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

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 Sanford C. Bernstein Fund, Inc. (the "Fund") with respect to the following Portfolios:[2]

Tax-Managed International Portfolio
International Portfolio
Emerging Markets Portfolio
U.S. Government Short Duration Portfolio
Short Duration Plus Portfolio
Intermediate Duration Portfolio
Short Duration California Municipal Portfolio
Short Duration Diversified Municipal Portfolio
Short Duration New York Municipal Portfolio
California Municipal Portfolio
Diversified Municipal Portfolio
New York Municipal Portfolio

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 Portfolios which was provided to the Directors

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[1] The Senior Officer's evaluation, excluding the conclusion, was completed and provided to the Board of Directors on October 4, 2011 and discussed with the Board on October 11, 2011. The conclusion was completed and provided to the Board on October 19, 2011. The full evaluation was discussed with the Board of Directors on October 19- 20, 2011.

[2] Future references to the various Portfolios do not include "Sanford C. Bernstein." It also should be noted that references in the fee summary pertaining to performance and expense ratios refer to the Private Client Class shares of the Portfolios unless otherwise indicated.

in connection with their review of the proposed approval of the continuance of the Investment Advisory Agreement.

The Senior Officer's evaluation considered the following factors:

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

These factors, with the exception of the first factor, are generally referred to as the "*Gartenberg* factors," which were articulated by the United States Court of Appeals for the Second Circuit in 1982. *Gartenberg v. Merrill Lynch Asset Management, Inc.*, 694 F. 2d 923 (2d Cir. 1982). On March 30, 2010, the Supreme Court held the *Gartenberg* decision was correct in its basic formulation of what §36(b) requires: to face liability under §36(b), "an investment adviser must charge a fee that is so disproportionately large that it bears no reasonable relationship to the services rendered and could not have been the product of arms length bargaining." *Jones v. Harris Associates L.P.*, 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 arms-length bargaining as the benchmark for reviewing challenged fees."[3]

PORTFOLIOS' ADVISORY FEES, EXPENSE REIMBURSEMENTS & RATIOS

The Adviser proposed that the Portfolios pay the advisory fees set forth in the table below for receiving the services to be provided pursuant to the Investment Advisory Agreement. The proposed advisory fee schedules did not contain any changes from the previous year.

Portfolio	Advisory Fee Based on % of Average Daily Net Assets[4]	
Tax-Managed International Portfolio	First $1 billion	0.925%
	Next $3 billion	0.850%
	Next $2 billion	0.800%
	Next $2 billion	0.750%
	Next $2 billion	0.650%
	On the balance	0.600%
International Portfolio	First $1 billion	0.925%
	Next $3 billion	0.850%
	Next $2 billion	0.800%
	Next $2 billion	0.750%
	On the balance	0.650%
Emerging Markets Portfolio	First $1 billion	1.175
	Next $1 billion	1.050
	Next $1 billion	1.000
	Next $3 billion	0.900
	On the balance	0.850

[3] *Jones v. Harris* at 1427.
[4] The advisory fees of each Portfolio are based on the percentage of each Portfolio's net assets, not a combination of any of the Portfolios shown.

Portfolio	Advisory Fee Based on % of Average Daily Net Assets[4]	
U.S. Government Short Duration Portfolio Short Duration Plus Portfolio Short Duration California Municipal Portfolio Short Duration Diversified Municipal Portfolio Short Duration New York Municipal Portfolio	First $750 million On the balance	0.450% 0.400%
Intermediate Duration Portfolio Diversified Municipal Portfolio	First $1 billion Next $2 billion Next $2 billion Next $2 billion On the balance	0.500% 0.450% 0.400% 0.350% 0.300%
California Municipal Portfolio New York Municipal Portfolio	First $1 billion Next $2 billion Next $2 billion On the balance	0.500% 0.450% 0.400% 0.350%

The Portfolios' net assets on September 30, 2011 and September 30, 2010 are set forth below:

Portfolio	09/30/11 Net Assets ($MM)	09/30/10 Net Assets ($MM)	Change ($MM)
Tax-Managed International Portfolio	$3,590.7	$4,860.5	-$1,269.8
International Portfolio	$1,508.5	$2,096.6	-$588.1
Emerging Markets Portfolio	$1,250.0	$1,917.6	-$667.7
U.S. Government Short Duration Portfolio	$130.6	$163.7	-$33.1
Short Duration Plus Portfolio	$727.6	$633.4	$94.2
Intermediate Duration Portfolio	$5,197.1	$5,377.2	-$180.1

Portfolio	09/30/11 Net Assets ($MM)	09/30/10 Net Assets ($MM)	Change ($MM)
Short Duration California Municipal Portfolio	$119.1	$145.5	-$26.4
Short Duration Diversified Municipal Portfolio	$418.0	$592.9	-$174.9
Short Duration New York Municipal Portfolio	$158.6	$273.4	-$114.9
California Municipal Portfolio	$1,113.5	$1,177.1	-$63.5
Diversified Municipal Portfolio	$5,558.1	$5,574.4	-$16.3
New York Municipal Portfolio	$1,830.5	$1,971.8	-$141.3

There have been various amendments to the investment advisory fee schedules of the Portfolios since October 2004 as a result of the Board of Directors' negotiations with the Adviser. Set forth in the table below is the impact in basis points of the advisory fee schedule changes made since October 2004 for each Portfolio. It should be noted that the estimated fees are based on September 30, 2011 net assets:

Effective Advisory Fees based on
October 2004 Fee Schedule vs. Current Fee Schedule

Portfolio	October 2004	Current	Difference
Tax-Managed International Portfolio	0.928%	0.871%	0.057%
International Portfolio	0.966%	0.900%	0.066%
Emerging Markets Portfolio	1.225%	1.150%	0.075%

Effective Advisory Fees based on
October 2004 Fee Schedule vs. Current Fee Schedule

Portfolio	October 2004	Current	Difference
U.S. Government Short Duration Portfolio	0.500%	0.450%	0.050%
Short Duration Plus Portfolio	0.500%	0.450%	0.050%
Intermediate Duration Portfolio	0.460%	0.437%	0.023%
Short Duration California Municipal Portfolio	0.500%	0.450%	0.050%
Short Duration Diversified Municipal Portfolio	0.500%	0.450%	0.050%
Short Duration New York Municipal Portfolio	0.500%	0.450%	0.050%
California Municipal Portfolio	0.495%	0.495%	0.000%
Diversified Municipal Portfolio	0.459%	0.431%	0.028%
New York Municipal Portfolio	0.477%	0.477%	0.000%

Set forth below are the Portfolios' total expense ratios for the semi-annual period ending March 31, 2011:

Portfolio	Semi-Annual Period Ending 03/31/11 Total Expense Ratio[5]	
Tax-Managed International Portfolio	Private Client	1.13%
	Class A	1.74%
	Class B	2.50%
	Class C	2.44%

[5] Annualized.

Portfolio	Semi-Annual Period Ending 03/31/11 Total Expense Ratio[5]	
International Portfolio	Private Client	1.18%
	Class A	1.62%
	Class B	2.40%
	Class C	2.35%
Emerging Markets Portfolio	Private Client	1.44%
U.S. Government Short Duration Portfolio	Private Client	0.64%
Short Duration Plus Portfolio	Private Client	0.61%
	Class A	0.92%
	Class B	1.63%
	Class C	1.60%
Intermediate Duration Portfolio	Private Client	0.56%
Short Duration California Municipal Portfolio	Private Client	0.65%
Short Duration Diversified Municipal Portfolio	Private Client	0.61%
Short Duration New York Municipal Portfolio	Private Client	0.62%
California Municipal Portfolio	Private Client	0.63%
	Class A	0.90%
	Class B	1.60%
	Class C	1.60%
Diversified Municipal Portfolio	Private Client	0.55%
	Class A	0.79%
	Class B	1.52%
	Class C	1.49%
New York Municipal Portfolio	Private Client	0.61%
	Class A	0.83%
	Class B	1.57%
	Class C	1.53%

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 Portfolios 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 Portfolios' third party service providers such as Fund counsel, auditors, custodians, transfer agents and pricing services. The accounting, administrative, legal and compliance requirements for the Portfolios are more costly than those for institutional assets due to the greater complexities and time required for investment companies. Servicing the Portfolios' Private Client and Retail 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 fee charged to institutional accounts that have investment styles similar to the Portfolios.[6] In addition to the relevant AllianceBernstein Institutional fee schedule, set forth below are what would have been the effective advisory fees of the Portfolios had the AllianceBernstein Institutional fee schedule been applicable to the Portfolios versus the Portfolios' advisory fees based on September 30, 2011 net assets.[7]

[6] 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.

[7] 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

Portfolio	Net Assets 09/30/11 ($MM)	AllianceBernstein ("AB") Institutional ("Inst.") Fee Schedule	Effective AB Inst. Adv. Fee	Portfolio Advisory Fee
Tax-Managed International Portfolio	$3,590.7	International Style Blend 80 bp on 1st 25 million 65 bp on next $25 million 55 bp on next $50 million 45 bp on next $100 million 40 bp on the balance *Minimum account size: $50m*	0.408%	0.871%
International Portfolio	$1,508.5	International Style Blend 80 bp on 1st 25 million 65 bp on next $25 million 55 bp on next $50 million 45 bp on next $100 million 40 bp on the balance *Minimum account size: $50m*	0.419%	0.900%
Emerging Markets Portfolio	$1,250.0	Emerging Markets Style Blend 100 bp on 1st $50 million 80 bp on the balance *Minimum account size: $50m*	0.808%	1.150%
U.S. Government Short Duration Portfolio[8]	$130.6	Low Duration 30 bp on 1st $20 million 20 bp on next $80 million 15 bp on next $150 million 12.5 bp on next $250 million 10 bp on the balance *Minimum account size: $25m*	0.204%	0.450%
Short Duration Plus Portfolio	$727.6	Low Duration 30 bp on 1st $20 million 20 bp on next $80 million 15 bp on next $150 million 12.5 bp on next $250 million 10 bp on the balance *Minimum account size: $25m*	0.135%	0.450%

[8] The Portfolio's duration target of 1 to 3 years is similar to that of AllianceBernstein Institutional Low Duration, which targets a duration within 20% of the Bank of America/Merrill Lynch 1-3 Year Treasury Index. However, unlike AllianceBernstein Institutional Low Duration, the Portfolio has a relatively more restrictive investment strategy, which limits the Portfolio to invest primarily in U.S. Government and agency securities.

