**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***
**2-4, rue Eugène Ruppert**
**L-2453 Luxembourg**
**R.C.S. Luxembourg B 34 405**

**Notice to Shareholders of**
**AB FCP I – China Low Volatility Equity Portfolio**

**Merger of the**
**AB FCP I – China Low Volatility Equity Portfolio**
**into the AB SICAV I – All China Equity Portfolio**

8 December 2023

Capitalized terms not otherwise defined herein shall have the same meaning outlined in the prospectus of AB FCP I dated 31 March 2023 (as amended from time to time).

Dear Shareholder,

The purpose of this letter is to inform you that the board of managers (the "**Board of Managers**") of AllianceBernstein (Luxembourg) S.à r.l. (the "**Management Company**"), a *société à responsabilité limitée* organized under the laws of the Grand Duchy of Luxembourg, in its capacity as management company of AB FCP I, a *fonds commun de placement* organized under the laws of the Grand Duchy of Luxembourg (the "**Fund**") has decided, pursuant to clause 19 of the Management Regulations of the Fund, to merge (the "**Merger**") the **AB FCP I – China Low Volatility Equity Portfolio** (the "**Transferring Portfolio**") into the **AB SICAV I – All China Equity Portfolio** (the "**Receiving Portfolio**").

Both the Transferring Portfolio and Receiving Portfolio are UCITS authorized by the Securities and Futures Commission (the "**SFC**") in Hong Kong[1].

The Merger will become effective on 8 March 2024 (the "**Effective Date**").

As at 31 October 2023, the fund size of the Transferring Portfolio is USD 113.20 million and the Receiving Portfolio is USD 29.14 million.

## 1. Rationale and Background of the Merger

The Board of Managers has determined that the contemplated Merger is in the long-term best interests of shareholders of the Transferring Portfolio (the "**Shareholders**") for the following reasons:

- Shareholders may potentially benefit from new global distribution opportunities due to the Receiving Portfolio being in a corporate type structure (SICAV) and being more unconstrained with respect to investment exposure (described below); therefore, the greater potential for an increase in net assets will allow the Receiving Portfolio to take advantage of economies of scale;

- with respect to investment exposure, the Receiving Portfolio is more unconstrained in its approach to offshore and onshore Chinese equities and it does not have an objective of lower volatility than its benchmark, which over time may benefit Shareholders.

[1] 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.

## 2. Possible impact of the Merger on the Shareholders

### 2.1 Investment policy and related risks

The investment objectives of the Transferring Portfolio and of the Receiving Portfolio are similar and both seek to achieve capital appreciation or capital growth.

The Transferring Portfolio and the Receiving Portfolio will seek to achieve their investment objectives with the substantial investment (i.e. at least 80% of its net asset value) in equity securities of companies that are organized, have substantial business activities, or are impacted by developments, in China.

The risk profiles of the Transferring Portfolio and the Receiving Portfolio are also comparable as both portfolios are exposed to general investment risk, equities securities risk, smaller capitalization companies risk, concentration risk, currency risk, risks associated with payment of dividends out of capital, China Equities Risk – the China Connect Scheme, PRC tax risk and risks in investing in financial derivative instruments.

Although the investment objectives and policies of the Transferring Portfolio and the Receiving Portfolio are similar as described above, the existing portfolios of the Transferring Portfolio and the Receiving Portfolio are not similar. Therefore, a rebalance of the Transferring Portfolio is required. Please refer to section 2.3 for details.

For a comparison of the main features of the Transferring Portfolio and the Receiving Portfolio (including a more detailed description of the Receiving Portfolio's investment objective, strategy and policies as described in its offering documents), as well as a description of its risk profile, please refer to Appendix I.

### 2.2 Governance, fiscal year end, dealing, valuation and service providers

The Receiving Portfolio is a sub-fund within a SICAV (a "corporate" type of fund). Accordingly, the Receiving Portfolio entitles its shareholders to certain governance rights, including, inter alia, voting rights that are not applicable to a contractual type of fund such as the Fund. Subsequent to the Merger, Shareholders will be entitled to participate in and vote at a shareholders' general meeting and participate in a variety of matters, including the appointment or revocation of the members of the board of directors, the granting of discharge to the directors and the approval of the remuneration of the directors and annual accounts.

The service providers of the Transferring Portfolio and the Receiving Portfolio, including the Management Company, the Depositary, the Investment Manager and the Investment Manager's Delegates, are the same.

The cut-off time for dealing in the shares of the Transferring Portfolio is on or before 6:00 P.M. Central European Time (i.e. 1 A.M. on the following day Hong Kong Time) on each Business Day for all share classes except RMB hedged share classes, the cut-off time of which is 1:00 P.M. Central European Time (i.e. 8 P.M. Hong Kong Time). The cut-off time for dealing in the shares of the Receiving Portfolio is on or before 11:00 A.M. Central European Time (i.e. 6 P.M. Hong Kong Time), which is earlier than that of the Transferring Portfolio.

The Transferring Portfolio accepts dealing requests on days when both the New York Stock Exchange and Luxembourg banks are open, while the Receiving Portfolio accepts dealing requests on each day banks in Luxembourg, Hong Kong, Shanghai and Shenzhen are open. Thus, the Receiving Portfolio has fewer dealing days than the Transferring Portfolio.

