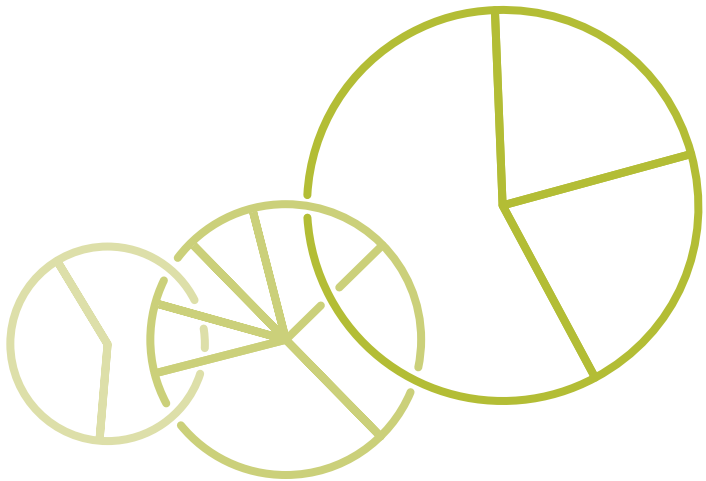




ANNUAL REPORT

**AB SUSTAINABLE US THEMATIC
PORTFOLIO**

As of January 1, 2021, as permitted by new regulations adopted by the Securities and Exchange Commission, the Fund's annual and semi-annual shareholder reports are no longer sent by mail, unless you specifically requested paper copies of the reports. Instead, the reports are made available on a website, and you will be notified by mail each time a report is posted and provided with a website address to access the report.

You may elect to receive all future reports in paper form free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports; if you invest directly with the Fund, you can call the Fund at (800) 221 5672. Your election to receive reports in paper form will apply to all funds held in your account with your financial intermediary or, if you invest directly, to all AB Mutual Funds you hold.

Investment Products Offered • Are Not FDIC Insured • May Lose Value • Are Not Bank Guaranteed

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

This shareholder report must be preceded or accompanied by the Fund's prospectus for individuals who are not current shareholders of the Fund.

You may obtain a description of the Fund's proxy voting policies and procedures, and information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, without charge. Simply visit AB's website at www.abfunds.com, or go to the Securities and Exchange Commission's (the "Commission") website at www.sec.gov, or call AB at (800) 227 4618.

The Fund files its complete schedule of portfolio holdings with the Commission for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The Fund's Form N-PORT reports are available on the Commission's website at www.sec.gov. The Fund's Forms N-PORT may also be reviewed and copied at the Commission's Public Reference Room in Washington, DC; information on the operation of the Public Reference Room may be obtained by calling (800) SEC 0330. AB publishes full portfolio holdings for the Fund monthly at www.abfunds.com.

AllianceBernstein Investments, Inc. (ABI) is the distributor of the AB family of mutual funds. ABI is a member of FINRA and is an affiliate of AllianceBernstein L.P., the Adviser of the funds.

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FROM THE PRESIDENT



Dear Shareholder,

We're pleased to provide this report for the AB Sustainable US Thematic Portfolio (the "Fund"). Please review the discussion of Fund performance, the market conditions during the reporting period and the Fund's investment strategy.

At AB, we're striving to help our clients achieve better outcomes by:

- + Fostering diverse perspectives that give us a distinctive approach to navigating global capital markets
- + Applying differentiated investment insights through a connected global research network
- + Embracing innovation to design better ways to invest and leading-edge mutual-fund solutions

Whether you're an individual investor or a multibillion-dollar institution, we're putting our knowledge and experience to work for you every day.

For more information about AB's comprehensive range of products and shareholder resources, please log on to www.abfunds.com.

Thank you for your investment in AB mutual funds—and for placing your trust in our firm.

Sincerely,

A handwritten signature in black ink, appearing to read "Onur Erzan". The signature is stylized with a large "O" and a long, sweeping underline.

Onur Erzan

President and Chief Executive Officer, AB Mutual Funds

ANNUAL REPORT

February 4, 2022

This report provides management's discussion of fund performance for the AB Sustainable US Thematic Portfolio for the annual reporting period ended December 31, 2021. Prior to August 23, 2021, the Fund was named AB FlexFee US Thematic Portfolio.

Prior to January 1, 2022, the Fund was subject to a performance-based, or fulcrum, advisory fee. Accordingly, performance information shown reflects performance fee adjustments and would have been different if the Fund had been managed under the current advisory fee arrangement.

The Fund's investment objective is long-term growth of capital.

NAV RETURNS AS OF DECEMBER 31, 2021 (unaudited)

	6 Months	12 Months
AB SUSTAINABLE US THEMATIC PORTFOLIO		
Advisor Class Shares ¹	12.57%	26.26%
S&P 500 Index	11.67%	28.71%

¹ Please note that this share class is for investors purchasing shares through accounts established under certain fee-based programs sponsored and maintained by certain broker-dealers and financial intermediaries, institutional pension plans and/or investment advisory clients of, and certain other persons associated with, the Adviser and its affiliates or the Fund.

Please keep in mind that high, double-digit returns are highly unusual and cannot be sustained. Investors should also be aware that these returns were primarily achieved during favorable market conditions.

INVESTMENT RESULTS

The table above shows the Fund's performance compared to its benchmark, the Standard and Poor's ("S&P") 500 Index, for the six- and 12-month periods ended December 31, 2021.

The Fund underperformed the benchmark for the 12-month period. Overall sector selection detracted most, relative to the benchmark. Cash held for transactional purposes and an underweight to energy detracted, while an underweight to communication services and an overweight to technology contributed. Security selection also detracted from returns. Selection within the technology sector detracted most, while selection within consumer discretionary contributed. From a theme perspective, Empowerment contributed to performance while Climate and Health detracted.

The Fund outperformed the benchmark for the six-month period. Both security and sector selection were positive. An underweight to communication services and an overweight to technology offset underperformance from cash held for transactional purposes and an overweight to industrials.

Security selection within industrials contributed and helped offset losses from selection within technology. From a theme perspective, Empowerment contributed to performance while Climate and Health detracted.

Efforts to stem climate change are gaining momentum around the world. The Climate theme consists of companies that improve overall resource efficiency and provide environmentally positive solutions in fields such as energy production, manufacturing, construction, transportation, agriculture and sanitation. Improving health is an important theme for developed and emerging markets alike. The Health theme consists of companies that develop innovative health treatments and therapies, broaden access to high-quality and affordable care, ensure a steady supply of nutritious food and clean water, and promote overall physical and emotional well-being. Too many sectors of society are marginalized by economic and social forces. The Empowerment theme consists of companies that provide the physical, financial and technological infrastructure and services that allow more people to gain control of their lives by enabling sustainable economic development, employment growth, poverty eradication, knowledge sharing and social inclusion.

The Fund did not utilize derivatives during either period.

MARKET REVIEW AND INVESTMENT STRATEGY

US and international equities recorded double-digit returns during the 12-month period ended December 31, 2021. Global markets were supported by accommodative monetary policy and strong company earnings growth, while economic turbulence in China, geopolitical risks and inflation pressured emerging markets. Increased market volatility periodically sent risk assets lower, but investors continued to buy the dip. Toward the end of the period, global markets fell as the rapid spread of the coronavirus omicron variant triggered concern that new restrictions could derail the economic recovery. Encouraging developments in COVID-19 treatments and vaccines and a reluctance to reinstate shutdowns helped investors look past the potential impact of the omicron variant. Stock markets gave back gains, however, after the US Federal Reserve (the “Fed”) took a hawkish pivot and confirmed that it would accelerate the wind-down of its bond purchases and raise rates multiple times in 2022. After digesting the Fed’s comments, equity markets rose as investors appeared to adjust to the shift and remained focused on still generally supportive monetary policy. Growth outperformed value, in terms of style, and large-cap stocks outperformed their small-cap peers.

The Fund’s Senior Investment Management Team (the “Team”) seeks to capitalize on long-term sustainable investment themes that impact multiple industries. The Team targets US companies with strong environmental, social and governance (“ESG”) practices using a combination of bottom-up and top-down research.

The Team's approach to building a sustainable portfolio with attractive financial return potential is to invest in companies aligned with the United Nations Sustainable Development Goals ("SDGs"), which 193 nations have committed to advancing. The estimated cost to achieve these goals between 2016 and 2030 is \$90 trillion, creating substantial opportunity for investment in companies aligned with these goals.

INVESTMENT POLICIES

The Fund pursues opportunistic growth by investing primarily in a portfolio of US companies whose business activities the Adviser believes position the issuer to benefit from certain environmentally or socially oriented sustainable investment themes that align with one or more of the SDGs. These themes include the advancement of health, climate and empowerment. Under normal conditions, the Fund invests at least 80% of its net assets in equity securities of US companies that satisfy the Fund's sustainability criteria. A company that derives at least 25% of its total revenues from activities consistent with the achievement of the SDGs meets such criteria, although many of the companies in which the Fund invests will derive a much greater portion of their revenues from such activities.

The Adviser employs a combination of "top-down" and "bottom-up" investment processes with the goal of identifying, based on its internal research and analysis, the most attractive US securities that fit into sustainable investment themes. First, under the top-down approach, the Adviser seeks to identify the sustainable investment themes. In addition to this "top-down" thematic approach, the Adviser then uses a "bottom-up" analysis of individual companies that focuses on prospective earnings growth, valuation and quality of company management and on evaluating a company's risks relating to ESG factors. ESG factors, which can vary across companies and industries, may include environmental impact, corporate governance, ethical business practices, diversity and employee practices, product safety, supply chain management and community impact. Eligible investments include securities of issuers that the Adviser believes will maximize total return while also contributing to positive societal impact aligned with one or more SDGs. While the Adviser emphasizes positive selection criteria over broad-based negative screens in assessing an issuer's exposure to ESG factors, the Fund will not invest in companies that derive revenue from direct involvement in alcohol, coal, gambling, pornography, prisons, tobacco or weapons.

The Adviser normally considers a universe of primarily US mid- to large-capitalization companies for investment. The Adviser expects that normally the Fund's portfolio will emphasize investments in securities issued by US companies, although it may invest in foreign securities.

DISCLOSURES AND RISKS

Benchmark Disclosure

The S&P 500® Index is unmanaged and does not reflect fees and expenses associated with the active management of a mutual fund portfolio. The S&P 500 Index includes 500 US stocks and is a common representation of the performance of the overall US stock market. An investor cannot invest directly in an index, and its results are not indicative of the performance for any specific investment, including the Fund.

A Word About Risk

Market Risk: The value of the Fund's assets will fluctuate as the stock or bond market fluctuates. The value of its investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events, including public health crises (including the occurrence of a contagious disease or illness), that affect large portions of the market. It includes the risk that a particular style of investing, such as the Fund's growth approach, may underperform the market generally.

ESG Risk: Applying ESG and sustainability criteria to the investment process may exclude securities of certain issuers for non-investment reasons and, therefore, the Fund may forgo some market opportunities available to funds that do not use ESG or sustainability criteria. Securities of companies with ESG practices may shift into and out of favor depending on market and economic conditions, and the Fund's performance may at times be better or worse than the performance of funds that do not use ESG or sustainability criteria. Furthermore, "sustainability" is not a uniformly defined characteristic, and the Fund's sustainability criteria may differ from those used by other funds. In addition, in evaluating an investment, the investment adviser is dependent upon information and data that may be incomplete, inaccurate or unavailable, which could adversely affect the analysis of the ESG factors relevant to a particular investment.

Foreign (Non-US) Risk: Investments in securities of non-US issuers may involve more risk than those of US issuers. These securities may fluctuate more widely in price and may be more difficult to trade due to adverse market, economic, political, regulatory or other factors.

Capitalization Risk: Investments in mid-capitalization companies may be more volatile than investments in large-capitalization companies. Investments in mid-capitalization companies may have additional risks because these companies may have limited product lines, markets or financial resources.

Management Risk: The Fund is subject to management risk because it is an actively managed investment fund. The Adviser will apply its investment techniques and risk analyses in making investment decisions for the Fund, but there is no guarantee that its techniques will produce the intended

DISCLOSURES AND RISKS (continued)

results. Some of these techniques may incorporate, or rely upon, quantitative models, but there is no guarantee that these models will generate accurate forecasts, reduce risk or otherwise perform as expected.

