



November 2006

# Proposed Merger of Alliance World Dollar Government Fund into Alliance World Dollar Government Fund II

Our continuing mission is to help investors to build and preserve their wealth over the long term, and we believe that one of the ways in which we can best do this is by providing a broadly diversified group of investment strategies. In keeping with this mission, we carefully evaluate our family of funds on an ongoing basis.

As a result of this process, the Board of Directors of Alliance World Dollar Government Fund has determined that stockholders' interests would be best served by merging Alliance World Dollar Government Fund, a smaller fund, into the larger Alliance World Dollar Government Fund II. For stockholders of Alliance World Dollar Government Fund, the merger should generate key benefits that include lower operating expenses and an expanded universe of investment opportunities.

Stockholders of Alliance World Dollar Government Fund will meet on Tuesday, December 12, 2006 to consider the proposal, which we explain in greater detail in this document. Proxy materials were distributed to stockholders in November 2006 and are available on our website ([www.alliancebernstein.com](http://www.alliancebernstein.com)).

We have anticipated some of the questions that you may have, and provide our responses in the pages that follow.

---

Contents	Page
➤ For Stockholders of Alliance World Dollar Government Fund	2
➤ Communications, Timing and Procedures for Stockholder Vote	6

Investment Products Offered

• Are Not FDIC Insured • May Lose Value • Are Not Bank Guaranteed

## For Stockholders of Alliance World Dollar Government Fund

### What is the proposal? What are the specific reasons for it?

We are proposing to merge Alliance World Dollar Government Fund into Alliance World Dollar Government Fund II. Stockholders of Alliance World Dollar Government Fund, whose \$129 million in total assets (as of March 31, 2006) equals only about 13% of Alliance World Dollar Government Fund II's \$984 million in total assets, would benefit from the lower operating expenses and broader investment guidelines of Alliance World Dollar Government Fund II.

### What are the merger's key benefits to stockholders of Alliance World Dollar Government Fund?

1. **Lower expenses.** Alliance World Dollar Government Fund II's much bigger asset base should allow for a total expense ratio much lower than that of Alliance World Dollar Government Fund. For example, as reported in the proxy statement, the annualized total expense ratios before interest as of March 31, 2006 for Alliance World Dollar Government Fund and Alliance World Dollar Government Fund II were:

Fund	Total Expense Ratio
Alliance World Dollar Govt.	1.36%
Alliance World Dollar Govt. II	1.03%*
Pro forma after merger	1.02%

\*Assumes that the current lower management fee and administrative charge were in effect for a full year.

The proposed merger would, as indicated, provide Alliance World Dollar Government Fund stockholders with a sizeable reduction in operating expenses.

2. **Expanded universe of investment opportunities.** Alliance World Dollar Government Fund invests only in U.S. dollar-denominated debt, primarily issued by non-U.S. governments (mainly those of emerging nations). Alliance World Dollar Government Fund II also invests in these instruments, and additionally invests in U.S. dollar-denominated debt issued by U.S. corporations. Alliance World Dollar Government Fund II thus offers an expanded universe of investment opportunities.

*Note: Broader investment policy guidelines for Alliance World Dollar Government Fund II have been proposed and will be voted on separately by Alliance World Dollar Government Fund II stockholders. Please read the answers to the next three questions for further information.*

### Broader investment policy guidelines have been proposed for Alliance World Dollar Government Fund II. What are they?

Alliance World Dollar Government Fund II currently invests in U.S. dollar-denominated debt securities of the U.S. government, emerging market governments and U.S. corporate issuers. The Fund's Board of Directors has proposed to broaden these guidelines as follows, to allow the Fund to take advantage of important secular trends in emerging markets:

- The Fund would be permitted to invest, without limit, in debt securities denominated in non-U.S. currencies as well as in the U.S. dollar;
- The Fund would be permitted to invest, without limit, in government debt securities issued by all developed nations in addition to those issued by the U.S. and emerging nations; and
- The Fund would be permitted to invest, without limit, in debt securities of both U.S. and non-U.S. corporate issuers.

