



ALLIANCEBERNSTEIN®

# PRODUCT KEY FACTS

AB SICAV I

AllianceBernstein (Luxembourg) S.à r.l.

China A Shares Equity 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.*

This Portfolio invests in mainland China via the Shanghai-Hong Kong Stock Connect Scheme (the “Shanghai Connect”), the Shenzhen-Hong Kong Stock Connect Scheme (the “Shenzhen Connect”, collectively with the Shanghai Connect, the “China Connect Scheme”), Renminbi Qualified Foreign Institutional Investor (“RQFII”) regime and the Qualified Foreign Institutional Investor (“QFII”) regime.

## Quick facts

Management Company:	AllianceBernstein (Luxembourg) S.à r.l.	
Investment Manager:	AllianceBernstein L.P. (internal delegation, U.S. Delaware)	
Investment Manager’s Delegates:	AllianceBernstein Hong Kong Limited (internal delegation, Hong Kong) AllianceBernstein Australia Limited (internal delegation, Australia) AllianceBernstein (Singapore) Ltd. (internal delegation, Singapore)	
QFII Holder:	AllianceBernstein Limited	
Depositary:	Brown Brothers Harriman (Luxembourg) S.C.A.	
QFII Custodian:	HSBC Bank (China) Company Limited	
Dealing frequency:	Daily	
Base currency:	CNH	
Dividend policy:	(i) For Class AD Shares (and corresponding H 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 (ii) For Classes A and I Shares (and corresponding H Shares): None	
Financial year end of this Portfolio:	31 May	
Ongoing charges over a fiscal year:	Classes A and AD Shares (and corresponding H Shares) <sup>□</sup>	Classes A EUR H, A GBP H, AD EUR H, AD AUD H, AD CAD H, AD GBP H and AD NZD H Shares
	1.99% <sup>▲</sup>	1.99% <sup>Δ</sup>
	Class I Shares (and corresponding H Shares) <sup>□</sup>	Classes I EUR H and I GBP H Shares
	1.19% <sup>▲</sup>	1.19% <sup>Δ</sup>
Min. investment*:	Initial	Additional
Classes A and AD Shares (and corresponding H Shares)	CNH10,000   USD2,000   HKD15,000 EUR2,000   AUD2,000   CAD2,000 GBP2,000   NZD3,000   SGD3,000	CNH3,750   USD750   HKD5,000 EUR750   AUD750   CAD750 GBP750   NZD1,000   SGD1,000
Class I Shares (and corresponding H Shares)	CNH5 million   EUR1 million GBP500,000   USD1 million	None

<sup>□</sup> Unless otherwise specified.

<sup>▲</sup> 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.

<sup>Δ</sup> The ongoing charges figure of this share class is an estimated figure. 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 will be 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.



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## What is this product?

The China A Shares Equity 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 Portfolio’s investment objective is to increase the value of your investment over time through capital growth.

### Strategy

In actively managing the Portfolio, the Investment Manager uses fundamental and quantitative research to select securities that appear to offer attractive shareholder returns (bottom-up approach).

Under normal market conditions, the Portfolio typically invests in equity securities of companies that are incorporated in China and are traded on the China A-shares market. These companies may be of any market capitalisation and industry. The Portfolio’s investments may include convertible securities, depositary receipts, real estate investment trusts (REITs) and exchange traded funds (ETFs).

The Portfolio will invest at least 70% of its net asset value in China A-shares through one or more capital markets regimes providing access to China, including the China Connect Scheme, the RQFII regime and the QFII regime. Currently, it is intended that the Portfolio may invest via the QFII regime and the China Connect Scheme for up to 100% of its net asset value, while the Portfolio’s investment via the RQFII regime is intended to be up to 30% of its net asset value.

The Portfolio may also invest up to 10% of its net asset value in China B shares and below 10% of its net asset value in equity securities of Chinese companies traded in Hong Kong or other offshore markets. With respect to such equity securities that are not China A-shares, the Portfolio may obtain investment exposure by purchasing such securities directly or through financial derivative instruments or structured products (e.g. participatory notes, provided that the exposure to structured products shall be limited to 20% of its net asset value).

The Portfolio’s expected exposure to onshore RMB is 100% 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% 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 Portfolio invests defensively, it may not be pursuing its objective.