These risks are fully discussed in the Fund's prospectus. As with all investments, you may lose money by investing in the Fund.

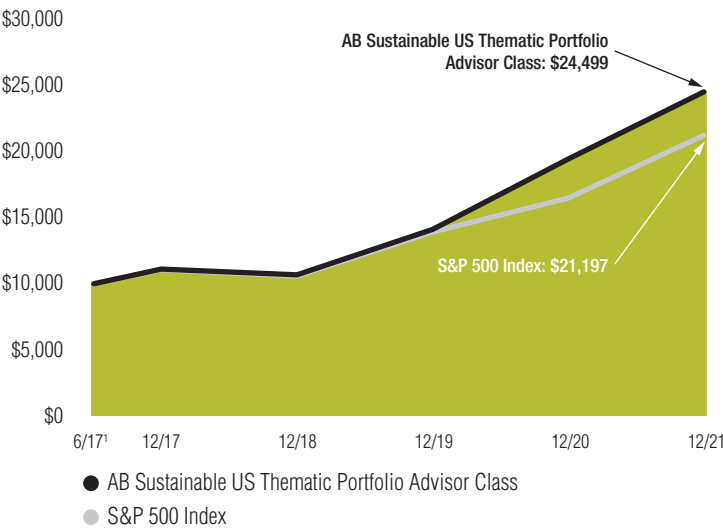
An Important Note About Historical Performance

The investment return and principal value of an investment in the Fund will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. Performance shown in this report represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance information shown. You may obtain performance information current to the most recent month-end by visiting www.abfunds.com.

All fees and expenses related to the operation of the Fund have been deducted. Net asset value ("NAV") returns do not reflect sales charges; if sales charges were reflected, the Fund's quoted performance would be lower. SEC returns reflect the applicable sales charges for each share class. Returns for the different share classes will vary due to different expenses associated with each class. Performance assumes reinvestment of distributions and does not account for taxes.

HISTORICAL PERFORMANCE

GROWTH OF A \$10,000 INVESTMENT IN THE FUND (unaudited)
6/28/2017¹ TO 12/31/2021



This chart illustrates the total value of an assumed \$10,000 investment in AB Sustainable US Thematic Portfolio Advisor Class shares (from 6/28/2017¹ to 12/31/2021) as compared to the performance of the Fund's benchmark.

¹ Inception date: 6/28/2017.

HISTORICAL PERFORMANCE (continued)

AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2021 (unaudited)

	NAV Returns	SEC Returns (reflects applicable sales charges)
ADVISOR CLASS SHARES¹		
1 Year	26.26%	26.26%
Since Inception ²	21.98%	21.98%

SEC AVERAGE ANNUAL RETURNS AS OF THE MOST RECENT CALENDAR QUARTER-END DECEMBER 31, 2021 (unaudited)

	SEC Returns (reflects applicable sales charges)
ADVISOR CLASS SHARES¹	
1 Year	26.26%
Since Inception ²	21.98%

The Fund's current prospectus fee table shows the Fund's total annual operating expense ratio as 0.84% for Advisor Class shares, gross of any fee waivers or expense reimbursements. Contractual fee waivers and/or expense reimbursements limit the Fund's annual operating expense ratio (excluding acquired fund fees and expenses other than the advisory fees of any AB mutual funds in which the Fund may invest, interest expense, taxes, extraordinary expenses, and brokerage commissions and other transaction costs) to 0.65% for Advisor Class shares. These waivers/reimbursements may not be terminated before October 31, 2022, and may be extended by the Adviser for one-year terms. Any fees waived and expenses borne by the Adviser through December 31, 2018, under the expense limitation in effect prior to that date may be reimbursed by the Fund until the end of the third fiscal year after the fiscal period in which the fee was waived or the expense was borne, provided that no reimbursement payment will be made that would cause the Fund's total other expenses to exceed the expense limitation for Advisor Class shares in effect (1) at the time of the waiver or reimbursement or (2) at the time of recapture. Absent reimbursements or waivers, performance would have been lower. The Financial Highlights section of this report sets forth expense ratio data for the current reporting period; the expense ratio shown above may differ from the expense ratio in the Financial Highlights section since they are based on different time periods.

1 This share class is offered at NAV to eligible investors and the SEC returns are the same as the NAV returns. Please note that this share class is for investors purchasing shares through accounts established under certain fee-based programs sponsored and maintained by certain broker-dealers and financial intermediaries, institutional pension plans and/or investment advisory clients of, and certain other persons associated with, the Adviser and its affiliates or the Fund.

2 Inception date: 6/28/2017.

EXPENSE EXAMPLE

(unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments, contingent deferred sales charges on redemptions and (2) ongoing costs, including advisory fees; distribution (12b-1) fees; and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period as indicated below.

Actual Expenses

The table below provides information about actual account values and actual expenses. You may use the information, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The table below also provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed annual rate of return of 5% before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds by comparing this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), or contingent deferred sales charges on redemptions. Therefore, the hypothetical example is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

EXPENSE EXAMPLE (continued)

Advisor Class	Beginning Account Value 7/1/2021	Ending Account Value 12/31/2021	Expenses Paid During Period*	Annualized Expense Ratio*
Actual	\$ 1,000	\$ 1,125.70	\$ 0.70	0.13%
Hypothetical**	\$ 1,000	\$ 1,024.55	\$ 0.66	0.13%

* Expenses are equal to the classes' annualized expense ratios multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

** Assumes 5% annual return before expenses.

PORTFOLIO SUMMARY

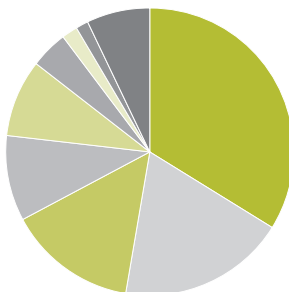
December 31, 2021 (unaudited)

PORTFOLIO STATISTICS

Net Assets (\$mil): \$191.7

SECTOR BREAKDOWN¹

33.8%	Information Technology
18.9%	Health Care
14.5%	Industrials
9.6%	Financials
8.7%	Consumer Discretionary
4.2%	Utilities
1.8%	Real Estate
1.4%	Consumer Staples
7.1%	Short-Term



TEN LARGEST HOLDINGS²

Company	U.S. \$ Value	Percent of Net Assets
SVB Financial Group	\$ 5,769,109	3.0%
Danaher Corp.	5,735,960	3.0
Trex Co., Inc.	5,628,996	2.9
Motorola Solutions, Inc.	5,563,330	2.9
Microsoft Corp.	5,338,407	2.8
Waste Management, Inc.	5,181,578	2.7
Apple, Inc.	5,150,418	2.7
MSCI, Inc. – Class A	5,145,983	2.7
Home Depot, Inc. (The)	5,122,883	2.7
Lumentum Holdings, Inc.	4,902,122	2.6
	\$ 53,538,786	28.0%

1 All data are as of December 31, 2021. The Fund's sector breakdown is expressed as a percentage of total investments (excluding security lending collateral) and may vary over time.

2 Long-term investments.

Please note: The sector classifications presented herein are based on the Global Industry Classification Standard (GICS) which was developed by Morgan Stanley Capital International and Standard & Poor's. The components are divided into sector, industry group, and industry sub-indices as classified by the GICS for each of the market capitalization indices in the broad market. These sector classifications are broadly defined. The "Portfolio of Investments" section of the report reflects more specific industry information and is consistent with the investment restrictions discussed in the Fund's prospectus.

PORTFOLIO OF INVESTMENTS

December 31, 2021

Company	Shares	U.S. \$ Value
COMMON STOCKS – 96.6%		
Information Technology – 35.1%		
Communications Equipment – 7.7%		
Ciena Corp. ^(a)	57,433	\$ 4,420,618
Lumentum Holdings, Inc. ^(a)	46,347	4,902,122
Motorola Solutions, Inc.	20,476	5,563,330
		<u>14,886,070</u>
Electronic Equipment, Instruments & Components – 6.3%		
Flex Ltd. ^(a)	245,883	4,507,035
Keysight Technologies, Inc. ^(a)	16,746	3,458,216
TE Connectivity Ltd.	25,822	4,166,122
		<u>12,131,373</u>
IT Services – 4.1%		
Block, Inc. – Class A ^(a)	11,900	1,921,969
MAXIMUS, Inc.	30,760	2,450,649
Visa, Inc. – Class A	15,807	3,425,535
		<u>7,798,153</u>
Semiconductors & Semiconductor Equipment – 7.1%		
Monolithic Power Systems, Inc.	6,588	3,250,058
NVIDIA Corp.	11,965	3,519,026
NXP Semiconductors NV	19,183	4,369,504
Wolfspeed, Inc. ^{(a)(b)}	22,020	2,461,175
		<u>13,599,763</u>
Software – 7.2%		
Adobe, Inc. ^(a)	6,808	3,860,545
ANSYS, Inc. ^(a)	7,152	2,868,810
Coinbase Global, Inc. ^(a)	6,680	1,685,832
Microsoft Corp.	15,873	5,338,407
		<u>13,753,594</u>
Technology Hardware, Storage & Peripherals – 2.7%		
Apple, Inc.	29,005	5,150,418
		<u>67,319,371</u>
Health Care – 19.6%		
Health Care Equipment & Supplies – 8.0%		
Alcon, Inc.	48,775	4,249,278
Becton Dickinson and Co.	16,149	4,061,150
Koninklijke Philips NV (ADR)	71,956	2,651,579
STERIS PLC	18,329	4,461,462
		<u>15,423,469</u>
Health Care Providers & Services – 4.1%		
Laboratory Corp. of America Holdings ^(a)	15,380	4,832,550
UnitedHealth Group, Inc.	5,820	2,922,455
		<u>7,755,005</u>

PORTFOLIO OF INVESTMENTS (continued)

Company	Shares	U.S. \$ Value
Life Sciences Tools & Services – 7.5%		
Bio-Rad Laboratories, Inc. – Class A ^(a)	6,175	\$ 4,665,645
Bruker Corp.	47,895	4,018,869
Danaher Corp.	17,434	5,735,960
		<u>14,420,474</u>
		<u>37,598,948</u>
Industrials – 15.1%		
Aerospace & Defense – 1.4%		
Hexcel Corp. ^(a)	53,393	<u>2,765,757</u>
Building Products – 2.9%		
Trex Co., Inc. ^(a)	41,687	<u>5,628,996</u>
Commercial Services & Supplies – 4.2%		
Tetra Tech, Inc.	16,585	2,816,133
Waste Management, Inc.	31,046	5,181,578
		<u>7,997,711</u>
Electrical Equipment – 3.9%		
Rockwell Automation, Inc.	13,949	4,866,108
Vestas Wind Systems A/S (Sponsored ADR)	249,110	2,533,449
		<u>7,399,557</u>
Machinery – 2.7%		
Deere & Co.	7,408	2,540,129
Xylem, Inc./NY	21,986	2,636,561
		<u>5,176,690</u>
		<u>28,968,711</u>
Financials – 10.0%		
Banks – 3.0%		
SVB Financial Group ^(a)	8,506	<u>5,769,109</u>
Capital Markets – 5.0%		
Intercontinental Exchange, Inc.	31,981	4,374,042
MSCI, Inc. – Class A	8,399	5,145,983
		<u>9,520,025</u>
Insurance – 2.0%		
Aflac, Inc.	65,585	3,829,508
		<u>19,118,642</u>
Consumer Discretionary – 9.0%		
Auto Components – 1.7%		
Aptiv PLC ^(a)	20,015	<u>3,301,474</u>
Household Durables – 2.2%		
TopBuild Corp. ^(a)	15,449	<u>4,262,534</u>
Specialty Retail – 2.7%		
Home Depot, Inc. (The)	12,344	<u>5,122,883</u>

PORTFOLIO OF INVESTMENTS (continued)

Company	Shares	U.S. \$ Value
Textiles, Apparel & Luxury Goods – 2.4%		
NIKE, Inc. – Class B	27,704	\$ 4,617,426
		<u>17,304,317</u>
Utilities – 4.4%		
Electric Utilities – 2.5%		
NextEra Energy, Inc.	51,898	<u>4,845,197</u>
Water Utilities – 1.9%		
American Water Works Co., Inc.	18,947	<u>3,578,331</u>
		<u>8,423,528</u>
Real Estate – 1.9%		
Equity Real Estate Investment Trusts (REITs) – 1.9%		
SBA Communications Corp.	9,416	<u>3,663,012</u>
Consumer Staples – 1.5%		
Household Products – 1.5%		
Procter & Gamble Co. (The)	17,449	<u>2,854,308</u>
Total Common Stocks (cost \$106,709,873)		<u>185,250,837</u>
SHORT-TERM INVESTMENTS – 7.4%		
Investment Companies – 7.4%		
AB Fixed Income Shares, Inc. – Government Money Market Portfolio – Class AB, 0.01%(c)(d)(e) (cost \$14,082,587)	14,082,587	<u>14,082,587</u>
Total Investments Before Security Lending Collateral for Securities Loaned – 104.0%		
(cost \$120,792,460)		<u>199,333,424</u>
INVESTMENTS OF CASH COLLATERAL FOR SECURITIES LOANED – 1.0%		
Investment Companies – 1.0%		
AB Fixed Income Shares, Inc. – Government Money Market Portfolio – Class AB, 0.01%(c)(d)(e) (cost \$1,982,527)	1,982,527	<u>1,982,527</u>
Total Investments – 105.0%		
(cost \$122,774,987)		<u>201,315,951</u>
Other assets less liabilities – (5.0%)		<u>(9,569,838)</u>
Net Assets – 100.0%		<u>\$ 191,746,113</u>

PORTFOLIO OF INVESTMENTS (continued)

(a) Non-income producing security.

