AllianceBernstein Discovery Value Fund

(formerly Small/Mid Cap Value Fund)

Annual Report

November 30, 2012

ANNUAL REPORT

AllianceBernstein

Investment Products Offered

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

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

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

You may obtain a description of the Fund's proxy voting policies and procedures, and information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, without charge. Simply visit AllianceBernstein's website at www.alliancebernstein.com, or go to the Securities and Exchange Commission's (the "Commission") website at www.sec.gov, or call AllianceBernstein 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 on Form N-Q. The Fund's Forms N-Q are available on the Commission's website at www.sec.gov. The Fund's Forms N-Q 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. AllianceBernstein publishes full portfolio holdings for the Fund monthly at www.alliancebernstein.com.

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

January 11, 2013

Annual Report

This report provides management's discussion of fund performance for AllianceBernstein Discovery Value Fund (the "Fund") for the annual reporting period ended November 30, 2012. Prior to November 1, 2012, the Fund was named AllianceBernstein Small/Mid Cap Value Fund.

Investment Objectives and Policies

The Fund's investment objective is long-term growth of capital. The Fund invests primarily in a diversified portfolio of equity securities of small- to mid-capitalization U.S. companies, generally representing 60 to 125 companies. Under normal circumstances, the Fund invests at least 80% of its net assets in securities of small- to mid-capitalization companies. For purposes of this policy, small- to mid-capitalization companies are those that, at the time of investment, fall within the capitalization range between the smallest company in the Russell 2500 Value Index and the greater of $5 billion or the market capitalization of the largest company in the Russell 2500 Value Index.

Because the Fund's definition of small- to mid-capitalization companies is dynamic, the lower and upper limits on market capitalization will change with the markets. The Fund may enter into derivatives transactions, such as options, futures contracts, forwards and swap agreements.

Investment Results

The table on page 4 shows the Fund's performance compared to its benchmark, the Russell 2500 Value Index, in addition to the broad small/mid-cap universe, as measured by the Russell 2500 Index, for the six- and 12-month periods ended November 30, 2012.

During the 12-month period, the Fund increased in absolute terms yet underperformed its benchmark and the Russell 2500 Index, before sales charges. An overweight, and adverse stock selection in the technology sector, and underweights and holdings in both the financial and housing sectors detracted from performance most. Stock selection in the energy, consumer staples and capital equipment sectors helped performance.

During the six-month period, the Fund increased in absolute terms, underperformed its benchmark and outperformed the Russell 2500 Index, before sales charges. Overweights in the technology and transportation sectors, as well as adverse stock selection in the financial sector, were among the main drivers of the deficit. Holdings in the energy, consumer staples and consumer growth sectors contributed positively to performance.

The Fund employed derivatives in the form of futures for investment purposes, which had an immaterial impact during both periods.

Market Review and Investment Strategy

At the start of the 12-month period ended November 30, 2012, encouraging economic data suggesting that the U.S. economy may be gaining momentum, coupled with supportive actions by the European Central Bank ("ECB"), ignited a relief rally that carried into the first three months of 2012. However, the market upturn ended in April, on the return of worries that the euro area was teetering on the brink of disintegration, due to the possible exit of Greece from the common currency union and Spain's deepening banking crisis. Sector and style leadership shifted, as more defensive sectors, such as consumer staples stocks, led through June 2012, while more economically-cyclical sectors, such as capital equipment and consumer cyclicals, led later in 12-month period. Volatility fell, but market moves lacked conviction and trading volumes were generally low. A rescue plan put forth in June by European political leaders to tentatively address the structural imbalances in the euro area, along with the anticipation of a coordinated, global monetary easing cycle led by the U.S. Federal Reserve and the ECB, boosted market sentiment and led to another rally that extended into the end of November.

The economic climate has allowed the Discovery Value Senior Investment Management Team (the "Team") to invest opportunistically in undervalued companies with solid fundamentals, without sacrificing the Fund's deep-value discipline. As the economy remained unsettled, the Fund's emphasis continued to be at the stock-specific level, where the trend has been focused on what the Team considers to be attractively-valued companies with solid balance sheets and strong free cash flow.

DISCLOSURES AND RISKS

Benchmark Disclosure

The unmanaged Russell 2500™ Value Index and the unmanaged Russell 2500™ Index do not reflect fees and expenses associated with the active management of a mutual fund portfolio. The Russell 2500 Value Index represents the performance of 2,500 small- to mid-cap value companies within the U.S.; the Russell 2500 Index represents the performance of 2,500 small- to mid-cap companies within the U.S. An investor cannot invest directly in an index, and its results are not indicative of the performance for any specific investment, including the Fund.

A Word About Risk

Market Risk: The value of the Fund's investments will fluctuate as the stock or bond market fluctuates. The value of its investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market. It includes the risk that a particular style of investing, such as the Fund's value approach, may be underperforming the market generally.

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

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 less liquid due to adverse market, economic, political, regulatory or other factors.

Currency Risk: Fluctuations in currency exchange rates may negatively affect the value of the Fund's investments or reduce its returns.

Derivatives Risk: Investments in derivatives may be illiquid, difficult to price, and leveraged so that small changes may produce disproportionate losses for the Fund, and may be subject to counterparty risk to a greater degree than more traditional investments.

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

These risks are fully discussed in the Fund's prospectus.

An Important Note About Historical Performance

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

All fees and expenses related to the operation of the Fund have been deducted. Net asset value ("NAV") returns do not reflect sales charges; if sales charges were reflected, the Fund's quoted performance would be lower. SEC returns reflect the applicable sales charges for each share class: a 4.25% maximum front-end sales charge for Class A shares; the applicable contingent deferred sales charge for Class B shares (4% year 1, 3% year 2, 2% year 3, 1% year 4); a 1%, 1-year contingent deferred sales charge for Class C shares. Returns for the different share classes will vary due to different expenses associated with each class. Performance assumes reinvestment of distributions and does not account for taxes.

HISTORICAL PERFORMANCE

THE FUND VS. ITS BENCHMARKS PERIODS ENDED NOVEMBER 30, 2012	NAV Returns 6 Months	 12 Months
AllianceBernstein Discovery Value Fund*		
Class A	10.48%	14.71%
Class B*	10.48%	14.57%
Class C	10.10%	13.84%
Advisor Class**	10.69%	15.06%
Class R**	10.35%	14.37%
Class K**	10.56%	14.75%
Class I**	10.72%	15.09%
Russell 2500 Value Index	11.16%	17.40%
Russell 2500 Index	9.93%	15.13%

* *Effective January 31, 2009, Class B shares are no longer available for purchase to new investors. See Note A for additional information.*

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

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

See Disclosures, Risks and Note about Historical Performance on page 3.

(Historical Performance continued on next page)

HISTORICAL PERFORMANCE

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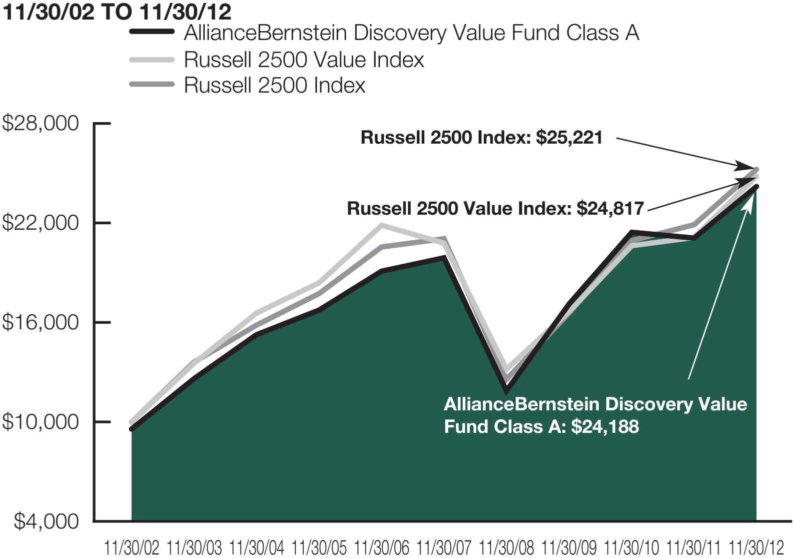
GROWTH OF A $10,000 INVESTMENT IN THE FUND
11/30/02 TO 11/30/12



This chart illustrates the total value of an assumed $10,000 investment in AllianceBernstein Discovery Value Fund Class A shares (from 11/30/02 to 11/30/12) as compared to the performance of the Fund's benchmark and the Russell 2500 Index. The chart reflects the deduction of the maximum 4.25% sales charge from the initial $10,000 investment in the Fund and assumes the reinvestment of dividends and capital gains distributions.

See Disclosures, Risks and Note about Historical Performance on page 3.

(Historical Performance continued on next page)

HISTORICAL PERFORMANCE

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AVERAGE ANNUAL RETURNS AS OF NOVEMBER 30, 2012

	NAV Returns	SEC Returns
Class A Shares		
1 Year	14.71%	9.81%
5 Years	4.00%	3.11%
10 Years	9.71%	9.23%
Class B Shares		
1 Year	14.57%	10.57%
5 Years	3.82%	3.82%
10 Years(a)	9.30%	9.30%
Class C Shares		
1 Year	13.84%	12.84%
5 Years	3.26%	3.26%
10 Years	8.94%	8.94%
Advisor Class Shares†		
1 Year	15.06%	15.06%
5 Years	4.31%	4.31%
10 Years	10.03%	10.03%
Class R Shares†		
1 Year	14.37%	14.37%
5 Years	3.78%	3.78%
Since Inception*	7.59%	7.59%
Class K Shares†		
1 Year	14.75%	14.75%
5 Years	4.05%	4.05%
Since Inception*	5.57%	5.57%
Class I Shares†		
1 Year	15.09%	15.09%
5 Years	4.33%	4.33%
Since Inception*	5.83%	5.83%

The Fund's prospectus fee table shows the Fund's total annual operating expense ratios as 1.27%, 2.03%, 1.99%, 0.97%, 1.56%, 1.25% and 0.91% for Class A, Class B, Class C, Advisor Class, Class R, Class K and Class I shares, respectively, gross of any fee waivers or expense reimbursements. The Financial Highlights section of this report sets forth expense ratio data for the current reporting period; the expense ratios shown above may differ from the expense ratios in the Financial Highlights section since they are based on different time periods.

(a) *Assumes conversion of Class B shares into Class A shares after eight years.*

† *These share classes are offered at NAV to eligible investors and their SEC returns are the same as the NAV returns. Please note that these share classes are for investors purchasing shares through accounts established under certain fee-based programs sponsored and maintained by certain broker-dealers and financial intermediaries, institutional pension plans and/or investment advisory clients of, and certain other persons associated with, the Adviser and its affiliates or the Fund. The inception dates for these share classes are listed below.*

* *Inception dates: 11/3/03 for Class R shares; 3/1/05 for Class K and Class I shares.*

See Disclosures, Risks and Note about Historical Performance on page 3.

(Historical Performance continued on next page)

HISTORICAL PERFORMANCE

(continued from previous page)

SEC AVERAGE ANNUAL RETURNS (WITH ANY APPLICABLE SALES CHARGES) AS OF THE MOST RECENT CALENDAR QUARTER-END (DECEMBER 31, 2012)

	SEC Returns
Class A Shares	
1 Year	13.01%
5 Years	3.98%
10 Years	9.91%
Class B Shares	
1 Year	13.99%
5 Years	4.71%
10 Years[(a)]	9.98%
Class C Shares	
1 Year	16.30%
5 Years	4.16%
10 Years	9.61%
Advisor Class Shares†	
1 Year	18.45%
5 Years	5.20%
10 Years	10.71%
Class R Shares†	
1 Year	17.79%
5 Years	4.67%
Since Inception*	7.90%
Class K Shares†	
1 Year	18.17%
5 Years	4.93%
Since Inception*	5.94%
Class I Shares†	
1 Year	18.53%
5 Years	5.22%
Since Inception*	6.21%

(a) *Assumes conversion of Class B shares into Class A shares after eight years.*

† *Please note that these share classes are for investors purchasing shares through accounts established under certain fee-based programs sponsored and maintained by certain broker-dealers and financial intermediaries, institutional pension plans and investment advisory clients of, and certain other persons associated with, the Adviser and its affiliates or the Fund. The inception dates for these share classes are listed below.*

* *Inception dates: 11/3/03 for Class R shares; 3/1/05 for Class K and Class I shares.*

See Disclosures, Risks and Note about Historical Performance on page 3.

