



AB Managed Volatility Equities—Carbon Offset Class

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Important Notice

AB Managed Volatility Equities—Carbon Offset Class APIR ACM3950AU referred to in this Information Memorandum (IM) as the “MVE-Carbon Offset Class” is a unit class of the AllianceBernstein Managed Volatility Equities Fund (Managed Fund) ARSN 099 739 447 (Fund). This IM is a summary of the significant information you need to consider to make a decision about the MVE—Carbon Offset. It is important that you read this IM before making a decision to invest in the MVE-Carbon Offset Class.

The information outlined in this IM is general information only and has been prepared without taking into account the investment objectives, financial situation or needs of any particular investor. You should consider the appropriateness of the information for your situation before you decide to invest. You should obtain financial advice tailored to suit your personal circumstance before investing in the MVE-Carbon Offset Class.

An investment in the MVE-Carbon Offset Class does not represent deposits or other liabilities of AllianceBernstein Investment Management Australia Limited (ABIMAL) or any other person. None of ABIMAL, its related bodies corporate, officers, employees or agents guarantees in any way the performance of the MVE-Carbon Offset Class or, repayment of capital from the Fund, any particular return from, or any increase in, the value of the MVE-Carbon Offset Class. This investment is subject to investment and other risks, which could involve delays in the repayment or loss of income or your amount invested.

About this IM

ABIMAL prepared this IM and is the issuer of the units in the MVE-Carbon Offset Class. This IM does not constitute an offer or invitation in any place where, or to any person to whom, it would be unlawful to make such an offer or invitation. No action has been taken to register this IM in any jurisdiction outside Australia. The distribution of this IM in jurisdictions outside Australia may be restricted by the laws of those jurisdictions. A failure to comply with these restrictions may constitute a violation of the laws in those jurisdictions. Offers in the MVE-Carbon Offset Class cannot be made within the United States or sold on account of or for the benefit of “US persons”.

Qualified Investors Only

This IM is intended to be provided for offers of units in a managed investment scheme that does not need a product disclosure statement under the Corporations Act. This IM is intended for distribution to those investors who are wholesale clients for the purposes of Part 7.9 of the Corporations Act only (Qualified Investor). This IM is not intended for, should not be distributed to, and should not be construed as an offer or invitation to, any other person. It is not required to be lodged with, nor has it been authorised by, the Australian Securities and Investments Commission (ASIC).

References in the IM to “ABIMAL”, “we”, “us” or “our” refer to AllianceBernstein Investment Management Australia Limited.

Updates to this IM

Information in this IM is current as at the date of this IM but may change from time to time. Any change not materially adverse will be provided at alliancebernstein.com.au. Please check our website or contact your financial adviser for any updates prior to investing in the MVE-Carbon Offset Class. A paper copy of any updated information including the IM (or any supplementary documents) will be provided free of charge upon request.

AB Managed Volatility Equities—Carbon Offset Class

1. About AllianceBernstein Investment Management Australia Limited

AllianceBernstein Investment Management Australia Limited (**we, us, our or ABIMAL**) is the responsible entity of the AllianceBernstein Managed Volatility Equities Fund and is responsible for ensuring that the MVE-Carbon Offset Class is managed in accordance with the governing documents and performs the day-to-day administration.

We have appointed a related company AllianceBernstein Australia Limited (ABAL) ABN 53 095 022 718 AFSL No. 230698 as the investment manager of the MVE-Carbon Offset Class. ABAL has in turn engaged AllianceBernstein L.P. to manage a portion of the MVE-Carbon Offset Class' assets. We are a subsidiary of AllianceBernstein L.P. and part of the AllianceBernstein group (AB).

AllianceBernstein L.P. is a leading global investment management firm that offers high-quality research and diversified investment services to institutional investors, individuals and private wealth clients in major world markets.

As of 31 August 2023, AB managed US\$694 billion in assets for clients, including mutual funds, pension plans, superannuation schemes, charities, insurance companies, central banks, and governments.

2. How the AB Managed Volatility Equities—Carbon Offset Class Works

The Fund is a registered managed investment scheme with multiple unit classes, each unit class with different rights and obligations. We treat all investors in the same class of units equally and investors in different classes of units fairly. The units offered under this IM are units in the MVE-Carbon Offset Class. The MVE-Carbon Offset Class is governed by the Fund's Constitution. The Constitution sets out the rules and procedures under which the Fund, including the MVE-Carbon Offset Class, must operate.

In accordance with the Constitution, we must allocate the assets of the Fund to one or more classes, so that the units in a class represent an interest in the assets allocated to that class only. Amounts invested for the issue of MVE-Carbon Offset Class units under this IM will be allocated to the MVE-Carbon Offset Class and will be held separately from the amounts invested by investors in other classes of units. The investment manager uses the amounts allocated to the MVE-Carbon Offset Class to buy assets on behalf of all investors in that unit class in accordance with the relevant investment strategy. Please see section 4 "Risks of managed investment schemes" for more information on the Fund having multiple classes.

When you invest you will be issued with units in the MVE-Carbon Offset Class. Units in the MVE-Carbon Offset Class represent your beneficial interest in the assets of the MVE-Carbon Offset Class as a whole. You do not have an entitlement to any particular asset of the MVE-Carbon Offset Class or the Fund. We will calculate a price for your units (unit price) and keep a record of the units you have acquired. Unit prices are calculated in accordance with the constitution and our unit pricing policies. Any discretion used to calculate a unit price is exercised in line with our unit pricing policies. A copy of our discretionary pricing policy is available upon request

free of charge. Your unit prices will rise or fall as the market value of the MVE-Carbon Offset Class' assets rise or fall. You can increase your units by making additional investments or reinvesting income distributions and decrease your units by making withdrawals.

Unit Prices

A unit price is usually calculated every business day. A business day means a day on which banks are open for business in Sydney, except a Saturday, Sunday or public holiday. The unit price for the MVE-Carbon Offset Class for a business day is calculated as that day's market value of assets less accrued expenses and other liabilities divided by the number of units on issue.

MVE-Carbon Offset Class application and withdrawal prices are determined by adding to, or subtracting from the unit price our estimate of transaction costs, commonly called the buy/sell spread. Please refer to section 5 "Additional explanation of fees and costs" for further information on the buy/sell spread.

Investing

Persons who are Qualified Investors may apply to invest in the MVE-Carbon Offset Class (see page 1 of this IM for the definition of "Qualified Investor"). To invest in the MVE-Carbon Offset Class you will need to send us a completed Application Form, together with other documents requested (such as satisfactory identification) and pay your investment amount.

Provided you continue to be a Qualified Investor you may add to your investment at any time by sending us a new Application Form or your written instructions and pay your additional investment amount.

The following minimum investment amounts apply

Minimum initial investment	\$500,000
Minimum additional investment	\$25,000

We have the discretion to accept lower amounts, change the minimums that apply and reserve the right not to accept an application for any reason.

Please see section 7 "How to apply" for more information.

Withdrawing

You can withdraw all or part of your investment by sending us a completed Withdrawal Request Form (available from us) or a written withdrawal request. Your written withdrawal request must include:

- the name of the fund you invested in i.e. AB Managed Volatility Equities—Carbon Offset Class;
- your account number;
- the value or number of units to be withdrawn;
- if you have not already provided your bank account for payment of withdrawals, please include details of your account with an Australian bank or financial institution. Accounts provided must be in your name as payments will not be made to third party accounts;

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- your contact details should we need to contact you about your withdrawal; and
- your signature or the signature of your authorised nominee.

