

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

ACM MANAGED DOLLAR INCOME FUND INC
Form N-CSR
June 09, 2004

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: 811-07964

ACM Managed Dollar 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)

Mark R. Manley
Alliance Capital Management, 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: September 30, 2004

Date of reporting period: March 31, 2004

ITEM 1. REPORTS TO STOCKHOLDERS.

Closed End

AllianceBernstein [LOGO] (SM)
Investment Research and Management

ACM Managed Dollar Income Fund

Semi-Annual Report--March 31, 2004

Investment Products Offered

- Are Not FDIC Insured
- May Lose Value

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

o Are Not Bank Guaranteed

You may obtain a description of the Fund's proxy voting policies and procedures, without charge, upon request by visiting Alliance Capital's web site at www.alliancebernstein.com (click on Investors, then the "proxy voting policies and procedures" link on the left side of the page), or by going to the Securities and Exchange Commission's web site at www.sec.gov, or by calling Alliance Capital at (800) 227-4618.

AllianceBernstein Investment Research and Management, Inc., is an affiliate of Alliance Capital Management L.P., the manager of the funds, and is a member of the NASD.

May 15, 2004

Semi-Annual Report

This report provides management's discussion of fund performance for ACM Managed Dollar Income Fund (the "Fund") for the semi-annual reporting period ended March 31, 2004.

Investment Objective and Policies

This closed-end fund is designed for investors who seek high current income and capital appreciation. To achieve this objective, it invests primarily in high-yielding, U.S. and non-U.S. fixed income securities, denominated in U.S. dollars, that we expect to benefit from improving economic and credit fundamentals.

Investment Results

The following table shows how the Fund performed over the past six- and 12-month periods ended March 31, 2004. For comparison, we have included a composite benchmark consisting of 65% of the J.P. Morgan Emerging Markets Bond Index Plus (JPM EMBI+), a standard measure of the performance of a basket of unmanaged emerging market debt securities, and 35% of the Credit Suisse First Boston High Yield (CSFBHY) Index, a standard measure of the performance of a basket of unmanaged U.S. high yield debt securities. We compare the Fund's performance to this composite benchmark because it more closely resembles the composition of the Fund's portfolio.

INVESTMENT RESULTS*

Periods Ended March 31, 2004

| | Returns | |
|---|----------|-----------|
| | 6 Months | 12 Months |
| ACM Managed Dollar Income Fund (NAV) | 11.85% | 31.72% |
| J.P. Morgan Emerging Markets Bond Index Plus | 8.71% | 23.64% |
| Credit Suisse First Boston | | |

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

| | | |
|---|-------|--------|
| High Yield Index | 8.65% | 22.86% |
| ----- | | |
| Composite: 65%/35% (65% JPM EBMI+/35% CSFBHY Index) | 8.69% | 23.37% |
| ----- | | |

* The Fund's investment results are for the periods shown and are based on the net asset value (NAV) of the Fund as of March 31, 2004. Performance assumes reinvestment of distributions and does not account for taxes. All fees and expenses related to the operation of the Fund have been deducted. Past performance is no guarantee of future results.

The indices do not reflect fees and expenses associated with the active management of a mutual fund portfolio. The unmanaged J.P. Morgan Emerging Markets Bond Index Plus (JPM EMBI+) is comprised of dollar-denominated

ACM MANAGED DOLLAR INCOME FUND o 1

restructured sovereign bonds; a large percentage of the index is made up of Brady bonds. The unmanaged Credit Suisse First Boston High Yield (CSFBHY) Index is a measure of lower-rated, fixed income, non-convertible U.S. dollar-denominated securities meeting certain criteria developed by Credit Suisse designed to enable the index to reflect the high yield market. Investors cannot invest directly in an index, and its results are not indicative of any specific investment, including ACM Managed Dollar Income Fund.

For the six-month period ended March 31, 2004, the Fund outperformed its composite benchmark. During this time, the Fund benefited primarily from its emerging market debt holdings, individual security selection and its ability to leverage. The Fund's holdings in Brazil and Turkey, as well as its overweight position in Ecuador and underweight position in Mexico, contributed positively to performance. Contributing positively within the Fund's high yield sector was its overweight position in finance as well as the Fund's security investments in metals, gaming/leisure, airlines and the health care industries. The Fund was also aided by avoiding negative credit issues during the period under review.

Detracting from the Fund's performance during the six-month period ended March 31, 2004 was the Fund's overweight position in Russia, which did not perform as well as the JPM EMBI+. Also detracting modestly from performance, relative to the CSFBHY Index, were the Fund's high yield holdings. Media wireless and media cable securities, as well as the Fund's underweight position in utilities, which performed well during the period, dampened performance. In addition, the Fund's underweight position in higher risk CCC high yield holdings, which outperformed during the period, also detracted from relative performance.

Market Review and Investment Strategy

During the semi-annual reporting period, both emerging market debt and high yield securities posted strong returns, albeit moderated from the unsustainable pace of the previous six-month period. High yield corporate securities continued to benefit from a stronger economy and improving credit fundamentals. The decline in the ratio of downgrades to upgrades in the past year reflected the improvement in credit fundamentals. Additionally, yield-seeking investors in a low-rate environment helped to drive high yield prices higher, despite strong issuance. For the six-month period ended March 31, 2004, the CSFBHY

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

Index posted a 8.65% return, as spreads compressed 104 basis points to 495 basis points over comparable duration Treasuries. Furthermore, the lower quality sectors of the high yield market outperformed the higher quality tiers, although that trend began to reverse late in the period. Nominal returns in high yield were stronger in the third quarter of 2003 than the first quarter of 2004 however, as escalating geopolitical tensions and concerns about the sustainability of the U.S. economic recovery due to a weak job market began to surface. By industry, finance, metals/minerals, cable, utilities and automotive outperformed. Underperforming sectors included the airline industry, telecommunications, wireless communications, broadcasting and the food & drug sector.

2 o ACM MANAGED DOLLAR INCOME FUND

The emerging debt market, as measured by the JPM EMBI+, posted a solid 8.71% return for the six-month period ended March 31, 2004. This market benefited from ample global liquidity and a low interest rate environment. Additionally, supply was very limited, while investor demand remained strong. The Latin countries outpaced non-Latin countries, posting returns of 10.00% versus 6.93%, respectively. Individual countries outperforming within the emerging market debt class included Ecuador at 40.05%, Turkey at 16.50%, Venezuela at 14.07% and Brazil at 12.39%.

Within the high yield sector, as spread dispersion among industries narrowed during the period under review, our strategy turned more toward specific issuer selection and diversifying the Fund's holdings across industry sectors. One of the Fund's largest industry overweight positions continued to be wireless communications. Within the wireless sector, we were focused on rural providers with the following characteristics: those that have less competition, those that are less affected by the implementation of number portability and those that have improved balance sheets as a result of recent capital-market transactions. We continued to underweight the utilities industry due to anticipated low demand growth, forecasted high gas prices and continued capacity additions. Although some individual utility issuers represented a substantial weighting in the index, we have taken a conservative approach, investing only in issues that we believed have good asset protection and sufficient financial liquidity.

Within the Fund's emerging market debt allocation, we maintained an overweight position in Russia as credit statistics continued to improve. Russia, which was recently upgraded by Standard & Poor's (S&P) to BB+ and is rated Baa3 by Moody's Investors Service, has strong gross domestic product momentum and little need to issue new debt. The country is also benefiting from high oil prices and President Putin's appointment of a pro-reform government. Additionally, we increased the Fund's holdings in Ecuador and Turkey. Ecuador benefited from higher oil prices and greater output, significant structural reforms and engagement with the International Monetary Fund (IMF). S&P raised Turkey's rating to B+ from B during the reporting period, crediting the government's efforts to comply with targets set by the IMF and its resolve to implement reforms. As a result, we added to the Fund's position in Turkey. We also decreased the Fund's holdings in Mexico as a result of stalled growth due to poor external demand, mainly from the U.S., and loss of competitiveness in Mexico's manufacturing sector. Lastly, we reduced the Fund's duration exposure in Brazil due to concerns over fundamentals, inflation worries and Brazil's Central Bank's possible inability to continue reducing interest rates. Political scandal and subsequent missteps have caused the Lula administration to lose much of the political goodwill it had in 2003. In addition, we have

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

reduced the Fund's leverage and scaled back the interest rate duration of the Fund due to the prospect of tighter monetary policy in the U.S.

ACM MANAGED DOLLAR INCOME FUND o 3

Portfolio Summary

PORTFOLIO SUMMARY
March 31, 2004 (unaudited)

INCEPTION DATE
10/22/93

PORTFOLIO STATISTICS
Net Assets (\$mil): \$183.3

SECURITY TYPE

| | | |
|-------|----------------------------|---------------------|
| 54.4% | Sovereign Debt Obligations | |
| 42.9% | Corporate Debt Obligations | [PIE CHART OMITTED] |
| 0.6% | Preferred Stock | |
| 2.1% | Short-Term | |

All data as of March 31, 2004. The Fund's security type breakdown is expressed as a percentage of total investments (excluding security lending collateral) and may vary over time.

4 o ACM MANAGED DOLLAR INCOME FUND

Portfolio of Investments

PORTFOLIO OF INVESTMENTS
March 31, 2004 (unaudited)

| | Principal Amount (000) | U.S. \$ Value |
|---|------------------------------|---------------|
| ----- | | |
| SOVEREIGN DEBT OBLIGATIONS-71.9% | | |
| Argentina-0.5% | | |
| Republic of Argentina FRN 1.234%, 8/03/12(a) | \$ 1,475 | \$ 984,562 |
| | | ----- |

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

| | | |
|----------------------------|--------|------------|
| Belize-0.4% | | |
| Government of Belize | | |
| 9.50%, 8/15/12 | 700 | 731,500 |
| | | ----- |
| Brazil-11.1% | | |
| Republic of Brazil | | |
| 11.00%, 8/17/40 (b) | 3,556 | 3,797,808 |
| 12.75%, 1/15/20 | 1,550 | 1,890,225 |
| 14.50%, 10/15/09 | 230 | 293,365 |
| Republic of Brazil-DCB FRN | | |
| Series L | | |
| 2.0625%, 4/15/12 (a) | 3,400 | 2,975,000 |
| C-Bonds | | |
| 8.00%, 4/15/14 (c) | 11,686 | 11,393,929 |
| | | ----- |
| | | 20,350,327 |
| | | ----- |
| Bulgaria-1.1% | | |
| Republic of Bulgaria | | |
| 8.25%, 1/15/15 (d) | 1,624 | 1,981,280 |
| | | ----- |
| Colombia-3.1% | | |
| Republic of Colombia | | |
| 10.75%, 1/15/13 | 720 | 863,640 |
| 11.75%, 2/25/20 (c) | 3,790 | 4,843,620 |
| | | ----- |
| | | 5,707,260 |
| | | ----- |
| Ecuador-2.8% | | |
| Republic of Ecuador | | |
| 7.00%, 8/15/30 (a) (c) (d) | 5,070 | 4,476,810 |
| 12.00%, 11/15/12 | 700 | 716,450 |
| | | ----- |
| | | 5,193,260 |
| | | ----- |
| El Salvador-0.3% | | |
| Republic of El Salvador | | |
| 8.50%, 7/25/11 (d) | 400 | 461,000 |
| | | ----- |
| Indonesia-0.5% | | |
| Republic of Indonesia | | |
| 6.75%, 3/10/14 (d) | 820 | 811,800 |
| | | ----- |
| Jamaica-0.4% | | |
| Government of Jamaica | | |
| 11.75%, 5/15/11 (d) | 565 | 651,163 |
| | | ----- |

