

ALLIANCEBERNSTEIN NATIONAL MUNICIPAL INCOME FUND
Form N-CSRS
July 02, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT

INVESTMENT COMPANIES

Investment Company Act file number: 811-10573

**ALLIANCEBERNSTEIN NATIONAL MUNICIPAL INCOME FUND,
INC.**

(Exact name of registrant as specified in charter)

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

(Address of principal executive offices) (Zip code)

Joseph J. Mantineo

AllianceBernstein L.P.

1345 Avenue of the Americas

New York, New York 10105

(Name and address of agent for service)

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

Date of fiscal year end: October 31, 2008

Date of reporting period: April 30, 2008

ITEM 1. REPORTS TO STOCKHOLDERS.

SEMI-ANNUAL REPORT

AllianceBernstein National Municipal Income Fund

April 30, 2008

Semi-Annual Report

Investment Products Offered

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

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

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

AllianceBernstein Investments, Inc. is an affiliate of AllianceBernstein L.P., the manager of the AllianceBernstein funds, and is a member of FINRA.

AllianceBernstein® and the AB Logo are registered trademarks and service marks used by permission of the owner, AllianceBernstein L.P.

June 20, 2008

Semi-Annual Report

This report provides management's discussion of fund performance for AllianceBernstein National Municipal Income Fund (the Fund) for the semi-annual reporting period ended April 30, 2008. The Fund is a closed-end fund that trades under the New York Stock Exchange symbol AFB. Effective May 18, 2007, Alliance National Municipal Income Fund changed its name to AllianceBernstein National Municipal Income Fund. The Board of Directors approved the name change at the recommendation of AllianceBernstein L.P., the Fund's investment adviser, to brand the Fund with the same AllianceBernstein name used for other funds in the AllianceBernstein family of funds. As of the close of business on May 18, 2007, the Fund acquired all of the net assets and assumed the liabilities of ACM Municipal Securities Income Fund, pursuant to a plan of reorganization approved by the shareholders of ACM Municipal Securities Income Fund.

Investment Objective and Policies

This closed-end fund seeks to provide high current income exempt from regular federal income tax by investing substantially all of its net assets in municipal securities that pay interest that is exempt from federal income tax. The Fund will normally invest at least 80% of its net assets in municipal securities paying interest that is exempt from regular federal income tax. The Fund also normally will invest at least 75% of its assets in investment-grade municipal securities or unrated municipal securities considered to be

of comparable quality. The Fund may invest up to 25% of its net assets in municipal bonds rated below investment-grade and unrated municipal bonds considered to be of comparable quality as determined by the Fund's investment adviser. The Fund intends to invest primarily in municipal securities that pay interest that is not subject to the federal Alternative Minimum Tax (AMT), but may invest without limit in municipal securities paying interest that is subject to the federal AMT. For more information regarding the Fund's risks, please see "A Word About Risk" on page 4 and "Note H Risks Involved in Investing in the Fund" of the Notes to Financial Statements on page 34.

Investment Results

The table on page 5 provides performance data for the Fund and its benchmark, the Lehman Brothers (LB) Municipal Index, for the six- and 12-month periods ended April 30, 2008.

The Fund underperformed its benchmark during both the six- and 12-month periods ended April 30, 2008. The Fund's relative underperformance during the six-month period under review was due to security selection in the insured, hospital, special tax and housing sectors. The maturities of the Fund's holdings relative to the benchmark's benefited performance. The Fund's leveraged structure increased income. However, it generally detracted from the Fund's total return as it also served to increase exposure to long-term bonds and long-term bond prices declined due to the rise in long-term interest rates.

