

**Product name: Dynamic Diversified Portfolio - LIQUIDATED
SEPT 2023**

Legal entity identifier: 54930050EQ3QB3NKUE26

Environmental and/or social characteristics

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.

Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> Yes		<input checked="" type="radio"/> <input type="radio"/> No	
<input type="checkbox"/> It made sustainable investments with an environmental objective : ____%	<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It made sustainable investments with a social objective : ____%		<input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments	



To what extent were the environmental and/or social characteristics promoted by this financial product met?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The environmental and/or social characteristics ("E/S Characteristics") promoted by the Portfolio include:

- **ESG Integration.** When making investment decisions, including the ongoing assessment and monitoring of the Portfolio's holdings, AB uses fundamental research to assess target issuers. As part of the AB Stewardship Approach, fundamental research includes the consideration of ESG Factors meaning AB will assess ESG Factors for a target issuer at every stage of the investment decision-making process. This includes engagements where AB encourages issuers to undertake actions that may promote better outcomes for environmental and social objectives as well as benefits to financial outcomes of the issuer and/or the Portfolio.
- **Engagement.** AB encourages issuers to undertake actions that may promote better outcomes for environmental and social objectives as well as benefits to financial outcomes of the issuer and/or the Portfolio.
- **ESG Scoring.** AB uses a variety of proprietary scoring methodologies to score issuers using ESG Factors.
- **Exclusions** listed out in the Prospectus. The Portfolio excludes investments in certain sectors as further outlined in the Prospectus.

More information on these characteristics can be found in AB's Sustainability-Related Disclosures www.alliancebernstein.com/go/MAS8webdisclosures, and more information on the AB Stewardship Approach can be found at www.alliancebernstein.com/go/ABGlobalStewardship.

How did the sustainability indicators perform?

AB measured the attainment of E/S Characteristics promoted through various quantitative and qualitative methodologies including the measurement of documented ESG research, ESG scoring, engagement, and relevant investment exclusions, subject to satisfactory data and data sourcing.

As at 31st August 64% of the Portfolio possessed an ESG score based on AB's proprietary methodology, and in the year to 31st August 79% of the Portfolio was deemed to promote E/S Characteristics on the basis of this ESG research and scoring, as well as engagement on environmental and social issues.

Specifically, in the year to 31st August 2023, there were 450 ESG engagements with 260 distinct issuers held in the portfolio. For these engagements, there were 260 discussions of environmental issues, and 288 discussions of social issues (for the avoidance of doubt, an engagement entry may include discussions on multiple topics). The topics discussed most in these engagements were: Carbon Emissions, Diversity & Inclusion, Human Capital Development, Labor Management and Net Zero.

AB has monitored the compliance with the exclusions listed in the prospectus and confirms they were met.

● ...and compared to previous periods?

N/A



How did this financial product consider principal adverse impacts on sustainability factors?

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.

The Portfolio considered the following PAIs:

- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (#10)
- Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (#11)
- Exposure to controversial weapons (#14)

For PAIs 10 and 11, AB monitored for breaches of the UN Global Compact principles for securities held by the Portfolio. As at 31 August 2023, 0% of the securities held by the Portfolio were in violation of the UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. Over the same time period, 12% of the Portfolio had a lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (this percentage also includes securities that have no data on these processes).

For PAI 14, the Portfolio excluded controversial weapons. As at 31 August 2023, 0% of the securities held by the Portfolio had exposure to controversial weapons.



What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: September 1, 2022 to August 31, 2023

Largest investments	Sector	% Assets	Country
SPDR Dow Jones Global Real Estate UCITS ETF	Real Estate	3.8	Ireland
Microsoft Corp.	Information Technology	1.45	United States
Alphabet, Inc.	Communication Services	0.86	United States
Apple, Inc.	Information Technology	0.79	United States
Coca-Cola Co. (The)	Consumer Staples	0.71	United States
Goldman Sachs Group	Financials	0.65	United States
Elevance Health, Inc.	Health Care	0.61	United States
Visa, Inc.	Financials	0.55	United States
Otis Worldwide Corp.	Industrials	0.53	United States
Asahi Group Holdings Ltd.	Consumer Staples	0.49	Japan
Thermo Fisher Scientific	Health Care	0.4	United States
Shell PLC	Energy	0.4	United Kingdom
American Express Co.	Financials	0.38	United States
Analog Devices, Inc.	Information Technology	0.38	United States
Medtronic PLC	Health Care	0.38	Ireland



