ANNUAL REPORT

AB VARIABLE PRODUCTS SERIES FUND, INC.

+GLOBAL THEMATIC GROWTH PORTFOLIO

Beginning on May 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, you may not be receiving paper copies of the Portfolio's shareholder reports from the insurance company that offers your contract unless you specifically request paper copies from the insurance company or from your financial intermediary. Instead of delivering paper copies of the reports, the insurance company may choose to make the reports available on a website, and will notify you by mail each time a report is posted and provide you with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the insurance company or your financial intermediary electronically by following the instructions provided by the insurance company or by contacting your financial intermediary.

You may elect to receive all future reports in paper free of charge from the insurance company. You can inform the insurance company or your financial intermediary that you wish to continue receiving paper copies of your shareholder reports by following the instructions provided by the insurance company or by contacting your financial intermediary. Your election to receive reports in paper will apply to all portfolio companies available under your contract with the insurance company.

Investment Products Offered

- **Are Not FDIC Insured**
- **May Lose Value**
- **Are Not Bank Guaranteed**

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.

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 as an exhibit to its reports on Form N-PORT. The Fund's Form N-PORT reports are available on the Commission's website at www.sec.gov. The Fund's Forms N-PORT 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.

LETTER TO INVESTORS

February 12, 2021

The following is an update of AB Variable Products Series Fund—Global Thematic Growth Portfolio (the "Portfolio") for the annual reporting period ended December 31, 2020.

INVESTMENT OBJECTIVE AND POLICIES

The Portfolio's investment objective is long-term growth of capital. The Portfolio pursues opportunistic growth by investing in a global universe of companies in multiple industries that may benefit from innovation. The Adviser employs a combination of "top-down" and "bottom-up" investment processes with the goal of identifying the most attractive securities worldwide, fitting into broader themes, which are developments that have broad effects across industries and companies. Drawing on its global fundamental research capabilities, the Adviser seeks to identify long-term secular growth trends that will affect multiple industries. The Adviser will assess the effects of these trends on entire industries and on individual companies. Through this process, the Adviser intends to identify key investment themes, which will be the focus of the Portfolio's investments and which are expected to change over time based on the Adviser's research.

In addition to this "top-down" thematic approach, the Adviser will also use a "bottom-up" analysis of individual companies that focuses on prospective earnings growth, valuation and quality of company management. The Adviser normally considers a large universe of mid- to large-capitalization companies worldwide for investment.

The Portfolio invests in securities issued by US and non-US companies from multiple industry sectors in an attempt to maximize opportunity, which should also tend to reduce risk. The Portfolio invests in both developed- and emerging-market countries. Under normal market conditions, the Portfolio invests significantly (at least 40%—unless market conditions are not deemed favorable by the Adviser) in securities of non-US companies. In addition, the Portfolio invests, under normal circumstances, in the equity securities of companies located in at least three countries. The percentage of the Portfolio's assets invested in securities of companies in a particular country or denominated in a particular currency varies in accordance with the Adviser's assessment of the appreciation potential of such securities.

The Portfolio may invest in any company and industry and in any type of equity security, listed and unlisted, with potential for capital appreciation. It invests in well-known, established companies as well as new, smaller or less-seasoned companies. Investments in new, smaller or less-seasoned companies may offer more reward but may also entail more risk than is generally true of larger, established companies. The Portfolio may also invest in synthetic foreign equity securities, which are various types of warrants used internationally that entitle a holder to buy or sell underlying securities, real estate investment trusts and zero-coupon bonds.

The Portfolio may, at times, invest in shares of exchange-traded funds ("ETFs") in lieu of making direct investments in equity securities. ETFs may provide more efficient and economical exposure to the type of companies and geographic locations in which the Portfolio seeks to invest than direct investments.

Currencies can have a dramatic impact on equity returns, significantly adding to returns in some years and greatly diminishing them in others. Currency and equity positions are evaluated separately. The Adviser may seek to hedge the currency exposure resulting from securities positions when it finds the currency exposure unattractive. To hedge all or a portion of its currency risk, the Portfolio may, from time to time, invest in currency-related derivatives, including forward currency exchange contracts, futures contracts, options on futures contracts, swaps and options. The Adviser may also seek investment opportunities by taking long or short positions in currencies through the use of currency-related derivatives.

The Portfolio may enter into other derivatives transactions, such as options, futures contracts, forwards and swaps. The Portfolio may use options strategies involving the purchase and/or writing of various combinations of call and/or put options, including on individual securities and stock indices, futures contracts (including futures contracts on individual securities and stock indices) or shares of ETFs. These transactions may be used, for example, to earn extra income, to adjust exposure to individual securities or markets, or to protect all or a portion of the Portfolio's portfolio from a decline in value, sometimes within certain ranges.

INVESTMENT RESULTS

The table on page 5 shows the Portfolio's performance compared to its benchmark, the Morgan Stanley Capital International All Country World Index ("MSCI ACWI") (net), for the one-, five- and 10-year periods ended December 31, 2020.

All share classes of the Portfolio outperformed the benchmark for the annual period. Stock selection in all sectors was positive; selection within the technology and health-care sectors contributed most, relative to the benchmark. In terms of sector allocation, an underweight to energy and an overweight to technology contributed, while underweights to consumer discretionary and communication services detracted. Country selection (a result of bottom-up security analysis driven by fundamental research) was negative; an underweight to the US detracted most but was partially offset by an underweight to the UK.

The Portfolio used derivatives in the form of currency forwards for hedging purposes, which detracted from absolute returns for the annual period.

MARKET REVIEW AND INVESTMENT STRATEGY

Global equities recorded positive returns for the annual period ended December 31, 2020, erasing losses from lows reached in late March when the COVID-19 pandemic triggered a sharp decline. During the early stages of the recovery, global economies rebounded from record GDP contractions, supported by extensive monetary and fiscal stimulus, expedited vaccine development, and improving economic data. Favorable news about the efficacy of coronavirus vaccination candidates helped offset market volatility prompted by an inability to control the spread of the virus in many countries, a potentially contested US presidential election and lack of additional US fiscal stimulus. At the end of the period—despite surging infection rates and the emergence of a seemingly more transmissible strain of the virus—optimism over the start of vaccine distribution, clarity following the US elections, and passage of both a US relief package and a post-Brexit trade deal fueled a broad-based rally. For the annual period, large-cap stocks, led by US technology companies, narrowly outperformed small-cap stocks, while growth stocks outperformed value stocks significantly in both the large- and small-cap categories.

The Portfolio's exposures remain focused on secular growth themes, particularly those promoting social and environmental sustainability. This has helped the Portfolio's Senior Investment Management Team (the "Team") to identify companies with strong competitive advantages and high returns on invested capital that the Team believes are more likely to sustain higher-than-average growth over the long term. The Team believes organic sales and earnings growth will be a key driver of returns going forward. The Portfolio is positioned particularly well in this regard.

Benchmark Disclosure

The MSCI ACWI is unmanaged and does not reflect fees and expenses associated with the active management of a mutual fund portfolio. The MSCI ACWI (net, free float-adjusted, market capitalization weighted) represents the equity market performance of developed and emerging markets. MSCI makes no express or implied warranties or representations, and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices, any securities or financial products. This report is not approved, reviewed or produced by MSCI. Net returns reflect the reinvestment of dividends after deduction of non-US withholding tax. An investor cannot invest directly in an index, and its results are not indicative of the performance for any specific investment, including the Portfolio.

A Word About Risk

Market Risk: The value of the Portfolio's assets will fluctuate as the stock or bond market fluctuates. The value of its investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events, including public health crises (including the occurrence of a contagious disease or illness), that affect large portions of the market. It includes the risk that a particular style of investing, such as the Portfolio's growth approach, may underperform the market generally.

Foreign (Non-US) Risk: Investments in securities of non-US issuers may involve more risk than those of US issuers. These securities may fluctuate more widely in price and may be more difficult to trade due to adverse market, economic, political, regulatory or other factors.

Emerging-Market Risk: Investments in emerging-market countries may have more risk because the markets are less developed and less liquid, and because these investments may be subject to increased economic, political, regulatory or other uncertainties.

Currency Risk: Fluctuations in currency exchange rates may negatively affect the value of the Portfolio's investments or reduce its returns.

Capitalization Risk: Investments in mid-capitalization companies may be more volatile than investments in large-capitalization companies. Investments in mid-capitalization companies may have additional risks because these companies may have limited product lines, markets or financial resources.

Derivatives Risk: Derivatives may be difficult to price or unwind and leveraged so that small changes may produce disproportionate losses for the Portfolio. Derivatives, especially over-the-counter derivatives, are also subject to counterparty risk.

Focused Portfolio Risk: Investments in a limited number of companies may have more risk because changes in the value of a single security may have a more significant effect, either negative or positive, on the Portfolio's net asset value ("NAV").

Management Risk: The Portfolio 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 for the Portfolio, but there is no guarantee that its techniques will produce the intended results. Some of these techniques may incorporate, or rely upon, quantitative models, but there is no guarantee that these models will generate accurate forecasts, reduce risk or otherwise perform as expected.

These risks are fully discussed in the Variable Products prospectus. As with all investments, you may lose money by investing in the Portfolio.

An Important Note About Historical Performance

The investment return and principal value of an investment in the Portfolio will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. 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. Please contact your financial advisor or insurance agent representative at your financial institution to obtain portfolio performance information current to the most recent month-end.

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

Investors should consider the investment objectives, risks, charges and expenses of the Portfolio carefully before investing. For additional copies of the Portfolio's prospectus or summary prospectus, which contains this and other information, call your financial advisor or (800) 227 4618. Please read the prospectus and/or summary prospectus carefully before investing.

All fees and expenses related to the operation of the Portfolio have been deducted, but no adjustment has been made for insurance company separate account or annuity contract charges, which would reduce total return to a contract owner. Performance assumes reinvestment of distributions and does not account for taxes.

There are additional fees and expenses associated with all Variable Products. These fees can include mortality and expense risk charges, administrative charges, and other charges that can significantly reduce investment returns. Those fees and expenses are not reflected in this annual report. You should consult your Variable Products prospectus for a description of those fees and expenses and speak to your insurance agent or financial representative if you have any questions. You should read the prospectus before investing or sending money.

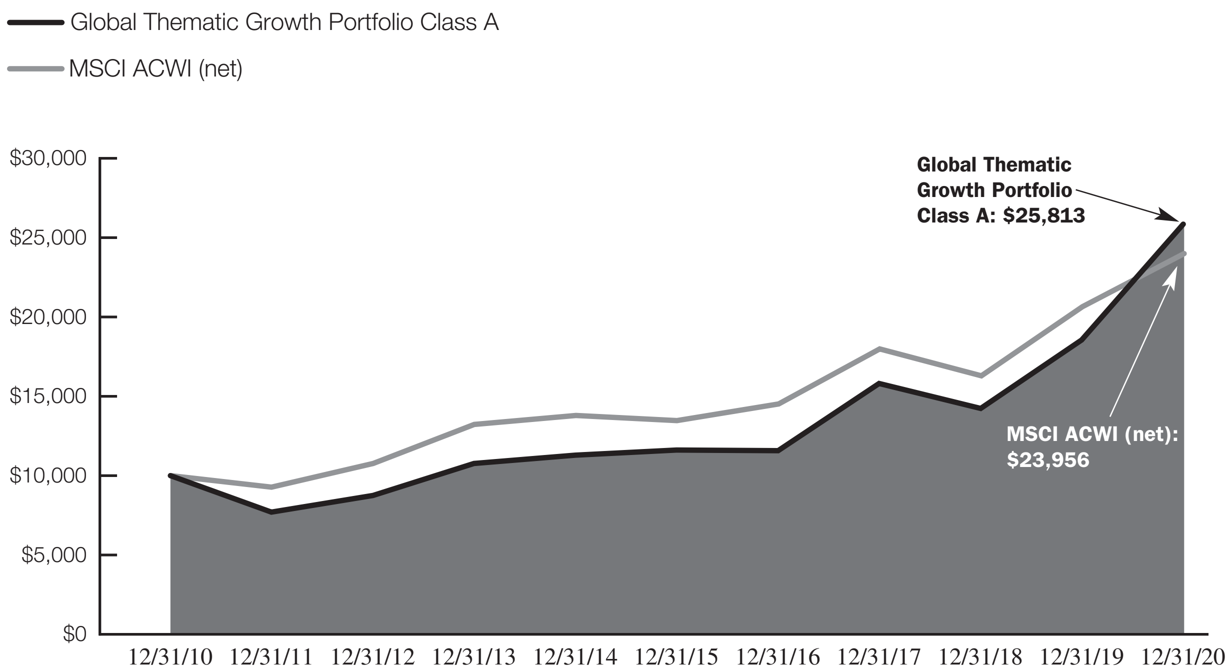
THE PORTFOLIO VS. ITS BENCHMARK PERIODS ENDED DECEMBER 31, 2020 (unaudited)	Net Asset Value Returns		
	1 Year	5 Years[1]	10 Years[1]
Global Thematic Growth Portfolio Class A	39.41%	17.32%	9.95%
Global Thematic Growth Portfolio Class B	39.08%	17.03%	9.67%
MSCI ACWI (net)	16.25%	12.26%	9.13%

1 Average annual returns.

Please keep in mind that high, double-digit returns are highly unusual and cannot be sustained. Investors should also be aware that these returns were primarily achieved during favorable market conditions.