In addition, Shareholders should note that while the Fund has a fiscal year end of 31 August, the relevant fiscal year-end of AB SICAV I is 31 May, thereby affecting the timing of availability of the annual and semi-annual reports to Shareholders. Save for the timing of availability of the financial reports, there are no other impact on Shareholders arising from the difference in fiscal year end of the Fund and AB SICAV I.

For a more detailed comparison of the Transferring Portfolio's and the Receiving Portfolio's legal form, cut-off time, definition of Business Day, fiscal year end and service providers, please refer to Appendix I.

### 2.3 Rebalancing of the assets of the Transferring Portfolio

After the Cut-Off Point (as defined below) on 4 March 2024, being 4 Business Days prior to the Merger, approximately 30% of the assets of the Transferring Portfolio will be rebalanced for alignment with the portfolio of the Receiving Portfolio due to differences in the investment policies of Transferring Portfolio and the Receiving Portfolio.

All assets and liabilities (including securities held, cash and other receivable and payable balances) of the Transferring Portfolio will be transferred into the Receiving Portfolio. The re-balancing will be conducted based on the market value determined on the basis of market quotations or, if market quotations are not readily available or are unreliable, at fair value as determined in accordance with procedures established by and under the general supervision of the Management Company of the Fund.

It is expected that Shareholders of the Transferring Portfolio will not be adversely affected as a result of the rebalancing of assets from the Transferring Portfolio.

The transaction costs associated with the rebalancing, if any, are expected to be immaterial and will be borne by the Transferring Portfolio. Since the rebalancing costs will be borne by the Transferring Portfolio, Shareholders who remain in the Transferring Portfolio during the rebalancing period will be subject to such transaction costs.

Depending on market conditions and to rebalance the Transferring Portfolio into the Receiving Portfolio accordingly, the Transferring Portfolio will deviate from its investment strategy after the Cut-Off Point.

### 2.4 Effect of the Merger on Shareholders

On the Effective Date, Shareholders of the Transferring Portfolio who have not exercised their right to redeem or exchange shares will become shareholders in the Receiving Portfolio and thereby receive shares in the corresponding share class of the Receiving Portfolio.

As further detailed in section 2.5 below, while the overall value of a Shareholder's holdings (except for rounding adjustments, if any) will remain the same, such Shareholder may receive a different number of shares in the Receiving Portfolio from what that Shareholder previously held in the Transferring Portfolio. No cash payment shall be made to Shareholders of the Transferring Portfolio as a result of the Merger.

After the Merger, the existing Shareholders of the Transferring Portfolio will be subject to the investment objective, strategy and policies of the Receiving Portfolio as described in Appendix I.

Please refer to Appendix II for more complete details on the attributes of the share class you will be allocated in the Receiving Portfolio after the Merger.

### 2.5 Valuation and Exchange Ratio

On 8 March 2024, the Management Company will calculate the net asset value per share class and determine the exchange ratio.

The number of new shares in the Receiving Portfolio to be issued to each Shareholder will be based on an exchange ratio that will be calculated as follows:

- the net asset value per share of the relevant share class of the Transferring Portfolio is divided by the net asset value per share of the relevant share class in the Receiving Portfolio.

- the applicable net asset value per share of the Transferring Portfolio and the net asset value per share of the Receiving Portfolio will be those having both been determined on 8 March 2024.

Ernst & Young S.A. has been appointed by the Management Company as the approved statutory auditor to validate the criteria adopted for the valuation of the assets and the liabilities of both the Transferring Portfolio and the Receiving Portfolio at the Effective Date of Merger as well as the calculation method of the exchange ratio and the exchange ratio itself.

### 2.6 Fees and Expenses

The share classes' fees in the Receiving Portfolio are currently identical to those in the Transferring Portfolio but at the Effective Date they will benefit from a reduced voluntary expense cap as reflected below.

| Share Class[2] | Transferring Portfolio Voluntary Expense Cap | Receiving Portfolio Revised Voluntary Expense Cap from the Effective Date upon the Merger |
|---|---|---|
| Class A | 1.99% | 1.94% |
| Class B | 2.99% | 2.94% |
| Class C | 2.44% | 2.39% |
| Class I | 1.19% | 1.14% |

There are no unamortized preliminary expenses in relation to the Transferring Portfolio.

As a result, the fee levels of the Receiving Portfolio from the Effective Date upon the Merger will be lower than the current fee levels of the Transferring Portfolio.

For a detailed description of the applicable fees in the Receiving Portfolio, please refer to Appendix II.

### 2.7 Tax impact

The Merger will not subject the Transferring Portfolio or the Receiving Portfolio to taxation in Luxembourg.

The Merger will have no Hong Kong profits tax implications to the Transferring Portfolio or the Receiving Portfolio. Shareholders should note that if the Merger, for the purposes of Hong Kong regulation, results in a disposal of the shares in the Transferring Portfolio for tax purposes, any gains derived may be subject to tax. Generally, Shareholders will not be liable to Hong Kong profits tax on gains realized on the disposal of shares, except where the acquisition and disposal of shares are or form part of a trade, profession or business carried on in Hong Kong and such gains arise in or are derived from Hong Kong.

