AllianceBernstein Variable Products Series Fund, Inc.

Semi-Annual Report

June 30, 2011

> AllianceBernstein Large Cap Growth Portfolio

SEMI-ANNUAL REPORT

AllianceBernstein

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") website at www.sec.gov, or call AllianceBernstein at (800) 227-4618.

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

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments, contingent deferred sales charges on redemptions and (2) ongoing costs, including management fees; distribution (12b-1) fees; and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of $1,000 invested at the beginning of the period and held for the entire period as indicated below.

Actual Expenses
The table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period. The estimate of expenses does not include fees or other expenses of any variable insurance product. If such expenses were included, the estimate of expenses you paid during the period would be higher and your ending account value would be lower.

Hypothetical Example for Comparison Purposes
The table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed annual rate of return of 5% before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds by comparing this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds. The estimate of expenses does not include fees or other expenses of any variable insurance product. If such expenses were included, the estimate of expenses you paid during the period would be higher and your ending account value would be lower.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), or contingent deferred sales charges on redemptions. Therefore, the second line of each class' table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value January 1, 2011	Ending Account Value June 30, 2011	Expenses Paid During Period*	Annualized Expense Ratio*
Class A				
Actual	$ 1,000	$ 1,041.90	$ 4.25	0.84%
Hypothetical (5% return before expenses)	$ 1,000	$ 1,020.63	$ 4.21	0.84%
Class B				
Actual	$ 1,000	$ 1,041.00	$ 5.52	1.09%
Hypothetical (5% return before expenses)	$ 1,000	$ 1,019.39	$ 5.46	1.09%

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

COMPANY	U.S. $ VALUE	PERCENT OF NET ASSETS
Apple, Inc.	$ 28,174,461	6.8%
Google, Inc.—Class A	18,168,914	4.4
JPMorgan Chase & Co.	17,348,325	4.2
Schlumberger Ltd.	15,911,856	3.8
Oracle Corp.	14,475,464	3.5
Monsanto Co.	13,237,244	3.2
Danaher Corp.	12,951,922	3.1
Noble Energy, Inc.	11,969,549	2.9
United Parcel Service, Inc.—Class B	11,486,475	2.8
Qualcomm, Inc.	11,032,593	2.7
	$ 154,756,803	37.2%

*SECTOR DIVERSIFICATION***
June 30, 2011 (unaudited)

SECTOR	U.S. $ VALUE	PERCENT OF TOTAL INVESTMENTS
Technology	$ 127,719,319	30.7%
Consumer Discretionary	70,617,931	17.0
Producer Durables	53,102,213	12.8
Energy	46,205,837	11.1
Financial Services	40,673,298	9.8
Health Care	35,181,057	8.5
Materials & Processing	31,355,731	7.5
Consumer Staples	6,299,239	1.5
Utilities	3,180,639	0.8
Short-Term Investments	1,179,800	0.3
Total Investments	$ 415,515,064	100.0%

* Long-term investments.

** The Portfolio's sector breakdown is expressed as a percentage of total investments and may vary over time.

Please note: The sector breakdown is classified in the above chart and throughout this report according to the Russell sector classification scheme. The Russell Sector scheme was developed by Russell Investments. Russell classifies index members into industries that most closely describe the nature of its business and its primary economic orientation. Multiple resources are used to obtain overall information about the company. Additional Russell sector scheme information can be found within Russell Index methodology documents available on Russell.com. The "Portfolio of Investments" section of the report reflects more specific industry information and is consistent with the investment restrictions discussed in the Fund's prospectus.

Company	Shares	U.S. $ Value
COMMON STOCKS–99.6%		
TECHNOLOGY–30.7%		
COMMUNICATIONS TECHNOLOGY–5.3%		
Aruba Networks, Inc.(a)	33,500	$ 989,925
Juniper Networks, Inc.(a)	26,900	847,350
Qualcomm, Inc.	194,270	11,032,593
Riverbed Technology, Inc.(a)	231,700	9,173,003
		22,042,871
COMPUTER SERVICES, SOFTWARE & SYSTEMS–12.7%		
Citrix Systems, Inc.(a)	136,700	10,936,000
Google, Inc.–Class A(a)	35,880	18,168,914
Intuit, Inc.(a)	110,900	5,751,274
Oracle Corp.	439,850	14,475,464
Rovi Corp.(a)	58,485	3,354,700
		52,686,352
COMPUTER TECHNOLOGY–10.0%		
Apple, Inc.(a)	83,935	28,174,462
EMC Corp.(a)	373,793	10,297,997
NetApp, Inc.(a)	56,927	3,004,607
		41,477,066
SEMICONDUCTORS & COMPONENT–2.6%		
Broadcom Corp.–Class A(a)	243,952	8,206,545
Marvell Technology Group Ltd.(a)	179,000	2,642,935
		10,849,480
TELECOMMUNICATIONS EQUIPMENT–0.1%		
Alcatel-Lucent/France (Sponsored ADR)(a)	115,000	663,550
		127,719,319
CONSUMER DISCRETIONARY–17.0%		
AUTO PARTS–4.3%		
BorgWarner, Inc.(a)	99,200	8,014,368
Johnson Controls, Inc.	236,500	9,852,590
		17,866,958
CABLE TELEVISION SERVICES–2.0%		
Comcast Corp.–Class A	319,700	8,101,198
DIVERSIFIED MEDIA–1.5%		
News Corp.–Class A	359,000	6,354,300
DIVERSIFIED RETAIL–2.1%		
Amazon.com, Inc.(a)	43,235	8,841,125
ENTERTAINMENT–1.7%		
Walt Disney Co. (The)	179,200	6,995,968
HOUSEHOLD EQUIP & PROD–1.4%		
Stanley Black & Decker, Inc.	77,600	5,591,080
RESTAURANTS–2.0%		
Starbucks Corp.	214,105	$ 8,455,006
SPECIALTY RETAIL–2.0%		
Limited Brands, Inc.	196,900	7,570,805
Lowe's Cos., Inc.	36,100	841,491
		8,412,296
		70,617,931
PRODUCER DURABLES–12.8%		
AEROSPACE–1.5%		
Goodrich Corp.	66,700	6,369,850
BACK OFFICE SUPPORT HR & CONSULTING–2.1%		
Accenture PLC	143,095	8,645,800
DIVERSIFIED MANUFACTURING OPERATIONS–3.1%		
Danaher Corp.	244,422	12,951,922
SCIENTIFIC INSTRUMENTS: CONTROL & FILTER–2.2%		
Flowserve Corp.	61,097	6,713,949
Rockwell Automation, Inc.	27,065	2,348,160
		9,062,109
SCIENTIFIC INSTRUMENTS: ELECTRICAL–1.1%		
Cooper Industries PLC	76,857	4,586,057
TRANSPORTATION MISCELLANEOUS–2.8%		
United Parcel Service, Inc.–Class B	157,500	11,486,475
		53,102,213
ENERGY–11.1%		
OIL WELL EQUIPMENT & SERVICES–4.6%		
FMC Technologies, Inc.(a)	68,800	3,081,552
Schlumberger Ltd.	184,165	15,911,856
		18,993,408
OIL: CRUDE PRODUCERS–6.5%		
EOG Resources, Inc.	65,215	6,818,228
Noble Energy, Inc.	133,544	11,969,549
Occidental Petroleum Corp.	63,500	6,606,540
Southwestern Energy Co.(a)	42,400	1,818,112
		27,212,429
		46,205,837
FINANCIAL SERVICES–9.8%		
DIVERSIFIED FINANCIAL SERVICES–8.1%		
Blackstone Group LP	386,100	6,393,816
Goldman Sachs Group, Inc. (The)	74,595	9,927,848
JPMorgan Chase & Co.	423,750	17,348,325
		33,669,989