The Portfolio's current prospectus fee table shows the Portfolio's total annual operating expense ratios as 1.04% and 1.29% for Class A and Class B shares, respectively, gross of any fee waivers or expense reimbursements. Contractual fee waivers and/or expense reimbursements limit the Portfolio's annual operating expense ratios to 0.99% and 1.24% for Class A and Class B shares, respectively. These waivers/reimbursements may not be terminated before May 1, 2021, and may be extended by the Adviser for additional one-year terms. Absent reimbursements or waivers, performance would have been lower. The Financial Highlights section of this report sets forth expense ratio data for the current reporting period; the expense ratios shown above may differ from the expense ratios in the Financial Highlights section since they are based on different time periods.

GROWTH OF A $10,000 INVESTMENT
12/31/2010 to 12/31/2020 (unaudited)



This chart illustrates the total value of an assumed $10,000 investment in Global Thematic Growth Portfolio Class A shares (from 12/31/2010 to 12/31/2020) as compared to the performance of the Portfolio's benchmark. The chart assumes the reinvestment of dividends and capital gains distributions.

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

As a shareholder of the Portfolio, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments, contingent deferred sales charges on redemptions and (2) ongoing costs, including management fees; distribution (12b-1) fees; and other Portfolio expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of $1,000 invested at the beginning of the period and held for the entire period as indicated below.

Actual Expenses
The first line of each class' table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period. The estimate of expenses does not include fees or other expenses of any variable insurance product. If such expenses were included, the estimate of expenses you paid during the period would be higher and your ending account value would be lower.

Hypothetical Example for Comparison Purposes
The second line of each class' table below provides information about hypothetical account values and hypothetical expenses based on the Portfolio's actual expense ratio and an assumed annual rate of return of 5% before expenses, which is not the Portfolio's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Portfolio and other funds by comparing this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds. The estimate of expenses does not include fees or other expenses of any variable insurance product. If such expenses were included, the estimate of expenses you paid during the period would be higher and your ending account value would be lower.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), or contingent deferred sales charges on redemptions. Therefore, the second line of each classes' table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value July 1, 2020	Ending Account Value December 31, 2020	Expenses Paid During Period*	Annualized Expense Ratio*	Total Expenses Paid During Period+	Total Annualized Expense Ratio+
Class A						
Actual	$ 1,000	$ 1,306.80	$ 5.33	0.92%	$ 5.39	0.93%
Hypothetical (5% annual return before expenses)	$ 1,000	$ 1,020.51	$ 4.67	0.92%	$ 4.72	0.93%
Class B						
Actual	$ 1,000	$ 1,305.30	$ 6.78	1.17%	$ 6.84	1.18%
Hypothetical (5% annual return before expenses)	$ 1,000	$ 1,019.25	$ 5.94	1.17%	$ 5.99	1.18%

* Expenses are equal to each classes' annualized expense ratios, multiplied by the average account value over the period, multiplied by 184/366 (to reflect the one-half year period).

+ In connection with the Portfolio's investments in affiliated/unaffiliated underlying portfolios, the Portfolio incurs no direct expenses, but bears proportionate shares of the fees and expenses (i.e., operating, administrative and investment advisory fees) of the affiliated/unaffiliated underlying portfolios. The Adviser has contractually agreed to waive its fees from the Portfolio in an amount equal to the Portfolio's pro rata share of certain acquired fund fees and expenses of the affiliated underlying portfolios. The Portfolio's total expenses are equal to the classes' annualized expense ratio plus the Portfolio's pro rata share of the weighted average expense ratio of the affiliated/unaffiliated underlying portfolios in which it invests, multiplied by the average account value over the period, multiplied by 184/366 (to reflect the one-half year period).

GLOBAL THEMATIC GROWTH PORTFOLIO
TEN LARGEST HOLDINGS[1]
December 31, 2020 (unaudited)

COMPANY	U.S. $ VALUE	PERCENT OF NET ASSETS
Flex Ltd.	$ 5,350,848	2.9%
Infineon Technologies AG	5,187,158	2.8
Koninklijke Philips NV	4,658,464	2.5
Vestas Wind Systems A/S	4,646,631	2.5
Xylem, Inc./NY	4,071,600	2.2
Aptiv PLC	4,023,485	2.2
MSCI, Inc.—Class A	4,005,374	2.2
NIKE, Inc.—Class B	3,995,113	2.2
Bio-Rad Laboratories, Inc.—Class A	3,969,821	2.1
Chr Hansen Holding A/S	3,945,854	2.1
	$ 43,854,348	23.7%

SECTOR BREAKDOWN[2]
December 31, 2020 (unaudited)

SECTOR	U.S. $ VALUE	PERCENT OF TOTAL INVESTMENTS
Information Technology	$ 47,950,697	25.9%
Health Care	41,054,093	22.2
Industrials	33,559,882	18.1
Financials	21,236,704	11.5
Consumer Discretionary	11,400,700	6.2
Materials	7,338,846	4.0
Utilities	5,535,378	3.0
Consumer Staples	5,278,829	2.8
Communication Services	2,885,346	1.6
Short-Term Investments	8,794,504	4.7
Total Investments	$ 185,034,979	100.0%

1 Long-term investments.

2 The Portfolio's sector breakdown is expressed as a percentage of total investments and may vary over time. The Portfolio 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).

Please note: The sector classifications presented herein are based on the Global Industry Classification Standard (GICS) which was developed by Morgan Stanley Capital International and Standard & Poor's. The components are divided into sector, industry group, and industry sub-indices as classified by the GICS for each of the market capitalization indices in the broad market. These sector classifications are broadly defined. The "Portfolio of Investments" section of the report reflects more specific industry information and is consistent with the investment restrictions discussed in the Portfolio's prospectus.

COUNTRY	U.S. $ VALUE	PERCENT OF TOTAL INVESTMENTS
United States	$ 96,229,602	52.0%
Netherlands	14,068,652	7.6
Denmark	8,592,485	4.7
Switzerland	7,934,056	4.3
Germany	7,619,779	4.1
India	7,482,876	4.0
France	6,551,364	3.5
Ireland	6,439,401	3.5
Japan	5,989,330	3.2
Austria	3,625,063	2.0
Norway	3,581,920	1.9
China	2,885,346	1.6
Hong Kong	2,719,942	1.5
United Kingdom	2,520,659	1.4
Short-Term Investments	8,794,504	4.7
Total Investments	$ 185,034,979	100.0%

1 All data are as of December 31, 2020. The Portfolio's country breakdown is expressed as a percentage of total investments and may vary over time.

Company	Shares	U.S. $ Value
COMMON STOCKS–95.1%		
INFORMATION TECHNOLOGY–25.9%		
COMMUNICATIONS EQUIPMENT–2.4%		
Calix, Inc.(a)	36,348	$ 1,081,716
Lumentum Holdings, Inc.(a)	35,695	3,383,886
		4,465,602
ELECTRONIC EQUIPMENT, INSTRUMENTS & COMPONENTS–4.8%		
Flex Ltd.(a)	297,600	5,350,848
Keyence Corp.	6,100	3,431,351
		8,782,199
IT SERVICES–5.6%		
Adyen NV(a)(b)	1,325	3,078,691
Square, Inc.–Class A(a)	11,779	2,563,582
Twilio, Inc.–Class A(a)	5,610	1,898,985
Visa, Inc.–Class A	13,190	2,885,049
		10,426,307
SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT–4.4%		
Infineon Technologies AG	135,830	5,187,158
NXP Semiconductors NV	18,480	2,938,505
		8,125,663
SOFTWARE–6.8%		
Dassault Systemes SE	16,090	3,263,365
Microsoft Corp.	14,540	3,233,987
Proofpoint, Inc.(a)	22,201	3,028,439
Zendesk, Inc.(a)	21,620	3,094,254
		12,620,045
TECHNOLOGY HARDWARE, STORAGE & PERIPHERALS–1.9%		
Apple, Inc.	26,610	3,530,881
		47,950,697
HEALTH CARE–22.1%		
BIOTECHNOLOGY–1.3%		
Abcam PLC	118,920	2,520,659
HEALTH CARE EQUIPMENT & SUPPLIES–8.6%		
Alcon, Inc.(a)	41,710	2,769,381
Danaher Corp.	14,450	3,209,923
Koninklijke Philips NV(a)	86,480	4,658,464
STERIS PLC	18,201	3,449,818
West Pharmaceutical Services, Inc.	6,640	1,881,178
		15,968,764
HEALTH CARE PROVIDERS & SERVICES–4.0%		
Apollo Hospitals Enterprise Ltd.	117,027	$ 3,850,636
Laboratory Corp. of America Holdings(a)	17,431	3,548,080
		7,398,716
LIFE SCIENCES TOOLS & SERVICES–8.2%		
Bio-Rad Laboratories, Inc.–Class A(a)	6,810	3,969,821
Bruker Corp.	65,170	3,527,652
Gerresheimer AG	22,558	2,432,621
ICON PLC(a)	17,420	3,396,552
Tecan Group AG	3,750	1,839,308
		15,165,954
		41,054,093
INDUSTRIALS–18.1%		
AEROSPACE & DEFENSE–1.7%		
Hexcel Corp.	66,090	3,204,704
BUILDING PRODUCTS–2.0%		
Trex Co., Inc.(a)	43,370	3,630,937
COMMERCIAL SERVICES & SUPPLIES–4.8%		
Tetra Tech, Inc.	18,980	2,197,504
TOMRA Systems ASA	72,810	3,581,920
Waste Management, Inc.	27,010	3,185,289
		8,964,713
ELECTRICAL EQUIPMENT–6.0%		
Rockwell Automation, Inc.	12,740	3,195,319
Schneider Electric SE	22,750	3,287,999
Vestas Wind Systems A/S	19,670	4,646,631
		11,129,949
MACHINERY–2.2%		
Xylem, Inc./NY	40,000	4,071,600
PROFESSIONAL SERVICES–1.4%		
Recruit Holdings Co., Ltd.	60,900	2,557,979
		33,559,882
FINANCIALS–11.5%		
BANKS–6.0%		
Erste Group Bank AG(a)	119,000	3,625,063
HDFC Bank Ltd.(a)	184,135	3,632,240
SVB Financial Group(a)	10,130	3,928,718
		11,186,021
CAPITAL MARKETS–4.0%		
MSCI, Inc.–Class A	8,970	4,005,374
Partners Group Holding AG	2,830	3,325,367
		7,330,741

Company	Shares	U.S. $ Value
INSURANCE–1.5%		
AIA Group Ltd.	223,200	$ 2,719,942
		21,236,704
CONSUMER DISCRETIONARY–6.1%		
AUTO COMPONENTS–2.2%		
Aptiv PLC	30,881	4,023,485
HOUSEHOLD DURABLES–1.8%		
TopBuild Corp.(a)	18,373	3,382,102
TEXTILES, APPAREL & LUXURY GOODS–2.1%		
NIKE, Inc.–Class B	28,240	3,995,113
		11,400,700
MATERIALS–4.0%		
CHEMICALS–4.0%		
Chr Hansen Holding A/S(a)	38,190	3,945,854
Koninklijke DSM NV	19,730	3,392,992
		7,338,846
UTILITIES–3.0%		
ELECTRIC UTILITIES–1.8%		
NextEra Energy, Inc.	42,210	3,256,502
WATER UTILITIES–1.2%		
American Water Works Co., Inc.	14,849	2,278,876
		5,535,378
CONSUMER STAPLES–2.8%		
FOOD PRODUCTS–1.6%		
Kerry Group PLC–Class A	20,950	$ 3,042,849
HOUSEHOLD PRODUCTS–1.2%		
Procter & Gamble Co. (The)	16,070	2,235,980
		5,278,829
COMMUNICATION SERVICES–1.6%		
INTERACTIVE MEDIA & SERVICES–1.6%		
Tencent Holdings Ltd.	40,100	2,885,346
Total Common Stocks (cost $112,763,594)		176,240,475
SHORT-TERM INVESTMENTS–4.7%		
INVESTMENT COMPANIES–4.7%		
AB Fixed Income Shares, Inc.–Government Money Market Portfolio–Class AB, 0.03%(c)(d)(e) (cost $8,794,504)	8,794,504	8,794,504
TOTAL INVESTMENTS–99.8% (cost $121,558,098)		185,034,979
Other assets less liabilities–0.2%		343,208
NET ASSETS–100.0%		$ 185,378,187

