

LEA 02	Disclosures: Mandatory	Reason for interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	Individual/ internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making in a company relevant ESG issues <input checked="" type="checkbox"/> To enhance corporate transparency for identifying the need to take action <input type="checkbox"/> To engage internal ESG advisors <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage internal staff	
Collaborative engagements	Collaborative engagements	<input type="checkbox"/> To support investment decision-making in a company relevant ESG issues <input type="checkbox"/> To enhance corporate transparency for identifying the need to take action <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage in collaborative engagements	
Service provider engagements	Service provider engagements	<input type="checkbox"/> To support investment decision-making in a company relevant ESG issues <input type="checkbox"/> To enhance corporate transparency for identifying the need to take action <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage in service provider engagements	

PRIVATE RI REPORT

2018

AB

About this report

This report is an export of the individual Signatory organisation responses to the PRI Reporting Framework during the 2018 reporting period. It shows your responses to all completed indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders. The PRI will **not publish** this report on its website. Instead, you will be able to access the public RI Transparency report of your organisation and that of other signatories on the [PRI website](#).

The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an ‘at a glance’ summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the ‘General’ column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator.
🔍	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		✓	-							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Public							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown by passive, active strategies	✓	Public							✓
OO FI 02	Option to report on <10% assets	🔒	n/a							✓
OO FI 03	Breakdown by market and credit quality	✓	Public							✓
OO SAM 01	Breakdown by passive, quantitative, fundamental and other active strategies	🔒	n/a							✓
OO PE 01	Breakdown of investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership	🔒	n/a							✓
OO PR 01	Breakdown of investments	✓	Public							✓
OO PR 02	Breakdown of assets by management	✓	Public							✓
OO PR 03	Largest property types	✓	Public							✓
OO INF 01	Breakdown of investments	🔒	n/a							✓
OO INF 02	Breakdown of assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Public							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Public							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Public							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Public							✓
SG 19	Communication	✓	Public							✓
SG End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Public	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 07	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 11	ESG issues in index construction	✓	Public	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 13	Measurement of financial and ESG outcomes of ESG incorporation	✓	Public	✓						
LEI 14	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagement methods	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 14	Examples of ESG engagements	✓	Public		✓					
LEA 15	Voting policy & approach	✓	Public	✓	✓	✓				
LEA 16	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 17	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 18	Confirmation of votes	✓	Public		✓					
LEA 19	Securities lending programme	✓	Public		✓					
LEA 20	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 21	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 22	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 23	Shareholder resolutions	✓	Public		✓					
LEA 24	Examples of (proxy) voting activities	✓	Public		✓					
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Public	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Negative screening - overview and rationale	✓	Public	✓						
FI 06	Examples of ESG factors in screening process	✓	Public	✓						
FI 07	Screening - ensuring criteria are met	✓	Public	✓						
FI 08	Thematic investing - overview	🔒	n/a	✓						
FI 09	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 10	Thematic investing - assessing impact	🔒	n/a	✓						
FI 11	Integration overview	✓	Public	✓						
FI 12	Integration - ESG information in investment processes	✓	Public	✓						
FI 13	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 14	ESG incorporation in passive funds	-	n/a	✓						
FI 15	Engagement overview and coverage	✓	Public		✓					
FI 16	Engagement method	✓	Public	✓	✓					
FI 17	Engagement policy disclosure	✓	Public	✓	✓					
FI 18	Financial/ESG performance	✓	Public							✓
FI 19	Examples - ESG incorporation or engagement	✓	Public	✓	✓					
FI End	Module confirmation page	✓	-							

Assurance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01.1	Assurance, verification, or review	✓	Public							✓
CM1 01.2 & 01.8	Assurance of this year's PRI data	✓	Public							
CM1 01.3 & 01.9	Assurance of last year's PRI data	✓	Public							✓
CM1 01.4, 10-12	Other confidence building measures	✓	Public							✓
CM1 01.5	External assurance	🔒	n/a							✓
CM1 01.6	Assurance or internal audit	✓	Public							✓
CM1 01.7	Internal verification	🔒	n/a							✓
CM1 01 End	Module confirmation page	✓	-							

Feedback and Submit				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM2 02	To what extent has the Reporting Framework captured your implementation of the Principles.	✓	Public							✓
CM2 03	Suggestions or comments on the Reporting and Assessment process	✓	Public							✓
CM2 04	Reporting & Assessment contact	✓	n/a							✓
CM2 05	Final review before submission	✓	Public							✓
CM2 06	Submit your responses	✓	Public							✓
CM2 Fin		-	n/a							

AB

Reported Information

Private version

Organisational Overview

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1 Select the services and funds you offer

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Other, specify

Further options for investment managers (may be selected in addition to the above)

- Execution and advisory services
- Hedge funds
- Fund of hedge funds

OO 02

Mandatory

Public

Peering

General

OO 02.1 Select the location of your organisation's headquarters.

United States

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

3470

OO 03 Mandatory Public Descriptive General

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04 Mandatory Public Gateway/Peering General

OO 04.1 Indicate the year end date for your reporting year.

31/12/2017

OO 04.2 Indicate your total AUM at the end of your reporting year, Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		554	000	000	000
Currency	USD				
Assets in USD		554	000	000	000

OO 06 Mandatory Public Descriptive General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

OO 06.1 Select how you would like to disclose your asset class mix.

- as percentage breakdown
- as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	0
Fixed income	>50%	0
Private equity	0	0
Property	<10%	0

Infrastructure	0	0
Commodities	0	0
Hedge funds	<10%	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

OO 06.2 Publish asset class mix as per attached image [Optional].

OO 07	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
--------------	--	---------------	----------------	----------------

OO 07.1 Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.

Internally managed	SSA	39
	Corporate (financial)	14
	Corporate (non-financial)	38
	Securitised	9
	Total	100%

OO 09	Mandatory to Report Voluntary to Disclose	Public	Peering	General
-------	---	--------	---------	---------

OO 09.1 Indicate the breakdown of your organisation's AUM by market.

Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %
Total	100%

Asset class implementation gateway indicators

OO 10	Mandatory	Public	Gateway	General
-------	-----------	--------	---------	---------

OO 10.1 Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- We cast our (proxy) votes directly or via dedicated voting providers
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

Fixed income SSA – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (non-financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (securitised) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11	Mandatory	Public	Gateway	General
-------	-----------	--------	---------	---------

OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Listed equity

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - SSA

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - securitised

- We address ESG incorporation.
- We do not do ESG incorporation.

Property

- We address ESG incorporation.
- We do not do ESG incorporation.

Hedge funds

- We address ESG incorporation.
- We do not do ESG incorporation.

OO 12	Mandatory	Public	Gateway	General
-------	-----------	--------	---------	---------

OO 12.1 Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised

Direct - Other asset classes with dedicated modules

- Property

RI implementation via external managers

Closing module

Closing module

Peering questions

OO LE 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
-----------------	--	---------------	----------------	----------------

OO LE 01.1 Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.

Percentage of internally managed listed equities

Passive

28

Active - quantitative (quant)

0

Active - fundamental and active - other

72

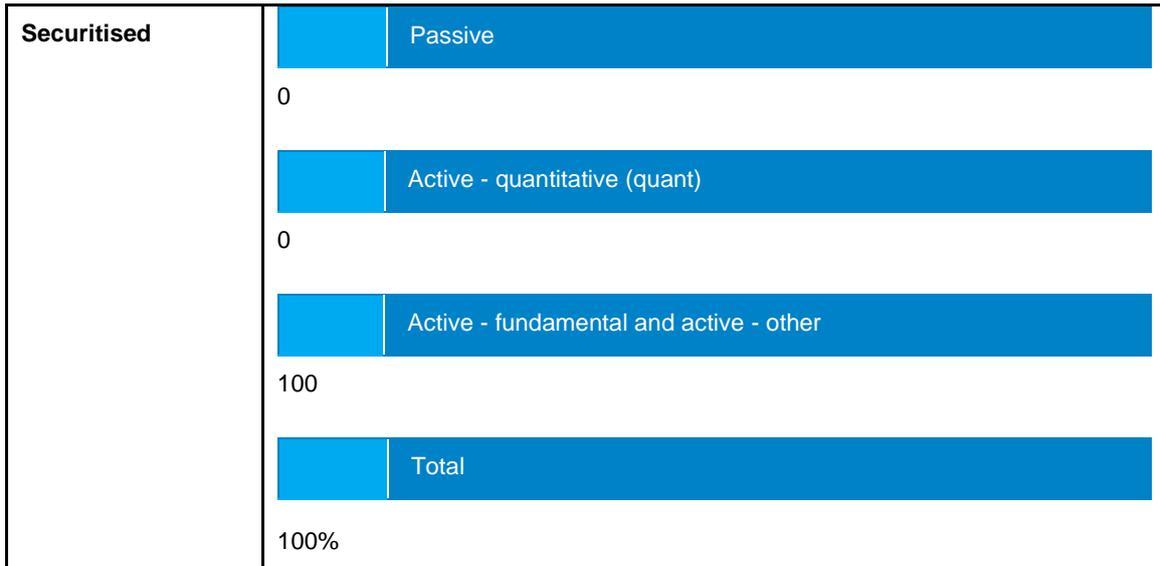
Total

100%

OO FI 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
-----------------	--	---------------	----------------	----------------

OO FI 01.1 Provide a breakdown of your internally managed fixed income securities by active and passive strategies

<p>SSA</p>	<table border="1"> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Passive</td> <td>11</td> </tr> <tr> <td>Active - quantitative (quant)</td> <td>0</td> </tr> <tr> <td>Active - fundamental and active - other</td> <td>89</td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </tbody> </table>	Category	Percentage	Passive	11	Active - quantitative (quant)	0	Active - fundamental and active - other	89	Total	100%
Category	Percentage										
Passive	11										
Active - quantitative (quant)	0										
Active - fundamental and active - other	89										
Total	100%										
<p>Corporate (financial)</p>	<table border="1"> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Passive</td> <td>0</td> </tr> <tr> <td>Active - quantitative (quant)</td> <td>0</td> </tr> <tr> <td>Active - fundamental and active - other</td> <td>100</td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </tbody> </table>	Category	Percentage	Passive	0	Active - quantitative (quant)	0	Active - fundamental and active - other	100	Total	100%
Category	Percentage										
Passive	0										
Active - quantitative (quant)	0										
Active - fundamental and active - other	100										
Total	100%										
<p>Corporate (non-financial)</p>	<table border="1"> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Passive</td> <td>0</td> </tr> <tr> <td>Active - quantitative (quant)</td> <td>0</td> </tr> <tr> <td>Active - fundamental and active - other</td> <td>100</td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </tbody> </table>	Category	Percentage	Passive	0	Active - quantitative (quant)	0	Active - fundamental and active - other	100	Total	100%
Category	Percentage										
Passive	0										
Active - quantitative (quant)	0										
Active - fundamental and active - other	100										
Total	100%										



OO FI 03	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
-----------------	--	---------------	--------------------	----------------

OO FI 03.1 Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.



OO PR 01	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
-----------------	--	---------------	--------------------	----------------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

OO PR 01.1	Indicate the level of ownership you typically hold in your property investments.
-------------------	--

- a majority stake (>50%)
- a 50% stake
- a significant minority stake (between 10-50%)
- a limited minority stake (<10%)
- a mix of ownership stakes
- N/A, we manage properties, new constructions and/or refurbishments on behalf of our clients, but do not hold equity in property on their behalf

OO PR 01.2	Provide a breakdown of your organisations allocation to Real Estate Investment Trusts (REITs) or similar
-------------------	--

- >50%
- 10 – 50%
- <10%
- 0%

OO PR 02	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
-----------------	--	---------------	----------------	----------------

OO PR 02.1	Provide a breakdown of your organisation’s property assets based on who manages the assets.
-------------------	---

Property assets managed by	Breakdown of your property assets (by number)
Managed directly by your organisation	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Managed via third-party property managers appointed by you	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed by other investors or their property managers	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed by tenant(s) with operational control	<input type="radio"/> > 50% <input type="radio"/> 10-50% <input type="radio"/> < 10% <input checked="" type="radio"/> 0%
Total100%	

OO PR 03	Voluntary	Public	Descriptive	General
----------	-----------	--------	-------------	---------

OO PR 03.1	Indicate up to three of your largest property types by AUM.
------------	---

Types	Main property types (by AUM)
Largest property type	<input checked="" type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Second largest property type	<input type="radio"/> Industrial <input checked="" type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Third largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input checked="" type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify

AB

Reported Information

Private version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change and related issues
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, and how they consider ESG factors and real economy impact.

AB provides diversified investment management services to institutional, high-net-worth and retail investors around the world. Our mission is to bring together a wide range of insights, expertise and innovations to advance the interests of our clients around the world. We put our insights to work in a broad range of solutions-equity, fixed income, alternatives and multi-asset - seeking to apply our collective insights to help keep AB clients at the forefront of change and ahead of tomorrow.

AB is singularly focused on asset management and research. We believe our asset management and research focus helps us maintain a highly effective investment organization with a culture that exists solely to benefit our asset management clients.

We care deeply about ESG issues and the impact they can have on the world and our clients' financial interests. AB is committed to RI: it is part of our fiduciary obligation in partnering with our clients to help them achieve their long-term investment objectives.

AB is keenly focused on executing on a long-term strategy to: 1) deliver differentiated return streams for clients, 2) commercialize and scale our suite of services, and 3) improve our financial position with a rigorous focus on expense management.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

AB as a firm embraces a clear responsible investment philosophy and approach. Our various portfolio management teams implement that philosophy and approach slightly differently from each other across asset classes and strategies. We believe that each team is best equipped to implement ESG considerations in a manner that reflects their differences across asset classes, market sectors and approaches.

In addition to ESG integration, we manage portfolios where we apply negative and positive screens based on client request, and have launched several products that have specific responsible investment objectives. For example, in 2014 we introduced the Next 50 Frontier Markets Fund which strives to adhere to the IFC performance standards by deploying intensive fundamental research with a sharp focus on the environment, social issues and governance (ESG) to build a diversified stock portfolio with high growth potential and attractive valuations. In 2016, we introduced the AB Municipal Impact strategy, which builds on AB's municipal credit expertise to invest in bonds in underserved communities whose proceeds have a positive social and/or environmental impact, and a Responsible Global Factor Fund that invests in global equity securities that meet certain ESG criteria. In November 2016, our AB Global Thematic Growth Fund (US Mutual Fund) evolved from a global thematic growth strategy to AB Sustainable Global

Thematic Fund. We also have other equity and fixed income responsible investment strategies in various stages of product development. We expect some to be released in 2018, including a Sustainable Global Thematic Credit Strategy that will invest in a combination of Green Bonds and other bonds (primarily non-government) that our research considers to be sustainable, a Green Alpha strategy and a private client offering.

AB also manages a number of strategies where ESG integration is not applicable to the nature of the investment style. For example, ESG factors are generally not integrated in our quant driven products, passively managed accounts, fund-of-fund products, and strategies with a high portfolio turnover.

No

SG 02	Mandatory	Public	Core Assessed	PRI 6
-------	-----------	--------	---------------	-------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
---------	--

Policy setting out your overall approach

	URL/Attachment
--	----------------

URL

	URL
--	-----

https://www.alliancebernstein.com/corporate/our-firm/content/Statement_of_Policy_Regarding_Responsible_Investment.pdf

Attachment (will be made public)

Formalised guidelines on corporate governance factors

	URL/Attachment
--	----------------

URL

	URL
--	-----

https://www.alliancebernstein.com/abcom/Our_Firm/Content/CGDocs/AB-Proxy-Voting-and-Governance-Policy.pdf

Attachment (will be made public)

Screening / exclusions policy

	URL/Attachment
--	----------------

URL

URL

https://www.alliancebernstein.com/abcom/our_firm/content/cgdocs/statement_on_controversial_weapons.pdf?uuid=387b50ea-ccea-11e4-98e2-1c10539321b1

Attachment (will be made public)

Engagement policy

URL/Attachment

URL

URL

https://www.alliancebernstein.com/abcom/Our_Firm/Content/CGDocs/2017-AB-engagement-policy-FINAL.pdf

Attachment (will be made public)

(Proxy) voting policy

URL/Attachment

URL

URL

https://www.alliancebernstein.com/abcom/Our_Firm/Content/CGDocs/AB-Proxy-Voting-and-Governance-Policy.pdf

Attachment (will be made public)

We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

https://www.alliancebernstein.com/corporate/our_firm/content/Statement_of_Policy_Regarding_Responsible_Investment.pdf

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

https://www.alliancebernstein.com/corporate/our-firm/content/Statement_of_Policy_Regarding_Responsible_Investment.pdf

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

https://www.alliancebernstein.com/corporate/our-firm/content/Statement_of_Policy_Regarding_Responsible_Investment.pdf

Attachment

Active ownership approaches

URL/Attachment

URL

URL

https://www.alliancebernstein.com/abcom/Our_Firm/Content/CGDocs/2017-AB-engagement-policy-FINAL.pdf

Attachment

We do not publicly disclose any investment policy components

SG 02.3 Indicate if your organisation's investment principles, and overall investment strategy is publicly available

Yes

URL

<https://www.alliancebernstein.com/corporate/our-firm/our-strategies.htm?locale=gb>

No

SG 03	Mandatory	Public	Core Assessed	General
-------	-----------	--------	---------------	---------

SG 03.1

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

SG 03.2

Describe your policy on managing potential conflicts of interest in the investment process.

As a fiduciary, we owe our clients an undivided duty of care. We strive to avoid even the appearance of a conflict that may compromise the trust our clients have placed in us, and we insist on strict adherence to fiduciary standards and compliance with all applicable federal and state securities laws. We place the interests of our clients first and attempt to avoid any actual or potential conflicts of interest. It is the responsibility of every employee to be sensitive to situations and relationships which may create conflicts of interest and bring any related questions or concerns to the Chief Compliance Officer or Conflicts Officer.

AB maintains a Code of Business Conduct and Ethics (the "Code") that complies with Rule 17j-1 under the Investment Company Act of 1940, as amended, and Rule 204A-1 under the Investment Advisers Act of 1940. The Code summarizes our firm's values, principles, and business practices that guide our business conduct. It establishes a set of basic principles to guide all employees, including directors and consultants, where applicable.

No

SG 03.3

Additional information. [Optional]

The sections in Our Code of Business Conduct and Ethics that relate to conflicts of interest include: • Conflicts of interest • Personal trading • Gifts, entertainment and inducements • Political contributions/activities

Summaries of Key Policies:

Conflicts of Interest: AB has taken several steps to reduce or eliminate potential conflicts of interest that may arise, including: 1) We do not trade securities on a proprietary basis or act as an underwriter, and do not trade fixed income securities through affiliated brokers. Permanent information barriers separate the activities of AllianceBernstein from Sanford C. Bernstein. 2) We impose trading restrictions on our employees, including requiring them to maintain personal brokerage accounts with one of five designated brokerage firms, to pre-clear all personal securities transactions, and to report each transaction to Compliance personnel. All employees are forbidden to trade, either personally or on behalf of others, on material non-public information or communicating material non-public information to others in violation of the law. 3) We maintain a Code of Ethics, distributed and acknowledged by employees at least annually, that includes provisions concerning personal trading, gifts and entertainment. 4) We have a Conflicts Officer who chairs our Conflicts Committee, comprised of senior members of the Legal and Compliance Department.

Personal Trading Policy: Some (but not all) of the restrictions that apply to personal trading by AB employees, their immediate family members and other financial dependents include: 1) Employees must disclose all of their securities accounts to the Legal and Compliance department; 2) Absent an exception, employees may maintain securities accounts only at specified designated broker-dealers; 3) Employees must pre-clear all securities trades with the Legal and Compliance department prior to placing trades with their broker-dealer (prior supervisory approval is required for portfolio managers, research analysts, traders, persons with access to AB research, and others designated by the Legal and Compliance department); 4) Employees are limited to twenty trades in individual securities during any rolling thirty calendar-day period; 5) Employee purchases of individual securities, ETFs and closed-end mutual funds are subject to a 60-day holding period; and 5) Employees must submit initial and annual holding reports, disclosing all securities and holdings in mutual funds managed by AB held in personal accounts, and must, on a quarterly basis, submit or confirm reports identifying all transactions in securities (and mutual funds managed by AB) in personal accounts.

Gifts and Entertainment: Our Gifts and Entertainment policy for all AB employees sets out clear standards of conduct expected of employees. It stresses the importance of mitigating even the potential perception that their acts may be in violation of not only our Gifts and Entertainment Policy but domestic and international laws as well. Among other stipulations, under our Gifts and Entertainment Policy our employees are prohibited from: 1) accepting, for themselves or their family/friends, cash, cash equivalents (e.g., gift cards, gift certificates, etc.), or preferential discounts from current or potential vendors or service

providers. Similarly, they may not give such items to clients, and 2) accepting (or giving to clients) non-cash business gifts from any one vendor or service provider that exceeds \$100 USD in value during a calendar year. All gifts received exceeding \$50 USD in value must be reported to our Compliance Department.

Political Contributions and Activities: AB has developed policies that prohibit our employees from making, either directly or indirectly, any political contributions to candidates or organizations recommended by clients. The policies also include a requirement under which all employees must pre-clear with the Compliance Department, all personal political contributions (including those of their spouses and dependent children) made to, or solicited on behalf of, any state or local candidate or political party. We also have in place a separate Pay-to-Play policy specifically relating to SEC Rule 206(4)-5, which we can provide upon request.

Employees must confirm annually that they have disclosed any potential conflicts of interest and that they are in compliance with the requirements associated with the firm's Policy and Procedures for Giving and Receiving Gifts and Entertainment (including its requirement to pre-clear certain political contributions); and the requirements associated with the firm's Anti-Corruption Policy.

Compliance Manual

Additionally, AB maintains a Compliance Manual for all employees that also provides policies on handling potential conflicts of interest. The key components included in our Compliance Manual that cover potential conflicts of interest in our investment process are noted below. • Investment Guidelines for Services & Clients • Fair allocation of investment opportunities • Research activities • Best execution and brokerage allocation • Cross trades in discretionary accounts • Security transactions with AB affiliates • Proxy voting • Portfolio, market & performance manipulation • Beneficial ownership reporting • Daily restricted list pre-clearance

SG 04	Voluntary	Public	Descriptive	General
-------	-----------	--------	-------------	---------

SG 04.1	Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.
---------	---

- Yes
- No

SG 04.2	Describe your process on managing incidents
---------	---

It is the primary responsibility of our analysts to monitor issuers. If an ESG issue arises, the analyst will determine the potential magnitude and engage with the issuer and/or other stakeholders to determine the impact on the investment thesis. Based on that analysis, the analyst will determine whether to hold or sell. If the position is continued to be held, the analyst will regularly monitor the situation, and how management has addressed it.

Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
-------	-----------	--------	-----------------------	---------

SG 05.1

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 05.2

Additional information. [Optional]

The Responsible Investment Committee sets out the goals for the responsible investment activities at AB at least annually. The committee meets several times a year to review progress and respond to market developments.

SG 06	Voluntary	Public	Descriptive	General
-------	-----------	--------	-------------	---------

SG 06.1

List the main responsible investment objectives that your organisation set for the reporting year.

Responsible investment processes

- Provide training on ESG incorporation

Key performance indicator

Conduct training sessions; leverage existing internal processes.

Progress achieved

Training occurs both formally and informally. We meet with a variety of third parties as we continue to enhance our ESG integration. These meetings have consisted of third-party ESG service providers, industry experts and other stakeholders. Our responsible investment staff also meet with analysts to discuss a variety of ESG-related topics.

- Provide training on ESG engagement

Key performance indicator

More effective company/issuer engagements.

Progress achieved

Our responsible investment staff meet with analysts to prepare for company meetings on ESG-related topics, and have a structured process for engagement. In 2016, we developed an engagement framework to identify companies to engage, and it was piloted in 2017. We also published an engagement policy.

- Improved communication of ESG activities within the organisation

Key performance indicator

More frequent discussions with personnel at all levels and in a variety of roles, including partners, investment teams, and client-facing staff.

Progress achieved

The CEO, partners and other senior personnel in investments and client-facing teams are updated on market developments, our approach, policies and new responsible-investment focused services. In addition, the responsible investment team, members of the Responsible Investment Committee, and increasingly, other individuals within the firm are well versed on our ESG activities and communicate with their colleagues around the world. The communications take place in formal and informal settings.

- Improved engagement to encourage change with regards to management of ESG issues

Key performance indicator

Develop engagement framework and log examples.

Progress achieved

We developed an engagement framework which has both quantitative and qualitative inputs to help us focus on engagements where there are material issues, and where we can influence to effect change. The framework was completed in 2016 and was piloted in 2017. We increased the number of examples tracked.

- Improved ESG incorporation into investment decision making processes

Key performance indicator

Continue to enhance ESG integration.

Progress achieved

In our Fixed Income credit team, they have enhanced their ESG scoring tool which is integrated into the analysts' proprietary credit assessment. In Equities, PMs have identified a fundamental analyst on their team to be the ESG champion, who raises ESG issues during research discussions and is the contact on related projects.

We also continue to educate analysts on the material ESG issues in their industries through training as noted above. Additionally, the ESG Analyst and Head of RI continually engage with analysts on issues that impact a particular company or industry.

- Other, specify (1)

Thought leadership

Key performance indicator

Host ESG-focused events and participate in industry-wide discussions.

Progress achieved

AB hosted several impact investing symposia for clients and prospects. We wrote several ESG-related blogs, and our staff continues to participate in a variety of industry events as speakers, moderators, panelists, and/or participants.

- Other, specify (2)
- Other, specify (3)

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics
- Improve ESG ratings of portfolio
- Setting carbon reduction targets for portfolio
- Other, specify (1)

Other description (1)

Develop responsible investment platform

Key performance indicator

New product launches and attract AUM

Progress achieved

Launched three ESG-focused products in 2016: Muni Impact, Global Responsible Factor Fund, and Sustainable Global Thematic. In 2017 we worked on developing three new products: a Sustainable Global Fixed Income strategy and ESG Strategic Equities strategy for our private clients, and AB Green Managed Volatility Equities (MVE), which is set against our 'Green Alpha' philosophy. We expect these to be launched in 2018.

- Other, specify (2)
- Other, specify (3)

Other activities

- Joining and/or participation in RI initiatives

Key performance indicator

Participation on panels and event attendance

Progress achieved

We are actively engaged in industry events, both as participants and as panelists. Responsible Investment personnel and others involved in ESG-focused strategies participate in a variety of industry events as participants, panelists, moderators, and/or speakers.