(b) Represents entire or partial securities out on loan. See Note D for securities lending information.

(c) The rate shown represents the 7-day yield as of period end.

(d) To obtain a copy of the fund's shareholder report, please go to the Securities and Exchange Commission's website at www.sec.gov, or call AB at (800) 227-4618.

(e) Affiliated investments.

Glossary:

ADR – American Depositary Receipt

REIT – Real Estate Investment Trust

See notes to financial statements.

STATEMENT OF ASSETS & LIABILITIES

December 31, 2021

Assets

Investments in securities, at value	
Unaffiliated issuers (cost \$106,709,873)	\$ 185,250,837 ^(a)
Affiliated issuers (cost \$16,065,114—including investment of cash collateral for securities loaned of \$1,982,527)	16,065,114
Receivable for capital stock sold	5,487,436
Receivable from Adviser	151,141
Unaffiliated dividends receivable	50,599
Affiliated dividends receivable	92
Total assets	<u>207,005,219</u>

Liabilities

Dividends payable	9,116,021
Payable for investment securities purchased	2,912,897
Payable for collateral received on securities loaned	1,982,527
Payable for capital stock redeemed	1,148,481
Transfer Agent fee payable	1,736
Directors' fee payable	13
Accrued expenses	97,431
Total liabilities	<u>15,259,106</u>
Net Assets	<u>\$ 191,746,113</u>

Composition of Net Assets

Capital stock, at par	\$ 883
Additional paid-in capital	113,179,289
Distributable earnings	78,565,941
	<u>\$ 191,746,113</u>

Net Asset Value Per Share—11 billion shares of capital stock authorized, \$.0001 par value

Class	Net Assets	Shares Outstanding	Net Asset Value
Advisor	\$ 191,746,113	8,830,887	\$ 21.71

(a) Includes securities on loan with a value of \$1,531,249 (see Note D).

See notes to financial statements.

STATEMENT OF OPERATIONS

Year Ended December 31, 2021

Investment Income

Dividends

Unaffiliated issuers (net of foreign taxes withheld of \$24,061)	\$ 1,247,018	
Affiliated issuers	1,041	
Securities lending income	7,453	\$ 1,255,512

Expenses

Advisory fee (see Note B)	95,411	
Transfer agency—Advisor Class	89,804	
Legal	182,345	
Administrative	94,904	
Custody and accounting	70,336	
Audit and tax	49,796	
Printing	38,661	
Registration fees	37,164	
Directors' fees	20,928	
Miscellaneous	14,867	
Total expenses	694,216	
Less: expenses waived and reimbursed by the Adviser (see Note B and Note D)	(473,226)	
Net expenses		220,990
Net investment income		1,034,522

Realized and Unrealized Gain on Investments

Net realized gain on investment transactions	19,203,209	
Net change in unrealized appreciation/depreciation on investments	23,410,836	
Net gain on investments	42,614,045	

Net Increase in Net Assets from

Operations	\$ 43,648,567
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See notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

	Year Ended December 31, 2021	Year Ended December 31, 2020
Increase (Decrease) in Net Assets from Operations		
Net investment income (loss)	\$ 1,034,522	\$ (470,644)
Net realized gain on investments	19,203,209	5,302,823
Net change in unrealized appreciation/ depreciation on investments	23,410,836	36,792,733
Net increase in net assets from operations	43,648,567	41,624,912
Distributions to Shareholders		
Advisor Class	(17,008,039)	(3,003,460)
Capital Stock Transactions		
Net increase (decrease)	(16,863,811)	42,634,035
Total increase	9,776,717	81,255,487
Net Assets		
Beginning of period	181,969,396	100,713,909
End of period	\$ 191,746,113	\$ 181,969,396

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE A

Significant Accounting Policies

AB Cap Fund, Inc. (the “Company”) is registered under the Investment Company Act of 1940 as an open-end management investment company. The Company, which is a Maryland corporation, operates as a series company comprised of 12 portfolios currently in operation. Each portfolio is considered to be a separate entity for financial reporting and tax purposes. This report relates only to the AB FlexFee US Thematic Portfolio (the “Fund”), a diversified portfolio. On August 23, 2021, the Fund’s name was changed from AB FlexFee US Thematic Portfolio to AB Sustainable US Thematic Portfolio. The Fund has authorized issuance of Class A, Class B, Class C, Advisor Class, Class R, Class K, Class I, Class Z, Class T, Class 1, and Class 2 shares. Class A, Class B, Class C, Class R, Class K, Class I, Class Z, Class T, Class 1, and Class 2 shares have not been issued. Advisor Class shares are sold without an initial or contingent deferred sales charge and are not subject to ongoing distribution expenses. All 11 classes of shares have identical voting, dividend, liquidation and other rights, except that the classes bear different distribution and transfer agency expenses. Each class has exclusive voting rights with respect to its distribution plan. The financial statements have been prepared in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”), which require management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and amounts of income and expenses during the reporting period. Actual results could differ from those estimates. The Fund is an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. The following is a summary of significant accounting policies followed by the Fund.

1. Security Valuation

Portfolio securities are valued at their current market value determined on the basis of market quotations or, if market quotations are not readily available or are deemed unreliable, at “fair value” as determined in accordance with procedures established by and under the general supervision of the Fund’s Board of Directors (the “Board”).

In general, the market values of securities which are readily available and deemed reliable are determined as follows: securities listed on a national securities exchange (other than securities listed on the NASDAQ Stock Market, Inc. (“NASDAQ”)) or on a foreign securities exchange are valued at the last sale price at the close of the exchange or foreign securities exchange. If there has been no sale on such day, the securities are valued at the last traded price from the previous day. Securities listed on more than one exchange are valued by reference to the principal exchange on

NOTES TO FINANCIAL STATEMENTS (continued)

which the securities are traded; securities listed only on NASDAQ are valued in accordance with the NASDAQ Official Closing Price; listed or over the counter (“OTC”) market put or call options are valued at the mid level between the current bid and ask prices. If either a current bid or current ask price is unavailable, AllianceBernstein L.P. (the “Adviser”) will have discretion to determine the best valuation (e.g., last trade price in the case of listed options); open futures are valued using the closing settlement price or, in the absence of such a price, the most recent quoted bid price. If there are no quotations available for the day of valuation, the last available closing settlement price is used; U.S. Government securities and any other debt instruments having 60 days or less remaining until maturity are generally valued at market by an independent pricing vendor, if a market price is available. If a market price is not available, the securities are valued at amortized cost. This methodology is commonly used for short term securities that have an original maturity of 60 days or less, as well as short term securities that had an original term to maturity that exceeded 60 days. In instances when amortized cost is utilized, the Valuation Committee (the “Committee”) must reasonably conclude that the utilization of amortized cost is approximately the same as the fair value of the security. Factors the Committee will consider include, but are not limited to, an impairment of the creditworthiness of the issuer or material changes in interest rates. Fixed-income securities, including mortgage-backed and asset-backed securities, may be valued on the basis of prices provided by a pricing service or at a price obtained from one or more of the major broker-dealers. In cases where broker-dealer quotes are obtained, the Adviser may establish procedures whereby changes in market yields or spreads are used to adjust, on a daily basis, a recently obtained quoted price on a security. Swaps and other derivatives are valued daily, primarily using independent pricing services, independent pricing models using market inputs, as well as third party broker-dealers or counterparties. Open-end mutual funds are valued at the closing net asset value per share, while exchange traded funds are valued at the closing market price per share.

Securities for which market quotations are not readily available (including restricted securities) or are deemed unreliable are valued at fair value as deemed appropriate by the Adviser. Factors considered in making this determination may include, but are not limited to, information obtained by contacting the issuer, analysts, analysis of the issuer’s financial statements or other available documents. In addition, the Fund may use fair value pricing for securities primarily traded in non-U.S. markets because most foreign markets close well before the Fund values its securities at 4:00 p.m., Eastern Time. The earlier close of these foreign markets gives rise to the possibility that significant events, including broad market moves, may have occurred in the interim and may materially affect the value of those

securities. To account for this, the Fund generally values many of its foreign equity securities using fair value prices based on third party vendor modeling tools to the extent available.

2. Fair Value Measurements

In accordance with U.S. GAAP regarding fair value measurements, fair value is defined as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes a framework for measuring fair value, and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability (including those valued based on their market values as described in Note A.1 above). Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's own assumptions about the assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. Each investment is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three-tier hierarchy of inputs is summarized below.

- Level 1—quoted prices in active markets for identical investments
- Level 2—other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3—significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

Where readily available market prices or relevant bid prices are not available for certain equity investments, such investments may be valued based on similar publicly traded investments, movements in relevant indices since last available prices or based upon underlying company fundamentals and comparable company data (such as multiples to earnings or other multiples to equity). Where an investment is valued using an observable input, such as another publicly traded security, the investment will be classified as Level 2. If management determines that an adjustment is appropriate based on restrictions on resale, illiquidity or uncertainty, and such adjustment is a significant component of the valuation, the investment will be classified as Level 3. An investment will also be classified as Level 3 where management uses company fundamentals and other significant inputs to determine the valuation.

NOTES TO FINANCIAL STATEMENTS (continued)

The following table summarizes the valuation of the Fund's investments by the above fair value hierarchy levels as of December 31, 2021:

Investments in Securities	Level 1	Level 2	Level 3	Total
Assets:				
Common Stocks^	\$ 185,250,837	\$ - 0 -	\$ - 0 -	\$ 185,250,837
Short-Term Investments:				
Investment Companies	14,082,587	- 0 -	- 0 -	14,082,587
Investments of Cash Collateral for Securities Loaned in Affiliated Money Market Fund	1,982,527	- 0 -	- 0 -	1,982,527
Total Investments in Securities	201,315,951	- 0 -	- 0 -	201,315,951
Other Financial Instruments*	- 0 -	- 0 -	- 0 -	- 0 -
Total	\$ 201,315,951	\$ - 0 -	\$ - 0 -	\$ 201,315,951

^ See Portfolio of Investments for sector classifications.

* Other financial instruments are derivative instruments, such as futures, forwards and swaps, which are valued at the unrealized appreciation/(depreciation) on the instrument. Other financial instruments may also include swaps with upfront premiums, options written and swaptions written which are valued at market value.

3. Currency Translation

Assets and liabilities denominated in foreign currencies and commitments under forward currency exchange contracts are translated into U.S. dollars at the mean of the quoted bid and ask prices of such currencies against the U.S. dollar. Purchases and sales of portfolio securities are translated into U.S. dollars at the rates of exchange prevailing when such securities were acquired or sold. Income and expenses are translated into U.S. dollars at the rates of exchange prevailing when accrued.

