AllianceBernstein Select US Equity Portfolio

Annual Report

June 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.

August 22, 2012

Annual Report

This report provides management's discussion of fund performance for AllianceBernstein Select US Equity Portfolio (the "Fund") for the period since the Fund's inception, December 8, 2011, through June 30, 2012.

Investment Objective and Policies

The Fund's investment objective is long-term growth of capital. Under normal circumstances, the Fund invests at least 80% of its net assets in equity securities of U.S. companies. For purposes of this requirement, equity securities include common stock, preferred stock and derivatives related to common and preferred stocks. AllianceBernstein L.P. (the "Adviser") selects investments for the Fund through an intensive "bottom-up" approach that places an emphasis on companies that are engaged in business activities with solid long-term growth potential and high barriers to entry, that have strong cash flows and other financial metrics, and that have transparent financial statements and business models. The Adviser also evaluates the quality of company management based on a series of criteria, including: (1) management's focus on shareholder returns, such as through a demonstrated commitment to dividends and dividend growth, share buybacks or other shareholder-friendly corporate actions; (2) management's employment of conservative accounting methodologies; (3) management incentives, such as direct equity ownership; and (4) management accessibility.

The Adviser seeks to identify companies where events or catalysts may drive the company's share price higher, such as earnings and/or revenue growth above consensus forecasts, potential market recognition of undervaluation or overstated market-risk discount, or the institution of shareholder-focused changes discussed in the preceding sentence. In light of this catalyst-focused approach, the Adviser expects to engage in active and frequent trading for the Fund. The Adviser may reduce or eliminate the Fund's holdings in a company's securities for a number of reasons, including if its evaluation of the above factors changes adversely, if the anticipated events or catalysts do not occur or do not affect the price of the securities as expected, or if the anticipated events or catalysts do occur and cause the securities to be, in the Adviser's view, overvalued or fully valued. At any given time the Fund may emphasize growth stocks over value stocks, or vice versa.

The Fund's investments will be focused on securities of companies with large and medium market capitalizations, but it may also invest in securities of small-capitalization companies. The Adviser anticipates that the Fund's portfolio normally will include between 25-75 companies. The Fund may invest in non-U.S. companies, but will limit its investments in such companies to no more than 10% of its net assets. The Fund may purchase securities in initial public offerings and expects to do so on a regular basis.

Investment Results

The table on page 4 shows the Fund's performance compared to its benchmark, the Standard & Poor's

("S&P") 500 Index. For the six-month period ended June 30, 2012, and from its inception on December 8, 2011 through June 30, 2012, the Fund underperformed its benchmark, before sales charges.

During the six-month period ended June 30, 2012, security selection detracted, but sector selection helped offset some of the underperformance. Stock selection in the cyclicals sector—consumer discretionary, industrials and materials—detracted most. An underweight in the energy sector, as well as overweights in consumer discretionary and telecom, benefitted performance.

The Fund utilized derivatives, including total return swaps for non-hedging purposes, which detracted from performance for both periods; and purchased options for hedging purposes, which also detracted from performance for both periods. The Fund did not utilize leverage.

Market Review and Investment Strategy

The beginning of the six-month period ended June 30, 2012 saw a bull market, with corrections driven by investors' concerns about economic growth. The investment community was watching three factors that combined to cause a pullback: the European sovereign debt and bank crisis, the slowdown in China, and the potential "fiscal cliff" in the U.S. Most recently, the second quarter of 2012 was challenging and volatile. Concerns over a euro-area breakup continued to loom and affected regions globally. From the April peak to the early June trough, the benchmark declined 9.94%. The underlying damage to equities during the same period, as measured by the Value Line Arithmetic Index, was greater. The S&P 500 ended the six-month period up 9.49%.

The Select US Equity Portfolio Management Team (the "Team") takes a shorter-term view as it adjusts the Fund's exposures to navigate changing market environments. Repositioning of the Fund in response to extreme market volatility during the period contributed, in part, to the Fund's high portfolio turnover rate. The Team applies a non-dogmatic approach: positions and strategies that are not behaving as expected are quickly adjusted as needed. This dynamic process is rooted in the Team's disciplined fundamental analysis of stocks. The Team optimizes the Fund's structure using macro insights.

DISCLOSURES AND RISKS

Benchmark Disclosure

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

A Word About Risk

Market Risk: The value of the Fund's assets will fluctuate as the stock, bond or currency markets fluctuate. The value of the Fund's investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.

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

Diversification Risk: The Fund may have more risk because it is "non-diversified," meaning that it can invest more of its assets in a smaller number of issuers. Accordingly, changes in the value of a single security may have a more significant effect, either negative or positive, on the Fund's net asset value ("NAV").

Active Trading Risk: The Fund expects to engage in active and frequent trading of its portfolio securities and its portfolio turnover rate may greatly exceed 100%. A higher rate of portfolio turnover increases transaction costs, which may negatively affect the Fund's return. In addition, a high rate of portfolio turnover may result in substantial short-term gains, which may have adverse tax consequences for Fund shareholders.

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, 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. The Fund has been in operation only for a short period of time, and therefore has a very limited historical performance period. This limited performance period is unlikely to be representative of the performance the Fund will achieve over a longer period.

All fees and expenses related to the operation of the Fund have been deducted. 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; 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 BENCHMARK PERIODS ENDED JUNE 30, 2012	NAV Returns 6 Months	Since Inception*
AllianceBernstein Select US Equity Portfolio		
Class A	8.69%	11.30%
Class C	8.30%	10.90%
Advisor Class†	8.78%	11.50%
Class R†	8.44%	11.12%
Class K†	8.64%	11.33%
Class I†	8.83%	11.56%
S&P 500 Index	9.49%	11.69%

* *Inception date: 12/08/2011.*

† *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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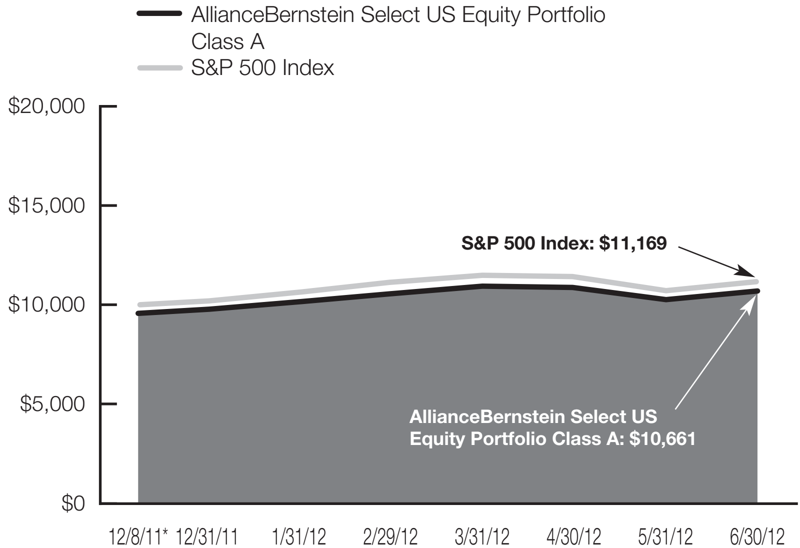
GROWTH OF A $10,000 INVESTMENT IN THE FUND
12/08/11* TO 6/30/12



This chart illustrates the total value of an assumed $10,000 investment in AllianceBernstein Select US Equity Portfolio (from 12/08/11 to 6/30/12) as compared to the performance of its benchmark. 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.

