AllianceBernstein High Income Municipal Portfolio

AllianceBernstein

Objective

Earn the highest available level of current income exempt from Federal taxation, that is available consistent with what the Adviser considers to be an appropriate level of risk.

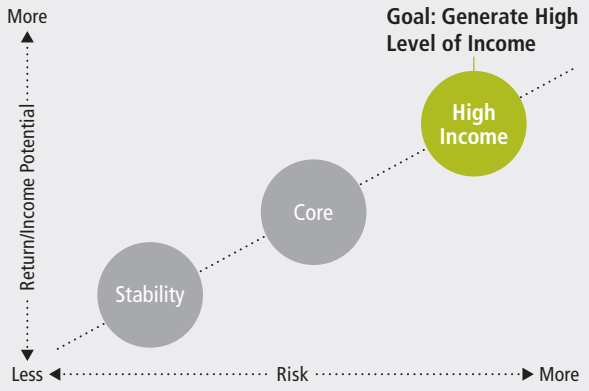
Investment Strategy

- A nationally diversified municipal bond portfolio with a focus on high after-tax income and total return.
- An approach that leverages the firm's in-depth research to build a portfolio with the best combination of risk and return.
- A consistent and repeatable investment process that combines quantitative and fundamental research to build effective bond portfolios.

Primary Investments

- Invests principally in higher-yielding municipal securities that may be non-investment grade or investment grade.
- At least 80% of the Fund's holdings consist of municipal bonds—that generate income exempt from Federal income tax (a portion of which may be subject to the alternative minimum tax).
- May invest without limit in lower-rated securities, which may include securities having the lowest rating, and in unrated securities that, in the Adviser's judgment, would be lower-rated securities if rated.

Needs-Based Fixed Income Strategies



Portfolio Management

Municipal Bond Investment Group: Managing bond portfolios requires commitment and skill—qualities embodied by our entire global fixed income investment team. We boast 108 investment professionals all exclusively devoted to our fixed income services.

	Total	Avg. Years Experience	Avg. Years with AB
Portfolio Management	50	21	11
Fixed Income Fundamental Analysts	41	16	5
Fixed Income Quantitative Analysts	10	9	2
Economists	7	22	7

As of September 2012

Word About Risk

Market Risk: The market values of the portfolio's holdings rise and fall from day to day, so investments may lose value.
Credit Risk: A bond's credit rating reflects the issuer's ability to make timely payments of interest or principal—the lower the rating, the higher the risk of default. If the issuer's financial strength deteriorates, the issuer's rating may be lowered and the bond's value may decline.
Municipal Market Risk: Debt securities issued by state or local governments may be subject to special political, legal, economic and market factors that can have a significant effect on the portfolio's yield or value.
Interest Rate Risk: As interest rates rise, bond prices fall and vice versa—long-term securities tend to rise and fall more than short-term securities.
Inflation Risk: Prices for goods and services tend to rise over time, which may erode the purchasing power of investments.
Leverage Risk: Trying to enhance investment returns by borrowing money or using other leverage tools—magnify both gains and losses, resulting in greater volatility.
Liquidity Risk: The difficulty of purchasing or selling a security at an advantageous time or price.
Derivatives Risk: Investing in derivative instruments such as options, futures, forwards or swaps can be riskier than traditional investments, and may be more volatile, especially in a down market.
Below Investment Grade Securities Risk: Investments in fixed-income securities with lower ratings (commonly known as "junk bonds") tend to have a higher probability that an issuer will default or fail to meet its payment obligations.

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

Investment Products Offered • Are Not FDIC Insured • May Lose Value • Are Not Bank Guaranteed

Average Annual Total Returns: Class A Share Performance

	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception†
High Income Municipal Portfolio (without sales charge)	– 6.04%	– 5.13%	1.43%	7.24%	—	—	7.55%
High Income Municipal Portfolio (with max 3.00% sales charge)	– 8.88	– 8.00	– 1.59	6.17	—	—	6.59
Barclays Municipal Bond Index	– 2.97	– 2.69	0.24	4.46	—	—	4.73
Lipper High Yield Municipal Debt Funds Average	– 4.70	– 3.70	1.50	6.09	—	—	6.38

Expense Ratios as of 1/31/13	
Gross	**Net‡**
1.00%	**0.91%**

SEC Taxable-Equivalent Yield at 35% (30-day)* 6.85%

SEC Taxable-Equivalent Yield at 39.6% (30-day)* 7.37%

SEC Current Yield (30-day)*: Gross 4.38% Net‡ 4.45%

*Yields for other share classes will vary due to different expenses.

