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# PRODUCT KEY FACTS

AB FCP I

AllianceBernstein (Luxembourg) S.à r.l.

European Income Portfolio

April 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)
Investment Manager's Delegate:	AllianceBernstein Limited (internal delegation, United Kingdom)
Depository:	Brown Brothers Harriman (Luxembourg) S.C.A.
Dealing frequency:	Daily
Base currency:	Euro

Dividend policy:	<p>(i) For Classes A, B and C Shares: Aims to declare daily and pay monthly or be reinvested as elected by investor*</p> <p>(ii) For Classes AA, AT, BA, BT, IT and IA Shares (and corresponding H Shares) and Class CT USD H Shares: Aims to declare and pay monthly or be reinvested as elected by investor*</p> <p>*Dividends may be paid out of capital or effectively out of capital and reduce the Portfolio's net asset value</p> <p>(iii) For Classes A2, B2, C2 and I2 Shares (and corresponding H Shares): None</p>
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Financial year end of this Portfolio:	31 August
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Ongoing charges over a fiscal year:	Classes AA, A2 and AT (and corresponding H Shares) <sup>□</sup> and A EUR Shares	Classes A USD, A2 USD and AT USD Shares	Class A2 SGD H Shares
	1.35% <sup>†</sup>	1.26% <sup>†</sup>	1.34% <sup>†</sup>
	Class AT GBP H Shares	Class B Shares	Classes BA and BT Shares (and corresponding H Shares)
	1.41% <sup>Δ</sup>	1.96% <sup>†</sup>	2.05% <sup>†</sup>
	Class B2 EUR Shares	Class B2 USD Shares	
	2.06% <sup>†</sup>	1.94% <sup>†</sup>	
	Classes C2 (and corresponding H Shares) <sup>□</sup> , C EUR and CT USD H Shares	Classes C USD and C2 USD Shares	Classes I2 and IA (and corresponding H Shares) <sup>□</sup> and IT Shares
	1.80% <sup>†</sup>	1.71% <sup>†</sup>	0.80% <sup>†</sup>
	Class I2 USD Shares	Classes IT USD H and IA HKD H Shares	Class IT SGD H Shares
	0.71% <sup>†</sup>	0.81% <sup>†</sup>	0.79% <sup>†</sup>

Min. investment*:	Initial	Additional
Classes A, AA, A2, AT, B*, BA*, B2*, BT*, C and C2 (and corresponding H Shares) and CT USD H Shares	EUR2,000   USD2,000   AUD2,000 GBP 2,000   SGD3,000   HKD15,000 RMB10,000	EUR750   USD750   AUD750 GBP 750   SGD1,000   HKD5,000 RMB3,750



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Classes I2, IT and IA Shares (and corresponding H Shares)	EUR1 million   USD1 million AUD1 million   SGD1.5 million HKD8 million	None
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□ Unless otherwise specified.

† The ongoing charges figure is based on expenses for the year ended 31 August 2021. This figure may vary from year to year. The ongoing charges figure is an annual figure calculated by adding the applicable charges and payments deducted from the assets of the Portfolio and then dividing by the Portfolio's average net asset value for the fiscal year attributable to the relevant share class.

△ 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.

• Classes B, BA, B2 and BT Shares (and corresponding H Shares) are no longer open for subscription by new and existing investors. However, investors may request the exchange of their holdings of Classes B, BA, B2 and BT Shares (and corresponding H Shares) for the same share class of another AB-sponsored Luxembourg-domiciled UCITS fund authorised in Hong Kong for retail distribution or otherwise available through an AB authorised dealer in Hong Kong.

## What is this product?

The European Income Portfolio (the "Portfolio") is a portfolio of AB FCP I (the "Fund"), a mutual investment fund 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 maximise current income while seeking preservation of capital.

### Strategy

The Portfolio invests in a diversified portfolio of Euro- or European currency-denominated investment-grade and non investment grade fixed-income securities of European companies and governments. The Investment Manager will invest at any time at least two-thirds of the Portfolio's net asset value in securities of European companies and governments. The Portfolio may also invest up to one third of its net asset value in Euro- or European currency-denominated fixed-income securities of non-European issuers. 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 net asset value in newly developing markets that are not Investment Grade (as defined in the Prospectus of the Fund to mean 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 internationally recognised statistical ratings organization) rated. The Investment Manager expects that approximately 65% of the Portfolio's net asset value will be invested in Investment Grade fixed-income securities, with approximately 35% in securities rated below Investment Grade. However, if the Investment Manager deems such investments appropriate, the Portfolio may invest up to 50% of its net asset value in securities that are rated below-investment grade.

The Portfolio may 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 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.

The Portfolio is entitled to use financial derivative instruments for hedging, risk management, efficient portfolio management and investment purposes. These financial derivative instruments may include, but are not limited to, swaps, options and currency transactions.

## Use of derivatives / Investment in derivatives

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



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## 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.

- Sovereign Debt Risk

The Portfolio will be exposed to the direct or indirect consequences of political, social and economic changes in various countries by investing in the bonds issued or guaranteed by governmental entities. In adverse situations, these political, social and economic changes in a particular country may affect a particular government's ability or willingness to make or provide for timely payments of its debt obligations or may request the Portfolio to participate in restructuring such debts. The Portfolio may suffer significant losses when there is a default of sovereign debt issuers.

- 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.



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- **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.

**3. Illiquid Assets Risk**

The difficulty of purchasing or selling a security at an advantageous time or price may have a negative impact on the portfolio's performance.

**4. Concentration Risk**

The Portfolio's investments are concentrated in the European market. 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.

