

PRODUCT KEY FACTS

AB (HK) Low Volatility Equity Portfolio
a sub-fund of AB (HK) Unit Trust Series



ALLIANCEBERNSTEIN®

April 2022

AllianceBernstein Hong Kong Limited

- *This statement provides you with key information about AB (HK) Low Volatility Equity Portfolio (the “Sub-Fund”).*
- *This statement is a part of the offering document and must be read in conjunction with the Explanatory Memorandum of the Sub-Fund.*
- *You should not invest in this product based on this statement alone.*

Quick facts

Manager:	AllianceBernstein Hong Kong Limited
Trustee:	State Street Trust (HK) Limited
Dealing frequency:	Daily
Base currency:	USD
Dividend policy:	<p>(i) <u>For Class AD Units (and corresponding H Units):</u> Aims to declare and pay monthly distributions with a stable distribution rate. Distributions may come from gross income* (before deduction of fees and expenses) and capital attributable to each class.</p> <p>* The Manager may in its discretion pay dividends out of gross income while paying all or part of the class' fees and expenses out of the capital, resulting in an increase in distributable income for the payment of dividends and therefore, dividends may be paid effectively out of capital.</p> <p>(ii) <u>For Class A Units (and corresponding H Units):</u> None</p>

Ongoing charges over a year:

Class AD USD Units: 1.95%*
 Class A USD Units: 1.95%*
 Class AD HKD Units: 1.95%*
 Class A HKD Units: 1.95%*
 Class AD AUD H Units: 1.95%*
 Class A AUD H Units: 1.95%*
 Class AD EUR H Units: 1.95%*
 Class A EUR H Units: 1.95%*
 Class AD GBP H Units: 1.95%*
 Class A GBP H Units: 1.95%*
 Class AD RMB H Units: 1.95%*
 Class A RMB H Units: 1.95%*

Financial year end of this Sub-Fund:

31 August

Min. investment:

Class AD and A Units
(and corresponding H Units)

Initial

USD2,000 HKD15,000
 AUD2,000 EUR2,000
 GBP2,000 RMB10,000

Additional

USD750 HKD5,000
 AUD750 EUR750
 GBP750 RMB4,000

* The ongoing charges figure of this class is an estimated figure. The ongoing charges of this class have been capped at this figure and, accordingly, the excess over such figure as at the fiscal year end of AB (HK) Unit Trust Series will be borne by the Manager.

What is this product?

The Sub-Fund is a sub-fund of AB (HK) Unit Trust Series, which is a unit trust established as an umbrella fund under the laws of Hong Kong. The Sub-Fund is a feeder fund authorised under Chapter 7 of the Code on Unit Trusts and Mutual Funds that invest 90% or more of its total net asset value in the underlying scheme (as defined below).

Objective and Investment Strategy

Objective

The investment objective of the Sub-Fund is to increase the value of an investor's investment over time through capital growth.

Strategy

The Sub-Fund

The Sub-Fund is a feeder fund which, in seeking to achieve its investment objective, invests 90% or more of its total net asset value in the Low Volatility Equity Portfolio ("**underlying scheme**"), a portfolio under AB SICAV I, an open-ended investment company with variable capital (*société d'investissement à capital variable*) that is qualified as a UCITS, incorporated under the laws of Luxembourg and authorised by the SFC.

The Sub-Fund may also invest up to 10% of its net asset value on an ancillary basis in money market instruments, cash and cash equivalents for cash management purposes. The Sub-Fund use derivatives (such as futures, options and/or forward contracts) for hedging purposes.

The underlying scheme

In actively managing the underlying scheme, the investment manager of the underlying scheme uses fundamental research and a proprietary quantitative risk/return model to select securities that appear to be high quality, to have low volatility and reasonable valuations and to offer attractive shareholder returns (bottom-up approach).

Under normal market conditions, the underlying scheme typically invests in equity securities of companies that are organised, have substantial business activities in developed countries as well as emerging markets (i.e. any country not defined as "high income" by the World Bank, or as otherwise determined by the investment manager of the underlying scheme which includes the subcategory of frontier markets), that the investment manager of the underlying scheme believes have lower volatility. These companies may be of any market capitalisation and industry. The underlying scheme's equity investments may include convertible securities, depositary receipts and exchange traded funds (ETFs).

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

The underlying scheme may invest not more than 10% 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. Such investments are based on professional judgment of the investment manager of the underlying scheme whose reasons for investment may include a favorable / positive outlook on the sovereign issuer, potential for rating upgrade and the expected change in the value of such investments due to rating changes. Please note 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.

Under exceptional circumstances (e.g. market crash or major crisis), the underlying scheme may be invested temporarily up to 100% in cash, cash equivalents (such as bank deposits, certificates of deposit, commercial paper and treasury bills) and high quality short-term securities for cash flow management. To the extent the underlying scheme invests defensively, it may not be pursuing its objective.