Investment Products Offered

• Are Not FDIC Insured • May Lose Value • Are Not Bank Guaranteed

### **How do the proposed broader investment policy guidelines for Alliance World Dollar Government Fund II differ from the investment policy guidelines of Alliance World Dollar Government Fund?**

If approved, the guidelines would allow Alliance World Dollar Government Fund II to invest in a greatly expanded, truly global universe of debt securities: The Fund would be able to invest in debt securities that are denominated in the U.S. dollar and non-U.S. currencies, issued by governments worldwide, and issued by corporations worldwide. By contrast, Alliance World Dollar Government Fund invests only in U.S. dollar-denominated debt, primarily issued by non-U.S. governments (mainly those of emerging nations).

### **Is approval of Alliance World Dollar Government Fund II's proposed broader investment guidelines dependent on approval of the merger?**

No. The two approvals are not related. Stockholders of Alliance World Dollar Government Fund will vote only on the merger. Stockholders of Alliance World Dollar Government Fund II will vote specifically on whether to eliminate that fund's "65% fundamental policy," which states that at least 65% of total assets must be invested in U.S. dollar-denominated government debt securities. If stockholders of Alliance World Dollar Government Fund II approve the proposal to eliminate the Fund's 65% fundamental policy, the broader investment guidelines will be fully implemented. If stockholders of Alliance World Dollar Government Fund II do not approve the proposal, the Fund's investment guidelines will be expanded only with respect to 35% of the Fund's assets.

### **Who manages Alliance World Dollar Government Fund II?**

Both funds are managed by Paul J. DeNoon, Senior Vice President and Director of Emerging Market Debt. Mr. DeNoon has been associated with both funds since joining AllianceBernstein in 1992. He is supported by AllianceBernstein's dedicated research teams for global economics, high-yield credit and investment-grade credit.

### **Alliance World Dollar Government Fund is trading at a discount to net asset value (NAV). Will that change with the merger?**

This is impossible to determine in advance. Historically, shares of both funds have traded at either a premium or discount to their respective NAVs at different times. As of October 31, 2006, Alliance World Dollar Government Fund traded at a deeper discount to NAV than Alliance World Dollar Government Fund II (see table below). We do not expect the merger with Alliance World Dollar Government Fund to affect the discount of Alliance World Dollar Government Fund II.

<b>Fund</b>	<b>Discount to NAV*</b>
Alliance World Dollar Govt.	(10.65%)
Alliance World Dollar Govt. II	(8.82%)

\*As of October 31, 2006

Investment Products Offered

• Are Not FDIC Insured • May Lose Value • Are Not Bank Guaranteed

### Will my dividends change?

If the merger is approved, you will become a stockholder of Alliance World Dollar Government Fund II, which pays dividends monthly like Alliance World Dollar Government Fund. As of October 31, 2006, Alliance World Dollar Government Fund paid a monthly dividend of 7.15 cents per share and had a dividend yield of 5.78% based on NAV. Alliance World Dollar Government Fund II paid a monthly dividend of 7.9 cents per share and had an NAV-based dividend yield of 6.38%, or 0.6 percentage points higher than Alliance World Dollar Government Fund's yield.

Fund	Dividend Yield*
Alliance World Dollar Govt.	5.78%
Alliance World Dollar Govt. II	6.38%

\*As of October 31, 2006 and based on net asset value

### Alliance World Dollar Government Fund's benchmark is the JP Morgan Emerging Markets Bond Index Global. What is Alliance World Dollar Government Fund II's benchmark?

Alliance World Dollar Government Fund II has the same benchmark, the JP Morgan Emerging Markets Bond Index Global.

