AllianceBernstein
Multi-Manager Alternative Fund

Annual Report

March 31, 2013

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Before investing in the fund a prospective investor should consider carefully the fund's investment objectives and policies, charges, expenses and risks. These and other matters of importance to prospective investors are contained in the fund's prospectus, an additional copy of which may be obtained by visiting our website at www.bernstein.com and clicking on "Investments", then "Stocks" or "Bonds", then "Prospectuses, SAIs and Shareholder Reports" or by calling your financial advisor or by calling Bernstein's mutual fund shareholder help line at 212.756.4097. Please read the prospectus carefully before investing.

For performance information current to the most recent month-end, please call (collect) (212) 486-5800.

This shareholder report must be preceded or accompanied by the prospectus for individuals who are not shareholders of the fund.

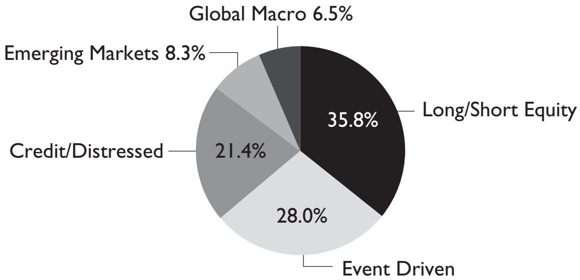
You may obtain information regarding how the fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, without charge. Simply visit www.alliancebernstein.com, or go to the Securities and Exchange Commission's website at www.sec.gov, or call AllianceBernstein at 800.227.4618.

The fund will file its complete schedule of portfolio holdings with the Commission for the first and third quarters of each fiscal year on Form N-Q. The fund's Form N-Q is available on the Commission's website at www.sec.gov. The fund's Form N-Q may also be reviewed and copied at the Commission's Public Reference Room in Washington, D.C.; information on the operation of the Public Reference Room may be obtained by calling 800.SEC.0330.

Portfolio Summary—*March 31, 2013 (Unaudited)*

Net Assets ($mil): $310.5

Strategy Breakdown *



* All data are as of March 31, 2013. The Fund's strategy breakdown is expressed as a percentage of total investments and may vary over time.

Portfolio of Investments

March 31, 2013

Underlying Portfolios	Fair Value ($)	% Net Assets	Liquidity*
Long/Short Equity			
Cadian Offshore Fund Ltd.	$ 13,464,225	4.3%	semi-annual
Coatue Offshore Fund, Ltd.	15,041,920	4.9	quarterly
Criterion Horizons Offshore, Ltd.	10,485,057	3.4	monthly
Luminus Energy Partners Ltd.	10,824,880	3.5	quarterly
Pershing Square International, Ltd.	11,059,118	3.6	quarterly
The Egerton European Dollar Fund Limited	13,171,500	4.2	monthly
Tybourne Equity (Offshore) Fund	14,631,941	4.7	quarterly
Wellington Management Investors (Bermuda), Ltd.	13,624,285	4.4	semi-annual
White Elm Capital Offshore, Ltd.	9,396,993	3.0	semi-annual
Total	111,699,919	36.0	
Event Driven			
Canyon Balanced Fund (Cayman), Ltd.	12,943,464	4.2	quarterly
CQS Directional Opportunities Feeder Fund Ltd.	10,426,288	3.3	monthly
Empyrean Capital Overseas Fund, Ltd.	9,204,256	3.0	quarterly
Fir Tree International Value Fund, Ltd.	12,761,722	4.1	quarterly
King Street Capital, Ltd.	9,367,602	3.0	quarterly
Luxor Capital Partners Offshore, Ltd.	9,494,723	3.0	annual
Senator Global Opportunity Offshore Fund Ltd.	12,118,345	3.9	quarterly
Third Point Offshore Fund, Ltd.	11,073,975	3.6	quarterly
Total	87,390,375	28.1	
Credit/Distressed			
Claren Road Credit Fund, Ltd.	13,634,060	4.4	monthly
Halcyon Offshore Asset-Backed Value Fund Ltd.	12,511,821	4.0	quarterly
Oaktree Value Opportunities (Cayman) Fund, Ltd.	8,502,557	2.7	semi-annual
Saba Capital Offshore Fund, Ltd.	10,002,468	3.2	quarterly
Silver Point Capital Offshore Fund, Ltd.	12,731,964	4.1	annual
Stone Lion Fund Ltd.	9,558,443	3.1	quarterly
Total	66,941,313	21.5	
Emerging Markets			
Discovery Global Opportunity Fund Ltd.	13,637,221	4.4	semi-annual
Spinnaker Global Emerging Markets Holdings Ltd.	12,420,808	4.0	annual
Total	26,058,029	8.4	
Global Macro			
Brevan Howard Multi-Strategy Fund Limited	10,241,369	3.3	monthly
MKP Opportunity Offshore, Ltd.	10,179,093	3.3	monthly
Total	20,420,462	6.6	
Total Investments (cost $295,000,000)	312,510,098	100.6	
Liabilities in excess of other assets	(1,990,787)	(0.6)	
Net Assets	$310,519,311	100.0%	

* The investment strategies and liquidity of the Underlying Portfolios in which the Fund invests are as follows:

Long/Short Equity Funds seek to buy securities with the expectation that they will increase in value (called "going long") and sell securities short in the expectation that they will decrease in value ("going short"). Underlying Portfolios within this strategy are generally subject to 30 – 180 day redemption notice periods. The Underlying Portfolios have Monthly to semi-annual liquidity. Certain Underlying Portfolios may have lock up periods of up to five years as of March 31, 2013.

