This attachment contains the two most recent Senior Officer Fee Summaries for the Fund.

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 AB Cap Fund, Inc. (the "Fund"), in respect of AB All Market Growth Portfolio (the "Portfolio"),[2, 3] prepared by Philip L. Kirstein, the Senior Officer of the Portfolio, for the Directors of the Portfolio, 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 to perform its duties pursuant to Section 15 of the Investment Company Act of 1940 (the "40 Act") and applicable state law. The purpose of the summary is to provide shareholders with a synopsis of the independent evaluation of the reasonableness of the advisory fees proposed to be paid by the Portfolio which was provided to the Directors in connection with their review of the proposed approval of the continuance of the Investment Advisory Agreement.

The Senior Officer's evaluation considered the following factors:

1. Advisory fees charged to institutional and other clients of the Adviser for like services;
2. Advisory fees charged by other mutual Portfolio companies for like services;

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[1] It should be noted that the information in the fee evaluation was completed on July 23, 2015 and discussed with the Board of Directors on August 4-5, 2015.

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

[3] Prior to December 15, 2014, the Portfolio was known as AB Dynamic All Market Growth Fund.

3. Costs to the Adviser and its affiliates of supplying services pursuant to the advisory agreement, excluding any intra-corporate profit;
4. Profit margins of the Adviser and its affiliates from supplying such services;
5. Possible economies of scale as the Portfolio grows larger; and
6. Nature and quality of the Adviser's services including the performance of the Portfolio.

These factors, with the exception of the first factor, are generally referred to as the "*Gartenberg* factors," which were articulated by the United States Court of Appeals for the Second Circuit in 1982. *Gartenberg v. Merrill Lynch Asset Management, Inc.*, 694 F. 2d 923 (2d Cir. 1982). On March 30, 2010, the Supreme Court held the *Gartenberg* decision was correct in its basic formulation of what Section 36(b) requires: to face liability under Section 36(b), "an investment adviser must charge a fee that is so disproportionately large that it bears no reasonable relationship to the services rendered and could not have been the product of arm's length bargaining." *Jones v. Harris Associates L.P.,* 130 S. Ct. 1418 (2010). In *Jones*, the Court stated the *Gartenberg* approach fully incorporates the correct understanding of fiduciary duty within the context of Section 36(b) and noted with approval that "*Gartenberg* insists that all relevant circumstances be taken into account" and "uses the range of fees that might result from arm's length bargaining as the benchmark for reviewing challenged fees."[4]

[4] *Jones v. Harris* at 1427.

PORTFOLIO ADVISORY FEES, EXPENSE REIMBURSEMENTS & RATIOS

The Adviser proposed that the Portfolio pays the advisory fee set forth in the table below for receiving the services to be provided pursuant to the Investment Advisory Agreement.[5]

Portfolio	Net Assets 06/30/15 ($MIL)	Fee
All Market Growth Portfolio	$11.9	0.60% of average daily net assets (no breakpoints)

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 $56,301 (0.456% of the Portfolio's average daily net assets) for such services, but waived the amount in its entirety.[6]

The Adviser agreed to waive that portion of its advisory fees and/or reimburse the Portfolio for that portion of the Portfolio's total operating expenses to the degree necessary to limit the Portfolio's expense ratios to the amounts set forth below for the Portfolio's current fiscal year. The waiver is terminable by the Adviser upon at least 60 days' written notice prior to the Portfolio's prospectus update. In addition, set forth below are the Portfolio's gross expense ratios for the most recently completed fiscal year:

[5] The Portfolio was not in existence at the time of the settlement between the Adviser and the NYAG. As a result, the Portfolio's advisory fee schedule does not follow the category fee schedule established at that time.

[6] For the most recently completed fiscal year, the expense reimbursement amount was waived in its entirety by the Adviser.

Fund	Class	Expense Cap Pursuant to Expense Limitation Undertaking[7] Cap	Net	Gross	Fiscal Year End
All Market Growth Portfolio[8, 9, 10]	Class A	1.05%	1.07%	5.45%	February 28
	Class C	1.80%	1.80%	5.88%	
	Advisor	0.80%	0.80%	5.29%	
	Class R	1.30%	1.30%	5.17%	
	Class K	1.05%	1.05%	4.77%	
	Class I	0.80%	0.80%	4.47%	
	Class 1	1.05%	1.05%	4.75%	
	Class 2	0.80%	0.80%	4.49%	
	Class Z	0.80%	0.80%	6.00%	

I. ADVISORY FEES CHARGED TO INSTITUTIONAL AND OTHER CLIENTS

The advisory fees charged to investment companies which the Adviser manages and sponsors are normally higher than those charged to similar sized institutional accounts, including pension plans and sub-advised investment companies. The fee differential reflects, among other things, different services provided to such clients, and different liabilities assumed. Services provided by the Adviser to the Portfolio that are not provided to non-investment company clients and sub-advised investment companies include providing office space and personnel to serve as Fund Officers, who among other responsibilities make the certifications required under the Sarbanes–Oxley Act of 2002, and coordinating with and monitoring the Portfolio's third party service providers such as Fund counsel, auditors, custodians, transfer agents and pricing services. The accounting, administrative, legal and compliance requirements for the Portfolio are more costly than those for institutional assets due to the greater complexities and time required for

