

ALLIANCE NATIONAL MUNICIPAL INCOME FUND

Form 497

January 10, 2007

This is filed pursuant to Rule 497(b).  
File Nos. 333-138925 and 811-10573.

[LOGO]

ALLIANCEBERNSTEIN  
Investments

ACM MUNICIPAL SECURITIES INCOME FUND, INC.

1345 Avenue of the Americas  
New York, New York 10105

January 8, 2007

Dear Stockholders:

The Board of Directors (the "Directors") of ACM Municipal Securities Income Fund, Inc. ("ACM Municipal Securities") is pleased to invite you to a Special Meeting of Stockholders of ACM Municipal Securities (the "Meeting") to be held on Thursday, February 22, 2007. At this Meeting, we are asking you to approve the acquisition of the assets and the assumption of the liabilities of ACM Municipal Securities by Alliance National Municipal Income Fund, Inc. ("Alliance National Municipal") and the dissolution of ACM Municipal Securities. The proposed acquisition is described in more detail in the attached Prospectus/Proxy Statement.

Alliance National Municipal is larger and has somewhat broader investment policies than ACM Municipal Securities. We anticipate that the proposed acquisition will result in benefits to the stockholders of ACM Municipal Securities as are more fully discussed in the Prospectus/Proxy Statement.

The Directors of ACM Municipal Securities have given careful consideration to the proposed acquisition and have concluded that the acquisition is in the best interests of ACM Municipal Securities and its stockholders. The Directors of ACM Municipal Securities unanimously recommend that you vote "for" the proposed acquisition of ACM Municipal Securities by Alliance National Municipal.

If the acquisition of ACM Municipal Securities by Alliance National Municipal is approved, (i) each holder of ACM Municipal Securities common stock will receive shares of Alliance National Municipal common stock having an aggregate net asset value ("NAV") equal to the aggregate NAV of the stockholder's shares in ACM Municipal Securities and (ii) each holder of a class of ACM Municipal Securities preferred stock will receive shares of a similar class of Alliance National Municipal preferred stock having the same aggregate liquidation preference and value. ACM Municipal Securities would then cease operations. You will not be assessed any sales charges or other stockholder fees in connection with the proposed acquisition.

We welcome your attendance at the Meeting. If you are unable to attend, we encourage you to authorize proxies to cast your votes. The Altman Group, Inc. (the "Proxy Solicitor"), a proxy solicitation firm, has been selected to assist in the proxy solicitation process. If we have not received your proxy as the date of the Meeting approaches, you may receive a telephone call from the Proxy Solicitor to remind you to submit your proxy. No matter how many shares you

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own, your vote is important.

Sincerely,

Marc O. Mayer  
President

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ACM MUNICIPAL SECURITIES INCOME FUND, INC.

1345 Avenue of the Americas  
New York, New York 10105  
800-221-5672

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS  
SCHEDULED FOR FEBRUARY 22, 2007

To the Stockholders of ACM Municipal Securities Income Fund, Inc. ("ACM Municipal Securities"), a Maryland corporation:

Notice is hereby given that a Special Meeting of the Stockholders of ACM Municipal Securities (the "Meeting") will be held at the offices of ACM Municipal Securities, 1345 Avenue of the Americas, 41st Floor, New York, New York 10105 on February 22, 2007, at 11:00 a.m., Eastern Time, to consider and vote on the following proposal, which is more fully described in the accompanying Prospectus/Proxy Statement dated January 8, 2007:

1. To approve an Agreement and Plan of Acquisition and Liquidation (the "Plan") among ACM Municipal Securities, Alliance National Municipal Income Fund, Inc. ("Alliance National Municipal"), a Maryland corporation, and AllianceBernstein L.P., providing for the acquisition by Alliance National Municipal of all of the assets and assumption of all of the liabilities of ACM Municipal Securities in exchange for shares of Alliance National Municipal common stock and preferred stock to the holders of, respectively, ACM Municipal Securities common stock and preferred stock (the "Proposal"). A vote in favor of this Proposal by the stockholders of ACM Municipal Securities also will constitute a vote in favor of the dissolution of ACM Municipal Securities and termination of its registration under the Investment Company Act of 1940, as amended.
2. To transact any other business that may properly come before the Meeting and any adjournments or postponements thereof.

Any stockholder of record at the close of business on December 15, 2006 is entitled to notice of, and to vote at, the Meeting and any adjournments or postponements thereof. Proxies are being solicited on behalf of the Board of Directors of ACM Municipal Securities. Each stockholder who does not expect to attend the Meeting in person is requested to complete, date, sign and promptly return the enclosed proxy card, or to submit voting instructions by telephone as described on the enclosed proxy card.

The Board of Directors of ACM Municipal Securities recommends a vote "FOR" the Proposal.

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By Order of the Board of  
Directors,

Marc O. Mayer  
President

New York, New York  
January 8, 2007

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## YOUR VOTE IS IMPORTANT

Please indicate your voting instructions on the enclosed proxy card, sign and date it, and return it in the envelope provided, which needs no postage if mailed in the United States. Your vote is very important no matter how many shares you own. In order to save any additional costs of further proxy solicitation and to allow the Meeting to be held as scheduled, please complete, date, sign and return your proxy card promptly.

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## PROSPECTUS/PROXY STATEMENT

Acquisition of the Assets and Assumption of the Liabilities of

ACM MUNICIPAL SECURITIES INCOME FUND, INC.

By, and in Exchange for Shares of,

ALLIANCE NATIONAL MUNICIPAL INCOME FUND, INC.

January 8, 2007

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### QUESTIONS AND ANSWERS

The following questions and answers provide an overview of key features of the proposed acquisition and the information contained in this Prospectus/Proxy Statement. Please review the full Prospectus/Proxy Statement before casting your vote.

1. What is this document and why did we send it to you?

This is a combined Prospectus/Proxy Statement that provides you with information about the acquisition (the "Acquisition") of the assets and assumption of the liabilities of ACM Municipal Securities Income Fund, Inc. ("ACM Municipal Securities") by Alliance National Municipal Income Fund, Inc. ("Alliance National Municipal") and the subsequent dissolution of ACM Municipal Securities (ACM Municipal Securities and Alliance National Municipal are each a "Fund" and collectively, the "Funds"). This document also solicits your vote on the Acquisition by requesting that you approve the Agreement and Plan of Acquisition and Liquidation dated as of November 20, 2006 (the "Plan"), among

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ACM Municipal Securities, Alliance National Municipal and AllianceBernstein L.P. (the "Adviser").

On November 20, 2006, the Directors approved and declared advisable the Acquisition of ACM Municipal Securities by Alliance National Municipal and the subsequent dissolution of ACM Municipal Securities and directed that the Acquisition and dissolution be submitted to stockholders of ACM Municipal Securities for approval at a Special Meeting of Stockholders to be held on February 22, 2007, at 11:00 a.m., Eastern Time (the "Meeting"). You are receiving this Prospectus/Proxy Statement because you own shares of ACM Municipal Securities. Each stockholder of record of ACM Municipal Securities as of the close of business on the record date has the right under applicable legal and regulatory requirements to vote on the Acquisition and dissolution. The Acquisition will not occur unless it is approved by ACM Municipal Securities stockholders. This Prospectus/Proxy Statement contains the information you should know before voting on the proposed Acquisition.

The Board of Directors of Alliance National Municipal also approved holding a special meeting of the stockholders of their Fund to seek stockholder approval of the issuance of shares of Alliance National Municipal common stock to be issued in connection with the Acquisition. The vote is required under rules of the New York Stock Exchange ("NYSE") and will be solicited by a separate proxy statement. If the stockholders of Alliance National Municipal do not approve the issuance of shares of Alliance National Municipal common stock, the Acquisition will not occur even if ACM Municipal Securities stockholders approve the Acquisition.

You may contact a Fund at 1-800-221-5672 or write to a Fund at 1345 Avenue of the Americas, New York, NY 10105.

### 2. Who is eligible to vote on the Acquisition?

Stockholders of record at the close of business on December 15, 2006 (the "Record Date") are entitled to notice of and to vote at the Meeting or any adjournment or postponement of the Meeting. If you owned common or preferred stock of ACM Municipal Securities on the Record Date, you have the right to vote even if you later sold your shares.

Each share of common and preferred stock is entitled to one vote. Common and preferred stockholders will vote together on the Acquisition. A separate vote of the preferred stockholders voting as a class is also required to approve the Acquisition. Shares represented by properly executed proxies, unless revoked before or at the Meeting will be voted according to stockholders' instructions. If you sign and return a proxy card but do not fill in a vote, your shares will be voted "FOR" the Acquisition. If any other business properly comes before the Meeting, your shares will be voted at the discretion of the persons named as proxies.

### 3. How will the Acquisition work?

The Plan provides for: (i) the transfer of all of the assets of ACM Municipal Securities to Alliance National Municipal, (ii) the assumption by Alliance National Municipal of all of the liabilities of ACM Municipal Securities, (iii) the liquidating distribution to ACM Municipal Securities common stockholders of shares of Alliance

National Municipal common stock equal in aggregate net asset value ("NAV") to their former ACM Municipal Securities shares of common stock and to preferred

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stockholders a similar class of Alliance National Municipal preferred stock having the same aggregate liquidation preference and value, and (iv) the dissolution of ACM Municipal Securities.

As a result of the Acquisition, stockholders of ACM Municipal Securities will no longer hold shares of ACM Municipal Securities, and instead, will become stockholders of Alliance National Municipal having, with respect to common stockholders, the same aggregate NAV as the shares of ACM Municipal Securities common stock that they held immediately before the Acquisition and, with respect to the preferred stockholders, the same aggregate liquidation preference and value they held immediately before the Acquisition. Please note that ACM Municipal Securities common stockholders who do not participate in ACM Municipal Securities' Dividend Reinvestment and Cash Purchase Plan will receive cash in lieu of fractional shares.

You will not be assessed any sales charges or other stockholder fees in connection with the proposed Acquisition. The Acquisition will not occur unless the stockholders of ACM Municipal Securities approve the Acquisition and stockholders of Alliance National Municipal approve the issuance of shares of Alliance National Municipal to be issued in connection with the Acquisition.

#### 4. Why is the Acquisition being proposed?

Based on the recommendation of the Adviser, the Board of Directors of ACM Municipal Securities (the "Board") concluded that participation by ACM Municipal Securities in the proposed Acquisition is in the best interests of ACM Municipal Securities and its stockholders. The Board also concluded that the proposed Acquisition would not dilute stockholders' interests. In reaching this conclusion, the Board considered, among other things, the Funds' investment objectives and investment policies, the expense benefits for ACM Municipal Securities common stockholders expected to result from the Acquisition, the investment performance and trading history of the Funds' common stock, the costs of the Acquisition, and the tax-free nature of the Acquisition. It is not anticipated that the Acquisition will directly benefit ACM Municipal Securities preferred stockholders; however, the Acquisition will not adversely affect the preferred stockholders of ACM Municipal Securities.