## 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. Equities Securities Risk

The Portfolio’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.

### 3. Risks Associated with Investment made Through QFII / RQFII Regime

The 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 mainland China, which are subject to change and such change may have potential retrospective effect.



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The Portfolio may suffer substantial losses if the approval of the QFII / RQFII is being revoked/terminated or otherwise invalidated as the Portfolio may be prohibited from trading of relevant securities and repatriation of the Portfolio's monies, or if any of the key operators or parties (including QFII / RQFII 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).

#### **4. China Equities Risk – the China Connect Scheme**

The China Connect Scheme is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in mainland China and Hong Kong. The relevant rules and regulations are subject to change which may have potential retrospective effect. There can be no assurance that an active trading market for China A-shares through the China Connect Scheme ("China Connect Securities") will develop or be maintained. If spreads for China Connect Securities are wide, this may adversely affect the Portfolio's ability to dispose of China Connect Securities at the desired price. If the Portfolio needs to sell China Connect Securities at a time when no active market for them exists, the price it receives for its China Connect Securities - assuming it is able to sell them - is likely to be lower than the price received if an active market did exist.

Trading under the China Connect Scheme will be subject to a daily quota which may restrict the Portfolio's ability to invest in China Connect Securities through the China Connect Scheme on a timely basis. Where a suspension in the trading through the China Connect Scheme is effected, the Portfolio's ability to invest in China A-shares through the China Connect Scheme will be adversely affected. In such event, the Portfolio's ability to achieve its investment objective could be negatively affected.

#### **5. Concentration Risk**

The Portfolio's investments are concentrated in equity securities of companies incorporated in mainland China and that are traded on the China A-share equity markets. 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. RMB Currency Risk**

RMB is currently not a freely convertible currency and is subject to foreign exchange control imposed by the Chinese government, the Portfolio may be adversely affected by delays in converting other currencies into RMB and vice versa and at times when there are unfavourable market conditions.

There is no assurance that the RMB will not be subject to devaluation. Any devaluation could adversely affect the value of investors' investments in the Portfolio. Investors whose base currency is not the same as the share class currency will be adversely affected by conversion between their base currency and the share class currency during subscription and redemption in the relevant share classes. Where an investor subscribes for non-RMB-denominated share classes, the Investment Manager may convert all or part of such subscriptions into RMB prior to investment at the applicable exchange rate and hence, is subject to foreign exchange risk. Currency conversion is also subject to availability of RMB at the relevant time (i.e. it is possible that there is not sufficient RMB for currency conversion in case of sizeable subscriptions in non-RMB-denominated classes of shares), this may affect the investors' investment in the Portfolio. The Chinese government imposes policies on exchange control and repatriation of RMB out of mainland China. Such restrictions may limit the depth of the offshore RMB market outside of mainland China and reduce the liquidity of the Portfolio.

While both onshore RMB (i.e. CNY) and offshore RMB (i.e. CNH) are the same currency, they are traded in different and separate markets. As current regulation has kept onshore and offshore separate, the respective supply and demand conditions lead to separate market clearing exchange rates. Any divergences between CNH and CNY may adversely impact investors who intend to gain exposure to CNY through investment in the Portfolio.

The Investment Manager may sell the Portfolio's investment denominated in RMB and/or convert RMB into non-RMB currency at the applicable exchange rate for payment of redemption proceeds and/or dividends to investors of non-RMB share classes. Investors may therefore incur currency conversion costs and may suffer losses depending on the exchange rate movements of RMB relative to such non-RMB currency.

In calculating the value of non-RMB denominated or settled assets and the prices of shares of non-RMB share classes, the Investment Manager will normally apply the CNH exchange rate (i.e. the exchange rate for the offshore RMB market in China). The CNH rate may be at a premium or discount to the exchange rate for the onshore RMB market in China (i.e. the



CNY exchange rate) and there may be significant bid and offer spreads. The value of the Portfolio will thus be subject to fluctuation.

**7. Emerging Markets Risk**

The Portfolio will invest in Emerging Markets (i.e. any country not defined as “high income” by the World Bank, or as otherwise determined by the Investment Manager which includes the subcategory of frontier 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.

