



# AB MANAGED VOLATILITY EQUITIES FUND

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## IMPORTANT NOTICE

AllianceBernstein Managed Volatility Equities Fund ARSN 099 739 447 APIR ACM0006AU is referred to in this Product Disclosure Statement (PDS) as “AB Managed Volatility Equities Fund” or the “Fund”.

This PDS is a summary of the significant information you need to consider to make a decision about the Fund. The PDS also contains references to additional important information which forms part of this PDS highlighted with an ⓘ. Additional information about the Fund is available at [www.abglobal.com.au](http://www.abglobal.com.au) or by contacting us on (02) 9255 1299. It is important that you read this PDS and additional information before making a decision to invest in the Fund.

The information outlined in this PDS 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 Fund.

An investment in the Fund 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 Fund or, repayment of capital from the Fund, any particular return from, or any increase in, the value of the Fund. An investment in the Fund is subject to investment and other risks, which could involve delays in the repayment or loss of income or your amount invested.

## ABOUT THIS PDS

ABIMAL prepared this PDS and is the issuer of the units in the Fund. This PDS 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 PDS in any jurisdiction outside Australia. The distribution of this PDS 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 Fund cannot be made within the United States or sold on account of or for the benefit of “US persons”.

In order to invest in the Fund you must be a “Qualified Investor”. A “Qualified Investor” is a person who satisfies at least one of the following:

- + a wholesale client within the meaning of the Corporations Act; or
- + a person investing through an investor directed portfolio service (IDPS) or IDPS-like scheme; or
- + a person who has, and continues to have during the term of their investment, a financial adviser and that financial adviser (or its nominee) has a separate agreement with ABIMAL for this Fund. You should ask us or your financial adviser whether there is a separate agreement for this purpose; or
- + a person who is a Qualified Investor as determined by us.

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

## UPDATES TO THIS PDS

Information in this PDS is current as at the date of this PDS but may change from time to time. Any changes not materially adverse will be provided at [www.abglobal.com.au](http://www.abglobal.com.au). Please check our website or contact us or your financial adviser for any updates prior to investing in the Fund. A paper copy of any updated information will be provided free of charge upon request.

## AB MANAGED VOLATILITY EQUITIES FUND

### 1. ABOUT ALLIANCEBERNSTEIN INVESTMENT MANAGEMENT AUSTRALIA LIMITED

AllianceBernstein Investment Management Australia Limited (we, us, our or ABIMAL) is the responsible entity of the AB Managed Volatility Equities Fund and is responsible for ensuring that the Fund is managed in accordance with its constitution, its investment strategy and for its 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 Fund. ABAL has in turn engaged AllianceBernstein L.P. to manage a portion of the Fund's 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 December 2015, AB managed US\$467 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 FUND WORKS

The Fund is a registered managed investment scheme in which amounts invested by individual investors are pooled with other investors' money. The investment manager uses the amounts invested to buy assets on behalf of all investors in the Fund. The total value of the Fund is divided into units.

When you invest you will be issued with units in the Fund. The units issued to you represent your beneficial interest in the assets of the Fund as a whole. You do not have an entitlement to any particular asset of the Fund. We will calculate a price for your units (unit price) and keep a record of the units you have acquired. Your unit prices will rise or fall as the market value of the Fund's 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 Fund 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.

Fund 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 6 "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 Fund (see page 1 of this PDS for the definition of "Qualified Investor"). To invest in the Fund 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

<b>Minimum initial investment</b>	\$25,000
<b>Minimum additional investment</b>	\$5,000

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 8 "How to apply" for more information.

### WITHDRAWING

You can withdraw all or part of your investment by sending us a completed Withdrawal Request Form or a written notice of withdrawal. You can send withdrawal requests by mail, courier or fax.

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 Fund's constitution allows us up to 30 days to pay withdrawal requests.

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 PDS for the definition of "Qualified Investor" and page 4 of this PDS for details on Compulsory redemption risk).

### 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.

### 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 Fund's application and withdrawal prices are calculated two business days later.

## AB MANAGED VOLATILITY EQUITIES FUND

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

### DISTRIBUTIONS

The Fund normally distributes quarterly at 30 September, 31 December, 31 March and 30 June. However we have the discretion to make a distribution during any interim period.

Distributions are usually calculated based on the Fund's net taxable income which may include taxable net capital gains divided by the units on issue. Your distribution amount will depend on the units you hold at the end of a distribution period. Distribution amounts are not guaranteed and will vary.

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.

### INDIRECT INVESTORS

We authorise the use of this PDS for investors or prospective investors who wish to invest in the Fund through an investor directed portfolio service (IDPS) or IDPS-like scheme, commonly referred to as a master trust, wrap account, platform, nominee or custody service.

Investors gaining exposure to the Fund through an IDPS are Indirect Investors and do not become unitholders in the Fund. Instead, it is generally the operator of the IDPS which invests for you and has the rights of a unitholder. The IDPS operator may exercise their rights in accordance with their arrangements with you.