- Encouraging others to join a RI initiative
- Documentation of best practice case studies
- Using case studies to demonstrate engagement and ESG incorporation to clients

Key performance indicator

Documentation of engagement examples

Progress achieved

We maintain a database where our fundamental analysts and the RI team populate with material ESG engagements. This number had increased in 2017.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
-------	-----------	--------	---------------	---------

SG 07.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
---------	---

Roles present in your organisation

- Board members or trustees
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- ESG portfolio manager
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)
- Other role, specify (2)

SG 07.2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Our CEO is briefed on our responsible investment activities through 1:1 discussions and at Partner meetings. One of our partners has firm-wide responsibility for oversight as well. Our heads of Fixed Income and Equities are also briefed and are key in driving our efforts within their respective business units. Our PMs drive discussions in research reviews on material ESG issues. Our analysts are accountable for ensuring ESG issues are addressed as part of their research, and discuss them in research review meetings with PMs. Each team implements this differently within their own research and investment decision process.

Oversight/Accountability: Responsible Investment Committee: A key element of our ESG management structure is our Responsible Investment Committee that we created in 2011 at the time we signed the PRI. Our RI Committee has a diverse global membership, including senior representatives from our fixed income and equity investment organization, our client-facing teams, and our Legal Department. The composition of our RI Committee reflects our integration-oriented focus on ESG issues. This Committee develops our ESG strategy and thought leadership in partnership with investment teams, monitors our

firm's progress on RI strategy and implementation, and provides ESG-related advice to our investment and client teams.

Implementation Responsibility: Our fundamental research analysts have primary responsibility for incorporating ESG factors into the research process. We believe bottom-up ESG integration in fundamental company research analysis is an important part of identifying investment risks as well as opportunities. As such, within our separate asset-class-specific investment teams, Chief Investment Officers/Portfolio Managers are responsible for overseeing the integration of ESG factors into our investment processes, and ensuring that potential ESG issues are appropriately identified, raised, researched, and addressed. Our disciplined fundamental research processes have long included the analysis of ESG factors, in many cases well before AB signed the PRI in 2011.

SG 07.3

Indicate the number of dedicated responsible investment staff your organisation has.

Number

13

SG 07.4

Additional information. [Optional]

As noted above, we have dedicated resources to provide valuable guidance to our investment teams, and ESG integration in client portfolios remains the primary responsibility of Portfolio Managers and Analysts. When AB became a PRI signatory in November 2011, we created a management infrastructure for responsible investment leadership that drives strategy and ensures commitment to these issues firm-wide. We have the equivalent of more than 13 full-time professionals focused on various aspects of ESG:

- Responsible Investment team: Our Head of Responsible Investment dedicates most of her time to responsible investment-related activities. These include focusing on the firm's ESG strategy, enhancing AB's processes on ESG integration, marketing, training and products. She is involved in related industry organizations and keeps abreast of ESG-related best practices and relevant industry trends. We have an ESG Analyst to work with our equity and fixed income investment teams to identify trends, themes and case studies and to assist with all aspects of ESG monitoring. In addition, we have a Governance Analyst and a Proxy and ESG Associate who are responsible for Proxy voting and ESG projects. Our Senior Portfolio Manager - RI works on product development and thought leadership. The RI team also maintains the ESG engagement framework and conducts numerous meetings covering a wide variety of ESG topics. Together this is nearly five full time positions.
- The Portfolio Manager and analysts on our N50 Frontier Markets portfolio dedicate the equivalent of four FTEs to ESG.
- Our Sustainable Global Thematic Portfolio manager and the analysts on his team dedicate the equivalent of two FTEs to our ESG activities.
- Within fixed income, we have a portfolio manager dedicated full-time to our Municipal Impact strategy, as well as, a team of professionals, including the Champion of the RI Committee who is the Director of Income Strategies and a partner of the firm also responsible for the firm's diversity and inclusions initiatives, and representatives from Portfolio Management, Research and Risk, who work together to support ESG integration across fixed income. Taken together this is equivalent to roughly two full time positions.

While these dedicated resources provide valuable guidance to our investment teams, ESG integration in client portfolios remains the primary responsibility of Portfolio Managers and Analysts.

Fundamental Research Analysts: Our analysts have primary responsibility for incorporating ESG factors into the research process. We believe bottom-up ESG integration in fundamental company research analysis is an important part of identifying investment risks as well as opportunities. As such, within our separate asset-class-specific investment teams, Chief Investment Officers/Portfolio Managers are responsible for overseeing the integration of ESG factors into our investment processes, and ensuring

that potential ESG issues are appropriately identified, raised, research, and addressed. Our disciplined fundamental research processes have long included the analysis of ESG factors, in many cases well before AB signed the PRI in 2011.

SG 07 CC	Voluntary	Public	Descriptive	General
----------	-----------	--------	-------------	---------

SG 07.1 CC	Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for climate-related issues.
-----------------------	---

	Roles present in your organisation
--	------------------------------------

- Board members or trustees
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for climate-related issues
 - Assessment and management of climate-related issues
 - No responsibility for climate-related issues
- Other Chief-level staff or head of department, specify
 - Heads of Departments**
 - Oversight/accountability for climate-related issues
 - Assessment and management of climate-related issues
 - No responsibility for climate-related issues
 - Portfolio managers
 - Oversight/accountability for climate-related issues
 - Assessment and management of climate-related issues
 - No responsibility for climate-related issues
 - ESG portfolio manager
 - Oversight/accountability for climate-related issues
 - Assessment and management of climate-related issues
 - No responsibility for climate-related issuesresponsible investment
 - Investment analysts
 - Oversight/accountability for climate-related issues
 - Assessment and management of climate-related issues
 - No responsibility for climate-related issues
 - Dedicated responsible investment staff
 - Oversight/accountability for climate-related issues
 - Assessment and management of climate-related issues
 - No responsibility for climate-related issues
- External managers or service providers
- Investor relations
- Other role, specify (1)
- Other role, specify (2)

SG 07.1b CC	For the management-level roles which assess and manage climate-related issues, provide further information on the structure and process involved.
------------------------	---

Our CIOs and Portfolio Managers are ultimately responsible to ensure that climate-related issues are addressed by the analysts. Our analysts evaluate climate-related issues as part of their research assessment, focusing on each company's climate strategy, the political and regulatory backdrop, potential environmental liabilities and greenhouse-gas emissions. Several of our CIOs seek investment opportunities in companies that are focusing on addressing climate issues, including investing in renewable energy and projects to support a low carbon economy.

SG 08	Voluntary	Public	Additional Assessed	General
--------------	------------------	---------------	----------------------------	----------------

SG 08.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
----------------	---

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Portfolio managers

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

ESG portfolio manager

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Investment analysts

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Dedicated responsible investment staff

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

SG 08.3	Provide any additional information on your organisation’s performance management, reward and/or personal development processes in relation to responsible investment.
----------------	---

At AB, all of our analysts - both equity and fixed income -- are evaluated based on a variety of factors. Investment performance in client portfolios is the primary factor, along with other qualitative factors. As discussed in more detail elsewhere in this document, all AB analysts include ESG factors in their research processes. Thus, by the nature of their inclusion, ESG factors are reflected in our firm's performance management process.

In addition to that, the extent to which performance management, reward and/or personal development processes have a responsible investment element may vary per investment strategy. For our investment strategies that go beyond ESG integration, the element may be larger.

Promoting responsible investment

SG 09	Mandatory	Public	Core Assessed	PRI 4,5
--------------	------------------	---------------	----------------------	----------------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 09.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
----------------	---

Select all that apply

- Principles for Responsible Investment

	Your organisation’s role in the initiative during the reporting period (see definitions)
--	--

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Our Head of Responsible Investment was on the PRI's Reporting and Assessment Advisory Committee until November 2017 when she became a member of the Regulatory and Policy Committee. We are a co-lead in the PRI-initiated collaborative engagement on human rights in the extractives industry. We attended a variety of PRI-sponsored events throughout the year, with one of our Head of RI attending the PRI annual conference.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AFIC – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We became an investor signatory in 2015 and participate in thought leadership events.

- CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 - Moderate
 - Advanced
- CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We are an educational sustainer member of the CII. We attend their meetings and participate in teleconferences on proxy-related issues and share our insights. Our Head of Responsible Investment was a member of the Corporate Governance Advisory Council in 2015.

- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- EVCA – Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We are a member of ICGN and attend their conferences. In October 2017 the Head of Responsible Investment was appointed to ICGN's Board Governance Committee.

- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

US SIF

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

US SIF: We attended the USSIF Conference.

- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

SASB

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Our Head of Responsible Investment passed the FSA Level 1 exam administered by SASB. We reference the work done by SASB in building out our own reference documents for our analysts. We maintain an open dialogue with SASB regarding the evolution of its disclosure standards. In 2017, 15 of AB's research analysts provided industry-level feedback during the standards consultation process.

- Other collaborative organisation/initiative, specify

Japan "PRI" (Principles for Financial Action for the 21st Century)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We are a member of the working group on Asset Management, Securities, and Investment Banks.

- Other collaborative organisation/initiative, specify

Climate Bond Initiative

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

AB is a partner of the Climate Bond Initiative. We support the efforts of the CBI via our annual fees, and also participate in various events sponsored by the CBI. For example, an AB team member participated in the "Future of Green Bonds Roundtable" hosted by the CBI in Washington, DC in October 2016. An AB team member was also a member of the CBI's advisory panel for their early 2017 Green Bond Pioneer Awards.

- Other collaborative organisation/initiative, specify

Catalytic Financing Initiative

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

AB is a partner of the Catalytic Finance Initiative (CFI). The CFI is a group of leading global financial institutions-investment banks, asset managers, multilateral banks, and other organizations-that have committed to deploy \$8 billion to high-impact sustainable investments over the coming years.

SG 10	Mandatory	Public	Core Assessed	PRI 4
-------	-----------	--------	---------------	-------

SG 10.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

SG 10.2 Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

AB hosted an Impact Symposium in Boston, Philadelphia, Burlington, San Francisco. AB also hosted Responsible Investing in Action event in Cleveland, Los Angeles, California, West Palm Beach and Florida.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Provided financial support for academic or industry research on responsible investment

Provided input and/or collaborated with academia on RI related work

Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description

In 2017, 15 of AB's research analysts provided industry-level feedback to SASB during the standards consultation process.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Spoke publicly at events and conferences to promote responsible investment

Description

We often speak at industry events. Below a selection of events where we were panellists or speakers:

- September 2017: ETF Asia Summit
- July 2017: Hofstra Executive MBA Lecture on Impact Investing/Green Bonds
- July 2017: Big Path Capital: Nantucket Impact Capitalism Summit – Sustainability & Impact: Can They Co-Exist for Market Return?
- July 2017: Big Path Capital: Nantucket Impact Capitalism Summit – Impact in Action
- June 2017: Financial Women’s Association – Green Bonds: Financing a Low Carbon Future
- February 2017: CFA Society New York (CFANY) Green Bonds Investment Outlook
- January 2017: US Business Council for Sustainable Development/Duke University Fuqua School of Management – “Attracting Capital

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Wrote and published in-house research papers on responsible investment

Description

We have published a number of Blogs related to responsible investment topics. Some examples of these blogs are listed below and can be found on our company website:

- Better than a benchmark: grassroots research (December 2017)
- Fighting global poverty with equity investment (November 2017)
- Has the climate changed for sustainable investing (June 2017)
- UN Sustainable Development Goals: a road map for impact investing (February 2017)

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Encouraged the adoption of the PRI

Description

We speak to investment manager who are considering becoming a PRI signatory.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Description

April 2017: We provided feedback to the Australian Financial Service Council on FSC Standard 23: Principles of Internal Governance and Asset Stewardship.

April 2017: Senior Portfolio Manager became a committee member of the Hong Kong Securities and Futures Commission's (the HK exchange) Public Shareholders' Group, which meets once a quarter to discuss shareholder rights and issues.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Wrote and published articles on responsible investment in the media
- A member of PRI advisory committees/ working groups, specify

Description

Our Head of Responsible Investment was on the PRI's Reporting and Assessment Advisory Committee until November 2017 when she became a member of the Regulatory and Policy Committee.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

Description

- October 2017: The Head of Responsible Investment was appointed to ICGN's Board Governance Committee
- July 2017: ESG analyst was nominated to Impact Investing Working Group of the Australian Financial Services Council
- April 2017: Senior Portfolio Manager became a committee member of the Hong Kong Securities and Futures Commission's (the HK exchange) Public Shareholders' Group, which meets once a quarter to discuss shareholder rights and issues.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Other, specify

No

SG 10.3	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
---------	---

Below are the highlights of some of the variety of ESG-related initiatives AB has led or participated since January 1, 2017:

- **October 2017:** ESG Analyst attended 2017 Climate Change Investment and Finance Summit, Melbourne
- **September 2017:** Head of Responsible Investment attended PRI in Person in Berlin.
- **July 2017:** ESG Analyst attended International Corporate Governance conference in Kuala Lumpur.
- **June 2017:** Head of Responsible Investment attended various events around Women in Governance week in London
- **May 2017:** Governance analyst attended Council for Institutional Investor conference

- **January 2017:** A Senior Portfolio Manager was a member of the CBI's advisory panel for their Green Bond Pioneer Awards.

Additionally, on an ongoing basis, members of AB continue to participate in a variety of industry initiatives, including:

- RI Europe& US, US SIF, ICGN conferences, PRI sponsored events, Asia Sustainable Investment Forum, and other responsible investment related industry events around the globe.
- The Head of Responsible Investment is a member of the PRI's Reporting and Assessment Advisory group.
- Our ESG Analyst is a co-lead on a PRI-sponsored collaborative engagement on human rights in the extractives industry.

Members of our Responsible Investment Committee routinely explore ways AB can become further involved in matters relating to the support of sustainable investing. We would be pleased to provide additional details on our developments with ESG principles and guidelines if requested.

SG 11	Voluntary	Public	Additional Assessed	PRI 4,5,6
-------	-----------	--------	---------------------	-----------

SG 11.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.
----------------	---

Yes

- Yes, individually
- Yes, in collaboration with others

SG 11.2	Select the methods you have used.
----------------	-----------------------------------

- Endorsed written submissions to governments, regulators or public policy-makers developed by others
- Drafted your own written submissions to governments, regulators or public-policy markers
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

SG 11.3	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.
----------------	--

- Yes, publicly available
- No
- No

SG 11.4	Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.
----------------	--

We have engaged with public policy-makers or regulators on a variety of issues:

- May 2017: We provided public comments on Japan stewardship code during the consultation period
- April 2017: We provided feedback to the Australian Financial Service Council on FSC Standard 23: Principles of Internal Governance and Asset Stewardship.

- April 2017: Senior Portfolio Manager became a committee member of the Hong Kong Securities and Futures Commission's (the HK exchange) Public Shareholders' Group, which meets once a quarter to discuss shareholder rights and issues.
- February 2017: Our CEO signed an Investor Letter on Texas Senate Bill 6 (SB6) and the forthcoming anti-LGBT legislation in Texas

Outsourcing to fiduciary managers and investment consultants

SG 12

Mandatory

Public

Core Assessed

PRI 4

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1

Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants
- No, we do not use investment consultants.

ESG issues in asset allocation

SG 13

Mandatory

Public

Descriptive

PRI 1

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 13.1

Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.

- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities
- We execute other scenario analysis, specify
- We execute all above mentioned scenario analyses at a security level, but not at a portfolio level yet. The approach might vary per investment strategy.
- We do not execute such scenario analysis and/or modelling

SG 13.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13.3 Additional information. [OPTIONAL]

Our clients often determine their own allocation between asset classes, with the exception of our multi-asset strategies in which we currently do not systematically consider ESG issues for asset allocation, and many of our private client accounts.

For single asset class strategies, ESG issues in sector weightings and/or geographic markets are evaluated by the chief investment officer (CIO) of each strategy. For example, for a global strategy the CIO may bring to the discussion a broader understanding of the ESG risks and opportunities of investing in emerging markets. The same goes for understanding sector specific risk and opportunities such as climate change or cyber risk, for example. The approach might vary per investment strategy

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
--------------	--	---------------	----------------------------	--------------

SG 14.1 Describe the process used to identify short, medium and long-term risks and opportunities that could have a material impact on your organisation and its activities.

AB's organizational structure fosters risk management at all levels of the firm. Risk management is a core value embedded across our research, investment, and operational processes. AB maintains a significant risk infrastructure firm-wide, including separate units overseeing counterparty, investment, and operational risks. Our infrastructure also features several firm-wide Risk Committees, including: 1) Senior Management Risk Oversight Committee, comprised of AB's CEO, Chief Operating Officer, Global Head of Risk, and Chief Compliance Officer, helping ensure that risks within the firm are openly discussed at a senior level and mitigation priorities established; 2) Counterparty Risk Committee, providing oversight and management of counterparty risk to us and our clients; 3) Investment Risk Oversight Committee, comprised of the Head of Investment Risk and the Risk Manager within each investment services, providing independent investment risk oversight of all AB client portfolios; 4) Operational Risk Oversight Committee, providing oversight of the firm's management of operational risks globally. Additionally, we maintain Risk Sub-Committees focused on specific asset classes, businesses, or tools/systems used firm-wide. AB's risk management policies and frameworks are vetted and approved through our extensive risk governance structure, with the Audit Committee of our Board briefed on risk management issues quarterly by our Chief Risk Officer.

SG 14.1 CC Describe the processes used to determine which climate-related short, medium and long-term risks and opportunities could have a material impact on your organisation and its activities.

AB recognizes climate change as a very real phenomenon that poses risks and, in some cases, opportunities. It can impact our organisation for example by causing disruptions in global economic conditions, thereby decreasing investor confidence and making investment products generally less attractive. Our operations are not without risk as climate change can inflict loss of life; requiring substantial capital expenditures and operating expenses to remediate damage and restore operations after adverse weather events.

However, we believe our climate-related risks and opportunities transpire mainly in our investments. Our approach is to integrate the assessment of climate change risks/opportunities into our investment process via our fundamental research. Our analysts evaluate climate-related risks as part of their overall research

assessment, focusing on each company's climate strategy, the political and regulatory backdrop, potential environmental liabilities and greenhouse-gas emissions. Our analysts then determine the short-, medium- and long-term risks and opportunities. Assessing carbon risk can be challenging given the lack of reporting standards and general transparency. In an effort to gain insight, we regularly engage with companies on all of these issues, and encourage them to provide more detailed, relevant climate-related reporting.

SG 14.2 Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.

- Changing demographics
- Climate change and related issues

SG 14.2a cc Please describe how you define “short”, “medium” and “long term”, and describe your material climate-related issues over these time horizons.

	Definition	Description of material climate-related issues
Short term	1 year. The definition might vary per investment strategy.	Regulation, commodity pricing, water levels, water quality, air quality, weather shocks
Medium term	1-3 year. The definition might vary per investment strategy.	Regulation and government subsidies, migration, commodity pricing, water levels, water quality, air quality, demand and production capability, consumer preferences
Long term	3+ years. The definition might vary per investment strategy.	Regulation, commodity pricing, water levels, water quality, air quality, demand and production capability

SG 14.3 Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

other description

For certain clients, we have excluded coal and other high emission companies. A few mutual funds exclude coal. We have developed a Green Alpha strategy.

- None of the above

SG 14.4

Indicate which of the following tools you use to manage emissions risks and opportunities

- Scenario analysis
 - Disclosure on emissions risk to clients/trustees/management/beneficiaries
 - Climate-related targets
 - Encourage internal and/or external portfolio managers to monitor emissions risk
 - Emissions risk monitoring and reporting are formalised into contracts when appointing managers
 - Weighted average carbon intensity
 - Carbon footprint (scope 1 and 2)
 - Portfolio carbon footprint
 - Total carbon emissions
 - Carbon intensity
 - Exposure to carbon-related assets
 - Other emissions metrics
 - Other, specify
 - None of the above
- Resource scarcity
 - Technology developments
 - Other, specify(1)

other description (1)

Changes in regulatory environment

- Other, specify(2)
- None of the above

**SG 14.4a
CC**

Please provide further details on these key metric(s) used to assess climate related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology	Metric Trend	Limitations / Weaknesses
Weighted average carbon intensity	Minority	We address the strategy's carbon footprint in two ways: (1) when analysing the companies in which we invest. We often engage with companies to understand their strategy with regard to moving to a low carbon economy; (2) we work with our clients to develop solutions for their specific requirements.	tons CO2e / \$M sales	We use MSCI's Carbon Metrics data	We started monitoring this data in 2017. It is too early to report on trends. Unless direct by clients, portfolios are not managed with the objective to reduce the metric.	Carbon data is backward looking and does not help understanding how companies are moving to a low carbon economy. There is also inconsistency in the data reported and a lack of disclosure, particularly in emerging markets.
Carbon footprint (scope 1 and 2)	Minority	We address the strategy's carbon footprint in two ways: (1) when analysing the companies in which we invest. We often engage with companies to understand their strategy with regard to moving to a low carbon economy; (2) we work with our clients to develop solutions for their specific requirements.	metric tons	We use MSCI's Carbon Metrics data	We started monitoring this data in 2017. It is too early to report on trends. Unless direct by clients, portfolios are not managed with the objective to reduce the metric.	Carbon data is backward looking and does not help understanding how companies are moving to a low carbon economy. There is also inconsistency in the data reported and a lack of disclosure, particularly in emerging markets.
Portfolio carbon footprint	Minority	We address the strategy's carbon footprint in two ways: (1) when analysing the	MSCI ESG Carbon Footprint Calculator which we use for portfolio	We use MSCI's Carbon Metrics data	We started monitoring this data in 2017. It is too early to report on trends.	Carbon data is backward looking and does not help understanding how companies are

		companies in which we invest. We often engage with companies to understand their strategy with regard to moving to a low carbon economy; (2) we work with our clients to develop solutions for their specific requirements.	carbon footprinting includes Carbon Emissions, Total Carbon Emissions, Carbon Intensity and Weighted Average Carbon Intensity.		Unless direct by clients, portfolios are not managed with the objective to reduce the metric.	moving to a low carbon economy. There is also inconsistency in the data reported and a lack of disclosure, particularly in emerging markets.
Total carbon emissions						
Carbon intensity	Minority	We address the strategy's carbon footprint in two ways: (1) when analysing the companies in which we invest. We often engage with companies to understand their strategy with regard to moving to a low carbon economy; (2) we work with our clients to develop solutions for their specific requirements.	tons CO2e / \$M sales	We use MSCI's Carbon Metrics data	We started monitoring this data in 2017. It is too early to report on trends. Unless direct by clients, portfolios are not managed with the objective to reduce the metric.	Carbon data is backward looking and does not help understanding how companies are moving to a low carbon economy. There is also inconsistency in the data report and a lack of disclosure, particularly in emerging markets.
Exposure to carbon-related assets						

SG 14.5

If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

We subscribe to MSCI's Carbon Metrics data tool to assist us in evaluating the companies in our portfolio and to measure the carbon footprint. AB became an Investor Signatory of the CDP (formerly the Carbon Disclosure Project) in May 2015.

**SG 14.7
CC**

Describe your risk management processes for identifying, assessing, and managing climate-related risks.

- Our process for climate-related risks is integrated into overall risk management
- Our process for climate-related risks is not integrated into our overall risk management

Please describe

We started monitoring climate related metrics in 2017. While it is currently not integrated into our overall risk management, we will evaluate how that can be done.

**SG 14.8
CC**

Describe your processes for prioritising climate-related risks.

Our approach is to integrate the assessment of climate change risks/opportunities into our investment process via our fundamental research. Our analysts evaluate climate-related risks as part of their overall research assessment, focusing on each company's climate strategy, the political and regulatory backdrop, potential environmental liabilities and greenhouse-gas emissions. Our analysts determine what the short, medium and long-term risks and opportunities.

In addition to that, we published a formal engagement policy in 2017. It includes a more structured framework for identifying and prioritizing engagement which encompasses potential collaborative engagements. It is based on quantitative metrics, such as, but not limited to, position size, share register ranking, and qualitative ESG issues such as climate changes.

**SG 14.9
CC**

Do you conduct engagement activity with investee companies to encourage better disclosure and practices around climate-related risks?

- Yes

Please describe

We often engage with companies to encourage better disclosure and practices around climate-related risks. We take a three-pronged approach to active ownership when it comes to climate change: 1) we directly engage with issuers as part of our research/investment process, and 2) we utilize an engagement framework to assist us in identifying companies with whom we should engage, and 3) we selectively engage as part of our proxy voting process. These approaches are often used in a coordinated manner for particular investments.

Proxy voting is an integral part of encouraging better disclosure. We generally support shareholder proposals calling for climate-related reports and disclosure while taking into account existing policies and procedures of the company and whether the proposed information is of added benefit to shareholders, through which we support transparency.

- No, we do not engage

SG 14.10 CC	Describe how you use data from climate-related disclosures.
------------------------	---

Our analysts evaluate climate-related risks as part of their overall research assessment, focusing on each company's climate strategy, the political and regulatory backdrop, potential environmental liabilities and greenhouse-gas emissions. Climate-related disclosures are essential to evaluate risk and opportunities.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
--------------	--	---------------	--------------------	--------------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
----------------	---

Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
----------------	--

	%
--	---

1.2

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
----------------	--

	Area
--	------

Clean technology (including renewable energy)

	Asset class invested
--	----------------------

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Hedge funds

	Brief description and measures of investment
--	--

In our Thematic portfolio:

- Low Carbon Energy Generation
- Energy Efficiency

- Clean Transportation
- Sanitation & Recycling
- Sustainable Production

We finance renewable energy via both the muni market as well as green bonds in the corporate taxable market.

Green buildings

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Hedge funds

Brief description and measures of investment
--

Our total AUM in Green Bonds is around \$500MM. Although it is still small, it is growing. We have participated in Green Bonds where the proceeds are used for green buildings.

Sustainable forestry

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Hedge funds

Brief description and measures of investment
--

Our total AUM in Green Bonds is around \$500MM. Although it is still small, it is growing. We have participated in Green Bonds where the use of the proceeds included sustainable forestry.

Sustainable agriculture

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Hedge funds

Brief description and measures of investment

- **Food Security**

Our total AUM in Green Bonds is around \$500MM. Although it is still small, it is growing. We have participated in Green Bonds where the use of the proceeds included sustainable agriculture.

