

ALLIANCEBERNSTEIN NATIONAL MUNICIPAL INCOME FUND
Form N-CSRS
July 06, 2017

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, 2017

Date of reporting period: April 30, 2017

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.abfunds.com, or go to the Securities and Exchange Commission's (the Commission) website at www.sec.gov, or call AB at (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.

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FROM THE PRESIDENT

Dear Shareholder,

We are pleased to provide this report for AllianceBernstein National Municipal Income Fund (the Fund). Please review the discussion of Fund performance, the market conditions during the reporting period and the Fund's investment strategy.

As always, AB strives to keep clients ahead of what's next by:

+ Transforming uncommon insights into uncommon knowledge with a global research scope

+ Navigating markets with seasoned investment experience and sophisticated solutions

+ Providing thoughtful investment insights and actionable ideas

Whether you're an individual investor or a multi-billion-dollar institution, we put knowledge and experience to work for you.

AB's global research organization connects and collaborates across platforms and teams to deliver impactful insights and innovative products. Better insights lead to better opportunities anywhere in the world.

For additional information about AB's range of products and shareholder resources, please log on to www.abfunds.com.

Thank you for your investment in the AB Mutual Funds.

Sincerely,

Robert M. Keith

President and Chief Executive Officer, AB Mutual Funds

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ALLIANCEBERNSTEIN NATIONAL MUNICIPAL INCOME FUND | 1

SEMI-ANNUAL REPORT

June 12, 2017

This report provides management’s discussion of fund performance for AllianceBernstein National Municipal Income Fund for the semi-annual reporting period ended April 30, 2017. The Fund is a closed-end fund and its shares are listed and traded on the New York Stock Exchange.

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.

RETURNS AS OF APRIL 30, 2017 (unaudited)

	6 Months	12 Months
ALLIANCEBERNSTEIN NATIONAL MUNICIPAL INCOME FUND (NAV)	-1.88%	-0.90%
Bloomberg Barclays Municipal Bond Index	-0.34%	0.14%

The Fund’s market price per share on April 30, 2017 was \$13.60. The Fund’s NAV price per share on April 30, 2017 was \$14.71. For additional Financial Highlights, please see pages 46-47.

INVESTMENT RESULTS

The table above shows the Fund’s performance compared to its benchmark, the Bloomberg Barclays Municipal Bond Index, for the six- and 12-month periods ended April 30, 2017.

The Fund underperformed the benchmark for both periods. Yield-curve positioning detracted from performance for both periods, relative to the benchmark, because of an overweight to intermediate-duration bonds. Over the 12-month period, an underweight to state general obligation bonds benefited performance, while an overweight in pre-refunded bonds detracted. Security selection within special tax and transportation bonds added to performance and security selection in the industrial revenue bond sector detracted. Over the six-month period, security selection within the pre-refunded bond sector benefited performance and detracted within the state general obligation and health care sectors.

Leverage, achieved through the usage of auction rate preferred shares, tender option bonds (TOBs) and variable rate municipal term preferred shares, detracted from the Fund’s total return since yields rose over both periods, but benefited the Fund’s income since the spread between the Fund’s borrowing and investment rates remained positive.

The Fund utilized derivatives, including interest rate swaps for hedging purposes, which had no material impact on absolute performance, during both periods.

MARKET REVIEW AND INVESTMENT STRATEGY

The relatively strong performance of equities and corporate bonds during both periods reflected investors' expectations that economic growth should be solid going forward. Within the municipal market, this sentiment was reflected in higher interest rates and the better performance of mid-grade bonds over high-grade bonds. The Fund's Senior Investment Management Team (the "Team") positioned the Fund to be what it considers neutral with respect to interest-rate risk. Given the still-sizable debt overhang in the US and other major economies, rates may not climb as high as they have in previous tightening cycles, and this may limit future increases in longer-term bond yields.

The specter of tax reform remains on the horizon, though the chances of significant reform have declined recently as Republicans continue to grapple with repealing and replacing the Affordable Care Act. At the end of the reporting period, the market yields of municipal bonds relative to taxable bonds suggested a low probability of significant tax reform. The after-tax income of municipals relative to taxable bonds would be below average, however, if tax rates were cut to 33%, as proposed by both President Trump and House Speaker Ryan. The relative advantage of municipals would fall sharply if long-term capital gains rates were cut as in certain proposals and taxable interest were subject to the same reduced rate. While significant tax reform may be unlikely in the near term, the Team continues to position the Fund with a relatively small portion in the longest-maturity bonds; this may potentially reduce the Fund's exposure to tax reform should a push to significantly cut taxes materialize in the months ahead.