Company	Shares	U.S. $ Value
FINANCIAL DATA & SYSTEMS–0.2%		
Visa, Inc.–Class A	7,100	$ 598,289
INSURANCE: MULTI-LINE–1.5%		
MetLife, Inc.	146,000	6,405,020
		40,673,298
HEALTH CARE–8.4%		
BIOTECHNOLOGY–2.0%		
Celgene Corp.(a)	138,059	8,327,719
HEALTH CARE FACILITIES–0.7%		
HCA Holdings, Inc.(a)	84,974	2,804,142
HEALTH CARE SERVICES–2.5%		
Express Scripts, Inc.–Class A(a)	193,400	10,439,732
MEDICAL & DENTAL INSTRUMENTS & SUPPLIES–0.5%		
Covidien PLC	41,800	2,225,014
PHARMACEUTICALS–2.7%		
Allergan, Inc.	106,925	8,901,506
Gilead Sciences, Inc.(a)	59,960	2,482,944
		11,384,450
		35,181,057
MATERIALS & PROCESSING–7.5%		
CHEMICALS: DIVERSIFIED–3.7%		
Dow Chemical Co. (The)	289,820	10,433,520
Potash Corp. of Saskatchewan, Inc.	91,800	5,231,682
		15,665,202
FERTILIZERS–3.2%		
Monsanto Co.	182,482	$ 13,237,244
METAL FABRICATING–0.6%		
Precision Castparts Corp.	14,900	2,453,285
		31,355,731
CONSUMER STAPLES–1.5%		
FOODS–0.4%		
General Mills, Inc.	46,100	1,715,842
PERSONAL CARE–1.1%		
Procter & Gamble Co. (The)	72,100	4,583,397
		6,299,239
UTILITIES–0.8%		
UTILITIES: TELECOMMUNICATIONS–0.8%		
Sprint Nextel Corp.(a)	590,100	3,180,639
Total Common Stocks (cost $390,853,557)		414,335,264
	Principal Amount (000)	
SHORT-TERM INVESTMENTS–0.3%		
TIME DEPOSIT–0.3%		
State Street Time Deposit 0.01%, 7/01/11 (cost $1,179,800)	$1,180	1,179,800
TOTAL INVESTMENTS–99.9% (cost $392,033,357)		415,515,064
Other assets less liabilities–0.1%		565,452
NET ASSETS–100.0%		$ 416,080,516

CALL OPTIONS WRITTEN (see Note D)

Description	Contracts	Exercise Price	Expiration Month	U.S. $ Value
Gilead Sciences, Inc.(b)	90	$ 40.00	July 2011	$ 14,355
Blackstone Group LP(b)	510	17.00	July 2011	8,415
FMC Technologies, Inc.(b)	195	42.50	July 2011	51,675
Lowes Cos., Inc.(b)	361	23.00	July 2011	21,841
Potash Corp. of Saskatchewan(b)	145	52.50	July 2011	68,150
BorgWarner, Inc.(b)	70	75.00	July 2011	43,050
Total Call Options Written (premiums received $103,006)				$ 207,486

(a) Non-income producing security.

(b) One contract relates to 100 shares.

Glossary:

ADR—American Depositary Receipt

See notes to financial statements.

STATEMENT OF ASSETS & LIABILITIES

June 30, 2011 (unaudited)

ASSETS	
Investments in securities, at value (cost $392,033,357)	$ 415,515,064
Receivable for investment securities sold	2,216,098
Dividends and interest receivable	553,874
Receivable for capital stock sold	257,846
Total assets	418,542,882
LIABILITIES	
Options written, at value (premium received $103,006)	207,486
Payable for investment securities purchased	1,615,297
Advisory fee payable	250,534
Payable for capital stock redeemed	186,741
Distribution fee payable	44,504
Administrative fee payable	19,757
Transfer Agent fee payable	130
Accrued expenses	137,917
Total liabilities	2,462,366
NET ASSETS	$ 416,080,516
COMPOSITION OF NET ASSETS	
Capital stock, at par	$ 14,597
Additional paid-in capital	620,270,890
Undistributed net investment income	10,512
Accumulated net realized loss on investment and foreign currency transactions	(227,592,710)
Net unrealized appreciation on investments	23,377,227
	$ 416,080,516

Net Asset Value Per Share—1 billion shares of capital stock authorized, $.001 par value

Class	Net Assets	Shares Outstanding	Net Asset Value
A	$ 194,021,214	6,717,295	$ 28.88
B	$ 222,059,302	7,880,113	$ 28.18

See notes to financial statements.

INVESTMENT INCOME	
Dividends (net of foreign taxes withheld of $1,761)	$ 2,179,836
Interest	110,002
	2,289,838
EXPENSES	
Advisory fee (see Note B)	1,604,508
Distribution fee—Class B	283,256
Transfer agency—Class A	2,102
Transfer agency—Class B	2,367
Custodian	55,973
Printing	42,945
Administrative	36,319
Legal	18,040
Audit	17,350
Directors' fees	1,915
Miscellaneous	5,130
Total expenses	2,069,905
Net investment income	219,933
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENT AND FOREIGN CURRENCY TRANSACTIONS	
Net realized gain on:	
Investment transactions	22,746,064
Options written	960,908
Net change in unrealized appreciation/depreciation of:	
Investments	(6,159,300)
Options written	(104,480)
Net gain on investment and foreign currency transactions	17,443,192
NET INCREASE IN NET ASSETS FROM OPERATIONS	$17,663,125

See notes to financial statements.