Withdrawal requests may be sent by mail, courier or fax and must be received by us at:

- AllianceBernstein Unit Registry C/- LINK Market Services Limited Locked Bag 5038 Parramatta NSW 2124; or
- (02) 9287 0372.

We may change the place at which withdrawals are to be received and the withdrawal cut-off time.

Please contact us on (02) 9255 1299 or by email on aust_clientservice@alliancebernstein.com with any queries.

By transacting via fax you will be taken to have agreed to and be subject to the terms and conditions set out in the Application Form.

Withdrawal proceeds will normally be paid to your Australian bank account within 10 business days following the date of receipt of a valid withdrawal request. However, the constitution allows us up to 21 days to pay withdrawal requests, unless withdrawals are suspended in accordance with the constitution. In addition, large withdrawal requests of more than 5% of the Fund may be redeemed and paid in separate amounts over a period of up to 30 days.

A withdrawal request may not be cancelled without our consent.

We have the power to redeem compulsorily your units in certain circumstances, including where you cease to be a Qualified Investor (see page 1 of this IM for the definition of “Qualified Investor” and page 5 of this IM for details on Compulsory redemption risk) or, if you hold less than the minimum holding (currently \$500,000).

How Your Transaction Is Processed

The cut-off time for the receipt of application and withdrawal requests is 2pm each business day. Validly completed application and withdrawal requests received before the 2pm cut-off on a business day will normally be processed using the application or withdrawal price applicable for that business day. Since market values are not available until after the end of the business day when the markets have closed, the MVE-Carbon Offset Class application and withdrawal prices are calculated up to two business days later.

Valid application and withdrawal requests received after the 2pm cut-off will normally be processed for the next business day.

Restrictions on Withdrawals

In certain circumstances you may not be able to withdraw your investment within the usual time period upon request.

We may suspend or freeze withdrawals where we believe it would not be in the best interests of investors taken as a whole to sell sufficient assets to satisfy a withdrawal request due to circumstances out of our control (such as market closures and trading restrictions or the Fund has become illiquid per the Corporations Act).

Distributions

The MVE-Carbon Offset Class normally distributes quarterly at 30 September, 31 December, 31 March and 30 June. However, we have the discretion to change the distribution frequency and to make additional distributions during any interim period out of income or capital.

Distributions are usually calculated based on the MVE-Carbon Offset Class' net taxable income which may include taxable net capital gains divided by the units on issue. Your distribution amounts are not guaranteed and will vary. The distribution amount you receive will depend on the units you hold at the end of a distribution period. Where we consider it appropriate we may:

- distribute amounts exceeding net taxable income;
- pay a percentage of the MVE-Carbon Offset Class total return for a period;
- withhold components of net taxable income; and
- declare extra distributions in circumstances when we believe it to be in the best interests of investors taken as a whole to do so, for example during periods of receipt of high volumes of withdrawal requests or after receipt of a large withdrawal request but before commencing to satisfy the large withdrawal request.

Unit prices may fall after the end of each distribution period because the distribution amounts payable to investors reduce the MVE-Carbon Offset Class' assets.

You can choose to have distributions reinvested into additional units or paid in cash directly into your account with an Australian bank or financial institution. If you do not choose cash, we will automatically reinvest your distributions. Distributions are usually paid within 14 business days of the end of the distribution period.

AB Managed Volatility Equities—Carbon Offset Class

3. How We Invest Your Money

AB Managed Volatility Equities—Carbon Offset

MVE-Carbon Offset Class description

The MVE-Carbon Offset Class is designed for equity investors seeking:

- lower volatility;
- reduced downside risk in falling equity markets;
- the potential for long term capital growth and some income, including franked Australian dividend income; and
- an investment which aims to achieve carbon neutral emissions by measuring greenhouse gas emissions associated with its portfolio holdings and seeking to offset these emissions through the purchase and retirement of carbon credits.

The MVE-Carbon Offset Class invests mainly in Australian Securities Exchange (ASX) listed shares with up to 20% of its assets in global developed market shares and has the ability to hold up to 20% in cash, for example as a short term defensive measure at times of heightened equity market volatility.

The MVE-Carbon Offset Class implements an investment strategy comprising three main elements:

- a managed volatility equities strategy that aims to reduce volatility by identifying, and investing in, high quality listed equity securities that have reasonable valuations, high quality cash flows and relatively stable share prices;
- the incorporation into investment decisions of the MVE-Carbon Offset Class includes an estimated cost of offsetting the net greenhouse gas emissions for individual companies based on their emissions and the cost of offsetting these emissions. If a company has high greenhouse gas emissions, it is a less attractive target for investment because of the increased cost required to offset its greenhouse gas emissions. However, it is possible that shares in companies with high emissions can be held if they are attractive investments even after incorporating the cost of offsetting these emissions. The carbon price used for this process is reviewed periodically;
- to the extent the portfolio has net greenhouse gas emissions, notwithstanding our investment process, the MVE-Carbon Offset class seeks to neutralize the net greenhouse gas emissions by engaging third parties to facilitate the cancellation or retirement of carbon credits (certified by applicable regulators and/ or accreditation bodies as determined by us). This will generally be done on a quarterly basis though may be implemented at other frequencies at our discretion. When cancelling and retiring carbon credits, MVE adheres to Climate Active's Carbon Neutral Standards for Organisations or another independent organization for the setting of standards, which stipulates a set of eligible offset units¹

MVE-Carbon Offset Class determines the emissions from the portfolio^{2,3} by reference to the emissions of the companies which are held in the portfolio. For example, if MVE-Carbon Offset Class owns 1% of a company for one year, 1% of the company's yearly greenhouse gas emissions will be attributed to the portfolio. The emissions of a company are calculated in accordance with the definition of Scope 3 Category 15 emissions in the Greenhouse Gas Protocol⁴. Data to determine company emissions are provided by third parties⁵.

The MVE-Carbon Offset Class does not always hedge the foreign currency exposures of its global equity assets to Australian dollars but the investment manager has the discretion to determine the extent to which any foreign currency exposure is reduced or removed. For example, the investment manager may decide not to remove a foreign currency exposure if it believes it offers defensive characteristics which would assist in lowering the volatility of the MVE-Carbon Offset Class.

The MVE-Carbon Offset Class may also invest in preference shares, rights, convertibles, warrants, securities we reasonably expect to be listed within six months including initial public offerings, listed trusts and/or other synthetic foreign equity securities.

Derivatives may be used to manage risks, invest cash, manage volatility and gain or reduce investment exposures or to engage third parties to facilitate the cancellation or retirement of carbon credits. Derivatives will not be used for leveraging or gearing purposes.

Asset classes and asset allocation ranges

The following asset allocations are the expected ranges over the medium to long term but they can be exceeded over the short term:
 Australian Shares 60%–100%
 Global Shares 0%–20%
 Cash 0%–20%

Investment return objective

The MVE-Carbon Offset Class aims to achieve returns that exceed the S&P/ASX 300 Accumulation Index after fees over the medium to long term and to reduce net greenhouse gas emissions associated with its portfolio holdings. There is no guarantee that the MVE-Carbon Offset Class will achieve this objective or produce any returns.