Credit/Distressed Funds invest in a variety of fixed income and other securities, including bonds (corporate and government), bank debt, asset-backed financial instruments, mortgage-backed securities and mezzanine and distressed securities, as well as securities of distressed companies and high yield securities. Underlying Portfolios within this strategy are generally subject to 45 – 90 day redemption notice periods. The Underlying Portfolios have monthly to annual liquidity. Certain Underlying Portfolios may have lock up periods of up to three years as of March 31, 2013.

Event Driven Funds seek to take advantage of information inefficiencies resulting from a particular corporate event, such as a takeover, liquidation, bankruptcy, tender offer, buyback, spin-off, exchange offer, merger or other type of corporate reorganization. Underlying Portfolios within this strategy are generally subject to 60 – 180 day redemption notice periods. The Underlying Portfolios have monthly to annual liquidity. Certain Underlying Portfolios may have lock up periods of up to two years as of March 31, 2013.

Emerging Markets Funds may invest in a range of emerging markets asset classes including debt, equity and currencies, and may use a broad array of hedging techniques involving both emerging markets and non-emerging markets securities with the intention of reducing volatility and enhancing returns. Underlying Portfolios within this strategy are generally subject to 60 – 120 day redemption notice periods. The Underlying Portfolios have semi-annual to annual liquidity. Certain Underlying Portfolios may have lock up periods of up to three years as of March 31, 2013.

Global Macro Funds aim to identify and exploit imbalances in global economics and asset classes, typically utilizing macroeconomic and technical market factors rather than “bottom-up” individual security analysis. Underlying Portfolios within this strategy are generally subject to 60 – 90 day redemption notice periods. The Underlying Portfolios have monthly liquidity. Certain Underlying Portfolios may have lock up periods of up to two years as of March 31, 2013.

See Notes to Financial Statements.

Statement of Assets & Liabilities—*March 31, 2013*

ASSETS	
Investments in Underlying Portfolios, at value (cost $295,000,000)	$312,510,098
Cash (see Note A2)	28,546,086
Investments in Underlying Portfolios paid in advance (see Note A2)	26,000,000
Deferred offering expense	223,970
Total assets	**367,280,154**
LIABILITIES	
Subscriptions received in advance	55,398,816
Payable for shares of beneficial interest redeemed	840,676
Management fee payable	300,034
Transfer Agent fee payable	9,072
Organization costs payable	5,005
Accrued expenses	207,240
Total liabilities	**56,760,843**
NET ASSETS	**$310,519,311**
COMPOSITION OF NET ASSETS	
Shares of beneficial interest, at par	$ 28,880
Additional paid-in capital	294,995,632
Distributions in excess of net investment income	(2,015,299)
Net unrealized appreciation on investments	17,510,098
NET ASSETS	**$310,519,311**
SHARES OF BENEFICIAL INTEREST OUTSTANDING—UNLIMITED SHARES AUTHORIZED, WITH PAR VALUE OF $.001	
(based on 28,879,907 shares outstanding)	$ 10.75

See Notes to Financial Statements.

Statement of Operations—*for the period October 1, 2012[(a)] to March 31, 2013*

EXPENSES		
Management fee (see Note B)	$1,373,834	
Legal	245,000	
Offering expenses	191,606	
Custodian	138,782	
Administrative	94,000	
Audit and Tax	79,600	
Trustee's fees	53,000	
Registration fees	46,552	
Printing	25,818	
Transfer agency	18,318	
Organizational expenses	2,400	
Miscellaneous	98,779	
Total expenses	**2,367,689**	
Less: expenses waived and reimbursed by the Investment Manager (see Note B)	(764,882)	
Net expenses		$ 1,602,807
Net investment loss		**(1,602,807)**
UNREALIZED GAIN ON INVESTMENT TRANSACTIONS		
Net change in unrealized appreciation/depreciation of investments in Underlying Portfolios		17,510,098
Net gain on investment transactions		**17,510,098**
Net Increase in Net Assets from Operations		**$15,907,291**

(a) Commencement of operations.

See Notes to Financial Statements.

Statement of Changes in Net Assets

	October 1, 2012[a] to March 31, 2013
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
Net investment loss	$ (1,602,807)
Net change in unrealized appreciation/depreciation of investments in Underlying Portfolios	17,510,098
Net increase in net assets from operations	15,907,291
DIVIDENDS TO SHAREHOLDERS FROM	
Net investment income	(412,492)
TRANSACTIONS IN SHARES OF BENEFICIAL INTEREST	
Net increase (see Note D)	294,924,512
Total increase	310,419,311
NET ASSETS	
Beginning of period	**100,000**
End of period (including distributions in excess of net investment income of ($2,015,299))	**$310,519,311**

(a) Commencement of operations.

See Notes to Financial Statements.

Statement of Cash Flows—*for the period October 1, 2012[(a)] to March 31, 2013*

Cash flows from operating activities	
Net increase (decrease) in net assets resulting from operations	$ 15,907,291
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash used in operating activities:	
Purchases of investments in Underlying Portfolios	(295,000,000)
Net change in unrealized appreciation/depreciation on Underlying Portfolios	(17,510,098)
Increase in investments in Underlying Portfolios paid in advance	(26,000,000)
Increase in deferred offering expense	(223,970)
Increase in management fee payable	300,034
Increase in accrued expenses	221,317
Net cash used in operating activities	(322,305,426)
Cash flows from financing activities	
Subscriptions, including change in subscriptions received in advance	350,778,685
Distributions	(27,173)
Net cash provided by financing activities	350,751,512
Net change in cash	28,446,086
Cash at beginning of period	100,000
Cash at end of period	$ 28,546,086

Supplemental disclosure of cash flow information:
Noncash financing activities not included herein consist of reinvestment of dividends of $385,319.

In accordance with U.S. GAAP, the Fund has included a Statement of Cash Flows as a result of its substantial investments in Level 3 securities throughout the period.

(a) Commencement of operations.

See Notes to Financial Statements.