	Six Months Ended June 30, 2011 (unaudited)	Year Ended December 31, 2010
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Net investment income	$ 219,933	$ 659,387
Net realized gain on investment and foreign currency transactions	23,706,972	105,579,900
Net change in unrealized appreciation/depreciation of investments	(6,263,780)	(68,632,277)
Net increase in net assets from operations	17,663,125	37,607,010
DIVIDENDS TO SHAREHOLDERS FROM		
Net investment income		
Class A	(526,774)	(963,805)
Class B	(79,974)	(588,097)
CAPITAL STOCK TRANSACTIONS		
Net decrease	(25,472,723)	(56,958,536)
Total decrease	(8,416,346)	(20,903,428)
NET ASSETS		
Beginning of period	424,496,862	445,400,290
End of period (including undistributed net investment income of $10,512 and $397,327, respectively)	$416,080,516	$424,496,862

See notes to financial statements.

NOTE A: Significant Accounting Policies

The AllianceBernstein Large Cap Growth Portfolio (the "Portfolio") is a series of AllianceBernstein Variable Products Series Fund, Inc. (the "Fund"). The Portfolio's investment objective is long-term growth of capital. Prior to February 1, 2006, the Portfolio's investment objective was to seek growth of capital by pursuing aggressive investment policies. The Portfolio is diversified as defined under the Investment Company Act of 1940. The Fund was incorporated in the State of Maryland on November 17, 1987, as an open-end series investment company. The Fund offers fourteen separately managed pools of assets which have differing investment objectives and policies. The Portfolio offers Class A and Class B shares. Both classes of shares have identical voting, dividend, liquidating and other rights, except that Class B shares bear a distribution expense and have exclusive voting rights with respect to the Class B distribution plan.

The Portfolio offers and sells its shares only to separate accounts of certain life insurance companies for the purpose of funding variable annuity contracts and variable life insurance policies. Sales are made without a sales charge at the Portfolio's net asset value per share.

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 Portfolio.

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 mean of the closing bid and asked prices on such 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 put or call options are valued at the last sale price. If there has been no sale on that day, such securities will be valued at the closing bid prices on that day; 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; securities traded in the over-the-counter market ("OTC") are valued at the mean of the current bid and asked prices as reported by the National Quotation Bureau or other comparable sources; 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, AllianceBernstein L.P. (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 OTC and other derivatives are valued on the basis of a quoted bid price or spread from a major broker/dealer in such security.

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 Portfolio may use fair value pricing for securities primarily traded in non-U.S. markets because most foreign markets close well before the Portfolio 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. To account for this, the Portfolio may frequently value many of its foreign equity securities using fair value prices based on third party vendor modeling tools to the extent available.

2. Fair Value Measurements

In accordance with U.S. GAAP regarding fair value measurements, fair value is defined as the price that the Portfolio 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 Portfolio. Unobservable inputs reflect the Portfolio'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 Portfolio's own assumptions in determining the fair value of investments)

The following table summarizes the valuation of the Portfolio's investments by the above fair value hierarchy levels as of June 30, 2011:

	Level 1	Level 2	Level 3	Total
Investments in Securities:				
Assets:				
Common Stocks	$414,335,264	$ –0–	$ –0–	$414,335,264
Short-Term Investments	–0–	1,179,800	–0–	1,179,800
Total Investments in Securities	414,335,264	1,179,800	–0–	415,515,064
Other Financial Instruments*:				
Assets	–0–	–0–	–0–	–0–
Liabilities:				
Options Written	–0–	(207,486)	–0–	(207,486)
Total	**$414,335,265**	**$ 972,314**	**$ –0–**	**$415,307,579**

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

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 Portfolio'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 Portfolio'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 Portfolio 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 Portfolio'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 Portfolio's financial statements.

5. Investment Income and Investment Transactions

Dividend income is recorded on the ex-dividend date or as soon as the Portfolio 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 Portfolio amortizes premiums and accretes discounts as adjustments to interest income.

6. Class Allocations

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

7. Dividends and Distributions

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

NOTE B: Advisory Fee and Other Transactions with Affiliates

Under the terms of the investment advisory agreement, the Portfolio pays the Adviser an advisory fee at an annual rate of .75% of the first $2.5 billion, .65% of the next $2.5 billion and .60% in excess of $5 billion, of the Portfolio's average daily net assets. The fee is accrued daily and paid monthly.

Pursuant to the investment advisory agreement, the Portfolio may reimburse the Adviser for certain legal and accounting services provided to the Portfolio by the Adviser. For the six months ended June 30, 2011, such fee amounted to $36,319.

Brokerage commissions paid on investment transactions for the six months ended June 30, 2011 amounted to $269,093, of which $0 and $0, respectively, was paid to Sanford C. Bernstein & Co. LLC and Sanford C. Bernstein Limited, affiliates of the Adviser.

The Portfolio compensates AllianceBernstein Investor Services, Inc. ("ABIS"), a wholly-owned subsidiary of the Adviser, under a Transfer Agency Agreement for providing personnel and facilities to perform transfer agency services for the Portfolio. Such compensation retained by ABIS amounted to $668 for the six months ended June 30, 2011.

NOTE C: Distribution Plan

The Portfolio has adopted a Distribution Plan (the "Plan") for Class B shares pursuant to Rule 12b-1 under the Investment Company Act of 1940. Under the Plan, the Portfolio pays distribution and servicing fees to AllianceBernstein Investments, Inc. (the "Distributor"), a wholly-owned subsidiary of the Adviser, at an annual rate of up to .50% of the Portfolio's average daily net assets attributable to Class B shares. The fees are accrued daily and paid monthly. The Board of Directors currently limits payments under the Plan to .25% of the Portfolio's average daily net assets attributable to Class B shares. The Plan provides that the Distributor will use such payments in their entirety for distribution assistance and promotional activities.

The Portfolio is not obligated under the Plan to pay any distribution and servicing fees in excess of the amounts set forth above. The purpose of the payments to the Distributor under the Plan is to compensate the Distributor for its distribution services with respect to the sale of the Portfolio's Class B shares. Since the Distributor's compensation is not directly tied to its expenses, the amount of compensation received by it under the Plan during any year may be more or less than its actual expenses. For this reason, the Plan is characterized by the staff of the Securities and Exchange Commission as being of the "compensation" variety.

In the event that the Plan is terminated or not continued, no distribution or servicing fees (other than current amounts accrued but not yet paid) would be owed by the Portfolio to the Distributor.

The Plan also provides that the Adviser may use its own resources to finance the distribution of the Portfolio's shares.

