

**ALLIANCEBERNSTEIN (LUXEMBOURG) S.A.**

*Société Anonyme*

**2-4, rue Eugène Ruppert**

**L-2453 Luxembourg**

**R.C.S. Luxembourg B 34 405**

**Notice to Shareholders of  
ACMBernstein—Global Balanced Portfolio  
Change of Name and Investment Policies**

28 February 2011

Dear Valued Shareholder<sup>1</sup> :

The purpose of this letter is to inform you that the Board of Directors of AllianceBernstein (Luxembourg) S.A., which acts as management company of ACMBernstein, a mutual investment fund (*fonds commun de placement*) organized under the laws of the Grand Duchy of Luxembourg (the “Fund”) has approved the following changes to **ACMBernstein—Global Balanced Portfolio** (the “Portfolio”).

***Changes to Portfolio’s Investment Strategy***

The Portfolio will be renamed **ACMBernstein—Dynamic Diversified Portfolio** and its investment policies will be changed to incorporate a different investment process and universe.

***Broader Array of Globally Diversified Asset Classes***

The Portfolio will invest in a globally diversified portfolio of securities and other financial instruments, including financial derivative instruments (“*Derivatives*”), that provide investment exposures to a variety of asset classes. These asset classes may include equity securities and fixed income instruments, including high-yield securities, real estate-related securities, currencies, commodity-related securities and alternatives with no prescribed limits. The Portfolio also may invest in smaller capitalization as well as larger capitalization companies. The Portfolio will not be subject to any limitation on the portion of its net assets that may be invested in any one country or region, including in any developed or emerging market country.

In addition, in order to more efficiently manage its assets and to gain exposure to certain asset classes, including alternatives, the Portfolio may invest in pooled vehicles or other products sponsored and/or managed by the Investment Manager or its affiliates or unaffiliated third parties<sup>2</sup>.

***Dynamic Asset Allocation***

The Investment Manager will utilize its proprietary “Dynamic Asset Allocation” strategy to adjust the

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<sup>1</sup> Our records indicate that you own one of these share classes, either beneficially for your own account or in an omnibus capacity for your customer(s).

<sup>2</sup> The Portfolio’s investments in other pooled vehicles sponsored and/or managed by the Investment Manager its affiliates or unaffiliated third parties may be subject to the investment management fees and to the extent applicable, performance fees charged at the level of each pooled vehicle. The Portfolio will not charge an Investment Management fee in respect of that portion of its assets the Investment Manager has allocated to another pooled vehicle or other product sponsored and/or managed by the Investment Manager or an affiliate.

Portfolio's various investment exposures among these asset classes with the goal of producing what the Investment Manager considers to be the Portfolio's optimal risk/return profile at any particular point in time. Dynamic Asset Allocation comprises a series of volatility, correlation and expected return forecasting tools that allows the Investment Manager to gauge short-term fluctuations in risk/return trade-offs across various asset classes. Dynamic Asset Allocation aims to reduce overall portfolio volatility thus mitigating the effects of these short-term fluctuations, including "tail" events in extreme market environments, without sacrificing consistent long-term return potential. The Portfolio has been enabled to take greater advantage of UCITS guidelines<sup>2</sup> concerning the use of certain derivative instruments and strategies.

### ***Rationale***

The Portfolio's Investment Manager believes that a fund that opportunistically invests in a broader array of globally diversified asset classes and dynamically adjusts investment exposures is more likely to benefit current shareholders and attract new investors.

To date, the Portfolio has focused on investments in global equity and fixed income securities with a strategic weight of 60% equity securities and 40% fixed income securities with a goal of providing moderate upside potential without excessive volatility. The Investment Manager has allowed the relative weightings of the Portfolio's equity and fixed income components to vary in response to markets, but only within carefully constructed ranges. Beyond those ranges, the Investment Manager has rebalanced the Portfolio towards the targeted allocations.

We anticipate that the important changes described above will provide you with an investment opportunity that is in certain respects similar to the one that you originally sought, notably by investing in global equities and global fixed income. Further, in normal market conditions, the Investment Manager anticipates a majority of its exposure will remain invested in equities.

With respect to the enhancements described in this letter, the Investment Manager's research indicates that the Portfolio's broader investment universe will facilitate the benefits of diversification and Dynamic Asset Allocation will be instrumental to dynamically adapt the portfolio to the prevailing environments in order to reduce the Portfolio's short-term risks without sacrificing long-term return potential.

Given the Portfolio's broader investment universe and adoption of the Investment Manager's proprietary Dynamic Asset Allocation strategy, the Board has determined that it is appropriate to change the Portfolio's primary benchmark to USD LIBOR 3M + 4% and to retain 60% MSCI World /40% Barclay's Global Aggregate Index as a secondary benchmark. The Board also has determined that it is appropriate to continue to classify the Portfolio as a "Sophisticated" Portfolio. Note that when the Portfolio transitions to the new enhanced strategy there will be a degree of portfolio turnover.