¹ Investment Grade securities (as defined in the offering document of the underlying scheme) 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 nationally recognised statistical rating organisation or, for Chinese bonds, the corresponding rating by a China rating agency.

Use of Derivatives / Investment in Derivatives

The Sub-Fund's net derivative exposure may be up to 50% of its net asset value.

What are the key risks?

Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors.

1. General Investment Risk

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

2. Risks of Investing in Underlying Scheme

The Sub-Fund invests substantially in the underlying scheme, and may therefore be subject to the risks associated with the underlying scheme.

The performance of the Sub-Fund may deviate from the performance of the underlying scheme due to the Sub-Fund's holdings in investments other than the underlying scheme, as well as the Sub-Fund's fees and expenses.

In addition to the expenses and charges charged by the Sub-Fund, investor should note that there may be additional fees involved when investing into the underlying scheme, such as fees and expenses charged by the service providers of the underlying scheme.

Furthermore, there can be no assurance that the liquidity of the underlying scheme will always be sufficient to meet redemption request as and when made. The Sub-Fund and its unitholders may be adversely affected by the suspension of dealing in the underlying scheme. In these circumstances, the Sub-Fund's request for redemption from the underlying scheme may be delayed. Consequently, the Sub-Fund may experience difficulties and/or delays in satisfying redemption requests from the unitholders.

The Sub-Fund does not have control of the investments of the underlying scheme and there is no assurance that the underlying scheme's investment objectives and strategies will be successfully achieved. These factors may have adverse impact on the Sub-Fund and its investors.

3. Risk Relating to RMB Class(es)

RMB is currently not freely convertible and is subject to exchange controls and restrictions. There can be no assurance that RMB will not be subject to devaluation. Any devaluation of RMB could adversely affect the value of investors' investments in the RMB class(es) of the Sub-Fund. When calculating the value of the RMB class(es), offshore RMB in Hong Kong ("CNH") will be used. The CNH rate may be at a premium or discount to the exchange rate for onshore RMB in China ("CNY") and there may be significant bid and offer spreads. While CNH and CNY represent the same currency, they are traded in different and separate markets which operate independently. As such, CNH does not necessarily have the same exchange rate and may not move in the same direction as CNY.

Non-RMB based (e.g. Hong Kong) investors may have to convert HKD or other currencies into RMB when investing in the RMB class(es). Subsequently, investors may also have to convert the RMB redemption proceeds (received when selling the units) and RMB distributions received (if any) back to HKD or other currencies. During these processes, investors will incur currency conversion costs and may suffer losses in the event that RMB depreciates against HKD or such other currencies upon receipt of the RMB redemption proceeds and/or RMB distributions (if any). 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.

4. Risk Relating to Hedged RMB Class(es)

For hedged RMB class(es), investors have to bear the associated hedging costs which may be significant depending on prevailing market conditions, which will be reflected in the net asset value of the relevant

class(es). If the counterparties of the instruments used for hedging purpose default, investors of the hedged RMB class(es) may be exposed to RMB currency exchange risk on an unhedged basis and may therefore suffer further losses. There is no guarantee that the hedging strategy will be effective in which case investors may be subject to the following risks of investing in RMB class(es) on an unhedged basis: since the unit prices of RMB class(es) are denominated in RMB, but the Sub-Fund will have limited RMB-denominated underlying investments and its base currency is USD, so even if the prices of underlying investments and/or value of the base currency rise or remain stable, investors may still incur losses if RMB appreciates against the currencies of the underlying investments and/or the base currency more than the increase in the value of the underlying investments and/or the base currency.

Furthermore, under the scenario where RMB appreciates against the currencies of the underlying investments and/or the base currency of the Sub-Fund (i.e. USD), and the value of the underlying investments decreased, the value of investors' investments in RMB class(es) may suffer additional losses.

While the hedging strategy may protect investors against a decline in the value of the Sub-Fund's base currency and/or other currencies of the non-RMB denominated underlying investments relative to RMB, on the other hand, it will limit the hedged RMB class(es) from benefiting from any potential gain resulting from the appreciation of the base currency/other currencies of the non-RMB denominated underlying investments against RMB.

5. Risks Associated with Payment of Dividends out of Capital

The Manager 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 Sub-Fund. Dividends may be paid effectively out of the capital of the Sub-Fund at the discretion of the Manager, 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 of the relevant units. The distribution amount and net asset value of the currency hedged unit classes may be adversely affected by differences in the interest rates of the class currency of the currency hedged unit classes and the Sub-Fund'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 unit classes.