Financial Highlights

Selected per share data and ratios for a share of capital stock outstanding for each respective Portfolio for each of the periods presented:

	October 1, 2012[a] to March 31, 2013
Net asset value, beginning of period	**$10.00**
Income from investment operations	
Net investment loss **(b)(c)**	(.09)
Net unrealized gain on investment transactions	.87
Net increase in net asset value from operations	.78
Less: Dividends	
Dividends from net investment income	(.03)
Net asset value, end of period	**$10.75**
Total return	
Total investment return based on net asset value (d)	**7.81%**
RATIOS/SUPPLEMENTAL DATA	
Net assets, end of period (000's omitted)	$310,519
Ratio to average net assets of:	
Expenses, net of waivers/reimbursements **(c)(e)(f)**	1.75%
Expenses, before waivers/reimbursements **(e)(f)**	2.38%
Net investment loss **(c)(e)(f)**	(1.75)%
Portfolio turnover rate	0%

(a) Commencement of operations.
(b) Based on average shares outstanding.
(c) Net of fees and expenses waived/reimbursed by the Investment Manager.
(d) Total investment return is calculated assuming a purchase of beneficial shares on the opening of the first day and a sale on the closing of the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return calculated for a period of less than one year is not annualized.
(e) Annualized, except for certain non-recurring fees.
(f) The expense and net investment loss ratios do not include income earned or expenses incurred by the Fund through its Underlying Portfolios.

See Notes to Financial Statements.

NOTE A Significant Accounting Policies

AllianceBernstein Multi-Manager Alternative Fund (the "Fund") is a statutory trust formed under the laws of the State of Delaware and registered under the Investment Company Act of 1940 as a non-diversified, closed-end management investment company. The Fund commenced operations on October 1, 2012. The Fund's investment objective is to seek long-term capital appreciation. There can be no assurance that the Fund will achieve its investment objective, be able to structure its investments as anticipated, or that its returns will be positive over any period of time. The Fund is not intended as a complete investment program for investors. The Fund seeks to achieve its investment objective primarily by allocating its assets among investments in private investment vehicles ("Underlying Portfolios"), commonly referred to as hedge funds, that are managed by unaffiliated asset managers that employ a broad range of investment strategies. 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, and such differences could be material. The following is a summary of significant accounting policies followed by the Fund.

1. Valuation of Investments

The Fund's Board of Trustees (the "Board") has approved pricing and valuation policies and procedures pursuant to which the Fund's investments in Underlying Portfolios are valued at fair value (the "Valuation Procedures"). Among other matters, the Valuation Procedures set forth the Fund's valuation policies and the mechanisms and processes to be employed on a monthly basis to implement such policies. In accordance with the Valuation Procedures, fair value of an Underlying Portfolio as of each valuation time ordinarily is the value determined as of such month-end for each Underlying Portfolio in accordance with the Underlying Portfolio's valuation policies and reported at the time of the Fund's valuation.

On a monthly basis, the Fund generally uses the net asset value ("NAV"), provided by the Underlying Portfolios, to determine the fair value of all Underlying Portfolios which (a) do not have readily determinable fair values and (b) either have the attributes of an investment company or prepare their financial statements consistent with measurement principles of an investment company. As a general matter, the fair value of the Fund's interest in an Underlying Portfolio represents the amount that the Fund could reasonably expect to receive from an Underlying Portfolio if its interest were redeemed at the time of valuation. In the unlikely event that a Underlying Portfolio does not report a month-end value to the Fund on a timely basis, the Fund would determine the fair value of such Underlying Portfolio based on the most recent value reported by the Underlying Portfolio, and any other relevant information available at the time the Fund values its portfolio. In making a fair value determination, the Fund will consider all appropriate information reasonably available to it at the time and that Alliance Bernstein L.P. (the "Investment Manager") believes to be reliable. The Fund may consider factors such as, among others: (i) the price at which recent subscriptions for or redemptions of the Underlying Portfolio's interests were effected; (ii) information provided to the Fund by the manager of an Underlying Portfolio, or the failure to provide such information as the Underlying Portfolio manager agreed to provide in the Underlying Portfolio's offering materials or other agreements with the Fund; (iii) relevant news and other sources; and (iv) market events. In addition, when an Underlying Portfolio imposes extraordinary restrictions on redemptions, or when there have been no recent subscriptions for Underlying Portfolio interests, the Fund may determine that it is appropriate to apply a discount to the NAV reported by the Underlying Portfolio. The use of different factors and estimation methodologies could have a significant effect on the estimated fair value and could be material to the financial statements.

The Investment Manager has established a Valuation Committee (the "Committee") made up of representatives of portfolio management, fund accounting, compliance and risk management which operates under the Valuation Procedures and is responsible for overseeing the pricing and valuation of all securities held in the Fund. The Committee's responsibilities include: 1) fair value determinations (and oversight of any third parties to whom any responsibility for fair value determinations is delegated), and 2) regular monitoring of the Valuation Procedures and modification or enhancement of the Valuation Procedures (or recommendation of the modification of the Valuation procedures) as the Committee believes appropriate. Prior to investing in any Underlying Portfolio, and periodically thereafter, the Investment Manager will conduct a due diligence review of the valuation methodology utilized by the Underlying Portfolio. In addition, there are several processes outside of the pricing process that are used to monitor valuation issues including: 1) performance and performance attribution reports are monitored for anomalous impacts based upon benchmark performance, and 2) portfolio managers review all portfolios for performance and analytics.

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. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's own assumptions about the assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. Each Fund investment in an Underlying Portfolio 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 the Fund's ability to redeem from an Underlying Portfolio within the near term of the reporting date at fair value);
- Level 3—significant unobservable inputs (including those investments in Underlying Portfolios which have restrictions on redemptions due to lock-up periods or redemption restrictions such that the Fund cannot redeem within the near term of the reporting date).