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, 2017, 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 3.70% and 1.06%, 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 2015, 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 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.

INVESTMENT POLICIES

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 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 5-8 and Note G Risks Involved in Investing in the Fund of the Notes to Financial Statements on pages 40-44.

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.abfunds.com and www.nyse.com. For additional shareholder information regarding this Fund, please see pages 48-49.

Benchmark Disclosure

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

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 municipal fund 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

DISCLOSURES AND RISKS (continued)

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 Preferred Shares 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 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

DISCLOSURES AND RISKS (continued)

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.

DISCLOSURES AND RISKS (continued)

An Important Note About Historical Performance

The performance shown in this report 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.

PORTFOLIO SUMMARY

April 30, 2017 (unaudited)

PORTFOLIO STATISTICS

Net Assets (\$mil): \$422.9

All data are as of April 30, 2017. 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 Fund also enters into derivative transactions, which may be used for hedging or investment purposes (see Portfolio of Investments section of the report for additional details). The quality ratings are determined by using the Standard & Poor's Global Ratings (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 U.S. 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.

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ALLIANCEBERNSTEIN NATIONAL MUNICIPAL INCOME FUND | 9

PORTFOLIO OF INVESTMENTS

April 30, 2017 (unaudited)

	Principal Amount (000)	U.S. \$ Value
MUNICIPAL OBLIGATIONS 160.1%		
Long-Term Municipal Bonds 160.1%		
Alabama 2.6%		
Alabama Public School & College Authority		
Series 2009A		
5.00%, 5/01/29 (Pre-refunded/ETM)	\$ 3,000	\$ 3,233,280
County of Jefferson AL		
(County of Jefferson AL Sch Warrants)		
Series 2004A		
5.25%, 1/01/18-1/01/23	3,100	3,105,174
State of Alabama Docks Department		
AGM Series 2017A		
5.00%, 10/01/34	2,000	2,219,240
AGM Series 2017C		
5.00%, 10/01/36	2,000	2,269,160
		10,826,854
Arizona 1.1%		
Salt Verde Financial Corp.		
(Citigroup, Inc.)		
Series 2007		
5.25%, 12/01/22-12/01/23	4,150	4,859,002
Arkansas 0.5%		
Pulaski County Public Facilities Board		
(Baptist Health)		
Series 2014		
5.00%, 12/01/42	2,000	2,177,280
California 24.7%		
Anaheim Public Financing Authority		
(City of Anaheim CA Lease)		
Series 2014A		
5.00%, 5/01/32-5/01/39	5,500	6,253,850
Bay Area Toll Authority		
Series 2013S		
5.00%, 4/01/32	5,720	6,609,975
California Econ Recovery		
Series 2009A		
5.25%, 7/01/21 (Pre-refunded/ETM)	4,860	5,303,718
California Pollution Control Financing Authority		
(Poseidon Resources Channelside LP)		
Series 2012		
5.00%, 7/01/37-11/21/45 ^(a)	7,000	7,470,160
City of Los Angeles Department of Airports		
(Los Angeles Intl Airport)		
Series 2009A		
5.25%, 5/15/29	5,700	6,171,903

PORTFOLIO OF INVESTMENTS (continued)

	Principal Amount (000)	U.S. \$ Value
County of San Bernardino CA COP Series 2009A 5.25%, 8/01/26	\$ 1,455	\$ 1,563,892
Los Angeles Community College District/CA Series 2008F-1 5.00%, 8/01/28 (Pre-refunded/ETM)	5,800	6,092,784
Los Angeles County Metropolitan Transportation Authority (Los Angeles County Metropolitan Transportation Authority Sales Tax) Series 2013B 5.00%, 7/01/34	1,770	2,041,907
Los Angeles Department of Water & Power PWR Series 2013A 5.00%, 7/01/30 (Pre-refunded/ETM)	90	106,550
5.00%, 7/01/30	6,165	7,164,470
Series 2013B 5.00%, 7/01/30	10,000	11,756,000
Los Angeles Department of Water & Power WTR Series 2013B 5.00%, 7/01/32	3,840	4,485,158
San Bernardino County Transportation Authority Series 2015-2 5.00%, 3/01/32-3/01/34 ^(b)	11,340	13,209,832
State of California Series 2013 5.00%, 11/01/30	5,800	6,747,314
University of California Series 2012G 5.00%, 5/15/31	7,000	8,076,880
Series 2013A 5.00%, 5/15/30-5/15/32	9,855	11,501,264
		104,555,657
Colorado 2.0%		
City & County of Denver CO Airport System Revenue (Denver Intl Airport) Series 2013B 5.25%, 11/15/31	6,680	7,891,218
Colorado Health Facilities Authority (Evangelical Lutheran Good Samaritan Obligated Group) Series 2006 5.25%, 6/01/19-6/01/23	705	706,442
		8,597,660