FUND EXPENSES

(unaudited)

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

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

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

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

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

	Beginning Account Value June 1, 2012	Ending Account Value November 30, 2012	Expenses Paid During Period*	Annualized Expense Ratio*
Class A				
Actual	$ 1,000	$ 1,104.80	$ 6.74	1.28%
Hypothetical**	$ 1,000	$ 1,018.60	$ 6.46	1.28%
Class B				
Actual	$ 1,000	$ 1,104.80	$ 7.16	1.36%
Hypothetical**	$ 1,000	$ 1,018.20	$ 6.86	1.36%
Class C				
Actual	$ 1,000	$ 1,101.00	$ 10.51	2.00%
Hypothetical**	$ 1,000	$ 1,015.00	$ 10.08	2.00%
Advisor Class				
Actual	$ 1,000	$ 1,106.90	$ 5.16	0.98%
Hypothetical**	$ 1,000	$ 1,020.10	$ 4.95	0.98%
Class R				
Actual	$ 1,000	$ 1,103.50	$ 8.20	1.56%
Hypothetical**	$ 1,000	$ 1,017.20	$ 7.87	1.56%
Class K				
Actual	$ 1,000	$ 1,105.60	$ 6.58	1.25%
Hypothetical**	$ 1,000	$ 1,018.75	$ 6.31	1.25%
Class I				
Actual	$ 1,000	$ 1,107.20	$ 4.69	0.89%
Hypothetical**	$ 1,000	$ 1,020.55	$ 4.50	0.89%

* *Expenses are equal to the classes' annualized expense ratios multiplied by the average account value over the period, multiplied by 183/366 (to reflect the one-half year period).*

** *Assumes 5% return before expenses.*

PORTFOLIO SUMMARY

November 30, 2012 (unaudited)

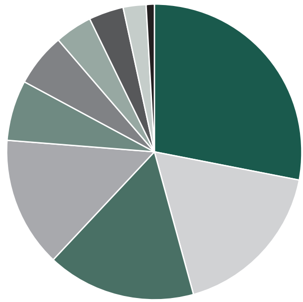
PORTFOLIO STATISTICS

Net Assets ($mil): $1,641.9

SECTOR BREAKDOWN*

- 28.0% Financials
- 17.7% Consumer Discretionary
- 16.3% Information Technology
- 14.3% Industrials
- 6.6% Energy
- 5.8% Utilities
- 4.1% Materials
- 3.8% Consumer Staples
- 2.5% Health Care

- 0.9% Short-Term



TEN LARGEST HOLDINGS**

November 30, 2012 (unaudited)

Company	U.S. $ Value	Percent of Net Assets
Fidelity National Financial, Inc. – Class A	$ 26,296,660	1.6%
Lear Corp.	26,234,752	1.6
Tyson Foods, Inc. – Class A	24,984,069	1.5
Helmerich & Payne, Inc.	24,982,398	1.5
Fortune Brands Home & Security, Inc.	24,094,566	1.5
Zions Bancorporation	23,987,644	1.5
Aspen Insurance Holdings Ltd.	23,797,703	1.4
Men's Wearhouse, Inc. (The)	23,350,636	1.4
Huntington Bancshares, Inc./OH	22,375,299	1.4
Timken Co.	22,247,492	1.4
	$ 242,351,219	14.8%

* *All data are as of November 30, 2012. The Fund's sector breakdown is expressed as a percentage of total investments (excluding security lending collateral) and may vary over time.*

** *Long-term investments.*

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

PORTFOLIO OF INVESTMENTS
November 30, 2012

Company	Shares	U.S. $ Value
COMMON STOCKS – 99.6%		
Financials – 28.1%		
Capital Markets – 1.2%		
Legg Mason, Inc.	770,770	$ 19,677,758
Commercial Banks – 10.0%		
Associated Banc-Corp	1,355,595	17,419,396
CapitalSource, Inc.	2,623,470	21,118,933
Comerica, Inc.	671,950	19,883,000
First Niagara Financial Group, Inc.	2,389,400	18,016,076
Huntington Bancshares, Inc./OH	3,638,260	22,375,299
Popular, Inc.[(a)]	732,879	14,489,018
Susquehanna Bancshares, Inc.	1,644,103	16,901,379
Webster Financial Corp.	450,690	9,383,366
Zions Bancorporation	1,195,199	23,987,644
		163,574,111
Insurance – 8.7%		
Aspen Insurance Holdings Ltd.	760,310	23,797,703
Fidelity National Financial, Inc. – Class A	1,086,190	26,296,660
Platinum Underwriters Holdings Ltd.	465,740	20,734,745
Reinsurance Group of America, Inc. – Class A	334,930	17,148,416
Torchmark Corp.	388,990	20,223,590
Unum Group[(b)]	771,150	15,723,748
Validus Holdings Ltd.	560,530	19,876,394
		143,801,256
Real Estate Investment Trusts (REITs) – 7.9%		
BioMed Realty Trust, Inc.	1,039,341	20,028,101
Camden Property Trust	186,020	12,221,514
DiamondRock Hospitality Co.	1,056,860	9,236,956
EPR Properties	447,598	20,298,569
Glimcher Realty Trust	1,667,970	17,880,639
Mid-America Apartment Communities, Inc.	188,660	11,757,291
Plum Creek Timber Co., Inc.	396,880	17,006,308
RLJ Lodging Trust	1,167,560	21,704,941
		130,134,319
Thrifts & Mortgage Finance – 0.3%		
Washington Federal, Inc.	326,889	5,253,107
		462,440,551
Consumer Discretionary – 17.8%		
Auto Components – 3.7%		
Dana Holding Corp.	1,140,350	16,170,163
Lear Corp.	600,750	26,234,752
TRW Automotive Holdings Corp.[(a)]	359,790	18,219,766
		60,624,681

Company	Shares	U.S. $ Value
Hotels, Restaurants & Leisure – 2.4%		
MGM Resorts International[a]	1,859,849	$ 18,877,467
Royal Caribbean Cruises Ltd.	598,430	21,094,658
		39,972,125
Household Durables – 4.4%		
Meritage Homes Corp.[a]	540,778	18,938,046
Newell Rubbermaid, Inc.	670,350	14,620,333
NVR, Inc.[a]	21,490	19,337,562
PulteGroup, Inc.[a]	1,090,950	18,338,869
		71,234,810
Media – 1.2%		
Gannett Co., Inc.	1,135,060	20,317,574
Specialty Retail – 5.1%		
ANN, Inc.[a]	508,530	17,061,182
Childrens Place Retail Stores, Inc. (The)[a]	278,586	13,542,065
GameStop Corp. – Class A[b]	538,860	14,145,075
Men's Wearhouse, Inc. (The)	719,810	23,350,636
Office Depot, Inc.[a]	4,552,600	15,296,736
		83,395,694
Textiles, Apparel & Luxury Goods – 1.0%		
Jones Group, Inc. (The)	1,403,330	16,503,161
		292,048,045
Information Technology – 16.4%		
Communications Equipment – 0.9%		
Harris Corp.	300,270	14,151,725
Electronic Equipment, Instruments & Components – 8.7%		
Anixter International, Inc.	259,080	15,824,607
Arrow Electronics, Inc.[a]	528,859	19,705,286
AU Optronics Corp. (Sponsored ADR)[a][b]	3,269,299	13,469,512
Avnet, Inc.[a]	599,070	17,546,760
Flextronics International Ltd.[a]	2,199,260	12,733,715
Ingram Micro, Inc. – Class A[a]	757,230	12,267,126
Insight Enterprises, Inc.[a]	1,067,783	18,088,244
TTM Technologies, Inc.[a]	1,690,800	15,251,016
Vishay Intertechnology, Inc.[a]	1,805,370	17,512,089
		142,398,355
IT Services – 2.2%		
Amdocs Ltd.[b]	639,760	21,406,370
Convergys Corp.	976,802	15,247,879
		36,654,249
Semiconductors & Semiconductor Equipment – 4.6%		
Amkor Technology, Inc.[a][b]	2,107,970	8,958,873
Entegris, Inc.[a]	2,073,180	18,575,693
Lam Research Corp.[a]	548,970	19,279,826

Company	Shares	U.S. $ Value
Micron Technology, Inc.[a]	2,695,265	$ 16,117,685
MKS Instruments, Inc.	554,276	13,441,193
		76,373,270
		269,577,599
Industrials – 14.4%		
Building Products – 1.5%		
Fortune Brands Home & Security, Inc.[a]	803,420	24,094,566
Commercial Services & Supplies – 1.3%		
Avery Dennison Corp.	493,740	16,515,603
Steelcase, Inc.	464,880	5,411,203
		21,926,806
Construction & Engineering – 0.6%		
Tutor Perini Corp.[a]	794,770	10,220,742
Electrical Equipment – 2.4%		
EnerSys, Inc.[a]	504,776	17,586,396
General Cable Corp.[a]	733,920	21,070,843
		38,657,239
Machinery – 4.1%		
Kennametal, Inc.[b]	459,560	17,518,427
Sauer-Danfoss, Inc.[b]	232,998	12,239,385
Terex Corp.[a]	665,710	16,103,525
Timken Co.	493,840	22,247,492
		68,108,829
Road & Rail – 3.5%		
Avis Budget Group, Inc.[a]	938,080	17,767,235
Con-way, Inc.	702,531	19,734,096
Hertz Global Holdings, Inc.[a]	1,226,650	19,184,806
		56,686,137
Trading Companies & Distributors – 1.0%		
Aircastle Ltd.	1,470,140	16,715,492
		236,409,811
Energy – 6.6%		
Energy Equipment & Services – 2.9%		
Bristow Group, Inc.	423,110	22,044,031
Helmerich & Payne, Inc.	478,590	24,982,398
		47,026,429
Oil, Gas & Consumable Fuels – 3.7%		
Cimarex Energy Co.	333,160	20,029,579
Plains Exploration & Production Co.[a]	410,130	14,641,641
Stone Energy Corp.[a]	530,480	10,996,850
Teekay Corp.	478,170	15,406,638
		61,074,708
		108,101,137

Company	Shares	U.S. $ Value
Utilities – 5.9%		
Electric Utilities – 3.5%		
Great Plains Energy, Inc.	871,430	$ 17,646,457
NV Energy, Inc.	1,091,060	19,999,130
PNM Resources, Inc.	899,583	19,008,189
		56,653,776
Gas Utilities – 2.4%		
Atmos Energy Corp.	594,450	20,811,694
UGI Corp.	568,625	18,889,723
		39,701,417
		96,355,193
Materials – 4.1%		
Chemicals – 0.8%		
Chemtura Corp.[a]	556,570	11,309,503
Ferro Corp.[a]	135,859	389,915
Huntsman Corp.	62,246	1,023,324
		12,722,742
Metals & Mining – 3.3%		
Commercial Metals Co.	1,323,390	17,931,934
Reliance Steel & Aluminum Co.	323,755	18,259,782
Steel Dynamics, Inc.	1,392,680	17,993,426
		54,185,142
		66,907,884
Consumer Staples – 3.8%		
Beverages – 1.3%		
Constellation Brands, Inc. – Class A[a]	574,725	20,621,133
Food Products – 2.5%		
Dole Food Co., Inc.[a][b]	1,443,052	16,566,237
Tyson Foods, Inc. – Class A	1,303,290	24,984,069
		41,550,306
		62,171,439
Health Care – 2.5%		
Health Care Providers & Services – 2.5%		
Health Net, Inc.[a]	571,430	13,457,177
LifePoint Hospitals, Inc.[a]	394,357	14,188,965
Universal Health Services, Inc. – Class B	304,806	13,737,606
		41,383,748
Total Common Stocks (cost $1,511,792,014)		1,635,395,407
SHORT-TERM INVESTMENTS – 0.9%		
Investment Companies – 0.9%		
AllianceBernstein Fixed-Income Shares, Inc. – Government STIF Portfolio, 0.15%[c] (cost $14,078,910)	14,078,910	14,078,910
Total Investments Before Security Lending Collateral for Securities Loaned – 100.5% (cost $1,525,870,924)		1,649,474,317

Company	Shares	U.S. $ Value
INVESTMENTS OF CASH COLLATERAL FOR SECURITIES LOANED – 1.9%		
Investment Companies – 1.9%		
AllianceBernstein Exchange Reserves – Class I, 0.13%(c) (cost $31,483,552)	31,483,552	$ 31,483,552
Total Investments – 102.4% (cost $1,557,354,476)		1,680,957,869
Other assets less liabilities – (2.4)%		(39,037,407)
Net Assets – 100.0%		**$ 1,641,920,462**

(a) Non-income producing security.

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

(c) Investment in affiliated money market mutual fund. The rate shown represents the 7-day yield as of period end.

Glossary:

ADR – American Depositary Receipt

See notes to financial statements.

STATEMENT OF ASSETS & LIABILITIES

November 30, 2012

Assets	
Investments in securities, at value	
Unaffiliated issuers (cost $1,511,792,014)	$ 1,635,395,407[(a)]
Affiliated issuers (cost $45,562,462 – including investment of cash collateral for securities loaned of $31,483,552)	45,562,462
Receivable for investment securities sold	5,276,875
Receivable for shares of beneficial interest sold	2,587,421
Dividends and interest receivable	2,049,163
Total assets	1,690,871,328
Liabilities	
Payable for collateral received on securities loaned	31,483,552
Payable for investment securities purchased	10,961,178
Payable for shares of beneficial interest redeemed	4,736,565
Advisory fee payable	990,121
Distribution fee payable	302,853
Transfer Agent fee payable	80,920
Administrative fee payable	9,954
Accrued expenses	385,723
Total liabilities	48,950,866
Net Assets	**$ 1,641,920,462**
Composition of Net Assets	
Paid-in capital	$ 1,449,355,378
Undistributed net investment income	4,223,794
Accumulated net realized gain on investment transactions	64,737,897
Net unrealized appreciation on investments	123,603,393
	$ 1,641,920,462

Net Asset Value Per Share—unlimited shares authorized, without par value

Class	Net Assets	Shares Outstanding	Net Asset Value
A	$ 523,129,600	30,060,842	$ 17.40*
B	$ 21,546,401	1,293,021	$ 16.66
C	$ 131,370,151	8,033,615	$ 16.35
Advisor	$ 620,539,260	35,067,740	$ 17.70
R	$ 134,801,276	7,849,472	$ 17.17
K	$ 50,851,404	2,945,307	$ 17.27
I	$ 159,682,370	9,197,890	$ 17.36

(a) Includes securities on loan with a value of $31,022,639 (see Note E).