**8. PRC Tax Risk**

There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realised via QFII/ RQFII regime or China Connect Scheme or access products on the Portfolio’s investments in the PRC (which may have retrospective effect). Any increased tax liabilities on the Portfolio may adversely affect the Portfolio’s value.

Based on professional and independent tax advice, the Portfolio will make the following tax provisions (i.e. 10% withholding income tax with respect to dividends received from China A-shares via QFII / RQFII regime or China Connect Scheme).

Any shortfall between the provision and the actual tax liabilities, which will be debited from the Portfolio’s assets, will adversely affect the Portfolio’s net asset value. The actual tax liabilities may be lower than the tax provision made. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

**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. 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.

**11. 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.

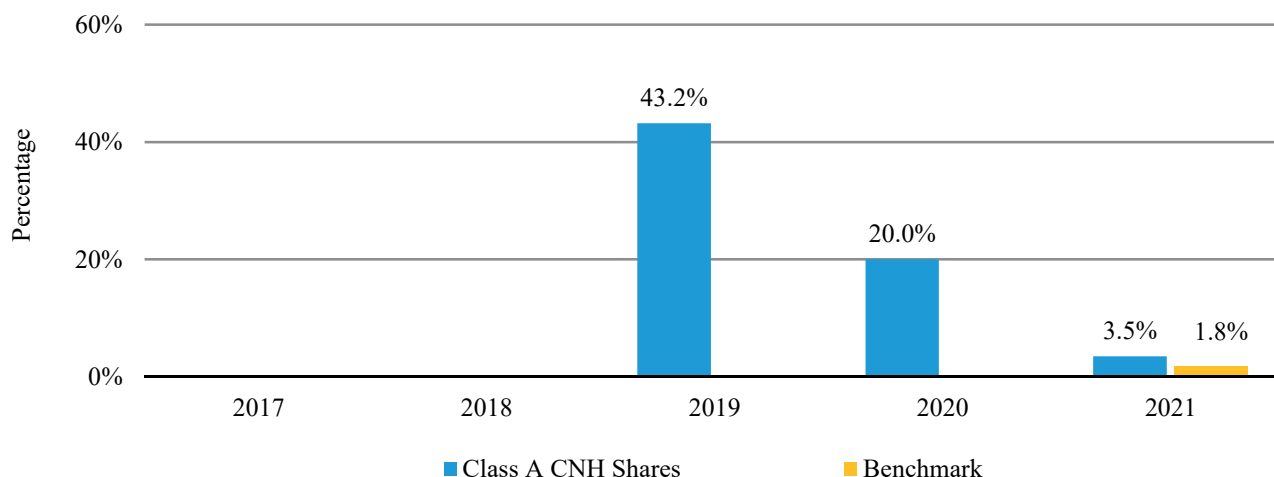


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## How has the Portfolio performed?

The bar chart below shows the past performance of Class A CNH Shares, which has been designated as the representative share class by the Management Company as it is a focus share class made available to Hong Kong investors.



Portfolio launch year: 2018

Class A CNH Share launch year: 2018

- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much Class A CNH Shares have increased or decreased in value during the calendar year being shown.
- Performance data has been calculated in CNH including ongoing charges and excluding any subscription fee and redemption fee you might have to pay. Where no past performance is shown there was insufficient data available in that year to provide performance.
- With effect from 4 May 2020, the benchmark of the Portfolio is MSCI China A Onshore Index CNH.

## 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 A and AD Shares (and corresponding H Shares): up to 5% of the purchase price
	Class I Shares (and corresponding H Shares): up to 1.50% of the purchase price
	Not applicable to other Share Classes
Switching fee <sup>†</sup>	Not Applicable
Redemption fee	Not Applicable
Contingent Deferred Sales Charge	Not Applicable

<sup>†</sup>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 A and AD Shares (and corresponding H Shares): 1.70% Class I Shares (and corresponding H Shares): 0.90%
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 11:00 A.M. Central European Time on each Business Day (business day of banks in Luxembourg, Hong Kong, Shanghai and Shenzhen), 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](http://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.
- Investors may obtain the past performance information of other share classes offered to Hong Kong investors from [www.alliancebernstein.com.hk](http://www.alliancebernstein.com.hk).
- 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](http://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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