The Portfolio may obtain investment exposures to individual asset classes, and subsequently adjust these exposures, through investment in individual securities or through the use of Derivatives or otherwise. While the judicious use of Derivatives can be beneficial, they also carry different risks from those presented by more traditional investments. These risks include the credit risk of the counterparty, risk involved with effective management of Derivative strategies, risk of illiquidity in the market for certain Derivative strategies and risk of loss greater than the amount invested in the Derivative. The Investment Manager has developed considerable experience managing these risks on behalf of its clients. These and other risks are

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<sup>2</sup> UCITS: Undertakings for Collective Investment in Transferable Securities—European Union regulatory guidelines that facilitate the offer and sale of UCITS-compliant funds throughout the EU, regardless of the member state where the fund is domiciled. The EU adopted the original UCITS directives in 1985. Fairly recently, EU-wide UCITS laws were enacted into Luxembourg law permitting the expanded use of derivative instruments and strategies provided that UCITS investment guidelines are strictly observed and a UCITS-compliant risk management framework exists.

discussed in greater detail in the current version of the Portfolio's prospectus available from the Management Company of the Portfolio.

***Retirement/Re-Designation of Existing Share Classes***

In addition to the Portfolio's changed investment strategy, effective April 15, 2011, the Portfolio will retire and re-designate the current Class A, B, C and I shares of the Global Balanced Portfolio, as Class AX, BX, CX and IX shares, respectively<sup>3</sup>.

These share classes will continue to be available for purchase by you and other legacy Class AX, BX, CX and IX shareholders, where distributor systems permit. Similarly your ability to redeem these legacy share classes remains unaffected. Importantly, the Investment Management fee applicable to each of these legacy share classes will remain unchanged.

Simultaneous with the retirement and re-designation of legacy share classes, the Portfolio will launch new versions of Class A, B, C and I shares, open to new investors.

**Retired and Re-Designated Share Classes**

<b>Share Class</b>	<b>Management Fee</b>	<b>Total Expense Cap</b>
AX	1.40%	1.90%
BX	1.40%	2.90%
CX	1.70%	2.20%
IX	0.70%	1.20%

**New Share Classes**

<b>Share Class</b>	<b>Management Fee</b>	<b>Total Expense Cap</b>
A	1.70%	1.95%
B	1.70%	2.95%
C	1.90%	2.25%
I	0.90%	1.25%

Although the Management Company has determined that the Investment Manager's higher fees for managing the Portfolio's Dynamic Diversified strategy are warranted and in the best interests of the Portfolio and new investors in the newly launched share classes, you and other shareholders of the legacy share classes will benefit from lower Investment Management fees relative to these new investors in new Class A, B, C, I shares, as well as enjoy the benefits of the Management Company's lower voluntary expense caps.

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For all of those reasons set out above, the Board of Directors has determined that the Portfolio's changed investment strategy, as well as the retired/re-designated share classes and the newly launched share classes, are all in the long-term best interests of the Portfolio and shareholders.

**Other investment options.** If you feel otherwise, there are various options available to you: (1) You may request the exchange of your investment free of charge in shares of the Portfolio for the same share class of another AllianceBernstein-sponsored Luxembourg-domiciled UCITS fund registered in your jurisdiction

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<sup>3</sup> Our records indicate that you own one of these share classes, either beneficially for your own account or in an omnibus capacity for your customer(s).

or otherwise available through an ACMBernstein authorized distributor in the country in which you reside; or (2) You may redeem your shares in the Portfolio free of charge (but subject to any contingent deferred sales charge, if applicable to your shares) before the changes become effective.

Please note that the Portfolio's name change and modifications to its investment policies will become effective on April 15, 2011.

**How to get more information.** If you have questions, or if you would like to obtain a prospectus that reflects these changes and full details about the Portfolio, please contact your financial adviser or a client service analyst at an AllianceBernstein Investor Services service center:

Europe/Middle East +800 2263 8637 or +352 46 39 36 151 (9:00 a.m. to 6:00 p.m. CET).

Asia-Pacific +800 2263 8637 or +65 62 30 2600 (9:00 a.m. to 6:00 p.m. SGT).

Americas +800 2263 8637 or +800 947 2898 or +1 212 823 7061 (8:30 a.m. to 5:00 p.m. US EST).

We appreciate your ongoing support of ACMBernstein as we continue to help investors like you achieve better outcomes.

Yours sincerely,

**The Board of Directors of**

**AllianceBernstein (Luxembourg) S.A.**

LIST OF IDENTIFIERS (ISIN and CUSIP)  
FOR THOSE SHARE CLASSES OF THE PORTFOLIO WHICH YOU CURRENTLY HOLD

	Classes (Existing)	ISIN			CUSIP
		USD*	EUR**	SGD**	USD*
Global Balanced Portfolio / Dynamic Diversified Portfolio	A/AX	LU0203202907	LU0232531433	LU0289941410	L0167U620
	B/BX	LU0203203467	LU0232532167	LU0289986944	L0167U638
	C/CX	LU0203203111	LU0232532753	LU0289943200	L0167U661
	I/IX	LU0204782097	LU0232533132	LU0289950320	L0167U695

\* Base currency

\*\* Other Offered Currency