ACM MANAGED DOLLAR INCOME FUND INC
Form N-CSRS
June 04, 2009

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)

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: September 30, 2009

Date of reporting period: March 31, 2009

ITEM 1. REPORTS TO STOCKHOLDERS.

SEMI-ANNUAL REPORT

ACM Managed Dollar Income Fund

March 31, 2009

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.

May 22, 2009

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, 2009. The Fund is a closed-end fund that trades under the New York Stock Exchange symbol ADF.

Investment Objectives and Policies

The Fund is designed for investors who seek high current income and capital appreciation over a period of years. The Fund normally invests at least 35% of its assets in US corporate fixed-income securities. The balance of the Fund s investment portfolio will be invested in fixed-income securities issued or guaranteed by foreign governments and non-US corporate fixed-income securities. Substantially all of the Fund s assets will be invested in high-yield, high-risk securities rated below investment-grade and considered to be predominantly speculative. For more information regarding the Fund s risks, please see A Word About Risk on pages 4-5 and Note E Risks Involved in Investing in the Fund of the Notes to Financial Statements on pages 39-40.

Investment Results

The table on page 6 shows the Fund s performance compared with its composite benchmark, a 65%/35% blend of the JPMorgan Emerging Markets Bond Index Global (JPM EMBI Global) and the Credit Suisse First Boston High Yield (CSFBHY) Index, respectively, for the six- and 12-month periods ended March 31, 2009.

The Fund underperformed its composite benchmark for both the six- and 12-month periods ended March 31, 2009. For both periods, the Fund s industry weightings within the high yield allocation detracted from performance. The Fund s overweight in banking and underweight in non-cyclicals detracted from performance for both periods. The Fund s overweight in finance and telecommunications, which outperformed, contributed positively to performance for both periods. The Fund s security selection within banking, electric and energy was positive for both periods, while security selection within the auto industry was negative for both periods. Within the Fund s emerging market allocation for both periods, overweight positions within Ecuador and Argentina detracted, as did the Fund s bank exposure in Kazakhstan and security selection in Russia. Lastly, the Fund s leverage detracted from performance for both periods.

Market Review and Investment Strategy

Extreme risk aversion that seized the markets following the bankruptcy of Lehman Brothers in mid-September 2008 accelerated into the fourth quarter of 2008 as massive global deleveraging continued. Tumult in the financial markets bled into the real economy, in the US and across the globe. Economic data for virtually every country experienced a significant downturn. Investors flocked to the safety of governments, and credit markets sold off violently. The yield on US Treasury bills even reached near zero, showing that investors were willing to forgo a return on their investment in exchange for a safe place to park their cash. While global government bond yields hit or neared record lows, yield spreads on investment-grade corporate bonds shot to peaks unseen since the 1930s, and the Morgan Stanley Capital International World Index (net) extended its decline for the full year 2008 to -40.71% in US dollars the worst annual loss since the equity benchmark s inception in 1970.

Challenges continued into the first quarter of 2009 as asset prices in many markets continued to fall and policymakers scrambled to combat the severe global economic slowdown. Volatility remained high, although below the peaks of late 2008. Diversification across asset classes and geographies provided little shelter from the storm. Government debt, a safe haven in the flight from risk in 2008, suffered overall modest losses in the first quarter of 2009. And as yields rose, total returns on global corporate bonds were negative, even as spreads ebbed from historic peaks.

In an effort to restart borrowing, central banks around the world aggressively slashed interest rates. Official rates in the US, Switzerland and Japan are now near zero. Monetary authorities also unveiled an array of unorthodox measures such as directly purchasing assets such as mortgages and long-term Treasuries. Additionally, governments in both developed and developing countries have pledged a record dose of fiscal stimulus including a mix of tax cuts and infrastructure spending to help cushion the impact of the downturn.

US high-yield debt followed the equity markets lower during the reporting period and turned in its worst performance on record for the 2008 calendar year. For the Fund s semi-annual reporting period ended March 31, 2009, high yield returned -14.08%, according to the CSFB HY Index. Spreads during the reporting period spiked 495 basis points from 1,000 basis points to end the period at 1,495. By quality tier, lower rated high yield debt underperformed. Industries most adversely affected by the significant economic downturn such as building materials, transportation, paper and broadcasting fared worst. Telecommunications and non-cyclicals generally outperformed.

