



SEMI-ANNUAL REPORT

# AB VARIABLE PRODUCTS SERIES FUND, INC.

+ INTERNATIONAL VALUE PORTFOLIO

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#### **Investment Products Offered**

- **Are Not FDIC Insured**
- **May Lose Value**
- **Are Not Bank Guaranteed**

**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.**

**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](http://www.abfunds.com) or go to the Securities and Exchange Commission's (the "Commission") website at [www.sec.gov](http://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](http://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.**

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**INTERNATIONAL VALUE PORTFOLIO**  
**EXPENSE EXAMPLE (unaudited)**

**AB Variable Products Series Fund**

As a shareholder of the Portfolio, 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 management fees; distribution (12b-1) fees; and other Portfolio expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio 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 in this line, 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 in the first line under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period. The estimate of expenses does not include fees or other expenses of any variable insurance product. If such expenses were included, the estimate of expenses you paid during the period would be higher and your ending account value would be lower.

**Hypothetical Example for Comparison Purposes**

The table below provides information about hypothetical account values and hypothetical expenses based on the Portfolio’s actual expense ratio and an assumed annual rate of return of 5% before expenses, which is not the Portfolio’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 Portfolio and other funds by comparing this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds. The estimate of expenses does not include fees or other expenses of any variable insurance product. If such expenses were included, the estimate of expenses you paid during the period would be higher and your ending account value would be lower.

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 second line of each class’ table 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.

|   | <u>Beginning<br/>Account Value<br/>January 1, 2020</u> | <u>Ending<br/>Account Value<br/>June 30, 2020</u> | <u>Expenses Paid<br/>During Period*</u> | <u>Annualized<br/>Expense Ratio*</u> |
|---|--|---|---|--------------------------------------|
| <b>Class A</b>  |  |   |   |                                      |
| Actual .....  | \$ 1,000   | \$ 816.30   | \$ 4.11                                 | 0.91%                                |
| Hypothetical (5% annual return before expenses) ..... | \$ 1,000   | \$ 1,020.34                                       | \$ 4.57                                 | 0.91%                                |
| <b>Class B</b>  |  |   |   |                                      |
| Actual .....  | \$ 1,000   | \$ 816.00   | \$ 5.24                                 | 1.16%                                |
| Hypothetical (5% annual return before expenses) ..... | \$ 1,000   | \$ 1,019.10                                       | \$ 5.82                                 | 1.16%                                |

\* Expenses are equal to each classes’ annualized expense ratios, multiplied by the average account value over the period, multiplied by 182/366 (to reflect the one-half year period).

# INTERNATIONAL VALUE PORTFOLIO

## TEN LARGEST HOLDINGS<sup>1</sup>

June 30, 2020 (unaudited)

AB Variable Products Series Fund

| COMPANY                       | U.S. \$ VALUE | PERCENT OF NET ASSETS |
|-------------------------------|---------------|-----------------------|
| Roche Holding AG              | \$ 11,349,687 | 3.8%                  |
| Samsung Electronics Co., Ltd. | 7,112,038     | 2.4                   |
| EDP—Energias de Portugal SA   | 6,642,992     | 2.2                   |
| GlaxoSmithKline PLC           | 6,380,273     | 2.1                   |
| Nintendo Co., Ltd.            | 6,303,667     | 2.1                   |
| Koninklijke Ahold Delhaize NV | 5,981,720     | 2.0                   |
| Enel SpA                      | 5,918,128     | 2.0                   |
| Peugeot SA                    | 5,860,110     | 2.0                   |
| Royal Dutch Shell PLC—Class A | 5,828,963     | 1.9                   |
| GVC Holdings PLC              | 5,530,523     | 1.8                   |
|                               | \$ 66,908,101 | 22.3%                 |

## SECTOR BREAKDOWN<sup>2</sup>

June 30, 2020 (unaudited)

| SECTOR                 | U.S. \$ VALUE  | PERCENT OF TOTAL INVESTMENTS |
|------------------------|----------------|------------------------------|
| Information Technology | \$ 42,082,487  | 14.2%                        |
| Industrials            | 41,609,286     | 14.0                         |
| Consumer Staples       | 38,941,066     | 13.1                         |
| Financials             | 37,670,816     | 12.7                         |
| Consumer Discretionary | 31,487,998     | 10.6                         |
| Health Care            | 25,478,442     | 8.6                          |
| Materials              | 24,407,844     | 8.2                          |
| Energy                 | 15,578,296     | 5.3                          |
| Communication Services | 14,959,672     | 5.0                          |
| Utilities              | 12,561,120     | 4.2                          |
| Real Estate            | 8,856,531      | 3.0                          |
| Short-Term Investments | 3,103,190      | 1.1                          |
| Total Investments      | \$ 296,736,748 | 100.0%                       |

<sup>1</sup> Long-term investments.

<sup>2</sup> The Portfolio's industry breakdown is expressed as a percentage of total investments (excluding security lending collateral) and may vary over time. The Portfolio also enters into derivative transactions, which may be used for hedging or investment purposes (see "Portfolio of Investments" section of the report for additional details).

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 Portfolio's prospectus.

# INTERNATIONAL VALUE PORTFOLIO

## COUNTRY BREAKDOWN<sup>1</sup>

June 30, 2020 (unaudited)

AB Variable Products Series Fund

| COUNTRY                | U.S. \$ VALUE  | PERCENT OF TOTAL INVESTMENTS |
|------------------------|----------------|------------------------------|
| Japan                  | \$ 54,645,634  | 18.4%                        |
| United Kingdom         | 50,274,137     | 16.9                         |
| France                 | 28,798,537     | 9.7                          |
| Switzerland            | 18,512,260     | 6.2                          |
| Australia              | 17,104,314     | 5.8                          |
| Germany                | 16,370,124     | 5.5                          |
| South Korea            | 12,032,820     | 4.1                          |
| Taiwan                 | 10,107,103     | 3.4                          |
| Italy                  | 9,370,193      | 3.2                          |
| Denmark                | 8,946,647      | 3.0                          |
| Canada                 | 8,914,492      | 3.0                          |
| Netherlands            | 8,903,425      | 3.0                          |
| Ireland                | 8,439,568      | 2.8                          |
| Other                  | 41,214,304     | 13.9                         |
| Short-Term Investments | 3,103,190      | 1.1                          |
| Total Investments      | \$ 296,736,748 | 100.0%                       |

<sup>1</sup> All data are as of June 30, 2020. The Portfolio's country breakdown is expressed as a percentage of total investments and may vary over time. "Other" country weightings represent 2.2% or less in the following: Austria, Belgium, China, Hong Kong, Israel, Norway, Portugal, Spain and Sweden..

**INTERNATIONAL VALUE PORTFOLIO  
PORTFOLIO OF INVESTMENTS**

June 30, 2020 (unaudited)

AB Variable Products Series Fund

| Company  | Shares    | U.S. \$ Value | Company   | Shares    | U.S. \$ Value |
|--|-----------|---------------|---|-----------|---------------|
| <b>COMMON STOCKS-97.9%</b>                                 |           |               | <b>TRADING COMPANIES &amp; DISTRIBUTORS-3.4%</b>  |           |               |
| <b>INFORMATION TECHNOLOGY-14.0%</b>                        |           |               | AerCap Holdings NV(a) .....                       | 174,971   | \$ 5,389,107  |
| ELECTRONIC EQUIPMENT, INSTRUMENTS & COMPONENTS-0.7%        |           |               | Ashtead Group PLC .....                           | 145,970   | 4,924,014     |
| Zhen Ding Technology Holding Ltd. ....                     | 519,000   | \$ 2,277,622  |   |           | 10,313,121    |
| <b>IT SERVICES-1.6%</b>                                    |           |               |   |           | 41,609,286    |
| Atos SE(a) .....   | 56,540    | 4,847,348     | <b>CONSUMER STAPLES-13.0%</b>                     |           |               |
| <b>SEMICONDUCTORS &amp; SEMICONDUCTOR EQUIPMENT-6.5%</b>   |           |               | <b>BEVERAGES-2.5%</b>                             |           |               |
| NXP Semiconductors NV .....                                | 25,620    | 2,921,705     | Coca-Cola Bottlers Japan Holdings, Inc.(c) .....  |           |               |
| Realtek Semiconductor Corp. ..                             | 348,000   | 3,546,997     |   | 115,200   | 2,089,325     |
| SCREEN Holdings Co., Ltd. ...                              | 80,600    | 3,786,681     | Coca-Cola European Partners PLC .....             |           |               |
| SK Hynix, Inc. ....  | 68,920    | 4,920,782     |   | 141,340   | 5,336,999     |
| Taiwan Semiconductor Manufacturing Co., Ltd. ....          | 401,000   | 4,282,484     |   |           | 7,426,324     |
|  |           | 19,458,649    | <b>FOOD &amp; STAPLES RETAILING-3.5%</b>          |           |               |
| <b>SOFTWARE-2.8%</b>                                       |           |               | Koninklijke Ahold Delhaize NV .....               |           |               |
| Avast PLC(b) .....   | 749,030   | 4,895,557     |   | 219,480   | 5,981,720     |
| Open Text Corp. ....                                       | 82,216    | 3,491,273     | Tesco PLC(c) .....                                |           |               |
|  |           | 8,386,830     |   | 1,574,420 | 4,428,313     |
| <b>TECHNOLOGY HARDWARE, STORAGE &amp; PERIPHERALS-2.4%</b> |           |               |   |           | 10,410,033    |
| Samsung Electronics Co., Ltd. ....                         | 160,660   | 7,112,038     | <b>FOOD PRODUCTS-5.2%</b>                         |           |               |
|  |           | 42,082,487    | Morinaga & Co., Ltd./Japan ....                   |           |               |
| <b>INDUSTRIALS-13.9%</b>                                   |           |               |   | 54,400    | 2,112,517     |
| <b>AEROSPACE &amp; DEFENSE-3.5%</b>                        |           |               | Nichirei Corp. ....                               |           |               |
| Airbus SE(a)(c) .....                                      | 59,250    | 4,245,487     |   | 120,300   | 3,505,505     |
| MTU Aero Engines AG(a) .....                               | 15,860    | 2,761,234     | Salmar ASA(a) .....                               |           |               |
| Saab AB-Class B(a)(c) .....                                | 137,520   | 3,456,471     |   | 101,950   | 4,883,958     |
|  |           | 10,463,192    | WH Group Ltd.(b) .....                            |           |               |
| <b>AIR FREIGHT &amp; LOGISTICS-1.2%</b>                    |           |               |   | 5,955,000 | 5,146,274     |
| SG Holdings Co., Ltd. ....                                 | 108,800   | 3,550,538     |   |           | 15,648,254    |
| <b>AIRLINES-0.9%</b>                                       |           |               | <b>TOBACCO-1.8%</b>                               |           |               |
| Wizz Air Holdings PLC(a)(b) ...                            | 64,690    | 2,672,800     | British American Tobacco PLC .....                |           |               |
| <b>ELECTRICAL EQUIPMENT-1.5%</b>                           |           |               |   | 142,270   | 5,456,455     |
| Fuji Electric Co., Ltd. ....                               | 167,800   | 4,618,517     |   |           | 38,941,066    |
| <b>MACHINERY-2.4%</b>                                      |           |               | <b>FINANCIALS-12.6%</b>                           |           |               |
| Alstom SA .....  | 88,780    | 4,137,226     | <b>BANKS-6.7%</b>                                 |           |               |
| Weichai Power Co., Ltd.-Class H .....                      | 1,529,000 | 2,880,833     | Bank Hapoalim BM .....                            |           |               |
|  |           | 7,018,059     |   | 446,810   | 2,671,099     |
| <b>PROFESSIONAL SERVICES-1.0%</b>                          |           |               | Bank Leumi Le-Israel BM .....                     |           |               |
| UT Group Co., Ltd.(a)(c) .....                             | 129,200   | 2,973,059     |   | 494,270   | 2,485,147     |
|  |           |               | Bank of Ireland Group PLC(a) .....                |           |               |
|  |           |               |   | 1,480,433 | 3,050,461     |
|  |           |               | Erste Group Bank AG(a) .....                      |           |               |
|  |           |               |   | 170,860   | 4,035,323     |
|  |           |               | KBC Group NV .....                                |           |               |
|  |           |               |   | 76,670    | 4,404,783     |
|  |           |               | Mediobanca Banca di Credito Finanziario SpA ..... |           |               |
|  |           |               |   | 478,040   | 3,452,065     |
|  |           |               |   |           | 20,098,878    |
|  |           |               | <b>CAPITAL MARKETS-1.5%</b>                       |           |               |
|  |           |               | Credit Suisse Group AG .....                      |           |               |
|  |           |               |   | 431,507   | 4,489,773     |
|  |           |               | <b>CONSUMER FINANCE-0.0%</b>                      |           |               |
|  |           |               | Isracard Ltd. ....                                |           |               |
|  |           |               |   | 1         | 2             |
|  |           |               | <b>DIVERSIFIED FINANCIAL SERVICES-0.9%</b>        |           |               |
|  |           |               | ORIX Corp. ....                                   |           |               |
|  |           |               |   | 214,200   | 2,659,775     |
|  |           |               | <b>INSURANCE-3.5%</b>                             |           |               |
|  |           |               | Allianz SE .....                                  |           |               |
|  |           |               |   | 26,750    | 5,466,155     |
|  |           |               | Suncorp Group Ltd.(c) .....                       |           |               |
|  |           |               |   | 771,290   | 4,956,233     |
|  |           |               |   |           | 10,422,388    |
|  |           |               |   |           | 37,670,816    |

