

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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**Notice to Shareholders of
AllianceBernstein**

December 20, 2013

Dear Valued Shareholder of

- 1. Greater China Portfolio**
- 2. Short Maturity Dollar Portfolio**
- 3. American Income Portfolio; and**
- 4. Global High Yield Portfolio**

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 of **AllianceBernstein**, a mutual investment fund (*fonds commun de placement*) organized under the laws of the Grand Duchy of Luxembourg, has approved the following changes to the portfolios named in this notice:

- A) **Greater China Portfolio - Change of Name and Investment Objective and Policies, Reduced Management Fee, Addition of Dividend-Paying Share Classes and Potential Currency Hedged Share Classes**

Change of Name and Investment Objective and Policies

The name change and amended investment objective and policies of the Greater China Portfolio will be effective from January 31, 2014.

The investment objective of the Greater China Portfolio will be amended to be “*to achieve long-term capital appreciation*”.

The Greater China Portfolio will be renamed *China Opportunity Portfolio* in order to reflect its new investment policies which will focus at least 80% of its total net assets in the China region,

defined as investments in the People’s Republic of China and Hong Kong Special Administrative Region (referred to collectively herein as “**China**”). This contrasts with the previous focus on the Greater China region, which had been defined as China, Hong Kong and Taiwan.

The Board believes that these revised investment policies will provide more attractive investment opportunities than those provided by the current investment policies. China continues to provide an array of investment opportunities, including companies in which there is a disparity between the company’s intrinsic economic value and its stock price. These investments are most concentrated in China, and so AllianceBernstein L.P., the investment manager (the “**Investment Manager**”), believes a more focused geographical approach offers a better strategy to take advantage of these investment opportunities.

The Investment Manager will select securities considering the economic and political outlook, the values of specific securities relative to other investments, trends in the determinants of corporate profits and management capability and practices.

In addition, the Greater China Portfolio may use financial derivatives instruments for investment purposes such as hedging, efficient portfolio management, or other risk management purposes in accordance with UCITS limitations. Such financial derivative instruments may include, but are not limited to, exchange traded and OTC derivatives such as swaps, options, futures, index futures and currency transactions (including forward currency contracts). However, financial derivative instruments will not be used extensively for investment purposes.

The Greater China Portfolio is entitled to use derivative instruments (although not extensively for investment purposes) which may involve additional risks. In adverse situations, the Greater China Portfolio's use of derivative instruments may become ineffective and the Greater China Portfolio may suffer significant losses.

In the Board’s view, the revised investment policies will be more likely to benefit current shareholders and attract new investors to the Greater China Portfolio, resulting in an increase in the size of the Greater China Portfolio and benefitting all shareholders.

Reduction of Management Fee, Addition of Dividend-Paying Share Classes and Potential Currency Hedged Share Classes

Effective January 31, 2014, the Management Fee applicable to the amount of the net assets of the Greater China Portfolio over \$300,000,000 for the classes A, B and C shares is being reduced by 0.05% p.a. The resulting lower Management Fees are listed in the chart below.

Share Class	Prior Management Fee* (annual percentage of average daily net asset value)	Reduced Management Fee* (annual percentage of average daily net asset value)
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Class A	2.00%	2.00%
	1.75%	1.70%
Class B	2.00%	2.00%
	1.75%	1.70%
Class C	2.45%	2.45%
	2.20%	2.15%

* The consecutive fee levels listed apply with respect to (1) the first \$300,000,000 of the net assets of the Greater China Portfolio and (2) the amount of the net assets of the Greater China Portfolio over \$300,000,000.

The Greater China Portfolio may offer currency hedged share classes that are hedged against the offered currency but such currency hedged share classes are not yet available as at the date hereof. Such currency hedged share classes may be introduced in the future.

The new dividend-paying share classes, Classes AD and BD, will be available for subscription. For Classes AD and BD shares, distributions may be made out of capital.

For the reasons set out above, the Board has determined that the name change and the changes to the investment objective and policies and share classes of the Greater China Portfolio are in the best interests of the Greater China Portfolio and its shareholders. Apart from the reduction in management fees described above, there is no change in the fee structure of the Greater China Portfolio.