### What will happen to Alliance World Dollar Government Fund if the merger is not approved?

If the merger is not approved, Alliance World Dollar Government Fund's Board of Directors will continue to consider options for the Fund that would be in the best interests of stockholders.

### Will I have to pay any special processing fees because of the merger?

No. Stockholders will not pay any special processing fees because of the merger.

### Is the merger a taxable event?

No. It is not a taxable event. Stockholders will not recognize a gain or loss as a result of the merger.

### Will Alliance World Dollar Government Fund's portfolio management team transfer assets into Alliance World Dollar Government Fund II in the form of securities, cash, or both?

If the merger is approved, Alliance World Dollar Government Fund's portfolio will be repositioned to take advantage of Alliance World Dollar Government Fund II's broader investment policy prior to the transfer of its assets to Alliance World Dollar Government Fund II. Consequently, we expect that the bulk of Alliance World Dollar Government Fund's transferred assets will be in the form of securities, although some cash will be transferred to Alliance World Dollar Government Fund II as well.

Investment Products Offered

• Are Not FDIC Insured • May Lose Value • Are Not Bank Guaranteed

### **Will Alliance World Dollar Government Fund II be renamed following the proposed merger?**

As previously discussed, there is a proposal to broaden the investment policy guidelines of Alliance World Dollar Government Fund II. In addition, the Board of Directors of Alliance World Dollar Government Fund II has approved a proposal to rename Alliance World Dollar Government Fund II as “AllianceBernstein Global High Income Fund.” We believe that the new name is descriptive of Alliance World Dollar Government Fund II’s proposed broader investment guidelines and will make these guidelines more transparent to investors. An additional intent of this change is to brand Alliance World Dollar Government Fund II with the same AllianceBernstein name used for all other funds in the AllianceBernstein family of funds. The renaming of Alliance World Dollar Government Fund II will take place regardless of whether the merger is approved.

### **Will Alliance World Dollar Government Fund II’s CUSIP and stock symbol change after Alliance World Dollar Government Fund II is renamed?**

Alliance World Dollar Government Fund II’s CUSIP number is 01879R106, and its stock symbol is AWF. After Alliance World Dollar Government Fund II is renamed, its CUSIP number will not change. We do not anticipate that its stock symbol will change. A press release will be issued when specific information is available.

## Communications, Timing and Procedures for Stockholder Vote

### **When will the vote take place?**

The stockholder meeting is scheduled for Tuesday, December 12, 2006. If we do not obtain a majority of the stockholder votes by December 12, the stockholder meeting would be adjourned and rescheduled for a later date.

### **How will stockholders be notified of the upcoming vote?**

Existing stockholders as of the record date (*i.e.*, October 13, 2006) were notified via the proxy statement. Only those stockholders owning shares in the Fund as of the record date are eligible to vote.

### **When will voting materials be distributed?**

Proxy materials were distributed in November 2006.

### **What should stockholders do if they don't agree with the proposed merger?**

Stockholders may vote against the merger.

### **How will stockholders be notified of the outcome of the vote?**

A press release will be issued promptly after the stockholder meeting on December 12.

### **If approved, when would the merger take place?**

If we receive a majority of the stockholder votes approving the proposed merger by the date of the stockholder meeting on December 12, 2006, the merger would take place as soon as practicable after the repositioning of Alliance World Dollar Government Fund's portfolio. This would most likely be in early 2007.

Copies of additional communications, including press releases, will be posted on our website, [www.alliancebernstein.com](http://www.alliancebernstein.com), as they become available. If you have any questions about the merger, please feel free to call us at 800.247.4154.

**AllianceBernstein Investments, Inc.** is an affiliate of AllianceBernstein L.P., the manager of the Funds, and is a member of the NASD.

Investment Products Offered

• Are Not FDIC Insured • May Lose Value • Are Not Bank Guaranteed



1345 Avenue of the Americas  
New York, NY 10105

[www.alliancebernstein.com](http://www.alliancebernstein.com)