AllianceBernstein
Variable Products Series Fund, Inc.

Semi-Annual Report

June 30, 2009

> AllianceBernstein Balanced Wealth Strategy 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 web site at www.alliancebernstein.com or go to the Securities and Exchange Commission's (the "Commission") web site 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 web site 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 first line of each class' 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 second line of each class' 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.

Balanced Wealth Strategy Portfolio	Beginning Account Value January 1, 2009	Ending Account Value June 30, 2009	Expenses Paid During Period*	Annualized Expense Ratio*
Class A				
Actual	$ 1,000	$ 1,049.64	$ 3.46	0.68%
Hypothetical (5% return before expenses)	$ 1,000	$ 1,021.42	$ 3.41	0.68%
Class B				
Actual	$ 1,000	$ 1,046.89	$ 4.72	0.93%
Hypothetical (5% return before expenses)	$ 1,000	$ 1,020.18	$ 4.66	0.93%

* 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).

Balanced Wealth Strategy Portfolio
*Ten Largest Holdings**

June 30, 2009 (unaudited)

COMPANY	U.S. $ VALUE	PERCENT OF NET ASSETS
U.S. Treasury Bonds & Notes	$ 29,336,753	7.1%
Federal National Mortgage Association (Preferred Stock and Bonds)	19,458,529	4.7
JPMorgan Chase & Co. (Common Stock and Bonds)	9,454,973	2.3
Federal Home Loan Mortgage Corp. (Preferred Stock and Bonds)	8,348,040	2.0
The Goldman Sachs Group, Inc. (Common Stock and Bonds)	7,201,532	1.7
Federal Home Loan Bank	4,866,037	1.2
Apple, Inc.	4,815,558	1.2
Google, Inc.—Class A	4,527,877	1.1
Exxon Mobil Corp.	4,138,672	1.0
Hewlett-Packard Co.	4,023,465	1.0
	$ 96,171,436	23.3%

Security Type Breakdown

June 30, 2009 (unaudited)

SECURITY TYPE	U.S. $ VALUE	PERCENT OF TOTAL INVESTMENTS
Common Stocks	$ 259,831,323	64.7%
Corporates—Investment Grades	44,020,522	10.9
Governments—Treasuries	31,203,793	7.8
Mortgage Pass-Thru's	23,211,006	5.8
Commercial Mortgage-Backed Securities	16,707,462	4.2
Agencies	9,411,730	2.3
Corporates—Non-Investment Grades	4,710,644	1.2
Asset-Backed Securities	2,373,770	0.6
Governments—Sovereign Bonds	1,912,012	0.5
Governments—Sovereign Agencies	1,249,318	0.3
Quasi-Sovereigns	1,183,888	0.3
Preferred Stocks	770,400	0.2
Short-Term Investments	3,800,000	0.9
Other**	1,379,864	0.3
Total Investments	$ 401,765,732	100.0%

* Long-term investments.

** "Other" represents less than 0.2% weightings in the following security types: CMOs, Emerging Markets—Corporate Bonds, Emerging Markets—Sovereigns, and Rights.

Company	Shares	U.S. $ Value
COMMON STOCKS–62.9%		
FINANCIALS–20.5%		
CAPITAL MARKETS–3.0%		
Ameriprise Financial, Inc.	6,700	$ 162,609
Bank of New York Mellon Corp.	13,000	381,030
The Blackstone Group LP	85,775	904,069
Credit Suisse Group AG	27,198	1,246,104
Deutsche Bank AG	13,393	814,173
Franklin Resources, Inc.	5,395	388,494
The Goldman Sachs Group, Inc.	42,144	6,213,711
Julius Baer Holding AG	15,215	591,745
Macquarie Group Ltd.	5,800	181,578
Man Group PLC	132,426	607,026
Morgan Stanley	27,400	781,174
		12,271,713
COMMERCIAL BANKS–3.0%		
ABSA Group Ltd.	5,800	82,763
Australia & New Zealand Banking Group Ltd.	34,135	452,373
Banco do Brasil SA	25,500	275,236
Banco Santander Central Hispano SA	61,715	746,023
Barclays PLC	84,700	393,605
BNP Paribas SA	15,834	1,032,577
Commonwealth Bank of Australia	4,200	131,653
Credit Agricole SA	36,962	463,440
Hana Financial Group, Inc.	5,300	112,910
HSBC Holdings PLC	35,761	297,931
Industrial & Commercial Bank of China Ltd.–Class H	536,000	371,280
Intesa Sanpaolo SpA(a)	104,000	336,079
Itau Unibanco Holding SA (ADR)	8,625	136,534
KB Financial Group, Inc.(a)	9,600	320,053
Lloyds Banking Group PLC	293,239	338,043
National Australia Bank Ltd.	20,300	365,729
National Bank of Canada	5,100	235,675
Nordea Bank AB	55,180	438,536
Regions Financial Corp.	44,900	181,396
Societe Generale–Class A	10,625	583,215
Standard Bank Group Ltd.	13,500	155,307
Standard Chartered PLC	52,690	990,730
Sumitomo Mitsui Financial Group, Inc.	7,400	299,443
U.S. Bancorp	55,800	999,936
United Overseas Bank Ltd.	19,000	191,725
Wells Fargo & Co.	87,000	2,110,620
Westpac Banking Corp.	10,900	177,340
		12,220,152
CONSUMER FINANCE–0.2%		
Capital One Financial Corp.	33,000	722,040
DIVERSIFIED FINANCIAL SERVICES–2.4%		
Bank of America Corp.	40,300	$ 531,960
CME Group, Inc.–Class A	4,840	1,505,773
Deutsche Boerse AG	4,632	360,485
Hong Kong Exchanges and Clearing Ltd.	34,800	537,886
ING Group	49,400	500,475
JP Morgan Chase & Co.	193,217	6,590,632
		10,027,211
INSURANCE–1.8%		
ACE Ltd.	9,500	420,185
Allianz SE	5,700	525,783
Allstate Corp.	30,900	753,960
Aviva PLC	60,554	340,942
Everest Re Group Ltd.	1,900	135,983
Fairfax Financial Holdings Ltd.	600	150,626
Fidelity National Financial, Inc.–Class A	6,200	83,886
Genworth Financial, Inc.– Class A	39,400	275,406
Hartford Financial Services Group, Inc.	19,700	233,839
Industrial Alliance Insurance and Financial Services, Inc.	700	15,497
ING Canada, Inc.	3,400	99,531
Lincoln National Corp.	23,600	406,156
MetLife, Inc.	29,700	891,297
Muenchener Rueckversicherungs AG (MunichRe)	3,700	499,891
PartnerRe Ltd.	3,600	233,820
Prudential Financial, Inc.	3,800	141,436
QBE Insurance Group Ltd.	19,724	315,625
Sun Life Financial, Inc.	5,200	140,377
Torchmark Corp.	7,600	281,504
The Travelers Co., Inc.	18,400	755,136
Unum Group	26,700	423,462
XL Capital Ltd.–Class A	42,000	481,320
		7,605,662
REAL ESTATE INVESTMENT TRUSTS (REITS)–6.4%		
Alexandria Real Estate Equities, Inc.	5,925	212,056
Ascendas Real Estate Investment Trust	484,000	527,676
BioMed Realty Trust, Inc.	20,200	206,646
Boston Properties, Inc.	6,100	290,970
Brandywine Realty Trust	44,350	330,407
British Land Co. PLC	55,206	347,624
Camden Property Trust	6,600	182,160
Canadian Real Estate Investment Trust	32,570	688,838
CapitaMall Trust	222,940	214,418
CBL & Associates Properties, Inc.	35,950	193,770

Company	Shares	U.S. $ Value
Cominar Real Estate Investment Trust	28,929	$ 385,007
Corio NV	4,200	204,834
Corporate Office Properties Trust	25,100	736,183
Developers Diversified Realty Corp.	67,300	328,424
Dexus Property Group	1,030,461	619,983
DiamondRock Hospitality Co.	31,700	198,442
Digital Realty Trust, Inc.	17,600	630,960
Duke Realty Corp.	22,300	195,571
DuPont Fabros Technology, Inc.	26,500	249,630
Entertainment Properties Trust	15,150	312,090
Equity Residential	4,850	107,815
Eurocommercial Properties NV	6,600	203,837
Extra Space Storage, Inc.	27,800	232,130
First Potomac Realty Trust	19,400	189,150
Fonciere Des Regions	3,600	271,433
Government Properties Income Trust(a)	11,450	235,068
H&R Real Estate Investment Trust	23,800	224,669
HCP, Inc.	16,850	357,051
Health Care REIT, Inc.	9,700	330,770
Home Properties, Inc.	9,600	327,360
Hospitality Properties Trust	9,200	109,388
Host Hotels & Resorts, Inc.	23,729	199,086
ING Office Fund	550,500	203,409
Japan Real Estate Investment Corp.–Class A	41	340,092
Kenedix Realty Investment Corp.–Class A	27	93,107
Kilroy Realty Corp.	4,050	83,187
Kimco Realty Corp.	6,100	61,305
Kite Realty Group Trust	62,800	183,376
Klepierre	37,762	978,592
Land Securities Group PLC	91,372	710,558
LaSalle Hotel Properties	7,200	88,848
Liberty International PLC	21,900	143,567
The Link REIT	104,500	222,095
Macerich Co.	12,411	218,558
Mack-Cali Realty Corp.	25,500	581,400
Macquarie CountryWide Trust	123,911	53,945
Mercialys SA	6,324	195,388
Mid-America Apartment Communities, Inc.	8,850	324,883
Morguard Real Estate Investment Trust	33,600	278,760
National Retail Properties, Inc.	10,597	183,858
Nationwide Health Properties, Inc.	9,400	241,956
Nomura Real Estate Office Fund, Inc.–Class A	77	489,527
Orix JREIT, Inc.–Class A	26	119,046
Primaris Retail Real Estate Investment Trust	40,983	417,176
ProLogis	36,725	$ 296,003
Public Storage	5,600	366,688
Rayonier, Inc.	10,100	367,135
Realty Income Corp.	4,700	103,024
Regency Centers Corp.	10,250	357,828
RioCan Real Estate Investment Trust (OTC US)	23,587	309,856
RioCan Real Estate Investment Trust (Toronto)	1,400	18,391
Simon Property Group, Inc.	24,385	1,254,121
SL Green Realty Corp.	6,250	143,375
Societe Immobiliere de Location pour l'Industrie et le Commerce	2,100	185,785
Stockland	118,580	305,881
Sunstone Hotel Investors, Inc.	53,113	284,155
Tanger Factory Outlet Centers	10,600	343,758
Taubman Centers, Inc.	11,650	312,919
UDR, Inc.	18,100	186,973
Unibail-Rodamco	14,878	2,224,474
Ventas, Inc.	23,100	689,766
Vornado Realty Trust	7,190	323,766
Weingarten Realty Investors	19,700	285,847
Wereldhave NV	4,600	342,911
Westfield Group	191,828	1,755,669
		26,514,404
REAL ESTATE MANAGEMENT & DEVELOPMENT–3.7%		
Agile Property Holdings Ltd.	310,000	441,659
Brookfield Properties Corp. (New York)	28,225	224,953
China Overseas Land & Investment Ltd.	290,000	669,317
China Vanke Co. Ltd.–Class B	239,623	345,366
Citycon Oyj	10,642	27,792
First Capital Realty, Inc.	15,800	226,306
GAGFAH SA	24,800	206,060
Henderson Land Development Co. Ltd.	181,000	1,032,827
Hufvudstaden AB–Class A	11,888	73,964
Jones Lang LaSalle, Inc.	4,500	147,285
Kerry Properties Ltd.	148,131	645,261
Lend Lease Corp. Ltd.	174,203	980,332
Mitsubishi Estate Co., Ltd.	61,000	1,012,702
Mitsui Fudosan Co., Ltd.	102,100	1,770,839
Multiplan Empreendimentos Imobiliarios SA	61,300	625,357
New World Development Co., Ltd.	716,051	1,288,912
NTT Urban Development Corp.	943	909,035
Savills PLC	42,600	201,398
Sino-Ocean Land Holdings Ltd.	316,500	359,390
Sumitomo Realty & Development	52,000	949,452
Sun Hung Kai Properties Ltd.	189,700	2,355,657

Company	Shares	U.S. $ Value
Swire Pacific Ltd.	22,500	$ 225,853
Yanlord Land Group Ltd.	358,000	561,249
		15,280,966
		84,642,148
INFORMATION TECHNOLOGY–7.4%		
COMMUNICATIONS EQUIPMENT–1.8%		
Cisco Systems, Inc.(a)	110,250	2,055,060
Motorola, Inc.	148,685	985,782
Nokia OYJ	32,700	478,963
QUALCOMM, Inc.	72,800	3,290,560
Research In Motion Ltd.(a)	2,948	209,455
Telefonaktiebolaget LM Ericsson–Class B	38,000	374,354
		7,394,174
COMPUTERS & PERIPHERALS–2.4%		
Apple, Inc.(a)	33,810	4,815,558
Compal Electronics, Inc.	56,561	45,744
Fujitsu Ltd.	65,000	353,095
Hewlett-Packard Co.	104,100	4,023,465
Lenovo Group Ltd.	98,000	36,570
Toshiba Corp.	98,000	355,049
Western Digital Corp.(a)	11,500	304,750
		9,934,231
ELECTRONIC EQUIPMENT, INSTRUMENTS & COMPONENTS–0.6%		
AU Optronics Corp.	177,000	170,862
Corning, Inc.	35,000	562,100
FUJIFILM Holdings Corp.	8,200	260,963
Hitachi High-Technologies Corp.	4,000	67,962
Keyence Corp.	1,000	203,729
Kyocera Corp.	2,000	150,148
Nippon Electric Glass Co. Ltd.	28,000	313,025
Tyco Electronics Ltd.	40,400	751,036
		2,479,825
INTERNET SOFTWARE & SERVICES–1.3%		
Google, Inc.–Class A(a)	10,740	4,527,877
Telecity Group PLC(a)	57,700	283,285
Tencent Holdings Ltd.	27,000	313,270
		5,124,432
IT SERVICES–0.2%		
Visa, Inc.–Class A	13,100	815,606
SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT–0.9%		
Altera Corp.	20,200	328,856
ASML Holding NV	16,800	364,141
Intel Corp.	104,100	1,722,855
Samsung Electronics (Preference Shares)	200	60,983
Samsung Electronics Co. Ltd.	1,040	480,859
Taiwan Semiconductor Manufacturing Co. Ltd.	137,000	$ 224,844
Taiwan Semiconductor Manufacturing Co. Ltd. (Sponsored ADR)	74,400	700,104
United Microelectronics Corp.	126	42
		3,882,684
SOFTWARE–0.2%		
SAP AG	5,559	224,130
Symantec Corp.(a)	36,700	571,052
		795,182
		30,426,134
ENERGY–7.0%		
ENERGY EQUIPMENT & SERVICES–1.4%		
Cameron International Corp.(a)	31,950	904,185
ENSCO International, Inc.	6,100	212,707
Halliburton Co.	7,400	153,180
National Oilwell Varco, Inc.(a)	11,900	388,654
Rowan Cos., Inc.	12,000	231,840
Saipem SpA	19,800	483,747
Schlumberger Ltd.	59,930	3,242,812
Tenaris SA	27,508	375,264
		5,992,389
OIL, GAS & CONSUMABLE FUELS–5.6%		
Apache Corp.	30,500	2,200,575
BG Group PLC	47,035	792,054
BP PLC	96,700	764,105
Chevron Corp.	41,500	2,749,375
ConocoPhillips	38,000	1,598,280
Devon Energy Corp.	20,800	1,133,600
ENI SpA	20,300	481,458
EOG Resources, Inc.	14,925	1,013,706
Exxon Mobil Corp.	59,200	4,138,672
LUKOIL (OTC US) (Sponsored ADR)	10,650	473,776
Nexen, Inc.	3,020	65,611
Occidental Petroleum Corp.	29,000	1,908,490
Petro-Canada	11,200	432,536
Petroleo Brasileiro SA (ADR)	27,200	1,114,656
Petroleo Brasileiro SA (Sponsored ADR)	6,500	216,840
PTT PCL	23,000	157,969
Royal Dutch Shell PLC (Euronext Amsterdam)–Class A	36,200	907,073
StatoilHydro ASA	56,205	1,110,227
Suncor Energy Inc(a)	7,800	237,189
Sunoco, Inc.	3,300	76,560
Tatneft (Sponsored ADR)	16,333	401,234
Total SA	17,849	967,429
		22,941,415
		28,933,804