* *Inception date: 12/08/2011.*

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

(Historical Performance continued on next page)

HISTORICAL PERFORMANCE

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RETURNS AS OF JUNE 30, 2012 (UNANNUALIZED)

	NAV Returns	SEC Returns
Class A Shares		
Six Months	8.69%	4.12%
Since Inception*	11.30%	6.61%
Class C Shares		
Six Months	8.30%	7.30%
Since Inception*	10.90%	9.90%
Advisor Class Shares†		
Six Months	8.78%	8.78%
Since Inception*	11.50%	11.50%
Class R Shares†		
Six Months	8.44%	8.44%
Since Inception*	11.12%	11.12%
Class K Shares†		
Six Months	8.64%	8.64%
Since Inception*	11.33%	11.33%
Class I Shares†		
Six Months	8.83%	8.83%
Since Inception*	11.56%	11.56%

The Fund's current prospectus fee table shows the Fund's total annual operating expense ratios as 1.86%, 2.58%, 1.56%, 2.25%, 1.94% and 1.61% for Class A, Class C, Advisor Class, Class R, Class K and Class I shares, respectively, gross of any fee waivers or expense reimbursements. Contractual fee waivers and/or expense reimbursements limit the Fund's annual operating expense ratios exclusive of interest expense to 1.60%, 2.30%, 1.30%, 1.80%, 1.55% and 1.30% for Class A, Class C, Advisor Class, Class R, Class K and Class I shares, respectively. These waivers/reimbursements extend through December 8, 2014. Absent reimbursements or waivers, performance would have been lower. The Financial Highlights section of this report sets forth expense ratio data for the current reporting period; the expense ratios shown above may differ from the expense ratios in the Financial Highlights section since they are based on estimates.

† *These share classes are offered 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 date for Class R, Class K, and Class I shares is listed below.*

* *Inception date: 12/08/2011.*

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

(Historical Performance continued on next page)

HISTORICAL PERFORMANCE

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SEC RETURNS (UNANNUALIZED; WITH ANY APPLICABLE SALES CHARGES) AS OF THE MOST RECENT CALENDAR QUARTER-END (JUNE 30, 2012)

	SEC Returns
Class A Shares	
Six Months	4.12%
Since Inception*	6.61%
Class C Shares	
Six Months	7.30%
Since Inception*	9.90%
Advisor Class Shares†	
Six Months	8.78%
Since Inception*	11.50%
Class R Shares†	
Six Months	8.44%
Since Inception*	11.12%
Class K Shares†	
Six Months	8.64%
Since Inception*	11.33%
Class I Shares†	
Six Months	8.83%
Since Inception*	11.56%

† *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 date for Class R, Class K, and Class I shares is listed below.*

* *Inception date: 12/08/2011.*

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 January 1, 2012	Ending Account Value June 30, 2012	Expenses Paid During Period*	Annualized Expense Ratio*
Class A				
Actual	$ 1,000	$ 1,086.90	$ 8.30	1.60%
Hypothetical**	$ 1,000	$ 1,016.91	$ 8.02	1.60%
Class C				
Actual	$ 1,000	$ 1,083.00	$ 11.91	2.30%
Hypothetical**	$ 1,000	$ 1,013.43	$ 11.51	2.30%
Advisor Class				
Actual	$ 1,000	$ 1,087.80	$ 6.75	1.30%
Hypothetical**	$ 1,000	$ 1,018.40	$ 6.52	1.30%
Class R				
Actual	$ 1,000	$ 1,084.40	$ 9.33	1.80%
Hypothetical**	$ 1,000	$ 1,015.91	$ 9.02	1.80%
Class K				
Actual	$ 1,000	$ 1,086.40	$ 8.04	1.55%
Hypothetical**	$ 1,000	$ 1,017.16	$ 7.77	1.55%
Class I				
Actual	$ 1,000	$ 1,088.30	$ 6.75	1.30%
Hypothetical**	$ 1,000	$ 1,018.40	$ 6.52	1.30%

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

** *Assumes 5% return before expenses.*

PORTFOLIO SUMMARY

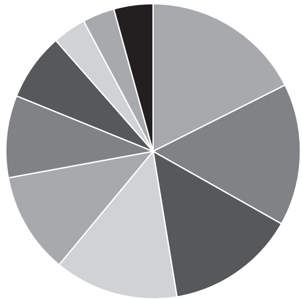
June 30, 2012 (unaudited)

PORTFOLIO STATISTICS
Net Assets ($mil): $19.2

SECTOR BREAKDOWN*

- 17.6% Consumer Discretionary
- 15.6% Consumer Staples
- 14.2% Information Technology
- 13.6% Financials
- 11.1% Industrials
- 9.0% Healthcare
- 7.4% Energy
- 3.7% Telecommunication Services
- 3.5% Utilities

- 4.3% Short-Term



TEN LARGEST HOLDINGS**

June 30, 2012 (unaudited)

Company	U.S. $ Value	Percent of Net Assets
Johnson & Johnson	$ 706,002	3.7%
US Bancorp	560,356	2.9
Apple, Inc.	548,960	2.9
Exxon Mobil Corp.	548,675	2.8
Pfizer, Inc.	537,303	2.8
Chevron Corp.	533,092	2.8
Berkshire Hathaway, Inc.	526,312	2.7
News Corp. – Class A	514,564	2.7
General Electric Co.	501,785	2.6
Time Warner, Inc.	485,831	2.5
	$ 5,462,880	28.4%

* *All data are as of June 30, 2012. The Fund's sector type breakdown is expressed as a percentage of total investments 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
June 30, 2012

Company	Shares	U.S. $ Value
COMMON STOCKS – 94.9%		
Consumer Discretionary – 17.5%		
Hotels, Restaurants & Leisure – 0.7%		
Starwood Hotels & Resorts Worldwide, Inc.	2,523	$ 133,820
Internet & Catalog Retail – 0.9%		
priceline.com, Inc.[(a)]	278	184,737
Media – 12.7%		
CBS Corp. – Class B	7,014	229,919
Comcast Corp. – Class A	13,539	432,842
Liberty Media Corp. – Liberty Capital[(a)]	1,981	174,150
News Corp. – Class A	23,085	514,564
Time Warner, Inc.	12,619	485,831
Viacom, Inc.	2,566	130,815
Walt Disney Co. (The)	9,664	468,704
		2,436,825
Multiline Retail – 0.6%		
Kohl's Corp.	2,538	115,454
Specialty Retail – 2.0%		
Home Depot, Inc. (The)	7,245	383,912
Textiles, Apparel & Luxury Goods – 0.6%		
PVH Corp.	1,393	108,361
		3,363,109
Consumer Staples – 15.4%		
Beverages – 3.9%		
Coca-Cola Co. (The)	4,680	365,929
PepsiCo, Inc.	5,487	387,712
		753,641
Food & Staples Retailing – 2.2%		
Wal-Mart Stores, Inc.	6,024	419,993
Food Products – 5.7%		
ConAgra Foods, Inc.	14,060	364,576
General Mills, Inc.	5,749	221,566
Hershey Co. (The)	1,748	125,908
Kraft Foods, Inc. – Class A	9,964	384,810
		1,096,860
Tobacco – 3.6%		
Altria Group, Inc.	12,397	428,316
Philip Morris International, Inc.	3,086	269,285
		697,601
		2,968,095
Information Technology – 14.1%		
Communications Equipment – 1.7%		
Cisco Systems, Inc.	18,961	325,560