Portfolio	Net Assets 09/30/11 ($MM)	AllianceBernstein ("AB") Institutional ("Inst.") Fee Schedule	Effective AB Inst. Adv. Fee	Portfolio Advisory Fee
Intermediate Duration Portfolio	$5,197.1	U.S. Strategic Core Plus 50 bp on 1st $30 million 20 bp on the balance *Minimum account size: $25m*	0.202%	0.437%
Short Duration California Municipal Portfolio	$119.1	Short Duration California Municipal 30 bp on 1st $20 million 20 bp on next $80 million 15 bp on next $150 million 12.5 bp on next $250 million 10 bp on the balance *Minimum account size: $5m*	0.209%	0.450%
Short Duration Diversified Municipal Portfolio	$418.0	Short Duration Diversified Municipal 30 bp on 1st $20 million 20 bp on next $80 million 15 bp on next $150 million 12.5 bp on next $250 million 10 bp on the balance *Minimum account size: $5m*	0.157%	0.450%
Short Duration New York Municipal Portfolio	$158.6	Short Duration New York Municipal 30 bp on 1st $20 million 20 bp on next $80 million 15 bp on next $150 million 12.5 bp on next $250 million 10 bp on the balance *Minimum account size: $5m*	0.194%	0.450%
California Municipal Portfolio	$1,113.5	Intermediate Duration California Municipal 50 bp on 1st $5 million 37.5 bp on next $15 million 25 bp on next $80 million 18.75 bp on the balance *Minimum account size: $3m*	0.196%	0.495%

Portfolio	Net Assets 09/30/11 ($MM)	AllianceBernstein ("AB") Institutional ("Inst.") Fee Schedule	Effective AB Inst. Adv. Fee	Portfolio Advisory Fee
Diversified Municipal Portfolio	$5,558.1	Intermediate Duration Diversified Municipal 50 bp on 1st $5 million 37.5 bp on next $15 million 25 bp on next $80 million 18.75 bp on the balance *Minimum account size: $3m*	0.189%	0.431%
New York Municipal Portfolio	$1,830.5	Intermediate Duration New York Municipal 50 bp on 1st $5 million 37.5 bp on next $15 million 25 bp on next $80 million 18.75 bp on the balance *Minimum account size: $3m*	0.193%	0.477%

With respect to Tax-Managed International Portfolio and International Portfolio, the Senior Officer compared the differences between the advisory fees charged to the Portfolios and the fees charged to their corresponding institutional accounts (herein referred to as the "spread") and the spreads of the Portfolios' group of Lipper peers.[9] The result of that comparison was discussed with the Board of Directors.

The Adviser also manages the AllianceBernstein Mutual Funds ("ABMF"), which are investment companies. The advisory schedule of these funds, implemented in January 2004, as a result of the AoD between the NYAG and the Adviser, contemplate eight categories with almost all of the AllianceBernstein Mutual Funds in each category having the same fee schedule. Certain of the eight categories are applicable to the Portfolios and the advisory fee schedules of those categories are set forth below. Also shown are what would have been the effective advisory fees of the Portfolios had the

[9] Group peers selected by Lipper from the 2011 Lipper 15(c) Report.

advisory fee schedules of the ABMF funds been applicable to the Portfolios versus the Portfolios' advisory fees based on the September 30, 2011 net assets:

Portfolio	NYAG Category	ABMF Fee Schedule	ABMF Effective Fee	Portfolio Advisory Fee
Tax-Managed International Portfolio	Int'l.	75 bp on 1st $2.5 billion 65 bp on next $2.5 billion 60 bp on the balance	0.720%	0.871%
International Portfolio	Int'l.	75 bp on 1st $2.5 billion 65 bp on next $2.5 billion 60 bp on the balance	0.750%	0.900%
Emerging Markets Portfolio	Specialty	75 bp on 1st $2.5 billion 65 bp on next $2.5 billion 60 bp on the balance	0.750%	1.150%
U.S. Government Short Duration Portfolio	Low Risk Income	45 bp on 1st $2.5 billion 40 bp on next $2.5 billion 35 bp on the balance	0.450%	0.450%
Short Duration Plus Portfolio	Low Risk Income	45 bp on 1st $2.5 billion 40 bp on next $2.5 billion 35 bp on the balance	0.450%	0.450%
Intermediate Duration Portfolio	High Income	50 bp on 1st $2.5 billion 45 bp on next $2.5 billion 40 bp on the balance	0.472%	0.437%
Short Duration California Municipal Portfolio	Low Risk Income	45 bp on 1st $2.5 billion 40 bp on next $2.5 billion 35 bp on the balance	0.450%	0.450%
Short Duration Diversified Municipal Portfolio	Low Risk Income	45 bp on 1st $2.5 billion 40 bp on next $2.5 billion 35 bp on the balance	0.450%	0.450%

Portfolio	NYAG Category	ABMF Fee Schedule	ABMF Effective Fee	Portfolio Advisory Fee
Short Duration New York Municipal Portfolio	Low Risk Income	45 bp on 1st $2.5 billion 40 bp on next $2.5 billion 35 bp on the balance	0.450%	0.450%
California Municipal Portfolio	Low Risk Income	45 bp on 1st $2.5 billion 40 bp on next $2.5 billion 35 bp on the balance	0.450%	0.495%
Diversified Municipal Portfolio	Low Risk Income	45 bp on 1st $2.5 billion 40 bp on next $2.5 billion 35 bp on the balance	0.417%	0.431%
New York Municipal Portfolio	Low Risk Income	45 bp on 1st $2.5 billion 40 bp on next $2.5 billion 35 bp on the balance	0.450%	0.477%

Set forth below are the advisory fee schedules of certain ABMF funds, which have a somewhat similar investment style as certain Portfolios and do not follow the NYAG categories. Also set forth below are what would have been the effective advisory fees of the Portfolios had the ABMF fee schedules been applicable to the Portfolios based on the Portfolios' September 30, 2011 net assets:

Portfolio	ABMF Fund	ABMF Fee Schedule	ABMF Effective Fee	Portfolio Advisory Fee
International Portfolio	International Discovery Equity Portfolio	100 bp on 1st $1 billion 95 bp on next $1 billion 90 bp on next $1 billion 85 bp on the balance	0.983%	0.900%
	International Focus 40 Portfolio	100 bp on 1st $1 billion 95 bp on next $1 billion 90 bp on next $1 billion 85 bp on the balance	0.983%	0.900%

Portfolio	ABMF Fund	ABMF Fee Schedule	ABMF Effective Fee	Portfolio Advisory Fee
Emerging Markets Portfolio	Emerging Markets Multi-Asset Portfolio	100 bp on 1st $1 billion 95 bp on next $1 billion 90 bp on next $1 billion 85 bp on the balance	0.990%	1.150%
Intermediate Duration Portfolio	Sanford C. Bernstein Fund II, Inc. ("SCB II") - Intermediate Duration Institutional Portfolio[10]	50 bp on 1st 1 billion 45 bp on the balance	0.419%	0.437%

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 the Luxembourg fund that has a somewhat similar investment style as the Emerging Markets Portfolio:

Portfolio	Luxembourg Fund	Luxembourg Fee[11]
Emerging Markets Portfolio	Emerging Markets Growth	
	Class A	1.70%
	Class I (Institutional)	0.90%
Emerging Markets Portfolio	Emerging Markets Value	
	Class A	1.75%
	Class I (Institutional)	0.95%

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 related services.

[10] It should be noted that SCB II's fund expenses are capped at 0.45%.
[11] Class A shares of the Luxembourg funds are charged an "all-in" fee, which covers investment advisory and distribution related services.

The fee schedules of the ITM mutual funds that have a similar investment style as Emerging Markets Portfolio are set forth below:

Portfolio	ITM Mutual Fund	Distributor	Fee
Emerging Markets Portfolio	AllianceBernstein Emerging Markets Growth Stock Fund F / FB[12, 13]	Nomura Trust Bank	0.800%
	AllianceBernstein Emerging Markets Growth Equity Fund[12, 13]	Sumitomo Trust Bank	0.800%
	AllianceBernstein Emerging Markets Growth Stock A / B	Nomura Sec.	0.900%
	AllianceBernstein Emerging Markets Growth Equity Fund (SMA)	Sumitomo Trust Bank	0.850%

The Adviser provides sub-advisory investment services to certain other investment companies managed by other fund families. The Adviser charges the fees set forth below for the sub-advisory relationships that have a similar investment style as certain of the Portfolios. Also shown are the Portfolios' advisory fees, the advisory fee schedules of the sub-advised funds and the effective advisory fees of the sub-advisory relationships based on the Portfolios' September 30, 2011 net assets:

Portfolio	Sub-advised Fund	Sub-advised Fund Fee Schedule	Sub-advised Fund Effective Fee (%)	Portfolio Advisory Fee (%)
International Portfolio	Client #1[14]	0.40% on the first $50 million 0.31% on the next $950 million 0.27% on the next $1 billion 0.25% on the balance	0.299%	0.900%

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[12] The ITM fund is privately placed or institutional.
[13] The ITM fund is a fund of funds and charges a fee in addition to the AllianceBernstein fee.
[14] Assets of the sub-advised funds are aggregated with other sub-advised funds for purposes of calculating the advisory fee.

Portfolio	Sub-advised Fund	Sub-advised Fund Fee Schedule	Sub-advised Fund Effective Fee (%)	Portfolio Advisory Fee (%)
	Client #2[14]	0.60% on the first $1 billion 0.55% on the next $500 million 0.50% on the next $500 million 0.45% on the next $500 million 0.40% on the balance	0.583%	0.900%
	Client #3	0.60% of average daily net assets	0.600%	0.900%
	Client #4	0.50% of average daily net assets	0.500%	0.900%
	Client #5[14]	0.50% on 1st $100 million 0.46% on next $300 million 0.41% on the balance	0.426%	0.900%
	Client #6	0.72% on the first $25 million 0.54% on the next $25 million 0.45% on the next $50 million 0.36% on the balance	0.372%	0.900%
	Client #7	0.36% of average daily net assets	0.360%	0.900%
	Client #8	0.35% on the first $1 billion 0.325 % on the balance	0.342%	0.900%
	Client #9	0.22% on the first $1 billion 0.18% on the next $1.5 billion 0.16% on the balance +/- Performance Fee (v. ACWI ex U.S.)	0.207%[15]	0.900%
Emerging Markets Portfolio	Client #10	0.75% on the first $50 million 0.55% on the next $50 million 0.50% on the next $300 million 0.45% on the balance	0.478%	1.150%

[15] The sub-advised fund's sub-advisory fee shown does not include any performance fee adjustment.

