SANFORD C. BERNSTEIN FUND, INC.

Overlay Portfolios

Overlay A Portfolio

Tax-Aware Overlay A Portfolio

Overlay B Portfolio

Tax-Aware Overlay B Portfolio

Tax-Aware Overlay C Portfolio

Tax-Aware Overlay N Portfolio

SEMI-ANNUAL REPORT

MARCH 31, 2013

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

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

This shareholder report must be preceded or accompanied by the Sanford C. Bernstein Fund, Inc. prospectus for individuals who are not shareholders of the Fund.

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

Portfolio Manager Commentary *(Unaudited)*

To Our Shareholders—May 17, 2013

On the following pages, you will find the 2013 Semi-Annual Report for the Overlay Portfolios* (the "Portfolios") of the Sanford C. Bernstein Fund, Inc. The Semi-Annual Report covers the six-month period ended March 31, 2013 and includes financial statements as well as notes to the financial statements, information about the recent performance of the Portfolios and a listing of each Portfolio's holdings as of the period end.

Global equity and bond markets advanced during the 12-month period ended March 31, 2013, driven largely by improved investor sentiment and a greater willingness on the part of investors to take risk. The determination to address the European sovereign debt crisis shown by European Union leaders, the U.S. Government compromise surrounding the fiscal cliff, and continued monetary easing by the U.S. Federal Reserve, the European Central Bank and Bank of Japan all contributed to investors' increased confidence.

Despite some setbacks along the way, the U.S. stock market has recovered to its pre-2008 financial crisis high, and, in our view, the global stock market is not far behind. Taking a long-term view, we continue to believe that stocks are reasonably valued and the opportunity to deliver outperformance with active management remains large. Meanwhile, bond yields have crept up but remain near historic lows, depressing returns for municipal and taxable bonds recently. We believe that bond yields are likely to rise slowly and are positioning your Portfolios accordingly.

Should you have any questions about your investments in the Portfolios, please contact your Financial Advisor, call 212.756.4097 or visit www.bernstein.com. As always, we are firmly dedicated to your investment success. Thank you for your continued interest in the Portfolios.

Sincerely,
Dianne F. Lob
President
Sanford C. Bernstein Fund, Inc.

This performance discussion is intended as a general market commentary and does not pertain specifically to the performance of the Portfolios.

* Please note that information for the International, Tax-Managed International, Emerging Markets, New York Municipal, California Municipal, Diversified Municipal, Short Duration New York Municipal, Short Duration Diversified Municipal, Short Duration California Municipal, U.S. Government Short Duration, Short Duration Plus and Intermediate Duration Portfolios of Sanford C. Bernstein Fund, Inc. may be found in a separate report.

The Portfolios are intended to be used as part of a broader investment program administered directly by Sanford C. Bernstein & Co. LLC ("Bernstein"). The performance and objectives of the Portfolios should be evaluated only in the context of the investor's complete investment program. The Portfolios are NOT designed to be used as a stand-alone investment.

Investment Objectives and Policies

The investment objective of the Overlay A and Tax-Aware Overlay A Portfolios is to moderate the volatility of an equity-oriented asset allocation over the long term, as part of a Private Client's overall asset allocation managed by Bernstein. The investment objective of the Overlay B, Tax-Aware Overlay B, Tax-Aware Overlay C and Tax-Aware Overlay N Portfolios is to moderate the volatility of a fixed-income-oriented asset allocation over the long term, as part of a Private Client's overall asset allocation managed by Bernstein.

The Portfolios may invest in a diversified portfolio of securities and other financial instruments, including derivative instruments that provide investment exposure to a variety of asset classes. These asset classes may include: equity securities and fixed-income instruments of issuers located within and outside the United States, real estate related securities, below-investment grade securities ("high yield"), currencies and commodities. By adjusting investment exposure among the various asset classes in the Portfolios, AllianceBernstein L.P. (the "Adviser") will seek to moderate the volatility of diversified client portfolios managed by Bernstein that reflect a significant allocation to equity securities, in the case of the Overlay A and Tax-Aware Overlay A Portfolios, and a significant allocation to taxable or municipal fixed-income securities in the case of the Overlay B, Tax-Aware Overlay B, Tax-Aware Overlay C and Tax-Aware Overlay N Portfolios.

The Adviser will alter asset class exposures as market and economic conditions change. The Adviser will employ risk/return tools and fundamental research insights to determine how to adjust the Portfolios' exposures to various asset classes. These dynamic adjustments to the Portfolios' asset class exposures will be implemented principally through the use of

derivatives. The Portfolios' use of derivatives to alter investment exposure of an investor's Bernstein account may create significant leveraged exposure to certain asset classes within the Portfolios.

The Adviser also may use exchange traded funds ("ETFs"), exchange traded notes, structured investments and commodity linked notes in seeking to carry out the Portfolios' investment strategies. The Portfolios may enter into foreign currency transactions for hedging and non-hedging purposes on a spot (i.e., cash) basis or through the use of derivatives. An appropriate hedge of currency exposure resulting from the Portfolios' securities positions may not be available or cost effective, or the Adviser may determine not to hedge the positions, possibly even under market conditions where doing so could benefit the Portfolios.

The Overlay A and Overlay B Portfolios are managed without regard to potential tax consequences to the shareholder.

The Tax-Aware Overlay A and Tax-Aware Overlay B Portfolios seek to minimize the impact of federal income taxes on shareholders' returns over time. The Tax-Aware Overlay C Portfolio seeks to minimize the impact of federal and state income taxes on shareholders' returns over time for California residents. The Tax-Aware Overlay N Portfolio seeks to minimize the impact of federal, state and local income taxes on shareholders' returns over time for New York residents. In the case of the Tax-Aware Portfolios, the Adviser will employ tax management strategies in an attempt to reduce the impact of taxes on shareholders in the Portfolios.

Exposure to certain asset classes may also be achieved through investment in the AllianceBernstein Pooling Portfolios—Multi-Asset Real Return Portfolio. The Adviser may use other AllianceBernstein Mutual Funds in the future, in addition to or instead of that in the preceding sentence.

Disclosures and Risks *(Unaudited)*

Benchmark Disclosure

None of the following indices or averages reflects fees and expenses associated with the active management of a mutual fund portfolio. The Standard & Poor's ("S&P") 500® Index includes 500 U.S. stocks and is a common representation of the performance of the overall U.S. stock market. The Morgan Stanley Capital International ("MSCI") Europe, Australasia, Far East ("EAFE") Index (free float-adjusted, market capitalization weighted) represents the equity market performance of developed markets, excluding the U.S. and Canada. The MSCI Emerging Markets ("EM") Index (free float–adjusted, market capitalization weighted) represents the equity market performance of emerging markets. The MSCI EAFE Index and the MSCI EM Index values are calculated using net returns. Net returns approximate the minimum possible dividend reinvestment—the dividend reinvested after deduction of withholding tax, applying the rate to non-resident individuals who do not benefit from double taxation treaties. The Financial Times Stock Exchange® ("FTSE") European Public Real Estate Association/National Association of Real Estate Investment Trusts ("EPRA/NAREIT") Developed Real Estate ("RE") Index is a free-float adjusted index designed to track the performance of listed real estate companies and real estate investment trusts ("REITs") worldwide. The Barclays Global Aggregate Bond Index (U.S. dollar hedged) represents the performance of the global investment-grade developed fixed income markets. The Barclays U.S. Aggregate Bond Index represents the performance of securities within the U.S. investment-grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, asset-backed securities, and commercial mortgage-backed securities. The Barclays 5-Year General Obligation ("GO") Municipal Bond Index represents the performance of long-term, investment-grade tax-exempt bonds with maturities ranging from four to six years. The Barclays 1–10 Year Municipal Bond Index represents the performance of the long-term tax-exempt bond market consisting of investment-grade bonds.

The blended benchmark for each Portfolio is a customized benchmark and uses index returns to represent performance of the asset classes. The Composite Benchmark for Overlay A is 47.6% S&P 500, 17% MSCI EAFE, 3.4% MSCI EM, 12% FTSE EPRA/NAREIT Developed RE, 20% Barclays U.S. Aggregate Bond. The Composite Benchmark for Tax-Aware Overlay A is 56% S&P 500, 20% MSCI EAFE, 4% MSCI EM, 20% Barclays 1–10 Year Municipal Bond. The Composite Benchmark for Overlay B is 18.9% S&P 500, 6.75% MSCI EAFE, 1.35% MSCI EM, 3% FTSE EPRA/NAREIT Developed RE, 70% Barclays U.S. Aggregate Bond. The Composite Benchmark for Tax-Aware Overlays B, C and N is 21% S&P 500, 7.5% MSCI EAFE, 1.5% MSCI EM, 70% BC 1–10 Year Municipal Bond. The S&P 500 Index, MSCI EAFE Index and MSCI EM Index represent the allocation to global stocks, the FTSE EPRA/ NAREIT Developed RE Index represents the allocation to real estate, the Barclays 1–10 Year Municipal Bond Index, the Barclays 5-Year GO Municipal Bond Index and the Barclays U.S. Aggregate Bond Index represent the allocation to bonds.

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. Investors cannot invest directly in indices, and their results are not indicative of the performance for any specific investment, including the Portfolios.

A Word About Risk

All Overlay Portfolios:

The share price of the Portfolios will fluctuate and you may lose money. There is no guarantee that the Portfolios will achieve their investment objective.

The Portfolios are intended to be used as part of a broader investment program administered directly by Bernstein. The performance and objectives of the Portfolios should be evaluated only in the context of the Private Client's complete investment program. Changes in value of the Portfolios may be particularly pronounced because the Portfolios are managed in such a fashion as to affect the investor's assets subject to that broader investment program. The Portfolios are NOT designed to be used as a stand-alone investment.

Market Risk: The Portfolios are subject to market risk, which is the risk that stock and bond prices in general may decline over short or extended periods. The value of the Portfolios' securities will fluctuate as the stock or bond market fluctuates. Equity and debt markets around the world have experienced unprecedented volatility, including notably the recent European sovereign debt crisis, and these market conditions may continue or get worse. This financial environment has caused a significant decline in the value and liquidity of many investments, and could make identifying investment risks and opportunities especially difficult. In addition, legislation

Disclosures & Risks continued on next page

recently enacted in the U.S. is changing many aspects of financial regulation. The impact of the legislation on the markets, and the practical implications for market participants, may not be fully known for some time.

Management Risk: The Portfolios are subject to management risk because they are actively managed investment portfolios. The Adviser will apply its investment techniques and risk analyses in making investment decisions for the Portfolios, but its decisions may not produce the desired results. The Portfolios do not seek to control risk relative to, or to outperform, a particular securities market benchmark. In some cases, derivative and other investment techniques may be unavailable or the Adviser may determine not to use them, possibly even under market conditions where their use could benefit the Portfolios.

Allocation Risk: The allocation of investments among different global asset classes may have a significant effect on the Portfolios' net asset value ("NAV") when one of these asset classes is performing more poorly than others. As both the direct investments and derivative positions will be periodically rebalanced to reflect the Adviser's view of market and economic conditions, there will be transaction costs which may be, over time, significant. In addition, there is a risk that certain asset allocation decisions may not achieve the desired results and, as a result, the Portfolios may incur significant losses.

Derivatives Risk: The Portfolios intend to use derivatives as direct investments to earn income, enhance return and broaden portfolio diversification, which entail greater risk than if used solely for hedging purposes. In addition to other risks such as the credit risk of the counterparty, derivatives involve the risk that changes in the value of the derivative may not correlate perfectly with relevant assets, rates or indices. Derivatives may be illiquid and difficult to price or unwind, and small changes may produce disproportionate losses for the Portfolios. Assets required to be set aside or posted to cover or secure derivatives positions may themselves go down in value, and these collateral and other requirements may limit investment flexibility. Some derivatives involve leverage, which can make the Portfolios more volatile and can compound other risks. Recent legislation calls for new regulation of the derivatives markets. The extent and impact of the regulation are not yet fully known and may not be for some time. The regulation may make derivatives more costly, may limit their availability, or may otherwise adversely affect their value or performance.

Leverage Risk: Leverage creates exposure to gains and losses in a greater amount than the dollar amount made in an investment by attempting to enhance return or value without increasing the investment amount. Leverage can magnify the effects of changes in the value of the Portfolios' investments and make them more volatile. The use of leverage may cause the Portfolios to liquidate portfolio positions when it may not be advantageous to do so.

Liquidity Risk: Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing the Portfolios from selling out of these illiquid investments at an advantageous price. Illiquid securities may also be difficult to value.

Foreign (Non-U.S.) Securities Risk: Investments in foreign securities entail significant risks in addition to those customarily associated with investing in U.S. securities. These risks include risks related to adverse market, economic, political and regulatory factors and social instability, all of which could disrupt the financial markets in which the Portfolios invest and adversely affect the value of the Portfolios' assets.

Emerging Markets Securities Risk: The risks of investing in foreign (non-U.S.) securities are heightened with respect to issuers in emerging-market countries, because the markets are less developed and less liquid and there may be a greater amount of economic, political and social instability.

Foreign Currency Risk: This is the risk that changes in foreign (non-U.S.) currency exchange rates may negatively affect the value of the Portfolios' investments or reduce the returns of the Portfolios. For example, the value of the Portfolios' investments in foreign securities and foreign currency positions 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).

Actions by a Few Major Investors: In certain countries, volatility may be heightened by actions of a few major investors. For example, substantial increases or decreases in cash flows of mutual funds investing in these markets could significantly affect local stock prices and, therefore, share prices of the Portfolios.

Interest Rate Risk: This is the risk that changes in interest rates will affect the value of the Portfolios' investments in fixed-income debt securities such as bonds and notes. Increases in interest rates may cause the value of the Portfolios' investments to decline.

Credit Risk: This is the risk that the issuer or the guarantor of a debt security, or the counterparty to a derivative contract, will

Disclosures & Risks continued on next page

be unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations.

Commodity Risk: The value of commodity-linked derivatives, exchange traded notes and exchange traded funds 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.

Inflation Risk: This is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the value of the Portfolios' assets can decline as can the value of the Portfolios' distributions.

Inflation-Protected Securities Risk: The terms of inflation-protected securities provide for the coupon and/or maturity value to be adjusted based on changes in inflation. Decreases in the inflation rate or in investors' expectations about inflation could cause these securities to underperform non-inflation-adjusted securities on a total-return basis.

Mortgage-Related Securities Risk: In the case of investments in mortgage-related securities, a loss could be incurred if the collateral backing these securities is insufficient.

Lower-rated Securities Risk: Lower-rated securities, or junk bonds/high yield securities, are subject to greater risk of loss of principal and interest and greater market risk than higher-rated securities. The capacity of issuers of lower-rated securities to pay interest and repay principal is more likely to weaken than is that of issuers of higher-rated securities in times of deteriorating economic conditions or rising interest rates.

Real Estate Related Securities Risk: Investing in real estate-related securities includes, among others, the following risks: possible declines in the value of real estate; risks related to general and local economic conditions, including increases in the rate of inflation; possible lack of availability of mortgage funds; overbuilding; extended vacancies of properties; increases in competition, property taxes and operating expenses; changes in zoning laws; costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental problems; casualty or condemnation losses; uninsured damages from floods, earthquakes or other natural disasters; limitations on and variations in rents; and changes in interest rates. Investing in REITs involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. REITs are dependent upon management skills, are not diversified, and are subject to heavy cash flow dependency, default by borrowers and self-liquidation.

Prepayment and Extension Risk: Prepayment risk is the risk that a loan, bond or other security might be called or otherwise converted, prepaid or redeemed before maturity. If this happens, particularly during a time of declining interest rates or credit spreads, the Portfolios may not be able to invest the proceeds in securities providing as much income, resulting in a lower yield to the Portfolios. Conversely, extension risk is the risk that as interest rates rise or spreads widen, payments of securities may occur more slowly than anticipated by the market. When this happens, the values of these securities may go down because their interest rates are lower than current market rates and they remain outstanding longer than anticipated.

Investment in Other Investment Companies Risk: As with other investments, investments in other investment companies, including ETFs, are subject to acquire market and selection risk. In addition, if the Portfolios acquire shares of investment companies, shareholders bear both their proportionate share of expenses in the Portfolios (including management and advisory fees) and, indirectly, the expenses of the investment companies.

Duration Risk: Duration is a measure that relates the expected price volatility of a fixed-income security to changes in interest rates. The duration of a fixed-income security may be shorter than or equal to full maturity of a fixed-income security. Fixed income securities with longer durations have more risk and will decrease in price as interest rates rise. For example, a fixed income security with a duration of three years will decrease in value by approximately 3% if interest rates increase by 1%.

Overlay A and Overlay B Portfolios Only

Subordination Risk: The Portfolios may invest in securities that are subordinated to more senior securities of an issuer, or which represent interests in pools of such subordinated securities. Subordinated securities will be disproportionately affected by a default or even a perceived decline in creditworthiness of the issuer. Subordinated securities are more likely to suffer a credit loss than non-subordinated securities of the same issuer, any loss incurred by the subordinated securities is likely to be proportionately greater, and any recovery of interest or principal may take more time. As a result, even a perceived decline in creditworthiness of the issuer is likely to have a greater impact on them.

Disclosures & Risks continued on next page

Tax-Aware Overlay A, Tax-Aware Overlay B, Tax-Aware Overlay C and Tax-Aware Overlay N Portfolios

Municipal Market Risk: This is the risk that special factors may adversely affect the value of municipal securities and have a significant effect on the yield or value of the Portfolios' investments in municipal securities. These factors include economic conditions, political or legislative changes, uncertainties related to the tax status of municipal securities, or the rights of investors in these securities. The Portfolios' investments in certain municipal securities with principal and interest payments that are made from the revenues of a specific project or facility, and not general tax revenues, are subject to the risk that factors affecting the project or facility, such as local business or economic conditions, could have a significant effect on the project's ability to make payments of principal and interest on these securities.

Tax Risk: There is no guarantee that all of the Portfolios' income will remain exempt from federal or state income taxes. From time to time, the U.S. Government and the U.S. Congress consider changes in federal tax law that could limit or eliminate the federal tax exemption for municipal bond income, which would in effect reduce the income received by shareholders from the Portfolios by increasing taxes on that income. In such event, the Portfolios' net asset value could also decline as yields on municipal bonds, which are typically lower than those on taxable bonds, would be expected to increase to approximately the yield of comparable taxable bonds. Actions or anticipated actions affecting the tax exempt status of municipal bonds could also result in significant shareholder redemptions of the Portfolios' shares as investors anticipate adverse effects on the Portfolios or seek higher yields to offset the potential loss of the tax deduction. As a result, the Portfolios would be required to maintain higher levels of cash to meet the redemptions, which would negatively affect the Portfolios' yield.

These risks are more fully discussed in the Portfolios' prospectus.

An Important Note About Historical Performance

Except as noted, returns do not reflect the deduction of taxes that a shareholder would pay on portfolio distributions or the redemption of portfolio shares. All fees and expenses related to the operation of the Portfolios have been deducted.

The performance shown on page 7 represents past performance and does not guarantee future results. Performance information is as of the dates shown. 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 calling 212.756.4097. The investment return and principal value of an investment in the Portfolios will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. Performance assumes reinvestment of distributions and does not account for taxes.

Investors should consider the investment objectives, risks, charges and expenses of the Portfolios carefully before investing. For copies of our prospectus or summary prospectus, which contain this and other information, visit our website at www.bernstein.com click on "Investments", then "Stocks" or "Bonds", then "Prospectuses, SAIs and Shareholder Reports" or by calling Bernstein's mutual fund shareholder help line at 212.756.4097 or contact your Bernstein Advisor. Please read the prospectus and/or summary prospectus carefully before investing.

Overlay Portfolios vs. Their Benchmarks

Through March 31, 2013	Class	Past Six Months	Past 12 Months	Since Inception	Inception Date
Overlay A Portfolio	1	9.18%	4.07%	7.81%	2/8/2010
	2	9.29	4.18	8.00	
Composite Benchmark		7.18	10.63	12.42	
S&P 500 Index		10.19	13.96	15.85	
Tax-Aware Overlay A Portfolio	1	9.96	3.31	6.68	2/8/2010
Return after taxes on Distributions*		9.90	3.26	6.40	
Return after taxes on Distributions and sale of shares*		5.74	1.97	5.30	
	2	10.06	3.43	6.90	
Return after taxes on Distributions*		9.97	3.34	6.59	
Return after taxes on Distributions and sale of shares*		5.85	2.09	5.48	
Composite Benchmark		7.63	10.17	11.56	
S&P 500 Index		10.19	13.96	15.85	
Overlay B Portfolio	1	3.75	3.65	6.42	2/8/2010
	2	3.89	3.89	6.57	
Composite Benchmark		3.06	6.68	8.19	
Barclays Global Aggregate Bond Index (U.S. dollar hedged)		1.47	5.05	4.83	
Tax-Aware Overlay B Portfolio	1	3.95	3.19	5.87	2/8/2010
Return after taxes on Distributions*		3.83	3.08	5.57	
Return after taxes on Distributions and sale of shares*		2.82	2.40	4.68	
	2	3.97	3.31	6.01	
Return after taxes on Distributions*		3.85	3.20	5.71	
Return after taxes on Distributions and sale of shares*		2.89	2.51	4.82	
Composite Benchmark		3.65	6.40	7.33	
Barclays 5-Year GO Municipal Bond Index		0.35	2.87	3.83	
Tax-Aware Overlay C Portfolio	1	3.73	2.88	5.79	2/8/2010
Return after taxes on Distributions*		3.62	2.77	5.44	
Return after taxes on Distributions and sale of shares*		2.61	2.13	4.57	
	2	3.85	3.10	5.93	
Return after taxes on Distributions*		3.73	2.98	5.58	
Return after taxes on Distributions and sale of shares*		2.73	2.30	4.71	
Composite Benchmark		3.65	6.40	7.33	
Barclays 5-Year GO Municipal Bond Index		0.35	2.87	3.83	
Tax-Aware Overlay N Portfolio	1	3.64	2.80	5.60	2/8/2010
Return after taxes on Distributions*		3.51	2.67	5.23	
Return after taxes on Distributions and sale of shares*		2.58	2.10	4.42	
	2	3.75	2.91	5.76	
Return after taxes on Distributions*		3.62	2.77	5.39	
Return after taxes on Distributions and sale of shares*		2.69	2.20	4.57	
Composite Benchmark		3.65	6.40	7.33	
Barclays 5-Year GO Municipal Bond Index		0.35	2.87	3.83	

Past performance is no guarantee of future results and an investment in the portfolios described could lose value. Please keep in mind that high, double-digit returns are highly unusual and cannot be sustained. Investors should also be aware that these returns were primarily achieved during favorable market conditions.

The current prospectus fee table shows the total operating expense ratios for Class 1 and Class 2 shares as 1.16% and 0.96% for Overlay A; 1.14% and 0.94% for Tax-Aware Overlay A; 0.87% and 0.72% for Overlay B; 0.84% and 0.69% for Tax-Aware Overlay B; 0.89% and 0.74% for Tax-Aware Overlay C; and 0.89% and 0.74% for Tax-Aware Overlay N, gross of any fee waivers or expense reimbursements. Absent reimbursements or waivers, performance would have been lower. The Financial Highlights section of this report sets forth expense ratio data for the current reporting period; the expense ratios shown above may differ from the expense ratios in the Financial Highlights section since they are based on different time periods.

The Bernstein Portfolios do not have sales charges. Total Returns (NAV returns) and Average Annual Returns (SEC returns) are therefore the same.

The Composite Benchmark for Overlay A is 47.6% S&P 500, 17% MSCI EAFE, 3.4% MSCI EM, 12% FTSE EPRA/NAREIT Developed RE, 20% Barclays U.S. Aggregate Bond. The Composite Benchmark for Tax Aware Overlay A is 56% S&P 500, 20% MSCI EAFE, 4% MSCI EM, 20% Barclays 1-10 Year Municipal. The Composite Benchmark for Overlay B is 18.9% S&P 500, 6.75% MSCI EAFE, 1.35% MSCI EM, 3% FTSE EPRA/NAREIT Developed RE, 70% Barclays U.S. Aggregate Bond. The Composite Benchmark for Tax Aware Overlay B, C, N is 21% S&P 500, 7.5% MSCI EAFE, 1.5% MSCI EM, 70% Barclays 1-10 Year Municipal.

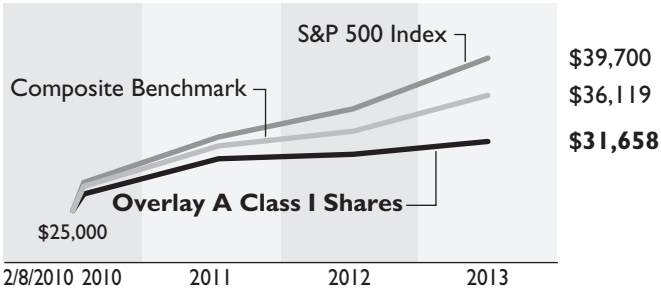
* After-tax returns are an estimate, which is based on the highest historical individual federal marginal income-tax rates, and do not reflect the impact of state and local taxes; actual after-tax returns depend on an individual investor's tax situation and are likely to differ from those shown, and are not relevant to investors who hold Portfolio shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

See Disclosures, Risks and Note about Historical Performance on pages 3–6.

(Historical Performance continued on next page)

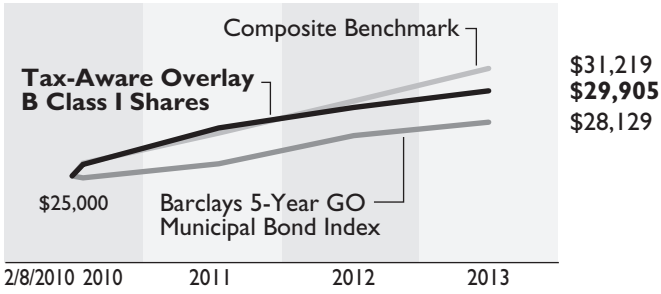
Overlay A Class I Shares

Growth of $25,000



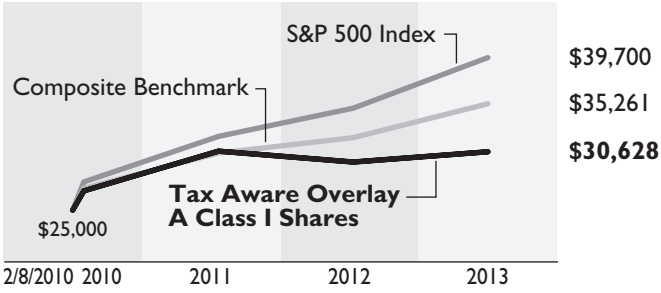
Tax-Aware Overlay B Class I Shares

Growth of $25,000



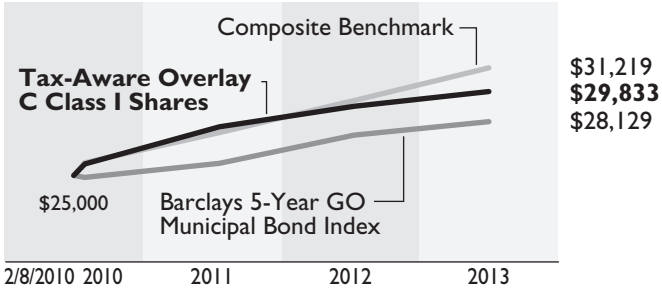
Tax Aware Overlay A Class I Shares

Growth of $25,000



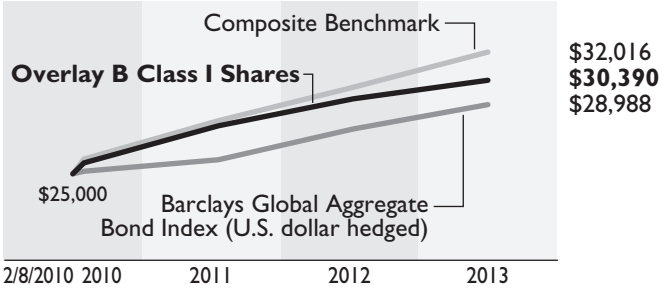
Tax-Aware Overlay C Class I Shares

Growth of $25,000



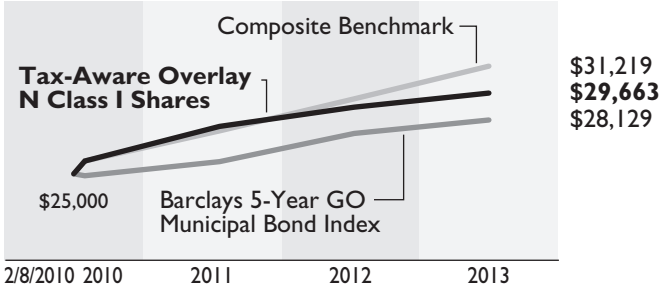
Overlay B Class I Shares

Growth of $25,000



Tax-Aware Overlay N Class I Shares

Growth of $25,000



Past performance is no guarantee of future results and an investment in the portfolios described could lose value.

The Composite Benchmark for Overlay A is 47.6% S&P 500, MSCI EAFE 17%, MSCI EM 3.4%, 12% FTSE EPRA/NAREIT Developed RE, 20% Barclays U.S. Aggregate Bond. The Composite Benchmark for Tax Aware Overlay A is 56% S&P 500, 20% MSCI EAFE, 4% MSCI EM, 20% Barclays 1-10 Year Municipal. The Composite Benchmark for Overlay B is 18.9% S&P 500, 6.75% MSCI EAFE, 1.35% MSCI EM, 3% FTSE EPRA/NAREIT Developed RE, 70% Barclays U.S. Aggregate Bond. The Composite Benchmark for Tax Aware Overlay B, C, N is 21% S&P 500, 7.5% MSCI EAFE, 1.5% MSCI EM, 70% Barclays 1-10 Year Municipal.

Each chart shows the growth of $25,000 since inception to the period ended March 31, 2013.

See Disclosures, Risks and Note about Historical Performance on pages 3–6.

Fund Expenses—*March 31, 2013 (Unaudited)*

Fund Expenses—As a shareholder of the Fund, you incur various ongoing costs, including management 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 first line of 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 second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Portfolio's actual expense ratio and an assumed annual rate of return of 5% before expenses, which is not the 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 Portfolio 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 second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value October 1, 2012	Ending Account Value March 31, 2013	Expenses Paid During Period*	Annualized Expense Ratio*
Overlay A				
Class I				
Actual	$1,000	$1,091.80	$6.00	1.15%
Hypothetical**	$1,000	$1,019.20	$5.79	1.15%
Class 2				
Actual	$1,000	$1,092.90	$4.96	0.95%
Hypothetical**	$1,000	$1,020.19	$4.78	0.95%
Tax-Aware Overlay A				
Class I				
Actual	$1,000	$1,099.60	$5.92	1.13%
Hypothetical**	$1,000	$1,019.30	$5.69	1.13%
Class 2				
Actual	$1,000	$1,100.60	$4.87	0.93%
Hypothetical**	$1,000	$1,020.29	$4.68	0.93%
Overlay B				
Class I				
Actual	$1,000	$1,037.50	$4.37	0.86%
Hypothetical**	$1,000	$1,020.64	$4.33	0.86%
Class 2				
Actual	$1,000	$1,038.90	$3.61	0.71%
Hypothetical**	$1,000	$1,021.39	$3.58	0.71%
Tax-Aware Overlay B				
Class I				
Actual	$1,000	$1,039.50	$4.32	0.85%
Hypothetical**	$1,000	$1,020.69	$4.28	0.85%
Class 2				
Actual	$1,000	$1,039.70	$3.36	0.66%
Hypothetical**	$1,000	$1,021.64	$3.33	0.66%
Tax-Aware Overlay C				
Class I				
Actual	$1,000	$1,037.30	$4.47	0.88%
Hypothetical**	$1,000	$1,020.54	$4.43	0.88%
Class 2				
Actual	$1,000	$1,038.50	$3.71	0.73%
Hypothetical**	$1,000	$1,021.29	$3.68	0.73%
Tax-Aware Overlay N				
Class I				
Actual	$1,000	$1,036.40	$4.52	0.89%
Hypothetical**	$1,000	$1,020.49	$4.48	0.89%
Class 2				
Actual	$1,000	$1,037.50	$3.76	0.74%
Hypothetical**	$1,000	$1,021.24	$3.73	0.74%

* Expenses are equal to the Classes' annualized expense ratio, multiplied by the average account value over the period, multiplied by 182/365 (to reflect the one-half year period), respectively.

** Assumes 5% return before expenses.

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

Portfolio Breakdown*	Overlay A Portfolio	Tax Aware Overlay A Portfolio
Global Equity		
US	51.3%	58.9%
Developed International	17.7%	19.5%
Emerging Markets	6.6%	6.1%
Global Credit		
Investment Grade	15.9%	0.0%
High Yield	3.3%	3.0%
Real Asset	12.8%	7.4%
Global Bond		
US	1.1%	10.3%
Developed International	12.9%	0.0%

Portfolio Breakdown*	Overlay B Portfolio	Tax Aware Overlay B Portfolio
Global Equity		
US	20.6%	22.6%
Developed International	7.7%	8.1%
Emerging Markets	2.8%	2.6%
Global Credit		
Investment Grade	6.5%	0.0%
High Yield	3.0%	2.6%
Real Asset	3.3%	2.5%
Global Bond		
US	16.4%	65.1%
Developed International	49.5%	0.0%

Portfolio Breakdown*	Tax Aware Overlay C Portfolio	Tax Aware Overlay N Portfolio
Global Equity		
US	22.6%	22.4%
Developed International	8.0%	8.2%
Emerging Markets	2.6%	2.6%
Global Credit		
High Yield	2.4%	2.6%
Real Asset	2.3%	2.4%
Global Bond		
US	65.4%	64.4%

* All data are as of March 31, 2013. The Fund's portfolio breakdown includes derivative exposure and is expressed as approximate percentages of the Fund's total net assets, based on the Adviser's internal classification. The percentages will vary over time, and the total of the percentages is in excess of 100% in light of the leveraging effect of the derivative transactions.

Sanford C. Bernstein Fund, Inc.
Schedule of Investments
Overlay A Portfolio
March 31, 2013 (Unaudited)

Company	Shares	U.S. $ Value
COMMON STOCKS–60.3%		
Financials–10.2%		
Capital Markets–1.1%		
Affiliated Managers Group, Inc.(a)	21,920	$ 3,366,254
Credit Suisse Group AG(a)	65,710	1,728,220
Credit Suisse/Nassau	56,710	115,524
Deutsche Bank AG (REG)	16,160	631,796
E*Trade Financial Corp.(a)	13,910	148,976
Goldman Sachs Group, Inc. (The)	39,400	5,797,710
Lazard Ltd.–Class A	7,010	239,251
Legg Mason, Inc.	6,000	192,900
Macquarie Group Ltd.	47,020	1,829,161
Stifel Financial Corp.(a)	5,330	184,791
UBS AG(a)	176,541	2,714,707
		16,949,290
Commercial Banks–3.6%		
Associated Banc-Corp	13,950	211,901
Banco do Brasil SA	144,400	1,961,539
Banco Santander Brasil SA/Brazil (ADR)	25,900	188,034
Bangkok Bank PCL (NVDR)	49,400	375,906
Bank Mandiri Persero Tbk PT	384,000	396,603
Barclays PLC	169,950	756,152
CapitalSource, Inc.	20,580	197,980
China Construction Bank Corp.–Class H	682,000	559,048
CIT Group, Inc.(a)	200,600	8,722,088
Comerica, Inc.	6,860	246,617
Credicorp Ltd.	2,610	433,391
First Niagara Financial Group, Inc.	25,260	223,804
First Republic Bank/CA	3,280	126,674
Grupo Financiero Banorte SAB de CV–Class O	47,720	382,527
Grupo Financiero Santander Mexico SAB de CV (ADR)(a)	16,960	261,693
Hang Seng Bank Ltd.	38,500	617,600
HDFC Bank Ltd. (ADR)	7,270	272,043
HSBC Holdings PLC	329,224	3,512,680
Huntington Bancshares, Inc./OH	37,000	273,430
Iberiabank Corp.	4,010	200,580
Industrial & Commercial Bank of China Ltd.–Class H	798,000	561,231
Itausa–Investimentos Itau SA (Preference Shares)	71,800	374,856
KB Financial Group, Inc.	6,260	209,123
KB Financial Group, Inc. (ADR)	38,140	1,260,145
Komercni Banka AS	570	108,748
Lloyds Banking Group PLC(a)	879,830	655,576
Mitsubishi UFJ Financial Group, Inc.	355,900	2,147,228
National Australia Bank Ltd.	53,900	1,739,146
Popular, Inc.(a)	9,820	271,130
Resona Holdings, Inc.	107,900	569,722
Sberbank of Russia (Sponsored ADR)	108,601	$ 1,384,662
Seven Bank Ltd.	228,300	735,100
Signature Bank/New York NY(a)	2,940	231,554
Societe Generale SA(a)	57,781	1,902,323
State Bank of India (Sponsored GDR)(b)	2,150	179,203
Sumitomo Mitsui Financial Group, Inc.	33,800	1,386,639
Susquehanna Bancshares, Inc.	17,110	212,677
SVB Financial Group(a)	2,940	208,564
Turkiye Halk Bankasi AS	28,310	302,780
Unione di Banche Italiane SCPA	165,620	613,507
US Bancorp	208,100	7,060,833
Webster Financial Corp.	4,770	115,720
Wells Fargo & Co.	352,800	13,050,072
Westpac Banking Corp.	16,950	545,479
Zions Bancorporation	12,200	304,878
		56,051,186
Consumer Finance–0.4%		
AEON Financial Service Co., Ltd.	24,200	686,472
Discover Financial Services	132,300	5,932,332
		6,618,804
Diversified Financial Services–2.4%		
Bank of America Corp.	813,100	9,903,558
BM&FBovespa SA	7,100	47,925
Citigroup, Inc.	238,300	10,542,392
IG Group Holdings PLC	186,839	1,519,541
ING Groep NV(a)	252,470	1,816,633
IntercontinentalExchange, Inc.(a)	52,500	8,561,175
JPMorgan Chase & Co.(c)	90,400	4,290,384
ORIX Corp.	67,000	855,453
		37,537,061
Insurance–2.6%		
Admiral Group PLC	106,980	2,170,645
Aegon NV	209,236	1,263,380
AIA Group Ltd.	611,000	2,678,499
Allianz SE	1,410	192,214
Aspen Insurance Holdings Ltd.	7,590	292,822
Berkshire Hathaway, Inc.(a)	46,100	4,803,620
Chubb Corp. (The)	47,800	4,183,934
Everest Re Group Ltd.	62,000	8,051,320
Fidelity National Financial, Inc.–Class A	180,190	4,546,194
Gjensidige Forsikring ASA	39,960	661,240
Insurance Australia Group Ltd.	40,347	240,697
Lancashire Holdings Ltd.	86,648	1,070,641
PartnerRe Ltd.	46,300	4,310,993
Platinum Underwriters Holdings Ltd.	4,720	263,423
Prudential PLC	151,900	2,467,088
Reinsurance Group of America, Inc.–Class A	2,940	175,430
Suncorp Group Ltd.	65,961	814,065
Topdanmark A/S(a)	20,200	484,540
Torchmark Corp.	4,140	247,572
Unum Group	8,400	237,300
Validus Holdings Ltd.	6,390	238,794
		39,394,411

Schedule of Investments *(continued)*

Company	Shares	U.S. $ Value
Real Estate Investment Trusts (REITs)–0.0%		
Plum Creek Timber Co., Inc.	4,660	$ 243,252
Real Estate Management & Development–0.1%		
Daiwa House Industry Co., Ltd.	25,000	488,963
LPS Brasil Consultoria de Imoveis SA	4,400	78,147
		567,110
		157,361,114
Information Technology–10.1%		
Communications Equipment–0.7%		
Aruba Networks, Inc.(a)	10,330	255,564
JDS Uniphase Corp.(a)	16,900	225,953
F5 Networks, Inc.(a)	41,900	3,732,452
Ciena Corp.(a)	11,640	186,357
Palo Alto Networks, Inc.(a)	1,120	63,392
Harris Corp.	3,060	141,800
Cisco Systems, Inc.	312,400	6,532,284
		11,137,802
Computers & Peripherals–1.8%		
Lite-On Technology Corp.	85,000	138,265
Wistron Corp.	270,000	296,311
Fujitsu Ltd.	233,000	973,368
Hewlett-Packard Co.(c)	470,700	11,221,488
Apple, Inc.	33,200	14,695,316
		27,324,748
Electronic Equipment, Instruments & Components–0.3%		
AU Optronics Corp. (Sponsored ADR)(a)	34,090	146,587
Anixter International, Inc.	2,630	183,890
Arrow Electronics, Inc.(a)	5,900	239,658
Avnet, Inc.(a)	6,830	247,246
Ju Teng International Holdings Ltd.	98,000	61,830
Ingram Micro, Inc.–Class A(a)	8,000	157,440
Insight Enterprises, Inc.(a)	10,660	219,809
TTM Technologies, Inc.(a)	17,490	132,924
Vishay Intertechnology, Inc.(a)	22,010	299,556
Flextronics International Ltd.(a)	17,560	118,706
LG Display Co., Ltd.(a)	1,250	36,553
Innolux Corp.(a)	196,000	121,428
Hon Hai Precision Industry Co., Ltd.	170,000	473,113
Jabil Circuit, Inc.	11,310	209,009
LG Display Co., Ltd. (ADR)(a)	114,720	1,673,764
		4,321,513
Internet Software & Services–1.6%		
Mail.ru Group Ltd. (GDR)(b)	2,770	76,729
CoStar Group, Inc.(a)	2,700	295,542
eBay, Inc.(a)	125,300	6,793,766
Google, Inc.–Class A(a)	15,300	12,148,659
Tencent Holdings Ltd.	9,000	287,862
LinkedIn Corp.(a)	18,400	3,239,504
Baidu, Inc. (Sponsored ADR)(a)	14,770	1,295,329
		24,137,391

Company	Shares	U.S. $ Value
IT Services–2.6%		
Cognizant Technology Solutions Corp.–Class A(a)	104,000	$ 7,967,440
Convergys Corp.	10,110	172,173
Sonda SA	83,500	291,852
Amdocs Ltd.	94,250	3,416,563
Otsuka Corp.	3,700	403,166
Fidelity National Information Services, Inc.	123,200	4,881,184
Visa, Inc.–Class A	46,100	7,829,624
International Business Machines Corp.	48,800	10,409,040
Fiserv, Inc.(a)	55,800	4,900,914
MAXIMUS, Inc.	2,360	188,729
		40,460,685
Semiconductors & Semiconductor Equipment–1.2%		
Sumco Corp.	61,000	694,138
Lam Research Corp.(a)	5,320	220,567
Advanced Semiconductor Engineering, Inc.	458,000	374,856
Applied Materials, Inc.	477,770	6,440,340
Cavium, Inc.(a)	5,750	223,157
Samsung Electronics Co., Ltd. (GDR)(b)	6,120	2,405,190
Tokyo Electron Ltd.	18,000	767,957
Amkor Technology, Inc.(a)	18,170	72,680
Taiwan Semiconductor Manufacturing Co., Ltd.	193,000	646,406
Entegris, Inc.(a)	23,520	231,907
Fairchild Semiconductor International, Inc.(a)	16,020	226,523
MKS Instruments, Inc.	5,580	151,776
Teradyne, Inc.(a)	9,340	151,495
King Yuan Electronics Co., Ltd.	59,000	40,082
Samsung Electronics Co., Ltd. (Preference Shares)	90	70,471
Veeco Instruments, Inc.(a)	4,410	169,035
Samsung Electronics Co., Ltd. (GDR) (London)(b)	1,640	1,104,586
Micron Technology, Inc.(a)	476,003	4,750,510
Cree, Inc.(a)	4,065	222,396
MEMC Electronic Materials, Inc.(a)	31,370	138,028
		19,102,100
Software–1.9%		
Citrix Systems, Inc.(a)	104,400	7,533,504
Intuit, Inc.	120,100	7,884,565
SAP AG	14,380	1,156,544
Nintendo Co., Ltd.	3,300	356,722
TIBCO Software, Inc.(a)	67,500	1,364,850
Aspen Technology, Inc.(a)	6,710	216,666
Cadence Design Systems, Inc.(a)	21,940	305,624
Fortinet, Inc.(a)	7,570	179,258
Aveva Group PLC	3,010	103,792
ServiceNow, Inc.(a)	6,748	244,277
SolarWinds, Inc.(a)	4,030	238,173
Oracle Corp. Japan	11,300	509,803
Microsoft Corp.	161,800	4,629,098
Workday, Inc.(a)	575	35,437
ANSYS, Inc.(a)	66,680	5,429,086
		30,187,399
		156,671,638

Company	Shares	U.S. $ Value
Consumer Discretionary–9.5%		
Auto Components–0.4%		
Cie Generale des Etablissements Michelin–Class B	18,130	$ 1,518,944
Dana Holding Corp.	13,780	245,697
GKN PLC	215,710	869,278
Lear Corp.	4,240	232,649
Nokian Renkaat Oyj	10,570	471,564
TRW Automotive Holdings Corp.(a)	4,640	255,200
Valeo SA	34,410	1,864,466
Xingda International Holdings Ltd.	81,000	26,892
		5,484,690
Automobiles–1.3%		
Ford Motor Co.	581,600	7,648,040
Harley-Davidson, Inc.	81,300	4,333,290
Honda Motor Co., Ltd.	42,100	1,621,290
Hyundai Motor Co. (GDR)(b)	4,040	141,440
Kia Motors Corp.	8,080	409,963
Mazda Motor Corp.(a)	258,000	758,896
Nissan Motor Co., Ltd.	100,000	970,043
Tata Motors Ltd. (Sponsored ADR)	5,580	136,208
Toyota Motor Corp.	42,400	2,186,388
Volkswagen AG (Preference Shares)	9,900	1,971,805
		20,177,363
Distributors–0.2%		
Dah Chong Hong Holdings Ltd.	229,000	217,098
Li & Fung Ltd.	1,212,000	1,675,448
LKQ Corp.(a)	13,130	285,709
		2,178,255
Diversified Consumer Services–0.1%		
Anhanguera Educacional Participacoes SA	36,200	584,001
Estacio Participacoes SA	52,000	1,129,679
K12, Inc.(a)	10,580	255,084
		1,968,764
Hotels, Restaurants & Leisure–1.5%		
Ajisen China Holdings Ltd.	126,000	100,114
Chipotle Mexican Grill, Inc.–Class A(a)	8,900	2,900,243
McDonald's Corp.	43,900	4,376,391
Melco Crown Entertainment Ltd. (ADR)(a)	51,440	1,200,610
MGM China Holdings Ltd.	58,000	125,116
MGM Resorts International(a)	19,140	251,691
Norwegian Cruise Line Holdings Ltd.(a)	8,118	240,699
Panera Bread Co.–Class A(a)	1,590	262,732
Royal Caribbean Cruises Ltd.	6,170	204,967
Sands China Ltd.	418,800	2,179,200
Sodexo	30,380	2,831,797
Starbucks Corp.	118,500	6,749,760
Tatts Group Ltd.	196,520	649,898
Whitbread PLC	15,155	592,759
William Hill PLC	89,330	502,706
Yum! Brands, Inc.	3,900	280,566
		23,449,249

Company	Shares	U.S. $ Value
Household Durables–0.3%		
Meritage Homes Corp.(a)	5,470	$ 256,324
Newell Rubbermaid, Inc.	4,640	121,104
PulteGroup, Inc.(a)	198,050	4,008,532
Sony Corp.	28,600	497,665
		4,883,625
Internet & Catalog Retail–0.4%		
Amazon.com, Inc.(a)	23,500	6,262,515
Ctrip.com International Ltd. (ADR)(a)	2,520	53,877
NetFlix, Inc.(a)	765	144,899
Shutterfly, Inc.(a)	2,070	91,432
		6,552,723
Media–2.7%		
British Sky Broadcasting Group PLC	83,210	1,118,415
Cineplex, Inc.	6,580	223,339
Comcast Corp.–Class A	127,800	5,368,878
Gannett Co., Inc.	5,560	121,597
Kabel Deutschland Holding AG	5,710	527,165
Liberty Media Corp.(a)	25,400	2,835,402
Naspers Ltd.	13,170	820,570
National CineMedia, Inc.	12,440	196,303
Pandora Media, Inc.(a)	10,850	153,636
Reed Elsevier PLC	79,460	945,383
Regal Entertainment Group–Class A	15,040	250,717
Television Broadcasts Ltd.	46,000	348,661
Thomson Reuters Corp.	21,240	689,147
Time Warner Cable, Inc.–Class A(c)	56,100	5,388,966
Time Warner, Inc.	119,000	6,856,780
Viacom, Inc.–Class B	99,405	6,120,366
Walt Disney Co. (The)(c)	140,800	7,997,440
Wolters Kluwer NV	46,640	1,019,173
		40,981,938
Multiline Retail–0.6%		
Don Quijote Co., Ltd.	10,400	461,300
El Puerto de Liverpool SAB de CV	17,650	216,705
Golden Eagle Retail Group Ltd.	135,000	244,326
Macy's, Inc.	177,800	7,439,152
Myer Holdings Ltd.	155,690	479,751
Next PLC	10,600	704,225
SACI Falabella	19,220	232,116
		9,777,575
Specialty Retail–1.7%		
Belle International Holdings Ltd.	507,000	849,752
CarMax, Inc.(a)	5,660	236,022
Chow Tai Fook Jewellery Group Ltd.	111,348	151,894
Dick's Sporting Goods, Inc.	4,675	221,128
Five Below, Inc.(a)	4,184	158,532
Francesca's Holdings Corp.(a)	9,800	280,868
GameStop Corp.–Class A	79,030	2,210,469
Home Depot, Inc. (The)	114,400	7,982,832
Indomobil Sukses Internasional Tbk PT	296,000	168,087
Lumber Liquidators Holdings, Inc.(a)	4,010	281,582
Men's Wearhouse, Inc. (The)	8,770	293,093
Mr. Price Group Ltd.	14,680	186,724