#### 5. When will the Acquisition Take Place?

If the stockholders of ACM Municipal Securities approve the Acquisition, then the Acquisition is expected to occur in the second quarter of 2007.

#### 6. Where May I Find Additional Information Regarding the Funds?

Additional information about the Funds is available in the Statement of Additional Information ("SAI") dated January 8, 2007 that has been filed with the Securities and Exchange Commission ("SEC") in connection with this Prospectus/Proxy Statement. The SAI and each Fund's Annual Report to Stockholders, which contain audited financial statements for the Funds' fiscal years, are incorporated by reference into this Prospectus/Proxy Statement. In addition, the Semi-Annual Reports for Alliance National Municipal and ACM Municipal Securities for the six months ended April 30, 2006 are also incorporated by reference into this Prospectus/Proxy Statement. To request a copy of any of these documents, please call AllianceBernstein Investments, Inc. at (800) 227-4618.

All of this information is filed with the SEC. You may view or obtain these documents from the SEC:

In person: at the SEC's Public Reference Room in Washington, D.C.

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By phone: 1-202-551-8090 (for information on the operations of the Public Reference Room only)

By mail: Public Reference Section, Securities and Exchange Commission, Washington, DC 20549-0102 (duplicating fee required)

By electronic mail: publicinfo@sec.gov (duplicating fee required)

On the Internet: www.sec.gov.

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The shares of common stock of the Funds are listed and publicly traded on the New York Stock Exchange ("NYSE") under the following symbols: Alliance National Municipal - "AFB" and ACM Municipal Securities - "AMU". Reports, proxy statements and other information concerning the Funds may be inspected at the offices of the NYSE. Additional copies of the annual and semi-annual reports, as well as the Prospectus/Proxy Statement and SAI, are available upon request without charge by writing to or calling the address and telephone number listed below.

By mail: AllianceBernstein Investor Services, Inc.  
P.O. Box 786003  
San Antonio, TX 78278-6003

By phone: For Information: (800) 221-5672  
For Literature: (800) 227-4618

### Other Important Things to Note:

- . You may lose money by investing in the Fund.
- . The SEC has not approved or disapproved these securities or passed upon the adequacy of this Prospectus/Proxy Statement. Any representation to the contrary is a criminal offense.

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### PROPOSAL: APPROVAL OF AN AGREEMENT AND PLAN OF ACQUISITION AND LIQUIDATION AMONG ALLIANCE NATIONAL MUNICIPAL, ACM MUNICIPAL SECURITIES AND THE ADVISER

#### I. Introduction

On November 20, 2006, the Board of Directors of ACM Municipal Securities declared advisable and voted to approve the Plan and the transactions contemplated thereby, subject to the approval of ACM Municipal Securities stockholders. The Plan provides for: (i) the transfer of all of the assets of ACM Municipal Securities to Alliance National Municipal, (ii) and the assumption by Alliance National Municipal of all of the liabilities of ACM Municipal Securities, (iii) the liquidating distribution to ACM Municipal Securities common stockholders of shares of Alliance National Municipal common

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stock equal in aggregate NAV to their former ACM Municipal Securities shares of common stock and to preferred stockholders a similar class of Alliance National Municipal preferred stock having the same aggregate liquidation preference and value, and (iv) the dissolution of ACM Municipal Securities.

Each holder of ACM Municipal Securities common stock will receive the number of full shares of Alliance National Municipal common stock, plus fractional shares for stockholders that participate in a Dividend Reinvestment and Cash Purchase Plan ("DRIP") and cash in lieu of any fractional shares for non-DRIP participating stockholders, having an aggregate NAV that is equal to the aggregate NAV of the stockholder's shares of ACM Municipal Securities common stock. Holders of ACM Municipal Securities common stock will recognize no gain or loss, except with respect to any cash received in lieu of fractional Alliance National Municipal shares by non-DRIP stockholders. If approved by stockholders of ACM Municipal Securities, the Acquisition is expected to occur in the second quarter of 2007.

Each holder of ACM Municipal Securities Preferred Shares Series A, Preferred Shares Series B, and Preferred Shares C will receive respectively, Alliance National Municipal Preferred Shares Series W, Preferred Series M and Preferred Shares Series TH having, in each case, an aggregate liquidation preference and value equal to the aggregate liquidation preference and value attributable to the respective class of ACM Municipal Securities preferred stock.

An exchange of ACM Municipal Securities common stock for Alliance National Municipal common stock at NAV may result in ACM Municipal Securities stockholders' receiving Alliance National Municipal shares with an aggregate market value on the date of exchange that is higher or lower than the market value of their shares immediately prior to the exchange. The reason for this difference is that the market price for shares of the Funds in relation to their NAVs may be different, i.e., a Fund's shares may trade at different discounts or premiums to its NAV.

The stockholders of ACM Municipal Securities must approve the Acquisition for it to occur. The holders of ACM Municipal Securities common stock and the holders of ACM Municipal Securities preferred stock will vote together on the Acquisition. In addition, holders of ACM Municipal Securities preferred stock will vote separately as a class on the Acquisition. Approval of the Acquisition requires: (i) the affirmative vote by ACM Municipal Securities common stock and preferred stockholders entitled to cast a majority of the votes entitled to be cast on the matter, voting together as a single class and (ii) with respect to ACM Municipal Securities preferred stockholders, voting as a separate class, the affirmative vote of the holders of a "majority of the outstanding voting securities" as defined in the Investment Company Act of 1940 Act (the "1940 Act"), which means the lesser of (i) 67% or more of such shares present or represented by proxy, if the holders of more than 50% of the outstanding preferred stock are present or represented by proxy, or (ii) more than 50% of the outstanding shares of preferred stock of ACM Municipal Securities. Although stockholders of Alliance National Municipal are not being asked to approve the Acquisition, they will be asked at a separate stockholder meeting to approve the issuance of shares of common stock of Alliance National Municipal in connection with the Acquisition. If stockholders of Alliance National Municipal do not approve the issuance of the shares of its common stock in connection with the Acquisition, the Acquisition will not occur even if ACM Municipal Securities common and preferred stockholders approve the Acquisition.

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A quorum for the transaction of business by common stockholders and preferred stockholders of ACM Municipal Securities will consist of the presence



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in person or by proxy of the holders of a majority of the shares of the Fund entitled to vote at the Meeting. In addition, with respect to the separate vote by preferred stockholders, a quorum will consist of the presence in person or by proxy of the holders of a majority of the shares of the preferred stock entitled to vote at the Meeting.

The Board of Directors of ACM Municipal Securities concluded that ACM Municipal Securities' participation in the proposed Acquisition is in the best interests of ACM Municipal Securities and its stockholders. The Board also concluded that the proposed Acquisition would not dilute stockholders' interests. In reaching this conclusion, the Board considered, among other things, the Funds' investment objectives and investment policies, the investment performance and trading history of the Funds' common stock, the expense benefits for ACM Municipal Securities common stockholders expected to result from the Acquisition, the cost thereof, and the tax-free nature of the Acquisition. It is not anticipated that the Acquisition will directly benefit ACM Municipal Securities preferred stockholders; however, the Acquisition will not adversely affect the preferred stockholders of ACM Municipal Securities. For a more complete discussion of the factors considered by the Board in approving the Acquisition, see "Reasons for the Acquisition" in Information About the Proposed Transaction.

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### SUMMARY

The following summary highlights differences between the Funds. This summary is not complete and does not contain all of the information that you should consider before voting on the Acquisition. For more complete information, please read this entire document. Note that certain information is presented as of April 30, 2006. At the November 20, 2006, Special Board Meeting of the Board of Directors of ACM Municipal Securities referred to below (the "November 20 Meeting"), the Adviser represented to the Board that, if the information was updated, it would not differ in any material respect.

#### Comparison of Investment Advisory Fees

The current management fees of the Funds are shown in the table below. As indicated in the table, we expect that the Combined Fund would have a lower management fee after the Acquisition than the current management fee of ACM Municipal Securities.

|                             | Management Fee<br>Before Waiver<br>----- | Management Fee<br>After Waiver<br>----- |
|-----------------------------|--|---|
| ACM Municipal Securities    | 0.50%                                    | 0.50%                                   |
| Alliance National Municipal | 0.65%                                    | 0.40%                                   |
| Combined Fund               | 0.65% (pro forma)                        | 0.40% (pro forma)                       |

Alliance National Municipal's contractual management fee is 0.65% of its average daily net assets. The management fee is calculated on the basis of net assets (including assets attributable to preferred stock) accrued daily and reflected in the net asset value of the common stock. The Adviser has voluntarily agreed to waive a portion of Alliance National Municipal's management fee or reimburse the Fund for expenses in the amount of 0.25% of the Fund's average daily net assets until January 28, 2007 with the waiver

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decreasing by 0.05% for each one year period commencing January 28 thereafter with the full fee being payable commencing January 28, 2011 and beyond. However, on November 20, 2006, the Adviser agreed, at the request of the Directors, to place a cap on the amounts payable under the Advisory Agreement of 0.55% of Alliance National Municipal's average daily net assets. The Adviser has also agreed to request that the Board approve a new investment advisory contract between the Adviser and Alliance National Municipal that would make the maximum fee of 0.55% permanent. Even when the management fee increases to its maximum amount of 0.55% in January 2009, ACM Municipal Securities stockholders would benefit, as discussed below, from overall decreased expenses as a result of the Acquisition.

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### Fee Table and Comparison of Total Expenses Ratios

#### FEE TABLE

The purpose of the tables below is to assist you in understanding the various costs and expenses that a stockholder bears directly and indirectly from an investment in the Funds. The tables allow you to compare the sales charges, expenses of each Fund and the estimates for the combined Fund in its first year following the Acquisition (shown as a percentage of net assets, excluding assets attributable to preferred stock).

|  | Alliance<br>National<br>Municipal<br>----- | ACM<br>Municipal<br>Securities<br>----- | Alliance<br>National<br>Municipal<br>Pro Forma<br>----- |
|--|--|---|---|
| Stockholder Transaction Expenses   |  |   |   |
| Sales Load (as a percentage of offering price)                               | None                                       | None                                    | None  |
| Dividend Reinvestment Plan Fees(a)   | None                                       | None                                    | None  |
| Annual Expenses (as a percentage of net assets attributable to common stock) |  |   |   |
| Management Fees  | 1.05%(b)                                   | .86%                                    | .91%  |
| Other Expenses   | .33%                                       | .75%                                    | .30%(c)   |
| Total Annual Expenses (d) (e)  | 1.38%                                      | 1.61%                                   | 1.21%   |

-----  
 (a) There are no charges with respect to stock issued directly by a Fund to satisfy the dividend reinvestment requirements. However, each participant will pay a pro-rata share of brokerage commissions incurred with respect to a Fund's dividend reinvestment plan agent's open market purchases of stock. In each case, the cost per share of stock purchased for each stockholder's account will be the average cost, including brokerage commissions, of any stock purchased in the open market plus the cost of any stock issued by a Fund.

