



AllianceBernstein Launches AB High Yield ETF (HYFI) on NYSE Arca

May 15, 2023

NASHVILLE, Tenn., May 15, 2023 /PRNewswire/ -- AllianceBernstein Holding L.P. (NYSE: AB) and AllianceBernstein L.P., a leading global investment management and research firm, announced today the launch of AB High Yield ETF (HYFI) as an active exchange-traded fund (ETF) on the New York Stock Exchange (NYSE).

"The AB High Yield ETF broadens our offerings for clients by ultimately supplying them with a flexible vehicle to weather various market conditions," said Global Head of ETFs and Portfolio Solutions Noel Archard. "We remain focused on enhancing our ETF suite to meet our clients' ever-evolving needs, and this launch unlocks a new opportunity to invest in additional income-generating products."

The investment objective of HYFI is to seek to maximize total return consistent with prudent investment management. HYFI invests at least 80% of its net assets in US high-yield corporate bonds (fixed-income securities rated Ba1 or lower by Moody's or BB+ or lower by S&P Global Ratings or Fitch Ratings, or comparable unrated securities) and related derivatives. It seeks to provide income by emphasizing three pillars: broad diversification, dynamic beta exposures, and AB's quantitative and fundamental research.

"Following the success of our initial Fixed Income and Equity active ETFs, the addition of the AB High Yield ETF represents another exciting milestone for the ETF, Fixed Income and broader teams at AB," said Head of Global Client Group and Head of Private Wealth Onur Erzan. "This HYFI ETF will be actively managed by a team of Fixed Income experts whose industry knowledge, innovative technology platform and commitment to clients we believe, is unparalleled."

"The NYSE is pleased to welcome the AB High Yield ETF to NYSE Arca, the world's largest and most liquid exchange for the listing and trading of ETFs," said Head of Exchange Traded Products at the NYSE Douglas Yones. "Now home to six AB ETFs, NYSE Arca continues to support the ETF ecosystem's growth with industry-leading market quality, world-class technology and a focus on ETF education."

Today's official launch of HYFI represents the successful completion of the firm's first mutual fund to ETF conversion. The planned conversion of AB High Yield Portfolio, a series of AB Bond Fund, Inc. into AB High Yield ETF, a series of AB Active ETFs, Inc. was first announced in February.

For more information and to learn more about AB's ETF platform, visit www.alliancebernstein.com/go/etfs.

About AllianceBernstein

AllianceBernstein 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 April 30, 2023, AllianceBernstein had \$676 billion in assets under management. Additional information about AB may be found on our website, www.alliancebernstein.com.

Disclosures:

Investment Objective: The Fund's investment objective is to seek to maximize total return consistent with prudent investment management.

Principal Strategies: The Fund invests, under normal circumstances, at least 80% of its net assets in fixed-income securities rated Ba1 or lower by Moody's Investors Service, or BB+ or lower by S&P Global Ratings or Fitch Ratings, or the equivalent by any nationally recognized statistical rating organization (commonly known as "junk bonds"); unrated securities considered by AB to be of comparable quality; and related derivatives. The AB High Yield ETF may invest in fixed-income securities with a range of maturities from short- to long-term. The AB High Yield ETF may also invest in equity securities. In selecting securities for purchase or sale by the Fund, AB attempts to take advantage of inefficiencies that it believes exist in the global debt markets. These inefficiencies arise from investor behavior, market complexity, and the investment limitations to which investors are subject.

AB combines quantitative analysis with fundamental credit and economic research in seeking to exploit these inefficiencies. The AB High Yield ETF invests most often in securities of U.S. issuers but may also purchase fixed-income securities of foreign issuers, including securities denominated in foreign currencies and securities of emerging market issuers. The Fund expects to use derivatives, such as options, futures contracts, forwards, and swaps, to a significant extent, subject to the limits of applicable law.

Beta Definition: Beta measures the sensitivity of an investment to the movement of its benchmark. A beta higher than 1.0 indicates the investment has been more volatile than the benchmark and a beta of less than 1.0 indicates that the investment has been less volatile than the benchmark.

Investing in securities involves risk and there is no guarantee of principal.

Investors should consider the investment objectives, risks, charges, and expenses of the Fund/Portfolio carefully before investing. For copies of our prospectus or summary prospectus, which contain this and other information, visit us online at www.alliancebernstein.com or contact your AB representative. Please read the prospectus and/or summary prospectus carefully before investing.

Shares of the ETF may be bought or sold throughout the day at their market price on the exchange on which they are listed. The market price of an ETF's shares may be at, above or below the ETF's net asset value ("NAV") and will fluctuate with changes in the NAV as well as supply and demand in the market for the shares. Shares of the ETF may only be redeemed directly with the ETF at NAV by Authorized Participants, in very large creation units. There can be no guarantee that an active trading market for the Fund's shares will develop or be maintained, or that their listing will continue or remain unchanged. Buying or selling the Fund's shares on an exchange may require the payment of brokerage commissions and frequent trading may incur brokerage costs that detract significantly from investment returns.

Market Risk: The market values of the portfolio's holdings rise and fall from day to day, so investments may lose value. **Interest Rate Risk:** Changes

in interest rates will affect the value of investments in fixed-income securities. When interest rates rise, the value of existing investments in fixed-income securities tends to fall and this decrease in value may not be offset by higher income from new investments. Interest rate risk is generally greater for fixed-income securities with longer maturities or durations. **Credit Risk:** A bond's credit rating reflects the issuer's ability to make timely payments of interest or principal—the lower the rating, the higher the risk of default. If the issuer's financial strength deteriorates, the issuer's rating may be lowered and the bond's value may decline. **Below-Investment-Grade Securities Risk:** Investments in fixed-income securities with lower ratings (commonly known as "junk bonds") tend to have a higher probability that an issuer will default or fail to meet its payment obligations. **Duration Risk:** Duration is a measure that relates the expected price volatility of a fixed-income security to changes in interest rates. **Inflation Risk:** Prices for goods and services tend to rise over time, which may erode the purchasing power of investments. **Derivatives Risk:** Investing in derivative instruments such as options, futures, forwards or swaps can be riskier than traditional investments, and may be more volatile, especially in a down market. **Leverage Risk:** Trying to enhance investment returns by borrowing money or using other leverage tools—magnify both gains and losses, resulting in greater volatility. **Foreign (Non-US) Investments Risk:** Non-US securities may be more volatile because of political, regulatory, market and economic uncertainties associated with such securities. Fluctuations in currency exchange rates may negatively affect the value of the investment or reduce returns. These risks are magnified in emerging or developing markets. **Currency Risk:** Fluctuations in currency exchange rates may negatively affect the value of the Fund's investments in fixed-income securities denominated in foreign currencies or reduce the Fund's returns. **Illiquid Investments Risk:** Illiquid investments risk exists when certain investments are or become difficult to purchase or sell. Difficulty in selling such investments may result in sales at disadvantageous prices affecting the value of your investment in the Fund. **Authorized Participant Risk:** Only a limited number of financial institutions that enter into an authorized participant agreement with the Fund ("Authorized Participants") may engage in creation or redemption transactions. If the Fund's Authorized Participants decide not to create or redeem shares, Fund shares may trade at a premium or discount to the Fund's NAV, or the Fund could face trading halts or de-listing.

AllianceBernstein L.P. (AB) is the investment adviser for the Funds. Distributed by Foreside Fund Services, LLC. Foreside is not related to AB.

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