Company	Shares	U.S. $ Value
Nitori Holdings Co., Ltd.	10,750	$ 829,972
Office Depot, Inc.(a)	52,680	207,032
PetSmart, Inc.	56,900	3,533,490
Shimamura Co., Ltd.	3,400	397,521
TJX Cos., Inc.	138,500	6,474,875
Tractor Supply Co.	2,040	212,425
Ulta Salon Cosmetics & Fragrance, Inc.	845	68,589
Vitamin Shoppe, Inc.(a)	3,263	159,398
Yamada Denki Co., Ltd.	32,040	1,470,013
Zhongsheng Group Holdings Ltd.	159,000	193,082
		26,567,380
Textiles, Apparel & Luxury Goods–0.3%		
Alpargatas SA (Preference Shares)	9,900	66,629
Cie Financiere Richemont SA	47,900	377,565
Cie Financiere Richemont SA	24,580	1,935,224
Daphne International Holdings Ltd.	112,000	141,176
Jones Group, Inc. (The)	22,760	289,507
LVMH Moet Hennessy Louis Vuitton SA	4,370	750,809
PVH Corp.	1,514	161,710
Samsonite International SA	155,900	390,829
Shenzhou International Group Holdings Ltd.	51,000	143,895
Tumi Holdings, Inc.(a)	2,420	50,675
		4,308,019
		146,329,581
Health Care–7.4%		
Biotechnology–1.2%		
Actelion Ltd.(a)	24,500	1,332,205
Ariad Pharmaceuticals, Inc.(a)	4,830	87,375
Biogen Idec, Inc.(a)	60,000	11,574,600
BioMarin Pharmaceutical, Inc.(a)	3,110	193,628
Celgene Corp.(a)	28,700	3,326,617
Cubist Pharmaceuticals, Inc.(a)	2,945	137,885
Onyx Pharmaceuticals, Inc.(a)	3,420	303,901
Vertex Pharmaceuticals, Inc.(a)	40,200	2,210,196
		19,166,407
Health Care Equipment & Supplies–1.6%		
Align Technology, Inc.(a)	970	32,505
Becton Dickinson and Co.	62,000	5,927,820
Cochlear Ltd.	4,360	309,733
Coloplast A/S	9,050	487,653
HeartWare International, Inc.(a)	1,940	171,554
IDEXX Laboratories, Inc.(a)	60,000	5,543,400
Intuitive Surgical, Inc.(a)	11,200	5,501,328
Medtronic, Inc.	145,300	6,823,288
Sirona Dental Systems, Inc.(a)	3,350	246,996
Volcano Corp.(a)	3,120	69,451
		25,113,728
Health Care Providers & Services–1.4%		
Acadia Healthcare Co., Inc.(a)	8,064	237,001
Catamaran Corp.(a)	5,400	286,362
Health Net, Inc./CA(a)	66,740	1,910,099
LifePoint Hospitals, Inc.(a)	5,330	258,292
Mednax, Inc.(a)	2,730	244,690

Company	Shares	U.S. $ Value
Odontoprev SA	15,100	$ 69,120
Patterson Cos., Inc.	54,000	2,054,160
Shanghai Pharmaceuticals Holding Co., Ltd.–Class H	37,000	81,140
Sonic Healthcare Ltd.	33,254	483,873
Suzuken Co., Ltd./Aichi Japan	13,900	504,608
UnitedHealth Group, Inc.	52,000	2,974,920
Universal Health Services, Inc.–Class B	4,910	313,602
WellCare Health Plans, Inc.(a)	2,072	120,093
WellPoint, Inc.(c)	177,500	11,755,825
		21,293,785
Life Sciences Tools & Services–0.1%		
Eurofins Scientific	7,455	1,567,406
ICON PLC(a)	6,445	208,109
		1,775,515
Pharmaceuticals–3.1%		
Akorn, Inc.(a)	12,469	172,446
Aspen Pharmacare Holdings Ltd.(a)	8,950	186,027
AstraZeneca PLC	37,290	1,870,493
AstraZeneca PLC (Sponsored ADR)	66,800	3,338,664
GlaxoSmithKline PLC	97,120	2,274,263
Jazz Pharmaceuticals PLC(a)	3,030	169,407
Johnson & Johnson	124,000	10,109,720
Merck & Co., Inc.	96,700	4,277,041
Novartis AG	16,550	1,179,550
Orion Oyj	26,130	687,562
Pfizer, Inc.(c)	643,200	18,562,752
Pharmstandard OJSC (GDR)(a)(b)	7,700	159,005
Richter Gedeon Nyrt	1,240	173,599
Roche Holding AG	14,210	3,312,678
Sanofi	7,500	764,890
		47,238,097
		114,587,532
Consumer Staples–7.2%		
Beverages–0.2%		
Anheuser-Busch InBev NV	12,400	1,232,776
Asahi Group Holdings Ltd.	38,900	930,200
Cia Cervecerias Unidas SA	13,500	224,310
Heineken Holding NV	9,450	606,355
		2,993,641
Food & Staples Retailing–2.2%		
Bizim Toptan Satis Magazalari AS	3,460	59,160
Brazil Pharma SA	14,400	101,546
Jeronimo Martins SGPS SA	104,200	2,029,579
Koninklijke Ahold NV	87,340	1,338,947
Kroger Co. (The)	432,000	14,316,480
Lawson, Inc.	4,600	353,196
Magnit OJSC (Sponsored GDR)(b)	9,750	440,212
Olam International Ltd.	1,434,038	1,996,392
Safeway, Inc.	144,800	3,815,480
Shoppers Drug Mart Corp.	10,010	428,345
Shoprite Holdings Ltd.	4,840	96,277
Sugi Holdings Co., Ltd.	12,900	460,240
Tsuruha Holdings, Inc.	2,400	234,427
Wal-Mart Stores, Inc.	97,200	7,273,476
WM Morrison Supermarkets PLC	184,650	776,139
		33,719,896

Company	Shares	U.S. $ Value
Food Products–2.3%		
AVI Ltd.	50,860	$ 297,075
Campbell Soup Co.	115,670	5,246,791
ConAgra Foods, Inc.	228,700	8,189,747
Dole Food Co., Inc.(a)	14,360	156,524
Green Mountain Coffee Roasters, Inc.(a)	5,190	294,584
Gruma SAB de CV(a)	13,700	60,583
JM Smucker Co. (The)	78,900	7,823,724
Kraft Foods Group, Inc.	121,600	6,266,048
MHP SA (GDR)(a)(b)	12,360	219,390
NongShim Co., Ltd.	390	108,039
Tyson Foods, Inc.–Class A	124,180	3,082,148
Unilever PLC	74,458	3,149,359
		34,894,012
Household Products–0.2%		
Henkel AG & Co. KGaA	22,670	1,791,850
Kimberly-Clark de Mexico SAB de CV	72,420	252,707
Reckitt Benckiser Group PLC	14,534	1,043,506
		3,088,063
Tobacco–2.3%		
Altria Group, Inc.	302,700	10,409,853
British American Tobacco PLC	98,410	5,276,991
Gudang Garam Tbk PT	29,000	146,411
Imperial Tobacco Group PLC	34,510	1,206,996
Japan Tobacco, Inc.	92,600	2,962,041
Lorillard, Inc.	25,266	1,019,483
Philip Morris International, Inc.	124,100	11,505,311
Reynolds American, Inc.	79,500	3,536,955
		36,064,041
		110,759,653

Industrials–5.8%

Company	Shares	U.S. $ Value
Aerospace & Defense–0.9%		
European Aeronautic Defence and Space Co. NV	27,100	1,381,244
Hexcel Corp.(a)	10,300	298,803
Precision Castparts Corp.	57,300	10,865,226
QinetiQ Group PLC	75,900	239,582
Safran SA	17,300	772,119
TransDigm Group, Inc.	1,710	261,493
		13,818,467
Air Freight & Logistics–0.0%		
Expeditors International of Washington, Inc.	5,060	180,693
Airlines–0.3%		
Delta Air Lines, Inc.(a)	168,400	2,780,284
Japan Airlines Co., Ltd.	17,600	819,844
Qantas Airways Ltd.(a)	458,000	853,967
Turk Hava Yollari(a)	64,990	265,935
		4,720,030
Building Products–0.1%		
Asahi Glass Co., Ltd.	119,000	828,877
Simpson Manufacturing Co., Inc.	2,090	63,975
		892,852
Commercial Services & Supplies–0.3%		
Aggreko PLC	12,831	$ 348,238
Avery Dennison Corp.	4,040	174,003
Edenred	18,238	597,721
Steelcase, Inc.	15,390	226,695
Stericycle, Inc.(a)	29,817	3,165,969
		4,512,626
Construction & Engineering–0.1%		
COMSYS Holdings Corp.	69,300	842,548
Granite Construction, Inc.	3,870	123,221
Tutor Perini Corp.(a)	11,180	215,774
		1,181,543
Electrical Equipment–0.7%		
AMETEK, Inc.	38,814	1,682,975
Eaton Corp. PLC	108,100	6,621,125
EnerSys, Inc.(a)	5,120	233,370
General Cable Corp.(a)	7,410	271,428
Sumitomo Electric Industries Ltd.	127,800	1,572,460
		10,381,358
Industrial Conglomerates–1.0%		
Bidvest Group Ltd.	7,780	205,081
Carlisle Cos., Inc.	3,550	240,654
Danaher Corp.(c)	126,500	7,861,975
General Electric Co.(c)	283,400	6,552,208
SM Investments Corp.	1,990	54,467
		14,914,385
Industrial Warehouse Distribution–0.2%		
Global Logistic Properties Ltd.	1,473,000	3,128,161
Machinery–0.5%		
Actuant Corp.–Class A	5,970	182,801
Chart Industries, Inc.(a)	2,680	214,427
FANUC Corp.	5,600	862,235
IDEX Corp.	4,310	230,240
Illinois Tool Works, Inc.	74,200	4,521,748
Joy Global, Inc.	3,690	219,629
Kennametal, Inc.	4,650	181,536
Komatsu Ltd.	31,100	743,827
Lincoln Electric Holdings, Inc.	5,460	295,823
Middleby Corp.(a)	1,660	252,569
Terex Corp.(a)	7,900	271,918
Timken Co.	5,120	289,689
Valmont Industries, Inc.	1,890	297,240
		8,563,682
Marine–0.0%		
Kirby Corp.(a)	4,230	324,864
Professional Services–0.7%		
Advisory Board Co. (The)(a)	4,460	234,239
Bureau Veritas SA	18,403	2,291,063
Capita PLC	236,823	3,237,222
Intertek Group PLC	66,025	3,411,672
Qualicorp SA(a)	4,800	48,244
Robert Half International, Inc.	8,880	333,266
SGS SA	638	1,565,898
		11,121,604

Company	Shares	U.S. $ Value
Road & Rail–0.7%		
Con-way, Inc.	7,070	$ 248,935
Genesee & Wyoming, Inc.–Class A(a)	3,377	314,433
Globaltrans Investment PLC (Sponsored GDR)(b)	10,908	172,128
Localiza Rent a Car SA	13,600	242,959
Tokyu Corp.	79,000	584,406
Union Pacific Corp.	62,900	8,957,589
		10,520,450
Trading Companies & Distributors–0.3%		
Aircastle Ltd.	15,290	209,167
Mitsubishi Corp.	52,200	983,128
MSC Industrial Direct Co., Inc.–Class A	2,116	181,510
United Rentals, Inc.(a)	5,990	329,270
WW Grainger, Inc.	13,600	3,059,728
		4,762,803
Transportation Infrastructure–0.0%		
Jiangsu Expressway Co., Ltd.	190,000	191,242
		89,214,760
Energy–5.7%		
Energy Equipment & Services–1.6%		
Aker Solutions ASA	2,823	52,989
AMEC PLC	22,486	361,354
Bristow Group, Inc.	3,590	236,725
Diamond Offshore Drilling, Inc.	80,600	5,606,536
FMC Technologies, Inc.(a)	2,850	155,011
Helix Energy Solutions Group, Inc.(a)	10,020	229,258
Helmerich & Payne, Inc.	3,510	213,057
National Oilwell Varco, Inc.	73,700	5,214,275
Oceaneering International, Inc.	3,620	240,404
Oil States International, Inc.(a)	2,550	208,003
Schlumberger Ltd.(c)	118,400	8,866,976
Seadrill Ltd.	33,829	1,232,842
Technip SA	12,750	1,307,766
		23,925,196
Oil, Gas & Consumable Fuels–4.1%		
Afren PLC(a)	62,800	135,736
Banpu PCL	10,600	136,459
BP PLC	314,580	2,212,127
Cabot Oil & Gas Corp.	2,310	156,179
Chevron Corp.	41,500	4,931,030
China Petroleum & Chemical Corp.–Class H	436,000	511,300
Cimarex Energy Co.	3,880	292,707
Concho Resources, Inc.(a)	1,510	147,119
Ecopetrol SA (Sponsored ADR)	5,410	294,953
ENI SpA	42,370	948,597
EOG Resources, Inc.	24,700	3,163,329
Exxon Mobil Corp.	172,100	15,507,931
Gazprom OAO (Sponsored ADR)	161,870	1,375,895
KazMunaiGas Exploration Production JSC (GDR)(b)	7,360	139,840
Kinder Morgan, Inc./DE	188,200	7,279,576
LUKOIL OAO (London) (Sponsored ADR)	10,890	$ 702,405
Marathon Petroleum Corp.	69,900	6,263,040
Noble Energy, Inc.(c)	62,900	7,275,014
NovaTek OAO (Sponsored GDR)(b)	3,660	394,548
Petroleo Brasileiro SA (Sponsored ADR)	118,790	2,156,039
PTT PCL	21,400	236,763
Royal Dutch Shell PLC–Class B	10,770	358,157
SM Energy Co.	2,660	157,525
Statoil ASA	46,460	1,134,225
Stone Energy Corp.(a)	5,620	122,235
Teekay Corp.	3,140	112,914
Ultrapar Participacoes SA	8,300	209,887
Valero Energy Corp.	171,300	7,792,437
		64,147,967
		88,073,163
Materials–2.2%		
Chemicals–1.5%		
Chemtura Corp.(a)	9,730	210,265
EMS-Chemie Holding AG	2,450	737,738
Filtrona PLC	120,952	1,341,082
Huntsman Corp.	9,100	169,169
Koninklijke DSM NV	23,817	1,387,885
LyondellBasell Industries NV	102,600	6,493,554
Monsanto Co.	76,624	8,093,793
Nippon Shokubai Co., Ltd.	43,000	379,393
PolyOne Corp.	7,890	192,595
Sherwin-Williams Co. (The)	24,100	4,070,249
Teijin Ltd.	162,000	375,871
		23,451,594
Construction Materials–0.1%		
China National Building Material Co., Ltd–Class H	148,000	187,339
China Shanshui Cement Group Ltd.	48,000	27,637
Grasim Industries Ltd. (GDR)(b)	1,831	94,777
Semen Indonesia Persero Tbk PT	61,000	111,427
West China Cement Ltd.	424,000	70,219
		491,399
Metals & Mining–0.6%		
Anglo American PLC	39,760	1,026,730
Antofagasta PLC	9,310	139,753
BHP Billiton PLC	58,295	1,697,649
Cliffs Natural Resources, Inc.	3,920	74,519
Commercial Metals Co.	15,550	246,467
Dowa Holdings Co., Ltd.	37,861	297,402
KGHM Polska Miedz SA	11,570	560,735
Korea Zinc Co., Ltd.	270	86,494
Koza Altin Isletmeleri AS	13,270	310,363
MMC Norilsk Nickel OJSC (ADR)	69,850	1,179,767
Reliance Steel & Aluminum Co.	3,250	231,303
Rio Tinto PLC	27,950	1,316,457
Steel Dynamics, Inc.	16,590	263,283
Vale SA (Sponsored ADR)	115,110	1,902,768

Company	Shares	U.S. $ Value
Vale SA (Sponsored ADR–Class B	12,990	$ 224,597
		9,558,287
		33,501,280
Telecommunication Services–1.2%		
Diversified Telecommunication Services–1.0%		
AT&T, Inc.	86,600	3,177,354
Nippon Telegraph & Telephone Corp.	42,700	1,864,263
Swisscom AG	2,740	1,268,970
TalkTalk Telecom Group PLC	56,200	232,611
TDC A/S	103,060	793,242
Telenor ASA	54,760	1,205,710
Telstra Corp., Ltd.	185,286	871,234
tw telecom, Inc.(a)	3,240	81,616
Verizon Communications, Inc.	111,900	5,499,885
Vivendi SA	37,954	785,193
		15,780,078
Wireless Telecommunication Services–0.2%		
America Movil SAB de CV Series L (ADR)	6,199	129,931
China Mobile Ltd.	14,000	148,399
Rogers Communications, Inc.	6,340	323,850
SK Telecom Co., Ltd.	890	144,634
StarHub Ltd.	139,000	488,640
Turkcell Iletisim Hizmetleri AS(a)	7,550	50,598
Vodafone Group PLC	809,830	2,298,039
		3,584,091
		19,364,169
Utilities–0.5%		
Electric Utilities–0.3%		
CLP Holdings Ltd.	85,500	749,525
EDP–Energias de Portugal SA	275,280	848,319
Electricite de France SA	77,400	1,484,722
Light SA	14,900	147,470
NV Energy, Inc.	11,330	226,940
PNM Resources, Inc.	9,460	220,323
Power Assets Holdings Ltd.	109,000	1,028,756
		4,706,055
Gas Utilities–0.0%		
Atmos Energy Corp.	4,790	204,485
UGI Corp.	5,720	219,591
		424,076
Independent Power Producers & Energy Traders–0.1%		
APR Energy PLC	78,889	1,011,302
Huaneng Power International, Inc.–Class H	206,000	218,837
		1,230,139
Multi-Utilities–0.1%		
National Grid PLC	69,850	811,640

Company	Shares	U.S. $ Value
Water Utilities–0.0%		
Cia de Saneamento Basico do Estado de Sao Paulo(a)	3,500	$ 166,967
Cia de Saneamento de Minas Gerais-COPASA	8,700	212,468
		379,435
		7,551,345
Equity:Other–0.4%		
Diversified/Specialty–0.4%		
BioMed Realty Trust, Inc.	11,070	239,112
Country Garden Holdings Co., Ltd.(a)	482,000	239,193
Evergrande Real Estate Group Ltd.	1,754,000	708,532
Hang Lung Properties Ltd.	843,000	3,161,514
LPN Development PCL	81,700	70,443
Mexico Real Estate Management SA de CV(a)	228,350	508,412
Mitsubishi Estate Co., Ltd.	18,000	509,893
Supalai PCL	80,200	56,963
Telecity Group PLC	77,440	1,065,385
		6,559,447
Residential–0.1%		
Multi-Family–0.1%		
Brookfield Incorporacoes SA	93,500	116,138
Camden Property Trust	1,880	129,118
China Overseas Land & Investment Ltd.	86,000	238,404
KWG Property Holding Ltd.	118,000	74,294
Mid-America Apartment Communities, Inc.	1,910	131,905
NVR, Inc.(a)	220	237,624
Rossi Residencial SA	44,400	67,674
Shimao Property Holdings Ltd.	58,000	112,129
Stockland	205,050	782,546
		1,889,832
Single Family–0.0%		
Fortune Brands Home & Security, Inc.(a)	8,140	304,680
Realogy Holdings Corp.(a)	2,804	136,947
		441,627
		2,331,459
Retail–0.0%		
Regional Mall–0.0%		
BR Malls Participacoes SA	11,200	139,449
Glimcher Realty Trust	10,070	116,812
		256,261
Shopping Center/Other Retail–0.0%		
American Realty Capital Properties, Inc.	12,400	182,032
		438,293
Lodging–0.0%		
Lodging–0.0%		
Orient-Express Hotels Ltd.–Class A(a)	15,485	152,682
RLJ Lodging Trust	12,390	281,996
		434,678

Company	Shares	U.S. $ Value
Office–0.0%		
Office–0.0%		
Dundee International Real Estate Investment Trust	20,346	$ 213,104
Total Common Stocks (cost $815,448,971)		933,391,216
INVESTMENT COMPANIES–23.6%		
Funds and Investment Trusts–23.6%		
iShares MSCI Emerging Markets Index Fund	2,455,497	105,046,162
Multi-Asset Real Return Portfolio	22,755,970	197,749,383
SPDR S&P 500 ETF Trust	394,419	61,746,294
Total Investment Companies (cost $368,199,512)		364,541,839
	Contracts	
OPTIONS PURCHASED—PUTS–0.7%		
Options on Funds and Investment Trusts–0.5%		
iShares MSCI EAFE Index Expiration: Jun 2013, Exercise Price: $ 57.00(a)(d)	28,678	2,939,495
iShares MSCI Emerging Markets Index Expiration: Jun 2013, Exercise Price: $ 42.50(a)(d)	39,002	4,719,242
		7,658,737
Option on Equity Indices–0.2%		
S&P 500 Index Expiration: Jun 2013, Exercise Price: $ 1,475.00(a)(d)	2,245	3,356,275
Total Options Purchased–Puts (cost $11,356,826)		11,015,012
	Shares	
WARRANTS–0.6%		
Financials–0.3%		
Commercial Banks–0.1%		
Bank Muscat SAOG, Citigroup Global Markets, expiring 10/28/13(a)	26,000	41,288
Bank of Baroda, JPMorgan Chase Bank, NA, expiring 9/29/14(a)(b)	8,460	104,735
Bank of India, JPMorgan Chase Bank, NA, expiring 9/29/14(a)(b)	19,330	107,282
Canara Bank, Deutsche Bank AG London, expiring 1/17/17(a)	7,060	49,738
Commercial Bank of Qatar QSC/The, Deutsche Bank AG London, expiring 5/26/17(a)	9,490	171,484
DGB Financial Group, Inc., JPMorgan Chase Bank, NA, expiring 6/26/17(a)	10,670	$ 160,263
First Gulf Bank PJSC, Merrill Lynch Intl & Co., expiring 8/21/12	36,480	137,563
Punjab National Bank, Merrill Lynch Intl & Co., expiring 7/07/15(a)	13,430	177,386
Union Bank of India, Merrill Lynch Intl & Co., expiring 7/07/15(a)	47,470	190,397
		1,140,136
Consumer Finance–0.1%		
Muthoot Finance Ltd., Merrill Lynch Intl & Co., expiring 2/21/17(a)	85,790	289,790
Shriram Transport Finance Co., Ltd. Merrill Lynch Intl & Co., expiring 1/22/15(a)(b)	63,842	815,696
		1,105,486
Real Estate Management & Development–0.0%		
Emaar Properties PJSC, Merril Lynch International, expiring 10/01/15(a)	68,950	97,806
Thrifts & Mortgage Finance–0.1%		
Housing Development Finance Corp., Deutsche Bank AG London, expiring 1/30/17(a)(b)	113,230	1,714,551
		4,057,979
Information Technology–0.2%		
IT Services–0.1%		
Tata Consultancy Services Ltd., Merrill Lynch Intl & Co., expiring 12/14/15(a)	49,824	1,444,463
Semiconductors & Semiconductor Equipment–0.1%		
SK Hynix, Inc., Citigroup Global Markets, expiring 1/20/15(a)(b)	52,120	1,370,026
		2,814,489
Materials–0.1%		
Chemicals–0.1%		
OCI Co., Ltd. Macquarie Bank Ltd., expiring 1/30/15(a)	3,510	502,825
United Phosphorus Ltd., Merrill Lynch Intl & Co., expiring 2/07/17(a)	32,610	70,437
		573,262

Company	Shares	U.S. $ Value
Consumer Discretionary–0.0%		
Auto Components–0.0%		
Apollo Tyres Ltd., Merrill Lynch Intl & Co., expiring 12/30/15(a)	38,320	$ 58,833
Automobiles–0.0%		
Kia Motors Corp., Citigroup Global Markets, expiring 1/20/15(a)(b)	8,320	419,453
		478,286
Industrials–0.0%		
Construction & Engineering–0.0%		
Larsen & Toubro Ltd., Deutsche Bank AG London, expiring 1/24/17(a)(b)	11,040	278,058
Samsung Engineering Co., Ltd., Macquarie Bank Ltd., expiring 3/02/15(a)	670	77,025
		355,083
Industrial Conglomerates–0.0%		
John Keells Holdings PLC, Deutsche Bank AG London, expiring 7/05/19(a)	56,840	110,742
		465,825
Consumer Staples–0.0%		
Food & Staples Retailing–0.0%		
Olam International Ltd. , expiring 1/29/18(a)	306,509	105,745
Tobacco–0.0%		
KT&G Corp., Macquarie Bank Ltd., expiring 1/30/15(a)	2,780	188,513
		294,258
Health Care–0.0%		
Pharmaceuticals–0.0%		
Sun Pharmaceutical Industries Ltd., Merrill Lynch Intl & Co., expiring 2/02/15(a)	18,640	280,856
Total Warrants (cost $8,506,786)		8,964,955

	Principal Amount (000)	U.S. $ Value
CORPORATES—NON-INVESTMENT GRADES–0.0%		
Industrial–0.0%		
Consumer Non-Cyclical–00.0%		
Olam International Ltd. 6.75%, 1/29/18(b) (cost $563,442)	$ 592	$ 559,499
	Shares	
RIGHTS–0.0%		
Consumer Discretionary–0.0%		
Hotels ,Restaurants & Leisure–0.0%		
William Hill PLC, expiring 4/04/13(a) (cost $0)	19,851	37,402
SHORT-TERM INVESTMENTS–15.0%		
Investment Companies–13.0%		
AllianceBernstein Fixed-Income Shares, Inc.–Government STIF Portfolio, 0.12%(e) (cost $201,334,113)	201,334,113	201,334,113
	Principal Amount (000)	
U.S. Treasury Bills–2.0%		
Zero Coupon, 5/09/13(f)	$ 11,720	11,719,134
Zero Coupon, 6/20/13–9/19/13	18,720	18,713,075
Total U.S. Treasury Bills (cost $30,432,209)		30,432,209
Total Short-Term Investments (cost $231,766,322)		231,766,322
Total Investments—100.2% (cost $1,435,841,859)		1,550,276,245(g)
Other assets less liabilities—(0.2)%		(3,044,484)
Net Assets—100.0%		**$ 1,547,231,761**

FUTURES CONTRACTS (see Note 3)

Type	Number of Contracts	Expiration Month	Original Value	Value at March 31, 2013	Unrealized Appreciation/ (Depreciation)
Purchased Contracts					
10 Yr Canada Govt Bond Futures	35	June 2013	$ 4,573,972	$ 4,651,967	$ 77,995
10 Yr Japan Govt Bond Futures	62	June 2013	95,521,548	95,804,111	282,563
Australian T-Bond 10 Yr Futures	21	June 2013	2,617,795	2,658,706	40,911
Euro Buxl 30 Yr Bond Futures	60	June 2013	10,265,264	10,418,371	153,107
Euro Stoxx 50 Index Futures	1,367	June 2013	46,311,345	44,753,487	(1,557,858)
FTSE 100 Index Futures	458	June 2013	44,801,769	44,197,115	(604,654)
German Euro Bobl Futures	144	June 2013	23,263,847	23,390,803	126,956
German Euro Bund Futures	147	June 2013	27,083,498	27,414,981	331,483
Hang Seng Index Futures	2	April 2013	288,254	287,483	(771)
Russell 2000 Mini Index Futures	151	June 2013	13,785,518	14,328,390	542,872
S&P 500 E Mini Index Futures	1,324	June 2013	100,914,802	103,450,740	2,535,938
S&P Mid Cap 400 E Mini Index Futures	136	June 2013	15,099,468	15,653,600	554,132
TOPIX Index Futures	569	June 2013	60,114,640	62,772,242	2,657,602
U.S. T-Note 5 Yr Futures	90	June 2013	11,141,167	11,164,922	23,755
UK Long Gilt Bond Futures	121	June 2013	21,248,808	21,838,109	589,301
Ultra Long U.S. T-Bond Futures	16	June 2013	2,486,527	2,521,500	34,973
Sold Contracts					
S&P TSE 60 Index Futures	62	June 2013	8,956,835	8,897,337	59,498
					$ 5,847,803

FORWARD CURRENCY EXCHANGE CONTRACTS (see Note 3)

Counterparty	Contracts to Deliver (000)	In Exchange For (000)	Settlement Date	Unrealized Appreciation/ (Depreciation)
Bank of America, NA	CHF 3,497	USD 3,818	5/15/13	$ 132,489
Barclays Bank PLC Wholesale	GBP 3,218	USD 5,023	5/15/13	134,941
Barclays Bank PLC Wholesale	JPY 792,302	USD 8,490	5/15/13	71,351
Barclays Bank PLC Wholesale	NOK 22,256	USD 3,877	5/15/13	72,491
Barclays Bank PLC Wholesale	USD 2,687	EUR 2,060	5/15/13	(45,262)
Barclays Bank PLC Wholesale	USD 20,801	JPY 1,945,165	5/15/13	(131,599)
Barclays Bank PLC Wholesale	USD 11,422	NOK 63,326	5/15/13	(598,080)
BNP Paribas SA	AUD 11,835	USD 12,177	5/15/13	(106,437)
BNP Paribas SA	JPY 248,374	USD 2,599	5/15/13	(40,338)
BNP Paribas SA	USD 1,715	AUD 1,670	5/15/13	17,836
BNP Paribas SA	USD 1,865	CHF 1,765	5/15/13	(4,491)
BNP Paribas SA	USD 26,915	JPY 2,561,117	5/15/13	299,456
Citibank, NA	GBP 11,967	USD 18,781	5/15/13	601,560
Citibank, NA	USD 3,470	CHF 3,195	5/15/13	(102,351)
Citibank, NA	USD 8,621	GBP 5,493	5/15/13	(276,123)
Citibank, NA	USD 1,842	JPY 174,385	5/15/13	10,635
Credit Suisse London Branch (GFX)	GBP 7,782	USD 11,787	5/15/13	(34,299)
Credit Suisse London Branch (GFX)	NOK 42,924	USD 7,354	5/15/13	16,934
Credit Suisse London Branch (GFX)	SEK 13,626	USD 2,150	5/15/13	60,596
Credit Suisse London Branch (GFX)	USD 9,460	CHF 8,936	5/15/13	(42,226)
Credit Suisse London Branch (GFX)	USD 26,918	GBP 17,747	5/15/13	41,655

Counterparty	Contracts to Deliver (000)		In Exchange For (000)		Settlement Date	Unrealized Appreciation/ (Depreciation)
Credit Suisse London Branch (GFX)	USD	4,367	NOK	25,501	5/15/13	$ (7,890)
Credit Suisse London Branch (GFX)	USD	11,917	SEK	76,664	5/15/13	(162,707)
Deutsche Bank AG London	AUD	4,717	USD	4,890	5/15/13	(5,239)
Deutsche Bank AG London	EUR	5,065	USD	6,879	5/15/13	384,297
Deutsche Bank AG London	GBP	4,139	USD	6,498	5/15/13	210,153
Deutsche Bank AG London	JPY	896,207	USD	9,745	5/15/13	222,060
Deutsche Bank AG London	USD	9,511	AUD	9,202	5/15/13	39,143
Deutsche Bank AG London	USD	10,912	EUR	8,161	5/15/13	(447,865)
Deutsche Bank AG London	USD	10,595	GBP	6,927	5/15/13	(72,387)
Deutsche Bank AG London	USD	9,190	JPY	842,684	5/15/13	(235,847)
Goldman Sachs Capital Markets LP	CHF	5,068	USD	5,535	5/15/13	193,459
Goldman Sachs Capital Markets LP	USD	3,362	CHF	3,078	5/15/13	(117,495)
Goldman Sachs Capital Markets LP	USD	30,076	EUR	23,205	5/15/13	(322,389)
HSBC BankUSA	CAD	938	USD	939	5/15/13	16,321
HSBC BankUSA	NOK	23,647	USD	4,275	5/15/13	232,825
HSBC BankUSA	USD	4,126	CAD	4,122	5/15/13	(71,722)
HSBC BankUSA	USD	1,600	HKD	12,400	5/15/13	(2,002)
HSBC BankUSA	USD	2,504	NZD	3,017	5/15/13	13,169
Morgan Stanley & Co., Inc.	USD	4,232	EUR	3,170	5/15/13	(167,196)
Royal Bank of Scotland PLC	AUD	6,172	USD	6,321	5/15/13	(85,040)
Royal Bank of Scotland PLC	CHF	5,684	USD	6,197	5/15/13	206,753
Royal Bank of Scotland PLC	EUR	24,093	USD	31,860	5/15/13	967,468
Royal Bank of Scotland PLC	GBP	11,925	USD	18,851	5/15/13	735,269
Royal Bank of Scotland PLC	JPY	2,129,329	USD	23,152	5/15/13	525,723
Royal Bank of Scotland PLC	NZD	2,376	USD	1,948	5/15/13	(34,904)
Royal Bank of Scotland PLC	USD	2,801	EUR	2,165	5/15/13	(25,402)
Royal Bank of Scotland PLC	USD	19,196	GBP	12,668	5/15/13	48,223
Royal Bank of Scotland PLC	USD	4,531	JPY	434,879	5/15/13	90,514
Societe Generale	JPY	271,143	USD	2,909	5/15/13	27,457
Standard Chartered Bank	HKD	79,313	USD	10,230	5/15/13	10,643
Standard Chartered Bank	USD	2,074	HKD	16,097	5/15/13	(212)
State Street Bank & Trust Co.	EUR	2,324	USD	3,106	5/15/13	126,201
State Street Bank & Trust Co.	JPY	28,278	USD	302	5/15/13	1,321
State Street Bank & Trust Co.	USD	23,918	EUR	17,826	5/15/13	(1,061,382)
State Street Bank & Trust Co.	USD	2,626	GBP	1,739	5/15/13	15,419
UBS AG	USD	14,140	EUR	10,635	5/15/13	(504,093)
Westpac Banking Corp.	NZD	5,120	USD	4,313	5/15/13	41,267
Westpac Banking Corp.	USD	23,155	AUD	22,493	5/15/13	190,200
Westpac Banking Corp.	USD	3,739	NZD	4,479	5/15/13	(1,500)
						$ 1,051,351

CALL OPTIONS WRITTEN (see Note 3)

Description	Contracts	Exercise Price	Expiration Month	Premiums Received	U.S. $ Value
S&P 500 Index (d)	2,245	$1,750.00	December 2013	$ 1,321,380	$ (2,166,425)

CREDIT DEFAULT SWAP CONTRACTS (see Note 3)

Swap Counterparty & Referenced Obligation	Fixed Rate (Pay) Receive	Implied Credit Spread at March 31, 2013	Notional Amount (000)	Market Value	Upfront Premiums Paid (Received)	Unrealized Appreciation/ (Depreciation)
Sale Contracts						
Bank of America, NA:						
CDX-NAIG Series 19 5 Year Index, 12/20/17*	1.00%	0.81%	$ 36,085	$ 323,773	$ 96,191	$ 227,582
iTraxx Europe Series 18 5 Year Index, 12/20/17*	1.00	1.16	EUR 2,360	(20,894)	(10,703)	(10,191)
iTraxx Europe Series 18 5 Year Index, 12/20/17*	1.00	1.16	18,315	(162,150)	(168,211)	6,061
Barclays Bank PLC:						
CDX-NAIG Series 19 5 Year Index, 12/20/17*	1.00	0.81	$ 71,580	642,252	229,576	412,676
CDX-NAIG Series 19 5 Year Index, 12/20/17*	1.00	0.81	36,085	323,773	80,849	242,924
Deutsche Bank AG:						
CDX-NAHY Series 19 5 Year Index, 12/20/17*	5.00	3.97	39,420	1,716,412	371,569	1,344,843
Goldman Sachs International:						
CDX-NAIG Series 19 5 Year Index, 12/20/17*	1.00	0.81	3,150	28,263	28,875	(612)
JPMorgan Chase Bank, NA:						
iTraxx Europe Series 18 5 Year Index, 12/20/17*	1.00	1.16	EUR 18,315	(162,150)	(172,254)	10,104
iTraxx XOVER Series18 5 Year Index, 12/20/17*	5.00	4.19	7,700	335,850	152,592	183,258
iTraxx Europe Series 18 5 Year Index, 12/20/17*	1.00	1.16	36,920	(326,867)	(329,334)	2,467
				$ 2,698,262	***$ 279,150***	***$ 2,419,112***

* *Termination date*

TOTAL RETURN SWAP CONTRACTS (See Note 3)

Receive/Pay Total Return on Reference Index	Index	# of Shares or Units	Rate Paid by the Fund	Notional Amount (000)	Maturity Date	Counterparty	Unrealized Appreciation/ (Depreciation)
Receive Total Return on Reference Index							
Receive	MSCI Emerging Markets Index	42,477	0.65%	$ 17,725	12/23/13	UBS AG	$ (152,896)

(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 March 31, 2013, the aggregate market value of these securities amounted to $10,896,348 or 0.7% of net assets.
(c) Position, or a portion thereof, has been segregated to collateralize margin requirements for open futures contracts. The market value of the collateral amounted to $47,658,464.
(d) One contract relates to 100 shares.
(e) Investment in affiliated money market mutual fund. The rate shown represents the 7-day yield as of period end.
(f) Position, or a portion thereof, has been segregated to collateralize OTC derivatives outstanding. The aggregate market value of these securities amounted to $708,948.
(g) On March 29, 2013, the Fund and U.S. stock exchanges were closed for business due to a U.S. holiday but the foreign markets remained open for trading. The Fund valued its foreign securities using the closing market prices from the respective foreign markets as of March 28, 2013 for financial reporting purposes.

Currency Abbreviations:

AUD—Australian Dollar
CAD—Canadian Dollar
CHF—Swiss Franc
EUR—Euro
GBP—Great British Pound
HKD—Hong Kong Dollar
JPY—Japanese Yen
NOK—Norwegian Krone
NZD—New Zealand Dollar
SEK—Swedish Krona
USD—United States Dollar

Glossary:

ADR—American Depositary Receipt
CDX-NAHY—North American High Yield Credit Default Swap Index
CDX-NAIG—North American Investment Grade Credit Default Swap Index
EAFE—Europe, Australia, and Far East
FTSE—Financial Times Stock Exchange
GDR—Global Depositary Receipt
GFX—Global Foreign Exchange
JSC—Joint Stock Company
MSCI—Morgan Stanley Capital International
NVDR—Non Voting Depositary Receipt
OJSC—Open Joint Stock Company
PJSC—Public Joint Stock Company
REG—Registered Shares
REIT—Real Estate Investment Trust
SCPA—Società Consortile per Azioni
TOPIX—Tokyo Price Index
TSE—Tokyo Stock Exchange

See notes to financial statements.

Sanford C. Bernstein Fund, Inc.
Schedule of Investments
Tax-Aware Overlay A Portfolio
March 31, 2013 (Unaudited)

Company	Shares	U.S. $ Value
COMMON STOCKS–72.9%		
Financials–13.1%		
Capital Markets–1.3%		
Affiliated Managers Group, Inc.(a)	47,650	$ 7,317,611
Credit Suisse Group AG(a)	167,160	4,396,428
Credit Suisse/Nassau	143,990	293,322
Deutsche Bank AG (REG)	41,080	1,606,076
E*Trade Financial Corp.(a)	32,620	349,360
Goldman Sachs Group, Inc. (The)	85,200	12,537,180
Lazard Ltd.–Class A	16,420	560,415
Legg Mason, Inc.	14,140	454,601
Macquarie Group Ltd.	130,710	5,084,849
Stifel Financial Corp.(a)	12,490	433,028
UBS AG(a)	448,853	6,902,103
		39,934,973
Commercial Banks–4.4%		
Associated Banc–Corp	32,390	492,004
Banco do Brasil SA	366,700	4,981,277
Banco Santander Brasil SA/Brazil (ADR)	65,750	477,345
Bangkok Bank PCL (NVDR)	125,400	954,223
Bank Mandiri Persero Tbk PT	975,500	1,007,516
Barclays PLC	432,090	1,922,482
CapitalSource, Inc.	48,300	464,646
China Construction Bank Corp.–Class H	1,733,000	1,420,573
CIT Group, Inc.(a)	472,800	20,557,344
Comerica, Inc.	16,060	577,357
Credicorp Ltd.	6,630	1,100,911
First Niagara Financial Group, Inc.	58,290	516,449
First Republic Bank/CA	7,680	296,602
Grupo Financiero Banorte SAB de CV–Class O	124,551	998,409
Grupo Financiero Santander Mexico SAB de CV (ADR)(a)	43,050	664,262
Hang Seng Bank Ltd.	98,000	1,572,072
HDFC Bank Ltd. (ADR)	18,460	690,773
HSBC Holdings PLC	837,049	8,930,958
Huntington Bancshares, Inc./OH	86,700	640,713
Iberiabank Corp.	9,380	469,188
Industrial & Commercial Bank of China Ltd.–Class H	2,039,000	1,434,022
Itausa–Investimentos Itau SA (Preference Shares)	182,700	953,846
KB Financial Group, Inc.	15,920	531,827
KB Financial Group, Inc. (ADR)	96,620	3,192,325
Komercni Banka AS	1,440	274,731
Lloyds Banking Group PLC(a)	2,238,270	1,667,773
Mitsubishi UFJ Financial Group, Inc.	904,900	5,459,473
National Australia Bank Ltd.	139,460	4,499,838
Popular, Inc.(a)	23,040	636,134
Resona Holdings, Inc.	274,300	1,448,330
Sberbank of Russia (Sponsored ADR)(b)	275,933	3,518,145
Seven Bank Ltd.	722,600	$ 2,326,691
Signature Bank/New York NY(a)	6,890	542,656
Societe Generale SA(a)	146,991	4,839,384
State Bank of India (Sponsored GDR)(c)	5,470	455,925
Sumitomo Mitsui Financial Group, Inc.	87,400	3,585,570
Susquehanna Bancshares, Inc.	40,070	498,070
SVB Financial Group(a)	6,880	488,067
Turkiye Halk Bankasi AS	71,880	768,769
Unione di Banche Italiane SCPA	421,020	1,559,586
US Bancorp	471,500	15,997,995
Webster Financial Corp.	11,160	270,742
Wells Fargo & Co.	756,800	27,994,032
Westpac Banking Corp.	43,090	1,386,706
Zions Bancorporation	28,580	714,214
		133,779,955
Consumer Finance–0.5%		
AEON Financial Service Co., Ltd.	61,500	1,744,546
Discover Financial Services	287,200	12,878,048
		14,622,594
Diversified Financial Services–2.9%		
Bank of America Corp.	1,865,700	22,724,226
BM&FBovespa SA	18,100	122,174
Citigroup, Inc.	561,800	24,854,032
IG Group Holdings PLC	475,019	3,863,276
ING Groep NV(a)	641,900	4,618,754
IntercontinentalExchange, Inc.(a)	137,600	22,438,432
JPMorgan Chase & Co.	193,200	9,169,272
ORIX Corp.	197,100	2,516,565
		90,306,731
Insurance–3.0%		
Admiral Group PLC	271,980	5,518,527
Aegon NV	531,966	3,212,044
AIA Group Ltd.	1,553,800	6,811,541
Allianz SE	3,590	489,397
Aspen Insurance Holdings Ltd.	17,800	686,724
Berkshire Hathaway, Inc.(a)	104,500	10,888,900
Chubb Corp. (The)	104,200	9,120,626
Everest Re Group Ltd.	136,500	17,725,890
Fidelity National Financial, Inc.–Class A	460,960	11,630,021
Gjensidige Forsikring ASA	101,610	1,681,395
Insurance Australia Group Ltd.	102,629	612,250
Lancashire Holdings Ltd.	220,376	2,723,011
PartnerRe Ltd.	111,000	10,335,210
Platinum Underwriters Holdings Ltd.	11,060	617,259
Prudential PLC	386,250	6,273,290
Reinsurance Group of America, Inc.–Class A	6,890	411,126
Suncorp Group Ltd.	167,740	2,070,183
Topdanmark A/S(a)	51,500	1,235,337
Torchmark Corp.	9,690	579,462
Unum Group	19,670	555,677
Validus Holdings Ltd.	15,000	560,550
		93,738,420
Real Estate Investment Trusts (REITs)–0.2%		
American Realty Capital Properties, Inc.	29,090	427,041
BioMed Realty Trust, Inc.	25,910	559,656

Company	Shares	U.S. $ Value
Camden Property Trust	4,410	$ 302,879
Glimcher Realty Trust	23,590	273,644
Mexico Real Estate Management SA de CV(a)	581,150	1,293,907
Mid-America Apartment Communities, Inc.	4,470	308,698
Plum Creek Timber Co., Inc.	10,920	570,024
RLJ Lodging Trust	29,160	663,682
Stockland	560,980	2,140,906
		6,540,437
Real Estate Management & Development–0.8%		
BR Malls Participacoes SA	28,600	356,093
China Overseas Land & Investment Ltd.	216,000	598,783
Country Garden Holdings Co., Ltd.(a)	1,224,000	607,412
Daiwa House Industry Co., Ltd.	63,000	1,232,187
Evergrande Real Estate Group Ltd.	4,623,000	1,867,471
Global Logistic Properties Ltd.	3,753,000	7,970,121
Hang Lung Properties Ltd.	2,142,000	8,033,170
KWG Property Holding Ltd.	300,000	188,883
LPN Development PCL	207,400	178,824
LPS Brasil Consultoria de Imoveis SA	11,100	197,144
Mitsubishi Estate Co., Ltd.	47,000	1,331,387
Realogy Holdings Corp.(a)	6,570	320,879
Shimao Property Holdings Ltd.	147,500	285,155
Supalai PCL	203,700	144,680
		23,312,189
		402,235,299
Information Technology–12.1%		
Communications Equipment–0.8%		
Aruba Networks, Inc.(a)	24,170	597,966
Ciena Corp.(a)	26,776	428,684
Cisco Systems, Inc.	718,500	15,023,835
F5 Networks, Inc.(a)	96,500	8,596,220
Harris Corp.	7,170	332,258
JDS Uniphase Corp.(a)	39,550	528,783
Palo Alto Networks, Inc.(a)	2,630	148,858
		25,656,604
Computers & Peripherals–2.2%		
Apple, Inc.(d)	80,600	35,675,978
Fujitsu Ltd.	604,000	2,523,238
Hewlett-Packard Co.	1,127,400	26,877,216
Lite-On Technology Corp.(a)	216,000	351,356
Wistron Corp.(a)	687,000	753,946
		66,181,734
Electronic Equipment, Instruments & Components–0.4%		
Anixter International, Inc.	6,150	430,008
Arrow Electronics, Inc.(a)	13,840	562,181
AU Optronics Corp. (Sponsored ADR)(a)	80,040	344,172
Avnet, Inc.(a)	16,030	580,286
Flextronics International Ltd.(a)	41,190	278,444
Hon Hai Precision Industry Co., Ltd.	437,000	1,216,178
Ingram Micro, Inc.–Class A(a)	18,190	357,979
Innolux Corp.(a)	498,000	308,526
Insight Enterprises, Inc.(a)	24,980	515,088

Company	Shares	U.S. $ Value
Jabil Circuit, Inc.	26,540	$ 490,459
Ju Teng International Holdings Ltd.	246,000	155,207
LG Display Co., Ltd.(a)	2,120	61,994
LG Display Co., Ltd. (ADR)(a)	296,561	4,326,825
TTM Technologies, Inc.(a)	41,000	311,600
Vishay Intertechnology, Inc.(a)	51,740	704,181
		10,643,128
Internet Software & Services–1.9%		
Baidu, Inc. (Sponsored ADR)(a) (b)	37,566	3,294,538
CoStar Group, Inc.(a)	6,330	692,882
eBay, Inc.(a)	280,600	15,214,132
Google, Inc.–Class A(a)	33,600	26,679,408
LinkedIn Corp.(a)	53,700	9,454,422
Mail.ru Group Ltd. (GDR)(c)	7,040	195,008
Telecity Group PLC	193,673	2,664,466
Tencent Holdings Ltd.	22,800	729,249
		58,924,105
IT Services–3.1%		
Amdocs Ltd.	213,140	7,726,325
Cognizant Technology Solutions Corp.–Class A(a)	265,500	20,339,955
Convergys Corp.	23,700	403,611
Fidelity National Information Services, Inc.	277,100	10,978,702
Fiserv, Inc.(a)	116,200	10,205,846
International Business Machines Corp.	112,700	24,038,910
MAXIMUS, Inc.	5,520	441,434
Sonda SA	212,010	741,023
Visa, Inc.–Class A	117,700	19,990,168
		94,865,974
Semiconductors & Semiconductor Equipment–1.5%		
Advanced Semiconductor Engineering, Inc.	1,165,000	953,508
Amkor Technology, Inc.(a)	34,095	136,380
Applied Materials, Inc.	1,121,400	15,116,472
Cavium, Inc.(a)	13,650	529,756
Cree, Inc.(a)	9,509	520,237
Entegris, Inc.(a)	55,150	543,779
Fairchild Semiconductor International, Inc.(a)	37,490	530,109
King Yuan Electronics Co., Ltd.(a)	149,000	101,224
Lam Research Corp.(a)	13,170	546,028
MEMC Electronic Materials, Inc.(a)	73,580	323,752
Micron Technology, Inc.(a)	1,220,370	12,179,293
MKS Instruments, Inc.	13,110	356,592
Samsung Electronics Co., Ltd. (GDR)(c)	15,570	6,117,347
Samsung Electronics Co., Ltd. (GDR) (London)(c)	4,160	2,801,877
Sumco Corp.	157,400	1,791,104
Taiwan Semiconductor Manufacturing Co., Ltd.(a)	481,000	1,610,992
Teradyne, Inc.(a)	21,880	354,894
Tokyo Electron Ltd.	46,500	1,983,889
Veeco Instruments, Inc.(a)	10,324	395,719
		46,892,952
Software–2.2%		
ANSYS, Inc.(a)	150,340	12,240,683
Aspen Technology, Inc.(a)	15,722	507,663
Aveva Group PLC	7,754	267,376
Cadence Design Systems, Inc.(a)	51,350	715,306