* *The maximum offering price per share for Class A shares was $18.17 which reflects a sales charge of 4.25%.*

See notes to financial statements.

STATEMENT OF OPERATIONS

Year Ended November 30, 2012

Investment Income		
Dividends		
Unaffiliated issuers	$ 23,476,731	
Affiliated issuers	115,056	
Securities lending income	294,820	$ 23,886,607
Expenses		
Advisory fee (see Note B)	11,208,087	
Distribution fee—Class A	1,635,697	
Distribution fee—Class B	270,081	
Distribution fee—Class C	1,370,274	
Distribution fee—Class R	605,822	
Distribution fee—Class K	116,764	
Transfer agency—Class A	986,780	
Transfer agency—Class B	65,229	
Transfer agency—Class C	276,912	
Transfer agency—Advisor Class	810,393	
Transfer agency—Class R	315,028	
Transfer agency—Class K	91,696	
Transfer agency—Class I	160,929	
Custodian	220,725	
Registration fees	186,620	
Printing	146,504	
Trustees' fees	56,048	
Audit	48,090	
Administrative	46,798	
Legal	43,690	
Miscellaneous	45,724	
Total expenses	18,707,891	
Less: expenses waived and reimbursed by the Adviser (see Note B)	(464,546)	
Less: expenses waived and reimbursed by the Distributor (see Note C)	(185,178)	
Net expenses		18,058,167
Net investment income		5,828,440
Realized and Unrealized Gain (Loss) on Investment Transactions		
Net realized gain (loss) on:		
Investment transactions		83,853,346
Futures contracts		(312,482)
Net change in unrealized appreciation/ depreciation of investments		124,960,592
Net gain on investment transactions		208,501,456
Net Increase in Net Assets from Operations		**$ 214,329,896**

See notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

	Year Ended November 30, 2012	Year Ended November 30, 2011
Increase (Decrease) in Net Assets from Operations		
Net investment income	$ 5,828,440	$ 2,521,503
Net realized gain on investment transactions	83,540,864	121,156,463
Net change in unrealized appreciation/depreciation of investments	124,960,592	(162,655,166)
Net increase (decrease) in net assets from operations	214,329,896	(38,977,200)
Dividends and Distributions to Shareholders from		
Net investment income		
Class A	(841,942)	(475,553)
Class B	(23,744)	(32,822)
Advisor Class	(1,262,322)	(888,248)
Class K	(80,372)	(71,866)
Class I	(1,020,772)	(940,776)
Net realized gain on investment transactions		
Class A	(30,949,801)	– 0 –
Class B	(1,818,641)	– 0 –
Class C	(8,129,604)	– 0 –
Advisor Class	(16,572,487)	– 0 –
Class R	(6,368,791)	– 0 –
Class K	(2,238,246)	– 0 –
Class I	(11,874,543)	– 0 –
Transactions in Shares of Beneficial Interest		
Net increase	134,262,681	91,785,853
Total increase	267,411,312	50,399,388
Net Assets		
Beginning of period	1,374,509,150	1,324,109,762
End of period (including undistributed net investment income of $4,223,794 and $1,707,939, respectively)	**$ 1,641,920,462**	**$ 1,374,509,150**

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

November 30, 2012

NOTE A
Significant Accounting Policies

AllianceBernstein Trust (the "Trust") was organized as a Massachusetts business trust on December 12, 2000 and is registered under the Investment Company Act of 1940 as a diversified, open end management investment company. The Trust operates as a series company currently comprised of the following four funds: the AllianceBernstein Global Value Fund, the AllianceBernstein International Value Fund, the AllianceBernstein Discovery Value Fund (formerly, AllianceBernstein Small/Mid Cap Value Fund) and the AllianceBernstein Value Fund (the "Funds"). Each Fund is considered to be a separate entity for financial reporting and tax purposes. This report relates only to the AllianceBernstein Discovery Value Fund (the "Fund"). The Fund offers Class A, Class B, Class C, Advisor Class, Class R, Class K and Class I shares. Class A shares are sold with a front-end sales charge of up to 4.25% for purchases not exceeding $1,000,000. With respect to purchases of $1,000,000 or more, Class A shares redeemed within one year of purchase may be subject to a contingent deferred sales charge of 1%. Class B shares are currently sold with a contingent deferred sales charge which declines from 4% to zero depending on the period of time the shares are held. Effective January 31, 2009, sales of Class B shares of the Fund to new investors were suspended. Class B shares will only be issued (i) upon the exchange of Class B shares from another AllianceBernstein Mutual Fund, (ii) for purposes of dividend reinvestment, (iii) through the Fund's Automatic Investment Program (the "Program") for accounts that established the Program prior to January 31, 2009, and (iv) for purchases of additional shares by Class B shareholders as of January 31, 2009. The ability to establish a new Program for accounts containing Class B shares was suspended as of January 31, 2009. Class B shares will automatically convert to Class A shares eight years after the end of the calendar month of purchase. Class C shares are subject to a contingent deferred sales charge of 1% on redemptions made within the first year after purchase. Class R and Class K shares are sold without an initial or contingent deferred sales charge. Advisor Class and Class I shares are sold without an initial or contingent deferred sales charge and are not subject to ongoing distribution expenses. All seven classes of shares have identical voting, dividend, liquidation and other rights, except that the classes bear different distribution and transfer agency expenses. Each class has exclusive voting rights with respect to its distribution plan. The financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") which require management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and amounts of income and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund.

1. Security Valuation

Portfolio securities are valued at their current market value determined on the basis of market quotations or, if market quotations are not readily available or are deemed unreliable, at "fair value" as determined in accordance with procedures established by and under the general supervision of the Trust's Board of Trustees.

In general, the market value 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 contracts 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 other debt instruments having 60 days or less remaining until maturity are valued at amortized cost if their original maturity was 60 days or less; or by amortizing their fair value as of the 61st day prior to maturity if their original term to maturity exceeded 60 days; 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. Investments in money market funds are valued at their net asset value each day.

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

2. Fair Value Measurements

In accordance with U.S. GAAP regarding fair value measurements, fair value is defined as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes a framework for measuring fair value, and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset (including those valued based on their market values as described in Note 1 above) 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 investment is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three-tier hierarchy of inputs is summarized below.

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

Where readily available market prices or relevant bid prices are not available for certain equity investments, such investments may be valued based on similar publicly traded investments, movements in relevant indices since last available prices or based upon underlying company fundamentals and comparable company data (such as multiples to earnings or other multiples to equity). Where an investment is valued using an observable input, by pricing vendors, 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 Fund's investments by the above fair value hierarchy levels as of November 30, 2012:

Investments in Securities:	Level 1	Level 2	Level 3	Total
Assets:				
Common Stocks*	$ 1,635,395,407	$ – 0 –	$ – 0 –	$ 1,635,395,407
Short-Term Investments	14,078,910	– 0 –	–0 –	14,078,910
Investments of Cash Collateral for Securities Loaned in Affiliated Money Market Fund	31,483,552	– 0 –	– 0 –	31,483,552
Total Investments in Securities	1,680,957,869	– 0 –	– 0 –	1,680,957,869
Other Financial Instruments**	– 0 –	– 0 –	– 0 –	– 0 –
Total^	**$ 1,680,957,869**	**$ – 0 –**	**$ – 0 –**	**$ 1,680,957,869**

* *See Portfolio of Investments for sector classifications.*

** *Other financial instruments are derivative instruments, such as futures, forwards and swap contracts, which are valued at the unrealized appreciation/depreciation on the instrument.*

^ *There were no transfers between Level 1 and Level 2 during the reporting period.*

The Fund recognizes all transfers between levels of the fair value hierarchy assuming the financial instruments were transferred at the beginning of the reporting period.

The Adviser has established a Valuation Committee (the "Committee") which is responsible for overseeing the pricing and valuation of all securities held in the Fund. The Committee operates under pricing and valuation policies and procedures established by the Adviser and approved by the Board, including pricing policies which set forth the mechanisms and processes to be employed on a daily basis to implement these policies and procedures. In particular, the pricing policies describe how to determine market quotations for securities and other instruments. The Committee's responsibilities include: 1) fair value and liquidity determinations (and oversight of any third parties to whom any responsibility for fair value and liquidity determinations is delegated), and 2) regular monitoring of the Adviser's pricing and valuation policies and procedures and modification or enhancement of these policies and procedures (or recommendation of the modification of these policies and procedures) as the Committee believes appropriate.

The Committee is also responsible for monitoring the implementation of the pricing policies by the Adviser's Pricing Group (the "Pricing Group") and a third party which performs certain pricing functions in accordance with the pricing policies. The Pricing Group is responsible for the oversight of the third party on a day-to-day basis. The Committee and the Pricing Group perform a series of activities to provide reasonable comfort over the accuracy of prices including: 1) periodic vendor due diligence meetings, review methodologies, new developments, process at vendors, 2) daily compare of security valuation versus prior day for all securities that exceed established thresholds, 3) daily review of unpriced, stale, and variance reports with exceptions reviewed by senior management and the Committee.

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 (which are generated using the Adviser's prices).

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

4. Taxes

It is the Fund's policy to meet the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its investment company taxable income and net realized gains, if any, to shareholders. Therefore, no provisions for federal income or excise taxes are required. The Fund may be subject to taxes imposed by countries in which it invests. Such taxes are generally based on income and/or capital gains earned or repatriated. Taxes are accrued and applied to net investment income, net realized gains and net unrealized appreciation/depreciation as such income and/or gains are earned.

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

5. Investment Income and Investment Transactions

Dividend income is recorded on the ex-dividend date or as soon as the Fund is informed of the dividend. Interest income is accrued daily. Investment transactions are accounted for on the date the securities are purchased or sold. Investment gains or losses are determined on the identified cost basis. The Fund amortizes premiums and accretes discounts as adjustments to interest income.

6. Class Allocations

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

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 Fund 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 Fund's average daily net assets. The fee is accrued daily and paid monthly. The Adviser had agreed to waive its fees and bear certain expenses to the extent necessary to limit total fund operating expenses on an annual basis to 1.15%, 1.85%, 1.85%, .85%, 1.35%, 1.10% and .85% of the average daily net assets for Class A, Class B, Class C, Advisor Class, Class R, Class K and Class I shares, respectively (the "Expense Caps"). The Expense Caps expired on February 29, 2012. For the year ended November 30, 2012, such reimbursement waivers amounted to $464,546.

Pursuant to the investment advisory agreement, the Fund may reimburse the Adviser for certain legal and accounting services provided to the Fund by the Adviser. For the year ended November 30, 2012, the reimbursement for such services amounted to $46,798.

The Fund compensates AllianceBernstein Investor Services, Inc. ("ABIS"), a wholly-owned subsidiary of the Adviser, under a Transfer Agency Agreement for providing personnel and facilities to perform transfer agency services for the Fund. ABIS may make payments to intermediaries that provide omnibus account services, sub-accounting services and/or networking services. Such compensation retained by ABIS amounted to $909,961 for the year ended November 30, 2012.

AllianceBernstein Investments, Inc. (the "Distributor"), a wholly-owned subsidiary of the Adviser, serves as the distributor of the Fund's shares. The Distributor has advised the Fund that it has retained front-end sales charges of $8,656 from the sale of Class A shares and received $8,005, $6,383 and $9,728 in contingent deferred sales charges imposed upon redemptions by shareholders of Class A, Class B and Class C shares, respectively, for the year ended November 30, 2012.

The Fund may invest in the AllianceBernstein Fixed-Income Shares, Inc. – Government STIF Portfolio ("Government STIF Portfolio"), an open-end management investment company managed by the Adviser. The Government STIF Portfolio is offered as a cash management option to mutual funds and other institutional accounts of the Adviser, and is not available for direct purchase by members of the public. The Government STIF Portfolio pays no investment management fees but does bear its own expenses. A summary of the Fund's transactions in shares of the Government STIF Portfolio for the year ended November 30, 2012 is as follows:

Market Value November 30, 2011 (000)	Purchases at Cost (000)	Sales Proceeds (000)	Market Value November 30, 2012 (000)	Dividend Income (000)
$ 31,027	$ 499,479	$ 516,427	$ 14,079	$ 25

Brokerage commissions paid on investment transactions for the year ended November 30, 2012 amounted to $2,151,461, of which $0 and $0, respectively, was paid to Sanford C. Bernstein & Co. LLC and Sanford C. Bernstein Limited, affiliates of the Adviser.