Valuations reflected in this report are as of the report date. As a result, changes in valuation due to market events and/or issuer related events after the report date and prior to issuance of the report are not reflected herein.

Investments in Securities:	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Underlying Portfolios:				
Long/Short Equity	$—	$23,656,557	$ 88,043,362	$111,699,919
Event Driven	—	21,500,263	65,890,112	87,390,375
Credit/Distressed	—	26,145,881	40,795,432	66,941,313
Emerging Markets	—	—	26,058,029	26,058,029
Global Macro	—	20,420,462	—	20,420,462
Total Investment in Securities	**$—**	**$91,723,163**	**$220,786,935**	**$312,510,098**

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value.

	Long/Short Equity	**Event Driven**	**Credit/Distressed**
Balance as of 10/01/12(a)	**$ —**	**$ —**	**$ —**
Realized gain (loss)	—	—	—
Change in unrealized appreciation/depreciation	5,043,362	3,890,112	1,795,432
Purchases	83,000,000	62,000,000	39,000,000
Sales	—	—	—
Transfers in to Level 3	—	—	—
Transfers out of Level 3	—	—	—
Balance as of 3/31/13	**$88,043,362**	**$65,890,112**	**$40,795,432**
Net change in unrealized appreciation/depreciation from Investments held as of 3/31/13*	$ 5,043,362	$ 3,890,112	$ 1,795,432

	Emerging Markets	Total
Balance as of 10/01/12(a)	**$ —**	**$ —**
Realized gain (loss)	—	—
Change in unrealized appreciation/depreciation	2,058,029	12,786,935
Purchases	24,000,000	208,000,000
Sales	—	—
Transfers in to Level 3	—	—
Transfers out of Level 3	—	—
Balance as of 3/31/13	**$26,058,029**	**$220,786,935**
Net change in unrealized appreciation/depreciation from Investments held as of 3/31/13*	$ 2,058,029	$ 12,786,935

(a) Commencement of operations.

* The unrealized appreciation/depreciation is included in net change in unrealized appreciation/depreciation of investments in the accompanying statement of operations.

2. *Cash Committed*

As of March 31, 2013, the Fund has committed to purchase the following Underlying Portfolios for effective date April 1, 2013.

Underlying Investment	Amount Committed
Cadian Offshore Fund Ltd.	$ 4,000,000
Tybourne Equity (Offshore) Fund	3,000,000
Criterion Horizons Offshore Ltd	5,000,000
Luminus Energy Partners Ltd.	5,000,000
Silver Point Capital Fund Ltd.	3,000,000
Saba Capital Offshore Fund, Ltd.	4,000,000
Spinnaker Global Emerging Markets Holdings Ltd.	2,000,000
MKP Opportunity Offshore, Ltd.	2,000,000
Third Point Offshore Fund, Ltd.*	10,000,000
Senator Global Opportunity Offshore Fund Ltd.*	5,000,000
White Elm Capital Offshore, Ltd.*	3,000,000
Discovery Global Opportunity Fund, Ltd.*	3,000,000
Claren Road Credit Fund, Ltd.*	3,000,000
Brevan Howard Multi-Strategy Fund Limited*	2,000,000
	$54,000,000

* Investments paid in advance amounted to $26,000,000.

3. *Taxes*

It is the Fund's policy to meet the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its investment company taxable income and net realized gains, if any, to shareholders. Therefore, no provisions for federal income or excise taxes are required. The Fund intends to continue to comply with the requirements of Subchapter M of the Internal Revenue Code of 1986 as they apply to regulated investment companies. By so complying, the Fund will not be subject to federal and state income taxes to the extent that all of its income is distributed.

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

4. Investment Income and Investment Transactions

Income and capital gain distributions from the Underlying Portfolios, if any, are recorded on the ex-dividend date. Transactions in interests of the Underlying Portfolios are accounted for on the trade date. Investment gains and losses are determined on the identified cost basis.

5. Expenses

Expenses included in the accompanying statements of operations do not include any expenses of the Underlying Portfolios.

6. 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.

7. Organization and Offering Expenses

The organizational expense of $2,400 (for the fiscal period) was expensed and reimbursed by the Investment Manager pursuant to the expense limitation agreement. Offering costs of $415,576 have been deferred and are being amortized on a straight line basis over a one year period starting from October 1, 2012 (commencement of the Fund's operations).

NOTE B Management Fee and Other Transactions with Affiliates

Under the terms of the investment advisory agreement (the "Advisory Agreement"), the Fund pays the Investment Manager a management fee at an annual rate of 1.50% of an aggregate of the Fund's net assets determined as of the last day of a calendar month and adjusted for subscriptions and repurchases accepted as of the first day of the subsequent month, (the "Management Fee"). The Management Fee is payable in arrears as of the last day of the subsequent month.

The Investment Manager has agreed to waive its fees and bear certain expenses through September 30, 2013 to the extent necessary to limit total operating expenses, excluding the Management Fee, extraordinary expenses, interest expenses, taxes, brokerage commissions and other transaction costs, and Underlying Portfolio fees and expense, on an annual basis to .25% of average monthly net assets (1.75% including Management Fee). Under the Advisory Agreement, fees waived and expenses borne by the Investment Manager are subject to repayment by the Fund until September 15, 2015. No repayment will be made that would cause the Fund's total annualized operating expenses to exceed the net fee percentage set forth above or would exceed the amount of offering expenses as recorded by the Fund on or before September 30, 2013.

Under a separate Administrative Agreement, the Fund may use the Investment Manager and its personnel to provide certain administrative services to the Fund and, in such event, the services and payments will be subject to approval by the Fund's Board. For the fiscal period ended March 31, 2013, such fees amounted to $94,000 and were voluntarily waived by the Investment Manager.