**5. 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.

**6. Eurozone Risk**

In light of ongoing concerns over the sovereign debt risk of countries within the Eurozone, the Portfolio's investments in the region may be subject to higher volatility, liquidity, currency and default risk. Any adverse events, such as credit downgrade of a sovereign or exit of EU members from the Eurozone, may have a negative impact on the value of the Portfolio.

**7. 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.

**8. Risks Relating to Renminbi ("RMB") Class(es)**

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

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.

**9. Management Risk**

The Portfolio may be subject to management risk because it is an actively managed investment fund. The Investment Manager will apply its investment techniques and risk analyses in making investment decisions for the Portfolio, but there can be no guarantee that its decisions will produce the desired results.

**10. Risks Associated with Payment of Dividends out of Capital**

The Management Company 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 Management Company, 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



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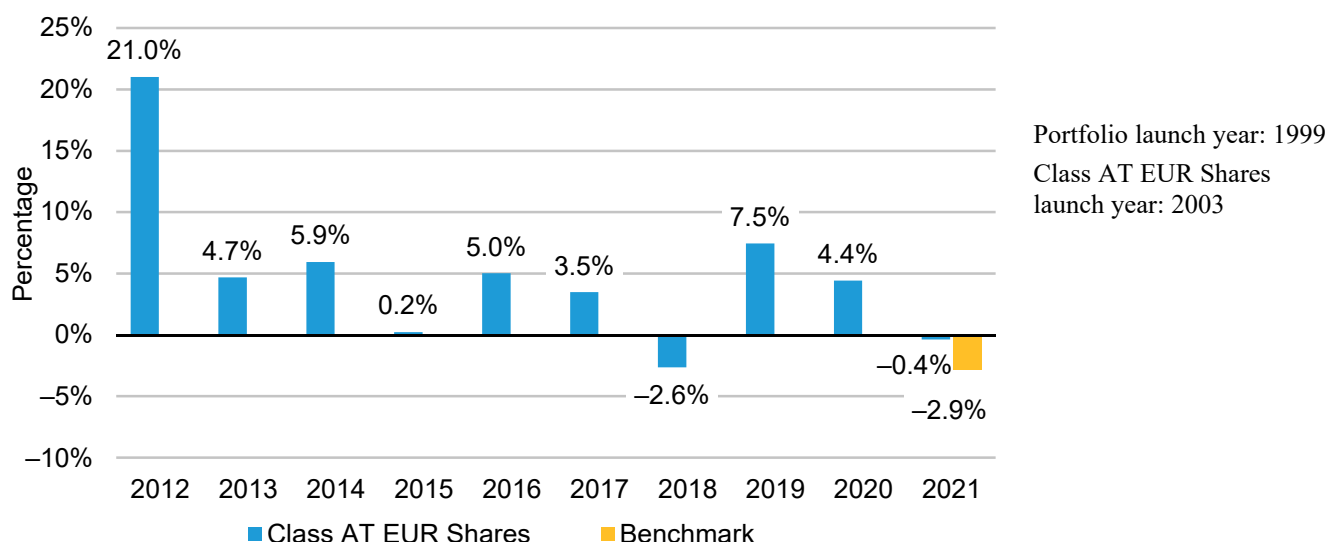
differences in the interest rates of the reference currency of the currency hedged share classes and the Portfolio's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged share classes.

#### 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 Portfolio. Exposure to financial derivative instrument may lead to a high risk of significant loss by the Portfolio.

### How has the Portfolio performed?

The bar chart below shows the past performance of Class AT EUR 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.



- 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 AT EUR Shares have increased or decreased in value during the calendar year being shown.
- Performance data has been calculated in EUR including ongoing charges and excluding any subscription fee and redemption fee you might have to pay.
- With effect from 4 May 2020, the benchmark of the Portfolio is Bloomberg Barclays Euro Aggregate Index.

### 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 structure 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:



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<b>Fee</b>	<b>What you pay</b>
Subscription fee (Initial Sales Charge)	Classes A, AA, A2 and AT Shares (and corresponding H Shares): up to 5% of the purchase price  Classes I2, IT and IA Shares (and corresponding H Shares): up to 1.5% of the purchase price  Not applicable to other Share Classes
Switching fee <sup>+</sup>	Not Applicable
Redemption fee	Not Applicable
Contingent Deferred Sales Charge	Classes B, BA, B2 and BT Shares (and corresponding H Shares): Where applicable up to 3% (depending on years held) of the lesser of the current net asset value or original cost of the Shares being redeemed  Classes C and C2 Shares (and corresponding H Shares) and Class CT USD H Shares: Where applicable up to 1% (depending on years held) of the lesser of the current net asset value or original cost of the Shares being redeemed  Not applicable to other Share Classes

<sup>+</sup> Any additional fees charged by distributors may still apply.

### 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.

<b>Fee</b>	<b>What you pay</b>
Management fee*	Classes A, AA, A2, AT, B, BA, B2 and BT Shares (and corresponding H Shares): 1.10% Classes C and C2 Shares (and corresponding H Shares) and Class CT USD H Shares: 1.55% Classes I2, IT and IA Shares (and corresponding H Shares): 0.55%
Depository fee* Administration fee payable to the Administrator* Transfer Agent fee*	Up to 1.00%
Performance fee	Not Applicable
Distribution fee*	Classes B, BA, B2 and BT Shares (and corresponding H Shares): 0.70% Not applicable to other Share Classes
Administration fee payable to the Management Company*	All Share Classes (and corresponding H Shares): 0.10%

\*Percentage per annum of net asset value

### Other fees

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



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### 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 4:00 P.M. U.S. Eastern Time on each Business Day (business day of both New York Stock Exchange and Luxembourg banks) for Euro-denominated share classes, on or before 1:00 P.M. Central European Time on each Business Day (business day of both New York Stock Exchange and Luxembourg banks) for RMB hedged share classes or 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) for other currency hedged share classes, each 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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