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# PRODUCT KEY FACTS

AB FCP I

American Income Portfolio

July 2021

AllianceBernstein (Luxembourg) S.à r.l.

*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

<b>Management Company:</b>	AllianceBernstein (Luxembourg) S.à r.l.
<b>Investment Manager:</b>	AllianceBernstein L.P. (internal delegation, U.S. Delaware)
<b>Depository:</b>	Brown Brothers Harriman (Luxembourg) S.C.A.
<b>Dealing frequency:</b>	Daily
<b>Base currency:</b>	U.S. Dollar
<b>Dividend policy:</b>	<p>(i) For Classes A, B, C, and I Shares: Aims to declare daily and pay monthly or be reinvested as elected by investor*</p> <p>(ii) For Classes AA, AT, BA, BT, CT, IT, IA and WT Shares (and corresponding H Shares): Aims to declare and pay monthly or be reinvested as elected by investor*</p> <p>*Dividends may be paid out of capital or effectively out of capital and reduce the Portfolio's net asset value</p> <p>(iii) For Classes A2, B2, C2, I2 and W2 Shares (and corresponding H Shares): None</p>

**Financial year end of this Portfolio:** 31 August

<b>Ongoing charges over a fiscal year:</b>	Classes A, AA, AT and A2 Shares (and corresponding H Shares <sup>□</sup> )	Class AA GBP H Shares	Classes AA SGD H and AA RMB H Shares	
	1.32% <sup>†</sup>	1.31% <sup>†</sup>	1.33% <sup>†</sup>	
	Classes B, BA, B2 and BT Shares (and corresponding H Shares)	Classes C, C2 and CT Shares	Class C2 EUR H Shares	
	2.01% <sup>†</sup>	1.77% <sup>†</sup>	1.78% <sup>†</sup>	
	Classes IA Shares (and corresponding H Shares), IT AUD H, IT EUR H and IT NZD H Shares	Classes IT and I2 Shares (and corresponding H Shares <sup>□</sup> )	Class I2 SGD H Shares	Class IT RMB H Shares
	0.76% <sup>†</sup>	0.77% <sup>†</sup>	0.78% <sup>†</sup>	0.75% <sup>†</sup>
	Class WT Shares (and corresponding H Shares <sup>□</sup> )	Class WT GBP H Shares	Class W2 Shares	
0.60% <sup>†</sup>	0.58% <sup>†</sup>	0.61% <sup>†</sup>		

<b>Min. investment*:</b>	<b>Initial</b>	<b>Additional</b>
Classes A, AA, A2, AT, B*, BA*, B2*, BT*, C, C2 and CT Shares (and corresponding H Shares)	USD 2,000   EUR 2,000   GBP 2,000 HKD 15,000   AUD 2,000   SGD 3,000 CAD 2,000   NZD 3,000   ZAR 20,000 RMB 10,000	USD 750   EUR 750   GBP 750 HKD 5,000   AUD 750   SGD 1,000 CAD 750   NZD 1,000   ZAR 7,000 RMB 3,750
Classes I, I2, IT, IA, W2 and WT Shares (and corresponding H Shares)	USD 1 million   EUR 1 million AUD 1 million   HKD 8 million SGD 1.5 million   CAD 1 million NZD 1.5 million   GBP 500,000 RMB 5 million	None



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□ Unless otherwise specified.

†The ongoing charges figure is based on expenses for the year ended 31 August 2020. This figure may vary from year to year. The ongoing charges figure is an annual figure calculated by adding the applicable charges and payments deducted from the assets of the Portfolio and then dividing by the Portfolio's average net asset value for the fiscal year attributable to the relevant share class.

\*Different minimum, additional and maximum investment limits may apply to different classes of shares denominated in different currencies. Investors should refer to the offering document of the Fund for details.

•Effective 15 December 2016, Classes B, BA, B2 and BT Shares (and corresponding H Shares) are no longer open for subscription by new and existing investors. However, investors may request the exchange of their holdings of Classes B, BA, B2 and BT Shares (and corresponding H Shares) for the same share class of another AB-sponsored Luxembourg-domiciled UCITS fund authorised in Hong Kong for retail distribution or otherwise available through an AB authorised dealer in Hong Kong.