ACM MANAGED DOLLAR INCOME FUND o 5

Portfolio of Investments

| | |
|-----------|---------------|
| Principal | |
| Amount | |
| (000) | U.S. \$ Value |

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

| | | |
|----------------------------|---------|--------------|
| ----- | | |
| Mexico-9.2% | | |
| United Mexican States | | |
| 8.125%, 12/30/19(c) | \$8,331 | \$ 9,872,235 |
| 11.375%, 9/15/16(c) | 4,650 | 7,040,100 |
| | | ----- |
| | | 16,912,335 |
| | | ----- |
| Panama-1.6% | | |
| Republic of Panama | | |
| 8.875%, 9/30/27 | 200 | 217,000 |
| 9.375%, 4/01/29 | 1,275 | 1,453,500 |
| 10.75%, 5/15/20 | 1,050 | 1,319,325 |
| | | ----- |
| | | 2,989,825 |
| | | ----- |
| Peru-2.7% | | |
| Republic of Peru | | |
| 8.75%, 11/21/33 | 1,125 | 1,132,313 |
| 9.125%, 2/21/12(c) | 1,500 | 1,698,750 |
| 9.875%, 2/06/15(c) | 1,325 | 1,556,213 |
| Republic of Peru FLIRB VRN | | |
| 4.50%, 3/07/17(a) | 650 | 565,500 |
| | | ----- |
| | | 4,952,776 |
| | | ----- |
| Philippines-2.0% | | |
| Republic of Philippines | | |
| 8.25%, 1/15/14 | 25 | 24,500 |
| 9.00%, 2/15/13 | 100 | 102,650 |
| 9.875%, 1/15/19(c) | 2,600 | 2,691,000 |
| 10.625%, 3/16/25 | 775 | 842,812 |
| | | ----- |
| | | 3,660,962 |
| | | ----- |
| Russia-27.1% | | |
| Ministry Finance of Russia | | |
| Series V | | |
| 3.00%, 5/14/08 | 900 | 825,750 |
| Series VI | | |
| 3.00%, 5/14/06 | 2,620 | 2,584,106 |
| Series VII | | |
| 3.00%, 5/14/11 | 1,940 | 1,600,500 |
| Russian Federation | | |
| 5.00%, 3/31/30(a)(c)(d) | 41,865 | 41,943,497 |
| 5.00%, 3/31/30(a)(b) | 2,800 | 2,801,400 |
| | | ----- |
| | | 49,755,253 |
| | | ----- |

6 o ACM MANAGED DOLLAR INCOME FUND

Portfolio of Investments

Principal

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

| | Amount (000) | U.S. \$ Value |
|--|-----------------|---------------|
| ----- | | |
| Turkey-3.1% | | |
| Republic of Turkey | | |
| 9.875%, 3/19/08 | \$ 400 | \$ 463,600 |
| 11.50%, 1/23/12 | 1,325 | 1,704,613 |
| 11.75%, 6/15/10 | 750 | 956,625 |
| 11.875%, 1/15/30 | 425 | 608,813 |
| 12.375%, 6/15/09 | 1,500 | 1,929,750 |
| | | ----- |
| | | 5,663,401 |
| | | ----- |
| Ukraine-2.5% | | |
| Ukraine Government | | |
| 6.875%, 3/04/11(d) | 500 | 515,000 |
| 7.65%, 6/11/13 (d) | 1,965 | 2,049,495 |
| 11.00%, 3/15/07 | 1,834 | 2,054,117 |
| | | ----- |
| | | 4,618,612 |
| | | ----- |
| Uruguay-0.4% | | |
| Republic of Uruguay | | |
| 7.875%, 1/15/33 | 1,069 | 801,940 |
| | | ----- |
| Venezuela-3.1% | | |
| Republic of Venezuela | | |
| 5.375%, 8/07/10 | 1,200 | 996,000 |
| 9.25%, 9/15/27(c) | 4,215 | 3,747,135 |
| Republic of Venezuela DCB FRN Series DL | | |
| 2.125%, 12/18/07(a) | 952 | 895,209 |
| | | ----- |
| | | 5,638,344 |
| | | ----- |
| Total Sovereign Debt Securities (cost \$99,216,208) | | 131,865,600 |
| | | ----- |
| U.S. CORPORATE DEBT OBLIGATIONS-47.2% | | |
| Aerospace/Defense-0.7% | | |
| DRS Technologies, Inc. | | |
| 6.875%, 11/01/13 | 325 | 339,625 |
| K&F Industries, Inc. Series B | | |
| 9.625%, 12/15/10 | 190 | 213,750 |
| Sequa Corp. | | |
| 9.00%, 8/01/09 | 210 | 237,300 |
| TD Funding Corp. | | |
| 8.375%, 7/15/11 | 450 | 479,250 |
| | | ----- |
| | | 1,269,925 |
| | | ----- |
| Air Transportation-0.5% | | |
| American Trans Air, Inc. | | |
| 6.99%, 4/15/16(d) | 490 | 416,191 |
| Continental Airlines, Inc. Series A | | |
| 7.875%, 7/02/18 | 480 | 478,351 |
| | | ----- |
| | | 894,542 |
| | | ----- |

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

ACM MANAGED DOLLAR INCOME FUND o 7

Portfolio of Investments

| | Principal Amount (000) | U.S. \$ Value |
|--|------------------------------|-----------------------------|
| ----- | | |
| Automotive-1.7% | | |
| Dana Corp. 10.125%, 3/15/10 | \$ 575 | \$ 667,000 |
| Dura Operating Corp. Series D 9.00%, 5/01/09(c)* | 422 | 429,385 |
| HLI Operating, Inc. 10.50%, 6/15/10 | 286 | 326,755 |
| Keystone Automotive Operations, Inc. 9.75%, 11/01/13(d) | 390 | 429,000 |
| Sonic Automotive, Inc. Series B 8.625%, 8/15/13 | 370 | 403,300 |
| TRW Automotive, Inc. 9.375, 2/15/13 | 366 | 422,730 |
| 11.00%, 2/15/13 | 166 | 199,200 |
| United Auto Group, Inc. 9.625%, 3/15/12 | 280 | 313,600 |
| | | ----- 3,190,970 ----- |
| Broadcasting & Media-1.4% | | |
| Albritton Communications Co. 7.75%, 12/15/12 | 415 | 432,637 |
| Emmis Communications Corp. 12.50%, 3/15/11(e) | 350 | 336,875 |
| PRIMEDIA, Inc. 8.00%, 5/15/13(d) | 80 | 80,400 |
| 8.875%, 5/15/11 | 325 | 334,750 |
| Radio One, Inc. 8.875%, 7/01/11 | 415 | 462,725 |
| Sinclair Broadcast Group, Inc. 8.00%, 3/15/12 | 270 | 293,963 |
| 8.75%, 12/15/11 | 285 | 317,062 |
| Young Broadcasting, Inc. 8.50%, 12/15/08 | 195 | 211,575 |
| | | ----- 2,469,987 ----- |
| Building & Real Estate-1.6% | | |
| D.R. Horton, Inc. 6.875%, 5/01/13 | 340 | 379,100 |
| KB HOME 7.75%, 2/01/10 | 560 | 609,000 |
| LNR Property Corp. 7.25%, 10/15/13(d) | 500 | 530,000 |

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

| | | |
|--------------------------|-----|-----------|
| 7.625%, 7/15/13 | 125 | 133,125 |
| Meritage Corp. | | |
| 9.75%, 6/01/11 | 470 | 535,800 |
| Schuler Homes, Inc. | | |
| 10.50%, 7/15/11 | 385 | 456,225 |
| William Lyon Homes, Inc. | | |
| 10.75%, 4/01/13 | 285 | 338,437 |
| | | ----- |
| | | 2,981,687 |
| | | ----- |

8 o ACM MANAGED DOLLAR INCOME FUND

Portfolio of Investments

| | Principal Amount (000) | U.S. \$ Value |
|--|------------------------------|---------------|
| ----- | | |
| Cable-2.1% | | |
| Cablevision Systems Corp. | | |
| 8.00%, 4/15/12 (d) | \$ 950 | \$ 950,000 |
| CSC Holdings, Inc. | | |
| 6.75%, 4/15/12 (d) | 935 | 935,000 |
| 7.625%, 7/15/18 | 405 | 429,300 |
| DirectTV Holdings LLC | | |
| 8.375%, 3/15/13 | 305 | 349,225 |
| Echostar DBS Corp. | | |
| 6.375%, 10/01/11 (d) | 690 | 736,575 |
| Insight Midwest LP | | |
| 9.75%, 10/01/09 | 405 | 424,238 |
| | | ----- |
| | | 3,824,338 |
| | | ----- |
| Chemicals-1.6% | | |
| Equistar Chemical Funding LP | | |
| 10.125%, 9/01/08 | 555 | 599,400 |
| 10.625%, 5/01/11 | 130 | 140,725 |
| Huntsman Advanced Materials LLC | | |
| 11.00%, 7/15/10 (d) | 295 | 334,825 |
| Huntsman International LLC | | |
| 9.875%, 3/01/09 | 780 | 861,900 |
| Resolution Performance Products LLC | | |
| 9.50%, 4/15/10 | 560 | 574,000 |
| Westlake Chemical Corp. | | |
| 8.75%, 7/15/11 | 445 | 493,950 |
| | | ----- |
| | | 3,004,800 |
| | | ----- |
| Communications - Fixed-1.8% | | |
| FairPoint Communications, Inc. | | |
| 11.875%, 3/01/10 | 300 | 361,500 |
| Qwest Communications International, Inc. | | |
| 7.50%, 2/15/14 (d) | 205 | 194,238 |
| Qwest Corp. | | |

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

| | | |
|------------------------------|-------|-----------|
| 9.125%, 3/15/12(d) | 1,525 | 1,738,500 |
| Time Warner Telecom, Inc. | | |
| 9.25%, 2/15/14(d)* | 940 | 954,100 |
| | | ----- |
| | | 3,248,338 |
| | | ----- |
| Communications - Mobile-2.4% | | |
| ACC Escrow Corp. | | |
| 10.00%, 8/01/11 | 660 | 636,900 |
| Dobson Communications Corp. | | |
| 8.875%, 10/01/13 | 345 | 272,550 |
| Iridium LLC Capital Corp. | | |
| Series B | | |
| 14.00%, 7/15/05(f) | 5,000 | 500,000 |
| Nextel Communications, Inc. | | |
| 6.875%, 10/31/13 | 515 | 549,762 |
| 7.375%, 8/01/15 | 460 | 500,250 |
| 9.50%, 2/01/11 | 500 | 572,500 |
| Rural Cellular Corp. | | |
| 8.25%, 3/15/12(d) | 240 | 246,600 |