Company	Shares	U.S. $ Value
Citrix Systems, Inc.(a)	215,400	$ 15,543,264
Fortinet, Inc.(a)	17,710	419,373
Intuit, Inc.	276,500	18,152,225
Microsoft Corp.	366,700	10,491,287
Nintendo Co., Ltd.	8,600	929,639
Oracle Corp. Japan	28,800	1,299,322
SAP AG	36,560	2,940,420
ServiceNow, Inc.(a)	15,809	572,286
SolarWinds, Inc.(a)	9,433	557,490
TIBCO Software, Inc.(a)	177,600	3,591,072
Workday, Inc.(a)	1,356	83,570
		68,310,976
		371,475,473

Consumer Discretionary–11.6%

Company	Shares	U.S. $ Value
Auto Components–0.4%		
Cie Generale des Etablissements Michelin–Class B	46,090	3,861,452
Dana Holding Corp.	32,330	576,444
GKN PLC	557,650	2,247,242
Lear Corp.	9,950	545,957
Nokian Renkaat Oyj	26,880	1,199,209
TRW Automotive Holdings Corp.(a)	10,880	598,400
Valeo SA	87,050	4,716,703
Xingda International Holdings Ltd.	206,000	68,392
		13,813,799
Automobiles–1.5%		
Ford Motor Co.	1,330,500	17,496,075
Harley-Davidson, Inc.	191,900	10,228,270
Honda Motor Co., Ltd.	107,200	4,128,321
Hyundai Motor Co. (GDR)(c)	10,260	359,202
Mazda Motor Corp.(a)	663,000	1,950,187
Nissan Motor Co., Ltd.	254,400	2,467,788
Tata Motors Ltd. (Sponsored ADR)	14,170	345,890
Toyota Motor Corp.	107,900	5,563,946
Volkswagen AG (Preference Shares)	25,166	5,012,369
		47,552,048
Distributors–0.2%		
Dah Chong Hong Holdings Ltd.	579,000	548,908
Li & Fung Ltd.	3,084,000	4,263,269
LKQ Corp.(a)	30,730	668,685
		5,480,862
Diversified Consumer Services–0.2%		
Anhanguera Educacional Participacoes SA	92,100	1,485,814
Estacio Participacoes SA	132,400	2,876,338
K12, Inc.(a)	24,770	597,205
		4,959,357
Hotels, Restaurants & Leisure–1.9%		
Ajisen China Holdings Ltd.	319,000	253,463
Chipotle Mexican Grill, Inc.–Class A(a)	20,050	6,533,694
McDonald's Corp.	105,700	10,537,233
Melco Crown Entertainment Ltd. (ADR)(a)	132,280	3,087,416
MGM China Holdings Ltd.	147,200	$ 317,535
MGM Resorts International(a)	206,010	2,709,032
Norwegian Cruise Line Holdings Ltd.(a)	18,989	563,024
Orient-Express Hotels Ltd.–Class A(a)	36,242	357,346
Panera Bread Co.–Class A(a)	3,720	614,693
Royal Caribbean Cruises Ltd.	14,460	480,361
Sands China Ltd.	1,064,000	5,536,460
Sodexo	77,250	7,200,669
Starbucks Corp.	271,700	15,476,032
Tatts Group Ltd.	499,650	1,652,358
Whitbread PLC	38,539	1,507,380
William Hill PLC	227,120	1,278,121
Yum! Brands, Inc.	9,910	712,925
		58,817,742
Household Durables–0.4%		
Brookfield Incorporacoes SA	237,500	295,002
Meritage Homes Corp.(a)	12,820	600,745
MRV Engenharia e Participacoes SA	19,400	80,548
Newell Rubbermaid, Inc.	11,030	287,883
NVR, Inc.(a)	510	550,856
PulteGroup, Inc.(a)	459,180	9,293,803
Rossi Residencial SA	112,600	171,623
Sony Corp.	77,900	1,355,527
		12,635,987
Internet & Catalog Retail–0.5%		
Amazon.com, Inc.(a)	52,000	13,857,480
Ctrip.com International Ltd. (ADR)(a)	6,400	136,832
NetFlix, Inc.(a)	1,790	339,044
Shutterfly, Inc.(a)	4,579	202,254
		14,535,610
Media–3.3%		
British Sky Broadcasting Group PLC	211,560	2,843,552
Cineplex, Inc.	16,740	568,189
Comcast Corp.–Class A	362,100	15,211,821
Gannett Co., Inc.	13,050	285,403
Kabel Deutschland Holding AG	6,750	623,181
Liberty Media Corp.(a)	65,700	7,334,091
Naspers Ltd.	33,725	2,101,271
National CineMedia, Inc.	29,120	459,514
Pandora Media, Inc.(a)	25,400	359,664
Reed Elsevier PLC	148,190	1,763,104
Regal Entertainment Group–Class A	35,240	587,451
Starz–Liberty Capital(a)	65,700	1,455,255
Television Broadcasts Ltd.	116,000	879,232
Thomson Reuters Corp.	54,010	1,752,394
Time Warner Cable, Inc.–Class A	121,200	11,642,472
Time Warner, Inc.	280,000	16,133,600
Viacom, Inc.–Class B	221,400	13,631,598
Walt Disney Co. (The)	361,500	20,533,200
Wolters Kluwer NV	118,580	2,591,198
		100,756,190
Multiline Retail–0.7%		
Don Quijote Co., Ltd.	26,400	1,170,992
El Puerto de Liverpool SAB de CV	44,810	550,173

Company	Shares	U.S. $ Value
Golden Eagle Retail Group Ltd.	314,000	$ 568,283
Macy's, Inc.	350,000	14,644,000
Myer Holdings Ltd.	395,880	1,219,885
Next PLC	26,960	1,791,123
SACI Falabella(a)	48,800	589,348
		20,533,804
Specialty Retail–2.1%		
Belle International Holdings Ltd.	1,291,000	2,163,767
CarMax, Inc.(a)	13,250	552,525
Chow Tai Fook Jewellery Group Ltd.	282,930	385,955
Dick's Sporting Goods, Inc.	10,950	517,935
Five Below, Inc.(a)	9,786	370,792
Francesca's Holdings Corp.(a)	22,940	657,460
GameStop Corp.–Class A	167,300	4,679,381
Home Depot, Inc. (The)	310,000	21,631,800
Indomobil Sukses Internasional Tbk PT	752,500	427,317
Lumber Liquidators Holdings, Inc.(a)	9,400	660,068
Men's Wearhouse, Inc. (The)	20,590	688,118
Mr. Price Group Ltd.	37,320	474,696
Nitori Holdings Co., Ltd.	27,300	2,107,742
Office Depot, Inc.(a)	123,570	485,630
PetSmart, Inc.	131,400	8,159,940
Shimamura Co., Ltd.	9,300	1,087,335
TJX Cos., Inc.	312,400	14,604,700
Tractor Supply Co.	4,770	496,700
Ulta Salon Cosmetics & Fragrance, Inc.	1,985	161,123
Vitamin Shoppe, Inc.(a)	7,642	373,312
Yamada Denki Co., Ltd.	81,450	3,736,972
Zhongsheng Group Holdings Ltd.	404,000	490,598
		64,913,866
Textiles, Apparel & Luxury Goods–0.4%		
Alpargatas SA (Preference Shares)	25,000	168,254
Cie Financiere Richemont SA	62,510	4,921,516
Cie Financiere Richemont SA	121,700	959,284
Daphne International Holdings Ltd.	282,000	355,461
Jones Group, Inc. (The)	53,400	679,248
LVMH Moet Hennessy Louis Vuitton SA	11,100	1,907,090
PVH Corp.	3,537	377,787
Samsonite International SA	396,400	993,743
Shenzhou International Group Holdings Ltd.	129,000	363,970
Tumi Holdings, Inc.(a)	5,727	119,923
		10,846,276
		354,845,541

Health Care–9.1%

Company	Shares	U.S. $ Value
Biotechnology–1.6%		
Actelion Ltd.(a)	63,290	3,441,439
Amgen, Inc.	109,800	11,255,598
Ariad Pharmaceuticals, Inc.(a)	11,478	207,637
Biogen Idec, Inc.(a)(d)	125,292	24,170,080
BioMarin Pharmaceutical, Inc.(a)	7,280	453,253
Celgene Corp.(a)	47,000	5,447,770
Cubist Pharmaceuticals, Inc.(a)	6,890	322,590
Onyx Pharmaceuticals, Inc.(a)	8,000	$ 710,880
Vertex Pharmaceuticals, Inc.(a)	80,000	4,398,400
		50,407,647
Health Care Equipment & Supplies–2.0%		
Align Technology, Inc.(a)	2,280	76,403
Becton Dickinson and Co.	167,800	16,043,358
Cochlear Ltd.	11,100	788,540
Coloplast A/S	23,010	1,239,879
HeartWare International, Inc.(a)	4,535	401,030
IDEXX Laboratories, Inc.(a)	128,500	11,872,115
Intuitive Surgical, Inc.(a)	28,200	13,851,558
Medtronic, Inc.	338,500	15,895,960
Sirona Dental Systems, Inc.(a)	7,830	577,306
Volcano Corp.(a)	7,315	162,832
		60,908,981
Health Care Providers & Services–1.8%		
Acadia Healthcare Co., Inc.(a)	18,661	548,447
Catamaran Corp.(a)	12,640	670,299
Health Net, Inc./CA(a)	164,880	4,718,866
LifePoint Hospitals, Inc.(a)	12,510	606,235
McKesson Corp.(d)	54,400	5,873,024
Mednax, Inc.(a)	6,400	573,632
Odontoprev SA	38,400	175,776
Patterson Cos., Inc.	103,000	3,918,120
Shanghai Pharmaceuticals Holding Co., Ltd.–Class H	65,600	143,860
Sonic Healthcare Ltd.	84,577	1,230,665
Suzuken Co., Ltd./Aichi Japan	35,400	1,285,116
UnitedHealth Group, Inc.	127,000	7,265,670
Universal Health Services, Inc.–Class B	11,520	735,782
WellCare Health Plans, Inc.(a)	4,878	282,729
WellPoint, Inc.(d)	416,000	27,551,680
		55,579,901
Life Sciences Tools & Services–0.2%		
Eurofins Scientific	18,960	3,986,320
ICON PLC(a)	15,095	487,417
		4,473,737
Pharmaceuticals–3.5%		
Akorn, Inc.(a)	29,193	403,739
Aspen Pharmacare Holdings Ltd.(a)	22,760	473,070
AstraZeneca PLC	95,030	4,766,773
AstraZeneca PLC (Sponsored ADR)	144,600	7,227,108
GlaxoSmithKline PLC	246,940	5,782,602
Jazz Pharmaceuticals PLC(a)	7,080	395,843
Johnson & Johnson	290,600	23,692,618
Merck & Co., Inc.	176,300	7,797,749
Novartis AG	42,750	3,046,874
Orion Oyj	66,430	1,747,982
Pfizer, Inc.(d)	1,397,500	40,331,850
Pharmstandard OJSC (GDR)(a)(c)	19,560	403,914
Richter Gedeon Nyrt	3,150	440,998
Roche Holding AG	40,760	9,502,093
Sanofi	19,060	1,943,840
		107,957,053
		279,327,319

Company	Shares	U.S. $ Value
Consumer Staples–8.5%		
Beverages–0.3%		
Anheuser–Busch InBev NV	31,540	$ 3,135,624
Asahi Group Holdings Ltd.	90,400	2,161,699
Cia Cervecerias Unidas SA	34,280	569,582
Constellation Brands, Inc.–Class A(a)	5,190	247,252
Heineken Holding NV	24,030	1,541,875
		7,656,032
Food & Staples Retailing–2.6%		
Bizim Toptan Satis Magazalari AS	10,622	181,619
Brazil Pharma SA	36,600	258,097
Jeronimo Martins SGPS SA	264,970	5,161,012
Koninklijke Ahold NV	216,890	3,324,986
Kroger Co. (The)	1,021,100	33,839,254
Lawson, Inc.	11,800	906,023
Magnit OJSC (Sponsored GDR)(c)	24,760	1,117,914
Olam International Ltd.	3,683,183	5,127,531
Safeway, Inc.	318,600	8,395,110
Shoppers Drug Mart Corp.	25,440	1,088,622
Shoprite Holdings Ltd.	12,300	244,671
Sugi Holdings Co., Ltd.	32,700	1,166,655
Tsuruha Holdings, Inc.	8,900	869,332
Wal-Mart Stores, Inc.	214,100	16,021,103
WM Morrison Supermarkets PLC	485,980	2,042,719
		79,744,648
Food Products– 2.5%		
AVI Ltd.	129,130	754,252
Campbell Soup Co.	229,200	10,396,512
ConAgra Foods, Inc.	508,300	18,202,223
Dole Food Co., Inc.(a)	33,650	366,785
Green Mountain Coffee Roasters, Inc.(a)	12,140	689,066
Gruma SAB de CV(a)	28,350	125,368
JM Smucker Co. (The)	153,700	15,240,892
Kraft Foods Group, Inc.	274,700	14,155,291
MHP SA (GDR)(a) (c)	31,150	552,913
NongShim Co., Ltd.	990	274,252
Tyson Foods, Inc.–Class A(d)	343,590	8,527,904
Unilever PLC	189,291	8,006,464
		77,291,922
Household Products–0.4%		
Henkel AG & Co. KGaA	57,650	4,556,689
Kimberly–Clark de Mexico SAB de CV	184,130	642,516
Procter & Gamble Co. (The)	59,100	4,554,246
Reckitt Benckiser Group PLC	36,962	2,653,781
		12,407,232
Tobacco–2.7%		
Altria Group, Inc.(d)	673,900	23,175,421
British American Tobacco PLC	250,229	13,417,905
Gudang Garam Tbk PT	74,000	373,600
Imperial Tobacco Group PLC	89,220	3,120,492
Japan Tobacco, Inc.	235,500	7,533,053
Lorillard, Inc.	55,500	2,239,425
Philip Morris International, Inc.	279,600	25,921,716
Reynolds American, Inc.	182,500	$ 8,119,425
		83,901,037
		261,000,871
Industrials–6.8%		
Aerospace & Defense–1.1%		
European Aeronautic Defence and Space Co. NV	75,018	3,823,548
Hexcel Corp.(a)	24,120	699,721
Precision Castparts Corp.	129,100	24,479,942
QinetiQ Group PLC	192,970	609,119
Safran SA	65,490	2,922,895
TransDigm Group, Inc.	4,010	613,209
		33,148,434
Air Freight & Logistics–0.0%		
Expeditors International of Washington, Inc.	11,840	422,806
Airlines–0.4%		
Delta Air Lines, Inc.(a)	380,100	6,275,451
Japan Airlines Co., Ltd.	44,700	2,082,217
Qantas Airways Ltd.(a)	1,165,190	2,172,564
Turk Hava Yollari(a)	165,250	676,192
		11,206,424
Building Products–0.1%		
Asahi Glass Co., Ltd.	302,000	2,103,538
Fortune Brands Home & Security, Inc.(a)	19,080	714,165
Simpson Manufacturing Co., Inc.	4,894	149,805
		2,967,508
Commercial Services & Supplies–0.3%		
Aggreko PLC	32,621	885,347
Avery Dennison Corp.	9,440	406,581
Edenred	46,392	1,520,424
Steelcase, Inc.	36,110	531,900
Stericycle, Inc.(a)	60,187	6,390,656
		9,734,908
Construction & Engineering–0.1%		
COMSYS Holdings Corp.	176,100	2,141,021
Granite Construction, Inc.	9,080	289,107
Tutor Perini Corp.(a)	26,210	505,853
		2,935,981
Electrical Equipment–0.9%		
AMETEK, Inc.	106,931	4,636,528
Eaton Corp. PLC	270,000	16,537,500
EnerSys, Inc.(a)	11,990	546,504
General Cable Corp.(a)	17,400	637,362
Sumitomo Electric Industries Ltd.	330,200	4,062,804
		26,420,698
Industrial Conglomerates–1.2%		
Bidvest Group Ltd.	19,770	521,137
Carlisle Cos., Inc.	8,300	562,657
Danaher Corp.	317,600	19,738,840

Company	Shares	U.S. $ Value
General Electric Co.(d)	595,300	$ 13,763,336
SM Investments Corp.	5,050	138,220
		34,724,190
Machinery–0.7%		
Actuant Corp.–Class A	13,970	427,761
Chart Industries, Inc.(a)	6,280	502,463
FANUC Corp.	14,300	2,201,778
IDEX Corp.	10,080	538,474
Illinois Tool Works, Inc.	174,500	10,634,030
Joy Global, Inc.	8,640	514,253
Kennametal, Inc.	10,890	425,146
Komatsu Ltd.	79,100	1,891,855
Lincoln Electric Holdings, Inc.	12,790	692,962
Middleby Corp.(a)	3,890	591,863
Terex Corp.(a)	18,490	636,426
Timken Co.	11,990	678,394
Valmont Industries, Inc.	4,430	696,706
		20,432,111
Marine–0.0%		
Kirby Corp.(a)	9,900	760,320
Professional Services–0.9%		
Advisory Board Co. (The)(a)	10,450	548,834
Bureau Veritas SA	46,791	5,825,198
Capita PLC	602,330	8,233,474
Intertek Group PLC	167,870	8,674,249
Qualicorp SA(a)	12,300	123,624
Robert Half International, Inc.	20,780	779,873
SGS SA	1,623	3,983,468
		28,168,720
Road & Rail–0.8%		
Con-way, Inc.	16,570	583,430
Genesee & Wyoming, Inc.–Class A(a)	7,907	736,221
Globaltrans Investment PLC (Sponsored GDR)(c)	27,734	437,642
Localiza Rent a Car SA	34,500	616,331
Tokyu Corp.	203,000	1,501,701
Union Pacific Corp.	149,500	21,290,295
		25,165,620
Trading Companies & Distributors–0.3%		
Aircastle Ltd.	35,910	491,249
Mitsubishi Corp.	132,800	2,501,137
MSC Industrial Direct Co., Inc.–Class A	4,960	425,469
United Rentals, Inc.(a)	14,020	770,679
WW Grainger, Inc.	25,000	5,624,500
		9,813,034
Transportation Infrastructure–0.0%		
Jiangsu Expressway Co., Ltd.	482,000	485,150
		206,385,904
Energy–6.7%		
Energy Equipment & Services–1.8%		
AMEC PLC	57,168	918,699
Bristow Group, Inc.	8,420	555,215
Diamond Offshore Drilling, Inc.	192,000	$ 13,355,520
FMC Technologies, Inc.(a)	6,675	363,053
Helix Energy Solutions Group, Inc.(a)	23,510	537,909
Helmerich & Payne, Inc.	8,230	499,561
National Oilwell Varco, Inc.	155,500	11,001,625
Oceaneering International, Inc.	8,480	563,157
Oil States International, Inc.(a)	5,980	487,789
Schlumberger Ltd.(d)	270,500	20,257,745
Seadrill Ltd.	81,214	2,959,710
Technip SA	32,410	3,324,290
		54,824,273
Oil, Gas & Consumable Fuels–4.9%		
Afren PLC(a)	159,630	345,025
Banpu PCL	27,000	347,584
BP PLC	799,920	5,625,038
Cabot Oil & Gas Corp.	5,400	365,094
Chevron Corp.	99,700	11,846,354
China Petroleum & Chemical Corp.–Class H	1,108,000	1,299,358
Cimarex Energy Co.	9,220	695,557
Concho Resources, Inc.(a)	3,530	343,928
Ecopetrol SA (Sponsored ADR)	13,740	749,105
ENI SpA	106,770	2,390,409
EOG Resources, Inc.	44,100	5,647,887
Exxon Mobil Corp.	401,700	36,197,187
Gazprom OAO (Sponsored ADR)	411,520	3,497,920
KazMunaiGas Exploration Production JSC (GDR)(c)	18,690	355,110
Kinder Morgan, Inc./DE	434,900	16,821,932
LUKOIL OAO (London) (Sponsored ADR)	27,650	1,783,425
Marathon Petroleum Corp.	161,600	14,479,360
Noble Energy, Inc.(d)	156,500	18,100,790
NovaTek OAO (Sponsored GDR)(c)	9,300	1,002,171
Petroleo Brasileiro SA (Sponsored ADR)	301,820	5,478,033
PTT PCL	54,300	600,758
Royal Dutch Shell PLC–Class B	27,380	910,523
SM Energy Co.	6,230	368,941
Statoil ASA	118,120	2,883,655
Stone Energy Corp.(a)	12,980	282,315
Teekay Corp.	7,380	265,385
Ultrapar Participacoes SA	21,000	531,040
Valero Energy Corp.	390,900	17,782,041
		150,995,925
		205,820,198
Materials–2.8%		
Chemicals–2.0%		
Chemtura Corp.(a)	22,940	495,733
EMS-Chemie Holding AG	6,230	1,875,962
Filtrona PLC	307,517	3,409,663
Huntsman Corp.	21,310	396,153
Koninklijke DSM NV	60,581	3,530,229
LyondellBasell Industries NV	237,600	15,037,704
Monsanto Co.	155,060	16,378,988
Nippon Shokubai Co., Ltd.	111,000	979,362
PolyOne Corp.	18,470	450,853

Company	Shares	U.S. $ Value
Sherwin-Williams Co. (The)	105,425	$ 17,805,228
Teijin Ltd.	427,000	990,722
		61,350,597
Construction Materials–0.0%		
China National Building Material Co., Ltd.–Class H	374,000	473,410
China Shanshui Cement Group Ltd.	213,000	122,637
Grasim Industries Ltd. (GDR)(c)	4,654	240,903
Semen Indonesia Persero Tbk PT	154,500	282,220
West China Cement Ltd.	1,078,000	178,530
		1,297,700
Metals & Mining–0.8%		
Anglo American PLC	101,080	2,610,207
Antofagasta PLC	23,630	354,710
BHP Billiton PLC	148,291	4,318,486
Cliffs Natural Resources, Inc.	9,200	174,892
Commercial Metals Co.	36,470	578,049
Dowa Holdings Co., Ltd.	119,000	934,757
KGHM Polska Miedz SA	29,430	1,426,312
Korea Zinc Co., Ltd.	690	221,040
Koza Altin Isletmeleri AS	33,700	788,186
MMC Norilsk Nickel OJSC (ADR)	177,510	2,998,144
Reliance Steel & Aluminum Co.	7,610	541,604
Rio Tinto PLC	71,100	3,348,842
Steel Dynamics, Inc.	38,910	617,502
Vale SA (Sponsored ADR)	266,770	4,409,708
Vale SA (Sponsored ADR)–Class B	30,080	520,083
		23,842,522
		86,490,819
Telecommunication Services–1.6%		
Diversified Telecommunication Services–1.3%		
AT&T, Inc.(d)	247,100	9,066,099
Nippon Telegraph & Telephone Corp.	108,500	4,737,063
Swisscom AG	6,960	3,223,369
TalkTalk Telecom Group PLC	142,890	591,419
TDC A/S	258,013	1,985,898
Telenor ASA	139,230	3,065,577
Telstra Corp., Ltd.	471,287	2,216,041
tw telecom, Inc.(a)	7,590	191,192
Verizon Communications, Inc.	256,000	12,582,400
Vivendi SA	110,771	2,291,634
		39,950,692
Wireless Telecommunication Services–0.3%		
America Movil SAB de CV Series L (ADR)	15,748	330,078
China Mobile Ltd.	36,000	381,598
Rogers Communications, Inc.	16,110	822,905
SK Telecom Co., Ltd.	2,270	368,898
StarHub Ltd.	354,000	1,244,449
Turkcell Iletisim Hizmetleri AS(a)	19,190	128,607
Vodafone Group PLC	2,178,220	6,181,092
		9,457,627
		49,408,319

Company	Shares	U.S. $ Value
Utilities–0.6%		
Electric Utilities–0.4%		
CLP Holdings Ltd.	217,500	$ 1,906,685
EDP–Energias de Portugal SA	699,890	2,156,822
Electricite de France SA	196,780	3,774,723
Light SA	37,800	374,119
NV Energy, Inc.	26,550	531,797
PNM Resources, Inc.	22,180	516,572
Power Assets Holdings Ltd.	277,000	2,614,362
		11,875,080
Gas Utilities–0.0%		
Atmos Energy Corp.	11,260	480,689
UGI Corp.	13,410	514,810
		995,499
Independent Power Producers & Energy Traders–0.1%		
APR Energy PLC	200,563	2,571,078
Huaneng Power International, Inc.–Class H	522,000	554,528
		3,125,606
Multi-Utilities–0.1%		
National Grid PLC	181,900	2,113,634
Water Utilities–0.0%		
Cia de Saneamento Basico do Estado de Sao Paulo(a)	8,800	419,805
Cia de Saneamento de Minas Gerais-COPASA	22,200	542,160
		961,965
		19,071,784
Total Common Stocks (cost $1,910,022,806)		2,236,061,527
INVESTMENT COMPANIES–11.8%		
Funds and Investment Trusts–11.8%		
AllianceBernstein Pooling Portfolios–Multi-Asset Real Return Portfolio	25,961,978	225,609,586
iShares MSCI Emerging Markets Index Fund	3,169,461	135,589,541
Total Investment Companies (cost $363,175,123)		361,199,127
WARRANTS–0.7%		
Financials–0.3%		
Commercial Banks–0.1%		
Bank Muscat SAOG, Citigroup Global Markets, expiring 10/28/13(a)	66,000	104,808
Bank of Baroda, JPMorgan Chase Bank, NA, expiring 9/29/14(a)(c)	21,510	266,294
Bank of India, JPMorgan Chase Bank, NA, expiring 9/29/14(a)(c)	49,150	272,783

Company	Shares	U.S. $ Value
Canara Bank, Deutsche Bank AG London, expiring 1/17/17(a)	17,920	$ 126,246
Commercial Bank of Qatar QSC/The, Deutsche Bank AG London, expiring 5/26/17(a)	24,090	435,306
DGB Financial Group, Inc., JPMorgan Chase Bank, NA, expiring 6/26/17(a)	27,100	407,042
First Gulf Bank PJSC, Merrill Lynch Intl & Co., expiring 8/21/12(a)	92,770	349,826
Punjab National Bank, Merrill Lynch Intl & Co., expiring 7/07/15(a)	34,100	450,400
Union Bank of India, Merrill Lynch Intl & Co., expiring 7/21/15(a)	120,680	484,036
		2,896,741
Thrifts & Mortgage Finance–0.1%		
Housing Development Finance Corp., Deutsche Bank AG London, expiring 1/30/17(a)(c)	287,980	4,360,651
Consumer Finance–0.1%		
Muthoot Finance Ltd., Merrill Lynch Intl & Co., expiring 2/21/17(a)	218,100	736,720
Shriram Transport Finance Co., Ltd. Merrill Lynch Intl & Co., expiring 1/22/15(a)(c)	162,306	2,073,751
		2,810,471
Real Estate Management & Development–0.0%		
Emaar Properties PJSC, Merril Lynch International, expiring 10/01/15(a)	175,310	248,677
		10,316,540
Information Technology–0.2%		
IT Services–0.1%		
Tata Consultancy Services Ltd., Merrill Lynch Intl & Co., expiring 12/14/15(a)	125,062	3,625,710
Semiconductors & Semiconductor Equipment–0.1%		
SK Hynix, Inc., Citigroup Global Markets, expiring 1/20/15(a)(c)	134,600	3,538,095
		7,163,805
Materials–0.1%		
Chemicals–0.1%		
OCI Co., Ltd., Macquarie Bank Ltd., expiring 1/30/15(a)	9,180	1,315,080
United Phosphorus Ltd., Merrill Lynch Intl & Co., expiring 2/07/17(a)	82,800	$ 178,848
		1,493,928
Consumer Discretionary–0.1%		
Auto Components–0.0%		
Apollo Tyres Ltd., Merrill Lynch Intl & Co., expiring 12/30/15(a)	97,280	149,354
Automobiles–0.1%		
Kia Motors Corp., Citigroup Global Markets, expiring 1/20/15(a)(c)	21,120	1,064,765
		1,214,119
Industrials–0.0%		
Construction & Engineering–0.0%		
Larsen & Toubro Ltd., Deutsche Bank AG London, expiring 1/24/17(a)(c)	28,070	706,982
Samsung Engineering Co., Ltd., Macquarie Bank Ltd., expiring 3/02/15(a)	1,710	196,587
		903,569
Industrial Conglomerates–0.0%		
John Keells Holdings PLC, Deutsche Bank AG London, expiring 7/05/19(a)	144,480	281,491
		1,185,060
Consumer Staples–0.0%		
Food & Staples Retailing–0.0%		
Olam International Ltd. , expiring 1/29/18(a)	769,529	265,487
Tobacco–0.0%		
KT&G Corp., Macquarie Bank Ltd., expiring 1/30/15(a)	7,070	479,419
		744,906
Health Care–0.0%		
Pharmaceuticals–0.0%		
Sun Pharmaceutical Industries Ltd., Merrill Lynch Intl & Co., expiring 2/02/15(a)	47,370	713,743
Total Warrants (cost $22,306,627)		22,832,101

Schedule of Investments *(continued)*

Company	Contracts	U.S. $ Value
OPTIONS PURCHASED—PUTS–0.7%		
Options on Funds and Investment Trusts–0.5%		
iShares MSCI EAFE Index Expiration: Jun 2013, Exercise Price: $ 57.00 (a)(e)	56,375	$ 5,778,437
iShares MSCI Emerging Markets Index Expiration: Jun 2013, Exercise Price: $ 42.50 (a)(e)	76,278	9,229,638
		15,008,075
Options on Equity Indices–0.2%		
S&P 500 Index Expiration: Jun 2013, Exercise Price: $ 1,475.00 (a)(e)	4,348	6,500,260
Total Options Purchased—Puts (cost $22,141,607)		21,508,335

	Principal Amount (000)	
CORPORATES—NON-INVESTMENT GRADES–0.0%		
Consumer Staples–0.0%		
Olam International Ltd. 6.75%, 1/29/18(c) (cost $1,414,588)	$ 1,487	1,404,690

Company	Shares	U.S. $ Value
RIGHTS–0.0%		
Consumer Discretionary–0.0%		
Hotels, Restaurants & Leisure–0.0%		
William Hill PLC , expiring 4/04/13(a) (cost $0)	50,471	$ 95,093
SHORT-TERM INVESTMENTS–13.8%		
Investment Companies–11.9%		
AllianceBernstein Fixed-Income Shares, Inc.–Government STIF Portfolio, 0.12%(f) (cost $364,779,121)	364,779,121	364,779,121

	Principal Amount (000)	
U.S. Treasury Bills–1.9%		
Zero Coupon, 4/18/13-6/27/13	$ 30,830	30,827,752
Zero Coupon, 8/08/13(b)	26,330	26,319,810
Total U.S. Treasury Bills (cost $57,147,562)		57,147,562
Total Short-Term Investments (cost $421,926,683)		421,926,683
Total Investments—99.9% (cost $2,740,987,434)		3,065,027,556
Other assets less liabilities—0.1%		1,667,510
Net Assets—100.0%		**$ 3,066,695,066**

FUTURES CONTRACTS (see Note 3)

Type	Number of Contracts	Expiration Month	Original Value	Value at March 31, 2013	Unrealized Appreciation/ (Depreciation)
Purchased Contracts					
30 Yr US Treasury Bond Futures	167	June 2013	$ 23,842,124	$ 24,126,281	$ 284,157
Euro Stoxx 50 Index Futures	2,474	June 2013	83,768,087	80,994,973	(2,773,114)
FTSE 100 Index Futures	745	June 2013	72,866,484	71,892,686	(973,798)
MSCI Emerging Market Mini Futures	1,167	June 2013	61,233,581	59,948,790	(1,284,791)
Russell 2000 Mini Index Futures	76	June 2013	6,938,406	7,211,640	273,234
S&P 500 E Mini Index Futures	3,976	June 2013	304,946,718	310,664,760	5,718,042
S&P Mid Cap 400 E Mini Index Futures	260	June 2013	28,919,377	29,926,000	1,006,623
TOPIX Index Futures	918	June 2013	96,889,095	101,274,021	4,384,926
U.S. T-Note 10 Yr Futures	1,238	June 2013	162,459,642	163,396,656	937,014
U.S. T-Note 5 Yr Futures	80	June 2013	9,900,759	9,924,375	23,616
Sold Contracts					
ASX SPI 200 Index Futures	52	June 2013	6,860,624	6,722,812	137,812
Hang Seng Index Futures	17	April 2013	2,449,856	2,443,604	6,252
S&P TSE 60 Index Futures	62	June 2013	8,911,602	8,897,337	14,265
					$ 7,754,238

FORWARD CURRENCY EXCHANGE CONTRACTS (see Note 3)

Counterparty	Contracts to Deliver (000)		In Exchange For (000)		Settlement Date	Unrealized Appreciation/ (Depreciation)
Bank of America, NA	CHF	11,214	USD	12,244	5/15/13	$ 424,858
Barclays Bank PLC Wholesale	CHF	1,212	USD	1,285	5/15/13	7,957
Barclays Bank PLC Wholesale	GBP	7,652	USD	11,945	5/15/13	320,873
Barclays Bank PLC Wholesale	JPY	2,468,175	USD	26,449	5/15/13	222,273
Barclays Bank PLC Wholesale	NOK	56,602	USD	9,859	5/15/13	184,360
Barclays Bank PLC Wholesale	USD	6,614	EUR	5,071	5/15/13	(111,421)
Barclays Bank PLC Wholesale	USD	30,908	JPY	2,888,823	5/15/13	(210,626)
Barclays Bank PLC Wholesale	USD	26,969	NOK	149,520	5/15/13	(1,412,135)
BNP Paribas SA	AUD	30,343	USD	31,219	5/15/13	(272,888)
BNP Paribas SA	JPY	680,449	USD	7,120	5/15/13	(110,510)
BNP Paribas SA	USD	3,384	AUD	3,294	5/15/13	35,181
BNP Paribas SA	USD	4,292	CHF	4,062	5/15/13	(10,335)
BNP Paribas SA	USD	51,237	JPY	4,872,616	5/15/13	539,765
Citibank, NA	GBP	32,223	USD	50,570	5/15/13	1,619,792
Citibank, NA	USD	10,395	CHF	9,572	5/15/13	(306,637)
Citibank, NA	USD	5,654	JPY	535,175	5/15/13	32,639
Credit Suisse International	GBP	19,525	USD	29,575	5/15/13	(86,055)
Credit Suisse International	NOK	111,041	USD	19,024	5/15/13	43,808
Credit Suisse International	SEK	34,651	USD	5,467	5/15/13	154,096
Credit Suisse International	USD	17,753	CHF	16,769	5/15/13	(79,240)
Credit Suisse International	USD	53,956	GBP	35,546	5/15/13	42,548
Credit Suisse International	USD	11,160	NOK	65,171	5/15/13	(20,163)
Credit Suisse International	USD	30,301	SEK	194,936	5/15/13	(413,719)
Deutsche Bank AG London	AUD	12,015	USD	12,461	5/15/13	(9,479)
Deutsche Bank AG London	EUR	10,661	USD	14,479	5/15/13	808,883
Deutsche Bank AG London	GBP	8,745	USD	13,752	5/15/13	467,475
Deutsche Bank AG London	JPY	2,003,681	USD	21,817	5/15/13	525,994
Deutsche Bank AG London	NOK	18,121	USD	3,297	5/15/13	199,329
Deutsche Bank AG London	USD	22,860	AUD	22,116	5/15/13	93,452
Deutsche Bank AG London	USD	24,271	EUR	18,178	5/15/13	(963,223)
Deutsche Bank AG London	USD	25,707	GBP	16,803	5/15/13	(180,963)
Deutsche Bank AG London	USD	20,417	JPY	1,869,930	5/15/13	(546,750)
Deutsche Bank AG London	USD	6,509	NOK	36,242	5/15/13	(314,195)
Goldman Sachs Capital Markets LP	CHF	12,104	USD	13,219	5/15/13	462,041
Goldman Sachs Capital Markets LP	USD	4,659	AUD	4,507	5/15/13	19,148
Goldman Sachs Capital Markets LP	USD	2,828	CHF	2,589	5/15/13	(98,829)
Goldman Sachs Capital Markets LP	USD	57,848	EUR	44,632	5/15/13	(620,077)
HSBC BankUSA	CAD	5,436	USD	5,441	5/15/13	94,586
HSBC BankUSA	NOK	65,169	USD	11,781	5/15/13	641,644
HSBC BankUSA	USD	6,996	NZD	8,429	5/15/13	36,793
Morgan Stanley & Co., Inc.	USD	10,355	EUR	7,757	5/15/13	(409,128)
Royal Bank of Scotland PLC	AUD	11,773	USD	12,057	5/15/13	(162,214)
Royal Bank of Scotland PLC	CHF	13,050	USD	14,229	5/15/13	474,687
Royal Bank of Scotland PLC	EUR	85,334	USD	111,965	5/15/13	2,548,519
Royal Bank of Scotland PLC	GBP	22,518	USD	35,605	5/15/13	1,397,458
Royal Bank of Scotland PLC	JPY	4,366,519	USD	47,557	5/15/13	1,157,822

Counterparty	Contracts to Deliver (000)	In Exchange For (000)	Settlement Date	Unrealized Appreciation/ (Depreciation)
Royal Bank of Scotland PLC	NZD 5,682	USD 4,657	5/15/13	$ (83,469)
Royal Bank of Scotland PLC	USD 3,010	CHF 2,842	5/15/13	(14,666)
Royal Bank of Scotland PLC	USD 49,021	GBP 32,353	5/15/13	126,588
Royal Bank of Scotland PLC	USD 9,209	JPY 883,943	5/15/13	183,981
Societe Generale	JPY 707,261	USD 7,587	5/15/13	71,620
Standard Chartered Bank	HKD176,272	USD 22,737	5/15/13	23,654
Standard Chartered Bank	USD 6,302	HKD 48,901	5/15/13	(645)
State Street Bank & Trust Co.	EUR 6,941	USD 9,276	5/15/13	376,293
State Street Bank & Trust Co.	USD 2,857	CAD 2,943	5/15/13	37,445
State Street Bank & Trust Co.	USD 58,310	EUR 43,438	5/15/13	(2,613,287)
State Street Bank & Trust Co.	USD 4,890	GBP 3,238	5/15/13	28,711
UBS AG	USD 81,587	EUR 61,091	5/15/13	(3,254,768)
Westpac Banking Corp.	AUD 6,107	USD 6,260	5/15/13	(77,824)
Westpac Banking Corp.	NZD 13,994	USD 11,789	5/15/13	112,792
Westpac Banking Corp.	USD 45,464	AUD 44,169	5/15/13	377,812
Westpac Banking Corp.	USD 9,388	NZD 11,247	5/15/13	(3,767)
				$ 1,507,864

PUT OPTIONS WRITTEN (see Note 3)

Description	Contracts	Exercise Price	Expiration Month	Premiums Received	U.S. $ Value
S&P 500 Index(e)	4,348	$1,750.00	December 2013	$ 2,559,267	$ (4,195,820)

CREDIT DEFAULT SWAP CONTRACTS (see Note 3)

Swap Counterparty & Referenced Obligation	Fixed Rate (Pay) Receive	Implied Credit Spread at March 31, 2013	Notional Amount (000)	Market Value	Upfront Premiums Paid (Received)	Unrealized Appreciation/ (Depreciation)
Sale Contracts						
Barclays Bank PLC:						
ITRAXX-XOVER Series 18 5 Year Index, 12/20/17*	5.00%	4.19%	EUR 12,780	$ 557,426	$ 311,376	$ 246,050
BNP Paribas:						
CDX-NAHY Series 19 5 Year Index, 12/20/17*	5.00	3.97	$ 52,228	2,274,094	739,253	1,534,841
Deutsche Bank AG:						
CDX-NAHY Series 19 5 Year Index, 12/20/17*	5.00	3.97	20,872	908,802	381,105	527,697
				$ 3,740,322	***$ 1,431,734***	***$ 2,308,588***

* Termination date

(a) Non-income producing security.

(b) Position, or a portion thereof, has been segregated to collateralize OTC derivatives outstanding. The aggregate market value of these securities amounted to $4,005,987.

(c) 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 March 31, 2013, the aggregate market value of these securities amounted to $27,727,937 or 0.9% of net assets.

(d) Position, or a portion thereof, has been segregated to collateralize margin requirements for open futures contracts. The market value of the collateral amounted to $85,706,001.

(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.

Currency Abbreviations:

AUD—Australian Dollar
CAD—Canadian Dollar

CHF—Swiss Franc
EUR—Euro
GBP—Great British Pound
HKD—Hong Kong Dollar
JPY—Japanese Yen
NOK—Norwegian Krone
NZD—New Zealand Dollar
SEK—Swedish Krona
USD—United States Dollar

Glossary:
ADR—American Depositary Receipt
ASX—Australian Stock Exchange
CDX-NAHY—North American High Yield Credit Default Swap Index
EAFE—Europe, Australia, and Far East
FTSE—Financial Times Stock Exchange
GDR—Global Depositary Receipt
JSC—Joint Stock Company
MSCI—Morgan Stanley Capital International
NVDR—Non Voting Depositary Receipt
OJSC—Open Joint Stock Company
PJSC—Public Joint Stock Company
REG—Registered Shares
REIT—Real Estate Investment Trust
SCPA—Società Consortile per Azioni
TOPIX—Tokyo Price Index
TSE—Tokyo Stock Exchange

See notes to financial statements.

Sanford C. Bernstein Fund, Inc.
Schedule of Investments
Overlay B Portfolio
March 31, 2013 (Unaudited)

		Principal Amount (000)	U.S. $ Value
GOVERNMENTS—TREASURIES–47.4%			
Australia–0.8%			
Australia Government Bond			
Series 132			
5.50%, 1/21/18	AUD	7,040	$ 8,135,233
Austria–3.2%			
Austria Government Bond			
1.95%, 6/18/19(a)	EUR	25,155	33,991,150
Belgium–0.7%			
Belgium Government Bond			
Series 67			
3.00%, 9/28/19		4,885	6,910,568
Denmark–1.9%			
Denmark Government Bond			
3.00%, 11/15/21	DKK	98,467	19,593,078
Finland–2.1%			
Finland Government Bond			
3.375%, 4/15/20	EUR	15,300	22,614,629
Germany–4.9%			
Bundesrepublik Deutschland			
3.00%, 7/04/20		12,784	19,014,045
Series 2007			
4.25%, 7/04/39		9,473	17,173,806
Series 2008			
4.25%, 7/04/18		9,972	15,369,818
			51,557,669
Japan–9.4%			
Japan Government Ten Year Bond			
Series 288			
1.70%, 9/20/17	JPY	4,783,300	54,415,053
Series 327			
0.80%, 12/20/22		1,415,300	15,449,570
Japan Government Thirty Year Bond			
Series 36			
2.00%, 3/20/42		378,950	4,398,380
Japan Government Twenty Year Bond			
Series 112			
2.10%, 6/20/29		585,300	7,114,819
Series 128			
1.90%, 6/20/31		410,950	4,797,697
Series 76			
1.90%, 3/20/25		1,071,400	12,958,704
			99,134,223
Mexico–0.7%			
Mexican Bonos			
Series M 10			
7.75%, 12/14/17	MXN	82,870	7,583,292
Netherlands–1.4%			
Netherlands Government Bond			
2.25%, 7/15/22(a)	EUR	8,198	$ 11,114,750
3.75%, 1/15/23(a)	EUR	2,604	3,963,816
			15,078,566
New Zealand–0.3%			
New Zealand Government Bond			
Series 423			
5.50%, 4/15/23	NZD	3,545	3,460,905
Norway–0.6%			
Norway Government Bond			
Series 474			
3.75%, 5/25/21	NOK	34,980	6,790,279
United Kingdom–4.8%			
United Kingdom Gilt			
2.00%, 1/22/16	GBP	1,351	2,150,427
3.75%, 9/07/19		12,592	22,356,998
4.25%, 12/07/46		3,775	6,997,653
4.50%, 12/07/42		3,995	7,702,115
5.00%, 3/07/25		5,640	11,237,186
			50,444,379
United States–16.6%			
U.S. Treasury Bonds			
6.125%, 11/15/27	U.S.$	6,236	9,101,635
U.S. Treasury Notes			
1.50%, 6/30/16		28,515	29,515,249
1.50%, 3/31/19		39,303	40,454,460
1.625%, 8/15/22		4,425	4,367,957
2.00%, 2/15/23		7,950	8,050,615
2.375%, 6/30/18		20,039	21,635,868
3.75%, 11/15/18		29,493	34,138,148
4.50%, 5/15/17		24,434	28,328,169
			175,592,101
Total Governments—Treasuries (cost $502,129,807)			500,886,072

	Shares	
INVESTMENT COMPANIES–8.9%		
Funds and Investment Trusts–8.9%		
AllianceBernstein Pooling Portfolios– Multi-Asset Real Return Portfolio	4,047,147	35,169,706
iShares MSCI Emerging Markets Index Fund	1,036,626	44,346,861
SPDR S&P 500 ETF Trust	91,800	14,371,290
Total Investment Companies (cost $94,708,946)		93,887,857

	Principal Amount (000)		U.S. $ Value
CORPORATES—INVESTMENT GRADES–7.8%			
Industrial–4.3%			
Basic–0.2%			
Air Products & Chemicals, Inc.			
2.75%, 2/03/23	U.S.$	1,400	$ 1,431,672
El du Pont de Nemours & Co.			
3.25%, 1/15/15		250	262,208
			1,693,880
Capital Goods–0.5%			
Caterpillar Financial Services Corp.			
2.85%, 6/01/22		1,751	1,793,784
General Dynamics Corp.			
3.875%, 7/15/21		1,525	1,685,050
John Deere Capital Corp.			
2.80%, 1/27/23		1,870	1,897,470
			5,376,304
Communications—Media–0.2%			
NBC Universal Enterprise, Inc.			
1.974%, 4/15/19(a)		1,850	1,855,119
Communications—Telecommunications–0.5%			
AT&T, Inc.			
3.00%, 2/15/22		1,775	1,795,833
Verizon Communications, Inc.			
4.60%, 4/01/21		1,354	1,514,219
5.25%, 4/15/13		230	230,375
Vodafone Group PLC			
2.50%, 9/26/22		1,930	1,860,331
			5,400,758
Consumer Cyclical—Automotive–0.4%			
American Honda Finance Corp.			
6.25%, 7/16/13(a)	EUR	1,550	2,019,839
Toyota Motor Credit Corp.			
3.30%, 1/12/22	U.S.$	1,785	1,892,650
			3,912,489
Consumer Cyclical—Entertainment–0.2%			
Walt Disney Co. (The)			
2.75%, 8/16/21		1,625	1,672,976
Consumer Cyclical—Restaurants–0.2%			
McDonald's Corp.			
1.875%, 5/29/19		1,905	1,940,637
Consumer Cyclical—Retailers–0.1%			
Wal-Mart Stores, Inc.			
4.25%, 4/15/21		1,435	1,644,949
Consumer Non-Cyclical–0.7%			
Baxter International, Inc.			
2.40%, 8/15/22		1,630	1,595,175
4.25%, 3/15/20		257	292,408
GlaxoSmithKline Capital, Inc.			
4.375%, 4/15/14		235	244,632
Kimberly-Clark Corp.			
3.875%, 3/01/21		1,285	1,441,604
Novartis Capital Corp.			
2.90%, 4/24/15	U.S.$	255	$ 267,430
Pepsico, Inc.			
4.00%, 3/05/42		1,785	1,751,908
Philip Morris International, Inc.			
2.50%, 8/22/22		1,940	1,914,499
Roche Holdings, Inc.			
5.50%, 3/04/15(a)	GBP	10	16,551
			7,524,207
Energy–1.0%			
BP Capital Markets PLC			
3.245%, 5/06/22	U.S.$	1,885	1,947,444
ConocoPhillips			
4.60%, 1/15/15		235	251,752
ConocoPhillips Co.			
1.05%, 12/15/17		1,550	1,544,687
National Oilwell Varco, Inc.			
2.60%, 12/01/22		1,512	1,501,857
Occidental Petroleum Corp.			
1.50%, 2/15/18		1,712	1,732,208
Schlumberger Finance BV			
5.25%, 9/05/13	EUR	185	241,973
Schlumberger Norge AS			
4.20%, 1/15/21(a)	U.S.$	745	840,852
Schlumberger Oilfield UK PLC			
4.20%, 1/15/21(a)		506	571,102
Shell International Finance BV			
1.125%, 8/21/17		1,940	1,947,459
3.25%, 9/22/15		250	266,814
			10,846,148
Technology–0.3%			
Microsoft Corp.			
2.125%, 11/15/22		1,835	1,793,573
Oracle Corp.			
1.20%, 10/15/17		1,535	1,536,688
5.75%, 4/15/18		230	277,528
			3,607,789
			45,475,256
Financial Institutions–2.8%			
Banking–2.2%			
BB&T Corp.			
1.60%, 8/15/17		1,945	1,963,938
BNP Paribas SA			
2.375%, 9/14/17		1,935	1,963,653
Citigroup, Inc.			
4.50%, 1/14/22		2,440	2,712,824
Goldman Sachs Group, Inc. (The)			
5.75%, 1/24/22		1,830	2,127,785
HSBC Holdings PLC			
4.00%, 3/30/22		1,850	1,990,467
JPMorgan Chase & Co.			
4.50%, 1/24/22		2,420	2,652,129