**AB Variable Products Series Fund**

| Company                                       | Shares    | U.S. \$ Value     | Company                                  | Shares    | U.S. \$ Value      |
|---|-----------|-------------------|--|-----------|--------------------|
| <b>CONSUMER</b>                               |           |                   | Royal Dutch Shell PLC–                   |           |                    |
| <b>DISCRETIONARY–10.5%</b>                    |           |                   | Class A .....                            |           |                    |
| AUTO COMPONENTS–2.9%                          |           |                   |  | 35,934    | \$ 575,349         |
| Faurecia SE(a) .....                          | 133,650   | \$ 5,250,919      |  |           | <u>15,337,708</u>  |
| NGK Spark Plug Co., Ltd. ....                 | 229,500   | 3,298,578         | <b>COMMUNICATION</b>                     |           |                    |
|   |           | <u>8,549,497</u>  | <b>SERVICES–5.0%</b>                     |           |                    |
| <b>AUTOMOBILES–3.1%</b>                       |           |                   | DIVERSIFIED                              |           |                    |
| Peugeot SA(a)(c) .....                        | 357,343   | 5,860,110         | TELECOMMUNICATION                        |           |                    |
| Subaru Corp. ....                             | 163,900   | 3,432,012         | SERVICES–2.9%                            |           |                    |
|   |           | <u>9,292,122</u>  | Nippon Telegraph & Telephone             |           |                    |
| <b>HOTELS, RESTAURANTS &amp; LEISURE–1.8%</b> |           |                   | Corp. ....                               | 180,200   | 4,198,558          |
| GVC Holdings PLC .....                        | 603,380   | 5,530,523         | Orange SA .....                          | 372,760   | 4,457,447          |
| MULTILINE RETAIL–1.4%                         |           |                   |  |           | <u>8,656,005</u>   |
| Next PLC .....                                | 68,540    | 4,149,753         | <b>ENTERTAINMENT–2.1%</b>                |           |                    |
| TEXTILES, APPAREL & LUXURY GOODS–1.3%         |           |                   | Nintendo Co., Ltd. ....                  |           |                    |
| Pandora A/S .....                             | 72,620    | 3,966,103         |  | 14,100    | 6,303,667          |
|   |           | <u>31,487,998</u> |  |           | <u>14,959,672</u>  |
| <b>HEALTH CARE–8.5%</b>                       |           |                   | <b>UTILITIES–4.2%</b>                    |           |                    |
| <b>HEALTH CARE</b>                            |           |                   | <b>ELECTRIC UTILITIES–4.2%</b>           |           |                    |
| <b>EQUIPMENT &amp; SUPPLIES–0.9%</b>          |           |                   | EDP–Energias de Portugal                 |           |                    |
| ConvaTec Group PLC(b) .....                   | 1,146,099 | 2,767,938         | SA .....                                 | 1,391,710 | 6,642,992          |
| PHARMACEUTICALS–7.6%                          |           |                   | Enel SpA .....                           | 684,300   | 5,918,128          |
| GlaxoSmithKline PLC .....                     | 315,860   | 6,380,273         |  |           | <u>12,561,120</u>  |
| Novo Nordisk A/S–Class B ....                 | 76,450    | 4,980,544         | <b>REAL ESTATE–3.0%</b>                  |           |                    |
| Roche Holding AG .....                        | 32,760    | 11,349,687        | <b>EQUITY REAL ESTATE</b>                |           |                    |
|   |           | <u>22,710,504</u> | <b>INVESTMENT TRUSTS</b>                 |           |                    |
|   |           | <u>25,478,442</u> | <b>(REITS)–1.6%</b>                      |           |                    |
| <b>MATERIALS–8.1%</b>                         |           |                   | Vicinity Centres .....                   | 4,612,046 | 4,622,677          |
| <b>CHEMICALS–3.8%</b>                         |           |                   | <b>REAL ESTATE</b>                       |           |                    |
| Air Water, Inc. ....                          | 197,600   | 2,791,878         | <b>MANAGEMENT &amp; DEVELOPMENT–1.4%</b> |           |                    |
| Evonik Industries AG .....                    | 153,470   | 3,908,881         | Aroundtown SA(a) .....                   | 738,660   | 4,233,854          |
| Tosoh Corp. ....                              | 346,400   | 4,758,462         |  |           | <u>8,856,531</u>   |
|   |           | <u>11,459,221</u> | Total Common Stocks                      |           |                    |
| <b>METALS &amp; MINING–4.3%</b>               |           |                   | (cost \$305,253,269) .....               |           |                    |
| Agnico Eagle Mines Ltd. ....                  | 51,720    | 3,311,741         |  |           | <u>293,392,970</u> |
| BlueScope Steel Ltd. ....                     | 529,308   | 4,360,357         | <b>RIGHTS–0.1%</b>                       |           |                    |
| First Quantum Minerals Ltd. ...               | 264,930   | 2,111,478         | <b>ENERGY–0.1%</b>                       |           |                    |
| Northern Star Resources                       |           |                   | <b>OIL, GAS &amp; CONSUMABLE</b>         |           |                    |
| Ltd.(c) .....                                 | 335,600   | 3,165,047         | <b>FUELS–0.1%</b>                        |           |                    |
|   |           | <u>12,948,623</u> | Repsol SA, expiring                      |           |                    |
|   |           | <u>24,407,844</u> | 07/06/2020(a)(c)                         |           |                    |
| <b>ENERGY–5.1%</b>                            |           |                   | (cost \$275,114) .....                   |           |                    |
| <b>OIL, GAS &amp; CONSUMABLE</b>              |           |                   |  | 494,211   | 240,588            |
| <b>FUELS–5.1%</b>                             |           |                   | <b>SHORT-TERM</b>                        |           |                    |
| ENEOS Holdings, Inc. ....                     | 1,281,100 | 4,566,562         | <b>INVESTMENTS–1.0%</b>                  |           |                    |
| Repsol SA .....                               | 494,211   | 4,366,834         | <b>INVESTMENT</b>                        |           |                    |
| Royal Dutch Shell PLC                         |           |                   | <b>COMPANIES–1.0%</b>                    |           |                    |
| (Euronext Amsterdam)–                         |           |                   | AB Fixed Income Shares, Inc.–            |           |                    |
| Class A(c) .....                              | 356,090   | 5,828,963         | Government Money Market                  |           |                    |
|   |           |                   | Portfolio–Class AB,                      |           |                    |
|   |           |                   | 0.13%(d)(e)(f)                           |           |                    |
|   |           |                   | (cost \$3,103,190) .....                 |           |                    |
|   |           |                   |  | 3,103,190 | 3,103,190          |
| <b>TOTAL INVESTMENTS</b>                      |           |                   | <b>TOTAL INVESTMENTS</b>                 |           |                    |
| <b>BEFORE SECURITY</b>                        |           |                   | <b>BEFORE SECURITY</b>                   |           |                    |
| <b>LENDING COLLATERAL</b>                     |           |                   | <b>LENDING COLLATERAL</b>                |           |                    |
| <b>FOR SECURITIES</b>                         |           |                   | <b>FOR SECURITIES</b>                    |           |                    |
| <b>LOANED–99.0%</b>                           |           |                   | <b>LOANED–99.0%</b>                      |           |                    |
|   |           |                   | (cost \$308,631,573) .....               |           |                    |
|   |           |                   | <u>296,736,748</u>                       |           |                    |

# INTERNATIONAL VALUE PORTFOLIO

## PORTFOLIO OF INVESTMENTS

(continued)

AB Variable Products Series Fund

| Company   | Shares    | U.S. \$ Value         |
|---|-----------|-----------------------|
| <b>INVESTMENTS OF CASH</b>  |           |                       |
| <b>COLLATERAL FOR</b>   |           |                       |
| <b>SECURITIES</b>   |           |                       |
| <b>LOANED—1.4%</b>  |           |                       |
| <b>INVESTMENT</b>   |           |                       |
| <b>COMPANIES—1.4%</b>   |           |                       |
| AB Fixed Income Shares,<br>Inc.—Government Money<br>Market Portfolio—<br>Class AB, 0.13%(d)(e)(f)<br>(cost \$4,229,821) ..... | 4,229,821 | \$ 4,229,821          |
| <b>TOTAL</b>  |           |                       |
| <b>INVESTMENTS—100.4%</b>   |           |                       |
| (cost \$312,861,394) .....  |           | 300,966,569           |
| Other assets less<br>liabilities—(0.4)% .....   |           | (1,287,615)           |
| <b>NET ASSETS—100.0%</b> .....  |           | <u>\$ 299,678,954</u> |