Net realized gain or loss on foreign currency transactions represents foreign exchange gains and losses from sales and maturities of foreign fixed income investments, holding of foreign currencies, currency gains or losses realized between the trade and settlement dates on foreign investment transactions, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent amounts actually received or paid. Net unrealized currency gains and losses from valuing foreign currency denominated assets and liabilities at period end exchange rates are reflected as a component of net unrealized appreciation or depreciation of foreign currency denominated assets and liabilities.

4. Taxes

It is the Fund's policy to meet the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its investment company taxable income and net realized gains, if any, to shareholders. Therefore, no provisions for federal income or excise taxes

NOTES TO FINANCIAL STATEMENTS (continued)

are required. The Fund may be subject to taxes imposed by countries in which it invests. Such taxes are generally based on income and/or capital gains earned or repatriated. Taxes are accrued and applied to net investment income, net realized gains and net unrealized appreciation/depreciation as such income and/or gains are earned.

In accordance with U.S. GAAP requirements regarding accounting for uncertainties in income taxes, management has analyzed the Fund's tax positions taken or expected to be taken on federal and state income tax returns for all open tax years (the current and the prior three tax years) and has concluded that no provision for income tax is required in the Fund's financial statements.

5. Investment Income and Investment Transactions

Dividend income is recorded on the ex-dividend date or as soon as the Fund is informed of the dividend. Interest income is accrued daily. Investment transactions are accounted for on the date the securities are purchased or sold. Investment gains or losses are determined on the identified cost basis. The Fund amortizes premiums and accretes discounts as adjustments to interest income. The Fund accounts for distributions received from REIT investments or from regulated investment companies as dividend income, realized gain, or return of capital based on information provided by the REIT or the investment company.

6. Expense Allocations

Expenses of the Company are charged proportionately to each portfolio or based on other appropriate methods.

7. Dividends and Distributions

Dividends and distributions to shareholders, if any, are recorded on the ex-dividend date. Income dividends and capital gains distributions are determined in accordance with federal tax regulations and may differ from those determined in accordance with U.S. GAAP. To the extent these differences are permanent, such amounts are reclassified within the capital accounts based on their federal tax basis treatment; temporary differences do not require such reclassification.

NOTE B

Advisory Fee and Other Transactions with Affiliates

Under the terms of the current investment advisory agreement, the Fund pays the Adviser an advisory fee at an annual rate of .55% of the first \$2.5 billion, .50% of the next \$2.5 billion and .45% in excess of \$5 billion of the Fund's average daily net assets. Under the investment advisory agreement in effect prior to August 23, 2021, the Fund calculated and accrued daily a base fee, at an annual rate of .55% of the Fund's average daily net assets ("Base Fee"). The prior advisory fee was increased

NOTES TO FINANCIAL STATEMENTS (continued)

or decreased from the Base Fee by a performance adjustment (“Performance Adjustment”) that depended on whether, and to what extent, the investment performance of the Advisor Class shares of the Fund (“Measuring Class”) exceeded, or was exceeded by, the performance of the S&P 500 Index (“Index”) plus 1.40% (“Index Hurdle”) over the Performance Period (as defined below). The Performance Adjustment was calculated and accrued daily, according to a schedule that added or subtracted .00357% of the Fund’s average daily net assets for each .01% of absolute performance by which the performance of the Measuring Class exceeded or lagged the Index Hurdle for the period from the beginning of the Performance Period through the current business day. The maximum Performance Adjustment (positive or negative) could not exceed an annualized rate of +/- .50% (“Maximum Performance Adjustment”) of the Fund’s average daily net assets, which would occur when the performance of the Measuring Class exceeded, or was exceeded by, the Index Hurdle by 1.40% or more for the Performance Period. On a monthly basis, the Fund paid the Adviser the minimum fee rate of .05% on an annualized basis (Base Fee minus the Maximum Performance Adjustment) applied to the average daily net assets for the month. At the end of the Performance Period, the Fund paid to the Adviser the total advisory fee, less the amount of any minimum fees paid during the Performance Period and any waivers described below. The period over which performance was measured (“Performance Period”) was each 12-month period beginning on the first day in the month of January through December 31 of the same year. In addition, the Adviser had agreed to waive its advisory fee by limiting the Fund’s accrual of the advisory fee (Base Fee plus Performance Adjustment) on any day to the amount corresponding to the maximum fee rate multiplied by the Fund’s current net assets if such amount was less than the amount that would have been accrued based on the Fund’s average daily net assets for the Performance Period. For the year ended December 31, 2021, the Fund paid the minimum fee under the prior advisory fee arrangement (.05% of the Fund’s average daily net assets), partly as a result of fee waivers by the Adviser as described below.

The Adviser has agreed to waive its fees and bear certain expenses to the extent necessary to limit total expenses (other than acquired fund fees and expenses other than the advisory fees of any AB mutual funds in which the Fund may invest, interest expense, taxes, extraordinary expenses, and brokerage commissions and other transaction costs) on an annual basis (the “Expense Cap”) to .65% of daily average net assets for the Advisor Class. The Expense Cap will remain in effect until October 31, 2022 and then may be continued thereafter from year to year by the Adviser. Prior to August 23, 2021, the Adviser had agreed to waive its fees and bear certain expenses to the extent necessary to limit total expenses (other than the advisory fees of the Fund and the other excluded expenses noted above)

NOTES TO FINANCIAL STATEMENTS (continued)

on an annual basis from exceeding .05% of average daily net assets. Any fees waived and expenses borne by the Adviser through December 31, 2018 are subject to repayment by the Fund until the end of the third fiscal year after the fiscal period in which the fee was waived or the expense was borne; such waivers that were subject to repayment amount to \$233,614 for the year ended December 31, 2018. In any case, no repayment would be made that would cause the Fund's total annual expenses (subject to the exclusions set forth in the preceding sentence) to exceed .05% of average daily net assets. For the period from August 23, 2021 until December 31, 2021, the Adviser agreed to waive fees so that the investment advisory fee was the lesser of (i) the amount payable under the current investment advisory agreement or (ii) the amount that would have been payable under the prior investment advisory agreement. Under the terms of this waiver, the Fund paid the amount that would have been payable under the prior investment advisory agreement and the Adviser waived its fees and bore certain expenses to the extent necessary to limit total expenses (other than advisory fees and other excluded expenses) on an annual basis from exceeding .10% of average daily net assets. For the year ended December 31, 2021, such reimbursements/waivers amounted to \$373,173.

Pursuant to the investment advisory agreement, the Fund may reimburse the Adviser for certain legal and accounting services provided to the Fund by the Adviser. For the year ended December 31, 2021, the Adviser voluntarily agreed to waive such fees in the amount of \$94,904.

The Fund compensates AllianceBernstein Investor Services, Inc. ("ABIS"), a wholly-owned subsidiary of the Adviser, under a Transfer Agency Agreement for providing personnel and facilities to perform transfer agency services for the Fund. ABIS may make payments to intermediaries that provide omnibus account services, sub-accounting services and/or net-working services. Such compensation retained by ABIS amounted to \$20,996 for the year ended December 31, 2021.

The Fund may invest in AB Government Money Market Portfolio (the "Government Money Market Portfolio") which has a contractual annual advisory fee rate of .20% of the portfolio's average daily net assets and bears its own expenses. The Adviser has contractually agreed to waive .10% of the advisory fee of Government Money Market Portfolio (resulting in a net advisory fee of .10%) until August 31, 2022. In connection with the investment by the Fund in Government Money Market Portfolio, the Adviser has contractually agreed to waive its advisory fee from the Fund in an amount equal to the Fund's pro rata share of the effective advisory fee of Government Money Market Portfolio, as borne indirectly by the Fund as an acquired fund fee and expense. For the year ended December 31, 2021, such waiver amounted to \$5,147.

NOTES TO FINANCIAL STATEMENTS (continued)

A summary of the Fund's transactions in AB mutual funds for the year ended December 31, 2021 is as follows:

Fund	Market Value 12/31/20 (000)	Purchases at Cost (000)	Sales Proceeds (000)	Market Value 12/31/21 (000)	Dividend Income (000)
Government Money Market Portfolio.....	\$ 9,523	\$ 90,048	\$ 85,488	\$ 14,083	\$ 1
Government Money Market Portfolio*	178	40,837	39,033	1,982	0**
				<u>\$ 16,065</u>	<u>\$ 1</u>

* Investment of cash collateral for securities lending transactions (see Note D).

** Amount is less than \$500.

NOTE C

Investment Transactions

Purchases and sales of investment securities (excluding short-term investments) for the year ended December 31, 2021, were as follows:

	Purchases	Sales
Investment securities (excluding U.S. government securities).....	\$ 66,697,952	\$ 98,165,217
U.S. government securities	- 0 -	- 0 -

The cost of investments for federal income tax purposes, gross unrealized appreciation and unrealized depreciation are as follows:

Cost	\$ 124,123,640
Gross unrealized appreciation	\$ 79,402,352
Gross unrealized depreciation	(2,210,041)
Net unrealized appreciation.....	<u>\$ 77,192,311</u>

1. Derivative Financial Instruments

The Fund may use derivatives in an effort to earn income and enhance returns, to replace more traditional direct investments, to obtain exposure to otherwise inaccessible markets (collectively, "investment purposes"), or to hedge or adjust the risk profile of its portfolio.

The Fund did not engage in derivative transactions for the year ended December 31, 2021.

2. Currency Transactions

The Fund may invest in non-U.S. Dollar-denominated securities on a currency hedged or unhedged basis. The Fund may seek investment opportunities by taking long or short positions in currencies through the use of currency-related derivatives, including forward currency exchange contracts, futures and options on futures, swaps, and other options. The Fund may enter into transactions for investment opportunities when it anticipates that a foreign currency will appreciate or depreciate in value but securities denominated in that currency are not held by the Fund and do not present attractive investment opportunities. Such transactions may also be used when the Adviser believes that it may be more efficient than a direct investment in a foreign currency-denominated security. The Fund may also conduct currency exchange contracts on a spot basis (i.e., for cash at the spot rate prevailing in the currency exchange market for buying or selling currencies).

NOTE D**Securities Lending**

The Fund may enter into securities lending transactions. Under the Fund's securities lending program, all loans of securities will be collateralized continually by cash collateral and/or non-cash collateral. Non-cash collateral will include only securities issued or guaranteed by the U.S. government or its agencies or instrumentalities. The Fund cannot sell or repledge any non-cash collateral, such collateral will not be reflected in the portfolio of investments. If a loan is collateralized by cash, the Fund will be compensated for the loan from a portion of the net return from the income earned on cash collateral after a rebate is paid to the borrower (in some cases, this rebate may be a "negative rebate" or fee paid by the borrower to the Fund in connection with the loan), and payments are made for fees of the securities lending agent and for certain other administrative expenses. If the Fund receives non-cash collateral, the Fund will receive a fee from the borrower generally equal to a negotiated percentage of the market value of the loaned securities. The Fund will have the right to call a loan and obtain the securities loaned at any time on notice to the borrower within the normal and customary settlement time for the securities. While the securities are on loan, the borrower is obligated to pay the Fund amounts equal to any dividend income or other distributions from the securities; however, these distributions will not be afforded the same preferential tax treatment as qualified dividends. The Fund will not be able to exercise voting rights with respect to any securities during the existence of a loan, but will have the right to regain ownership of loaned securities in order to exercise voting or other ownership rights. Collateral received and securities loaned are marked to market daily to ensure that the securities loaned are secured by collateral. The lending agent currently invests the cash collateral received in Government Money Market Portfolio, an eligible money market vehicle,

NOTES TO FINANCIAL STATEMENTS (continued)

in accordance with the investment restrictions of the Fund, and as approved by the Board. The collateral received on securities loaned is recorded as an asset as well as a corresponding liability in the statement of assets and liabilities. The collateral will be adjusted the next business day to maintain the required collateral amount. The amounts of securities lending income from the borrowers and Government Money Market Portfolio are reflected in the statement of operations. When the Fund earns net securities lending income from Government Money Market Portfolio, the income is inclusive of a rebate expense paid to the borrower. In connection with the cash collateral investment by the Fund in the Government Money Market Portfolio, the Adviser has agreed to waive a portion of the Fund's share of the advisory fees of Government Money Market Portfolio, as borne indirectly by the Fund as an acquired fund fee and expense. When the Fund lends securities, its investment performance will continue to reflect changes in the value of the securities loaned. A principal risk of lending portfolio securities is that the borrower may fail to return the loaned securities upon termination of the loan and that the collateral will not be sufficient to replace the loaned securities. The lending agent has agreed to indemnify the Fund in the case of default of any securities borrower.

