



ALLIANCEBERNSTEIN®

2022 ANNUAL REPORT

# Growing through Heightened Volatility



## AB Holding (The Publicly Traded Partnership)

Year Ended December 31

	2022	2021	2020
Adjusted <sup>1</sup> Diluted Net Income (USD Thousands)	<b>\$299,635</b>	\$386,971	\$281,526
Adjusted Diluted Net Income per Unit	<b>\$2.94</b>	\$3.89	\$2.91
Distributions per Unit	<b>\$2.95</b>	\$3.90	\$2.91

## AB (Operating Partnership)

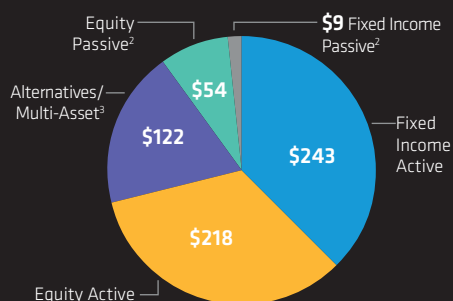
Year Ended December 31

	2022	2021	2020
Assets Under Management (USD Thousands)	<b>\$646,422</b>	\$778,570	\$685,923
Adjusted Revenues (USD Thousands)	<b>\$3,336,234</b>	\$3,609,536	\$3,049,326
Adjusted Operating Income (USD Thousands)	<b>\$947,197</b>	\$1,214,310	\$917,998
Employees	<b>4,436</b>	4,118	3,929

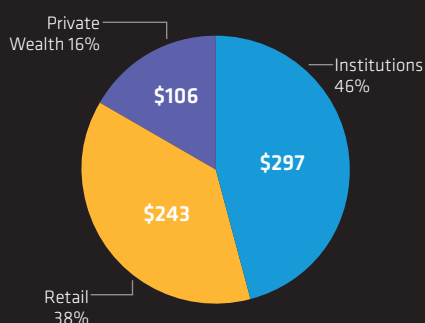
## ASSETS UNDER MANAGEMENT AS OF DECEMBER 31, 2022

(USD Billions)

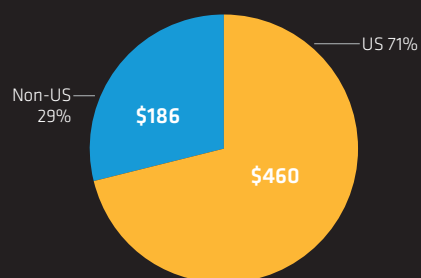
### By Investment Service



### By Channel



### By Client Domicile



<sup>1</sup> The adjusted financial measures are all non-GAAP financial measures. See page 36 and pages 45-47 of the enclosed Form 10-K for reconciliations of GAAP financial results to adjusted financial results and notes describing the adjustments.

<sup>2</sup> Includes index and enhanced index services

<sup>3</sup> Includes certain multi-asset solutions and services not included in equity or fixed income services

# Letter from the CEO

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Following a buoyant 2021, the global economy and financial markets faced challenging conditions from the outset of 2022. Rising inflation drove higher interest rates globally, negatively impacting financial market returns across asset classes. Sentiment was further impacted by rising geo-political concerns. A fourth-quarter market rebound was a small consolation for diversified investors in 2022.

At AllianceBernstein, our efforts remain focused on our valued clients, for whom we continue to **pursue insight that unlocks opportunity**. In an era of heightened volatility, our investment teams anticipate a range of future outcomes and position investment portfolios accordingly.

In 2022, this client focus was demonstrated by our placing sixth in the top 25 list of Most Trusted Financial Companies, a comparison including many larger, broadly diversified financial firms with globally recognized brands.<sup>1</sup>

I am also proud to report that despite the volatile environment, the firm made meaningful progress executing on our growth strategy. Our globally diversified platform grew active assets organically for the fourth consecutive year, counter to industry trends. With the support of our partner, Equitable Holdings, we executed on multiple strategic transactions, and grew in private credit with the mid-year acquisition of CarVal Investors. We also embarked on a promising growth opportunity for Bernstein Research through a joint venture agreed upon with Société Générale, which we expect to close in late 2023.

At AB we strive to deliver our best thinking to clients in a way that works best for them. Thus, we launched our first active exchange-traded funds (ETFs) in 2022, with liquidity and income products. We anticipate active ETFs will continue to grow in investor usage over time, given their tax efficiency and liquidity advantages.

We also invested in our insurance asset-management business, where we grew third-party assets under management organically. In municipals, we redesigned our investment platform to enable customization and tax optimization at scale for custom municipal separately managed accounts (SMA). This marked the tenth consecutive year in which we've grown our municipal SMA business in the US, expanding market share, even during last year's industry-wide contraction.

In addition, we continued to invest in establishing a wholly owned onshore China asset manager, for which our application was recently accepted. And we continue to launch new investment strategies across our core offerings and institutional, retail and private wealth channels.

At AB we manage the business with a view toward the long-term, while making necessary trade-offs in the near-term. In that vein, we recently took necessary action to reduce headcount, reflecting our expectation that markets are likely to remain volatile.

We continue to prioritize and address the changing needs of our workforce. Our leadership team responded to the request for continued flexibility while also recognizing the inherent benefit to our business when our people work together in the office for most of the week. We sought to find balance based on our staff's input, and we feel that our blended approach of in-office and remote work time delivers what is best for all.

<sup>1</sup> Source: Investor's Business Daily's 25 Most Trusted Financial Companies, 2022.

AB's continuing commitment to Diversity, Equity & Inclusion (DEI) across all facets of the firm aligns with our belief that the workplace is both a working and learning community. We seek to empower our people through purpose and fostering an inclusive and equitable culture that allows for connectivity, belonging and success at every level.

## **2022 Market Overview**

Rising inflation became the key issue for financial markets early in 2022. The rapid reopening from the COVID pandemic led to a global supply and demand mismatch in many industries. This was coupled with Russia's invasion of Ukraine, pushing energy and food prices higher. As the year progressed, inflation broadened to include service industries, for which labor is the primary input cost. Labor markets remained very strong, particularly in the US, even as some evidence of a growth slowdown filtered in, raising the possibility of a more durable inflation problem.

Persistent inflation triggered a wave of aggressive global monetary policy tightening, highlighted by more than 400 basis points of interest-rate increases from the US Federal Reserve, as well as the beginning of the reduction in the size of the Fed's balance sheet. Other central banks followed suit, pushing yields on fixed-income instruments up. The combination of higher rates and increasing risks to the growth outlook pulled equity markets sharply lower.

Thus far in 2023, key indicators are sending mixed signals about the economic outlook. The inverted US and European yield curves point to a very high probability of a recession. Meanwhile, the robust labor market in the US suggests a much more sanguine outlook. We expect that the pace of disinflation is likely to be the determining variable. A more rapid normalization of prices would reduce the probability of a hard landing. But if inflation stays elevated for months to come, central bankers will have little choice but to continue tightening, even if that means a recession is the outcome.



## Executing Our Strategy

We continue to execute on our strategy “**Deliver, Diversify and Expand Responsibly**, with **Equitable**.”

**Delivering** strong investment performance is a key priority. In 2022, our fixed-income performance was impacted in a difficult environment, while the majority of our equity assets outperformed. For the three- and five-year periods, performance was solid, and 70% or more of both asset classes outperformed over the five-year period.

Our **fourth consecutive year** of active organic growth was led by a robust rise in custom target-date solutions and private alternatives. We also continued to gain market share in our retail channel in active equities and municipals, both of which grew despite industry-wide net outflows.

We **diversified** our global product suite by offering core investment solutions through new vehicles (Active ETFs) to meet client needs, launching Ultra Short Income and Tax-Aware Short Duration Muni ETFs. New investment strategies included Diversity Champions Equity, SMA Custom Muni and Fixed Maturity Portfolio 2025.

We successfully **expanded** through the strategic acquisition of CarVal Investors, resulting in private markets AUM of US\$56 billion, +57% over the prior year.

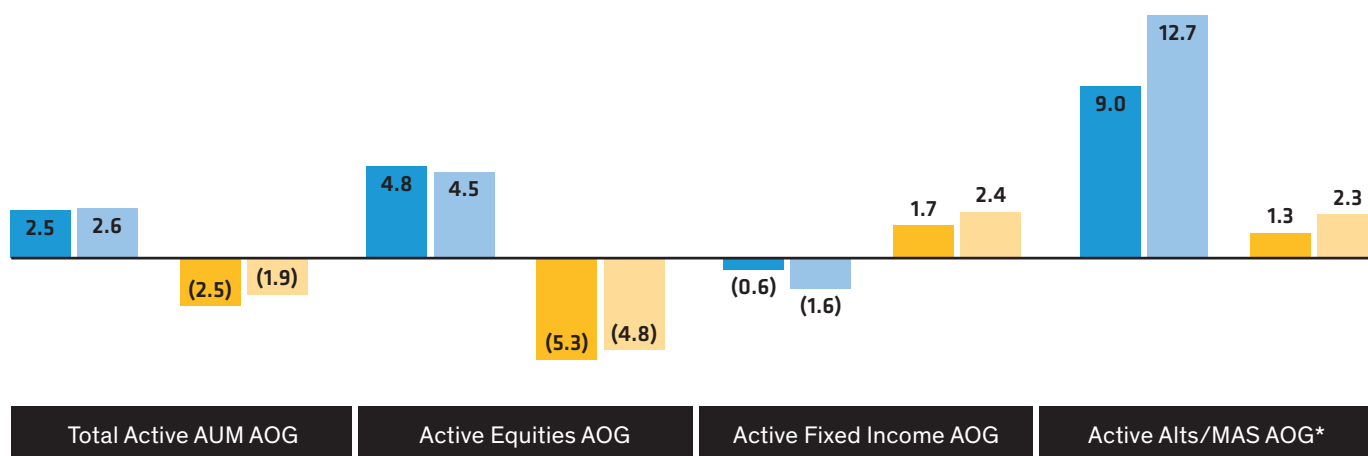
Our **responsible investing** offerings continue to resonate with investors, with our Portfolios with Purpose platform totaling US\$23.8 billion of AUM at year-end, or 12% organic growth. In 2022, we added two new strategies aligned with the UN’s Sustainable Development Goals—Diversity Champions and Sustainable Euro High Yield—as well as a strategy that seeks to benefit from China’s decarbonization drive and a new private wealth Impact strategy.

Our partnership with **Equitable Holdings** continues to bear fruit, as Equitable deployed 70% of its **US\$10 billion allocation of permanent capital** to our private alternatives and private placements platform by year-end. This mutually beneficial program increases the higher-yielding element in their General Account, accelerating the growth of our higher-fee, longer-dated private alternatives platform.

In the Retail channel, annual sales of US\$66 billion were down US\$34 billion from last year’s record level. Despite this, active equities grew organically for the sixth straight year, while municipals grew organically for the tenth straight year—the latter led by our SMA Tax Aware and SMA Custom strategies.

## ACTIVE NET INFLOWS

Average Annualized Organic Growth Rates (“AOG”) for Active AUM  
5-year avg. AOG (FY18 - FY22) | 3-year avg. AOG (FY20 - FY22) (percent)



● AB (2018-2022) ● AB (2020-2022) ● Peer Average (2018-2022)† ● Peer Average (2020-2022)†

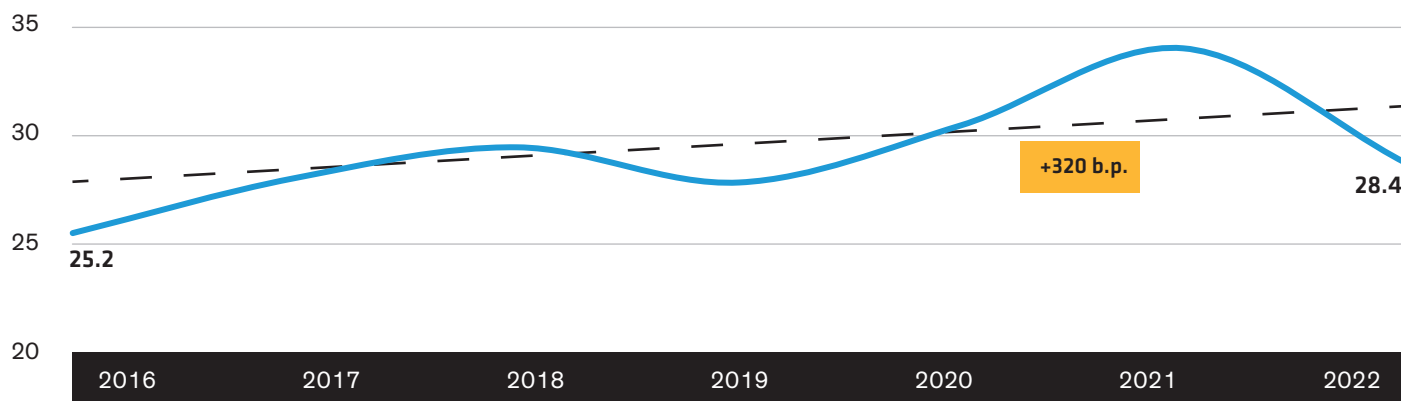
Note: Total Active AUM and Active Fixed Income Average Annualized Growth excludes \$11.8 billion in low-fee AXA terminated mandates during 2020, \$1.3 billion in 2021 and \$2.3 billion in 2022

\*Includes peers with continuous Alts/MAS exposure over each corresponding period

†Peers: AMG, BEN, BLK, IVZ, JHG & TROW

## AB ADJUSTED OPERATING MARGIN

Full Year Adjusted Operating Margin (Percent)



Regionally, US Retail grew organically for its **fourth consecutive year** and Japan grew for the **fifth straight year**.

In our Institutional channel, 2022 sales were US\$32 billion, the highest since 2008, driven by US\$16 billion in fundings from two custom target-date mandates. This was the **fourth straight year** of net inflows.

Our Institutional channel pipeline was US\$13.2 billion at year-end, with a fee rate more than three times the channel average, driven by private alternatives, which comprise more than 80% of the annualized fee rate.

In Private Wealth, gross sales of US\$17.5 billion declined just 4% versus a strong prior year. Net inflows were positive for the second straight year and fifth of the last seven. Encouragingly, our client mix continues to shift toward our ultra-high net worth (US\$20 million and over) clients, which remains our fastest growing cohort.

### Managing Profitability

We are managing our business to deliver targeted average incremental operating margins in the range of 45%–50%—not every year, but over time. In 2022 we fell below this range, with an incremental margin of 35%, reflecting weaker financial markets, lower performance fees and inflationary impacts on expenses.

Importantly, we were vigilant in managing those expenses where we do exercise more control, as shown by our compensation and benefits ratio of 48.4%.

For the full year, our adjusted operating margin was 28.4%, with adjusted earnings and unitholder distributions down 24% versus the prior year.

Our Nashville relocation contributed to AB's earnings in 2022 and is forecast to do so again in 2023, growing to an expected annual contribution of US\$75–US\$80 million by 2025.

As a partnership, we continue to benefit from a **durably low** tax rate of approximately 10%, attractive relative to corporate peers. And we continue to pay out 100% of our adjusted operating income, or US\$2.95 per unit in 2022, a robust yield of 7%.

Over the last five years, AB has generated a total shareholder return of 113%, versus the S&P 500 of 57% and the peer group of –3%.<sup>2</sup> Our reinvested distribution has comprised well over half of AB's total shareholder return over this period.

<sup>2</sup> Peer group includes Affiliated Managers Group, Franklin Resources, BlackRock, Janus Henderson Investors, Invesco and T. Rowe Price.

People and Culture

In 2022, AB prioritized a focus on self-care for its staff as the ongoing conversation about mental health and wellness continued to shape the way we thought about the employee experience.

We invested significantly in building the resilience and capabilities of our managers, so they were able to support all staff as we emerged from a time of uncertainty. At the senior levels of the firm, we defined our leadership expectations to ensure we demonstrated a commitment to the progress of both our business and our people. Leaning on our culture, we emerged from the pandemic, grounded in our purpose and led by our values. Every day, I hold our leaders accountable for maintaining the engagement, productivity and satisfaction of staff, as maintaining this focus is integral to our success.

Being in the office three days per week positively impacts individual professional development and provides opportunities to learn and grow. Additionally, defined time working remotely allows for focused

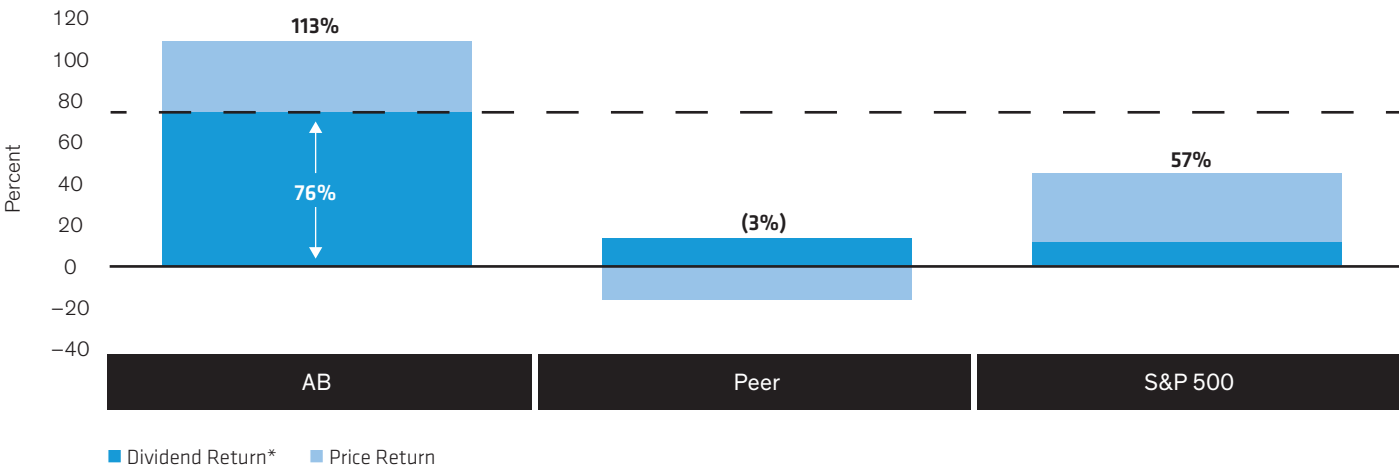
effort and an ability to have more connectivity to one’s life outside the office. We have prioritized the development of our managers to be equipped with the skills needed to manage a hybrid staff with intentionality and inclusivity.

Our employees continue to work together to create a more inclusive and culturally rich workplace. Globally, our employee resource groups hosted more than 60 virtual, hybrid and in-person events on topics including childcare and career advancement. Additionally, we implemented new initiatives including: launched the HBCU Scholars program, tailored focus groups with diverse talent to gain a deeper understanding of their experiences; celebrated the Juneteenth federal holiday with volunteer events across our offices; raised awareness on antisemitism as well as anti-Asian hate; and secured our seventh consecutive 100% score on the Human Rights Campaign Foundation’s Corporate Equality Index.

We know that engaged employees are more productive, collaborative and innovative, and we strive to remain a place where diverse ideas can make us better.

TOTAL SHAREHOLDER RETURN

Total Shareholder Return\* (12/31/2017 -12/31/2022)



Peer average includes: Affiliated Managers Group, Franklin Resources, Blackrock, Janus Henderson, Invesco, T. Rowe Price

\*Assumes distributions reinvested during 12/31/2017 – 12/31/2022 period

Source: NasdaqIR



## PARTING THOUGHTS

In 2022, the Board thanked Bertram Scott for his capable service. Our accomplished Board remains highly engaged, providing valuable insight based on diverse and relevant experiences and backgrounds.

As I look forward, our teams' accomplishments against our strategic initiatives in 2022 give me confidence for 2023. We are positioning the business for sustained strength while navigating rapid change in our industry by ensuring that our offerings remain relevant to our clients' changing needs. I thank you for your continued trust in our firm.

Sincerely,

A handwritten signature in black ink that reads "Seth Bernstein". The signature is fluid and cursive, with the first name "Seth" and last name "Bernstein" clearly distinguishable.

Seth P. Bernstein,  
President and Chief Executive Officer



AllianceBernstein Holding L.P.  
Form 10-K 2022

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2022

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 001-09818

**ALLIANCEBERNSTEIN HOLDING L.P.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**13-3434400**

(I.R.S. Employer Identification No.)

**501 Commerce Street, Nashville, TN**

(Address of principal executive offices)

**37203**

(Zip Code)

Registrant's telephone number, including area code: (615) 622-0000

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
<b>Units Rep. Assignments of Beneficial Ownership of LP Interests in AB Holding ("Units")</b>	<b>AB</b>	<b>New York Stock Exchange</b>

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

If securities are registered pursuant to Section 12 (b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐



The aggregate market value of the units representing assignments of beneficial ownership of limited partnership interests held by non-affiliates computed by reference to the price at which such units were last sold on the New York Stock Exchange as of June 30, 2022 was approximately \$3.8 billion.

The number of units representing assignments of beneficial ownership of limited partnership interests outstanding as of December 31, 2022 was 113,801,097. (This figure includes 100,000 general partnership units having economic interests equivalent to the economic interests of the units representing assignments of beneficial ownership of limited partnership interests.)

#### **DOCUMENTS INCORPORATED BY REFERENCE**

This Form 10-K does not incorporate any document by reference.

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# Glossary of Certain Defined Terms

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<b>AB</b>	AllianceBernstein L.P. (Delaware limited partnership formerly known as Alliance Capital Management L.P., “ <b>Alliance Capital</b> ”), the operating partnership, and its subsidiaries and, where appropriate, its predecessors, AB Holding and APMC, Inc. and their respective subsidiaries.	<b>Equitable Financial</b>	Equitable Financial Life Insurance Company (New York stock life insurance company), a subsidiary of Equitable Holdings.
<b>AB Holding</b>	AllianceBernstein Holding L.P. (Delaware limited partnership).	<b>Equitable Holdings or EQH</b>	Equitable Holdings, Inc. (Delaware corporation) and its subsidiaries other than AB and its subsidiaries.
<b>AB Holding Partnership Agreement</b>	the Amended and Restated Agreement of Limited Partnership of AB Holding, dated as of October 29, 1999 and as amended February 24, 2006.	<b>Exchange Act</b>	the Securities Exchange Act of 1934, as amended.
<b>AB Holding Units</b>	units representing assignments of beneficial ownership of limited partnership interest in AB Holding.	<b>ERISA</b>	the Employee Retirement Income Security Act of 1974, as amended.
<b>AB Partnership Agreement</b>	the Amended and Restated Agreement of Limited Partnership of AB, dated as of October 29, 1999 and as amended February 24, 2006.	<b>GAAP</b>	U.S. Generally Accepted Accounting Principles.
<b>AB Units</b>	units of limited partnership interest in AB.	<b>General Partner</b>	AllianceBernstein Corporation (Delaware corporation), the general partner of AB and AB Holding and a subsidiary of Equitable Holdings, and, where appropriate, APMC, LLC, its predecessor.
<b>AUM</b>	AB's assets under management.	<b>Investment Advisers Act</b>	the Investment Advisers Act of 1940, as amended.
<b>Bernstein Transaction</b>	AB's acquisition of the business and assets of SCB Inc., formerly known as Sanford C. Bernstein Inc., and the related assumption of the liabilities of that business, completed on October 2, 2000.	<b>Investment Company Act</b>	the Investment Company Act of 1940, as amended.
<b>Equitable America</b>	Equitable Financial Insurance Company of America (f/k/a MONY Life Insurance Company of America, an Arizona corporation), a subsidiary of Equitable Holdings.	<b>NYSE</b>	the New York Stock Exchange, Inc.
		<b>Partnerships</b>	AB and AB Holding together.
		<b>SEC</b>	the United States Securities and Exchange Commission.
		<b>Securities Act</b>	the Securities Act of 1933, as amended.



# Part I

## Item 1. Business

The words “**we**” and “**our**” in this Form 10-K refer collectively to AB Holding and AB and its subsidiaries, or to their officers and employees. Similarly, the words “**company**” and “**firm**” refer to both AB Holding and AB. Where the context requires distinguishing between AB Holding and AB, we identify which company is being discussed. Cross-references are in *italics*.

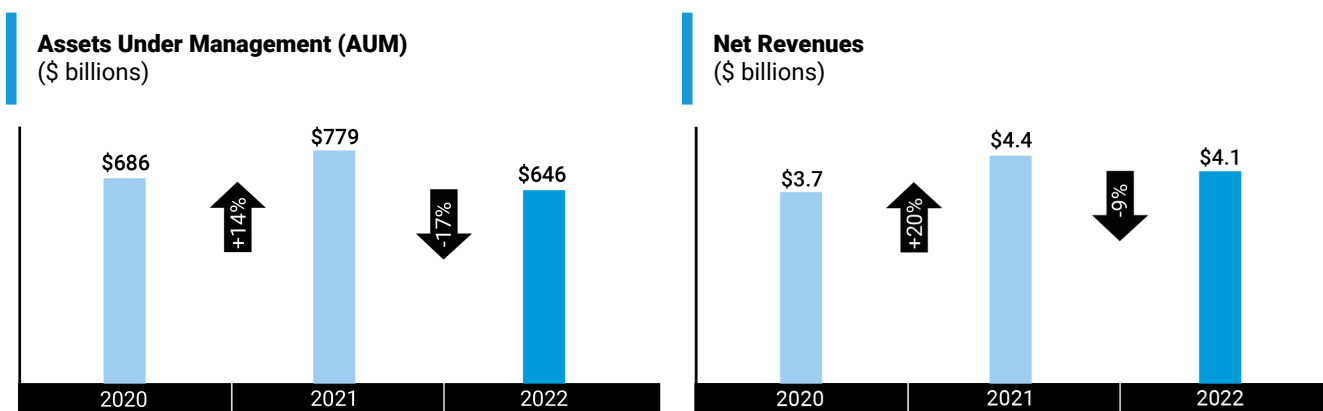
We use “**global**” in this Form 10-K to refer to all nations, including the United States; we use “**international**” or “**non-U.S.**” to refer to nations other than the United States.

We use “**emerging markets**” in this Form 10-K to refer to countries included in the Morgan Stanley Capital International (“MSCI”) emerging markets index, which include, as of December 31, 2022: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

### Clients

We provide diversified investment management, research and related services globally to a broad range of clients through our three buy-side distribution channels: Institutions, Retail and Private Wealth Management, and our sell-side business, Bernstein Research Services. See “*Distribution Channels*” in this Item 1 for additional information.

As of December 31, 2022, 2021 and 2020, our AUM were approximately \$646 billion, \$779 billion and \$686 billion, respectively, and our net revenues were approximately \$4.1 billion, \$4.4 billion and \$3.7 billion, respectively. EQH (our parent company) and its subsidiaries, whose AUM consist primarily of fixed income investments, is our largest client. Our EQH affiliates represented approximately 16%, 17% and 19% of our AUM as of December 31, 2022, 2021 and 2020, and we earned approximately 4% of our net revenues from services we provided to them in each of those years.



See “*Distribution Channels*” below and “*Assets Under Management*” and “*Net Revenues*” in Item 7 for additional information regarding our AUM and net revenues.

Generally, we are compensated for our investment services on the basis of investment advisory and services fees calculated as a percentage of AUM. For additional information about our investment advisory and services fees, including performance-based fees, see “*Risk Factors*” in Item 1A and “*Net Revenues – Investment Advisory and Services Fees*” in Item 7.

### Research

Our high-quality, in-depth research is the foundation of our asset management and private wealth management businesses. We believe that our global team of research professionals, whose disciplines include economic, fundamental equity, fixed income and quantitative research, gives us a competitive advantage in achieving investment success for our clients. We also have experts focused on multi-asset strategies, wealth management, environmental, social and governance (“ESG”), and alternative investments.

## Purpose, Values and Corporate Responsibility

At AB, we pursue insight that unlocks opportunity. This is our firm's purpose. Together with our firm's mission and values, which we have *described below*, our purpose forms the foundation of responsibility at AB.

AB's mission is to help our clients define and achieve their investment goals, explicitly stating what we do each day to unlock opportunity for our clients. As an active manager, our differentiated insights drive our ability to deliver alpha and design innovative investment solutions. ESG and climate issues are key elements in forming insights and in presenting potential risks and opportunities that can impact the performance of the companies and issuers in which we invest and the portfolios that we build.

Our values provide a framework for the behaviors and actions that deliver on our purpose and mission. Values align our actions. Each value emerges from our firm's character, yet also is aspirational, and each value challenges us to become a better, more responsible version of AB:

- We invest in each other, meaning that we have a strong organizational culture in which diversity is celebrated and mentorship is critical to our success.
- We strive for distinctive insight, meaning that we collaboratively identify creative solutions to clients' economic, ESG and climate-related investment challenges through our expertise in a wide range of investment disciplines.
- We speak with courage and conviction, which informs how we engage with our AB colleagues and issuers.
- We act with integrity, which is the bedrock of our relationships and drives us to avoid activities that could create potential conflicts of interest or distract us from our singular focus to provide asset management and research to our clients.

As *noted above*, we consistently challenge ourselves to become a better version of AB. We are committed to being a responsible firm and striving to model the behavior that we expect from the companies in which we invest. This means, in part, giving back to the communities in which we work through our firm-wide philanthropic initiative, AB Gives Back, and reducing our environmental footprint by increasing our use of "green buildings," such as our new corporate headquarters in Nashville, Tennessee. Additionally, by promoting diversity, equity and inclusion, we are afforded different perspectives and ways of thinking, which can lead to better outcomes for our clients (*See Diversity, Equity and Inclusion below in this Item 1*).

Also, striving to be more responsible gives us a richer perspective for evaluating other companies. As longtime fundamental investors with a strong research heritage, we consider ESG factors in various processes. This helps us make fully informed risk/return assessments and draw insightful investment conclusions. Our investors — research analysts and portfolio managers — understand the companies and industries they cover in-depth. This positions them well to determine which ESG issues are material to particular companies, to determine the financial impact of an ESG issue and to incorporate that insight into their cash-flow, earnings and credit models. And, we continue to invest in technology and innovation to further enable our investment teams to formalize their ESG evaluations and share insights from our engagements with other companies.

Additionally, AB has prioritized our employees' health and welfare throughout the COVID-19 pandemic while ensuring that our firm has continued to meet our fiduciary obligations and provide exceptional client service and thoughtful investment advice. Furthermore, COVID-19 is a prominent theme in engagement: it not only impacts business models but also highlights corporate ESG practices. We are advocating that issuers be responsible corporate citizens, and we are working to better understand opportunities and threats, including supply chain disruptions and inflationary pressures, fueled by the pandemic.

We provide additional information in this regard in the AB Responsibility Report, which can be found under "Responsibility - Overview" on [www.alliancebernstein.com](http://www.alliancebernstein.com). And, we have described our firm's governance structure, including our Board and its committees, in Item 10 of this Form 10-K.

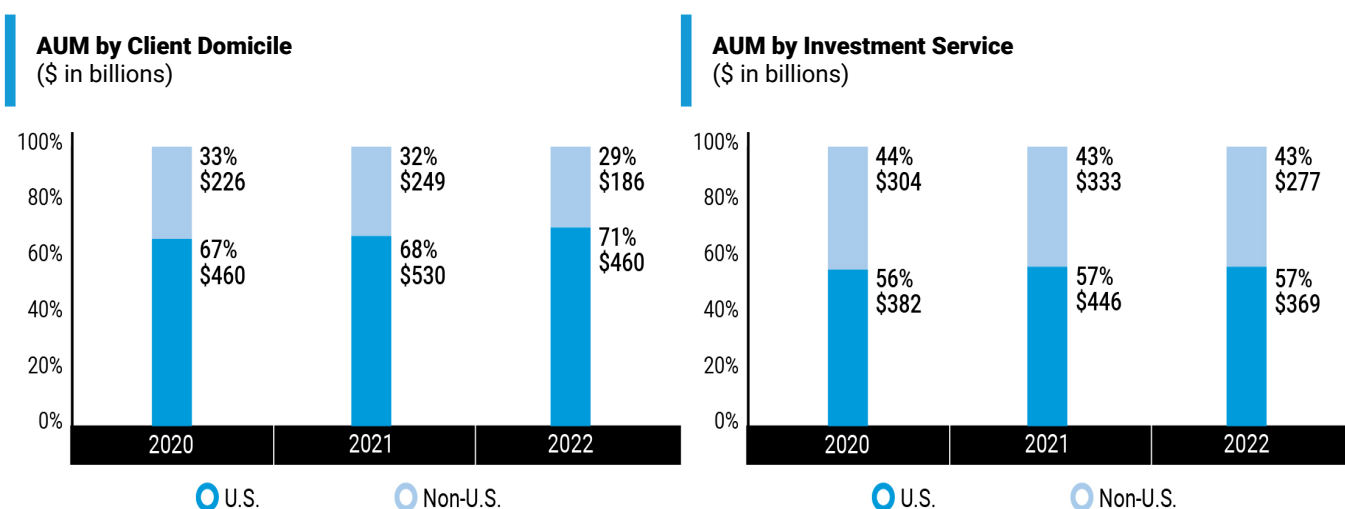
## Investment Philosophy

We believe that by using differentiated research insights and a disciplined process to build high-active-share portfolios, we can achieve strong investment results for our clients over time. Key to this philosophy is developing and integrating ESG and climate research, as well as our approach to engagement. Our global research network, intellectual curiosity and collaborative culture allow us to advance clients' investment objectives, whether our clients are seeking responsibility generated idiosyncratic alpha, total return, downside mitigation, or sustainability and impact-focused outcomes.

Our investment services include expertise in:

- Actively managed equity strategies across global and regional universes, as well as capitalization ranges, concentration ranges and investment strategies, including value, growth and core equities;
- Actively managed traditional and unconstrained fixed income strategies, including taxable and tax-exempt strategies;
- Actively managed alternative investments, including hedge funds, fund of funds and direct assets (e.g., direct lending, real estate and private equity);
- Portfolios with Purpose, including actively managed, impact-focused and Responsible+ (climate-conscious, ESG leaders, change catalysts) equity, fixed income and multi-asset strategies that address our clients' evolving need to invest their capital with purpose while pursuing strong investment returns;
- Multi-asset services and solutions, including dynamic asset allocation, customized target-date funds and target-risk funds; and
- Some passive management, including index, ESG index and enhanced index strategies.

Our AUM by client domicile and investment service as of December 31, 2022, 2021 and 2020 are as follows:



# Distribution Channels

## Institutions

We offer to our institutional clients, which include private and public pension plans, foundations and endowments, insurance companies, central banks and governments worldwide, and EQH and its subsidiaries, separately managed accounts, sub-advisory relationships, structured products, collective investment trusts, mutual funds, hedge funds and other investment vehicles (“**Institutional Services**”).

We manage the assets of our institutional clients pursuant to written investment management agreements or other arrangements, which generally are terminable at any time or upon relatively short notice by either party. In general, our written investment management agreements may not be assigned without the client's consent. For information about our institutional investment advisory and services fees, including performance-based fees, see “*Risk Factors*” in Item 1A and “*Net Revenues – Investment Advisory and Services Fees*” in Item 7.

EQH and its subsidiaries constitute our largest institutional client. EQH and its subsidiaries combined AUM accounted for approximately 24%, 25% and 29% of our institutional AUM as of December 31, 2022, 2021 and 2020, respectively, and approximately 19%, 18% and 18% of our institutional revenues for 2022, 2021 and 2020, respectively. No single institutional client other than EQH and its respective subsidiaries accounted for more than approximately 2% of our net revenues for the year ended December 31, 2022.

As of December 31, 2022, EQH and its subsidiaries combined AUM accounted for:

Approximately

**24%**

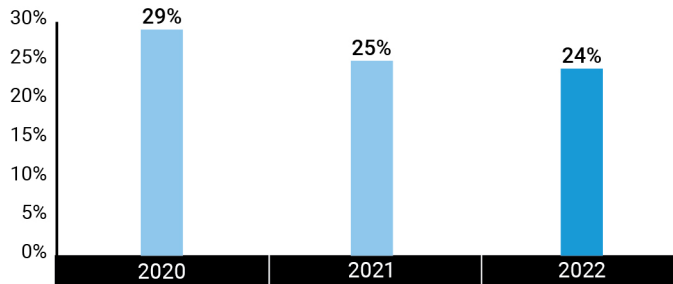
of our institutional AUM.

Approximately

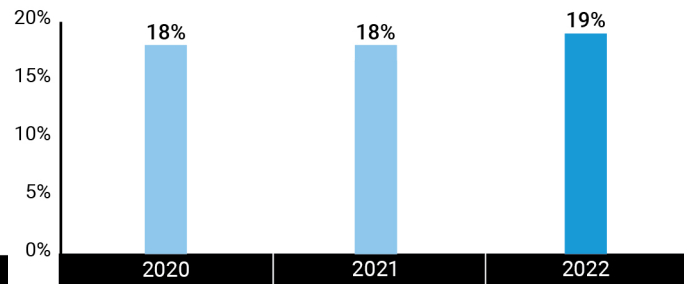
**19%**

of our institutional revenues.

**EQH and Subsidiaries as a % of our Institutional AUM**



**EQH and Subsidiaries as a % of our Institutional Revenues**



As of December 31, 2022, 2021 and 2020, Institutional Services represented approximately 46%, 43% and 46%, respectively, of our AUM, and the fees we earned from providing these services represented approximately 16%, 13% and 14%, respectively, of our net revenues for each of those years. Our AUM and revenues are as follows:

**Institutional Services Assets Under Management**  
(by Investment Service)

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in millions)				
Equity:					
Equity Actively Managed	\$ 55,731	\$ 73,726	\$ 60,067	(24.4)%	22.7%
Equity Passively Managed <sup>(1)</sup>	21,062	28,995	27,873	(27.4)	4.0
<b>Total Equity</b>	<b>76,793</b>	<b>102,721</b>	<b>87,940</b>	<b>(25.2)</b>	<b>16.8</b>
U.S.	35,428	47,409	41,241	(25.3)	15.0
Global & Non-US	41,365	55,312	46,699	(25.2)	18.4
<b>Total Equity</b>	<b>76,793</b>	<b>102,721</b>	<b>87,940</b>	<b>(25.2)</b>	<b>16.8</b>
Fixed Income:					
Fixed Income Taxable	121,871	155,940	164,048	(21.8)	(4.9)
Fixed Income Tax-Exempt	849	1,108	1,271	(23.4)	(12.8)
Fixed Income Passively Managed <sup>(1)</sup>	192	224	84	(14.3)	166.7
<b>Total Fixed Income</b>	<b>122,912</b>	<b>157,272</b>	<b>165,403</b>	<b>(21.8)</b>	<b>(4.9)</b>
U.S.	88,800	110,312	116,833	(19.5)	(5.6)
Global & Non-US	34,112	46,960	48,570	(27.4)	26.1
<b>Total Fixed Income</b>	<b>122,912</b>	<b>157,272</b>	<b>165,403</b>	<b>(21.8)</b>	<b>(4.9)</b>
Alternatives/Multi-Asset Solutions <sup>(2)</sup> :					
U.S.	12,873	7,697	6,104	67.2	26.1
Global & Non-US	84,703	69,390	56,151	22.1	23.6
<b>Total Alternatives/Multi-Asset Solutions</b>	<b>97,576</b>	<b>77,087</b>	<b>62,255</b>	<b>26.6</b>	<b>23.8</b>
<b>Total:</b>					
U.S.	137,101	165,418	164,178	(17.1)	0.8
Global & Non-US	160,180	171,662	151,420	(6.7)	13.4
<b>Total</b>	<b>\$ 297,281</b>	<b>\$ 337,080</b>	<b>\$ 315,598</b>	<b>(11.8)</b>	<b>6.8</b>
Affiliated - EQH	70,924	84,096	91,396	(15.7)	(8.0)
Non-affiliated	226,357	252,984	224,202	(10.5)	12.8
<b>Total</b>	<b>\$ 297,281</b>	<b>\$ 337,080</b>	<b>\$ 315,598</b>	<b>(11.8)</b>	<b>6.8</b>

<sup>(1)</sup> Includes index and enhanced index services.

<sup>(2)</sup> Includes certain multi-asset solutions and services not included in equity or fixed income services.

**Revenues from Institutional Services**  
 (by Investment Service)

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in thousands)				
Equity:					
Equity Actively Managed	\$ 220,917	\$ 240,049	\$ 170,802	(8.0)%	40.5%
Equity Passively Managed <sup>(1)</sup>	4,910	6,119	5,851	(19.8)	4.6
<b>Total Equity</b>	<b>225,827</b>	<b>246,168</b>	<b>176,653</b>	<b>(8.3)</b>	<b>39.4</b>
U.S.	80,908	97,522	69,795	(17.0)	39.7
Global & Non-US	144,919	148,646	106,858	(2.5)	39.1
<b>Total Equity</b>	<b>225,827</b>	<b>246,168</b>	<b>176,653</b>	<b>(8.3)</b>	<b>39.4</b>
Fixed Income:					
Fixed Income Taxable	189,679	199,866	194,026	(5.1)	3.0
Fixed Income Tax-Exempt	1,182	1,356	1,355	(12.8)	0.1
Fixed Income Passively Managed <sup>(1)</sup>	425	105	82	n/m	28.0
Fixed Income Servicing <sup>(2)</sup>	15,991	14,738	14,108	8.5	4.5
<b>Total Fixed Income</b>	<b>207,277</b>	<b>216,065</b>	<b>209,571</b>	<b>(4.1)</b>	<b>3.1</b>
U.S.	128,392	124,004	118,924	3.5	4.3
Global & Non-US	78,885	92,061	90,647	(14.3)	1.6
<b>Total Fixed Income</b>	<b>207,277</b>	<b>216,065</b>	<b>209,571</b>	<b>(4.1)</b>	<b>3.1</b>
Alternatives/Multi-Asset Solutions <sup>(3)</sup> :					
U.S.	114,982	64,646	52,222	77.9	23.8
Global & Non-US	111,202	59,179	73,354	87.9	(19.3)
<b>Total Alternatives/Multi-Asset Solutions</b>	<b>226,184</b>	<b>123,825</b>	<b>125,576</b>	<b>82.7</b>	<b>(1.4)</b>
Total Investment Advisory and Services Fees:					
U.S.	324,282	286,172	240,941	13.3	18.8
Global & Non-US	335,004	299,886	270,859	11.7	10.7
<b>Total</b>	<b>659,286</b>	<b>586,058</b>	<b>511,800</b>	<b>12.5</b>	<b>14.5</b>
Distribution Revenues	268	474	588	(43.5)	(19.4)
Shareholder Servicing Fees	429	485	526	(11.5)	(7.8)
<b>Total</b>	<b>\$ 659,983</b>	<b>\$ 587,017</b>	<b>\$ 512,914</b>	<b>12.4</b>	<b>14.4</b>
Affiliated - EQH	125,229	105,415	90,101	18.8	17.0
Non-affiliated	534,754	481,602	422,813	11.0	13.9
<b>Total</b>	<b>\$ 659,983</b>	<b>\$ 587,017</b>	<b>\$ 512,914</b>	<b>12.4</b>	<b>14.4</b>

<sup>(1)</sup> Includes index and enhanced index services.

<sup>(2)</sup> Fixed Income Servicing includes advisory-related services fees that are not based on AUM, including derivative transaction fees, capital purchase program-related advisory services and other fixed income advisory services.

<sup>(3)</sup> Includes certain multi-asset solutions and services not included in equity or fixed income services.



## Retail

We provide investment management and related services to a wide variety of individual retail investors globally through retail mutual funds we sponsor, mutual fund sub-advisory relationships, separately-managed account programs (see *below*), and other investment vehicles (“**Retail Products and Services**”).

We distribute our Retail Products and Services through financial intermediaries, including broker-dealers, insurance sales representatives, banks, registered investment advisers and financial planners. These products and services include open-end and closed-end funds that are either (i) registered as investment companies under the Investment Company Act (“**U.S. Funds**”), or (ii) not registered under the Investment Company Act and generally not offered to U.S. persons (“**Non-U.S. Funds**” and, collectively with the U.S. Funds, “**AB Funds**”). They also include separately-managed account programs, which are sponsored by financial intermediaries and generally charge an all-inclusive fee covering investment management, trade execution, asset allocation, and custodial and administrative services. In addition, we provide distribution, shareholder servicing, transfer agency services and administrative services for our Retail Products and Services. See “*Net Revenues – Investment Advisory and Services Fees*” in Item 7 for information about our retail investment advisory and services fees. See Note 2 to AB’s consolidated financial statements in Item 8 for a discussion of the commissions we pay to financial intermediaries in connection with the sale of open-end AB Funds.

Fees paid by the U.S. Funds are reflected in the applicable investment management agreement, which generally must be approved annually by the board of directors or trustees of those funds, by a majority vote of the independent directors or trustees. Increases in these fees must be approved by fund shareholders; decreases need not be, including any decreases implemented by a fund’s directors or trustees. In general, each investment management agreement with the U.S. Funds provides for termination by either party, at any time, upon 60 days’ notice.

Fees paid by Non-U.S. Funds are reflected in management agreements that continue until they are terminated. Increases in these fees generally must be approved by the relevant regulatory authority, depending on the domicile and structure of the fund, and Non-U.S. Fund shareholders must be given advance notice of any fee increases.

The mutual funds we sub-advise for EQH and its subsidiaries constitute our largest retail client. EQH and its subsidiaries accounted for approximately 14% of our retail AUM as of December 31, 2022, 2021 and 2020 and approximately 1% of our retail net revenues for the years ended December 31, 2022, 2021 and 2020.

Most open-end U.S. Funds have adopted a plan under Rule 12b-1 of the Investment Company Act that allows the fund to pay, out of assets of the fund, distribution and service fees for the distribution and sale of its shares. The open-end U.S. Funds have entered into such agreements with us, and we have entered into selling and distribution agreements pursuant to which we pay sales commissions to the financial intermediaries that distribute our open-end U.S. Funds. These agreements are terminable by either party upon notice (generally 30 days) and do not obligate the financial intermediary to sell any specific amount of fund shares.

As of December 31, 2022, retail U.S. Fund AUM were approximately \$54 billion, or 22% of retail AUM, as compared to \$73 billion, or 23%, as of December 31, 2021, and \$62 billion, or 23%, as of December 31, 2020. Non-U.S. Fund AUM, as of December 31, 2022, totaled \$96 billion, or 39% of retail AUM, as compared to \$130 billion, or 41%, as of December 31, 2021, and \$110 billion, or 41%, as of December 31, 2020.

## Part I

Our Retail Services represented approximately 38%, 41% and 39% of our AUM as of December 31, 2022, 2021 and 2020, respectively, and the fees we earned from providing these services represented approximately 49%, 50% and 49% of our net revenues for the years ended December 31, 2022, 2021 and 2020, respectively. Our AUM and revenues are as follows:

### Retail Services Assets Under Management (by Investment Service)

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in millions)				
Equity:					
Equity Actively Managed	\$ 116,235	\$ 154,200	\$ 106,866	(24.6)%	44.3%
Equity Passively Managed <sup>(1)</sup>	30,445	40,821	35,995	(25.4)	13.4
<b>Total Equity</b>	<b>146,680</b>	<b>195,021</b>	<b>142,861</b>	<b>(24.8)</b>	<b>36.5</b>
U.S.	118,547	152,106	108,506	(22.1)	40.2
Global & Non-US	28,133	42,915	34,355	(34.4)	24.9
<b>Total Equity</b>	<b>146,680</b>	<b>195,021</b>	<b>142,861</b>	<b>(24.8)</b>	<b>36.5</b>
Fixed Income:					
Fixed Income Taxable	53,995	75,813	84,654	(28.8)	(10.4)
Fixed Income Tax-Exempt	26,714	29,009	23,202	(7.9)	25.0
Fixed Income Passively Managed <sup>(1)</sup>	9,206	12,762	8,231	(27.9)	55.0
<b>Total Fixed Income</b>	<b>89,915</b>	<b>117,584</b>	<b>116,087</b>	<b>(23.5)</b>	<b>1.3</b>
U.S.	41,151	46,361	36,137	(11.2)	28.3
Global & Non-US	48,764	71,223	79,950	(31.5)	(10.9)
<b>Total Fixed Income</b>	<b>89,915</b>	<b>117,584</b>	<b>116,087</b>	<b>(23.5)</b>	<b>1.3</b>
Alternatives/Multi-Asset Solutions <sup>(2)</sup> :					
U.S.	2,697	3,595	3,071	(25.0)	17.1
Global & Non-US	3,594	3,718	3,321	(3.3)	12.0
<b>Total Alternatives/Multi-Asset Solutions</b>	<b>6,291</b>	<b>7,313</b>	<b>6,392</b>	<b>(14.0)</b>	<b>14.4</b>
Total:					
U.S.	162,395	202,062	147,714	(19.6)	36.8
Global & Non-US	80,491	117,856	117,626	(31.7)	0.2
<b>Total</b>	<b>\$ 242,886</b>	<b>\$ 319,918</b>	<b>\$ 265,340</b>	<b>(24.1)</b>	<b>20.6</b>
Affiliated - EQH	34,110	44,417	36,765	(23.2)	20.8
Non-affiliated	208,776	275,501	228,575	(24.2)	20.5
<b>Total</b>	<b>\$ 242,886</b>	<b>\$ 319,918</b>	<b>\$ 265,340</b>	<b>(24.1)</b>	<b>20.6</b>

<sup>(1)</sup> Includes index and enhanced index services.

<sup>(2)</sup> Includes certain multi-asset solutions and services not included in equity or fixed income services

**Revenues from Retail Services**  
 (by Investment Service)

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in thousands)				
Equity:					
Equity Actively Managed	\$ 746,889	\$ 766,578	\$ 508,973	(2.6)%	50.6%
Equity Passively Managed <sup>(1)</sup>	12,870	14,773	14,347	(12.9)	3.0
<b>Total Equity</b>	<b>759,759</b>	<b>781,351</b>	<b>523,320</b>	<b>(2.8)</b>	<b>49.3</b>
U.S.	558,319	556,398	355,542	0.3	56.5
Global & Non-US	201,440	224,953	167,778	(10.5)	34.1
<b>Total Equity</b>	<b>759,759</b>	<b>781,351</b>	<b>523,320</b>	<b>(2.8)</b>	<b>49.3</b>
Fixed Income:					
Fixed Income Taxable	390,708	517,327	534,164	(24.5)	(3.2)
Fixed Income Tax-Exempt	89,450	84,945	70,734	5.3	20.1
Fixed Income Passively Managed <sup>(1)</sup>	13,682	12,994	12,229	5.3	6.3
<b>Total Fixed Income</b>	<b>493,840</b>	<b>615,266</b>	<b>617,127</b>	<b>(19.7)</b>	<b>(0.3)</b>
U.S.	119,053	115,248	101,825	3.3	13.2
Global & Non-US	374,787	500,018	515,302	(25.0)	(3.0)
<b>Total Fixed Income</b>	<b>493,840</b>	<b>615,266</b>	<b>617,127</b>	<b>(19.7)</b>	<b>(0.3)</b>
Alternatives/Multi-Asset Solutions <sup>(2)</sup> :					
U.S.	55,356	81,872	57,069	(32.4)	43.5
Global & Non-US	13,484	13,117	12,723	2.8	3.1
<b>Total Alternatives/Multi-Asset Solutions</b>	<b>68,840</b>	<b>94,989</b>	<b>69,792</b>	<b>(27.5)</b>	<b>36.1</b>
Total Investment Advisory and Services Fees:					
U.S.	732,728	753,518	514,436	(2.8)	46.5
Global & Non-US	589,711	738,086	695,803	(20.1)	6.1
Consolidated company-sponsored investment funds	770	1,243	733	(38.1)	69.6
<b>Total</b>	<b>1,323,209</b>	<b>1,492,847</b>	<b>1,210,972</b>	<b>(11.4)</b>	<b>23.3</b>
Distribution Revenues	594,431	644,125	522,056	(7.7)	23.4
Shareholder Servicing Fees	83,268	86,857	78,920	(4.1)	10.1
<b>Total</b>	<b>\$2,000,908</b>	<b>\$2,223,829</b>	<b>\$1,811,948</b>	<b>(10.0)</b>	<b>22.7</b>
Affiliated - EQH	23,836	28,334	27,130	(15.9)	4.4
Non-affiliated	1,977,072	2,195,495	1,784,818	(9.9)	23.0
<b>Total</b>	<b>\$2,000,908</b>	<b>\$2,223,829</b>	<b>\$1,811,948</b>	<b>(10.0)</b>	<b>22.7</b>

<sup>(1)</sup> Includes index and enhanced index services.

<sup>(2)</sup> Includes certain multi-asset solutions and services not included in equity or fixed income services.

## Private Wealth Management

We partner with our clients, embracing innovation and research to address increasingly complex challenges. Our clients include high-net-worth individuals and families who have created generational wealth as successful business owners, athletes, entertainers, corporate executives and private practice owners. We also provide investment and wealth advice to foundations and endowments, family offices and other entities. Our flexible and extensive investment platform offers a range of solutions, including separately-managed accounts, hedge funds, mutual funds and other investment vehicles, tailored to meet each distinct client's needs. Our investment platform is complimented with a wealth platform that includes complex tax and estate planning, pre-IPO and pre-transaction planning, multi-generational family engagement, and philanthropic advice in addition to tailored approaches to meeting the unique needs of emerging wealth and multi-cultural demographics ("**Private Wealth Services**").

We manage accounts pursuant to written investment advisory agreements, which generally are terminable at any time or upon relatively short notice by any authorized party, and may not be assigned without the client's consent. For information about our investment advisory and services fees, including performance-based fees, see "*Risk Factors*" in *Item 1A* and "*Net Revenues – Investment Advisory and Services Fees*" in *Item 7*.

Our Private Wealth Services represented approximately 16%, 16% and 15% of our AUM as of December 31, 2022, 2021 and 2020, respectively. The fees we earned from providing these services represented approximately 25%, 25% and 24% of our net revenues for 2022, 2021 and 2020, respectively. Our AUM and revenues are as follows:

### Private Wealth Services Assets Under Management (by Investment Service)

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in millions)				
Equity:					
Equity Actively Managed	\$ 45,977	\$ 59,709	\$ 50,854	(23.0)%	17.4%
Equity Passively Managed <sup>(1)</sup>	2,304	1,764	666	30.6 %	164.9%
<b>Total Equity</b>	<b>48,281</b>	<b>61,473</b>	<b>51,520</b>	<b>(21.5)</b>	<b>19.3</b>
U.S.	28,014	35,014	28,776	(20.0)	21.7
Global & Non-US	20,267	26,459	22,744	(23.4)	16.3
<b>Total Equity</b>	<b>48,281</b>	<b>61,473</b>	<b>51,520</b>	<b>(21.5)</b>	<b>19.3</b>
Fixed Income:					
Fixed Income Taxable	14,391	14,567	14,515	(1.2)	0.4
Fixed Income Tax-Exempt	24,953	26,929	25,764	(7.3)	4.5
Fixed Income Passively Managed <sup>(1)</sup>	2	230	195	(99.1)	17.9
<b>Total Fixed Income</b>	<b>39,346</b>	<b>41,726</b>	<b>40,474</b>	<b>(5.7)</b>	<b>3.1</b>
U.S.	34,764	36,166	35,042	(3.9)	3.2
Global & Non-US	4,582	5,561	5,432	(17.6)	2.4
<b>Total Fixed Income</b>	<b>39,346</b>	<b>41,727</b>	<b>40,474</b>	<b>(5.7)</b>	<b>3.1</b>
Alternatives/Multi-Asset Solutions <sup>(2)</sup> :					
U.S.	6,607	6,926	5,927	(4.6)	16.9
Global & Non-US	12,021	11,446	7,064	5.0	62.0
<b>Total Alternatives/Multi-Asset Solutions</b>	<b>18,628</b>	<b>18,372</b>	<b>12,991</b>	<b>1.4</b>	<b>41.4</b>
Total:					
U.S.	69,385	78,106	69,745	(11.2)	12.0
Global & Non-US	36,870	43,466	35,240	(15.2)	23.3
<b>Total</b>	<b>\$ 106,255</b>	<b>\$ 121,572</b>	<b>\$ 104,985</b>	<b>(12.6)</b>	<b>15.8</b>

<sup>(1)</sup> Includes index and enhanced index services.

<sup>(2)</sup> Includes certain multi-asset solutions and services not included in equity or fixed income services.

**Revenues from Private Wealth Services**  
 (by Investment Service)

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in thousands)				
Equity:					
Equity Actively Managed	\$ 521,155	\$ 584,455	\$ 487,899	(10.8)%	19.8%
Equity Passively Managed <sup>(1)</sup>	8,700	4,780	1,113	82.0 %	n/m
<b>Total Equity</b>	<b>529,855</b>	<b>589,235</b>	<b>489,012</b>	<b>(10.1)</b>	<b>20.5</b>
U.S.	295,235	325,154	263,938	(9.2)	23.2
Global & Non-US	234,620	264,081	225,074	(11.2)	17.3
<b>Total Equity</b>	<b>529,855</b>	<b>589,235</b>	<b>489,012</b>	<b>(10.1)</b>	<b>20.5</b>
Fixed Income:					
Fixed Income Taxable	66,851	72,404	71,575	(7.7)	1.2
Fixed Income Tax-Exempt	125,123	130,391	123,952	(4.0)	5.2
Fixed Income Passively Managed <sup>(1)</sup>	1,804	2,634	2,891	(31.5)	(8.9)
<b>Total Fixed Income</b>	<b>193,778</b>	<b>205,429</b>	<b>198,418</b>	<b>(5.7)</b>	<b>3.5</b>
U.S.	159,411	167,402	160,666	(4.8)	4.2
Global & Non-US	34,367	38,027	37,752	(9.6)	0.7
<b>Total Fixed Income</b>	<b>193,778</b>	<b>205,429</b>	<b>198,418</b>	<b>(5.7)</b>	<b>3.5</b>
Alternatives/Multi-Asset Solutions <sup>(2)</sup> :					
U.S.	195,666	249,432	109,169	(21.6)	128.5
Global & Non-US	69,245	71,524	76,065	(3.2)	(6.0)
<b>Total Alternatives/Multi-Asset Solutions</b>	<b>264,911</b>	<b>320,956</b>	<b>185,234</b>	<b>(17.5)</b>	<b>73.3</b>
Total Investment Advisory and Services Fees:					
U.S.	650,311	741,987	533,773	(12.4)	39.0
Global & Non-US	338,232	373,632	338,891	(9.5)	10.3
<b>Total</b>	<b>988,543</b>	<b>1,115,619</b>	<b>872,664</b>	<b>(11.4)</b>	<b>27.8</b>
Distribution Revenues	12,496	7,641	7,137	63.5	7.1
Shareholder Servicing Fees	2,964	2,882	2,871	2.8	0.4
<b>Total</b>	<b>\$1,004,003</b>	<b>\$1,126,142</b>	<b>\$ 882,672</b>	<b>(10.8)</b>	<b>27.6</b>

<sup>(1)</sup> Includes index and enhanced index services.

<sup>(2)</sup> Includes certain multi-asset solutions and services not included in equity or fixed income services.

## Bernstein Research Services

We offer high-quality fundamental and quantitative research and trade execution services in equities and listed options to institutional investors, such as mutual fund and hedge fund managers, pension funds and other institutional investors ("**Bernstein Research Services**" or "**BRS**"). We serve our clients, which are based in major markets around the world, through our trading professionals, who are primarily based in New York, London and Hong Kong, and our research analysts, who provide fundamental company and industry research along with quantitative research into securities valuation and factors affecting stock-price movements.

Additionally, we occasionally provide equity capital markets services to issuers of publicly traded securities, such as initial public offerings and follow-on offerings, generally acting as co-manager in such offerings.

We earn revenues for providing investment research to, and executing brokerage transactions for, institutional clients. These clients compensate us principally by directing us to execute brokerage transactions on their behalf, for which we earn commissions, and to a lesser but increasing extent, by paying us directly for research through commission sharing agreements or cash payments. Bernstein Research Services accounted for approximately 10%, 10% and 12% of our net revenues for the years ended December 31, 2022, 2021 and 2020, respectively.

For information regarding trends in fee rates charged for brokerage transactions, see "*Risk Factors*" in Item 1A.

In the fourth quarter of 2022, AB and Société Générale (EURONEXT: SCGLY, "**SocGen**"), a leading European bank, announced plans to form a joint venture combining their respective cash equities and research businesses. As a result, the BRS business has been classified as held for sale. For further discussion, see Note 24 *Acquisitions and Divestitures* to AB's consolidated financial statements in Item 8.

Our Bernstein Research Services revenues are as follows:

### Revenues from Bernstein Research Services

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in thousands)				
<b>Bernstein Research Services</b>	<b>\$ 416,273</b>	<b>\$ 452,017</b>	<b>\$ 459,744</b>	<b>(7.9)%</b>	<b>(1.7)%</b>

## Custody

Our U.S. based broker-dealer subsidiary acts as custodian for the majority of our Private Wealth Management AUM and some of our Institutional AUM. Other custodian arrangements, directed by clients, include banks, trust companies, brokerage firms and other financial institutions.

## People Management

As a leading global investment management and research firm, we bring together a wide range of insights, expertise and innovations to advance the interests of our clients around the world. The intellectual capital and distinctive knowledge of our employees are collectively the most important assets of our firm, so the long-term sustainability and success of our firm is heavily dependent on our people. In 2022, our human capital and administrative services teams became our "People" team, a key acknowledgement of the central role they play in supporting our employees and advancing their work experience. We are keenly focused on:

- fostering an inclusive culture by incorporating diversity, equity and inclusion in all levels of our business;
- encouraging innovation;
- developing, retaining and recruiting high quality talent; and
- aligning employees' incentives and risk taking with those of the firm.

As a result, we have a strong firm culture that helps us maximize performance and drive excellence. Further, our firm's role as a fiduciary is embedded in our culture. As a fiduciary, our firm's primary objective is to act in our clients' best interests and help them reach their financial goals.

Also, our Board of Directors (the "**Board**") and committees of the Board, particularly our Compensation and Workplace Practices Committee, provide oversight into various matters affecting our people, including emerging people management risks and strategies to mitigate our exposure to those risks. Furthermore, our Board and Board committees evaluate the overall effectiveness of our social responsibility policies, goals and programs and recommend changes to management as necessary. These collaborative efforts contribute to the overall framework that guides how AB attracts, retains and develops a workforce that supports our values and strategic initiatives.



## Talent Acquisition

AB seeks to achieve excellence in business and investment performance by recruiting and hiring a workforce with diversity of thought, backgrounds and experiences. We believe that diverse and inclusive teams generate better ideas and reach more balanced decisions. We seek to leverage the unique backgrounds of our employees to meet the needs of a broad range of clients and engage with the communities in which we operate. We engage several external organizations to assist in attracting and recruiting top talent at all levels, with a particular focus on attracting diverse talent. We have a sizable group of internal talent acquisition associates focused on recruiting, and we have implemented various people-related initiatives to develop and provide for a balanced workforce. Additionally, we offer internship programs for students to work in positions across functional areas of the firm, and an important part of our emerging talent and post-graduate recruitment strategy is to convert a high percentage of our interns into full-time employees.

## Employee Engagement

We believe a workforce is most productive, effective and highly engaged when they feel connected to our business and culture. We seek to provide diverse work experiences, professional development opportunities, competitive compensation and benefits, an inclusive and diverse culture and social engagement projects to keep our employees motivated, connected to our firm and engaged throughout their careers. We strive to create a culture of intellectual curiosity and collaboration, creating an environment where our employees can thrive and do their best work. We foster growth and advancement through different training avenues to develop skill sets, create opportunities for networking, both internally and externally, and we encourage internal mobility as a part of our employees' career trajectory.

It is important that our employees are not only connected to our business but also to the communities in which we operate. As such, AB offers many opportunities for our employees to volunteer in the communities in which we serve, including our firm-wide philanthropic initiative, AB Gives Back. Other initiatives in support of these objectives include a five-year refresh award, whereby employees receive two additional weeks off for every five years of service. In addition, we utilize AB Voice, a periodic survey designed to measure employee satisfaction and engagement, allowing us to identify and address performance gaps.

## Diversity, Equity and Inclusion

Our continued commitment to Diversity, Equity & Inclusion ("DEI") across all facets of our firm aligns with broader industry recognition of the workplace as both a working and learning community. We believe that our company plays a critical role in empowering our people through purpose and fostering an inclusive, collaborative environment and equitable culture that allows for connectivity, belonging and success at every level.

A key element of our ongoing journey has been to adapt as appropriate to evolving DEI industry trends. In 2022, we formally incorporated the concept of "equity" into our strategy and team name in an effort to more accurately reflect our current and anticipated approach.

Our firm's community engagement efforts have been further integrated under the DEI umbrella. To support our grantee and community partners, bolster our commitment to our non-profit clients, and add value for our current and future employees, our approach leverages four programs under the "AB Gives Back" brand: philanthropy, volunteering, board participation and gift matching. Some highlights include improved student attendance and financial literacy in inner city neighborhoods and over 3,000 employee volunteer hours completed in 2022.

We have enhanced our talent attraction and retention approach to position ourselves as an employer of choice and increase investment in our people. We have developed a diverse talent strategy with a goal of gaining a deeper understanding of the needs of diverse talent and also equipping managers with the necessary tools to effectively manage an increasingly diverse workforce. The strategy includes incorporating the concept of inclusive leadership into the firm-wide leadership development curriculum and providing opportunities to build relationships across the firm at all levels.

Finally, our people remain our top priority. Over the course of the last year, there has been a continued focus on education and deepening engagement across all pillars of our strategy to include Employee Resource Groups ("ERGs"), corporate partnerships, and the overall experience at AB. ERGs have been a major proponent of these efforts by cultivating spaces for courageous conversations, encouraging professional development and personal wellness, and raising awareness for various underrepresented communities.

## Compensation and Benefits

We consistently invest in our workforce by offering competitive compensation. We utilize a variety of compensation elements, including base salaries, annual short-term compensation awards (i.e., cash bonuses) and, for those of our employees who earn more than \$300,000 annually, a long-term compensation award program. Long-term incentive compensation awards generally are denominated in restricted AB Holding Units. We utilize this structure to foster a stronger sense of ownership and align the interests of our employees directly with the interests of our Unitholders and indirectly with the interests of our clients, as strong performance for our clients generally contributes directly to increases in AUM and improved financial performance for the firm. Furthermore, in the U.S. (and elsewhere, although benefits may differ by jurisdiction):

- We provide employee wages that are competitive and consistent with employee positions, skill levels, performance, experience, knowledge and geographic location.
- We engage nationally recognized compensation and benefits consulting firms to independently evaluate the effectiveness of our executive compensation and benefit programs, as well as consulting services relating to the amount and form of compensation paid to employees other than executives, and to provide benchmarking against our industry peers; this process also includes engagement of outside counsel to conduct privileged pay equity reviews to ensure ongoing compliance with applicable laws and regulations.
- We provide merit-based and cost of living annual salary increases, as well as incentive compensation, which are communicated to employees at year-end and documented through our annual review procedures, upon internal transfer and/or promotion; and
- The firm makes benefits available to all eligible employees, including a flexible in-office work schedule that permits working remotely two days weekly, health and prescription insurance, paid and unpaid leaves, a retirement plan, and life and disability/accident coverage. We also offer a variety of voluntary benefits that allow employees to select the options that meet their needs, including flexible time-off, paid parental leave, adoption and surrogacy assistance, tuition reimbursement, and a health and financial wellness program.

## Health, Safety and Flexibility for our Workforce

During 2020, at the onset of COVID, we mobilized to ensure the health and safety of our employees globally. We implemented business continuity measures, including travel restrictions and a work-from-home requirement for almost all personnel (other than a relatively small number of employees whose physical presence in our offices was considered critical), which lasted through the second quarter of 2021. Then, while continuing to closely monitor COVID-related conditions globally, we developed return-to-office programs tailored locally, so that employees could feel safe knowing that their health, and the health of their families, were a priority. This meant a staggered return to the office so that we could monitor data while complying with local ordinances.

Beginning in July 2021, in the U.S. we returned to the office three days a week, alternating weeks through the end of 2021. In early 2022, while most of our employees returned to the office full-time, we offered employees the ability to work remotely up to two days per week given the ability and diligence our employees demonstrated while working remotely. By the end of 2022, all employees had returned to the office utilizing a hybrid work schedule, including the flexibility to work remotely up to two days per week. We believe this approach allows our employees to maintain the important benefits of in-person collaboration while providing greater work-life balance.

## Employees

As of December 31, 2022, our firm had 4,436 full-time employees, including 203 AB CarVal employees, compared to 4,118 full-time employees as of December 31, 2021, representing a 7.7% increase (a 2.8% increase excluding AB CarVal).

As of December 31, 2022, our employees reflected the following characteristics and locations:

Region:	Female	% Female	Male	% Male	Grand Total	% of Total
Americas	1,164	26%	2,099	47%	3,263	74%
Asia ex Japan	234	5%	227	5%	461	10%
EMEA	221	5%	377	9%	598	14%
Japan	56	2%	43	1%	99	2%
<b>Grand Total<sup>(1) (2)</sup></b>	<b>1,675</b>	<b>38%</b>	<b>2,746</b>	<b>62%</b>	<b>4,421</b>	<b>100%</b>

(1) The table above only reflects employees who have self-reported as male or female and as such does not reconcile to our total of 4,436 full-time employees.

(2) The methodology utilized to populate the table above changed from the prior year. Specifically, while in 2021 we presented the total percentage of female and male full-time employees by region who self-reported, in the above table we present the total percentage of female and male full-time employees by region, as a percentage of total global full-time employees, who self-reported.

In connection with our establishing 1,250 roles in Nashville, Tennessee, we have relocated many of our employees from our New York City and White Plains, New York, locations. Employees whose roles are in-scope for the move, but who are not relocating, receive a separation package. We expect layoffs to continue on a rolling basis until all in-scope roles are filled in Nashville.

## Information about our Executive Officers

Please refer to "Item 10. Directors, Executive Officers and Corporate Governance" below for information relating to our firm's executive officers.

