

ALLIANCEBERNSTEIN INCOME FUND INC
Form N-CSR
March 05, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-05207

ALLIANCEBERNSTEIN INCOME FUND, INC.

(Exact name of registrant as specified in charter)

1345 Avenue of the Americas, New York, New York 10105

(Address of principal executive offices) (Zip code)

Joseph J. Mantineo

AllianceBernstein L.P.

1345 Avenue of the Americas

New York, New York 10105

(Name and address of agent for service)

Registrant's telephone number, including area code: (800) 221-5672

Date of fiscal year end: December 31, 2011

Date of reporting period: December 31, 2011

ITEM 1. REPORTS TO STOCKHOLDERS.

ANNUAL REPORT

AllianceBernstein Income Fund

December 31, 2011

Annual Report

Investment Products Offered

Are Not FDIC Insured
May Lose Value
Are Not Bank Guaranteed

You may obtain a description of the Fund's proxy voting policies and procedures, and information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, without charge. Simply visit AllianceBernstein's website at www.alliancebernstein.com, or go to the Securities and Exchange Commission's (the Commission's) website at www.sec.gov, or call AllianceBernstein (800) 227-4618.

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

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

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February 10, 2012

Annual Report

This report provides management's discussion of fund performance for AllianceBernstein Income Fund (the "Fund") for the annual reporting period ended December 31, 2011. The Fund is a closed-end fund that trades under the New York Stock Exchange symbol "ACG".

Investment Objectives and Policies

This closed-end fund is designed to provide high current income consistent with the preservation of capital. The Fund normally invests at least 80% of its net assets in income-producing securities. The Fund normally invests at least 65% of its total assets in securities issued or guaranteed by the U.S. government, its agencies or instrumentalities, and repurchase agreements pertaining to U.S. government securities. The Fund may also invest up to 35% of its assets in other fixed income securities, including those issued by non-governmental issuers in the U.S. and those issued by foreign governments. The Fund may invest up to 35% of its net assets in below-investment grade securities. Additionally, the Fund may utilize other investment instruments, including options, swaps, forwards and futures, and may employ leverage. For more information regarding the Fund's risks, please see "A Word About Risk" on page 4 and "Note E Risks Involved in Investing in the Fund" of the Notes to Financial Statements on pages 38-57.

Investment Results

The table on page 6 provides performance data for the Fund and its

benchmark, the Barclays Capital U.S. Aggregate Bond Index, for the six- and 12-month periods ended December 31, 2011.

The Fund outperformed its benchmark for the 12-month period and underperformed for the six-month period. For the 12-month period, yield curve positioning—specifically an overweight in the intermediate part of the yield curve—was a positive contributor to the Fund's relative performance. The Fund utilized interest rate derivatives to manage overall interest rate risk and yield curve positioning. Overall sector and security selection detracted, as well as investment-grade corporate positions in the euro area and exposure to high yield and emerging market sovereign debt. An overweight in commercial mortgage-backed securities ("CMBS") and exposure to bank loan debt were modest positives. Security selection within investment-grade corporate holdings, particularly an overweight in financials, detracted, as did selection within emerging market and CMBS holdings. Security selection within high yield corporate positions was a positive contributor.

For the six-month period, overall sector positioning and security selection detracted. Exposure to high yield corporates and emerging market debt, as well as security selection within the Fund's investment-grade corporate holdings, detracted. Overall yield curve positioning was a positive contributor.

The Fund's use of leverage was a positive contributor for both periods,

as fixed income markets posted strong positive returns. The Fund utilized leverage through reverse repurchase agreements at favorable rates, and was able to invest the proceeds into higher yielding securities. The Fund also utilized credit default swaps both as an offset to the Fund's cash position and to gain corporate exposure. The Fund's credit default swap positions had no material impact on relative performance for both periods. Lastly, currency positioning was a modest positive for the 12-month period and had a nominal negative impact during the six-month period.

Market Review and Investment Strategy

Fixed income markets were volatile in 2011, as the European sovereign debt crisis cast a shadow over the global economy. After a promising start to the year, yield spreads widened and stocks fell sharply for five straight months through September. Markets were hit by a series of shocks in 2011; first, oil prices spiked amid upheavals in the Middle East and North Africa; then, a natural disaster disrupted Japan's economy and global supply chains; later, fears of a double-dip recession resurfaced and the European sovereign debt crisis began to spread. Still scarred by the 2008 crisis, market participants reacted to adverse developments with repeated flights away from risk.

Fixed income markets posted solid positive absolute returns for the reporting period. The broad U.S. investment-grade fixed income market posted positive returns every month,

with the exception of June and November, as investors preferred fixed income over equity assets. U.S. Treasuries outperformed, benefiting from their status as a global safe haven. Treasury yields declined throughout the year; and investment-grade corporates also posted solid positive absolute returns, but underperformed Treasuries on a duration-matched basis. Corporate securities were helped during the year by continued strong revenue and earnings growth. Financial related corporates lagged within industries. Mortgage-backed securities were supported by government purchases, while CMBS benefited from a stabilization of property fundamentals and investor appetite for yield. After selling off late summer as risk aversion spiked, high yield corporates recovered in the final quarter of 2011.

The Fund's Investment Management Team (the Team) significantly reduced risk in the second half of 2011, moving the Fund closer to its benchmark. Specifically, the Team reduced the Fund's overweight in investment-grade corporate debt and cut its exposure to financials. The Fund's investment-grade corporate positions were diversified in order to minimize idiosyncratic risk. Modest exposure to high-yield corporate bonds, as well as an overweight in super-senior CMBS, were reduced. The Team is maintaining a concentration in intermediate-maturity securities, where the steepness of the yield curve is most pronounced. The Team recognizes that in an environment of continued uncertainty, volatility will remain elevated. The Team is

positioning the Fund accordingly, reining in active risk in order to mitigate losses associated with the liquidity preferences and heightened volatility

of today's markets. As fear abates and markets stabilize, the Team will be ready to seize potential opportunities.

HISTORICAL PERFORMANCE

An Important Note About Historical Performance

The performance on page 6 represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance information shown. All fees and expenses related to the operation of the Fund have been deducted. Performance assumes reinvestment of distributions and does not account for taxes.

AllianceBernstein Income Fund Shareholder Information

The Fund's NYSE trading symbol is ACG. Weekly comparative net asset value (NAV) and market price information about the Fund is published each Saturday in *Barron's* and in other newspapers in a table called Closed End Funds. Daily NAV and market price information, and additional information regarding the Fund, is available at www.alliancebernstein.com and www.nyse.com. For additional shareholder information regarding this Fund, please see page 76.

Benchmark Disclosure

The unmanaged Barclays Capital U.S. Aggregate Bond Index does not reflect fees and expenses associated with the active management of a mutual fund portfolio. The Barclays Capital 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 Index is not leveraged, whereas the Fund utilizes leverage. An investor cannot invest directly in an index, and its results are not indicative of the performance for any specific investment, including the Fund.

A Word About Risk

Until May 22, 2009, the Fund participated in a credit facility for the purpose of utilizing investment leverage. The Fund continues to utilize leverage through entering into reverse repurchase agreements and may also utilize other techniques such as dollar rolls. In addition, the Fund may borrow money in the future through participation in credit facilities, direct bank borrowings, or otherwise. Reverse repurchase agreements involve sales by the Fund of portfolio assets concurrently with an agreement by the Fund to repurchase the same assets at a later date at a fixed price. Generally, the effect of such a transaction is that the Fund can recover all or most of the cash invested in the portfolio securities involved during the term of the reverse repurchase agreement, while it will be able to keep the interest income associated with those portfolio securities. Such transactions are only advantageous if the interest cost to the Fund of the reverse repurchase agreement transaction is less than the return on the leveraged portion of the Fund's investment portfolio. The Fund may enter into dollar rolls in which the Fund sells securities for delivery in the current month and simultaneously contracts to repurchase substantially similar (same type and coupon) securities on a specified future date. During the roll period, the Fund forgoes principal and interest paid on the securities. The Fund is compensated by the difference between the current sales price and the lower forward price for the future purchase (often referred to as the "drop") as well as the interest earned on the cash proceeds of the initial sale. Reverse repurchase agreements and dollar rolls are speculative techniques and are considered borrowings by the Fund.

Leverage may result in higher returns to the Fund than if the Fund were not leveraged, but may also adversely affect returns, particularly if the market is declining. The risks of leverage also include potentially a higher volatility of the NAV of the Fund's shares, potentially more volatility in the market value of the Fund's shares, and the relatively greater effect on the NAV of the Fund's shares caused by favorable or adverse changes in portfolio security values or currency exchange rates. In addition, changes in the interest rate environment can increase or decrease shareholder returns. The Fund maintains asset coverage of at least 300% with respect to borrowings.

(Historical Performance continued on the next page)

HISTORICAL PERFORMANCE

(continued from previous page)

To the extent that the current interest rate on the Fund's indebtedness approaches the net return on the leveraged portion of the Fund's investment portfolio, then the benefit to the shareholders will be reduced. If the rate payable by the Fund on indebtedness were to exceed the net return on the same portion of the portfolio, then this would result in a lower rate of return for the shareholders. Similarly, the use of leverage in a declining market can advance the decrease of the Fund's NAV more so than if the Fund were not leveraged, which would likely be reflected in a greater decline in the market price for shares of the Fund than if the Fund were not leveraged. In extreme cases, if the Fund's current investment income were not sufficient to meet interest payments on indebtedness or if the Fund failed to maintain the asset coverage required by the 1940 Act, then it could be necessary for the Fund to liquidate certain investments at a time when it may be disadvantageous to do so.

Part of the Fund's assets will be invested in foreign securities. A significant portion of the Fund's investments in foreign securities is in emerging markets. Since the Fund invests in foreign currency denominated securities, fluctuations in NAV may be magnified by changes in foreign exchange rates. The Fund also 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 options. Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market or economic developments. The Fund may invest in high yield bonds or below investment grade securities (junk bonds). High yield bonds involve a greater risk of default and price volatility than other bonds.

While the Fund invests principally in fixed-income securities, in order to achieve its investment objectives, the Fund may at times use certain types of investment derivatives, such as options, futures, forwards and swaps. These instruments involve risks different from, and in certain cases, greater than, the risks presented by more traditional investments. These risks include the risk that the value of a derivative instrument may not correlate perfectly, or at all, with the value of the assets, reference rates or indices that they are designed to track. Other risks include: the possible absence of a liquid secondary market for a particular instrument and possible exchange-imposed price fluctuation limits, either of which may make it difficult or impossible to close out a position when desired, and the risk that the counterparty will not perform its obligation. Certain derivatives may have a leverage component and involve leverage risk. Adverse price movements in an instrument can result in a loss substantially greater than the Fund's initial investment in that instrument (in some cases, the potential loss is unlimited).

(Historical Performance continued on the next page)

Historical Performance

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HISTORICAL PERFORMANCE

(continued from previous page)

THE FUND VS. ITS BENCHMARK	NAV Returns	
PERIODS ENDED DECEMBER 31, 2011	6 Months	12 Months
AllianceBernstein Income Fund	4.55%	9.67%
Barclays Capital U.S. Aggregate Bond Index	4.98%	7.84%

The Fund's market price per share on December 31, 2011, was \$8.07. The Fund's NAV price per share on December 31, 2011, was \$8.93. For additional Financial Highlights, please see pages 58-59.

See Historical Performance and Benchmark disclosures on pages 4-5.

PORTFOLIO SUMMARY

December 31, 2011 (unaudited)

PORTFOLIO STATISTICS

Net Assets (\$mil): \$2,168.4

Portfolio Summary

ALLIANCEBERNSTEIN INCOME FUND 7

PORTFOLIO SUMMARY

December 31, 2011 (unaudited)

* All Data are as of December 31, 2011. The Fund's security type and country breakdowns are expressed as a percentage of total investments and may vary over time. The Fund also enters into derivative transactions, which may be used for hedging or investment purposes (see Portfolio of Investments section of the report for additional details). Other security type weightings represent 0.1% or less in the following security types: Asset-Backed Securities, Collateralized Mortgage Obligations, Common Stocks, Emerging Markets Treasuries, Options Purchased Puts, Preferred Stocks and Warrants. Other country weightings represent 0.2% or less in the following countries: Barbados, China, Colombia, Croatia, El Salvador, France, Germany, Hong Kong, Japan, Lithuania, Netherlands, New Zealand, Peru, South Korea, Switzerland, Turkey and Ukraine.

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Portfolio Summary

PORTFOLIO OF INVESTMENTS

December 31, 2011

		Principal Amount (000)	U.S. \$ Value
GOVERNMENTS - TREASURIES 95.3%			
Brazil 0.4%			
Brazil Notas do Tesouro Nacional Series F 10.00%, 1/01/14	BRL	16,419	\$ 8,718,807
South Africa 0.5%			
South Africa Government Bond Series R203 8.25%, 9/15/17	ZAR	79,000	10,170,843
United States 94.4%			
U.S. Treasury Bonds 5.375%, 2/15/31	U.S.\$	1,961	2,795,037
6.25%, 8/15/23 ^(a)		10,000	14,312,500
6.625%, 2/15/27		45,570	70,120,838
U.S. Treasury Notes 1.375%, 9/30/18		355,000	356,913,805
1.50%, 8/31/18 ^(a)		118,000	119,723,862
1.875%, 10/31/17 ^(a)		128,500	134,352,789
2.625%, 8/15/20 ^(a)		358,400	386,540,134
2.625%, 11/15/20 ^{(a)(b)}		150,000	161,484,300
2.75%, 2/15/19 ^(a)		284,100	311,155,979
3.125%, 4/30/17		8,000	8,910,000
3.625%, 2/15/20 ^(a)		86,440	100,250,173
U.S. Treasury STRIPS Zero Coupon, 5/15/17 ^(c)		259,750	246,400,928
Zero Coupon, 11/15/21		164,379	134,276,523
			2,047,236,868
Total Governments - Treasuries (cost \$1,964,405,679)			2,066,126,518
CORPORATES - INVESTMENT GRADES 14.0%			
Financial Institutions 6.0%			
Banking 3.1%			
Barclays Bank PLC 4.75%, 3/15/20	EUR	10,000	6,082,977
Capital One Financial Corp. 6.15%, 9/01/16	U.S.\$	2,900	3,017,543
Citigroup, Inc. 8.50%, 5/22/19		9,100	10,711,483
Fifth Third Bancorp 5.45%, 1/15/17		3,100	3,268,572
Goldman Sachs Group, Inc. (The) 6.00%, 6/15/20		4,980	5,101,323

		Principal Amount (000)	U.S. \$ Value
HSBC Bank USA NA 4.875%, 8/24/20	U.S.\$	2,030	\$ 1,883,710
Itau Unibanco Holding SA/Cayman Island 6.20%, 4/15/20 ^(d)		3,200	3,320,566
Macquarie Group Ltd. 4.875%, 8/10/17 ^(d)		4,270	4,027,054
Manufacturers & Traders Trust Co. 6.625%, 12/04/17		506	582,880
Merrill Lynch & Co., Inc. 5.70%, 5/02/17		13,500	12,398,224
		2,678	2,524,173
Morgan Stanley 10.09%, 5/03/17 ^(d)	BRL	11,615	5,604,342
Royal Bank of Scotland PLC (The) 5.625%, 8/24/20	U.S.\$	3,895	3,735,796
Wachovia Bank NA 4.875%, 2/01/15		3,841	4,069,758
			66,328,401
Finance 0.3%			
General Electric Capital Corp. 6.44%, 11/15/22	GBP	128	212,924
SLM Corp. 5.05%, 11/14/14	U.S.\$	3,610	3,560,543
Series A 5.375%, 5/15/14		3,885	3,887,723
			7,661,190
Insurance 2.0%			
Aflac, Inc. 3.45%, 8/15/15		865	892,665
American International Group, Inc. 4.25%, 5/15/13		4,480	4,473,867
AON Corp. 3.125%, 5/27/16		3,450	3,489,175
CIGNA Corp. 5.125%, 6/15/20		1,690	1,822,222
Fairfax Financial Holdings Ltd. 8.30%, 4/15/26		5,000	5,223,930
Genworth Financial, Inc. 7.70%, 6/15/20		3,100	2,946,544
Guardian Life Insurance Co. of America 7.375%, 9/30/39 ^(d)		2,455	3,125,024
Hartford Financial Services Group, Inc. 5.95%, 10/15/36		3,533	3,276,921
Humana, Inc. 8.15%, 6/15/38		2,900	3,761,561
MetLife, Inc. 4.75%, 2/08/21		2,135	2,309,628

		Principal Amount (000)	U.S. \$ Value
Nationwide Mutual Insurance Co. 9.375%, 8/15/39 ^(d)	U.S.\$	2,700	\$ 3,262,826
QBE Capital Funding III Ltd. 7.25%, 5/24/41 ^(d)		2,205	1,938,415
Swiss Re Solutions Holding Corp. 7.75%, 6/15/30		2,800	3,503,968
Transatlantic Holdings, Inc. 8.00%, 11/30/39		2,122	2,408,633
			42,435,379
Other Finance 0.2%			
Aviation Capital Group Corp. 6.75%, 4/06/21 ^(d)		4,235	3,990,132
IIRSA Norte Finance Ltd. 8.75%, 5/30/24 ^(d)		315	361,643
Red Arrow International Leasing PLC 8.375%, 6/30/12	RUB	835	25,284
			4,377,059
REITS 0.4%			
Duke Realty LP 6.75%, 3/15/20	U.S.\$	1,655	1,815,827
Entertainment Properties Trust 7.75%, 7/15/20		3,308	3,477,353
HCP, Inc. 5.375%, 2/01/21		3,468	3,635,799
			8,928,979
			129,731,008
Industrial 5.6%			
Basic 1.1%			
Anglo American Capital PLC 9.375%, 4/08/19 ^(d)		3,492	4,443,298
ArcelorMittal 5.25%, 8/05/20		2,500	2,270,155
GTL Trade Finance, Inc. 7.25%, 10/20/17 ^{(a)(d)}		2,536	2,726,200
International Paper Co. 7.95%, 6/15/18		2,600	3,164,795
Mondi Finance PLC 5.75%, 4/03/17	EUR	942	1,248,713
Southern Copper Corp. 7.50%, 7/27/35	U.S.\$	5,107	5,578,391
Teck Resources Ltd. 6.00%, 8/15/40		327	359,778
Usiminas Commercial Ltd. 7.25%, 1/18/18 ^(d)		4,263	4,625,355
			24,416,685

Portfolio of Investments

		Principal Amount (000)	U.S. \$ Value
Capital Goods 0.5%			
Holcim US Finance Sarl & Cie SCS 6.00%, 12/30/19 ^(d)	U.S.\$	644	\$ 663,622
Legrand France SA 8.50%, 2/15/25		10	12,223
Owens Corning 9.00%, 6/15/19		3,000	3,579,156
Republic Services, Inc. 5.25%, 11/15/21		6,098	6,914,449
			11,169,450
Communications - Media 0.5%			
CBS Corp. 8.20%, 5/15/14		3,700	4,195,071
DirecTV Holdings LLC/DirecTV Financing Co., Inc. 4.75%, 10/01/14		1,485	1,604,045
Time Warner Entertainment Co. LP 8.375%, 7/15/33		2,500	3,276,803
Virgin Media Secured Finance PLC 5.25%, 1/15/21		1,629	1,725,891
			10,801,810
Communications - Telecommunications 1.0%			
American Tower Corp. 5.05%, 9/01/20		4,310	4,317,797
AT&T, Inc. 4.45%, 5/15/21		3,111	3,417,322
Embarq Corp. 7.082%, 6/01/16		1,277	1,384,199
Qwest Corp. 6.75%, 12/01/21		2,000	2,180,000
		1,500	1,489,935
		700	775,678
United States Cellular Corp. 6.70%, 12/15/33		2,100	2,108,545
Verizon Communications, Inc. 4.60%, 4/01/21		5,066	5,718,835
			21,392,311
Consumer Cyclical - Automotive 0.1%			
Harley-Davidson Funding Corp. 5.75%, 12/15/14 ^(d)		2,155	2,326,495
Consumer Cyclical - Entertainment 0.2%			
Time Warner, Inc. 7.70%, 5/01/32		2,500	3,261,712

