

ALLIANCEBERNSTEIN NATIONAL MUNICIPAL INCOME FUND
Form N-CSRS
July 01, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-10573

ALLIANCEBERNSTEIN NATIONAL MUNICIPAL INCOME FUND, INC.

(Exact name of registrant as specified in charter)

1345 Avenue of the Americas, New York, New York 10105

(Address of principal executive offices) (Zip code)

Joseph J. Mantineo

AllianceBernstein L.P.

1345 Avenue of the Americas

New York, New York 10105

(Name and address of agent for service)

Registrant's telephone number, including area code: (800) 221-5672

Date of fiscal year end: October 31, 2016

Date of reporting period: April 30, 2016

ITEM 1. REPORTS TO STOCKHOLDERS.

SEMI-ANNUAL REPORT

ALLIANCEBERNSTEIN

NATIONAL MUNICIPAL INCOME FUND

(NYSE: AFB)

Investment Products Offered

Are Not FDIC Insured

May Lose Value

Are Not Bank Guaranteed

You may obtain a description of the Fund's proxy voting policies and procedures, and information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, without charge. Simply visit AB's website at www.abglobal.com, or go to the Securities and Exchange Commission's (the Commission) website at www.sec.gov, or call AB (800) 227-4618.

The Fund files its complete schedule of portfolio holdings with the Commission for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the Commission's website at www.sec.gov. The Fund's Forms N-Q may also be reviewed and copied at the Commission's Public Reference Room in Washington, DC; information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330.

AllianceBernstein Investments, Inc. (ABI) is the distributor of the AB family of mutual funds. ABI is a member of FINRA and is an affiliate of AllianceBernstein L.P., the Adviser of the funds.

The [A/B] logo is a registered service mark of AllianceBernstein and AllianceBernstein® is a registered service mark used by permission of the owner, AllianceBernstein L.P.

June 24, 2016

Semi-Annual Report

This report provides management's discussion of fund performance for AllianceBernstein National Municipal Income Fund (the Fund) for the semi-annual reporting period ended April 30, 2016. The Fund is a closed-end fund and its shares are listed and traded on the New York Stock Exchange.

Investment Objectives and Policies

The Fund seeks to provide high current income exempt from regular federal income tax by investing substantially all of its net assets in municipal securities that pay interest that is exempt from federal income tax. The Fund will normally invest at least 80%, and normally substantially all, of its net assets in municipal securities paying interest that is exempt from regular federal income tax. The Fund also normally will invest at least 75% of its assets in investment-grade municipal securities or unrated municipal securities considered to be of comparable quality. The Fund may invest up to 25% of its net assets in municipal bonds rated below investment-grade and unrated municipal bonds considered to be of comparable quality as determined by AllianceBernstein L.P. (the Adviser). The Fund intends to invest primarily in municipal securities that pay interest that is not subject to the federal alternative minimum tax (AMT), but may invest without limit in municipal securities paying interest that is subject to the federal AMT. For more information regarding the Fund's risks, please see Disclosures and Risks on pages 3-4 and Note G Risks Involved in Investing in the Fund of the Notes to Financial Statements on pages 32-35.

Investment Results

The table on page 5 provides performance data for the Fund and its benchmark, the Barclays Municipal Bond Index, for the six- and 12-month periods ended April 30, 2016.

The Fund outperformed its benchmark for both periods, as security selection in the special tax, transportation and state general obligation (GO) sectors contributed to performance, relative to the benchmark. Security selection in health care bonds also contributed to six-month performance. An overweight in pre-refunded bonds detracted from performance for both periods, as did security selection in the industrials sector.

Leverage, achieved through the use of both auction rate preferred shares, tender option bonds (TOBs) and variable rate municipal term preferred shares, benefited the Fund's total return and income in absolute terms, over both periods. The Fund did not use derivatives during either period.

Market Review and Investment Strategy

Intermediate- and long-maturity bonds had strong returns over both periods as falling global commodity prices and slowing economic growth drove yields lower. Shorter-maturity bonds underperformed as the US Federal Reserve increased the Federal Funds rate above its zero target to 0.25% for the first time since 2008. Across fixed-income sectors, municipals had strong performance due primarily to a combination of continued investor demand and limited supply. The total volume of outstanding municipal bonds has declined since 2010, unlike the corporate and Treasury markets which have seen an increase in issuance. In the opinion of the Fund's Senior Investment Management Team (the Team), municipal credit continues to do well, as economic growth and tax receipts are correlated, which has caused tax revenues for state and local governments to hit all-time highs. State and local governments have kept payrolls and expenditures in check as government employment is approx-

imately 500,000 below the peak during the financial crisis. The Team continues to overweight credit (municipal bonds rated A and below) and underweight the longest maturity bonds in the Fund.

