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PRODUCT KEY FACTS

AB SICAV I

AllianceBernstein (Luxembourg) S.à r.l.

Sustainable Income Portfolio

September 2022

This statement provides you with key information about this product.

This statement is a part of the offering document.

You should not invest in this product based on this statement alone.

Quick facts

Management Company:	AllianceBernstein (Luxembourg) S.à r.l.	
Investment Manager:	AllianceBernstein L.P. (internal delegation, U.S. Delaware)	
Depository:	Brown Brothers Harriman (Luxembourg) S.C.A.	
Dealing frequency:	Daily	
Base currency:	U.S. Dollar	
Dividend policy:	(i) For Classes AA (and corresponding H Shares), AT, IT and IA Shares: Aims to declare and pay monthly or be reinvested as elected by investor* *Dividends may be paid out of capital or effectively out of capital and reduce the Portfolio's Net Asset Value (i) For Classes A2 and I2 Shares: None	
Financial year end of this Portfolio:	31 May	
Ongoing charges over a fiscal year:	Classes AA (and corresponding H Shares), A2 and AT Shares	Classes I2, IT and IA Shares
	1.40% [▲]	0.85% [▲]
Min. investment*:	Initial	Additional
Classes AA (and corresponding H Shares), A2 and AT Shares	USD2,000 EUR2,000 AUD2,000 RMB10,000 SGD3,000 GBP2,000 HKD 15,000 CAD2,000	USD750 EUR750 AUD750 RMB3,750 SGD1,000 GBP750 HKD 5,000 CAD750
Classes I2, IT and IA Shares	USD1 million HKD8 million	None

[▲] The ongoing charges of this share class have been capped at this figure and, accordingly, the excess over such figure as at the Fund's fiscal year end has been borne by the Management Company.

*Different minimum, additional and maximum investment limits may apply to different classes of shares denominated in different currencies. Investors should refer to the offering document of the Fund for details.

What is this product?

The Sustainable Income Portfolio (the "Portfolio") is a portfolio of AB SICAV I (the "Fund"), an open-ended investment company with variable capital domiciled in Luxembourg and its home regulator is Commission de Surveillance du Secteur Financier.

Objectives and Investment Strategy

Objectives

The investment objective of the Portfolio is to increase the value of your investment over time through income, while seeking capital preservation.

Strategy

Under normal market conditions, the Portfolio typically invests at least 80% of its net asset value in debt securities of issuers that the Investment Manager believes are positively aligned with sustainable investment themes. These issuers may be from anywhere in the world, including Emerging Markets (i.e. any country not defined as "high income" by the World Bank, or as



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otherwise determined by the Investment Manager which includes the subcategory of frontier markets). These securities may be below Investment Grade¹.

In actively managing the Portfolio, the Investment Manager invests in securities that it believes are positively exposed to environmentally- or socially-oriented sustainable investment themes derived from the UN Sustainable Development Goals (UNSDGs), i.e. the Portfolio generally invests in companies and / or corporate issuers that generate greater than 25% (and typically at least 50%) of their revenue from the direct production of products or provision of services that support the achievement of one or more UNSDGs. The Investment Manager employs a combination of “top-down” and “bottom-up” investment processes. For the “top-down” approach, the Investment Manager identifies sustainable investment themes that are broadly consistent with achieving the UNSDGs such as Health, Climate, and Empowerment as well as the theme of Institutions for sovereign debt (the exposure to sovereign debt is not expected to be substantial)². These sustainable investment themes may change over time based on the Investment Manager’s research. For the “bottom-up” approach, the Investment Manager analyses individual debt securities focusing on the issuer’s exposure to environmental, social and governance (ESG) factors. The Investment Manager also analyses individual debt securities focusing on the use of proceeds, issuer fundamentals and valuation. The Investment Manager emphasises positive selection criteria, in particular by analysing the exposure to such ESG factors of each security or issuer, over broad-based negative screens in assessing an issuer’s exposure to such ESG factors.

The Investment Manager invests flexibly across sectors (types of bonds), industries, countries, currencies and credit qualities and seeks to balance risk and return characteristics. The Investment Manager uses a disciplined process integrating fundamental and quantitative research to identify high-conviction opportunities while actively managing duration and yield-curve positioning. The Portfolio may benefit from capital appreciation.