(b) The Adviser has voluntarily agreed to waive a portion of its fees or reimburse the Fund for expenses in the amount of 0.25% of the Fund's average daily net assets (including assets attributable to the common and preferred stock) for the first 5 full years of the Fund's operations (the Fund is in its 5th year of operation), with 0.20% of the Fund's average daily net assets attributable to common and preferred stock in year 6, 0.15% in year 7, 0.10% in year 8, and 0.05% in year 9. The Adviser has agreed to place a cap on the advisory fee rate of 0.55% and to seek approval of the Board of a new investment advisory contract with a maximum fee rate of 0.55%. For the

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year ended October 31, 2005, the amount of such fees waived was \$1,284,310.

(c)Based on estimated expenses.

(d)As noted above, the Adviser has voluntarily waived a portion of its fees or reimbursed the Fund for expenses so that the current advisory fee for Alliance National Municipal is 0.40%. Assuming this waiver and the maximum fee of 0.65% based on common average daily net assets agreed to by the Adviser, the expenses would be:

|                                       | Alliance<br>National<br>Municipal | ACM<br>Municipal<br>Securities | Alliance<br>National<br>Municipal<br>Pro Forma |
|---------------------------------------|-----------------------------------|--------------------------------|--|
|                                       | -----                             | -----                          | -----  |
| Waiver and/or Expense Reimbursement   | (.40)%                            | (.18)%*                        | (.24)%   |
| Net Annual Expenses Reflecting Waiver | .98%                              | 1.43%                          | .97%   |

\* Administrative fee waiver.

(e)If the Annual Expenses were presented as a percentage of net assets including assets attributable to common and preferred stock, the Fee Table information would be as follows:

|  | Alliance<br>National<br>Municipal | Municipal<br>Securities |
|--|-----------------------------------|-------------------------|
|  | -----                             | -----                   |
| Annual Expenses (as a percentage of net assets attributable to common and preferred stock) |                                   |                         |
| Management Fees  |                                   | .65%                    |
| Other Expenses   |                                   | .20%                    |
| Total Annual Expenses  |                                   | .85%                    |
| Waiver and/or Expense Reimbursement  |                                   | (.25)%++                |
| Net Annual Expenses Reflecting Waiver  |                                   | .60%                    |

+ Based on estimated expenses.

++ As noted above, the Adviser has voluntarily waived a portion of its fees or reimbursed the Fund for expenses so that the current advisory fee for Alliance National Municipal is 0.40%.

+++ Administrative Fee Waiver.

++++Reflects fee waiver of 0.25% and the maximum fee of 0.65%.

EXAMPLE

You would pay the following on a \$1,000 investment assuming a 5% annual return. The Example assumes the reinvestment of all dividends and distributions at net asset value and reflects all recurring and nonrecurring fees.

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|                | Alliance<br>National<br>Municipal | ACM<br>Municipal<br>Securities | National<br>Municipal<br>Pro Forma** |
|----------------|-----------------------------------|--------------------------------|--------------------------------------|
|                | -----                             | -----                          | -----                                |
| After 1 Year   | \$ 14                             | \$ 16                          | \$ 12                                |
| After 3 Years  | \$ 44                             | \$ 50                          | \$ 38                                |
| After 5 Years  | \$ 76                             | \$ 87                          | \$ 66                                |
| After 10 Years | \$166                             | \$189                          | \$147                                |

-----  
 \*\* The Adviser has agreed to place a cap on the advisory fee rate of 0.55% based on common and preferred average daily net assets. The pro forma expenses give effect to the new cap on the advisory fee rate and are based on net assets attributable to common stock only.

The projected post-Acquisition pro forma Annual Fund Expenses and Example presented above are based upon numerous material assumptions, including that (1) the current contractual agreements will remain in place and (2) certain fixed costs involved in operating ACM Municipal Securities are eliminated. Although these projections represent good faith estimates, there can be no assurance that any particular level of expenses or expense savings will be achieved, because expenses depend on a variety of factors, many of which are beyond the control of Alliance National Municipal or the Adviser. Consequently, the Example should not be considered a representation of future expenses. Actual expenses may be greater or less than those shown.

Comparison of Total Operating Expenses

This discussion provides an explanation of the information regarding expenses included in the Fee Table above. ACM Municipal Securities, which is approximately one-half the size of Alliance National Municipal, has higher total operating expenses than Alliance National Municipal (before and after waiver). The Acquisition would, as shown below, result in a sizeable reduction in operating expenses for former common stockholders of ACM Municipal Securities. ACM Municipal Securities has a 0.15% administration fee (of which the Adviser in its capacity as the Fund's Administrator is currently waiving 0.10%). Alliance National Municipal does not have a separate administration fee and although its advisory contract provides for reimbursement for the costs of providing certain administrative services, the Adviser has not sought such reimbursement and has no current intention of doing so.

Total expenses on a net and gross basis (shown as a percentage of net assets including assets attributable to common and preferred stock) for the period November 1, 2005 through April 30, 2006, annualized for the Funds were:

|                             | Total Annual<br>Expense Ratio<br>After Waivers | Total Annual<br>Expense Ratio<br>Before Waivers |
|-----------------------------|--|---|
|                             | -----  | -----   |
| ACM Municipal Securities    | 0.84%  | 0.94%   |
| Alliance National Municipal | 0.60%  | 0.85%   |
| Combined Fund               | 0.59% (pro forma)                              | 0.84% (pro forma)                               |

As the table indicates, after giving effect to waivers, the estimated expenses after the Acquisition are 0.25% lower than ACM Municipal Securities' current expenses. In addition, as the table indicates, on a "before waivers" basis, ACM Municipal Securities stockholders would benefit even if the maximum

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management fee (before the new capped fees) of Alliance National Municipal was applicable.

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Giving effect to the new advisory fee cap of 0.55%, the gross expense ratio would be:

|                             | Gross Expense<br>Ratio<br>----- |
|-----------------------------|---------------------------------|
| ACM Municipal Securities    | 0.94%                           |
| Alliance National Municipal | 0.75%                           |
| Combined Fund               | 0.74% (pro forma)               |

As indicated in the table, on a "before waivers" basis ACM Municipal Securities stockholders would benefit even if the maximum fee of 0.55% were applicable, because the total gross expense ratio on a pro forma basis would be 0.74%, a reduction of 0.20%.

If the Fund's expenses were based on a percentage of net assets attributable to each Fund's common stock (i.e., excluding assets attributable to preferred stock), total expenses on a net and gross basis for the period November 1, 2005 through April 30, 2006, annualized for the Funds were:

|                             | Net Expense<br>Ratio<br>----- | Gross Expense<br>Ratio<br>----- |
|-----------------------------|-------------------------------|---------------------------------|
| ACM Municipal Securities    | 1.43%                         | 1.61%                           |
| Alliance National Municipal | 0.98%                         | 1.38%                           |
| Combined Fund               | 0.97% (pro forma)             | 1.38% (pro forma)               |

Giving effect to the new advisory fee cap of 0.55%, the gross expense ratio would be:

|                             | Gross Expense<br>Ratio<br>----- |
|-----------------------------|---------------------------------|
| ACM Municipal Securities    | 1.61%                           |
| Alliance National Municipal | 1.22%                           |
| Combined Fund               | 1.21% (pro forma)               |

The large difference between the expense ratios of ACM Municipal Securities and Alliance National Municipal is primarily due to the effect of spreading fixed expenses over a larger asset base for Alliance National Municipal and the Combined Fund.

Comparison of Investment Objectives and Policies

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Alliance National Municipal is a fund of significantly larger size and scale that employs investment strategies similar to ACM Municipal Securities although Alliance National Municipal has greater investment flexibility than ACM Municipal Securities. Both Funds primarily invest in municipal securities exempt from regular federal income tax. The following table shows the Funds' investment objectives and certain principal investment strategies.

|                                 | ACM Municipal Securities  | Alliance National Municipal  |
|---------------------------------|---|--|
| Investment Objective            | To seek to provide high current income exempt from regular federal income tax.  | To seek to provide high current income exempt from regular federal income tax.   |
| Principal Investment Strategies | ACM Municipal Securities will invest at least 80%, and normally substantially all, of its assets in municipal securities. ACM Municipal Securities also will invest at least 65%, and normally substantially all, of its assets in investment grade municipal securities. | Alliance National Municipal will invest at least 80%, and normally substantially all, of its assets in municipal bonds and interest that is exempt from regular federal income tax. Alliance National Municipal will also normally invest at least 75% of its net assets in investment grade municipal bonds and may invest up to 25% of its net assets in municipal bonds rated below investment grade. |

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As the table above shows, the Funds have similar investment strategies of investing primarily in investment grade municipal securities. Although Alliance National Municipal has greater flexibility to invest in municipal bonds rated below investment grade, the constraints imposed by the ratings agencies in order for Alliance National Municipal to maintain the rating on its preferred stock significantly limit the extent to which the Fund can use this flexibility.

When ACM Municipal Securities was first offered, most investors were not subject to the alternative minimum tax ("AMT"). Over time, however, an increasing percentage of investors have become subject to the AMT. In response to that trend, ACM Municipal Securities has decreased the percentage of its portfolio that is invested in bonds that pay interest that is subject to the AMT and, currently, approximately 16% of ACM Municipal Securities' assets are invested in bonds that pay interest that is subject to the AMT. Alliance National Municipal is a more recently organized Fund that primarily invests in bonds that pay interest that is not subject to the AMT. However, the Fund may invest without limit in bonds that pay interest that is subject to the AMT. Currently, Alliance National Municipal invests approximately 23% of its assets in bonds that pay interest that is subject to the AMT. A more detailed comparison of the Funds' existing investment strategies and policies is provided in Appendix A. You can find additional information on the Funds in the SAI.

Both of the Funds use similar preferred stock for leverage. The Adviser recommended and the Board approved that the Combined Fund maintain the current level of leverage through the continued use of preferred stock and that the classes of ACM Municipal Securities preferred stock be exchanged for preferred stock of Alliance National Municipal having the same aggregate liquidation preference and value. Specifically, ACM Municipal Securities Preferred Shares Series A would be exchanged for Alliance National Municipal Preferred

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Shares Series W; ACM Municipal Securities Preferred Shares Series B would be exchanged for Alliance National Municipal Preferred Shares Series M; and ACM Municipal Securities Preferred Shares Series C would be exchanged for Alliance National Municipal Preferred Shares Series TH. A discussion of the Funds' preferred stock is provided in Appendix C.

### Principal Risks

Each Fund is subject to market risk, interest rate risk, credit risk, leverage risk, and municipal bond market risk. There are no substantial differences in the principal risks to which the Funds are subject. A description of each of these and other risks is provided in Appendix B.