US dollar-denominated emerging market debt proved more resilient than high yield as the global financial crisis did not eminate from the developing world. During the period, however, as the contagion spread globally, emerging market indices still posted two of their worst monthly returns at the height of the crisis. For the semi-annual period, US dollar-denominated emerging market debt posted -2.83% with the Latin American region, at -4.56%, underperforming non-Latin American countries, at -1.10%. Hardest hit countries during the year included Ecuador, at -58.75%, Argentina, at -39.08%, and the Ukraine, at -38.35%. Under direction from President Correa, Ecuador formally defaulted on two of the country s outstanding dollar-denominated debt issues, which caused a sell-off of that country s debt. Argentina suffered from a poor economic policy mix and a decline in commodity prices. The Ukraine was the most susceptible to a slowdown in the global trade cycle due to internal economic imbalances. Emerging market debt spreads widened 214 basis points to end the semi-annual reporting period at 657 basis points over neutral-duration Treasuries.

The global economy and financial markets continue to face real challenges. The timing of recovery remains unclear and uncertainty still surrounds government actions and their impact on the economy. However, the Fund s management team believes that powerful forces for a recovery are gathering. Across the capital markets, strong recoveries typically follow very weak periods. These market upturns tend to come swiftly, often before there is solid evidence of an economic turnaround (e.g. April 2009 s subsequent strong rebound in equity and credit sensitive markets).

The team believes the recent turmoil has created opportunities not seen in generations. While Fund performance tracked the indices lower as the credit crisis deepened, the team believes the Fund is well positioned for recovery.

The recent turmoil has created attractive valuations in fixed-income markets and wide yield spreads are compensating investors generously (relative to historical norms) as they wait for recovery. Risk premiums over governments are near historic highs in many sectors. The team believes more than at any time in recent history, investors are likely to be well rewarded for sticking to a disciplined, long-term approach to asset allocation.

On March 13, 2009, the Board of Directors (the Directors) of the Fund and of AllianceBernstein Global High Income Fund (Global High Income) announced a proposed acquisition of the assets, and the assumption of the liabilities, of the Fund by Global High Income (the Acquisition). The Acquisition is subject to approval by stockholders of the Fund. A Special Meeting of Stockholders of the Fund is scheduled to be held on Thursday, July 30, 2009. The close of business on June 8, 2009, has been fixed as the record date for the Special Meeting of Stockholders. If approved by stockholders, the Acquisition is expected to take place in the third quarter of this year.

HISTORICAL PERFORMANCE

An Important Note About the Value of Historical Performance

The performance on page 6 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.

ACM Managed Dollar Income Fund Shareholder Information

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 in other newspapers in a table called Closed-End Funds. For additional shareholder information regarding this Fund, please see page 52.

Benchmark Disclosure

The unmanaged JPMorgan Emerging Markets Bond Index Global (JPM EMBI Global) and the unmanaged Credit Suisse First Boston High Yield (CSFBHY) Index do not reflect fees and expenses associated with the active management of a mutual fund portfolio. The JPM EMBI Global tracks total returns for US-dollar denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities, including loans and eurobonds. The CSFBHY Index is a standard measure of lower-rated, fixed-income, non-convertible US dollar-denominated securities meeting certain criteria developed by Credit Suisse designed to enable the index to reflect the high-yield market. An investor cannot invest directly in an index, which bears no expenses, and its results are not indicative of the performance for any specific investment, including the Fund.

A Word About Risk

The Fund may use certain investment techniques that have increased risks. For example, the Fund may use leverage, through borrowings, to enhance its returns. For this purpose the Fund may use reverse repurchase agreements and dollar rolls, which are considered borrowings, as part of its investment strategy. Borrowings allow the Fund to increase the amount of money available to invest in debt securities. As long as the income from the securities financed is greater than the interest cost of the borrowings, the Fund s investors benefit from higher returns than if the Fund were not leveraged.

Reverse repurchase agreements involve sales by a fund of portfolio assets concurrently with an agreement by the fund to repurchase the same assets at a later date at a fixed price. During the reverse repurchase agreement period, the fund continues to receive principal and interest payments on these securities. Generally, the effect of such a transaction is that a fund can recover all or most of the cash invested in the portfolio securities involved during the term of the reverse repurchase agreement, while it will be able to keep the interest income associated with those portfolio securities. Such transactions are advantageous only if the interest cost to a fund of the reverse repurchase transaction is less than the cost of otherwise obtaining the cash.