The Fund may engage one or more distributors to solicit investments in the Fund. Sanford C. Bernstein & Company LLC ("Bernstein"), an affiliate of the Investment Manager, has been selected as initial distributor of the Fund under a Distribution Services Agreement. The Distribution Services Agreement does not call for any payments to be made to Bernstein by the Fund.

The Fund compensates AllianceBernstein Investor Services, Inc. ("ABIS"), a wholly-owned subsidiary of the Investment Manager, under a Transfer Agency Agreement for providing personnel and facilities to perform transfer agency services for the Fund. Such compensation paid to ABIS amounted to $18,318 for the period ended March 31, 2013.

NOTE C Investment Transactions

Purchases and sales of investments in the Underlying Portfolios, aggregated $295,000,000 and $0, respectively, for the period ended March 31, 2013.

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

Cost	$300,994,038
Gross unrealized appreciation	$ 17,607,540
Gross unrealized depreciation	(6,091,480)
Net unrealized appreciation	$ 11,516,060

NOTE D Shares of Beneficial Interest

During the period ended March 31, 2013 the Fund issued 37,739 shares, in connection with the Fund's dividend reinvestment plan.

Subscriptions and Repurchases

Generally, initial and additional subscriptions for shares may be accepted as of the first day of each month. The Fund reserves the right to reject any subscription for shares. The Fund intends to repurchase shares from shareholders in accordance with written tenders by shareholders at those times, in those amounts, and on such terms and conditions as the Board of Trustees may determine in its sole discretion. When a repurchase offer occurs, a shareholder will generally be required to provide notice of their tender of shares for repurchase to the Fund more than three months in advance of the date that the shares will be valued for repurchase (the "Valuation Date"). Valuation Dates are generally expected to be the last business days of March, June, September or December, and payment for tendered shares will generally be made by the Fund approximately 45 days following the Valuation Date.

Transactions in shares of beneficial interest were as follows for the period ended March 31, 2013:

	Shares	Amount
	October 1, 2012(a) to March 31, 2013	October 1, 2012(a) to March 31, 2013
Shares sold	28,910,370	$295,379,869
Shares issued in reinvestment of dividends	37,739	385,319
Shares redeemed	(78,202)	(840,676)
Net increase	**28,869,907**	**$294,924,512**

(a) Commencement of operations.

NOTE E Risks Involved in Investing in the Fund

Limitations on the Fund's ability to withdraw its assets from Underlying Portfolios may limit the Fund's ability to repurchase its shares. For example, many Underlying Portfolios impose lock-up periods prior to allowing withdrawals, which can be two years or longer. After expiration of the lock-up period, withdrawals typically are permitted only on a limited basis, such as monthly, quarterly, semi-annually or annually. Many Underlying Portfolios may also indefinitely suspend redemptions or establish restrictions on the ability to fully receive proceeds from redemptions through the application of a redemption restriction or "gate". In instances where the primary source of funds to repurchase shares will be withdrawals from Underlying Portfolios, the application of these lock-ups and withdrawal limitations may significantly limit the Fund's ability to repurchase its shares. Although the Investment Manager will seek to select Underlying Portfolios that offer the opportunity to have their shares or units redeemed within a reasonable timeframe, there can be no assurance that the liquidity of the investments of such Underlying Portfolios will always be sufficient to meet redemption requests as, and when, made.

The Fund invests primarily in Underlying Portfolios that are not registered under the 1940 Act and invest in and actively trade securities and other financial instruments using different strategies and investment techniques that may involve significant risks. Such risks include those related to the volatility of the equity, credit, and currency markets, the use of leverage associated with certain investment strategies, derivative contracts and in connection with short positions, the potential illiquidity of certain instruments and counterparty and broker arrangements.

Some of the Underlying Portfolios in which the Fund invests may invest all or a portion of their assets in securities that are illiquid or are subject to an anticipated event. These Underlying Portfolios may create "side pockets" in which to hold these securities. Side pockets are series or classes of shares which are not redeemable by the investors but which are automatically redeemed or converted back into the Underlying Portfolio's regular series or classes of shares upon the realization of those securities or the happening of some other liquidity event with respect to those securities.

These "side pockets" can often be held for long periods before they are realized, and may therefore be much less liquid than the general liquidity offered on the Underlying Portfolio's regular series or classes of shares. Should the Fund seek to liquidate its investment in an Underlying Portfolio that maintains investments in a side pocket arrangement or that holds a substantial portion of its assets in illiquid securities, the Fund might not be able to fully liquidate its investments without delay, which could be considerable. In such cases, during the period until the Fund is permitted to fully liquidate the investment in the Underlying Portfolio, the value of the investment could fluctuate.

The Underlying Portfolios may utilize leverage in pursuit of achieving a potentially greater investment return. The use of leverage exposes an Underlying Portfolio to additional risk including (i) greater losses from investments than would otherwise have been the case had the Underlying Portfolio not used leverage to make the investments; (ii) margin calls or interim margin requirements may force premature liquidations of investment positions; and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Underlying Portfolio's cost of leverage related to such investment. In the event of a sudden, precipitous drop in the value of an Underlying Portfolio's assets, the Underlying Portfolio might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying the losses incurred by the Underlying Portfolio.

The Underlying Portfolios may invest in securities of foreign companies that involve special risks and considerations not typically associated with investments in the United States, due to concentrated investments in a limited number of countries or regions, which may vary throughout the year depending on the Underlying Portfolio. Such concentrations may subject the Underlying Portfolios to additional risks resulting from political or economic conditions in such countries or regions, and the possible imposition of adverse governmental laws or currency exchange restrictions could cause the securities and their markets to be less liquid and their prices to be more volatile than those of comparable U.S. securities.