## Service Marks

We have registered a number of service marks with the U.S. Patent and Trademark Office and various foreign trademark offices, including the mark "AllianceBernstein." The logo set forth below is a service mark of AB:



In 2015, we established a new brand identity by prominently incorporating "AB" into our brand architecture, while maintaining the legal names of our corporate entities. With this and other related refinements, our company, and our Institutional and Retail businesses, are referred to as "AllianceBernstein (AB)" or simply "AB." Private Wealth Management and Bernstein Research Services are referred to as "AB Bernstein." Also, we adopted the logo service mark *described above*.

In connection with the Bernstein Transaction, we acquired all of the rights in, and title to, the Bernstein service marks, including the mark "Bernstein."

Service marks are generally valid and may be renewed indefinitely, as long as they are in use and/or their registrations are properly maintained.

## Regulation

Virtually all aspects of our business are subject to various federal and state laws and regulations, rules of various securities regulators and exchanges, and laws in the foreign countries in which our subsidiaries conduct business. These laws and regulations primarily are intended to protect clients and fund shareholders and generally grant supervisory agencies broad administrative powers, including the power to limit or restrict the carrying on of business for failure to comply with such laws and regulations. Possible sanctions that may be imposed on us include the suspension of individual employees, limitations on engaging in business for specific periods, the revocation of the registration as an investment adviser or broker-dealer, censures and fines.

AB, AB Holding, the General Partner and six of our subsidiaries (Sanford C. Bernstein & Co., LLC ("**SCB LLC**"), AB Broadly Syndicated Loan Manager LLC, AB Custom Alternative Solutions LLC, AB Private Credit Investors LLC, AB CarVal Investors and W.P. Stewart Asset Management Ltd.) are registered with the SEC as investment advisers under the Investment Advisers Act. Additionally, AB Holding is an NYSE-listed company and, accordingly, is subject to applicable regulations promulgated by the NYSE. Also, AB, SCB LLC and AB Custom Alternative Solutions LLC are registered with the Commodity Futures Trading Commission ("**CFTC**") as commodity pool operators and commodity trading advisers; SCB LLC also is registered with the CFTC as a commodities introducing broker.

Each U.S. Fund is registered with the SEC under the Investment Company Act and each Non-U.S. Fund is subject to the laws in the jurisdiction in which the fund is registered. For example, our platform of Luxembourg-based funds operates pursuant to Luxembourg laws and regulations, including Undertakings for the Collective Investment in Transferable Securities Directives, and is authorized and supervised by the Commission de Surveillance du Secteur Financier ("**CSSF**"), the primary regulator in Luxembourg. AllianceBernstein Investor Services, Inc., one of our subsidiaries, is registered with the SEC as a transfer and servicing agent.

SCB LLC and another of our subsidiaries, AllianceBernstein Investments, Inc., are registered with the SEC as broker-dealers, and both are members of the Financial Industry Regulatory Authority. In addition, SCB LLC is a member of the NYSE and other principal U.S. exchanges.

Many of our subsidiaries are subject to the oversight of regulatory authorities in the jurisdictions outside the United States in which they operate, including the Ontario Securities Commission, the Investment Industry Regulatory Organization of Canada, the European Securities and Markets Authority, the Financial Conduct Authority in the U.K., the CSSF in Luxembourg, the Financial Services Agency in Japan, the Securities & Futures Commission in Hong Kong, the Monetary Authority of Singapore, the Financial Services Commission in South Korea, the Financial Supervisory Commission in Taiwan and The Securities and Exchange Board of India. While these regulatory requirements often may be comparable to the requirements of the SEC and other U.S. regulators, they are sometimes more restrictive and may cause us to incur substantial expenditures of time and money related to our compliance efforts. For additional information relating to the regulations that impact our business, *please refer to "Risk Factors" in Item 1A.*

## History and Structure

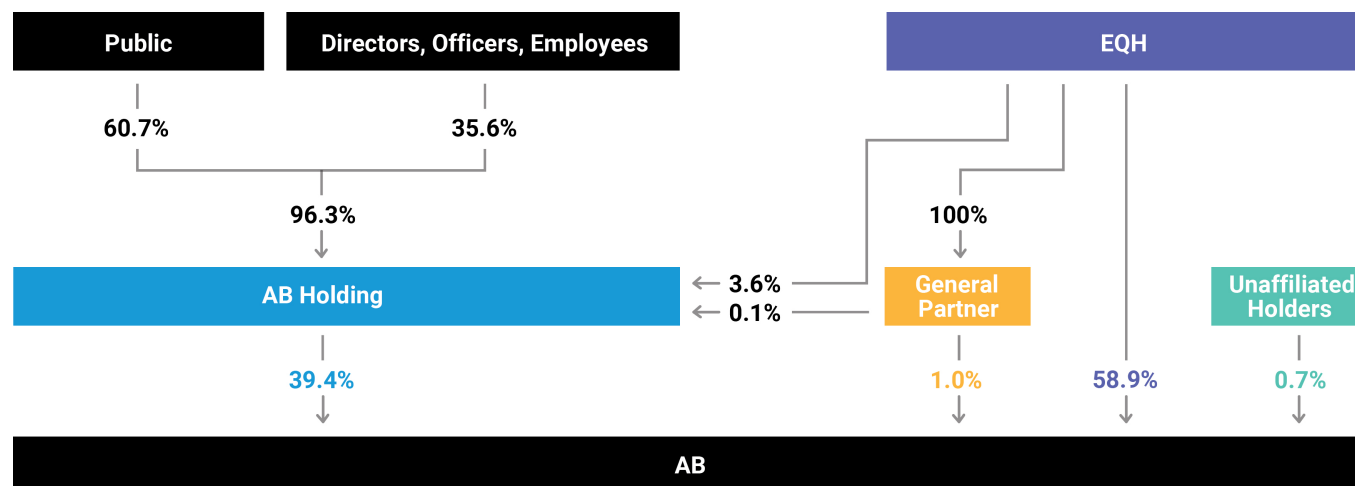
We have been in the investment research and management business for more than 50 years. Bernstein was founded in 1967. Alliance Capital was founded in 1971 when the investment management department of Donaldson, Lufkin & Jenrette, Inc. (since November 2000, a part of Credit Suisse Group) merged with the investment advisory business of Moody's Investors Service, Inc.

In April 1988, AB Holding "went public" as a master limited partnership. AB Holding Units, which trade under the ticker symbol "AB," have been listed on the NYSE since that time.

In October 1999, AB Holding reorganized by transferring its business and assets to AB, a newly-formed operating partnership, in exchange for all of the AB Units (the "**Reorganization**"). Since the date of the Reorganization, AB has conducted the business formerly conducted by AB Holding and AB Holding's activities have consisted of owning AB Units and engaging in related activities. Unlike AB Holding Units, AB Units do not trade publicly and are subject to significant restrictions on transfer. The General Partner is the general partner of both AB and AB Holding.

In October 2000, our two legacy firms, Alliance Capital and Bernstein, combined, bringing together Alliance Capital's expertise in growth equity and corporate fixed income investing and its family of retail mutual funds, with Bernstein's expertise in value equity investing, tax-exempt fixed income management, and its Private Wealth Management and Bernstein Research Services businesses.

As of December 31, 2022, the condensed ownership structure of AB is as follows (for a more complete description of our ownership structure, see “Principal Security Holders” in Item 12):



The General Partner owns 100,000 general partnership units in AB Holding and a 1% general partnership interest in AB. Including these general partnership interests, EQH, directly and through certain of its subsidiaries (see “Principal Security Holders” in Item 12), had an approximate 61.3% economic interest in AB as of December 31, 2022.

## Competition

We compete in all aspects of our business with numerous investment management firms, mutual fund sponsors, brokerage and investment banking firms, insurance companies, banks, savings and loan associations, and other financial institutions that often provide investment products with similar features and objectives as those we offer. Our competitors offer a wide range of financial services to the same customers that we seek to serve. Some of our competitors are larger, have a broader range of product choices and investment capabilities, conduct business in more markets, and have substantially greater resources than we do. These factors may place us at a competitive disadvantage, and we can give no assurance that our strategies and efforts to maintain and enhance our current client relationships, and create new ones, will be successful.

In addition, EQH and its subsidiaries provide financial services, some of which compete with those we offer. The AB Partnership Agreement specifically allows EQH and its subsidiaries (other than the General Partner) to compete with AB and to pursue opportunities that may be available to us. EQH and certain of its subsidiaries have substantially greater financial resources than we do and are not obligated to provide resources to us.

To grow our business, we believe we must be able to compete effectively for AUM. Key competitive factors include:

- our investment performance for clients;
- our commitment to place the interests of our clients first;
- the quality of our research;
- our ability to attract, motivate and retain highly skilled, and often highly specialized, personnel;
- the array of investment products we offer;
- the fees we charge;
- Morningstar/Lipper rankings for the AB Funds;
- our ability to sell our actively-managed investment services despite the fact that many investors favor passive services;
- our operational effectiveness;
- our ability to further develop and market our brand; and
- our global presence.

Competition is an important risk that our business faces and should be considered along with the other factors we discuss in “Risk Factors” in Item 1A.

## Available Information

AB and AB Holding file or furnish annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, amendments to such reports, and other reports (and amendments thereto) required to comply with federal securities laws, including Section 16 beneficial ownership reports on Forms 3, 4 and 5, registration statements and proxy statements. We maintain an Internet site (<http://www.alliancebernstein.com>) where the public can view these reports, free of charge, as soon as reasonably practicable after each report is filed with, or furnished to, the SEC. In addition, the SEC maintains an Internet site (<http://www.sec.gov>) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

## Item 1A. Risk Factors

Please consider this section along with the description of our business in *Item 1*, the competition section *immediately above* and AB's financial information *contained in Items 7 and 8*. The majority of the risk factors discussed below directly affect AB. These risk factors also affect AB Holding because AB Holding's principal source of income and cash flow is attributable to its investment in AB. See also "Cautions Regarding Forward-Looking Statements" in *Item 7*.

### Business-related Risks

**Our revenues and results of operations depend on the market value and composition of our AUM, which can fluctuate significantly based on various factors, including many factors outside of our control.**

We derive most of our revenues from investment advisory and services fees, which typically are calculated as a percentage of the value of AUM as of a specified date, or as a percentage of the value of average AUM for the applicable billing period, and vary with the type of investment service, the size of the account and the total amount of assets we manage for a particular client. The value and composition of our AUM can be adversely affected by several factors, including:

- Market Factors.** Our AUM remain sensitive to the volatility associated with global financial market conditions. For example, the dramatic securities market declines experienced during March 2020, which resulted from the global effects of COVID-19, caused a significant reduction in our AUM. Markets and AUM levels recovered to new highs in 2021 following unprecedented, coordinated monetary and fiscal policy support and the approval of vaccines to help remedy the global pandemic. However, significant supply chain challenges, energy shortages and labor shortages, brought about by COVID-19 and significantly exacerbated by the conflict in Ukraine, contributed to heightened global inflationary pressures, which resulted in sizable interest rate increases and associated market volatility in 2022. We recognize that, due to continued uncertainty associated with these circumstances, markets may remain volatile and, accordingly, there remains risk of a significant reduction in our revenues and net income in future periods. Global economies and financial markets are increasingly interconnected, which increases the probability that conditions in one country or region might adversely impact a different country or region. Conditions affecting the general economy, including political, social or economic instability at the local, regional or global level may also affect the market value of our AUM. Health crises, such as the COVID-19 pandemic, as well as other incidents that interrupt the expected course of events, such as natural disasters, war (such as the ongoing conflict in Ukraine) or civil disturbance, acts of terrorism (whether foreign or domestic), power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have had and may in the future have a significant adverse effect on financial markets and our AUM, revenues and net income. Furthermore, the preventative and protective health-related actions, such as business activity suspensions and population lock-downs, that governments have taken, and may continue to take, in response to COVID-19 have resulted, and may continue to result, in periods of business interruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations. Also, significant market volatility and uncertainty, and reductions in the availability of margin financing, can significantly limit the liquidity of certain asset backed and other securities, making it at times impossible to sell these securities at prices reflecting their true economic value. While liquidity conditions were relatively stable in 2022 despite market volatility, we recognize the possibility that conditions could deteriorate in the future. Lack of liquidity makes it more difficult for our funds to meet redemption requests. If liquidity were to worsen, this may have a significant adverse effect on our AUM, revenues and net income in the future.
- Client Preferences.** Generally, our clients may withdraw their assets at any time and on short notice. Also, changing market dynamics and investment trends, particularly with respect to sponsors of defined benefit plans choosing to invest in less risky investments and the ongoing shift to lower-fee passive services *described below*, may continue to reduce interest in some of the investment products we offer, and/or clients and prospects may continue to seek investment products that we may not currently offer. Loss of, or decreases in, AUM reduces our investment advisory and services fees and revenues.



- **Our Investment Performance.** Our ability to achieve investment returns for clients that meet or exceed investment returns for comparable asset classes and competing investment services is a key consideration when clients decide to keep their assets with us or invest additional assets, and when a prospective client is deciding whether to invest with us. Poor investment performance, both in absolute terms and/or relative to peers and stated benchmarks, may result in clients withdrawing assets and prospective clients choosing to invest with competitors.
- **Investing Trends.** Our fee rates can vary significantly among the various investment products and services we offer to our clients (see “Net Revenues” in Item 7 for additional information regarding our fee rates); our fee realization rate fluctuates as clients shift assets between accounts or products with different fee structures.
- **Service Changes.** We may be required to reduce our fee levels, restructure the fees we charge and/or adjust the services we offer to our clients because of, among other things, regulatory initiatives (whether industry-wide or specifically targeted), changing technology in the asset management business (including algorithmic strategies and emerging financial technology), court decisions and competitive considerations. A reduction in fee levels would reduce our revenues.
- **Interest Rate Changes.** Investor interest in and the valuation of our fixed income and multi-asset investment portfolios can be adversely affected by changes in interest rates, particularly if interest rates increase substantially and quickly.

A decrease in the value of our AUM, a decrease in the amount of AUM we manage, an adverse mix shift in our AUM and/or a reduction in the level of fees we charge would adversely affect our investment advisory fees and revenues. A reduction in revenues, without a commensurate reduction in expenses, adversely affects our results of operations.

**The industry-wide shift from actively managed investment services to passive services has adversely affected our investment advisory and services fees, revenues and results of operations, and this trend may continue.**

Our competitive environment has become increasingly difficult, as active managers, which invest based on individual security selection, have, on average, consistently underperformed passive services, which invest based on market indices. Active performance relative to benchmarks as of mid-2022 deteriorated from prior-year levels, with 40% of active managers outperforming their passive benchmarks for the 12 months ended June 30, 2022 (latest data available), compared to 47% for the prior 12-month period. U.S. stock active funds fared better than non-U.S. with 45% of U.S. active stock funds outperforming benchmarks, as compared with 23% for non-U.S. stock funds. Performance of actively managed bond funds decreased sharply in 2022, with just 29% outperforming benchmarks, representing a 44% decline compared to the prior-year period.

Flows into actively managed funds deteriorated industry-wide in 2022, with U.S. industry-wide active mutual fund outflows of \$974 billion in 2022, contrasted with inflows of \$148 billion in 2021. Active fixed income U.S. mutual funds experienced outflows of \$482 billion in 2022, compared to inflows of \$368 billion in 2021. Furthermore, active equity U.S. mutual fund outflows accelerated to \$432 billion in 2022, compared to outflows of \$191 billion in 2021. By contrast, demand for passive strategies in the U.S. continued to grow, though at a reduced rate from the prior year, as industry-wide total passive mutual fund net inflows of \$518 billion in 2022 compared to \$928 billion in 2021. Organic growth through net inflows continues to be difficult to achieve for active managers, such as AB, and requires taking market share from other active managers.

The significant shift from active services to passive services adversely affects Bernstein Research Services revenues as well. Institutional global market trading volumes continue to be pressured (notwithstanding the heightened market volatility and trading volume predominantly relating to COVID-19 in the first half of 2020) by persistent active equity outflows and passive equity inflows. As a result, portfolio turnover has declined and investors hold fewer shares that are actively traded by managers.

**Our reputation could suffer if we are unable to deliver consistent, competitive investment performance.**

Our business is based on the trust and confidence of our clients. Damage to our reputation, resulting from poor or inconsistent investment performance, among other factors, can reduce substantially our AUM and impair our ability to maintain or grow our business.

**EQH and its subsidiaries provide a significant amount of our AUM and fund a significant portion of our seed investments, and if our agreements with them terminate or they withdraw capital support it could have a material adverse effect on our business, results of operations and/or financial condition.**

EQH (our parent company) and its subsidiaries constitute our largest client. Our EQH affiliates represented approximately 16% of our AUM as of December 31, 2022, and we earned approximately 4% of our net revenues from services we provided to them. Our related investment management agreements are terminable at any time or on short notice by either party, and EQH is not under any obligation to maintain any level of AUM with us. A material adverse effect on our business, results of operations and/or financial condition could result if EQH were to terminate its investment management agreements with us.

**Our business is dependent on investment advisory agreements with clients, and selling and distribution agreements with various financial intermediaries and consultants, which generally are subject to termination or non-renewal on short notice.**

We derive most of our revenues pursuant to written investment management agreements (or other arrangements) with institutional investors, mutual funds and private wealth clients, and selling and distribution agreements with financial intermediaries that distribute AB Funds. Generally, the investment management agreements (and other arrangements), including our agreements with EQH and its subsidiaries, are terminable at any time or upon relatively short notice by either party. The investment management agreements pursuant to which we manage the U.S. Funds must be renewed and approved by the Funds' boards of directors annually. A significant majority of the directors are independent. Consequently, there can be no assurance that the board of directors of each fund will approve the fund's investment management agreement each year, or will not condition its approval on revised terms that may be adverse to us. In addition, investors in AB Funds can redeem their investments without notice. Any termination of, or failure to renew, a significant number of these agreements, or a significant increase in redemption rates, could have a material adverse effect on our results of operations and business prospects.

Similarly, the selling and distribution agreements with securities firms, brokers, banks and other financial intermediaries are terminable by either party upon notice (generally 30 days) and do not obligate the financial intermediary to sell any specific amount of fund shares. These intermediaries generally offer their clients investment products that compete with our products. In addition, certain institutional investors rely on consultants to advise them about choosing an investment adviser and some of our services may not be considered among the best choices by these consultants. As a result, investment consultants may advise their clients to move their assets invested with us to other investment advisers, which could result in significant net outflows.

Lastly, our Private Wealth Services rely on referrals from financial planners, registered investment advisers and other professionals. We cannot be certain that we will continue to have access to, or receive referrals from, these third parties. Loss of such access or referrals could have a material adverse effect on our results of operations and business prospects.

**Performance-based fee arrangements with our clients may cause greater fluctuations in our net revenues.**

We sometimes charge our clients performance-based fees, whereby we charge a base advisory fee and are eligible to earn an additional performance-based fee or incentive allocation that is calculated as either a percentage of absolute investment results or a percentage of investment results in excess of a stated benchmark over a specified period of time. Some performance-based fees include a high-watermark provision, which generally provides that if a client account under-performs relative to its performance target (whether in absolute terms or relative to a specified benchmark), it must gain back such under-performance before we can collect future performance-based fees. Therefore, if we fail to achieve the performance target for a particular period, we will not earn a performance-based fee for that period and, for accounts with a high-watermark provision, our ability to earn future performance-based fees will be impaired.

We are eligible to earn performance-based fees on 10.6%, 9.2% and 0.5% of the assets we manage for institutional clients, private wealth clients and retail clients, respectively (in total, 6.6% of our AUM). If the percentage of our AUM subject to performance-based fees increases, seasonality and volatility of revenue and earnings are likely to become more significant. Our performance-based fees were \$145.2 million, \$245.1 million and \$132.6 million in 2022, 2021 and 2020, respectively.

**The revenues generated by Bernstein Research Services may be adversely affected by circumstances beyond our control, including declines in brokerage transaction rates, declines in global market volumes, failure to settle our trades by significant counterparties and the effects of Brexit.**

Electronic, or "low-touch," trading represents a significant percentage of buy-side trading activity and typically produces transaction fees that are significantly lower than traditional full-service fee rates. As a result, blended pricing throughout our industry is lower now than it was historically, and price declines may continue. In addition, fee rates we charge and charged by other brokers for brokerage services have historically experienced price pressure, and we expect these trends to continue. Also, while increases in transaction volume and market share often can offset decreases in rates, this may not continue.

In addition, the failure or inability of any of our broker-dealer's significant counterparties to perform could expose us to substantial expenditures and adversely affect our revenues. For example, SCB LLC, as a member of clearing and settlement organizations, would be required to settle open trades of any non-performing counterparty. This exposes us to the mark-to-market adjustment on the trades between trade date and settlement date, which could be significant, especially during periods of severe market volatility. Also, our ability to access liquidity in such situations may be limited by what our funding relationships are able to offer us at such times.

Lastly, extensive changes proposed by the SEC to the equity market structure, including Regulation Best Execution, the proposed Order Competition Rule and proposed changes to Regulation NMA establishing, among other things, minimum pricing increments and required disclosures by larger broker-dealers and specified trading platforms, if adopted as proposed, could substantially increase the cost of conducting our buy-side and broker-dealer operations and, possibly, adversely impact trade execution quality.

We discuss the risks associated with Brexit below in "Legal and Regulatory-related Risks" in this Item 1A.

**We may be unable to develop new products and services, and the development of new products and services may expose us to reputational harm, additional costs or operational risk.**

Our financial performance depends, in part, on our ability to react nimbly to changes in the asset management industry, respond to evolving client needs, and develop, market and manage new investment products and services. Conversely, the development and introduction of new products and services, including the creation of products with concentrations in industries or sectors specific to individual client criteria, or with a focus on ESG, requires continuous innovative effort on our part and may require significant time and resources as well as ongoing support and investment. Substantial risk and uncertainties are associated with the introduction of new products and services, including the implementation of new and appropriate operational controls and procedures, shifting client and market preferences, the introduction of competing products or services, and compliance with regulatory and disclosure requirements. We can make no assurance that we will be able to develop new products and services that successfully address the needs of clients within needed timeframes. Any failure to successfully develop new products and services, or effectively manage associated operational risks, could harm our reputation and expose us to additional costs, which could adversely affect our AUM, revenues and operating income.

**Fluctuations in the exchange rates between the U.S. dollar and various other currencies can adversely affect our AUM, revenues and results of operations.**

Although significant portions of our net revenues and expenses, as well as our AUM, presently are denominated in U.S. dollars, we have subsidiaries and clients outside of the United States with functional currencies other than the U.S. dollar. Weakening of these currencies relative to the U.S. dollar adversely affects the value in U.S. dollar terms of our revenues and our AUM denominated in these other currencies. Accordingly, fluctuations in U.S. dollar exchange rates affect our AUM, revenues and reported financial results from one period to the next.

We may not be successful in our efforts to hedge our exposure to such fluctuations, which could negatively impact our revenues and reported financial results.

**Our seed capital investments are subject to market risk. While we enter into various futures, forwards, swap and option contracts to economically hedge many of these investments, we also may be exposed to market risk and credit-related losses in the event of non-performance by counterparties to these derivative instruments.**

We have a seed investment program for the purpose of building track records and assisting with the marketing initiatives pertaining to our firm's new products. These seed capital investments are subject to market risk. Our risk management team oversees a seed hedging program that attempts to minimize this risk, subject to practical and cost considerations. Also, not all seed investments are deemed appropriate to hedge, and in those cases we are exposed to market risk. In addition, we may be subject to basis risk in that we cannot always hedge with precision our market exposure and, as a result, we may be subject to relative spreads between market sectors. As a result, volatility in the capital markets may cause significant changes in our period-to-period financial and operating results.

We use various derivative instruments, including futures, forwards, swaps and option contracts, in conjunction with our seed hedging program. While in most cases broad market risks are hedged, our hedges are imperfect and some market risk remains. In addition, our use of derivatives results in counterparty risk (*i.e.*, the risk that we may be exposed to credit-related losses in the event of non-performance by counterparties to these derivative instruments), regulatory risk (*e.g.*, short selling restrictions) and cash/synthetic basis risk (*i.e.*, the risk that the underlying positions do not move identically to the related derivative instruments).

**We may engage in strategic transactions that could pose risks.**

As part of our business strategy, we consider potential strategic transactions, including acquisitions (such as our purchase of CarVal Investors in 2022), dispositions, mergers, consolidations, joint venture partnerships (such as our planned joint venture partnership with SocGen) and similar transactions, some of which may be material. These transactions, if undertaken, may involve various risks and present financial, managerial and operational challenges, including:

- adverse effects on our earnings if acquired intangible assets or goodwill become impaired;
- existence of unknown liabilities or contingencies that arise after closing;
- potential disputes with counterparties; and
- the possible need for us to increase our firm's leverage or, if we fund the purchase price of a transaction with AB Units or AB Holding Units, likely dilution to our existing unitholders.

Acquisitions also pose the risk that any business we acquire may lose customers or employees or could under-perform relative to expectations. Additionally, the loss of investment personnel poses the risk that we may lose the AUM we expected to manage, which could adversely affect our results of operations.

**We may not accurately value the securities we hold on behalf of our clients or our company investments.**

In accordance with applicable regulatory requirements, contractual obligations or client direction, we employ procedures for the pricing and valuation of securities and other positions held in client accounts or for company investments. We have established a Valuation Committee, consisting of senior officers and employees, which oversees pricing controls and valuation processes. If market quotations for a security are not readily available, the Valuation Committee determines a fair value for the security.

Extraordinary volatility in financial markets, significant liquidity constraints or our failure to adequately consider one or more factors when determining the fair value of a security based on information with limited market observability could result in our failing to properly value securities we hold for our clients or investments accounted for on our balance sheet. Improper valuation likely would result in our basing fee calculations on inaccurate AUM figures, our striking incorrect net asset values for company-sponsored mutual funds or hedge funds or, in the case of company investments, our inaccurately calculating and reporting our financial condition and operating results. Although the overall percentage of our AUM that we fair value based on information with limited market observability is not significant, inaccurate fair value determinations can harm our clients, create regulatory issues and damage our reputation.

### **The quantitative and systematic models we use in certain of our investment services may contain errors, resulting in imprecise risk assessments and unintended output.**

We use quantitative and systematic models in a variety of our investment services, generally in combination with fundamental research. These models are developed by senior quantitative professionals and typically are implemented by IT professionals. Our Model Risk Oversight Committee oversees the model governance framework and associated model review activities, which are then executed by our Model Risk Team. However, due to the complexity and large data dependency of such models, it is possible that errors in the models could exist and our controls could fail to detect such errors. Failure to detect errors could result in client losses and reputational damage.

### **The financial services industry is intensely competitive.**

We compete on the basis of a number of factors, including our investment performance for our clients, our array of investment services, innovation, reputation and price. By having a global presence, we often face competitors with more experience and more established relationships with clients, regulators and industry participants in the relevant market, which could adversely affect our ability to expand. Furthermore, if we are unable to maintain and/or continue to improve our investment performance, our client flows may be adversely affected, which may make it more difficult for us to compete effectively.

Also, increased competition could reduce the demand for our products and services, which could have a material adverse effect on our financial condition, results of operations and business prospects. For additional information regarding competitive factors, see *"Competition" in Item 1*.

## **People-related Risks**

### **We may be unable to continue to attract, motivate and retain key personnel, and the cost to retain key personnel could put pressure on our adjusted operating margin.**

Our business depends on our ability to attract, motivate and retain highly skilled, and often highly specialized, technical, investment, managerial and executive personnel, and there is no assurance that we will be able to continue to do so.

The market for these professionals is extremely competitive. Certain of these professionals often maintain strong, personal relationships with investors in our products and other members of the business community so their departure may cause us to lose client accounts or result in fewer opportunities to win new business, either of which factors could have a material adverse effect on our results of operations and business prospects.

Additionally, a decline in revenues may limit our ability to pay our employees at competitive levels, and maintaining (or increasing) compensation without a revenue increase, in order to retain key personnel, may adversely affect our operating margin. For additional information regarding our compensation practices, see *"Compensation Discussion and Analysis" in Item 11*.

### **Our process of relocating our headquarters may not be executed as we have envisioned.**

We have established our corporate headquarters in and have relocated a total of approximately 1,250 jobs previously located in the New York metropolitan area to Nashville, Tennessee (for additional information, see *"Relocation Strategy" in Item 7*). Although the eventual impact on AB from this process is not yet known, the uncertainty created by these circumstances could adversely affect AB's ability to motivate and retain current employees. Further, significant managerial and operational challenges could arise if the firm encounters more difficulty than expected in hiring qualified employees to help staff our Nashville headquarters.

Additionally, our estimates for both the transition costs and the corresponding expense savings relating to our headquarters relocation are based on our current assumptions of employee relocation costs, severance, and overlapping compensation and occupancy costs. If our assumptions turn out to be inaccurate, our expenses and operating income could be adversely affected.

### **Employee misconduct, which can be difficult to detect and deter, could harm us by impairing our ability to attract and retain clients and subjecting us to significant regulatory scrutiny, legal liability and reputational harm.**

There have been several highly publicized cases involving fraud or other misconduct by employees in the financial services industry generally, and we are not immune. Misconduct by employees could involve the improper use or disclosure of confidential information, which could result in legal action, regulatory sanctions, and reputational or financial harm. Further,

fraud, payment or solicitation of bribes and other deceptive practices or other misconduct by our employees could similarly subject us to regulatory scrutiny, legal liability and reputational damage.

## Operational, Technology and Cyber-related Risks

**Technology failures and disruptions, including failures to properly safeguard confidential information, can significantly constrain our operations and result in significant time and expense to remediate, which could result in a material adverse effect on our results of operations and business prospects.**

We are highly dependent on software and related technologies throughout our business, including both proprietary systems and those provided by third-party vendors. We use our technology to, among other things, obtain securities pricing information, process client transactions, store and maintain data, and provide reports and other services to our clients. Despite our protective measures, including measures designed to effectively secure information through system security technology and established and tested business continuity plans, we may still experience system delays and interruptions as a result of natural disasters, hardware failures, software defects, power outages, acts of war and third-party failures. We cannot predict with certainty all of the adverse effects that could result from our failure, or the failure of a third party, to efficiently address and resolve these delays and interruptions. These adverse effects could include the inability to perform critical business functions or failure to comply with financial reporting and other regulatory requirements, which could lead to loss of client confidence, reputational damage, exposure to disciplinary action and liability to our clients.

Many of the software applications that we use in our business are licensed from, and supported, upgraded and maintained by, third-party vendors. A suspension or termination of certain of these licenses or the related support, upgrades and maintenance could cause temporary system delays or interruption. Additionally, technology rapidly evolves and we cannot guarantee that our competitors may not implement more advanced technology platforms for their products and services, which may place us at a competitive disadvantage and adversely affect our results of operations and business prospects.

Also, we could be subject to losses if we fail to properly safeguard sensitive and confidential information. As part of our normal operations, we maintain and transmit confidential information about our clients as well as proprietary information relating to our business operations. Although we take protective measures, our systems still could be vulnerable to cyber attack or other forms of unauthorized access (including computer viruses) that have a security impact, such as an authorized employee or vendor inadvertently or intentionally causing us to release confidential or proprietary information. Such disclosure could, among other things, allow competitors access to our proprietary business information and require significant time and expense to investigate and remediate the breach. Moreover, loss of confidential client information could harm our reputation and subject us to liability under laws that protect confidential personal data, resulting in increased costs or loss of revenues.

**Any significant security breach of our information and cyber security infrastructure, as well as our failure to properly escalate and respond to such an incident, may significantly harm our operations and reputation.**

It is critical that we ensure the continuity and effectiveness of our information and cyber security infrastructure, policies, procedures and capabilities to protect our computer and telecommunications systems and the data that reside on or are transmitted through them and contracted third-party systems. Although we take protective measures, including measures to effectively secure information through system security technology, our technology systems may still be vulnerable to unauthorized access, supply chain attacks, computer viruses or other events that have a security impact, such as an external attack by one or more cyber criminals (including phishing attacks attempting to obtain confidential information and ransomware attacks attempting to block access to a computer system until a sum of money is paid), which could materially harm our operations and reputation. Additionally, while we take precautions to password protect and encrypt our laptops and sensitive information on our other mobile electronic devices, if such devices are stolen, misplaced or left unattended, they may become vulnerable to hacking or other unauthorized use, creating a possible security risk and resulting in potentially costly actions by us.

Furthermore, although we maintain a robust cyber security infrastructure and incident preparedness strategy, which we test frequently, we may be unable to respond, both internally and externally, to a cyber incident in a sufficiently expeditious manner. Any such failure could cause significant harm to our reputation and result in litigation, regulatory scrutiny and/or significant remediation costs.



**Climate change and other unpredictable events, including outbreak of infectious disease, natural disaster, dangerous weather conditions, technology failure, terrorist attack and political unrest, may adversely affect our ability to conduct business.**

War, terrorist attack, political unrest, power failure, climate change, natural disaster and rapid spread of infectious disease (such as the ongoing COVID-19 pandemic) could interrupt our operations by:

- causing disruptions in global economic conditions, thereby decreasing investor confidence and making investment products generally less attractive;
- inflicting loss of life;
- triggering large-scale technology failures or delays;
- breaching our information and cyber security infrastructure; and
- requiring substantial capital expenditures and operating expenses to remediate damage and restore operations.

Furthermore, climate change may increase the severity and frequency of catastrophes, or adversely affect our investment portfolio or investor sentiment. Climate change may also increase the frequency and severity of weather-related disasters and pandemics. And, climate change regulation may affect the prospects of companies and other entities whose securities in which we invest, or our willingness to continue to invest in such securities.

Despite the contingency plans and facilities we have in place, including system security measures, information back-up and disaster recovery processes, our ability to conduct business, including in key business centers where we have significant operations, such as Nashville, Tennessee, New York City, London, England, and Hong Kong, may be adversely affected by a disruption in the infrastructure that supports our operations and the communities in which they are located. This may include a disruption involving electrical, communications, transportation or other services we may use or third parties with which we conduct business. If a disruption occurs in one location and our employees in that location are unable to occupy our offices or communicate with or travel to other locations, our ability to conduct business with and on behalf of our clients may suffer, and we may not be able to successfully implement contingency plans that depend on communication or travel. Furthermore, unauthorized access to our systems as a result of a security breach, the failure of our systems, or the loss of data could give rise to legal proceedings or regulatory penalties under laws protecting the privacy of personal information, disrupt operations, and damage our reputation.

Our operations require experienced, professional staff. Loss of a substantial number of such persons or an inability to provide properly equipped places for them to work may, by disrupting our operations, adversely affect our financial condition, results of operations and business prospects. In addition, our property and business interruption insurance may not be adequate to compensate us for all losses, failures or breaches that may occur.

**Our own operational failures or those of third parties on which we rely, including failures arising out of human error, could disrupt our business, damage our reputation and reduce our revenues.**

Weaknesses or failures in our internal processes or systems could lead to disruption of our operations, liability to clients, exposure to disciplinary action or harm to our reputation. Our business is highly dependent on our ability to process, on a daily basis, large numbers of transactions, many of which are highly complex, across numerous and diverse markets. These transactions generally must comply with client investment guidelines, as well as stringent legal and regulatory standards.

Our obligations to clients require us to exercise skill, care and prudence in performing our services. Despite our employees being highly trained and skilled, the large number of transactions we process makes it highly likely that errors will occasionally occur. If we make a mistake in performing our services that causes financial harm to a client, we have a duty to act promptly to put the client in the position the client would have been in had we not made the error. The occurrence of mistakes, particularly significant ones, can have a material adverse effect on our reputation, results of operations and business prospects.

**The individuals and third-party vendors on whom we rely to perform services for us or our clients may be unable or unwilling to honor their contractual obligations to us.**

We rely on various counterparties and other third-party vendors to augment our existing investment, operational, financial and technological capabilities, but the use of a third-party vendor does not diminish AB's responsibility to ensure that client and regulatory obligations are met. Default rates, credit downgrades and disputes with counterparties as to the valuation of collateral increase significantly in times of market stress. Disruptions in the financial markets and other economic challenges may cause our counterparties and other third-party vendors to experience significant cash flow problems or even render them insolvent, which may expose us to significant costs and impair our ability to conduct business.

Weaknesses or failures within a third-party vendor's internal processes or systems, or inadequate business continuity plans, can materially disrupt our business operations. Also, third-party vendors may lack the necessary infrastructure or resources to effectively safeguard our confidential data. If we are unable to effectively manage the risks associated with such third-party relationships, we may suffer fines, disciplinary action and reputational damage.



**We may not always successfully manage actual and potential conflicts of interest that arise in our business.**

Increasingly, we must manage actual and potential conflicts of interest, including situations where our services to a particular client conflict, or are perceived to conflict, with the interests of another client. Failure to adequately address potential conflicts of interest could adversely affect our reputation, results of operations and business prospects.

We have procedures and controls that are designed to identify and mitigate conflicts of interest, including those designed to prevent the improper sharing of information. However, appropriately managing conflicts of interest is complex. Our reputation could be damaged and the willingness of clients to enter into transactions in which such a conflict might arise may be affected if we fail, or appear to fail, to deal appropriately with actual or perceived conflicts of interest. In addition, potential or perceived conflicts could give rise to litigation or regulatory enforcement actions.

**Maintaining adequate liquidity for our general business needs depends on certain factors, including operating cash flows and our access to credit on reasonable terms.**

Our financial condition is dependent on our cash flow from operations, which is subject to the performance of the capital markets, our ability to maintain and grow AUM and other factors beyond our control. Our ability to issue public or private debt on reasonable terms may be limited by adverse market conditions, our profitability, our creditworthiness as perceived by lenders and changes in government regulations, including tax rates and interest rates. Furthermore, our access to credit on reasonable terms is partially dependent on our firm's credit ratings.

Both Moody's Investors Service, Inc. and Standard & Poor's Rating Service affirmed AB's long-term and short-term credit ratings and indicated a stable outlook in 2022. Future changes in our credit ratings are possible and any downgrade to our ratings is likely to increase our borrowing costs and limit our access to the capital markets. If this occurs, we may be forced to incur unanticipated costs or revise our strategic plans, which could have a material adverse effect on our financial condition, results of operations and business prospects.

**An impairment of goodwill may occur.**

Determining whether an impairment of the goodwill asset exists requires management to exercise a substantial amount of judgment. In addition, to the extent that securities valuations are depressed for prolonged periods of time and/or market conditions deteriorate, or if we experience significant net redemptions, our AUM, revenues, profitability and unit price will be adversely affected. Although the price of an AB Holding Unit is just one factor in the calculation of fair value, if AB Holding Unit price levels decline significantly, reaching the conclusion that fair value exceeds carrying value will, over time, become more difficult. In addition, control premiums, industry earnings multiples and discount rates are impacted by economic conditions. As a result, subsequent impairment tests may occur more frequently and be based on more negative assumptions and future cash flow projections, and may result in an impairment of goodwill. An impairment may result in a material charge to our earnings. For additional information about our impairment testing, see *Item 7*.

**The insurance that we purchase may not fully cover all potential exposures.**

We maintain professional liability, errors & omissions, fidelity, cyber, property, casualty, business interruption and other types of insurance, but such insurance may not cover all risks associated with the operation of our business. Our coverage is subject to exclusions and limitations, including high self-insured retentions or deductibles and maximum limits and liabilities covered. In addition, from time to time, various types of insurance may not be available on commercially acceptable terms or, in some cases, at all. We can make no assurance that a claim or claims will be covered by our insurance policies or, if covered, will not exceed our available insurance coverage, or that our insurers will remain solvent and meet their obligations.

In the future, we may not be able to obtain coverage at current levels, if at all, and our premiums may increase significantly on coverage that we maintain. Also, we currently are party to certain joint insurance arrangements with subsidiaries of EQH. If our affiliates choose not to include us as insured parties under any such policies, we may need to obtain stand-alone insurance coverage, which could have coverage terms that are less beneficial to us and/or cost more.

## Legal and Regulatory-related Risks

**Our business is subject to pervasive, complex and continuously evolving global regulation, compliance with which involves substantial expenditures of time and money, and violation of which may result in material adverse consequences.**

Virtually all aspects of our business are subject to federal and state laws and regulations, rules of securities regulators and exchanges, and laws and regulations in the foreign jurisdictions in which our subsidiaries conduct business. If we violate these laws or regulations, we could be subject to civil liability, criminal liability or sanction, including restriction or revocation of our and our subsidiaries' professional licenses or registrations, revocation of the licenses of our employees, censures, fines, or temporary suspension or permanent bar from conducting business. Any such liability or sanction could have a material adverse effect on our financial condition, results of operations and business prospects. A regulatory proceeding, even if it does not result in a finding of wrongdoing or sanction, could require substantial expenditures of time and money and could potentially damage our reputation.

In recent years, global regulators have substantially increased their oversight of financial services. Some of the newly-adopted and proposed regulations are focused on investment management services. Others, while more broadly focused, nonetheless impact our business. Moreover, the adoption of new laws, regulations or standards and changes in the interpretation or enforcement of existing laws, regulations or standards have directly affected, and will continue to affect, our business, including making our efforts to comply more expensive and time-consuming.

For example, there has been increasing regulatory focus on ESG-related practices by investment managers. The SEC is poised in 2023 to issue a rule enhancing and standardizing climate disclosures by U.S. public companies, including investment managers. The SEC also has focused on the labeling by investment funds of their activities or investments as "sustainable" and has examined the methodology used by funds for determining ESG investments, with a keen focus on whether such labeling may be misleading. Outside the U.S., the European Commission has adopted an action plan on financing sustainable growth, as well as initiatives at the European Union (the "EU") level, such as the EU Sustainable Finance Disclosure Regulation (the "SFDR"). Compliance with the SFDR and other ESG-related regulations may subject us to increased restrictions, disclosure obligations, and compliance and other associated costs, as well as potential reputational harm.

Also, in 2015 the Financial Supervisory Commission in Taiwan (the "FSC") implemented new limits on the degree to which local investors can own an offshore investment product. While certain exemptions have been available to us, should we not continue to qualify, the FSC's rules could force some of our local resident investors to redeem their investments in our funds sold in Taiwan (and/or prevent further sales of those funds in Taiwan), some of which funds have local ownership levels substantially above the FSC limits. This could lead to significant declines in our investment advisory and services fees and revenues earned from these funds.

Additionally, in July 2017 the Chief Executive of the U.K. Financial Conduct Authority (the "FCA"), which regulates the London Interbank Offered Rate, or "LIBOR," as a "benchmark" or "reference rate" for various interest rate calculations, announced that the FCA will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021. In November 2020, the ICE Benchmark Administration Limited announced a plan to extend the date as of which most U.S. LIBOR values would cease being computed from December 31, 2021 to June 30, 2023. Although financial regulators and industry working groups have suggested alternative reference rates, global consensus on alternative rates is lacking and the process for amending existing contracts or instruments to transition away from LIBOR remains unclear. The elimination of LIBOR or changes to other reference rates or any other changes or reforms to the determination or supervision of reference rates may adversely affect the amount of interest payable or interest receivable on certain of our firm's portfolio investments. These changes may also impact the market liquidity and market value of these portfolio investments. We are finalizing our global assessment of exposure in relation to funds utilizing LIBOR based instruments and benchmarks. Further, we are prioritizing the mitigation of risks associated with the forecast changes to financial instruments and performance benchmarks referencing existing LIBOR rates, and concurrently any impact on AB portfolios and investment strategies.

Lastly, it also is uncertain how regulatory trends will further evolve, both in the U.S. and abroad. For example, following the Brexit referendum in June 2016, the U.K.'s departure from the EU resulted in the U.K. leaving the EU Single Market on December 31, 2020. While the U.K. and the EU have agreed to a trade deal, which took effect on January 1, 2021, this deal does not include specific arrangements for financial services. Accordingly, since the start of 2021, our U.K.-based buy-side and sell-side subsidiaries have implemented alternative arrangements in EU jurisdictions (utilizing AB's EU-based subsidiaries) to ensure continued operations in the EU Single Market. These arrangements are subject to potential change due to ongoing negotiations between the U.K. and the EU on future regulatory cooperation, and it is difficult to ascertain how any such changes may impact the ability of our U.K.-based subsidiaries to provide services to EU-based clients in the future.

**We are involved in various legal proceedings and regulatory matters and may be involved in such proceedings in the future, any one or combination of which could have a material adverse effect on our reputation, financial condition, results of operations and business prospects.**

We may be involved in various matters, including regulatory inquiries, administrative proceedings and litigation, some of which allege significant damages, and we may be involved in additional matters in the future. Litigation is subject to significant uncertainties, particularly when plaintiffs allege substantial or indeterminate damages, the litigation is in its early stages, or when the litigation is highly complex or broad in scope.

## Structure-related Risks

**The partnership structure of AB Holding and AB limits Unitholders' abilities to influence the management and operation of AB's business and is highly likely to prevent a change in control of AB Holding and AB.**

The General Partner, as general partner of both AB Holding and AB, generally has the exclusive right and full authority and responsibility to manage, conduct, control and operate their respective businesses, except as otherwise expressly stated in their respective Amended and Restated Agreements of Limited Partnership. AB Holding and AB Unitholders have more limited voting rights on matters affecting AB than do holders of common stock in a corporation. Both Amended and Restated Agreements of Limited Partnership provide that Unitholders do not have any right to vote for directors of the General Partner and that Unitholders only can vote on certain extraordinary matters (including removal of the General Partner under certain

extraordinary circumstances). Additionally, the AB Partnership Agreement includes significant restrictions on the transfer of AB Units and provisions that have the practical effect of preventing the removal of the General Partner, which provisions are highly likely to prevent a change in control of AB's management.

**AB Units are illiquid and subject to significant transfer restrictions.**

There is no public trading market for AB Units and we do not anticipate that a public trading market will develop. The AB Partnership Agreement restricts our ability to participate in a public trading market or anything substantially equivalent to one by providing that any transfer that may cause AB to be classified as a "publicly traded partnership" ("PTP") as defined in Section 7704 of the Internal Revenue Code of 1986, as amended (the "Code"), shall be deemed void and shall not be recognized by AB. In addition, AB Units are subject to significant restrictions on transfer, such as obtaining the written consent of EQH and the General Partner pursuant to the AB Partnership Agreement. Generally, neither EQH nor the General Partner will permit any transfer that it believes would create a risk that AB would be treated as a corporation for tax purposes. EQH and the General Partner have implemented a transfer program that requires a seller to locate a purchaser and imposes annual volume restrictions on transfers. You may request a copy of the transfer program from our Corporate Secretary ([corporate\\_secretary@alliancebernstein.com](mailto:corporate_secretary@alliancebernstein.com)). Also, we have filed the transfer program as Exhibit 10.07 to this Form 10-K.

**Changes in the treatment of AB Holding and AB as partnerships for tax purposes would have significant tax ramifications.**

Having elected under Section 7704(g) of the Code to be subject to a 3.5% federal tax on partnership gross income from the active conduct of a trade or business, AB Holding is a PTP that is taxable as a partnership for federal income tax purposes. To preserve AB Holding's status as a PTP that is taxed as a partnership for federal income tax purposes, AB Holding must not directly or indirectly (through AB) enter into a substantial new line of business. A "new line of business" includes any business that is not closely related to AB's historical business of providing research and diversified investment management and related services to its clients. A new line of business is "substantial" when a partnership derives more than 15% of its gross income from, or uses more than 15% (by value) of its total assets in, the new line of business.

To preserve AB's status as a private partnership for federal income tax purposes, AB Units must not be considered publicly traded.

If either or both AB Holding and AB were taxable as a corporation, the return on investment to Unitholders generally would be reduced because distributions to Unitholders generally would be subject to two layers of taxation: first, amounts available for distribution would be subject to federal (and applicable state and local) taxes at the corporate entity level; and second, Unitholders generally would be subject to federal (and applicable state and local) taxes upon receipt of dividends.

AB Holding and AB are subject to the 4.0% New York City unincorporated business tax ("UBT"). AB Holding may net credits for UBT paid by AB.

**Changes in tax law governing us or an increase in business activities outside the U.S. could have a material impact on us.**

Legislative proposals have been or may be introduced that, if enacted, could have a material adverse effect on us. We cannot predict the outcome of such legislative proposals.

Each of AB's non-U.S. corporate subsidiaries generally is subject to taxes in the foreign jurisdiction where it is located. If our business increasingly operates in countries other than the U.S., or if there are changes in tax law or rates of taxation in foreign jurisdictions where our corporate subsidiaries operate, AB's effective tax rate could increase.

**If any audit by the Internal Revenue Service ("IRS") of our income tax returns for any of our taxable years beginning after December 31, 2017 results in any adjustments, the IRS may collect any resulting taxes, including any applicable penalties and interest, directly from us, in which case our net income and the cash available for quarterly Unitholder distributions may be substantially reduced.**

For taxable years beginning after December 31, 2017, a "partnership representative" that we designate (a "Partnership Representative") will have the sole authority to act on our behalf for purposes of, among other things, IRS audits and related proceedings (and any similar state or local audits and proceedings). Any actions taken by us or by the Partnership Representative on our behalf in connection with such audits or proceedings will be binding on us and our Unitholders.

For an audit of a partnership's taxable years beginning after December 31, 2017, the IRS, absent an election by the partnership to the contrary (see *discussion below*), generally determines adjustments at the partnership level in the year in which the audit is resolved.

Generally, we will have the ability to collect any resulting tax liability (and any related interest and penalties) from our Unitholders in accordance with their percentage interests during the year under audit, but there can be no assurance that we will elect to do so or be able to do so under all circumstances. If we do not collect such tax liability from our Unitholders in accordance with their percentage interests in the tax year under audit, our net income and the available cash for quarterly distributions to current Unitholders may be substantially reduced. Accordingly, our current Unitholders may bear some or all of the tax liability resulting from such audit adjustment, even if such Unitholders did not own Units during the tax year under audit. In particular, with respect to AB Holding, our Partnership Representative may, in certain instances, request that any "imputed under-payment" resulting from an audit be adjusted by amounts of certain of our passive losses. If we successfully make such a request, we would have to reduce suspended passive loss carryovers in a manner which is binding on the partners.

In addition, for taxable years beginning after December 31, 2017, we may, but are not required to, make an election to require our Unitholders to take into account on their income tax returns an audit adjustment made to our income tax items, also known as a "push-out" election. This may also require Unitholders to provide certain information to us (possibly including information about the beneficial owners of our Unitholders). Also, a partnership that is a partner of another partnership (such as AB Holding with respect to AB) may elect to have its unitholders take an audit adjustment of the lower-tier partnership into account (i.e., the upper-tier partnership may push adjustments received from the lower-tier partnership through to the partners of the upper-tier partnership). There are several requirements to make a "push-out" election and we may be unable or unwilling to comply with such requirements. If we do not make a "push-out" election, we would be required to pay any tax resulting from the adjustments to our income tax items, and the cash available for distribution to unitholders would be substantially reduced.

**Non-U.S. unitholders may be subject to withholding tax on the sale of their AB Units or AB Holding Units, as well as on distributions, and we may be liable for any under-withholding.**

Gain or loss from the sale or exchange of a partnership unit by a non-U.S. unitholder is treated as effectively connected with a U.S. trade or business and is subject to U.S. federal income tax to the extent that the non-U.S. unitholder would have had effectively connected gain or loss on a hypothetical sale by the partnership of all of its assets at fair market value as of the date of the sale or exchange of the partnership units. In furtherance of the foregoing, a transferee of a partnership unit is required to withhold a tax equal to 10% of the amount realized on any transfer of such a partnership unit unless an exception applies.

Distributions by a PTP to a non-U.S. unitholder also are subject to U.S. withholding tax if the PTP has effectively connected gross income, gain or loss.

A transferee is not required to withhold tax if it relies on a certification issued by the transferor or the underlying partnership establishing that an exception to withholding applies. If a transferee of AB Units is required to withhold and failed to properly do so, AB would be required to withhold on distributions to the transferee to satisfy that liability.

A broker is not required to withhold on the transfer of an interest in a PTP or on a distribution by a PTP if the PTP certifies that the "10% exception" applies. This exception applies if, either (1) the PTP was not engaged in a U.S. trade or business during a specified time period, or (2) upon a hypothetical sale of the PTP's assets at fair market value, (i) the amount of net gain that would have been effectively connected with the conduct of a trade or business within the U.S. would be less than 10% of the total net gain, or (ii) no gain would have been effectively connected with the conduct of a trade or business in the U.S.

To make this certification, the PTP must issue a "qualified notice" indicating that it qualifies for this exception, which we have done and intend to continue to do. The qualified notice must state the amount of a distribution that is attributable to each type of income group specified in the Treasury Regulations. The PTP must post each qualified notice on its primary public website (and keep it accessible for 10 years) and deliver it to any registered holder that is a nominee. A broker may not rely on such a certification if it has actual knowledge that the certification is incorrect or unreliable.

As a PTP, beginning on January 1, 2023, AB Holding may be liable for any under-withholding by a broker that relies on a qualified notice for which we failed to make a reasonable estimate of the amounts required for determining the applicability of the 10% exception.

## Item 1B. Unresolved Staff Comments

Neither AB nor AB Holding has unresolved comments from the staff of the SEC to report.

## Item 2. Properties

Our headquarters is located at 501 Commerce Street, Nashville, Tennessee. We occupy 218,976 square feet of space at this location under a 15-year lease agreement that commenced in the fourth quarter of 2020.

We lease space at our other principal location, 1345 Avenue of the Americas, New York, New York pursuant to a lease expiring in 2024. At this location, we currently lease 999,963 square feet of space, within which we currently occupy approximately 512,284 square feet of space and have sub-let approximately 487,679 square feet of space.

Also, we entered into a 20-year lease agreement in New York, New York, at 66 Hudson Boulevard, for 165,608 square feet that is expected to commence in 2024.

We also lease 50,792 square feet of space in San Antonio, Texas under a lease expiring in 2029.

In addition, we lease more modest amounts of space in 23 other cities in the United States.

Our subsidiaries lease space in 30 cities outside the United States, the most significant of which is a lease in London, England, expiring in 2031, and in Hong Kong, China, under a lease expiring in 2024. In London we currently lease 60,732 square feet of space. In Hong Kong, we currently lease and occupy 35,878 square feet of space.

## Item 3. Legal Proceedings

With respect to all significant litigation matters, we consider the likelihood of a negative outcome. If we determine the likelihood of a negative outcome is probable and the amount of the loss can be reasonably estimated, we record an estimated loss for the expected outcome of the litigation. If the likelihood of a negative outcome is reasonably possible and we are able to determine an estimate of the possible loss or range of loss in excess of amounts already accrued, if any, we disclose that fact together with the estimate of the possible loss or range of loss. However, it is often difficult to predict the outcome or estimate a possible loss or range of loss because litigation is subject to inherent uncertainties, particularly when plaintiffs allege substantial or indeterminate damages. Such is also the case when the litigation is in its early stages or when the litigation is highly complex or broad in scope. In these cases, we disclose that we are unable to predict the outcome or estimate a possible loss or range of loss.

On December 14, 2022, four individual participants in the Profit Sharing Plan for Employees of AB (the "**AB Profit Sharing Plan**") filed a class action complaint (the "**Complaint**") in the U.S. District Court for the Southern District of New York against AB, current and former members of the Compensation and Workplace Practices Committee of the Board of Directors, and the Investment and Administrative Committees under the AB Profit Sharing Plan. Plaintiffs, who seek to represent a class of all participants in the AB Profit Sharing Plan from December 14, 2016 to the present, allege that defendants violated their fiduciary duties and engaged in prohibited transactions under ERISA by including proprietary collective investment trusts as investment options offered in the AB Profit Sharing Plan. The Complaint seeks unspecified damages, disgorgement and other equitable relief. AB is prepared to defend itself vigorously against these claims. While the outcome of this matter currently is not determinable given the matter remains in its early stages, we do not believe this litigation will have a material adverse effect on our results of operations, financial condition or liquidity.

AB may be involved in various other matters, including regulatory inquiries, administrative proceedings and litigation, some of which may allege significant damages. It is reasonably possible that we could incur losses pertaining to these matters, but we cannot currently estimate any such losses.

Management, after consultation with legal counsel, currently believes that the outcome of any individual matter that is pending or threatened, or all of them combined, will not have a material adverse effect on our results of operations, financial condition or liquidity. However, any inquiry, proceeding or litigation has an element of uncertainty; management cannot determine whether further developments relating to any individual matter that is pending or threatened, or all of them combined, will have a material adverse effect on our results of operation, financial condition or liquidity in any future reporting period.

## Item 4. Mine Safety Disclosures

Not applicable.

# Part II

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## Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

### Market for AB Holding Units and AB Units; Cash Distributions

AB Holding Units are listed on the NYSE and trade publicly under the ticker symbol "AB". There is no established public trading market for AB Units, which are subject to significant restrictions on transfer. For information about these transfer restrictions, see "Structure-related Risks" in Item 1A.

AB Holding's principal source of income and cash flow is attributable to its limited partnership interests in AB.

Each of AB Holding and AB distributes on a quarterly basis all of its Available Cash Flow, as defined in the AB Holding Partnership Agreement and the AB Partnership Agreement, respectively, to its Unitholders and the General Partner. For additional information concerning distribution of Available Cash Flow by AB Holding, see Note 2 to AB Holding's financial statements in Item 8. For additional information concerning distribution of Available Cash Flow by AB, see Note 2 to AB's consolidated financial statements in Item 8.

On December 30, 2022 (the last trading day of the year), the closing price of an AB Holding Unit on the NYSE was \$34.37 per Unit. On December 31, 2022, there were (i) 893 AB Holding Unitholders of record for approximately 116,000 beneficial owners, and (ii) 368 AB Unitholders of record (we do not believe there are substantial additional beneficial owners).

### Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

We did not engage in any unregistered sales of our securities during the years ended December 31, 2022, 2021 and 2020, except as previously disclosed in a Current Report on Form 8-K dated July 1, 2022.

### Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Each quarter, AB considers whether to implement a plan to repurchase AB Holding Units pursuant to Rules 10b5-1 and 10b-18 under the Exchange Act. We did not, however, adopt a plan during the fourth quarter of 2022. AB may adopt additional plans in the future to engage in open-market purchases of AB Holding Units to help fund anticipated obligations under the firm's incentive compensation award program and for other corporate purposes. For additional information about Rule 10b5-1 plans, see "Units Outstanding" in Item 7.

AB Holding Units bought by us or one of our affiliates during the fourth quarter of 2022 are as follows:

### Issuer Purchases of Equity Securities

Period	Total Number of AB Holding Units Purchased	Average Price Paid Per AB Holding Unit, net of Commissions	Total Number of AB Holding Units Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of AB Holding Units that May Yet Be Purchased Under the Plans or Programs
10/1/22-10/31/22	—	\$ —	—	—
11/1/22-11/30/22	—	—	—	—
12/1/22-12/31/22 <sup>(1)</sup>	2,558,363	40.70	—	—
<b>Total</b>	<b>2,558,363</b>	<b>\$ 40.70</b>	<b>—</b>	<b>—</b>

<sup>(1)</sup> During the fourth quarter of 2022, we purchased 2,558,363 AB Holding Units from employees to allow them to fulfill statutory withholding tax requirements at the time of distribution of long-term incentive compensation awards.

Neither we nor our affiliates bought any AB Units during the fourth quarter of 2022.



## Item 6. [Reserved]

## Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

### Impact of COVID-19

AB continues to actively monitor COVID-19 developments and their impact on our employees, business and operations. The aggregate extent to which COVID-19, including its impact on the global economy, affects AB's business, liquidity, results of operations and financial condition, will depend on future COVID-19 developments that are highly uncertain, including the scope and duration of COVID-19 and any recovery period, the emergence, spread and seriousness of COVID-19 variants, the continuing prevalence of severe, unconstrained and/or escalating rates of infection and hospitalization in various countries and regions, the availability, adoption and efficacy of treatments and vaccines, and future actions taken by governmental authorities, central banks and other parties in response to COVID-19. Further, we have benefited from certain of our adjusted operating expenses declining significantly due to COVID-19, generally owing to depressed levels of travel and entertainment and in-person client meetings, during both 2020 and 2021. While these costs started to return in 2022, results in 2022 did not reach historical levels; the prior-year savings are not indicative of our future performance. Additionally, as most of our workforce continues working in a hybrid model, which includes the option of two remote days each week, we are mindful of increased risk related to cybersecurity, which could significantly disrupt our business functions.

### Executive Overview<sup>(1)</sup>

Our total assets under management ("**AUM**") as of December 31, 2022 were \$646.4 billion, down \$132.2 billion, or 17.0%, during 2022. The decrease was driven primarily by market depreciation of \$140.4 billion and net outflows of \$3.6 billion (reflecting Retail net outflows of \$11.6 billion, offset by Institutional net inflows of \$6.3 billion and Private Wealth Management net inflows of \$1.7 billion), offset by the addition of \$12.2 billion due to the acquisition of CarVal Investors L.P. ("**CarVal**") in the third quarter. AXA S.A. ("**AXA**") redeemed approximately \$4.5 billion of low-fee fixed income and equity mandates in 2022. Going forward, any AXA-related redemptions or new sales (reflecting, for example, recent commitments by AXA to certain of our private alternative strategies) will be considered as part of our normal course of business.

Institutional AUM decreased \$39.8 billion, or 11.8%, to \$297.3 billion during 2022, primarily due to market depreciation of \$57.8 billion, partially offset by the addition of \$12.2 billion due to the acquisition of CarVal and net inflows of \$6.3 billion. Gross sales increased \$0.5 billion, from \$31.7 billion in 2021 to \$32.2 billion in 2022. Redemptions and terminations decreased \$10.1 billion, from \$23.4 billion in 2021 to \$13.3 billion in 2022. Institutional net inflows included \$2.3 billion of AXA redemptions.

Retail AUM decreased \$77.0 billion, or 24.1%, to \$242.9 billion during 2022, primarily due to market depreciation of \$65.5 billion and net outflows of \$11.6 billion. Net outflows included \$2.2 billion of AXA redemptions. Gross sales decreased \$34.1 billion, from \$100.0 billion in 2021 to \$65.9 billion in 2022. Redemptions and terminations increased \$1.2 billion, from \$65.1 billion in 2021 to \$66.3 billion in 2022.

Private Wealth Management AUM decreased \$15.4 billion, or 12.6%, to \$106.2 billion during 2022, due to market depreciation of \$17.1 billion, offset by net inflows of \$1.7 billion. Gross sales decreased \$0.8 billion, from \$18.3 billion in 2021 to \$17.5 billion in 2022. Redemptions and terminations increased \$0.5 billion, from \$15.3 billion in 2021 to \$15.8 billion in 2022.

Bernstein Research Services ("**BRS**") revenue decreased \$35.7 million, or 7.9%, in 2022. The decrease was driven by significantly lower customer trading activity in Europe and Asia due to local market conditions. In the fourth quarter of 2022, AB and Société Générale (EURONEXT: SCGLY, "**SocGen**"), a leading European bank, announced plans to form a joint venture combining their respective cash equities and research businesses. As a result, the BRS business has been classified as held for sale. For further discussion, see *Note 24 Acquisitions and Divestitures to our consolidated financial statements in Item 8*.

Our 2022 net revenues of \$4.1 billion decreased \$387.3 million, or 8.7%, compared to net revenues of \$4.4 billion in the prior year. The decrease was primarily driven by lower base advisory fees of \$123.6 million, higher investment losses of \$101.8 million, lower performance-based fees of \$99.9 million, lower distribution revenues of \$45.0 million, lower Bernstein Research Services revenue of \$35.7 million and lower shareholder servicing fees of \$3.6 million, partially offset by higher net dividend and interest income of \$21.6 million. Our operating expenses of \$3.2 billion increased \$14.1 million, or 0.4%, compared to the prior year. The increase was primarily due to higher general and administrative expenses of \$86.0 million, higher amortization of intangible assets of \$20.9 million, higher interest on borrowings of \$12.8 million and higher contingent payment arrangements of \$3.9 million, offset by lower promotion and servicing expenses of \$60.1 million and lower employee compensation and benefits expenses of \$49.4 million. Our operating income decreased \$401.4 million, or 33.0%, to \$0.8 billion from \$1.2 billion in 2021 and our operating margin decreased to 21.5% in 2022 from 27.3% in 2021.

<sup>1</sup> Percentage change figures are calculated using assets under management rounded to the nearest million, while financial statement amounts are rounded to the nearest hundred thousand.

## Market Environment

While equity markets were positive in the fourth quarter of 2022, with the S&P 500 Index ("S&P") and Dow Jones Industrial Average both registering gains, both indexes declined for the full year ended December 31, 2022. The S&P declined 18.1% for the full year, while the Nasdaq declined by 33.1% and was down 8.7% in December. Inflation remains the dominant issue for U.S. markets, fueling consumer concerns of a potential recession. While the U.S. consumer has been largely resilient so far, higher interest rates have weighed on home building, trade and business investments. Despite signs that the labor market and inflation are easing, the Federal Reserve has maintained its aggressive stance on monetary policy. At its December meeting, the Federal Reserve increased interest rates and indicated that, while future rate increases are likely to be less severe, they continue to be needed.

In the U.K., the new prime minister reversed the tax cuts introduced by his predecessor and added some tax increases. These actions calmed the market and reduced the pressure on mortgage rates. However, monetary tightening, steep energy prices and supply-side constraints from Brexit create a challenging outlook for consumers.

In China, key watch-points include the property market and overall growth in the economy. The Chinese government has announced new support measures, but it is unclear whether these measures will be sufficient to re-create historical growth patterns.

## Relationship with EQH and its Subsidiaries

EQH (*our parent company*) and its subsidiaries are our largest client. EQH is collaborating with AB in order to improve the risk-adjusted yield for the General Accounts of EQH's insurance subsidiaries by investing additional assets at AB, including the utilization of AB's higher-fee, longer-duration alternative offerings. Equitable Financial Life Insurance Company, a subsidiary of EQH ("**Equitable Financial**"), has agreed to provide \$10 billion in permanent capital<sup>2</sup> to build out AB's private illiquid offerings, including private alternatives and private placements. Deployment of this capital commitment is more than 50% completed and is expected to continue over approximately the next two years. We expect this anticipated capital from Equitable Financial will continue to accelerate both organic and inorganic growth in our private alternatives business, allowing us to continue to deliver for our clients, employees, unitholders and other stakeholders. For example, included in this \$10 billion commitment by EQH is \$750 million in capital to be deployed through AB CarVal.

## Relocation Strategy

As previously announced, we have established our corporate headquarters in Nashville, TN, at 501 Commerce Street. Our Nashville headquarters houses Finance, IT, Operations, Legal, Compliance, Internal Audit, Human Capital, and Sales and Marketing, and at year-end 2022 we had 1,079 employees in Nashville. We expect to reach a total of 1,250 employees in Nashville by the end of 2024. We will continue to maintain a principal location in New York City, which houses our Portfolio Management, Sell-Side Research and Trading, and New York-based Private Wealth Management businesses.

We believe relocating our corporate headquarters to Nashville affords us the opportunity to provide an improved quality of life alternative for our employees and enables us to attract and recruit new talented employees to a highly desirable location while improving the long-term cost structure of the firm.

During the transition period, which began in 2018 and is expected to continue through 2024, we currently estimate that we will incur transition costs of between \$145 million to \$155 million. These costs include employee relocation, severance, recruitment, and overlapping compensation and occupancy costs. Over this same period, we expect to realize total expense savings of between \$205 million to \$215 million. However, we did incur some transition costs before we began to realize expense savings. For the period beginning in 2018 and ending in the fourth quarter of 2022, we incurred \$120 million of cumulative transition costs compared to \$132 million of cumulative savings. In addition, we incurred \$24 million of transition costs for the twelve months ended December 31, 2022, compared to \$43 million of expense savings, resulting in an overall net savings of \$19 million for the period. In 2022, our net income per unit ("**EPU**") increased \$0.07 as a result of our relocation strategy, which compares to the \$0.06 EPU increase that occurred in 2021. We also expect to achieve EPU accretion in each future year. Beginning in 2025, once the transition period has been completed, we estimate ongoing annual expense savings of approximately \$75 million to \$80 million, which will result from a combination of occupancy and compensation-related savings. Our estimates for both the transition costs and the corresponding expense savings are based on our current assumptions of employee relocation costs, severance, and overlapping compensation and occupancy costs. In addition, our estimates for both the timing of when we incur transition costs and realize the related expense savings are based on our current relocation implementation plan and the timing for execution of each phase. The actual total charges we eventually record, the related expense savings we realize, and the timing of EPU impact may differ from our current estimates as we implement each phase of our headquarters relocation.

<sup>2</sup> Permanent capital means investment capital of indefinite duration, which may be withdrawn under certain conditions. Although Equitable Financial has indicated its intention over time to provide this investment capital to AB, which is mutually beneficial to both firms, it has no binding commitment to do so.

During October 2018, we signed a lease, which commenced in the fourth quarter of 2020, relating to 218,976 square feet of space at our new Nashville headquarters. Our estimated total base rent obligation (excluding taxes, operating expenses and utilities) over the 15-year initial lease term is \$134 million.

Although we have presented many of our transition costs and annual expense savings with numerical specificity, and we believe these targets to be reasonable as of the date of this report, the uncertainties surrounding the assumptions we discuss above create a significant risk that these targets may not be achieved. Accordingly, the expenses we actually incur and the savings we actually realize may differ from our targets, particularly if actual events adversely differ from one or more of our key assumptions. The transition costs and expense savings, together with their underlying assumptions, are Forward-Looking Statements and can be affected by any of the factors discussed in “Risk Factors” and “Cautions Regarding Forward-Looking Statements” in this 2022 10-K. We strongly caution investors not to place undue reliance on any of these assumptions or our cost and expense targets. Except as may be required by applicable securities laws, we are not under any obligation, and we expressly disclaim any obligation, to update or alter any assumptions, estimates, financial goals, targets, projections or other related statements that we may make.

## AB Holding

AB Holding’s principal source of income and cash flow is attributable to its investment in AB Units. The AB Holding financial statements, notes to the financial statements and management’s discussion and analysis of financial condition and results of operations (“MD&A”) should be read in conjunction with those of AB.