The Fund may purchase municipal securities that are insured under policies issued by certain insurance companies. Historically, insured municipal securities typically received a higher credit rating, which meant that the issuer of the securities paid a lower interest rate. As a result of declines in the credit quality and associated downgrades of most fund insurers, insurance has less value than it did in the past. The market now values insured municipal securities primarily based on the credit quality of the issuer of the security with little value given to the insurance feature. In purchasing such insured securities, the Adviser evaluates the risk and return of municipal securities through its own research. If an insurance company's rating is downgraded or the company becomes insolvent, the prices of municipal securities insured by the insurance company may decline. As of April 30, 2016, the Fund's percentages of investments in municipal bonds that are insured and in insured municipal bonds that have been pre-refunded or escrowed to maturity were 3.50% and 0.20%, respectively.

Since February 2008, auctions of the auction rate preferred shares have had fewer buyers than sellers and, as a result, the auctions have failed. The failed auctions did not lower the credit quality of the auction rate preferred shares, but rather meant that a holder was unable to sell the auction rate preferred securities in the auctions, so that there was a loss of liquidity for the holders of the auction rate preferred shares. When an auction fails, the auction rate preferred shares pay interest on a formula-based maximum rate based on AA-commercial paper and short-term municipal bond rates. In

the extremely low short-term interest rate environment of recent years, the interest rates resulting from such a formula have been much lower than the returns on the Fund's investments and the cost of alternative forms of leverage available to the Fund. However, to the extent that the cost of this leverage increases in the future and earnings from the Fund's investments do not increase, the Fund's net investment returns may decline.

In July 2015, the Fund announced a tender offer of up to 100% of its outstanding auction rate preferred shares at a price equal to 94% of the liquidation preference of \$25,000 per share. The result of accepting tendered shares in September, and replacing the leverage associated with these shares with an alternative form of leverage, was to increase the Fund's net asset value, but at least in the near term to increase the cost of leverage. Over time, the Team believes diversifying our sources of leverage will lead to lower borrowing costs.

The Team continues to explore, and discuss with the Board of Directors, other liquidity and leverage options, including TOBs, which it has used in the past; this may result in additional auction rate preferred shares being redeemed in the future. The Fund is not required to redeem any auction rate preferred shares, and the Team expects to continue to rely on the auction rate preferred shares for a portion of the Fund's leverage exposure.

On June 23, 2016, the UK voted to leave the European Union (EU) in a popular referendum. At this moment in time, the UK remains a member of the EU and the rules and regulations remain unchanged, as do all the protections in place. Exactly how the UK's role in the EU will change will become clear over time. The Adviser continues to monitor the heightened market volatility.

DISCLOSURES AND RISKS

AllianceBernstein National Municipal Income Fund Shareholder Information

Weekly comparative net asset value (NAV) and market price information about the Fund is published each Saturday in *Barron's* and in other newspapers in a table called *Closed End Funds* . Daily NAVs and market price information, and additional information regarding the Fund, is available at www.abglobal.com and www.nyse.com. For additional shareholder information regarding this Fund, please see page 48.

Benchmark Disclosure

The Barclays Municipal Bond Index is unmanaged and does not reflect fees and expenses associated with the active management of a mutual fund portfolio. The Barclays Municipal Bond Index represents the performance of the long-term tax-exempt bond market consisting of investment-grade bonds. An investor cannot invest directly in an index, and its results are not indicative of the performance for any specific investment, including the Fund. In addition, the Index does not reflect the use of leverage, whereas the Fund utilizes leverage.

A Word About Risk

Among the risks of investing in the Fund are changes in the general level of interest rates or changes in bond credit quality ratings. Changes in interest rates have a greater effect on bonds with longer maturities than on those with shorter maturities. Please note, as interest rates rise, existing bond prices fall and can cause the value of your investment in the Fund to decline. While the Fund invests principally in bonds and other fixed-income securities, in order to achieve its investment objectives, the Fund may at times use certain types of investment derivatives, such as options, futures, forwards and swaps. These instruments involve risks different from, and in certain cases, greater than, the risks presented by more traditional investments. At the discretion of the Fund's Adviser, the Fund may invest up to 25% of its net assets in municipal bonds that are rated below investment-grade (*i.e.*, junk bonds). These securities involve greater volatility and risk than higher-quality fixed-income securities.