Indirect Investors complete the application forms for the IDPS and receive reports including transaction statements from their IDPS operator, not us. Additional investments and withdrawals are also to be made through the IDPS operator. Inquiries should be directed to the operator of the IDPS. Indirect Investors need to follow the instructions of the IDPS platform operator. The IDPS operator may also apply different conditions to those outlined in this PDS including different cut-off times for applications and withdrawals.

### NOMINEE INVESTORS

If your investment in the Fund is not held in your name (for example, because you invested on the advice of a financial adviser and your investment is registered in the name of a nominee, such as a custodian), then we may only be able to take instructions in relation to your investment in the Fund (for example, a redemption request) by communicating with the registered holder.



You should read the important Additional Information about "How the Fund works" before making a decision to invest. Go to section 2 of the Additional Information at [www.abglobal.com.au](http://www.abglobal.com.au) for more information. Information relating to "How the Fund works" may change between the time you read this PDS and the day when you acquire the product.

## 3. BENEFITS OF INVESTING IN THE AB MANAGED VOLATILITY EQUITIES FUND

### SIGNIFICANT FEATURES

The Fund primarily invests in Australian Securities Exchange (ASX) listed shares, supplemented with investments in selected global developed market shares and cash to help reduce volatility.

### SIGNIFICANT BENEFITS

**Volatility management:** An equity investment that seeks to reduce volatility and limit downside risk in falling equity markets while capturing most of the upside in rising markets.

**Capital growth and income:** Potential for long-term capital growth with some income, including franked Australian dividend income.

**Tax efficient:** Strategies that aim to enhance after tax returns.

**Professional management:** Access to experienced AB investment professionals and their investment processes including their proprietary research, asset selection and risk management capabilities.

**Ongoing information:** Regular investment statements and annual tax statements to keep you fully informed about your investment.

## 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 Fund and its investment returns will vary up or down as the value of the Fund's investments vary and future returns may differ from past returns. The returns of the Fund 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 tolerance to risk.

We aim to minimise some of the Fund's risks by investing in accordance with the Fund's investment strategy, monitoring the Fund 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 Fund 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 and government policies.

**Individual investment risk:** This is the risk associated with an individual investment held in the Fund. The value of your investment in the Fund is dependent on the performance of the individual investments held by the Fund. The values of individual assets can vary up or down for many reasons including 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. The Fund uses foreign currency forward contracts in both its hedging and active currency management activities. This involves certain risks not typically associated with investing in Australian assets. These risks include changes in exchange rates and exchange control regulations; political 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 Fund 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 increased, reduced or removed. The costs associated with hedging the Fund's currency risk will be borne by the Fund, and there is no guarantee that the Fund's currency exposure will be hedged.

**Derivatives risk:** The Fund may use derivatives as an alternative to direct purchases of assets or to manage exposures and risks. However, they can 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.

**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 Fund 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 Fund 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 Fund should be considered only by investors who determine that the investment will not interfere with their liquidity requirements.

**Compulsory redemption risk:** Under the Fund's constitution, we have the power to redeem your 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 PDS for the definition of a "Qualified Investor") we will redeem all of your units without you giving us a redemption request and you will receive your redemption proceeds and cease to hold an investment in the Fund.

**Fund risk:** Fund risk includes the possibility that the Fund could be suspended, terminated or there are changes to its rules, its features, its fees and costs, its 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 Fund 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 income and capital gains. For example, the Fund may or may not participate in share buy-backs and depending on your particular circumstances, this may or may not benefit you.

5. HOW WE INVEST YOUR MONEY

You should consider the likely investment return, risk and your investment timeframe when choosing to invest in the Fund.

AB Managed Volatility Equities Fund	
<b>Fund description</b>	<p>The Fund is designed for equity investors seeking:</p> <ul style="list-style-type: none"> <li>+ lower volatility;</li> <li>+ reduced downside risk in falling equity markets; and</li> <li>+ the potential for long term capital growth and some income, including franked Australian dividend income.</li> </ul> <p>The Fund 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.</p> <p>The Fund implements 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.</p> <p>The Fund 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 Fund.</p> <p>The Fund 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.</p> <p>Derivatives may be used to manage risks, invest cash, manage volatility and gain or reduce investment exposures. Derivatives will not be used for leveraging or gearing purposes.</p>
<b>Asset classes and asset allocation ranges</b>	<p>The following asset allocations are the expected ranges over the medium to long term but they can be exceeded over the short term:</p> <p>Australian Shares 60%-100%</p> <p>Global Shares 0%-20%</p> <p>Cash 0%-20%</p>
<b>Investment return objective</b>	<p>The Fund aims to achieve returns that exceed the S&amp;P/ASX 300 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt) after fees over the medium to long term. There is no guarantee that the Fund will achieve this objective or produce any returns.</p>
<b>Benchmark</b>	<p>S&amp;P/ASX 300 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt)</p>
<b>Minimum suggested investment time frame</b>	<p>5 to 7 years</p>
<b>Risk level</b>	<p>High. This Fund aims to produce higher returns and therefore carries a higher level of risk than an investment that aims to produce more modest returns.</p>
<b>Switching</b>	<p>The Fund only has one investment option. Switching is not available.</p>
<b>Labour, environmental, social and ethical standards</b>	<p>Labour, environmental, social, and governance factors can impact performance. As a result we generally include labour, environmental, social, and governance factors in our investment process and have signed the United Nations supported Principles for Responsible Investment Initiative. Apart from tobacco industry sector companies (MSCI GICS industry 302030) which are excluded from the Fund, we do not have a predetermined view on these factors. Instead we consider these factors, as we become aware of them and on a case by case basis, in our investment decisions.</p>
<b>Changes to Fund details</b>	<p>The statements in this section are current at the date of this PDS. We have the right to make changes to the Fund from time to time. We will notify you of any changes as required by the Corporations Act or the constitution of the Fund.</p>

