AllianceBernstein Real Asset Strategy

Semi-Annual Report

April 30, 2013

SEMI-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.

June 10, 2013

Semi-Annual Report

This report provides management's discussion of fund performance for AllianceBernstein Real Asset Strategy (the "Strategy") for the semi-annual reporting period ended April 30, 2013.

Investment Objective and Policies

The Strategy's investment objective is to maximize real return. Real return is the rate of return after adjusting for inflation.

The Strategy pursues an aggressive investment strategy involving a variety of asset classes. The Strategy invests primarily in instruments that AllianceBernstein L.P. (the "Adviser") expects to outperform broad equity indices during periods of rising inflation. Under normal circumstances, the Strategy expects to invest its assets principally in the following instruments that, in the judgment of the Adviser, are affected directly or indirectly by the level and change in the rate of inflation: inflation-protected fixed-income securities, such as Treasury Inflation-Protected Securities ("TIPS") and similar bonds issued by governments outside of the U.S., commodities, equity securities, such as commodity-related stocks, real estate securities, utility securities, infrastructure-related securities, securities and derivatives linked to the price of other assets (such as commodities, stock indices and real estate) and currencies. The Strategy expects its investments in fixed-income securities to have a broad range of maturities and quality levels.

The Strategy will seek inflation protection from investments around the globe, both in developed and emerging market countries. In selecting securities for purchase and sale, the Adviser will utilize its qualitative and quantitative resources to determine overall inflation sensitivity, asset allocation, and security selection. The Adviser assesses the securities' risks and inflation sensitivity as well as the securities' impact on the overall risks and inflation sensitivity of the Strategy. When its analysis indicates that changes are necessary, the Adviser intends to implement them through a combination of changes to underlying positions and the use of inflation swaps and other types of derivatives, such as interest rate swaps. The Strategy anticipates that its investments, other than its investments in inflation-protected securities, will focus roughly equally on commodity-related equity securities, commodities and commodity derivatives, and real estate equity securities to provide a balance between expected return and inflation protection. Its commodities investments will include significant exposure to energy commodities, but will also include agricultural products, and industrial and precious metals, such as gold. The Strategy's investments in real estate equity securities will include real estate investment trusts ("REITs"), other real estate-related securities, and infrastructure-related securities.

The Strategy will invest in both U.S. and non-U.S. dollar-denominated equity or fixed-income securities. The Strategy may invest in currencies for hedging or for investment purposes, both in the spot market and through long or short positions in currency-related derivatives. The Strategy does not ordinarily expect to hedge its foreign currency exposure because it will be balanced by investments in U.S. dollar-denominated securities although it may hedge the exposure under certain circumstances. The Strategy may invest significantly, to the extent permitted by applicable law, in derivatives such as options, futures, forwards, swaps or structured notes. The Strategy intends to use leverage for investment purposes through the use of cash made available by derivatives transactions to make other investments in accordance with its investment policies. In determining when and to what extent to employ leverage or enter into derivatives transactions, the Adviser will consider factors such as the relative risks and returns expected of potential investments and the cost of such transactions. The Adviser will consider the impact of derivatives in making its assessments of the Strategy's risks. The resulting exposures to markets, sectors, issuers or specific securities will be continuously monitored by the Adviser.

The Strategy may seek to gain exposure to physical commodities traded in the commodities markets through investments in a variety of derivative instruments, including investments in commodity index-linked notes. The Adviser expects that the Strategy will seek to gain exposure to commodities and commodities-related instruments and derivatives primarily through investments in AllianceBernstein Cayman Inflation Strategy, Ltd., a wholly-owned subsidiary of the Strategy organized under the laws of the Cayman Islands (the "Subsidiary"). The Subsidiary is advised by the Adviser and has the same investment objective and substantially similar investment policies and restrictions as the Strategy except that the Subsidiary, unlike the Strategy, may invest, without limitation, in commodities and commodities-related instruments. The Strategy will be subject to the risks associated with the commodities, derivatives and other instruments in which the Subsidiary invests, to the extent of its investment in the Subsidiary. The Strategy limits its investment in the Subsidiary to no more than 25% of its net assets. Investment in the Subsidiary is expected to provide the Strategy with commodity exposure within the limitations of federal tax requirements that apply to the Strategy. The Strategy is "non-diversified", which means that it may concentrate its assets in a smaller number of issuers than a diversified fund.

Investment Results

The table on page 7 shows the Strategy's performance compared to its benchmark, the Morgan Stanley Capital International All Country ("MSCI AC") World Commodity Producers Index (net), for the six- and 12-month periods ended April 30, 2013.

For both periods, all share classes of the Strategy posted positive returns and outperformed the benchmark, before sales charges. During the six-month period, outperformance was driven primarily by a strategic exposure to real estate equities, partially offset by the Strategy's strategic allocation to commodity futures, which contributed negatively to performance. Within the Strategy's natural resources equities allocation, active management contributed positively. The Strategy also benefited from active security and sector selection decisions within the real estate allocation. Within the commodity futures allocation, negative contributions from security selection were offset by positive returns from yield curve management and sector selection decisions. Positive contributions from "top-down" collateral management strategies were offset by asset allocation and risk management decisions, resulting in a negative contribution to relative performance from top-down active management over the period.

For the 12-month period, relative performance was driven primarily by the Strategy's strategic allocation to real estate equities. Active management within both the natural resource equities and real estate allocations also contributed positively to performance, while security selection decisions within commodity futures detracted modestly from performance. Within the commodity futures allocation, value was added by the Strategy's yield curve positioning and sector selection decisions (exposure to commodity futures was obtained via commodity index swaps, commodity futures, and options on commodity futures). The Strategy's "top-down" active decisions, including asset allocation and risk management strategies, detracted from performance over the period.

The Strategy utilized derivatives including interest rate swaps, inflation swaps and total return swaps, all for investment purposes, which had an immaterial impact on performance during both the six- and 12-month periods; purchased and written options for hedging purposes, which detracted for both periods; futures for hedging and investment purposes, which detracted for both periods; and forwards for hedging and investment purposes as part of its currency management strategies, which added to performance over the six-month period and detracted over the 12-month period.

Market Review and Investment Strategy

Through the second quarter of 2012, global commodity prices declined virtually across the board, as markets appeared to price in the belief that China's long-term growth rate may be reaching a plateau even as concerns of a near-term hard landing abated. Corresponding fears about overcapacity among commodity producers hit natural resource equities even harder, while real estate stocks were mostly able to buck the trend as investors continued to bid up assets with comparatively higher yields in an environment of record low interest rates. Throughout this timeframe, the Real Asset Strategy Team (the "Team") targeted a roughly neutral risk profile (aside from the purchase of some modest downside put protection against an extreme market selloff), incrementally increasing the Strategy's overweight to natural resource equities, while simultaneously reducing exposure to real estate equities and, to a lesser degree, commodity futures. In the Team's view, valuations and sentiment around natural resource equities had become unduly depressed, in effect pricing in an excessively pessimistic outlook for global growth and liquidity prospects.

As risk markets generally rallied through the third quarter of 2012, the Team modestly increased the Strategy's overweight to natural resource equities while further adding to the underweight in real estate, where valuations appeared stretched in the Team's view, particularly in U.S. commercial real estate. At the same time, as implied volatilities in the market declined to near post-2008 financial crisis lows, the Team tactically decreased the Strategy's overall risk profile modestly. By early December, however, as signs emerged that the macro "risk on/risk off" environment so prevalent since the global credit crisis appeared to be normalizing, the Team again increased the Strategy's risk exposure while maintaining exposure to protective put options on the S&P 500 Index and the Dow Jones-UBS Commodity Index to partially hedge downside risks. During the first quarter of 2013, the Team further reduced exposure to global real estate and increased exposure to natural resource equities, primarily based on valuation considerations.

DISCLOSURES AND RISKS

Benchmark Disclosure

The unmanaged MSCI AC World Commodity Producers Index (net) does not reflect fees and expenses associated with the active management of a mutual fund portfolio. The MSCI AC World Commodity Producers Index is a free float-adjusted, market capitalization index designed to track the performance of global listed commodity producers, including emerging markets. Net returns include the reinvestment of dividends after deduction of non-U.S. withholding tax. MSCI makes no express or implied warranties or representations, and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices, any securities or financial products. This report is not approved, reviewed or produced by MSCI. An investor cannot invest directly in an index, and its results are not indicative of the performance for any specific investment, including the Strategy.

A Word About Risk

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

Credit Risk: An issuer or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default, causing a loss of the full principal amount of a security. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect the value of the security. Investments in fixed-income securities with lower ratings tend to have a higher probability that an issuer will default or fail to meet its payment obligations.

Interest Rate Risk: Changes in interest rates will affect the value of investments in fixed-income securities. When interest rates rise, the value of investments in fixed-income securities tends to fall and this decrease in value may not be offset by higher income from new investments. Interest rate risk is generally greater for fixed-income securities with longer maturities or durations.

Commodity Risk: Investing in commodities and commodity-linked derivative instruments, either directly or through the Subsidiary, may subject the Strategy to greater volatility than investments in traditional securities. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

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

Leverage Risk: To the extent the Strategy uses leveraging techniques, its net asset value ("NAV") may be more volatile because leverage tends to exaggerate the effect of changes in interest rates and any increase or decrease in the value of the Strategy's investments.

Liquidity Risk: Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing the Strategy from selling out of these illiquid securities at an advantageous price. The Strategy invests in derivatives and securities involving substantial market and credit risk, which tend to involve greater liquidity risk.

(Disclosures, Risks and Note about Historical Performance continued on next page)

DISCLOSURES AND RISKS

(continued from previous page)

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

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

Subsidiary Risk: By investing in the Subsidiary, the Strategy is indirectly exposed to the risks associated with the Subsidiary's investments. The derivatives and other investments held by the Subsidiary are generally similar to those that are permitted to be held by the Strategy and are subject to the same risks that apply to similar investments if held directly by the Strategy. The Subsidiary is not registered under the Investment Company Act of 1940, as amended (the "1940 Act"), and, unless otherwise noted in this Prospectus, is not subject to all of the investor protections of the 1940 Act. However, the Strategy wholly owns and controls the Subsidiary, and the Strategy and the Subsidiary are managed by the Adviser, making it unlikely the Subsidiary will take actions contrary to the interests of the Strategy or its shareholders.

Real Estate Risk: The Strategy's investments in real estate securities have many of the same risks as direct ownership of real estate, including the risk that the value of real estate could decline due to a variety of factors that affect the real estate market generally. Investments in REITs may have additional risks. REITs are dependent on the capability of their managers, may have limited diversification, and could be significantly affected by changes in taxes.

Diversification Risk: The Strategy may have more risk because it is "non-diversified", meaning that it can invest more of its assets in a smaller number of issuers and that adverse changes in the value of one security could have a more significant effect on the Strategy's NAV.

Management Risk: The Strategy 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 Strategy's prospectus.

An Important Note About Historical Performance
The investment return and principal value of an investment in the Strategy 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.

Investors should consider the investment objectives, risks, charges and expenses of the Strategy carefully before investing. For copies of our prospectus or summary prospectus, which contain this and other information, visit us online at www.alliancebernstein.com. For Class 1 shares, Click on "Private Clients", then "Investments", then "Stocks" or "Bonds", then "Prospectuses, SAIs, and Shareholder Reports". Please read the prospectus and/or summary prospectus carefully before investing.

All fees and expenses related to the operation of the Strategy have been deducted. NAV returns do not reflect sales charges; if sales charges were reflected, the Strategy'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 STRATEGY VS. ITS BENCHMARK PERIODS ENDED APRIL 30, 2013	NAV Returns 6 Months	NAV Returns 12 Months
AllianceBernstein Real Asset Strategy		
Class 1*	0.99%	2.17%
Class 2*	1.12%	2.46%
Class A	0.99%	2.17%
Class C	0.72%	1.45%
Advisor Class**	1.20%	2.46%
Class R**	0.88%	1.96%
Class K**	0.99%	2.16%
Class I**	1.12%	2.47%
MSCI AC World Commodity Producers Index (net)	-2.52%	-4.80%

* *Class 1 shares are only available to private clients of Sanford C. Bernstein & Co., LLC. Class 2 shares are only available to the Adviser's institutional clients or through other limited arrangements.*

** *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 Strategy.*

See Disclosures, Risks and Note about Historical Performance on pages 5-6.

(Historical Performance continued on next page)

HISTORICAL PERFORMANCE

(continued from previous page)

AVERAGE ANNUAL RETURNS AS OF APRIL 30, 2013

	NAV Returns	SEC Returns
Class 1 Shares†		
1 Year	2.17%	2.17%
Since Inception*	5.69%	5.69%
Class 2 Shares†		
1 Year	2.46%	2.46%
Since Inception*	5.95%	5.95%
Class A Shares		
1 Year	2.17%	-2.20%
Since Inception*	5.68%	4.25%
Class C Shares		
1 Year	1.45%	0.45%
Since Inception*	4.92%	4.92%
Advisor Class Shares**		
1 Year	2.46%	2.46%
Since Inception*	5.96%	5.96%
Class R Shares**		
1 Year	1.96%	1.96%
Since Inception*	5.44%	5.44%
Class K Shares**		
1 Year	2.16%	2.16%
Since Inception*	5.70%	5.70%
Class I Shares**		
1 Year	2.47%	2.47%
Since Inception*	5.96%	5.96%

The Strategy's prospectus fee table shows the Strategy's total annual operating expense ratios as 1.21%, 0.96%, 1.28%, 1.99%, 0.99%, 1.64%, 1.35% and 0.98% for Class 1, Class 2, 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 Strategy's annual operating expense ratios (exclusive of interest expense) to 1.00%, 0.75%, 1.05%, 1.75%, 0.75%, 1.25%, 1.00% and 0.75% for Class 1, Class 2, Class A, Class C, Advisor Class, Class R, Class K and Class I shares, respectively. These waivers/reimbursements extend through January 31, 2014 and may be extended by the Adviser for additional one-year terms. 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 sections since they are based on different time periods.

† *Class 1 shares are only available to private clients of Sanford C. Bernstein & Co., LLC. Class 2 shares are only available to the Adviser's institutional clients or through other limited arrangements. These share classes do not carry front end sales charges; therefore their respective NAV and SEC returns are the same.*

* *Inception date: 3/8/2010.*

** *These share classes are offered at NAV to eligible investors and their SEC returns are the same as their 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 Strategy.*

See Disclosures, Risks and Historical Performance on pages 5-6.

(Historical Performance continued on next page)

HISTORICAL PERFORMANCE

(continued from previous page)

SEC AVERAGE ANNUAL RETURNS (WITH ANY APPLICABLE SALES CHARGES) AS OF THE MOST RECENT CALENDAR QUARTER-END (MARCH 31, 2013)

	SEC Returns
Class 1 Shares†	
1 Year	2.17%
Since Inception*	6.01%
Class 2 Shares†	
1 Year	2.46%
Since Inception*	6.27%
Class A Shares	
1 Year	-2.18%
Since Inception*	4.51%
Class C Shares	
1 Year	0.36%
Since Inception*	5.21%
Advisor Class Shares**	
1 Year	2.46%
Since Inception*	6.28%
Class R Shares**	
1 Year	1.87%
Since Inception*	5.74%
Class K Shares**	
1 Year	2.16%
Since Inception*	6.02%
Class I Shares**	
1 Year	2.38%
Since Inception*	6.28%

† *Class 1 shares are only available to private clients of Sanford C. Bernstein & Co., LLC. Class 2 shares are only available to the Adviser's institutional clients or through other limited arrangements.*

* *Inception date: 3/8/2010.*

** *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 Strategy.*

See Disclosures, Risks and Historical Performance on pages 5-6.