[7] Semi-annual gross expense ratios are annualized.
[8] The Adviser waived its entire management fee (advisory and administrative) as a result of the Portfolio's expense limitation undertaking.
[9] The Portfolio's percentage of net assets allocated to ETFs as of April 30, 2015 is 17.86%. The Portfolio's acquired fees and expenses ratio related to such ETF holdings is 0.0406%.
[10] Prior to July 1, 2014, the expense cap of the Portfolio's Class A shares was 1.10%. The new expense cap reflects the reduction of 12b-1 fees from 0.30% to 0.25% effective July 1, 2014.

investment companies, although as previously noted, the Adviser is entitled to be reimbursed for providing such services. Also, retail mutual funds managed by the Adviser are widely held. Servicing the Portfolio's investors is more time consuming and labor intensive compared to institutional clients since the Adviser needs to communicate with a more extensive network of financial intermediaries and shareholders. The Adviser also believes that it incurs substantial entrepreneurial risk when offering a new mutual fund since establishing a new mutual fund requires a large upfront investment and it may take a long time for the fund to achieve profitability since the fund must be priced to scale from inception in order to be competitive and assets are acquired one account at a time. In addition, managing the cash flow of an investment company may be more difficult than managing that of a stable pool of assets, such as an institutional account with little cash movement in either direction, particularly, if a fund is in net redemption and the Adviser is frequently forced to sell securities to raise cash for redemptions. However, managing a fund with positive cash flow may be easier at times than managing a stable pool of assets. 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, the Supreme Court has indicated consideration should be given to the advisory

fees charged to institutional accounts with a similar investment style as the Fund.[11] In addition to the AB Institutional fee schedule, set forth below is what would have been the effective advisory fee of the Portfolio had the AB Institutional fee schedule been applicable to the Portfolio based on June 30, 2015 net assets.[12]

Portfolio	Net Assets 06/30/15 ($MM)	AB Institutional Fee Schedule	Effective AB Inst. Adv. Fee
All Market Growth Portfolio	$11.9	Dynamic All market 0.60% on 1st $500 million 0.50% on the balance *Minimum Account Size: $250 m*	0.600%

The Adviser manages the Sanford C. Bernstein Fund, Inc. Overlay Portfolios (the "Overlay Portfolios"), which utilize the Adviser's DAA strategy. Unlike Dynamic All Market Fund, the Overlay Portfolios are not designed as stand-alone investments and are used in conjunction with globally diversified Private Client portfolios.[13] The advisory fee schedules of the Overlay Portfolios are set forth below. Also shown are the Portfolio's advisory fees and what would have been the effective advisory fees of the Portfolio had the Overlay Portfolios' fee schedules been applicable to the Portfolio based on June 30, 2015 net assets:

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

[12] 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.

[13] Overlay A Portfolio and Tax-Aware Overlay A Portfolio are intended for use in Private Client accounts that have a higher equity weighting (e.g. 80% equity and 20% fixed-income). The other Overlay Portfolios are intended for use in Private Client accounts that have a higher fixed income weighting (e.g. 70% fixed-income and 30% equity). The Overlay Portfolios will gain exposure to various asset classes through direct investments in equity and debt securities as well as derivatives.

Fund	Overlay Portfolio	Fee (%)[14]	Fund Advisory Fee (%)
All Market Growth Portfolio	Overlay A Portfolio Tax-Aware Overlay A Portfolio	0.90% (no breakpoints)	0.60%
	Overlay B Portfolio Tax-Aware Overlay B Portfolio Tax-Aware Overlay C Portfolio Tax-Aware Overlay N Portfolio	0.65% (no breakpoints)	0.60%

The adviser also manages the AB Variable Products Series Portfolio, Inc. ("AVPS"), which is available through variable annuity and variable life contracts offered by other financial institutions and offers policyholders the option to utilize certain AVPS portfolios as the investment option underlying their insurance contracts. Set forth below is the fee of the AVPS portfolio that has a somewhat similar investment style as the Portfolio.[15]

Portfolio	AVPS Portfolio	Fee
All Market Growth Portfolio	Dynamic Asset Allocation Portfolio	0.70% of average daily net assets (no breakpoints)

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

[14] The advisory fees of each Overlay Portfolio are based on the percentage of each portfolio's average daily net assets, not an aggregate of the assets in the portfolios shown.
[15] The AVPS portfolio was also affected by the settlement between the Adviser and the NYAG. As a result, the Portfolio has the same fee schedule as the AVPS portfolio.