Company	Shares	U.S. $ Value
HEALTH CARE–6.5%		
BIOTECHNOLOGY–1.5%		
Amgen, Inc.(a)	12,700	$ 672,338
Celgene Corp.(a)	33,250	1,590,680
Gilead Sciences, Inc.(a)	81,450	3,815,118
		6,078,136
HEALTH CARE EQUIPMENT & SUPPLIES–0.6%		
Alcon, Inc.	8,886	1,031,842
Baxter International, Inc.	17,355	919,121
Covidien PLC	6,400	239,616
St. Jude Medical, Inc.(a)	4,100	168,510
		2,359,089
HEALTH CARE PROVIDERS & SERVICES–0.5%		
Cardinal Health, Inc.	17,300	528,515
Celesio AG	3,800	87,292
Fresenius Medical Care AG & Co. KGaA	3,700	166,265
Medco Health Solutions, Inc.(a)	29,050	1,324,970
		2,107,042
PHARMACEUTICALS–3.9%		
AstraZeneca PLC	15,500	683,433
Bayer AG	9,200	494,410
Bristol-Myers Squibb Co.	17,400	353,394
Eli Lilly & Co.	21,300	737,832
GlaxoSmithKline PLC	42,663	753,569
Johnson & Johnson	20,400	1,158,720
Merck & Co., Inc.	76,200	2,130,552
Novartis AG	12,954	527,321
Novo Nordisk A/S–Class B	10,328	562,517
Pfizer, Inc.	170,600	2,559,000
Roche Holding AG	4,638	631,938
Sanofi-Aventis	22,559	1,333,009
Schering-Plough Corp.	47,700	1,198,224
Teva Pharmaceutical Industries Ltd. (Sponsored ADR)	65,273	3,220,570
		16,344,489
		26,888,756
CONSUMER DISCRETIONARY–6.0%		
AUTO COMPONENTS–0.1%		
Denso Corp.	9,200	235,820
Magna International, Inc.–Class A	2,500	106,070
		341,890
AUTOMOBILES–0.6%		
Bayerische Motoren Werke AG	6,075	229,484
Honda Motor Co. Ltd.	11,700	321,877
Isuzu Motors Ltd.	76,000	121,927
Nissan Motor Co. Ltd.	70,900	430,284
Renault SA(a)	12,700	469,221
Toyota Motor Corp.	7,000	$ 264,722
Toyota Motor Corp. (Sponsored ADR)	5,800	438,074
		2,275,589
DISTRIBUTORS–0.0%		
Li & Fung Ltd.	56,000	149,522
HOTELS, RESTAURANTS & LEISURE–0.7%		
Accor SA	1,000	39,843
Carnival PLC	21,954	584,714
Compass Group PLC	52,895	298,576
McDonald’s Corp.	28,400	1,632,716
TABCORP Holdings Ltd.	24,000	138,123
Thomas Cook Group PLC	31,100	105,381
TUI Travel PLC	28,600	109,328
		2,908,681
HOUSEHOLD DURABLES–0.3%		
DR Horton, Inc.	25,900	242,424
Electrolux AB Series B(a)	6,700	93,730
MRV Engenharia e Participacoes SA	19,800	268,379
Sharp Corp.	26,000	269,730
Sony Corp.	9,600	250,455
Whirlpool Corp.	3,000	127,680
		1,252,398
INTERNET & CATALOG RETAIL–0.1%		
Amazon.Com, Inc.(a)	6,600	552,156
LEISURE EQUIPMENT & PRODUCTS–0.0%		
Namco Bandai Holdings, Inc.	6,300	69,097
MEDIA–2.0%		
British Sky Broadcasting Group PLC	28,490	213,866
CBS Corp.–Class B	81,100	561,212
Comcast Corp.–Class A	13,700	198,513
Lagardere SCA	2,900	96,684
Liberty Media Corp.–Entertainment Series A(a)	18,700	500,225
News Corp.–Class A	165,000	1,503,150
Pearson PLC	16,607	167,237
SES SA (FDR)	23,445	448,317
Time Warner Cable, Inc.–Class A	47,500	1,504,325
Time Warner, Inc.	55,933	1,408,952
Viacom, Inc.–Class B(a)	28,400	644,680
The Walt Disney Co.	48,577	1,133,301
		8,380,462
MULTILINE RETAIL–1.0%		
JC Penney Co., Inc.	18,700	536,877
Kohl’s Corp.(a)	46,840	2,002,410
Macy’s, Inc.	27,800	326,928
Next PLC	11,505	278,747
Target Corp.	27,360	1,079,899
		4,224,861

Company	Shares	U.S. $ Value
SPECIALTY RETAIL–1.0%		
AutoNation, Inc.(a)	22,700	$ 393,845
Foot Locker, Inc.	13,700	143,439
The Gap, Inc.	14,000	229,600
Hennes & Mauritz AB–Class B	4,810	240,184
Home Depot, Inc.	30,500	720,715
Kingfisher PLC	119,487	350,558
Limited Brands, Inc.	35,400	423,738
Lowe's Cos, Inc.	76,500	1,484,865
		3,986,944
TEXTILES, APPAREL & LUXURY GOODS–0.2%		
Jones Apparel Group, Inc.	12,600	135,198
Nike, Inc.–Class B	5,900	305,502
VF Corp.	3,900	215,865
Yue Yuen Industrial Holdings Ltd.	9,000	21,171
		677,736
		24,819,336
CONSUMER STAPLES–4.7%		
BEVERAGES–0.8%		
Anheuser-Busch InBev NV	13,390	485,516
The Coca-Cola Co.	3,725	178,763
Coca-Cola Enterprises, Inc.	37,200	619,380
Pepsi Bottling Group, Inc.	14,300	483,912
PepsiCo, Inc.	28,650	1,574,604
		3,342,175
FOOD & STAPLES RETAILING–1.3%		
Aeon Co. Ltd.	19,500	192,406
Casino Guichard Perrachon SA	3,100	209,950
Costco Wholesale Corp.	36,650	1,674,905
Delhaize Group	3,800	267,537
Koninklijke Ahold NV	26,060	300,433
The Kroger Co.	12,500	275,625
Metro AG	3,400	162,446
Safeway, Inc.	20,300	413,511
Sysco Corp.	15,000	337,200
Tesco PLC	155,117	905,859
Wal-Mart Stores, Inc.	16,750	811,370
		5,551,242
FOOD PRODUCTS–1.2%		
Archer-Daniels-Midland Co.	37,700	1,009,229
Associated British Foods PLC	25,000	314,957
Bunge Ltd.	12,300	741,075
ConAgra Foods, Inc.	27,600	526,056
Del Monte Foods Co.	9,100	85,358
General Mills, Inc.	4,800	268,896
Kraft Foods, Inc.–Class A	25,800	653,772
Nestle SA	14,322	540,776
Sara Lee Corp.	12,700	123,952
Smithfield Foods, Inc.(a)	17,800	248,666

Company	Shares	U.S. $ Value
Suedzucker AG	1,500	$ 30,402
Tyson Foods, Inc.–Class A	29,800	375,778
		4,918,917
HOUSEHOLD PRODUCTS–0.7%		
Colgate-Palmolive Co.	5,500	389,070
Kimberly-Clark Corp.	4,300	225,449
Procter & Gamble Co.	36,121	1,845,783
Reckitt Benckiser Group PLC	14,661	669,537
		3,129,839
PERSONAL PRODUCTS–0.1%		
L'Oreal SA	3,224	242,006
TOBACCO–0.6%		
Altria Group, Inc.	52,800	865,392
British American Tobacco PLC	26,088	720,137
Lorillard, Inc.	6,500	440,505
Reynolds American, Inc.	10,000	386,200
		2,412,234
		19,596,413
INDUSTRIALS–4.0%		
AEROSPACE & DEFENSE–0.4%		
BAE Systems PLC	63,380	354,169
Boeing Co.	2,800	119,000
Bombardier, Inc.–Class B	32,400	96,101
Northrop Grumman Corp.	12,200	557,296
Raytheon Co.	10,100	448,743
		1,575,309
AIR FREIGHT & LOGISTICS–0.2%		
Deutsche Post AG	24,880	324,858
FedEx Corp.	10,200	567,324
		892,182
AIRLINES–0.1%		
Deutsche Lufthansa AG	4,200	52,746
Qantas Airways Ltd.	65,664	106,330
		159,076
BUILDING PRODUCTS–0.1%		
Masco Corp.	37,200	356,376
CONSTRUCTION & ENGINEERING–0.0%		
China Railway Construction Corp. Ltd.–Class H(a)	102,500	157,295
ELECTRICAL EQUIPMENT–0.9%		
Cooper Industries Ltd.–Class A	16,200	503,010
Emerson Electric Co.	36,020	1,167,048
Furukawa Electric Co. Ltd.	5,000	22,493
Gamesa Corp. Tecnologica SA	19,480	371,390
Schneider Electric SA	4,278	327,431

Company	Shares	U.S. $ Value
Vestas Wind Systems A/S(a)	6,188	$ 444,080
Vestas Wind Systems A/S (ADR)(a)	35,600	849,060
		3,684,512
INDUSTRIAL CONGLOMERATES–0.3%		
Bidvest Group Ltd.	15,756	197,710
General Electric Co.	78,900	924,708
Textron, Inc.	25,600	247,296
		1,369,714
MACHINERY–1.0%		
Atlas Copco AB–Class A	23,454	236,163
Caterpillar, Inc.	10,700	353,528
Crane Co.	6,000	133,860
Danaher Corp.	17,500	1,080,450
Deere & Co.	4,700	187,765
Dover Corp.	5,800	191,922
Illinois Tool Works, Inc.	23,400	873,756
MAN AG	2,942	181,020
NGK Insulators Ltd.	13,000	264,963
SPX Corp.	4,300	210,571
Terex Corp.(a)	17,300	208,811
Vallourec	700	85,560
Volvo AB–Class B	36,250	224,516
		4,232,885
MARINE–0.1%		
Mitsui OSK Lines Ltd.	40,000	258,494
PROFESSIONAL SERVICES–0.1%		
Adecco SA	2,100	87,774
Randstad Holding NV(a)	6,300	175,080
		262,854
ROAD & RAIL–0.4%		
Burlington Northern Santa Fe Corp.	2,600	191,204
East Japan Railway Co.	3,400	204,700
Hertz Global Holdings, Inc.(a)	32,100	256,479
Union Pacific Corp.	17,500	911,050
		1,563,433
TRADING COMPANIES & DISTRIBUTORS–0.4%		
Mitsubishi Corp.	40,900	754,737
Mitsui & Co. Ltd.	78,200	926,645
Wolseley PLC(a)	5,000	95,716
		1,777,098
TRANSPORTATION INFRASTRUCTURE–0.0%		
Macquarie Infrastructure Group	69,600	80,010
		16,369,238
MATERIALS–2.9%		
CHEMICALS–1.2%		
Air Products & Chemicals, Inc.	13,500	871,965
BASF SE	11,000	$ 438,260
E.I. Du Pont de Nemours & Co.	41,000	1,050,420
Eastman Chemical Co.	11,600	439,640
JSR Corp.	11,500	196,979
Mitsubishi Chemical Holdings Corp.	38,500	162,845
Mitsui Chemicals, Inc.	400	1,275
Monsanto Co.	13,485	1,002,475
Syngenta AG	2,636	613,307
		4,777,166
CONSTRUCTION MATERIALS–0.1%		
CRH PLC (Dublin)	1,831	42,084
CRH PLC (London)	10,928	250,268
		292,352
CONTAINERS & PACKAGING–0.0%		
Amcor Ltd.	17,780	71,494
METALS & MINING–1.6%		
Anglo American PLC	8,200	239,760
ArcelorMittal (Euronext Amsterdam)	29,628	980,485
ArcelorMittal (Luxembourg)	4,400	146,907
ArcelorMittal (New York)	21,700	717,836
Barrick Gold Corp.	11,147	375,193
BHP Billiton Ltd.	6,400	175,334
BHP Billiton PLC	23,756	535,427
Freeport-McMoRan Copper & Gold, Inc.	28,400	1,423,124
JFE Holdings, Inc.	4,900	164,627
MMC Norilsk Nickel (ADR)(a)	21,150	192,465
Nucor Corp.	5,200	231,036
Rio Tinto PLC	6,170	213,676
Rio Tinto PLC (Sponsored ADR)	2,500	409,675
Sumitomo Metal Mining Co. Ltd.	14,000	196,670
Vale SA (Sponsored ADR)–Class B	18,700	329,681
Xstrata PLC	25,500	277,140
Yamato Kogyo Co. Ltd.	700	20,608
		6,629,644
PAPER & FOREST PRODUCTS–0.0%		
Svenska Cellulosa AB–Class B	4,600	48,431
		11,819,087
TELECOMMUNICATION SERVICES–2.4%		
DIVERSIFIED TELECOMMUNICATION SERVICES–1.9%		
AT&T, Inc.	125,800	3,124,872
BCE, Inc.	5,700	117,612