A summary of the Fund's transactions surrounding securities lending for the year ended December 31, 2021 is as follows:

Market Value of Securities on Loan*	Cash Collateral*	Market Value of Non-Cash Collateral*	Income from Borrowers	Government Money Market Portfolio	
				Income Earned	Advisory Fee Waived
\$ 1,531,249	\$ 1,982,527	\$ - 0 -	\$ 7,321	\$ 132	\$ 2

* As of December 31, 2021.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE E Capital Stock

Each class consists of 1,000,000,000 authorized shares. Transactions in capital shares for each class were as follows:

	Shares		Amount	
	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2021	Year Ended December 31, 2020
Advisor Class				
Shares sold	3,816,898	8,546,022	\$ 78,415,285	\$ 131,718,270
Shares issued in reinvestment of dividends and distributions	547,598	139,789	11,893,826	2,632,230
Shares redeemed	(5,196,377)	(6,247,117)	(107,172,922)	(91,716,465)
Net increase (decrease)	(831,881)	2,438,694	\$ (16,863,811)	\$ 42,634,035

NOTE F Risks Involved in Investing in the Fund

Market Risk—The value of the Fund’s assets will fluctuate as the stock or bond market fluctuates. The value of its investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events, including public health crises (including the occurrence of a contagious disease or illness), that affect large portions of the market. It includes the risk that a particular style of investing, such as the Fund’s growth approach, may underperform the market generally.

ESG Risk—Applying ESG and sustainability criteria to the investment process may exclude securities of certain issuers for non-investment reasons and, therefore, the Fund may forgo some market opportunities available to funds that do not use ESG or sustainability criteria. Securities of companies with favorable ESG characteristics may shift into and out of favor depending on market and economic conditions, and the Fund’s performance may at times be better or worse than the performance of funds that do not use ESG or sustainability criteria. Furthermore, “sustainability” is not a uniformly defined characteristic, and the Fund’s sustainability criteria may differ from those used by other funds. In addition, in evaluating an investment, the investment adviser is dependent upon information and data that may be incomplete, inaccurate or unavailable, which could adversely affect the analysis of the ESG factors relevant to a particular investment.

Foreign (Non-U.S.) Risk—Investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. These securities may

NOTES TO FINANCIAL STATEMENTS (continued)

fluctuate more widely in price and may be more difficult to trade due to adverse market, economic, political, regulatory or other factors.

Capitalization Risk—Investments in mid-capitalization companies may be more volatile than investments in large-capitalization companies. Investments in mid-capitalization companies may have additional risks because these companies may have limited product lines, markets or financial resources.

LIBOR Transition and Associated Risk—A Fund may be exposed to debt securities, derivatives or other financial instruments that are tied to the London Interbank Offered Rate, or “LIBOR,” as a “benchmark” or “reference rate” for various interest rate calculations. In 2017, the United Kingdom Financial Conduct Authority (“FCA”), which regulates LIBOR, announced a desire to phase out the use of LIBOR by the end of 2021. The FCA and LIBOR’s administrator, ICE Benchmark Administration, have since announced that most LIBOR settings (which reflect LIBOR rates quoted in different currencies over various time periods) will no longer be published after the end of 2021 but that the most widely used U.S. dollar LIBOR settings will continue to be published until June 30, 2023. However, banks were strongly encouraged to cease entering into agreements with counterparties referencing LIBOR by the end of 2021. It is possible that a subset of LIBOR settings will be published after these dates on a “synthetic” basis, but any such publications would be considered non-representative of the underlying market. The U.S. Federal Reserve, based on the recommendations of the New York Federal Reserve’s Alternative Reference Rate Committee (comprised of major derivative market participants and their regulators), has begun publishing a Secured Overnight Funding Rate (referred to as SOFR), which is intended to replace U.S. dollar LIBOR. Proposals for alternative reference rates for other currencies have also been announced or have already begun publication. Markets are slowly developing in response to these new rates.

The elimination of LIBOR or changes to other reference rates or any other changes or reforms to the determination or supervision of reference rates could have an adverse impact on the market for, or value of, any securities or payments linked to those reference rates, which may adversely affect a Fund’s performance and/or net asset value. Uncertainty and risk also remain regarding the willingness and ability of issuers and lenders to include revised provisions in new and existing contracts or instruments. Consequently, the transition away from LIBOR to other reference rates may lead to increased volatility and illiquidity in markets that are tied to LIBOR, fluctuations in values of LIBOR-related investments or investments in issuers that utilize LIBOR, increased difficulty in borrowing or refinancing and diminished effectiveness of hedging strategies, potentially adversely

NOTES TO FINANCIAL STATEMENTS (continued)

affecting a Fund's performance. Furthermore, the risks associated with the expected discontinuation of LIBOR and transition may be exacerbated if the work necessary to effect an orderly transition to an alternative reference rate is not completed in a timely manner. The potential effects of a phase out of LIBOR on LIBOR-based investments are currently unknown.

Indemnification Risk—In the ordinary course of business, the Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these indemnification provisions and expects the risk of loss thereunder to be remote. Therefore, the Fund has not accrued any liability in connection with these indemnification provisions.

Management Risk—The Fund is subject to management risk because it is an actively-managed investment fund. The Adviser will apply its investment techniques and risk analyses in making investment decisions for the Fund, but there is no guarantee that its techniques will produce the intended results. Some of these techniques may incorporate, or rely upon, quantitative models, but there is no guarantee that these models will generate accurate forecasts, reduce risk or otherwise perform as expected.

NOTE G

Joint Credit Facility

A number of open-end mutual funds managed by the Adviser, including the Fund, participate in a \$325 million revolving credit facility (the "Facility") intended to provide short-term financing related to redemptions and other short term liquidity requirements, subject to certain restrictions. Commitment fees related to the Facility are paid by the participating funds and are included in miscellaneous expenses in the statement of operations. The Fund did not utilize the Facility during the year ended December 31, 2021.

NOTE H

Distributions to Shareholders

The tax character of distributions paid during the fiscal years ended December 31, 2021 and December 31, 2020 were as follows:

	2021	2020
Distributions paid from:		
Ordinary income	\$ 8,862,176	\$ 1,145,944
Net long-term capital gains	8,145,863	1,857,516
Total taxable distributions paid	<u>\$ 17,008,039</u>	<u>\$ 3,003,460</u>

NOTES TO FINANCIAL STATEMENTS (continued)

As of December 31, 2021, the components of accumulated earnings/(deficit) on a tax basis were as follows:

Undistributed capital gains	\$ 1,373,630
Unrealized appreciation/(depreciation)	77,192,311 ^(a)
Total accumulated earnings/(deficit)	<u>\$ 78,565,941</u>

(a) The difference between book-basis and tax-basis unrealized appreciation/(depreciation) is attributable primarily to the tax deferral of losses on wash sales.

For tax purposes, net realized capital losses may be carried over to offset future capital gains, if any. Funds are permitted to carry forward capital losses for an indefinite period, and such losses will retain their character as either short-term or long-term capital losses. As of December 31, 2021, the Fund did not have any capital loss carryforwards.

During the current fiscal year, permanent differences primarily due to the utilization of earnings and profits distributed to shareholders on redemption of shares resulted in a net decrease in distributable earnings and a net increase in additional paid-in capital. These reclassifications had no effect on net assets.

NOTE I Recent Accounting Pronouncements

In March 2020, the Financial Accounting Standards Board issued an Accounting Standards Update, ASU 2020-04, "Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting." ASU 2020-04 provides optional guidance to ease the potential accounting burden due to the discontinuation of the LIBOR and other interbank-offered based reference rates. ASU 2020-04 is effective as of March 12, 2020 through December 31, 2022. Management is currently evaluating the impact, if any, of applying ASU 2020-04.

NOTE J Subsequent Events

At a meeting of the shareholders of the Fund held on August 5, 2021, the Fund's Board of Directors approved a change in the Fund's fiscal year end for financial reporting purposes from December 31 to June 30. The fiscal year end change will be effective for fiscal periods subsequent to the reporting period of this report.

Management has evaluated subsequent events for possible recognition or disclosure in the financial statements through the date the financial statements are issued. Management has determined that there are no other material events that would require disclosure in the Fund's financial statements through this date.

FINANCIAL HIGHLIGHTS

Selected Data For A Share Of Capital Stock Outstanding Throughout Each Period

	Advisor Class				
	Year Ended December 31,				June 28, 2017 ^(a) to December 31, 2017
	2021	2020	2019	2018	
Net asset value, beginning of period	\$ 18.83	\$ 13.94	\$ 10.59	\$ 11.11	\$ 10.00
Income From Investment Operations					
Net investment income (loss) ^{(b)(c)} .....	.11	(.06)	.09	.08	.04
Net realized and unrealized gain (loss) on investments	4.83	5.26	3.34	(.54)	1.09
Net increase (decrease) in net asset value from operations	4.94	5.20	3.43	(.46)	1.13
Less: Dividends and Distributions					
Dividends from net investment income	(.13)	(.00) ^(d)	(.08)	(.06)	(.02)
Distributions from net realized gain on investments	(1.93)	(.31)	– 0 –	(.00) ^(d)	– 0 –
Total dividends and distributions	(2.06)	(.31)	(.08)	(.06)	(.02)
Net asset value, end of period	\$ 21.71	\$ 18.83	\$ 13.94	\$ 10.59	\$ 11.11
Total Return					
Total investment return based on net asset value ^(e)	26.26 %	37.34 %	32.41 %	(4.15)%	11.32 %
Ratios/Supplemental Data					
Net assets, end of period (000's omitted)	\$191,746	\$181,969	\$100,714	\$65,208	\$1,111
Ratio to average net assets of:					
Expenses, net of waivers/ reimbursements ^{(f)†} .....	.12 %	1.09 %	.43 %	.42 % ^(g)	.33 % ^(h)
Expenses, before waivers/ reimbursements ^{(f)†} .....	.36 %	1.32 %	.84 %	1.05 % ^(g)	37.77 % ^(h)
Net investment income (loss) ^(c) .....	.54 %	(.38)%	.69 %	.73 %	.66 % ^(h)
Portfolio turnover rate	37 %	51 %	41 %	31 %	22 %

† Expense ratios exclude the estimated acquired fund fees of affiliated/unaffiliated underlying portfolios00 % .01 % .01 % .01 % .01 %^(h)

See footnote summary on page 34.

FINANCIAL HIGHLIGHTS (continued)

Selected Data For A Share Of Capital Stock Outstanding Throughout Each Period

- (a) Commencement of operations.
- (b) Based on average shares outstanding.
- (c) Net of expenses waived/reimbursed by the Adviser.
- (d) Amount is less than \$0.005.
- (e) Total investment return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption on the last day of the period. Total investment return does not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. Total investment return for a period of less than one year is not annualized.
- (f) In connection with the Fund's investments in affiliated underlying portfolios, the Fund incurs no direct expenses but bears proportionate shares of the acquired fund fees and expenses (i.e. operating, administrative and investment advisory fees) of the affiliated underlying portfolios. The Adviser has contractually agreed to waive its fees from the Fund in an amount equal to the Fund's pro rata share of certain acquired fund fees and expenses, for the years ended December 31, 2020, December 31, 2019, December 31, 2018, and the period ended December 31, 2017, such waiver amounted to 0.01%, 0.01%, 0.01% and 0.01% (annualized), respectively.
- (g) The advisory fee reflected in the Fund's expense ratio may be higher or lower than the Base Fee plus Performance Adjustment due to the different time periods over which the fee is calculated (i.e., the financial reporting period vs. the Performance Period).
- (h) Annualized.