ACM MANAGED DOLLAR INCOME FUND o 9

Portfolio of Investments

| | Principal Amount (000) | U.S. \$ Value |
|---------------------------------------|------------------------------|---------------|
| TeleCorp PCS, Inc. | | |
| 10.625%, 7/15/10 | \$ 203 | \$ 236,241 |
| Tritel PCS, Inc. | | |
| 10.375%, 1/15/11 | 234 | 278,657 |
| Triton PCS, Inc. | | |
| 8.75%, 11/15/11* | 440 | 418,000 |
| 9.375%, 2/01/11* | 225 | 218,250 |
| | | ----- |
| | | 4,429,710 |
| | | ----- |
| Consumer Manufacturing-1.5% | | |
| Broder Brothers Co. | | |
| 11.25%, 10/15/10(d) | 500 | 502,500 |
| Collins & Aikman Floorcoverings, Inc. | | |
| 9.75%, 2/15/10 | 260 | 279,500 |
| Hines Nurseries, Inc. | | |
| 10.25%, 10/01/11 | 235 | 262,025 |
| Jostens, Inc. | | |
| 12.75%, 5/01/10 | 650 | 737,750 |
| Playtex Products, Inc. | | |
| 8.00%, 3/01/11(d) | 340 | 355,300 |
| Solo Cup Co. | | |
| 8.50%, 2/15/14(d) | 425 | 442,531 |
| St. John Knits International, Inc. | | |
| 12.50%, 7/01/09 | 200 | 217,000 |
| | | ----- |

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

2,796,606

| | | |
|-------------------------------|-----|---------|
| Energy-3.3% | | |
| Chesapeake Energy Corp. | | |
| 7.75%, 1/15/15 | 855 | 951,188 |
| CITGO Petroleum Corp. | | |
| 11.375%, 2/01/11 | 150 | 175,875 |
| Frontier Oil Corp. | | |
| 11.75%, 11/15/09 | 260 | 289,900 |
| Grant Prideco, Inc. | | |
| 9.00%, 12/15/09 | 600 | 679,500 |
| Hilcorp Energy | | |
| 10.50%, 9/01/10 (d) | 825 | 919,875 |
| Northwest Pipelines Corp. | | |
| 8.125%, 3/01/10 | 330 | 366,300 |
| Pioneer Natural Resources Co. | | |
| 8.875%, 4/15/05 | 395 | 419,912 |
| Premco Refining Group, Inc. | | |
| 9.50%, 2/01/13 | 270 | 315,900 |
| Pride International, Inc. | | |
| 9.375%, 5/01/07 | 145 | 147,900 |
| Southern Natural Gas Co. | | |
| 7.35%, 2/15/31 | 365 | 352,225 |
| 8.875%, 3/15/10 | 290 | 323,350 |
| Universal Compression, Inc. | | |
| 7.25%, 5/15/10 | 220 | 237,050 |
| Westport Resources Corp. | | |
| 8.25%, 11/01/11 | 270 | 301,725 |

10 o ACM MANAGED DOLLAR INCOME FUND

Portfolio of Investments

| | Principal Amount (000) | U.S. \$ Value |
|-------------------------------------|------------------------------|---------------|
| XTO Energy, Inc. | | |
| 6.25%, 4/15/13 | \$ 215 | \$ 238,533 |
| 7.50%, 4/15/12 | 250 | 297,739 |
| | | 6,016,972 |
| Entertainment & Leisure-1.2% | | |
| Gaylord Entertainment Co. | | |
| 8.00%, 11/15/13 (d) | 340 | 364,225 |
| Six Flags, Inc. | | |
| 9.50%, 2/01/09 | 1,050 | 1,113,000 |
| 9.625%, 6/01/14 (d) | 165 | 176,138 |
| 9.75%, 4/15/13 | 85 | 90,738 |
| Universal City Development Partners | | |
| 11.75%, 4/01/10 | 455 | 531,781 |
| | | 2,275,882 |

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

| | | |
|------------------------------|-------|-----------|
| Financial-2.1% | | |
| Crum & Foster Holdings Corp. | | |
| 10.375%, 6/15/13(d) | 210 | 238,350 |
| iStar Financial, Inc. | | |
| 7.00%, 3/15/08 | 85 | 92,862 |
| 8.75%, 8/15/08 | 240 | 279,600 |
| Markel Capital Trust I | | |
| Series B | | |
| 8.71%, 1/01/46(g) | 660 | 699,600 |
| Nationwide CSN Trust | | |
| 9.875%, 2/15/25(d) | 1,000 | 1,105,825 |
| PXRE Capital Trust I | | |
| 8.85%, 2/01/27 | 510 | 515,100 |
| Western Financial Bank | | |
| 9.625%, 5/15/12 | 420 | 480,900 |
| Williams Scotsman, Inc. | | |
| 9.875%, 6/01/07 | 520 | 522,600 |
| | | ----- |
| | | 3,934,837 |
| | | ----- |
| Food/Beverage-1.4% | | |
| Del Monte Food Co. | | |
| 8.625%, 12/15/12 | 145 | 163,850 |
| 9.25%, 5/15/11 | 255 | 288,150 |
| DIMON, Inc. | | |
| 7.75%, 6/01/13 | 110 | 110,000 |
| Series B | | |
| 9.625%, 10/15/11 | 425 | 461,125 |
| Dole Food Company, Inc. | | |
| 8.625%, 5/01/09 (a) | 255 | 280,500 |
| 8.875%, 3/15/11 | 145 | 158,775 |
| Merisant Co. | | |
| 9.50%, 7/15/13(d) | 300 | 297,000 |
| North Atlantic Trading Co. | | |
| 9.25%, 3/01/12(d) | 340 | 341,700 |
| Swift & Co. | | |
| 10.125%, 10/01/09 | 345 | 374,325 |
| | | ----- |
| | | 2,475,425 |
| | | ----- |

ACM MANAGED DOLLAR INCOME FUND o 11

Portfolio of Investments

| | Principal Amount (000) | U.S. \$ Value |
|-------------------------|------------------------------|---------------|
| ----- | | |
| Gaming-2.9% | | |
| Ameristar Casinos, Inc. | | |
| 10.75%, 2/15/09 | \$ 230 | \$ 267,088 |
| Argosy Gaming Co. | | |
| 9.00%, 9/01/11 | 235 | 265,550 |
| Boyd Gaming Corp. | | |

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

| | | |
|--|-----|-----------|
| 7.75%, 12/15/12 | 255 | 274,125 |
| Harrah's Operating Company, Inc. | | |
| 7.875%, 12/15/05 | 230 | 249,550 |
| Horseshoe Gaming Holding Corp. | | |
| Series B | | |
| 8.625%, 5/15/09 | 195 | 205,237 |
| MGM Mirage, Inc. | | |
| 8.375%, 2/01/11 | 575 | 667,000 |
| Mandalay Resort Group | | |
| 10.25%, 8/01/07 | 570 | 674,025 |
| Mohegan Tribal Gaming | | |
| 6.375%, 7/15/09 | 140 | 147,700 |
| 8.375%, 7/01/11 | 220 | 244,200 |
| Park Place Entertainment | | |
| 7.00%, 4/15/13 | 305 | 333,975 |
| 7.875%, 3/15/10 | 295 | 330,400 |
| 9.375%, 2/15/07 | 230 | 259,900 |
| Riviera Holdings Corp. | | |
| 11.00%, 6/15/10 | 320 | 338,000 |
| Turning Stone Casino Resort Enterprise | | |
| 9.125%, 12/15/10(d) | 290 | 315,375 |
| Venetian Casino Resort, LLC | | |
| 11.00%, 6/15/10 | 610 | 704,550 |
| | | ----- |
| | | 5,276,675 |
| | | ----- |
| Healthcare-3.3% | | |
| Alliance Imaging, Inc. | | |
| 10.375%, 4/15/11* | 425 | 426,063 |
| AmerisourceBergen Corp. | | |
| 8.125%, 9/01/08 | 190 | 212,800 |
| Concentra Operating Corp. | | |
| 9.50%, 8/15/10(c) | 200 | 223,000 |
| 13.00%, 8/15/09 | 430 | 475,150 |
| Extencicare Health Services | | |
| 9.50%, 7/01/10 | 340 | 381,650 |
| Genesis HealthCare Corp. | | |
| 8.00%, 10/15/13(d) | 330 | 353,100 |
| HCA, Inc. | | |
| 7.875%, 2/01/11 | 655 | 755,230 |
| Hanger Orthopedic Group, Inc. | | |
| 10.375%, 2/15/09 | 380 | 429,400 |
| PacificCare Health Systems, Inc. | | |
| 10.75%, 6/01/09 | 380 | 448,400 |
| Select Medical Corp. | | |
| 7.50%, 8/01/13 | 390 | 422,175 |
| Tenet Healthcare Corp. | | |
| 7.375%, 2/01/13* | 330 | 299,475 |

12 o ACM MANAGED DOLLAR INCOME FUND

Portfolio of Investments

Principal
Amount

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

| | (000) | U.S. \$ Value |
|---|--------|---------------|
| ----- | | |
| Triad Hospitals, Inc. | | |
| 7.00%, 11/15/13 | \$ 580 | \$ 597,400 |
| Series B | | |
| 8.75%, 5/01/09 | 455 | 498,225 |
| Universal Hospital Services, Inc. | | |
| 10.125%, 11/01/11(d) | 470 | 509,950 |
| | | ----- |
| | | 6,032,018 |
| | | ----- |
| Hotels & Lodging-1.7% | | |
| Corrections Corp. of America | | |
| 7.50%, 5/01/11 | 40 | 42,350 |
| 9.875%, 5/1/09 | 280 | 316,400 |
| Extended Stay America, Inc. | | |
| 9.875%, 6/15/11 | 405 | 477,900 |
| Felcor Lodging LP | | |
| 9.00%, 6/01/11 | 145 | 156,237 |
| 10.00%, 9/15/08 | 200 | 214,000 |
| Host Marriott LP | | |
| 9.25%, 10/01/07 | 105 | 118,125 |
| 9.50%, 1/15/07 | 330 | 371,250 |
| La Quinta Corp. | | |
| 8.875%, 3/15/11 | 400 | 454,000 |
| Starwood Hotels & Resorts Worldwide, Inc. | | |
| 7.875%, 5/01/12 | 430 | 488,050 |
| Vail Resorts, Inc. | | |
| 6.75%, 2/15/14(d) | 380 | 382,850 |
| | | ----- |
| | | 3,021,162 |
| | | ----- |
| Industrial-2.6% | | |
| AMSTED Industries, Inc. | | |
| 10.25%, 10/15/11(d) | 465 | 527,775 |
| Case New Holland, Inc. | | |
| 9.25%, 8/01/11(d) | 685 | 777,475 |
| Dayton Superior Corp. | | |
| 10.75%, 9/15/08 | 245 | 253,575 |
| FastenTech, Inc. | | |
| 11.50%, 5/01/11(d) | 350 | 393,750 |
| Flowserve Corp. | | |
| 12.25%, 8/15/10 | 370 | 428,275 |
| H & E Equipment/Finance | | |
| 11.125%, 6/15/12 | 260 | 271,700 |
| NMHG Holding Co. | | |
| 10.00%, 5/15/09 | 220 | 243,100 |
| SPX Corp. | | |
| 7.50%, 1/01/13 | 205 | 222,425 |
| Terex Corp. | | |
| 10.375%, 4/01/11 | 400 | 458,000 |
| Trinity Industries, Inc. | | |
| 6.50%, 3/15/14(d) | 570 | 570,000 |
| TriMas Corp. | | |
| 9.875%, 6/15/12 | 505 | 552,975 |
| | | ----- |
| | | 4,699,050 |
| | | ----- |