Market Review and Investment Strategy

A significant sign of stress in the municipal market was how inexpensive tax-exempt bonds were relative to taxable bonds on April 30, 2008. This was especially true in relation to Treasuries, but municipals were also attractive relative to other types of taxable bonds such as high-grade corporate bonds. On an after-tax basis, municipal bonds provided an extra 1.05% in yield over U.S. Treasuries for clients subject to the top federal income tax rate. This spread declined from its peak a month earlier, but remains significantly above its historical average. The Fund's Municipal Bond Investment Team (the Team) believed this was primarily due to market dislocations, which included: the downgrading of bond insurers, problems in auction rate securities (not enough interested bidders willing to purchase these long-term securities), troubles with variable rate demand notes (long-term bonds whose interest rates change with money market interest rates and are payable on demand) and issues with margin calls (investors being called on to cover their purchase of securities with borrowed funds) on leveraged municipal portfolios. Investors appear to have recognized that solving some of these factors could substantially increase the supply of traditional fixed-coupon municipal bonds available for sale. The Team observed a reduction in investor demand and a consequent reduction in the price of municipals.

The increase in credit spreads over the six- and 12-month periods ended

April 30, 2008, is consistent with investors' heightened sense of risk aversion, and has been compounded by the downgrades of bond insurers. The percentage of municipal bonds issued with bond insurance declined from 50% of total new issuance over the last few years to only 25% in the first quarter of 2008, thereby creating a larger supply of lower-rated bonds. There may be opportunities to add income to the Fund, but the Team is also seeking to identify bonds which may be stable during this difficult economic period.

The Fund may purchase municipal securities that are insured under policies issued by certain insurance companies. Insured municipal securities typically receive a higher credit rating which means that the issuer of the securities pays a lower interest rate. In purchasing such insured securities, the Team gives consideration to both the insurer and to the credit quality of the underlying issuer. The insurance reduces the credit risk for a particular municipal security by supplementing the creditworthiness of the underlying bond and provides additional security for payment of the principal and interest of a municipal security. Certain of the insurance companies that provide insurance for municipal securities provide insurance for other types of securities, including some involving subprime mortgages. The value of subprime mortgage securities has declined recently and some may default, increasing a bond insurer's risk of having to make payments to holders of subprime mortgage securities. Because of this risk, the ratings

of some insurance companies have been, or may be, downgraded and it is possible that an insurance company may become insolvent. If an insurance company's rating is downgraded or the company becomes insolvent, the prices of municipal securities insured by the insurance company may decline. As of April 30, 2008, the Fund held 57% of total investments in insured bonds (of this amount 15% represents the Fund's holding in pre-refunded bonds).

The Team believes that downgrades in insurance company ratings or insurance company insolvencies present limited risk to the Fund. The Fund is well diversified by bond insurer, minimizing the exposure to any single insurer. In addition, the generally investment grade underlying credit quality of the insured municipal securities reduces the risk of a significant reduction in the value of the insured municipal security.

Since February 2008, auctions of the Fund's Auction Preferred Shares (the Preferred Shares) have had fewer buyers than sellers and, as a result, the auctions have failed. The failed auctions did not lower the credit quality of the Preferred Shares, but rather

meant that a holder was unable to sell the Preferred Shares, so that there was a loss of liquidity for the holders of the Preferred Shares. When the auctions fail, the Preferred Shares continue to pay interest on a formula based-maximum rate based on AA-commercial paper and short-term municipal bond rates. This interest rate has been and remains generally economical versus the earnings of the Fund's investments. However, to the extent that the cost of this leverage increases in the future and earnings from the Fund's investments do not increase, the Fund's net investment returns may be reduced. The Fund is exploring other liquidity and leverage options and has recently (subsequent to this reporting period) redeemed a portion of its Preferred Shares using tender option bonds as substitute leverage. (See Note L to the Financial Statements.) The Fund is not required to redeem any Preferred Shares and expects to continue to rely on the Preferred Shares for a portion of its leverage exposure.

For additional information about the Preferred Shares, please visit the AllianceBernstein website at www.alliancebernstein.com.