6. FEES AND COSTS

**DID YOU KNOW?**

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask us or your financial adviser.

**TO FIND OUT MORE**

If you would like to find out more or see the impact of fees based on your own circumstances, the Australian Securities & Investments Commission (ASIC) website [www.moneysmart.gov.au](http://www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

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 Fund 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
<b>Fees when your money moves in or out of the Fund</b>	
Establishment fee:	Nil
Contribution fee:	Nil
Withdrawal fee:	Nil
Termination fee:	Nil
<b>Management costs</b>	
Management fee – The fees and costs for managing your investment	0.55%* of the net asset value of the Fund

\*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).

You can use this table to compare costs between different simple managed investment schemes. ASIC provides a calculator on its website [www.moneysmart.gov.au](http://www.moneysmart.gov.au) that you can use to calculate the effect of fees and costs on account balances.

There may be additional fees. If you use the services of a financial adviser or if an IDPS is used additional fees may be payable to them. You should refer to your statement of advice in which details of fees payable to your financial adviser are set out.

**EXAMPLE OF ANNUAL FEES AND COSTS FOR THE FUND**

This table gives an example of how the fees and costs for this product can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

Example		Balance of \$50,000 with a contribution of \$5,000 during the year
Contribution fees	Nil	For every additional \$5,000 you put in you will not be charged a fee.
PLUS Management costs	0.55% p.a.	<b>And</b> , for every \$50,000 you have in the Fund you will be charged \$275 each year.
EQUALS Cost of Fund	0.55% p.a.	If you put in \$5,000 during the year and your balance was \$50,000 at the beginning of the year, then for that year you will be charged fees of: <b>\$275</b>
		<b>What it costs you will depend on the fees you negotiate with the Fund or your financial adviser.</b>

This example assumes a \$50,000 balance for the entire year and that the \$5,000 contribution is made at the year end.

**ADDITIONAL EXPLANATION OF FEES AND COSTS**

**Management fees**

The 0.55% Management fee includes our fees, custody fees, administration costs and audit and tax adviser fees but excludes transaction and abnormal costs. The Management fees are accrued daily and are paid monthly or quarterly in arrears from the assets of the Fund and are reflected in the unit price.

**Transaction costs**

The Fund will also incur transaction costs, including but not necessarily limited to brokerage, settlement costs, stamp duties, buy/sell spreads and clearing fees when buying and selling its assets. The Fund may recover an estimate of transaction costs from your application or withdrawal via the buy/sell spread.

On application the current buy spread added 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. For example if you invested \$50,000 in the Fund the amount of the buy spread would be \$125. There is no buy/sell spread on income distributions reinvested. The buy/sell spread may change if our estimate of transaction costs change.

### Changes in fees and costs

All fees and costs are current at the date of this PDS and are subject to change without your consent. If we increase the fees and costs we will give you 30 days written advance notice. Fees and costs may change for many reasons including but not limited to an increase or decrease in the Fund's administrative, custody or investment management costs. Any changes to the fees will be in accordance with the Fund's constitution.



You should read the important Additional Information about "Fees and costs" before making a decision to invest. Go to section 6 of the Additional Information at [www.abglobal.com.au](http://www.abglobal.com.au) for more information. Information relating to "Fees and costs" may change between the time you read this PDS and the day when you acquire the product.

### 7. HOW MANAGED INVESTMENT SCHEMES ARE TAXED

**Investing in a registered managed investment scheme is likely to have tax consequences. We strongly advise you to seek professional tax advice before investing in the Fund.**

The Fund's constitution requires us to distribute at a minimum all the Fund's net taxable income including any net capital gains less tax offsets to investors each year so that the Fund will not pay tax. You will be assessed for tax on your share of the Fund's net income and capital gains allocated to you.