- Microfinance

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Hedge funds

Brief description and measures of investment

- **Financial Inclusion**

- SME financing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Hedge funds

Brief description and measures of investment

- Financial Inclusion in our Thematic portfolio
- Housing bonds in the US municipal market

Social enterprise / community investing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Hedge funds

Brief description and measures of investment

- Economic Infrastructure
- Enabling Technologies
- Gender Equality
- Financial Inclusion
- Municipal bonds with social impact
- Sustainability bonds

Affordable housing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Hedge funds

Brief description and measures of investment

- Financial Inclusion
- Housing bonds in the US municipal market

Education

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Hedge funds

Brief description and measures of investment

As a significant part of the Muni Impact Portfolio, we invest in primary, secondary and adult education systems/facilities in areas with large underserved or low socio-economic status populations.

Other areas of impact within the portfolio include clean technology/renewable energy, health and affordable medical care, mass transit, economic development and water treatment.

- Global health

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Hedge funds

Brief description and measures of investment

- Medical Innovation
- Access to Affordable Care
- Healthy Lifestyles
- Physical Safety

- Water

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Hedge funds

Brief description and measures of investment
--

- Water (Infrastructure, Treatment& Management)

Other area, specify

No

Asset class implementation not reported in other modules

SG 16	Mandatory	Public	Descriptive	General
--------------	------------------	---------------	--------------------	----------------

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Property	For our property funds, we recognize that there are considerations that go beyond merely achieving a target investment return, which may include certain non-financial objectives such as promoting the use of responsible contractors. Our ability to address those non-financial considerations is limited to circumstances where such actions are within the fund's power and authority and are consistent with our fiduciary duties to the investment fund we manage, applicable laws, and any contractual limitations imposed by agreements with third parties.

SG 16.2	Additional information [Optional].
----------------	------------------------------------

Due to the nature of the product, we integrate ESG on two levels:

1. We have a Responsible Contractor Policy which is intended to support and promote the selection of Contractors that provide competitive and high quality construction services to construction projects, utilize appropriately trained employees who receive fair wages and benefits and are reliable and efficient. We believe that the utilization of such contractors can add value to the investments undertaken by ensuring that construction services are provided by adequately trained, experienced and motivated workers who deliver high-quality products and services. The REDG evaluates the governance structure of its borrowers and tries to assess the sustainability of their business models before closing transactions. Almost all of the REDG's borrowers are institutional, well-known real estate private equity managers who are fiduciaries to some of the largest institutional investors in the world (many of which employ clear ESG priorities). In doing so, the REDG places a premium on the sustainable use of its loan proceeds.
2. The REDG evaluate how the ESG profile of the assets impacts borrowers' ability to repay their loans, as sustainable properties are increasingly demanded by tenants. One of the things the

REDG looks for is whether the borrowers already adhere to Responsible Contractor Policies that guide how they select contractors for the construction projects occurring at these properties, and who also commonly implement energy efficiency initiatives after they have acquired properties with the help of the REDG's loan proceeds (i.e. installing LED lighting, replacing traditional showerheads with water saving "low flow" showerheads, refurbishment / replacement of certain pieces of HVAC and plumbing equipment to improve efficiency, etc).

Innovation

SG 18	Voluntary	Public	Descriptive	General
-------	-----------	--------	-------------	---------

SG 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
----------------	--

Yes

SG 18.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
----------------	---

In 2017 we worked on developing new products: Our Sustainable Global Thematic Fixed Income strategy will invest in a combination of Green Bonds and other bond (primarily non-government) that our research considers to be sustainable. Responsible Strategic Equities is being developed to meet the needs of our private clients.

We currently have an Australian equities investment solution in development called AB Green Managed Volatility Equities (MVE), which is set against our 'Green Alpha' philosophy. Green alpha aims to have a positive impact on climate change and deliver attractive investment returns based on three principles: 1) Anchor the portfolio in low volatility equities as they are inherently low carbon and may deliver attractive investment returns, 2) Put a 'price on carbon' to efficiently reduce carbon emissions to even lower levels and measure success in terms of green alpha. 3) Offset the portfolio's remaining emissions by purchasing carbon credits to remove CO2 from the atmosphere.

In 2016 we launched a number of innovative products. We built a unique process to evaluate the specific ESG criteria defined, integrate it into our research and portfolio implementation process, monitor on an on-going basis, and provide reporting.

(1) In November 2016, our AB Global Thematic Growth Fund (US Mutual Fund) evolved from a global thematic growth strategy to a sustainable thematic strategy, now called the AB Sustainable Global Thematic Fund. The strategy utilizes an investment process that has a top-down focus on sustainable investment themes that align with the United Nations Sustainable Development Goals (UNSDG) with a bottom-up Environmental, Social and Governance (ESG) integration process.

(2) In the third quarter of 2016, we launched a Municipal Impact strategy which builds on AB's municipal credit expertise to invest in issues in underserved communities whose proceeds have a positive social and/or environmental impact.

(3) In September 2016, we launched a Global Responsible Factor Fund that invests in equity securities of global companies that meet certain ESG criteria.

(4) Within our Fixed Income services, each credit analyst [muni and corporate] is responsible for developing a proprietary E, S and G score for their issuers, which has a direct impact on their overall rating of the credit and ultimately our portfolio positioning. For corporate credit this has been in place for longer, but it was enhanced and implemented more broadly in 2016.

(5) In July 2016, we created a low carbon offering for our private clients.

In addition, we also have the following longer-standing ESG-SRI Dedicated Portfolios:

(6) In March 2013, we introduced a new range of Ethical Target Date funds for the UK Defined Contribution market. The funds combine the sophistication of target date funds with responsible investment, and they invest in index funds that track the FTSE4Good indices.

(7) In March 2014 we launched the Next 50 Frontier Markets Fund which strives to adhere to the IFC performance standards by deploying intensive fundamental research with a sharp focus on the environment, social issues and governance (ESG) to build a diversified stock portfolio with high growth potential and attractive valuations.

No

Communication

SG 19	Mandatory	Public	Core Assessed	PRI 6
--------------	------------------	---------------	----------------------	--------------

SG 19.1

Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Fixed income

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p data-bbox="256 331 933 398">Disclosure to public and URL</p> <p data-bbox="256 405 933 483"> <input checked="" type="radio"/> Broad approach to RI incorporation <input type="radio"/> Detailed explanation of RI incorporation strategy used </p>	<p data-bbox="959 331 1332 398">Disclosure to clients/beneficiaries</p> <p data-bbox="959 405 1332 483"> <input type="radio"/> Broad approach to RI incorporation <input checked="" type="radio"/> Detailed explanation of RI incorporation strategy used </p>
<p data-bbox="256 600 933 667">Frequency</p> <p data-bbox="256 674 933 880"> <input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested </p>	<p data-bbox="959 600 1332 667">Frequency</p> <p data-bbox="959 674 1332 880"> <input type="checkbox"/> Quarterly <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input checked="" type="checkbox"/> Ad hoc/when requested </p>
<p data-bbox="256 918 933 985">URL</p> <p data-bbox="256 992 933 1093"> https://www.alliancebernstein.com/corporate/our-firm/resources/pdf/embracing_responsible_investing.pdf </p>	

Listed equity - Engagement

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL		
Disclosure to public and URL		Disclosure to clients/beneficiaries
<input checked="" type="checkbox"/> Details on the overall engagement strategy <input type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input type="checkbox"/> Number of engagements undertaken <input type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input type="checkbox"/> Examples of engagement cases <input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information		<input checked="" type="checkbox"/> Details on the overall engagement strategy <input type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input checked="" type="checkbox"/> Number of engagements undertaken <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input checked="" type="checkbox"/> Examples of engagement cases <input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information
Frequency		Frequency
<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually		<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than

<input type="checkbox"/> Ad-hoc/when requested	annually <input type="checkbox"/> Ad-hoc/when requested		
<table border="1"> <tr> <td>URL</td> <td>https://www.alliancebernstein.com/abcom/Our_Firm/Content/CGDocs/2017-AB-engagement-policy-FINAL.pdf</td> </tr> </table>		URL	https://www.alliancebernstein.com/abcom/Our_Firm/Content/CGDocs/2017-AB-engagement-policy-FINAL.pdf
URL	https://www.alliancebernstein.com/abcom/Our_Firm/Content/CGDocs/2017-AB-engagement-policy-FINAL.pdf		

Listed equity – (Proxy) Voting

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL					
<table border="1"> <tr> <td>Disclosure to public and URL</td> <td> <input type="radio"/> Explain all voting decisions <input type="radio"/> Explain some voting decisions <input type="radio"/> Only explain abstentions and votes against management <input checked="" type="radio"/> No explanations provided </td> </tr> </table>	Disclosure to public and URL	<input type="radio"/> Explain all voting decisions <input type="radio"/> Explain some voting decisions <input type="radio"/> Only explain abstentions and votes against management <input checked="" type="radio"/> No explanations provided	<table border="1"> <tr> <td>Disclosure to clients/beneficiaries</td> <td> <input type="radio"/> Explain all voting decisions <input checked="" type="radio"/> Explain some voting decisions <input type="radio"/> Only explain abstentions and votes against management <input type="radio"/> No explanations provided </td> </tr> </table>	Disclosure to clients/beneficiaries	<input type="radio"/> Explain all voting decisions <input checked="" type="radio"/> Explain some voting decisions <input type="radio"/> Only explain abstentions and votes against management <input type="radio"/> No explanations provided
Disclosure to public and URL	<input type="radio"/> Explain all voting decisions <input type="radio"/> Explain some voting decisions <input type="radio"/> Only explain abstentions and votes against management <input checked="" type="radio"/> No explanations provided				
Disclosure to clients/beneficiaries	<input type="radio"/> Explain all voting decisions <input checked="" type="radio"/> Explain some voting decisions <input type="radio"/> Only explain abstentions and votes against management <input type="radio"/> No explanations provided				
<table border="1"> <tr> <td>Frequency</td> <td> <input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested </td> </tr> </table>	Frequency	<input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested	<table border="1"> <tr> <td>Frequency</td> <td> <input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested </td> </tr> </table>	Frequency	<input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested
Frequency	<input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested				
Frequency	<input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested				
<table border="1"> <tr> <td>URL</td> <td>http://vds.issproxy.com/SearchPage.php?CustomerID=447</td> </tr> </table>		URL	http://vds.issproxy.com/SearchPage.php?CustomerID=447		
URL	http://vds.issproxy.com/SearchPage.php?CustomerID=447				

Listed equity - Incorporation

Do you disclose?

- We do not proactively disclose it to the public and/or clients/beneficiaries
- We disclose to clients/beneficiaries only.
- We disclose it publicly

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
<p>Disclosure to public and URL</p> <ul style="list-style-type: none"> <input checked="" type="radio"/> Broad approach to ESG incorporation <input type="radio"/> Detailed explanation of ESG incorporation strategy used 	<p>Disclosure to clients/beneficiaries</p> <ul style="list-style-type: none"> <input type="radio"/> Broad approach to ESG incorporation <input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used
<p>Frequency</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested 	<p>Frequency</p> <ul style="list-style-type: none"> <input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input checked="" type="checkbox"/> Ad-hoc/when requested
<p>URL</p> <p>https://www.alliancebernstein.com/corporate/our-firm/resources/pdf/embracing_responsible_investing.pdf</p>	

AB

Reported Information

Private version

Direct - Listed Equity Incorporation

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

ESG incorporation in actively managed listed equities

Implementation processes

LEI 01

Mandatory

Public

Core Assessed

PRI 1

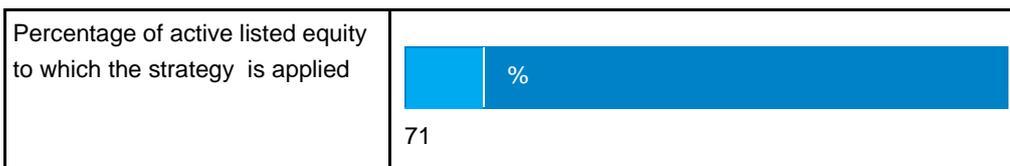
New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEI 01.1

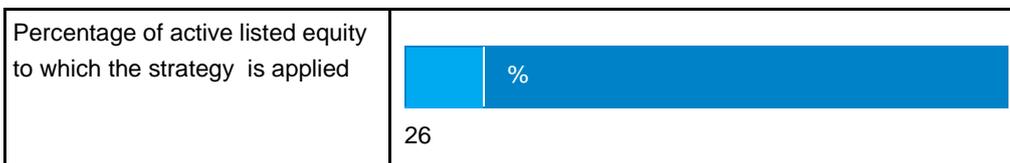
Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)

ESG incorporation strategy (select all that apply)

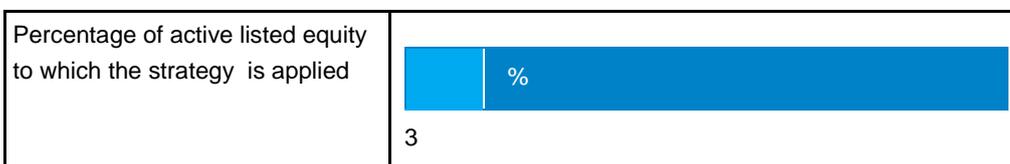
- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)



- Screening and integration strategies



- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined



- We do not apply incorporation strategies

Total actively managed listed equities

100%

AB's Primary Approach: Integration

Our firm's primary approach to ESG incorporation is through "Integration". That is, we believe the bottom-up integration of ESG factors into our research and investment processes is an important part of identifying investment risks as well as opportunities. Our long-standing disciplined research processes include ESG factors, and all of our fundamental analysts assess carefully if ESG factors could have a material impact on our forecasts and investment decisions. If our analysts determine that, after integrating ESG factors into their fundamental research, there are aspects of an issuer's past, current or anticipated ESG-related behavior that are material to its future expected returns, we address these concerns in our research forecasts, research reviews, and investment decisions.

Key Element of Integration: Active Ownership (Direct Engagement, ESG Engagement Framework, and Proxy Voting)

Importantly, a key method in which we implement our "Integration" of ESG issues is through pro-active ownership. We take a three-pronged approach to active ownership: 1) We directly engage with issuers as part of our research/investment process, and 2) we utilize an engagement framework to assist us in identifying companies with whom we should engage on ESG issues, and 3) we selectively engage as part of our proxy voting process. These approaches are often used in a coordinated manner for particular investments.

3. **Direct Engagement:** Direct communication with issuers and stakeholders is an important part of AB's research/investment process, and a fundamental part of AB's approach to responsible investment. Constructive engagements create a channel to discuss such matters as strategy, business operations, governance and a wide variety of other topics, such as, but not limited to, ESG issues. Over time, we build a forum for open dialogue. In addition, we engage with other stakeholders such as suppliers and customers as part of our process. Engagements take place both before the initial investment is made and as part of our ongoing monitoring of issuers. We vary our level of direct engagement based on several factors such as the size of the investment and potential impacts on the issuer and the AB fund.
4. **ESG Engagement Framework:** AB's Responsible Investment (RI) team maintains an engagement universe which helps identify companies within our global holdings where we believe we are most likely to affect positive change, and/or where we have the greatest exposure at issuers with a potential ESG issue. The universe is created based on a number of quantitative factors, such as but not limited to, dollar amount invested and percentage of the issuer owned. A number of qualitative factors are added which identify ESG issues, for example, our historic voting pattern. Based on this universe the RI team developed an engagement strategy which drives our long-term strategic ESG engagements, and serves as a guide when selecting companies for ad hoc and event driven engagement. We also use the framework when evaluating whether or not to accept incoming requests for engagement from issuers.
5. **Proxy Voting:** We are shareholder advocates. We thus have a fiduciary duty to make investment decisions that are in our clients' best interests and, in our view, will maximize the value of their shares. Proxy voting is an integral part of this process, and AB supports strong corporate governance structures, shareholder rights, and transparency. We have a well developed in-house proxy policy and process that guides our proxy decisions. We also take ESG factors into consideration when voting. Proxy related meetings are also often a joint effort between the investment professionals, who are best positioned to comment on company-specific details, and the proxy manager(s), who offer a more holistic view of governance.

Screening

Negative or Exclusionary Screening: We apply negative or exclusionary screening by product, activity, sector, environmental, social and corporate governance practices and performance. Some clients have provided us with a list of companies to be restricted from their portfolio, while others prefer that we screen on one or more factors using a third-party research provider. Screens can take several forms, including industry screens as well as ESG factor screens. We generally develop these

screens in conjunction with our clients, and we update these screens regularly, as our clients or our research providers provide us updated data. Once we identify the names to be screen and our client agrees, we capture those names electronically in our firm's pre-trade and post-trade compliance systems, which will then restrict those securities from that client's Account.

Positive Screening: We can apply positive screening as well if our client so requests. In these cases, we would seek to specifically invest in companies that have demonstrated clear ESG leadership and are widely recognized as exhibiting a "best-in-class" approach to integrating ESG considerations into their businesses. We work with clients to develop screens that meet their requirements and investment objectives.

Restrictions on Controversial Weapons: We recognize that legislation prohibiting investment in companies involved in controversial weapons (anti-personnel landmines, cluster bombs, and/or munitions made with depleted uranium) is growing, and client engagement on this issue is rising. As a result, AB (Luxembourg) S.à r.l., an AB affiliate, now excludes both debt and equity securities issued by companies involved in controversial weapons from the universe of potential investments in publicly-available Funds on this platform, for which we are the management company. We have engaged a third-party service (ISS-Ethix) to provide us the list of companies to be excluded.

We continue to monitor the evolution of regulation around the world regarding investment in companies involved in controversial weapons and will work with our service provider to ensure the screening for AB Funds remains updated.

Thematic:

In addition to ESG integration, we manage thematic portfolios. In November 2016, our AB Global Thematic Growth Fund (US Mutual Fund) evolved from a global thematic growth strategy to a sustainable thematic strategy, now called the AB Sustainable Global Thematic Fund.

LEI 01.3

If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

As noted above, most of our active equity strategies integrate ESG factors as part of our bottom-up fundamental research processes for all of our active equity strategies. Additionally, we have developed differentiated strategies that go beyond ESG integration through a variety of approaches, including Global Sustainable Thematic, Global Core, Concentrated US Equities, N50 Frontier Markets, and we work with clients to implement ESG-specific screening in their portfolios.

LEI 02	Voluntary	Public	Additional Assessed	PRI 1
---------------	------------------	---------------	----------------------------	--------------

LEI 02.1

Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

Type of ESG information

- Raw ESG company data

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Company-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Sector-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Country-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Screened stock list

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- ESG issue-specific analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Other, specify

LEI 02.2	Provide a brief description of the ESG information used, highlighting any different sources of information across your ESG incorporation strategies.
-----------------	--

We carefully select a range of external ESG data providers to meet not only our high overall standards but also to meet certain product-specific needs:

- **MSCI:** MSCI provides ESG ratings and qualitative research that is accessed by our analysts through a link into our analysts' research database. This research "flags" potentially material issues that our analysts then incorporate into their own analysis. We also use MSCI for negative screening in client portfolios, as well as best in class screening. The MSCI SRI Index is also used for our Global Responsible Factor Fund.

- **ISS-Ethix:** We use Ethix for controversial weapons screening associated with our Luxembourg-based Fund platform and a number of client portfolios.
- **FTSE:** We use these Indices for our Ethical Target Date Funds.
- **Sustainalytics:** We use Sustainalytics for an emerging markets equity-focused service, our N50 Emerging Markets Frontier Fund which has an explicit ESG focus and mandate.
- **ISS:** Institutional Shareholder Services (ISS) is used as our proxy voting agent and research provider.

We also utilize a variety of other external data sources such as sell side research, NGO articles, and industry body reports.

LEI 02.3	Indicate if you incentivise brokers to provide ESG research.
-----------------	--

- Yes
- No

LEI 02.5	Additional information.[Optional]
-----------------	-----------------------------------

The budget allocation for proprietary research is determined by the research vote process. On a semi-annual basis, equity analysts and portfolio managers cast votes for research providers to acknowledge them as being helpful in the investment decision-making process. A number of brokers have dedicated ESG teams. Some provide thematic research, whereas others include ESG ratings in their issuer research. As with all research, we review the content for quality and the value it adds, and integrate the information in our analysis. Our analysts acknowledge this information as part of their vote process.

LEI 03	Voluntary	Public	Additional Assessed	PRI 1
---------------	------------------	---------------	----------------------------	--------------

LEI 03.1	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
-----------------	---

- Engagement
 - We have a systematic process to ensure the information is made available.
 - We occasionally make this information available.
 - We do not make this information available.
- (Proxy) voting
 - We have a systematic process to ensure the information is made available.
 - We occasionally make this information available.
 - We do not make this information available.

LEI 03.2	Additional information. [Optional]
-----------------	------------------------------------

AB's proxy voting activities and investment process implementation is closely aligned and integrated. While we have a separate team that votes our proxies globally, in evaluating proxy issues and determining how to vote a specific item, the team actively seeks and assesses input from the portfolio managers, and/or research analysts who are directly involved in analysing the issuer and determining its applicability to our client portfolios. This ensures consistent application of our Policy while at the same leveraging the company specific knowledge of the investment teams who can provide an extra level of insight. Externally, we consult company management, company directors, interest groups, shareholder activists and research providers to get additional insight when needed.

In addition, research provided by an external proxy service is available to all analysts through the proxy managers. Meaningful engagements are stored in the engagement database to which all investment professionals have access.

(A) Implementation: Screening

LEI 04	Mandatory	Public	Descriptive	PRI 1
---------------	------------------	---------------	--------------------	--------------

LEI 04.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.
-----------------	--

Type of screening

- Negative/exclusionary screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

	Description
--	-------------

- We employ screening in a variety of ways as noted above.
6. In our equity services that have explicit responsible investment mandates beyond ESG integration -- including the Global Sustainable Thematic, Global Core, Concentrated US Equities, N50 Frontier Markets strategy -- screening is employed through exclusions in different ways.
 7. In our other equity services, we apply client-directed negative or positive screening to separately managed accounts if noted in investment guidelines.
 8. In our publicly available Luxembourg-Fund platform, we proactively restrict controversial weapons.

- Positive/best-in-class screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description

We manage the following:

9. A portfolio for a client that is managed against the FTSE4GOOD index which includes companies that meet certain thresholds for ESG, in addition to screening out companies that are in certain industries.
10. Portfolios for clients that meet the screening criteria of a third-party ESG research provider.
11. In September 2016, we introduced a Global Responsible Factor Fund that invests in global equity securities of companies that meet certain ESG criteria. It combines positive and negative screening based on MSCI SRI Benchmark.

- Norms-based screening

Screened by

- UN Global Compact Principles
- The UN Guiding Principles on Business and Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify

Description

Our Global Sustainable Thematic and Global Core strategies include norm based screening. We are working to provide tools to our analysts more broadly to assess UNGC compliance, and other norms.

LEI 04.2

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

Screens are generally developed in conjunction with our clients and discussed at regular client review meetings. Some clients provide us with a list of companies to be restricted from their portfolio. Other clients prefer that we screen using a third party research provider - these screens can take several forms, including industry screens as well as screening by ESG factors. Once the companies to be screened are identified, they are captured electronically in our compliance systems and monitored daily. Updates to these screens are made regularly - as our clients or our research providers provide updated data.

In the course of implementing such screens with our client, we do engage in an active dialogue with them regarding the implementation of specific screens, and any liquidity or tracking error considerations that might result from such screens. Our objective, of course, is to satisfy our client on two dimensions: satisfy their specific ESG requests, and also generate an attractive investment return in their Portfolio.

To the extent a change is made to a screen, the documentation is reviewed by Legal and portfolio management, and subsequently sent to our Client Guidelines group for coding where the necessary testing would be applied. These changes will be client driven, and no changes will be made without their formal sign-off.

Within our Luxembourg Fund platform, we screen for controversial weapons based on research from a third-party service provider. Our Global Sustainable Thematic, Global Core, Concentrated US Equities, N50 Frontier Markets strategies apply negative screens.

LEI 05**Mandatory****Public****Core Assessed****PRI 1****LEI 05.1**

Indicate which processes your organisation uses to ensure screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Review and evaluation of external research providers
- Other, specify
- None of the above

LEI 05.2

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.

- <10%
- 10-50%
- 51-90%
- >90%

LEI 05.3

Indicate how frequently third party ESG ratings are updated for screening purposes.

- Quarterly or more frequently
- Bi-annually
- Annually
- Less frequently than annually

LEI 05.5

Additional information. [Optional]

The primary way we ensure that the screening we do is based on robust analysis is that we use screens provided, maintained, and updated by the leading ESG research providers in the industry. (The listing of the ESG Providers we use is shown in Question LEI 2.2 above.) These providers regularly update their screens and listings of issuers, and these updates are automatically provided to our analysts through direct feeds, keeping everyone updated on a real-time basis.

The Client Guidelines Management (CGM) team has oversight responsibilities which entail coding, review, and monitoring of the compliance systems. Issuers are restricted in automated testing on a pre-trade basis to prevent initial purchases. If an issuer was purchased it would be captured by post trade monitoring controls and escalated through Portfolio Management Group/Legal. A CGM coder and reviewer checks every routing. Routings are submitted through our workflow tool and require assistant portfolio manager review after CGM completes our coding process. CGM is a separate entity from the portfolio management groups.

LEI 06**Voluntary****Public****Additional Assessed****PRI 1****LEI 06.1**

Indicate which processes your organisation uses to ensure fund criteria are not breached

- Systematic checks are performed to ensure that stocks meet the funds' screening criteria.
- Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- Audits of fund holdings are undertaken regularly by internal audit function
- Periodic auditing/checking of the organisations RI funds by external party
- Other, specify
Internal audit reviews compliance with investment guidelines and restrictions on a risk based approach
- None of the above

LEI 06.2

If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.

Despite our best efforts, from time to time inadvertent breaches of guidelines do occur. When guideline deviations arise, we seek to bring the client's account back into compliance as promptly as possible. If the deviation incident is deemed to be an error, we will follow the escalation and correction procedures set forth in our Error Resolution and Reporting Policy. Whenever we become aware of a potential error (whether we or our client are the first to notice it) we will conduct a thorough investigation. Where a guideline error on our part has generated a loss for our client, we shall make our client's account whole, and inform our client in a timely manner. We note that some of our clients have expressly incorporated into their IMA protocols for the timeliness with which they should be notified of any such breach as well as guidance for handling the breach.

It is AB's policy to record all incidents involving the accounts of asset management clients, and to correct any and all errors affecting those accounts in a fair, timely and reasonable manner. When correcting an error, our objective is always to take appropriate actions consistent with our fiduciary duty of care, to put our client in the same or substantially the same position as if we had not made the error. In some cases, that is not possible or practical. Even then, however, if our client has incurred a loss attributable to the actions of AB, that loss is fully reimbursable.

