

## Product name: Sustainable US Thematic Portfolio

Legal entity identifier: 254900WC96K2077NDG73

### Sustainable investment objective

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
Yes	No
<input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: 20.00%</b> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of <b>___%</b> of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective 40.00%</b>	<input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



### What is the sustainable investment objective of this financial product?

The Portfolio seeks to invest in issuers that AB believes are positively exposed to environmentally- or socially- oriented sustainable investment themes derived from the UN SDGs, such as Health, Climate, and Empowerment. All issuers must contribute directly to the achievement of at least one UN SDG.

The sustainable investment themes may change over time based on the Investment Manager's research.

#### ● What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

For the Portfolio, the attainment of the sustainable investment objective is measured through alignment with one or more UN SDGs.

To measure alignment, AB analyses the percentage of corporate issuers' revenues derived from products or services that support the achievement of one or more UN SDGs. The degree of revenue alignment is a key indicator for assessing securities. No company deriving less than the minimum threshold of revenue from these activities is in the investible universe. Aligned companies generate greater than 25% of their revenue from the direct production of products or provision of services that support the achievement of one or more UN SDGs.

More information on alignment can be found in the Portfolio's Exclusion Policy <http://www.alliancebernstein.com/go/EquityExclusionPolicy>

For EU Taxonomy-eligible activities, where relevant data is available, the proportion of EU Taxonomy alignment will be measured. More information on these indicators can be found in AB's Sustainability-Related Disclosures <http://www.alliancebernstein.com/go/EQ9webdisclosures>

#### ● How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

All securities held within the Portfolio must satisfy AB's proprietary methodology that uses the principal adverse impact ("PAIs") indicators to determine that a specific security meets the "Do No Significant Harm" principle outlined in SFDR (the "DNSH principle"). This methodology is comprised of a threshold-based scoring system, which uses a combination of internal and external data along with exclusions. This methodology, including the relevant data sources, may evolve

over time as more data becomes available and tools evolve. The foregoing methodology is subject to, and dependent on, available data.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

● ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed as part of AB's proprietary methodology to determine that a specific security meets the DNSH principle, as well as the Portfolio's Exclusion Policy. All mandatory indicators required by SFDR are taken into account. In addition, AB selected the indicator of Carbon Emission Reduction and Human Rights Policy as additional relevant indicators.

● ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

For any sustainable investment held by the Portfolio, alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is required as part of AB's proprietary methodology to determine that a security meets the DNSH principle.



## Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, Yes, the Portfolio complies with the SFDR requirements of considering all mandatory PAIs and has selected the following two additional PAIs:

- Carbon Emission Reduction
- Human Rights Policy

Specific PAI indicators that are taken into consideration may evolve over time once additional data becomes available.

As indicated above, PAIs indicators are considered as part of the Portfolio's Exclusion Policy and are also included in AB's proprietary methodology to determine that a specific security meets the DNSH principle as well as the Portfolio's Exclusion Policy.

Additional information on PAIs will be published in the Fund's annual report as required by SFDR Article 11(2).

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The Portfolio invests in securities that AB believes are positively exposed to environmentally- or socially-oriented sustainable investment themes derived from the UN SDGs. The Investment Manager employs a combination of "top-down" and "bottom-up" investment processes to identify eligible securities. For the "top-down" approach, the Investment Manager identifies sustainable investment themes that are consistent with achieving the UN SDGs such as Health, Climate, and Empowerment. These sustainable investment themes may change over time based on the Investment Manager's research.

The Portfolio's corporate investible universe only includes issuers deriving a certain percentage of revenue from products and services, within these sustainable investment themes, that contribute to the achievement of one or more UN SDGs. It also excludes corporate issuers generating revenue from products or services that AB deems to be misaligned with the UN SDGs. All corporate issuers must meet the minimum revenue threshold to be included in the investible universe.