Company	Shares	U.S. $ Value
Bezeq Israeli Telecommunication Corp. Ltd.	51,400	$ 94,878
Deutsche Telekom AG	39,900	471,720
France Telecom SA	19,100	434,595
Nippon Telegraph & Telephone Corp.	7,200	293,223
Telecom Corp. of New Zealand Ltd.	95,485	167,519
Telecom Italia SpA (ordinary shares)	217,300	301,284
Telecom Italia SpA (savings shares)	148,800	146,585
Telefonica SA	70,343	1,597,467
TELUS Corp.–Class A	4,100	105,747
Verizon Communications, Inc.	32,000	983,360
		7,838,862
WIRELESS TELECOMMUNICATION SERVICES–0.5%		
KDDI Corp.	49	259,996
MTN Group Ltd.	12,492	191,858
Sprint Nextel Corp.(a)	166,800	802,308
Vodafone Group PLC	429,753	835,843
		2,090,005
		9,928,867
UTILITIES–1.5%		
ELECTRIC UTILITIES–0.5%		
American Electric Power Co., Inc.	15,000	433,350
CEZ	6,600	294,996
E.ON AG	16,426	583,090
Edison International	17,600	553,696
Entergy Corp.	900	69,768
Pinnacle West Capital Corp.	5,700	171,855
The Tokyo Electric Power Co., Inc.	4,400	113,130
		2,219,885
GAS UTILITIES–0.0%		
Atmos Energy Corp.	2,800	70,112
INDEPENDENT POWER PRODUCERS & ENERGY TRADERS–0.1%		
Drax Group PLC	18,100	131,019
Iberdrola Renovables SA(a)	36,800	168,712
RRI Energy, Inc.(a)	37,200	186,372
		486,103
MULTI-UTILITIES–0.9%		
Alliant Energy Corp.	13,100	342,303
Ameren Corp.	4,100	102,049
Centrica PLC	229,185	842,721
CMS Energy Corp.	11,900	143,752
Consolidated Edison, Inc.	3,500	130,970
Dominion Resources, Inc.	15,300	511,326
GDF Suez	6,174	231,107
National Grid PLC	21,142	190,779
NiSource, Inc.	39,400	$ 459,404
RWE AG	4,850	382,469
Xcel Energy, Inc.	16,000	294,560
		3,631,440
		6,407,540
Total Common Stocks (cost $266,310,626)		259,831,323

Company	Principal Amount (000)	U.S. $ Value
CORPORATES–INVESTMENT GRADES–10.7%		
INDUSTRIAL–5.7%		
BASIC–0.8%		
Alcoa, Inc.		
6.75%, 7/15/18	$ 145	128,641
ArcelorMittal		
6.125%, 6/01/18	330	288,750
6.50%, 4/15/14	105	100,592
BHP Billiton Finance USA Ltd.		
7.25%, 3/01/16	203	228,469
The Dow Chemical Co.		
7.375%, 11/01/29	15	13,632
7.60%, 5/15/14	195	200,850
8.55%, 5/15/19	145	145,258
EI Du Pont de Nemours & Co.		
5.875%, 1/15/14	176	190,592
Freeport-McMoRan Copper & Gold, Inc.		
8.25%, 4/01/15	160	161,600
8.375%, 4/01/17	185	186,388
Inco Ltd.		
7.75%, 5/15/12	80	86,194
International Paper Co.		
5.30%, 4/01/15	219	200,849
7.40%, 6/15/14	235	233,933
7.95%, 6/15/18	190	183,301
Packaging Corp. of America		
5.75%, 8/01/13	30	28,833
PPG Industries, Inc.		
5.75%, 3/15/13	250	259,869
Rio Tinto Finance USA Ltd.		
6.50%, 7/15/18	345	345,201
Weyerhaeuser Co.		
6.75%, 3/15/12	265	265,096
7.375%, 3/15/32	110	87,797
		3,335,845
CAPITAL GOODS–0.4%		
Boeing Co.		
6.00%, 3/15/19	295	321,676
John Deere Capital Corp.		
5.25%, 10/01/12	300	316,894
Lafarge SA		
6.15%, 7/15/11	172	173,846

Company	Principal Amount (000)	U.S. $ Value
Tyco International Finance SA		
6.00%, 11/15/13	$ 200	$ 203,364
8.50%, 1/15/19	140	155,229
United Technologies Corp.		
4.875%, 5/01/15	181	192,470
Vulcan Materials Co.		
5.60%, 11/30/12	90	92,932
		1,456,411
COMMUNICATIONS– MEDIA–0.7%		
British Sky Broadcasting Group PLC		
8.20%, 7/15/09	20	20,012
BSKYB Finance UK PLC		
5.625%, 10/15/15(b)	175	172,300
CBS Corp.		
8.875%, 5/15/19	330	321,621
Comcast Cable Communications Holdings, Inc.		
9.455%, 11/15/22	180	210,446
Comcast Corp.		
5.30%, 1/15/14	230	237,854
5.50%, 3/15/11	275	286,147
News America, Inc.		
6.55%, 3/15/33	45	40,276
9.25%, 2/01/13	144	164,187
Reed Elsevier Capital, Inc.		
8.625%, 1/15/19	140	159,065
RR Donnelley & Sons Co.		
4.95%, 4/01/14	25	21,763
5.50%, 5/15/15	120	102,998
11.25%, 2/01/19	190	201,140
Time Warner Cable, Inc.		
7.50%, 4/01/14	145	159,731
Time Warner Entertainment Co.		
8.375%, 3/15/23	311	342,917
WPP Finance UK		
5.875%, 6/15/14	150	140,032
8.00%, 9/15/14	350	355,435
		2,935,924
COMMUNICATIONS– TELECOMMUNICATIONS–1.2%		
AT&T Corp.		
7.30%, 11/15/11	125	137,080
8.00%, 11/15/31	15	17,313
BellSouth Corp.		
5.20%, 9/15/14	94	97,857
British Telecommunications PLC		
9.125%, 12/15/10(c)	375	398,277
Embarq Corp.		
6.738%, 6/01/13	190	191,794
7.082%, 6/01/16	498	486,343
New Cingular Wireless Services, Inc.		
7.875%, 3/01/11	275	296,578
8.75%, 3/01/31	160	195,010
Pacific Bell Telephone Co.		
6.625%, 10/15/34	$ 230	$ 219,430
Qwest Corp.		
7.50%, 10/01/14	295	281,356
7.875%, 9/01/11	265	265,000
8.875%, 3/15/12	230	231,725
Telecom Italia Capital SA		
4.00%, 1/15/10	440	442,109
6.00%, 9/30/34	65	54,899
6.175%, 6/18/14	305	308,439
6.375%, 11/15/33	60	53,325
Telus Corp.		
8.00%, 6/01/11	65	69,763
US Cellular Corp.		
6.70%, 12/15/33	250	239,492
Verizon Communications, Inc.		
4.90%, 9/15/15	168	167,802
5.25%, 4/15/13	225	236,133
Verizon New Jersey, Inc. Series A		
5.875%, 1/17/12	154	161,434
Vodafone Group PLC		
5.50%, 6/15/11	220	231,483
7.75%, 2/15/10	85	87,874
7.875%, 2/15/30	100	114,697
		4,985,213
CONSUMER CYCLICAL– AUTOMOTIVE–0.1%		
Daimler Finance North America LLC		
5.75%, 9/08/11	135	137,753
CONSUMER CYCLICAL– ENTERTAINMENT–0.1%		
Time Warner, Inc.		
6.875%, 5/01/12	210	224,646
The Walt Disney Co.		
5.50%, 3/15/19	240	251,553
		476,199
CONSUMER CYCLICAL–OTHER–0.1%		
Marriott International, Inc. Series J		
5.625%, 2/15/13	216	213,243
MDC Holdings, Inc.		
5.50%, 5/15/13	140	135,503
Toll Brothers Finance Corp.		
6.875%, 11/15/12	135	130,083
		478,829
CONSUMER CYCLICAL– RETAILERS–0.1%		
CVS Caremark Corp.		
6.125%, 8/15/16	100	103,590
Wal-Mart Stores, Inc.		
4.25%, 4/15/13	125	129,877
		233,467

Company	Principal Amount (000)	U.S. $ Value
CONSUMER NON-CYCLICAL–1.2%		
Avon Products, Inc.		
6.50%, 3/01/19	$ 305	$ 334,283
Bottling Group LLC		
6.95%, 3/15/14	265	302,254
Bunge Ltd. Finance Corp.		
5.10%, 7/15/15	69	63,271
5.875%, 5/15/13	180	179,167
Cadbury Schweppes US Finance LLC		
5.125%, 10/01/13(b)	260	256,723
Campbell Soup Co.		
6.75%, 2/15/11	260	281,288
The Coca-Cola Co.		
5.35%, 11/15/17	280	299,025
ConAgra Foods, Inc.		
7.875%, 9/15/10	3	3,179
Diageo Capital PLC		
7.375%, 1/15/14	265	299,836
Fisher Scientific International, Inc.		
6.125%, 7/01/15	196	196,735
6.75%, 8/15/14	29	29,804
Fortune Brands, Inc.		
4.875%, 12/01/13	201	195,677
Johnson & Johnson		
5.55%, 8/15/17	270	293,464
Kraft Foods, Inc.		
4.125%, 11/12/09	115	116,207
5.25%, 10/01/13	179	185,089
The Kroger Co.		
6.80%, 12/15/18	79	84,559
Pepsico, Inc.		
4.65%, 2/15/13	285	299,194
Pfizer, Inc.		
5.35%, 3/15/15	295	317,007
The Procter & Gamble Co.		
4.70%, 2/15/19	294	298,158
Reynolds American, Inc.		
7.25%, 6/01/13	150	154,253
7.625%, 6/01/16	250	250,749
Safeway, Inc.		
4.95%, 8/16/10	90	91,848
6.50%, 3/01/11	15	15,886
Whirlpool Corp.		
8.60%, 5/01/14	45	47,025
Wyeth		
5.50%, 2/01/14	210	224,749
		4,819,430
ENERGY–0.5%		
Amerada Hess Corp.		
7.875%, 10/01/29	80	86,772
Apache Corp.		
5.25%, 4/15/13	165	173,323
Baker Hughes, Inc.		
6.50%, 11/15/13	150	166,371
Canadian Natural Resources Ltd.		
5.15%, 2/01/13	$ 100	$ 101,762
Conoco, Inc.		
6.95%, 4/15/29	66	71,116
Nabors Industries, Inc.		
9.25%, 1/15/19(b)	315	363,188
Noble Energy, Inc.		
8.25%, 3/01/19	303	344,736
The Premcor Refining Group, Inc.		
7.50%, 6/15/15	161	167,042
Valero Energy Corp.		
4.75%, 6/15/13	80	76,559
6.875%, 4/15/12	290	308,389
Weatherford International Ltd.		
5.15%, 3/15/13	125	124,670
		1,983,928
SERVICES–0.0%		
The Western Union Co.		
5.93%, 10/01/16	90	90,864
TECHNOLOGY–0.5%		
Cisco Systems, Inc.		
5.25%, 2/22/11	280	295,243
Computer Sciences Corp.		
5.50%, 3/15/13	180	179,053
Dell, Inc.		
5.625%, 4/15/14	185	195,382
Electronic Data Systems Corp. Series B		
6.00%, 8/01/13	375	409,368
Motorola, Inc.		
6.50%, 9/01/25	175	122,500
7.50%, 5/15/25	35	26,775
7.625%, 11/15/10	49	49,852
Oracle Corp.		
4.95%, 4/15/13	147	153,932
5.25%, 1/15/16	390	408,102
Xerox Corp.		
7.625%, 6/15/13	55	55,398
8.25%, 5/15/14	280	291,161
		2,186,766
TRANSPORTATION–AIRLINES–0.0%		
Southwest Airlines Co.		
5.25%, 10/01/14	92	88,653
TRANSPORTATION–RAILROAD–0.0%		
Canadian Pacific Railway Co.		
6.50%, 5/15/18	58	57,644
CSX Corp.		
5.50%, 8/01/13	35	35,623
		93,267
		23,302,549

Company	Principal Amount (000)	U.S. $ Value
FINANCIAL INSTITUTIONS–3.9%		
BANKING–2.5%		
American Express Co.		
8.125%, 5/20/19	$ 325	$ 337,262
ANZ National International Ltd.		
6.20%, 7/19/13(b)	335	345,871
Bank of America Corp.		
4.50%, 8/01/10	260	261,269
4.875%, 1/15/13	285	281,571
7.375%, 5/15/14	340	351,225
Barclays Bank PLC		
5.45%, 9/12/12	620	646,418
8.55%, 6/15/11(b)(d)	50	33,500
BBVA International Preferred SA Unipersonal		
5.919%, 4/18/17(d)	130	76,700
The Bear Stearns Co., Inc.		
5.55%, 1/22/17	290	268,759
5.70%, 11/15/14	190	193,585
7.625%, 12/07/09	223	228,648
Citigroup, Inc.		
4.625%, 8/03/10	175	174,128
5.50%, 4/11/13	230	215,566
6.50%, 8/19/13	260	252,558
8.50%, 5/22/19	475	483,189
Compass Bank		
5.50%, 4/01/20	215	160,220
Countrywide Financial Corp.		
6.25%, 5/15/16	92	81,620
5.80%, 6/07/12	96	96,598
Countrywide Home Loans, Inc. Series L		
4.00%, 3/22/11	59	58,227
Credit Suisse First Boston USA, Inc.		
5.50%, 8/15/13	120	125,071
The Goldman Sachs Group, Inc.		
4.75%, 7/15/13	200	200,267
5.125%, 1/15/15	140	137,708
7.35%, 10/01/09	60	60,921
7.50%, 2/15/19	550	588,925
JP Morgan Chase & Co.		
6.75%, 2/01/11	160	167,274
JP Morgan Chase Capital XXV Series Y		
6.80%, 10/01/37	51	43,860
Marshall & Ilsley Bank		
4.85%, 6/16/15	250	180,479
5.00%, 1/17/17	205	139,957
Merrill Lynch & Co., Inc.		
6.05%, 5/16/16	245	219,372
Morgan Stanley		
5.05%, 1/21/11	100	101,972
5.30%, 3/01/13	135	136,737
6.60%, 4/01/12	145	153,520
5.625%, 1/09/12	210	214,915
6.625%, 4/01/18	345	343,933
National Capital Trust II		
5.486%, 12/29/49(b)(d)	$ 91	$ 60,060
National City Bank of Cleveland Ohio		
6.25%, 3/15/11	250	255,341
North Fork Bancorporation, Inc.		
5.875%, 8/15/12	100	91,575
Rabobank Nederland		
11.00%, 6/30/19(b)(d)	95	105,688
Regions Financial Corp.		
6.375%, 5/15/12	275	252,297
Royal Bank of Scotland Group PLC		
5.00%, 10/01/14	205	163,879
SouthTrust Corp.		
5.80%, 6/15/14	225	223,394
Sovereign Bancorp, Inc.		
4.80%, 9/01/10	155	151,403
UBS Preferred Funding Trust I		
8.622%, 10/01/10(d)	40	28,484
UBS Preferred Funding Trust II		
7.247%, 6/26/11(d)	250	148,604
Unicredito Italiano Capital Trust II		
9.20%, 10/05/10(b)(d)	330	212,518
Union Bank of California		
5.95%, 5/11/16	250	231,274
Union Planters Corp.		
7.75%, 3/01/11	183	177,623
Wachovia Corp.		
5.50%, 5/01/13	320	330,561
Wells Fargo & Co.		
4.20%, 1/15/10	85	85,979
5.625%, 12/11/17	295	290,378
		10,170,883
BROKERAGE–0.0%		
Lazard Group		
6.85%, 6/15/17	160	146,985
FINANCE–0.4%		
General Electric Capital Corp.		
4.80%, 5/01/13	315	315,343
5.625%, 5/01/18	480	453,976
Series A		
4.375%, 11/21/11	25	25,120
HSBC Finance Corp.		
7.00%, 5/15/12	125	128,871
International Lease Finance Corp.		
5.65%, 6/01/14	28	20,290
SLM Corp.		
5.125%, 8/27/12	65	55,598
5.40%, 10/25/11	185	166,387
Series A		
5.375%, 1/15/13–5/15/14	650	534,455
		1,700,040