### Federal Income Tax Consequences

No gain or loss will be recognized by the ACM Municipal Securities stockholders except with respect to cash received in lieu of fractional shares of Alliance National Municipal by non-DRIP stockholders, as a result of the Acquisition. The aggregate tax basis of the shares of Alliance National Municipal received by a stockholder of ACM Municipal Securities (including any fractional shares to which the stockholder may be entitled) will be the same as the aggregate tax basis of the stockholder's shares of ACM Municipal Securities. The holding period of the shares of Alliance National Municipal common stock and preferred stock received by a stockholder of ACM Municipal Securities (including any fractional shares to which the stockholder may be entitled) will include the holding period of the shares of ACM Municipal Securities common stock or preferred stock held by the stockholder, provided that such shares are held as capital assets by the stockholder of ACM Municipal Securities at the time of the Acquisition. The holding period and tax basis of each asset of ACM Municipal Securities in the hands of Alliance National Municipal as a result of the Acquisition will be the same as the holding period and tax basis of each such asset in the hands of ACM Municipal Securities prior to the Acquisition. Any gain or loss realized by a common stockholder of ACM Municipal Securities upon receipt of cash in lieu of fractional shares of common stock of Alliance National Municipal by non-DRIP stockholders will be recognized by the stockholder and measured by the difference between the amount of cash received and the basis of the fractional share and, provided that the ACM Municipal Securities shares surrendered constitute capital assets in the hands of the stockholder, will be capital gain or loss. This tax information is based on the advice of Seward & Kissel LLP, counsel to the Fund. It is a condition to the closing of the Acquisition that such advice be confirmed in a written opinion of counsel. An opinion of counsel is not binding on the Internal Revenue Service.

ACM Municipal Securities has capital loss carryforwards of approximately \$22.5 million, or \$2.02 per share, while Alliance National Municipal has capital loss carryforwards of approximately \$1.5 million or \$0.07 per share. After the Acquisition, the Combined Fund's capital loss carryforwards will be approximately \$24 million, or \$0.84 per share. As a result, the amount of loss carryforwards available to ACM Municipal Securities' stockholders will be reduced significantly. In addition, the acquisition of ACM Municipal Securities is likely to trigger the loss limitation provisions of section 382 of the Internal Revenue Code, the "Code", which would subject the use of the loss carryforwards to an annual limitation for taxable years after the Acquisition. This could accelerate potential distributions of net realized capital gains to the Combined Fund's stockholders. However, it is unclear whether the Combined Fund would be able to use all of its capital loss carryforwards before they expire.

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### Service Providers

The Funds have the same service providers, which will continue in their capacity after the Acquisition, with one exception. State Street Bank and Trust Company serves as the custodian for Alliance National Municipal, and will serve in that capacity after the Acquisition in lieu of ACM Municipal Securities' current custodian, The Bank of New York.

### Comparison of Stockholder Services

The stockholder services of each Fund are generally the same. The DRIP, which is available to the Funds' stockholders, provides automatic reinvestment of dividends and capital gain distributions in additional shares of a Fund's common stock. The DRIP also allows stockholders to make optional cash investments in shares of a Fund's common stock through a plan agent. Assuming the Acquisition is approved, the DRIP stockholders of ACM Municipal Securities will automatically be enrolled in the DRIP for Alliance National Municipal. A more detailed discussion of the DRIP and other stockholder services and procedures is provided in Appendix C.

### Comparison of Business Structures

Each Fund is organized as a Maryland corporation and is governed by its Charter, Bylaws and Maryland law. Generally, there are no significant differences between the Funds in terms of their respective corporate organizational structure. For more information on the comparison of the business structure of the Funds, see Appendix C.

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## INFORMATION ABOUT THE PROPOSED TRANSACTION

### Introduction

This Prospectus/Proxy Statement is provided to you to solicit your proxy for exercise at the Meeting to approve the acquisition of the assets and assumption of the liabilities of ACM Municipal Securities by Alliance National Municipal and the liquidation and subsequent dissolution of ACM Municipal Securities. The Meeting will be held at the offices of the Funds, 1345 Avenue of the Americas, 41st/ Floor, New York, New York 10105 at 11:00 a.m., Eastern Time, on February 22, 2007. This Prospectus/Proxy Statement, the accompanying Notice of a Special Meeting of Stockholders and the enclosed proxy card are being mailed to stockholders of ACM Municipal Securities on or about January 8, 2007.

### Description of the Plan

As provided in the Plan, Alliance National Municipal will acquire all the assets and assume all the liabilities of ACM Municipal Securities at the effective time of the Acquisition (the "Effective Time"). In return, Alliance National Municipal will issue, and ACM Municipal Securities will distribute to its holders of common stock, a number of full and fractional shares of Alliance National Municipal common stock (and cash in lieu of fractional shares for non-DRIP stockholders), determined by dividing the net value of all the assets of ACM Municipal Securities (i.e., cash or other assets (including interest accrued but not yet received) minus all liabilities (including accrued expenses) and the aggregate liquidation value of the outstanding preferred stock of ACM Municipal Securities) by the NAV of one share of common stock of Alliance National Municipal. For this purpose, the Plan provides the times for and methods of determining the net value of the assets of each Fund. The Plan



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provides that stockholders of ACM Municipal Securities common stock will be credited with shares of Alliance National Municipal (or cash in lieu of fractional shares for non-DRIP stockholders) corresponding to the aggregate NAV of the ACM Municipal Securities' shares of common stock that the stockholder holds of record at the Effective Time. The shares of Alliance National Municipal Preferred Shares Series M, Preferred Shares Series W and Preferred Shares Series TH that Alliance National Municipal issues to holders of ACM Municipal Securities Preferred Shares Series B, Preferred Shares Series A, and Preferred Shares Series C, respectively, will have an aggregate liquidation preference and value equal to the aggregate liquidation preference and value of the outstanding ACM Municipal Securities preferred stock.

Prior to the transfer of the assets and liabilities of ACM Municipal Securities to Alliance National Municipal, Alliance National Municipal will file Articles of Amendment and/or Articles Supplementary to the Fund's Charter authorizing the issuance of additional shares of Preferred Shares Series M, Preferred Shares Series W and Preferred Shares Series TH with the State Department of Assessments and Taxation of Maryland (the "Maryland Department"). Following the distribution of shares of Alliance National Municipal in full liquidation of ACM Municipal Securities, ACM Municipal Securities will wind up its affairs, and liquidate and dissolve as soon as is reasonably practicable after the Acquisition. In the event the Acquisition does not receive the required stockholder approval, ACM Municipal Securities will continue its operations and its Directors will consider what future action, if any, is appropriate.

The projected expenses of the Acquisition, largely those for legal, accounting, printing and proxy solicitation expenses, are estimated to total approximately \$372,000 of which \$234,000 will be borne by ACM Municipal Securities and \$138,000 will be borne by Alliance National Municipal.

The Acquisition is expected to occur in the second quarter of 2007. The Acquisition is conditioned upon approval of the Plan by ACM Municipal Securities stockholders, the approval of Alliance National Municipal stockholders of the issuance of shares of Alliance National Municipal common stock in connection with the Acquisition, and the Funds satisfying the terms of the Plan. Under applicable legal and regulatory requirements, none of the holders of ACM Municipal Securities' common stock will be entitled to exercise objecting stockholders' appraisal rights, i.e., to demand the fair value of their shares in connection with the Acquisition. Therefore, stockholders will be bound by the terms of the Acquisition under the Plan. However, any holder of ACM Municipal Securities common stock may sell shares of common stock on the NYSE prior to the Acquisition. The

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shares of ACM Municipal Securities common stock may cease trading on the NYSE beginning several days prior to the date of the Acquisition. Any cessation of trading will be accomplished in compliance with NYSE rules, including issuance of a press release.

After the Acquisition, shares of ACM Municipal Securities common stock will be removed from listing on the NYSE. In addition, shares of ACM Municipal Securities common stock will be withdrawn from registration under the Securities Exchange Act of 1934 and ACM Municipal Securities will deregister as an investment company under the Investment Company Act of 1940, as amended (the "1940 Act") and will dissolve under Maryland law.

Since the preferred stock of ACM Municipal Securities are not traded publicly on a national securities exchange, holders of such shares are entitled

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to appraisal rights upon the consummation of the Acquisition. The preservation and exercise of appraisal rights are conditioned on strict adherence to the applicable provisions of the Maryland General Corporation Law, or MGCL. Each holder of preferred stock desiring to exercise appraisal rights should refer to Title 3, Subtitle 2, of the MGCL for a complete statement of their rights and the steps which must be followed in connection with the exercise of those rights. The following summary of the rights of objecting stockholders does not purport to be a complete statement of the procedures to be followed by preferred stockholders of ACM Municipal Securities desiring to exercise appraisal rights, a holder of preferred stock of ACM Municipal Securities desiring to receive payment of the fair value of his or her stock (an "objecting stockholder") (i) must file with ACM Municipal Securities a written objection to the Acquisition at or before the Meeting for ACM Municipal Securities, (ii) must not vote in favor of the Plan (although a vote against the Plan is not required), and (iii) must make written demand on Alliance National Municipal for payment of his or her stock, stating the number and class of shares for which he or she demands payment, within 20 days after the Maryland Department accepts for filing the Articles of Transfer with respect to the Acquisition (Alliance National Municipal is required promptly to give written notice to all objecting stockholders of the date that the Articles of Transfer are accepted for record). A vote against the Plan will not be sufficient to satisfy the requirement of a written demand described in (iii). An objecting stockholder who fails to adhere to this procedure will be bound by the terms of the Plan. An objecting stockholder ceases to have any rights of a stockholder except the right to receive fair value for his or her shares and has no right to receive any dividends or distribution payable to such holders on a record date after the close of business on the date on which fair value is to be determined, which, for these purposes, will be the date of the Meeting for ACM Municipal Securities. A demand for payment of fair market value may not be withdrawn, except upon the consent of Alliance National Municipal. Within 50 days after the Articles of Transfer have been accepted for filing, an objecting stockholder who has not received payment for his or her shares may petition a court located in Baltimore, Maryland for an appraisal to determine the fair market value of his or her stock.

Completion of the Acquisition is subject to certain conditions set forth in the Plan, some of which may be waived by a party to the Plan. The Plan may be amended in any mutually agreed manner, except that no amendment may be made subsequent to the Meeting that materially alters the obligations of either party. The parties to the Plan may terminate the Plan by mutual consent and either party has the right to unilaterally terminate the Plan under certain circumstances. Among other circumstances, either party may at any time terminate the Plan unilaterally upon a determination by the party's Board of Directors that proceeding with the Plan is not in the best interests of the Fund or its stockholders.

A copy of a form of the Plan is attached as Appendix D.

