



SOLVENCY II REPORTING FOR AB LUXEMBOURG UCITS FUNDS

Q: WHAT IS AB DOING TO SUPPORT CLIENTS SUBJECT TO SOLVENCY II REPORTING REQUIREMENTS?

Solvency II is a critical initiative for many AB Lux fund clients, and AB has devised a reporting support plan for its UCITS funds. The plan largely centers on providing the industry-standard tripartite template (TPT).

Q: IS REPORTING AVAILABLE ON ALL AB LUX UCITS FUNDS?

AB's goal is to make reporting available broadly on its range of UCITS funds. Reporting is currently available on the specific funds and classes listed in this document's appendix. Contact your Sales Advisor/Associate for more information and updates to this list.

Q: WHAT ARE AB'S CONDITIONS FOR RELEASING SOLVENCY II REPORTING?

Where clients require full Solvency II data reporting and/or to receive data ahead of normal delivery cycles, AB will release such reporting under limited non-disclosure agreements (NDAs), provided AB receives comfort that the recipient limits the use of such data to the regulatory reporting purpose only. AB is taking these measures to ensure all fund investors are treated fairly.

Q: DOES AB HOLD SECURISATIONS IN ANY OF ITS LUXEMBOURG UCITS FUNDS?

Yes, AB's funds invest in a range of instruments and will invest in securitisations in accordance with prospectus and investment guidelines. Only a subset of AB funds is permitted to hold securitisations. An even smaller set of funds currently holds non-grandfathered securitisations under Solvency II. As of December 31, 2015, the AB funds listed in the appendix to this document held securitisations issued on or after 1 January 2011. Contact your Sales Advisor/Associate for more information on any securitisation holdings, related pre-investment due diligence and on-going monitoring.

Securitisations impart an increased risk monitoring responsibility to the insurer according to Articles 254 – 257 of the Delegated Acts (Solvency II) of 10/10/2014 (the "Regulation"). Securitisations may be capitalised differently than regular corporate bonds according to Articles 177 – 178 of the Delegated Act (Solvency II) of 10/10/2014.

Q: CAN I RESTRICT AB FROM INVESTING IN SECURITISATIONS TO AVOID THE ABOVE REPORTING/RISK MONITORING OBLIGATIONS?

AB's commingled funds invest for a diverse range of clients, including many non-insurers. Because of prospectus commitments and the need to serve the best interests of diverse clients, the funds cannot pursue an investment strategy uniquely oriented towards maximising the capital efficiency of insurance assets according to Solvency II. Therefore, AB does not plan to change investment guidelines, nor, at the moment, the funds' investment strategies.

Q: HOW DO I REQUEST SOLVENCY II REPORTING?

Please contact your AB Advisor/Associate with all reporting requests.

List of AB Lux Funds with Solvency II Reporting

AB FCP I
American Growth Portfolio
American Income Portfolio
Asia Ex-Japan Equity Portfolio
Emerging Markets Debt Portfolio
Emerging Markets Growth Portfolio
European Income Portfolio
Global Bond II Portfolio
Global Bond Portfolio
Global Growth Trends Portfolio
Global High Yield Portfolio
Global Value Portfolio
Japan Strategic Value Portfolio
AB FCP II
Emerging Markets Value Portfolio
AB SICAV I
Diversified Yield Plus Portfolio
Euro High Yield Portfolio
Global Core Equity Portfolio
Global Factor Portfolio
Global Plus Fixed Income Portfolio
India Growth Portfolio
International Technology Portfolio
Select Absolute Alpha Portfolio
Select US Equity Portfolio

AB Lux Funds Holding Securitisations Issued on or After 1 January 2011, as at December 31, 2015

AB FCP I
American Income Portfolio
European Income Portfolio
Global High Yield Portfolio
Mortgage Income Portfolio
AB SICAV I
Diversified Yield Plus Portfolio
Global Plus Fixed Income Portfolio
Short Duration High Yield Portfolio

Each of the above funds is either a portfolio of AB SICAV I, an open-ended investment company with variable capital (société d'investissement à capital variable), or AB FCP I, a mutual investment fund (fonds commun de placement), both of which are organized under the laws of Luxembourg.

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