FORWARD CURRENCY EXCHANGE CONTRACTS (see Note D)

Counterparty	Contracts to Deliver (000)		In Exchange For (000)		Settlement Date	Unrealized Appreciation/ (Depreciation)
Bank of America, NA	NOK	10,598	USD	1,226	01/15/2021	$ (10,425)
Bank of America, NA	USD	385	CNY	2,519	02/10/2021	671
Bank of America, NA	USD	922	JPY	95,226	02/26/2021	867
Bank of America, NA	USD	618	EUR	504	03/15/2021	(1,627)
Barclays Bank PLC	INR	109,250	USD	1,472	01/15/2021	(22,342)
Barclays Bank PLC	USD	889	JPY	93,086	03/15/2021	13,273
BNP Paribas SA	USD	525	ZAR	7,927	03/15/2021	9,226
Citibank, NA	BRL	5,081	USD	978	01/05/2021	(471)
Citibank, NA	USD	954	BRL	5,081	01/05/2021	24,359
Citibank, NA	USD	2,560	KRW	2,895,937	01/14/2021	101,501
Citibank, NA	USD	2,520	TWD	70,687	01/27/2021	3,403
Citibank, NA	USD	1,928	CNY	12,633	02/10/2021	6,342
Citibank, NA	EUR	1,632	USD	1,931	03/15/2021	(66,373)
Citibank, NA	USD	3,547	CAD	4,534	03/15/2021	15,969
Citibank, NA	USD	563	EUR	459	03/15/2021	(1,451)
Deutsche Bank AG	INR	229,312	USD	3,093	01/15/2021	(43,815)
Deutsche Bank AG	USD	1,151	JPY	120,598	03/15/2021	18,309
Goldman Sachs Bank USA	USD	294	KRW	326,231	01/14/2021	5,427

Counterparty	Contracts to Deliver (000)		In Exchange For (000)		Settlement Date	Unrealized Appreciation/ (Depreciation)
Goldman Sachs Bank USA	USD	282	INR	20,838	01/15/2021	$ 3,416
Goldman Sachs Bank USA	USD	335	RUB	25,789	01/22/2021	13,671
Goldman Sachs Bank USA	EUR	22,003	USD	26,725	03/15/2021	(197,626)
Goldman Sachs Bank USA	USD	2,771	AUD	3,701	03/15/2021	84,383
Goldman Sachs Bank USA	USD	425	CNY	2,826	03/15/2021	7,026
Goldman Sachs Bank USA	USD	3,091	EUR	2,525	03/15/2021	(1,677)
Goldman Sachs Bank USA	USD	1,346	SEK	11,370	03/15/2021	36,855
Goldman Sachs Bank USA	EUR	633	USD	773	03/17/2021	(1,204)
JPMorgan Chase Bank, NA	USD	273	TWD	7,595	01/27/2021	(2,169)
JPMorgan Chase Bank, NA	USD	3,835	CNY	25,275	03/15/2021	26,641
Morgan Stanley Capital Services, Inc.	HKD	4,685	USD	604	03/15/2021	(107)
Morgan Stanley Capital Services, Inc.	USD	799	CAD	1,044	03/15/2021	21,064
Natwest Markets PLC	USD	2,261	GBP	1,680	03/15/2021	37,712
Standard Chartered Bank	INR	25,267	USD	342	01/15/2021	(3,908)
Standard Chartered Bank	USD	976	INR	73,324	01/15/2021	26,716
Standard Chartered Bank	USD	300	RUB	22,192	01/22/2021	(285)
Standard Chartered Bank	USD	2,283	JPY	237,552	03/15/2021	19,648
State Street Bank & Trust Co.	INR	88,567	USD	1,193	01/15/2021	(18,340)
State Street Bank & Trust Co.	USD	327	GBP	242	01/21/2021	4,100
State Street Bank & Trust Co.	USD	966	BRL	5,081	02/02/2021	11,516
State Street Bank & Trust Co.	USD	283	MXN	5,632	02/25/2021	(1,743)
State Street Bank & Trust Co.	JPY	29,912	USD	290	02/26/2021	105
State Street Bank & Trust Co.	USD	361	JPY	37,324	02/26/2021	763
State Street Bank & Trust Co.	CHF	1,853	USD	2,050	03/15/2021	(47,013)
State Street Bank & Trust Co.	EUR	1,706	USD	2,034	03/15/2021	(53,773)
State Street Bank & Trust Co.	HKD	1,211	USD	156	03/15/2021	(15)
State Street Bank & Trust Co.	NOK	9,066	USD	999	03/15/2021	(58,091)
State Street Bank & Trust Co.	USD	312	AUD	427	03/15/2021	17,125
State Street Bank & Trust Co.	USD	260	CAD	340	03/15/2021	7,131
State Street Bank & Trust Co.	USD	561	CHF	495	03/15/2021	(694)
State Street Bank & Trust Co.	USD	764	EUR	625	03/15/2021	1,008
State Street Bank & Trust Co.	USD	963	GBP	730	03/15/2021	35,842
State Street Bank & Trust Co.	USD	278	JPY	29,004	03/15/2021	3,004
UBS AG	CHF	1,045	USD	1,180	03/15/2021	(2,676)
UBS AG	USD	999	GBP	770	03/15/2021	54,886
						$ 76,134

(a) Non-income producing security.

(b) Security is exempt from registration under Rule 144A of the Securities Act of 1933. This security is considered restricted, but liquid and may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2020, the market value of this security amounted to $3,078,691 or 1.7% of net assets.

(c) Affiliated investments.

(d) The rate shown represents the 7-day yield as of period end.

(e) To obtain a copy of the fund's shareholder report, please go to the Securities and Exchange Commission's website at www.sec.gov, or call AB at (800) 227-4618.

Currency Abbreviations:

AUD—Australian Dollar
BRL—Brazilian Real
CAD—Canadian Dollar
CHF—Swiss Franc
CNY—Chinese Yuan Renminbi
EUR—Euro
GBP—Great British Pound
HKD—Hong Kong Dollar
INR—Indian Rupee
JPY—Japanese Yen
KRW—South Korean Won
MXN—Mexican Peso
NOK—Norwegian Krone
RUB—Russian Ruble
SEK—Swedish Krona
TWD—New Taiwan Dollar
USD—United States Dollar
ZAR—South African Rand

See notes to financial statements.

ASSETS	
Investments in securities, at value	
Unaffiliated issuers (cost $112,763,594)	$176,240,475
Affiliated issuers (cost $8,794,504)	8,794,504
Foreign currencies, at value (cost $402,903)	404,162
Unrealized appreciation on forward currency exchange contracts	611,959
Unaffiliated dividends receivable	95,733
Receivable for investment securities sold and foreign currency transactions	52,347
Receivable for capital stock sold	12,839
Affiliated dividends receivable	211
Total assets	186,212,230
LIABILITIES	
Unrealized depreciation on forward currency exchange contracts	535,825
Advisory fee payable	105,925
Audit and tax fee payable	50,511
Payable for capital stock redeemed	34,287
Distribution fee payable	26,025
Administrative fee payable	20,267
Payable for investment securities purchased and foreign currency transactions	11,391
Transfer Agent fee payable	146
Accrued expenses	49,666
Total liabilities	834,043
NET ASSETS	$185,378,187
COMPOSITION OF NET ASSETS	
Capital stock, at par	$ 4,510
Additional paid-in capital	97,615,861
Distributable earnings	87,757,816
	$185,378,187

Net Asset Value Per Share—1 billion shares of capital stock authorized, $.001 par value

Class	Net Assets	Shares Outstanding	Net Asset Value
A	$ 58,315,717	1,375,437	$ 42.40
B	$ 127,062,470	3,134,522	$ 40.54

See notes to financial statements.

INVESTMENT INCOME	
Dividends	
Unaffiliated issuers (net of foreign taxes withheld of $61,607)	$ 905,405
Affiliated issuers	33,181
Securities lending income	6,088
	944,674
EXPENSES	
Advisory fee (see Note B)	1,085,910
Distribution fee—Class B	247,143
Transfer agency—Class A	2,019
Transfer agency—Class B	4,352
Custody and accounting	105,651
Administrative	75,347
Audit and tax	64,044
Printing	54,865
Legal	24,174
Directors' fees	18,153
Miscellaneous	10,101
Total expenses	1,691,759
Less: expenses waived and reimbursed by the Adviser (see Note B)	(81,168)
Net expenses	1,610,591
Net investment loss	(665,917)
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENT AND FOREIGN CURRENCY TRANSACTIONS	
Net realized gain (loss) on:	
Investment transactions	26,453,074
Forward currency exchange contracts	(1,217,590)
Foreign currency transactions	(111,695)
Net change in unrealized appreciation/depreciation of:	
Investments	26,079,213
Forward currency exchange contracts	140,229
Foreign currency denominated assets and liabilities	(3,950)
Net gain on investment and foreign currency transactions	51,339,281
NET INCREASE IN NET ASSETS FROM OPERATIONS	$ 50,673,364

See notes to financial statements.

	Year Ended December 31, 2020	Year Ended December 31, 2019
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Net investment income (loss)	$ (665,917)	$ 127,416
Net realized gain on investment and foreign currency transactions	25,123,789	14,163,771
Net change in unrealized appreciation/depreciation of investments and foreign currency denominated assets and liabilities	26,215,492	19,169,007
Net increase in net assets from operations	50,673,364	33,460,194
Distributions to Shareholders		
Class A	(4,560,500)	(2,381,432)
Class B	(9,895,739)	(5,188,929)
CAPITAL STOCK TRANSACTIONS		
Net increase (decrease)	12,279,122	(5,755,781)
Total increase	48,496,247	20,134,052
NET ASSETS		
Beginning of period	136,881,940	116,747,888
End of period	$185,378,187	$136,881,940

See notes to financial statements.

NOTE A: Significant Accounting Policies

The AB Global Thematic Growth Portfolio (the "Portfolio") is a series of AB Variable Products Series Fund, Inc. (the "Fund"). The Portfolio's investment objective is long-term growth of capital. The Portfolio is diversified as defined under the Investment Company Act of 1940. The Fund was incorporated in the State of Maryland as an open-end series investment company. The Fund offers 11 separately managed pools of assets which have differing investment objectives and policies. The Portfolio offers Class A and Class B shares. Both classes of shares have identical voting, dividend, liquidating and other rights, except that Class B shares bear a distribution expense and have exclusive voting rights with respect to the Class B distribution plan.

The Portfolio offers and sells its shares only to separate accounts of certain life insurance companies for the purpose of funding variable annuity contracts and variable life insurance policies. Sales are made without a sales charge at the Portfolio's net asset value per share.

The financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"), which require management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and amounts of income and expenses during the reporting period. Actual results could differ from those estimates. The Portfolio is an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. The following is a summary of significant accounting policies followed by the Portfolio.

1. Security Valuation

Portfolio securities are valued at their current market value determined on the basis of market quotations or, if market quotations are not readily available or are deemed unreliable, at "fair value" as determined in accordance with procedures established by and under the general supervision of the Fund's Board of Directors (the "Board").

