

# PRODUCT KEY FACTS

AllianceBernstein  
Short Duration High Yield Portfolio  
January 2014

*This statement provides you with key information about this product.  
This statement is a part of the offering document.  
You should not invest in this product based on this statement alone.*

## Quick facts

Management Company:	AllianceBernstein (Luxembourg) S.à r.l.
Investment Manager:	AllianceBernstein L.P. (internal delegation, U.S. Delaware)
Custodian:	Brown Brothers Harriman (Luxembourg) S.C.A.
Dealing frequency:	Daily
Base currency:	U.S. Dollar
Dividend policy	<p>(i) For Classes AA, AT, BA, BT, CT and IT Shares (and corresponding H Shares): To be declared and payable monthly or be reinvested as elected by investor*</p> <p>*Dividends may be paid out of capital and reduce the Portfolio's Net Asset Value</p> <p>(ii) For Classes A2, B2, C2 and I2 Shares (and corresponding H Shares) Shares: None</p>
Financial year end of this Portfolio:	31 May

Min. investment: Different minimum investment and additional investment or maximum investment limits apply to different classes of shares denominated in different currencies. Investors should refer to the offering document of the Fund for details.	Initial	Additional
Classes A2, AA, AT, B2, BA, BT, C2 and CT Shares (and corresponding H Shares)	USD2,000 EUR2,000 HKD15,000 AUD2,000 CAD2,000 GBP2,000 SGD3,000	USD750 EUR750 HKD5,000 AUD750 CAD750 GBP750 SGD1,000
Classes I2 and IT Shares (and corresponding H Shares)	EUR1 million USD1 million	None

Max. Investment (total principal amount)		
Classes B2, BA and BT Shares (and corresponding H Shares) Not applicable to other Share Classes	USD250,000 HKD2 million AUD250,000 CAD250,000 GBP250,000 SGD350,000	

## What is this product?

The Short Duration High Yield Portfolio (the "Portfolio") is a portfolio of AllianceBernstein (the "Fund"), an open-ended investment company with variable capital domiciled in Luxembourg and its home regulator is Commission de Surveillance du Secteur Financier.

## Objectives and Investment Strategy

### Objectives

The investment objective of the Portfolio is to achieve high risk-adjusted returns through investing in a diversified portfolio of high yielding securities and related derivatives, with an average portfolio duration of less than four years.

### Strategy

Under normal market conditions, the Portfolio expects to maintain at least 80% of its exposure to global high-yielding corporate issuers. In addition, the Portfolio intends to invest in high yielding government, supranational and government-sponsored issuers from any geography, including developed and emerging markets. The Portfolio's assets may be invested both in Investment Grade and below Investment Grade securities. The Portfolio may invest in unrated securities as detailed in the Prospectus. However the Portfolio will not invest in securities rated Caal by Moody's Investors Services, Inc., CCC+ by Standard & Poor's, or CCC by Fitch Ratings, or below, at time of purchase. In the event that a security is downgraded to or below the aforementioned ratings after its acquisition, the Investment Manager will have six months to sell such security, unless the relevant security has been upgraded to the minimum required rating or a higher rating again within this timeframe. Investment Grade securities means fixed-income securities rated Baa (including Baa1, Baa2 and Baa3) or higher by Moody's Investors Services, Inc. or BBB (including BBB+ and BBB-) or higher by Standard & Poor's, or the equivalent thereof by at least one internationally recognized statistical ratings organization. The Portfolio is not prohibited from investing in other types of debt securities that the Investment Manager deems appropriate.

The Portfolio will employ strategies to manage volatility relative to the broad global high yield market, as measured by the Barclays Global High Yield Corporate Bond Index. Such strategies may include, among others, shortening the duration of the portfolio, adding higher rated investments to the portfolio, adding higher yielding investments with lower correlations from various fixed income sectors to the existing portfolio, and implementing hedging strategies that seek to provide tail risk or downside protection. Duration is the weighted average time to receive the present value of cash flows from a specific security and is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates. Typically, fixed-income securities with shorter duration have less price fluctuations in case of interest rate changes and thus subject to a lower interest rate risk.

The Portfolio's investments in debt securities issued by or guaranteed by a country (including a country, its government and any public or local authority of that country) with a credit rating below Investment Grade will not exceed 10% of the Portfolio's net asset value.

The Portfolio may invest in structured securities (both Investment Grade and non-Investment Grade) originated by a wide range of originators and sponsors. The Portfolio's investments in these structured securities will not exceed 20% of its net assets.

The Portfolio may invest up to 10% of its net assets in fixed-income securities for which there is no ready market.

The Investment Manager may use derivatives (for investment purposes) such as swaps (including interest rate swaps, total return swaps and credit default swaps), swaptions, options, futures and currency transactions (including forward currency contracts). This enables the Investment Manager to efficiently gain exposure and manage the overall portfolio exposures such as duration, overall interest rate risk and currency exposures within the Portfolio. The Investment Manager can frequently use the derivatives market as an efficient alternative to purchasing the underlying investments. This enables the Investment Manager to efficiently pursue the Portfolio's investment objective to achieve high risk-adjusted returns through investing in a diversified portfolio of high yielding securities and related derivatives, with an average portfolio duration of less than four years.