See notes to financial statements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of AB Sustainable US Thematic Portfolio

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of AB Sustainable US Thematic Portfolio, formerly known as AB Flex Fee US Thematic Portfolio (the “Fund”), (one of the portfolios constituting AB Cap Fund, Inc. (the “Company”)), including the portfolio of investments, as of December 31, 2021, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the two years in the period then ended and the period from June 28, 2017 (commencement of operations) to December 31, 2017 and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund at December 31, 2021, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the four years in the period then ended and the period from June 28, 2017 (commencement of operations) to December 31, 2017, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of the Company’s internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud,

**REPORT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM** (continued)

and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2021, by correspondence with the custodian and others or by other appropriate auditing procedures where replies from others were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst + Young LLP

We have served as the auditor of one or more of the AB investment companies since 1968.

New York, New York
February 14, 2022

2021 FEDERAL TAX INFORMATION

(unaudited)

For Federal income tax purposes, the following information is furnished with respect to the distributions paid by the Fund for the calendar year ended December 31, 2021. For corporate shareholders 16.46% of dividends paid qualify for the dividends received deduction. For individual shareholders, the Fund designates 19.93% of dividends paid as qualified dividend income. The Fund designates \$8,145,863 of dividends paid as long-term capital gain dividends.

BOARD OF DIRECTORS

Marshall C. Turner, Jr.⁽¹⁾,

Chairman

Jorge A. Bermudez⁽¹⁾

Michael J. Downey⁽¹⁾

Onur Erzan, President and Chief
Executive Officer

Nancy P. Jacklin⁽¹⁾

Jeanette W. Loeb⁽¹⁾

Carol C. McMullen⁽¹⁾

Garry L. Moody⁽¹⁾

OFFICERS

Daniel C. Roarty⁽²⁾, Vice President

Benjamin Ruegsegger⁽²⁾,

Vice President

Emilie D. Wrapp, Secretary

Michael B. Reyes, Senior Vice
President and Senior Analyst

Joseph J. Mantineo, Treasurer
and Chief Financial Officer

Phyllis J. Clarke, Controller

Vincent S. Noto, Chief
Compliance Officer

Custodian and Accounting Agent

Brown Brothers Harriman & Co.
50 Post Office Square
Boston, MA 02110

Independent Registered Public Accounting Firm

Ernst & Young LLP
One Manhattan West
New York, NY 10001

Principal Underwriter

AllianceBernstein Investments, Inc.
501 Commerce Street
Nashville, TN 37203

Legal Counsel

Seward & Kissel LLP
One Battery Park Plaza
New York, NY 10004

Transfer Agent

AllianceBernstein Investor Services,
Inc.
P.O. Box 786003
San Antonio, TX 78278
Toll-Free (800) 221-5672

1 Member of the Audit Committee, the Governance and Nominating Committee and the Independent Directors Committee.

2 The day-to-day management of, and investment decisions for, the Fund's portfolio are made by the Adviser's Sustainable Thematic Equities Investment Team. Messrs. Roarty and Ruegsegger are the investment professional with the most significant responsibility for the day-to-day management of the Fund's portfolio.

MANAGEMENT OF THE FUND

Board of Directors Information

The business and affairs of the Fund are managed under the direction of the Board of Directors. Certain information concerning the Fund's Directors is set forth below.

NAME, ADDRESS*, AGE, (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER INFORMATION***	PORTFOLIOS IN AB FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER PUBLIC COMPANY DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
INTERESTED DIRECTOR			
Onur Erzan, [#] 1345 Avenue of the Americas New York, NY 10105 46 (2021)	Senior Vice President of AllianceBernstein L.P. (the "Adviser") and Head of the Global Client Group overseeing AB's institutional and retail businesses, where he is responsible for all client services, sales and marketing, as well as product strategy, management and development worldwide. Director, President and Chief Executive Officer of the AB Mutual Funds as of April 1, 2021. Prior to joining the firm in January 2021, he spent 20 years with McKinsey (management consulting firm), most recently as a senior partner and co-leader of its Wealth & Asset Management practice. In addition, he co-lead McKinsey's Banking & Securities Solutions (a portfolio of data, analytics, and digital assets and capabilities) globally.	74	None

MANAGEMENT OF THE FUND (continued)

NAME, ADDRESS*, AGE, (YEAR FIRST ELECTED**) AND OTHER INFORMATION**	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER INFORMATION**	PORTFOLIOS IN AB FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER PUBLIC COMPANY DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
DISINTERESTED DIRECTORS			
Marshall C. Turner, Jr.,## <i>Chairman of the Board</i> 80 (2015)	Private Investor since prior to 2017. Former Chairman and CEO of Dupont Photomasks, Inc. (components of semi-conductor manufacturing). He was a Director of Xilinx, Inc. (programmable logic semi-conductors and adaptable, intelligent computing) from 2007 through August 2020, and is a former director of 33 other companies and organizations. He has extensive operating leadership and venture capital investing experience, including five interim or full-time CEO roles, and prior service as general partner of institutional venture capital partnerships. He also has extensive non-profit board leadership experience, and currently serves on the boards of two education and science-related non-profit organizations. He has served as a director of one AB Fund since 1992, and director or trustee of all AB Funds since 2005. He has been Chairman of the AB Funds since January 2014, and the Chairman of the Independent Directors Committees of the AB Funds since February 2014.	74	None

MANAGEMENT OF THE FUND (continued)

NAME, ADDRESS*, AGE, (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER INFORMATION***	PORTFOLIOS IN AB FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER PUBLIC COMPANY DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
DISINTERESTED DIRECTORS (continued)			
Jorge A. Bermudez, ## 70 (2020)	Private Investor since prior to 2017. Formerly, Chief Risk Officer of Citigroup, Inc., a global financial services company, from November 2007 to March 2008, Chief Executive Officer of Citigroup's Commercial Business Group in North America and Citibank Texas from 2005 to 2007, and a variety of other executive and leadership roles at various businesses within Citigroup prior to then; Chairman (2018) of the Texas A&M Foundation Board of Trustees (Trustee since 2013) and Chairman of the Smart Grid Center Board at Texas A&M University since 2012; director of, among others, Citibank N.A. from 2005 to 2008, the Federal Reserve Bank of Dallas, Houston Branch from 2009 to 2011, the Federal Reserve Bank of Dallas from 2011 to 2017, and the Electric Reliability Council of Texas from 2010 to 2016. He has served as director or trustee of the AB Funds since January 2020.	74	Moody's Corporation since April 2011
Michael J. Downey, ## 78 (2015)	Private Investor since prior to 2017. Formerly, Chairman of The Asia Pacific Fund, Inc. (registered investment company) since prior to 2017 until January 2019. From 1987 until 1993, Chairman and CEO of Prudential Mutual Fund Management, director of the Prudential mutual funds, and member of the Executive Committee of Prudential Securities Inc. He has served as a director or trustee of the AB Funds since 2005.	74	None

MANAGEMENT OF THE FUND (continued)

NAME, ADDRESS*, AGE, (YEAR FIRST ELECTED**) AND OTHER INFORMATION***	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER INFORMATION***	PORTFOLIOS IN AB FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER PUBLIC COMPANY DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
DISINTERESTED DIRECTORS (continued)			
Nancy P. Jacklin,## 73 (2015)	Private Investor since prior to 2017. Professorial Lecturer at the Johns Hopkins School of Advanced International Studies (2008-2015). U.S. Executive Director of the International Monetary Fund (which is responsible for ensuring the stability of the international monetary system), (December 2002-May 2006); Partner, Clifford Chance (1992-2002); Sector Counsel, International Banking and Finance, and Associate General Counsel, Citicorp (1985-1992); Assistant General Counsel (International), Federal Reserve Board of Governors (1982-1985); and Attorney Advisor, U.S. Department of the Treasury (1973-1982). Member of the Bar of the District of Columbia and of New York; and member of the Council on Foreign Relations. She has served as a director or trustee of the AB Funds since 2006 and has been Chair of the Governance and Nominating Committees of the AB Funds since August 2014.	74	None
Jeanette W. Loeb,## 69 (2020)	Chief Executive Officer of PetCareRx (e-commerce pet pharmacy) from 2002 to 2011 and 2015 to present. Director of New York City Center since 2005. She was a director of AB Multi-Manager Alternative Fund, Inc. (fund of hedge funds) from 2012 to 2018. Formerly, affiliated with Goldman Sachs Group, Inc. (financial services) from 1977 to 1994, including as a partner thereof from 1986 to 1994. She has served as director or trustee of the AB Funds since April 2020.	74	Apollo Investment Corp. (business development company) since August 2011

MANAGEMENT OF THE FUND (continued)

NAME, ADDRESS*, AGE, (YEAR FIRST ELECTED**) AND OTHER INFORMATION**	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER INFORMATION**	PORTFOLIOS IN AB FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER PUBLIC COMPANY DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
DISINTERESTED DIRECTORS (continued)			
Carol C. McMullen,## 66 (2016)	Managing Director of Slalom Consulting (consulting) since 2014, private investor and a member of the Advisory Board of Butcher Box (since 2018). Formerly, member, Partners Healthcare Investment Committee (2010-2019); Director of Norfolk & Dedham Group (mutual property and casualty insurance) from 2011 until November 2016; Director of Partners Community Physicians Organization (healthcare) from 2014 until December 2016; and Managing Director of The Crossland Group (consulting) from 2012 until 2013. She has held a number of senior positions in the asset and wealth management industries, including at Eastern Bank (where her roles included President of Eastern Wealth Management), Thomson Financial (Global Head of Sales for Investment Management), and Putnam Investments (where her roles included Chief Investment Officer, Core and Growth and Head of Global Investment Research). She has served on a number of private company and non-profit boards, and as a director or trustee of the AB Funds since June 2016.	74	None

MANAGEMENT OF THE FUND (continued)

NAME, ADDRESS*, AGE, (YEAR FIRST ELECTED**) AND OTHER INFORMATION***	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER INFORMATION***	PORTFOLIOS IN AB FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER PUBLIC COMPANY DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
DISINTERESTED DIRECTORS (continued)			
Garry L. Moody,## 69 (2015)	Private Investor since prior to 2017. Formerly, Partner, Deloitte & Touche LLP (1995-2008) where he held a number of senior positions, including Vice Chairman, and U.S. and Global Investment Management Practice Managing Partner; President, Fidelity Accounting and Custody Services Company (1993-1995), where he was responsible for the accounting, pricing, custody and reporting for the Fidelity mutual funds; and Partner, Ernst & Young LLP (1975-1993), where he served as the National Director of Mutual Fund Tax Services and Managing Partner of its Chicago Office Tax department. He is a member of the Trustee Advisory Board of BoardIQ, a biweekly publication focused on issues and news affecting directors of mutual funds. He is also a member of the Investment Company Institute's Board of Governors and the Independent Directors Council's Governing Council. He has served as a director or trustee and as Chairman of the Audit Committees of the AB Funds since 2008.	74	None

* The address for each of the Fund's disinterested Directors is c/o AllianceBernstein L.P., Attention: Legal & Compliance Department—Mutual Fund Legal, 1345 Avenue of the Americas, New York, NY 10105.

** There is no stated term of office for the Fund's Directors.

*** The information above includes each Director's principal occupation during the last five years and other information relating to the experience, attributes and skills relevant to each Director's qualifications to serve as a Director, which led to the conclusion that each Director should serve as a Director for the Fund.

Mr. Erzan is an "interested person" of the Fund, as defined in the 1940 Act, due to his position as a Senior Vice President of the Adviser.

Member of the Audit Committee, the Governance and Nominating Committee and the Independent Directors Committee.

MANAGEMENT OF THE FUND (continued)

Officers Information

Certain information concerning the Fund's Officers is listed below.