EXPENSE EXAMPLE

(unaudited)

As a shareholder of a mutual fund, you may 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 in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes
The table below 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 November 1, 2012	Ending Account Value April 30, 2013	Expenses Paid During Period*	Annualized Expense Ratio*
Class A				
Actual	$ 1,000	$ 1,009.90	$ 5.23	1.05%
Hypothetical**	$ 1,000	$ 1,019.59	$ 5.26	1.05%
Class C				
Actual	$ 1,000	$ 1,007.20	$ 8.71	1.75%
Hypothetical**	$ 1,000	$ 1,016.12	$ 8.75	1.75%
Advisor Class				
Actual	$ 1,000	$ 1,012.00	$ 3.74	0.75%
Hypothetical**	$ 1,000	$ 1,021.08	$ 3.76	0.75%
Class R				
Actual	$ 1,000	$ 1,008.80	$ 6.23	1.25%
Hypothetical**	$ 1,000	$ 1,018.60	$ 6.26	1.25%
Class K				
Actual	$ 1,000	$ 1,009.90	$ 4.98	1.00%
Hypothetical**	$ 1,000	$ 1,019.84	$ 5.01	1.00%
Class I				
Actual	$ 1,000	$ 1,011.20	$ 3.74	0.75%
Hypothetical**	$ 1,000	$ 1,021.08	$ 3.76	0.75%
Class 1				
Actual	$ 1,000	$ 1,009.90	$ 4.98	1.00%
Hypothetical**	$ 1,000	$ 1,019.84	$ 5.01	1.00%
Class 2				
Actual	$ 1,000	$ 1,011.20	$ 3.74	0.75%
Hypothetical**	$ 1,000	$ 1,021.08	$ 3.76	0.75%

* *Expenses are equal to the Strategy's annualized expense ratios multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).*

** *Assumes 5% annual return before expenses.*

PORTFOLIO SUMMARY

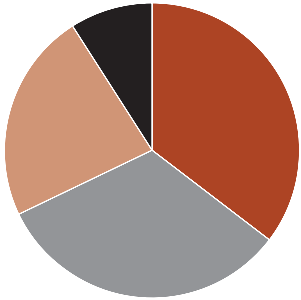
April 30, 2013 (unaudited)

PORTFOLIO STATISTICS

Net Assets ($mil): $506.6

STRATEGY BREAKDOWN*

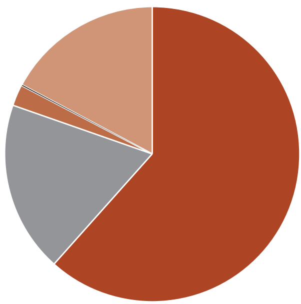
- 35.4% Commodity Related Stocks
- 32.5% Commodity Related Derivatives
- 23.1% Real Estate Stocks
- 9.0% Other



SECURITY TYPE BREAKDOWN**

- 61.6% Common Stocks
- 18.8% Inflation-Linked Securities
- 2.3% Investment Companies
- 0.1% Warrants

- 17.2% Short-Term



* *All data are as of April 30, 2013. The Strategy breakdown is expressed as an approximate percentage of the Strategy's net assets inclusive of derivative exposure, based on the Advisor's internal classification guidelines.*

** *The Strategy's security type breakdown is express as a percentage of total investments and may vary over time. The Strategy also enters into derivative transactions, which may be used for hedging or investment purposes (see "Portfolio of Investments" section of the report for additional details).*

TEN LARGEST EQUITY HOLDINGS***

April 30, 2013 (unaudited)

Company	U.S. $ Value	Percent of Net Assets
Exxon Mobil Corp.	$ 19,418,864	3.8%
Royal Dutch Shell PLC	11,897,707	2.4
Market Vectors Gold Miners ETF	10,715,562	2.1
Chevron Corp.	9,104,386	1.8
BP PLC	8,114,228	1.6
Rio Tinto PLC	5,972,825	1.2
Petroleo Brasileiro SA	5,311,139	1.0
BHP Billiton Ltd.	5,244,895	1.0
ENI SpA	4,430,560	0.9
Vale SA	4,391,592	0.9
	$ 84,601,758	16.7%

*** *Long-term investments.*

CONSOLIDATED PORTFOLIO OF INVESTMENTS

April 30, 2013 (unaudited)

Company	Shares	U.S. $ Value
COMMON STOCKS – 58.3%		
Energy – 23.3%		
Coal & Consumable Fuels – 0.6%		
Adaro Energy Tbk PT	741,200	$ 93,938
Banpu PCL	75,450	874,038
Cameco Corp.	47,680	929,510
China Coal Energy Co., Ltd. – Class H	117,680	90,842
China Shenhua Energy Co., Ltd. – Class H	62,300	220,907
Consol Energy, Inc.	4,200	141,288
Exxaro Resources Ltd.	36,510	575,023
Indo Tambangraya Megah Tbk PT	26,700	101,026
Peabody Energy Corp.	5,000	100,300
Tambang Batubara Bukit Asam Persero Tbk PT	39,553	62,077
		3,188,949
Integrated Oil & Gas – 16.9%		
BG Group PLC	224,920	3,796,950
BP PLC	1,119,800	8,114,228
Cenovus Energy, Inc.	13,800	412,993
Chevron Corp.	74,620	9,104,386
China Petroleum & Chemical Corp. – Class H	2,039,500	2,250,718
ENI SpA	185,640	4,430,560
Exxon Mobil Corp.	218,214	19,418,864
Galp Energia SGPS SA	13,040	208,989
Gazprom OAO (Sponsored ADR)	463,200	3,682,441
Hess Corp.	21,040	1,518,667
Husky Energy, Inc.	10,600	306,389
Imperial Oil Ltd.	6,100	242,680
LUKOIL OAO (London) (Sponsored ADR)	10,950	696,968
MOL Hungarian Oil and Gas PLC	3,500	248,784
Murphy Oil Corp.	17,059	1,059,194
OMV AG	6,400	300,637
Origin Energy Ltd.	23,000	294,455
PetroChina Co., Ltd. – Class H	386,600	492,771
Petroleo Brasileiro SA	54,500	521,642
Petroleo Brasileiro SA (ADR)	147,590	2,826,349
Petroleo Brasileiro SA (Preference Shares)	77,000	768,942
Petroleo Brasileiro SA (Sponsored ADR)	59,800	1,194,206
Polskie Gornictwo Naftowe i Gazownictwo SA[(a)]	195,400	330,371
PTT PCL	113,900	1,265,125
Repsol SA	15,600	365,735
Rosneft OAO (GDR)[(b)]	49,980	341,613
Royal Dutch Shell PLC (Euronext Amsterdam) – Class A	159,996	5,441,781
Royal Dutch Shell PLC – Class A	79,868	2,719,128
Royal Dutch Shell PLC – Class B	106,530	3,736,798
Sasol Ltd.	10,000	433,165
Statoil ASA	48,330	1,183,184

Company	Shares	U.S. $ Value
Suncor Energy, Inc. (Toronto)	126,270	$ 3,936,811
Surgutneftegas OAO (Sponsored ADR)	41,321	354,121
Total SA	74,659	3,758,113
		85,757,758
Oil & Gas Drilling – 0.4%		
Diamond Offshore Drilling, Inc.	10,620	733,842
Helmerich & Payne, Inc.	7,410	434,374
Seadrill Ltd.	27,650	1,064,249
		2,232,465
Oil & Gas Equipment & Services – 0.6%		
Aker Solutions ASA	36,760	514,489
Halliburton Co.	23,210	992,692
Schlumberger Ltd.	20,380	1,516,883
		3,024,064
Oil & Gas Exploration & Production – 4.7%		
Anadarko Petroleum Corp.	31,350	2,657,226
Apache Corp.	8,400	620,592
ARC Resources Ltd.	5,300	148,144
Athabasca Oil Corp.[(a)]	29,000	209,847
Baytex Energy Corp.	3,130	123,684
Bonavista Energy Corp.	12,000	189,985
Cabot Oil & Gas Corp.	12,530	852,666
Canadian Natural Resources Ltd.	23,500	689,290
Canadian Oil Sands Ltd.	8,900	174,829
Chesapeake Energy Corp.	12,100	236,434
Cimarex Energy Co.	1,800	131,724
CNOOC Ltd.	374,200	698,966
Cobalt International Energy, Inc.[(a)]	4,700	131,318
Concho Resources, Inc.[(a)]	1,800	155,034
ConocoPhillips	24,200	1,462,890
Continental Resources, Inc./OK[(a)]	2,000	159,840
Crescent Point Energy Corp.	7,900	301,744
Denbury Resources, Inc.[(a)]	7,200	128,808
Devon Energy Corp.	7,040	387,622
EnCana Corp.	13,500	248,841
Energen Corp.	3,600	170,712
Enerplus Corp.	12,900	182,081
EOG Resources, Inc.	18,430	2,232,979
EQT Corp.	2,700	202,824
Inpex Corp.	40	193,572
Kunlun Energy Co., Ltd.	79,200	155,623
Lundin Petroleum AB[(a)]	36,740	883,415
Marathon Oil Corp.	12,850	419,809
MEG Energy Corp.[(a)]	8,400	240,298
Newfield Exploration Co.[(a)]	5,260	114,615
Noble Energy, Inc.	9,170	1,038,869
NovaTek OAO (Sponsored GDR)[(b)]	1,700	172,040
Occidental Petroleum Corp.	48,330	4,313,936

Company	Shares	U.S. $ Value
OGX Petroleo e Gas Participacoes SA[(a)]	110,500	$ 111,563
Pacific Rubiales Energy Corp.	5,400	114,169
Penn West Petroleum Ltd.	26,600	245,551
Pioneer Natural Resources Co.	2,100	256,683
Plains Exploration & Production Co.[(a)]	2,700	122,040
PTT Exploration & Production PCL	35,900	188,368
QEP Resources, Inc.	3,700	106,227
Range Resources Corp.	3,000	220,560
Santos Ltd.	17,300	222,220
Southwestern Energy Co.[(a)]	6,400	239,488
Talisman Energy, Inc.	18,900	226,624
Tatneft OAO (Sponsored ADR)	5,100	192,729
Tourmaline Oil Corp.[(a)]	3,800	150,763
Tullow Oil PLC	16,600	258,756
Ultra Petroleum Corp.[(a)]	6,120	130,968
Vermilion Energy, Inc.	2,300	118,031
Whiting Petroleum Corp.[(a)]	2,400	106,800
Woodside Petroleum Ltd.	14,400	561,797
		23,603,594
Oil & Gas Refining & Marketing – 0.1%		
Valero Energy Corp.	10,170	410,054
		118,216,884
Materials – 11.5%		
Aluminum – 0.1%		
Alcoa, Inc.	17,810	151,385
Alumina Ltd.[(a)]	101,600	101,600
Norsk Hydro ASA	33,540	157,960
		410,945
Diversified Chemicals – 0.3%		
BASF SE	13,970	1,307,768
Diversified Metals & Mining – 4.7%		
Anglo American PLC	100,670	2,461,457
Antofagasta PLC	29,300	411,139
BHP Billiton Ltd.	156,010	5,244,895
BHP Billiton PLC	39,470	1,110,401
Eurasian Natural Resources Corp. PLC	33,200	142,769
First Quantum Minerals Ltd.	8,200	143,171
Freeport-McMoRan Copper & Gold, Inc.	71,000	2,160,530
Glencore International PLC[(a)]	77,900	385,102
Grupo Mexico SAB de CV	84,000	301,554
KGHM Polska Miedz SA	8,900	418,752
Minera Frisco SAB de CV[(a)]	39,500	169,031
MMC Norilsk Nickel OJSC (ADR)[(a)]	89,253	1,367,356
Rio Tinto Ltd.	9,610	559,280
Rio Tinto PLC	130,070	5,972,825
Southern Copper Corp.	4,300	143,319
Teck Resources Ltd.	69,090	1,837,920

Company	Shares	U.S. $ Value
Turquoise Hill Resources Ltd.[a]	20,200	$ 142,359
Xstrata PLC	66,330	998,164
		23,970,024
Fertilizers & Agricultural Chemicals – 1.4%		
Agrium, Inc.	12,362	1,133,189
CF Industries Holdings, Inc.	900	167,859
Incitec Pivot Ltd.	45,800	137,425
Israel Chemicals Ltd.	11,400	135,848
Israel Corp. Ltd. (The)	300	193,184
K&S AG	3,000	132,811
Monsanto Co.	28,570	3,051,847
Mosaic Co. (The)	5,700	351,063
Potash Corp. of Saskatchewan, Inc.	14,300	601,836
Syngenta AG	1,600	684,031
Uralkali OJSC (Sponsored GDR)[b]	7,530	272,511
Yara International ASA	2,900	136,224
		6,997,828
Gold – 2.0%		
Agnico-Eagle Mines Ltd.	27,035	872,677
Anglogold Ashanti Ltd.	13,187	254,426
Barrick Gold Corp.	22,000	433,689
Eldorado Gold Corp.	14,800	117,084
Franco-Nevada Corp.	3,100	134,961
Gold Fields Ltd.	15,900	119,211
Goldcorp, Inc.	106,570	3,154,417
Kinross Gold Corp.	275,420	1,500,874
Koza Altin Isletmeleri AS	33,160	665,123
New Gold, Inc.[a]	72,390	580,586
Newcrest Mining Ltd.	16,800	294,309
Newmont Mining Corp.	10,900	353,160
Randgold Resources Ltd.	1,900	153,715
Real Gold Mining Ltd.[a][c][d]	124,500	22,461
Yamana Gold, Inc.	102,962	1,274,441
		9,931,134
Paper Products – 0.3%		
Fibria Celulose SA[a]	14,000	148,904
International Paper Co.	7,900	371,142
Mondi PLC	57,610	765,607
Nine Dragons Paper Holdings Ltd.	111,600	97,232
Stora Enso Oyj	17,500	122,045
UPM-Kymmene Oyj	9,600	101,066
		1,605,996
Precious Metals & Minerals – 0.3%		
Anglo American Platinum Ltd.[a]	2,400	91,470
Dominion Diamond Corp.[a]	29,500	466,395
Fresnillo PLC	4,900	88,567
Impala Platinum Holdings Ltd.	9,300	127,451
Industrias Penoles SAB de CV	3,000	125,994
Kazakhmys PLC	16,300	88,598

Company	Shares	U.S. $ Value
North American Palladium Ltd.[a]	288,530	$ 398,171
Silver Wheaton Corp.	7,800	190,693
		1,577,339
Specialty Chemicals – 0.3%		
Johnson Matthey PLC	13,420	506,238
Koninklijke DSM NV	19,248	1,240,643
		1,746,881
Steel – 2.1%		
Allegheny Technologies, Inc.	3,600	97,128
ArcelorMittal (Euronext Amsterdam)	20,600	254,629
Arrium Ltd.	262,017	231,677
Bradespar SA	8,100	102,831
Cia Siderurgica Nacional SA	19,500	77,288
Cliffs Natural Resources, Inc.	3,100	66,154
Commercial Metals Co.	66,380	970,476
Evraz PLC	29,200	71,058
Fortescue Metals Group Ltd.	27,100	98,994
Fosun International	170,900	121,813
Gerdau SA	18,900	147,743
Hitachi Metals Ltd.	10,000	103,386
Hyundai Steel Co.	1,700	118,109
JFE Holdings, Inc.	64,100	1,391,733
Kobe Steel Ltd.[a]	49,406	64,528
Kumba Iron Ore Ltd.	1,800	95,418
Metalurgica Gerdau SA (Preference Shares)	9,400	93,542
Nippon Steel & Sumitomo Metal Corp.	156,000	415,502
Novolipetsk Steel OJSC (GDR)[b]	6,300	104,580
Nucor Corp.	7,000	305,340
POSCO	1,440	413,895
Severstal OAO (GDR)[b]	14,520	122,767
ThyssenKrupp AG[a]	8,500	154,094
United States Steel Corp.	29,440	524,032
Vale SA	27,830	474,741
Vale SA (Preference Shares)	39,500	641,437
Vale SA (Sponsored ADR) (Local Preference Shares)	201,440	3,275,414
Voestalpine AG	3,600	112,882
		10,651,191
		58,199,106
Equity:Other – 10.1%		
Diversified/Specialty – 8.3%		
Agung Podomoro Land Tbk PT[a]	877,700	42,861
Alam Sutera Realty Tbk PT	725,600	78,503
Amata Corp. PCL	29,300	22,961
Asian Property Development PCL	52,700	16,878
Ayala Land, Inc.	769,160	607,439
Azrieli Group	750	21,656
Beni Stabili SpA	36,700	25,887
Boral Ltd.	88,550	459,626

Company	Shares	U.S. $ Value
British Land Co. PLC	153,612	$ 1,420,988
Bumi Serpong Damai PT	416,100	73,972
Buzzi Unicem SpA	28,860	441,951
CA Immobilien Anlagen AG[(a)]	1,900	26,749
Capital Property Fund	265,300	348,865
CapitaLand Ltd.	147,400	449,518
Central Pattana PCL	40,200	136,968
Ciputra Development Tbk PT	676,200	95,881
Ciputra Property Tbk PT	439,600	52,477
Ciputra Surya Tbk PT	136,000	46,875
City Developments Ltd.	8,900	81,595
Cofinimmo	4,610	555,206
Country Garden Holdings Co., Ltd.[(a)]	2,084,770	1,183,829
CyrusOne, Inc.	35,107	842,217
Daejan Holdings PLC	50	3,045
Dexus Property Group	840,990	1,006,031
DIC Asset AG	1,200	13,499
Duke Realty Corp.	52,080	918,691
Dundee Real Estate Investment Trust	17,330	636,640
Eastern & Oriental Bhd	44,400	24,079
Emira Property Fund	58,000	99,861
Eurobank Properties Real Estate Investment Co.	2,950	24,398
Even Construtora e Incorporadora SA	13,500	63,224
Evergrande Real Estate Group Ltd.	2,212,850	908,279
F&C Commercial Property Trust Ltd.	7,300	12,190
Fastighets AB Balder[(a)]	2,300	16,700
Fibra Uno Administracion SA de CV	223,070	857,206
Filinvest Land, Inc.	548,800	27,235
Fonciere Des Regions	450	35,904
Franshion Properties China Ltd.	451,860	154,378
Gecina SA	350	42,175
Globe Trade Centre SA[(a)]	14,300	35,408
GPT Group	24,810	105,555
Greentown China Holdings Ltd.[(a)]	95,200	185,377
Growthpoint Properties Ltd.	230,340	757,162
Hamborner REIT AG	1,100	10,739
Hang Lung Properties Ltd.	97,000	376,437
Helbor Empreendimentos SA	7,930	39,239
Helical Bar PLC	2,100	8,090
Henderson Land Development Co., Ltd.	36,100	262,661
Hopson Development Holdings Ltd.[(a)]	103,600	173,948
Hui Xian Real Estate Investment Trust	38,500	25,361
Hysan Development Co., Ltd.	10,000	49,598
ICADE	7,800	721,041
IGB Corp. Bhd	66,400	51,565
IJM Land Bhd	27,700	23,489
IMMOFINANZ AG[(a)]	15,100	61,742
Investors Real Estate Trust	58,268	566,948
Is Gayrimenkul Yatirim Ortakligi AS	22,100	19,392