(Historical Performance continued on next page)

HISTORICAL PERFORMANCE

(continued from previous page)

The Fund may enter into dollar rolls in which the Fund sells securities for delivery in the current month and simultaneously contracts to repurchase substantially similar (same type and coupon) securities on a specified future date. During the roll period, the Fund forgoes principal and interest paid on the securities. The Fund is compensated by the difference between the current sales price and the lower forward price for the future purchase (often referred to as the drop) as well as by the interest earned on the cash proceeds of the initial sale.

The use of leverage, which is usually considered speculative, involves certain risks to stockholders. These include a higher volatility of the NAV of the common stock caused by favorable or adverse changes in interest rates. In addition, fluctuations in the interest rates on a fund s borrowings will affect the return to stockholders, with increases in interest rates decreasing the fund s return.

To the extent that the current interest rates on a fund s borrowings approaches the net return on the leveraged portion of the fund s investment portfolio, the benefit of leverage to stockholders will be reduced. If the current interest rate on the borrowings were to exceed the net return on that portion of the fund s portfolio, the fund s leverage would result in a lower rate of return to stockholders and in a lower NAV than if a fund were not leveraged.

Part of the Fund s assets will be invested in foreign and emerging markets fixed-income securities which may magnify asset value fluctuations due to changes in foreign exchange rates and the possibility of substantial volatility due to political and economic uncertainties in foreign countries. This may have a significant effect on the Fund s asset value. Price fluctuations may be caused by changes in the general level of interest rates or changes in bond credit quality ratings. Please note, as interest rates rise, existing bond prices fall and can cause the value of an investment in the Fund to decline. Changes in interest rates have a greater effect on bonds with longer maturities than on those with shorter maturities. High-yield bonds (i.e., junk bonds) involve a greater risk of default and price volatility than other bonds. Investing in below-investment grade securities presents special risks, including credit risk. While the Fund invests principally in fixed-income securities, in order to achieve its investment objectives, the Fund may at times use certain types of investment derivatives, such as options, forwards and swaps. The use of these instruments may result in a form of leverage. These instruments involve risks different from, and in certain cases, greater than, the risks presented by more traditional investments.

(Historical Performance continued on next page)

HISTORICAL PERFORMANCE

(continued from previous page)

THE FUND VS. ITS BENCHMARK	RETURNS	
PERIODS ENDED MARCH 31, 2009	6 Months	12 Months
ACM Managed Dollar Income Fund (NAV)	-8.54%	-15.57%
65% JPM EMBI Global / 35% CSFBHY Index	-6.75%	-12.35%
JPM EMBI Global	-2.83%	-8.49%
CSFBHY Index	-14.08%	-19.55%

The Fund s Market Price per share on March 31, 2009, was $4.88. The Fund s Net Asset Value price per share on March 31, 2009, was $6.03. For additional financial highlights, please see page 43.

See Historical Performance and Benchmark disclosures on pages 4-5.

PORTFOLIO SUMMARY

March 31, 2009 (unaudited)

PORTFOLIO STATISTICS

Net Assets ($mil): $111.6

* *All data are as of March 31, 2009. The Fund s security type and country breakdowns are expressed as a percentage of total investments and may vary over time. Other country weightings represent 1.0% or less in the following countries: Argentina, Bermuda, Cayman Islands, Costa Rica, Dominican Republic, El Salvador, France, Gabon, Ghana, Hong Kong, India, Ireland, Jamaica, Japan, Kazakhstan, Malaysia, Netherlands, Singapore, Ukraine and the United Kingdom.*

PORTFOLIO OF INVESTMENTS

March 31, 2009 (unaudited)