LEI 06.3

Additional information.[Optional]

Our Operations Group uses a third-party application, Fidessa's Sentinel System, to assist portfolio managers in remaining in compliance with client-specific investment guidelines as well as internal guidelines and risk limits. These client-specific guidelines include ESG-related guidelines and restrictions.

Our Client Guideline Management team independent from our Portfolio Management Group, encodes all client guidelines into Sentinel and monitors them on a daily, post-trade, end of day basis. From an ESG standpoint, examples of client-specific guidelines that can be programmed into Sentinel include restricting a particular issuer, sector or industry from being held.

The encoded guidelines are then reviewed and approved by either portfolio managers or associate portfolio managers to ensure correct interpretation.

In performing the pre-trade function, Sentinel reviews each proposed trade and flags trades within those client accounts where they are prohibited by a client guideline. Post-trade, the Sentinel system generates daily reports that include all applicable restrictions and limitations, based on compliance parameters coded when the account was set up, and includes approved guideline updates provided by the client. The portfolio managers or the associate portfolio managers review daily exception notifications for possible breaches in conjunction with the Client Guidelines Management team. Exceptions are reported to the Compliance Guideline Management Department as well as to the portfolio management team. The portfolio managers are ultimately responsible for ensuring compliance of guidelines.

(B) Implementation: Thematic

LEI 07

Mandatory

Public

Descriptive

PRI 1

LEI 07.1

Indicate the type of sustainability thematic funds or mandates your organisation manages.

- Environmentally themed funds
- Socially themed funds
- Combination of themes

LEI 07.2

Describe your organisation's processes relating to sustainability themed funds. [Optional]

In November 2016, our AB Global Thematic Growth Fund (US Mutual Fund) evolved from a global thematic growth strategy to a sustainable thematic strategy, now called the AB Sustainable Global Thematic Fund. The Fund pursues opportunistic growth by investing in a global universe of companies that are positively exposed to sustainable investment themes. We define sustainable investment themes to be those that are broadly consistent with achieving the United Nations Sustainable Development Goals. Examples of these themes may include energy transformation, resource preservation, equality and opportunity, improving human health and safeguarding lives. In addition to this "top-down" thematic approach, we also utilize "bottom-up" analysis of individual companies, focusing on prospective earnings growth, valuation, and quality of company management and on evaluating a company's exposure to environmental, social and corporate governance ("ESG") factors. We emphasize company-specific positive selection criteria over broad-based negative screens in assessing a company's exposure to ESG factors.

(C) Implementation: Integration of ESG issues

LEI 08

Mandatory

Public

Core Assessed

PRI 1

LEI 08.1

Indicate which ESG factors you systematically research as part of your investment analysis and the proportion of actively managed listed equity portfolios that is impacted by this analysis.

ESG issues	Proportion impacted by analysis
Environmental	 Environmental <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Social	 Social <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Corporate Governance	 Corporate Governance <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%

LEI 08.2 Additional information. [Optional]

As noted above, AB has long believed that bottom-up ESG integration is important to identify investment risks as well as opportunities. As such, our long-standing disciplined research process has long included ESG factors. All of our fundamental analysts assess carefully whether ESG factors could have a material impact on our forecasts and investment decisions. They conduct thousands of management and company visits per year and routinely investigate environmental, social and governance issues as an integral part of their fundamental research of a stock.

In addition, our dedicated ESG Analyst works with our investment teams to identify ESG trends and, themes, and routinely provide our investment teams with ESG-related case studies that illustrate best practices in integrating ESG factors into investment decision-making.

Finally, the Head of Responsible Investment dedicates a significant portion of her time on ESG-related activities, including keeping abreast of ESG best practices and relevant trends, and then using those insights to enhance our firm's processes for ESG integration in our various investment disciplines. She conducts ESG training for our analysts and portfolio managers.

LEI 09	Voluntary	Public	Additional Assessed	PRI 1
---------------	------------------	---------------	----------------------------	--------------

LEI 09.1 Indicate which processes your organisation uses to ensure ESG integration is based on a robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products

LEI 09.2 Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- <10%
- 10-50%
- 51-90%
- >90%

- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies

- Third-party ESG ratings are updated regularly.

LEI 09.3 Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

- A periodic review of the internal research is carried out

LEI 09.4 | Indicate how frequently you review internal research that builds your ESG integration strategy.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Other, specify
- None of the above

LEI 09.5 | Describe how ESG information is held and used by your portfolio managers.

- ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- Other, specify
 A number of teams keep systematic records of ESG research and meetings. We are building a centralized database to be used across Equities.
- None of the above

LEI 09.6 | Additional information.[Optional]

We track company meetings in our global company calendar. This includes the majority of our company face-to-face engagements. It does not track the specific meeting agenda or items discussed, such as ESG topics. We also have an engagement database to capture ESG-related engagements and ESG integration examples. Given the volume of analyst interactions with companies, and the wide variety and materiality of ESG issues discussed, we do not capture every single discussion, but we focus on the most significant engagements. A number of strategies capture how ESG information and research was incorporated into investment decisions systematically.

LEI 10	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 1
---------------	--	---------------	----------------------	--------------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEI 10.1 | Indicate which aspects of investment analysis you integrate material ESG information into.

- Economic analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 11-50%
- 51-90%
- 90%

Industry analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 11-50%
- 51-90%
- 90%

Quality of management

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 11-50%
- 51-90%
- 90%

Analysis of company strategy

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 11-50%
- 51-90%
- 90%

Portfolio weighting

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 11-50%
- 51-90%
- 90%

LEI 10.2a

Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis and/or portfolio construction.

- Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
- Adjustments to valuation tools (discount rates, terminal value)
- Other adjustments to fair value projections, specify

LEI 10.3 Describe how you integrate ESG information into portfolio weighting.

In our research reviews, our analysts discuss their investment thesis with the portfolio manager, including ESG issues and how they may impact to their thesis. The portfolio manager makes the final portfolio decision of whether to buy/sell/hold the company, as well as the weight in the portfolio. The portfolio manager may decide to underweight or overweight a position based on a variety of factors, including ESG risks or opportunities.

LEI 10.4a Describe the methods you have used to adjust the income forecast / valuation tool

Our teams within Equities take a variety of different approaches to adjusting forecasts and/or valuation tools. For example, our Global Core Strategy uses a proprietary quantitative scoring model to compute the discount rate adjustment for Environmental, Social and Governance factors that is an input to the valuation framework. Our Sustainable Global Thematic strategy systematically includes the output of their ESG analysis in the cost of equity. If ESG risks are deemed high, they will increase the cost of capital; if risks are low, they may lower the cost of capital.

Fair value/fundamental analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 11-50%
- 51-90%
- 90%

LEI 10.2b Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis and/or portfolio construction.

- Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
- Adjustments to valuation tools (discount rates, terminal value)
- Other adjustments to fair value projections, specify

LEI 10.4b Describe the methods you have used to adjust the income forecast / valuation tool

As part of the valuation process, we adjust the cost of capital. If ESG risks are deemed high, they will increase the cost of capital; if risks are low, they may lower the cost of capital.

Other, specify

ESG incorporation in passively managed listed equities

LEI 11	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
--------	---	--------	-------------	-------

LEI 11.1

Indicate if you manage passive listed equity funds that incorporate ESG issues in the index construction methodology.

Yes

LEI 11.2

Indicate the percentage of your total passive listed equity funds for which ESG issues are incorporated in the index construction methodology.

(% of total passive listed equity funds)

- <10%
- 10-50%
- 51-90%
- >90%

LEI 11.3

Specify index/fund name, provide a brief description of ESG methodology and indicate which of the following ESG incorporation strategies you apply.

Index/fund 1

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
FTSE4GOOD (Ethical Retirement Strategies)	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

Index/fund 2

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
Global Responsible Factor Fund	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

- Index/fund 3
- Index/fund 4
- Index/fund 5

No

Outputs and outcomes

LEI 12	Voluntary	Public	Descriptive	PRI 1
---------------	------------------	---------------	--------------------	--------------

LEI 12.1

Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.

Screening

Describe any reduction in your starting investment universe or other effects.

We narrow down the investment universe in accounts with client-directed or other third-party screening. We have a controversial weapons policy for our Luxembourg domiciled funds which limits the investment universe. A number of specific strategies have additional sector or industry restrictions.

Thematic

Describe any alteration to your investment universe or other effects.

The Fund pursues opportunistic growth by investing in a global universe of companies that are positively exposed to sustainable investment themes. We define sustainable investment themes to be those that are broadly consistent with achieving the United Nations Sustainable Development Goals. Our portfolio holdings must fit within themes that are directly aligned with one or more UNSDGs. We believe that such alignment implicitly excludes several product categories from ownership consideration. We also monitor companies for conduct-based violations, as generally defined by the UN Global Compact.

Integration of ESG issues

Select which of these effects followed your ESG integration:

- Reduce or prioritise the investment universe
- Overweight/underweight at sector level
- Overweight/underweight at stock level
- Buy/sell decisions
- Other, specify
- None of the above

Index incorporating ESG issues (for passively managed funds)

Describe the influence on composition or other effects

We use an MSCI SRI Index for our Global Responsible Factor Fund and we use FTSE4Good Indices for our Ethical Target Date Funds. Both indices have a reduced investment universe due to a best-in-class approach as well as a restriction list.

LEI 12.2

Additional information.[Optional]

For accounts with screening criteria, the investment universe is narrowed down by the securities restricted.

For all our active portfolios, ESG factors are incorporated into our buy/sell/weight decisions across all our client portfolios when we believe they are material to our forecasts and investment decisions. If we determine that these aspects of an issuer's past, current, or anticipated behavior are material to its future expected returns, we address these concerns in our research forecasts, research review meetings and investment decisions.

LEI 13.1 Indicate whether your organisation measures how your approach to responsible investment in Listed Equity has affected your portfolio's financial and/or ESG performance.

- We measure whether our approach to ESG issues impacts funds' reputation
- We measure whether our approach to ESG issues impacts funds' financial performance: return

b) Funds' financial performance: return

Describe the impact on:	Describe the impact	Which strategies were analysed?
Funds' financial performance: return	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact	<input type="checkbox"/> Screening <input type="checkbox"/> Integration <input checked="" type="checkbox"/> Thematic <input type="checkbox"/> Index construction (passive funds)

- We measure whether our approach to ESG issues impacts funds' financial performance: risk

c) Funds' financial performance: risk

Describe the impact on:	Describe the impact	Which strategies were analysed?
Funds' financial performance: risk	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact	<input type="checkbox"/> Screening <input type="checkbox"/> Integration <input checked="" type="checkbox"/> Thematic <input type="checkbox"/> Index construction (passive funds)

- We measure whether our approach to ESG issues impacts funds' ESG performance

Describe the impact on:	Describe the impact	Which strategies were analysed?
Funds' ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact	<input type="checkbox"/> Screening <input type="checkbox"/> Integration <input checked="" type="checkbox"/> Thematic <input type="checkbox"/> Index construction (passive funds)

- None of the above

LEI 13.2

Describe how you are able to determine these outcomes.

We measure whether our approach to ESG issues impacts our Sustainable Global Thematic fund's financial risk and return performance. Our approach is to invest in social and environmental themes with strong secular growth that should drive attractive financial returns. We measure the growth potential of our themes versus the expected returns in the broad market. We analyze the risks of ESG issues for each company we invest in and quantitatively measure these ESG risks our models. These risks are measured at both a company level and total portfolio level. We also measure the ESG performance of our portfolios several ways. We measure the carbon footprint of the portfolio vs. the benchmark. We measure the impact of the companies we invest in by measuring the revenue exposure they have for providing products and services related to environmental and social solutions compared to the benchmark.

LEI 14

Voluntary

Public

Descriptive

PRI 1

LEI 14.1

Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.

ESG issue 1

ESG issue and explanation

We have a multi-year history investing in an Ireland-based manufacturing company. We liked this mid-size company for its innovative growth-oriented earnings profile, and were moderately invested within our Global Thematic portfolios. However, as a building materials manufacturer that relies heavily on natural resources, this company was predisposed to several environmental risks, with the main risks being carbon emissions in the manufacturing process and the use of toxic materials. For building materials companies, carbon emissions costs are zero today but are likely to become more meaningful over time given increasing regulation in this area.

We evaluate environmental risks closely because they represent real risks to a manufacturing company's long-term profitability, revenue growth and brand value yet are sometimes underappreciated by the market, which tends to be more short-term results-oriented. As such, we initiated meetings with the company to further understand the actions it was taking to address carbon emissions and the use of toxic materials. The company informed us of the steps it was taking to increase energy efficiency and move toward using zero-carbon energy sources for its manufacturing. The company is also proactively addressing its toxic material risk by seeking to find replacement chemicals ahead of potential future regulations.

ESG incorporation strategy applied

- Screening
- Thematic
- Integration
- Combination of ESG incorporation strategies
- Index incorporating ESG issues

Impact on investment decision or performance

We were highly satisfied at the specific steps the company was taking to reduce its carbon emissions and toxic material use. In our view, the company is one of the most sustainable and progressive manufacturers in the industry. Our positive engagement with the company led to us update our investment thesis. We expect the company to continue outperforming competitors based on superior product performance, advanced technologies and the environmental sustainability of its products. Our discussion with the company prompted us to raise our five-year return forecast in our forecast model and also bolstered our confidence in the risk characteristics of the stock. Our engagement led us to maintain a full position in the name.

ESG issue 2

ESG issue and explanation

We had a multi-year investment in two Brazilian protein producers in our Emerging Market Value portfolios. In March 2017, the two producers were included in a federal investigation involving a bribery scandal. Twenty-one meat companies allegedly made payments to the inspection agents responsible for verifying product quality (including expiration date, packaging, size) to encourage them to bend the rules and standards. The published allegations detailed discussions between employees of these companies and federal inspection agents and their superiors discussing the circumvention of standard inspections rules and standards. In addition to the federal investigation itself, the resulting news coverage was heavily negative. Several countries suspended meat imports from Brazil.

Following this news, we were immediately concerned with the companies' governance practices and adherence to food safety standards. We had originally viewed both companies as having strong food safety practices. As a part of our research process, we had visited production plants at both companies in the past, and found strong production processes and controls. Feedback from various industry stakeholders regarding both companies' product quality had also generally been positive. The discussions with IR focused on the companies' production and control processes and on how the companies were responding to the investigations.

ESG incorporation strategy applied

- Screening
- Thematic
- Integration
- Combination of ESG incorporation strategies
- Index incorporating ESG issues

Impact on investment decision or performance

Following our engagements in March 2017, we were dissatisfied with the explanations from both companies. We believed both producers could have done more in mitigating bribery risks and actively committing to better ESG practices, including governance practices. Apparently other investors felt the same way: negative fallout related to the news led to declines in both companies' stock prices. After our meetings, we rebalanced our positions in Company #1 across several accounts. As the stock price declined related to the situation, we wanted to ensure minimal losses in our Accounts. We continue to closely monitor this company and will exit positions entirely if we feel that the company is not operating to standard.

In early 2018, we exited our position in Company #2 completely. We believed the company missed ample opportunities to improve its governance practices, despite our engagement and efforts to push for change. We had recouped much of our losses from the short-term stock price decline and decided that our longer-term investment thesis was no longer intact, given the company's poor handling of importance governance issues.

ESG issue 3

ESG issue and explanation

We have a multi-year history of investing in a South Korean electronics company in several of our Emerging Market Growth and Value portfolios. We liked this company and were generally confident in its ability to generate strong earnings and sustainable growth. This company, like some others in South Korea, is operated by a family-owned conglomerate with strong ties to local government agencies. As a result, the company was predisposed to several governance risks, mainly bribery.

In February 2017, a high-ranking executive was arrested on bribery charges. The executive had allegedly bribed a senior government official to help him secure further control of the company. In August 2017, the executive was found guilty of bribery, embezzlement and perjury, resulting in a five-year prison sentence that was eventually reduced to an eight-month stint in prison and two years' probation.

After this event, we needed to reaffirm our confidence in this company's ability to operate ethically. We wanted to determine whether this was an isolated event, or if there were deeper issues to be addressed. Since we held positions in this company two different Strategies, our portfolio management teams engaged jointly.

ESG incorporation strategy applied

- Screening
- Thematic
- Integration
- Combination of ESG incorporation strategies
- Index incorporating ESG issues

Impact on investment decision or performance

In February and March 2017, our teams met with company management to discuss corporate governance and the ongoing investigation. The objective of these meetings was to determine how the company's business and organization would be affected by the event.

The company exhibited a satisfactory approach to eliminating ethical violations, and we did not see the event impacting its daily operations nor, related, the returns it could potentially provide to shareholders. Within our Emerging Markets Growth and Value Strategies, we took two separate actions. We trimmed positions in this company in some of our Growth portfolios, more related to the company's delayed restructuring than to the execution's conviction. Within our Value portfolios, we kept our positions unchanged.

ESG issue 4

ESG issue and explanation

We reviewed a potential opportunity with a US-based pet food company.

We liked this company for its long-term growth potential and fair valuations, and considered investing in it in several of our Concentrated Growth portfolios. Before deciding whether to invest, however, we wanted to review the company's approach to ensuring quality in its operations.

In 2014, the company faced a lawsuit alleging false advertising. The company's advertising centered around a theme called "True Promise" which stated that the company's products are "formulated with the finest natural ingredients". The claim cited that certain pet food produced by the company contained poultry by-product meal and artificial preservatives. The claim also cited that certain of the company's "grain-free" products contained grain.

On May 6, 2015, the company admitted in court that a "substantial" and "material" portion of its pet food indeed contained poultry by-product meal, contrary to how the products were advertised. To settle, the company paid \$32 million into a settlement fund.

The principles of food safety applies to pets, too: The Food and Drug Administration (FDA) requires that all pet foods be safe to eat, produced under sanitary conditions, contain no harmful substances, and, importantly in this case, be truthfully labeled.

ESG incorporation strategy applied

- Screening
- Thematic
- Integration
- Combination of ESG incorporation strategies
- Index incorporating ESG issues

Impact on investment decision or performance

To gain more clarity on the issue above, we met with the company to evaluate its business practices. In August 2017, we met with the CFO. We discussed strategy and supply chain management as it relates to safety and quality, and also discussed the false advertising settlement. We specifically wanted to know what the company had done to improve their products since.

The CFO informed us that a big part of the issue was the company's use of external suppliers. Following the lawsuit, the company stopped using the supplier that had been responsible for the sub-par ingredients. The supplier was later indicted for fraud. To avoid similar issues in the future, the company tightened its standards around raw material supply, with the company now directly responsible for the procurement of all raw material and pricing.

While food by nature always has some risk, we believed the company had substantially improved its practices to the degree that the risk of a future food safety issue was manageable. In September 2017, we established a position in this company based on our satisfaction with management's response to both this issue as well as several others that fell outside the ESG realm.

ESG issue 5

ESG issue and explanation

We had been closely monitoring emerging market opportunities in clean technologies, wind, energy and water treatment. In 2016, we became aware of a growing opportunity in China. Renewable energy is a key part of China's national strategy to combat climate change and air pollution. As a result, Chinese companies in environmentally-related sectors were performing well and garnering increased government support.

From 2010-2016, China experienced an over-supply of electricity production known as "curtailment". Wind farms, as one of the faster-growing segments, saw a more severe impact in regions with concentrated wind resources and less demand. During those years, nearly 16% of overall wind generation projects were abandoned.

In early 2016, we began considering positions in a state-owned Chinese wind power operator for our Emerging Market Value portfolios. The company's stock was relatively cheap due to high levels of curtailment. Subsequently, we made the investment with the confidence that China's continuous support on clean energy would help improve demand.

Despite our optimistic outlook for the company, we had two areas of concern: (1) Stock underperformance; and (2) policy risks.

ESG incorporation strategy applied

- Screening
- Thematic
- Integration
- Combination of ESG incorporation strategies
- Index incorporating ESG issues

Impact on investment decision or performance

While utilization had improved, we still saw increased risk with the use of 'green certificates' rather than the original tariff subsidy. The pricing of green certificates is capped, and would therefore not generate earnings higher than the original fixed tax subsidy. This earnings downgrade pressure contributed to the underperformance of renewables. As a result, we exited positions in May 2017. We were uncomfortable with the uncertainty associated with the tax subsidy policy and we sought to avoid losses as the stock continued to decline.

AB

Reported Information

Private version

Direct - Listed Equity Active Ownership

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Engagement

Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 01.1 Indicate whether your organisation has a formal engagement policy.

Yes

LEA 01.2 Attach or provide a URL to your engagement policy.

Attachment provided:

URL provided:

URL

https://www.alliancebernstein.com/abcom/Our_Firm/Content/CGDocs/2017-AB-engagement-policy-FINAL.pdf

LEA 01.3 Indicate what your engagement policy covers:

- Conflicts of interest
- Insider information
- Alignment with national stewardship code requirements
- Due diligence and monitoring process
- Prioritisation of engagements
- Transparency of engagement activities
- Environmental factors
- Social factors
- Governance factors
- Other, describe
- None of the above

LEA 01.4 Provide a brief overview of your organization’s approach to engagement

Engagement with issuers is a key component of AB's three-pronged approach to active ownership. We generally engage prior to an investment, and closely monitor companies and issuers in which we have invested: doing so is a fundamental part of our research process. We also engage as part of our proxy voting process, where there are issues of concern and/or we hold a significant position.

AB maintains an Engagement Policy which is based on quantitative metrics and qualitative ESG issues. Our formalized engagement framework helps identify companies within our global holdings where we believe we are most likely to affect positive change, and/or where we have the greatest exposure at issuers with a potential ESG issue.

No

LEA 02	Mandatory	Public	Gateway	PRI 1,2,3
---------------	------------------	---------------	----------------	------------------

LEA 02.1 Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers <div style="background-color: #0072bc; color: white; padding: 5px; margin-top: 10px;">Please specify why your organisation does not engage via service providers.</div> <p>Engagements are a part of our investment process conducted by our in-house analysts and RI team.</p>

LEA 02.2	Additional information. [Optional]
-----------------	------------------------------------

A key method in which we implement our "Integration" of ESG issues is through pro-active ownership. We take a three-pronged approach to active ownership: 1) We directly engage with issuers as part of our research/investment process, and 2) we utilize an engagement framework to assist us in identifying companies with whom we should engage on ESG issues, and 3) we selectively engage as part of our proxy voting process. These approaches are often used in a coordinated manner for particular investments.

Process

Process for engagements run internally

LEA 03	Mandatory	Public	Core Assessed	PRI 2
---------------	------------------	---------------	----------------------	--------------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 03.1	Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.
-----------------	---

Yes

LEA 03.2	Describe the criteria used to identify and prioritise engagement activities carried out by internal staff.
-----------------	--

- Geography / market of the companies
 - Materiality of ESG factors
 - Systemic risks to global portfolios
 - Exposure (holdings)
 - In response to ESG impacts that have already occurred.
 - As a response to divestment pressure
 - Consultation with clients/beneficiaries
 - Consultation with other stakeholders (i.e. NGOs, trade unions etc.)
 - As a follow-up from a voting decision
 - Client request
 - Other, describe
- No

LEA 03.3 Additional information. [Optional]

Engagement is an important component of our approach to active ownership and a part of our standard investment research process. In addition, we conduct engagements focused on ESG and proxy issues. In late 2015, we began development of an engagement framework to determine priorities while at the same time providing flexibility to address ad hoc issues appropriately. The framework has both quantitative and qualitative inputs. We referenced it for engagements in 2016, and refined it in practice. We published a formal engagement policy in 2017. It includes a more structured engagement framework for identifying and prioritizing engagement. It is based on quantitative metrics, such as, but not limited to, position size, and qualitative ESG issues as well as our proxy voting history.

LEA 04

Mandatory

Public

Core Assessed

PRI 2

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 04.1 Indicate if you define specific objectives for your engagement activities.

- Yes
 - Yes, for all engagement activities
 - Yes, for the majority of engagement activities
 - Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out by internal staff.

LEA 04.2 Indicate if you monitor the actions that companies take during and following your engagements activities carried out by internal staff.

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out by internal staff.

LEA 04.3 Indicate if you do any of the following to monitor and evaluate the progress of your engagement activities carried out by internal staff.

- Define timelines for your objectives
- Tracking and/or monitoring progress against defined objectives
- Tracking and or monitoring progress of actions taken when original objectives are not met
- Revisit and, if necessary, revise objectives on continuous basis
- Other, please specify

other description

As part of our engagement framework we review previous engagements as well as our proxy voting history.

We do not monitor and evaluate progress of engagement activities carried out by internal staff

LEA 04.4 Additional information. [Optional]

A number of investment teams monitor progress against defined objectives. We are in the process of rolling this out more broadly going forward.

Process for engagements conducted via collaborations

LEA 05

Mandatory

Public

Core Assessed

PRI 2

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 05.1

Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements

Yes

LEA 05.2

Describe the criteria used to identify and prioritise collaborative engagements.

- Potential to learn from other investors
- Ability to add value to the collaboration
- Geography / market of the companies targeted by the collaboration
- Materiality of ESG factors addressed by the collaboration
- Systemic risks to global portfolios addressed by the collaboration
- Exposure (holdings) to companies targeted by the collaboration
- In reaction to ESG impacts addressed by the collaboration that have already occurred.
- As a response to divestment pressure
- As a follow-up from a voting decision
- Consultation with clients/beneficiaries
- Consultation with other stakeholders (i.e. NGOs, trade unions etc.)
- Other, describe

other description

Consultation with RI related organisations.

No

LEA 05.3 Additional information [Optional]

We participated in our first collaborative engagement in 2015 under the PRI's collaborative engagement on human rights issues in the extractives industry. We are a co-lead for a company. We continued the dialogue with the company in 2016 and carried on in 2017. We plan to use this experience to determine how and when collaborative engagements could be useful. In addition to that, we published a formal engagement policy in 2017. It includes a more structured engagement framework for identifying and prioritizing engagement which encompasses potential collaborative engagements. It is based on quantitative metrics, such as, but not limited to, position size, share register ranking, and qualitative ESG issues. This also informs our process for identifying and prioritising collaborative engagements.

LEA 06	Mandatory	Public	Core Assessed	PRI 2
---------------	------------------	---------------	----------------------	--------------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 06.1 Indicate if you define specific objectives for your engagement activities carried out collaboratively.

- Yes
 - Yes, for all engagement activities
 - Yes, for the majority of engagement activities
 - Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out collaboratively.

LEA 06.2 Indicate if you monitor the actions companies take during and following your collaborative engagements.

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out collaboratively

LEA 06.3 Indicate if you do any of the following to monitor and evaluate the progress of your collaborative engagement activities.