Company	Shares	U.S. $ Value
Computers & Peripherals – 2.9%		
Apple, Inc.(a)	940	$ 548,960
Internet Software & Services – 2.0%		
eBay, Inc.(a)	3,727	156,571
Google, Inc. – Class A(a)	397	230,288
		386,859
IT Services – 3.6%		
International Business Machines Corp.	1,448	283,200
Visa, Inc. – Class A	3,337	412,553
		695,753
Semiconductors & Semiconductor Equipment – 2.0%		
Intel Corp.	6,318	168,375
KLA-Tencor Corp.	4,513	222,265
		390,640
Software – 1.9%		
Microsoft Corp.	10,878	332,758
ServiceNow, Inc.(a)	984	24,207
		356,965
		2,704,737
Financials – 13.5%		
Capital Markets – 1.0%		
Goldman Sachs Group, Inc. (The)	2,058	197,280
Commercial Banks – 5.4%		
US Bancorp	17,424	560,356
Wells Fargo & Co.	14,455	483,375
		1,043,731
Consumer Finance – 1.4%		
American Express Co.	4,677	272,248
Diversified Financial Services – 1.9%		
Citigroup, Inc.	3,655	100,184
JPMorgan Chase & Co.	7,214	257,756
		357,940
Insurance – 2.8%		
Berkshire Hathaway, Inc.(a)	6,316	526,312
Real Estate Investment Trusts (REITs) – 1.0%		
American Tower Corp.	2,836	198,265
		2,595,776
Industrials – 11.0%		
Aerospace & Defense – 2.9%		
Boeing Co. (The)	4,324	321,273
United Technologies Corp.	3,050	230,367
		551,640

Company	Shares	U.S. $ Value
Air Freight & Logistics – 1.7%		
FedEx Corp.	3,683	$ 337,400
Industrial Conglomerates – 2.6%		
General Electric Co.	24,078	501,785
Machinery – 1.7%		
Caterpillar, Inc.	1,619	137,469
Eaton Corp.	4,649	184,240
		321,709
Road & Rail – 2.1%		
Union Pacific Corp.	3,405	406,251
		2,118,785
Health Care – 8.9%		
Health Care Providers & Services – 1.6%		
Express Scripts Holding Co.(a)	3,592	200,541
UnitedHealth Group, Inc.	1,726	100,971
		301,512
Pharmaceuticals – 7.3%		
Johnson & Johnson	10,450	706,002
Pfizer, Inc.	23,361	537,303
Watson Pharmaceuticals, Inc.(a)	2,187	161,816
		1,405,121
		1,706,633
Energy – 7.4%		
Energy Equipment & Services – 1.0%		
National Oilwell Varco, Inc.	2,862	184,427
Oil, Gas & Consumable Fuels – 6.4%		
Chevron Corp.	5,053	533,092
EOG Resources, Inc.	1,666	150,123
Exxon Mobil Corp.	6,412	548,675
		1,231,890
		1,416,317
Telecommunication Services – 3.7%		
Diversified Telecommunication Services – 2.1%		
Verizon Communications, Inc.	8,951	397,783
Wireless Telecommunication Services – 1.6%		
Crown Castle International Corp.(a)	2,232	130,929
SBA Communications Corp. – Class A(a)	3,045	173,717
		304,646
		702,429
Utilities – 3.4%		
Electric Utilities – 1.7%		
Southern Co. (The)	7,084	327,989

Company	Shares	U.S. $ Value
Multi-Utilities – 1.7%		
DTE Energy Co.	5,561	$ 329,934
		657,923
Total Common Stocks (cost $17,150,493)		18,233,804
SHORT-TERM INVESTMENTS – 4.3%		
Investment Companies – 4.3%		
AllianceBernstein Fixed-Income Shares, Inc. – Government STIF Portfolio, 0.14%(b) (cost $818,144)	818,144	818,144
Total Investments – 99.2% (cost $17,968,637)		19,051,948
Other assets less liabilities – 0.8%		151,444
Net Assets – 100.0%		**$ 19,203,392**

(a) Non-income producing security.

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

See notes to financial statements.

STATEMENT OF ASSETS & LIABILITIES

June 30, 2012

Assets	
Investments in securities, at value	
Unaffiliated issuers (cost $17,150,493)	$ 18,233,804
Affiliated issuers (cost $818,144)	818,144
Receivable for investment securities sold	1,053,604
Receivable for capital stock sold	1,000,082
Unamortized offering expense	87,806
Receivable from Adviser	75,965
Dividends and interest receivable	29,820
Total assets	21,299,225
Liabilities	
Payable for investment securities purchased	1,985,693
Offering expenses payable	3,804
Transfer Agent fee payable	3,088
Distribution fee payable	155
Accrued expenses and other liabilities	103,093
Total liabilities	2,095,833
Net Assets	**$ 19,203,392**
Composition of Net Assets	
Capital stock, at par	$ 3,455
Additional paid-in capital	18,444,747
Undistributed net investment income	27,582
Accumulated net realized loss on investment transactions and swap contracts	(355,703)
Net unrealized appreciation of investments	1,083,311
	$ 19,203,392

Net Asset Value Per Share—18 billion shares of capital stock authorized, $.002 par value

Class	Net Assets	Shares Outstanding	Net Asset Value
A	$ 182,455	16,390	$ 11.13*
C	$ 18,440	1,663	$ 11.09
Advisor	$ 8,222,093	737,170	$ 11.15
R	$ 11,119	1,006	$ 11.05
K	$ 481,046	43,452	$ 11.07
I	$ 10,288,239	928,032	$ 11.09

* *The maximum offering price per share for Class A shares was $11.62, which reflects a sales charge 4.25%.*

See notes to financial statements.

STATEMENT OF OPERATIONS

For the Period December 8, 2011[(a)] to June 30, 2012

Investment Income		
Dividends		
Unaffiliated issuers (net of foreign taxes withheld of $24)	$ 100,707	
Affiliated issuers	422	$ 101,129
Expenses		
Advisory fee (see Note B)	50,768	
Distribution fee—Class A	115	
Distribution fee—Class C	81	
Distribution fee—Class R	30	
Distribution fee—Class K	246	
Transfer agency—Class A	1,509	
Transfer agency—Class C	1,101	
Transfer agency—Advisor Class	4,685	
Transfer agency—Class R	4	
Transfer agency—Class K	49	
Transfer agency—Class I	813	
Amortization of offering expenses	112,340	
Custodian	96,250	
Administrative	54,565	
Audit	31,548	
Legal	28,085	
Registration fees	15,020	
Printing	8,204	
Directors' fees	4,905	
Miscellaneous	15,370	
Total expenses	425,688	
Less: expenses waived and reimbursed by the Adviser (see Note B)	(359,218)	
Net expenses		66,470
Net investment income		34,659
Realized and Unrealized Gain (Loss) on Investment Transactions		
Net realized loss on:		
Investment transactions		(350,633)
Swap contracts		(6,137)
Net change in unrealized appreciation/depreciation of:		
Investments		1,083,311
Net gain on investment transactions		726,541
Net Increase in Net Assets from Operations		**$ 761,200**

(a) Commencement of operations.

See notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

	December 8, 2011[a] to June 30, 2012
Increase (Decrease) in Net Assets from Operations	
Net investment income	$ 34,659
Net realized loss on investment transactions	(356,770)
Net change in unrealized appreciation/depreciation of investments	1,083,311
Net increase in net assets from operations	761,200
Dividends to Shareholders from	
Net investment income	
Class R	(57)
Class K	(58)
Class I	(13,817)
Capital Stock Transactions	
Net increase	18,456,124
Total increase	19,203,392
Net Assets	
Beginning of period	– 0 –
End of period (including undistributed net investment income of $27,582)	**$ 19,203,392**

(a) Commencement of operations.

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A
Significant Accounting Policies

AllianceBernstein Cap Fund, Inc. (the "Company"), which is a Maryland corporation, is registered under the Investment Company Act of 1940 as an open-end management investment company. The Company operates as a series company currently comprised of nine portfolios: AllianceBernstein U.S. Strategic Research Portfolio, AllianceBernstein Small Cap Growth Portfolio, AllianceBernstein Market Neutral Strategy—U.S., AllianceBernstein Market Neutral Strategy—Global, AllianceBernstein International Discovery Equity Portfolio, AllianceBernstein International Focus 40 Portfolio, AllianceBernstein Emerging Markets Multi-Asset Portfolio, AllianceBernstein Select US Equity Portfolio and AllianceBernstein Dynamic All Market Portfolio (the "Portfolios"). The AllianceBernstein U.S. Strategic Research Portfolio, AllianceBernstein Small Cap Growth Portfolio, AllianceBernstein Market Neutral Strategy—U.S., AllianceBernstein Market Neutral Strategy—Global and AllianceBernstein International Discovery Equity Portfolio are each diversified Portfolios. Each of the other Portfolios is non-diversified. AllianceBernstein Market Neutral Strategy—U.S. and AllianceBernstein Market Neutral Strategy—Global commenced operations on August 3, 2010. AllianceBernstein International Discovery Equity Portfolio commenced operations on October 26, 2010. AllianceBernstein International Focus 40 Portfolio commenced operations on July 6, 2011. AllianceBernstein Emerging Markets Multi-Asset Portfolio commenced operations on August 31, 2011. AllianceBernstein Dynamic All Market Portfolio commenced operations on December 16, 2011. Each Portfolio is considered to be a separate entity for financial reporting and tax purposes. This report relates only to the AllianceBernstein Select US Equity Portfolio (the "Fund"). The Fund commenced operations on December 8, 2011. The Fund offers Class A, Class C, Advisor Class, Class R, Class K and Class I shares. As of June 30, 2012, AllianceBernstein L.P. (the "Adviser") was the sole shareholder of Class R. 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 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 six 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 Company's Board of Directors.

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 market ("OTC") 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, 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 foreign markets gives rise to the possibility that significant events, including broad market moves, may have occurred between the close of the foreign markets and the time at which the Fund values its securities which may materially affect the value of securities trading in such markets. 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. The U.S. GAAP disclosure requirements establish a framework for measuring fair value, and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's own assumptions 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)

The following table summarizes the valuation of the Fund's investments by the above fair value hierarchy levels as of June 30, 2012:

Investments in Securities	Level 1	Level 2	Level 3	Total
Assets:				
Common Stock*	$ 18,233,804	$ – 0 –	$ – 0 –	$ 18,233,804
Short-Term Investments	818,144	– 0 –	– 0 –	818,144
Total Investments in Securities	19,051,948	– 0 –	– 0 –	19,051,948
Other Financial Instruments**	– 0 –	– 0 –	– 0 –	– 0 –
Total^	**$ 19,051,948**	**$ – 0 –**	**$ – 0 –**	**$ 19,051,948**

* *See Portfolio of Investments for sector classifications.*

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

^ *There were de minimis transfers under 1% of net assets between Level 1 and Level 2 during the reporting period.*

3. Currency Translation

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

Net realized gain or loss on foreign currency transactions represents foreign exchange gains and losses from sales and maturities of foreign fixed income investments, 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 and 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 the current tax year 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 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 settled 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 Company are charged to each Portfolio in proportion to each Portfolio's respective net assets. Realized and unrealized gains and losses are allocated among the various share classes based on their 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.

8. Offering Expenses

Offering expenses of $200,146 have been deferred and are being amortized on a straight line basis over a one year period.

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 1.00% of the Fund's average daily net assets. The fee is accrued daily and paid monthly.

The Adviser has agreed to waive its fees and bear certain expenses to the extent necessary to limit total operating expenses on an annual basis to 1.60%, 2.30%, 1.30%, 1.80%, 1.55%, and 1.30% of the daily average net assets for the Class A, Class C, Advisor Class, Class R, Class K and Class I shares, respectively. Under the agreement, fees waived and expenses borne by the Adviser are subject to repayment by the Fund until December 8, 2014. No repayment will be made that would cause the Fund's total annualized operating expenses to exceed the net fee percentage set forth above or would exceed the amount of offering expenses as recorded on or before December 8, 2012. This fee waiver and/or expense reimbursement agreement may not be terminated before December 8, 2014. For the period ended June 30, 2012, reimbursements amounted to $304,653, which is subject to repayment, not to exceed the amount of offering expenses.

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 period ended June 30, 2012, the Adviser voluntarily waived fees for these services in the amount of $54,565.

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. The compensation retained by ABIS amounted to $6,324 for the period ended June 30, 2012.

AllianceBernstein Investments, Inc. (the "Distributor"), is 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 $96 from the sale of Class A shares and received $0 in contingent deferred sales charges imposed upon redemption by shareholders of Class C shares for the period ended June 30, 2012.

The Fund may invest in the AllianceBernstein Fixed-Income Shares, Inc.—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 period ended June 30, 2012 is as follows:

Market Value December 8, 2011[(a)] (000)	Purchases at Cost (000)	Sales Proceeds (000)	Market Value June 30, 2012 (000)	Dividend Income (000)
$ –0–	$ 13,645	$ 12,827	$ 818	$ –0–*

(a) *Commencement of operations.*

* *Amount is less than $500.*

Brokerage commissions paid on investment transactions for the period ended June 30, 2012 amounted to $32,150, of which $0 and $0 was paid to Sanford C. Bernstein & Co. LLC and Sanford C. Bernstein Limited, respectively, 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 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 Advisor Class and Class I shares. The fees are accrued daily and paid monthly. 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 operation, the Distributor has incurred expenses in excess of the distribution costs reimbursed by the Fund in the amounts of $459, $377 and $226 for 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 period 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 period ended June 30, 2012, were as follows:

	Purchases	Sales
Investment securities (excluding U.S. government securities)	$ 42,744,839	$ 25,244,835
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	$ 18,448,203
Gross unrealized appreciation	$ 1,110,438
Gross unrealized depreciation	(506,693)
Net unrealized appreciation	$ 603,745

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 purpose"), or to hedge or adjust the risk profile of its portfolio.

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

- **Option Transactions**

  For hedging and investment purposes, the Fund may purchase and write (sell) put and call options on U.S. and foreign securities, including government securities, and foreign currencies that are traded on U.S. and foreign securities exchanges and over-the-counter markets. Among other things, the Fund may use options transactions for non-hedging purposes as a means of making investments in foreign currencies, as described below under "Currency Transactions" and may use options strategies involving the purchase and/or writing of various combinations of call and/or put options, for hedging and investment purposes.