## Results of Operations

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in thousands, except per unit amounts)				
Net income attributable to AB Unitholders	\$ 831,813	\$ 1,148,623	\$ 865,952	(27.6)%	32.6%
Weighted average equity ownership interest	36.7 %	36.2%	35.6%		
Equity in net income attributable to AB Unitholders	\$ 305,504	\$ 416,326	\$ 308,404	(26.6)	35.0
Income taxes	31,339	30,483	29,024	2.8	5.0
Net income of AB Holding	\$ 274,165	\$ 385,843	\$ 279,380	(28.9)	38.1
Diluted net income per AB Holding Unit	\$ 2.69	\$ 3.88	\$ 2.88	(30.7)	34.7
Distributions per AB Holding Unit <sup>(1)</sup>	\$ 2.95	\$ 3.90	\$ 2.91	(24.4)	34.0

<sup>(1)</sup> Distributions reflect the impact of AB’s non-GAAP adjustments.

AB Holding had net income of \$274.2 million in 2022 compared to \$385.8 million in 2021, reflecting lower net income attributable to AB Unitholders, partially offset by higher weighted average equity ownership interest. AB Holding had net income of \$385.8 million in 2021 compared to \$279.4 million in 2020, reflecting higher net income attributable to AB Unitholders and higher weighted average equity ownership interest.

AB Holding’s partnership gross income is derived from its interest in AB. AB Holding’s income taxes, which reflect a 3.5% federal tax on its partnership gross income from the active conduct of a trade or business, are computed by multiplying certain AB qualifying revenues (primarily U.S. investment advisory fees, brokerage commissions and direct payments for research services) by AB Holding’s ownership interest in AB, multiplied by the 3.5% tax rate. AB Holding’s effective tax rate was 10.3% in 2022, 7.3% in 2021 and 9.4% in 2020. See Note 6 to AB Holding’s financial statements in Item 8 for a further description.

As supplemental information, AB provides the performance measures “adjusted net revenues,” “adjusted operating income” and “adjusted operating margin,” which are the principal metrics management uses in evaluating and comparing the period-to-period operating performance of AB. Management principally uses these metrics in evaluating performance because they present a clearer picture of AB’s operating performance and allow management to see long-term trends without the distortion primarily caused by long-term incentive compensation-related mark-to-market adjustments, real estate charges (discussed below in Adjusted Operating Income) and other adjustment items. Similarly, management believes that these management operating metrics help investors better understand the underlying trends in AB’s results and, accordingly, provide a valuable perspective for investors. Such measures are not based on generally accepted accounting principles (“non-GAAP measures”). These non-GAAP measures are provided in addition to, and not as substitutes for, net revenues, operating income and operating margin, and they may not be comparable to non-GAAP measures presented by other companies. Management uses both GAAP and non-GAAP measures in evaluating the company’s financial performance. The non-GAAP measures alone may pose limitations because they do not include all of AB’s revenues and expenses. Further, adjusted diluted net income per AB Holding Unit is not a liquidity measure and should not be used in place of cash flow measures. See “Management Operating Metrics” in this Item 7.

## Part II

The impact of these adjustments on AB Holding's net income and diluted net income per AB Holding Unit are as follows:

	Years Ended December 31		
	2022	2021	2020
	(in thousands, except per unit amounts)		
AB non-GAAP adjustments, before taxes	\$ 75,745	\$ 2,959	\$ 6,393
AB Income tax (expense) benefit on non-GAAP adjustments	(6,395)	71	(523)
AB non-GAAP adjustments, after taxes	69,350	3,030	5,870
AB Holding's weighted average equity ownership interest in AB	36.7%	36.2%	35.6%
<b>Impact on AB Holding's net income of AB non-GAAP adjustments</b>	<b>\$ 25,468</b>	<b>\$ 1,098</b>	<b>\$ 2,090</b>
Net income - diluted, GAAP basis	\$ 274,167	\$ 385,873	\$ 279,436
Impact on AB Holding's net income of AB non-GAAP adjustments	25,468	1,098	2,090
Adjusted net income - diluted	\$ 299,635	\$ 386,971	\$ 281,526
<b>Diluted net income per AB Holding Unit, GAAP basis</b>	<b>\$ 2.69</b>	<b>\$ 3.88</b>	<b>\$ 2.88</b>
Impact of AB non-GAAP adjustments	0.25	0.01	0.03
<b>Adjusted diluted net income per AB Holding Unit</b>	<b>\$ 2.94</b>	<b>\$ 3.89</b>	<b>\$ 2.91</b>

The degree to which AB's non-GAAP adjustments impact AB Holding's net income fluctuates based on AB Holding's ownership percentage in AB.

## Tax Legislation

For a discussion of tax legislation, see "Risk Factors - Structure-related Risks" in Item 1A.

## Capital Resources and Liquidity

During the year ended December 31, 2022, net cash provided by operating activities was \$362.6 million, compared to \$355.1 million during the corresponding 2021 period. The increase primarily resulted from higher cash distributions received from AB of \$9.3 million. During the year ended December 31, 2021, net cash provided by operating activities was \$355.1 million, compared to \$270.0 million during the corresponding 2020 period. The increase primarily resulted from higher cash distributions received from AB of \$86.3 million.

During the years ended December 31, 2022, 2021 and 2020, net cash used in investing activities was \$1.8 million, \$3.4 million and \$0.1 million, respectively, reflecting investments in AB with proceeds from exercises of compensatory options to buy AB Holding Units and capital contributions to AB.

During the year ended December 31, 2022, net cash used in financing activities was \$360.8 million, compared to \$351.7 million during the corresponding 2021 period. The increase was due to cash distributions to Unitholders of \$3.5 million and proceeds from exercise of compensatory options to buy AB Holding Units of \$3.2 million, offset by lower capital contributions from AB of \$2.3 million. During the year ended December 31, 2021, net cash used in financing activities was \$351.7 million, compared to \$269.9 million during the corresponding 2020 period. The increase primarily was due to higher cash distributions to Unitholders of \$86.6 million, offset by higher proceeds from exercise of compensatory options to buy AB Holding Units of \$3.3 million.

Management believes that AB Holding will have the resources it needs to meet its financial obligations as a result of the cash flow AB Holding realizes from its investment in AB.

## Cash Distributions

AB Holding is required to distribute all of its Available Cash Flow, as defined in the AB Holding Partnership Agreement, to its Unitholders (including the General Partner). Available Cash Flow typically is the adjusted diluted net income per unit for the quarter multiplied by the number of units outstanding at the end of the quarter. Management anticipates that Available Cash Flow will continue to be based on adjusted diluted net income per unit, unless management determines, with concurrence of the Board of Directors, that one or more adjustments made to adjusted net income should not be made with respect to the Available Cash Flow calculation. See Note 2 to AB Holding's financial statements in Item 8 for a description of Available Cash Flow.

## Commitments and Contingencies

For a discussion of commitments and contingencies, see Note 7 to AB Holding's financial statements in Item 8.

## AB

### Assets Under Management

Assets under management by distribution channel are as follows:

	As of December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in billions)				
Institutions	\$ 297.3	\$ 337.1	\$ 315.6	(11.8%)	6.8%
Retail	242.9	319.9	265.3	(24.1)	20.6
Private Wealth Management	106.2	121.6	105.0	(12.6)	15.8
<b>Total</b>	<b>\$ 646.4</b>	<b>\$ 778.6</b>	<b>\$ 685.9</b>	<b>(17.0)</b>	<b>13.5</b>

Assets under management by investment service are as follows:

	As of December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in billions)				
<b>Equity</b>					
Actively Managed	\$ 217.9	\$ 287.6	\$ 217.8	(24.2%)	32.1%
Passively Managed <sup>(1)</sup>	53.8	71.6	64.5	(24.8)	10.9
<b>Total Equity</b>	<b>271.7</b>	<b>359.2</b>	<b>282.3</b>	<b>(24.3)</b>	<b>27.2</b>
<b>Fixed Income</b>					
Actively Managed					
Taxable	190.3	246.3	263.2	(22.8)	(6.4)
Tax-exempt	52.5	57.1	50.3	(7.9)	13.6
<b>Total</b>	<b>242.8</b>	<b>303.4</b>	<b>313.5</b>	<b>(20.0)</b>	<b>(3.2)</b>
Passively Managed <sup>(1)</sup>	9.4	13.2	8.5	(28.9)	55.3
<b>Total Fixed Income</b>	<b>252.2</b>	<b>316.6</b>	<b>322.0</b>	<b>(20.3)</b>	<b>(1.7)</b>
<b>Alternatives/Multi-Asset Solutions<sup>(2)</sup></b>					
Actively Managed	115.8	97.3	79.1	19.1	23.0
Passively Managed <sup>(1)</sup>	6.7	5.5	2.5	21.5	116.6
<b>Total Alternatives/Multi-Asset Solutions</b>	<b>122.5</b>	<b>102.8</b>	<b>81.6</b>	<b>19.2</b>	<b>25.9</b>
<b>Total</b>	<b>\$ 646.4</b>	<b>\$ 778.6</b>	<b>\$ 685.9</b>	<b>(17.0%)</b>	<b>13.5%</b>

<sup>(1)</sup> Includes index and enhanced index services.

<sup>(2)</sup> Includes certain multi-asset solutions and services not included in equity or fixed income services.

## Part II

Changes in assets under management during 2022 and 2021 are as follows:

	Distribution Channel			
	Institutions	Retail	Private Wealth Management	Total
	(in billions)			
<b>Balance as of December 31, 2021</b>	<b>\$ 337.1</b>	<b>\$ 319.9</b>	<b>\$ 121.6</b>	<b>\$ 778.6</b>
Long-term flows:				
Sales/new accounts	32.2	65.9	17.5	115.6
Redemptions/terminations	(13.3)	(66.3)	(15.8)	(95.4)
Cash flow/unreinvested dividends	(12.6)	(11.2)	—	(23.8)
Net long-term inflows (outflows) <sup>(1)</sup>	6.3	(11.6)	1.7	(3.6)
Adjustments <sup>(2)</sup>	(0.4)	—	—	(0.4)
Acquisition <sup>(3)</sup>	12.2	—	—	12.2
Transfers	(0.1)	0.1	—	—
Market depreciation	(57.8)	(65.5)	(17.1)	(140.4)
Net change	(39.8)	(77.0)	(15.4)	(132.2)
<b>Balance as of December 31, 2022</b>	<b>\$ 297.3</b>	<b>\$ 242.9</b>	<b>\$ 106.2</b>	<b>\$ 646.4</b>
Balance as of December 31, 2020	\$ 315.6	\$ 265.3	\$ 105.0	\$ 685.9
Long-term flows:				
Sales/new accounts	31.7	100.0	18.3	150.0
Redemptions/terminations	(23.4)	(65.1)	(15.3)	(103.8)
Cash flow/unreinvested dividends	(6.0)	(14.1)	—	(20.1)
Net long-term inflows <sup>(1)</sup>	2.3	20.8	3.0	26.1
Transfers	(0.2)	0.2	—	—
Market appreciation	19.4	33.6	13.6	66.6
Net change	21.5	54.6	16.6	92.7
<b>Balance as of December 31, 2021</b>	<b>\$ 337.1</b>	<b>\$ 319.9</b>	<b>\$ 121.6</b>	<b>\$ 778.6</b>

<sup>(1)</sup> Net flows include \$4.5 billion and \$1.3 billion of AXA redemptions for 2022 and 2021, respectively.

<sup>(2)</sup> Approximately \$0.4 billion of Institutional AUM was removed from our total assets under management during the second quarter of 2022 due to a change in the fee structure.

<sup>(3)</sup> The CarVal acquisition added approximately \$12.2 billion of Institutional AUM in the third quarter of 2022.



## Investment Service

	Equity Actively Managed	Equity Passively Managed <sup>(1)</sup>	Fixed Income Actively Managed- Taxable	Fixed Income Actively Managed- Tax- Exempt	Fixed Income Passively Managed <sup>(1)</sup>	Alternatives/ Multi-Asset Solutions <sup>(2)</sup>	Total
(in billions)							
<b>Balance as of December 31, 2021</b>	<b>\$ 287.6</b>	<b>\$ 71.6</b>	<b>\$ 246.3</b>	<b>\$ 57.1</b>	<b>\$ 13.2</b>	<b>\$ 102.8</b>	<b>\$ 778.6</b>
Long-term flows:							
Sales/new accounts	46.0	1.8	25.5	16.0	(0.1)	26.4	115.6
Redemptions/terminations	(39.0)	(3.1)	(32.6)	(15.0)	(1.5)	(4.2)	(95.4)
Cash flow/unreinvested dividends	(9.7)	(4.0)	(10.8)	(0.4)	0.3	0.8	(23.8)
Net long-term (outflows) inflows <sup>(3)</sup>	(2.7)	(5.3)	(17.9)	0.6	(1.3)	23.0	(3.6)
Adjustments <sup>(4)</sup>	—	—	—	—	—	(0.4)	(0.4)
Acquisition <sup>(5)</sup>	—	—	—	—	—	12.2	12.2
Market (depreciation)	(67.0)	(12.5)	(38.1)	(5.2)	(2.5)	(15.1)	(140.4)
Net change	(69.7)	(17.8)	(56.0)	(4.6)	(3.8)	19.7	(132.2)
<b>Balance as of December 31, 2022</b>	<b>\$ 217.9</b>	<b>\$ 53.8</b>	<b>\$ 190.3</b>	<b>\$ 52.5</b>	<b>\$ 9.4</b>	<b>\$ 122.5</b>	<b>\$ 646.4</b>
Balance as of December 31, 2020	\$ 217.8	\$ 64.5	\$ 263.2	\$ 50.3	\$ 8.5	\$ 81.6	\$ 685.9
Long-term flows:							
Sales/new accounts	72.9	1.4	44.9	13.5	4.6	12.7	150.0
Redemptions/terminations	(39.6)	(1.1)	(52.6)	(7.8)	(0.4)	(2.3)	(103.8)
Cash flow/unreinvested dividends	(11.4)	(7.8)	(2.2)	0.3	0.8	0.2	(20.1)
Net long-term inflows (outflows) <sup>(3)</sup>	21.9	(7.5)	(9.9)	6.0	5.0	10.6	26.1
Market appreciation (depreciation)	47.9	14.6	(7.0)	0.8	(0.3)	10.6	66.6
Net change	69.8	7.1	(16.9)	6.8	4.7	21.2	92.7
<b>Balance as of December 31, 2021</b>	<b>\$ 287.6</b>	<b>\$ 71.6</b>	<b>\$ 246.3</b>	<b>\$ 57.1</b>	<b>\$ 13.2</b>	<b>\$ 102.8</b>	<b>\$ 778.6</b>

<sup>(1)</sup> Includes index and enhanced index services.

<sup>(2)</sup> Includes certain multi-asset solutions and services not included in equity or fixed income services.

<sup>(3)</sup> Net flows include \$4.5 billion and \$1.3 billion of AXA redemptions for 2022 and 2021, respectively.

<sup>(4)</sup> Approximately \$0.4 billion of Institutional AUM was removed from our total assets under management during the second quarter of 2022 due to a change in the fee structure.

<sup>(5)</sup> The CarVal acquisition added approximately \$12.2 billion of Institutional AUM in the third quarter of 2022.

## Part II

Net long-term (outflows) inflows for actively managed investment services as compared to passively managed investment services during 2022 and 2021 are as follows:

	Years Ended December 31	
	2022	2021
	(in billions)	
<b>Actively Managed</b>		
Equity	\$ (2.7)	\$ 21.9
Fixed Income	(17.3)	(3.9)
Alternatives/Multi- Asset Solutions	20.9	8.3
<b>Total</b>	<b>0.9</b>	<b>26.3</b>
<b>Passively Managed</b>		
Equity	(5.3)	(7.5)
Fixed Income	(1.3)	5.0
Alternatives/Multi- Asset Solutions	2.1	2.3
<b>Total</b>	<b>(4.5)</b>	<b>(0.2)</b>
<b>Total net long-term (outflows) inflows</b>	<b>\$ (3.6)</b>	<b>\$ 26.1</b>

Average assets under management by distribution channel and investment service are as follows:

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in billions)				
<b>Distribution Channel:</b>					
Institutions	\$ 308.4	\$ 325.7	\$ 285.9	(5.3%)	13.9%
Retail	267.8	291.0	236.5	(8.0)	23.0
Private Wealth Management	110.3	114.1	97.1	(3.3)	17.5
<b>Total</b>	<b>\$ 686.5</b>	<b>\$ 730.8</b>	<b>\$ 619.5</b>	<b>(6.1)</b>	<b>18.0</b>
<b>Investment Service:</b>					
Equity Actively Managed	\$ 239.7	\$ 252.2	\$ 179.8	(4.9)	40.2
Equity Passively Managed <sup>(1)</sup>	60.4	68.7	57.1	(12.1)	20.5
Fixed Income Actively Managed – Taxable	210.0	253.1	254.4	(17.1)	(0.5)
Fixed Income Actively Managed – Tax-exempt	54.1	53.8	47.9	0.6	12.3
Fixed Income Passively Managed <sup>(1)</sup>	11.5	9.6	9.4	20.2	1.4
Alternatives/Multi-Asset Solutions <sup>(2)</sup>	110.8	93.4	70.9	18.6	31.7
<b>Total</b>	<b>\$ 686.5</b>	<b>\$ 730.8</b>	<b>\$ 619.5</b>	<b>(6.1)</b>	<b>18.0</b>

<sup>(1)</sup> Includes index and enhanced index services.

<sup>(2)</sup> Includes certain multi-asset solutions and services not included in equity or fixed income services.

During 2022, our Institutional channel average AUM of \$308.4 billion decreased \$17.3 billion, or 5.3%, compared to 2021, primarily due to this AUM decreasing \$39.8 billion, or 11.8%, to \$297.3 billion from December 31, 2021. The \$39.8 billion decrease in AUM resulted primarily from market depreciation of \$57.8 billion, partially offset by an addition of \$12.2 billion due to the acquisition of CarVal and net inflows of \$6.3 billion. During 2021, our Institutional channel average AUM of \$325.7 billion increased \$39.8 billion, or 13.9%, compared to 2020, primarily due to this AUM increasing \$21.5 billion, or 6.8%, to \$337.1 billion during 2021. The \$21.5 billion increase in AUM resulted primarily from market appreciation of \$19.4 billion and net inflows of \$2.3 billion.

During 2022, our Retail channel average AUM of \$267.8 billion decreased \$23.2 billion, or 8.0%, compared to 2021, primarily due to this AUM decreasing \$77.0 billion, or 24.1%, to \$242.9 billion from December 31, 2021. The \$77.0 billion decrease in AUM resulted primarily from market depreciation of \$65.5 billion and net outflows of \$11.6 billion. During 2021, our Retail channel average AUM of \$291.0 billion increased \$54.5 billion, or 23.0%, compared to 2020, primarily due to this AUM increasing \$54.6 billion, or 20.6%, to \$319.9 billion during 2021. The \$54.6 billion increase in AUM resulted primarily from market appreciation of \$33.6 billion and net inflows of \$20.8 billion.

During 2022, our Private Wealth Management channel average AUM of \$110.3 billion decreased \$3.8 billion, or 3.3%, compared to 2021, primarily due to this AUM decreasing \$15.4 billion, or 12.6%, to \$106.2 billion from December 31, 2021. The \$15.4 billion decrease in AUM resulted from market depreciation of \$17.1 billion, offset by net inflows of \$1.7 billion. During 2021, our Private Wealth Management channel average AUM of \$114.1 billion increased \$17.0 billion, or 17.5%, compared to 2020, primarily due to this AUM increasing \$16.6 billion, or 15.8%, to \$121.6 billion during 2021. The \$16.6 billion increase in AUM resulted primarily from market appreciation of \$13.6 billion and net inflows of \$3.0 billion.

Absolute investment composite returns, gross of fees, and relative performance as of December 31, 2022 compared to benchmarks for certain representative Institutional equity and fixed income services are as follows:

	1-Year	3-Year <sup>(1)</sup>	5-Year <sup>(1)</sup>
<b>Global High Income - Hedged (fixed income)</b>			
Absolute return	(11.1%)	(1.2%)	1.3%
Relative return (vs. Bloomberg Barclays Global High Yield Index - Hedged)	(0.1)	—	0.1
<b>Global Plus - Hedged (fixed income)</b>			
Absolute return	(11.6)	(2.3)	0.5
Relative return (vs. Bloomberg Barclays Global Aggregate Index - Hedged)	(0.4)	0.3	0.2
<b>Intermediate Municipal Bonds (fixed income)</b>			
Absolute return	(5.2)	0.2	1.6
Relative return (vs. Lipper Short/Int. Blended Muni Fund Avg)	0.2	0.7	0.7
<b>U.S. Strategic Core Plus (fixed income)</b>			
Absolute return	(13.3)	(2.3)	0.4
Relative return (vs. Bloomberg Barclays U.S. Aggregate Index)	(0.3)	0.4	0.4
<b>Emerging Market Debt (fixed income)</b>			
Absolute return	(18.4)	(4.7)	(1.4)
Relative return (vs. JPM EMBI Global/JPM EMBI)	(1.9)	(0.2)	(0.4)
<b>Sustainable Global Thematic</b>			
Absolute return	(26.5)	8.6	8.9
Relative return (vs. MSCI ACWI Index)	(8.1)	4.6	3.7

	1-Year	3-Year <sup>(1)</sup>	5-Year <sup>(1)</sup>
<b>International Strategic Core Equity</b>			
Absolute return	(13.9)	0.7	2.3
Relative return (vs. MSCI EAFE Index)	0.6	(0.2)	0.8
<b>U.S. Small &amp; Mid Cap Value</b>			
Absolute return	(15.2)	6.7	4.8
Relative return (vs. Russell 2500 Value Index)	(2.1)	1.5	—
<b>U.S. Strategic Value</b>			
Absolute return	(6.1)	7.0	5.0
Relative return (vs. Russell 1000 Value Index)	1.4	1.0	(1.6)
<b>U.S. Small Cap Growth</b>			
Absolute return	(38.4)	2.0	7.8
Relative return (vs. Russell 2000 Growth Index)	(12.0)	1.3	4.3
<b>U.S. Large Cap Growth</b>			
Absolute return	(28.3)	7.9	11.8
Relative return (vs. Russell 1000 Growth Index)	0.8	0.1	0.8
<b>U.S. Small &amp; Mid Cap Growth</b>			
Absolute return	(35.5)	3.6	7.1
Relative return (vs. Russell 2500 Growth Index)	(9.3)	0.7	1.2
<b>Concentrated U.S. Growth</b>			
Absolute return	(23.3)	7.3	12.2
Relative return (vs. S&P 500 Index)	(5.2)	(0.3)	2.8
<b>Select U.S. Equity</b>			
Absolute return	(13.0)	10.0	10.7
Relative return (vs. S&P 500 Index)	5.1	2.3	1.3
<b>Strategic Equities</b>			
Absolute return	(19.8)	5.9	7.5
Relative return (vs. Russell 3000 Index)	(0.6)	(1.2)	(1.2)
<b>Global Core Equity</b>			
Absolute return	(19.5)	2.2	5.6
Relative return (vs. MSCI ACWI Index)	(1.2)	(1.8)	0.4
<b>U.S. Strategic Core Equity</b>			
Absolute return	(9.4)	7.1	9.8
Relative return (vs. S&P 500 Index)	8.7	(0.6)	0.4
<b>Select U.S. Equity Long/Short</b>			
Absolute return	(8.6)	6.8	7.6
Relative return (vs. S&P 500 Index)	9.5	(0.9)	(1.8)
<b>Global Strategic Core Equity</b>			
Absolute return	(10.7)	5.0	7.3
Relative return (vs. S&P 500 Index)	7.5	—	1.2

<sup>(1)</sup> Reflects annualized returns.

## Consolidated Results of Operations

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in thousands, except per unit amounts)				
Net revenues	\$4,054,290	\$4,441,602	\$3,708,536	(8.7)%	19.8%
Expenses	3,239,194	3,225,140	2,801,100	0.4	15.1
Operating income	815,096	1,216,462	907,436	(33.0)	34.1
Income taxes	39,639	62,728	45,653	(36.8)	37.4
Net income	775,457	1,153,734	861,783	(32.8)	33.9
Net (loss) income of consolidated entities attributable to non-controlling interests	(56,356)	5,111	(4,169)	n/m	n/m
Net income attributable to AB Unitholders	\$ 831,813	\$1,148,623	\$ 865,952	(27.6)	32.6
Diluted net income per AB Unit	\$ 3.01	\$ 4.18	\$ 3.19	(28.0)	31.0
Distributions per AB Unit	\$ 3.26	\$ 4.19	\$ 3.20	(22.2)	30.9
Operating margin <sup>(1)</sup>	21.5 %	27.3%	24.6%		

<sup>(1)</sup> Operating income excluding net (loss) income attributable to non-controlling interests as a percentage of net revenues.

Net income attributable to AB Unitholders for the year ended December 31, 2022 decreased \$316.8 million from the year ended December 31, 2021. The decrease primarily is due to (in millions):

Lower base advisory fees	\$ (123.6)
Higher investment losses	(101.8)
Lower performance-based fees	(99.9)
Higher general and administrative expenses	(86.0)
Lower distribution revenues	(45.0)
Lower Bernstein Research Services revenue	(35.7)
Lower promotion and servicing expenses	60.1
Higher net loss of consolidated entities attributable to non-controlling interest	61.5
Lower employee compensation and benefits	49.4
Other	4.2
	<b>\$ (316.8)</b>

Net income attributable to AB Unitholders for the year ended December 31, 2021 increased \$282.7 million from the year ended December 31, 2020. The increase primarily was due to (in millions):

Higher base advisory fees	\$ 486.6
Higher distribution revenues	122.5
Higher performance-based fees	112.5
Higher employee compensation and benefits	(221.8)
Higher promotion and servicing expenses	(153.5)
Higher general and administrative expenses	(64.5)
Other	0.9
	<b>\$ 282.7</b>

## Units Outstanding

Each quarter, we consider whether to implement a plan to repurchase AB Holding Units pursuant to Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended ("**Exchange Act**"). A plan of this type allows a company to repurchase its shares at times when it otherwise might be prevented from doing so because of self-imposed trading blackout periods or because it possesses material non-public information. Each broker we select has the authority to repurchase AB Holding Units on our behalf in accordance with the terms and limitations specified in the plan. Repurchases are subject to regulations promulgated by the SEC, as well as certain price, market volume and timing constraints specified in the plan. There was no plan adopted during the fourth quarter of 2022. We may adopt additional plans in the future to engage in open-market purchases of AB Holding Units to help fund anticipated obligations under our incentive compensation award program and for other corporate purposes.

## Cash Distributions

We are required to distribute all of our Available Cash Flow, as defined in the AB Partnership Agreement, to our Unitholders and the General Partner. Available Cash Flow typically is the adjusted diluted net income per unit for the quarter multiplied by the number of general and limited partnership interests at the end of the quarter. In future periods, management anticipates that Available Cash Flow will continue to be based on adjusted diluted net income per unit, unless management determines, with concurrence of the Board of Directors, that one or more adjustments that are made for adjusted net income should not be made with respect to the Available Cash Flow calculation. See *Note 2 to our consolidated financial statements contained in Item 8* for a description of Available Cash Flow.

## Management Operating Metrics

We are providing the non-GAAP measures "adjusted net revenues," "adjusted operating income" and "adjusted operating margin" because they are the principal operating metrics management uses in evaluating and comparing period-to-period operating performance. Management principally uses these metrics in evaluating performance because they present a clearer picture of our operating performance and allow management to see long-term trends without the distortion primarily caused by long-term incentive compensation-related mark-to-market adjustments, real estate charges and other adjustment items. Similarly, we believe that these management operating metrics help investors better understand the underlying trends in our results and, accordingly, provide a valuable perspective for investors.

These non-GAAP measures are provided in addition to, and not as substitutes for, net revenues, operating income and operating margin, and they may not be comparable to non-GAAP measures presented by other companies. Management uses both accounting principles generally accepted in the United States of America ("**US GAAP**") and non-GAAP measures in evaluating our financial performance. The non-GAAP measures alone may pose limitations because they do not include all of our revenues and expenses.

## Years Ended December 31

	2022	2021	2020
	(in thousands)		
<b>Net revenues, US GAAP basis</b>	<b>\$ 4,054,290</b>	<b>\$ 4,441,602</b>	<b>\$ 3,708,536</b>
Adjustments:			
Distribution-related adjustments:			
Distribution revenues	(607,195)	(652,240)	(529,781)
Investment advisory services fees	(57,139)	(90,242)	(66,858)
Pass-through adjustments:			
Investment advisory services fees	(65,116)	(40,628)	(18,279)
Other revenues	(38,959)	(37,209)	(39,333)
Impact of consolidated company-sponsored funds	57,436	(6,933)	954
Incentive compensation-related items	(7,083)	(6,694)	(6,772)
Write-down of investment	—	1,880	859
<b>Adjusted net revenues</b>	<b>\$ 3,336,234</b>	<b>\$ 3,609,536</b>	<b>\$ 3,049,326</b>
<b>Operating income, US GAAP basis</b>	<b>\$ 815,096</b>	<b>\$ 1,216,462</b>	<b>\$ 907,436</b>
Adjustments:			
Real estate	(825)	(3,162)	2,880
Incentive compensation-related items	3,461	687	(83)
EQH award compensation	606	940	802
Write-down of investment	—	1,880	859
Acquisition-related expenses	72,503	2,614	1,935
Sub-total of non-GAAP adjustments	75,745	2,959	6,393
Less: Net (loss) income of consolidated entities attributable to non-controlling interests	(56,356)	5,111	(4,169)
<b>Adjusted operating income</b>	<b>947,197</b>	<b>1,214,310</b>	<b>917,998</b>
Adjusted income taxes	46,034	62,658	46,176
<b>Adjusted net income</b>	<b>\$ 901,163</b>	<b>\$ 1,151,652</b>	<b>\$ 871,822</b>
<b>Diluted net income per AB Unit, GAAP basis</b>	<b>\$ 3.01</b>	<b>\$ 4.18</b>	<b>\$ 3.19</b>
Impact of non-GAAP adjustments	0.25	0.02	0.02
<b>Adjusted diluted net income per AB Unit</b>	<b>\$ 3.26</b>	<b>\$ 4.20</b>	<b>\$ 3.21</b>
<b>Operating margin, GAAP basis</b>	<b>21.5%</b>	<b>27.3%</b>	<b>24.6%</b>
Impact of non-GAAP adjustments	6.9	6.3	5.5
<b>Adjusted operating margin</b>	<b>28.4%</b>	<b>33.6%</b>	<b>30.1%</b>

Adjusted operating income for the year ended December 31, 2022 decreased \$267.1 million, or 22.0%, from the year ended December 31, 2021, primarily due to lower performance-based fees of \$130.9 million, lower investment advisory base fees of \$99.1 million, lower Bernstein Research Services revenue of \$35.7 million and higher general and administrative expenses of \$32.3 million, partially offset by lower employee compensation and benefits expense of \$58.4 million.

Adjusted operating income for the year ended December 31, 2021 increased \$296.3 million, or 32.3%, from the year ended December 31, 2020, primarily due to higher investment advisory base fees of \$460.9 million and higher performance-based fees of \$91.7 million, partially offset by higher employee compensation and benefits expenses of \$221.4 million and higher general and administrative expenses of \$49.2 million.



## Adjusted Net Revenues

Net Revenue, as adjusted, is reduced to exclude all of the company's distribution revenues, which are recorded as a separate line item on the consolidated statement of income, as well as a portion of investment advisory services fees received that is used to pay distribution and servicing costs. For certain products, based on the distinct arrangements, certain distribution fees are collected by us and passed through to third-party client intermediaries, while for certain other products, we collect investment advisory services fees and a portion is passed through to third-party client intermediaries. In both arrangements, the third-party client intermediary owns the relationship with the client and is responsible for performing services and distributing the product to the client on our behalf. We believe offsetting distribution revenues and certain investment advisory services fees is useful for our investors and other users of our financial statements because such presentation appropriately reflects the nature of these costs as pass-through payments to third parties that perform functions on behalf of our sponsored mutual funds and/or shareholders of these funds. Distribution-related adjustments fluctuate each period based on the type of investment products sold, as well as the average AUM over the period. Also, we adjust distribution revenues for the amortization of deferred sales commissions as these costs, over time, will offset such revenues.

We adjust investment advisory and services fees and other revenues for pass through costs, primarily related to our transfer agent and shareholder servicing fees. Also, we adjust for certain performance-based fees passed through to our investment advisors. These fees do not affect operating income, as such, we exclude these fees from adjusted net revenues.

We adjust for the revenue impact of consolidating company-sponsored investment funds by eliminating the consolidated company-sponsored investment funds' revenues and including AB's fees from such consolidated company-sponsored investment funds and AB's investment gains and losses on its investments in such consolidated company-sponsored investment funds that were eliminated in consolidation.

Adjusted net revenues exclude investment gains and losses and dividends and interest on employee long-term incentive compensation-related investments. Also, we adjust for certain acquisition-related pass-through performance-based fees and performance related compensation.

During the fourth quarter of 2021, we wrote down an equity method investment; this write-down brought the investment balance to zero. Additionally, during the first quarter of 2020, we wrote-down an investment that had been received in exchange for the sale of software technology; the write-down brought the investment balance to zero. Previously, we had been excluding the investment from adjusted net revenues.

## Adjusted Operating Income

Adjusted operating income represents operating income on a US GAAP basis excluding (1) real estate charges (credits), (2) the impact on net revenues and compensation expense of the investment gains and losses (as well as the dividends and interest) associated with employee long-term incentive compensation-related investments, (3) the equity compensation paid by EQH to certain AB executives, *as discussed below*, (4) the write-down of investments (*discussed immediately above*), (5) acquisition-related expenses and (6) the impact of consolidated company-sponsored investment funds.

Real estate charges (credits) incurred during the fourth quarter of 2019 through the fourth quarter of 2020, while excluded in the period in which the charges (credits) were recorded, are included ratably over the remaining applicable lease term.

Prior to 2009, a significant portion of employee compensation was in the form of long-term incentive compensation awards that were notionally invested in AB investment services and generally vested over a period of four years. AB economically hedged the exposure to market movements by purchasing and holding these investments on its balance sheet. All such investments had vested as of year-end 2012 and the investments have been delivered to the participants, except for those investments with respect to which the participant elected a long-term deferral. Fluctuation in the value of these investments, which also impacts compensation expense, is recorded within investment gains and losses on the income statement. Management believes it is useful to reflect the offset achieved from economically hedging the market exposure of these investments in the calculation of adjusted operating income and adjusted operating margin. The non-GAAP measures exclude gains and losses and dividends and interest on employee long-term incentive compensation-related investments included in revenues and compensation expense.

The board of directors of EQH granted to Seth Bernstein, our CEO, equity awards in connection with EQH's IPO. Additionally, equity awards were granted to Mr. Bernstein and other AB executives for their membership on the EQH Management Committee. These individuals may receive additional equity or cash compensation from EQH in the future related to their service on the Management Committee. Any awards granted to these individuals by EQH are recorded as compensation expense in AB's consolidated statement of income. The compensation expense associated with these awards has been excluded from our non-GAAP measures because they are non-cash and are based upon EQH's, and not AB's, financial performance.

The write-down of investments *discussed above in Adjusted Net Revenues* have been excluded due to their non-recurring nature and because they are not part of our core operating results.

Acquisition-related expenses have been excluded because they are not considered part of our core operating results when comparing financial results from period to period and to industry peers. Acquisition-related expenses include professional fees and the recording of changes in estimates to contingent payment arrangements associated with our acquisitions. Beginning in the first quarter of 2022, acquisition-related expenses also include certain compensation-related expenses, amortization of intangible assets for contracts acquired and accretion expense with respect to contingent payment arrangements. During 2022 and 2021, these expenses included an intangible asset impairment charge of \$5.6 million and \$1.0 million, respectively, related to various historical acquisitions.

The recording of changes in estimates of contingent consideration payable with respect to contingent payment arrangements associated with our acquisitions are not considered part of our core operating results and, accordingly, have been excluded.

We adjusted for the operating income impact of consolidating certain company-sponsored investment funds by eliminating the consolidated company-sponsored funds' revenues and expenses and including AB's revenues and expenses that were eliminated in consolidation. We also excluded the limited partner interests we do not own.

### **Adjusted Net Income and Adjusted Diluted Net Income per AB Unit**

As previously discussed, our quarterly distribution is typically our adjusted diluted net income per unit (which is derived from adjusted net income) for the quarter multiplied by the number of general and limited partnership interests at the end of the quarter. Adjusted income taxes, used in calculating adjusted net income, are calculated using the GAAP effective tax rate adjusted for non-GAAP income tax adjustments.

### **Adjusted Operating Margin**

Adjusted operating margin allows us to monitor our financial performance and efficiency from period to period without the volatility *noted above in our discussion of adjusted operating income* and to compare our performance to industry peers on a basis that better reflects our performance in our core business. Adjusted operating margin is derived by dividing adjusted operating income by adjusted net revenues.

## Net Revenues

The components of net revenues are as follows:

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in thousands)				
Investment advisory and services fees:					
Institutions:					
Base fees	\$ 581,987	\$ 540,478	\$ 458,449	7.7 %	17.9%
Performance-based fees	77,299	45,580	53,351	69.6	(14.6)
	659,286	586,058	511,800	12.5	14.5
Retail:					
Base fees	1,321,645	1,442,178	1,186,560	(8.4)	21.5
Performance-based fees	1,564	50,669	24,412	(96.9)	107.6
	1,323,209	1,492,847	1,210,972	(11.4)	23.3
Private Wealth Management:					
Base fees	922,159	966,749	817,801	(4.6)	18.2
Performance-based fees	66,384	148,870	54,863	(55.4)	171.3
	988,543	1,115,619	872,664	(11.4)	27.8
Total:					
Base fees	2,825,791	2,949,405	2,462,810	(4.2)	19.8
Performance-based fees	145,247	245,119	132,626	(40.7)	84.8
	2,971,038	3,194,524	2,595,436	(7.0)	23.1
Bernstein Research Services	416,273	452,017	459,744	(7.9)	(1.7)
Distribution revenues	607,195	652,240	529,781	(6.9)	23.1
Dividend and interest income	123,091	38,734	50,923	n/m	(23.9)
Investment (losses) gains	(102,413)	(636)	(16,401)	n/m	(96.1)
Other revenues	105,544	108,409	104,703	(2.6)	3.5
Total revenues	4,120,728	4,445,288	3,724,186	(7.3)	19.4
Less: Interest expense	66,438	3,686	15,650	n/m	(76.4)
<b>Net revenues</b>	<b>\$ 4,054,290</b>	<b>\$ 4,441,602</b>	<b>\$ 3,708,536</b>	<b>(8.7)</b>	<b>19.8</b>

## Investment Advisory and Services Fees

Investment advisory and services fees are the largest component of our revenues. These fees generally are calculated as a percentage of the value of AUM as of a specified date, or as a percentage of the value of average AUM for the applicable billing period, and vary with the type of investment service, the size of account and the total amount of assets we manage for a particular client. Accordingly, fee income generally increases or decreases as AUM increase or decrease and is affected by market appreciation or depreciation, the addition of new client accounts or client contributions of additional assets to existing accounts, withdrawals of assets from and termination of client accounts, purchases and redemptions of mutual fund shares, shifts of assets between accounts or products with different fee structures, and acquisitions. Our average basis points realized (investment advisory and services fees divided by average AUM) generally approximate 30 to 105 basis points for actively managed equity services, 10 to 70 basis points for actively-managed fixed income services and 2 to 50 basis points for passively managed services. Average basis points realized for other services could range from 3 basis points for certain Institutional third party managed services to over 150 basis points for certain Retail and Private Wealth Management alternative services. These ranges include all-inclusive fee arrangements (covering investment management, trade execution and other services) for our Private Wealth Management clients.

We calculate AUM using established market-based valuation methods and fair valuation (non-observable market) methods. Market-based valuation methods include: last sale/settle prices from an exchange for actively-traded listed equities, options and futures; evaluated bid prices from recognized pricing vendors for fixed income, asset-backed or mortgage-backed issues; mid prices from recognized pricing vendors and brokers for credit default swaps; and quoted bids or spreads from pricing

vendors and brokers for other derivative products. Fair valuation methods include: discounted cash flow models or any other methodology that is validated and approved by our Valuation Committee (see *paragraph immediately below* for more information regarding our Valuation Committee). Fair valuation methods are used only where AUM cannot be valued using market-based valuation methods, such as in the case of private equity or illiquid securities.

The Valuation Committee, which consists of senior officers and employees, is responsible for overseeing the pricing and valuation of all investments held in client and AB portfolios. The Valuation Committee has adopted a Statement of Pricing Policies describing principles and policies that apply to pricing and valuing investments held in these portfolios. We also have a Pricing Group, which is overseen by the Valuation Committee and is responsible for managing the pricing process for all investments.

We sometimes charge our clients performance-based fees. In these situations, we charge a base advisory fee and are eligible to earn an additional performance-based fee or incentive allocation that is calculated as either a percentage of absolute investment results or a percentage of investment results in excess of a stated benchmark over a specified period of time. Some performance-based fees include a high-watermark provision, which generally provides that if a client account underperforms relative to its performance target (whether absolute or relative to a specified benchmark), it must gain back such underperformance before we can collect future performance-based fees. Therefore, if we fail to achieve our performance target for a particular period, we will not earn a performance-based fee for that period and, for accounts with a high-watermark provision, our ability to earn future performance-based fees will be impaired. We are eligible to earn performance-based fees on 10.6%, 9.2% and 0.5% of the assets we manage for institutional clients, private wealth clients and retail clients, respectively (in total, 6.6% of our AUM).

Our investment advisory and services fees decreased by \$223.5 million, or 7.0%, in 2022, due to a \$123.6 million, or 4.2%, decrease in base fees and a \$99.9 million decrease in performance-based fees. The decrease in base fees is primarily due to a 6.1% decrease in average AUM, partially offset by a slight increase in our portfolio fee rate. Our investment advisory and services fees increased by \$599.1 million, or 23.1%, in 2021, due to a \$486.6 million, or 19.8%, increase in base fees and a \$112.5 million increase in performance-based fees. The increase in base fees was primarily due to a 18.0% increase in average AUM, as well as a slight increase in our portfolio fee rate.

Performance-based fees decreased \$99.9 million, or 40.7%, in 2022, primarily due to lower performance-based fees earned on Financial Services Opportunities fund, U.S. Select Equity fund, Arya Partners fund and Private Credit Services fund, partially offset by higher U.S. Real Estate Funds fees. Performance-based fees increased \$112.5 million, or 84.8%, in 2021, primarily due to higher performance-based fees earned on Private Credit Services, U.S. Real Estate Funds, Financial Services Opportunities and U.S. Select Equity, partially offset by lower Arya Partners fees.

Institutional investment advisory and services fees increased \$73.2 million, or 12.5%, in 2022, due to an increase in base fees of \$41.5 million, or 7.7%, and an increase in performance-based fees of \$31.7 million. The increase in base fees is primarily due to a higher portfolio fee rate, partially offset by a 5.3% decrease in average AUM. Institutional investment advisory and services fees increased \$74.3 million, or 14.5%, in 2021, due to an increase in base fees of \$82.0 million, or 17.9%, partially offset by a decrease in performance-based fees of \$7.8 million. The increase in base fees was primarily due to a 13.9% increase in average AUM, an increase in portfolio fee rate and a shift in product mix from fixed income to active equities and alternatives, which generally earn higher fees.

Retail investment advisory and services fees decreased \$169.6 million, or 11.4%, in 2022, due to a decrease in base fees of \$120.5 million, or 8.4%, and a \$49.1 million decrease in performance-based fees. The decrease in base fees is primarily due to a 8.0% decrease in average AUM. Retail investment advisory and services fees increased \$281.9 million, or 23.3%, in 2021, due to an increase in base fees of \$255.6 million, or 21.5%, and a \$26.3 million increase in performance-based fees. The increase in base fees is primarily due to a 23.0% increase in average AUM.

Private Wealth Management investment advisory and services fees decreased by \$127.1 million, or 11.4%, in 2022, due to a decrease in base fees of \$44.6 million, or 4.6%, and an \$82.5 million decrease in performance-based fees. The decrease in base fees is primarily due to a 3.3% decrease in average AUM. Private Wealth Management investment advisory and services fees increased \$243.0 million, or 27.8%, in 2021, due to an increase in base fees of \$148.9 million, or 18.2%, and a \$94.0 million increase in performance-based fees. The increase in base fees is primarily due to a 17.5% increase in average AUM.

## Bernstein Research Services

We earn revenues for providing investment research to, and executing brokerage transactions for, institutional clients. These clients compensate us principally by directing us to execute brokerage transactions on their behalf, for which we earn commissions, and to a lesser extent, but increasingly, by paying us directly for research through commission sharing agreements or cash payments. In the fourth quarter of 2022, AB and SocGen, a leading European bank, announced plans to form a joint venture combining their respective cash equities and research businesses. As a result, the BRS business has been classified as held for sale. For further discussion, see *Note 24 Acquisitions and Divestitures to our consolidated financial statements in Item 8*.

Revenues from Bernstein Research Services decreased \$35.7 million, or 7.9%, in 2022. The decrease was driven by significantly lower customer trading activity in Europe and Asia due to local market conditions.

Revenues from Bernstein Research Services decreased \$7.7 million, or 1.7%, in 2021. The decrease was due to lower trading activity driven by lower global market volatility as compared to the COVID-related volatility in 2020. This was partially offset by higher research payments across Bernstein and Autonomous Research products.

### **Distribution Revenues**

Two of our subsidiaries act as distributors and/or placement agents of company-sponsored mutual funds and receive distribution services fees from certain of those funds as full or partial reimbursement of the distribution expenses they incur. Period-over-period fluctuations of distribution revenues typically are in line with fluctuations of the corresponding average AUM of these mutual funds.

Distribution revenues decreased \$45.0 million, or 6.9%, in 2022, primarily due to the corresponding average AUM of these mutual funds decreasing 12.4%, partially offset by a shift in product mix from mutual funds with lower distribution rates to mutual funds with higher distribution rates. Distribution revenues increased \$122.5 million, or 23.1%, in 2021, primarily due to the corresponding average AUM of these mutual funds increasing 17.2%.

### **Dividend and Interest Income and Interest Expense**

Dividend and interest income consists primarily of investment income and interest earned on customer margin balances and U.S. Treasury Bills as well as dividend and interest income in our consolidated company-sponsored investment funds. Interest expense principally reflects interest accrued on cash balances in customers' brokerage accounts.

Dividend and interest income increased \$84.4 million in 2022, primarily due to higher interest earned on customer margin balances, higher interest earned on U.S. Treasury Bills as well as higher dividend and interest income in our consolidated company-sponsored investment funds. Interest expense increased \$62.8 million in 2022, due to higher interest paid on cash balances in customers' brokerage accounts.

Dividend and interest income decreased \$12.2 million, or 23.9%, in 2021, primarily due to lower interest earned on U.S. Treasury Bills as well as lower dividend and interest income in our consolidated company-sponsored investment funds. Interest expense decreased \$12.0 million, or 76.4%, in 2021, due to lower interest paid on cash balances in customers' brokerage accounts.

## Investment Gains (Losses)

Investment gains (losses) consist primarily of realized and unrealized investment gains or losses on: (i) employee long-term incentive compensation-related investments, (ii) U.S. Treasury Bills, (iii) market-making in exchange-traded options and equities, (iv) seed capital investments, (v) derivatives and (vi) investments in our consolidated company-sponsored investment funds. Investment gains (losses) also include equity in earnings of proprietary investments in limited partnership hedge funds that we sponsor and manage.

Investment gains (losses) are as follows:

	Years Ended December 31		
	2022	2021	2020
	(in thousands)		
<b>Long-term incentive compensation-related investments:</b>			
Realized gains	\$ 1,345	\$ 2,213	\$ 2,655
Unrealized (losses) gains	(10,626)	2,446	2,914
<b>Investments held by consolidated company-sponsored investment funds:</b>			
Realized (losses) gains	(46,293)	(2,341)	3,357
Unrealized (losses)	(73,194)	(1,882)	(854)
<b>Seed capital investments:</b>			
Realized gains (losses)			
Seed capital and other	17,272	20,263	25,002
Derivatives	41,236	(22,313)	(30,343)
Unrealized (losses) gains			
Seed capital and other	(31,261)	(6,907)	(12,387)
Derivatives	(177)	8,992	(5,220)
<b>Brokerage-related investments:</b>			
Realized (losses)	(1,384)	(829)	(1,188)
Unrealized gains (losses)	669	(278)	(337)
	<b>\$ (102,413)</b>	<b>\$ (636)</b>	<b>\$ (16,401)</b>

## Other Revenues

Other revenues consist of fees earned for transfer agency services provided to company-sponsored mutual funds, fees earned for administration and recordkeeping services provided to company-sponsored mutual funds and the General Accounts of EQH and its subsidiaries, and other miscellaneous revenues. Other revenues decreased \$2.9 million, or 2.6%, in 2022, primarily due to lower shareholder servicing fees. Other revenues increased \$3.7 million, or 3.5%, in 2021, primarily due to higher shareholder servicing fees, partially offset by lower brokerage income.

## Expenses

The components of expenses are as follows:

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in thousands)				
Employee compensation and benefits	1,666,636	\$ 1,716,013	\$ 1,494,198	(2.9)%	14.8%
Promotion and servicing:					
Distribution-related payments	629,572	708,117	569,283	(11.1)	24.4
Amortization of deferred sales commissions	34,762	34,364	27,355	1.2	25.6
Trade execution, marketing, T&E and other	215,556	197,486	189,787	9.2	4.1
	879,890	939,967	786,425	(6.4)	19.5
General and administrative	641,635	555,608	491,070	15.5	13.1
Contingent payment arrangements	6,563	2,710	1,855	142.2	46.1
Interest on borrowings	17,906	5,145	6,180	n/a	(16.7)
Amortization of intangible assets	26,564	5,697	21,372	n/a	(73.3)
<b>Total</b>	<b>\$ 3,239,194</b>	<b>\$ 3,225,140</b>	<b>\$ 2,801,100</b>	<b>0.4</b>	<b>15.1</b>

## Employee Compensation and Benefits

Employee compensation and benefits consist of base compensation (including salaries and severance), annual short-term incentive compensation awards (cash bonuses), annual long-term incentive compensation awards, commissions, fringe benefits and other employment costs (including recruitment, training, temporary help and meals).

Compensation expense as a percentage of net revenues was 41.1%, 38.6% and 40.3% for the years ended December 31, 2022, 2021 and 2020, respectively. Compensation expense generally is determined on a discretionary basis and is primarily a function of our firm's current-year financial performance. The amounts of incentive compensation we award are designed to motivate, reward and retain top talent while aligning our executives' interests with the interests of our Unitholders. Senior management, together with the Compensation and Workplace Practices Committee of the Board of Directors of AllianceBernstein Corporation ("**Compensation Committee**"), continue to believe that the appropriate metric to consider in determining the amount of incentive compensation is the ratio of adjusted employee compensation and benefits expense to adjusted net revenues. Adjusted net revenues used in the adjusted compensation ratio are the same as the adjusted net revenues presented as a non-GAAP measure (*discussed earlier in this Item 7*). Adjusted employee compensation and benefits expense is total employee compensation and benefits expense minus other employment costs such as recruitment, training, temporary help and meals (which were 1.1%, 0.9% and 0.9% of adjusted net revenues for 2022, 2021 and 2020, respectively), and excludes the impact of mark-to-market vesting expense, as well as dividends and interest expense, associated with employee long-term incentive compensation-related investments and the amortization expense associated with the awards issued by EQH to some of our firm's executives relating to their roles as members of the EQH Management Committee. Senior management, with the approval of the Compensation Committee, has established as an objective that adjusted employee compensation and benefits expense, excluding the impact of performance-based fees, generally should not exceed 50% of our adjusted net revenues in any year, except in unexpected or unusual circumstances. Our ratios of adjusted compensation expense as a percentage of adjusted net revenues were 48.4%, 46.5% and 47.9%, respectively, for the years ended December 31, 2022, 2021 and 2020.

In 2022, employee compensation and benefits expense decreased \$49.4 million, or 2.9%, primarily due to lower incentive compensation of \$107.7 million, partially offset by higher base compensation of \$39.8 million, higher commissions of \$12.7 million and higher other employment costs of \$5.3 million. In 2021, employee compensation and benefits expense increased \$221.8 million, or 14.8%, primarily due to higher incentive compensation of \$124.6 million, higher base compensation of \$48.9 million, higher commissions of \$25.0 million, higher fringes of \$20.1 million and higher other employment costs of \$3.3 million.

## Promotion and Servicing

Promotion and servicing expenses include distribution-related payments to financial intermediaries for distribution of AB mutual funds and amortization of deferred sales commissions paid to financial intermediaries for the sale of back-end load shares of AB mutual funds. Also included in this expense category are costs related to trade execution and clearance, travel and entertainment, advertising and promotional materials.



Promotion and servicing expenses decreased \$60.1 million, or 6.4%, in 2022. The decrease was primarily due to lower distribution-related payments of \$78.5 million, lower transfer fees of \$4.9 million and lower trade execution and clearance expenses of \$3.1 million, partially offset by higher travel and entertainment expenses of \$15.4 million and higher firm meeting expenses of \$8.8 million. Promotion and servicing expenses increased \$153.5 million, or 19.5%, in 2021. The increase primarily was due to higher distribution-related payments of \$138.8 million, higher transfer fees of \$10.1 million, higher amortization of deferred sales commissions of \$7.0 million and higher marketing expenses of \$4.9 million, partially offset by lower trade execution and clearance expenses of \$7.4 million.

## General and Administrative

General and administrative expenses include portfolio services fees, technology fees, professional fees and office-related expenses (occupancy, communications and similar expenses). General and administrative expenses as a percentage of net revenues were 15.8%, 12.5% and 13.2% for the years ended December 31, 2022, 2021 and 2020, respectively. General and administrative expenses increased \$86.0 million, or 15.5%, in 2022. The increase was primarily due to higher professional fees of \$27.3 million, higher portfolio services fees of \$21.3 million, higher technology fees of \$19.1 million, a valuation adjustment of \$7.4 million associated with the classification of BRS as held for sale, higher office-related expenses of \$6.9 million and a \$5.6 million impairment of certain acquisition related intangible assets. General and administrative expenses increased \$64.5 million, or 13.1%, in 2021. The increase was primarily due to higher portfolio services of \$34.0 million, higher technology fees of \$14.3 million, higher office-related expenses of \$7.6 million, higher professional fees of \$6.6 million and an unfavorable foreign exchange translation impact of \$5.2 million, partially offset by lower charitable contributions of \$4.9 million.

## Contingent Payment Arrangements

Contingent payment arrangements reflect changes in estimates of contingent payment liabilities associated with acquisitions in current and previous periods, as well as accretion expense of these liabilities. In 2022, we recognized \$6.6 million in accretion expense related to our contingent considerations payable. The expense of \$2.7 million for 2021 reflects accretion expense of \$3.3 million, offset by the change in estimate of the contingent consideration payable relating to our 2016 acquisition of \$0.6 million.

## Interest on Borrowings

Interest expense increased \$12.8 million in 2022, reflecting higher interest rates on borrowings and higher weighted average borrowings. Average daily borrowings for the EQH facilities and commercial paper were \$845.5 million at a weighted average interest rate of 1.7% during 2022 compared to \$561.6 million and 0.2% during 2021.

Interest expense decreased \$1.0 million, or 16.7%, in 2021, reflecting lower interest rates partially offset by higher weighted average borrowings. Average daily borrowings for both the EQH facility and commercial paper were \$561.6 million at a weighted average interest rate of 0.2% during 2021 compared to \$554.0 million and 0.5% during 2020.

## Amortization of Intangible Assets

Amortization of intangible assets reflects our amortization of costs assigned to acquired investment management contracts with a finite life. These assets are recognized at fair value and generally are amortized on a straight-line basis over their estimated useful life. On July 1, 2022, AB acquired CarVal, which resulted in recording of \$303.0 million of finite-lived intangible assets primarily relating to investment management contracts and investor relationships with useful lives ranging from 5 to 10 years (see *Note 24 Acquisitions and Divestitures to our consolidated financial statements in Item 8*). Amortization of intangible assets increased \$20.9 million in 2022. The increase was primarily due to the acquired intangible assets associated with the CarVal acquisition. Amortization of intangible assets decreased \$15.7 million, or 73.3%, in 2021. The decrease in the prior year was primarily due to the full amortization of intangible assets related to the Bernstein acquisition.

## Income Taxes

AB, a private limited partnership, is not subject to federal or state corporate income taxes. However, AB is subject to a 4.0% New York City unincorporated business tax ("UBT"). Our domestic corporate subsidiaries are subject to federal, state and local income taxes, and generally are included in the filing of a consolidated federal income tax return. Separate state and local income tax returns also are filed. Foreign corporate subsidiaries generally are subject to taxes in the jurisdictions where they are located.

Income tax expense decreased \$23.1 million, or 36.8%, in 2022 compared to 2021. This decrease is due to lower pre-tax book income and one-time discrete items which resulted in a lower effective tax rate in 2022 of 4.9% compared to 5.2% in 2021.

Income tax expense decreased \$17.1 million, or 37.4%, in 2021 compared to 2020. This increase is due to higher pre-tax book income which resulted in a higher effective tax rate in 2021 of 5.2% compared to 5.0% in 2020.

## Net (Loss) Income of Consolidated Entities Attributable to Non-Controlling Interests

Net (loss) income of consolidated entities attributable to non-controlling interests primarily consists of limited partner interests owned by other investors in our consolidated company-sponsored investment funds. In 2022, we had \$56.4 million of net loss of consolidated entities attributable to non-controlling interests, primarily due to losses on investments held by our consolidated company-sponsored investment funds. In 2021, we had \$5.1 million of net income of consolidated entities attributable to non-controlling interests, primarily due to gains on investments held by our consolidated company-sponsored investment funds. In 2020 we had \$4.2 million of net losses of consolidated entities attributable to non-controlling interests, primarily due to losses on investments held by our consolidated company-sponsored investment funds.

## Capital Resources and Liquidity

Cash flows from operating activities primarily include the receipt of investment advisory and services fees and other revenues offset by the payment of operating expenses incurred in the normal course of business. Our cash flows from operating activities have historically been positive and sufficient to support our operations. We do not anticipate this to change in the foreseeable future. Cash flows from investing activities generally consist of small capital expenditures and, when applicable, business acquisitions. Cash flows from financing activities primarily consist of issuance and repayment of debt and the repurchase of AB Holding units to fund our long-term deferred compensation plans. We are required to distribute all of our Available Cash Flow to our Unitholders and the General Partner.

During 2022, net cash provided by operating activities was \$1.1 billion, compared to \$1.3 billion during 2021. The change primarily was due to lower earnings of \$265.1 million (after non-cash reconciling items), a decrease in accrued compensation of \$200.8 million and a decrease in broker-dealer related payables (net of receivable and segregated U.S. Treasury Bills activity) of \$169.2 million, partially offset by net activity of our consolidated company-sponsored investment funds of \$252.0 million and an increase in fees receivable of \$193.3 million. During 2021, net cash provided by operating activities was \$1.3 billion, compared to \$1.5 billion during 2020. The change primarily was due to net activity of our consolidated company-sponsored investment funds of \$560.6 million, an increase in other assets of \$75.7 million and higher net purchases of broker-dealer investments of \$33.3 million, partially offset by higher earnings of \$346.2 million, an increase in broker-dealer related payables (net of receivable and segregated U.S. Treasury Bills activity) of \$72.9 million and an increase in accounts payable and accrued expenses of \$25.2 million.

During 2022, net cash used in investing activities was \$22.0 million, compared to \$65.7 million during 2021. The change is primarily due the acquisition of CarVal, net cash acquired of \$40.3 million in 2022. During 2021, net cash used in investing activities was \$65.7 million, compared to \$59.1 million during 2020. The change is primarily due to higher purchases of furniture, equipment and leasehold improvements of \$20.4 million, partially offset by lower cash paid for acquisitions, net of cash acquired, of \$9.8 million and lower purchases of equity method investments of \$4.1 million.

During 2022, net cash used in financing activities was \$1.1 billion, compared to \$0.9 billion during 2021. The change reflects lower net purchases of non-controlling interests of consolidated company-sponsored investment funds in 2022 of \$309.9 million, repayment of CarVal debt subsequent to acquisition of \$42.7 million and an decrease in overdrafts payable of \$41.6 million, partially offset by higher net borrowings of debt of \$155.0 million and a decrease in the net purchases of AB Holding Units to fund long-term incentive compensation plans of \$51.3 million. During 2021, net cash used in financing activities was \$0.9 billion, compared to \$1.1 billion during 2020. The change reflects the net purchases of non-controlling interests of consolidated company-sponsored investment funds in 2021 as compared to net redemptions in 2020 (impact of \$532.7 million), partially offset by higher distributions to the General Partner and Unitholders of \$223.0 million as a result of higher earnings (distributions on earnings are paid one quarter in arrears) and an increase in the net purchases of AB Holding Units to fund long-term incentive compensation plans of \$113.2 million.

As of December 31, 2022, AB had \$1.1 billion of cash and cash equivalents (excluding cash and cash equivalents of consolidated company-sponsored investment funds and cash held for sale), all of which is available for liquidity but consist primarily of cash on deposit for our broker-dealers related to various customer clearing activities and cash held by foreign subsidiaries of \$497.0 million.

## Debt and Credit Facilities

See *Note 12 to our consolidated financial statements in Item 8* for disclosures relating to our debt and credit facilities.

Our financial condition and access to public and private debt markets should provide adequate liquidity for our general business needs. Management believes that cash flow from operations and the issuance of debt and AB Units or AB Holding Units will provide us with the resources we need to meet our financial obligations. See *"Risk Factors" in Item 1A and "Cautions Regarding Forward-Looking Statements" in this Item 7* for a discussion of credit markets and our ability to renew our credit facilities at expiration.

## Off-Balance Sheet Arrangements and Aggregate Contractual Obligations

### Guarantees

Under various circumstances, AB guarantees the obligations of its consolidated subsidiaries.

AB maintains a guarantee in connection with an \$800 million committed, unsecured senior revolving credit facility (the **"Credit Facility"**). If SCB LLC is unable to meet its obligations, AB will pay the obligations when due or on demand. SCB LLC currently has five uncommitted lines of credit with five financial institutions. Four of these lines of credit permit us to borrow up to an aggregate of approximately \$315.0 million, with AB named as an additional borrower, while the other line has no stated limit. AB has guaranteed the obligations of SCB LLC under these lines of credit. AB maintains guarantees totaling \$415.0 million for SCB LLC's five uncommitted lines of credit.

AB maintains a guarantee with a commercial bank, under which we guarantee the obligations in the ordinary course of business of each of SCB LLC, our U.K.-based broker-dealer and our Cayman subsidiary. We also maintain three additional guarantees with other commercial banks under which we guarantee approximately \$263.4 million of obligations for our U.K.-based broker-dealer and \$99.0 million of obligations for our India-based broker-dealer. In the event that any of these three entities is unable to meet its obligations, AB will pay the obligations when due or on demand.

We also have two smaller guarantees with a commercial bank totaling approximately \$1.9 million, under which we guarantee certain obligations in the ordinary course of business of one of our foreign subsidiaries.

We have not been required to perform under any of the above agreements and currently have no liability in connection with these agreements.

### Aggregate Contractual Obligations

During 2010, as general partner of AllianceBernstein U.S. Real Estate L.P. (**"Real Estate Fund"**), we committed to invest \$25.0 million in the Real Estate Fund. As of December 31, 2022, we had funded \$22.4 million of this commitment. During 2014, as general partner of AllianceBernstein U.S. Real Estate II L.P. (**"Real Estate Fund II"**), we committed to invest \$27.3 million, as amended in 2020, in the Real Estate Fund II. As of December 31, 2022, we had funded \$21.6 million of this commitment.

We have various compensation and benefit obligations, including accrued salaries and fringes, commissions, payroll taxes, incentive payments and deferred compensation arrangements. The majority of our compensation and benefits obligations are paid out in less than one year, while the deferred compensation obligations are payable over various periods, with the majority payable over periods of up to three years. Accrued compensation and benefits as of December 31, 2022 totaled \$399.3 million. This amount excludes our accrued pension obligation. Offsetting our accrued compensation obligations are long-term incentive compensation-related investments and money market investments we funded totaling \$49.2 million, which are included in our consolidated statement of financial condition. Any amounts reflected on the consolidated statement of financial condition as payables (to broker-dealers, brokerage clients and company-sponsored mutual funds) and accounts payable and accrued expenses are excluded from the aforementioned accrued compensation and benefits obligation amount.

We expect to make contributions to our qualified profit sharing plan of approximately \$17.5 million in each of the next four years. We do not currently anticipate that we will contribute to the Retirement Plan during 2023.

The 2017 Tax Act (enacted in the U.S. on December 22, 2017) imposed a federal transition tax on mandatory deemed repatriation of certain deferred foreign earnings. Management elected to pay the transition tax in installments over an eight-year period from 2018 to 2025. The federal transition tax obligation as of December 31, 2022 totaled \$11.7 million and is recorded to income tax payable on our consolidated statement of financial condition. See *Note 21 to our consolidated financial statements in Item 8* for further discussion of our taxes.

See *Note 13 to our consolidated financial statements in Item 8* for discussion of our leases.

See *Note 12 to our consolidated financial statements in Item 8* for a discussion of our debt.

## Contingencies

See Note 14 to our consolidated financial statements in Item 8 for a discussion of our commitments and contingencies.

## Critical Accounting Estimates

The preparation of the consolidated financial statements and notes to consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses.

Management believes that the critical accounting policies and estimates *discussed below* involve significant management judgment due to the sensitivity of the methods and assumptions used.

### Goodwill

Our acquisitions are accounted for under the acquisition method of accounting, where the cost of the acquisition is allocated on the basis of the estimated fair value of the assets acquired and the liabilities assumed. The excess of the purchase price over the fair value of identifiable assets acquired, net of liabilities assumed, results in the recognition of goodwill.

On July 1, 2022, AB Holding acquired a 100% ownership interest in CarVal Investors L.P. ("**CarVal**"). Immediately following its acquisition of CarVal (the "**CarVal acquisition**"), AB Holding contributed 100% of its equity interests in CarVal to AB in exchange for AB Units (see Note 24 *Acquisitions and Divestitures to our consolidated financial statements in Item 8*).

On November 22, 2022, AB and SocGen, a leading European bank, announced plans to form a joint venture combining their respective cash equities and research businesses. As such, the BRS business has been classified as held for sale and \$159.8 million of goodwill recorded on the consolidated statement of financial condition has been allocated to the held for sale disposal group. As AB is a single reporting unit, we have allocated goodwill to the disposal group based on the relative fair values of (1) the disposal group and (2) the portion of the reporting unit that will be retained. For further discussion, see Note 24 *Acquisitions and Divestitures to our consolidated financial statements in Item 8*.

As of December 31, 2022, we had goodwill of \$3.6 billion on the consolidated statement of financial condition, which included \$666.1 million as a result of the CarVal acquisition in the third quarter of 2022, \$2.8 billion as a result of the Sanford C. Bernstein Inc. ("**Bernstein**") acquisition in 2000 and \$291.9 million in regard to various smaller acquisitions. Approximately \$159.8 million of goodwill has been classified as assets held for sale on the consolidated statement of financial condition.

We have determined that AB has only one reporting segment and reporting unit. We test our goodwill annually, as of September 30, for impairment or if certain events or changes in circumstances occur and trigger an interim impairment test. The carrying value of goodwill is also reviewed if facts and circumstances occur that suggest possible impairment, such as, but not limited to significant transactions including acquisitions or divestitures and significant declines in AUM, revenues, earnings or the price of an AB Holding Unit. Any of these changes in circumstances could suggest the possibility that goodwill is impaired, but none of these events or circumstances by itself would indicate that it is more likely than not that goodwill is impaired. Instead, they are merely recognized as triggering events for the consideration of impairment and must be viewed in combination with any mitigating or positive factors. A holistic evaluation of all events since the most recent quantitative impairment test must be done to determine whether it is more likely than not that the reporting unit is impaired.

For our annual impairment test, we utilize the market approach where the fair value of the reporting unit is based on its unadjusted market valuation (AB Units outstanding multiplied by AB Holding's Unit price) and earnings multiples. The price of a publicly traded AB Holding Unit serves as a reasonable starting point for valuing an AB Unit because each represents the same fractional interest in our underlying business. Our market approach analysis also includes comparable industry earnings multiples applied to our earnings forecast and assumes a control premium (when applicable).

The announcement of the joint venture between AB and SocGen and classification of the BRS business as held for sale during the fourth quarter of 2022 was a triggering event requiring an interim impairment test; as such, we tested our goodwill as of December 31, 2022. The impairment test indicated that goodwill was not impaired.

Under ASU 2017-04, Simplifying the Test for Goodwill Impairment, a goodwill impairment will be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. Under this guidance, the goodwill impairment test no longer includes a determination by management of whether a decline in fair value is temporary. However, it is important that management's determination of fair value reflect the impact of changing market conditions, including the severity and anticipated duration of any such changes.

## Business Combinations

We account for business combinations using the acquisition method of accounting whereby the identifiable assets and liabilities of the acquired business, as well as any noncontrolling interest in the acquired business, are recorded at their estimated fair values as of the date that we obtain control of the acquired business. Any purchase consideration in excess of the estimated fair values of the net assets acquired is recorded as goodwill. Acquisition-related expenses are expensed as incurred.

Often, as part of the business combination, intangible assets are recorded based on their estimated fair value at the time of acquisition and primarily relate to acquired investment management contracts. We periodically review indefinite-lived intangible assets for impairment as events or changes in circumstances indicate that the carrying value may not be recoverable. If the carrying value exceeds fair value, we perform additional impairment tests to measure the amount of the impairment loss, if any.

We periodically enter into contingent payment arrangements in connection with our business combinations. In these arrangements, we agree to pay additional consideration to the sellers to the extent that certain performance targets are achieved. We estimate the fair value of these potential future obligations at the time a business combination is consummated and record a liability on a discounted basis on our consolidated statement of financial condition. We then accrete the obligation to its expected payment amount over the measurement period. If our expected payment amount subsequently changes, the obligation is modified in the current period resulting in a gain or loss. Both gains and losses resulting from changes to expected payments and the accretion of these obligations to their expected payment amounts are reflected within contingent payment arrangements in our consolidated statements of income.