Company	Shares		U.S. $ Value
Keppel Land Ltd.	12,000	$	39,646
Kerry Properties Ltd.	178,000		809,955
Kiwi Income Property Trust	21,200		21,352
KLCC Property Holdings Bhd[(c)(d)]	28,200		67,198
Kungsleden AB	2,800		19,633
Land Securities Group PLC	37,851		514,194
Lippo Karawaci Tbk PT	1,178,800		163,837
Londonmetric Property PLC	11,300		20,102
Longfor Properties Co., Ltd.	89,400		149,340
LPN Development PCL	744,400		606,173
Mah Sing Group Bhd	53,000		39,542
Mapletree Commercial Trust	519,040		617,323
Mapletree Greater China Commercial Trust[(a)(b)]	28,000		25,347
Megaworld Corp.	701,600		70,841
Mexico Real Estate Management SA de CV[(a)]	329,180		795,684
Mitsubishi Estate Co., Ltd.	117,600		3,830,363
Mitsui Fudosan Co., Ltd.	86,400		2,940,453
Mobimo Holding AG[(a)]	200		44,956
Mucklow A & J Group PLC	1,400		8,450
New World China Land Ltd.	85,900		37,933
New World Development Co., Ltd.	699,200		1,216,849
Nieuwe Steen Investments NV	4,300		32,097
Nomura Real Estate Holdings, Inc.	1,400		37,637
Orco Property Group[(a)]	5,800		17,800
Pakuwon Jati Tbk PT	1,206,500		50,291
Poly Property Group Co., Ltd.[(a)]	237,200		166,123
Pruksa Real Estate PCL	40,700		40,561
Quality Houses PCL	226,100		32,509
Quintain Estates & Development PLC[(a)]	7,300		7,342
Redefine Properties Ltd.	162,600		195,696
Resilient Property Income Fund Ltd.	16,200		107,055
Robinsons Land Corp.	101,100		63,126
SA Corporate Real Estate Fund Nominees Pty Ltd.	198,660		96,967
Sansiri PCL	180,400		27,045
SC Asset Corp. PCL	84,000		22,324
Schroder Real Estate Investment Trust Ltd.	12,600		7,891
SeaWorld Entertainment, Inc.[(a)]	41,415		1,391,544
Sentul City Tbk PT[(a)]	1,104,550		32,444
Shui On Land Ltd.	53,500		17,737
Siam Future Development PCL	61,425		19,045
Sino Land Co., Ltd.	46,000		75,924
Sinpas Gayrimenkul Yatirim Ortakligi AS	33,000		25,651
Soho China Ltd.	180,310		155,805
SP Setia Bhd	51,700		58,285
Spirit Realty Capital, Inc.	54,706		1,177,820
Sponda Oyj	5,400		28,820
ST Modwen Properties PLC	1,800		7,503
Sumitomo Realty & Development Co., Ltd.	40,700		1,923,537
Summarecon Agung Tbk PT	307,100		82,232
Sun Hung Kai Properties Ltd.	163,506		2,366,418

Company	Shares	U.S. $ Value
Suntec Real Estate Investment Trust	31,000	$ 49,016
Supalai PCL	735,570	513,771
Swire Properties Ltd.	232,450	822,084
TAG Immobilien AG	1,650	19,991
Tebrau Teguh Bhd[(a)]	27,300	10,947
Tecnisa SA	9,900	44,434
Ticon Industrial Connection PCL	29,400	24,742
Tokyu Land Corp.	7,000	86,065
Torunlar Gayrimenkul Yatirim Ortakligi AS	13,000	30,711
Unite Group PLC	1,540	8,334
UOL Group Ltd.	143,734	834,538
Vornado Realty Trust	7,830	685,595
Wallenstam AB	1,500	21,426
Wereldhave Belgium NV	200	23,026
West Fraser Timber Co., Ltd.	8,800	768,324
Wharf Holdings Ltd.	192,000	1,717,439
Wheelock & Co., Ltd.	94,000	525,637
Wihlborgs Fastigheter AB	1,050	17,389
YTL Land & Development BHD[(a)]	47,900	14,107
Yuexiu Property Co., Ltd.	494,580	146,619
		42,020,784
Health Care – 1.7%		
Chartwell Retirement Residences	51,830	587,007
HCP, Inc.	27,160	1,447,628
Health Care REIT, Inc.	20,370	1,527,139
LTC Properties, Inc.	25,320	1,177,380
Medical Properties Trust, Inc.	59,680	960,251
Omega Healthcare Investors, Inc.	23,420	769,815
Primary Health Properties PLC	1,400	7,242
Sabra Health Care REIT, Inc.	8,641	257,675
Senior Housing Properties Trust	30,490	866,831
Ventas, Inc.	16,440	1,309,117
		8,910,085
Triple Net – 0.1%		
Realty Income Corp.	5,360	273,199
		51,204,068
Retail – 4.8%		
Regional Mall – 2.1%		
BR Malls Participacoes SA	59,440	701,426
CapitaMall Trust	40,000	75,422
CFS Retail Property Trust Group	30,650	69,842
General Growth Properties, Inc.	37,410	849,955
Macerich Co. (The)	3,800	266,190
Multiplan Empreendimentos Imobiliarios SA	14,880	424,740
Pennsylvania Real Estate Investment Trust	56,680	1,174,976
Simon Property Group, Inc.	24,411	4,346,867
Westfield Group	219,885	2,659,761
		10,569,179

Company	Shares	U.S. $ Value
Shopping Center/Other Retail – 2.7%		
Aeon Mall Co., Ltd.	22,200	$ 714,746
Aliansce Shopping Centers SA	21,500	243,504
American Realty Capital Properties, Inc.	66,070	1,086,191
Atrium European Real Estate Ltd.[(a)]	5,100	30,439
Capital & Counties Properties PLC	9,620	46,061
CapitaMalls Asia Ltd.	19,900	34,025
CapitaMalls Malaysia Trust	56,600	34,974
Charter Hall Retail REIT	7,250	32,256
Citycon Oyj	9,200	29,856
Corio NV	10,758	498,241
DDR Corp.	75,860	1,391,272
Deutsche Euroshop AG	690	29,587
Development Securities PLC	3,100	6,982
Eurocommercial Properties NV	750	30,609
Federation Centres	21,360	57,574
Fountainhead Property Trust	82,300	86,791
Fukuoka REIT Co.	40	338,868
Hammerson PLC	10,050	81,208
Hyprop Investments Ltd.	38,300	338,035
IGB Real Estate Investment Trust	41,800	18,685
Iguatemi Empresa de Shopping Centers SA	3,300	39,437
Intu Properties PLC	9,750	51,928
Japan Retail Fund Investment Corp.	262	621,065
Kimco Realty Corp.	11,300	268,714
Klepierre	20,460	868,224
Link REIT (The)	117,923	665,439
Mercialys SA	28,900	644,777
Pavilion Real Estate Investment Trust	45,250	23,786
RioCan Real Estate Investment Trust (Toronto)	6,081	178,123
Shaftesbury PLC	3,190	30,125
SM Prime Holdings, Inc.	439,600	213,915
Sonae Sierra Brasil SA	2,500	34,500
Unibail-Rodamco SE	11,255	2,942,222
Vastned Retail NV	10,270	458,789
Westfield Retail Trust	454,180	1,552,977
		13,723,925
		24,293,104
Residential – 4.1%		
Multi-Family – 3.3%		
Advance Residence Investment Corp.	20	47,928
Agile Property Holdings Ltd.	123,690	160,357
Associated Estates Realty Corp.	50,340	899,576
AvalonBay Communities, Inc.	9,040	1,202,682
Berkeley Group Holdings PLC	14,080	456,534
Brookfield Incorporacoes SA	256,713	282,278
Brookfield Residential Properties, Inc.[(a)]	46,977	1,122,280
China Overseas Land & Investment Ltd.	877,240	2,684,094
China Resources Land Ltd.	114,780	347,150
China Vanke Co., Ltd. – Class B	416,544	849,455

Company	Shares	U.S. $ Value
Consorcio ARA SAB de CV[(a)]	30,500	$ 10,047
Corp. GEO SAB de CV[(a)]	23,600	8,183
Cyrela Brazil Realty SA Empreendimentos e Participacoes	16,500	148,939
Desarrolladora Homex SAB de CV[(a)]	14,600	11,856
Deutsche Wohnen AG	2,660	46,911
Emlak Konut Gayrimenkul Yatirim Ortakligi AS	43,300	74,265
Equity Residential	30,080	1,746,445
Ez Tec Empreendimentos e Participacoes SA	3,400	46,512
Gafisa SA[(a)]	24,800	49,457
GAGFAH SA[(a)]	1,200	15,503
Grainger PLC	6,010	12,719
GSW Immobilien AG	660	26,501
JHSF Participacoes SA	8,300	30,242
Land and Houses PCL	175,900	78,632
LEG Immobilien AG[(a)]	17,746	976,891
Mid-America Apartment Communities, Inc.	9,810	674,241
Mirvac Group	225,304	413,734
MRV Engenharia e Participacoes SA	120,000	516,407
Patrizia Immobilien AG[(a)]	1,160	11,769
PDG Realty SA Empreendimentos e Participacoes	77,600	87,655
Persimmon Interim – Rts[(a)]	30,310	35,311
Persimmon PLC	30,310	509,168
PIK Group (GDR)[(a)(b)]	85,990	170,174
Property Perfect PCL	331,500	20,105
Rossi Residencial SA	240,844	405,670
Shimao Property Holdings Ltd.	224,860	485,867
Sino-Ocean Land Holdings Ltd.	258,380	170,567
Stockland	316,770	1,273,006
Sun Communities, Inc.	12,430	635,794
Urbi Desarrollos Urbanos SAB de CV[(a)]	35,300	5,233
Vista Land & Lifescapes, Inc.	240,000	38,312
Wing Tai Holdings Ltd.	104,900	185,830
Yanlord Land Group Ltd.[(a)]	13,850	15,910
		16,990,190
Self Storage – 0.6%		
Big Yellow Group PLC	1,280	8,023
Extra Space Storage, Inc.	33,260	1,449,471
Public Storage	8,390	1,384,350
Safestore Holdings PLC	3,900	8,299
		2,850,143
Single Family – 0.2%		
Masco Corp.	51,792	1,006,837
		20,847,170
Office – 2.0%		
Office – 2.0%		
Allied Properties Real Estate Investment Trust	12,960	443,685
Allreal Holding AG[(a)]	200	29,275
Alstria Office REIT – AG	990	11,995

Company	Shares	U.S. $ Value
Ascendas India Trust	27,800	$ 18,508
Befimmo SCA Sicafi	350	24,292
Boston Properties, Inc.	5,340	584,356
Brandywine Realty Trust	26,420	394,451
Brookfield Office Properties, Inc.	900	16,572
CapitaCommercial Trust	567,000	789,482
Castellum AB	2,100	31,444
Champion REIT	50,000	26,409
Cominar Real Estate Investment Trust	31,737	756,055
Commonwealth Property Office Fund	30,450	36,591
Corporate Office Properties Trust	13,290	385,277
Derwent London PLC	1,320	47,362
Fabege AB	2,100	22,743
Great Portland Estates PLC	4,400	36,399
Hongkong Land Holdings Ltd.	52,000	378,622
Hufvudstaden AB – Class A	1,890	24,739
ING Office Fund	194,180	660,376
Japan Excellent, Inc.	79	539,721
Japan Prime Realty Investment Corp.	12	44,097
Japan Real Estate Investment Corp.	50	671,670
Kenedix Realty Investment Corp. – Class A	131	614,545
Liberty Property Trust	8,910	383,041
Mack-Cali Realty Corp.	21,600	599,832
Nippon Building Fund, Inc.	34	489,883
Nomura Real Estate Office Fund, Inc.	4	25,558
Norwegian Property ASA	15,400	21,592
NTT Urban Development Corp.	17	25,205
Orix JREIT, Inc.	515	697,170
Parkway Properties, Inc./MD	59,560	1,085,779
PSP Swiss Property AG(a)	600	56,302
Swiss Prime Site AG(a)	850	69,698
Tokyo Tatemono Co., Ltd.	7,000	64,876
Workspace Group PLC	1,460	8,505
		10,116,107
Industrials – 1.1%		
Building Products – 0.1%		
LIXIL Group Corp.	23,100	519,319
Industrial Warehouse Distribution – 0.9%		
Ascendas Real Estate Investment Trust	28,000	62,693
Daiwa House REIT Investment Corp.	67	501,283
Global Logistic Properties Ltd.	46,300	104,207
Granite Real Estate Investment(a)	23,360	923,888
Hansteen Holdings PLC	9,350	12,415
Hopewell Holdings Ltd.	49,500	190,963
Mapletree Industrial Trust	15,740	20,069
Mapletree Logistics Trust	612,300	651,307
Nippon Prologis REIT, Inc.(a)	61	563,789
ProLogis, Inc.	25,620	1,074,759
Segro PLC	13,080	54,162

Company	Shares	U.S. $ Value
STAG Industrial, Inc.	23,500	$ 517,940
Warehouses De Pauw SCA	350	22,355
		4,699,830
Mixed Office Industrial – 0.1%		
BR Properties SA	12,240	135,507
Goodman Group	75,910	410,615
		546,122
		5,765,271
Lodging – 0.9%		
Lodging – 0.9%		
Akfen Gayrimenkul Yatirim Ortakligi AS[(a)]	23,400	21,437
Ashford Hospitality Trust, Inc.	78,590	1,012,239
CDL Hospitality Trusts	11,600	18,879
Great Eagle Holdings Ltd.	145,000	613,717
Host Hotels & Resorts, Inc.	26,390	482,145
InterContinental Hotels Group PLC	21,802	644,164
Pebblebrook Hotel Trust	21,260	577,422
RLJ Lodging Trust	49,590	1,142,554
		4,512,557
Food Beverage & Tobacco – 0.5%		
Agricultural Products – 0.4%		
Archer-Daniels-Midland Co.	12,100	410,674
Bunge Ltd.	13,020	940,174
Charoen Pokphand Indonesia Tbk PT	118,590	61,625
Felda Global Ventures Holdings Bhd	65,418	99,336
Golden Agri-Resources Ltd.	186,000	80,151
IOI Corp. Bhd	63,700	105,312
Kuala Lumpur Kepong Bhd	14,100	99,917
		1,797,189
Packaged Foods & Meats – 0.1%		
MHP SA (GDR)[(a)(b)]	24,690	456,765
		2,253,954
Total Common Stocks (cost $277,459,126)		295,408,221

	Principal Amount (000)	U.S. $ Value
INFLATION-LINKED SECURITIES – 17.8%		
United States – 17.8%		
U.S. Treasury Inflation Index		
0.125%, 4/15/16 (TIPS)	$ 54,117	56,691,990
0.625%, 7/15/21 (TIPS)	3,617	4,130,375
1.875%, 7/15/15 (TIPS)	27,118	29,306,779
Total Inflation-Linked Securities (cost $89,943,283)		90,129,144

Company	Shares		U.S. $ Value
INVESTMENT COMPANIES – 2.1%			
Funds and Investment Trusts – 2.1%			
CPN Retail Growth Leasehold Property Fund	66,750	$	44,803
Market Vectors Gold Miners ETF	352,950		10,715,562
Medicx Fund Ltd.	11,200		14,701
Picton Property Income Ltd.	12,600		8,612
Standard Life Investment Property Income Trust PLC	8,300		7,736
UK Commercial Property Trust Ltd./fund	4,250		4,921
Total Investment Companies (cost $12,327,661)			10,796,335
WARRANTS – 0.1%			
Equity:Other – 0.1%			
Diversified/Specialty – 0.1%			
Emaar Properties PJSC, Merrill Lynch Intl & Co., expiring 10/01/15[(a)]	211,800		323,440
Energy – 0.0%			
Coal & Consumable Fuels – 0.0%			
Coal India Ltd., Merrill Lynch Intl & Co., expiring 11/02/15[(a)]	16,210		96,077
Oil & Gas Exploration & Production – 0.0%			
Oil & Natural Gas Corp. Ltd., Deutsche Bank AG London, expiring 1/17/17[(a)]	29,500		179,109
			275,186
Materials – 0.0%			
Steel – 0.0%			
Tata Steel Ltd., Merrill Lynch Intl & Co., expiring 12/23/14[(a)(b)]	17,000		95,567
Total Warrants (cost $584,006)			694,193
	Contracts		
OPTIONS PURCHASED – PUTS – 0.0%			
Options on Equity Index – 0.0%			
S&P 500 Index Expiration: June 2013, Exercise Price: $ 1,475.00 [(a)(e)] (premiums paid $420,638)	210		134,400
	Shares		
RIGHTS – 0.0%			
Equity:Other – 0.0%			
Shui On Land Ltd., expiring 5/13/13[(a)] (cost $0)	17,833		1,884