### Reasons for the Acquisition

At the November 20 Meeting, the Adviser recommended that the Board of Directors approve and recommend to the Fund's stockholders for their approval the proposed Plan and the Acquisition. The Directors considered the factors discussed below from the point of view of the interests of the Fund and its stockholders. After careful consideration, the Board of Directors (including all of the Directors who are not "interested persons" of the Fund, the Adviser or its affiliates) determined that the Acquisition would be in the best interests of the Fund's stockholders and that the interests of existing stockholders of the Fund would not be diluted as a result of the

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Acquisition. The Directors unanimously approved the Plan and the Acquisition and the Directors of ACM Municipal Securities recommended that the stockholders of ACM Municipal Securities vote in favor of the Acquisition by approving the Plan.

The Adviser presented the following information and reasons in favor of the Acquisition:

- . ACM Municipal Securities, which was launched in 1993, raised \$194.7 million (including \$90 million from preferred stock) in its initial public offerings. As of April 30, 2006, ACM Municipal Securities' total assets were \$213 million, which includes the \$90 million attributable to preferred stock. Alliance National Municipal, which was launched in 2002, raised \$486 million (including \$195 million from preferred stock) in its initial public offerings. As of April 30, 2006, Alliance National Municipal's total assets were \$508 million, which includes the \$195 million attributable to preferred stock.
- . The Adviser discussed with the Board that it believes that the Acquisition of ACM Municipal Securities, which is a smaller fund with higher operating expenses, by its larger counterpart, Alliance National Municipal, would benefit ACM Municipal Securities and its stockholders. Currently, Alliance National Municipal and ACM Municipal Securities have essentially the same investment strategies of investing in investment grade municipal securities, although, as discussed herein, Alliance National Municipal has greater investment flexibility than ACM Municipal Securities.
- . The Adviser also discussed that ACM Municipal Securities is ten years older than Alliance National Municipal so that the period during which their performance can be compared is relatively short. While the three-year returns for the Funds based on net asset value through September 30, 2006 are similar, 7.66% and 7.99%, respectively, Alliance National Municipal outperformed ACM Municipal Securities in the past year with returns of 6.34% versus 5.93% for ACM Municipal Securities. ACM Municipal Securities performed modestly better in 2003 and 2004, while Alliance National Municipal outperformed ACM Municipal Securities in 2005 and through September 30 in 2006. As the Adviser explained, the differences in performance for these Funds, which pursue essentially the same strategy, are primarily due to the effect of the timing of their offerings on the composition of each Fund's portfolio. ACM Municipal Securities, being ten years older, had established positions in longer duration securities and higher credit spread securities in 2002, when Alliance National Municipal was launched. Market conditions in 2003 provided ACM Municipal Securities with the opportunity to take advantage of a stronger market and advantageously reduce its position in higher credit spread securities. The Funds' credit profiles are now substantially the same and Alliance National Municipal's recent outperformance benefited from its lower expenses and shorter duration.

At the November 20 Meeting, the Directors (with the advice and assistance of independent counsel) also considered, among other things:

- . potential stockholder benefits including that (i) the total expenses of Alliance National Municipal on a pro forma basis after the Acquisition would be significantly lower than the current expenses of ACM Municipal Securities and (ii) the potential for ACM Municipal Securities' stockholders to benefit from increased earnings of Alliance National Municipal after the Acquisition due to the higher earnings of Alliance National Municipal;

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- . the current asset levels of ACM Municipal Securities and the combined pro forma asset levels of Alliance National Municipal;
- . the distribution and trading history of the two Funds, including that Alliance National Municipal's dividend has consistently exceeded that of ACM Municipal Securities, and that the trading price of Alliance National Municipal's common stock compared to its net asset value is currently somewhat more favorable than that of ACM Municipal Securities (trading price information for the two Funds is provided in Appendix F);
- . the advisory and administration fee arrangements of the two Funds, including that Alliance National Municipal's advisory fee rate, after waiver, is currently lower than that of ACM Municipal Securities

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and is, after waiver, 0.40%, but will increase by 0.05% per year commencing January 28, 2007 to a maximum of 0.65% in 2011 and beyond but that the cap on the advisory fee recently agreed to by the Adviser upon the request of the Board will result in a maximum fee of 0.55%, and that the Adviser has agreed to seek approval of a new investment advisory contract by the Directors that would make the maximum fee rate of 0.55% contractual;

- . the amount and type of preferred stock used as leverage by the two Funds;
- . the investment objectives and principal investment strategies of the Funds; and
- . the portfolio management team of Alliance National Municipal, which is the same as the portfolio management team of ACM Municipal Securities, would continue to manage Alliance National Municipal after the Acquisition.

The Directors also considered, among other things:

- . the historical and pro forma tax attributes of ACM Municipal Securities, including that ACM Municipal Securities has realized capital gains and sizable capital loss carryforwards and that Alliance National Municipal has a lower amount of capital loss carryforwards, which will significantly reduce the amount of loss carryforwards available to ACM Municipal Securities' stockholders after the Acquisition and trigger the loss limitations provisions of the Internal Revenue Code, although it is uncertain whether the Combined Fund would be able to use these capital loss carryforwards before they expire;
- . the form of the Plan and the terms and conditions of the Acquisition;
- . the effect of the Acquisition on the advisory fees of the Funds;
- . whether the Acquisition would result in the dilution of stockholders' interests;
- . the number of stockholder accounts and average account sizes of the Funds;
- . changes in service providers that would result from the Acquisition;
- . the benefits of the Acquisition to persons other than ACM Municipal Securities and its stockholders, including the Adviser in particular,

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which would benefit from the elimination of monitoring and administering ACM Municipal Securities, a relatively small fund, that is substantially duplicative of its larger counterpart, Alliance National Municipal;

- . that Alliance National Municipal will assume all the liabilities of ACM Municipal Securities;
- . the expected federal income tax consequences of the Acquisition;
- . whether the Acquisition would be preferable to acquisition by potential acquirers other than Alliance National Municipal including funds that are not sponsored by the Adviser;
- . that the costs of the Acquisition will be borne by ACM Municipal Securities and Alliance National Municipal;
- . the tender offer/repurchase policies of the two Funds, which differ somewhat; and
- . that the Adviser has agreed to indemnify Alliance National Municipal for a three-year period against any undisclosed or other liability of ACM Municipal Securities and to reimburse Alliance National Municipal for any costs in connection with investigating any such liability, and to continue certain insurance coverage for ACM Municipal Securities for a six year period.

Also at the November 20 Meeting, the Board of Directors of Alliance National Municipal (comprised of the same persons as the Board of ACM Municipal Securities) approved the proposed Plan. No vote of stockholders of Alliance National Municipal is required in to approve the Acquisition, although, under NYSE rules, Alliance National Municipal Securities stockholders must approve the issuance of common stock of such Fund in connection with the Acquisition.

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### Description of Securities to be Issued

Under the Plan, Alliance National Municipal will issue shares of common stock for distribution to ACM Municipal Securities. Under its Charter and Bylaws, Alliance National Municipal may issue up to 1,999,992,200 shares of common stock, par value \$.001 per share. For information regarding the rights and privileges associated with the Fund's common stock, see Appendix C, "Other Information".

Under the Plan, Alliance National Municipal will also issue additional shares of Preferred Shares Series M, Preferred Shares Series W, and Preferred Shares Series TH. Each such preferred stock has a par value of \$.001 per share, and a liquidation preference of \$25,000 per share plus an amount equal to accumulated but unpaid dividends (whether or not earned or declared). Generally, unless there is a special dividend payment period, auctions for Preferred Shares Series M, Preferred Shares Series W and Preferred Shares Series TH are held on Monday, Wednesday and Thursday, respectively, and dividends are paid on Tuesday, Thursday and Friday, respectively.

Preferred stockholders will be entitled to receive dividends that may vary for successive dividend periods. Dividend rates that are payable are subject to a maximum rate ceiling that takes into consideration a number of factors, which include the credit rating assigned to the preferred stock and the duration of the dividend period. As a general matter, a dividend period can be as little as 7 days or as much as 1,820 days. Generally, a rate period between 7 and 1,820

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days may be any number evenly divided by 7. Special rate periods are designated as any periods greater than 7 days for which, among other things, (i) proper notice as specified in the Fund's charter has been given to the auction agent and the holders of the preferred stock and (ii) certain asset maintenance information required by Moody's and S&P have been set forth in a report. For additional information regarding the rights and privileges associated with Alliance National Municipal's preferred stock, see Appendix C, "Other Information".

### Dividends and Other Distributions

On or before the Closing Date, as defined in the Plan, ACM Municipal Securities will, if necessary, declare and pay as a distribution substantially all of its undistributed net investment income, net short-term capital gain, net long-term capital gain, and net gains from foreign currency transactions as applicable to maintain its treatment as a regulated investment company.

### Surrender and Exchange of ACM Municipal Securities Stock Certificates

After the Plan's Effective Time, each holder of a certificate (or certificates) formerly representing shares of ACM Municipal Securities common stock will be entitled to receive, upon surrender of the certificate, a certificate representing the number of Alliance National Municipal shares of common stock distributable as a result of the Acquisition. Promptly after the Plan's Effective Time, Computershare Trust Company, N.A. will mail to ACM Municipal Securities' certificate holders instructions and a letter of transmittal for use in surrendering the certificates. Please do not send share certificates at this time. Although the certificates will be deemed for all purposes to evidence ownership of the equivalent number of Alliance National Municipal shares of common stock, no dividends will be paid to holders of certificates of ACM Municipal Securities common stock until the holder surrenders the certificates in accordance with the instructions and letter of transmittal. Any dividends on Alliance National Municipal shares payable after the Effective Time, will be paid to the certificate holder, without interest, when that holder surrenders an ACM Municipal Securities share certificate for exchange.

Each ACM Municipal Securities common stockholder will receive the number of full shares of Alliance National Municipal, plus fractional shares for stockholders that participate in ACM Municipal Securities' DRIP and cash in lieu of any fractional shares for non-DRIP stockholders, having an aggregate NAV that, on the effective date of the Acquisition, is equal to the aggregate NAV of the stockholder's shares of the ACM Municipal Securities. Holders of ACM Municipal Securities preferred stock will receive preferred stock of Alliance National Municipal that have an aggregate liquidation preference and value equal to the aggregate liquidation preference and value of the outstanding ACM Municipal Securities preferred stock. Stockholders of ACM Municipal Securities will recognize no gain or loss, except with respect to any cash received in lieu of fractional Alliance National Municipal shares by non-DRIP stockholders.