Leverage Risks: The Fund uses financial leverage for investment purposes, which involves leverage risk. The Fund's outstanding auction preferred shares and variable rate munifund term preferred shares (together preferred shares) result in leverage. The Fund may also use other types of financial leverage, including TOBs, either in combination with, or in lieu of, the preferred shares. The Fund utilizes leverage to seek to enhance the yield and NAV attributable to its Common Stock. These objectives may not be achieved in all interest rate environments. Leverage creates certain risks for holders of Common Stock, including the likelihood of greater volatility of the NAV and market price of the Common Stock. If income from the securities purchased from the funds made available by leverage is not sufficient to cover the cost of leverage, the Fund's return will be less than if leverage had not been used. As a result, the amounts available for distribution to Common Stockholders as dividends and other distributions will be reduced. During periods of rising short-term interest rates, the interest paid on the auction rate preferred stock or the floaters issued in connection with the Fund's TOB transactions would increase. In addition, the interest paid on inverse floaters held by the Fund, whether issued in connection with the Fund's TOB transactions or purchased in a secondary market transaction, would decrease. Under such circumstances, the Fund's income and distributions to Common Stockholders may decline, which would adversely affect the Fund's yield and possibly the market value of its shares. If rising short-term rates coincide with a period of rising long-term rates, the value of the long-term municipal bonds purchased with the proceeds of leverage would decline, adversely affecting the net asset value attributable to the Fund's common stock and possibly the market value of the shares.

Tax Risk: There is no guarantee that all of the Fund's income will remain exempt from federal or state income taxes. From time to time, the US government and the US Congress consider changes in federal tax law that could limit or eliminate the federal tax exemption for municipal bond income, which would in effect reduce the net income received by shareholders from the Fund by increasing taxes on that income. In

(Disclosures, Risks and Note about Historical Performance continued on next page)

DISCLOSURES AND RISKS

(continued from previous page)

such event, the Fund's NAV could also decline as yields on municipal bonds, which are typically lower than those on taxable bonds, would be expected to increase to approximately the yield of comparable bonds.

Market Risk: The value of the Fund's assets will fluctuate as the bond market fluctuates. The value of the Fund's investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.

Credit Risk: An issuer or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default, causing a loss of the full principal amount of a security. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect the value of the security. Investments in fixed income securities with lower ratings tend to have a higher probability that an issuer will default or fail to meet its payment obligations.

Interest Rate Risk: Changes in interest rates will affect the value of investments in fixed-income securities. When interest rates rise, the value of investments in fixed-income securities tends to fall and this decrease in value may not be offset by higher income from new investments. Interest rate risk is generally greater for fixed-income securities with longer maturities or durations.

Inflation Risk: This is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the value of the Fund's assets can decline as can the value of the Fund's distributions. This risk is significantly greater for fixed-income securities with longer maturities.

Derivatives Risk: Investments in derivatives may be illiquid, difficult to price, and leveraged so that small changes may produce disproportionate losses for the Fund, and may be subject to counterparty risk to a greater degree than more traditional investments.

Liquidity Risk: Liquidity risk occurs when certain investments become difficult to purchase or sell. Difficulty in selling less liquid securities may result in sales at disadvantageous prices affecting the value of your investment in the Fund. Causes of liquidity risk may include low trading volumes and large positions. Municipal securities may have more liquidity risk than other fixed-income securities because they trade less frequently and the market for municipal securities is generally smaller than many other markets.

Duration Risk: Duration is a measure that relates the expected price volatility of a fixed-income security to changes in interest rates. The duration of a fixed-income security may be shorter than or equal to full maturity of a fixed-income security. Fixed-income securities with longer durations have more risk and will decrease in price as interest rates rise. For example, a fixed-income security with a duration of three years will decrease in value by approximately 3% if interest rates increase by 1%.

Management Risk: The Fund is subject to management risk because it is an actively managed investment fund. The Adviser will apply its investment techniques and risk analyses in making investment decisions, but there is no guarantee that its techniques will produce the intended results.

These risks are fully discussed in the Fund's prospectus. As with all investments, you may lose money by investing in the Fund.