You may also be subject to tax when you dispose of your investment in the Fund. In addition, tax may be withheld from your income distributions if you do not quote a valid tax file number (or if applicable, an Australian Business Number) or are a non-resident investor.



You should read the important Additional Information about "How managed investment schemes are taxed" before making a decision to invest. Go to section 7 of the Additional Information at [www.abglobal.com.au](http://www.abglobal.com.au) for more information. Information relating to "How managed investment schemes are taxed" may change between the time you read this PDS and the day when you acquire the product.

### 8. HOW TO APPLY

Please ensure you read this PDS together with the Additional Information prior to making a decision to invest. To invest in the Fund you will need to be a Qualified Investor (see page 1 of this PDS for the definition of a "Qualified Investor"). You will also need to send us a completed Application Form together with other documents requested (such as satisfactory identification) by mail, courier or fax and pay your investment amount. An Application Form is available at [www.abglobal.com.au](http://www.abglobal.com.au) or by contacting us on (02) 9255 1299 or by email on [aust\\_clientservice@abglobal.com](mailto:aust_clientservice@abglobal.com).

If you are investing via an IDPS, commonly referred to as a master trust, wrap account, platform, nominee or custody service, you need to follow the IDPS platform operator's application instructions and complete the IDPS application forms. Inquiries should be directed to the IDPS operator.

We must comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. This means that information as to your identity and the source of any payment may be collected and verified prior to accepting an application to invest. We may reject any application in part or whole at our absolute discretion and need not provide any reason for doing so.

#### COOLING OFF

Retail investors have a 14 day cooling-off period during which they may have their investment money (subject to certain adjustments) returned to them. This 14 day cooling-off period starts on the earlier of the date you receive the transaction confirmation or five days from the date on which you became an investor. Within this period you may withdraw your investment by sending us a letter. The letter must include your full name, address, date of birth, name of the Fund and amounts invested, and, if known, your investor number and date of application.

Generally, the amount repaid to retail investors will be their investment amount, adjusted to take into account market movements (either up or down) to the date (or as soon as practicable after) of receipt of the cooling-off notice, less an amount for reasonable administrative and transaction costs. Indirect Investors should contact their IDPS operator to determine what cooling-off rights apply.

### COMPLAINTS

We have established procedures for dealing with complaints. If you are an Indirect Investor you should contact your IDPS operator with your complaints. If you are under the advice of a financial adviser, you may also contact your financial adviser with your complaints. If you have directly invested in the Fund you can contact us during business hours on (02) 9255 1299 or write to the Complaints Officer, AllianceBernstein Investment Management Australia Limited at [ComplaintsAustralia@abglobal.com](mailto:ComplaintsAustralia@abglobal.com). A copy of our complaints policy is available at [www.abglobal.com.au](http://www.abglobal.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 45 days. If you are not satisfied with the resolution, the complaint can be referred to an external complaints resolution scheme. We are a member of the Financial Ombudsman Service (FOS). FOS can be contacted on 1800 367 287.



You should read the important Additional Information about “How to apply” before making a decision to invest. Go to section 8 of the Additional Information at [www.abglobal.com.au](http://www.abglobal.com.au) for more information. Information relating to “How to apply” may change between the time you read this PDS and the day when you acquire the product.

### 9. OTHER INFORMATION

#### THE FUND'S CONSTITUTION

The Fund is governed by a constitution. The constitution binds the responsible entity and investors and sets out the rules and procedures under which the Fund must operate. It also sets out our duties, obligations, and powers including the power to borrow, offer different classes of units and in certain circumstances compulsorily redeem your units. A copy of the constitution is available free of charge upon request.



You should read the important Additional Information for “Other information” before making a decision to invest. Go to section 9 of the Additional Information at [www.abglobal.com.au](http://www.abglobal.com.au) for more information. Other information may change between the time you read this PDS and the day when you acquire the product.



# ADDITIONAL INFORMATION TO THE PRODUCT DISCLOSURE STATEMENT (PDS) DATED 1 MARCH 2016

- + AB DYNAMIC GLOBAL FIXED INCOME FUND
- + AB GLOBAL HIGH INCOME FUND
- + AB FRANKED AUSTRALIAN VALUE EQUITIES FUND
- + AB MANAGED VOLATILITY EQUITIES FUND
- + AB GLOBAL EQUITIES FUND
- + AB GLOBAL PLUS FIXED INCOME FUND

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**AllianceBernstein Dynamic Global Fixed Income Fund ARSN 165 810 686 APIR ACM0001AU is referred to as AB Dynamic Global Fixed Income Fund, AllianceBernstein Global High Income Fund ARSN 165 810 382 APIR ACM0004AU is referred to as AB Global High Income Fund, AllianceBernstein Franked Australian Value Equities Fund ARSN 102 668 100 APIR ACM0005AU is referred to as AB Franked Australian Value Equities Fund, AllianceBernstein Managed Volatility Equities Fund ARSN 099 739 447 APIR ACM0006AU is referred to as AB Managed Volatility Equities Fund, AllianceBernstein Global Equities Fund ARSN 099 296 607 APIR ACM0009AU is referred to as AB Global Equities Fund, and AB Global Plus Fixed Income Fund ARSN 604 172 750 APIR ACM0012AU, and collectively are referred to the “AB Funds” in this additional information.**

This additional information to the Product Disclosure Statement (Additional Information) forms part of the Product Disclosure Statement for the AB Funds, listed above, issued by AllianceBernstein Investment Management Australia Limited (ABIMAL) ABN 58 007 212 606 AFSL 230683.