### FORWARD CURRENCY EXCHANGE CONTRACTS (see Note D)

| Counterparty        | Contracts to<br>Deliver<br>(000) |         | In Exchange<br>For<br>(000) |           | Settlement<br>Date | Unrealized<br>Appreciation/<br>(Depreciation) |
|---------------------|----------------------------------|---------|-----------------------------|-----------|--------------------|---|
| Bank of America, NA | CHF                              | 785     | USD                         | 828       | 07/17/2020         | \$ (766)                                      |
| Bank of America, NA | NOK                              | 15,489  | USD                         | 1,469     | 07/17/2020         | (140,045)                                     |
| Bank of America, NA | USD                              | 748     | ILS                         | 2,655     | 07/17/2020         | 18,824  |
| Bank of America, NA | USD                              | 1,926   | JPY                         | 211,219   | 07/17/2020         | 30,608  |
| Bank of America, NA | USD                              | 4,392   | JPY                         | 470,460   | 07/17/2020         | (33,843)                                      |
| Bank of America, NA | USD                              | 4,388   | SEK                         | 43,923    | 07/17/2020         | 326,850                                       |
| Bank of America, NA | USD                              | 607     | AUD                         | 866       | 10/16/2020         | (8,474)                                       |
| Barclays Bank PLC   | AUD                              | 1,942   | USD                         | 1,245     | 07/17/2020         | (95,739)                                      |
| Barclays Bank PLC   | CAD                              | 1,235   | USD                         | 858       | 07/17/2020         | (51,266)                                      |
| Barclays Bank PLC   | GBP                              | 886     | USD                         | 1,109     | 07/17/2020         | 10,714  |
| Barclays Bank PLC   | GBP                              | 1,987   | USD                         | 2,431     | 07/17/2020         | (31,089)                                      |
| Barclays Bank PLC   | JPY                              | 437,241 | USD                         | 4,079     | 07/17/2020         | 29,223  |
| Barclays Bank PLC   | NOK                              | 7,252   | USD                         | 705       | 07/17/2020         | (48,845)                                      |
| Barclays Bank PLC   | USD                              | 1,790   | AUD                         | 2,863     | 07/17/2020         | 185,538                                       |
| Barclays Bank PLC   | USD                              | 1,138   | CHF                         | 1,109     | 07/17/2020         | 33,396  |
| Barclays Bank PLC   | USD                              | 3,137   | CHF                         | 2,895     | 07/17/2020         | (80,040)                                      |
| Barclays Bank PLC   | USD                              | 2,828   | EUR                         | 2,587     | 07/17/2020         | 80,081  |
| Barclays Bank PLC   | USD                              | 5,546   | GBP                         | 4,486     | 07/17/2020         | 13,033  |
| Barclays Bank PLC   | USD                              | 1,731   | GBP                         | 1,367     | 07/17/2020         | (37,124)                                      |
| Barclays Bank PLC   | USD                              | 5,129   | JPY                         | 560,396   | 07/17/2020         | 62,082  |
| Barclays Bank PLC   | USD                              | 2,681   | JPY                         | 287,200   | 07/17/2020         | (20,367)                                      |
| Barclays Bank PLC   | USD                              | 1,893   | KRW                         | 2,289,686 | 08/13/2020         | 16,050  |
| Barclays Bank PLC   | USD                              | 854     | KRW                         | 1,023,086 | 08/13/2020         | (1,448)                                       |
| Barclays Bank PLC   | TWD                              | 37,648  | USD                         | 1,280     | 08/20/2020         | (9,336)                                       |
| Barclays Bank PLC   | USD                              | 431     | TWD                         | 12,871    | 08/20/2020         | 10,055  |
| Barclays Bank PLC   | USD                              | 1,168   | JPY                         | 125,245   | 10/16/2020         | (6,552)                                       |
| BNP Paribas SA      | AUD                              | 1,117   | USD                         | 703       | 07/17/2020         | (67,725)                                      |

**AB Variable Products Series Fund**

| Counterparty                |     | Contracts to<br>Deliver<br>(000) |     | In Exchange<br>For<br>(000) | Settlement<br>Date | Unrealized<br>Appreciation/<br>(Depreciation) |
|-----------------------------|-----|----------------------------------|-----|-----------------------------|--------------------|---|
| BNP Paribas SA              | KRW | 1,045,663                        | USD | 858                         | 08/13/2020         | \$ (13,680)                                   |
| Citibank, NA                | EUR | 2,717                            | USD | 3,104                       | 07/17/2020         | 50,491  |
| Citibank, NA                | EUR | 7,284                            | USD | 7,993                       | 07/17/2020         | (192,257)                                     |
| Citibank, NA                | USD | 1,069                            | AUD | 1,819                       | 07/17/2020         | 186,384                                       |
| Citibank, NA                | USD | 1,417                            | CAD | 1,904                       | 07/17/2020         | (14,420)                                      |
| Citibank, NA                | USD | 9,439                            | EUR | 8,662                       | 07/17/2020         | 295,412                                       |
| Citibank, NA                | USD | 1,142                            | EUR | 1,006                       | 07/17/2020         | (11,723)                                      |
| Citibank, NA                | KRW | 14,158,311                       | USD | 11,575                      | 08/13/2020         | (230,165)                                     |
| Citibank, NA                | USD | 691                              | AUD | 987                         | 10/16/2020         | (9,619)                                       |
| Citibank, NA                | USD | 1,884                            | EUR | 1,669                       | 10/16/2020         | (4,443)                                       |
| Citibank, NA                | USD | 944                              | JPY | 101,106                     | 10/16/2020         | (5,696)                                       |
| Credit Suisse International | AUD | 1,389                            | USD | 953                         | 07/17/2020         | (5,937)                                       |
| Credit Suisse International | EUR | 1,522                            | USD | 1,676                       | 07/17/2020         | (34,481)                                      |
| Credit Suisse International | NOK | 11,214                           | USD | 1,058                       | 07/17/2020         | (107,060)                                     |
| Credit Suisse International | USD | 2,567                            | AUD | 4,400                       | 07/17/2020         | 470,047                                       |
| Credit Suisse International | USD | 6,575                            | EUR | 6,013                       | 07/17/2020         | 182,305                                       |
| Credit Suisse International | USD | 2,139                            | NOK | 21,178                      | 07/17/2020         | 61,483  |
| Deutsche Bank AG            | ILS | 3,292                            | USD | 926                         | 07/17/2020         | (25,114)                                      |
| Deutsche Bank AG            | USD | 1,361                            | JPY | 150,507                     | 07/17/2020         | 33,151  |
| Goldman Sachs Bank USA      | CAD | 750                              | USD | 531                         | 07/17/2020         | (21,305)                                      |
| Goldman Sachs Bank USA      | CHF | 919                              | USD | 947                         | 07/17/2020         | (23,677)                                      |
| Goldman Sachs Bank USA      | EUR | 1,940                            | USD | 2,108                       | 07/17/2020         | (72,756)                                      |
| Goldman Sachs Bank USA      | GBP | 1,358                            | USD | 1,693                       | 07/17/2020         | 10,072  |
| Goldman Sachs Bank USA      | HKD | 16,225                           | USD | 2,091                       | 07/17/2020         | (1,995)                                       |
| Goldman Sachs Bank USA      | JPY | 176,240                          | USD | 1,651                       | 07/17/2020         | 18,695  |
| Goldman Sachs Bank USA      | USD | 749                              | AUD | 1,162                       | 07/17/2020         | 53,057  |
| Goldman Sachs Bank USA      | USD | 900                              | CHF | 873                         | 07/17/2020         | 21,927  |
| Goldman Sachs Bank USA      | USD | 1,392                            | EUR | 1,282                       | 07/17/2020         | 49,189  |
| Goldman Sachs Bank USA      | USD | 1,310                            | GBP | 1,067                       | 07/17/2020         | 12,574  |
| Goldman Sachs Bank USA      | USD | 3,802                            | JPY | 413,517                     | 07/17/2020         | 27,965  |
| Goldman Sachs Bank USA      | USD | 7,252                            | JPY | 772,964                     | 07/17/2020         | (91,744)                                      |
| JPMorgan Chase Bank, NA     | CAD | 7,041                            | USD | 5,018                       | 07/17/2020         | (168,294)                                     |
| JPMorgan Chase Bank, NA     | EUR | 1,124                            | USD | 1,290                       | 07/17/2020         | 26,548  |
| JPMorgan Chase Bank, NA     | EUR | 1,533                            | USD | 1,656                       | 07/17/2020         | (66,868)                                      |
| JPMorgan Chase Bank, NA     | USD | 1,667                            | CHF | 1,616                       | 07/17/2020         | 39,759  |
| JPMorgan Chase Bank, NA     | USD | 1,902                            | JPY | 203,208                     | 07/17/2020         | (19,191)                                      |
| JPMorgan Chase Bank, NA     | USD | 670                              | NZD | 1,124                       | 07/17/2020         | 55,623  |
| JPMorgan Chase Bank, NA     | USD | 3,241                            | SGD | 4,610                       | 07/17/2020         | 67,325  |
| JPMorgan Chase Bank, NA     | TWD | 23,667                           | USD | 796                         | 08/20/2020         | (14,893)                                      |
| JPMorgan Chase Bank, NA     | GBP | 704                              | USD | 871                         | 10/16/2020         | (2,360)                                       |
| JPMorgan Chase Bank, NA     | USD | 951                              | EUR | 846                         | 10/16/2020         | 1,588   |
| Morgan Stanley & Co., Inc.  | AUD | 2,484                            | USD | 1,607                       | 07/17/2020         | (107,293)                                     |
| Morgan Stanley & Co., Inc.  | CAD | 2,104                            | USD | 1,497                       | 07/17/2020         | (53,053)                                      |
| Morgan Stanley & Co., Inc.  | CHF | 709                              | USD | 750                         | 07/17/2020         | 1,421   |
| Morgan Stanley & Co., Inc.  | EUR | 5,592                            | USD | 6,082                       | 07/17/2020         | (202,201)                                     |
| Morgan Stanley & Co., Inc.  | GBP | 1,490                            | USD | 1,854                       | 07/17/2020         | 7,205   |
| Morgan Stanley & Co., Inc.  | GBP | 2,225                            | USD | 2,719                       | 07/17/2020         | (38,338)                                      |
| Morgan Stanley & Co., Inc.  | JPY | 1,026,930                        | USD | 9,543                       | 07/17/2020         | 30,324  |
| Morgan Stanley & Co., Inc.  | USD | 1,081                            | AUD | 1,680                       | 07/17/2020         | 78,130  |
| Morgan Stanley & Co., Inc.  | USD | 7,819                            | CHF | 7,562                       | 07/17/2020         | 165,753                                       |
| Morgan Stanley & Co., Inc.  | USD | 1,864                            | EUR | 1,720                       | 07/17/2020         | 69,166  |

# INTERNATIONAL VALUE PORTFOLIO

## PORTFOLIO OF INVESTMENTS

(continued)

