

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

**Developed Markets Multi-Asset Income Portfolio
Global High Yield Portfolio**

22 December 2017

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 (the, “**Fund**”), 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:

- **Global High Yield Portfolio; and**
- **Developed Markets Multi-Asset Income Portfolio.**

1- AB FCP I -- Global High Yield Portfolio (“GHY Portfolio”)

(i) Update to Investment Policies

GHY Portfolio's investment policies will be updated to clarify the disclosures with respect to the use of certain financial derivative instruments, including transactions to manage this portfolio's exposure to currencies and volatility. The GHY Portfolio will continue to be subject to the same expected level of leverage range of 0-100% calculated as the sum of notions of the financial derivative instruments held by the GHY Portfolio, and will continue its investment policy to not use financial derivative instruments extensively for investment purposes. In addition, the ability to utilize such financial derivative instruments is not expected to materially affect the risk profile of the GHY Portfolio and will not alter the GHY Portfolio's investment guidelines with respect to credit quality, interest rate, duration exposures or other material investment guidelines. The GHY Portfolio will continue to pursue its investment objective to produce high current income as well as overall total return and will continue to invest primarily, and at any time at least two-thirds (2/3) 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.

(ii) Rationale for the Changes

The Board believes that providing the GHY Portfolio greater ability to use financial derivative instruments related to currencies and volatility will enhance the toolset available to the GHY Portfolio for hedging purposes to obtain currency exposures more efficiently with reduced costs. As a result, the GHY Portfolio is expected to be better able to target investment exposures and better manage risk-weighted returns and volatility while continuing to produce high current income and overall achieving its targeted investment profile. Since such financial derivative instruments will not be used extensively for investment purposes and will not result in an increase in the GHY Portfolio's expected leverage range, the Board believes this use is consistent with the GHY Portfolio's investment objective and strategy.

The Investment Manager, AllianceBernstein L.P., has developed considerable experience managing financial 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 Fund's prospectus available at www.alliancebernstein.com, from the Management Company or the authorized dealer through whom you purchased shares.

Please note that the foregoing update with respect to the GHY Portfolio will become effective on 22 February 2018.

For all of the reasons set out above, the Board has determined that the GHY Portfolio's updated investment policies related to the management of currencies and volatility are in the best interests of shareholders.

The Board is of the opinion that the updates above in relation to GHY Portfolio do not result in a material change to the investment strategies and policies of the GHY Portfolio or materially affect the risk profiles of the GHY Portfolio.

2- AB FCP I -- Developed Markets Multi-Asset Income Portfolio ("DMMAI Portfolio")

(i) Change of Name and Update to Investment Policies

As of 22 February 2018, the DMMAI Portfolio will change its name to "**All Market Income Portfolio**" and update its investment policies to provide greater flexibility for the allocation of investments among emerging market countries and certain derivative strategies.

Currently the DMMAI Portfolio seeks to invest predominantly in equity and debt securities of developed market issuers, though it may also invest up to 20% of its assets in emerging markets issuers. Based on a periodic review of the DMMAI Portfolio and the optimal management strategies available, the Board has determined that it is in the best interest of shareholders to update the DMMAI Portfolio's investment strategy as follows:

- DMMAI Portfolio's investment policies description will be updated to reflect a broader ability to invest in both developed and emerging markets and remove the restriction that no more than 20% of its NAV be invested in emerging markets;
- DMMAI Portfolio's investment policies will be updated to provide additionally that the DMMAI Portfolio will not hold below-Investment Grade and unrated fixed income securities in excess of 30% of its net assets.
- DMMAI Portfolio's investment policies will be updated to include additional disclosures with respect to the use of certain financial derivative instruments, which will enable the DMMAI Portfolio to use financial derivative instruments to gain additional investment exposure. As a result, DMMAI Portfolio will use financial derivative instruments extensively for investment purpose. In addition to this

enhanced use of derivatives, the maximum expected leverage range of the DMMAI Portfolio will be increased from 0-100% to 0-350% calculated as the sum of notions of the financial derivative instruments held by the DMMAI Portfolio. The expected level of leverage of the DMMAI Portfolio as calculated under the commitment approach is estimated to be in the range of 0 to 100% of its net asset value. The actual leverage of the Portfolio may deviate from the above mentioned expected level of leverage.