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

ACM MANAGED DOLLAR INCOME FUND o 13

Portfolio of Investments

| | Principal Amount (000) | U.S. \$ Value |
|--|------------------------------|---------------|
| ----- | | |
| Metals/Mining-0.4% | | |
| AK Steel Corp. | | |
| 7.875%, 2/15/09* | \$ 355 | \$ 326,600 |
| Peabody Energy Corp. | | |
| 6.875%, 3/15/13 | 410 | 444,850 |
| | | ----- |
| | | 771,450 |
| | | ----- |
| Paper & Packaging-3.3% | | |
| Anchor Glass Container Corp. | | |
| 11.00%, 2/15/13 | 440 | 513,700 |
| Ball Corp. | | |
| 6.875%, 12/15/12 | 1,000 | 1,086,250 |
| Berry Plastics Corp. | | |
| 10.75%, 7/15/12 | 390 | 443,625 |
| Crown Paper Co. | | |
| 11.00%, 9/01/05(f) | 5,000 | 1 |
| Georgia-Pacific Corp. | | |
| 9.375%, 2/01/13 | 765 | 904,612 |
| Graphic Packaging Int'l Corp. | | |
| 9.50%, 8/15/13 | 655 | 743,425 |
| Greif Bros. Corp. | | |
| 8.875%, 8/01/12 | 280 | 306,600 |
| Owens-Brockway Glass Container, Inc. | | |
| 8.875%, 2/15/09 | 795 | 862,575 |
| Pliant Corp. | | |
| 11.125%, 9/01/09 | 385 | 404,250 |
| Russell-Stanley Holdings, Inc. | | |
| 9.00%, 11/30/08(d)(g) | 817 | 245,191 |
| Stone Container Corp. | | |
| 9.25%, 2/01/08 | 535 | 599,200 |
| 9.75%, 2/01/11 | 12 | 13,470 |
| | | ----- |
| | | 6,122,899 |
| | | ----- |
| Publishing-1.9% | | |
| American Media, Inc. | | |
| 8.875%, 1/15/11 | 105 | 104,738 |
| 10.25%, 5/01/09 | 500 | 526,250 |
| Dex Media East LLC | | |
| 9.875%, 11/15/09 | 110 | 124,300 |
| 12.125%, 11/15/12 | 320 | 375,200 |
| Dex Media West LLC | | |
| 8.50%, 8/15/10(d) | 160 | 177,200 |
| 9.875%, 8/15/13(d) | 625 | 696,875 |
| Hollinger International Publishing, Inc. | | |
| 9.00%, 12/15/10 | 530 | 585,650 |
| Houghton Mifflin Co. | | |
| 8.25%, 2/01/11 | 280 | 289,450 |
| PEI Holdings, Inc. | | |

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

| | | |
|----------------------|-----|-----------|
| 11.00%, 3/15/10 | 205 | 237,800 |
| RH Donnelley, Inc. | | |
| 10.875%, 12/15/12(d) | 255 | 305,362 |
| | | ----- |
| | | 3,422,825 |
| | | ----- |

14 o ACM MANAGED DOLLAR INCOME FUND

Portfolio of Investments

| | Principal Amount (000) | U.S. \$ Value |
|------------------------------------|------------------------------|---------------|
| ----- | | |
| Restaurants-0.2% | | |
| Domino's, Inc. | | |
| 8.25%, 7/01/11 | \$ 350 | \$ 378,875 |
| | | ----- |
| Retail-0.5% | | |
| J.C. Penney Corporation, Inc. | | |
| 8.00%, 3/01/10 | 490 | 576,975 |
| Petro Stopping Centers LP | | |
| 9.00%, 2/15/12(d) | 395 | 408,825 |
| | | ----- |
| | | 985,800 |
| | | ----- |
| Service-2.3% | | |
| Allied Waste North America | | |
| 8.50%, 12/01/08 | 85 | 95,625 |
| 8.875%, 4/01/08 | 645 | 727,237 |
| 10.00%, 8/01/09 | 1,230 | 1,325,325 |
| Coinmach Corp. | | |
| 9.00%, 2/01/10 | 250 | 267,500 |
| Iron Mountain, Inc. | | |
| 7.75%, 1/15/15 | 115 | 121,325 |
| 8.625%, 4/01/13 | 350 | 383,250 |
| National Waterworks, Inc. | | |
| 10.50%, 12/01/12 | 235 | 266,725 |
| Service Corp. International | | |
| 6.50%, 3/15/08 | 240 | 250,200 |
| 7.70%, 4/15/09 | 240 | 258,600 |
| United Rentals North America, Inc. | | |
| 6.50%, 2/15/12(d) | 494 | 494,000 |
| | | ----- |
| | | 4,189,787 |
| | | ----- |
| Supermarket & Drugstore-1.2% | | |
| Couche-Tard, Inc. | | |
| 7.50%, 12/15/13(d) | 298 | 320,350 |
| Pathmark Stores, Inc. | | |
| 8.75%, 2/01/12 | 655 | 687,750 |
| Rite Aid Corp. | | |
| 9.25%, 6/01/13 | 75 | 79,875 |
| 9.50%, 2/15/11 | 660 | 735,900 |

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

| | | |
|---|-----|-----------------------------|
| Roundy's, Inc. Series B 8.875%, 6/15/12 | 270 | 298,350 |
| Stater Bros. Holdings, Inc. 10.75%, 8/15/06 | 150 | 158,250 |
| | | ----- 2,280,475 ----- |
| Technology-1.3% Fairchild Semiconductor 10.50%, 2/01/09 | 505 | 559,919 |
| ON Semiconductor Corp. 12.00%, 3/15/10 | 465 | 576,600 |

ACM MANAGED DOLLAR INCOME FUND o 15

Portfolio of Investments

| | Principal Amount (000) | U.S. \$ Value |
|--|------------------------------|------------------------------|
| Unisys Corp. 6.875%, 3/15/10 7.875%, 4/01/08 | \$ 1,000 185 | \$ 1,105,000 191,244 |
| | | ----- 2,432,763 ----- |
| Utilities - Electric & Gas-2.3% AES Corporation 8.75%, 5/15/13(d) 9.00%, 5/15/15(d) 10.00%, 7/15/05(d) | 65 105 175 | 71,825 116,419 180,370 |
| Calpine Corp. 8.50%, 7/15/10(d) | 1,215 | 1,123,875 |
| NRG Energy, Inc. 8.00%, 12/15/13(d) | 525 | 544,687 |
| Ormat Funding Corp. 8.25%, 12/30/20(d) | 395 | 396,975 |
| PG&E Corp. 6.875%, 7/15/08(d) | 395 | 433,019 |
| SEMCO Energy, Inc. 7.125%, 5/15/08 7.75%, 5/15/13 | 125 235 | 131,875 251,450 |
| Sierra Pacific Resources 8.625%, 3/15/14(d) | 335 | 341,700 |
| The Williams Companies, Inc. 8.625%, 6/01/10 | 485 | 535,925 |
| | | ----- 4,128,120 ----- |
| Total U.S. Corporate Debt Obligations (cost \$93,221,551) | | 86,555,918 |

NON-U.S. CORPORATE DEBT

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

| | | |
|--------------------------------------|-------|-----------|
| OBLIGATIONS-9.4% | | |
| Bahamas-0.1% | | |
| Sun International Hotels, Ltd. | | |
| 8.875%, 8/15/11 | 245 | 273,175 |
| | | ----- |
| Brazil-0.8% | | |
| PF Export Receivables Master Trust | | |
| 6.436%, 6/01/15(d) | 1,386 | 1,426,319 |
| | | ----- |
| Canada-0.9% | | |
| Fairfax Financial Holdings | | |
| 7.375%, 4/15/18 | 250 | 238,750 |
| Intrawest Corp. | | |
| 7.50%, 10/15/13 | 195 | 202,312 |
| 10.50%, 2/01/10 | 150 | 165,188 |
| Norske Skog Canada, Ltd. | | |
| Series D | | |
| 8.625%, 6/15/11 | 335 | 361,800 |
| North American Energy Partners, Inc. | | |
| 8.75%, 12/01/11(d)* | 285 | 286,425 |

16 o ACM MANAGED DOLLAR INCOME FUND

Portfolio of Investments

| | Principal Amount (000) | U.S. \$ Value |
|--|------------------------------|---------------|
| ----- | | |
| Russel Metals, Inc. | | |
| 6.375%, 3/01/14(d) | \$ 345 | \$ 355,350 |
| | | ----- |
| | | 1,609,825 |
| | | ----- |
| France-0.3% | | |
| Crown Euro Holdings S.A. | | |
| 9.50%, 3/01/11 | 405 | 456,637 |
| | | ----- |
| Great Britian-0.6% | | |
| Dunlop Standard Aerospace Holdings PLC | | |
| 11.875%, 5/15/09(d) | 275 | 294,250 |
| Inmarsat Finance PLC | | |
| 7.625%, 6/30/12(d) | 395 | 413,763 |
| Royal & Sun Alliance Insurance Group PLC | | |
| 8.95%, 10/15/29 | 450 | 478,059 |
| | | ----- |
| | | 1,186,072 |
| | | ----- |
| Ireland-0.4% | | |
| Eircom Funding | | |
| 8.25%, 8/15/13 | 245 | 274,400 |
| MDP Acquisitions PLC | | |
| 9.625%, 10/01/12 | 390 | 442,650 |
| | | ----- |
| | | 717,050 |

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

| | | |
|---------------------------------|-------|-----------|
| ----- | | |
| Kazakhstan-0.4% | | |
| Hurricane Finance BV | | |
| 9.625%, 2/12/10(d) | 400 | 446,000 |
| Kazkommerts International BV | | |
| 8.50%, 4/16/13(d) | 350 | 372,750 |
| | | ----- |
| | | 818,750 |
| | | ----- |
| Liberia-0.4% | | |
| Royal Caribbean Cruises, Ltd. | | |
| 8.00%, 5/15/10 | 625 | 709,375 |
| | | ----- |
| Mexico-2.3% | | |
| Innova S. de R.L. | | |
| 9.375%, 9/19/13 | 2,865 | 3,122,850 |
| 12.875%, 4/01/07 | 1,003 | 1,008,216 |
| | | ----- |
| | | 4,131,066 |
| | | ----- |
| Romania-0.3% | | |
| Mobifon Holdings BV | | |
| 12.50%, 7/31/10 | 425 | 490,875 |
| | | ----- |
| Russia-2.7% | | |
| Gazprom OAO | | |
| 9.625%, 3/01/13(d) | 1,220 | 1,407,300 |
| Mobile Telesystems Finance S.A. | | |
| 9.75%, 1/30/08(d) | 150 | 165,750 |
| 10.95%, 12/21/04 | 2,130 | 2,247,150 |

ACM MANAGED DOLLAR INCOME FUND o 17

Portfolio of Investments

| ----- | | |
|--|---|---------------|
| | Contracts (h), Shares or Principal Amount (000) | U.S. \$ Value |
| ----- | | |
| Tyumen Oil Company | | |
| 11.00%, 11/06/07 | \$ 675 | \$ 784,688 |
| 11.00%, 11/06/07(d) | 300 | 351,750 |
| | | ----- |
| | | 4,956,638 |
| | | ----- |
| Singapore-0.2% | | |
| Flextronics International, Ltd. | | |
| 6.50%, 5/15/13 | 425 | 449,437 |
| | | ----- |
| Total Non-U.S. Corporate Debt Obligations (cost \$15,934,356) | | 17,225,219 |
| | | ----- |
| NON-CONVERTIBLE PREFERRED STOCK-0.8% | | |