Portfolio	Luxembourg	Fee[16]
All Market Growth Portfolio	Dynamic Diversified Portfolio	
	Class A	1.70%
	Class I	0.90%

The Adviser provides sub-advisory investment services to certain other investment companies managed by other investment advisers. The Adviser charges the following fees for the sub-advisory relationships that have a somewhat similar investment style as the Portfolio. Also shown are what would have been the effective advisory fees of the Portfolio had the fee schedules of the sub-advisory relationships been applicable to the Portfolio based on June 30, 2015 net assets.

Portfolio	Sub-advised Fund	Sub-advised Fund Fee Schedule	Sub-advised Fund Eff. Mgmt. Fee (%)
All Market Growth Portfolio	Client #1	AB Sub-Advisory Fee Schedule: 0.40% on 1st $250 million 0.35% on next $250 million 0.30% on next $1.5 billion 0.28% on next $1.5 billion 0.27% on next $1.5 billion 0.26% on the balance	0.400
	Client #2	AB Sub-Advisory Fee Schedule: 0.40% on first $100 million 0.35% on next $100 million 0.30% on the balance	0.400
	Client #3	AB Sub-Advisory Fee Schedule: 0.35% on first $400 million 0.30% on the balance	0.350

[16] Class A shares of the Luxembourg funds are charged an "all-in" fee, which includes investment advisory services and distribution related services, unlike Class I shares, whose fee is for investment advisory services only.

It is fair to note that the services the Adviser provides pursuant to sub-advisory agreements are generally confined to the services related to the investment process; in other words, they are not as comprehensive as the services provided to the Fund by the Adviser. In addition, to the extent that certain of these sub-advisory relationships are with affiliates of the Adviser, the fee schedules may not reflect arm's-length bargaining or negotiations.

While it appears that the sub-advisory relationships are paying a lower fee than the Portfolio, it is difficult to evaluate the relevance of such lower fees due to differences in terms of the services provided, risks involved and other competitive factors between the Portfolio and the sub-advisory relationships. There could be various business reasons why an investment adviser would be willing to provide a sub-advisory relationship investment related services at a different fee level than an investment company it is sponsoring where the investment adviser is providing all the services, not just investment management, generally required by a registered investment company.

II. MANAGEMENT FEES CHARGED BY OTHER MUTUAL PORTFOLIO 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.[17] Lipper's analysis included the comparison of the Portfolio's contractual management fee, estimated at the

[17] The Supreme Court cautioned against accepting mutual fund fee comparisons without careful scrutiny since "these comparisons are problematic because these fees, like those challenged, may not be the product of the negotiations conducted at arm's-length." *Jones v. Harris* at 1429.

approximate current asset level of the Portfolio, to the median of the Portfolio's Lipper Expense Group ("EG")[18] and the Portfolio's contractual management fee ranking.[19]

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, operating structure, and expense attributes. An EG will typically consist of seven to twenty funds.

The Portfolio's original EG had an insufficient number of peers in the view of the Senior Officer and the Adviser. Consequently, Lipper expanded the Portfolio's EG to include peers that have a similar but not the same Lipper investment classification/objective.

Portfolio	Contractual Management Fee (%)[20]	Lipper EG Median (%)	Lipper EG Rank
All Market Growth Portfolio[21]	0.600	0.877	1/12

[18] Lipper does not consider average account size when constructing EGs. Funds with relatively small average account sizes tend to have higher transfer agent expense ratio than comparable sized funds that have relatively large average account sizes. There are limitations to Lipper expense category data because different funds categorize expenses differently.

[19] The contractual management fee is calculated by Lipper using each 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 each 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.

[20] The contractual management fee does not reflect any expense reimbursements made by the Portfolio to the Adviser for certain clerical, legal, accounting, administrative, and other services, although as previously noted, the Adviser waived such reimbursement in its entirety. In addition, the contractual management fee does not reflect any advisory fee waivers or expense reimbursements made by the Adviser that would effectively reduce the actual effective management fee.

[21] The Portfolio's EG includes the Portfolio, eight other Flexible Portfolio ("FX") funds and three Alternative Global Macro ("AGM") funds.

Lipper also compared the Portfolio's total expense ratio to the medians of the Portfolio's EG and Lipper Expense Universe ("EU"). The EU is a broader group compared to the EG, consisting of all funds that have the same investment classifications/objective and load type as the subject Portfolio. Set forth below is Lipper's comparison of the Portfolio's total expense ratio and the median of the Portfolio's EG and EU. The Portfolio's total expense ratio ranking is also shown.

Portfolio	Total Expense Ratio (%)[22]	Lipper EG Median (%)	Lipper EG Rank	Lipper EU Median (%)	Lipper EU Rank
All Market Growth Portfolio[23]	1.070	1.402	2/12	1.282	5/21

Based on the information provided, the Portfolio has a lower contractual management fee and total expense ratio than the Portfolio's respective EG and EU medians.

III. COSTS TO THE ADVISER AND ITS AFFILIATES OF SUPPLYING SERVICES PURSUANT TO THE MANAGEMENT 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.