It is important that you read this Additional Information together with the applicable PDS before making a decision to invest in an AB Fund.

This Additional Information contains 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 an AB Fund.

## ABOUT THIS ADDITIONAL INFORMATION

This Additional Information is current as at the date of this document but may change from time to time. Any changes not materially adverse will be provided on our website at [www.abglobal.com.au](http://www.abglobal.com.au). Please check our website or contact us or your financial adviser for any updates prior to investing in an AB Fund.

References in this Additional Information to “ABIMAL” “we”, “us” or “our” refer to AllianceBernstein Investment Management Australia Limited and references to “AB Fund” or “AB Funds” collectively refer to the funds listed above.

## AB FUNDS ADDITIONAL INFORMATION

### 1. ABOUT ALLIANCEBERNSTEIN INVESTMENT MANAGEMENT AUSTRALIA LIMITED

Please refer to the relevant AB Fund PDS.

### 2. HOW AN AB FUND WORKS

#### Unit prices

Unit prices are calculated in accordance with the constitution for each AB Fund 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 the AB discretionary pricing policy is available upon request free of charge.

#### Investing

Please see section 8 "How to apply" for more information.

#### Withdrawing

You can withdraw all or part of your investment by completing and returning to us a written notice of withdrawal. Your written withdrawal request must include:

- + the AB Fund name;
- + 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; and
- + your contact details should we need to contact you about your withdrawal.

Alternatively you may complete a Withdrawal Request Form available from AB.

You or your authorised nominee must sign all withdrawal requests.

Validly completed withdrawal requests must be received by us by 2pm (Sydney time) on a business day to be processed using the withdrawal price for that business day. Withdrawal requests received after the 2pm cut-off will be processed for the next business day.

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

- + AllianceBernstein Investment Management Australia Limited  
C/-State Street Australia Limited  
Attention: Unit Registry  
Level 14, 420 George Street  
Sydney NSW 2000; or
- + (612) 9323 6411.

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@abglobal.com](mailto:aust_clientservice@abglobal.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 nominated Australian bank account within 10 business days following the date of receipt of a valid withdrawal request. However, the constitution for each AB Fund allows us up to 30 days to pay withdrawal amounts (excluding the AB Global Plus Fixed Income Fund which allows 21 days), unless withdrawals are suspended in accordance with the constitution. In addition, large withdrawal requests of more than 5% of an AB Fund may be redeemed and paid in separate amounts over a period of up to 30 days.

In addition, if your withdrawal request would result in you holding less than the minimum holding (currently \$25,000), we may treat your withdrawal request as applying to all your investment.

A withdrawal request may not be cancelled without our consent.

Indirect investors need to direct their withdrawal requests to their investor directed portfolio service (IDPS) operator and follow the instructions of the IDPS platform operator.

#### 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 including market closures, trading restrictions, a moratorium is declared in a country in which assets of an AB Fund are located or held, asset sales cannot be effected at prices consistent with an orderly market, or assets cannot be redeemed.

Whilst it is our intention to manage AB Funds so that they are "liquid" for the purposes of the Corporations Act, if an AB Fund should become illiquid, 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 an AB Fund to redeem a certain amount.

#### Distributions

We intend to distribute at least each AB Fund's net taxable income to investors each year. As a result, distribution amounts are not guaranteed and will vary between distribution periods and from year to year. The distribution amount you receive will depend on the units you hold at the end of a distribution period. Distribution calculations are usually based on net taxable income which may include taxable net capital gains divided by all the units on issue. Where we consider it appropriate we may:

- + distribute amounts exceeding net taxable income;
- + pay a percentage of an AB Fund's total return for a period; or
- + withhold some components of net taxable income until 30 June year-end.

Unit prices may fall after the end of each distribution period because the distribution amounts payable to investors reduce a relevant AB Fund's assets.

## AB FUNDS ADDITIONAL INFORMATION

Distributions will usually be paid as described in the relevant AB Fund PDS. However we have the discretion to change the distribution frequency and to make additional distributions out of distributable income or capital during any interim period.

We may 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.

### 3. BENEFITS OF INVESTING IN THE AB FUNDS

Please refer to the relevant AB Fund PDS.

### 4. RISKS OF MANAGED INVESTMENT SCHEMES

Please refer to the relevant AB Fund PDS.