PORTFOLIO OF INVESTMENTS (continued)

	Principal Amount (000)	U.S. \$ Value
Connecticut 9.7%		
State of Connecticut		
Series 2013C 5.00%, 7/15/27	\$ 7,165	\$ 8,240,897
Series 2013E 5.00%, 8/15/29	4,800	5,499,600
Series 2015F 5.00%, 11/15/32	5,000	5,611,800
State of Connecticut Special Tax Revenue		
Series 2011A 5.00%, 12/01/28	5,000	5,704,700
Series 2012 5.00%, 1/01/29	13,855	15,908,865
		40,965,862
District of Columbia 1.7%		
District of Columbia		
Series 2013A 5.00%, 6/01/29	5,000	5,857,450
Metropolitan Washington Airports Authority		
Series 2016A 5.00%, 10/01/35	1,000	1,131,350
		6,988,800
Florida 11.0%		
Alachua County Health Facilities Authority (Shands Teaching Hospital and Clinics Obligated Group)		
Series 2014A 5.00%, 12/01/44	4,560	4,942,219
Brevard County Health Facilities Authority (Health First, Inc. Obligated Group)		
Series 2014 5.00%, 4/01/33	1,000	1,086,230
City of Orlando FL		
Series 2014A 5.00%, 11/01/44 (Pre-refunded/ETM)	7,720	9,342,358
5.25%, 11/01/33 (Pre-refunded/ETM)	5,620	6,893,042
County of Miami-Dade FL Aviation Revenue		
Series 2014A 5.00%, 10/01/33	1,000	1,120,700
Florida Ports Financing Commission		
Series 2011A 5.00%, 10/01/25-10/01/27	4,205	4,788,059
Halifax Hospital Medical Center (Halifax Hospital Medical Center Obligated Group)		
Series 2015 5.00%, 6/01/35	2,655	2,882,454

PORTFOLIO OF INVESTMENTS (continued)

	Principal Amount (000)	U.S. \$ Value
Miami Beach Health Facilities Authority (Mount Sinai Medical Center of Florida, Inc.) Series 2014 5.00%, 11/15/39	\$ 9,250	\$ 9,883,625
South Florida Water Management District COP Series 2016 5.00%, 10/01/33	5,000	5,705,350
		46,644,037
Georgia 1.3%		
City of Atlanta Department of Aviation (Hartsfield Jackson Atlanta Intl Airport) Series 2014B 5.00%, 1/01/31-1/01/32	4,675	5,373,878
Hawaii 2.8%		
State of Hawaii Series 2015E 4.00%, 10/01/34-10/01/35	3,500	3,685,350
State of Hawaii Airports System Revenue Series 2010A 5.00%, 7/01/34	5,000	5,520,250
Series 2015A 5.00%, 7/01/45	2,500	2,754,775
		11,960,375
Illinois 9.6%		
Chicago O Hare International Airport Series 2016B 5.00%, 1/01/41	8,000	8,864,320
Series 2016C 5.00%, 1/01/38	2,350	2,613,153
Illinois Finance Authority (Illinois Institute of Technology) Series 2006A 5.00%, 4/01/31	1,250	1,250,025
Illinois Finance Authority (OSF Healthcare System Obligated Group) Series 2015A 5.00%, 11/15/45	4,500	4,849,560
Illinois State Toll Highway Authority Series 2015B 5.00%, 1/01/33-1/01/40	8,800	9,869,110
State of Illinois Series 2012 5.00%, 3/01/31	1,000	1,009,320
Series 2014 5.00%, 4/01/30-2/01/39	12,070	12,110,768
		40,566,256