	Principal Amount (000)		U.S. $ Value
Lloyds TSB Bank PLC			
4.20%, 3/28/17	U.S.$	2,180	$ 2,392,376
Murray Street Investment Trust I			
4.647%, 3/09/17		182	199,017
Nordea Bank AB			
3.125%, 3/20/17(a)		1,821	1,925,525
PNC Funding Corp.			
3.30%, 3/08/22		1,810	1,866,251
Sumitomo Mitsui Banking Corp.			
3.00%, 1/18/23		934	934,053
Svenska Handelsbanken AB			
2.875%, 4/04/17		1,850	1,953,269
Vesey Street Investment Trust I			
4.404%, 9/01/16		474	515,244
			23,196,531
Finance–0.3%			
General Electric Capital Corp.			
2.30%, 4/27/17		2,600	2,690,610
Insurance–0.3%			
Berkshire Hathaway, Inc.			
3.40%, 1/31/22		1,800	1,897,004
UnitedHealth Group, Inc.			
4.375%, 3/15/42		1,800	1,813,140
			3,710,144
			29,597,285
Utility–0.4%			
Electric–0.3%			
Carolina Power & Light Co.			
2.80%, 5/15/22		1,900	1,946,339
Southern California Edison Co.			
3.875%, 6/01/21		632	710,221
Series 13-A			
3.90%, 3/15/43		1,105	1,091,484
			3,748,044
Natural Gas–0.1%			
GDF Suez			
1.625%, 10/10/17(a)		677	680,500
			4,428,544
Non Corporate Sectors–0.3%			
Agencies—Not Government Guaranteed–0.3%			
Qtel International Finance Ltd.			
3.875%, 1/31/28(a)		480	472,699
Temasek Financial I Ltd.			
2.375%, 1/23/23(a)		2,330	2,243,806
			2,716,505
Total Corporates—Investment Grades (cost $79,303,245)			82,217,590

	Principal Amount (000)		U.S. $ Value
GOVERNMENTS—SOVEREIGN AGENCIES–7.0%			
Australia–0.9%			
Suncorp-Metway Ltd.			
4.00%, 1/16/14	GBP	6,256	$ 9,770,030
Canada–0.7%			
Canada Housing Trust No 1			
3.35%, 12/15/20(a)	CAD	4,155	4,478,532
4.10%, 12/15/18(a)		2,340	2,596,609
			7,075,141
Germany–1.1%			
Kreditanstalt fuer Wiederaufbau			
2.05%, 2/16/26		828,000	10,167,727
Landwirtschaftliche Rentenbank			
3.75%, 2/11/16	EUR	1,201	1,685,628
			11,853,355
Japan–2.6%			
Development Bank of Japan, Inc.			
2.30%, 3/19/26	JPY	840,000	10,672,895
Japan Finance Organization for Municipalities			
1.90%, 6/22/18		1,500,000	17,434,498
			28,107,393
Netherlands–1.3%			
Fortis Bank Nederland NV			
3.375%, 5/19/14	EUR	1,419	1,883,523
ING Bank NV			
3.375%, 3/03/14		2,665	3,514,073
LeasePlan Corp. NV			
3.25%, 5/22/14		463	613,719
NIBC Bank NV			
3.50%, 4/07/14		3,481	4,609,042
SNS Bank NV			
3.50%, 3/10/14		2,068	2,730,446
			13,350,803
South Korea–0.1%			
Korea Development Bank (The)			
3.25%, 3/09/16	U.S.$	1,229	1,297,167
United Kingdom–0.3%			
Network Rail Infrastructure Finance PLC 4.40%, 3/06/16	CAD	2,760	2,908,917
Total Governments—Sovereign Agencies (cost $78,160,401)			74,362,806
AGENCIES–2.1%			
Agency Debentures–2.1%			
Federal Home Loan Mortgage Corp.			
1.75%, 5/30/19	U.S.$	7,500	7,713,870
Residual Funding Corp. Principal Strip			
Zero Coupon, 7/15/20		16,539	14,712,185
Total Agencies (cost $19,997,548)			22,426,055

		Principal Amount (000)	U.S. $ Value
COMMERCIAL MORTGAGE-BACKED SECURITIES–0.7%			
Non-Agency Fixed Rate CMBS–0.7%			
Commercial Mortgage Pass Through Certificates Series 2013-CR6, Class A2 2.122%, 3/10/46	U.S.$	3,670	$ 3,780,721
GS Mortgage Securities Trust 3.557%, 4/10/31(a)		1,094	1,111,616
WF-RBS Commercial Mortgage Trust Series 2012-C10, Class A3 2.875%, 12/15/45		2,151	2,165,853
Total Commercial Mortgage-Backed Securities (cost $7,110,126)			7,058,190
LOCAL GOVERNMENTS—PROVINCIAL BONDS–0.7%			
Canada–0.7%			
Province of British Columbia 3.25%, 12/18/21	CAD	3,237	3,386,670
Province of Manitoba Canada 3.85%, 12/01/21		2,950	3,205,956
Province of Ontario Canada 4.25%, 12/11/13	EUR	350	461,210
Total Local Governments—Provincial Bonds (cost $6,793,943)			7,053,836
MORTGAGE PASS-THROUGHS–0.5%			
Agency Fixed Rate 30-Year–0.5%			
Federal National Mortgage Association 6.00%, 5/01/41 (cost $5,919,226)	U.S.$	5,345	5,858,700
		Contracts	
OPTIONS PURCHASED—PUTS–0.3%			
Option on Equity Indices–0.1%			
S&P 500 Index Expiration: Jun 2013, Exercise Price: $ 1,475.00(b)(c)		589	880,555
Options on Funds and Investment Trusts–0.2%			
iShares MSCI EAFE Index Expiration: Jun 2013, Exercise Price: $ 57.00(b)(c)		7,524	771,210
iShares MSCI Emerging Markets Index Expiration: Jun 2013, Exercise Price: $ 42.50(b)(c)		10,233	1,238,193
			2,009,403
Total Options Purchased—Puts (cost $2,979,623)			2,889,958

		Principal Amount (000)	U.S. $ Value
INFLATION-LINKED SECURITIES–0.3%			
Germany–0.3%			
Bundesrepublik Deutschland Bundesobligation Inflation Linked Bond 2.25%, 4/15/13 (cost $2,854,390)	EUR	2,241	$ 2,877,688
QUASI-SOVEREIGNS–0.2%			
Quasi-Sovereign Bonds–0.2%			
South Korea–0.2%			
Korea National Oil Corp. 3.125%, 4/03/17(a) (cost $1,848,312)	U.S.$	1,850	1,947,491
COVERED BONDS–0.2%			
Canada–0.2%			
Bank of Nova Scotia 1.75%, 3/22/17(a) (cost $1,798,413)		1,800	1,857,780
		Shares	
COMMON STOCKS–0.0%			
Office–0.0%			
Office–0.0%			
Dundee International Real Estate Investment Trust (cost $45,060)		4,260	44,619
SHORT-TERM INVESTMENTS–21.6%			
Investment Companies–19.6%			
AllianceBernstein Fixed-Income Shares, Inc.–Government STIF Portfolio, 0.12%(d) (cost $207,212,185)		207,212,185	207,212,185
		Principal Amount (000)	
U.S. Treasury Bill–2.0%			
Zero Coupon, 4/18/13–5/09/13	U.S.$	10,850	10,849,232
Zero Coupon, 8/08/13(e)		10,050	10,046,111
Total U.S. Treasury Bills (cost $20,895,343)			20,895,343
Total Short-Term Investments (cost $228,107,528)			228,107,528
Total Investments—97.7% (cost $1,031,756,568)			1,031,476,170(f)
Other assets less liabilities—2.3%			24,375,718
Net Assets—100.0%			**$ 1,055,851,888**

FUTURES CONTRACTS (see Note 3)

Type	Number of Contracts	Expiration Month	Original Value	Value at March 31, 2013	Unrealized Appreciation/ (Depreciation)
Purchased Contracts					
10 Yr Japan Govt Bond Futures	5	June 2013	$ 7,716,294	$ 7,726,138	$ 9,844
ASX SPI 200 Index Futures	15	June 2013	1,979,137	1,939,273	(39,864)
Euro Stoxx 50 Index Futures	736	June 2013	24,951,634	24,095,513	(856,121)
FTSE 100 Index Futures	222	June 2013	21,745,076	21,423,056	(322,020)
Hang Seng Index Futures	9	April 2013	1,297,145	1,293,673	(3,472)
Russell 2000 Mini Index Futures	88	June 2013	8,064,917	8,350,320	285,403
S&P 500 E Mini Index Futures	2,729	June 2013	207,566,297	213,230,415	5,664,118
S&P Mid Cap 400 E Mini Index Futures	109	June 2013	12,110,225	12,545,900	435,675
S&P TSE 60 Index Futures	32	June 2013	4,617,869	4,592,174	(25,695)
TOPIX Index Futures	205	June 2013	21,597,765	22,615,658	1,017,893
Sold Contracts					
10 Yr Australian T-Bond Futures	1	June 2013	124,554	126,605	(2,051)
10 Yr Canada Govt Bond Futures	2	June 2013	260,723	265,827	(5,104)
German Euro Bobl Futures	31	June 2013	5,003,627	5,035,520	(31,893)
German Euro Bond Futures	9	June 2013	1,277,151	1,278,492	(1,341)
U.S. T-Bond 30 Yr Futures	121	June 2013	17,244,107	17,480,719	(236,612)
U.S. T-Note 10 Yr (CBT) Futures	191	June 2013	24,972,929	25,209,016	(236,087)
U.S. T-Note 2 Yr Futures	3	June 2013	661,354	661,359	(5)
U.S. T-Note 5 Yr Futures	12	June 2013	1,487,042	1,488,656	(1,614)
UK Long Gilt Bond Futures	5	June 2013	874,131	902,401	(28,270)
					$ 5,622,784

FORWARD CURRENCY EXCHANGE CONTRACTS (see Note 3)

Counterparty	Contracts to Deliver (000)	In Exchange For (000)	Settlement Date	Unrealized Appreciation/ (Depreciation)
Barclays Bank PLC Wholesale	USD 7,721	GBP 5,105	4/11/13	$ 36,160
Barclays Bank PLC Wholesale	AUD 7,890	USD 8,051	4/26/13	(149,508)
Barclays Bank PLC Wholesale	USD 1,142	EUR 876	5/15/13	(19,248)
Barclays Bank PLC Wholesale	USD 7,737	JPY 722,010	5/15/13	(65,021)
BNP Paribas SA	USD 4,834	JPY 461,142	5/15/13	66,309
Citibank NA	GBP 4,528	USD 6,797	4/11/13	(82,418)
Citibank NA	NOK 40,638	USD 7,121	4/18/13	167,479
Citibank NA	USD 7,773	GBP 4,953	5/15/13	(248,978)
Credit Suisse London Branch (GFX)	USD 2,326	CHF 2,197	5/15/13	(10,382)
Credit Suisse London Branch (GFX)	USD 3,905	GBP 2,587	5/15/13	25,236
Deutsche Bank AG London	EUR 1,633	USD 2,141	4/11/13	47,137
Deutsche Bank AG London	GBP 778	USD 1,177	4/11/13	(5,386)
Deutsche Bank AG London	GBP 676	USD 1,047	5/15/13	19,607
Deutsche Bank AG London	USD 4,332	GBP 2,880	5/15/13	43,338
Deutsche Bank AG London	USD 1,053	JPY 97,642	5/15/13	(14,974)
Goldman Sachs Capital Markets LP	EUR 117,823	USD154,045	4/11/13	3,005,145
Goldman Sachs Capital Markets LP	USD 1,284	AUD 1,242	5/15/13	5,277
Goldman Sachs Capital Markets LP	USD 4,138	CHF 3,789	5/15/13	(144,636)
Goldman Sachs Capital Markets LP	USD 6,552	EUR 5,055	5/15/13	(70,230)

Counterparty	Contracts to Deliver (000)		In Exchange For (000)		Settlement Date	Unrealized Appreciation/ (Depreciation)
HSBC Bank USA	USD	7,773	EUR	6,072	4/11/13	$ 10,580
HSBC Bank USA	USD	5,021	CAD	5,017	5/15/13	(87,295)
JPMorgan Chase Bank, NA	EUR	5,839	USD	7,619	4/11/13	133,576
JPMorgan Chase Bank, NA	GBP	39,301	USD	59,500	4/11/13	(213,524)
Royal Bank of Scotland PLC	GBP	835	USD	1,266	4/11/13	(2,600)
Royal Bank of Scotland PLC	DKK	111,846	USD	19,543	4/18/13	309,468
Royal Bank of Scotland PLC	CAD	16,981	USD	16,529	4/19/13	(180,703)
Royal Bank of Scotland PLC	NZD	4,038	USD	3,334	4/26/13	(38,998)
Royal Bank of Scotland PLC	AUD	1,431	USD	1,465	5/15/13	(19,717)
Royal Bank of Scotland PLC	CHF	2,207	USD	2,406	5/15/13	80,279
Royal Bank of Scotland PLC	EUR	3,676	USD	4,914	5/15/13	200,500
Royal Bank of Scotland PLC	GBP	2,977	USD	4,701	5/15/13	178,897
Royal Bank of Scotland PLC	JPY	514,331	USD	5,543	5/15/13	77,323
Royal Bank of Scotland PLC	USD	1,090	CHF	1,029	5/15/13	(5,310)
Royal Bank of Scotland PLC	USD	3,444	EUR	2,662	5/15/13	(31,233)
Royal Bank of Scotland PLC	USD	3,566	JPY	342,284	5/15/13	71,242
Standard Chartered Bank	JPY	317,769	USD	3,389	4/12/13	12,756
State Street Bank & Trust Co.	JPY	718,744	USD	7,724	4/12/13	87,953
State Street Bank & Trust Co.	EUR	1,179	USD	1,576	5/15/13	63,917
State Street Bank & Trust Co.	USD	1,193	GBP	790	5/15/13	7,005
UBS AG	JPY	11,913,164	USD	127,419	4/12/13	856,257
UBS AG	MXN	91,419	USD	7,110	4/12/13	(284,809)
UBS AG	USD	9,692	EUR	7,234	5/15/13	(416,918)
Westpac Banking Corp.	USD	5,099	AUD	4,953	5/15/13	41,907
						$ 3,455,460

CALL OPTIONS WRITTEN (see Note 3)

Description	Contracts	Exercise Price	Expiration Month	Premiums Received	U.S. $ Value
S&P 500 Index(c)	589	$ 1,750.00	December 2013	$ 346,611	$ (568,385)

CREDIT DEFAULT SWAP CONTRACTS (see Note 3)

Swap Counterparty & Referenced Obligation	Fixed Rate (Pay) Receive	Implied Credit Spread at March 31, 2013	Notional Amount (000)	Market Value	Upfront Premiums Paid (Received)	Unrealized Appreciation/ (Depreciation)
Sale Contracts						
Bank of America, NA:						
iTraxx XOVER-Series18 5 Year Index, 12/20/17*	5.00%	4.19%	EUR 2,715	$ 118,419	$ 48,953	$ 69,466
iTraxx-EUROPE-Series 18 5 Year Index, 12/20/17*	1.00	1.16	470	(4,161)	(1,112)	(3,049)
iTraxx-EUROPE-Series 18 5 Year Index, 12/20/17*	1.00	1.16	6,685	(59,185)	(61,398)	2,213
iTraxx-EUROPE-Series 18 5 Year Index, 12/20/17*	1.00	1.16	940	(8,322)	(4,263)	(4,059)
Citibank, NA:						
iTraxx-EUROPE-Series 18 5 Year Index, 12/20/17*	1.00	1.16	6,400	(56,662)	(58,780)	2,118
Deutsche Bank AG:						
CDX-NAHY-Series 19 5 Year Index, 12/20/17*	5.00	3.97	$ 17,190	748,481	162,031	586,450

Swap Counterparty & Referenced Obligation	Fixed Rate (Pay) Receive	Implied Credit Spread at March 31, 2013	Notional Amount (000)	Market Value	Upfront Premiums Paid (Received)	Unrealized Appreciation/ (Depreciation)
JPMorgan Chase Bank, NA:						
iTraxx Europe Series 18 5 Year Index, 12/20/17*	1.00%	1.16%	EUR 26,570	$ (235,235)	$ (237,010)	$ 1,775
iTraxx-EUROPE-Series 18 5 Year Index, 12/20/17*	1.00	1.16	13,085	(115,847)	(123,066)	7,219
Morgan Stanley Capital Services LLC:						
CDX-NAHY-Series 19 5 Year Index, 12/20/17*	5.00	3.97	$ 4,720	205,517	44,418	161,099
iTraxx XOVER-Series18 5 Year Index, 12/20/17*	5.00	4.19	EUR 3,555	155,058	64,957	90,101
				$ 748,063	***$ (165,270)***	***$ 913,333***

* Termination date

TOTAL RETURN SWAP CONTRACTS (See Note 3)

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	MSCI AC World Daily TR Net Ex USA USD	139,757	0.33%	$ 25,335	5/15/13	Deutsche Bank AG	$ (445,478)

(a) 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 March 31, 2013, the aggregate market value of these securities amounted to $71,687,737 or 6.8% of net assets.
(b) Non-income producing security.
(c) One contract relates to 100 shares.
(d) Investment in affiliated money market mutual fund. The rate shown represents the 7-day yield as of period end.
(e) Position, or a portion thereof, has been segregated to collateralize OTC derivatives outstanding. The aggregate market value of these securities amounted to $361,860.
(f) On March 29, 2013, the Fund and U.S. stock exchanges were closed for business due to a U.S. holiday but the foreign markets remained open for trading. The Fund valued its foreign securities using the closing market prices from the respective foreign markets as of March 28, 2013 for financial reporting purposes.

Currency Abbreviations:
AUD—Australian Dollar
CAD—Canadian Dollar
CHF—Swiss Franc
DKK—Danish Krone
EUR—Euro
GBP—Great British Pound
JPY—Japanese Yen
MXN—Mexican Peso
NOK—Norwegian Krone
NZD—New Zealand Dollar
USD—United States Dollar

Glossary:
AC—All Country
ASX—Australian Stock Exchange
CBT—Chicago Board of Trade
CDX-NAHY—North American High Yield Credit Default Swap Index
CMBS—Commercial Mortgage-Backed Securities
EAFE—Europe, Australia, and Far East
FTSE—Financial Times Stock Exchange
GFX—Global Foreign Exchange
MSCI—Morgan Stanley Capital International
TOPIX—Tokyo Price Index
TSE—Tokyo Stock Exchange

See notes to financial statements.

Sanford C. Bernstein Fund, Inc.
Schedule of Investments
Tax-Aware Overlay B Portfolio
March 31, 2013 (Unaudited)

	Principal Amount (000)	U.S. $ Value
MUNICIPAL OBLIGATIONS–68.5%		
Long-Term Municipal Bonds–66.1%		
Alabama–0.5%		
Alabama Pub Sch & Clg Auth		
Series 2010A		
5.00%, 5/01/19	$ 3,255	$ 3,973,606
Birmingham AL Wtrwks Brd		
Series 2010A		
5.00%, 1/01/24	3,650	4,260,755
		8,234,361
Arizona–3.8%		
Maricopa Cnty AZ CCD GO		
4.00%, 7/01/16	8,440	9,326,116
Phoenix AZ Civic Impt Corp.		
(Phoenix AZ Civic Impt Airport)		
5.00%, 7/01/24	5,305	6,224,675
Pima Cnty AZ Swr		
Series 2011B		
5.00%, 7/01/23–7/01/24	6,585	7,799,252
AGM		
5.00%, 7/01/18–7/01/19	10,035	12,026,011
Salt River Proj Agric Impt & Pwr		
Dist AZ		
Series 2011A		
5.00%, 12/01/24	23,120	28,117,619
		63,493,673
California–3.2%		
California Dept Wtr Res Pwr		
Series 2010		
5.00%, 5/01/13	15,815	15,874,464
Series 2010L		
5.00%, 5/01/17	7,675	8,982,513
California Econ Recovery		
(California Econ Rec Spl Tax)		
5.25%, 7/01/13	8,470	8,574,266
Series 2009A		
5.25%, 7/01/21	7,255	8,827,304
California Statewide CDA		
(California General Fund Obl)		
4.00%, 6/15/13	4,125	4,156,144
Series 2009		
5.00%, 6/15/13	4,410	4,452,115
San Francisco City/Cnty CA Arpt		
Commn		
(San Francisco CA Intl Airport)		
Series 2009C-2		
5.00%, 5/01/25	1,025	1,200,142
Series C		
5.00%, 5/01/19	730	883,548
NPFGC-RE		
Series 2006 32F		
5.25%, 5/01/18	$ 680	$ 818,244
		53,768,740
Colorado–1.8%		
Denver CO City & Cnty Arpt		
(Denver Intl Airport)		
5.25%, 11/15/18	13,135	15,700,265
5.50%, 11/15/19	4,375	5,371,188
Series 2010 A		
5.00%, 11/15/23	300	357,675
Denver CO Urban Renewal Auth		
(Stapleton)		
Series 2010B-1		
5.00%, 12/01/20	2,875	3,137,258
Plaza Met District #1 Co.		
5.00%, 12/01/19	1,000	1,126,980
Regional Trnsp Dist CO		
(Denver Transit Partners)		
5.00%, 7/15/20	2,000	2,329,520
5.125%, 1/15/23	2,000	2,270,520
		30,293,406
District of Columbia–0.7%		
Metro Washington Arpt Auth VA		
Series 2010B		
5.00%, 10/01/17–10/01/18	9,895	11,726,673
Florida–8.8%		
Broward Cnty FL Half-cent Sales Tax		
Series 2010A		
5.00%, 10/01/18–10/01/20	8,235	9,989,325
Broward Cnty FL Sch Brd COP		
5.00%, 7/01/20	7,250	8,661,285
Citizens Ppty Ins Corp. FL		
5.25%, 6/01/17	2,855	3,321,650
Series 2010A		
5.00%, 6/01/13–6/01/16	16,485	17,230,037
Series 2012A		
5.00%, 6/01/22	7,660	9,094,871
NPFGC Series A		
5.00%, 3/01/15	80	86,774
Florida Brd of Ed GO		
(Florida GO)		
Series 2013A		
5.00%, 6/01/16	22,515	25,665,524
Florida Brd of Ed Lottery		
5.00%, 7/01/13	12,825	12,974,027
Series 2010 C		
5.00%, 7/01/16	300	341,721
Series 2010D		
5.00%, 7/01/16	2,170	2,471,782
Florida Hurricane Catastr Fd Fin Corp.		
Series 2010A		
5.00%, 7/01/16	5,430	6,173,910
Florida St (Florida GO)		
Series 2011B		
5.00%, 6/01/13	2,665	2,685,707

	Principal Amount (000)	U.S. $ Value
Greater Orlando Aviation FL		
(Greater Orlando Intl Airport)		
Series 2010 B		
5.00%, 10/01/13	$ 1,535	$ 1,570,459
Jacksonville FL Sales Tax		
5.00%, 10/01/21	2,500	3,001,050
Jacksonville FL Spl Rev Appropriation		
5.00%, 10/01/18–10/01/19	15,170	18,182,624
Lee Cnty FL Port Auth Arpt		
(Southwest Florida Intl Airport)		
Series 2011A		
5.625%, 10/01/26	2,470	2,869,127
AGM Series 2010A		
5.50%, 10/01/19	1,615	1,928,342
AGM Series A		
5.50%, 10/01/18	5,810	6,869,744
Martin Cnty FL IDA		
(Indiantown Cogen LP Proj)		
4.20%, 12/15/25	2,235	2,239,023
Miami-Dade Cnty FL Sch Brd COP		
Series 2011A		
5.00%, 5/01/31	6,675	6,989,259
Seminole Tribe of FL		
(Seminole Tribe of FL Gaming)		
5.125%, 10/01/17(a)	1,775	1,857,058
Tampa FL Solid Wst Sys		
AGM		
4.00%, 10/01/13	1,070	1,086,328
		145,289,627
Georgia–0.8%		
Georgia Mun Elec Auth		
Series 2011A		
5.00%, 1/01/20–1/01/21	8,880	10,754,239
Richmond Cnty GA Brd of ED GO		
5.00%, 10/01/15	1,615	1,795,783
		12,550,022
Hawaii–1.2%		
Honolulu HI City & Cnty GO		
Series 2011A		
5.00%, 8/01/24	5,800	7,009,822
Series 2011B		
5.00%, 8/01/24–8/01/25	10,205	12,271,115
		19,280,937
Illinois–6.3%		
Chicago IL GO		
Series 2009 C		
5.00%, 1/01/23	1,785	2,017,246
NPFGC Series 2007C		
5.00%, 1/01/19	3,915	4,491,758
Chicago IL O'Hare Intl Arpt		
(O'Hare Intl Arpt)		
Series 2010D		
5.25%, 1/01/19	2,285	2,711,952
Series 2011A		
5.00%, 1/01/18–1/01/19	6,670	7,884,358
Series 2011B		
5.00%, 1/01/18–1/01/21	6,700	7,954,759
NPFGC Series 2005B		
5.25%, 1/01/18	$ 2,450	$ 2,885,169
Chicago IL Transit Auth Fed Hwy Grant		
(Chicago Il Fed Hwy Grant)		
AGC		
5.00%, 6/01/21	4,685	5,307,496
Illinois Finance Auth		
(Greenfields of Geneva)		
Series 2010C		
6.25%, 2/15/16	335	335,228
Illinois Finance Auth		
(Illinois Institute of Technology)		
5.00%, 4/01/20	1,730	1,778,855
Illinois Finance Auth		
(Illinois Unemployment)		
Series 2012A		
5.00%, 6/15/14–6/15/16	18,680	20,818,933
Series 2012B		
5.00%, 6/15/19	6,105	6,693,949
Illinois Finance Auth		
(Park Place of Elmhurst)		
6.25%, 8/15/15	1,880	1,884,268
Illinois Finance Auth		
(The Admiral at The Lake)		
6.00%, 5/15/17	1,150	1,152,565
Illinois GO		
5.00%, 8/01/18	9,425	10,826,403
Series 2010		
5.00%, 1/01/18	160	182,006
AMBAC		
5.00%, 11/01/15	6,905	7,589,355
NPFGC		
5.375%, 4/01/16	3,540	3,966,747
Illinois Sales Tax		
5.00%, 6/15/13–6/15/18	14,755	16,706,893
		105,187,940
Kentucky–0.1%		
Kentucky Prop & Bldg Comm		
(Kentucky Lease Prop & Bldg)		
4.00%, 11/01/13	1,830	1,869,382
Louisiana–0.7%		
Orleans Parish LA Par SD GO		
AGM		
5.00%, 9/01/17–9/01/19	9,705	11,252,805
Massachusetts–2.5%		
Massachusetts Dev Fin Agy		
(Emerson College)		
Series 2010A		
5.00%, 1/01/17–1/01/18	4,615	5,175,432
Massachusetts DOT Met Hwy Sys		
Series 2010B		
5.00%, 1/01/18–1/01/20	7,985	9,340,240
Massachusetts GO		
Series 2011A		
5.00%, 4/01/25	8,750	10,473,312
Massachusetts Port Auth		
Series 2010E		
5.00%, 7/01/13	2,000	2,021,640

	Principal Amount (000)	U.S. $ Value
Massachusetts Spl Obl		
(Massachusetts Fed Hwy Grant)		
5.00%, 6/15/13	$ 14,090	$ 14,225,968
		41,236,592
Michigan–2.5%		
Detroit MI Wtr Supply Sys		
Series 2011C		
5.25%, 7/01/24–7/01/25	9,390	10,355,080
Michigan Finance Auth		
(Michigan Unemployment)		
Series 2012B		
5.00%, 7/01/22	17,180	19,397,594
Wayne Cnty MI Arpt Auth		
(Detroit Metro Wayne Cnty Arpt)		
Series 2010A		
4.00%, 12/01/13	7,590	7,764,039
Series 2010C		
5.00%, 12/01/13	3,410	3,512,982
		41,029,695
Minnesota–0.7%		
Minneapolis MN GO		
2.00%, 12/01/14	3,095	3,183,672
Minnesota Lease		
Series 2012A		
5.00%, 3/01/19–3/01/20	7,230	8,826,798
		12,010,470
Mississippi–1.3%		
Mississippi Dev Bank		
(Mississippi Lease Dept of Corrections)		
5.00%, 8/01/22–8/01/23	18,635	21,598,939
Missouri–1.6%		
Bi-State Dev Agy MO		
(St. Louis MO City & Cnty Sales Tax)		
Series 2010B		
4.00%, 10/15/13	18,620	18,969,683
St. Louis MO Arpt		
(Lambert- St. Louis Intl Arpt) NPFGC		
5.50%, 7/01/16	5,980	6,793,699
		25,763,382
Nebraska–0.5%		
Omaha NE Pub Pwr Dist Elec		
Series 2011B		
5.00%, 2/01/24	6,420	7,705,926
Nevada–0.8%		
Clark Cnty NV Arpt		
(McCarran Airport)		
Series 2010 D		
5.00%, 7/01/21–7/01/22	1,010	1,170,068
Clark Cnty NV SD GO		
NPFGC		
Series 2006C		
5.00%, 6/15/21	4,285	4,908,210
NPFGC-RE		
Series 2005 A		
5.00%, 6/15/18	$ 210	$ 230,332
NPFGC-RE		
Series 2005B		
5.00%, 6/15/20	6,875	7,508,944
		13,817,554
New Jersey–1.9%		
New Jersey EDA		
(New Jersey Lease Sch Fac)		
5.00%, 3/01/17	1,510	1,740,456
Series 2010DD-1		
5.00%, 12/15/17	4,685	5,543,245
Series 2011EE		
5.00%, 9/01/18	4,940	5,897,718
5.25%, 9/01/19	2,630	3,200,158
AMBAC		
Series 2005 K		
5.50%, 12/15/19	1,880	2,321,142
New Jersey Turnpike Auth		
(New Jersey Turnpike) AGM		
Series 2005D-3		
5.25%, 1/01/26	11,070	13,455,142
		32,157,861
New Mexico–0.4%		
New Mexico Fin Auth		
(New Mexico Fed Hwy Grant)		
5.00%, 6/15/22	5,030	6,325,829
New York–5.9%		
Generic Municipal Bond		
5.00%, 12/15/21 (Pre-refunded/ETM)	5	6,334
Metropolitan Trnsp Auth NY		
5.00%, 11/15/22	2,615	3,185,671
Series 2012D		
5.00%, 11/15/20	14,435	17,536,937
Series 2012F		
5.00%, 11/15/23	11,220	13,476,679
New York NY GO		
5.00%, 8/01/13–8/01/17	19,115	20,418,660
Series 2013H		
5.00%, 8/01/25	2,510	3,060,092
New York NY Trnsl Fin Auth		
Series 2012B		
5.00%, 11/01/22	8,495	10,630,558
New York St Dormitory Auth		
(New York St Pers Income Tax)		
Series 2012		
5.00%, 12/15/21	6,005	7,496,582
Series 2012A		
5.00%, 12/15/22	16,955	21,249,193
New York St Thruway Auth		
(New York St Thruway Auth Ded Tax)		
Series 2007B		
5.00%, 4/01/15	1,240	1,353,720
		98,414,426

	Principal Amount (000)	U.S. $ Value
Ohio – 0.8%		
Cleveland OH COP		
Series 2010A		
5.00%, 11/15/17	$ 3,000	$ 3,466,620
Columbus OH GO		
4.00%, 6/01/13	4,875	4,905,127
Ohio Major New Infra Proj		
(Ohio Fed Hwy Grant)		
Series 20121		
4.00%, 12/15/15–12/15/16	3,930	4,362,485
		12,734,232
Oregon–0.4%		
Oregon Dept of Admin Svc		
(Oregon Lottery)		
Series 2011A		
5.25%, 4/01/26	5,930	7,210,465
Pennsylvania–5.0%		
Delaware Riv Port Auth PA & NJ		
5.00%, 1/01/21	2,655	3,097,243
Montgomery Cnty PA IDA		
(New Regional Medical Ctr)		
5.00%, 2/01/16–8/01/18	6,345	7,225,013
Pennsylvania Econ Dev Fin Auth		
(Pennsylvania Unemployment)		
5.00%, 7/01/22–7/01/23	8,415	9,351,810
Series 2012A		
5.00%, 7/01/16	2,740	3,127,710
Pennsylvania GO		
Series 2009		
5.00%, 4/15/16	5,190	5,880,426
Series 2010A		
5.00%, 7/15/15	5,990	6,615,656
NPFGC-RE		
5.00%, 7/01/13	16,560	16,754,580
Pennsylvania Intergov Coop Auth		
Series 2010		
5.00%, 6/15/16–6/15/17	7,000	8,113,700
Pennsylvania Pub Sch Bldg Auth		
(Philadelphia PA SD Lease)		
5.00%, 4/01/26	1,110	1,243,888
Pennsylvania Turnpike Comm		
Series 2011E		
5.00%, 12/01/25–12/01/26	13,665	15,910,218
Philadelphia PA GO		
5.25%, 8/01/17	2,285	2,601,518
Philadelphia PA Wtr & Wstwtr		
AGM Series 2010A		
5.00%, 6/15/19	2,500	2,988,325
		82,910,087
Puerto Rico–2.7%		
Puerto Rico Elec Pwr Auth		
Series 2010AAA		
5.25%, 7/01/21	8,775	9,356,080
Series 2010ZZ		
5.00%, 7/01/17	4,525	4,860,529
5.25%, 7/01/19	$ 4,000	$ 4,335,680
Series W		
5.50%, 7/01/17	3,240	3,544,171
Puerto Rico GO		
5.25%, 7/01/14	1,760	1,830,787
FGIC Series 2002A		
5.50%, 7/01/18	2,450	2,658,324
NPFGC		
6.00%, 7/01/14	6,210	6,516,712
XLCA		
5.50%, 7/01/17	1,010	1,092,285
Puerto Rico Hwy & Trnsp Auth		
5.50%, 7/01/17 (Pre-refunded/ETM)	825	992,236
Puerto Rico Hwy & Trnsp Auth		
(Puerto Rico Hwy & Trnsp Spl Tax)		
NPFGC Series 2003AA		
5.50%, 7/01/17	555	601,359
Puerto Rico Infra Fin Auth		
Series 2011C		
3.00%, 12/15/26	6,200	6,236,580
Puerto Rico Pub Bldgs Auth		
(Puerto Rico GO)		
Series 2012U		
5.00%, 7/01/20	2,760	2,870,262
		44,895,005
Tennessee–0.2%		
Memphis Shelby Cnty Arpt Auth TN		
(Memphis Intl Airport)		
4.00%, 7/01/13	1,575	1,589,222
5.00%, 7/01/15	2,250	2,465,055
		4,054,277
Texas–4.7%		
Austin TX Wtr & Wstwtr Sys		
5.00%, 11/15/25–11/15/26	11,990	14,300,841
Fort Bend TX ISD GO		
Series 2010		
5.00%, 8/15/21	5,205	6,329,176
Hurst-Euless-Bedford TX ISD GO		
5.00%, 8/15/20–8/15/24	10,525	12,931,464
Red River TX Hlth Facs Dev Corp.		
(MRC Crestview Proj)		
6.00%, 11/15/16	1,825	1,850,714
San Antonio TX Elec & Gas		
Series 2012		
2.00%, 12/01/27	1,765	1,823,015
San Antonio TX GO		
Series 2010		
5.00%, 2/01/23	650	772,031
Texas PFA		
(Texas Workforce Commission)		
Series 2010B		
5.00%, 1/01/20	27,580	27,896,343
Univ of Texas		
Series 2010A		
5.00%, 8/15/22	9,755	11,762,676
		77,666,260

	Principal Amount (000)	U.S. $ Value
Virginia–1.0%		
Virginia College Bldg Auth		
5.00%, 9/01/16	$ 2,835	$ 3,245,168
Virginia College Bldg Auth (Virginia Lease 21st Century College Prog)		
5.00%, 2/01/22	3,020	3,749,753
Virginia Resources Auth (Virginia Pooled Fing Prog Infrastructure) Series 2012A		
5.00%, 11/01/15–11/01/16	6,565	7,384,499
Virginia Trnsp Brd (Virginia Lease Trnsp Fund)		
5.00%, 5/15/15	1,770	1,936,698
		16,316,118
Washington–5.2%		
Chelan Cnty WA PUD #1 Series 2011A		
5.25%, 7/01/22	7,835	9,283,456
Series 2011B		
5.50%, 7/01/23	5,540	6,584,789
Clark Cnty WA PUD #1		
5.00%, 1/01/21	11,835	13,966,128
Energy Northwest WA (Bonneville Power Admin) Series 2007C		
5.00%, 7/01/13	2,130	2,155,134
Series 2011A		
5.00%, 7/01/22–7/01/23	14,690	17,799,283
Series 2012A		
5.00%, 7/01/13	3,750	3,794,250
Port of Seattle WA		
5.00%, 2/01/20	4,430	5,308,513
Series 2010C		
5.00%, 2/01/22	5,490	6,511,579
Port of Seattle WA PFC (Port of Seattle WA) Series 2010B		
5.00%, 12/01/13	4,370	4,506,737
Snohomish Cnty WA PUD #1		
5.00%, 12/01/26	6,065	7,170,468
Series 2010A		
5.00%, 12/01/19	5,415	6,604,351
Washington St GO Series 2010R-2011C		
5.00%, 7/01/13	3,325	3,364,235
		87,048,923
Wisconsin–0.1%		
Milwaukee Cnty WI Arpt (Milwaukee General Mitchell Intl Arpt) Series 2010B		
5.00%, 12/01/13	1,000	1,030,000
Total Long-Term Municipal Bonds (cost $1,041,982,396)		1,096,873,607

	Principal Amount (000)	U.S. $ Value
Short-Term Municipal Notes–2.4%		
Alabama–0.1%		
Mobile AL IDB (Exxon Mobil Corp.)		
0.13%, 7/15/32(b)	$ 1,200	$ 1,200,000
Illinois–0.1%		
Chicago IL Brd of ED GO Series 2010A		
0.15%, 3/01/35(b)	1,300	1,300,000
Kansas–0.0%		
Wichita KS Hosp Fac (Christi Hlth System) Series 2009 B-2		
0.14%, 11/15/39(b)	100	100,000
Kentucky–0.1%		
Christian Cnty KY Assoc Cntys Lsng Trst (Kentucky Cntys Assn Lease Prog)		
0.14%, 8/01/37(b)	1,025	1,025,000
Kentucky Econ Dev Fin Auth (Baptist Healthcare Sys)		
0.14%, 8/15/38(b)	1,200	1,200,000
		2,225,000
Mississippi–1.0%		
Mississippi Business Fin Corp. (Chevron USA, Inc.) Series 2009E		
0.14%, 12/01/30(b)	2,200	2,200,000
Series 2010I		
0.13%, 11/01/35(b)	15,000	15,000,000
		17,200,000
South Dakota–0.1%		
South Dakota Hlth & Edl Facs Auth (Regional Health) Series 2008		
0.17%, 9/01/27(b)	795	795,000
Texas–0.9%		
Lower Neches Valley Auth TX (Exxon Mobil Corp.)		
0.12%, 11/01/38(b)	15,000	15,000,000
Wyoming–0.1%		
Lincoln Cnty WY PCR (Exxon Mobil Corp.)		
0.12%, 8/01/15(b)	1,300	1,300,000
Total Short-Term Municipal Notes (cost $39,120,000)		39,120,000
Total Municipal Obligations (cost $1,081,102,396)		1,135,993,607

Schedule of Investments *(continued)*

Company	Shares	U.S. $ Value
INVESTMENT COMPANIES–5.8%		
Funds and Investment Trusts–5.8%		
AllianceBernstein Pooling Portfolios–Multi-Asset Real Return Portfolio	4,692,049	$ 40,773,904
iShares MSCI Emerging Markets Index Fund	823,693	35,237,586
SPDR S&P 500 ETF Trust	134,398	21,040,007
Total Investment Companies (cost $97,217,230)		97,051,497

	Principal Amount (000)	
CORPORATES—INVESTMENT GRADES–2.8%		
Financial Institutions–1.7%		
Banking–1.7%		
Bank of America Corp. 7.375%, 5/15/14	$ 5,665	6,062,570
Capital One Financial Corp. 2.125%, 7/15/14	2,790	2,833,638
Citigroup, Inc. 2.65%, 3/02/15	5,500	5,651,893
Goldman Sachs Group, Inc. (The) 5.50%, 11/15/14	2,627	2,813,173
6.00%, 5/01/14	3,700	3,900,015
JPMorgan Chase & Co. 1.875%, 3/20/15	6,360	6,480,935
		27,742,224
Industrial–1.1%		
Communications—Telecommunications–0.4%		
Cellco Partnership/Verizon Wireless Capital LLC 5.55%, 2/01/14	1,234	1,282,563
AT&T, Inc. 5.10%, 9/15/14	5,377	5,718,025
		7,000,588
Consumer Cyclical—Automotive–0.3%		
Daimler Finance North America LLC 6.50%, 11/15/13	2,766	2,868,107
Ford Motor Credit Co. LLC 7.00%, 4/15/15	2,310	2,548,949
		5,417,056
Technology–0.4%		
Hewlett-Packard Co. 6.125%, 3/01/14	5,286	5,532,724
		17,950,368
Total Corporates—Investment Grades (cost $45,004,860)		45,692,592

Company	Contracts	U.S. $ Value
OPTIONS PURCHASED—PUTS–0.3%		
Options on Funds and Investment Trusts – 0.2%		
iShares MSCI Emerging Markets Index Expiration: Jun 2013, Exercise Price: $ 42.50(c)(d)	16,333	$ 1,976,293
iShares MSCI EAFE Index Expiration: Jun 2013, Exercise Price: $ 57.00(c)(d)	12,071	1,237,278
		3,213,571
Options on Equity Indices–0.1%		
S&P 500 Index Expiration: Jun 2013, Exercise Price: $ 1,475.00(c)(d)	931	1,391,845
Total Options Purchased—Puts (cost $4,741,005)		4,605,416

	Shares	
SHORT-TERM INVESTMENTS–19.7%		
Investment Companies–17.8%		
AllianceBernstein Fixed-Income Shares, Inc.–Government STIF Portfolio, 0.12%(e) (cost $296,111,765)	296,111,765	296,111,765

	Principal Amount (000)	
U.S. Treasury Bills–1.9%		
U.S. Treasury Bill Zero Coupon, 4/18/13–5/09/13	$ 16,875	16,873,813
Zero Coupon, 8/08/13(f)	15,475	15,469,011
Total U.S. Treasury Bills (cost $32,342,824)		32,342,824
Total Short-Term Investments (cost $328,454,589)		328,454,589
Total Investments—97.1% (cost $1,556,520,080)		1,611,797,701
Other assets less liabilities—2.9%		47,426,348
Net Assets—100.0%		**$ 1,659,224,049**

FUTURES CONTRACTS (see Note 3)

Type	Number of Contracts	Expiration Month	Original Value	Value at March 31, 2013	Unrealized Appreciation/ (Depreciation)
Purchased Contracts					
ASX SPI 200 Index Futures	57	June 2013	$ 7,498,033	$ 7,369,237	$ (128,796)
Euro Stoxx 50 Index Futures	1,081	June 2013	36,645,769	35,390,285	(1,255,484)
FTSE 100 Index Futures	254	June 2013	24,898,090	24,511,064	(387,026)
Hang Seng Index Futures	21	April 2013	3,026,671	3,018,570	(8,101)
MSCI Emerging Market Mini Futures	469	June 2013	24,631,345	24,092,530	(538,815)
Russell 2000 Mini Index Futures	114	June 2013	10,459,876	10,817,460	357,584
S&P 500 E Mini Index Futures	4,737	June 2013	360,272,524	370,125,495	9,852,971
S&P Mid Cap 400 E Mini Index Futures	190	June 2013	21,096,681	21,869,000	772,319
S&P TSE 60 Index Futures	32	June 2013	4,596,591	4,592,174	(4,417)
TOPIX Index Futures	300	June 2013	31,623,009	33,096,085	1,473,076
Sold Contracts					
U.S. T-Bond 30 Yr Futures	146	June 2013	20,806,939	21,092,437	(285,498)
U.S. T-Note 2 Yr Futures	25	June 2013	5,511,286	5,511,328	(42)
U.S. T-Note 10 Yr Futures	355	June 2013	46,424,075	46,854,453	(430,378)
					$ 9,417,393

FORWARD CURRENCY EXCHANGE CONTRACTS (see Note 3)

Counterparty	Contracts to Deliver (000)		In Exchange For (000)		Settlement Date	Unrealized Appreciation/ (Depreciation)
Barclays Bank PLC Wholselale	USD	6,198	JPY	578,373	5/15/13	$ (52,086)
BNP Paribas SA	USD	8,097	JPY	772,426	5/15/13	111,070
Citibank NA	USD	7,444	GBP	4,743	5/15/13	(238,422)
Credit Suisse International	USD	3,490	CHF	3,297	5/15/13	(15,580)
Credit Suisse International	USD	6,306	GBP	4,178	5/15/13	40,756
Deutsche Bank AG London	USD	2,497	EUR	1,917	5/15/13	(39,360)
Deutsche Bank AG London	USD	6,366	GBP	4,231	5/15/13	61,079
Goldman Sachs Capital Markets LP	USD	2,299	AUD	2,224	5/15/13	9,449
Goldman Sachs Capital Markets LP	USD	4,715	CHF	4,317	5/15/13	(164,791)
Goldman Sachs Capital Markets LP	USD	8,973	EUR	6,923	5/15/13	(96,182)
HSBC BankUSA	USD	5,334	CAD	5,329	5/15/13	(92,724)
Royal Bank of Scotland PLC	AUD	3,403	USD	3,485	5/15/13	(46,888)
Royal Bank of Scotland PLC	CHF	2,883	USD	3,143	5/15/13	104,868
Royal Bank of Scotland PLC	EUR	6,262	USD	8,371	5/15/13	341,549
Royal Bank of Scotland PLC	GBP	3,313	USD	5,232	5/15/13	199,089
Royal Bank of Scotland PLC	JPY	578,373	USD	6,233	5/15/13	86,951
Royal Bank of Scotland PLC	USD	1,824	CHF	1,722	5/15/13	(8,886)
Royal Bank of Scotland PLC	USD	5,803	EUR	4,485	5/15/13	(52,623)
Royal Bank of Scotland PLC	USD	4,694	JPY	450,577	5/15/13	93,781
State Street Bank & Trust Co.	EUR	1,499	USD	2,003	5/15/13	81,265
UBS AG	USD	11,700	EUR	8,732	5/15/13	(503,252)
Westpac Banking Corp.	USD	6,965	AUD	6,762	5/15/13	52,812
						$ (128,125)

CALL OPTIONS WRITTEN (see Note 3)

Description	Contracts	Exercise Price	Expiration Month	Premiums Received	U.S. $ Value
S&P 500 Index(d)	931	$1,750.00	December 2013	$ 547,922	$ (898,415)

CREDIT DEFAULT SWAP CONTRACTS (see Note 3)

Swap Counterparty & Referenced Obligation	Fixed Rate (Pay) Receive	Implied Credit Spread at March 31, 2013	Notional Amount (000)	Market Value	Upfront Premiums Paid (Received)	Unrealized Appreciation/ (Depreciation)
Sale Contracts						
Barclays Bank PLC:						
ITRAXX-XOVERS18V1-5 Year Index, 12/20/17*	5.00%	4.19%	EUR 10,370	$ 452,303	$ 253,037	$ 199,266
BNP Paribas:						
CDX-NAHY-Series 19 5 Year Index, 12/20/17*	5.00	3.97	$ 15,294	665,926	216,476	449,450
ITRAXX-XOVERS18V 1-5 Year Index, 12/20/17*	5.00	4.19	EUR 280	12,213	8,142	4,071
Deutsche Bank AG:						
CDX-NAHY-Series 19 5 Year Index, 12/20/17*	5.00	3.97	$ 10,196	443,951	186,171	257,780
Goldman Sachs International:						
CDX-NAHY-Series 19 5 Year Index, 12/20/17*	5.00	3.97	2,160	94,050	39,489	54,561
				$ 1,668,443	***$ 703,315***	***$ 965,128***

* Termination date

TOTAL RETURN SWAP CONTRACTS (See Note 3)

Receive/Pay Total Return on Reference Index	Index	# of Shares or Units	Rate Paid by the Fund	Notional Amount (000)	Maturity Date	Counterparty	Unrealized Appreciation/ (Depreciation)
Receive Total Return on Reference Index							
Receive	MSCI Daily TR Gross Ex USA USD	163,959	0.34%	$ 26,033	5/15/13	Deutsche Bank AG	$ 3,081,212
Receive	MSCI Daily TR Gross Ex USA USD	77,432	0.61%	36,314	1/15/14	JPMorgan Chase Bank, NA	(632,372)
							$ 2,448,840

(a) Security is exempt from registration under Rule 144A of the Securities Act of 1933. This security is considered liquid and may be resold in transactions exempt from registration, normally to qualified institutional buyers. At March 31, 2013, the market value of this security amounted to $1,857,058 or 0.1% of net assets.
(b) Variable Rate Demand Notes are instruments whose interest rates change on a specific date (such as coupon date or interest payment date) or whose interest rates vary with changes in a designated base rate (such as the prime interest rate). This instrument is payable on demand and is secured by letters of credit or other credit support agreements from major banks.
(c) Non-income producing security.
(d) One contract relates to 100 shares.
(e) Investment in affiliated money market mutual fund. The rate shown represents the 7-day yield as of period end.
(f) Position, or a portion thereof, has been segregated to collateralize OTC derivatives outstanding. The aggregate market value of these securities amounted to $928,640.

As of March 31, 2013, the Fund held 10.0% of net assets in insured bonds (of this amount 0.0% represents the Fund's holding in pre-refunded or escrowed to maturity bonds).