The risk associated with purchasing an option is that the Fund pays a premium whether or not the option is exercised. Additionally, the Fund bears the risk of loss of the premium and change in market value should the counterparty not perform under the contract. Put and call options purchased are accounted for in the same manner as portfolio securities. The cost of securities acquired through the exercise of call options is increased by premiums paid. The proceeds from securities sold through the exercise of put options are decreased by the premiums paid.

When the Fund writes an option, the premium received by the Fund is recorded as a liability and is subsequently adjusted to the current market value of the option written. Premiums received from written options which expire unexercised are recorded by the Fund on the expiration date as realized gains from options written. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium received is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium received is added to the proceeds from the sale of the underlying security or currency in determining whether the Fund has realized a gain or loss. If a put option is exercised, the premium received reduces the cost basis of the security or currency purchased by the Fund. In writing an option, the Fund bears the market risk of an unfavorable change in the price of the security or currency underlying the written option. Exercise of an option written by the Fund could result in the Fund selling or buying a security or currency at a price different from the current market value.

During the period ended June 30, 2012, the Fund held purchased options for hedging purposes.

• Swap Agreements

The Fund may enter into swaps to hedge its exposure to interest rates, credit risk, or currencies. The Fund may also enter into swaps for non-hedging purposes as a means of gaining market exposures including by making investments in foreign currencies, as described below under "Currency Transactions" or in order to take a "long" or "short" position with respect to an underlying referenced asset described below under "Total Return Swaps". A swap is an agreement that obligates two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified amount of an underlying asset. The payment flows are usually netted against each other, with the difference being paid by one party to the other. In addition, collateral may be pledged or received by the Fund in accordance with the terms of the respective swap agreements to provide value and recourse to the Fund or its counterparties in the event of default, bankruptcy or insolvency by one of the parties to the swap agreement.

Risks may arise as a result of the failure of the counterparty to the swap contract to comply with the terms of the swap contract. The loss incurred by the failure of a counterparty is generally limited to the net interim payment to be received by the Fund, and/or the termination value at the end of the contract. Therefore, the Fund considers the creditworthiness of each counterparty to a swap contract in evaluating potential counterparty risk. This risk is mitigated by having a netting arrangement between the Fund and the counterparty and by the posting of collateral by the counterparty to the Fund to cover the Fund's exposure to the counterparty. Additionally, risks may arise from unanticipated movements in interest rates or in the value of the underlying securities. The Fund accrues for the interim payments on swap contracts on a daily basis, with the net amount recorded within unrealized appreciation/depreciation of swap contracts on the statement of assets and liabilities, where applicable. Once the interim payments are settled in cash, the net amount is recorded as realized gain/(loss) on swaps on the statement of operations, in addition to any realized gain/(loss) recorded upon the termination of swap contracts. Fluctuations in the value of swap contracts are recorded as a component of net change in unrealized appreciation/depreciation of swap contracts on the statement of operations.

Total Return Swaps:
The Fund may enter into total return swaps in order take a "long" or "short" position with respect to an underlying referenced asset. The Fund is subject to market price volatility of the underlying referenced asset. A total return swap involves commitments to pay interest in exchange for a market linked return based on a notional amount. To the extent that the total return of the security, group of securities or index underlying the transaction exceeds or falls short of the offsetting interest obligation, the Fund will receive a payment from or make a payment to the counterparty.

During the period ended June 30, 2012, the Fund held total return swaps for non-hedging purposes.

The effect of derivative instruments on the statement of operations for the period ended June 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 loss on swap contracts; Net change in unrealized appreciation/ depreciation of swap contracts	$ (6,137)	$ – 0 –
Equity contracts	Net realized loss on investment transactions; Net change in unrealized appreciation/ depreciation of investment transactions	(1,123)	– 0 –
Total		$ (7,260)	$ – 0 –

For three months of the period, the average monthly notional amount of the total return swap contracts was $77,556. For one month of the period, the average monthly cost of purchased equity options contracts was $781.

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
Capital Stock

Each class consists of 3,000,000,000 authorized shares. Transactions in capital shares for each class were as follows:

	Shares	Amount
	December 8, 2011[(a)] to June 30, 2012	December 8, 2011[(a)] to June 30, 2012
Class A		
Shares sold	16,390	$ 183,131
Net increase	**16,390**	**$ 183,131**
Class C		
Shares sold	1,663	$ 17,502
Net increase	**1,663**	**$ 17,502**
Advisor Class		
Shares sold	737,183	$ 7,896,148
Shares redeemed	(13)	(145)
Net increase	**737,170**	**$ 7,896,003**
Class R		
Shares sold	1,000	$ 10,002
Shares issued in reinvestment of dividends	6	57
Net increase	**1,006**	**$ 10,059**
Class K		
Shares sold	43,446	$ 488,344
Shares issued in reinvestment of dividends	6	58
Net increase	**43,452**	**$ 488,402**
Class I		
Shares sold	926,668	$ 9,847,210
Shares issued in reinvestment of dividends	1,364	13,817
Net increase	**928,032**	**$ 9,861,027**

(a) *Commencement of operations.*

NOTE F
Risks Involved in Investing in the Fund

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

Diversification Risk—The Fund may have more risk because it is "non-diversified," meaning that it can invest more of its assets in a smaller number of issuers. Accordingly, changes in the value of a single security may have a more significant effect, either negative or positive, on the Fund's net asset value, or NAV.

Active Trading Risk—The Fund expects to engage in active and frequent trading of its portfolio securities and its portfolio turnover rate may greatly exceed 100%. A higher rate of portfolio turnover increases transaction costs, which may negatively affect the Fund's return. In addition, a high rate of portfolio turnover may result in substantial short-term gains, which may have adverse tax consequences for Fund shareholders.

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 G
Distributions to Shareholders

The tax character of distributions paid during the period ended June 30, 2012 were as follows:

	2012
Distributions paid from:	
Ordinary income	$ 13,932
Total distributions paid	$ 13,932

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

Undistributed ordinary income	$155,910
Unrealized appreciation/(depreciation)	603,745[(a)]
Total accumulated earnings/(deficit)	$759,655[(b)]

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

(b) *The difference between book-basis and tax-basis components of accumulated earnings/(deficit) is attributable primarily to the amortization of offering costs.*

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. 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 June 30, 2012, the Fund did not have any capital loss carryforwards.

During the fiscal period, permanent differences primarily due to the tax treatment of offering costs and the tax treatment of swap income resulted in a net increase in undistributed net investment income, a net decrease in accumulated net realized loss on investment transactions and swap contracts, and a net decrease in additional paid-in capital. These reclassifications had no effect on net assets.