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

| | | |
|---|-----------|-----------|
| Sovereign Real Estate Investment Trust 12.00%(d) | 870 | 1,350,675 |
| | | ----- |
| Total Non-Convertible Preferred Stock (cost \$818,725) | | 1,350,675 |
| | | ----- |
| WARRANTS-0.0% | | |
| Central Bank of Nigeria | | |
| Warrants, expiring 11/15/20(i) | 1,000 | 0 |
| Republic of Venezuela | | |
| Warrants, expiring 4/15/20(i) | 7,140 | 0 |
| | | ----- |
| Total Warrants (cost \$0) | | 0 |
| | | ----- |
| CALL OPTIONS PURCHASED(i)-0.0% | | |
| Republic of Brazil C-Bonds | | |
| Expiring Apr '04 @ 105.65 | 1,140,000 | 18,240 |
| Expiring Apr '04 @ 110.75 | 380,000 | 38 |
| Expiring Apr '04 @ 110.80 | 380,000 | 38 |
| | | ----- |
| Total Call Options Purchased (cost \$34,808) | | 18,316 |
| | | ----- |
| PUT OPTIONS PURCHASED(i)-0.0% | | |
| Republic of Brazil C-Bonds | | |
| Expiring Apr '04 @ 105.30 | 760,000 | 3,800 |
| Russian Federation | | |
| Expiring Apr '04 @ 97.662 | 760,000 | 76 |
| | | ----- |
| Total Put Options Purchased (cost \$26,980) | | 3,876 |
| | | ----- |

18 o ACM MANAGED DOLLAR INCOME FUND

Portfolio of Investments

| | Shares or Principal Amount (000) | U.S. \$ Value |
|---|---|---------------|
| SHORT-TERM INVESTMENT-2.8% | | |
| Repurchase Agreement-2.8% | | |
| Greenwich Capital Markets Inc. 1.03%, dated 3/31/04, due 4/01/04 in the amount of \$5,100,146 (collateralized by \$5,225,000 Freddie Mac 0% due 7/19/04, value-\$5,235,294) (cost \$5,100,000) | \$ 5,100 | \$ 5,100,000 |
| | | ----- |
| Total Investments Before Security Lending Collateral-132.1% (cost \$214,352,628) | | 242,119,604 |

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

| | | |
|--|-------|----------------|
| Investments of Cash Collateral for Securites Loaned + -1.1% Short-Term Investment UBS Private Money Market Fund, LLC 1.00% (cost \$2,084,190) | 2,084 | 2,084,190 |
| Total Investments-133.2% (cost \$216,436,818) | | 244,203,794 |
| Other assets less liabilities-(33.2)% | | (60,854,161) |
| Net Assets-100.0% | | \$ 183,349,633 |

CALL OPTIONS WRITTEN (see Note C)

| Description | Contracts (h) | Exercise Price | Expiration Month | U.S. \$ Value |
|--|---------------|----------------|------------------|---------------|
| Federal Republic of Brazil 11.00%, 8/17/40 | 760,000 | \$107.00 | Apr. '04 | \$ (6,080) |
| Russian Federation 5.00%, 3/31/30 | 760,000 | 98.30 | Apr. '04 | (13,680) |
| (premiums received \$26,980) | | | | \$ (19,760) |

CREDIT DEFAULT SWAP CONTRACTS (see Note C)

| Swap Counterparty & Referenced Obligation | Notional Amount (000) | Interest Rate | Termination Date | Unrealized Appreciation/ (Depreciation) |
|---|-----------------------------|------------------|---------------------|---|
| Buy Contracts: | | | | |
| Citigroup Global Markets, Inc. Federal Republic of Brazil 12.25%, 3/06/30 | 1,150 | 5.85% | 2/20/14 | \$34,040 |
| Citigroup Global Markets, Inc. Federal Republic of Hungary 4.50%, 2/06/13 | 350 | 0.50 | 11/26/13 | (3,350) |
| Citigroup Global Markets, Inc. Federal Republic of Philippines 10.625%, 3/16/25 | 510 | 5.60 | 3/20/14 | 5,462 |

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

ACM MANAGED DOLLAR INCOME FUND o 19

Portfolio of Investments

CREDIT DEFAULT SWAP CONTRACTS (see Note C) continued

| Swap Counterparty & Referenced Obligation | Notional Amount (000) | Interest Rate | Termination Date | Unrealized Appreciation/ (Depreciation) |
|---|-----------------------------|------------------|---------------------|---|
| Buy Contracts: (continued) | | | | |
| Citigroup Global Markets, Inc. Federal Republic of Turkey 11.875%, 1/15/30 | 505 | 3.85% | 1/31/09 | \$ (6,201) |
| Deutsche Bank A.G. Federal Republic of Peru 9.875%, 2/06/15 | 700 | 3.90 | 9/20/08 | (3,920) |
| Deutsche Bank A.G. Federal Republic of Turkey 11.875%, 1/15/30 | 1,010 | 3.25 | 1/24/09 | 12,756 |
| Deutsche Bank A.G. Federal Republic of Venezuela 9.25%, 9/15/27 | 600 | 3.65 | 1/20/06 | 11,124 |
| Sale Contracts: | | | | |
| Citigroup Global Markets, Inc. Federal Republic of Brazil 12.25%, 3/06/30 | 1,000 | 6.35 | 8/20/05 | 54,600 |
| Citigroup Global Markets, Inc. Federal Republic of Brazil 12.25%, 3/06/30 | 1,150 | 5.26 | 2/20/09 | (21,505) |
| Citigroup Global Markets, Inc. Federal Republic of Philippines 10.625%, 3/16/25 | 510 | 4.95 | 3/20/09 | (4,167) |
| Deutsche Bank A.G. Federal Republic of Turkey 11.875%, 1/15/30 | 1,262 | 1.50 | 1/24/05 | 3,597 |

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

Deutsche Bank A.G.
Federal Republic
of Turkey

11.875%, 1/15/30 833 1.80 7/24/05 2,083

REVERSE REPURCHASE AGREEMENTS (see Note C)

| Broker | Interest Rate | Maturity | Amount |
|-----------------|------------------|----------|---------------|
| Deutsche Bank | 1.10% | 5/11/04 | \$ 22,000,861 |
| JP Morgan Chase | 0.80 | 12/31/04 | 5,882,222 |
| JP Morgan Chase | 0.85 | 4/8/04 | 2,399,210 |
| JP Morgan Chase | 0.00 | 5/6/04 | 6,013,280 |
| Lehman Brothers | 0.90 | 12/31/04 | 2,376,850 |
| Merrill Lynch | 0.70 | 12/31/04 | 1,213,700 |
| Merrill Lynch | 0.70 | 5/11/04 | 3,588,259 |
| Merrill Lynch | 0.75 | 5/11/04 | 1,721,554 |
| Merrill Lynch | 0.90 | 5/5/04 | 7,198,684 |
| Merrill Lynch | 0.90 | 5/4/04 | 2,970,065 |
| Merrill Lynch | 0.90 | 12/31/04 | 3,227,242 |
| Merrill Lynch | 1.10 | 12/31/04 | 6,843,059 |
| | | | ----- |
| | | | \$ 65,434,986 |
| | | | ===== |

20 o ACM MANAGED DOLLAR INCOME FUND

Portfolio of Investments

* Represents entire or partial securities out on loan.

+ See Note F for securities lending information.

(a) Coupon changes periodically based upon a predetermined schedule. Stated interest rate in effect at March 31, 2004.

(b) A position, or portion of the underlying securities has been segregated by the Fund for the written call options outstanding at March 31, 2004. The value of these securities amounted to \$1,572,060 at March 31, 2004.

(c) Positions, or portions thereof, with an aggregate market value of \$66,732,041 have been segregated to collateralize reverse repurchase agreements.

(d) Security is exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At March 31, 2004, the aggregate market value of these securities amounted to \$81,736,198 or 44.6% of net assets.

(e) Indicates a security that has a zero coupon that remains in effect until a predetermined date at which time the stated coupon rate becomes effective until final maturity.

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

- (f) Security is in default and is non-income producing.
- (g) Illiquid security, valued at fair market value (see Note A).
- (h) One contract relates to principal amount of \$1.00.
- (i) Non-income producing security.

Glossary of Terms:

DCB - Debt Conversion Bond
 FLIRB - Front Loaded Interest Reduction Bond
 FRN - Floating Rate Note
 VRN - Variable Rate Note

See notes to financial statements.

ACM MANAGED DOLLAR INCOME FUND o 21

Statement of Assets & Liabilities

STATEMENT OF ASSETS & LIABILITIES

March 31, 2004 (unaudited)

ASSETS

| | |
|--|--------------------|
| Investments in securities, at value (cost \$216,436,818 -- including investment of cash collateral for securities loaned of \$2,084,190) | \$ 244,203,794 (a) |
| Cash | 2,121,014 |
| Unrealized appreciation on credit default swap contracts | 123,662 |
| Interest and dividends receivable | 5,293,367 |
| Receivable for investment securities sold | 2,992,720 |
| Receivable for credit default swap contracts | 1,079,645 |
| Paydown receivable | 382,269 |
| Prepaid expenses | 14,010 |
| | ----- |
| Total assets | 256,210,481 |
| | ----- |

LIABILITIES

| | |
|---|------------|
| Outstanding options written, at value (premiums received \$26,980) | 19,760 |
| Reverse repurchase agreements | 65,434,986 |
| Unrealized depreciation on credit default swap contracts | 39,143 |
| Payable for investment securities purchased | 3,401,378 |
| Payable for collateral received on securities loaned | 2,084,190 |
| Dividends to shareholders | 1,527,224 |
| Advisory fee payable | 123,947 |
| Administrative fee payable | 24,789 |
| Accrued expenses and other liabilities | 205,431 |
| | ----- |
| Total liabilities | 72,860,848 |
| | ----- |

| | |
|------------|----------------|
| NET ASSETS | \$ 183,349,633 |
| | ===== |

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

COMPOSITION OF NET ASSETS

| | | |
|--|----|---------------|
| Common stock, at par | \$ | 226,255 |
| Additional paid-in capital | | 296,789,531 |
| Distributions in excess of net investment income | | (1,686,596) |
| Accumulated net realized loss on investment transactions | | (139,838,272) |
| Net unrealized appreciation of investments | | 27,858,715 |
| | | ----- |
| | \$ | 183,349,633 |
| | | ===== |

NET ASSET VALUE PER SHARE

| | |
|--|--------|
| (based on 22,625,536 shares outstanding) | \$8.10 |
| | ===== |

(a) Includes securities on loan with a value of \$2,006,678 (see Note F).

See notes to financial statements.

22 o ACM MANAGED DOLLAR INCOME FUND

Statement of Operations

STATEMENT OF OPERATIONS

Six Months Ended March 31, 2004 (unaudited)

INVESTMENT INCOME

| | | |
|-----------|---------------|---------------|
| Interest | \$ 10,332,375 | |
| Dividends | 119,990 | \$ 10,452,365 |
| | ----- | |

EXPENSES

| | | |
|--------------------|---------|--|
| Advisory fee | 673,335 | |
| Administrative fee | 134,671 | |
| Audit and legal | 54,610 | |
| Custodian | 51,366 | |
| Printing | 48,541 | |
| Transfer agency | 24,048 | |
| Directors' fees | 21,046 | |
| Registration | 16,836 | |
| Miscellaneous | 24,491 | |
| | ----- | |

| | | |
|--------------------------------|-----------|-----------|
| Total expenses before interest | 1,048,944 | |
| Interest expense | 295,954 | |
| | ----- | |
| Total expenses | | 1,344,898 |
| | | ----- |
| Net investment income | | 9,107,467 |
| | | ----- |

REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENT TRANSACTIONS

| | | |
|-------------------------|--|-----------|
| Net realized gain on: | | |
| Investment transactions | | 5,168,966 |
| Swap contracts | | 1,875,338 |
| Written options | | 129,918 |

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

| | |
|--|---------------|
| Net change in unrealized appreciation/depreciation of: | |
| Investments | 4,756,381 |
| Swap contracts | (885,781) |
| Written options | 7,220 |
| | ----- |
| Net gain on investment transactions | 11,052,042 |
| | ----- |
| NET INCREASE IN NET ASSETS FROM OPERATIONS | \$ 20,159,509 |
| | ===== |

See notes to financial statements.