HISTORICAL PERFORMANCE

An Important Note About the Value of Historical Performance

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

AllianceBernstein National Municipal Income Fund Shareholder Information

The Fund's NYSE trading symbol is AFB. Weekly comparative net asset value (NAV) and market price information about the Fund is published each Monday in *The Wall Street Journal*, each Sunday in *The New York Times* and each Saturday in *Barron's* and other newspapers in a table called "Closed-End Bond Funds." For additional shareholder information regarding this Fund, please see page 48.

Benchmark Disclosure

The unmanaged Lehman Brothers (LB) Municipal Index does not reflect fees and expenses associated with the active management of a fund portfolio.

The Index is a total return performance benchmark for the long-term, investment grade, tax-exempt bond market. An investor cannot invest directly in an index, and its results are not indicative of the performance for any specific investment, including the Fund.

A Word About Risk

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

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

(Historical Performance continued on next page)

HISTORICAL PERFORMANCE

(continued from previous page)

THE FUND VS. ITS BENCHMARK	Returns	
PERIODS ENDED APRIL 30, 2008	6 Months	12 Months
AllianceBernstein National Municipal Income Fund (NAV)	-1.56%	-1.20%
LB Municipal Index	1.47%	2.79%

The Fund's Market Price per share on April 30, 2008, was \$14.06. The Fund's Net Asset Value Price per share on April 30, 2008, was \$14.39. For additional Financial Highlights, please see page 40.

See Historical Performance and Benchmark disclosures on previous page.

PORTFOLIO SUMMARY

April 30, 2008 (unaudited)

PORTFOLIO STATISTICS

Net Assets (\$mil): \$412.2

** All data are as of April 30, 2008. The Fund's quality rating distribution is expressed as a percentage of the Fund's total investments rated in particular ratings categories by Standard & Poor's Rating Services and Moody's Investors Service. The distributions may vary over time. If ratings are not available, the Fund's Adviser will assign ratings that are considered to be of equivalent quality to such ratings.*

6 ALLIANCEBERNSTEIN NATIONAL MUNICIPAL INCOME FUND

Portfolio Summary

PORTFOLIO OF INVESTMENTS

April 30, 2008 (unaudited)

	Principal Amount (000)	U.S. \$ Value
MUNICIPAL OBLIGATIONS 174.9%		
Long-Term Municipal Bonds 172.7%		
Alabama 6.3%		
Huntsville Hlth Care Auth (Huntsville Hosp Sys) (Prerefunded) Series 02B 5.75%, 6/01/32	\$ 6,000	\$ 6,651,780
Jefferson Cnty Ltd Oblig Sch Warrants Series 04A 5.25%, 1/01/18-1/01/23	3,100	2,845,457
Jefferson Cnty Swr Rev (Capital Impr Warrants) (Prerefunded) FGIC Series 02 5.00%, 2/01/41	1,535	1,639,242
Jefferson Cnty Swr Rev (Prerefunded) FGIC Series 02B 5.00%, 2/01/41	2,465	2,632,398
FGIC Series 99A 5.375%, 2/01/36 ^(a)	2,905	3,001,795
Marshall Cnty Hlth Care Auth (Marshall Cnty Med Ctr) Series 02A 5.75%, 1/01/32	2,500	2,540,525
Series 02D 5.75%, 1/01/32	3,000	3,042,480
Montgomery Spl Care Fac Fin Auth (Baptist Hlth) Series 04C 5.125%, 11/15/24	1,500	1,482,690
Montgomery Spl Care Fac Fin Auth (Baptist Hlth) (Prerefunded) Series 04C 5.25%, 11/15/29	1,810	2,005,643
		25,842,010
Alaska 2.4%		
Alaska Intl Arprt Rev MBIA Series 03B 5.00%, 10/01/26	2,000	2,016,860
Alaska Muni Bond Bank Auth MBIA Series 04G 5.00%, 2/15/24 ^(b)	1,345	1,389,156
5.00%, 2/15/22	1,585	1,647,703