Portfolio	Sub-advised Fund	Sub-advised Fund Fee Schedule	Sub-advised Fund Effective Fee (%)	Portfolio Advisory Fee (%)
Intermediate Duration Portfolio	Client #11	0.29% on first $100 million 0.20% thereafter	0.217%	0.437%

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 Portfolios 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 certain sub-advisory relationships are paying a lower fee than the Portfolios, it is difficult to evaluate the relevance of such lower fees due to differences in terms of the service provided, risks involved and other competitive factors between the Portfolios and sub-advisory relationships. There could also be various business-related reasons why an investment adviser would be willing to manage a sub-advisory relationship investment related services for a different fee level than an investment company it is sponsoring where the investment adviser is providing all the services generally required by a registered investment company in addition to investment services.

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 Portfolios with fees charged to other investment companies for similar services by other investment advisers.[16] Lipper's analysis included the comparison of each Portfolio's contractual management fee,[17] estimated at the approximate current asset level of the subject Portfolio, to the median of the Portfolio's Lipper Expense Group ("EG")[18] and the Portfolio's contractual management fee ranking.

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

The original EGs of certain Portfolios had an insufficient number of comparable peers. Consequently, Lipper expanded the EGs of the Portfolios to include peers with a different load type,[19] and for certain Portfolios, a similar but not the same Lipper investment objective/classification. However, because Lipper had expanded the EGs of the Portfolios, under Lipper's standard guidelines, the Portfolios' Lipper Expense Universes ("EU") were also expanded to include the universes of those peers that had a similar (but not the same) Lipper investment objective/classification and load type. A

[16] 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.

[17] 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 current 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" means that the Portfolio has the lowest effective fee rate in the Lipper peer group.

[18] Lipper does not consider average account size when constructing EGs. Funds with relatively small average account sizes tend to have a higher transfer agent expense ratio than comparable sized funds that have relatively large average account sizes.

[19] At the request of the Senior Officer and the Adviser, the EGs and EUs for all Portfolios were expanded to include peers of the following load type: institutional load, front-end and no-load.

"normal" EU will include all funds that have the same investment classification/objective and load type as the subject Portfolio.[20]

Portfolio	Contractual Management Fee (%)	Lipper Exp. Group Median (%)	EG Rank
Tax-Managed International Portfolio[21]	0.858	0.837	13/21
International Portfolio[21]	0.887	0.880	11/18
Emerging Markets Portfolio	1.119	1.068	12/18
U.S. Government Short Duration Portfolio	0.450	0.454	7/14
Short Duration Plus Portfolio	0.450	0.450	9/17
Intermediate Duration Portfolio	0.436	0.462	6/16
Short Duration California Municipal Portfolio[21]	0.450	0.450	5/9
Short Duration Diversified Municipal Portfolio	0.450	0.473	5/11
Short Duration New York Municipal Portfolio[21]	0.450	0.450	5/9
California Municipal Portfolio[21]	0.493	0.500	6/14
Diversified Municipal Portfolio	0.433	0.432	8/13
New York Municipal Portfolio[21]	0.477	0.496	6/14

Set forth below is a comparison of the Portfolios' total expense ratios and the medians of their EGs and EUs. The Portfolios' rankings are also shown.

[20] Except for asset (size) comparability, Lipper uses the same EG criteria when selecting an EU peer. Unlike the EG, the EU allows for the same adviser to be represented by more than just one fund.
[21] Lipper expanded the Portfolio's EG with respect to investment classification/objective.

Portfolio	Expense Ratio (%)[22]	Lipper Exp. Group Median (%)	Lipper Group Rank	Lipper Exp. Universe Median (%)	Lipper Universe Rank
Tax-Managed International Portfolio[23]	1.134	1.167	10/21	1.267	139/393
International Portfolio[23]	1.175	1.224	7/18	1.267	155/393
Emerging Markets Portfolio	1.440	1.407	10/18	1.500	84/205
U.S. Government Short Duration Portfolio	0.635	0.750	3/14	0.688	20/51
Short Duration Plus Portfolio	0.616	0.687	5/17	0.639	62/135
Intermediate Duration Portfolio	0.559	0.770	2/16	0.719	79/307
Short Duration California Municipal Portfolio [23]	0.652	0.724	4/9	0.685	7/14
Short Duration Diversified Municipal Portfolio	0.615	0.615	6/11	0.551	31/50
Short Duration New York Municipal Portfolio [23]	0.611	0.724	4/9	0.685	5/14
California Municipal Portfolio [23]	0.626	0.732	3/14	0.700	36/111
Diversified Municipal Portfolio [23]	0.560	0.606	6/13	0.632	27/86
New York Municipal Portfolio [23]	0.608	0.743	2/14	0.700	31/111

[22] The total expense ratios are for the most recently completed fiscal year Private Client Class.
[23] Lipper expanded the Portfolio's EG/EU with respect to investment classification/objective under standard Lipper guidelines.

Based on this analysis, the Portfolios have a lower contractual management fee than each of their respective EG medians with the exception of the Equity Portfolios and Diversified Municipal Portfolio, which have higher contractual management fees, and Short Duration Plus Portfolio, Short Duration California Municipal Portfolio and Short Duration New York Municipal Portfolio, which have contractual management fees equal to their respective EG medians.

Except for Emerging Markets Portfolio, which has a higher total expense ratio compared to its EG median, and Short Duration Diversified Municipal Portfolio, which has an expense ratio equal to its respective EG median, the Portfolios have a lower total expense ratio compared to their respective EG 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 Portfolios. 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.

Members of the Adviser's Controller's Office provided the Board of Directors information regarding the Adviser's profitability attributable to the Portfolios. With the exception of U.S. Government Short Duration Portfolio, the Adviser's profitability, excluding administrating and servicing fees (A&S), decreased for the Portfolios during calendar year 2010, relative to 2009.

The Adviser provides the Portfolios with shareholder servicing services. For these services, the Adviser charges the Fixed-Income Portfolios a fee of 0.10% of average daily assets and the Equity Portfolios a fee of 0.25% of average daily net assets. Set forth below are the fees paid by the Portfolios under the Shareholder Servicing Agreement during the fiscal year ended September 30, 2010:[24]

Portfolio	Shareholder Serving Agreement Fee
Tax-Managed International Portfolio	$12,511,828
International Portfolio	$5,498,544
Emerging Markets Portfolio	$4,821,303
U.S. Government Short Duration Portfolio	$175,298
Short Duration Plus Portfolio	$481,956
Intermediate Duration Portfolio	$5,305,650
Short Duration California Municipal Portfolio	$127,870
Short Duration Diversified Municipal Portfolio	$556,819
Short Duration New York Municipal Portfolio	$262,227
California Municipal Portfolio	$1,163,905
Diversified Municipal Portfolio	$5,176,769
New York Municipal Portfolio	$1,752,608

In addition to the Adviser's direct profits from managing and providing certain shareholder services to the Portfolios, certain of the Adviser's affiliates have business

[24] The Shareholder Servicing Agreement does not apply to the Retail Class shares of the Portfolios.

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

Certain of the Portfolios have retail class shares. As of September 30, 2011, except for Short Duration Plus Portfolio and New York Municipal Portfolio, the retail classes make up a relatively small percentage of each of those Portfolios' total net assets:

Net Assets 09/30/11 ($MM)

Portfolio	Total Retail as % of Net Assets
Tax-Managed International Portfolio	0.11%
International Portfolio	1.02%
Short Duration Plus Portfolio	15.60%
California Municipal Portfolio	6.12%
Diversified Municipal Portfolio	7.95%
New York Municipal Portfolio	11.43%

AllianceBernstein Investments, Inc. ("ABI"), an affiliate of the Adviser, is the principal underwriter of the Portfolios' retail classes. ABI and the Adviser have disclosed in the prospectuses of the Portfolios' retail classes that they may make revenue sharing payments from their own resources, in addition to revenues derived from sales loads and Rule 12b-1 fees, to firms that sell shares of the Portfolios. In 2010, ABI paid approximately 0.04% of the average monthly assets of the AllianceBernstein Mutual Funds (which includes the retail classes of the Portfolios) or approximately $13.8 million for distribution services and educational support (revenue sharing payments).

ABI retained the following amounts for Class A front-end load sales charges from sales of the Portfolios' Class A shares during the fiscal year ended September 30, 2010:

Portfolio	Amount Received
Tax-Managed International Portfolio	$348
International Portfolio	$665
Short Duration Plus Portfolio	$8,219
California Municipal Portfolio	$29
Diversified Municipal Portfolio	$3,208
New York Municipal Portfolio	$327

ABI received the following Rule 12b-1 fees and CDSC for the Portfolios during the fiscal year ended September 30, 2010:

Portfolio	12b-1 Fee Received	CDSC Received
Tax-Managed International Portfolio	$30,960	$4,345
International Portfolio	$155,987	$5,619
Short Duration Plus Portfolio	$515,869	$28,542

Portfolio	12b-1 Fee Received	CDSC Received
California Municipal Portfolio	$339,094	$7,508
Diversified Municipal Portfolio	$1,322,728	$29,578
New York Municipal Portfolio	$806,170	$14,673

Fees and reimbursements for out of pocket expenses charged by AllianceBernstein Investor Services, Inc. ("ABIS"), the affiliated transfer agent of the retail classes of the Portfolios, are charged on a per account basis, based on the level of service provided and the class of share held by the account. ABIS also receives a fee per shareholder sub-account for each account maintained by an intermediary on an omnibus basis. ABIS' after-tax profitability (excluding omnibus sub-recordkeeping and networking payments to financial intermediaries from both revenues and expenses) decreased in 2010 in comparison to 2009. During the fiscal year ended September 30, 2010, ABIS received the following fees from the retail classes of the Portfolios: [25]

Portfolio	ABIS Fee
Tax-Managed International Portfolio	$17,946
International Portfolio	$25,782
Short Duration Plus Portfolio	$45,897
California Municipal Portfolio	$17,927
Diversified Municipal Portfolio	$36,621
New York Municipal Portfolio	$21,654

[25] The fee disclosed is net of expense offsets with ABIS. An expense offset is created by the interest earned on the positive cash balance that occur within the transfer agent account as there is a one day lag with regards to money movement from the shareholder's account to the transfer agent's account and then from the transfer agent's account to the Portfolio's account. However, due to lower average balances and interest rates during the Portfolios' most recently completed fiscal year, monthly fees exceeded interest credits, resulting in zero expense offsets for the period.

The Portfolios did not effect 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 pay commissions for such transactions during the Portfolios' most recently completed fiscal year. The Adviser represented that SCB's profitability from future business conducted with the Portfolios would be comparable to the profitability of SCB's dealings with other similar third party clients. In the ordinary course of business, SCB receives and pays liquidity rebates from electronic communications networks ("ECNs") derived from trading for its clients. These credits and charges are not being passed onto to 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 expense 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,[26] 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

[26] Fee structures include fee reductions, pricing at scale and breakpoints in advisory fee schedules.

investments in their business to provide services, there may be a sharing of economies of scale without a reduction in advisory fees.