Several valuation methods may be used to determine the fair value of assets acquired and liabilities assumed. For intangible assets and contingent liabilities, we typically use a method that is a form of the income approach, whereby a forecast of future cash flows attributable to the asset are discounted to present value using a risk-adjusted discount rate. Similarly for contingent liabilities, we develop a forecast of future cash flows attributable to the performance objectives that are then discounted to present value using a risk-adjusted discount rate. Some of the more significant estimates and assumptions inherent in the income approach include the amount and timing of projected future cash flows, the discount rate selected to measure the risks inherent in the future cash flows. See *Note 24 Acquisitions and Divestitures to our consolidated financial statements in Item 8*.

## Assets and Liabilities Held for Sale

The Company classifies assets and liabilities to be sold (disposal group) as held for sale in the period when all of the applicable criteria are met, including: (i) management commits to a plan to sell, (ii) the disposal group is available to sell in its present condition, (iii) there is an active program to locate a buyer, (iv) the disposal group is being actively marketed at a reasonable price in relation to its fair value, (v) significant changes to the plan to sell are unlikely, and (vi) the sale of the disposal group is generally probable of being completed within one year. Management performs an assessment of held for sale at least quarterly or when events or changes in business circumstances indicate that a change in classification may be necessary. Assets and liabilities held for sale are presented separately within the consolidated statements of financial condition with any adjustments necessary to measure the disposal group at the lower of its carrying value or fair value less costs to sell. Depreciation of property, plant and equipment and amortization of intangible and right-of-use assets are not recorded while these assets are classified as held for sale. For each reporting period the disposal group remains classified as held for sale, the carrying value of the disposal group is adjusted for subsequent changes in fair value less costs to sell. A loss is recognized for any subsequent decrease in fair value less costs to sell, while a gain is recognized in any subsequent period for any subsequent increase in fair value less cost to sell, but not in excess of the cumulative loss previously recognized. If, in any period, the carrying value of the disposal group exceeds the estimated fair value less costs to sell, a loss is recognized on sale rather than an impairment loss.

## Loss Contingencies

Management continuously reviews with legal counsel the status of regulatory matters and pending or threatened litigation. We evaluate the likelihood that a loss contingency exists and record a loss contingency if it is both probable and reasonably estimable as of the date of the financial statements. See *Note 14 to our consolidated financial statements in Item 8*.

## Accounting Pronouncements

See Note 2 to our consolidated financial statements in Item 8.

## Cautions Regarding Forward-Looking Statements

Certain statements provided by management in this report are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. The most significant of these factors include, but are not limited to, the following: the performance of financial markets, the investment performance of sponsored investment products and separately managed accounts, general economic conditions, industry trends, future acquisitions, integration of acquired companies, competitive conditions and government regulations, including changes in tax regulations and rates and the manner in which the earnings of publicly-traded partnerships are taxed. We caution readers to carefully consider such factors. Further, these forward-looking statements speak only as of the date on which such statements are made; we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements. For further information regarding these forward-looking statements and the factors that could cause actual results to differ, see “Risk Factors” in Item 1A. Any or all of the forward-looking statements that we make in this Form 10-K, other documents we file with or furnish to the SEC, and any other public statements we issue, may turn out to be wrong. It is important to remember that other factors besides those listed in “Risk Factors” and those listed below could also adversely impact our revenues, financial condition, results of operations and business prospects.

The forward-looking statements referred to in the preceding paragraph, most of which directly affect AB but also affect AB Holding because AB Holding’s principal source of income and cash flow is attributable to its investment in AB, include statements regarding:

- **Our belief that the cash flow AB Holding realizes from its investment in AB will provide AB Holding with the resources it needs to meet its financial obligations:** AB Holding’s cash flow is dependent on the quarterly cash distributions it receives from AB. Accordingly, AB Holding’s ability to meet its financial obligations is dependent on AB’s cash flow from its operations, which is subject to the performance of the capital markets and other factors beyond our control.
- **Our financial condition and ability to access the public and private capital markets providing adequate liquidity for our general business needs:** Our financial condition is dependent on our cash flow from operations, which is subject to the performance of the capital markets, our ability to maintain and grow client assets under management and other factors beyond our control. Our ability to access public and private capital markets on reasonable terms may be limited by adverse market conditions, our firm’s credit ratings, our profitability and changes in government regulations, including tax rates and interest rates.
- **The outcome of litigation:** Litigation is inherently unpredictable, and excessive damage awards do occur. Though we have stated that we do not expect any pending legal proceedings to have a material adverse effect on our results of operations, financial condition or liquidity, any settlement or judgment with respect to a legal proceeding could be significant, and could have such an effect.
- **The possibility that we will engage in open market purchases of AB Holding Units to help fund anticipated obligations under our incentive compensation award program:** The number of AB Holding Units AB may decide to buy in future periods, if any, to help fund incentive compensation awards depends on various factors, some of which are beyond our control, including the fluctuation in the price of an AB Holding Unit (NYSE: AB) and the availability of cash to make these purchases.
- **Our determination that adjusted employee compensation expense, excluding the impact of performance-based fees, generally should not exceed 50% of our adjusted net revenues on an annual basis:** Aggregate employee compensation reflects employee performance and competitive compensation levels. Fluctuations in our revenues and/or changes in competitive compensation levels could result in adjusted employee compensation expense exceeding 50% of our adjusted net revenues.
- **The adverse impact of COVID-19:** The aggregate extent to which COVID-19, including its impact on the global economy, affects AB’s business, liquidity, results of operations and financial condition, will depend on future COVID-19 developments that are highly uncertain, including the scope and duration of the disease and any recovery period, the emergence, spread and seriousness of COVID-19 variants, the continuing prevalence of severe, unconstrained and/or escalating rates of infection and hospitalization in various countries and regions, the availability, adoption and efficacy of treatments and vaccines, and future actions taken by governmental authorities, central banks and other parties in response to COVID-19.
- **The impact of our acquisition of CarVal:** The impact of our acquisition of CarVal: These statements concern expected growth, client and stockholder benefits, key assumptions, revenue realization, financial benefits or returns, accretion and integration costs. Actual results may differ materially from future results expressed or implied by our forward-looking statements as a result of similar risks to those that impact our other similar business lines, as well as the risk that we are not able to realize the anticipated benefits of the transaction, including the realization of revenue, accretion, and financial benefits or returns, in full or that we may take longer to realize benefits than expected, due, among other reasons, to the

challenges of integrating a new business and personnel. The anticipated benefits may also be adversely impacted by the risk that AB Holding units to be issued after the closing are issued at a price below anticipated levels. We caution readers to carefully consider such factors.

- **Our Relocation Strategy:** While many of the expenses, expense savings and EPU impact we expect will result from our Relocation Strategy are presented with numerical specificity, and we believe these figures to be reasonable as of the date of this report, the uncertainties surrounding the assumptions on which our estimates are based create a significant risk that our current estimates may not be realized. These assumptions include:
  - the amount and timing of employee relocation costs, severance, and overlapping compensation and occupancy costs we experience; and
  - the timing for execution of each phase of our relocation implementation plan.

## Item 7A. Quantitative and Qualitative Disclosures about Market Risk

### AB Holding

#### Market Risk, Risk Management and Derivative Financial Instruments

AB Holding's sole investment is AB Units. AB Holding did not own, nor was it a party to, any derivative financial instruments during the years ended December 31, 2022, 2021 and 2020.

### AB

#### Market Risk, Risk Management and Derivative Financial Instruments

Our investments consist of trading and other investments. Trading investments include U.S. Treasury Bills, mutual funds, exchange-traded options and various separately-managed portfolios consisting of equity securities. Trading investments are purchased for short-term investment, principally to fund liabilities related to long-term incentive compensation plans and to seed new investment services. Other investments include investments in hedge funds we sponsor and other investment vehicles.

We enter into various futures, forwards, swaps and options primarily to economically hedge our seed capital investments. We do not hold any derivatives designated in a formal hedge relationship under ASC 815-10, *Derivatives and Hedging*. See Note 7 to our consolidated financial statements in Item 8.

## Trading and Non-Trading Market Risk Sensitive Instruments

### Investments with Interest Rate Risk—Fair Value

The table below provides our potential exposure with respect to our fixed income investments, measured in terms of fair value, to an immediate 100 basis point increase in interest rates at all maturities from the levels prevailing as of December 31, 2022 and 2021. Such a fluctuation in interest rates is a hypothetical rate scenario used to calibrate potential risk and does not represent our view of future market movements. While these fair value measurements provide a representation of interest rate sensitivity of our investments in fixed income mutual funds and fixed income hedge funds, they are based on our exposures at a particular point in time and may not be representative of future market results. These exposures will change as a result of ongoing changes in investments in response to our assessment of changing market conditions and available investment opportunities:

	As of December 31			
	2022		2021	
	Fair Value	Effect of +100 Basis Point Change	Fair Value	Effect of +100 Basis Point Change
(in thousands)				
Fixed Income Investments:				
Trading	\$ 93,221	\$ (5,789)	\$ 100,661	\$ (6,976)

### Investments with Equity Price Risk—Fair Value

Our investments also include investments in equity securities, mutual funds and hedge funds. The following table provides our potential exposure with respect to our equity investments, measured in terms of fair value, to an immediate 10% decrease in equity prices from those prevailing as of December 31, 2022 and 2021. A 10% decrease in equity prices is a hypothetical scenario used to calibrate potential risk and does not represent our view of future market movements. While these fair value measurements provide a representation of equity price sensitivity of our investments in equity securities, mutual funds and hedge funds, they are based on our exposures at a particular point in time and may not be representative of future market results. These exposures will change as a result of ongoing portfolio activities in response to our assessment of changing market conditions and available investment opportunities:

	As of December 31			
	2022		2021	
	Fair Value	Effect of -10% Equity Price Change	Fair Value	Effect of -10% Equity Price Change
(in thousands)				
Equity Investments:				
Trading	\$ 65,846	\$ (6,585)	\$ 85,704	\$ (8,570)
Other investments	\$ 58,451	\$ (5,845)	\$ 87,053	\$ (8,705)



## Item 8. Financial Statements and Supplementary Data

### Report of Independent Registered Public Accounting Firm

To the General Partner and Unitholders of AllianceBernstein Holding L.P.

### Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying statements of financial condition of AllianceBernstein Holding L.P. (the “Company”) as of December 31, 2022 and 2021, and the related statements of income, of comprehensive income, of changes in partners’ capital and of cash flows for each of the three years in the period ended December 31, 2022, including the related notes (collectively referred to as the “financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

### Basis for Opinions

The Company’s management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company’s financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

### Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### Acquisition of CarVal Investors L.P. - Fair Value of Finite-Lived Intangible Assets and Contingent Consideration Payable

As described in Note 8 to the financial statements, on July 1, 2022, the Company acquired a 100% ownership interest in CarVal Investors L.P. (CarVal) for total purchase consideration of \$818.1 million, which resulted in management recording \$303.0 million of finite-lived intangible assets primarily related to investment management contracts and investor relationships with useful lives ranging from 5 to 10 years and \$228.9 million of contingent consideration payable. Immediately following the acquisition of CarVal by the Company, the Company contributed 100% of its equity interests in CarVal to AllianceBernstein L.P. (AB) in exchange for AB units. Fair value of the acquired finite-lived intangible assets was based on a forecast of future cash flows attributable to the assets that are discounted to present value using a risk-adjusted discount rate. Fair value of the contingent consideration payable was based on a forecast of future cash flows attributable to the performance objectives that are discounted to present value using a risk-adjusted discount rate.

The principal considerations for our determination that performing procedures relating to the fair value of the finite-lived intangible assets and contingent consideration payable recognized in the acquisition of CarVal is a critical audit matter are the significant judgment by management in developing the estimated fair value of the finite-lived intangible assets and the contingent consideration payable. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to the future cash flows and risk-adjusted discount rate assumptions utilized within the calculation of the present value of future cash flows. In addition, the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. These procedures included testing the effectiveness of controls relating to the determination of the fair value of finite-lived intangible assets and contingent consideration payable recognized in the acquisition of CarVal, including controls over the development of the future cash flows and risk-adjusted discount rate assumptions utilized within the calculation of the present value of future cash flows. These procedures also included, among others, reading the purchase agreement and testing management's process for estimating the fair value of the acquired finite-lived intangible assets and contingent consideration payable. Testing management's process included (i) evaluating the appropriateness of the method used to discount future cash flows to present value, (ii) testing the completeness and accuracy of underlying data used in the method used to discount future cash flows to present value, and (iii) evaluating management's significant assumptions related to the future cash flows and risk-adjusted discount rate. Evaluating the reasonableness of the assumption related to the future cash flows involved considering the historical performance of CarVal, the consistency with external market and industry data, and the consistency with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the appropriateness of the method used to discount future cash flows to present value and the reasonableness of the risk-adjusted discount rate assumption.

/s/PricewaterhouseCoopers LLP  
Nashville, Tennessee  
February 10, 2023

We have served as the Company's auditor since 2006.

# AllianceBernstein Holding L.P.

## Statements of Financial Condition

	Years Ended December 31	
	2022	2021
	(in thousands, except unit amounts)	
<b>ASSETS</b>		
Investment in AB	\$ 2,074,626	\$ 1,623,764
<b>Total assets</b>	<b>\$2,074,626</b>	<b>\$1,623,764</b>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>		
Liabilities:		
Other liabilities	\$ 1,623	\$ 2,140
<b>Total liabilities</b>	<b>1,623</b>	<b>2,140</b>
Commitments and contingencies (See Note 7)		
Partners' capital:		
General Partner: 100,000 general partnership units issued and outstanding	1,355	1,439
Limited partners: 113,701,097 and 99,171,727 limited partnership units issued and outstanding	2,160,207	1,696,199
AB Holding Units held by AB to fund long-term incentive compensation plans	(37,551)	(43,309)
Accumulated other comprehensive loss	(51,008)	(32,705)
<b>Total partners' capital</b>	<b>2,073,003</b>	<b>1,621,624</b>
<b>Total liabilities and partners' capital</b>	<b>\$2,074,626</b>	<b>\$1,623,764</b>

See Accompanying Notes to Financial Statements.

# AllianceBernstein Holding L.P.

## Statements of Income

	Years Ended December 31		
	2022	2021	2020
	(in thousands, except per unit amounts)		
Equity in net income attributable to AB Unitholders	\$ 305,504	\$ 416,326	\$ 308,404
Income taxes	31,339	30,483	29,024
<b>Net income</b>	<b>\$ 274,165</b>	<b>\$ 385,843</b>	<b>\$ 279,380</b>
<b>Net income per unit:</b>			
<b>Basic</b>	<b>\$ 2.69</b>	<b>\$ 3.88</b>	<b>\$ 2.88</b>
<b>Diluted</b>	<b>\$ 2.69</b>	<b>\$ 3.88</b>	<b>\$ 2.88</b>

See Accompanying Notes to Financial Statements.

# AllianceBernstein Holding L.P.

## Statements of Comprehensive Income

	Years Ended December 31		
	2022	2021	2020
	(in thousands)		
Net income	\$ 274,165	\$ 385,843	\$ 279,380
Other comprehensive (loss) income:			
Foreign currency translation adjustments, before reclassification and tax	(19,805)	(2,894)	8,579
Less: reclassification adjustment for gains (losses) included in net income upon liquidation	—	1,613	(77)
Foreign currency translation adjustments, before tax	(19,805)	(4,507)	8,656
Income tax benefit (expense)	249	147	(310)
Foreign currency translation adjustments, net of tax	(19,556)	(4,360)	8,346
Changes in employee benefit related items:			
Amortization of prior service cost	(12)	7	8
Recognized actuarial gain (loss)	1,293	5,566	(1,557)
Changes in employee benefit related items	1,281	5,573	(1,549)
Income tax (expense)	(28)	(20)	(67)
Employee benefit related items, net of tax	1,253	5,553	(1,616)
Other comprehensive (loss) income	(18,303)	1,193	6,730
<b>Comprehensive income</b>	<b>\$ 255,862</b>	<b>\$ 387,036</b>	<b>\$ 286,110</b>

See Accompanying Notes to Financial Statements.

# AllianceBernstein Holding L.P.

## Statements of Changes in Partners' Capital

	Years Ended December 31		
	2022	2021	2020
	(in thousands)		
<b>General Partner's Capital</b>			
Balance, beginning of year	\$ 1,439	\$ 1,410	\$ 1,402
Net income	270	387	288
Cash distributions to Unitholders	(354)	(358)	(280)
Balance, end of year	1,355	1,439	1,410
<b>Limited Partners' Capital</b>			
Balance, beginning of year	1,696,199	1,656,816	1,619,200
Net income	273,895	385,456	279,092
Cash distributions to Unitholders	(360,670)	(357,097)	(270,601)
Retirement of AB Holding Units	(114,794)	(143,460)	(78,388)
Issuance of AB Holding Units to fund long-term incentive compensation plan awards	76,230	151,082	107,366
Issuance of AB Holding Units to fund CarVal acquisition	589,169	—	—
Exercise of compensatory options to buy AB Holding Units	178	3,402	147
Balance, end of year	2,160,207	1,696,199	1,656,816
<b>AB Holding Units held by AB to fund long-term incentive compensation plans</b>			
Balance, beginning of year	(43,309)	(20,171)	(27,436)
Change in AB Holding Units held by AB to fund long-term incentive compensation plans	5,758	(23,138)	7,265
Balance, end of year	(37,551)	(43,309)	(20,171)
<b>Accumulated Other Comprehensive (Loss)</b>			
Balance, beginning of year	(32,705)	(33,898)	(40,628)
Foreign currency translation adjustment, net of tax	(19,556)	(4,360)	8,346
Changes in employee benefit related items, net of tax	1,253	5,553	(1,616)
Balance, end of year	(51,008)	(32,705)	(33,898)
<b>Total Partners' Capital</b>	<b>\$2,073,003</b>	<b>\$1,621,624</b>	<b>\$1,604,157</b>

See Accompanying Notes to Financial Statements.

# AllianceBernstein Holding L.P.

## Statements of Cash Flows

	Years Ended December 31		
	2022	2021	2020
	(in thousands)		
Cash flows from operating activities:			
<b>Net income</b>	<b>\$ 274,165</b>	<b>\$ 385,843</b>	<b>\$ 279,380</b>
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in net income attributable to AB Unitholders	(305,504)	(416,326)	(308,404)
Cash distributions received from AB	394,470	385,236	298,919
Changes in assets and liabilities:			
Decrease (increase) in other assets	—	92	(31)
(Decrease) increase in other liabilities	(517)	264	150
<b>Net cash provided by operating activities</b>	<b>362,614</b>	<b>355,109</b>	<b>270,014</b>
Cash flows from investing activities:			
Acquisition of business, net cash acquired	40,777	—	—
Contribution of CarVal to AB	(40,777)	—	—
Capital contribution to AB	(1,590)	—	—
Investments in AB with proceeds from exercise of compensatory options to buy AB Holding Units	(178)	(3,402)	(147)
<b>Net cash used in investing activities</b>	<b>(1,768)</b>	<b>(3,402)</b>	<b>(147)</b>
Cash flows from financing activities:			
Cash distributions to Unitholders	(361,024)	(357,455)	(270,881)
Capital contributions from AB	—	2,346	867
Proceeds from exercise of compensatory options to buy AB Holding Units	178	3,402	147
<b>Net cash used in financing activities</b>	<b>(360,846)</b>	<b>(351,707)</b>	<b>(269,867)</b>
<b>Change in cash and cash equivalents</b>	<b>—</b>	<b>—</b>	<b>—</b>
Cash and cash equivalents as of beginning of the year	—	—	—
<b>Cash and cash equivalents as of end of the year</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
Cash paid:			
Income taxes	31,862	30,127	28,906
<b>Non-cash investing activities:</b>			
Fair value of assets acquired (less cash acquired of \$40.8 million)	\$1,087,218	\$ —	\$ —
Fair value of liabilities assumed	296,750	—	—
Fair value of non-redeemable non-controlling interest assumed	13,191	—	—
Fair value of assets contributed to AB (less cash acquired of \$40.8 million)	(1,087,218)	—	—
Fair value of liabilities contributed to AB	(296,750)	—	—
Fair value of non-redeemable non-controlling interest contributed to AB	(13,191)	—	—
Issuance of AB Holding Units to fund long-term incentive compensation plan awards	76,230	151,082	107,366
Retirement of AB Holding Units	(114,794)	(143,460)	(78,388)

## Years Ended December 31

	2022	2021	2020
	(in thousands)		
<b>Non-cash financing activities:</b>			
Payables recorded under contingent payment arrangements	228,885	—	—
Equity consideration issued in connection with acquisition	589,169	—	—
Payables contributed to and assumed by AB under contingent payment arrangements	(228,885)	—	—
Equity consideration received from AB in connection with acquisition	(589,169)	—	—

See Accompanying Notes to Financial Statements.



# AllianceBernstein Holding L.P.

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## Notes to Financial Statements

The words “**we**” and “**our**” refer collectively to AllianceBernstein Holding L.P. (“**AB Holding**”) and AllianceBernstein L.P. and its subsidiaries (“**AB**”), or to their officers and employees. Similarly, the word “**company**” refers to both AB Holding and AB. Where the context requires distinguishing between AB Holding and AB, we identify which of them is being discussed. Cross-references are in italics.

### 1. Business Description and Organization

AB Holding’s principal source of income and cash flow is attributable to its investment in AB limited partnership interests.

AB provides diversified investment management, research and related services globally to a broad range of clients. Its principal services include:

- **Institutional Services**—servicing its institutional clients, including private and public pension plans, foundations and endowments, insurance companies, central banks and governments worldwide, and affiliates such as Equitable Holdings, Inc. (“**EQH**”) and its subsidiaries, by means of separately managed accounts, sub-advisory relationships, structured products, collective investment trusts, mutual funds, hedge funds and other investment vehicles.
- **Retail Services**—servicing its retail clients, primarily by means of retail mutual funds sponsored by AB or an affiliated company, sub-advisory relationships with mutual funds sponsored by third parties, separately managed account programs sponsored by financial intermediaries worldwide and other investment vehicles.
- **Private Wealth Management Services**—servicing its private clients, including high-net-worth individuals and families, trusts and estates, charitable foundations, partnerships, private and family corporations, and other entities, by means of separately managed accounts, hedge funds, mutual funds and other investment vehicles.
- **Bernstein Research Services**—servicing institutional investors, such as pension fund, hedge fund and mutual fund managers, seeking high-quality fundamental research, quantitative services and brokerage-related services in equities and listed options.

AB also provides distribution, shareholder servicing, transfer agency services and administrative services to the mutual funds it sponsors.

AB’s high-quality, in-depth research is the foundation of its asset management and private wealth management businesses. AB’s research disciplines include economic, fundamental equity, fixed income and quantitative research. In addition, AB has expertise in multi-asset strategies, wealth management, environmental, social and corporate governance (“**ESG**”), and alternative investments.

AB provides a broad range of investment services with expertise in:

- Actively managed equity strategies across global and regional universes, as well as capitalization ranges, concentration ranges and investment strategies, including value, growth and core equities;
- Actively managed traditional and unconstrained fixed income strategies, including taxable and tax-exempt strategies;
- Actively managed alternative investments, including hedge funds, fund of funds and direct assets (e.g., direct lending, real estate and private equity);
- Portfolios with Purpose, including actively managed, impact-focused and Responsible+ (climate-conscious, ESG leaders, change catalysts) equity, fixed income and multi-asset strategies that address our clients evolving need to invest their capital with purpose while pursuing strong investment returns;
- Multi-asset services and solutions, including dynamic asset allocation, customized target-date funds and target-risk funds; and
- Some passive management, including index, ESG index and enhanced index strategies.

## Organization

As of December 31, 2022, EQH owns approximately 3.5% of the issued and outstanding units representing assignments of beneficial ownership of limited partnership interests in AB Holding ("**AB Holding Units**"). AllianceBernstein Corporation (an indirect wholly-owned subsidiary of EQH, "**General Partner**") is the general partner of both AB Holding and AB. AllianceBernstein Corporation owns 100,000 general partnership units in AB Holding and a 1% general partnership interest in AB.

As of December 31, 2022, the ownership structure of AB, expressed as a percentage of general and limited partnership interests, was as follows:

EQH and its subsidiaries	59.9%
AB Holding	39.4
Unaffiliated holders	0.7
	<b>100.0%</b>

Including both the general partnership and limited partnership interests in AB Holding and AB, EQH and its subsidiaries had an approximate 61.3% economic interest in AB as of December 31, 2022.

## 2. Summary of Significant Accounting Policies

### Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of the financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

AB Holding's financial statements and notes should be read in conjunction with the consolidated financial statements and notes of AB, which are included in this Form 10-K.

### Investment in AB

AB Holding records its investment in AB using the equity method of accounting. AB Holding's investment is increased to reflect its proportionate share of income of AB and decreased to reflect its proportionate share of losses of AB and cash distributions made by AB to its Unitholders. In addition, AB Holding's investment is adjusted to reflect its proportionate share of certain capital transactions of AB.

### Cash Distributions

AB Holding is required to distribute all of its Available Cash Flow, as defined in the Amended and Restated Agreement of Limited Partnership of AB Holding ("**AB Holding Partnership Agreement**"), to its Unitholders *pro rata* in accordance with their percentage interests in AB Holding. Available Cash Flow is defined as the cash distributions AB Holding receives from AB minus such amounts as the General Partner determines, in its sole discretion, should be retained by AB Holding for use in its business (such as the payment of taxes) or plus such amounts as the General Partner determines, in its sole discretion, should be released from previously retained cash flow.

On February 8, 2023, the General Partner declared a distribution of \$0.70 per unit, representing a distribution of Available Cash Flow for the three months ended December 31, 2022. Each general partnership unit in AB Holding is entitled to receive distributions equal to those received by each AB Holding Unit. The distribution is payable on March 16, 2023 to holders of record at the close of business on February 21, 2023.

Total cash distributions per Unit paid to Unitholders during 2022, 2021 and 2020 were \$3.54, \$3.58 and \$2.79, respectively.

### Long-term Incentive Compensation Plans

AB maintains several unfunded, non-qualified long-term incentive compensation plans, under which the company grants awards of restricted AB Holding Units to its employees and members of the Board of Directors, who are not employed by AB or by any of AB's affiliates ("**Eligible Directors**").

AB funds its restricted AB Holding Unit awards either by purchasing AB Holding Units on the open market or purchasing newly-issued AB Holding Units from AB Holding, and then keeping these AB Holding Units in a consolidated rabbi trust until delivering them or retiring them. In accordance with the AB Holding Partnership Agreement, when AB purchases newly-issued AB Holding Units from AB Holding, AB Holding is required to use the proceeds it receives from AB to purchase the equivalent number of newly-issued AB Units, thus increasing its percentage ownership interest in AB. AB Holding Units held in the consolidated rabbi trust are corporate assets in the name of the trust and are available to the general creditors of AB.

Repurchases of AB Holding Units for the years ended December 31, 2022 and 2021 consisted of the following:

	Years Ended December 31	
	2022	2021
	(in millions)	
Total amount of AB Holding Units Purchased <sup>(1)</sup>	5.2	5.6
Total Cash Paid for AB Holding Units Purchased <sup>(1)</sup>	\$ 211.8	\$ 262.3
Open Market Purchases of AB Holding Units Purchased <sup>(1)</sup>	2.3	2.6
Total Cash Paid for Open Market Purchases of AB Holding Units <sup>(1)</sup>	\$ 92.7	\$ 117.9

<sup>(1)</sup> Purchased on a trade-date basis. The difference between open-market purchases and units retained reflects the retention of AB Holding Units from employees to fulfill statutory tax withholding requirements at the time of delivery of long-term incentive compensation awards.

Each quarter, AB considers whether to implement a plan to repurchase AB Holding Units pursuant to Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended ("**Exchange Act**"). A plan of this type allows a company to repurchase its shares at times when it otherwise might be prevented from doing so because of self-imposed trading blackout periods or because it possesses material non-public information. Each broker selected by AB has the authority to repurchase AB Holding Units on AB's behalf in accordance with the terms and limitations specified in the plan. Repurchases are subject to regulations promulgated by the U.S. Securities and Exchange Commission ("**SEC**") as well as certain price, market volume and timing constraints specified in the plan. We did not adopt a plan during the fourth quarter of 2022. AB may adopt additional plans in the future to engage in open-market purchases of AB Holding Units to help fund anticipated obligations under its incentive compensation award program and for other corporate purposes.

During 2022, AB granted to employees and Eligible Directors 4.7 million restricted AB Holding Units (including 3.8 million granted in December for 2022 year-end awards). During 2021, AB granted to employees and Eligible Directors 7.0 million restricted AB Holding Units (including 3.4 million granted in December for 2021 year-end awards). AB used AB Holding Units repurchased during the periods and newly-issued AB Holding Units to fund these awards.

During 2022 and 2021, AB Holding issued 5,774 and 0.1 million AB Holding Units, respectively, upon exercise of options to buy AB Holding Units. AB Holding used the proceeds of \$0.2 million and \$3.4 million, respectively, received from award recipients as payment in cash for the exercise price to purchase the equivalent number of newly-issued AB Units.

## Subsequent Events

We have evaluated subsequent events through the date that these financial statements were filed with the SEC and did not identify any subsequent events that would have required disclosure in these financial statements.

### 3. Net Income Per Unit

Basic net income per unit is derived by dividing net income by the basic weighted average number of units outstanding for each year. Diluted net income per unit is derived by adjusting net income for the assumed dilutive effect of compensatory options ("Net income - diluted") and dividing by the diluted weighted average number of units outstanding for each year.

	Years Ended December 31		
	2022	2021	2020
	(in thousands, except per unit amounts)		
Net income - basic	\$ 274,165	\$ 385,843	\$ 279,380
Additional allocation of equity in net income attributable to AB resulting from assumed dilutive effect of compensatory options	2	30	56
Net income - diluted	\$ 274,167	\$ 385,873	\$ 279,436
Weighted average units outstanding - basic	101,763	99,545	96,870
Dilutive effect of compensatory options	1	11	27
Weighted average units outstanding - diluted	101,764	99,556	96,897
<b>Basic net income per unit</b>	<b>\$ 2.69</b>	<b>\$ 3.88</b>	<b>\$ 2.88</b>
<b>Diluted net income per unit</b>	<b>\$ 2.69</b>	<b>\$ 3.88</b>	<b>\$ 2.88</b>

	Years Ended December 31		
	2022	2021	2020
<b>Anti-dilutive options excluded from diluted net income</b>	<b>—</b>	<b>—</b>	<b>29,056</b>

### 4. Investment in AB

Changes in AB Holding's investment in AB for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
	(in thousands)	
Investment in AB as of January 1,	\$ 1,623,764	\$ 1,605,941
Equity in net income attributable to AB Unitholders	305,504	416,326
Changes in accumulated other comprehensive income	(18,303)	1,193
Cash distributions received from AB	(394,470)	(385,236)
Additional investments with proceeds from exercises of compensatory options to buy AB Holding Units	178	3,402
Capital contributions to AB	1,590	—
Capital contributions from AB	—	(2,346)
AB Holding Units retired	(114,794)	(143,460)
AB Holding Units issued to fund long-term incentive compensation plans	76,230	151,082
AB Holding Units issued to fund CarVal acquisition	589,169	—
Change in AB Holding Units held by AB for long-term incentive compensation plans	5,758	(23,138)
<b>Investment in AB as of December 31,</b>	<b>\$2,074,626</b>	<b>\$1,623,764</b>

## 5. Units Outstanding

Changes in AB Holding Units outstanding for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
<b>Outstanding as of January 1,</b>	<b>99,271,727</b>	<b>98,322,942</b>
Options exercised	5,774	143,211
Units issued <sup>(1)</sup>	17,326,222	3,917,437
Units retired	(2,802,626)	(3,111,863)
<b>Outstanding as of December 31,</b>	<b>113,801,097</b>	<b>99,271,727</b>

<sup>(1)</sup> Includes 15,321,535 Units issued as a result of the CarVal acquisition.

## 6. Income Taxes

AB Holding is a publicly-traded partnership ("PTP") for federal tax purposes and, accordingly, is not subject to federal or state corporate income taxes. However, AB Holding is subject to the 4.0% New York City unincorporated business tax ("UBT"), net of credits for UBT paid by AB, and to a 3.5% federal tax on partnership gross income from the active conduct of a trade or business. AB Holding's partnership gross income is derived from its interest in AB.

The principal reasons for the difference between AB Holding's effective tax rates and the UBT statutory tax rate of 4.0% are as follows:

	Years Ended December 31					
	2022		2021		2020	
	(in thousands)					
UBT statutory rate	\$ 12,220	4.0%	\$ 16,653	4.0%	\$ 12,336	4.0%
Federal tax on partnership gross business income	30,676	10.0	29,643	7.1	28,522	9.2
State income taxes	663	0.2	840	0.2	502	0.2
Credit for UBT paid by AB	(12,220)	(4.0)	(16,653)	(4.0)	(12,336)	(4.0)
Income tax expense and effective tax rate	\$31,339	10.3%	\$ 30,483	7.3 %	\$ 29,024	9.4 %

AB Holding's federal income tax is computed by multiplying certain AB qualifying revenues (primarily U.S. investment advisory fees, research payments and brokerage commissions) by AB Holding's ownership interest in AB, multiplied by the 3.5% tax rate. AB Holding Units in AB's consolidated rabbi trust are not considered outstanding for purposes of calculating AB Holding's ownership interest in AB.

	Years Ended December 31			% Change	
	2022	2021	2020	2022-21	2021-20
	(in thousands)				
Net income attributable to AB Unitholders	\$ 831,813	\$1,148,623	\$ 865,952	(27.6)%	32.6%
Multiplied by: weighted average equity ownership interest	36.7 %	36.2%	35.6%		
<b>Equity in net income attributable to AB Unitholders</b>	<b>\$ 305,504</b>	<b>\$ 416,326</b>	<b>\$ 308,404</b>	<b>(26.6)</b>	<b>35.0</b>
AB qualifying revenues	\$2,775,693	\$2,779,281	\$2,740,137	(0.1)	1.4
Multiplied by: weighted average equity ownership interest for calculating tax	31.6%	30.5%	30.1%		
Multiplied by: federal tax	3.5%	3.5%	3.5%		
Federal income taxes	30,676	29,643	28,522		
State income taxes	663	840	502		
<b>Total income taxes</b>	<b>\$ 31,339</b>	<b>\$ 30,483</b>	<b>\$ 29,024</b>	<b>2.8</b>	<b>5.0</b>

## Part II

In order to preserve AB Holding's status as a PTP for federal income tax purposes, management ensures that AB Holding does not directly or indirectly (through AB) enter into a substantial new line of business. If AB Holding were to lose its status as a PTP, it would be subject to corporate income tax, which would reduce materially AB Holding's net income and its quarterly distributions to AB Holding Unitholders.

We recognize the effects of a tax position in the financial statements only if, as of the reporting date, it is "more likely than not" to be sustained based on its technical merits and their applicability to the facts and circumstances of the tax position. In making this assessment, we assume that the taxing authority will examine the tax position and have full knowledge of all relevant information. Accordingly, we have no liability for unrecognized tax benefits as of December 31, 2022 and 2021. A liability for unrecognized tax benefits, if required, would be recorded in income tax expense and affect the company's effective tax rate.

As of December 31, 2022, AB Holding is no longer subject to U.S. federal, state, local or foreign examinations by tax authorities for years before 2018.

## 7. Commitments and Contingencies

Legal and regulatory matters described below pertain to AB and are included here due to their potential significance to AB Holding's investment in AB.

With respect to all significant litigation matters, we consider the likelihood of a negative outcome. If we determine the likelihood of a negative outcome is probable and the amount of the loss can be reasonably estimated, we record an estimated loss for the expected outcome of the litigation. If the likelihood of a negative outcome is reasonably possible and we are able to determine an estimate of the possible loss or range of loss in excess of amounts already accrued, if any, we disclose that fact together with the estimate of the possible loss or range of loss. However, it is often difficult to predict the outcome or estimate a possible loss or range of loss because litigation is subject to inherent uncertainties, particularly when plaintiffs allege substantial or indeterminate damages. Such is also the case when the litigation is in its early stages or when the litigation is highly complex or broad in scope. In these cases, we disclose that we are unable to predict the outcome or estimate a possible loss or range of loss.

On December 14th, 2022, four individual participants in the Profit Sharing Plan for Employees of AllianceBernstein L.P., (the "**Plan**") filed a class action complaint (the "**Complaint**") in the U.S. District Court for the Southern District of New York against AB, current and former members of the Compensation Committee of the Board of Directors, and the Investment and Administrative Committees under the Plan. Plaintiffs, who seek to represent a class of all participants in the Plan from December 14, 2016 to the present, allege that defendants violated their fiduciary duties and engaged in prohibited transactions under the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") by including proprietary collective investment trusts as investment options offered under the Plan. The Complaint seeks unspecified damages, disgorgement and other equitable relief. AB is prepared to defend itself vigorously against these claims. While the ultimate outcome of this matter is currently not determinable given the matter remains in its early stages, we do not believe this litigation will have a material adverse effect on our results of operations, financial condition or liquidity.

AB may be involved in various other matters, including regulatory inquiries, administrative proceedings and litigation, some of which may allege significant damages. It is reasonably possible that AB could incur losses pertaining to these matters, but management cannot currently estimate any such losses.

Management, after consultation with legal counsel, currently believes that the outcome of any individual matter that is pending or threatened, or all of them combined, will not have a material adverse effect on our results of operations, financial condition or liquidity. However, any inquiry, proceeding or litigation has the element of uncertainty; management cannot determine whether further developments relating to any individual matter that is pending or threatened, or all of them combined, will have a material adverse effect on our results of operations, financial condition or liquidity in any future reporting period.

## 8. Acquisition

On July 1, 2022, AB Holding acquired a 100% ownership interest in CarVal Investors L.P. ("**CarVal**"), a global private alternatives investment manager primarily focused on opportunistic and distressed credit, renewable energy, infrastructure, specialty finance and transportation investments that, as of the acquisition date, constituted approximately \$12.2 billion in AUM. Also on July 1, immediately following the acquisition of CarVal, AB Holding contributed 100% of its equity interests in CarVal to AB in exchange for AB Units. Post-acquisition, CarVal was rebranded AB CarVal Investors ("**AB CarVal**").

On the acquisition date, AB Holding issued approximately 3.2 million AB Holding Units (with a fair value of \$132.8 million), with the remaining 12.1 million Units (with a fair value of \$456.4 million) issued on November 1, 2022. The fair value of the units issued on November 1, 2022 reflects final adjustments to the estimated unit issuance recorded as of acquisition close on July 1, 2022 and as disclosed in the third quarter 2022 Form 10-Q.

AB received 100% equity interest in CarVal from AB Holding and issued approximately 15.3 million AB Units (with a fair value of \$589.2 million). AB also recorded a contingent consideration payable of \$228.9 million (to be paid predominantly in AB Units) based on CarVal achieving certain performance objectives over a six-year period ending December 31, 2027. The AB Units, as discussed above, were issued to AB Holding; AB Holding then issued the equal amount of AB Holding Units to CarVal. The excess of the purchase price over the current fair value of identifiable net liabilities acquired of \$156.1 million (net of cash acquired of \$40.8 million), resulted in the recognition of \$671.2 million of goodwill and the recording of \$303.0 million of finite-lived intangible assets primarily relating to investment management contracts and investor relationships with useful lives ranging from 5 to 10 years. As a result of the transfer of equity to AB, AB recorded a net deferred tax asset of \$5.1 million, resulting in the recognition of \$666.1 million of goodwill. The goodwill recorded is not deductible for tax purposes as the CarVal acquisition was an investment in a partnership.

The following table summarizes the amounts of identified assets acquired and liabilities assumed at the acquisition date (reflecting acquisition adjustments recorded in the fourth quarter of 2022), as well as the consideration transferred to acquire CarVal (in thousands):

<b>Summary of purchase consideration:</b>	
Fair value of AB Holding units issued	\$ 589,169
Fair value of contingent consideration	228,885
<b>Total purchase consideration</b>	<b>818,054</b>
<b>Purchase price allocation:</b>	
<i>Assets acquired:</i>	
Cash and cash equivalents	\$ 40,777
Receivables, net	82,523
Investments - other	947
Furniture, equipment, and leasehold improvements, net	2,464
Right-of-use assets	16,482
Other assets	10,600
Intangible assets	303,000
Goodwill	671,203
Total assets acquired	1,127,996
<i>Liabilities assumed:</i>	
Accounts payable and accrued expenses	(17,793)
Accrued compensation and benefits	(219,726)
Debt	(42,661)
Lease liabilities	(16,571)
Non-redeemable non-controlling interests in consolidated entities	(13,191)
Total liabilities assumed	(309,942)
<b>Net assets acquired</b>	<b>\$ 818,054</b>

The CarVal acquisition did not have a significant impact on our 2022 revenues and earnings. As a result, we have not provided supplemental pro forma financial information.

## Report of Independent Registered Public Accounting Firm

To the General Partner and Unitholders of AllianceBernstein L.P.

### Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statements of financial condition of AllianceBernstein L.P. and its subsidiaries (the "Company") as of December 31, 2022 and 2021, and the related consolidated statements of income, of comprehensive income, of changes in partners' capital and of cash flows for each of the three years in the period ended December 31, 2022, including the related notes and financial statement schedule listed in the index appearing under Item 15(a) (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

### Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As described in Management's Report on Internal Control Over Financial Reporting, management has excluded CarVal Investors L.P. (CarVal) from its assessment of internal control over financial reporting as of December 31, 2022 because it was acquired by the Company in a purchase business combination during 2022. We have also excluded CarVal from our audit of internal control over financial reporting. CarVal is a wholly-owned subsidiary whose total assets and total revenues excluded from management's assessment and our audit of internal control over financial reporting each approximate 2% of the related consolidated financial statement amounts as of and for the year ended December 31, 2022.

### Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### Acquisition of CarVal Investors L.P. - Fair Value of Finite-Lived Intangible Assets and Contingent Consideration Payable

As described in Notes 2, 9 and 24 to the consolidated financial statements, on July 1, 2022, AllianceBernstein Holding L.P. (AB Holding) acquired a 100% ownership interest in CarVal for total purchase consideration of \$818.1 million, which resulted in management recording \$303.0 million of finite-lived intangible assets primarily related to investment management contracts and investor relationships with useful lives ranging from 5 to 10 years and \$228.9 million of contingent consideration payable. Immediately following the acquisition of CarVal by AB Holding, AB Holding contributed 100% of its equity interests in CarVal to AllianceBernstein L.P. (AB) in exchange for AB units. Fair value of the acquired finite-lived intangible assets was based on a forecast of future cash flows attributable to the assets that are discounted to present value using a risk-adjusted discount rate. Fair value of the contingent consideration payable was based on a forecast of future cash flows attributable to the performance objectives that are discounted to present value using a risk-adjusted discount rate.

The principal considerations for our determination that performing procedures relating to the fair value of the finite-lived intangible assets and contingent consideration payable recognized in the acquisition of CarVal is a critical audit matter are the significant judgment by management in developing the estimated fair value of the finite-lived intangible assets and the contingent consideration payable. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to the future cash flows and risk-adjusted discount rate assumptions utilized within the calculation of the present value of future cash flows. In addition, the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the determination of the fair value of finite-lived intangible assets and contingent consideration payable recognized in the acquisition of CarVal, including controls over the development of the future cash flows and risk-adjusted discount rate assumptions utilized within the calculation of the present value of future cash flows. These procedures also included, among others, reading the purchase agreement and testing management's process for estimating the fair value of the acquired finite-lived intangible assets and contingent consideration payable. Testing management's process included (i) evaluating the appropriateness of the method used to discount future cash flows to present value, (ii) testing the completeness and accuracy of underlying data used in the method used to discount future cash flows to present value, and (iii) evaluating management's significant assumptions related to the future cash flows and risk-adjusted discount rate. Evaluating the reasonableness of the assumption related to the future cash flows involved considering the historical performance of CarVal, the consistency with external market and industry data, and the consistency with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the appropriateness of the method used to discount future cash flows to present value and the reasonableness of the risk-adjusted discount rate assumption.

/s/PricewaterhouseCoopers LLP  
Nashville, Tennessee  
February 10, 2023

We have served as the Company's auditor since 2006.

# AllianceBernstein L.P. and Subsidiaries

## Consolidated Statements of Financial Condition

	Years Ended December 31	
	2022	2021
	(in thousands, except unit amounts)	
ASSETS		
Cash and cash equivalents	\$ 1,130,143	\$ 1,285,700
Cash and securities segregated, at fair value (cost \$1,511,916 and \$1,503,554)	1,522,431	1,503,957
Receivables, net:		
Brokers and dealers	112,226	65,897
Brokerage clients	1,881,496	2,059,842
AB funds fees	314,247	340,158
Other fees	127,040	185,653
Investments:		
Long-term incentive compensation-related	47,870	63,839
Other	169,648	209,579
Assets of consolidated company-sponsored investment funds:		
Cash and cash equivalents	19,751	90,326
Investments	516,536	613,025
Other assets	44,424	30,461
Furniture, equipment and leasehold improvements, net	189,258	169,175
Goodwill	3,598,591	3,091,763
Intangible assets, net	310,203	41,531
Deferred sales commissions, net	52,250	74,899
Right-of-use assets	371,898	421,980
Assets held for sale	551,351	—
Other assets	179,568	262,303
Total assets	\$11,138,931	\$10,510,088

	Years Ended December 31	
	2022	2021
	(in thousands, except unit amounts)	
<b>LIABILITIES, REDEEMABLE NON-CONTROLLING INTEREST AND CAPITAL</b>		
Liabilities:		
Payables:		
Brokers and dealers	\$ 389,828	\$ 265,957
Securities sold not yet purchased	—	3,828
Brokerage clients	3,322,903	3,603,558
AB mutual funds	162,291	94,962
Contingent consideration liability	247,309	38,260
Accounts payable and accrued expenses	173,466	219,047
Lease liabilities	427,479	490,735
Liabilities of consolidated company-sponsored investment funds	55,529	87,000
Accrued compensation and benefits	415,878	369,649
Debt	990,000	755,000
Liabilities held for sale	107,952	—
<b>Total liabilities</b>	<b>6,292,635</b>	<b>5,927,996</b>
Commitments and contingencies (See Note 14)		
Redeemable non-controlling interest of consolidated entities	368,656	421,169
Capital:		
General Partner	45,985	42,850
Limited partners: 285,979,913 and 271,453,043 units issued and outstanding	4,648,113	4,336,211
Receivables from affiliates	(4,270)	(8,333)
AB Holding Units held for long-term incentive compensation plans	(95,318)	(119,470)
Accumulated other comprehensive loss	(129,477)	(90,335)
<b>Partners' capital attributable to AB Unitholders</b>	<b>4,465,033</b>	<b>4,160,923</b>
Non-redeemable non-controlling interests in consolidated entities	12,607	—
<b>Total capital</b>	<b>4,477,640</b>	<b>4,160,923</b>
<b>Total liabilities, non-controlling interest and capital</b>	<b>\$11,138,931</b>	<b>\$10,510,088</b>

See Accompanying Notes to Consolidated Financial Statements.

# AllianceBernstein L.P. and Subsidiaries

## Consolidated Statements of Income

	Years Ended December 31		
	2022	2021	2020
	(in thousands, except per unit amounts)		
Revenues:			
Investment advisory and services fees	\$ 2,971,038	\$ 3,194,524	\$ 2,595,436
Bernstein research services	416,273	452,017	459,744
Distribution revenues	607,195	652,240	529,781
Dividend and interest income	123,091	38,734	50,923
Investment (losses)	(102,413)	(636)	(16,401)
Other revenues	105,544	108,409	104,703
Total revenues	4,120,728	4,445,288	3,724,186
Less: Interest expense	66,438	3,686	15,650
Net revenues	4,054,290	4,441,602	3,708,536
Expenses:			
Employee compensation and benefits	1,666,636	1,716,013	1,494,198
Promotion and servicing:			
Distribution-related payments	629,572	708,117	569,283
Amortization of deferred sales commissions	34,762	34,364	27,355
Trade execution, marketing, T&E and other	215,556	197,486	189,787
General and administrative	641,635	555,608	491,070
Contingent payment arrangements	6,563	2,710	1,855
Interest on borrowings	17,906	5,145	6,180
Amortization of intangible assets	26,564	5,697	21,372
Total expenses	3,239,194	3,225,140	2,801,100
Operating income	815,096	1,216,462	907,436
Income tax	39,639	62,728	45,653
Net income	775,457	1,153,734	861,783
Net (loss) income of consolidated entities attributable to non-controlling interests	(56,356)	5,111	(4,169)
Net income attributable to AB Unitholders	\$ 831,813	\$ 1,148,623	\$ 865,952
Net income per AB Unit:			
Basic	\$ 3.01	\$ 4.18	\$ 3.19
Diluted	\$ 3.01	\$ 4.18	\$ 3.19

See Accompanying Notes to Consolidated Financial Statements.

# AllianceBernstein L.P. and Subsidiaries

## Consolidated Statements of Comprehensive Income

	Years Ended December 31		
	2022	2021	2020
	(in thousands)		
Net income	\$ 775,457	\$ 1,153,734	\$ 861,783
Other comprehensive income:			
Foreign currency translation adjustments, before reclassification and tax:	(47,208)	(7,839)	23,882
Less: reclassification adjustment for gains (losses) included in net income upon liquidation	—	4,458	(216)
Foreign currency translation adjustments, before tax	(47,208)	(12,297)	24,098
Income tax benefit (expense)	1,215	457	(854)
Foreign currency translation adjustments, net of tax	(45,993)	(11,840)	23,244
Changes in employee benefit related items:			
Amortization of prior service cost	24	24	24
Recognized actuarial gain (loss)	6,922	15,743	(4,280)
Changes in employee benefit related items	6,946	15,767	(4,256)
Income tax (expense)	(95)	(59)	(187)
Employee benefit related items, net of tax	6,851	15,708	(4,443)
Other comprehensive (loss) gain	(39,142)	3,868	18,801
Less: Comprehensive (loss) income in consolidated entities attributable to non-controlling interests	(56,356)	5,111	(4,169)
<b>Comprehensive income attributable to AB Unitholders</b>	<b>\$ 792,671</b>	<b>\$ 1,152,491</b>	<b>\$ 884,753</b>

See Accompanying Notes to Consolidated Financial Statements.

# AllianceBernstein L.P. and Subsidiaries

## Consolidated Statements of Changes in Partners' Capital

	Years Ended December 31		
	2022	2021	2020
	(in thousands)		
<b>General Partner's Capital</b>			
Balance, beginning of year	\$ 42,850	\$ 41,776	\$ 41,225
Net income	8,318	11,486	8,660
Cash distributions to General Partner	(10,715)	(10,605)	(8,376)
Long-term incentive compensation plans activity	25	117	(23)
(Retirement) issuance of AB Units, net	(385)	76	290
Issuance of AB Units for CarVal acquisition	5,892	—	—
Balance, end of year	45,985	42,850	41,776
<b>Limited Partners' Capital</b>			
Balance, beginning of year	4,336,211	4,229,485	4,174,201
Net income	823,495	1,137,137	857,292
Cash distributions to Unitholders	(1,059,105)	(1,049,287)	(828,503)
Long-term incentive compensation plans activity	2,521	11,586	(2,147)
(Retirement) issuance of AB Units, net	(38,286)	7,290	28,642
Issuance of AB Units for CarVal acquisition	583,277	—	—
Balance, end of year	4,648,113	4,336,211	4,229,485
<b>Receivables from Affiliates</b>			
Balance, beginning of year	(8,333)	(8,316)	(9,011)
Long-term incentive compensation awards expense	607	941	802
Capital contributions from (to) AB Holding	3,456	(958)	(107)
Balance, end of year	(4,270)	(8,333)	(8,316)
<b>AB Holding Units held for Long-term Incentive Compensation Plans</b>			
Balance, beginning of year	(119,470)	(57,219)	(76,310)
Purchases of AB Holding Units to fund long-term compensation plans, net	(210,568)	(261,825)	(148,624)
Retirement (issuance) of AB Units, net	40,346	(7,348)	(28,696)
Long-term incentive compensation awards expense	198,783	215,484	194,840
Re-valuation of AB Holding Units held in rabbi trust	(4,240)	(9,690)	1,556
Other	(169)	1,128	15
Balance, end of year	(95,318)	(119,470)	(57,219)

## Years Ended December 31

	2022	2021	2020
	(in thousands)		
<b>Accumulated Other Comprehensive (Loss)</b>			
Balance, beginning of year	(90,335)	(94,203)	(113,004)
Foreign currency translation adjustment, net of tax	(45,993)	(11,840)	23,244
Changes in employee benefit related items, net of tax	6,851	15,708	(4,443)
Balance, end of year	(129,477)	(90,335)	(94,203)
<b>Total Partners' Capital attributable to AB Unitholders</b>	<b>4,465,033</b>	<b>4,160,923</b>	<b>4,111,523</b>
<b>Non-redeemable Non-controlling Interests in Consolidated Entities</b>			
Balance, beginning of year	—	—	—
CarVal acquisition	12,607	—	—
Balance, end of year	12,607	—	—
<b>Total Capital</b>	<b>\$ 4,477,640</b>	<b>\$ 4,160,923</b>	<b>\$ 4,111,523</b>

See Accompanying Notes to Consolidated Financial Statements.

# AllianceBernstein L.P. and Subsidiaries

## Consolidated Statements of Cash Flows

	Years Ended December 31		
	2022	2021	2020
	(in thousands)		
Cash flows from operating activities:			
<b>Net income</b>	<b>\$ 775,457</b>	<b>\$ 1,153,734</b>	<b>\$ 861,783</b>
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of deferred sales commissions	34,762	34,364	27,355
Non-cash long-term incentive compensation expense	199,390	216,425	195,642
Depreciation and other amortization	66,617	44,985	61,028
Unrealized losses on investments	40,857	4,454	10,405
Unrealized losses (gains) on investments of consolidated company-sponsored investment funds	73,194	1,882	(854)
Non-cash lease expense	99,861	98,773	98,798
Loss on assets held for sale	7,400	—	—
Other, net	14,604	22,580	(2,914)
Changes in assets and liabilities:			
(Increase) decrease in securities, segregated	(18,474)	249,521	(658,612)
Decrease (increase) in receivables	35,410	(360,789)	(182,684)
(Increase) decrease in investments	(10,331)	(27,000)	7,597
Decrease (increase) in investments of consolidated company-sponsored investment funds	23,295	(312,325)	279,276
(Increase) in deferred sales commissions	(12,113)	(45,197)	(55,125)
(Increase) decrease in other assets	(5,487)	(6,578)	69,160
(Increase) decrease in other assets and liabilities of consolidated company-sponsored investment funds, net	(45,432)	38,161	7,169
Increase in payables	110,112	214,139	861,502
(Decrease) increase in accounts payable and accrued expenses	(8,424)	35,877	10,666
(Decrease) increase in accrued compensation and benefits	(150,285)	50,545	46,885
Cash payments to relieve operating lease liabilities	(109,182)	(114,769)	(115,656)
<b>Net cash provided by operating activities</b>	<b>1,121,231</b>	<b>1,298,782</b>	<b>1,521,421</b>
Cash flows from investing activities:			
Purchases of equity method investments	—	—	(4,079)
Purchases of furniture, equipment and leasehold improvements	(62,308)	(61,931)	(41,504)
Acquisition of businesses, net of cash acquired	40,282	(3,793)	(13,552)
<b>Net cash used in investing activities</b>	<b>(22,026)</b>	<b>(65,724)</b>	<b>(59,135)</b>



## Years Ended December 31

	2022	2021	2020
	(in thousands)		
Cash flows from financing activities:			
Proceeds from debt, net	235,000	80,000	115,000
(Decrease) increase in overdrafts payable	(25,411)	16,192	(12,633)
Distributions to General Partner and Unitholders	(1,069,820)	(1,059,892)	(836,879)
Subscriptions (redemptions) of non-controlling interests of consolidated company-sponsored investment funds, net	3,843	313,699	(219,033)
Capital contributions from (to) affiliates	1,590	(2,346)	(867)
Additional investments by AB Holding with proceeds from exercise of compensatory options to buy AB Holding Units	178	3,402	147
Purchases of AB Holding Units to fund long-term incentive compensation plan awards, net	(210,568)	(261,825)	(148,624)
Payment of acquisition-related debt obligation	(42,661)	—	—
Other, net	(2,131)	(2,186)	306
<b>Net cash used in financing activities</b>	<b>(1,109,980)</b>	<b>(912,956)</b>	<b>(1,102,583)</b>
Effect of exchange rate changes on cash and cash equivalents	(56,234)	(17,982)	23,032
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(67,009)</b>	<b>302,120</b>	<b>382,735</b>
Cash and cash equivalents as of beginning of the period	1,376,026	1,073,906	691,171
<b>Cash and cash equivalents as of end of the period</b>	<b>\$ 1,309,017</b>	<b>\$ 1,376,026</b>	<b>\$ 1,073,906</b>
<b>Cash paid:</b>			
Interest paid	\$ 78,434	\$ 5,263	\$ 18,858
Income taxes paid	55,473	55,656	59,791
<b>Non-cash investing activities:</b>			
Fair value of assets acquired (excluding cash acquired of \$40.8 million, \$2.8 million and \$0.6 million, for 2022, 2021 and 2020, respectively)	1,085,141	13,235	18,389
Fair value of deferred tax asset recorded	5,072	—	—
Fair value of liabilities assumed	296,750	1,642	437
Fair value of non-redeemable non-controlling interest recorded	13,191	—	—
<b>Non-cash financing activities:</b>			
Payables recorded under contingent payment arrangements	231,385	7,800	4,400
Equity consideration issued in connection with acquisition	589,169	—	—

See Accompanying Notes to Consolidated Financial Statements.

# AllianceBernstein L.P. and Subsidiaries

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## Notes to Consolidated Financial Statements

The words “**we**” and “**our**” refer collectively to AllianceBernstein L.P. and its subsidiaries (“**AB**”), or to their officers and employees. Similarly, the word “**company**” refers to AB. Cross-references are in italics.

### 1. Business Description and Organization

We provide diversified investment management, research and related services globally to a broad range of clients. Our principal services include:

- **Institutional Services**—servicing our institutional clients, including private and public pension plans, foundations and endowments, insurance companies, central banks and governments worldwide, and affiliates such as Equitable Holdings, Inc. (“**EQH**”) and its subsidiaries, by means of separately managed accounts, sub-advisory relationships, structured products, collective investment trusts, mutual funds, hedge funds and other investment vehicles.
- **Retail Services**—servicing our retail clients, primarily by means of retail mutual funds sponsored by AB or an affiliated company, sub-advisory relationships with mutual funds sponsored by third parties, separately managed account programs sponsored by financial intermediaries worldwide and other investment vehicles.
- **Private Wealth Management Services**—servicing our private clients, including high-net-worth individuals and families, trusts and estates, charitable foundations, partnerships, private and family corporations, and other entities, by means of separately managed accounts, hedge funds, mutual funds and other investment vehicles.
- **Bernstein Research Services**—servicing institutional investors, such as pension fund, hedge fund and mutual fund managers, seeking high-quality fundamental research, quantitative services and brokerage-related services in equities and listed options.

We also provide distribution, shareholder servicing, transfer agency services and administrative services to the mutual funds we sponsor.

Our high-quality, in-depth research is the foundation of our asset management and private wealth management businesses. Our research disciplines include economic, fundamental equity, fixed income and quantitative research. In addition, we have expertise in multi-asset strategies, wealth management, environmental, social and corporate governance (“**ESG**”), and alternative investments.

We provide a broad range of investment services with expertise in:

- Actively managed equity strategies across global and regional universes, as well as capitalization ranges, concentration ranges and investment strategies, including value, growth and core equities;
- Actively managed traditional and unconstrained fixed income strategies, including taxable and tax-exempt strategies;
- Actively managed alternative investments, including hedge funds, fund of funds and direct assets (e.g., direct lending, real estate and private equity);
- Portfolios with Purpose, including actively managed, impact-focused and Responsible+ (climate-conscious, ESG leaders, change catalysts) equity, fixed income and multi-asset strategies that address our clients evolving need to invest their capital with purpose while pursuing strong investment returns;
- Multi-asset services and solutions, including dynamic asset allocation, customized target-date funds and target-risk funds; and
- Some passive management, including index, ESG index and enhanced index strategies.

## Organization

As of December 31, 2022, EQH owned approximately 3.5% of the issued and outstanding units representing assignments of beneficial ownership of limited partnership interests in AllianceBernstein Holding L.P. ("**AB Holding Units**"). AllianceBernstein Corporation (an indirect wholly-owned subsidiary of EQH, "**General Partner**") is the general partner of both AllianceBernstein Holding L.P. ("**AB Holding**") and AB. AllianceBernstein Corporation owns 100,000 general partnership units in AB Holding and a 1% general partnership interest in AB. As of December 31, 2022, the ownership structure of AB, including limited partnership units outstanding as well as the general partner's 1% interest, was as follows:

EQH and its subsidiaries	59.9%
AB Holding	39.4
Unaffiliated holders	0.7
	<b>100.0%</b>

Including both the general partnership and limited partnership interests in AB Holding and AB, EQH and its subsidiaries had an approximate 61.3% economic interest in AB as of December 31, 2022.

## 2. Summary of Significant Accounting Policies

### Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("**US GAAP**"). The preparation of the consolidated financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

### Principles of Consolidation

The consolidated financial statements include AB and its majority-owned and/or controlled subsidiaries, and the consolidated entities that are considered to be variable interest entities ("**VIEs**") and voting interest entities ("**VOEs**") in which AB has a controlling financial interest. Non-controlling interests on the consolidated statements of financial condition include the portion of consolidated company-sponsored investment funds in which we do not have direct equity ownership. All significant inter-company transactions and balances among the consolidated entities have been eliminated.

### Recently Adopted Accounting Pronouncements or Accounting Pronouncements Not Yet Adopted

During 2022, there have been no recently adopted accounting pronouncements or pronouncements not yet adopted that have or are expected to have a material impact on our consolidated results of operations.

### Revenue Recognition

#### Investment Advisory and Services Fees

AB provides asset management services by managing customer assets and seeking to deliver investment returns to investors. Each investment management contract between AB and a customer creates a distinct, separately identifiable performance obligation for each day the customer's assets are managed as the customer can benefit from each day of service. In accordance with ASC 606, a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer are treated as a single performance obligation. Accordingly, we have determined that our investment and advisory services are performed over time and entitle us to variable consideration earned based on the value of the investors' assets under management ("**AUM**").

We calculate AUM using established market-based valuation methods and fair valuation (non-observable market) methods. Market-based valuation methods include: last sale/settle prices from an exchange for actively-traded listed equities, options and futures; evaluated bid prices from recognized pricing vendors for fixed income, asset-backed or mortgage-backed issues; mid prices from recognized pricing vendors and brokers for credit default swaps; and quoted bids or spreads from pricing vendors and brokers for other derivative products. Fair valuation methods include: discounted cash flow models or any other

methodology that is validated and approved by our Valuation Committee (see *paragraph immediately below* for additional information about our Valuation Committee). Fair valuation methods are used only where AUM cannot be valued using market-based valuation methods, such as in the case of private equity or illiquid securities.

The Valuation Committee, which consists of senior officers and employees, is responsible for overseeing the pricing and valuation of all investments held in client and AB portfolios. The Valuation Committee has adopted a Statement of Pricing Policies describing principles and policies that apply to pricing and valuing investments held in these portfolios. We also have a Pricing Group, which reports to the Valuation Committee and is responsible for overseeing the pricing process for all investments. We record as revenue investment advisory and services base fees, which we generally calculate as a percentage of AUM. At month-end, all the components of the transaction price (*i.e.*, the base fee calculation) are no longer variable and the value of the consideration is determined. These fees are not subject to claw back and there is minimal probability that a significant reversal of the revenue recorded will occur.

The transaction price for the asset management performance obligation for certain investment advisory contracts, including those associated with hedge funds or other alternative investments, provide for a performance-based fee (including carried interest), in addition to a base advisory fee, which is calculated as either a percentage of absolute investment results or a percentage of investment results in excess of a stated benchmark over a specified period of time. The performance-based fees are forms of variable consideration and are therefore excluded from the transaction price until it becomes probable that there will not be significant reversal of the cumulative revenue recognized. At each reporting date, we evaluate the constraining factors, *discussed below*, surrounding the variable consideration to determine the extent to which, if any, revenues associated with the performance-based fee can be recognized.

Constraining factors impacting the amount of variable consideration included in the transaction price include: the contractual claw-back provisions to which the variable consideration is subject, the length of time to which the uncertainty of the consideration is subject, the number and range of possible consideration amounts, the probability of significant fluctuations in the fund's market value, the level at which the fund's value exceeds the contractual threshold required to earn such a fee, and the materiality of the amount being evaluated.

## Bernstein Research Services

Bernstein Research Services revenue consists principally of commissions received, and to a lesser but increasing extent, direct payments for trade execution services and equity research services provided to institutional clients. Brokerage commissions for trade execution services and related expenses are recorded on a trade-date basis when the performance obligations are satisfied. Generally, the transaction price is agreed upon at the time of each trade and is based upon the number of shares traded or the value of the consideration traded. Research revenues are recognized when the transaction price is quantified, collectability is assured and significant reversal of such revenue is not probable.

In the fourth quarter of 2022, AB and Société Générale (EURONEXT: SCGLY, "**SocGen**"), a leading European bank, announced plans to form a joint venture combining their respective cash equities and research businesses. As a result, the Bernstein Research Services ("**BRS**") business has been classified as held for sale. For further discussion, see *Note 24 Acquisitions and Divestitures*.

## Distribution Revenues

Two of our subsidiaries act as distributors and/or placement agents of company-sponsored mutual funds and receive distribution services fees from certain of those funds as full or partial reimbursement of the distribution expenses they incur. The variable consideration can be determined in different ways, as *discussed below*, as we satisfy the performance obligation depending on the contractual arrangements with the customer and the specific product sold.

Most open-end U.S. funds have adopted a plan under Rule 12b-1 of the Investment Company Act that allows the fund to pay, out of assets of the fund, distribution and service fees for the distribution and sale of its shares ("**12b-1 fees**"). The open-end U.S. funds have such agreements with us, and we have selling and distribution agreements pursuant to which we pay sales commissions to the financial intermediaries that distribute our open-end U.S. funds. These agreements are terminable by either party upon notice (generally 30 days) and do not obligate the financial intermediary to sell any specific amount of fund shares.

We record 12b-1 fees monthly based upon a percentage of the net asset value ("**NAV**") of the funds. At month-end, the variable consideration of the transaction price is no longer constrained as the NAV can be calculated and the value of consideration is determined. These services are separate and distinct from other asset management services as the customer can benefit from these services independently of other services. We accrue the corresponding 12b-1 fees paid to sub-distributors monthly as the expenses are incurred. We are acting in a principal capacity in these transactions; as such, these revenues and expenses are recorded on a gross basis.

We offer back-end load shares in limited instances and charge the investor a contingent deferred sales charge (“CDSC”) if the investment is redeemed within a certain period. The variable consideration for these contracts is contingent on the timing of the redemption by the investor and the value of the sale proceeds. Due to these constraining factors, we exclude the CDSC fee from the transaction price until the investor redeems the investment. Upon redemption, the cash consideration received for these contractual arrangements are recorded as reductions of unamortized deferred sales commissions.

Our Luxembourg subsidiary, the management company for most of our non-U.S. funds, earns a management fee that is accrued daily and paid monthly, at an annual rate, based on the average daily net assets of the fund. With respect to certain share classes, the management fee may also contain a component that is paid to distributors and other financial intermediaries and service providers to cover shareholder servicing and other administrative expenses (also referred to as an All-in-Fee). As we have concluded that asset management is distinct from distribution, we allocate a portion of the investment and advisory fee to distribution revenues for the servicing component based on standalone selling prices.

## Other Revenues

Revenues from contracts with customers include a portion of other revenues, which consists primarily of shareholder servicing fees, as well as mutual fund reimbursements and other brokerage income.

We provide shareholder services, which include transfer agency, administrative and recordkeeping services provided to company-sponsored mutual funds. The consideration for these services is based on a percentage of the NAV of the fund or a fixed fee based on the number of shareholder accounts being serviced. The revenues are recorded at month-end when the constraining factors involved with determining NAV or the number of shareholders’ accounts are resolved.

## Non-Contractual Revenues

Dividend and interest income is accrued as earned. Investment gains and losses on the consolidated statements of income include unrealized gains and losses of trading and private equity investments stated at fair value, equity in earnings of our limited partnership hedge fund investments, and realized gains and losses on investments sold.

## Contract Assets and Liabilities

We use the practical expedient for contracts that have an original duration of one year or less. Accordingly, we do not consider the time value of money and, instead, accrue the incremental costs of obtaining the contract when incurred. As of December 31, 2022, the balances of contract assets and contract liabilities are not considered material and, accordingly, no further disclosures are necessary.

## Consolidation of Company-Sponsored Investment Funds

For legal entities (company-sponsored investment funds) evaluated for consolidation, we first determine whether the fees we receive and the interests we hold qualify as a variable interest in the entity, including an evaluation of fees paid to us as a decision maker or service provider to the entity being evaluated. Fees received by us are not variable interests if (i) the fees are compensation for services provided and are commensurate with the level of effort required to provide those services, (ii) the service arrangement includes only terms, conditions or amounts that are customarily present in arrangements for similar services negotiated at arm’s length, and (iii) our other economic interests in the entity held directly and indirectly through our related parties, as well as economic interests held by related parties under common control, would not absorb more than an insignificant amount of the entity’s losses or receive more than an insignificant amount of the entity’s benefits.

For those entities in which we have a variable interest, we perform an analysis to determine whether the entity is a VIE by considering whether the entity’s equity investment at risk is insufficient, whether the investors lack decision making rights proportional to their ownership percentage of the entity, and whether the investors lack the obligation to absorb an entity’s expected losses or the right to receive an entity’s expected income.

A VIE must be consolidated by its primary beneficiary, which generally is defined as the party that has a controlling financial interest in the VIE. We are deemed to have a controlling financial interest in a VIE if we have (i) the power to direct the activities of the VIE that most significantly affect the VIE’s economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive income from the VIE that could potentially be significant to the VIE. For purposes of evaluating (ii) above, fees paid to us as a decision maker or service provider are excluded if the amount of fees is commensurate with the level of effort required to be performed and the arrangement includes only customary terms, conditions or amounts present in

arrangements for similar services negotiated at arm's length. The primary beneficiary evaluation generally is performed qualitatively based on all facts and circumstances, as well as quantitatively, as appropriate.