In general, the market values of securities which are readily available and deemed reliable are determined as follows: securities listed on a national securities exchange (other than securities listed on the NASDAQ Stock Market, Inc. ("NASDAQ")) or on a foreign securities exchange are valued at the last sale price at the close of the exchange or foreign securities exchange. If there has been no sale on such day, the securities are valued at the last traded price from the previous day. Securities listed on more than one exchange are valued by reference to the principal exchange on which the securities are traded; securities listed only on NASDAQ are valued in accordance with the NASDAQ Official Closing Price; listed or over the counter ("OTC") market put or call options are valued at the mid level between the current bid and ask prices. If either a current bid or current ask price is unavailable, AllianceBernstein L.P. (the "Adviser") will have discretion to determine the best valuation (e.g., last trade price in the case of listed options); open futures are valued using the closing settlement price or, in the absence of such a price, the most recent quoted bid price. If there are no quotations available for the day of valuation, the last available closing settlement price is used; U.S. Government securities and any other debt instruments having 60 days or less remaining until maturity are generally valued at market by an independent pricing vendor, if a market price is available. If a market price is not available, the securities are valued at amortized cost. This methodology is commonly used for short term securities that have an original maturity of 60 days or less, as well as short term securities that had an original term to maturity that exceeded 60 days. In instances when amortized cost is utilized, the Valuation Committee (the "Committee") must reasonably conclude that the utilization of amortized cost is approximately the same as the fair value of the security. Such factors the Committee will consider include, but are not limited to, an impairment of the creditworthiness of the issuer or material changes in interest rates. Fixed-income securities, including mortgage-backed and asset-backed securities, may be valued on the basis of prices provided by a pricing service or at a price obtained from one or more of the major broker-dealers. In cases where broker-dealer quotes are obtained, the Adviser may establish procedures whereby changes in market yields or spreads are used to adjust, on a daily basis, a recently obtained quoted price on a security. Swaps and other derivatives are valued daily, primarily using independent pricing services, independent pricing models using market inputs, as well as third party broker-dealers or counterparties. Open-end mutual funds are valued at the closing net asset value per share, while exchange traded funds are valued at the closing market price per share.

Securities for which market quotations are not readily available (including restricted securities) or are deemed unreliable are valued at fair value as deemed appropriate by the Adviser. Factors considered in making this determination may include, but are not limited to, information obtained by contacting the issuer, analysts, analysis of the issuer's financial statements or other available documents. In addition, the Portfolio may use fair value pricing for securities primarily traded in non-U.S. markets because most foreign markets close well before the Portfolio values its securities at 4:00 p.m., Eastern Time. The earlier close of these foreign markets gives rise to the possibility that significant events, including broad market moves, may have occurred in the interim and may materially affect the value of those securities. To account for this, the Portfolio generally values many of its foreign equity securities using fair value prices based on third party vendor modeling tools to the extent available.

2. Fair Value Measurements

In accordance with U.S. GAAP regarding fair value measurements, fair value is defined as the price that the Portfolio would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes a framework for measuring fair value, and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability (including those valued based on their market values as described in Note A.1 above). Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Portfolio. Unobservable inputs reflect the Portfolio's own assumptions about the assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. Each investment is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three-tier hierarchy of inputs is summarized below.

- Level 1—quoted prices in active markets for identical investments
- Level 2—other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3—significant unobservable inputs (including the Portfolio's own assumptions in determining the fair value of investments)

The fair value of debt instruments, such as bonds, and over-the-counter derivatives is generally based on market price quotations, recently executed market transactions (where observable) or industry recognized modeling techniques and are generally classified as Level 2. Pricing vendor inputs to Level 2 valuations may include quoted prices for similar investments in active markets, interest rate curves, coupon rates, currency rates, yield curves, option adjusted spreads, default rates, credit spreads and other unique security features in order to estimate the relevant cash flows which are then discounted to calculate fair values. If these inputs are unobservable and significant to the fair value, these investments will be classified as Level 3.

Where readily available market prices or relevant bid prices are not available for certain equity investments, such investments may be valued based on similar publicly traded investments, movements in relevant indices since last available prices or based upon underlying company fundamentals and comparable company data (such as multiples to earnings or other multiples to equity). Where an investment is valued using an observable input, such as another publicly traded security, the investment will be classified as Level 2. If management determines that an adjustment is appropriate based on restrictions on resale, illiquidity or uncertainty, and such adjustment is a significant component of the valuation, the investment will be classified as Level 3. An investment will also be classified as Level 3 where management uses company fundamentals and other significant inputs to determine the valuation.

The following table summarizes the valuation of the Portfolio's investments by the above fair value hierarchy levels as of December 31, 2020:

	Level 1	Level 2	Level 3	Total
Investments in Securities:				
Assets:				
Common Stocks:				
Information Technology	$ 32,990,132	$14,960,565	$ –0–	$ 47,950,697
Health Care	25,503,683	15,550,410	–0–	41,054,093
Industrials	19,485,353	14,074,529	–0–	33,559,882
Financials	7,934,092	13,302,612	–0–	21,236,704
Consumer Discretionary	11,400,700	–0–	–0–	11,400,700
Materials	–0–	7,338,846	–0–	7,338,846
Utilities	5,535,378	–0–	–0–	5,535,378
Consumer Staples	2,235,980	3,042,849	–0–	5,278,829
Communication Services	–0–	2,885,346	–0–	2,885,346
Short-Term Investments	8,794,504	–0–	–0–	8,794,504
Total Investments in Securities	113,879,822	71,155,157(a)	–0–	185,034,979
Other Financial Instruments(b):				
Assets:				
Forward Currency Exchange Contracts	–0–	611,959	–0–	611,959
Liabilities:				
Forward Currency Exchange Contracts	–0–	(535,825)	–0–	(535,825)
Total	**$113,879,822**	**$71,231,291**	**$ –0–**	**$185,111,113**

(a) A significant portion of the Portfolio's foreign equity investments are categorized as Level 2 investments since they are valued using fair value prices based on third party vendor modeling tools to the extent available, see Note A.1.

(b) Other financial instruments are derivative instruments, such as futures, forwards and swaps, which are valued at the unrealized appreciation/(depreciation) on the instrument. Other financial instruments may also include swaps with upfront premiums, options written and swaptions written which are valued at market value.

3. Currency Translation

Assets and liabilities denominated in foreign currencies and commitments under forward currency exchange contracts are translated into U.S. dollars at the mean of the quoted bid and ask prices of such currencies against the U.S. dollar. Purchases and sales of portfolio securities are translated into U.S. dollars at the rates of exchange prevailing when such securities were acquired or sold. Income and expenses are translated into U.S. dollars at rates of exchange prevailing when accrued.

Net realized gain or loss on foreign currency transactions represents foreign exchange gains and losses from sales and maturities of foreign fixed income investments, holding of foreign currencies, currency gains or losses realized between the trade and settlement dates on foreign investment transactions, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Portfolio's books and the U.S. dollar equivalent amounts actually received or paid. Net unrealized currency gains and losses from valuing foreign currency denominated assets and liabilities at period end exchange rates are reflected as a component of net unrealized appreciation or depreciation of foreign currency denominated assets and liabilities.

4. Taxes

It is the Portfolio's policy to meet the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its investment company taxable income and net realized gains, if any, to shareholders. Therefore, no provisions for federal income or excise taxes are required. The Portfolio may be subject to taxes imposed by countries in which it invests. Such taxes are generally based on income and/or capital gains earned or repatriated. Taxes are accrued and applied to net investment income, net realized gains and net unrealized appreciation/depreciation as such income and/or gains are earned.

In accordance with U.S. GAAP requirements regarding accounting for uncertainties in income taxes, management has analyzed the Portfolio's tax positions taken or expected to be taken on federal and state income tax returns for all open tax years (the current and the prior three tax years) and has concluded that no provision for income tax is required in the Portfolio's financial statements.

5. Investment Income and Investment Transactions

Dividend income is recorded on the ex-dividend date or as soon as the Portfolio is informed of the dividend. Interest income is accrued daily. Investment transactions are accounted for on the date the securities are purchased or sold. Investment gains or losses are determined on the identified cost basis. The Portfolio amortizes premiums and accretes discounts as adjustments to interest income. The Portfolio accounts for distributions received from REIT investments or from regulated investment companies as dividend income, realized gain, or return of capital based on information provided by the REIT or the investment company.

6. Class Allocations

All income earned and expenses incurred by the Portfolio are borne on a pro-rata basis by each outstanding class of shares, based on the proportionate interest in the Portfolio represented by the net assets of such class, except for class specific expenses which are allocated to the respective class. Expenses of the Fund are charged proportionately to each portfolio or based on other appropriate methods. Realized and unrealized gains and losses are allocated among the various share classes based on respective net assets.

7. Dividends and Distributions

Dividends and distributions to shareholders, if any, are recorded on the ex-dividend date. Income dividends and capital gains distributions are determined in accordance with federal tax regulations and may differ from those determined in accordance with U.S. GAAP. To the extent these differences are permanent, such amounts are reclassified within the capital accounts based on their federal tax basis treatment; temporary differences do not require such reclassification.

NOTE B: Advisory Fee and Other Transactions with Affiliates

Under the terms of the investment advisory agreement, the Portfolio pays the Adviser an advisory fee at an annual rate of .75% of the first $2.5 billion, .65% of the next $2.5 billion and .60% in excess of $5 billion, of the Portfolio's average daily net assets. The fee is accrued daily and paid monthly. The Adviser has contractually agreed to waive its management fee and/or bear expenses of the Portfolio in order to reduce the Portfolio's total operating expenses by an amount equal to .05% on an annual basis of the average net assets for Class A and Class B. For the year ended December 31, 2020, such reimbursements/waivers amounted to $72,394. This fee waiver and/or expense reimbursement agreement extends through May 1, 2021 and then may be extended by the Adviser for additional one-year terms.

Pursuant to the investment advisory agreement, the Portfolio may reimburse the Adviser for certain legal and accounting services provided to the Portfolio by the Adviser. For the year ended December 31, 2020, the reimbursement for such services amounted to $75,347.

The Portfolio compensates AllianceBernstein Investor Services, Inc. ("ABIS"), a wholly-owned subsidiary of the Adviser, under a Transfer Agency Agreement for providing personnel and facilities to perform transfer agency services for the Portfolio. Such compensation retained by ABIS amounted to $1,636 for the year ended December 31, 2020.

The Portfolio may invest in AB Government Money Market Portfolio (the "Government Money Market Portfolio") which has a contractual annual advisory fee rate of .20% of the portfolio's average daily net assets and bears its own expenses. The Adviser has contractually agreed to waive .10% of the advisory fee of Government Money Market Portfolio (resulting in a net advisory fee of .10%) until August 31, 2021. In connection with the investment by the Portfolio in Government Money Market Portfolio, the Adviser has contractually agreed to waive its advisory fee from the Portfolio in an amount equal to the Portfolio's pro rata share of the effective advisory fee of Government Money Market Portfolio, as borne indirectly by the Portfolio as an acquired fund fee and expense. For the year ended December 31, 2020, such waiver amounted to $8,774.

A summary of the Portfolio's transactions in AB mutual funds for the year ended December 31, 2020 is as follows:

Portfolio	Market Value 12/31/19 (000)	Purchases at Cost (000)	Sales Proceeds (000)	Market Value 12/31/20 (000)	Dividend Income (000)
Government Money Market Portfolio	$5,816	$48,449	$45,470	$8,795	$33

During the second quarter of 2018, AXA S.A. ("AXA"), a French holding company for the AXA Group, completed the sale of a minority stake in its subsidiary, AXA Equitable Holdings, Inc. (now named Equitable Holdings, Inc.)("Equitable"), through an initial public offering. Equitable is the holding company for a diverse group of financial services companies, including an approximate 65% economic interest in the Adviser and a 100% interest in AllianceBernstein Corporation, the general partner of the Adviser. Since the initial sale, AXA has completed additional offerings, most recently during the fourth quarter of 2019. As a result, AXA currently owns less than 10% of the outstanding shares of common stock of Equitable, and no longer owns a controlling interest in Equitable. AXA previously announced its intention to sell its entire interest in Equitable over time, subject to market conditions and other factors (the "Plan"). Most of AXA's remaining Equitable shares are to be delivered on redemption of AXA bonds mandatorily exchangeable into Equitable shares and maturing in May 2021. AXA retains sole discretion to determine the timing of any future sales of its remaining shares of Equitable common stock.

Sales under the Plan that were completed on November 13, 2019 resulted in the indirect transfer of a "controlling block" of voting securities of the Adviser (a "Change of Control Event") and may have been deemed to have been an "assignment" causing a termination of the Portfolio's investment advisory and administration agreements. In order to ensure that investment advisory and administration services could continue uninterrupted in the event of a Change of Control Event, the Board previously approved new investment advisory and administration agreements with the Adviser, and shareholders of the Portfolio subsequently approved the new investment advisory agreement. These agreements became effective on November 13, 2019.