The changes above relate mainly to expansion of investment scopes which are for the benefit of shareholders and the costs associated with the scheme changes will therefore be borne by the Greater China Portfolio.

B) Short Maturity Dollar Portfolio - Change of Name and Investment Objective and Policies and Change of Share Classes

Change of Name and Investment Objective and Policies

The name change and amended investment policies of the Short Maturity Dollar Portfolio will be effective from February 20, 2014.

The current investment objective of the Short Maturity Dollar Portfolio is to “seeking the highest level of current income, consistent with low volatility of net asset value that is available from a portfolio of high quality, mortgage-related securities and asset-backed securities of the highest quality” will be amended to be "to achieve a high risk-adjusted total return." The Short Maturity Dollar Portfolio will be renamed *Mortgage Income Portfolio*, and the existing investment policies of the Short Maturity Dollar Portfolio of, inter alia, investing in mortgage-related securities and asset-backed securities (which are issued or guaranteed by the U.S. government, its agencies or

instrumentalities or which are rated AAA by S&P or Aaa by Moody's), will be broadened to include investments in mortgage-related securities and other asset-backed securities (including securities of both Investment Grade and non-Investment Grade quality, and unrated securities of investment quality determined by the Investment Manager). "Investment Grade" means 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. The investments of Short Maturity Dollar Portfolio may also include fixed and floating rate securities, including agency (government sponsored) mortgage-backed securities and non-agency (non-government sponsored) mortgage-backed securities ("MBS") as well as other asset-backed securities ("ABS"), commercial mortgage-backed securities ("CMBS"), and collateralized debt obligations ("CDOs") and related financial derivative instruments and currencies. The Short Maturity Dollar Portfolio will have at least two-thirds of its total assets invested in mortgage-related securities.

MBS may be agency backed (i.e. issued or guaranteed by an Eligible State (as defined in the prospectus) or Eligible State government sponsored entities) or non-agency backed (i.e. privately issued) and may include adjustable-rate mortgage securities, collateralized mortgage obligations as well as CMBS and related financial derivative instruments and currencies. MBS and CMBS are subject to interest rate, prepayment and credit risks, among others. For further information on the risks attendant to MBS and CMBS, see the current version of the prospectus available from the Management Company or the authorized dealer from whom you purchased shares.

The above is an expansion of the current guidelines applicable to Short Maturity Dollar Portfolio limiting purchases to securities that are issued or guaranteed by the U.S. Government, its agencies or instrumentalities, are rated AAA by S&P or Aaa by Moody's or the equivalent thereof by another rating agency, or, if not rated, are of equivalent investment quality as determined by the Investment Manager. It is anticipated that, under normal market conditions, at least 50% of the net assets of the Short Maturity Dollar Portfolio will be invested in Investment Grade securities at time of purchase.

Fixed-income securities below investment grade are considered to be subject to 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 and unrated securities of comparable quality 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. For further information on these risks, see the current version of the prospectus available from the Management Company or the authorized dealer from whom you purchased shares.

The Board believes that these broader investment policies will provide more attractive investment opportunities than those provided by the current investment policies. Mortgage-backed securities, and securitized assets more broadly, were "ground zero" of the financial crisis and the subsequent market dislocation has created significant investment opportunities.

The Investment Manager believes that the investment opportunity in securitized assets will persist, driven by long-term fundamental change and market evolution. The Investment Manager will seek to take advantage of such opportunities through fundamental and quantitative research. The Investment Manager believes that a diversified investment strategy can generate attractive returns and high current income by investing in agency and non-agency mortgage backed securities as well as other asset-backed securities, commercial mortgage-backed securities and collateralized debt obligations and related financial derivative instruments and currencies.

In the Board's view, the broader investment strategy would be more likely to benefit current shareholders and attract new investors to the Short Maturity Dollar Portfolio, resulting in increased size of assets under management, which will benefit all shareholders.