An Important Note About Historical Performance

The performance on the following page represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance information shown. All fees and expenses related to the operation of the Fund have been deducted. Performance assumes reinvestment of distributions and does not account for taxes.

HISTORICAL PERFORMANCE

THE FUND VS. ITS BENCHMARK	Returns	
PERIODS ENDED APRIL 30, 2016 (unaudited)	6 Months	12 Months
AllianceBernstein National Municipal Income Fund (NAV)	7.57%	12.92%
Barclays Municipal Bond Index	3.55%	5.29%

The Fund's market price per share on April 30, 2016, was \$14.95. The Fund's NAV price per share on April 30, 2016, was \$15.57. For additional Financial Highlights, please see pages 38-39.

See Disclosures, Risks and Note about Historical Performance on pages 3-4.

PORTFOLIO SUMMARY

April 30, 2016 (unaudited)

PORTFOLIO STATISTICS

Net Assets (\$mil): \$447.4

* All data are as of April 30, 2016. The Fund's quality rating breakdown is expressed as a percentage of the Fund's total investments in municipal securities and may vary over time. The quality ratings are determined by using the Standard & Poor's Ratings Services (S&P), Moody's Investors Services, Inc. (Moody's) and Fitch Ratings, Ltd. (Fitch). The Fund considers the credit ratings issued by S&P, Moody's and Fitch and uses the highest rating issued by the agencies. These ratings are a measure of the quality and safety of a bond or portfolio, based on the issuer's financial condition. AAA is the highest (best) and D is the lowest (worst). If applicable, the pre-refunded category includes bonds which are secured by US government securities and therefore are deemed high-quality investment grade by the Adviser. If applicable, Not Applicable (N/A) includes non-creditworthy investments; such as, equities, currency contracts, futures and options. If applicable, the Not Rated category includes bonds that are not rated by a nationally recognized statistical rating organization. The Adviser evaluates the creditworthiness of non-rated securities based on a number of factors including, but not limited to, cash flows, enterprise value and economic environment.

6 ALLIANCEBERNSTEIN NATIONAL MUNICIPAL INCOME FUND

Portfolio Summary

PORTFOLIO OF INVESTMENTS

April 30, 2016 (unaudited)

	Principal Amount (000)	U.S. \$ Value
MUNICIPAL OBLIGATIONS 160.6%		
Long-Term Municipal Bonds 160.6%		
Alabama 1.5%		
Alabama Public School & College Authority Series 2009A 5.00%, 5/01/29 (Pre-refunded/ETM)		
	\$ 3,000	\$ 3,360,360
County of Jefferson AL (County of Jefferson AL Sch Warrants) Series 2004A 5.25%, 1/01/18-1/01/23		
	3,100	3,131,341
		6,491,701
Arizona 1.1%		
Salt Verde Financial Corp. (Citigroup, Inc.) Series 2007 5.25%, 12/01/22-12/01/23		
	4,150	4,959,150
Arkansas 0.5%		
Pulaski County Public Facilities Board (Baptist Health) Series 2014 5.00%, 12/01/42		
	2,000	2,295,520
California 24.3%		
Anaheim Public Financing Authority (City of Anaheim CA Lease) Series 2014A 5.00%, 5/01/32-5/01/39		
	5,500	6,527,525
Bay Area Toll Authority Series 2013S 5.00%, 4/01/32		
	5,720	6,785,465
California Econ Recovery Series 2009A 5.25%, 7/01/21 (Pre-refunded/ETM)		
	4,860	5,536,366
California Pollution Control Financing Authority (Poseidon Resources Channelside LP) Series 2012 5.00%, 7/01/37-11/21/45 ^(a)		
	7,000	7,747,860
City of Los Angeles Department of Airports (Los Angeles Intl Airport) Series 2009A 5.25%, 5/15/29		
	5,700	6,445,104
County of San Bernardino CA COP Series 2009A 5.25%, 8/01/26		
	1,455	1,631,404
Los Angeles Community College District/CA Series 2008F-1 5.00%, 8/01/28 (Pre-refunded/ETM)		
	5,800	6,350,942

[Portfolio of Investments](#)