PORTFOLIO OF INVESTMENTS (continued)

	Principal Amount (000)	U.S. \$ Value
Indiana 1.0%		
Indiana Finance Authority (I-69 Development Partners LLC) Series 2014 5.00%, 9/01/46	\$ 250	\$ 256,303
5.25%, 9/01/34-9/01/40	2,700	2,836,923
Indiana Finance Authority (WVB East End Partners LLC) Series 2013A 5.00%, 7/01/44	1,250	1,335,187
		4,428,413
Kentucky 2.3%		
Kentucky Economic Development Finance Authority (Next Generation Kentucky Information Highway) Series 2015A 4.25%, 7/01/35	1,000	1,004,810
Kentucky Municipal Power Agency NATL Series 2015A 5.00%, 9/01/30	2,500	2,814,900
Kentucky Turnpike Authority Series 2013A 5.00%, 7/01/29	5,000	5,783,650
		9,603,360
Louisiana 1.8%		
City of New Orleans LA AGC Series 2007A 5.00%, 12/01/22 (Pre-refunded/ETM)	5,875	6,014,120
Louisiana Agricultural Finance Authority (Louisiana Agricultural Finance Authority State Lease) Series 2007 5.25%, 9/15/17	1,200	1,212,576
Louisiana Local Government Environmental Facilities & Community Development Auth Series 2009A 5.00%, 4/01/26 (Pre-refunded/ETM)	535	574,981
		7,801,677
Maryland 1.7%		
Maryland Health & Higher Educational Facilities Authority (Meritus Medical Center Obligated Group) Series 2015 5.00%, 7/01/45	6,725	7,193,800

PORTFOLIO OF INVESTMENTS (continued)

	Principal Amount (000)	U.S. \$ Value
Massachusetts 4.2%		
Massachusetts School Building Authority (Massachusetts School Building Authority Sales Tax) Series 2011B 5.00%, 10/15/32	\$ 13,000	\$ 14,819,090
Series 2012B 5.00%, 8/15/30	2,480	2,856,563
		17,675,653
Michigan 8.8%		
Detroit City School District Series 2012A 5.00%, 5/01/26-5/01/27	6,045	6,691,389
Michigan Finance Authority (Great Lakes Water Authority Water Supply System) AGM Series 2014D-1 5.00%, 7/01/35	1,250	1,392,075
Michigan Finance Authority (Henry Ford Health System Obligated Group) Series 2016 4.00%, 11/15/36	2,815	2,826,063
Michigan Finance Authority (Public Lighting Authority) Series 2014B 5.00%, 7/01/34	2,250	2,428,020
Michigan Strategic Fund (Detroit Renewable Energy Obligated Group) Series 2013 8.50%, 12/01/30 ^(a)	3,735	4,128,744
Plymouth Educational Center Charter School Series 2005 5.125%, 11/01/23 ^(c)	2,140	1,928,996
Wayne State University Series 2009A 5.00%, 11/15/29	8,660	9,354,445
5.00%, 11/15/29 (Pre-refunded/ETM)	7,840	8,587,309
		37,337,041
Minnesota 0.7%		
City of Minneapolis MN (Fairview Health Services Obligated Group) Series 2015A 5.00%, 11/15/33	2,700	3,058,236

PORTFOLIO OF INVESTMENTS (continued)

	Principal Amount (000)	U.S. \$ Value
Missouri 0.5%		
City of Kansas City MO Series 2008C 5.00%, 4/01/28 (Pre-refunded/ETM)	\$ 2,000	\$ 2,074,040
New Jersey 9.4%		
New Jersey Economic Development Authority (New Jersey Economic Development Authority State Lease) Series 2014P 5.00%, 6/15/31	2,500	2,552,375
Series 2016B 5.50%, 6/15/30	5,000	5,394,650
New Jersey Economic Development Authority (NYNJ Link Borrower LLC) Series 2013 5.125%, 1/01/34	1,000	1,101,380
New Jersey Health Care Facilities Financing Authority (RWJ Barnabas Health Obligated Group) Series 2014 5.00%, 7/01/44	6,450	6,989,865
New Jersey Transportation Trust Fund Authority (New Jersey Transportation Fed Hwy Grant) Series 2016 5.00%, 6/15/29	4,750	5,053,667
New Jersey Turnpike Authority Series 2012B 5.00%, 1/01/29	6,500	7,359,950
Series 2013A 5.00%, 1/01/31	5,000	5,629,950
Series 2016A 5.00%, 1/01/34	5,000	5,688,050
		39,769,887
New York 27.2%		
City of New York NY Series 2012B 5.00%, 8/01/30	5,070	5,815,392
Series 2012I 5.00%, 8/01/28	8,780	10,094,366
Metropolitan Transportation Authority Series 2012D 5.00%, 11/15/29	4,000	4,623,320
Series 2012F 5.00%, 11/15/27	1,575	1,828,496