		Principal Amount (000)	U.S. \$ Value
Consumer Non-Cyclical 0.2%			
Bunge Ltd. Finance Corp. 8.50%, 6/15/19	U.S.\$	2,600	\$ 3,164,824
Whirlpool Corp. 8.60%, 5/01/14		520	580,387
			3,745,211
Energy 0.9%			
Anadarko Petroleum Corp. 5.95%, 9/15/16		4,262	4,831,190
Nabors Industries, Inc. 9.25%, 1/15/19		2,500	3,144,738
Noble Energy, Inc. 8.25%, 3/01/19		4,300	5,591,690
Noble Holding International Ltd. 4.90%, 8/01/20		389	412,076
Transocean, Inc. 7.50%, 4/15/31		2,200	2,283,296
Weatherford International Ltd./Bermuda 7.00%, 3/15/38		2,900	3,299,568
			19,562,558
Other Industrial 0.1%			
Noble Group Ltd. 6.75%, 1/29/20 ^{(a)(d)}		2,803	2,410,580
Technology 0.3%			
Agilent Technologies, Inc. 5.00%, 7/15/20		782	875,627
Hewlett-Packard Co. 4.65%, 12/09/21		2,458	2,593,387
Xerox Corp. 4.25%, 2/15/15		2,225	2,345,141
			5,814,155
Transportation - Airlines 0.5%			
Delta Air Lines 2007-1 Class A Pass Through Trust Series 071A 6.821%, 8/10/22		1,671	1,743,768
Qantas Airways Ltd. 6.05%, 4/15/16 ^(d)		5,000	5,163,080
Southwest Airlines Co. 5.25%, 10/01/14		2,720	2,902,838
		1,780	1,974,554
			11,784,240
Transportation - Services 0.2%			
Asciano Finance Ltd. 3.125%, 9/23/15 ^(d)		3,960	3,829,490

Portfolio of Investments

		Principal Amount (000)	U.S. \$ Value
4.625%, 9/23/20 ^(d)	U.S.\$	1,080	\$ 1,013,514
			4,843,004
			121,528,211
Non Corporate Sectors 2.1%			
Agencies - Not Government Guaranteed 2.1%			
Abu Dhabi National Energy Co. 5.875%, 12/13/21 ^(d)		2,192	2,289,759
Centrais Eletricas Brasileiras SA 5.75%, 10/27/21 ^(d)		4,350	4,519,650
Ecopetrol SA 7.625%, 7/23/19		2,899	3,493,295
Gazprom OAO Via Gaz Capital SA 6.212%, 11/22/16 ^(d)		4,303	4,453,605
6.51%, 3/07/22 ^(d)		13,563	13,766,445
9.25%, 4/23/19 ^(d)		7,115	8,449,062
IPIC GMTN Ltd. 5.50%, 3/01/22 ^{(a)(d)}		5,400	5,400,000
VTB Bank OJSC Via VTB Capital SA 6.875%, 5/29/18 ^(d)		3,441	3,518,423
			45,890,239
Utility 0.3%			
Electric 0.2%			
FirstEnergy Corp. Series C 7.375%, 11/15/31		3,000	3,689,331
Union Electric Co. 6.70%, 2/01/19		485	589,199
			4,278,530
Natural Gas 0.1%			
Kinder Morgan Energy Partners LP 4.15%, 3/01/22		2,149	2,185,825
			6,464,355
Total Corporates - Investment Grades (cost \$283,834,442)			303,613,813
CORPORATES - NON-INVESTMENT GRADES 9.1%			
Industrial 7.2%			
Basic 0.5%			
AK Steel Corp. 7.625%, 5/15/20		2,082	1,957,080
Calcipar SA 6.875%, 5/01/18 ^(d)		687	618,300
Commercial Metals Co. 7.35%, 8/15/18		955	902,475

		Principal Amount (000)	U.S. \$ Value
Huntsman International LLC			
5.50%, 6/30/16	U.S.\$	1,809	\$ 1,772,820
Steel Dynamics, Inc.			
7.625%, 3/15/20		3,000	3,165,000
United States Steel Corp.			
6.05%, 6/01/17		965	921,575
Weyerhaeuser Co.			
7.375%, 3/15/32		2,000	2,099,264
			11,436,514
Capital Goods 1.3%			
BE Aerospace, Inc.			
6.875%, 10/01/20		2,000	2,180,000
Berry Plastics Corp.			
10.25%, 3/01/16		67	64,655
Bombardier, Inc.			
7.50%, 3/15/18 ^(d)		3,000	3,210,000
Building Materials Corp. of America			
7.00%, 2/15/20 ^(d)		635	682,625
7.50%, 3/15/20 ^(d)		2,498	2,697,840
CNH America LLC			
7.25%, 1/15/16		2,000	2,145,000
Griffon Corp.			
7.125%, 4/01/18		3,558	3,522,420
Huntington Ingalls Industries, Inc.			
6.875%, 3/15/18 ^(d)		698	684,040
7.125%, 3/15/21 ^(d)		690	676,200
Mohawk Industries, Inc.			
6.875%, 1/15/16		762	819,150
RBS Global, Inc./Rexnord LLC			
11.75%, 8/01/16 ^(a)		2,150	2,257,500
Reynolds Group Issuer, Inc./Reynolds Group Issuer LLC/Reynolds Group Issuer Lu			
7.125%, 4/15/19 ^(d)		3,000	3,045,000
Sealed Air Corp.			
8.125%, 9/15/19 ^(d)		1,127	1,234,065
8.375%, 9/15/21 ^(d)		1,157	1,278,485
SPX Corp.			
6.875%, 9/01/17		2,900	3,132,000
			27,628,980
Communications - Media 0.9%			
Clear Channel Communications, Inc.			
5.75%, 1/15/13		220	209,000
Cumulus Media, Inc.			
7.75%, 5/01/19 ^{(a)(d)}		672	596,400
DISH DBS Corp.			
7.125%, 2/01/16		2,000	2,155,000

		Principal Amount (000)	U.S. \$ Value
EH Holding Corp. 7.625%, 6/15/21 ^(d)	U.S.\$	3,111	\$ 3,266,550
Intelsat Jackson Holdings SA 7.25%, 4/01/19 ^(d)		4,231	4,294,465
LIN Television Corp. 8.375%, 4/15/18		900	876,375
Quebecor Media, Inc. 7.75%, 3/15/16		3,000	3,082,500
Virgin Media Finance PLC 8.375%, 10/15/19		2,000	2,195,000
XM Satellite Radio, Inc. 7.625%, 11/01/18 ^(d)		2,500	2,650,000
			19,325,290
Communications - Telecommunications 0.4%			
eAccess Ltd. 8.25%, 4/01/18 ^(d)		1,596	1,508,220
Frontier Communications Corp. 8.125%, 10/01/18		2,000	2,015,000
Sunrise Communications International SA 7.00%, 12/31/17 ^(d)	EUR	1,585	2,123,186
Windstream Corp. 7.50%, 4/01/23	U.S.\$	2,000	1,975,000
7.75%, 10/01/21		1,070	1,096,750
			8,718,156
Consumer Cyclical - Automotive 0.7%			
American Axle & Manufacturing Holdings, Inc. 9.25%, 1/15/17 ^(d)		1,694	1,837,990
Delphi Corp. 5.875%, 5/15/19 ^(d)		654	667,080
6.125%, 5/15/21 ^(d)		491	505,730
Ford Motor Co. 7.45%, 7/16/31 ^(a)		650	780,000
Ford Motor Credit Co. LLC 5.75%, 2/01/21		2,125	2,214,528
7.00%, 10/01/13		2,350	2,491,780
Goodyear Dunlop Tires Europe BV 6.75%, 4/15/19 ^(d)	EUR	1,500	1,786,066
Goodyear Tire & Rubber Co. (The) 8.75%, 8/15/20	U.S.\$	3,000	3,307,500
Jaguar Holding Co. II/Jaguar Merger Sub, Inc. 9.50%, 12/01/19 ^(d)		2,000	2,100,000
			15,690,674

		Principal Amount (000)	U.S. \$ Value
Consumer Cyclical - Entertainment 0.1%			
Pinnacle Entertainment, Inc. 8.75%, 5/15/20 ^(a)	U.S.\$	841	\$ 824,180
Consumer Cyclical - Other 0.3%			
Broder Brothers Co. 12.00%, 10/15/13 ^{(d)(e)}		607	595,191
Host Hotels & Resorts LP 9.00%, 5/15/17 ^(a)		2,000	2,175,000
Royal Caribbean Cruises Ltd. 7.00%, 6/15/13		2,000	2,100,000
7.50%, 10/15/27		1,100	1,078,000
Shea Homes LP/Shea Homes Funding Corp. 8.625%, 5/15/19 ^(d)		1,188	1,101,870
			7,050,061
Consumer Cyclical - Retailers 0.7%			
AutoNation, Inc. 6.75%, 4/15/18		481	505,050
Burlington Coat Factory Warehouse Corp. 10.00%, 2/15/19		401	391,978
JC Penney Co., Inc. 5.65%, 6/01/20		3,100	3,038,000
Limited Brands, Inc. 6.90%, 7/15/17		5,593	6,026,457
Rite Aid Corp. 8.00%, 8/15/20 ^(a)		3,200	3,536,000
Toys R US - Delaware, Inc. 7.375%, 9/01/16 ^(d)		2,220	2,242,200
			15,739,685
Consumer Non-Cyclical 1.0%			
Boparan Holdings Ltd. 9.875%, 4/30/18 ^(d)	GBP	2,400	2,981,760
CHS/Community Health Systems, Inc. 8.875%, 7/15/15 ^(a)	U.S.\$	963	994,297
Emergency Medical Services Corp. 8.125%, 6/01/19		2,391	2,385,022
Fresenius Medical Care US Finance, Inc. 5.75%, 2/15/21 ^(d)		2,125	2,122,344
HCA Holdings, Inc. 7.75%, 5/15/21		1,134	1,153,845
HCA, Inc. 8.50%, 4/15/19		1,895	2,075,025
JBS Finance II Ltd. 8.25%, 1/29/18 ^(d)		3,100	2,813,250
Kinetic Concepts, Inc./KCI USA, Inc. 10.50%, 11/01/18 ^(d)		2,000	1,960,000

Portfolio of Investments ALLIANCEBERNSTEIN INCOME FUND 17

	Principal Amount (000)	U.S. \$ Value
Mylan Inc./PA		
7.625%, 7/15/17 ^(d)	290	\$ 315,375
7.875%, 7/15/20 ^(d)	290	320,088
Select Medical Corp.		
7.625%, 2/01/15	132	124,080
Select Medical Holdings Corp.		
6.267%, 9/15/15 ^(f)	5,000	4,200,000
Valeant Pharmaceuticals International		
7.25%, 7/15/22 ^(d)	582	564,540
		22,009,626
Energy 0.8%		
Chesapeake Energy Corp.		
6.625%, 8/15/20	2,435	2,611,537
Cie Generale de Geophysique-Veritas		
9.50%, 5/15/16	857	925,560
Forest Oil Corp.		
7.25%, 6/15/19	2,964	3,023,280
Oil States International, Inc.		
6.50%, 6/01/19	1,960	2,004,100
SESI LLC		
6.375%, 5/01/19	615	625,763
7.125%, 12/15/21 ^(d)	2,834	2,975,700
Tesoro Corp.		
9.75%, 6/01/19	3,800	4,265,500
		16,431,440
Services 0.3%		
Live Nation Entertainment, Inc.		
8.125%, 5/15/18 ^(d)	1,820	1,833,650
Service Corp. International/US		
6.75%, 4/01/16	1,845	1,997,213
7.50%, 4/01/27	3,300	3,168,000
West Corp.		
11.00%, 10/15/16	150	157,875
		7,156,738
Technology 0.2%		
Amkor Technology, Inc.		
6.625%, 6/01/21	3,000	2,887,500
Freescale Semiconductor, Inc.		
10.125%, 12/15/16	300	315,750
		3,203,250
		155,214,594
Utility 1.1%		
Electric 1.0%		
AES Corp. (The)		
8.00%, 10/15/17	2,000	2,200,000
Calpine Corp.		
7.875%, 7/31/20 ^(d)	3,200	3,448,000

		Principal Amount (000)	U.S. \$ Value
CMS Energy Corp. 8.75%, 6/15/19	U.S.\$	3,900	\$ 4,620,501
Duquesne Light Holdings, Inc. 6.40%, 9/15/20 ^(d)		2,140	2,275,614
GenOn Americas Generation LLC 8.50%, 10/01/21		3,200	2,984,000
GenOn Energy, Inc. 7.875%, 6/15/17		2,100	2,026,500
NRG Energy, Inc. 7.375%, 1/15/17		3,000	3,112,500
8.25%, 9/01/20		1,300	1,306,500
			21,973,615
Natural Gas 0.1%			
El Paso Corp. Series G 7.75%, 1/15/32		2,000	2,310,000
			24,283,615
Financial Institutions 0.8%			
Banking 0.3%			
ABN Amro Bank NV 4.31%, 3/10/16	EUR	6,790	5,887,934
Brokerage 0.0%			
Lehman Brothers Holdings, Inc. 6.875%, 5/02/18 ^(g)	U.S.\$	3,605	955,325
Finance 0.2%			
Ally Financial, Inc. 8.00%, 11/01/31		2,456	2,370,040
Series 8 6.75%, 12/01/14		2,640	2,653,200
			5,023,240
Insurance 0.0%			
Scottish Mutual Assurance Ltd. 6.586%, 4/25/16	GBP	43	36,961
Other Finance 0.1%			
iPayment, Inc. 10.25%, 5/15/18 ^(d)	U.S.\$	1,814	1,705,160
REITS 0.2%			
DDR Corp. 7.875%, 9/01/20		3,000	3,346,662
			16,955,282
			196,453,491

Total Corporates - Non-Investment Grades
(cost \$192,500,131)

Portfolio of Investments

	Principal Amount (000)	U.S. \$ Value
MORTGAGE PASS-THROUGH S 6.4%		
Agency Fixed Rate 30-Year 4.4%		
Federal Home Loan Mortgage Corp. Gold		
Series 2006		
6.00%, 9/01/36	U.S.\$ 19,749	\$ 21,681,089
Series 2007		
7.00%, 2/01/37	5,943	6,657,204
Federal National Mortgage Association		
3.50%, 2/01/41		
6.00%, 2/01/40-4/01/40	36,933	38,022,569
Series 1998		
8.00%, 6/01/28	9,911	10,894,673
Series 1999		
7.50%, 11/01/29	41	48,693
Series 2008		
6.00%, 5/01/38	58	68,270
	16,407	18,035,266
		95,407,764
Agency ARMs 2.0%		
Federal Home Loan Mortgage Corp.		
Series 2007		
3.769%, 2/01/37 ^(f)	6,251	6,522,389
4.445%, 1/01/37 ^(f)	9,743	10,155,986
5.675%, 3/01/37 ^(f)	6,448	6,789,601
5.685%, 2/01/37 ^(f)	6,991	7,406,817
5.874%, 3/01/37 ^(f)	2,711	2,873,475
Federal National Mortgage Association		
Series 2006		
2.55%, 11/01/36 ^(f)	4,338	4,620,393
Series 2007		
5.678%, 3/01/37 ^(f)	4,914	5,103,983
		43,472,644
Total Mortgage Pass-Through s (cost \$133,724,042)		138,880,408
AGENCIES 5.7%		
Agency Debentures 5.7%		
Federal National Mortgage Association		
5.375%, 6/12/17	59,222	71,553,560
Residual Funding Corp. Principal Strip		
Zero Coupon, 7/15/20	61,700	51,428,554
Total Agencies (cost \$105,474,058)		122,982,114

	Principal Amount (000)	U.S. \$ Value
QUASI-SOVEREIGNS 3.5%		
Quasi-Sovereign Bonds 3.5%		
Indonesia 0.3%		
Majapahit Holding BV		
7.875%, 6/29/37 ^(d)	U.S.\$ 6,188	\$ 7,270,900
Kazakhstan 1.0%		
KazMunayGas National Co.		
6.375%, 4/09/21 ^(d)	21,455	21,776,825
Russia 2.1%		
Russian Agricultural Bank OJSC Via RSHB Capital SA		
6.299%, 5/15/17 ^(d)	22,568	22,539,790
7.125%, 1/14/14 ^(d)	12,351	12,798,724
7.75%, 5/29/18 ^(d)	9,905	10,548,825
		45,887,339
South Korea 0.1%		
Korea National Oil Corp.		
4.00%, 10/27/16 ^(d)	844	866,733
Total Quasi-Sovereigns (cost \$63,680,904)		75,801,797
COMMERCIAL MORTGAGE-BACKED SECURITIES 3.5%		
Non-Agency Fixed Rate CMBS 3.3%		
Banc of America Merrill Lynch Commercial Mortgage, Inc.		
Series 2007-5, Class A4		
5.492%, 2/10/51	8,732	9,426,148
Commercial Mortgage Pass Through Certificates		
Series 2007-C9, Class A4		
5.814%, 12/10/49	5,030	5,614,612
Credit Suisse Mortgage Capital Certificates		
Series 2006-C4, Class AM		
5.509%, 9/15/39	13,000	12,164,113
Series 2006-C5, Class A3		
5.311%, 12/15/39	13,000	13,875,485
Merrill Lynch Mortgage Trust		
Series 2008-C1, Class A4		
5.69%, 2/12/51	6,000	6,522,324
Merrill Lynch/Countrywide Commercial Mortgage Trust		
Series 2006-4, Class AM		
5.204%, 12/12/49	10,000	9,381,500
Series 2007-9, Class A4		
5.70%, 9/12/49	5,220	5,555,776

ALLIANCEBERNSTEIN INCOME FUND 21

Portfolio of Investments

		Principal Amount (000)	U.S. \$ Value
Morgan Stanley Capital I Series 2006-IQ12, Class AMFX 5.37%, 12/15/43	U.S.\$	8,500	\$ 8,293,339
			70,833,297
Non-Agency Floating Rate CMBS 0.2%			
Eclipse Ltd. Series 2007-1X, Class B 1.235%, 1/25/20 ^{(d)(f)}	GBP	59	44,637
Goldman Sachs Mortgage Securities 5.309%, 8/10/44 ^(d)	U.S.\$	5,651	4,670,178
			4,714,815
Total Commercial Mortgage-Backed Securities (cost \$70,951,689)			75,548,112
INFLATION-LINKED SECURITIES 2.1%			
United States 2.1%			
U.S. Treasury Inflation Index 2.125%, 1/15/19 (TIPS) (cost \$41,789,250)		38,495	45,755,033
BANK LOANS 1.9%			
Industrial 1.6%			
Basic 0.2%			
Ineos US Finance LLC 7.50%, 12/16/13 ^(f)		203	205,698
8.00%, 12/16/14 ^(f)		232	236,604
Newpage Corporation 8.00%, 3/08/13 ^(f)		3,400	3,419,822
			3,862,124
Capital Goods 0.3%			
Harbor Freight Tools USA, Inc./Central Purchasing, LLC 6.50%, 12/22/17 ^(f)		5,416	5,372,133
Sequa Corporation 3.63%-3.70%, 12/03/14 ^(f)		397	385,807
			5,757,940
Communications - Media 0.2%			
Cengage Learning Acquisitions, Inc. (Thomson Learning) 2.55%, 7/03/14 ^(f)		535	454,403
Charter Communications Operating, LLC 2.30%, 3/06/14 ^(f)		40	39,698
Clear Channel Communications, Inc. 3.95%, 1/29/16 ^(f)		408	301,234

		Principal Amount (000)	U.S. \$ Value
Sunshine Acquisition Limited (aka HIT Entertainment) 5.52%, 6/01/12 ^(f)	U.S.\$	721	\$ 712,760
Univision Communications Inc. 4.55%, 3/31/17 ^(f)		2,445	2,172,510
WideOpenWest Finance , LLC 2.79%-4.75%, 6/30/14 ^(f)		1,457	1,357,409
			5,038,014
Communications - Telecommunications 0.1%			
Level 3 Financing, Inc. 2.65%, 3/13/14 ^(f)		1,316	1,254,956
Consumer Cyclical - Entertainment 0.0%			
Las Vegas Sands, LLC 2.93%, 11/23/16 ^(f)		875	837,627
Consumer Cyclical - Other 0.1%			
Caesars Entertainment Operating Company, Inc. (fka Harrah s Operating Company, Inc.) 3.29%-3.42%, 1/28/15 ^(f)		601	520,619
3.42%-3.58%, 1/28/15 ^(f)		545	472,042
Great Atlantic & Pacific Tea Company, Inc., The 8.75%, 6/14/12 ^(f)		250	250,313
November 2005 Land Investors, LLC (North Las Vegas Consortium) 7.25%, 5/9/12 ^{(f)(g)(h)}		2,179	0
			1,242,974
Consumer Cyclical - Retailers 0.1%			
Burlington Coat Factory Warehouse Corporation 6.25%, 2/23/17 ^(f)		988	967,385
Mattress Holding Corp. 2.83%, 1/18/14 ^(f)		478	455,273
			1,422,658
Consumer Non-Cyclical 0.3%			
CHS/Community Health Systems, Inc. 3.80%-4.02%, 1/25/17 ^(f)		186	179,174
CityCenter Holdings, LLC 7.50%, 1/21/15 ^(f)		281	279,141
Grifols Inc. 5.50%, 6/01/16 ^(f)		500	496,875
Harlan Laboratories, Inc. (fka Harlan Sprague Dawley, Inc.) 3.89%, 7/11/14 ^(f)		872	714,173