	Principal Amount (000)	U.S. \$ Value
Los Angeles County Metropolitan Transportation Authority (Los Angeles County Metropolitan Transportation Authority Sales Tax) Series 2013B 5.00%, 7/01/34	\$ 1,770	\$ 2,130,319
Los Angeles Department of Water & Power PWR Series 2013A 5.00%, 7/01/30	6,255	7,553,476
Series 2013B 5.00%, 7/01/30	10,000	12,222,600
Los Angeles Department of Water & Power WTR Series 2013B 5.00%, 7/01/32	3,840	4,635,955
San Bernardino County Transportation Authority 5.00%, 3/01/32-3/01/34 ^(b)	11,340	13,546,862
State of California Series 2013 5.00%, 11/01/30	5,800	7,145,600
University of California Series 2012G 5.00%, 5/15/31	7,000	8,331,960
Series 2013A 5.00%, 5/15/30-5/15/32	9,855	11,916,235
		108,507,673
Colorado 2.1%		
City & County of Denver Co. Airport System Revenue (Denver Intl Airport) Series 2013B 5.25%, 11/15/31	6,680	8,071,311
Colorado Health Facilities Authority Series 2006 5.25%, 6/01/19 (Pre-refunded/ETM)	495	496,752
Colorado Health Facilities Authority (Evangelical Lutheran Good Samaritan Obligated Group) Series 2006 5.25%, 6/01/19-6/01/23	705	707,665
		9,275,728
Connecticut 9.5%		
State of Connecticut Series 2013C 5.00%, 7/15/27	7,165	8,614,981
Series 2013E 5.00%, 8/15/29	4,800	5,749,440
Series 2015F 5.00%, 11/15/32	5,000	5,983,850

	Principal Amount (000)	U.S. \$ Value
State of Connecticut Special Tax Revenue		
Series 2011A 5.00%, 12/01/28	\$ 5,000	\$ 5,909,050
Series 2012 5.00%, 1/01/29	13,855	16,443,253
		42,700,574
District of Columbia 1.3%		
District of Columbia Series 2013A 5.00%, 6/01/29	5,000	6,014,150
Florida 11.2%		
Alachua County Health Facilities Authority (Shands Teaching Hospital and Clinics Obligated Group) Series 2014A 5.00%, 12/01/44	4,560	5,128,586
Brevard County Health Facilities Authority (Health First, Inc. Obligated Group) Series 2014 5.00%, 4/01/33	1,000	1,151,240
City of Orlando FL Series 2014A 5.00%, 11/01/44	7,720	8,874,989
5.25%, 11/01/33	5,620	6,916,141
County of Miami-Dade FL Aviation Revenue Series 2014A 5.00%, 10/01/33	1,000	1,150,840
Florida Higher Educational Facilities Financial Authority (Nova Southeastern University, Inc.) Series 2016 5.00%, 4/01/33 ^(c)	2,075	2,462,838
Florida Ports Financing Commission Series 2011A 5.00%, 10/01/25-10/01/27	4,205	4,968,401
Halifax Hospital Medical Center (Halifax Hospital Medical Center Obligated Group) Series 2015 5.00%, 6/01/35	2,655	3,058,109
Miami Beach Health Facilities Authority (Mount Sinai Medical Center of Florida, Inc.) Series 2014 5.00%, 11/15/39	9,250	10,432,798
South Florida Water Management District COP Series 2016 5.00%, 10/01/33	5,000	5,926,900
		50,070,842

	Principal Amount (000)	U.S. \$ Value
Georgia 1.2%		
City of Atlanta Department of Aviation (Hartsfield Jackson Atlanta Intl Airport) Series 2014B 5.00%, 1/01/31-1/01/32	\$ 4,675	\$ 5,582,915
Hawaii 2.8%		
State of Hawaii Series 2015E 4.00%, 10/01/34-10/01/35	3,500	3,902,155
State of Hawaii Airports System Revenue Series 2010A 5.00%, 7/01/34	5,000	5,657,450
Series 2015A 5.00%, 7/01/45	2,500	2,848,300
		12,407,905
Illinois 7.9%		
Cook County High School District No 29 Proviso Township AGM Series 2004 5.00%, 12/01/20	2,000	2,047,260
Illinois Finance Authority (Illinois Institute of Technology) Series 2006A 5.00%, 4/01/31	1,250	1,251,313
Illinois Finance Authority (OSF Healthcare System Obligated Group) Series 2015A 5.00%, 11/15/45	4,500	5,129,055
Illinois State Toll Highway Authority Series 2015B 5.00%, 1/01/33-1/01/40	8,800	10,417,874
Series 2016A 5.00%, 12/01/32	2,025	2,435,751
State of Illinois Series 2012 5.00%, 3/01/31	1,000	1,060,520
Series 2014 5.00%, 4/01/30-2/01/39	12,070	12,940,994
		35,282,767
Indiana 1.3%		
Indiana Finance Authority (WVB East End Partners LLC) Series 2013A 5.00%, 7/01/44	1,250	1,364,450
Richmond Hospital Authority (Reid Hospital & Health Care Services, Inc.) Series 2015 5.00%, 1/01/39	3,765	4,289,088
		5,653,538