The Portfolio is entitled to use financial derivative instruments for hedging, risk management and efficient portfolio management purposes. The Portfolio may also use financial derivative instruments extensively for investment purposes. The expected level of leverage of the Portfolio is estimated to be in the 20% to 300% range of its net asset value. The expected level of leverage is calculated as the sum of the notional of the financial derivative instruments held by the Portfolio, which neither takes into account the fact that a particular financial derivative instrument increases or decreases the Portfolio's investment risks nor permits to net financial derivative instruments with reverse positions. With this methodology, the use of derivatives for hedging purposes will automatically increase the level of leverage. In addition, the actual leverage of the Portfolio may deviate from the above mentioned expected level of leverage.

## What are the key risks?

*Investment involves risks. Please refer to the offering document for details including the risk factors.*

### 1. Risk in investing in financial derivative instruments

The Portfolio will use financial derivative instruments for investment purposes and for the purpose of meeting its investment objective. The Portfolio's investment in financial derivative instruments may involve additional risks, for example, counterparty default risk (risk that the direct counterparty of an OTC derivative does not make timely interest or principal payments as contracted) or insolvency risk (risk that the counterparty may not have sufficient funds and files for bankruptcy), risk involved with effective management of

derivative strategies (risk that the underlying investments in the derivatives-based investment strategy do not perform as expected), risk of mispricing or improper valuation of derivatives (operational risk that the derivative is not priced properly), risk of higher volatility, risk of illiquidity in the market for certain derivative strategies (risk that certain OTC derivatives may not be as easily exchangeable as others). Derivatives may give rise to leverage and the risk of loss may be greater than the amount invested in the derivative and may expose the fund to significant losses.

**2. Credit Risk - Sovereign Debt Obligations**

The Portfolio will be exposed to the direct or indirect consequences of political, social and economic changes in various countries by investing in the bonds of governmental entities. These political, social and economic changes in a particular country may affect a particular government's willingness to make or provide for timely payments of its debt obligations. The Portfolio may suffer significant losses when there is a default of sovereign debt issuers.

**3. Credit Risk - Corporate Debt Obligations**

The Portfolio will be subject to the risk that a particular corporate issuer may not fulfil its payment or other obligations. Additionally, an issuer may experience an adverse change in its financial condition which may in turn result in a decrease in its credit rating, possibly below Investment Grade. Such adverse change may result in increased volatility in the price of an issuer's debt obligations and negatively affect liquidity. The Portfolio may suffer significant losses when there is a default of corporate issuers.

**4. Credit Risk – Downgrading Risk**

The Portfolio will invest in fixed-income securities (including bonds). An issuer of such fixed-income securities may experience an adverse change in its financial condition which may in turn result in a decrease in the credit rating assigned by an internationally recognized statistical ratings organization to such issuer and fixed-income securities issued by such issuer. Credit ratings of fixed-income securities reflect the issuer's ability to make timely payments of interest or principal—the lower the rating, the higher the risk of default. The adverse change in financial condition or decrease in credit rating(s) of issuer may result in increased volatility in, and adverse impact on, the price of the relevant fixed-income security and negatively affect liquidity, making any such fixed-income security more difficult to sell.

**5. Fixed-Income Securities Risk - General**

The Portfolio will invest in fixed-income securities where their value will change in response to fluctuations in interest rates and currency exchange rates, as well as changes in credit quality of the issuer.

**6. Fixed Income Securities Risk - Lower Rated and Unrated Instruments**

The Portfolio will substantially invest in high yield, high risk fixed-income securities (including bonds) that are rated in the lower rating categories (i.e. below Investment Grade) or which are unrated. 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 securities may be thinner and less active than that for higher-quality securities, which can adversely affect the prices at which these securities can be sold. As a result the Portfolio, and thus the investors of the Portfolio, may suffer losses. With respect to Share Classes that pay dividends, the investment in high yield securities by the Portfolio does not necessarily represent high dividend distributions of an investment in the Shares of the Portfolio.

**7. Fixed Income Securities Risk - Interest Rates**

The Portfolio invests in fixed-income securities where its value will generally vary inversely with changes in interest rates and may affect the net asset value of the Portfolio. As interest rates rise, fixed-income securities prices generally fall and vice versa. Prices of longer-term securities tend to rise and fall more than short-term securities.

**8. Country Risk - General**

The Portfolio will make investments in different countries or geographic regions and the Portfolio's investments may be concentrated in a particular country or geographic region from time to time. Investments in issuers located in a particular country or geographic region may have more risk because of particular market factors affecting that country or region, including political instability or unpredictable economic conditions.

**9. Country Risk - Emerging Markets**

The Portfolio will invest in emerging markets, which are subject to higher risks (for example, liquidity risk, currency risk, political risk, regulatory risk and economic risk) and higher volatility than portfolios investing in developed markets. Fluctuations in currency exchange rates may negatively affect the value of the investment or reduce returns - these risks are magnified in emerging or developing markets.