PORTFOLIO OF INVESTMENTS (continued)

	Principal Amount (000)	U.S. \$ Value
Series 2013A 5.00%, 11/15/29	\$ 1,830	\$ 2,107,959
Series 2014B 5.25%, 11/15/34	4,000	4,663,320
Series 2014C 5.00%, 11/15/32	1,000	1,145,560
Metropolitan Transportation Authority (Metropolitan Transportation Authority Ded Tax)		
Series 2016A 5.25%, 11/15/35 ^(b)	14,260	16,902,948
New York City Municipal Water Finance Authority Series 2011HH 5.00%, 6/15/26	5,000	5,623,550
Series 2013D 5.00%, 6/15/34	3,600	4,098,672
New York City NY Transitional Series 2007B 5.00%, 8/01/34-8/01/37 ^(b)	10,000	11,461,900
New York State Dormitory Authority Series 2012D 5.00%, 2/15/29 (Pre-refunded/ETM)	1,135	1,310,289
New York State Dormitory Authority (State of New York Pers Income Tax)		
Series 2012B 5.00%, 3/15/32	7,600	8,618,172
Series 2012D 5.00%, 2/15/29	6,865	7,847,038
New York State Environmental Facilities Corp. (New York NY Mun Wtr Fin Auth) 5.00%, 6/15/24-6/15/27 ^(b)	7,000	7,308,070
Port Authority of New York & New Jersey Series 2013-178 5.00%, 12/01/32	4,400	5,017,452
Series 2014-186 5.00%, 10/15/44	8,000	8,813,920
Ulster County Industrial Development Agency (Kingston Regional Senior Living Corp.) Series 2007A 6.00%, 9/15/27	1,775	1,782,437
Utility Debt Securitization Authority Series 2013T 5.00%, 12/15/30	5,000	5,891,250
		114,954,111
North Carolina 2.3%		
County of Iredell NC COP AGM Series 2008 5.25%, 6/01/22 (Pre-refunded/ETM)	1,080	1,129,788

PORTFOLIO OF INVESTMENTS (continued)

	Principal Amount (000)	U.S. \$ Value
North Carolina Medical Care Commission (Vidant Health Obligated Group) Series 2015 5.00%, 6/01/45	\$ 4,445	\$ 4,848,428
University of North Carolina at Greensboro Series 2014 5.00%, 4/01/33	3,145	3,555,832
		9,534,048
Ohio 0.0%		
Columbiana County Port Authority (Apex Environmental LLC) Series 2004 Zero Coupon, 8/01/25 ^(d)	1,840	17,480
Series 2014 Zero Coupon, 8/01/25 ^(d)	248	2,353
		19,833
Oklahoma 0.4%		
Tulsa Airports Improvement Trust BAM Series 2015A 5.00%, 6/01/45	1,700	1,836,459
Oregon 1.4%		
Oregon State Lottery Series 2011A 5.25%, 4/01/25	695	794,204
5.25%, 4/01/25 (Pre-refunded/ETM)	4,305	4,947,780
		5,741,984
Pennsylvania 9.0%		
Allegheny County Industrial Development Authority (Residential Resources, Inc./PA) Series 2006 5.00%, 9/01/21	500	500,920
Butler County Hospital Authority (Butler Health System Obligated Group) Series 2015 5.00%, 7/01/35-7/01/39	3,510	3,750,987
Montgomery County Industrial Development Authority/PA Series 2010 5.25%, 8/01/33 (Pre-refunded/ETM)	3,480	3,924,744
Montour School District AGM Series 2015B 5.00%, 4/01/34-4/01/35	6,520	7,355,044

PORTFOLIO OF INVESTMENTS (continued)