ALLIANCEBERNSTEIN INCOME FUND 23

Portfolio of Investments

		Principal Amount (000)	U.S. \$ Value
HCA Inc. 3.55%, 5/01/18 ^(f)	U.S.\$	895	\$ 845,857
Immucor, Inc. 7.25%, 8/19/18 ^(f)		3,292	3,306,563
U.S. Foodservice, Inc. 2.78%-2.80%, 7/03/14 ^(f)		990	917,067
			6,738,850
Energy 0.0%			
CITGO Petroleum Corporation 9.00%, 6/24/17 ^(f)		345	349,552
Dalbo, Inc. 7.00%, 8/27/12 ^(f)		429	401,364
GBGH, LLC (US Energy) 0.00%, 6/09/13 ^{(f)(b)(i)}		258	19,328
14.00%, 6/09/14 ^{(e)(f)(b)(i)}		110	0
			770,244
Other Industrial 0.0%			
Gavilon Group LLC, The 6.00%, 12/06/16 ^(f)		333	329,591
Services 0.2%			
Advantage Sales & Marketing Inc. 5.25%, 12/18/17 ^(f)		842	826,774
Aveta Inc. 8.50%, 4/14/15 ^(f)		242	238,130
Global Cash Access, Inc. 7.00%, 3/01/16 ^(f)		414	411,871
Sabre Inc. 2.30%-2.43%, 9/30/14 ^(f)		2,178	1,795,964
ServiceMaster Co., (The) 2.78%-3.03%, 7/24/14 ^(f)		621	590,755
2.80%, 7/24/14 ^(f)		62	58,830
West Corporation 4.55%-4.67%, 7/15/16 ^(f)		485	480,615
			4,402,939
Technology 0.1%			
Avaya Inc. 3.26%, 10/24/14 ^(f)		121	115,234
5.01%, 10/26/17 ^(f)		243	220,349
First Data Corporation 3.04%, 9/24/14 ^(f)		875	792,042
IPC Systems, Inc. 5.55%-5.83%, 6/01/15 ^(f)		2,000	1,658,340
SunGard Data Systems Inc. (Solar Capital Corp.) 3.97%-4.06%, 2/28/16 ^(f)		436	425,456
			3,211,421

		Principal Amount (000)	U.S. \$ Value
Transportation - Services 0.0%			
Swift Transportation Co., LLC 6.00%, 12/21/16 ^(f)	U.S.\$	349	\$ 348,431
			35,217,769
Utility 0.2%			
Electric 0.2%			
FirstLight Power Resources, Inc. (fka NE Energy, Inc.) 2.81%, 11/01/13 ^(f)		438	419,967
4.81%, 5/01/14 ^(f)		1,000	898,000
Texas Competitive Electric Holdings Company, LLC (TXU) 3.78%, 10/10/14 ^(f)		2,379	1,654,712
			2,972,679
Financial Institutions 0.1%			
Finance 0.1%			
Delos Aircraft Inc. 7.00%, 3/17/16 ^(f)		434	434,378
International Lease Finance Corp (Delos Aircraft Inc) 6.75%, 3/17/15 ^(f)		591	591,494
			1,025,872
Other Finance 0.0%			
LPL Holdings, Inc. 2.05%-2.33%, 6/28/13 ^(f)		186	184,207
4.25%, 6/25/15 ^(f)		585	584,035
			768,242
			1,794,114
Total Bank Loans (cost \$42,005,261)			39,984,562
EMERGING MARKETS - CORPORATE			
BONDS 1.8%			
Financial Institutions 0.2%			
Banking 0.2%			
ATF Bank JSC 9.00%, 5/11/16 ^(d)		1,651	1,378,585
Banco BMG SA 9.15%, 1/15/16 ^(d)		400	380,000
CenterCredit International BV 8.625%, 1/30/14 ^(d)		2,297	2,251,060
			4,009,645
Other Finance 0.0%			

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AES El Salvador Trust 6.75%, 2/01/16 ^(d)	350	339,500
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4,349,145

Portfolio of Investments

ALLIANCEBERNSTEIN INCOME FUND 25

		Principal Amount (000)	U.S. \$ Value
Industrial 1.4%			
Basic 0.6%			
Evraz Group SA 8.875%, 4/24/13 ^(d)	U.S.\$	3,697	\$ 3,844,880
9.50%, 4/24/18 ^(d)		385	392,218
Novelis, Inc./GA 8.75%, 12/15/20		800	858,000
Vedanta Resources PLC 8.75%, 1/15/14 ^(d)		7,226	7,009,220
			12,104,318
Communications - Media 0.3%			
Columbus International, Inc. 11.50%, 11/20/14 ^(d)		3,959	4,166,848
European Media Capital SA 10.00%, 2/01/15 ⁽ⁱ⁾		1,853	1,630,799
			5,797,647
Communications - Telecommunications 0.3%			
Pacnet Ltd. 9.25%, 11/09/15 ^(d)		2,981	2,638,185
Vimpel Communications Via VIP Finance Ireland Ltd. OJSC 9.125%, 4/30/18 ^(d)		3,500	3,425,625
			6,063,810
Consumer Cyclical - Other 0.1%			
MCE Finance Ltd. 10.25%, 5/15/18		2,420	2,607,550
Peermont Global Pty Ltd. 7.75%, 4/30/14 ^(d)	EUR	50	51,770
			2,659,320
Other Industrial 0.1%			
Marfrig Overseas Ltd. 9.50%, 5/04/20 ^(d)	U.S.\$	4,151	3,071,740
			29,696,835
Utility 0.2%			
Electric 0.2%			
DTEK Finance BV 9.50%, 4/28/15 ^(d)		4,110	3,729,825
Empresa de Energia de Bogota SA 6.125%, 11/10/21 ^(d)		1,719	1,726,452
			5,456,277
Total Emerging Markets - Corporate Bonds (cost \$43,023,301)			39,502,257

		Principal Amount (000)	U.S. \$ Value
EMERGING MARKETS -			
SOVEREIGNS 1.6%			
Argentina 0.5%			
Republic of Argentina			
7.82%, 12/31/33	EUR	13,055	\$ 10,264,470
El Salvador 0.3%			
El Salvador			
7.65%, 6/15/35 ^(d)	U.S.\$	5,957	6,076,140
Indonesia 0.8%			
Republic of Indonesia			
6.625%, 2/17/37 ^(d)		720	876,600
6.875%, 1/17/18 ^(d)		8,285	9,755,587
7.75%, 1/17/38 ^(d)		5,073	6,873,915
8.50%, 10/12/35 ^(d)		801	1,153,440
			18,659,542
Total Emerging Markets - Sovereigns (cost \$30,218,769)			35,000,152
LOCAL GOVERNMENTS - MUNICIPAL			
BONDS 0.5%			
United States 0.5%			
California GO			
7.95%, 3/01/36		3,955	4,472,235
Illinois GO			
7.35%, 7/01/35		3,330	3,673,390
Texas Transp Comm (Texas St Hwy Fund First Tier)			
5.178%, 4/01/30		2,560	2,973,926
Total Local Governments - Municipal Bonds (cost \$9,889,245)			11,119,551
GOVERNMENTS - SOVEREIGN			
BONDS 0.4%			
Croatia 0.2%			
Republic of Croatia			
6.375%, 3/24/21 ^(d)		1,230	1,125,450
6.75%, 11/05/19 ^(d)		2,750	2,598,750
			3,724,200
Lithuania 0.2%			
Republic of Lithuania			
6.75%, 1/15/15 ^(d)		5,100	5,316,750
Total Governments - Sovereign Bonds (cost \$9,013,437)			9,040,950

		Principal Amount (000)	U.S. \$ Value
EMERGING MARKETS -			
TREASURIES 0.1%			
TURKEY 0.1%			
Turkey Government Bond 16.00%, 3/07/12 (cost \$2,821,475)	TRY	4,834	\$ 2,574,059
		Shares	
PREFERRED STOCKS 0.1%			
Financial Institutions 0.1%			
Finance 0.1%			
Ally Financial, Inc. 7.00% ^(d)		2,680	1,921,141
Non Corporate Sectors 0.0%			
Agencies - Government Sponsored 0.0%			
Federal National Mortgage Association 8.25%		125,325	172,949
Total Preferred Stocks (cost \$3,668,924)			2,094,090
		Principal Amount (000)	
ASSET-BACKED SECURITY 0.1%			
Autos - Floating Rate 0.1%			
Wheels SPV LLC Series 2009-1, Class A 1.828%, 3/15/18 ^{(d)(f)} (cost \$1,810,218)	U.S.\$	1,804	1,808,736
		Shares	
COMMON STOCKS 0.0%			
Gallery Media ^{(i)(k)(l)} (cost \$0)		697	871,250
WARRANTS 0.0%			
GBGH, LLC, expiring 6/09/19 ^{(h)(i)(l)}		517	0
Ion Media Networks, expiring 12/12/39 ^{(b)(i)(l)}		1,264	0
Ion Media Networks, expiring 12/31/49 ^{(b)(i)(l)}		1,248	0
Quality Distribution, LLC, expiring 11/01/13 ^(l)		40,706	457,536
Total Warrants (cost \$0)			457,536

	Principal Amount		U.S. \$ Value
	(000)		
COLLATERALIZED MORTGAGE OBLIGATIONS 0.0%			
Non-Agency Fixed Rate 0.0%			
Merrill Lynch Mortgage Investors, Inc. Series 2005-A9, Class 2A1A 2.518%, 12/25/35	U.S.\$ 357	\$	354,833
Agency Fixed Rate 0.0%			
Government National Mortgage Association Series 2006-32, Class XM 0.273%, 11/16/45 ^(m)	2,932		40,001
Total Collateralized Mortgage Obligations (cost \$586,373)			394,834
Contracts			
OPTIONS PURCHASED - PUTS 0.0%			
Options on Forward			
Contracts 0.0%			
CNY/USD Expiration: Aug 2012, Exercise Price: CNY 7.00 ^(l) (cost \$448,298)	1,080,000,000	\$	170,219
Shares			
SHORT-TERM INVESTMENTS 0.8%			
Investment Companies 0.8%			
AllianceBernstein Fixed-Income Shares, Inc. Government STIF Portfolio, 0.09% ⁽ⁿ⁾ (cost \$16,491,617)	16,491,617		16,491,617
Total Investments 146.9% (cost \$3,016,337,113)			3,184,671,099
Other assets less liabilities (46.9)%			(1,016,262,072)
Net Assets 100.0%		\$	2,168,409,027

Portfolio of Investments

ALLIANCEBERNSTEIN INCOME FUND 29

FUTURES CONTRACTS (see Note C)

Type	Number of Contracts	Expiration Month	Original Value	Value at December 31, 2011	Unrealized Appreciation/ (Depreciation)
Sold Contracts					
U.S. T-Bond 5 Yr Futures	1,086	March 2012	\$ 133,081,194	\$ 133,857,985	\$ (776,791)
U.S. T-Bond 30 Yr Futures	1,248	March 2012	179,807,358	180,726,000	(918,642)
U.S. T-Note 10 Yr Futures	3,134	March 2012	407,658,670	410,945,750	(3,287,080)
					\$ (4,982,513)

FORWARD CURRENCY EXCHANGE CONTRACTS (see Note C)

Counterparty & Description	Contract Amount (000)	U.S. \$ Value on Origination Date	U.S. \$ Value at December 31, 2011	Unrealized Appreciation/ (Depreciation)
Buy Contracts				
Barclays Bank PLC Wholesale:				
Euro settling 1/27/12 ⁽¹⁾	16,975	\$ 21,965,407	\$ 21,973,572	\$ 8,165
Credit Suisse London Branch (GFX):				
Australian Dollar settling 1/06/12	32,385	31,191,676	33,115,930	1,924,254
Chinese Yuan Renminbi settling 1/13/12 ⁽²⁾	176,203	27,182,416	27,951,133	768,717
Euro settling 1/27/12 ⁽¹⁾	15,772	20,626,063	20,415,999	(210,064)
Goldman Sachs International:				
Brazilian Real settling 1/04/12	27,893	14,870,023	14,954,129	84,106
Brazilian Real settling 1/04/12	27,893	15,110,070	14,954,129	(155,941)
Norwegian Krone settling 1/27/12	130,995	21,981,013	21,886,511	(94,502)
HSBC Bank USA:				
Swedish Krona settling 1/27/12	293,625	42,571,069	42,616,589	45,520
Standard Chartered Bank:				
Russian Rubles settling 1/13/12 ⁽²⁾	277,483	8,747,898	8,612,777	(135,121)
Sale Contracts				
Barclays Bank PLC Wholesale:				
Swedish Krona settling 1/27/12 ⁽¹⁾	151,899	21,965,407	22,046,582	(81,175)
Citibank N.A.:				
Euro settling 1/19/12	86,132	112,028,844	111,486,694	542,150
Credit Suisse London Branch (GFX):				
Swedish Krona settling 1/27/12 ⁽¹⁾	141,871	20,626,063	20,590,986	35,077
Deutsche Bank AG London:				
Great British Pound settling 1/19/12	2,616	4,053,000	4,061,645	(8,645)
Goldman Sachs International:				
Brazilian Real settling 1/04/12	27,893	14,951,324	14,954,129	(2,805)
Brazilian Real settling 1/04/12	27,893	14,870,023	14,954,129	(84,106)
Brazilian Real settling 2/02/12	27,893	15,008,442	14,852,663	155,779
South African Rand settling 1/20/12	80,156	9,505,493	9,903,610	(398,117)
UBS AG:				
Japanese Yen settling 2/17/12	670,372	8,731,934	8,715,517	16,417
				\$ 2,409,709

(1) *Represents a cross currency of Euro and Swedish Krona.*

(2) *Contract represents a non-deliverable forward where payment is received from or paid to a counterparty based on the net realized gain/loss on settlement date.*

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Portfolio of Investments

CREDIT DEFAULT SWAP CONTRACTS ON CORPORATE AND INDICES

(see Note C)

Swap Counterparty & Referenced Obligation	Fixed Deal (Pay) Receive Rate	Implied Credit Spread at December 31, 2011	Notional Amount (000)	Market Value	Upfront Premiums (Paid) Received	Unrealized Appreciation/ (Depreciation)
Buy Contracts						
Citibank, N.A.:						
Qantas Airways Ltd. 5.125%, 6/20/13, 3/20/16*	(1.75)%	2.87%	\$ 5,000	\$ 210,008	\$	\$ 210,008
Sale Contracts						
Credit Suisse First Boston:						
CDX NAHY Series 15 5 Yr Index, 12/20/15*	5.00	9.90	5,050	(1,106,686)	437,616	(669,070)
CDX NAHY Series 15 5 Yr Index, 12/20/15*	5.00	9.90	5,650	(1,238,174)	485,800	(752,374)
Morgan Stanley Capital Services Inc.:						
CDX-NAHY Series 15 5 Year Index, 12/20/15*	5.00	6.01	20,972	(645,756)	(392,954)	(1,038,710)
CDX-NAHY Series 17 5 Year Index, 12/20/16*	5.00	6.86	43,120	(2,886,165)	4,888,852	2,002,687
						\$ (247,459)

* Termination date

REVERSE REPURCHASE AGREEMENTS (see Note C)

Broker	Interest Rate	Maturity	U.S. \$ Value at December 31, 2011
Bank of America	0.18%	1/23/12	\$ 79,569,295
Bank of America	0.21%	1/26/12	54,510,491
Bank of America	0.21%	3/06/12	99,558,936
Barclays Bank+	(1.63)%*		566,006
Deutsche Bank	0.17%	1/19/12	84,589,871
Deutsche Bank	0.18%	1/10/12	43,213,138
Deutsche Bank	0.18%	1/11/12	54,328,522
Deutsche Bank	0.18%	2/09/12	60,008,398
Deutsche Bank	0.19%	2/09/12	4,957,636
Deutsche Bank	0.20%	1/25/12	108,263,303
HSBC	0.14%	1/05/12	40,294,081
HSBC	0.17%	2/08/12	108,887,137
HSBC	0.18%	3/07/12	37,890,720
HSBC	0.20%	2/22/12	107,770,353

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Broker	Interest Rate	Maturity	U.S. \$ Value at December 31, 2011
HSBC	0.22%	1/25/12	\$ 5,383,895
ING+	(1.25)%*		295,377
ING+	(0.50)%*		2,288,491
ING+	(0.38)%*		996,003
ING+	(0.38)%*		731,909
ING+	(0.25)%*		950,407
ING+	0.00%		1,547,910
Jefferies Group, Inc.	0.14%	1/04/12	108,036,960
JP Morgan Chase+	(0.13)%*		4,485,783
JP Morgan Chase+	0.00%		2,725,000
Nomura International+	(0.20)%*		1,635,782
Nomura International+	(0.25)%*		516,857
			\$ 1,014,002,261

+ The reverse repurchase agreement matures on demand. The interest rate shown is a variable rate and was in effect on December 31, 2011.

* Interest payment due from counterparty.

UNFUNDED LOAN COMMITMENTS (see Note C)

As of December 31, 2011, the Fund had the following unfunded loan commitment of \$9,225,000, which may be drawn at the option of the borrower:

Borrower	Unfunded Loan Commitments	Cost	Value
General Motors Holding, LLC Revolver			
LIBOR +2.75%			
10/27/15	\$ 5,825,000	\$ 0	\$ (760,162)
Samson Investment Company			
8.00%			
12/20/12	3,400,000	0	0

(a) Position, or a portion thereof, has been segregated to collateralize reverse repurchase agreements. The market value of the collateral amounted to \$1,018,725,224.

(b) Position, or a portion thereof, has been segregated to collateralize credit default swap contracts. The aggregate market value of these securities amounted to \$7,207,583.

(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 \$22,444,065.

(d) 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 December 31, 2011, the aggregate market value of these securities amounted to

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\$310,374,593 or 14.3% of net assets.

(e) Pay-In-Kind Payments (PIK).

(f) Floating Rate Security. Stated interest rate was in effect at December 31, 2011.

(g) Security is in default and is non-income producing.

(h) Illiquid security.

(i) Fair valued.

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Portfolio of Investments

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(j) Security is exempt from registration under Rule 144A of the Securities Act of 1933. This security, which represents 0.08% of net assets as of December 31, 2011, is considered illiquid and restricted.

Restricted Securities	Acquisition Date	Cost	Market Value	Percentage of Net Assets
European Media Capital SA 10.00%, 2/01/15	8/18/10	\$ 2,501,214	\$ 1,630,799	0.08%

(k) Restricted and illiquid security.

(l) Non-income producing security.

(m) IO Interest Only

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

Currency Abbreviations:

BRL Brazilian Real

CNY Chinese Yuan Renminbi

EUR Euro

GBP Great British Pound

RUB Russian Ruble

TRY Turkish Lira

ZAR South African Rand

Glossary:

ARMs Adjustable Rate Mortgages

CDX-NAHY North American High Yield Credit Default Swap Index

CMBS Commercial Mortgage-Backed Securities

GO General Obligation

OJSC Open Joint Stock Company

REIT Real Estate Investment Trust

TIPS Treasury Inflation Protected Security

See notes to financial statements.