Company	Principal Amount (000)	U.S. $ Value
INSURANCE–0.7%		
Allied World Assurance Co. Holdings Ltd.		
7.50%, 8/01/16	$ 160	$ 135,486
The Allstate Corp.		
6.125%, 5/15/37(d)	235	172,725
Assurant, Inc.		
5.625%, 2/15/14	135	120,414
Berkshire Hathaway Finance Corp.		
4.20%, 12/15/10	115	118,563
Genworth Financial, Inc.		
6.515%, 5/22/18	315	210,555
ING Capital Funding Trust III		
8.439%, 12/31/10(d)	200	126,000
ING Groep NV		
5.775%, 12/08/15(d)	65	38,025
Liberty Mutual Group, Inc.		
5.75%, 3/15/14(b)	165	130,631
Lincoln National Corp.		
8.75%, 7/01/19	98	98,830
Massachusetts Mutual Life Insurance Co.		
8.875%, 6/01/39(b)	185	196,450
Nationwide Mutual Insurance Co.		
5.81%, 12/15/24(b)(d)	500	293,621
Principal Financial Group, Inc.		
7.875%, 5/15/14	260	273,908
Prudential Financial, Inc.		
6.20%, 1/15/15	45	43,992
7.375%, 6/15/19	35	34,364
5.15%, 1/15/13	205	198,941
UnitedHealth Group, Inc.		
4.125%, 8/15/09	67	67,100
5.25%, 3/15/11	280	288,970
WellPoint, Inc.		
4.25%, 12/15/09	148	149,758
5.25%, 1/15/16	50	47,371
XL Capital Ltd.		
5.25%, 9/15/14	135	113,301
		2,859,005
REITS–0.3%		
ERP Operating LP		
5.25%, 9/15/14	105	99,685
HCP, Inc.		
5.95%, 9/15/11	340	332,766
Healthcare Realty Trust, Inc.		
5.125%, 4/01/14	131	115,457
8.125%, 5/01/11	225	224,141
Nationwide Health Properties, Inc.		
6.50%, 7/15/11	180	177,331
Simon Property Group LP		
5.00%, 3/01/12	90	89,717
5.625%, 8/15/14	179	170,924
		1,210,021
		16,086,934

Company	Principal Amount (000)	U.S. $ Value
UTILITY–0.9%		
ELECTRIC–0.6%		
Carolina Power & Light Co.		
6.50%, 7/15/12	$ 275	$ 299,538
Exelon Corp. 6.75%, 5/01/11	25	26,094
FirstEnergy Corp.		
Series B		
6.45%, 11/15/11	290	302,690
Series C		
7.375%, 11/15/31	275	259,561
FPL Group Capital, Inc.		
6.35%, 10/01/66(d)	55	42,900
6.65%, 6/15/67(d)	170	136,000
MidAmerican Energy Holdings Co.		
5.875%, 10/01/12	170	181,051
Nisource Finance Corp.		
6.80%, 1/15/19	330	309,241
7.875%, 11/15/10	40	41,316
Pacific Gas & Electric Co.		
4.80%, 3/01/14	200	210,556
6.05%, 3/01/34	38	39,423
Progress Energy, Inc.		
7.10%, 3/01/11	19	20,208
Public Service Company of Colorado		
Series 10		
7.875%, 10/01/12	130	150,608
The Southern Co.		
Series A		
5.30%, 1/15/12	114	119,700
SPI Electricity & Gas Australia Holdings Pty Ltd.		
6.15%, 11/15/13(b)	488	482,321
		2,621,207
NATURAL GAS–0.2%		
Duke Energy Field Services Corp.		
7.875%, 8/16/10	15	15,691
Energy Transfer Partners LP		
6.70%, 7/01/18	195	199,349
7.50%, 7/01/38	225	236,281
Enterprise Products Operating LLC		
Series G		
5.60%, 10/15/14	125	128,467
Texas Eastern Transmission Corp.		
7.30%, 12/01/10	160	165,660
TransCanada Pipelines Ltd.		
6.35%, 5/15/67(d)	120	83,400
Williams Co., Inc.		
7.875%, 9/01/21	214	210,790
		1,039,638
OTHER UTILITY–0.1%		
Veolia Environnement		
6.00%, 6/01/18	210	214,044
		3,874,889

Company		Principal Amount (000)		U.S. $ Value
NON CORPORATE SECTORS–0.2%				
AGENCIES–NOT GOVERNMENT GUARANTEED–0.2%				
Gaz Capital SA				
6.212%, 11/22/16(b)	$	510	$	428,400
TransCapitalInvest Ltd. for OJSC AK Transneft				
8.70%, 8/07/18(b)		345		327,750
				756,150
Total Corporates–Investment Grades (cost $44,759,309)				44,020,522
GOVERNMENTS–TREASURIES–7.6%				
TREASURIES–7.6%				
SWEDEN–0.5%				
Sweden Government Bond				
Series 1045				
5.25%, 3/15/11	SEK	6,815		943,878
Series 1046				
5.50%, 10/08/12		6,435		923,162
				1,867,040
UNITED STATES–7.1%				
U.S. Treasury Bonds				
3.75%, 11/15/18	$	7,230		7,354,862
4.50%, 2/15/36		2,330		2,400,264
U.S. Treasury Notes				
0.875%, 2/28/11–5/31/11		8,440		8,421,058
1.75%, 1/31/14		10,065		9,781,972
2.125%, 1/31/10		1,365		1,378,597
				29,336,753
Total Governments–Treasuries (cost $30,977,392)				31,203,793
MORTGAGE PASS-THRU'S–5.6%				
AGENCY FIXED RATE 30-YEAR–5.2%				
Federal Home Loan Mortgage Corp. Gold				
Series 2005				
4.50%, 8/01/35–10/01/35		1,797		1,794,819
5.50%, 1/01/35		1,877		1,946,310
Series 2007				
5.50%, 7/01/35		201		209,103
Series 2008				
6.50%, 5/01/35		73		78,831
Federal National Mortgage Association				
Series 2003				
5.00%, 11/01/33		581		594,309
Series 2004				
5.50%, 2/01/34–11/01/34		839		870,801
6.00%, 9/01/34–11/01/34		720		757,177
Series 2005				
4.50%, 8/01/35	$	625	$	625,660
Series 2006				
5.00%, 2/01/36		2,197		2,244,138
6.00%, 3/01/36		317		332,236
Series 2007				
4.50%, 9/01/35–1/01/36		1,815		1,819,176
5.00%, 11/01/35–7/01/36		619		632,630
5.50%, 1/01/37–8/01/37		3,154		3,271,700
Series 2008				
5.50%, 8/01/37		1,470		1,522,700
6.00%, 3/01/37		3,025		3,173,747
Government National Mortgage Association				
Series 2008				
6.50%, 12/20/38		961		1,018,368
Series 2009				
5.50%, 2/15/39		549		567,878
				21,459,583
AGENCY ARMS–0.4%				
Federal Home Loan Mortgage Corporation				
Series 2008				
5.621%, 11/01/37(e)		335		351,106
Federal National Mortgage Association				
Series 2006				
5.454%, 2/01/36(e)		373		389,279
5.816%, 11/01/36(e)		94		98,273
6.235%, 3/01/36		273		287,094
Series 2007				
4.725%, 3/01/34(e)		617		625,671
				1,751,423
Total Mortgage Pass-Thru's (cost $22,552,461)				23,211,006
COMMERCIAL MORTGAGE-BACKED SECURITIES–4.0%				
NON-AGENCY FIXED RATE CMBS–4.0%				
Banc of America Commercial Mortgage, Inc.				
Series 2001-PB1, Class A2				
5.787%, 5/11/35		1,027		1,041,589
Series 2004-4, Class A3				
4.128%, 7/10/42		167		166,983
Series 2004-6, Class A2				
4.161%, 12/10/42		132		131,502
Series 2005-6, Class A4				
5.351%, 9/10/47		315		273,688
Series 2006-5, Class A4				
5.414%, 9/10/47		355		283,059
Bear Stearns Commercial Mortgage Securities, Inc.				
Series 2006-PW12, Class A4				
5.903%, 9/11/38		250		217,418

Company	Principal Amount (000)	U.S. $ Value
Series 2007-PW18, Class A4 5.70%, 6/11/50	$ 280	$ 222,445
Citigroup Commercial Mortgage Trust Series 2004-C1, Class A4 5.545%, 4/15/40	110	98,330
Series 2008-C7, Class A4 6.299%, 12/10/49	440	359,716
Commercial Mortgage Pass Through Certificates Series 2006-C8, Class A4 5.306%, 12/10/46	130	94,778
Series 2007-C9, Class A4 6.01%, 12/10/49	650	516,595
Credit Suisse Mortgage Capital Certificates Series 2006-C3, Class A3 6.02%, 6/15/38	620	452,521
Series 2006-C4, Class A3 5.467%, 9/15/39	235	164,438
Series 2006-C5, Class A3 5.311%, 12/15/39	345	236,455
CS First Boston Mortgage Securities Corp. Series 2003-CK2, Class A2 3.861%, 3/15/36	3	2,503
Series 2004-C1, Class A4 4.75%, 1/15/37	70	62,608
Series 2005-C1, Class A4 5.014%, 2/15/38	260	219,474
GE Capital Commercial Mortgage Corp. Series 2005-C3, Class A3FX 4.863%, 7/10/45	360	352,321
Greenwich Capital Commercial Funding Corp. Series 2005-GG3, Class A4 4.799%, 8/10/42	85	72,342
Series 2007-GG9, Class A2 5.381%, 3/10/39	520	488,238
Series 2007-GG9, Class A4 5.444%, 3/10/39	410	326,817
GS Mortgage Securities Corp. II Series 2001-ROCK, Class C 6.878%, 5/03/18(b)	605	654,002
Series 2004-GG2, Class A6 5.396%, 8/10/38	80	71,322
Series 2006-GG8, Class A2 5.479%, 11/10/39	185	172,674
JP Morgan Chase Commercial Mortgage Securities Corp. Series 2004-C1, Class A2 4.302%, 1/15/38	60	54,490
Series 2005-CB11, Class A4 5.335%, 8/12/37	170	151,318
Series 2005-LDP3, Class A2 4.851%, 8/15/42	100	95,573
Series 2005-LDP4, Class A2 4.79%, 10/15/42	$ 188	$ 185,736
Series 2005-LDP5, Class A2 5.198%, 12/15/44	60	58,069
Series 2006-CB14, Class A4 5.481%, 12/12/44	315	254,240
Series 2006-CB15, Class A4 5.814%, 6/12/43	595	467,981
Series 2006-CB16, Class A4 5.552%, 5/12/45	335	269,211
Series 2006-CB17, Class A4 5.429%, 12/12/43	350	282,950
Series 2007-CB18, Class A4 5.44%, 6/12/47	445	335,088
Series 2007-LD11, Class A4 6.007%, 6/15/49	195	148,909
Series 2007-LDPX, Class A3 5.42%, 1/15/49	475	349,642
LB-UBS Commercial Mortgage Trust Series 2003-C3, Class A4 4.166%, 5/15/32	150	137,670
Series 2004-C4, Class A4 5.409%, 6/15/29	40	34,646
Series 2004-C8, Class A2 4.201%, 12/15/29	122	121,542
Series 2005-C1, Class A4 4.742%, 2/15/30	120	105,197
Series 2005-C7, Class A4 5.197%, 11/15/30	50	42,942
Series 2006-C1, Class A4 5.156%, 2/15/31	1,095	911,913
Series 2006-C3, Class A4 5.661%, 3/15/39	285	239,773
Series 2006-C4, Class A4 6.08%, 6/15/38	275	230,249
Series 2006-C6, Class A4 5.372%, 9/15/39	660	535,135
Series 2006-C7, Class A3 5.347%, 11/15/38	195	155,016
Series 2007-C1, Class A4 5.424%, 2/15/40	210	152,645
Series 2008-C1, Class A2 6.317%, 4/15/41	650	531,832
Merrill Lynch Mortgage Trust Series 2005-CKI1, Class A6 5.415%, 11/12/37	40	33,930
Series 2005-MKB2, Class A2 4.806%, 9/12/42	320	317,110
Merrill Lynch/Countrywide Commercial Mortgage Trust Series 2006-2, Class A4 6.104%, 6/12/46	110	90,399
Series 2006-3, Class A4 5.414%, 7/12/46	480	361,363
Series 2007-9, Class A4 5.70%, 9/12/49	440	303,485
Morgan Stanley Capital I Series 2004-HQ4, Class A5 4.59%, 4/14/40	190	178,099