AB Variable Products Series Fund

| Counterparty                  |     | Contracts to<br>Deliver<br>(000) |     | In Exchange<br>For<br>(000) | Settlement<br>Date | Unrealized<br>Appreciation/<br>(Depreciation) |
|-------------------------------|-----|----------------------------------|-----|-----------------------------|--------------------|---|
| Morgan Stanley & Co., Inc.    | USD | 2,714                            | JPY | 290,636                     | 07/17/2020         | \$ (22,268)                                   |
| Morgan Stanley & Co., Inc.    | TWD | 268,063                          | USD | 9,088                       | 08/20/2020         | (95,325)                                      |
| Morgan Stanley & Co., Inc.    | USD | 564                              | TWD | 16,726                      | 08/20/2020         | 8,817   |
| Morgan Stanley & Co., Inc.    | EUR | 1,515                            | USD | 1,718                       | 10/16/2020         | 11,982  |
| Morgan Stanley & Co., Inc.    | GBP | 1,045                            | USD | 1,328                       | 10/16/2020         | 32,772  |
| Morgan Stanley & Co., Inc.    | USD | 2,755                            | EUR | 2,420                       | 10/16/2020         | (29,204)                                      |
| Natwest Markets PLC           | AUD | 2,081                            | USD | 1,449                       | 07/17/2020         | 12,630  |
| Natwest Markets PLC           | AUD | 856                              | USD | 519                         | 07/17/2020         | (71,420)                                      |
| Natwest Markets PLC           | EUR | 1,427                            | USD | 1,574                       | 07/17/2020         | (29,607)                                      |
| Natwest Markets PLC           | GBP | 865                              | USD | 1,074                       | 07/17/2020         | 2,286   |
| Natwest Markets PLC           | GBP | 1,035                            | USD | 1,263                       | 07/17/2020         | (19,971)                                      |
| Natwest Markets PLC           | ILS | 12,361                           | USD | 3,444                       | 07/17/2020         | (126,057)                                     |
| Natwest Markets PLC           | JPY | 94,661                           | USD | 886                         | 07/17/2020         | 8,781   |
| Natwest Markets PLC           | USD | 864                              | AUD | 1,339                       | 07/17/2020         | 60,166  |
| Natwest Markets PLC           | USD | 1,496                            | EUR | 1,361                       | 07/17/2020         | 33,051  |
| Natwest Markets PLC           | EUR | 894                              | USD | 1,005                       | 10/16/2020         | (1,554)                                       |
| Natwest Markets PLC           | NOK | 14,373                           | USD | 1,552                       | 10/16/2020         | 58,264  |
| Natwest Markets PLC           | USD | 1,902                            | JPY | 203,695                     | 10/16/2020         | (12,523)                                      |
| Natwest Markets PLC           | USD | 987                              | SEK | 9,028                       | 10/16/2020         | (16,485)                                      |
| Standard Chartered Bank       | TWD | 13,171                           | USD | 447                         | 08/20/2020         | (4,547)                                       |
| Standard Chartered Bank       | USD | 703                              | TWD | 20,668                      | 08/20/2020         | 4,870   |
| State Street Bank & Trust Co. | AUD | 65                               | USD | 45                          | 07/17/2020         | 262   |
| State Street Bank & Trust Co. | AUD | 461                              | USD | 296                         | 07/17/2020         | (21,752)                                      |
| State Street Bank & Trust Co. | CHF | 1,044                            | USD | 1,082                       | 07/17/2020         | (20,049)                                      |
| State Street Bank & Trust Co. | CNY | 10,620                           | USD | 1,500                       | 07/17/2020         | (1,372)                                       |
| State Street Bank & Trust Co. | EUR | 861                              | USD | 980                         | 07/17/2020         | 12,138  |
| State Street Bank & Trust Co. | EUR | 2,624                            | USD | 2,884                       | 07/17/2020         | (64,920)                                      |
| State Street Bank & Trust Co. | GBP | 39                               | USD | 48                          | 07/17/2020         | 159   |
| State Street Bank & Trust Co. | GBP | 842                              | USD | 1,032                       | 07/17/2020         | (10,810)                                      |
| State Street Bank & Trust Co. | JPY | 307,321                          | USD | 2,878                       | 07/17/2020         | 31,136  |
| State Street Bank & Trust Co. | NOK | 3,422                            | USD | 333                         | 07/17/2020         | (22,386)                                      |
| State Street Bank & Trust Co. | USD | 651                              | CHF | 632                         | 07/17/2020         | 16,898  |
| State Street Bank & Trust Co. | USD | 4,050                            | EUR | 3,697                       | 07/17/2020         | 105,849                                       |
| State Street Bank & Trust Co. | USD | 335                              | EUR | 295                         | 07/17/2020         | (3,702)                                       |
| State Street Bank & Trust Co. | USD | 107                              | JPY | 11,639                      | 07/17/2020         | 999   |
| State Street Bank & Trust Co. | USD | 802                              | JPY | 86,161                      | 07/17/2020         | (3,537)                                       |
| State Street Bank & Trust Co. | EUR | 905                              | USD | 1,027                       | 10/16/2020         | 8,185   |
| State Street Bank & Trust Co. | GBP | 31                               | USD | 38                          | 10/16/2020         | (14)  |
| State Street Bank & Trust Co. | USD | 1,016                            | CHF | 957                         | 10/16/2020         | (2,532)                                       |
| State Street Bank & Trust Co. | USD | 760                              | EUR | 672                         | 10/16/2020         | (2,988)                                       |
| State Street Bank & Trust Co. | USD | 115                              | JPY | 12,328                      | 10/16/2020         | (830)   |
| UBS AG                        | AUD | 3,191                            | USD | 2,216                       | 07/17/2020         | 13,438  |
| UBS AG                        | CHF | 864                              | USD | 900                         | 07/17/2020         | (12,561)                                      |
| UBS AG                        | USD | 1,717                            | AUD | 2,815                       | 07/17/2020         | 225,312                                       |
| UBS AG                        | USD | 1,734                            | GBP | 1,377                       | 07/17/2020         | (27,338)                                      |
| UBS AG                        | USD | 1,346                            | JPY | 144,811                     | 07/17/2020         | (4,719)                                       |
|                               |     |                                  |     |                             |                    | <u>\$ 680,350</u>                             |

(a) Non-income producing security.

- (b) Security is exempt from registration under Rule 144A of the Securities Act of 1933. These securities are considered restricted, but liquid and may be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2020, the aggregate market value of these securities amounted to \$15,482,569 or 5.2% of net assets.
- (c) Represents entire or partial securities out on loan. See Note E for securities lending information.
- (d) Affiliated investments.
- (e) The rate shown represents the 7-day yield as of period end.
- (f) To obtain a copy of the fund's shareholder report, please go to the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov), or call AB at (800) 227-4618.

Currency Abbreviations:

AUD—Australian Dollar  
CAD—Canadian Dollar  
CHF—Swiss Franc  
CNY—Chinese Yuan Renminbi  
EUR—Euro  
GBP—Great British Pound  
HKD—Hong Kong Dollar  
ILS—Israeli Shekel  
JPY—Japanese Yen  
KRW—South Korean Won  
NOK—Norwegian Krone  
NZD—New Zealand Dollar  
SEK—Swedish Krona  
SGD—Singapore Dollar  
TWD—New Taiwan Dollar  
USD—United States Dollar

See notes to financial statements.

**INTERNATIONAL VALUE PORTFOLIO  
STATEMENT OF ASSETS & LIABILITIES**

June 30, 2020 (unaudited)

AB Variable Products Series Fund

**ASSETS**

|  |                    |
|--|--------------------|
| Investments in securities, at value  |                    |
| Unaffiliated issuers (cost \$305,528,383) .....  | \$293,633,558(a)   |
| Affiliated issuers (cost \$7,333,011—including investment of cash collateral for securities loaned of \$4,229,821) ..... | 7,333,011          |
| Cash collateral due from broker .....  | 320,000            |
| Foreign currencies, at value (cost \$401,655) .....  | 398,487            |
| Unrealized appreciation on forward currency exchange contracts .....   | 3,480,043          |
| Unaffiliated dividends receivable .....  | 1,144,311          |
| Receivable for investment securities sold .....  | 1,062,352          |
| Receivable for capital stock sold .....  | 11,837             |
| Affiliated dividends receivable .....  | 291                |
| Total assets .....   | <u>307,383,890</u> |

**LIABILITIES**

|  |                  |
|--|------------------|
| Payable for collateral received on securities loaned .....           | 4,229,821        |
| Unrealized depreciation on forward currency exchange contracts ..... | 2,799,693        |
| Advisory fee payable .....   | 188,410          |
| Payable for capital stock redeemed .....                             | 180,850          |
| Distribution fee payable .....                                       | 55,449           |
| Administrative fee payable .....                                     | 27,165           |
| Directors' fees payable .....  | 1,535            |
| Transfer Agent fee payable .....                                     | 117              |
| Accrued expenses and other liabilities .....                         | 221,896          |
| Total liabilities .....  | <u>7,704,936</u> |

**NET ASSETS** ..... \$299,678,954

**COMPOSITION OF NET ASSETS**

|                                  |                      |
|----------------------------------|----------------------|
| Capital stock, at par .....      | \$ 25,765            |
| Additional paid-in capital ..... | 355,952,046          |
| Accumulated loss .....           | (56,298,857)         |
|                                  | <u>\$299,678,954</u> |

**Net Asset Value Per Share—1 billion shares of capital stock authorized, \$.001 par value**

| Class | Net Assets     | Shares Outstanding | Net Asset Value |
|-------|----------------|--------------------|-----------------|
| A     | \$ 33,294,313  | 2,837,269          | \$ 11.73        |
| B     | \$ 266,384,641 | 22,927,258         | \$ 11.62        |

(a) Includes securities on loan with a value of \$23,970,002 (see Note E).

See notes to financial statements.

**INTERNATIONAL VALUE PORTFOLIO  
STATEMENT OF OPERATIONS**

Six Months Ended June 30, 2020 (unaudited)

AB Variable Products Series Fund

**INVESTMENT INCOME**

|   |             |              |
|---|-------------|--------------|
| Dividends   |             |              |
| Unaffiliated issuers (net of foreign taxes withheld of \$459,772) ..... | \$3,828,223 |              |
| Affiliated issuers .....  | 34,751      |              |
| Securities lending income .....   | 28,900      | \$ 3,891,874 |

**EXPENSES**

|   |           |                  |
|---|-----------|------------------|
| Advisory fee (see Note B) .....   | 1,171,444 |                  |
| Distribution fee—Class B .....  | 336,194   |                  |
| Transfer agency—Class A .....   | 436       |                  |
| Transfer agency—Class B .....   | 2,699     |                  |
| Custody and accounting .....  | 84,372    |                  |
| Printing .....  | 57,542    |                  |
| Administrative .....  | 41,746    |                  |
| Audit and tax .....   | 27,848    |                  |
| Legal .....   | 20,491    |                  |
| Directors' fees .....   | 11,159    |                  |
| Miscellaneous .....   | 10,016    |                  |
| Total expenses .....  | 1,763,947 |                  |
| Less: expenses waived and reimbursed by the Adviser (see Notes B & E) ..... | (4,110)   |                  |
| Net expenses .....  |           | <u>1,759,837</u> |
| Net investment income .....   |           | <u>2,132,037</u> |

**REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENT AND FOREIGN CURRENCY TRANSACTIONS**

|  |  |                     |
|--|--|---------------------|
| Net realized loss on:  |  |                     |
| Investment transactions .....                                  |  | (21,414,786)        |
| Forward currency exchange contracts .....                      |  | (755,686)           |
| Foreign currency transactions .....                            |  | (12,849)            |
| Net change in unrealized appreciation/depreciation of:         |  |                     |
| Investments .....  |  | (46,627,908)        |
| Forward currency exchange contracts .....                      |  | 764,683             |
| Foreign currency denominated assets and liabilities .....      |  | <u>(13,099)</u>     |
| Net loss on investment and foreign currency transactions ..... |  | <u>(68,059,645)</u> |

**NET DECREASE IN NET ASSETS FROM OPERATIONS** ..... \$(65,927,608)

See notes to financial statements.