Company	Shares	U.S. $ Value
SHORT-TERM INVESTMENTS – 16.3%		
Investment Companies – 9.4%		
AllianceBernstein Fixed-Income Shares, Inc. – Government STIF Portfolio, 0.09%[f] (cost $47,592,548)	47,592,548	$ 47,592,548
	Principal Amount (000)	
U.S. Treasury Bills – 6.9%		
U.S. Treasury Bill		
Zero Coupon, 5/16/13[g]	$ 34,370	34,369,456
Zero Coupon, 7/05/13[h]	300	299,973
Total U.S. Treasury Bills (cost $34,669,429)		34,669,429
Total Short-Term Investments (cost $82,261,977)		82,261,977
Total Investments – 94.6% (cost $462,996,691)		479,426,154
Other assets less liabilities – 5.4%		27,129,522
Net Assets – 100.0%		**$ 506,555,676**

FUTURES CONTRACTS (see Note D)

Type	Number of Contracts	Expiration Month	Original Value	Value at April 30, 2013	Unrealized Appreciation/ (Depreciation)
Purchased Contracts					
Aluminum HG Futures	35	June 2013	$ 1,622,310	$ 1,624,875	$ 2,565
Brent Crude Oil Futures	32	June 2013	3,508,365	3,275,840	(232,525)
Corn Futures	23	July 2013	784,653	747,500	(37,153)
Gasoline Futures	8	June 2013	1,023,320	941,472	(81,848)
Lead Futures	10	June 2013	552,455	505,188	(47,267)
Lean Hogs Futures	78	June 2013	2,779,864	2,888,340	108,476
Light Sweet Crude Oil Futures	13	June 2013	1,194,262	1,214,980	20,718
Live Cattle Futures	69	June 2013	3,368,194	3,364,440	(3,754)
Natural Gas Futures	48	June 2013	2,042,733	2,084,640	41,907
Nickel Futures	10	June 2013	996,498	921,480	(75,018)
Platinum Futures	11	July 2013	843,500	828,960	(14,540)
Soybean Futures	30	July 2013	2,180,387	2,098,500	(81,887)
Soybean Meal Futures	31	December 2013	1,114,545	1,064,230	(50,315)
Sold Contracts					
Cattle Feeder Futures	44	August 2013	3,240,350	3,275,800	(35,450)
Copper London Metal Exchange Futures	14	June 2013	2,662,326	2,464,875	197,451
Gas Oil Futures	60	June 2013	5,223,373	5,098,500	124,873
Gold 100 OZ Futures	70	June 2013	10,982,967	10,304,700	678,267
Heating Oil Futures	19	June 2013	2,252,067	2,266,001	(13,934)
Lead Futures	10	June 2013	509,483	505,188	4,296
Soybean Oil Futures	34	July 2013	1,026,848	1,004,088	22,760
Sugar 11 Futures	83	July 2013	1,696,654	1,636,096	60,558
Wheat Futures	94	July 2013	3,271,460	3,435,700	(164,240)
					$ 423,940

FORWARD CURRENCY EXCHANGE CONTRACTS (see Note D)

Counterparty	Contracts to Deliver (000)		In Exchange For (000)		Settlement Date	Unrealized Appreciation/ (Depreciation)
Barclays Bank PLC Wholesale	JPY	690,437	USD	7,201	6/13/13	$ 117,392
Barclays Bank PLC Wholesale	USD	2,482	JPY	232,832	6/13/13	(93,026)
BNP Paribas SA	AUD	1,293	USD	1,323	6/13/13	(13,732)
BNP Paribas SA	EUR	11,046	USD	14,517	6/13/13	(34,141)
Citibank, NA	JPY	223,204	USD	2,383	6/13/13	92,893
Deutsche Bank AG London	USD	5,505	AUD	5,394	6/13/13	68,992
Deutsche Bank AG London	USD	1,808	CHF	1,709	6/13/13	30,870
Deutsche Bank AG London	USD	1,225	SGD	1,516	6/13/13	5,446
Goldman Sachs Capital Markets LP	AUD	3,831	USD	3,923	6/13/13	(35,772)
Goldman Sachs Capital Markets LP	JPY	1,004,569	USD	10,227	6/13/13	(80,287)
HSBC Bank USA	EUR	4,348	USD	5,655	6/13/13	(72,875)
HSBC Bank USA	GBP	5,464	USD	8,220	6/13/13	(265,414)
HSBC Bank USA	HKD	13,514	USD	1,741	6/13/13	(421)
HSBC Bank USA	USD	4,174	HKD	32,364	6/13/13	(2,588)
JPMorgan Chase Bank, NA	GBP	1,028	USD	1,571	6/13/13	(25,341)
JPMorgan Chase Bank, NA	USD	5,541	GBP	3,713	6/13/13	225,120
Royal Bank of Canada	CAD	8,246	USD	7,989	6/13/13	(188,152)
Royal Bank of Scotland PLC	BRL	6,870	USD	3,432	5/03/13	(1,630)
Royal Bank of Scotland PLC	USD	3,436	BRL	6,870	5/03/13	(2,147)
Royal Bank of Scotland PLC	BRL	6,870	USD	3,424	6/04/13	2,685
Royal Bank of Scotland PLC	EUR	4,790	USD	6,244	6/13/13	(66,248)
Royal Bank of Scotland PLC	NOK	8,201	USD	1,440	6/13/13	20,380
Royal Bank of Scotland PLC	USD	1,352	ZAR	12,552	6/13/13	39,323
Standard Chartered Bank	MXN	7,502	USD	582	6/13/13	(33,295)
Standard Chartered Bank	USD	533	SGD	664	6/13/13	5,909
Standard Chartered Bank	USD	332	ZAR	3,076	6/13/13	9,043
State Street Bank & Trust Co.	BRL	6,870	USD	3,462	5/03/13	28,466
State Street Bank & Trust Co.	USD	3,432	BRL	6,870	5/03/13	1,630
State Street Bank & Trust Co.	CNY	9,503	USD	1,517	6/13/13	(11,795)
State Street Bank & Trust Co.	RUB	36,859	USD	1,200	6/13/13	23,276
State Street Bank & Trust Co.	THB	27,621	USD	924	6/13/13	(15,096)
State Street Bank & Trust Co.	USD	16,527	CNY	102,978	6/13/13	38,812
State Street Bank & Trust Co.	USD	1,033	IDR	10,096,953	6/13/13	1,242
State Street Bank & Trust Co.	USD	913	INR	50,591	6/13/13	24,716
State Street Bank & Trust Co.	USD	853	KRW	931,615	6/13/13	(7,988)
State Street Bank & Trust Co.	USD	836	MYR	2,611	6/13/13	19,942
State Street Bank & Trust Co.	USD	1,183	RUB	36,859	6/13/13	(6,181)
						$ (199,992)

CALL OPTIONS WRITTEN (see Note D)

Description	Contracts	Exercise Price	Expiration Month	Premiums Received	U.S. $ Value
S&P 500 Index[(e)]	210	$1,750.00	December 2013	$ 161,062	$ (232,050)

INTEREST RATE SWAP CONTRACTS (see Note D)

Swap Counterparty	Notional Amount (000)	Termination Date	Rate Type: Payments made by the Fund	Rate Type: Payments received by the Fund	Unrealized Appreciation/ (Depreciation)
Bank of America, NA	$ 3,830	3/30/22	2.263%	3 Month LIBOR	$ (200,026)

INFLATION (CPI) SWAP CONTRACTS (see Note D)

Swap Counterparty	Notional Amount (000)	Termination Date	Rate Type: Payments made by the Fund	Rate Type: Payments received by the Fund	Unrealized Appreciation/ (Depreciation)
Citibank, NA	$ 1,000	3/27/18	2.45%	CPI#	$ (15,935)

\# *Variable interest rate based on the rate of inflation as determined by the Consumer Price Index (CPI).*

TOTAL RETURN SWAP CONTRACTS (see Note D)

Receive/ Pay Total Return on Reference Index	Index	# of Shares or Units	Rate Paid/ Received by the Fund	Notional Amount (000)	Maturity Date	Counterparty	Unrealized Appreciation/ (Depreciation)
Receive Total Return on Reference Index							
Receive	Dow Jones-UBS Commodity Index 2 Month Forward	276,582	0.14%	$ 76,505	6/17/13	Credit Suisse International	$ 1,967,999
Receive	Dow Jones-UBS Commodity ex-Precious Metals	67,253	0.11%	8,628	6/17/13	Deutsche Bank AG	194,282
Receive	Dow Jones-UBS Commodity ex-Precious Metals	4,172	0.11%	535	6/17/13	Deutsche Bank AG	12,052
Receive	Dow Jones-UBS Commodity ex-Precious Metals	4,590	0.11%	600	6/17/13	Deutsche Bank AG	2,179
Receive	Dow Jones-UBS Commodity Index 2 Month Forward	19,037	0.15%	5,266	6/17/13	Deutsche Bank AG	135,433

Receive/ Pay Total Return on Reference Index	Index	# of Shares or Units	Rate Paid/ Received by the Fund	Notional Amount (000)	Maturity Date	Counterparty	Unrealized Appreciation/ (Depreciation)
Receive	Dow Jones-UBS Commodity Index 2 Month Forward	70,212	0.14%	$ 19,421	6/17/13	Deutsche Bank AG	$ 499,588
Receive	Dow Jones-UBS Commodity Index 2 Month Forward	10,216	0.14%	2,826	6/17/13	Deutsche Bank AG	72,691
Receive	Dow Jones-UBS Commodity Index 2 Month Forward	150,773	0.14%	$ 41,705	6/17/13	JPMorgan Chase Bank, NA	1,072,814
Receive	Dow Jones-UBS Commodity Index 2 Month Forward	20,518	0.14%	5,675	6/17/13	JPMorgan Chase Bank, NA	145,994
Receive	Dow Jones-UBS Commodity Index 2 Month Forward	12,427	0.14%	3,500	6/17/13	JPMorgan Chase Bank, NA	25,848
Receive	Dow Jones-UBS Commodity Index 2 Month Forward	3,574	0.14%	1,000	6/17/13	JPMorgan Chase Bank, NA	14,045
Receive	Dow Jones-UBS Commodity Index 2 Month Forward	11,922	0.14%	3,400	6/17/13	JPMorgan Chase Bank, NA	(17,566)
							$ 4,125,359

(a) Non-income producing security.

(b) Security is exempt from registration under Rule 144A of the Securities Act of 1933. These securities are considered liquid and may be resold in transactions exempt from registration, normally to qualified institutional buyers. At April 30, 2013, the aggregate market value of these securities amounted to $1,761,364 or 0.3% of net assets.

(c) Illiquid security.

(d) Fair valued by the Adviser.

(e) One contract relates to 100 shares.

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

(g) Position, or a portion thereof, has been segregated to collateralize margin requirements for open futures contracts. The market value of the collateral amounted to $2,489,960.

(h) Position, or a portion thereof, has been segregated to collateralize OTC derivatives outstanding. The aggregate market value of these securities amounted to $260,976.

Currency Abbreviations:

AUD – Australian Dollar
BRL – Brazilian Real
CAD – Canadian Dollar
CHF – Swiss Franc
CNY – Chinese Yuan Renminbi
EUR – Euro
GBP – Great British Pound
HKD – Hong Kong Dollar
IDR – Indonesian Rupiah
INR – Indian Rupee
JPY – Japanese Yen
KRW – South Korean Won
MXN – Mexican Peso
MYR – Malaysian Ringgit
NOK – Norwegian Krone
RUB – Russian Ruble
SGD – Singapore Dollar
THB – Thailand Baht
USD – United States Dollar
ZAR – South African Rand

Glossary:

ADR – American Depositary Receipt
GDR – Global Depositary Receipt
LIBOR – London Interbank Offered Rates
OJSC – Open Joint Stock Company
REIT – Real Estate Investment Trust
TIPS – Treasury Inflation Protected Security

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES

April 30, 2013 (unaudited)

Assets	
Investments in securities, at value	
Unaffiliated issuers (cost $415,404,143)	$ 431,833,606
Affiliated issuers (cost $47,592,548)	47,592,548
Cash	1,334,055[(a)]
Foreign currencies, at value (cost $1,172,755)	1,177,577
Receivable for investment securities sold and foreign currency transactions	76,745,961
Unrealized appreciation on total return swap contracts	4,142,925
Receivable for capital stock sold	2,219,382
Dividends and interest receivable	934,783
Unrealized appreciation of forward currency exchange contracts	853,395
Total assets	566,834,232
Liabilities	
Options written, at value (premiums received $161,062)	232,050
Payable for investment securities purchased	57,536,833
Unrealized depreciation of forward currency exchange contracts	1,053,387
Payable for capital stock redeemed	681,666
Management fee payable	214,848
Unrealized depreciation on interest rate swap contracts	200,026
Payable for variation margin on futures contracts	116,896
Distribution fee payable	94,240
Administrative fee payable	20,735
Unrealized depreciation on total return swap contracts	17,566
Unrealized depreciation on inflation swap contracts	15,935
Transfer Agent fee payable	13,406
Accrued expenses and other liabilities	80,968
Total liabilities	60,278,556
Net Assets	**$ 506,555,676**
Composition of Net Assets	
Capital stock, at par	$ 454,277
Additional paid-in capital	517,577,846
Distributions in excess of net investment income	(3,481,803)
Accumulated net realized loss on investment and foreign currency transactions	(28,434,980)
Net unrealized appreciation on investments and foreign currency denominated assets and liabilities	20,440,336
	$ 506,555,676

(a) An amount of $79,449 has been segregated to collateralize margin requirements for open futures contracts outstanding at April 30, 2013.

Net Asset Value Per Share—24 billion shares of capital stock authorized, $.01 par value

Class	Net Assets	Shares Outstanding	Net Asset Value
A	$ 72,069,714	6,446,783	$ 11.18*
C	$ 15,289,546	1,380,168	$ 11.08
Advisor	$ 75,283,341	6,716,629	$ 11.21
R	$ 33,492	2,993	$ 11.19
K	$ 1,612,424	144,434	$ 11.16
I	$ 17,518,650	1,565,057	$ 11.19
1	$ 324,737,198	29,170,599	$ 11.13
2	$ 11,311	1,000	$ 11.31

* *The maximum offering price per share for Class A shares was $11.68 which reflects a sales charge of 4.25%.*

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF OPERATIONS

Six Months Ended April 30, 2013 (unaudited)

Investment Income		
Dividends		
Unaffiliated issuers (net of foreign taxes withheld of $298,214)	$ 3,777,641	
Affiliated issuers	23,881	
Interest	251,647	$ 4,053,169
Expenses		
Management fee (see Note B)	1,625,246	
Distribution fee—Class A	105,373	
Distribution fee—Class C	78,777	
Distribution fee—Class R	49	
Distribution fee—Class K	1,728	
Distribution fee—Class 1	319,609	
Transfer agency—Class A	27,595	
Transfer agency—Class C	6,349	
Transfer agency—Advisor Class	28,594	
Transfer agency—Class R	26	
Transfer agency—Class K	1,240	
Transfer agency—Class I	5,502	
Transfer agency—Class 1	66,200	
Transfer agency—Class 2	3	
Custodian	141,984	
Registration fees	61,290	
Audit	32,066	
Administrative	27,968	
Printing	25,127	
Legal	22,100	
Directors' fees	5,625	
Miscellaneous	15,397	
Total expenses	2,597,848	
Less: expenses waived and reimbursed by the Adviser (see Note B)	(467,053)	
Net expenses		2,130,795
Net investment income		1,922,374

Realized and Unrealized Gain (Loss) on Investment and Foreign Currency Transactions

Net realized gain (loss) on:	
Investment transactions	$ 5,432,295[(a)]
Futures contracts	(266,366)
Options written	744,991
Swap contracts	(15,572,523)
Foreign currency transactions	219,030
Net change in unrealized appreciation/depreciation of:	
Investments	4,575,803[(b)]
Futures contracts	615,302
Options written	(465,608)
Swap contracts	6,257,135
Foreign currency denominated assets and liabilities	(219,409)
Net gain on investment and foreign currency transactions	1,320,650
Net Increase in Net Assets from Operations	**$ 3,243,024**

(a) Net of foreign capital gains taxes of $4,150.

(b) Net of increase in accrued foreign capital gains taxes of $42,282.