Currency Abbreviation
AUD—Australian Dollar
CAD—Canadian Dollar
CHF—Swiss Franc
EUR—Euro
GBP—Great British Pound
JPY—Japanese Yen
USD—United States Dollar

Glossary:
AGC—Assured Guaranty Corporation
AGM—Assured Guaranty Municipal
AMBAC—Ambac Assurance Corporation

ASX—Australian Stock Exchange
CCD—Community College District
CDA—Community Development Authority
CDX-NAHY—North American High Yield Credit Default Swap Index
COP—Certificate of Participation
DOT—Department of Transportation
EAFE—Europe, Australia, and Far East
EDA—Economic Development Agency
ETM—Escrowed to Maturity
FGIC—Financial Guaranty Insurance Company
FTSE—Financial Times Stock Exchange
GO—General Obligation
IDA—Industrial Development Authority/Agency
IDB—Industrial Development Board
ISD—Independent School District
MSCI—Morgan Stanley Capital International
NPFGC—National Public Finance Guarantee Corporation
NPFGC-RE—National Public Finance Guarantee Corporation Reinsuring Financial Guaranty Insurance Company
PCR—Pollution Control Revenue Bond
PFA—Public Finance Authority
PFC—Passenger Facility Charge
PUD—Public Utility District
SD—School District
TOPIX—Tokyo Price Index
TSE—Tokyo Stock Exchange
XLCA—XL Capital Assurance Inc.

See notes to financial statements.

Sanford C. Bernstein Fund, Inc.
Schedule of Investments
Tax-Aware Overlay C Portfolio
March 31, 2013 (Unaudited)

	Principal Amount (000)	U.S. $ Value
MUNICIPAL OBLIGATIONS–61.4%		
Long-Term Municipal Bonds–61.4%		
California–50.2%		
Bay Area Toll Auth CA		
5.00%, 4/01/24	$ 6,500	$ 7,854,015
California Dept Wtr Res Pwr		
Series 2010		
5.00%, 5/01/13	4,680	4,697,597
Series 2010L		
5.00%, 5/01/17	5,410	6,331,648
Series 2010M		
5.00%, 5/01/15	1,815	1,987,570
Series 2011N		
5.00%, 5/01/13	4,920	4,938,499
California DOT Fed Hwy Grant		
NPFGC-RE Series A		
5.00%, 2/01/14	1,300	1,351,584
California Econ Recovery		
(California Econ Rec Spl Tax)		
5.25%, 7/01/13	1,670	1,690,558
Series 2009 A		
5.00%, 7/01/17	2,115	2,483,010
Series 2009A		
5.00%, 7/01/19	5,040	6,158,275
Series A		
5.00%, 7/01/20	2,600	3,142,178
AGM Series 2004A		
5.25%, 7/01/13	1,930	1,953,758
NPFGC Series A 5.		
25%, 7/01/13	2,695	2,728,175
California GO		
5.00%, 2/01/21	2,185	2,654,185
Series 2011A		
5.00%, 10/01/20	1,500	1,830,420
NPFGC-RE		
5.00%, 11/01/23	3,200	3,690,624
California Hlth Fac Fin Auth		
(Cedars-Sinai Med Ctr)		
3.00%, 8/15/13	1,810	1,828,100
California Infra & Eco Dev Bk		
(Broad Collection)		
Series 2011A		
5.00%, 6/01/21	3,000	3,730,680
California Infra & Eco Dev Bk		
(Workers Comp Spl Assmt)		
AMBAC		
5.25%, 10/01/13	6,220	6,375,127
California Mun Fin Auth		
(UTS BioEnergy LLC)		
Series 2011A-2		
3.95%, 12/01/15(a)	355	360,368
California Pub Wks Brd		
(Univ of California Lease)		
5.00%, 12/01/23(b)	$ 3,215	$ 3,932,620
Series 2010C1		
5.00%, 3/01/21	1,500	1,814,925
California State Univ		
Series 2011A		
5.25%, 11/01/26	2,035	2,438,540
California Statewide CDA		
(California General Fund Obl)		
Series 2009		
5.00%, 6/15/13	3,925	3,962,484
California Statewide CDA		
(Odd Fellows Home)		
Series 2012A		
5.00%, 4/01/21	1,000	1,149,650
Chino Basin CA Reg Fin Auth		
(Inland Empire Utilities Agency)		
Series 2010A		
5.00%, 8/01/20–8/01/21	7,430	8,842,397
Contra Costa CA Wtr Dist		
Series 2011P		
4.00%, 10/01/13	3,715	3,784,731
Golden St Tobacco Sec CA		
5.625%, 6/01/13		
(Pre-refunded/ETM)	1,005	1,013,874
6.25%, 6/01/13		
(Pre-refunded/ETM)	5,790	5,846,974
Series B		
5.50%, 6/01/43		
(Pre-refunded/ETM)	2,125	2,143,339
Livermore-Amador Vy Wtr CA		
5.00%, 8/01/14	2,910	3,079,449
Long Beach CA Bond Fin Auth		
(Long Beach CA Lease Aquarium)		
5.00%, 11/01/22	1,460	1,711,894
Long Beach CA Harbor		
Series B		
5.00%, 5/15/22	2,000	2,375,680
NPFGC-RE Series 1998A		
6.00%, 5/15/18	3,305	4,038,446
Los Angeles CA Dept Arpts		
(Los Angeles Intl Airport)		
Series 2010A		
5.00%, 5/15/25	1,500	1,753,710
Series 2010D		
5.25%, 5/15/28	4,145	4,807,620
Los Angeles CA Harbor Dept		
5.00%, 8/01/19	1,500	1,800,720
Los Angeles CA Lease Judgement Bds		
Series 2010A		
5.00%, 6/01/13	2,000	2,014,600
Los Angeles CA USD COP		
5.00%, 12/01/13	3,205	3,301,567
AMBAC Series 2007A		
5.00%, 10/01/16	105	119,155
Los Angeles CA USD GO		
Series 2010KRY		
5.25%, 7/01/25	160	191,562

	Principal Amount (000)	U.S. $ Value
Series 2011A-1		
4.00%, 7/01/14	$ 3,090	$ 3,232,696
AGM		
5.00%, 7/01/13 (Pre-refunded/ETM)	3,500	3,541,125
AGM Series A		
5.25%, 7/01/13 (Pre-refunded/ETM)	1,100	1,113,596
Los Angeles Cnty CA Met Trnsp Auth		
(Los Angeles Cnty CA MTA Sales Tax)		
Series 2011A		
4.00%, 7/01/13	1,485	1,498,810
Series 2012B		
5.00%, 7/01/24	7,400	8,945,416
Orange Cnty CA Santn COP		
Series 2011A		
3.00%, 8/01/13	2,050	2,069,003
4.00%, 8/01/14	3,095	3,249,162
Port of Oakland CA		
Series 2012P		
5.00%, 5/01/24-5/01/25	6,405	7,402,986
NPFGC Series 2007A		
5.00%, 11/01/13	1,815	1,862,263
Sacramento CA USD GO		
5.00%, 7/01/25	2,380	2,736,524
San Diego CA Pub Fac Fin Auth		
(San Diego CA Swr)		
5.00%, 5/15/21–5/15/22	7,310	8,774,869
San Diego Cnty CA Wtr Auth		
5.00%, 5/01/24	3,250	3,904,062
Series 2011A		
5.00%, 5/01/25	1,610	1,920,907
San Francisco CA Bay Area Rapid Transit		
(San Francisco City/Cnty CA Sales Tax)		
5.00%, 7/01/27	2,000	2,322,180
San Francisco City/Cnty CA Arpt Commn		
(San Francisco CA Intl Airport)		
4.00%, 5/01/13	3,000	3,008,250
5.00%, 5/01/27	1,270	1,481,493
Series 2009C-2		
5.00%, 5/01/25	500	585,435
Series 2011B		
4.00%, 5/01/13	1,660	1,664,698
Series 2011G		
5.00%, 5/01/24	2,470	2,940,980
NPFGC-RE Series 2006 32F		
5.25%, 5/01/18	675	812,228
San Francisco City & Cnty CA Pub Util Commn		
Series 2006A		
5.00%, 11/01/13 (Pre-refunded/ETM)	2,110	2,168,574
5.00%, 11/01/13	1,135	1,166,303
Series 2011A		
5.00%, 11/01/24	5,385	6,534,267
South Placer CA Wstwtr Auth		
Series 2011C		
5.25%, 11/01/22–11/01/24	8,675	10,525,506
Southern CA Pub Pwr Auth		
4.00%, 7/01/13	$ 3,285	$ 3,315,156
5.00%, 7/01/13	2,515	2,544,224
Southern CA Pub Pwr Auth		
(Los Angeles CA Dept W&P Pwr)		
5.00%, 7/01/23	5,190	6,285,661
Univ of California		
5.00%, 5/15/18	2,555	3,069,168
Series 2013A		
5.00%, 5/15/19	1,190	1,454,335
Upper Santa Clara Vy CA Jt Pwr		
Series 2011A		
5.00%, 8/01/25	1,790	2,109,766
Vista CA USD GO		
5.00%, 8/01/23-8/01/25	4,240	5,095,031
		233,244,982
Colorado–0.4%		
Plaza Met Dist #1 CO		
5.00%, 12/01/22	690	757,572
Regional Trnsp Dist CO		
(Denver Transit Partners)		
5.00%, 7/15/22	1,150	1,308,297
		2,065,869
Florida–1.7%		
Citizens Ppty Ins Corp. FL		
Series 2010A		
5.00%, 6/01/13-6/01/16	3,080	3,170,336
Series 2011A-1		
5.00%, 6/01/19	2,035	2,405,289
Florida Brd of Ed Lottery		
Series 2010 C		
5.00%, 7/01/17	150	175,621
Florida Hurricane Catastr Fd Fin Corp.		
Series 2010A		
5.00%, 7/01/16	1,500	1,705,500
Seminole Tribe of FL		
(Seminole Tribe of FL Gaming)		
5.125%, 10/01/17(c)	445	465,572
		7,922,318
Illinois–2.5%		
Chicago IL O'Hare Intl Arpt		
(O'hare Intl Arpt)		
Series 2011B		
5.00%, 1/01/19	4,390	5,208,603
Cook Cnty IL GO		
Series 2012C		
5.00%, 11/15/25	3,265	3,803,921
Illinois Finance Auth		
(Greenfields of Geneva)		
Series 2010C		
6.25%, 2/15/16	100	100,068
Illinois Finance Auth		
(Illinois Institute of Technology)		
5.00%, 4/01/18	550	567,886

	Principal Amount (000)	U.S. $ Value
Illinois Finance Auth		
(Park Place of Elmhurst)		
6.25%, 8/15/15	$ 460	$ 461,044
Illinois Finance Auth		
(The Admiral at The Lake)		
6.00%, 5/15/17	285	285,636
Illinois GO		
5.00%, 8/01/15		
Series 2010	1,000	1,090,100
5.00%, 1/01/18	160	182,006
		11,699,264
Massachusetts–2.1%		
Massachusetts GO		
Series 2011A		
5.00%, 4/01/25	8,090	9,683,326
New Jersey–1.4%		
New Jersey EDA		
(New Jersey Cigarette Tax)		
5.00%, 6/15/16	2,700	3,007,584
New Jersey Turnpike Auth		
(New Jersey Turnpike) AGM		
Series 2005D-3		
5.25%, 1/01/26	2,735	3,324,283
		6,331,867
Puerto Rico–2.5%		
Puerto Rico Elec Pwr Auth		
Series 2007V V		
5.50%, 7/01/20	1,150	1,261,274
Series 2010AAA		
5.25%, 7/01/21	2,400	2,558,928
Series 2010ZZ		
5.25%, 7/01/22	1,215	1,279,152
Puerto Rico GO NPFGC		
6.00%, 7/01/14	1,000	1,049,390
6.50%, 7/01/15	2,860	3,093,691
Puerto Rico IND Tour Ed Med Envrn Auth		
(Inter American Univ of Puerto Rico)		
5.00%, 10/01/19	1,000	1,115,350
Puerto Rico Sales Tax Fin Corp.		
Series 2009A		
5.50%, 8/01/23	1,030	1,141,652
		11,499,437
Washington–0.6%		
Port of Seattle WA		
5.00%, 2/01/18	2,405	2,802,883
Total Municipal Obligations		
(cost $272,027,601)		285,249,946

Company	Shares	U.S. $ Value
INVESTMENT COMPANIES–5.3%		
Funds and Investment Trusts–5.3%		
AllianceBernstein Pooling Portfolios–		
Multi-Asset Real Return Portfolio	1,236,783	$ 10,747,648
iShares MSCI EAFE Index Fund	2	118
iShares MSCI Emerging Markets		
Index Fund	204,746	8,759,034
SPDR S&P 500 ETF Trust	34,150	5,346,182
Total Investment Companies		
(cost $24,897,307)		24,852,982

	Principal Amount (000)	
CORPORATES—INVESTMENT GRADES–3.0%		
Financial Institutions–1.7%		
Banking–1.3%		
Capital One Financial Corp.		
2.125%, 7/15/14	$ 662	672,354
Citigroup, Inc.		
5.50%, 4/11/13	1,432	1,433,670
Goldman Sachs Group, Inc. (The)		
5.15%, 1/15/14	1,408	1,457,306
JPMorgan Chase & Co.		
1.875%, 3/20/15	1,000	1,019,015
Morgan Stanley		
1.75%, 2/25/16	1,559	1,571,140
		6,153,485
Finance–0.4%		
General Electric Capital Corp.		
2.15%, 1/09/15	1,485	1,522,839
		7,676,324
Industrial–1.1%		
Consumer Cyclical—Automotive–0.3%		
Daimler Finance North America LLC		
6.50%, 11/15/13	824	854,418
Ford Motor Credit Co. LLC		
7.00%, 4/15/15	677	747,029
		1,601,447
Technology–0.6%		
International Business Machines		
Corp.		
0.55%, 2/06/15	1,515	1,517,330
Hewlett-Packard Co.		
6.125%, 3/01/14	1,372	1,436,038
		2,953,368
Consumer Cyclical—Entertainment–0.2%		
Viacom, Inc.		
1.25%, 2/27/15	760	765,343
		5,320,158

	Principal Amount (000)	U.S. $ Value
Utility–0.2%		
Electric–0.2%		
Exelon Generation Co. LLC		
5.35%, 1/15/14	$ 700	$ 725,657
Total Corporates–Investment Grades (cost $13,561,597)		13,722,139

	Contracts	
OPTIONS PURCHASED—PUTS–0.3%		
Options on Funds and Investment Trusts–0.2%		
iShares MSCI Emerging Markets Index		
Expiration: Jun 2013, Exercise Price: $ 42.50(d)(e)	4,456	539,176
iShares MSCI EAFE Index		
Expiration: Jun 2013, Exercise Price: $ 57.00(d)(e)	3,294	337,635
		876,811
Options on Equity Indices–0.1%		
S&P 500 Index		
Expiration: Jun 2013, Exercise Price: $ 1,475.00(d)(e)	254	379,730
Total Options Purchased—Puts (cost $1,293,531)		1,256,541

Company	Shares	U.S. $ Value
SHORT-TERM INVESTMENTS–26.9%		
Investment Companies–24.9%		
AllianceBernstein Fixed-Income Shares, Inc.– Government STIF Portfolio, 0.12%(f) (cost $115,556,968)	115,556,968	$ 115,556,968

	Principal Amount (000)	U.S. $ Value
U.S. Treasury Bills–2.0%		
U.S. Treasury Bill		
Zero Coupon, 4/18/13–5/09/13	$ 4,550	4,549,683
Zero Coupon, 4/04/13–8/08/13	4,600	4,598,410
Total U.S. Treasury Bills (cost $9,148,093)		9,148,093
Total Short-Term Investments (cost $124,705,061)		124,705,061
Total Investments—96.9% (cost $436,485,097)		449,786,669
Other assets less liabilities—3.1%		14,536,332
Net Assets—100.0%		**$ 464,323,001**

FUTURES CONTRACTS (see Note 3)

Type	Number of Contracts	Expiration Month	Original Value	Value at March 31, 2013	Unrealized Appreciation/ (Depreciation)
Purchased Contracts					
ASX SPI 200 Index Futures	15	June 2013	$ 1,975,647	$ 1,939,273	$ (36,374)
Euro Stoxx 50 Index Futures	312	June 2013	10,577,368	10,214,402	(362,966)
FTSE 100 Index Futures	72	June 2013	7,057,990	6,948,018	(109,972)
Hang Seng Index Futures	4	April 2013	576,509	574,966	(1,543)
MSCI Emerging Market Mini Futures	154	June 2013	8,088,781	7,910,980	(177,801)
Russell 2000 Mini Index Futures	31	June 2013	2,847,561	2,941,590	94,029
S&P 500 E Mini Index Futures	1,325	June 2013	100,777,001	103,528,875	2,751,874
S&P Mid Cap 400 E Mini Index Futures	51	June 2013	5,665,185	5,870,100	204,915
S&P TSE 60 Index Futures	10	June 2013	1,437,698	1,435,054	(2,644)
TOPIX Index Futures	85	June 2013	8,955,343	9,377,224	421,881
Sold Contracts					
U.S. T-Bond 30 Yr Futures	7	June 2013	997,593	1,011,281	(13,688)
					$ 2,767,711

FORWARD CURRENCY EXCHANGE CONTRACTS (see Note 3)

Counterparty	Contracts to Deliver (000)	In Exchange For (000)	Settlement Date	Unrealized Appreciation/ (Depreciation)
Barclays Bank PLC Wholesale	USD 484	EUR 371	5/15/13	$ (8,152)
Barclays Bank PLC Wholesale	USD 2,238	JPY 207,167	5/15/13	(37,041)
BNP Paribas SA	USD 1,841	JPY 175,624	5/15/13	25,254
Citibank, NA	USD 2,207	GBP 1,406	5/15/13	(70,677)
Credit Suisse International	USD 1,018	CHF 962	5/15/13	(4,546)
Credit Suisse International	USD 1,710	GBP 1,133	5/15/13	11,052
Deutsche Bank AG London	USD 1,813	GBP 1,205	5/15/13	17,877
Deutsche Bank AG London	USD 599	JPY 55,539	5/15/13	(8,517)
Goldman Sachs Capital Markets LP	USD 609	AUD 589	5/15/13	2,502
Goldman Sachs Capital Markets LP	USD 1,529	CHF 1,400	5/15/13	(53,442)
Goldman Sachs Capital Markets LP	USD 2,731	EUR 2,107	5/15/13	(29,273)
HSBC Bank USA	USD 1,469	CAD 1,468	5/15/13	(25,543)
Royal Bank of Scotland PLC	AUD 937	USD 960	5/15/13	(12,910)
Royal Bank of Scotland PLC	CHF 922	USD 1,005	5/15/13	33,537
Royal Bank of Scotland PLC	EUR 1,580	USD 2,112	5/15/13	86,178
Royal Bank of Scotland PLC	GBP 878	USD 1,387	5/15/13	52,762
Royal Bank of Scotland PLC	JPY 207,167	USD 2,233	5/15/13	31,145
Royal Bank of Scotland PLC	USD 465	CHF 439	5/15/13	(2,265)
Royal Bank of Scotland PLC	USD 1,617	EUR 1,250	5/15/13	(14,666)
Royal Bank of Scotland PLC	USD 1,338	JPY 128,389	5/15/13	26,722
State Street Bank & Trust Co.	EUR 447	USD 597	5/15/13	24,233
State Street Bank & Trust Co.	USD 499	EUR 373	5/15/13	(21,135)
UBS AG	USD 2,796	EUR 2,087	5/15/13	(120,280)
Westpac Banking Corp.	USD 2,066	AUD 2,005	5/15/13	14,935
				$ (82,250)

CALL OPTIONS WRITTEN (see Note 3)

Description	Contracts	Exercise Price	Expiration Month	Premiums Received	U.S. $ Value
S&P 500 Index(e)	254	$ 1,750.00	December 2013	$ 149,603	$ (245,110)

CREDIT DEFAULT SWAP CONTRACTS (see Note 3)

Swap Counterparty & Referenced Obligation	Fixed Rate (Pay) Receive	Implied Credit Spread at March 31, 2013	Notional Amount (000)	Market Value	Upfront Premiums Paid (Received)	Unrealized Appreciation/ (Depreciation)
Sale Contracts						
Barclays Bank PLC:						
iTraxx-XOVER Series 18 5 Year Index, 12/20/17*	5.00%	4.19%	EUR 2,775	$ 121,036	$ 67,712	$ 53,324
BNP Paribas:						
CDX-NAHY Series 19 5 Year Index, 12/20/17*	5.00	3.97	$ 4,096	178,347	57,977	120,370
iTraxx-XOVER Series 18 5 Year Index, 12/20/17*	5.00	4.19	EUR 5	218	173	45
Deutsche Bank AG:						
CDX-NAHY Series 19 5 Year Index, 12/20/17*	5.00	3.97	$ 2,730	118,869	49,847	69,022
Goldman Sachs International:						
CDX-NAHY Series 19 5 Year Index, 12/20/17*	5.00	3.97	394	17,155	7,203	9,952
				$ 435,625	***$ 182,912***	***$ 252,713***

* Termination date

TOTAL RETURN SWAP CONTRACTS (See Note 3)

Receive/Pay Total Return on Reference Index	Index	# of Shares or Units	Rate Paid by the Fund	Notional Amount (000)	Maturity Date	Counterparty	Unrealized Appreciation/ (Depreciation)
Receive Total Return on Reference Index							
Receive	MSCI Daily TR Net Ex USA USD	40,112	0.34%	$6,369	5/15/13	Deutsche Bank AG	$ 753,808
Receive	MSCI Daily TR Gross Ex USA USD	1,805	0.51%	702	8/15/13	Goldman Sachs International	127,360
Receive	MSCI Daily TR Gross Ex USA USD	19,068	0.61%	8,942	1/15/14	JPMorgan Chase Bank, NA	(155,725)
							$ 725,443

(a) When-Issued or delayed delivery security.
(b) Floating Rate Security. Stated interest rate was in effect at March 31, 2013.
(c) Security is exempt from registration under Rule 144A of the Securities Act of 1933. This security is considered liquid and may be resold in transactions exempt from registration, normally to qualified institutional buyers. At March 31, 2013, the market value of this security amounted to $465,572 or 0.1% of net assets.
(d) Non-income producing security.
(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.

As of March 31, 2013, the Fund held 9.7% of net assets in insured bonds (of this amount 10.4% represents the Fund's holding in pre-refunded or escrowed to maturity bonds).

Currency Abbreviations:
AUD—Australian Dollar
CAD—Canadian Dollar
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Glossary:
AGM—Assured Guaranty Municipal
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ETM—Escrowed to Maturity
FTSE—Financial Times Stock Exchange
GO—General Obligation
MSCI—Morgan Stanley Capital International
MTA—Metropolitan Transportation Authority
NPFGC—National Public Finance Guarantee Corporation
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TOPIX—Tokyo Price Index
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See notes to financial statements.

Sanford C. Bernstein Fund, Inc.
Schedule of Investments
Tax-Aware Overlay N Portfolio
March 31, 2013 (Unaudited)

	Principal Amount (000)	U.S. $ Value
MUNICIPAL OBLIGATIONS–64.6%		
Long-Term Municipal Bonds–64.6%		
New York–50.3%		
Albany Cnty NY Arpt Auth AGM		
Series 2010A		
5.00%, 12/15/22–12/15/23	$ 3,555	$ 4,105,511
Buffalo NY GO		
Series 2011A		
4.00%, 12/01/13	4,280	4,379,296
Hempstead Town NY GO		
4.00%, 8/15/15	2,570	2,787,705
Long Island Pwr Auth NY		
Series 2010A		
5.00%, 5/01/15	2,780	3,030,978
NPFGC-RE		
Series 06A		
5.00%, 12/01/19	1,335	1,475,215
Metropolitan Trnsp Auth NY		
5.00%, 11/15/25	1,000	1,173,270
Series 2011C		
5.00%, 11/15/25	6,505	7,555,883
Series B		
5.00%, 11/15/15	130	144,936
Series B-1-REMK		
5.00%, 11/15/15	1,400	1,560,846
AMBAC		
5.50%, 11/15/16	1,730	2,017,249
Metropolitan Trnsp Auth NY		
(Metro Trnsp Auth NY Ded Tax)		
Series 2012 A		
5.00%, 11/15/23–11/15/26	9,840	11,943,780
Nassau Cnty NY GO		
4.00%, 10/01/13	2,090	2,127,118
5.00%, 4/01/20	2,050	2,449,566
Nassau Cnty NY Interim Fin Auth		
(Nassau Cnty NY Sales Tax)		
Series 2012A		
5.00%, 11/15/16	9,035	10,444,550
New York NY GO		
5.00%, 8/01/13–8/01/16	9,120	9,890,076
Series 2010B		
5.00%, 8/01/19	1,275	1,547,697
Series 2010H-2		
5.00%, 6/01/19	1,220	1,476,761
Series 2012I		
5.00%, 8/01/16	2,430	2,773,942
AMBAC		
5.00%, 8/01/15	2,860	3,160,271
New York NY IDA		
(Terminal One Group Assn)		
5.50%, 1/01/14	1,070	1,106,990
New York NY Mun Wtr Fin Auth		
5.00%, 6/15/26	$ 8,070	$ 9,570,294
Series FF		
5.00%, 6/15/25	500	593,835
New York NY Trnsl Fin Auth		
5.00%, 11/01/13–11/01/18	8,695	9,932,696
Series 2010I-2		
5.00%, 11/01/19	2,000	2,452,320
Series 2011D-1		
3.00%, 11/01/13	1,500	1,524,420
Series 2012B		
5.00%, 11/01/24	5,765	7,046,156
New York St Dormitory Auth		
(Fordham Univ)		
Series 2011B		
5.00%, 7/01/41	5,000	5,647,100
New York St Dormitory Auth		
(Mount Sinai Hospital)		
Series 2010A		
5.00%, 7/01/18	645	757,011
New York St Dormitory Auth		
(New York St Lease Svc Contract)		
5.00%, 7/01/13	2,205	2,230,909
Series 2009 A		
5.00%, 7/01/24	3,440	3,955,690
New York St Dormitory Auth		
(New York St Pers Income Tax)		
5.00%, 3/15/14–3/15/18	7,805	8,842,494
Series 2012		
5.00%, 12/15/21	2,100	2,621,619
Series 2012A		
5.00%, 12/15/25	1,970	2,388,034
New York St Dormitory Auth		
(State Univ of New York)		
Series 2012A		
5.00%, 7/01/26	1,965	2,343,125
New York St Loc Gov Asst Corp.		
5.00%, 4/01/13–4/01/16	5,910	6,410,116
Series 2011A		
5.00%, 4/01/14	2,000	2,095,120
New York St Thruway Auth		
(New York St Pers Income Tax)		
Series 2010A		
5.00%, 3/15/25	4,500	5,440,455
New York St Thruway Auth		
(New York St Thruway Auth Ded Tax)		
Series 2011A		
4.00%, 4/01/13	3,335	3,335,000
5.00%, 4/01/23	1,590	1,900,575
AGM Series 5B		
5.00%, 4/01/14	3,910	4,095,960
AMBAC		
Series 2005B		
5.50%, 4/01/ 20	2,400	3,017,040
New York St UDC		
(New York St Pers Income Tax)		
Series 2011A		
5.00%, 3/15/15	3,000	3,269,640

	Principal Amount (000)	U.S. $ Value
Port Authority of NY & NJ		
Series 2012		
4.00%, 12/01/14	$ 2,175	$ 2,306,740
NPFGC-RE		
5.00%, 12/01/13	3,100	3,196,348
XLCA		
5.00%, 10/01/19	1,000	1,108,630
Schenectady Cnty NY Cap Res		
(Ellis Hospital)		
1.75%, 2/15/18	1,785	1,794,139
Tobacco Settlement Fin Corp. NY		
(New York St Lease Tobacco		
Asset Sec)		
5.00%, 6/01/14	3,250	3,425,338
Triborough Brdg & Tunl Auth NY		
NPFGC		
5.50%, 11/15/20	5,200	6,563,596
Troy Res Corp.		
(Rensselaer Polytechnic Institute)		
Series 2010B		
5.00%, 9/01/19–9/01/20	1,540	1,841,982
Westchester Cnty Hlth Care Corp. NY		
Series 2010B		
5.00%, 11/01/13	1,520	1,556,799
		186,414,821
Arizona–0.8%		
Phoenix AZ Civic Impt Corp.		
(Phoenix AZ Civic Impt Airport)		
5.00%, 7/01/22	2,575	3,072,413
California–0.7%		
California Statewide CDA		
(California General Fund Obl)		
4.00%, 6/15/13	2,300	2,317,365
Series 2009		
5.00%, 6/15/13	100	100,955
		2,418,320
Colorado–1.6%		
Denver CO City & Cnty Arpt		
(Denver Intl Airport)		
5.75%, 11/15/20	3,150	3,922,664
Plaza Met Dist #1 CO		
5.00%, 12/01/22	600	658,758
Regional Trnsp Dist Co.		
(Denver Transit Partners)		
5.375%, 7/15/25	1,100	1,256,585
		5,838,007
District of Columbia–0.7%		
Metro Washington Arpt Auth VA		
5.00%, 10/01/21	2,100	2,450,532
Florida–3.0%		
Broward Cnty FL Sch Brd COP		
5.00%, 7/01/18	3,500	4,098,185

	Principal Amount (000)	U.S. $ Value
Citizens Ppty Ins Corp. FL		
Series 2010A		
5.00%, 6/01/13-6/01/16	$ 2,155	$ 2,304,497
Florida Brd of Ed Lottery		
Series 2010C		
5.00%, 7/01/18	170	202,927
Florida Hurricane Catastr Fd Fin Corp.		
Series 2010A		
5.00%, 7/01/16	1,885	2,143,245
Lee Cnty FL Port Auth Arpt		
(Southwest Florida Intl Airport)		
AGM		
Series 2010A		
5.00%, 10/01/17	1,710	1,949,999
Seminole Tribe of FL		
(Seminole Tribe of FL Gaming)		
5.125%, 10/01/17(a)	400	418,492
		11,117,345
Illinois–1.5%		
Illinois Finance Auth		
(Greenfields of Geneva)		
Series 2010C		
6.25%, 2/15/16	85	85,058
Illinois Finance Auth		
(Illinois Institute of Technology)		
5.00%, 4/01/18	475	490,447
Illinois Finance Auth		
(The Admiral at The Lake)		
6.00%, 5/15/17	255	255,569
Illinois GO		
5.00%, 8/01/15	2,320	2,529,032
Series 2010		
5.00%, 1/01/18	160	182,006
Illinois Sales Tax		
Series 2010		
5.00%, 6/15/20	1,685	2,071,825
		5,613,937
New Jersey–0.8%		
New Jersey Turnpike Auth		
(New Jersey Turnpike)		
AGM		
Series 2005D-3		
5.25%, 1/01/26	2,555	3,105,500
Pennsylvania–1.3%		
Philadelphia PA Parking Auth		
(Philadelphia Airport Parking)		
5.25%, 9/01/23	200	229,556
Pittsburgh-Allegheny PA Sprts-Exhib Auth		
(Pittsburgh-Allegheny Cnty PA Hotel		
Tax)		
AGM		
5.00%, 2/01/24	4,000	4,567,800
		4,797,356

	Principal Amount (000)	U.S. $ Value
Puerto Rico–2.2%		
Puerto Rico Elec Pwr Auth		
5.50%, 7/01/18	$ 1,350	$ 1,485,054
Series 2003NN		
5.50%, 7/01/20	1,660	1,820,621
Series 2010ZZ		
5.25%, 7/01/22	705	742,224
Puerto Rico GO		
NPFGC		
5.50%, 7/01/16	1,945	2,076,774
Puerto Rico Pub Bldgs Auth		
(Puerto Rico Go)		
5.75%, 7/01/20		
XLCA	1,715	1,862,696
5.25%, 7/01/13	100	100,831
		8,088,200
Tennessee–1.0%		
Memphis Shelby Cnty Arpt Auth		
TN		
(Memphis Intl Airport)		
4.00%, 7/01/13	3,595	3,627,894
Washington–0.7%		
Port of Seattle WA		
5.00%, 2/01/21	2,300	2,766,210
Total Municipal Obligations (cost $229,530,131)		239,310,535

	Shares	
INVESTMENT COMPANIES–5.8%		
Funds and Investment Trusts–5.8%		
AllianceBernstein Pooling Portfolios–Multi-Asset Real Return Portfolio	1,032,406	8,971,604
iShares MSCI Emerging Markets Index Fund	181,053	7,745,447
SPDR S&P 500 ETF Trust	30,674	4,802,015
Total Investment Companies (cost $21,553,281)		21,519,066

	Principal Amount (000)	U.S. $ Value
CORPORATES—INVESTMENT GRADES–2.4%		
Financial Institutions–1.7%		
Banking–1.4%		
Bank of America Corp.		
1.50%, 10/09/15	$ 1,406	1,410,644
Capital One Financial Corp.		
2.125%, 7/15/14	620	629,697
Citigroup, Inc.		
2.65%, 3/02/15	1,212	1,245,472
Goldman Sachs Group, Inc. (The)		
5.50%, 11/15/14	584	625,388
JPMorgan Chase & Co.		
1.875%, 3/20/15	$ 1,275	$ 1,299,244
		5,210,445
Finance–0.3%		
General Electric Capital Corp.		
5.90%, 5/13/14	1,150	1,218,503
		6,428,948
Industrial–0.5%		
Consumer Cyclical—Automotive–0.1%		
Daimler Finance North America LLC		
6.50%, 11/15/13	610	632,518
Consumer Cyclical—Entertainment–0.2%		
Viacom, Inc.		
1.25%, 2/27/15	640	644,499
Consumer Non-Cyclical–0.2%		
Actavis, Inc.		
1.875%, 10/01/17	665	672,756
		1,949,773
Utility–0.2%		
Electric–0.2%		
Exelon Generation Co. LLC		
5.35%, 1/15/14	587	608,515
Total Corporates–Investment Grades (cost $8,869,932)		8,987,236

	Contracts	
OPTIONS PURCHASED—PUTS–0.3%		
Options on Funds and Investment Trusts–0.2%		
iShares MSCI Emerging Markets Index Expiration: Jun 2013, Exercise Price: $ 42.50(b)(c)	3,667	443,707
iShares MSCI EAFE Index Expiration: Jun 2013, Exercise Price: $ 57.00(b)(c)	2,710	277,775
		721,482
Options on Equity Indices–0.1%		
S&P 500 Index Expiration: Jun 2013, Exercise Price: $ 1,475.00(b)(c)	209	312,455
Total Options Purchased (cost $1,064,361)		1,033,937

Company	Shares	U.S. $ Value
SHORT-TERM INVESTMENTS–23.2%		
Investment Companies–21.5%		
AllianceBernstein Fixed-Income Shares, Inc.– Government STIF Portfolio, 0.12%(d) (cost $79,503,292)	79,503,292	$ 79,503,292

	Principal Amount (000)	U.S. $ Value
U.S. Treasury Bill–1.7%		
U.S. Treasury Bill Zero Coupon, 4/18/13–8/08/13 (cost $6,368,612)	$ 6,370	$ 6,368,612
Total Short-Term Investments (cost $85,871,904)		85,871,904
Total Investments—96.3% (cost $346,889,609)		356,722,678
Other assets less liabilities—3.7%		13,857,803
Net Assets—100.0%		**$ 370,580,481**

FUTURES CONTRACTS (see Note 3)

Type	Number of Contracts	Expiration Month	Original Value	Value at March 31, 2013	Unrealized Appreciation/ (Depreciation)
Purchased Contracts					
ASX SPI 200 Index Futures	14	June 2013	$ 1,841,959	$ 1,809,988	$ (31,971)
Euro Stoxx 50 Index Futures	238	June 2013	8,068,137	7,791,756	(276,381)
FTSE 100 Index Futures	56	June 2013	5,489,664	5,404,014	(85,650)
Hang Seng Index Futures	5	April 2013	720,636	718,707	(1,929)
MSCI Emerging Market Mini Futures	108	June 2013	5,671,294	5,547,960	(123,334)
Russell 2000 Mini Index Futures	25	June 2013	2,294,953	2,372,250	77,297
S&P 500 E Mini Index Futures	1,052	June 2013	80,010,910	82,198,020	2,187,110
S&P Mid Cap 400 E Mini Index Futures	41	June 2013	4,552,793	4,719,100	166,307
S&P TSE 60 Index Futures	7	June 2013	1,005,538	1,004,538	(1,000)
TOPIX Index Futures	68	June 2013	7,170,032	7,501,779	331,747
Sold Contracts					
U.S. T-Bond 30 Yr Futures	30	June 2013	4,275,399	4,334,063	(58,664)
U.S. T-Note 10 Yr (CBT) Futures	76	June 2013	9,937,638	10,030,812	(93,174)
					$2,090,358

FORWARD CURRENCY EXCHANGE CONTRACTS (see Note 3)

Counterparty	Contracts to Deliver (000)	In Exchange For (000)	Settlement Date	Unrealized Appreciation/ (Depreciation)
Barclays Bank PLC Wholesale	USD 372	EUR 285	5/15/13	$ (6,262)
Barclays Bank PLC Wholesale	USD 1,312	JPY 122,413	5/15/13	(11,024)
BNP Paribas SA	USD 1,430	JPY 136,448	5/15/13	19,620
Citibank NA	USD 1,621	GBP 1,033	5/15/13	(51,927)
Credit Suisse International	USD 812	CHF 767	5/15/13	(3,624)
Credit Suisse International	USD 1,363	GBP 903	5/15/13	8,809
Deutsche Bank AG London	USD 1,537	GBP 1,022	5/15/13	15,859
Goldman Sachs Capital Markets LP	USD 491	AUD 475	5/15/13	2,018
Goldman Sachs Capital Markets LP	USD 1,022	CHF 936	5/15/13	(35,730)
Goldman Sachs Capital Markets LP	USD 2,250	EUR 1,736	5/15/13	(24,118)
HSBC BankUSA	USD 1,147	CAD 1,146	5/15/13	(19,940)
Royal Bank of Scotland PLC	AUD 718	USD 735	5/15/13	(9,893)

Counterparty	Contracts to Deliver (000)	In Exchange For (000)	Settlement Date	Unrealized Appreciation/ (Depreciation)
Royal Bank of Scotland PLC	CHF 662	USD 722	5/15/13	$ 24,080
Royal Bank of Scotland PLC	EUR 1,446	USD 1,933	5/15/13	78,869
Royal Bank of Scotland PLC	GBP 798	USD 1,260	5/15/13	47,954
Royal Bank of Scotland PLC	JPY 122,413	USD 1,319	5/15/13	18,403
Royal Bank of Scotland PLC	USD 370	CHF 349	5/15/13	(1,801)
Royal Bank of Scotland PLC	USD 1,317	EUR 1,018	5/15/13	(11,944)
Royal Bank of Scotland PLC	USD 1,054	JPY 101,132	5/15/13	21,049
State Street Bank & Trust Co.	AUD 62	USD 64	5/15/13	(840)
State Street Bank & Trust Co.	CAD 57	USD 56	5/15/13	(535)
State Street Bank & Trust Co.	EUR 329	USD 440	5/15/13	17,836
State Street Bank & Trust Co.	JPY 8,971	USD 97	5/15/13	1,326
State Street Bank & Trust Co.	USD 64	AUD 62	5/15/13	159
State Street Bank & Trust Co.	USD 410	JPY 39,345	5/15/13	7,727
UBS AG	USD 2,515	EUR 1,877	5/15/13	(108,177)
Westpac Banking Corp.	USD 1,516	AUD 1,472	5/15/13	11,264
				$ (10,842)

CALL OPTIONS WRITTEN (see Note 3)

Description	Contracts	Exercise Price	Expiration Month	Premiums Received	U.S. $ Value
S&P 500 Index(c)	209	$1,750.00	December 2013	$ 123,115	$(201,685)

CREDIT DEFAULT SWAP CONTRACTS (see Note 3)

Swap Counterparty & Referenced Obligation	Fixed Rate (Pay) Receive	Implied Credit Spread at March 31, 2013	Notional Amount (000)	Market Value	Upfront Premiums Paid (Received)	Unrealized Appreciation/ (Depreciation)
Sale Contracts						
Barclays Bank PLC.:						
ITRAXX-XOVER Series 18 5 Year Index, 12/20/17*	5.00%	4.19%	EUR 2,295	$100,100	$ 56,001	$ 44,099
BNP Paribas:						
CDX-NAHY Series 19 5 Year Index, 12/20/17*	5.00	3.97	$ 3,382	147,258	47,870	99,388
BNP Paribas:						
ITRAXX-XOVER Series 18 5 Year Index, 12/20/17*	5.00	4.19	EUR 55	2,399	1,601	798
Deutsche Bank AG:						
CDX-NAHY Series 19 5 Year Index, 12/20/17*	5.00	3.97	$ 2,255	98,186	41,175	57,011
Goldman Sachs International:						
CDX-NAHY Series 19 5 Year Index, 12/20/17*	5.00	3.97	473	20,596	8,648	11,948
				$368,539	***$155,295***	***$213,244***

* Termination date

TOTAL RETURN SWAP CONTRACTS (See Note 3)

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	MSCI AC World Daily TR Net Ex USA USD	35,393	0.34%	$5,620	5/15/13	Deutsche Bank AG	$ 665,126
Receive	MSCI Daily TR Gross Ex USA USD	62	0.51%	24	8/15/13	Goldman Sachs International	4,375
Receive	MSCI Daily TR Gross Ex USA USD	18,139	0.61%	8,507	1/15/14	JPMorgan Chase Bank, NA	(148,138)
							$ 521,363

(a) Security is exempt from registration under Rule 144A of the Securities Act of 1933. This security is considered liquid and may be resold in transactions exempt from registration, normally to qualified institutional buyers. At March 31, 2013, the market value of this security amounted to $418,492 or 0.1% of net assets.
(b) Non-income producing security.
(c) One contract relates to 100 shares.
(d) Investment in affiliated money market mutual fund. The rate shown represents the 7-day yield as of period end.

As of March 31, 2013, the Fund held 13.0% of net assets in insured bonds (of this amount 0.0% represents the Fund's holding in pre-refunded or escrowed to maturity bonds).

Currency Abbreviations:
AUD—Australian Dollar
CAD— Canadian Dollar
CHF—Swiss Franc
EUR—Euro
GBP—Great British Pound
JPY—Japanese Yen
USD—United States Dollar

Glossary:
AC—All Country
AGM—Assured Guaranty Municipal
AMBAC—Ambac Assurance Corporation
ASX—Australian Stock Exchange
CBT—Chicago Board of Trade
CDA—Community Development Authority
CDX-NAHY—North American High Yield Credit Default Swap Index
COP—Certificate of Participation
EAFE—Europe, Australia, and Far East
FTSE—Financial Times Stock Exchange
GO—General Obligation
IDA—Industrial Development Authority/Agency
MSCI—Morgan Stanley Capital International
NPFGC—National Public Finance Guarantee Corporation
NPFGC-RE—National Public Finance Guarantee Corporation Reinsuring Financial Guaranty Insurance Company
TOPIX—Tokyo Price Index
TSE—Tokyo Stock Exchange
UDC—Urban Development Corporation
XLCA—XL Capital Assurance Inc.

See notes to financial statements.

Statement of Assets and Liabilities—*March 31, 2013 (Unaudited)*

	Overlay A Portfolio	Tax-Aware Overlay A Portfolio	Overlay B Portfolio
ASSETS			
Investments in securities at value			
Unaffiliated issuers	$1,151,192,749	$2,474,638,849	$ 789,094,279
Affiliated issuers **(a)**	399,083,496	590,388,707	242,381,891
Foreign currencies, at value (cost $1,081,269, $3,348,987 and $1,765,976)	1,079,049	3,338,184	1,742,179
Cash in bank **(b)**	117,695	711,459	14,739,058
Receivables:			
Dividends and interest	2,214,272	4,619,440	6,594,079
Investment securities sold and foreign currency transactions	5,524,985	13,759,316	7,700,755
Foreign withholding tax reclaims	169,129	410,904	952
Capital shares sold	1,370,176	6,671,538	605,261
Margin due from broker on futures contracts	0	551,448	798,007
Premium paid on credit default swap agreements	959,652	1,431,734	320,359
Unrealized appreciation of credit default swap contracts	2,429,915	2,308,588	920,441
Unrealized appreciation of forward currency exchange contracts	6,059,118	14,563,896	5,551,471
Total assets	**1,570,200,236**	**3,113,394,063**	**1,070,448,732**
LIABILITIES			
Due to custodian	0	0	1,376
Options written, at value (premium received $1,321,380, $2,559,267 and $346,611, respectively)	2,166,425	4,195,820	568,385
Payables:			
Investment securities purchased and foreign currency transactions	9,858,559	17,876,707	8,082,302
Capital shares redeemed	1,210,058	5,884,958	1,126,507
Management fee	1,176,514	2,322,378	581,488
Margin owed to broker on futures contracts	387,184	0	0
Shareholder servicing fee	217,572	398,345	111,014
Transfer Agent fee	10,390	15,129	10,268
Accrued expenses	179,805	239,628	141,278
Unrealized depreciation of forward currency exchange contracts	5,007,767	13,056,032	2,096,011
Unrealized depreciation of total return swap contracts	152,896	0	445,478
Unrealized depreciation of credit default swap contracts	10,803	0	7,108
Collateral received from broker	1,910,000	2,710,000	940,000
Premium received on credit default swap contracts	680,502	0	485,629
Total liabilities	**22,968,475**	**46,698,997**	**14,596,844**
NET ASSETS	**$1,547,231,761**	**$3,066,695,066**	**$1,055,851,888**
Cost of investments			
Unaffiliated issuers	$1,034,371,927	$2,151,248,590	$ 788,987,064
Affiliated issuers	$ 401,469,932	$ 589,738,844	$ 242,769,504
NET ASSETS CONSIST OF:			
Capital stock, at par	$ 137,644	$ 264,768	$ 95,466
Additional paid-in capital	1,488,136,731	2,880,396,780	1,001,857,426
Undistributed net investment income/(distributions in excess of net investment income)	(181,478)	6,569,655	(20,511,701)
Accumulated net realized gain (loss) on investment and foreign currency transactions	(63,605,186)	(154,484,203)	65,464,499
Net unrealized appreciation/depreciation of:			
Investments, futures, swap and options written transactions	121,697,849	332,452,403	5,588,467
Foreign currency denominated assets and liabilities	1,046,201	1,495,663	3,357,731
	$1,547,231,761	**$3,066,695,066**	**$1,055,851,888**

(a) Includes investment of cash collateral of $1,910,000, $2,710,000 and $940,000, respectively, received from broker for OTC derivatives outstanding at March 31, 2013.
(b) An amount of $14,739,058 has been segregated to collateralize margin requirements for the open futures contracts outstanding at March 31, 2013 for the Overlay B Portfolio.
See Notes to Financial Statements.

	Overlay A Portfolio	Tax-Aware Overlay A Portfolio	Overlay B Portfolio
NET ASSET VALUE PER SHARE			
Class 1 Shares			
Net Assets	$1,289,615,548	$2,370,324,857	$872,368,311
Shares of capital stock outstanding	114,750,995	204,722,447	78,873,427
Net asset value, offering and redemption price per share	**$ 11.24**	**$ 11.58**	**$ 11.06**
Class 2 Shares			
Net Assets	$ 257,616,213	$ 696,370,209	$183,483,577
Shares of capital stock outstanding	22,892,689	60,045,084	16,592,871
Net asset value, offering and redemption price per share	**$ 11.25**	**$ 11.60**	**$ 11.06**

Statement of Assets and Liabilities—*March 31, 2013 (Unaudited)* *(continued)*

	Tax-Aware Overlay B Portfolio	Tax-Aware Overlay C Portfolio	Tax-Aware Overlay N Portfolio
ASSETS			
Investments in securities at value			
Unaffiliated issuers	$1,274,912,032	$323,482,053	$268,247,782
Affiliated issuers **(a)**	336,885,669	126,304,616	88,474,896
Cash in bank **(b)(c)**	33,214,916	8,990,856	7,405,429
Receivables:			
Dividends and interest	14,546,956	4,308,976	3,403,816
Capital shares sold	4,057,573	1,663,898	3,078,067
Margin due from broker on futures contracts	1,393,195	375,819	304,545
Premium paid on credit default swap agreements	703,315	182,912	155,295
Unrealized appreciation of total return swap contracts	3,081,212	881,168	669,501
Unrealized appreciation of credit default swap contracts	965,128	252,713	213,244
Unrealized appreciation of forward currency exchange contracts	1,182,669	326,198	274,974
Total assets	**1,670,942,665**	**466,769,209**	**372,227,549**
LIABILITIES			
Due to custodian	3,211	729	231
Options written, at value (premium received $547,922, $149,603 and $123,115, respectively)	898,415	245,110	201,685
Payables:			
Capital shares redeemed	3,252,599	91,613	99,329
Management fee	915,058	255,099	203,200
Shareholder servicing fee	145,519	36,805	39,379
Transfer Agent fee	8,998	3,199	3,162
Accrued expenses	131,650	69,480	66,128
Unrealized depreciation of forward currency exchange contracts	1,310,794	408,448	285,816
Unrealized depreciation of total return swap contracts	632,372	155,725	148,138
Collateral received from broker	4,420,000	1,180,000	600,000
Total liabilities	**11,718,616**	**2,446,208**	**1,647,068**
NET ASSETS	**$1,659,224,049**	**$464,323,001**	**$370,580,481**
Cost of investments			
Unaffiliated issuers	$1,219,698,638	$310,195,612	$258,428,419
Affiliated issuers	$ 336,821,442	$126,289,485	$ 88,461,190
NET ASSETS CONSIST OF:			
Capital stock, at par	$ 147,354	$ 41,320	$ 33,261
Additional paid-in capital	1,536,085,794	432,614,984	346,112,093
Undistributed net investment income	4,571,884	976,502	781,828
Accumulated net realized gain on investment and foreign currency transactions	50,788,732	13,820,533	11,084,692
Net unrealized appreciation/depreciation of:			
Investments, futures, swap and options written transactions	67,758,489	16,951,932	12,579,464
Foreign currency denominated assets and liabilities	(128,204)	(82,270)	(10,857)
	$1,659,224,049	**$464,323,001**	**$370,580,481**

(a) Includes investment of cash collateral of $4,420,000, $1,180,000 and $600,000, respectively, received from broker for OTC derivatives outstanding at March 31, 2013.
(b) Amounts of $24,848,916, $6,796,856 and $5,517,429, respectively, have been segregated to collateralize margin requirements for open futures contracts outstanding at March 31, 2013.
(c) Amounts of $8,366,000, $2,194,000 and $1,888,000, respectively, have been segregated to collateralize OTC derivatives outstanding at March 31, 2013.
See Notes to Financial Statements.