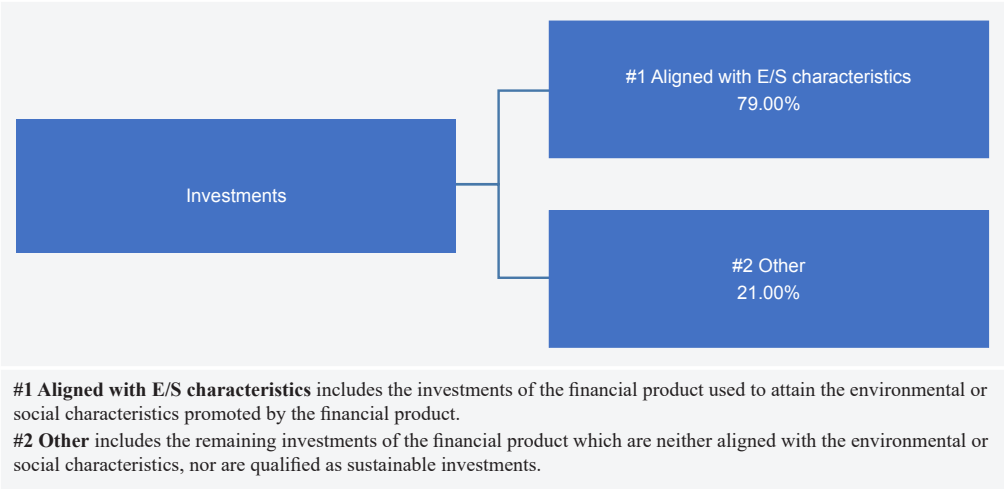
What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

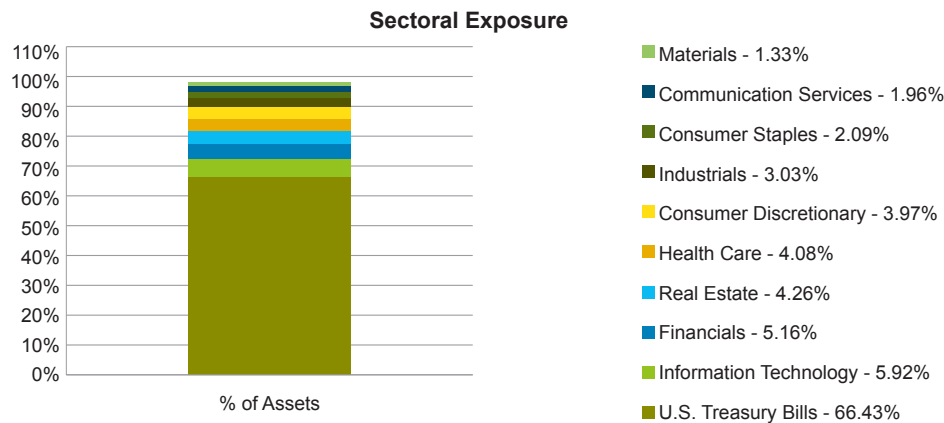
● What was the asset allocation?

#1 Aligned with E/S characteristics: 79%

#2 Other: 21%



● In which economic sectors were the investments made?

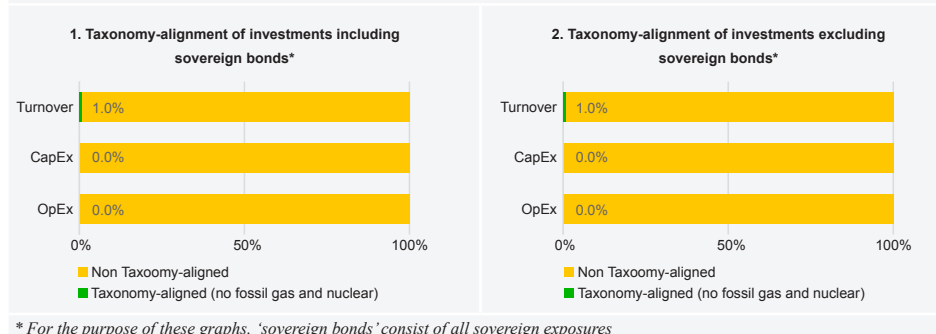


● To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

- Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?
- ☐ Yes:
- ☐ In fossil gas
 - ☐ In nuclear energy
- ☒ No

The graphs below show in green the percentage of investments that were 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.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

As of the data of this report, for Taxonomy alignment indicators Capex and Opex, AB does not have access to suitable data to accurately report on those indicators.

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 was the share of investments made in transitional and enabling activities?

N/A

● How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

N/A



● What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

N/A



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of socially sustainable investments?

N/A



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

This included:

- Securities that AB believes can be held by the Portfolio in order to achieve its investment objective but are not deemed to promote E/S Characteristics, as outlined above, subject to satisfaction of AB's Good Governance Policy.
- Cash and cash-equivalents held as liquidity, risk management purposes, or collateral management purposes.
- Derivatives used for the purposes outlined in Portfolio Details in the Prospectus. Exposure to securities that promote E/S Characteristics will be captured in #1 Aligned with E/S Characteristics.

For these assets, there are no minimum environmental or social safeguards.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Portfolio promoted E/S Characteristics by holding securities that AB believed promoted E/S Characteristics.

A security was deemed to promote one or more E/S Characteristics if the following binding elements were satisfied:

- Documented ESG integration via evidenced ESG research and Engagements.
- ESG Scoring where issuers were scored using ESG Factors. As of 31 August 2023, 64% of the Portfolio had an ESG score.
- During the reference period, as applicable, all issuers of securities were compliant with AB's Good Governance Policy.
- The Portfolio's investment exclusions were all met.



How did this financial product perform compared to the reference benchmark?

The Portfolio did not use a designated reference benchmark for measuring sustainability or determining E/S Characteristics.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.