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended April 30, 2013 (unaudited)	Year Ended October 31, 2012
Increase (Decrease) in Net Assets from Operations		
Net investment income	$ 1,922,374	$ 3,997,290
Net realized loss on investment and foreign currency transactions	(9,442,573)	(5,300,020)
Net change in unrealized appreciation/depreciation of investments and foreign currency denominated assets and liabilities	10,763,223	14,001,057
Net increase in net assets from operations	3,243,024	12,698,327
Dividends to Shareholders from		
Net investment income		
Class A	(1,562,186)	(509,447)
Class C	(258,770)	(45,930)
Advisor Class	(1,822,536)	(511,117)
Class R	(348)	(49)
Class K	(30,815)	(2,741)
Class I	(503,361)	(151,472)
Class 1	(5,327,983)	(1,535,734)
Class 2	(295)	– 0 –
Capital Stock Transactions		
Net increase	114,251,966	51,614,977
Total increase	107,988,696	61,556,814
Net Assets		
Beginning of period	398,566,980	337,010,166
End of period (including distributions in excess of net investment income of ($3,481,803) and undistributed net investment income of $4,102,117, respectively)	**$ 506,555,676**	**$ 398,566,980**

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2013 (unaudited)

NOTE A
Significant Accounting Policies

AllianceBernstein Bond Fund, Inc. (the "Fund") is registered under the Investment Company Act of 1940 as an open-end management investment company. The Fund, which is a Maryland corporation, operates as a series company currently comprised of five portfolios: the Intermediate Bond Portfolio, the Bond Inflation Strategy Portfolio, the Municipal Bond Inflation Strategy Portfolio, the Real Asset Strategy Portfolio (the "Strategy") and the Limited Duration High Income Portfolio. They are each diversified Portfolios, with the exception of the Limited Duration High Income Portfolio, which is non-diversified. The Limited Duration High Income Portfolio commenced operations on December 7, 2011. Each Portfolio is considered to be a separate entity for financial reporting and tax purposes. This report relates only to the Strategy. As part of the Strategy's investment strategy, the Strategy seeks to gain exposure to commodities and commodities-related instruments and derivatives primarily through investments in AllianceBernstein Cayman Inflation Strategy, Ltd., a wholly-owned subsidiary of the Strategy organized under the laws of the Cayman Islands (the "Subsidiary"). The Strategy and the Subsidiary commenced operations on March 8, 2010. The Subsidiary was incorporated on February 1, 2010. The Strategy is the sole shareholder of the Subsidiary and it is intended that the Strategy will remain the sole shareholder and will continue to control the Subsidiary. Under the Articles of Association of the Subsidiary, shares issued by the Subsidiary confer upon a shareholder the right to receive notice of, to attend and to vote at general meetings of the Subsidiary and shall confer upon the shareholder rights in a winding-up or repayment of capital and the right to participate in the profits or assets of the Subsidiary. As of April 30, 2013, net assets of the Strategy were $506,555,676, of which $96,662,326, or approximately 19.08%, represented the Strategy's ownership of all issued shares and voting rights of the Subsidiary. This report presents the consolidated financial statements of AllianceBernstein Real Asset Strategy and the Subsidiary. All intercompany transactions and balances have been eliminated in consolidation. The Strategy has authorized the issuance of Class A, Class B, Class C, Advisor Class, Class R, Class K, Class I, Class 1 and Class 2 shares. Class B shares are not publically offered. Class 1 shares are sold only to the private clients of Sanford C. Bernstein & Co. LLC by its registered representatives. 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, Class K, and Class 1 shares are sold without an initial or contingent deferred sales charge. Advisor Class, Class I, and Class 2 shares are sold without an initial or contingent deferred sales charge and are not subject to ongoing distribution expenses. All eight 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 consolidated 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 consolidated 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 Strategy.

1. Security Valuation

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

In general, the market value of securities which are readily available and deemed reliable are determined as follows: Securities listed on a national securities exchange (other than securities listed on the NASDAQ Stock Market, Inc. ("NASDAQ")) or on a foreign securities exchange are valued at the last sale price at the close of the exchange or foreign securities exchange. If there has been no sale on such day, the securities are valued at the last traded price from the previous day. Securities listed on more than one exchange are valued by reference to the principal exchange on which the securities are traded; securities listed only on NASDAQ are valued in accordance with the NASDAQ Official Closing Price; listed or over the counter ("OTC") market put or call options are valued at the mid level between the current bid and ask prices. If either a current bid or current ask price is unavailable, AllianceBernstein L.P. (the "Adviser") will have discretion to determine the best valuation (e.g. last trade price in the case of listed options); open futures contracts are valued using the closing settlement price or, in the absence of such a price, the most recent quoted bid price. If there are no quotations available for the day of valuation, the last available closing settlement price is used; U.S. government securities and other debt instruments having 60 days or less remaining until maturity are valued at amortized cost if their original maturity was 60 days or less; or by amortizing their fair value as of the 61st day prior to maturity if their original term to maturity exceeded 60 days; fixed-income securities, including mortgage backed and asset backed securities, may be valued on the basis of prices provided by a pricing service or at a price obtained from one or more of the major broker/dealers. In cases where broker/dealer quotes are obtained, the Adviser may establish procedures whereby changes in market yields or spreads are used to adjust, on a daily basis, a recently obtained quoted price on a security. Swaps and other derivatives are valued daily, primarily using independent pricing services, independent pricing models using market inputs, as well as third party broker-dealers or counterparties. Investments in money market funds are valued at their net asset value each day.

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

2. Fair Value Measurements

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

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

The fair value of debt instruments, such as bonds, and over-the-counter derivatives is generally based on market price quotations, recently executed market transactions (where observable) or industry recognized modeling techniques and are generally classified as Level 2. Pricing vendor inputs to Level 2 valuations may include quoted prices for similar investments in active markets, interest rates, coupon rates, yield curves, option adjusted spreads, default rates, credit spreads and other unique security features in order to estimate the relevant cash flows which is then discounted to calculate fair values. If these inputs are unobservable and significant to the fair value, these investments will be classified as Level 3. In addition, non-agency rated investments are classified as Level 3.

Other fixed income investments, including non-U.S. government and corporate debt, are generally valued using quoted market prices, if available, which are typically impacted by current interest rates, maturity dates and any perceived credit risk of the issuer. Additionally, in the absence of quoted market prices, these inputs are used by pricing vendors to derive a valuation based upon industry or proprietary models which incorporate issuer specific data with relevant yield/spread comparisons with more widely quoted bonds with similar key characteristics. Those investments for which there are observable inputs are classified as Level 2. Where the inputs are not observable, the investments are classified as Level 3.

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

Options and warrants are valued using market-based inputs to models, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency, where such inputs and models are available. Alternatively the values may be obtained through unobservable management determined inputs and/or management's proprietary models. Where models are used, the selection of a particular model to value an option or a warrant depends upon the contractual terms of, and specific risks inherent in, the option or warrant as well as the availability of pricing information in the market. Valuation models require a variety of inputs, including contractual terms, market prices, measures of volatility and correlations of such inputs. Exchange traded options will be classified as Level 2. For options or warrants that do not trade on exchange but trade in liquid markets, inputs can generally be verified and model selection does not involve significant management judgment. Options and warrants are classified within Level 2 on the fair value hierarchy when all of the significant inputs can be corroborated to market evidence. Otherwise such instruments are classified as Level 3.

The following table summarizes the valuation of the Strategy's investments by the above fair value hierarchy levels as of April 30, 2013:

Investments in Securities:	Level 1	Level 2	Level 3	Total
Assets:				
Common Stocks:				
Energy	$ 72,796,214	$ 45,420,670	$ – 0 –	$ 118,216,884
Materials	29,121,591	29,055,054	22,461	58,199,106
Equity:Other	19,809,323	31,327,547	67,198	51,204,068
Retail	14,434,806	9,858,298	– 0 –	24,293,104
Residential	12,887,542	7,924,317	35,311	20,847,170
Office	4,773,633	5,342,474	– 0 –	10,116,107
Industrials	3,238,238	2,527,033	– 0 –	5,765,271
Lodging	3,214,360	1,298,197	– 0 –	4,512,557
Food Beverage & Tobacco	2,112,178	141,776	– 0 –	2,253,954
Inflation-Linked Securities	– 0 –	90,129,144	– 0 –	90,129,144
Investment Companies	10,796,335	– 0 –	– 0 –	10,796,335
Warrants	– 0 –	– 0 –	694,193	694,193
Options Purchased - Puts	– 0 –	134,400	– 0 –	134,400
Rights	1,884	– 0 –	– 0 –	1,884
Short-Term Investments:				
Investment Companies	47,592,548	– 0 –	– 0 –	47,592,548
U.S. Treasury Bills	– 0 –	34,669,429	– 0 –	34,669,429
Total Investments in Securities	220,778,652	257,828,339+	819,163	479,426,154
Other Financial Instruments* :				
Assets:				
Futures Contracts	1,261,871	– 0 –	– 0 –	1,261,871#
Forward Currency Exchange Contracts	– 0 –	853,395	– 0 –	853,395
Total Return Swap Contracts	– 0 –	4,142,925	– 0 –	4,142,925
Liabilities:				
Futures Contracts	(837,931)	– 0 –	– 0 –	(837,931)#
Forward Currency Exchange Contracts	– 0 –	(1,053,387)	– 0 –	(1,053,387)
Call Options Written	– 0 –	(232,050)	– 0 –	(232,050)
Interest Rate Swap Contracts	– 0 –	(200,026)	– 0 –	(200,026)
Inflation (CPI) Swap Contracts	– 0 –	(15,935)	– 0 –	(15,935)
Total Return Swap Contracts	– 0 –	(17,566)	– 0 –	(17,566)
Total++	**$ 221,202,592**	**$ 261,305,695**	**$ 819,163**	**$ 483,327,450**

* *Other financial instruments are derivative instruments, such as futures, forwards and swap contracts, which are valued at the unrealized appreciation/depreciation on the instrument. Other financial instruments may also include options written which are valued at market value.*

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

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

\# *Only variation margin receivable/payable at period end is reported within the statement of assets and liabilities. This amount reflects cumulative appreciation/(depreciation) of futures contracts as reported in the consolidated portfolio of investments.*

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

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

	Materials	Equity:Other	Residential
Balance as of 10/31/12	**$ 22,490**	**$ – 0 –**	**$ – 0 –**
Accrued discounts/(premiums)	– 0 –	– 0 –	– 0 –
Realized gain (loss)	– 0 –	501	– 0 –
Change in unrealized appreciation/depreciation	(29)	12,055	684
Purchases	– 0 –	7,566	34,627
Sales	– 0 –	(8,408)	– 0 –
Transfers in to Level 3	– 0 –	55,484	– 0 –
Transfers out of Level 3	– 0 –	– 0 –	– 0 –
Balance as of 4/30/13**	**$ 22,461**	**$ 67,198**	**$ 35,311**
Net change in unrealized appreciation/ depreciation from Investments held as of 4/30/13*	$ (29)	$ 12,055	$ 684

	Warrants	Inflation (CPI) Swap Contracts	Total
Balance as of 10/31/12	**$ 207,113**	**$ (5,724)**	**$ 223,879**
Accrued discounts/(premiums)	– 0 –	– 0 –	– 0 –
Realized gain (loss)	(8,444)	– 0 –	(7,943)
Change in unrealized appreciation/depreciation	114,676	– 0 –	127,386
Purchases	389,501	– 0 –	431,694
Sales	(204,643)	– 0 –	(213,051)
Transfers in to Level 3	195,990	– 0 –	251,474
Transfers out of Level 3	– 0 –	5,724	5,724
Balance as of 4/30/13**	**$ 694,193**	**$ – 0 –**	**$ 819,163**
Net change in unrealized appreciation/ depreciation from Investments held as of 4/30/13*	$ 114,676	$ – 0 –	$ 127,386

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

** *There were de minimis transfers under 1% of net assets during the reporting period.*

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

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

In addition, several processes outside of the pricing process are used to monitor valuation issues including: 1) performance and performance attribution reports are monitored for anomalous impacts based upon benchmark performance, and 2) portfolio managers review all portfolios for performance and analytics (which are generated using the Adviser's prices).

3. Currency Translation

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

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

4. Taxes

It is the Strategy'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 Strategy 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.

If, during a taxable year, the Subsidiary's taxable losses (and other deductible items) exceed its income and gains, the net loss will not pass through to the Strategy as a deductible amount for Federal income tax purposes. Note that the loss from the Subsidiary's contemplated activities also cannot be carried forward to reduce future Subsidiary's income in subsequent years. However, if the Subsidiary's taxable gains exceed its losses and other deductible items during a taxable year, the net gain will pass through to the Strategy as income for Federal income tax purposes.

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

5. Investment Income and Investment Transactions

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

6. Class Allocations

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

7. Dividends and Distributions

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

NOTE B
Management Fee and Other Transactions with Affiliates

Under the terms of the investment advisory agreement, the Strategy pays the Adviser a management fee at an annual rate of .75% of the Strategy's average daily net assets. 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 1.05%, 1.75%, 0.75%, 1.25%, 1.00%, 0.75%, 1.00% and 0.75% of daily average net assets for Class A, Class C, Advisor Class, Class R, Class K, Class I, Class 1 and Class 2 shares, respectively. Under the agreement, fees waived and expenses borne by the Adviser were subject to repayment by the Strategy until March 8, 2013. No repayment will be made that would cause the Strategy's total annualized operating expenses to exceed the net fee percentage set forth above or would exceed the amount of offering expenses as recorded by the Strategy on or before March 8, 2011. This fee waiver and/or expense reimbursement agreement will remain in effect until January 31, 2014, and then may be extended by the Adviser for additional one-year terms. For the six months ended April 30, 2013, such reimbursement amounted to $467,053, which is subject to repayment, not to exceed the amount of offering expenses.

The Subsidiary has entered into a separate agreement with the Adviser for the management of the Subsidiary's portfolio. The Adviser receives no compensation from the Subsidiary for its services under the agreement.

Pursuant to the investment advisory agreement, the Strategy may reimburse the Adviser for certain legal and accounting services provided to the Strategy by the Adviser. For the six months ended April 30, 2013, the reimbursement for such services amounted to $27,968.

The Strategy 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 Strategy. ABIS may make payments to intermediaries that provide omnibus account services, sub-accounting services and/or networking services. Such compensation retained by ABIS amounted to $27,593 for the six months ended April 30, 2013.

AllianceBernstein Investments, Inc. (the "Distributor"), a wholly-owned subsidiary of the Adviser, serves as the distributor of the Strategy's shares. The Distributor has advised the Strategy that it has retained front-end sales charges of $4,093 from the sale of Class A shares and received $0 and $3,551 in contingent deferred sales charges imposed upon redemptions by shareholders of Class A and Class C shares, respectively, for the six months ended April 30, 2013.

The Strategy may invest in the AllianceBernstein Fixed-Income Shares, Inc. – Government STIF Portfolio ("Government STIF Portfolio"), an open-end management investment company managed by the Adviser. The Government STIF Portfolio is offered as a cash management option to mutual funds and other institutional accounts of the Adviser, and is not available for direct purchase by members of the public. The Government STIF Portfolio pays no investment management fees but does bear its own expenses. A summary of the Strategy's transactions in shares of the Government STIF Portfolio for the six months ended April 30, 2013 is as follows:

Market Value October 31, 2012 (000)	Purchases at Cost (000)	Sales Proceeds (000)	Market Value April 30, 2013 (000)	Dividend Income (000)
$ 39,448	$ 115,886	$ 107,741	$ 47,593	$ 24

Brokerage commissions paid on investment transactions for the six months ended April 30, 2013 amounted to $227,078, of which $41 and $228, respectively, was paid to Sanford C. Bernstein & Co. LLC and Sanford C. Bernstein Limited, affiliates of the Adviser.

NOTE C
Distribution Services Agreement

The Strategy has adopted a Distribution Services Agreement (the "Agreement") pursuant to Rule 12b-1 under the Investment Company Act of 1940. Under the Agreement, the Strategy pays distribution and servicing fees to AllianceBernstein Investments, Inc. (the "Distributor") at an annual rate of up to .30% of the Strategy's average daily net assets attributable to Class A shares, 1% of the Strategy's average daily net assets attributable to Class C shares, .50% of the Strategy's average daily net assets attributable to Class R shares, .25% of the Strategy's average daily net assets attributable to Class K shares and .25% of the Strategy's average daily net assets attributable to Class 1 shares. There are no distribution and servicing fees on the Advisor Class, Class I, and Class 2 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 Strategy's operations, the Distributor has incurred expenses in excess of the distribution costs reimbursed by the Strategy in the amounts of $138,290, $13,831, $15,895 and $989,324 for Class C, Class R, Class K and Class 1 shares, respectively. While such costs may be recovered from the Strategy in future periods so long as the Agreement is in effect, the rate of the distribution and servicing fees payable under the Agreement may not be increased without a shareholder vote. In accordance with the Agreement, there is no provision for recovery of unreimbursed distribution costs incurred by the Distributor beyond the current fiscal year for Class A shares. The Agreement also provides that the Adviser may use its own resources to finance the distribution of the Strategy's shares.