Risks relating to the Underlying Investments of the Underlying Scheme

Given the Sub-Fund invests substantially in the underlying scheme as a feeder fund, the Sub-Fund may also be subject to the risks associated with the underlying scheme's investments.

6. Equities Securities Risk

The underlying scheme's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

7. Concentration Risk

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

8. Emerging Markets Risks

The underlying scheme may 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.

9. Smaller Capitalisation Companies Risk

Small- and mid-cap stocks may have lower liquidity and their prices are more volatile to adverse economic developments than large-cap stocks – smaller companies generally face higher risks due to their limited product lines, markets and financial resources.

10. Currency Risk

Underlying investments of the underlying scheme may be denominated in one or more currencies different from the base currency of the underlying scheme. 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 underlying scheme or the Sub-Fund.

11. 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 underlying scheme or the Sub-Fund. Exposure to financial derivative instrument may lead to a high risk of significant loss by the Sub-Fund and the underlying scheme.

How has the fund performed?

As the Sub-Fund is newly launched, there is insufficient data to provide a useful indication of past performance to investors.

Is there any guarantee?

This Sub-Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the units of the Sub-Fund.

Fee

Subscription Charge
(% of Issue Price)

What you pay

All Classes: up to 5.00%

Exchange Fee*

(% of the total amount being exchanged)

All Classes: Nil ^(Note 1)

Redemption Charge

(% of redemption amount)

Not applicable

* Any additional fees charged by distributors may still apply.

Ongoing fees payable by the Sub-Fund

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

	The Sub-Fund	The underlying scheme	Aggregate fees ^(Note 2)
Management Fee	All Classes: 1.50% p.a. of net asset value ^(Note 1)	Class SD shares: Nil	All Classes: 1.50% p.a. of net asset value
Trustee Fee	All Classes: 0.035% p.a. of net asset value ^(Note 1)	Not applicable	All Classes: 0.035% p.a. of net asset value

AB (HK) Unit Trust Series - AB (HK) Low Volatility Equity Portfolio

Administration Fee	All Classes: Up to 1% p.a. of net asset value	Class SD shares: Up to 1.00% p.a. of net asset value of the underlying scheme	Please refer to Note 2
Custodian / Depositary Fee	Included in Trustee Fee		Please refer to Note 2
Registrar / Transfer Agent Fee	Up to 0.50% p.a. of net asset value		Please refer to Note 2
Administration Fee payable to the management company	Not applicable	Class SD shares: Lesser of US\$50,000 or 0.01% p.a. of average daily net asset value	Please refer to Note 2
Performance Fee	Not applicable	Not applicable	Not applicable

Note 1: You should note that the current rate of exchange fee, management fee and trustee fee may be increased, up to a specified permitted maximum, by giving unitholders at least one month's prior notice. For details please refer to the sections headed "Exchange" and "Fees and Expenses" in the Explanatory Memorandum.

Note 2: For as long as the Sub-Fund is a feeder fund of the underlying scheme, the Manager has voluntarily undertaken that, in any fiscal year, the aggregate fees and expenses with respect to a class of the Sub-Fund (including any management fee, trustee fee and all other fees and expenses but exclusive of certain other taxes, brokerage or other transactional cost and interest on borrowings) shall not exceed the aggregate of (i) 1.80% p.a. of the net asset value for the fiscal year and (ii) the fees and expenses attributable to class SD shares of the underlying scheme (which is subject to a cap of 0.15% p.a. of the average net asset value for the fiscal year attributable to such share class), i.e. 1.95% p.a. in aggregate (the "Cap"). In the event that the fees and expenses with respect to a class of the Sub-Fund exceed the Cap, the Sub-Fund may deduct from the payment to be made to the Manager, or the Manager will otherwise bear, such excess fees and expenses. If the actual aggregate fees and expenses with respect to a class of the Sub-Fund are below or equal to the Cap, the actual aggregate fees and expenses will be charged and borne by the relevant class.

Other fees

You may have to pay other fees and charges when dealing in the units of the Sub-Fund.

Additional Information

- You may generally buy and redeem units at the Sub-Fund's issue price and realisation price after the registrar (through the authorised distributors) receives your request in good order on or before 5:00 p.m. (Hong Kong time) on the business day immediately preceding the relevant dealing day, being the dealing cut-off time. The distributors may impose an earlier cut-off time before the dealing deadline for receiving instructions for subscriptions or redemptions. Investors should confirm the arrangements with the distributors concerned.
- The issue price and realisation price of the Sub-Fund are calculated and published on each dealing day on the Manager's website www.alliancebernstein.com.hk or alternatively, you may contact the Manager at +852 2918 7888. This website is not reviewed or authorised by the SFC.
- The following information can be obtained from the Manager on request:
 - the composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months. The composition of 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.