	Principal Amount (000)	U.S. \$ Value
Kentucky 2.0%		
Kentucky Municipal Power Agency NATL Series 2015A 5.00%, 9/01/30	\$ 2,500	\$ 2,939,575
Kentucky Turnpike Authority Series 2013A 5.00%, 7/01/29	5,000	5,962,550
		8,902,125
Louisiana 2.1%		
City of New Orleans LA AGC Series 2007A 5.00%, 12/01/22	5,875	6,264,747
Louisiana Agricultural Finance Authority (Louisiana Agricultural Finance Authority State Lease) Series 2007 5.25%, 9/15/17	2,345	2,411,762
Louisiana Local Government Environmental Facilities & Community Development Auth Series 2009A 5.00%, 4/01/26 (Pre-refunded/ETM)	535	598,478
		9,274,987
Maryland 1.7%		
Maryland Health & Higher Educational Facilities Authority (Meritus Medical Center, Inc.) Series 2015 5.00%, 7/01/45	6,725	7,621,981
Massachusetts 4.1%		
Massachusetts School Building Authority (Massachusetts School Building Authority Sales Tax) Series 2011B 5.00%, 10/15/32	13,000	15,386,280
Series 2012B 5.00%, 8/15/30	2,480	2,990,086
		18,376,366
Michigan 7.8%		
Detroit City School District Series 2012A 5.00%, 5/01/26-5/01/27	6,045	6,934,582
Michigan Finance Authority (City of Detroit MI Water Supply System Revenue) AGM Series 2014D-1 5.00%, 7/01/35	1,250	1,438,462

	Principal Amount (000)	U.S. \$ Value
Michigan Finance Authority (Public Lighting Authority) Series 2014B 5.00%, 7/01/34	\$ 2,250	\$ 2,550,780
Michigan Strategic Fund (Detroit Renewable Energy Obligated Group) Series 2013 8.50%, 12/01/30 ^(a)	3,870	3,730,796
Plymouth Educational Center Charter School Series 2005 5.125%, 11/01/23 ^(d)	2,140	2,032,037
Wayne State University Series 2009A 5.00%, 11/15/29	16,500	18,388,095
		35,074,752
Minnesota 0.7%		
City of Minneapolis MN (Fairview Health Services Obligated Group) Series 2015A 5.00%, 11/15/33	2,700	3,156,921
Mississippi 0.9%		
City of Gulfport MS (Memorial Hospital at Gulfport/MS) Series 2001A 5.75%, 7/01/31	4,000	4,012,040
Missouri 0.5%		
City of Kansas City MO Series 2008C 5.00%, 4/01/28 (Pre-refunded/ETM)	2,000	2,161,540
New Jersey 8.1%		
New Jersey Economic Development Authority (New Jersey Economic Development Authority State Lease) Series 2014U 5.00%, 6/15/30-6/15/34	7,500	8,155,975
New Jersey Economic Development Authority (NYNJ Link Borrower LLC) Series 2013 5.125%, 1/01/34	1,000	1,124,730
New Jersey Health Care Facilities Financing Authority (Barnabas Health, Inc.) Series 2014 5.00%, 7/01/44	6,450	7,337,133