NOTE D
Investment Transactions

Purchases and sales of investment securities (excluding short-term investments) for the six months ended April 30, 2013 were as follows:

	Purchases	Sales
Investment securities (excluding U.S. government securities)	$ 140,490,869	$ 92,356,092
U.S. government securities	103,893,769	82,888,225

The cost of investments for federal income tax purposes was substantially the same as the cost for financial reporting purposes. Accordingly, gross unrealized appreciation and unrealized depreciation (excluding futures, foreign currency, written options and swap transactions) are as follows:

Gross unrealized appreciation	$ 32,184,508
Gross unrealized depreciation	(15,755,045)
Net unrealized appreciation	$ 16,429,463

1. Derivative Financial Instruments

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

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

- **Futures Contracts**

  The Strategy may buy or sell futures contracts for investment purposes or for the purpose of hedging its portfolio against adverse effects of potential movements in the market. The Strategy bears the market risk that arises from changes in the value of these instruments and the imperfect correlation between movements in the price of the futures contracts and movements in the price of the assets, reference rates or indices which they are designed to track. Among other things, the Strategy may purchase or sell futures contracts for foreign currencies or options thereon for non-hedging purposes as a means of making direct investment in foreign currencies, as described below under "Currency Transactions".

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

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

During the six months ended April 30, 2013, the Strategy held futures contracts for hedging and non-hedging purposes.

- **Forward Currency Exchange Contracts**

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

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

During the six months ended April 30, 2013, the Strategy held forward currency exchange contracts for hedging and non-hedging purposes.

- **Option Transactions**

For hedging and investment purposes, the Strategy 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 Strategy may use options transactions for non-hedging purposes as a means of making direct 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 Strategy pays a premium whether or not the option is exercised. Additionally, the Strategy 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 Strategy writes an option, the premium received by the Strategy 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 Strategy 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 Strategy 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 Strategy. In writing an option, the Strategy 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 Strategy could result in the Strategy selling or buying a security or currency at a price different from the current market value.

During the six months ended April 30, 2013, the Strategy held purchased options for hedging purposes. During the six months ended April 30, 2013, the Strategy held written options for hedging purposes.

For the six months ended April 30, 2013, the Strategy had the following transactions in written options:

	Number of Contracts	Premiums Received
Options written outstanding as of 10/31/12	1,177	$ 574,926
Options written	620	424,817
Options expired	(1,062)	(115,274)
Options bought back	(525)	(723,407)
Options exercised	– 0 –	– 0 –
Options written outstanding as of 4/30/13	210	$ 161,062

- **Swap Agreements**

The Strategy may enter into swaps to hedge its exposure to interest rates, credit risk, equity markets and currencies. The Strategy may also enter into swaps for non-hedging purposes as a means of gaining market exposures, making direct 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 Strategy in accordance with the terms of the respective swap agreements to provide value and recourse to the Strategy 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 Strategy, and/or the termination value at the end of the contract. Therefore, the Strategy 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 Strategy and the counterparty and by the posting of collateral by the counterparty to the Strategy to cover the Strategy's exposure to the counterparty. Additionally, risks may arise from unanticipated movements in interest rates or in the value of the underlying securities. The Strategy 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 consolidated 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 consolidated statement of operations, in addition to any realized gain/(loss) recorded upon the termination of swap contracts. Upfront premiums paid or received are recognized as cost or proceeds on the consolidated statement of assets and liabilities and are amortized on a straight line basis over the life of the contract. Amortized upfront premiums are included in net realized gain/(loss) from swaps on the consolidated statement of operations. Fluctuations in the value of swap contracts are recorded as a component of net change in unrealized appreciation/depreciation of swap contracts on the consolidated statement of operations.

Interest Rate Swaps:
The Strategy is subject to interest rate risk exposure in the normal course of pursuing its investment objectives. Because the Strategy holds fixed rate bonds, the value of these bonds may decrease if interest rates rise. To help hedge against this risk and to maintain its ability to generate income at prevailing market rates, the Strategy may enter into interest rate swap contracts. Interest rate swaps are agreements between two parties to exchange cash flows based on a notional amount. The Strategy may elect to pay a fixed rate and receive a floating rate, or, receive a fixed rate and pay a floating rate on a notional amount.

In addition, a Strategy may also enter into interest rate swap transactions to preserve a return or spread on a particular investment or portion of its portfolio, or protecting against an increase in the price of securities the Strategy anticipates purchasing at a later date. Interest rate swaps involve the exchange by a Strategy with another party of their respective commitments to pay or receive interest (*e.g.*, an exchange of floating rate payments for fixed rate payments) computed based on a contractually-based principal (or "notional") amount. Interest rate swaps are entered into on a net basis (*i.e.*, the two payment streams are netted out, with the Strategy receiving or paying, as the case may be, only the net amount of the two payments).

During the six months ended April 30, 2013, the Strategy held interest rate swap contracts for non-hedging purposes.

Inflation (CPI) Swaps:
Inflation swap agreements are contracts in which one party agrees to pay the cumulative percentage increase in a price index (the Consumer Price Index with respect to CPI swaps) over the term of the swap (with some lag on the inflation index), and the other pays a compounded fixed rate. Inflation swap agreements may be used to protect the net asset value, or NAV, of Strategy against an unexpected change in the rate of inflation measured by an inflation index since the value of these agreements is expected to increase if unexpected inflation increases.

During the six months ended April 30, 2013, the Strategy held inflation (CPI) swaps for non-hedging purposes.

Total Return Swaps:
The Strategy may enter into total return swaps in order to take a "long" or "short" position with respect to an underlying referenced asset. The Strategy 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 Strategy will receive a payment from or make a payment to the counterparty.

During the six months ended April 30, 2013, the Strategy held total return swaps for non-hedging purposes.

Documentation governing the Strategy's OTC derivatives may contain provisions for early termination of such transaction in the event the net assets of the Strategy decline below specific levels set forth in the documentation ("net asset contingent features"). If these levels are triggered, the Strategy's counterparty has the right to terminate such transaction and require the Strategy to pay or receive a settlement amount in connection with the terminated transaction. As of April 30, 2013, the Strategy had OTC derivatives with contingent features in net liability positions in the amount of $731,236. The fair value of assets pledged as collateral by the Strategy for such derivatives was $260,976 at April 30, 2013. If a trigger event had occurred at April 30, 2013, for those derivatives in a net liability position, an amount of $189,912 would be required to be posted by the Strategy.

At April 30, 2013, the Strategy had entered into the following derivatives:

	Asset Derivatives		Liability Derivatives	
Derivative Type	**Statement of Assets and Liabilities Location**	**Fair Value**	**Statement of Assets and Liabilities Location**	**Fair Value**
Foreign exchange contracts	Unrealized appreciation of forward currency exchange contracts	$ 853,395	Unrealized depreciation of forward currency exchange contracts	$ 1,053,387
Commodity contracts	Receivable/Payable for variation margin on futures contracts	1,261,871*	Receivable/Payable for variation margin on futures contracts	837,931*

	Asset Derivatives		Liability Derivatives	
Derivative Type	**Statement of Assets and Liabilities Location**	**Fair Value**	**Statement of Assets and Liabilities Location**	**Fair Value**
Interest rate contracts			Unrealized depreciation on interest rate swap contracts	$ 200,026
Interest rate contracts			Unrealized depreciation on inflation swap contracts	15,935
Equity contracts	Unrealized appreciation on total return swap contracts	$ 4,142,925	Unrealized depreciation on total return swap contracts	17,566
Equity contracts	Investments in securities, at value	134,400		
Equity contracts			Options written, at value	232,050
Total		$ 6,392,591		$ 2,356,895

* *Only variation margin receivable/payable at period end is reported within the consolidated statement of assets and liabilities. This amount reflects cumulative appreciation/(depreciation) of futures contracts as reported in the consolidated portfolio of investments.*

The effect of derivative instruments on the consolidated statement of operations for the six months ended April 30, 2013:

Derivative Type	Location of Gain or (Loss) on Derivatives	Realized Gain or (Loss) on Derivatives	Change in Unrealized Appreciation or (Depreciation)
Foreign exchange contracts	Net realized gain (loss) on foreign currency transactions; Net change in unrealized appreciation/depreciation of foreign currency denominated assets and liabilities	$ 256,869	$ (220,232)
Commodity contracts	Net realized gain (loss) on futures contracts; Net change in unrealized appreciation/depreciation of futures contracts	(451,325)	853,308

Derivative Type	Location of Gain or (Loss) on Derivatives	Realized Gain or (Loss) on Derivatives	Change in Unrealized Appreciation or (Depreciation)
Interest rate contracts	Net realized gain (loss) on swap contracts; Net change in unrealized appreciation/ depreciation of swap contracts	$ (36,825)	$ 20,225
Interest rate contracts	Net realized gain (loss) on swap contracts; Net change in unrealized appreciation/ depreciation of swap contracts	– 0 –	(10,211)
Equity contracts	Net realized gain (loss) on futures contracts; Net change in unrealized appreciation/ depreciation of futures contracts	184,959	(238,006)
Equity contracts	Net realized gain (loss) on swap contracts; Net change in unrealized appreciation/ depreciation of swap contracts	(15,535,698)	6,247,121
Equity contracts	Net realized gain (loss) on investment transactions; Net change in unrealized appreciation/ depreciation of investments	(1,973,344)	310,532
Equity contracts	Net realized gain (loss) on options written; Net change in unrealized appreciation/ depreciation of options written	744,991	(465,608)
Total		$ (16,810,373)	$ 6,497,129

The following table represents the volume of the Strategy's derivative transactions during the six months ended April 30, 2013:

Forward Currency Exchange Contracts:	
Average principal amount of buy contracts	$ 43,316,802
Average principal amount of sale contracts	$ 64,588,213
Futures Contracts:	
Average original value of buy contracts	$ 22,600,321
Average original value of sale contracts	$ 24,318,022
Interest Rate Swap Contracts:	
Average notional amount	$ 3,830,000
Inflation Swap Contracts:	
Average notional amount	$ 1,000,000
Total Return Swap Contracts:	
Average notional amount	$ 145,160,226
Purchased Options:	
Average monthly cost	$ 834,182

2. Currency Transactions

The Strategy may invest in non-U.S. Dollar securities on a currency hedged or unhedged basis. The Strategy 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 Strategy 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 Strategy 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 Strategy 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	
	Six Months Ended April 30, 2013 (unaudited)	Year Ended October 31, 2012	Six Months Ended April 30, 2013 (unaudited)	Year Ended October 31, 2012
Class A				
Shares sold	1,179,606	2,608,531	$ 13,274,392	$ 28,567,301
Shares issued in reinvestment of dividends	92,311	38,825	1,020,960	394,077
Shares redeemed	(827,369)	(2,988,890)	(9,268,475)	(32,355,909)
Net increase (decrease)	**444,548**	**(341,534)**	**$ 5,026,877**	**$ (3,394,531)**
Class C				
Shares sold	243,507	354,713	$ 2,705,504	$ 3,879,024
Shares issued in reinvestment of dividends	21,649	4,016	237,922	40,482
Shares redeemed	(313,194)	(524,077)	(3,486,642)	(5,691,101)
Net decrease	**(48,038)**	**(165,348)**	**$ (543,216)**	**$ (1,771,595)**
Advisor Class				
Shares sold	1,657,470	4,543,903	$ 18,663,329	$ 49,904,713
Shares issued in reinvestment of dividends	122,259	31,201	1,354,636	317,317
Shares redeemed	(1,440,143)	(2,780,605)	(16,178,836)	(30,660,702)
Net increase	**339,586**	**1,794,499**	**$ 3,839,129**	**$ 19,561,328**
Class R				
Shares sold	1,488	465	$ 16,504	$ 5,131
Shares issued in reinvestment of dividends	11	– 0 –[(a)]	120	2
Net increase	**1,499**	**465**	**$ 16,624**	**$ 5,133**
Class K				
Shares sold	35,831	104,007	$ 404,030	$ 1,119,362
Shares issued in reinvestment of dividends	2,789	261	30,815	2,644
Shares redeemed	(7,831)	(2,244)	(87,539)	(24,252)
Net increase	**30,789**	**102,024**	**$ 347,306**	**$ 1,097,754**

	Shares		Amount	
	Six Months Ended April 30, 2013 (unaudited)	Year Ended October 31, 2012	Six Months Ended April 30, 2013 (unaudited)	Year Ended October 31, 2012
Class I				
Shares sold	301,033	208,844	$ 3,426,574	$ 2,346,052
Shares issued in reinvestment of dividends	45,471	14,751	503,361	149,726
Shares redeemed	(435,415)	(1,087)	(4,855,901)	(11,273)
Net increase (decrease)	**(88,911)**	**222,508**	**$ (925,966)**	**$ 2,484,505**
Class 1				
Shares sold	11,426,003	6,975,213	$ 128,033,542	$ 76,358,201
Shares issued in reinvestment of dividends	405,500	11,816	4,464,553	119,455
Shares redeemed	(2,326,019)	(3,912,630)	(26,006,883)	(42,845,273)
Net increase	**9,505,484**	**3,074,399**	**$ 106,491,212**	**$ 33,632,383**

(a) *Share amount is less than one full share.*

NOTE F
Risks Involved in Investing in the Strategy

Interest Rate Risk and Credit Risk—Interest rate risk is the risk that changes in interest rates will affect the value of the Strategy's investments in fixed-income debt securities such as bonds or notes. Increases in interest rates may cause the value of the Strategy's investments to decline. Credit risk is the risk that the issuer or guarantor of a debt security, or the counterparty to a derivative contract, will be unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. The degree of risk for a particular security may be reflected in its credit risk rating. Credit risk is greater for medium quality and lower-rated securities. Lower-rated debt securities and similar unrated securities (commonly known as "junk bonds") have speculative elements or are predominantly speculative risks.

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

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

Commodity Risk—Investing in commodity-linked derivative instruments may subject the Strategy to greater volatility than investments in traditional securities. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

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

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

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

NOTE G
Joint Credit Facility

A number of open-end mutual funds managed by the Adviser, including the Strategy, participate in a $140 million revolving credit facility (the "Facility") intended to provide short-term financing, if necessary, subject to certain restrictions in connection with abnormal redemption activity. Commitment fees related to the Facility are paid by the participating funds and are included in miscellaneous expenses in the statement of operations. The Strategy did not utilize the Facility during the six months ended April 30, 2013.

NOTE H
Distributions to Shareholders

The tax character of distributions to be paid for the year ending October 31, 2013 will be determined at the end of the current fiscal year. The tax character of distributions paid during the fiscal years ended October 31, 2012 and October 31, 2011 were as follows:

	2012	2011
Distributions paid from:		
Ordinary income	$ 2,756,490	$ 561,662
Total distributions paid	$ 2,756,490	$ 561,662

As of October 31, 2012, the components of accumulated earnings/(deficit) on a tax basis were as follows:

Undistributed ordinary income	$ 8,018,481
Accumulated capital and other losses	(15,654,475)[a]
Unrealized appreciation/(depreciation)	(6,451,558)[b]
Total accumulated earnings/(deficit)	$ (14,087,552)

(a) *On October 31, 2012, the Strategy had a net capital loss carryforward of $15,654,475.*

(b) *The differences between book-basis and tax-basis unrealized appreciation/(depreciation) are attributable primarily to the tax deferral of losses on wash sales, the tax treatment of swaps and passive foreign investment companies (PFICs), the tax treatment of Treasury inflation-protected securities, the realization for tax purposes of gains/losses on certain derivative instruments, and the tax treatment of earnings from the Subsidiary.*

For tax purposes, net capital losses may be carried over to offset future capital gains, if any. Under the Regulated Investment Company Modernization Act of 2010, funds are permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an indefinite period. These post-enactment capital losses must be utilized prior to the pre-enactment capital losses, which are subject to expiration. Post-enactment capital loss carryforwards will retain their character as either short-term or long-term capital losses rather than being considered short-term as under previous regulation.

As of October 31, 2012, the Strategy had a net capital loss carryforward of $15,654,475 which will expire as follows:

Short-Term Amount	Long-Term Amount	Expiration
$ 8,227	n/a	2018
8,373,586	n/a	2019
4,103,434	$ 3,169,228	No expiration

NOTE I
Recent Accounting Pronouncements

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

NOTE J
Subsequent Events

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

CONSOLIDATED FINANCIAL HIGHLIGHTS

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

	Class A			
	Six Months Ended April 30, 2013 (unaudited)	Year Ended October 31, 2012	Year Ended October 31, 2011	March 8, 2010[a] to October 31, 2010
Net asset value, beginning of period	$ 11.33	$ 11.05	$ 11.25	$ 10.00
Income From Investment Operations				
Net investment income[b][c]	.04	.11	.16	.04
Net realized and unrealized gain (loss) on investment and foreign currency transactions	.07	.25	(.01)	1.21
Contributions from Adviser	– 0 –	– 0 –	– 0 –	.00[d]
Net increase in net asset value from operations	.11	.36	.15	1.25
Less: Dividends				
Dividends from net investment income	(.26)	(.08)	(.35)	– 0 –
Net asset value, end of period	**$ 11.18**	**$ 11.33**	**$ 11.05**	**$ 11.25**
Total Return				
Total investment return based on net asset value[e]	.99 %	3.36 %	1.32 %	12.50 %
Ratios/Supplemental Data				
Net assets, end of period (000's omitted)	$72,070	$67,989	$70,081	$1,123
Ratio to average net assets of:				
Expenses, net of waivers/reimbursements	1.05 %[f]	1.05 %	1.05 %	1.05 %[f][g]
Expenses, before waivers/reimbursements	1.28 %[f]	1.28 %	1.61 %	7.68 %[f][g]
Net investment income[c]	.77 %[f]	1.02 %	1.44 %	.80 %[f][g]
Portfolio turnover rate	44 %	118 %	120 %	42 %

See footnote summary on page 67.