1 See Climate Active Carbon Neutral Standards for Organisations, Appendix A: Eligible Offset Units. Available at <https://www.climateactive.org.au>. Previously published by the Clean Energy Regulator as the National Carbon Offset Standard, Appendix A.
 2 Portfolio emissions are calculated using the Investment Specific Method for Scope 3 Category 15 emissions set out in the Green House Gas protocol. See GHG Protocol: Technical Guidance for Calculating Scope 3 Emissions, Category 15: Investments. Available at <https://ghgprotocol.org/sites/default/files/2022-12/Chapter15.pdf>
 3 The functional unit used to set the emissions boundary for MVE-Carbon Offset is the underlying investments of the investment product itself. This excludes the operational scope 1 and scope 2 emissions of AllianceBernstein and any share of those emissions which may be attributable to the MVE-Carbon Offset Class.
 4 MVE-Carbon Offset Class calculates a potential investee's emissions as the sum of the company's Scope 1 and Scope 2 emissions. For companies which extract and sell fossil fuels, the downstream Scope 3 emissions (i.e., arising from the burning of those fossil fuels) are included in addition to the company's Scope 1 and Scope 2 emissions, as these emission are deemed to be material to the company. Scope 3 emissions for companies which do not produce and sell fossil fuels are not included. This approach is consistent with the Investment-specific method for calculating emissions from equity investments described in the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions, Category 15: Investments, available at <https://ghgprotocol.org/sites/default/files/2022-12/Chapter15.pdf>.
 5 MCSI provides data on company Scope 1 and Scope 2 emissions. Downstream scope 3 emissions for fossil fuel companies are calculated by converting the extracted volumes of fossil fuels into GHG emissions. This is done using production data disclosed by the companies, intensity factors published by the National Greenhouse Account Factors (Australian Department of Climate Change, Environment, Energy, and Water), and conversion factors from the BP Statistical Review of Energy.

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Risk level	High. The MVE-Carbon Offset Class aims to produce higher returns and therefore carries a higher level of risk than an investment that aims to produce more modest returns.
Switching	The MVE-Carbon Offset Class only has one investment option. Switching is not available.
Labour, environmental, social and ethical standards	<p>Environmental, social, and governance (including ethical and labour) (“ESG”) factors can impact performance. As a result, ESG factors are integrated into our investment process in order to identify investment risks and opportunities. These factors are a component of our research process that help to inform whether we invest in, continue to hold or sell any particular security. For our approach to integration of ESG factors see Section 8 below.</p> <p>In addition to our activities that seek to reduce net greenhouse gas emissions, we exclude companies directly involved in the manufacture of tobacco products (MSCI GICS industry 302030), companies deriving 30% or more of their revenue from the production and mining of coal & consumable fuels but excluding companies primarily producing gases classified in the Industrial Gases sub-industry, companies primarily mining for metallurgical (coking) coal used for steel production and coal mined for internal power generation (e.g. in the case of vertically integrated power producers) intra-company sales of mined thermal coal, and revenue from coal trading (MSCI GICS sub-industry 10102050), and investments in entities directly involved in the manufacture of cluster munitions or controversial weapons, and investments in entities directly involved in nuclear power generation. Apart from the above exclusions, we do not have a predetermined list of securities or industry sectors in which we will not invest. Instead we consider these factors, as we become aware of them and on a case by case basis, in our investment decisions. ESG factors also form part of our engagement with issuers and are considered when exercising voting rights. We are a signatory to the United Nations supported Principles for Responsible Investment.</p>
Changes to MVE-Carbon Offset Class details	The statements in this section are current at the date of this IM. We have the right to make changes to the MVE-Carbon Offset Class from time to time. We will notify you of any changes as required by the Corporations Act or the constitution of the Fund.

4. Risks of Managed Investment Schemes

All investments carry risk and different investment strategies may carry different levels of risk depending on the assets held. Generally, assets with the highest long-term returns may also carry the highest levels of risk.

The value of your investment in the MVE-Carbon Offset Class and its investment returns will vary up or down as the value of the MVE-Carbon Offset Class’ investments vary and future returns may differ from past returns. The returns of the MVE-Carbon Offset Class are not guaranteed and you could receive back less than you initially invested. Laws affecting managed investment schemes may change in the future. Your appropriate level of risk will vary depending on a number of factors including your age, investment time frames, where other parts of your wealth are invested and your overall financial circumstances and tolerance to risk.

We aim to minimise some of the MVE-Carbon Offset Class’ risks by investing in accordance with the MVE-Carbon Offset Class’ investment strategy, monitoring the MVE-Carbon Offset Class and acting in your best interests. However, risk cannot be eliminated so it’s important that you consider your appropriate level of risk before making a decision.

The significant risks of investing in the MVE-Carbon Offset Class are typical for a fund that invests in Australian and global equity securities. These risks include:

Market risk

Market risk is the potential for loss due to a decline in the investment markets and the decline in market prices for an asset. Factors that can affect investment markets include economic cycles, investor demand levels, business confidence, interest rates, low liquidity, government policies, political unrest, wars, terrorism, pandemics and natural, nuclear and environmental disasters.

Individual investment risk

This is the risk associated with an individual investment held in the MVE-Carbon Offset Class. The value of your investment in the MVE-Carbon Offset Class is dependent on the performance of the individual investments held by the MVE-Carbon Offset Class. The values of individual assets can vary up or down for many reasons including but not limited to changes in a company’s financial or operating circumstances.

Foreign investments risk

Assets issued by foreign governments and foreign companies are generally denominated in foreign currencies. This involves certain risks not typically associated with investing in Australian assets. These risks include changes in exchange rates and exchange control regulations; geopolitical and social instability; expropriation; imposition of foreign taxes; less liquid markets; less available information than is generally the case in Australia; higher transaction costs; less government supervision of exchanges, brokers and issuers; difficulty in enforcing contractual obligations; lack of uniform accounting and auditing standards; and greater price volatility. The MVE-Carbon Offset Class does not always hedge the risk associated with exchange rate changes but the investment manager has the discretion to determine the extent to which any foreign currency exposure is reduced or removed. The MVE-Carbon Offset Class uses foreign currency forward contracts in its currency hedging activities. The costs associated with hedging the MVE-Carbon Offset Class’ currency risk will be borne by the MVE-Carbon Offset Class, and there is no guarantee that the MVE-Carbon Offset Class’ currency exposure will be hedged.

Greenhouse gas emissions calculation risk

Although we seek to use best practice in the calculation of greenhouse gas emissions attributable to the portfolio and the offsetting of those emissions, the standardisation of carbon accounting continues to evolve and the achievement of carbon neutrality for the portfolio is an aim and not a guarantee.

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Carbon offsetting risk

The MVE-Carbon Offset Class will enter into arrangements with third parties to have carbon credits cancelled or retired. A carbon offset (also known as a carbon credit) is an undertaking which is intended to prevent, reduce or remove greenhouse gas emissions from being generated or released into the atmosphere to compensate (or offset) for emissions occurring elsewhere. We will use third party and internally generated information to estimate the greenhouse gas emissions associated with the MVE-Carbon Offset Class' holdings and the costs associated with offsetting these greenhouse gas emissions. There is a risk that net greenhouse gas emissions associated with the MVE-Carbon Offset Class' holdings are not offset or reduced. This could be due to various reasons including but not limited to potential inaccuracies or omissions in the data or models we use to estimate greenhouse gas emissions, a failure by an appointed third party service provider, ineffective or incomplete carbon abatement from projects tied to carbon credits, insufficient supply of carbon credits in the market, or the cost to reduce greenhouse gas emissions rise to the extent that offsetting greenhouse gas emissions is no longer viable. There is no guarantee that the net greenhouse gas emissions of the MVE-Carbon Offset Class' investment activities will always be offset or reduced.