For the "bottom-up" approach, the Investment Manager analyses individual issuers, focusing on exposure to ESG factors. After the eligible universe of securities has been identified, AB enters into a detailed research process to assess the securities from a risk/return perspective. Such process includes the incorporation of ESG factors into the analysis of the financials of an issuer in accordance with the AB Stewardship Approach. For corporate issuers, AB has established a proprietary materiality matrix, which serves as a comprehensive guide to the most material ESG factors facing each Global Industry Classification Standard subindustry. The results of the analysts' research on ESG Factors, and corresponding ESG scoring, are incorporated in the investment decision-making process of the Portfolio.

As part of the security selection process, all securities are assessed for compliance with AB's Good Governance Policy and the DNSH principle.

● ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The Portfolio seeks to achieve its investment objective through investments in securities which are deemed to be sustainable investments. A security is deemed to be a sustainable investment if the following criteria are satisfied:

- AB believes the security is positively exposed to environmentally- or socially-oriented sustainable investment themes derived from the UN SDGs, as confirmed by compliance with the relevant minimum revenue threshold for UN SDG-aligned products and services (top-down approach);
- AB has assessed the issuer on ESG factors (bottom-up approach);
- The security satisfies AB's proprietary methodology to determine that a specific security meets the DNSH principle outlined in SFDR;
- The issuer of the security follows good governance practices under AB's Good Governance Policy; and
- The Portfolio's investment exclusions are met.

**Good governance**  
practices include sound management structures, employee relations, remuneration of staff and tax compliance.

### ● What is the policy to assess good governance practices of the investee companies?

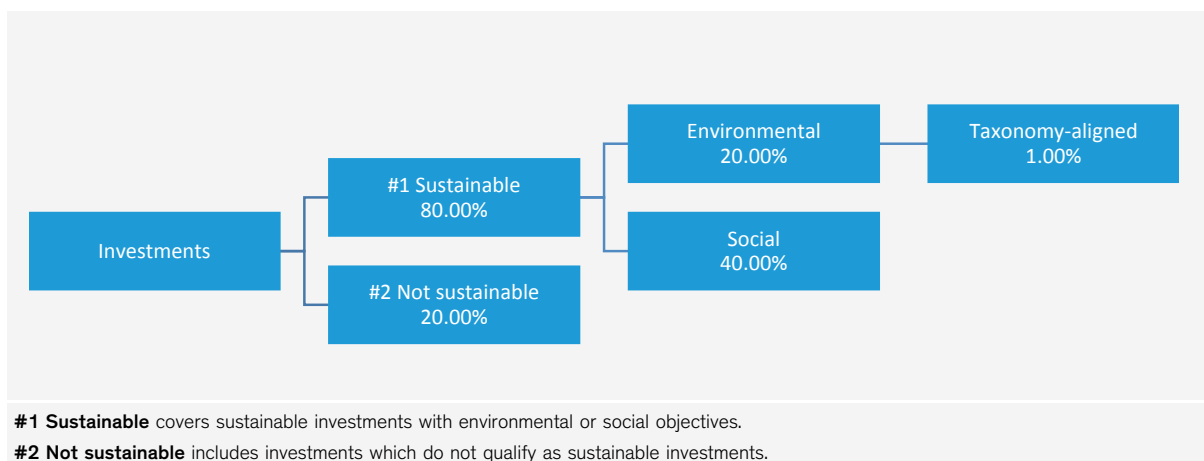
AB has developed a proprietary Good Governance Policy using a combination of external and internal data sources along with assessments or scoring based on specific governance criteria, including sound management structures, employee relations, remuneration of staff and tax compliance. The specific governance indicators include UN Global Compact principles and controversies related to the governance criteria. The foregoing Good Governance Policy is subject to, and dependent on, available data.