Portfolio of Investments

	Principal Amount (000)	U.S. \$ Value
Four Dam Pwr Agy		
Series 04		
5.00%, 7/01/24	\$ 1,035	\$ 1,038,736
5.25%, 7/01/25-7/01/26	3,580	3,610,390
		9,702,845
Arizona 1.7%		
Arizona Cap Fac Fin Corp Student Hsg Rev (Arizona St Univ Proj) Series 00		
6.25%, 9/01/32	1,550	1,554,883
Phoenix Civic Impr Corp. Wastewtr Sys Rev MBIA Series 04		
5.00%, 7/01/23	1,250	1,293,400
Salt Verde Fin Corp. (Prepaid Gas)		
5.25%, 12/01/23	2,665	2,650,875
Salt Verde Financial Corp. 5.25%, 12/01/22		
		6,979,599
Arkansas 0.8%		
Arkansas Dev Fin Auth SFMR (Mtg Rev) GNMA/FNMA Series 02A		
5.30%, 7/01/34	3,130	3,152,473
California 11.2%		
California St Series 04		
5.00%, 2/01/33	1,100	1,099,912
California St GO		
5.00%, 2/01/32	2,450	2,450,931
California St GO (Unrefunded)		
5.25%, 4/01/30	20	20,345
Chula Vista IDR (San Diego Gas) Series 96A		
5.30%, 7/01/21	4,000	4,097,080
Coachella Valley Uni Sch Dist MBIA Series 03		
5.00%, 9/01/31	1,000	1,013,920
Coast Comnty Coll Dist GO FSA Series 06B		
5.00%, 8/01/23-8/01/24 ^(c)	11,370	11,889,032
Golden St Tobacco Securitization Corp. (Prerefunded) RADIAN Series 03		
5.50%, 6/01/43	2,250	2,473,875

	Principal Amount (000)	U.S. \$ Value
XLCA Series 03B 5.50%, 6/01/33 Hartnell Comnty Coll (Prerefunded) MBIA Series 03A 5.00%, 8/01/27 La Quinta Fin Auth Loc Agy AMBAC Series 04A 5.25%, 9/01/24 Los Angeles Comnty Redev Agy Series 04L 5.00%, 3/01/18 Los Angeles Regl Arpt (Laxfuel Corp) AMT AMBAC Series 01 5.50%, 1/01/32 Pomona COP AMBAC Series 03 5.50%, 6/01/34 San Rafael Elem Sch Dist FSA Series 03A 5.00%, 8/01/28	\$ 3,000 1,155 2,000 1,715 9,500 3,000 2,820	\$ 3,298,500 1,269,102 2,088,320 1,730,229 8,891,620 3,157,500 2,891,177
		46,371,543
Colorado 5.2%		
Avon Hsg Auth MFHR (Buffalo Ridge II Proj) AMT GNMA Series 02A 5.70%, 10/20/43 Colorado Ed & Cultural Fac Auth (Knowledge Quest Charter Sch) Series 05 6.50%, 5/01/36 Colorado Hlth Fac Auth (Evangelical Lutheran Proj) 5.25%, 6/01/19-6/01/23 Colorado Hlth Fac Auth (Parkview Med Ctr) Series 04 5.00%, 9/01/25 Colorado Toll Rev (Hwy E-470) (Prerefunded) Series 00 Zero Coupon, 9/01/35 Denver City & Cnty MFHR (Clyburn Stapleton Proj) AMT GNMA Series 02 5.50%, 12/20/43	4,950 500 2,425 2,560 10,000 2,155	5,031,477 472,815 2,473,631 2,453,862 1,420,700 2,102,267