Derivatives risk

The MVE-Carbon Offset Class may use derivatives as an alternative to direct purchases of assets or to manage exposures and risks. The MVE-Carbon Offset Class may also enter into derivative arrangements with third parties for the cancellation or retirement of carbon credits. Derivatives also create additional risks such as default risk or the possibility that the derivative position is difficult or costly to reverse or that it does not perform as expected. Some transactions may give rise to a form of leverage, which creates the opportunity for greater returns and also magnifies potential losses. Some derivatives require security (collateral) margin, meaning the Class must deliver cash or other securities to a counterparty.

Liquidity risk

Liquidity risk is the risk that assets cannot be sold at all or quickly enough to avoid or minimise a loss. A lack of liquidity may also affect the amount of time it takes for us to satisfy withdrawal requests. There is no secondary market for the resale of units in the MVE-Carbon Offset Class and none is expected to develop. While you may submit withdrawal requests, if we were to receive one or more withdrawal requests, we might be unable to liquidate sufficient MVE-Carbon Offset Class assets to meet such withdrawals and we might exercise our discretion to suspend withdrawals.

Where the Fund is illiquid for the purpose of the Corporations Act, withdrawals may only be made in accordance with the procedures in the Corporations Act. This means that you will only have a right to redeem when we make an offer to all investors in the Fund to redeem a certain amount. Accordingly, investments in the MVE-Carbon Offset Class within the Fund should be considered only by investors who determine that the investment will not interfere with their liquidity requirements.

Compulsory redemption risk

Under the constitution, we have the power to redeem your MVE-Carbon Offset Class units compulsorily without receiving a redemption request from you. If you cease to be a Qualified Investor for any reason (see page 1 of this IM for the definition of a "Qualified Investor") or if we determine to close the MVE-Carbon Offset Class if it fails to reach reasonable scale we will redeem all of your units without you giving us a redemption and you will receive your redemption proceeds and cease to hold an investment in the MVE-Carbon Offset Class.

Operational risk

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, human error, system failures or external events. It also includes cyber risk; risk of fraud, data loss, business disruption or damage to the information of the Fund or investors' personal information as a result of a threat or failure to protect the information or data stored within systems and/or service providers.

Conflicts of interest risk

Conflicts of interest may arise from time to time. Arrangements exist across AB which seek to identify, mitigate, manage and report any actual or potential conflicts of interest.

Conflicts are minimised by the structure of our business. We do not take market positions on behalf of AB. The services of related entities, including the services of affiliated brokers, may be used. Related entity activities are contracted on an arm's length commercial basis.

Directors and employees of AB or their related bodies corporate may, from time to time, invest in and hold units in the funds issued by AB.

Fund/Class risk

Fund risk includes the possibility that the Fund and the MVE-Carbon Offset Class could be suspended, terminated or there are changes to rules, features, its structure (such as issuing additional or closing unit classes) fees and costs, parties (such as its responsible entity and investment manager) and laws (including taxation laws) applicable to registered managed investment schemes. There is also a risk that investing in the MVE-Carbon Offset Class may give different results than investing directly. This is because your money is pooled with other investors and their applications and withdrawals together with our investment decisions may impact your entitlements to taxable income and capital. For example, the MVE-Carbon Offset Class may or may not participate in share buy-backs and depending on your particular circumstances, this may or may not benefit you.

ESG integration risk

Assessment of ESG integration into our investment process is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed.

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5. Fees and Costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the MVE-Carbon Offset Class assets as a whole.

You should read all information about fees and costs because it's important to understand their impact on your investment.

Type of Fee or Cost	Amount
Fees when your money moves in or out of the MVE-Carbon Offset Class	
Establishment fee:	Nil
Contribution fee:	Nil
Withdrawal fee:	Nil
Termination fee:	Nil
Management fees and costs	
Management fee —The fees and costs for managing your investment	0.35%* of the net asset value of the MVE-Carbon Offset Class per annum
Plus the cost of reducing greenhouse gases ("carbon credit cost")	0.12% of the net asset value of the MVE-Carbon Offset Class per annum
Total Management fees and costs of the MVE-Carbon Offset Class per annum	0.47% of the net asset value of the MVE-Carbon Offset Class per annum

**The amount of this fee may be individually negotiated. Please refer to section 6 of the Additional Information for more information about individually negotiated fees.*

All fees shown are inclusive of GST and net of any applicable Reduced Input Tax Credits (RITC).

Additional Explanation of Fees and Costs

Management fees and costs

Under the constitution we are entitled to charge a management fee of up to a maximum of 3% per annum (exclusive of GST). We agree to waive part of this fee until further notice such that the total amount paid out of the MVE-Carbon Offset Class for its management fee is 0.35% per annum. The year to 30 June 2023 Management fee was 0.35%. The 0.35% Management fee includes our fees, custody fees, administration costs audit and tax adviser fees but excludes indirect costs, abnormal costs, transaction costs and the carbon credit cost.

In addition to the management fee the MVE-Carbon Offset Class also incurred a carbon credit cost of 0.12% per annum of the net asset value of the MVE-Carbon Offset Class for the year ended 30 June 2023. The carbon credit cost is not paid out of the 0.35% Management fee and may increase or decrease from year to year.

Whilst nil for the 12 months to 30 June 2023, the MVE-Carbon Offset Class may also incur indirect costs and abnormal costs. Indirect costs are costs incurred that directly or indirectly reduce returns, such as costs associated with derivative usage and costs of

interposed entities. Abnormal costs include expenses such as the cost of holding investor meetings, defending legal actions, opening or renewing or administering investment markets or terminating the MVE-Carbon Offset Class or the Fund. Indirect and abnormal expenses will not be paid out of the 0.35% Management fee shown in the table above.

Indirect and abnormal expenses (if incurred) will have the effect of increasing the amount of management costs borne by you.

The Management fees are calculated and deducted daily from the MVE-Carbon Offset Class' application and redemption prices and are paid monthly or quarterly in arrears from the assets of the MVE-Carbon Offset Class. We will estimate the daily carbon credit cost at least each calendar quarter and will accrue this estimate in the daily unit price. The MVE-Carbon Offset Class will usually pay the carbon credit costs quarterly in arrears from the assets of the MVE-Carbon Offset Class and is therefore an additional cost to you and will reduce your returns.

Transaction costs

The MVE-Carbon Offset Class will also incur transaction costs, including but not necessarily limited to brokerage, settlement costs, stamp duties, buy/sell spreads, bid/ask spreads and clearing fees when you invest in or withdraw from the MVE-Carbon Offset Class and when we buy and sell its assets or settle transactions. Transaction costs are paid out of the MVE-Carbon Offset Class' assets. Brokerage is paid each time the MVE-Carbon Offset Class buys and sells its assets. Other transaction costs are paid when incurred and/or upon receipt of each invoice.

The MVE-Carbon Offset Class will recover an estimate of the transaction costs which are incurred or which would be incurred when buying or selling assets to satisfy your application or withdrawal request via a buy/sell spread which is included in the price of your units. Therefore, you will pay the buy/sell spread each time you acquire or dispose of MVE-Carbon Offset Class units. We include the buy/sell spread in the price of your units to seek to reduce the impact on existing investors of the transaction costs associated with the applications or withdrawals of MVE-Carbon Offset Class' units. The MVE-Carbon Offset Class retains any benefit of the buy/sell spread. Any transaction costs not recovered by the buy/sell spread charged by us reduces your unit value and would therefore be an additional cost to you.