### 5. HOW WE INVEST YOUR MONEY

Please refer to the relevant AB Fund PDS.

### 6. FEES AND COSTS

#### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term return.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask us or your financial adviser.

#### TO FIND OUT MORE

If you would like to find out more or see the impact of fees based on your own circumstances, the Australian Securities & Investments Commission (ASIC) website [www.moneysmart.gov.au](http://www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the relevant AB Fund as a whole. You should read all information about fees and costs because it's important to understand their impact on your investment. Information about taxes is set out in section 7 of this document and the relevant PDS.

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of an AB Fund</b>		
Establishment fee: The fee to open your investment	Nil*	N/A
Contribution fee: The fee on each amount contributed to your investment by you	Nil*	N/A
Withdrawal fee: The fee on each amount you take out of your investment	Nil*	N/A
Termination fee: The fee to close your investment	Nil*	N/A
<b>Management costs</b>		
The fees and costs for managing your investment The amount you pay for each particular AB Fund is shown on page 4.	<b>Management Fees*</b> Depending on your investment option this fee varies between 0.55% and 1.15% p.a. of the net assets.	Management fees are accrued and deducted daily from the relevant AB Fund's assets and are reflected in its unit price. Management fees are paid monthly or quarterly in arrears, whilst ordinary expenses are paid as and when incurred.  The amount of the Management fee may be individually negotiated. Please refer to "Additional explanation of fees and costs" in this section for more information.
<b>Service Fees</b>		
Investment switching fee: The fee for changing investment option	Nil	N/A

\*There are transaction costs when you buy and sell units. For more information on transaction costs refer to "Additional explanation of fee and costs" in the relevant AB Fund PDS.

Unless otherwise stated all fees shown are inclusive of GST and net of any applicable Input Tax Credits (ITCs) and/or Reduced Input Tax Credits (RITCs). Additional fees and charges may apply. For more information about Fees and costs please refer to "Additional explanation of fees and costs" in this section and in the relevant AB Fund PDS.

## AB FUNDS ADDITIONAL INFORMATION

Fund Name	Management Fee (% p.a.)*
AB Dynamic Global Fixed Income Fund	0.70%
AB Global High Income Fund	0.95%
AB Franked Australian Value Equities Fund	0.75%
AB Managed Volatility Equities Fund	0.55%
AB Global Equities Fund	1.05%
AB Global Plus Fixed Income Fund	0.55%

\*There are transaction costs when you buy and sell units. Please refer to transaction costs in the "Additional explanation of fees and costs" in the relevant PDS for further details.

If you use the services of a financial adviser or if an IDPS is used additional fees may be payable to them.

### Additional explanation of fees and costs

#### Management fees

Under the AB Funds' constitutions 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 an AB Fund for its management fee is the fee per the table in this section.

The Management fee includes our fees, custody fees, administration costs and audit and tax adviser fees but excludes transaction and abnormal costs.

AB Funds may also incur abnormal expenses such as the cost of holding investor meetings, defending legal actions or terminating an AB Fund. Abnormal expenses will not be paid out of the management fees shown in the table above.

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

#### Transaction costs

AB Funds will normally incur transaction costs when you invest in or withdraw from an AB Fund or when we change their assets. Transaction costs associated with buying and selling assets include, but are not necessarily limited to, brokerage, settlement costs, stamp duties, buy/sell spreads and clearing fees.

You compensate AB Funds for the transaction costs it incurs or is likely to incur when investing in or disposing of assets to satisfy your application or withdrawal request via a buy/sell spread. The buy/sell spread added and subtracted from the unit price is our estimate of transaction costs incurred or that would be incurred to acquire or dispose of assets for the issue or withdrawal of units. The buy/sell spread is retained in the relevant AB Fund, does not accrue to us or any of our associates as a fee and it is necessary so that the interests of other investors are not diluted by those transaction costs.

Please refer to the relevant AB Fund PDS for the current buy/sell spreads that apply. The buy/sell spread may change if our estimate of transaction costs changes. For example our estimate of transaction costs may change if:

- + 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.

#### 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 us on (02) 9255 1299 or by email on [aust\\_clientservice@abglobal.com](mailto:aust_clientservice@abglobal.com) for more information.

#### Goods and Services Tax (GST)

Unless otherwise noted all fees shown are inclusive of GST and net of any applicable Input Tax Credits (ITCs) and Reduced Input Tax Credits (RITCs).

GST is usually payable on most expenses, such as fees payable to us and our service providers. Given the nature of the activities of AB Funds, they may be able to claim ITCs and/ or RITCs (effectively a refund) of either 55% or 75% of the GST paid on certain expenses. Therefore, the GST paid, net of any ITCs and/or RITCs received, will be deducted from the relevant AB Fund's assets and will be reflected in the unit prices. If the GST rate changes or if the applicable RITC rates change, we may recoup the extra amount from the Fund.

It is recommended that investors seek professional advice as to the impact, if any, of GST on their investments.