Company	Principal Amount (000)	U.S. $ Value
Series 2005-HQ5, Class A4		
5.168%, 1/14/42	$ 1,035	$ 933,050
Series 2007-IQ15, Class A4		
6.076%, 6/11/49	90	67,779
Series 2007-T27, Class A4		
5.803%, 6/11/42	210	176,203
Wachovia Bank Commercial Mortgage Trust		
Series 2006-C27, Class A3		
5.765%, 7/15/45	630	503,620
Series 2007-C31, Class A4		
5.509%, 4/15/47	190	126,018
Series 2007-C32, Class A2		
5.924%, 6/15/49	640	597,296
Series 2007-C32, Class A3		
5.929%, 6/15/49	625	434,050
		16,655,987
NON-AGENCY FLOATING RATE CMBS–0.0%		
GS Mortgage Securities Corp. II Series 2007-EOP, Class E		
0.758%, 3/06/20(b)(e)	75	51,475
Total Commercial Mortgage-Backed Securities (cost $19,588,994)		16,707,462
AGENCIES–2.3%		
AGENCY DEBENTURES–2.3%		
Citigroup Funding, Inc.–FDIC Insured		
0.936%, 5/05/11(e)	2,175	2,177,384
Federal Home Loan Bank		
4.625%, 10/10/12	115	124,296
5.00%, 11/17/17	885	941,741
Federal Home Loan Mortgage Corp.		
5.125%, 11/17/17	3,610	3,962,076
Federal National Mortgage Association		
6.25%, 5/15/29	740	868,779
6.625%, 11/15/30	1,092	1,337,454
Total Agencies (cost $9,259,393)		9,411,730
CORPORATES–NON-INVESTMENT GRADES–1.1%		
INDUSTRIAL–0.6%		
BASIC–0.1%		
Ineos Group Holdings PLC		
8.50%, 2/15/16(b)	75	23,250
Stora Enso Oyj		
7.375%, 5/15/11	175	165,721
United States Steel Corp.		
5.65%, 6/01/13	251	225,906
6.05%, 6/01/17	10	8,529
Westvaco Corp.		
8.20%, 1/15/30	15	13,251
		436,657
CAPITAL GOODS–0.2%		
Hanson Australia Funding Ltd.		
5.25%, 3/15/13	$ 120	$ 94,356
Masco Corp.		
6.125%, 10/03/16	275	230,889
Mohawk Industries, Inc.		
6.625%, 1/15/16	245	217,702
Owens Corning, Inc.		
6.50%, 12/01/16	178	156,028
Textron Financial Corp.		
4.60%, 5/03/10	40	38,200
5.125%, 2/03/11	73	66,997
5.40%, 4/28/13	53	43,395
		847,567
COMMUNICATIONS–MEDIA–0.0%		
Cablevision Systems Corp. Series B		
8.00%, 4/15/12	45	44,550
Clear Channel Communications, Inc.		
5.50%, 9/15/14	185	40,700
DirecTV Holdings LLC		
6.375%, 6/15/15	40	37,000
Univision Communications, Inc.		
12.00%, 7/01/14(b)	36	33,480
		155,730
COMMUNICATIONS–TELECOMMUNICATIONS–0.0%		
Qwest Communications International, Inc.		
7.50%, 2/15/14	25	22,812
Series B		
7.50%, 2/15/14	15	13,688
		36,500
CONSUMER CYCLICAL–AUTOMOTIVE–0.1%		
Ford Motor Credit Co.		
7.375%, 10/28/09	160	158,628
CONSUMER CYCLICAL–OTHER–0.2%		
Centex Corp.		
5.45%, 8/15/12	99	93,307
Sheraton Holding Corp.		
7.375%, 11/15/15	262	241,040
Starwood Hotels & Resorts Worldwide, Inc.		
6.25%, 2/15/13	250	232,500
7.875%, 5/01/12	212	195,040
Wyndham Worldwide Corp.		
6.00%, 12/01/16	70	54,747
		816,634

Company		Principal Amount (000)	U.S. $ Value
CONSUMER CYCLICAL–RETAILERS–0.0%			
Limited Brands, Inc.			
6.90%, 7/15/17	$	25	$ 21,633
CONSUMER NON-CYCLICAL–0.0%			
Bausch & Lomb, Inc.			
9.875%, 11/01/15		130	124,150
HCA, Inc.			
8.50%, 4/15/19(b)		35	34,387
			158,537
TRANSPORTATION–AIRLINES–0.0%			
UAL Pass Through Trust Series 2007-1 Series 071A			
6.636%, 7/02/22		79	59,353
			2,691,239
FINANCIAL INSTITUTIONS–0.4%			
BANKING–0.3%			
ABN Amro Bank NV			
4.31%, 3/10/16(d)	EUR	90	51,765
BankAmerica Capital II Series 2			
8.00%, 12/15/26	$	94	78,010
Commerzbank Capital Funding Trust I			
5.012%, 4/12/16(d)	EUR	200	89,783
Dexia Credit Local			
4.30%, 11/18/15(d)		300	151,509
HBOS Capital Funding LP			
4.939%, 5/23/16(d)		56	25,925
HBOS Euro Finance LP			
7.627%, 12/09/11(d)		75	42,086
KBC Bank Funding Trust III			
9.86%, 11/29/49(b)(d)	$	247	108,680
Lloyds Banking Group PLC			
5.92%, 10/01/15(b)(d)		100	35,000
6.267%, 11/14/16(b)(d)		450	153,000
6.657%, 5/21/37(b)(d)		400	144,000
Northern Rock PLC			
5.60%, 4/30/14(b)(d)		445	89,000
RBS Capital Trust III			
5.512%, 9/30/14(d)		125	51,250
Zions Bancorp			
5.50%, 11/16/15		35	25,193
			1,045,201
BROKERAGE–0.0%			
Lehman Brothers Holdings, Inc.			
7.875%, 11/01/09–8/15/10(f)		370	54,575
5.00%, 1/14/11(f)		80	11,800
6.20%, 9/26/14(f)		33	4,867

Company		Principal Amount (000)	U.S. $ Value
Series G			
4.80%, 3/13/14(f)	$	42	$ 6,195
			77,437
FINANCE–0.1%			
American General Finance Corp.			
4.875%, 7/15/12		45	26,640
5.85%, 6/01/13		100	57,364
CIT Group, Inc.			
5.00%, 2/01/15		205	120,747
5.85%, 9/15/16		155	87,506
7.625%, 11/30/12		290	198,576
5.125%, 9/30/14		40	23,577
			514,410
INSURANCE–0.0%			
Liberty Mutual Group, Inc.			
7.80%, 3/15/37(b)		65	36,400
REITS–0.0%			
AMR REAL ESTATE PTR/FIN			
7.125%, 2/15/13		45	40,613
			1,714,061
UTILITY–0.1%			
ELECTRIC–0.1%			
Dynegy Holdings, Inc.			
8.375%, 5/01/16		115	97,462
Edison Mission Energy			
7.00%, 5/15/17		95	72,913
NRG Energy, Inc.			
7.25%, 2/01/14		105	101,850
7.375%, 2/01/16		35	33,119
			305,344
Total Corporates–Non-Investment Grades (cost $6,201,315)			4,710,644
ASSET-BACKED SECURITIES–0.6%			
CREDIT CARDS–FLOATING RATE–0.3%			
Chase Issuance Trust FRN Series 2007-A1, Class A1			
0.339%, 3/15/13(e)		640	628,259
MBNA Credit Card Master Note Trust FRN Series 2005-A9, Class A9			
0.359%, 4/15/13(e)		660	649,153
			1,277,412
HOME EQUITY LOANS–FLOATING RATE–0.2%			
Bear Stearns Asset Backed Securities, Inc. Series 2007-HE3, Class M1			
0.764%, 4/25/37(e)		100	2,100
Credit-Based Asset Servicing and Securitization LLC Series 2003-CB1, Class AF			
3.95%, 1/25/33(c)		219	183,609

Company		Principal Amount (000)		U.S. $ Value
HFC Home Equity Loan Asset Backed Certificates Series 2007-1, Class M1 0.695%, 3/20/36(e)	$	365	$	134,827
Home Equity Asset Trust Series 2007-3, Class M1 0.664%, 8/25/37(e)		275		6,848
Indymac Residential Asset Backed Trust Series 2006-D, Class 2A2 0.424%, 11/25/36(e)		295		207,774
IXIS Real Estate Capital Trust Series 2006-HE3, Class A2 0.414%, 1/25/37(e)		174		124,304
Newcastle Mortgage Securities Trust Series 2007-1, Class 2A1 0.444%, 4/25/37(e)		232		154,253
Option One Mortgage Loan Trust Series 2007-2, Class M1 0.674%, 3/25/37(e)		125		2,787
RAAC Series Series 2006-SP3, Class A1 0.394%, 8/25/36(e)		48		44,645
Residential Asset Securities Corp. Series 2003-KS3, Class A2 0.914%, 5/25/33(e)		2		1,024
Soundview Home Equity Loan Trust Series 2007-OPT2, Class 2A2 0.444%, 7/25/37(e)		300		98,307
				960,478
HOME EQUITY LOANS–FIXED RATE–0.1%				
Countrywide Asset-Backed Certificates Series 2007-S1, Class A3 5.81%, 11/25/36		569		103,395
Credit-Based Asset Servicing and Securitization LLC Series 2005-CB7, Class AF2 5.147%, 11/25/35		8		7,978
Home Equity Mortgage Trust Series 2005-4, Class A3 4.742%, 1/25/36		19		18,400
Residential Funding Mortgage Securities II, Inc. Series 2005-HI2, Class A3 4.46%, 5/25/35		6		6,107
				135,880
Total Asset-Backed Securities (cost $3,944,079)				2,373,770

Company		Principal Amount (000)		U.S. $ Value
GOVERNMENTS–SOVEREIGN BONDS–0.5%				
BRAZIL–0.2%				
Republic of Brazil 8.25%, 1/20/34	$	765	$	910,350
PERU–0.2%				
Republic of Peru				
8.375%, 5/03/16		180		207,450
9.875%, 2/06/15		410		501,225
				708,675
RUSSIA–0.1%				
Russian Federation 7.50%, 3/31/30(b)		298		292,987
Total Governments–Sovereign Bonds (cost $1,776,406)				1,912,012
GOVERNMENTS–SOVEREIGN AGENCIES–0.3%				
UNITED KINGDOM–0.3%				
Barclays Bank PLC Series E 2.875%, 12/23/11	GBP	330		549,324
The Royal Bank of Scotland PLC 2.625%, 5/11/12(b)	$	695		699,994
Total Governments–Sovereign Agencies (cost $1,172,761)				1,249,318
QUASI-SOVEREIGNS–0.3%				
RUSSIA–0.3%				
RSHB Capital SA for OJSC Russian Agricultural Bank				
6.299%, 5/15/17(b)		295		253,700
7.75%, 5/29/18(b)		1,025		930,188
Total Quasi-Sovereigns (cost $1,306,739)				1,183,888
		Shares		
PREFERRED STOCKS–0.2%				
UTILITY–0.1%				
OTHER UTILITY–0.1%				
Dte Energy Trust I 7.80%		20,000		498,400
INDUSTRIAL–0.1%				
COMMUNICATIONS–TELECOMMUNICATIONS–0.1%				
Centaur Funding Corp. 9.08%(b)		200		161,000
FINANCIAL INSTITUTIONS–0.0%				
BANKING–0.0%				
Royal Bank of Scotland Group PLC 5.75%		10,000		97,500

Company	Shares	U.S. $ Value
NON CORPORATE SECTORS–0.0%		
AGENCIES–GOVERNMENT SPONSORED–0.0%		
Federal Home Loan Mortgage Corp. Series Z 8.375%	4,750	$ 5,795
Federal National Mortgage Association 8.25%	5,750	7,705
		13,500
Total Preferred Stocks (cost $1,245,116)		770,400
	Principal Amount (000)	
CMOS–0.2%		
NON-AGENCY ARMS–0.1%		
Bear Stearns Alt-A Trust Series 2006-1, Class 22A1 5.317%, 2/25/36(d)	$ 175	73,883
Series 2006-3, Class 22A1 5.956%, 5/25/36(d)	237	111,446
Series 2007-1, Class 21A1 5.663%, 1/25/47(d)	59	27,176
Citigroup Mortgage Loan Trust, Inc. Series 2005-2, Class 1A4 5.122%, 5/25/35(d)	109	73,152
Series 2006-AR1, Class 3A1 5.50%, 3/25/36(e)	118	69,722
Deutsche Mortgage Securities, Inc. Series 2005-WF1, Class 1A1 5.119%, 6/26/35(b)	107	96,259
Indymac Index Mortgage Loan Trust Series 2006-AR7, Class 4A1 5.844%, 5/25/36(d)	74	31,716
		483,354
NON-AGENCY FLOATING RATE–0.1%		
Countrywide Alternative Loan Trust Series 2005-62, Class 2A1 2.34%, 12/25/35(e)	51	23,631
Series 2006-OA14, Class 3A1 2.19%, 11/25/46(e)	180	62,542
Series 2007-OA3, Class M1 0.624%, 4/25/47(e)	185	2,611
Lehman XS Trust Series 2007-4N, Class M1 0.764%, 3/25/47(e)	265	1,913
		90,697

Company	Principal Amount (000)	U.S. $ Value
NON-AGENCY FIXED RATE–0.0%		
Merrill Lynch Mortgage Investors, Inc. Series 2005-A8, Class A1C1 5.25%, 8/25/36	$ 79	$ 65,743
Total CMOs (cost $1,637,084)		639,794
EMERGING MARKETS–SOVEREIGNS–0.1%		
INDONESIA–0.1%		
Indonesia Government International Bond 11.625%, 3/04/19(b) (cost $481,551)	485	618,375
EMERGING MARKETS–CORPORATE BONDS–0.0%		
INDUSTRIAL–0.0%		
BASIC–0.0%		
Steel Capital SA for OAO Severstal 9.75%, 7/29/13(b) (cost $100,000)	100	84,500
	Shares	
RIGHTS–0.0%		
MATERIALS–0.0%		
METALS & MINING–0.0%		
Rio Tinto PLC(a)	3,239	37,195
FINANCIALS–0.0%		
DIVERSIFIED FINANCIAL SERVICES–0.0%		
Fortis(a)	5,366	0
Total Rights (cost $47,999)		37,195
	Principal Amount (000)	
SHORT-TERM INVESTMENTS–0.9%		
AGENCY DISCOUNT NOTES–0.9%		
Federal Home Loan Bank Discount Notes Zero Coupon, 7/01/09 (cost $3,800,000)	$ 3,800	3,800,000
TOTAL INVESTMENTS–97.3% (cost $415,161,225)		401,765,732
Other assets less liabilities–2.7%		11,305,268
NET ASSETS–100.0%		$ 413,071,000

FUTURES CONTRACTS (see Note D)

Type	Number of Contracts	Expiration Month	Original Value	Value at June 30, 2009	Unrealized Appreciation/ (Depreciation)
Purchased Contracts					
DJ EURO STOXX 50	10	September 2009	$ 340,794	$ 336,406	$ (4,388)

FORWARD CURRENCY EXCHANGE CONTRACTS (see Note D)