NOTE D: Investment Transactions

Purchases and sales of investment securities (excluding short-term investments) for the six months ended June 30, 2011 were as follows:

	Purchases	Sales
Investment securities (excluding U.S. government securities)	$214,397,165	$235,902,387
U.S. government securities	–0–	–0–

The cost of investments for federal income tax purposes was substantially the same as the cost for financial reporting purposes. Accordingly, gross unrealized appreciation and unrealized depreciation are as follows:

Gross unrealized appreciation	$32,703,949
Gross unrealized depreciation	(9,222,242)
Net unrealized appreciation	$23,481,707

1. Derivative Financial Instruments

The Portfolio 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 type of derivatives utilized by the Portfolio, as well as the methods in which they may be used are:

- **Option Transactions**

  For hedging and investment purposes, the Portfolio may purchase and write (sell) put and call options on U.S. and foreign securities and foreign currencies that are traded on U.S. and foreign securities exchanges and over-the-counter markets. The Portfolio 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".

  During the six months ended June 30, 2011, the Portfolio held written options for hedging purposes.

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

  When the Portfolio writes an option, the premium received by the Portfolio is recorded as a liability and is subsequently adjusted to the current market value of the option written. Premiums received from written options which expire unexercised are recorded by the Portfolio on the expiration date as realized gains from options written. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium received is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium received is added to the proceeds from the sale of the underlying security or currency in determining whether the Portfolio has realized a gain or loss. If a put option is exercised, the premium received reduces the cost basis of the security or currency purchased by the Portfolio. In writing an option, the Portfolio bears the market risk of an unfavorable change in the price of the security or currency underlying the written option. Exercise of an option written by the Portfolio could result in the Portfolio selling or buying a security or currency at a price different from the current market value. For the six months ended June 30, 2011, the Portfolio had the following transactions in written options:

	Number of Contracts	Premiums Received
Options written outstanding as of 12/31/10	–0–	$ –0–
Options written	9,469	1,154,556
Options closed	(8,098)	(1,051,550)
Options written outstanding as of 6/30/11	1,371	$ 103,006

At June 30, 2011, the Portfolio had entered into the following derivatives:

	Asset Derivatives		Liability Derivatives	
Derivative Type	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Equity contracts			Options written, at value	$207,486
Total				$207,486

The effect of derivative instruments on the statement of operations for the six months ended June 30, 2011:

Derivative Type	Location of Gain or (Loss) on Derivatives	Realized Gain or (Loss) on Derivatives	Change in Unrealized Appreciation or (Depreciation)
Equity contracts	Net realized gain (loss) on options written; Net change in unrealized appreciation/depreciation of options written	$960,908	$(104,480)
Total		$960,908	$(104,480)

2. Currency Transactions

The Portfolio may invest in non-U.S. Dollar securities on a currency hedged or unhedged basis. The Portfolio 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 Portfolio 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 Portfolio 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 Portfolio may also conduct currency exchange contracts on a spot basis (i.e., for cash at the spot rate prevailing in the currency exchange market for buying or selling currencies).

NOTE E: Capital Stock

Each class consists of 500,000,000 authorized shares. Transactions in capital shares for each class were as follows:

	SHARES		AMOUNT	
	Six Months Ended June 30, 2011 (unaudited)	Year Ended December 31, 2010	Six Months Ended June 30, 2011 (unaudited)	Year Ended December 31, 2010
Class A				
Shares sold	99,036	153,817	$ 2,902,481	$ 3,800,148
Shares issued in reinvestment of dividends	17,766	37,546	526,774	963,805
Shares redeemed	(632,344)	(1,317,159)	(18,416,129)	(32,855,265)
Net decrease	(515,542)	(1,125,796)	$(14,986,874)	$(28,091,312)
Class B				
Shares sold	474,736	631,026	$ 13,493,811	$ 15,441,353
Shares issued in reinvestment of dividends	2,764	23,467	79,974	588,097
Shares redeemed	(850,789)	(1,844,345)	(24,059,634)	(44,896,674)
Net decrease	(373,289)	(1,189,852)	$(10,485,849)	$(28,867,224)

NOTE F: Risks Involved in Investing in the Portfolio

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

Currency Risk—This is the risk that changes in foreign currency exchange rates may negatively affect the value of the Portfolio's investments or reduce the returns of the Portfolio. For example, the value of the Portfolio'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 Portfolio's investments denominated in foreign currencies, the Portfolio's positions in various foreign currencies may cause the Portfolio to experience investment losses due to the changes in exchange rates and interest rates.

Focused Portfolio Risk—Investments in a limited number of companies may have more risk because changes in the value of a single security may have a more significant effect, either negative or positive, on the Portfolio's NAV.

Derivatives Risk—The Portfolio 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 Portfolio, 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.

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

NOTE G: Joint Credit Facility

A number of open-end mutual funds managed by the Adviser, including the Portfolio, participate in a $140 million revolving credit facility (the "Facility") intended to provide short-term financing, if necessary, subject to certain restrictions in connection with abnormal redemption activity. Commitment fees related to the Facility are paid by the participating funds and are included in miscellaneous expenses in the statement of operations. The Portfolio did not utilize the Facility during the six months ended June 30, 2011.

NOTE H: Distributions to Shareholders

The tax character of distributions to be paid for the year ending December 31, 2011 will be determined at the end of the current fiscal year. The tax character of distributions paid during the fiscal years ended December 31, 2010 and December 31, 2009 were as follows:

	2010	2009
Distributions paid from:		
Ordinary income	$1,551,902	$288,603
Total taxable distributions	1,551,902	288,603
Total distributions paid	$1,551,902	$288,603

As of December 31, 2010, the components of accumulated earnings/(deficit) on a tax basis were as follows:

Undistributed ordinary income	$ 563,066
Accumulated capital and other losses	(248,133,434)(a)
Unrealized appreciation/(depreciation)	26,309,020 (b)
Total accumulated earnings/(deficit)	$(221,261,348)

(a) On December 31, 2010, the Portfolio had a net capital loss carryforward for federal income tax purposes of $248,133,434 of which $167,106,343 expires in the year 2011, $52,077,408 expires in the year 2016, and $28,949,683 expires in the year 2017. During the fiscal year, the Portfolio utilized capital loss carryforwards of $94,974,587, and capital loss carryforwards of $199,013,632 expired at December 31, 2010.

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

On December 22, 2010, the Regulated Investment Company Modernization Act of 2010 (the "Act") was enacted, which changed various technical rules governing the tax treatment of regulated investment companies. One important change addresses the recognition of capital loss carryforwards. Under the Act, the Portfolio will be permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. However, any losses incurred during those future taxable years will be required to be utilized prior to the losses incurred in pre-enactment taxable years, which carry an expiration date. As a result, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital loss carryforwards will retain their character as either short-term or long-term capital losses rather than being considered all short-term capital loss (as permitted under previous regulation).