Portfolio of Investments

ALLIANCEBERNSTEIN INCOME FUND 33

STATEMENT OF ASSETS & LIABILITIES**December 31, 2011**

Assets	
Investments in securities, at value	
Unaffiliated issuers (cost \$2,999,845,496)	\$ 3,168,179,482
Affiliated issuers (cost \$16,491,617)	16,491,617
Cash	9,375,304
Foreign currencies, at value (cost \$514,435)	501,537
Interest and dividends receivable	26,308,474
Unrealized appreciation of forward currency exchange contracts	3,580,185
Unrealized appreciation on credit default swap contracts	2,212,695
Premium paid on credit default swap contracts	392,954
Receivable for investment securities sold	337,022
Total assets	3,227,379,270
Liabilities	
Payable for reverse repurchase agreements	1,014,002,261
Dividends payable	22,656,213
Payable for investment securities purchased	9,365,545
Premium received on credit default swap contracts	5,812,268
Unrealized depreciation on credit default swap contracts	2,460,154
Payable for variation margin on futures contracts	1,458,094
Unrealized depreciation of forward currency exchange contracts	1,170,476
Advisory fee payable	1,083,138
Unfunded loan commitment, at value	760,162
Administrative fee payable	22,509
Accrued expenses	179,423
Total liabilities	1,058,970,243
Net Assets	\$ 2,168,409,027
Composition of Net Assets	
Common stock, at par	\$ 2,429,117
Additional paid-in capital	2,052,274,429
Distributions in excess of net investment income	(3,081,787)
Accumulated net realized loss on investment and foreign currency transactions	(48,272,280)
Net unrealized appreciation on investments and foreign currency denominated assets and liabilities	165,059,548
	\$ 2,168,409,027
Net Asset Value Per Share 300 million shares of common stock authorized, \$0.01 par value (based on 242,911,697 shares outstanding)	\$ 8.93

See notes to financial statements.

STATEMENT OF OPERATIONS

Year Ended December 31, 2011

Investment Income

Interest	\$	121,237,267	
Dividends			
Unaffiliated issuers		187,588	
Affiliated issuers		33,904	
Other fee income		258,392	\$ 121,717,151

Expenses

Advisory fee (see Note B)		11,372,484	
Custodian		263,309	
Printing		222,082	
Registration fees		214,615	
Transfer agency		117,291	
Audit		84,192	
Administrative		82,820	
Directors fees		52,808	
Legal		26,587	
Miscellaneous		66,084	

Total expenses before interest expense		12,502,272	
Interest expense		1,277,819	

Total expenses			13,780,091
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Net investment income			107,937,060
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Realized and Unrealized Gain (Loss) on Investment and Foreign Currency**Transactions**

Net realized gain (loss) on:

Investment transactions		96,255,434	
Futures contracts		(72,429,498)	
Swap contracts		(57,059)	
Foreign currency transactions		8,379,049	
Net change in unrealized appreciation/depreciation of:			
Investments		64,549,272	
Futures contracts		(19,752,208)	
Swap contracts		(165,482)	
Unfunded loan commitments		(279,599)	
Foreign currency denominated assets and liabilities		(3,000,389)	

Net gain on investment and foreign currency transactions			73,499,520
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Net Increase in Net Assets from Operations	\$		181,436,580
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See notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

	Year Ended December 31, 2011	Year Ended December 31, 2010
Increase (Decrease) in Net Assets from Operations		
Net investment income	\$ 107,937,060	\$ 113,831,121
Net realized gain on investment and foreign currency transactions	32,147,926	102,274,391
Net change in unrealized appreciation/depreciation of investments and foreign currency denominated assets and liabilities	41,351,594	(3,846,657)
Net increase in net assets from operations	181,436,580	212,258,855
Dividends to Shareholders from		
Net investment income	(139,236,985)	(119,512,555)
Common Stock Transactions		
Sale of Common Stock	0	56,662
Total increase	42,199,595	92,802,962
Net Assets		
Beginning of period	2,126,209,432	2,033,406,470
End of period (including distributions in excess of net investment income of (\$3,081,787) and undistributed net investment income of \$573,376, respectively)	\$ 2,168,409,027	\$ 2,126,209,432

See notes to financial statements.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2011

Increase (Decrease) in Cash from Operating Activities:

Interest and dividends received	\$ 116,271,594	
Interest expense paid	(1,277,819)	
Operating expenses paid	(12,523,751)	
Purchases of long-term investments	(2,089,090,386)	
Proceeds from disposition of long-term investments	2,184,635,530	
Purchases of short-term investments, net	(1,905,817)	
Proceeds from swap contracts, net	5,362,256	
Variation margin paid on futures contracts	(93,501,284)	
Proceeds from unfunded loan commitments	728,012	

Net increase in cash from operating activities \$ 108,698,335

Financing Activities:

Cash dividends paid	(116,596,696)	
Increase in reverse repurchase agreements	16,650,402	

Net decrease in cash from financing activities (99,946,294)

Effect of exchange rate on cash (1,748,394)

Net increase in cash 7,003,647

Cash at beginning of period 2,873,194

Cash at end of period \$ 9,876,841

Reconciliation of Net Increase in Net Assets from Operations to Net Increase in Cash from Operating Activities:

Net increase in net assets from operations \$ 181,436,580

Adjustments:

Decrease in interest and dividends receivable	\$ 1,063,080	
Net accretion of bond discount and amortization of bond premium	(5,193,907)	
Inflation Index Income	(1,314,730)	
Decrease in accrued expenses	(21,479)	
Purchases of long-term investments	(2,089,090,386)	
Proceeds from disposition of long-term investments	2,184,635,530	
Purchases of short-term investments, net	(1,905,817)	
Proceeds on swap contracts, net	5,362,256	
Variation margin paid on futures contracts	(93,501,284)	
Proceeds from unfunded loan commitments	728,012	
Net realized gain on investment and foreign currency transactions	(32,147,926)	
Net change in unrealized appreciation/depreciation of investments and foreign currency denominated assets and liabilities	(41,351,594)	

Total adjustments (72,738,245)

Net increase in cash from operating activities \$ 108,698,335

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE A

Significant Accounting Policies

AllianceBernstein Income Fund, Inc. (the Fund) is registered under the Investment Company Act of 1940 as a diversified, closed-end management investment company. The financial statements have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP) which require management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and amounts of income and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund.

1. Security Valuation

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

In general, the market value of securities which are readily available and deemed reliable are determined as follows: Securities listed on a national securities exchange (other than securities listed on the NASDAQ Stock Market, Inc. (NASDAQ)) or on a foreign securities exchange are valued at the last sale price at the close of the exchange or foreign securities exchange. If there has been no sale on such day, the securities are valued at the last traded price from the previous day. Securities listed on more than one exchange are valued by reference to the principal exchange on which the securities are traded; securities listed only on NASDAQ are valued in accordance with the NASDAQ Official Closing Price; listed or over the counter market (OTC) put or call options are valued at the mid level between the current bid and ask prices. If either a current bid or current ask price is unavailable, AllianceBernstein L.P. (the Adviser) will have discretion to determine the best valuation (e.g. last trade price); open futures contracts and options thereon 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; and 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, which are approved by the Board of Directors. Investments in money market funds are valued at their net asset value each day.

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

2. Fair Value Measurements

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

Level 1 quoted prices in active markets for identical investments

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The following table summarizes the valuation of the Fund's investments by the above fair value hierarchy levels as of December 31, 2011:

Investments in Securities:	Level 1	Level 2	Level 3	Total
Assets:				
Governments Treasuries	\$ 0	\$ 2,066,126,518	\$ 0	\$ 2,066,126,518
Corporates Investment Grades	0	303,613,813	0	303,613,813
Corporates Non-Investment Grades	0	195,203,039	1,250,452	196,453,491
Mortgage Pass-Through s	0	138,880,408	0	138,880,408
Agencies	0	122,982,114	0	122,982,114
Quasi-Sovereigns	0	75,801,797	0	75,801,797
Commercial Mortgage-Backed Securities	0	26,012,421	49,535,691	75,548,112
Inflation-Linked Securities	0	45,755,033	0	45,755,033
Bank Loans	0	0	39,984,562	39,984,562
Emerging Markets Corporate Bonds	0	37,871,458	1,630,799	39,502,257
Emerging Markets Sovereigns	0	35,000,152	0	35,000,152
Local Governments Municipal Bonds	0	11,119,551	0	11,119,551
Governments Sovereign Bonds	0	9,040,950	0	9,040,950
Emerging Markets Treasuries	0	2,574,059	0	2,574,059
Preferred Stocks	172,949	1,921,141	0	2,094,090
Asset-Backed Security	0	1,808,736	0	1,808,736
Common Stocks	0	0	871,250	871,250
Warrants	0	0	457,536	457,536
Collateralized Mortgage Obligations	0	40,001	354,833	394,834
Options Purchased Puts	0	0	170,219	170,219
Short-Term Investments	16,491,617	0	0	16,491,617
Total Investments in Securities	16,664,566	3,073,751,191	94,255,342	3,184,671,099
Other Financial Instruments*:				
Assets:				
Forward Currency Exchange Contracts	0	3,580,185	0	3,580,185
Credit Default Swap Contracts	0	2,212,695	0	2,212,695
Liabilities:				
Futures Contracts	(4,982,513)	0	0	(4,982,513)#
Forward Currency Exchange Contracts	0	(1,170,476)	0	(1,170,476)
Credit Default Swap Contracts	0	(1,038,710)	(1,421,444)	(2,460,154)
Unfunded Loan Commitments	0	0	(760,162)	(760,162)
Total	\$ 11,682,053	\$ 3,077,334,885	\$ 92,073,736	\$ 3,181,090,674

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

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 portfolio of investments.

Following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value. The transfers between levels of the fair value hierarchy assumes the financial instrument was transferred at the beginning of the reporting period.

	Corporates - Non-Investment Grades	Commercial Mortgage- Backed Securities	Bank Loans
Balance as of 12/31/10	\$ 0	\$ 46,176,890	\$ 53,468,498
Accrued discounts/(premiums)	(127,937)	216,341	376,442
Realized gain (loss)	(6,928,250)	924,945	(51,382)
Change in unrealized appreciation/depreciation	7,018,159	(1,772,782)	(754,310)
Purchases	690,946	9,849,970	41,910,477
Sales	(1,968)	(5,859,673)	(54,965,163)
Settlements	0	0	0
Transfers in to Level 3	599,502	0	0
Transfers out of Level 3	0	0	0
Balance as of 12/31/11	\$ 1,250,452	\$ 49,535,691	\$ 39,984,562
Net change in unrealized appreciation/depreciation from Investments held as of 12/31/11*	\$ 87,497	\$ (913,160)	\$ (2,001,846)

	Emerging Markets - Corporate Bonds	Common Stocks	Warrants
Balance as of 12/31/10	\$ 1,223,099	\$ 0	\$ 231,215
Accrued discounts/(premiums)	(215,889)	0	0
Realized gain (loss)	0	630,768	242,985
Change in unrealized appreciation/depreciation	623,589	871,250	282,373
Purchases	0	0	0
Sales	0	(630,768)	(299,037)
Settlements	0	0	0
Transfers in to Level 3	0	0	0
Transfers out of Level 3	0	0	0
Balance as of 12/31/11	\$ 1,630,799	\$ 871,250	\$ 457,536
Net change in unrealized appreciation/depreciation from Investments held as of 12/31/11*	\$ 623,589	\$ 871,250	\$ 457,536

	Collateralized Mortgage Obligations	Options Purchased - Puts	Credit Default Swap Contracts
Balance as of 12/31/10	\$ 1,428,922	\$ 0	\$ 0
Accrued discounts/(premiums)	1,885	0	0
Realized gain (loss)	70,103	0	413,924
Change in unrealized appreciation/depreciation	(39,310)	(278,079)	(1,421,444)
Purchases	0	448,298	0
Sales	(1,106,767)	0	0
Settlements	0	0	(413,924)
Transfers in to Level 3	0	0	0
Transfers out of Level 3	0	0	0
Balance as of 12/31/11	\$ 354,833	\$ 170,219	\$ (1,421,444)
Net change in unrealized appreciation/depreciation from Investments held as of 12/31/11*	\$ (39,310)	\$ (278,079)	\$ (1,421,444)

	Unfunded Loan Commitments	Total
Balance as of 12/31/10	\$ 0	\$ 102,528,624
Accrued discounts/(premiums)	0	250,842
Realized gain (loss)	0	(4,696,907)
Change in unrealized appreciation/depreciation	(279,599)	4,249,847
Purchases	(480,563)	52,419,128
Sales	0	(62,863,376)
Settlements	0	(413,924)
Transfers in to Level 3	0	599,502
Transfers out of Level 3	0	0
Balance as of 12/31/11	\$ (760,162)	\$ 92,073,736
Net change in unrealized appreciation/depreciation from Investments held as of 12/31/11*	\$ (279,599)	\$ (2,893,566)

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

3. Currency Translation

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

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

4. Taxes

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

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

5. Investment Income and Investment Transactions

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

6. Dividends and Distributions

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

7. Repurchase Agreements

It is the Fund's policy that its custodian or designated subcustodian take control of securities as collateral under repurchase agreements and to determine on a daily basis that the value of such securities are sufficient to cover the value of the repurchase agreements. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of collateral by the Fund may be delayed or limited.

NOTE B

Advisory Fee and Other Transactions with Affiliates

Under the terms of the investment advisory agreement (the "Advisory Agreement"), the Fund pays the Adviser a monthly advisory fee in an amount equal to the sum of 1/12th of .30 of 1% of the Fund's average weekly net assets up to \$250 million, 1/12th of .25 of 1% of the Fund's average weekly net assets in excess of \$250 million, and 4.75% of the Fund's daily gross income (i.e., income other than gains from the sale of securities and foreign currency transactions or gains realized from options, futures and swap contracts, less interest on money borrowed by the Fund) accrued by the Fund during the month. However, such monthly advisory fee shall not exceed in the aggregate 1/12th of .80% of the Fund's average weekly net assets during the month (approximately .80% on an annual basis).

Under the terms of the Shareholder Inquiry Agency Agreement with AllianceBernstein Investor Services, Inc. ("ABIS"), a wholly-owned subsidiary of the Adviser, the Fund reimburses ABIS for costs relating to servicing phone inquiries on behalf of the Fund. During the year ended December 31, 2011, there was no reimbursement paid to ABIS.

Pursuant to the investment advisory agreement, the Fund may reimburse the Adviser for certain legal and accounting services provided to the Fund by the Adviser. For the year ended December 31, 2011, such fee amounted to \$82,820.

The Fund may invest in the AllianceBernstein Fixed-Income Shares, Inc. Government STIF Portfolio ("Government STIF Portfolio"), an open-end management investment company managed by the Adviser. The Government STIF Portfolio is offered as a cash management option to mutual funds and other institutional accounts of the Adviser, and is not available for direct purchase by members of the public. The Government STIF Portfolio pays no investment management fees but does bear its own expenses. A summary of the Fund's transactions in shares of the Government STIF Portfolio for the year ended December 31, 2011 is as follows:

Market Value

December 31, 2010 (000)	Purchases at Cost (000)	Sales Proceeds (000)	Market Value December 31, 2011 (000)	Dividend Income (000)
\$ 14,586	\$ 673,533	\$ 671,627	\$ 16,492	\$ 34

Brokerage commissions paid on investment transactions for the year ended December 31, 2011 amounted to \$91,196, of which \$0 and \$0, respectively, was paid to Sanford C. Bernstein & Co. LLC and Sanford C. Bernstein Limited, affiliates of the Adviser.

NOTE C

Investment Transactions

Purchases and sales of investment securities (excluding short-term investments) for the year ended December 31, 2011 were as follows:

	Purchases	Sales
Investment securities (excluding U.S. government securities)	\$ 297,436,587	\$ 410,306,042
U.S. government securities	1,794,490,863	1,709,956,255

The cost of investments for federal income tax purposes, gross unrealized appreciation and unrealized depreciation (excluding futures, foreign currency and swap transactions) are as follows:

Cost	\$ 3,016,411,253
Gross unrealized appreciation	\$ 190,201,194
Gross unrealized depreciation	(21,941,348)
Net unrealized appreciation	\$ 168,259,846

1. Derivative Financial Instruments

The Fund may use derivatives to earn income and enhance returns, to hedge or adjust the risk profile of its portfolio, to replace more traditional direct investments, or to obtain exposure to otherwise inaccessible markets.

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

Futures Contracts

The Fund may buy or sell futures contracts for the purpose of hedging its portfolio against adverse effects of anticipated movements in the market or for investment purposes. The Fund 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 securities hedged or used for cover. The Fund may also purchase or sell futures contracts for foreign currencies or options thereon for non-hedging purposes as a means of making direct investment in foreign currencies, as described below under Currency Transactions .

At the time the Fund enters into a futures contract, the Fund deposits and maintains as collateral an initial margin with the broker, as required by the exchange on which the transaction is effected. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash

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

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

During the year ended December 31, 2011, the Fund held futures contracts for hedging and non-hedging purposes.

Forward Currency Exchange Contracts

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

A forward currency exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contract and the closing of such contract would be included in net realized gain or loss on foreign currency transactions. Fluctuations in the value of open forward currency exchange contracts are recorded for financial reporting purposes as unrealized appreciation and/or depreciation by the Fund. 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. The face or contract amount, in U.S. dollars reflects the total exposure the Fund has in that particular currency contract.

During the year ended December 31, 2011, the Fund held forward currency exchange contracts for hedging and non-hedging purposes.

Option Transactions

For hedging and investment purposes, the Fund may purchase and write (sell) put and call options on U.S. and foreign securities, including government securities, and foreign currencies that are traded on U.S. and foreign securities exchanges and over-the-counter markets. The Fund may also use options transactions for non-hedging purposes as a means of making direct investments in foreign currencies, as described below under **Currency Transactions** .

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

When the Fund writes an option, the premium received by the Fund is recorded as a liability and is subsequently adjusted to the current market value of the option written. Premiums received from written options which expire unexercised are recorded by the Fund on the expiration date as realized gains from options written. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium received is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium received is added to the proceeds from the sale of the underlying security or currency in determining whether the Fund has realized a gain or loss. If a put option is exercised, the premium received reduces the cost basis of the security or currency purchased by the Fund. In writing an option, the Fund bears the market risk of an unfavorable change in the price of the security or currency underlying the written option. Exercise of an option written by the Fund could result in the Fund selling or buying a security or currency at a price different from the current market value. For the year ended December 31, 2011, the Fund had no transactions in written options.

During the year ended December 31, 2011, the Fund held purchased options for non-hedging purposes.

Swap Agreements

The Fund may enter into swaps to hedge its exposure to interest rates, credit risk, or currencies. The Fund may also enter into swaps for

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

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

Credit Default Swaps:

The Fund may enter into credit default swaps, including to manage its exposure to the market or certain sectors of the market, to reduce its risk exposure to defaults by corporate and sovereign issuers held by the Fund, or to create exposure to corporate or sovereign issuers to which it is not otherwise exposed. The Fund 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 Fund receives/(pays) fixed payments from/(to) the respective counterparty, calculated at the agreed upon rate applied to the notional amount. The accrual for these interim payments is recorded within unrealized appreciation/depreciation of swap contracts on the statement of assets and liabilities. 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. If the Fund is a buyer/(seller) of protection and a credit event occurs, as defined under the terms of the swap agreement, the Fund 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 Fund 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 Fund is a buyer of protection and no credit event occurs, it will lose the payments it made to its counterparty. If the Fund is a seller of protection and a credit event occurs, the value of the referenced obligation received by the Fund 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 Fund.

During the year ended December 31, 2011, the Fund held credit default swap contracts for hedging purposes.

Implied credit spreads utilized in determining the market value of credit default swaps on issuers as of period end are disclosed in the portfolio of investments. The implied spreads serve as an indicator of the current status of the payment/performance risk and typically reflect 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 reflect 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.

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 Fund for the same reference obligation with the same counterparty. As of December 31, 2011, the Fund did not have Buy Contracts outstanding with respect to the same referenced obligation and same counterparty for its Sale Contracts outstanding.

Documentation governing the Fund's swap transactions may contain provisions for early termination of a swap in the event the net assets of the Fund decline below specific levels set forth in the documentation (net asset contingent features). If these levels are triggered, the Fund's counterparty has the right to terminate the swap and require the Fund to pay or receive a settlement amount in connection with the terminated swap transaction. As of December 31, 2011, the Fund had open credit default swap contracts with contingent features in net liability positions of \$5,876,781. The fair value of assets pledged as collateral by the Fund for such swap contracts was \$7,207,583 at December 31, 2011. If a trigger event had occurred at December 31, 2011, for those swap contracts in a net liability position, no additional amounts would be required to be posted by the Fund since the aggregate fair value of the required collateral posted exceeded the settlement amounts of open derivative contracts.