**INTERNATIONAL VALUE PORTFOLIO  
STATEMENT OF CHANGES IN NET ASSETS**

**AB Variable Products Series Fund**

|  | <b>Six Months Ended<br/>June 30, 2020<br/>(unaudited)</b> | <b>Year Ended<br/>December 31,<br/>2019</b> |
|--|---|---|
| <b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>   |   |   |
| Net investment income .....  | \$ 2,132,037  | \$ 7,052,641                                |
| Net realized loss on investment and foreign currency transactions .....  | (22,183,321)  | (26,021,678)                                |
| Net change in unrealized appreciation/depreciation of investments and foreign<br>currency denominated assets and liabilities ..... | <u>(45,876,324)</u>                                       | <u>77,391,768</u>                           |
| Net increase (decrease) in net assets from operations .....  | (65,927,608)  | 58,422,731                                  |
| Distributions to Shareholders  |   |   |
| Class A .....  | -0-   | (479,446)                                   |
| Class B .....  | -0-   | (2,522,410)                                 |
| <b>CAPITAL STOCK TRANSACTIONS</b>  |   |   |
| Net decrease .....   | <u>(12,017,095)</u>                                       | <u>(44,607,256)</u>                         |
| Total increase (decrease) .....  | (77,944,703)  | 10,813,619                                  |
| <b>NET ASSETS</b>  |   |   |
| Beginning of period .....  | <u>377,623,657</u>  | <u>366,810,038</u>                          |
| End of period .....  | <u>\$299,678,954</u>                                      | <u>\$377,623,657</u>                        |

See notes to financial statements.

**INTERNATIONAL VALUE PORTFOLIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020 (unaudited)**

**AB Variable Products Series Fund**

**NOTE A : Significant Accounting Policies**

The AB International Value Portfolio (the “Portfolio”) is a series of AB Variable Products Series Fund, Inc. (the “Fund”). The Portfolio’s investment objective is long-term growth of capital. The Portfolio is diversified as defined under the Investment Company Act of 1940. The Fund was incorporated in the State of Maryland on November 17, 1987, as an open-end series investment company. The Fund offers eleven separately managed pools of assets which have differing investment objectives and policies. The Portfolio offers Class A and Class B shares. Both classes of shares have identical voting, dividend, liquidating and other rights, except that Class B shares bear a distribution expense and have exclusive voting rights with respect to the Class B distribution plan.

The Portfolio offers and sells its shares only to separate accounts of certain life insurance companies for the purpose of funding variable annuity contracts and variable life insurance policies. Sales are made without a sales charge at the Portfolio’s net asset value per share.

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 Portfolio 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 Portfolio.

**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 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. Such 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 Portfolio may use fair value pricing for securities primarily traded in non-U.S. markets because most foreign markets close well before the Portfolio values its securities at 4:00 p.m., Eastern Time. The earlier close of

# INTERNATIONAL VALUE PORTFOLIO

## NOTES TO FINANCIAL STATEMENTS

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AB Variable Products Series Fund

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 Portfolio 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 Portfolio 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 Portfolio. Unobservable inputs reflect the Portfolio'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 Portfolio'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.

The following table summarizes the valuation of the Portfolio's investments by the above fair value hierarchy levels as of June 30, 2020:

|   | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>  |
|---|----------------|----------------|----------------|---------------|
| <b>Investments in Securities:</b>             |                |                |                |               |
| <b>Assets:</b>                                |                |                |                |               |
| Common Stocks:                                |                |                |                |               |
| Information Technology .....                  | \$ 6,412,978   | \$ 35,669,509  | \$ —           | \$ 42,082,487 |
| Industrials .....                             | 5,389,107      | 36,220,179     | —              | 41,609,286    |
| Consumer Staples .....                        | 5,336,999      | 33,604,067     | —              | 38,941,066    |
| Financials .....                              | —              | 37,670,816     | —              | 37,670,816    |
| Consumer Discretionary .....                  | —              | 31,487,998     | —              | 31,487,998    |
| Health Care .....                             | —              | 25,478,442     | —              | 25,478,442    |
| Materials .....                               | 5,423,219      | 18,984,625     | —              | 24,407,844    |
| Energy .....                                  | —              | 15,337,708     | —              | 15,337,708    |
| Communication Services .....                  | —              | 14,959,672     | —              | 14,959,672    |
| Utilities .....                               | —              | 12,561,120     | —              | 12,561,120    |
| Real Estate .....                             | —              | 8,856,531      | —              | 8,856,531     |
| Rights .....                                  | 240,588        | —              | —              | 240,588       |
| Short-Term Investments .....                  | 3,103,190      | —              | —              | 3,103,190     |
| Investments of Cash Collateral for Securities |                |                |                |               |
| Loaned in Affiliated Money Market Fund .....  | 4,229,821      | —              | —              | 4,229,821     |
| Total Investments in Securities .....         | 30,135,902     | 270,830,667(a) | —              | 300,966,569   |

**AB Variable Products Series Fund**

|   | <u>Level 1</u>             | <u>Level 2</u>              | <u>Level 3</u>       | <u>Total</u>                |
|---|----------------------------|-----------------------------|----------------------|-----------------------------|
| <b>Investments in Securities:</b>         |                            |                             |                      |                             |
| <b>Other Financial Instruments(b):</b>    |                            |                             |                      |                             |
| <b>Assets:</b>                            |                            |                             |                      |                             |
| Forward Currency Exchange Contracts ..... | \$ -0-                     | \$ 3,480,043                | \$ -0-               | \$ 3,480,043                |
| <b>Liabilities:</b>                       |                            |                             |                      |                             |
| Forward Currency Exchange Contracts ..... | -0-                        | (2,799,693)                 | -0-                  | (2,799,693)                 |
| <b>Total</b> .....                        | <b><u>\$30,135,902</u></b> | <b><u>\$271,511,017</u></b> | <b><u>\$ -0-</u></b> | <b><u>\$301,646,919</u></b> |

(a) A significant portion of the Portfolio's foreign equity investments are categorized as Level 2 investments since they are valued using fair value prices based on third party vendor modeling tools to the extent available, see Note A.1.

(b) 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 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 Portfolio'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 Portfolio'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 are required. The Portfolio 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 Portfolio'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 Portfolio's financial statements.

**5. Investment Income and Investment Transactions**

Dividend income is recorded on the ex-dividend date or as soon as the Portfolio 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 Portfolio amortizes premiums and accretes discounts as adjustments to interest income. The Fund accounts for distributions received from REIT investments as dividend income, realized gain, or return of capital based on information provided by the REIT.

**6. Class Allocations**

All income earned and expenses incurred by the Portfolio are borne on a pro-rata basis by each outstanding class of shares, based on the proportionate interest in the Portfolio represented by the net assets of such class, except for class specific expenses which are allocated to the respective class. Expenses of the Fund are charged proportionately to each portfolio or based on other appropriate methods. Realized and unrealized gains and losses are allocated among the various share classes based on respective net assets.

# INTERNATIONAL VALUE PORTFOLIO

## NOTES TO FINANCIAL STATEMENTS

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AB Variable Products Series Fund

### 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 investment advisory agreement, the Portfolio pays the Adviser an advisory fee at an annual rate of .75% of the first \$2.5 billion, .65% of the next \$2.5 billion and .60% in excess of \$5 billion, of the Portfolio's average daily net assets. The fee is accrued daily and paid monthly. The Adviser has agreed to waive its fees and bear certain expenses to the extent necessary to limit total operating expenses on an annual basis (the "Expense Caps") to 1.20% and 1.45% of daily average net assets for Class A and Class B shares, respectively. For the six months ended June 30, 2020, there were no expenses waived by the Adviser.

Pursuant to the investment advisory agreement, the Portfolio may reimburse the Adviser for certain legal and accounting services provided to the Portfolio by the Adviser. For the six months ended June 30, 2020, the reimbursement for such services amounted to \$41,746.

The Portfolio 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 Portfolio. Such compensation retained by ABIS amounted to \$818 for the six months ended June 30, 2020.

The Portfolio 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, 2021. In connection with the investment by the Portfolio in Government Money Market Portfolio, the Adviser has contractually agreed to waive its advisory fee from the Portfolio in an amount equal to the Portfolio's pro rata share of the effective advisory fee of Government Money Market Portfolio, as borne indirectly by the Portfolio as an acquired fund fee and expense. For the six months ended June 30, 2020, such waiver amounted to \$2,792.

A summary of the Portfolio's transactions in AB mutual funds for the six months ended June 30, 2020 is as follows:

| <u>Portfolio</u>                         | <u>Market Value</u><br>12/31/19<br>(000) | <u>Purchases</u><br>at Cost<br>(000) | <u>Sales</u><br>Proceeds<br>(000) | <u>Market Value</u><br>6/30/20<br>(000) | <u>Dividend</u><br>Income<br>(000) |
|--|--|--------------------------------------|-----------------------------------|---|------------------------------------|
| Government Money Market Portfolio .....  | \$3,053                                  | \$47,744                             | \$47,694                          | \$3,103                                 | \$24                               |
| Government Money Market Portfolio* ..... | 3,846                                    | 85,362                               | 84,978                            | 4,230                                   | 11                                 |
| Total .....                              |  |                                      |                                   | <u>\$7,333</u>                          | <u>\$35</u>                        |

\* Investments of cash collateral for securities lending transactions (see Note E).

During the second quarter of 2018, AXA S.A. ("AXA"), a French holding company for the AXA Group, completed the sale of a minority stake in its subsidiary, AXA Equitable Holdings, Inc. (now named Equitable Holdings, Inc.) ("Equitable"), through an initial public offering. Equitable is the holding company for a diverse group of financial services companies, including an approximately 65.2% economic interest in the Adviser and a 100% interest in AllianceBernstein Corporation, the general partner of the Adviser. Since the initial sale, AXA has completed additional offerings, most recently during the fourth quarter of 2019. As a result, AXA currently owns less than 10% of the outstanding shares of common stock of Equitable, and no longer owns a controlling interest in Equitable. AXA previously announced its intention to sell its entire interest in Equitable over time, subject to market conditions and other factors (the "Plan"). Most of AXA's remaining Equitable shares are to be delivered on redemption of AXA bonds mandatorily exchangeable into Equitable shares and maturing in May 2021. AXA retains sole discretion to determine the timing of any future sales of its remaining shares of Equitable common stock.