Companies with revenue or earnings significantly contributed (directly or indirectly) from controversial weapons, coal, alcohol, tobacco, adult entertainment and gambling are excluded from the Portfolio’s investments. For more information on the exclusion policy adopted by the Portfolio, please refer to <https://www.alliancebernstein.com/funds/abii/documents/Policies/Sustainable-Thematic-FI-Exclusion-Policy-Final.pdf> (the website has not been reviewed by the SFC and may contain information of funds not authorised by the SFC.)

As part of its strategy to integrate ESG investment considerations, the Investment Manager employs a proprietary toolkit which involves ESG materiality mapping and scoring for individual companies and debt securities and factors ESG considerations into the Investment Manager’s assessment of the individual companies and debt securities. As part of the proprietary toolkit, the Investment Manager (i) utilizes third-party research as part of its investment due diligence process on these companies and debt securities (i.e. such as tracking the carbon footprint of the Portfolio) and (ii) conducts proprietary research, including monitoring the social and labour practices of all companies the Portfolio invests for satisfaction of ESG factors.

The Portfolio may invest in, or be exposed to, the following asset classes up to the percentages of its net asset value indicated:

- debt securities which are unrated or rated below Investment Grade¹: 50%
- structured products such as asset- and mortgage-backed securities (ABSs and MBSs): 20%

The Portfolio may also invest less than 30% of its net asset value in debt instruments with loss-absorption features as defined by the SFC, including, but not limited to, contingent convertible securities, other Tier 1 and Tier 2 capital instruments and senior non-preferred debts. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger events.

The Portfolio may invest more than 10% and up to 35% of its net asset value in debt securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority) which is below Investment Grade¹ (e.g. Sri Lanka). Such investments are based on the professional judgment of the Investment Manager whose reasons for investment may include a favorable/ positive outlook on the sovereign issuer, potential for ratings upgrade and the expected changes in the value of such investments due to the rating changes. Please note that the ratings of sovereign issuers may change from time to time and the abovementioned sovereign is named only for reference and is subject to change as its rating changes.

The Portfolio’s exposure to ESG bond structures³ is at least 15% of its net asset value. The Portfolio may utilise all bond markets where these debt securities are traded including Bond Connect (provided that the exposure to Bond Connect will be less than 30% of the Portfolio’s net asset value).

The Portfolio’s investments may include convertible securities and exchange traded funds (ETFs). The Portfolio’s exposure to USD is at least 90% of its net asset value.

The Portfolio uses derivatives for hedging (reducing risks), efficient portfolio management and other investment purposes.

Under exceptional circumstances (e.g. market crash or major crisis), the Portfolio may be invested temporarily up to 100% of its net asset value in cash, cash equivalents (such as bank deposits, certificate of deposits, commercial paper and treasury bills)



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and high quality short-term securities for cash flow management. To the extent the Portfolio invests defensively, it may not be pursuing its objective.

¹ Investment Grade securities means debt securities rated at or above BBB- by Standard and Poor's, Baa3 by Moody's and/or BBB- by Fitch or the equivalent by one NRSROs or, for Chinese bonds, the corresponding rating by a China rating agency. Unrated securities will be considered when the Investment Manager believes the financial condition of the issuer or the protections inherent in the securities themselves limit the risk to a degree comparable to that of rated securities that are consistent with the Portfolio's objectives and policies. For the purposes of the Portfolio, "unrated securities" are defined as securities which do not have a credit rating, regardless of whether their issuers have a credit rating. The above limit applies to debt securities which are rated below Investment Grade as well as unrated securities which are considered by the Investment Manager as comparable to below Investment Grade.

² Companies which offer products, services or solutions in terms of global health, human development, susceptibility to natural disasters, sustainability and reduction of emissions, or issuers that promote equality, citizen freedoms, fundamental rights, government functions, law and order, and against corruption.

³ ESG bond structures are debt issued by both corporate and sovereign issuers that is designed to encourage sustainability through the use of proceeds or an imbedded sustainability target, in particular environmental-related initiatives. ESG bond structures include green bonds, sustainability bonds, blue bonds and target-based debt linked to key performance indicators or sustainability.