At December 31, 2011, the Fund had entered into the following derivatives:

Derivative Type	Asset Derivatives		Liability Derivatives	
	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	\$ 3,580,185	Unrealized depreciation of forward currency exchange contracts	\$ 1,170,476
Foreign exchange contracts	Investments in securities, at value	170,219		
Credit contracts	Unrealized appreciation on credit default swap contracts	2,212,695	Unrealized depreciation on credit default swap contracts	2,460,154
Interest rate contracts			Receivable/Payable for variation margin on futures contracts	4,982,513*
Total		\$ 5,963,099		\$ 8,613,143

* 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 portfolio of investments.

The effect of derivative instruments on the statement of operations for the year ended December 31, 2011:

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	\$ (5,876,617)	\$ (2,704,984)
Foreign exchange contracts	Net realized gain (loss) on investment transactions; Net change in unrealized appreciation/depreciation of investments	(442,167)	(278,079)
Credit contracts	Net realized gain (loss) on swap contracts; Net change in unrealized appreciation/depreciation of swap contracts	(57,059)	(165,482)
Interest rate contracts	Net realized gain (loss) on futures contracts; Net change in unrealized appreciation/depreciation of futures contracts	(72,429,498)	(19,752,208)
Total		\$ (78,805,341)	\$ (22,900,753)

For the year ended December 31, 2011, the average monthly principal amount of foreign currency exchange contracts was \$465,211,869, the average monthly notional amount of credit default swaps was \$43,096,308 and the average monthly original value of futures contracts was \$627,157,855. For five months of the year, the average monthly cost of purchased options contracts was \$692,985.

2. Currency Transactions

The Fund may invest in non-U.S. Dollar securities on a currency hedged or unhedged basis. The Fund may seek investment opportunities by taking long or short positions in currencies through the use of currency-related derivatives, including forward currency exchange contracts, futures and options on futures, swaps, and other options. The Fund may enter into transactions for investment opportunities when it anticipates that a foreign currency will appreciate or depreciate in value but securities denominated in that currency are not held by

the Fund and do not present attractive investment opportunities. Such transactions may also be used when the Adviser believes that it may be more efficient than a direct investment in a foreign currency-denominated security. The Fund may also conduct currency exchange contracts on a spot basis (i.e., for cash at the spot rate prevailing in the currency exchange market for buying or selling currencies).

3. Dollar Rolls

The Fund may enter into dollar rolls. Dollar rolls involve sales by the Fund of securities for delivery in the current month and the Fund simultaneously contracting to repurchase substantially similar (same type and coupon) securities on a specified future date. During the roll period, the Fund forgoes principal and interest paid on the securities. The Fund is compensated by the difference between the current sales price and the lower forward price for the future purchase (often referred to as the "drop") as well as by the interest earned on the cash proceeds of the initial sale. Dollar rolls involve the risk that the market value of the securities the Fund is obligated to repurchase under the agreement may decline below the repurchase price. Dollar rolls are speculative techniques and may be considered to be borrowings by the Fund. For the year ended December 31, 2011, the Fund had no transactions in dollar rolls.

4. Reverse Repurchase Agreements

Under a reverse repurchase agreement, the Fund sells securities and agrees to repurchase them at a mutually agreed upon date and price. At the time the Fund enters into a reverse repurchase agreement, it will establish a segregated account with the custodian containing liquid assets having a value at least equal to the repurchase price. For the year ended December 31, 2011, the average amount of reverse repurchase agreements outstanding was \$948,905,865 and the daily weighted average interest rate was 0.13%.

5. Loan Participations and Assignments

The Fund may invest in direct debt instruments which are interests in amounts owed to lenders or lending syndicates by corporate, governmental, or other borrowers, either in the form of participations at the time the loan is originated ("Participations") or by buying an interest in the loan in the secondary market from a financial institution or institutional investor ("Assignments"). A loan is often administered by a bank or other financial institution (the "Lender") that acts as agent for all holders. The agent administers the term of the loan as specified in the loan agreement. When investing in Participations, the Fund generally has no right to enforce compliance with the terms of the loan agreement with the borrower. In addition, when investing in Participations, the Fund has the right to receive payments of principal, interest and any fees to which it is entitled only from the Lender and only upon receipt of payments by the Lender from the borrower. As a result, the Fund may be subject to the credit risk of both the borrower and the Lender. When the Fund purchases Assignments from Lenders, it will typically acquire direct rights against the borrower on the loan. These

loans may include participations in bridge loans, which are loans taken out by borrowers for a short period (typically less than six months) pending arrangement of more permanent financing through, for example, the issuance of bonds, frequently high-yield bonds issued for the purpose of acquisitions. The Fund may also participate in unfunded loan commitments, which are contractual obligations for investing in future Participations, and receive a commitment fee based on the amount of the commitment. Under these arrangements, the Fund will receive a fixed rate commitment fee and, if and to the extent the borrower borrows under the facility, the Fund may receive an additional funding fee.

Unfunded loan commitments and funded loans are marked to market daily.

As of December 31, 2011, the Fund had the following unfunded loan commitments which could be extended at the option of the borrower pursuant to the respective loan agreement. The unrealized depreciation on such loans was \$279,599.

Borrower	Unfunded Loan Commitments	Funded
General Motors Holdings, LLC LIBOR +2.75%, 10/27/15	\$ 5,825,000	\$ 0
Samson Investment Company 8.00%, 12/20/12	3,400,000	0

As of December 31, 2011, the Fund had no bridge loan commitments outstanding; however, the Fund received commitment fees or additional funding fees during the period in the amount of \$247,449. Additionally, the Fund received \$480,563 as an upfront payment for the trading discount in assuming the General Motors Holdings loan.

NOTE D

Common Stock

During the year ended December 31, 2011, the Fund did not issue any shares in connection with the Fund's dividend reinvestment plan. During the year ended December 31, 2010, the Fund did not issue any shares in connection with the Fund's dividend reinvestment plan; residual shares of common stock held by the Fund were sold in the amount of \$56,662.

NOTE E

Risks Involved in Investing in the Fund

Interest Rate Risk and Credit Risk Interest rate risk is the risk that changes in interest rates will affect the value of the Fund's investments in fixed-income debt securities such as bonds or notes. Increases in interest rates may cause the value of the Fund'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.

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

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

The Fund invests in the sovereign debt obligations of countries that are considered emerging market countries at the time of purchase. Therefore, the Fund is susceptible to governmental factors and economic and debt restructuring developments adversely affecting the economics of these emerging market countries. In addition, these debt obligations may be less liquid and subject to greater volatility than debt obligations of more developed countries.

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

Leverage Risk The Fund utilizes leverage through the investment techniques of reverse repurchase agreements and dollar rolls. In addition, the Fund may borrow money in the future, through participation in credit facilities, direct bank borrowings, or otherwise. Reverse repurchase agreements and dollar rolls are speculative techniques and are considered borrowings by the Fund. The use of derivative instruments by the Fund, such as forwards, futures, options and swaps, may also result in a form of leverage.

Leverage may result in higher returns to the Fund than if the Fund were not leveraged, but may also adversely affect returns, particularly if the market is declining. The risks of leverage also include potentially a higher volatility of the NAV of the Common Stock, potentially more volatility in the market value of the Common Stock and the relatively greater effect on the NAV of the Common Stock caused by favorable or adverse changes in portfolio security values or currency exchange rates. In addition, changes in the interest rate environment can increase or decrease shareholder returns. The Fund maintains asset coverage of at least 300% with respect to borrowings.

To the extent that the current interest rate on the Fund's indebtedness approaches the net return on the leveraged portion of the Fund's investment portfolio, then the benefit to the shareholders will be reduced. If the rate on indebtedness were to exceed the net return on the same portion of the portfolio, then this would result in a lower rate of return for the shareholders. Similarly, the use of leverage in a declining market can advance the decrease of the Fund's NAV more so than if the Fund were not leveraged, which would likely be reflected in a greater decline in the market price for shares of Common Stock than if the Fund were not leveraged. In extreme cases, if the Fund's current investment income were not sufficient to meet interest payments on indebtedness or if the Fund failed to maintain the asset coverage required by the 1940 Act, then it could be necessary for the Fund to liquidate certain investments at a time when it may be disadvantageous to do so.

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

NOTE F:

Distributions to Shareholders

The tax character of distributions paid during the fiscal years ended December 31, 2011 and December 31, 2010 were as follows:

	2011	2010
Distributions paid from:		
Ordinary income	\$ 139,236,985	\$ 119,512,555
Total taxable distributions	\$ 139,236,985	\$ 119,512,555
Total distributions paid	\$ 139,236,985	\$ 119,512,555

As of December 31, 2011, the components of accumulated earnings/(deficit) on a tax basis were as follows:

Accumulated capital and other losses	\$ (53,619,626) ^(a)
Unrealized appreciation/(depreciation)	167,805,670 ^(b)
Total accumulated earnings/(deficit)	\$ 114,186,044^(c)

^(a) On December 31, 2011, the Fund had a net capital loss carryforward of \$41,244,647. During the fiscal year, the Fund utilized \$5,441,030 of capital loss carryforwards to offset current year net realized gains. As of December 31, 2011, the cumulative deferred loss on straddles was \$12,374,979.

^(b) The differences between book-basis and tax-basis unrealized appreciation/(depreciation) are attributable primarily to the tax deferral of losses on wash sales, the tax treatment of swaps, the difference between book and tax amortization methods for premium, the tax treatment of partnership investments, and the realization for tax purposes of gains/losses on certain derivative instruments.

^(c) The difference between book-basis and tax-basis components of accumulated earnings/(deficit) is attributable primarily to a payment received with regard to an unfunded loan commitment for General Motors Holdings, LLC.

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 December 31, 2011, the Fund had a net capital loss carryforward of \$41,244,647 which will expire as follows:

SHORT-TERM AMOUNT	LONG-TERM AMOUNT	EXPIRATION
\$ 7,337,037	n/a	2016
33,907,610	n/a	2017

During the current fiscal year, permanent differences primarily due to the tax treatment of swaps, the tax treatment of proceeds from the sale of defaulted securities, a dividend overdistribution, and reclassifications of foreign currency, currency options, paydown gains/losses, and consent fees resulted in a net decrease in distributions in excess of net investment income, a net increase in accumulated net realized loss on investment and foreign currency transactions, and a net decrease in additional paid-in capital. These reclassifications had no effect on net assets.

NOTE G

Recent Accounting Pronouncements

In April 2011, the Financial Accounting Standards Board (FASB) issued an Accounting Standard Update (ASU) related to the accounting for repurchase

agreements and similar agreements that both entitle and obligate a transferor to repurchase or redeem financial assets before their maturity. The ASU modifies the criteria for determining effective control of transferred assets and, as a result, certain agreements may now be accounted for as secured borrowings. The ASU is effective prospectively for new transfers and existing transactions that are modified in the first interim or annual period beginning on or after December 15, 2011. At this time, management is evaluating the implications of this ASU and its impact on the financial statements has not been determined.

In May 2011, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) to develop common requirements for measuring fair value and for disclosing information about fair value measurements in U.S. GAAP and International Financial Reporting Standards (IFRS). The amendments are intended to improve the comparability of fair value measurements presented and disclosed in the financial statements prepared in accordance with U.S. GAAP and IFRS. The ASU is effective during interim or annual periods beginning after December 15, 2011. At this time, management is evaluating the implication of this ASU and its impact on the financial statements has not been determined.

In December 2011, the FASB issued an ASU related to disclosures about offsetting assets and liabilities in financial statements. The amendments in this update require an entity to disclose both gross and net information for derivatives and other financial instruments that are either offset in the statement of assets and liabilities or subject to an enforceable master netting arrangement or similar agreement. The ASU is effective during interim or annual reporting periods beginning on or after January 1, 2013. At this time, management is evaluating the implication of this ASU and its impact on the financial statements has not been determined.

NOTE H

Subsequent Events

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

FINANCIAL HIGHLIGHTS

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

	Year Ended December 31,				
	2011	2010	2009	2008	2007
Net asset value, beginning of period	\$ 8.75	\$ 8.37	\$ 7.49	\$ 8.59	\$ 8.31
Income From Investment Operations					
Net investment income ^(a)	.44	.47	.54	.59	.57
Net realized and unrealized gain (loss) on investment and foreign currency transactions	.31	.40	.89	(1.06)	.44
Contributions from Adviser	0	0	0	.00 ^(b)	0
Net increase (decrease) in net asset value from operations	.75	.87	1.43	(.47)	1.01
Less: Dividends					
Dividends from net investment income	(.57)	(.49)	(.55)	(.63)	(.73)
Net asset value, end of period	\$ 8.93	\$ 8.75	\$ 8.37	\$ 7.49	\$ 8.59
Market value, end of period	\$ 8.07	\$ 7.93	\$ 8.25	\$ 7.08	\$ 8.05
Discount, end of period	(9.63)%	(9.37)%	(1.43)%	(5.47)%	(6.29)%
Total Return					
Total investment return based on: ^(c)					
Market value	9.36 %	2.10 %	25.09 %	(4.64)%	8.01 %
Net asset value	9.67 %	11.04 %*	19.97 %	(5.46)%*	12.89 %*
Ratios/Supplemental Data					
Net assets, end of period (000,000 s omitted)	\$2,168	\$2,126	\$2,033	\$1,817	\$2,084
Ratio to average net assets of:					
Expenses	.64 %	.71 %	.91 %	2.02 %	3.35 %
Expenses, excluding interest expense and TALF administration fee ^(d)	.58 %	.60 %	.68 %	.72 %	.71 %
Expenses, excluding interest expense ^(d)	.58 %	.60 %	.69 %	.72 %	.71 %
Net investment income	5.00 %	5.40 %	6.84 %	7.15 %	6.74 %
Portfolio turnover rate	67 %	121 %	153 %	51 %	90 %
Asset coverage ratio ^(e)	N/A	N/A	N/A	530 %	589 %
Bank borrowing outstanding (in millions) ^(e)	\$ 0	\$ 0	\$ 0	\$400	\$400

See footnote summary on page 59.

- (a) *Based on average shares outstanding.*
- (b) *Amount is less than \$0.005.*
- (c) *Total investment return is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Generally, total investment return based on net asset value will be higher than total investment return based on market value in periods where there is an increase in the discount or a decrease in the premium of the market value to the net asset value from the beginning to the end of such periods. Conversely, total investment return based on net asset value will be lower than total investment return based on market value in periods where there is a decrease in the discount or an increase in the premium of the market value to the net asset value from the beginning to the end of such periods. Total investment return calculated for a period of less than one year is not annualized.*
- (d) *Excludes net interest expense of .06%, .11%, .22%, 1.30% and 2.64%, respectively, on borrowings.*
- (e) *The Fund participated in a credit facility which was terminated on May 22, 2009.*
- * *Includes the impact of proceeds received and credited to the Fund resulting from class action settlements, which enhanced the Fund's performance for the years ended December 31, 2010, December 31, 2008 and December 31, 2007 by .015%, 0.33% and 1.69%, respectively.*

See notes to financial statements.

Financial Highlights

REPORT OF INDEPENDENT REGISTERED

PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of

AllianceBernstein Income Fund, Inc.

We have audited the accompanying statement of assets and liabilities of AllianceBernstein Income Fund, Inc. (the Fund), including the portfolio of investments, as of December 31, 2011, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2011, by correspondence with the custodian and others, or by other appropriate auditing procedures where replies from others were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of AllianceBernstein Income Fund, Inc. at December 31, 2011, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

New York, New York

February 27, 2012

2011 FEDERAL TAX INFORMATION

(unaudited)

For Federal income tax purposes, the following information is furnished with respect to the distributions paid by the Fund during the taxable year ended December 31, 2011. For foreign shareholders, 69.64% of ordinary income dividends paid may be considered to be qualifying to be taxed as interest-related dividends.

2011 Federal Tax Information

ALLIANCEBERNSTEIN INCOME FUND 61

ADDITIONAL INFORMATION

(unaudited)

Dividend Reinvestment and Cash Purchase Plan

Shareholders whose shares are registered in their own names may elect to be participants in the Dividend Reinvestment and Cash Purchase Plan (the Plan), pursuant to which dividends and capital gain distributions to shareholders will be paid in or reinvested in additional shares of the Fund (the Dividend Shares). Computershare Trust Company, N.A. (the Agent) will act as agent for participants under the Plan. The Plan also allows you to make optional cash investments in Fund shares through the Agent. Shareholders whose shares are held in the name of a broker or nominee should contact such broker or nominee to determine whether or how they may participate in the Plan.

If the Board declares an income distribution or determines to make a capital gain distribution payable either in shares or in cash, non-participants in the Plan will receive cash and participants in the Plan will receive the equivalent in shares of Common Stock of the Fund valued as follows:

- (i) If the shares of Common Stock are trading at net asset value or at a premium above net asset value at the time of valuation, the Fund will issue new shares at the greater of net asset value or 95% of the then current market price.
- (ii) If the shares of Common Stock are trading at a discount from net asset value at the time of valuation, the Plan Agent will receive the dividend or distribution in cash and apply it to the purchase of the Fund's shares of Common Stock in the open market on the New York Stock Exchange or elsewhere, for the participants' accounts. Such purchases will be made on or shortly after the payment date for such dividend or distribution and in no event more than 30 days after such date except where temporary curtailment or suspension of purchase is necessary to comply with Federal securities laws. If, before the Plan Agent has completed its purchases, the market price exceeds the net asset value of a share of Common Stock, the average purchase price per share paid by the Plan Agent may exceed the net asset value of the Fund's shares of Common Stock, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Fund.

The Plan Agent will maintain all shareholders' accounts in the Plan and furnish written confirmation of all transactions in the account, including information needed by shareholders for tax records. Shares in the account of each Plan participant will be held by the Plan Agent in non-certificate form in the name of the participant, and each shareholder's proxy will include those shares purchased or received pursuant to the Plan.

There will be no charges with respect to shares issued directly by the Fund to satisfy the dividend reinvestment requirements. However, each participant will

pay a pro-rata share of brokerage commissions incurred with respect to the Plan Agent's open market purchases of shares.

The automatic reinvestment of dividends and distributions will not relieve participants of any income taxes that may be payable (or required to be withheld) on dividends and distributions.

Experience under the Plan may indicate that changes are desirable. Accordingly, the Fund reserves the right to amend or terminate the Plan as applied to any voluntary cash payments made and any dividend or distribution paid subsequent to written notice of the change sent to participants in the Plan at least 90 days before the record date for such dividend or distribution. The Plan may also be amended or terminated by the Plan Agent on at least 90 days written notice to participants in the Plan. All correspondence concerning the Plan should be directed to the Plan Agent at Computershare Trust Company, N.A., P.O. Box 43010, Providence, RI 02940-3010.

Additional Information

ALLIANCEBERNSTEIN INCOME FUND 63

BOARD OF DIRECTORS

William H. Foulk, Jr.⁽¹⁾, *Chairman*

John H. Dobkin⁽¹⁾

Michael J. Downey⁽¹⁾

D. James Guzy⁽¹⁾

Nancy P. Jacklin⁽¹⁾

OFFICERS

Philip L. Kirstein,

Senior Vice President and Independent Compliance Officer

Paul J. DeNoon⁽²⁾, Vice President

Gershon M. Distenfeld⁽²⁾,
Vice President

Michael L. Mon, Vice President

Douglas J. Peebles⁽²⁾, Vice President

Administrator

AllianceBernstein L.P.

1345 Avenue of the Americas

New York, NY 10105

Dividend Paying Agent, Transfer Agent and Registrar

Computershare Trust Company, N.A.

P.O. Box 43010

Providence, RI 02940-3010

Custodian and Accounting Agent

State Street Bank and Trust Company

One Lincoln Street

Boston, MA 02111

Robert M. Keith, *President and Chief Executive Officer*

Garry L. Moody⁽¹⁾

Marshall C. Turner, Jr.⁽¹⁾

Earl D. Weiner⁽¹⁾

Matthew S. Sheridan⁽²⁾, Vice President

Emilie D. Wrapp, Secretary

Joseph J. Mantineo, Treasurer and Chief Financial Officer

Phyllis J. Clarke, Controller

Legal Counsel

Seward & Kissel LLP

One Battery Park Plaza

New York, NY 10004

Independent Registered Public Accounting Firm

Ernst & Young LLP

5 Times Square

New York, NY 10036

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- (1) *Member of the Audit Committee, the Governance and Nominating Committee and the Independent Directors Committee. Mr. Foulk is the sole member of the Fair Value Pricing Committee.*
- (2) *The most significant responsibility for the day-to-day management of, and investment decisions for, the Fund's portfolio are made by a team of investment professionals consisting of Messrs. DeNoon, Distenfeld, Peebles and Sheridan.*

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Fund may purchase from time to time at market prices shares of its Common Stock in the open market.