- Define timelines for your objectives
- Tracking and/or monitoring progress against defined objectives
- Tracking and or monitoring progress of actions taken when original objectives are not met
- Revisit and, if necessary, revise objectives on continuous basis
- Other, please specify
- We do not monitor and evaluate progress of engagement activities carried out by internal staff

LEA 06.4 Additional information. [Optional]

As noted above, we started in our first collaborative engagement in 2015. This engagement is currently still on-going in 2017. We are selecting a new collaborative engagement aligned with our priorities.

General processes for all three groups of engagers

LEA 09	Voluntary	Public	Additional Assessed	PRI 1,2
---------------	------------------	---------------	----------------------------	----------------

LEA 09.1 Indicate if insights gained from your engagements are shared with your internal or external investment managers.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 09.2 Additional information. [Optional]

As noted above, insights garnered from our engagements with issuers are a key component of, and sometimes even a material aspect of, our analysts' research recommendations and investment theses on an issuer. Such insights are discussed with our portfolio management teams and directors of research in regular research review meetings, and, depending on the item, may certainly influence our ultimate investment decision on the issuer.

LEA 10	Mandatory	Public	Gateway	PRI 2
---------------	------------------	---------------	----------------	--------------

LEA 10.1 Indicate if you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track and cannot estimate our engagements

LEA 10.2 Additional information. [OPTIONAL]

We track company meetings in our global company calendar. This includes the majority of our company engagements held at our offices. It does not track the specific meeting agenda or items discussed, such as ESG topics.

In 2013, we introduced an engagement database to capture specific ESG-related engagements and ESG integration examples. Given the volume of our analysts' interactions with companies, and the wide variety and materiality of ESG issues they discuss, we do not capture every single discussion. Instead, we focus on the most significant engagements. In 2017, we tracked 117 meetings.

In addition, in fourth quarter in 2014, our RI team started tracking proxy related engagements. For 2016, this totalled 66 issuers during the year and 56 in 2017. Please note this does not include engagements from the investment teams which focussed solely on ESG issues.

Outputs and outcomes

LEA 11	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
---------------	--	---------------	----------------------	--------------

LEA 11.1 Indicate the amount of your listed equities portfolio with which your organisation engaged during the reporting year.

	Number of companies engaged (avoid double counting, see explanatory notes)	Proportion (to the nearest 5%)	Specify the basis on which this percentage is calculated
Individual / Internal staff engagements	<div style="background-color: #0070C0; color: white; padding: 2px;">Number of companies engaged</div> 173	<div style="background-color: #0070C0; color: white; padding: 2px;">Proportion (to the nearest 5%)</div> 5	<div style="background-color: #0070C0; color: white; padding: 2px;">Specify the basis on which this percentage is calculated</div> <input checked="" type="radio"/> of the total number of companies you hold <input type="radio"/> of the total value of your listed equity holdings
Collaborative engagements	2	<div style="background-color: #0070C0; color: white; padding: 2px;">Proportion (to the nearest 5%)</div> 0	<div style="background-color: #0070C0; color: white; padding: 2px;">Specify the basis on which this percentage is calculated</div> <input checked="" type="radio"/> of the total number of companies you hold <input type="radio"/> of the total value of your listed equity holdings

LEA 11.2 Indicate the proportion of engagements that involved multiple, substantive and detailed discussions or interactions with a company during the reporting year relating to ESG issue.

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input type="radio"/> > 50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Collaborative engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 11.3 Indicate the percentage of your collaborative engagements for which you were a leading organisation during the reporting year.

Type of engagement	% Leading role
Collaborative engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 11.5 Additional information. [Optional]

As mentioned previously, we track company meetings in our global company calendar. This includes the majority of our company engagements held at our offices. It does not track the specific meeting agenda or items discussed, such as ESG topics.

In 2013, we introduced an engagement database to capture specific ESG-related engagements and ESG integration examples. Given the volume of our analysts' interactions with companies, and the wide variety and materiality of ESG issues they discuss, we do not capture every single discussion. Instead, we focus on the most significant engagements. In 2017, we tracked 117 meetings.

In addition, in fourth quarter in 2014, our RI team started tracking proxy related engagements. For 2016, this totalled 66 issuers during the year and 56 in 2017. Please note this does not include engagements from the investment teams which focussed solely on ESG issues.

LEA 12 Voluntary Public Additional Assessed **PRI 2**

LEA 12.1 Indicate which of the following your engagement involved.

- Letters and emails to companies
 - In some cases
 - In majority cases
 - In all cases
- Meetings and/or calls with the appropriate team
 - In some cases
 - In majority cases
 - In all cases
- Visits to operations
 - In some cases
 - In majority cases
 - In all cases
- Participation in roadshows
 - In some cases
 - In majority cases
 - In all cases
- Other, specify

LEA 12.2	Additional information. [Optional]
-----------------	------------------------------------

We take a holistic approach to evaluating and monitoring the issuers in which we invest, including an assessment of the financial performance, strategy, and management performance, and how the issuer addresses ESG issues. Situations occur where we have reservations about an issuer's approach to protecting shareholders' interests. We believe that each case must be judged on its merits, which is why we have not adopted rigid guidelines on when and how such escalation should take place. Initially, the research analyst and/or the investment governance team will generally communicate our concerns to the issuer's management. In cases where our concerns are not dealt with satisfactorily, discussions may be escalated to the board of directors and may include AB's portfolio managers and/or chief investment officers. Our analysts, portfolio managers and chief investment officers work together closely and form a case-by-case judgment of how best to protect clients' interests in particular circumstances. Assessment of the outcome of intervention and next steps is also conducted case by case. In some instances, for example, where we consider proposed executive pay arrangements to be contrary to our clients' interests, or where we do not believe an issuer's management is giving sufficiently serious consideration to a takeover offer, we will intervene with an issuer's chairman or other board members. In situations where issuer actions are not sufficient to address the concerns, we may vote against the directors and/or relevant ballot items on the proxy. Similarly, where a fixed-income investor proposes to undertake a strategic action that violates or may impair our legal rights under a covenant or other aspect of the investment, or jeopardizes the economics of the investment, we will seek to enforce our rights or seek offsetting financial compensation. This can be done in a variety of ways including, but not limited to, direct action against the issuer, participation in a bond holders group or class action litigation, or seeking relief through the applicable insolvency regime.

LEA 13	Voluntary	Public	Descriptive	PRI 2
---------------	------------------	---------------	--------------------	--------------

LEA 13.1	Indicate whether you track the number of cases during the reporting year in which a company changed its practices, or made a formal commitment to do so, following your organisation's and/or your service provider's engagement activities.
-----------------	--

Yes

LEA 13.2	Do you track number of companies that changed or made a formal commitment to change in the reporting year following your organisation's and/or your service provider's engagement activities?
-----------------	---

- Yes, we do track information
- We do not track this information
- No

LEA 13.3	Additional information [Optional].
-----------------	------------------------------------

A number of teams track the number of companies that changed or made a formal commitment to change. In 2018, we plan to implement this more broadly.

LEA 14	Voluntary	Public	Additional Assessed	PRI 2
---------------	------------------	---------------	----------------------------	--------------

LEA 14.1	Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.
-----------------	--

Add Example 1

ESG factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance <input type="checkbox"/> Multiple
ESG issue	Investigation into fraud
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>Objective: Review governance policies after an unanticipated instance of fraud.</p> <p>Background: We held moderate positions in a communications company domiciled in the United Kingdom in several of our Large Cap International Growth and Value portfolios. We had a favourable view of the company based on its large-scale profitability and strong track record for generating growth. As one of the largest communication companies worldwide, it served customers throughout the UK and in 180 other countries. The company consists of six lines of business, which include technological functions, consumer, mobile services, business/ public sector, wholesale and global services.</p> <p>Italian Accounting Scandal: In 2016, an external audit of the company's global services unit discovered years of accounting fraud in its regional Italian operations. In January 2017, profits fell more than 40%, as the company announced a substantial write-down of \$740 million following the scandal. The company also ended up lowering its profit and cash flow guidance for the entire business, citing weakness in the UK public sector and international corporate markets.</p> <p>UK Telecom Intervention: In the first quarter of 2017, the company also faced intervention from a UK Telecom regulator who had been scrutinizing the governance practices of its wholesale division.</p>
Scope and Process	<p>In February 2017, our governance analyst and Value CIO met with the company's CFO, CEO, and Chairman. During these 1-1 phone calls, we sought an explanation for how the company would address two important governance issues:</p> <p>Addressing the Scandal: We discussed the company's Audit and Internal controls in detail, as well as the divisional goal-setting process for the company. We were pleased to learn that the company had cut ties with the Italian divisional leader, and had also hired a new auditor after its previous one had failed to spot the scale of the problems. The company had also taken the initiative to limit a recurrence in its other regional units by completing an internal audit of its global services division.</p> <p>Organizational Structure: We also discussed the possibility of a top UK Telecom regulator intervening in the company's corporate structure. The regulator had recently proposed changes which would require a legal separation of the wholesale division from the rest of the company. This separation would inevitably create a new reporting line which would exclude the unit from reporting to the company's CEO.</p> <p>We submitted feedback on this issue directly to the governing Minister, who supervised the agency. Issue remains pending.</p>
Outcomes	<p>We continued analysing the impact of these issues on the company's investment case. With regards to the fraud scandal, we are satisfied with the company's approach to eliminating a recurrence. Additionally, we do not view the regulator's proposal as an immediate threat. The proposals are only in the consultation stage and will ultimately be subject to the agreement of the company, the regulator, and the government. As a result, our investment decision did not change. We</p>

	continuously engage the company as needed, as progress on the proposal develops.
--	--

Add Example 2

ESG factors	<input checked="" type="checkbox"/> Environment <input type="checkbox"/> Social <input type="checkbox"/> Governance <input type="checkbox"/> Multiple
ESG issue	Understanding environmental footprint
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>Objective: Utilize active research to confirm a positive outlook on a potential holding, despite initial concerns.</p> <p>Background: We had been closely monitoring opportunities within the Chinese manufacturing sector since 2016. In April 2017, a large Chinese cement producer looked attractive to us. We had become more positive on construction demand in China, and the cement industry's competitive structure was also attractive. This cement company stood out against competitors, we thought, for its ability to keep production costs low while still utilizing advanced technologies. Our initial fundamental research indicated a positive outlook for the company. Our investment thesis included:</p> <p>Projected Profitability Increase: The company had benefited from supply-side reform, which broadly created a better supply-demand situation by reducing production cost. The company's profitability was projected to increase as overall operating expenses fell.</p> <p>Expansion: Through its efficient cost structure, potential mergers and acquisitions could increase growth and expansion.</p> <p>Shareholder Maximization: We expected an increase in shareholder return through a higher dividend payout or the company's more efficient use of cash.</p> <p>We liked the company based on these factors, but we knew that companies in this sector often ran into challenges from an environmental standpoint. We wanted to understand its ESG profile better.</p>
Scope and Process	<p>Our concern was that the company had received a low ESG rating from one of the major global rating agencies. Given the in-depth fundamental research we had done, and our resulting knowledge of the company, we disagreed with that rating. To further understand the low ESG rating, we contacted the company as well as the rating agencies analyst that had assigned the low rating.</p> <p>We learned through discussion with the ratings agency that the agency had initially given the company a low ESG score based primarily on the company's limited disclosure of information. Because of that, the agency needed to generate the company's rating based primarily on public records. While the company did not have any actual ESG violations, its lack of transparency was a justifiable cause for concern. In comparison to its higher rated competitors, the company has not yet engaged with the agency on ESG. The company does, however, provide investors with a standard ESG report when requested.</p> <p>While competitors may have received higher ESG scores for cooperation, we found that the company generally outperformed in terms of actual ESG process implementation and it had surpassed both competitors and industry standards in key environmental metrics.</p>
Outcomes	Through our first-hand active and in-depth research, as well as through engagement with both the company itself and the ratings agency, we became confident that the company was well in compliance with both national and

	international ESG standards. As a result, we began investing in the company in May 2017. We maintain moderate exposure to the company in several of our global equity portfolios.
--	---

Add Example 3

ESG factors	<input type="checkbox"/> Environment <input checked="" type="checkbox"/> Social <input type="checkbox"/> Governance <input type="checkbox"/> Multiple
ESG issue	Debt collection practices
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>Objective: Evaluate the business model of this debt collection company given industry-wide incidents of social malpractice in these types of companies.</p> <p>Background: In 2016, we had purchased securities of a Polish debt collection company for our Large Cap Global Equity portfolios. The company currently operates in multiple countries in Eastern Europe. We liked this company for its strong financial performance. It was the company's fifth quarter in a row in which recoveries from purchased debt portfolios exceeded targets. While we had been comfortable with the company's social approach during our initial analysis of the company prior to purchase, as part of our ongoing due diligence process on existing holdings, we engaged with the company again in 2017 to ensure that such values were being maintained.</p> <p>Historically, we knew that some privately-owned businesses in the debt collection space have had questionable collection practices. Both in developed and developing countries, we knew of reports of customers being threatened with physical harm for non-payment, and in some cases, physical violence was reported. We wanted to make sure this company was different.</p>
Scope and Process	<p>In September 2017, we met the company's COO and President of its Romanian business. In this region, there had been historical instances of some customers not making a single debt repayment in 10 years. While this was quite extreme, we wanted to further understand how the company would address such issues should they arise in its Romanian and broader Eastern European operations. Our objective was to delve more deeply into the company's business practices with regards to fairness and social dignity for its customers.</p> <p>Debt Collection Strategy: We were pleased to learn that the company's collection model is based on treating customers fairly and seeking to reach amicable resolutions. The company's approach emphasizes individual case-by-case evaluations, flexible repayment options, and in-person meetings with their customers to work towards solutions. The company sometimes agrees to accept reduced repayments that better align with the customer's budget at the time. We also liked the company's incentive program, in which they assist customers in financing or rebuilding their credit if they repay their loans on time.</p> <p>The company diligently enforces its customer-focused business model by requiring extensive training for all representatives before they can engage with customers.</p>
Outcomes	<p>Having discussed the company's collection model and heard numerous examples from various countries it operates in, we left the meeting very comfortable with the debt collection practices at this company. In our view, this company demonstrates a progressive approach to fairly treating customers. We believe this company, in fact, contributes positively to the long-term sustainability of the broader debt collection industry. We maintain holdings across several of our global equity portfolios. While our investment thesis remains unchanged, we continuously engage with the company to remain involved in all related aspects of ESG.</p>

--	--

Add Example 4

ESG factors	<input checked="" type="checkbox"/> Environment <input type="checkbox"/> Social <input type="checkbox"/> Governance <input type="checkbox"/> Multiple
ESG issue	Water risk
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>Objective: Gain clarity on company's sustainability strategy before resuming purchases.</p> <p>Background: We had formerly held shares of a Polish copper company with operations globally, in several of our Global Equity accounts. In 2012, the company acquired majority ownership of a large open pit mine in Chile that processes copper, molybdenum and gold.</p> <p>Historically, Chilean copper and molybdenum mining have presented high environmental risks from their use of significant fresh water for processing. The government now requires all mining projects to obtain surface and ground water rights. Because obtaining such water rights can take several years, most mining companies have begun using desalinated seawater instead, a challenging process involving significant capital expenditure.</p> <p>Since acquiring the mine in 2012, the company had used only seawater for operations. Other mines in Chile had also been using seawater, but those mines did not have as significant molybdenum processing operations as this mine did. And indeed, this mine's processing of molybdenum recoveries did not go well initially, with one of the main culprits being the use of seawater. This led to us briefly selling out of our positions.</p>
Scope and Process	<p>During the years that we had held the company, we repeatedly engaged with the company on its use of water in its Chilean mine. Its experimental use of seawater had contributed to low recovery rates and negative cash flows in 2016 and early 2017. To restore profitability, the company would need to either develop a better methodology or turn to using fresh water, the easier but less environmentally safe option.</p> <p>Re-evaluating Opportunities: In July 2017, we engaged with company management again, to see whether their productivity and approach to improving molybdenum recovery rates while still using seawater had improved. We were pleased to learn of several new approaches the company was implementing, including re-engineered processes. Over the prior two years, the company had re-engineered its molybdenum processing circuit in a way that enabled it to obtain its targeted recovery rates while using seawater. The company had also altered its expansion plans in a more sustainable direction. It had originally planned to expand its existing processing facilities, which would have increased water consumption. Now, however, the company was moving to target processing of pre-stockpiled deposits at its current site, which was less water intensive.</p>
Outcomes	<p>In February 2017, we re-entered positions in this company in several Global Equity portfolios. We were able to purchase the securities at attractive prices: the market had largely priced this project as a failure, and there was limited downside remaining at the time we bought the shares. We made the right move: operating results for the second and third quarters of 2017 showed substantially higher recoveries and profitability. Given our subsequent discussions with management in July 2017 when we learned more about how this company had re-engineered their</p>

	<p>processes to make them less water-intensive, we believe these results are sustainable. Importantly, we also felt comfortable that the company's water usage would no longer pose a threat to either the environment or the company's longer-term operations.</p>
--	---

Add Example 5

ESG factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input type="checkbox"/> Governance <input checked="" type="checkbox"/> Multiple
ESG issue	Human capital and bribery risks
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>Objectives: Understand the drivers of a company's low ESG score on human capital development and corruption and instability; and determine whether warranted.</p> <p>Background: As a manufacturer of pharmaceutical packaging and delivery systems for injectable drugs and healthcare products, this US-based healthcare company faced industry-wide sustainability and governance risks. The healthcare sector in general is vulnerable to bribery because of the high degree of government regulation and policies in the sector as well as the government's potential to be a significant client.</p> <p>Despite these potential industry risks, this US healthcare company had received an AA ESG score by one of the global rating agencies. This agency's ESG score measures a company's performance in the areas of carbon emissions, product safety and quality, human capital development, corruption and instability, and corporate governance. Despite scoring highly in all other areas, the company received its lowest rating in human capital development and corruption and instability.</p> <p>We held moderate exposure to the company throughout several of our Large-Cap Equity portfolios. The company's low corruption and human capital scores concerned us. What was going on?</p>
Scope and Process	<p>In August of 2017, we met with the company's VP of Health, Safety and Environment to inquire further about its Human Capital practices as well as its policies and procedures for preventing corruption. We wanted to understand what specifically led to the company being assigned low scores in these areas.</p> <p>We learned through our engagement that this ratings agency tends to assign low scores to healthcare companies in general, because, in the ratings agency's words, "healthcare companies are more likely to engage in the bribery of public officials or exercise undue influence on government policies, laws and regulations." In the case of this particular company, however, the agency's general rule shouldn't have applied, as this company does not engage directly with government entities at all. Its only customers are other large corporations. Bribery risk was not a key risk for this company.</p> <p>While bribery risk may not have been an issue, we did note some other areas of concern. From a social standpoint, we suggested that the company improve certain human capital practices, including implementing more formal employee engagement channels and opening its employee stock purchase program to all employees globally. Currently, it is limited to US employees only.</p>
Outcomes	<p>After meeting with the company in August 2017, we felt more confident in the company's sustainability initiatives, despite the low initial rating. We were also pleasantly surprised to learn that the company was taking steps in the right ESG direction by issuing its very first Corporate Responsibility Report in the second quarter of 2017. This Report outlined the company's sustainability goals to lessen</p>

	<p>its environmental impact and improve its use of water.</p> <p>Following our engagement with this company, we better understand the company's ESG score. We are also satisfied with its sustainability efforts. However, we continue to engage this company, as we need to see further material progress on our suggestions above. In the meantime, we are maintaining moderate exposure to this company throughout several of our Large-Cap Equity accounts.</p>
--	---

Add Example 6

ESG factors	<input type="checkbox"/> Environment <input checked="" type="checkbox"/> Social <input type="checkbox"/> Governance <input type="checkbox"/> Multiple
ESG issue	Human rights; Tax Evasion
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>Objective: Review a major Israeli bank's lending practices, policies and potential reputational risks.</p> <p>Background: This financial institution provides a wide range of banking and financial services in Israel and internationally. The bank operates in several market segments: private client, residential mortgage, small business, commercial and corporate. We have a multi-year history of investing in this bank within our International Equity portfolios.</p> <p>Lending Practices: In the third quarter of 2017, an International human rights organization called on major Israeli banks, including this bank, to halt the financing of settlement activity in the West Bank. The organization argued that the legal justification for doing business in the West Bank was not valid. By providing settlements, the Israeli banks had inadvertently assisted in the colonization of occupied Palestine, a war crime under international law. The bank maintained that ending its services to West Bank clients would violate domestic anti-discrimination laws. While it cannot refuse customers based on their residence alone, they can avoid financing settlement practices by citing its obligation to human rights.</p> <p>US Tax Evasion Investigation: Within its private client segment, the bank was accused of assisting its US-based customers in avoiding taxes.</p>
Scope and Process	<p>To gain more clarity on the issues above, we met with bank management in July 2017 to address these two important aspects of ESG. We were pleased to learn that the bank had d several initiatives underway to increase transparency and lower social risks.</p> <p>Human Rights Risks: In response to the alleged human rights violations, the bank discussed its strong 'Know your Customer' policy in which each customer's creditworthiness and nature of underlying collateral are deeply analyzed. The bank implements a similar stringent due diligence processes for its corporate lending program, in which it insists on maintaining a direct line-of-sight into how its loan proceeds are ultimately deployed. These practices have increased overall transparency.</p> <p>In May 2017, the bank also produced a comprehensive Corporate Responsibility Report that discusses its commitment to the Principles of the UN Global Compact and the UN Guiding Principles on Business and Human Rights. Both are applicable to the bank's supply chain management and its own employees.</p> <p>Tax Evasion: Following the initial US Department of Justice investigation, the bank's Chief Risk Officer had conducted an internal investigation, and the bank had developed several new initiatives designed to prevent this issue in the future.</p>
Outcomes	<p>While we were initially skeptical regarding the bank's lending practices, our reservations were addressed during our engagement, when we saw first-hand the many processes the bank implements to keep its lending activities fully transparent. This bank appears to have implemented strong policies and practices to ensure that it is lending only to legal entities that are making legitimate and lawful use of</p>

	<p>the loan proceeds. As such, at this time, we do not see any potential reputational risk. We will continue engaging with the bank through regular conversations, and will continue discussing and monitoring the bank's commitment to human rights.</p> <p>Additionally, we believe that the bank has responded appropriately to the US DOJ investigation and the actions it has taken should help them close out this issue within the next 6-12 months.</p> <p>We are generally satisfied with the company's efforts towards eliminating social risks and maintaining sustainable business practices. Following our engagement with the company, our investment thesis remains the same. We continue to hold the bank's securities throughout several of our International Equity portfolios.</p>
--	---

Add Example 7

ESG factors	<input type="checkbox"/> Environment <input checked="" type="checkbox"/> Social <input type="checkbox"/> Governance <input type="checkbox"/> Multiple
ESG issue	Social practices after new industry regulation on selling medically-important antibiotics
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>Objective: Review company's approach to safe social practices after new industry regulation on selling medically-important antibiotics</p> <p>Background: We liked this company for its strong financials and exponential growth opportunities worldwide.</p> <p>Over the past few years, this producer went through several sustainability phases in line with US regulatory guidelines.</p> <p>Medically Important Antibiotics Regulations: In the US, a 'Vet Feed Directive' law was passed in 2016 which now requires a veterinary prescription for the use of the medically-important antibiotics. Such antibiotics were often used by farmers and the food industry to promote growth and prevent disease in healthy animals. This is a societal risk, however. The more antibiotics are used in animal feed or sub-dosed to animals, more humans develop resistance to the antibiotic's effectiveness, and the less able humans then are to fight bacterial infections as easily as they have in the past.</p> <p>Revenue Impact: The company did see a slight impact on revenue from the new law, as a large percentage of its customers, predominantly small swine producers, did not have the proper veterinary relationships that would enable them to continue to use the company's products.</p>
Scope and Process	<p>During the years that we have held the company, we have continuously engaged on ESG. We support this company's movement away from selling medically-important antibiotics and its strategic focus instead on the use of injectable antibiotics only when needed, from both a financial and societal standpoint. While we are satisfied with this effort, we believe the company can do even more by engaging their clients and fellow producers in educational efforts. At our most recent meeting in July 2017, we reiterated our suggestions for increased sustainability.</p> <p>Specifically, we would like the company to begin publishing a Corporate Responsibility Report that would highlight in more detail the specific environmental and social initiatives the company is pursuing. Examples of items particularly relevant to this company would be its level of carbon emissions over time along with specific objectives for improved energy efficiency.</p>
Outcomes	After meeting with the company, we felt comfortable with its approach to eliminating environmental and societal risks. We continuously engage with the company and monitor its progress on shifting away from medicinal feed additives to injectable antibiotics. We are also eager to see the company make more explicit efforts to disclose its ESG initiatives. Following our engagement with the company, our investment thesis remains the same.