Use of derivatives / Investment in derivatives

The Portfolio's net derivative exposure may be up to 50% of the Portfolio's net asset value.

What are the key risks?

Investment involves risks. Please refer to the offering document for details including the risk factors.

1. General Investment Risk

The Portfolio's investment may fall in value due to any of the key risk factors below and therefore your investment in the Portfolio may suffer losses. There is no guarantee of the repayment of principal.

2. Debt Securities Risk

- Credit / Counterparty Risk

The Portfolio is exposed to the credit/default risk of issuers of the debt securities that the Portfolio may invest in.

- Interest Rates Risk

The Portfolio invests in debt securities where its value will generally vary inversely with changes in interest rates and may affect the net asset value of the Portfolio. As interest rates rise, debt securities prices generally fall and vice versa. Prices of longer-term securities tend to rise and fall more than short-term securities.

- Volatility and Liquidity Risk

The debt securities in Emerging Markets that are less developed may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Portfolio may incur significant trading costs.

- Downgrading Risk

The Portfolio will invest in debt securities (including bonds). An issuer of such debt securities may experience an adverse change in its financial condition which may in turn result in a downgrading in the credit rating to such issuer and debt securities issued by such issuer. Credit ratings of debt securities reflect the issuer's ability to make timely payments of interest or principal—the lower the rating, the higher the risk of default. The adverse change in financial condition or decrease in credit rating(s) of issuer and debt securities may result in increased volatility in, and adverse impact on, the price of the relevant debt security and negatively affect liquidity, making any such debt security more difficult to sell. The value of the Portfolio may be adversely affected. The Investment Manager may not be able to dispose the debt securities that are being downgraded.

- Risk Associated with Debt Securities Rated Below Investment Grade or Unrated

The Portfolio will invest in high yield, high risk debt securities (including bonds) that are rated in the lower rating categories (i.e. below Investment Grade) or which are unrated. Debt securities below Investment Grade and unrated are considered to be subject to higher volatility and 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. The market for lower-rated securities may be thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. As a result the Portfolio, and thus the investors of the Portfolio, may suffer losses.

- **Valuation Risk**

Valuation of the Portfolio's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Portfolio.

- **Credit Rating Risk**

Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

- **Credit Rating Agency Risk**

The credit appraisal system in the mainland China and the rating methodologies employed in the mainland China may be different from those employed in other markets. Credit ratings given by mainland Chinese rating agencies may therefore not be directly comparable with those given by other international rating agencies.

3. ESG Investment Policy Risk

The use of ESG criteria may affect the Portfolio's investment performance and, as such, the Portfolio may perform differently compared to similar funds that do not use such criteria. ESG-based criteria used in the Portfolio's investment policy may result in the Portfolio forgoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities due to their ESG characteristics when it might be disadvantageous to do so. As such, the application of ESG-based criteria may restrict the ability of the Portfolio to acquire or dispose of its investments at a price and time that it wishes to do so, and may therefore result in a loss to the Portfolio. The use of ESG criteria may also result in the Portfolio being concentrated in companies with ESG focus and its value may be more volatile than that of a fund having a more diverse portfolio of investments.

There is a lack of standardised taxonomy of ESG evaluation methodology and the way in which different ESG funds will apply ESG criteria may vary. Evaluation of a company's ESG scoring using the Investment Manager's proprietary toolkit involves the Investment Manager's subjective judgment. In addition, in its assessment, the Investment Manager is dependent upon information and data from third party ESG providers, which may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Investment Manager may incorrectly assess a security or issuer. There is also a risk that the Investment Manager may not apply the relevant ESG criteria correctly or that the Portfolio could have indirect exposure to issuers who do not meet the relevant ESG criteria used by the Portfolio.

4. Emerging Markets Risk

The Portfolio will invest in Emerging Markets, which are subject to higher risks (for example, liquidity risk, currency risk, political risk, regulatory risk, economic risk, legal and taxation risk, settlement risk and custody risk) and higher volatility than developed markets. Fluctuations in currency exchange rates may negatively affect the value of an investment or reduce returns - these risks are magnified in Emerging Markets.