As at the date of this IM, the current buy spread added upon application to the unit price is 0.25% of the unit price and upon withdrawal the current sell spread deducted from the unit price is 0.25% of the unit price. There is no buy/sell spread on income distributions reinvested.

The buy/sell spread may change if our estimate of transaction costs changes where:

- the price of transaction costs changes; or
- an investor applies with assets instead of cash or an investor receives assets upon withdrawal instead of cash; or
- there are simultaneous application and withdrawal of requests by different investors.

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Negotiated (differential) fees

As permitted by the Corporations Act and ASIC relief we may individually negotiate a reduced management fee with certain individuals, such as, wholesale clients, as defined under the Corporations Act or IDPS operators. Please contact a or your AB Client Relations representative on (02) 9255 1299 or by email on aust_clientservice@alliancebernstein.com for more information.

Changes in fees and costs

All fees and costs are current at the date of this IM and are subject to change without your consent. If we increase the Management fees and costs we will give you 30 days prior written notice. However, we will not usually provide investors with advance notice of changes to Management fees and costs that relate to carbon credit costs, indirect costs and abnormal costs or transaction costs including buy/sell spreads.

Management fees and costs may change for many reasons including but not limited to an increase or decrease in the MVE-Carbon Offset Class' administrative, custody or investment management costs. Any changes to the fees will be in accordance with the constitution.

6. How Managed Investment Schemes Are Taxed

Investing in a registered managed investment scheme is likely to have tax consequences. The following taxation information is general only and should not be treated as providing a definitive explanation of all tax issues associated with investing in the MVE-Carbon Offset Class. Income tax laws are complex and subject to continual change by the legislators and in their interpretation by the courts. We strongly advise you to seek professional tax advice before investing in the MVE-Carbon Offset Class.

The Fund is an Australian resident trust estate for tax purposes. The Fund has made an election to be treated as an Attribution Managed Investment Trust (AMIT) and has made an election to treat each unit class as a separate AMIT for tax purposes. On the basis that all of the trust components of each unit class (including the MVE-Carbon Offset Class) are attributed to the investors of each unit class on a fair and reasonable basis under the AMIT regime, the Fund's unit classes should be treated as separate flow through trusts for tax purposes. This means that investors should be taxed on their assessable attributed amounts, and the Fund (as a whole) should not be subject to Australian income tax.

Eligible managed investment trusts (MITs) may make an irrevocable election to apply a deemed capital account treatment for gains and losses on disposal of certain eligible investments (including equities and units in other trusts). The Fund has made the election to be on capital account. Therefore, subject to the Fund continuing to meet the eligibility requirements to be a MIT, gains and losses on the MVE-Carbon Offset Class' eligible investments will be treated on capital account.

In the case where the MVE-Carbon Offset Class makes a loss for tax purposes, it cannot distribute the loss to investors nor offset the loss against income of another unit class. However, subject to the MVE-Carbon Offset Class satisfying certain requirements (in respect of revenue losses), it may be able to carry forward the loss to offset against income or capital gains (as appropriate) in subsequent years.

Attribution Managed Investment Trust (AMIT) Regime

As the Fund has made an election to be treated as an AMIT, its taxable income components will be allocated to investors on a "fair and reasonable" attribution basis.

AMITs also enjoy other benefits including:

- deemed fixed trust treatment;
- codified "unders and overs" rules;
- upward cost base adjustments to mitigate potential double taxation where the cash distribution is less than the taxable income attributed to the investor (after adjusting for certain items such as any capital gains discount (see below) and tax credits);
- the ability to elect for multiple classes of units to be treated as though each class is a separate AMIT for tax purposes (as discussed above); and
- the option of streaming capital gains and income arising from large redemptions to exiting investors.

Quoting your Tax File Numbers (TFN) and Australian Business Numbers (ABN)

Investors may quote their TFN (or ABN if units are held in the course or furtherance of an enterprise) in relation to their investment in the MVE-Carbon Offset Class. It is important to be aware that although it is not an offence to fail to quote a TFN or ABN, in the event that we are not notified of a TFN, ABN or exemption, tax must be deducted from distributions at the highest marginal rate, plus Medicare Levy.

Distributions from the MVE-Carbon Offset Class

Investors in the MVE-Carbon Offset Class will be subject to tax on their attributed trust components under the AMIT regime.

Your liability for tax in respect of the income of the MVE-Carbon Offset Class is determined by reference to the financial year in respect of which the income is attributed, even though it may not have been received in that year or is reinvested.

The income attributed to investors of the MVE-Carbon Offset Class may include "other non-attributed" amounts and capital gains, as well as tax offsets.

Tax offsets may include franking credits attached to Australian dividend income or credits for foreign tax paid on foreign income. A tax offset for the credits may be available in calculating your tax liability, depending on your specific circumstances. Excess franking credits may be refundable to resident individuals and complying superannuation entities. You should determine your eligibility to claim the benefit of these credits based on your individual circumstances. For investors holding their units in the MVE-Carbon Offset Class on capital account, other non-attributable amounts are generally not subject to tax, but may reduce the cost base of your units for capital gains tax purposes. Examples of these amounts include returns of capital as well as amounts attributable to deductions for building allowances and capital allowances claimed in underlying investments. Should the cost base of an investor's units be reduced to zero, any subsequent excess amount should be recognised as a capital gain by the investor.

Capital gains attributed by the MVE-Carbon Offset Class should be eligible to benefit from the capital gains discount where the relevant assets of the MVE-Carbon Offset Class have been held for 12 months or more (excluding the acquisition date and disposal date).

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To the extent that a distribution from the MVE-Carbon Offset Class includes a discount capital gain concession, and the investor holds their units on capital account, the amount is not assessable income. Investors that are companies and complying superannuation entities will not receive the full benefit (or any benefit) of the discount capital gain concession (whether distributed or not) in determining their net capital gain. This is because companies are not entitled to the discount concession and the discount concession rate applying to complying superannuation entities is lower than that which applies to trusts and individuals (refer to “Disposal of your investment” below).

The former Australian Government announced a proposed amendment to the law to remove the discount capital gain concession at the trust level for MITs and AMITs, such that investors who are eligible for the discount concession would apply their relevant discount rate to the gross capital gain attributed by the MVE-Carbon Offset Class. The current Government has not confirmed whether the proposal will proceed. If it proceeds, it is expected to apply to income years commencing on or after 3 months after the date of Royal Assent of the enabling legislation.

Details of the tax components of your attributed trust components and any cost base adjustments required will be provided in an AMIT member annual statement (AMMA) for the MVE-Carbon Offset Class issued to each member.

Disposal of your investment

You may also be liable to pay tax on gains realised on the disposal of your units in the MVE-Carbon Offset Class.

Investors holding their units in the MVE-Carbon Offset Class on capital account may be eligible for the capital gains discount of one half for individuals and trusts or one third for complying superannuation entities, where the units have been held for 12 months or more (excluding the acquisition date and disposal date) and other conditions are satisfied. Companies are not eligible for the capital gains discount.

For investors acquiring units in the MVE-Carbon Offset Class as part of a business of trading or investing in securities or for the purpose of profit making by sale, any profits may be taxed as ordinary income rather than as capital gains.