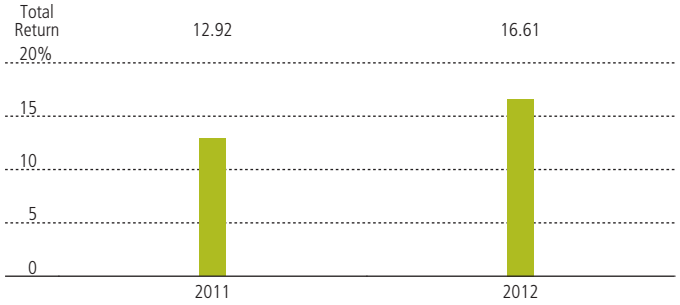
†The Fund's Class A share inception date is 1/26/10 and is the date used to calculate since inception annualized performance.

‡If applicable, this reflects the Adviser's contractual waiver of a portion of its advisory fee and/or reimbursement of a portion of the Fund's operating expenses. This waiver extends through January 31, 2014 and may be extended by the Adviser for additional one-year terms. Absent reimbursements or waivers, performance would have been lower.

This Fund is relatively new and the performance reflected may not be illustrative of long-term performance. A fund's performance, especially for very short time periods, should not be the sole factor in making your investment decision.

The performance shown above represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance information shown. You may obtain performance information current to the most recent month-end by visiting www.alliancebernstein.com. The investment return and principal value of an investment in the Portfolio will fluctuate, so that your shares, when redeemed, may be worth more or less than their original cost. Returns for other share classes will vary due to different charges and expenses. Performance assumes reinvestment of distributions and does not account for taxes. If applicable, high double-digit returns are highly unusual and cannot be sustained; such returns are primarily achieved during favorable market conditions.

Annual Performance for Class A Shares without Sales Charge



General Fund Information

	Inception Date	CUSIP	Ticker Symbol
Class A	1/26/10	018642751	ABTHX
Class C	1/26/10	018642736	ABTFX
Advisor Class	1/26/10	018642744	ABTYX

Quality Breakdown[1,2]

Highest of S&P/Moody's/Fitch

AAA	5.59%
AA	14.01
A	15.99
BBB	27.30
BB	5.75
B	9.02
Pre-refunded	0.16
Not Rated	22.13
Cash & Cash Equivalents	0.05

Industry Breakdown[1]

Senior Living	18.21%
Healthcare - Not-for-Profit	16.85
Special Tax	9.73
Tobacco Securitization	6.64
Toll Roads/Transit	5.76
Revenue	5.57
Primary/Secondary Ed. - Public	4.61
State G.O.	4.14
Electric Utility	3.76
Other	24.73

Portfolio Statistics

Assets ($mil)	$1,360.0
Effective Duration[3]	8.99 years
Average Effective Maturity[4]	13.94 years
Total Number of Holdings	346

[1]Holdings are expressed as a percentage of total investments and may vary over time.

[2]A measure of the quality and safety of a bond or portfolio, based on the issuer's financial condition, and not based on the financial condition of the fund itself. AAA is highest (best) and D is lowest (worst). Ratings are subject to change. Investment-grade securities are those rated BBB and above. If applicable, the Pre-Refunded category includes bonds which are secured by US Government Securities and therefore are deemed high-quality investment-grade by the Adviser. If applicable, the Not Applicable category includes non credit-worthy investments; such as equity securities, currency contracts, futures and options. If applicable, the Not Rated category includes bonds that are not rated by a Nationally Recognized Statistical Rating Organization.

[3]Effective Duration is a measure of the sensitivity of an asset or portfolio's price to interest rate movements.

[4]Average Effective Maturity is a measure of maturity which takes into account the possibility of bonds being called prior to maturity.

Source: FactSet, Lipper Inc. and AllianceBernstein.

Barclays Municipal Bond Index represents the performance of the the long-term tax-exempt bond market consisting of investment grade bonds.

Investors cannot invest directly in indices or averages, and their performance does not reflect fees and expenses or represent the performance of any AllianceBernstein fund.

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