NOTE C
Distribution Services Agreement

The Fund has adopted a Distribution Services Agreement (the "Agreement") pursuant to Rule 12b-1 under the Investment Company Act of 1940. Under the Agreement, the Fund pays distribution and servicing fees to the Distributor at an annual rate of up to .30% of the Fund's average daily net assets attributable to Class A shares, 1% of the Fund's average daily net assets attributable to both Class B and Class C shares, .50% of the Fund's average daily net assets attributable to Class R shares and .25% of the Fund's average daily net assets attributable to Class K shares. There are no distribution and servicing fees on the Advisor Class and Class I shares. For the period November 1, 2006 through October 31, 2007, with respect to Class B shares, payments made to the Distributor were voluntarily limited to .40% of the average daily net assets attributable to Class B shares.
For the period November 1, 2007 through April 30, 2008, with respect to Class B shares, payments to the distributor were voluntarily limited to .35% of the average daily net assets attributable to Class B shares. For the period May 1, 2008 through May 31, 2010, payments made to the Distributor were voluntarily limited to .20% of average daily net assets attributable to Class B shares. For the period June 1, 2010 through May 31, 2011, with respect to Class B shares, payments made to the

Distributor were voluntarily limited to .25% of the average daily net assets attributable to Class B shares. For the period June 1, 2011 through July 31, 2012, with respect to Class B shares, payments to the distributor were voluntarily limited to .30% of average daily net assets attributable to Class B shares. As of August 1, 2012, with respect to Class B shares, payments made to the Distributor are voluntarily being limited to .35% of the average daily net assets attributable to Class B shares. The fees are accrued daily and paid monthly. For the year ended November 30, 2012, such waiver amounted to $185,178. The Agreement provides that the Distributor will use such payments in their entirety for distribution assistance and promotional activities. Since the commencement of the Fund's operations, the Distributor has incurred expenses in excess of the distribution costs reimbursed by the Fund in the amounts of $139,879, $2,565,532, $1,262,228 and $395,558 for Class B, Class C, Class R and Class K shares, respectively. While such costs may be recovered from the Fund in future periods so long as the Agreement is in effect, the rate of the distribution and servicing fees payable under the Agreement may not be increased without a shareholder vote. In accordance with the Agreement, there is no provision for recovery of unreimbursed distribution costs incurred by the Distributor beyond the current fiscal year for Class A shares. The Agreement also provides that the Adviser may use its own resources to finance the distribution of the Fund's shares.

NOTE D
Investment Transactions

Purchases and sales of investment securities (excluding short-term investments) for the year ended November 30, 2012 were as follows:

	Purchases	Sales
Investment securities (excluding U.S. government securities)	$ 1,012,082,938	$ 934,397,559
U.S. government securities	– 0 –	– 0 –

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

Cost	$ 1,569,724,632
Gross unrealized appreciation	$ 185,287,094
Gross unrealized depreciation	(74,053,857)
Net unrealized appreciation	$ 111,233,237

1. Derivative Financial Instruments

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

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

- **Futures Contracts**

  The Fund may buy or sell financial futures contracts for the purpose of hedging its portfolio against adverse effects of anticipated movements in the market. The Fund bears the market risk that arises from changes in the value of these financial instruments and the imperfect correlation between movements in the price of the futures contracts and movements in the price of the securities hedged or used for cover. The Fund may also purchase or sell futures contracts for foreign currencies or options thereon for non-hedging purposes as a means of making direct investment in foreign currencies, as described below under "Currency Transactions".

At the time the Fund enters into a futures contract, the Fund deposits and maintains as collateral an initial margin with the broker, as required by the exchange on which the transaction is effected. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receipts or payments are known as variation margin and are recorded by the Fund as unrealized gains or losses. Risks may arise from the potential inability of a counterparty to meet the terms of the contract. The credit/counterparty risk for exchange-traded futures contracts is generally less than privately negotiated futures contracts, since the clearinghouse, which is the issuer or counterparty to each exchange-traded future, provides a guarantee of performance. This guarantee is supported by a daily payment system (i.e., margin requirements). When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the time it was closed.

Use of long futures contracts subjects the Fund to risk of loss in excess of the amounts shown on the statement of assets and liabilities, up to the notional value of the futures contracts. Use of short futures contracts subjects the Fund to unlimited risk of loss. Under some circumstances, futures exchanges may establish daily limits on the amount that the price of a futures contract can vary from the previous day's settlement price, which could effectively prevent liquidation of unfavorable positions.

During the year ended November 30, 2012, the Fund held futures contracts for non-hedging purposes.

The effect of derivative instruments on the statement of operations for the year ended November 30, 2012:

Derivative Type	Location of Gain or (Loss) on Derivatives	Realized Gain or (Loss) on Derivatives	Change in Unrealized Appreciation or (Depreciation)
Equity contracts	Net realized gain (loss) on futures contracts	$ (312,482)	$ – 0 –
Total		$ (312,482)	$ – 0 –

The following table represents the volume of the Fund's derivative transactions during the year ended November 30, 2012:

Futures Contracts:	
Average original value of buy contracts	$ 38,032,255[(a)]

[(a)] *Positions were open ten days during the year.*

2. Currency Transactions

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

NOTE E
Securities Lending

The Fund may enter into securities lending transactions. Under the Fund's securities lending program, all loans of securities will be collateralized continually by cash. The Fund will be compensated for the loan from a portion of the net return from the income earned on cash collateral after a rebate is paid to the borrower (in some cases, this rebate may be a "negative rebate" or fee paid by the borrower to the Fund in connection with the loan), and payments are made for fees of the securities lending agent and for certain other administrative expenses. It is the policy of the Fund to receive collateral consisting of cash in an amount exceeding the value of the securities loaned. The Fund will have the right to call a loan and obtain the securities loaned at any time on notice to the borrower within the normal and customary settlement time for the securities. While the securities are on loan, the borrower is obligated to pay the Fund amounts equal to any income or other distributions from the securities. The Fund will not have the right to vote 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. The lending agent has agreed to indemnify the Fund in the case of default of any securities borrower. Collateral received and securities loaned are marked to market daily to ensure that the securities loaned are secured by collateral. The lending agent will invest the cash collateral received in AllianceBernstein Exchange Reserves, an eligible money market vehicle, in accordance with the investment restrictions of the Fund, and as approved by the Trust's Board of Trustees. The collateral received on securities loaned is recorded as an asset as well as a corresponding liability in the statement of assets and liabilities. When the Fund lends securities, its investment performance will continue to reflect changes in the value of the securities loaned. At November 30, 2012, the Fund had securities on loan with a value of $31,022,639 and had received cash collateral which has been invested into AllianceBernstein Exchange Reserves of $31,483,552. The cash collateral will be adjusted on the next business day to maintain the required collateral amount. The Fund earned securities lending income of $294,820 and $89,950 from the borrowers and AllianceBernstein Exchange Reserves, respectively, for the year ended November 30, 2012; these amounts are reflected in the statement of operations. A principal risk of lending portfolio securities is that the borrower will fail to return the loaned securities upon termination of the loan and that the collateral will not be sufficient to replace the loaned securities. A summary of the Fund's transactions in shares of AllianceBernstein Exchange Reserves for the year ended November 30, 2012 is as follows:

Market Value November 30, 2011 (000)	Purchases at Cost (000)	Sales Proceeds (000)	Market Value November 30, 2012 (000)	Dividend Income (000)
$ 48,560	$ 392,752	$ 409,829	$ 31,483	$ 90

NOTE F
Shares of Beneficial Interest

Transactions in shares of beneficial interest for each class were as follows:

	Shares		Amount	
	Year Ended November 30, 2012	Year Ended November 30, 2011	Year Ended November 30, 2012	Year Ended November 30, 2011
Class A				
Shares sold	6,158,777	13,734,702	$ 101,597,945	$ 241,169,482
Shares issued in reinvestment of dividends and distributions	1,943,010	24,882	29,533,737	438,673
Shares converted from Class B	520,571	631,961	8,628,515	11,092,543
Shares redeemed	(12,938,399)	(13,952,697)	(213,025,647)	(238,491,744)
Net increase (decrease)	**(4,316,041)**	**438,848**	**$ (73,265,450)**	**$ 14,208,954**
Class B				
Shares sold	36,453	105,057	$ 574,612	$ 1,793,851
Shares issued in reinvestment of dividends and distributions	118,761	1,789	1,730,351	30,330
Shares converted to Class A	(543,555)	(657,562)	(8,628,515)	(11,092,543)
Shares redeemed	(320,557)	(465,025)	(5,081,808)	(7,726,997)
Net decrease	**(708,898)**	**(1,015,741)**	**$ (11,405,360)**	**$ (16,995,359)**

	Shares		Amount	
	Year Ended November 30, 2012	Year Ended November 30, 2011	Year Ended November 30, 2012	Year Ended November 30, 2011
Class C				
Shares sold	1,014,019	1,975,815	$ 15,777,777	$ 33,204,827
Shares issued in reinvestment of distributions	513,461	– 0 –	7,383,568	– 0 –
Shares redeemed	(2,494,328)	(2,254,044)	(38,756,311)	(36,196,449)
Net decrease	**(966,848)**	**(278,229)**	**$ (15,594,966)**	**$ (2,991,622)**
Advisor Class				
Shares sold	23,815,824	9,878,292	$ 386,795,220	$ 176,155,479
Shares issued in reinvestment of dividends and distributions	1,053,283	43,078	16,241,626	768,946
Shares redeemed	(7,900,640)	(6,181,529)	(132,570,341)	(107,571,592)
Net increase	**16,968,467**	**3,739,841**	**$ 270,466,505**	**$ 69,352,833**
Class R				
Shares sold	2,829,385	3,414,534	$ 46,327,290	$ 58,682,454
Shares issued in reinvestment of distributions	423,435	– 0 –	6,368,461	– 0 –
Shares redeemed	(2,188,788)	(2,285,988)	(35,630,180)	(39,380,728)
Net increase	**1,064,032**	**1,128,546**	**$ 17,065,571**	**$ 19,301,726**
Class K				
Shares sold	1,302,081	1,029,254	$ 21,547,135	$ 17,658,356
Shares issued in reinvestment of dividends and distributions	153,754	4,109	2,318,615	71,866
Shares redeemed	(945,354)	(1,135,164)	(15,546,540)	(19,502,356)
Net increase (decrease)	**510,481**	**(101,801)**	**$ 8,319,210**	**$ (1,772,134)**
Class I				
Shares sold	2,083,013	6,716,198	$ 34,406,650	$ 117,412,771
Shares issued in reinvestment of dividends and distributions	849,895	50,965	12,850,406	893,929
Shares redeemed	(6,725,590)	(6,237,640)	(108,579,885)	(107,625,245)
Net increase (decrease)	**(3,792,682)**	**529,523**	**$ (61,322,829)**	**$ 10,681,455**

NOTE G
Risks Involved in Investing in the Fund

Foreign Securities Risk—Investing in securities of foreign companies or foreign governments involves special risks which include changes in foreign currency exchange rates and the possibility of future political and economic developments which could adversely affect the value of such securities. Moreover, securities of many foreign companies or foreign governments and their markets may be less liquid and their prices more volatile than those of comparable U.S. companies or of the U.S. government.

Currency Risk—This is the risk that changes in foreign currency exchange rates may negatively affect the value of the Fund's investments or reduce the returns of the Fund. For example, the value of the Fund's investments in foreign currency-denominated securities or currencies may decrease if the U.S. Dollar is strong (*i.e.*, gaining value relative to other currencies) and other currencies are weak (*i.e.*, losing value relative to the U.S. Dollar). Currency markets are generally not as regulated as securities markets. Independent of the Fund's investments denominated in foreign currencies, the Fund's positions in various foreign currencies may cause the Fund to experience investment losses due to the changes in exchange rates and interest rates.

Derivatives Risk—The Fund 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 Fund, 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 in the statement of assets and liabilities.

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

NOTE H
Joint Credit Facility

A number of open-end mutual funds managed by the Adviser, including the Fund, participate in a $140 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 Fund did not utilize the Facility during the year ended November 30, 2012.

NOTE I
Distributions to Shareholders

The tax character of distributions paid during the fiscal years ended November 30, 2012 and November 30, 2011 were as follows:

	2012	2011
Distributions paid from:		
Ordinary income	3,229,152	2,409,265
Net long-term capital gains	77,952,113	– 0 –
Total taxable distributions paid	81,181,265	2,409,265

As of November 30, 2012, the components of accumulated earnings/(deficit) on a tax basis were as follows:

Undistributed ordinary income	$ 34,128,656
Undistributed capital gain	47,203,192
Unrealized appreciation/(depreciation)	111,233,237(a)
Total accumulated earnings/(deficit)	$ 192,565,085

(a) The differences between book-basis and tax-basis unrealized appreciation/(depreciation) are attributable primarily to the tax deferral of losses on wash sales and return of capital distributions received from underlying securities.