	Tax-Aware Overlay B Portfolio	Tax-Aware Overlay C Portfolio	Tax-Aware Overlay N Portfolio
NET ASSET VALUE PER SHARE			
Class 1 Shares			
Net Assets	$1,144,681,268	$289,588,547	$309,575,162
Shares of capital stock outstanding	101,701,392	25,779,902	27,793,351
Net asset value, offering and redemption price per share	**$ 11.26**	**$ 11.23**	**$ 11.14**
Class 2 Shares			
Net Assets	$ 514,542,781	$174,734,454	$ 61,005,319
Shares of capital stock outstanding	45,652,435	15,540,374	5,468,061
Net asset value, offering and redemption price per share	**$ 11.27**	**$ 11.24**	**$ 11.16**

Statement of Operations—*for the six months ended March 31, 2013 (Unaudited)*

	Overlay A Portfolio	Tax-Aware Overlay A Portfolio	Overlay B Portfolio
INVESTMENT INCOME			
Income:			
Interest	$ 10,042	$ 21,357	$ 5,967,218
Dividends			
Unaffiliated issuers (net of foreign withholding taxes of $286,747, $602,115 and $7,237, respectively)	11,265,239	22,417,158	613,198
Affiliated issuers	5,662,200	321,250	1,261,120
Total income	**16,937,481**	**22,759,765**	**7,841,536**
Expenses:			
Management fee (see Note 2A)	6,609,199	12,905,723	3,389,606
Shareholder servicing fee (see Note 2B)	1,225,295	2,214,147	643,460
Custodian fee	167,873	171,000	131,858
Transfer Agent fee—Class 1	30,990	41,902	30,208
Transfer Agent fee—Class 2	6,155	12,372	6,506
Auditing and tax fees	50,797	43,458	50,797
Registration fees	36,888	64,264	26,448
Directors' fees and expenses	28,684	56,000	21,235
Legal fees	16,519	32,126	11,936
Printing fees	8,129	11,424	7,952
Miscellaneous	45,498	69,127	23,238
Total expenses	**8,226,027**	**15,621,543**	**4,343,244**
Net investment income	**8,711,454**	**7,138,222**	**3,498,292**
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENT AND FOREIGN CURRENCY TRANSACTIONS			
Net realized gain on:			
Investment transactions **(a)**	14,009,669	8,847,517	11,013,778
Futures transactions	26,760,070	54,401,840	23,391,936
Options written	753,199	1,628,934	116,520
Swap transactions	7,454,902	5,866,163	4,025,112
Foreign currency transactions	4,172,670	13,307,078	27,695,784
Net realized gain on investment and foreign currency transactions	**53,150,510**	**84,051,532**	**66,243,130**
Net change in unrealized appreciation/depreciation of:			
Investments **(b)**	62,098,780	174,096,172	(43,313,607)
Futures transactions	8,665,097	7,575,937	9,024,533
Options written	(1,112,096)	(2,304,664)	(221,774)
Swap transactions	(625,928)	2,308,588	489,786
Foreign currency denominated assets and liabilities	(346,775)	1,894,815	2,987,201
Net change in unrealized appreciation/depreciation of investments and foreign currency denominated assets and liabilities	**68,679,078**	**183,570,848**	**(31,033,861)**
Net realized and unrealized gain on investment and foreign currency transactions	**121,829,588**	**267,622,380**	**35,209,269**
Contributions from Adviser (see Note 2A)	87	409	569
Net increase in net assets resulting from operations	**$130,541,129**	**$274,761,011**	**$ 38,708,130**

(a) Net of foreign capital gains taxes of $27,511, $63,852 and $512, respectively.
(b) Net of decrease in accrued foreign capital gains taxes of $6,174, $20,523 and $2,067, respectively.
See Notes to Financial Statements.

	Tax-Aware Overlay B Portfolio	Tax-Aware Overlay C Portfolio	Tax-Aware Overlay N Portfolio
INVESTMENT INCOME			
Income:			
Interest	$15,433,258	$ 3,835,520	$ 3,078,234
Dividends			
Unaffiliated issuers	394,603	93,546	90,660
Affiliated issuers	244,004	76,246	57,497
Total income	**16,071,865**	**4,005,312**	**3,226,391**
Expenses:			
Management fee (see Note 2A)	5,390,912	1,443,432	1,194,256
Shareholder servicing fee (see Note 2B)	846,727	207,579	231,086
Custodian fee	109,298	65,641	62,214
Transfer Agent fee—Class 1	21,533	6,733	9,304
Transfer Agent fee—Class 2	10,093	4,071	1,792
Registration fees	56,942	15,984	16,050
Auditing and tax fees	43,190	43,130	43,130
Directors' fees and expenses	33,958	8,690	7,548
Legal fees	19,056	5,126	4,076
Printing fees	6,856	1,168	1,460
Recoupment of previously reimbursed expenses	0	18,411	17,000
Miscellaneous	29,011	10,416	9,036
Total expenses	**6,567,576**	**1,830,381**	**1,596,952**
Net investment income	**9,504,289**	**2,174,931**	**1,629,439**
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENT AND FOREIGN CURRENCY TRANSACTIONS			
Net realized gain (loss) on:			
Investment transactions	(2,025,731)	(96,232)	(583,400)
Futures transactions	41,543,747	11,137,193	9,108,374
Options written	185,692	53,431	41,636
Swap transactions	7,346,785	1,834,545	1,702,403
Foreign currency transactions	787,825	154,132	182,613
Net realized gain on investment and foreign currency transactions	**47,838,318**	**13,083,069**	**10,451,626**
Net change in unrealized appreciation/depreciation of:			
Investments	(8,702,125)	(2,558,016)	(2,091,484)
Futures transactions	15,669,848	4,375,870	3,482,251
Options written	(350,493)	(95,507)	(78,570)
Swap transactions	326,617	159,732	22,384
Foreign currency denominated assets and liabilities	(1,658,951)	(472,251)	(351,339)
Net change in unrealized appreciation/depreciation of investments and foreign currency denominated assets and liabilities	**5,284,896**	**1,409,828**	**983,242**
Net realized and unrealized gain on investment and foreign currency transactions	**53,123,214**	**14,492,897**	**11,434,868**
Net increase in net assets resulting from operations	**$62,627,503**	**$16,667,828**	**$13,064,307**

See Notes to Financial Statements.

Statement of Changes in Net Assets

	Overlay A Portfolio		Tax-Aware Overlay A Portfolio	
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12
INCREASE (DECREASE) IN NET ASSETS FROM				
Operations:				
Net investment income	$ 8,711,454	$ 7,234,897	$ 7,138,222	$ 13,077,848
Net realized gain (loss) on investment and foreign currency transactions	53,150,510	(86,017,278)	84,051,532	(186,072,536)
Net change in unrealized appreciation/depreciation of investments and foreign currency denominated assets and liabilities	68,679,078	136,579,863	183,570,848	232,784,145
Contributions from Adviser (see Note 2A)	87	0	409	0
Net increase in net assets resulting from operations	**130,541,129**	**57,797,482**	**274,761,011**	**59,789,457**
Dividends and distributions to shareholders:				
Dividends from net investment income **(a)**	(10,934,484)	(15,204,350)	(11,579,810)	(6,399,825)
Distributions from net realized gain on investment transactions **(a)**	0	(111,774,055)	0	(101,210,870)
Total dividends and distributions to shareholders	**(10,934,484)**	**(126,978,405)**	**(11,579,810)**	**(107,610,695)**
Capital-share transactions				
Net proceeds from sales of shares	149,434,569	388,375,187	376,599,091	786,886,218
Net proceeds from sales of shares issued to shareholders on reinvestment of dividends and distributions	9,629,601	125,633,186	8,756,765	106,287,048
Total proceeds from shares sold	**159,064,170**	**514,008,373**	**385,355,856**	**893,173,266**
Cost of shares redeemed	(187,620,785)	(381,864,446)	(414,662,479)	(659,783,288)
Net increase (decrease) in net assets from capital-share transactions	**(28,556,615)**	**132,143,927**	**(29,306,623)**	**233,389,978**
Net increase in net assets	**91,050,030**	**62,963,004**	**233,874,578**	**185,568,740**
NET ASSETS:				
Beginning of period	**1,456,181,731**	**1,393,218,727**	**2,832,820,488**	**2,647,251,748**
End of period (b)	**$1,547,231,761**	**$1,456,181,731**	**$3,066,695,066**	**$2,832,820,488**
(b) Includes undistributed net investment income/(distributions in excess of net investment income) of:	$ (181,478)	$ 2,041,552	$ 6,569,655	$ 11,011,243

(a) See page 73 for share class information on dividend distributions for the Overlay A and Tax-Aware Overlay A Portfolios.
See Notes to Financial Statements.

	Overlay B Portfolio		Tax-Aware Overlay B Portfolio	
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12
INCREASE (DECREASE) IN NET ASSETS FROM				
Operations:				
Net investment income	$ 3,498,292	$ 7,161,289	$ 9,504,289	$ 16,098,868
Net realized gain on investment and foreign currency transactions	66,243,130	43,005,280	47,838,318	30,448,243
Net change in unrealized appreciation/depreciation of investments and foreign currency denominated assets	(31,033,861)	1,976,151	5,284,896	43,472,546
Contributions from Adviser (see Note 2A)	569	0	0	0
Net increase in net assets resulting from operations	**38,708,130**	**52,142,720**	**62,627,503**	**90,019,657**
Dividends and distributions to shareholders:				
Dividends from net investment income **(a)**	(13,398,142)	(21,902,507)	(16,836,939)	(12,741,012)
Distributions from net realized gain on investment transactions **(a)**	(17,023,705)	(8,152,070)	(10,412,955)	(6,919,875)
Total dividends and distributions to shareholders	**(30,421,847)**	**(30,054,577)**	**(27,249,894)**	**(19,660,887)**
Capital-share transactions				
Net proceeds from sales of shares	128,440,209	351,787,200	205,367,435	509,309,823
Net proceeds from sales of shares issued to shareholders on reinvestment of dividends and distributions	28,084,118	27,718,372	22,742,041	17,531,014
Total proceeds from shares sold	**156,524,327**	**379,505,572**	**228,109,476**	**526,840,837**
Cost of shares redeemed	(172,229,783)	(264,339,340)	(316,400,016)	(445,931,743)
Net increase (decrease) in net assets from capital-share transactions	**(15,705,456)**	**115,166,232**	**(88,290,540)**	**80,909,094**
Net increase (decrease) in net assets	**(7,419,173)**	**137,254,375**	**(52,912,931)**	**151,267,864**
NET ASSETS:				
Beginning of period	**1,063,271,061**	**926,016,686**	**1,712,136,980**	**1,560,869,116**
End of period (b)	**$1,055,851,888**	**$1,063,271,061**	**$1,659,224,049**	**$1,712,136,980**
(b) Includes undistributed net investment income/(distributions in excess of net investment income) of:	$ (20,511,701)	$ (10,611,851)	$ 4,571,884	$ 11,904,534

(a) See page 73 for share class information on dividend distributions for the Overlay B and Tax-Aware Overlay B Portfolios.
See Notes to Financial Statements.

Statement of Changes in Net Assets *(continued)*

	Tax-Aware Overlay C Portfolio		Tax-Aware Overlay N Portfolio	
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12
INCREASE (DECREASE) IN NET ASSETS FROM				
Operations:				
Net investment income	$ 2,174,931	$ 3,777,185	$ 1,629,439	$ 2,861,548
Net realized gain on investment and foreign currency transactions	13,083,069	7,627,556	10,451,626	6,963,080
Net change in unrealized appreciation/depreciation of investments and foreign currency denominated assets and liabilities	1,409,828	11,602,396	983,242	8,993,849
Net increase in net assets resulting from operations	**16,667,828**	**23,007,137**	**13,064,307**	**18,818,477**
Dividends and distributions to shareholders:				
Dividends from net investment income **(a)**	(3,850,926)	(3,004,313)	(2,820,855)	(2,487,769)
Distributions from net realized gain on investment transactions **(a)**	(2,502,478)	(1,450,089)	(2,658,810)	(1,491,811)
Total dividends and distributions to shareholders	**(6,353,404)**	**(4,454,402)**	**(5,479,665)**	**(3,979,580)**
Capital-share transactions				
Net proceeds from sales of shares	56,744,062	92,338,277	42,650,164	95,992,997
Net proceeds from sales of shares issued to shareholders on reinvestment of dividends and distributions	5,840,643	4,080,628	4,829,064	3,568,738
Total proceeds from shares sold	**62,584,705**	**96,418,905**	**47,479,228**	**99,561,735**
Cost of shares redeemed	(41,838,109)	(76,782,382)	(61,011,366)	(76,038,777)
Net increase (decrease) in net assets from capital-share transactions	**20,746,596**	**19,636,523**	**(13,532,138)**	**23,522,958**
Net increase (decrease) in net assets	**31,061,020**	**38,189,258**	**(5,947,496)**	**38,361,855**
NET ASSETS:				
Beginning of period	**433,261,981**	**395,072,723**	**376,527,977**	**338,166,122**
End of period (b)	**$464,323,001**	**$433,261,981**	**$370,580,481**	**$376,527,977**
(b) Includes undistributed net investment income of:	$ 976,502	$ 2,652,497	$ 781,828	$ 1,973,244

(a) See page 74 for share class information on dividend distributions for the Tax-Aware Overlay C and Tax-Aware Overlay N Portfolios.
See Notes to Financial Statements.

	Overlay A Portfolio		Tax-Aware Overlay A Portfolio	
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12
Dividends and Distributions to shareholders:				
Dividends from net investment income				
Class 1	$ (8,761,224)	$ (12,414,507)	$ (7,916,195)	$ (4,038,646)
Class 2	(2,173,260)	(2,789,843)	(3,663,615)	(2,361,179)
	$(10,934,484)	$ (15,204,350)	$(11,579,810)	$ (6,399,825)
Distributions from net realized gain on investment transactions				
Class 1	$ 0	$ (93,702,538)	$ 0	$ (77,887,028)
Class 2	0	(18,071,517)	0	(23,323,842)
	$ 0	$(111,774,055)	$ 0	$(101,210,870)

	Overlay B Portfolio		Tax-Aware Overlay B Portfolio	
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12
Dividends and Distributions to shareholders:				
Dividends from net investment income				
Class 1	$(10,796,963)	$ (18,327,566)	$(10,995,194)	$ (7,997,860)
Class 2	(2,601,179)	(3,574,941)	(5,841,745)	(4,743,152)
	$(13,398,142)	$ (21,902,507)	$(16,836,939)	$ (12,741,012)
Distributions from net realized gain on investment transactions				
Class 1	$(14,137,031)	$ (6,882,188)	$ (7,061,134)	$ (4,598,758)
Class 2	(2,886,674)	(1,269,882)	(3,351,821)	(2,321,117)
	$(17,023,705)	$ (8,152,070)	$(10,412,955)	$ (6,919,875)

See Notes to Financial Statements.

Statement of Changes in Net Assets *(continued)*

	Tax-Aware Overlay C Portfolio		Tax-Aware Overlay N Portfolio	
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12
Dividends and Distributions to shareholders:				
Dividends from net investment income				
Class 1	$(2,263,700)	$(1,721,770)	$(2,327,337)	$(2,066,939)
Class 2	(1,587,226)	(1,282,543)	(493,518)	(420,830)
	$(3,850,926)	$(3,004,313)	$(2,820,855)	$(2,487,769)
Distributions from net realized gain on investment transactions				
Class 1	$(1,550,142)	$ (896,263)	$(2,243,216)	$(1,274,140)
Class 2	(952,336)	(553,826)	(415,594)	(217,671)
	$(2,502,478)	$(1,450,089)	$(2,658,810)	$(1,491,811)

See Notes to Financial Statements.

Financial Highlights

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

	Overlay A Portfolio			
	Class 1			
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Year Ended 9/30/11	2/08/10[a] to 9/30/10
Net asset value, beginning of period	**$10.37**	**$10.94**	**$10.87**	**$10.00**
Income from investment operations:				
Investment income, net†	0.06	0.05	0.03	0.02 **(b)**
Net realized and unrealized gain on investment and foreign currency transactions	0.89	0.36	0.25	0.85
Contributions from Adviser	0.00 **(c)**	0	0	0
Total from investment operations	**0.95**	**0.41**	**0.28**	**0.87**
Less dividends and distributions:				
Dividends from taxable net investment income	(0.08)	(0.11)	(0.05)	0
Distributions from net realized gain on investment transactions	0	(0.87)	(0.16)	0
Total dividends and distributions	**(0.08)**	**(0.98)**	**(0.21)**	**0**
Net asset value, end of period	**$11.24**	**$10.37**	**$10.94**	**$10.87**
Total return (d)	**9.18%**	**4.08%**	**2.51%**	**8.70%**
RATIOS/SUPPLEMENTAL DATA				
Net assets, end of period (000 omitted)	$1,289,616	$1,218,127	$1,178,056	$763,900
Average net assets (000 omitted)	$1,228,661	$1,215,244	$1,029,460	$384,476
Ratio to average net assets of:				
Expenses, net of waivers/reimbursements	1.15% *	1.16%	1.17%	1.20% ***(e)**
Expenses, before waivers/reimbursement	1.15% *	1.16%	1.17%	1.27% ***(e)**
Net investment income	1.16% *	0.47%	0.29%	0.26% ***(b)(e)**
Portfolio turnover rate	100%	99%	70%	29%

See Footnote Summary on page 86.
See Notes to Financial Statements.

Financial Highlights *(continued)*

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

	Overlay A Portfolio			
	Class 2			
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Year Ended 9/30/11	2/08/10[a] to 9/30/10
Net asset value, beginning of period	**$10.39**	**$10.96**	**$10.88**	**$10.00**
Income from investment operations:				
Investment income, net†	0.07	0.07	0.06	0.03 **(b)**
Net realized and unrealized gain on investment and foreign currency transactions	0.89	0.36	0.24	0.85
Contributions from Adviser	0.00 **(c)**	0	0	0
Total from investment operations	**0.96**	**0.43**	**0.30**	**0.88**
Less dividends and distributions:				
Dividends from taxable net investment income	(0.10)	(0.13)	(0.06)	0
Distributions from net realized gain on investment transactions	0	(0.87)	(0.16)	0
Total dividends and distributions	**(0.10)**	**(1.00)**	**(0.22)**	**0**
Net asset value, end of period	**$11.25**	**$10.39**	**$10.96**	**$10.88**
Total return (d)	**9.29%**	**4.26%**	**2.72%**	**8.80%**
RATIOS/SUPPLEMENTAL DATA				
Net assets, end of period (000 omitted)	$257,616	$238,054	$215,163	$103,467
Average net assets (000 omitted)	$244,085	$238,644	$168,369	$51,153
Ratio to average net assets of:				
Expenses, net of waivers/reimbursements	0.95% *	0.96%	0.97%	1.00% ***(e)**
Expenses, before waivers/reimbursement	0.95% *	0.96%	0.97%	1.10% ***(e)**
Net investment income	1.33% *	0.66%	0.51%	0.42% ***(b)(e)**
Portfolio turnover rate	100%	99%	70%	29%

See Footnote Summary on page 86.
See Notes to Financial Statements.

	Tax-Aware Overlay A Portfolio			
	Class 1			
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Year Ended 9/30/11	2/08/10[a] to 9/30/10
Net asset value, beginning of period	**$10.57**	**$10.75**	**$10.74**	**$10.00**
Income from investment operations:				
Investment income (loss), net†	0.02	0.04	0.03	(0.00) **(b)(c)**
Net realized and unrealized gain on investment and foreign currency transactions	1.03	0.21	0.12	0.74
Contributions from Adviser	0.00 **(c)**	0	0.00 **(c)**	0
Total from investment operations	**1.05**	**0.25**	**0.15**	**0.74**
Less dividends and distributions:				
Dividends from taxable net investment income	(0.04)	(0.02)	0	0
Distributions from net realized gain on investment transactions	0	(0.41)	(0.14)	0
Total dividends and distributions	**(0.04)**	**(0.43)**	**(0.14)**	**0**
Net asset value, end of period	**$11.58**	**$10.57**	**$10.75**	**$10.74**
Total return (d)	**9.96%**	**2.38%**	**1.33%**	**7.40%**
RATIOS/SUPPLEMENTAL DATA				
Net assets, end of period (000 omitted)	$2,370,325	$2,183,824	$2,039,576	$1,358,482
Average net assets (000 omitted)	$2,220,230	$2,171,291	$1,888,892	$671,456
Ratio to average net assets of:				
Expenses, net of waivers/reimbursements	1.13% *	1.14%	1.14%	1.20% ***(e)**
Expenses, before waivers/reimbursement	1.13% *	1.14%	1.14%	1.23% ***(e)**
Net investment income (loss)	0.45% *	0.42%	0.24%	(0.01)% ***(b)(e)**
Portfolio turnover rate	88%	86%	71%	37%

See Footnote Summary on page 86.
See Notes to Financial Statements.

Financial Highlights *(continued)*

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

	Tax-Aware Overlay A Portfolio			
	Class 2			
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Year Ended 9/30/11	2/08/10[a] to 9/30/10
Net asset value, beginning of period	**$10.60**	**$10.78**	**$10.76**	**$10.00**
Income from investment operations:				
Investment income, net†	0.04	0.07	0.05	0.01 **(b)**
Net realized and unrealized gain on investment and foreign currency transactions	1.02	0.20	0.12	0.75
Contributions from Adviser	0.00 **(c)**	0	0.00 **(c)**	0
Total from investment operations	**1.06**	**0.27**	**0.17**	**0.76**
Less dividends and distributions:				
Dividends from taxable net investment income	(0.06)	(0.04)	(0.01)	0
Distributions from net realized gain on investment transactions	0	(0.41)	(0.14)	0
Total dividends and distributions	**(0.06)**	**(0.45)**	**(0.15)**	**0**
Net asset value, end of period	**$11.60**	**$10.60**	**$10.78**	**$10.76**
Total return (d)	**10.06%**	**2.57%**	**1.51%**	**7.60%**
RATIOS/SUPPLEMENTAL DATA				
Net assets, end of period (000 omitted)	$696,370	$648,996	$607,676	$347,555
Average net assets (000 omitted)	$655,587	$653,109	$531,588	$160,224
Ratio to average net assets of:				
Expenses, net of waivers/reimbursements	0.93% *	0.94%	0.95%	1.00% ***(e)**
Expenses, before waivers/reimbursement	0.93% *	0.94%	0.95%	1.04% ***(e)**
Net investment income	0.65% *	0.62%	0.45%	0.19% ***(b)(e)**
Portfolio turnover rate	88%	86%	71%	37%

See Footnote Summary on page 86.
See Notes to Financial Statements.

	Overlay B Portfolio			
	Class 1			
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Year Ended 9/30/11	2/08/10 [a] to 9/30/10
Net asset value, beginning of period	**$ 10.98**	**$ 10.75**	**$ 10.83**	**$ 10.00**
Income from investment operations:				
Investment income, net†	0.04	0.07	0.11	0.06 **(b)**
Net realized and unrealized gain on investment and foreign currency transactions	0.36	0.50	0.17	0.77
Contributions from Adviser	0.00 **(c)**	0	0	0.00 **(c)**
Total from investment operations	**0.40**	**0.57**	**0.28**	**0.83**
Less dividends and distributions:				
Dividends from taxable net investment income	(0.14)	(0.25)	(0.08)	0
Distributions from net realized gain on investment transactions	(0.18)	(0.09)	(0.28)	0
Total dividends and distributions	**(0.32)**	**(0.34)**	**(0.36)**	**0**
Net asset value, end of period	**$ 11.06**	**$ 10.98**	**$ 10.75**	**$ 10.83**
Total return (d)	**3.75%**	**5.39%**	**2.66%**	**8.30%**
RATIOS/SUPPLEMENTAL DATA				
Net assets, end of period (000 omitted)	$872,368	$861,886	$780,228	$557,549
Average net assets (000 omitted)	$860,303	$841,055	$711,857	$278,747
Ratio to average net assets of:				
Expenses, net of waivers/reimbursements	0.86% *	0.87%	0.87%	0.90% ***(e)**
Expenses, before waivers/reimbursement	0.86% *	0.87%	0.87%	0.98% ***(e)**
Net investment income	0.65% *	0.68%	1.02%	0.92% ***(b)(e)**
Portfolio turnover rate	88%	111%	98%	38%

See Footnote Summary on page 86.
See Notes to Financial Statements.

Financial Highlights *(continued)*

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

	Overlay B Portfolio			
	Class 2			
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Year Ended 9/30/11	2/08/10[(a)] to 9/30/10
Net asset value, beginning of period	**$10.99**	**$10.76**	**$10.83**	**$10.00**
Income from investment operations:				
Investment income, net†	0.04	0.09	0.13	0.07 **(b)**
Net realized and unrealized gain on investment and foreign currency transactions	0.38	0.49	0.17	0.76
Contributions from Adviser	0.00 **(c)**	0	0	0.00 **(c)**
Total from investment operations	**.42**	**.58**	**.30**	**.83**
Less dividends and distributions:				
Dividends from taxable net investment income	(0.17)	(0.26)	(0.09)	0
Distributions from net realized gain on investment transactions	(0.18)	(0.09)	(0.28)	0
Total dividends and distributions	**(0.35)**	**(0.35)**	**(0.37)**	**0**
Net asset value, end of period	**$11.06**	**$10.99**	**$10.76**	**$10.83**
Total return (d)	**3.89%**	**5.53%**	**2.85%**	**8.30%**
RATIOS/SUPPLEMENTAL DATA				
Net assets, end of period (000 omitted)	$183,484	$201,385	$145,789	$84,559
Average net assets (000 omitted)	$185,518	$178,148	$127,585	$43,708
Ratio to average net assets of:				
Expenses, net of waivers/reimbursements	0.71% *	0.72%	0.73%	0.75%* **(e)**
Expenses, before waivers/reimbursement	0.71% *	0.72%	0.73%	0.86%* **(e)**
Net investment income	0.78% *	0.82%	1.18%	1.06%* **(b)(e)**
Portfolio turnover rate	88%	111%	98%	38%

See Footnote Summary on page 86.
See Notes to Financial Statements.

	Tax-Aware Overlay B Portfolio			
	Class 1			
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Year Ended 9/30/11	2/08/10[a] to 9/30/10
Net asset value, beginning of period	**$11.01**	**$10.55**	**$10.62**	**$10.00**
Income from investment operations:				
Investment income, net†	0.06	0.10	0.08	0.02 **(b)**
Net realized and unrealized gain on investment and foreign currency transactions	0.37	0.49	0.20	0.60
Total from investment operations	**0.43**	**0.59**	**0.28**	**0.62**
Less dividends and distributions:				
Dividends from taxable net investment income	(0.11)	(0.08)	(0.03)	0
Distributions from net realized gain on investment transactions	(0.07)	(0.05)	(0.32)	0
Total dividends and distributions	**(0.18)**	**(0.13)**	**(0.35)**	**0**
Net asset value, end of period	**$11.26**	**$11.01**	**$10.55**	**$10.62**
Total return (d)	**3.95%**	**5.60%**	**2.61%**	**6.20%**
RATIOS/SUPPLEMENTAL DATA				
Net assets, end of period (000 omitted)	$1,144,681	$1,143,322	$1,033,989	$660,484
Average net assets (000 omitted)	$1,117,359	$1,117,359	$878,207	$333,447
Ratio to average net assets of:				
Expenses, net of waivers/reimbursements	0.85% *	0.84%	0.86%	0.90% ***(e)**
Expenses, before waivers/reimbursement	0.85% *	0.84%	0.86%	0.97% ***(e)**
Net investment income	1.11% *	0.91%	0.71%	0.40% ***(b)(e)**
Portfolio turnover rate	34%	21%	15%	26%

See Footnote Summary on page 86.
See Notes to Financial Statements.

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

	Tax-Aware Overlay B Portfolio			
	Class 2			
	Six Months Ended 3/31/13 (unaudited)	Year Ended 9/30/12	Year Ended 9/30/11	2/08/10[(a)] to 9/30/10
Net asset value, beginning of period	**$11.03**	**$10.57**	**$10.63**	**$10.00**
Income from investment operations:				
Investment income, net†	0.07	0.12	0.09	0.03 **(b)**
Net realized and unrealized gain on investment and foreign currency transactions	0.36	0.48	0.20	0.60
Total from investment operations	**0.43**	**0.60**	**0.29**	**0.63**
Less dividends and distributions:				
Dividends from taxable net investment income	(0.12)	(0.09)	(0.03)	0
Distributions from net realized gain on investment transactions	(0.07)	(0.05)	(0.32)	0
Total dividends and distributions	**(0.19)**	**(0.14)**	**(0.35)**	**0**
Net asset value, end of period	**$11.27**	**$11.03**	**$10.57**	**$10.63**
Total return (d)	**3.97%**	**5.73%**	**2.80%**	**6.30%**
RATIOS/SUPPLEMENTAL DATA				
Net assets, end of period (000 omitted)	$514,543	$568,815	$526,880	$297,618
Average net assets (000 omitted)	$558,652	$558,652	$443,050	$136,271
Ratio to average net assets of:				
Expenses, net of waivers/reimbursements	0.66% *	0.69%	0.71%	0.75% * **(e)**
Expenses, before waivers/reimbursement	0.66% *	0.69%	0.71%	0.84% * **(e)**
Net investment income	1.19% *	1.06%	0.86%	0.55% * **(b)(e)**
Portfolio turnover rate	34%	21%	15%	26%

See Footnote Summary on page 86.
See Notes to Financial Statements.

	Tax-Aware Overlay C Portfolio			
	Class 1			
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Year Ended 9/30/11	2/08/10[a] to 9/30/10
Net asset value, beginning of period	**$10.98**	**$10.50**	**$10.66**	**$10.00**
Income from investment operations:				
Investment income, net†	0.05	0.09	0.07	0.02 **(b)**
Net realized and unrealized gain on investment and foreign currency transactions	0.36	0.50	0.15	0.64
Total from investment operations	**0.41**	**0.59**	**0.22**	**0.66**
Less dividends and distributions:				
Dividends from taxable net investment income	(0.10)	(0.07)	(0.02)	0
Distributions from net realized gain on investment transactions	(0.06)	(0.04)	(0.36)	0
Total dividends and distributions	**(0.16)**	**(0.11)**	**(0.38)**	**0**
Net asset value, end of period	**$11.23**	**$10.98**	**$10.50**	**$10.66**
Total return (d)	**3.73%**	**5.67%**	**2.13%**	**6.60%**
RATIOS/SUPPLEMENTAL DATA				
Net assets, end of period (000 omitted)	$289,589	$272,315	$243,235	$171,603
Average net assets (000 omitted)	$277,533	$262,729	$219,646	$87,845
Ratio to average net assets of:				
Expenses, net of waivers/reimbursements	0.88% *	0.89%	0.89%	0.90% * **(e)**
Expenses, before waivers/reimbursement	0.88% *	0.89%	0.89%	1.06% * **(e)**
Net investment income	0.92% *	0.83%	0.62%	0.32% * **(b)(e)**
Portfolio turnover rate	34%	19%	13%	33%

See Footnote Summary on page 86.
See Notes to Financial Statements.

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

	Tax-Aware Overlay C Portfolio			
	Class 2			
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Year Ended 9/30/11	2/08/10[a] to 9/30/10
Net asset value, beginning of period	**$10.99**	**$10.51**	**$10.67**	**$10.00**
Income from investment operations:				
Investment income, net†	0.06	0.11	0.08	0.03 **(b)**
Net realized and unrealized gain on investment and foreign currency transactions	0.36	0.50	0.15	0.64
Total from investment operations	**0.42**	**0.61**	**0.23**	**0.67**
Less dividends and distributions:				
Dividends from taxable net investment income	(0.11)	(0.09)	(0.03)	0
Distributions from net realized gain on investment transactions	(0.06)	(0.04)	(0.36)	0
Total dividends and distributions	**(0.17)**	**(0.13)**	**(0.39)**	**0**
Net asset value, end of period	**$11.24**	**$10.99**	**$10.51**	**$10.67**
Total return (d)	**3.85%**	**5.81%**	**2.21%**	**6.70%**
RATIOS/SUPPLEMENTAL DATA				
Net assets, end of period (000 omitted)	$174,734	$160,947	$151,838	$68,459
Average net assets (000 omitted)	$167,820	$162,199	$100,484	$35,401
Ratio to average net assets of:				
Expenses, net of waivers/reimbursements	0.73% *	0.74%	0.74%	0.75% * **(e)**
Expenses, before waivers/reimbursement	0.73% *	0.74%	0.74%	0.96% * **(e)**
Net investment income	1.07% *	0.98%	0.79%	0.47% * **(b)(e)**
Portfolio turnover rate	34%	19%	13%	33%

See Footnote Summary on page 86.
See Notes to Financial Statements.

	Tax-Aware Overlay N Portfolio			
	Class 1			
	Six Months Ended 3/31/13 (unaudited)	Year Ended 9/30/12	Year Ended 9/30/11	2/08/10[a] to 9/30/10
Net asset value, beginning of period	**$10.91**	**$10.47**	**$10.63**	**$10.00**
Income from investment operations:				
Investment income, net†	0.05	0.08	0.06 (b)	0.01 (b)
Net realized and unrealized gain on investment and foreign currency transactions	0.34	0.48	0.17	0.62
Total from investment operations	**0.39**	**0.56**	**0.23**	**0.63**
Less dividends and distributions:				
Dividends from taxable net investment income	(0.08)	(0.07)	(0.02)	0
Distributions from net realized gain on investment transactions	(0.08)	(0.05)	(0.37)	0
Total dividends and distributions	**(0.16)**	**(0.12)**	**(0.39)**	**0**
Net asset value, end of period	**$11.14**	**$10.91**	**$10.47**	**$10.63**
Total return (d)	**3.64%**	**5.37%**	**2.20%**	**6.30%**
RATIOS/SUPPLEMENTAL DATA				
Net assets, end of period (000 omitted)	$309,575	$314,941	$290,436	$187,654
Average net assets (000 omitted)	$308,961	$309,928	$250,755	$93,386
Ratio to average net assets of:				
Expenses, net of waivers/reimbursements	0.89% *	0.89%	0.90%	0.90 % * **(e)**
Expenses, before waivers/reimbursement	0.89% *	0.89%	0.91%	1.08 % * **(e)**
Net investment income	0.86% *	0.75%	0.59% **(b)**	0.18 % * **(b)(e)**
Portfolio turnover rate	40%	29%	14%	39%

See Footnote Summary on page 86.
See Notes to Financial Statements.

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

	Tax-Aware Overlay N Portfolio			
	Class 2			
	Six Months Ended 3/31/13 (unaudited)	Year Ended 9/30/12	Year Ended 9/30/11	2/08/10[(a)] to 9/30/10
Net asset value, beginning of period	**$10.93**	**$10.49**	**$10.64**	**$10.00**
Income from investment operations:				
Investment income, net†	0.05	0.10	0.08 **(b)**	0.02 **(b)**
Net realized and unrealized gain on investment and foreign currency transactions	0.36	0.47	0.17	0.62
Total from investment operations	**0.41**	**0.57**	**0.25**	**0.64**
Less dividends and distributions:				
Dividends from taxable net investment income	(0.10)	(0.08)	(0.03)	0
Distributions from net realized gain on investment transactions	(0.08)	(0.05)	(0.37)	0
Total dividends and distributions	**(0.18)**	**(0.13)**	**(0.40)**	**0**
Net asset value, end of period	**$11.16**	**$10.93**	**$10.49**	**$10.64**
Total return (d)	**3.75%**	**5.50%**	**2.38%**	**6.40%**
RATIOS/SUPPLEMENTAL DATA				
Net assets, end of period (000 omitted)	$61,005	$61,587	$47,730	$32,066
Average net assets (000 omitted)	$59,512	$57,931	$41,437	$16,930
Ratio to average net assets of:				
Expenses, net of waivers/reimbursements	0.74% *	0.74%	0.75%	0.75 % * **(e)**
Expenses, before waivers/reimbursement	0.74% *	0.74%	0.76%	1.05 % * **(e)**
Net investment income	1.01% *	0.90%	0.73% **(b)**	0.33 % * **(b)(e)**
Portfolio turnover rate	40%	29%	14%	39%

* Annualized.
† Based on average shares outstanding.
(a) Commencement of operations.
(b) Net of fees waived/reimbursed by the Adviser.
(c) Amount is less than $.005.
(d) Total investment return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption on the last day of the period. Initial sales charges or contingent deferred sales charges are not reflected in the calculation of total investment return. Total return does not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. Total investment return calculated for a period of less than one year is not annualized.
(e) The ratio includes expenses attributable to costs of proxy solicitation.

See Notes to Financial Statements.

NOTE 1. Organization and Significant Accounting Policies

Sanford C. Bernstein Fund, Inc. (the "Fund") is a managed open-end registered investment company, incorporated in Maryland on May 4, 1988. The Fund operates as a series company currently comprised of 18 portfolios ("Portfolios") with the following share classes offered:

International Equity Portfolios	Share Classes Offered
International	International Class, Class A, Class B and Class C
Tax-Managed International	Tax-Managed International Class, Class A, Class B and Class C
Emerging Markets	Emerging Markets Class
Fixed Income Municipal Portfolios	
Short Duration New York Municipal	Short Duration New York Municipal Class
Short Duration California Municipal	Short Duration California Municipal Class
Short Duration Diversified Municipal	Short Duration Diversified Municipal Class
Intermediate Municipal Portfolios	
New York Municipal	Municipal Class, Class A, Class B and Class C
California Municipal	Municipal Class, Class A, Class B and Class C
Diversified Municipal	Municipal Class, Class A, Class B and Class C
Fixed Income Taxable Portfolios	
U.S. Government Short Duration	U.S. Government Short Duration Class
Short Duration Plus	Short Duration Plus Class, Class A, Class B and Class C
Intermediate Duration	Intermediate Duration Class
Overlay Portfolios*	
Overlay A	Class 1 and Class 2
Tax-Aware Overlay A	Class 1 and Class 2
Overlay B	Class 1 and Class 2
Tax-Aware Overlay B	Class 1 and Class 2
Tax-Aware Overlay C	Class 1 and Class 2
Tax-Aware Overlay N	Class 1 and Class 2

* The Overlay Portfolios commenced operations on February 8, 2010.

Each Portfolio has its own investment objectives. Each class of shares has identical voting, dividend, liquidation and other rights, except that with respect to the International Equity, Fixed Income Taxable and Fixed Income Municipal Portfolios, the classes bear different distribution and transfer agency expenses. Each class has exclusive voting rights with respect to its distribution plan, as applicable. The financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") which require management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and amounts of income and expenses during the reporting period. Actual results could differ from those estimates. This report relates only to the Overlay Portfolios. The following is a summary of significant accounting policies followed by the Fund.

A. Portfolio 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.

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

B. Fair Value Measurements

In accordance with U.S. GAAP regarding fair value measurements, fair value is defined as the price that the Portfolios would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes a framework for measuring fair value, and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset (including those valued based on their market values as described in Note A above) or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Portfolios. Unobservable inputs reflect the Portfolios' 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 Portfolios' 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 rate curves, coupon rates, currency 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.

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

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.

Valuations of mortgage-backed or other asset backed securities, by pricing vendors, are based on both proprietary and industry recognized models and discounted cash flow techniques. Significant inputs to the valuation of these instruments are value of the collateral, the rates and timing of delinquencies, the rates and timing of prepayments, and default and loss expectations, which are driven in part by housing prices for residential mortgages. Significant inputs are determined based on relative value analyses, which incorporate comparisons to instruments with similar collateral and risk profiles, including relevant indices. Mortgage and asset backed securities for which management has collected current observable data through pricing services are generally categorized within Level 2. Those investments for which current observable data has not been provided 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.

The following tables summarize the valuation of the Portfolios' investments by the above fair value hierarchy levels as of March 31, 2013:

Overlay A Portfolio Investments in Securities:	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Common Stocks:				
Financials	$113,673,179	$43,687,935	$ 0	$157,361,114
Information Technology	145,706,427	10,965,211	0	156,671,638
Consumer Discretionary	109,400,623	36,928,958	0	146,329,581
Health Care	99,371,852	15,215,680	0	114,587,532
Consumer Staples	86,766,041	23,993,612	0	110,759,653
Industrials	64,253,667	24,961,093	0	89,214,760
Energy	76,586,404	11,486,759	0	88,073,163
Materials	21,449,561	12,051,719	0	33,501,280
Telecommunication Services	9,445,247	9,918,922	0	19,364,169
Utilities	1,398,244	6,153,101	0	7,551,345

Overlay A Portfolio Investments in Securities:	Level 1	Level 2	Level 3	Total
Equity:Other	$ 747,524	$ 5,811,923	$ 0	$ 6,559,447
Residential	1,124,086	1,207,373	0	2,331,459
Retail	438,293	0	0	438,293
Lodging	434,678	0	0	434,678
Office	213,104	0	0	213,104
Investment Companies	364,541,839	0	0	364,541,839
Options Purchased—Puts	0	11,015,012	0	11,015,012
Warrants	105,745	235,369	8,623,841	8,964,955
Corporates—Non-Investment Grades	0	0	559,499	559,499
Rights	37,402	0	0	37,402
Short-Term Investments:				
Investment Companies	201,334,113	0	0	201,334,113
U.S. Treasury Bills	0	30,432,209	0	30,432,209
Total Investments in Securities	1,297,028,029	244,064,876+	9,183,340	1,550,276,245
Other Financial Instruments :**				
Assets:				
Futures Contracts	8,011,086	0	0	8,011,086 #
Forward Currency Exchange Contracts	0	6,059,118	0	6,059,118
Credit Default Swap Contracts	0	2,429,915	0	2,429,915
Liabilities:				
Futures Contracts	(2,163,283)	0	0	(2,163,283)#
Forward Currency Exchange Contracts	0	(5,007,767)	0	(5,007,767)
Call Options Written	0	(2,166,425)	0	(2,166,425)
Credit Default Swap Contracts	0	(10,803)	0	(10,803)
Total Return Swap Contracts	0	(152,896)	0	(152,896)
Total##	**$1,302,875,832**	**$ 245,216,018**	**$ 9,183,340**	**$1,557,275,190**

Tax-Aware Overlay A Portfolio Investments in Securities:	Level 1	Level 2	Level 3	Total
Assets:				
Common Stocks:				
Financials	$ 266,438,832	$ 135,796,467	$ 0	$ 402,235,299
Information Technology	342,722,135	28,753,338	0	371,475,473
Consumer Discretionary	263,199,627	91,645,914	0	354,845,541
Health Care	239,507,268	39,820,051	0	279,327,319
Consumer Staples	199,792,319	61,208,552	0	261,000,871
Industrials	149,511,085	56,874,819	0	206,385,904
Energy	176,077,754	29,742,444	0	205,820,198
Materials	55,994,933	30,495,886	0	86,490,819
Telecommunication Services	23,584,093	25,824,226	0	49,408,319
Utilities	3,379,952	15,691,832	0	19,071,784
Investment Companies	361,199,127	0	0	361,199,127
Warrants	265,487	598,503	21,968,111	22,832,101
Options Purchased—Puts	0	21,508,335	0	21,508,335
Corporates—Non-Investment Grades	0	0	1,404,690	1,404,690
Rights	95,093	0	0	95,093

Tax-Aware Overlay A Portfolio Investments in Securities:	Level 1	Level 2	Level 3	Total
Short-Term Investments:				
Investment Companies	$ 364,779,121	$ 0	$ 0	$ 364,779,121
U.S. Treasury Bills	0	57,147,562	0	57,147,562
Total Investments in Securities	2,446,546,826	595,107,929+	23,372,801	3,065,027,556
Other Financial Instruments :**				
Assets:				
Futures Contracts	12,785,941	0	0	12,785,941 #
Forward Currency Exchange Contracts	0	14,563,896	0	14,563,896
Credit Default Swap Contracts	0	2,308,588	0	2,308,588
Liabilities:				
Futures Contracts	(5,031,703)	0	0	(5,031,703)#
Forward Currency Exchange Contracts	0	(13,056,032)	0	(13,056,032)
Put Options Written	0	(4,195,820)	0	(4,195,820)
Total##	**$2,454,301,064**	**$ 594,728,561**	**$23,372,801**	**$3,072,402,426**

Overlay B Portfolio Investments in Securities:	Level 1	Level 2	LEVEL 3	TOTAL
Assets:				
Governments—Treasuries	$ 0	$ 500,886,072	$ 0	$ 500,886,072
Investment Companies	93,887,857	0	0	93,887,857
Corporates—Investment Grades	0	82,217,590	0	82,217,590
Governments—Sovereign Agencies	0	74,362,806	0	74,362,806
Agencies	0	22,426,055	0	22,426,055
Commercial Mortgage-Backed Securities	0	7,058,190	0	7,058,190
Local Governments—Provincial Bonds	0	7,053,836	0	7,053,836
Mortgage Pass-Throughs	0	5,858,700	0	5,858,700
Options Purchased—Puts	0	2,889,958	0	2,889,958
Inflation-Linked Securities	0	2,877,688	0	2,877,688
Quasi-Sovereigns	0	1,947,491	0	1,947,491
Covered Bonds	0	1,857,780	0	1,857,780
Common Stocks*	44,619	0	0	44,619
Short-Term Investments:			0	
Investment Companies	207,212,185	0	0	207,212,185
U.S. Treasury Bill	0	20,895,343	0	20,895,343
Total Investments in Securities	301,144,661	730,331,509	0	1,031,476,170
Other Financial Instruments :**				
Assets:				
Futures Contracts	7,412,933	0	0	7,412,933 #
Forward Currency Exchange Contracts	0	5,551,471	0	5,551,471
Credit Default Swap Contracts	0	920,441	0	920,441
Liabilities:				
Futures Contracts	(1,790,149)	0	0	(1,790,149)#
Forward Currency Exchange Contracts	0	(2,096,011)	0	(2,096,011)
Call Options Written	0	(568,385)	0	(568,385)
Credit Default Swap Contracts	0	(7,108)	0	(7,108)
Total Return Swap Contracts	0	(445,478)	0	(445,478)
Total++	**$ 306,767,445**	**$ 733,686,439**	**$ 0**	**$1,040,453,884**

Tax-Aware Overlay B Portfolio Investments in Securities:	Level 1	Level 2	Level 3	Total
Assets:				
Long-Term Municipal Bonds	$ 0	$1,090,523,852	$6,349,755	$1,096,873,607
Short-Term Municipal Notes	0	39,120,000	0	39,120,000
Investment Companies	97,051,497	0	0	97,051,497
Corporates—Investment Grades	0	45,692,592	0	45,692,592
Options Purchased—Puts	0	4,605,416	0	4,605,416
Short-Term Investments:				
Investment Companies	296,111,765	0	0	296,111,765
U.S. Treasury Bills	0	32,342,824	0	32,342,824
Total Investments in Securities	393,163,262	1,212,284,684	6,349,755	1,611,797,701
Other Financial Instruments :**				
Assets:				
Futures Contracts	12,455,950	0	0	12,455,950 #
Forward Currency Exchange Contracts	0	1,182,669	0	1,182,669
Credit Default Swap Contracts	0	965,128	0	965,128
Total Return Swap Contracts	0	3,081,212	0	3,081,212
Liabilities:				
Futures Contracts	(3,038,557)	0	0	(3,038,557)#
Forward Currency Exchange Contracts	0	(1,310,794)	0	(1,310,794)
Call Options Written	0	(898,415)	0	(898,415)
Total Return Swap Contracts	0	(632,372)	0	(632,372)
Total++	**$402,580,655**	**$1,214,672,112**	**$6,349,755**	**$1,623,602,522**

Tax-Aware Overlay C Portfolio Investment In Securities:	Level 1	Level 2	Level 3	Total
Assets:				
Long-Term Municipal Bonds	$ 0	$ 283,285,258	$1,964,688	$ 285,249,946
Investment Companies	24,852,982	0	0	24,852,982
Corporates—Investment Grades	0	13,722,139	0	13,722,139
Options Purchased—Puts	0	1,256,541	0	1,256,541
Short-Term Investments:				
Investment Companies	115,556,968	0	0	115,556,968
U.S. Treasury Bills	0	9,148,093	0	9,148,093
Total Investments in Securities	140,409,950	307,412,031	1,964,688	449,786,669
Other Financial Instruments :**				
Assets:				
Futures Contracts	3,472,699	0	0	3,472,699 #
Forward Currency Exchange Contracts	0	326,198	0	326,198
Credit Default Swap Contracts	0	252,713	0	252,713
Total Return Swap Contracts	0	881,168	0	881,168
Liabilities:				
Futures Contracts	(704,988)	0	0	(704,988)#
Forward Currency Exchange Contracts	0	(408,448)	0	(408,448)
Call Options Written	0	(245,110)	0	(245,110)
Total Return Swap Contracts	0	(155,725)	0	(155,725)
Total++	**$143,177,661**	**$ 308,062,827**	**$1,964,688**	**$ 453,205,176**

Tax-Aware Overlay N Portfolio Investments In Securities:	Level 1	Level 2	Level 3	Total
Assets:				
Long-Term Municipal Bonds	$ 0	$238,311,150	$999,385	$239,310,535
Investment Companies	21,519,066	0	0	21,519,066
Corporates—Investment Grades	0	8,987,236	0	8,987,236
Options Purchased—Puts	0	1,033,937	0	1,033,937
Short-Term Investments:				
Investment Companies	79,503,292	0	0	79,503,292
U.S. Treasury Bills	0	6,368,612	0	6,368,612
Total Investments in Securities	101,022,358	254,700,935	999,385	356,722,678
Other Financial Instruments :**				
Assets:				
Futures Contracts	2,762,461	0	0	2,762,461 #
Forward Currency Exchange Contracts	0	274,974	0	274,974
Credit Default Swap Contracts	0	213,244	0	213,244
Total Return Swap Contracts	0	669,501	0	669,501
Liabilities:				
Futures Contracts	(672,103)	0	0	(672,103)#
Forward Currency Exchange Contracts	0	(285,816)	0	(285,816)
Call Options Written	0	(201,685)	0	(201,685)
Total Return Swap Contracts	0	(148,138)	0	(148,138)
Total##	**$103,112,716**	**$255,223,015**	**$999,385**	**$359,335,116**

* See Portfolio of Investments for sector classifications.