This report, including the financial statements herein, is transmitted to the shareholders of AllianceBernstein Income Fund for their information. The financial information included herein is taken from the records of the Fund. This is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in this report.

Annual Certifications As required, on April 27, 2011, the Fund submitted to the New York Stock Exchange (NYSE) the annual certification of the Fund's Chief Executive Officer certifying that he is not aware of any violations of the NYSE's Corporate Governance listing standards. The Fund has also included the certifications of the Fund's Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act of 2002 as exhibits to the Fund's Form N-CSR filed with the Securities and Exchange Commission for the reporting period.

MANAGEMENT OF THE FUND
Board of Directors Information

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

NAME, ADDRESS*, AGE (YEAR FIRST ELECTED**) INTERESTED DIRECTOR	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER RELEVANT QUALIFICATIONS***	PORTFOLIOS IN FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER DIRECTORSHIP HELD BY DIRECTOR IN PAST FIVE YEARS
Robert M. Keith,# 1345 Avenue of the Americas New York, NY 10105 51 (2008)	Senior Vice President of AllianceBernstein L.P. (the Adviser)** and Head of AllianceBernstein Investments, Inc. (ABI)** since July 2008; Director of ABI and President of the AllianceBernstein Mutual Funds. Previously, he served as Executive Managing Director of ABI from December 2006 to June 2008. Prior to joining ABI in 2006, Executive Managing Director of Bernstein Global Wealth Management, and prior thereto, Senior Managing Director and Global Head of Client Service and Sales of the Adviser's institutional investment management business since 2004. Prior thereto, Managing Director and Head of North American Client Service and Sales in the Adviser's institutional investment management business, with which he had been associated since prior to 2004.	102	None
DISINTERESTED DIRECTORS William H. Foulk, Jr., ##, ### 79 (1998) <i>Chairman of the Board</i>	Investment Adviser and an Independent Consultant since prior to 2007. Previously, he was Senior Manager of Barrett Associates, Inc., a registered investment adviser. He was formerly Deputy Comptroller and Chief Investment Officer of the State of New York and, prior thereto, Chief Investment Officer of the New York Bank for Savings. He has served as a director or trustee of various AllianceBernstein Funds since 1983 and has been Chairman of the AllianceBernstein Funds and of the Independent Directors Committee of such Funds since 2003. He is also active in a number of mutual fund related organizations and committees.	102	None

NAME, ADDRESS*, AGE (YEAR FIRST ELECTED**)*) DISINTERESTED DIRECTORS	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER RELEVANT QUALIFICATIONS***)	PORTFOLIOS IN FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER DIRECTORSHIP HELD BY DIRECTOR IN PAST FIVE YEARS
(continued) John H. Dobkin, ##	Independent Consultant since prior to 2007. Formerly, President of Save Venice, Inc. (preservation organization) from 2001 2002; Senior Advisor from June 1999 June 2000 and President of Historic Hudson Valley (historic preservation) from December 1989 May 1999. Previously, Director of the National Academy of Design. He has served as a director or trustee of various AllianceBernstein Funds since 1992 and as Chairman of the Audit Committees of a number of such Funds from 2001 2008.	102	None
70 (1998)			
Michael J. Downey, ## 68 (2005)	Private Investor since prior to 2007. Formerly managing partner of Lexington Capital, LLC (investment advisory firm) from December 1997 until December 2003. From 1987 until 1993, Chairman, and CEO of Prudential Mutual Fund Management, director of the Prudential mutual funds and member of the Executive Committee of Prudential Securities, Inc. He has served as a director or trustee of the AllianceBernstein Funds since 2005 and is a director of two other registered investment companies (and Chairman of one of them).	102	Asia Pacific Fund, Inc. and The Merger Fund since prior to 2007, and Prospect Acquisition Corp. (financial services) from 2007 until 2009
66 ALLIANCEBERNSTEIN INCOME FUND			Management of the Fund

NAME, ADDRESS*, AGE (YEAR FIRST ELECTED**)*) DISINTERESTED DIRECTORS	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER RELEVANT QUALIFICATIONS***	PORTFOLIOS IN FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER DIRECTORSHIP HELD BY DIRECTOR IN PAST FIVE YEARS
(continued) D. James Guzy, ## 75 (2005)	Chairman of the Board of PLX Technology (semi-conductors) and of SRC Computers Inc., with which he has been associated since prior to 2007. He was a director of Intel Corporation (semi-conductors) from 1969 until 2008 and served as Chairman of the Finance Committee of such company for several years until May 2008. He has served as a director or trustee of one or more of the AllianceBernstein Funds since 1982.	102	Cirrus Logic (semi-conductors), and PLX Technology (semi-conductors) since prior to 2007 and Intel Corporation (semi-conductors) since prior to 2007 until 2008
Nancy P. Jacklin, ## 63 (2006)	Professorial Lecturer at the Johns Hopkins School of Advanced International Studies since 2008. Formerly, U.S. Executive Director of the International Monetary Fund (December 2002-May 2006); Partner, Clifford Chance (1992-2002); Sector Counsel, International Banking and Finance, and Associate General Counsel, Citicorp (1985-1992); Assistant General Counsel (International), Federal Reserve Board of Governors (1982-1985); and Attorney Advisor, U.S. Department of the Treasury (1973-1982). Member of the Bar of the District of Columbia and of New York; and member of the Council on Foreign Relations. She has served as a director or trustee of the AllianceBernstein Funds since 2006.	102	None

Management of the Fund

NAME, ADDRESS*, AGE (YEAR FIRST ELECTED**) DISINTERESTED DIRECTORS	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER RELEVANT QUALIFICATIONS***	PORTFOLIOS IN FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER DIRECTORSHIP HELD BY DIRECTOR IN PAST FIVE YEARS
(continued)			
Gary L. Moody, ##	Independent Consultant. Formerly, Partner, Deloitte & Touche LLP (1995-2008) where he held a number of senior positions, including Vice Chairman, and U.S. and Global Investment Management Practice Managing Partner; President, Fidelity Accounting and Custody Services Company (1993-1995); and Partner, Ernst & Young LLP (1975-1993), where he served as the National Director of Mutual Fund Tax Services. He is also a member of the Governing Council of the Independent Directors Council (IDC), an organization of independent directors of mutual funds. He has served as a director or trustee, and as Chairman of the Audit Committee, of the AllianceBernstein Funds since 2008.	102	None
59 (2008)			
Marshall C. Turner, Jr., ## 70 (2005)	Private Investor since prior to 2007. Interim CEO of MEMC Electronic Materials, Inc. (semi-conductor and solar cell substrates) from November 2008 until March 2009. He was Chairman and CEO of Dupont Photomasks, Inc. (components of semi-conductor manufacturing), 2003-2005, and President and CEO, 2005-2006, after the company was acquired and renamed Toppan Photomasks, Inc. He has extensive experience in venture capital investing including prior service as general partner of three institutional venture capital partnerships, and serves on the boards of a number of education and science-related non-profit organizations. He has served as a director or trustee of one or more of the AllianceBernstein Funds since 1992.	102	Xilinx, Inc. (programmable logic semi-conductors) and MEMC Electronic Materials, Inc. (semi-conductor and solar cell substrates) since prior to 2007

NAME, ADDRESS*, AGE (YEAR FIRST ELECTED**) DISINTERESTED DIRECTORS	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER RELEVANT QUALIFICATIONS***	PORTFOLIOS IN FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER DIRECTORSHIP HELD BY DIRECTOR IN PAST FIVE YEARS
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(continued)

Earl D. Weiner, ##

Of Counsel, and Partner prior to January 2007, of the law firm Sullivan & Cromwell LLP and member of ABA Federal Regulation of Securities Committee Task Force to draft editions of the Fund Director's Guidebook. He also serves as a director or trustee of various non-profit organizations and has served as Chairman or Vice Chairman of a number of them. He has served as a director or trustee of the AllianceBernstein Funds since 2007 and is Chairman of the Governance and Nominating Committees of the Funds.

102

None

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(2007)

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

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

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

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

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

Member of the Fair Value Pricing Committee.

Management of the Fund

Officer Information

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

NAME, ADDRESS* AND AGE	POSITION(S)	PRINCIPAL OCCUPATION DURING PAST FIVE YEARS
	HELD WITH FUND	
Robert M. Keith 51	President and Chief Executive Officer	See biography above.
Philip L. Kirstein 66	Senior Vice President and Independent Compliance Officer	Senior Vice President and Independent Compliance Officer of the AllianceBernstein Funds, with which he has been associated since October 2004. Prior thereto, he was Of Counsel to Kirkpatrick & Lockhart, LLP from October 2003 to October 2004, and General Counsel of Merrill Lynch Investment Managers, L.P. since prior to March 2003.
Paul J. DeNoon 49	Vice President	Senior Vice President of the Adviser**, with which he has been associated since prior to 2007.
Gershon M. Distenfeld 36	Vice President	Senior Vice President of the Adviser**, with which he has been associated since prior to 2007.
Michael L. Mon 42	Vice President	Vice President of the Adviser**, with which he has been associated since prior to 2007.
Douglas J. Peebles 46	Vice President	Senior Vice President of the Adviser**, with which he has been associated since prior to 2007.
Matthew S. Sheridan 36	Vice President	Vice President of the Adviser**, with which he has been associated since prior to 2007.
Emilie D. Wrapp 56	Secretary	Senior Vice President, Assistant General Counsel and Assistant Secretary of ABI**, with which she has been associated since prior to 2007.
Joseph J. Mantineo 52	Treasurer and Chief Financial Officer	Senior Vice President of AllianceBernstein Investor Services, Inc. (ABIS), with which he has been associated since prior to 2007.
Phyllis J. Clarke 51	Controller	Vice President of ABIS**, with which she has been associated since prior to 2007.

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

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

70 ALLIANCEBERNSTEIN INCOME FUND

Management of the Fund

Information Regarding the Review and Approval of the Fund's Advisory and Administration Agreements

The disinterested directors (the directors) of AllianceBernstein Income Fund, Inc. (the Fund) unanimously approved the continuance of the Fund's Advisory Agreement with the Adviser and the continuance of the Fund's Administration Agreement with the Adviser (in such capacity, the Administrator) at a meeting held on November 1-3, 2011.

Prior to approval of the continuance of the Advisory Agreement and the Administration Agreement, the directors had requested from the Adviser, and received and evaluated, extensive materials. They reviewed the proposed continuance of the Advisory Agreement and Administration Agreement with the Adviser and with experienced counsel who are independent of the Adviser, who advised on the relevant legal standards. The directors also discussed the proposed continuances in private sessions with counsel and the Fund's Senior Officer (who is also the Fund's Independent Compliance Officer).

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

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

Nature, Extent and Quality of Services Provided

The directors considered the scope and quality of services provided by the Adviser under the Advisory Agreement and by the Administrator under the

Administration Agreement, including the quality of the investment research capabilities of the Adviser and the other resources it has dedicated to performing services for the Fund and the resources the Administrator has devoted to providing services to the Fund. They noted the professional experience and qualifications of the Fund's portfolio management team and other senior personnel of the Adviser. The quality of administrative and other services, including the Adviser's role in coordinating the activities of the Fund's other service providers, also were considered. The directors concluded that, overall, they were satisfied with the nature, extent and quality of services provided to the Fund under the Advisory Agreement and the Administration Agreement.

Costs of Services Provided and Profitability

The directors reviewed a schedule of the revenues and expenses and related notes indicating the profitability of the Fund to the Adviser for calendar years 2009 and 2010 that had been prepared with an expense allocation methodology arrived at in consultation with an independent consultant retained by the Fund's Senior Officer. The directors reviewed the assumptions and methods of allocation used by the Adviser in preparing fund-specific profitability data and noted that there are a number of potentially acceptable allocation methodologies for information of this type. The directors noted that the profitability information reflected all revenues and expenses of the Adviser's relationship with the Fund, including those relating to its subsidiaries which provide shareholder services to the Fund. The directors recognized that it is difficult to make comparisons of profitability between fund advisory contracts because comparative information is not generally publicly available and is affected by numerous factors. The directors focused on the profitability of the Adviser's relationship with the Fund before taxes. The directors concluded that they were satisfied that the Adviser's level of profitability from its relationship with the Fund was not unreasonable.

Fall-Out Benefits

The directors considered the benefits to the Adviser and its affiliates from their relationships with the Fund other than the fees payable under the Advisory and Administration Agreements, including but not limited to benefits relating to soft dollar arrangements (whereby the Adviser receives brokerage and research services from many of the brokers that execute purchases and sales of securities on behalf of its clients (although not the Fund) on an agency basis). The directors also noted that a subsidiary of the Adviser provides certain shareholder services to the Fund and receives compensation from the Fund for such services. The directors recognized that the Adviser's profitability would be somewhat lower without these benefits. The directors understood that the Adviser also might derive reputational and other benefits from its association with the Fund.

Investment Results

In addition to the information reviewed by the directors in connection with the meeting, the directors receive detailed performance information for the Fund at

each regular Board meeting during the year. At the November 2011 meeting, the directors reviewed information prepared by Lipper showing the performance of the Fund as compared with that of a group of similar funds selected by Lipper (the Performance Group) and information prepared by the Adviser showing performance of the Fund as compared with the Barclays Capital U.S. Aggregate Bond Index (the Index), in each case for the 1-, 3-, 5- and 10-year periods ended July 31, 2011 and (in the case of comparisons with the Index) the since inception period (August 1987 inception). The directors noted that the Fund was in the 4th quintile of the Performance Group for the 1- and 3-year periods, in the 2nd quintile of the Performance Group for the 5-year period, and 1st out of 4 of the Performance Group for the 10-year period. The Fund outperformed the Index in all periods. The directors recognized that the Fund's relatively unusual investment style, which differs from that of the other funds in the Performance Group and from the Index, and the fact that there are only a small number of other funds in the Fund's Lipper category, made performance comparisons of limited utility. The directors also noted the Fund's absolute return over time. Based on their review, the directors concluded that the Fund's relative performance over time had been satisfactory.

Advisory Fees and Other Expenses

The directors considered the latest fiscal year actual management fee rate paid by the Fund (advisory fees paid to the Adviser and the administration fees currently paid to the Administrator) and information prepared by Lipper concerning advisory fee rates paid by other funds in the same Lipper category as the Fund. They compared the combined advisory and administration fees paid by the Fund to the advisory fees of other funds where there is no separate administrator. The directors recognized that it is difficult to make comparisons of advisory fees because there are variations in the services that are included in the fees paid by other funds.

The directors noted that in connection with the settlement of the market timing matter with the New York Attorney General in December 2003, the Adviser agreed to material reductions (averaging 20%) in the fee schedules of most of the open-end funds sponsored by the Adviser (but not closed-end funds such as the Fund) and that such open-end funds had benefited from such fee reductions since 2004.

The Adviser informed the directors that there were no institutional products managed by it that have a substantially similar investment style. The directors reviewed the relevant fee information from the Adviser's Form ADV and noted that the Adviser charged institutional clients lower fees for advising comparably sized institutional accounts using strategies that differ from those of the Fund but which invest in the same type of securities (*i.e.*, fixed-income taxable securities). The Adviser reviewed with the directors the significantly greater scope of the services it provides to the Fund relative to institutional clients. In

light of the substantial differences in services rendered by the Adviser to institutional clients as compared to funds such as the Fund, the directors considered these fee comparisons inapt and did not place significant weight on them in their deliberations.

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

The information reviewed by the directors showed that the Fund's latest fiscal year total management fee rate of 54.9 basis points (combined advisory fee paid to the Adviser plus the administration fee paid to the Administrator) was lower than the Expense Group and the Expense Universe medians. The directors were cognizant of the Fund's unusual advisory fee structure, which includes a fee based on average weekly net assets and a fee based on the Fund's daily gross income, subject to an overall maximum fee rate. The directors noted that the Advisory Agreement reflected reductions in the fee rate calculated based on the Fund's daily gross income and the maximum fee rate requested by the directors in the past. The directors also noted that the Fund's total expense ratio was lower than the Expense Group and the Expense Universe medians. The directors concluded that the Fund's expense ratio was satisfactory.

Economies of Scale

The directors noted that the advisory fee schedule for the Fund contains a breakpoint and that the Fund's net assets were in excess of the breakpoint level. Accordingly, the Fund's current effective advisory fee rate reflects a reduction due to the effect of the breakpoint. The directors took into consideration prior presentations by an independent consultant on economies of scale in the mutual fund industry and for the AllianceBernstein Funds, and by the Adviser concerning certain of its views on economies of scale. The directors also had requested and received from the Adviser certain updates on economies of scale at the May 2011 meetings. The directors believe that economies of scale may be realized (if at all) by the Adviser across a variety of products and services, and not only in respect of a single fund. The directors noted that there is no established methodology for establishing breakpoints that give effect to fund-specific

services provided by a fund's adviser and to the economies of scale that an adviser may realize in its overall mutual fund business or those components of it which directly or indirectly affect a fund's operations. The directors observed that in the mutual fund industry as a whole there is no uniformity or pattern in the fees and asset levels at which breakpoints (if any) apply. The directors also noted that the advisory agreements for many funds do not have breakpoints at all. Having taken these factors into account, the directors concluded that the Fund's breakpoint arrangements were acceptable and were resulting in a sharing of economies of scale.

SUMMARY OF GENERAL INFORMATION

Shareholder Information

The daily net asset value of the Fund's shares is available from the Fund's Transfer Agent by calling (800) 426-5523. The Fund also distributes its daily net asset value to various financial publications or independent organizations such as Lipper Inc., Morningstar, Inc. and Bloomberg.

The Fund's NYSE trading symbol is ACG. Weekly comparative net asset value (NAV) and market price information about the Fund is published each Monday in *The Wall Street Journal*, each Saturday in *Barron's* and other newspapers in a table called Closed-End Funds. Daily net asset value and market price information and additional information regarding the Fund is available at www.alliancebernstein.com and at www.nyse.com.

Dividend Reinvestment Plan

A Dividend Reinvestment Plan provides automatic reinvestment of dividends and capital gains distributions in additional Fund shares. The Plan also allows you to make optional cash investments in Fund Shares through the Plan Agent. If you wish to participate in the Plan and your shares are held in your name, simply complete and mail the enrollment form in the brochure. If your shares are held in the name of your brokerage firm, bank or other nominee, you should ask them whether or how you can participate in the Plan.

For questions concerning shareholder account information, or if you would like a brochure describing the Dividend Reinvestment Plan, please call Computershare Trust Company, N.A. at (800) 219-4218.

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

ALLIANCEBERNSTEIN FAMILY OF FUNDS

Wealth Strategies Funds

Balanced Wealth Strategy

Conservative Wealth Strategy

Wealth Appreciation Strategy

Tax-Managed Balanced Wealth Strategy

Tax-Managed Conservative Wealth Strategy

Tax-Managed Wealth Appreciation Strategy

Asset Allocation/Multi-Asset

Emerging Markets Multi-Asset

International Portfolio

Real Asset Strategy

Tax-Managed International Portfolio

Growth Funds

Domestic

Growth Fund

Large Cap Growth Fund

Select U.S. Equity Portfolio

Small Cap Growth Portfolio

Small/Mid Cap Growth Fund

U.S. Strategic Research Portfolio

Global & International

Global Thematic Growth Fund

Greater China 97 Fund

International Discovery Equity Portfolio

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International Focus 40 Portfolio

International Growth Fund

Value Funds

Domestic

Core Opportunities Fund

Equity Income Fund

Growth & Income Fund

Small/Mid Cap Value Fund

Value Fund

Global & International

Global Real Estate Investment Fund

Global Value Fund

International Value Fund

Taxable Bond Funds

Bond Inflation Strategy

Global Bond Fund

High Income Fund

Intermediate Bond Portfolio

Limited Duration High Income Portfolio

Short Duration Portfolio

Unconstrained Bond Fund

Municipal Bond Funds

Arizona

California

High Income

National

New Jersey

New York

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Massachusetts

Ohio

Michigan

Pennsylvania

Minnesota

Virginia

Municipal Bond

Inflation Strategy

Intermediate Municipal Bond Funds

Intermediate California

Intermediate Diversified

Intermediate New York

Closed-End Funds

Alliance California Municipal Income Fund

Alliance New York Municipal Income Fund

AllianceBernstein Global High Income Fund

AllianceBernstein Income Fund

AllianceBernstein National Municipal Income Fund

Alternatives

Market Neutral Strategy-Global

Market Neutral Strategy-U.S.