For tax purposes, net capital losses may be carried over to offset future capital gains, if any. Under the Regulated Investment Company Modernization Act of 2010, funds are permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an indefinite period. These post-enactment capital losses must be utilized prior to the pre-enactment capital losses, which are subject to expiration. Post-enactment capital loss carryforwards will retain their character as either short-term or long-term capital losses rather than being considered short-term as under previous regulation. As of November 30, 2012, the Fund did not have any capital loss carryforwards.

During the current fiscal year, permanent differences primarily due to return of capital distributions received from underlying securities and the utilization of earnings and profits distributed to shareholders on redemption of shares resulted in a net decrease in undistributed net investment income, a net decrease in accumulated net realized gain on investment transactions, and a net increase in additional paid-in capital. These reclassifications had no effect on net assets.

NOTE J
Recent Accounting Pronouncement

In December 2011, the Financial Accounting Standards Board 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. 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 K
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.

FINANCIAL HIGHLIGHTS

Selected Data For A Share Of Beneficial Interest Outstanding Throughout Each Period

	Class A				
	Year Ended November 30,				
	2012	2011	2010	2009	2008
Net asset value, beginning of period	$ 16.11	$ 16.38	$ 13.13	$ 9.18	$ 16.77
Income From Investment Operations					
Net investment income(a)(b)	.06	.03	.02	.05	.09
Net realized and unrealized gain (loss) on investment transactions	2.18	(.29)	3.27	3.99	(6.29)
Net increase (decrease) in net asset value from operations	2.24	(.26)	3.29	4.04	(6.20)
Less: Dividends and Distributions					
Dividends from net investment income	(.03)	(.01)	(.04)	(.09)	(.03)
Distributions from net realized gain on investment transactions	(.92)	– 0 –	– 0 –	– 0 –	(1.36)
Total dividends and distributions	(.95)	(.01)	(.04)	(.09)	(1.39)
Net asset value, end of period	**$ 17.40**	**$ 16.11**	**$ 16.38**	**$ 13.13**	**$ 9.18**
Total Return					
Total investment return based on net asset value(c)	14.71 %	(1.57)%	25.11 %	44.38 %*	(40.35)%*
Ratios/Supplemental Data					
Net assets, end of period (000's omitted)	$523,130	$553,923	$555,971	$411,472	$300,760
Ratio to average net assets of:					
Expenses, net of waivers/reimbursements	1.25 %	1.15 %	1.15 %(d)	1.15 %	1.15 %
Expenses, before waivers/reimbursements	1.28 %	1.27 %	1.33 %(d)	1.37 %	1.34 %
Net investment income(b)	.35 %	.15 %	.17 %(d)	.50 %	.62 %
Portfolio turnover rate	63 %	72 %	57 %	64 %	48 %

See footnote summary on page 40.

Selected Data For A Share Of Beneficial Interest Outstanding Throughout Each Period

	Class B				
	Year Ended November 30,				
	2012	2011	2010	2009	2008
Net asset value, beginning of period	$ 15.47	$ 15.75	$ 12.65	$ 8.86	$ 16.24
Income From Investment Operations					
Net investment income (loss)[(a)(e)]	.04	(.00)[(f)]	(.01)	.03	.06[(b)]
Net realized and unrealized gain (loss) on investment transactions	2.08	(.27)	3.15	3.84	(6.08)
Net increase (decrease) in net asset value from operations	2.12	(.27)	3.14	3.87	(6.02)
Less: Dividends and Distributions					
Dividends from net investment income	(.01)	(.01)	(.04)	(.08)	– 0 –
Distributions from net realized gain on investment transactions	(.92)	– 0 –	– 0 –	– 0 –	(1.36)
Total dividends and distributions	(.93)	(.01)	(.04)	(.08)	(1.36)
Net asset value, end of period	**$ 16.66**	**$ 15.47**	**$ 15.75**	**$ 12.65**	**$ 8.86**
Total Return					
Total investment return based on net asset value[(c)]	14.57 %	(1.71)%	24.90 %	44.11 %*	(40.49)%*
Ratios/Supplemental Data					
Net assets, end of period (000's omitted)	$21,546	$30,972	$47,532	$68,527	$70,770
Ratio to average net assets of:					
Expenses, net of waivers/reimbursements	1.36 %	1.30 %	1.31 %[(d)]	1.36 %	1.33 %
Expenses, before waivers/reimbursements	2.04 %	2.03 %	2.09 %[(d)]	2.16 %	2.06 %
Net investment income (loss)[(e)]	.24 %	(.01)%	(.03)%[(d)]	.33 %	.42%[(b)]
Portfolio turnover rate	63 %	72 %	57 %	64 %	48 %

See footnote summary on page 40.

Selected Data For A Share Of Beneficial Interest Outstanding Throughout Each Period

	Class C				
	Year Ended November 30,				
	2012	2011	2010	2009	2008
Net asset value, beginning of period	$ 15.28	$ 15.63	$ 12.58	$ 8.77	$ 16.17
Income From Investment Operations					
Net investment loss[(a)(b)]	(.06)	(.09)	(.08)	(.02)	(.01)
Net realized and unrealized gain (loss) on investment transactions	2.05	(.26)	3.13	3.83	(6.03)
Net increase (decrease) in net asset value from operations	1.99	(.35)	3.05	3.81	(6.04)
Less: Distributions					
Distributions from net realized gain on investment transactions	(.92)	– 0 –	– 0 –	– 0 –	(1.36)
Net asset value, end of period	**$ 16.35**	**$ 15.28**	**$ 15.63**	**$ 12.58**	**$ 8.77**
Total Return					
Total investment return based on net asset value[(c)]	13.84 %	(2.24)%	24.24 %	43.44 %*	(40.81)%*
Ratios/Supplemental Data					
Net assets, end of period (000's omitted)	$131,370	$137,491	$145,004	$115,634	$95,201
Ratio to average net assets of:					
Expenses, net of waivers/reimbursements	1.96 %	1.85 %	1.85 %[(d)]	1.85 %	1.85 %
Expenses, before waivers/reimbursements	2.00 %	1.99 %	2.05 %[(d)]	2.11 %	2.05 %
Net investment loss[(b)]	(.36)%	(.56)%	(.53)%[(d)]	(.19)%	(.09)%
Portfolio turnover rate	63 %	72 %	57 %	64 %	48 %

See footnote summary on page 40.

Selected Data For A Share Of Beneficial Interest Outstanding Throughout Each Period

	Advisor Class				
	Year Ended November 30,				
	2012	2011	2010	2009	2008
Net asset value, beginning of period	$ 16.37	$ 16.63	$ 13.32	$ 9.33	$ 17.03
Income From Investment Operations					
Net investment income[(a)(b)]	.11	.08	.07	.08	.13
Net realized and unrealized gain (loss) on investment transactions	2.21	(.28)	3.31	4.04	(6.39)
Net increase (decrease) in net asset value from operations	2.32	(.20)	3.38	4.12	(6.26)
Less: Dividends and Distributions					
Dividends from net investment income	(.07)	(.06)	(.07)	(.13)	(.08)
Distributions from net realized gain on investment transactions	(.92)	– 0 –	– 0 –	– 0 –	(1.36)
Total dividends and distributions	(.99)	(.06)	(.07)	(.13)	(1.44)
Net asset value, end of period	**$ 17.70**	**$ 16.37**	**$ 16.63**	**$ 13.32**	**$ 9.33**
Total Return					
Total investment return based on net asset value[(c)]	15.06 %	(1.23)%	25.50 %	44.78 %*	(40.18)%*
Ratios/Supplemental Data					
Net assets, end of period (000's omitted)	$620,539	$296,244	$238,840	$182,777	$111,814
Ratio to average net assets of:					
Expenses, net of waivers/reimbursements	.96 %	.85 %	.85 %[(d)]	.85 %	.85 %
Expenses, before waivers/reimbursements	.98 %	.97 %	1.03 %[(d)]	1.06 %	1.04 %
Net investment income[(b)]	.63 %	.46 %	.46 %[(d)]	.77 %	.94 %
Portfolio turnover rate	63 %	72 %	57 %	64 %	48 %

See footnote summary on page 40.

Selected Data For A Share Of Beneficial Interest Outstanding Throughout Each Period

	Class R				
	Year Ended November 30,				
	2012	2011	2010	2009	2008
Net asset value, beginning of period	$ 15.93	$ 16.21	$ 13.01	$ 9.10	$ 16.66
Income From Investment Operations					
Net investment income (loss)(a)(b)	.02	(.01)	(.00)(f)	.03	.06
Net realized and unrealized gain (loss) on investment transactions	2.14	(.27)	3.23	3.96	(6.24)
Net increase (decrease) in net asset value from operations	2.16	(.28)	3.23	3.99	(6.18)
Less: Dividends and Distributions					
Dividends from net investment income	– 0 –	– 0 –	(.03)	(.08)	(.02)
Distributions from net realized gain on investment transactions	(.92)	– 0 –	– 0 –	– 0 –	(1.36)
Total dividends and distributions	(.92)	– 0 –	(.03)	(.08)	(1.38)
Net asset value, end of period	**$ 17.17**	**$ 15.93**	**$ 16.21**	**$ 13.01**	**$ 9.10**
Total Return					
Total investment return based on net asset value(c)	14.37 %	(1.73)%	24.85 %	44.19 %*	(40.50)%*
Ratios/Supplemental Data					
Net assets, end of period (000's omitted)	$134,801	$108,078	$91,714	$55,290	$30,639
Ratio to average net assets of:					
Expenses, net of waivers/reimbursements	1.51 %	1.35 %	1.35 %(d)	1.35 %	1.35 %
Expenses, before waivers/reimbursements	1.56 %	1.56 %	1.60 %(d)	1.58 %	1.54 %
Net investment income (loss)(b)	.10 %	(.04)%	(.02)%(d)	.27 %	.44 %
Portfolio turnover rate	63 %	72 %	57 %	64 %	48 %

See footnote summary on page 40.

Selected Data For A Share Of Beneficial Interest Outstanding Throughout Each Period

	Class K				
	Year Ended November 30,				
	2012	2011	2010	2009	2008
Net asset value, beginning of period	$ 16.00	$ 16.27	$ 13.05	$ 9.14	$ 16.74
Income From Investment Operations					
Net investment income(a)(b)	.06	.03	.03	.05	.10
Net realized and unrealized gain (loss) on investment transactions	2.16	(.27)	3.25	3.97	(6.27)
Net increase (decrease) in net asset value from operations	2.22	(.24)	3.28	4.02	(6.17)
Less: Dividends and Distributions					
Dividends from net investment income	(.03)	(.03)	(.06)	(.11)	(.07)
Distributions from net realized gain on investment transactions	(.92)	– 0 –	– 0 –	– 0 –	(1.36)
Total dividends and distributions	(.95)	(.03)	(.06)	(.11)	(1.43)
Net asset value, end of period	**$ 17.27**	**$ 16.00**	**$ 16.27**	**$ 13.05**	**$ 9.14**
Total Return					
Total investment return based on net asset value(c)	14.75 %	(1.50)%	25.20 %	44.51 %*	(40.36)%*
Ratios/Supplemental Data					
Net assets, end of period (000's omitted)	$50,852	$38,947	$41,265	$24,411	$12,447
Ratio to average net assets of:					
Expenses, net of waivers/reimbursements	1.22 %	1.10 %	1.10 %(d)	1.10 %	1.10 %
Expenses, before waivers/reimbursements	1.25 %	1.25 %	1.30 %(d)	1.26 %	1.26 %
Net investment income(b)	.39 %	.19 %	.23 %(d)	.50 %	.69 %
Portfolio turnover rate	63 %	72 %	57 %	64 %	48 %

See footnote summary on page 40.

Selected Data For A Share Of Beneficial Interest Outstanding Throughout Each Period

	Class I				
	Year Ended November 30,				
	2012	2011	2010	2009	2008
Net asset value, beginning of period	$ 16.08	$ 16.35	$ 13.11	$ 9.20	$ 16.84
Income From Investment Operations					
Net investment income[(a)(b)]	.12	.08	.07	.08	.13
Net realized and unrealized gain (loss) on investment transactions	2.16	(.27)	3.26	3.98	(6.30)
Net increase (decrease) in net asset value from operations	2.28	(.19)	3.33	4.06	(6.17)
Less: Dividends and Distributions					
Dividends from net investment income	(.08)	(.08)	(.09)	(.15)	(.11)
Distributions from net realized gain on investment transactions	(.92)	– 0 –	– 0 –	– 0 –	(1.36)
Total dividends and distributions	(1.00)	(.08)	(.09)	(.15)	(1.47)
Net asset value, end of period	**$ 17.36**	**$ 16.08**	**$ 16.35**	**$ 13.11**	**$ 9.20**
Total Return					
Total investment return based on net asset value[(c)]	15.09 %	(1.23)%	25.51 %	44.86 %*	(40.20)%*
Ratios/Supplemental Data					
Net assets, end of period (000's omitted)	$159,682	$208,854	$203,784	$117,002	$75,045
Ratio to average net assets of:					
Expenses, net of waivers/reimbursements	.89 %	.85 %	.85 %[(d)]	.85 %	.85 %
Expenses, before waivers/reimbursements	.90 %	.91 %	.96 %[(d)]	.94 %	.92 %
Net investment income[(b)]	.73 %	.45 %	.48 %[(d)]	.78 %	.93 %
Portfolio turnover rate	63 %	72 %	57 %	64 %	48 %

See footnote summary on page 40.