NAME, ADDRESS* AND AGE	POSITION(S) HELD WITH FUND	PRINCIPAL OCCUPATION DURING PAST FIVE YEARS
Onur Erzan 46	President and Chief Executive Officer	See biography above.
Benjamin Ruegsegger 42	Vice President	Senior Vice President and Senior Research Analyst of the Adviser**, with which he has been associated since prior to 2017.
Daniel C. Roarty 50	Vice President	Senior Vice President of the Adviser**, with which he has been associated since prior to 2017. He is also Chief Investment Officer of Sustainable Thematic Equities.
Emilie D. Wrapp 66	Secretary	Senior Vice President, Assistant General Counsel and Assistant Secretary of ABI**, with which she has been associated since prior to 2017.
Michael B. Reyes 45	Senior Vice President and Senior Analyst	Vice President of the Adviser**, with which he has been associated since prior to 2017.
Joseph J. Mantineo 62	Treasurer and Chief Financial Officer	Senior Vice President of AllianceBernstein Investor Services ("ABIS")**, with which he has been associated since prior to 2017.
Phyllis J. Clarke 61	Controller	Vice President of ABIS**, with which she has been associated since prior to 2017.
Vince S. Noto 57	Chief Compliance Officer	Senior Vice President 2017 and Mutual Fund Chief Compliance Officer of the Adviser** since prior to 2017.

* The address for each of the Fund's Officers is 1345 Avenue of the Americas, New York, NY 10105.

** The Adviser, ABI and ABIS are affiliates of the Fund.

The Fund's Statement of Additional Information ("SAI") has additional information about the Fund's Directors and Officers and is available without charge upon request. Contact your financial representative or AB at (800) 227-4618, or visit www.abfunds.com, for a free prospectus or SAI.

Operation and Effectiveness of the Fund's Liquidity Risk Management Program:

In October 2016, the Securities and Exchange Commission ("SEC") adopted the open-end fund liquidity rule (the "Liquidity Rule"). In June 2018 the SEC adopted a requirement that funds disclose information about the operation and effectiveness of their Liquidity Risk Management Program ("LRMP") in their reports to shareholders.

One of the requirements of the Liquidity Rule is for the Fund to designate an Administrator of the Fund's Liquidity Risk Management Program. The Administrator of the Fund's LRMP is AllianceBernstein L.P., the Fund's investment adviser (the "Adviser"). The Adviser has delegated the responsibility to its Liquidity Risk Management Committee (the "Committee").

Another requirement of the Liquidity Rule is for the Fund's Board of Directors (the "Fund Board") to receive an annual written report from the Administrator of the LRMP, which addresses the operation of the fund's LRMP and assesses its adequacy and effectiveness. The Adviser provided the Fund Board with such annual report during the first quarter of 2021, which covered the period January 1, 2020 through December 31, 2020 (the "Program Reporting Period").

The LRMP's principal objectives include supporting the Fund's compliance with limits on investments in illiquid assets and mitigating the risk that the Fund will be unable to meet its redemption obligations in a timely manner.

Pursuant to the LRMP, the Fund classifies the liquidity of its portfolio investments into one of the four categories defined by the SEC: Highly Liquid, Moderately Liquid, Less Liquid, and Illiquid. These classifications are reported to the SEC on Form N-PORT.

During the Program Reporting Period, the Committee reviewed whether the Fund's strategy is appropriate for an open-end structure, incorporating any holdings of less liquid and illiquid assets. If the Fund participated in derivative transactions, the exposure from such transactions were considered in the LRMP.

The Committee also performed an analysis to determine whether the Fund is required to maintain a Highly Liquid Investment Minimum ("HLIM"). The Committee also incorporated the following information when determining the Fund's reasonably anticipated trading size for purposes of liquidity monitoring: historical net redemption activity, a Fund's concentration in an issuer, shareholder concentration, investment performance, total net assets, and distribution channels.

The Adviser informed the Fund Board that the Committee believes the Fund's LRMP is adequately designed, has been implemented as intended,

and has operated effectively since its inception. No material exceptions have been noted since the implementation of the LRMP. During the Program Reporting Period, beginning in March 2020, all financial markets experienced extreme levels of price volatility and relative illiquidity resulting from the COVID-19 impacts on the global economy. This extreme relative illiquidity resulted in significantly wider bid-ask spreads to transact in securities, including many of those securities held by the Fund, and in a diminished depth of liquidity in most markets, to varying degrees. Nonetheless, there were no liquidity events that impacted the Fund or its ability to timely meet redemptions during the Program Reporting Period.

Board Consideration of Amendment to the Fund's Advisory Agreement

At the Board Meeting held by video conference on May 3-5, 2021, the Adviser presented its recommendation that the Board of Directors (the "Board" or "Directors") of AB Cap Fund, Inc. (the "Company") consider and approve an amendment to the Company's then-current Advisory Agreement with the Adviser (the "Amended Agreement") in respect of AB FlexFee™ US Thematic Portfolio (the "Fund")* to implement an advisory fee with breakpoints at specific asset levels (based on the Fund's average daily net assets) and eliminate the performance-based advisory fee. The Adviser cited the following reasons for its recommendation:

- The methodology used to calculate the performance-based fee is complex, preventing the Fund from being more competitive in the mutual fund marketplace because it is more difficult to educate investors and their financial intermediaries about investing in complex rather than more conventional products.
- The performance-based fee structure creates uncertainty for investors and their financial intermediaries in reasonably predicting Fund expenses, due to significant fluctuations in advisory fees and total expense ratios that can result from fund performance fluctuations. (Fluctuations in the Fund's advisory fee rate can be much larger than is typical for other mutual funds with performance-based fees.) This has been a particular issue in the retirement plan context, where uncertainty about the amount of future fees has been a concern.
- The new advisory fee would be a more straightforward and conventional asset-based fee and the Fund's fee rate would be below the median paid by competitor funds.
- A conventional asset-based fee structure may increase investor demand and attract significant assets for the Fund, making it easier for the Fund to achieve economies of scale. The Adviser also observed that the Fund's then-current performance-based advisory fee structure was not in line with those of peer funds, noting that few other firms had made a substantial effort to launch similar performance-based fee funds since the inception of the Fund in 2017.

At the recommendation of the Adviser, the Board, including a majority of the Directors who are not interested persons of the Company (the "Independent Directors") as defined in the Investment Company Act of 1940, as amended ("1940 Act"), approved the Amended Agreement between the Company, on behalf of the Fund, and the Adviser, for an initial one-year period, at the Board Meeting. The Board, including the Independent Directors, recommended approval of the Amended Agreement by stockholders.

* Effective August 23, 2021, the Fund changed its name to AB Sustainable US Thematic Portfolio.

At the Board Meeting, the Board also approved, upon recommendation of the Adviser, (i) changing the Fund's name to "AB Sustainable US Thematic Portfolio"; (ii) changing the Fund's principal investment strategies to clarify that the investment themes in accordance with which the Fund invests are generally sustainable investment themes that are broadly consistent with achieving the United Nations Sustainable Development Goals and include the advancement of climate, health and empowerment; (iii) changing the Fund's fiscal year end from December 31 to June 30, to be consistent with many of the equity mutual funds advised by the Adviser with conventional asset-based advisory fees, necessitating a "stub period" audit at a cost to the Fund estimated at \$25,585; and (iv) changing the Fund's then-current expense limitation undertaking to provide that the Adviser will waive fees and/or reimburse expenses of the Fund through at least October 31, 2022 to the extent necessary to prevent the expenses of Advisor Class shares of the Fund (excluding certain expenses), on an annualized basis, from exceeding 0.65% of average daily net assets (with corresponding limitations on other classes of shares the Fund may offer in the future), which is equivalent to an expense limitation on Fund expenses (excluding certain expenses) other than investment advisory fees of 0.10% of the Fund's average daily net assets, as compared to the Fund's then-current limitation on such other expenses of 0.05%. Implementation of the foregoing changes was contingent upon stockholder approval of the Amended Agreement and would take effect on the Effective Date, except that the changes to the Fund's principal investment strategies will occur irrespective of stockholder approval of the Amended Agreement. In the event that the Fund pays the investment advisory fee under the then-current Advisory Agreement from the Effective Date through December 31, 2021 pursuant to the Interim Fee Arrangement, the Adviser will waive fees and/or reimburse expenses for such period to the extent necessary to limit Fund expenses (excluding certain expenses) other than investment advisory fee expenses to 0.10% of the Fund's average daily net assets. The Directors also noted the Adviser's intent, in connection with these changes, that the Fund commence offering Class A and Class Z shares in addition to Advisor Class shares.

The Directors also considered that the Adviser has committed to bear the expenses of the special meeting of stockholders called to approve the Amended Agreement, other than expenses of counsel to the Directors of the Fund who are not "interested persons", and that the Fund is unlikely (absent a substantial increase in its net assets prior to the Effective Date) to bear any expenses relating to the above-referenced changes in light of the applicable expense limitation agreement. Expenses relating to the changes include expenses relating to the special meeting of stockholders called to approve the Amended Agreement and the preparation, printing and mailing of the proxy materials and of all related solicitations.

At the Board Meeting, the Directors also approved the continuance of the Fund's then-current Advisory Agreement for an additional annual term or, if earlier, until such time as the Amended Agreement is fully implemented.

Prior to their approval of the Amended Agreement, the Directors had requested from the Adviser, and received and evaluated, extensive materials. They reviewed the proposed Amended Agreement with the Adviser and with experienced counsel who are independent of the Adviser, who advised on the relevant legal standards. The Directors also reviewed additional materials, including comparative analytical data prepared by the Senior Analyst for the Fund. The Directors also discussed the proposed approvals in private sessions with counsel.

The Directors considered the fact that the Amended Agreement would have terms and conditions identical to those of the then-current Advisory Agreement, except for (i) the absence of the performance-based advisory fee and adoption of a more conventional advisory fee, which would consist of an advisory fee with breakpoints at specific asset levels (based on the Fund's average daily net assets) under the Amended Agreement; (ii) the effective date and term; and (iii) the change in the name of the Fund.

The Directors considered their knowledge of the nature and quality of the services provided by the Adviser to the Fund gained from their experience as directors or trustees of most of the registered investment companies advised by the Adviser, their overall confidence in the Adviser's integrity and competence they have gained from that experience, the Adviser's initiative in identifying and raising potential issues with the Directors and its responsiveness, frankness and attention to concerns raised by the Directors in the past, including the Adviser's willingness to consider and implement organizational and operational changes designed to improve investment results and the services provided to the AB Funds. The Directors noted that they have four regular meetings each year, at each of which they review extensive materials and information from the Adviser, including information on the investment performance of the Fund and the money market fund advised by the Adviser in which the Fund invests a portion of its assets.

The Directors also considered all factors they believed relevant, including the specific matters discussed below. During the course of their deliberations, the Directors evaluated, among other things, the reasonableness of the proposed advisory fees. The Directors did not identify any particular information that was all-important or controlling, and different Directors may have attributed different weights to the various factors. The Directors determined that the selection of the Adviser to manage the Fund, and the overall arrangements between the Fund and the Adviser, as provided in the Amended Agreement, were fair and reasonable in light of the services performed, expenses incurred and such other matters as the Directors

considered relevant in the exercise of their business judgment. The material factors and conclusions that formed the basis for the Directors' determinations included the following:

Nature, Extent and Quality of Services Provided

The Directors considered the scope and quality of services to be provided by the Adviser under the Amended Agreement, including the quality of the investment research capabilities of the Adviser and the other resources it has dedicated to performing services for the Fund. The Directors noted that the Adviser from time to time reviews the Fund's investment strategies and from time to time proposes changes intended to improve the Fund's relative or absolute performance for the Directors' consideration. They also noted the professional experience and qualifications of the Fund's portfolio management team and other senior personnel of the Adviser. The Directors also considered that the Amended Agreement, similar to the then-current Advisory Agreement, provides that the Fund will reimburse the Adviser for the cost to it of providing certain clerical, accounting, administrative and other services to the Fund by employees of the Adviser or its affiliates. Requests for these reimbursements are made on a quarterly basis and subject to approval by the Directors. The Adviser had not requested any reimbursements from the Fund in 2021 through the date of the Board Meeting and in the fiscal years ended December 31, 2020 and 2019 in light of the expense limitations agreement in place for the Fund. The quality of administrative and other services, including the Adviser's role in coordinating the activities of the Fund's other service providers, also was considered. The Directors concluded that, overall, they were satisfied with the nature, extent and quality of services to be provided to the Fund under the Amended Agreement.