## What is this product?

The American Income Portfolio (the "Portfolio") is a portfolio of AB FCP I (the "Fund"), a mutual investment fund domiciled in Luxembourg and its home regulator is Commission de Surveillance du Secteur Financier.

## Objectives and Investment Strategy

### Objectives

The primary investment objective of the Portfolio is to seek to provide a high level of current income consistent with preservation of capital by investing in a diversified portfolio of fixed-income securities.

### Strategy

The Portfolio's investments may include all types of U.S. Government Securities, including those backed by the full faith and credit of the U.S. Government, those supported by the right to borrow from the U.S. Treasury and those backed by the credit of the issuing agency itself. The Portfolio may also invest in fixed-income securities issued by U.S. corporations and by non-U.S. corporations and by governments other than that of the United States (including, but not limited to, states, provinces and municipalities) or their agencies and instrumentalities ("governmental entities") issuing securities denominated in Dollars and a variety of mortgage-backed securities and zero coupon securities.

The Portfolio will maintain investment exposure of at least 65% of its net asset value in U.S. issuers. The Investment Manager anticipates that the Portfolio will maintain investment exposure of at least 50% of its net asset value in (i) U.S. Government Securities, as described in the Prospectus, and (ii) other fixed-income securities that, at the time of investment, are considered Investment Grade (as defined in the Prospectus of the Fund to mean 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, or the equivalent thereof by at least one internationally recognised statistical ratings organization), or if not so rated, are determined by the Investment Manager to be of equivalent quality. Notwithstanding the foregoing, under certain market conditions the Investment Manager may obtain investment exposure in excess of 50% of the Portfolio's net asset value in securities that are rated below Investment Grade if the Investment Manager deems such investments appropriate in light of current market conditions and the Portfolio's investment objective.

The Portfolio may invest less than 30% of its net asset value in debt instruments with loss-absorption features as defined by the SFC, including, but not limited to, contingent convertible securities, other Tier 1 and Tier 2 capital instruments and senior non-preferred debts. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger events.

The Investment Manager expects that at any time the Portfolio will maintain investment exposure of at least 80% of its net asset value in fixed-income securities, and in no case will the amount of the Portfolio's investment exposure in such securities be less than half of the Portfolio's net asset value. In no case will the amount of the Portfolio's investment exposure to securities issued by American issuers be less than two-thirds of the Portfolio's net asset value. For these purposes, an "American issuer" is a government, governmental agency, company or other entity that (i) is domiciled or organized in, or (ii) is established and conducting business in, or (iii) carries out the preponderant part of its economic activities in North, South or Central America.

The Investment Manager does not expect to utilize bank borrowing in implementing the Portfolio's investment strategy.



The Portfolio may use financial derivative instruments for hedging, risk management, efficient portfolio management and as an alternative to investing directly in the underlying securities. Such financial derivatives instruments may include use of exchange-traded and OTC derivative instruments, including, swaps, options, futures and currency transactions.

## Use of derivatives / Investment in derivatives

The Portfolio's net derivative exposure may be up to 50% of the Portfolio's net asset value.

## What are the key risks?

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

### 1. General Investment Risk

The Portfolio's investment may fall in value due to any of the key risk factors below and therefore your investment in the Portfolio may suffer losses. There is no guarantee of the repayment of principal.

### 2. Debt Securities Risk

- Credit / Counterparty Risk

The Portfolio is exposed to the credit/default risk of issuers of the debt securities that the Portfolio may invest in.

- Interest Rates Risk

The Portfolio invests in debt 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, debt securities prices generally fall and vice versa. Prices of longer-term securities tend to rise and fall more than short-term securities.

- Volatility and Liquidity Risk

The debt securities in emerging markets that are less developed may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Portfolio may incur significant trading costs.

- Downgrading Risk

The Portfolio will invest in debt securities (including bonds). An issuer of such debt securities may experience an adverse change in its financial condition which may in turn result in a downgrading in the credit rating to such issuer and debt securities issued by such issuer. Credit ratings of debt 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 and debt securities may result in increased volatility in, and adverse impact on, the price of the relevant debt security and negatively affect liquidity, making any such debt security more difficult to sell. The value of the Portfolio may be adversely affected. The Investment Manager may not be able to dispose the debt securities that are being downgraded.