(a) Based on average shares outstanding.

(b) Net of fees and 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. Initial sales charges or contingent deferred sales charges are not reflected in the calculation of total investment return. Total return does not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. Total investment return calculated for a period of less than one year is not annualized.

(d) The ratio includes expenses attributable to costs of proxy solicitation.

(e) Net of fees and expenses waived by Distributor.

(f) Amount is less than $.005.

* *Includes the impact of proceeds received and credited to the Fund resulting from class action settlements, which enhanced the Fund's performance for the years ended November 30, 2009 and November 30, 2008 by 0.01% and 0.01%, respectively.*

See notes to financial statements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees of AllianceBernstein Trust and Shareholders of the AllianceBernstein Discovery Value Fund

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of the AllianceBernstein Discovery Value Fund (formerly AllianceBernstein Small/Mid Cap Value Fund) (one of the funds constituting AllianceBernstein Trust) (the "Fund") as of November 30, 2012, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits 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 and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of November 30, 2012 by correspondence with the custodian and others, or by other appropriate auditing procedures where replies from others were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the AllianceBernstein Discovery Value Fund at November 30, 2012, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

New York, New York
January 25, 2013

2012 FEDERAL TAX INFORMATION

(unaudited)

For Federal income tax purposes, the following information is furnished with respect to the distributions paid by the Fund during the taxable year ended November 30, 2012. For corporate shareholders, 86.70% of dividends paid qualify for the dividends received deduction.

For the taxable year ended November 30, 2012, the Fund designates $14,370,357 as the maximum amount that may be considered qualified dividend income for individual shareholders.

Shareholders should not use the above information to prepare their income tax returns. The information necessary to complete your income tax returns will be included with your Form 1099-DIV which will be sent to you separately in January 2013.

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Custodian and Accounting Agent

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

Principal Underwriter

AllianceBernstein Investments, Inc.
1345 Avenue of the Americas
New York, NY 10105

Legal Counsel

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

Transfer Agent

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

Independent Registered Public Accounting Firm

Ernst & Young LLP
5 Times Square
New York, NY 10036

(1) Member of the Audit Committee, the Governance and Nominating Committee and the Independent Directors Committee. Mr. Foulk is the sole member of the Fair Value Pricing Committee.

(2) The day-to-day management of, and investment decisions for, the Fund's portfolio are made by the Discovery Value Senior Investment Management Team. Messrs. MacGregor, Paul and Weiner 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 FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER RELEVANT QUALIFICATIONS***	PORTFOLIOS IN FUND COMPLEX OVERSEEN BY TRUSTEE	OTHER TRUSTEESHIP HELD BY TRUSTEE IN PAST FIVE YEARS
INTERESTED TRUSTEE			
Robert M. Keith, + 1345 Avenue of the Americas New York, NY 10105 52 (2010)	Senior Vice President of AllianceBernstein L.P. (the "Adviser") and the head of AllianceBernstein Investments, Inc. ("ABI") since July 2008; Director of ABI and President of the AllianceBernstein Mutual Funds. Previously, he served as Executive Managing Director of ABI from December 2006 to June 2008. Prior to joining ABI in 2006, Executive Managing Director of Bernstein Global Wealth Management, and prior thereto, Senior Managing Director and Global Head of Client Service and Sales of the Adviser's institutional investment management business since 2004. Prior thereto, he was Managing Director and Head of North American Client Service and Sales in the Adviser's institutional investment management business, with which he had been associated since prior to 2004.	101	None

NAME, ADDRESS*, AGE (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER RELEVANT QUALIFICATIONS***	PORTFOLIOS IN FUND COMPLEX OVERSEEN BY TRUSTEE	OTHER TRUSTEESHIP HELD BY TRUSTEE IN PAST FIVE YEARS
DISINTERESTED TRUSTEES			
Chairman of the Board William H. Foulk, Jr., #, ++ 80 (2001)	Investment Adviser and an Independent Consultant since prior to 2008. Previously, he was Senior Manager of Barrett Associates, Inc., a registered investment adviser. He was formerly Deputy Comptroller and Chief Investment Officer of the State of New York and, prior thereto, Chief Investment Officer of the New York Bank for Savings. He has served as a director or trustee of various AllianceBernstein Funds since 1983 and has been Chairman of the AllianceBernstein Funds and of the Independent Directors Committee of such Funds since 2003. He is also active in a number of mutual fund related organizations and committees.	101	None
John H. Dobkin, # 70 (2001)	Independent Consultant since prior to 2008. Formerly, President of Save Venice, Inc. (preservation organization) from 2001-2002; Senior Advisor from June 1999-June 2000 and President of Historic Hudson Valley (historic preservation) from December 1989-May 1999. Previously, Director of the National Academy of Design. He has served as a director or trustee of various AllianceBernstein Funds since 1992, and as Chairman of the Audit Committees of a number of such Funds from 2001-2008.	101	None

NAME, ADDRESS*, AGE (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER RELEVANT QUALIFICATIONS***	PORTFOLIOS IN FUND COMPLEX OVERSEEN BY TRUSTEE	OTHER TRUSTEESHIP HELD BY TRUSTEE IN PAST FIVE YEARS
DISINTERESTED TRUSTEES (continued)			
Michael J. Downey, # 69 (2005)	Private Investor since prior to 2008. Formerly, managing partner of Lexington Capital, LLC (investment advisory firm) from December 1997 until December 2003. From 1987 until 1993, Chairman and CEO of Prudential Mutual Fund Management, director of the Prudential mutual funds, and member of the Executive Committee of Prudential Securities Inc. He has served as a director or trustee of the AllianceBernstein Funds since 2005 and is a director of two other registered investment companies (and Chairman of one of them).	101	Asia Pacific Fund, Inc. and The Merger Fund since prior to 2008, and Prospect Acquisition Corp. (financial services) from 2007 until 2009
D. James Guzy, # 76 (2005)	Chairman of the Board of PLX Technology (semi-conductors) and of SRC Computers Inc., with which he has been associated since prior to 2008. He was a director of Intel Corporation (semi-conductors) from 1969 until 2008, and served as Chairman of the Finance Committee of such company for several years until May 2008. He has served as a director or trustee of one or more of the AllianceBernstein Funds since 1982.	101	Cirrus Logic Corporation (semi-conductors), and PLX Technology (semi-conductors) since prior to 2008 and Intel Corporation (semi-conductors) until 2008

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DISINTERESTED TRUSTEES (continued)			
Nancy P. Jacklin, # 64 (2006)	Professorial Lecturer at the Johns Hopkins School of Advanced International Studies since 2008. Formerly, U.S. Executive Director of the International Monetary Fund (December 2002-May 2006); Partner, Clifford Chance (1992-2002); Sector Counsel, International Banking and Finance, and Associate General Counsel, Citicorp (1985-1992); Assistant General Counsel (International), Federal Reserve Board of Governors (1982-1985); and Attorney Advisor, U.S. Department of the Treasury (1973-1982). Member of the Bar of the District of Columbia and of New York; and member of the Council on Foreign Relations. She has served as a director or trustee of the AllianceBernstein Funds since 2006.	101	None

NAME, ADDRESS*, AGE (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER RELEVANT QUALIFICATIONS***	PORTFOLIOS IN FUND COMPLEX OVERSEEN BY TRUSTEE	OTHER TRUSTEESHIP HELD BY TRUSTEE IN PAST FIVE YEARS
DISINTERESTED TRUSTEES (continued)			
Garry L. Moody, # 60 (2008)	Independent Consultant. Formerly, Partner, Deloitte & Touche LLP (1995-2008) where he held a number of senior positions, including Vice Chairman, and U.S. and Global Investment Management Practice Managing Partner; President, Fidelity Accounting and Custody Services Company (1993-1995); and Partner, Ernst & Young LLP (1975-1993), where he served as the National Director of Mutual Fund Tax Services. He is also a member of the Governing Council of the Independent Directors Council (IDC), an organization of independent directors of mutual funds. He has served as a director or trustee, and as Chairman of the Audit Committee, of the AllianceBernstein Funds since 2008.	101	None

NAME, ADDRESS*, AGE (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER RELEVANT QUALIFICATIONS***	PORTFOLIOS IN FUND COMPLEX OVERSEEN BY TRUSTEE	OTHER TRUSTEESHIP HELD BY TRUSTEE IN PAST FIVE YEARS
DISINTERESTED TRUSTEES (continued)			
Marshall C. Turner, Jr., # 71 (2005)	Private Investor since prior to 2008. Interim CEO of MEMC Electronic Materials, Inc. (semi-conductor and solar cell substrates) from November 2008 until March 2009. He was Chairman and CEO of Dupont Photomasks, Inc. (components of semi-conductor manufacturing), 2003-2005, and President and CEO, 2005-2006, after the company was acquired and renamed Toppan Photomasks, Inc. He has extensive experience in venture capital investing including prior service as general partner of three institutional venture capital partnerships, and serves on the boards of a number of education and science-related non-profit organizations. He has served as a director or trustee of one or more of the AllianceBernstein Funds since 1992.	101	Xilinx, Inc. (programmable logic semi-conductors) and MEMC Electronic Materials, Inc. (semi-conductor and solar cell substrates) since prior to 2008
Earl D. Weiner, # 73 (2007)	Of Counsel, and Partner prior to January 2007, of the law firm Sullivan & Cromwell LLP and member of ABA Federal Regulation of Securities Committee Task Force to draft editions of the Fund Director's Guidebook. He also serves as a director or trustee of various non-profit organizations and has served as Chairman or Vice Chairman of a number of them. He has served as a director or trustee of the AllianceBernstein Funds since 2007 and is Chairman of the Governance and Nominating Committees of the Funds.	101	None

* *The address for each of the Fund's disinterested Trustees is c/o AllianceBernstein L.P., Attention: Philip L. Kirstein, 1345 Avenue of the Americas, New York, NY 10105.*

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

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

\+ *Mr. Keith is an "interested trustee" of the Fund, as defined in the 1940 Act, due to his position as a Senior Vice President of the Adviser.*

++ *Member of the Fair Value Pricing Committee.*

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

Officers of the Trust

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

NAME, ADDRESS* AND AGE	PRINCIPAL POSITION(S) HELD WITH FUND	PRINCIPAL OCCUPATION DURING PAST FIVE YEARS
Robert M. Keith 52	President and Chief Executive Officer	See biography above.
Philip L. Kirstein 67	Senior Vice President and Independent Compliance Officer	Senior Vice President and Independent Compliance Officer of the AllianceBernstein Funds, with which he has been associated since October 2004. Prior thereto, he was Of Counsel to Kirkpatrick & Lockhart, LLP from October 2003 to October 2004, and General Counsel of Merrill Lynch Investment Managers, LP since prior March 2003.
Joseph G. Paul 52	Senior Vice President	Senior Vice President of the Adviser**, with which he has been associated since prior to 2008.
James W. MacGregor 45	Vice President	Senior Vice President of the Adviser**, with which he has been associated since prior to 2008.
Andrew J. Weiner 44	Vice President	Senior Vice President of the Adviser**, with which he has been associated since prior to 2008.
Emilie D. Wrapp 57	Secretary	Senior Vice President, Assistant General Counsel and Assistant Secretary of ABI**, with which she has been associated since prior to 2008.
Joseph J. Mantineo 53	Treasurer and Chief Financial Officer	Senior Vice President of AllianceBernstein Investor Services, Inc. ("ABIS")**, with which he has been associated since prior to 2008.
Phyllis J. Clarke 52	Controller	Vice President of ABIS**, with which she 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 Adviser, ABI and ABIS are affiliates of the Fund.*

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

THE FOLLOWING IS NOT PART OF THE SHAREHOLDER REPORT OR THE FINANCIAL STATEMENTS

SUMMARY OF SENIOR OFFICER'S EVALUATION OF INVESTMENT ADVISORY AGREEMENT[1]

The following is a summary of the evaluation of the Investment Advisory Agreement between AllianceBernstein L.P. (the "Adviser") and the AllianceBernstein Trust (the "Trust") in respect of AllianceBernstein Small/Mid Cap Value Fund (the "Fund").[2] The evaluation of the Investment Advisory Agreement was prepared by Philip L. Kirstein, the Senior Officer of the Fund, for the Trustees of the Fund, as required by a September 2004 agreement between the Adviser and the New York State Attorney General (the "NYAG"). The Senior Officer's evaluation of the Investment Advisory Agreement is not meant to diminish the responsibility or authority of the Board of Trustees of the Fund to perform its duties pursuant to Section 15 of the Investment Company Act of 1940 (the "40 Act") and applicable state law. The purpose of the summary is to provide shareholders with a synopsis of the independent evaluation of the reasonableness of the advisory fees proposed to be paid by the Fund which was provided to the Trustees in connection with their review of the proposed approval of the continuance of the Investment Advisory Agreement. The Senior Officer's evaluation considered the following factors:

1. Advisory fees charged to institutional and other clients of the Adviser for like services;
2. Advisory fees charged by other mutual fund companies for like services;
3. Costs to the Adviser and its affiliates of supplying services pursuant to the advisory agreement, excluding any intra-corporate profit;
4. Profit margins of the Adviser and its affiliates from supplying such services;
5. Possible economies of scale as the Fund grows larger; and
6. Nature and quality of the Adviser's services including the performance of the Fund.