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### Federal Income Tax Consequences

Subject to certain stated assumptions contained therein, the Funds will receive an opinion of Seward & Kissel LLP, its counsel, substantially to the following effect: (i) the Acquisition will constitute a "reorganization" within the meaning of section 368(a) of the Code and that the Funds will each be "a party to a reorganization" within the meaning of section 368(b) of the Code; (ii) a stockholder of ACM Municipal Securities will recognize no gain or loss

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on the exchange of the stockholder's shares of ACM Municipal Securities solely for shares of Alliance National Municipal, except with respect to cash received in lieu of a fractional share of Alliance National Municipal by non-DRIP stockholders in connection with the Acquisition; (iii) neither ACM Municipal Securities nor Alliance National Municipal will recognize any gain or loss upon the transfer of all of the assets of ACM Municipal Securities to Alliance National Municipal in exchange for shares of Alliance National Municipal (plus cash in lieu of certain fractional shares by non-DRIP stockholders) and the assumption by Alliance National Municipal of the liabilities of ACM Municipal Securities pursuant to the Plan or upon the distribution of shares of Alliance National Municipal to stockholders of ACM Municipal Securities (and cash to non-DRIP stockholders for their fractional shares) in exchange for shares of ACM Municipal Securities; (iv) the holding period and tax basis of the assets of ACM Municipal Securities acquired by Alliance National Municipal will be the same as the holding period and tax basis that ACM Municipal Securities had in such assets immediately prior to the Acquisition; (v) the aggregate tax basis of shares of Alliance National Municipal received in connection with the Acquisition by each stockholder of ACM Municipal Securities (including any fractional share to which the stockholder may be entitled) will be the same as the aggregate tax basis of the shares of the ACM Municipal Securities surrendered in exchange therefor; (vi) the holding period of shares of Alliance National Municipal received in connection with the Acquisition by each stockholder of ACM Municipal Securities (including any fractional share to which the stockholder may be entitled) will include the holding period of the shares of ACM Municipal Securities surrendered in exchange therefor, provided that such ACM Municipal Securities shares constitute capital assets in the hands of the stockholder as of the Closing Date; (vii) Alliance National Municipal will succeed to the capital loss carryovers of ACM Municipal Securities, if any, under section 381 of the Code, but the use by Alliance National Municipal of any such capital loss carryovers (and of capital loss carryovers of Alliance National Municipal) may be subject to limitation under section 383 of the Code; and (viii) any gain or loss realized by a non-DRIP stockholder of ACM Municipal Securities upon the receipt of cash for a fractional share of Alliance National Municipal common stock to which the stockholder is entitled will be recognized to the common stockholder and measured by the difference between the amount of cash received and the basis of the fractional share and, provided that the ACM Municipal Securities shares surrendered constitute capital assets in the hands of the stockholder, will be capital gain or loss. This opinion of counsel will not be binding on the Internal Revenue Service or a court and there is no assurance that the Internal Revenue Service or a court will not take a view contrary to those expressed in the opinion.

Stockholders of ACM Municipal Securities are encouraged to consult their tax advisers regarding the effect, if any, of the Acquisition in light of their individual circumstances. Because the foregoing discussion only relates to the federal income tax consequences of the Acquisition, those stockholders are also encouraged to consult their tax advisers as to state and local tax consequences, if any, of the Acquisition.

### Capitalization Information

For information on the existing and pro forma capitalization of the Funds, see Appendix E.

### Trading History and Share Price Data

For information on the trading history and share price data for the Funds, see Appendix F.

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### INFORMATION ABOUT THE FUNDS

Alliance National Municipal and ACM Municipal Securities are each a diversified, closed-end management investment companies registered under the 1940 Act and organized as a Maryland corporation in 2001, and 1993, respectively.

#### Management of the Funds

The Board of Directors of each Fund, which is comprised of the same persons, directs the management of the business and affairs of the Fund. Each Board of Directors approves all significant agreements between the respective Fund and persons or companies furnishing services to it, including a Fund's agreements with the Adviser and the Fund's administrator, custodian and transfer and dividend disbursing agent. The Board of ACM Municipal Securities approves its agreement with its administrator, while Alliance National Municipal does not have a separate administrator. The day-to-day operations of a Fund are delegated to its officers and the Fund's Adviser, subject to the Fund's investment objective and policies and to general supervision by the Fund's Board of Directors. Subsequent to the consummation of the Acquisition, the directors and officers of Alliance National Municipal will continue to serve as the directors and officers of Alliance National Municipal after the Acquisition. The portfolio managers jointly and primarily for the management of Alliance National Municipal and ACM Municipal Securities are the same, they are: Michael G. Brooks, Fred S. Cohen, Robert B. Davidson III, and Terrance T. Hults. Mr. Brooks is a Vice President with the Adviser, with which he has been associated since prior to 2001. Messrs. Cohen, Davidson III, and Hults are each a Senior Vice President with the Adviser, with which each has been associated since prior to 2001. Subsequent to the consummation of the Acquisition, Messrs. Brooks, Cohen, Davidson III, and Hults will continue to be jointly and primarily responsible for the day-to-day management of Alliance National Municipal.

The SAI provides additional information about the portfolio managers' compensation, other accounts managed by the portfolio managers, and the portfolio managers' ownership of securities in Alliance National Municipal.

#### Advisory Agreement and Fees

Each Fund's investment adviser is AllianceBernstein L.P. (the "Adviser"), 1345 Avenue of the Americas, New York, New York 10105. The Adviser is a leading international investment adviser managing client accounts with assets as of September 30, 2006 totaling more than \$659 billion (of which more than \$82 billion represented the assets of investment companies). As of September 30, 2006, the Adviser managed retirement assets for many of the largest public and private employee benefit plans (including 41 of the nations' FORTUNE 100 companies), for public employee retirement funds in 37 states, for investment companies, and for foundations, endowments, banks and insurance companies worldwide. The 44 registered investment companies managed by the Adviser, comprising 125 separate investment portfolios, currently have approximately 4.0 million stockholder accounts.

Under each Fund's advisory agreement with the Adviser (the "Advisory Agreement"), the Adviser provides office space, investment advisory services, and order placement facilities for the Fund and pays all compensation of directors and officers of the Fund who are affiliated persons of the Adviser. Under the Advisory Agreement of ACM Municipal Securities, the Fund pays the Adviser, an investment advisory fee of 0.50% of the average weekly net assets of the Fund. Under the Advisory Agreement of Alliance National Municipal, the Fund pays the Adviser, an investment advisory fee of 0.65% of the Fund's



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average daily net assets. Alliance National Municipal's advisory fee is effectively reduced as a result of the Adviser's voluntary agreement to waive a portion of its fees or reimburse the Fund for expenses in the amount of 0.25% of the Fund's average daily net assets applicable to common and preferred stockholders for the first 5 full years of the Fund's operations, 0.20% of the Fund's average daily net assets applicable to common and preferred stockholders in year 6, 0.15% in year 7, 0.10% in year 8, and 0.05% in year 9. The Fund is currently in its fifth year of operation. The Adviser has agreed to waive the advisory fee increase in the years 8 and 9 and cap the advisory fee at 0.55%. The Adviser has also agreed to

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seek approval by the Board of Directors of a new advisory contract that would have a maximum advisory fee of 0.55%. For the fiscal year ended October 31, 2005, the amount of such fees waived was \$1,284,310. The advisory fee for each Fund is accrued daily and paid monthly.

The Advisory Agreements by their terms continue in effect from year to year if such continuance is specifically approved, at least annually, by a majority vote of the directors of a Fund who neither are interested persons of the Fund nor have any direct or indirect financial interest in the Advisory Agreement, cast in person at a meeting called for the purpose of voting on such approval. A discussion regarding the basis for a Board of Directors approving the investment advisory contracts of ACM Municipal Securities and Alliance National Municipal is available in each Fund's Semi-Annual Report to Stockholders for the fiscal periods ended April 30, 2006.

The Adviser is the subject of certain legal proceedings relating to market timing in certain open-end funds advised by the Adviser. A discussion of those proceedings is presented in Appendix G.

### Administrator

The Adviser serves as administrator for the Funds and in that capacity performs certain administrative services. The Adviser provides administration services to Alliance National Municipal under that Fund's Advisory Agreement and such agreement provides that the Fund will reimburse the Adviser for the cost of providing certain administrative services. However, the Adviser has informed the Board that it has no present intention of submitting reimbursement requests to the Board pursuant to such provision and will not seek reimbursement in the future without first obtaining the Board's approval. Under an administrative services agreement, the Adviser performs administrative services for ACM Municipal Securities.

ACM Municipal Securities pays a fee under the administrative services agreement at an annual rate of 0.15% of the average weekly net assets of the Fund. Such fee is accrued daily and paid monthly. Currently, the Adviser has voluntarily agreed to waive administrative expenses of the Fund at an annual rate of 0.10 of 1% of the average weekly net assets of the Fund. The Adviser has engaged Prudential Investments LLC, an indirect, wholly-owned subsidiary of Prudential Financial, Inc., to act as sub-administrator. The Adviser, out of its own assets, pays the Sub-Administrator a monthly fee equal to an annual rate of 0.10 of 1% of the Fund's average weekly net assets. The Sub-Administrator prepares financial and regulatory reports for the Fund and provides other clerical services.

### Other Service Providers

The Acquisition will result in one change to ACM Municipal Securities'

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service providers as described below. AllianceBernstein Investor Services, Inc. ("ABIS"), an affiliate of the Adviser, provides certain stockholder services for the Funds. The Funds compensate ABIS for these services. The Bank of New York, One Wall Street, New York, NY 10286 serves as the custodian for ACM Municipal Securities. State Street Bank and Trust Company, 225 Franklin Street, Boston, MA 02110 serves as the custodian for Alliance National Municipal. The Bank of New York serves as the transfer agent for the preferred stock of the Funds. Computershare Trust Company, N.A., P.O. Box 43010, Providence, RI 02940-3011, serves as the transfer agent for the common stock of the Funds. After the Acquisition, State Street Bank and Trust Company will serve as the custodian for Alliance National Municipal. Ernst & Young LLP serves as the independent registered public accounting firm of the Funds.

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### VOTING INFORMATION

The Board of Directors of ACM Municipal Securities has fixed the close of business on December 15, 2006 as the Record Date for the determination of stockholders entitled to notice of, and to vote at, the Meeting and at any adjournments or postponements thereof. Appendix H to this Prospectus/Proxy Statement lists the total number of shares of ACM Municipal Securities outstanding as of December 15, 2006. It also identifies holders of more than five percent of shares of each Fund, and contains information about the executive officers and Directors of each Fund and their shareholdings in each Fund.

Those stockholders who hold shares directly and not through a broker or nominee (that is, a stockholder of record) may authorize their proxies to cast their votes by completing a proxy card and returning it by mail in the enclosed postage-paid envelope or by telephoning toll free 1-800-331-5817. Owners of shares held through a broker or nominee (who is the stockholder of record for those shares) should follow the directions provided to the stockholder by the broker or nominee to submit voting instructions. Instructions to be followed by a stockholder of record to authorize a proxy via telephone, including use of the Control Number on the stockholder's proxy card, are designed to verify stockholder identities, to allow stockholders to give voting instructions and to confirm that stockholder instructions have been recorded properly. Stockholders who authorize proxies by telephone should not also return a proxy card. A stockholder of record may revoke that stockholder's proxy at any time prior to exercise thereof by giving written notice to the Secretary of ACM Municipal Securities at 1345 Avenue of the Americas, New York, New York 10105, by authorizing a later-dated proxy (either by signing and mailing another proxy card or, by telephone as indicated above), or by personally voting at the Meeting.