Investors may however be subject to taxation in their tax domiciles or other jurisdictions where they pay taxes. As tax laws differ widely from country to country, we recommend that you consult your tax advisers as to the tax implications of the Merger specific to your individual case.

## 3. Shareholder's Rights

If you do not wish to receive the new shares of the Receiving Portfolio, you may (i) request the exchange of your shares free of charge for the same share class of another AB-sponsored Luxembourg-domiciled UCITS fund authorized in Hong Kong for retail distribution[1] or otherwise available through an AB authorized distributor in Hong Kong; or (ii) redeem your shares free of charge (but subject to any contingent deferred sales charge, if applicable to your shares) until the Cut-Off Point on 4 March 2024. For the avoidance of doubt, any fees charged by the distributors may still apply.

[2] This reduction or implementation of voluntary expense cap is applicable to all types of share classes listed above and their corresponding currency denominated or hedged share classes.

On the Effective Date, all Shareholders who have not requested redemption or conversion of their shares up until the Cut-Off Point will receive a number of shares of the corresponding class of shares in the Receiving Portfolio (as detailed above in sections 2.4 and 2.5). The specific features of the relevant share classes of the Receiving Portfolio are set out in Appendix II.

Please refer to Appendix I for the principal differences between the Transferring Portfolio and the Receiving Portfolio as disclosed in their respective offering documents.

## 4. Terms of the Merger

With effect from and including the date of this letter, the Transferring Portfolio is no longer allowed to be marketed to the public in Hong Kong, and subscription and switching into the Transferring Portfolio will be suspended, except for subscriptions from existing investors into the Transferring Portfolio which will be accepted until the relevant cut-off time (as set out in Appendix I) on 4 March 2024 (the "**Cut-Off Point**"). Requests for redemption or conversion into other eligible share classes of other AB-sponsored Luxembourg-domiciled UCITS funds authorized in Hong Kong for retail distribution[1] will be accepted up until the Cut-Off Point (without any redemption or conversion charge). Investors should note that, for applications sent through a Hong Kong distributor, such distributor may have an earlier cut-off time.

Therefore, Shareholders who do not agree with the Merger may request redemption or conversion of their shares up until the Cut-Off Point.

After the Cut-Off Point, dealing in the Transferring Portfolio will be suspended until the Effective Date.

On the Effective Date, all assets and liabilities of the Transferring Portfolio will be transferred to the Receiving Portfolio.

Shares in the Transferring Portfolio will be cancelled and Shareholders will be issued shares in the Receiving Portfolio, which will be issued in registered form with fractions.

Any accrued income relating to the Transferring Portfolio and its share classes at the time of the Merger will be accounted for an on-going basis after the Merger in the net asset value per share for the Receiving Portfolio and it share classes.

All outstanding liabilities of the Transferring Portfolio will be determined on the Effective Date. Generally, these liabilities comprise fees and expenses which have accrued and are or will be reflected in the net asset value per share. Any additional liabilities incurred after the Effective Date will be borne by the Receiving Portfolio.

The first dealing day of the Receiving Portfolio after the Effective Date will be 11 March 2024.

The legal, advisory and administrative costs associated with the completion of the Merger will be borne by the Management Company. Apart from the transaction costs associated with the rebalancing mentioned section 2.3, there will be no costs to investors.

The timeline of the key events of the Merger is summarized below:

| **Event** | **Date / Time** |
|---|---|
| • Notification of Merger to Shareholders<br>• Cease accepting subscription and switching into the Transferring Portfolio from new investors | 8 December 2023 |
| Latest time and date for acceptance of subscription / redemption / conversion requests in respect of the shares of the Transferring Portfolio for existing investors of the Transferring Portfolio | 6:00 P.M. on 4 March 2024 Central European Time (i.e. 1:00 A.M. on 5 March 2024 Hong Kong Time) for all share classes unless otherwise stated, or 1:00 P.M. Central European Time (i.e. 8 P.M. on 4 March 2024 Hong Kong Time) for RMB hedged share classes |

| | |
|---|---|
| Rebalancing of the assets of the Transferring Portfolio | After the Cut-Off Point on 4 March 2024 |
| Valuation of assets of the Transferring Portfolio | 8 March 2024 |
| • Cancellation of shares of the Transferring Portfolio<br>• Issuance of corresponding shares of the Receiving Portfolio | 8 March 2024 |
| Effective Date of the Merger | 8 March 2024 |
| First dealing day of the Receiving Portfolio after the Effective Date | 11 March 2024 |

## 5. Additional Information

***Availability of Documents***

Copies of the report of the depositary and the report of the auditor regarding the Merger, the latest annual report and semi-annual report of the Fund and AB SICAV I, the current prospectus, additional information for Hong Kong investors of the Fund and AB SICAV I and the product key facts statement of the Transferring Portfolio and Receiving Portfolio 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 Merger, 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) at 39th Floor, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong, or at +852 2918 7888.

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

Yours sincerely,

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