	Contract Amount (000)	U.S. $ Value on Origination Date	U.S. $ Value at June 30, 2009	Unrealized Appreciation/ (Depreciation)
Buy Contracts:				
Australian Dollar settling 8/17/09	1,279	$ 901,567	$ 1,026,968	$ 125,401
Australian Dollar settling 8/17/09	195	146,474	156,574	10,100
Australian Dollar settling 8/17/09	1,210	918,995	971,565	52,570
Australian Dollar settling 8/17/09	1,455	1,119,783	1,168,287	48,504
Australian Dollar settling 8/17/09	2,103	1,612,160	1,688,596	76,436
Australian Dollar settling 8/17/09	1,061	827,601	851,926	24,325
Australian Dollar settling 8/17/09	165	131,142	132,486	1,344
Australian Dollar settling 8/17/09	306	243,276	245,701	2,425
Australian Dollar settling 8/17/09	207	167,231	166,210	(1,021)
Australian Dollar settling 8/17/09	337	263,972	270,593	6,621
Australian Dollar settling 9/15/09	1,413	1,121,597	1,132,186	10,589
British Pound settling 8/17/09	254	399,158	417,862	18,704
British Pound settling 8/17/09	290	461,869	477,087	15,218
British Pound settling 8/17/09	212	343,726	348,767	5,041
British Pound settling 8/17/09	416	679,183	684,373	5,190
British Pound settling 8/17/09	1,251	2,038,004	2,058,053	20,049
British Pound settling 8/17/09	380	626,468	625,148	(1,320)
British Pound settling 9/15/09	131	211,825	215,494	3,669
British Pound settling 9/15/09	715	1,172,007	1,176,171	4,164
Canadian Dollar settling 8/17/09	92	81,143	79,117	(2,026)
Canadian Dollar settling 8/17/09	211	182,858	181,453	(1,405)
Euro settling 8/17/09	184	245,327	258,122	12,795
Euro settling 8/17/09	2,664	3,619,976	3,737,153	117,177
Euro settling 8/17/09	359	509,277	503,618	(5,659)
Euro settling 8/17/09	574	814,104	805,227	(8,877)
Euro settling 8/17/09	558	772,439	782,782	10,343
Japanese Yen settling 8/17/09	20,046	204,624	208,198	3,574
Japanese Yen settling 8/17/09	32,574	329,730	338,315	8,585
Japanese Yen settling 8/17/09	284,229	2,958,130	2,952,012	(6,118)
Japanese Yen settling 8/17/09	353,695	3,681,102	3,673,488	(7,614)
Japanese Yen settling 8/17/09	86,814	912,199	901,653	(10,546)
Japanese Yen settling 8/17/09	18,365	192,970	190,739	(2,231)
Japanese Yen settling 9/15/09	131,062	1,344,570	1,361,665	17,095
New Zealand Dollar settling 8/17/09	598	358,411	384,752	26,341
New Zealand Dollar settling 8/17/09	699	451,205	449,736	(1,469)
New Zealand Dollar settling 8/17/09	1,360	858,976	875,023	16,047
New Zealand Dollar settling 9/15/09	1,772	1,103,282	1,137,970	34,688
Norwegian Krone settling 8/17/09	880	135,177	136,688	1,511
Norwegian Krone settling 8/17/09	5,772	891,993	896,549	4,556
Norwegian Krone settling 8/17/09	8,963	1,385,124	1,392,199	7,075

	Contract Amount (000)	U.S. $ Value on Origination Date	U.S. $ Value at June 30, 2009	Unrealized Appreciation/ (Depreciation)
Buy Contracts: (continued)				
Norwegian Krone settling 8/17/09	9,978	$ 1,552,755	$ 1,549,856	$ (2,899)
Norwegian Krone settling 9/15/09	5,737	900,204	890,481	(9,723)
Swedish Krona settling 8/17/09	7,937	1,048,121	1,028,705	(19,416)
Swedish Krona settling 8/17/09	1,597	210,892	206,985	(3,907)
Swedish Krona settling 8/17/09	1,056	133,433	136,867	3,434
Swiss Franc settling 8/17/09	310	281,384	285,472	4,088
Sale Contracts:				
British Pound settling 8/17/09	563	823,303	926,206	(102,903)
British Pound settling 8/17/09	202	303,828	332,315	(28,487)
British Pound settling 8/17/09	207	310,438	340,541	(30,103)
British Pound settling 8/17/09	193	291,613	317,509	(25,896)
British Pound settling 8/17/09	95	144,789	156,287	(11,498)
British Pound settling 8/17/09	1,056	1,635,512	1,737,254	(101,742)
British Pound settling 8/17/09	5,195	8,045,912	8,546,432	(500,520)
British Pound settling 8/25/09	317	519,503	522,037	(2,534)
Canadian Dollar settling 8/17/09	289	246,703	248,531	(1,828)
Canadian Dollar settling 8/17/09	1,738	1,502,655	1,494,622	8,033
Canadian Dollar settling 8/17/09	260	224,793	223,591	1,202
Canadian Dollar settling 8/17/09	156	142,648	134,155	8,493
Canadian Dollar settling 8/17/09	409	364,657	351,726	12,931
Canadian Dollar settling 9/15/09	1,801	1,632,228	1,549,061	83,167
Euro settling 7/08/09	12	15,577	16,355	(778)
Euro settling 7/08/09	121	161,364	169,398	(8,034)
Euro settling 7/08/09	6	8,566	8,623	(57)
Euro settling 7/08/09	35	49,147	48,630	517
Euro settling 7/08/09	20	28,055	28,031	24
Euro settling 7/08/09	82	113,779	115,318	(1,539)
Euro settling 8/17/09	558	767,250	782,782	(15,532)
Euro settling 8/17/09	362	505,678	507,827	(2,149)
Euro settling 8/17/09	117	162,736	164,132	(1,396)
Euro settling 8/17/09	1,128	1,588,449	1,582,398	6,051
Euro settling 9/15/09	266	372,765	373,111	(346)
Japanese Yen settling 8/17/09	48,196	509,267	500,565	8,702
Japanese Yen settling 8/17/09	105,218	1,108,725	1,092,798	15,927
Japanese Yen settling 8/17/09	86,700	897,701	900,469	(2,768)
Japanese Yen settling 8/17/09	135,845	1,411,348	1,410,891	457
Japanese Yen settling 8/17/09	45,339	460,107	470,892	(10,785)
Japanese Yen settling 8/17/09	639	6,518	6,637	(119)
Japanese Yen settling 8/17/09	86,814	885,450	901,653	(16,203)
Japanese Yen settling 8/17/09	268,607	2,805,295	2,789,761	15,534
Japanese Yen settling 8/17/09	145,888	1,523,635	1,515,198	8,437
Japanese Yen settling 9/15/09	33,686	351,335	349,980	1,355
Norwegian Krone settling 8/17/09	9,843	1,524,628	1,528,887	(4,259)
Swedish Krona settling 7/28/09	14,752	1,950,397	1,912,059	38,338
Swedish Krona settling 8/17/09	1,057	134,669	136,997	(2,328)
Swedish Krona settling 8/17/09	6,880	893,646	891,709	1,937
Swedish Krona settling 8/17/09	5,522	717,255	715,700	1,555
Swedish Krona settling 8/17/09	7,712	972,890	999,543	(26,653)

	Contract Amount (000)	U.S. $ Value on Origination Date	U.S. $ Value at June 30, 2009	Unrealized Appreciation/ (Depreciation)
Sale Contracts: (continued)				
Swiss Franc settling 8/17/09	140	$ 124,180	$ 128,923	$ (4,743)
Swiss Franc settling 8/17/09	310	279,068	285,472	(6,404)
Swiss Franc settling 8/17/09	1,646	1,481,762	1,515,763	(34,001)
Swiss Franc settling 8/17/09	228	209,810	209,960	(150)

(a) Non-income producing security.

(b) Security is exempt from registration under Rule 144A of the Securities Act of 1933. These securities are considered liquid and may be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2009, the aggregate market value of these securities amounted to $7,908,698 or 1.9% of net assets.

(c) Coupon rate adjusts periodically based upon a predetermined schedule. Stated interest rate in effect at June 30, 2009.

(d) Variable rate coupon, rate shown as of June 30, 2009.

(e) Floating Rate Security. Stated interest rate was in effect at June 30, 2009.

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

The fund currently owns investments collateralized by subprime mortgage loans. Subprime loans are offered to homeowners who do not have a history of debt or who have had problems meeting their debt obligations. Because repayment is less certain, subprime borrowers pay a higher rate of interest than prime borrowers. As of June 30, 2009, the fund's total exposure to subprime investments was 0.38% of net assets. These investments are valued in accordance with the fund's Valuation Policies (see Note A for additional details).

Currency Abbreviations:

EUR—Euro Dollar
GBP—Great British Pound
SEK—Swedish Krona

Glossary:

ADR—American Depositary Receipt
ARMS—Adjustable Rate Mortgages
CMBS—Commercial Mortgage-Backed Securities
FDR—Fiduciary Depositary Receipt
FRN—Floating Rate Note
LP—Limited Partnership
OJSC—Open Joint Stock Company
REIT—Real Estate Investment Trust

See notes to financial statements.

ASSETS	
Investments in securities, at value (cost $415,161,225)	$401,765,732
Cash	6,726,073
Foreign currencies, at value (cost $809,456)	856,574(a)
Unrealized appreciation of forward currency exchange contracts	910,319
Receivable for investment securities sold and foreign currency contracts	4,239,648
Dividends and interest receivable	2,001,165
Receivable for capital stock sold	451,456
Total assets	416,950,967
LIABILITIES	
Unrealized depreciation of forward currency exchange contracts	1,027,986
Payable for investment securities purchased	2,377,774
Advisory fee payable	185,088
Payable for capital stock redeemed	71,669
Distribution fee payable	70,692
Administrative fee payable	28,413
Payable for variation margin on futures contracts	4,770
Transfer Agent fee payable	124
Accrued expenses	113,451
Total liabilities	3,879,967
NET ASSETS	$413,071,000
COMPOSITION OF NET ASSETS	
Capital stock, at par	$ 46,362
Additional paid-in capital	508,347,631
Undistributed net investment income	3,354,137
Accumulated net realized loss on investment and foreign currency transactions	(85,179,286)
Net unrealized depreciation of investments and foreign currency denominated assets and liabilities	(13,497,844)
	$413,071,000

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

Class	Net Assets	Shares Outstanding	Net Asset Value
A	$ 64,933,131	7,250,799	$ 8.96
B	$ 348,137,869	39,110,994	$ 8.90

(a) An amount equivalent to U.S. $40,129 has been segregated to collateralize margin requirements for the open futures contracts outstanding at June 30, 2009.

See notes to financial statements.

INVESTMENT INCOME	
Dividends (net of foreign taxes withheld of $226,999)	$ 3,825,511
Interest	3,145,298
Total investment income	6,970,809
EXPENSES	
Advisory fee (see Note B)	986,713
Distribution fee—Class B	371,348
Transfer agency—Class A	265
Transfer agency—Class B	1,298
Custodian	108,049
Administrative	45,840
Audit	31,760
Legal	14,632
Printing	12,860
Directors' fees	1,250
Miscellaneous	17,817
Total expenses	1,591,832
Net investment income	5,378,977
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENT AND FOREIGN CURRENCY TRANSACTIONS	
Net realized gain (loss) on:	
Investment transactions	(45,604,897)
Futures	29,428
Foreign currency transactions	(269,255)
Net change in unrealized appreciation/depreciation of:	
Investments	61,282,885
Futures	(8,572)
Foreign currency denominated assets and liabilities	(1,527,376)
Net gain on investment and foreign currency transactions	13,902,213
NET INCREASE IN NET ASSETS FROM OPERATIONS	$ 19,281,190

See notes to financial statements.

	Six Months Ended June 30, 2009 (unaudited)	Year Ended December 31, 2008
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Net investment income	$ 5,378,977	$ 6,628,409
Net realized loss on investment and foreign currency transactions	(45,844,724)	(35,604,381)
Net change in unrealized appreciation/depreciation of investments and foreign currency denominated assets and liabilities	59,746,937	(79,848,031)
Contributions from Adviser	–0–	6
Net increase (decrease) in net assets from operations	19,281,190	(108,823,997)
DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS FROM		
Net investment income		
Class A	(716,042)	(296)
Class B	(3,162,663)	(7,557,243)
Net realized gain on investment and foreign currency transactions		
Class A	–0–	(217)
Class B	–0–	(5,342,366)
CAPITAL STOCK TRANSACTIONS		
Net increase	44,180,584	263,761,629
Total increase	59,583,069	142,037,510
NET ASSETS		
Beginning of period	353,487,931	211,450,421
End of period (including undistributed net investment income of $3,354,137 and $1,853,865, respectively)	$413,071,000	$ 353,487,931

See notes to financial statements.

NOTE A: Significant Accounting Policies

The AllianceBernstein Balanced Wealth Strategy Portfolio (the "Portfolio") is a series of AllianceBernstein Variable Products Series Fund, Inc. (the "Fund"). The Portfolio's investment objective is to maximize total return consistent with the Adviser's determination of reasonable risk. 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 fifteen 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, 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

The Portfolio adopted Financial Accounting Standards Board ("FASB") Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("FAS 157"), effective January 1, 2008. In accordance with FAS 157, 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. FAS 157 also establishes a framework for measuring fair value, and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. 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 developed 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, 2009:

	Level 1	Level 2	Level 3	Total
Investments in Securities				
Common Stocks - U.S.	$156,277,835	$ –0–	$ –0–	$ 156,277,835
Common Stocks - Foreign	16,499,428	86,896,091	157,969	103,553,488
Corporates - Investment Grades	–0–	42,918,501	1,102,021	44,020,522
Governments - Treasuries	–0–	31,203,793	–0–	31,203,793
Mortgage Pass-Thru's	–0–	23,211,006	–0–	23,211,006
Commercial Mortgage-Backed Securities	–0–	16,556,145	151,317	16,707,462
Agencies	–0–	9,411,730	–0–	9,411,730
Corporates - Non-Investment Grades	–0–	4,545,661	164,983	4,710,644
Asset-Backed Securities	–0–	1,277,412	1,096,358	2,373,770
Governments - Sovereign Bonds	–0–	708,675	1,203,337	1,912,012
Governments - Sovereign Agencies	–0–	1,249,318	–0–	1,249,318
Quasi-Sovereigns	–0–	–0–	1,183,888	1,183,888
Preferred Stocks	–0–	770,400	–0–	770,400
CMOs	–0–	–0–	639,794	639,794
Emerging Markets - Sovereigns	–0–	–0–	618,375	618,375
Emerging Markets - Corporate Bonds	–0–	–0–	84,500	84,500
Rights	37,195	–0–	–0–	37,195
Short-Term Investments	–0–	3,800,000	–0–	3,800,000
	172,814,458	222,548,732	6,402,542	401,765,732
Other Financial Instruments*	(4,388)	(117,667)	–0–	(122,055)
Total	**$172,810,070**	**$ 222,431,065**	**$ 6,402,542**	**$ 401,643,677**

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

Following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

	Common Stocks - Foreign	Corporates - Investment Grades	Commercial Mortgage-Backed Securities	Corporates - Non-Investment Grades	Asset-Backed Securities
Balance as of 12/31/08	$ 156,101	$ 322,113	$ –0–	$ 313,828	$1,423,710
Accrued discounts/premiums	–0–	480	–0–	50	883
Realized gain (loss)	(2,752)	–0–	–0–	29	1,743
Change in unrealized appreciation/depreciation	78,370	142,950	12,216	39,174	(142,690)
Net purchases (sales)	(73,750)	305,113	–0–	32,129	(187,288)
Net transfers in and/or out of Level 3	–0–	331,365	139,101	(220,227)	–0–
Balance as of 6/30/09	**$ 157,969**	**$1,102,021**	**$ 151,317**	**$ 164,983**	**$1,096,358**
Net change in unrealized appreciation/depreciation from investments held as of 6/30/09 *	$ 42,242	$ 23,828	$ –0–	$ 38,664	$ (142,690)

	Governments - Sovereign Bonds	Quasi-Sovereigns	CMOs	Emerging Markets - Sovereigns	Emerging Markets - Corporate Bonds
Balance as of 12/31/08	$ 935,212	$ 168,150	$ 835,035	$ –0–	$ –0–
Accrued discounts/premiums	(411)	854	(128)	–0–	–0–
Realized gain (loss)	–0–	–0–	(40,279)	–0–	–0–
Change in unrealized appreciation/depreciation	42,667	353,759	76,463	136,886	31,500
Net purchases (sales)	(316,876)	–0–	(231,297)	481,489	–0–
Net transfers in and/or out of Level 3	542,745	661,125	–0–	–0–	53,000
Balance as of 6/30/09	**$1,203,337**	**$1,183,888**	**$ 639,794**	**$ 618,375**	**$ 84,500**
Net change in unrealized appreciation/depreciation from investments held as of 6/30/09 *	$ (24,451)	$ 84,696	$ 28,091	$ –0–	$ –0–

	Total
Balance as of 12/31/08	$4,154,149
Accrued discounts/premiums	1,728
Realized gain (loss)	(41,259)
Change in unrealized appreciation/depreciation	771,295
Net purchases (sales)	9,520
Net transfers in and/or out of Level 3	1,507,109
Balance as of 6/30/09	**$6,402,542**
Net change in unrealized appreciation/depreciation from investments held as of 6/30/09 *	$ 50,380

* 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 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 policy of the Portfolio 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 FASB Interpretation No. 48, "Accounting for Uncertainties in Income Taxes" ("FIN 48"), management has analyzed the Portfolio's tax positions 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 securities are purchased or sold. Investment gains and 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 their 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. generally accepted accounting principles. 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.