If you redeem your units in the MVE-Carbon Offset Class, your redemption proceeds may also include income or capital gains arising to the MVE-Carbon Offset Class as a result of the disposal of assets to fund the redemption, as well as your share of the income of the MVE-Carbon Offset Class at the time of redemption. Any such income or gains attributed to you should be included in your assessable income for that year, consistent with the information provided in the AMMA statement, as discussed above.

Investors subject to TOFA fair value or financial reports elections

The taxation of financial arrangements (TOFA) provisions may apply to some investors. However, units in a trust are generally excluded from TOFA unless the investor has made a fair value election or an election to rely on financial reports. For investors that are subject to TOFA and have made either the fair value or financial reports election, the tax implications of holding units in the MVE-Carbon Offset Class will differ to those set out above. As the TOFA provisions are complex, it is recommended that investors seek their own professional advice, specific to their own circumstances, should TOFA apply to them.

Taxation of non-resident investors

Australian tax may be deducted, at appropriate rates, from certain distributions or amounts attributed to non-resident investors of certain Australian sourced income and certain capital gains. Non-resident investors will be exempt from tax on capital gains to the extent that any capital gain attributed to them arises from the disposal by the MVE-Carbon Offset Class of assets that do not constitute taxable Australian real property. A non-resident investor will generally not be subject to Australian Capital Gains Tax on disposal of their units in the MVE-Carbon Offset Class, unless they held a 10% or greater interest in the MVE-Carbon Offset Class and the majority of its assets comprise taxable Australian real property. If this is the case, there may also be tax withheld on the disposal of units. It is not expected that the MVE-Carbon Offset Class will hold a majority of taxable Australian real property.

If a non-resident investor holds their units in the MVE-Carbon Offset Class on revenue account, any profit on disposal of the units may be subject to Australian tax as ordinary income, subject to any available treaty relief.

Goods and Services Tax (GST)

No GST is payable on the application or withdrawal of your units.

Global Information Reporting

Australian financial institutions have obligations under certain global information reporting regimes such as the United States (US) Foreign Account Tax Compliance Act (FATCA) and the Organisation for Economic Co-operation and Development (OECD) Common Reporting Standard. Accordingly, we may request that investors and prospective investors provide certain information in order to meet our information gathering and reporting obligations under these reporting regimes.

7. How to Apply

To invest in the MVE-Carbon Offset Class you will need to be a Qualified Investor (see page 1 of this IM for the definition of a “Qualified Investor”). Initial applications for the MVE-Carbon Offset Class investment can only be made by you:

- sending us a completed Application Form together with other documents requested (such as satisfactory identification) by mail, courier or fax; and
- paying us your investment amount.

An Application Form is available by contacting us on (02) 9255 1299 or by email on aust_clientservice@alliancebernstein.com.

You can make additional investments and add to your investment by sending us a new Application Form or your written additional application request and making your payment. Your written additional application request should set out:

- the name of your investment - AB Managed Volatility Equities - Carbon Offset Class;
- your account name and number;
- your additional investment amount;
- the date and method of your payment; and
- your contact details should we need to contact you about your application.

All application forms must be appropriately signed.

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Valid applications comprising a completed application form together with any other documents or information requested such as satisfactory identification received by 2pm (Sydney time) on a business day will normally be processed using the application price for that business day. Applications received after the 2pm cut-off will normally be processed for the next business day.

We must comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. This means we must collect and verify information such as your identity and the source of payment of the application monies, prior to us issuing or redeeming units in the MVE-Carbon Offset Class.

We must also collect and verify information relating to your tax residency, tax status and tax identity numbers, and in some cases, information relating to any of your “controlling persons”, for the purposes of compliance with Australian legislation which applies the US Foreign Account Tax Compliance Act (FATCA) and the OECD Common Reporting Standard (CRS). The information will be provided to the Australian Tax Office who will exchange the information with the tax authorities of the US (if you are a US person) and the CRS participating jurisdictions. If you do not provide the information to us, we will not be able to process your application.

We will not accept your application request, withdrawal request or issue units unless our AML/CTF, FATCA and CRS checks have been completed to our satisfaction. We may reject any application in part or whole at our absolute discretion and need not provide any reason for doing so.

To ensure that your application or withdrawal requests are processed efficiently and not delayed or unreasonably rejected it is important that you properly complete application and withdrawal forms, immediately pay your investment amount and provide all documents and information, including satisfactory identification that we request. We will not be liable to any prospective investor for any losses incurred caused by the delay in accepting, processing or the rejection of an application or withdrawal request.

Where your application is accepted, a transaction confirmation note will be sent to you confirming the date of your application, number of units issued and your application price. No unit certificates will be issued.

Any interest earned on an applications account will be paid into the MVE-Carbon Offset Class and will not be paid to an investor.

Where to send your applications

Application forms and any other documents or information requested can be sent by mail, courier or fax and must be received by us at:

- AllianceBernstein Unit Registry C/- LINK Market Services Limited
Locked Bag 5038
Parramatta NSW 2124; or
- (02) 9287 0372

Where application forms are sent by fax, the original signed application form should also be sent to us at the above address. We or our duly appointed agents will not be responsible to an investor

for any loss resulting from the non-receipt or illegibility of any document such as an application, withdrawal or other request or for any loss caused in respect of any action taken as a consequence of such document (including a fax) believed in good faith to have originated from properly authorised persons.

We may change the place at which applications are to be received and the application cut-off time.

How to pay for your investment

Application monies must be paid to the Custodian and Administrator via cheque, direct credit, RTGS, Austraclear or SWIFT. Please indicate the selected method of payment on your application form.

Please contact us on (02) 9255 1299 or by email on aust_clientservice@alliancebernstein.com with any queries.

Complaints

We have established procedures for dealing with complaints. You can contact us during business hours on (02) 9255 1299 or write to the Complaints Officer, AllianceBernstein Investment Management Australia Limited at ComplaintsAustralia@alliancebernstein.com. A copy of our complaints policy is available at alliancebernstein.com.au or by contacting the Complaints Officer. The Complaints Officer will use reasonable endeavours to deal with and resolve the complaint within a reasonable time and in any case within 30 days. If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority, or AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Website: afca.org.au

Email: info@afca.org.au

Telephone: 1800 931 678 (free call)

In writing to: Australian Financial Complaints Authority GPO
Box 3, Melbourne VIC 3001

8. Other Information.

The Fund's Constitution

The MVE-Carbon Offset Class is governed by the Fund's constitution. The constitution binds the responsible entity and investors and sets out the rules and procedures under which the Fund including the MVE-Carbon Offset Class must operate. The constitution includes provisions dealing with:

- the duration of the Fund including terminations;
- our duties and obligations as responsible entity (and their delegation);
- our powers as the responsible entity (which are wide ranging and include the power to borrow);
- the power to offer different classes (identical rights attach to all units within a class, however the rights and obligations attaching to different classes may vary);
- our fees and reimbursement of expenses;
- the limitation of our liability and indemnification;

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- unitholder meetings;
- the method by which complaints are dealt with;
- the calculation, entitlement to and distribution of income, including streaming taxable income to exiting investors, when applicable;
- the calculation of unit application and withdrawal prices and related mechanisms;
- the right to compulsorily redeem your units;
- power to demand information from investors or prospective investors;
- the right to refuse to register a transfer of units; and
- power to do all things necessary to effect quotation of a class of units (or suspend or remove a class from quotation).