At the September 2007 Board of Directors meeting, an independent consultant retained by the Senior Officer, provided the Board of Directors an update of the Deli[27] study on advisory fees and various fund characteristics.[28] The independent consultant first reiterated the results of his previous two dimensional comparison analysis (fund size and family size) with the Board of Directors.[29] The independent consultant then discussed the results of the regression model that was utilized to study the effects of various factors on advisory fees. The regression model output indicated that the bulk of the variation in fees predicted were explained by various factors, but substantially by fund AUM, family AUM, index fund indicator and investment style. The independent consultant also compared the advisory fees of the AllianceBernstein Mutual Funds to similar funds managed by 19 other large asset managers, regardless of the fund size and each Adviser's proportion of mutual fund assets to non-mutual fund assets.

[27] The Deli study, originally published in 2002 based on 1997 data and updated for the September 2007 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.

[28] 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.

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

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

With assets under management of approximately $433 billion as of August 31, 2011, the Adviser has the investment experience to manage the Portfolios and provide non-investment services (described in Section I) to the Portfolios.

The information prepared by Lipper in the table below shows the 1, 3, 5, and 10 year gross performance returns of the Portfolios[30] relative to the medians of the Portfolios' Lipper Performance Groups ("PG") and Lipper Performance Universes ("PU") [31] for the periods ended June 30, 2011.[32] Also shown are the gross performance rankings of the Portfolios.

	Portfolio Return (%)	PG Median (%)	PU Median (%)	PG Rank	PU Rank
Tax-Managed International Portfolio					
1 year	27.28	30.74	32.74	7/8	267/280
3 year	-7.10	-2.00	-0.97	8/8	239/244
5 year	-2.28	1.87	2.50	7/7	199/200
10 year	4.85	5.41	6.10	5/5	105/119
International Portfolio					
1 year	27.38	34.46	32.74	5/6	265/280
3 year	-7.20	-1.65	-0.97	6/6	243/244
5 year	-2.12	1.37	2.50	5/5	197/200
10 year	5.02	5.00	6.10	1/3	98/119
Emerging Markets Portfolio					
1 year	29.35	29.18	29.43	9/18	151/297
3 year	2.68	4.93	3.55	10/17	133/209
5 year	10.39	11.33	11.31	12/15	110/146
10 year	19.41	16.82	17.31	1/9	15/88

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[30] The gross performance returns are for the Private Client class shares of the Portfolios.

[31] The Portfolios' PGs/PUs may not be identical to the Portfolios' EGs/EUs as the criteria for including or excluding a fund in a PG/PU is different from that of an EG/EU.

[32] 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.

	Portfolio Return (%)	PG Median (%)	PU Median (%)	PG Rank	PU Rank
U.S. Government Short Duration Portfolio					
1 year	1.79	1.95	2.13	10/14	42/64
3 year	3.14	3.32	3.74	10/14	43/58
5 year	4.14	4.43	4.49	10/14	37/54
10 year	3.87	3.89	4.03	7/11	28/45
Short Duration Plus Portfolio					
1 year	2.48	3.77	3.59	17/17	153/180
3 year	3.55	5.05	4.65	16/16	123/152
5 year	3.41	4.99	4.87	16/16	110/125
10 year	3.59	4.29	4.21	12/12	73/79
Intermediate Duration Portfolio					
1 year	6.49	6.13	5.98	6/16	152/433
3 year	8.51	8.51	8.00	8/16	117/363
5 year	7.48	7.43	7.30	7/16	106/289
10 year	6.27	6.48	6.24	8/11	94/199
Short Duration California Municipal Portfolio					
1 year	1.43	3.39	2.02	6/7	10/15
3 year	2.87	4.92	3.97	6/7	13/14
5 year	3.44	4.62	4.62	6/7	8/9
10 year	2.99	4.20	4.20	4/4	6/6
Short Duration Diversified Municipal Portfolio					
1 year	1.66	2.48	2.19	9/11	58/66
3 year	2.91	3.50	3.53	9/10	36/49
5 year	3.46	3.63	3.71	8/10	27/42
10 year	3.21	3.21	3.39	3/5	18/27
Short Duration New York Municipal Portfolio					
1 year	1.66	2.21	3.55	3/3	5/5
3 year	2.80	3.29	5.10	3/3	5/5
5 year	3.39	3.79	4.77	3/3	5/5
10 year	3.08	3.59	4.21	3/3	5/5

	Portfolio Return (%)	PG Median (%)	PU Median (%)	PG Rank	PU Rank
California Municipal Portfolio					
1 year	3.97	3.99	4.10	4/5	18/27
3 year	5.36	5.36	5.10	3/5	9/23
5 year	5.02	5.02	4.91	3/5	8/22
10 year	4.44	4.70	4.44	3/3	9/17
Diversified Municipal Portfolio					
1 year	3.85	4.04	4.41	9/13	81/118
3 year	5.39	5.71	5.89	10/12	76/92
5 year	5.07	5.08	5.27	8/11	59/83
10 year	4.57	4.89	4.96	9/9	50/57
New York Municipal Portfolio					
1 year	3.78	3.78	3.77	3/5	9/20
3 year	5.40	5.64	5.68	4/5	13/18
5 year	5.09	5.15	5.25	4/5	13/17
10 year	4.59	4.64	4.85	3/4	10/13

Set forth below are the 1, 3, 5, 10 year and since inception net performance returns of the Portfolios (in bold)[33] versus their benchmarks.[34]

	Periods Ending June 30, 2011 Annualized Net Performance (%)				
	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Tax-Managed International Portfolio	**25.85**	**-8.15**	**-3.38**	**3.62**	**6.43**
MSCI EAFE Index[35]	30.36	-1.77	1.48	5.66	6.38
Inception Date: June 22,1992					

[33] The net performance returns shown in the table are for the Private Client Class shares of the Portfolios.
[34] The Adviser provided Portfolio and benchmark performance return information for the periods through June 30, 2011.
[35] Benchmark since inception performance is as of the closed month end after the Portfolio's actual inception date.

	Periods Ending June 30, 2011 Annualized Net Performance (%)				
	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
International Portfolio	**25.89**	**-8.29**	**-3.27**	**3.74**	**3.33**
MSCI EAFE Index	30.36	-1.77	1.48	5.66	3.56
Inception Date: April 30, 1999					
Emerging Markets Portfolio	**27.50**	**1.20**	**8.76**	**17.53**	**9.68**
MSCI Emerging Markets Index	27.80	4.22	11.42	16.20	N/A
Inception Date: December 15, 1995					
U.S. Government Short Duration Portfolio	**1.15**	**2.48**	**3.42**	**3.12**	**4.87**
Bank of America / Merrill Lynch 1-3 Year Treasury Index	1.34	2.80	4.14	3.61	N/A
Inception Date: January 3, 1989					
Short Duration Plus Portfolio	**1.85**	**2.91**	**2.76**	**2.91**	**4.96**
Bank of America / Merrill Lynch 1-3 Year Treasury Index	1.34	2.80	4.14	3.61	N/A
Inception Date: December 12, 1988					
Intermediate Duration Portfolio	**5.95**	**7.92**	**6.88**	**5.65**	**6.84**
Barclays Capital U.S. Aggregate Bond Index	3.90	6.46	6.52	5.74	7.22
Inception Date: January 17, 1989					
Short Duration California Municipal Portfolio	**0.77**	**2.20**	**2.73**	**2.23**	**2.98**
Barclays Capital 1 Year Municipal Bond Index[35]	1.32	2.69	3.34	2.82	3.62
Inception Date: October 3, 1994					
Short Duration Diversified Municipal Portfolio	**1.03**	**2.28**	**2.81**	**2.53**	**3.20**
Barclays Capital 1 Year Municipal Bond Index[35]	1.32	2.69	3.34	2.82	3.62
Inception Date: October 3, 1994					

	Periods Ending June 30, 2011 Annualized Net Performance (%)				
	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Short Duration New York Municipal Portfolio	**1.04**	**2.16**	**2.72**	**2.37**	**3.03**
Barclays Capital 1 Year Municipal Bond Index[35]	1.32	2.69	3.34	2.82	3.62
Inception Date: October 3, 1994					
California Municipal Portfolio	**3.32**	**4.70**	**4.37**	**3.78**	**4.88**
Barclays Capital 5 Year GO Municipal Index[35]	4.17	6.15	5.63	4.75	5.61
Inception Date: August 6, 1990					
Diversified Municipal Portfolio	**3.27**	**4.80**	**4.48**	**3.95**	**5.12**
Barclays Capital 5 Year GO Municipal Index[35]	4.17	6.15	5.63	4.75	5.70
Inception Date: January 9, 1989					
New York Municipal Portfolio	**3.15**	**4.76**	**4.45**	**3.94**	**5.14**
Barclays Capital 5 Year GO Municipal Index[35]	4.17	6.15	5.63	4.75	5.70
Inception Date: January 9, 1989					

CONCLUSION:

As a result of negotiations conducted between the Board of Directors and the Adviser prior to the October 20, 2011 Board meeting, the proposed advisory fee schedules for the Equity Portfolios were amended to include a five basis point investment advisory fee waiver by the Adviser effective November 1, 2011 through October 31, 2012:

Portfolio	Advisory Fee Based on % of Average Daily Net Assets	
Tax-Managed International Portfolio	First $1 billion	0.875%
	Next $3 billion	0.800%
	Next $2 billion	0.750%
	Next $2 billion	0.700%
	Next $2 billion	0.600%
	On the balance	0.550%
International Portfolio	First $1 billion	0.875%
	Next $3 billion	0.800%
	Next $2 billion	0.750%
	Next $2 billion	0.700%
	On the balance	0.600%
Emerging Markets Portfolio	First $1 billion	1.125%
	Next $1 billion	1.000%
	Next $1 billion	0.950%
	Next $3 billion	0.850%
	On the balance	0.800%

Based on the factors discussed above the Senior Officer's conclusion is that the investment advisory fees for the Fixed Income Portfolios are reasonable and within the range of what would have been negotiated at arm's-length in light of all the surrounding circumstances. With respect to the Equity Portfolios, the Portfolios' investment advisory fees, with the five basis point waiver, are reasonable and within the range of what would have been negotiated at arm's-length in light of all the surrounding circumstances. This conclusion with respect to each Portfolio is based on an evaluation of all of these factors and no single factor was dispositive.