8. Repurchase Agreements

It is the policy of the Portfolio 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 Portfolio may be delayed or limited.

9. Recent Accounting Pronouncements

During the period ended June 30, 2009, the Portfolio adopted FASB Statement of Financial Accounting Standards No. 161 ("FAS 161"), "Disclosures about Derivative Instruments and Hedging Activities." FAS 161 requires enhanced disclosure about an entity's derivative and hedging activities including qualitative disclosures about the objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative agreements (see Note D.1).

In accordance with the provision set forth in FASB Statement of Financial Accounting Standards No. 165 "Subsequent Events", adopted by the Portfolio as of June 30, 2009, management has evaluated the possibility of subsequent events existing in the Portfolio's financial statements issued on August 14, 2009. Management has determined that there are no material events that would require disclosure in the Portfolio's financial statements through this date.

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 .55% of the first $2.5 billion, .45% of the next $2.5 billion and .40% in excess of $5 billion, of the Portfolio's average daily net assets. The fee is accrued daily and paid monthly.

The Adviser has agreed to waive its fees and bear certain expenses to the extent necessary to limit total operating expenses on an annual basis to .75% and 1.00% of the daily average net assets for Class A and Class B shares, respectively. Prior to February 12, 2007, the Portfolio's total operating expenses on an annual basis were limited to 1.20% and 1.45% of the daily average net assets for Class A and Class B shares, respectively. For the six months ended June 30, 2009 the Adviser did not waive any advisory fees.

During the year ended December 31, 2008 the Adviser made a payment of $6 to the Portfolio in connection with a trading error.

Pursuant to the terms of the investment advisory agreement, the Portfolio has agreed to reimburse the Adviser for the cost of providing the Portfolio with certain legal and accounting services. For the six months ended June 30, 2009 the total amount of such fees was $45,840. The Adviser did not waive any portion of such services.

Brokerage commissions paid on investment transactions for the six months ended June 30, 2009 amounted to $175,388, none of which was paid to Sanford C. Bernstein & Co. LLC and Sanford C. Bernstein Limited, affiliates of the Adviser.

The Portfolio compensates AllianceBernstein Investor Services, Inc., 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 amounted to $576 for the six months ended June 30, 2009.

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 and 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, 2009, were as follows:

	Purchases	Sales
Investment securities (excluding U.S. government securities)	$150,020,860	$110,866,933
U.S. government securities	54,360,909	44,231,955

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

Gross unrealized appreciation	$ 19,449,900
Gross unrealized depreciation	(32,845,393)
Net unrealized depreciation	$(13,395,493)

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 Portfolio may also use derivatives for non-hedging purposes as a means of making direct investment in foreign currencies, as described below under "Currency Transactions".

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

- **Futures Contracts**

  The Portfolio may buy or sell futures contracts for the purpose of hedging its portfolio against adverse effects of anticipated movements in the market. The Portfolio bears the market risk that arises from changes in the value of these instruments and the imperfect correlation between movements in the price of the futures contracts and movements in the price of the securities hedged or used for cover. The Portfolio 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 Portfolio enters into a futures contract, the Portfolio deposits and maintains as collateral an initial margin with the broker, as required by the exchange on which the transaction is effected. Pursuant to the contract, the Portfolio agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receipts or payments are known as variation margin and are recorded by the Portfolio as unrealized gains or losses. Risks may arise from the potential inability of a counterparty to meet the terms of the contract. The credit/counterparty risk for futures contracts is generally less than privately negotiated futures contracts, since the clearinghouse, which is the issuer or counterparty to each exchange-traded future, provides a guarantee of performance. This guarantee is supported by a daily payment system (i.e., margin requirements). When the contract is closed, the Portfolio records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the time it was closed.

- **Forward Currency Exchange Contracts**

  The Portfolio 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 Portfolio. Risks may arise from the potential inability of a counterparty to meet the terms of a contract and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar. The face or contract amount, in U.S. dollars reflects the total exposure the Portfolio has in that particular currency contract.

- **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".

  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, 2009, the Portfolio had no transactions in written options.

At June 30, 2009, the Portfolio had entered into the following derivatives (not designated as hedging instruments under FAS No. 133 "Accounting for Derivative Instruments and Hedging Activities"):

	Asset Derivatives		Liability Derivatives	
Derivatives Not Accounted for as Hedging Instruments under Statement 133	**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	$910,319	Unrealized depreciation of forward currency exchange contracts	$1,027,986
Equity contracts			Payable for variation margin on futures contracts	4,388*
Total		$910,319		$1,032,374

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

The effect of derivative instruments on the Statement of Operations for the six months ended June 30, 2009:

Derivatives Not Accounted for as Hedging Instruments under Statement 133	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; change in unrealized appreciation/(depreciation) of foreign currency denominated assets and liabilities	$(285,686)	$(1,552,316)
Equity contracts	Net realized gain (loss) on futures contracts; change in unrealized appreciation/(depreciation) of futures contracts	29,428	(8,572)
Total		$(256,258)	$(1,560,888)

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 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).

3. Dollar Rolls

The Portfolio may enter into dollar rolls. Dollar rolls involve sales by the Portfolio of securities for delivery in the current month and the Portfolio's simultaneously contracting to repurchase substantially similar (same type and coupon) securities on a specified future date. During the roll period, the Portfolio forgoes principal and interest paid on the securities. The Portfolio 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 Portfolio 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 Portfolio. For the six months ended June 30, 2009, the Portfolio did not participate in dollar roll transactions.

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, 2009 (unaudited)	Year Ended December 31, 2008	Six Months Ended June 30, 2009 (unaudited)	Year Ended December 31, 2008
Class A				
Shares sold	175,663	26,690	$ 1,472,568	$ 226,132
Shares issued in reinvestment of dividends and distributions	79,384	–0–	716,042	–0–
Shares issued in connection with the acquisition of Balanced Shares Portfolio	–0–	8,694,602	–0–	90,961,719
Shares redeemed	(827,006)	(899,299)	(6,749,404)	(7,772,470)
Net increase (decrease)	(571,959)	7,821,993	$ (4,560,794)	$ 83,415,381
Class B				
Shares sold	7,670,233	15,581,451	$ 63,676,388	$164,069,127
Shares issued in reinvestment of dividends and distributions	352,583	1,124,077	3,162,663	12,899,609
Shares issued in connection with the acquisition of Balanced Shares Portfolio	–0–	2,754,448	–0–	28,651,812
Shares redeemed	(2,249,433)	(2,430,837)	(18,097,673)	(25,274,300)
Net increase	5,773,383	17,029,139	$ 48,741,378	$180,346,248

NOTE F: Risks Involved in Investing in the Portfolio

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

Currency Risk—This is the risk that changes in foreign currency exchange rates may negatively affect the value of the 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 in securities 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.

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

Derivatives Risk—The Portfolio may invest in derivatives such as forwards, options, futures and swaps. These investments 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.

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.

NOTE G: Joint Credit Facility

A number of open-end mutual funds managed by the Adviser, including the Portfolio, participate in a $250 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 the miscellaneous expenses in the statement of operations. The Portfolio did not utilize the Facility during the six months ended June 30, 2009. Effective July 16, 2009, the Facility will be reduced to $140 million.

NOTE H: Acquisition of AllianceBernstein Balanced Shares Portfolio by AllianceBernstein Balanced Wealth Portfolio (the "Portfolio")

On September 28, 2008, the Portfolio acquired all of the assets and assumed all of the liabilities of AllianceBernstein Balanced Shares Portfolio ("Balanced Shares") in a tax free event, pursuant to a Plan of Acquisition and Liquidation. As a result of the acquisition, stockholders of Balanced Shares received shares of the Portfolio equivalent to the aggregate net asset value of the shares they held in Balanced Shares. On September 28, 2008, the acquisition was accomplished by a tax-free exchange of 11,449,051 shares of the Portfolio for 8,365,648 shares of Balanced Shares. The aggregate net assets of the Portfolio and Balanced Shares immediately before the acquisition were $269,014,856 and $119,613,531 (including $5,935,661 of net unrealized depreciation of investments and foreign currency denominated assets and liabilities), respectively. Immediately after the acquisition, the combined net assets of the Portfolio amounted to $388,628,387.

NOTE I: Distributions to Shareholders

The tax character of distributions to be paid for the year ending December 31, 2009 will be determined at the end of the current fiscal year. The tax character of distributions paid during the fiscal years ended December 31, 2008 and December 31, 2007 were as follows:

	2008	2007
Distributions paid from:		
Ordinary income	$ 7,609,285	$3,822,032
Net long-term capital gains	5,290,837	2,735,872
Total distributions paid	$12,900,122	$6,557,904

NOTE J: Component of Accumulated Earnings (Deficit)

As of December 31, 2008, the components of accumulated earnings/(deficit) on a tax basis were as follows:

Undistributed ordinary income	$ 3,738,368
Accumulated capital and other losses	(30,934,726)(a)
Unrealized appreciation/(depreciation)	(83,568,312)(b)
Total accumulated earnings/(deficit)	$(110,764,670)(c)

(a) On December 31, 2008, the Portfolio had a net capital loss carryforward for federal income tax purposes of $20,877,023 (of which approximately $2,981,323 were attributable to the purchase of net assets of AllianceBernstein Balanced Shares Portfolio) of which $2,981,323 expires in the year 2015 and $17,895,700 expires in the year 2016. To the extent future capital gains are offset by capital loss carryforwards, such gains will not be distributed. As a result of the merger with AllianceBernstein Balanced Shares Portfolio into the Portfolio, various limitations and reductions regarding the future utilization of certain capital loss carryforwards were applied, based on certain provisions in the Internal Revenue Code. Net capital and foreign currency losses incurred after October 31, and within the taxable year are deemed to arise on the first business day of the Portfolio's next taxable year. For the year ended December 31, 2008, the Portfolio defers post October capital losses of $10,057,703 to January 1, 2009.

(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 realization for tax purposes of gains/losses on certain derivative instruments, and the tax treatment of passive foreign investment companies.

(c) The difference between book-basis and tax-basis components of accumulated earnings/(deficit) is attributable to deferred income from an underlying security.

NOTE K: Legal Proceedings

On October 2, 2003, a purported class action complaint entitled *Hindo, et al. v. AllianceBernstein Growth & Income Fund, et al*. ("Hindo Complaint") was filed against the Adviser, Alliance Capital Management Holding L.P. ("Alliance Holding"), Alliance Capital Management Corporation, AXA Financial, Inc., the AllianceBernstein Funds, certain officers of the Adviser ("AllianceBernstein defendants"), and certain other unaffiliated defendants, as well as unnamed Doe defendants. The Hindo Complaint was filed in the United States District Court for the Southern District of New York by alleged shareholders of two of the AllianceBernstein Funds. The Hindo Complaint alleges that certain of the AllianceBernstein defendants failed to disclose that they improperly allowed certain hedge funds and other unidentified parties to engage in "late trading" and "market timing" of AllianceBernstein Fund securities, violating Sections 11 and 15 of the Securities Act, Sections 10(b) and 20(a) of the Exchange Act and Sections 206 and 215 of the Advisers Act. Plaintiffs seek an unspecified amount of compensatory damages and rescission of their contracts with the Adviser, including recovery of all fees paid to the Adviser pursuant to such contracts.

Following October 2, 2003, 43 additional lawsuits making factual allegations generally similar to those in the *Hindo* Complaint were filed in various federal and state courts against the Adviser and certain other defendants. On September 29, 2004, plaintiffs filed consolidated amended complaints with respect to four claim types: mutual fund shareholder claims; mutual fund derivative claims; derivative claims brought on behalf of Alliance Holding; and claims brought under ERISA by participants in the Profit Sharing Plan for Employees of the Adviser. All four complaints include substantially identical factual allegations, which appear to be based in large part on the Order of the SEC dated December 18, 2003 as amended and restated January 15, 2004 ("SEC Order") and the New York State Attorney General Assurance of Discontinuance dated September 1, 2004 ("NYAG Order").

On April 21, 2006, the Adviser and attorneys for the plaintiffs in the mutual fund shareholder claims, mutual fund derivative claims, and ERISA claims entered into a confidential memorandum of understanding containing their agreement to settle these claims. The agreement will be documented by a stipulation of settlement and will be submitted for court approval at a later date. The settlement amount ($30 million), which the Adviser previously accrued and disclosed, has been disbursed. The derivative claims brought on behalf of Alliance Holding, in which plaintiffs seek an unspecified amount of damages, remain pending.

It is possible that these matters and/or other developments resulting from these matters could result in increased redemptions of the AllianceBernstein Mutual Funds' shares or other adverse consequences to the AllianceBernstein Mutual Funds. This may require the AllianceBernstein Mutual Funds to sell investments held by those funds to provide for sufficient liquidity and could also have an adverse effect on the investment performance of the AllianceBernstein Mutual Funds. However, the Adviser believes that these matters are not likely to have a material adverse effect on its ability to perform advisory services relating to the AllianceBernstein Mutual Funds.

