

**Purpose**

This document provides you with key information about this investment fund. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this portfolio and to help you compare it with other investment funds.

**Product**

# Mortgage Income Portfolio

a sub-fund of AB FCP I

Class AA ZAR H Shares (ISIN: LU1035782215)

AB FCP I is a mutual investment fund (*fonds commun de placement*) and is managed by AllianceBernstein (Luxembourg) S.à r.l., a member of the AllianceBernstein Group, which is authorised in Luxembourg, and regulated by the *Commission de Surveillance du Secteur Financier* (CSSF). For more information on this Fund, please refer to [www.alliancebernstein.com](http://www.alliancebernstein.com) or call +352 46 39 36 151.

This document was published on 29/02/2024.

**What is this product?****Type**

This is an open-ended investment fund.

**Term**

The Portfolio does not have a specific maturity date. The Board may unilaterally decide to liquidate the Portfolio in accordance with the Fund's prospectus.

**Investment objective**

The Portfolio seeks to realise superior returns on your investment over the long term relative to the degree of risk taken.

**Investment policy**

Under normal circumstances, the Portfolio invests mainly in mortgage-backed and other asset-backed securities. The Portfolio may invest in both higher-rated (Investment Grade) and in higher-yielding, lower-rated (below Investment Grade) and therefore riskier debt securities.

Investments in below Investment Grade debt securities are not expected to exceed 50% of the Portfolio's net assets. The Portfolio will maintain a weighted average effective duration of no more than eight years. In addition, under normal circumstances, the Portfolio will hedge its non-USD currency exposure in order to maintain such exposure to a maximum of 5%.

The Portfolio may use derivatives (i) for efficient portfolio management and (ii) in seeking to reduce potential risks.

**Terms to understand**

**Asset-backed securities:** Debt securities representing an interest in a pool of consumer debt, such as credit card debt or automobile loans.

**Debt securities:** Securities that represent the obligation to pay a debt, with interest.

**Derivatives:** Financial instruments whose value is linked to one or more rates, indices, share prices or other values.

**Duration:** A measure of how much the price of a fixed-income asset will fluctuate as a result of changes in the interest rate environment. Securities with a higher duration are typically more sensitive and can have greater price fluctuations in case of changes in the interest rates.

**Mortgage-backed securities:** Debt securities representing an interest in a pool of mortgages.

**Responsible investing**

The Portfolio is classified as Article 8 under Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR). For more information, please refer to the SFDR Pre-Contractual Disclosures in the Fund's prospectus.

**Benchmark**

Secured Overnight Financing Rate (SOFR) used for performance comparison.

The Portfolio is actively managed and the Investment Manager is not constrained by its benchmark. Please see the Fund's prospectus for more information.

**Intended retail investor**

The Portfolio is intended for investors with a basic knowledge and limited/no experience of investing in funds. This Portfolio is intended for investors seeking to increase the value of their investment over the recommended holding period and understand the risk of losing some or all the capital invested.

**Portfolio currency**

The reference currency of the Portfolio is USD.

**Share class currency**

The reference currency of the share class is ZAR.

**Hedged share class:** This share class seeks to reduce the effect of exchange rate fluctuations between the Portfolio's base currency and the currency of the share class.

**Distribution policy**

This share class is a distributing share class. The distribution rate is to be derived from gross income (before deduction of fees and expenses) and distributions may also include realised and unrealised gains and capital.

**Redemption**

Shares may be redeemed on any day when both the New York Stock Exchange and Luxembourg banks are open for business (each a Business Day). The latest price units and other practical information for this Portfolio can be found at: [www.alliancebernstein.com](http://www.alliancebernstein.com)

**Depositary**

Brown Brothers Harriman (Luxembourg) S.C.A.  
80, route d'Esch, L-1470 Luxembourg

## What are the risks and what could I get in return?

Risk

Lower risk

Higher risk

1	2	3	4	5	6	7
---	---	---	---	---	---	---

The risk indicator assumes you keep your investment in the Portfolio for 5 years.

This is the recommended holding period for this Portfolio.

You may not be able to sell your shares easily or you may have to sell at a price that significantly impacts on how much you get back.

The summary risk indicator (SRI) is a guide to the level of risk of this Portfolio compared to other investment funds. It shows how likely it is that the Portfolio will lose money because of movements in the markets.

The Portfolio is classified as 3 out of 7, which is a medium-low risk class.

**Risks materially relevant to the Portfolio but not adequately captured by the SRI:**

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events, which could amplify everyday risks and could trigger other risks, such as:

**Counterparty risk:** If an entity with which the Portfolio does business becomes insolvent, payments owed to the Portfolio could be delayed, reduced and/or eliminated.

**Credit risk:** The financial health of debt security issuers could fall sharply, leading to defaults and to large losses in the value of debt securities.

**Currency risk:** In the event of a share class denominated in a different currency than the investor's local currency, the return of the investor will be impacted by the exchange rate between the share class currency and the investor's local currency.

**Focus risk:** The Portfolio may have significant exposure to a single industry sector or country, and could be more sensitive to events impacting that sector or country.

**Liquidity risk:** Certain securities could become hard to buy or to sell at a desired time or price.

You can find more information about the other risks in the Fund's prospectus at: [www.alliancebernstein.com](http://www.alliancebernstein.com)

## Performance Scenarios

What you will get from this share class depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the share class over the last 10 years. The scenarios shown are illustrations based on results from the past and on certain assumptions. Markets could develop very differently in the future. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. If applicable, for any periods before the share class activation/reactivation a similar share class proxy was used to replicate expected returns.