Add Example 8

ESG factors	<input checked="" type="checkbox"/> Environment <input type="checkbox"/> Social <input type="checkbox"/> Governance <input type="checkbox"/> Multiple
ESG issue	Water conservation
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>Objective: Review a company's approach to environmental sustainability</p> <p>Background: This company is an American global provider of water, hygiene and energy services to the food, energy, healthcare, industrial and hospitality markets. We have a multi-year investment history within several of our Concentrated Growth Equity portfolios. This company's products touch virtually every aspect of daily life, are widely used in hospitals, hotels, restaurants, schools, manufacturing plants and refineries worldwide. Many of the world's most recognizable brands rely on the company to help ensure operational efficiencies, product integrity and brand reputation. As such, we liked this company based on its long-term growth potential and believe it is uniquely positioned for optimal impact since many of its customers rely on its innovative products to operate efficiently. We also liked its historically strong commitment to ESG.</p> <p>One of the company's main challenges was developing technology for countries with extreme water constraints. By 2030, there will be 3 billion more people in the middle class than there are today, and each will consume 15 more pounds of protein and 18% more electricity on a per capita annual basis. This implies a 50% increase in energy and 40% increase in water demand globally.</p>
Scope and Process	<p>We already knew that the company had a strong commitment to ESG. However, we were specifically interested in learning more about the company's approach to new sustainable solutions in emerging countries. In March 2017, we met with company management to discuss progress made.</p> <p>In its developed market operations, the company had already established innovative ways to reduce, reuse and recycle water. The company informed us that its current focus was expanding operations in emerging market countries where the technology will be most needed. The company also presented a business plan which aims to increase its China operations significantly, doubling revenue from \$500 million to \$1 billion over the next three to five years.</p> <p>Within the company's overall operations, we were pleased to learn that in the first quarter of 2017, the company's products and technologies saved 43.5 billion gallons of water, 3.1 trillion BTU's of energy (equivalent to the annual energy use of 42,000 people), 193,000 metric tons of air emissions (equivalent to the CO2 absorbed by 4.9 million trees over 10 years), and 8 million pounds of waste.</p> <p>We left the meeting feeling confident in the company's approach to water conservation and long-term environmental sustainability within its operations worldwide.</p>
Outcomes	<p>Following our engagement with the company, our investment thesis remains the same. We continue to hold the company's securities throughout several of our Concentrated Growth Equity portfolios. We are generally satisfied with the company and will continue to engage as needed with it.</p>

Add Example 9

ESG factors	<input type="checkbox"/> Environment <input checked="" type="checkbox"/> Social <input type="checkbox"/> Governance <input type="checkbox"/> Multiple
ESG issue	Planned labor cost saving
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>Background: Across several of our International Growth and Value portfolios, we have a multi-year history of investing in this French automotive holdings company. The company operates through three segments, which include automotive, finance and "other business" divisions. Activities grouped under its "other business" division include multiple mergers and acquisitions the company had made.</p> <p>In March 2017, the French company made a powerful move in purchasing the entire European business of an American multinational automaker. This \$2.3 billion acquisition positioned the company to become the second largest automotive company in Europe, with a 17% market share. While this move positively positioned the company for revenue increase, it also bought on several labor cost challenges.</p> <p>The business the French company acquired historically faced several issues with labor costs. The company had racked up \$8 billion in losses since 2010, in part due to inefficient operations and manufacturing processes that were continuously described as 'inflexible and slow.' If the new French owner was to benefit from the deal, it would have to cut costs significantly. This became a societal issue, as the company was now faced with the inevitable burden of cutting jobs in one of its large German operating facilities.</p>
Scope and Process	<p>Before the merger, we liked this company and were highly satisfied with its corporate social responsibility practices. We engaged with the company several times over the last year, most recently in November 2017, around its cost savings targets from its acquisition, particularly labor cost saving forecasts. We had concerns around the achievability of those cost savings, and way in which those labor cost savings would be implemented, given the importance of those manufacturing jobs to the German facilities local economy.</p> <p>Labor Retention Plan: The company informed us of its approach, which included detailed planning and understanding of the cost structure at the local facility to retain jobs and lessen negative impact. Most of the savings would be achieved through a combination of shorter work hours, voluntary departures, and a reduction in the use of contractors and outsourcing.</p> <p>We left the meeting feeling satisfied with the company's approach. We felt that that company had sufficiently addressed the threat of massive labor cuts by providing innovative compromises that benefited both parties.</p>
Outcomes	<p>In our view, this company demonstrates a strong commitment to fairly retaining its labor force. We are generally satisfied with the company's efforts and will continue to engage as the labor retention plan is implemented. Following our engagement with the company, our investment thesis remains the same. We continue to hold the company's securities throughout several of our International Growth and Value Equity portfolios.</p>

Add Example 10

ESG factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance <input type="checkbox"/> Multiple
ESG issue	Bribery and Money Laundering
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>Background: This UK-based company is a provider of oilfield services. We had a multi-year investment history in several of our international value portfolios. In the first quarter of 2016, we learned that the company was under investigation by the UK Serious Fraud Office (SFO) over alleged bribery and money-laundering. The investigation involved an independent agent who was acting on behalf of the company. This agent had allegedly paid bribes to foreign officials in Kazakhstan, Kuwait and Iraq to help the company win public contracts. The question was, had the company been aware of the bribery and knowingly turned a blind eye?</p> <p>We had engaged with the company during early 2016 when the allegations first emerged and had been reassured at that time that the Board was acting promptly and appropriately by hiring external lawyers and accountants to investigate possible impropriety in the past and/or weaknesses in current procedures. The investigation continued despite the company denying any wrong doings. Ultimately, we were uncomfortable with the risks and started exiting positions in May 2016.</p> <p>In May 2017, the investigation escalated, and the company's CEO and COO were arrested. The CEO and COO are founders and material shareholders in the Company.</p>
Scope and Process	<p>Immediately following the arrests, we met with the company's CFO in May 2017. At this point, we were still marginally exposed to the stock. We wanted specific information on how the company was responding to the investigation and how business could potentially be affected. The company stressed to us that the Board was acting appropriately in responding to the investigation, that the company had robust processes in place, and that it was preparing contingency plans for leadership succession.</p> <p>While we were glad to see this evidence, our engagement did prompt us to acknowledge a risk to the CEO and/or COO should new evidence emerge or charges be filed against them. Our concerns were later validated as the company suspended the COO in late May 2017 despite no new evidence emerging. The Chairman explained that this was an attempt to make it clear to the CFO that the Board was taking action to ensure the company provided full cooperation to investigators.</p>
Outcomes	<p>We left the meeting feeling dissatisfied and uncertain that the company's governance practices would address the risks. History suggested that the SFO investigation would take several months, so we sold our position gradually, to try and minimize price impact. The stock price reaction was, as we had feared, sharp. We continued with the final portion of the sale, however and had completely exited the position by June 2017.</p>

(Proxy) voting and shareholder resolutions

Overview

LEA 15

Mandatory

Public

Core Assessed

PRI 1,2,3

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 15.1

Indicate whether your organisation has a formal voting policy.

Yes

LEA 15.2

Indicate what your voting policy covers:

- Conflicts of interest
- Share blocking
- Securities lending process
- Prioritisation of voting activities
- Decision making processes
- Environmental factors
- Social factors
- Governance factors
- Filing/co-filing resolutions
- Extraordinary meetings
- Regional voting practices
- Transparency of proxy voting activities
- Company dialogue pre/post vote
- Other, describe
- None of the above

LEA 15.3

Attach or provide a URL to your voting policy. [Optional]

URL

https://www.abglobal.com/abcom/Our_Firm/Content/CGDocs/AB-Proxy-Voting-and-Governance-Policy.pdf

LEA 15.4 Provide a brief overview of your organization's approach to (proxy) voting.

As an investment adviser, we are shareholder advocates and have a fiduciary duty to make investment decisions that are in our clients' best interests by maximizing the value of their shares. Proxy voting is an integral part of this process, through which we support strong corporate governance structures, shareholder rights, and transparency. We believe a company's environmental, social and governance ("ESG") practices may have a significant effect on the value of the company, and we take these factors into consideration when voting. We approach our proxy voting responsibilities with the same commitment to rigorous research and engagement that we apply to all of our investment activities. Our policy is to vote all proxies in a timely manner, for the full number of shares, for all securities held in client accounts for which we have proxy voting authority, whenever it is administratively and logistically possible to do so.

Our Proxy and Governance Committee has ultimate oversight for our proxy voting policy and procedures. This group is comprised of portfolio managers, the Head of Responsible Investment, our Governance analyst, ESG analyst, Legal and Operations who meet several times a year to address policy and procedural issues.

No

Process

LEA 16

Mandatory

Public

Descriptive

PRI 2

LEA 16.1 Indicate how you typically make your (proxy) voting decisions.

Approach

- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service provider(s) that make voting recommendations or provide research that we use to inform our voting decisions.

Based on

- the service provider voting policy signed off by us
 - our own voting policy
 - our clients' requests or policy
 - other, explain
- We hire service provider(s) that make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
 - We hire service provider(s) that make voting decisions on our behalf.

LEA 16.2 Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made (if applicable).

Our Proxy Voting and Governance Policy is annually reviewed, and updated as necessary, by the Proxy Voting and Governance Committee (which includes senior members from Investments, Legal & Compliance, and Operations) to ensure it captures our latest thinking and reflects new governance issues. Our Proxy Voting and Governance Committee meets at least three times per year and as necessary to address special situations.

Our RI team votes our proxies globally. In evaluating proxy issues and determining our votes, we welcome and seek out the points of view of various parties. Internally, the RI team may consult the

Proxy Voting and Governance Committee, Chief Investment Officers, Directors of Research, and/or Research Analysts across our equities platforms, and Portfolio Managers in whose managed accounts a stock is held. This ensures consistent application of our policy while at the same time leveraging the company specific knowledge of the investment teams who can provide an extra level of insight. Externally, we may engage with companies in advance of their Annual General Meeting, and throughout the year. In addition, we engage with shareholder proposal proponents and other stakeholders to understand different viewpoints and objectives. We believe engagement provides the opportunity to share our philosophy, our corporate governance values, and more importantly, affect positive change.

Our Proxy Voting and Governance Policy and our historical voting records are available on our public website.

LEA 18	Voluntary	Public	Descriptive	PRI 2
--------	-----------	--------	-------------	-------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 18.1	Describe your involvement in any projects to improve the voting trail and/or to obtain vote confirmation .
----------	--

Our proxy processing agent confirms receipt of votes with the custodian. We have begun to review the end-to-end vote confirmation process and have participated in industry events and calls with organizations such as the Council for Institutional Investors and leading vote tabulator, Broadridge.

LEA 19	Voluntary	Public	Additional Assessed	PRI 2
--------	-----------	--------	---------------------	-------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 19.1	Indicate if your organisation has a securities lending programme.
----------	---

Yes

LEA 19.3	Indicate how voting is addressed in your securities lending programme.
----------	--

- We recall all securities for voting on all ballot items
- We systematically recall some securities to vote on their ballot items
- We recall some securities to vote on their ballot items on an ad hoc basis
- We empower our securities lending agent to decide when to recall securities for voting purposes
- We do not recall our shares for voting purposes.
- Others

No

LEA 20	Mandatory	Public	Core Assessed	PRI 2
--------	-----------	--------	---------------	-------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 20.1 Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting

- Yes, in most cases
- Sometimes, in the following cases:
 - Votes for selected markets
 - Votes relating to certain ESG issues
 - Votes for significant shareholdings
 - Votes for companies we are engaging with
 - On request by clients
 - Other
- Neither we nor our service provider raise concerns with companies ahead of voting

LEA 20.2 Indicate whether you and/or the service provider(s) acting on your behalf, communicate the rationale to companies, when , you abstain or vote against management recommendations.

- Yes, in most cases
- Sometimes, in the following cases.
 - Votes in selected markets
 - Votes on certain issues
 - Votes for significant shareholdings
 - Votes for companies we are engaging with
 - On request by clients
 - On request by companies
 - Other
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

LEA 20.3 Additional information. [Optional]

As active owners, we value constructive dialogues with companies. Explaining our voting rationale for an "abstain" or "against" vote can be part of these discussions, and, in some cases, is important to promote change at the company. There are companies with whom we have ongoing discussions over multiple years. These discussions occur after we cast our vote.

Outputs and outcomes

LEA 21	Mandatory	Public	Core Assessed	PRI 2
---------------	------------------	---------------	----------------------	--------------

LEA 21.1 For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information

Votes cast (to the nearest 1%)

%

99

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

LEA 21.2 Explain your reason(s) for not voting certain holdings

- Shares were blocked
- Notice, ballots or materials not received in time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- On request by clients
- Other

Abstain was not an option.

- We do not track or collect this information

LEA 22	Mandatory	Public	Additional Assessed	PRI 2
--------	-----------	--------	---------------------	-------

LEA 22.1 Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

- Yes, we track this information

LEA 22.2 Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	 84
Against (opposing) management recommendations	 14
Abstentions	 2

100%

LEA 22.3

Describe the actions you take in relation to voting against management recommendations.

We vote shareholder resolutions based on our Proxy Voting and Governance Policy. Each year, before the start of the proxy season, our Proxy Voting and Governance Committee reviews our firm's Policy to ensure it captures our latest thinking. At that time, we also formulate our approach to new shareholder proposals. In cases where new issues arise during the voting process, we convene a portion or all of our Proxy Voting and Governance Committee to discuss and develop a policy or come to a decision on an individual proposal. Our policy includes a separate section on Environmental, Social, and Disclosure Proposals and we generally support proposals that seek increased disclosure where we believe they provide insight to shareholders and are not overly burdensome.

No, we do not track this information

LEA 23	Voluntary	Public	Descriptive	PRI 2
--------	-----------	--------	-------------	-------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 23.1

Indicate if your organisation directly or via a service provider filed or co-filed any ESG shareholder resolutions during the reporting year.

- Yes
- No

LEA 23.6	Describe whether your organisation reviews ESG shareholder resolutions filed by other investors.
----------	--

We generally review all shareholder proposals filed by others. We vote shareholder resolutions based on our Proxy Voting and Governance Policy. Each year, before the start of the proxy season, our Proxy Voting and Governance Committee reviews our firm's Policy to ensure it captures our latest thinking. At that time, we also formulate our approach to new shareholder proposals. In cases where new issues arise during the voting process, we convene a portion or all of our Proxy Voting and Governance Committee to discuss and develop a policy or come to a decision on an individual proposal. In addition, we may engage with shareholder proposal proponents and other stakeholders to understand different viewpoints and objectives.

LEA 24	Voluntary	Public	Descriptive	PRI 2
--------	-----------	--------	-------------	-------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 24.1	Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.
----------	---

Add Example 1

ESG Factors	<input checked="" type="checkbox"/> Environment <input type="checkbox"/> Social <input type="checkbox"/> Governance
ESG issue	Risk assessment reports addressing climate risk
Conducted by	<input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>Objective: Review the company's approach to generating adequate risk assessment reports addressing climate risk.</p> <p>Background: Climate Change Reporting Proposal: In 2016, we supported a climate risk-related shareholder proposal that requested more information on the company's risk assessment of the impact of climate change regulation in a 2-degree Celsius carbon-constrained market. This proposal received over 40% support in votes cast at the company's annual meeting, which at the time was one of the highest levels of support for a shareholder proposal in company history. This was also the first year that this proposal appeared on the ballot, which makes the result even more impressive.</p> <p>Company's Response: In early 2017, shareholders filed an identical proposal to annually assess portfolio impacts under the 2-degree Celsius scenario. This proposal was eventually withdrawn due to the company's issuance of a climate-related assessment that directly addressed shareholders concerns from the original proposal. This more comprehensive assessment addressed the company's view on long-term fundamentals of the energy industry, climate change risk management and business planning processes, and included items from the original Celsius proposal. The company also agreed to generate a follow-up report in early 2018.</p>
Scope and Process	<p>Our Head of Responsible Investment and our Governance Analyst met with the company in May 2017. The purpose of this meeting was to understand the company's approach to generating a full climate risk assessment report that would address shareholder's concerns. The company explained that it was intending to issue such a report, and shared with us how exactly it was going to structure the report.</p> <p>Approach to Risk Report: The company went through an analysis to best determine how to conduct the climate-related risk impact assessment. This included an external review by an independent consultant hired to make recommendations on what to target, how to conduct the review, and how to report the findings.</p> <p>Risk Report Methodology: The company explained that the most likely structure of their eventual report from the consultant will be to use the International Energy Agency's "450 Scenario". This scenario sets out an energy pathway with the goal of limiting the global increase in temperature to 2°C by limiting concentration of greenhouse gases in the atmosphere to around 450 parts per million of CO₂.</p>
Outcomes	<p>Ultimately, we concluded that the company was adequately responding to shareholder requests for a climate risk assessment report and voted in favor of all Board members at the annual shareholder meeting. The company is targeting to release the second assessment in early 2018. We expect this report to disclose the methodology used, any actionable items from the report, and how the Board of Directors is assessing its findings. The company stated that the Board's Governance Committee was taking the lead on the issue and will report to the full board. We will continue to monitor and engage on the issue in 2018.</p>

Add Example 2

ESG Factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
ESG issue	Proxy Contest
Conducted by	<input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>Objective: Engage both sides of a contested meeting to come to our vote decision.</p> <p>Background: Performance had stalled for several years at the company, and market share was being lost to several competitors. The company has an insular culture of promoting from within, and it became increasingly clear to us that the company may not have the right personnel in place to effectively change strategy to compete as needed in the changing consumer landscape. For this reason, a large institutional shareholder put forth a nominee as a new director to the Board. The shareholder was not advocating for the removal of the CEO or any other current director, but rather sought to address overall issues with organizational structure, competitive strategy and lagging overall relative performance by working more directly with the current Board and management team.</p> <p>In September 2017, several of our portfolio managers, along with our Head of Responsible Investment, and our Governance Analyst, met separately with company management and the dissident shareholder a nominee.</p>
Scope and Process	<p>The Company: Management recognized that there was growth and revenue stagnation, and believed they were implementing an appropriate strategic plan to address it. We knew of the plan and sought further understanding on its progress. They discussed some progress over the past 18 months, and acknowledged they needed more time with the new CEO and current Board to see the strategy fully realized. The company noted that it had replaced two directors over the past few years and believed the current Board composition was the strongest it had been in years.</p> <p>The Dissident Shareholder Nominee: When we met with the nominee, he reiterated his support for current management but noted that the pace of change was simply too slow. He was proposing a new growth strategy in which company management would be restructured to more effectively manage each segment of the business. To bolster his case, he noted several brands that the company owns that were once "gold-standard" but that have increasingly lost market share in recent years. Additionally, he noted that the company had not been engaging him in good faith and that the insular culture at the company was a hurdle that needed to be addressed.</p>
Outcomes	<p>We ultimately sided with the dissident shareholder. While there had been some positive change under new leadership at the company, we agreed that this change had been too slow in occurring. Profit margins should be much higher given the premium prices the company's brands command, suggesting prior cost-cutting measures have been ineffective. The shareholder nominee has extensive consumer product goods experience, which the Board lacks, and brings a strong record of enhancing value at the companies he has been a shareholder of. This shareholder nominee ultimately won a Board seat at the company. We continue to monitor this company's progress and engage the company.</p>

Add Example 3

ESG Factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
ESG issue	Proxy Contest
Conducted by	<input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>Objective: Engage both sides of a contested meeting to come to our vote decision.</p> <p>Background: The company has eleven full-service banking locations in the rural communities across the state.</p> <p>Over the last several years, the company has seen high turnover of the CEO role: the company is currently on its fourth CEO in seven years. In addition, we think the company has underperformed its potential, and it is unclear that the company has a strong strategy in place for future growth. The instability of executive leadership, coupled with the Board's lack of an explanation for the departure of its most recent CEO, is cause for concern.</p> <p>This concern led the bank's largest shareholder, a private equity firm, to nominate a new member to the bank's Board of Directors to establish a voice in the boardroom that, in the shareholder's view, would help maximize shareholder value and potentially stabilize the CEO position.</p>
Scope and Process	<p>We engaged company management and the dissident shareholder and their nominee separately.</p> <p>Fellow Shareholder: In our discussion, we learned that for the past several years, this shareholder had regularly requested strategic plans from the Board that included a detailed path to improve the company's return on equity. Yet, the company remained reluctant to disclose specific business plans, strategic assessments, Board process, or the Board's role in oversight of strategy.</p> <p>The Nominee: During our meeting with the nominee, he conveyed his background and strategy for improving the Board. In addition to being invested in the company, he was also actively invested throughout the banking sector, and brought years of financial services experience and knowledge of the industry to our discussion. He shared our concerns over the CEO turnover and said he intended, if elected, to also seek nomination to the Board's Nominating Committee, to try and bring some stability to the CEO role.</p> <p>The Board and Company: Details surrounding the most recent CEO departure were vague, which concerned us. Additionally, neither the company nor the Board appeared to understand exactly what the bank's current strategy was, nor what specific changes needed to occur to improve performance.</p>
Outcomes	<p>Ultimately, we sided with the dissident shareholder, noting the need for a change in Board composition and stability of the CEO role. The dissident shareholder nominee did not receive the required votes to be added the Board. Despite not winning the proxy contest, the dissident shareholder has been actively pursuing other measures, including pushing for the company to consider buyout offers from acquiring institutions. So far, the Board has ignored such offers and instead appointed a new CEO. We continue to closely monitor this situation and will continue to engage with management and the Board as necessary.</p>

Add Example 4

ESG Factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
ESG issue	Board Composition
Conducted by	<input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>Objective: Review recent changes in Board composition and management.</p> <p>Background: Our Concentrated US Growth Strategy has had a multi-year investment in this American coffee company and coffeehouse chain.</p> <p>In September of 2017, the company recruited one of the independent members of its Board of Directors to the role of President and COO of the company. The now-President and COO remained on the Board as well, and thus became the third Executive Director on the Board, in addition to the CEO and the Executive Board Chairman. That is a large executive presence for a non-controlled company, and raises questions about the effectiveness of the independent directors.</p> <p>We reached out to the company to understand their rationale for keeping this executive on the Board when she is now also a key executive overseeing the day-to-day operations of the company. We also wanted to understand the plans for Board composition going forward.</p>
Scope and Process	<p>During our engagement in October of 2017, the company provided us with some explanation for the move: 30% of the current Board had been appointed in the last two years, including the executive in question. Two Board members were retiring in 2017, and two more Board members would be reaching retirement age shortly thereafter. In addition, the founder/CEO had recently relinquished his CEO role. Their purpose in keeping this executive as a director on the Board was in part to maintain some continuity of Board composition, and was also part of the CEO succession plan.</p> <p>The company noted that this Director's expertise in driving sales growth for some of the world's largest public companies, and her extensive insight on large-scale retail operations, supply chain logistics, consumer products, distribution, product management, digital technology, innovation, international operations, and distribution are all highly-sought-after qualities that served both company management and the Board of Directors well.</p> <p>The company did acknowledge that its Board Nominating Committee is continually evaluating the Board structure, with a focus on optimizing and enhancing to support the evolving needs of the business. We were told we could see some new nominations to take this executive's place within the year.</p>
Outcomes	<p>We supported all Board members at the company's annual meeting, as we accepted their rationale for current Board composition as sufficient. We expect the Board to increase its independence as the company completes its current CEO/Founder succession plan.</p>

Add Example 5

ESG Factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
ESG issue	Board composition, executive compensation construction, and other governance matters
Conducted by	<input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>Objective: Obtain updates on this company's Board composition, executive compensation construction, and other governance matters ahead of the proxy vote related to the annual general meeting.</p> <p>Background: We hold this large, multi-national retailer in our Large Cap Growth portfolios and have a multi- year engagement history with this company.</p> <p>Since our last governance meeting with t this company in November 2016, the company has made progress on several items we had previously engaged on. The company implemented proxy access per the framework we prefer. The company increased the level of independence of their Board, and added technology expertise and ethnic diversity with the addition of a new Board member. Following the passing of the Executive Chairman, the long-tenured lead independent director became the independent Chair. We saw this as a strong structural governance change at the time, but we will monitor if the Board member who was chosen for the role and his nearly 30-year Board tenure was the strongest individual choice. He clearly has the credentials, but his tenure could call independence into question.</p>
Scope and Process	<p>We met with this multi-national retailer in November 2017 to discuss key governance matters:</p> <p>Executive Compensation: Overall, the plan is decently structured. However, pre-tax income is used in both compensation plans, possibly duplicating pay for performance. We want differentiated return-based metrics on a per-share basis, and the inclusion of a relative metric in the long-term plan. Additionally, the performance equity plan uses a one-year performance period but five-year vesting period. We want the performance period lengthened to at least three years. The company is currently reviewing.</p> <p>Board Composition: A Chinese national had been a priority for Board refreshment, but the company has not found the right person, and is now seeking someone with Chinese market exposure instead. We expect this person to be added. We have suggested Committee leadership refreshment is in order, especially for Audit. We wanted technology expertise on the Board, given meaningful cybersecurity risk. The company added a director with a technology/security background to lead cyber oversight for the Board.</p> <p>Other Governance Items: We wanted to see the super-majority vote requirement for by-law amendments reduced, and the plurality vote standard for Directors changed to a majority vote standard.</p>
Outcomes	We voted in favor of all Board members and executive compensation proposals, but also voted in favor of a shareholder proposal to adopt a simple majority vote standard for by-law amendments. We believed this would increase shareholder access. This proposal ultimately passed as well.

Add Example 6

ESG Factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
ESG issue	Proxy contest
Conducted by	<input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>Objective: Seek to influence change at this company by replacing Board members, including the Chairman, at this contested meeting.</p> <p>Background: This US company owns, operates, and franchises casual dining restaurants. We have been top shareholders for at least three years, with the company held in our Small and Mid-Cap Growth strategies. We have been disappointed with the company's execution of its business strategy:</p> <p>Poor Allocation of Capital: The company's franchisee organizations are more effectively run than the company-owned stores and produce a superior return on invested capital. Adding more franchisees would increase both revenue and operational efficiencies. Yet, the company remains focused on buying stores instead, a poor allocation of capital.</p> <p>Uninspired Leadership: The search for a new CFO took far too long, and the company missed an opportunity to recruit a world-class executive who would be a strong CEO successor candidate, instead hiring a relatively unproven candidate. The company also failed to address the legitimate concerns of an activist shareholder who met with the company three times to express concerns over the company's management.</p> <p>Ineffective Board: The Board has made several missteps, including failure to properly engage the activist, missed opportunities with the CFO recruitment, and poor capital deployment.</p>
Scope and Process	<p>We believed that several members of the Board needed to be replaced with stronger members who had direct operating experience. As such, in May 2017, we engaged company management, the Board, the activist shareholder, and a proxy advisory firm ahead of our proxy vote.</p> <p>Company Management: In our discussions with company management, it became further apparent to us that management doesn't understand the full impact that favoring company-owned stores over franchisees is having on its return on invested capital, revenues, and operating efficiencies.</p> <p>The Activist Shareholder: In engaging directly with the activist shareholder, we found this fellow shareholder shared several of our concerns. We both agreed the company should be pursuing franchisee organizations over company-owned stores. We also both believed that company management does not exhibit enough urgency for change.</p> <p>The Board: We spoke with the Board in an Executive Session without company management present. That session confirmed for us that the Board does not fully understand challenges facing the company, either. One reason is that it lacks Directors with direct operating experience. The Board has recently proposed refreshment, possibly in reaction to the activist concerns, and also to receive a better recommendation from proxy advisor firms.</p>
Outcomes	In the June 2017 proxy vote, we sided with the activist and supported all four dissident nominees. To our advantage, the vote succeeded.