These factors, with the exception of the first factor, are generally referred to as the "*Gartenberg* factors," which were articulated by the United States Court of Appeals for the Second Circuit in 1982. *Gartenberg v. Merrill Lynch Asset Management, Inc.*, 694 F. 2d 923 (2d Cir. 1982). The first factor is an additional factor required to be considered by the AoD. On March 30, 2010, the Supreme Court held the *Gartenberg* decision was correct in its basic formulation of what §36(b) requires: to face liability under §36(b), "an investment adviser must charge a fee that is so disproportionately large that it bears no reasonable

1 The information in the fee summary was completed on April 19, 2012 and discussed with the Board of Trustees on May 1-3, 2012.

2 Future references to the Fund do not include "AllianceBernstein." References in the fee summary pertaining to performance and expense ratio rankings refer to the Class A shares of the Fund.

relationship to the services rendered and could not have been the product of arm's length bargaining." *Jones v. Harris Associates L.P.*, 130 S. Ct. 1418 (2010). In the *Jones* decision, the Court stated the *Gartenberg* approach fully incorporates the correct understanding of fiduciary duty within the context of section 36(b) and noted with approval that "*Gartenberg* insists that all relevant circumstances be taken into account" and "uses the range of fees that might result from arm's-length bargaining as the benchmark for reviewing challenged fees."[3]

FUND ADVISORY FEES, NET ASSETS, EXPENSE CAPS & RATIOS

The Adviser proposed that the Fund pay the advisory fee set forth in the table below for receiving the services to be provided pursuant to the Investment Advisory Agreement. The fee schedule below, implemented in January 2004 in consideration of the Adviser's settlement with the NYAG in December 2003, is based on a master schedule that contemplates eight categories of funds with almost all funds in each category having the same advisory fee schedule.[4]

Category	Advisory Fee Based on % of Average Daily Net Assets	Net Assets 3/31/12 ($MIL)	Fund
Specialty	75 bp on 1st $2.5 billion 65 bp on next $2.5 billion 60 bp on the balance	$1,488.9	Small/Mid Cap Value Fund

The Adviser is reimbursed as specified in the Investment Advisory Agreement for certain clerical, legal, accounting, administrative and other services provided to the Fund. During the Fund's most recently completed fiscal year, the Adviser received $21,006 (0.001% of the Fund's average daily net assets) for such services.

The Adviser has agreed to waive that portion of its management fees and/or reimburse the Fund for that portion of its total operating expenses to the degree necessary to limit the Fund's expense ratios to the amounts set forth below for the Fund's fiscal year. The waiver is terminable by the Adviser at the end of the Fund's fiscal year upon at least 60 days written notice prior to the termination date of the undertaking. In addition, set forth below are the gross expense ratios of the Fund for the most recently completed fiscal year:

Fund	Expense Cap Pursuant to Expense Limitation Undertaking		Gross Expense Ratio[5]	Fiscal Year End
Small/Mid Cap Value Fund	Advisor	0.85%	0.97%	November 30
	Class A	1.15%	1.27%	
	Class B	1.85%	2.03%	
	Class C	1.85%	1.99%	
	Class R	1.35%	1.56%	
	Class K	1.10%	1.25%	
	Class I	0.85%	0.91%	

3 Jones v. Harris *at 1427.*

4 *Most of the AllianceBernstein Mutual Funds, which the Adviser manages, were affected by the Adviser's settlement with the NYAG.*

5 *Annualized.*

I. MANAGEMENT FEES CHARGED TO INSTITUTIONAL AND OTHER CLIENTS

The advisory fees charged to investment companies which the Adviser manages and sponsors are normally higher than those charged to similar sized institutional accounts, including pension plans and sub-advised investment companies. The fee differential reflects, among other things, different services provided to such clients, and different liabilities assumed. Services provided by the Adviser to the Fund that are not provided to non-investment company clients and sub-advised investment companies include providing office space and personnel to serve as Fund Officers, who among other responsibilities make the certifications required under the Sarbanes–Oxley Act of 2002, and coordinating with and monitoring the Fund's third party service providers such as Fund counsel, auditors, custodians, transfer agents and pricing services. The accounting, administrative, legal and compliance requirements for the Fund are more costly than those for institutional assets due to the greater complexities and time required for investment companies, although as previously noted, the Adviser is reimbursed for providing such services. Also, retail mutual funds managed by the Adviser are widely held. Servicing the Fund's investors is more time consuming and labor intensive compared to institutional clients since the Adviser needs to communicate with a more extensive network of financial intermediaries and shareholders. The Adviser also believes that it incurs substantial entrepreneurial risk when offering a new mutual fund since establishing a new mutual fund requires a large upfront investment and it may take a long time for the fund to achieve profitability since the fund must be priced to scale from inception in order to be competitive and assets are acquired one account at a time. In addition, managing the cash flow of an investment company may be more difficult than managing that of a stable pool of assets, such as an institutional account with little cash movement in either direction, particularly, if a fund is in net redemption and the Adviser is frequently forced to sell securities to raise cash for redemptions. However, managing a fund with positive cash flow may be easier at times than managing a stable pool of assets. Finally, in recent years, investment advisers have been sued by institutional clients and have suffered reputational damage both by the attendant publicity and outcomes other than complete victories. Accordingly, the legal and reputational risks associated with institutional accounts are greater than previously thought, although still not equal to those related to the mutual fund industry.

Notwithstanding the Adviser's view that managing an investment company is not comparable to managing other institutional accounts because the services provided are different, the Supreme Court has indicated consideration should be given to the advisory fees charged to institutional accounts with a similar investment style as the Fund.[6] In addition to the AllianceBernstein institutional fee schedule, set forth below is what would have been the effective advisory fee of the

6 *The Supreme Court stated that "courts may give such comparisons the weight that they merit in light of the similarities and differences between the services that the clients in question require, but the courts must be wary of inapt comparisons." Among the significant differences the Supreme Court noted that may exist between services provided to mutual funds and institutional accounts are "higher marketing costs."* Jones v. Harris *at 1428.*

Fund had the AllianceBernstein institutional fee schedule been applicable to the Fund versus the Fund's advisory fee based on March 31, 2012 net assets:[7]

Fund	Net Assets 3/31/12 ($MIL)	AllianceBernstein Institutional Fee Schedule	Effective AB Inst. Adv. Fee	Fund Advisory Fee
Small/Mid Cap Value Fund	$1,488.9	Small & Mid Cap Value 95 bp on 1st $25 million 75 bp on next $25 million 65 bp on next $50 million 55 bp on the balance *Minimum Account Size: $25 m*	0.563%	0.750%

The adviser also manages the AllianceBernstein Variable Products Series Fund, Inc. ("AVPS"), which is available through variable annuity and variable life contracts offered by other financial institutions and offers policyholders the option to utilize certain AVPS portfolios as the investment option underlying their insurance contracts. Set forth below is the fee schedule of the AVPS portfolio that has a substantially similar investment style as the Fund.[8] Also shown is the Fund's advisory fee and what would have been the effective advisory fee of the Fund had the AVPS fee schedule been applicable to the Fund:

Fund	AVPS Portfolio	Fee Schedule	Effective AVPS Adv. Fee	Fund Advisory Fee
Small/Mid Cap Value Fund	Small/Mid Cap Value Portfolio	0.75% on first $2.5 billion 0.65% on next $2.5 billion 0.60% on the balance	0.750%	0.750%

The Adviser provides sub-advisory services to certain other investment companies managed by other fund families. The Adviser charges the fees set forth below for the sub-advisory relationships that have a somewhat similar investment style as the Fund. Also shown is the Fund's advisory fee and what would have been the effective advisory fees of the Fund had the fee schedules of the sub-advisory relationships been applicable to the Fund based on March 31, 2012 net assets:

Fund		Fee Schedule	Effective Sub-Adv. Fee	Fund Advisory Fee
Small/Mid Cap Value Fund	Client #1	0.50% on 1st $250 million 0.45% on the balance	0.458%	0.750%
	Client #2	0.95% on 1st $25 million 0.75% on next $25 million 0.65% on next $50 million 0.55% on the balance	0.557%	0.750%
	Client #3	0.61% on 1st $250 million 0.50% on the balance	0.511%	0.750%

7 *The Adviser has indicated that with respect to institutional accounts with assets greater than $300 million, it will negotiate a fee schedule. Discounts that are negotiated vary based upon each client relationship.*

8 *The AVPS portfolio was also affected by the settlement between the Adviser and the NYAG.*

It is fair to note that the services the Adviser provides pursuant to sub-advisory agreements are generally confined to the services related to the investment process; in other words, they are not as comprehensive as the services provided to the Fund by the Adviser.

While it appears that the sub-advisory relationships are paying a lower fee than the Fund, it is difficult to evaluate the relevance of such lower fees due to differences in terms of the services provided, risks involved and other competitive factors between the Fund and sub-advisory relationships. There could be various business reasons why an investment adviser would be willing to provide a sub-advisory relationship investment related services at a different fee level than an investment company it is sponsoring where the investment adviser is providing all the services, not just investment management, generally required by a registered investment company.

II. MANAGEMENT FEES CHARGED BY OTHER MUTUAL FUND COMPANIES FOR LIKE SERVICES.

Lipper, Inc. ("Lipper"), an analytical service that is not affiliated with the Adviser, compared the fees charged to the Portfolio with fees charged to other investment companies for similar services offered by other investment advisers.[9] Lipper's analysis included the comparison of the Portfolio's contractual management fee, estimated at the approximate current asset level of the Portfolio, to the median of the Portfolio's Lipper Expense Group ("EG")[10] and the Portfolio's contractual management fee ranking.[11]

Lipper describes an EG as a representative sample of comparable funds. Lipper's standard methodology for screening funds to be included in an EG entails the consideration of several fund criteria, including fund type, investment classification/objective, load type and similar 12b-1/non-12b-1 service fees, asset (size) comparability, expense components and attributes. An EG will typically consist of seven to twenty funds.

9 *The Supreme Court cautioned against accepting mutual fund fee comparisons without careful scrutiny since "these comparisons are problematic because these fees, like those challenged, may not be the product of negotiations conducted at arm's length."* Jones v. Harris *at 1429.*

10 *Lipper does not consider average account size when constructing EGs. Funds with relatively small average account sizes tend to have higher transfer agent expense ratio than comparable sized funds that have relatively large average account sizes. Note that there are limitations on Lipper expense category data because different funds categorize expenses differently.*

11 *The contractual management fee is calculated by Lipper using the Fund's contractual management fee rate at a hypothetical asset level. The hypothetical asset level is based on the combined net assets of all classes of the Fund, rounded up to the next $25 million. Lipper's total expense ratio information is based on the most recent annual report except as otherwise noted. A ranking of "1" would mean that the Fund had the lowest effective fee rate in the Lipper peer group.*

Fund	Contractual Management Fee (%)[12]	Lipper Exp. Group Median (%)	Rank
Small/Mid Cap Value Fund	0.750	0.791	5/12

Lipper also analyzed the Fund's most recently completed fiscal year total expense ratio in comparison to the Fund's EG and Lipper Expense Universe ("EU"). The EU[13] is a broader group compared to the EG, consisting of all funds that have the same investment classification/objective and load type as the subject Fund.

Fund	Expense Ratio (%)[14]	Lipper Exp. Group Median (%)	Lipper Group Rank	Lipper Exp. Universe Median (%)	Lipper Universe Rank
Small/Mid Cap Value Fund	1.150	1.325	1/12	1.395	1/46

Based on this analysis, the Fund has a more favorable ranking on a total expense ratio basis than on a management fee basis.

III. COSTS TO THE ADVISER AND ITS AFFILIATES OF SUPPLYING SERVICES PURSUANT TO THE MANAGEMENT FEE ARRANGEMENT, EXCLUDING ANY INTRA-CORPORATE PROFIT.

The Adviser utilizes two profitability reporting systems, which operate independently but are aligned with each other, to estimate the Adviser's profitability in connection with investment advisory services provided to the Fund. The Senior Officer has retained a consultant to provide independent advice regarding the alignment of the two profitability systems as well as the methodologies and allocations utilized by both profitability systems. See Section IV for additional discussion.

IV. PROFIT MARGINS OF THE ADVISER AND ITS AFFILIATES FOR SUPPLYING SUCH SERVICES.

The Fund's profitability information, prepared by the Adviser for the Board of Trustees, was reviewed by the Senior Officer and the consultant. The Adviser's profitability from providing investment advisory services to the Fund slightly decreased during calendar year 2011, relative to 2010.