[22] Most recently completed fiscal year Class A share total expense ratio.
[23] The Portfolio's EU includes the Portfolio, the EG, and all other retail front-end FX and AGM funds, excluding outliers.

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 Fund was negative for calendar year 2014.

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 fund and the Adviser. Neither case law nor common business practice precludes the Adviser's affiliates from earning a reasonable profit on this type of relationship provided the affiliates' charges and services are competitive and the relationship otherwise complies with the 40 Act restrictions. These affiliates provide transfer agent, distribution and brokerage related services to the Portfolio and receive transfer agent fees, Rule 12b-1 payments, front-end sales loads, contingent deferred sales charges ("CDSC") and brokerage commissions. In addition, the Adviser benefits from soft dollar arrangements which offset expenses the Adviser would otherwise incur.

AB Investments, Inc. ("ABI"), an affiliate of the Adviser, is the Portfolio's principal underwriter. ABI and the Adviser have disclosed in the Portfolio's prospectus that they may make revenue sharing payments from their own resources, in addition to resources derived from sales loads and Rule 12b-1 fees, to firms that sell shares of the Portfolio. In 2014, ABI paid approximately 0.05% of the average monthly assets of the

AB Mutual Funds or approximately $20.4 million for distribution services and educational support (revenue sharing payments).

During the Portfolio's most recently completed fiscal year, ABI received from the Portfolio $562, $3,780 and $1,364 in front-end sales charges, Rule 12b-1 and CDSC fees, respectively.

Fees and reimbursements for out of pocket expenses charged by AB Investor Services, Inc. ("ABIS"), the affiliated transfer agent for the Portfolio, are based on the level of the network account and the class of shares held by the account. ABIS also receives a fee per shareholder sub-account for each account maintained by an intermediary on an omnibus basis. During the Portfolio's most recently completed fiscal year, ABIS received $17,905 in fees from the Portfolio.

The Portfolio effected brokerage transactions during the most recently completed fiscal year 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. 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. These credits and charges are not being passed onto any SCB client. In the ordinary course of business, SCB receives and pays liquidity rebates from electronic communications networks ("ECNs") derived from trading for its clients. 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 cost of doing business and increase its profitability.

V. POSSIBLE ECONOMIES OF SCALE

The Adviser has indicated that economies of scale are being shared with shareholders through pricing to scale, breakpoints, fee reductions/waivers and enhancement to services.

In May 2012, an independent consultant, retained by the Senior Officer, provided the Board of Directors information on the Adviser's firm-wide average costs from 2005 through 2011 and the potential economies of scale. The independent consultant noted that from 2005 through 2007 the Adviser experienced significant growth in assets under management ("AUM"). During this period, operating expenses increased, in part to keep up with growth, and in part reflecting market returns. However, from 2008 through the first quarter of 2009, AUM rapidly and significantly decreased due to declines in market value and client withdrawals. When AUM rapidly decreased, some operating expenses categories, including base compensation and office space, adjusted more slowly during this period, resulting in an increase in average costs. Since 2009, AUM has experienced less significant changes. The independent consultant noted that changes in operating expenses reflect changes in business composition and business practices in response to changes in financial markets. Finally, the independent consultant concluded that the increase in average cost and the decline in net operating margin across the Adviser since late 2008 are inconsistent with the view that there are currently reductions in average costs due to economies of scale that can be shared with the AB Mutual Funds managed by the Adviser through lower fees.

Previously, in February 2008, the independent consultant provided the Board of Directors an update of the Deli[24] study on advisory fees and various fund characteristics.[25] The independent consultant first reiterated the results of his previous two dimensional comparison analysis (fund size and family size) with the Board of Directors.[26] The independent consultant then discussed the results of the regression model that was utilized to study the effects of various factors on advisory fees. The regression model output indicated that the bulk of the variation in fees predicted were explained by various factors, but substantially by fund AUM, family AUM, index fund indicator and investment style. The independent consultant also compared the advisory fees of the AB 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.

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

With assets under management of approximately $485 billion as of June 30, 2015, the Adviser has the investment experience to manage and provide non-investment services (described in Section I) to the Portfolio.

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[24] The Deli study, originally published in 2002 based on 1997 data and updated for the February 2008 Presentation, may be of diminished value due to the age of the data used in the presentation and the changes experienced in the industry since 2008.