If we have a variable interest in an entity that is determined not to be a VIE, the entity is then evaluated for consolidation under the VOE model. For limited partnerships and similar entities, we are deemed to have a controlling financial interest in a VOE, and would be required to consolidate the entity, if we own a majority of the entity's kick-out rights through voting limited partnership interests and limited partners do not hold substantive participating rights (or other rights that would indicate that we do not control the entity). For entities other than limited partnerships, we are deemed to have a controlling financial interest in a VOE if we own a majority voting interest in the entity.

The analysis performed regarding the determination of variable interests held, whether entities are VIEs or VOEs, and whether we have a controlling financial interest in such entities, requires the exercise of judgment. The analysis is updated continuously as circumstances change or new entities are formed.

### **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, demand deposits, money market accounts, overnight commercial paper and highly liquid investments with original maturities of three months or less. Due to the short-term nature of these instruments, the recorded value has been determined to approximate fair value (and considered Level 1 securities in the fair value hierarchy).

### **Fees Receivable, Net**

Fees receivable are shown net of allowances. An allowance for doubtful accounts related to investment advisory and services fees is determined through an analysis of the aging of receivables, assessments of collectability based on historical trends and other qualitative and quantitative factors, including our relationship with the client, the financial health (or ability to pay) of the client, current economic conditions and whether the account is active or closed. The allowance for doubtful accounts is not material to fees receivable.

### **Brokerage Transactions**

Customers' securities transactions are recorded on a settlement date basis, with related commission income and expenses reported on a trade date basis. Receivables from and payables to clients include amounts due on cash and margin transactions. Securities owned by customers are held as collateral for receivables; such collateral is not reflected in the consolidated financial statements. We have the ability by contract or custom to sell or re-pledge this collateral and have done so at various times. As of December 31, 2022 and 2021, we had \$267.1 million and \$23.4 million of re-pledged securities, respectively. Principal securities transactions and related expenses are recorded on a trade date basis.

Securities borrowed and securities loaned by our broker-dealer subsidiaries are recorded at the amount of cash collateral advanced or received in connection with the transaction and are included in receivables from and payables to brokers and dealers in the consolidated statements of financial condition. Securities borrowed transactions require us to deposit cash collateral with the lender. With respect to securities loaned, we receive cash collateral from the borrower. See Note 8 for securities borrowed and loaned amounts recorded in our consolidated statements of financial condition as of December 31, 2022 and 2021. The initial collateral advanced or received approximates or is greater than the fair value of securities borrowed or loaned. We monitor the fair value of the securities borrowed and loaned on a daily basis and request additional collateral or return excess collateral, as appropriate. As of December 31, 2022 and 2021, there is no allowance provision required for the collateral advanced. Income or expense is recognized over the life of the transaction.

Cash on deposit with clearing organizations for trade facilitation purposes is reported in assets held for sale as of December 31, 2022 and other assets as of December 31, 2021, in our consolidated statements of financial condition. As of December 31, 2021, we had \$114.9 million of cash on deposit with clearing organizations. As of December 31, 2022 and 2021, we held no U.S. Treasury bills pledged as collateral. These clearing organizations have the ability by contract or custom to sell or re-pledge the collateral, if any.

### **Current Expected Credit Losses- Receivables from Brokerage clients**

Receivables from clients primarily consists of margin loan balances. The value of the securities owned by clients and held as collateral for these receivables is not reflected in the consolidated financial statements and the collateral was not repledged or sold as of December 31, 2022 and 2021. We consider these financing receivables to be of good credit quality because these receivables are primarily collateralized by the related client investments.

To estimate expected credit losses on margin loans, we applied the collateral maintenance practical expedient by comparing the amortized cost basis of the margin loans with the fair value of the collateral at the reporting date. Margin loans are limited to a percentage of the total value of the securities held in the client's account against those loans. AB requires, in the event of a decline in the market value of the securities in a margin account, the client to deposit additional securities or cash so that, at all

times, the value of the securities in the account, at a minimum, cover the loan to the client. As such, AB reasonably expects that the borrower will be able to continually replenish collateral securing the financial asset and does not expect the fair value of collateral to fall below the amortized cost basis of the margin loans and, as a result, we consider the credit risk associated with these receivables to be minimal. In circumstances when a loan becomes undercollateralized and the client fails to deposit additional securities or cash, AB reserves the right to liquidate the account.

## Current Expected Credit Losses - Receivables from Revenue Contracts with Customers

The majority of our revenue receivables are from investment advisory and service fees, and distribution revenues, that are typically paid out of the client accounts or third-party products consisting of cash and securities. Due to the size of the fees in relation to the value of the cash and securities in account or funds, the account value always exceeds the amortized cost basis of the receivables, resulting in a remote risk of loss. These receivables have a short duration, generally due within 30-90 days and there is minimal historical evidence of non-payment or market declines that would cause the fair value of the underlying securities to decline below the amortized cost of the receivables. AB maintains an allowance for credit losses based upon an estimate of the amount of potential credit losses in existing accounts receivable, as determined from a review of aging schedules, past due balances, historical collection experience and other specific account data. Once determined uncollectible, aged balances are written off as credit loss expense. This determination is based on careful analysis of individual receivables and aging schedules, and generally occurs when the receivable becomes over 360 days past due. Our aged receivables and amounts written off related to credit losses in any year are not material.

## Furniture, Equipment and Leasehold Improvements, Net

Furniture, equipment and leasehold improvements are stated at cost, less accumulated depreciation and amortization. Depreciation is recognized on a straight-line basis over the estimated useful lives of eight years for furniture and three to six years for equipment and software. Leasehold improvements are amortized on a straight-line basis over the lesser of their estimated useful lives or the terms of the related leases.

## Goodwill

Our acquisitions are accounted for under the acquisition method of accounting, where the cost of the acquisition is allocated on the basis of the estimated fair value of the assets acquired and the liabilities assumed. The excess of the purchase price over the fair value of identifiable assets acquired, net of liabilities assumed, results in the recognition of goodwill.

On July 1, 2022, AB Holding acquired a 100% ownership interest in CarVal Investors L.P. ("**CarVal**"). Immediately following its acquisition of CarVal (the "**CarVal acquisition**"), AB Holding contributed 100% of its equity interests in CarVal to AB in exchange for AB Units (see *Note 24 Acquisitions and Divestitures*).

On November 22, 2022, AB and SocGen, a leading European bank, announced plans to form a joint venture combining their respective cash equities and research businesses. As a result, the BRS business has been classified as held for sale and \$159.8 million of goodwill recorded on the consolidated statement of financial condition has been allocated to the held for sale disposal group. As AB is a single reporting unit, we have allocated goodwill to the disposal group based on the relative fair values of (1) the disposal group and (2) the portion of the reporting unit that will be retained. For further discussion, see *Note 24 Acquisitions and Divestitures*.

As of December 31, 2022, we had goodwill of \$3.6 billion on the consolidated statement of financial condition which included \$666.1 million as a result of the CarVal acquisition in the third quarter of 2022, \$2.8 billion as a result of the Sanford C. Bernstein Inc. ("**Bernstein**") acquisition in 2000 and \$291.9 million in regard to various smaller acquisitions. Approximately, \$159.8 million of goodwill has been classified as assets held for sale on the consolidated statement of financial condition.

Goodwill is tested annually, as of September 30, for impairment utilizing the market approach where the fair value of the reporting unit is based on its unadjusted market valuation (AB Units outstanding multiplied by AB Holding's Unit price) and adjusted market valuations assuming a control premium (when applicable). The price of a publicly traded AB Holding Unit serves as a reasonable starting point for valuing an AB Unit because each represents the same fractional interest in our underlying business. Throughout the year, the carrying value of goodwill is also reviewed for impairment if certain events or changes in circumstances occur and trigger whether an interim impairment test may be required. Such changes in circumstances may include, but are not limited to, significant transactions including acquisitions or divestitures; a sustained decrease in the price of an AB Holding Unit or declines in AB's market capitalization that would suggest that the fair value of the reporting unit is less than the carrying amount; significant and unanticipated declines in AB's assets under management or revenues; and/or lower than expected earnings per unit. Any of these changes in circumstances could suggest the possibility that goodwill is impaired, but none of these events or circumstances by itself would indicate that it is more likely than not that goodwill is impaired. Instead, they are merely recognized as triggering events for the consideration of impairment and must be viewed in combination with any mitigating or positive factors. A holistic evaluation of all events since the most recent quantitative impairment test must be done to determine whether it is more likely than not that the reporting unit is impaired. As

of September 30, 2022, the impairment test indicated that goodwill was not impaired. The announcement of the planned joint venture between AB and SocGen and classification of the BRS business as held for sale on the consolidated statement of financial condition during the fourth quarter of 2022 was a triggering event requiring an interim impairment test; as such, we tested our goodwill as of December 31, 2022. The impairment test indicated that goodwill was not impaired.

Under ASU 2017-04, Simplifying the Test for Goodwill Impairment, a goodwill impairment will be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. Under this guidance, the goodwill impairment test no longer includes a determination by management of whether a decline in fair value is temporary; however, it is important that management's determination of fair value reflect the impact of changing market conditions, including the severity and anticipated duration of any such changes.

## **Business Combinations**

We account for business combinations using the acquisition method of accounting whereby the identifiable assets and liabilities of the acquired business, as well as any noncontrolling interest in the acquired business, are recorded at their estimated fair values as of the date that we obtain control of the acquired business. Any purchase consideration in excess of the estimated fair values of the net assets acquired is recorded as goodwill. Acquisition-related expenses are expensed as incurred.

Often, as part of the business combination, intangible assets are recorded based on their estimated fair value at the time of acquisition and primarily relate to acquired investment management contracts. We periodically review indefinite-lived intangible assets for impairment as events or changes in circumstances indicate that the carrying value may not be recoverable. If the carrying value exceeds fair value, we perform additional impairment tests to measure the amount of the impairment loss, if any. During 2022 and 2021, these expenses included an intangible asset impairment charge of \$5.6 million and \$1.0 million, respectively, related to various historical acquisitions.

We periodically enter into contingent payment arrangements in connection with our business combinations. In these arrangements, we agree to pay additional consideration to the sellers to the extent that certain performance targets are achieved. We estimate the fair value of these potential future obligations at the time a business combination is consummated and record a liability on a discounted basis on our consolidated statement of financial condition. We then accrete the obligation to its expected payment amount over the measurement period. If our expected payment amount subsequently changes, the obligation is modified in the current period resulting in a gain or loss. Both gains and losses resulting from changes to expected payments and the accretion of these obligations to their expected payment amounts are reflected within contingent payment arrangements in our consolidated statements of income. The CarVal acquisition resulted in the recording of a contingent consideration payable of \$228.9 million if certain performance targets are achieved over a six-year period (see *Note 9 Fair Value* and *Note 24 Acquisitions and Divestitures*). During 2022, there were no impairments of contingent consideration payable recorded in the consolidated statements of income. During the fourth quarters of 2021 and 2020, we recorded an impairment of the contingent consideration payable of \$0.6 million and \$1.4 million, respectively. These impairments were related to our 2016 acquisition of Ramius Alternative Solutions LLC.

Several valuation methods may be used to determine the fair value of assets acquired and liabilities assumed. For intangible assets, we typically use a method that is a form of the income approach, whereby a forecast of future cash flows attributable to the asset are discounted to present value using a risk-adjusted discount rate. Similarly for contingent liabilities, we develop a forecast of future cash flows attributable to the performance objectives that are then discounted to present value using a risk-adjusted discount rate. Some of the more significant estimates and assumptions inherent in the income approach include the amount and timing of projected future cash flows and the discount rate selected to measure the risks inherent in the future cash flows. See *Note 24 Acquisitions and Divestitures*.

## **Intangible Assets, Net**

Intangible assets consist primarily of costs assigned to acquired investment management contracts based on their estimated fair value at the time of acquisition, less accumulated amortization. Intangible assets are recognized at fair value and generally are amortized on a straight-line basis over their estimated useful life ranging from 5 to 20 years.

The CarVal acquisition resulted in recording of \$303.0 million of finite-lived intangible assets primarily relating to investment management contracts and investor relationships with useful lives ranging from 5 to 10 years (see *Note 24 Acquisitions and Divestitures*).

As of December 31, 2022, intangible assets, net of accumulated amortization, of \$310.2 million on the consolidated statement of financial condition consists of \$295.0 million of finite-lived intangible assets subject to amortization and \$15.2 million of indefinite-lived intangible assets not subject to amortization.

As of December 31, 2021, intangible assets, net of accumulated amortization, of \$41.5 million on the consolidated statement of financial condition consisted of \$26.3 million of finite-lived intangible assets subject to amortization and \$15.2 million of indefinite-lived intangible assets not subject to amortization in regard to other acquisitions.



The gross carrying amount of finite-lived intangible assets totaled \$327.9 million as of December 31, 2022 and \$53.8 million as of December 31, 2021, and accumulated amortization was \$32.9 million as of December 31, 2022 and \$27.5 million as of December 31, 2021.

Amortization expense was \$26.6 million for 2022, \$5.7 million for 2021 and \$21.4 million for 2020. Estimated annual amortization expense is approximately \$47 million annually in years one through three, \$46 million in year four and approximately \$25 million in year five.

We periodically review indefinite-lived intangible assets for impairment as events or changes in circumstances indicate that the carrying value may not be recoverable. If the carrying value exceeds fair value, we perform additional impairment tests to measure the amount of the impairment loss, if any. During the fourth quarter of 2022 we performed an impairment assessment and recorded an impairment of \$5.6 million related to our 2014 acquisition of CPH Capital. During the fourth quarters of 2021 and 2020, we recorded impairments of \$1.0 million and \$1.5 million, respectively, related to our 2016 acquisition of Ramius Alternative Solutions LLC. Due to the loss of acquired investment management contracts during each respective year, the carrying value of the finite-lived intangible assets exceeded the fair value of the contracts. We determined the fair value of the contracts using a discounted cash flow model. The impairment charge was recorded in general and administrative expenses in the consolidated statements of income.

## Deferred Sales Commissions, Net

We pay commissions to financial intermediaries in connection with the sale of shares of open-end company-sponsored mutual funds sold without a front-end sales charge ("**back-end load shares**"). These commissions are capitalized as deferred sales commissions and amortized over periods not exceeding one year for U.S. fund shares and four years for Non-U.S. Fund shares, the periods of time during which deferred sales commissions generally are recovered. We recover these commissions from distribution services fees received from those funds and from CDSC received from shareholders of those funds upon the redemption of their shares. CDSC cash recoveries are recorded as reductions of unamortized deferred sales commissions when received. Since January 31, 2009, our U.S. mutual funds have not offered back-end load shares to new investors.

We periodically review the deferred sales commission asset for impairment as events or changes in circumstances indicate that the carrying value may not be recoverable. If these factors indicate impairment in value, we compare the carrying value to the undiscounted cash flows expected to be generated by the asset over its remaining life. If we determine the deferred sales commission asset is not fully recoverable, the asset will be deemed impaired and a loss will be recorded in the amount by which the recorded amount of the asset exceeds its estimated fair value. There were no impairment charges recorded during 2022 or 2021.

## Leases

We determine if an arrangement is a lease at inception. Both operating and finance leases are included in the right-of-use ("**ROU**") assets and lease liabilities in our consolidated statement of financial condition.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. We use our consolidated incremental borrowing rate based on the information available as of the lease commencement date in determining the present value of lease payments. Our lease terms may include options to extend or terminate the lease. These options to extend or terminate are assessed on a lease-by-lease basis, and the ROU assets and lease liabilities are adjusted when it is reasonably certain that an option will be exercised.

When calculating the measurement of ROU assets and lease liabilities, we utilize the fixed payments associated with the lease and do not include other variable contractual obligations, such as operating expenses, real estate taxes, cleaning and utilities. These costs are accounted for as period costs and expensed as incurred.

Additionally, we exclude any intangible assets such as software licensing agreements as stated in ASC 842-10-15-1. These arrangements will continue to follow the guidance of ASC 350, *Intangibles - Goodwill and Other*.

## Loss Contingencies

With respect to all significant litigation matters, we consider the likelihood of a negative outcome. If we determine the likelihood of a negative outcome is probable and the amount of the loss can be reasonably estimated, we record an estimated loss for the expected outcome of the litigation. If the likelihood of a negative outcome is reasonably possible and we are able to determine an estimate of the possible loss or range of loss in excess of amounts already accrued, if any, we disclose that fact together with the estimate of the possible loss or range of loss. However, it is often difficult to predict the outcome or estimate a possible loss or range of loss because litigation is subject to inherent uncertainties, particularly when plaintiffs allege substantial or indeterminate damages. Such is also the case when the litigation is in its early stages or when the litigation is

highly complex or broad in scope. In these cases, we disclose that we are unable to predict the outcome or estimate a possible loss or range of loss.

## Assets and Liabilities Held for Sale

The Company classifies assets and liabilities to be sold (disposal group) as held for sale in the period when all of the applicable criteria are met, including: (i) management commits to a plan to sell, (ii) the disposal group is available to sell in its present condition, (iii) there is an active program to locate a buyer, (iv) the disposal group is being actively marketed at a reasonable price in relation to its fair value, (v) significant changes to the plan to sell are unlikely, and (vi) the sale of the disposal group is generally probable of being completed within one year. Management performs an assessment of held for sale at least quarterly or when events or changes in business circumstances indicate that a change in classification may be necessary. Assets and liabilities held for sale are presented separately within the consolidated statements of financial condition with any adjustments necessary to measure the disposal group at the lower of its carrying value or fair value less costs to sell. Depreciation of property, plant and equipment and amortization of intangible and right-of-use assets are not recorded while these assets are classified as held for sale. For each reporting period the disposal group remains classified as held for sale, the carrying value of the disposal group is adjusted for subsequent changes in fair value less costs to sell. A loss is recognized for any subsequent decrease in fair value less costs to sell, while a gain is recognized in any subsequent period for any subsequent increase in fair value less cost to sell, but not in excess of the cumulative loss previously recognized. If, in any period, the carrying value of the disposal group exceeds the estimated fair value less costs to sell, a loss is recognized on sale rather than an impairment loss.

Assets and liabilities classified as held for sale on the consolidated statement of financial condition as of December 31, 2022 were \$551.4 million and \$108.0 million, respectively. The 2021 consolidated statement of financial condition was not recast for assets and liabilities classified as held for sale in 2022.

## Mutual Fund Underwriting Activities

Purchases and sales of shares of company-sponsored mutual funds in connection with the underwriting activities of our subsidiaries, including related commission income, are recorded on the trade date. Receivables from brokers and dealers for sale of shares of company-sponsored mutual funds generally are realized within three business days from the trade date, in conjunction with the settlement of the related payables to company-sponsored mutual funds for share purchases. Distribution plan and other promotion and servicing payments are recognized as expense when incurred.

## Long-term Incentive Compensation Plans

We maintain several unfunded, non-qualified long-term incentive compensation plans, under which we grant annual awards to employees, generally in the fourth quarter, and to members of the Board of Directors of the General Partner, who are not employed by our company or by any of our affiliates ("**Eligible Directors**").

Awards granted in December 2022, 2021 and 2020 allowed employees to allocate their awards between restricted AB Holding Units and deferred cash. Participants (except certain members of senior management) generally could allocate up to 50% of their awards to deferred cash, not to exceed a total of \$250,000 per award. Each of our employees based outside of the United States (other than expatriates), who received an award of \$100,000 or less, could have allocated 100% of their award to deferred cash. For these awards, the number of AB Holding Units awarded was based on the closing price of an AB Holding Unit on the date as of which the awards were approved by the Compensation and Workplace Practices Committee (the "**Compensation Committee**") of the Board of Directors (the "**Board**"). For awards granted in 2022, 2021 and 2020:

- We engaged in open-market purchases of AB Holding Units or purchase newly issued AB Holding Units from AB Holding that are awarded to participants and keep them in a consolidated rabbi trust.
- Quarterly distributions on vested and unvested AB Holding Units were paid to participants, regardless of whether or not a long-term deferral election has been made.
- Interest on deferred cash was accrued monthly based on our monthly weighted average cost of funds.

We recognize compensation expense related to equity compensation grants in the financial statements using the fair value method. Fair value of restricted AB Holding Unit awards is the closing price of an AB Holding Unit on the grant date; fair value of options is determined using the Black-Scholes option valuation model. Under the fair value method, compensatory expense is measured at the grant date based on the estimated fair value of the award and is recognized over the required service period. For year-end long-term incentive compensation awards, employees who resign or are terminated without cause may retain their awards, subject to compliance with certain agreements and covenants set forth in the applicable award agreement, including the imposition of forfeiture as a result of post-employment competition, prohibitions on employee and client solicitation, and a potential claw-back for failing to follow existing risk management policies. Because there is no service requirement, we fully expense these awards on the grant date. Most equity replacement, sign-on or similar deferred compensation awards included in separate employment agreements or arrangements include a required service period. Regardless of whether the award

agreement includes employee service requirements, AB Holding Units typically are delivered to employees ratably over three years to four years, unless the employee has made a long-term deferral election.

Grants of restricted AB Holding Units can be awarded to Eligible Directors. Generally, these restricted AB Holding Units vest ratably over three years. These restricted AB Holding Units are not forfeitable (except if the Eligible Director is terminated for "Cause," as that term is defined in the applicable award agreement). We fully expense these awards on grant date, as there is no service requirement.

We fund our restricted AB Holding Unit awards either by purchasing AB Holding Units on the open market or purchasing newly-issued AB Holding Units from AB Holding, and then keeping these AB Holding Units in a consolidated rabbi trust until delivering them or retiring them. In accordance with the Amended and Restated Agreement of Limited Partnership of AB ("AB"), when AB purchases newly-issued AB Holding Units from AB Holding, AB Holding is required to use the proceeds it receives from AB to purchase the equivalent number of newly issued AB Units, thus increasing its percentage ownership interest in AB. AB Holding Units held in the consolidated rabbi trust are corporate assets in the name of the trust and are available to the general creditors of AB.

Repurchases of AB Holding Units for the years ended December 31, 2022 and 2021 consisted of the following:

	Years Ended December 31	
	2022	2021
	(in millions)	
Total amount of AB Holding Units Purchased <sup>(1)</sup>	5.2	5.6
Total Cash Paid for AB Holding Units Purchased <sup>(1)</sup>	\$ 211.8	\$ 262.3
Open Market Purchases of AB Holding Units Purchased <sup>(1)</sup>	2.3	2.6
Total Cash Paid for Open Market Purchases of AB Holding Units <sup>(1)</sup>	\$ 92.7	\$ 117.9

<sup>(1)</sup> Purchased on a trade date basis. The difference between open-market purchases and units retained reflects the retention of AB Holding Units from employees to fulfill statutory tax withholding requirements at the time of delivery of long-term incentive compensation awards.

Each quarter, we consider whether to implement a plan to repurchase AB Holding Units pursuant to Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended ("**Exchange Act**"). A plan of this type allows a company to repurchase its shares at times when it otherwise might be prevented from doing so because of self-imposed trading blackout periods or because it possesses material non-public information. Each broker we select has the authority to repurchase AB Holding Units on our behalf in accordance with the terms and limitations specified in the plan. Repurchases are subject to regulations promulgated by the SEC as well as certain price, market volume and timing constraints specified in the plan. There was no plan adopted during the fourth quarter of 2022. We may adopt additional plans in the future to engage in open-market purchases of AB Holding Units to help fund anticipated obligations under our incentive compensation award program and for other corporate purposes.

During 2022, we granted to employees and Eligible Directors 4.7 million restricted AB Holding Units (including 3.8 million granted in December for 2022 year-end awards to employees). During 2021, we granted to employees and Eligible Directors 7.0 million restricted AB Holding Units (including 3.4 million granted in December for 2021 year-end awards to employees). We used AB Holding Units repurchased during the periods and newly-issued AB Holding Units to fund these awards.

During 2022 and 2021, AB Holding issued 5,774 and 0.1 million AB Holding Units, respectively, upon exercise of options to buy AB Holding Units. AB Holding used the proceeds of \$0.2 million and \$3.4 million, respectively, received from award recipients as payment in cash for the exercise price to purchase the equivalent number of newly issued AB Units.

## Foreign Currency Translation and Transactions

Assets and liabilities of foreign subsidiaries are translated from functional currencies into United States dollars ("US\$") at exchange rates in effect at the balance sheet dates, and related revenues and expenses are translated into US\$ at average exchange rates in effect during each period. Net foreign currency gains and losses resulting from the translation of assets and liabilities of foreign operations into US\$ are reported as a separate component of other comprehensive income in the consolidated statements of comprehensive income. Net foreign currency transaction losses were \$10.2 million, \$8.5 million and \$3.3 million for 2022, 2021 and 2020, respectively, and are reported in general and administrative expenses on the consolidated statements of income.

## Cash Distributions

AB is required to distribute all of its Available Cash Flow, as defined in the AB Partnership Agreement, to its Unitholders and to the General Partner. Available Cash Flow can be summarized as the cash flow received by AB from operations minus such amounts as the General Partner determines, in its sole discretion, should be retained by AB for use in its business, or plus such amounts as the General Partner determines, in its sole discretion, should be released from previously retained cash flow.

Typically, Available Cash Flow has been the adjusted diluted net income per unit for the quarter multiplied by the number of general and limited partnership interests at the end of the quarter. In future periods, management anticipates that Available Cash Flow will be based on adjusted diluted net income per unit, unless management determines, with the concurrence of the Board, that one or more adjustments that are made for adjusted net income should not be made with respect to the Available Cash Flow calculation.

On February 8, 2023, the General Partner declared a distribution of \$0.77 per AB Unit, representing a distribution of Available Cash Flow for the three months ended December 31, 2022. The General Partner, as a result of its 1% general partnership interest, is entitled to receive 1% of each distribution. The distribution is payable on March 16, 2023 to holders of record on February 21, 2023.

Total cash distributions per Unit paid to the General Partner and Unitholders during 2022, 2021 and 2020 were \$3.87, \$3.86 and \$3.08, respectively.

## Comprehensive Income

We report all changes in comprehensive income in the consolidated statements of comprehensive income. Comprehensive income includes net income, as well as foreign currency translation adjustments, actuarial gains (losses) and prior service cost. Deferred taxes were not recognized on foreign currency translation adjustments for foreign subsidiaries which had earnings that were considered permanently invested outside the United States.

## Subsequent Events

We have evaluated subsequent events through the date that these financial statements were filed with the SEC and did not identify any subsequent events that would have required disclosure in these financial statements.

### 3. Revenue Recognition

Revenues for the years ended December 31, 2022, 2021 and 2020 consisted of the following:

	Years Ended December 31		
	2022	2021	2020
	(in thousands)		
Subject to contracts with customers:			
Investment advisory and services fees			
Base fees	\$ 2,825,791	\$ 2,949,405	\$ 2,462,810
Performance-based fees	145,247	245,119	132,626
Bernstein research services	416,273	452,017	459,744
Distribution revenues			
All-in-management fees	290,740	350,674	331,268
12b-1 fees	69,041	83,920	75,973
Other distribution fees	247,414	217,646	122,540
Other revenues			
Shareholder servicing fees	86,661	90,225	82,317
Other	18,120	16,034	21,240
	4,099,287	4,405,040	3,688,518
Not subject to contracts with customers:			
Dividend and interest income, net of interest expense	56,653	35,048	35,273
Investment (losses)	(102,413)	(636)	(16,401)
Other revenues	763	2,150	1,146
	(44,997)	36,562	20,018
<b>Total net revenues</b>	<b>\$ 4,054,290</b>	<b>\$ 4,441,602</b>	<b>\$ 3,708,536</b>

## 4. Net Income Per Unit

Basic net income per unit is derived by reducing net income for the 1% general partnership interest and dividing the remaining 99% by the basic weighted average number of limited partnership units outstanding for each year. Diluted net income per unit is derived by reducing net income for the 1% general partnership interest and dividing the remaining 99% by the total of the diluted weighted average number of limited partnership units outstanding for each year.

	Years Ended December 31		
	2022	2021	2020
	(in thousands, except per unit amounts)		
Net income attributable to AB Unitholders	\$ 831,813	\$ 1,148,623	\$ 865,952
Weighted average units outstanding—basic	273,943	271,729	269,058
Dilutive effect of compensatory options to buy AB Holding Units	1	11	27
Weighted average units outstanding—diluted	273,944	271,740	269,085
<b>Basic net income per AB Unit</b>	<b>\$ 3.01</b>	<b>\$ 4.18</b>	<b>\$ 3.19</b>
<b>Diluted net income per AB Unit</b>	<b>\$ 3.01</b>	<b>\$ 4.18</b>	<b>\$ 3.19</b>

	Years Ended December 31		
	2022	2021	2020
	(in thousands)		
<b>Anti-dilutive options excluded from diluted net income</b>	<b>—</b>	<b>—</b>	<b>29,056</b>

## 5. Cash and Securities Segregated Under Federal Regulations and Other Requirements

As of both December 31, 2022 and 2021, \$1.5 billion of U.S. Treasury Bills were segregated in a special reserve bank custody account for the exclusive benefit of our brokerage customers under Rule 15c3-3 of the Exchange Act.

## 6. Investments

Investments consist of:

	Years Ended December 31	
	2022	2021
	(in thousands)	
Equity securities:		
Long-term incentive compensation-related	\$ 21,055	\$ 32,237
Seed capital	138,012	133,992
Other <sup>(1)</sup>	—	18,243
Exchange-traded options <sup>(1)</sup>	—	1,893
Investments in limited partnership hedge funds:		
Long-term incentive compensation-related	26,815	31,602
Seed capital	15,711	19,318
Time deposits	7,750	21,024
Other	8,175	15,109
<b>Total investments</b>	<b>\$ 217,518</b>	<b>\$ 273,418</b>

<sup>(1)</sup> Amounts have been classified as held for sale on the consolidated statement of financial position as of December 31, 2022. For further discussion, see Note 24 *Acquisitions and Divestitures*.

Total investments related to long-term incentive compensation obligations of \$47.9 million and \$63.8 million as of December 31, 2022 and 2021, respectively, consist of company-sponsored mutual funds and hedge funds. For long-term incentive compensation awards granted before 2009, we typically made investments in company-sponsored mutual funds and hedge funds that were notionally elected by plan participants and maintained them (and continue to maintain them) in a consolidated rabbi trust or separate custodial account. The rabbi trust and custodial account enable us to hold such investments separate from our other assets for the purpose of settling our obligations to participants. The investments held in the rabbi trust and custodial account remain available to the general creditors of AB.

The underlying investments of hedge funds in which we invest include long and short positions in equity securities, fixed income securities (including various agency and non-agency asset-based securities), currencies, commodities and derivatives (including various swaps and forward contracts). These investments are valued at quoted market prices or, where quoted market prices are not available, are fair valued based on the pricing policies and procedures of the underlying funds.

We allocate seed capital to our investment teams to help develop new products and services for our clients. A portion of our seed capital trading investments are equity and fixed income products, primarily in the form of separately managed account portfolios, U.S. mutual funds, Luxembourg funds, Japanese investment trust management funds or Delaware business trusts. We also may allocate seed capital to investments in private equity funds. Regarding our seed capital investments, the amounts above reflect those funds in which we are not the primary beneficiary of a VIE or hold a controlling financial interest in a VOE. See Note 15, *Consolidated Company-Sponsored Investment Funds*, for a description of the seed capital investments that we consolidated. As of December 31, 2022 and 2021, our total seed capital investments were \$309.6 million and \$379.0 million, respectively. Seed capital investments in unconsolidated company-sponsored investment funds are valued using published net asset values or non-published net asset values if they are not listed on an active exchange but have net asset values that are comparable to funds with published net asset values and have no redemption restrictions.

In addition, we also have long positions in corporate equities and long exchange-traded options traded through our options desk.

The portion of unrealized gains (losses) related to equity securities, as defined by ASC 321-10, held as of December 31, 2022 and 2021 were as follows:

	Years Ended December 31	
	2022	2021
	(in thousands)	
Net (losses) gains recognized during the period	\$ (23,855)	\$ 19,240
Less: net gains recognized during the period on equity securities sold during the period	17,960	23,697
<b>Unrealized losses recognized during the period on equity securities held</b>	<b>\$ (41,815)</b>	<b>\$ (4,457)</b>

## 7. Derivative Instruments

See Note 15, *Consolidated Company-Sponsored Investment Funds*, for disclosure of derivative instruments held by our consolidated company-sponsored investment funds.

We enter into various futures, forwards, options and swaps to economically hedge certain seed capital investments. Also, we have currency forwards that help us to economically hedge certain balance sheet exposures. In addition, our options desk trades long and short exchange-traded equity options. We do not hold any derivatives designated in a formal hedge relationship under ASC 815-10, *Derivatives and Hedging*.

## Part II

The notional value, fair value and gains and losses recognized in investment gains (losses) as of December 31, 2022 and 2021 for derivative instruments (excluding derivative instruments relating to our options desk trading activities *discussed below*) not designated as hedging instruments were as follows:

	Notional Value	Derivative Assets	Derivative Liabilities	Gains (Losses)
	(in thousands)			
<b>December 31, 2022</b>				
Exchange-traded futures	\$ 154,687	\$ 1,768	\$ 162	\$ 19,994
Currency forwards	34,597	4,446	5,047	1,965
Interest rate swaps	16,847	386	262	70
Credit default swaps	225,671	17,507	7,302	(1,000)
Total return swaps	28,742	605	933	14,828
Option swaps	50,000	—	6	5,211
<b>Total derivatives</b>	<b>\$ 510,544</b>	<b>\$ 24,712</b>	<b>\$ 13,712</b>	<b>\$ 41,068</b>
<b>December 31, 2021</b>				
Exchange-traded futures	\$ 131,876	\$ 392	\$ 1,186	\$ (5,072)
Currency forwards	66,058	7,344	6,980	1,746
Interest rate swaps	13,483	497	833	(316)
Credit default swaps	155,757	6,594	6,967	(2,914)
Total return swaps	63,817	595	527	(6,433)
Option swaps	50,000	—	430	(309)
<b>Total derivatives</b>	<b>\$ 480,991</b>	<b>\$ 15,422</b>	<b>\$ 16,923</b>	<b>\$ (13,298)</b>

As of December 31, 2022 and 2021, the derivative assets and liabilities are included in both receivables and payables to brokers and dealers on our consolidated statements of financial condition. Gains and losses on derivative instruments are reported in investment gains (losses) on the consolidated statements of income.

We may be exposed to credit-related losses in the event of non-performance by counterparties to derivative financial instruments. We minimize our counterparty exposure through a credit review and approval process. In addition, we have executed various collateral arrangements with counterparties to the over-the-counter derivative transactions that require both pledging and accepting collateral in the form of cash. As of December 31, 2022 and 2021, we held \$8.4 million and \$2.9 million, respectively, of cash collateral payable to trade counterparties. This obligation to return cash is reported in payables to brokers and dealers in our consolidated statements of financial condition.

Although notional amount is the typical measure of volume in the derivatives market, it is not used as a measure of credit risk. Generally, the current credit exposure of our derivative contracts is limited to the net positive estimated fair value of derivative contracts at the reporting date after taking into consideration the existence of netting agreements and any collateral received. A derivative with positive value (a derivative asset) indicates existence of credit risk because the counterparty would owe us if the contract were closed. Alternatively, a derivative contract with negative value (a derivative liability) indicates we would owe money to the counterparty if the contract were closed. Generally, if there is more than one derivative transaction with a single counterparty, a master netting arrangement exists with respect to derivative transactions with that counterparty to provide for aggregate net settlement.

Certain of our standardized contracts for over-the-counter derivative transactions (“**ISDA Master Agreements**”) contain credit risk related contingent provisions pertaining to each counterparty's credit rating. In some ISDA Master Agreements, if the counterparty's credit rating, or in some agreements, our AUM, falls below a specified threshold, either a default or a termination event permitting the counterparty to terminate the ISDA Master Agreement would be triggered. In all agreements that provide for collateralization, various levels of collateralization of net liability positions are applicable, depending on the credit rating of the counterparty. As of December 31, 2022 and 2021, we delivered \$4.2 million and \$5.6 million, respectively, of cash collateral into brokerage accounts. We report this cash collateral in cash and cash equivalents in our consolidated statements of financial condition.

As of December 31, 2022 long and short exchange-traded equity options were classified as held for sale on our consolidated statement of financial position. For further discussion, see *Note 24 Acquisitions and Divestitures*. As of December 31, 2021, we held \$1.9 million, respectively, of long exchange-traded equity options, which are included in other investments on our consolidated statements of financial condition. In addition, as of December 31, 2021, we held \$2.8 million, respectively, of



short exchange-traded equity options, which are included in securities sold not yet purchased on our consolidated statements of financial condition.

Our options desk provides our clients with equity derivative strategies and execution for exchange-traded options on single stocks, exchange-traded funds and indices. While predominately agency-based, the options desk may commit capital to facilitate a client's transaction. Our options desk hedges the risk associated with this activity by taking offsetting positions in equities. For the year ended December 31, 2022 and 2021, we recognized \$22.1 million of losses and zero gains or losses on equity options activity, respectively. These losses are recognized in investment gains (losses) in the consolidated statements of income.

## 8. Offsetting Assets and Liabilities

See Note 15, *Consolidated Company-Sponsored Investment Funds*, for disclosure of offsetting assets and liabilities of our consolidated company-sponsored investment funds.

Offsetting of assets as of December 31, 2022 and 2021 was as follows:

	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Statement of Financial Condition	Net Amounts of Assets Presented in the Statement of Financial Condition	Financial Instruments Collateral	Cash Collateral Received	Net Amount
(in thousands)						
<b>December 31, 2022</b>						
Securities borrowed <sup>(1)</sup>	\$ 62,063	\$ —	\$ 62,063	\$ (62,058)	\$ —	\$ 5
Derivatives	24,712	—	24,712	—	(8,361)	16,351
Long exchange-traded options <sup>(1)</sup>	—	—	—	—	—	—
<b>December 31, 2021</b>						
Securities borrowed	\$ 19,899	\$ —	\$ 19,899	\$ (18,327)	\$ —	\$ 1,572
Derivatives	15,422	—	15,422	—	(2,872)	12,550
Long exchange-traded options	1,893	—	1,893	—	—	1,893

## Part II

Offsetting of liabilities as of December 31, 2022 and 2021 was as follows:

	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Statement of Financial Condition	Net Amounts of Liabilities Presented in the Statement of Financial Condition	Financial Instruments Collateral	Cash Collateral Pledged	Net Amount
(in thousands)						
<b>December 31, 2022</b>						
Securities loaned <sup>(1)</sup>	\$ 272,580	\$ —	\$ 272,580	\$ (267,053)		\$ 5,527
Derivatives	13,712	—	13,712	—	(4,158)	9,554
Short exchange-traded options <sup>(1)</sup>	—	—	—	—	—	—
<b>December 31, 2021</b>						
Securities loaned	\$ 23,911	\$ —	\$ 23,911	\$ (23,373)	\$ —	\$ 538
Derivatives	16,923	—	16,923	—	(5,572)	11,351
Short exchange-traded options	2,774	—	2,774	—	—	2,774

<sup>(1)</sup> Certain amounts have been classified as held for sale on the consolidated statement of financial position as of December 31, 2022. For further discussion, see *Note 24 Acquisitions and Divestitures*.

Cash collateral, whether pledged or received on derivative instruments, is not considered material and, accordingly, is not disclosed by counterparty.

## 9. Fair Value

See *Note 15, Consolidated Company-Sponsored Investment Funds*, for disclosure of fair value of our consolidated company-sponsored investment funds.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. The three broad levels of fair value hierarchy are as follows:

- Level 1—Quoted prices in active markets are available for identical assets or liabilities as of the reported date.
- Level 2—Quoted prices in markets that are not active or other pricing inputs that are either directly or indirectly observable as of the reported date.
- Level 3—Prices or valuation techniques that are both significant to the fair value measurement and unobservable as of the reported date. These financial instruments do not have two-way markets and are measured using management’s best estimate of fair value, where the inputs into the determination of fair value require significant management judgment or estimation.

## Assets and Liabilities Measured at Fair Value on a Recurring Basis

Valuation of our financial instruments by pricing observability levels as of December 31, 2022 and 2021 was as follows (in thousands):

	Level 1	Level 2	Level 3	NAV Expedient <sup>(2)</sup>	Other	Total
<b>December 31, 2022<sup>(1)</sup>:</b>						
Money markets	\$ 95,521	\$ —	\$ —	\$ —	\$ —	\$ 95,521
Securities segregated (U.S. Treasury Bills)	—	1,521,705	—	—	—	1,521,705
Derivatives	1,768	22,944	—	—	—	24,712
Investments:						
Equity securities	129,655	27,799	129	1,484	—	159,067
Limited partnership hedge funds <sup>(3)</sup>	—	—	—	—	42,526	42,526
Time deposits <sup>(4)</sup>	—	—	—	—	7,750	7,750
Other investments	6,689	—	—	—	1,486	8,175
Total investments	136,344	27,799	129	1,484	51,762	217,518
<b>Total assets measured at fair value</b>	<b>\$ 233,633</b>	<b>\$ 1,572,448</b>	<b>\$ 129</b>	<b>\$ 1,484</b>	<b>\$ 51,762</b>	<b>\$ 1,859,456</b>
Derivatives	162	13,550	—	—	—	13,712
Contingent payment arrangements	—	—	247,309	—	—	247,309
<b>Total liabilities measured at fair value</b>	<b>\$ 162</b>	<b>\$ 13,550</b>	<b>\$ 247,309</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 261,021</b>
<b>December 31, 2021:</b>						
Money markets	\$ 151,156	\$ —	\$ —	\$ —	\$ —	\$ 151,156
Securities segregated (U.S. Treasury Bills)	—	1,503,828	—	—	—	1,503,828
Derivatives	392	15,030	—	—	—	15,422
Investments:						
Equity securities	144,917	39,284	126	145	—	184,472
Long exchange-traded options	1,893	—	—	—	—	1,893
Limited partnership hedge funds <sup>(3)</sup>	—	—	—	—	50,920	50,920
Time deposits <sup>(4)</sup>	—	—	—	—	21,024	21,024
Other investments	9,094	—	—	—	6,015	15,109
Total investments	155,904	39,284	126	145	77,959	273,418
<b>Total assets measured at fair value</b>	<b>\$ 307,452</b>	<b>\$ 1,558,142</b>	<b>\$ 126</b>	<b>\$ 145</b>	<b>\$ 77,959</b>	<b>\$ 1,943,824</b>
Securities sold not yet purchased:						
Short equities – corporate	\$ 1,054	\$ —	\$ —	\$ —	\$ —	\$ 1,054
Short exchange-traded options	2,774	—	—	—	—	2,774
Derivatives	1,186	15,737	—	—	—	16,923
Contingent payment arrangements	—	—	38,260	—	—	38,260
<b>Total liabilities measured at fair value</b>	<b>\$ 5,014</b>	<b>\$ 15,737</b>	<b>\$ 38,260</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 59,011</b>

<sup>(1)</sup> Certain amounts have been classified as held for sale on the consolidated statement of financial position as of December 31, 2022. For further discussion, see Note 24 *Acquisitions and Divestitures*.

<sup>(2)</sup> Investments measured at fair value using NAV (or its equivalent) as a practical expedient.

<sup>(3)</sup> Investments in equity method investees that are not measured at fair value in accordance with GAAP.

<sup>(4)</sup> Investments carried at amortized cost that are not measured at fair value in accordance with GAAP.

## Part II

Other investments included in Level 1 of the fair value hierarchy include our investment in a mutual fund measured at fair value (\$6.7 million and \$9.1 million as of December 31, 2022 and 2021, respectively). Other investments not measured at fair value include (i) investments in start-up companies that do not have a readily available fair value (these investments were \$0.3 million as of December 31, 2022 and 2021), (ii) investments in equity method investees that are not measured at fair value in accordance with GAAP (during the third quarter of 2022, we sold this investment and the balance was reduced to zero, as compared to \$2.9 million as of December 31, 2021), and (iii) broker-dealer exchange memberships that are not measured at fair value in accordance with GAAP (\$1.2 million and \$2.8 million as of December 31, 2022 and 2021, respectively).

We provide below a description of the fair value methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy:

- **Money markets:** We invest excess cash in various money market funds that are valued based on quoted prices in active markets; these are included in Level 1 of the valuation hierarchy.
- **Treasury Bills:** We hold U.S. Treasury Bills, which are primarily segregated in a special reserve bank custody account as required by Rule 15c3-3 of the Exchange Act. These securities are valued based on quoted yields in secondary markets and are included in Level 2 of the valuation hierarchy.
- **Equity securities:** Our equity securities consist principally of company-sponsored mutual funds with NAVs and various separately managed portfolios consisting primarily of equity and fixed income mutual funds with quoted prices in active markets, which are included in Level 1 of the valuation hierarchy. In addition, some securities are valued based on observable inputs from recognized pricing vendors, which are included in Level 2 of the valuation hierarchy.
- **Derivatives:** We hold exchange-traded futures with counterparties that are included in Level 1 of the valuation hierarchy. In addition, we also hold currency forward contracts, interest rate swaps, credit default swaps, option swaps and total return swaps with counterparties that are valued based on observable inputs from recognized pricing vendors, which are included in Level 2 of the valuation hierarchy.
- **Options:** We hold exchange-traded options that are included in Level 1 of the valuation hierarchy.
- **Securities sold not yet purchased:** Securities sold not yet purchased, primarily reflecting short positions in equities and exchange-traded options, are included in Level 1 of the valuation hierarchy. As of December 31, 2022 these securities have been classified as held for sale on the consolidated statement of financial position.
- **Contingent payment arrangements:** Contingent payment arrangements relate to contingent payment liabilities associated with various acquisitions. At each reporting date, we estimate the fair values of the contingent consideration expected to be paid upon probability-weighted AUM and revenue projections, using unobservable market data inputs, which are included in Level 3 of the valuation hierarchy.

During the years ended December 31, 2022 and 2021, there were no transfers between Level 2 and Level 3 securities.

The change in carrying value associated with Level 3 financial instruments carried at fair value, classified as equity securities, is as follows:

	December 31	
	2022	2021
	(in thousands)	
Balance as of beginning of period	\$ 126	\$ 125
Purchases	—	—
Sales	—	—
Realized gains (losses), net	—	—
Unrealized gains (losses), net	3	1
<b>Balance as of end of period</b>	<b>\$ 129</b>	<b>\$ 126</b>

Realized and unrealized gains and losses on Level 3 financial instruments are recorded in investment gains and losses in the consolidated statements of income.

Our acquisitions may include contingent consideration arrangements as part of the purchase price. The change in carrying value associated with Level 3 financial instruments carried at fair value, classified as contingent payment arrangements, is as follows:

	December 31	
	2022	2021
	(in thousands)	
Balance as of beginning of period	\$ 38,260	\$ 27,750
Addition	231,385	7,800
Accretion	6,563	3,310
Changes in estimates	—	(600)
Held for sale reclassification	(28,899)	—
<b>Balance as of end of period</b>	<b>\$ 247,309</b>	<b>\$ 38,260</b>

In the third quarter of 2022, we acquired CarVal and recorded a contingent consideration liability of \$228.9 million (see Note 24 *Acquisitions and Divestitures*). The liability, ranging from zero to \$650.0 million, is based on CarVal achieving certain performance objectives over a six-year period ending December 31, 2027. The liability was valued using a forecast of future cash flows attributable to the performance objectives that are discounted to present value using a risk-adjusted discount rate. The expected revenue growth rates range from 3.9% to 31.5%, with a weighted average of 14.1%, calculated using cumulative revenues and range of revenue growth rates. The discount rates range from 4.1% to 4.6%, with a weighted average of 4.2%, calculated using total contingent liabilities and range of discount rates.

As of December 31, 2022, including the CarVal acquisition, the expected revenue growth rates range from 2.0% to 83.9%, with a weighted average of 11.5%, calculated using cumulative revenues and range of revenue growth rates (excluding revenue growth from additional AUM contributed in year of acquisition). The discount rates ranged from 1.9% to 10.4%, with a weighted average of 4.5%, calculated using total contingent liabilities and range of discount rates. As of December 31, 2021, the expected revenue growth rates range from 2.0% to 83.9%, with a weighted average of 11.9%, calculated using cumulative revenues and range of revenue growth rates (excluding revenue growth from additional AUM contributed in year of acquisition). The discount rates ranged from 1.9% to 10.4%, with a weighted average of 7.0%, calculated using total contingent liabilities and range of discount rates.

## Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

We did not have any material assets or liabilities that were measured at fair value for impairment on a nonrecurring basis during the years ended December 31, 2022 or 2021.

## 10. Furniture, Equipment and Leasehold Improvements, Net

Furniture, equipment and leasehold improvements, net consist of:

	Years Ended December 31	
	2022	2021
	(in thousands)	
Furniture and equipment	\$ 605,567	\$ 584,161
Leasehold improvements	323,982	301,036
<b>Total</b>	<b>929,549</b>	<b>885,197</b>
Less: Accumulated depreciation and amortization	(740,291)	(716,022)
<b>Furniture, equipment and leasehold improvements, net</b>	<b>\$ 189,258</b>	<b>\$ 169,175</b>

Depreciation and amortization expense on furniture, equipment and leasehold improvements were \$39.7 million, \$38.8 million and \$39.2 million for the years ended December 31, 2022, 2021 and 2020, respectively.

## 11. Deferred Sales Commissions, Net

The components of deferred sales commissions, net for the years ended December 31, 2022 and 2021 were as follows (excluding amounts related to fully amortized deferred sales commissions):

	Years Ended December 31	
	2022	2021
	(in thousands)	
Carrying amount of deferred sales commissions	\$ 172,181	\$ 177,233
Less: Accumulated amortization	(66,184)	(53,976)
Cumulative CDSC received	(53,747)	(48,358)
<b>Deferred sales commissions, net</b>	<b>\$ 52,250</b>	<b>\$ 74,899</b>

Amortization expense was \$34.8 million, \$34.4 million and \$27.4 million for the years ended December 31, 2022, 2021 and 2020, respectively. Estimated future amortization expense related to the December 31, 2022 net asset balance, assuming no additional CDSC is received in future periods, is as follows (in thousands):

2023	\$ 28,683
2024	17,848
2025	5,309
2026	410
<b>Total</b>	<b>\$ 52,250</b>

## 12. Debt

### Credit Facility

AB has an \$800.0 million committed, unsecured senior revolving credit facility (the "**Credit Facility**") with a group of commercial banks and other lenders, which matures on October 13, 2026. The Credit Facility provides for possible increases in the principal amount by up to an aggregate incremental amount of \$200.0 million; any such increase is subject to the consent of the affected lenders. The Credit Facility is available for AB and Sanford C. Bernstein & Co., LLC ("**SCB LLC**") business purposes, including the support of AB's commercial paper program. Both AB and SCB LLC can draw directly under the Credit Facility and management may draw on the Credit Facility from time to time. AB has agreed to guarantee the obligations of SCB LLC under the Credit Facility.

The Credit Facility contains affirmative, negative and financial covenants, which are customary for facilities of this type, including restrictions on dispositions of assets, restrictions on liens, a minimum interest coverage ratio and a maximum leverage ratio. As of December 31, 2022, we were in compliance with these covenants. The Credit Facility also includes customary events of default (with customary grace periods, as applicable), including provisions under which, upon the occurrence of an event of default, all outstanding loans may be accelerated and/or lender's commitments may be terminated. Also, under such provisions, upon the occurrence of certain insolvency- or bankruptcy-related events of default, all amounts payable under the Credit Facility would automatically become immediately due and payable, and the lender's commitments automatically would terminate.

Amounts under the Credit Facility may be borrowed, repaid and re-borrowed by us from time to time until the maturity of the facility. Voluntary prepayments and commitment reductions requested by us are permitted at any time without a fee (other than customary breakage costs relating to the prepayment of any drawn loans) upon proper notice and subject to a minimum dollar requirement. Borrowings under the Credit Facility bear interest at a rate per annum, which will be, at our option, a rate equal to an applicable margin, which is subject to adjustment based on the credit ratings of AB, plus one of the following indices: London Interbank Offered Rate; a floating base rate; or the Federal Funds rate.

As of December 31, 2022 and 2021, we had no amounts outstanding under the Credit Facility. During 2022 and 2021, we did not draw upon the Credit Facility.

### EQH Facility

AB also has a \$900.0 million committed, unsecured senior credit facility ("**EQH Facility**") with EQH. The EQH Facility matures on November 4, 2024 and is available for AB's general business purposes. Borrowings under the EQH Facility generally bear interest at a rate per annum based on prevailing overnight commercial paper rates.

The EQH Facility contains affirmative, negative and financial covenants which are substantially similar to those in AB's committed bank facilities. The EQH Facility also includes customary events of default substantially similar to those in AB's committed bank facilities, including provisions under which, upon the occurrence of an event of default, all outstanding loans may be accelerated and/or the lender's commitment may be terminated.

Amounts under the EQH Facility may be borrowed, repaid and re-borrowed by us from time to time until the maturity of the facility. AB or EQH may reduce or terminate the commitment at any time without penalty upon proper notice. EQH also may terminate the facility immediately upon a change of control of our general partner.

As of December 31, 2022 and 2021, AB had \$900.0 million and \$755.0 million outstanding under the EQH Facility with interest rates of approximately 4.3% and 0.2%, respectively. Average daily borrowings on the EQH Facility during 2022 and 2021 were \$655.2 million and \$404.6 million, respectively, with weighted average interest rates of approximately 1.7% and 0.2%, respectively.

#### **EQH Uncommitted Facility**

In addition to the EQH Facility, AB has a \$300.0 million uncommitted, unsecured senior credit facility ("**EQH Uncommitted Facility**") with EQH. The EQH Uncommitted Facility matures on September 1, 2024 and is available for AB's general business purposes. Borrowings under the EQH Unsecured Facility generally bear interest at a rate per annum based on prevailing overnight commercial paper rates. The EQH Uncommitted Facility contains affirmative, negative and financial covenants which are substantially similar to those in the EQH Facility. As of December 31, 2022, we had \$90.0 million outstanding under the EQH Uncommitted Facility with an interest rate of approximately 4.3%. Average daily borrowings on the EQH Facility during 2022 were \$0.7 million with a weighted average interest rate of approximately 4.3%. During 2021, we did not draw on the facility.

#### **Commercial Paper**

As of both December 31, 2022 and 2021, we had no commercial paper outstanding. The commercial paper is short term in nature, and as such, recorded value is estimated to approximate fair value (and considered a Level 2 security in the fair value hierarchy). Average daily borrowings of commercial paper during 2022 and 2021 were \$189.9 million and \$157.0 million, respectively, with weighted average interest rates of approximately 1.5% and 0.2%, respectively.

#### **Revolving Credit Facility**

AB had a \$200.0 million committed, unsecured senior revolving credit facility (the "**Revolver**") with a leading international bank, which matured on November 16, 2021. Average daily borrowings under the Revolver for 2021 were \$13.3 million with a weighted average interest rate of approximately 1.1%.

#### **SCB Lines of Credit**

SCB LLC currently has five uncommitted lines of credit with five financial institutions. Four of these lines of credit permit us to borrow up to an aggregate of approximately \$315.0 million, with AB named as an additional borrower, while the other line has no stated limit. AB has agreed to guarantee the obligations on SCB LLC under these lines of credit. As of December 31, 2022 and 2021, SCB LLC had no outstanding balance on these lines of credit. Average daily borrowings on the lines of credit during 2022 and 2021 were \$1.4 million and \$47 thousand, respectively, with weighted average interest rates of approximately 3.7% and 0.9%, respectively.

## **13. Leases**

We lease office space, office equipment and technology under various operating and financing leases. Our current leases have remaining lease terms of one year to 15 years, some of which include options to extend the leases for up to five years, and some of which include options to terminate the leases within one year. Since 2010, we have sub-leased over one million square feet of office space.

## Part II

Leases included in the consolidated statements of financial condition as of December 31, 2022 and 2021 were as follows:

	Classification	December 31, 2022	December 31, 2021
(in thousands)			
<b>Operating Leases</b>			
Operating lease right-of-use assets	Right-of-use assets	\$ 360,092	\$ 414,105
Operating lease liabilities	Lease liabilities	415,539	482,781
<b>Finance Leases</b>			
Property and equipment, gross	Right-of-use assets	18,116	10,947
Amortization of right-of-use assets	Right-of-use assets	(6,310)	(3,072)
Property and equipment, net		11,806	7,875
Finance lease liabilities	Lease liabilities	11,940	7,954

The components of lease expense included in the consolidated statements of income for the years ended December 31, 2022 and 2021 were as follows:

	Classification	Years Ended December 31	
		2022	2021
(in thousands)			
Operating lease cost	General and administrative	\$ 97,198	\$ 97,466
Financing lease cost:			
Amortization of right-of-use assets	General and administrative	3,860	2,355
Interest on lease liabilities	Interest expense	200	107
Total finance lease cost		4,060	2,462
Variable lease cost <sup>(1)</sup>	General and administrative	40,552	39,827
Sublease income	General and administrative	(34,420)	(37,317)
Net lease cost		\$ 107,390	\$ 102,438

<sup>(1)</sup> Variable lease expense includes operating expenses, real estate taxes and employee parking.

The sublease income represents all revenues received from sub-tenants. It is primarily fixed base rental payments combined with variable reimbursements such as operating expenses, real estate taxes and employee parking. The vast majority of sub-tenant income is derived from our New York metro sub-tenant agreements. Sub-tenant income related to base rent is recorded on a straight-line basis.

Maturities of lease liabilities are as follows:

	Operating Leases	Financing Leases	Total
(in thousands)			
Year ending December 31,			
2023	\$ 97,489	\$ 4,169	\$ 101,658
2024	104,596	3,258	107,854
2025	37,319	2,828	40,147
2026	35,808	1,810	37,618
2027	32,821	324	33,145
Thereafter	146,319	—	146,319
Total lease payments	454,352	12,389	\$ 466,741
Less interest	(38,813)	(449)	
Present value of lease liabilities	\$ 415,539	\$ 11,940	



We have signed a lease that commences in 2024, relating to approximately 166,000 square feet of space in New York City. Our estimated total base rent obligation (excluding taxes, operating expenses and utilities) over the 20-year lease term is approximately \$393.0 million.

<b>Lease term and discount rate:</b>	
Weighted average remaining lease term (years):	
Operating leases	7.35
Finance leases	3.47
<b>Weighted average discount rate:</b>	
Operating leases	2.69%
Finance leases	2.10%

Supplemental non-cash activity related to leases are as follows:

	Years Ended December 31	
	2022	2021
	(in thousands)	
Right-of-use assets obtained in exchange for lease obligations <sup>(1)</sup> :		
Operating leases	\$ 38,875	\$ 82,379
Finance leases	7,791	7,782

<sup>(1)</sup> Represents non-cash activity and, accordingly, is not reflected in the consolidated statements of cash flows.

## 14. Commitments and Contingencies

### Leases

As indicated in Note 13, we lease office space, office equipment and technology under various leasing arrangements. The future minimum payments under non-cancelable leases, sublease commitments and related payments we are obligated to make, net of sublease commitments of third party lessees to make payments to us, as of December 31, 2022, are as follows:

	Payments	Sublease Receipts	Net Payments
	(in millions)		
2023	\$ 107.6	\$ (31.9)	\$ 75.7
2024	108.9	(30.9)	78.0
2025	58.3	—	58.3
2026	55.7	—	55.7
2027	51.3	—	51.3
2028 and thereafter	487.7	—	487.7
<b>Total future minimum payments</b>	<b>\$ 869.5</b>	<b>\$ (62.8)</b>	<b>\$ 806.7</b>

See Note 13 for material lease commitments.

### Legal Proceedings

On December 14, 2022, four individual participants in the Profit Sharing Plan for Employees of AllianceBernstein L.P., (the "Plan") filed a class action complaint (the "Complaint") in the U.S. District Court for the Southern District of New York against AB, current and former members of the Compensation Committee, and the Investment and Administrative Committees under the Plan. Plaintiffs, who seek to represent a class of all participants in the Plan from December 14, 2016 to the present, allege that defendants violated their fiduciary duties and engaged in prohibited transactions under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), by including proprietary collective investment trusts as investment options offered under the Plan. The Complaint seeks unspecified damages, disgorgement and other equitable relief. AB is prepared to defend itself vigorously against these claims. While the ultimate outcome of this matter is currently not determinable given the matter remains in its early stages, we do not believe this litigation will have a material adverse effect on our results of operations, financial condition or liquidity.

AB may be involved in various other matters, including regulatory inquiries, administrative proceedings and litigation, some of which may allege significant damages. It is reasonably possible that we could incur losses pertaining to these other matters, but we cannot currently estimate any such losses. Management, after consultation with legal counsel, currently believes that the outcome of any other individual matter that is pending or threatened, or all of them combined, will not have a material adverse effect on our results of operations, financial condition or liquidity. However, any inquiry, proceeding or litigation has an element of uncertainty; management cannot determine whether further developments relating to any other individual matter that is pending or threatened, or all of them combined, will have a material adverse effect on our results of operation, financial condition or liquidity in any future reporting period.

### Other

During 2010, as general partner of AllianceBernstein U.S. Real Estate L.P. ("**Real Estate Fund**"), we committed to invest \$25.0 million in the Real Estate Fund. As of December 31, 2022, we had funded \$22.4 million of this commitment. During 2014, as general partner of AllianceBernstein U.S. Real Estate II L.P. ("**Real Estate Fund II**"), we committed to invest \$27.3 million, as amended in 2020, in the Real Estate Fund II. As of December 31, 2022, we had funded \$21.6 million of this commitment.

## 15. Consolidated Company-Sponsored Investment Funds

We regularly provide seed capital to new company-sponsored investment funds. As such, we may consolidate or de-consolidate a variety of company-sponsored investment funds each quarter. Due to the similarity of risks related to our involvement with each company-sponsored investment fund, disclosures required under the VIE model are aggregated, such as disclosures regarding the carrying amount and classification of assets.

We are not required to provide financial support to company-sponsored investment funds and only the assets of such funds are available to settle each fund's own liabilities. Our exposure to loss regarding consolidated company-sponsored investment funds is limited to our investment in, and our management fee earned from, such funds. Equity and debt holders of such funds have no recourse to AB's assets or to the general credit of AB.

The balances of consolidated VIEs included in our consolidated statements of financial condition were as follows:

	December 31, 2022	December 31, 2021
	(in thousands)	
Cash and cash equivalents	\$ 19,751	\$ 90,326
Investments	516,536	613,025
Other assets	44,424	30,461
<b>Total assets</b>	<b>\$ 580,711</b>	<b>\$ 733,812</b>
Liabilities	\$ 55,529	\$ 87,000
Redeemable non-controlling interest	368,656	421,169
Partners' capital attributable to AB Unitholders	156,526	225,643
<b>Total liabilities, redeemable non-controlling interest and partners' capital</b>	<b>\$ 580,711</b>	<b>\$ 733,812</b>

During 2022, we deconsolidated five funds in which we had seed investments totaling approximately \$61.8 million as of December 31, 2021 due to no longer having a controlling financial interest.

## Fair Value

Cash and cash equivalents include cash on hand, demand deposits, overnight commercial paper and highly liquid investments with original maturities of three months or less. Due to the short-term nature of these instruments, the recorded value has been determined to approximate fair value.

Valuation of consolidated company-sponsored investment funds' financial instruments by pricing observability levels as of December 31, 2022 and 2021 was as follows (in thousands):

	Level 1	Level 2	Level 3	Total
<b>December 31, 2022:</b>				
Investments	\$ 129,706	\$ 386,830	\$ —	\$ 516,536
Derivatives	1,529	6,023	—	7,552
<b>Total assets measured at fair value</b>	<b>\$ 131,235</b>	<b>\$ 392,853</b>	<b>\$ —</b>	<b>\$ 524,088</b>
Derivatives	\$ 14,932	\$ 6,608	\$ —	\$ 21,540
<b>Total liabilities measured at fair value</b>	<b>\$ 14,932</b>	<b>\$ 6,608</b>	<b>\$ —</b>	<b>\$ 21,540</b>
<b>December 31, 2021:</b>				
Investments	\$ 165,415	\$ 444,253	\$ 3,357	\$ 613,025
Derivatives	622	5,265	—	5,887
<b>Total assets measured at fair value</b>	<b>\$ 166,037</b>	<b>\$ 449,518</b>	<b>\$ 3,357</b>	<b>\$ 618,912</b>
Derivatives	\$ 16,291	\$ 2,051	\$ —	\$ 18,342
<b>Total liabilities measured at fair value</b>	<b>\$ 16,291</b>	<b>\$ 2,051</b>	<b>\$ —</b>	<b>\$ 18,342</b>

See Note 9 for a description of the fair value methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

## Part II

The change in carrying value associated with Level 3 financial instruments carried at fair value within consolidated company-sponsored investment funds was as follows:

	December 31,	
	2022	2021
	(in thousands)	
Balance as of beginning of period	\$ 3,357	\$ 619
Deconsolidated funds	(3,351)	(717)
Transfers (out)	(6)	(205)
Purchases	248	3,675
Sales	(248)	(7)
Realized gains, net	—	3
Unrealized (losses), net	—	(11)
<b>Balance as of end of period</b>	<b>\$ —</b>	<b>\$ 3,357</b>

The Level 3 securities primarily consist of corporate bonds that are vendor priced with no ratings available, bank loans, non-agency collateralized mortgage obligations and asset-backed securities.

Transfers into and out of all levels of the fair value hierarchy are reflected at end-of-period fair values. Realized and unrealized gains and losses on Level 3 financial instruments are recorded in investment gains and losses in the consolidated statements of income.

## Derivative Instruments

As of December 31, 2022 and 2021, the VIEs held \$14.0 million and \$12.5 million (net), respectively, of futures, forwards, options and swaps within their portfolios. For the years ended December 31, 2022 and 2021, we recognized \$9.4 million and \$0.7 million of losses, respectively, on these derivatives. These gains and losses are recognized in investment gains (losses) in the consolidated statements of income.

As of December 31, 2022 and 2021, the VIEs held \$2.7 million and \$0.9 million, respectively, of cash collateral payable to trade counterparties. This obligation to return cash is reported in the liabilities of consolidated company-sponsored investment funds in our consolidated statements of financial condition.

As of December 31, 2022 and 2021, the VIEs delivered \$5.4 million and \$1.8 million, respectively, of cash collateral into brokerage accounts. The VIEs report this cash collateral in the consolidated company-sponsored investment funds cash and cash equivalents in our consolidated statements of financial condition.

## Offsetting Assets and Liabilities

Offsetting of derivative assets of consolidated company-sponsored investment funds as of December 31, 2022 and 2021 was as follows:

	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Statement of Financial Condition	Net Amounts of Assets Presented in the Statement of Financial Condition	Financial Instruments	Cash Collateral Received	Net Amount
	(in thousands)					
<b>December 31, 2022:</b>						
Derivatives	\$ 7,552	\$ —	\$ 7,552	\$ —	\$ (2,731)	\$ 4,821
<b>December 31, 2021:</b>						
Derivatives	\$ 5,887	\$ —	\$ 5,887	\$ —	\$ (904)	\$ 4,983

Offsetting of derivative liabilities of consolidated company-sponsored investment funds as of December 31, 2022 and 2021 was as follows:

	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Statement of Financial Condition	Net Amounts of Liabilities Presented in the Statement of Financial Condition	Financial Instruments	Cash Collateral Pledged	Net Amount
(in thousands)						
<b>December 31, 2022:</b>						
Derivatives	\$ 21,540	\$ —	\$ 21,540	\$ —	\$ (5,444)	\$ 16,096
<b>December 31, 2021:</b>						
Derivatives	\$ 18,342	\$ —	\$ 18,342	\$ —	\$ (1,824)	\$ 16,518

Cash collateral, whether pledged or received on derivative instruments, is not considered material and, accordingly, is not disclosed by counterparty.

## Non-Consolidated VIEs

As of December 31, 2022, the net assets of company-sponsored investment products that are non-consolidated VIEs are approximately \$46.4 billion; our maximum risk of loss is our investment of \$5.7 million in these VIEs and our advisory fees receivable from these VIEs are \$54.2 million. As of December 31, 2021, the net assets of company-sponsored investment products that were non-consolidated VIEs was approximately \$68.9 billion; our maximum risk of loss was our investment of \$8.8 million in these VIEs and our advisory fees receivable from these VIEs were \$75.7 million.

## 16. Net Capital

SCB LLC is registered as a broker-dealer under the Exchange Act and is subject to the minimum net capital requirements imposed by the U.S. Securities and Exchange Commission ("SEC"). SCB LLC computes its net capital under the alternative method permitted by the applicable rule, which requires that minimum net capital, as defined, equals the greater of \$1 million or two percent of aggregate debit items arising from customer transactions, as defined. As of December 31, 2022, SCB LLC had net capital of \$323.1 million, which was \$284.9 million in excess of the minimum net capital requirement of \$38.2 million. Advances, dividend payments and other equity withdrawals by SCB LLC are restricted by regulations imposed by the SEC, the Financial Industry Regulatory Authority, Inc., and other securities agencies.

Our U.K.-based broker-dealer is a member of the London Stock Exchange. As of December 31, 2022, it was subject to financial resources requirements of \$45.4 million imposed by the Financial Conduct Authority of the United Kingdom and had aggregate regulatory financial resources of \$51.0 million, an excess of \$5.6 million over the required level.

AllianceBernstein Investments, Inc. ("ABI"), another one of our subsidiaries and the distributor and/or underwriter for certain company-sponsored mutual funds, is registered as a broker-dealer under the Exchange Act and is subject to the minimum net capital requirements imposed by the SEC. As of December 31, 2022, ABI had net capital of \$53.5 million, which was \$53.2 million in excess of its required net capital of \$0.3 million.

Many of our subsidiaries around the world are subject to minimum net capital requirements by the local laws and regulations to which they are subject. As of December 31, 2022, each of our subsidiaries subject to a minimum net capital requirement satisfied the applicable requirement.