Balanced

Balanced Shares

Retirement Strategies Funds

2000 Retirement Strategy

2020 Retirement Strategy

2040 Retirement Strategy

2005 Retirement Strategy

2025 Retirement Strategy

2045 Retirement Strategy

2010 Retirement Strategy

2030 Retirement Strategy

2050 Retirement Strategy

2015 Retirement Strategy

2035 Retirement Strategy

2055 Retirement Strategy

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

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

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

AllianceBernstein Family of Funds

ALLIANCEBERNSTEIN INCOME FUND 77

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ALLIANCEBERNSTEIN INCOME FUND 79

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ALLIANCEBERNSTEIN INCOME FUND 81

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Privacy Notice (This information is not part of the Shareholder Report.)

AllianceBernstein L.P., the AllianceBernstein Family of Funds and AllianceBernstein Investments, Inc. (collectively, AllianceBernstein or we) understand the importance of maintaining the confidentiality of our clients' nonpublic personal information. Nonpublic personal information is personally identifiable financial information about our clients who are natural persons. To provide financial products and services to our clients, we may collect information about clients from sources, including: (1) account documentation, including applications or other forms, which may contain information such as a client's name, address, phone number, social security number, assets, income, and other household information, (2) clients' transactions with us and others, such as account balances and transactions history, and (3) information from visitors to our websites provided through online forms, site visitorship data, and online information collecting devices known as cookies.

It is our policy not to disclose nonpublic personal information about our clients (or former clients) except to our affiliates, or to others as permitted or required by law. From time to time, AllianceBernstein may disclose nonpublic personal information that we collect about our clients (or former clients), as described above, to non-affiliated third parties, including those that perform processing or servicing functions and those that provide marketing services for us or on our behalf under a joint marketing agreement that requires the third party provider to adhere to AllianceBernstein's privacy policy. We have policies and procedures to safeguard nonpublic personal information about our clients (and former clients) that include restricting access to such nonpublic personal information and maintaining physical, electronic and procedural safeguards, that comply with applicable standards, to safeguard such nonpublic personal information.

ALLIANCEBERNSTEIN INCOME FUND

1345 Avenue of the Americas

New York, NY 10105

800.221.5672

ACMI-0151-1211

ITEM 2. CODE OF ETHICS.

(a) The registrant has adopted a code of ethics that applies to its principal executive officer, principal financial officer and principal accounting officer. A copy of the registrant's code of ethics is filed herewith as Exhibit 12(a)(1).

(b) During the period covered by this report, no material amendments were made to the provisions of the code of ethics adopted in 2(a) above.

(c) During the period covered by this report, no implicit or explicit waivers to the provisions of the code of ethics adopted in 2(a) above were granted.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The registrant's Board of Directors has determined that independent directors Gary L. Moody and William H. Foulk, Jr. qualify as audit committee financial experts.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

(a) - (c) The following table sets forth the aggregate fees billed by the independent registered public accounting firm Ernst & Young LLP, for the Fund's last two fiscal years for professional services rendered for: (i) the audit of the Fund's annual financial statements included in the Fund's annual report to stockholders; (ii) assurance and related services that are reasonably related to the performance of the audit of the Fund's financial statements and are not reported under (i), which include advice and education related to accounting and auditing issues and quarterly press release review (for those Funds that issue quarterly press releases), and preferred stock maintenance testing (for those Funds that issue preferred stock); and (iii) tax compliance, tax advice and tax return preparation.

	Audit Fees	Audit-Related Fees	Tax Fees
2010	\$ 57,500	\$ 8,000	\$ 17,506
2011	\$ 57,500	\$ 8,128	\$ 18,426

(d) Not applicable.

(e) (1) Beginning with audit and non-audit service contracts entered into on or after May 6, 2003, the Fund's Audit Committee policies and procedures require the pre-approval of all audit and non-audit services provided to the Fund by the Fund's independent registered public accounting firm. The Fund's Audit Committee policies and procedures also require pre-approval of all audit and non-audit services provided to the Adviser and Service Affiliates to the extent that these services are directly related to the operations or financial reporting of the Fund.

(e) (2) All of the amounts for Audit Fees, Audit-Related Fees and Tax Fees in the table under Item 4 (a) - (c) are for services pre-approved by the Fund's Audit Committee.

(f) Not applicable.

(g) The following table sets forth the aggregate non-audit services provided to the Fund, the Fund's Adviser and entities that control, are controlled by or under common control with the Adviser that provide ongoing services to the Fund, which include preparing an annual internal control report pursuant to Statement on Auditing Standards No. 70 (Service Affiliates):

	All Fees for Non-Audit Services Provided to the Portfolio, the Adviser and Service Affiliates	Pre-approved by the Audit Committee (Portion Comprised of Audit Related Fees) (Portion Comprised of Tax Fees)
2010	\$535,931	\$ 25,506
		\$ (8,000)
		\$ (17,506)
2011	\$707,390	\$ 26,554
		\$ (8,128)
		\$ (18,426)

(h) The Audit Committee of the Fund has considered whether the provision of any non-audit services not pre-approved by the Audit Committee provided by the Fund's independent registered public accounting firm to the Adviser and Service Affiliates is compatible with maintaining the auditor's independence.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The registrant has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The audit committee members are as follows:

John H. Dobkin

Nancy P. Jacklin

Michael J. Downey

Gary L. Moody

William H. Foulk, Jr

Marshall C. Turner, Jr.

D. James Guzy

Earl D. Weiner

ITEM 6. SCHEDULE OF INVESTMENTS.

Please see Schedule of Investments contained in the Report to Shareholders included under Item 1 of this Form N-CSR.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Statement of Policies and Procedures for

Proxy Voting

1. Introduction

As a registered investment adviser, AllianceBernstein L.P. (**AllianceBernstein** , **we** **or** **us**) has a fiduciary duty to act solely in the best interests of our clients. We recognize that this duty requires us to vote client securities in a timely manner and make voting decisions that are intended to maximize long-term shareholder value. Generally, our clients' objective is to maximize the financial return of their portfolios within appropriate risk parameters. We have long recognized that environmental, social and governance (**ESG**) issues can impact the performance of investment portfolios. Accordingly, we have sought to integrate ESG factors into our investment process to the extent that the integration of such factors is consistent with our fiduciary duty to help our clients achieve their investment objectives and protect their economic interests. Our Statement of Policy Regarding Responsible Investment (**RI Policy**) is attached to this Statement as an Exhibit.

We consider ourselves shareholder advocates and take this responsibility very seriously. Consistent with our commitments, we will disclose our clients' voting records only to them and as required by mutual fund vote disclosure regulations. In addition, our proxy committees may, after careful consideration, choose to respond to surveys so long as doing so does not compromise confidential voting.

This statement is intended to comply with Rule 206(4)-6 of the Investment Advisers Act of 1940. It sets forth our policies and procedures for voting proxies for our discretionary investment advisory clients, including investment companies registered under the Investment Company Act of 1940. This statement applies to AllianceBernstein's investment groups investing on behalf of clients in both U.S. and non-U.S. securities.

2. Proxy Policies

Our proxy voting policies are principle-based rather than rules-based. We adhere to a core set of principles that are described in this Statement and in our Proxy Voting Manual. We assess each proxy proposal in light of those principles. Our proxy voting litmus test will always be what we view as most likely to maximize long-term shareholder value. We believe that authority and accountability for setting and executing corporate policies, goals and compensation should generally rest with the board of directors and senior management. In return, we support strong investor rights that allow shareholders to hold directors and management accountable if they fail to act in the best interests of shareholders. In addition, if we determine that ESG issues that arise with respect to an issuer's past, current or anticipated behaviors are, or are reasonably likely to become, material to its future earnings, we address these concerns in our proxy voting and engagement.

This statement is designed to be responsive to the wide range of proxy voting subjects that can have a significant effect on the investment value of the securities held in our clients' accounts. These policies are not exhaustive due to the variety of proxy voting issues that we may be required to consider. AllianceBernstein reserves the right to depart from these guidelines in order to make voting decisions that are in our clients' best interests. In reviewing proxy issues, we will apply the following general policies:

2.1. Corporate Governance

We recognize the importance of good corporate governance in our proxy voting policies and engagement practices in ensuring that management and the board of directors fulfill their obligations to shareholders. We favor proposals promoting transparency and accountability within a company. We support the appointment of a majority of independent directors on key committees and generally support separating the positions of chairman and chief executive officer, except in cases where a company has sufficient counter-balancing governance in place. Because we believe that good corporate governance

requires shareholders to have a meaningful voice in the affairs of the company, we generally will support shareholder proposals which request that companies amend their by-laws to provide that director nominees be elected by an affirmative vote of a majority of the votes cast. Furthermore, we have written to the SEC in support of shareholder access to corporate proxy statements under specified conditions with the goal of serving the best interests of all shareholders.

2.2. Elections of Directors

Unless there is a proxy fight for seats on the Board or we determine that there are other compelling reasons for withholding votes for directors, we will vote in favor of the management proposed slate of directors. That said, we believe that directors have a duty to respond to shareholder actions that have received significant shareholder support. Therefore, we may withhold votes for directors (or vote against directors in non-U.S. markets) who fail to act on key issues such as failure to implement proposals to declassify boards, failure to implement a majority vote requirement, failure to submit a rights plan to a shareholder vote or failure to act on tender offers where a majority of shareholders have tendered their shares. (We may vote against directors under these circumstances if the company has adopted a majority voting policy because, if a company has adopted such a policy, withholding votes from directors is not possible.) In addition, we will withhold votes for directors who fail to attend at least seventy-five percent of board meetings within a given year without a reasonable excuse, and we may abstain or vote against directors of non-U.S. issuers where there is insufficient information about the nominees disclosed in the proxy statement. Also, we will generally not withhold votes for directors who meet the definition of independence promulgated by the primary exchange on which the company's shares are traded or set forth in the code we determine to be best practice in the country where the subject company is domiciled. Finally, because we believe that cumulative voting in single shareholder class structures provides a

disproportionately large voice to minority shareholders in the affairs of a company, we will generally vote against such proposals and vote for management proposals seeking to eliminate cumulative voting. However, in dual class structures (such as A&B shares) where the shareholders with a majority economic interest have a minority voting interest, we will generally vote in favor of cumulative voting.

2.3. Appointment of Auditors

AllianceBernstein believes that the company is in the best position to choose its auditors, so we will generally support management's recommendation. However, we recognize that there are inherent conflicts when a company's independent auditor performs substantial non-audit services for the company. The Sarbanes-Oxley Act of 2002 prohibits certain categories of services by auditors to U.S. issuers, making this issue less prevalent in the U.S. Nevertheless, in reviewing a proposed auditor, we will consider the fees paid for non-audit services relative to total fees and whether there are other reasons for us to question the independence or performance of the auditors.

2.4. Changes in Legal and Capital Structure

Changes in a company's charter, articles of incorporation or by-laws are often technical and administrative in nature. Absent a compelling reason to the contrary, AllianceBernstein will cast its votes in accordance with management's recommendations on such proposals. However, we will review and analyze on a case-by-case basis any non-routine proposals that are likely to affect the structure and operation of the company or have a material economic effect on the company. For example, we will generally support proposals to increase authorized common stock when it is necessary to implement a stock split, aid in a restructuring or acquisition, or provide a sufficient number of shares for an employee savings plan, stock option plan or executive compensation plan. However, a satisfactory explanation of a company's intentions must be disclosed in the proxy statement for proposals.

requesting an increase of greater than 100% of the shares outstanding. We will oppose increases in authorized common stock where there is evidence that the shares will be used to implement a poison pill or another form of anti-takeover device. We will support shareholder proposals that seek to eliminate dual class voting structures.

2.5. Corporate Restructurings, Mergers and Acquisitions

AllianceBernstein believes proxy votes dealing with corporate reorganizations are an extension of the investment decision. Accordingly, we will analyze such proposals on a case-by-case basis, weighing heavily the views of our research analysts that cover the company and our investment professionals managing the portfolios in which the stock is held.

2.6. Proposals Affecting Shareholder Rights

AllianceBernstein believes that certain fundamental rights of shareholders must be protected. We will generally vote in favor of proposals that give shareholders a greater voice in the affairs of the company and oppose any measure that seeks to limit those rights. However, when analyzing such proposals we will weigh the financial impact of the proposal against the impairment of shareholder rights.

2.7. Anti-Takeover Measures

AllianceBernstein believes that measures that impede corporate transactions (such as takeovers) or entrench management not only infringe on the rights of shareholders but may also have a detrimental effect on the value of the company. Therefore, we will generally oppose proposals, regardless of whether they are advanced by management or shareholders, when their purpose or effect is to entrench management or excessively or inappropriately dilute shareholder ownership. Conversely, we support proposals that would restrict or otherwise eliminate anti-takeover or anti-shareholder measures that

have already been adopted by corporate issuers. For example, we will support shareholder proposals that seek to require the company to submit a shareholder rights plan to a shareholder vote. We will evaluate, on a case-by-case basis, proposals to completely redeem or eliminate such plans. Furthermore, we will generally oppose proposals put forward by management (including the authorization of blank check preferred stock, classified boards and supermajority vote requirements) that appear to be anti-shareholder or intended as management entrenchment mechanisms.

2.8. Executive Compensation

AllianceBernstein believes that company management and the compensation committee of the board of directors should, within reason, be given latitude to determine the types and mix of compensation and benefits offered to company employees. Whether proposed by a shareholder or management, we will review proposals relating to executive compensation plans on a case-by-case basis to ensure that the long-term interests of management and shareholders are properly aligned. In general, we will analyze the proposed plan to ensure that shareholder equity will not be excessively diluted taking into account shares available for grant under the proposed plan as well as other existing plans. We generally will oppose plans that allow stock options to be granted with below market value exercise prices on the date of issuance or permit re-pricing of underwater stock options without shareholder approval. Other factors such as the company's performance and industry practice will generally be factored into our analysis. In markets where remuneration reports are not required for all companies, we will generally support shareholder proposals asking the board to adopt a policy (*i.e.*, say on pay) that the company's shareholders be given the opportunity to vote on an advisory resolution to approve the compensation committee's report. Although say on pay votes are by nature only broad indications of shareholder views, they do lead to more compensation-related dialogue between management and shareholders and help ensure that management and

shareholders meet their common objective: maximizing the value of the company. In markets where votes to approve remuneration reports are required, we review the reports on a case-by-case basis. With respect to companies that have received governmental assistance through government programs such as TARP, we will generally oppose shareholder proposals that seek to impose greater executive compensation restrictions on subject companies than are required under the applicable program because such restrictions could create a competitive disadvantage for the subject company. We believe the U.S. Securities and Exchange Commission (SEC) took appropriate steps to ensure more complete and transparent disclosure of executive compensation when it issued modified executive compensation and corporate governance disclosure rules in 2006 and February 2010. Therefore, while we will consider them on a case-by-case basis, we generally vote against shareholder proposals seeking additional disclosure of executive and director compensation, including proposals that seek to specify the measurement of performance-based compensation, if the company is subject to SEC rules. Finally, we will support requiring a shareholder vote on management proposals to provide severance packages that exceed 2.99 times the sum of an executive officer's base salary plus bonus that are triggered by a change in control. Finally, we will support shareholder proposals requiring a company to expense compensatory employee stock options (to the extent the jurisdiction in which the company operates does not already require it) because we view this form of compensation as a significant corporate expense that should be appropriately accounted for.

2.9. ESG

We are appointed by our clients as an investment manager with a fiduciary responsibility to help them achieve their investment objectives over the long term. Generally, our clients' objective is to maximize the financial return of their portfolios within appropriate risk parameters. We have long recognized that ESG issues can impact the performance of investment portfolios.

Accordingly, we have sought to integrate ESG factors into our investment and proxy voting processes to the extent that the integration of such factors is consistent with our fiduciary duty to help our clients achieve their investment objectives and protect their economic interests. For additional information regarding our approach to incorporating ESG issues in our investment and decision-making processes, please refer to our RI Policy, which is attached to this Statement as an Exhibit.

Shareholder proposals relating to environmental, social (including political) and governance issues often raise complex and controversial issues that may have both a financial and non-financial effect on the company. And while we recognize that the effect of certain policies on a company may be difficult to quantify, we believe it is clear that they do affect the company's long-term performance. Our position in evaluating these proposals is founded on the principle that we are a fiduciary. As such, we carefully consider any factors that we believe could affect a company's long-term investment performance (including ESG issues) in the course of our extensive fundamental, company-specific research and engagement, which we rely on in making our investment and proxy voting decisions. Maximizing long-term shareholder value is our overriding concern in considering these matters, so we consider the impact of these proposals on the future earnings of the company. In so doing, we will balance the assumed cost to a company of implementing one or more shareholder proposals against the positive effects we believe implementing the proposal may have on long-term shareholder value.

3. Proxy Voting Procedures

3.1. Proxy Voting Committees

Our growth and value investment groups have formed separate proxy voting committees (**Proxy Committees**) to establish general proxy policies for AllianceBernstein and consider specific proxy voting matters as necessary. These Proxy Committees periodically review these policies and new types of

corporate governance issues, and decide how we should vote on proposals not covered by these policies. When a proxy vote cannot be clearly decided by an application of our stated policy, the appropriate Proxy Committee will evaluate the proposal. In addition, the Proxy Committees, in conjunction with the analyst that covers the company, may contact corporate management, interested shareholder groups and others as necessary to discuss proxy issues. Members of the Proxy Committees include senior investment personnel and representatives of the Legal and Compliance Department.

Different investment philosophies may occasionally result in different conclusions being drawn regarding certain proposals and, in turn, may result in the Proxy Committees making different voting decisions on the same proposal for value and growth holdings. Nevertheless, the Proxy Committees always vote proxies with the goal of maximizing the value of the securities in client portfolios.

It is the responsibility of the Proxy Committees to evaluate and maintain proxy voting procedures and guidelines, to evaluate proposals and issues not covered by these guidelines, to evaluate proxies where we face a potential conflict of interest (as discussed below), to consider changes in policy and to review the Proxy Voting Statement and the Proxy Voting Manual no less frequently than annually. In addition, the Proxy Committees meet as necessary to address special situations.

3.2. Engagement

In evaluating proxy issues and determining our votes, we welcome and seek out the points of view of various parties. Internally, the Proxy Committees may consult chief investment officers, directors of research, research analysts across our value and growth equity platforms, portfolio managers in whose managed accounts a stock is held and/or other Investment Policy Group members. Externally, the Proxy Committees may consult company management, company directors, interest groups, shareholder activists and research providers. If we believe an ESG issue is, or is reasonably likely to become, material, we engage a company's management to discuss the relevant issues.

Our engagement with companies and interest groups continues to expand as we have had more such meetings in the past few years.

3.3. Conflicts of Interest

AllianceBernstein recognizes that there may be a potential conflict of interest when we vote a proxy solicited by an issuer whose retirement plan we manage or administer, who distributes AllianceBernstein-sponsored mutual funds, or with whom we have, or one of our employees has, a business or personal relationship that may affect (or may be reasonably viewed as affecting) how we vote on the issuer's proxy. Similarly, AllianceBernstein may have a potentially material conflict of interest when deciding how to vote on a proposal sponsored or supported by a shareholder group that is a client. We believe that centralized management of proxy voting, oversight by the proxy voting committees and adherence to these policies ensures that proxies are voted based solely on our clients' best interests. Additionally, we have implemented procedures to ensure that our votes are not the product of a material conflict of interest, including: (i) on an annual basis, the Proxy Committees taking reasonable steps to evaluate (A) the nature of AllianceBernstein's and our employees' material business and personal relationships (and those of our affiliates) with any company whose equity securities are held in client accounts and (B) any client that has sponsored or has a material interest in a proposal upon which we will be eligible to vote; (ii) requiring anyone involved in the decision making process to disclose to the chairman of the appropriate Proxy Committee any potential conflict that he or she is aware of (including personal relationships) and any contact that he or she has had with any interested party regarding a proxy vote; (iii) prohibiting employees involved in the decision making process or vote administration from revealing how we intend to vote on a proposal in order to

reduce any attempted influence from interested parties; and (iv) where a material conflict of interests exists, reviewing our proposed vote by applying a series of objective tests and, where necessary, considering the views of third party research services to ensure that our voting decision is consistent with our clients' best interests.