NOTE I: Subsequent Events

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

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

	CLASS A					
	Six Months Ended June 30, 2011 (unaudited)	Year Ended December 31,				
		2010	2009	2008	2007	2006
Net asset value, beginning of period	$27.79	$25.36	$18.47	$30.61	$26.87	$26.99
Income From Investment Operations						
Net investment income (loss) (a)	.03	.07	.10	.04	(.01)	(.03)
Net realized and unrealized gain (loss) on investment and foreign currency transactions	1.14	2.48	6.82	(12.18)	3.75	(.09)
Net increase (decrease) in net asset value from operations	1.17	2.55	6.92	(12.14)	3.74	(.12)
Less: Dividends						
Dividends from net investment income	(.08)	(.12)	(.03)	–0–	–0–	–0–
Net asset value, end of period	$28.88	$27.79	$25.36	$18.47	$30.61	$26.87
Total Return						
Total investment return based on net asset value (b)	4.19%*	10.10%*	37.52%*	(39.66)%*	13.92%*	(.44)%
Ratios/Supplemental Data						
Net assets, end of period (000's omitted)	$194,021	$200,977	$211,940	$181,452	$395,655	$474,069
Ratio to average net assets of:						
Expenses	.84%(c)	.85%(d)	.88%	.84%	.82%	.84% (d)
Net investment income (loss)	.23%(c)	.29%(d)	.47%	.17%	(.03)%	(.12)%(d)
Portfolio turnover rate	50%	105%	97%	89%	92%	81%

See footnote summary on page 16.

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

	CLASS B					
	Six Months Ended June 30, 2011 (unaudited)	Year Ended December 31, 2010	2009	2008	2007	2006
Net asset value, beginning of period	$27.08	$24.72	$18.03	$29.96	$26.37	$26.55
Income From Investment Operations						
Net investment income (loss) (a)	(.00)(e)	.01	.04	(.02)	(.08)	(.09)
Net realized and unrealized gain (loss) on investment and foreign currency transactions	1.11	2.42	6.65	(11.91)	3.67	(.09)
Net increase (decrease) in net asset value from operations	1.11	2.43	6.69	(11.93)	3.59	(.18)
Less: Dividends						
Dividends from net investment income	(.01)	(.07)	–0–	–0–	–0–	–0–
Net asset value, end of period	$28.18	$27.08	$24.72	$18.03	$29.96	$26.37
Total Return						
Total investment return based on net asset value (b)	4.10%*	9.83%*	37.10%*	(39.82)%*	13.61%*	(.68)%
Ratios/Supplemental Data						
Net assets, end of period (000's omitted)	$222,060	$223,520	$233,460	$192,976	$393,537	$456,374
Ratio to average net assets of:						
Expenses	1.09%(c)	1.10%(d)	1.13%	1.09%	1.07%	1.08% (d)
Net investment income (loss)	(.01)%(c)	.04%(d)	.22%	(.08)%	(.27)%	(.37)%(d)
Portfolio turnover rate	50%	105%	97%	89%	92%	81%

(a) Based on average shares outstanding.

(b) Total investment return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption on the last day of the period. Total return does not reflect (i) insurance company's separate account related expense charges and (ii) the deductions of taxes that a shareholder would pay on Portfolio distributions or the redemption of Portfolio shares. Total investment return calculated for a period of less than one year is not annualized.

(c) Annualized.

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

(e) Amount is less than $.005.

* Includes the impact of proceeds received and credited to the Portfolio resulting from class action settlements, which enhanced the Portfolio's performance for the six months ended June 30, 2011 and years ended December 31, 2010, December 31, 2009, December 31, 2008 and December 31, 2007 by 0.39%, 0.58%, 1.96%, 2.10% and 0.39%, respectively.

See notes to financial statements.

INFORMATION REGARDING THE REVIEW AND APPROVAL OF THE PORTFOLIO'S ADVISORY AGREEMENT

The disinterested directors (the "directors") of AllianceBernstein Variable Products Series Fund, Inc. (the "Fund") unanimously approved the continuance of the Fund's Advisory Agreement with the Adviser in respect of AllianceBernstein Large Cap Growth Portfolio (the "Portfolio") at a meeting held on May 3-5, 2011.

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

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

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

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

Costs of Services Provided and Profitability
The directors reviewed a schedule of the revenues, expenses and related notes indicating the profitability of the Portfolio to the Adviser for calendar years 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 Portfolio, including those relating to its subsidiaries which provide transfer agency, distribution and brokerage services to the Portfolio. 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 Portfolio before taxes and distribution expenses. The directors concluded that they were satisfied that the Adviser's level of profitability from its relationship with the Portfolio was not unreasonable.

Fall-Out Benefits

The directors considered the benefits to the Adviser and its affiliates from their relationships with the Portfolio other than the fees and expense reimbursements payable under the Advisory Agreement, 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 on an agency basis), 12b-1 fees and sales charges received by the Fund's principal underwriter (which is a wholly owned subsidiary of the Adviser) in respect of the Portfolio's Class B shares, transfer agency fees paid by the Portfolio to a wholly owned subsidiary of the Adviser, and brokerage commissions paid by the Portfolio to brokers affiliated with the Adviser. The directors recognized that the Adviser's profitability would be somewhat lower without these benefits. The directors also understood that the Adviser also might derive reputational and other benefits from its association with the Portfolio.

Investment Results

In addition to the information reviewed by the directors in connection with the meeting, the directors receive detailed performance information for the Portfolio at each regular Board meeting during the year. The directors noted that the Portfolio is a clone of another fund managed by the Adviser (the "Corresponding Fund") and is managed to track the investment performance of its Corresponding Fund, although investment results may differ between the Portfolio and its Corresponding Fund due to differences in their expense ratios and other factors. At the May 2011 meeting, the directors reviewed information prepared by Lipper showing the performance of the Class A Shares of the Portfolio as compared with that of a group of similar funds selected by Lipper (the "Performance Group") and as compared with that of a broader array of funds selected by Lipper (the "Performance Universe"), and information prepared by the Adviser showing performance of the Class A Shares as compared with the Russell 1000 Growth Index (the "Index"), in each case for the 1-, 3-, 5- and 10-year periods ended February 28, 2011 and (in the case of comparisons with the Index) the since inception period (June 1992 inception). The directors noted that the Portfolio was in the 3rd quintile of the Performance Group and 4th quintile of the Performance Universe for the 1-year period, in the 3rd quintile of the Performance Group and the Performance Universe for the 3-year period, in the 5th quintile of the Performance Group and the Performance Universe for the 5-year period, and in the 5th quintile of the Performance Group and 4th quintile of the Performance Universe for the 10-year period. The Portfolio lagged the Index in the 1-, 5- and 10-year periods, almost matched the Index in the 3-year period and outperformed the Index in the since inception period. The directors also took into account the Adviser's recently implemented organizational and investment process changes that are intended to improve the investment performance of its equity services. Based on their review, the directors concluded that the Portfolio's relative performance was acceptable.