Dated: November 16, 2011

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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 Sanford C. Bernstein Fund, Inc. (the "Fund") with respect to the following Portfolios:[2]

Tax-Managed International Portfolio
International Portfolio
Emerging Markets Portfolio
U.S. Government Short Duration Portfolio
Short Duration Plus Portfolio
Intermediate Duration Portfolio
Short Duration California Municipal Portfolio
Short Duration Diversified Municipal Portfolio
Short Duration New York Municipal Portfolio
California Municipal Portfolio
Diversified Municipal Portfolio
New York Municipal Portfolio

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 September 1, 2004 Assurance of Discontinuance ("AoD") 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 Portfolios which was provided to the Directors in connection with their review of the proposed approval of

[1] It should be noted that the Senior Officer's evaluation was completed on October 7, 2010 and discussed with the Board of Directors on October 15, 20 and 21, 2010.
[2] Future references to the various Portfolios do not include "Sanford C. Bernstein." It also should be noted that references in the fee summary pertaining to performance and expense ratios refer to the Private Client Class shares of the Portfolios unless otherwise indicated.

the continuance of the Investment Advisory Agreement. The Senior Officer's evaluation considered the following factors:

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

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. The first factor is an additional factor required to be considered by the AoD. The Supreme Court recently held the Gartenberg decision was correct in its basic formulation of what Section 36(b) of the 40 Act 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 arms length bargaining." *Jones v. Harris Associates L.P.*, (No. 08-586), slip op. at 9, 559 U.S. ___ 2010. In the *Jones* decision, the Court stated the Gartenberg approach fully incorporates the correct understanding of fiduciary duty within the context of Section 36(b) and noted with approval that "Gartenberg insists that all relevant circumstances be taken into account" and "uses the range of fees that might result from arms-length bargaining as the benchmark for reviewing challenged fees."[3]

PORTFOLIOS' ADVISORY FEES, EXPENSE REIMBURSEMENTS & RATIOS

The Adviser proposed that the Portfolios pay the advisory fees set forth in the table below for receiving the services to be provided pursuant to the Investment Advisory Agreement.

Portfolio	Advisory Fee Based on % of Average Daily Net Assets[4]	
Tax-Managed International Portfolio	First $1 billion	0.925%
	Next $3 billion	0.850%
	Next $2 billion	0.800%
	Next $2 billion	0.750%
	Next $2 billion	0.650%
	On the balance	0.600%
International Portfolio	First $1 billion	0.925%
	Next $3 billion	0.850%
	Next $2 billion	0.800%
	Next $2 billion	0.750%
	On the balance	0.650%
Emerging Markets Portfolio	First $1 billion	1.175%
	Next $1 billion	1.050%
	Next $1 billion	1.000%
	Next $3 billion	0.900%
	On the balance	0.850%
U.S. Government Short Duration Portfolio	First $750 million	0.450%
Short Duration Plus Portfolio	On the balance	0.400%
Short Duration California Municipal Portfolio		
Short Duration Diversified Municipal Portfolio		
Short Duration New York Municipal Portfolio		

[3] *Jones v. Harris* at 11.
[4] The advisory fees of each Portfolio are based on the percentage of each Portfolio's net assets, not a combination of any of the Portfolios shown.

Portfolio	Advisory Fee Based on % of Average Daily Net Assets[4]	
Intermediate Duration Portfolio	First $1 billion	0.500%
	Next $2 billion	0.450%
	Next $2 billion	0.400%
	Next $2 billion	0.350%
	On the balance	0.300%
California Municipal Portfolio	First $1 billion	0.500%
Diversified Municipal Portfolio[5]	Next $2 billion	0.450%
New York Municipal Portfolio	Next $2 billion	0.400%
	On the balance	0.350%

The Portfolios' net assets on September 30, 2010 and September 30, 2009 are set forth below:

Portfolio	09/30/10 Net Assets ($MM)	09/30/09 Net Assets ($MM)
Tax-Managed International Portfolio	$4,860.5	$5,293.7
International Portfolio	$2,096.6	$2,397.3
Emerging Markets Portfolio	$1,917.6	$1,948.5
U.S. Government Short Duration Portfolio	$163.7	$172.8
Short Duration Plus Portfolio	$633.4	$511.5
Intermediate Duration Portfolio	$5,377.2	$5,005.5
Short Duration California Municipal Portfolio	$145.5	$109.1
Short Duration Diversified Municipal Portfolio	$592.9	$433.3

[5] As a result of negotiations conducted between the Board of Directors and the Adviser during the October 21, 2010 meeting, an additional breakpoint was added to the proposed advisory fee schedule for Diversified Municipal Portfolio. The Portfolio's amended fee schedule is as follows: 0.50% on the first $1 billion, 0.45% on the next $2 billion, 0.40% on the next $2 billion, 0.35% on the next $2 billion and 0.30% on the balance.

Portfolio	09/30/10 Net Assets ($MM)	09/30/09 Net Assets ($MM)
Short Duration New York Municipal Portfolio	$273.4	$235.4
California Municipal Portfolio	$1,177.1	$1,216.8
Diversified Municipal Portfolio	$5,574.4	$5,098.2
New York Municipal Portfolio	$1,971.8	$1,794.8

There have been various amendments to the investment advisory fee schedules of the Portfolios since October 2004 as a result of the Board of Directors' negotiations with the Adviser. Set forth in the table below is the impact in basis points of the advisory fee schedule changes made since October 2004 for each Portfolio. It should be noted that the estimated fees are based on September 30, 2010 net assets:

Effective Advisory Fees based on
October 2004 Fee Schedule vs. Current Fee Schedule

Portfolio	October 2004	Current	Difference
Tax-Managed International Portfolio	0.916%	0.857%	0.060%
International Portfolio	0.948%	0.886%	0.062%
Emerging Markets Portfolio	1.190%	1.115%	0.075%
U.S. Government Short Duration Portfolio	0.500%	0.450%	0.050%
Short Duration Plus Portfolio	0.500%	0.450%	0.050%
Intermediate Duration Portfolio	0.459%	0.434%	0.026%
Short Duration California Municipal Portfolio	0.500%	0.450%	0.050%

Effective Advisory Fees based on
October 2004 Fee Schedule vs. Current Fee Schedule

Portfolio	October 2004	Current	Difference
Short Duration Diversified Municipal Portfolio	0.500%	0.450%	0.050%
Short Duration New York Municipal Portfolio	0.500%	0.450%	0.050%
California Municipal Portfolio	0.492%	0.492%	0.000%
Diversified Municipal Portfolio	0.459%	0.431%	0.028%
New York Municipal Portfolio	0.475%	0.475%	0.000%

Set forth below are the Portfolios' total expense ratios for the semi-annual period ended March 31, 2010:

Portfolio	Total Expense Ratio 10/1/09-3/31/10[6]	
Tax-Managed International Portfolio	Private Client	1.13%
	Class A	1.76%
	Class B	2.50%
	Class C	2.47%
International Portfolio	Private Client	1.17%
	Class A	1.55%
	Class B	2.33%
	Class C	2.27%
Emerging Markets Portfolio	Private Client	1.42%
U.S. Government Short Duration Portfolio	Private Client	0.62%

[6] Annualized.

Portfolio	Total Expense Ratio 10/1/09-3/31/10[6]	
Short Duration Plus Portfolio	Private Client	0.61%
	Class A	0.96%
	Class B	1.71%
	Class C	1.67%
Intermediate Duration Portfolio	Private Client	0.56%
Short Duration California Municipal Portfolio	Private Client	0.64%
Short Duration Diversified Municipal Portfolio	Private Client	0.60%
Short Duration New York Municipal Portfolio	Private Client	0.60%
California Municipal Portfolio	Private Client	0.62%
	Class A	0.87%
	Class B	1.60%
	Class C	1.58%
Diversified Municipal Portfolio	Private Client	0.56%
	Class A	0.80%
	Class B	1.54%
	Class C	1.50%
New York Municipal Portfolio	Private Client	0.61%
	Class A	0.86%
	Class B	1.59%
	Class C	1.56%

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 Portfolios that are not provided to non-investment company clients 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 Portfolios' third party service providers such as Fund counsel, auditors, custodians, transfer agents and pricing services. The accounting, administrative, legal and compliance requirements for the Portfolios are more costly than those for institutional assets due to the greater complexities and time required for investment companies. Servicing the Portfolios' 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 that of a stable pool of assets, such as an institutional account with little cash movement in either direction, particularly if a fund is in net redemption, and the Adviser is frequently forced to sell securities to raise cash for redemptions. However, managing a fund with positive cash flow may be easier at times than managing a stable pool of assets. In recent years, investment advisers have been sued by institutional clients and have suffered reputational damage both by the attendant publicity and outcomes other than complete victories. Accordingly, the legal and reputational risks associated with institutional accounts are greater than previously thought, although arguably 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 fee charged to institutional accounts that have investment styles similar to the Portfolios.[7] In addition to the AllianceBernstein Institutional fee schedule, set forth below are what would have been the effective advisory fees of the Portfolios had the AllianceBernstein Institutional fee schedule been applicable to the Portfolios versus the Portfolios' advisory fees based on September 30, 2010 net assets.

Portfolio	Net Assets 09/30/10 ($MIL)	AllianceBernstein ("AB") Institutional ("Inst.") Fee Schedule	Effective AB Inst. Adv. Fee	Portfolio Advisory Fee
Tax-Managed International Portfolio	$4,860.5	International Style Blend 80 bp on 1st 25 million 65 bp on next $25 million 55 bp on next $50 million 45 bp on next $100 million 40 bp on the balance *Minimum account size: $50m*	0.406%	0.857%
International Portfolio	$2,096.6	International Style Blend 80 bp on 1st 25 million 65 bp on next $25 million 55 bp on next $50 million 45 bp on next $100 million 40 bp on the balance *Minimum account size: $50m*	0.414%	0.886%

[7] It should be noted that the Supreme Court stated that "courts may give such comparisons the weight that they merit in light of the similarities and differences between the services that the clients in question require, but the courts must be wary of inapt comparisons." Among the significant differences the Supreme Court noted that may exist between services provided to mutual funds and institutional accounts are "higher marketing costs." *Jones v. Harris* at 13.