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

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

The information below shows the 1 and 3 year performance returns and rankings of the Portfolio[27] relative to its Lipper Performance Group ("PG") and Lipper Performance Universe ("PU")[28] for the period ending May 31, 2015.[29]

	Portfolio Return (%)	Lipper PG Median (%)	Lipper PU Median (%)	Lipper PG Rank	Lipper PU Rank
All Market Growth Portfolio					
1 year	0.22	4.33	2.27	7/8	78/114
3 year	7.11	3.47	9.67	2/5	59/80

Set forth below are the 1 and 3 year and since inception net performance returns of the Portfolio (in bold)[30] versus its benchmark for the period ending May 31, 2015.[31]

	Periods Ending May 31, 2015 Annualized Net Performance (%)		
	1 Year (%)	3 Year (%)	Since Inception (%)
All Market Growth Portfolio	**0.22**	**7.11**	**6.66**
60% MSCI World Index / 40% Barclays Capital Global Treasury Index (USD Hedged)	5.64	11.59	11.14
MSCI World Index	5.70	17.09	15.96
Barclays Capital Global Treasury Index (USD Hedged)	5.25	3.52	3.85

Inception Date: December 16, 2011

[27] The performance returns and rankings are for the Class A shares of the Portfolio. The performance returns of the Portfolio were provided Lipper.
[28] The Portfolio's PG/PU is not identical to the Portfolio's EG/EU as the criteria for including/excluding a Portfolio in/from a PG/PU are somewhat different from that of an EG/EU.
[29] 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.
[30] The performance returns and risk measures shown in the table are for the Class A shares of the Portfolio.
[31] The Adviser provided Portfolio and benchmark performance return information for the periods through May 31, 2015.

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: August 28, 2015

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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 Cap Fund, Inc. (the "Fund"), in respect of AllianceBernstein Dynamic All Market Fund (the "Fund"), [2] prepared by Philip L. Kirstein, the Senior Officer of the Portfolio for the Directors of the Portfolio, 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 to perform its duties pursuant to Section 15 of the Investment Company Act of 1940 (the "40 Act") and applicable state law. The purpose of the summary is to provide shareholders with a synopsis of the independent evaluation of the reasonableness of the advisory fees proposed to be paid by the Portfolio which was provided to the Directors in connection with their review of the proposed approval of the continuance of the Investment Advisory Agreement.

The Senior Officer's evaluation considered the following factors:

1. Advisory fees charged to institutional and other clients of the Adviser for like services;
2. Advisory fees charged by other mutual Portfolio companies for like services;

[1] It should be noted that the information in the fee evaluation was completed on July 24, 2014 and discussed with the Board of Directors on August 5-7, 2014.

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

3. Costs to the Adviser and its affiliates of supplying services pursuant to the advisory agreement, excluding any intra-corporate profit;
4. Profit margins of the Adviser and its affiliates from supplying such services;
5. Possible economies of scale as the Portfolio grows larger; and
6. Nature and quality of the Adviser's services including the performance of the Portfolio.

These factors, with the exception of the first factor, are generally referred to as the "*Gartenberg* factors," which were articulated by the United States Court of Appeals for the Second Circuit in 1982. *Gartenberg v. Merrill Lynch Asset Management, Inc.*, 694 F. 2d 923 (2d Cir. 1982). On March 30, 2010, the Supreme Court held the *Gartenberg* decision was correct in its basic formulation of what Section 36(b) requires: to face liability under Section 36(b), "an investment adviser must charge a fee that is so disproportionately large that it bears no reasonable relationship to the services rendered and could not have been the product of arm's length bargaining." *Jones v. Harris Associates L.P.*, 130 S. Ct. 1418 (2010). In *Jones*, the Court stated the *Gartenberg* approach fully incorporates the correct understanding of fiduciary duty within the context of Section 36(b) and noted with approval that "*Gartenberg* insists that all relevant circumstances be taken into account" and "uses the range of fees that might result from arm's length bargaining as the benchmark for reviewing challenged fees."[3]

[3] *Jones v. Harris* at 1427.

PORTFOLIO ADVISORY FEES, EXPENSE REIMBURSEMENTS & RATIOS

The Adviser proposed that the Fund pays the advisory fee set forth in the table below for receiving the services to be provided pursuant to the Investment Advisory Agreement.

Fund	Net Assets 06/30/14 ($MIL)	Fee
Dynamic All Market Fund	$12.8	0.60% of average daily net assets

The Adviser is reimbursed as specified in the Investment Advisory Agreement for certain clerical, legal, accounting, administrative and other services provided to the Fund. During the Fund's most recently completed fiscal year, the Adviser was entitled to receive $61,500 (0.512% of the Fund's average daily net assets) for such services, but waived the amount in its entirety.