12 *The contractual management fee would not reflect any expense reimbursements made by the Fund to the Adviser for certain clerical, legal, accounting, administrative and other services. In addition, the contractual management fee does not reflect any advisory fee waivers or expense reimbursements for expense caps that would effectively reduce the actual management fee.*

13 *Except for asset (size) comparability, Lipper uses the same criteria for selecting an EG when selecting an EU. Unlike the EG, the EU allows for the same adviser to be represented by more than just one fund.*

14 *Most recently completed fiscal year end Class A total expense ratio.*

In addition to the Adviser's direct profits from managing the Fund, certain of the Adviser's affiliates have business relationships with the Fund and may earn a profit from providing other services to the Fund. The courts have referred to this type of business opportunity as "fall-out benefits" to the Adviser and indicated that such benefits should be factored into the evaluation of the total relationship between the Fund and the Adviser. Neither case law nor common business practice precludes the Adviser's affiliates from earning a reasonable profit on this type of relationship provided the affiliates' charges and services are competitive and the relationship otherwise complies with the 40 Act restrictions. These affiliates provide transfer agent, distribution and brokerage related services to the Fund and receive transfer agent fees, Rule 12b-1 payments, front-end sales loads, contingent deferred sales charges ("CDSC") and brokerage commissions. In addition, the Adviser benefits from soft dollar arrangements which offset expenses the Adviser would otherwise incur.

AllianceBernstein Investments, Inc. ("ABI"), an affiliate of the Adviser, is the Fund's principal underwriter. ABI and the Adviser have disclosed in the Fund's prospectus that they may make revenue sharing payments from their own resources, in addition to resources derived from sales loads and Rule 12b-1 fees, to firms that sell shares of the Fund. In 2011, ABI paid approximately 0.04% of the average monthly assets of the AllianceBernstein Mutual Funds or approximately $17.0 million for distribution services and educational support (revenue sharing payments).

During the Fund's most recently completed fiscal year, ABI received from the Fund $19,601, $4,486,042 and $42,906 in front-end sales charges, Rule 12b-1 and CDSC fees, respectively.

Fees and reimbursements for out of pocket expenses charged by AllianceBernstein Investor Services, Inc. ("ABIS"), the affiliated transfer agent for the Fund, are charged on a per account basis, based on the level of service provided and the class of share held by the account. ABIS also receives a fee per shareholder sub-account for each account maintained by an intermediary on an omnibus basis. During the Fund's most recently completed fiscal year, ABIS received $884,057 in fees from the Fund.[15]

15 *The fees disclosed are net of any expense offsets with ABIS. An expense offset is created by the interest earned on the positive cash balance that occurs within the transfer agent account as there is a one day lag with regards to money movement from the shareholder's account to the transfer agent's account and then the transfer agent's account to the Fund's account. Due to lower average balances and interest rates during the Funds' most recently completed fiscal year, monthly fees exceeded interest credits, resulting in zero expense offsets for the period.*

The Fund did not effect brokerage transactions and pay commissions to the Adviser's affiliate, Sanford C. Bernstein & Co., LLC ("SCB & Co.") nor its U.K. affiliate, Sanford C. Bernstein Limited ("SCB Ltd."), collectively "SCB," during the Fund's most recently completed fiscal year. The Adviser represented that SCB's profitability from any future business conducted in the future with the Fund would be comparable to the profitability of SCB's dealings with other similar third party clients. In the ordinary course of business, SCB receives and pays liquidity rebates from electronic communications networks ("ECNs") derived from trading for its clients. These credits and charges are not being passed onto any SCB client. The Adviser also receives certain soft dollar benefits from brokers that execute agency trades for its clients. These soft dollar benefits reduce the Adviser's cost of doing business and increase its profitability.

V. POSSIBLE ECONOMIES OF SCALE

The Adviser has indicated that economies of scale are being shared with shareholders through fee structures,[16] subsidies and enhancement to services. Based on some of the professional literature that has considered economies of scale in the mutual fund industry, it is thought that to the extent economies of scale exist, they may more often exist across a fund family as opposed to a specific fund. This is because the costs incurred by the Adviser, such as investment research or technology for trading or compliance systems can be spread across a greater asset base as the fund family increases in size. It is also possible that as the level of services required to operate a successful investment company has increased over time, and advisory firms make such investments in their business to provide services, there may be a sharing of economies of scale without a reduction in advisory fees.

An independent consultant, retained by the Senior Officer, provided the Board of Directors information on the Adviser's firm-wide average costs from 2005 through 2011 and potential economies of scale. The independent consultant noted that from 2005 through 2007 the Adviser experienced significant growth in assets under management ("AUM"). During this period, operating expenses increased, in part to keep up with growth, and in part reflecting market returns. However, from 2008 through the first quarter of 2009, AUM rapidly and significantly decreased. Some operating expenses, including base compensation and office space, adjusted more slowly during this period, resulting in an increase in average costs. Since 2009, AUM has moved within a range of $400 to $500 million ending 2011 with an average of $411 million in the fourth quarter. The independent consultant noted that changes in operating expenses reflect changes in business composition and business practices in response to changes in financial markets. Finally, the independent consultant concluded that the increase in average cost and the decline in net operating margin across the company since 2008 are inconsistent with the view that there are currently "economies of scale" to be shared with clients through lower fees.

16 *Fee structures include fee reductions, pricing at scale and breakpoints in advisory fee schedules.*

In February 2008, the independent consultant provided the Board of Directors an update of the Deli[17] study on advisory fees and various fund characteristics.[18] The independent consultant first reiterated the results of his previous two dimensional comparison analysis (fund size and family size) with the Board of Directors.[19] The independent consultant then discussed the results of the regression model that was utilized to study the effects of various factors on advisory fees. The regression model output indicated that the bulk of the variation in fees predicted were explained by various factors, but substantially by fund AUM, family AUM, index fund indicator and investment style. The independent consultant also compared the advisory fees of the AllianceBernstein Mutual Funds to similar funds managed by 19 other large asset managers, regardless of the fund size and each Adviser's proportion of mutual fund assets to non-mutual fund assets.

VI. NATURE AND QUALITY OF THE ADVISER'S SERVICES, INCLUDING THE PERFORMANCE OF THE FUND

With assets under management of approximately $419 billion as of March 31, 2012, the Adviser has the investment experience to manage and provide non-investment services (described in Section I) to the Fund.

The information prepared by Lipper shows the 1, 3, 5 and 10 year performance returns and rankings of the Fund[20] relative to its Lipper Performance Group ("PG") and Lipper Performance Universe ("PU")[21] for the periods ended February 29, 2012.[22]

17 *The Deli study, originally published in 2002 based on 1997 data and updated for the February 2008 Presentation, may be of diminished value due to the age of the data used in the presentation and the changes experienced in the industry over the last four years.*

18 *The Supreme Court cautioned against accepting mutual fund fee comparisons without careful scrutiny since the fees may not be the product of negotiations conducted at arm's length. See* Jones V. Harris *at 1429.*

19 *The two dimensional analysis showed patterns of lower advisory fees for funds with larger asset sizes and funds from larger family sizes compared to funds with smaller asset sizes and funds from smaller family sizes, which according to the independent consultant is indicative of a sharing of economies of scale and scope. However, in less liquid and active markets, such is not the case, as the empirical analysis showed potential for diseconomies of scale in those markets. The empirical analysis also showed diminishing economies of scale and scope as funds surpassed a certain high level of assets.*

20 *The performance rankings are for the Class A shares of the Fund. The Fund's performance returns shown were provided by Lipper.*

21 *The Fund's PG is identical to the Fund's EG. The Fund's PU is not identical to the Fund's EU as the criteria for including/excluding a fund in a PU is somewhat different from that of an EU.*

22 *Lipper investment classification/objective dictates the PG and PU throughout the life of the fund even if a fund had a different investment classification/objective at a different point in time.*

Small/Mid Cap Value Fund	Fund	PG Median	PU Median	PG Rank	PU Rank
1 year	-3.94	-1.27	-0.45	10/12	46/52
3 year	32.45	30.42	30.68	3/12	10/45
5 year	3.14	2.17	1.52	5/12	10/42
10 year	8.31	8.31	7.85	6/11	11/26

Set forth below are the 1, 3, 5, 10 year and since inception performance returns of the Fund (in bold)[23] versus its benchmark.[24] Fund and benchmark volatility and reward-to-variability ratio ("Sharpe Ratio") information is also shown.[25]

Periods Ending February 29, 2012
Annualized Performance

	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)	Annualized Volatility (%)	Annualized Sharpe (%)	Risk Period (Year)
Small/Mid Cap Value Fund	**-3.94**	**32.45**	**3.14**	**8.31**	**9.81**	**24.70**	**0.38**	**10**
Russell 2500 Value Index	-0.80	29.59	0.70	7.83	8.58	20.87	0.37	10
Russell 2500 Index	1.45	31.28	2.79	7.98	8.12	N/A	N/A	N/A

Inception Date: March 29, 2001

CONCLUSION:

Based on the factors discussed above the Senior Officer's conclusion is that the proposed advisory fee for the Fund is reasonable and within the range of what would have been negotiated at arm's-length in light of all the surrounding circumstances. This conclusion in respect of the Fund is based on an evaluation of all of these factors and no single factor was dispositive.

Dated: May 25, 2012

23 *The performance returns and risk measures shown in the table are for the Class A shares of the Fund.*

24 *The Adviser provided Fund and benchmark performance return information for periods through February 29, 2012.*

25 *Fund and benchmark volatility and Sharpe Ratio information was obtained through Lipper LANA, a database maintained by Lipper. Volatility is a statistical measure of the tendency of a market price or yield to vary over time. A Sharpe Ratio is a risk adjusted measure of return that divides a fund's return in excess of the riskless return by the fund's standard deviation. A fund with a greater volatility would be viewed as more risky than a fund with equivalent performance but lower volatility; for that reason, a greater return would be demanded for the more risky fund. A fund with a higher Sharpe Ratio would be viewed as better performing than a fund with a lower Sharpe Ratio.*

THIS PAGE IS NOT PART OF THE SHAREHOLDER REPORT OR THE FINANCIAL STATEMENTS

ALLIANCEBERNSTEIN FAMILY OF FUNDS

Wealth Strategies

Balanced Wealth Strategy
Conservative Wealth Strategy
Wealth Appreciation Strategy
Tax-Managed Balanced Wealth Strategy
Tax-Managed Conservative Wealth Strategy
Tax-Managed Wealth Appreciation Strategy

Asset Allocation/Multi-Asset Funds

Dynamic All Market Fund
Emerging Markets Multi-Asset Portfolio
International Portfolio
Tax-Managed International Portfolio

Growth Funds

Domestic

Discovery Growth Fund**
Growth Fund
Large Cap Growth Fund
Select US Equity Portfolio
Small Cap Growth Portfolio
U.S. Strategic Research Portfolio

Global & International

Global Thematic Growth Fund
International Discovery Equity Portfolio
International Focus 40 Portfolio
International Growth Fund

Value Funds

Domestic

Core Opportunities Fund
Discovery Value Fund**
Equity Income Fund
Growth & Income Fund
Value Fund

Global & International

Emerging Markets Equity Portfolio
Global Real Estate Investment Fund
Global Value Fund
International Value Fund

Taxable Bond Funds

Bond Inflation Strategy
Global Bond Fund
High Income Fund
Intermediate Bond Portfolio
Limited Duration High Income Portfolio
Short Duration Portfolio

Municipal Bond Funds

Arizona Portfolio
California Portfolio
High Income Portfolio
Massachusetts Portfolio
Michigan Portfolio
Minnesota Portfolio
Municipal Bond Inflation Strategy
National Portfolio
New Jersey Portfolio
New York Portfolio
Ohio Portfolio
Pennsylvania Portfolio
Virginia Portfolio

Intermediate Municipal Bond Funds

Intermediate California Portfolio
Intermediate Diversified Portfolio
Intermediate New York Portfolio

Closed-End Funds

Alliance California Municipal Income Fund
Alliance New York Municipal Income Fund
AllianceBernstein Global High Income Fund
AllianceBernstein Income Fund
AllianceBernstein National Municipal Income Fund

Alternatives

Global Risk Allocation Fund**
Market Neutral Strategy-Global
Market Neutral Strategy-U.S.
Real Asset Strategy
Select US Long/Short Portfolio
Unconstrained Bond Fund

Retirement Strategies

2000 Retirement Strategy
2005 Retirement Strategy
2010 Retirement Strategy
2015 Retirement Strategy
2020 Retirement Strategy
2025 Retirement Strategy
2030 Retirement Strategy
2035 Retirement Strategy
2040 Retirement Strategy
2045 Retirement Strategy
2050 Retirement Strategy
2055 Retirement Strategy

We also offer Exchange Reserves,* which serves as the money market fund exchange vehicle for the AllianceBernstein mutual funds.

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

* An investment in the Fund is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the Fund.

** **Prior to October 8, 2012, Global Risk Allocation Fund was named Balanced Shares. Prior to November 1, 2012, Discovery Growth Fund was named Small/Mid Cap Growth Fund and Discovery Value Fund was named Small/Mid Cap Value Fund.**

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ALLIANCEBERNSTEIN DISCOVERY VALUE FUND
1345 Avenue of the Americas
New York, NY 10105
800.221.5672

AllianceBernstein

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