#### Changes in fees and costs

All fees are subject to change without your consent. Fees and costs may change for many reasons, including but not limited to, an increase or decrease in the Fund's administrative, custody or investment management costs. Any changes to the fees will be in accordance with the Fund's constitution. If we increase the Management fee we will give you 30 days written advance notice.

## 7. 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 an AB Fund. Income tax laws are complex and subject to continual change by the legislators and in their interpretation by the courts. The tax treatment of managed investment schemes is currently undergoing significant tax reform. We strongly advise you to seek professional tax advice before investing in an AB Fund.**

## AB FUNDS ADDITIONAL INFORMATION

The Funds' constitutions require us to distribute at a minimum all of an AB Fund's net taxable income less tax offsets to investors each year. As at the end of an income year, investors are presently entitled to all of an AB Fund's distributable income. Accordingly, it is expected that AB Funds will not pay Australian income tax on the income and capital gains.

In the case where an AB Fund makes a loss for tax purposes, it cannot distribute the loss to investors. However, subject to an AB Fund 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.

### **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 an AB Fund. 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 AB Funds**

Investors in AB Funds will be assessed on the share of the AB Fund's net taxable income in proportion to the share of income to which they are presently entitled, including income which is reinvested. Your liability for tax in respect of the income of an AB Fund is determined by reference to the financial year in respect of which the income entitlement arises, even though it may not have been received in that year.

Distributions from an AB Fund may include tax deferred amounts and capital gains. Certain tax credits may also be attached to the distributions.

Tax credits 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 an AB Fund on capital account, tax deferred amounts are generally not subject to tax, but may reduce the cost base of your units for capital gains tax purposes. Examples of "tax deferred" amounts include return of capital amounts as well as amounts attributable to deductions for building allowance and capital allowances.

Capital gains distributed by AB Funds should be eligible to benefit from the discount available for assets held for 12 months or more, as outlined below under "Disposal of your investment". To the extent that a distribution from an AB Fund includes a discount capital gain concession, and the investor holds their units on capital account, the

amount is not assessable and no adjustment to the cost base of your investment should be required. However, investors that are companies and complying superannuation entities may not receive the full benefit of the discount capital gain concession (whether distributed or not). 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).

In some cases, for example due to the nature of the investments held by a particular AB Fund (such as AB fixed income funds) gains on disposals of investments may be treated as ordinary income rather than capital gains.

AB Funds which hold foreign investments may be required to include in the net taxable income distributed to investors unrealised income and gains accumulating from such investments. However, it is our intention to seek to mitigate the impact of these accruals taxation rules.

Details of the tax components of your distributions will be provided in the annual tax statement issued for all AB Funds.

### **Disposal of your investment**

You may also be liable to tax on gains realised on the disposal of your units in an AB Fund. In most cases, any gains on the disposal of your units will be assessable in accordance with the Capital Gains provisions of the Income Tax Assessment Act.

In calculating the taxable amount of a capital gain under the Capital Gains provisions, a discount of one half for individuals and trusts or one third for complying superannuation entities may be allowed where the units have been held for 12 months or more and other conditions are satisfied.

For investors acquiring AB Funds 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.

### **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 fund 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 an AB Fund 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 will be deducted, at appropriate rates, from distributions to non-resident investors of any Australian sourced income and certain capital gains. Non-resident investors will be exempt from tax on distributions to the extent the distribution comprises capital gains arising from the disposal by an AB Fund of assets that do not constitute taxable Australian real property.

## AB FUNDS ADDITIONAL INFORMATION

A non-resident investor will generally not be subject to Australian Capital Gains Tax on disposal of their investment in an AB Fund, unless they held a 10% or greater interest in the AB Fund and the majority of its assets comprise taxable Australian real property. It is not expected that the AB Funds will hold a majority of taxable Australian real property.

If a non-resident investor holds their units in an AB Fund 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.

### FATCA

The United States Foreign Account Tax Compliance Act (FATCA) requires certain foreign financial institutions (FFIs) to comply with a number of requirements to avoid the imposition of a 30% withholding tax on the receipt of certain amounts including certain United States income or the gross proceeds from the sale of certain United States securities.

AB Funds are subject to the requirements of FATCA and will be required to meet certain information gathering and reporting obligations. We may therefore request that investors and prospective investors provide information for us to comply with the requirements.

It is not expected that the AB Funds will be subject to FATCA withholding taxes.

## 8. HOW TO APPLY

Please ensure you read this Additional Information together with the PDS prior to making a decision to invest in an AB Fund.

### Applications

Initial applications for each AB Fund investment can only be made by sending us a completed AB Application Form, together with any other documents or information requested such as satisfactory identification and paying your investment amount. AB Application Forms are available from [www.abglobal.com.au](http://www.abglobal.com.au).

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

- + your AB Fund name;
- + 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.