The Adviser agreed to waive that portion of its advisory fees and/or reimburse the Fund for that portion of the Fund's total operating expenses to the degree necessary to limit the Fund's expense ratios to the amounts set forth below for the Fund's current fiscal year. The waiver is terminable by the Adviser upon at least 60 days' written notice prior to the Fund's prospectus update. In addition, set forth below are the Fund's gross expense ratios for the most recent annual period:

Fund	Expense Cap Pursuant to Expense Limitation Undertaking		Gross Expense Ratio	Fiscal Year End
Dynamic All Market Fund[4]	Class A	1.10%	5.49%	February 28
	Class C	1.80%	6.17%	
	Class R	1.30%	4.54%	
	Class K	1.05%	4.27%	
	Class I	0.80%	4.00%	
	Advisor	0.80%	5.16%	
	Class 1	1.05%	4.24%	
	Class 2	0.80%	3.99%	

I. ADVISORY FEES CHARGED TO INSTITUTIONAL AND OTHER CLIENTS

The advisory fees charged to investment companies which the Adviser manages and sponsors are normally higher than those charged to similar sized institutional accounts, including pension plans and sub-advised investment companies. The fee differential reflects, among other things, different services provided to such clients, and different liabilities assumed. Services provided by the Adviser to the Fund 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 Fund'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 Fund are more costly than those for institutional assets due to the greater complexities and time required for investment companies, although as previously noted, the Adviser is reimbursed for providing such services. Also, retail mutual Funds managed by the Adviser are widely

[4] During the Fund's most recently completed fiscal year, the Fund purchased and held positions in several Exchange-Traded Funds ("ETF"), which accounted for 7.93% of the Fund's average net assets. The Fund's acquired fees and expense ratio related to the ETF holdings was 0.0085%.

held. Servicing the Fund's investors is more time consuming and labor intensive compared to institutional clients since the Adviser needs to communicate with a more extensive network of financial intermediaries and shareholders. The Adviser also believes that it incurs substantial entrepreneurial risk when offering a new mutual Fund since establishing a new mutual Fund requires a large upfront investment and it may take a long time for the Fund to achieve profitability since the Fund must be priced to scale from inception in order to be competitive and assets are acquired one account at a time. In addition, managing the cash flow of an investment company may be more difficult than managing that of a stable pool of assets, such as an institutional account with little cash movement in either direction, particularly, if a Fund is in net redemption and the Adviser is frequently forced to sell securities to raise cash for redemptions. However, managing a Fund with positive cash flow may be easier at times than managing a stable pool of assets. 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, the Supreme Court has indicated consideration should be given to the advisory fees charged to institutional accounts with a similar investment style as the Fund.[5] In

[5] The Supreme Court stated that "courts may give such comparisons the weight that they merit in light of the similarities and differences between the services that the clients in question require, but the courts must be wary of inapt comparisons." Among the significant differences the Supreme Court noted that may exist

addition to the AllianceBernstein Institutional fee schedule, set forth below is what would have been the effective advisory fee of the Fund had the AllianceBernstein Institutional fee schedule been applicable to the Fund based on June 30, 2014 net assets.[6]

Fund	Net Assets 06/30/14 ($MM)	AllianceBernstein Institutional Fee Schedule	Effective AB Inst. Adv. Fee
Dynamic All Market Fund	$12.8	Dynamic All market 0.60% on 1st $500 million 0.50% on the balance *Minimum Account Size: $250 m*	0.600%

The adviser also manages the AllianceBernstein Variable Products Series Portfolio, Inc. ("AVPS"), which is available through variable annuity and variable life contracts offered by other financial institutions and offers policyholders the option to utilize certain AVPS portfolios as the investment option underlying their insurance contracts. Set forth below is the fee of the AVPS portfolio that has a somewhat similar investment style as the Fund.[7]

Fund	AVPS Portfolio	Fee
Dynamic All Market Fund	Dynamic Asset Allocation Portfolio	0.70% of average daily net assets

The Adviser also manages and sponsors retail mutual funds, which are organized in jurisdictions outside the United States, generally Luxembourg and Japan, and sold to non-United States resident investors. The Adviser charges the fees set forth below for

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between services provided to mutual Portfolios and institutional accounts are "higher marketing costs." *Jones v. Harris* at 1428.

[6] 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.

[7] The AVPS portfolio was also affected by the settlement between the Adviser and the NYAG. As a result, the Fund has the same fee schedule as the AVPS portfolio.

Dynamic Diversified Portfolio, which is a Luxembourg fund that has a somewhat similar investment style as the Fund:

Fund	Luxembourg	Fee[8]
Dynamic All Market Fund	Dynamic Diversified Portfolio	
	Class A	1.70%
	Class I	0.90%

The Adviser provides sub-advisory investment services to certain other investment companies managed by other Fund families. The Adviser charges the following fees for the sub-advisory relationships that have a somewhat similar investment style as the Fund. Also shown are what would have been the effective advisory fees of the Fund had the fee schedules of the sub-advisory relationships been applicable to the Fund based on June 30, 2014 net assets.

Fund	Sub-advised Fund	Sub-advised Fund Fee Schedule	Sub-advised Fund Eff. Mgmt. Fee (%)
Dynamic All Market Fund	Client #1	AB Sub-Advisory Fee Schedule: 0.40% on 1st $250 million 0.35% on next $250 million 0.325% on next $500 million 0.30% on the balance	0.400
	Client #2	AB Sub-Advisory Fee Schedule: 0.40% on first $100 million 0.35% on next $100 million 0.30% on the balance	0.400
	Client #3[9]	AB Sub-Advisory Fee Schedule: 0.35% on first $400 million 0.30% on the balance	0.350

[8] Class A shares of the funds are charged an "all-in" fee, which includes investment advisory services and distribution related services, unlike Class I shares, whose fee is for investment advisory services only.
[9] The client is an affiliate of the Adviser.