Advisory Fees and Other Expenses

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

The directors also considered the fees the Adviser charges other clients pursuing an investment style substantially similar to that of the Portfolio. For this purpose, they reviewed the relevant fee information from the Adviser's Form ADV and the evaluation from the Fund's Senior Officer disclosing the institutional fee schedule for institutional products managed by the Adviser that have an investment style substantially similar to that of the Portfolio. The directors noted that the institutional fee schedule had breakpoints at lower asset levels than those in the fee schedule applicable to the Portfolio and that the application of the institutional fee schedule to the level of assets of the Portfolio would result in a fee rate lower than that in the Portfolio's Advisory Agreement. The directors noted that the Adviser may, in some cases, agree to fee rates with large institutional clients that are lower than those reviewed by the directors and that they had previously discussed with the Adviser its policies in respect of such arrangements. The directors also reviewed information that indicated that the Portfolio pays a higher fee rate than a registered investment company with an investment style similar to that of the Portfolio that is sub-advised by the Adviser. The directors noted that the advisory fee schedule for the Portfolio is the same as that for its Corresponding Fund.

The Adviser reviewed with the directors the significantly greater scope of the services it provides to the Portfolio relative to institutional clients and sub-advised funds. The Adviser also noted that because mutual funds are constantly issuing and redeeming shares, they are more difficult to manage than an institutional account, where the assets tend to be relatively stable. In light of the substantial differences in services rendered by the Adviser to institutional clients as compared to funds such as the Portfolio, the directors considered these fee comparisons inapt and did not place significant weight on them in their deliberations.

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

The directors noted that, at the Portfolio's current size, its contractual effective advisory fee rate of 75 basis points was the same as the Expense Group median. The directors noted that the administrative expense reimbursement was 2 basis points in the Portfolio's latest fiscal year, and that as a result the rate of the compensation received by the Adviser pursuant to the Advisory Agreement was similar to the Expense Group median. The directors also noted that the Portfolio's total expense ratio was higher than the Expense Group and the Expense Universe medians. The directors noted that the Adviser had reviewed with them steps being taken that are intended to reduce the expenses of the AllianceBernstein Funds generally. The directors concluded that the Portfolio's expense ratio was acceptable.

Economies of Scale

The directors noted that the advisory fee schedule for the Portfolio contains breakpoints that reduce the fee rates on assets above specified levels. 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, as well as among funds similar to the Portfolio, there is no uniformity or pattern in the fees and asset levels at which breakpoints (if any) apply. The directors also noted that the advisory agreements for many funds do not have breakpoints at all. Having taken these factors into account, the directors concluded that the Portfolio's breakpoint arrangements would result in a sharing of economies of scale in the event the Portfolio's net assets exceed a breakpoint in the future.

THE FOLLOWING IS NOT PART OF THE SHAREHOLDER REPORT OF THE FINANCIAL STATEMENTS

SUMMARY OF SENIOR OFFICER'S EVALUATION OF INVESTMENT ADVISORY AGREEMENT[1]

The following is a summary of the evaluation of the Investment Advisory Agreement between AllianceBernstein L.P. (the "Adviser") and the AllianceBernstein Variable Products Series Fund (the "Fund"), in respect of AllianceBernstein Large Cap Growth Portfolio (the "Portfolio").[2], The evaluation of the Investment Advisory Agreement was prepared by Philip L. Kirstein, the Senior Officer of the Fund, for the Directors of the Fund, as required by a September 2004 agreement between the Adviser and the New York State Attorney General (the "NYAG"). The Senior Officer's evaluation of the Investment Advisory Agreement is not meant to diminish the responsibility or authority of the Board of Directors of the Fund to perform its duties pursuant to Section 15 of the Investment Company Act of 1940 (the "40 Act") and applicable state law. The purpose of the summary is to provide shareholders with a synopsis of the independent evaluation of the reasonableness of the advisory fees proposed to be paid by the Portfolio which was provided to the Directors in connection with their review of the proposed approval of the continuance of the Investment Advisory Agreement. The Senior Officer's evaluation considered the following factors:

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

These factors, with the exception of the first factor, are generally referred to as the "*Gartenberg* factors," which were articulated by the United States Court of Appeals for the Second Circuit in 1982. *Gartenberg v. Merrill Lynch Asset Management, Inc.*, 694 F. 2d 923 (2d Cir. 1982). On March 30, 2010, the Supreme Court held the *Gartenberg* decision was correct in its basic formulation of what §36(b) requires: to face liability under §36(b), "an investment adviser must charge a fee that is so disproportionately large that it bears no reasonable relationship to the services rendered and could not have been the product of arms length bargaining." *Jones v. Harris Associates L.P.,* (No. 08-586), 130 U.S. 1418 (2010). In the *Jones* decision, the Court stated the *Gartenberg* approach fully incorporates the correct understanding of fiduciary duty within the context of section 36(b) and noted with approval that "*Gartenberg* insists that all relevant circumstances be taken into account" and "uses the range of fees that might result from arms-length bargaining as the benchmark for reviewing challenged fees."

PORTFOLIO ADVISORY FEES, NET ASSETS & EXPENSE RATIOS

The Adviser proposed that the Portfolio pay the advisory fee set forth in the table below for receiving the services to be provided pursuant to the Investment Advisory Agreement. The fee schedule below, implemented in January 2004 in consideration of the Adviser's settlement with the NYAG in December 2003, is based on a master schedule that contemplates eight categories of funds with almost all funds in each category having the same advisory fee schedule.

Category	Advisory Fee Based on % of Average Daily Net Assets	Net Assets 03/31/11 ($MIL)	Portfolio
Growth	75 bp on first $2.5 billion 65 bp on next $2.5 billion 60 bp on the balance	$442.6	Large Cap Growth Portfolio

The Adviser is reimbursed as specified in the Investment Advisory Agreement for certain clerical, legal, accounting, administrative and other services provided to the Portfolio. During the Portfolio's most recently completed fiscal year, the Adviser received $71,180 (0.02% of the Portfolio's average daily net assets) for such services.

1 It should be noted that the information in the fee summary was completed on April 21, 2011 and discussed with the Board of Directors on May 3-5, 2011.