	Principal Amount (000)	U.S. \$ Value
Pennsylvania Economic Development Financing Authority (PA Bridges Finco LP) Series 2015 5.00%, 12/31/34-6/30/42	\$ 9,270	\$ 10,066,455
Pennsylvania Turnpike Commission Series 2014A 5.00%, 12/01/31-12/01/33	6,355	7,155,842
Philadelphia Authority for Industrial Development (LLPCS Foundation) Series 2005A 5.25%, 7/01/24 ^{(d)(e)(f)}	1,150	11,500
School District of Philadelphia (The) Series 2016F 5.00%, 9/01/35	5,000	5,349,600
		38,115,092
South Carolina 1.3%		
South Carolina Ports Authority Series 2015 5.00%, 7/01/45	5,000	5,402,800
Tennessee 1.8%		
Chattanooga-Hamilton County Hospital Authority (Erlanger Medical Center) Series 2014 5.00%, 10/01/44	7,500	7,776,900
Texas 15.3%		
Alvin Independent School District/TX Series 2009B 5.00%, 2/15/28 (Pre-refunded/ETM)	960	1,028,218
Arlington Higher Education Finance Corp. (Lifeschool of Dallas) Series 2014A 5.00%, 8/15/39	4,805	5,379,293
Arlington Higher Education Finance Corp. (Uplift Education) Series 2016A 5.00%, 12/01/36	1,740	1,869,404
Austin Community College District Public Facility Corp. Series 2015 5.00%, 8/01/33	5,000	5,655,150
Bexar County Health Facilities Development Corp. Series 2007 5.00%, 7/01/27 (Pre-refunded/ETM)	70	70,460

PORTFOLIO OF INVESTMENTS (continued)

	Principal Amount (000)	U.S. \$ Value
Bexar County Health Facilities Development Corp. (Army Retirement Residence Obligated Group) Series 2007 5.00%, 7/01/27	\$ 335	\$ 335,707
Central Texas Regional Mobility Authority Series 2016 5.00%, 1/01/40	3,500	3,848,005
City of Austin TX Water & Wastewater System Revenue Series 2013A 5.00%, 11/15/28-11/15/29	8,075	9,426,064
City of Houston TX Combined Utility System Revenue Series 2011D 5.00%, 11/15/26 (Pre-refunded/ETM)	6,000	6,936,960
Dallas Independent School District Series 2008 6.00%, 2/15/28 (Pre-refunded/ETM)	2,500	2,598,450
Fort Bend Independent School District Series 2009 5.00%, 2/15/27	7,560	8,212,503
Love Field Airport Modernization Corp. Series 2015 5.00%, 11/01/31	1,000	1,137,740
North Texas Tollway Authority Series 2015B 5.00%, 1/01/40	5,000	5,527,850
Texas Private Activity Bond Surface Transportation Corp. (NTE Mobility Partners LLC) Series 2009 6.875%, 12/31/39	1,720	1,917,680
Texas Private Activity Bond Surface Transportation Corp. (NTE Mobility Partners Segments 3 LLC) Series 2013 6.75%, 6/30/43	3,000	3,371,400
University of Texas System (The) Series 2009A 5.25%, 8/15/22 (Pre-refunded/ETM)	6,825	7,192,936
		64,507,820
Utah 1.2%		
Salt Lake City Corp. Airport Revenue Series 2017A 5.00%, 7/01/47	4,500	5,060,520

PORTFOLIO OF INVESTMENTS (continued)

	Principal Amount (000)	U.S. \$ Value
Washington 2.6%		
FYI Properties		
(FYI Properties WA State Lease)		
Series 2009		
5.00%, 6/01/27	\$ 3,885	\$ 4,177,035
5.125%, 6/01/28	5,200	5,601,908
Port of Seattle WA		
Series 2015A		
5.00%, 4/01/40	1,000	1,129,860
		10,908,803
Wisconsin 0.2%		
State of Wisconsin		
Series 2003-3		
5.00%, 11/01/26	725	727,168
Total Municipal Obligations (cost \$639,845,080)		677,043,306
	Shares	
SHORT-TERM INVESTMENTS 0.2%		
Investment Companies 0.2%		
AB Fixed Income Shares, Inc. Government Money Market Portfolio Class AB, 0.57% ^(b)		
(cost \$669,305)	669,305	669,305
Total Investments 160.3% (cost \$640,514,385)		677,712,611
Other assets less liabilities (38.5%)	&n	