



STATEMENT ON CONTROVERSIAL WEAPONS

Mounting concern about controversial weapons has raised complicated questions for investors in recent years. Civilian populations in conflict zones suffer gravely from anti-personnel landmines, cluster bombs, and/or munitions made with depleted uranium, and other controversial weapons, sometimes long after the fighting has subsided. Some investors have excluded companies involved in making such weapons from their portfolios. Regulation restricting investments in manufacturers of controversial weapons has also been adopted in some jurisdictions.

AB shares the concerns that many of our clients have expressed about these weapons. Our Responsibility Steering Committee in conjunction with our Controversial Investment Advisory Council have given careful consideration to the investment issues that they raise and has adopted the following broad guidelines on AB's approach:

- + As in all of our activities, we will continue to be guided by our fiduciary duty to put clients' interests first, basing our decisions on detailed research.
- + When a client with a segregated portfolio asks us to implement a restriction on holding companies engaged in particular activities, including manufacture of controversial or other weapons, we will of course do so.

- + If a company in which we invest, or are considering investing, is identified by outside bodies as being involved in controversial weapons, we will use our company research to understand the potential impact of these activities on clients' portfolios.
- + When appropriate, we will engage with companies in which we invest, should our research suggest that their involvement in controversial weapons represents a potential threat to our long-term forecasts. This includes discussing whether the company should end these activities.

In Europe, countries have increased legislation prohibiting investment in such companies and client engagement on this issue is rising. As a result, AB (Luxembourg) S.à r.l., an AB affiliate, has decided to exclude both debt and equity securities issued by companies involved in controversial weapons from the universe of potential investments in select funds for which it is a management company. AB (Luxembourg) S.à r.l. has engaged with a third-party service to provide the list of companies to be excluded.

We will continue to monitor the evolution of regulation around the world regarding investment in companies involved in controversial weapons.