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

	Class C			
	Six Months Ended April 30, 2013 (unaudited)	Year Ended October 31, 2012	Year Ended October 31, 2011	March 8, 2010[a] to October 31, 2010
Net asset value, beginning of period	$ 11.18	$ 10.93	$ 11.19	$ 10.00
Income From Investment Operations				
Net investment income[b][c]	.00[d]	.03	.08	.04
Net realized and unrealized gain (loss) on investment and foreign currency transactions	.08	.25	(.01)	1.15
Contributions from Adviser	– 0 –	– 0 –	– 0 –	.00[d]
Net increase in net asset value from operations	.08	.28	.07	1.19
Less: Dividends				
Dividends from net investment income	(.18)	(.03)	(.33)	– 0 –
Net asset value, end of period	**$ 11.08**	**$ 11.18**	**$ 10.93**	**$ 11.19**
Total Return				
Total investment return based on net asset value[e]	.72 %	2.58 %	.61 %	11.90 %
Ratios/Supplemental Data				
Net assets, end of period (000's omitted)	$15,290	$15,974	$17,414	$280
Ratio to average net assets of:				
Expenses, net of waivers/ reimbursements	1.75 %[f]	1.75 %	1.75 %	1.75 %[f][g]
Expenses, before waivers/ reimbursements	1.98 %[f]	1.99 %	2.31 %	11.21 %[f][g]
Net investment income[c]	.06 %[f]	.32 %	.73 %	.65 %[f][g]
Portfolio turnover rate	44 %	118 %	120 %	42 %

See footnote summary on page 67.

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

	Advisor Class			
	Six Months Ended April 30, 2013 (unaudited)	Year Ended October 31, 2012	Year Ended October 31, 2011	March 8, 2010[a] to October 31, 2010
Net asset value, beginning of period	$ 11.37	$ 11.08	$ 11.26	$ 10.00
Income From Investment Operations				
Net investment income[b][c]	.06	.15	.19	.08
Net realized and unrealized gain (loss) on investment and foreign currency transactions	.07	.25	(.01)	1.18
Contributions from Adviser	– 0 –	– 0 –	– 0 –	.00[d]
Net increase in net asset value from operations	.13	.40	.18	1.26
Less: Dividends				
Dividends from net investment income	(.29)	(.11)	(.36)	– 0 –
Net asset value, end of period	**$ 11.21**	**$ 11.37**	**$ 11.08**	**$ 11.26**
Total Return				
Total investment return based on net asset value[e]	1.20 %	3.69 %	1.55 %	12.60 %
Ratios/Supplemental Data				
Net assets, end of period (000's omitted)	$75,284	$72,529	$50,795	$963
Ratio to average net assets of:				
Expenses, net of waivers/ reimbursements	.75 %[f]	.75 %	.75 %	.75 %[f][g]
Expenses, before waivers/ reimbursements	.98 %[f]	.99 %	1.29 %	8.89 %[f][g]
Net investment income[c]	1.09 %[f]	1.33 %	1.69 %	1.46 %[f][g]
Portfolio turnover rate	44 %	118 %	120 %	42 %

See footnote summary on page 67.

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

	Class R			
	Six Months Ended April 30, 2013 (unaudited)	Year Ended October 31, 2012	Year Ended October 31, 2011	March 8, 2010[a] to October 31, 2010
Net asset value, beginning of period	$ 11.32	$ 11.02	$ 11.23	$ 10.00
Income From Investment Operations				
Net investment income[b][c]	.04	.09	.16	.10
Net realized and unrealized gain (loss) on investment and foreign currency transactions	.06	.26	(.04)	1.13
Contributions from Adviser	– 0 –	– 0 –	– 0 –	.00[d]
Net increase in net asset value from operations	.10	.35	.12	1.23
Less: Dividends				
Dividends from net investment income	(.23)	(.05)	(.33)	– 0 –
Net asset value, end of period	**$ 11.19**	**$ 11.32**	**$ 11.02**	**$ 11.23**
Total Return				
Total investment return based on net asset value[e]	.88 %	3.20 %	1.03 %	12.30 %
Ratios/Supplemental Data				
Net assets, end of period (000's omitted)	$33	$17	$11	$11
Ratio to average net assets of:				
Expenses, net of waivers/reimbursements	1.25 %[f]	1.25 %	1.25 %	1.25 %[f][g]
Expenses, before waivers/reimbursements	1.66 %[f]	1.64 %	2.87 %	8.66 %[f][g]
Net investment income[c]	.77 %[f]	.82 %	1.39 %	1.50 %[f][g]
Portfolio turnover rate	44 %	118 %	120 %	42 %

See footnote summary on page 67.

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

	Class K			
	Six Months Ended April 30, 2013 (unaudited)	Year Ended October 31, 2012	Year Ended October 31, 2011	March 8, 2010[a] to October 31, 2010
Net asset value, beginning of period	$ 11.32	$ 11.05	$ 11.25	$ 10.00
Income From Investment Operations				
Net investment income[b][c]	.05	.10	.15	.12
Net realized and unrealized gain on investment and foreign currency transactions	.06	.27	0	1.13
Contributions from Adviser	– 0 –	– 0 –	– 0 –	.00[d]
Net increase in net asset value from operations	.11	.37	.15	1.25
Less: Dividends				
Dividends from net investment income	(.27)	(.10)	(.35)	– 0 –
Net asset value, end of period	**$ 11.16**	**$ 11.32**	**$ 11.05**	**$ 11.25**
Total Return				
Total investment return based on net asset value[e]	.99 %	3.43 %	1.33 %	12.50 %
Ratios/Supplemental Data				
Net assets, end of period (000's omitted)	$1,612	$1,286	$128	$11
Ratio to average net assets of:				
Expenses, net of waivers/reimbursements	1.00 %[f]	1.00 %	1.00 %	1.00%[f][g]
Expenses, before waivers/reimbursements	1.33 %[f]	1.35 %	1.91 %	8.39 %[f][g]
Net investment income[c]	.89 %[f]	.89 %	1.38 %	1.76 %[f][g]
Portfolio turnover rate	44 %	118 %	120 %	42 %

See footnote summary on page 67.

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

	Class I			
	Six Months Ended April 30, 2013 (unaudited)	Year Ended October 31, 2012	Year Ended October 31, 2011	March 8, 2010[a] to October 31, 2010
Net asset value, beginning of period	$ 11.36	$ 11.07	$ 11.27	$ 10.00
Income From Investment Operations				
Net investment income[b][c]	.06	.14	.15	.13
Net realized and unrealized gain on investment and foreign currency transactions	.06	.26	.02[h]	1.14
Contributions from Adviser	– 0 –	– 0 –	– 0 –	.00[d]
Net increase in net asset value from operations	.12	.40	.17	1.27
Less: Dividends				
Dividends from net investment income	(.29)	(.11)	(.37)	– 0 –
Net asset value, end of period	**$ 11.19**	**$ 11.36**	**$ 11.07**	**$ 11.27**
Total Return				
Total investment return based on net asset value[e]	1.12 %	3.69 %	1.53 %	12.70 %
Ratios/Supplemental Data				
Net assets, end of period (000's omitted)	$17,519	$18,790	$15,850	$11
Ratio to average net assets of:				
Expenses, net of waivers/reimbursements	.75 %[f]	.75 %	.75 %	.75 %[f][g]
Expenses, before waivers/reimbursements	.97 %[f]	.98 %	1.38 %	8.11 %[f][g]
Net investment income[c]	1.09 %[f]	1.32 %	1.42 %	1.99 %[f][g]
Portfolio turnover rate	44 %	118 %	120 %	42 %

See footnote summary on page 67.

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

	Class 1			
	Six Months Ended April 30, 2013 (unaudited)	Year Ended October 31, 2012	Year Ended October 31, 2011	March 8, 2010[a] to October 31, 2010
Net asset value, beginning of period	$ 11.29	$ 11.01	$ 11.25	$ 10.00
Income From Investment Operations				
Net investment income[b][c]	.05	.12	.15	.12
Net realized and unrealized gain (loss) on investment and foreign currency transactions	.06	.25	(.01)	1.13
Contributions from Adviser	– 0 –	– 0 –	– 0 –	.00[d]
Net increase in net asset value from operations	.11	.37	.14	1.25
Less: Dividends				
Dividends from net investment income	(.27)	(.09)	(.38)	– 0 –
Net asset value, end of period	**$ 11.13**	**$ 11.29**	**$ 11.01**	**$ 11.25**
Total Return				
Total investment return based on net asset value[e]	.99 %	3.47 %	1.25 %	12.50 %
Ratios/Supplemental Data				
Net assets, end of period (000's omitted)	$324,737	$221,971	$182,720	$11
Ratio to average net assets of:				
Expenses, net of waivers/reimbursements	1.00 %[f]	1.00 %	1.00 %	1.00 %[f][g]
Expenses, before waivers/reimbursements	1.21 %[f]	1.21 %	1.47 %	8.39 %[f][g]
Net investment income[c]	.90 %[f]	1.07 %	1.40 %	1.78 %[f][g]
Portfolio turnover rate	44 %	118 %	120 %	42 %

See footnote summary on page 67.

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

	Class 2			
	Six Months Ended April 30, 2013 (unaudited)	Year Ended October 31, 2012	Year Ended October 31, 2011	March 8, 2010[(a)] to October 31, 2010
Net asset value, beginning of period	$11.48	$11.07	$11.27	$10.00
Income From Investment Operations				
Net investment income[(b)(c)]	.06	.15	.14	.13
Net realized and unrealized gain on investment and foreign currency transactions	.07	.26	.03[(h)]	1.14
Contributions from Adviser	– 0 –	– 0 –	– 0 –	.00[(d)]
Net increase in net asset value from operations	.13	.41	.17	1.27
Less: Dividends				
Dividends from net investment income	(.30)	– 0 –	(.37)	– 0 –
Net asset value, end of period	**$11.31**	**$11.48**	**$11.07**	**$11.27**
Total Return				
Total investment return based on net asset value[(e)]	1.12 %	3.70 %	1.50 %	12.70 %
Ratios/Supplemental Data				
Net assets, end of period (000's omitted)	$11	$11	$11	$11,187
Ratio to average net assets of:				
Expenses, net of waivers/reimbursements	.75 %[(f)]	.75 %	.75 %	.75 %[(f)(g)]
Expenses, before waivers/reimbursements	.94 %[(f)]	.96 %	3.72 %	8.14 %[(f)(g)]
Net investment income[(c)]	1.08 %[(f)]	1.32 %	1.19 %	2.01 %[(f)(g)]
Portfolio turnover rate	44 %	118 %	120 %	42 %

(a) Commencement of operations.

(b) Based on average shares outstanding.

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

(d) Amount is less than $.005.

(e) Total investment return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption on the last day of the period. 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 strategy distributions or the redemption of strategy shares. Total investment return calculated for a period of less than one year is not annualized.

(f) Annualized.

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

(h) Due to timing of sales and repurchase of capital shares, the net realized and unrealized gain (loss) per share is not in accord with the Strategy's change in net realized and unrealized gain (loss) on investment transactions for the period.

See notes to consolidated financial statements.

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
Vincent L. Childers[2]**,** Vice President
Jonathan E. Ruff[2]**,** Vice President
Emilie D. Wrapp, Secretary
Joseph J. Mantineo, Treasurer and Chief Financial Officer
Phyllis J. Clarke, Controller

Custodian and Accounting Agent

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

Principal Underwriter

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

Transfer Agent

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

Independent Registered Public Accounting Firm

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

Legal Counsel

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

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

(2) The day-to-day management of, and investment decisions for, the Strategy's portfolio are made by the Adviser's Real Asset Strategy Team. Messrs. Vincent L. Childers and Jonathan E. Ruff are the investment professionals with the most significant responsibility for the day-to-day management of the Strategy's portfolio.

Information Regarding the Review and Approval of the Portfolio's Investment Advisory Contract

The disinterested directors (the "directors") of AllianceBernstein Bond Fund, Inc. (the "Fund") unanimously approved the continuance of the Fund's Investment Advisory Contract (the "Advisory Agreement") with the Adviser in respect of AllianceBernstein Real Asset Strategy (formerly named AllianceBernstein Multi-Asset Inflation Strategy) (the "Portfolio") at a meeting held on November 6-8, 2012.

Prior to approval of the continuance of the Advisory Agreement in respect of the Portfolio, the directors had requested from the Adviser, and received and evaluated, extensive materials. They reviewed the proposed continuance of the Advisory Agreement with the Adviser and with experienced counsel who are independent of the Adviser, who advised on the relevant legal standards. The directors also reviewed an independent evaluation prepared by the Fund's Senior Officer (who is also the Fund's Independent Compliance Officer) of the reasonableness of the advisory fee, in which the Senior Officer concluded that the contractual fee for the Portfolio was reasonable. The directors also discussed the proposed continuance in private sessions with counsel and the Fund's Senior Officer.

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

The directors also considered all other factors they believed relevant, including the specific matters discussed below. In their deliberations, the directors did not identify any particular information that was all-important or controlling, and different directors may have attributed different weights to the various factors. The directors determined that the selection of the Adviser to manage the Portfolio and the overall arrangements between the Portfolio and the Adviser, as provided in the Advisory Agreement, including the advisory fee, were fair and reasonable in light of the services performed, expenses incurred and such other matters as the directors considered relevant in the exercise of their business judgment. The material factors and conclusions that formed the basis for the directors' determinations included the following:

Nature, Extent and Quality of Services Provided

The directors considered the scope and quality of services provided by the Adviser under the Advisory Agreement, including the quality of the investment research capabilities of the Adviser and the other resources it has dedicated to performing services for the Portfolio. They noted the professional experience and qualifications of the Portfolio's portfolio management team and other senior personnel of the Adviser. The directors also considered that the Advisory Agreement provides that the Portfolio will reimburse the Adviser for the cost to it of providing certain clerical, accounting, administrative and other services to the Portfolio by employees of the Adviser or its affiliates. Requests for these reimbursements are made on a quarterly basis and subject to approval by the directors and, to the extent requested and paid, will result in a higher rate of total compensation from the Portfolio to the Adviser than the fee rate stated in the Portfolio's Advisory Agreement. The directors noted that the methodology used to determine the reimbursement amounts had been reviewed by an independent consultant retained by the Fund's Senior Officer. The quality of administrative and other services, including the Adviser's role in coordinating the activities of the Portfolio's other service providers, also were considered. The directors concluded that, overall, they were satisfied with the nature, extent and quality of services provided to the Portfolio under the Advisory Agreement.

Costs of Services Provided and Profitability

The directors reviewed a schedule of the revenues, expenses and related notes indicating the profitability of the Portfolio to the Adviser for calendar years 2010 and 2011 that had been prepared with an expense allocation methodology arrived at in consultation with an independent consultant retained by the Fund's Senior Officer. The directors reviewed the assumptions and methods of allocation used by the Adviser in preparing fund-specific profitability data and noted that there are a number of potentially acceptable allocation methodologies for information of this type. The directors noted that the profitability information reflected all revenues and expenses of the Adviser's relationship with the Portfolio, including those relating to its subsidiaries that provide transfer agency, distribution and brokerage services to the Portfolio. The directors recognized that it is difficult to make comparisons of the profitability of the Advisory Agreement with the profitability of advisory contracts for unaffiliated funds because comparative information is not generally publicly available and is affected by numerous factors. The directors focused on the profitability of the Adviser's relationship with the Portfolio before taxes and distribution expenses. The directors noted that the Adviser's relationship with the Portfolio (March 2010 inception) was not profitable to it in 2010 or 2011.

Fall-Out Benefits

The directors considered the other benefits to the Adviser and its affiliates from their relationships with the Portfolio, including but not limited to, benefits relating to soft dollar arrangements (whereby the Adviser receives brokerage and research services from brokers that execute transactions for certain clients, including the Portfolio), 12b-1 fees and sales charges received by the Fund's principal underwriter (which is a wholly owned subsidiary of the Adviser) in respect of certain classes of the Portfolio's shares and transfer agency fees paid by the Portfolio to a wholly owned subsidiary of the Adviser. The directors recognized that the Portfolio's unprofitability to the Adviser would be exacerbated without these benefits. The directors understood that the Adviser also might derive reputational and other benefits from its association with the Portfolio.

Investment Results

In addition to the information reviewed by the directors in connection with the meeting, the directors receive detailed performance information for the Portfolio at each regular Board meeting during the year. At the November 2012 meeting, the directors reviewed information prepared by Lipper showing the performance of the Class A Shares of the Portfolio as compared with that of a group of similar funds selected by Lipper (the "Performance Group") and as compared with that of a broader array of funds selected by Lipper (the "Performance Universe") for the 1-year period ended July 31 2012, and information prepared by the Adviser showing performance of the Class A Shares as compared with the Morgan Stanley Capital International (MSCI) All Country (AC) World Commodity Producers Index (the "Index") for the 1-year period ended September 30, 2012 and the period since inception (March 2010 inception). The directors noted that the Portfolio was in the 4th quintile of the Performance Group and 5th quintile of the Performance Universe for the 1-year period. The Portfolio outperformed the Index in both periods. Based on their review, and taking into consideration the Portfolio's short operating history, the directors concluded that the Portfolio's performance was acceptable.