ACM MANAGED DOLLAR INCOME FUND o 23

Statement of Changes in Net Assets

STATEMENTS OF CHANGES IN NET ASSETS

| | Six Months Ended March 31, 2004 (unaudited) | Year Ended September 30, 2003 |
|---|--|-------------------------------------|
| | ===== | ===== |
| INCREASE IN NET ASSETS FROM OPERATIONS | | |
| Net investment income | \$ 9,107,467 | \$ 18,293,615 |
| Net realized gain on investment transactions | 7,174,222 | 3,184,282 |
| Net change in unrealized appreciation/depreciation of investments | 3,877,820 | 43,772,735 |
| | ----- | ----- |
| Net increase in net assets from operations | 20,159,509 | 65,250,632 |
| DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS FROM | | |
| Net investment income | (10,670,656) | (18,177,141) |
| COMMON STOCK TRANSACTIONS | | |
| Reinvestment of dividends resulting in the issuance of Common Stock | 679,113 | 1,273,690 |
| | ----- | ----- |
| Total increase | 10,167,966 | 48,347,181 |
| NET ASSETS | | |
| Beginning of period | 173,181,667 | 124,834,486 |
| | ----- | ----- |
| End of period (including distributions in excess of net investment income of (\$1,686,596) and (\$123,407), respectively) | \$ 183,349,633 | \$ 173,181,667 |
| | ===== | ===== |

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

See notes to financial statements.

24 o ACM MANAGED DOLLAR INCOME FUND

Statement of Cash Flows

STATEMENT OF CASH FLOWS

Six Months Ended March 31, 2004 (unaudited)

| | | |
|---|---------------|--------------|
| INCREASE (DECREASE) IN CASH FROM | | |
| OPERATION ACTIVITIES: | | |
| Interest and dividends received | \$ 9,774,819 | |
| Interest expense paid | (249,237) | |
| Operating expenses paid | (986,348) | |
| | ----- | |
| Net increase in cash from operating activities | | \$ 8,539,234 |
| INVESTING ACTIVITIES: | | |
| Purchases of long-term investments | (105,136,851) | |
| Proceeds from disposition of long-term investments | 107,169,671 | |
| Proceeds from disposition of short-term investments, net | (7,184,190) | |
| Cash collateral received on securities loaned | 2,084,190 | |
| Net premium received on option transactions | 31,155 | |
| Net premium received on swaps transactions | 795,693 | |
| Net decrease in cash from investing activities | | (2,240,332) |
| FINANCING ACTIVITIES: * | | |
| Cash dividends paid | (8,464,319) | |
| Proceeds from reverse repurchase agreements | 3,593,648 | |
| Net decrease in cash from financing activities | | (4,870,671) |
| | | ----- |
| Net increase in cash | | 1,428,231 |
| Cash at beginning of period | | 692,783 |
| | | ----- |
| Cash at end of period | | \$ 2,121,014 |
| | | ===== |

RECONCILIATION OF NET INCREASE IN NET
ASSETS FROM OPERATIONS TO NET INCREASE
IN CASH FROM OPERATING ACTIVITIES:

| | |
|---|---------------|
| Net increase in net assets from operations | \$ 20,159,509 |
|---|---------------|

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

ADJUSTMENTS:

| | | | |
|---|----|-------------|--------------|
| Decrease in dividends and interest receivable | \$ | 274,023 | |
| Accretion of bond discount and amortization of bond premium | | (951,569) | |
| Increase in accrued expenses and other assets | | 62,596 | |
| Increase in interest payable | | 46,717 | |
| Net realized gain on investment transactions | | (7,174,222) | |
| Net change in unrealized appreciation/depreciation of investments | | (3,877,820) | |
| | | ----- | |
| Total adjustments | | | (11,620,275) |
| | | | ----- |
| NET INCREASE IN CASH FROM OPERATING ACTIVITIES | | | \$ 8,539,234 |
| | | | ===== |

* Non-cash financing activities not included herein consist of reinvestment of dividends and distributions.

See notes to financial statements.

ACM MANAGED DOLLAR INCOME FUND o 25

Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS March 31, 2004 (unaudited)

NOTE A

Significant Accounting Policies

ACM Managed Dollar Income Fund, Inc. (the "Fund") was incorporated under the laws of the State of Maryland on August 10, 1993 and is registered under the Investment Company Act of 1940 as a non-diversified, closed-end management investment company. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States, which requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and amounts of income and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund.

1. Security Valuation

In accordance with Pricing Policies adopted by the Board of Directors of the Fund (the "Pricing Policies") and applicable law, portfolio securities are valued at current market value or at fair value. The Board of Directors has

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

delegated to Alliance Capital Management, L.P. (the "Adviser"), subject to the Board's continuing oversight, certain responsibilities with respect to the implementation of the Pricing Policies. Pursuant to the Pricing Policies, securities for which market quotations are readily available are valued at their current market value. In general, the market value of these securities is determined as follows:

Securities listed on a national securities exchange or on a foreign securities exchange are valued at the last sale price at the close of the exchange or foreign securities exchange. If there has been no sale on such day, the securities are valued at the mean of the closing bid and asked prices on such day. If no bid or asked prices are quoted on such day, then the security is valued in good faith at fair value in accordance with the Pricing Policies. Securities listed on more than one exchange are valued by reference to the principal exchange on which the securities are traded; securities not listed on an exchange but traded on The Nasdaq Stock Market, Inc. ("NASDAQ") are valued in accordance with the NASDAQ Official Closing Price; listed put or call options are valued at the last sale price. If there has been no sale on that day, such securities will be valued at the closing bid prices on that day; open futures contracts and options thereon are valued using the closing settlement price or, in the absence of such a price, the most recent quoted bid price. If there are no quotations available for the day of valuations, the last available closing settlement price is used; securities traded in the over-the-counter market, (but excluding securities traded on NASDAQ) are valued at the mean of the current bid and asked prices as reported by the National Quotation Bureau or other comparable sources; U.S. Government securities and other debt instruments having 60 days or less remaining until maturity are valued at amortized cost if their original maturity was 60 days or less, or by amortizing their fair value as of the 61st day prior to maturity if their original term to maturity exceeded 60 days; fixed-income securities, including

26 o ACM MANAGED DOLLAR INCOME FUND

Notes to Financial Statements

mortgage backed and asset backed securities, may be valued on the basis of prices provided by a pricing service or at a price obtained from one or more of the major broker/dealers. In cases where broker/dealer quotes are obtained, the Pricing Policies provide that the Adviser may establish procedures whereby changes in market yields or spreads are used to adjust, on a daily basis, a recently obtained quoted price on a security; and OTC and other derivatives are valued on the basis of a quoted bid price or spread from a major broker/dealer in such security.

Securities for which market quotations are not readily available are valued at fair value in accordance with the Pricing Policies. The Fund fair values a security that it holds when a significant event (e.g., an earthquake or a major terrorist attack) occurs after the time that the latest market quotation was established, and, as a result, such market quotation cannot be said to represent the current market value of the security as of the time the Fund prices its shares. Fair valuing securities is imprecise, and there is no assurance that the Fund could dispose of the security at the price used for determining the Fund's net asset value.

2. Taxes

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

It is the Fund's policy to meet the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its investment company taxable income and net realized gains, if any, to shareholders. Therefore, no provisions for federal income or excise taxes are required.

3. Investment Income and Investment Transactions

Interest income is accrued daily. Dividend income is recorded on the ex-dividend date. Investment transactions are accounted for on the date the securities are purchased or sold. Investment gains and losses are determined on the identified cost basis. The Fund accretes discounts as adjustments to interest income. Additionally, the Fund amortizes premiums on debt securities for financial statement reporting purposes only.

4. Dividends and Distributions

Dividends and distributions to shareholders are recorded on the ex-dividend date. Income and capital gains distributions are determined in accordance with federal tax regulations and may differ from those determined in conformity with accounting principles generally accepted in the United States. To the extent these differences are permanent, such amounts are reclassified within the capital accounts based on their federal tax basis treatment; temporary differences do not require such reclassification.

5. Repurchase Agreements

The Fund's custodian or designated subcustodian will take control of securities as collateral under repurchase agreements and determine on a daily basis that the value of such securities are sufficient to cover the value of the repurchase agree-

ACM MANAGED DOLLAR INCOME FUND o 27

Notes to Financial Statements

ments. If the seller defaults and the value of collateral declines, or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of collateral by the Fund may be delayed or limited.

NOTE B

Advisory, Administrative Fees and Other Transactions with Affiliates

Under the terms of an Investment Advisory Agreement, the Fund pays the Adviser an advisory fee at an annual rate of .75 of 1% of the average adjusted weekly net assets of the Fund. Such fee is accrued daily and paid monthly.

Under the terms of a Shareholder Inquiry Agency Agreement with Alliance Global Investor Services, Inc. (AGIS), a wholly-owned subsidiary of the Adviser, the Fund reimburses AGIS for costs relating to servicing phone inquiries on behalf of the Fund. During the six months ended March 31, 2004, the Fund reimbursed to AGIS \$265.

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

Under the terms of an Administration Agreement, the Fund pays Princeton Administrators, L.P. (the "Administrator") a fee at an annual rate of .15% of the average adjusted weekly net assets of the Fund. Such fee is accrued daily and paid monthly. The Administrator prepares certain financial and regulatory reports for the Fund and provides clerical and other services.

NOTE C

Investment Transactions

Purchases and sales of investment securities (excluding short-term investments) for the six months ended March 31, 2004, were as follows:

| | Purchases ===== | Sales ===== |
|--|--------------------|----------------|
| Investment securities (excluding U.S. government securities) | \$ 105,489,923 | \$ 105,496,524 |
| U.S. government securities | -0- | -0- |

At March 31, 2004, the cost of investments for federal income tax purposes was substantially the same as the cost for financial reporting purposes.

Accordingly, gross unrealized appreciation and gross unrealized depreciation (excluding written options and swap contracts) are as follows:

| | |
|-------------------------------|---------------|
| Gross unrealized appreciation | \$ 42,004,342 |
| Gross unrealized depreciation | (14,237,366) |
| | ----- |
| Net unrealized appreciation | \$ 27,766,976 |
| | ===== |

1. Option Transactions

For hedging and investment purposes, the Fund may purchase and write (sell) put and call options on U.S. and foreign government securities and foreign currencies that are traded on U.S. and foreign securities exchanges and over-the-counter markets.

28 o ACM MANAGED DOLLAR INCOME FUND

Notes to Financial Statements

The risk associated with purchasing an option is that the Fund pays a premium whether or not the option is exercised. Additionally, the Fund bears the risk of loss of the premium and a change in market value should the counterparty not perform under the contract. Put and call options purchased are accounted for in the same manner as portfolio securities. The cost of securities acquired through the exercise of call options is increased by the premiums paid. The proceeds from securities sold through the exercise of put options are decreased by the premiums paid.