Expanded Use of Derivatives

The use by Short Maturity Dollar Portfolio of derivatives is currently limited to that used under previous UCITS rules. The Board believes that the Short Maturity Dollar Portfolio could benefit from the expanded use of derivatives allowed under the current UCITS law, and therefore the Short Maturity Dollar Portfolio will now have the ability to invest in derivatives as permitted under the most current UCITS law. As such, the Investment Manager may use a wide array of financial derivative products and strategies when implementing the investment strategy of Short Maturity Dollar Portfolio. Such financial derivative instruments may include, but are not limited to, stripped mortgage-related securities ("SMRS"), swaps (including interest rate swaps ("IRS"), total rate of return swaps ("TRS") and credit default swaps ("CDS")), swaptions (i.e. options to enter into interest rate swaps), options, futures and currency transactions (including forward currency contracts). These financial derivative instruments (including OTC derivatives and exchange-traded financial derivative instruments) may be employed for investment purposes such as: (i) as an alternative to investing directly in the underlying securities; (ii) to manage duration; and (iii) to hedge against interest rate, credit and currency fluctuations. With respect to CDS, the Short Maturity Dollar Portfolio may both "sell" protection in order to gain exposure and "buy" protection to hedge credit exposure. However, financial derivative instruments will not be used extensively for investment purposes. The Short Maturity Dollar Portfolio is entitled to use derivative instruments (although not extensively for investment purposes) which may involve additional risks. In adverse situations, the Short Maturity Dollar Portfolio's use of derivative instruments may become ineffective and the Short Maturity Dollar Portfolio may suffer significant losses.

Change of Share Classes

In addition to the changes to the name, investment objective and investment policies as aforesaid, Short Maturity Dollar Portfolio will retire and re-designate its current Class A, A2, AT, B, B2, BT, C and C2 shares as Class AX, A2X, ATX, BX, B2X, BTX, CX and C2X shares, respectively, effective February 20, 2014. These share classes will continue to be available for purchase by you and other legacy Class AX, A2X, ATX, BX, B2X, BTX, CX and C2X shareholders. Similarly your ability to redeem these legacy share classes remains unaffected. Importantly, the Investment

Management fee applicable to each of these legacy share classes will remain unchanged.

Simultaneously with the retirement and re-designation of legacy share classes, the Short Maturity Dollar Portfolio will launch new versions of Class A, A2, AT, B, B2, BT, C and C2 shares, open to new investors. These new Class A, A2, AT, B, B2, BT, C and C2 shares will charge higher fees than the retired and re-designated Class AX, A2X, ATX, BX, B2X, BTX, CX and C2X shares you and other legacy shareholders will continue to hold. **You and other legacy shareholders will continue to be charged the current fees in respect of the aforementioned retired and re-designated shares held.** Due to the change of investment policies, all legacy share classes, except the ones reserved to institutional investors, will no longer be subject to the 0.01% Taxe d'Abonnement (which is based on a percentage of the net asset value of the Short Maturity Dollar Portfolio at the end of each quarter), which will hereafter be set at 0.05%. However, such increase of subscription tax will be subject to the total expense caps mentioned below and therefore existing investors are not expected to see an increase in their total expense ratio.

Retired and Re-Designated Share Classes

Share Class	Management Fee* (annual percentage of average daily net asset value)	Taxe d'Abonnement (a percentage of the net asset value at the end of each quarter)	Total Expense Cap (percentage of average net asset value for the fiscal year)
AX and A2X	1.05% 1.00% 0.95%	0.05%	1.25%
ATX	1.05% 1.00% 0.95%	0.05%	1.25%
BX and B2X	1.05% 1.00% 0.95%	0.05%	1.70%
BTX	1.05% 1.00% 0.95%	0.05%	1.70%

CX and C2X	1.50% 1.45% 1.40%	0.05%	1.70%
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*The consecutive fee levels listed apply with respect to (1) the first \$100,000,000 of the net assets of the Short Maturity Dollar Portfolio, (2) the next \$100,000,000 of the net assets of the Portfolio and (3) the amount of the net assets of the Short Maturity Dollar Portfolio over \$200,000,000.