5. Concentration Risk

The Portfolio's investments are concentrated in debt securities in specific industry sectors, instruments or geographical locations. The value of the Portfolio may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Portfolio may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the market.

6. Currency Risk

Underlying investments may be denominated in one or more currencies different from the Portfolio's base currency. Also, a class of shares may be designated in a currency other than the base currency of the Portfolio. This means changes in exchange rate controls, currency movements in such underlying investments and fluctuations in the exchange rates between these currencies and the base currency may significantly and unfavorably affect the net asset value of the Portfolio's shares.

7. Risk Relating to Renminbi ("RMB") Class(es)

RMB is currently not freely convertible and is subject to exchange controls and restrictions.



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Sustainable Income Portfolio

Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Portfolio.

Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

8. Risks Associated with Payment of Dividends out of Capital

The Board has the sole and absolute discretion to amend the dividend policy, subject to the SFC's prior approval (if required) and by giving no less than one month's prior notice to investors. Dividend yield is not indicative of return of the Portfolio. Dividends may be paid from capital or effectively out of the capital of the Portfolio at the discretion of the Board, which may amount to a partial return or withdrawal of an investor's original investment or from any capital gains attributable to that original investment, and result in an immediate decrease of the net asset value per Share. The distribution amount and net asset value of the currency hedged share classes may be adversely affected by differences in the interest rates of the reference currency of the currency hedged share classes and the Portfolio's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged share classes.

9. Risk in Investing in Financial Derivative Instruments

Risks in investing with financial derivative instruments include counterparty / credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element / component of a financial derivative instrument can result in a loss significantly greater than the amount invested in the financial derivative instrument by the Portfolio. Exposure to financial derivative instrument may lead to a high risk of significant loss by the Portfolio.

How has the Portfolio performed?

Past performance is not shown as the Portfolio is newly set up for less than a full calendar year and there is insufficient data available to provide a useful indication of past performance to investors.

Portfolio launch year: 2021

Is there any guarantee?

This Portfolio does not have any guarantees. You may not get back the amount of money you invest.

What are the fees and charges?

(Different fee structures apply to different classes of shares. Investors should refer to the offering document of the Fund for details.)

Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the Portfolio:

Fee	What you pay
Subscription fee (Initial Sales Charge)	Classes AA (and corresponding H Shares), A2 and AT Shares: up to 5% of the purchase price Classes I2, IT and IA Shares: up to 1.50% of the purchase price
Switching fee ⁺	Not Applicable
Redemption fee	Not Applicable
Contingent Deferred Sales Charge	Not Applicable

⁺Any additional fees charged by distributors may still apply.



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Ongoing fees payable by the fund

The following expenses will be paid out of the Portfolio. They affect you because they reduce the return you get on your investments.

Fee

What you pay

Management fee*	Classes AA (and corresponding H Shares), A2 and AT Shares: 1.10% Classes I2, IT and IA Shares: 0.55%
Depository fee* Administration fee payable to the Administrator* Transfer Agent fee*	Up to 1.00%
Performance fee	Not Applicable
Distribution fee	Not Applicable
Administration fee payable to the Management Company*	All Share Classes (and corresponding H Shares): 0.05%

*Percentage per annum of net asset value

Other fees

You may have to pay other fees when dealing in the shares of the Portfolio.

Additional Information

- You may generally buy and redeem shares at the Portfolio's next-determined Net Asset Value plus any applicable charges after the Management Company receives your request in good order on or before 6:00 P.M. Central European Time on each Business Day (business day of both New York Stock Exchange and Luxembourg banks) such time being the order cut-off time. Investors should note that, for applications sent through a Hong Kong distributor, such distributor may have an earlier cut-off time.
- The Net Asset Value of the Portfolio is calculated on each Business Day and will be available on the following website www.alliancebernstein.com.hk or alternatively, you may contact AllianceBernstein Hong Kong Limited (as the Hong Kong Representative of the Fund) at +852 2918 7888.
- The compositions of the dividends (i.e., the relative amounts paid out of (i) net distributable income and (ii) capital) for the most recent 12 months can be obtained from the Investment Manager and the Hong Kong Representative on request. The compositions of the dividends will also be available at: www.alliancebernstein.com.hk.

Important

If you are in doubt, you should seek professional advice. The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

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