Portfolio	Net Assets 09/30/10 ($MIL)	AllianceBernstein ("AB") Institutional ("Inst.") Fee Schedule	Effective AB Inst. Adv. Fee	Portfolio Advisory Fee
Emerging Markets Portfolio	$1,917.6	Emerging Markets Style Blend 100 bp on 1st $50 million 80 bp on the balance *Minimum account size: $50m*	0.805%	1.115%
U.S. Government Short Duration Portfolio[8]	$163.7	Low Duration 30 bp on 1st $20 million 20 bp on next $80 million 15 bp on next $150 million 12.5 bp on next $250 million 10 bp on the balance *Minimum account size: $25m*	0.193%	0.450%
Short Duration Plus Portfolio	$633.4	Low Duration 30 bp on 1st $20 million 20 bp on next $80 million 15 bp on next $150 million 12.5 bp on next $250 million 10 bp on the balance *Minimum account size: $25m*	0.141%	0.450%
Intermediate Duration Portfolio	$5,377.2	U.S. Strategic Core Plus 50 bp on 1st $30 million 20 bp on the balance *Minimum account size: $25m*	0.202%	0.434%
Short Duration California Municipal Portfolio	$145.5	Short Duration California Municipal 30 bp on 1st $20 million 20 bp on next $80 million 15 bp on next $150 million 12.5 bp on next $250 million 10 bp on the balance *Minimum account size: $5m*	0.193%	0.450%

[8] The Portfolio's duration target of 1 to 3 years is similar to that of AllianceBernstein Institutional Low Duration, which targets a duration within 20% of the Merrill Lynch 1-3 Year Treasury Index. However, unlike AllianceBernstein Institutional Low Duration, the Portfolio has a relatively more restrictive investment strategy, which limits the Portfolio to invest primarily in U.S. Government and agency securities.

Portfolio	Net Assets 09/30/10 ($MIL)	AllianceBernstein ("AB") Institutional ("Inst.") Fee Schedule	Effective AB Inst. Adv. Fee	Portfolio Advisory Fee
Short Duration Diversified Municipal Portfolio	$592.9	Short Duration Diversified Municipal 30 bp on 1st $20 million 20 bp on next $80 million 15 bp on next $150 million 12.5 bp on next $250 million 10 bp on the balance *Minimum account size: $5m*	0.143%	0.450%
Short Duration New York Municipal Portfolio	$273.4	Short Duration New York Municipal 30 bp on 1st $20 million 20 bp on next $80 million 15 bp on next $150 million 12.5 bp on next $250 million 10 bp on the balance *Minimum account size: $5m*	0.173%	0.450%
California Municipal Portfolio	$1,177.1	Intermediate Duration California Municipal 50 bp on 1st $5 million 37.5 bp on next $15 million 25 bp on next $80 million 18.75 bp on the balance *Minimum account size: $3m*	0.195%	0.492%
Diversified Municipal Portfolio	$5,574.4	Intermediate Duration Diversified Municipal 50 bp on 1st $5 million 37.5 bp on next $15 million 25 bp on next $80 million 18.75 bp on the balance *Minimum account size: $3m*	0.189%	0.431%
New York Municipal Portfolio	$1,971.8	Intermediate Duration New York Municipal 50 bp on 1st $5 million 37.5 bp on next $15 million 25 bp on next $80 million 18.75 bp on the balance *Minimum account size: $3m*	0.192%	0.475%

With respect to Tax-Managed International Portfolio and International Portfolio, the Senior Officer compared the difference between the advisory fee charged to the Portfolios and the fee charged to the corresponding institutional accounts (herein referred to as the "spread") and the spreads of the Portfolios' group of Lipper peers.[9] The result of that comparison was discussed with the Board of Directors.

The Adviser also manages the AllianceBernstein Mutual Funds ("ABMF"), which are investment companies. The advisory schedule of these funds, implemented in January 2004, as a result of the AoD between the NYAG and the Adviser, contemplate eight categories with almost all of the AllianceBernstein Mutual Funds in each category having the same fee schedule. Certain of the eight categories are applicable to the Portfolios and the advisory fee schedules of those categories are set forth below. Also shown are what would have been the effective advisory fees of the Portfolios had the advisory fee schedules of the ABMF funds been applicable to the Portfolios versus the Portfolios' advisory fees based on the September 30, 2010 net assets:

Portfolio	ABMF Category	ABMF Fee Schedule	ABMF Effective Fee	Portfolio Advisory Fee
Tax-Managed International Portfolio	International	75 bp on 1st $2.5 billion 65 bp on next $2.5 billion 60 bp on the balance	0.701%	0.857%
International Portfolio[10]	International	75 bp on 1st $2.5 billion 65 bp on next $2.5 billion 60 bp on the balance	0.750%	0.886%

[9] Group peers selected by Lipper from the 2010 Lipper 15(c) Report.
[10] The ABMF Board of Directors recently approved the initial investment advisory contract of AllianceBernstein International Discovery Equity Portfolio, which invests in a diversified portfolio of non-U.S. small-mid cap growth stocks. The fund's advisory fee schedule, which was approved by the AllianceBernstein Board of Directors, does not follow the NYAG fee schedule for either the International or Specialty category: 1.00% on the first $1 billion, 0.95% on the next $1 billion, 0.90% on the next $1 billion and 0.85% on the balance.

Portfolio	ABMF Category	ABMF Fee Schedule	ABMF Effective Fee	Portfolio Advisory Fee
Emerging Markets Portfolio[10]	Specialty	75 bp on 1st $2.5 billion 65 bp on next $2.5 billion 60 bp on the balance	0.750%	1.115%
U.S. Government Short Duration Portfolio	Low Risk Income	45 bp on 1st $2.5 billion 40 bp on next $2.5 billion 35 bp on the balance	0.450%	0.450%
Short Duration Plus Portfolio	Low Risk Income	45 bp on 1st $2.5 billion 40 bp on next $2.5 billion 35 bp on the balance	0.450%	0.450%
Intermediate Duration Portfolio[11]	High Income	50 bp on 1st $2.5 billion 45 bp on next $2.5 billion 40 bp on the balance	0.470%	0.434%
Short Duration California Municipal Portfolio	Low Risk Income	45 bp on 1st $2.5 billion 40 bp on next $2.5 billion 35 bp on the balance	0.450%	0.450%
Short Duration Diversified Municipal Portfolio	Low Risk Income	45 bp on 1st $2.5 billion 40 bp on next $2.5 billion 35 bp on the balance	0.450%	0.450%
Short Duration New York Municipal Portfolio	Low Risk Income	45 bp on 1st $2.5 billion 40 bp on next $2.5 billion 35 bp on the balance	0.450%	0.450%
California Municipal Portfolio	Low Risk Income	45 bp on 1st $2.5 billion 40 bp on next $2.5 billion 35 bp on the balance	0.450%	0.492%

[11] The Adviser also manages Sanford C. Bernstein Fund II – Intermediate Duration Institutional Portfolio ("SCB II"), an open-end mutual fund that has a somewhat similar investment style as the Portfolio. SCB II is charged by the Adviser an advisory fee rate of 0.50% on the first $1 billion and 0.45% thereafter and has an expense cap of 0.45%.

Portfolio	ABMF Category	ABMF Fee Schedule	ABMF Effective Fee	Portfolio Advisory Fee
Diversified Municipal Portfolio	Low Risk Income	45 bp on 1st $2.5 billion 40 bp on next $2.5 billion 35 bp on the balance	0.417%	0.431%
New York Municipal Portfolio	Low Risk Income	45 bp on 1st $2.5 billion 40 bp on next $2.5 billion 35 bp on the balance	0.450%	0.475%

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 the Luxembourg fund that has a somewhat similar investment style as the Emerging Markets Portfolio:

Portfolio	Luxembourg Fund	Luxembourg Fee[12]
Emerging Markets Portfolio	Emerging Markets Growth	
	Class A	1.70%
	Class I (Institutional)	0.90%
Emerging Markets Portfolio	Emerging Markets Value	
	Class A	1.75%
	Class I (Institutional)	0.95%

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 related services. The fee schedules of the ITM mutual funds that have a similar investment style as Emerging Markets Portfolio are set forth below:

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

Portfolio	ITM Mutual Fund	Distributor	Fee
Emerging Markets Portfolio	AllianceBernstein Emerging Markets Growth Stock Fund F / FB[13, 14]	Nomura Trust Bank	0.800%
	AllianceBernstein Emerging Markets Growth Equity Fund[13, 14]	Sumitomo Trust Bank	0.800%
	AllianceBernstein Emerging Markets Growth Stock A / B	Nomura Sec.	0.900%
	AllianceBernstein Emerging Markets Growth Equity Fund (SMA)	Sumitomo Trust Bank	0.850%

The Adviser provides sub-advisory investment services to certain other investment companies managed by other fund families. The Adviser charges the fees set forth below for the sub-advisory relationships that have a similar investment style as certain of the Portfolios. Also shown are the Portfolios' advisory fees, the advisory fee schedules of the sub-advised funds and the effective advisory fees of the sub-advisory relationships based on the Portfolios' September 30, 2010 net assets:

Portfolio	Sub-advised Fund	Sub-advised Fund Fee Schedule	Sub-advised Fund Effective Fee (%)	Portfolio Advisory Fee (%)
International Portfolio	Client #1	0.65% on the first $75 million 0.50% on the next $25 million 0.40% on the next $200 million 0.35% on the next $450 million 0.30% on the balance	0.335	0.886
	Client #2	0.60% on the first $1 billion 0.55% on the next $500 million 0.50% on the next $500 million 0.45% on the next $500 million 0.40% on the balance	0.557	
	Client #3	0.60% of average daily net assets	0.600	

[13] The ITM fund is privately placed or institutional.
[14] The ITM fund is a fund of funds and charges a fee in addition to the AllianceBernstein fee.

Portfolio	Sub-advised Fund	Sub-advised Fund Fee Schedule	Sub-advised Fund Effective Fee (%)	Portfolio Advisory Fee (%)
International Portfolio (continued)	Client #4	0.60% on the first $50 million 0.40% on the next $50 million 0.30% on the next $300 million 0.25% on the balance	0.269	
	Client #5	0.765% on the first $10 million 0.675% on the next $15 million 0.54% on the next $25 million 0.45% on the next $50 million 0.36% on the balance	0.368	
	Client #6	0.50% of average daily net assets	0.500	
	Client #7	0.50% on the first $100 million 0.46% on the next $300 million 0.41% on the balance	0.421	
	Client #8	0.72% on the first $25 million 0.54% on the next $25 million 0.45% on the next $50 million 0.36% on the balance	0.369	
	Client #9	0.36% of average daily net assets	0.360	
	Client #10	0.35% on the first $1 billion 0.30% on the next $1 billion 0.25% on the balance	0.322	
	Client #11	0.35% on the first $1 billion 0.325 % on the balance	0.337	
	Client #12	0.45% on the first $200 million 0.36% on the nest $300 million 0.32% thereafter	0.338	
	Client #13	0.22% on the first $1 billion 0.18% on the next $1.5 billion 0.16% on the balance +/- Performance Fee	0.199[15]	

[15] Excludes the performance based fee.