- Risk Associated with Debt Securities Rated Below Investment Grade or Unrated

The Portfolio will invest in high yield, high risk debt securities (including bonds) that are rated in the lower rating categories (i.e. below Investment Grade) or which are unrated. Debt securities below Investment Grade and unrated are considered to be subject to higher volatility and 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-rated 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.

- Sovereign Debt Risk

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 issued or guaranteed by governmental entities. In adverse situations, these political, social and economic changes in a particular country may affect a particular government's ability or willingness to make or provide for timely payments of its debt obligations or may request the Portfolio to participate in restructuring such debts. The Portfolio may suffer significant losses when there is a default of sovereign debt issuers.



- **Valuation Risk**

Valuation of the Portfolio's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Portfolio.
- **Credit Rating Risk**

Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.
- 3. **Risks Associated with Collateralised and/or Securitised Products (such as Asset-Backed Securities, Mortgage-Backed Securities and Asset-Backed Commercial Papers)**

The Portfolio invests in mortgage-backed securities which may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater credit, liquidity and interest rate risk compared to other debt securities. They are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities.
- 4. **Concentration Risk**

The Portfolio's investments are concentrated in the US market. The value of the Portfolio may be more volatile than that of a fund having more diverse portfolio of investments. The value of the Portfolio may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the market.
- 5. **Currency Risk**

Underlying investments may be denominated in one or more currencies different from the Portfolio's base currency. Also, a class of shares may be designated in a currency other than the base currency of the Portfolio. This means changes in exchange rate controls, currency movements in such underlying investments and fluctuations in the exchange rates between these currencies and the base currency may significantly and unfavorably affect the net asset value of the Portfolio's shares.
- 6. **Illiquid Assets Risk**

The difficulty of purchasing or selling a security at an advantageous time or price may have a negative impact on the portfolio's performance.
- 7. **Management Risk**

The Portfolio may be subject to management risk because it is an actively managed investment fund. The Investment Manager will apply its investment techniques and risk analyses in making investment decisions for the Portfolio, but there can be no guarantee that its decisions will produce the desired results.
- 8. **Risks Relating to Renminbi ("RMB") Class(es)**

RMB is currently not freely convertible and is subject to exchange controls and restrictions.

Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Portfolio.

Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.
- 9. **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 (if required) 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 or effectively out of the 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 result in an immediate decrease of the net asset value per Share. The distribution amount and net asset value of the currency hedged share classes may be adversely affected by differences in the interest rates of the reference currency of the currency hedged share classes and the Portfolio's base



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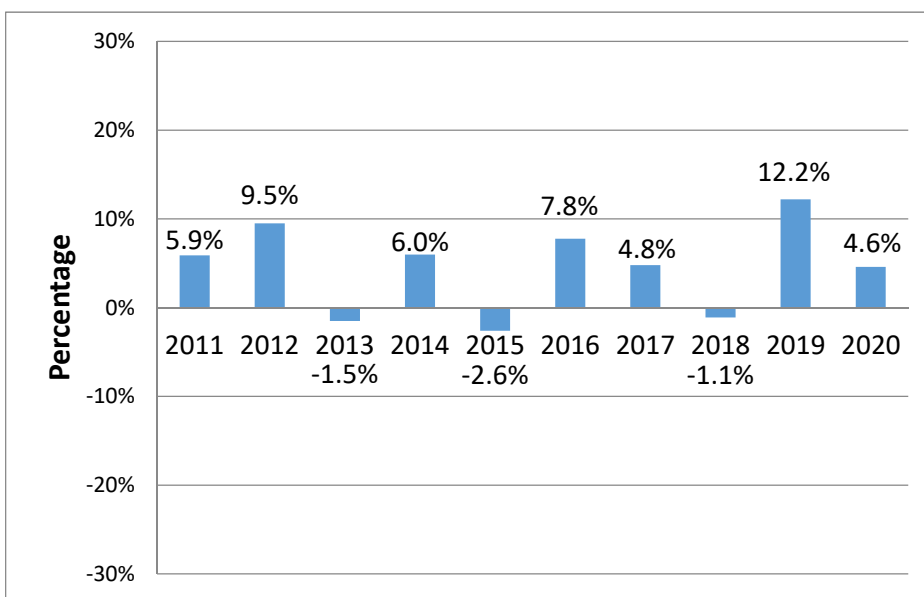
currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged share classes.