## 17. Counterparty Risk

### Customer Activities

In the normal course of business, brokerage activities involve the execution, settlement and financing of various customer securities trades, which may expose our broker-dealer operations to off-balance sheet risk by requiring us to purchase or sell securities at prevailing market prices in the event the customer is unable to fulfill its contractual obligations.

Our customer securities activities are transacted on either a cash or margin basis. In margin transactions, we extend credit to the customer, subject to various regulatory and internal margin requirements. These transactions are collateralized by cash or securities in the customer's account. In connection with these activities, we may execute and clear customer transactions involving the sale of securities not yet purchased. We seek to control the risks associated with margin transactions by requiring

customers to maintain collateral in compliance with the aforementioned regulatory and internal guidelines. We monitor required margin levels daily and, pursuant to such guidelines, require customers to deposit additional collateral, or reduce positions, when necessary. A majority of our customer margin accounts are managed on a discretionary basis whereby we maintain control over the investment activity in the accounts. For these discretionary accounts, our margin deficiency exposure is minimized by our maintaining a diversified portfolio of securities in the accounts, our discretionary authority and our U.S.-based broker-dealer's role as custodian.

In accordance with industry practice, we record customer transactions on a settlement date basis, which generally is two business days after trade date for our U.K. and U.S. operations. We are exposed to risk of loss on these transactions in the event of the customer's inability to meet the terms of their contracts, in which case we may have to purchase or sell financial instruments at prevailing market prices. The risks we assume in connection with these transactions are not expected to have a material adverse effect on our financial condition or results of operations.

## Other Counterparties

We are engaged in various brokerage, futures, forwards, options and swap activities on behalf of clients, in which counterparties primarily include broker-dealers, banks and other financial institutions. In the event these counterparties do not fulfill their obligations, our clients and we may be exposed to loss. The risk of default depends on the creditworthiness of the counterparty. It is our policy to review, as necessary, each counterparty's creditworthiness.

In connection with security borrowing and lending arrangements, we enter into collateralized agreements, which may result in potential loss in the event the counterparty to a transaction is unable to fulfill its contractual obligations. Security borrowing arrangements require us to deposit cash collateral with the lender. With respect to security lending arrangements, we receive collateral in the form of cash in amounts generally in excess of the market value of the securities loaned. We attempt to mitigate credit risk associated with these activities by establishing credit limits for each broker and monitoring these limits on a daily basis. Additionally, security borrowing and lending collateral is marked to market on a daily basis, and additional collateral is deposited by or returned to us as necessary.

We enter into various futures, forwards, options and swaps primarily to economically hedge certain of our seed money investments. We may be exposed to credit losses in the event of nonperformance by counterparties to these derivative financial instruments. See Note 7, *Derivative Instruments* for further discussion.

## 18. Qualified Employee Benefit Plans

We maintain a qualified profit sharing plan covering U.S. employees and certain foreign employees. Employer contributions are discretionary and generally limited to the maximum amount deductible for federal income tax purposes. Aggregate contributions were \$17.5 million, \$16.5 million and \$15.6 million for 2022, 2021 and 2020, respectively.

We maintain several defined contribution plans for foreign employees working for our subsidiaries in the United Kingdom, Australia, Japan and other locations outside the United States. Employer contributions generally are consistent with regulatory requirements and tax limits. Defined contribution expense for foreign entities was \$10.2 million, \$9.8 million and \$8.4 million in 2022, 2021 and 2020, respectively.

We maintain a qualified, noncontributory, defined benefit retirement plan ("**Retirement Plan**") covering current and former employees who were employed by AB in the United States prior to October 2, 2000. Benefits are based on years of credited service, average final base salary (as defined in the Retirement Plan) and primary Social Security benefits. Service and compensation after December 31, 2008 are not taken into account in determining participants' retirement benefits.

Our policy is to satisfy our funding obligation for each year in an amount not less than the minimum required by ERISA and not greater than the maximum amount we can deduct for federal income tax purposes. We did not make a contribution to the Retirement Plan during 2022. We do not currently anticipate that we will contribute to the Retirement Plan during 2023. Contribution estimates, which are subject to change, are based on regulatory requirements, future market conditions and assumptions used for actuarial computations of the Retirement Plan's obligations and assets. Management, at the present time, has not determined the amount, if any, of additional future contributions that may be required.

The Retirement Plan's projected benefit obligation, fair value of plan assets and funded status (amounts recognized in the consolidated statements of financial condition) were as follows:

	Years Ended December 31	
	2022	2021
	(in thousands)	
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	\$ 141,862	\$ 151,124
Interest cost	3,958	3,794
Plan settlements	(4,524)	(5,803)
Actuarial (gain)	(37,839)	(4,447)
Benefits paid	(2,977)	(2,806)
Projected benefit obligation at end of year	100,480	141,862
Change in plan assets:		
Plan assets at fair value at beginning of year	130,939	125,022
Actual return on plan assets	(27,448)	14,526
Employer contribution	—	—
Plan settlements	(4,524)	(5,803)
Benefits paid	(2,977)	(2,806)
Plan assets at fair value at end of year	95,990	130,939
<b>Funded status</b>	<b>\$ (4,490)</b>	<b>\$ (10,923)</b>

Effective December 31, 2015, the Retirement Plan was amended to change the actuarial basis used for converting a life annuity benefit to optional forms of payment and converting benefits payable at age 65 to earlier commencement dates. This prior service cost will be amortized over future years.

The amounts recognized in other comprehensive income (loss) for the Retirement Plan for 2022, 2021 and 2020 were as follows:

	2022	2021	2020
	(in thousands)		
Unrecognized net gain (loss) from experience different from that assumed and effects of changes and assumptions	\$ 6,519	\$ 15,858	\$ (4,089)
Prior service cost	24	24	24
	6,543	15,882	(4,065)
Income tax (expense)	(33)	(87)	(216)
<b>Other comprehensive income (loss)</b>	<b>\$ 6,510</b>	<b>\$ 15,795</b>	<b>\$ (4,281)</b>

The gain of \$6.5 million recognized in 2022 was primarily due to changes in the discount rate and lump sum interest rates of (\$38.7 million), settlement loss recognized of (\$1.7 million) and the recognized actuarial loss of (\$1.0 million), offset by actual earnings less than expected earnings on plan assets (\$34.0 million), changes in the census data (\$0.5 million) and changes in adjustments for participants who received their pension as a lump sum (\$0.4 million).

The gain of \$15.8 million recognized in 2021 was primarily due to actual earnings exceeding expected earnings on plan assets (\$8.2 million), changes in the discount rate and lump sum interest rates of (\$5.6 million), settlement loss recognized of (\$2.0 million) and the recognized actuarial loss of (\$1.5 million), offset by changes in the census data (\$1.0 million) and changes in the mortality assumption (\$0.2 million).

The loss of \$4.3 million recognized in 2020 primarily was due to changes in the discount rate and lump sum interest rates (\$16.7 million), offset by actual earnings exceeding expected earnings on plan assets (\$10.4 million), changes in the mortality assumption (\$1.0 million), the recognized actuarial loss (\$1.4 million) and changes in census data (\$0.4 million).

## Part II

Foreign retirement plans and an individual's retirement plan maintained by AB are not material to AB's consolidated financial statements. As such, disclosure for these plans is not necessary. The reconciliation of the 2022 amounts recognized in other comprehensive income for the Retirement Plan as compared to the consolidated statement of comprehensive income ("OCI Statement") is as follows:

	Retirement Plan	Retired Individual Plan	Foreign Retirement Plans	OCI Statement
	(in thousands)			
Recognized actuarial gain	\$ 6,519	\$ 107	\$ 296	\$ 6,922
Amortization of prior service cost	24	—	—	24
Changes in employee benefit related items	6,543	107	296	6,946
Income tax (expense)	(33)	—	(62)	(95)
<b>Employee benefit related items, net of tax</b>	<b>\$ 6,510</b>	<b>\$ 107</b>	<b>\$ 234</b>	<b>\$ 6,851</b>

The amounts included in accumulated other comprehensive loss for the Retirement Plan as of December 31, 2022 and 2021 were as follows:

	2022	2021
	(in thousands)	
Unrecognized net loss from experience different from that assumed and effects of changes and assumptions	\$ (37,249)	\$ (43,768)
Prior service cost	(659)	(683)
	(37,908)	(44,451)
Income tax benefit	177	210
<b>Accumulated other comprehensive loss</b>	<b>\$ (37,731)</b>	<b>\$ (44,241)</b>

The amortization period over which we are amortizing the loss for the Retirement Plan from accumulated other comprehensive income is 27.9 years. The estimated prior service cost and amortization of loss for the Retirement Plan that will be amortized from accumulated other comprehensive income over the next year are \$24,000 and \$1.0 million, respectively.

The accumulated benefit obligation for the plan was \$100.5 million and \$141.9 million as of December 31, 2022 and 2021, respectively.

The discount rates used to determine benefit obligations as of December 31, 2022 and 2021 (measurement dates) were 5.50% and 2.90%, respectively.

Benefit payments are expected to be paid as follows (in thousands):

2023	\$ 10,121
2024	6,767
2025	8,058
2026	7,865
2027	8,743
2028 - 2032	38,404



Net expense under the Retirement Plan consisted of:

	Years Ended December 31		
	2022	2021	2020
	(in thousands)		
Interest cost on projected benefit obligations	\$ 3,958	\$ 3,794	\$ 4,443
Expected return on plan assets	(6,591)	(6,351)	(6,084)
Amortization of prior service cost	24	24	24
Settlement loss recognized	1,678	2,024	—
Recognized actuarial loss	1,042	1,447	1,386
<b>Net pension expense</b>	<b>\$ 111</b>	<b>\$ 938</b>	<b>\$ (231)</b>

Actuarial computations used to determine net periodic costs were made utilizing the following weighted-average assumptions:

	Years Ended December 31		
	2022	2021	2020
Discount rate on benefit obligations	2.90%	2.55%	3.35%
Expected long-term rate of return on plan assets	5.25%	5.25%	5.50%

In developing the expected long-term rate of return on plan assets of 5.25%, management considered the historical returns and future expectations for returns for each asset category, as well as the target asset allocation of the portfolio. The expected long-term rate of return on assets is based on weighted average expected returns for each asset class.

As of December 31, 2022, the mortality projection assumption used the generational MP-2021 improvement scale, which is consistent with the improvement scale used in 2021. Prior to 2021, mortality was projected generationally using the MP-2020 improvements scale. The base mortality assumption used is the Society of Actuaries Pri-2012 base mortality table for private sector plans, with a white-collar adjustment, using the contingent annuitant table for beneficiaries of deceased participants.

The Internal Revenue Service (“IRS”) recently updated the mortality tables used to determine lump sums. For fiscal year-end 2022, we reflected the most recently published IRS table for lump sums assumed to be paid in 2023. We projected future mortality for lump sums assumed to be paid after 2023 using the current base mortality tables (RP-2014 backed off to 2006) and projection scale of MP-2021.

The Retirement Plan’s asset allocation percentages consisted of:

	Years Ended December 31	
	2022	2021
Equity	46%	52%
Debt securities	42	38
Other	12	10
<b>Total</b>	<b>100%</b>	<b>100%</b>

The guidelines regarding allocation of assets are formalized in the Investment Policy Statement adopted by the Investment Committee for the Retirement Plan. The objective of the investment program is to enhance the portfolio of the Retirement Plan through total return (capital appreciation and income), thereby promoting the ongoing ability of the Retirement plan to meet future liabilities and obligations, while minimizing the need for additional contributions. The guidelines specify an allocation weighting of 10% to 35% for liability hedging investments (target of 24%), 15% to 40% for return seeking investments (target of 27%), 5% to 35% for risk mitigating investments (target of 10%), 10% to 35% for diversifying investments (target of 21%) and 5% to 35% for dynamic asset allocation (target of 18%). Investments in mutual funds, hedge funds (and other alternative investments), and other commingled investment vehicles are permitted Investment Policy Statement. Investments are permitted in overlay portfolios (regulated mutual funds), which are designed to manage short-term portfolio risk and mitigate the effect of extreme outcomes by varying the asset allocation of a portfolio.

See Note 9, *Fair Value* for a description of how we measure the fair value of our plan assets.

## Part II

The valuation of our Retirement Plan assets by pricing observability levels as of December 31, 2022 and 2021 was as follows (in thousands):

	Level 1	Level 2	Level 3	Total
<b>December 31, 2022</b>				
Cash	\$ 1,441	\$ —	\$ —	\$ 1,441
U.S. Treasury Strips	—	15,634	—	15,634
Fixed income mutual funds	2,149	—	—	2,149
Fixed income securities	—	22,478	—	22,478
Equity mutual funds	26,074	—	—	26,074
Equity securities	10,928	219	—	11,147
Total assets in the fair value hierarchy	40,592	38,331	—	78,923
Investments measured at net assets value	—	—	—	17,067
<b>Investments at fair value</b>	<b>\$ 40,592</b>	<b>\$ 38,331</b>	<b>\$ —</b>	<b>\$ 95,990</b>
	Level 1	Level 2	Level 3	Total
<b>December 31, 2021</b>				
Cash	\$ 47	\$ —	\$ —	\$ 47
U.S. Treasury Strips	—	32,355	—	32,355
Fixed income mutual funds	17,477	—	—	17,477
Equity mutual funds	43,786	—	—	43,786
Equity securities	14,801	—	—	14,801
Total assets in the fair value hierarchy	76,111	32,355	—	108,466
Investments measured at net assets value	—	—	—	22,473
<b>Investments at fair value</b>	<b>\$ 76,111</b>	<b>\$ 32,355</b>	<b>\$ —</b>	<b>\$ 130,939</b>

During 2022 and 2021, the Retirement Plan's investments include the following:

- U.S. Treasury strips, (zero-coupon bonds);
- one fixed income mutual fund in 2022, as compared to two fixed income mutual funds in 2021. The fund included in both 2022 and 2021 pursues an aggressive investment strategy involving a variety of asset classes. This fund seeks inflation protection from investments around the globe, both in developed and emerging market countries. The additional fund included in 2021 sought to generate income consistent with preservation of capital;
- six equity mutual funds in both 2022 and 2021, which focus on both U.S.-based and non-U.S.-based equity securities of various capitalization sizes ranging from small to large capitalization and diversified portfolios within those capitalization ranges;
- one asset allocation mutual fund, which seeks to moderate overall volatility and limit extreme outcomes in times of market stress, without sacrificing long-term growth potential. This fund continuously adjusts the mix of global equities, bonds and related "opportunistic" assets based on our view of prospective market conditions;
- one separately managed account, managed against the Bloomberg Long U.S. Corporate index. This portfolio invests in U.S. dollar denominated investment grade fixed income securities with at least 10 years to maturity; one alternative investment, securitized assets hedge fund with a focus on mortgage credit, principally through investment in Credit Risk Transfer Securities, residential mortgage-backed securities, commercial mortgage-backed securities and other asset-backed securities; and
- investments measured at net asset value, including two hedge funds in both 2022 and 2021; one fund is a long/short equity-focused multi-manager hedge fund investing across industries and geographies. The second fund seeks to provide attractive risk-adjusted returns over full market cycles with less volatility than that of broad equity markets by allocating all or substantially all of their assets among portfolio managers through portfolio funds that employ a broad range of investment strategies.

## 19. Long-term Incentive Compensation Plans

We maintain an unfunded, non-qualified incentive compensation program known as the AllianceBernstein Incentive Compensation Award Program ("**Incentive Compensation Program**"), under which annual awards may be granted to eligible employees. See Note 2, "Summary of Significant Accounting Policies – Long-Term Incentive Compensation Plans" for a discussion of the award provisions.

Under the Incentive Compensation Program, we made awards in 2022, 2021 and 2020 aggregating \$164.3 million, \$184.1 million and \$177.4 million, respectively. The amounts charged to employee compensation and benefits expense for the years ended December 31, 2022, 2021 and 2020 were \$160.1 million, \$173.4 million and \$176.8 million, respectively.

Effective as of September 30, 2017, we established the AB 2017 Long Term Incentive Plan ("**2017 Plan**"), which was adopted at a special meeting of AB Holding Unitholders held on September 29, 2017. The following forms of awards may be granted to employees and Eligible Directors (directors who satisfy applicable independence standards) under the 2017 Plan: (i) restricted AB Holding Units or phantom restricted AB Holding Units (a "phantom" award is a contractual right to receive AB Holding Units at a later date or upon a specified event); (ii) options to buy AB Holding Units; and (iii) other AB Holding Unit-based awards (including, without limitation, AB Holding Unit appreciation rights and performance awards). The purpose of the 2017 Plan is to promote the interest of AB by: (i) attracting and retaining talented officers, employees and directors, (ii) motivating such officers, employees and directors by means of performance-related incentives to achieve longer-range business and operational goals, (iii) enabling such officers, employees and directors to participate in the long-term growth and financial success of AB, and (iv) aligning the interests of such officers, employees and directors with those of AB Holding Unitholders. The 2017 Plan will expire on September 30, 2027, and no awards under the 2017 Plan will be made after that date. Under the 2017 Plan, the aggregate number of AB Holding Units with respect to which awards may be granted is 60 million, including no more than 30 million newly-issued AB Holding Units.

As of December 31, 2022, no options to buy AB Holding Units were outstanding and 29,795,964 AB Holding Units, net of withholding tax requirements, were subject to other AB Holding Unit awards made under the 2017 Plan or the AllianceBernstein 2010 Long Term Incentive Plan, as amended, an equity compensation plan with similar terms that was canceled on September 30, 2017. AB Holding Unit-based awards (including options) in respect of 30,204,036 AB Holding Units were available for grant under the 2017 Plan as of December 31, 2022.

As of December 31, 2021, no options to buy AB Holding Units had been granted and 28,109,084 AB Holding Units, net of withholding tax requirements, were subject to other AB Holding Unit awards made under the 2017 Plan or the AllianceBernstein 2010 Long Term Incentive Plan, as amended, an equity compensation plan with similar terms that was canceled on September 30, 2017. AB Holding Unit-based awards (including options) in respect of 31,890,916 AB Holding Units were available for grant under the 2017 Plan as of December 31, 2021.

### Option Awards

We did not grant any options to buy AB Holding Units during 2022, 2021 or 2020. Historically, options granted to employees generally were exercisable at a rate of 20% of the AB Holding Units subject to such options on each of the first five anniversary dates of the date of grant; options granted to Eligible Directors generally were exercisable at a rate of 33.3% of the AB Holding Units subject to such options on each of the first three anniversary dates of the date of grant.

## Part II

The option-related activity in our equity compensation plans during 2022 is as follows:

	Options to Buy AB Holding Units	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
<b>Outstanding as of December 31, 2021</b>	<b>5,774</b>	<b>\$ 20.12</b>	<b>0.33</b>	
Granted	—	—		
Exercised	(5,774)	20.12		
Forfeited	—	—		
Expired	—	—		
<b>Outstanding as of December 31, 2022</b>	<b>—</b>	<b>\$ —</b>	<b>—</b>	<b>\$ —</b>
<b>Exercisable as of December 31, 2022</b>	<b>—</b>	<b>\$ —</b>	<b>—</b>	<b>\$ —</b>
<b>Vested or expected to vest as of December 31, 2022</b>	<b>—</b>	<b>\$ —</b>	<b>—</b>	<b>\$ —</b>

The total intrinsic value of options exercised during 2022, 2021 or 2020 was \$0.2 million, \$2.2 million and \$32,368, respectively.

Under the fair value method, compensation expense is measured at the grant date based on the estimated fair value of the options awarded (determined using the Black-Scholes option valuation model) and is recognized over the requisite service period. As we did not grant any option awards in 2022, 2021 or 2020, no compensation expense was recorded. As of December 31, 2022, there was no compensation expense related to unvested option grants not yet recognized in the consolidated statement of income.

## Restricted AB Holding Unit Awards

In 2022, 2021 and 2020, the Board granted restricted AB Holding Unit awards to Eligible Directors. These AB Holding Units give the Eligible Directors, in most instances, all the rights of other AB Holding Unit holders, subject to such restrictions on transfer as the Board may impose.

We award restricted AB Holding Units to Eligible Directors that vest ratably over three years (four years for awards granted in 2021 and previous years). We fully expensed these awards on each grant date, as there is no service requirement. Grant details related to these awards is as follows:

	2022	2021	2020
Restricted Units Awarded	30,870	35,358	50,232
Weighted Average Grant Date Fair Value	\$ 38.55	\$ 44.29	\$ 23.69
Compensation Expense (in millions)	\$ 1.2	\$ 1.6	\$ 1.2

On April 28, 2017, Seth Bernstein was appointed President and Chief Executive Officer. In connection with the commencement of his employment, Mr. Bernstein was granted restricted AB Holding Units; these Units were fully amortized as of December 31, 2021. Compensation expense related to Mr. Bernstein's restricted AB Holding Unit grant was \$0.3 million and \$0.9 million for the years ended December 31, 2021, and 2020, respectively.

Under the Incentive Compensation Program, we awarded 4.2 million restricted AB Holding Units in 2022 (which included 3.8 million restricted AB Holding Units in December for the 2022 year-end awards as well as 0.4 million additional restricted AB Holding Units granted earlier during the year relating to the 2021 year-end awards), with grant date fair values per restricted AB Holding Unit ranging between \$38.84 to \$50.94.

We awarded 3.5 million restricted AB Holding Units in 2021 (which included 3.3 million restricted AB Holding Units in December for the 2021 year-end awards as well as 0.2 million additional restricted AB Holding Units granted earlier during the year relating to the 2020 year-end awards), with grant date fair values per restricted AB Holding Unit ranging between \$32.10 to \$50.94.

We awarded 5.3 million restricted AB Holding Units in 2020 (which included 5.0 million restricted AB Holding Units in December for the 2020 year-end awards as well as 0.3 million additional restricted AB Holding Units granted earlier during the year related to the 2019 year-end awards), with grant date fair values per restricted AB Holding Unit ranging between \$28.75 to \$32.10.

Restricted AB Holding Units awarded under the Incentive Compensation Program in 2020 and years prior generally vested in 25% increments on December 1<sup>st</sup> of each of the four years immediately following the year in which the award was granted. Awards granted in 2021 and subsequent years generally vest in 33.3% increments on December 1<sup>st</sup> of each of the three years immediately following the year in which the award is granted.

We also award restricted AB Holding Units in connection with certain employment and separation agreements, as well as relocation-related performance awards, with vesting schedules generally ranging between two and ten years. Grant details related to these awards is as follows:

	2022	2021	2020
	(in millions excluding share prices)		
Restricted Units Awarded	0.5	3.4	0.4
Grant Date Fair Value Range	\$34.86 - \$49.90	\$29.06 - \$53.86	\$18.80 - \$35.42
Compensation Expense	\$ 35.0	\$ 40.9	\$ 32.1

The fair value of the restricted AB Holding Units is amortized over the requisite service period as compensation expense. Changes in unvested restricted AB Holding Units during 2022 are as follows:

	AB Holding Units	Weighted Average Grant Date Fair Value per AB Holding Unit
<b>Unvested as of December 31, 2021</b>	<b>18,130,740</b>	<b>\$ 33.98</b>
Granted	4,709,600	40.31
Vested	(7,671,109)	32.10
Forfeited	(396,995)	36.15
<b>Unvested as of December 31, 2022</b>	<b>14,772,236</b>	<b>\$ 36.92</b>

The total grant date fair value of restricted AB Holding Units that vested was \$246.2 million, \$199.0 million and \$155.0 million during 2022, 2021 and 2020, respectively. As of December 31, 2022, the 14,772,236 unvested restricted AB Holding Units consist of 10,148,408 restricted AB Holding Units that do not have a service requirement and have been fully expensed on the grant date and 4,623,828 restricted AB Holding Units that have a service requirement and will be expensed over the required service period. As of December 31, 2022, there was \$114.0 million of compensation expense related to unvested restricted AB Holding Unit awards granted and not yet recognized in the consolidated statement of income. We expect to recognize the expense over a weighted average period of 6.1 years.

## 20. Units Outstanding

Changes in AB Units outstanding for the years ended December 31, 2022 and 2021 were as follows:

	2022	2021
<b>Outstanding as of January 1,</b>	<b>271,453,043</b>	<b>270,509,658</b>
Options exercised	5,774	143,211
Units issued <sup>(1)</sup>	17,326,222	3,917,437
Units retired <sup>(2)</sup>	(2,805,126)	(3,117,263)
<b>Outstanding as of December 31,</b>	<b>285,979,913</b>	<b>271,453,043</b>

<sup>(1)</sup> Includes 15,321,535 Units issued as a result of the CarVal acquisition.

<sup>(2)</sup> During 2022 and 2021, we purchased 2,500 and 5,400 AB Units, respectively, in private transactions and retired them.

## 21. Income Taxes

AB is a private partnership for federal income tax purposes and, accordingly, is not subject to federal or state corporate income taxes. However, AB is subject to a 4.0% New York City unincorporated business tax ("UBT"). Domestic corporate subsidiaries of AB, which are subject to federal, state and local income taxes, generally are included in the filing of a consolidated federal income tax return with separate state and local income tax returns being filed. Foreign corporate subsidiaries are generally subject to taxes in the foreign jurisdictions where they are located.

In order to preserve AB's status as a private partnership for federal income tax purposes, AB Units must not be considered publicly traded. The AB Partnership Agreement provides that all transfers of AB Units must be approved by EQH and the General Partner; EQH and the General Partner approve only those transfers permitted pursuant to one or more of the safe harbors contained in the relevant Treasury regulations. If AB Units were considered readily tradable, AB's net income would be subject to federal and state corporate income tax, significantly reducing its quarterly distributions to AB Holding. Furthermore, should AB enter into a substantial new line of business, AB Holding, by virtue of its ownership of AB, would lose its status as a publicly traded partnership and would become subject to corporate income tax, which would reduce materially AB Holding's net income and its quarterly distributions to AB Holding Unitholders.

Earnings before income taxes and income tax expense consist of:

	Years Ended December 31		
	2022	2021	2020
	(in thousands)		
Earnings before income taxes:			
United States	\$ 689,278	\$ 1,007,847	\$ 743,687
Foreign	125,818	208,615	163,749
<b>Total</b>	<b>\$ 815,096</b>	<b>\$1,216,462</b>	<b>\$ 907,436</b>
Income tax expense:			
Partnership UBT	\$ 5,996	\$ 6,951	\$ 3,356
Corporate subsidiaries:			
Federal	1,457	750	1,495
State and local	931	956	904
Foreign	34,327	58,080	44,086
Current tax expense	42,711	66,737	49,841
Deferred tax	(3,072)	(4,009)	(4,188)
<b>Income tax expense</b>	<b>\$ 39,639</b>	<b>\$ 62,728</b>	<b>\$ 45,653</b>

The principal reasons for the difference between the effective tax rates and the UBT statutory tax rate of 4.0% are as follows:

	Years Ended December 31					
	2022		2021		2020	
	(in thousands)					
UBT statutory rate	\$ 32,604	4.0%	\$ 48,659	4.0%	\$ 36,297	4.0%
Corporate subsidiaries' federal, state, and local	1,460	0.2	1,322	0.2	2,025	0.2
Foreign subsidiaries taxed at different rates	32,664	4.0	43,019	3.5	33,969	3.7
FIN 48 reserve (release)	—	—	—	—	(1,886)	(0.2)
UBT business allocation percentage rate change	(98)	—	23	—	8	—
Deferred tax and payable write-offs	1,089	0.1	1,003	0.1	(887)	(0.1)
Foreign outside basis difference	(1,535)	(0.2)	1,492	0.1	3	—
Amended 2017 return	—	—	—	—	(221)	—
Effect of ASC 740 adjustments, miscellaneous taxes, and other	5,366	0.7	1,799	0.1	2,654	0.3
Tax Credits	(5,275)	(0.6)	—	—	—	—
Income not taxable resulting from use of UBT business apportionment factors and effect of compensation charge	(26,636)	(3.3)	(34,589)	(2.8)	(26,309)	(2.9)
<b>Income tax expense and effective tax rate</b>	<b>\$39,639</b>	<b>4.9 %</b>	<b>\$62,728</b>	<b>5.2 %</b>	<b>\$45,653</b>	<b>5.0 %</b>

We recognize the effects of a tax position in the financial statements only if, as of the reporting date, it is “more likely than not” to be sustained based on its technical merits and their applicability to the facts and circumstances of the tax position. In making this assessment, we assume that the taxing authority will examine the tax position and have full knowledge of all relevant information.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Years Ended December 31		
	2022	2021	2020
	(in thousands)		
<b>Balance as of beginning of period</b>	<b>\$ 2,838</b>	<b>\$ 2,838</b>	<b>\$ 5,706</b>
Additions for prior year tax positions	—	—	—
Reductions for prior year tax positions	—	—	—
Additions for current year tax positions	—	—	—
Reductions for current year tax positions	—	—	—
Reductions related to closed years/settlements with tax authorities	—	—	(2,868)
<b>Balance as of end of period</b>	<b>\$ 2,838</b>	<b>\$ 2,838</b>	<b>\$ 2,838</b>

The amount of unrecognized tax benefits as of December 31, 2022, 2021, and 2020, when recognized, is recorded as a reduction to income tax expense and reduces the company's effective tax rate.

Interest and penalties, if any, relating to tax positions are recorded in income tax expense on the consolidated statements of income. There was no interest expense recorded in 2022 or 2021. The total amount of interest expense recorded in income tax expense (credit) during 2020 was \$(0.4) million. As of December 31, 2022 and 2021, there is no accrued interest recorded on the consolidated statements of financial condition. There were no penalties as of December 31, 2022, 2021 and 2020.

Generally, the company is no longer subject to U.S. federal, state or local income tax examinations by tax authorities for any year prior to 2018, except as set forth below.

During the fourth quarter of 2020, the City of New York notified us of an examination of AB's UBT returns for the years 2017 through 2019. The examination is ongoing and no provision with respect to this examination has been recorded.

## Part II

Currently, there are no income tax examinations at our significant non-U.S. subsidiaries. Years that remain open and may be subject to examination vary under local law and range from one to seven years.

As of December 31, 2022, it is reasonably possible that \$2.8 million of our unrecognized tax benefits will change within the next 12 months due to the expiration of the statute of limitations.

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The tax effect of significant items comprising the net deferred tax asset (liability) is as follows:

	Years Ended December 31	
	2022	2021
	(in thousands)	
Deferred tax asset:		
Differences between book and tax basis:		
Benefits from net operating loss carryforwards	\$ 4,918	\$ 7,833
Long-term incentive compensation plans	17,524	24,468
Investment basis differences	10,286	5,523
Depreciation and amortization	3,071	3,942
Lease liability	4,911	5,327
Investment in foreign subsidiaries	26,479	—
Tax credit carryforward	6,171	—
Other, primarily accrued expenses deductible when paid	6,860	4,917
	80,220	52,010
Less: valuation allowance	(38,110)	(3,828)
Deferred tax asset	42,110	48,182
Deferred tax liability:		
Differences between book and tax basis:		
Intangible assets	10,190	7,622
Investment in foreign subsidiaries	—	4,084
Right-of-use asset	4,191	4,490
Other	2,808	2,075
Deferred tax liability	17,189	18,271
<b>Net deferred tax asset</b>	<b>\$ 24,921</b>	<b>\$ 29,911</b>

The valuation allowance of \$38.1 million was established as of December 31, 2022 primarily due to significant negative evidence that capital losses anticipated in the held for sale foreign subsidiaries will not be utilized, given the nature of income expected to be incurred by the applicable subsidiaries. The valuation allowance of \$3.8 million was established as of December 31, 2021 primarily due to significant negative evidence that net operating loss ("NOL") carryforwards will not be utilized, given the future losses expected to be incurred by the applicable subsidiaries. We had NOL carryforwards at December 31, 2022 and 2021 of approximately \$30.3 million and \$55.1 million, respectively, in certain foreign locations with a five-year expiration period.

The deferred tax asset is included in other assets in our consolidated statement of financial condition. Management believes there will be sufficient future taxable income to realize the tax benefits related to the remaining net deferred tax assets recognized that are not subject to valuation allowances.

The company provides income taxes on the unremitted earnings of non-U.S. corporate subsidiaries except to the extent that such earnings are indefinitely reinvested outside the United States. As of December 31, 2022, \$29.6 million of undistributed earnings of non-U.S. corporate subsidiaries were indefinitely invested outside the U.S. At existing applicable income tax rates, additional taxes of approximately \$6.2 million would need to be paid if such earnings are remitted.



## 22. Business Segment Information

Management has assessed the requirements of ASC 280, *Segment Reporting*, and determined that, because we utilize a consolidated approach to assess performance and allocate resources, we have only one operating segment. Enterprise-wide disclosures as of and for the years ended December 31, 2022, 2021 and 2020 were as follows:

### Services

Net revenues derived from our investment management, research and related services were as follows:

	Years Ended December 31		
	2022	2021	2020
	(in thousands)		
Institutions	\$ 659,983	\$ 587,017	\$ 512,914
Retail	2,000,908	2,223,829	1,811,948
Private Wealth Management	1,004,003	1,126,142	882,672
Bernstein Research Services	416,273	452,017	459,744
Other	39,561	56,283	56,908
Total revenues	4,120,728	4,445,288	3,724,186
Less: Interest expense	66,438	3,686	15,650
<b>Net revenues</b>	<b>\$4,054,290</b>	<b>\$4,441,602</b>	<b>\$3,708,536</b>

No individual fund accounted for more than 10% of our investment advisory and service fees and our net revenues during 2022, 2021 and 2020.

### Geographic Information

Net revenues and long-lived assets, related to our U.S. and international operations, as of and for the years ended December 31, were as follows:

	2022	2021	2020
	(in thousands)		
Net revenues:			
United States	\$ 2,381,958	\$ 2,558,592	\$ 2,106,636
International	1,672,332	1,883,010	1,601,900
<b>Total <sup>(1)</sup></b>	<b>\$4,054,290</b>	<b>\$4,441,602</b>	<b>\$3,708,536</b>
Long-lived assets:			
United States	\$ 4,067,991	\$ 3,331,572	
International	72,466	45,796	
<b>Total</b>	<b>\$4,140,457</b>	<b>\$3,377,368</b>	

<sup>(1)</sup> We have recast prior period presentation of geographic revenues to align with current period presentation by legal entity domicile as compared to historical presentation method by client domicile.

### Major Customers

No single customer or individual client accounted for more than 10% of our total revenues for the years ended December 31, 2022, 2021 and 2020.

## 23. Related Party Transactions

### Mutual Funds

We provide investment management, distribution, shareholder, administrative and brokerage services to individual investors by means of retail mutual funds sponsored by our company, our subsidiaries and our affiliated joint venture companies. We provide substantially all of these services under contracts that specify the services to be provided and the fees to be charged. The contracts are subject to annual review and approval by each mutual fund's board of directors or trustees and, in certain circumstances, by the mutual fund's shareholders.

Revenues for services provided or related to the mutual funds are as follows:

	Years Ended December 31		
	2022	2021	2020
	(in thousands)		
Investment advisory and services fees	\$ 1,452,885	\$ 1,644,757	\$ 1,368,484
Distribution revenues	590,580	637,076	516,336
Shareholder servicing fees	79,167	85,745	79,394
Other revenues	8,366	8,364	8,314
Bernstein Research Services	—	2	3
	<b>\$2,130,998</b>	<b>\$2,375,944</b>	<b>\$1,972,531</b>

### EQH and its Subsidiaries

We provide investment management and certain administration services to EQH and its subsidiaries. In addition, EQH and its subsidiaries distribute company-sponsored mutual funds, for which they receive commissions and distribution payments. Also, we are covered by various insurance policies maintained by EQH and we pay fees for technology and other services provided by EQH and its subsidiaries. Additionally, see Note 12, *Debt*, for disclosures related to our credit facility with EQH.

Aggregate amounts included in the consolidated financial statements for transactions with EQH and its subsidiaries, as of and for the years ended December 31, are as follows:

	EQH		
	2022	2021	2020
	(in thousands)		
Revenues:			
Investment advisory and services fees	\$ 148,377	\$ 133,074	\$ 115,901
Other revenues	688	675	1,330
	<b>\$ 149,065</b>	<b>\$ 133,749</b>	<b>\$ 117,231</b>
Expenses:			
Commissions and distribution payments to financial intermediaries	\$ 3,897	\$ 4,550	\$ 3,952
General and administrative	2,882	2,373	2,281
Other	14,069	3,953	5,463
	<b>\$ 20,848</b>	<b>\$ 10,876</b>	<b>\$ 11,696</b>
Balance Sheet:			
Institutional investment advisory and services fees receivable	\$ 7,732	\$ 8,607	
Prepaid expenses	385	545	
Other due to EQH and its subsidiaries	(4,206)	(1,534)	
EQH Facility	(990,000)	(755,000)	
	<b>\$ (986,089)</b>	<b>\$ (747,382)</b>	

## Other Related Parties

The consolidated statements of financial condition include a net receivable from AB Holding as a result of cash transactions for fees and expense reimbursements. The net receivable balance included in the consolidated statements of financial condition as of December 31, 2022 and 2021 was \$7.7 million and \$11.2 million, respectively.

## 24. Acquisitions and Divestitures

### Acquisitions

On July 1, 2022, AB Holding acquired a 100% ownership interest in CarVal, a global private alternatives investment manager primarily focused on opportunistic and distressed credit, renewable energy, infrastructure, specialty finance and transportation investments that, as of the acquisition date, constituted approximately \$12.2 billion in AUM. Also, on July 1, 2022, immediately following the acquisition of CarVal, AB Holding contributed 100% of its equity interests in CarVal to AB in exchange for AB Units. Post-acquisition, CarVal was rebranded AB CarVal Investors (“**AB CarVal**”).

On the acquisition date, AB Holding issued approximately 3.2 million AB Holding Units (with a fair value of \$132.8 million) with the remaining 12.1 million Units (with a fair value of \$456.4 million) issued on November 1, 2022. The fair value of the units issued on November 1, 2022 reflect final adjustments to the estimated unit issuance recorded as of acquisition close on July 1, 2022 and as disclosed in the third quarter 2022 Form 10-Q.

AB received a 100% equity interest in CarVal from AB Holding and issued approximately 15.3 million AB Units (with a fair value of \$589.2 million). AB also recorded a contingent consideration payable of \$228.9 million (to be paid predominantly in AB Units) based on AB CarVal achieving certain performance objectives over a six-year period ending December 31, 2027. The AB Units, *as discussed above*, were issued to AB Holding; AB Holding then issued the equal amount of AB Holding Units to CarVal. The excess of the purchase price over the current fair value of identifiable net liabilities acquired of \$156.1 million (net of cash acquired of \$40.8 million), and the recording of a net deferred tax asset of \$5.1 million resulted in the recognition of \$666.1 million of goodwill and the recording of \$303.0 million of finite-lived intangible assets primarily relating to investment management contracts and investor relationships with useful lives ranging from 5 to 10 years. The goodwill recorded is not deductible for tax purposes as the CarVal acquisition was an investment in a partnership.

## Part II

The following table summarizes the amounts of identified assets acquired and liabilities assumed at the acquisition date (reflecting acquisition adjustments recorded in the fourth quarter of 2022), as well as the consideration transferred to acquire CarVal (in thousands):

<b>Summary of purchase consideration:</b>	
Fair value of AB Holding units issued	\$ 589,169
Fair value of contingent consideration	228,885
<b>Total purchase consideration</b>	<b>\$ 818,054</b>
<b>Purchase price allocation:</b>	
<i>Assets acquired:</i>	
Cash and cash equivalents	\$ 40,777
Receivables, net	82,523
Investments - other	947
Furniture, equipment, and leasehold improvements, net	2,464
Right-of-use assets	16,482
Other assets	10,600
Deferred tax asset	5,073
Intangible assets	303,000
Goodwill	666,130
<b>Total assets acquired</b>	<b>1,127,996</b>
<i>Liabilities assumed:</i>	
Accounts payable and accrued expenses	(17,793)
Accrued compensation and benefits	(219,726)
Debt	(42,661)
Lease liabilities	(16,571)
Non-redeemable non-controlling interests in consolidated entities	(13,191)
<b>Total liabilities assumed</b>	<b>(309,942)</b>
<b>Net assets acquired</b>	<b>\$ 818,054</b>

The CarVal acquisition did not have a significant impact on our 2022 revenues and earnings. As a result, we have not provided supplemental pro forma financial information.

## Divestitures

On November 22, 2022, AB and SocGen, a leading European bank, announced plans to form a joint venture combining their respective cash equities and research businesses. The consummation of the joint venture is subject to customary closing conditions, including regulatory clearances. The closing is expected to occur before the end of 2023. Upon closing, AB will own a 49% interest in the joint venture and SocGen will own a 51% interest in the joint venture, with an option to reach 100% ownership after five years. The assets and liabilities of AB's research services business ("**the disposal group**") have been classified as held for sale on the consolidated statement of financial condition and recorded at fair value, less cost to sell. As a result of classifying these assets as held for sale, we recognized a non-cash valuation adjustment of \$7.4 million on the consolidated statement of income, to recognize the net carrying value at lower of cost or fair value, less estimated costs to sell.

The following table summarizes the assets and liabilities of the disposal group classified as held for sale on the consolidated statement of financial condition as of December 31, 2022:

Cash and cash equivalents	\$ 159,123
Receivables, net:	
Brokers and dealers	44,717
Brokerage clients	29,243
Other fees	22,988
Investments	24,507
Furniture and equipment, net	4,128
Other assets	107,764
Right-of-use assets	1,552
Intangible assets	4,903
Goodwill	159,826
Valuation adjustment (allowance) on disposal group	(7,400)
<b>Total assets held for sale</b>	<b>\$ 551,351</b>
Payables:	
Brokers and dealers	\$ 32,983
Brokerage clients	10,232
Other liabilities	50,884
Accrued compensation and benefits	13,853
<b>Total liabilities held for sale</b>	<b>\$ 107,952</b>

As of December 31, 2022, cash and cash equivalents classified as held for sale included in the consolidated statement of cash flows was \$159.1 million.

We have determined that the exit from the sell-side research business does not represent a strategic shift that had a major effect on our consolidated results of operations. Accordingly, we have not classified the disposal group as discontinued operations. The results of operations of the disposal group up to the respective dates of sale will be included in our consolidated results of operations for all periods presented. The lower of amortized cost or fair value adjustment upon transferring these assets to held for sale was not material.

## Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Neither AB nor AB Holding had any changes in or disagreements with accountants in respect of accounting or financial disclosure.

## Item 9A. Controls and Procedures

### Disclosure Controls and Procedures

Each of AB Holding and AB maintains a system of disclosure controls and procedures that is designed to ensure that information required to be disclosed in our reports under the Exchange Act is (i) recorded, processed, summarized and reported in a timely manner, and (ii) accumulated and communicated to management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), to permit timely decisions regarding our disclosure.

As of the end of the period covered by this report, management carried out an evaluation, under the supervision and with the participation of the CEO and the CFO, of the effectiveness of the design and operation of disclosure controls and procedures. Based on this evaluation, the CEO and the CFO concluded that the disclosure controls and procedures are effective.

## Management's Report on Internal Control Over Financial Reporting

Management acknowledges its responsibility for establishing and maintaining adequate internal control over financial reporting for each of AB Holding and AB.

Internal control over financial reporting is a process designed by, or under the supervision of, a company's CEO and CFO, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America ("**US GAAP**") and includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with US GAAP and receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those internal control systems determined to be effective can provide only reasonable assurance with respect to the reliability of financial statement preparation and presentation. Because of these inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness of internal control to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

On July 1, 2022, AllianceBernstein L.P. completed its acquisition of CarVal Investors L.P. ("**CarVal**"). Consistent with guidance issued by the Securities and Exchange Commission that an assessment of a recently acquired business may be omitted from management's report on internal control over financial reporting in the year of acquisition, management excluded an assessment of the effectiveness of the Company's internal control over financial reporting related to CarVal. Total assets and total revenues of CarVal that were excluded from management's assessment each constitute approximately 2% for the year ended December 31, 2022.

Management assessed the effectiveness of AB Holding's and AB's internal control over financial reporting as of December 31, 2022. In making its assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control-Integrated Framework (2013)* (the "**COSO criteria**").

Based on its assessment, management concluded that, as of December 31, 2022, each of AB Holding and AB maintained effective internal control over financial reporting based on the COSO criteria.

PricewaterhouseCoopers LLP (PCAOB ID No. 238), the independent registered public accounting firm that audited the 2022 financial statements included in this Form 10-K, has issued an attestation report on the effectiveness of each of AB Holding's and AB's internal control over financial reporting as of December 31, 2022. The reports pertaining to AB Holding and AB each can be found in *Item 8* of this Form 10-K.

## Changes in Internal Control Over Financial Reporting

No changes in our internal control over financial reporting occurred during the fourth quarter of 2022 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## Item 9B. Other Information

Both AB and AB Holding reported all information required to be disclosed on Form 8-K during the fourth quarter of 2022.

## Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

# Part III

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## Item 10. Directors, Executive Officers and Corporate Governance

We use “Internet Site” in Items 10 and 11 to refer to our company’s public website, [www.alliancebernstein.com](http://www.alliancebernstein.com).

To contact our company’s Corporate Secretary, you may send an email to [corporate\\_secretary@alliancebernstein.com](mailto:corporate_secretary@alliancebernstein.com) or write to Corporate Secretary, AllianceBernstein L.P., 1345 Avenue of the Americas, New York, New York 10105.

### General Partner

The Partnerships’ activities are managed and controlled by the General Partner. The Board of the General Partner acts as the Board of each of the Partnerships. Neither AB Unitholders nor AB Holding Unitholders have rights to manage or control the Partnerships or to elect directors of the General Partner. The General Partner is a wholly owned subsidiary of EQH.

The General Partner does not receive any compensation from the Partnerships for services rendered to them as their general partner. The General Partner holds a 1% general partnership interest in AB and 100,000 units of general partnership interest in AB Holding. Each general partnership unit in AB Holding is entitled to receive distributions equal to those received by each AB Holding Unit. Similarly, the 1% general partnership interest in AB is entitled to receive distributions equal to those received by each AB Unit.

The General Partner is entitled to reimbursement by AB for any expenses it incurs in carrying out its activities as general partner of the Partnerships, including compensation paid by the General Partner to its directors and officers (to the extent such persons are not compensated directly by AB).

### Board of Directors

Our Board consists of 11 directors, including seven independent directors (including our Chair of the Board), our President and CEO, and three senior executives of EQH. While we do not have a formal, written diversity policy in place, we believe that an effective board consists of a diverse group of individuals who collectively possess a variety of complementary skills, personal experiences and perspectives and who will work together to provide a board with the needed leadership and experience to successfully guide our company. As set forth in its charter, the Corporate Governance Committee of the Board (the “**Governance Committee**”) assists the Board in identifying and evaluating such candidates, determining Board composition, developing and monitoring a process to assess Board effectiveness, developing and implementing corporate governance guidelines, and reviewing programs relating to matters of corporate responsibility.

As we indicate below, our directors have a combined wealth of leadership experience derived from extensive service leading large, complex organizations in their roles as either senior executives or board members, as well as in government and academia. Each of our directors has the integrity, business judgment, collegiality and commitment that are among the essential characteristics for a member of our Board. Collectively, they have substantive knowledge and skills applicable to our business, including expertise in areas such as asset management; regulation; public accounting and financial reporting; finance; risk management; business development; operations; information technology and security; strategic planning; management development, succession planning and compensation; corporate governance; public policy; and international matters.

## Board Committees

	 Executive Committee	 Audit and Risk Committee	 Corporate Governance Committee	 Compensation and Workplace Practices Committee
Joan Lamm-Tennant				
Seth Bernstein	M		M	
Nella Domenici		M		
Jeffrey Hurd				
Daniel Kaye				M
Nick Lane				
Kristi Matus				
Das Narayandas			M	
Mark Pearson	M		M	M
Charles Stonehill				
Todd Walthall		M		

 Chairperson

M Member

## Board Diversity Matrix

	Female	Male	Non-Binary	Did Not Disclose Gender
<b>Gender Diversity</b>				
Directors	3	8	—	—
<b>Racial/Ethnic/Nationality/Other Forms of Diversity</b>				
African American/Black	—	1	—	—
Alaskan Native/Native American	—	—	—	—
Asian/South Asian	—	1	—	—
Hispanic/Latinx	—	—	—	—
Native Hawaiian/Pacific Islander	—	—	—	—
White/Caucasian	3	6	—	—
LGBTQ+	—	—	—	—
Directors Born Outside of the US	—	1	—	—
Did Not Disclose Demographics	—	—	—	—



## Board of Directors



### Joan Lamm-Tennant

Chair of the Board,  
Equitable Holdings

Committees:  
**Executive (Chair)**

Age: **70**  
Director Since: **2021**



### Seth Bernstein

President and Chief Executive  
Officer, AllianceBernstein

Committees:  
**Executive  
Governance**

Age: **61**  
Director Since: **2017**



### Nella Domenici

C-Suite executive, board  
member and philanthropist

Committees:  
**Audit**

Age: **62**  
Director Since: **2020**



### Jeffrey Hurd

Chief Operating Officer,  
Equitable Holdings

Committees:  
**None**

Age: **56**  
Director Since: **2019**



### Daniel Kaye

Director, CME Group (NASDAQ:  
CME), and Equitable Holdings

Committees:  
**Compensation**

Age: **68**  
Director Since: **2017**

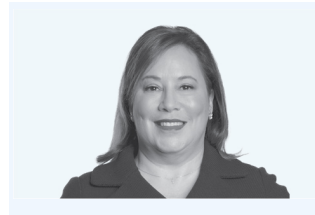


### Nick Lane

President, Equitable Financial  
Life Insurance Company

Committees:  
**None**

Age: **49**  
Director Since: **2019**



### Kristi Matus

Director, Cerence (NASDAQ:  
CRNC), and Equitable Holdings

Committees:  
**Governance (Chair)  
Compensation (Chair)**

Age: **55**  
Director Since: **2019**

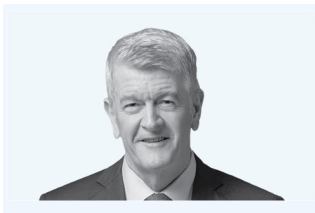


### Das Narayandas

Edsel Bryant Ford Professor of  
Business Administration,  
Harvard Business School

Committees:  
**Governance**

Age: **62**  
Director Since: **2017**



### Mark Pearson

President and Chief Executive  
Officer, Equitable Holdings

Committees:  
**Executive  
Governance  
Compensation**

Age: **64**  
Director Since: **2011**

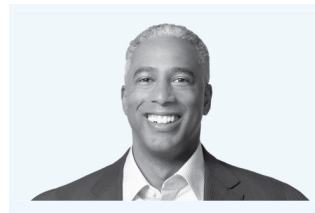


### Charles Stonehill

Founding Partner, Green &  
Blue Advisors; Director,  
Equitable Holdings

Committees:  
**Audit (Chair)**

Age: **64**  
Director Since: **2019**



### Todd Walthall

Chief Executive for Optum  
Insight (Payer Market),  
UnitedHealth Group

Committees:  
**Audit**

Age: **52**  
Director Since: **2021**

As of February 10, 2023, our directors are as follows:



**Joan Lamm-Tennant**

Committees: **Executive (Chair)**

Age: **70**

Director Since: **2021**

**Background**

- Ms. Lamm-Tennant was appointed Chair of AB in October 2021.
- She has served as Chair of the Board of EQH, Equitable Financial and Equitable America since October 2021, after having joined these boards in January 2020.
  - She also serves on the Executive Committee, the Audit Committee, and the Finance and Risk Committee of EQH.
- Ms. Lamm-Tennant founded Blue Marble Microinsurance and served as its CEO from 2015 to 2020.
- She currently is executive advisor of Brewer Lane Ventures, having joined in 2021; she also serves on the boards of Ambac Financial Group and Element Fleet Financial Corp.
- Previously, Ms. Lamm-Tennant was Adjunct Professor, International Business at The Wharton School of the University of Pennsylvania from 2005 to 2016. Prior to or concurrently with her service at The Wharton School, Ms. Lamm-Tennant held various senior positions in the insurance industry, including with Marsh & McLennan Companies, Guy Carpenter and General Reinsurance Corporation.

**Director Qualifications**

Ms. Lamm-Tennant brings to the Board significant industry and academic experience, having held global business leadership roles and developed a distinguished career as a professor of finance and economics.



**Seth Bernstein**

Committees: **Executive, Governance**

Age: **61**

Director Since: **2017**

**Background**

- Mr. Bernstein was appointed President and Chief Executive Officer in April 2017 and began serving in this role on May 1, 2017.
- He has served as Senior Executive Vice President and Head of Investment Management and Research of EQH since April 2018.
- Previously, Mr. Bernstein had a distinguished 32-year career at JPMorgan Chase, most recently as Managing Director and Global Head of Managed Solutions and Strategy at J.P. Morgan Asset Management. In this role, Mr. Bernstein was responsible for the management of all discretionary assets within the Private Banking client segment.
  - Among other roles, he served as Managing Director and Global Head of Fixed Income and Currency for 10 years, concluding in 2012.
- Mr. Bernstein held the position of Chief Financial Officer at JPMorgan Chase's Investment Management and Private Banking division.
- Mr. Bernstein is a member of the Management Committee of EQH and the Investment Committee of the Board of Managers of Haverford College, Pennsylvania.

**Director Qualifications**

Mr. Bernstein brings to the Board the diverse financial services experience he developed through his extensive service at JPMorgan Chase and more recent career at AB.



### Nella Domenici

Committees: **Audit**

Age: **62**

Director Since: **2020**

#### Background

- Ms. Domenici was appointed a director of AB in January 2020.
- During 2020 and 2021, she served as Chief Financial Officer and member of the Executive Committee at Dataminr, a leading high-growth AI company that is late-stage venture backed. In her senior executive role, Ms. Domenici was responsible for various strategic, operational and administrative functions.
- From 2015 to 2018, she served as Chief Financial Officer and member of the Operating Committee at Bridgewater Associates, a premier asset management firm.
- Prior thereto, she held various senior managerial, investment banking and strategic positions with firms including Citadel Investment Group, Credit Suisse and The Monitor Consulting Group. In addition, she is a proven entrepreneur, having founded a successful financial consulting firm that advised many family-owned, private equity, venture-backed and real estate companies.
- Ms. Domenici is a dedicated advocate and champion in the areas of education, healthcare and economic development. She co-founded the Excellent Schools of New Mexico, a leading non-profit organization that supports charter schools in underserved communities, and she serves on the board of Regis High School in New York City.
- She also serves on the advisory board of the International Folk-Art Market, which generates economic opportunities for folk artists worldwide, particularly women in developing countries.
- Ms. Domenici is a former member of the Bipartisan Policy Center Behavioral Health Integration Task Force, where she championed initiatives focused on mental illness, and of the board of One World Surgery, which provides access to quality surgical care globally.

#### Director Qualifications

Ms. Domenici brings to the Board her seasoned business acumen and her extensive global experience in strategic financial management, corporate strategy and operations.



### Jeffrey Hurd

Committees: **None**

Age: **56**

Director Since: **2019**

#### Background

- Mr. Hurd was appointed a director of AB in April 2019.
- He has served as Chief Operating Officer of EQH, and as a member of the EQH Management Committee, since 2018.
  - In this role, Mr. Hurd has strategic oversight for EQH's Human Resources, Information Technology, Insurance Operations and Communications departments.
  - He also is responsible for other key functional areas, including procurement and corporate real estate.
- Mr. Hurd also has served as Chief Operating Officer of Equitable Financial since 2018.
- Prior to joining Equitable, Mr. Hurd served as Executive Vice President and Chief Operating Officer at American International Group, Inc. ("**AIG**"), where he amassed deep financial services industry experience during his 20-year tenure.
  - While at AIG, Mr. Hurd served as Chief Human Resources Officer, Chief Administrative Officer, Deputy General Counsel and Head of Asset Management Restructuring.

#### Director Qualifications

Mr. Hurd brings to the Board his extensive experience in financial services and strategic insights as a senior executive at EQH and, formerly, at AIG.



## Daniel Kaye

Committees:

**Compensation**

Age: **68**

Director Since: **2017**

### Background

- Mr. Kaye was appointed a director of AB in April 2017.
- He has been a director of EQH since May 2018 and a director of Equitable Financial and Equitable America since September 2015.
- Also, since May 2019, Mr. Kaye has been a director of CME Group, Inc. (NASDAQ: CME), where he serves as Chair of the Audit Committee.
- From January 2013 to May 2014, Mr. Kaye served as interim Chief Financial Officer and Treasurer of HealthEast Care System. He held this post after retiring in 2012 from his career at Ernst & Young LLP ("E&Y").
- He served for 35 years at E&Y, including 25 years as an audit partner.
  - During his tenure at E&Y, Mr. Kaye served as the New England Area Managing Partner and the Midwest Area Managing Partner of Assurance.
- Mr. Kaye is a Certified Public Accountant and a National Association of Corporate Directors Board Leadership Fellow.

### Director Qualifications

Mr. Kaye brings to the Board the extensive financial and regulatory expertise he developed through his career at E&Y and his directorships at CME, EQH and certain of EQH's subsidiaries.



## Nick Lane

Committees: **None**

Age: **49**

Director Since: **2019**

### Background

- Mr. Lane was appointed a director of AB in April 2019.
- He has served as Head of Retirement, Wealth Management & Protection Solutions of EQH, and as a member of the EQH Management Committee, since May 2018.
- Also, since February 2019, Mr. Lane has served as President of Equitable Financial, leading that company's Retirement, Wealth Management & Protection Solutions businesses and also leading its Marketing and Digital functions.
- Mr. Lane held various leadership roles with AXA and Equitable Financial since joining Equitable Financial (then a subsidiary of AXA) in 2005 as Senior Vice President of the Strategic Initiatives Group.
  - He has served as President and CEO of AXA Japan, Senior Executive Director at Equitable Financial with responsibilities across commercial divisions, and Head of AXA Global Strategy overseeing AXA's five-year strategic plan across 60 countries.
- Prior to joining Equitable Financial, Mr. Lane was a consultant for McKinsey & Company and a Captain in the United States Marine Corps.

### Director Qualifications

Mr. Lane brings to the Board the outstanding experience and leadership qualities he has developed in various senior roles at AXA S.A., EQH and various subsidiaries, and as an officer in the United States Marine Corps.



### Kristi Matus

Committees: **Governance (Chair), Compensation (Chair)**

Age: **55**

Director Since: **2019**

#### Background

- Ms. Matus was appointed a director of AB in July 2019.
- She has been a director and member of various board committees at EQH and Equitable America since March 2019 and at Equitable Financial since September 2015.
- Ms. Matus has served as director and Audit Committee Chair of Cerence, Inc. (NASDAQ: CRNC), a leading provider of automotive technology, since October 2019.
- Formerly, Ms. Matus had been Chief Financial Officer and Chief Operating Officer of Buckle, Inc., a tech-enabled financial services company, from 2020 to 2022, Chair of the Compensation Committee at Tru Optik Data Corp., a digital media intelligence company, from September 2016 to October 2020, an executive advisor to Thomas H. Lee Partners L.P., a private equity firm, from October 2017 to October 2020, and a director and the Audit Committee Chair at Nextech Systems, a provider of healthcare technology solutions, from June 2019 to October 2020.
- Ms. Matus served as Executive Vice President and Chief Financial & Administrative Officer at athenahealth, Inc. ("athena") from July 2014 to May 2016.
- Before joining athena, Ms. Matus served as Executive Vice President of Governance Services at Aetna, Inc. from February 2012 to July 2013.
- Previously, she held several leadership roles at United Services Automobile Association.

#### Director Qualifications

Ms. Matus brings to the Board her extensive experience in finance, risk management, compliance and audit functions, investor relations, human capital, real estate and IT, gained through her numerous leadership roles at technology, healthcare and insurance companies.



### Das Narayandas

Committees: **Governance**

Age: **62**

Director Since: **2017**

#### Background

- Mr. Narayandas was appointed a director of AB in November 2017.
- He is the Edsel Bryant Ford Professor of Business Administration at Harvard Business School ("HBS"), where he has been a faculty member since 1994.
- Mr. Narayandas also currently serves as the Senior Associate Dean and Chairman of Harvard Business School Publishing, and as the Senior Associate Dean of HBS External Relations.
- He previously served as the senior associate dean of HBS Executive Education, and as chair of the HBS Executive Education Advanced Management Program and the Program for Leadership Development, as well as course head of the required first-year marketing course in the MBA program.
- Mr. Narayandas has received the award for teaching excellence from the graduating HBS MBA class on several occasions. Other awards he has received include the Robert F. Greenhill Award for Outstanding Service to the HBS Community, the Charles M. Williams Award for Excellence in Teaching and the Apgar Award for Innovation in Teaching.
- His scholarship has focused on market-facing issues in traditional business-to-business marketing and professional service firms, including client management strategies, delivering service excellence, product-line management and channel design.

#### Director Qualifications

Mr. Narayandas brings to the Board his wealth of experience at the highest level of academia in the U.S.



## Mark Pearson

Committees: **Executive, Governance, Compensation**

Age: **64**

Director Since: **2011**

### Background

- Mr. Pearson was appointed a director of AB in February 2011.
- He has served as director and as President and CEO of EQH since May 2018.
  - Mr. Pearson also serves as a member of EQH's Management Committee.
- Additionally, Mr. Pearson serves as CEO of Equitable Financial and Equitable America, and he has been a director of both companies since 2011.
- Mr. Pearson joined AXA S.A. in 1995 when it acquired National Mutual Funds Management Limited (presently AXA Asia Pacific Holdings Limited) and was appointed Regional Chief Executive of AXA Asia Life in 2001.
  - From 2008 to 2011, Mr. Pearson was President and Chief Executive Officer of AXA Japan Holding Co., Ltd. ("**AXA Japan**").
  - Prior to joining AXA S.A., Mr. Pearson spent approximately 20 years in the insurance sector, holding several senior management positions at Hill Samuel, Schroders, National Mutual Holdings and Friends Provident.
  - Mr. Pearson is a Fellow of the Chartered Public Association of Certified Public Accountants.

### Director Qualifications

Mr. Pearson brings to the Board the diverse financial services experience he has developed through his service as an executive, including as Chief Executive Officer, with EQH, AXA Japan and other affiliates of AXA S.A.



## Charles Stonehill

Committees: **Audit (Chair)**

Age: **64**

Director Since: **2019**

### Background

- Mr. Stonehill was appointed a director of AB in April 2019.
- He has been a director and member of various board committees at EQH and Equitable America since March 2019, and at Equitable Financial since November 2017.
- Mr. Stonehill has served as a member of the supervisory board of Deutsche Boerse AG, a capital market infrastructure provider, since 2019. Additionally, Mr. Stonehill is a director of Constellation Acquisition Corp. I, a blank check company that targets disruptive innovation across various segments of the global economy, from 2021 to January 2023.
- In addition, Mr. Stonehill is the Founding Partner of Green & Blue Advisors LLC, having started this advisory firm that provides financial advice to clean-tech and other environmentally-minded companies in 2011.
- He formerly was a director of Play Magnus AS, a chess app company, from 2016 to 2021, and non-executive vice chairman of Julius Baer Group Ltd., a global private banking company based in Switzerland, from 2009 to 2021.
- Mr. Stonehill has over 30 years' experience in energy markets, investment banking and capital markets, including leadership positions at Lazard Freres & Co. LLC, Credit Suisse and Morgan Stanley & Co.
- He also served as Chief Financial Officer at Better Place Inc., an electric vehicle start-up, from 2009 to 2011, where he oversaw global financial strategy and capital raising.

### Director Qualifications

Mr. Stonehill brings to the Board his extensive expertise and distinguished track record in the financial services industry and over 30 years' experience in energy markets, investment banking and capital markets.





**Todd Walthall**

Committees: **Audit**

Age: **52**

Director Since: **2021**

#### **Background**

- Mr. Walthall was appointed a director of AB in September 2021.
- He is a senior executive with UnitedHealth Group, an American multinational managed healthcare and insurance company, currently serving as chief executive officer for Optum Insight (Payer Market) and formerly serving as Executive Vice President of Enterprise Growth.
- Previously, he served as Executive Vice President and Chief Operating Officer at Blue Shield of California.
- Prior to Blue Shield, he served as Vice President and General Manager of Digital Service Integration at American Express. Before joining AMEX, Mr. Walthall held numerous senior roles with USAA Insurance, having contributed to the development of the industry's first mobile check-deposit service.
- He was the recipient of the 2016 Multicultural Leaders of California award from the National Diversity Council, and in 2020 was named one of the Most Influential Black Executives in Corporate America by Savoy Magazine.

#### **Director Qualifications**

Mr. Walthall brings over two decades of leadership experience with growth strategy, operations, product development, and customer service and retention programs through his extensive experience in numerous leadership roles throughout his career.

## Executive Officers (other than Mr. Bernstein)

### Kate Burke, COO and CFO

Ms. Burke, age 51, was named Chief Financial Officer in July 2022 while retaining her role as Chief Operating Officer, which she became in July 2020. Ms. Burke served as Head of our firm's Private Wealth channel from February 2021 to June 2022; she was appointed Chief Administrative Officer in May 2019. Previously, she served as Head of Human Capital and Chief Talent Officer from February 2016 to May 2019. Ms. Burke joined our firm in 2004 as an institutional equity salesperson with Bernstein Research Services and has held various managerial roles since that time. Prior to joining AB, Ms. Burke was a consultant at A.T. Kearney, where she focused on strategy, organizational design and change management.

### Onur Erzan, Head of Global Client Group and Private Wealth

Mr. Erzan, age 47, joined our firm in 2021 as Head of Global Client Group and was named Head of Private Wealth in July 2022. In this role, he oversees AB's entire private wealth management business and third-party institutional and retail franchise, where he is responsible for all client services, sales and marketing, as well as product strategy, management and development worldwide. Prior to joining AB, Mr. Erzan spent over 19 years with McKinsey, most recently as a senior partner and co-leader of its Wealth & Asset Management practice. In addition, Mr. Erzan co-led McKinsey's Banking & Securities Solutions (a portfolio of data, analytics and digital assets and capabilities) globally. He has been active in nonprofit organizations for the last several years and has served on the boards of Graham Windham and Turkish Philanthropy Funds.

### Karl Sprules, Head of Global Technology and Operations

Mr. Sprules, age 49, was appointed Head of Global Technology & Operations in 2018. He joined AB's technology department in 1998 as a senior systems engineer in the firm's London office. From 2012 to 2020, Mr. Sprules served as AB's chief technology officer, and since 2018 he has led the relocation of AB's Technology & Operations department to the firm's new Nashville headquarters. In 2012, Mr. Sprules became head of Infrastructure Services for Equities, managing investment operations, operational risk and technology teams. From 2005 to 2012, Mr. Sprules led technology for AB's Private Wealth, Institutional and Client groups. Before joining AB, Mr. Sprules held research analyst positions in cellular and defense product development.

### Mark Manley, Global Head of Compliance and General Counsel

Mr. Manley, age 60, joined the firm in 1984 and currently serves as Senior Vice President, General Counsel and Global Head of Compliance. He served a Deputy General Counsel from June 2004 to December 2021. Mr. Manley has been the firm's Global Head of Compliance since 1988. He chairs AB's Code of Ethics Oversight Committee and is a member of AB's Internal Compliance Controls Committee and nearly all of the firm's senior operating, risk and compliance committees.

### Bill Siemers, Controller and Chief Accounting Officer (and Former Interim CFO)

Mr. Siemers, age 62, joined the firm in 2004 as Director of Financial Reporting and currently serves as Senior Vice President, Controller and Chief Accounting Officer of AB. He briefly assumed the position of Interim Chief Financial Officer in March 2022, serving in that capacity until July. Prior to joining AB, Mr. Siemers held various finance positions at Altria and as an auditor at Deloitte.

### Ali Dibadj, Former CFO and Head of Strategy

Mr. Dibadj, age 47, resigned as our firm's CFO and Head of Strategy in March 2022. He had been appointed Head of Finance (and later CFO-designate) and Head of Strategy in April 2020, and he had served as our firm's CFO since February 2021. He co-lead the firm's Strategy Committee in 2019, was designated a portfolio manager focusing on improving operations, ESG and capital allocation of companies in 2017, and served as a senior research analyst with Bernstein Research Services from 2006 to 2020.



## Changes in Directors and Executive Officers

The following changes in our directors and executive officers occurred since we filed our Form 10-K for the year ended December 31, 2021:

### Directors

- Bertram Scott departed the Board, effective March 22, 2022.

### Executive Officers

- Mr. Manley assumed management of AB's Legal & Compliance Department, effective as of January 1, 2022, after our former Chief Legal Officer retired.
- Mr. Dibadj resigned as CFO and Head of Strategy, effective March 22, 2022.
- Mr. Siemers, our firm's Controller and Chief Accounting Officer, was appointed as Interim CFO, effective March 23, 2022; his service as Interim CFO ended on July 6, 2022.
- Ms. Burke, our firm's COO, was appointed CFO on July 6, 2022.
- Mr. Erzan, our firm's Head of Global Client Group, was appointed Head of Private Wealth on July 6, 2022.

## Board Meetings

In 2022, the Board held regular meetings in February, May, September and November. In addition, the Board convened a special meeting in March 2022.

The Board has established a calendar consisting of four regular meetings, which typically are held in February, May, September and November. In addition, the Board holds special meetings or takes action by unanimous written consent as circumstances warrant. The Board has standing Executive, Audit and Risk, Compensation and Workplace Practices, and Governance Committees, each of which is *described in further detail below*. Each member of the Board attended 75% or more of the aggregate of all Board and committee meetings that he or she was entitled to attend in 2022.

## Committees of the Board



### Executive Committee

Committee Members:  
**Joan Lamm-Tennant (Chair)**  
**Seth Bernstein**  
**Mark Pearson**

Meetings in 2022: 4

#### Responsibilities:

- Exercises all of the powers and authority of the Board (with limited exceptions) when the Board is not in session, or when it is impractical to assemble the full Board.
- Typically, determines quarterly unitholder distributions, as applicable.



### Audit and Risk Committee

Committee Members:  
**Charles Stonehill (Chair)**  
**Nella Domenici**  
**Todd Walthall**

Meetings in 2022: 9 (8 regular mtgs. and 1 special mtg.)