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

Setforth below are the Portfolio's gross expense ratios for the most recently completed fiscal year:

Portfolio	Total Expense Ratio		Fiscal Year
Large Cap Growth Portfolio	Class A	0.85%	December 31
	Class B	1.10%	

I. ADVISORY FEES CHARGED TO INSTITUTIONAL AND OTHER CLIENTS

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

Notwithstanding the Adviser's view that managing an investment company is not comparable to managing other institutional accounts because the services provided are different, the Supreme Court has indicated consideration should be given to the advisory fees charged to institutional accounts that have a substantially similar investment style as the Portfolio.[3] In addition to the AllianceBernstein Institutional fee schedule, set forth below is what would have been the effective advisory fee of the Portfolio had the AllianceBernstein Institutional fee schedule been applicable to the Portfolio versus the Portfolio's advisory fee based on March 31, 2011 net assets:[4]

Portfolio	Net Assets 03/31/11 ($MIL)	AllianceBernstein ("AB") Institutional ("Inst.") Fee Schedule	Effective AB Inst. Adv. Fee	Portfolio Advisory Fee
Large Cap Growth Portfolio	$442.6	U.S. Large Cap Growth Schedule 80 bp on first $25m 50 bp on the next $25m 40 bp on the next $50m 30 bp on the next $100m 25 bp on the balance *Minimum account size $25m*	0.323%	0.750%

3 It should be noted that the Supreme Court stated that "courts may give such comparisons the weight that they merit in light of the similarities and differences between the services that the clients in question require, but the courts must be wary of inapt comparisons." Among the significant differences the Supreme Court noted that may exist between services provided to mutual funds and institutional accounts are "higher marketing costs." *Jones v. Harris* at 1428.

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

The Adviser also manages AllianceBernstein Large Cap Growth Fund, Inc., a retail mutual fund, which has a substantially similar investment style as the Portfolio. Set forth below are the fee schedules of Large Cap Growth Fund, Inc. and what would have been the effective advisory fee of the Portfolio had the fee schedule of the retail mutual fund been applicable to the Portfolio:[5]

Portfolio	AllianceBernstein Mutual Fund	Fee Schedule	ABMF Effective Fee	Portfolio Advisory Fee
Large Cap Growth Portfolio	Large Cap Growth Fund, Inc.	0.75% on first $2.5 billion 0.65% on next $2.5 billion 0.60% on the balance	0.750%	0.750%

The Adviser also manages and sponsors retail mutual funds, which are organized in jurisdictions outside the United States, generally Luxembourg and Japan, and sold to non-United States resident investors. The Adviser charges the fees set forth for American Growth Portfolio, which is a Luxembourg fund that has a somewhat similar investment style as the Portfolio.

Fund	Fee[6]
Large Cap Growth Portfolio	
Class A	1.50%
Class I (Institutional)	0.70%

The Adviser provides sub-advisory services to certain other investment companies managed by other fund families that have an investment style similar to that of the Portfolio. The Adviser charges the fees set forth below for the sub-advisory relationship that has a somewhat similar investment style as the Portfolio. Also shown is the Portfolio's advisory fee and what would have been the effective advisory fee of the Portfolio had the fee schedules of the sub-advisory relationship been applicable to the Portfolio based on March 31, 2011 net assets.

Portfolio		Fee Schedule	Effective Sub-Adv. Fee (%)	Portfolio Advisory Fee (%)
Large Cap Growth Portfolio	Client # 1	0.35% on the first $50 million 0.30% on the next $100 million 0.25% on the balance	0.273	0.750

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

While it appears that the sub-advisory relationship is paying a lower fee than the Portfolio, it is difficult to evaluate the relevance of such a lower fee due to differences in terms of the services provided, risks involved and other competitive factors between the Portfolio and the sub-advisory relationship. There could be various business reasons why an investment adviser would be willing to manage a sub-advisory relationship for a different fee than it would be willing to manage investment company assets.

II. MANAGEMENT FEES CHARGED BY OTHER MUTUAL FUND COMPANIES FOR LIKE SERVICES.

Lipper, Inc. ("Lipper"), an analytical service that is not affiliated with the Adviser, compared the fees charged to the Portfolio with fees charged to other investment companies for similar services offered by other investment advisers.[7] Lipper's analysis included the Portfolio's ranking with respect to the contractual management fee relative to the median of the Portfolio's Lipper Expense Group ("EG") at the approximate current asset level of the Portfolio.[8]

5 It should be noted that the AllianceBernstein Mutual Fund was also affected by the settlement between the Adviser and the NYAG. As a result, the Portfolio has the same breakpoints in its advisory fee schedule as the AllianceBernstein Mutual Fund.

6 It should be noted that Class A shares of the fund are charged an "all-in" fee, which covers investment advisory services and distribution related services, unlike Class I shares, whose fee is for only investment advisory services.

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

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

Lipper describes an EG as a representative sample of comparable funds. Lipper's standard methodology for screening funds to be included in an EG entails the consideration of several fund criteria, including fund type, investment classification/objective, load type and similar 12b-1/non-12b-1 service fees, asset (size) comparability, expense components and attributes. An EG will typically consist of seven to twenty funds.

Portfolio	Contractual Management Fee[9]	Lipper Exp. Group Median (%)	Rank
Large Cap Growth Portfolio	0.750	0.750	5/14

Lipper also analyzed the Portfolio's most recently completed fiscal year total expense ratio in comparison to the Portfolio's EG and Lipper Expense Universe ("EU").[10] The EU is a broader group compared to the EG, consisting of all funds that have the same investment classification/objective and load type as the subject Portfolio.

Portfolio	Expense Ratio (%)[11]	Lipper Exp. Group Median (%)	Lipper Group Rank	Lipper Exp. Universe Median (%)	Lipper Universe Rank
International Value Portfolio	0.854	0.816	11/14	0.805	58/81

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

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

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

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

The Portfolio's profitability information, prepared by the Adviser for the Board of Directors, was reviewed by the Senior Officer and the consultant. The Adviser's profitability from providing investment advisory services to the Portfolio decreased during calendar year 2010, relative to 2009.

In addition to the Adviser's direct profits from managing the Portfolio, certain of the Adviser's affiliates have business relationships with the Portfolio and may earn a profit from providing other services to the Portfolio. The courts have referred to this type of business opportunity as "fall-out benefits" to the Adviser and indicated that such benefits should be factored into the evaluation of the total relationship between the Portfolio and the Adviser. Neither case law nor common business practice precludes the Adviser's affiliates from earning a reasonable profit on this type of relationship provided the affiliates' charges and services are competitive. These affiliates provide transfer agent, distribution and brokerage related services to the Portfolio and receive transfer agent fees, Rule 12b-1 payments, and brokerage commissions. In addition, the Adviser benefits from soft dollar arrangements which offset expenses the Adviser would otherwise incur.