		Principal Amount (000)	U.S. $ Value
CORPORATES NON-INVESTMENT GRADES 35.0%			
Industrial 27.6%			
Basic 2.6%			
Abitibi-Consolidated Co. of Canada			
6.00%, 6/20/13	US$	5	$ 450
Arch Western Finance LLC			
6.75%, 7/01/13		165	150,975
Bowater Canada Finance Corp.			
7.95%, 11/15/11		355	31,950
Domtar Corp.			
5.375%, 12/01/13		330	221,100
Evraz Group SA			
8.25%, 11/10/15(a)		665	399,000
8.875%, 4/24/13(a)		115	73,169
Georgia-Pacific Corp.			
7.00%, 1/15/15(a)		250	233,750
Hexion US Finance Corp./Hexion Nova Scotia Finance ULC			
5.734%, 11/15/14(b)		115	22,425
9.75%, 11/15/14		115	25,300
Huntsman International LLC			
7.875%, 11/15/14		165	67,650
Ineos Group Holdings PLC			
8.50%, 2/15/16(a)		385	22,137
Jefferson Smurfit Corp. US			
8.25%, 10/01/12		8	1,000
Momentive Performance Materials, Inc.			
10.125%, 12/01/14(c)		84	16,448
NewMarket Corp.			
7.125%, 12/15/16		80	63,400
NewPage Corp.			
10.00%, 5/01/12		285	99,038
Novelis, Inc.			
7.25%, 2/15/15		250	100,000
Peabody Energy Corp. Series B			
6.875%, 3/15/13		415	404,625
Steel Capital SA for OAO Severstal			
9.25%, 4/19/14(a)		224	145,600
9.75%, 7/29/13(a)		696	452,400
Vedanta Resources PLC			
8.75%, 1/15/14(a)		559	413,660
			2,944,077

		Principal Amount (000)	U.S. $ Value
Capital Goods 3.2%			
Alion Science and Technology Corp.			
10.25%, 2/01/15	US$	40	$ 6,000
AMH Holdings, Inc.			
11.25%, 3/01/14[d]		235	70,500
Ball Corp.			
6.875%, 12/15/12		272	274,720
Berry Plastics Holding Corp.			
8.875%, 9/15/14		155	86,800
Bombardier, Inc.			
6.30%, 5/01/14[a]		505	356,025
8.00%, 11/15/14[a]		350	256,375
Case Corp.			
7.25%, 1/15/16		370	270,100
Case New Holland, Inc.			
7.125%, 3/01/14		270	198,450
Crown Americas			
7.625%, 11/15/13		450	451,687
Hanson Australia Funding Ltd.			
5.25%, 3/15/13		300	132,000
Hanson Ltd.			
6.125%, 8/15/16		75	32,250
L-3 Communications Corp.			
5.875%, 1/15/15		420	389,550
Masco Corp.			
6.125%, 10/03/16		170	109,102
Owens Brockway Glass Container, Inc.			
6.75%, 12/01/14		330	316,800
Owens Corning, Inc.			
6.50%, 12/01/16		140	102,712
7.00%, 12/01/36		185	103,671
Plastipak Holdings, Inc.			
8.50%, 12/15/15[a]		135	94,500
Sequa Corp.			
11.75%, 12/01/15[a]		80	12,000
Terex Corp.			
8.00%, 11/15/17		65	52,650
United Rentals North America, Inc.			
6.50%, 2/15/12		5	4,000
7.75%, 11/15/13		538	293,210
			3,613,102
Communications - Media 4.2%			
Allbritton Communications Co.			
7.75%, 12/15/12		275	101,750
AMC Entertainment, Inc.			
11.00%, 2/01/16		70	63,700

		Principal Amount (000)	U.S. $ Value
Cablevision Systems Corp. Series B 8.00%, 4/15/12	US$	290	$ 282,025
CanWest Media, Inc. 8.00%, 9/15/12[e]		2	390
CCH I LLC 11.00%, 10/01/15		225	24,187
Charter Communications Operations LLC 8.00%, 4/30/12[a]		990	905,850
Clear Channel Communications, Inc. 5.50%, 9/15/14		545	81,750
5.75%, 1/15/13		290	43,500
CSC Holdings, Inc. 6.75%, 4/15/12		325	312,813
7.625%, 7/15/18		485	436,500
Dex Media West LLC Series B 8.50%, 8/15/10		180	90,000
DirecTV Holdings LLC 6.375%, 6/15/15		605	570,213
Gallery Capital SA 10.125%, 5/15/13[a]		249	37,350
Intelsat Bermuda Ltd. 11.25%, 6/15/16		577	559,690
Lamar Media Corp. 6.625%, 8/15/15		200	146,000
LIN Television Corp. 6.50%, 5/15/13		120	62,400
Nielsen Finance LLC/Nielsen Finance Co. 12.50%, 8/01/16[d]		75	31,125
Quebecor Media, Inc. 7.75%, 3/15/16		570	433,200
RH Donnelley Corp. Series A-2 6.875%, 1/15/13		252	13,860
Series A-3 8.875%, 1/15/16		235	13,512
Series A-4 8.875%, 10/15/17		780	42,900
Sinclair Television Group, Inc. 8.00%, 3/15/12		2	1,090
Sirius Satellite Radio, Inc. 9.625%, 8/01/13		190	82,650
Univision Communications, Inc. 7.85%, 7/15/11		270	172,800
WMG Holdings Corp. 9.50%, 12/15/14[d]		400	144,000
			4,653,255