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

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

\# 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 schedule of investments.

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

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

The Portfolios recognize 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.

Overlay A Portfolio	Warrants	Corporates - Non-Investment Grades	Total
Balance as of 9/30/12	**$10,615,830**	**$ 0**	**$10,615,830**
Accrued discounts/(premiums)	0	845	845
Realized gain (loss)	36,119	0	36,119
Change in unrealized appreciation/depreciation	523,178	(3,943)	519,235

Overlay A Portfolio	Warrants	Corporates - Non-Investment Grades	Total
Purchases	$ 4,573,551	$ 562,597	$ 5,136,148
Sales	(7,124,837)	0	(7,124,837)
Transfers in to Level 3	0	0	0
Transfers out of Level 3	0	0	0
Balance as of 3/31/13	**$ 8,623,841**	**$ 559,499**	**$ 9,183,340**
Net change in unrealized appreciation/depreciation from Investments held as of 3/31/13*	$ 530,492	$ (3,943)	$ 526,549

Tax-Aware Overlay A Portfolio	Warrants	Corporates- Non-Investment Grades	Total
Balance as of 9/30/12	**$ 26,431,846**	**$ 0**	**$ 26,431,846**
Accrued discounts/(premiums)	0	2,122	2,122
Realized gain (loss)	1,045,200	0	1,045,200
Change in unrealized appreciation/depreciation	316,099	(9,899)	306,200
Purchases	11,718,969	1,412,467	13,131,436
Sales	(17,544,003)	0	(17,544,003)
Transfers in to Level 3	0	0	0
Transfers out of Level 3	0	0	0
Balance as of 3/31/13	**$ 21,968,111**	**$ 1,404,690**	**$ 23,372,801**
Net change in unrealized appreciation/depreciation from Investments held as of 3/31/13*	$ 418,422	$ (9,899)	$ 408,523

Tax-Aware Overlay B Portfolio	Long-Term Municipal Bonds	Total
Balance as of 9/30/12	**$ 7,332,514**	**$ 7,332,514**
Accrued discounts/(premiums)	3,427	3,427
Realized gain (loss)	26,110	26,110
Change in unrealized appreciation/depreciation	(25,236)	(25,236)
Purchases	1,112,940	1,112,940
Sales	(2,100,000)	(2,100,000)
Transfers in to Level 3	0	0
Transfers out of Level 3	0	0
Balance as of 3/31/13	**$ 6,349,755**	**$ 6,349,755**
Net change in unrealized appreciation/depreciation from Investments held as of 3/31/13*	$ (25,236)	$ (25,236)

Tax-Aware Overlay C Portfolio	Long-Term Municipal Bonds	Total
Balance as of 9/30/12	**$ 2,398,477**	**$ 2,398,477**
Accrued discounts/(premiums)	599	599
Realized gain (loss)	7,710	7,710
Change in unrealized appreciation/depreciation	(22,464)	(22,464)
Purchases	760,366	760,366
Sales	(1,180,000)	(1,180,000)
Transfers in to Level 3	0	0
Transfers out of Level 3	0	0
Balance as of 3/31/13	**$ 1,964,688**	**$ 1,964,688**
Net change in unrealized appreciation/depreciation from Investments held as of 3/31/13*	$ (22,464)	$ (22,464)

Tax-Aware Overlay N Portfolio	Long-Term Municipal Bonds	Total
Balance as of 9/30/12	**$ 821,253**	**$ 821,253**
Accrued discounts/(premiums)	(152)	(152)
Realized gain (loss)	6,370	6,370
Change in unrealized appreciation/depreciation	(9,274)	(9,274)
Purchases	661,188	661,188
Sales	(480,000)	(480,000)
Transfers in to Level 3	0	0
Transfers out of Level 3	0	0
Balance as of 3/31/13	**$ 999,385**	**$ 999,385**
Net change in unrealized appreciation/depreciation from Investments held as of 3/31/13*	$ (9,274)	$ (9,274)

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

The Adviser has established a Valuation Committee (the "Committee") which is responsible for overseeing the pricing and valuation of all securities held in the Portfolios. 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).

C. *Foreign Currency Translation*

The accounting records of the Fund are maintained in U.S. dollars. Prices of securities and other assets and liabilities denominated in non-U.S. currencies are translated into U.S. dollars using the exchange rate at 4:00 p.m., Eastern Time. Amounts related to the purchases and sales of securities, investment income and expenses are translated at the rates of exchange prevailing on the respective dates of such transactions.

Net realized gain or loss on foreign currency transactions represents net foreign exchange gains or losses from the closure of forward currency exchange contracts, disposition of foreign currencies, currency gains or losses realized between the trade and settlement dates on security transactions and the difference between the amount of dividends, interest and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent amount actually received or paid. Net unrealized currency gains and losses arising from valuing foreign currency denominated assets and liabilities, other than security investments, at the current exchange rate are reflected as part of unrealized appreciation/depreciation on foreign currencies.

The Fund does not isolate that portion of the results of operations arising as a result of changes in the foreign exchange rates from the changes in the market prices of securities held at period end. The Fund does not isolate the effect of changes in foreign exchange rates from changes in market prices of equity securities sold during the year. The Fund does isolate the effect of changes in foreign exchange rates from changes in market prices of debt securities sold during the year, as required by the Internal Revenue Code.

The Portfolios may invest in foreign securities and foreign currency transactions that may involve risks not associated with domestic investments as a result of the level of governmental supervision and regulation of foreign securities markets and the possibility of political or economic instability, among others.

D. Taxes

Each Portfolio is treated as a separate entity for federal income tax purposes. Each Portfolio intends to continue to comply with the requirements of Subchapter M of the Internal Revenue Code of 1986 as they apply to regulated investment companies. By so complying, each Portfolio will not be subject to federal and state income taxes to the extent that all of its income is distributed. The Portfolios may be subject to taxes imposed by countries in which they invest. Such taxes are generally based on income and/or capital gains earned or repatriated. Taxes are accrued and applied to net investment income, net realized gains and net unrealized appreciation/depreciation as such income and/or gains are earned.

In accordance with U.S. GAAP requirements regarding accounting for uncertainties in income taxes, management has analyzed the Portfolios' 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 Portfolios) and has concluded that no provision for income tax is required in the Portfolios' financial statements. As of September 30, 2012, the Portfolios did not have any unrecognized tax benefits.

E. Security Transactions and Related Investment Income

Security transactions are accounted for on the trade date (the date the buy or sell order is executed). Securities gains and losses are calculated on the identified cost basis. Interest income is recorded on the accrual basis and dividend income is recorded on the ex-dividend date or as soon as the Fund is informed of the dividend. The Portfolios amortize premiums and accrete discounts as adjustments to interest income.

F. Securities Transactions on a When-Issued or Delayed-Delivery Basis

Each Portfolio may purchase securities on a when-issued basis or purchase or sell securities on a delayed-delivery basis. At the time a Portfolio commits to purchase a security on a when-issued or delayed-delivery basis, the Portfolio will record the transaction and use the security's value in determining the Portfolio's net asset value. At the time a Portfolio commits to sell a security on a delayed-delivery basis, the Portfolio will record the transaction and exclude the security's value in determining the Portfolio's net asset value.

G. Class Allocations

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

H. Distribution of Income and Gains

Dividends from net investment income, if any, will be paid to shareholders at least once a year.

Distributions of net realized gains, less any available loss carryforwards, if any, for all Portfolios will be paid to shareholders at least once a year, and recorded on the ex-dividend date.

Elements of realized gains and net investment income may be recorded in different accounting periods for financial reporting (book) and federal income tax (tax) purposes (temporary differences). To the extent that such distributions required for tax purposes exceed income and gains recorded for book purposes as a result of such temporary differences, "excess distributions" are reflected in the accompanying statement of assets and liabilities. To the extent distributions

exceed income and gains for tax purposes, such distributions would be shown as "return of capital" on the statement of changes in net assets. Certain other differences—permanent differences—arise because treatment of elements of income and gains is different between book and tax accounting. Permanent differences are reclassified in the year they arise.

NOTE 2. Investment Management and Transactions with Affiliated Persons

A. Management Fee

Under the Investment Management Agreement between the Fund and the Adviser, the Adviser manages the investment of each Portfolio's assets, places purchase and sale orders, and bears various expenses, including the salaries and expenses of all personnel except those of outside directors. In addition, the Adviser agrees to permit its directors, officers and employees who may be elected directors or officers of the Fund to serve in the capacities to which they are elected. The Adviser renders these services subject to the general oversight of the Board of Directors.

The Portfolios pay the Adviser an investment management fee at an annual rate of .90% for Overlay A and Tax-Aware Overlay A; .65% for Overlay B, Tax-Aware Overlay B, Tax-Aware Overlay C and Tax-Aware Overlay N, of the average daily net assets of each Portfolio.

The Adviser has agreed to waive its fees and bear certain expenses to the extent necessary to limit the total portfolio operating expenses as a percentage of daily average net assets on an annual basis as follows:

Portfolio	Class 1	Class 2
Overlay A	1.20%	1.00%
Tax-Aware Overlay A	1.20%	1.00%
Overlay B	.90%	.75%
Tax-Aware Overlay B	.90%	.75%
Tax-Aware Overlay C	.90%	.75%
Tax-Aware Overlay N	.90%	.75%

During the six months ended March 31, 2013, there was no such reimbursement.

Under the agreement, fees waived and expenses borne by the Adviser were subject to repayment by the Portfolios until January 31, 2013. No repayment will be made in excess of the offering expenses, or that would cause a Portfolio's total annualized operating expenses to exceed the net fee percentage set forth in the table. This fee waiver and/or expense reimbursement agreement was terminated on January 31, 2013.

During the six months ended March 31, 2013 and year ended September 30, 2012, the Portfolios made repayments to the Adviser of the offering expenses as follows:

Portfolio	March 31, 2013	September 30, 2012
Overlay A	$ 0	$36,308
Tax-Aware Overlay A	0	36,308
Overlay B	0	36,308
Tax-Aware Overlay B	0	44,696
Tax-Aware Overlay C	18,411	18,411
Tax-Aware Overlay N	17,000	21,882

During the six months ended March 31, 2013, the Adviser reimbursed the Overlay A, Tax-Aware Overlay A and Overlay B Portfolios $87, $409 and $569, respectively, for trading losses incurred due to a trade entry error.

B. Shareholder Servicing Fee

Under the Shareholder Servicing Agreement between the Sanford C. Bernstein Fund, Inc. and the Adviser, the Adviser pays expenses it incurs in providing shareholder servicing to the Fund, the Portfolios and individual shareholders. Such services include, but are not limited to, providing information to shareholders concerning their Sanford C. Bernstein Fund investments, systematic withdrawal plans, fund dividend payments and reinvestments, shareholder account or transactions status, net asset value of shares, fund performance, fund services, plans and options, fund investment

policies, portfolio holdings and tax consequences of fund investments; dealing with shareholder complaints and other correspondence relating to fund matters; and communications with shareholders when proxies are being solicited from them with respect to voting their fund shares. Under the agreement, the fee paid by each Portfolio to the Adviser for services is .20 of 1%, annualized, of the average daily net assets of Class 1 Shares of Overlay A and Tax-Aware Overlay A Portfolios during the month, and .15 of 1%, annualized, of the average daily net assets of Class 1 Shares of Overlay B, Tax-Aware Overlay B, Tax-Aware Overlay C and Tax-Aware Overlay N Portfolios during the month.

C. *Distribution Arrangements*

Under the Distribution Agreement between the Fund, on behalf of each Portfolio, and Sanford C. Bernstein & Co., LLC (the "Distributor"), the Distributor agrees to act as agent to sell shares of the six Portfolios. The Distributor receives no fee for this service, and furthermore agrees to pay all expenses arising from the performance of its obligations under this agreement. The Distributor is a wholly owned subsidiary of the Adviser.

D. *Investments in Affiliated Issuers*

The Portfolios 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 Portfolios' transactions in shares of the Government STIF Portfolio for the six months ended March 31, 2013 is as follows:

Portfolio	Market Value September 30, 2012 (000)	Purchases at Cost (000)	Sales Proceeds (000)	Market Value March 31, 2013 (000)	Dividend Income (000)
Overlay A	$403,555	$ 845,198	$1,047,419	$201,334	$191
Tax-Aware Overlay A	785,278	1,323,579	1,744,078	364,779	321
Overlay B	237,194	377,652	407,634	207,212	154
Tax-Aware Overlay B	477,777	509,426	691,091	296,112	244
Tax-Aware Overlay C	128,166	157,349	169,958	115,557	76
Tax-Aware Overlay N	106,153	133,129	159,779	79,503	57

The Portfolios may invest in the AllianceBernstein Pooling Portfolios – Multi-Asset Real Return Portfolio ("Multi-Asset Real Return Portfolio"), an open-end management investment company managed by the Adviser. A summary of the Portfolios' transactions in shares of the Multi-Asset Real Return Portfolio for the six months ended March 31, 2013 is as follows:

Portfolio	Market Value September 30, 2012 (000)	Purchases at Cost (000)	Sales Proceeds (000)	Realized Gain (Loss) (000)	Unrealized Appreciation (Depreciation) (000)	Market Value March 31, 2013 (000)	Dividend Income (000)
Overlay A	$0	$207,570	$ 7,300	$(135)	$(2,386)	$197,749	$5,471
Tax-Aware Overlay A	0	292,070	67,500	390	650	225,610	0
Overlay B	0	43,807	8,100	(150)	(387)	35,170	1,107
Tax-Aware Overlay B	0	54,430	13,800	80	64	40,774	0
Tax-Aware Overlay C	0	14,610	3,900	23	15	10,748	0
Tax-Aware Overlay N	0	12,040	3,100	18	14	8,972	0

Brokerage commissions paid on investment transactions and brokerage commissions paid to Sanford C. Bernstein & Co., LLC and Sanford C. Bernstein & Co., Ltd., affiliates of the Adviser, for the six months ended March 31, 2013 were as follows:

Portfolio	Total Commissions	Sanford C. Bernstein & Co., LLC	Sanford C. Bernstein & Co., Ltd.
Overlay A	$1,549,267	$0	$0
Tax-Aware Overlay A	3,095,113	0	0
Overlay B	290,557	0	0
Tax-Aware Overlay B	413,413	0	0
Tax-Aware Overlay C	110,612	0	0
Tax-Aware Overlay N	92,288	0	0

NOTE 3. Investment Security Transactions

A. *Purchases and Sales*

For the six months ended March 31, 2013, the Portfolios had purchases and sales transactions, excluding transactions in short-term instruments, as follows:

Portfolio	Purchases Excluding U.S. Government Securities	Purchases of U.S. Government Securities	Sales Excluding U.S. Government Securities	Sales of U.S. Government Securities
Overlay A	$1,372,977,380	$ 0	$1,169,422,041	$ 0
Tax-Aware Overlay A	2,409,209,840	0	2,095,696,687	0
Overlay B	653,086,361	72,970,722	624,018,532	82,568,277
Tax-Aware Overlay B	532,413,564	0	423,177,819	0
Tax-Aware Overlay C	134,106,102	0	106,973,736	0
Tax-Aware Overlay N	120,771,147	0	89,347,449	18,128,133

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		
Portfolio	Appreciation	(Depreciation)	Net Unrealized Appreciation/ (Depreciation)
Overlay A	$137,656,462	$(20,835,640)	$116,820,822
Tax-Aware Overlay A	369,689,542	(45,649,420)	324,040,122
Overlay B	14,902,183	(15,182,581)	(280,398)
Tax-Aware Overlay B	57,495,826	(2,282,432)	55,213,394
Tax-Aware Overlay C	13,783,534	(481,962)	13,301,572
Tax-Aware Overlay N	10,339,660	(506,590)	9,833,070

B. *Derivative Financial Instruments*

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

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

- ***Futures Contracts***

Each Portfolio 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 Portfolio 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 Portfolios 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 a Portfolio enters into a futures contract, a Portfolio 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 Portfolio 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 Portfolio 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 Portfolio 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 Portfolio to risk of loss in excess of the amounts shown on the statement of assets and liabilities, up to the notional value of the futures contracts. Use of short futures contracts subjects the Portfolio to unlimited risk of loss. Each Portfolio may enter into futures contracts only on exchanges or boards of trade. The exchange or board of trade acts as the counterparty to each futures transactions; therefore, the Portfolio's credit risk is limited to failure of the exchange or board of trade. 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 March 31, 2013, the Portfolios held futures contracts for hedging and non-hedging purposes.

- ***Forward Currency Exchange Contracts***

Each Portfolio may enter into foreign-currency exchange contracts on either a spot (*i.e.*, cash) or forward basis. Spot contracts are entered into at the rate then prevailing in the currency-exchange market. Forward contracts obligate the contracting parties to purchase or sell a specific currency at a specified future date at a specified price. The Portfolios will generally not enter into a forward contract with a term greater than one year.

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 Portfolio. Risks may arise from the potential inability of a counterparty to meet the terms of a contract and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar.

Forward contracts used to protect the Portfolios from adverse currency movements involve the risk that the Adviser may not accurately predict currency movements. As a result, total return could be adversely affected. The Adviser 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 Adviser may enter into foreign currency transactions for investment opportunities when it anticipates that a foreign currency will appreciate or depreciate in value.

Under certain circumstances, the Portfolios may commit a substantial portion or the entire value of their Portfolios to the consummation of these contracts. The Adviser will consider the effect that a substantial commitment of assets to forward contracts would have on the investment program of these Portfolios and the flexibility of the Portfolios to purchase additional securities.

During the six months ended March 31, 2013, the Portfolios held foreign-currency exchange contracts for hedging and non-hedging purposes.

- ***Option Transactions***

For hedging and investment purposes, each Portfolio 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, certain Portfolios 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 Portfolio pays a premium whether or not the option is exercised. Additionally, the Portfolio 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 Portfolio writes an option, the premium received by the Portfolio 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 Portfolios 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 Portfolio 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 Portfolio. In writing an option, the Portfolio 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 Portfolio could result in the Portfolio selling or buying a security or currency at a price different from the current market value.

During the six months ended March 31, 2013, the Portfolios held written options for hedging and non-hedging purposes.

During the six months ended March 31, 2013, the Portfolios held purchased options for hedging and non-hedging purposes.

For the six months ended March 31, 2013, the Portfolios had the following transactions in written options:

Overlay A Portfolio	Number of Contracts	Premiums Received
Options written outstanding as of 9/30/12	33,080	$ 271,302
Options written	100,820	9,269,544
Options expired	(33,080)	(271,302)
Options bought back	(98,575)	(7,948,164)
Options exercised	0	0
Options written outstanding as of 3/31/13	2,245	$ 1,321,380

Tax-Aware Overlay A Portfolio	Number of Contracts	Premiums Received
Options written outstanding as of 9/30/12	82,760	$ 678,746
Options written	196,910	18,057,101
Options expired	(82,760)	(678,746)
Options bought back	(192,562)	(15,497,834)
Options exercised	0	0
Options written outstanding as of 3/31/13	4,348	$ 2,559,267

Overlay B Portfolio	Number of Contracts	Premiums Received
Options written outstanding as of 9/30/12	0	$ 0
Options written	26,518	2,478,876
Options expired	0	0
Options bought back	(25,929)	(2,132,265)
Options exercised	0	0
Options written outstanding as of 3/31/13	589	$ 346,611

Tax-Aware Overlay B Portfolio	Number of Contracts	Premiums Received
Options written outstanding as of 9/30/12	0	$ 0
Options written	42,285	3,950,206
Options expired	0	0
Options bought back	(41,354)	(3,402,284)
Options exercised	0	0
Options written outstanding as of 3/31/13	931	$ 547,922

Tax-Aware Overlay C Portfolio	Number of Contracts	Premiums Received
Options written outstanding as of 9/30/12	0	$ 0
Options written	11,506	1,055,668
Options expired	0	0
Options bought back	(11,252)	(906,065)
Options exercised	0	0
Options written outstanding as of 3/31/13	254	$ 149,603

Tax-Aware Overlay N Portfolio	Number of Contracts	Premiums Received
Options written outstanding as of 9/30/12	0	$ 0
Options written	9,489	884,891
Options expired	0	0
Options bought back	(9,280)	(761,776)
Options exercised	0	0
Options written outstanding as of 3/31/13	209	$ 123,115

- ***Swap Agreements***

The Portfolios may enter into swaps to hedge their exposure to interest rates, credit risk, equity markets, currencies or other underlying asset classes. The Portfolios may also enter into swaps for non-hedging purposes as a means of gaining market exposures, including by 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 Portfolio in accordance with the terms of the respective swap agreements to provide value and recourse to the Portfolios or their 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 Portfolio, and/or the termination value at the end of the contract. Therefore, the Portfolio 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 Portfolio and the counterparty and by the posting of collateral by the counterparty to the Portfolio to cover the Portfolio's exposure to the counterparty. Additionally, risks may arise from unanticipated movements in interest rates or in the value of the underlying securities. The Portfolio accrues for the interim payments on swap contracts on a daily basis, with the net amount recorded within unrealized appreciation/depreciation of swap contracts on the statement of assets and liabilities, where applicable. Once the interim payments are settled in cash, the net amount is recorded as realized gain/(loss) on swaps on the statement of operations, in addition to any realized gain/(loss) recorded upon the termination of swap contracts. Upfront premiums paid or received in connection with credit default swap contracts are recognized as cost or proceeds on the 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 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 statement of operations.

Credit Default Swaps:

The Portfolios may enter into credit default swaps, including to manage their exposure to the market or certain sectors of the market, to reduce their risk exposure to defaults by corporate and sovereign issuers held by the Portfolio, or to create exposure to corporate or sovereign issuers to which they are not otherwise exposed. The Portfolio may purchase credit protection ("Buy Contract") or provide credit protection ("Sale Contract") on the referenced obligation of the credit default swap. During the term of the swap agreement, the Portfolio receives/(pays) fixed payments from/(to) the respective counterparty, calculated at the agreed upon rate applied to the notional amount. If the Portfolio is a buyer/(seller) of protection and a credit event occurs, as defined under the terms of the swap agreement, the Portfolio will either (i) receive from the seller/(pay to the buyer) of protection an amount equal to the notional amount of the swap contract (the "Maximum Payout Amount") and deliver/(take delivery of) the referenced obligation or (ii) receive/(pay) a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation.

Credit default swaps may involve greater risks than if a Portfolio had invested in the referenced obligation directly. Credit default swaps are subject to general market risk, liquidity risk, counterparty risk and credit risk. If the Portfolio is a buyer of protection and no credit event occurs, it will lose the payments it made to its counterparty. If the Portfolio is a seller of protection and a credit event occurs, the value of the referenced obligation received by the Portfolio coupled with the periodic payments previously received, may be less than the Maximum Payout Amount it pays to the buyer, resulting in a net loss to the Portfolio.

During the six months ended March 31, 2013, the Portfolios held credit default swap contracts for non-hedging purposes.

Implied credit spreads over Treasuries of comparable maturity utilized in determining the market value of credit default swaps on issuers as of period end are disclosed in the schedule of investments. The implied spreads serve as an indicator of the current status of the payment/performance risk and typically reflect the market's assessment of the likelihood of default by the issuer of the referenced obligation. The implied credit spread of a particular reference obligation also reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Widening credit spreads typically represent a deterioration of the referenced obligation's credit soundness and greater likelihood of default or other credit event occurring as defined under the terms of the agreement. A credit spread identified as "Defaulted" indicates a credit event has occurred for the referenced obligation.

At March 31, 2013, the Overlay A, Tax-Aware Overlay A, Overlay B, Tax-Aware Overlay B, Tax-Aware Overlay C and Tax-Aware Overlay N Portfolios had Sale Contracts outstanding with Maximum Payout Amounts aggregating $293,495,544, $89,482,053, $99,359,425, $41,301,711, $10,783,545 and $9,122,349, with net unrealized appreciation/depreciation of $2,419,112, $2,308,588, $913,333, $965,128, $252,713 and $213,244, respectively, and terms of less than 5 years, as reflected in the schedule of investments.

In certain circumstances Maximum Payout Amounts may be partially offset by recovery values of the respective referenced obligations, upfront premium received upon entering into the agreement, or net amounts received from settlement of buy protection credit default swap agreements entered into by the Portfolio for the same reference obligation with the same counterparty. As of March 31, 2013, none of Portfolios had Buy Contracts outstanding with respect to the same referenced obligation and same counterparty for its Sale Contracts outstanding.

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

During the six months ended March 31, 2013, the Portfolios held total return swaps for hedging and non-hedging purposes.

Documentation governing the Portfolios' OTC derivatives may contain provisions for early termination of such transaction in the event the net assets of the Portfolio decline below specific levels set forth in the documentation ("net asset contingent features"). If these levels are triggered, the Portfolios' counterparty has the right to terminate such transaction and require the Portfolio to pay or receive a settlement amount in connection with the terminated transaction. As of March 31, 2013, the following Portfolios had OTC derivatives with contingent features in net liability positions:

Portfolio	Total Market Value of OTC Derivatives	Market Value of Collateral Pledged	Uncollateralized Amount
Overlay A	$(4,232,337)	$ 708,948	$(3,728,244)
Tax-Aware Overlay A	(4,701,631)	5,058,387	(1,209,146)
Overlay B	(849,194)	361,860	(651,906)
Tax-Aware Overlay B	(899,148)	9,294,640	(593,266)
Tax-Aware Overlay C	(346,682)	2,194,000	(346,682)
Tax-Aware Overlay N	(341,102)	1,888,000	(341,102)

If a trigger event had occurred at March 31, 2013, for those derivatives in a net liability position, the uncollateralized amount would be required to be posted by the Portfolios.

At March 31, 2013, the Portfolios had entered into the following derivatives:

Overlay A Portfolio	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	$ 6,059,118	Unrealized depreciation of forward currency exchange contracts	$5,007,767
Interest rate contracts	Margin due from/owed to broker on futures contracts	1,661,044*		
Credit contracts	Unrealized appreciation of credit default swap contracts	2,429,915	Unrealized depreciation of credit default swap contracts	10,803
Equity contracts	Margin due from/owed to broker on futures contracts	6,350,042*	Margin due from/owed to broker on futures contracts	2,163,283*
Equity contracts			Unrealized depreciation of total return swap contracts	152,896
Equity contracts	Investments in securities at value	11,015,012		
Equity contracts			Options written, at value	2,166,425
Total		$27,515,131		$9,501,174

* 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 schedule of investments.

The effect of derivative instruments on the statement of operations for the six months ended March 31, 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	$ 3,834,315	$ (328,231)
Interest rate contracts	Net realized gain (loss) on futures transactions; Net change in unrealized appreciation/depreciation of futures transactions	322,907	1,357,919
Credit contracts	Net realized gain (loss) on swap transactions; Net change in unrealized appreciation/depreciation of swap transactions	6,904,258	2,419,112
Equity contracts	Net realized gain (loss) on futures transactions; Net change in unrealized appreciation/depreciation of futures transactions	26,437,163	7,307,178
Equity contracts	Net realized gain (loss) on swap transactions; Net change in unrealized appreciation/depreciation of swap transactions	550,644	(3,045,040)
Equity contracts	Net realized gain (loss) on options written; Net change in unrealized appreciation/depreciation of options written	753,199	(1,112,096)
Equity contracts	Net realized gain (loss) on investment transactions; Net change in unrealized appreciation/depreciation of investments	(14,241,802)	(1,993,098)
Total		$ 24,560,684	$ 4,605,744

Tax-Aware Overlay A Portfolio	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	$14,563,896	Unrealized depreciation of forward currency exchange contracts	$13,056,032
Credit contracts	Unrealized appreciation of credit default swap contracts	2,308,588		
Interest rate contracts	Margin due from/owed to broker on futures contracts	1,244,787*		
Equity contracts	Margin due from/owed to broker on futures contracts	11,541,154*	Margin due from/owed to broker on futures contracts	5,031,703*
Equity contracts	Investments in securities at value	21,508,335		
Equity contracts			Options written, at value	4,195,820
Total		$51,166,760		$22,283,555

* 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 schedule of investments.

The effect of derivative instruments on the statement of operations for the six months ended March 31, 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	$ 12,200,623	$ 1,920,716
Credit contracts	Net realized gain (loss) on swap transactions; Net change in unrealized appreciation/depreciation of swap transactions	5,866,163	2,308,588
Interest rate contracts	Net realized gain (loss) on futures transactions; Net change in unrealized appreciation/depreciation of futures transactions	920,947	(1,029,299)
Equity contracts	Net realized gain (loss) on futures transactions; Net change in unrealized appreciation/depreciation of futures transactions	53,480,893	8,605,236
Equity contracts	Net realized gain (loss) on investment transactions; Net change in unrealized appreciation/depreciation of investments	(28,048,937)	(3,486,389)
Equity contracts	Net realized gain (loss) on options written; Net change in unrealized appreciation/depreciation of options written	1,628,934	(2,304,664)
Total		$ 46,048,623	$ 6,014,188

Overlay B Portfolio	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	$ 5,551,471	Unrealized depreciation of forward currency exchange contracts	$2,096,011
Credit contracts	Unrealized appreciation of credit default swap contracts	920,441	Unrealized depreciation of credit default swap contracts	7,108
Interest rate contracts	Margin due from/owed to broker on futures contracts	9,844*	Margin due from/owed to broker on futures contracts	542,977*
Equity contracts			Unrealized depreciation of total return swap contracts	445,478
Equity contracts	Margin due from/owed to broker on futures contracts	7,403,089*	Margin due from/owed to broker on futures contracts	1,247,172*
Equity contracts	Investments in securities at value	2,889,958		
Equity contracts			Options written, at value	568,385
Total		$16,774,803		$4,907,131

* 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 schedule of investments.

The effect of derivative instruments on the statement of operations for the six months ended March 31, 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	$ 1,472,486	$3,120,310
Credit contracts	Net realized gain (loss) on swap transactions; Net change in unrealized appreciation/ depreciation of swap transactions	2,004,228	913,333
Interest rate contracts	Net realized gain (loss) on futures transactions; Net change in unrealized appreciation/ depreciation of futures transactions	677,367	19,759
Equity contracts	Net realized gain (loss) on options written; Net change in unrealized appreciation/ depreciation of options written	116,520	(221,774)
Equity contracts	Net realized gain (loss) on investment transactions; Net change in unrealized appreciation/depreciation of investments	(3,607,253)	(709,909)
Equity contracts	Net realized gain (loss) on futures transactions; Net change in unrealized appreciation/ depreciation of futures transactions	22,714,569	9,004,774
Equity contracts	Net realized gain (loss) on swap transactions; Net change in unrealized appreciation/ depreciation of swap transactions	2,020,884	(423,547)
Total		$25,398,801	$11,702,946

Tax-Aware Overlay B Portfolio	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	$ 1,182,669	Unrealized depreciation of forward currency exchange contracts	$1,310,794
Credit contracts	Unrealized appreciation of credit default swap contracts	965,128		
Interest rate contracts			Margin due from/owed to broker on futures contracts	715,918*
Equity contracts	Unrealized appreciation of total return swap contracts	3,081,212	Unrealized depreciation of total return swap contracts	632,372
Equity contracts	Margin due from/owed to broker on futures contracts	12,455,950*	Margin due from/owed to broker on futures contracts	2,322,639*
Equity contracts	Investments in securities at value	4,605,416		
Total		$22,290,375		$4,981,723

* 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 schedule of investments.

The effect of derivative instruments on the statement of operations for the six months ended March 31, 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	$ 151,108	$ (1,658,872)
Credit contracts	Net realized gain (loss) on swap transactions; Net change in unrealized appreciation/depreciation of swap transactions	1,049,205	965,128
Interest rate contracts	Net realized gain (loss) on futures transactions; Net change in unrealized appreciation/depreciation of futures transactions	499,711	527,281
Equity contracts	Net realized gain (loss) on options written; Net change in unrealized appreciation/ depreciation of options written	185,692	(350,493)
Equity contracts	Net realized gain (loss) on investment transactions; Net change in unrealized appreciation/depreciation of investments	(5,711,982)	1,138,925
Equity contracts	Net realized gain (loss) on futures transactions; Net change in unrealized appreciation/depreciation of futures transactions	41,044,036	15,142,567
Equity contracts	Net realized gain (loss) on swap transactions; Net change in unrealized appreciation/depreciation of swap transactions	6,297,580	(638,511)
Total		$43,515,350	$15,126,025

Tax-Aware Overlay C Portfolio	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	$326,198	Unrealized depreciation of forward currency exchange contracts	$408,448
Credit contracts	Unrealized appreciation of credit default swap contracts	252,713		
Interest rate contracts			Margin due from/owed to broker on futures contracts	13,688*
Equity contracts	Unrealized appreciation of total return swap contracts	881,168	Unrealized depreciation of total return swap contracts	155,725
Equity contracts	Margin due from/owed to broker on futures contracts	3,472,699*	Margin due from/owed to broker on futures contracts	691,300*
Equity contracts	Investments in securities at value	1,256,541		
Equity contracts			Options written, at value	245,110
Total		$6,189,319		$1,514,271

* 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 schedule of investments.

The effect of derivative instruments on the statement of operations for the six months ended March 31, 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	$ 5,746	$ (472,231)
Credit contracts	Net realized gain (loss) on swap transactions; Net change in unrealized appreciation/ depreciation of swap transactions	281,662	252,713
Interest rate contracts	Net realized gain (loss) on futures transactions; Net change in unrealized appreciation/ depreciation of futures transactions	22,948	334,151
Equity contracts	Net realized gain (loss) on swap transactions; Net change in unrealized appreciation/ depreciation of swap transactions	1,552,883	(92,981)
Equity contracts	Net realized gain (loss) on futures transactions; Net change in unrealized appreciation/ depreciation of futures transactions	11,114,245	4,041,719

Derivative Type	Location of Gain or (Loss) on Derivatives	Realized Gain or (Loss) on Derivatives	Change in Unrealized Appreciation or (Depreciation)
Equity contracts	Net realized gain (loss) on investment transactions; Net change in unrealized appreciation/depreciation of investments	(1,544,393)	(288,331)
Equity contracts	Net realized gain (loss) on options written; Net change in unrealized appreciation/depreciation of options written	53,431	(95,507)
Total		$11,486,522	$3,679,533

Tax-Aware Overlay N Portfolio	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	$ 274,974	Unrealized depreciation of forward currency exchange contracts	$ 285,816
Credit contracts	Unrealized appreciation of credit default swap contracts	213,244		
Interest rate contracts			Margin due from/owed to broker on futures contracts	151,838*
Equity contracts	Unrealized appreciation of total return swap contracts	669,501	Unrealized depreciation of total return swap contracts	148,138
Equity contracts	Margin due from/owed to broker on futures contracts	2,762,461*	Margin due from/owed to broker on futures contracts	520,265*
Equity contracts	Investments in securities at value	1,033,937		
Equity contracts			Options written, at value	201,685
Total		$4,954,117		$1,307,742

* 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 schedule of investments.

The effect of derivative instruments on the statement of operations for the six months ended March 31, 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	$ 44,204	$(351,331)
Credit contracts	Net realized gain (loss) on swap transactions; Net change in unrealized appreciation/depreciation of swap transactions	232,256	213,244

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 futures transactions; Net change in unrealized appreciation/ depreciation of futures transactions	84,442	131,725
Equity contracts	Net realized gain (loss) on swap transactions; Net change in unrealized appreciation/ depreciation of swap transactions	1,470,147	(190,860)
Equity contracts	Net realized gain (loss) on futures transactions; Net change in unrealized appreciation/ depreciation of futures transactions	9,023,932	3,350,526
Equity contracts	Net realized gain (loss) on investment transactions; Net change in unrealized appreciation/depreciation of investments	(1,280,539)	(251,361)
Equity contracts	Net realized gain (loss) on options written; Net change in unrealized appreciation/ depreciation of options written	41,636	(78,570)
Total		$ 9,616,078	$2,823,373

The following tables represent the volume of the Portfolios' derivative transactions during the six months ended March 31, 2013:

Overlay A Portfolio

Forward Currency Exchange Contracts:	
Average principal amount of buy contracts	$213,818,852
Average principal amount of sale contracts	$152,939,085
Futures Contracts:	
Average original value of buy contracts	$533,776,421
Average original value of sale contracts	$ 57,054,913
Credit Default Swap Contracts:	
Average notional amount of sale contracts	$345,101,386**(a)**
Total Return Swap Contracts:	
Average notional amount	$ 60,339,273
Purchased Options:	
Average monthly cost	$ 7,822,572

(a) Positions were open for four months during the period.

TAX-AWARE OVERLAY A PORTFOLIO

Forward Currency Exchange Contracts:	
Average principal amount of buy contracts	$ 404,700,382
Average principal amount of sale contracts	$ 344,924,450
Credit Default Swap Contracts:	
Average notional amount of sale contracts	$150,777,855 **(a)**
Futures Contracts:	
Average original value of buy contracts	$ 742,947,416
Average original value of sale contracts	$ 59,721,505 **(a)**
Purchased Options:	
Average monthly cost	$ 15,367,680

(a) Positions were open for four months during the period.

OVERLAY B PORTFOLIO

Forward Currency Exchange Contracts:	
Average principal amount of buy contracts	$ 64,616,141
Average principal amount of sale contracts	$ 466,228,371
Futures Contracts:	
Average original value of buy contracts	$ 311,717,444
Average original value of sale contracts	$ 171,689,700
Credit Default Swap Contracts:	
Average notional amount of sale contracts	$119,142,481 **(a)**
Total Return Swap Contracts:	
Average notional amount	$ 32,541,079
Purchased Options:	
Average monthly cost	$ 2,009,675

(a) Positions were open for four months during the period.

TAX-AWARE OVERLAY B PORTFOLIO

Forward Currency Exchange Contracts:	
Average principal amount of buy contracts	$ 64,647,661
Average principal amount of sale contracts	$ 18,388,511
Futures Contracts:	
Average original value of buy contracts	$ 540,757,562
Average original value of sale contracts	$ 263,452,996
Credit Default Swap Contracts:	
Average notional amount of sale contracts	$ 47,557,500 **(a)**
Total Return Swap Contracts:	
Average notional amount	$ 59,217,203
Purchased Options:	
Average monthly cost	$ 3,208,227

(a) Positions were open for four months during the period.

Tax-Aware Overlay C Portfolio	
Forward Currency Exchange Contracts:	
Average principal amount of buy contracts	$ 17,431,196
Average principal amount of sale contracts	$ 4,766,952 **(a)**
Credit Default Swap Contracts:	
Average notional amount of sale contracts	$ 13,699,646 **(b)**
Total Return Swap Contracts:	
Average notional amount	$ 15,242,639
Futures Contracts:	
Average original value of buy contracts	$144,300,775
Average original value of sale contracts	$ 62,217,336
Purchased Options:	
Average monthly cost	$ 848,123

(a) Positions were open for five months during the period.
(b) Positions were open for four months during the period.

Tax-Aware Overlay N Portfolio	
Forward Currency Exchange Contracts:	
Average principal amount of buy contracts	$ 14,144,700
Average principal amount of sale contracts	$ 4,202,302 **(a)**
Futures Contracts:	
Average original value of buy contracts	$119,334,049
Average original value of sale contracts	$ 57,106,734
Credit Default Swap Contracts:	
Average notional amount of sale contracts	$ 11,439,108 **(b)**
Total Return Swap Contracts:	
Average notional amount	$ 13,417,354
Purchased Options:	
Average monthly cost	$ 715,216

(a) Positions were open for five months during the period.
(b) Positions were open for four months during the period.

NOTE 4. Distributions to Shareholders

The tax character of distributions to be paid for the year ending September 30, 2013 will be determined at the end of the current fiscal year. The tax character of distributions paid during the fiscal years ended September 30, 2012 and September 30, 2011 were as follows:

Portfolio	2012	2011
Overlay A		
Distributions paid from:		
Ordinary income	$ 73,568,776	$12,666,079
Long-term capital gains	53,409,629	6,173,826
Total distributions paid	$126,978,405	$18,839,905

Portfolio	2012	2011
Tax-Aware Overlay A		
Distributions paid from:		
Ordinary income	$ 14,757,764	$ 365,793
Long-term capital gains	92,852,931	24,955,866
Total distributions paid	$107,610,695	$25,321,659
Overlay B		
Distributions paid from:		
Ordinary income	$ 22,965,820	$16,526,677
Long-term capital gains	7,088,757	8,205,537
Total distributions paid	$ 30,054,577	$24,732,214
Tax-Aware Overlay B		
Distributions paid from:		
Ordinary income	$ 598,823	$14,850,284
Long-term capital gains	6,919,875	17,418,235
Total taxable distributions	7,518,698	32,268,519
Tax exempt distributions	12,142,189	2,722,787
Total distributions paid	$ 19,660,887	$34,991,306
Tax-Aware Overlay C		
Distributions paid from:		
Ordinary income	$ 225,208	$ 4,705,433
Long-term capital gains	1,450,089	4,248,534
Total taxable distributions	1,675,297	8,953,967
Tax exempt distributions	2,779,105	516,493
Total distributions paid	$ 4,454,402	$ 9,470,460
Tax-Aware Overlay N		
Distributions paid from:		
Ordinary income	$ 195,198	$ 4,448,990
Long-term capital gains	1,491,811	3,979,384
Total taxable distributions	1,687,009	8,428,374
Tax exempt distributions	2,292,571	357,614
Total distributions paid	$ 3,979,580	$ 8,785,988

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

Portfolio	Undistributed Ordinary Income[a]	Undistributed Long-Term Gains	Accumulated Capital and Other (Losses)[b]	Unrealized Appreciation/ (Depreciation)[c]	Total Accumulated Earnings/ (Deficit)[d]
Overlay A	$10,826,082	$ 0	$(113,232,023)	$ 41,785,190	$(60,620,751)
Tax-Aware Overlay A	11,457,294	0	(228,403,847)	139,827,698	(77,118,855)
Overlay B	10,959,073	14,481,238	(19,116,200)	39,317,595	45,641,706
Tax-Aware Overlay B	11,932,953	10,388,199	0	65,320,559	87,641,711
Tax-Aware Overlay C	2,680,916	2,456,621	0	16,243,156	21,380,693
Tax-Aware Overlay N	2,001,663	2,628,250	0	12,248,992	16,878,905

(a) Includes tax exempt income as shown below:

Portfolio	
Tax-Aware Overlay B	$11,206,763
Tax-Aware Overlay C	2,415,375
Tax-Aware Overlay N	1,854,883

(b) At September 30, 2012, Overlay B Portfolio deferred $19,116,200 in straddles losses. Additionally, as of September 30, 2012 certain Portfolios had capital loss carryforwards for federal income tax purposes.

(c) 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), and the realization for tax purposes of gains/losses on certain derivative instruments.

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

For tax purposes, net capital losses may be carried over to offset future capital gains, if any. Under the Regulated Investment Company Modernization Act of 2010, funds are permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an indefinite period. 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 September 30, 2012, the following Portfolios had net capital loss carryforwards which will expire as follows:

Portfolio	Short-Term Amount	Long-Term Amount	Expiration
Overlay A	$ 81,047,425	$32,184,598	No expiration
Tax-Aware Overlay A	190,771,704	37,632,143	No expiration

NOTE 5. Risks Involved in Investing in the Portfolios

Interest Rate Risk and Credit Risk—Interest rate risk is the risk that changes in interest rates will affect the value of a Portfolio's investments in fixed-income debt securities such as bonds or notes. Increases in interest rates may cause the value of a Portfolio'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—Investments in foreign securities entail significant risks in addition to those customarily associated with investing in U.S. equities. These risks are heightened with respect to investments in emerging-market countries where there is an even greater amount of economic, political and social instability. Economic, political and social instability could disrupt financial markets in which the Portfolio invests and adversely affect the value of the Portfolio's assets. In addition, national policies may restrict investment opportunities.

In foreign markets there may be a lower degree of market volume and liquidity than in U.S. markets, and this may result in greater price volatility. The securities markets in many emerging-market countries are substantially smaller, less developed, less liquid and more volatile than the securities markets of developed countries. Furthermore, since the composition of each Portfolio will differ from that of market indexes, its performance generally will not mirror the returns provided by a specific market index.

Foreign Currency Risk–This is the risk that changes in foreign (non-U.S.) currency exchange rates may negatively affect the value of the Portfolio's investments or reduce the returns of the Portfolio. For example, the value of the

Portfolio's investments in foreign stocks and foreign currency positions 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).

Actions by a Few Major Investors—In certain countries, volatility may be heightened by actions of a few major investors. For example, substantial increases or decreases in cash flows of mutual funds investing in these markets could significantly affect local stock prices and, therefore, share prices of the Portfolio.

Allocation Risk—The allocation of investments among different global asset classes may have a significant effect on each Portfolio's net asset value, or NAV, when one of these asset classes is performing more poorly than others. As both the direct investments and derivative positions will be periodically rebalanced to reflect the Adviser's view of market and economic conditions, there will be transaction costs which may be, over time, significant. In addition, there is a risk that certain asset allocation decisions may not achieve the desired results and, as a result, the Portfolio may incur significant losses.

Municipal Market Risk and Concentration of Credit Risk —This is the risk that special factors may adversely affect the value of municipal securities and have a significant effect on the yield or value of the Portfolio's investments in municipal securities. These factors include economic conditions, political or legislative changes, uncertainties related to the tax status of municipal securities, or the rights of investors in these securities. Tax-Aware Overlay C and Tax-Aware Overlay N Portfolios invest primarily in securities issued by the State of California and New York, respectively, and their various political subdivisions, and the performance of each of these Portfolios is closely tied to economic conditions within the applicable state and the financial condition of that state and its agencies and municipalities.

Derivatives Risk–The Portfolios may use derivatives as direct investments to earn income, enhance return and broaden portfolio diversification, which entail greater risk than if used solely for hedging purposes. In addition to other risks such as the credit risk of the counterparty, derivatives involve the risk that changes in the value of the derivative may not correlate with relevant assets, rates, or indices. Derivatives may be illiquid and difficult to priced or unwind, and small changes may produce disproportionate losses for the Portfolio. Assets required to be set aside or posted to cover or secure derivatives positions may themselves go down in value, and these collateral and other requirements may limit investment flexibility. Some derivatives involve leverage, which can make a Portfolio more volatile and can compound other risks. Recent legislation calls for new regulation of the derivatives markets. The extent and impact of the regulation are not yet fully known and may not be for some time. The regulation may make derivatives more costly, may limit their availability, or may otherwise adversely affect their value or performance.

Leverage Risk—When a Portfolio 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 Portfolio's investments. The Portfolio may create leverage through the use of reverse repurchase arrangements, forward currency exchange contracts, forward commitments, dollar rolls or futures contracts or by borrowing money. The use of derivative instruments by the Portfolio, such as forwards, futures, options and swaps, may also result in a form of leverage. Leverage may result in higher returns to the Portfolio than if the Portfolio were not leveraged, but may also adversely affect returns, particularly if the market is declining.

Liquidity Risk—Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing the Portfolio from selling out of these illiquid securities at an advantageous price. Illiquid securities may also be difficult to value.

Duration Risk— Duration is a measure that relates the expected price volatility of a fixed-income security to changes in interest rates. The duration of a fixed-income security may be shorter than or equal to full maturity of a fixed-income security. Fixed-income securities with longer durations have more risk and will decrease in price as interest rates rise. For example, a fixed-income security with a duration of three years will decrease in value by approximately 3% if interest rates increase by 1%.

Commodity Risk–The value of commodity-linked derivatives, exchange traded notes and exchange traded funds 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.

Inflation Risk—This is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the value of the Portfolio's assets can decline as can the value of the Portfolio's distributions.

Inflation-Protected Securities Risk—The terms of inflation-protected securities provide for the coupon and/or maturity value to be adjusted based on changes in inflation. Decreases in the inflation rate or in investors' expectations about inflation could cause these securities to underperform non-inflation-adjusted securities on a total-return basis.

Mortgage-Related Securities Risk—In the case of mortgage-related securities that are not backed by the U.S. Government or one of its agencies, a loss could be incurred if the collateral backing these securities is insufficient.

Prepayment and Extension Risk—Prepayment risk is the risk that a loan, bond or other security might be called or otherwise converted, prepaid or redeemed before maturity. If this happens, particularly during a time of declining interest rates or credit spreads, the Portfolio may not be able to invest the proceeds in securities providing as much income, resulting in a lower yield to the Portfolio. Conversely, extension risk is the risk that as interest rates rise or spreads widen, payments of securities may occur more slowly than anticipated by the market. When this happens, the values of these securities may go down because their interest rates are lower than current market rates and they remain outstanding longer than anticipated.