	Principal Amount (000)	U.S. \$ Value
New Jersey Turnpike Authority		
Series 2012B		
5.00%, 1/01/29	\$ 6,500	\$ 7,616,960
Series 2013A		
5.00%, 1/01/31	5,000	5,947,900
Series 2016A		
5.00%, 1/01/34	5,000	6,009,450
		36,192,148
New York 28.5%		
City of New York NY		
Series 2012B		
5.00%, 8/01/30	5,070	6,046,736
Series 2012I		
5.00%, 8/01/28	8,780	10,517,474
Metropolitan Transportation Authority		
Series 2012D		
5.00%, 11/15/29	4,000	4,809,880
Series 2012F		
5.00%, 11/15/27	1,575	1,905,797
Series 2013A		
5.00%, 11/15/29	1,830	2,201,691
Series 2014B		
5.25%, 11/15/34	4,000	4,834,640
Series 2014C		
5.00%, 11/15/32	1,000	1,202,900
Metropolitan Transportation Authority (Metropolitan Transportation Authority Ded Tax)		
Series 2016A		
5.25%, 11/15/35 ^(b)	14,260	17,885,890
New York City Municipal Water Finance Authority		
Series 2011HH		
5.00%, 6/15/26	5,000	5,926,000
Series 2013D		
5.00%, 6/15/34	3,600	4,294,332
New York City NY Transitional		
5.00%, 8/01/34-8/01/37 ^(b)	10,000	12,053,300
New York City Transitional Finance Authority Future Tax Secured Revenue		
Series 2007B		
5.00%, 11/01/24 (Pre-refunded/ETM)	4,540	4,731,180
5.00%, 11/01/24	2,485	2,589,147
New York State Dormitory Authority		
Series 2012D		
5.00%, 2/15/29 (Pre-refunded/ETM)	1,135	1,375,858
New York State Dormitory Authority (State of New York Pers Income Tax)		
Series 2012B		
5.00%, 3/15/32	7,600	9,003,264

	Principal Amount (000)	U.S. \$ Value
Series 2012D 5.00%, 2/15/29 New York State Environmental Facilities Corp. (New York NY Mun Wtr Fin Auth) 5.00%, 6/15/24-6/15/27 ^(b)	\$ 6,865	\$ 8,140,311
Port Authority of New York & New Jersey Series 2013-178 5.00%, 12/01/32	7,000	7,612,675
Series 2014-186 5.00%, 10/15/44 Ulster County Industrial Development Agency (Kingston Regional Senior Living Corp.) Series 2007A 6.00%, 9/15/27	4,400	5,218,136
Utility Debt Securitization Authority Series 2013T 5.00%, 12/15/30	8,000	9,109,120
		1,813,624
	5,000	6,149,550
		127,421,505
North Carolina 2.2%		
County of Iredell NC COP AGM Series 2008 5.25%, 6/01/22	1,080	1,173,085
North Carolina Medical Care Commission (Vidant Health Obligated Group) Series 2015 5.00%, 6/01/45	4,445	5,104,727
University of North Carolina at Greensboro Series 2014 5.00%, 4/01/33	3,145	3,738,210
		10,016,022
Ohio 1.5%		
Columbiana County Port Authority (Apex Environmental LLC) Series 2004 7.125%, 8/01/25 ^(e)	1,840	36,800
Series 2014 10.635%, 8/01/25 ^(e)	248	4,954
Ohio Air Quality Development Authority (FirstEnergy Nuclear Generation LLC) Series 2006 3.625%, 12/01/33	795	827,245
Series 2008C 3.95%, 11/01/32	5,800	6,021,328
		6,890,327
Oklahoma 0.4%		
Tulsa Airports Improvement Trust BAM Series 2015A 5.00%, 6/01/45	1,700	1,871,700

	Principal Amount (000)	U.S. \$ Value
Oregon 1.3%		
Oregon State Lottery Series 2011A 5.25%, 4/01/25 (Pre-refunded/ETM)	\$ 4,305	\$ 5,149,512
5.25%, 4/01/25	695	825,486
		5,974,998
Pennsylvania 7.9%		
Allegheny County Industrial Development Authority (Residential Resources, Inc./PA) Series 2006 5.00%, 9/01/21	500	504,865
Butler County Hospital Authority (Butler Health System Obligated Group) Series 2015 5.00%, 7/01/35-7/01/39	3,510	3,920,917
Montgomery County Industrial Development Authority/PA Series 2010 5.25%, 8/01/33 (Pre-refunded/ETM)	3,480	4,087,921
Montour School District AGM Series 2015B 5.00%, 4/01/34-4/01/35	6,520	7,666,114
Pennsylvania Economic Development Financing Authority (PA Bridges Finco LP) Series 2015 5.00%, 12/31/34-12/31/38	9,270	10,430,510
Pennsylvania Turnpike Commission Series 2014A 5.00%, 12/01/31-12/01/33	6,355	7,517,338
Philadelphia Authority for Industrial Development (LLPCS Foundation) Series 2005A 5.25%, 7/01/24 ^{(e)(f)}	1,150	11,500
Wilkes-Barre Finance Authority (Wilkes University) Series 2007 5.00%, 3/01/22	990	1,022,521
		35,161,686
South Carolina 1.6%		
Dorchester County School District No 2 AGC Series 2006 5.00%, 12/01/29 (Pre-refunded/ETM)	1,600	1,640,720
South Carolina Ports Authority Series 2015 5.00%, 7/01/45	5,000	5,675,350
		7,316,070

