

IMPORTANT: This letter 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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31 January 2013

To: Shareholders of the portfolios of **AllianceBernstein** and **AllianceBernstein (SICAV)** (together, the "**Funds**")

Dear Shareholder:

The Funds' Stock Lending Practices

We are writing to inform you that the Board of Managers (the "**Board**") of AllianceBernstein (Luxembourg) S.à r.l., the "**Management Company**" of AllianceBernstein and AllianceBernstein (SICAV), will be making the following changes in the Additional Information for Hong Kong Investors of the Funds to reflect the existing stock lending practice of the Funds and all of their sub-funds.

Due to an inadvertent oversight, the Management Company had failed to obtain the Hong Kong Securities and Futures Commission's (the "**SFC**") prior approval and to provide one-month prior notice to the shareholders before enabling certain sub-funds as listed in the Appendix (the "**Sub-Funds**") to conduct stock lending transactions from 3 May 2010. Even though the Sub-Funds and their shareholders did not suffer any monetary losses as a result of the stock lending transactions, our failure to obtain prior approval from the SFC and to provide one-month prior notice to shareholders is a non-compliance with the SFC Code on Unit Trusts and Mutual Funds (the "**Code**") and therefore has necessitated this notice to be provided to you.

Whilst the stock lending transactions carried out by the Sub-Funds were made in accordance with the stock lending policy disclosed in the prospectus of the relevant Funds since 2006, and such policy is also in compliance with the relevant requirements of the Luxembourg financial supervisory authority, *Commission de Surveillance du Secteur Financier*, the relevant disclosures relating to the entering into stock lending transactions in the current version of the Additional Information for Hong Kong Investors of the Funds dated September 2012 (AllianceBernstein (SICAV)) and October 2012 (AllianceBernstein) are not consistent with the Funds' existing practice.

The current version of the Additional Information for Hong Kong Investors of the Funds each stated that "*Whilst the Fund does not intend to enter into any stock lending transactions, the Fund may*

enter into repurchase agreements or similar over-the-counter transactions". Subject to approval of the SFC, the Additional Information for Hong Kong Investors of the Funds will be revised to reflect the stock lending policy disclosed in the prospectus of the relevant Funds and the existing practice of the Funds of entering into stock lending transactions. The stock lending program engaged by the Management Company on behalf of the Funds is UCITS-compliant and is designed to be relatively conservative and risk-controlled. The key features of the stock lending program are:

- The loans are terminable at will by the Investment Manager
- Each Sub-Fund is permitted to utilise up to 50% of its net assets for stock lending purpose only
- All stock lending transactions entered into by each Sub-Fund are collateralized with securities issued or fully guaranteed by highly rated sovereign issuers with value equal to 105% of the reference security, which is marked-to-market on a daily basis. The current list of approved sovereign issuers includes France, Germany, Netherlands, Sweden, Switzerland, UK and US. Cash collateral is only accepted on strictly contingency basis to cover any overnight shortfall, which shall be replaced by securities collateral in the next business day
- Collateral comprising securities of any single non-US sovereign issuer may not exceed more than 20% of any particular Sub-Fund's net assets
- Each Sub-Fund may not lend more than 20% of its net assets to each approved borrower for stock lending purpose

Notwithstanding the foregoing, the Management Company confirms that there is no change in the investment objectives of the Sub-Funds. The Management Company also confirms that the Sub-Funds and their shareholders did not suffer any monetary losses as a result of the securities transactions entered into, and the stock lending program has generated net income of approximately USD 12 million solely for the benefit of the Sub-Funds and their shareholders since the commencement of the program. Information relating to the financial activities resulting from these stock lending transactions can be obtained from the relevant Funds' annual report. Other than those abovementioned Sub-Funds, the Management Company confirms that the remaining SFC authorized sub-funds of the Fund did not carry out any stock lending transaction.

To avoid recurrence of any similar incident in the future, the Management Company will strive to improve on the monitoring of compliance with the relevant rules and regulations in Hong Kong applicable to the Funds and the Sub-Funds on an on-going basis. The Management Company will also regularly update the Hong Kong team of any proposed changes to any sub-funds prior to any implementation such that the Hong Kong team may advise the Management Company to consult with the SFC in advance where appropriate.

The Management Company apologizes for any inconvenience caused by the aforesaid incident.

How to get more information. If you have questions, or if you would like to obtain a copy of the prospectus, the Additional Information for Hong Kong Investors and the Key Fact Statements that reflect these changes and full details about the Sub-Funds, please contact your financial adviser or Client Services at an AllianceBernstein Investor Services service center:

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

Alternatively, please contact AllianceBernstein Hong Kong Limited (as the Hong Kong Representative of the Funds) at +852 2918 7888.

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

We thank you for your investment in the Sub-Funds and hope that we can continue to meet your investment needs through our diverse family of AllianceBernstein funds.

Sincerely yours,

AllianceBernstein (Luxembourg) S.à r.l.

Appendix: the Sub-Funds

AllianceBernstein:

1. Global Conservative Portfolio
2. Dynamic Diversified Portfolio
3. Global Equity Blend Portfolio
4. Global Growth Trends Portfolio
5. Global Value Portfolio
6. Emerging Market Growth Portfolio
7. American Growth Portfolio
8. US Thematic Research Portfolio
9. Eurozone Strategic Value Portfolio
10. European Value Portfolio
11. Asia Ex Japan Equity Portfolio
12. Japan Strategic Value Portfolio
13. Greater China Portfolio

AllianceBernstein (SICAV):

1. International Health Care Portfolio
2. International Technology Portfolio
3. Global Real Estate Securities Portfolio
4. Thematic Research Portfolio
5. India Growth Portfolio
6. US Small and Mid-Cap Portfolio