New Share Classes

Share Class	Management Fee (annual percentage of average daily net asset value)	Taxe d'Abonnement (a percentage of the net asset value at the end of each quarter)	Total Expense Cap (percentage of average net asset value for the fiscal year)
A and A2	1.10%	0.05%	1.50%
AT	1.10%	0.05%	1.50%
B and B2	1.10%	0.05%	2.50%
BT	1.10%	0.05%	2.50%
C and C2	1.55%	0.05%	1.95%

Although the Management Company has determined that the Investment Manager's higher fees for managing the new strategy of the Short Maturity Dollar Portfolio are warranted and in the best interests of the Short Maturity Dollar Portfolio and new investors in the newly launched share classes, you and other shareholders of the legacy share classes will benefit from lower Investment Management fees relative to these new investors in new Class A, A2, AT, B, B2, BT, C and C2 shares, as well as enjoy the benefits of the Management Company's lower voluntary expense caps.

For the reasons set out above, the Board has determined that the name change and the broadened investment policies of the Short Maturity Dollar Portfolio are in the best interests of the Short Maturity Dollar Portfolio and its shareholders.

The changes above relate mainly to expansion of investment scopes which are for the benefit of shareholders and the costs associated with the scheme changes will therefore be borne by the Short Maturity Dollar Portfolio.

C) American Income Portfolio - Change of Investment Policies

The American Income Portfolio will continue to pursue its primary investment objective to provide a high level of current income consistent with preservation of capital and its secondary investment objective to increase its capital through appreciation of its investments. In seeking to achieve this objective, the American Income Portfolio will continue to invest primarily, and at any

time maintain investment exposure of at least 65% of its assets, in a portfolio of securities of U.S., including U.S. Government Securities and other fixed-income securities.

The investment policies of the American Income Portfolio will be updated to include additional disclosures with respect to the use by American Income Portfolio of certain financial derivative instruments as permitted under UCITS guidelines. The Portfolio may use financial derivatives instruments for hedging, risk management, efficient portfolio management and as an alternative to investing directly in the underlying securities. However, financial derivatives instrument will not be used extensively for investment purposes.

The Board believes that granting the American Income Portfolio more flexibility in the use of derivatives within the broader parameters permitted under current UCITS guidelines will serve to enhance the hedging capabilities and efficient management of the American Income Portfolio. Such derivative instruments may include, but are not limited to, swaps (including interest rate swaps, total rate of return swaps and credit default swaps), swaptions (i.e. options to enter into interest rate swaps), options, futures and currency transactions (including forward currency contracts). Fixed income markets have changed dramatically since the launch of the American Income Portfolio in 1993 and these changes enable the American Income Portfolio to take advantage of the opportunities available to investors in today's market.

Financial derivative instruments will only be employed as an alternative to investing directly in the underlying securities, to manage duration and to hedge against interest rate, credit and currency fluctuations. The ability of the American Income Portfolio to utilize derivatives will not alter the current guidelines of the American Income Portfolio with respect to credit quality, duration and currency exposures. For example, the expanded use of derivatives by the American Income Portfolio is not expected to alter the expected volatility of the American Income Portfolio. The volatility of a mutual fund's net asset value (NAV) is a primary indicator of risk, and AllianceBernstein will continue to measure the volatility of the American Income Portfolio in absolute terms.

The American Income Portfolio is entitled to use derivative instruments (although not extensively for investment purposes) which may involve additional risks. In adverse situations, the American Income Portfolio's use of derivative instruments may become ineffective and the American Income Portfolio may suffer significant losses.

The expanded use of derivatives by the American Income Portfolio is not expected to alter the acceptable ranges for certain key risk parameters of the American Income Portfolio, including *interest rate risk*, *credit risk* and *foreign exchange risk*. For example, the American Income Portfolio will continue to maintain investment exposure of at least 50% of its total assets in (i) U.S. Government Securities and (ii) other fixed-income securities considered Investment Grade, or which, if not so rated, are determined by the Investment Manager to be of equivalent quality, as detailed in the prospectus.

The Investment Manager has developed considerable experience managing such derivative instruments and strategies and the associated risks on behalf of its clients. These and other risks are discussed in greater detail in the current version of the prospectus of the American Income Portfolio available from the Management Company or the authorized dealer from whom you purchased shares.

Please note that the aforementioned modifications with respect to the use of derivatives will become effective on January 31, 2014.