NOTE C: Distribution Plan

The Portfolio has adopted a Distribution Plan (the "Plan") for Class B shares pursuant to Rule 12b-1 under the Investment Company Act of 1940. Under the Plan, the Portfolio pays distribution and servicing fees to AllianceBernstein Investments, Inc. (the "Distributor"), a wholly-owned subsidiary of the Adviser, at an annual rate of up to .50% of the Portfolio's average daily net assets attributable to Class B shares. The fees are accrued daily and paid monthly. The Board currently limits payments under the Plan to .25% of the Portfolio's average daily net assets attributable to Class B shares. The Plan provides that the Distributor will use such payments in their entirety for distribution assistance and promotional activities.

The Portfolio is not obligated under the Plan to pay any distribution and servicing fees in excess of the amounts set forth above. The purpose of the payments to the Distributor under the Plan is to compensate the Distributor for its distribution services with respect to the sale of the Portfolio's Class B shares. Since the Distributor's compensation is not directly tied to its expenses, the amount of compensation received by it under the Plan during any year may be more or less than its actual expenses. For this reason, the Plan is characterized by the staff of the Securities and Exchange Commission as being of the "compensation" variety.

In the event that the Plan is terminated or not continued, no distribution or servicing fees (other than current amounts accrued but not yet paid) would be owed by the Portfolio to the Distributor.

The Plan also provides that the Adviser may use its own resources to finance the distribution of the Portfolio's shares.

NOTE D: Investment Transactions

Purchases and sales of investment securities (excluding short-term investments) for the year ended December 31, 2020 were as follows:

	Purchases	Sales
Investment securities (excluding U.S. government securities)	$60,093,819	$67,215,084
U.S. government securities	–0–	–0–

The cost of investments for federal income tax purposes, gross unrealized appreciation and unrealized depreciation are as follows:

Cost	$121,998,326
Gross unrealized appreciation	$ 64,310,663
Gross unrealized depreciation	(1,261,507)
Net unrealized appreciation	$ 63,049,156

1. Derivative Financial Instruments
The Portfolio may use derivatives in an effort to earn income and enhance returns, to replace more traditional direct investments, to obtain exposure to otherwise inaccessible markets (collectively, "investment purposes"), or to hedge or adjust the risk profile of its portfolio.

The principal type of derivative utilized by the Portfolio, as well as the methods in which they may be used are:

- **Forward Currency Exchange Contracts**
  The Portfolio may enter into forward currency exchange contracts in order to hedge its exposure to changes in foreign currency exchange rates on its foreign portfolio holdings, to hedge certain firm purchase and sale commitments denominated in foreign currencies and for non-hedging purposes as a means of making direct investments in foreign currencies, as described below under "Currency Transactions".

  A forward currency exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contract and the closing of such contract would be included in net realized gain or loss on forward currency exchange contracts. Fluctuations in the value of open forward currency exchange contracts are recorded for financial reporting purposes as unrealized appreciation and/or depreciation by the Portfolio. Risks may arise from the potential inability of a counterparty to meet the terms of a contract and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar.

  During the year ended December 31, 2020, the Portfolio held forward currency exchange contracts for hedging purposes.

The Portfolio typically enters into International Swaps and Derivatives Association, Inc. Master Agreements ("ISDA Master Agreement") with its OTC derivative contract counterparties in order to, among other things, reduce its credit risk to OTC counterparties. ISDA Master Agreements include provisions for general obligations, representations, collateral and events of default or termination. Under an ISDA Master Agreement, the Portfolio typically may offset with the OTC counterparty certain derivative financial instruments' payables and/or receivables with collateral held and/or posted and create one single net payment (close-out netting) in the event of default or termination. In the event of a default by an OTC counterparty, the return of collateral with market value in excess of the Portfolio's net liability, held by the defaulting party, may be delayed or denied.

The Portfolio's ISDA Master Agreements may contain provisions for early termination of OTC derivative transactions in the event the net assets of the Portfolio decline below specific levels ("net asset contingent features"). If these levels are triggered, the Portfolio's OTC counterparty has the right to terminate such transaction and require the Portfolio to pay or receive a settlement amount in connection with the terminated transaction. If OTC derivatives were held at period end, please refer to netting arrangements by the OTC counterparty table below for additional details.

During the year ended December 31, 2020, the Portfolio had entered into the following derivatives:

	Asset Derivatives		Liability Derivatives	
Derivative Type	**Statement of Assets and Liabilities Location**	**Fair Value**	**Statement of Assets and Liabilities Location**	**Fair Value**
Foreign currency contracts	Unrealized appreciation on forward currency exchange contracts	$611,959	Unrealized depreciation on forward currency exchange contracts	$535,825
Total		$611,959		$535,825

Derivative Type	**Location of Gain or (Loss) on Derivatives Within Statement of Operations**	**Realized Gain or (Loss) on Derivatives**	**Change in Unrealized Appreciation or (Depreciation)**
Foreign currency contracts	Net realized gain (loss) on forward currency exchange contracts; Net change in unrealized appreciation/depreciation of forward currency exchange contracts	$(1,217,590)	$140,229
Total		$(1,217,590)	$140,229

The following table represents the average monthly volume of the Portfolio's derivative transactions during the year ended December 31, 2020:

Forward Currency Exchange Contracts:	
Average principal amount of buy contracts	$33,860,435
Average principal amount of sale contracts	$42,573,188

For financial reporting purposes, the Portfolio does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the statement of assets and liabilities.

All OTC derivatives held at period end were subject to netting arrangements. The following table presents the Portfolio's derivative assets and liabilities by OTC counterparty net of amounts available for offset under ISDA Master Agreements ("MA") and net of the related collateral received/pledged by the Portfolio as of December 31, 2020. Exchange-traded derivatives and centrally cleared swaps are not subject to netting arrangements and as such are excluded from the table.

Counterparty	Derivative Assets Subject to a MA	Derivatives Available for Offset	Cash Collateral Received*	Security Collateral Received*	Net Amount of Derivative Assets
Bank of America, NA	$ 1,538	$ (1,538)	$–0–	$–0–	$ –0–
Barclays Bank PLC	13,273	(13,273)	–0–	–0–	–0–
BNP Paribas SA	9,226	–0–	–0–	–0–	9,226
Citibank, NA	151,574	(68,295)	–0–	–0–	83,279
Deutsche Bank AG	18,309	(18,309)	–0–	–0–	–0–
Goldman Sachs Bank USA	150,778	(150,778)	–0–	–0–	–0–
JPMorgan Chase Bank, NA	26,641	(2,169)	–0–	–0–	24,472
Morgan Stanley Capital Services, Inc.	21,064	(107)	–0–	–0–	20,957
Natwest Markets PLC	37,712	–0–	–0–	–0–	37,712
Standard Chartered Bank	46,364	(4,193)	–0–	–0–	42,171
State Street Bank & Trust Co.	80,594	(80,594)	–0–	–0–	–0–
UBS AG	54,886	(2,676)	–0–	–0–	52,210
Total	$611,959	$(341,932)	$–0–	$–0–	$270,027^

Counterparty	Derivative Liabilities Subject to a MA	Derivatives Available for Offset	Cash Collateral Pledged*	Security Collateral Pledged*	Net Amount of Derivative Liabilities
Bank of America, NA	$ 12,052	$ (1,538)	$–0–	$–0–	$ 10,514
Barclays Bank PLC	22,342	(13,273)	–0–	–0–	9,069
Citibank, NA	68,295	(68,295)	–0–	–0–	–0–
Deutsche Bank AG	43,815	(18,309)	–0–	–0–	25,506
Goldman Sachs Bank USA	200,507	(150,778)	–0–	–0–	49,729
JPMorgan Chase Bank, NA	2,169	(2,169)	–0–	–0–	–0–
Morgan Stanley Capital Services, Inc.	107	(107)	–0–	–0–	–0–
Standard Chartered Bank	4,193	(4,193)	–0–	–0–	–0–
State Street Bank & Trust Co.	179,669	(80,594)	–0–	–0–	99,075
UBS AG	2,676	(2,676)	–0–	–0–	–0–
Total	$535,825	$(341,932)	$–0–	$–0–	$193,893^

* The actual collateral received/pledged may be more than the amount reported due to over-collateralization.

^ Net amount represents the net receivable/payable that would be due from/to the counterparty in the event of default or termination. The net amount from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same counterparty.

2. Currency Transactions

The Portfolio may invest in non-U.S. Dollar-denominated securities on a currency hedged or unhedged basis. The Portfolio may seek investment opportunities by taking long or short positions in currencies through the use of currency-related derivatives, including forward currency exchange contracts, futures and options on futures, swaps, and other options. The Portfolio may enter into transactions for investment opportunities when it anticipates that a foreign currency will appreciate or depreciate in value but securities denominated in that currency are not held by the Portfolio and do not present attractive investment opportunities. Such transactions may also be used when the Adviser believes that it may be more efficient than a direct investment in a foreign currency-denominated security. The Portfolio may also conduct currency exchange contracts on a spot basis (i.e., for cash at the spot rate prevailing in the currency exchange market for buying or selling currencies).

NOTE E: Securities Lending

The Portfolio may enter into securities lending transactions. Under the Portfolio's securities lending program, all loans of securities will be collateralized continually by cash collateral and/or non-cash collateral. Non-cash collateral will include only securities issued or guaranteed by the U.S. government or its agencies or instrumentalities. The Portfolio cannot sell or repledge any non-cash collateral, such collateral will not be reflected in the portfolio of investments. If a loan is collateralized by cash, the Portfolio will be compensated for the loan from a portion of the net return from the income earned on cash collateral after a rebate is paid to the borrower (in some cases, this rebate may be a "negative rebate" or fee paid by the borrower to the Portfolio in connection with the loan), and payments are made for fees of the securities lending agent and for certain other administrative expenses. If the Portfolio receives non-cash collateral, the Portfolio will receive a fee from the borrower generally equal to a negotiated percentage of the market value of the loaned securities. The Portfolio will have the right to call a loan and obtain the securities loaned at any time on notice to the borrower within the normal and customary settlement time for the securities. While the securities are on loan, the borrower is obligated to pay the Portfolio amounts equal to any income or other distributions from the securities; however, these distributions will not be afforded the same preferential tax treatment as qualified dividends. The Portfolio will not be able to exercise voting rights with respect to any securities during the existence of a loan, but will have the right to regain ownership of loaned securities in order to exercise voting or other ownership rights. Collateral received and securities loaned are marked to market daily to ensure that the securities loaned are secured by collateral. The lending agent currently invests the cash collateral received in Government Money Market Portfolio, an eligible money market vehicle, in accordance with the investment restrictions of the Portfolio, and as approved by the Board. The collateral received on securities loaned is recorded as an asset as well as a corresponding liability in the statement of assets and liabilities. The collateral will be adjusted the next business day to maintain the required collateral amount. The amounts of securities lending income from the borrowers and Government Money Market Portfolio are reflected in the statement of operations. When the Portfolio earns net securities lending income from Government Money Market Portfolio, the income is inclusive of a rebate expense paid to the borrower. In connection with the cash collateral investment by the Portfolio in Government Money Market Portfolio, the Adviser has agreed to waive a portion of the Portfolio's share of the advisory fees of Government Money Market Portfolio, as borne indirectly by the Portfolio as an acquired fund fee and expense. When the Portfolio lends securities, its investment performance will continue to reflect changes in the value of the securities loaned. A principal risk of lending portfolio securities is that the borrower may fail to return the loaned securities upon termination of the loan and that the collateral will not be sufficient to replace the loaned securities. The lending agent has agreed to indemnify the Portfolio in the case of default of any securities borrower.

A summary of the Portfolio's transactions surrounding securities lending for the year ended December 31, 2020 is as follows:

				Government Money Market Portfolio	
Market Value of Securities on Loan*	Cash Collateral*	Market Value of Non-Cash Collateral*	Income from Borrowers	Income Earned	Advisory Fee Waived
$0	$0	$0	$6,088	$0	$0

* As of December 31, 2020.