We may amend the constitution at any time if the amendments are not adverse to your rights. Otherwise, your approval by special resolution must be obtained at a meeting of unitholders. We may convene a meeting of unitholders at any time. Meetings may be called to approve certain amendments to the constitution or to wind up the Fund. Unitholders have the right to vote at any unitholder meeting. A resolution passed at a meeting of unitholders held in accordance with the constitution binds all unitholders.

We are not liable to unitholders in contract, tort or otherwise, except to the extent that the Corporations Act imposes the liability. We are not responsible to any third party except to the extent that we can be indemnified out of assets of the Fund.

A unit in the MVE-Carbon Offset Class confers on a unitholder a beneficial interest in the assets of the Fund, but not an entitlement or interest in any particular part of the Fund or any asset.

The constitution limits the liability of each unitholder to their investment in the Fund. Generally, a unitholder is not required to indemnify us or a creditor of ours against any liability of ours in respect of the Fund or the MVE-Carbon Offset Class. This may not apply in all circumstances. In addition, no complete assurance can be given in this regard, as the ultimate liability of a unitholder has not been finally determined by the courts.

A copy of the constitution is available free of charge upon request.

Information about your investment

To help you understand your investment, investors in the MVE-Carbon Offset Class will receive the following information online via the investment portal:

- transaction statements confirming your investments and withdrawals;
- distribution statements confirming your income distributions received; and
- an annual tax statement to assist you in completing your tax return.

You can gain access to the Investor Portal at <https://mymanagedfunds.com.au/Funds/ALB/Login>.

Fund annual financial reports (you may elect to receive these) and other information about your investment, such as daily unit prices will be available on our website alliancebernstein.com.au.

If the Fund becomes a disclosing entity under the Corporations Act, it will be subject to additional regular reporting and continuous disclosure obligations. The required documents such as annual and half yearly financial reports and continuous disclosure notices will be lodged with ASIC and made available on our website at alliancebernstein.com.au.

Compliance Plan

We have prepared a Compliance Plan for the Fund. The Compliance Plan is lodged with ASIC and sets out the procedures, systems and controls used by us, to ensure compliance with the Corporations Act and the constitution. The plans are audited annually by the Compliance Plan's auditor. Any breaches are reported to the Compliance Committee and in some cases to ASIC.

Compliance Committee

We have established a Compliance Committee with a majority of independent members. The Compliance Committee monitors and reports to our board in relation to the responsible entity's compliance with the Corporations Act and the Compliance Plan.

An important responsibility of the Compliance Committee is to report to ASIC if it is of the opinion that we have not taken, or do not propose to take, appropriate action to deal with, and rectify, any breaches detected.

Proxy voting

We have a principles based proxy voting policy that requires us to vote our investment securities in a timely manner and make voting decisions that are intended to maximise long-term investor value. We assess each proxy proposal in light of those principles with a view to maximise long-term investment value. Reports on how we have voted Australian listed equity securities will be available at alliancebernstein.com.au.

Class actions

The MVE-Carbon Offset Class may participate in class actions in respect to securities held in the MVE-Carbon Offset Class. The likelihood of success of class actions is highly uncertain because it is not usually possible to determine if a class action will be successful and if successful when the proceeds will be paid and for how much. Therefore, the MVE-Carbon Offset Class does not take into account potential proceeds of class actions until the class action has been settled and settlement proceeds received. This means any investor redeeming from the MVE-Carbon Offset Class before settlement proceeds are received will not benefit from a successful class action because we may not remediate prior investors.

Conflicts

Conflicts of interest may arise from time to time. Arrangements exist across AB which seek to identify, mitigate, manage and report any actual or potential conflicts of interest.

Conflicts are minimised by the structure of our business. We do not take market positions on behalf of AB. The services of

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related entities, including the services of affiliated brokers, may be used. Related entity activities are contracted on an arm's length commercial basis.

Directors and employees of AB may, from time to time, invest in and hold units in the Fund, including the MVE-Carbon Offset Class or in funds issued by AB.

Privacy

We are committed to collecting and using your personal information in a way that respects your privacy, in accordance with our Privacy Policy.

By completing your application, you may be providing us personal information. We may collect your personal information for the purpose of:

- processing and accepting your application;
- carrying out and administering investments in the MVE-Carbon Offset Class on your behalf ("Investments"), including but not limited to, monitoring, auditing, evaluating, modelling data and reporting to you in connection with your Investments;
- offering you products or services;
- answering queries and dealing with complaints;
- conducting our internal business operations (including meeting any relevant legal requirements); and
- managing client relationships and improving the products and services we provide.

If you do not provide the information requested in the application form, or if the information you provide us is incomplete or inaccurate, we may be delayed in, or prevented from, processing or accepting your application. We may also be delayed in or prevented from providing to you any products or services, administering your Investments, providing information to you or otherwise meeting our obligations to you.

We may disclose your personal information:

- internally to our staff;
- to our related bodies corporate;
- to any person where necessary in connection with your Investments or the provision of our products or services;
- to our professional advisers such as auditors, accountants and lawyers, insurance companies and property managers, consistent with normal business practices;
- to third parties we may engage from time to time to assist us in the promotion of our products and services, and who may receive limited personal information for that purpose; and
- to external service providers (on a confidential basis) so they can provide us services related to our business, for example mailing services, IT services, unit registry and custodial services as well as archival services.

AB may use your personal information for the purpose of directly marketing their products or services to you. You may withdraw your consent to the use of personal information for direct marketing at any time by contacting us.

Some of the persons or entities listed above may be located, or perform services, overseas. As a result, your personal information may be disclosed to a recipient in a foreign country. Where this happens, we will seek, by contract or other means, to reasonably ensure personal information is protected.

Questions about privacy

Our Privacy Policy is available online at alliancebernstein.com.au or as a hard copy upon request. It provides information about how you may access and seek correction of your personal information held by us as well as complain about our handling of your personal information. In particular, you can arrange for access to your personal information or lodge a complaint or question by contacting us on (02) 9255 1299 or in writing to our Privacy Officer by email on PrivacyAustralia@alliancebernstein.com.

If your complaint is not resolved to your satisfaction, you may write to the Privacy Commissioner at GPO Box 5218, Sydney NSW 2001.

Environmental Social and Governance

AB recognises that Environmental, Social and Governance ("ESG") issues can affect performance of investment portfolios and therefore integrates ESG considerations as part of the research and investment process for most actively managed strategies including the MVE-Carbon Offset Class. AB's analysts and investment teams consider material ESG factors among other factors to identify and quantify risks and opportunities for specific companies. AB became a Principles for Responsible Investment signatory in 2011 and AB formalised the integration of ESG into the investment process where applicable. AB has created a management infrastructure for responsible investment leadership that drives AB's ESG strategy and commitment to these factors across AB.

After consideration of material ESG factors in the research and investment process, AB may still purchase a security and/or retain it in the MVE-Carbon Offset Class irrespective that the analysis identified issues of an ESG nature, if the investment team for the MVE-Carbon Offset Class ("MVE-Carbon Offset Class investment team") believes the security is consistent with the investment objective, strategy, and policy of the MVE-Carbon Offset Class. Also, the MVE-Carbon Offset Class may have investments where ESG factors are not considered either because ESG factors are not material to the investment decision in respect of the relevant company or because of the type of investment such as cash, market-based futures, and various types of derivatives. See Sections II and IV below for more detail.