#### Responsibilities:

- Assist the Board in its oversight of:
  - the integrity of the financial statements of the Partnerships;
  - the effectiveness of the Partnerships' internal control over financial reporting and the Partnerships' risk management framework and risk mitigation processes;
  - the Partnerships' status and system of compliance with legal and regulatory requirements and business conduct;
  - the independent registered public accounting firm's qualification and independence; and
  - the performance of the Partnerships' internal audit function.
- Oversee the appointment, retention, compensation, evaluation and termination of the Partnerships' independent registered public accounting firm.
- Oversee management's development of a comprehensive set of metrics for evaluating the firm's ESG objectives and monitor management's progress in pursuing those objectives.
- Encourages continuous improvement of, and fosters adherence to, the Partnerships' policies, procedures and practices at all levels.
- Provides an open avenue of communication among the independent registered public accounting firm, senior management, the Internal Audit Department, the Global Head of Compliance, the Chief Risk Officer and the Board.



## Governance Committee

Committee Members:

**Kristi Matus (Chair)**  
**Seth Bernstein**  
**Das Narayandas**  
**Mark Pearson**

Meetings in 2022: **2**

### Responsibilities:

- Assists the Board and the sole stockholder of the General Partner in:
  - identifying and evaluating qualified individuals to become Board members; and
  - determining the composition of the Board and its committees.
- Assists the Board in:
  - developing and monitoring a process to assess Board effectiveness;
  - developing and implementing our Corporate Governance Guidelines; and
  - reviewing our policies and programs that relate to matters of corporate responsibility of the General Partner and the Partnerships.



## Compensation and Workplace Practices Committee

Committee Members:

**Kristi Matus (Chair)**  
**Daniel Kaye**  
**Mark Pearson**

Meetings in 2022: **6** (5 regular mtgs.  
 and 1 special mtg.)

For a discussion of the Compensation Committee's responsibilities, please see "Compensation Discussion and Analysis - Compensation Committee; Process for Determining Executive Compensation" in Item 11.

The functions of each of the Board committees discussed above are more fully described in each committee's charter. The charters are available in the "Responsibility - Corporate Governance" section of our Internet Site.

## Audit Committee Financial Experts; Financial Literacy

### Audit Committee Financial Expertise

In February 2022, the Governance Committee, after reviewing materials prepared by management, recommended that the Board determine that each of Ms. Domenici and Mr. Stonehill is an "audit committee financial expert" within the meaning of Item 407(d) of Regulation S-K. The Board so determined at its regular meeting held in February 2022.

### Financial Literacy

In February 2022, the Governance Committee, after reviewing materials prepared by management, recommended that the Board determine that Ms. Domenici, Mr. Stonehill and Mr. Walthall each is financially literate and possesses accounting or related financial management expertise, as contemplated by Section 303A.07(a) of the NYSE Listed Company Manual ("Financially Literate"). The Board so determined at its regular meeting held in February 2022.

## Independence of Certain Directors

In February 2022, the Governance Committee, after reviewing materials prepared by management, recommended that the Board determine that each of Ms. Domenici, Lamm-Tennant and Matus and Messrs. Kaye, Narayandas, Stonehill and Walthall is independent. The Board determined, at its February 2022 regular meeting, that each of these directors is independent within the meaning of the relevant rules.

## Board Leadership Structure and Role in Risk Oversight

### Leadership

The Board, together with the Governance Committee, is responsible for reviewing the Board’s leadership structure. In determining the appropriate individuals to serve as our Chair and our CEO, the Board and the Governance Committee consider, among other things, the composition of the Board, our company’s strong corporate governance practices, and the challenges and opportunities specific to AB.

### Contacting our Board

Interested parties wishing to communicate directly with our Chair or the other members of our Board may send an e-mail, with “confidential” in the subject line, to our Corporate Secretary or address mail to Ms. Lamm-Tennant in care of our Corporate Secretary. Our Corporate Secretary will promptly forward such e-mail or mail to Ms. Lamm-Tennant. We have posted this information in the “Responsibility - Corporate Governance” section of our Internet Site.

### Risk Oversight



The Board has determined that its leadership and risk oversight are appropriate for our company. Mr. Bernstein’s in-depth knowledge of financial services and extensive executive experience in the investment management industry make him well-suited to serve as our President and CEO, while Ms. Lamm-Tennant’s in-depth industry and academic experience are invaluable at enhancing the overall functioning of the Board. The Board believes that the combination of a separate Chair and CEO, the Audit Committee, a specialized risk management team and significant involvement from our largest Unitholder (EQH) provide the appropriate leadership to help ensure effective risk oversight.

## Code of Ethics and Related Policies

Our directors, officers and employees are subject to our Code of Business Conduct and Ethics (the "**Code of Ethics**"). The Code of Ethics is intended to comply with Section 303A.10 of the NYSE Listed Company Manual, Rule 204A-1 under the Investment Advisers Act and Rule 17j-1 under the Investment Company Act, as well as with recommendations issued by the Investment Company Institute regarding, among other things, practices and standards with respect to securities transactions of investment professionals. The Code of Ethics establishes certain guiding principles for all of our employees, including sensitivity to our fiduciary obligations and ensuring that we meet those obligations. In addition, the Code of Ethics, together with our firm's insider trading policy, restricts employees from trading when in possession of material non-public information of any kind, which can include the existence of a significant cybersecurity incident at our firm. Our Code of Ethics may be found in the "Responsibility - Corporate Governance" section of our Internet Site.

We have adopted a Code of Ethics for the CEO and Senior Financial Officers, which is intended to comply with Section 406 of the Sarbanes-Oxley Act of 2002 (the "**Item 406 Code**"). The Item 406 Code may be found in the "Responsibility - Corporate Governance" section of our Internet Site. We intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding certain amendments to, or waivers from, provisions of the Item 406 Code that apply to the CEO, the CFO and the Chief Accounting Officer by posting such information on our Internet Site. To date, there have been no such amendments or waivers.

## NYSE Governance Matters

Section 303A.00 of the NYSE Listed Company Manual exempts limited partnerships from compliance with the following sections of the Manual, some of which we comply with voluntarily: Section 303A.01 (board must have a majority of independent directors), 303A.04 (corporate governance committee must have only independent directors as its members and must have a charter that addresses, among other things, the committee's purpose and responsibilities), and 303A.05 (compensation committee must have only independent directors as its members and must have a charter that addresses, among other things, the committee's purpose and responsibilities).

AB Holding is a limited partnership (as is AB). In addition, because the General Partner is a wholly owned subsidiary of EQH, and the General Partner controls AB Holding (and AB), we believe we also would qualify for the "controlled company" exemption. However, we comply voluntarily with the charter requirements set forth in Sections 303A.04 and 303A.05.

Our Corporate Governance Guidelines (the "**Guidelines**") promote the effective functioning of the Board and its committees, promote the interests of the Partnerships' respective Unitholders (with appropriate regard to the Board's duties to the sole stockholder of the General Partner), and set forth a common set of expectations as to how the Board, its various committees, individual directors and management should perform their functions. The Guidelines may be found in the "Responsibility - Corporate Governance" section of our Internet Site.

The Governance Committee is responsible for considering any request for a waiver under the Code of Ethics, the Item 406 Code and the EQH Policy Statement on Ethics from any director or executive officer of the General Partner. No such waiver has been granted to date and, if a waiver is granted in the future, such waiver would be described in the "Responsibility - Corporate Governance" section of our Internet Site.

We include in the "Responsibility - Corporate Governance," section of our Internet site an e-mail address for any interested party, including Unitholders, to communicate with the Board. Our Corporate Secretary reviews e-mails sent to that address and has some discretion in determining how or whether to respond, and in determining to whom such e-mails should be forwarded. In our experience, substantially all of the e-mails received are ordinary client requests for administrative assistance that are best addressed by management, or solicitations of various kinds.

Certifications by our CEO and CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 have been furnished as exhibits to this Form 10-K.

AB Holding Unitholders and AB Unitholders may request a copy of any committee charter, the Guidelines, the Code of Ethics, and the Item 406 Code by contacting our Corporate Secretary. The charters and memberships of the Executive, Audit, Governance and Compensation Committees may be found in the "Responsibility - Corporate Governance" section of our Internet Site.

## Fiduciary Culture

We maintain a robust fiduciary culture and, as a fiduciary, we place the interests of our clients first and foremost. We are committed to the fair and equitable treatment of all our clients, and to compliance with all applicable rules and regulations and internal policies to which our business is subject. We pursue these goals through education of our employees to promote awareness of our fiduciary obligations, incentives that align employees' interests with those of our clients, and a range of measures, including active monitoring, to ensure regulatory compliance. Our compliance framework includes:

- the Code of Ethics Oversight Committee (the **"Ethics Committee"**) and the Internal Compliance Controls Committee (the **"Compliance Committee"**), each of which consists of our executive officers and other senior executives;
- an ombudsman office, where employees and others can voice concerns on a confidential basis;
- firm-wide compliance and ethics training programs; and
- a Conflicts Officer and a Conflicts Committee, which help to identify and mitigate conflicts of interest.

The Ethics Committee oversees all matters relating to issues arising under our Code of Ethics and meets on a quarterly basis and at such other times as circumstances warrant. The Ethics Committee and its subcommittee, the Personal Trading Subcommittee, have oversight of personal trading by our employees.

The Compliance Committee reviews compliance issues throughout our firm, endeavors to develop solutions to those issues as they may arise from time to time and oversees implementation of those solutions. The Compliance Committee meets on a quarterly basis and at such other times as circumstances warrant.

## Item 11. Executive Compensation

### Compensation Discussion and Analysis (“CD&A”)

In this CD&A, we provide an overview and analysis of our executive compensation philosophy, address the principal elements used to compensate our executive officers and explain how our executive compensation program aligns with AB’s strategic objectives. Additionally, we discuss 2022 incentive compensation recommendations and decisions made by our Compensation Committee for our named executive officers (“NEOs”). This CD&A should be read together with the compensation tables that follow this section. Our NEOs for 2022<sup>(1)</sup> are:



**Seth Bernstein**

President and Chief Executive Officer (“CEO”)



**Kate Burke**

Chief Operating Officer (“COO”) and CFO



**Onur Erzan**

Head of Global Client Group and Private Wealth



**Karl Sprules**

Head of Global Technology and Operations



**Mark Manley**

General Counsel and Global Head of Compliance



**Bill Siemers**

Controller and Chief Accounting Officer (and Former Interim CFO)

<sup>(1)</sup> Ali Dibadj resigned from his position as CFO and Head of Strategy in March 2022. We have included information concerning Mr. Dibadj in this CD&A and the compensatory tables that follow in accordance with applicable SEC rules and regulations.

### Compensation Philosophy and Goals

The intellectual capital of our employees is collectively the most important asset of our firm. We invest in people – we hire qualified people, train them, encourage them to give their best thinking to the firm and our clients, and compensate them in a manner designed to motivate, reward and retain them while aligning their interests with the interests of our Unitholders and clients.

Furthermore, our compensation practices are structured to help the firm realize its long-term growth strategy to **Deliver, Diversify and Expand, Responsibly, with Equitable** (the “Growth Strategy”), which includes firm-wide initiatives to:

- Deliver superior investment solutions to our clients;
- Develop high-quality differentiated services; and
- Maintain strong incremental margins.

We also are focused on ensuring that our compensation practices are competitive with industry peers and provide sufficient potential for wealth creation for our NEOs and our employees generally, which we believe will enable us to meet the following key compensation goals:

- attract, motivate and retain highly-qualified executive talent;
- reward prior-year performance;
- incentivize future performance;
- recognize and support outstanding individual performance and behaviors that demonstrate and foster our firm’s primary objective of helping our clients reach their financial goals; and
- align our executives’ long-term interests with those of our Unitholders and clients.

## Progress in Advancing our Growth Strategy in 2022

Despite a challenging investing and operating environment in 2022, we continued to make progress in executing our Growth Strategy: Deliver, Diversify, and Expand, Responsibly, with Equitable.

## Deliver Superior Investment Solutions to our Clients:

### Investment Performance

The firm's investment teams continue to focus on consistently delivering differentiated return streams to our clients. We believe that, over time, the ability to produce idiosyncratic returns that cannot be easily replicated will be central to sustaining our competitive advantage. In 2022, our fixed income performance lagged, with 20% of assets outperforming for the one-year period ended December 31, 2022, while the majority, or 53%, outperformed over the three-year period and 70% outperformed for the five-year period. In active equities, 59% of assets were in outperforming services for the one-year period, 59% for the three-year period and 77% for the five-year period ended December 31, 2022. (This performance data reflects the percentage of active fixed income and equity assets in institutional services that outperformed their respective benchmarks, gross of fees, and of active fixed income and equity assets in retail advisor and I share class funds ranked in the top half of their Morningstar category; if no advisor class exists, we used A share class). Additionally, at year-end 2022, 62% of U.S. Fund assets and 38% of Non-U.S. Fund assets were rated 4- or 5-stars by Morningstar.

The following retail fixed income and equity mutual funds with AUM greater than \$1 billion placed in the top quartile of performance for the three-year period ended December 31, 2022:

AB U.S. retail fixed income mutual funds that placed in the top quartile (3-yrs):	AB Non-U.S. fixed income funds that placed in the top quartile (3-yrs):	AB U.S. retail equity mutual funds that placed in the top quartile (3-yrs):	AB Non-U.S. equity funds that placed in the top quartile (3-yrs):
<ul style="list-style-type: none"> <li>AB Bond Inflation Strategy</li> <li>AB Municipal Bond Inflation Strategy</li> </ul>	<ul style="list-style-type: none"> <li>AB Short Duration High Yield</li> </ul>	<ul style="list-style-type: none"> <li>AB Sustainable Global Thematic</li> </ul>	<ul style="list-style-type: none"> <li>AB Select US Equity</li> <li>AB International Healthcare</li> <li>AB American Growth</li> <li>AB Sustainable Global Thematic</li> <li>AB Sustainable US Thematic</li> </ul>

### Net Flows

Scaling our proven investment services remains a key focus of our firm. Despite negative returns for both equity and fixed income markets in 2022, which drove industry-wide active net outflows, we generated our fourth consecutive year of positive active organic growth, or \$0.9 billion, primarily due to 22% organic growth in alternatives/multi-asset. In our Retail channel, gross sales were \$65.9 billion, down 34% compared with a record 2021. The retail redemption rate declined to 24% in 2022 from 30% in 2021, and full-year net outflows were \$11.6 billion, driven by taxable fixed income. In our Institutional channel, gross sales were \$32.2 billion, the highest since 2008, driven by \$16 billion in funding related to two institutional custom target date mandates. The firm generated institutional net inflows of \$6.3 billion, or a 2% organic growth rate, for a fourth consecutive year of organic growth. Our pipeline of \$13.2 billion in AUM decreased by 39% as compared with \$21.5 billion a year ago, reflecting strong fourth quarter funding; alternatives represented over 80% of the pipeline fee base at year-end. In Private Wealth, gross sales in 2022 of \$17.5 billion were strong, decreasing just 4% year-over-year, and this channel generated its fifth year of net inflows in the last seven, or 1.4% organic growth.



## Diversify Through Developing High-Quality Differentiated Services:

Growing the diversity of our offerings to meet the needs of an evolving, complex global client base remains a key focus. In 2022, new investment strategy launches across our global platform included: Diversity Champions Equity, SMA Custom Muni, AB Ultra Short Income ETF, AB Tax-Aware Short Duration Municipal ETF and Fixed Maturity Portfolio 2025. Additionally, we launched multiple new vehicles for existing investment strategies in response to customer demand, across a diverse set of geographies.

## Expand:

In 2022, we focused on expanding our Private Alternatives business, both organically (by scaling existing investment platforms) and inorganically. The acquisition of CarVal Investors, which closed on July 1, 2022, added complementary services including: opportunistic/distressed credit, renewable energy, infrastructure, specialty finance and transportation. AB's Private Markets platform is now \$56 billion, up 57% year over year, reflecting a diverse and relevant offering for institutional, retail and private wealth clients. We remain focused on expanding opportunistically, both inside and outside the U.S., to support long-term growth. We have efforts underway to expand our range of services and capabilities in China, other Asian nations and select European markets. We are also investing in our Insurance asset management business to grow third party clients. And, we have redesigned the Muni investment platform to enable customization and tax optimization at scale in our custom Muni SMAs.

## Responsibly:

We continue to launch new Portfolios with Purpose, which now represent \$24 billion in AUM; while down from \$32 billion the prior year due to lower market levels, these portfolios continued to grow organically. In 2022, we were recognized as a thought leader, winning numerous awards, including: Best Sustainable Fund Management Group of the Year (Investment Week), and Environmental Finance's IMPACT Award for Fixed Income Fund of the Year (Muni Impact).

## With Equitable:

Equitable has allocated and is currently deploying \$10 billion of permanent capital<sup>1</sup> to AB's illiquid platform to reposition and thereby further improve the risk adjusted return of its General Account, through seeding new alternative business at AB. Included in this \$10 billion commitment is \$750 million to be deployed in AB CarVal strategies.

In addition to funding record inflows to our US and Europe Commercial Real Estate Debt strategies in 2022, Equitable supported the launch of our Ultra Short Income ETF.

As of year-end 2022, more than 50% of the \$10 billion of committed capital has been deployed in both Private Alternative and Private Placement strategies.

## Maintain Strong Incremental Margins:

We remain focused on managing costs to help ensure that we generate targeted incremental adjusted operating margins in the range of 45-50%, over time. In 2022, we continued to execute a key pillar of this strategy, which we initially announced in 2018: the relocation of our corporate headquarters from New York City to Nashville. In 2022, we continued to relocate positions to our recently constructed Nashville headquarters. We have relocated over 85% of our targeted 1,250 positions. We continue to seek efficiencies and manage various operating expenses to help ensure that we drive operating leverage on incremental revenues.

Declines in equity and fixed income markets in 2022 negatively impacted our revenues, resulting in a rolling three-year incremental adjusted operating margin of 35%, below our targeted range of 45% to 50%. Our adjusted operating margin decreased to 28.4% in 2022, down 520 basis points as compared to 33.6% in 2021. The decrease resulted from an 8% decline in adjusted net revenues, driven by lower base fees, lower performance-based fees, and a decline in Bernstein Research Services revenues. Total adjusted compensation and benefits expense declined by 3% and total adjusted operating expenses were flat year over year. We provide additional information regarding our adjusted compensation ratio *below in this CD&A*; see our discussion of "Management Operating Metrics" above in Item 7 for a reconciliation between our results pursuant to US GAAP and our adjusted results.

<sup>1</sup> Permanent capital means investment capital of indefinite duration, which may be withdrawn under certain conditions. Although Equitable Financial has indicated its intention over time to provide this investment capital to AB, which is mutually beneficial to both firms, it has no binding commitment to do so.

## Our Compensation Practices are Structured to Help the Firm Realize its Growth Strategy

### Develop, commercialize and scale our suite of services

#### Launched

5 Services: Diversity Champions Equity, SMA Custom Muni, AB Ultra Short Income ETF, AB Tax-Aware Short Duration Municipal ETF, Fixed Maturity Bond Portfolio 2025

#### \$13.2 billion

Institutional pipeline with strong funding activity, >\$27B, throughout FY22 and pipeline active fee rate ~3x the institutional channel fee rate

#### \$23.8 billion

ESG Portfolios with Purpose

#### \$10 billion

Committed by Equitable Financial to expand AB's Private Alternative and Private Placement Platforms

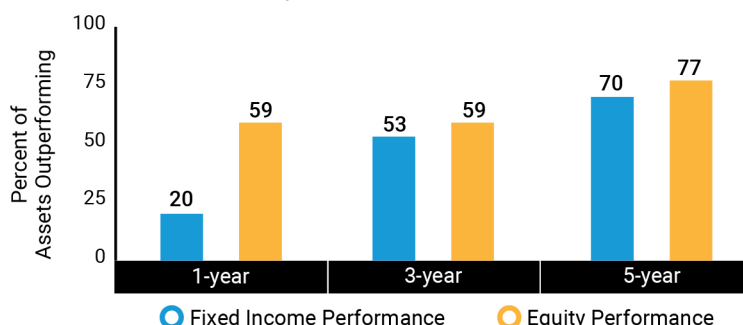
### Private Markets

#### Rapidly Growing Private Markets Platform

\$56B Private Markets AUM, up 57%, driven by the CarVal acquisition and strong organic growth

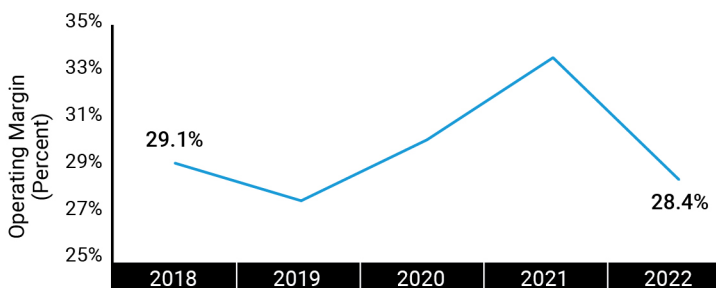
### Deliver superior investment solutions to clients

#### Fixed Income and Equity Performance



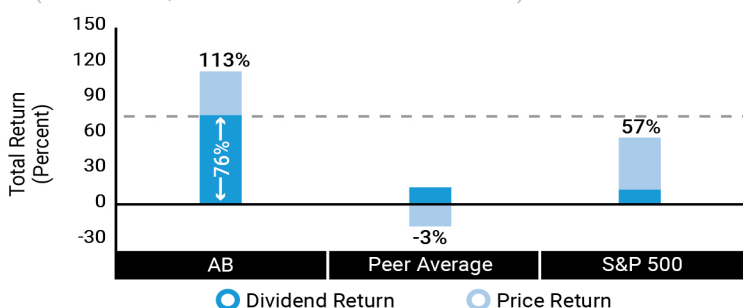
### Maintain strong incremental margins<sup>(1)</sup>

#### AB Adjusted Operating Margin



#### Total Unitholder Return

(2018 - 2022; assumes dividend reinvestment)



## Overview

### Gross Sales

AB's Institutional channel achieved

**\$32.2B**

in gross sales in 2022, highest annual sales since 2008

### Alts/MAS

Alternatives/Multi-Asset organic growth

**22.3%**

in 2022

### Organic Growth

4th consecutive year of Active organic gains (ex-AXA), averaging

**3.5%**

of annual organic growth per year, over the last 4 years

### Beneficial Pipeline Mix

Alternatives represented over

**80%**

of institutional pipeline fee base at year-end

<sup>(1)</sup> AB generated a rolling three-year (2022 vs 2019) incremental adjusted operating margin of 35% in 2022, below the long-term targeted range of 45-50%. We provide additional information regarding our adjusted operating margin in MD&A above in Item 7.

## Overview of 2022 Incentive Compensation Program

When reflecting on 2022 performance and pay, each of our NEOs (other than Mr. Dibadj, who resigned in March 2022) received a portion of his or her year-end incentive compensation in the form of an annual cash bonus and a portion in the form of long-term incentive compensation awards. The split between annual cash bonus and long-term incentive compensation varied depending on the NEO's total compensation, with lower-paid executives receiving a greater percentage of their incentive compensation as cash bonuses than more highly-paid executives. (For additional information about these compensatory elements, see *"Compensation Elements for NEOs" below*.)

In 2022, we utilized performance scorecards for senior leaders of the firm, including our NEOs. These scorecards require our senior leaders to develop and maintain a broad leadership mindset with priorities, such as accelerating ESG initiatives and our firm's alternatives platform, that are aligned with firm-wide goals of creating long-term value for all of our stakeholders. The scorecard for each NEO reflected our Growth Strategy and included actual results relative to target metrics across the following measures:

- Financial performance, including peer results, adjusted operating margin, adjusted net revenue growth and operating efficiency targets (see our discussion of *"Management Operating Metrics" in Item 7* for a reconciliation between our results pursuant to US GAAP and our adjusted results);
- Investment performance, by delivering competitive returns across services and time periods;
- Strategic, aligned with our strategy of delivering core investment solutions, while developing high-quality differentiated services, in faster-growing geographies, responsibly, in partnership with Equitable;
- Organizational, including organizational effectiveness and efficiency, leadership impact, succession planning, developing talent, innovating and automating, and real estate utilization; and
- Cultural, including purpose, employee engagement, diversity, retention and safety.

The scorecards support management and the Compensation Committee in assessing each executive's performance relative to business, operational and cultural goals established at the beginning of the year and reviewed in the context of the current-year financial performance of the firm. The amount of incentive compensation paid to our NEOs continues to be determined on a discretionary basis by the Compensation Committee. (For additional information, please see *"Compensation Committee; Process for Determining Executive Compensation" below in this CD&A*.)

Mr. Bernstein and Ms. Burke, together with the Compensation Committee, continue to believe that the appropriate metric to consider in determining the amount of incentive compensation paid to all employees, including our NEOs, in respect of 2022 performance is the ratio of adjusted employee compensation and benefits expense to adjusted net revenues, which terms are described immediately below:

- **Adjusted employee compensation and benefits expense** is our total employee compensation and benefits expense minus other employment costs such as recruitment, training, temporary help and meals, and excludes the impact of mark-to-market vesting expense, as well as dividends and interest expense, associated with employee long-term incentive compensation-related investments. Also, we adjust for certain performance-based fees passed through to our investment professionals.
- **Adjusted net revenues** (see our discussion of *"Management Operating Metrics" in Item 7* for a reconciliation between our results pursuant to US GAAP and our adjusted results) exclude investment gains and losses and dividends and interest on employee long-term incentive compensation-related investments. In addition, adjusted net revenues offset distribution-related payments to third parties as well as amortization of deferred sales commissions against distribution revenues. We also exclude additional pass-through expenses we incur (primarily through our transfer agent) that are reimbursed and recorded as fees in revenues. Additionally, we adjust for the revenue impact of consolidating company-sponsored investment funds by eliminating the consolidated company-sponsored investment funds' revenues and including AB's fees from such funds, and AB's investment gains and losses on its investment in such funds, that were eliminated in consolidation. We also adjust for certain acquisition-related pass-through performance-based fees and certain other performance-based fees passed through to our investment professionals.

### Part III

In addition, Mr. Bernstein and Ms. Burke, together with the Compensation Committee, continue to believe that the firm's adjusted employee compensation and benefits expense, excluding the impact of performance-based fees, generally should not exceed 50.0% of our adjusted net revenues annually, except in unexpected or unusual circumstances. *As the table below indicates*, in 2022, adjusted employee compensation and benefits expense amounted to approximately 48.4% of our adjusted net revenues (in thousands):

Net Revenues	\$ 4,054,290
Adjustments (see above)	(718,056)
<b>Adjusted Net Revenues</b>	<b>\$ 3,336,234</b>
Employee Compensation & Benefits Expense	\$ 1,666,636
Adjustments (see above)	(53,354)
<b>Adjusted Employee Compensation &amp; Benefits Expense</b>	<b>\$ 1,613,282</b>
<b>Adjusted Compensation Ratio</b>	<b>48.4%</b>

Our 2022 adjusted compensation ratio of approximately 48.4% reflects a balancing of the need to keep compensation levels competitive with industry peers in order to attract, motivate and retain highly-qualified talent with the need to maintain strong operating leverage in our business. The Compensation Committee works with management to help ensure both needs are sufficiently addressed.

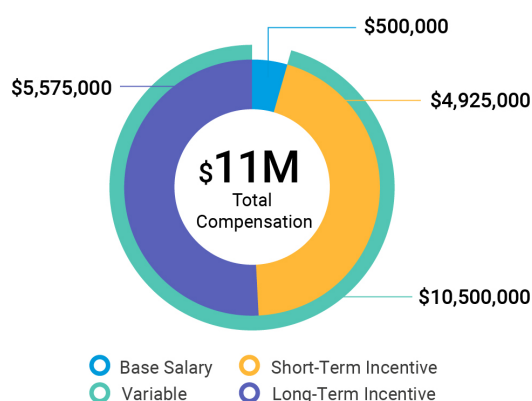
We have *described below* each NEO's individual achievements in 2022 given each officer's role, the contents of their respective performance scorecards and the firm's business and operational goals:

## Seth Bernstein

### President and Chief Executive Officer

**Summary of Achievements:** As President and CEO, Mr. Bernstein led AB to achieve modestly positive active organic growth despite a very challenging year. Disciplined expense management allowed the firm to continue to invest in strategic growth areas, including the acquisition of CarVal Investors ("**CarVal**") and the expansion of services for key client segments. Mr. Bernstein drove a focus on leadership development, organizational stability, and culture as we successfully returned to the office globally adopting a new hybrid working model.

### 2022 Compensation



### Individual Achievements

#### Financial and Investment Performance

- Led the firm's efforts in achieving modestly positive active organic growth for the year, in contrast with industry-wide aggregate net active outflows. AB's total active net flows were positive in 2022, with two of the firm's three distribution channels growing organically. The firm's average effective fee rate increased by 3% year-over-year, reflecting a repositioning of the business mix towards higher-value services, including the CarVal acquisition.
- Adjusted Earnings per Unit ("**EPU**") of \$2.95 in 2022 declined 24% compared to 2021, reflecting adverse financial markets.
- The majority of equity assets outperformed peers or benchmarks in equities despite the challenging market environment, while fixed income underperformed (as measured by the percentage of assets outperforming). Longer term, five-year returns for both asset classes remain competitive.

#### Strategic

- Successfully closed the acquisition of CarVal, a global alternatives manager with complementary capabilities, expanding AB's private markets platform to \$56B in assets under management.
- Announced plans to form a joint venture partnership with Société Générale ("**SG**") for our Bernstein Research Services business, identifying a strategic partner committed to strengthening and growing the cash equities and research business, while allowing AB to continue to invest in key strategic priorities.
- Expanded capabilities in key target client segments, including launching an Active ETF platform and expanding custom municipal separately managed accounts for US Retail, while investing in our insurance business to grow third party clients.
- Advanced responsibility goals in our operations and continued to elevate AB's brand and credentials through thought leadership and the launch of additional Portfolios with Purpose. Recognized as Investment Week's Best Sustainable Fund Management Group of the Year.
- Continued to strengthen the partnership with Equitable Holdings, including working jointly to improve yield on their General Account while seeding new private alternatives strategies.

#### Organizational

- Prioritized leadership development for our senior staff and launched new manager training programs that reflect our new hybrid work model.
- Bolstered the stability of the firm in the face of uncertainty, including cyberattack preparedness, prudent expense management, and a reevaluation of our real estate strategy.

#### Culture

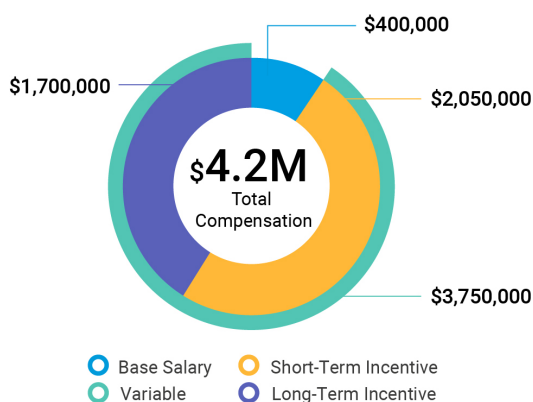
- Diversity, Equity & Inclusion continues to be a firm-wide priority, and we saw modest improvements in our underrepresented populations against our goals to increase diverse employees at the firm.
- Maintained strong engagement metrics in AB's employee survey. Launched our new firm-wide purpose and values statements and embedded those principles into talent management processes, corporate messaging, and business unit activities.

## Kate Burke

### Chief Operating Officer and Chief Financial Officer

**Summary of Achievements:** As COO, Ms. Burke continued to progress AB's headquarters transition to Nashville and led the firm's return to office. In July, Ms. Burke successfully transitioned the role of Head of Private Wealth to Mr. Erzan and took on a new role as CFO, now overseeing all corporate functions of the firm. As CFO, Ms. Burke was a key advisor on the acquisition of CarVal, the planned joint venture with Bernstein Research and Société Générale, and led cost-saving efforts firm-wide.

### 2022 Compensation



### Individual Achievements

#### Financial

- Balanced the firm's revenues, expenses, and financial resources through a disciplined process to manage AB's adjusted margin to 28.4% for the year, which exceeded consensus expectations in a period of weakened financial markets and lower revenues.
- Led the firm's compensation process. Disciplined and continuous management of compensation as the year progressed through volatile financial markets enabled the appropriate balance of talent retention, investment in key growth initiatives, and healthy operating margins. The process resulted in the firm's compensation ratio of 48.4%, a ratio better than consensus expectations, continuing the firm's 10-year track record of a compensation ratio below 50%.
- Prudent expense management in the face of lower revenues led to a rolling 3-year incremental adjusted operating margin (2022 vs 2019) of 35%, as compared with the targeted long-term range of 45-50%.
- Ensured a smooth transition of leadership overseeing AB's Private Wealth business as well as AB's financial processes, including accounting, financial planning & analysis, tax, and treasury. Established relationships with the analyst community.

#### Strategic

- Helped execute AB's milestone M&A priorities: the \$750 million CarVal acquisition and the planned joint venture with SG. Ms. Burke led critical efforts to integrate the CarVal team across people, culture, benefits, technology, operations and financials. Additionally, Ms. Burke strategized with corporate functions to assess entering into the SG joint venture and implications thereof.
- Launched an extensive review, in partnership with the Responsibility team, to identify where ESG is impacting various parts of our operations to enhance governance and broaden accountability.
- Led the firm's Private Wealth business during first half 2022, focused on management accountability, advisor retention, improving digital capabilities and investment advice.

#### Organizational

- Implemented enhancements to the firm's compensation processes, which resulted in increased transparency and improved efficiencies. Enhanced partnership with Equitable Holdings led to improved outcomes with AB's Compensation Committee.
- Increased collaboration across all corporate functions by providing a platform for business leaders to discuss initiatives, emerging issues, resourcing, diversity efforts, and broader topics that impact the firm.
- Drove momentum in Nashville with the official unveiling of our headquarters and ongoing meaningful engagement with community and business leaders. Advanced progress toward the firm's goal of 1,250 employees in Nashville by 2024 by adding 105 employees in 2022.

#### Culture

- Led the firm's efforts to successfully return to the office globally, adopting a new hybrid working model. Ensured organizational and talent management processes supported new ways of working.
- Launched AB's purpose and values while engaging in small group meetings and town halls to reinforce the importance of culture, diverse thinking and corporate responsibility.

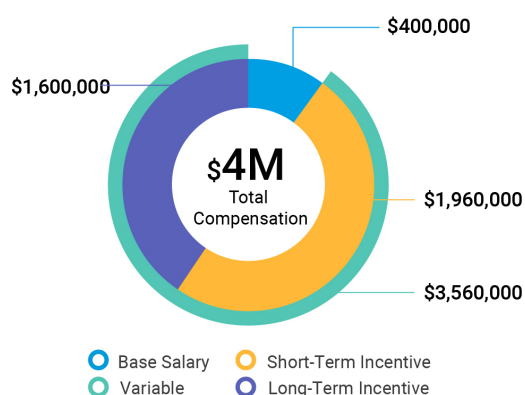


## Onur Erzan

### Head of Global Client Group and Head of Private Wealth

**Summary of Achievements:** As Head of Global Client Group (CG) and Head of Private Wealth (PW), Mr. Erzan oversaw strong sales across both groups despite challenging markets. Under Mr. Erzan's leadership, the CG launched an active ETF platform, expanded capabilities for the insurance segment, and launched new sales enablement tools. Additionally, Mr. Erzan successfully transitioned to Head of PW in July focusing on a strategy refresh and realignment of roles and responsibilities. As a member of the executive leadership team, Mr. Erzan collaborated with senior leadership across AB and Equitable Holdings on overall business and sales strategy.

### 2022 Compensation



### Individual Achievements

#### Financial

- Achieved solid results in CG with 2022 gross sales of \$98B, including institutional sales of \$32B and retail sales of \$66B. The institutional pipeline reached a record high in 3Q 2022 surpassing \$100M in revenue and \$25B in AUM; ended the year with a \$13B pipeline. Client retention rates improved across channels.
- Generated another year of positive PW net flows at +\$1.7B. Advisor productivity remains at historically high levels and the client retention rate improved. PW's fee rate remained relatively stable as continued growth in private alternatives partially offset the impact of deteriorating equity markets.

#### Strategic

- Led CG to make significant progress toward its long-term strategy. Built out the ETF team and launched the firm's first two active ETFs in short duration fixed income. Launched Oculus, a new US Retail sales enablement platform with a goal to maximize productivity, leveraging data science to drive engagement and deepen client relationships. Successfully launched the CarVal Clean Energy strategy in the US Retail channel.
- Focused on growing third party insurance clients by expanding the global sales/specialist team, creating new thought leadership, and holding our inaugural insurance executive seminar "Navigating Disruption and the Future of Insurance." Grew the customized Defined Contribution franchise with \$16B in positive net flows, bolstered by the addition of two new clients.
- Developed a four-part vision and strategy for PW focused on meeting client complexity through customized solutions, advisor and client excellence, investment and wealth advice, and scalable advice and services. Select strategic achievements include establishing external partnership with two banking institutions on lending capabilities and continued modernization of technology and operations platform.
- Enhanced PW investment oversight through the creation of a formal Manager Research Group responsible for due diligence of new and existing investment services. Implemented modifications to cash program, which enhanced simplicity for clients and improved operational efficiency.

#### Organizational

- Focused on attracting and onboarding several senior leadership roles within the CG globally across sales, business development, and product strategy.
- Redesigned PW's organizational structure to focus on new business growth within targeted client segments. (UHNW, Global Families, Family Offices, Women and Diverse Markets).

#### Culture

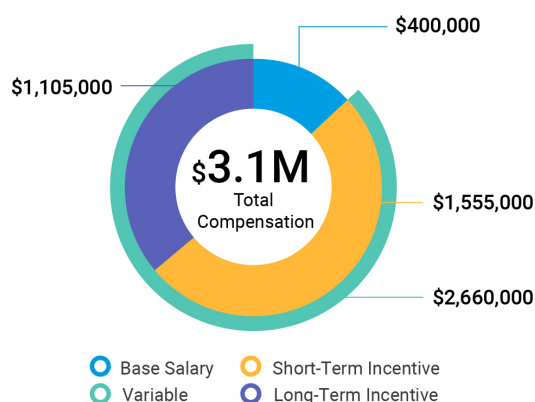
- Fostered a positive, results-driven culture of continuous learning and development across CG and PW. Improved teamwork and collaboration across both organizations, including cross-department partnerships in business management and marketing.
- Promoted a customer-centric approach across the organization via segmented client playbooks and client engagement surveys.

## Karl Sprules

### Head of Global Technology and Operations

**Summary of Achievements:** As Head of Global Technology & Operations, Mr. Sprules led a team of ~1,100+ employees and ~900+ consultants to provide technology infrastructure, software development, portfolio operations, investment operations, transfer agent, fund accounting and real estate services, globally.

### 2022 Compensation



### Individual Achievements

#### Financial

- Delivered on a three-year project to migrate the accounting platform used within our Private Wealth business to our in-house, strategic platform, increasing integration and reducing risk and technology expense.

#### Strategic

- Opened our office in Pune, India, focused on supplying talent to business units across AB. Onboarded the first 300 staff (effective January 1, 2023) and designed the office, technology, people, and management infrastructure to support expansion.
- Drove the adoption of blockchain-based technology in our fund transfer agent business with the goal of building operational, security and infrastructure expertise.
- Advised on the development of a segregated, end-to-end asset management infrastructure covering all operations and systems to support the build-out of an onshore fund management company in China.
- Provided technology and operations thought leadership in the development of new services, including ETFs, municipal bond separately managed accounts, and the integration of CarVal Investors.

#### Organizational

- Led the team responsible for returning to the office with our hybrid working model. Brought together a multidisciplinary team from people, legal, security, technology and operations to ensure our global offices welcomed staff back safely and in accordance with local regulations.
- Led the effort to consolidate collaboration platforms across AB, moving from four disparate systems to a single, firm-wide tool for office, remote work and mobile collaboration.
- Completed a two-year platform investment to deliver a cybersecurity response infrastructure. Developed day zero and day one response plans.

#### Culture

- Led the team responsible for opening our new office in London, delivering a collaborative, equitable and state-of-the-art work environment.

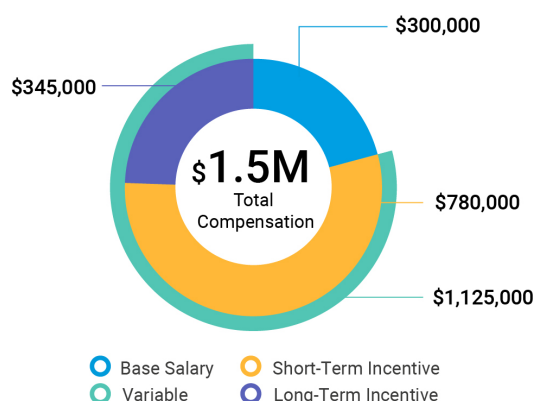


## Mark Manley

### General Counsel and Global Head of Compliance

**Summary of Achievements:** Upon the retirement of Larry Cranch, AB's former Chief Legal Officer, on December 31, 2021, Mr. Manley, who had already been serving as General Counsel and Global Head of Compliance, assumed management of AB's Legal and Compliance department, overseeing all legal and regulatory affairs for the firm. He also joined both the Executive Team and Operating Committee.

### 2022 Compensation



### Individual Achievements

#### Financial

- Continued to control outside counsel expenses with respect to ongoing and routine legal matters.

#### Strategic

- Successfully completed the leadership transition of the Legal and Compliance Department.
- Ensured no regulatory examination resulted in a material adverse finding or enforcement proceeding.
- Provided legal and regulatory guidance in the CarVal and SG transactions; helped lead steering committees on both transactions, focusing on execution and integration.
- Enhanced the partnership with Equitable through strong collaboration with its legal leadership and improved AB Board governance and communication.
- Oversaw all legal and regulatory matters relating to new product development and strategic initiatives; established ESG risk assessment and compliance programs globally.

#### Organizational

- Recruited, developed and retained high-quality talent.
- Drove innovation and savings through technology and process improvements.

#### Culture

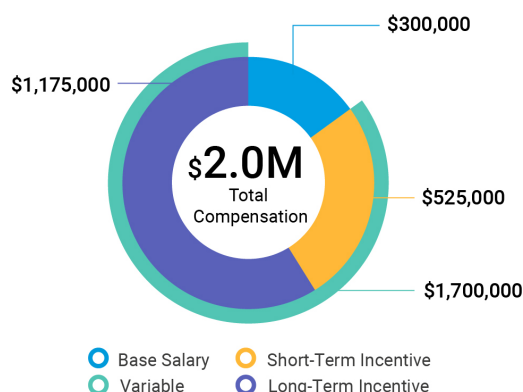
- Emphasized the importance of our fiduciary culture through compliance and workplace practices training; lead departmental initiatives around purpose, values and corporate responsibility.

## Bill Siemers

**Controller and Chief Accounting Officer**  
(served as Interim Chief Financial Officer from March 23, 2022 – July 5, 2022)

**Summary of Achievements:** As Controller and Chief Accounting Officer, as well as Interim Chief Financial Officer (CFO), Mr. Siemers oversaw the delivery of complete, accurate and timely financial results both internally and externally (in SEC periodic reports and Earnings Releases) and ensured continuity and continuous improvement of a strong Finance function.

### 2022 Compensation



## Individual Achievements

### Financial

- Contributed to cost optimization initiatives implemented in response to a volatile market environment.
- Improved AB's financial processes through enhanced accounting, accounts payable, and payroll procedures.

### Strategic

- Supported the execution of the CarVal acquisition and the planned joint venture with SG.
- Supported the financial tracking and disclosures related to ESG initiatives.
- Increased collaboration of share repurchases, debt levels, and strategic initiatives with Equitable.

### Organizational

- Led the Finance function and executed all CFO responsibilities for approximately three months; supported and helped transition the new CFO.
- Coordinated and documented the Finance procedures for cyberattack readiness planning.

### Culture

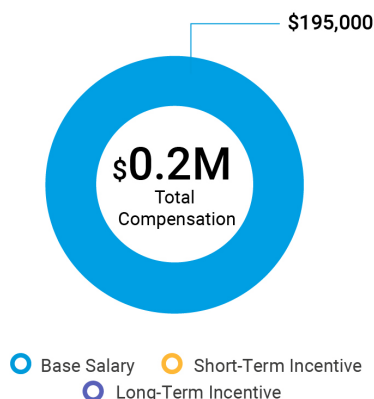
- Established a Finance Purpose Council and engaged in various Town Halls and small meeting groups to encourage employees to connect with AB's purpose and values.
- Maintained strong Finance employee engagement and retention; grew diversity within our workforce.

## Ali Dibadj

**Former CFO and Head of Strategy**

Mr. Dibadj served as CFO and Head of Strategy until March 2022 when he notified AB of his resignation from his position to become the chief executive officer of another publicly traded company. Up until his resignation, Mr. Dibadj was responsible for AB's financial functions, including accounting, tax, treasury, financial planning & analysis, investor relations and corporate strategy. Mr. Dibadj's only compensation in 2022 consisted of a pro-rata portion of his \$400,000 salary (through his termination date) and equity awards he received from EQH (which he forfeited when he resigned).

### 2022 Compensation



The compensation of each of these NEOs (other than Mr. Dibadj) reflected the Compensation Committee's judgment (and Mr. Bernstein's judgment, with respect to each executive other than himself) in assessing the importance of the executive's achievements in the context of our firm's adjusted financial results and progress in advancing our Growth Strategy.

## Compensation Committee; Process for Determining Executive Compensation

The Compensation Committee consists of Ms. Matus (Chair), Mr. Kaye and Mr. Pearson. The Compensation Committee held five regular meetings and one special meeting in 2022.

As discussed in "NYSE Governance Matters" in Item 10, AB Holding, as a limited partnership, is exempt from NYSE rules that require public companies to have a compensation committee consisting solely of independent directors. EQH owns, directly and through various subsidiaries, an approximate 61.3% economic interest in AB (as of December 31, 2022), and compensation expense is a significant component of our financial results. For these reasons, Mr. Pearson, director and President and CEO of EQH, is a member of the Compensation Committee, and any action taken by the Compensation Committee requires his affirmative vote or consent. Given this structure, the Compensation Committee has established a sub-committee consisting entirely of non-management directors (i.e., Ms. Matus and Mr. Kaye). This "Section 16 Sub-Committee" approves awards of restricted AB Holding Units to NEOs to ensure we can utilize the short-swing trading exemption set forth in Section 16b-3 under the Exchange Act. Under this exemption, equity grants to our firm's executive officers are exempt from short-swing trading rules if each such grant is approved by the full Board or a committee of the Board consisting entirely of "non-employee" directors (generally, directors who are not officers of the company or an affiliate).

The Compensation Committee has general oversight of compensation and compensation-related matters, including:

- determining cash bonuses;
- determining contributions and awards under incentive plans or other compensation arrangements (whether qualified or non-qualified) for employees of AB and its subsidiaries, and amending or terminating such plans or arrangements or any welfare benefit plan or arrangement or making recommendations to the Board with respect to adopting any new incentive compensation plan, including equity-based plans;
- reviewing and approving the compensation of our CEO, evaluating his performance, and determining and approving his compensation level based on this evaluation; and
- reviewing and discussing the CD&A and recommending to the Board its inclusion in each of AB's and AB Holding's Form 10-K and, when applicable, proxy statements.

The Compensation Committee has developed a comprehensive process for:

- reviewing our executive compensation program to ensure it is aligned with our firm's philosophy and strategic objectives;
- evaluating performance by our NEOs against goals and objectives established in each executive's performance scorecard at the beginning of the year; and
- setting compensation for the NEOs and other senior executives.

The Compensation Committee's year-end process generally focuses on the cash bonuses and long-term incentive compensation awards granted to NEOs and other senior executives. Mr. Bernstein, working with Ms. Burke and other senior executives, provides recommendations for individual executive awards to the Compensation Committee for its consideration. As part of this process, and as we discuss more fully below in "Compensation Consultant; Benchmarking Data," Ms. Burke provides the Committee with competitive market data from one or more compensation consultants.

Management periodically reviews with the Compensation Committee the firm's expected adjusted financial and operating results, the firm's actual results and management's year-end compensation expectations, as they evolve throughout the year. Management accomplished these reviews during regular meetings of the Compensation Committee held in February, May, September, October and November 2022, as well as one special meeting held in July 2022. The Compensation Committee approved the firm's final year-end compensation recommendations during its regular meeting held in November 2022.

Additional information regarding the Compensation Committee's functions can be found in the Committee's charter, which is available online in the "Responsibility - Corporate Governance" section of our Internet Site.

## Compensation Consultant; Benchmarking Data

In 2022, we retained McLagan Partners ("**McLagan**") as an independent consultant to provide competitive market data and trend forecasting for our NEOs and other senior executives, for which we paid McLagan \$53,500 (the "**2022 Benchmarking Data**"). McLagan has an extensive database on compensation for most investment management companies, including private companies for which information is not otherwise available.

The 2022 Benchmarking Data summarized 2021 compensation levels and 2022 salaries, which helps form a reasonable estimation of compensation levels in the industry for executive positions like those held by our NEOs at selected asset management companies comparable to ours in terms of size and business mix (the "**Comparable Companies**") and, in so doing, assists in determining the appropriate level of compensation for our NEOs.

The Comparable Companies, which management selected with input from McLagan, included:

Barings	Columbia Threadneedle	Franklin Templeton Investments
Goldman Sachs Asset Management	Invesco	Janus Henderson Investors
Loomis, Sayles & Company	MFS Investment Management	Morgan Stanley Investment Management
Neuberger Berman Group	Nuveen Investments	Pacific Investment Management
Prudential Global Investment Mgmt.	Schroder Investment Management	T. Rowe Price

The 2022 Benchmarking Data indicated that, as a group, our NEOs fall within market range. Please note that we excluded Mr. Dibadj from this analysis as he left AB in March 2022 and, accordingly, did not receive year-end incentive compensation.

The Compensation Committee considered this information in concluding that the compensation levels paid in 2022 to our NEOs (other than Mr. Dibadj, who was not considered in this process) were appropriate and reasonable.

## Compensation Elements for NEOs

We utilize a variety of compensation elements to achieve the goals *described above*, consisting of base salary, annual short-term incentive compensation awards (cash bonuses), a long-term incentive compensation award program, a defined contribution plan, a defined benefit plan and certain other benefits, each of which we *discuss below*:

### Base Salaries

Base salaries comprise a relatively small portion of our NEOs' total compensation. We consider individual experience, responsibilities and tenure with the firm when determining the narrow range of base salaries paid to our NEOs (*please refer to "Overview of Mr. Bernstein's Employment Agreement" below for information relating to Mr. Bernstein's base salary and other compensation elements*).

### Annual Short-Term Incentive Compensation Awards (Cash Bonuses)

We provide our NEOs with annual short-term incentive compensation awards in the form of cash bonuses.

We believe that annual cash bonuses, which generally reflect individual performance and the firm's current year financial performance, provide a short-term retention mechanism for our NEOs because such bonuses typically are paid during the last week of the year.

Annual cash bonuses in respect of 2022 performance for each NEO were determined in November 2022 and paid in December 2022. These bonuses, and the 2022 long-term incentive compensation awards *described immediately below*, were based on management's evaluation, subject to the Compensation Committee's review and approval, of each NEO's performance during the year, the firm's progress in advancing its Growth Strategy during the year, the performance of the NEO's business unit or function compared to business and operational goals established in each NEO's performance scorecard at the beginning of the year, and the firm's current-year financial performance.

In respect of 2022, Mr. Bernstein received a cash bonus of \$4,925,000 in accordance with the terms of the employment agreement into which he entered with the General Partner, AB and AB Holding as of May 1, 2017 (the "**CEO Employment Agreement**") and after review of Mr. Bernstein's performance during 2022 by the Compensation Committee. *Please refer to "Overview of Mr. Bernstein's Employment Agreement" below for additional information relating to Mr. Bernstein's cash bonus and other compensation elements.*

## Long-Term Incentive Compensation Awards

Long-term incentive compensation awards generally are denominated in restricted AB Holding Units. We utilize this structure to align our NEOs' long-term interests directly with the interests of our Unitholders and indirectly with the interests of our clients, as strong performance for our clients generally contributes directly to increases in AUM and improved financial performance for the firm.

We believe that annual long-term incentive compensation awards provide a long-term retention mechanism for our NEOs because such awards generally vest ratably over time; awards granted in 2022 generally vest in equal portions over three years, while awards granted prior to 2021 generally vest over four years. We reduced the vesting period to three years for awards in 2021 to help ensure our compensation framework remains highly competitive.

For 2022 performance, awards were granted in December 2022 to each of Ms. Burke and Messrs. Bernstein, Erzan, Sprules, Manley and Siemers pursuant to the AB 2022 Incentive Compensation Award Program (the "ICAP"), an unfunded, non-qualified incentive compensation plan, and the AB 2017 Long Term Incentive Plan, our equity compensation plan (the "2017 Plan"). Mr. Dibadj, who resigned in March 2022, did not receive an award.

Prior to the date on which an award vests, the AB Holding Units underlying an award are restricted and are not permitted to be transferred. Upon vesting, the AB Holding Units underlying an award generally are delivered, unless the award recipient has, in advance, voluntarily elected to defer receipt to future periods or the award is structured with a delayed delivery date. Quarterly cash distributions on vested and unvested restricted AB Holding Units are delivered to award recipients when cash distributions are paid generally to Unitholders.

An award recipient who resigns or is terminated without cause prior to the vesting date is eligible to continue to vest in his or her long-term incentive compensation award subject to compliance with the restrictive covenants set forth in the applicable award agreement, including restrictions on competition, and restrictions on employee and client solicitation. Additionally, the award agreement provides for continued vesting in the event of an award recipient's retirement, subject to applicable restrictive covenants. To be eligible for retirement, an award recipient must provide notice of retirement, enter into a retirement agreement and satisfy a "Rule of 70," whereby the sum of the recipient's age and full years of service must equal at least 70.

### Clawbacks

The award agreement permits AB to claw-back the unvested portion of an award if the recipient fails to adhere to our risk management policies. As such, for accounting purposes, there is no employee service requirement and awards are fully expensed when granted. As used in this Item 11, "vest" refers to the time at which the awards are no longer subject to forfeiture for breach of these restrictions or risk management policies, which we discuss further below in "Consideration of Risk Matters in Determining Compensation."

### Relocation-related Performance Awards

In April 2018, Ms. Burke and Mr. Sprules each was granted a special restricted AB Holding Unit award with a grant date fair value of \$4,000,000. Each award vested on December 1, 2022, and the underlying AB Holding Units were delivered promptly thereafter (net of AB Holding Units withheld to cover applicable taxes) given each executive continued to be employed by AB and each executive had established his or her principal residence in Nashville, TN. Additionally, the Compensation Committee, with input from Mr. Bernstein, determined during its regular meeting held in September 2022 that:

- our firm's headquarters relocation initiative has been executed without significant disruption or reputational damage to AB;
- AB's targets for cost savings and implementation costs for the relocation have been achieved; and
- the level of workplace talent and diversity in Nashville is satisfactory.

With respect to the above-referenced criteria, the Compensation Committee, with appropriate input from Mr. Bernstein, assessed achievement of the criteria both within the executive's business unit and with respect to our firm overall.

### Former CFO and Head of Strategy Resignation

As announced in a Form 8-K we filed on March 23, 2022, Mr. Dibadj resigned from AB on March 22, 2022. His responsibilities as CFO promptly were transitioned to Mr. Siemers on an interim basis and then to Ms. Burke, effective July 6, 2022.

The compensatory benefits Mr. Dibadj forfeited by resigning included (i) unvested portions of prior-year long-term incentive compensation awards, aggregating to approximately \$1.8 million in value (based on the closing price of an AB Holding Unit as of June 17, 2022, his official termination date taking into account the garden leave obligation provided in the ICAP award agreement); and (ii) the unvested portions of restricted stock unit awards and performance share awards granted to him by EQH in connection with his membership on and service to EQH's Management Committee, aggregating to approximately \$150,000 (based on the closing price of an EQH share as of June 17, 2022).

## Defined Contribution Plan

U.S. employees of AB, including each of our NEOs, are eligible to participate in the Profit Sharing Plan for Employees of AB (as amended and restated as of January 1, 2015, and as further amended as of January 1, 2017, as of April 1, 2018, and as of June 28, 2022, the **"AB Profit Sharing Plan"**), a tax-qualified defined contribution retirement plan. The Compensation Committee determines the amount of company contributions (both the level of annual matching by the firm of an employee's pre-tax salary deferral contributions and the annual company profit sharing contribution, if any).

With respect to 2022, the Compensation Committee determined in November 2022 that employee deferral contributions would be matched on a dollar-for-dollar basis up to 5% of eligible compensation and that there would be no profit sharing contribution paid by AB.

## Defined Benefit Plan

We maintain a qualified, noncontributory, defined benefit retirement plan (the **"AB Retirement Plan"**) covering current and former employees who were employed by AB in the United States prior to October 2, 2000. Benefits are based on years of credited service, average final base salary (as defined in the AB Retirement Plan) and primary Social Security benefits. Service and compensation after December 31, 2008 are not taken into account in determining participants' retirement benefits. Of our named executive officers, only Messrs. Sprules and Manley are eligible participants in the AB Retirement Plan.

The maximum annual benefit payable under the AB Retirement Plan may not exceed the lesser of \$100,000 or 100% of a participant's average aggregate compensation for the three consecutive years in which he or she received the highest aggregate compensation from us or such lower limit as may be imposed by the Internal Revenue Code of 1986, as amended (the **"Code"**), on certain participants by reason of their coverage under another qualified retirement plan we maintain. The AB Retirement Plan generally provides for payments to, or on behalf of, each vested employee upon such employee's retirement at the normal retirement age provided under the plan or later, although provision is made for payment of early retirement benefits on an "actuarially" reduced basis. Normal retirement age under the AB Retirement Plan is 65. Death benefits are payable to the surviving spouse of an employee who dies with a vested benefit under the AB Retirement Plan. For additional information regarding interest rates and actuarial assumptions, see Note 18 to AB's consolidated financial statements in Item 8.

A participant in the AB Retirement Plan is eligible for early retirement upon termination of employment if the participant is at least age 55 and the sum of the participant's age and years of vesting service equals at least 80. As of December 31, 2022, Mr. Sprules has attained age 49 and earned 25 years of vesting service. (For purposes of determining early retirement eligibility, years of service after benefits under the AB Retirement Plan ceased accruing are included.) Because Mr. Sprules is younger than age 55 and the sum of his age and service is less than 80, he is not eligible for early retirement. As of December 31, 2022, Mr. Manley has attained age 60 and earned 39 years of vesting service. Because the total of Mr. Manley's age and years of service exceeded 80, he is eligible for early retirement.

The early retirement benefit is "actuarially" reduced for each month that payments begin before age 65. The reduction to the pension is made because it costs more money to provide payments over a longer period of time. In other words, the monthly benefit commencing at the early retirement date has the same value as a monthly benefit beginning at age 65. The actuarial adjustment factors are based on the mortality assumptions specified under Section 417(e) of the Code and a 6.0% interest rate, as specified in the AB Retirement Plan. For example, a 60 year old participant (like Mr. Manley) would receive approximately 66% of the accrued benefit that would have been payable at age 65.

## Other Benefits

### Change in Control Plan

In December 2020, the Compensation Committee approved the AllianceBernstein Change in Control Plan for Executive Officers (the **"CIC Plan"**). The purpose of the CIC Plan is to provide certain benefits for each individual designated by our CEO as an executive officer (an **"Executive Officer"**) in the event of a change in control (**"CIC"**) of AB. The CIC Plan contains a change in control provision substantially similar to the change in control provision included in Mr. Bernstein's employment agreement (as described below in *"Overview of Mr. Bernstein's Employment Agreement"*). The provisions under the CIC Plan also are described in a compensatory table below entitled, *"Potential Payments upon Termination or Change in Control."*

The CIC Plan provides that, in the event of a CIC, unless prior to the CIC, any unvested restricted unit awards (including ICAP awards) then held by an Executive Officer are honored or assumed, or new rights are substituted therefore, so that the Executive Officer's rights and entitlements after the CIC are substantially equivalent to or better than the Executive Officer's rights and entitlements under the award, each award will, prior to the CIC, immediately and fully vest and no longer be subject to forfeiture.

In addition, (i) if the Executive Officer's employment is terminated by AB, other than for cause, (ii) the Executive Officer resigns with good reason (as defined in the CIC Plan), or (iii) the Executive Officer dies or becomes disabled, within 12 months following a CIC, the Executive Officer will be entitled to receive the sum of (a) the Executive Officer's annual base salary at the time of his or her termination, and (b) the Executive Officer's most recent annual cash incentive compensation award, multiplied by two.



The CIC Plan defines CIC to include any transaction as a result of which EQH ceases to control AB, or a successor entity that conducts the business of AB. However, there would not be a CIC unless, as a result of the transaction, an entity other than EQH controls AB (or a successor to its business).

#### Life Insurance

Our firm pays the premiums associated with life insurance policies purchased on behalf of our NEOs.

## Consideration of Risk Matters in Determining Compensation

In 2022, we considered whether our compensation practices for employees, including our NEOs, encourage unnecessary or excessive risk-taking and whether any risks arising from our compensation practices are reasonably likely to have a material adverse effect on our firm. For the reasons set forth below, we have determined that our current compensation practices do not create risks that are reasonably likely to have a material adverse effect on our firm.

As described above in “Long-Term Incentive Compensation Awards,” long-term incentive compensation awards generally are denominated in AB Holding Units that are not distributed until subsequent years, so the ultimate value that the employee derives from the award depends on the long-term performance of the firm. Denominating the award in restricted AB Holding Units and deferring their delivery is intended to sensitize employees to risk outcomes and discourage them from taking excessive risks, whether relating to investments, operations, regulatory compliance and/or cyber security, that could lead to a decrease in the value of the AB Holding Units and/or an adverse effect on the firm’s long-term prospects. Furthermore, and as noted above in “Long-Term Incentive Compensation Awards,” generally all outstanding long-term incentive compensation awards include a provision permitting us to “claw-back” the unvested portion of an employee’s long-term incentive compensation award if the Compensation Committee determines that (i) the employee failed to adhere to existing risk management policies and (ii) as a result of the employee’s failure, there has been or reasonably could be expected to be a material adverse impact on our firm or the employee’s business unit.

## Overview of Mr. Bernstein's Employment Agreement

Pursuant to the CEO Employment Agreement, Mr. Bernstein served as our President and CEO for an initial term that commenced on May 1, 2017 and ended on May 1, 2020. The initial term automatically was extended for one additional year on May 1, 2020 and automatically extends each May thereafter, unless the CEO Employment Agreement is terminated in accordance with its terms (the “**Employment Term**”).

The terms of the CEO Employment Agreement were the result of arm’s length negotiations between Mr. Bernstein and senior executives at AXA S.A., formerly AB’s ultimate parent company (“**AXA**”), and EQH. The Board then approved the CEO Employment Agreement after having considered, among other things, the compensation package provided to Mr. Bernstein’s predecessor, the 2016 compensation and 2017 expected compensation of AB’s other executive officers and Mr. Bernstein’s compensation at his former employer.

The Compensation Committee, during its regular meeting held in December 2018, amended the CEO Employment Agreement such that any annual equity award granted to Mr. Bernstein in 2018 and subsequent years during the Employment Term will be granted in all respects in accordance with AB’s compensation practices and policies generally applicable to AB’s executive officers as in effect from time to time (the “**SPB First Amendment**”).

Additionally, the Compensation Committee, during its regular meeting held in December 2019, further amended the CEO Employment Agreement by:

- increasing Mr. Bernstein’s severance payments if his employment is terminated involuntarily, without cause, from one year’s base salary and bonus to one and a half year’s base salary and bonus;
- excluding from the definition of change in control AB Holding ceasing to be publicly traded;
- removing from the circumstances that give rise to Mr. Bernstein’s ability to terminate the agreement for “good reason” his ceasing to be the CEO of a publicly traded entity; and
- eliminating Mr. Bernstein’s entitlement to a gross-up for any excise tax on his parachute payments, which would have been pertinent only if Mr. Bernstein had been terminated involuntarily prior to December 31, 2019.

## Elements of Mr. Bernstein’s Compensation

### Base Salary

Mr. Bernstein’s annual base salary under the CEO Employment Agreement has been, and continues to be, \$500,000. This amount is consistent with our firm’s policy to keep base salaries of executives and other highly-compensated employees low in relation to total compensation. Any future increase to Mr. Bernstein’s base salary is entirely at the discretion of the Compensation Committee.

## Cash Bonus

Under the CEO Employment Agreement, Mr. Bernstein is entitled to be paid a cash bonus at a target level of \$3,000,000 in each year during the Employment Term, subject to review and increase from time to time by the Compensation Committee, in its sole discretion. As a result of a review of Mr. Bernstein's performance during 2022 by the Compensation Committee, Mr. Bernstein was paid a cash bonus of \$4,925,000. In determining Mr. Bernstein's cash bonus, the Compensation Committee considered the progress AB made in advancing its Growth Strategy, Mr. Bernstein's performance in light of the target metrics included in his performance scorecard and Mr. Bernstein's individual achievements during 2022, as *described above*.

## Restricted AB Holding Units

Commencing in 2018 and during the remainder of the Employment Term, Mr. Bernstein is eligible to receive annual equity awards with a grant date fair value equal to \$3,500,000, subject to review and increase by the Compensation Committee, in its sole discretion, in accordance with AB's compensation practices and policies generally applicable to the firm's executive officers as in effect from time to time. The Compensation Committee approved an equity award to Mr. Bernstein with a grant date fair value equal to \$4,575,000 during November 2022. The Compensation Committee determined Mr. Bernstein's equity award based on the review process *described above*. As a result of the SPB First Amendment, the equity award granted to Mr. Bernstein in December 2022 is subject to the same ICAP-related terms and conditions as awards granted to other executive officers at that time, which terms and conditions are *described above in "Compensation Elements for NEOs - Long-Term Incentive Compensation Awards."*

## Perquisites and Benefits

Under the CEO Employment Agreement, Mr. Bernstein is eligible to participate in all benefit plans available to executive officers and, for his safety and accessibility, a company car and driver for business and personal use.

## Severance and Change in Control Benefits

The CEO Employment Agreement includes severance and change-in-control provisions, *which are highlighted below*. These provisions also are described in a compensatory table below entitled, "*Potential Payments upon Termination or Change in Control*." We believe that these severance and change-in-control provisions assist in retaining our CEO and, in the event of a change in control, provide protection to Mr. Bernstein so he is not distracted by personal or financial situations at a time when AB needs him to remain focused on his responsibilities.

If Mr. Bernstein is terminated without "cause" or resigns for "good reason" (as such terms are defined in the CEO Employment Agreement), and he signs and does not revoke a waiver and release of claims, he will receive the following:

- A cash payment equal to (a) the sum of his current base salary and his bonus opportunity amount, multiplied by one (1), if Mr. Bernstein resigns for "good reason," or (b) the sum of his current base salary and his bonus opportunity amount, multiplied by one and a half (1.5), if Mr. Bernstein's employment is terminated other than for "cause," or because of his death or disability;
- a pro rata bonus based on actual performance for the fiscal year in which the termination occurs;
- monthly payments equal to the cost of COBRA coverage for the COBRA coverage period; and
- following the COBRA coverage period, access to participation in AB's medical plans as in effect from time to time at Mr. Bernstein's (or his spouse's) sole expense.

If, during the 12 months following a change in control, Mr. Bernstein is terminated without cause or resigns for good reason, he will receive the amounts *described above*, except that he will receive a cash payment equal to two (2) times the sum of his current base salary and his bonus opportunity amount.

In the event any payments constitute "golden parachute payments" within the meaning of Section 280G of the Code and would be subject to an excise tax imposed by Section 4999 of the Code, such payments will be reduced to the maximum amount that does not result in the imposition of such excise tax, but only if such reduction results in Mr. Bernstein receiving a higher net-after tax amount than he would receive absent such reduction.

Mr. Bernstein is subject to a confidentiality provision, in addition to covenants with respect to non-competition during his employment and six months thereafter and non-solicitation of customers and employees for 12 months following his termination of employment.

A change in control is defined as, among other things, EQH and its majority-owned subsidiaries ceasing to control the election of a majority of the Board.

Mr. Bernstein negotiated the severance and change-in-control provisions *described immediately above* to have the security and flexibility to focus on the business and preserve the value of his long-term incentive compensation. The Board, AXA and EQH



determined that these provisions were reasonable and appropriate because they were necessary to recruit and retain Mr. Bernstein and provided Mr. Bernstein with effective incentives for future performance.

The Board, AXA and EQH also concluded that the change-in-control and termination provisions in the CEO Employment Agreement fit within AB's overall compensation objectives because these provisions, which align with AB's goal of providing its executives with effective incentives for future performance, also:

- permitted AB to recruit and retain a highly-qualified CEO;
- aligned Mr. Bernstein's long-term interests with those of AB's Unitholders and clients;
- were consistent with AXA's, EQH's and the Board's expectations with respect to the manner in which AB and AB Holding would be operated during Mr. Bernstein's tenure; and
- were consistent with the Board's expectations that Mr. Bernstein would not be terminated without cause and that no steps would be taken that would provide him with the ability to terminate the agreement for good reason.

### **Compensation awarded by EQH to Mr. Bernstein, Ms. Burke, Mr. Erzan and Mr. Dibadj**

In February 2022, EQH granted to Mr. Bernstein, in connection with his membership on and service to the EQH Management Committee:

- a restricted stock unit award (for EQH common stock) with a grant date fair value of \$400,033; and
- a performance share award (for EQH common stock) with a grant date fair value of \$600,029, which can be earned subject to EQH's total shareholder return relative to its peer group.

Additionally, in February 2022, EQH granted to each of Ms. Burke, Mr. Erzan and Mr. Dibadj, in connection with their membership on and service to the EQH Management Committee:

- a restricted stock unit award (for EQH common stock) with a grant date fair value of \$40,021; and
- a performance share award (for EQH common stock) with a grant date fair value of \$60,014, which can be earned subject to EQH's total shareholder return relative to its peer group.