The Underlying Portfolios may invest a higher percentage of their assets in specific sectors of the market in order to achieve a potentially greater investment return. As a result, the Underlying Portfolios may be more susceptible to economic, political and regulatory developments in a particular sector of the market, positive or negative, and may experience increased volatility of the Underlying Portfolio's net asset value.

The Fund invests in a limited number of Underlying Portfolios. Such concentration may result in additional risk. Various risks are also associated with an investment in the Fund, including risks relating to compensation arrangements and risks relating to limited liquidity of the Interests.

The Fund is subject to credit risk arising from its transactions with its custodian, State Street Bank and Trust, related to holding the Fund's cash. This credit risk arises to the extent that the custodian may be unable to fulfill its obligation to return the Fund's cash held in its custody

In the normal course of business, the Fund enters into contracts that contain a variety of representations which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.

NOTE F Tax Information

The tax character of distributions paid during the fiscal period ended March 31, 2013 was as follows:

	2013
Distributions paid from:	
Ordinary income	$412,492
Total taxable distributions paid	$412,492

As of March 31, 2013, the components of accumulated earnings/(deficit) on a tax basis were as follows:

Undistributed ordinary income	$ 3,918,198
Undistributed capital gain	60,541
Unrealized appreciation/(depreciation)	11,516,060**(a)**
Total accumulated earnings/(deficit)	$15,494,799

(a) The difference between book-basis and tax-basis unrealized appreciation/(depreciation) is attributable primarily to the tax treatment of Passive Foreign Investment Companies (PFICs).

For tax purposes, net capital losses may be carried over to offset future capital gains, if any. Funds are permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an indefinite period and such losses will retain their character as either short-term or long-term capital losses. As of March 31, 2013, the Fund did not have any capital loss carryforwards.

During the current fiscal period there were no permanent differences that resulted in adjustments to distributions in excess of net investment income or additional paid-in capital.

NOTE G Recent Accounting Pronouncements

In December 2011, the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update ("ASU") related to disclosures about offsetting assets and liabilities in financial statements. The amendments in this update require an entity to disclose both gross and net information for derivatives and other financial instruments that are either offset in the statement of assets and liabilities or subject to an enforceable master netting arrangement or similar agreement. In January 2013, the FASB issued an ASU to clarify the scope of disclosures about offsetting assets and liabilities. The ASU limits the scope of the new balance sheet offsetting disclosures to derivatives, repurchase agreements and securities lending transactions. The ASU is effective during interim or annual reporting periods beginning on or after January 1, 2013. At this time, management is evaluating the implication of this ASU and its impact on the financial statements has not been determined.

NOTE H 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 Fund's financial statements through this date.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of AllianceBernstein Multi-Manager Alternative Fund:

In our opinion, the accompanying statement of assets and liabilities, including the portfolio of investments, and the related statements of operations, of changes in net assets and of cash flows and the financial highlights present fairly, in all material respects, the financial position of AllianceBernstein Multi-Manager Alternative Fund (the "Fund") at March 31, 2013, and the results of its operations, the changes in its net assets, its cash flows and the financial highlights for the period October 1, 2012 (commencement of operations) through March 31, 2013, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit, which included confirmation of underlying portfolio funds at March 31, 2013, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
New York, NY
May 29, 2013

AllianceBernstein Multi-Manager Alternative Fund

Custodian

State Street Bank and Trust Company
One Lincoln Street
Boston, MA 02111

Distributor

Sanford C. Bernstein & Company, LLC
1345 Avenue of the Americas
New York, NY 10105

Transfer Agent

AllianceBernstein Investor Services, Inc.
P.O.Box 786003
San Antonio, TX 78278-6003
Toll-Free (800) 221-5672

Legal Counsel

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, NY 10019

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP
300 Madison Avenue
New York, NY 10017

[1] Member of the Audit Committee and the Governance and Nominating Committee.
[2] The day-to-day management of, and investment decisions for, the Fund's portfolio are made by the Investment Manager's Alternative Investment Management Group. Messrs. Gamsin and Outcalt are the investment professionals with the most significant responsibility for the day-to-day management of the Fund's portfolio.

Management of the Fund

Board of Trustees Information

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

Name, Address,* Age, (Year Elected**)	Principal Occupation(s) During Past Five Years	Portfolios Overseen By Trustee	Other Public Company Trusteeships/Directorships Held By Trustee During the Past Five Years
Interested Trustee			
Christopher J. Bricker*** 44 (2012)	Senior Vice President of the Adviser since prior to 2008; Senior Managing Director and Head of Product Development since December 2009.	1	None
Independent Trustees			
Lawrence D. Haber# 61 (2012)	Formerly, Chief Operating Officer and Member of the Management Committee at Credit Suisse Asset Management from 2004 to 2008.	1	Credit Suisse Cayman Commodity Fund I, Ltd. and Credit Suisse Cayman Commodity Fund II, Ltd. from 2007 until 2008; The Chile Fund, Inc., The Emerging Markets Telecommunications Fund, Inc., The Latin America Equity Fund, Inc., The Indonesia Fund, Inc., and The First Israel Fund, Inc., Credit Suisse Asset Management Income Fund, Inc., and Credit Suisse High Yield Bond Fund from 2006 until 2008
Jeanette Loeb# 60 (2012)	Formerly, Chairman and Chief Executive Officer of PetCareRx (e-commerce pet pharmacy) from 2002 to 2011.	1	Apollo Investment Corp. since August 2011
Carter "Terry" F. Wolfe# 74 (2012)	Formerly, Managing Director of Paloma Partners (hedge fund) from 2000 to 2011. He served as Vice President and Chief Investment Officer of Howard Hughes Medical Institute from 1994 to 1999.	1	None

* The address for each of the Fund's Trustees is c/o AllianceBernstein L.P., Attention: Emilie D. Wrapp, 1345 Avenue of the Americas, New York, NY 10105.
** There is no stated term of office for the Fund's Trustees. Each Trustee serves until his or her successor is elected and qualifies or until his or her death, resignation, or removal as provided in the Declaration of Trust, Bylaws or by statute.
*** Mr. Bricker is an "interested person", as defined in the Investment Company Act, due to his position as a Senior Vice President of the Investment Manager.
# Member of the Audit Committee and the Governance and Nominating Committee.