I. Environmental, Social and Governance "ESG"

The MVE-Carbon Offset Class incorporates consideration of ESG factors with other factors in the research and investment process. "Environmental" factors are those which generally have an impact on the natural environment including the energy and resources which companies use to operate. "Social" factors are those which generally concern how a company manages its relationship with its employees, customers, suppliers, communities, and society in general. "Governance" factors are those which generally concern how a company is governed by the internal policies and procedures created to make effective decisions for the wider good of the company.

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As part of considering ESG factors in the research and investment process, including with respect to shareholder interests in companies in which AB invests, AB's investment teams, including the MVE-Carbon Offset Class investment team, seek to identify and assess material ESG risks and opportunities. Materiality can differ by sector, industry and company. AB has developed a proprietary ESG factor map of potential ESG issues. The table below shows the current ESG factor map. Analysts within the MVE-Carbon Offset Class investment team seek to identify which, if any, ESG factors may be material to an investment. In AB's view, a consistent framework for ESG factors helps AB's investment teams make better-informed investment decisions. ESG factors currently include the following and may vary over time:

Environmental Issues	Social Issues	Governance Issues
<ul style="list-style-type: none"> Biodiversity and land use Carbon emissions Climate change vulnerability Electronic waste Environmental impact of supply chain International norms Net Zero Opportunities in clean tech, green buildings and renewable energy Packaging waste Product carbon footprint Resource management Toxic emissions and hazardous waste Water management 	<ul style="list-style-type: none"> Diversity and inclusion Employee health and safety Financial product safety Human capital development Insuring health and demographic risk International norms Modern slavery Opportunities in education communications, financial inclusion, healthcare, and nutrition and healthier products Privacy and data security Product safety and quality Responsible investment Social impacts of supply chains Stakeholder engagement 	<ul style="list-style-type: none"> Accounting Anticompetitive practices Board structure, independence, diversity and entrenchment Business ethics CEO/Chair separation Corruption and instability Crisis management Executive remuneration Financial system instability International norms One share one vote Organizational culture Over-boarding Proxy access Reporting transparency and disclosure Right to call special meetings Sanctions Shareholder rights

For more information on AB's approach to corporate responsibility, responsible investing, ESG integration, engagement, voting and collaboration, please see the AB Global Stewardship Statement found here: [URL](#)

II. ESG Integration

The MVE-Carbon Offset Class investment team seeks to integrate ESG into the investment process by incorporating ESG factors where the team deems ESG risks and opportunities to be material to the investment in a company including research, investment-decision making, and engagement. The MVE-Carbon Offset Class investment team has available to it AB's tools, training and subject matter experts to provide support in researching ESG factors:

- Proprietary toolset:** In addition to third-party data and tool sets (described below), AB has developed proprietary research and collaboration tools which seek to augment ESG and climate research considerations and systematise integration across AB which may be used where relevant by the MVE-Carbon Offset Class investment team. AB has developed a proprietary research and collaboration tool (ESIGHT) which seeks to support ESG research and systematise ESG integration across AB. This tool may be used where relevant by the investment teams for the funds for which AB acts as investment manager – including the MVE-Carbon Offset Class. AB's ESIGHT tool supports both collaboration and reporting.
- Third-party data and toolsets:** AB's investment teams have access to a range of data services that can support ESG research and which can provide a broad perspective of the ESG characteristics of a company or a sector. These include, but are not limited to, ESG data from Bloomberg, FactSet, MSCI ESG Ratings, MSCI Carbon Emissions data, Sustainalytics Risk Ratings, ISS-Ethix Controversial Weapons Analysis and corporate governance and proxy research from ISS and Glass-Lewis. AB's Responsible Investing team continually evaluates current and new data providers to ensure it is providing AB's investment teams, including the MVE-Carbon Offset Class investment team with relevant data and information.
- Strategic partnerships with world-class institutions:** AB is collaborating on climate change with the Columbia Climate School. Some of AB's investment teams partner with Columbia scientists to conduct research on topics that advance climate science and that may have a meaningful impact on investments. AB embeds that knowledge across AB investment teams through training sessions and other education. Finally, AB shares that knowledge with AB's clients and external stakeholders.
- Training programs:** In addition to AB's Climate Change Curriculum, AB provides AB's investment teams ESG training. This includes peer-to-peer learning for chief investment officers and portfolio managers, during which a select group of managers present how ESG is integrated in their specific strategies. AB has also systematised training on external data, systems and tools and educational sessions across a suite of topics ranging from modern slavery, corporate governance, sector-specific themes, and how to integrate ESG in portfolio decision making.

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- **Broad participation:** AB has broad participation in the development of intellectual property, frameworks, tools and systems. In addition to the Responsible Investing team, approximately 100 additional AB personnel currently participate in one or more ESG working teams.
- **Access to subject matter experts:** The MVE-Carbon Offset Class investment team has available to it subject matter experts in AB's Responsible Investment team that help them research material ESG risks and opportunities in the investment process.

With the assistance of the above where relevant, the MVE-Carbon Offset Class investment team is responsible for identifying material ESG factors, researching these factors and engaging with companies. Analysts within the MVE-Carbon Offset Class investment team research these ESG factors and assess if they are material enough to impact investment decisions. Where ESG issues are considered material to the investment in a company the MVE-Carbon Offset Class may change stock holdings by buying or selling the stock. The MVE-Carbon Offset Class Investment team has developed and applies a proprietary framework for conducting climate scenario analysis which is described in the report "Climate Change Scenario Analysis—A Practical Guide for Equity Investors" available at [URL](#).

III. Engagement

AB (including the MVE-Carbon Offset Class investment team) is an active investment manager and engages companies on strategic and financial issues-including material ESG factors-which are important to the research and investment processes. To engage effectively, AB believes it should have dialogue with stakeholders. AB engages with companies for 2 main reasons: to generate research insights and to advocate for action that the investment team believes will drive better financial outcomes for shareholders. Information from engagement may inform qualitative and quantitative analysis and investment decisions. Engagement provides perspective and guidance to companies held by the MVE-Carbon Offset Class on developing best practices in managing material issues, including ESG.

Engagements, which the MVE-Carbon Offset Class investment team's analysts and portfolio managers conduct directly with the target company, may take place both before the initial investment is made and as part of AB's ongoing monitoring. Engagements are often with senior executives, including a company's CEO and CFO. During engagements, AB may discuss strategy, business operations, governance, and a wide variety of other topics, including ESG issues, with management. The MVE-Carbon Offset Class investment team may also engage with directors to share its perspective on specific issues, or to escalate specific concerns after AB has engaged with management.

The Commonwealth Government's Modern Slavery Act 2018 requires that many of the Australian based companies that the MVE-Carbon Offset Class invests in are required to publish a modern slavery statement. The MVE-Carbon Offset Class Investment team has developed and applies a proprietary framework for assessing, where relevant, modern slavery risk and engaging with companies which is described in the report "Modern Slavery Risk in Australian Equity Portfolios" available at [URL](#).

IV. Additional Information

Additionally, as outlined in Section 3 of this Information Memorandum, the MVE-Carbon Offset Class may apply additional screens which exclude investment in companies which are in sectors in which the Fund will not invest.

The MVE-Carbon Offset Class may have investments where ESG factors are not considered. These investments include but are not limited to cash, market-based futures, ETF and broad-based indices used for equitisation, and certain types of derivatives such as currency forwards and interest rate swaps.