The Portfolio has adopted a distribution plan for Class B shares pursuant to Rule 12b-1 under the 40 Act. Under the distribution plan, the Portfolio pays distribution and servicing fees to its principal underwriter, AllianceBernstein Investments, Inc. ("ABI"), at an annual rate of up to 0.50% of the Portfolio's average daily net assets attributable to Class B shares. The current annual rate that the Portfolio pays to ABI for 12b-1 fees is 0.25%. During the fiscal year ended December 31, 2010, AllianceBernstein Investments, Inc. ("ABI"), the Portfolio's distributor and an affiliate of the Adviser, received $538,818 in Rule 12b-1 fees.

9 The contractual management fee does not reflect any expense reimbursements made by the Portfolio to the Adviser for certain clerical, legal, accounting, administrative and other services. In addition, the contractual management fee does not reflect any advisory fee waiver or expense cap that would effectively reduce the actual management fee.

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

11 Most recently completed fiscal year end Class A total expense ratio.

The Adviser may compensate ABI for payments made by ABI to brokers for registration fees and services related to printing, distribution and advertising in connection with Class B shares. During the fiscal year ended December 31, 2010, the Adviser determined that it made payments in the amount of $833,876 on behalf of the Portfolio to ABI.

Financial intermediaries, such as insurers, market and sell shares of the Portfolio and typically receive compensation from ABI, the Advisers and/or the Portfolio for selling shares of the Portfolio. These financial intermediaries receive compensation in any or all of the following forms: 12b-1 fees, defrayal of costs for educational seminars and training, additional distribution support, recordkeeping and/or administrative services. Payments related to providing contract-holder recordkeeping and/or administrative services will generally not exceed 0.35% of the average daily net assets of the Portfolio attributable to the relevant intermediary over the year.

The transfer agent of the Portfolio is AllianceBernstein Investor Services, Inc. ("ABIS"). During the most recently completed fiscal year, ABIS received a fee of $1,385 from the Portfolio.[12]

The Portfolio effected brokerage transactions through the Adviser's affiliate, Sanford C. Bernstein & Co., LLC ("SCB & Co.") and/or its U.K. affiliate, Sanford C. Bernstein Limited ("SCB Ltd."), collectively "SCB," and paid commissions for such transactions during the Portfolio's most recently completed fiscal year. The Adviser represented that SCB's profitability from business conducted in the future with the Portfolio would be comparable to the profitability of SCB's dealings with other similar third party clients. In the ordinary course of business, SCB receives and pays liquidity rebates from electronic communications networks ("ECNs") derived from trading for its clients, including the Portfolio. These credits and charges are not being passed onto any SCB client. The Adviser also receives certain soft dollar benefits from brokers that execute agency trades for the Portfolio and other clients. These soft dollar benefits reduce the Adviser's cost of doing business and increase its profitability.

V. POSSIBLE ECONOMIES OF SCALE

Although it is clear that economies of scale may have been shared through the existence of breakpoints in the investment advisory fee schedule, it should be noted that sufficient data does not exist to evaluate the extent to which economies of scale or scope are being shared with the AllianceBernstein Mutual Funds' shareholders. The Adviser has indicated that economies of scale are being shared with shareholders through fee structures, subsidies and enhancement to services. Based on some of the professional literature that has considered economies of scale in the mutual fund industry, it is thought that to the extent economies of scale exist, they may more often exist across a fund family as opposed to a specific fund. This is because the costs incurred by the Adviser, such as investment research or technology for trading or compliance systems can be spread across a greater asset base as the fund family increases in size. It is also possible that as the level of services required to operate a successful investment company has increased over time, and advisory firms make such investments in their business to provide services, there may be a sharing of economies of scale without a reduction in advisory fees.

In February 2008, an independent consultant, retained by the Senior Officer, provided the Board of Directors an update of the Deli[13] study on advisory fees and various fund characteristics.[14] The independent consultant first reiterated the results of his previous two dimensional comparison analysis (fund size and family size) with the Board of Directors.[15] The independent consultant then discussed the results of the regression model that was utilized to study the effects of various factors on advisory fees. The regression model output indicated that the bulk of the variation in fees predicted were explained by various factors, but substantially by fund AUM, family AUM, index fund indicator and investment style. The independent consultant also compared the advisory fees of the AllianceBernstein Mutual Funds to similar funds managed by 19 other large asset managers, regardless of the fund size and each Adviser's proportion of mutual fund assets to non-mutual fund assets.

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12 The Fund (which includes the Portfolio and other Portfolios of the Fund) paid ABIS a flat fee of $18,000 in 2010.

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

14 As mentioned previously, the Supreme Court cautioned against accepting mutual fund fee comparisons without careful scrutiny since the fees may not be the product of negotiations conducted at arms length. See *Jones V. Harris* at 1429.

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

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

With assets under management of approximately $477 billion as of March 31, 2011, the Adviser has the investment experience to manage and provide non-investment services (described in Section I) to the Portfolio.

The information prepared by Lipper shows the 1, 3, 5 and 10 year performance rankings of the Portfolio[16] relative to its Lipper Performance Group ("PG")[17] and Lipper Performance Universe ("PU") for the periods ended February 28, 2011.[18]

	Portfolio Return	PG Median (%)	PU Median (%)	PG Rank	PU Rank
1 year	21.37	21.17	23.43	7/14	55/81
3 year	4.10	4.10	4.01	7/13	38/79
5 year	2.05	3.73	3.76	13/13	67/73
10 year	0.74	1.60	1.77	9/10	44/58

Set forth below are the 1, 3, 5, 10 year and since inception performance returns of the Portfolio (in bold)[19] versus its benchmarks.[20] Portfolio and benchmark volatility and reward-to-variability ratio ("Sharpe Ratio") information is also shown.[21]

	Periods Ending February 28, 2011 Annualized Performance							
						Annualized		
	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)	Volatility (%)	Sharpe (%)	Risk Period (Year)
Large Cap Growth Portfolio	**21.37**	**4.10**	**2.05**	**0.74**	**8.72**	**17.94**	**0.01**	**10**
Russell 1000 Growth Index	24.94	4.11	4.62	1.80	7.69	17.34	0.06	10

Inception Date: June 26, 1992

CONCLUSION:

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

Dated: May 24, 2011

16 The performance rankings are for the Class A shares of the Portfolio. It should be noted that the performance returns of the Portfolio shown were provided by Lipper.

17 The Portfolio's PG and PU are identical to the Portfolio's respective EG and EU.

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

19 The performance returns and risk measures shown in the table are for the Class A shares of the Portfolio.

20 The Adviser provided Portfolio and benchmark performance return information for periods through February 28, 2011.

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