate responsibility and responsible investing efforts. The CRO is also a member of AB's Operating Committee. AB's CRO oversees AB's Responsibility Strategic Business Unit (SBU), which include the Responsible Investing Team and the Corporate Responsibility Team. AB's responsible investing strategy is also supported by other AB investment teams:

- The Audit and Risk committee of AB's Board of Directors provides formal oversight for Responsibility and Responsible Investing.
- The Responsibility Steering Committee, co-chaired by AB's CRO, develops strategy and oversees execution. This Committee is composed of senior professionals from across AB.
- AB's Responsible Investing team of subject-matter experts partners with AB's investment teams in this effort. In conjunction with AB's various ESG working groups, the Responsible Investing team develops proprietary frameworks

and toolsets, manages AB's strategic ESG partnerships, develops training programs and executes proxy votes.

- AB's Corporate Responsibility Team develops AB's approach to responsibility. The team is responsible for designing and delivering AB's purpose and values, diversity and inclusion (D&I), sustainability, and corporate philanthropy activities.
- AB's investment teams engage with issuers, analyze and quantify ESG Factors, and incorporate these inputs in their investment decisions.



In addition to the Responsibility Steering Committee, AB maintains three other committees that are crucial to the oversight Responsibility, Responsible Investing and Stewardship:

- Proxy Voting and Governance Committee. This committee consists of senior representatives from AB's equity and fixed income investment teams, responsible investing team, operations, and legal and compliance department. This committee establishes AB's proxy voting policy, oversees proxy voting activities, and provides formal oversight of the proxy voting process, maintains and updates AB's firm's proxy policies and procedures to ensure it captures AB's latest thinking, formulates AB's position on new proposals, and consults on votes not covered by AB's formal Proxy Voting and Governance policy.
- Controversial Investments Advisory Council. This council consists of senior representatives from across AB. It is co-chaired by AB's CEO and CRO. The purpose of the council is to provide a forum for discussion and debate on issues such as controversial weapons, tobacco, or international norms. The council discussion will not only inform specific investment decisions but help to establish AB policy in these areas.
- Diversity Champions Council (DCC). The mission of the DCC is to ensure that D&I remain at the center of AB's culture, policies and practices. The members of the DCC, champion and role model D&I by increasing accountability within SBUs for hiring, promoting and retaining diverse talent. DCC members are charged with helping to monitor and review



SBU specific D&I goals and share best practices across the firm.

# AB FCP I

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