## What is the asset allocation and the minimum share of sustainable investments?

**Asset allocation**  
describes the share of investments in specific assets.

Minimum Sustainable: 80% (environmental: 20%, social: 40%), taxonomy aligned: 1%  
Maximum Other: 20%



Based on the Portfolio's net assets. All numbers are shown based on normal market conditions.

The Portfolio commits to investing a minimum of 80% of its assets in sustainable investments. The allocation to securities between sustainable investment themes may differ over time. As such, a minimum of 20% of the Portfolio's assets are invested in sustainable investments with an environmental objective and a minimum of 40% of the assets are invested in sustainable investments with a social objective.

### ● How does the use of derivatives attain the sustainable investment objective?

The Portfolio may use derivatives for hedging, efficient portfolio management, and other investment purposes. For derivatives used for other investment purposes, exposure must be limited to securities that are deemed to be sustainable investments in accordance with the Portfolio's investment process described herein.



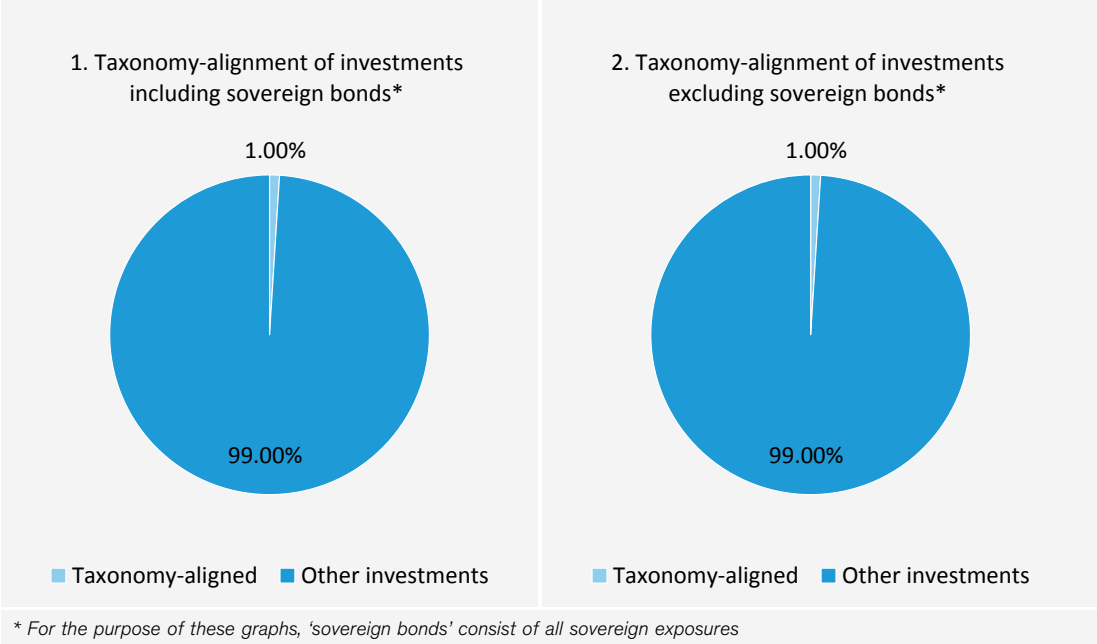
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Taxonomy-alignment of investments including sovereign bonds: 1%  
Taxonomy-alignment of investments excluding sovereign bonds: 1%

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- operational expenditure (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **What is the minimum share of investments in transitional and enabling activities?**  
0%



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

There is no commitment to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with a social objective?**

40% is the minimum share of sustainable investments with a social objective.

## What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

Cash and cash-equivalents are not sustainable investments and may be held for liquidity purposes. The Portfolio may also use derivatives for hedging, efficient portfolio management. More information can be found in the “Derivatives and EPM Techniques” section of the Prospectus . For these assets, there are no minimum environmental or social safeguards.



## Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.



## Where can I find more product specific information online?

More product-specific information can be found on the website: <http://www.alliancebernstein.com/go/EQ9webdisclosures>