Sales under the Plan that were completed on November 13, 2019 resulted in the indirect transfer of a "controlling block" of voting securities of the Adviser (a "Change of Control Event") and may have been deemed to have been an "assignment" causing a termination of the Portfolio's investment advisory and administration agreements. In order to ensure that investment advisory and administration services could continue uninterrupted in the event of a Change of Control Event, the Board

previously approved new investment advisory and administration agreements with the Adviser, and shareholders of the Portfolio subsequently approved the new investment advisory agreement. These agreements became effective on November 13, 2019.

**NOTE C : Distribution Plan**

The Portfolio has adopted a Distribution Plan (the “Plan”) for Class B shares pursuant to Rule 12b-1 under the Investment Company Act of 1940. Under the Plan, the Portfolio pays distribution and servicing fees to AllianceBernstein Investments, Inc. (the “Distributor”), a wholly-owned subsidiary of the Adviser, at an annual rate of up to .50% of the Portfolio’s average daily net assets attributable to Class B shares. The fees are accrued daily and paid monthly. The Board currently limits payments under the Plan to .25% of the Portfolio’s average daily net assets attributable to Class B shares. The Plan provides that the Distributor will use such payments in their entirety for distribution assistance and promotional activities.

The Portfolio is not obligated under the Plan to pay any distribution and servicing fees in excess of the amounts set forth above. The purpose of the payments to the Distributor under the Plan is to compensate the Distributor for its distribution services with respect to the sale of the Portfolio’s Class B shares. Since the Distributor’s compensation is not directly tied to its expenses, the amount of compensation received by it under the Plan during any year may be more or less than its actual expenses. For this reason, the Plan is characterized by the staff of the Securities and Exchange Commission as being of the “compensation” variety.

In the event that the Plan is terminated or not continued, no distribution or servicing fees (other than current amounts accrued but not yet paid) would be owed by the Portfolio to the Distributor.

The Plan also provides that the Adviser may use its own resources to finance the distribution of the Portfolio’s shares.

**NOTE D : Investment Transactions**

Purchases and sales of investment securities (excluding short-term investments) for the six months ended June 30, 2020 were as follows:

|  | Purchases    | Sales         |
|--|--------------|---------------|
| Investment securities (excluding U.S. government securities) ..... | \$93,632,215 | \$104,769,684 |
| U.S. government securities .....                                   | -0-          | -0-           |

The cost of investments for federal income tax purposes was substantially the same as the cost for financial reporting purposes. Accordingly, gross unrealized appreciation and unrealized depreciation are as follows:

|                                     |                       |
|-------------------------------------|-----------------------|
| Gross unrealized appreciation ..... | \$ 34,051,555         |
| Gross unrealized depreciation ..... | (45,266,030)          |
| Net unrealized depreciation .....   | <u>\$(11,214,475)</u> |

**1. Derivative Financial Instruments**

The Portfolio 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 principal type of derivative utilized by the Portfolio, as well as the methods in which they may be used are:

- **Forward Currency Exchange Contracts**

The Portfolio may enter into forward currency exchange contracts in order to hedge its exposure to changes in foreign currency exchange rates on its foreign portfolio holdings, to hedge certain firm purchase and sale commitments denominated in foreign currencies and for non-hedging purposes as a means of making direct investments in foreign currencies, as described below under “Currency Transactions”.

A forward currency exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contract and the closing of such contract would be included in net realized gain or loss on forward currency exchange contracts. Fluctuations in the value of open forward currency exchange contracts are recorded for financial reporting purposes as unrealized appreciation and/or depreciation by the Portfolio. Risks may arise from the potential inability of a counterparty to meet the terms of a contract and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar.

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## NOTES TO FINANCIAL STATEMENTS

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During the six months ended June 30, 2020, the Portfolio held forward currency exchange contracts for hedging purposes.

The Portfolio typically enters into International Swaps and Derivatives Association, Inc. Master Agreements (“ISDA Master Agreement”) with its OTC derivative contract counterparties in order to, among other things, reduce its credit risk to OTC counterparties. ISDA Master Agreements include provisions for general obligations, representations, collateral and events of default or termination. Under an ISDA Master Agreement, the Portfolio typically may offset with the OTC counterparty certain derivative financial instruments’ payables and/or receivables with collateral held and/or posted and create one single net payment (close-out netting) in the event of default or termination. In the event of a default by an OTC counterparty, the return of collateral with market value in excess of the Portfolio’s net liability, held by the defaulting party, may be delayed or denied.

The Portfolio’s ISDA Master Agreements may contain provisions for early termination of OTC derivative transactions in the event the net assets of the Portfolio decline below specific levels (“net asset contingent features”). If these levels are triggered, the Portfolio’s OTC counterparty has the right to terminate such transaction and require the Portfolio to pay or receive a settlement amount in connection with the terminated transaction. If OTC derivatives were held at period end, please refer to netting arrangements by the OTC counterparty table below for additional details.

During the six months ended June 30, 2020, the Portfolio had entered into the following derivatives:

| Derivative Type                  | Asset Derivatives  |                    | Liability Derivatives  |                    |
|----------------------------------|--|--------------------|--|--------------------|
|                                  | Statement of Assets and Liabilities Location                   | Fair Value         | Statement of Assets and Liabilities Location                   | Fair Value         |
| Foreign currency contracts ..... | Unrealized appreciation on forward currency exchange contracts | \$3,480,043*       | Unrealized depreciation on forward currency exchange contracts | \$2,799,693*       |
| Total .....                      |  | <u>\$3,480,043</u> |  | <u>\$2,799,693</u> |

| Derivative Type                  | Location of Gain or (Loss) on Derivatives Within Statement of Operations   | Realized Gain or (Loss) on Derivatives | Change in Unrealized Appreciation or (Depreciation) |
|----------------------------------|--|--|---|
| Foreign currency contracts ..... | Net realized gain (loss) on forward currency exchange contracts; Net change in unrealized appreciation/depreciation of forward currency exchange contracts | \$(755,686)                            | \$764,683   |
| Total .....                      |  | <u>\$(755,686)</u>                     | <u>\$764,683</u>                                    |

The following table represents the average monthly volume of the Portfolio’s derivative transactions during the six months ended June 30, 2020:

Forward Currency Exchange Contracts:

|  |               |
|--|---------------|
| Average principal amount of buy contracts .....  | \$131,661,896 |
| Average principal amount of sale contracts ..... | \$130,416,117 |

For financial reporting purposes, the Portfolio does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the statement of assets and liabilities.

All OTC derivatives held at period end were subject to netting arrangements. The following table presents the Portfolio’s derivative assets and liabilities by OTC counterparty net of amounts available for offset under ISDA Master Agreements

## AB Variable Products Series Fund

(“MA”) and net of the related collateral received/pledged by the Portfolio as of June 30, 2020. Exchange-traded derivatives and centrally cleared swaps are not subject to netting arrangements and as such are excluded from the table.

| <u>Counterparty</u>                | <u>Derivative Assets<br/>Subject to a MA</u> | <u>Derivatives<br/>Available for<br/>Offset</u> | <u>Cash Collateral<br/>Received*</u> | <u>Security Collateral<br/>Received*</u> | <u>Net Amount of<br/>Derivative<br/>Assets</u> |
|------------------------------------|--|---|--------------------------------------|--|--|
| Bank of America, NA .....          | \$ 376,282                                   | \$ (183,128)                                    | \$ -0-                               | \$ -0-                                   | \$ 193,154                                     |
| Barclays Bank PLC .....            | 440,172                                      | (381,806)                                       | -0-                                  | -0-                                      | 58,366   |
| Citibank, NA .....                 | 532,287                                      | (468,323)                                       | -0-                                  | -0-                                      | 63,964   |
| Credit Suisse International .....  | 713,835                                      | (147,478)                                       | -0-                                  | -0-                                      | 566,357  |
| Deutsche Bank AG .....             | 33,151                                       | (25,114)  | -0-                                  | -0-                                      | 8,037  |
| Goldman Sachs Bank USA .....       | 193,479                                      | (193,479)                                       | -0-                                  | -0-                                      | -0-  |
| JPMorgan Chase Bank, NA .....      | 190,843                                      | (190,843)                                       | -0-                                  | -0-                                      | -0-  |
| Morgan Stanley & Co., Inc. ....    | 405,570                                      | (405,570)                                       | -0-                                  | -0-                                      | -0-  |
| Natwest Markets PLC .....          | 175,178                                      | (175,178)                                       | -0-                                  | -0-                                      | -0-  |
| Standard Chartered Bank .....      | 4,870  | (4,547)   | -0-                                  | -0-                                      | 323  |
| State Street Bank & Trust Co. .... | 175,626                                      | (154,892)                                       | -0-                                  | -0-                                      | 20,734   |
| UBS AG .....                       | 238,750                                      | (44,618)  | -0-                                  | -0-                                      | 194,132  |
| Total .....                        | <u>\$3,480,043</u>                           | <u>\$(2,374,976)</u>                            | <u>\$ -0-</u>                        | <u>\$ -0-</u>                            | <u>\$1,105,067<sup>^</sup></u>                 |

| <u>Counterparty</u>                | <u>Derivative<br/>Liabilities Subject<br/>to a MA</u> | <u>Derivatives<br/>Available for<br/>Offset</u> | <u>Cash Collateral<br/>Pledged*</u> | <u>Security Collateral<br/>Pledged*</u> | <u>Net Amount of<br/>Derivative<br/>Liabilities</u> |
|------------------------------------|---|---|-------------------------------------|---|---|
| Bank of America, NA .....          | \$ 183,128  | \$ (183,128)                                    | \$ -0-                              | \$ -0-                                  | \$ -0-  |
| Barclays Bank PLC .....            | 381,806   | (381,806)                                       | -0-                                 | -0-                                     | -0-   |
| BNP Paribas SA .....               | 81,405  | -0-   | -0-                                 | -0-                                     | 81,405  |
| Citibank, NA .....                 | 468,323   | (468,323)                                       | -0-                                 | -0-                                     | -0-   |
| Credit Suisse International .....  | 147,478   | (147,478)                                       | -0-                                 | -0-                                     | -0-   |
| Deutsche Bank AG .....             | 25,114  | (25,114)  | -0-                                 | -0-                                     | -0-   |
| Goldman Sachs Bank USA .....       | 211,477   | (193,479)                                       | -0-                                 | -0-                                     | 17,998  |
| JPMorgan Chase Bank, NA .....      | 271,606   | (190,843)                                       | -0-                                 | -0-                                     | 80,763  |
| Morgan Stanley & Co., Inc. ....    | 547,682   | (405,570)                                       | -0-                                 | -0-                                     | 142,112   |
| Natwest Markets PLC .....          | 277,617   | (175,178)                                       | -0-                                 | -0-                                     | 102,439   |
| Standard Chartered Bank .....      | 4,547   | (4,547)   | -0-                                 | -0-                                     | -0-   |
| State Street Bank & Trust Co. .... | 154,892   | (154,892)                                       | -0-                                 | -0-                                     | -0-   |
| UBS AG .....                       | 44,618  | (44,618)  | -0-                                 | -0-                                     | -0-   |
| Total .....                        | <u>\$2,799,693</u>                                    | <u>\$(2,374,976)</u>                            | <u>\$ -0-</u>                       | <u>\$ -0-</u>                           | <u>\$424,717<sup>^</sup></u>                        |

\* The actual collateral received/pledged may be more than the amount reported due to over-collateralization.