Officers of the Fund

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

Name, Address,* and Age	Position(s) Held With Fund	Principal Occupation During Past Five Years
Christopher J. Bricker, 44	President and Chief Executive Officer	See biography above.
Philip L. Kirstein, 68	Senior Vice President and Independent Compliance Officer	Senior Vice President and Independent Compliance Officer of the AB Advised Funds, with which he has been associated since prior to 2008.
Marc H. Gamsin, 57	Vice President	Senior Vice President of the Investment Manager** and Head of its Alternative Investment Management Group since October 2010. Prior thereto, he was the President of SunAmerica Alternative Investments beginning prior to 2008.
Greg Outcalt, 51	Vice President	Senior Vice President of the Investment Manager ** and Deputy Chief Investment Officer of its Alternative Investment Management Group, with which he has been associated since October 2010. Prior thereto, he was Executive Vice President of SunAmerica Alternative Investments beginning prior to 2008.
Matthew D. Bass, 34***	Vice President	Vice President of the Investment Manager** and Chief Operating Officer of its Securitized Assets Fund since October 2010. Prior thereto, he was a program director at the U.S. Department of the Treasury since 2009. Prior thereto, he was a Vice President at The Blackstone Group's GSO Capital Partners unit (private debt and equity investments) since prior to 2008.
Emilie D. Wrapp, 57	Secretary	Senior Vice President, Assistant General Counsel and Assistant Secretary of AllianceBernstein Investments, Inc. ("ABI"),** with which she has been associated since prior to 2008.
Joseph J. Mantineo, 54	Treasurer and Chief Financial Officer	Senior Vice President of AllianceBernstein Investor Services, Inc. ("ABIS"),** with which he has been associated since prior to 2008.
Stephen M. Woetzel, 41****	Controller	Vice President of ABIS,** with which he has been associated since prior to 2008.

* The address for each of the Fund's Officers is 1345 Avenue of the Americas, New York, NY 10105.
** The Investment Manager, ABI and ABIS are affiliates of the Fund.
*** Became Vice President on April 29, 2013.
**** Became Controller April 29, 2013; Assistant Controller prior to date.

Information Regarding the Review and Approval of the Fund's Advisory Agreement

At a meeting held on June 4, 2012, the Trustees of the Fund met in person to consider the approval of AllianceBernstein L.P. (the "Investment Manager") as the investment manager for the Fund. In considering whether to approve the advisory agreement between the Investment Manager and the Fund (the "Advisory Agreement"), the Trustees reviewed organizational materials for the Fund (the "Board Materials") containing certain written materials, presentations, procedures and agreements relating to the Fund, including materials from Fund counsel and the Investment Manager which: (i) included information concerning the Investment Manager's background, the services that will be rendered to the Fund by the Investment Manager and the Investment Manager's affiliates, and the fees that will be paid by the Fund to the Investment Manager and its affiliates; and (ii) outlined the legal duties of the Board under the 1940 Act. The Board Materials also contained information from Strategic Insight ("Strategic Insight"), an information service provider unaffiliated with the Investment Manager, comparing the Fund's proposed fee rate for advisory services to those of other similar closed-end funds selected by Strategic Insight.

The Trustees discussed with Fund counsel the legal standards regarding the approval of advisory agreements under the 1940 Act and reviewed the information included in the Board Materials relevant to their approval of the Advisory Agreement. After discussing a range of issues, the Trustees considered, among other relevant matters, the following factors:

(a) *The nature, extent and quality of services to be provided by the Investment Manager.* The Trustees reviewed the services that the Investment Manager would provide to the Fund under the Advisory Agreement. The Trustees considered the size and experience of the Investment Manager's staff, its extensive network of relationships and proprietary research, its use of technology, its relationships with hedge fund managers and industry professionals, its historical investment performance for similarly managed accounts, and the degree of due diligence the Investment Manager will perform with respect to potential investments. In connection with the investment advisory services to be provided to the Fund, the Trustees took into account detailed discussions they had with officers of the Investment Manager regarding the management of the Fund's investments in accordance with the Fund's stated investment objective, investment strategies and restrictions, and the types of transactions that would be entered into on behalf of the Fund and services necessary for the Fund's compliance with valuation and tax requirements. During these discussions with Fund officers, the Trustees asked detailed questions of, and received answers from, the officers of the Investment Manager regarding the formulation and proposed implementation of the Fund's investment strategy, its efficacy and potential risks.

In addition to the investment advisory services to be provided to the Fund, the Trustees considered that the Investment Manager and its affiliates also will provide certain other services, including management supervision and assistance and will also provide the office facilities required to operate the Fund. It was noted that the Investment Manager will provide the Fund with employees (as approved by the Board) to serve as officers of the Fund. The Trustees also considered that the Fund would be required, subject to Board approval, to reimburse the Investment Manager for certain administrative services performed by the Investment Manager or its affiliates necessary for the operations of the Fund pursuant to a separate Administrative Reimbursement Agreement. The Trustees noted that the Investment Manager has an administrative, legal and compliance staff to ensure a high level of quality in the compliance and other services to be provided to the Fund, including its oversight of the Fund's day-to-day operations. Based on the presentations made during the Meeting, the Trustees concluded that the services to be provided to the Fund by the Investment Manager under the Advisory Agreement were likely to be of a high quality and would benefit the Fund.