Properly executed proxies may be returned with instructions to abstain from voting or to withhold authority to vote (an "abstention") or represent a broker "non-vote" (which is a proxy from a broker or nominee indicating that the broker or nominee has not received instructions from the beneficial owner or other person entitled to vote shares on a particular matter with respect to which the broker or nominee does not have the discretionary power to vote). Approval of the Proposal requires: (i) the affirmative vote by ACM Municipal Securities common stock and preferred stock holders entitled to cast a majority of the votes entitled to be cast on the matter, voting together as a single class (ii) with respect to ACM Municipal Securities preferred stock holders, voting as a separate class, the affirmative vote of the holders of a "majority of the outstanding voting securities" of such shares as defined in the 1940 Act, which means the lesser of (i) 67% or more of such shares present or represented by proxy, if the holders of more than 50% of the outstanding

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preferred stock are present or represented by proxy, or (ii) more than 50% of the outstanding preferred stock of ACM Municipal Securities. Abstentions and broker non-votes will be considered present for purposes of determining the existence of a quorum for the transaction of business but will have the effect of a vote against the Proposal.

If any proposal, other than the Proposal, properly comes before the Meeting, the shares represented by proxies will be voted on all such proposals in the discretion of the person or persons voting the proxies. ACM Municipal Securities has not received notice of, and is not otherwise aware of, any other matter to be presented at the Meeting.

A quorum for the transaction of business by common stockholders and preferred stockholders of ACM Municipal Securities will consist of the presence in person or by proxy of the holders of a majority of the shares of the Fund entitled to vote at the Meeting. In addition, with respect to the separate vote by preferred stockholders, a quorum will consist of the presence in person or by proxy of the holders of a majority of the shares of the preferred stock entitled to vote at the Meeting. In the event that a quorum is not represented at the Meeting or, even if a quorum is so present, if sufficient votes in favor of the position recommended by the Board of Directors on the Proposal are not timely received, the Chairman of the Board may authorize, or the persons named as proxies may propose and vote for one or more adjournments of the Meeting with no other notice than announcement at the Meeting, in order to permit further solicitation of proxies. Shares represented by proxies indicating a vote against the Proposal will be voted against adjournment.

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ACM Municipal Securities has engaged The Altman Group, Inc. (the "Proxy Solicitor"), 60 East 42<sup>nd</sup> Street, Suite 405, New York, New York 10165 to assist in soliciting proxies for the Meetings. The Proxy Solicitor will receive a fee of approximately \$14,000 from the Fund for its solicitation services, plus reimbursement of out-of-pocket expenses.

### LEGAL MATTERS

The validity of the shares offered hereby will be passed upon for the Funds by Seward & Kissel LLP. Seward & Kissel LLP will rely upon the opinion of Venable LLP for certain matters relating to Maryland law.

### EXPERTS

The audited financial information in the Prospectus/Proxy Statement and the SAI have been included in reliance on the report of Ernst & Young LLP, 5 Times Square, New York, NY 10036, the independent registered public accounting firm for the Funds, given on its authority as experts in auditing and accounting.

### FINANCIAL HIGHLIGHTS

Financial highlights information for the Funds is available at Appendix I.

THE DIRECTORS OF ACM MUNICIPAL SECURITIES RECOMMEND THAT  
YOU VOTE FOR THE ACQUISITION OF THE ASSETS AND ASSUMPTION OF  
THE LIABILITIES OF ACM MUNICIPAL SECURITIES BY ALLIANCE  
NATIONAL MUNICIPAL AND THE DISSOLUTION OF ACM MUNICIPAL SECURITIES.

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APPENDIX A

COMPARISON OF INVESTMENT OBJECTIVES AND POLICIES/1 /

|                      | ACM Municipal Securities  | Alliance National Municipal   | Principal Diff   |
|----------------------|---|---|--|
| Investment Objective | The Fund's investment objective is to seek to provide high current income exempt from regular federal income tax. (F)   | Same. (F)   | None.  |
|                      |   | Investment Policies/1/  |  |
| Status               | The Fund is a diversified closed-end management investment company.   | Same.   | None.  |
| 80% Policy           | Under normal market conditions, the Fund will invest at least 80% of its total assets in municipal securities. (F)  | Under normal conditions, the Fund will invest at least 80%, and normally substantially all, of its net assets in municipal bonds paying interest that is exempt from regular federal income tax. (F)  | None.  |
| Municipal Bonds      | <p>The Fund will invest substantially all its assets in debt obligations issued by states, cities and local authorities, territories and possessions of the United States and the District of Columbia, and their political subdivisions, duly constituted authorities and corporations the interest on which obligations, in the opinion of the bond counsel to the issuer, is exempt from federal, and in some instances, applicable state and city, income tax.</p> <p>Under normal market conditions, substantially all of the Fund's assets will be invested in investment grade municipal securities (i.e., rated AAA, AA, A or BBB by S&amp;P or Aaa, Aa, A or Baa by Moody's or rated of equivalent credit quality by any other nationally recognized statistical rating organization).</p> | <p>Under normal circumstances, the Fund will invest substantially all of its net assets in municipal bonds that pay interest that, in the opinion of the bond counsel to the issuer, is exempt from regular federal income tax.</p> <p>The Fund will normally invest at least 75% of its net assets in investment grade municipal bonds or unrated municipal bonds considered to be of comparable quality as determined by the Fund's investment adviser.</p> <p>The Fund may invest up to 25% of its net assets in municipal bonds rated below investment grade and unrated municipal bonds considered to be of comparable quality as determined by the Fund's investment adviser.</p> | Both Funds invest p in investment grade pal bonds. However, National Municipal vest a significant its assets (up to 2 assets) in municipa rated below investm grade. |

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 /1/ Policies with the notation "F" denote fundamental policies, which mean they may not be changed without a stockholder vote.

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|   | ACM Municipal Securities  | Alliance National Municipal   | Principal Di  |
|---|---|---|---|
|   | <p>The Fund may invest up to 20% of its total assets in unrated municipal securities that are determined to be of equivalent credit quality by the Adviser.</p> <p>Under normal market conditions, the Fund will invest at least 65% of its total assets in municipal securities considered high grade at the time of purchase (i.e., rated at least A by S&amp;P or Moody's or rated of equivalent credit quality by any other nationally recognized statistical rating organization).</p> <p>Under normal market conditions, the Fund will invest at least 65% of its total assets in income-producing securities (excluding zero coupon securities).</p> | <p>The Fund may purchase municipal bonds that are subject to credit enhancements such as insurance, bank credit agreements, or escrow accounts.</p>   |   |
| Investments in AMT-Subject Municipal Securities | <p>The Fund expects that it will invest a significant portion of its assets in municipal securities the interest on which is exempt from regular federal income tax but which will be subject to the federal alternative minimum tax. The Fund has not established any limit on the percentage of its portfolio that may be invested in municipal securities the interest on which is subject to the alternative minimum tax provisions of federal income tax law, and a substantial portion of the income produced by the Fund may be includable in the calculation of alternative minimum taxable income.</p>   | <p>While the Fund intends to invest primarily in municipal bonds that pay interest that is not subject to the AMT, it may invest without limit in municipal bonds that pay interest that is subject to the AMT.</p> | <p>When ACM Municipalities was first investors were not AMT. Over time, however, an increasing percentage of investors have been subject AMT. In response to this trend, ACM Municipalities has decreased the percentage of its portfolio invested in bonds that pay interest that is not subject to AMT and currently approximately 16% of ACM Municipal Securities are invested in bonds that pay interest subject to AMT.</p> <p>Alliance National Municipal is a more recent Fund that primarily invests in bonds that pay interest subject to AMT.</p> |

not subject to th  
 However, the Fund  
 vest without limi  
 that pay interest  
 ject to the AMT.  
 Alliance National  
 invests approxima  
 its assets in bon  
 interest subject

|                            | ACM Municipal Securities   | Alliance National Municipal  | Principal Diffe   |
|----------------------------|--|--|---|
| Other Municipal Securities | <p>Although the Fund intends to invest a substantial portion of its assets in longer term municipal securities, municipal securities in which the Fund may invest include municipal notes, which may be either "general obligation" or "revenue" securities, are intended to fulfill short-term capital needs and generally have original maturities not exceeding one year.</p> <p>Municipal notes in which the Fund may invest include demand notes, which are tax-exempt obligations that have stated maturities in excess of one year, but permit the holder to sell back the security (at par) to the issuer within 1 to 7 days notice.</p> <p>Other short-term obligations constituting municipal notes include tax anticipation notes, revenue anticipation notes and bond anticipation notes, and tax-exempt commercial paper.</p> <p>The Fund will not invest more than 5% of its total investment assets in municipal lease obligations that contain "non-appropriation" clauses.</p> <p>The Fund may invest a portion of its assets in municipal securities that pay interest at a coupon rate equal to a base rate</p> | <p>The Fund may invest in municipal notes, which may be either general obligation or revenue securities and which generally have original maturities not exceeding one year.</p> <p>Municipal notes in which the Fund may invest include demand notes, which are tax-exempt obligations that have stated maturities in excess of one year, but permit the holder to sell back the security (at par) to the issuer within one to seven day's notice.</p> <p>Other short-term obligations constituting municipal notes include tax anticipation notes, revenue anticipation notes and tax-exempt commercial paper.</p> <p>The Fund may invest in municipal bonds that represent municipal lease obligations.</p> | <p>The Funds generally invest in the same "other municipal se however, ACM Municipi Securities is subje percentage limitati are not applicable National Municipal: 5% limitation regar nicipal lease oblig (ii) the 10% limita cable to custodial</p> |

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plus additional interest for a certain period of time if short-term interest rates rise above a predetermined level or "cap."

The Fund may invest up to 10% of its total assets in custodial receipts or certificates underwritten by securities dealers or banks that evidence ownership of future interest payments, principal payments or both on certain municipal securities.

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|                            | ACM Municipal Securities   | Alliance National Municipal   | Principal Differe   |
|----------------------------|--|---|---|
|                            | <p>The Fund may invest in municipal securities, the interest rate on which has been divided into two different and variable components, which together result in a fixed interest rate.</p>  |   |   |
| Other Investment Companies |  | <p>The Fund may invest in securities of other investment companies to the extent permitted under the 1940 Act or the rules and regulations thereunder (as such statutes, rules or regulations may be amended from time to time) or by guidance regarding, interpretations of, or exemptive orders under the 1940 Act or the rules and regulations thereunder published by appropriate regulatory authorities.</p> | <p>While it has no specific policy on investments other investment comp ACM Municipal Securit would be able to inve other investment comp subject to the limita Sections 12(d)(1)(A) of the 1940 Act.</p> |
| Options                    | <p>The Fund will not write put and call options except in accordance with its investment objective and policies. (F)</p> <p>The Fund intends to write covered put and call options and purchase put and call options on municipal securities</p> | <p>In order to achieve its investment objective, the Fund may at times use certain types of investment derivatives, such as options, futures, forwards and swaps.</p>   | <p>ACM Municipal Securit has more specific pol the use of options.</p>  |

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and U.S. Government securities that are traded on United States exchanges. There are no specific limitations on the Fund's writing and purchasing of options.