Portfolio	Sub-advised Fund	Sub-advised Fund Fee Schedule	Sub-advised Fund Effective Fee (%)	Portfolio Advisory Fee (%)
Emerging Markets Portfolio	Client #14	-If account size is less than $65 million: 90 bp -If account size is greater than or equal to $65 million: 75 bp	0.750	1.115
	Client #15	0.75% on the first $25 million 0.55% on the next $25 million 0.50% on the next $300 million 0.45% on the balance	0.468	
	Client #16	0.475% of average daily net assets	0.475	

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 Portfolios 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 arms-length bargaining or negotiations.

While it appears that certain sub-advisory relationships are paying a lower fee than the Portfolios, it is difficult to evaluate the relevance of such lower fees due to differences in terms of the service provided, risks involved and other competitive factors between the Portfolios and sub-advisory relationships. There could also be various business-related reasons why an investment adviser would be willing to manage a sub-advisory relationship investment related services for a different fee level than an investment company it is sponsoring where the investment adviser is providing all the services generally required by a registered investment company in addition to investment services.

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 Portfolios with fees charged to other investment companies for similar services by other investment advisers.[16] Lipper's analysis included each Portfolio's ranking with respect to the contractual management fee relative to the median of the Portfolio's Lipper Expense Group ("EG") [17] at the approximate current asset level of the subject Portfolio.[18]

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

The original EGs of certain Portfolios had an insufficient number of comparable peers. Consequently, Lipper expanded the EGs of the Portfolios to include peers with a different load type,[19] and for certain Portfolios, a similar but not the same Lipper investment objective/classification. However, because Lipper had expanded the EGs of

[16] It should be noted that the Supreme Court stated that "Courts should not rely too heavily on comparisons with fees charged to mutual funds by other advisers. These comparisons are problematic because those fees, like those challenged, may not be the product of negotiations conducted at arms length." *Jones vs. Harris* at 13

[17] It should be noted that Lipper does not consider average account size when constructing EGs. Funds with relatively small average account sizes tend to have a higher transfer agent expense ratio than comparable sized funds that have relatively large average account sizes.

[18] 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 current 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" means that the Portfolio has the lowest effective fee rate in the Lipper peer group.

[19] At the request of the Senior Officer and the Adviser, the EGs and EUs for all Portfolios were expanded to include peers of the following load type: institutional load, front-end and no-load.

the Portfolios, under Lipper's standard guidelines, the Portfolios' Lipper Expense Universes ("EU") were also expanded to include the universes of those peers that had a similar (but not the same) Lipper investment objective/classification and load type. A "normal" EU will include all funds that have the same investment classification/objective and load type as the subject Portfolio.[20]

Portfolio	Contractual Management Fee (%)	Lipper Exp. Group Median (%)	EG Rank
Tax-Managed International Portfolio[21]	0.864	0.864	11/21
International Portfolio	0.890	0.895	9/18
Emerging Markets Portfolio	1.122	1.176	7/15
U.S. Government Short Duration Portfolio	0.450	0.457	7/15
Short Duration Plus Portfolio	0.450	0.460	7/19
Intermediate Duration Portfolio	0.445	0.460	6/15
Short Duration California Municipal Portfolio [21]	0.450	0.467	5/10
Short Duration Diversified Municipal Portfolio	0.450	0.477	6/16
Short Duration New York Municipal Portfolio [21]	0.450	0.448	6/10
California Municipal Portfolio [21]	0.492	0.500	6/13
Diversified Municipal Portfolio[21]	0.431	0.431	7/13
New York Municipal Portfolio [21]	0.476	0.488	6/13

[20] Except for asset (size) comparability, Lipper uses the same EG criteria when selecting an EU peer. Unlike the EG, the EU allows for the same adviser to be represented by more than just one fund.
[21] Lipper expanded the Portfolio's EG with respect to investment classification/objective.

Set forth below is a comparison of the Portfolios' total expense ratios and the medians of their EGs and EUs. The Portfolios' rankings are also shown.

It should be noted that Lipper uses expense ratio data from financial statements of the most current fiscal year in their database. This has several implications: the total expense ratio of each fund that Lipper uses in their report is based on each fund's average net assets during its fiscal year. Since funds have different fiscal year ends, the total expense ratios of the funds may cover different twelve month periods, depending on the funds' fiscal year ends. This is the process that Lipper always follows but given the volatile market conditions during 2008 and 2009, notably the last three months of 2008 through the first three months of 2009 when equity markets declined substantially, and conversely through the remainder of 2009 when equity markets rallied, the effects on the funds' total expense ratios caused by the differences in fiscal year ends may be more pronounced in 2008 and 2009 compared to other years under more normal market conditions.[22]

Portfolio	Expense Ratio (%)[23]	Lipper Exp. Group Median (%)	Lipper Group Rank	Lipper Exp. Universe Median (%)	Lipper Universe Rank
Tax-Managed International Portfolio[24]	1.154	1.219	10/21	1.258	141/379
International Portfolio[24]	1.191	1.245	7/18	1.258	154/379
Emerging Markets Portfolio	1.483	1.605	7/15	1.527	83/188

[22] To cite an example, the average net assets and total expense ratio of a fund with a fiscal year end of March 31, 2009 will not be reflective of the market rally that occurred post March 2009, in contrast to a fund with a fiscal year end of December 31, 2009.
[23] The expense ratios are for the most recently completed fiscal year Private Client Class.
[24] Lipper expanded the Portfolio's EG/EU with respect to investment classification/objective under standard Lipper guidelines.

Portfolio	Expense Ratio (%)[23]	Lipper Exp. Group Median (%)	Lipper Group Rank	Lipper Exp. Universe Median (%)	Lipper Universe Rank
U.S. Government Short Duration Portfolio	0.630	0.745	3/15	0.724	21/58
Short Duration Plus Portfolio	0.634	0.716	6/19	0.699	50/121
Intermediate Duration Portfolio	0.571	0.758	3/15	0.721	85/303
Short Duration California Municipal Portfolio [24]	0.651	0.733	4/10	0.729	6/14
Short Duration Diversified Municipal Portfolio	0.621	0.611	9/16	0.580	29/46
Short Duration New York Municipal Portfolio [24]	0.625	0.733	4/10	0.729	4/14
California Municipal Portfolio [24]	0.626	0.756	2/13	0.697	39/114
Diversified Municipal Portfolio [24]	0.569	0.674	4/13	0.653	36/110
New York Municipal Portfolio [24]	0.611	0.756	2/13	0.697	35/114

Based on this analysis, the Portfolios have a lower contractual management fee than each of their respective EG medians with the exception of Tax-Managed International Portfolio and Diversified Municipal Portfolio, which have contractual management fees equal to the EG medians and Short Duration New York Portfolio, which has a higher contractual management fee. Except for Short Duration Diversified Portfolio, which has a higher total expense ratio compared to its EG median, the

Portfolios have a lower total expense ratio compared to each of their respective EG 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 Portfolios. 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.

Members of the Adviser's Controller's Office provided the Board of Directors information regarding the Adviser's profitability attributable to the Portfolios. With the exception of Tax-Managed International Portfolio and International Portfolio, the Adviser's profitability, excluding administrating and servicing fees (A&S), increased for the Portfolios during calendar year 2009, relative to 2008.

The Adviser provides the Portfolios with shareholder servicing services. For these services, the Adviser charges the fixed-income Portfolios a fee of 0.10% of average daily assets and the equity Portfolios a fee of 0.25% of average daily net assets. Set forth below are the fees paid by the Portfolios under the Shareholder Servicing Agreement during the fiscal year ended September 30, 2009:

Portfolio	Shareholder Serving Agreement Fee
Tax-Managed International Portfolio	$10,942,148
International Portfolio	$5,080,061
Emerging Markets Portfolio	$3,647,216
U.S. Government Short Duration Portfolio	$163,493
Short Duration Plus Portfolio	$367,414
Intermediate Duration Portfolio	$4,463,855
Short Duration California Municipal Portfolio	$119,437
Short Duration Diversified Municipal Portfolio	$368,993
Short Duration New York Municipal Portfolio	$186,124
California Municipal Portfolio	$1,186,613
Diversified Municipal Portfolio	$4,716,436
New York Municipal Portfolio	$1,643,093

In addition to the Adviser's direct profits from managing and providing certain shareholder services to the Portfolios, certain of the Adviser's affiliates have business relationships with the Portfolios and may earn a profit from providing other services to the Portfolios. 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 Portfolios and the Adviser. Neither case law nor common business practice precludes the Adviser's affiliates from earning a reasonable profit on this type of relationship provided the affiliates' charges and services are competitive. These affiliates provide transfer agent and distribution related services to the Portfolios and receive transfer agent fees, Rule 12b-1 payments, front-end sales loads, contingent deferred sales charges ("CDSC") and commissions for providing brokerage services. In addition the Adviser benefits from soft dollar arrangements which offset research related expenses the Adviser would otherwise incur.

Certain of the Portfolios have retail class shares. As of September 30, 2010, except for Short Duration Plus Portfolio and New York Municipal Portfolio, the retail classes make up a relatively small percentage of each of those Portfolios' total net assets:

Net Assets 09/30/10 ($MM)

Portfolio	Total Retail as % of Net Assets
Tax-Managed International Portfolio	0.11%
International Portfolio	1.02%
Short Duration Plus Portfolio	15.60%
California Municipal Portfolio	6.12%
Diversified Municipal Portfolio	7.95%
New York Municipal Portfolio	11.43%

AllianceBernstein Investments, Inc. ("ABI"), an affiliate of the Adviser, is the principal underwriter of the Portfolios' retail classes. ABI and the Adviser have disclosed in the prospectuses of the Portfolios' retail classes that they may make revenue sharing payments from their own resources, in addition to revenues derived from sales loads and Rule 12b-1 fees, to firms that sell shares of the Portfolios. In 2009, ABI paid approximately 0.04% of the average monthly assets of the AllianceBernstein Mutual Funds (which includes the retail classes of the Portfolios) or approximately $13.8 million for distribution services and educational support (revenue sharing payments).

