

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice.

AllianceBernstein (Luxembourg) S.à r.l.

Société à responsabilité limitée

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Acting in its own name but on behalf of

AB FCP I

Fonds Commun de Placement

R.C.S. Luxembourg: K217

Notice to Shareholders of

AB FCP I – China Low Volatility Equity Portfolio

AB FCP I – Dynamic Diversified Portfolio

AB FCP I – Japan Strategic Value Portfolio

AB FCP I – Mortgage Income Portfolio

AB FCP I – Short Duration Bond Portfolio

(each a “Portfolio”, collectively, the “Portfolios”)

15 November 2021

Capitalized terms not otherwise defined herein shall have the meaning outlined in the prospectus of AB FCP I dated 15 July 2021 (the “**Prospectus**”) (as amended from time to time).

Dear Valued Shareholders:

The purpose of this letter is to inform you that the board of managers (the “**Board**”) of AllianceBernstein (Luxembourg) S.à r.l., which acts as management company (the “**Management Company**”) of AB FCP I, a *fonds commun de placement* organized under the laws of Luxembourg (the “**Fund**”), has decided to make the following changes:

1) China Trading

Change to the aggregate exposure limit in China A shares of AB FCP I – China Low Volatility Equity Portfolio

The Board has decided to increase the aggregate exposure limit of the Portfolio in China A shares through one or more capital market regimes providing access to China (including the China Connect Scheme, the RQFII quota held by the Management Company or an affiliate, and/or through other schemes as may be launched from time to time as approved by the *Commission de Surveillance du Secteur Financier*) from “less than 30%” of its Net Asset Value to “up to 40%” of its Net Asset Value as of 1 January 2022 (the “**Effective Date**”). For the avoidance of doubt, the Portfolio’s investment objective will not change.

The Board believes that the increased exposure limit to China A shares will provide the Investment Manager with the flexibility to increase the Portfolio’s exposure to listed Chinese securities which will enable the Investment Manager to implement the Portfolio’s investment objective more effectively and efficiently.

Investors should note that, as a result of the increased exposure to China A shares, the Portfolio will be subject to increased level of the existing risks associated with investments in China A shares

through the respective capital market regimes, as set out in the Hong Kong offering documents (“**HKOD**”) and detailed below for easy reference:

- *Risks associated with investment made through a RQFII (the relevant risk factor will be renamed as “Country Risks – China – FII”)* – 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 the PRC, which are subject to change and such change may have potential retrospective effect. The Portfolio may suffer substantial losses if there is insufficient RQFII quota allocated for the Portfolio, the approval of the 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 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).

China equities risk – the China Connect Scheme (the relevant risk factor will be renamed as “Country Risks – China – China Connect”) – 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.

- *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 RQFII quota 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. The Portfolio does not currently have any tax provisions.

Expenses associated with the change and updates to the HKOD of the Fund (including the costs of preparing and printing the revised HKOD, as well as legal fees to the foregoing), which amount to approximately US\$18,000, will be borne by the Portfolio.

Use of Bond Connect by AB FCP I – Short Duration Bond Portfolio

As of the Effective Date, **AB FCP I – Short Duration Bond Portfolio** may invest less than 30% of its Net Asset Value in China debt securities via the Bond Connect when seeking to achieve its investment objective subject to any existing investment restrictions outlined in the HKOD. Bond Connect provides the Portfolio with a more efficient manner of investing in China debt securities.

Accordingly, the Portfolio’s investment policy will be updated to include disclosures regarding Bond Connect. More information regarding China trading access points and corresponding risks can be found in the HKOD.

For the avoidance of doubt, the above change does not affect the way the Portfolio is currently managed and does not change its investment objective.

2) Benchmark Changes

Due to the retirement of the London Interbank Offered Rate (LIBOR) at the end of 2021, the benchmarks of the below-referenced Portfolios of the Fund, used for performance comparison, will be changed as follows from the Effective Date:

Portfolio	Current Benchmark	New Benchmark
Dynamic Diversified Portfolio	3-Month LIBOR	Secured Overnight Financing Rate (SOFR)
Mortgage Income Portfolio	3-Month LIBOR (USD)	Secured Overnight Financing Rate (SOFR)

For the avoidance of doubt, the change of a benchmark does not affect the way the Portfolios are currently managed. All Portfolios remain actively managed and the change of a benchmark does not change the relevant Portfolio's investment objective, policies, or strategy. In addition, neither the current nor new benchmarks are used to calculate any fees.

3) Voluntary Expense Cap Update to the Japan Strategic Value Portfolio

The Management Company has decided it is in the best interest of shareholders to voluntarily undertake a reduction of the cap of the total aggregate fees and costs charged to investors for a particular Share Class in a fiscal year. The voluntary expense caps will be updated as follows:

Share Class ¹	Prior Voluntary Expense Cap	New Voluntary Expense Cap
A	2.15%	1.70%
I	1.35%	0.90%

This change will be effective on the Effective Date.

* * *

Implication of the above changes

There will be no change to the operation and/or manner in which the Portfolios are managed. Save as described above, there will be no change to the features and risks applicable to the Portfolios.

Furthermore, there will be no change to the fee level/cost in managing the Portfolios and the changes will not prejudice the rights or interests of the Portfolios' existing shareholders.

Other investment options. The Board is of the opinion that each of the above-mentioned changes are in the best interests of shareholders. If you feel otherwise, there are various options available to you: (1) You may request the exchange of your investment free of charge in Shares of the relevant Portfolio for an equivalent share/unit class of another AB-sponsored fund authorized by the SFC in Hong Kong² and available for retail distribution through an AB authorized distributor in Hong Kong; or (2) You may redeem your Shares in the relevant Portfolio free of charge (subject to any contingent deferred sales charge, if applicable to your Shares) before the changes become effective. For the avoidance of doubt, any fees charged by the distributors may still apply.

¹ This reduction or implementation of voluntary expense cap is applicable to corresponding currency hedged and currency denominated share classes.

² SFC authorization is not a recommendation or endorsement of a fund nor does it guarantee the commercial merits of the fund or its performance. It does not mean the fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Availability of documents

The HKOD, comprising the Prospectus, Additional Information for Hong Kong Investors and Product Key Facts Statements of the Portfolios, will be amended to reflect the changes mentioned above. Copies of the revised HKOD may be obtained upon request, free of charge, by contacting your financial adviser, AllianceBernstein Investor Services service center or AllianceBernstein Hong Kong Limited under “Contact information” below.

Contact information

How to get more information. If you have questions about the contents of this letter, please contact your financial adviser or a client service analyst at an AllianceBernstein Investor Services service center:

Europe/Middle East +800 2263 8637 or +352 46 39 36 151 (9:00 a.m. to 6:00 p.m. CET).

Asia-Pacific +800 2263 8637 or +65 62 30 2600 (9:00 a.m. to 6:00 p.m. SGT).

Americas +800 2263 8637 or +800 947 2898 or +1 212 823 7061 (8:30 a.m. to 5:00 p.m. US EST).

Alternatively, please contact AllianceBernstein Hong Kong Limited (as the Hong Kong Representative of the Fund) of 39th Floor, One Island East, Taikoo Place, 18 Westlands Roads, Quarry Bay, Hong Kong, or at +852 2918 7888.

The Board accepts responsibility for the accuracy of the contents of this letter.

Yours sincerely,

The Board of Managers of AllianceBernstein (Luxembourg) S.à r.l.