When the Fund writes an option, the premium received by the Fund is recorded as a liability and is subsequently adjusted to the current market value of the option written. Premiums received from written options which expire unexercised are recorded by the Fund on the expiration date as realized gains from options

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

written. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium received is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium received is added to the proceeds from the sale of the underlying security or currency in determining whether the Fund has realized a gain or loss. If a put option is exercised, the premium received reduces the cost basis of the security or currency purchased by the Fund. In writing an option, the Fund bears the market risk of an unfavorable change in the price of the security or currency underlying the written option. Exercise of an option written by the Fund could result in the Fund selling or buying a security or currency at a price different from the current market value.

Transactions in written options for the six months ended March 31, 2004 were as follows:

| | Number of Contracts (000) | Premiums Received |
|--|---------------------------------|----------------------|
| | ===== | ===== |
| OPTIONS OUTSTANDING AT SEPTEMBER 30, 2003 | -0- | \$ -0- |
| Options written | 8,588 | 156,898 |
| Options terminated in closing purchase transactions | -0- | -0- |
| Options expired | (7,068) | (129,918) |
| | ----- | ----- |
| OPTIONS OUTSTANDING AT MARCH 31, 2004 | 1,520 | \$ 26,980 |
| | ===== | ===== |

2. Swap Agreements

The Fund may enter into swaps on sovereign debt obligations to hedge its exposure to interest rates and credit risk or for investment purposes. A swap is an agreement that obligates two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified amount of an underlying asset. The payment flows are usually netted against each other, with the difference being paid by one party to the other.

Risks may arise as a result of the failure of the counterparty to the swap contract to comply with the terms of the swap contract. The loss incurred by the failure of a counterparty is generally limited to the net interest payment to be received by the Fund, and/or the termination value at the end of the contract. Therefore the Fund considers the creditworthiness of each counterparty to a swap contract in evaluating potential credit risk. Additionally, risks may arise from unanticipated movements in interest rates or in the value of the underlying securities.

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

The Fund records a net receivable or payable on a daily basis for the net interest income or expense expected to be received or paid in the interest period. Net interest received or paid on these contracts is recorded as interest income (or as an offset to interest income). Fluctuations in the value of swap contracts are recorded for financial statement purposes as a component of net change in unrealized appreciation/depreciation of investments. Realized gains and/or losses from terminated swap contracts are included in net realized gain or loss on investment transactions.

The Fund may enter into credit default swaps. A sell/(buy) in a credit default swap provides, upon the occurrence of a credit event, as defined in the swap agreement, for the Fund to buy/(sell) from/(to) the counterparty at par and take/(deliver) the principal amount (the "Notional Amount") of the referenced obligation. During the term of the swap agreement, the Fund receives/(pays) semi-annual fixed interest payments from/(to) the respective counterparty, calculated at the agreed upon interest rate applied to the Notional Amount.

Credit default swaps may involve greater risks than if a Fund had invested in the referenced obligation directly. Credit default swaps are subject to general market risk, liquidity risk and credit risk. If the Fund is a buyer and no credit event occurs, it will lose its investment. In addition, the value of the referenced obligation received by the Fund as a seller if a credit event occurs, coupled with the periodic payments previously received, may be less than the full notional value it pays to the buyer, resulting in a loss of value to the Fund.

3. Reverse Repurchase Agreements

Under a reverse repurchase agreement, the Fund sells securities and agrees to repurchase them at a mutually agreed upon date and price. At the time the Fund enters into a reverse repurchase agreement, it will establish a segregated account with the custodian containing liquid assets having a value at least equal to the repurchase price.

For the six months ended March 31, 2004, the average amount of reverse repurchase agreements outstanding was \$62,862,826 and the daily weighted average annual interest rate was 0.9310%.

30 o ACM MANAGED DOLLAR INCOME FUND

Notes to Financial Statements

NOTE D

Capital Stock

There are 300,000,000 shares of \$.01 par value common stock authorized of which 22,625,536 shares were issued and outstanding at March 31, 2004. During the six months ended March 31, 2004 and the year ended September 30, 2003, the Fund issued 84,915 and 182,814 shares, respectively, in connection with the Fund's dividend reinvestment plan.

NOTE E

Risks Involved in Investing in the Fund

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect the value of the Fund's investments in fixed-income debt securities such as bonds or notes. Increases in interest rates may cause the value of the Fund's investments to decline.

Concentration of Risk

Investing in securities of foreign companies and foreign governments involves special risks which include the possibility of future political and economic developments which could adversely affect the value of such securities. Moreover, securities of many foreign companies and foreign governments and their markets may be less liquid and their prices more volatile than those of comparable U.S. companies and the United States government.

The Fund invests in the Sovereign Debt Obligations of countries that are considered emerging market countries at the time of purchase. Therefore, the Fund is susceptible to governmental factors and economic and debt restructuring developments adversely affecting the economics of these emerging market countries. In addition, these debt obligations may be less liquid and subject to greater volatility than debt obligations of more developed countries.

NOTE F

Securities Lending

The Fund has entered into a securities lending agreement with AG Edwards & Sons, Inc. (the "Lending Agent"). Under the terms of the agreement, the Lending Agent, on behalf of the Fund, administers the lending of portfolio securities to certain broker-dealers. In return, the Fund receives fee income from the lending transactions or it retains a portion of interest on the investment of any cash received as collateral. The Fund also continues to receive dividends or interest on the securities loaned. Unrealized gain or loss on the value of the securities loaned that may occur during the term of the loan will be reflected in the accounts of the Fund. All loans are continuously secured by collateral exceeding the value of the securities loaned. All collateral consists of either cash or U.S. Government securities. The Lending Agent may invest the cash collateral received in accordance with the investment restrictions of the Fund in one or

ACM MANAGED DOLLAR INCOME FUND o 31

Notes to Financial Statements

more of the following investments: U.S. Government or U.S. Government agency obligations, bank obligations, corporate debt obligations, asset-backed securities, structured products, repurchase agreements and an eligible money market fund. The Lending Agent will indemnify the Fund for any loss resulting from a borrower's failure to return a loaned security when due. As of March 31, 2004, the Fund had loaned securities with a value of \$2,006,678 and received cash collateral of \$2,084,190, which was invested in a money market fund as included in the portfolio of investments. For the six months ended March 31, 2004, the Fund earned fee income of \$8,530, which is included in interest

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

income in the accompanying statement of operations.

NOTE G

Distributions to Shareholders

The tax character of distributions to be paid for the year ended September 30, 2004 will be determined at the end of the current fiscal year. The tax character of distributions paid to shareholders during the fiscal years ended September 30, 2003 and September 30, 2002 were as follows:

| | 2003 ===== | 2002 ===== |
|-----------------------------|-----------------|-----------------|
| Distributions paid from: | | |
| Ordinary income | \$ (18,177,141) | \$ (18,835,190) |
| | ----- | ----- |
| Total taxable distributions | (18,177,141) | (18,835,190) |
| Tax return of capital | -0- | (730,704) |
| | ----- | ----- |
| Total distributions paid | \$ (18,177,141) | \$ (19,565,894) |
| | ===== | ===== |

As of September 30, 2003, the components of accumulated earnings/(deficit) on a tax basis were as follows:

| | |
|--|-------------------|
| Undistributed ordinary income | \$ 124,846 |
| Accumulated capital and other losses | (146,463,599) (a) |
| Unrealized appreciation/(depreciation) | 23,183,747 (b) |
| | ----- |
| Total accumulated earnings/(deficit) | \$ (123,155,006) |
| | ===== |

(a) On September 30, 2003, the Fund had a net capital loss carryforward of \$146,463,599 of which \$57,455,739 expires in the year 2007, \$24,635,181 expires in the year 2008, \$10,899,598 expires in the year 2009, \$33,249,705 expires in 2010 and \$20,223,376 expires in the year 2011. To the extent future capital gains are offset by capital loss carryforwards, such gains will not be distributed.

(b) The difference between book-basis and tax-basis unrealized appreciation/(depreciation) is attributable primarily to the tax deferral of losses on wash sales and the difference between book and tax amortization methods for premium.

32 o ACM MANAGED DOLLAR INCOME FUND

Notes to Financial Statements

NOTE H

Legal Proceedings

As has been previously reported in the press, the Staff of the U.S. Securities and Exchange Commission ("SEC") and the Office of the New York Attorney General

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

("NYAG") have been investigating practices in the mutual fund industry identified as "market timing" and "late trading" of mutual fund shares. Certain other regulatory authorities have also been conducting investigations into these practices within the industry and have requested that Alliance Capital Management L.P. ("Alliance Capital"), the Fund's Adviser, provide information to them. Alliance Capital has been cooperating and will continue to cooperate with all of these authorities. The shares of the Fund are not redeemable by the Fund, but are traded on an exchange at prices established by the market. Accordingly, the Fund and its shareholders are not subject to the market timing and late trading practices that are the subject of the investigations mentioned above or the lawsuits described below. Please see below for a description of the agreements reached by Alliance Capital and the SEC and NYAG in connection with the investigations mentioned above.

In addition, numerous lawsuits have been filed against Alliance Capital and certain other defendants in which plaintiffs make claims purportedly based on or related to the same practices that are the subject of the SEC and NYAG investigations referred to above. Some of these lawsuits name the Fund as a party. Management of the Fund's Adviser believes that these private lawsuits are not likely to have a material adverse effect on the results of operations or financial condition of the Fund.

On December 18, 2003, Alliance Capital confirmed that it had reached terms with the SEC and the NYAG for the resolution of regulatory claims relating to the practice of "market timing" mutual fund shares in some of the AllianceBernstein Mutual Funds. The agreement with the SEC is reflected in an Order of the Commission ("SEC Order"). The agreement with the NYAG is subject to final, definitive documentation. Among the key provisions of these agreements are the following:

(i) Alliance Capital agreed to establish a \$250 million fund (the "Reimbursement Fund") to compensate mutual fund shareholders for the adverse effects of market timing attributable to market timing relationships described in the SEC Order. According to the SEC Order, the Reimbursement Fund is to be paid, in order of priority, to fund investors based on (i) their aliquot share of losses suffered by the fund due to market timing, and (ii) a proportionate share of advisory fees paid by such fund during the period of such market timing;

ACM MANAGED DOLLAR INCOME FUND o 33

Notes to Financial Statements

(ii) Alliance Capital agreed to reduce the advisory fees it receives from some of the AllianceBernstein long-term, open-end retail funds, commencing January 1, 2004, for a period of at least five years; and

(iii) Alliance Capital agreed to implement changes to its governance and compliance procedures. Additionally, the SEC Order contemplates that Alliance Capital's registered investment company clients, including the Fund, will introduce governance and compliance changes.

The shares of the Fund are not redeemable by the Fund, but are traded on an exchange at prices established by the market. Accordingly, the Fund and its shareholders are not subject to the market timing practices described in the

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

SEC Order and are not expected to participate in the Reimbursement Fund. Since the Fund is a closed-end fund, it will not have its advisory fee reduced pursuant to the terms of the agreements mentioned above.