ALLIANCEBERNSTEIN NATIONAL MUNICIPAL INCOME FUND 9

Portfolio of Investments

	Principal Amount (000)	U.S. \$ Value
Northwest Metro Dist No. 3 GO 6.125%, 12/01/25	\$ 1,000	\$ 879,250
Park Creek Metro Dist Rev Ltd (Ref-Sr-Ltd Tax Ppty Tax) Series 05 5.25%, 12/01/25	3,000	2,889,900
5.50%, 12/01/30	890	855,504
Todd Creek Farms Metro Dist No 1 6.125%, 12/01/22	1,970	1,837,793
Series 04 6.125%, 12/01/19	1,180	1,118,357
		21,535,556
District Of Columbia 0.9%		
District of Columbia Spl Tax Rev (Gallery Place Proj) FSA Series 02 5.40%, 7/01/31	3,500	3,608,605
Florida 16.8%		
Beacon Tradeport CDD Series 02B 7.25%, 5/01/33	4,930	5,015,831
Brevard Cnty HFA SFMR (Mtg Rev) AMT GNMA Series 02C 5.40%, 3/01/33	660	642,873
Collier Cnty CFD (Fiddler s Creek) Series 02A 6.875%, 5/01/33	2,865	2,867,951
Series 02B 6.625%, 5/01/33	2,155	2,097,332
Dade Cnty Arpt Rev (Miami Int l Arpt) AMT FGIC Series 02 5.375%, 10/01/32	6,040	5,899,268
Florida Ed & Athletic Fac (FSU Finl Assist) AMBAC Series 02 5.00%, 10/01/31	5,000	5,048,950
Florida HFC MFHR (Westlake Apts) AMT FSA Series 02-D1 5.40%, 3/01/42	8,780	8,488,241
Florida HFC MFHR (Westminster Apts) AMT FSA Series 02E-1 5.40%, 4/01/42	3,000	2,900,310

	Principal Amount (000)	U.S. \$ Value
Hamal CDD (Hamal) (Prerefunded) Series 01 6.75%, 5/01/31	\$ 2,460	\$ 2,749,591
Lee Cnty Arpt Rev (Southwest Fl Int l) AMT FSA Series 00A 5.75%, 10/01/22-10/01/25	9,500	9,676,245
Lee Cnty IDA (Shell Point) (Prerefunded) Series 99A 5.50%, 11/15/29	6,170	6,514,718
Miami Beach Hlth Fac Auth (Mount Sinai Med Ctr) Series 04 6.75%, 11/15/24	4,000	4,035,520
Miami-Dade Cnty Spl Oblig MBIA Series 04B 5.00%, 4/01/24	4,000	4,104,640
Midtown Miami CDD Series 04A 6.00%, 5/01/24	2,500	2,316,000
Miromar Lakes CDD Series 00A 7.25%, 5/01/12	1,185	1,177,736
Orange Cnty Hosp Rev (Orlando Regl) (Prerefunded) Series 02 5.75%, 12/01/32	2,800	3,117,772
Pinellas Cnty HFA SFMR (Mtg Rev) AMT GNMA/FNMA Series 02A 5.40%, 3/01/32	695	668,826
Univ of Central Florida Athletics Assoc, Inc. FGIC Series 04A 5.125%, 10/01/24	1,325	1,330,313
Village CDD Series 03A 6.00%, 5/01/22	720	717,970
		69,370,087
Georgia 1.5%		
Cartersville Dev Auth AMT (Anheuser Busch Proj) Series 02 5.95%, 2/01/32	2,510	2,555,933

ALLIANCEBERNSTEIN NATIONAL MUNICIPAL INCOME FUND 11

Portfolio of Investments

	Principal Amount (000)	U.S. \$ Value
Georgia HFA SFMR (Mtg Rev) AMT Series 02A-02 5.60%, 12/01/32	\$ 3,790	\$ 3,835,670
		6,391,603
Hawaii 1.1%		
Hawaii Dept of Budget & Fin Spl Purpose Rev (Elec Co & Subsidiary Prog) XLCA Series 03B 5.00%, 12/01/22	4,500	4,532,850
Illinois 20.8%		
Bolingbrook GO (Prerefunded) FGIC Series 02A 5.375%, 1/01/38 ^(a)	5,000	5,413,450
Chicago (Unrefunded) FSA 5.00%, 1/01/25	380	389,755
Chicago Arpt Rev (O Hare Int l Arpt) XLCA Series 03B-1 5.25%, 1/01/34	4,860	4,878,517
Chicago Arpt Rev (O Hare Int l Arpt) AMT MBIA 5.375%, 1/01/32	15,000	14,752,350
Chicago GO (Prerefunded) FGIC Series 00C 5.50%, 1/01/40	9,135	9,808,889
Chicago GO (Unrefunded) FGIC Series 00C 5.50%, 1/01/40	5,450	5,608,322
Chicago Hsg Agy SFMR (Mortgage Rev) AMT GNMA/FNMA Series 02B 6.00%, 10/01/33 ^(d)	455	465,014
Chicago Incr Alloc 7.46%, 2/15/26	1,900	1,940,204
Chicago Parking Rev (Lakefront Millenium) (Prerefunded) MBIA Series 98 5.125%, 1/01/28 ^{(a)(b)}	8,600	8,955,266