It is fair to note that the services the Adviser provides pursuant to sub-advisory agreements are generally confined to the services related to the investment process; in other words, they are not as comprehensive as the services provided to the Fund by the Adviser. In addition, to the extent that certain of these sub-advisory relationships are with affiliates of the Adviser, the fee schedules may not reflect arm's-length bargaining or negotiations.

While it appears that the sub-advisory relationships are paying a lower fee than the Fund, it is difficult to evaluate the relevance of such lower fees due to differences in terms of the services provided, risks involved and other competitive factors between the Fund and the sub-advisory relationships. There could be various business reasons why an investment adviser would be willing to provide a sub-advisory relationship investment related services at a different fee level than an investment company it is sponsoring where the investment adviser is providing all the services, not just investment management, generally required by a registered investment company.

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

Lipper, Inc. ("Lipper"), an analytical service that is not affiliated with the Adviser, compared the fees charged to the Fund with fees charged to other investment companies for similar services offered by other investment advisers.[10] Lipper's analysis included the comparison of the Fund's contractual management fee, estimated at the

[10] The Supreme Court cautioned against accepting mutual Fund fee comparisons without careful scrutiny since "these comparisons are problematic because these fees, like those challenged, may not be the product of negotiations conducted at arm's length." *Jones v. Harris* at 1429.

approximate current asset level of the Fund, to the median of the Fund's Lipper Expense Group ("EG")[11] and the Fund's contractual management fee ranking.[12]

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.

Fund	Contractual Management Fee (%)[13]	Lipper EG Median (%)	Lipper EG Rank
Dynamic All Market Fund	0.600	0.900	1/16

Lipper also compared the Fund's total expense ratio to the medians of the Fund's EG and Lipper Expense Universe ("EU"). The EU is a broader group compared to the EG, consisting of all funds that have the same investment classifications/objective and load type as the subject Fund. Set forth below is Lipper's comparison of the Fund's total expense ratio and the median of the Fund's EG and EU. The Fund's total expense ratio ranking is also shown.

[11] Lipper does not consider average account size when constructing EGs. Funds with relatively small average account sizes tend to have higher transfer agent expense ratio than comparable sized funds that have relatively large average account sizes. There are limitations to Lipper expense category data because different funds categorize expenses differently.

[12] The contractual management fee is calculated by Lipper using the Fund'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 Fund, 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 a fund had the lowest effective fee rate in the Lipper peer group.

[13] The contractual management fee does not reflect any expense reimbursements made by the Fund to the Adviser for certain clerical, legal, accounting, administrative, and other services, although as previously noted, the Adviser waived such reimbursement in its entirety. In addition, the contractual management fee does not reflect any advisory fee waivers or expense reimbursements made by the Adviser that would effectively reduce the actual effective management fee.

Fund	Total Expense Ratio (%)[14]	Lipper EG Median (%)	Lipper EG Rank	Lipper EU Median (%)	Lipper EU Rank
Dynamic All Market Fund	1.100	1.210	5/16	1.192	17/60

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

III. COSTS TO THE ADVISER AND ITS AFFILIATES OF SUPPLYING SERVICES PURSUANT TO THE MANAGEMENT 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 Fund. 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 Fund'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 Fund was negative for calendar year 2013.

In addition to the Adviser's direct profits from managing the Fund, certain of the Adviser's affiliates have business relationships with the Fund and may earn a profit from providing other services to the Fund. The courts have referred to this type of business opportunity as "fall-out benefits" to the Adviser and indicated that such benefits should

[14] Most recently completed fiscal year Class A share total expense ratio.

be factored into the evaluation of the total relationship between the Fund and the Adviser. Neither case law nor common business practice precludes the Adviser's affiliates from earning a reasonable profit on this type of relationship provided the affiliates' charges and services are competitive and the relationship otherwise complies with the 40 Act restrictions. These affiliates provide transfer agent, distribution and brokerage related services to the Fund and receive transfer agent fees, Rule 12b-1 payments, front-end sales loads, contingent deferred sales charges ("CDSC") and brokerage commissions. In addition, the Adviser benefits from soft dollar arrangements which offset expenses the Adviser would otherwise incur.

AllianceBernstein Investments, Inc. ("ABI"), an affiliate of the Adviser, is the Fund's principal underwriter. ABI and the Adviser have disclosed in the Fund's prospectus that they may make revenue sharing payments from their own resources, in addition to resources derived from sales loads and Rule 12b-1 fees, to firms that sell shares of the Fund. In 2013, ABI paid approximately 0.05% of the average monthly assets of the AllianceBernstein Mutual Portfolios or approximately $19.4 million for distribution services and educational support (revenue sharing payments).