The Fund may purchase or write options on securities of the types in which it is permitted to invest in privately negotiated transactions. The Fund will effect such transactions only with investment dealers and other financial institutions deemed creditworthy by the Adviser.

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|  | ACM Municipal Securities  | Alliance National Municipal   | Principal Differences   |
|--|---|---|---|
| Illiquid Securities                                |   | The Fund may invest in illiquid securities, including, among others, (a) direct placements or other securities which are subject to legal or contractual restrictions on resale or for which there is no readily available market, (b) options purchased by the Fund over-the-counter and the cover for options written by the Fund over-the-counter, and (c) repurchase agreements not terminable within seven days. Securities that have legal or contractual restrictions on resale but have a readily available market are not deemed illiquid for purposes of this limitation. | Both Funds may invest in illiquid securities.   |
| Futures Contracts and Options on Futures Contracts | The Fund may enter into contracts for the purchase or sale for future delivery or municipal securities or U.S. Government securities, or contracts based on financial indices including any index of municipal securities or U.S. Government securities ("futures contracts") and may purchase and write put and call options to buy or sell futures contracts ("options on | While the Fund does not intend to do so, it may buy and sell futures contracts on municipal securities or U.S. Government securities and contracts based on interest rates or financial indices, including any index of municipal bonds or U.S. Government securities.  | As a practical matter, both Funds may invest in futures contracts but Alliance National Municipal may not invest in options on futures contracts.                                   |
| General  |   |   | ACM Municipal Securities investments in futures contracts are subject to a 50% restriction on the amount of such investments that were previously required by the Commodity Futures |



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futures contracts"). Options on futures contracts to be written or purchased by the Fund will be traded on U.S. exchanges or over-the-counter.

Trading Commission investment companies vested in futures contracts. Alliance National Municipal investments in futures contracts are not subject to limitation.

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|   | ACM Municipal Securities  | Alliance National Municipal  | Principal Differences |
|---|---|--|-----------------------|
|   | <p>The Board has adopted the requirement that futures contracts and options on futures contracts only be used as a hedge and not for speculation. In addition, the Board has adopted two percentage restrictions on the use of futures contracts. The first restriction is that the Fund will not enter into any futures contracts or options on futures contracts if immediately thereafter the aggregate amount of initial margin deposits on all the futures contracts of the Fund and premiums paid on options on futures contracts would exceed 5% of the market value of the total assets of the Fund. The second restriction is that the aggregate market value of the futures contracts purchased by the Fund not exceed 50% of the market value of the total assets of the Fund.</p> |  |                       |
| Futures Contracts and Options on Futures Contracts Specific | <p>The Fund will not purchase or sell commodities or commodity contracts (except forward contracts or contracts for the future acquisition or delivery of debt securities and related options, futures contracts and options on futures contracts and other similar contracts.) (F)</p>   | <p>The Fund will not purchase or sell commodities or commodity contracts. (F)</p> <p>This restriction shall not prohibit the Fund from purchasing, selling or entering into futures contracts, options on futures contracts, forward contracts, or any interest rate, securities related or other hedging instruments, including swap agreements and</p> | None.                 |

other derivative instruments, subject to compliance with any applicable provisions of the federal securities or commodities laws.

|                        | ACM Municipal Securities   | Alliance National Municipal  | Principal Differences |
|------------------------|--|--|-----------------------|
| Future Developments    | The Fund may, following written notice to stockholders, take advantage of other investment practices which are not presently contemplated for use by the Fund or which are not currently available but which may be developed, to the extent that such investment practices are consistent with the Fund's investment objective and legally permissible for the Fund.  | Same.  | None.                 |
| Swaps, Caps and Floors | <p>The Fund may enter into interest rate swaps and may purchase or sell interest rate caps and floors. The Fund expects to enter into these transactions primarily to preserve a return or spread on a particular investment or portion of its portfolio. The Fund may also enter into these transactions to protect against any increase in the price of securities the Fund anticipates purchasing at a later date. The Fund does not intend to use these transactions in a speculative manner.</p> <p>There is no limit on the amount of interest rate swap transactions that may be entered into by the Fund.</p> <p>The Fund may purchase and sell caps and floors without limitation, subject to a segregated account requirement.</p> | While the Fund does not intend to do so, it may enter into interest rate swap, cap, or floor transactions primarily for hedging purposes, which may include preserving a return or spread on a particular investment or portion of its portfolio or protecting against an increase in the price of securities the Fund anticipates purchasing at a later date. The Fund does not intend to use these transactions in a speculative manner. | None.                 |

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|                       |   |   |       |
|-----------------------|---|---|-------|
| Repurchase Agreements | The Fund may enter into "repurchase agreements" pertaining to U.S. Government Securities with member banks of the Federal Reserve System or "primary dealers" in such securities. | While the Fund does not intend to do so, it may seek additional income by investing in repurchase agreements pertaining only to U.S. Government securities. The Fund may enter into repurchase agreements with member banks of the Federal Reserve System or "primary dealers." | None. |
|-----------------------|---|---|-------|

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|   | ACM Municipal Securities   | Alliance National Municipal  | Principal  |
|---|--|--|--|
|   |  |  |  |
| Variable and Floating Rate Instruments                            |  | The Fund may invest in variable rate demand notes and in fixed income securities that pay interest at a coupon rate equal to a base rate, plus additional interest for a certain period of time if short-term interest rates rise above a pre-determined level or cap.   | None.  |
| When-Issued, Delayed Delivery and Forward Commitment Transactions | The Fund may enter into forward commitments for the purchase or sale of securities. Such transactions may include purchases on a "when-issued" basis or purchases or sales on a "delayed delivery" basis. No forward commitments will be made by the Fund if, as a result, the Fund's aggregate commitments under such transactions would be more than 30% of the then current value of the Fund's total assets. | The Fund may purchase or sell municipal bonds on a forward commitment basis, including purchases on a "when-issued" basis or purchases or sales on a "delayed delivery" basis. No forward commitments will be made by the Fund if, as a result, the Fund's aggregate forward commitments under such transactions would be more than 10% of its total assets. | ACM Municipal S subject to 30% whereas, Allian Municipal is su limitation with forward commitm |
| Zero Coupon Securities  | The Portfolio may invest in zero coupon bonds.   | Same.  | None.  |
| Margin  | The Fund will not purchase securities on margin, except for such short-term credits as may be necessary for the clearance of transactions. (F)   |  | As a practical no difference b Funds' ability securities on m                                  |
| Diversification   | The Fund will not, with respect to 75% of its total assets, invest more than 5% of the value of its total assets in the outstanding securities of  | The Fund is diversified.   | Both Funds are   |

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any one issuer or own more than 10% of the outstanding voting securities of any one issuer, in each case other than securities issued or guaranteed by the U.S. Government or any agency or instrumentality thereof or other investment companies. (F)

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|                        | ACM Municipal Securities  | Alliance National Municipal   | Principal Difference |
|------------------------|---|---|----------------------|
| Industry Concentration | The Fund will not invest 25% or more of the value of its total assets in any one industry provided that such limitation shall not be applicable to municipal securities other than those municipal securities backed only by assets and revenues of non-governmental users. (F) | The Fund will not concentrate its investments in a particular industry, as that term is used in the 1940 Act and as interpreted, modified, or otherwise permitted by regulatory authority having jurisdiction, from time to time. (F)<br><br>The Fund's industry concentration policy does not preclude it from focusing investments in a group of related industries (such as different types of utilities). | None.                |
| Lending                | The Fund may not make loans except through (i) the purchase of debt obligations in accordance with its investment objectives and policies; or (ii) the use of repurchase agreements. (F)  | Same. (F)   | None.                |

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|           | ACM Municipal Securities  | Alliance National Municipal  | Principal Differences |
|-----------|---|--|-----------------------|
| Borrowing | The Fund will not borrow money or issue senior securities, except the Fund may, | The Fund will not borrow money or issue any senior security, except in accord- | None.                 |

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in accordance with provisions of the 1940 Act, (a) borrow from a bank or other entity in a privately arranged transaction and issue commercial paper, bonds, debentures or notes, in series or otherwise, with such interest rates, conversion rights and other terms and provisions as are determined by the Fund's Board of Directors, if after such borrowing or issuance there is asset coverage of at least 300% as defined in the 1940 Act; (b) issue Preferred Shares with such preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, and terms and conditions of redemption as are determined by the Fund's Board of Directors, if after such issuance there is asset coverage of at least 200% as defined in the 1940 Act; and (c) borrow for temporary purposes in an amount not exceeding 5% of the value of the total assets of the Fund. (F)

ance with provisions of the 1940 Act and specifically the Fund may (a) borrow from a bank or other entity in a privately arranged transaction and issue commercial paper, bonds, debentures or notes, in series or otherwise, with such interest rates, conversion rights and other terms and provisions as are determined by the Fund's Board of Directors, if after such borrowing or issuance there is asset coverage of at least 300% as defined in the 1940 Act; and (b) issue Preferred Shares with such preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, and terms and conditions of redemption as are determined by the Fund's Board of Directors, if after such issuance there is asset coverage of at least 200% as defined in the 1940 Act. (F)

|             | ACM Municipal Securities  | Alliance National Municipal | Principal Diffe  |
|-------------|---|-----------------------------|--|
| Short Sales | The Fund may not make short sales of securities or maintain a short position unless at all times when a short position is open it owns an equal amount of such securities or securities convertible into or exchangeable for, without payment of any further consideration, securities of the same issue as, and equal in amount to, the securities sold short ("short sales against the box") and unless not more than 10% of the Fund's net assets is held as |                             | Alliance National M does not engage in sales. ACM Municipa rities may engage i sales against the b to the 10% limitati |

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collateral for short sales at any one time (it being the Fund's present intention to make such sales only for the purpose of deferring realization of gain or loss for federal income tax purposes). (F).

|                     |  |   |       |
|---------------------|--|---|-------|
| Mineral Exploration | The Fund will not invest in interests in oil, gas or other mineral exploration or development programs, except that it may purchase and sell securities of companies that deal in oil, gas or other mineral exploration or development programs. (F) | The Fund will not purchase or sell oil, gas or mineral programs. (F)  | None. |
| Real Estate         | The Fund will not purchase or sell real estate, except that it may purchase and sell securities of companies which deal in real estate or interests therein. (F)   | The Fund will not purchase or sell real estate, although it may purchase securities (including municipal bonds) secured by real estate or interests therein, or securities issued by companies which invest in real estate, or interests therein. (F) | None. |