- in addition, the DMMAI Portfolio's investment strategy will be streamlined to emphasize the primary strategies it employs and will remove certain procedural details related to dynamic asset allocation and use of pooled vehicles, as well as certain general investment policy issues already discussed in Part II of the Fund's prospectus.
- DMMAI Portfolio's investment policies disclosure is also clarified that:
 - in relation to investment in structured securities (both Investment Grade and non-Investment Grade), such structured securities include mortgage-backed securities, as well as other asset-backed securities, commercial mortgage-backed securities and collateralized debt obligations.
 - in relation to investment in equity securities, such equity securities include (but are not limited to) the equities of real estate investments trusts ("REITs"), which the DMMAI Portfolio will not invest exceeding 5% of its net assets in.
 - in relation to investment in cash or cash equivalents, the DMMAI Portfolio may be invested temporarily up to 100% in cash or cash equivalents such as bank deposits, certificates of deposit, commercial paper and treasury bills for cash flow management under exceptional circumstances (e.g. market crash or major crisis).
 - in relation to repurchase and/or reverse repurchase transactions, DMMAI Portfolio may conduct repurchase and/or reverse repurchase transactions (listed on recognised exchanges and/or over-the-counter) and similar over-the-counter transactions in aggregate for up to 10% of its net assets.

(ii) Rationale for the Changes

The Board believes that these updates to the DMMAI Portfolio's strategy will enable the DMMAI Portfolio to better take advantage of global investment opportunities while maintaining the DMMAI Portfolio's dynamic investment approach to investment in fixed income and in equity securities.

By expanding the geographical parameters for investment, the Investment Manager believes that the DMMAI Portfolio will achieve better opportunities for achieving its investment objective of income generation and growth of capital and enable the DMMAI Portfolio to achieve a better risk-adjusted return. This enhanced flexibility is expected to enable the DMMAI Portfolio to fully employ its dynamic asset allocation strategy and adjust to changing market conditions with the optimal allocation decisions.

In addition, the Board believes that enhancing the DMMAI Portfolio's ability to use financial derivative instruments to gain additional exposure will better enable it to carry out its investment strategy. The DMMAI Portfolio allocates among a variety of instruments and seeks to dynamically adjust as market conditions change. As a result, the use of financial derivative instruments to gain exposure will enhance its ability to build such exposure and make adjustments to allocations in response to changing market conditions, while reducing the costs of trading. The Investment Manager will continue to measure the DMMAI Portfolio's volatility in accordance with its VaR benchmark, which remains unchanged.

The Investment Manager, AllianceBernstein L.P., has developed considerable experience managing financial derivative instruments and strategies and the associated risks on behalf of

its clients.

The level of risk of the DMMAI Portfolio will be increased after the updates but the types of risks the DMMAI Portfolio is subject to will be similar before and after the updates. However, shareholders should note the Board has taken the opportunity to clarify the key risk factors applicable to the DMMAI Portfolio (namely, risks relating to dynamic asset allocation, risk associated with repurchase and reverse repurchase transactions and other similar over-the-counter transactions, and risks associated with cash or cash equivalent instruments). These and other risks are discussed in greater detail in the current version of the Fund's prospectus available at www.alliancebernstein.com, from the Management Company or the authorized dealer through whom you purchased shares.

The fee level / cost in managing the DMMAI Portfolio will remain unchanged. The change will not materially prejudice the DMMAI Portfolio's existing investors' rights or interests.

The costs/expenses associated with the change in relation to the DMMAI Portfolio is estimated to be approximately USD20,000 (which will be mostly expenses incurred in notifying shareholders and governance matters of the DMMAI Portfolio). While expenses (including expenses associated with the change) are generally borne by the DMMAI Portfolio, the Management Company has voluntarily undertaken that if the aggregate fees and expenses of the relevant share class of the DMMAI Portfolio (exclusive of certain other taxes, brokerage (if applicable) and interest on borrowings) exceed the expense thresholds, if applicable, set forth in the Fund's prospectus (the "**Voluntary Expense Thresholds**"), the DMMAI Portfolio may deduct from the payment to be made to the Management Company, or the Management Company will otherwise bear, such excess fees and expenses subject to the Voluntary Expense Thresholds.

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Other investment options. The Board is of the opinion that each of the above mentioned changes are in the best interests of shareholders of the DMMAI Portfolio and the GHY Portfolio. 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 AB-sponsored SFC-authorized UCITS fund; or (2) You may redeem your shares in the relevant portfolio free of charge, from the date of this letter until the changes become effective. For the avoidance of doubt, contingent deferred sales charge (if any) for the relevant shares charged by the Fund and any fees charged by the distributors may still apply.

Contact information

How to get more information. If you have questions about the contemplated changes, 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 Road, Quarry Bay, Hong Kong at +852 2918 7888.

The Board accepts responsibility for the accuracy of the contents of this letter. The revised prospectus and additional information for Hong Kong investors of the Fund will be made available to investors as soon as practicable following regulatory approval.

Yours sincerely,

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