**10. Risk in Investing in Financial Derivative Instruments**

Risks in investing with financial derivative instruments include counterparty / credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element / component of a financial derivative instrument can result in a loss significantly greater than the amount invested in the financial derivative instrument by the Portfolio. Exposure to financial derivative instrument may lead to a high risk of significant loss by the Portfolio.

**How has the Portfolio performed?**

The bar chart below shows the past performance of Class AT USD Shares, which has been designated as the representative share class by the Management Company as it is a focus share class made available to Hong Kong investors.



Portfolio launch year: 1993

Class AT USD Shares launch year: 2002

- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much Class AT USD Shares have increased or decreased in value during the calendar year being shown.
- Performance data has been calculated in USD including ongoing charges and excluding any subscription fee and redemption fee you might have to pay.
- With effect from 4 May 2020, the benchmark of the Portfolio is Bloomberg Barclays US Aggregate Index.

**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 A, AA, A2 and AT Shares (and corresponding H Shares): up to 5% of the purchase price



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	Classes I, I2, IT and IA Shares (and corresponding H Shares): up to 1.5% of the purchase price
	Not applicable to other Share Classes
Switching fee <sup>+</sup>	Not Applicable
Redemption fee	Not Applicable
Contingent Deferred Sales Charge	Classes B, BA, B2 and BT Shares (and corresponding 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 C, C2 and CT Shares (and corresponding H 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

<sup>+</sup>Any additional fees charged by distributors may still apply.

### Ongoing fees payable by the fund

The following expenses will be paid out of the Portfolio. They affect you because they reduce the return you get on your investments.

Fee	What you pay
Management fee*	Classes A, AA, A2, AT, B, BA, B2 and BT Shares (and corresponding H Shares): 1.10% Classes C, C2 and CT Shares (and corresponding H Shares): 1.55% Classes I, I2, IT and IA Shares (and corresponding H Shares): 0.55% Classes W2 and WT Shares (and corresponding H Shares): up to 0.55%
Depository fee* Administration fee payable to the Administrator* Transfer Agent fee*	Up to 1.00%
Performance fee	Not Applicable
Distribution fee*	Classes B, BA, B2 and BT Shares (and corresponding H Shares): 0.70% Not applicable to other Share Classes
Administration fee payable to the Management Company*	All Share Classes (and corresponding H Shares): 0.10%

\*Percentage per annum 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 shares 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, on or before 1:00 P.M. Central European Time on each Business Day (business day of both New York Stock Exchange and Luxembourg banks) for RMB hedged share classes or on or before 6:00 P.M. Central European Time on each Business Day (business day of both New York Stock Exchange and Luxembourg banks) for other 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.



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- The net asset value of the Portfolio is calculated on each Business Day and will be available on the following website [www.alliancebernstein.com.hk](http://www.alliancebernstein.com.hk) or alternatively, you may contact AllianceBernstein Hong Kong Limited (as the Hong Kong Representative of the Fund) at +852 2918 7888.
- Investors may obtain the past performance information of other share classes offered to Hong Kong investors from [www.alliancebernstein.com.hk](http://www.alliancebernstein.com.hk).
- The compositions of the dividends (i.e., the relative amounts paid out of (i) net distributable income and (ii) capital) for the most recent 12 months can be obtained from the Investment Manager and the Hong Kong Representative on request. The compositions of the dividends will also be available at: [www.alliancebernstein.com.hk](http://www.alliancebernstein.com.hk).

### 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.

The website [www.alliancebernstein.com.hk](http://www.alliancebernstein.com.hk) has not been reviewed by the SFC and may contain information on funds not authorised by the SFC.