(b) *Investment performance of the Fund and the Investment Manager.* Because the Fund is newly formed, the Trustees did not consider the investment performance of the Fund. The Trustees based their review of the Investment Manager's performance primarily on the experience of the Investment Manager and its personnel in managing other discretionary accounts that are not registered investment companies, but have substantially similar investment policies and that are managed in accordance with substantially similar investment objectives and strategies as those applicable to the Fund. It was noted that such accounts are subject to investment limitations, diversification and distribution requirements that may be different from those applicable to the Fund. The Trustees also considered the experience, resources and strengths of the Investment Manager and its affiliates with respect to the investment strategies proposed for the Fund. The Trustees considered the experience and expertise of the portfolio managers who will be responsible for the day-to-day management of the Fund. The Trustees also considered the nature of the investment product and the creativity of the Investment Manager in developing the Fund's investment program. Based on these factors, the Trustees determined that the Investment Manager would be an appropriate investment manager for the Fund.

(c) *Cost of the services to be provided and profits to be realized by the Investment Manager from the relationship with the Fund.* The Trustees considered the anticipated cost of the services to be provided by the Investment Manager. Because the Fund is newly formed and the eventual aggregate amount of Fund assets was uncertain, the Investment Manager was not able to provide the Trustees with specific information concerning the cost of services to be provided to the Fund and the expected profits to be realized by the Investment Manager and its affiliates from their relationships with the Fund. The Trustees, however, did discuss with the Investment Manager its general level of anticipated profitability and noted that the Investment Manager would provide the Trustees with profitability information from time to time after the Fund commences operations. The Trustees also noted that an affiliate of the Investment Manager would be providing distribution services to the Fund at no cost and that the Investment Manager had agreed to waive a portion of its fees and/or reimburse Fund expenses if Fund fees and expenses exceed certain levels in its first year of operations.

(d) *Economies of scale and whether fee levels reflect these economies of scale.* Because the Fund is newly formed and the eventual aggregate amount of Fund assets was uncertain, the Investment Manager was not able to provide the Trustees with specific information concerning the extent to which economies of scale could be realized as the Fund grows and whether fee levels would reflect such economies of scale, if any. The Trustees also discussed the renewal requirements for investment advisory agreements, and determined that they would revisit this issue no later than when they next review the investment advisory fee after the initial two-year term of the Advisory Agreement.

(e) *Comparison of services to be rendered and fees to be paid to those under other investment advisory contracts, such as contracts of the same and other investment advisers or other clients.* The Trustees were provided information comparing both the services to be rendered and the fees to be paid under the Advisory Agreement to other contracts of the Investment Manager with respect to private investment vehicles managed in a similar manner to the Fund and to contracts of other investment advisers with respect to other closed-end registered investment companies with similar investment programs as the Fund. In particular, the Trustees noted that the mix of services under the Advisory Agreement are likely to be much more extensive than those under the advisory agreements for the Investment Manager's non-fund clients. It was noted that providing advisory services to a registered investment company entailed different, and potentially greater, business and regulatory risks than those associated with providing services to the Investment Manager's non-fund clients. The Trustees also discussed the Investment Manager's inclusion of advisory fee breakpoints for certain of its institutional accounts and noted that unlike those accounts, no performance fee would be charged to the Fund.

In addition, the Trustees evaluated the Fund's proposed contractual fee rate for advisory services as compared to the contractual fee rate of other closed-end funds chosen by Strategic Insight. In considering this information, the Trustees took into account the nature of the investment strategies of the Fund and the fact that the peer group of closed-end equity funds provided by Strategic Insight for comparison might have investment strategies and restrictions different from those of the Fund. In reviewing the fee comparisons provided by Strategic Insight, the Trustees noted that the Fund's proposed advisory fee was higher than the comparable fund median, but still within the range of advisory fees charged to the comparable funds, and that while the Expense Limitation Agreement (which will serve to limit the Fund's expense ratio during the Fund's initial year of operations) is in effect, the Fund's total expenses (excluding acquired fund fees and expenses) would be lower than any of the comparable funds. The Trustees also noted that unlike the Fund, the comparable funds generally impose separate shareholder servicing fees.

The Trustees then considered the potential direct and indirect benefits to the Investment Manager and its affiliates from their relationship with the Fund, including the Distribution Agreement, the Transfer Agency Agreement and the Administrative Reimbursement Agreement, as well as anticipated costs to each such entity in providing services under those agreements. Because the Fund is newly organized, and has no operating history with the Investment Manager or its affiliates, the Investment Manager had limited information regarding the anticipated costs of performing services for the Fund and benefits to be derived from the relationship it and its affiliates will have with the Fund. Nevertheless, based on the information presented to the Trustees regarding the administrative, distribution, and transfer agency services to be provided by the Investment Manager and its affiliates, the Trustees concluded that the Fund would benefit from those services.

Conclusion. No single factor was determinative to the decision of the Trustees. Based on the foregoing and such other matters as were deemed relevant, all of the Trustees concluded that the proposed advisory fee rate was reasonable in relation to the services to be provided by the Investment Manager to the Fund, as well as the costs to be incurred and benefits to be gained by the Investment Manager and its affiliates in providing such services. The Trustees also found the proposed investment advisory fee to be reasonable in comparison to the fees charged by advisers to other comparable funds anticipated to be of similar size. Based on these factors, the Trustees decided to approve the Advisory Agreement.

The Trustees who are not "interested persons" of the Fund or the Investment Manager were represented by their independent counsel during their deliberations.

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SANFORD C. BERNSTEIN

Distributor

ALLIANCEBERNSTEIN MULTI-MANAGER ALTERNATIVE FUND
1345 AVENUE OF THE AMERICAS, NEW YORK, NY 10105
800.221.5672

MMAF–0151–0313