During the Fund's most recently completed fiscal year, ABI received from the Portfolio $298, $2,418 and $72 in front-end sales charges, Rule 12b-1 and CDSC fees, respectively.

Fees and reimbursements for out of pocket expenses charged by AllianceBernstein Investor Services, Inc. ("ABIS"), the affiliated transfer agent for the Fund, are based on the level of the network account and the class of shares held by the account. ABIS also receives a fee per shareholder sub-account for each account

maintained by an intermediary on an omnibus basis. During the Fund's most recently completed fiscal year, ABIS received $17,985 in fees from the Fund.

The Fund effected brokerage transactions during the most recently completed fiscal year 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. The Adviser represented that SCB's profitability from any business conducted with the Fund is comparable to the profitability of SCB's dealings with other similar third party clients. These credits and charges are not being passed onto any SCB client. In the ordinary course of business, SCB receives and pays liquidity rebates from electronic communications networks ("ECNs") derived from trading for its clients. 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 cost of doing business and increase its profitability.

V. POSSIBLE ECONOMIES OF SCALE

The Adviser has indicated that economies of scale are being shared with shareholders through pricing to scale, breakpoints, fee reductions/waivers and enhancement to services.

In May 2012, an independent consultant, retained by the Senior Officer, provided the Board of Directors information on the Adviser's firm-wide average costs from 2005 through 2011 and the potential economies of scale. The independent consultant noted that from 2005 through 2007 the Adviser experienced significant growth in assets under management ("AUM"). During this period, operating expenses increased, in part to keep

up with growth, and in part reflecting market returns. However, from 2008 through the first quarter of 2009, AUM rapidly and significantly decreased due to declines in market value and client withdrawals. When AUM rapidly decreased, some operating expenses categories, including base compensation and office space, adjusted more slowly during this period, resulting in an increase in average costs. Since 2009, AUM has experienced less significant changes. The independent consultant noted that changes in operating expenses reflect changes in business composition and business practices in response to changes in financial markets. Finally, the independent consultant concluded that the increase in average cost and the decline in net operating margin across the Adviser since late 2008 are inconsistent with the view that there are currently reductions in average costs due to economies of scale that can be shared with the AllianceBernstein Mutual Funds managed by the Adviser through lower fees.

Previously, in February 2008, the independent consultant provided the Board of Directors an update of the Deli[15] study on advisory fees and various fund characteristics.[16] The independent consultant first reiterated the results of his previous two dimensional comparison analysis (fund size and family size) with the Board of Directors.[17] 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

[15] The Deli study, originally published in 2002 based on 1997 data and updated for the February 2008 Presentation, may be of diminished value due to the age of the data used in the presentation and the changes experienced in the industry over the last four years.

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

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

regression model output indicated that the bulk of the variation in fees predicted were explained by various factors, but substantially by fund AUM, family AUM, index fund indicator and investment style. The independent consultant also compared the advisory fees of the AllianceBernstein Mutual Funds to similar funds managed by 19 other large asset managers, regardless of the fund size and each Adviser's proportion of mutual fund assets to non-mutual fund assets.

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

With assets under management of approximately $480 billion as of June 30, 2014, the Adviser has the investment experience to manage and provide non-investment services (described in Section I) to the Fund.

The information below shows the 1 year performance return and rankings of the Fund [18] relative to its Lipper Performance Group ("PG") and Lipper Performance Universe ("PU")[19] for the period ending May 31, 2014.[20]

	Fund Return (%)	Lipper PG Median (%)	Lipper PU Median (%)	Lipper PG Rank	Lipper PU Rank
1 year	9.49	7.34	9.31	5/16	42/90

Set forth below are the 1 year and since inception net performance returns of the Fund (in bold)[21] versus its benchmark for the periods ending May 31, 2014.[22]

[18] The performance returns and rankings are for the Class A shares of the Fund. The performance returns of the Fund were provided Lipper.
[19] The Fund's PG is identical to the Fund's EG. The Fund's PU is not identical to the Fund's EU as the criteria for including/excluding a Fund in/from a PU are somewhat different from that of an EU.
[20] 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.
[21] The performance returns and risk measures shown in the table are for the Class A shares of the Fund.
[22] The Adviser provided Fund and benchmark performance return information for the periods through May 31, 2014.

	Periods Ending May 31, 2014 Annualized Net Performance (%)	
	1 Year (%)	Since Inception (%)
Dynamic All Market Fund	**9.49**	**9.39**
60% MSCI World Index / 40% Barclays Capital Global Treasury Index (USD Hedged)	12.45	13.45
MSCI World Index	18.87	20.41
Barclays Capital Global Treasury Index (USD Hedged)	3.12	3.29
Inception Date: February 12, 1969		

CONCLUSION:

Based on the factors discussed above the Senior Officer's conclusion is that the proposed advisory fee for the Fund 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 Fund is based on an evaluation of all of these factors and no single factor was dispositive.

Dated: August 29, 2014