An Application Form and payment instructions are available on our website [www.abglobal.com.au](http://www.abglobal.com.au) or by contacting us on (02) 9255 1299 or by email on [aust\\_clientservice@abglobal.com](mailto:aust_clientservice@abglobal.com).

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

We must comply with Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF). 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 an AB Fund. We will not accept your application request, withdrawal request or issue units unless our AML/CTF check has been completed to our satisfaction. We may reject any application in part or whole at our absolute discretion and do not need to 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 relevant AB Fund and will not be paid to an investor.

If you are investing via an IDPS commonly referred to as a master trust, wrap account, platform, nominee or custody service you need to follow the IDPS platform operator's application instructions and complete the IDPS application forms and follow their payment instructions. Inquiries should be directed to your IDPS operator.

### 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 Investment Management Australia Limited  
C/-State Street Australia Limited  
Attention: Unit Registry  
Level 14, 420 George Street  
Sydney NSW 2000; or
- + (612) 9323 6411

## AB FUNDS ADDITIONAL INFORMATION

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 transaction such as an application or withdrawal request sent by fax or for any loss caused in respect of any action taken as a consequence of such 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, 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@abglobal.com](mailto:aust_clientservice@abglobal.com) with any queries.

## 9. OTHER INFORMATION

### AB Fund constitutions

Each AB Fund is governed by a constitution which binds the responsible entity and investors and sets out the rules and procedures under which AB Funds must operate. Each constitution includes provisions dealing with:

- + the duration of the AB Fund including their termination;
- + 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;
- + unitholder meetings;
- + the method by which complaints are dealt with;
- + the calculation, entitlement to and distribution of income;
- + 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; and
- + the right to refuse to register a transfer of units.

We may amend a 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 a constitution or to wind up an AB Fund. Unitholders have the right to vote at any unitholder meeting. A resolution passed at a meeting of unitholders held in accordance with a constitution binds all unitholders.

Subject to the Corporations Act, except in the case of fraud or dishonesty or where we have failed to exercise the degree of care and diligence as required by a constitution, we are not bound to make any payments to investors except out of an AB Fund or to be liable to investors in excess of the assets of an AB Fund.

A unit in an AB Fund confers on a unitholder a beneficial interest in the assets of the AB Fund, but not an entitlement or interest in any particular part of the relevant AB Fund or any asset.

The constitution of each AB Fund provides that the liability of each unitholder is limited to its investment in the relevant AB Fund. Generally, a unitholder is not required to indemnify us or a creditor of ours against any liability of ours in respect of an AB Fund. This may not apply to certain liabilities incurred by us as a result of a unitholder's action or inaction, any act or omission requested by the unitholder or any other matter arising in connection with units held by the unitholder. 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 a constitution is available free of charge upon request.

### Information about your investment

To help you understand your investment investors in AB Funds will receive:

- + transaction statements confirming your investments and withdrawals;
- + distribution statements confirming your income distributions received;
- + an annual tax statement to assist you in completing your tax return;
- + an annual periodic statement confirming all your investments, withdrawals and your fees and costs paid for the year.
- + annual reports (you may elect not to receive these); and
- + online access to information about your investment, such as daily unit prices.

Please note that if you are investing via an IDPS you will receive reports about your investment from your IDPS operator. If your investment in an AB Fund is held by a nominee (such as a custodian), information in relation to your investment will be sent to the registered holder.

If an AB 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 [www.abglobal.com.au](http://www.abglobal.com.au).

## AB FUNDS ADDITIONAL INFORMATION

### Compliance Plan

We have prepared a Compliance Plan for each AB Fund. The Compliance Plan is lodged with the Australian Securities and Investments Commission and sets out the procedures, systems and controls used by us, to ensure compliance with the Corporations Act and the relevant AB Fund's 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 [www.abglobal.com.au](http://www.abglobal.com.au).

### Class actions

AB Funds may participate in class actions in respect to securities held by an AB Fund. 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 AB Funds do 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 an AB Fund before settlement proceeds are received will not benefit from a successful class action because we may not remediate prior investors.

### Conflicts

Conflicts are minimised by the structure of our business. We do not take market positions on behalf of the AB Group and 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 AllianceBernstein Australia Limited or their related bodies corporate may, from time to time, invest in and hold units in the AB Funds or in funds issued by the AllianceBernstein L.P group.

### 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 AB Funds 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 and its related entities 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.

## AB FUNDS ADDITIONAL INFORMATION

### Questions about privacy

Our Privacy Policy is available online at [www.abglobal.com.au](http://www.abglobal.com.au) or as 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 and how we will handle any request or complaint. In particular, you can arrange for access to your personal information or lodge a complaint by contacting us on (02) 9255 1299 or by email on [PrivacyAustralia@abglobal.com](mailto:PrivacyAustralia@abglobal.com).

If you have any complaints or questions about the privacy of your information please contact our Privacy Officer in writing via email on [PrivacyAustralia@abglobal.com](mailto:PrivacyAustralia@abglobal.com).

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