NOTE H
Recent Accounting Pronouncement

In December 2011, the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update ("ASU") related to disclosures about offsetting assets and liabilities in financial statements. The amendments in this update require an entity to disclose both gross and net information for derivatives and other financial instruments that are either offset in the statement of assets and liabilities or subject to an enforceable master netting arrangement or similar agreement. 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 I
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 Capital Stock Outstanding Throughout Each Period

	Class A December 8, 2011[a] to June 30, 2012
Net asset value, beginning of period	$ 10.00
Income From Investment Operations	
Net investment income[b][c]	.02
Net realized and unrealized gain on investment and foreign currency transactions	1.11
Net increase in net asset value from operations	1.13
Net asset value, end of period	**$ 11.13**
Total Return	
Total investment return based on net asset value[d]	11.30%
Ratios/Supplemental Data	
Net assets, end of period (000's omitted)	$182
Ratio to average net assets of:	
Expenses, net of waivers/reimbursements[e]	1.60%
Expenses, before waivers/reimbursements[e]	12.00%
Net investment income[e]	.36%
Portfolio turnover rate	269%

See footnote summary on page 35

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

	Class C
	December 8, 2011[(a)] to June 30, 2012
Net asset value, beginning of period	$ 10.00
Income From Investment Operations	
Net investment loss[(b)(c)]	(.03)
Net realized and unrealized gain on investment and foreign currency transactions	1.12
Net increase in net asset value from operations	1.09
Net asset value, end of period	**$ 11.09**
Total Return	
Total investment return based on net asset value[(d)]	10.90 %
Ratios/Supplemental Data	
Net assets, end of period (000's omitted)	$18
Ratio to average net assets of:	
Expenses, net of waivers/reimbursements[(e)]	2.30 %
Expenses, before waivers/reimbursements[(e)]	23.45 %
Net investment loss[(e)]	(.48)%
Portfolio turnover rate	269%

See footnote summary on page 35

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

	Advisor Class December 8, 2011[a] to June 30, 2012
Net asset value, beginning of period	$ 10.00
Income From Investment Operations	
Net investment income[b][c]	.07
Net realized and unrealized gain on investment and foreign currency transactions	1.08
Net increase in net asset value from operations	1.15
Net asset value, end of period	**$ 11.15**
Total Return	
Total investment return based on net asset value[d]	11.50%
Ratios/Supplemental Data	
Net assets, end of period (000's omitted)	$8,222
Ratio to average net assets of:	
Expenses, net of waivers/reimbursements[e]	1.30%
Expenses, before waivers/reimbursements[e]	8.77%
Net investment income[e]	1.21%
Portfolio turnover rate	269%

See footnote summary on page 35

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

	Class R December 8, 2011[a] to June 30, 2012
Net asset value, beginning of period	$ 10.00
Income From Investment Operations	
Net investment loss[b][c][f]	(.00)
Net realized and unrealized gain on investment and foreign currency transactions	1.11
Net increase in net asset value from operations	1.11
Less: Dividends	
Dividends from net investment income	(.06)
Net asset value, end of period	**$ 11.05**
Total Return	
Total investment return based on net asset value[d]	11.12 %
Ratios/Supplemental Data	
Net assets, end of period (000's omitted)	$11
Ratio to average net assets of:	
Expenses, net of waivers/reimbursements[e]	1.80 %
Expenses, before waivers/reimbursements[e]	10.09 %
Net investment loss[e][g]	(.00)%
Portfolio turnover rate	269 %

See footnote summary on page 35

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

	Class K December 8, 2011[a] to June 30, 2012
Net asset value, beginning of period	$ 10.00
Income From Investment Operations	
Net investment income[b][c]	.03
Net realized and unrealized gain on investment and foreign currency transactions	1.10
Net increase in net asset value from operations	1.13
Less: Dividends	
Dividends from net investment income	(.06)
Net asset value, end of period	**$ 11.07**
Total Return	
Total investment return based on net asset value[d]	11.33 %
Ratios/Supplemental Data	
Net assets, end of period (000's omitted)	$481
Ratio to average net assets of:	
Expenses, net of waivers/reimbursements[e]	1.55 %
Expenses, before waivers/reimbursements[e]	7.75 %
Net investment income[e]	.51 %
Portfolio turnover rate	269 %

See footnote summary on page 35.

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

	Class I December 8, 2011[a] to June 30, 2012
Net asset value, beginning of period	$ 10.00
Income From Investment Operations	
Net investment income[b][c]	.04
Net realized and unrealized gain on investment and foreign currency transactions	1.11
Net increase in net asset value from operations	1.15
Less: Dividends	
Dividends from net investment income	(.06)
Net asset value, end of period	**$ 11.09**
Total Return	
Total investment return based on net asset value[d]	11.56 %
Ratios/Supplemental Data	
Net assets, end of period (000's omitted)	$10,288
Ratio to average net assets of:	
Expenses, net of waivers/reimbursements[e]	1.30 %
Expenses, before waivers/reimbursements[e]	8.25 %
Net investment income[e]	.58 %
Portfolio turnover rate	269 %

(a) Commencement of operations.

(b) Based on average shares outstanding.

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

(d) 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.

(e) Annualized.

(f) Amount less than $0.005.

(g) Amount less than 0.005%.

See notes to financial statements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors of AllianceBernstein Cap Fund, Inc. and Shareholders of AllianceBernstein Select US Equity Portfolio

We have audited the accompanying statement of assets and liabilities of AllianceBernstein Select US Equity Portfolio (one of the portfolios constituting the AllianceBernstein Cap Fund, Inc.) (the "Fund"), including the portfolio of investments, as of June 30, 2012, and the related statement of operations, statement of changes in net assets and the financial highlights for the period December 8, 2011 (commencement of operations) to June 30, 2012. 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 audit.

We conducted our audit 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 audit 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 June 30, 2012, by correspondence with the custodian and brokers. We believe that our audit provides 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 AllianceBernstein Select US Equity Portfolio of AllianceBernstein Cap Fund, Inc. at June 30, 2012, and the results of its operations, the changes in its net assets and the financial highlights for the period December 8, 2011 (commencement of operations) to June 30, 2012, in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

New York, New York
August 28, 2012

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 period ended June 30, 2012. For corporate shareholders, 58.27% of dividends paid qualify for the dividends received deduction.

For the taxable period ended June 30, 2012, the Fund designates $100,119 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.

BOARD OF DIRECTORS

William H. Foulk, Jr.[1], *Chairman*
John H. Dobkin[1]
Michael J. Downey[1]
D. James Guzy[1]
Nancy P. Jacklin[1]
Robert M. Keith, *President and Chief Executive Officer*
Garry L. Moody[1]
Marshall C. Turner, Jr.[1]
Earl D. Weiner[1]

OFFICERS

Philip L. Kirstein, *Senior Vice President and Independent Compliance Officer*
Kurt A. Feuerman[2]**,** *Vice President*
Emilie D. Wrapp, *Secretary*
Joseph J. Mantineo, *Treasurer and Chief Financial Officer*
Phyllis J. Clarke, *Controller*

Custodian and Accounting Agent
Brown Brothers Harriman & Co.
40 Water Street
Boston, MA 02109

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

Independent Registered Public Accounting Firm
Ernst & Young LLP
5 Times Square
New York, NY 10036

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

(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) *Mr. Kurt A. Feuerman is the investment professional primarily responsible for the day-to-day management of, and investment decisions for, the Fund's portfolio.*

MANAGEMENT OF THE FUND

Board of Directors Information

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

NAME, ADDRESS,* AGE AND (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER RELEVANT QUALIFICATIONS***	PORTFOLIOS IN FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER DIRECTORSHIPS HELD BY DIRECTOR IN THE PAST FIVE YEARS
INTERESTED DIRECTOR			
Robert M. Keith, + 1345 Avenue of the Americas New York, NY 10105 52 (2011)	Senior Vice President of AllianceBernstein L.P. (the "Adviser") and 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.	98	None