	Principal Amount (000)	U.S. \$ Value
Chicago Sales Tax Rev FGIC Series 98 5.25%, 1/01/28	\$ 5,710	\$ 5,796,678
Cook Cnty Sch Dist FSA Series 04 5.00%, 12/01/20 ^(e)	2,000	2,106,760
Gilberts Spl Svc Area No 15 Spl Tax (Gilberts Town Ctr Proj) Series 03 6.00%, 3/01/28	2,766	2,529,535
Hampshire Spl Svc Area No 14 5.80%, 3/01/26	1,845	1,673,544
Illinois Fin Auth Rev (Illinois Inst of Technology) Series 06A 5.00%, 4/01/31	1,250	1,160,175
Illinois Fin Auth Rev (Loyola Univ Chicago) XLCA Series 04A 5.00%, 7/01/24	1,495	1,529,071
Manhattan (No 04-1 Brookstone Springs Proj) Series 05 5.875%, 3/01/28	1,863	1,736,037
Metro Pier & Expo Auth (McCormick Place) MBIA Series 02A 5.25%, 6/15/42	5,500	5,595,755
Univ Brd Trustess Corp. COP FSA Series 07 5.25%, 10/01/26	10,800	11,221,956
		85,561,278
Indiana 4.6%		
Hendricks Cnty Bldg Fac Corp. Series 04 5.50%, 7/15/21	1,045	1,120,877
Hendricks Cnty Bldg Fac Corp. (First Mtg) Series 04 5.50%, 7/15/22	1,105	1,181,687
Indiana Bd Bk Rev FSA Series 04B 5.00%, 2/01/21	1,100	1,143,252
Indiana Dev Fin Auth (Inland Steel) Series 97 5.75%, 10/01/11	2,925	2,989,994

	Principal Amount (000)	U.S. \$ Value
Indiana HFA SFMR (Mtg Rev) AMT GNMA/FNMA Series 02 5.55%, 7/01/32	\$ 1,735	\$ 1,723,670
Indianapolis Pub Impr Bond Bank (Prerefunded) MBIA Series 2A 5.25%, 7/01/33	10,000	10,884,800
		19,044,280
Iowa 0.2%		
Coralville Urban Rev Tax Incr Series 07C 5.00%, 6/01/18	260	264,545
Iowa Fin Auth SFMR (Mtg Rev) AMT GNMA/FNMA Series 02 5.40%, 7/01/32	390	379,758
		644,303
Kansas 0.3%		
Lenexa Hlth Care Fac (Lakeview Village Inc.) 5.25%, 5/15/22	1,395	1,268,334
Louisiana 5.3%		
Calcasieu Parish SFMR (Mtg Rev) GNMA/FNMA Series 02A 6.05%, 4/01/33 ^(d)	300	301,023
Ernest N Morial-New Orleans (Exhibit Hall Auth Spl Tax) AMBAC Series A 5.25%, 7/15/16-7/15/17	4,020	4,421,437
Louisiana Agriculture Fin Auth 5.25%, 9/15/17	4,270	4,244,765
Louisiana HFA SFMR (Mtg Rev) Amt GNMA/FNMA Series 02C 5.60%, 6/01/33 ^(d)		