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

	CLASS A					
	Six Months Ended June 30, 2009 (unaudited)	Year Ended December 31, 2008	2007	2006	2005	July 1, 2004(a) to December 31, 2004
Net asset value, beginning of period	$8.63	$13.05	$12.87	$11.39	$10.69	$10.00
Income From Investment Operations						
Net investment income (b)	.13	.22(c)	.31(c)	.25(c)	.18(c)	.07(c)
Net realized and unrealized gain (loss) on investment and foreign currency transactions	.30	(3.97)	.41	1.32	.60	.62
Contributions from Adviser	–0–	.00(d)	–0–	–0–	–0–	–0–
Net increase (decrease) in net asset value from operations	.43	(3.75)	.72	1.57	.78	.69
Less: Dividends and Distributions						
Dividends from net investment income	(.10)	(.39)	(.32)	(.09)	(.05)	–0–
Distributions from net realized gain on investment and foreign currency transactions	–0–	(.28)	(.22)	–0–	(.03)	–0–
Total dividends and distributions	(.10)	(.67)	(.54)	(.09)	(.08)	–0–
Net asset value, end of period	$8.96	$8.63	$13.05	$12.87	$11.39	$10.69
Total Return						
Total investment return based on net asset value (e)	4.96%*	(30.01)%*	5.55%	13.92%	7.30%	6.90%
Ratios/Supplemental Data						
Net assets, end of period (000's omitted)	$64,933	$67,526	$10	$11,111	$9,746	$9,089
Ratio to average net assets of:						
Expenses, net of waivers and reimbursements	.68%(f)	.75%(g)	.76 %	.99%(g)	1.20%	1.20%(f)
Expenses, before waivers and reimbursements	.68%(f)	.78%(g)	.85 %	1.07%(g)	1.54%	2.87%(f)
Net investment income	3.20%(f)	3.08%(c)(g)	2.33%(c)	2.08%(c)(g)	1.64%(c)	1.36%(c)(f)
Portfolio turnover rate	45%	93%	77%	203%	139%	44%

See footnote summary on page 38.

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

	CLASS B					
	Six Months Ended June 30, 2009 (unaudited)	Year Ended December 31, 2008	2007	2006	2005	July 1, 2004(a) to December 31, 2004
Net asset value, beginning of period	$8.58	$12.97	$12.81	$11.34	$10.67	$10.00
Income From Investment Operations						
Net investment income (b)	.12	.26(c)	.27(c)	.22(c)	.15(c)	.06(c)
Net realized and unrealized gain (loss) on investment and foreign currency transactions	.28	(4.02)	.41	1.33	.60	.61
Contributions from Adviser	–0–	.00(d)	–0–	–0–	–0–	–0–
Net increase (decrease) in net asset value from operations	.40	(3.76)	.68	1.55	.75	.67
Less: Dividends and Distributions						
Dividends from net investment income	(.08)	(.35)	(.30)	(.08)	(.05)	–0–
Distributions from net realized gain on investment and foreign currency transactions	–0–	(.28)	(.22)	–0–	(.03)	–0–
Total dividends and distributions	(.08)	(.63)	(.52)	(.08)	(.08)	–0–
Net asset value, end of period	$8.90	$8.58	$12.97	$12.81	$11.34	$10.67
Total Return						
Total investment return based on net asset value (e)	4.69%*	(30.20)%*	5.26%	13.75%	7.01%	6.70%
Ratios/Supplemental Data						
Net assets, end of period (000's omitted)	$348,138	$285,962	$211,440	$124,992	$64,325	$17,866
Ratio to average net assets of:						
Expenses, net of waivers and reimbursements	.93%(f)	1.00%(g)	1.01%	1.23%(g)	1.45%	1.45%(f)
Expenses, before waivers and reimbursements	.93%(f)	1.02%(g)	1.07%	1.31%(g)	1.77%	3.34%(f)
Net investment income	2.96%(f)	2.48%(c)(g)	2.11%(c)	1.84%(c)(g)	1.31%(c)	1.49%(c)(f)
Portfolio turnover rate	45%	93%	77%	203%	139%	44%

See footnote summary on page 38.

(a) Commencement of operations.

(b) Based on average shares outstanding.

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

(d) Amount is less than $0.005.

(e) Total investment return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption on the last day of the period. Total return does not reflect (i) insurance company's separate account related expense charges and (ii) the deduction 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.

(f) Annualized.

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

* Includes the impact of proceeds received and credited to the Portfolio resulting from class action settlements, which enhanced the performance of each share class for the six months ended June 30, 2009 and the year ended December 31, 2008 by 0.05% and 0.10%, respectively.

See notes to financial statements.

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

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

The following is a summary of the evaluation of the Investment Advisory Agreement between AllianceBernstein L.P. (the "Adviser") and the AllianceBernstein Variable Products Series Fund (the "Fund"), in respect of AllianceBernstein Balanced Wealth Strategy 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 the August 2004 agreement between the Adviser and the New York State Attorney General (the "NYAG"). The Senior Officer's evaluation of the Investment Advisory Agreement is not meant to diminish the responsibility or authority of the Board of Directors of the Fund to perform its duties pursuant to Section 15 of the Investment Company Act of 1940 (the "40 Act") and applicable state law. The purpose of the summary is to provide shareholders with a synopsis of the independent evaluation of the reasonableness of the advisory fees proposed to be paid by the 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. Management fees charged to institutional and other clients of the Adviser for like services;
2. Management 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.

INVESTMENT ADVISORY FEES, EXPENSE REIMBURSEMENTS & 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.[3]

Category	Advisory Fee Based on % of Average Daily Net Assets	Net Assets 06/30/08 ($MIL)	Portfolio
Balanced	55 bp on 1st $2.5 billion 45 bp on next $2.5 billion 40 bp on the balance	$256.7	Balanced Wealth Strategy 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 was entitled to receive $94,000 (0.06% of the Portfolio's average daily net assets) for such services but waived the amount in its entirety.

1 It should be noted that the information in the fee summary was completed on July 24, 2008 and presented to the Board of Directors on August 5-7, 2008.

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

3 The AllianceBernstein Mutual Funds, which the Adviser manages, were also affected by the Adviser's settlement with the NYAG. AllianceBernstein Balanced Shares, Inc., which the Adviser also manages, has lower breakpoints in its advisory fee schedule compared to the Balanced category: 60 bp on the first $200 million, 50 bp on the next $200 million, 40 bp on the balance.

The Adviser agreed to waive that portion of its management fees and/or reimburse a portion of the Portfolio's total operating expense to the degree necessary to limit the Portfolio's expense ratios to the amounts set forth below for the Portfolio's current fiscal year. It should be noted that the expense caps of the Portfolio were reduced to the percentages set forth below effective February 12, 2007. The waiver is terminable by the Adviser on May 1st of each year upon at least 60 days of written notice. Also set forth below are the Portfolio's gross expense ratios as of December 31, 2007:

Portfolio	Expense Cap Pursuant to Expense Limitation Undertaking		Gross Expense Ratio (12/31/07)	Fiscal Year End
Balanced Wealth Strategy Portfolio	Class A	0.75%	0.85%	December 31
	Class B	1.00%	1.07%	

I. MANAGEMENT FEES CHARGED TO INSTITUTIONAL AND OTHER CLIENTS

The advisory fees charged to investment companies which the Adviser manages and sponsors are normally higher than those charged to similar sized institutional accounts, including pension plans and sub-advised investment companies. The fee differential reflects, among other things, different services provided to such clients, and different liabilities assumed. Services provided by the Adviser to the 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, a portion of these expenses are reimbursed by the Portfolio to the Adviser. 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 a stable pool of assets, such as an institutional account with little cash movement in either direction, particularly, if a fund is in net redemption and the Adviser is frequently forced to sell securities to raise cash for redemptions. However, managing a fund with positive cash flow may be easier at times than managing a stable pool of assets. Finally, in recent years, investment advisers have been sued by institutional clients and have suffered reputational damage both by the attendant publicity and outcomes other than complete victories. Accordingly, the legal and reputational risks associated with institutional accounts are greater than previously thought, although still not equal to those related to the mutual fund industry.

Notwithstanding the Adviser's view that managing an investment company is not comparable to managing other institutional accounts because the services provided are different and legal and reputational risks are greater, it is worth considering information regarding the advisory fees charged to institutional accounts with a substantially similar investment style as the Portfolio.[4] With respect to the Portfolio, the Adviser represented that there is no category in the Form ADV for institutional products that has a similar investment style as the Portfolio.

The Adviser also manages AllianceBernstein Balanced Wealth Strategy, a retail mutual fund, which has a substantially similar investment style as the Portfolio. Set forth below is the fee schedule of AllianceBernstein Balanced Wealth Strategy:[5]

Portfolio	AllianceBernstein Mutual Fund ("ABMF")	Fee Schedule	Effective ABMF Adv. Fee
Balanced Wealth Strategy Portfolio	Balanced Wealth Strategy	0.55% on first $2.5 billion 0.45% on next $2.5 billion 0.40% on the balance	0.55%

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.

5 It should be noted that the ABMF 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 ABMF.

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 following fees for Global Balanced Portfolio, which is a Luxembourg fund that has a somewhat similar investment style as the Portfolio:

Portfolio	Luxembourg Fund	Fee
Balanced Wealth Strategy	Global Balanced Portfolio	
	Class A[6]	1.40%
	Class I (Institutional)	0.70%

The AllianceBernstein Investment Trust Management mutual funds ("ITM"), which are offered to investors in Japan, have an "all-in" fee to compensate the Adviser for investment advisory as well as fund accounting and administrative services. The fee schedules of the ITM mutual funds that have a somewhat similar investment style as the Portfolio are as follows:

Portfolio	ITM Mutual Fund	Fee
Balanced Wealth Strategy	Alliance Global Balance—Neutral[7]	0.70%
	Alliance Global Balance—Aggressive[7]	0.75%

The Adviser represented that it does not sub-advise any registered investment company with a substantially similar investment style as the Portfolio.

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. Lipper's analysis included the Portfolio's ranking with respect to the proposed management fee relative to the median of the Portfolio's Lipper Expense Group ("EG")[8] at the approximate current asset level of the Portfolio.[9]

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

Portfolio	Contractual Management Fee[10]	Lipper Group Median	Rank
Balanced Wealth Strategy Portfolio	0.550	0.714	5/14

6 Class A shares of the Luxembourg funds are charged an "all-in" fee, which covers investment advisory and distribution-related services.

7 This ITM fund is privately placed or institutional.

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

9 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.

10 The contractual management fee would not reflect any expense reimbursements made by the Portfolio to the Adviser for certain clerical, legal, accounting, administrative and other services. As previously noted, the Adviser waived such reimbursements during the most recently completed fiscal year. In addition, the contractual management fee does not reflect any advisory fee waivers or expense caps that would effectively reduce the actual management fee.

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"). The EU[11] 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 (%)[12]	Lipper Group Median (%)	Lipper Group Rank	Lipper Universe Median (%)	Lipper Universe Rank
Balanced Wealth Strategy Portfolio	0.754	0.838	6/14	0.706	18/28

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. See Section IV for additional discussion.

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 increased during calendar year 2007, relative to 2006.

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. 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 research 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 and distributor, AllianceBernstein Investments, Inc. ("ABI"), an affiliate of the Adviser, 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, 2007, ABI received $409,112 in Rule 12b-1 fees from the Portfolio.

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, 2007, the Adviser determined that it made payments in the amount of $270,919 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"). For the fiscal year ended December 31, 2007, the Portfolio paid ABIS a fee of $786.[13]

11 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.

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

13 The Fund (which includes the Portfolio and other series of the Fund) paid ABIS a flat fee of $18,000 in 2007.

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 any business conducted with the Portfolio is comparable to the profitability of SCB's dealings with other similar third party clients. In the ordinary course of business, SCB receives and pays liquidity rebates from electronic communications networks ("ECNs") derived from trading for its clients, including the 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 its clients. These soft dollar benefits reduce the Adviser's research expenses and increase its profitability.

V. POSSIBLE ECONOMIES OF SCALE

The Adviser has indicated that economies of scale are being shared with shareholders through fee structures,[14] 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.

An independent consultant, retained by the Senior Officer, provided the Board of Directors an update of the Deli[15] study on advisory fees and various fund characteristics. The independent consultant first reiterated the results of his previous two dimensional comparison analysis (fund size and family size) with the Board of Directors. In this regard, it was noted that the advisory fees of the AllianceBernstein Mutual Funds were generally within the 25^{th} – 75^{th} percentile range of their comparable peers.[16] 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 assets under management ("AUM"), family AUM, index fund indicator and investment style. The independent consultant observed that the actual advisory fees of the AllianceBernstein Mutual Funds were generally lower than the fees predicted by the study's regression model.

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. The independent consultant observed that the advisory fees of the AllianceBernstein Mutual Funds were generally in line with their peers.

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

With assets under management of approximately $717 billion as of June 30, 2008, the Adviser has the investment experience to manage and provide non-investment services (described in Section I) to the Portfolio.

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14 Fee structures include fee reductions, pricing at scale and breakpoints in advisory fee schedules.

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

16 The two dimensional analysis also 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.

The information prepared by Lipper shows the 1 and 3 year net performance rankings of the Portfolio[17] relative to its Lipper Performance Group ("PG") and Lipper Performance Universe ("PU")[18] for the periods ended April 30, 2008.[19]

Balanced Wealth Strategy	Portfolio Return	PG Median	PU Median	PG Rank	PU Rank
1 year	− 1.69	− 1.09	− 0.07	9/13	51/66
3 year	8.95	7.02	7.02	2/12	5/44

Set forth below is the 1, 3 year and since inception performance returns of the Portfolio (in bold)[20] versus its benchmark.

	Periods Ending April 30, 2008 Annualized Net Performance (%)		
	1 Year (%)	3 Year (%)	Since Inception (%)[21]
Balanced Wealth Strategy Portfolio	**− 1.69**	**8.95**	**7.91**
60% S&P 500 Stock Index / 40% Lehman Brothers Aggregate Bond Index	0.00	7.02	6.78
S&P 500 Stock Index	− 4.68	8.23	7.45
Lehman Brothers Aggregate Bond Index	6.87	4.93	5.11

Inception Date: July 1, 2004

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: September 3, 2008

17 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 the Adviser. Lipper maintains its own database that includes the Portfolio's performance returns. Rounding differences may cause the Adviser's Portfolio returns to be one or two basis points different from Lipper's own Portfolio returns. To maintain consistency, the performance returns of the Portfolio, as reported by the Adviser, are provided instead of Lipper.

18 The Portfolio's PG/PU are not identical to the Portfolio's EG/EU as the criteria for including in or excluding a fund in/from a PU is somewhat different from that of an EU.

19 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.

20 The performance returns shown in the table are for the Class A shares of the Portfolio.

21 The Adviser provided Portfolio and benchmark performance return information for periods through April 30, 2008.

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