<b>Recommended holding period:</b>	5 years	
<b>Example Investment:</b>	10,000 ZAR	
	<b>If you exit after 1 year</b>	<b>If you exit after 5 years</b>

### Scenarios

Scenarios			
<b>Minimum</b>	There is no minimum guaranteed return and you could lose some or all of your investment.		
<b>Stress</b>	<b>What you might get back after costs</b>	<b>3,100 ZAR</b>	<b>3,630 ZAR</b>
	Average return each year	-69.0%	-18.3%
<b>Unfavourable</b>	<b>What you might get back after costs</b>	<b>8,090 ZAR</b>	<b>11,070 ZAR</b>
	Average return each year	-19.1%	2.1%
<b>Moderate</b>	<b>What you might get back after costs</b>	<b>10,300 ZAR</b>	<b>13,500 ZAR</b>
	Average return each year	3.0%	6.2%
<b>Favourable</b>	<b>What you might get back after costs</b>	<b>12,080 ZAR</b>	<b>15,200 ZAR</b>
	Average return each year	20.8%	8.7%

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest ZAR 10,000.

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other investment funds.

The scenarios presented are an estimate of future performance based on evidence from the past, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment.

The figures shown include all the costs of the share class itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

Unfavourable scenario: This type of scenario occurred for an investment between December 2022 and December 2023.

Moderate scenario: This type of scenario occurred for an investment between December 2016 and December 2021.

Favourable scenario: This type of scenario occurred for an investment between January 2015 and January 2020.

## What happens if AllianceBernstein (Luxembourg) S.à r.l. is unable to pay out?

The Fund's assets are held with a separate company, the depositary, so the Fund's ability to pay out would not be affected by the insolvency of AllianceBernstein (Luxembourg) S.à r.l.

However, in the event of the depositary's insolvency, the Fund may suffer a financial loss. However, this risk is mitigated to a certain extent by the fact the depositary is required by law to segregate its own assets from the assets of the Fund. There is no investor compensation scheme in place which may offset, all or part, of this loss.

## What are the costs?

**Costs over time:** The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest and how long you hold your investment in the Portfolio. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0 % annual return). For the other holding periods we have assumed the share class performs at the greater of 0 % or as shown in the moderate scenario;
- ZAR 10,000 is invested.

	If you exit after 1 year	If you exit after 5 years
<b>Total costs</b>	<b>642 ZAR</b>	<b>1,208 ZAR</b>
<b>Annual cost impact (*)</b>	6.4%	2.6% each year

(\*) This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 8.8% before costs and 6.2% after costs.

The person advising on or selling you this Portfolio may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

We may share part of the costs with the person selling you the Portfolio to cover the services they provide to you.

**Composition of costs:** The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

For additional information about share class characteristics and costs, please refer to the prospectus which is available at [www.alliancebernstein.com](http://www.alliancebernstein.com)

One-off costs upon entry or exit		If you exit after 1 year
<b>Entry costs</b>	This will be 5.00% of the amount you pay when entering this investment. This is the most you will pay, and you could pay less.	Up to 500 ZAR
<b>Exit costs</b>	There is no exit fee charged on the share class.	0 ZAR
Ongoing costs taken each year		
<b>Management fees and other administrative or operating costs</b>	1.35% of the value of your investment per year. This is an estimate based on actual costs over the last year.	135 ZAR
<b>Transaction costs</b>	0.07% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments of the Portfolio. The actual amount will vary depending on how much we buy and sell.	7 ZAR
Incidental costs taken under specific conditions		
<b>Performance fees</b>	There is no performance fee for this share class.	0 ZAR

## How long should I hold it and can I take money out early?

The Portfolio has no required minimum holding period but is designed for long-term investment; an investment period of minimum 5 years is recommended.

Shares in the Portfolio can be purchased and redeemed on each Business Day. For practical information, please refer to the "What is this product?" section.

## How can I complain?

Complaints can be submitted in writing:

- By post to: AllianceBernstein (Luxembourg) S.à r.l., Attn. Complaint Handling Officer, 2-4, rue Eugène Ruppert, L-2453 Luxembourg
- Via email to: [ABLux-complaint@alliancebernstein.com](mailto:ABLux-complaint@alliancebernstein.com)

For more information, please refer to: [www.alliancebernstein.com/go/Complaint-Policy](http://www.alliancebernstein.com/go/Complaint-Policy)

## Other relevant information

You may obtain free of charge the prospectus in English, French and German, the latest annual and semi-annual reports in English and German, as well as the Net Asset Value (NAV) of the shares at the registered office of the Management Company or online at [www.alliancebernstein.com](http://www.alliancebernstein.com)

**Past performance/Performance Scenarios:** Information on the share class past performance for the past 10 years and previous performance scenarios updated on a monthly basis is available at [www.alliancebernstein.com/go/kid](http://www.alliancebernstein.com/go/kid)

**Tax Legislation:** The Fund is subject to the tax laws and regulations of Luxembourg and this might have an impact on your personal tax situation depending on your country of residence.

This key information document will be updated at least every 12 months following the date of the initial publication, unless there are any ad hoc changes.

The Representative and Paying Agent in Switzerland is BNP PARIBAS, Paris, Zurich branch, Selnaustrasse 16, 8002 Zurich, Switzerland. The prospectus, the key information documents, the management regulations of the Fund as well as the annual and semi-annual reports, may be obtained free of charge from the Representative in Switzerland.