For the reasons set out above, the Board has determined that the increased flexibility of the American Income Portfolio in using certain derivative instruments and strategies within the current UCITS guidelines is in the best interests of shareholders. There will be no change to the fee structure due to the changes to the American Income Portfolio.

The changes above relate mainly to expansion of investment scopes which are for the benefit of shareholders and the costs associated with the scheme changes will therefore be borne by the American Income Portfolio.

D) Global High Yield Portfolio - Change of Investment Policies

The Global High Yield Portfolio will continue to pursue its investment objective to produce high current income as well as overall total return. In seeking to achieve this objective, the Global High Yield Portfolio will continue to invest primarily, and at any time at least two-thirds of its assets, in a portfolio of high yielding debt securities of issuers located throughout the world, including U.S. issuers and issuers in emerging market countries.

The investment policies of the Global High Yield Portfolio will be updated to include additional disclosures with respect to its use of certain financial derivative instruments as permitted under UCITS guidelines. The Portfolio may use financial derivatives instruments for hedging, risk management, efficient portfolio management and as an alternative to investing directly in the underlying securities. However, financial derivatives instrument will not be used extensively for investment purposes.

The Board believes that granting the Global High Yield Portfolio more flexibility in the use of derivatives within the UCITS guidelines will serve to enhance the hedging capabilities and efficient management of the Global High Yield Portfolio. Such derivative instruments may include, but are not limited to, swaps (including interest rate swaps, total rate of return swaps and credit default swaps), swaptions (i.e. options to enter into interest rate swaps), options, futures and currency transactions (including forward currency contracts). Fixed income markets have changed dramatically since the launch of the Global High Yield Portfolio in 1997 and these changes enable the Global High Yield Portfolio to take advantage of the opportunities available to investors in today's market.

Financial derivative instruments will only be employed as an alternative to investing directly in the underlying securities, to manage duration and to hedge against interest rate, credit and currency fluctuations. The ability of the Global High Yield Portfolio to utilize derivatives will not alter the current guidelines of the Global High Yield Portfolio with respect to credit quality, duration and currency exposures. For example, the expanded use by the Global High Yield Portfolio of derivatives is not expected to alter the expected volatility of the Global High Yield Portfolio. The volatility of a mutual fund's net asset value (NAV) is a primary indicator of risk, and AllianceBernstein will continue to measure the volatility of the Global High Yield Portfolio in absolute terms.

The Global High Yield Portfolio is entitled to use derivative instruments (although not extensively for investment purposes) which may involve additional risks. In adverse situations, the Global High Yield Portfolio's use of derivative instruments may become ineffective and the Global High Yield Portfolio may suffer significant losses.

The expanded use of derivatives by the Global High Yield Portfolio is not expected to alter the acceptable ranges for certain key risk parameters of the Global High Yield Portfolio, including *interest rate risk*, *credit risk* and *foreign exchange risk*.

The Investment Manager has developed considerable experience managing such derivative instruments and strategies and the associated risks on behalf of its clients. These and other risks are discussed in greater detail in the current version of the prospectus of the Global High Yield Portfolio available from the Management Company or the authorized dealer from whom you purchased shares.

Please note that the aforementioned modifications with respect to the use of derivatives will become effective on January 31, 2014.

For the reasons set out above, the Board has determined that the increased flexibility of the Global High Yield Portfolio in using certain derivative instruments and strategies within the current UCITS guidelines is in the best interests of shareholders. There will be no change to the fee structure due to the changes to the Global High Yield Portfolio.

The changes above relate mainly to expansion of investment scopes which are for the benefit of shareholders and the costs associated with the scheme changes will therefore be borne by the Global High Yield Portfolio.

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Other investment options. 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 the same share class of another AllianceBernstein-sponsored Luxembourg-domiciled UCITS fund authorized by the Securities and Futures Commission; 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.

How to get more information. If you have questions, or if you would like to obtain a prospectus, additional information for Hong Kong investors or key fact statement and full details about the relevant portfolio, please contact your financial adviser or Client Services 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 +800 947 2898 or +1 212 823 7061 (8:30 a.m. to 5:30 p.m. US EST).

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

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

We appreciate your ongoing support of AllianceBernstein as we continue to help investors like you achieve better investment outcomes.

Yours sincerely,

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