NAME, ADDRESS,* AGE AND (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER RELEVANT QUALIFICATIONS***	PORTFOLIOS IN FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER DIRECTORSHIPS HELD BY DIRECTOR IN THE PAST FIVE YEARS
DISINTERESTED DIRECTORS			
Chairman of the Board William H. Foulk, Jr., #, ## 79 (2011)	Investment Adviser and an Independent Consultant since prior to 2007. 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.	98	None
John H. Dobkin, # 70 (2011)	Independent Consultant since prior to 2007. 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.	98	None

NAME, ADDRESS,* AGE AND (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER RELEVANT QUALIFICATIONS***	PORTFOLIOS IN FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER DIRECTORSHIPS HELD BY DIRECTOR IN THE PAST FIVE YEARS
DISINTERESTED DIRECTORS (continued)			
Michael J. Downey, # 68 (2011)	Private Investor since prior to 2007. 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).	98	Asia Pacific Fund, Inc. and The Merger Fund since prior to 2007 and Prospect Acquisition Corp. (financial services) from 2007 until 2009
D. James Guzy, # 76 (2011)	Chairman of the Board of PLX Technology (semi-conductors) and of SRC Computers Inc., with which he has been associated since prior to 2007. 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.	98	Cirrus Logic Corporation (semi-conductors) and PLX Technology, (semi-conductors) since prior to 2007 and Intel Corporation (semi-conductors) since prior to 2007 until 2008

NAME, ADDRESS,* AGE AND (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER RELEVANT QUALIFICATIONS***	PORTFOLIOS IN FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER DIRECTORSHIPS HELD BY DIRECTOR IN THE PAST FIVE YEARS
DISINTERESTED DIRECTORS (continued)			
Nancy P. Jacklin, # 64 (2011)	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 New York; and member of the Council on Foreign Relations. She has served as a director or trustee of the AllianceBernstein Funds since 2006.	98	None

NAME, ADDRESS,* AGE AND (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER RELEVANT QUALIFICATIONS***	PORTFOLIOS IN FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER DIRECTORSHIPS HELD BY DIRECTOR IN THE PAST FIVE YEARS
DISINTERESTED DIRECTORS (continued)			
Garry L. Moody, # 60 (2011)	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.	98	None

NAME, ADDRESS,* AGE AND (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER RELEVANT QUALIFICATIONS***	PORTFOLIOS IN FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER DIRECTORSHIPS HELD BY DIRECTOR IN THE PAST FIVE YEARS
DISINTERESTED DIRECTORS (continued)			
Marshall C. Turner, Jr., # 70 (2011)	Private Investor since prior to 2007. 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.	98	Xilinx, Inc. (programmable logic semi-conductors) and MEMC Electronic Materials, Inc. (semi-conductor and solar cell substrates) since prior to 2007
Earl D. Weiner, # 73 (2011)	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 has served as director or trustee of the AllianceBernstein Funds since 2007 and is Chairman of the Governance and Nominating Committees of the Funds.	98	None

* *The address for each of the Fund's disinterested Directors 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 Directors.*

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

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

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

\#\# *Member of the Fair Value Pricing Committee.*

Officer Information

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

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, L.P., since prior to March 2003.
Kurt A. Feuerman 56	Vice President	Senior Vice President of the Adviser**, with which he has been associated since June 2011. Prior to joining the firm in June 2011, he was a senior managing director and senior trader with Caxton Associates beginning prior to 2007.
Emilie D. Wrapp 56	Secretary	Senior Vice President, Assistant General Counsel and Assistant Secretary of ABI**, with which she has been associated since prior to 2007.
Joseph J. Mantineo 53	Treasurer and Chief Financial Officer	Senior Vice President of AllianceBernstein Investor Services ("ABIS")**, with which he has been associated since prior to 2007.
Phyllis J. Clarke, 51	Controller	Vice President of ABIS**, with which she has been associated since prior to 2007.

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

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

The Fund's Statement of Additional Information ("SAI") has additional information about the Fund's Directors and Officers and is available without charge upon request. Contact your financial representative or 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 Cap Fund, Inc. (the "Fund"), in respect of AllianceBernstein Select US Equity Portfolio (the "Portfolio"),[2] prepared by Philip L. Kirstein, the Senior Officer of the Fund for the Directors of the Fund, as required by the August 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 Directors 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 Portfolio which was provided to the Directors in connection with their review of the proposed initial approval of the Investment Advisory Agreement.

The investment objective of the Portfolio is long-term growth of capital. Under normal circumstances, at least 80% of the Portfolio's net assets will be invested in equity securities of U.S. companies. The Portfolio's investments will be focused on securities of companies with medium and large market capitalizations, although it will be permitted to invest in exchange-traded, small-cap companies. Under normal circumstances, the Portfolio's holdings will include between 25-75 companies and investments in non-U.S. companies will be limited to a maximum of 10% of the Portfolio's net assets. The Portfolio may purchase securities in initial public offerings and may engage in relatively frequent trading. The Portfolio may also utilize derivatives, including swaps, and invest a portion of its assets in shares of ETFs. The Adviser proposed the S&P 500 Index to be the primary benchmark for the Portfolio. The Adviser expects Lipper to place the Portfolio in its Large Cap Core category and Morningstar to place Portfolio in its Large Cap Blend category.

The Senior Officer's evaluation considered the following factors:

1. Advisory fees charged to institutional and other clients of the Adviser for like services;

1 *It should be noted that the information in the fee evaluation was completed on September 8, 2011 and discussed with the Board of Directors on September 21, 2011.*

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

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 Portfolio grows larger; and
6. Nature and quality of the Adviser's services including the performance of the Portfolio.

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). 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 relationship to the services rendered and could not have been the product of arm's length bargaining" *Jones v. Harris Associates L.P.,* 130 U.S. 1418 (2010). In *Jones*, 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."

ADVISORY FEES, NET ASSETS, & EXPENSE RATIOS

The Adviser proposed that the Portfolio pays the advisory fee set forth below for receiving the services to be provided pursuant to the Investment Advisory Agreement.

Advisory Fee Schedule Based on the Average Daily Net Assets of the Portfolio	Portfolio
100 bp (flat)	Select US Equity Portfolio

In addition to paying the advisory fee, the Investment Advisory Agreement provides for the Adviser to be reimbursed for providing administrative and accounting services.

The Portfolio's Expense Limitation Agreement calls for the Adviser to establish expense caps, set forth below, through the Portfolio's first three years of operations. During the three year expense limitation period, the Adviser may be able to recoup all or a portion of the Portfolio's offering expenses to the extent that the reimbursement does not cause the expense ratios of the Portfolio's share classes to exceed the expense caps and the aggregate reimbursements do not exceed the offering expenses. The Adviser's ability to recoup offering expenses will terminate with the agreement.

Portfolio	Expense Cap Pursuant to Expense Limitation Undertaking		Estimated Gross Expense Ratio[3]	Fiscal Year End
Select US Equity Portfolio[4]	Advisor	1.30%	1.58%	June 30
	Class A	1.60%	1.88%	
	Class C	2.30%	2.58%	
	Class R	1.80%	2.08%	
	Class K	1.55%	1.83%	
	Class I	1.30%	1.58%	
	Class1	1.55%	1.83%	
	Class2	0.90%	1.18%	

I. ADVISORY 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 to be provided by the Adviser to the Portfolio 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 Portfolio'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 Portfolio will be more costly than those for institutional assets due to the greater complexities and time required for investment companies, although the Adviser will be reimbursed for providing some of these services. Also, retail mutual funds managed by the Adviser are widely held. Servicing the Portfolio's investors will be 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

3 *The expense ratios shown are based on an initial estimate of each Portfolio's net assets at \$100 million.*

4 *Excludes fees and expenses of ETFs.*

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 Portfolio.[5] However, with respect to the Portfolio, the Adviser represented that there is no category in the Form ADV for institutional products that has a substantially similar investment style as the Portfolio.