NOTE F: Capital Stock

Each class consists of 500,000,000 authorized shares. Transactions in capital shares for each class were as follows:

	SHARES		AMOUNT	
	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2019
Class A				
Shares sold	200,725	114,338	$ 7,348,517	$ 3,589,027
Shares issued in reinvestment of dividends	127,211	77,119	4,560,500	2,381,432
Shares redeemed	(242,399)	(210,261)	(8,398,976)	(6,622,981)
Net increase (decrease)	85,537	(18,804)	$ 3,510,041	$ (652,522)
Class B				
Shares sold	515,559	303,140	$ 18,322,349	$ 9,139,286
Shares issued in reinvestment of dividends	288,421	174,829	9,895,739	5,188,929
Shares redeemed	(578,470)	(643,894)	(19,449,007)	(19,431,474)
Net increase (decrease)	225,510	(165,925)	$ 8,769,081	$ (5,103,259)

At December 31, 2020, certain shareholders of the Portfolio owned 57% in aggregate of the Portfolio's outstanding shares. Significant transactions by such shareholders, if any, may impact the Portfolio's performance.

NOTE G: Risks Involved in Investing in the Portfolio

Market Risk—The value of the Portfolio's assets will fluctuate as the stock or bond market fluctuates. The value of its investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events, including public health crises (including the occurrence of a contagious disease or illness), that affect large portions of the market. It includes the risk that a particular style of investing, such as the Portfolio's growth approach, may underperform the market generally.

Foreign (Non-U.S.) Risk—Investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. These securities may fluctuate more widely in price and may be more difficult to trade due to adverse market, economic, political, regulatory or other factors.

Emerging Market Risk—Investments in emerging market countries may have more risk because the markets are less developed and less liquid, and because these investments may be subject to increased economic, political, regulatory or other uncertainties.

Currency Risk—Fluctuations in currency exchange rates may negatively affect the value of the Portfolio's investments or reduce its returns.

Capitalization Risk—Investments in mid-capitalization companies may be more volatile than investments in large-capitalization companies. Investments in mid-capitalization companies may have additional risks because these companies may have limited product lines, markets or financial resources.

Derivatives Risk—The Portfolio may enter into derivative transactions such as forwards, options, futures and swaps. Derivatives may be illiquid, difficult to price, and leveraged so that small changes may produce disproportionate losses for the Portfolio, and subject to counterparty risk to a greater degree than more traditional investments. Derivatives may result in significant losses, including losses that are far greater than the value of the derivatives reflected on the statement of assets and liabilities.

Focused Portfolio Risk—Investments in a limited number of companies may have more risk because changes in the value of a single security may have a more significant effect, either negative or positive, on the Portfolio's net asset value, or NAV.

LIBOR Risk—A Portfolio may invest in debt securities, derivatives or other financial instruments that utilize the London Interbank Offered Rate, or "LIBOR," as a "benchmark" or "reference rate" for various interest rate calculations. In July 2017, the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced a desire to phase out the use of LIBOR by the end of 2021. Although widely used LIBOR rates are intended to be published until June 2023, banks are strongly encouraged to cease entering into agreements with counterparties referencing LIBOR by the end of 2021. Although financial regulators and industry working groups have suggested alternative reference rates, such as the European Interbank Offer Rate, the Sterling Overnight Interbank Average Rate and the Secured Overnight Financing Rate, global consensus on alternative rates is lacking and the process for amending existing contracts or instruments to transition away from LIBOR is underway but remains incomplete. The elimination of LIBOR or changes to other reference rates or any other changes or reforms to the determination or supervision of reference rates could have an adverse impact on the market for, or value of, any securities or payments linked to those reference rates, which may adversely affect a Portfolio's performance and/or net asset value. Uncertainty and risk also remain regarding the willingness and ability of issuers and lenders to include revised provisions in new and existing contracts or instruments. Consequently, the transition away from LIBOR to other reference rates may lead to increased volatility and illiquidity in markets that are tied to LIBOR, fluctuations in values of LIBOR-related investments or investments in issuers that utilize LIBOR, increased difficulty in borrowing or refinancing and diminished effectiveness of hedging strategies, potentially adversely affecting a Portfolio's performance. Furthermore, the risks associated with the expected discontinuation of LIBOR and transition may be exacerbated if the work necessary to effect an orderly transition to an alternative reference rate is not completed in a timely manner. Because the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects could occur prior to the end of 2021.

Indemnification Risk—In the ordinary course of business, the Portfolio enters into contracts that contain a variety of indemnifications. The Portfolio's maximum exposure under these arrangements is unknown. However, the Portfolio has not had prior claims or losses pursuant to these indemnification provisions and expects the risk of loss thereunder to be remote. Therefore, the Portfolio has not accrued any liability in connection with these indemnification provisions.

Management Risk—The Portfolio 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. Some of these techniques may incorporate, or rely upon, quantitative models, but there is no guarantee that these models will generate accurate forecasts, reduce risk or otherwise perform as expected.

NOTE H: Joint Credit Facility

A number of open-end mutual funds managed by the Adviser, including the Portfolio, participate in a $325 million revolving credit facility (the "Facility") intended to provide short-term financing, if necessary, subject to certain restrictions in connection with abnormal redemption activity. Commitment fees related to the Facility are paid by the participating funds and are included in miscellaneous expenses in the statement of operations. The Portfolio did not utilize the Facility during the year ended December 31, 2020.

NOTE I: Distributions to Shareholders

The tax character of distributions paid during the fiscal years ended December 31, 2020 and December 31, 2019 were as follows:

	2020	2019
Distributions paid from:		
Ordinary income	$ 1,036,748	$ 316,132
Net long-term capital gains	13,419,491	7,254,229
Total taxable distributions paid	$14,456,239	$7,570,361

As of December 31, 2020, the components of accumulated earnings/(deficit) on a tax basis were as follows:

Undistributed ordinary income	$ 1,797,879
Undistributed capital gains	22,914,055
Unrealized appreciation/(depreciation)	63,045,882(a)
Total accumulated earnings/(deficit)	$87,757,816

(a) The differences between book-basis and tax-basis unrealized appreciation/(depreciation) are attributable primarily to the recognition for tax purposes of unrealized gains/losses on certain derivative instruments and the tax deferral of losses on wash sales.

For tax purposes, net realized capital losses may be carried over to offset future capital gains, if any. Funds are permitted to carry forward capital losses for an indefinite period, and such losses will retain their character as either short-term or long-term capital losses. As of December 31, 2020, the Portfolio did not have any capital loss carryforwards.

During the current fiscal year, there were no permanent differences that resulted in adjustments to distributable earnings or additional paid-in capital.

NOTE J: Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure in the financial statements through the date the financial statements are issued. Management has determined that there are no material events that would require disclosure in the Portfolio's financial statements through this date.

Selected Data For A Share Of Capital Stock Outstanding Throughout Each Period

	CLASS A				
	Year Ended December 31,				
	2020	2019	2018	2017	2016
Net asset value, beginning of period	$33.52	$27.35	$30.32	$22.29	$22.43
Income From Investment Operations					
Net investment income (loss) (a)(b)	(.10)	.08	.11	.03	.04†
Net realized and unrealized gain (loss) on investment and foreign currency transactions	12.64	8.00	(3.08)	8.13	(.18)
Net increase (decrease) in net asset value from operations	12.54	8.08	(2.97)	8.16	(.14)
Less: Dividends and Distributions					
Dividends from net investment income	(.24)	(.13)	–0–	(.13)	–0–
Distributions from net realized gain on investment transactions	(3.42)	(1.78)	–0–	–0–	–0–
Total dividends and distributions	(3.66)	(1.91)	–0–	(.13)	–0–
Net asset value, end of period	$42.40	$33.52	$27.35	$30.32	$22.29
Total Return					
Total investment return based on net asset value (c)*	39.41%	30.16%	(9.79)%	36.66%	(.62)%†
Ratios/Supplemental Data					
Net assets, end of period (000's omitted)	$58,316	$43,237	$35,799	$40,121	$28,458
Ratio to average net assets of:					
Expenses, net of waivers/reimbursements (d)‡	.94%	.99%	.99%	1.02%	1.06%
Expenses, before waivers/reimbursements (d)‡	1.00%	1.04%	1.01%	1.02%	1.06%
Net investment income (loss) (b)	(.29)%	.27%	.37%	.09%	.17%†
Portfolio turnover rate	44%	43%	32%	40%	54%
‡ Expense ratios exclude the estimated acquired fund fees of the affiliated/unaffiliated underlying portfolios	.01%	.00%	.00%	.00%	.00%

See footnote summary on page 29.

Selected Data For A Share Of Capital Stock Outstanding Throughout Each Period

	CLASS B				
	Year Ended December 31,				
	2020	2019	2018	2017	2016
Net asset value, beginning of period	$32.19	$26.33	$29.25	$21.52	$21.71
Income From Investment Operations					
Net investment income (loss) (a)(b)	(.18)	.01	.04	(.04)	(.02)†
Net realized and unrealized gain (loss) on investment and foreign currency transactions	12.11	7.68	(2.96)	7.84	(.17)
Net increase (decrease) in net asset value from operations	11.93	7.69	(2.92)	7.80	(.19)
Less: Dividends and Distributions					
Dividends from net investment income	(.16)	(.05)	–0–	(.07)	–0–
Distributions from net realized gain on investment transactions	(3.42)	(1.78)	–0–	–0–	–0–
Total dividends and distributions	(3.58)	(1.83)	–0–	(.07)	–0–
Net asset value, end of period	$40.54	$32.19	$26.33	$29.25	$21.52
Total Return					
Total investment return based on net asset value (c)*	39.08%	29.78%	(9.98)%	36.30%	(.87)%†
Ratios/Supplemental Data					
Net assets, end of period (000's omitted)	$127,062	$93,645	$80,949	$106,331	$78,625
Ratio to average net assets of:					
Expenses, net of waivers/reimbursements (d)‡	1.19%	1.24%	1.24%	1.26%	1.31%
Expenses, before waivers/reimbursements (d)‡	1.25%	1.29%	1.25%	1.27%	1.31%
Net investment income (loss) (b)	(.54)%	.02%	.13%	(.15)%	(.07)%†
Portfolio turnover rate	44%	43%	32%	40%	54%
‡ Expense ratios exclude the estimated acquired fund fees of the affiliated/unaffiliated underlying Portfolios	.01%	.00%	.00%	.00%	.00%

See footnote summary on page 29.

(a) Based on average shares outstanding.

(b) Net of expenses waived/reimbursed by the Adviser.

(c) Total investment return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption on the last day of the period. Total return does not reflect (i) insurance company's separate account related expense charges and (ii) the deductions of taxes that a shareholder would pay on Portfolio distributions or the redemption of Portfolio shares. Total investment return calculated for a period of less than one year is not annualized.

(d) In connection with the Portfolio's investments in affiliated underlying portfolios, the Portfolio incurs no direct expenses, but bears proportionate shares of the fees and expenses (i.e., operating, administrative and investment advisory fees) of the affiliated underlying portfolios. The Adviser has contractually agreed to waive its fees from the Portfolio in an amount equal to the Portfolio's pro rata share of certain acquired fund fees and expenses, and for the year ended December 31, 2020, such waiver amounted to .01%.

† For the year ended December 31, 2016, the amount includes a refund for overbilling of prior years' custody out of pocket fees as follows:

Net Investment Income Per Share	Net Investment Income Ratio	Total Return
$.004	.02%	.02%

* Includes the impact of proceeds received and credited to the Portfolio resulting from class action settlements, which enhanced the Portfolio's performance for the years ended December 31, 2017 and December 31, 2016 by .04% and .28%, respectively.

See notes to financial statements.

To the Shareholders and the Board of Directors of AB Global Thematic Growth Portfolio:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of AB Global Thematic Growth Portfolio (the "Portfolio") (one of the portfolios constituting AB Variable Products Series Fund, Inc. (the "Fund")), including the portfolio of investments, as of December 31, 2020, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Portfolio (one of the portfolios constituting AB Variable Products Series Fund, Inc.) at December 31, 2020, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Portfolio's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of the Fund's internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2020, by correspondence with the custodian and others or by other appropriate auditing procedures where replies from others were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst + Young LLP

We have served as the auditor of one or more of the AB investment companies since 1968.

New York, New York
February 12, 2021

For Federal income tax purposes, the following information is furnished with respect to the distributions paid by the Portfolio during the taxable year ended December 31, 2020. For corporate shareholders, 46.07% of dividends paid qualify for the dividends received deduction. The Portfolio designates $13,419,491 of dividends paid as long-term capital gain dividends.