Advisory Fees and Other Expenses

The directors considered the advisory fee rate paid by the Portfolio to the Adviser and information prepared by Lipper concerning advisory fee rates paid by other funds in the same Lipper category as the Portfolio at a common asset level. The directors recognized that it is difficult to make comparisons of advisory fees because there are variations in the services that are included in the fees paid by other funds.

The directors also considered the advisory fees the Adviser charges non-fund clients pursuing a similar investment style. For this purpose, they reviewed the relevant advisory fee information from the Adviser's Form ADV and the evaluation from the Fund's Senior Officer. The directors noted that the institutional fee schedule started at the same rate as the Portfolio's fee rate, and had breakpoints. As a result, the application of the institutional fee schedule to the level of assets of the Portfolio would result in a fee rate lower than the rate being paid by the Portfolio. The directors noted that the Adviser may, in some cases, agree to fee rates with large institutional clients that are lower than those reviewed by the directors and that they had previously discussed with the Adviser its policies in respect of such arrangements. The directors also reviewed information that indicated that the Portfolio's fee rate is higher than the sub-advisory fee rate earned by the Adviser for sub-advising another registered investment company with a similar investment style.

The Adviser reviewed with the directors the significantly greater scope of the services it provides to the Portfolio relative to institutional clients and sub-advised funds. The Adviser also noted that because mutual funds are constantly issuing and redeeming shares, they are more difficult to manage than an institutional account, where the assets tend to be relatively stable. In light of the substantial differences in services rendered by the Adviser to institutional clients as compared to funds such as the Portfolio, the directors considered these fee comparisons inapt and did not place significant weight on them in their deliberations. The directors noted that the Portfolio may invest in shares of exchange-traded funds ("ETFs"). The directors noted that ETFs pay advisory fees pursuant to their advisory contracts, and that the Adviser had provided, and they had reviewed, information about the expense ratios of the relevant ETFs. The directors concluded, based on the Adviser's explanation of how it opportunistically uses ETFs when they represent the least expensive way to obtain desired exposures for a fund or to temporarily "equitize" cash inflows pending purchases of underlying securities, that the advisory fee for the Portfolio would be paid for services that would be in addition to, rather than duplicative of, the services to be provided under the advisory contracts of the ETFs.

The directors also considered the total expense ratio of the Class A shares of the Portfolio in comparison to the fees and expenses of funds within two comparison groups created by Lipper: an Expense Group and an Expense Universe. Lipper described an Expense Group as a representative sample of funds similar to the Portfolio and an Expense Universe as a broader group, consisting of all funds in the investment classification/objective with a similar load type as the Portfolio. The Class A expense ratio of the Portfolio was based on the Portfolio's latest fiscal year and reflected fee waivers and/or expense reimbursements as a result of an expense limitation agreement between the Adviser and the Portfolio. The directors noted that it was likely that the expense ratios of some of the other funds in the Portfolio's Lipper category were lowered by waivers or reimbursements by those funds' investment advisers, which in some cases might be voluntary or temporary. The directors view the expense ratio information as relevant to their evaluation of the Adviser's services because the Adviser is responsible for coordinating services provided to the Portfolio by others.

The directors noted that the Portfolio's contractual advisory fee rate of 75 basis points was lower than the Expense Group median and that, in the Portfolio's latest fiscal year, the administrative expense reimbursement of 1 basis point had been waived by the Adviser. The directors also noted that the Portfolio's total expense ratio, which reflected an expense limitation agreement between the Adviser and the Portfolio, was lower than the Expense Group and the Expense Universe medians. The directors concluded that the Portfolio's expense ratio was satisfactory.

Economies of Scale

The directors noted that the advisory fee schedule for the Portfolio does not contain breakpoints that reduce the fee rates on assets above specified levels and that they had discussed their strong preference for breakpoints in advisory contracts with the Adviser. The directors took into consideration prior presentations by an independent consultant on economies of scale in the mutual fund industry and for the AllianceBernstein Funds, and by the Adviser concerning certain of its views on economies of scale. The directors also had requested and received from the Adviser certain updates on economies of scale at the May 2012 meeting. The directors believe that economies of scale may be realized (if at all) by the Adviser across a variety of products and services, and not only in respect of a single fund. The directors noted that there is no established methodology for setting breakpoints that give effect to the fund-specific services provided by a fund's adviser and to the economies of scale that an adviser may realize in its overall mutual fund business or those components of it which directly or indirectly affect a fund's operations. The directors observed that in the mutual fund industry as a whole, as well as among funds similar to the Portfolio, there is no uniformity or pattern in the fees and asset levels at which breakpoints (if any) apply. The directors also noted that the advisory agreements for many funds do not have breakpoints at all. The directors informed the Adviser that they would monitor the Portfolio's assets and its profitability to the Adviser and anticipated revisiting the question of breakpoints in the future if circumstances warranted doing so.

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 Bond Fund, Inc. (the "Fund"), in respect of AllianceBernstein Real Asset Strategy (the "Strategy").[2] The evaluation of the investment Advisory Agreement was 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 Strategy which was provided to the Directors in connection with their review of the proposed initial approval of the Investment Advisory Agreement. The Senior Officer's evaluation considered the following factors:

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

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

1 *The Senior Officer's fee evaluation was completed on October 25, 2012 and presented to the Board of Directors on November 6-8, 2012.*

2 *Future references to the Fund or the Strategy do not include "AllianceBernstein."*

relationship to the services rendered and could not have been the product of arm's length bargaining." *Jones v. Harris Associates L.P.*, 130 S. Ct. 1418 (2010). In *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."[3]

ADVISORY FEES, NET ASSETS, & EXPENSE RATIOS

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

Strategy	Net Assets 09/30/12 ($MM)	Advisory Fee Schedule Based on the Average Daily Net Assets of the Portfolio
Real Asset Strategy	$ 399.0	75 bp (flat fee)

The Adviser is reimbursed as specified in the Investment Advisory Agreement for certain clerical, legal, accounting, administrative and other services provided to the Strategy. During the Strategy's most recently completed fiscal year, the Adviser was entitled to receive $72,866 (0.01% of the Strategy's average daily net assets) for such services, but waived the amount in its entirety.

The Adviser agreed to waive that portion of its advisory fees and/or reimburse the Strategy for that portion of the Strategy's total operating expenses to the degree necessary to limit the Strategy's expense ratios to the amounts set forth below for the Strategy's current fiscal year. The waiver is terminable by the Adviser at the end of the Strategy's fiscal year upon at least 60 days written notice. In addition, set forth below are the Strategy's gross expense ratios, annualized for the most recent semi-annual period:

Strategy	Expense Cap Pursuant to Expense Limitation Undertaking		Gross Expense Ratio[4]	Fiscal Year End
Real Asset Strategy	Advisor	0.75%	1.00%	October 31
	Class A	1.05%	1.29%	(ratio as of
	Class C	1.75%	2.00%	April 30, 2012)
	Class R	1.25%	1.60%	
	Class K	1.00%	1.38%	
	Class I	0.75%	1.03%	
	Class 1	1.00%	1.23%	
	Class 2	0.75%	0.98%	

3 *Jones v. Harris at 1427.*
4 *Annualized.*

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 provided by the Adviser to the Strategy that are not provided to non-investment company clients 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 Strategy'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 Strategy are more costly than those for institutional client assets due to the greater complexities and time required for investment companies, although as previously noted, the Adviser is entitled to be reimbursed for providing some of these services. Also, retail mutual funds managed by the Adviser are widely held and accordingly, servicing the Strategy's investors is more time consuming and labor intensive compared to servicing 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 that of a stable pool of assets, such as an institutional account with little cash movement in either direction, particularly if the Strategy 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 arguably 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 Strategy.[5] In addition to the AllianceBernstein

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.*

Institutional fee schedule, set forth below is what would have been the effective advisory fee for the Strategy had the AllianceBernstein Institutional fee schedule been applicable to the Strategy versus the Strategy's advisory fees based on September 30, 2012 net assets:[6]

Strategy	Net Assets 09/30/12 ($MM)	AllianceBernstein ("AB") Institutional ("Inst.") Fee Schedule	Effective AB Inst. Adv. Fee	Strategy Advisory Fee
Real Asset Strategy	$399.0	Real Asset Strategy Schedule 75 bp on 1st $150 million 60 bp on next $150 million 50 bp on the balance *Minimum Acct Size: $150 million*	0.632%	0.750%

The Adviser provides sub-advisory investment services to certain other investment companies managed by other fund families. The Adviser charges the following fee for the sub-advisory relationship that has a somewhat similar investment style as the Strategy. Also shown are the Strategy's advisory fee and what would have been the effective advisory fee of the Strategy had the fee schedule of the sub-advisory relationship been applicable to the Strategy based on September 30, 2012 net assets:

Strategy	Sub-advised Fund	Sub-advised Fund Fee Schedule	Sub-Advised Management Fund Effective Fee	Portfolio Advisory Fee
Real Asset Strategy	Client #1	0.35% on first $250 million 0.25% on first $250 million 0.23% thereafter	0.313%	0.750%

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

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

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

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 Strategy with fees charged to other investment companies for similar services offered by other investment advisers.[7] Lipper's analysis included the comparison of the Strategy's contractual management fee, estimated at the approximate current asset level of the Strategy, to the median of the Strategy's Lipper Expense Group ("EG")[8] and the Strategy's contractual management fee ranking.[9]

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.

Strategy	Contractual Management Fee (%)	Lipper Expense Group Median (%)	Rank
Real Asset Strategy	0.750	0.950	2/11

Lipper also compared the Strategy's total expense ratio to the medians of the Strategy's EG and Lipper Expense Universe ("EU"). The EU[10] is a broader group compared to the EG, consisting of all funds that have the same investment classification/objective and load type as the subject Strategy.

Strategy	Expense Ratio (%)	Lipper Exp. Group Median (%)	Lipper Group Rank	Lipper Exp. Universe Median (%)	Lipper Universe Rank
Real Asset Strategy	1.050	1.401	2/11	1.320	8/33

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

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

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

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

Based on this analysis, the Strategy has equally favorable rankings on a total expense ratio basis and on a contractual management fee basis.

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

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

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

The profitability information for the Strategy, prepared by the Adviser for the Board of Directors, was reviewed by the Senior Officer and the independent consultant. The Adviser's profitability from providing investment advisory services to the Strategy in 2011 was negative.

In addition to the Adviser's direct profits from managing the Strategy, certain of the Adviser's affiliates have business relationships with the Strategy and may earn a profit from providing other services to the Strategy. 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 Strategy 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. These affiliates provide transfer agent, distribution and brokerage related services to the Strategy and receive transfer agent fees, front-end sales loads, Rule 12b-1 payments, contingent deferred sales charges ("CDSC") and brokerage commissions. In addition, the Adviser benefits from soft dollar arrangements which offset expenses the Adviser would otherwise incur. During the Strategy's most recently completed fiscal year, ABI received from the Portfolio $46,956, $404,775 and $2,017 in front-end sales charges, Rule 12b-1 and CDSC fees, respectively.

AllianceBernstein Investments, Inc. ("ABI"), an affiliate of the Adviser, is the Strategy's principal underwriter. ABI and the Adviser have disclosed in the Strategy's prospectus that they may make revenue sharing payments from their own resources, in addition to revenues derived from sales loads and Rule 12b-1 fees, to firms that sell shares of the Strategy. In 2011, ABI paid approximately 0.04% of the average monthly assets of the AllianceBernstein Mutual Funds or approximately $17 million for distribution services and educational support (revenue sharing payments).

Fees and reimbursements for out of pocket expenses charged by AllianceBernstein Investor Services, Inc. (“ABIS”), the affiliated transfer agent for the Strategy, are charged on a per account basis, based on the level of service provided and the class of share held by the account. ABIS also receives a fee per shareholder sub-account for each account maintained by an intermediary on an omnibus basis. During the Strategy’s most recently completed fiscal year, ABIS received $29,579 in fees from the Strategy.

The Strategy effected brokerage transactions through the Adviser’s affiliate, Sanford C. Bernstein & Co., LLC (“SCB & Co.”) and its U.K. affiliate, Sanford C. Bernstein Limited (“SCB Ltd.”), collectively “SCB,” and paid commissions for such transactions during the Strategy’s most recently completed fiscal year. The Adviser represented that SCB’s profitability from business conducted with the Strategy is 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, including the Strategy. These credits and charges are not being passed onto to 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 research expense and increase its profitability.

V. POSSIBLE ECONOMIES OF SCALE

The Adviser has indicated that economies of scale are being shared with shareholders through pricing to scale, breakpoints, fee reductions/waivers and enhancement to services.

An independent consultant, retained by the Senior Officer, provided the Board of Directors information on the Adviser’s firm-wide average costs from 2005 through 2011 and the potential economies of scale. The independent consultant noted that from 2005 through 2007 the Adviser experienced significant growth in assets under management (“AUM”). During this period, operating expenses increased, in part to keep up with growth, and in part reflecting market returns. However, from 2008 through the first quarter of 2009, AUM rapidly and significantly decreased due to declines in market value and client withdrawals. When AUM rapidly decreased, some operating expenses categories, including base compensation and office space, adjusted more slowly during this period, resulting in an increase in average costs. Since 2009, AUM has experienced less significant changes. The independent consultant noted that changes in operating expenses reflect changes in business composition and business practices in response to changes in financial markets. Finally, the independent consultant concluded that the increase in average cost and the decline in net operating margin across the Adviser since late 2008 are inconsistent with the view that there are currently reductions in average costs due to economies of scale that can be shared with the AllianceBernstein Mutual Funds managed by the Adviser through lower fees.

Previously in February 2008, the independent consultant provided the Board of Directors an update of the Deli[11] study on advisory fees and various fund characteristics.[12] The independent consultant first reiterated the results of his previous two dimensional comparison analysis (fund size and family size) with the Board of Directors.[13] The independent consultant then discussed the results of the regression model that was utilized to study the effects of various factors on advisory fees. The regression model output indicated that the bulk of the variation in fees predicted were explained by various factors, but substantially by fund AUM, family AUM, index fund indicator and investment style. The independent consultant also compared the advisory fees of the AllianceBernstein Mutual Funds to similar funds managed by 19 other large asset managers, regardless of the fund size and each Adviser's proportion of mutual fund assets to non-mutual fund assets.

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

With assets under management of approximately $419 billion as of September 30, 2012, the Adviser has the investment experience to manage and provide non-investment services (described in Section I) to the Strategy.

The information below shows the 1 year performance return and rankings of the Strategy [14] relative to its Lipper Performance Group ("PG") and Lipper Performance Universe ("PU")[15] for the periods ended July 31, 2012.[16]

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

12 *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.*

13 *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.*

14 *The performance returns and rankings are for the Class A shares of the Strategy. The performance returns of the Strategy were provided Lipper.*

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

16 *The current Lipper investment classification/objective dictates the PG and PU throughout the life of the Strategy even if the Strategy may have had a different investment classification/objective at different points in time.*

Strategy	Strategy Return (%)	PG Median (%)	PU Median (%)	PG Rank	PU Rank
Real Asset Strategy 1 year	-7.28	-2.71	-1.56	7/11	54/67

Set forth below are the 1 year and since inception net performance returns of the Strategy (in bold)[17] versus its benchmark.[18] Strategy and benchmark volatility and reward-to-variability ratio ("Sharpe Ratio") information is also shown.[19]

	Periods Ending July 31, 2012 Annualized Performance				
			Annualized		
	1 Year (%)	Since Inception (%)	Volatility (%)	Sharpe (%)	Risk Period (Year)
Real Asset Strategy	-7.28	5.81	22.25	-0.22	1
MSCI AC World Commodity Producers Index	-17.82	-1.49	28.90	-0.49	1
Inception Date: March 8, 2010					

CONCLUSION:

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

Dated: December 3, 2012

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

18 *The Adviser provided Strategy and benchmark performance return information for the periods through July 31, 2012.*

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

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

ALLIANCEBERNSTEIN FAMILY OF FUNDS

Wealth Strategies

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

Asset Allocation/Multi-Asset Funds

Emerging Markets Multi-Asset Portfolio
International Portfolio
Tax-Managed International Portfolio

Growth Funds

Domestic

Discovery Growth Fund**
Growth Fund
Large Cap Growth Fund
Select US Equity Portfolio
Small Cap Growth Portfolio

Global & International

Global Thematic Growth Fund
International Discovery Equity Portfolio
International Growth Fund

Value Funds

Domestic

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

Global & International

Emerging Markets Equity Portfolio
Global Value Fund
International Value Fund

Taxable Bond Funds

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

Municipal Bond Funds

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

Intermediate Municipal Bond Funds

Intermediate California Portfolio
Intermediate Diversified Portfolio
Intermediate New York Portfolio

Closed-End Funds

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

Alternatives

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

Retirement Strategies

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

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

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

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

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

NOTES

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