ABI retained the following amounts for Class A front-end load sales charges from sales of the Portfolios' Class A shares during the fiscal year ended September 30, 2009:

Portfolio	Amount Received
Tax-Managed International Portfolio	$505
International Portfolio	$788
Short Duration Plus Portfolio	$10,182
California Municipal Portfolio	$3,123
Diversified Municipal Portfolio	$22,581
New York Municipal Portfolio	$13,951

ABI received the following Rule 12b-1 fees and CDSC for the Portfolios during the fiscal year ended September 30, 2009:

Portfolio	12b-1 Fee Received	CDSC Received
Tax-Managed International Portfolio	$33,941	$430
International Portfolio	$180,946	$3,796
Short Duration Plus Portfolio	$485,443	$27,525
California Municipal Portfolio	$328,653	$6,580
Diversified Municipal Portfolio	$684,904	$5,351
New York Municipal Portfolio	$437,843	$17,539

Fees and reimbursements for out of pocket expenses charged by AllianceBernstein Investor Services, Inc. ("ABIS"), the affiliated transfer agent of the retail classes of the Portfolios, are charged on a per account basis, based on the level of service provided and the class of share held by the account. ABIS also receives a fee per shareholder sub-account for each account maintained by an intermediary on an omnibus basis. ABIS' after-tax profitability (excluding omnibus sub-recordkeeping and networking payments to financial intermediaries from both revenues and expenses) increased in 2009 in comparison to 2008. During the fiscal year ended September 30, 2009, ABIS received the following fees from the retail classes of the Portfolios: [25]

Portfolio	ABIS Fee	Expense Offset
Tax-Managed International Portfolio	$18,000	$18
International Portfolio	$34,345	$168
Short Duration Plus Portfolio	$42,803	$115
California Municipal Portfolio	$18,000	$36
Diversified Municipal Portfolio	$24,671	$77
New York Municipal Portfolio	$18,000	$59

Certain of the Portfolios may effect 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 pay commissions for such transactions. During the fiscal year ended September 30, 2009, none of the Portfolios effected a brokerage transaction through and paid a commission to SCB. The Adviser represented that SCB's profitability from any business conducted in the future with the Portfolios would be comparable to the profitability of SCB's dealings with other similar third party clients. In the ordinary course of business, SCB receives and pays liquidity rebates from electronic communications networks ("ECNs") derived from trading for its clients, including the Portfolios. These credits and charges are not being

[25] The fee disclosed is net of expense offsets with ABIS. An expense offset is created by the interest earned on the positive cash balance that occur within the transfer agent account as there is a one day lag with regards to money movement from the shareholder's account to the transfer agent's account and then from the transfer agent's account to the Portfolio's account.

passed onto to 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 expense 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,[26] 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.

At the September 2007 Board of Directors meeting, an independent consultant, retained by the Senior Officer, provided the Board of Directors an update of the Deli[27] study on advisory fees and various fund characteristics. The preliminary results of the updated study, based on more recent data and using Lipper classifications, were found to be consistent with the results of the original study. The independent consultant observed patterns of lower advisory fees for funds with higher levels of assets and funds from larger family sizes compared to funds with smaller asset levels and funds from smaller

[26] Fee structures include fee reductions, pricing at scale and breakpoints in advisory fee schedules.
[27] The Deli study was originally published in 2002 based on 1997 data.

family sizes, which according to the independent consultant is indicative 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 reached higher levels of assets.

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

With assets under management of approximately $467 billion as of August 31, 2010, the Adviser has the investment experience to manage the Portfolios and provide non-investment services (described in Section I) to the Portfolios.

The information prepared by Lipper in the table below shows the 1, 3, 5, and 10 year gross performance returns of the Portfolios[28] relative to the medians of the Portfolios' Lipper Performance Groups ("PG") and Lipper Performance Universes ("PU")[29] for the periods ended June 30, 2010.[30] Also shown are the gross performance rankings of the Portfolios.

	Portfolio Return %)	PG Median (%)	PU Median (%)	PG Rank	PU Rank
Tax-Managed International Portfolio					
1 year	5.18	7.75	6.65	10/12	187/283
3 year	-18.03	-13.60	-12.91	11/12	217/219
5 year	-2.05	0.71	1.63	10/10	177/177
10 year	1.52	0.29	0.46	3/8	30/98

[28] The gross performance returns are for the Private Client class shares of the Portfolios and were provided by Lipper.
[29] The Portfolios' PGs/PUs may not be identical to the Portfolios' EGs/EUs as the criteria for including or excluding a fund in a PG/PU is different from that of an EG/EU.
[30] 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.

	Portfolio Return %)	PG Median (%)	PU Median (%)	PG Rank	PU Rank
International Portfolio					
1 year	4.83	7.86	6.65	7/8	215/283
3 year	-17.81	-14.15	-12.91	7/8	215/219
5 year	-1.84	0.65	1.63	6/7	173/177
10 year	1.76	0.48	0.46	2/6	25/98
Emerging Markets Portfolio					
1 year	23.95	24.24	23.84	10/15	142/291
3 year	-4.63	-4.60	-2.70	8/14	121/183
5 year	11.23	12.72	12.59	13/14	103/132
10 year	14.77	10.82	11.22	1/11	14/75
U.S. Government Short Duration Portfolio					
1 year	3.60	3.86	4.13	9/15	48/68
3 year	4.56	5.22	5.19	12/15	44/64
5 year	4.22	4.64	4.64	13/15	44/61
10 year	4.57	4.71	4.78	7/11	32/48
Short Duration Plus Portfolio					
1 year	6.58	7.70	7.14	16/19	115/176
3 year	2.89	5.19	4.95	18/19	131/158
5 year	3.40	4.85	4.74	17/18	107/125
10 year	4.21	4.89	4.84	14/15	65/78
Intermediate Duration Portfolio					
1 year	15.95	15.05	13.49	7/15	123/419
3 year	8.03	7.13	7.76	5/15	151/344
5 year	6.18	5.73	5.96	4/13	106/278
10 year	6.57	6.92	6.82	8/10	115/174
Short Duration California Municipal Portfolio					
1 year	3.24	6.13	4.86	6/7	13/14
3 year	3.98	4.88	4.01	6/7	8/13
5 year	3.58	4.10	4.13	5/6	7/8
10 year	3.46	4.56	4.56	4/4	6/6

	Portfolio Return %)	PG Median (%)	PU Median (%)	PG Rank	PU Rank
Short Duration Diversified Municipal Portfolio					
1 year	3.23	4.29	4.14	11/15	36/56
3 year	3.94	4.12	3.99	11/14	27/46
5 year	3.62	3.75	3.71	10/14	26/43
10 year	3.67	3.85	3.90	5/7	15/21
Short Duration New York Municipal Portfolio					
1 year	2.86	4.38	6.00	4/4	6/6
3 year	3.82	4.78	5.04	4/4	6/6
5 year	3.52	3.63	4.19	3/3	5/5
10 year	3.54	4.20	4.53	3/3	5/5
California Municipal Portfolio					
1 year	8.74	9.33	9.03	3/4	15/25
3 year	5.64	5.33	5.30	2/4	7/23
5 year	4.43	4.32	4.39	2/4	4/23
10 year	4.84	5.19	4.94	3/3	14/18
Diversified Municipal Portfolio					
1 year	7.30	9.01	8.80	10/11	84/99
3 year	5.82	5.75	5.82	3/11	43/87
5 year	4.49	4.50	4.61	7/11	52/74
10 year	5.06	5.39	5.44	9/9	46/50
New York Municipal Portfolio					
1 year	7.53	8.00	7.73	3/4	13/19
3 year	5.82	5.87	5.90	4/4	13/17
5 year	4.52	4.51	4.53	2/4	10/17
10 year	5.06	5.29	5.43	2/2	11/12

Set forth below are the 1, 3, 5, 10 year and since inception performance returns of the Portfolios (in bold)[31] versus their benchmarks.[32]

[31] The performance returns and risk measures shown in the table are for the Private Client Class shares of the Portfolios and were provided by the Adviser.

	Periods Ending June 30, 2010 Annualized Net Performance (%)				
	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Tax-Managed International Portfolio	**3.97**	**-18.96**	**-3.16**	**0.34**	**5.44**
MSCI EAFE Index[33]	5.92	-13.38	0.88	0.16	5.19
Inception Date: June 22,1992					
International Portfolio	**3.59**	**-18.78**	**-3.01**	**0.54**	**1.52**
MSCI EAFE Index	5.92	-13.38	0.88	0.16	1.44
Inception Date: April 30, 1999					
Emerging Markets Portfolio	**22.13**	**-6.05**	**9.55**	**12.92**	**8.55**
MSCI Emerging Markets Index	23.15	-2.50	12.73	10.03	N/A
Inception Date: December 15, 1995					
U.S. Government Short Duration Portfolio	**2.95**	**3.85**	**3.47**	**3.80**	**5.05**
Bank of America / Merrill Lynch 1-3 Year Treasury Index	2.69	4.78	4.24	4.37	N/A
Inception Date: January 3, 1989					
Short Duration Plus Portfolio	**5.91**	**2.23**	**2.73**	**3.52**	**5.10**
Bank of America / Merrill Lynch 1-3 Year Treasury Index	2.69	4.78	4.24	4.37	N/A
Inception Date: December 12, 1988					
Intermediate Duration Portfolio	**15.29**	**7.42**	**5.57**	**5.94**	**6.88**
Barclays Capital U.S. Aggregate Bond Index	9.50	7.55	5.54	6.47	7.38
Inception Date: January 17, 1989					
Short Duration California Municipal Portfolio	**2.57**	**3.28**	**2.85**	**2.68**	**3.12**
Barclays Capital 1 Year Municipal Bond Index[33]	2.43	3.90	3.45	3.32	3.77
Inception Date: October 3, 1994					

[32] The Adviser provided Portfolio and benchmark performance return information for the periods through June 30, 2010.
[33] Benchmark since inception performance is as of the closed month end after the Portfolio's actual inception date.

	Periods Ending June 30, 2010 Annualized Net Performance (%)				
	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Short Duration Diversified Municipal Portfolio	**2.60**	**3.29**	**2.94**	**2.97**	**3.34**
Barclays Capital 1 Year Municipal Bond Index[33]	2.43	3.90	3.45	3.32	3.77
Inception Date: October 3, 1994					
Short Duration New York Municipal Portfolio	**2.21**	**3.15**	**2.82**	**2.80**	**3.16**
Barclays Capital 1 Year Municipal Bond Index[33]	2.43	3.90	3.45	3.32	3.77
Inception Date: October 3, 1994					
California Municipal Portfolio	**8.06**	**4.99**	**3.77**	**4.17**	**4.95**
Barclays Capital 5 Year GO Municipal Index[33]	6.97	6.74	4.86	5.19	5.69
Inception Date: August 6, 1990					
Diversified Municipal Portfolio	**6.70**	**5.22**	**3.89**	**4.42**	**5.20**
Barclays Capital 5 Year GO Municipal Index[33]	6.97	6.74	4.86	5.19	5.77
Inception Date: January 9, 1989					
New York Municipal Portfolio	**6.88**	**5.18**	**3.88**	**4.40**	**5.24**
Barclays Capital 5 Year GO Municipal Index[33]	6.97	6.74	4.86	5.19	5.77
Inception Date: January 9, 1989					

CONCLUSION:

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

Dated: November 5, 2010