BOARD OF DIRECTORS

Marshall C. Turner, Jr.[(1)], *Chairman*
Jorge A. Bermudez[(1)]
Michael J. Downey[(1)]
Nancy P. Jacklin[(1)]
Robert M. Keith*, *President and Chief Executive Officer*
Jeanette W. Loeb[(1)]
Carol C. McMullen[(1)]
Garry L. Moody[(1)]
Earl D. Weiner[(1)]

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Emilie D. Wrapp, *Secretary*
Michael B. Reyes, *Senior Analyst*
Joseph J. Mantineo, *Treasurer and Chief Financial Officer*
Phyllis J. Clarke, *Controller*
Vincent S. Noto, *Chief Compliance Officer*

CUSTODIAN AND ACCOUNTING AGENT
State Street Bank and Trust Company
State Street Corporation CCB/5
1 Iron Street
Boston, MA 02210

LEGAL COUNSEL
Seward & Kissel LLP
One Battery Park Plaza
New York, NY 10004

DISTRIBUTOR
AllianceBernstein Investments, Inc.
1345 Avenue of the Americas
New York, NY 10105

TRANSFER AGENT
AllianceBernstein Investor Services, Inc.
P.O. Box 786003
San Antonio, TX 78278-6003
Toll-Free (800) 221-5672

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
Ernst & Young LLP
5 Times Square
New York, NY 10036

(1) Member of the Audit Committee, the Governance and Nominating Committee, and the Independent Directors Committee.

(2) The day-to-day management of, and investment decisions for, the Portfolio's portfolio are made by the Adviser's Thematic and Sustainable Equities Investment Team. Mr. Roarty is the investment professional with the most significant responsibility for the day-to-day management of the Portfolio's portfolio.

* *Mr. Keith is expected to retire as President, Chief Executive Officer and a Director of the Fund as of March 31, 2021 and from the Adviser effective June 30, 2021.*

Board of Directors Information

The business and affairs of the Fund are managed under the direction of the Board of Directors. Certain information concerning the Fund's Directors is set forth below.

NAME, ADDRESS*, AGE, (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER INFORMATION***	PORTFOLIOS IN AB FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER PUBLIC COMPANY DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
INTERESTED DIRECTOR			
Robert M. Keith,[#] 1345 Avenue of the Americas New York, NY 10105 60 (2010)	Senior Vice President of AllianceBernstein L.P. (the "Adviser") and the head of AllianceBernstein Investments, Inc. ("ABI") since July 2008; Director of ABI and President of the AB Mutual Funds. Previously, he served as Executive Managing Director of ABI from December 2006 to June 2008. Prior to joining ABI in 2006, Executive Managing Director of Bernstein Global Wealth Management, and prior thereto, Senior Managing Director and Global Head of Client Service and Sales of the Adviser's institutional investment management business since 2004. Prior thereto, he was Managing Director and Head of North American Client Service and Sales in the Adviser's institutional investment management business, with which he had been associated since prior to 2004.	74	None
DISINTERESTED DIRECTORS			
Marshall C. Turner, Jr.,[##] *Chairman of the Board* 79 (2005)	Private Investor since prior to 2016. Former Chairman and CEO of Dupont Photomasks, Inc. (components of semi-conductor manufacturing). He was a Director of Xilinx, Inc. (programmable logic semiconductors and adaptable, intelligent computing) from 2007 through August 2020, and is a former director of 33 other companies and organizations. He has extensive operating leadership and venture capital investing experience, including five interim or full-time CEO roles, and prior service as general partner of institutional venture capital partnerships. He also has extensive non-profit board leadership experience, and currently serves on the boards of two education and science-related non-profit organizations. He has served as a director of one AB Fund since 1992, and director or trustee of all AB Funds since 2005. He has been Chairman of the AB Funds since January 2014, and the Chairman of the Independent Directors Committees of such AB Funds since February 2014.	74	None
Jorge A. Bermudez,[##] 69 (2020)	Private Investor since prior to 2016. Formerly, Chief Risk Officer of Citigroup, Inc., a global financial services company, from November 2007 to March 2008, Chief Executive Officer of Citigroup's Commercial Business Group in North America and Citibank Texas from 2005 to 2007, and a variety of other executive and leadership roles at various businesses within Citigroup prior to then; Chairman (2018) of the Texas A&M Foundation Board of Trustees (Trustee since 2013) and Chairman of the Smart Grid Center Board at Texas A&M University since 2012; director of, among others, Citibank N.A. from 2005 to 2008, the Federal Reserve Bank of Dallas, Houston Branch from 2009 to 2011, the Federal Reserve Bank of Dallas from 2011 to 2017, and the Electric Reliability Council of Texas from 2010 to 2016. He has served as director or trustee of the AB Funds since January 2020.	74	Moody's Corporation since April 2011

NAME, ADDRESS*, AGE, (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER INFORMATION***	PORTFOLIOS IN AB FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER PUBLIC COMPANY DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
DISINTERESTED DIRECTORS (continued)			
Michael J. Downey, ## 77 (2005)	Private Investor since prior to 2016. Formerly, Chairman of The Asia Pacific Fund, Inc. (registered investment company) since prior to 2016 until January 2019. From 1987 until 1993, Chairman and CEO of Prudential Mutual Fund Management, director of the Prudential mutual funds, and member of the Executive Committee of Prudential Securities, Inc. He has served as a director or trustee of the AB Funds since 2005.	74	None
Nancy P. Jacklin, ## 72 (2006)	Private Investor since prior to 2016. Professorial Lecturer at the Johns Hopkins School of Advanced International Studies (2008–2015). U.S. Executive Director of the International Monetary Fund (which is responsible for ensuring the stability of the international monetary system), (December 2002–May 2006); Partner, Clifford Chance (1992–2002); Sector Counsel, International Banking and Finance, and Associate General Counsel, Citicorp (1985–1992); Assistant General Counsel (International), Federal Reserve Board of Governors (1982–1985); and Attorney Advisor, U.S. Department of the Treasury (1973–1982). Member of the Bar of the District of Columbia and of New York; and member of the Council on Foreign Relations. She has served as a director or trustee of the AB Funds since 2006 and has been Chair of the Governance and Nominating Committees of the AB Funds since August 2014.	74	None
Jeanette W. Loeb, ## 68 (2020)	Chief Executive Officer of PetCareRx (e-commerce pet pharmacy) from 2002 to 2011 and 2015 to present. Director of New York City Center since 2005. She was a director of AB Multi-Manager Alternative Fund, Inc. (fund of hedge funds) from 2012 to 2018. Formerly, affiliated with Goldman Sachs Group, Inc. (financial services) from 1977 to 1994, including as a partner thereof from 1986 to 1994. She has served as director or trustee of the AB Funds since April 2020.	74	Apollo Investment Corp. (business development company) since August 2011
Carol C. McMullen, ## 65 (2016)	Managing Director of Slalom Consulting (consulting) since 2014, private investor and a member of the Advisory Board of Butcher Box (since 2018). Formerly, member, Partners Healthcare Investment Committee (2010–2019); Director of Norfolk & Dedham Group (mutual property and casualty insurance) from 2011 until November 2016; Director of Partners Community Physicians Organization (healthcare) from 2014 until December 2016; and Managing Director of The Crossland Group (consulting) from 2012 until 2013. She has held a number of senior positions in the asset and wealth management industries, including at Eastern Bank (where her roles included President of Eastern Wealth Management), Thomson Financial (Global Head of Sales for Investment Management), and Putnam Investments (where her roles included Chief Investment Officer, Core and Growth and Head of Global Investment Research). She has served on a number of private company and non-profit boards, and as a director or trustee of the AB Funds since June 2016.	74	None

NAME, ADDRESS*, AGE, (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER INFORMATION***	PORTFOLIOS IN AB FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER PUBLIC COMPANY DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
DISINTERESTED DIRECTORS (continued)			
Garry L. Moody,## 68 (2008)	Private Investor since prior to 2016. Formerly, Partner, Deloitte & Touche LLP (1995–2008) where he held a number of senior positions, including Vice Chairman, and U.S. and Global Investment Management Practice Managing Partner; President, Fidelity Accounting and Custody Services Company (1993–1995) where he was responsible for accounting, pricing, custody and reporting for the Fidelity Mutual funds; and Partner, Ernst & Young LLP (1975–1993), where he served as the National Director of Mutual Fund Tax Services and Managing Partner of its Chicago Office Tax department. He is a member of the Trustee Advisory Board of BoardIQ, a biweekly publication focused on issues and news affecting directors of mutual funds. He is also a member of the Investment Company Institute's Board of Governors and the Independent Directors Council's Governing Council. He has served as a director or trustee, and as Chairman of the Audit Committees of the AB Funds since 2008.	74	None
Earl D. Weiner,## 81 (2007)	Senior Counsel since 2017, Of Counsel from 2007 to 2016, and Partner prior to then, of the law firm Sullivan & Cromwell LLP. He is a former member of the ABA Federal Regulation of Securities Committee Task Force to draft editions of the Fund Director's Guidebook. He also serves as a director or trustee of various non-profit organizations and has served as Chairman or Vice Chairman of a number of them. He has served as a director or trustee of the AB Funds since 2007 and served as Chairman of the Governance and Nominating Committees of the AB Funds from 2007 until August 2014.	74	None

* *The address for each of the Fund's disinterested Directors is c/o AllianceBernstein L.P., Attention: Legal & Compliance Department—Mutual Fund Legal, 1345 Avenue of the Americas, New York, NY 10105*

** *There is no stated term of office for the Fund's Directors.*

*** *The information above includes each Director's principal occupation during the last five years and other information relating to the experience, attributes, and skills relevant to each Director's qualifications to serve as a Director, which led to the conclusion that each Director should serve as a Director for the Fund.*

\# *Mr. Keith is an "interested person" of the Fund, as defined in the 1940 Act, due to this position as a Senior Vice President of the Adviser. He is expected to retire as President, Chief Executive Officer and a Director of the Fund as of March 31, 2021 and from the Adviser effective June 30, 2021. Mr. Onur Erzan, Senior Vice President and Head of the Global Client Group of the Adviser, has been elected President, Chief Executive Officer and a Director of the Fund, effective April 1, 2021.*

\## *Member of the Audit Committee, the Governance and Nominating Committee, and the Independent Directors Committee.*

Officer Information

Certain information concerning the Portfolio's Officers is listed below.

NAME, ADDRESS,* AGE	PRINCIPAL POSITION(S) HELD WITH FUND	PRINCIPAL OCCUPATION DURING PAST FIVE YEARS
Robert M. Keith^ 60	President and Chief Executive Officer	See biography above.
Daniel C. Roarty 49	Vice President	Senior Vice President of the Adviser**, with which he has been associated since prior to 2016. He is also Chief Investment Officer of Sustainable Thematic Equities.
Emilie D. Wrapp 65	Secretary	Senior Vice President, Assistant General Counsel and Assistant Secretary of ABI**, with which she has been associated since prior to 2016.
Michael B. Reyes 44	Senior Analyst	Vice President of the Adviser**, with which he has been associated since prior to 2016.
Joseph J. Mantineo 61	Treasurer and Chief Financial Officer	Senior Vice President of AllianceBernstein Investor Services, Inc. ("ABIS")**, with which he has been associated since prior to 2016.
Phyllis J. Clarke 60	Controller	Vice President of ABIS**, with which she has been associated since prior to 2016.
Vincent S. Noto 56	Chief Compliance Officer	Senior Vice President and Mutual Fund Chief Compliance Officer of the Adviser** since prior to 2016.

* *The address for each of the Portfolio's Officers is 1345 Avenue of the Americas, New York, NY 10105.*

** *The Adviser, ABI and ABIS are affiliates of the Fund.*

^ *Mr. Keith is expected to retire as President, Chief Executive Officer and a Director of the Fund as of March 31, 2021 and from the Adviser effective June 30, 2021. Mr. Onur Erzan, Senior Vice President and Head of the Global Client Group of the Adviser, has been elected President, Chief Executive Officer and a Director of the Fund, effective April 1, 2021.*

The Fund's Statement of Additional Information ("SAI") has additional information about the Fund's Directors and Officers and is available without charge upon request. Contact your financial representative or the Adviser at (800) 227-4618, or visit www.abfunds.com, for a free prospectus or SAI.