Add Example 7

ESG Factors	<input type="checkbox"/> Environment <input checked="" type="checkbox"/> Social <input type="checkbox"/> Governance
ESG issue	Customer account scandal and board oversight
Conducted by	<input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>Objective: Better understand the findings of a Board-commissioned report surrounding the customer account scandal.</p> <p>Background: In September 2016, the bank was fined by US regulators for opening thousands of fraudulent customer accounts. The scandal led to the departure of several key executives, including the CEO. A Board report on the issue identified a gross distortion of the bank's sales culture and performance management system that created pressure on employees to sell unwanted products to customers and to open unauthorized accounts.</p> <p>Although the fraudulent practices apparently had been underway for years, it wasn't until 2014 that sales practices were first identified to the Board. Throughout 2015 and 2016, the Board regularly engaged with company management on this issue. However, management did not accurately convey the full scope of the problem to the Board.</p> <p>In 2016, the Board began to address these issues directly, firing five senior executives, imposing forfeitures and clawbacks of compensation, eliminating sales goals, centralizing control functions, separating the roles of Chairman and the CEO, strengthening the charters of Board Committees, and establishing regular reporting to the Board by a new Office of Ethics.</p>
Scope and Process	<p>We engaged with the bank and the Board multiple times in 2016 and 2017. While the issue initially arose in 2016, we did not get the opportunity to officially vote until May of 2017.</p> <p>We wanted to know if the former sales culture that stressed outperformance at all costs would need to be changed. During our engagement, the Board reiterated that cross-selling practices, which were the drivers of outperformance, were not the culprit in this situation and would continue. The company stated that they would strengthen their internal culture, however, and prove that they can perform better.</p> <p>We wanted to understand the failure in Board oversight. The Board said it was not deferential to management once the issue was identified, but stated that it did not get all information it needed from management early on when the incident was first identified. It should have centralized risk sooner. In late 2015, the Board pushed to replace an executive partially responsible for the incident, but it didn't happen. We noted that in 2016 this executive was allowed to retire without penalty.</p>
Outcomes	<p>Overall, we concluded that Board oversight of the bank was dysfunctional, and that the replacement of all Board members who presided over the dysfunction was warranted.</p> <p>During the proxy vote of May 2017, we voted against all Board members who had been part of this bank's Board prior to 2014. Since 2014, it appeared that the Board has focused on this issue and taken some positive action.</p>

Add Example 8

ESG Factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
ESG issue	Executive compensation
Conducted by	<input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>Objective: Better understand the company's executive compensation arrangement.</p> <p>Background: This company operates both a cargo airline and passenger charter airline and leases aircraft to others. We have maintained a multiyear investment history in our Small and Mid-cap Value strategies.</p> <p>Our central concern ahead of this year's proxy vote was a change-in-control agreement for the CEO that was triggered due to a partial acquisition. This agreement does not require termination of employment for the executive to qualify for acceleration of equity pay. Instead, when a change-of-control occurs, all pay accelerates at 200% (max) performance.</p> <p>To us, this arrangement is poorly structured and resulted in an unnecessary payout. We do not like arrangements such as this one where an executive can receive a windfall payment but then continue in his or her day-to-day management role. The company will now possibly have to overpay the CEO this year, considering the CEO holds no equity now accordingly. Additionally, the company paid bonuses to executives on a separate acquisition, which was also a poor practice. Such work is expected of senior executives and should be covered by their standard compensation.</p>
Scope and Process	<p>We engaged with the CEO and Chairman of the Board to discuss their executive compensation practices ahead of the proxy vote at their annual meeting in May 2017.</p> <p>The company explained to us that this compensation agreement was a legacy agreement with the CEO that they have since changed. Specifically, the change in control agreement of the CEO now requires termination of employment for the executive to receive acceleration of pay. The company also explained that it has recently changed compensation consultants, brought on an executive compensation expert, and put a new member on the Board's Compensation Committee.</p> <p>We were pleased to hear of these changes, but we told the company that we expect to see additional Compensation Committee refreshment, including the committee Chair. We specified that the Committee Chair should be a member whose tenure does not concur with the CEO's tenure, as nearly all the current Committee's tenure does. We believe this may be affecting the Committee's ability to challenge the CEO on compensation.</p>
Outcomes	We voted against the compensation plan, the stock plan and the compensation committee chairman, citing the overall pay-for-performance disconnect and the lack of performance-based equity as the reasons for our vote.

Add Example 9

ESG Factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
ESG issue	Executive Compensation
Conducted by	<input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>Objective: Review executive compensation practices and board risk management processes.</p> <p>Background: We are a top holder of this US company that distributes pharmaceuticals and provides health information technology, medical supplies, and care management tools, holding it in our Large Cap Value portfolios.</p> <p>The company is a large wholesaler of opioids in the US. We know that an estimated 2.5 million people in the US are addicted to these drugs. In 2015 alone, 15,000 US deaths were attributed to opioid overdose. There has been increasing regulatory and consumer pressure to hold companies associated with the drugs accountable for their misuse.</p> <p>This company has been the target of several lawsuits surrounding its distribution of opioids, with the central claims being that the company has ineffective control over monitoring suspicious orders by facilities that may be overprescribing opioids. The company reached a settlement agreement with the US government for violation of Controlled Substances Act. It paid a record settlement in January 2017 and had to suspend distribution from several major distributor facilities. It remains under investigation by several US States.</p>
Scope and Process	<p>We engaged the company ahead of the proxy vote at their upcoming annual meeting on two topics: 1) executive compensation, and 2) separate independent Board chairman.</p> <p>Executive Compensation: CEO compensation was outpacing performance, and we thought ROIC should be the lead metric, to more closely align executive compensation with shareholder value creation. The plan's metrics also excluded legal settlements, but since those are a normal (and significant) part of this company's business, they needed to be included.</p> <p>Board Composition and Oversight of Distribution: The company explained how it had overhauled oversight of its drug distribution monitoring system. An enhanced monitoring process now includes several triggers of oversight and redundancy to alert possible fraudulent ordering activity, and a newly-created SVP role now oversees the program. The company noted that it also has created a special Board Committee to review any additional claims made against it, including those by US states.</p> <p>It was unclear to us exactly where on the Board responsibility should rest for oversight of the distribution process. The time commitment of the Board Chair was already extensive and could lead to a need for separate CEO/Chairman roles, given the complexity of the industry and issues.</p>
Outcomes	<p>A fellow shareholder was running a "Vote No" campaign, urging shareholders to vote against Executive Compensation. Another shareholder filed a proposal to require an independent Board chairman. In both cases, the rationale was that the extensive legal, regulatory, and reputational risks connected to the opioid issue result in a need for more stringent Board oversight and compensation construction.</p> <p>Executive Compensation: We voted against the compensation plan and will</p>

	<p>continue to engage on this issue.</p> <p>Independent Board Chair: We did not see the need to require separation of the roles at this time, and voted against the proposal to do so. However, we will monitor closely and separation may be warranted in the future.</p>
--	--

Add Example 10

ESG Factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
ESG issue	Board composition, executive compensation construction, and other governance matters
Conducted by	<input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>Objective: Obtain updates on this company's Board composition, executive compensation construction, and other governance matters ahead of the proxy vote related to the annual general meeting.</p> <p>Background: We hold this large Japanese electronics company in several of our International Value portfolios. We have continuously engaged this company on governance over the past several years. In 2017, the company made substantial progress on several issues which we had previously discussed.</p> <p>The historical issues included Board of Directors independence and Board structure, and low overall return on equity. The company increased the level of independence of its Board and moved from a traditional two-tier statutory auditor construction to an Audit Committee structure. This is a positive change as it allows the Board greater ability to provide more broad level of oversight. It also allows day-to-day operations without full Board approval.</p> <p>The company also improved their five-year average return on equity, which has been traditionally low for this company and this market. Last year, we had voted against the company president and board chairman due to the low average return on equity. In preparation for the annual 2017 proxy vote, we engaged with the company to determine whether these issues remained.</p>
Scope and Process	<p>We met with the company in March of 2017.</p> <p>Executive Compensation: In comparison to Japanese standards, the company's disclosure on compensation is only slightly more transparent. The company's major global peers often offer more transparency. While the company currently discloses some performance metrics, such as consolidated operating income, we recommended that the company also include return on equity in the plan. Japanese regulation now allows greater use of equity-based compensation for executives, so we expect the equity portion of the plan to grow. We expressed our desire for pre-set, disclosed performance metrics and goals for all portions of the plan. We want broader disclosure to properly assess how the compensation plan drives performance.</p> <p>Board Composition: While the percentage of independent directors has increased, they are all tax accountants with likely similar perspectives. We told the company we expect greater diversity to be targeted in future Board refreshment, including the addition of a non-Japanese member, an increase in members with global business experience, and more gender diversity. There are currently no women on the Board, despite the fact that women comprise roughly 40% of the company's core customer base.</p>
Outcomes	We voted in favor of all Board members but will continue to monitor the company's progress on return on equity levels, executive compensation disclosure, and Board composition. If we do not see progress on these items we may begin to vote against the President and Chairman of the board.

AB

Reported Information

Private version

Direct - Fixed Income

PRI disclaimer

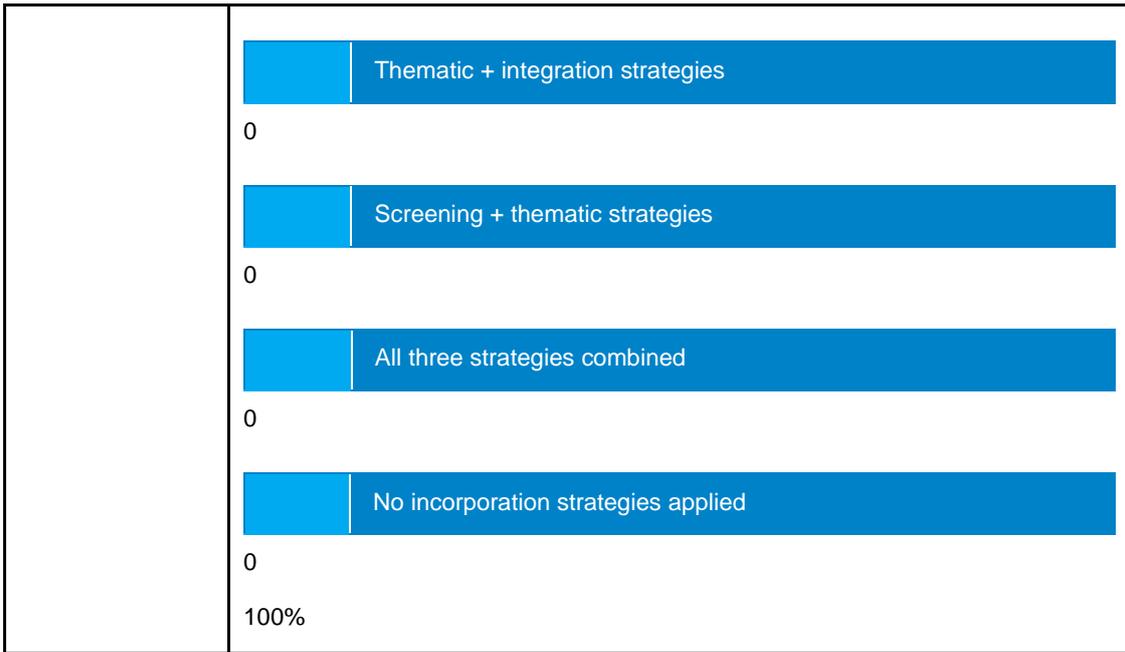
This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

ESG incorporation in actively managed fixed income

Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate 1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and 2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

SSA	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>100</td> </tr> <tr> <td>Screening + integration strategies</td> <td>0</td> </tr> <tr> <td>Thematic + integration strategies</td> <td>0</td> </tr> <tr> <td>Screening + thematic strategies</td> <td>0</td> </tr> <tr> <td>All three strategies combined</td> <td>0</td> </tr> <tr> <td>No incorporation strategies applied</td> <td>0</td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	0	Thematic alone	0	Integration alone	100	Screening + integration strategies	0	Thematic + integration strategies	0	Screening + thematic strategies	0	All three strategies combined	0	No incorporation strategies applied	0	Total	100%
Strategy	Percentage																				
Screening alone	0																				
Thematic alone	0																				
Integration alone	100																				
Screening + integration strategies	0																				
Thematic + integration strategies	0																				
Screening + thematic strategies	0																				
All three strategies combined	0																				
No incorporation strategies applied	0																				
Total	100%																				
Corporate (financial)	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>21</td> </tr> <tr> <td>Screening + integration strategies</td> <td>79</td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	0	Thematic alone	0	Integration alone	21	Screening + integration strategies	79										
Strategy	Percentage																				
Screening alone	0																				
Thematic alone	0																				
Integration alone	21																				
Screening + integration strategies	79																				



Corporate (non-financial)	Screening alone	0
	Thematic alone	0
	Integration alone	21
	Screening + integration strategies	79
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
		100%
Securitized	Screening alone	0
	Thematic alone	0
	Integration alone	100
	Screening + integration strategies	0

	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
		100%

FI 01.2 Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

The majority of our fixed income assets are managed using Integration. Our primary reason for choosing the "Integration" incorporation strategy is that it most directly reflects our long-held philosophy on environmental, social, and governance ("ESG") factors, and is also most seamlessly aligned with our existing investment processes. AB has long recognized that ESG issues can impact the performance of investment portfolios, and we have long believed that the integration of ESG factors is critical to the success of a fundamental research process. As such, our analysts have naturally carefully assessed ESG factors in their analysis if they believe those factors have, or could have, a material impact on our forecasts and investment decisions.

AB is continuing to strengthen the integration of ESG factors into our fixed income research and investment processes. As such, during 2017 we continued to implement a more detailed ESG scoring system for our corporate issuers. We have a specific module within our Credit Research database that explicitly links the ESG rating each analyst assigns an issuer to the broader forward credit rating that issuer will receive, ensuring that ESG considerations are explicitly considered and weighted in AB's proprietary overall forward rating for each issuer.

FI 01.3 Additional information [Optional].

During 2017 we continued to build out this ESG credit research database, expanding the universe of issuers covered. As an input and resource for their ESG assessments (but not the sole determinant), our analysts also have access to ESG research from MSCI.

We also continue to expand our efforts in impact investments. We have managed a US Municipal Impact strategy since 2016, and continued to expand this strategy during 2017 to a broader range of clients. The US municipal bond market is ripe with opportunities to invest in underserved communities and have social/environmental impact. It also allows us to meet the growing demand from our clients to provide investment strategies that deliver not only return, but also social/environmental benefits. We have established an investment structure in which municipal research analysts-in addition to their traditional fundamental analysis-score each issuer on Environmental, Social and Governance criteria. Bonds with an "impact score" below a certain threshold are not eligible for investment in the Municipal Impact Strategy.

We also utilize ESG screening within portfolios, primarily at our clients' direction as described later in this document.

FI 02	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 1
-------	---	--------	---------------	-------

FI 02.1 Indicate which ESG factors you systematically research as part of your analysis on issuers.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
Environmental data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Social data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governance data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

FI 02.2 Indicate what format your ESG information comes in and where you typically source it

- Raw ESG company data
- ESG factor specific analysis
- Issuer-level ESG analysis

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- Sector-level ESG analysis

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- Country-level ESG analysis

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify

FI 02.3 Provide a brief description of the ESG information used, highlighting any differences in sources of information across your ESG incorporation strategies.

We use a range of external ESG data providers, carefully selecting them to meet not only our high overall standards but also to meet certain product-specific needs. Our ESG Research Providers include:

- MSCI: MSCI provides ESG ratings and qualitative research. This information is accessed by our analysts through a link into our analysts' research database. This research can "flag" potentially material issues that our analysts then incorporate into their own analysis. We also use MSCI for negative screening in client portfolios, as well as best in class screening. We then also use it to code the resulting restricted securities in our pre- and post-trade compliance systems and trading platforms. We also subscribe to MSCI's Carbon Footprint tool to understand, measure and manage carbon risk in portfolios.
- ISS-Ethix: We use Ethix for controversial weapons screening associated with our Luxembourg-based Fund platform and a number of client Portfolios.

Finally, we also utilize a variety of other external data sources, such as sell side research, NGO articles and industry body reports.

FI 03	Mandatory	Public	Additional Assessed	PRI 1
-------	-----------	--------	---------------------	-------

FI 03.1 Indicate how you ensure that your ESG research process is robust:

- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits of ESG research are undertaken in a systematic way
- ESG analysis is benchmarked for quality against other providers
- Other, specify
- None of the above

FI 03.2 Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is a standard item on all individual issuer summaries, 'tear sheets', 'dashboards' or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

(A) Implementation: Screening

FI 04	Mandatory	Public	Gateway	PRI 1
-------	-----------	--------	---------	-------

FI 04.1 Indicate the type of screening you conduct.

Select all that apply

	Corporate (financial)	Corporate (non-financial)
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Positive/best-in-class screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Norms-based screening	<input type="checkbox"/>	<input type="checkbox"/>

FI 04.2 Describe your approach to screening for internally managed active fixed income

Other than our controversial weapons restriction for some of our Luxembourg-based funds, most other exclusions within fixed income portfolios are client-directed exclusions. Screens are generally developed in conjunction with our clients and discussed at regular client review meetings. Some clients provide us with a list of issuers to be restricted from their portfolio. Other clients prefer that we screen using a third-party research provider - these screens can take several forms, including industry screens as well as positive/best in class screening based on ESG factors. Once the issuers to be screened are identified, they are captured electronically in our compliance systems and monitored daily. Once a screen is in place, we dynamically monitor and manage it. Updates to these screens are made regularly - as our clients or our research providers provide updated data. Within our Luxembourg Fund platform, we screen for controversial weapons based on research from a third-party service provider.

FI 05	Mandatory	Public	Descriptive	PRI 1
-------	-----------	--------	-------------	-------

Corporate (financial)

Corporate (fin)

- For legal reasons
- For non-legal reasons

Corporate (non-financial)

Corporate (non-fin)

- For legal reasons
- For non-legal reasons

FI 05.2 Describe your approach to ESG-based negative screening of issuers from your investable universe.

Other than our controversial weapons restriction for some of our Luxembourg-based funds, most other exclusions are client-directed exclusions.

FI 06	Voluntary	Public	Additional Assessed	PRI 1
--------------	------------------	---------------	----------------------------	--------------

FI 06.1 Provide examples of how ESG factors are included in your screening criteria.

Example 1

Type of fixed income
<input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)
ESG factors
<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input type="checkbox"/> Governance
Screening
<input checked="" type="checkbox"/> Negative/ exclusionary <input type="checkbox"/> Positive/ best-in-class
Description of how ESG factors are used as the screening criteria
<p>We perform negative screening for clients who request to generally restrict certain industries for environmental and social reasons such as nuclear, alcohol, tobacco, and adult entertainment from their portfolios, in addition to any other restricted issuers which may be provided. We utilise third party research to implement the screen and monitor the screen using our in-house pre- and post-trade compliance rules.</p>

Example 2

Type of fixed income
<input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)
ESG factors
<input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input type="checkbox"/> Governance
Screening
<input checked="" type="checkbox"/> Negative/ exclusionary <input type="checkbox"/> Positive/ best-in-class
Description of how ESG factors are used as the screening criteria
<p>In our UCITS funds and at the request of clients, we screen out issuers who are associated with controversial weapons according to data provided by a third party (ISS-Ethix).</p>

Example 3

Type of fixed income
<input checked="" type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)
ESG factors
<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
Screening
<input type="checkbox"/> Negative/ exclusionary <input checked="" type="checkbox"/> Positive/ best-in-class
Description of how ESG factors are used as the screening criteria
<p>We screen using a best-in-class approach for certain clients by investing in issuers who score in the higher tiers of ESG ratings by industry based on data provided by MSCI.</p>

Example 4

Example 5

FI 07	Mandatory	Public	Core Assessed	PRI 1
-------	-----------	--------	---------------	-------

FI 07.1	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.
---------	---

Type of screening	Checks
Negative/exclusionary screening?	<input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
Positive/best-in-class screening	<input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

(C) Implementation: Integration

FI 11	Mandatory	Public	Descriptive	PRI 1
-------	-----------	--------	-------------	-------

FI 11.1	Describe your approach to integrating ESG into traditional financial analysis.
---------	--

We have long incorporated ESG factors informally in our fixed income research and investment processes, but have formalized this integration after becoming a PRI signatory in 2011. If we determine that these aspects of an issuer's past, current, or anticipated behavior are material to its future expected returns, we address these concerns in our forecasts, research reviews, investment decisions, and engagement. Our research analysts utilize their own proprietary research, research from the sell side and other third parties, including an ESG data provider, to identify ESG issues. The analysts regularly discuss ESG matters with issuers as part of our investment research process when those issues are material, or we determine they are likely to become material enough to potentially impact the risk/return of our portfolios. Our research analysts, portfolio managers, and/or directors of research conduct thousands of issuer visits per year in order to understand the strategies, performance, and risks of issuers and address ESG concerns in those meetings. The issues are assessed and incorporated into the investment decision. Importantly, our research and evaluation of ESG issues could lead us to view the issuer more positively or more negatively as an investment than the market consensus. If our research gives us confidence that ESG concerns are exaggerated, the security may be an excellent investment. If concerns are underestimated, the security may similarly be an undesirable investment.

We incorporate ESG factors into our fundamental research process for all our portfolios and continue to enhance our processes on ESG integration within our fundamental research team. As such, during 2017 we continued to implement a more detailed ESG scoring system for our corporate issuers. We have a specific module within our Credit Research database that explicitly links the ESG rating each analyst assigns an issuer to the broader forward credit rating that issuer will receive, ensuring that ESG considerations are explicitly considered and weighted in AB's proprietary overall forward rating for each issuer. Companies are rated numerically on Environmental, Social and Governance criteria, and the scores are averaged into an overall ESG score. These scores can then be compared across the

industry, across the broader corporate universe and to third-party providers like MSCI. All ratings are entered into our proprietary research database, for easy access to all investment professionals.

FI 11.2

Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.

SSA

Our economists consider ESG factors as part of their overall evaluation of a sovereign issuer. They evaluate how ESG issues are currently affecting the country's ability to meet payment obligations as well as how they may affect them in the future. If ESG factors are deemed material enough that they impact the risk/return profile of the sovereign issuer, that assessment will be reflected in the analyst's opinion and forecast for that issuer and will be discussed with the portfolio managers and the traders during regular research review/investment strategy meetings. ESG issues may also be addressed with government officials and central bankers via engagements.

Within the municipal bond market, our Municipal Impact strategy has established an investment structure in which research analysts-in addition to their traditional fundamental analysis-score each issuer on Environmental, Social and Governance criteria. Bonds with an "impact score" below a certain threshold are not eligible for investment in the Municipal Impact Strategy.

Our ESG scoring model weighs environmental and social considerations differently depending on the municipal sector under consideration: i.e., environmental criteria receive more weight for electric utilities and water systems; social criteria receive more weight for education and healthcare issuers. We recognize how essential strong municipal management is (including the stewardship of finances and debt, as well as transparency), and therefore the weight we assign to governance is consistent across all sectors. We adjust weights of the holdings within our impact portfolios to be higher/lower based on the bond's impact score (as well as traditional credit quality).

An important component of our approach is active engagement with issuers included in our portfolios. We have established baselines associated with key performance indicators and will actively surveil progress made on those metrics. Should trends in metrics deviate significantly in any given year, AB analysts will attempt to ascertain the reason for the change. Through active engagement, should we conclude that a viable plan and strategy is in place and being implemented, we will maintain our position. If we ultimately question the probability of success of a particular strategy employed, we will either trim or sell out of position and reallocate proceeds to other investments that show better impact potential.

Corporate (financial)

For Corporate (financial) Issuers: Similar to our approach for non-financial corporate issuers, we incorporate ESG factors into our fundamental credit research process for financials within all portfolios. As part of their in-depth research, our financial sector analysts analyze all aspects of a company, including how ESG issues are currently affecting that company's profitability as well as how they may in the future. If they deem ESG factors material enough that they contribute to the risk of that issuer, that assessment will be reflected in the analyst's formal opinion and forecast and it will be discussed with the portfolio managers and the traders during regular credit meetings.

Our credit analysts are responsible for determining an ESG rating for each of the issuers in their investment universe, and it is their responsibility to monitor these issuers - including the ESG factors that may impact them - on an ongoing basis. In fact, we have developed a specific module within our Credit Research database that explicitly links the ESG rating each analyst assigns an issuer to the broader forward rating that issuer will receive, ensuring that ESG considerations are explicitly considered and weighted in the overall forward rating for each issuer.

Analysts rate each issuer on a numeric scale on E, S and G factors, and then combine these ratings into an overall ESG score. This score is then used to influence the forward rating assigned to the issuer. As an input and resource for their ESG assessments (but not the sole determinant), our analysts have access to ESG research from MSCI.

In particular, for financial issuers, our analysts focus on Governance and Social concerns. For example, analysts evaluate board structure as part of their evaluation of management quality. They consider remuneration policies as part of financial firms' expense structure. They evaluate how

financial firms have adjusted their business practices in light of the 2008 global financial crisis and subsequent scandals (LIBOR, money laundering, etc.) to institute improved controls, as well as greater transparency and simplicity in their consumer practices. Environmental factors such as climate-related exposures are a concern, but disclosure of these risks/exposures is not consistent in the sector.

Corporate (non-financial)

For Corporate (non-financial) Issuers: We incorporate ESG factors into our fundamental credit research process for all portfolios. As part of their in-depth research, our credit analysts analyze all aspects of a company, including how ESG issues are currently affecting that company's profitability as well as how they may in the future. If they deem ESG factors material enough that they contribute to the risk of that issuer, that assessment will be reflected in the analyst's formal opinion and forecast and it will be discussed with the portfolio managers and the traders during the regular credit meetings.

In particular for corporate issuers, as part of their fundamental research on an issuer, our credit analysts are responsible for determining an ESG rating for each of the issuers in their investment universe, and it is their responsibility to monitor these issuers - including the ESG factors that may impact them - on an ongoing basis. In fact, we have developed a specific module within our Credit Research database that explicitly links the ESG rating each analyst assigns an issuer to the broader forward rating that issuer will receive, ensuring that ESG considerations are explicitly considered and weighted in the overall forward rating for each issuer.

Analysts rate each issuer on a numeric scale on E, S and G factors, and then combine these ratings into an overall ESG score. This score is then used to influence the forward rating assigned to the issuer. As an input and resource for their ESG assessments (but not the sole determinant), our analysts have access to ESG research from MSCI.

Securitized

For Securitized issuers: When it comes to the analysis of securitized issuers, our primary considerations are social and governance factors. We evaluate the lending practices of the financial institution that is originating the securitization, typically avoiding those with predatory practices.