		Principal Amount (000)	U.S. $ Value
Communications - Telecommunications 2.8%			
American Tower Corp.			
7.00%, 10/15/17	US$	100	$ 98,500
Cricket Communications, Inc.			
9.375%, 11/01/14		260	247,650
Digicel Ltd.			
9.25%, 9/01/12(a)		349	307,993
Fairpoint Communications, Inc.			
13.125%, 4/01/18(a)		180	34,200
Frontier Communications Corp.			
6.25%, 1/15/13		490	444,063
Inmarsat Finance PLC			
7.625%, 6/30/12		372	361,305
Level 3 Financing, Inc.			
8.75%, 2/15/17		105	67,200
9.25%, 11/01/14		265	182,850
Nextel Communications, Inc.			
Series D			
7.375%, 8/01/15		260	137,800
Sprint Capital Corp.			
6.875%, 11/15/28		345	210,450
8.75%, 3/15/32		145	97,150
Sprint Nextel Corp.			
6.00%, 12/01/16		400	286,000
Time Warner Telecom Holdings, Inc.			
9.25%, 2/15/14		100	96,500
Vip Finance (Vimpelcom)			
8.375%, 4/30/13(a)		220	160,050
Windstream Corp.			
8.125%, 8/01/13		198	195,030
8.625%, 8/01/16		231	226,957
			3,153,698
Consumer Cyclical - Automotive 1.5%			
Allison Transmission, Inc.			
11.00%, 11/01/15(a)		75	35,625
Ford Motor Co.			
7.45%, 7/16/31		816	259,080
Ford Motor Credit Co.			
4.01%, 1/13/12(b)		630	396,900
7.00%, 10/01/13		443	296,217
General Motors Corp.			
8.25%, 7/15/23		740	86,950
8.375%, 7/15/33		720	86,400
The Goodyear Tire & Rubber Co.			
8.625%, 12/01/11		59	48,970
9.00%, 7/01/15		338	260,260
Keystone Automotive Operations, Inc.			
9.75%, 11/01/13		310	60,450

		Principal Amount (000)	U.S. $ Value
Lear Corp.			
Series B			
5.75%, 8/01/14	US$	210	$ 52,500
8.50%, 12/01/13		80	18,000
8.75%, 12/01/16		420	86,100
Visteon Corp.			
7.00%, 3/10/14		385	19,250
			1,706,702
Consumer Cyclical - Other 2.7%			
Boyd Gaming Corp.			
7.75%, 12/15/12		155	124,775
Broder Brothers Co.			
Series B			
11.25%, 10/15/10		142	22,010
Gaylord Entertainment Co.			
6.75%, 11/15/14		5	3,075
8.00%, 11/15/13		350	231,000
Greektown Holdings LLC			
10.75%, 12/01/13[(a)(e)]		240	12,000
Harrah s Operating Co., Inc.			
5.625%, 6/01/15		205	33,825
5.75%, 10/01/17		38	6,080
6.50%, 6/01/16		442	70,720
10.75%, 2/01/16		417	79,230
Host Hotels & Resorts LP			
6.875%, 11/01/14		185	142,450
Series Q			
6.75%, 6/01/16		590	430,700
Levi Strauss & Co.			
8.875%, 4/01/16		225	174,375
MGM Mirage			
6.625%, 7/15/15		480	170,400
8.375%, 2/01/11		135	14,175
Mohegan Tribal Gaming Auth			
6.375%, 7/15/09		155	127,100
7.125%, 8/15/14		250	70,000
Penn National Gaming, Inc.			
6.875%, 12/01/11		280	269,500
Six Flags Operations, Inc.			
12.25%, 7/15/16[(a)]		37	19,980
Six Flags, Inc.			
9.625%, 6/01/14		92	8,280