<sup>^</sup> Net amount represents the net receivable/payable that would be due from/to the counterparty in the event of default or termination. The net amount from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same counterparty.

## 2. Currency Transactions

The Portfolio may invest in non-U.S. Dollar-denominated securities on a currency hedged or unhedged basis. The Portfolio 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 Portfolio 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 Portfolio 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 Portfolio 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).

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## NOTES TO FINANCIAL STATEMENTS

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AB Variable Products Series Fund

### NOTE E : Securities Lending

The Portfolio may enter into securities lending transactions. Under the Portfolio'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 Portfolio 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 Portfolio 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 Portfolio in connection with the loan), and payments are made for fees of the securities lending agent and for certain other administrative expenses. If the Portfolio receives non-cash collateral, the Portfolio will receive a fee from the borrower generally equal to a negotiated percentage of the market value of the loaned securities. The Portfolio 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 Portfolio amounts equal to any income or other distributions from the securities. The Portfolio 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, in accordance with the investment restrictions of the Portfolio, 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 Portfolio 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 Portfolio in Government Money Market Portfolio, the Adviser has agreed to waive a portion of the Portfolio's share of the advisory fees of Government Money Market Portfolio, as borne indirectly by the Portfolio as an acquired fund fee and expense. When the Portfolio 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 Portfolio in the case of default of any securities borrower.

A summary of the Portfolio's transactions surrounding securities lending for the six months ended June 30, 2020 is as follows:

| <u>Market Value<br/>of Securities<br/>on Loan*</u> | <u>Cash Collateral*</u> | <u>Market Value of<br/>Non-Cash<br/>Collateral*</u> | <u>Income from<br/>Borrowers</u> | <u>Government Money Market<br/>Portfolio</u> |                                |
|--|-------------------------|---|----------------------------------|--|--------------------------------|
|  |                         |   |                                  | <u>Income<br/>Earned</u>                     | <u>Advisory Fee<br/>Waived</u> |
| \$23,970,002                                       | \$4,229,821             | \$22,444,901  | \$28,900                         | \$11,136                                     | \$1,318                        |

\* As of June 30, 2020.

### NOTE F : Capital Stock

Each class consists of 500,000,000 authorized shares. Transactions in capital shares for each class were as follows:

|  | <u>Shares</u>   |   | <u>Amount</u>   |   |
|--|---|---|---|---|
|  | <u>Six Months Ended<br/>June 30, 2020<br/>(unaudited)</u> | <u>Year Ended<br/>December 31,<br/>2019</u> | <u>Six Months Ended<br/>June 30, 2020<br/>(unaudited)</u> | <u>Year Ended<br/>December 31,<br/>2019</u> |
| <b>Class A</b>                                   |   |   |   |   |
| Shares sold .....                                | 287,982   | 269,460                                     | \$ 3,187,793  | \$ 3,601,306                                |
| Shares issued in reinvestment of dividends ..... | —   | 34,173                                      | —   | 479,446                                     |
| Shares redeemed .....                            | (1,212,697)   | (1,163,389)                                 | (14,787,412)  | (15,571,410)                                |
| Net decrease .....                               | <u>(924,715)</u>  | <u>(859,756)</u>                            | <u>\$(11,599,619)</u>                                     | <u>\$(11,490,658)</u>                       |

**AB Variable Products Series Fund**

|  | Shares   |                                    | Amount   |                                    |
|--|--|------------------------------------|--|------------------------------------|
|  | Six Months Ended<br>June 30, 2020<br>(unaudited) | Year Ended<br>December 31,<br>2019 | Six Months Ended<br>June 30, 2020<br>(unaudited) | Year Ended<br>December 31,<br>2019 |
| <b>Class B</b>                                   |  |                                    |  |                                    |
| Shares sold .....                                | 1,780,872  | 1,317,796                          | \$ 18,591,208                                    | \$ 17,290,885                      |
| Shares issued in reinvestment of dividends ..... | –0–  | 181,338                            | –0–  | 2,522,410                          |
| Shares redeemed .....                            | <u>(1,574,011)</u>                               | <u>(3,961,184)</u>                 | <u>(19,008,684)</u>                              | <u>(52,929,893)</u>                |
| Net increase (decrease) .....                    | <u>206,861</u>                                   | <u>(2,462,050)</u>                 | <u>\$ (417,476)</u>                              | <u>\$(33,116,598)</u>              |

At June 30, 2020, certain shareholders of the Portfolio owned 52% in aggregate of the Portfolio’s outstanding shares. Significant transactions by such shareholders, if any, may impact the Portfolio’s performance.

**NOTE G : Risks Involved in Investing in the Portfolio**

**Market Risk**—The market value of a security may move up or down, sometimes rapidly and unpredictably. These fluctuations may cause a security to be worth less than the price originally paid for it, or less than it was worth at an earlier time. Market risk may affect a single issuer, industry, sector of the economy or the market as a whole. Global economies and financial markets are increasingly interconnected, which increases the probabilities that conditions in one country or region might adversely impact issuers in a different country or region. Conditions affecting the general economy, including political, social, or economic instability at the local, regional, or global level may also affect the market value of a security. Health crises, such as pandemic and epidemic diseases, as well as other incidents that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on the Portfolio’s investments and net asset value and can lead to increased market volatility. For example, the diseases or events themselves or any preventative or protective actions that governments may take in respect of such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for the Portfolio’s portfolio companies. The occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

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

**Emerging Market Risk**—Investments in emerging market countries may have more risk because the markets are less developed and less liquid as well as being subject to increased economic, political, regulatory or other uncertainties.

**Currency Risk**—Fluctuations in currency exchange rates may negatively affect the value of the Portfolio’s investments or reduce its returns.

**Derivatives Risk**—The Portfolio may enter into derivative transactions such as forwards, options, futures and swaps. Derivatives may be illiquid, difficult to price, and leveraged so that small changes may produce disproportionate losses for the Portfolio, and subject to counterparty risk to a greater degree than more traditional investments. Derivatives may result in significant losses, including losses that are far greater than the value of the derivatives reflected on the statement of assets and liabilities.

**Leverage Risk**—When the Portfolio borrows money or otherwise leverages its investments, its performance may be volatile because leverage tends to exaggerate the effect of any increase or decrease in the value of the Portfolio’s investments. The Portfolio may create leverage through the use of reverse repurchase arrangements, forward currency exchange contracts, forward commitments, dollar rolls or futures or by borrowing money. The use of other types of derivative instruments by the Portfolio, such as options and swaps, may also result in a form of leverage. Leverage may result in higher returns to the Portfolio than if the Portfolio were not leveraged, but may also adversely affect returns, particularly if the market is declining.

**LIBOR Risk**—The Portfolio may invest in certain debt securities, derivatives or other financial instruments that utilize the London Interbank Offered Rate, or “LIBOR,” as a “benchmark” or “reference rate” for various interest rate calculations. In July 2017, the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced a desire to phase out the

# INTERNATIONAL VALUE PORTFOLIO

## NOTES TO FINANCIAL STATEMENTS

(continued)

AB Variable Products Series Fund

use of LIBOR by the end of 2021. Although financial regulators and industry working groups have suggested alternative reference rates, such as European Interbank Offer Rate (“EURIBOR”), Sterling Overnight Interbank Average Rate (“SONIA”) and Secured Overnight Financing Rate (“SOFR”), global consensus on alternative rates is lacking and the process for amending existing contracts or instruments to transition away from LIBOR is underway but remains unclear. 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 the Portfolio’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, adversely affecting the Portfolio’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. Because the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects could occur prior to the end of 2021.

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

**Management Risk**—The Portfolio 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, but there is no guarantee that its techniques will produce the intended results.

### NOTE H : Joint Credit Facility

A number of open-end mutual funds managed by the Adviser, including the Portfolio, participate in a \$325 million revolving credit facility (the “Facility”) intended to provide short-term financing, if necessary, subject to certain restrictions in connection with abnormal redemption activity. Commitment fees related to the Facility are paid by the participating funds and are included in miscellaneous expenses in the statement of operations. The Portfolio did not utilize the Facility during the six months ended June 30, 2020.

### NOTE I : Distributions to Shareholders

The tax character of distributions to be paid for the year ending December 31, 2020 will be determined at the end of the current fiscal year. The tax character of distributions paid during the fiscal years ended December 31, 2019 and December 31, 2018 were as follows:

|  | <u>2019</u>        | <u>2018</u>        |
|--|--------------------|--------------------|
| Distributions paid from:               |                    |                    |
| Ordinary income .....                  | \$3,001,856        | \$5,325,144        |
| Total taxable distributions paid ..... | <u>\$3,001,856</u> | <u>\$5,325,144</u> |

As of December 31, 2019, the components of accumulated earnings/(deficit) on a tax basis were as follows:

|  |                      |
|--|----------------------|
| Undistributed ordinary income .....          | \$ 3,055,604         |
| Accumulated capital and other losses .....   | (25,817,258)(a)      |
| Unrealized appreciation/(depreciation) ..... | <u>32,390,405(b)</u> |
| Total accumulated earnings/(deficit) .....   | <u>\$ 9,628,751</u>  |

(a) As of December 31, 2019, the Portfolio had a qualified late-year ordinary loss deferral of \$25,817,258.

(b) The differences between book-basis and tax-basis unrealized appreciation/(depreciation) are attributable primarily to the recognition for tax purposes of unrealized gains/losses on certain derivative instruments, the tax treatment of passive foreign investment companies (PFICs), and 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, 2019, the Portfolio had a net short-term capital loss carryforward of \$2,480,617 and a net long-term capital loss carryforward of \$23,336,641, which may be carried forward for an indefinite period.

**NOTE J : Subsequent Events**

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 material events that would require disclosure in the Portfolio's financial statements through this date.

**INTERNATIONAL VALUE PORTFOLIO**  
**FINANCIAL HIGHLIGHTS**

AB Variable Products Series Fund

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

|   | CLASS A   |                         |                |                |                |                |
|---|---|-------------------------|----------------|----------------|----------------|----------------|
|   | Six Months<br>Ended<br>June 30, 2020<br>(unaudited) | Year Ended December 31, |                |                |                |                |
|   |   | 2019                    | 2018           | 2017           | 2016           | 2015           |
| Net asset value, beginning of period .....  | \$14.37   | \$12.38                 | \$16.30        | \$13.28        | \$13.52        | \$13.53        |
| <b><u>Income From Investment Operations</u></b>   |   |                         |                |                |                |                |
| Net investment income (a) .....   | .10(b)  | .28(b)                  | .25(b)         | .31(b)         | .30(b)†        | .30            |
| Net realized and unrealized gain (loss)<br>on investment and foreign currency<br>transactions ..... | (2.74)  | 1.84                    | (3.94)         | 3.06           | (.37)          | .05            |
| Net increase (decrease) in net asset value<br>from operations .....                                 | (2.64)  | 2.12                    | (3.69)         | 3.37           | (.07)          | .35            |
| <b><u>Less: Dividends</u></b>   |   |                         |                |                |                |                |
| Dividends from net investment<br>income .....   | —0—   | (.13)                   | (.23)          | (.35)          | (.17)          | (.36)          |
| Net asset value, end of period .....  | <u>\$11.73</u>                                      | <u>\$14.37</u>          | <u>\$12.38</u> | <u>\$16.30</u> | <u>\$13.28</u> | <u>\$13.52</u> |
| <b><u>Total Return</u></b>  |   |                         |                |                |                |                |
| Total investment return based on net<br>asset value (c)* .....                                      | (18.37)%  | 17.14%                  | (22.79)%       | 25.42%         | (.50)%†        | 2.59%          |
| <b><u>Ratios/Supplemental Data</u></b>  |   |                         |                |                |                |                |
| Net assets, end of period<br>(000's omitted) .....  | \$33,294  | \$54,042                | \$57,234       | \$53,014       | \$47,385       | \$48,665       |
| Ratio to average net assets of:   |   |                         |                |                |                |                |
| Expenses, net of waivers/<br>reimbursements .....   | .91%^   | .90%                    | .86%           | .85%           | .86%           | .85%           |
| Expenses, before waivers/<br>reimbursements .....   | .91%^   | .90%                    | .87%           | .86%           | .86%           | .85%           |
| Net investment income .....   | 1.61%(b)^   | 2.10%(b)                | 1.65%(b)       | 2.05%(b)       | 2.27%(b)†      | 2.09%          |
| Portfolio turnover rate .....   | 30%   | 44%                     | 42%            | 45%            | 64%            | 74%            |

See footnote summary on page 25.