**10. Liquidity Risk**

The Portfolio may invest up to 10% of its net assets in fixed-income securities for which there is no ready market. The Portfolio may therefore not be readily able to sell such fixed-income securities or experience difficulty of purchasing or selling such securities at an advantageous time or price, which may have a negative impact on the Portfolio's performance.

## 11. Currency Risk

Underlying investments may be denominated in one or more currencies different than that in which such portfolio is denominated. This means currency movements in such underlying investments may significantly affect the Net Asset Value in respect of such Portfolio's shares.

## 12. Risks associated with payment of dividends out of capital

The Management Company has the sole and absolute discretion to amend the dividend policy, subject to the SFC's prior approval and by giving no less than one month's prior notice to investors. Dividend yield is not indicative of return of the Portfolio. Dividends may be paid from capital of the Portfolio at the discretion of the Management Company, which may amount to a partial return or withdrawal of an investor's original investment or from any capital gains attributable to that original investment and such dividends may result in an immediate decrease of the Net Asset Value per Share.

## Is there any guarantee?

This Portfolio does not have any guarantees. You may not get back the amount of money you invest.

## What are the fees and charges?

(Different fee structure apply to different classes of shares. Investors should refer to the offering document of the Fund for details.)

### Charges which may be payable by you

You may have to pay the following fees when dealing in the Shares of the Portfolio

Fee	What you pay
Subscription fee (Initial Sales Charge)	Classes A2, AA, AA AUD H, AT, AT AUD H, AT CAD H, A2 EUR H, AT EUR H, AT GBP H and AT SGD H Shares: up to 5% of the purchase price Classes I2, I2 EUR H and IT Shares: up to 1.50% of the purchase price Not applicable to other Share Classes
Switching fee	Not Applicable
Redemption fee	Not Applicable
Contingent Deferred Sales Charge	Classes B2, BA, BA AUD H, BT, BT AUD H, BT CAD H, BT GBP H and BT SGD H Shares: Where applicable up to 3% (depending on years held) of the lesser of the current Net Asset Value or original cost of the Shares being redeemed Classes C2 and CT Shares: Where applicable up to 1% (depending on years held) of the lesser of the current Net Asset Value or original cost of the Shares being redeemed Not applicable to other Share Classes

### Ongoing fees payable by the fund

### What you pay

Management fee	Classes A2, AA, AA AUD H, AT, B2, BA, BA AUD H, BT, AT AUD H, AT CAD H, A2 EUR H, AT EUR H, AT GBP H, AT SGD H, BT AUD H, BT CAD H, BT GBP H, and BT SGD H: 1.10% Classes C2 and CT Shares: 1.55% Classes I2, I2 EUR H and IT Shares: 0.55% p.a. of Net Asset Value
Custodian fee	These fees may decrease or increase depending on the assets of the Portfolio and transaction volume or for other reasons. With respect to the fiscal year ended 31 May 2013, the amounts expressed as a percentage of Net Asset Value of the Portfolio, of the Administrator fee, Custodian fee and Transfer Agent fee were 0.01%, 0.01% and 0.02% p.a., respectively.
Administration fee payable to the Administrator	
Transfer Agent fee	
Performance fee	Not Applicable
Distribution fee	Classes B2, BA, BA AUD H, BT, BT AUD H, BT CAD H, BT GBP H and BT SGD H Shares: 1.00% p.a. of Net Asset Value Not applicable to other Share Classes
Administration Fee payable to the Management Company	All Share Classes (and corresponding H Shares): 0.05% p.a. of Net Asset Value

### Other fees

You may have to pay other fees when dealing in the shares of the Portfolio.

### **Additional Information**

- You may generally buy and redeem units at the Portfolio's next-determined Net Asset Value plus any applicable charges after the Management Company receives your request in good order on or before 4:00 P.M. U.S. Eastern Time on each Business Day (business day of both New York Stock Exchange and Luxembourg banks) for USD-denominated share classes and 6.00 P.M. Central European Time on each Business Day for currency hedged share classes, each time being the order cut-off time. Investors should note that, for applications sent through a Hong Kong distributor, such distributor may have an earlier cut-off time.
- The Net Asset Value of the Portfolio is calculated on each Business Day for publication daily in the Hong Kong Economic Times and the South China Morning Post. The Net Asset Value will also be available on the following website [www.alliancebernstein.com/investments](http://www.alliancebernstein.com/investments). The above website has not been reviewed by the SFC and may contain information of funds not authorised by the SFC.
- The compositions of the distributions (i.e. the relative amounts paid from (i) net distributable income and (ii) capital) (if any) for the last 12 months from the date on which payment of dividend is made by the Portfolio after 8 November 2012 are available from the Investment Manager or the Hong Kong Representative on request and also available at: [www.alliancebernstein.com/investments](http://www.alliancebernstein.com/investments).

### **Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.