OPERATION AND EFFECTIVENESS OF THE PORTFOLIO'S LIQUIDITY RISK MANAGEMENT PROGRAM:

In October 2016, the Securities and Exchange Commission ("SEC") adopted the open-end fund liquidity rule (the "Liquidity Rule"). In June 2018 the SEC adopted a requirement that funds disclose information about the operation and effectiveness of their Liquidity Risk Management Program ("LRMP") in their reports to shareholders.

One of the requirements of the Liquidity Rule is for the Portfolio to designate an Administrator of the Portfolio's Liquidity Risk Management Program. The Administrator of the Portfolio's LRMP is AllianceBernstein L.P., the Portfolio's investment adviser (the "Adviser"). The Adviser has delegated the responsibility to its Liquidity Risk Management Committee (the "Committee"). Another requirement of the Liquidity Rule is for the Portfolio's Board of Directors (the "Fund Board") to receive an annual written report from the Administrator of the LRMP, which addresses the operation of the Portfolio's LRMP and assesses its adequacy and effectiveness. The Adviser provided the Fund Board with such annual report during the first quarter of 2020, which covered the period December 1, 2018 through December 31, 2019 (the "Program Reporting Period").

The LRMP's principal objectives include supporting the Portfolio's compliance with limits on investments in illiquid assets and mitigating the risk that the Portfolio will be unable to meet its redemption obligations in a timely manner. Pursuant to the LRMP, the Portfolio classifies the liquidity of its portfolio investments into one of the four categories defined by the SEC: Highly Liquid, Moderately Liquid, Less Liquid, and Illiquid. These classifications are reported to the SEC on Form N-PORT.

During the Program Reporting Period, the Committee reviewed whether the Portfolio's strategy is appropriate for an open-end structure, taking into account any holdings of less liquid and illiquid assets. If the Portfolio participated in derivative transactions, the exposure from such transactions were considered in the LRMP. The Committee also performed an analysis to determine whether the Portfolio is required to maintain a Highly Liquid Investment Minimum ("HLIM"). The Committee also incorporated the following information when determining the Portfolio's reasonably anticipated trading size for purposes of liquidity monitoring: historical net redemption activity, a Portfolio's concentration in an issuer, shareholder concentration, investment performance, total net assets, and distribution channels.

The Adviser informed the Fund Board that the Committee believes the Portfolio's LRMP is adequately designed, has been implemented as intended, and has operated effectively since its inception. No material exceptions have been noted since the implementation of the LRMP, and there were no liquidity events that impacted the Portfolio or its ability to timely meet redemptions during the Program Reporting Period.

INFORMATION REGARDING THE REVIEW AND APPROVAL OF THE FUND'S ADVISORY AGREEMENT

The disinterested directors (the "directors") of AB Variable Products Series Fund, Inc. (the "Company") unanimously approved the continuance of the Company's Advisory Agreement with the Adviser in respect of AB Global Thematic Growth Portfolio (the "Fund") at a meeting held by video conference on May 5-7, 2020 (the "Meeting").

Prior to approval of the continuance of the Advisory Agreement, the directors had requested from the Adviser, and received and evaluated, extensive materials. They reviewed the proposed continuance of the Advisory Agreement with the Adviser and with experienced counsel who are independent of the Adviser, who advised on the relevant legal standards. The directors also reviewed additional materials, including comparative analytical data prepared by the Senior Analyst for the Fund. The directors also discussed the proposed continuance in private sessions with counsel.

The directors considered their knowledge of the nature and quality of the services provided by the Adviser to the Fund gained from their experience as directors or trustees of most of the registered investment companies advised by the Adviser, their overall confidence in the Adviser's integrity and competence they have gained from that experience, the Adviser's initiative in identifying and raising potential issues with the directors and its responsiveness, frankness and attention to concerns raised by the directors in the past, including the Adviser's willingness to consider and implement organizational and operational changes designed to improve investment results and the services provided to the AB Funds. The directors noted that they have four regular meetings each year, at each of which they review extensive materials and information from the Adviser, including information on the investment performance of the Fund.

The directors also considered all factors they believed relevant, including the specific matters discussed below. During the course of their deliberations, the directors evaluated, among other things, the reasonableness of the advisory fee. The directors did not identify any particular information that was all-important or controlling, and different directors may have attributed different weights to the various factors. The directors determined that the selection of the Adviser to manage the Fund and the overall arrangements between the Fund and the Adviser, as provided in the Advisory Agreement, including the advisory fee, were fair and reasonable in light of the services performed, expenses incurred and such other matters as the directors considered relevant in the exercise of their business judgment. The material factors and conclusions that formed the basis for the directors' determinations included the following:

Nature, Extent and Quality of Services Provided

The directors considered the scope and quality of services provided by the Adviser under the Advisory Agreement, including the quality of the investment research capabilities of the Adviser and the other resources it has dedicated to performing services for the Fund. The directors noted that the Adviser from time to time reviews the Fund's investment strategies and from time to time proposes changes intended to improve the Fund's relative or absolute performance for the directors' consideration. They also noted the professional experience and qualifications of the Fund's portfolio management team and other senior personnel of the Adviser. The directors also considered that the Advisory Agreement provides that the Fund will reimburse the Adviser for the cost to it of providing certain clerical, accounting, administrative and other services to the Fund by employees of the Adviser or its affiliates. Requests for these reimbursements are made on a quarterly basis and subject to approval by the directors. Reimbursements, to the extent requested and paid, result in a higher rate of total compensation from the Fund to the Adviser than the fee rate stated in the Advisory Agreement. The directors noted that the methodology used to determine the reimbursement amounts had been reviewed by an independent consultant retained by the Fund's former Senior Officer/Independent Compliance Officer. The quality of administrative and other services, including the Adviser's role in coordinating the activities of the Fund's other service providers, also was considered. The directors concluded that, overall, they were satisfied with the nature, extent and quality of services provided to the Fund under the Advisory Agreement.

Costs of Services Provided and Profitability

The directors reviewed a schedule of the revenues and expenses and related notes indicating the profitability of the Fund to the Adviser for calendar years 2018 and 2019 that had been prepared with an expense allocation methodology arrived at in consultation with an independent consultant retained by the Fund's former Senior Officer/Independent Compliance Officer. The directors noted the assumptions and methods of allocation used by the Adviser in preparing fund-specific profitability data and there are a number of potentially acceptable allocation methodologies for information of this type. The directors noted that the profitability information reflected all revenues and expenses of the Adviser's relationship with the Fund, including those relating to its subsidiaries that provide transfer agency, distribution and brokerage services to the Fund. The directors recognized that it is difficult to make comparisons of the profitability of the Advisory Agreement with the profitability of advisory contracts for unaffiliated funds because comparative information is not generally publicly available and is affected by numerous factors. The directors focused on the profitability of the Adviser's relationship with the Fund before taxes and distribution expenses. The directors concluded that the Adviser's level of profitability from its relationship with the Fund was not unreasonable.

Fall-Out Benefits

The directors considered the other benefits to the Adviser and its affiliates from their relationships with the Fund, including, but not limited to, benefits relating to soft dollar arrangements (whereby investment advisers receive brokerage and research services from brokers that execute agency transactions for their clients); 12b-1 fees and sales charges received by the Fund's principal underwriter (which is a wholly owned subsidiary of the Adviser) in respect of the Fund's Class B shares; brokerage commissions paid by the Fund to brokers affiliated with the Adviser; and transfer agency fees paid by the Fund to a wholly owned subsidiary of the Adviser. The directors recognized that the Adviser's profitability would be somewhat lower without these benefits. The directors understood that the Adviser also might derive reputational and other benefits from its association with the Fund.

Investment Results

In addition to the information reviewed by the directors in connection with the Meeting, the directors receive detailed performance information for the Fund at each regular Board meeting during the year.

At the Meeting, the directors reviewed performance information prepared by an independent service provider (the "15(c) service provider"), showing the performance of the Class A Shares of the Fund against a group of similar funds ("peer group") and a larger group of similar funds ("peer universe"), each selected by the 15(c) service provider, and information prepared by the Adviser showing performance of the Class A Shares against a broad-based securities market index, in each case for the 1-, 3-, 5- and 10-year periods ended February 29, 2020. Based on their review, the directors concluded that the Fund's investment performance was acceptable.

Advisory Fees and Other Expenses

The directors considered the advisory fee rate payable by the Fund to the Adviser and information prepared by the 15(c) service provider concerning advisory fee rates payable by other funds in the same category as the Fund. The directors recognized that it is difficult to make comparisons of advisory fees because there are variations in the services that are included in the fees paid by other funds. The directors compared the Fund's contractual effective advisory fee rate with a peer group median. The directors also took into account the impact on the advisory fee rate of the administrative expense reimbursement paid to the Adviser in the latest fiscal year.

The directors also considered the Adviser's fee schedule for other clients utilizing investment strategies similar to those of the Fund. For this purpose, they reviewed the relevant advisory fee information from the Adviser's Form ADV and in a report from the Fund's Senior Analyst and noted the differences between the Fund's fee schedule, on the one hand, and the Adviser's institutional fee schedule and the schedule of fees charged by the Adviser to any offshore funds and for services to any sub-advised funds utilizing investment strategies similar to those of the Fund, on the other. The directors noted that the Adviser may, in some cases, agree to fee rates with large institutional clients that are lower than those reviewed by the directors and that they had previously discussed with the Adviser its policies in respect of such arrangements. The directors previously discussed these matters with an independent fee consultant. The directors also compared the advisory fee rate for the Fund with those for two other funds advised by the Adviser utilizing similar investment strategies.

The Adviser reviewed with the directors the significantly greater scope of the services it provides to the Fund relative to institutional, offshore fund and sub-advised fund clients. In this regard, the Adviser noted, among other things, that, compared to institutional and offshore or sub-advisory accounts, the Fund (i) demands considerably more portfolio management, research and trading resources due to significantly higher daily cash flows; (ii) has more tax and regulatory restrictions and compliance obligations; (iii) must prepare and file or distribute regulatory and other communications about fund operations; and (iv) must provide shareholder servicing to retail investors. The Adviser also reviewed the greater legal risks presented by the large and changing population of Fund shareholders who may assert claims against the Adviser in individual or class actions, and the greater entrepreneurial risk in offering new fund products, which require substantial investment to launch, may not succeed, and generally must be priced to compete with larger, more established funds resulting in lack of profitability to the Adviser until a new fund achieves scale. In light of the substantial differences in services rendered by the Adviser to institutional, offshore fund and sub-advised fund clients as compared to funds such as the Fund, and the different risk profile, the directors considered these fee comparisons inapt and did not place significant weight on them in their deliberations.

In connection with their review of the Fund's advisory fee, the directors also considered the total expense ratio of the Class A shares of the Fund in comparison to a peer group and a peer universe selected by the 15(c) service provider. The Class A expense ratio of the Fund was based on the Fund's latest fiscal year. The directors noted that it was likely that the expense ratios of some of the other funds in the Fund's category were lowered by waivers or reimbursements by those funds' investment advisers, which in some cases might be voluntary or temporary. The directors view expense ratio information as relevant to their evaluation of the Adviser's services because the Adviser is responsible for coordinating services provided to the Fund by others. The directors noted that the Fund's expense ratio was above the peer group median, after giving effect to a voluntary waiver by the Adviser. After reviewing and discussing the Adviser's explanations of the reasons for this, the directors concluded that the Fund's expense ratio was acceptable.

Economies of Scale

The directors noted that the advisory fee schedule for the Fund contains breakpoints that reduce the fee rates on assets above specified levels. The directors took into consideration prior presentations by an independent consultant on economies of scale in the mutual fund industry and for the AB Funds, and presentations from time to time by the Adviser concerning certain of its views on economies of scale. The directors also previously discussed economies of scale with an independent fee consultant. The directors also had requested and received from the Adviser certain updates on economies of scale in advance of the Meeting. The directors believe that economies of scale may be realized (if at all) by the Adviser across a variety of products and services, and not only in respect of a single fund. The directors noted that there is no established methodology for setting breakpoints that give effect to the fund-specific services provided by a fund's adviser and to the economies of scale that an adviser may realize in its overall mutual fund business or those components of it which directly or indirectly affect a fund's operations. The directors observed that in the mutual fund industry as a whole, as well as among funds similar to the Fund, there is no uniformity or pattern in the fees and asset levels at which breakpoints (if any) apply. The directors also noted that the advisory agreements for many funds do not have breakpoints at all. Having taken these factors into account, the directors concluded that the Fund's shareholders would benefit from a sharing of economies of scale in the event the Fund's net assets exceed a breakpoint in the future.

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