The Adviser manages the AllianceBernstein Mutual Funds ("ABMF"). The NYAG related advisory fee schedules of the AllianceBernstein Mutual Funds are based on a master schedule that contemplates eight categories of funds with almost all funds in each category having the same advisory fee schedule. Set forth below is the category advisory fee schedule applicable to the Portfolio and the effective fee of the Portfolio had the category fee schedule been applicable to the Portfolio versus the Portfolio's advisory fee based on an initial estimate of the Portfolio's net assets at $100 million:

Portfolio	ABMF Category	ABMF Fee Schedule	ABMF Effective Fee (%)	Portfolio Advisory Fee (%)
Select US Equity Portfolio	Blend	65 bp on 1st $2.5 billion 55 bp on next $2.5 billion 50 bp on the balance	0.650	1.000

The Adviser manages a Delaware limited liability company, AllianceBernstein Select Equity LLC ("Select Equity LLC"), and a British Virgin Islands entity, AllianceBernstein Select Equity LP ("Select Equity LP"), that each serve as a feeder to the same master fund. These private funds have a substantially similar investment strategy as the Portfolio.

5 *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.*

Portfolio	Private Funds	Advisory Fee Schedule	Private Funds Effective Fee (%)
Select US Equity Portfolio	Select Equity LLC/ Select Equity LP	Advisory fee for shareholders investing less than $50M: 1.50%	1.500
		Advisory fee for shareholders investing at least $50M: 1.00%	1.000

The Adviser manages and sponsors retail mutual funds, which are organized in jurisdictions outside the United States, generally Luxembourg and Japan, and sold to non-United States resident investors. The Adviser is in the process of establishing a Luxembourg fund, which will have a substantially similar investment strategy as the Portfolio. Set forth below is the advisory fee contemplated for the Luxembourg fund:

Portfolio	Luxembourg Fund	Fee (%)[6]
Select US Equity Portfolio	Select Equity UCITs Class A	1.800 (includes distribution costs)

The Adviser has represented that it does not sub-advise any registered investment companies with a substantially similar investment style as the Portfolio.

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.[7] Lipper's analysis included the comparison of the Portfolio's contractual management fee to the median of the Portfolio's Lipper Expense Group ("EG")[8] at an initial estimate of the Portfolio's net assets at $100 million.[9]

6 *The distribution cost for the Class A shares of a Luxembourg fund managed by the Adviser is generally 0.80%.*

7 *The Supreme Court cautioned against accepting mutual fund fee comparisons without careful scrutiny since "[t]hese 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.*

8 *Lipper does not consider average account size when constructing EGs. As the Directors are aware, funds with relatively small average account sizes tend to have a higher transfer agent expense ratio than comparable sized funds that have relatively large average account sizes.*

9 *The contractual management fee is calculated by Lipper using the Portfolio'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 Portfolio, 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 Portfolio had the lowest effective fee rate in the Lipper peer group.*

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.

Portfolio	Contractual Management Fee (%)[10]	Lipper Exp. Group Median (%)	Rank
Select US Equity Portfolio	1.000	0.779	14/16

Lipper also compared the Portfolio's total expense ratio to the medians of the Portfolio's EG and Lipper Expense Universe ("EU"). The EU is as a broader group compared to the EG, consisting of all funds that have the same investment classification/objective and load type as the subject Portfolio.[11]

Portfolio	Expense Ratio (%)[12]	Lipper Exp. Group Median (%)	Lipper Group Rank	Lipper Exp. Universe Median (%)	Lipper Universe Rank
Select US Equity Portfolio	1.600	1.300	15/16	1.207	139/154

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

10 *The contractual management fee does not reflect any expense reimbursements made by the Portfolio 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 for expense caps.*

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

12 *Projected total expense ratio information, based on an initial net asset estimate of $100 million, pertains to the Portfolio's Class A shares.*

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

The Portfolio has not yet commenced operations. Therefore, there is no historic profitability data with respect to the Adviser's investment services to the Portfolio.

In addition to the Adviser's direct profits from managing the Portfolio, certain of the Adviser's affiliates have business relationships with the Portfolio and may earn a profit from providing other services to the Portfolio. 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 Portfolio 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 will provide transfer agent, distribution and brokerage related services to the Portfolio and will receive transfer agent fees, Rule 12b-1 payments, front-end sales loads, contingent deferred sales charges ("CDSC") and brokerage commissions. In addition, the Adviser will benefit 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 Portfolio'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 Portfolio. In 2010, ABI paid approximately 0.04% of the average monthly assets of the AllianceBernstein Mutual Funds or approximately $13.8 million for distribution services and educational support (revenue sharing payments).

Fees and reimbursements for out of pocket expenses to be charged by AllianceBernstein Investor Services, Inc. ("ABIS"), the affiliated transfer agent for the Portfolio, are based on the level of the network account and the class of shares held by the account. ABIS also receives a fee per shareholder sub-account for each account maintained by an intermediary on an omnibus basis.

After the Portfolio commences operations, it may effect brokerage transactions through the Adviser's affiliate, Sanford C. Bernstein & Co., LLC ("SCB & Co.") and/or its U.K. affiliate, Sanford C. Bernstein Limited ("SCB Ltd."), collectively "SCB," and pay commissions for such transactions. The Adviser represented that SCB's profitability from business conducted in the future with the Portfolio will 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,[13] 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.

In February 2008, an independent consultant, retained by the Senior Officer, provided the Board of Directors an update of the Deli[14] study on advisory fees and various fund characteristics.[15] The independent consultant first reiterated the results of his previous two dimensional comparison analysis (fund size and family size) with the Board of Directors.[16] 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.

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

14 *The Deli study was originally published in 2002 based on 1997 data.*

15 *As mentioned previously, 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.*

16 *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.*

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

With assets under management of approximately $456 billion as of July 31, 2011, the Adviser has the investment experience to manage and provide non-investment services (described in Section I) to the Portfolio.

Since the Portfolio has not yet commenced operations, the Portfolio has no performance history.

CONCLUSION:

Based on the factors discussed above, the Senior Officer recommended that the Directors consider asking the Adviser to reduce the proposed advisory fee, add breakpoints to the Portfolio's advisory fee schedule, and address the Portfolio's high total expenses. This conclusion in respect of the Portfolio is based on an evaluation of all of these factors and no single factor was dispositive.

Dated: October 17, 2011

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

ALLIANCEBERNSTEIN FAMILY OF FUNDS

Wealth Strategies Funds

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

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

Growth Funds

Domestic

Growth Fund
Large Cap Growth Fund
Select US Equity Portfolio
Small Cap Growth Portfolio
Small/Mid Cap Growth Fund
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
Equity Income Fund
Growth & Income Fund
Small/Mid Cap Value Fund
Value Fund

Global & International

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
Unconstrained Bond Fund

Municipal Bond Funds

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

Intermediate Municipal Bond Funds

Intermediate California
Intermediate Diversified
Intermediate New York

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

Market Neutral Strategy-Global
Market Neutral Strategy-U.S.

Balanced

Balanced Shares

Retirement Strategies Funds

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.**

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