FI 12	Mandatory	Public	Core Assessed	PRI 1
-------	-----------	--------	---------------	-------

FI 12.1 Indicate how ESG information is typically used as part of your investment process.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is integrated into security weighting decisions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis is integrated into portfolio construction decisions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis is a standard part of internal credit ratings or assessment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ESG analysis for issuers is a standard agenda item at investment committee meetings	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis is regularly featured in internal research notes or similar	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ESG analysis is a standard feature of ongoing portfolio monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis features in all internal issuer summaries or similar documents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 13	Mandatory	Public	Additional Assessed	PRI 1
-------	-----------	--------	---------------------	-------

FI 13.1	Indicate the extent to which ESG issues are reviewed in your integration process.
---------	---

	Environment	Social	Governance
SSA	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Securitized	<input type="radio"/> Environmental <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input type="radio"/> Social <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

FI 13.2 Please provide more detail on how you review E, S and G factors in your integration process.

SSA

Our economists consider ESG factors as part of their overall evaluation of a sovereign issuer. They evaluate how ESG issues are currently affecting the country's ability to meet payment obligations as well as how they may affect them in the future. If ESG factors are deemed material enough that they impact the risk/return profile of the sovereign issuer, that assessment will be reflected in the analyst's opinion and forecast for that issuer and will be discussed with the portfolio managers and the traders during regular research review/investment strategy meetings. ESG issues may also be addressed with government officials and central bankers via engagement.

Within our Municipal Impact strategy, our Investment Policy Group convenes regularly to review potential investments for the Impact portfolios. We have established an investment structure in which research analysts-in addition to their traditional fundamental analysis-score each issuer numerically on Environmental, Social and Governance criteria. Bonds with an "impact score" below a certain level are not eligible for investment in the Municipal Impact Strategy.

Our ESG scoring model weighs environmental and social considerations differently depending on the municipal sector under consideration: i.e., environmental criteria receive more weight for electric utilities and water systems; social criteria receive more weight for education and healthcare issuers. We recognize how essential strong municipal management is (including the stewardship of finances and debt, as well as transparency), and therefore the weight we assign to governance is consistent across all sectors.

Analysts' present their findings and recommendations to the Municipal Impact Investment Policy Group. This generates a dialogue designed to illuminate the strengths, weaknesses, opportunities,

and threats underlying each potential impact investment. The output of our Municipal Impact Investment Policy Group sessions is a consensus on a set of approved bonds for inclusion across all impact client portfolios. We adjust weights of the holdings within our impact portfolios to be higher/lower based on the bond's impact score (as well as traditional credit quality).

An important component of our approach is active engagement with issuers included in our portfolios. We have established baselines associated with key performance indicators and will actively surveil progress made on those metrics. Should trends in metrics deviate significantly in any given year, AB analysts will attempt to ascertain the reason for the change. Through active engagement, should we conclude that a viable plan and strategy is in place and being implemented, we will maintain our position. If we ultimately question the probability of success of a particular strategy employed, we will either trim or sell out of position and reallocate proceeds to other investments that show better impact potential.

Corporate (financial)

For Corporate (financial) Issuers: Similar to our approach for non-financial corporate issuers, we incorporate ESG factors into our fundamental credit research process for financials within all portfolios. As part of their in-depth research, our financial sector analysts analyze all aspects of a company, including how ESG issues are currently affecting that company's profitability as well as how they may in the future. If they deem ESG factors material enough that they contribute to the risk of that issuer, that assessment will be reflected in the analyst's formal opinion and forecast and it will be discussed with the portfolio managers and the traders during regular credit meetings.

Our credit analysts are responsible for determining an ESG rating for each of the issuers in their investment universe, and it is their responsibility to monitor these issuers - including the ESG factors that may impact them - on an ongoing basis. In fact, we have developed a specific module within our Credit Research database that explicitly links the ESG rating each analyst assigns an issuer to the broader forward rating that issuer will receive, ensuring that ESG considerations are explicitly considered and weighted in the overall forward rating for each issuer.

Analysts rate each issuer on a numeric scale on E, S and G factors, and then combine these ratings into an overall ESG score. This score is then used to influence the forward rating assigned to the issuer. As an input and resource for their ESG assessments (but not the sole determinant), our analysts have access to ESG research from MSCI.

In particular, for financial issuers, our analysts focus on Governance and Social concerns. For example, analysts evaluate board structure as part of their evaluation of management quality. They consider remuneration policies as part of financial firms' expense structure. They evaluate how financial firms have adjusted their business practices in light of the 2008 global financial crisis and subsequent scandals (LIBOR, money laundering, etc.) to institute improved controls, as well as greater transparency and simplicity in their consumer practices. Environmental factors such as climate-related exposures are a concern, but disclosure of these risks/exposures is not consistent in the sector.

Corporate (non-financial)

For Corporate (non-financial) Issuers: We incorporate ESG factors into our fundamental credit research process for all portfolios. As part of their in-depth research, our credit analysts analyze all aspects of a company, including how ESG issues are currently affecting that company's profitability as well as how they may in the future. If they deem ESG factors material enough that they contribute to the risk of that issuer, that assessment will be reflected in the analyst's formal opinion and forecast and it will be discussed with the portfolio managers and the traders during the regular credit meetings.

In particular for corporate issuers, as part of their fundamental research on an issuer, our credit analysts are responsible for determining an ESG rating for each of the issuers in their investment universe, and it is their responsibility to monitor these issuers - including the ESG factors that may impact them - on an ongoing basis. In fact, we have developed a specific module within our Credit Research database that explicitly links the ESG rating each analyst assigns an issuer to the broader forward rating that issuer will receive, ensuring that ESG considerations are explicitly considered and weighted in the overall forward rating for each issuer.

Analysts rate each issuer on a numeric scale on E, S and G factors, and then combine these ratings into an overall ESG score. This score is then used to influence the forward rating assigned to the issuer. As an input and resource for their ESG assessments (but not the sole determinant), our analysts have access to ESG research from MSCI.

Securitized

For Securitized Issuers: When it comes to the analysis of securitized issuers, our primary considerations are social and governance factors. We evaluate the lending practices of the financial institution that is originating the securitization, typically avoiding those with predatory practices.

Fixed income - Engagement

FI 15	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
--------------	--	---------------	----------------------	--------------

FI 15.1	Indicate the proportion of your fixed income assets on which you engage. Please exclude any engagements carried out solely in your capacity as a shareholder.
----------------	---

Category	Proportion of assets
SSA	<p> <input type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input checked="" type="radio"/> More than 0%, less than 5% </p> <div style="background-color: #0070C0; color: white; padding: 5px;"> FI 15.2 Indicate your motivations for conducting engagement (SSA fixed income assets). </div> <p> <input checked="" type="checkbox"/> To gain insights into ESG (i.e. enhance disclosure) <input checked="" type="checkbox"/> To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity) <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above </p>
Corporate (financial)	<p> <input type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input checked="" type="radio"/> More than 0%, less than 5% </p> <div style="background-color: #0070C0; color: white; padding: 5px;"> FI 15.2 Indicate your motivations for conducting engagement (Corporate, Financial fixed income assets) </div> <p> <input checked="" type="checkbox"/> To gain insights into ESG (i.e. enhance disclosure) <input checked="" type="checkbox"/> To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity) <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above </p>
Corporate (non-financial)	<p> <input type="radio"/> >50% <input type="radio"/> 26-50% <input checked="" type="radio"/> 5-25% <input type="radio"/> More than 0%, less than 5% </p> <div style="background-color: #0070C0; color: white; padding: 5px;"> FI 15.2 Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets) </div> <p> <input checked="" type="checkbox"/> To gain insights into ESG (i.e. enhance disclosure) <input checked="" type="checkbox"/> To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity) <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above </p>
Securitised	<p> <input type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input checked="" type="radio"/> More than 0%, less than 5% </p> <div style="background-color: #0070C0; color: white; padding: 5px;"> FI 15.2 Indicate your motivations for conducting engagement (Securitized fixed income assets). </div>

	<input checked="" type="checkbox"/> To gain insights into ESG (i.e. enhance disclosure) <input checked="" type="checkbox"/> To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity) <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
--	---

FI 16	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1,2
-------	---	--------	---------------------	---------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

FI 16.1	Indicate how you typically engage with issuers as a fixed income investor, or as both a fixed income and listed equity investor. (Please do not include engagements where you are both a bondholder and shareholder but engage as a listed equity investor only.)
----------------	---

Select all that apply

Type of engagement	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Individual/Internal staff engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Collaborative engagements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Service provider engagements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 16.2	Indicate how your organisation prioritises engagements with issuers
----------------	---

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Based on potential materiality of ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Based on systemic risks (e.g. low-carbon transition) to global portfolios	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Based on our exposure (holdings)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 16.3

Indicate when your organisation conducts engagements with issuers.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Engagements are conducted pre-investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Engagements are conducted post-investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 16.4

Indicate how your organisation conducts engagements with issuers.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
We systematically engage prior to ESG-related divestments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We engage proactively in anticipation of specific ESG risks and/or opportunities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We engage in reaction to ESG issues which have already affected the issuer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Investment and ESG analysts systematically conduct ESG-related engagements together	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 16.5

Indicate what your organisation conducts engagements with issuers on.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
We conduct engagements with individual issuers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We conduct engagements within sectors and industries.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We conduct engagements on specific ESG themes (e.g. human rights)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 16.6

Indicate how your organisation shares the outcomes of the engagements internally.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
We have a systematic process to ensure the outcomes of engagements are made available	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We occasionally make the outcomes of engagements available	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
We do not make this information available	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We do not share the outcomes of the engagements internally	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If 'other' has been selected, please give a description

We have not been asked regarding our engagements on Securitized issuers but would share the outcomes of engagements if inquired.

FI 17

Mandatory to Report Voluntary to Disclose

Public

Additional Assessed

PRI 1,2

FI 17.1

Indicate if your publicly available policy documents explicitly refer to fixed income engagement separately from engagements in relation to other asset classes.

Yes

No

Outputs and outcomes

FI 18

Mandatory to Report Voluntary to Disclose

Public

Additional Assessed

General

FI 18.1

Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
We measure whether incorporating ESG impacts funds' reputation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We measure whether incorporating ESG impacts financial returns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We measure whether incorporating ESG impacts risk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We measure whether incorporating ESG impacts funds' ESG performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

FI 18.2

Describe how your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance. [OPTIONAL]

We have not conducted any empirical research to determine the impact of ESG considerations.

Within our impact strategy in the US municipal market, we have established a series of key performance indicators for each sector that we invest in and we look for improvement in these metrics over time. Should trends in metrics deviate significantly in any given year, AB analysts will attempt to ascertain the reason for the change. Through active engagement, should we conclude that a viable plan and strategy is in place and being implemented, we will maintain our position. If we ultimately question the probability of success of a particular strategy employed, we will either trim or sell out of position and reallocate proceeds to other investments that show better impact potential.

FI 19

Voluntary

Public

Descriptive

PRI 1,2

FI 19.1

Provide examples of how your incorporation of ESG analysis and/or your engagement of issuers has affected your fixed income investment outcomes during the reporting year.

Example 1

Type of fixed income	
<input checked="" type="checkbox"/> SSA	
<input type="checkbox"/> Corporate (financial)	
<input type="checkbox"/> Corporate (non-financial)	
<input type="checkbox"/> Securitised	
ESG issue and explanation	
<p>Our AB Municipal Impact strategy focuses its healthcare investments largely on safety-net hospitals throughout the US. We see successful healthcare systems as those who deeply enmesh themselves in the community and forge a holistic approach that goes beyond the confines of the hospital's "four walls" and beyond the provision of just medicine. It's about meeting the medical needs of the community from a physical, behavioural, economic, structural and prophylactic perspective.</p> <p>One of our hospital holdings is the safety-net health provider for a major metropolitan city, where 40+% of patients are Medicaid-eligible. In addition to providing high quality medicine, this hospital understands that poverty and inequality create a cycle of bad outcomes: poverty leads to health and housing problems; poor health and housing leads to school and employment problems; and educational and employment failure leads back to poverty. To disrupt this cycle, this hospital delivers holistic innovative community "wrap-around services" as prevention before patients get to the hospital.</p>	
RI strategy applied	
<input type="checkbox"/> Screening	
<input checked="" type="checkbox"/> Integration	
<input type="checkbox"/> Engagement	
<input type="checkbox"/> ESG incorporation in passively managed funds	
Impact on investment decision or performance	
<p>The hospital has also been at the forefront of addressing the recent opioid epidemic. They have worked collaboratively both nationally with other organizations, and locally with police, fire and other first responders who connect overdose survivors and their personal networks with addiction treatment, harm reduction, and other community support services following a non-fatal overdose. They continue to be a leader in research on this crisis and developing new and innovative methods of addressing it.</p> <p>This hospital holding fits with our Municipal Impact Strategy which seeks to identify investments that generate positive social and environmental impacts. In addition, this hospital serves a community of lower socioeconomic status. The issuer was approved for inclusion in our impact portfolios by our Investment Policy Group.</p>	

Example 2

Type of fixed income
<input checked="" type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised
ESG issue and explanation
<p>A charter school holding in our Municipal Impact Strategy founded in 1997 was one of New Jersey's first charter schools. For over 20 years, this educational institution established a symbiotic, collaborative relationship with the traditional public school system, while demonstrating high performance year after year as evidenced by high graduation, college acceptance and college completion rates. This issuer has excelled at providing traditionally underserved students with a high quality academic program and has expanded to 13 schools in Newark, New Jersey serving approximately 5,000 students, with plans to grow their program to 6,500 students by 2021.</p>
RI strategy applied
<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Engagement <input type="checkbox"/> ESG incorporation in passively managed funds
Impact on investment decision or performance
<ul style="list-style-type: none"> • The charter school's matriculation, for 2 or 4-year college has averaged between 95-100% for every high school class since 2011-2012. • Graduation: 100% of seniors in 2017 were accepted into at least one college with 90% of graduates enrolling in a 4-year college or university. • Attendance rates have averaged at least 95% going back to 2011. • The charter high school students (classes 2004-2011) graduated 4-year college or university at 7x the national rate for bottom income quartile students. • In 2014, the charter school agreed to take over a failing school in Newark scheduled to be closed because it was the lowest performer in its district. Students were reading three full grades below their allotted grade. The charter school's leaders revamped the curriculum for success. Within one-year, proficiency rates in English and math were beating state averages. <p>This charter school has excelled, and we believe will continue to excel, at providing traditionally underserved students a high quality academic program leading to college acceptance and, most importantly, college completion. Therefore, it was approved by our investment policy group for inclusion in our municipal impact portfolios.</p>

Example 3

Type of fixed income
<input checked="" type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised
ESG issue and explanation
<p>One of our Municipal Impact Strategy holdings is a Water Authority in a major southwestern US city. This water authority serves 715,000 people or 72% of the total population within its greater metropolitan area. Close to 75% of the utility's customers come from the city which has a 25% poverty rate, as well as median household and per capita income equal to 74.4% and 80%, respectively of the State. The authority is a well-managed water system that has operated prudently during the worst drought in centuries. The implementation of a conservation fee to pay for a range of interventions and rebates has helped dramatically reduce total and residential consumption on a per capita basis.</p> <p>The Water Authority provides Conservation, Education, Outreach and Low Income Assistance Programs - among many others:</p> <ul style="list-style-type: none"> • Water Conservation and Efficiency • Fixture Replacement Rebate Program • Low-Income Assistance Program • Education and Outreach
RI strategy applied
<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Engagement <input type="checkbox"/> ESG incorporation in passively managed funds
Impact on investment decision or performance
<p>Water is a finite resource that must be conserved and managed to preserve access for future generations. Climate change is already adversely impacting large swaths of the Western US creating more frequent, intense and longer periods of droughts. Population shifts over the last several decades resulted in fierce "competition" for potable water sources. Innovative and unique initiatives to promote conservation and reduce water use will be essential to maintaining a positive quality of life without causing mass migration and disruption. Our goal is to invest in communities who view the provision of clean water as a right and who consistently demonstrate strong stewardship of the most essential resource. Therefore, this issuer was approved as a holding within our municipal impact strategy.</p>

Example 4

Type of fixed income
<input type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised
ESG issue and explanation
<p>We evaluated the 100% state-owned electricity and gas company in Bulgaria. The company accounts for 50% of electricity generation, owns the natural gas pipelines and the country's only nuclear power plant. Even though the company has full sovereign support, we were concerned about the following ESG:</p> <ul style="list-style-type: none"> • The company's reported non-transparent relations with private businessmen around the import of natural gas from Russia and export of electricity to neighbouring countries. • Abuse of market power, which resulted in an ongoing investigation by the EU commission • The company's dependence on coal-fired and nuclear power plants, which were built during the communist era and therefore and significant concerns about the safety and emission standards.
RI strategy applied
<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Engagement <input type="checkbox"/> ESG incorporation in passively managed funds
Impact on investment decision or performance
<p>Due to these environmental and governance concerns we avoided this company within client portfolios.</p>

Example 5

Type of fixed income
<input checked="" type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised
ESG issue and explanation
<p>In early 2017, we had two important concerns about the direction of South Africa:</p> <ul style="list-style-type: none"> • South Africa boasts robust technocratic, meritocratic and highly capable institutions (unlike many of its emerging-market peers). The SARB and the National Treasury have done an outstanding job steering the South African economy through volatile times and maintaining overall macroeconomic stability. That said, we had concern that certain key South African institutions were becoming less effective. • Concern about deteriorating governance at some of South Africa's State Owned Enterprises (SOEs). Over the last four years, SOEs' contingent liabilities reached 25% of GDP. This concerns us because the lack of a clear and transparent reform agenda could increase the financial burden on the public sector.
RI strategy applied
<input type="checkbox"/> Screening <input type="checkbox"/> Integration <input checked="" type="checkbox"/> Engagement <input type="checkbox"/> ESG incorporation in passively managed funds
Impact on investment decision or performance
<p>Amid these concerns, in March 2017, we sent a formal letter to senior government officials where we raised these two specific ESG risks that we feel could impact the investment-grade rating that the country has held for more than two decades. A downgrade to sub-investment grade status could substantially increase the cost of capital. That could slow investment at a time when the country needs robust investment spending to rein in persistently high unemployment and to close a widening income gap with advanced economies. An investment-grade credit rating, once lost, can be very difficult to regain.</p> <p>As a firm with a long history of investing in South Africa, AllianceBernstein believes in the country's long-term potential. As responsible investors, we wanted to remind the South African authorities that the country's key institutional strengths and high governance standards need to be maintained for the benefit of South Africa's people and its investors.</p>

FI 19.2	Additional information.
---------	-------------------------

Integration with a Corporate (non-financial):

In March 2017, we met with the management of a privately held textile manufacturer/distributor based in Mexico, which was bringing a new 5-year deal to market. We decided to pass on the new issue due to governance concerns-as with many privately held companies, transparency was a concern-the company

was not willing to report to us on a frequent enough basis. The company was expelled from the UN global compact in 2010 for failure to communicate progress.

Poor governance and lack of transparency led us to avoid the credit. After the new issue, the company's bonds sold off in the wake of poor earnings news.

Integration with a Corporate (non-financial):

An environmental service company provides waste management services, servicing residents in Canada. The Company offers solid and liquid waste collection and processing, including programs in industrial, commercial, institutional, municipal, residential, and recycling wastes. The company has recently pursued expanding its food waste recycling initiative. This is an underserved area that would bring meaningful benefits to the environment and individual municipalities in Canada. The company benefits from low cyclical, end market diversification and supportive sponsors.

Given the company's positive environmental and social impact along with positive fundamentals we have included this credit within our holdings.

AB

Reported Information

Private version

Assurance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Assurance

CM1 01.1	Mandatory	Public	Core Assessed	General
----------	-----------	--------	---------------	---------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:
	<input type="checkbox"/> Third party assurance over selected responses from this year's PRI Transparency Report <input type="checkbox"/> Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year <input type="checkbox"/> Third party assurance or audit of the implementation of RI processes (that have been reported to the PRI this year) <input checked="" type="checkbox"/> Internal audit conducted by internal auditors of the implementation of RI processes and/or RI data that have been reported to the PRI this year) <input type="checkbox"/> Internal verification of responses before submission to the PRI (e.g. by the CEO or the board) <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

CM1 01.2 & 01.8	Mandatory	Public	Descriptive	
-----------------	-----------	--------	-------------	--

CM1 01.2	Do you plan to conduct third party assurance of this year's PRI Transparency report?
	<input type="radio"/> Whole PRI Transparency Report will be assured <input checked="" type="radio"/> Selected data will be assured

CM1 01.8b	Selected data will be assured
-----------	-------------------------------

	Expected date the assurance will be complete
--	--

31/03/2018

	What data will be assured
--	---------------------------

- Financial and organisational data
- Data related to RI activities
- RI policies
- RI processes (e.g. engagement process)
- ESG operational data of the portfolio
- Other

Relevant modules

- Organisational Overview

Corresponding Indicator number

OO 04, OO 06, OO 07, OO 09, OO10, OO11, OO12, OO LE 01, OO FI 01, OO FI 03

- Strategy and Governance

Corresponding Indicator number

SG 01, SG 04, SG 05, SG 06, SG 07, SG 09, SG 10, SG 11, SG 19

- Direct - Listed Equity Incorporation

Corresponding Indicator number

LEI 01.2, LEI 01.3, LEI 02.1, LEI 02.2, LEI 03.1, LEI 03.2, LEI 04.1, LEI 04.2, LEI 05.5, LEI 06, LEI 08.2, LEI 09.4, LEI 09.6, LEI 10.2a, LEI 10.3, LEI 10.4a, LEI 10.2b, LEI 12, LEI 14

- Direct - Listed Equity Active Ownership

Corresponding Indicator number

LEA 01, LEA 02, LEA 03, LEA 04, LEA 05, LEA 06, LEA 09, LEA 10, LEA 11, LEA 12, LEA 13.1 LEA 14, LEA 15, LEA 16.1, LEA 20, LEA 22, LEA 24

- Direct - Fixed Income

Corresponding Indicator number

FI 01.1, FI 01.2, FI 01.3, FI 02, FI 03.2, FI 04.1, FI 04.2, FI 06, FI 11, FI 13.2, FI 15, FI 16.1, FI 16.2, FI 16.3, FI 16.5, FI 16.6, FI 19

Who will conduct the assurance

Internal Audit

Assurance standard to be used

- ISAE/ ASEA 3000
- ISAE 3402
- ISO standard
- AAF01/06
- AA1000AS
- IFC performance standards
- ASAE 3410 Assurance Engagements on Greenhouse Gas Statements.
- National standard
- Other

Specify

Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing.

Level of assurance sought

- Limited or equivalent
- Reasonable or equivalent
- We do not plan to assure this year's PRI Transparency report

CM1 01.3 & 01.9	Mandatory	Public	Descriptive	General
----------------------------	------------------	---------------	--------------------	----------------

CM1 01.3 We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report, or we did not have such a report last year.

CM1 01.4, 10-12	Mandatory	Public	Descriptive	General
------------------------	------------------	---------------	--------------------	----------------

CM1 01.4 We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

CM1 01.6	Mandatory	Public	Descriptive	General
-----------------	------------------	---------------	--------------------	----------------

CM1 01.6 Provide details of the third party assurance of RI related processes, and/or details of the internal audit conducted by internal auditors of RI related processes (that have been reported to the PRI this year)

What RI processes have been assured

- Data related to RI activities

Corresponding indicator number

See all indicators indicated in CM 1 01.8b

- RI policies

Specify

see indicator numbers below

Corresponding indicator number

SG 01, LEA 01, LEA 15

- RI related governance

Corresponding indicator number

See SG indicators indicated in CM 1 01.8b

- Engagement processes

Corresponding indicator number

LEI 01.2, 03, 09.6, LEA 01.4, 02, 03, 04, 05, 06, 09, 10, 11.5, 12.1, 15.4

- Proxy voting process

Corresponding indicator number

LEA 01.4, 02.2, 03.3, 04.3, 12.2, 15.4, 16.1, 20, 22

- Integration process in listed assets

Corresponding indicator number

LEI 01.2, 01.3, 03.2, 08.2, 09.4, 09.6, 10.3, 12, LEA 02.2, FI 01.2, 11, 13.2

- Screening process in listed assets

Corresponding indicator number

LEI 01.2, 01.3, 02.2, 04, 05.5, 06.1, 06.2, 12, FI 01.3, 02.3, 04.2

- Thematic process in listed assets

Corresponding indicator number

FI - Muni Impact Strategy - FI 01.3, FI 11.2, FI 13.2, FI 19

- Other

When was the process assurance completed(dd/mm/yy)

31/03/2018

Assurance standard used

- IIA's International Standards for the Professional Practice of Internal Auditing
- ISAE 3402
- ISO standard
- AAF 01/06
- SSE18
- AT 101 (excluding financial data)
- Other

AB

[Reported Information](#)

[Private version](#)

[Feedback and Submit](#)

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Feedback

Contact details

CM2 04

Mandatory

Public

Descriptive

General

CM2 04.1

Provide a primary and secondary contact person.

Primary contact for this submission

First name	Saskia
Last name	Kort-Chick
Email address	saskia.kort-chick@alliancebernstein.com

Secondary contact for this submission [optional]

First name	Linda
Last name	Giuliano
Email address	linda.giuliano@alliancebernstein.com

Data Portal contact 1

First name	Saskia
Last name	Kort-Chick
Email address	saskia.kort-chick@alliancebernstein.com

Data Portal contact 2

First name	Linda
Last name	Giuliano
Email address	linda.giuliano@alliancebernstein.com

Below is our current list of contacts for your organisation. If you need to change anything, please complete your changes in the form below, then scroll down to the bottom of the form to the line "Do you wish to add more contacts", where you will see a "Submit" button to update this form.

After using "Submit" button, please click "Save & Next" to continue

Test

Final review and submission

CM2 05	Mandatory	Public	Descriptive	General
---------------	------------------	---------------	--------------------	----------------

CM2 05.1	<p>Thank you for completing the PRI reporting framework. Click the links below to review how your reported information will be presented in two separate reports: the public RI Transparency Report (to be published on the PRI website) and the Private RI report (confidential, for internal review and use). If you have responded incorrectly to any indicators, please return to these indicators in the Online Reporting Tool and adjust accordingly</p>
-----------------	--

Download your reports:

Your private RI report (confidential)			
Your public RI Transparency report (to be published on the PRI website)			

CM2 05.2	<p>Indicate if you give PRI permission to publish your RI Transparency Report. Once your report is submitted, you will not be able to modify your responses and information you have marked as public will automatically be published on the PRI website</p>
-----------------	--

I give the PRI permission to publish any information I have marked as public.

CM2 06	Mandatory	Public	Descriptive	General
---------------	------------------	---------------	--------------------	----------------

You can submit your responses to the PRI reporting framework by clicking "I hereby submit my response" and the "Confirm" button.

I hereby submit my response