Because under certain circumstances AllianceBernstein considers the recommendation of third party research services, the Proxy Committees takes reasonable steps to verify that any third party research service is, in fact, independent taking into account all of the relevant facts and circumstances. This includes reviewing the third party research service's conflict management procedures and ascertaining, among other things, whether the third party research service (i) has the capacity and competency to adequately analyze proxy issues, and (ii) can make recommendations in an impartial manner and in the best interests of our clients.

3.4. Proxies of Certain Non-U.S. Issuers

Proxy voting in certain countries requires share blocking. Shareholders wishing to vote their proxies must deposit their shares shortly before the date of the meeting with a designated depository. During this blocking period, shares that will be voted at the meeting cannot be sold until the meeting has taken place and the shares are returned to the clients' custodian banks. Absent compelling reasons to the contrary, AllianceBernstein believes that the benefit to the client of exercising the vote is outweighed by the cost of voting (*i.e.*, not being able to sell the shares during this period). Accordingly, if share blocking is required we generally choose not to vote those shares.

AllianceBernstein seeks to vote all proxies for securities held in client accounts for which we have proxy voting authority. However, in non-US markets administrative issues beyond our control may at times prevent AllianceBernstein from voting such proxies. For example, AllianceBernstein

may receive meeting notices after the cut-off date for voting or without sufficient time to fully consider the proxy. As another example, certain markets require periodic renewals of powers of attorney that local agents must have from our clients prior to implementing AllianceBernstein's voting instructions.

3.5. Loaned Securities

Many clients of AllianceBernstein have entered into securities lending arrangements with agent lenders to generate additional revenue. AllianceBernstein will not be able to vote securities that are on loan under these types of arrangements. However, under rare circumstances, for voting issues that may have a significant impact on the investment, we may request that clients recall securities that are on loan if we determine that the benefit of voting outweighs the costs and lost revenue to the client or fund and the administrative burden of retrieving the securities.

3.6. Proxy Voting Records

Clients may obtain information about how we voted proxies on their behalf by contacting their AllianceBernstein administrative representative. Alternatively, clients may make a written request for proxy voting information to: Mark R. Manley, Senior Vice President & Chief Compliance Officer, AllianceBernstein L.P., 1345 Avenue of the Americas, New York, NY 10105.

[ALTERNATIVE LANGUAGE FOR U.S. MUTUAL FUNDS]

You may obtain information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, without charge. Simply visit AllianceBernstein's web site at www.alliancebernstein.com, go to the Securities and Exchange Commission's web site at www.sec.gov or call AllianceBernstein at (800) 227-4618.

Statement of Policy Regarding

Responsible Investment

**Principles for Responsible Investment,
ESG, and Socially Responsible Investment**

1. Introduction

AllianceBernstein L.P. (**AllianceBernstein** or **we**) is appointed by our clients as an investment manager with a fiduciary responsibility to help them achieve their investment objectives over the long term. Generally, our clients' objective is to maximize the financial return of their portfolios within appropriate risk parameters. AllianceBernstein has long recognized that environmental, social and governance (**ESG**) issues can impact the performance of investment portfolios. Accordingly, we have sought to integrate ESG factors into our investment process to the extent that the integration of such factors is consistent with our fiduciary duty to help our clients achieve their investment objectives and protect their economic interests.

Our policy draws a distinction between how the Principles for Responsible Investment (**PRI** or **Principles**), and Socially Responsible Investing (**SRI**) incorporate ESG factors. PRI is based on the premise that, because ESG issues can affect investment performance, appropriate consideration of ESG issues and engagement regarding them is firmly within the bounds of a mainstream investment manager's fiduciary duties to its clients. Furthermore, PRI is intended to be applied only in ways that are consistent with those mainstream fiduciary duties.

SRI, which refers to a spectrum of investment strategies that seek to integrate ethical, moral, sustainability and other non-financial factors into the investment process, generally involves exclusion and/or divestment, as well as investment guidelines that restrict investments. AllianceBernstein may accept such guideline restrictions upon client request.

2. Approach to ESG

Our long-standing policy has been to include ESG factors in our extensive fundamental research and consider them carefully when we believe they are material to our forecasts and investment decisions. If we determine that these aspects of an issuer's past, current or anticipated behavior are material to its future expected returns, we address these concerns in our forecasts, research reviews, investment decisions and engagement. In addition, we have well-developed proxy voting policies that incorporate ESG issues and engagement.

3. Commitment to the PRI

In recent years, we have gained greater clarity on how the PRI initiative, based on information from PRI Advisory Council members and from other signatories, provides a framework for incorporating ESG factors into investment research and decision-making. Furthermore, our industry has become, over time, more aware of the importance of ESG factors. We acknowledge these developments and seek to refine what has been our process in this area.

After careful consideration, we determined that becoming a PRI signatory would enhance our current ESG practices and align with our fiduciary duties to our clients as a mainstream investment manager. Accordingly, we became a signatory, effective November 1, 2011.

In signing the PRI, AllianceBernstein as an investment manager publicly commits to adopt and implement all six Principles, where consistent with our fiduciary responsibilities, and to make progress over time on implementation of the Principles.

The six Principles are:

1. We will incorporate ESG issues into investment research and decision-making processes. AllianceBernstein Examples: ESG issues are included in the research analysis process. In some cases, external service providers of ESG-related tools are utilized; we have conducted proxy voting training and will have continued and expanded training for investment professionals to incorporate ESG issues into investment analysis and decision-making processes across our firm.

2. We will be active owners and incorporate ESG issues into our ownership policies and practices.

AllianceBernstein Examples: We are active owners through our proxy voting process (for additional information, please refer to our *Statement of Policies and Procedures for Proxy Voting Manual*); we engage issuers on ESG matters in our investment research process (we define engagement as discussions with management about ESG issues when they are, or we believe they are reasonably likely to become, material).

3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.

AllianceBernstein Examples: Generally, we support transparency regarding ESG issues when we conclude the disclosure is reasonable. Similarly, in proxy voting, we will support shareholder initiatives and resolutions promoting ESG disclosure when we conclude the disclosure is reasonable.

4. We will promote acceptance and implementation of the Principles within the investment industry.

AllianceBernstein Examples: By signing the PRI, we have taken an important first step in promoting acceptance and implementation of the six Principles within our industry.

5. We will work together to enhance our effectiveness in implementing the Principles.

AllianceBernstein Examples: We will engage with clients and participate in forums with other PRI signatories to better understand how the PRI are applied in our respective businesses. As a PRI signatory, we have access to information, tools and other signatories to help ensure that we are effective in our endeavors to implement the PRI.

6. We will report on our activities and progress towards implementing the Principles.

AllianceBernstein Examples: We will respond to the 2012 PRI questionnaire and disclose PRI scores from the questionnaire in response to inquiries from clients and in requests for proposals; we will provide examples as requested concerning active ownership activities (voting, engagement or policy dialogue).

4. RI Committee

Our firm's RI Committee provides AllianceBernstein stakeholders, including employees, clients, prospects, consultants and service providers alike, with a resource within our firm on which they can rely for information regarding our approach to ESG issues and how those issues are incorporated in different ways by the PRI and SRI. Additionally, the RI Committee is responsible for assisting AllianceBernstein personnel to further implement our firm's RI policies and practices, and, over time, to make progress on implementing all six Principles.

The RI Committee has a diverse membership, including senior representatives from investments, distribution/sales and legal. The Committee is chaired by John Phillips, a Senior Portfolio Manager in Value Equities and the Chairman of the Proxy Voting Committee for Bernstein.

If you have questions or desire additional information about this Policy, we encourage you to contact the RI Committee at RIinquiries@alliancebernstein.com or reach out to a Committee member:

Erin Bigley: SVP-Fixed Income, New York

Alex Chaloff: SVP-Private Client, Los Angeles

Steve Cheetham: SVP-Value, London

James Crawford: SVP-Value, Australia

Kathy Fisher: SVP-Private Client, New York

Linda Giuliano: SVP-Equities, New York

David Lesser: VP-Legal, New York

Jason Ley: SVP-Growth, Chicago

Mark Manley: SVP-Legal, New York

Takuji Oya: VP-Growth, Japan

John Phillips: SVP-Value, New York

Guy Prochilo: SVP-Institutional Investments, New York

Liz Smith: SVP-Institutional Investments, New York

Chris Toub: SVP-Equities, New York

Willem Van Gijzen: VP-Institutional Investments, Netherlands

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

The day-to-day management of and investment decisions for the Fund are made by a team of investment professionals consisting of Messrs. Paul J. DeNoon, Gershon M. Distenfeld, Douglas J. Peebles and Matthew S. Sheridan .

The following table sets forth when each person became involved in the management of the Fund, and each person's principal occupation during the past five years:

Employee; Year; Title	Principal Occupation During the Past Five (5) Years
Paul J. DeNoon; since 2002 Senior Vice President of the Adviser and Director of Emerging Market Debt	Senior Vice President of the Adviser, with which he has been associated in a substantially similar capacity to his current position since prior to 2006 and Director of Emerging Market Debt.
Gershon M. Distenfeld; since 2006 Vice President of the Adviser	Senior Vice President of the Adviser, with which he has been associated in a substantially similar capacity to his current position since prior to 2006 and Director of High Yield.
Douglas J. Peebles; since 2002 Executive Vice President of the Adviser, Chief Investment Officer and Head of Fixed-Income	Senior Vice President of the Adviser, with which he has been associated in a substantially similar capacity to his current position since prior to 2006 and Chief Investment Officer and Head of Fixed Income.
Matthew S. Sheridan; since 2008 Vice President of the Adviser	Vice President of the Adviser, with which he has been associated in a substantially similar capacity to his current position since prior to 2006.

(a) (2) The following tables provide information regarding registered investment companies other than the Fund, other pooled investment vehicles and other accounts over which the Fund's portfolio managers also have day-to-day management responsibilities. The tables provide the numbers of such accounts, the total assets in such accounts and the number of accounts and total assets whose fees are based on performance. The information is provided as of the Fund's fiscal year ended December 31, 2011.

REGISTERED INVESTMENT COMPANIES

(excluding the Fund)

Portfolio Manager	Total Number of Registered Investment Companies Managed	Total Assets of Registered Investment Companies Managed	Number of Registered Investment Companies Managed with Performance-based Fees	Total Assets of Registered Investment Companies Managed with Performance-based Fees
Paul J. DeNoon	114	22,099,000,000	None	None
Gershon M. Distenfeld	46	7,561,000,000	None	None
Douglas J. Peebles	114	22,254,000,000	None	None
Matthew S. Sheridan	13	9,290,000,000	None	None

POOLED INVESTMENT VEHICLES

Portfolio Manager	Total Number of Pooled Investment Vehicles Managed	Total Assets of Pooled Investment Vehicles Managed	Number of Pooled Investment Vehicles Managed with Performance-based Fees	Total Assets of Pooled Investment Vehicles Managed with Performance-based Fees
Paul J. DeNoon	90	30,936,000,000	None	None
Gershon M. Distenfeld	54	38,391,000,000	1	125,000,000
Douglas J. Peebles	132	48,012,000,000	1	125,000,000
Matthew S. Sheridan	35	30,563,000,000	None	None

OTHER ACCOUNTS

	Total Number of Other Accounts Managed	Total Assets of Other Accounts Managed	Number of Other Accounts Managed with Performance- based Fees	Total Assets of Other Accounts with Performance- based Fees
Portfolio Manager				
Paul J. DeNoon	140	32,570,000,000	5	2,229,000,000
Gershon M. Distenfeld	148	56,057,000,000	3	2,349,000,000
Douglas J. Peebles	305	89,626,000,000	9	4,884,000,000
Matthew S. Sheridan	64	25,604,000,000	4	2,092,000,000

Investment Professional Conflict of Interest Disclosure

As an investment adviser and fiduciary, the Adviser owes its clients and shareholders an undivided duty of loyalty. We recognize that conflicts of interest are inherent in our business and accordingly have developed policies and procedures (including oversight monitoring) reasonably designed to detect, manage and mitigate the effects of actual or potential conflicts of interest in the area of employee personal trading, managing multiple accounts for multiple clients, including AllianceBernstein Mutual Funds, and allocating investment opportunities. Investment professionals, including portfolio managers and research analysts, are subject to the above-mentioned policies and oversight monitoring to ensure that all clients are treated equitably. We place the interests of our clients first and expect all of our employees to meet their fiduciary duties.

Employee Personal Trading. The Adviser has adopted a Code of Business Conduct and Ethics that is designed to detect and prevent conflicts of interest when investment professionals and other personnel of the Adviser own, buy or sell securities which may be owned by, or bought or sold for, clients. Personal securities transactions by an employee may raise a potential conflict of interest when an employee owns or trades in a security that is owned or considered for purchase or sale by a client, or recommended for purchase or sale by an employee to a client. Subject to the reporting requirements and other limitations of its Code of Business Conduct and Ethics, the Adviser permits its employees to engage in personal securities transactions, and also allows them to acquire investments in the AllianceBernstein Mutual Funds through direct purchase and/or notionally in connection with deferred incentive compensation awards. The Adviser's Code of Business Conduct and Ethics requires disclosure of all personal accounts and maintenance of brokerage accounts with designated broker-dealers approved by the Adviser. The Code of Business Conduct and Ethics also requires preclearance of all securities transactions (except transactions in open-end mutual funds) and imposes a 90-day holding period for securities purchased by employees to discourage short-term trading.

Managing Multiple Accounts for Multiple Clients. The Adviser has compliance policies and oversight monitoring in place to address conflicts of interest relating to the management of multiple accounts for multiple clients. Conflicts of interest may arise when an investment professional has responsibilities for the investments of more than one account because the investment professional may be unable to devote equal time and attention to each account. The investment professional or investment professional teams for each client may have responsibilities for managing all or a portion of the investments of multiple accounts with a common investment strategy, including other registered investment companies, unregistered investment vehicles, such as hedge funds, pension plans, separate accounts, collective trusts and charitable foundations. Among other things, the Adviser's policies and procedures provide for the prompt dissemination to investment professionals of initial or changed investment recommendations by analysts so that investment professionals are better able to develop investment strategies for all accounts they manage. In addition, investment decisions by investment professionals are reviewed for the purpose of maintaining uniformity among similar accounts and ensuring that accounts are treated equitably. No investment professional who manages client accounts carrying performance fees is compensated directly or specifically for the performance of those accounts. Investment professional compensation reflects a broad contribution in multiple dimensions to long-term investment success for our clients and is not tied specifically to the performance of any particular client's account, nor is it directly tied to the level or change in level of assets under management.

Allocating Investment Opportunities. The Adviser has policies and procedures intended to address conflicts of interest relating to the allocation of investment opportunities. These policies and procedures are designed to ensure that information relevant to investment decisions is disseminated promptly within its portfolio management teams and investment opportunities are allocated equitably among different clients. The investment professionals at the Adviser routinely are required to select and allocate investment opportunities among accounts. Portfolio holdings, position sizes, and industry and sector exposures tend to be similar across similar accounts, which minimizes the potential for conflicts of interest relating to the allocation of investment opportunities. Nevertheless, investment opportunities may be allocated differently among accounts due to the particular characteristics of an account, such as size of the account, cash position, tax status, risk tolerance and investment restrictions or for other reasons.

The Adviser's procedures are also designed to address potential conflicts of interest that may arise when the Adviser has a particular financial incentive, such as a performance-based management fee, relating to an account. An investment professional may perceive that he or she has an incentive to devote more time to developing and analyzing investment strategies and opportunities or allocating securities preferentially to accounts for which the Adviser could share in investment gains.

To address these conflicts of interest, the Adviser's policies and procedures require, among other things, the prompt dissemination to investment professionals of any initial or changed investment recommendations by analysts; the aggregation of orders to facilitate best execution for all accounts; price averaging for all aggregated orders; objective allocation for limited investment opportunities (*e.g.*, on a rotational basis) to ensure fair and equitable allocation among accounts; and limitations on short sales of securities. These procedures also require documentation and review of justifications for any decisions to make investments only for select accounts or in a manner disproportionate to the size of the account.

(a) (3) Portfolio Manager Compensation

The Adviser's compensation program for investment professionals is designed to be competitive and effective in order to attract and retain the highest caliber employees. The compensation program for investment professionals is designed to reflect their ability to generate long-term investment success for our clients, including shareholders of the AllianceBernstein Mutual Funds. Investment professionals do not receive any direct compensation based upon the investment returns of any individual client account, nor is compensation tied directly to the level or change in level of assets under management. Investment professionals' annual compensation is comprised of the following:

(i) Fixed base salary: The base salary is fixed cash amount within a similar range for all investment professionals. The base salary does not change significantly from year-to-year and hence, is not particularly sensitive to performance.

(ii) Discretionary incentive compensation in the form of an annual cash bonus: The Adviser's overall profitability determines the total amount of incentive compensation available to investment professionals. This portion of compensation is determined subjectively based on qualitative and quantitative factors. In evaluating this component of an investment professional's compensation, The Adviser considers the contribution to his/her team or discipline as it relates to that team's overall contribution to the long-term investment success, business results and strategy of the Adviser. Quantitative factors considered include, among other things, relative investment performance (*e.g.*, by comparison to competitor or peer group funds or similar styles of investments, and appropriate, broad-based or specific market indices), and consistency of performance. There are no specific formulas used to determine this part of an investment professional's compensation and the compensation is not tied to any pre-determined or specified level of performance. The Adviser also considers qualitative factors such as the complexity and risk of investment strategies involved in the style or type of assets managed by the investment professional; success of marketing/business development efforts and client servicing; seniority/length of service with the firm; management and supervisory responsibilities; and fulfillment of the Adviser's leadership criteria.

(iii) Discretionary incentive compensation in the form of awards under the Adviser's Partners Compensation Plan (deferred awards): The Adviser's overall profitability determines the total amount of deferred awards available to investment professionals. The deferred awards are allocated among investment professionals based on criteria similar to those used to determine the annual cash bonus. There is no fixed formula for determining these amounts. Deferred awards, for which there are various investment options, vest over a four-year period and are generally forfeited if the employee resigns or the Adviser terminates his/her employment. Prior to 2009, investment options under the deferred awards plan included many of the same AllianceBernstein Mutual Funds offered to mutual fund investors. Since 2009, deferred awards have been in the form of restricted grants of the Adviser's Master Limited Partnership Units. In 2011, award recipients will have the ability to invest a portion of their awards (no more than half up to a certain cap) in deferred cash.

(iv) Contributions under the Adviser's Profit Sharing/401(k) Plan: The contributions are based on the Adviser's overall profitability. The amount and allocation of the contributions are determined at the sole discretion of the Adviser.

(v) Compensation under the Adviser's Special Option Program: Under this Program, certain investment professionals may be permitted to allocate a portion of their deferred awards to options to buy the Adviser's publicly traded equity securities, and to receive a two-for-one match of such allocated amount. The determination of who may be eligible to participate in the Special Option Program is made at the sole discretion of the Adviser.

(a) (4) The dollar range of the Fund's equity securities owned directly or beneficially by the Fund's portfolio managers as of the Fund's fiscal year ended December 31, 2011 is set forth below:

	DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND
Paul J. DeNoon	None
Gershon Distenfeld	None
Douglas J. Peebles	\$36,000
Matthew S. Sheridan	None

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

There have been no purchases of equity securities by the Fund or by affiliated parties for the reporting period.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have been no material changes to the procedures by which shareholders may recommend nominees to the Fund's Board of Directors since the Fund last provided disclosure in response to this item.

ITEM 11. CONTROLS AND PROCEDURES.

(a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended) are effective at the reasonable assurance level based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

(b) There were no changes in the registrant's internal controls over financial reporting that occurred during the second fiscal quarter of the period that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

The following exhibits are attached to this Form N-CSR:

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
12 (a) (1)	Code of Ethics that is subject to the disclosure of Item 2 hereof
12 (b) (1)	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12 (b) (2)	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12 (c)	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant): AllianceBernstein Income Fund, Inc.

By: /s/ ROBERT M. KEITH
Robert M. Keith
President

Date: February 23, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ ROBERT M. KEITH
Robert M. Keith
President

Date: February 23, 2012

By: /s/ Joseph J. Mantineo
Joseph J. Mantineo
Treasurer and Chief Financial Officer

Date: February 23, 2012