	Principal Amount (000)	U.S. \$ Value
Tennessee 2.0%		
Chattanooga-Hamilton County Hospital Authority (Erlanger Medical Center) Series 2014 5.00%, 10/01/44	\$ 7,500	\$ 8,365,200
Sullivan County Health Educational & Housing Facilities Board (Wellmont Health System) Series 2006C 5.25%, 9/01/26	725	734,816
		9,100,016
Texas 19.8%		
Alvin Independent School District/TX Series 2009B 5.00%, 2/15/28	960	1,059,168
Arlington Higher Education Finance Corp. (Lifeschool of Dallas) Series 2014A 5.00%, 8/15/39	4,805	5,573,560
Austin Community College District Public Facility Corp. Series 2015 5.00%, 8/01/33	5,000	5,903,450
Bexar County Health Facilities Development Corp. (Army Retirement Residence Obligated Group) Series 2007 5.00%, 7/01/27	430	439,206
City of Austin TX Water & Wastewater System Revenue Series 2013A 5.00%, 11/15/28-11/15/29	8,075	9,705,892
City of Houston TX Combined Utility System Revenue Series 2011D 5.00%, 11/15/26	6,000	7,142,100
Dallas Independent School District Series 2008 6.00%, 2/15/28 (Pre-refunded/ETM)	2,500	2,730,750
Dripping Springs Independent School District/TX Series 2008 5.125%, 2/15/28 (Pre-refunded/ETM)	5,715	5,915,139
Fort Bend Independent School District Series 2009 5.00%, 2/15/27	7,560	8,598,215
Love Field Airport Modernization Corp. Series 2015 5.00%, 11/01/31	1,000	1,177,700
North Texas Tollway Authority Series 2015B 5.00%, 1/01/40	5,000	5,725,850

	Principal Amount (000)	U.S. \$ Value
Texas Private Activity Bond Surface Transportation Corp. (NTE Mobility Partners LLC) Series 2009 6.875%, 12/31/39	\$ 1,720	\$ 2,031,011
Texas Private Activity Bond Surface Transportation Corp. (NTE Mobility Partners Segments 3 LLC) Series 2013 6.75%, 6/30/43	3,000	3,708,030
Texas Trnsp Comm 5.00%, 4/01/23 ^(b)	20,600	21,419,674
University of Texas System (The) Series 2009A 5.25%, 8/15/22 (Pre-refunded/ETM)	6,825	7,522,993
		88,652,738
Washington 2.5%		
FYI Properties (FYI Properties WA State Lease) Series 2009 5.00%, 6/01/27	3,885	4,335,582
5.125%, 6/01/28	5,200	5,815,992
Port of Seattle WA Series 2015A 5.00%, 4/01/40	1,000	1,155,670
		11,307,244
Wisconsin 0.3%		
State of Wisconsin Series 2003-3 5.00%, 11/01/26	1,145	1,148,721
Total Long-Term Municipal Bonds (cost \$659,233,900)		718,876,350
SHORT-TERM INVESTMENTS 0.1%		
Investment Companies 0.1%		
AB Fixed Income Shares, Inc. Government STIF Portfolio, 0.36%(g)(h) (cost \$245,702)	245,702	245,702
Total Investments 160.7% (cost \$659,479,602)		719,122,052
Other assets less liabilities (40.1%)		(179,567,010)
Auction Preferred Shares at liquidation value (20.6%)		(92,125,000)
Net Assets Applicable to Common Shareholders 100.0%		\$ 447,430,042

[Portfolio of Investments](#)

- (a) *Security is exempt from registration under Rule 144A of the Securities Act of 1933. These securities are considered liquid and may be resold in transactions exempt from registration, normally to qualified institutional buyers. At April 30, 2016, the aggregate market value of these securities amounted to \$11,478,656 or 2.6% of net assets.*
- (b) *Security represents the underlying municipal obligation of an inverse floating rate obligation held by the Fund (see Note I).*
- (c) *When-Issued or delayed delivery security.*
- (d) *Restricted and illiquid security.*

Restricted Securities	Acquisition Date	Cost	Market Value	Percentage of Net Assets
Plymouth Educational Center Charter School Series 2005 5.125%, 11/01/23	11/30/05			