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

|   | CLASS B   |                         |                |                |                |                |
|---|---|-------------------------|----------------|----------------|----------------|----------------|
|   | Six Months<br>Ended<br>June 30, 2020<br>(unaudited) | Year Ended December 31, |                |                |                |                |
|   |   | 2019                    | 2018           | 2017           | 2016           | 2015           |
| Net asset value, beginning of period .....  | \$14.24   | \$12.29                 | \$16.15        | \$13.16        | \$13.41        | \$13.41        |
| <b><u>Income From Investment Operations</u></b>   |   |                         |                |                |                |                |
| Net investment income (a) .....   | .08(b)  | .24(b)                  | .23(b)         | .27(b)         | .27(b)†        | .26            |
| Net realized and unrealized gain (loss)<br>on investment and foreign currency<br>transactions ..... | (2.70)  | 1.82                    | (3.92)         | 3.02           | (.38)          | .06            |
| Net increase (decrease) in net asset value<br>from operations .....                                 | (2.62)  | 2.06                    | (3.69)         | 3.29           | (.11)          | .32            |
| <b><u>Less: Dividends</u></b>   |   |                         |                |                |                |                |
| Dividends from net investment<br>income .....   | —0—   | (.11)                   | (.17)          | (.30)          | (.14)          | (.32)          |
| Net asset value, end of period .....  | <u>\$11.62</u>                                      | <u>\$14.24</u>          | <u>\$12.29</u> | <u>\$16.15</u> | <u>\$13.16</u> | <u>\$13.41</u> |
| <b><u>Total Return</u></b>  |   |                         |                |                |                |                |
| Total investment return based on net<br>asset value (c)* .....                                      | (18.40)%  | 16.79%                  | (22.98)%       | 25.09%         | (.80)%†        | 2.40%          |
| <b><u>Ratios/Supplemental Data</u></b>  |   |                         |                |                |                |                |
| Net assets, end of period<br>(000's omitted) .....  | \$266,385   | \$323,582               | \$309,576      | \$432,885      | \$460,086      | \$550,746      |
| Ratio to average net assets of:   |   |                         |                |                |                |                |
| Expenses, net of waivers/<br>reimbursements .....   | 1.16% <sup>^</sup>                                  | 1.15%                   | 1.11%          | 1.10%          | 1.11%          | 1.10%          |
| Expenses, before waivers/<br>reimbursements .....   | 1.16% <sup>^</sup>                                  | 1.15%                   | 1.11%          | 1.11%          | 1.11%          | 1.10%          |
| Net investment income .....   | 1.33%(b) <sup>^</sup>                               | 1.84%(b)                | 1.50%(b)       | 1.83%(b)       | 2.04%(b)†      | 1.85%          |
| Portfolio turnover rate .....   | 30%   | 44%                     | 42%            | 45%            | 64%            | 74%            |

(a) Based on average shares outstanding.

(b) Net of expenses waived/reimbursed by the Adviser.

(c) 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 return does not reflect (i) insurance company's separate account related expense charges and (ii) the deductions of taxes that a shareholder would pay on Portfolio distributions or the redemption of Portfolio shares. Total investment return calculated for a period of less than one year is not annualized.

† For the year ended December 31, 2016, the amount includes a refund for overbilling of prior years' custody out of pocket fees as follows:

| <u>Net Investment<br/>Income Per Share</u> | <u>Net Investment<br/>Income Ratio</u> | <u>Total Return</u> |
|--|--|---------------------|
| \$.002                                     | .01%                                   | .01%                |

\* Includes the impact of proceeds received and credited to the Portfolio resulting from class action settlements, which enhanced the Portfolio's performance for the six months ended June 30, 2020 and the years ended December 31, 2019, December 31, 2017, and December 31, 2016 by .04%, .18%, .01% and .07%, respectively.

<sup>^</sup> Annualized.

See notes to financial statements.

**OPERATION AND EFFECTIVENESS OF THE PORTFOLIO'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 Portfolio to designate an Administrator of the Portfolio's Liquidity Risk Management Program. The Administrator of the Portfolio's LRMP is AllianceBernstein L.P., the Portfolio'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 Portfolio'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 Portfolio's LRMP and assesses its adequacy and effectiveness. The Adviser provided the Fund Board with such annual report during the first quarter of 2020, which covered the period December 1, 2018 through December 31, 2019 (the "Program Reporting Period").

The LRMP's principal objectives include supporting the Portfolio's compliance with limits on investments in illiquid assets and mitigating the risk that the Portfolio will be unable to meet its redemption obligations in a timely manner. Pursuant to the LRMP, the Portfolio 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 Portfolio's strategy is appropriate for an open-end structure, taking into account any holdings of less liquid and illiquid assets. If the Portfolio participated in derivative transactions, the exposure from such transactions were considered in the LRMP. The Committee also performed an analysis to determine whether the Portfolio is required to maintain a Highly Liquid Investment Minimum ("HLIM"). The Committee also incorporated the following information when determining the Portfolio's reasonably anticipated trading size for purposes of liquidity monitoring: historical net redemption activity, a Portfolio'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 Portfolio'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, and there were no liquidity events that impacted the Portfolio or its ability to timely meet redemptions during the Program Reporting Period.

# INTERNATIONAL VALUE PORTFOLIO

## CONTINUANCE DISCLOSURE

AB Variable Products Series Fund

### INFORMATION REGARDING THE REVIEW AND APPROVAL OF THE FUND'S ADVISORY AGREEMENT

The disinterested directors (the “directors”) of AB Variable Products Series Fund, Inc. (the “Company”) unanimously approved the continuance of the Company’s Advisory Agreement with the Adviser in respect of AB International Value Portfolio (the “Fund”) at a meeting held by video conference on May 5-7, 2020 (the “Meeting”).

Prior to approval of the continuance of the Advisory Agreement, the directors had requested from the Adviser, and received and evaluated, extensive materials. They reviewed the proposed continuance of the Advisory 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 continuance in private sessions with counsel.

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.

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 advisory fee. 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 Advisory Agreement, including the advisory fee, 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 provided by the Adviser under the Advisory 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 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. Reimbursements, to the extent requested and paid, result in a higher rate of total compensation from the Fund to the Adviser than the fee rate stated in the Advisory Agreement. The directors noted that the methodology used to determine the reimbursement amounts had been reviewed by an independent consultant retained by the Fund’s former Senior Officer/Independent Compliance Officer. 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 provided to the Fund under the Advisory Agreement.

#### **Costs of Services 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 2018 and 2019 that had been prepared with an expense allocation methodology arrived at in consultation with an independent consultant retained by the Fund’s former Senior Officer/Independent Compliance Officer. 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, distribution and brokerage services to the Fund. The directors recognized that it is difficult to make comparisons of the profitability of the Advisory Agreement with

# INTERNATIONAL VALUE PORTFOLIO CONTINUANCE DISCLOSURE

(continued)

AB Variable Products Series Fund

the profitability of 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 concluded that the Adviser's level of profitability from its relationship with the Fund was not unreasonable.

## **Fall-Out Benefits**

The directors considered the other benefits to the Adviser and its affiliates from their relationships with the Fund, including, but not limited to, benefits relating to soft dollar arrangements (whereby investment advisers receive brokerage and research services from brokers that execute agency transactions for their clients); 12b-1 fees and sales charges received by the Fund's principal underwriter (which is a wholly owned subsidiary of the Adviser) in respect of the Fund's Class B shares; brokerage commissions paid by the Fund to brokers affiliated with the Adviser; and transfer agency fees paid by the Fund to a wholly owned subsidiary of the Adviser. The directors recognized that the Adviser's profitability 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 Meeting, the directors receive detailed performance information for the Fund at each regular Board meeting during the year.

At the Meeting, the directors reviewed performance information prepared by an independent service provider (the "15(c) service provider"), showing the performance of the Class A Shares of the Fund against a group of similar funds ("peer group") and a larger group of similar funds ("peer universe"), each selected by the 15(c) service provider, and information prepared by the Adviser showing performance of the Class A Shares against a broad-based securities market index, in each case for the 1-, 3-, 5- and 10-year periods ended February 29, 2020 and (in the case of comparisons with the broad-based securities market index) for the period from inception. Based on their review and their discussion with the Adviser of the reasons for the Fund's underperformance in the periods reviewed, the directors concluded that the Fund's investment performance was acceptable. The directors determined to continue to monitor the Fund's performance closely.

## **Advisory Fees and Other Expenses**

The directors considered the advisory fee rate payable by the Fund to the Adviser and information prepared by the 15(c) service provider 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 paid by other funds. The directors compared the Fund's contractual effective advisory fee rate with a peer group median and took into account the impact on the advisory fee rate of the administrative expense reimbursement paid to the Adviser in the latest fiscal year.

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, 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 directors previously discussed these matters with an independent fee consultant. The directors also compared the advisory fee rate for the Fund with those for two other funds advised by the Adviser utilizing similar investment strategies.

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 shareholders 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 profit-

ability 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.

In connection with their review of the Fund's advisory fee, the directors also considered the total expense ratio of the Class A shares of the Fund in comparison to a peer group and a peer universe selected by the 15(c) service provider. The Class A expense ratio of the Fund was based on the Fund's latest fiscal year. The Adviser had agreed to cap the Fund's expenses, but the directors noted that the Fund's expense ratio was currently below the level of the Adviser's cap. 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. The directors noted that the Fund's expense ratio was above the peer group median. After reviewing and discussing the Adviser's explanations of the reasons for this, the directors concluded that the Fund's expense ratio was acceptable.

#### **Economies of Scale**

The directors noted that the advisory fee schedule for the Fund 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 previously discussed economies of scale with an independent fee consultant. The directors also had requested and received from the Adviser certain updates on economies of scale in advance of the 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 shareholders would benefit from a sharing of economies of scale in the event the Fund's net assets exceed a breakpoint in the future.

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