



February 23, 2015

DIVIDEND UPDATE

NATIONAL MUNICIPAL INCOME FUND

Conference Call Summary: February 23, 2015
Richard Schwam, AB Fixed Income Product Manager—Municipals
Terry Hults, AB Senior Vice President and Director—Municipals

Dividend Decrease for AllianceBernstein National Municipal Income Fund

AllianceBernstein National Municipal Income Fund declared a monthly dividend of 6.59 cents per share. This represents a decrease of 0.7 cents per share from the previous month.

Setting Dividend Rates

We set the dividend rate on each of our closed-end mutual funds as closely as possible to the fund's earnings power. The rate is driven largely by two factors: the yield on the investments in the portfolio and a fund's cost of leverage.

Factors in the Decrease of the Funds' Earnings Power

The major market theme influencing the change in our funds' earning power is the current low level of market interest rates. Yields in virtually all fixed income sectors are at or near historic lows. As higher yielding bonds in the portfolios are called, mature, or are sold, the proceeds must be invested at these lower levels, thus reducing the overall yields of the portfolios. This has resulted in a reduction in the overall earnings power of the AllianceBernstein National Municipal Income Fund. As a result, the fund's dividend has been reduced in order to more accurately reflect the current earnings power.

How to Access a Replay

A replay of the call will be available through March 23, 2015.
US callers dial: (855) 859-2056
Access Code: 91232160

AllianceBernstein Shareholder Information — The daily net asset value of the closed-end Fund shares are available from the Fund Transfer Agent by calling 800.426.5523. The Fund also distributes its daily net asset value to various financial publications or independent organizations such as Lipper Inc., Morningstar, Inc. and Bloomberg. Daily market prices for the Fund shares are published in the New York Stock Exchange Composite Transaction section of newspapers. The NYSE trading symbol for the AllianceBernstein National Municipal Income Fund is AFB.

A Word About Risk — Price fluctuations in the Fund's securities may be caused by changes in the general level of interest rates or changes in bond credit quality ratings. Increases in interest rates may cause the value of the Fund's investment to decline. Changes in interest rates have a greater effect on bonds with longer maturities than on those with shorter maturities. Treasury securities provide fixed rates of return, as well as principal guarantees, if held to maturity. The Fund can invest in high yield and non-investment grade bonds. Such bonds (also known as "junk bonds") involve a greater risk of default and price volatility than other bonds.

Investing in non-investment grade securities presents special risks, including credit risk. Similar to direct bond ownership, bond funds have the same interest rate, inflation and credit risks that are associated with underlying bonds owned by the Fund. Fund purchasers should understand that, in contrast to owning individual bonds, there are ongoing fees and expenses associated with owning shares of bond funds. While the Fund invests principally in bonds and other fixed-income securities, in order to achieve its investment objectives, the Fund may at times use certain types of investment derivatives, such as options, futures, forwards and swaps. These instruments involve risks different from and in certain cases, greater than, the risks presented by more traditional investments. In addition, the Fund can use leverage. Leverage involves trying to enhance investment returns by borrowing money or using other leverage tools—magnifying both gains and losses, resulting in greater volatility.

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