34 o ACM MANAGED DOLLAR INCOME FUND

Financial Highlights

FINANCIAL HIGHLIGHTS

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

| | Six Months Ended March 31, 2004 (unaudited) | 2003 | 2002 (a) | Year Ended Septem 2001 |
|--|---|--------|----------|---------------------------|
| | | | | |
| Net asset value, beginning of period | \$7.68 | \$5.58 | \$6.33 | \$8.09 |
| INCOME FROM INVESTMENT OPERATIONS | | | | |
| Net investment income (b) | .39 | .81 | .84 | .98 |
| Net realized and unrealized gain (loss) on investment transactions | .50 | 2.10 | (.71) | (1.72) |
| Net increase (decrease) in net asset value from operations | .89 | 2.91 | .13 | (.74) |
| LESS: DIVIDENDS AND DISTRIBUTIONS | | | | |
| Dividends from net investment income | (.47) | (.81) | (.85) | (.95) |
| Distributions in excess of net investment income | -0- | -0- | -0- | -0- |
| Tax return of capital | -0- | -0- | (.03) | (.07) |
| Total dividends and distributions | (.47) | (.81) | (.88) | (1.02) |
| Net asset value, end of period | \$8.10 | \$7.68 | \$5.58 | \$6.33 |
| Market value, end of period | \$8.58 | \$8.15 | \$6.29 | \$7.62 |
| Premium/(Discount) | 5.93% | 6.12% | 12.72% | 20.38% |
| TOTAL RETURN | | | | |
| Total investment return based on: (c) | | | | |
| Market value | 11.59% | 45.71% | (6.14)% | 3.02% |
| Net asset value | 11.85% | 54.77% | .23% | (10.08)% |

RATIOS/SUPPLEMENTAL DATA

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

| | | | | | |
|--|------------|-----------|-----------|-----------|----|
| Net assets, end of period (000's omitted) | \$183,350 | \$173,182 | \$124,834 | \$140,110 | \$ |
| Ratios to average net assets of: | | | | | |
| Expenses | 1.50% (d) | 1.72% | 2.12% | 2.75% | |
| Expenses, excluding interest expense(e) | 1.17% (d) | 1.21% | 1.15% | 1.13% | |
| Net investment income | 10.14% (d) | 11.88% | 10.81% | 9.90% | |
| Portfolio turnover rate | 46% | 80% | 63% | 129% | |

See footnote summary on page 36.

ACM MANAGED DOLLAR INCOME FUND o 35

Financial Highlights

(a) As required, effective October 1, 2001, the Fund has adopted the provisions of the AICPA Audit and Accounting Guide, Audits of Investment Companies, and began amortizing premium on debt securities for financial statement reporting purposes only. The effect of this change for the year ended September 30, 2002 was to decrease net investment income per share by \$0.01, decrease net realized and unrealized loss on investment by \$0.01 and decrease the ratio of net investment income to average net assets from 10.91% to 10.81%. Per share, ratios and supplemental data for periods prior to October 1, 2001 have not been restated to reflect this change in presentation.

(b) Based on average shares outstanding.

(c) Total investment return is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Generally, total investment return based on net asset value will be higher than total investment return based on market value in periods where there is an increase in the discount or a decrease in the premium of the market value to the net asset value from the beginning to the end of such periods. Conversely, total investment return based on net asset value will be lower than total investment return based on market value in periods where there is a decrease in the discount or an increase in the premium of the market value to the net asset value from the beginning to the end of such periods. Total investment return calculated for a period of less than one year is not annualized.

(d) Annualized.

(e) Net of interest expense of .33%, .51%, .97%, 1.62%, 1.61%, and 1.35%, respectively, on borrowings.

36 o ACM MANAGED DOLLAR INCOME FUND

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

Supplemental Proxy Information

SUPPLEMENTAL PROXY INFORMATION
(unaudited)

A Special Meeting of Shareholders of ACM Managed Dollar Income Fund, Inc. ("ACM VIII") was held on March 25, 2004. The description of each proposal and number of shares voted at the meeting are as follows:

| | Voted For | Authority Withheld |
|---|------------|--------------------|
| <hr style="border-top: 1px dashed black;"/> | | |
| 1. To elect directors | | |
| Class One Nominees (terms expire in 2007) | | |
| David H. Dievler | 18,321,442 | 411,125 |
| Clifford L. Michel | 18,334,026 | 398,541 |
| Donald J. Robinson | 18,332,780 | 399,787 |
| Class Three Nominee (terms expire in 2006) | | |
| Marc O. Mayer | 18,318,189 | 414,378 |

ACM MANAGED DOLLAR INCOME FUND o 37

Board of Directors

BOARD OF DIRECTORS

William H. Foulk, Jr., (1) Chairman
 Marc O. Mayer, President
 Ruth Block (1)
 David H. Dievler (1)
 John H. Dobkin (1)
 Dr. James M. Hester (1)
 Clifford L. Michel (1)
 Donald J. Robinson (1)

OFFICERS

Paul J. DeNoon (2), Vice President
 James E. Kennedy, Jr. (2), Vice President
 Mark R. Manley, Secretary
 Mark D. Gersten, Treasurer & Chief Financial Officer
 Vincent S. Noto, Controller

Administrator

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

Princeton Administrators, L.P.
P.O.Box 9095
Princeton, NJ 08543-9095

Custodian

State Street Bank and Trust Company
225 Franklin Street
Boston, MA 02110

Dividend Paying Agent, Transfer Agent And Registrar

Equiserve Trust Company, N.A.
P.O. Box 43011
Providence, RI 02940-3011

Legal Counsel

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

Independent Auditors

Ernst & Young LLP
5 Times Square
New York, NY 10036

(1) Member of the Audit Committee.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Fund may purchase at market prices from time to time shares of its Common Stock in the open market.

This report, including the financial statements therein, is transmitted to the shareholders of ACM Managed Dollar Income Fund for their information. This is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in this report.

(2) Messrs. DeNoon and Kennedy are the persons responsible for the day-to-day management of the Fund's investment portfolio.

38 o ACM MANAGED DOLLAR INCOME FUND

Alliancebernstein Family of Funds

ALLIANCEBERNSTEIN FAMILY OF FUNDS

Wealth Strategies Funds

Balanced Wealth Strategy
Wealth Appreciation Strategy
Wealth Preservation Strategy

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

Tax-Managed Balanced Wealth Strategy*
Tax-Managed Wealth Appreciation Strategy
Tax-Managed Wealth Preservation Strategy**

Blended Style Funds

U.S. Large Cap Portfolio
International Portfolio
Tax-Managed International Portfolio

Growth Funds

Domestic

Growth Fund
Health Care Fund
Mid-Cap Growth Fund
Premier Growth Fund
Small Cap Growth Fund
Technology Fund

Global & International

All-Asia Investment Fund
Global Research Growth Fund
Global Small Cap Fund
Greater China '97 Fund
International Premier Growth Fund
New Europe Fund
Worldwide Privatization Fund

Select Investor Series

Biotechnology Portfolio
Premier Portfolio
Technology Portfolio

Value Funds

Domestic

Balanced Shares
Disciplined Value Fund
Growth & Income Fund
Real Estate Investment Fund
Small Cap Value Fund
Utility Income Fund
Value Fund

Global & International

Global Value Fund
International Value Fund

Taxable Bond Funds

Americas Government Income Trust
Corporate Bond Portfolio

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

Emerging Market Debt Fund
Global Strategic Income Trust
High Yield Fund
Multi-Market Strategy Trust
Quality Bond Portfolio
Short Duration Portfolio
U.S. Government Portfolio

Municipal Bond Funds

National
Insured National
Arizona
California
Insured California
Florida
Massachusetts
Michigan
Minnesota
New Jersey
New York
Ohio
Pennsylvania
Virginia

Intermediate Municipal Bond Funds

Intermediate California
Intermediate Diversified
Intermediate New York

Closed-End Funds

All-Market Advantage Fund
ACM Income Fund
ACM Government Opportunity Fund
ACM Managed Dollar Income Fund
ACM Managed Income Fund
ACM Municipal Securities Income Fund
California Municipal Income Fund
National Municipal Income Fund
New York Municipal Income Fund
The Spain Fund
World Dollar Government Fund
World Dollar Government Fund II

We also offer Exchange Reserves,+ which serves as the money market fund exchange vehicle for the AllianceBernstein mutual funds.

For more complete information on any AllianceBernstein mutual fund, including investment objectives and policies, sales charges, expenses, risks and other matters of importance to prospective investors, visit our web site at www.alliancebernstein.com or call us at (800) 227-4618 for a current prospectus. Please read the prospectus carefully before you invest or send money.

* Formerly Growth Investors Fund.

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

** Formerly Conservative Investors Fund.

+ An investment in the Fund is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

ACM MANAGED DOLLAR INCOME FUND o 39

Summary of General Information

SUMMARY OF GENERAL INFORMATION

Shareholder Information

The daily net asset value of the Fund's shares is available from the Fund's Transfer Agent by calling (800) 426-5523. The Fund also distributes its daily net asset value to various financial publications or independent organizations such as Lipper Analytical Services, Inc., Morningstar, Inc. and Bloomberg. Daily market prices for the Fund's shares are published in the New York Stock Exchange Composite Transaction section of newspapers each day. The Fund's NYSE trading symbol is "ADF." 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 Funds."

Dividend Reinvestment Plan

Pursuant to the Fund's Dividend Reinvestment Plan shareholders whose shares are registered in their own names may elect to have all distributions reinvested automatically in additional shares of the Fund by Equiserve Trust Company, N.A., as agent under the Plan. Shareholders whose shares are held in the name of a broker or nominee should contact the broker or nominee for details. All distributions to investors who elect not to participate in the Plan will be paid by check mailed directly to the record holder by or under the direction of Equiserve Trust Company, N.A. For questions concerning Shareholder account information, or if you would like a brochure describing the Dividend Reinvestment Plan, please call Equiserve Trust Company, N.A. at (800) 219-4218.

40 o ACM MANAGED DOLLAR INCOME FUND

ACM MANAGED DOLLAR INCOME FUND
1345 Avenue of the Americas
New York, NY 10105
(800) 221-5672

AllianceBernstein [LOGO] (SM)
Investment Research and Management

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

(SM) This service mark used under license from the owner, Alliance Capital Management L.P.

MDISR0304

ITEM 2. CODE OF ETHICS.

Not applicable when filing a Semi-Annual report to shareholders.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable when filing a Semi-Annual report to shareholders.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable when filing a Semi-Annual report to shareholders.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable when filing a Semi-Annual report to shareholders.

ITEM 6. SCHEDULE OF INVESTMENTS.

Form N-CSR disclosure requirement not yet effective with respect to the registrant.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable when filing a Semi-Annual report to shareholders.

ITEM 8. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Form N-CSR disclosure requirement not yet effective with respect to the registrant

ITEM 9. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have been no material changes to the procedures by which shareholders may recommend nominees to the Fund's Board of Directors since the Fund last provided disclosure in response to the requirements of Item 7(d)(2)(ii)(G) of Schedule 14A in its proxy statement filed with the Commission on February 23, 2004.

ITEM 10. CONTROLS AND PROCEDURES.

(a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-2(c) under the Investment Company Act of 1940, as amended)

are effective at the

reasonable assurance level based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of

Edgar Filing: ACM MANAGED DOLLAR INCOME FUND INC - Form N-CSR

this document.

(b) There were no significant changes in the registrant's internal controls that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

ITEM 11. EXHIBITS.

The following exhibits are attached to this Form N-CSR:

| Exhibit No. | DESCRIPTION OF EXHIBIT |
|-------------|--|
| 11 (b) (1) | Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 11 (b) (2) | Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 11 (c) | Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant): ACM Managed Dollar Income Fund, Inc.

By: /s/Marc O. Mayer

Marc O. Mayer
President

Date: June 7, 2004

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/Marc O. Mayer

Marc O. Mayer
President

Date: June 7, 2004

By: /s/Mark D. Gersten

Mark D. Gersten
Treasurer and Chief Financial Officer

Date: June 7, 2004