Subordination Risk—The Portfolio may invest in securities that are subordinated to more senior securities of an issuer, or which represent interests in pools of such subordinated securities. Subordinated securities will be disproportionately affected by a default or even a perceived decline in creditworthiness of the issuer. Subordinated securities are more likely to suffer a credit loss than non-subordinated securities of the same issuer, any loss incurred by the subordinated securities is likely to be proportionately greater, and any recovery of interest or principal may take more time. As a result, even a perceived decline in creditworthiness of the issuer is likely to have a greater impact on them.

Real Estate Related Securities Risk— Investing in real estate related securities includes, among others, the following risks: possible declines in the value of real estate; risks related to general and local economic conditions, including increases in the rate of inflation; possible lack of availability of mortgage funds; overbuilding; extended vacancies of properties; increases in competition, property taxes and operating expenses; changes in zoning laws; costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental problems; casualty or condemnation losses; uninsured damages from floods, earthquakes or other natural disasters; limitations on and variations in rents; and changes in interest rates. Investing in Real Estate Investment Trusts ("REITs") involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. REITs are dependent upon management skills, are not diversified, and are subject to heavy cash flow dependency, default by borrowers and self-liquidation.

Investment In Other Investment Companies Risk—As with other investments, investments in other investment companies, including ETFs, are subject to market and selection risk. In addition, if the Portfolio acquires shares of investment companies, shareholders bear both their proportionate share of expenses in the Portfolio (including management and advisory fees) and, indirectly, the expenses of the investment companies.

Tax Risk— There is no guarantee that all of the Portfolio's municipal bond income will remain exempt from federal or state income taxes. From time to time, the U.S. Government and the U.S. Congress consider changes in federal tax law that could limit or eliminate the federal tax exemption for municipal bond income, which would in effect reduce the income received by shareholders from the Portfolio by increasing taxes on that income. In such event, the Portfolio's NAV could also decline as yields on municipal bonds, which are typically lower than those on taxable bonds, would be expected to increase to approximately the yield of comparable taxable bonds. Actions or anticipated actions affecting the tax exempt status of municipal bonds could also result in significant shareholder redemptions of Portfolio shares as investors anticipate adverse effects on the Portfolio or seek higher yields to offset the potential loss of the tax deduction. As a result, the Portfolio would be required to maintain higher levels of cash to meet the redemptions, which would negatively affect the Portfolio's yield.

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

NOTE 6. Capital-Share Transactions

As of March 31, 2013, the Sanford C. Bernstein Fund, Inc., has authorized 12.6 billion shares of common stock, par value $0.001 per share, of which 3.6 billion shares are allocated to the Overlay Portfolios. Each Class 1 and Class 2 of the Overlay Portfolios is allocated 300 million shares.

Share transactions for each Portfolio for the six months ended March 31, 2013 and the year ended September 30, 2012, were as follows:

	Overlay A Portfolio			
	Shares		Amount	
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12
Class 1 Shares				
Shares sold	10,164,075	27,885,816	$ 108,705,023	$ 293,042,781
Shares issued on reinvestment of dividends and distributions	756,150	10,482,442	7,848,843	105,138,899
Shares redeemed	(13,691,417)	(28,539,575)	(144,845,540)	(299,257,664)
Net increase	**(2,771,192)**	**9,828,683**	**(28,291,674)**	**98,924,016**
Beginning of period	**117,522,187**	**107,693,504**	**1,265,574,855**	**1,166,650,839**
End of period	**114,750,995**	**117,522,187**	**$1,237,283,181**	**$1,265,574,855**
Class 2 Shares				
Shares sold	3,833,632	9,072,404	$ 40,729,633	$ 95,332,406
Shares issued on reinvestment of dividends and distributions	171,392	2,041,264	1,780,758	20,494,287
Shares redeemed	(4,026,784)	(7,829,709)	(42,775,245)	(82,606,782)
Net increase	**(21,760)**	**3,283,959**	**(264,854)**	**33,219,911**
Beginning of period	**22,914,449**	**19,630,490**	**247,971,019**	**214,751,108**
End of period	**22,892,689**	**22,914,449**	**$ 247,706,165**	**$ 247,971,019**

	Tax-Aware Overlay A Portfolio			
	Shares		Amount	
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12
Class 1 Shares				
Shares sold	26,318,547	53,890,246	$ 288,339,986	$ 576,740,275
Shares issued on reinvestment of dividends and distributions	567,753	7,847,752	6,023,861	81,067,278
Shares redeemed	(28,825,076)	(44,861,629)	(312,176,293)	(477,550,881)
Net increase (decrease)	**(1,938,776)**	**16,876,369**	**(17,812,446)**	**180,256,672**
Beginning of period	**206,661,223**	**189,784,854**	**2,232,846,087**	**2,052,589,415**
End of period	**204,722,447**	**206,661,223**	**$2,215,033,641**	**$2,232,846,087**

	Tax-Aware Overlay A Portfolio			
	Shares		Amount	
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12
Class 2 Shares				
Shares sold	8,058,121	19,503,612	$ 88,259,105	$ 210,145,943
Shares issued on reinvestment of dividends and distributions	257,094	2,436,693	2,732,904	25,219,770
Shares redeemed	(9,475,949)	(17,100,515)	(102,486,186)	(182,232,407)
Net increase (decrease)	**(1,160,734)**	**4,839,790**	**(11,494,177)**	**53,133,306**
Beginning of period	**61,205,818**	**56,366,028**	**670,721,731**	**617,588,425**
End of period	**60,045,084**	**61,205,818**	**$ 659,227,554**	**$ 670,721,731**

	Overlay B Portfolio			
	Shares		Amount	
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12
Class 1 Shares				
Shares sold	9,083,861	23,637,627	$ 98,916,080	$ 255,893,098
Shares issued on reinvestment of dividends and distributions	2,140,092	2,213,238	22,920,387	23,416,054
Shares redeemed	(10,879,110)	(19,925,961)	(118,437,899)	(215,712,929)
Net increase	**344,843**	**5,924,904**	**3,398,568**	**63,596,223**
Beginning of period	**78,528,584**	**72,603,680**	**823,687,485**	**760,091,262**
End of period	**78,873,427**	**78,528,584**	**$ 827,086,053**	**$ 823,687,485**
Class 2 Shares				
Shares sold	2,721,856	8,828,688	$ 29,524,129	$ 95,894,102
Shares issued on reinvestment of dividends and distributions	482,141	406,646	5,163,731	4,302,318
Shares redeemed	(4,936,561)	(4,462,184)	(53,791,884)	(48,626,411)
Net increase	**(1,732,564)**	**4,773,150**	**(19,104,024)**	**51,570,009**
Beginning of period	**18,325,435**	**13,552,285**	**193,989,014**	**142,419,005**
End of period	**16,592,871**	**18,325,435**	**$ 174,884,990**	**$ 193,989,014**

	Tax-Aware Overlay B Portfolio			
	Shares		Amount	
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12
Class 1 Shares				
Shares sold	14,164,945	30,851,312	$ 156,740,998	$ 334,572,008
Shares issued on reinvestment of dividends and distributions	1,386,058	1,065,045	15,149,618	11,310,780
Shares redeemed	(17,650,200)	(26,114,467)	(195,137,723)	(283,318,196)
Net increase	**(2,099,197)**	**5,801,890**	**(23,247,107)**	**62,564,592**
Beginning of period	**103,800,589**	**97,998,699**	**1,084,292,608**	**1,021,728,016**
End of period	**101,701,392**	**103,800,589**	**$1,061,045,501**	**$1,084,292,608**
Class 2 Shares				
Shares sold	4,392,291	16,123,219	$ 48,626,437	$ 174,737,815
Shares issued on reinvestment of dividends and distributions	694,006	585,158	7,592,423	6,220,234
Shares redeemed	(10,984,369)	(15,018,400)	(121,262,293)	(162,613,547)
Net increase	**(5,898,072)**	**1,689,977**	**(65,043,433)**	**18,344,502**
Beginning of period	**51,550,507**	**49,860,530**	**540,249,800**	**521,905,298**
End of period	**45,652,435**	**51,550,507**	**$ 475,206,367**	**$ 540,249,800**

	Tax-Aware Overlay C Portfolio			
	Shares		Amount	
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12
Class 1 Shares				
Shares sold	3,114,312	6,154,044	$ 33,710,243	$ 66,674,828
Shares issued on reinvestment of dividends and distributions	308,887	222,099	3,684,803	2,352,032
Shares redeemed	(2,448,208)	(4,736,649)	(26,598,013)	(51,289,963)
Net increase	**974,991**	**1,639,494**	**10,797,033**	**17,736,897**
Beginning of period	**24,804,911**	**23,165,417**	**258,414,302**	**240,677,405**
End of period	**25,779,902**	**24,804,911**	**$ 269,211,335**	**$ 258,414,302**
Class 2 Shares				
Shares sold	2,088,693	2,389,800	$ 23,033,819	$ 25,663,449
Shares issued on reinvestment of dividends and distributions	196,967	163,229	2,155,840	1,728,596
Shares redeemed	(1,386,123)	(2,355,089)	(15,240,096)	(25,492,419)
Net increase	**899,537**	**197,940**	**9,949,563**	**1,899,626**
Beginning of period	**14,640,837**	**14,442,897**	**153,514,126**	**151,614,500**
End of period	**15,540,374**	**14,640,837**	**$ 163,463,689**	**$ 153,514,126**

	Tax-Aware Overlay N Portfolio			
	Shares		Amount	
	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12	Six Months Ended 3/31/13 (Unaudited)	Year Ended 9/30/12
Class 1 Shares				
Shares sold	2,890,514	6,555,297	$ 31,742,277	$ 70,324,156
Shares issued on reinvestment of dividends and distributions	371,794	285,490	4,026,534	3,009,068
Shares redeemed	(4,332,937)	(5,704,440)	(47,452,036)	(61,358,812)
Net increase	**(1,070,629)**	**1,136,347**	**(11,683,225)**	**11,974,412**
Beginning of period	**28,863,980**	**27,727,633**	**301,158,164**	**289,183,752**
End of period	**27,793,351**	**28,863,980**	**$289,474,939**	**$301,158,164**
Class 2 Shares				
Shares sold	988,725	2,383,318	$ 10,907,887	$ 25,668,841
Shares issued on reinvestment of dividends and distributions	74,034	53,100	802,530	559,670
Shares redeemed	(1,228,091)	(1,351,477)	(13,559,330)	(14,679,965)
Net increase	**(165,332)**	**1,084,941**	**(1,848,913)**	**11,548,546**
Beginning of period	**5,633,393**	**4,548,452**	**58,538,048**	**46,989,502**
End of period	**5,468,061**	**5,633,393**	**$ 56,689,135**	**$ 58,538,048**

NOTE 7. 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 8. 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 Portfolios' financial statements through this date.

Sanford C. Bernstein Fund, Inc.—Overlay Portfolios

Board of Directors

Thomas B. Stiles II*^
Chairman

Dianne F. Lob
President

Bart Friedman*
Director

William Kristol*
Director

Debra Perry*
Director

Donald K. Peterson*
Director

Rosalie J. Wolf*
Director

Officers

Philip L. Kirstein
Senior Vice President and Independent Compliance Officer

Joseph J. Mantineo
Treasurer and Chief Financial Officer

Emilie D. Wrapp
Secretary

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP
300 Madison Avenue
New York, New York 10017

Legal Counsel

Willkie Farr & Gallagher LLP
787 Seventh Avenue
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Custodian and Accounting Agent and Transfer Agent

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

Investment Adviser

AllianceBernstein L.P.
1345 Avenue of the Americas
New York, New York 10105

* Member of the Audit Committee, the Nominating, Governance and Compensation Committee and the Independent Directors Committee.
^ Member of the Fair Value Pricing Committee.

Tax-Managed International Portfolio
International Portfolio
Emerging Markets Portfolio
Short Duration New York Municipal Portfolio
Short Duration California Municipal Portfolio
Short Duration Diversified Municipal Portfolio
New York Municipal Portfolio
California Municipal Portfolio
Diversified Municipal Portfolio
U.S. Government Short Duration Portfolio
Short Duration Plus Portfolio
Intermediate Duration Portfolio
Overlay A Portfolio
Tax-Aware Overlay A Portfolio
Overlay B Portfolio
Tax-Aware Overlay B Portfolio
Tax-Aware Overlay C Portfolio
Tax-Aware Overlay N Portfolio

The Fund's Board of Directors, including the Directors who are not interested persons of the Fund (the "Independent Directors"), unanimously approved the continuation of the Investment Management Agreement between the Sanford C. Bernstein Fund, Inc. (the "Fund"), on behalf of the Tax-Managed International, International, Emerging Markets, Short Duration New York Municipal, Short Duration California Municipal, Short Duration Diversified Municipal, New York Municipal, California Municipal, Diversified Municipal, U.S. Government Short Duration, Short Duration Plus, Intermediate Duration, Overlay A, Tax-Aware Overlay A, Overlay B, Tax-Aware Overlay B, Tax-Aware Overlay C and Tax-Aware Overlay N Portfolios (each, a "Portfolio" and collectively, the "Portfolios") and AllianceBernstein L.P. (the "Adviser") (the "Investment Management Agreement") at a meeting held on October 25, 2012. In connection with the process relating to the annual review of the Investment Management Agreement between the Fund and the Adviser, the Adviser received a letter dated August 23, 2012, from counsel to the Independent Directors. The letter contained a preliminary list of information requested by the Independent Directors to conduct their annual review. The Board of Directors, including the Independent Directors, had received and reviewed in July 2012 certain information relating to the profitability of the Adviser in 2011 and prior years in relation to its services to the Fund, and received and evaluated extensive additional materials relating to the renewal of the Investment Management Agreement from the Adviser during September and October 2012. In addition, the Independent Directors received materials prepared by the Senior Officer (who is also the Fund's Independent Compliance Officer), as described below. On September 20, 2012, the Board of Directors held an in-person meeting to discuss its review of the Investment Management Agreement and the materials the Directors had been provided. Also on September 20, 2012, the Independent Directors met separately with independent counsel and the Senior Officer, and met with Peter Kraus, the Chief Executive Officer of the Adviser, to discuss his perspectives on the performance of the Fund's Portfolios and strategies to improve that performance. Following the September 20, 2012 meeting, the Independent Directors, through counsel, requested certain additional information which was provided by the Adviser on October 9, 2012. The Independent Directors held a telephonic meeting on October 16, 2012 to discuss the contract renewal materials and supplemental materials. On October 24, 2012, the Independent Directors met with counsel to the Independent Directors as well as the Fund's Senior Officer to review the contract renewal materials provided by the Adviser as well as the Senior Officer's report and conclusions. On October 25, 2012, the Board of Directors held an in-person meeting to continue their review of the Investment Management Agreement. At the October 25, 2012 meeting, the Board approved the continuation of the Investment Management Agreement for an additional annual term as described below.

In approving the continuation of the Investment Management Agreement, the Board of Directors, including the Independent Directors, considered all information it deemed reasonably necessary to evaluate the terms of the Agreement and considered whether continuation of the Investment Management Agreement would be in the best interests of each respective Portfolio.

The Board of Directors also reviewed an independent evaluation prepared by the Fund's Senior Officer of the reasonableness of the advisory fees in the Investment Management Agreement, wherein the Senior Officer concluded that the contractual fees contained in the Adviser's proposal were reasonable with respect to all Portfolios and within the range of what would have been negotiated at arms-length in light of the surrounding circumstances.

The matters discussed below were considered separately by the Independent Directors in executive sessions, during which experienced counsel that is independent of the Adviser provided guidance to the Independent Directors. No single factor was considered in isolation or to be determinative to the decision of the Board to approve the continuation of the Investment Management Agreement. Rather, the Board concluded, in light of a weighing and balancing of all factors considered, that it was in the best interests of each Portfolio to approve the continuation of the Investment Management Agreement including the fees to be charged for services thereunder, as described below.

Fees and Expenses

The Board of Directors, including the Independent Directors, compared the fees and expense ratios of each Portfolio as proposed by the Adviser (before and after any fee waivers and expense reimbursements) against fees and expense ratios of a peer group of funds with similar investment objectives ("peer group"). Both the peer group and the funds within the peer group, with respect to the fee and expense data, were prepared by Lipper, Inc. ("Lipper"), an independent provider of investment company data. Where applicable, the Board considered similarities and differences between each Portfolio and the other funds in its respective peer group, including the relationship of fees to the size of fund assets. The Senior Officer also performed analyses of the advisory fees based upon hypothetical fee structures and asset levels, and compared such analyses to the Portfolios' peer groups.

The Board also received and considered information about the services rendered, and the fee rates charged, to other clients advised by the Adviser.

On the basis of its review and consideration of the proposed fees as described above, and in light of the Adviser's agreement to continue to voluntarily waive a portion of the advisory fees of the International, Tax-Managed International and Emerging Markets Portfolios as described below, the Board concluded that the current contractual advisory fees are reasonable.

Nature, Extent and Quality of Services

The Board of Directors, including the Independent Directors, considered their knowledge of the nature, quality and extent of services performed by the Adviser and its affiliates gained from their experience as directors of the Fund, their overall confidence in the Adviser's integrity and competence they have gained from that experience, and the Adviser's initiative in identifying and raising potential issues with the Directors. The Board also considered the Adviser's responsiveness, frankness and attention to concerns raised by the Directors from time to time, including the Adviser's willingness to consider and implement organizational changes designed to improve investment results and the services provided to the Portfolios. The Board also considered the scope and quality of the Adviser's investment management capabilities, other resources dedicated to performing its services, the quality of its administrative and other services provided to the Portfolios and the background and experience of the Adviser's senior management. The Board reviewed the qualifications, backgrounds and responsibilities of the investment staff primarily responsible for day-to-day portfolio management services for each Portfolio and noted the Adviser's commitment to strong research and investment management capabilities throughout recent difficult market environments. The Board considered the allocation of responsibilities as well as the factors that were taken into account in making and implementing investment decisions for the Portfolios. The Board then reviewed the compliance and administrative services of the Adviser that support the investment advisory services provided to the Portfolios and noted that such staff was sufficient to ensure a high level of quality service to the Portfolios. The Board also considered how the organizational capabilities and financial condition of the Adviser affected the nature and quality of its services and, in particular, the impact, if any, the diminution in assets under management and revenues of the Adviser in recent years may have had on the Adviser's available resources to provide services to the Portfolios.

In considering the nature and quality of the services provided by the Adviser, the Board of Directors, including the Independent Directors, received and considered information about each Portfolio's investment performance, as well as

the performance of its peer group and the performance of an appropriate benchmark index. (The Board recognized that the benchmark indices do not account for fees and expenses incurred by a fund, including the Portfolios.) The Board was provided with performance data versus each Portfolio's peer group, both before and after fees for the l-year, 3-year, 5-year and 10-year periods, as applicable, ended June 30, 2012 ("relevant periods") and versus each Portfolio's benchmark index, after fees, for the year to date, l-year, 3-years, 5-years, 10-years and since inception periods, as applicable, ended June 30, 2012. Both the funds included in each Portfolio's peer group and the comparative performance data were provided to the Directors by Lipper. The Directors also receive detailed comparative performance information for the Portfolios at each regular Board meeting during the year.

The Directors noted the complexity of the Overlay Portfolios, in particular the complexity of managing the globally diversified set of asset classes and derivatives in which the Overlays can invest as well as the complexity of dynamically allocating assets through the Overlay Portfolios among various asset classes as economic and market conditions change in order to provide the desired risk/return trade-off for private client accounts. The Directors also noted the Adviser's continued efforts to enhance the Overlay Portfolios.

The Board concluded that the Adviser had the experience and resources necessary to provide services of appropriate nature, quality and scope with respect to the Portfolios.

Profitability

The Board of Directors, including the Independent Directors, considered the level of the Adviser's profits in respect of its management of the Portfolios. The materials provided to the Independent Directors included a schedule of the revenues, expenses and related notes indicating the profitability of the Portfolios to the Adviser for calendar years 2010 and 2011, which had been reviewed by an independent consultant retained by the 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 many potentially acceptable allocation methodologies for information of this type. The Directors noted that they received information regarding all revenues and expenses of the Adviser's relationship with the Fund, including those relating to the Adviser's subsidiaries that provide transfer agency, distribution and brokerage services to the Portfolios and that they had focused on profitability before taxes and distribution expenses. The Directors also received a presentation at the July 25, 2012 Board meeting from the independent consultant who reviewed the Adviser's methods of calculating profitability. The Directors recognized that it is difficult to make comparisons of profitability from fund advisory contracts because comparative information is not generally publicly available and is affected by numerous factors including different cost accounting methodologies.

After reviewing all relevant factors, the Board of Directors, including the Independent Directors, concluded that the level of the Adviser's profits in respect of its management of the Portfolios was reasonable.

Economies of Scale

The Board of Directors, including the Independent Directors, considered whether there have been economies of scale in respect of the management of the Portfolios, whether the Portfolios have appropriately benefited from any economies of scale, and whether there is potential for realization of any further economies of scale.

At the July 25, 2012 Board meeting, the Directors received a presentation from an independent consultant on economies of scale in the mutual fund industry and for the AllianceBernstein fund complex generally, and a presentation from the Adviser concerning certain of its views on economies of scale with respect to the Portfolios. After reviewing the profitability and economies of scale information provided by the Adviser and the independent consultant, the Board concluded that the benefits of any economies of scale were appropriately being shared with Portfolio investors by way of, among other things, the Portfolios' breakpoint arrangements as currently in effect as described below, expense caps and waivers on select Portfolios, and the Adviser's continued reinvestment in the business, including by researching and implementing new product enhancements, although the Adviser decreased its operating expenses and staff in recent years.

Fall-Out Benefits and Other Revenue

The Board of Directors, including the Independent Directors, also took into account not only the advisory fees payable by the Portfolios, but also so-called "fall-out benefits" to the Adviser, such as soft dollar arrangements (whereby it receives brokerage and research services from many of the brokers and dealers that execute purchases and sales of securities on behalf of its clients on an agency basis), Rule 12b-1 fees and sales charges received by the principal underwriter (which is a wholly owned subsidiary of the Adviser) with respect to the retail share classes of certain Portfolios, transfer agency fees paid by the retail share classes of certain Portfolios to a wholly-owned subsidiary of the Adviser, and brokerage commissions paid by certain Portfolios to brokers affiliated with the Adviser. The Directors recognized that the Adviser's profitability would be somewhat lower without these benefits. They also considered other benefits potentially derived from an increase in the Adviser's business as a result of its relationship with the Fund. The Directors concluded that these fall-out benefits to the Adviser were acceptable.

Advisory Fee Rate Schedule

On the basis of the information considered, and in light of the Adviser's agreement to continue to voluntarily waive the advisory fees of the International, Tax-Managed International and Emerging Markets Portfolios by an amount equal to 0.05% per annum of the respective net assets of these Portfolios through October 31, 2013, the Board determined to approve the continuation of the Investment Management Agreement for an additional annual term, without change to the Portfolios' contractual fee schedules, as set forth below:

	ADVISORY FEE SCHEDULE
Short Duration California Municipal Portfolio	0.45% of the first $750 million; 0.40% of assets in excess of $750 million
Short Duration Diversified Municipal Portfolio	0.45% of the first $750 million; 0.40% of assets in excess of $750 million
Short Duration New York Municipal Portfolio	0.45% of the first $750 million; 0.40% of assets in excess of $750 million
U.S. Government Short Duration Portfolio	0.45% of the first $750 million; 0.40% of assets in excess of $750 million
Short Duration Plus Portfolio	0.45% of the first $750 million; 0.40% of assets in excess of $750 million
New York Municipal Portfolio	0.50% of the first $1 billion; 0.45% of assets in excess of $1 billion up to, but not exceeding $3 billion; 0.40% in excess of $3 billion up to, but not exceeding $5 billion; 0.35% of assets in excess of $5 billion
California Municipal Portfolio	0.50% of the first $1 billion; 0.45% of assets in excess of $1 billion up to, but not exceeding $3 billion; 0.40% in excess of $3 billion up to, but not exceeding $5 billion; 0.35% of assets in excess of $5 billion
Diversified Municipal Portfolio	0.50% of the first $1 billion; 0.45% of assets in excess of $1 billion up to, but not exceeding $3 billion; 0.40% in excess of $3 billion up to, but not exceeding $5 billion; 0.35% in excess of $5 billion up to, but not exceeding $7 billion; 0.30% of assets in excess of $7 billion
Intermediate Duration Portfolio	0.50% of the first $1 billion; 0.45% of assets in excess of $1 billion up to, but not exceeding $3 billion; 0.40% in excess of $3 billion up to, but not exceeding $5 billion; 0.35% in excess of $5 billion up to, but not exceeding $7 billion; 0.30% of assets in excess of $7 billion

	ADVISORY FEE SCHEDULE
Tax-Managed International Portfolio	0.925% of the first $1 billion; 0.85% of assets in excess of $1 billion up to, but not exceeding $4 billion; 0.80% in excess of $4 billion up to, but not exceeding $6 billion; 0.75% in excess of $6 billion up to, but not exceeding $8 billion; 0.65% in excess of $8 billion up to, but not exceeding $10 billion; 0.60% of assets in excess of $10 billion
International Portfolio	0.925% of the first $1 billion; 0.85% of assets in excess of $1 billion up to, but not exceeding $4 billion; 0.80% in excess of $4 billion up to, but not exceeding $6 billion; 0.75% of assets in excess of $6 billion up to, but not exceeding $8 billion; 0.65% of assets in excess of $8 billion
Emerging Markets Portfolio	1.175% of the first $1 billion; 1.05% of assets in excess of $1 billion up to, but not exceeding $2 billion; 1.00% in excess of $2 billion up to, but not exceeding $3 billion; 0.90% in excess of $3 billion up to, but not exceeding $6 billion; 0.85% of assets in excess of $6 billion
Overlay A Portfolio	0.90% of assets
Tax-Aware Overlay A Portfolio	0.90% of assets
Overlay B Portfolio	0.65% of assets
Tax-Aware Overlay B Portfolio	0.65% of assets
Tax-Aware Overlay C Portfolio	0.65% of assets
Tax-Aware Overlay N Portfolio	0.65% of assets

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 Sanford C. Bernstein Fund, Inc. (the "Fund") with respect to the following Overlay Portfolios (the "Portfolios"):[2]

Tax-Aware Overlay A Portfolio
Overlay A Portfolio
Tax-Aware Overlay B Portfolio
Overlay B Portfolio
Tax-Aware Overlay C Portfolio
Tax-Aware Overlay N Portfolio

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 Portfolios which was provided to the Directors in connection with their review of the proposed approval of the continuance of the Investment Advisory Agreement.

The Overlay Portfolios, which utilizes the Adviser's Dynamic Asset Allocation ("DAA") service, are not designed to be used as stand-alone investments and are used only in conjunction with globally diversified Private Client portfolios. Overlay A Portfolio and Tax-Aware Overlay A Portfolio are intended for use in Private Client accounts that have a higher equity weighting (e.g., 20% fixed income and 80% equity). Overlay B Portfolio, Tax-Aware Overlay B Portfolio, Tax-Aware Overlay C Portfolio and Tax-Aware Overlay N Portfolio are intended for use in Private Client accounts that have a higher fixed income weighting (e.g., 70% fixed income and 30% equity).[3] Combinations of the Overlay Portfolios can be used to tailor the overlay service to suit a variety of Private Client account asset allocations. When applied in a systematic way over time, the overlay strategies are designed to: reduce portfolio volatility, reduce the probability of large losses as a result of negative "tail events", and maintain returns over time. The side effect of such strategies is reducing the probability of large gains. These potential benefits are intended to be realized at the level of a Private Client's account, which would include other investments, such as individual securities as well as holdings in one or more of the Portfolios.

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 Portfolios grow larger; and
6. Nature and quality of the Adviser's services including the performance of the Portfolios.

[1] The Senior Officer's evaluation was completed on October 4, 2012 and discussed with the Board on October 16 and 25, 2012.
[2] Future references to the various Portfolios do not include "Sanford C. Bernstein." It also should be noted that references in the fee summary pertaining to performance and expense ratios refer to the Class 1 shares of the Portfolios unless otherwise indicated.
[3] Both the Overlay C Portfolio and the Overlay N Portfolio seek to minimize the impact of federal and state taxes for shareholders resident in California and New York, respectively.

These factors, with the exception of the first factor, are generally referred to as the "*Gartenberg* factors," which were articulated by the United States Court of Appeals for the Second Circuit in 1982. *Gartenberg v. Merrill Lynch Asset Management, Inc.*, 694 F. 2d 923 (2d Cir. 1982). The first factor is an additional factor required to be considered by the Assurance of Discontinuance between the NYAG and the Adviser. On March 30, 2010, the Supreme Court held the *Gartenberg* decision was correct in its basic formulation of what §36(b) requires: to face liability under §36(b), "an investment adviser must charge a fee that is so disproportionately large that it bears no reasonable relationship to the services rendered and could not have been the product of arm's length bargaining." *Jones v. Harris Associates L.P.,* 130 S. Ct. 1418 (2010). In the *Jones* decision, the Court stated the *Gartenberg* approach fully incorporates the correct understanding of fiduciary duty within the context of section 36(b) and noted with approval that "*Gartenberg* insists that all relevant circumstances be taken into account" and "uses the range of fees that might result from arm's-length bargaining as the benchmark for reviewing challenged fees."[4]

PORTFOLIOS' ADVISORY FEES, EXPENSE REIMBURSEMENTS & RATIOS

The Adviser proposed that the Portfolios pay the advisory fees set forth below for receiving the services to be provided pursuant to the Investment Advisory Agreement. The proposed advisory fee schedules did not contain any changes from the previous year.

Portfolio	Advisory Fee Based on % of Average Daily Net Assets[5]
Tax-Aware Overlay A Portfolio Overlay A Portfolio	0.90% (flat fee)
Tax-Aware Overlay B Portfolio Overlay B Portfolio Tax-Aware Overlay C Portfolio Tax-Aware Overlay N Portfolio	0.65% (flat fee)

The Portfolios' net assets on September 30, 2012 and September 30, 2011 are set forth below:

Portfolio	09/30/12 Net Assets ($MM)	09/30/11 Net Assets ($MM)	Change ($MM)
Tax-Aware Overlay A Portfolio	$2,836.0	$2,646.8	$189.2
Overlay A Portfolio	$1,457.3	$1,392.3	$ 65.0
Tax-Aware Overlay B Portfolio	$1,716.6	$1,561.1	$155.5
Overlay B Portfolio	$1,063.5	$ 925.0	$138.5
Tax-Aware Overlay C Portfolio	$ 433.7	$ 395.2	$ 38.6
Tax-Aware Overlay N Portfolio	$ 376.6	$ 338.4	$ 38.2

The Adviser agreed to waive that portion of its management fees and/or reimburse the Portfolios for that portion of the Portfolios' total operating expenses to the degree necessary to limit the Portfolios' expense ratios to the amounts set forth below.[6,7] During the semi-annual period ending March 31, 2012, none of the Portfolios were operating above their expense caps. Accordingly, the Overlay Portfolios' expense limitation undertakings were of no effect during the semi-annual period ended March 31, 2012.

[4] *Jones v. Harris* at 1427.

[5] The advisory fees of each Portfolio are based on the percentage of each Portfolio's net assets, not a combination of any of the Portfolios shown.

[6] On January 25, 2012, the Adviser notified the Board that the Adviser had determined to extend the Expense Limitation Undertaking for the Overlay Portfolios through January 31, 2013. The agreement is terminable by the Adviser upon at least 60 days' written notice.

[7] The agreement allows for the Adviser to be reimbursed through January 31, 2013 for management fees that the Adviser waived or reimbursements that the Adviser made for fund expenses exceeding the Overlay Portfolios' expense caps through January 31, 2013. The agreement provides that such payment shall be made only to the extent that the payment does not cause the Overlay Portfolios' aggregate expenses to exceed, on an annual basis, their expense caps, and that such payment shall not exceed the amount of the offering expenses recorded by the Portfolios for financial reporting purposes on or before February 8, 2011.

Portfolio		Semi-Annual Period Ending 03/31/12 Total Expense Ratio[8] Exp. Cap	Gross
Tax-Aware Overlay A Portfolio	Class 1	1.20%	1.14%
	Class 2	1.00%	0.94%
Overlay A Portfolio	Class 1	1.20%	1.15%
	Class 2	1.00%	0.95%
Tax-Aware Overlay B Portfolio	Class 1	0.90%	0.84%
	Class 2	0.75%	0.69%
Overlay B Portfolio	Class 1	0.90%	0.86%
	Class 2	0.75%	0.71%
Tax-Aware Overlay C Portfolio	Class 1	0.90%	0.88%
	Class 2	0.75%	0.73%
Tax-Aware Overlay N Portfolio	Class 1	0.90%	0.88%
	Class 2	0.75%	0.73%

I. MANAGEMENT FEES CHARGED TO INSTITUTIONAL AND OTHER CLIENTS

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

Notwithstanding the Adviser's view that managing an investment company is not comparable to managing other institutional accounts because the services provided are different, the Supreme Court has indicated consideration should be given to the advisory fee charged to institutional accounts that have investment styles similar to the Portfolios.[9] However, with respect to the Portfolios, the Adviser represented that there are no institutional products in the Adviser's Form ADV that have similar investment style as the Portfolios.

[8] Annualized.

[9] 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.

The Adviser manages the AllianceBernstein Cap Fund, Inc.—Dynamic All Market Fund ("Dynamic All Market Fund"), a retail mutual fund which has a somewhat similar investment style as Overlay A Portfolio. Set forth below is the advisory fee schedule of Dynamic All Market Fund and what would have been the effective advisory fee of the Overlay A Portfolio had the retail mutual fund's fee schedule been applicable to the Portfolio based on the Portfolio's September 30, 2012 net assets:

Portfolio	ABMF Fund	ABMF Fee Schedule	ABMF Effective Fee	Portfolio Advisory Fee
Overlay A Portfolio	Dynamic All Market Fund	60 bp (flat fee)	0.600%	0.900%

The AllianceBernstein Variable Products Series Fund, Inc. ("AVPS"), which is managed by the Adviser and is available through variable annuity and variable life contracts offered by other financial institutions, offers policy holders the option to utilize certain AVPS portfolios as the investment option underlying their insurance contracts. AVPS – Dynamic Asset Allocation Portfolio has a somewhat similar investment style as Overlay A Portfolio, and its advisory fee schedule is set forth in the table below.[10]

Portfolio	AVPS Portfolio	AVPS Fee Schedule	AVPS Effective Fee	Portfolio Advisory Fee
Overlay A Portfolio	Dynamic Asset Allocation Portfolio	70 bp (flat fee)	0.700%	0.900%

The Adviser provides sub-advisory investment services to certain other investment companies managed by other fund families. The Adviser charges the fees set forth below for the sub-advisory relationships that have a similar investment style as Overlay A Portfolio. Also shown are Overlay A Portfolio's advisory fees, the advisory fee schedules of the sub-advised funds and the effective advisory fees of the sub-advisory relationships based on the Portfolio's September 30, 2011 net assets:

Portfolio	Sub-advised Fund	Sub-advised Fund Fee Schedule	Sub-advised Fund Effective Fee (%)	Portfolio Advisory Fee (%)
Overlay A Portfolio	Client #1	0.40% on first $100 million 0.35% on next $100 million 0.30% on the balance	0.310%	0.900%
	Client #2	0.40% on first $250 million 0.35% on next $250 million 0.325% on next $500 million 0.30% on the balance	0.334%	0.900%
	Client #3	0.35% on the first $400 million 0.30% on the balance	0.314%	0.900%

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 Overlay A Portfolio by the Adviser. In addition, to the extent that certain of these sub-advisory relationships are with affiliates of the Adviser, the fee schedules may not reflect arm's length bargaining or negotiations.

[10] AVPS – Dynamic Asset Allocation Portfolio is designed as a balanced fund with a neutral asset allocation of 60% equity and 40% fixed income. The Adviser utilizes its DAA principles and toolset in managing the portfolio's risk profile and asset allocation.

While it appears that certain sub-advisory relationships are paying a lower fee than the Overlay A Portfolio, it is difficult to evaluate the relevance of such lower fees due to differences in terms of the service provided, risks involved and other competitive factors between the Portfolio and sub-advisory relationships. There could also be various business-related reasons why an investment adviser would be willing to manage a sub-advisory relationship investment related services for a different fee level than an investment company it is sponsoring where the investment adviser is providing all the services generally required by a registered investment company in addition to investment services.

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 Portfolios with fees charged to other investment companies for similar services by other investment advisers.[11] Lipper's analysis included the comparison of each Portfolio's contractual management fee,[12] estimated at the approximate current asset level of the subject Portfolio, to the median of the Portfolio's Lipper Expense Group ("EG")[13] and the Portfolio's contractual management fee ranking.

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, and expense components and attributes. An EG will typically consist of seven to twenty funds.

As noted previously, the Portfolios were not designed as stand-alone portfolios, in contrast to their Lipper peers, which are stand-alone. Accordingly, the peers selected for each Portfolio from Lipper's Global Flexible universe were based primarily on asset size and may be of limited value for comparison purposes.

Portfolio	Contractual Management Fee (%)	Lipper Exp. Group Median (%)	EG Rank
Tax-Aware Overlay A Portfolio	0.900	0.774	9/11
Overlay A Portfolio	0.900	0.828	9/13
Tax-Aware Overlay B Portfolio	0.650	0.784	4/11
Overlay B Portfolio	0.650	0.853	4/15
Tax-Aware Overlay C Portfolio	0.650	0.900	1/13
Tax-Aware Overlay N Portfolio	0.650	0.900	1/14

Lipper also compared the Portfolios' total expense ratios to the medians of the Portfolios' EG and Lipper Expense Universe ("EU"). The EU[14] 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 Portfolio.

[11] 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.

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

[13] Lipper does not consider average account size when constructing EGs. Funds with relatively small average account sizes tend to have a higher transfer agent expense ratio than comparable sized funds that have relatively large average account sizes.

[14] 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.

Portfolio	Expense Ratio (%)[15]	Lipper Exp. Group Median (%)	Lipper Group Rank	Lipper Exp. Universe Median (%)	Lipper Universe Rank
Tax-Aware Overlay A Portfolio	1.145	1.145	6/11	1.079	75/134
Overlay A Portfolio	1.167	1.016	9/13	1.079	79/134
Tax-Aware Overlay B Portfolio	0.857	1.016	4/11	1.079	30/134
Overlay B Portfolio	0.875	1.016	4/15	1.079	32/134
Tax-Aware Overlay C Portfolio	0.892	1.350	1/13	1.079	35/134
Tax-Aware Overlay N Portfolio	0.900	1.309	2/14	1.079	36/134

Based on this analysis, the Portfolios have lower contractual management fees than their respective EG medians with the exception of Tax-Aware Overlay A Portfolio and Overlay A Portfolio, which have higher contractual management fees.

The Portfolios have lower total expense ratios than their respective EG medians, with the exception for Tax-Aware Overlay A Portfolio, which has an equal total expense ratio, and Overlay A Portfolio, which has a higher total expense ratio.

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 Portfolios. 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.

Members of the Adviser's Controller's Office provided the Board of Directors information regarding the Adviser's profitability attributable to the Portfolios. The Adviser's profitability with respect to the Portfolios increased in 2011 compared to 2010.

The Adviser provides the Portfolios with shareholder servicing services. For these services, the Adviser charges Tax-Aware Overlay A Portfolio and Overlay A Portfolio a fee of 0.20% of average daily net assets, and Overlay B Portfolio and the Tax-Aware Overlay B, C and N Portfolios a fee of 0.15% of average daily net assets. Set forth below are the fees paid by the Portfolios under the Shareholder Servicing Agreement during the fiscal year ended September 30, 2011:

Portfolio	Shareholder Serving Agreement Fee
Tax-Aware Overlay A Portfolio	$3,777,784
Overlay A Portfolio	$2,058,920
Tax-Aware Overlay B Portfolio	$1,317,311
Overlay B Portfolio	$1,067,785
Tax-Aware Overlay C Portfolio	$ 329,469
Tax-Aware Overlay N Portfolio	$ 376,132

[15] The total expense ratios are for the Portfolios' most recently completed fiscal year Class 1 shares.

In addition to the Adviser's direct profits from managing and providing certain shareholder services to the Portfolios, certain of the Adviser's affiliates have business relationships with the Portfolios and may earn a profit from providing other services to the Portfolios. 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 Portfolios 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.

During the fiscal year ended September 30, 2011, none of the Portfolios effected brokerage transactions through and paid commissions to the Adviser's affiliate, Sanford C. Bernstein & Co., LLC ("SCB& Co.") and/or its U.K. affiliate, Sanford C. Bernstein Limited ("SCB Ltd."), collectively "SCB".

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.

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

Previously in September 2007, the independent consultant provided the Board of Directors an update of the Deli[17] study on advisory fees and various fund characteristics.[18] The independent consultant first reiterated the results of his previous two dimensional comparison analysis (fund size and family size) with the Board of Directors.[19] The independent consultant then discussed the results of the regression model that was utilized to study the effects of various factors on advisory fees. The regression model output indicated that the bulk of the variation in fees predicted were explained by various factors, but substantially by fund AUM, family AUM, index fund indicator and investment style.

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

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

[18] 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.

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

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

With assets under management of approximately $411 billion as of August 31, 2012, the Adviser has the investment experience to manage the Portfolios and provide non-investment services (described in Section I) to the Portfolios.

The information prepared by Lipper in the table below shows the 1 year gross performance returns of the Portfolios[20] relative to the medians of the Portfolios' Lipper Performance Groups ("PG") and Lipper Performance Universes ("PU")[21] for the period ended July31, 2012.[22] Also shown are the gross performance rankings of the Portfolios. It should be noted that the Overlay Portfolios are not designed to be used as stand-alone investments, unlike its peers, and are used only in conjunction with globally diversified Private Client portfolios. Accordingly, the Lipper performance comparisons for the Overlay Portfolios are shown only for information purposes and do not indicate how successful the Overlay Portfolios are in meeting their investment objectives.

		Portfolio Return (%)	PG Median (%)	PU Median (%)	PG Rank	PU Rank
Tax-Aware Overlay A Portfolio						
	1 year	-7.25	-0.59	-1.54	10/11	199/247
Overlay A Portfolio						
	1 year	-3.79	0.08	-1.54	12/13	164/247
Tax-Aware Overlay B Portfolio						
	1 year	2.34	2.34	-1.42	6/11	58/247
Overlay B Portfolio						
	1 year	3.04	1.30	-1.42	5/15	38/247
Tax-Aware Overlay C Portfolio						
	1 year	2.52	0.32	-1.42	4/13	53/247
Tax-Aware Overlay N Portfolio						
	1 year	2.03	-0.37	-1.42	4/14	61/247

Set forth below are the 1 year and since inception net performance returns of the Portfolios (in bold)[23] versus their benchmarks.[24] As previously indicated, the Overlay Portfolios are not designed to be used as stand-alone investments and are used only in conjunction with globally diversified Private Client portfolios. Accordingly, the benchmark performance comparisons for the Overlay Portfolios are shown only for information purposes and are not meant to indicate how successful the Overlay Portfolios are in meeting their investment objectives.[25]

[20] The gross performance returns are for the Class 1 shares for the Overlay Portfolios.

[21] The Portfolios' PGs are identical to the Portfolios' EGs. The Portfolios' PUs are not identical to the Portfolios' EUs as the criteria for including/excluding a fund in/from a PU are somewhat different from that of an EU.

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

[23] The performance returns shown in the table for the Class 1 shares for the Overlay Portfolios were provided by the Adviser.

[24] The Adviser provided Portfolio and benchmark performance return information for the periods through July 31, 2012.

[25] Providing a comparison of each individual Overlay Portfolio's performance against a broad-based securities market index is consistent with the SEC requirement that each registered investment company specify such a benchmark.

	Periods Ending July 31, 2012 Annualized Net Performance (%)	
	1 Year (%)	Since Inception (%)
Tax-Aware Overlay A Portfolio	**-8.30**	**3.22**
S&P 500 Stock Index	9.13	13.64
Inception Date: February 8, 2010		
Overlay A Portfolio	**-4.90**	**5.01**
S&P 500 Stock Index	9.13	13.64
Inception Date: February 8, 2010		
Tax-Aware Overlay B Portfolio	**1.47**	**5.22**
Barclays Capital 5 Year GO Municipal Bond Index	4.60	4.47
Inception Date: February 8, 2010		
Overlay B Portfolio	**2.15**	**6.02**
Barclays Capital Global Aggregate Bond Index	6.94	5.25
Inception Date: February 8, 2010		
Tax-Aware Overlay C Portfolio	**1.61**	**5.24**
Barclays Capital 5 Year GO Municipal Bond Index	4.60	4.47
Inception Date: February 8, 2010		
Tax-Aware Overlay N Portfolio	**1.12**	**4.99**
Barclays Capital 5 Year GO Municipal Bond Index	4.60	4.47
Inception Date: February 8, 2010		

As indicated previously, the Overlay Portfolios were not designed as stand-alone portfolios, in contrast to the Portfolios' Lipper peers. The Overlay Portfolios are used in conjunction with globally diversified Private Client portfolios. The table below shows the impact of the Overlay Portfolios, herein referred to as DAA as of July 31, 2012 on a Tax-Aware account and on a Non-Taxable account:[26]

Tax-Aware Portfolio	1 Year Period Ending 7/31/12 % Return	1 Year Period Ending 7/31/12 % Volatility	Inception-7/31/2012 % Return	Inception-7/31/2012 % Volatility
30/70 Investor				
Fully Diversified—With DAA	2.35	6.51	4.97	5.69
Fully Diversified—Traditional Portfolio	2.70	7.37	4.85	6.17
Impact of DAA	***-0.35***	***-0.86***	***0.12***	***-0.48***
Fully Diversified—Benchmark[27]	5.58	6.13	7.0	5.14
60/40 Investor				
Fully Diversified—With DAA	-1.80	12.91	4.65	11.25
Fully Diversified—Traditional Portfolio	-0.73	15.23	4.85	12.62
Impact of DAA	***-1.07***	***-2.32***	***-0.20***	***-1.37***
Fully Diversified—Benchmark[28]	4.50	12.79	8.98	10.56

[26] Information with respect to DAA's impact on a Tax-Aware account and a Non-Taxable account was provided by the Adviser.
[27] Benchmark is 21% S&P 500 Stock Index, 7.5% MSCI EAFE, 1.5% MSCI Emerging Markets, 70% Barclays 1-10 Year Munis.
[28] Benchmark is 42% S&P 500 Stock Index, 15% MSCI EAFE, 3% MSCI Emerging Markets, 40% Barclays 1-10 Year Munis.

Tax-Aware Portfolio	1 Year Period Ending 7/31/12 % Return	1 Year Period Ending 7/31/12 % Volatility	Inception-7/31/2012 % Return	Inception-7/31/2012 % Volatility
80/20 Investor				
Fully Diversified—With DAA	-4.67	17.22	4.25	15.00
Fully Diversified—Traditional Portfolio	-3.22	20.51	4.62	16.96
Impact of DAA	***-1.45***	***-3.29***	***-0.37***	***-1.96***
Fully Diversified—Benchmark[29]	3.58	17.27	10.11	14.21

Non-Taxable Portfolio	1 Year Period Ending 7/31/12 % Return	1 Year Period Ending 7/31/12 % Volatility	Inception-7/31/2012 % Return	Inception-7/31/2012 % Volatility
30/70 Investor				
Fully Diversified—With DAA	2.99	5.94	6.83	5.34
Fully Diversified—Traditional Portfolio	3.33	6.65	7.16	5.87
Impact of DAA	***-0.34***	***-0.71***	***-0.33***	***-0.53***
Fully Diversified—Benchmark[30]	6.36	5.45	8.48	4.82
60/40 Investor				
Fully Diversified—With DAA	-0.44	12.38	6.56	10.88
Fully Diversified—Traditional Portfolio	0.18	14.64	6.96	12.59
Impact of DAA	***-0.62***	***-2.26***	***-0.40***	***-1.71***
Fully Diversified—Benchmark[31]	5.17	12.15	10.20	10.37
80/20 Investor				
Fully Diversified—With DAA	-2.86	16.80	6.20	14.80
Fully Diversified—Traditional Portfolio	-2.14	20.13	6.59	17.28
Impact of DAA	***-0.72***	***-3.33***	***-0.39***	***-2.48***
Fully Diversified—Benchmark[32]	4.16	16.79	11.15	14.31

CONCLUSION:

Based on the factors discussed above the Senior Officer's conclusion is that the investment advisory fees for the Overlay Portfolios are reasonable and within the range of what would have been negotiated at arm's-length in light of all the surrounding circumstances.This conclusion with respect to each Portfolio is based on an evaluation of all of these factors and no single factor was dispositive.

Dated: November 12, 2012

[29] Benchmark is 56% S&P 500 Stock Index, 20% MSCI EAFE, 4% MSCI Emerging Markets, 20% Barclays 1-10 Year Munis.
[30] Benchmark is 20% S&P 500 Stock Index, 7.1% MSCI EAFE, 1.4% MSCI Emerging Markets, 3.0% FTSE/EPRA NAREIT, 68.5% Barclays US Aggregate.
[31] Benchmark is 39.1% S&P 500 Stock Index, 13.9% MSCI EAFE, 2.8% MSCI Emerging Markets, 8.4% FTSE/EPRA NAREIT, 35.8% Barclays US Aggregate.
[32] Benchmark is 51.8% S&P 500 Stock Index, 18.5% MSCI EAFE, 3.7% MSCI Emerging Markets, 12% FTSE/EPRA NAREIT, 14% Barclays US Aggregate.

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SCB11–1947–0313