Costs of Services to be Provided and Profitability

The Directors reviewed a schedule of the revenues and expenses and related notes indicating the profitability of the Fund to the Adviser for calendar years 2019 and 2020 that had been prepared with an expense allocation methodology arrived at in consultation with an independent consultant at the request of the Directors. The Directors noted the assumptions and methods of allocation used by the Adviser in preparing fund-specific profitability data and understood that there are a number of potentially acceptable allocation methodologies for information of this type. The Directors noted that the profitability information reflected all revenues and expenses of the Adviser's relationship with the Fund, including those relating to its subsidiaries that provide transfer agency services to the Fund. The Directors recognized that it is difficult to make comparisons of the profitability of the then-current Advisory Agreement with the profitability of fund advisory contracts for unaffiliated funds because comparative information is not generally publicly available and is affected by numerous factors. The Directors focused on the profitability of the Adviser's relationship with the Fund before taxes and distribution expenses. The Directors

noted that the Fund was not profitable to the Adviser in 2019 and concluded that the Adviser's level of profitability from its relationship with the Fund in 2020 was not unreasonable. The Directors noted that, due to the performance fee component of the advisory fee under the then-current Advisory Agreement, profitability would tend to be higher with better performance, and lower with poorer performance, in each case relative to the Fund's benchmark index, which they considered to create an appropriate alignment of incentives. The Directors noted that, due to the elimination of the performance fee, profitability in respect of periods after the effective date of the Amended Agreement (if it becomes effective) would no longer be directly affected by investment performance relative to the Fund's benchmark index.

The Adviser agreed to provide the Directors with profitability information in connection with future proposed continuances of the Amended Agreement and the Directors recognized that such information for 2021 and subsequent years would differ from that reviewed previously as a result of the elimination of the performance fee.

Fall-Out Benefits

The Directors considered the other benefits to the Adviser and its affiliates from their relationships with the Fund, and the money market fund advised by the Adviser in which the Fund invests. including, but not limited to, benefits relating to 12b-1 fees and sales charges to be received by the Fund's principal underwriter (which is a wholly owned subsidiary of the Adviser) in respect of Class A shares to be offered with the implementation of the Amended Agreement, and transfer agency fees paid by the Fund to a wholly owned subsidiary of the Adviser. The Directors recognized that the Fund's recent profitability to the Adviser would be somewhat lower without these benefits. The Directors understood that the Adviser also might derive reputational and other benefits from its association with the Fund.

Investment Results

In addition to the information reviewed by the Directors in connection with the Board Meeting, the Directors receive detailed performance information for the Fund at each regular Board meeting during the year.

At the Board Meeting, the Directors reviewed performance information for the Fund's operations prepared by Broadridge Financial Solutions Inc. ("Broadridge"), an independent service provider, showing the performance of the Advisor Class shares of the Fund against a group of similar funds ("peer group") and a larger group of similar funds ("peer universe"), each selected by Broadridge, and information prepared by the Adviser showing performance of the Advisor Class shares against a broad-based securities market index, in each case for the 1- and 3-year periods ended February 28, 2021 and (in the case of comparisons with the broad-based securities market index) for the

period from inception. Based on their review, the Directors concluded that the Fund's investment performance was acceptable. In connection with their consideration of the Amended Agreement, the Directors noted that, because a fund's advisory fee rate affects investment performance, the Fund's performance would have likely been different (either positively or negatively) had the fee schedule in the Amended Agreement been in effect during such periods.

Management Fees and Other Expenses

The Directors considered the advisory fee rate payable by the Fund to the Adviser under the then-current Advisory Agreement and the proposed advisory fee rate payable by the Fund to the Adviser under the Amended Agreement, and information prepared by Broadridge concerning advisory fee rates payable by other funds in the same category as the Fund. The Directors recognized that it is difficult to make comparisons of advisory fees because there are variations in the services that are included in the fees payable by other funds. The Directors considered the Fund's contractual effective advisory fee rate under the then-current Advisory Agreement against a peer group median. The Directors also compared the Fund's proposed contractual effective advisory fee rate under the Amended Agreement with a peer group median. The information reviewed by the Directors showed that its proposed contractual effective advisory fee rate under the Amended Agreement was lower than the peer group median.

The Directors also considered the Adviser's fee schedule for other clients utilizing investment strategies similar to those of the Fund. For this purpose, they reviewed the relevant advisory fee information from the Adviser's Form ADV and in a report from the Fund's Senior Analyst and noted the differences between the Fund's fee schedule under the then-current Advisory Agreement and the Amended Agreement, on the one hand, and the Adviser's institutional fee schedule and the schedule of fees charged by the Adviser to any offshore funds and for services to any sub-advised funds utilizing investment strategies similar to those of the Fund, on the other. The Directors noted that the Adviser may, in some cases, agree to fee rates with large institutional clients that are lower than those reviewed by the Directors and that they had previously discussed with the Adviser its policies in respect of such arrangements.

The Adviser reviewed with the Directors the significantly greater scope of the services it provides to the Fund relative to institutional, offshore fund and sub-advised fund clients. In this regard, the Adviser noted, among other things, that, compared to institutional and offshore or sub-advisory accounts, the Fund (i) demands considerably more portfolio management, research and trading resources due to significantly higher daily cash flows; (ii) has more tax and regulatory restrictions and compliance obligations; (iii) must prepare and file or distribute regulatory and other communications about fund operations; and (iv) must provide shareholder servicing to retail

investors. The Adviser also reviewed the greater legal risks presented by the large and changing population of Fund stockholders who may assert claims against the Adviser in individual or class actions, and the greater entrepreneurial risk in offering new fund products, which require substantial investment to launch, may not succeed, and generally must be priced to compete with larger, more established funds resulting in lack of profitability to the Adviser until a new fund achieves scale. In light of the substantial differences in services rendered by the Adviser to institutional, offshore fund and sub-advised fund clients as compared to the Fund, and the different risk profile, the Directors considered these fee comparisons inapt and did not place significant weight on them in their deliberations.

The Directors noted that the Fund invests in shares of exchange-traded funds (“ETFs”), subject to the restrictions and limitations of the 1940 Act as these may be varied as a result of exemptive orders issued, and rules adopted, by the SEC. The Directors also noted that ETFs pay advisory fees pursuant to their advisory contracts. The Directors concluded, based on the Adviser’s explanation of how it uses ETFs when they are the most cost-effective way to obtain desired exposures, in some cases pending purchases of underlying securities, that the advisory fee for the Fund would be for services that are in addition to, rather than duplicative of, the services provided under the advisory contracts of the ETFs.

In connection with their review of the Fund’s operations under the then-current performance-based advisory fee structure, the Directors also considered the total expense ratio of the Advisor Class shares of the Fund in comparison to a peer group and a peer universe selected by Broadridge. The Advisor Class expense ratio of the Fund was based on the Fund’s latest fiscal year and the Directors considered the Adviser’s expense cap for the Fund. The Directors noted that it was likely that the expense ratios of some of the other funds in the Fund’s category were lowered by waivers or reimbursements by those funds’ investment advisers, which in some cases might be voluntary or temporary. The Directors view the expense ratio information as relevant to their evaluation of the Adviser’s services because the Adviser is responsible for coordinating services provided to the Fund by others. Based on their review, the Directors concluded that the Fund’s expense ratio was acceptable.

With respect to the Fund’s proposed implementation of an asset-based advisory fee with breakpoints at specific asset levels as provided in the Amended Agreement, the Directors considered the proposed total expense ratio of the Advisor Class shares of the Fund (Class A and Class Z shares will also be offered) in comparison to a peer group and peer universe selected by Broadridge. The Directors also considered the Adviser’s proposed expense cap for the Fund’s Advisor Class shares, with corresponding expense caps for the other classes of shares, for an initial period to end no earlier than October 31, 2022. The Directors noted that it was likely that the expense ratios of some of the other funds in the Fund’s

category were lowered by waivers or reimbursements by those funds' investment advisers, which in some cases might be voluntary or temporary. The Directors view expense ratio information as relevant to their evaluation of the Adviser's services because the Adviser is responsible for coordinating services provided to the Fund by others. Based on their review, the Directors concluded that the Fund's proposed expense ratio was acceptable.

Economies of Scale

The Directors noted that the proposed advisory fee schedule for the Fund in the Amended Agreement, unlike the advisory fee schedule in the then-current Advisory Agreement, contains breakpoints that reduce the fee rates on assets above specified levels. The Directors took into consideration prior presentations by an independent consultant on economies of scale in the mutual fund industry and for the AB Funds, and presentations from time to time by the Adviser concerning certain of its views on economies of scale. The Directors also had requested and received from the Adviser certain updates on economies of scale in advance of the Board Meeting. The Directors believe that economies of scale may be realized (if at all) by the Adviser across a variety of products and services, and not only in respect of a single fund. The Directors noted that there is no established methodology for setting breakpoints that give effect to the fund-specific services provided by a fund's adviser and to the economies of scale that an adviser may realize in its overall mutual fund business or those components of it which directly or indirectly affect a fund's operations. The Directors observed that in the mutual fund industry as a whole, as well as among funds similar to the Fund, there is no uniformity or pattern in the fees and asset levels at which breakpoints (if any) apply. The Directors also noted that the advisory agreements for many funds do not have breakpoints at all. Having taken these factors into account, the Directors concluded that the Fund's stockholders would benefit from a sharing of economies of scale in the event the Fund's net assets exceed a breakpoint in the future.

AB FAMILY OF FUNDS

US EQUITY

CORE

Core Opportunities Fund
Select US Equity Portfolio
Sustainable US Thematic Portfolio¹

GROWTH

Concentrated Growth Fund
Discovery Growth Fund
Growth Fund
Large Cap Growth Fund
Small Cap Growth Portfolio

VALUE

Discovery Value Fund
Equity Income Fund
Relative Value Fund
Small Cap Value Portfolio
Value Fund

INTERNATIONAL/ GLOBAL EQUITY

CORE

Global Core Equity Portfolio
International Strategic
Core Portfolio
Sustainable Global Thematic Fund
Tax-Managed Wealth
Appreciation Strategy
Wealth Appreciation Strategy

GROWTH

Concentrated International
Growth Portfolio
Sustainable International
Thematic Fund

VALUE

All China Equity Portfolio
International Value Fund

FIXED INCOME

MUNICIPAL

High Income Municipal Portfolio
Intermediate California
Municipal Portfolio
Intermediate Diversified
Municipal Portfolio
Intermediate New York
Municipal Portfolio
Municipal Bond Inflation Strategy
Tax-Aware Fixed Income
Opportunities Portfolio
National Portfolio
Arizona Portfolio
California Portfolio
Massachusetts Portfolio
Minnesota Portfolio
New Jersey Portfolio
New York Portfolio
Ohio Portfolio
Pennsylvania Portfolio
Virginia Portfolio

TAXABLE

Bond Inflation Strategy
Global Bond Fund
High Income Fund
High Yield Portfolio¹
Income Fund
Intermediate Duration Portfolio
Limited Duration High
Income Portfolio
Short Duration Income Portfolio
Short Duration Portfolio
Sustainable Thematic
Credit Portfolio
Total Return Bond Portfolio

ALTERNATIVES

All Market Real Return Portfolio
Global Real Estate
Investment Fund
Select US Long/Short Portfolio

MULTI-ASSET

All Market Income Portfolio
All Market Total Return Portfolio
Emerging Markets Multi-
Asset Portfolio
Global Risk Allocation Fund
Sustainable Thematic
Balanced Portfolio¹
Tax-Managed All Market
Income Portfolio

CLOSED-END FUNDS

AllianceBernstein Global High
Income Fund
AllianceBernstein National
Municipal Income Fund

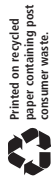
We also offer Government Money Market Portfolio, which serves as the money market fund exchange vehicle for the AB mutual funds. You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The Fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

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

¹ Prior to August 23, 2021, Sustainable US Thematic Portfolio was named FlexFee™ US Thematic Portfolio. Prior to April 30, 2021, High Yield Portfolio was named FlexFee™ High Yield Portfolio. Prior to December 1, 2021, Sustainable Thematic Balanced Portfolio was named Conservative Wealth Strategy.



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