Assumptions made in determining the EQH restricted stock unit and performance share figures *discussed above* are described in footnotes to the compensatory tables below entitled "Summary Compensation Table for 2022" and "Grants of Plan-Based Awards in 2022."

Mr. Bernstein, Ms. Burke and Mr. Erzan may receive additional equity or cash compensation from EQH in the future related to their continued membership on and service to the EQH Management Committee. Mr. Dibadj, who resigned as our firm's CFO and Head of Strategy in March 2022 (and from the EQH Management Committee), forfeited his awards and is ineligible for additional awards.

### **CEO Pay Ratio**

In 2022, the compensation of Mr. Bernstein, our President and CEO, was approximately 71 times the median pay of our employees, resulting in a **71:1** CEO Pay Ratio.

We identified our median employee by examining 2022 total compensation for all individuals, excluding Mr. Bernstein, who were employed by our firm as of December 31, 2022, the last day of our payroll year. We included all of our employees in this process, whether employed on a full-time or part-time basis. We did not make any assumptions or estimates with respect to total compensation, but we did adjust compensation paid to our non-U.S. employees during our 2022 fiscal year based on the average monthly exchange rates for the three-month period ending September 30, 2022 (data compiled in fourth quarter) between the local currencies in which such employees are paid and U.S. dollars. We define "total compensation" as the aggregate of base salary (plus overtime, as applicable), commissions (as applicable), cash bonus and the grant date fair value of long-term incentive compensation awards.

After identifying the median employee based on total compensation, we calculated total compensation in 2022 for such employee using the same methodology we use for our NEOs as set forth below in the *Summary Compensation Table for 2022*.

As illustrated in the table below, our 2022 CEO Pay Ratio is **71:1**:

	Seth Bernstein	Median Employee
Base salary (\$)	500,000	137,500
Cash bonus (\$)	4,925,000	17,500
Stock awards (\$) <sup>(1)</sup>	5,575,062	—
All other compensation (\$) <sup>(2)</sup>	277,777	3,438
<b>Total (\$)</b>	<b>11,277,839</b>	<b>158,438</b>
<b>2022 CEO Pay Ratio</b>	<b>71:1</b>	

<sup>(1)</sup> Includes (i) an award granted by AB of restricted AB Holding Units with a grant date fair value of \$4,575,000 and (ii) awards granted by EQH with an aggregate grant date fair value of \$1,000,062, as more fully described above in "Compensation awarded by EQH to Mr. Bernstein." For additional information, please refer to the compensatory tables below in this Item 11.

<sup>(2)</sup> For a description of Mr. Bernstein's other compensation, please refer to the Summary Compensation Table for 2022 below. The median employee's other compensation consists of a \$3,438 match under the AB Profit Sharing Plan.

## Other Compensation-Related Matters

AB and AB Holding are, respectively, private and public limited partnerships. They are subject to taxes other than federal and state corporate income tax (see "Structure-related Risks" in Item 1A and Note 21 to AB's consolidated financial statements in Item 8). Accordingly, Section 162(m) of the Code, which limits tax deductions relating to executive compensation otherwise available to an entity taxed as a corporation, is not applicable to either AB or AB Holding for 2022.

## Compensation Committee Interlocks and Insider Participation

Mr. Pearson is a director and the President and CEO of EQH, the parent company of the General Partner.

No executive officer of AB serves as (i) a member of a compensation committee or (ii) a director of another entity, an executive officer of which serves as a member of AB's Compensation Committee.

## Compensation Committee Report

The members of the Compensation Committee reviewed and discussed with management the Compensation Discussion and Analysis set forth above and, based on such review and discussion, recommended to the Board its inclusion in this Form 10-K.

**Kristi Matus (Chair)**

**Daniel Kaye**

**Mark Pearson**

# Summary Compensation Table for 2022

Total compensation of our NEOs for 2022, 2021 and 2020, as applicable, is as follows:

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards <sup>(1)(2)</sup> (\$)	Option Awards <sup>(3)</sup> (\$)	Pension (\$)	All Other Compensation (\$)	Total (\$)
<b>Seth Bernstein</b> <sup>(4)(5)</sup> President and CEO	2022	500,000	4,925,000	5,575,062	—	—	277,777	11,277,839
	2021	500,000	5,575,000	6,075,000	—	—	142,813	12,292,813
	2020	500,000	4,015,000	4,585,051	250,003	—	52,509	9,402,563
<b>Kate Burke</b> <sup>(6)</sup> COO and CFO	2022	400,000	2,050,000	1,700,035	—	—	16,216	4,166,251
	2021	400,000	2,275,000	1,925,000	—	—	15,455	4,615,455
	2020	300,000	1,665,000	1,285,000	—	—	19,517	3,269,517
<b>Onur Erzan</b> <sup>(6)(7)</sup> Head of Global Client Group and Private Wealth	2022	400,000	1,955,851	1,605,886	—	—	11,017	3,972,754
	2021	400,000	1,725,000	1,275,000	—	122,835	17,860	3,200,695
	2020	400,000	1,725,000	1,275,000	—	—	42,040	3,442,040
<b>Mark Manley</b> <sup>(7)</sup> Global Head of Compliance and General Counsel	2022	300,000	780,000	345,000	—	482,194	26,898	1,934,092
	2021	300,000	525,000	1,175,034	—	—	17,340	2,017,374
	2020	300,000	525,000	1,175,034	—	—	17,340	2,017,374
<b>Bill Siemers</b> <sup>(7)</sup> Controller and Chief Accounting Officer (and Former Interim CFO)	2022	300,000	525,000	1,175,034	—	—	17,340	2,017,374
	2021	300,000	525,000	1,175,034	—	—	17,340	2,017,374
	2020	300,000	525,000	1,175,034	—	—	17,340	2,017,374
<b>Ali Dibadj</b> <sup>(6)(9)</sup> Former CFO & Head of Strategy	2022	195,385	—	100,035	—	—	291	295,711
	2021	400,000	2,025,000	1,675,000	—	—	15,130	4,115,130
	2020	400,000	945,000	665,000	—	—	14,880	2,024,880

(1) The figures in the "Stock Awards" column provide the aggregate grant date fair value of the awards calculated in accordance with FASB ASC Topic 718. For the assumptions made in determining the AB Holding Unit award values, see Note 19 to AB's consolidated financial statements in Item 8. Assumptions made in determining the EQH restricted stock unit and performance share figures in the "Stock Awards" column are set forth in the EQH 2022 Long-Term Incentive Compensation Program and described in a footnote to the "Grants of Plan-Based Awards in 2022" table below.

(2) See "Grants of Plan-Based Awards in 2022" below.

(3) The figures in the "Option Awards" column provides the grant date fair values of Mr. Bernstein's award (which was issued by EQH) calculated in accordance with FASB ASC Topic 718. The fair value of EQH stock options is calculated by EQH using the Black-Scholes option pricing model. The expected EQH dividend rate is based on market consensus. EQH share price volatility is estimated on the basis of implied volatility, which is checked by EQH against an analysis of historical volatility to ensure consistency. The effect of expected early exercise is accounted for through the use of an expected life assumption based on historical data.

(4) See "Overview of Mr. Bernstein's Employment Agreement" and "Compensation Awarded by EQH to Mr. Bernstein, Ms. Burke, Mr. Erzan and Mr. Dibadj" above in CD&A for a description of Mr. Bernstein's compensatory elements. Please be advised that Mr. Bernstein's compensation also is disclosed by EQH.

(5) The "Stock Awards" column for 2022 includes the grant date fair value of the restricted stock award (grant date fair value of \$400,033) and the performance share award (grant date fair value of \$600,029) Mr. Bernstein received from EQH in February 2022. For 2021, this column includes the grant date fair value of the restricted stock unit award (grant date fair value of \$340,000) and the performance share award (grant date fair value of \$510,000) Mr. Bernstein received from EQH in February 2021. For 2020, this column includes the grant date fair value of the restricted stock unit award (grant date fair value of \$250,019) and the performance share award (grant date fair value of \$500,031) Mr. Bernstein received from EQH in February 2020.

(6) The "Stock Awards" column for 2022 includes the grant date fair value of the restricted stock unit award (grant date fair value of \$40,021) and the performance share award (grant date fair value of \$60,014) Ms. Burke, Mr. Erzan and Mr. Dibadj each received from EQH in February 2022. For 2021, this column includes the grant date fair value of the restricted stock unit award (grant date fair value of \$40,000) and the performance share award (grant date fair value of \$60,000) Ms. Burke and Mr. Dibadj each received from EQH in February 2021.

### Part III

- (7) We have not provided 2021 or 2020 compensation for Messrs. Erzan, Manley or Siemers; they were not deemed NEOs in those years.
- (8) We have not provided 2020 compensation for Mr. Sprules as he was not deemed to be a NEO in that year.
- (9) Mr. Dibadj resigned as our firm's CFO and Head of Strategy in March 2022 to become the CEO at another publicly traded company. As a result, he forfeited the EQH awards granted to him in 2022 and the unvested portions of the EQH awards granted to him in 2021.

The "All Other Compensation" column includes the aggregate incremental cost to our company of certain other expenses and perquisites. For 2022, this column includes the following:

Name	Personal Use of Car and Driver (\$)	Contributions to Profit Sharing Plan (\$)	Life Insurance Premiums (\$)	Other <sup>(2)</sup> (\$)
<b>Seth Bernstein</b>	258,939 <sup>(1)</sup>	15,250	3,564	24
<b>Kate Burke</b>	—	15,250	966	—
<b>Onur Erzan</b>	—	10,000	630	387
<b>Karl Sprules</b>	—	15,250	2,610	—
<b>Mark Manley</b>	—	15,000	11,484	414
<b>Bill Siemers</b>	—	15,000	1,980	360
<b>Ali Dibadj</b>	—	—	291	—

- (1) The amount reflects the incremental cost to us attributable to commuting and other non-business use. We made available to Mr. Bernstein a car and driver for security and business purposes. Car and driver services were contracted through a third party. The cost of providing a car is determined annually and includes, as applicable, driver compensation, annual car lease, insurance cost and various miscellaneous expenses such as fuel and car maintenance.
- (2) These amounts represent stipends paid to NEOs to help cover the cost of a mobile phone; these stipends are paid to employees generally as well.

## Grants of Plan-Based Awards in 2022

Grants of awards under the 2017 Plan, our equity compensation plan, during 2022 made to our NEO are as follows (we also discuss awards issued by EQH to Mr. Bernstein, Ms. Burke, Mr. Erzan and Mr. Dibadj):

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock Awards <sup>(1)</sup> (\$)	Performance Based EQH Awards <sup>(3)</sup>		
				Threshold (#)	Target (#)	Maximum (#)
Seth Bernstein <sup>(2)(3)</sup>	12/12/2022	117,791	4,575,000			
	2/16/2022	11,565	400,033			
	2/16/2022	16,217	600,029	4,054	16,217	32,434
Kate Burke <sup>(2)(3)</sup>	12/12/2022	41,195	1,600,000			
	2/16/2022	1,157	40,021			
	2/16/2022	1,622	60,014	406	1,622	3,244
Onur Erzan <sup>(2)(3)</sup>	12/12/2022	38,771	1,505,851			
	2/16/2022	1,157	40,021			
	2/16/2022	1,622	60,014	406	1,622	3,244
Karl Sprules <sup>(2)</sup>	12/12/2022	28,450	1,105,000			
Mark Manley <sup>(2)</sup>	12/12/2022	8,883	345,000			
Bill Siemers <sup>(2)(5)</sup>	12/12/2022	4,506	175,000			
	3/24/2022	21,873	1,000,034			
Ali Dibadj <sup>(3)(4)</sup>	2/16/2022	1,157	40,021			
	2/16/2022	1,622	60,014			

<sup>(1)</sup> This column provides the aggregate grant date fair value of the awards calculated in accordance with FASB ASC Topic 718. For the assumptions made in determining the AB Holding Unit values, see Note 19 to AB's consolidated financial statements in Item 8.

<sup>(2)</sup> As discussed above in "Overview of 2022 Incentive Compensation Program" and "Compensation Elements for NEOs—Long-Term Incentive Compensation Awards," long-term incentive compensation awards granted in December 2022 to our NEOs were denominated in restricted AB Holding Units. These awards vest in equal annual increments on each of December 1, 2023, 2024 and 2025. These awards are shown in the "All Other Stock Awards" column of this table, the "Stock Awards" column of the Summary Compensation Table for 2022 and the "AB Holding Unit Awards" columns of the Outstanding Equity Awards at 2022 Fiscal Year-End Table.

<sup>(3)</sup> In February 2022, EQH granted to each of Mr. Bernstein, Ms. Burke, Mr. Erzan and Mr. Dibadj (i) a restricted stock unit award with a grant date fair value of \$400,033, \$40,021, \$40,021, and \$40,021, respectively, and (ii) a performance share award with a grant date fair value of \$600,029, \$60,014, \$60,014 and \$60,014, respectively, which can be earned subject to EQH's total shareholder return ("TSR") relative to its peer group. TSR is the total amount a company returns to investors during a designated period, including both capital gains and dividends. The number of performance shares that are earned will be determined at the end of the performance period (December 2024) by multiplying the number of unearned performance shares by one of the following performance factors: 200% if EQH's TSR relative to its peers is in the 87.5th percentile or greater; 100% if in the 50th percentile; 25% if in the 30th percentile; and nothing if falls below the 30th percentile. EQH performance shares receive dividend equivalents subject to the same vesting schedule and performance conditions as the performance shares themselves. The restricted stock unit awards, which vest in equal annual increments on each of February 28, 2023, 2024 and 2025, subject to continued service, increase or decrease in value depending on the price of an EQH common share. EQH restricted stock units receive dividend equivalents subject to the same vesting schedule and other requirements.

<sup>(4)</sup> Mr. Dibadj forfeited these awards.

<sup>(5)</sup> The award granted to Mr. Siemers in March 2022 cliff vests in February 2024 subject to Mr. Siemers's continued employment.

In 2022, the number of restricted AB Holding Units comprising year-end long-term incentive compensation awards granted to each NEO was determined based on the closing price of an AB Holding Unit as reported for NYSE composite transactions on December 12, 2022, the date as of which the Compensation Committee approved the awards. At the time of these awards, the Compensation Committee consisted of Ms. Matus (Chair) and Messrs. Kaye and Pearson; the Section 16 Subcommittee, which approved awards to our NEOs, consisted of Ms. Matus (Chair) and Mr. Kaye. For further information regarding the material terms of such awards, including the vesting terms and the formulas or criteria to be applied in determining the amounts payable, please refer to "Overview of 2022 Incentive Compensation Program" and "Compensation Elements for NEOs" above.

## Outstanding Equity Awards at 2022 Fiscal Year-End

Outstanding equity awards held by our NEOs as of December 31, 2022 are as follows:

Name	Option Awards				AB Holding Unit and/or EQH Awards	
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested <sup>(12)</sup> (\$)
Seth Bernstein <sup>(1)(2)(3)(5)</sup>	65,446	—	\$ 18.74	2/14/2029	280,690	9,647,310
	38,140	19,069	23.18	2/26/2030	24,308	697,634
	—	—	—	—	35,427	1,016,755
Kate Burke <sup>(4)(5)(6)</sup>	—	—	—	—	94,095	3,234,029
	—	—	—	—	2,192	62,909
	—	—	—	—	923	26,490
Onur Erzan <sup>(4)(5)(7)</sup>	—	—	—	—	137,265	4,717,805
	—	—	—	—	2,192	62,909
	—	—	—	—	923	26,490
Karl Sprules <sup>(8)</sup>	—	—	—	—	72,205	2,481,682
Mark Manley <sup>(9)</sup>	—	—	—	—	21,800	749,269
Bill Siemers <sup>(10)</sup>	—	—	—	—	31,760	1,091,585
Ali Dibadj <sup>(11)</sup>	—	—	—	—	—	—

<sup>(1)</sup> Mr. Bernstein was awarded: (i) 117,791 restricted AB Holding Units in December 2022 that are scheduled to vest in equal increments on each December 1, 2023, 2024 and 2025; (ii) 102,572 restricted AB Holding Units in December 2021, one-third of which vested on December 1, 2022, and the remainder of which is scheduled to vest in equal increments on each of December 1, 2023 and 2024; (iii) 119,471 restricted AB Holding Units in December 2020, of which 25% vested on each of December 1, 2021 and 2022, and the remainder of which is scheduled to vest in equal increments on each of December 1, 2023 and 2024; and (iv) 139,131 restricted AB Holding Units in December 2019, of which 25% vested on each of December 1, 2020, 2021 and 2022, and the remainder of which is scheduled to vest on December 1, 2023. For further information, see "Overview of Mr. Bernstein's Employment Agreement" above.

<sup>(2)</sup> EQH restricted stock unit awards, which are described for Mr. Bernstein in the second line of data in the above table, will vest ratably over their three-year vesting period subject to continued employment during the vesting period. EQH performance share awards, which are described in the third line of data in the above table, cliff vest on the third anniversary of grant date subject to meeting the applicable performance criteria. In February 2022, 2021 and 2020, EQH granted to Mr. Bernstein (i) a restricted stock unit award with a grant date fair value of \$400,033, \$340,000 and \$250,019, respectively, and (ii) a performance share award with a grant date fair value of \$600,029, \$510,000 and \$500,031, respectively. The performance share awards granted in 2022 and 2021 can be earned subject to EQH's TSR relative to its peer group. Approximately half of the performance share award granted in 2020 can be earned subject to EQH's performance against specified non-GAAP financial targets (specifically, non-GAAP return-on-equity targets), while the other half has been earned subject to EQH's TSR relative to its peer group. Please see the table above entitled "Grants of Plan-Based Awards in 2022" for additional information regarding the EQH awards.

<sup>(3)</sup> The option awards described in the table were issued by EQH and calculated in accordance with FASB ASC Topic 718. The fair value of EQH stock options is calculated by EQH using the Black-Scholes option pricing model. The expected EQH dividend rate is based on market consensus. EQH share price volatility is estimated on the basis of implied volatility, which is checked by EQH against an analysis of historical volatility to ensure consistency. The effect of expected early exercise is accounted for through the use of an expected life assumption based on historical data.

<sup>(4)</sup> EQH restricted stock unit awards, which are described for each of Ms. Burke and Mr. Erzan in their respective second lines of data in the above table, will vest ratably over their three-year vesting period subject to continued employment during the vesting period. EQH performance share awards, which are described in the third line of data in the above table, cliff vest on the third anniversary of grant date subject to meeting the applicable performance criteria. In February 2022 and 2021, respectively, EQH granted to each of Ms. Burke and Mr. Erzan (i) a restricted stock unit award with a grant date fair value of \$40,021 and \$40,000, respectively and (ii) a performance share award with a grant date fair value of \$60,014 and \$60,000, respectively, which can be earned subject to EQH's total shareholder return relative to its peer group. Please see the table above entitled "Grants of Plan-Based Awards in 2022" for additional information regarding the EQH awards.

<sup>(5)</sup> For further information regarding the equity awards granted to Mr. Bernstein, Ms. Burke and/or Mr. Erzan by EQH, please see "Compensation awarded by EQH to Mr. Bernstein, Ms. Burke, Mr. Erzan and Mr. Dibadj" above in CD&A.

- (6) Ms. Burke was awarded: (i) 41,195 restricted AB Holding Units in December 2022 that are scheduled to vest in equal increments on each of December 1, 2023, 2024 and 2025; (ii) 35,827 restricted AB Holding Units in December 2021, one-third of which vested on December 1, 2022, and the remainder of which is scheduled to vest in equal increments on each of December 1, 2023 and 2024; (iii) 40,032 restricted AB Holding Units in December 2020, of which 25% vested on each of December 1, 2021 and 2022, and the remainder of which is scheduled to vest in equal increments on each of December 1, 2023 and 2024; and (iv) 36,000 restricted AB Holding Units in December 2019, of which 25% vested on each of December 1, 2020, 2021 and 2022, and the remainder of which is scheduled to vest on December 1, 2023.
- (7) Mr. Erzan was awarded 38,771 restricted AB Holding Units in December 2022 that are scheduled to vest in equal increments on each of December 1, 2023, 2024 and 2025. The total AB Holding Unit figure set forth in the table includes AB Holding Units granted in a year prior to when Mr. Erzan was deemed to be a NEO.
- (8) Mr. Sprules was awarded (i) 28,450 restricted AB Holding Units in December 2022 that are scheduled to vest in equal increments on each of December 1, 2023, 2024 and 2025; and (ii) 25,030 restricted AB Holding Units in December 2021, of which one-third vested on December 1, 2022, and the remainder of which is scheduled to vest in equal increments on each of December 1, 2023 and 2024. The total AB Holding Unit figure set forth in the table includes AB Holding Units granted in years prior to when Mr. Sprules was deemed to be a NEO.
- (9) Mr. Manley was awarded 8,883 restricted AB Holding Units in December 2022 that are scheduled to vest in equal increments on each of December 1, 2023, 2024 and 2025. The total AB Holding Unit figure set forth in the table includes AB Holding Units granted in years prior to when Mr. Manley was deemed to be a NEO.
- (10) Mr. Siemers was awarded: (i) 4,506 restricted AB Holding Units in December 2022 that are scheduled to vest in equal increments on each of December 1, 2023, 2024 and 2025; and (ii) 21,873 restricted AB Holding Units in March 2022 that are scheduled to cliff vest in February 2024. The total AB Holding Unit figure set forth in the table includes AB Holding Units granted in years prior to when Mr. Siemers was deemed to be a NEO.
- (11) Mr. Dibadj had no outstanding awards as of December 31, 2022, because he forfeited his unvested AB Holding Unit and EQH share awards as a result of his resignation in March 2022.
- (12) The market values of restricted AB Holding Units set forth in this column were calculated assuming a price per AB Holding Unit of \$34.37, which was the closing price on the NYSE of an AB Holding Unit on December 30, 2022, the last trading day of AB's last completed fiscal year. The market values of EQH shares set forth in this column were calculated assuming a price per share of \$28.70, which was the closing price on the NYSE of an EQH share on December 30, 2022.

## Option Exercises and AB Holding Units (and EQH Shares) Vested in 2022

AB Holding Units and EQH shares held by our NEOs that vested during 2022 are as follows:

Name	AB Holding and EQH Option Awards		AB Holding Unit and EQH Share Awards	
	Number of AB Holding Units or EQH Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of AB Holding Units or EQH Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
<b>Seth Bernstein<sup>(1)</sup></b>	—	—	199,915	7,698,133
<b>Kate Burke<sup>(2)</sup></b>	—	—	187,363	7,621,786
<b>Onur Erzan<sup>(2)</sup></b>	—	—	12,142	490,290
<b>Karl Sprules</b>	—	—	184,363	7,503,554
<b>Mark Manley</b>	—	—	46,384	1,887,811
<b>Bill Siemers</b>	—	—	21,291	866,562
<b>Ali Dibadj<sup>(2)</sup></b>	—	—	489	16,001

(1) Includes 63,607 EQH shares with a value of \$2,150,398 that vested during 2022.

(2) Includes 489 EQH shares with a value of \$16,001 that vested during 2022.



## Pension Benefits

Name	Plan Name	Number of Years of Credited Service <sup>(2)</sup>	Present Value of Accumulated Benefit <sup>(3)</sup>	Payments During Last Fiscal Year
<b>Karl Sprules</b> <sup>(1)</sup>	AB Retirement Plan	11	122,835	—
<b>Mark Manley</b> <sup>(1)</sup>	AB Retirement Plan	25	482,194	—

<sup>(1)</sup> We have provided information for Messrs. Sprules and Manley; they are the only of our NEOs who participate in the AB Retirement Plan. For additional information regarding the AB Retirement Plan, including actuarial assumptions and potential early retirement benefits, see "Defined Benefit Plan" above in CD&A and Note 18 to AB's consolidated financial statements in Item 8 of this Form 10-K.

<sup>(2)</sup> Effective December 31, 2008, benefit accruals were frozen under the AB Retirement Plan.

<sup>(3)</sup> Actuarial present value of accumulated benefits as of December 31, 2022 using assumptions consistent with ASC 715 calculations, with the following exceptions: (i) retirement age assumed to be the Nominal Retirement Age (as defined in the AB Retirement Plan); and (ii) no pre-retirement mortality, disability or termination assumed.

## Potential Payments upon Termination or Change in Control

Estimated payments and benefits to which our NEOs would have been entitled upon a change in control of AB or the specified qualifying events of termination of employment as of December 31, 2022 are as follows:

Name and Trigger Event	Cash Payments <sup>(1)</sup> (\$)	Acceleration of Restricted AB Holding Unit Awards <sup>(2)</sup> (\$)	Other Benefits <sup>(3)</sup> (\$)
<b>Seth Bernstein</b>			
Change in control	—	9,647,310	—
Termination by Mr. Bernstein for good reason <sup>(4)</sup>	3,500,000	9,647,310	19,279
Termination of Mr. Bernstein's employment by AB other than for Cause or due to Death or Disability <sup>(5)(6)(7)</sup>	5,250,000	9,647,310	19,279
Change in control + termination by Mr. Bernstein for good reason or termination of Mr. Bernstein's employment without cause <sup>(4)</sup>	7,000,000	9,647,310	19,279
Resignation (complies with applicable agreements and restrictive covenants) under ICAP <sup>(8)</sup>	—	9,647,310	—
Death or disability <sup>(7)</sup>	—	9,647,310	19,279
<b>Kate Burke</b>			
Change in control	—	3,234,029	—
Change in control + employment terminated by AB other than for cause, termination by Ms. Burke for good reason, or termination due to death or disability	4,900,000	3,234,029	—
Resignation, retirement or termination by AB without cause (complies with applicable agreements and restrictive covenants) under ICAP; death or disability under ICAP <sup>(7)(8)</sup>	—	3,234,029	—
<b>Onur Erzan</b>			
Change in control	—	4,717,805	—
Change in control + employment terminated by AB other than for cause, termination by Mr. Erzan for good reason, or termination due to death or disability	4,711,702	4,717,805	—
Resignation, retirement or termination by AB without cause (complies with applicable agreements and restrictive covenants) under ICAP; death or disability under ICAP; excludes 2021 RSU award <sup>(7)(8)</sup>	—	2,133,593	—
Termination by AB without cause; death or disability (2021 RSU award)	—	1,029,850	—



Name and Trigger Event	Cash Payments <sup>(1)</sup> (\$)	Acceleration of Restricted AB Holding Unit Awards <sup>(2)</sup> (\$)	Other Benefits <sup>(3)</sup> (\$)
<b>Karl Sprules</b>			
Change in control	—	2,481,682	—
Change in control + employment terminated by AB other than for cause, termination by Mr. Sprules for good reason, or termination due to death or disability	3,910,000	2,481,682	—
Resignation, retirement or termination by AB without cause (complies with applicable agreements and restrictive covenants) under ICAP; death or disability under ICAP <sup>(7)(8)</sup>	—	2,481,682	—
<b>Mark Manley</b>			
Change in control	—	749,269	—
Change in control + employment terminated by AB other than for cause, termination by Mr. Manley for good reason, or termination due to death or disability	2,160,000	749,269	—
Resignation, retirement or termination by AB without cause (complies with applicable agreements and restrictive covenants) under ICAP; death or disability under ICAP <sup>(7)(8)</sup>	—	749,269	—
<b>Bill Siemers<sup>(9)</sup></b>			
Change in control	—	—	—
Change in control + employment terminated by AB other than for cause, termination by Mr. Siemers for good reason, or termination due to death or disability	—	—	—
Resignation, retirement or termination by AB without cause (complies with applicable agreements and restrictive covenants) under ICAP; death or disability under ICAP; excludes 2022 RSU award <sup>(7)(8)</sup>	—	339,810	—
Termination by AB without cause; death or disability (2022 RSU award)	—	300,284	—
<b>Ali Dibadj<sup>(10)</sup></b>			
	—	—	—

## Part III

- (1) It is possible that each NEO could receive a cash severance payment on the termination of his or her employment that is not contemplated in the CIC Plan. The amounts of any such cash severance payments would be determined at the time of such termination (other than for Mr. Bernstein), so we are unable to estimate such amounts. The amounts shown for Mr. Bernstein are described in the CEO Employment Agreement. The amounts shown for Ms. Burke, Mr. Erzan, Mr. Sprules and Mr. Manley in the event of a change in control coupled with termination of employment are described in the CIC Plan.
- (2) See Notes 2 and 19 in AB's consolidated financial statements in Item 8 and "Long-Term Incentive Compensation Awards" above in CD&A for a discussion of the terms set forth in long-term incentive compensation award agreements relating to termination of employment.
- (3) Reflects the value of group medical coverage to which Mr. Bernstein would be entitled.
- (4) See "Overview of Mr. Bernstein's Employment Agreement" above for a discussion of the terms set forth in the CEO Employment Agreement relating to termination of employment.
- (5) The CEO Employment Agreement defines "Disability" as a good faith determination by AB that Mr. Bernstein is physically or mentally incapacitated and has been unable for a period of 180 days in the aggregate during any 12-month period to perform substantially all of the duties for which he is responsible immediately before the commencement of the incapacity.
- (6) Under the CEO Employment Agreement, upon termination of Mr. Bernstein's employment due to death or disability, and after the COBRA period, AB will provide Mr. Bernstein and his spouse with access to participation in AB's medical plans at Mr. Bernstein's (or his spouse's) sole expense based on a reasonably determined fair market value premium rate.
- (7) "Disability" is defined in the ICAP award agreements of each NEO as the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to last for a continuous period of not less than 12 months, as determined by the carrier of the long-term disability insurance program maintained by AB or its affiliate that covers the NEO.
- (8) Applicable agreements and restrictive covenants in the ICAP award agreement include restrictions on competition and restrictions on employee and client solicitation.
- (9) Mr. Siemers, who served as our firm's Interim CFO from March 2022 to July 2022, ceased being deemed an executive officer of AB when his service as Interim CFO concluded. Accordingly, Mr. Siemers was not eligible for potential payments or benefits under the CIC Plan as of December 31, 2022.
- (10) Mr. Dibadj resigned as our firm's CFO and Head of Strategy in March 2022, so he was ineligible for any potential payment or benefit upon a change in control of AB as of December 31, 2022.

Additionally, estimated payments and benefits to which Mr. Bernstein, Ms. Burke or Mr. Erzan would have been entitled upon a change in control of EQH or the specified qualifying events of termination of employment as of December 31, 2022 are as follows (these amounts would be payable by EQH):

Reason for Employment Termination	Acceleration of EQH Option and Share Awards <sup>(5)</sup> (\$)
<b>Seth Bernstein</b>	
Retirement <sup>(1)</sup>	737,795
Death <sup>(2)</sup>	2,434,876
Disability <sup>(2)</sup>	2,434,876
Involuntary termination (no change in control) <sup>(3)</sup>	1,468,354
Change in control (without termination of employment) <sup>(4)</sup>	1,666,667
<b>Kate Burke</b>	
Death <sup>(2)</sup>	168,676
Disability <sup>(2)</sup>	168,676
Involuntary termination (no change in control) <sup>(3)</sup>	53,059
Change in control (without termination of employment) <sup>(4)</sup>	76,180
<b>Onur Erzan</b>	
Death <sup>(2)</sup>	168,676
Disability <sup>(2)</sup>	168,676
Involuntary termination (no change in control) <sup>(3)</sup>	53,059
Change in control (without termination of employment) <sup>(4)</sup>	76,180

- (1) Reflects, as of December 31, 2022, the full value of the restricted stock unit award and performance share award granted to Mr. Bernstein in 2021. Excludes (i) restricted stock unit awards and performance share awards granted to Mr. Bernstein in 2020 due to prior retirement eligibility requirements in effect for awards granted prior to 2021, and (ii) awards granted in 2022 due to minimum vesting requirements.
- (2) Reflects, as of December 31, 2022, the full value associated with awards granted by EQH to Mr. Bernstein (since 2020), Ms. Burke (since 2021) and Mr. Erzan (since 2021), including option awards (Mr. Bernstein only); restricted stock unit awards (to each officer); and performance share awards (to each officer). For additional information regarding these awards, please see the Summary Compensation Table for 2022, Grants of Plan-based Awards in 2022 and Outstanding Equity at 2022 Fiscal Year End above in this Item 11.

- (3) Reflects, as of December 31, 2022, (i) the prorated value of the restricted stock unit awards and performance share awards granted by EQH to Mr. Bernstein (in 2020), to Ms. Burke (in 2021) and to Mr. Erzan (in 2021), and (ii) the full value of the restricted stock unit award and performance share award granted to Mr. Bernstein in 2021. Restricted stock unit awards and performance share awards granted to Mr. Bernstein, Ms. Burke and Mr. Erzan in 2022 are excluded until a minimum of one year of vesting is reached.
- (4) Reflects, as of December 31, 2022, (i) the full value associated with Mr. Bernstein's option awards in 2020, (ii) the full value of the restricted stock unit awards granted to Mr. Bernstein (in 2022, 2021 and 2020), to Ms. Burke (in 2022 and 2021) and to Mr. Erzan (in 2022 and 2021), and (iii) the full value of the performance share awards granted to Mr. Bernstein (in 2022, 2021 and 2020), to Ms. Burke (in 2022 and 2021) and to Mr. Erzan (in 2022 and 2021), with performance factors applied for 2020 and 2021 grants.
- (5) Acceleration of EQH awards is contingent on the award recipient's compliance with various agreements and restrictive covenants set forth in the applicable award agreement under the EQH 2022 Long-Term Incentive Compensation Program, including protection of confidential information, non-competition, non-solicitation of employees and non-solicitation of customers.

## Director Compensation in 2022

During 2022, we compensated our directors, who satisfied applicable NYSE and SEC standards relating to independence ("**Independent Directors**"), as follows:

Name	Fees Earned or Paid in Cash (\$)	Stock Awards <sup>(1)(2)</sup> (\$)	Total (\$)
Joan Lamm-Tennant	140,000	170,000	310,000
Nella Domenici	102,500	170,000	272,500
Daniel Kaye	99,000	170,000	269,000
Kristi Matus	123,500	170,000	293,500
Das Narayandas	93,000	170,000	263,000
Charles Stonehill	127,500	170,000	297,500
Todd Walthall	102,500	170,000	272,500

- (1) The aggregate number of restricted AB Holding Units underlying awards outstanding but not yet distributed at December 31, 2022, was: for Ms. Lamm-Tennant, 5,765 AB Holding Units; for Ms. Domenici, 8,521 AB Holding Units; for Mr. Kaye, 12,390 AB Holding Units; for Ms. Matus, 12,125 AB Holding Units; for Mr. Narayandas, 12,390 AB Holding Units; for Mr. Stonehill, 12,390 AB Holding Units; and for Mr. Walthall, 6,066 AB Holding Units.
- (2) Reflects the aggregate grant date fair value of the awards calculated in accordance with FASB ASC Topic 718. For the assumptions made in determining these values, see Note 19 to AB's consolidated financial statements in Item 8.

## Independent Director Compensation Elements

The Board approved the compensation elements *described immediately below* for Independent Directors during its regular meeting held in May 2021 and has agreed to re-consider such compensation elements bi-annually:

- an annual retainer of \$90,000 (paid quarterly after any quarter during which an Independent Director serves on the Board; annual retainers relating to Committee service, *as described below*, are paid quarterly in arrears as well);
- an annual retainer of \$50,000 for acting as Independent Chair of the Board;
- an annual retainer of \$37,500 for acting as Chair of the Audit Committee;
- an annual retainer of \$20,000 for acting as Chair of the Compensation Committee;
- an annual retainer of \$13,500 for acting as Chair of the Governance Committee;
- an annual retainer of \$12,500 for serving as a member of the Audit Committee;
- an annual retainer of \$9,000 for serving as a member of the Compensation Committee;
- an annual retainer of \$3,000 for serving as a member of the Governance Committee; and
- an annual equity-based grant under an equity compensation plan consisting of restricted AB Holding Units with a grant date fair value of \$170,000.

In 2022, the Board granted to each Independent Director then serving (which included Ms. Domenici, Lamm-Tennant and Matus and Messrs. Kaye, Narayandas, Stonehill and Walthall) 4,410 restricted AB Holding Units. The number of AB Holding Units granted was determined by dividing the \$170,000 grant date fair value *noted above* by the closing price of an AB Holding Unit on the date of the May 2022 Board Meeting, or \$38.55 per unit. These awards vest ratably on each of the first three anniversaries of the grant date.

Further, in order to avoid any perception that our directors' exercise of their fiduciary duties might be impaired, restricted AB Holding Unit grants to Independent Directors are not forfeitable, except if the director is terminated for "Cause," as that term is defined in the 2017 Plan or the applicable award agreement. Accordingly, restricted AB Holding Units generally are delivered as soon as administratively feasible following an Independent Director's resignation from the Board.

Equity grants to Independent Directors generally are made at the May meeting of the Board. The date of the May meeting is set by the Board at least a year in advance.

The General Partner may reimburse any director for reasonable expenses incurred in connection with attendance at Board meetings as well as additional Board responsibilities. AB Holding and AB, in turn, reimburse the General Partner for expenses incurred by the General Partner on their behalf, including amounts in respect of directors' fees and expenses. These reimbursements are subject to any relevant provisions of the AB Holding Partnership Agreement and the AB Partnership Agreement.

## **Independent Director AB Holding Unit Ownership Guidelines**

Each Independent Director, by the later of five years from the initial implementation date of these guidelines (February 2018) and the date as of which the director's tenure on the Board begins, shall accumulate, either through accumulating AB Holding Units awarded by the Board or purchasing Units on the open market, AB Holding Units with a market value equal to five (5) times the director's annual retainer. Each Independent Director must maintain this ownership level for the duration of the director's tenure on the Board.

As of December 31, 2022, each Independent Director then serving either complied with this policy or was on track to do so within the allotted time.

## Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

### Securities Authorized for Issuance under Equity Compensation Plans

AB Holding Units to be issued pursuant to our equity compensation plans as of December 31, 2022 are as follows:

#### Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance <sup>(1)</sup>
Equity compensation plans approved by security holders	—	\$ —	30,204,036
Equity compensation plans not approved by security holders	—	—	—
<b>Total</b>	<b>—</b>	<b>\$ —</b>	<b>30,204,036</b>

<sup>(1)</sup> All AB Holding Units remaining available for future issuance will be issued pursuant to the 2017 Plan, which was approved during a Special Meeting of AB Holding Unitholders held on September 29, 2017.

There are no AB Units to be issued pursuant to an equity compensation plan.

For information about our equity compensation plans, see *Note 19 to AB's consolidated financial statements in Item 8*.

### Principal Security Holders

As of December 31, 2022, we had no information that any person beneficially owned more than 5% of the outstanding AB Units, except as reported by EQH and certain of its subsidiaries. We have prepared the following table, and the note that follows, in reliance on information supplied by EQH:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership Reported on Schedule	Percent of Class
Equitable Holdings <sup>(1)</sup> 1290 Avenue of the Americas New York, NY 10104	177,121,625 <sup>(1)</sup>	61.3 % <sup>(1)</sup>

<sup>(1)</sup> By reason of their relationships, EQH and its subsidiaries that hold AB Units may be deemed to share the power to vote or to direct the vote and to dispose or direct the disposition of all or a portion of these AB Units. The 61.3% includes the 1% general partnership interest held by EQH.

As of December 31, 2022, AB Holding was the record owner of 113,801,097, or 39.8%, of the issued and outstanding AB Units (or 39.4% including the 1% general partnership interest held by EQH).

## Management

As of December 31, 2022, the beneficial ownership of AB Holding Units by each director and NEO of the General Partner and by all directors and executive officers as a group is as follows:

Name of Beneficial Owner	Number of AB Holding Units and Nature of Beneficial Ownership	Percent of Class
<a href="#">Joan Lamm-Tennant</a> <sup>(1)</sup>	6,216	*
<a href="#">Seth Bernstein</a> <sup>(1)(2)</sup>	657,593	*
<a href="#">Nella Domenici</a>	17,848	*
<a href="#">Jeffrey Hurd</a> <sup>(1)</sup>	—	*
<a href="#">Daniel Kaye</a> <sup>(1)</sup>	34,693	*
<a href="#">Nick Lane</a> <sup>(1)</sup>	—	*
<a href="#">Kristi Matus</a> <sup>(1)</sup>	20,254	*
<a href="#">Das Narayandas</a>	30,659	*
<a href="#">Mark Pearson</a> <sup>(1)</sup>	—	*
<a href="#">Charles Stonehill</a> <sup>(1)</sup>	19,914	*
<a href="#">Todd Walthall</a>	6,618	*
<a href="#">Kate Burke</a> <sup>(1)(3)</sup>	234,300	*
<a href="#">Onur Erzan</a> <sup>(1)(4)</sup>	144,221	*
<a href="#">Karl Sprules</a> <sup>(1)(5)</sup>	140,514	*
<a href="#">Mark Manley</a> <sup>(1)(6)</sup>	89,369	*
<a href="#">Bill Siemers</a> <sup>(1)(7)</sup>	68,140	*
All directors and executive officers as a group (16 persons) <sup>(8)</sup>	1,470,339	1.3%

\* Number of AB Holding Units listed represents less than 1% of the Units outstanding.

<sup>(1)</sup> Excludes AB Holding Units beneficially owned by EQH and its subsidiaries. Mes. Lamm-Tennant and Matus, and Messrs. Bernstein, Hurd, Kaye, Lane, Pearson and Stonehill, each is a director and/or officer of EQH, Equitable Financial and/or Equitable America. Ms. Burke and Messrs. Bernstein, Erzan, Sprules, Manley and Siemers each is a director and/or officer of the General Partner.

<sup>(2)</sup> Includes 507,389 restricted AB Holding Units that have not yet vested or with respect to which Mr. Bernstein has deferred delivery. See "Overview of Mr. Bernstein's Employment Agreement – Compensation Elements – Restricted AB Holding Units," "Grants of Plan-based Awards in 2022" and "Outstanding Equity Awards at 2022 Fiscal Year-End" in Item 11 for additional information.

<sup>(3)</sup> Includes 94,095 restricted AB Holding Units granted to Ms. Burke that have not yet vested. For information regarding Ms. Burke's long-term incentive compensation awards, see "Grants of Plan-based Awards in 2022" and "Outstanding Equity Awards at 2022 Fiscal Year-End" in Item 11.

<sup>(4)</sup> Includes 137,265 restricted AB Holding Units granted to Mr. Erzan that have not yet vested. For information regarding Mr. Erzan's long-term incentive compensation awards, see "Grants of Plan-based Awards in 2022" and "Outstanding Equity Awards at 2022 Fiscal Year-End" in Item 11.

<sup>(5)</sup> Includes 72,205 restricted AB Holding Units granted to Mr. Sprules that have not yet vested. For information regarding Mr. Sprules's long-term incentive compensation awards, see "Grants of Plan-based Awards in 2022" and "Outstanding Equity Awards at 2022 Fiscal Year-End" in Item 11.

<sup>(6)</sup> Includes 21,800 restricted AB Holding Units granted to Mr. Manley that have not yet vested. For information regarding Mr. Manley's long-term incentive compensation awards, see "Grants of Plan-based Awards in 2022" and "Outstanding Equity Awards at 2022 Fiscal Year-End" in Item 11.

<sup>(7)</sup> Includes 31,760 restricted AB Holding Units granted to Mr. Siemers that have not yet vested. For information regarding Mr. Siemers's long-term incentive compensation awards, see "Grants of Plan-based Awards in 2022" and "Outstanding Equity Awards at 2022 Fiscal Year-End" in Item 11.

<sup>(8)</sup> Includes 864,514 restricted AB Holding Units awarded to the executive officers as a group as long-term incentive compensation that have not yet vested and/or with respect to which the executive officer has deferred delivery.

As of December 31, 2022, our directors and executive officers did not beneficially own any AB Units.

As of December 31, 2022, the beneficial ownership of the common stock of EQH by each director and named executive officer of the General Partner and by all directors and executive officers as a group is as follows:

### EQH Common Stock

Name of Beneficial Owner	Number of Shares and Nature of Beneficial Ownership	Percent of Class
Joan Lamm-Tennant	25,056	*
Seth Bernstein <sup>(1)</sup>	189,714	*
Nella Domenici	—	*
Jeffrey Hurd <sup>(2)</sup>	272,590	*
Daniel Kaye	52,129	*
Nick Lane <sup>(3)</sup>	200,933	*
Kristi Matus	19,297	*
Das Narayandas	2,000	*
Mark Pearson <sup>(4)</sup>	1,187,290	*
Charles Stonehill	28,285	*
Todd Walthall	—	*
Kate Burke <sup>(5)</sup>	2,535	*
Onur Erzan <sup>(5)</sup>	2,457	*
Karl Sprules	—	*
Mark Manley	—	*
Bill Siemers	—	*
All directors and executive officers as a group (16 persons) <sup>(6)</sup>	1,982,286	*

\* Number of shares listed represents less than 1% of the outstanding EQH common stock.

<sup>(1)</sup> Includes (i) 103,586 options Mr. Bernstein has the right to exercise within 60 days and (ii) 24,307 restricted stock units that will vest within 60 days and settle in EQH shares.

<sup>(2)</sup> Includes (i) 171,694 options Mr. Hurd has the right to exercise within 60 days and (ii) 51,627 restricted stock units that will vest within 60 days and settle in EQH shares.

<sup>(3)</sup> Includes (i) 76,278 options Mr. Lane has the right to exercise within 60 days and (ii) 58,565 restricted stock units that will vest within 60 days and settle in EQH shares.

<sup>(4)</sup> Includes (i) 653,845 options Mr. Pearson has the right to exercise within 60 days and (ii) 237,363 restricted stock units that will vest within 60 days and settle in EQH shares.

<sup>(5)</sup> Includes 2,191 restricted stock units that will vest within 60 days and settle in EQH shares.

<sup>(6)</sup> Includes 1,005,403 options that may be exercised and 376,244 restricted stock units that will vest within 60 days and settle in EQH shares for the directors and executive officers as a group.

## Partnership Matters

The General Partner makes all decisions relating to the management of AB and AB Holding. The General Partner has agreed that it will conduct no business other than managing AB and AB Holding, although it may make certain investments for its own account. Conflicts of interest, however, could arise between AB and AB Holding, the General Partner and the Unitholders of both Partnerships.

Section 17-403(b) of the Delaware Revised Uniform Limited Partnership Act ("Delaware Act") states in substance that, except as provided in the Delaware Act or the applicable partnership agreement, a general partner of a limited partnership has the liabilities of a general partner in a general partnership governed by the Delaware Uniform Partnership Law (as in effect on July 11, 1999) to the partnership and to the other partners. In addition, as *discussed below*, Sections 17-1101(d) and 17-1101(f) of the Delaware Act generally provide that a partnership agreement may limit or eliminate fiduciary duties a partner may be deemed to owe to the limited partnership or to another partner, and any related liability, provided that the partnership agreement may not limit or eliminate the implied contractual covenant of good faith and fair dealing. Accordingly, while under Delaware law a general partner of a limited partnership is liable as a fiduciary to the other partners, those fiduciary obligations may be altered by the terms of the applicable partnership agreement. Each of the AB Partnership Agreement and AB Holding Partnership Agreement (each, a "Partnership Agreement" and, together, the "Partnership Agreements") sets forth limitations on the duties and liabilities of the General Partner. Each Partnership Agreement provides that the General Partner is not liable for monetary damages for errors in judgment or for breach of fiduciary duty (including breach of any duty of care or loyalty), unless it is established (the person asserting such liability having the burden of proof) that the General Partner's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury, with reckless disregard for the best interests of the Partnerships or with actual bad faith on the part of the General Partner, or constituted actual fraud. Whenever the Partnership Agreements provide that the General Partner is permitted or required to make a decision (i) in its "discretion" or under a grant of similar authority or latitude, the General Partner is entitled to consider only such interests and factors as it desires and has no duty or obligation to consider any interest of or other factors affecting the Partnerships or any Unitholder of AB or AB Holding or (ii) in its "good faith" or under another express standard, the General Partner will act under that express standard and will not be subject to any other or different standard imposed by either Partnership Agreement or applicable law or in equity or otherwise. Each Partnership Agreement further provides that to the extent that, at law or in equity, the General Partner has duties (including fiduciary duties) and liabilities relating thereto to either Partnership or any partner, the General Partner acting under either Partnership Agreement, as applicable, will not be liable to the Partnerships or any partner for its good faith reliance on the provisions of the Partnership Agreement.

In addition, each Partnership Agreement grants broad rights of indemnification to the General Partner and its directors, officers and affiliates and authorizes AB and AB Holding to enter into indemnification agreements with the directors, officers, partners, employees and agents of AB and its affiliates and AB Holding and its affiliates. The Partnerships have granted broad rights of indemnification to officers and employees of AB and AB Holding. The foregoing indemnification provisions are not exclusive, and the Partnerships are authorized to enter into additional indemnification arrangements. AB and AB Holding have obtained directors and officers/errors and omissions liability insurance.

Each Partnership Agreement also allows transactions between AB and AB Holding and the General Partner or its affiliates, as we describe in *"Policies and Procedures Regarding Transactions with Related Persons"* in Item 13, so long as such transactions are on an arms-length basis. The Delaware courts have held that provisions in partnership or limited liability company agreements that permit affiliate transactions so long as they are on an arms-length basis operate to establish a contractually-agreed-to fiduciary duty standard of entire fairness on the part of the general partner or manager in connection with the approval of affiliate transactions. Also, each Partnership Agreement expressly permits all affiliates of the General Partner to compete, directly or indirectly, with AB and AB Holding, as we discuss in *"Competition"* in Item 1. The Partnership Agreements further provide that, except to the extent that a decision or action by the General Partner is taken with the specific intent of providing an improper benefit to an affiliate of the General Partner to the detriment of AB or AB Holding, there is no liability or obligation with respect to, and no challenge of, decisions or actions of the General Partner that would otherwise be subject to claims or other challenges as improperly benefiting affiliates of the General Partner to the detriment of the Partnerships or otherwise involving any conflict of interest or breach of a duty of loyalty or similar fiduciary obligation.



Section 17-1101(c) of the Delaware Act provides that it is the policy of the Delaware Act to give maximum effect to the principle of freedom of contract and to the enforceability of partnership agreements. Further, Section 17-1101(d) of the Delaware Act provides in part that to the extent that, at law or in equity, a partner has duties (including fiduciary duties) to a limited partnership or to another partner, those duties may be expanded, restricted, or eliminated by provisions in a partnership agreement (provided that a partnership agreement may not eliminate the implied contractual covenant of good faith and fair dealing). In addition, Section 17-1101(f) of the Delaware Act provides that a partnership agreement may limit or eliminate any or all liability of a partner to a limited partnership or another partner for breach of contract or breach of duties (including fiduciary duties); provided, however, that a partnership agreement may not limit or eliminate liability for any act or omission that constitutes a bad faith violation of the implied contractual covenant of good faith and fair dealing. Decisions of the Delaware courts have recognized the right of parties, under the above provisions of the Delaware Act, to alter by the terms of a partnership agreement otherwise applicable fiduciary duties and liability for breach of duties. However, the Delaware courts have required that a partnership agreement make clear the intent of the parties to displace otherwise applicable fiduciary duties (the otherwise applicable fiduciary duties often being referred to as “default” fiduciary duties). Judicial inquiry into whether a partnership agreement is sufficiently clear to displace default fiduciary duties is necessarily fact driven and is made on a case by case basis. Accordingly, the effectiveness of displacing default fiduciary obligations and liabilities of general partners continues to be a developing area of the law and it is not certain to what extent the foregoing provisions of the Partnership Agreements are enforceable under Delaware law.

## Item 13. Certain Relationships and Related Transactions, and Director Independence

### Policies and Procedures Regarding Transactions with Related Persons

Each Partnership Agreement expressly permits EQH and its subsidiaries (collectively, “EQH Affiliates”), to provide services to AB and AB Holding if the terms of the transaction are approved by the General Partner in good faith as being comparable to (or more favorable to each such Partnership than) those that would prevail in a transaction with an unaffiliated party. This requirement is conclusively presumed to be satisfied as to any transaction or arrangement that (i) in the reasonable and good faith judgment of the General Partner meets that unaffiliated party standard, or (ii) has been approved by a majority of those directors of the General Partner who are not also directors, officers or employees of an affiliate of the General Partner.

In practice, our management pricing committees review investment advisory agreements with EQH Affiliates, which is the manner in which the General Partner reaches a judgment regarding the appropriateness of the fees. Other transactions with EQH Affiliates are submitted to the Audit Committee for their review and approval. (See “Committees of the Board” in Item 10 for details regarding the Audit Committee.) We are not aware of any transaction during 2022 between our company and any related person with respect to which these procedures were not followed.

Our relationships with EQH Affiliates also are subject to applicable provisions of the insurance laws and regulations of New York and other states. Under such laws and regulations, the terms of certain investment advisory and other agreements we enter into with EQH Affiliates are required to be fair and equitable and charges or fees for services performed must be reasonable. Also, in some cases, the agreements are subject to regulatory approval.

We have written policies regarding the employment of immediate family members of any of our related persons. Compensation and benefits for all of our employees is established in accordance with our people practices, taking into consideration the defined qualifications, responsibilities and nature of the role.

### Financial Arrangements with EQH Affiliates

The General Partner has, in its reasonable and good faith judgment (based on its knowledge of, and inquiry with respect to, comparable arrangements with or between unaffiliated parties), approved the following arrangements with EQH Affiliates as being comparable to, or more favorable to AB than, those that would prevail in a transaction with an unaffiliated party.

## Part III

See Note 12 to AB's consolidated financial statements in Item 8 for disclosures related to our credit facility with EQH. Significant transactions between AB and related persons during 2022 are as follows (the first table summarizes services we provide to related persons and the second table summarizes services our related persons provide to us):

Parties <sup>(1)</sup>	General Description of Relationship <sup>(2)</sup>	Amounts Received or Accrued for in 2022	
		(in thousands)	
Equitable Financial	We provide investment management services and ancillary accounting, valuation, reporting, treasury and other services to the general and separate accounts of Equitable Financial and its insurance company subsidiaries.	\$	118,781
EQAT and Equitable Premier VIP Trust	We serve as sub-adviser to these open-end mutual funds, each of which is sponsored by a subsidiary of Equitable Holdings.		23,711
Equitable Holdings			6,573

Parties <sup>(1)</sup>	General Description of Relationship	Amounts Paid or Accrued for in 2022	
		(in thousands)	
Equitable Holdings	Distributes certain of our Retail Products; provides Private Wealth Management referrals; sells shares of our mutual funds under Distribution Service and Educational Support agreements; includes us as insured under various insurance policies.	\$	20,848

<sup>(1)</sup> AB or one of its subsidiaries is a party to each transaction.

<sup>(2)</sup> We provide investment management services unless otherwise indicated.

## Arrangements with Immediate Family Members of Related Persons

During 2022, we did not have arrangements with immediate family members of our directors and executive officers.

## Director Independence

See "Independence of Certain Directors" in Item 10.

## Item 14. Principal Accounting Fees and Services

Fees for professional audit services rendered by PricewaterhouseCoopers LLP ("PwC") for the audit of AB's and AB Holding's annual financial statements for 2022 and 2021, respectively, and fees for other services rendered by PwC are as follows:

	2022	2021
	(in thousands)	
Audit fees <sup>(1)</sup>	\$ 7,373	\$ 6,956
Audit-related fees <sup>(2)</sup>	3,355	3,580
Tax fees <sup>(3)</sup>	1,556	2,221
All other fees <sup>(4)</sup>	2,512	6
<b>Total</b>	<b>\$ 14,796</b>	<b>\$ 12,763</b>

<sup>(1)</sup> Includes \$66,383 and \$63,222 paid for audit services to AB Holding in 2022 and 2021, respectively.

<sup>(2)</sup> Audit-related fees consist principally of fees for audits of financial statements of certain employee benefit plans, internal control reviews and accounting consultation.

<sup>(3)</sup> Tax fees consist of fees for tax consultation and tax compliance services.

<sup>(4)</sup> All other fees consisted primarily of due diligence tax and audit services in 2022 and miscellaneous non-audit services in 2021.

The Audit Committee has a policy to pre-approve audit and non-audit service engagements with the independent registered public accounting firm. The independent registered public accounting firm must provide annually a comprehensive and detailed schedule of each proposed audit and non-audit service to be performed. The Audit Committee then affirmatively indicates its approval of the listed engagements. Engagements that are not listed but that are of similar scope and size to those listed and approved may be deemed to be approved, if the fee for such service is less than \$100,000. In addition, the Audit Committee has delegated to its chairman the ability to approve any permissible non-audit engagement where the fees are expected to be less than \$100,000.

# Part IV

## Item 15. Exhibits, Financial Statement Schedules

(a) There is no document filed as part of this Form 10-K.

*Financial Statement Schedule.*

Attached to this Form 10-K is a schedule describing Valuation and Qualifying Account-Allowance for Doubtful Accounts for the three years ended December 31, 2022, 2021 and 2020.

(b) Exhibits.

The following exhibits required to be filed by Item 601 of Regulation S-K are filed herewith or incorporated by reference herein, as indicated:

Exhibit	Description
3.01	AllianceBernstein Corporation By-Laws with amendments through September 21, 2022.
3.02	Amended and Restated Certificate of Limited Partnership dated February 24, 2006 of AB Holding (incorporated by reference to Ex. 99.06 to Form 8-K, as filed February 24, 2006).
3.03	Amendment No. 1 dated February 24, 2006 to Amended and Restated Agreement of Limited Partnership of AB Holding (incorporated by reference to Ex. 3.1 to Form 10-Q for the fiscal quarter ended September 30, 2006, as filed November 8, 2006).
3.04	Amended and Restated Agreement of Limited Partnership dated October 29, 1999 of AB Holding (incorporated by reference to Ex. 3.2 to Form 10-K for the fiscal year ended December 31, 2003, as filed March 10, 2004).
3.05	Amended and Restated Certificate of Limited Partnership dated February 24, 2006 of AB (incorporated by reference to Ex. 99.07 to Form 8-K, as filed February 24, 2006).
3.06	Amendment No. 1 dated February 24, 2006 to Amended and Restated Agreement of Limited Partnership of AB (incorporated by reference to Ex. 3.2 to Form 10-Q for the fiscal quarter ended September 30, 2006, as filed November 8, 2006).
3.07	Amended and Restated Agreement of Limited Partnership dated October 29, 1999 of AB (incorporated by reference to Ex. 3.3 to Form 10-K for the fiscal year ended December 31, 2003, as filed March 10, 2004).
3.08	Certificate of Amendment to the Certificate of Incorporation of AllianceBernstein Corporation (incorporated by reference to Ex. 99.08 to Form 8-K, as filed February 24, 2006).
4.01	Description of AB Holding Units and AB Units.
10.01	AllianceBernstein 2022 Incentive Compensation Award Program.*
10.02	AllianceBernstein 2022 Deferred Cash Compensation Program.*
10.03	Form of Award Agreement, dated as of December 31, 2022, under Incentive Compensation Award Program, Deferred Cash Compensation Program and AB 2017 Long Term Incentive Plan.*
10.04	Form of Award Agreement under AB 2017 Long Term Incentive Plan relating to equity compensation awards to Independent Directors.*
10.05	Summary of AB's Lease at 1345 Avenue of the Americas, New York, New York.
10.06	Summary of AB's Lease at 501 Commerce Street, Nashville, Tennessee.

Exhibit	Description
10.07	Guidelines for Transfer of AB Units.
10.08	Transaction Agreement, dated as of March 17, 2022, by and among CarVal Investors, AB Holding and AB (incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended March 31, 2022, as filed April 29, 2022).
10.09	Amendment to the Profit Sharing Plan for Employees of AllianceBernstein L.P., dated as of June 28, 2022.*
10.10	Amended and Restated Revolving Credit Agreement, dated as of October 13, 2021 (incorporated by reference to Ex. 99.01 to Form 8-K, as filed October 19, 2021)
10.11	AllianceBernstein Change in Control Plan for Executive Officers (incorporated by reference to Exhibit 99.01 to Form 8-K, as filed December 14, 2020).*
10.12	Amendment No. 2 to Seth Bernstein's Employment Agreement (incorporated by reference to Ex. 10.1 to Form 8-K, as filed December 19, 2019).*
10.13	Credit Agreement dated as of November 4, 2019 between AllianceBernstein L.P., as borrower, and Equitable Holdings, Inc., as lender (incorporated by reference to Ex. 10.01 to Form 8-K, as filed November 4, 2019).
10.14	Amendment to Seth Bernstein's Employment Agreement (incorporated by reference to Ex. 10.01 to Form 10-K for the fiscal year ended December 31, 2018, as filed February 13, 2019).*
10.15	Kate Burke Award Letter dated as of April 24, 2018 (incorporated by reference to Ex. 10.08 to Form 10-K for the fiscal year ended December 31, 2018, as filed February 13, 2019).*
10.16	Amendment to the Retirement Plan for Employees of AllianceBernstein L.P., dated as of April 1, 2018 (incorporated by reference to Ex. 10.11 to Form 10-K for the fiscal year ended December 31, 2018, as filed February 13, 2019).*
10.17	Amendment to the Profit Sharing Plan for Employees of AllianceBernstein L.P., dated as of April 1, 2018 (incorporated by reference to Ex. 10.12 to Form 10-K for the fiscal year ended December 31, 2018, as filed February 13, 2019).*
10.18	AB 2017 Long Term Incentive Plan (incorporated by reference to Ex. 10.06 to Form 10-K for the fiscal year ended December 31, 2017, as filed February 13, 2018).*
10.19	Employment Agreement among Seth Bernstein, AB, AB Holding and AllianceBernstein Corporation (incorporated by reference to Ex. 10.3 to Form 8-K, as filed May 1, 2017).*
10.20	Amendment to the Profit Sharing Plan for Employees of AllianceBernstein L.P., dated as of October 20, 2016 and effective as of January 1, 2017 (incorporated by reference to Ex. 10.06 to Form 10-K for the fiscal year ended December 31, 2017, as filed February 13, 2018).*
10.21	Profit Sharing Plan for Employees of AB, as amended and restated as of January 1, 2015 and as further amended as of January 1, 2017 (incorporated by reference to Ex. 10.05 to Form 10-K for the fiscal year ended December 31, 2015, as filed February 11, 2016).*
10.22	Amendment and Restatement of the Retirement Plan for Employees of AB, as of January 1, 2015 (incorporated by reference to Ex. 10.06 to Form 10-K for the fiscal year ended December 31, 2015, as filed February 11, 2016).*
10.23	Commercial Paper Dealer Agreement 4(a)(2) Program, dated as of June 1, 2015, between AllianceBernstein L.P., as Issuer, and Citigroup Global Markets Inc., as Dealer (incorporated by reference to Ex. 10.08 to Form 10-K for the fiscal year ended December 31, 2015, as filed February 11, 2016).
10.24	Commercial Paper Dealer Agreement 4(a)(2) Program, dated as of June 1, 2015, between AllianceBernstein L.P., as Issuer, and Credit Suisse Securities (USA) LLC, as Dealer (incorporated by reference to Ex. 10.09 to Form 10-K for the fiscal year ended December 31, 2015, as filed February 11, 2016).
10.25	Commercial Paper Dealer Agreement 4(a)(2) Program, dated as of June 1, 2015, between AllianceBernstein L.P., as Issuer, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Dealer (incorporated by reference to Ex. 10.10 to Form 10-K for the fiscal year ended December 31, 2015, as filed February 11, 2016).

Exhibit	Description
<a href="#">10.26</a>	Investment Advisory and Management Agreement for the General Account of Equitable Financial Life Insurance Company (incorporated by reference to Ex. 10.5 to Form 10-K for the fiscal year ended December 31, 2004, as filed March 15, 2005).
<a href="#">10.27</a>	Amended and Restated Investment Advisory and Management Agreement dated January 1, 1999 among AB Holding, Alliance Corporate Finance Group Incorporated, and Equitable Financial Life Insurance Company (incorporated by reference to Ex. (a)(6) to Form 10-Q/A for the fiscal quarter ended September 30, 1999, as filed September 28, 2000).
<a href="#">21.01</a>	Subsidiaries of AB.
<a href="#">23.01</a>	Consents of PricewaterhouseCoopers LLP.
<a href="#">31.01</a>	Certification of Seth Bernstein furnished pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
<a href="#">31.02</a>	Certification of Kate Burke furnished pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
<a href="#">32.01</a>	Certification of Seth Bernstein furnished for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
<a href="#">32.02</a>	Certification of Kate Burke furnished for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
<a href="#">101.INS</a>	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
<a href="#">101.SCH</a>	XBRL Taxonomy Extension Schema.
<a href="#">101.CAL</a>	XBRL Taxonomy Extension Calculation Linkbase.
<a href="#">101.LAB</a>	XBRL Taxonomy Extension Label Linkbase.
<a href="#">101.PRE</a>	XBRL Taxonomy Extension Presentation Linkbase.
<a href="#">101.DEF</a>	XBRL Taxonomy Extension Definition Linkbase.
<a href="#">104</a>	The cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2022, formatted in Inline XBRL (included in Exhibit 101).
<a href="#">*</a>	Denotes a compensatory plan or arrangement

## Item 16. Form 10-K Summary

None.

# Signatures

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Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AllianceBernstein Holding L.P.

Date: February 10, 2023

By: /s/ Seth Bernstein

Seth Bernstein

*President & Chief Executive Officer*

Pursuant to the requirements of the Exchange Act, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Date: February 10, 2023

/s/ Kate Burke

Kate Burke

*Chief Operating Officer & Chief Financial Officer*

Date: February 10, 2023

/s/ Bill Siemers

Bill Siemers

*Controller & Chief Accounting Officer*

## Directors

/s/ Seth Bernstein

---

Seth Bernstein

*President & Chief Executive Officer*

/s/ Nella Domenici

---

Nella Domenici

*Director*

/s/ Daniel Kaye

---

Daniel Kaye

*Director*

/s/ Kristi Matus

---

Kristi Matus

*Director*

/s/ Mark Pearson

---

Mark Pearson

*Director*

/s/ Todd Walthall

---

Todd Walthall

*Director*

/s/ Joan Lamm-Tennant

---

Joan Lamm-Tennant

*Chair of the Board*

/s/ Jeffrey Hurd

---

Jeffrey Hurd

*Director*

/s/ Nick Lane

---

Nick Lane

*Director*

/s/ Das Narayandas

---

Das Narayandas

*Director*

/s/ Charles Stonehill

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Charles Stonehill

*Director*

## SCHEDULE II

**AllianceBernstein L.P.**  
**Valuation and Qualifying Account - Allowance for Doubtful Accounts**  
**For the Three Years Ending December 31, 2022, 2021 and 2020**

Description	Balance at Beginning of Period	Credited to Costs and Expenses	Deductions	Balance at End of Period
(in thousands)				
For the year ended December 31, 2022	\$ 328	\$ —	\$ 96 <sup>(a)</sup>	\$ 232
For the year ended December 31, 2021	\$ 311	\$ —	\$ (17) <sup>(b)</sup>	\$ 328
For the year ended December 31, 2020	\$ 309	\$ 100	\$ 98 <sup>(c)</sup>	\$ 311

<sup>(a)</sup> Includes accounts written-off as uncollectible of \$96.

<sup>(b)</sup> Includes a net addition to the allowance balance of \$28 and accounts written-off as uncollectible of \$11.

<sup>(c)</sup> Includes accounts written-off as uncollectible of \$98.



# 2022 Company Information

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## AllianceBernstein Holding L.P.

New York Stock Exchange  
Symbol: AB

## Headquarters

501 Commerce Street  
Nashville, TN 37203  
(615) 622-0000  
AllianceBernstein.com

## Unitholder Account Assistance

Unitholders who own units in certificate form should contact the transfer agent and registrar listed below with any questions:

### (regular mail)

Computershare  
P.O. Box 505000  
Louisville, KY 40233

### (overnight)

Computershare  
462 South 4th Street, Suite 1600  
Louisville, KY 40202  
US: (866) 737 9896  
Outside the US: (201) 680 6578  
Email: [web.queries@computershare.com](mailto:web.queries@computershare.com)  
[computershare.com/investor](https://computershare.com/investor)

## Unitholder Tax Assistance

Unitholders with Schedule K-1 or any tax-related questions can contact:  
Phone: (844) 275 9875  
Email: [K1help@AllianceBernstein.com](mailto:K1help@AllianceBernstein.com)  
[taxpackagesupport.com/ab](https://taxpackagesupport.com/ab)

## Unitholder Investor Relations

Phone: (800) 962 2134 option 6  
Email: [ir@AllianceBernstein.com](mailto:ir@AllianceBernstein.com)  
[AllianceBernstein.com/investorrelations](https://AllianceBernstein.com/investorrelations)

All forms that we file with the US Securities and Exchange Commission, as well as this annual report, can be found in the Investor & Media Relations section of our website.

## Media Relations

Carly Symington  
629-213-5568

## Independent Public Accountants

PricewaterhouseCoopers LLP  
New York

## Mutual Fund Shareholder Information

### For US Investors:

AllianceBernstein Investor Services, Inc.  
P.O. Box 786003  
San Antonio, TX 78278-6003  
Monday to Friday, 8:30 am–6:30 pm ET  
(800) 221 5672

US Direct Number: (210) 384 6000  
Outside the US: (212) 969 1000  
24-Hour Automated Assistance  
The AB Answer: (800) 251 0539  
[AllianceBernstein.com](https://AllianceBernstein.com)

### For Non-US Investors:

AllianceBernstein Investor Services,  
A unit of AllianceBernstein  
(Luxembourg) S.à r.l.  
2-4, rue Eugène Ruppert  
L-2453 Luxembourg  
International Access Code + (800) 22 63 8637  
Be advised that only the international access code is required to dial this number and not the country code.  
Alternative Phone + (352) 46 39 36 151

## AllianceBernstein Institutional Investments

Miguel Rozensztroch  
212-969-1515  
[AllianceBernstein.com/institutional](https://AllianceBernstein.com/institutional)

## Bernstein Private Wealth Management

(212) 486 5800  
[bernstein.com](https://bernstein.com)

## Bernstein Research

Lori Lewin  
(212) 756 4226  
[bernsteinresearch.com](https://bernsteinresearch.com)

## Cautions Regarding Forward-Looking Statements

Certain statements provided by management in this report are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. The most significant of these factors include, but are not limited to, the following: the performance of financial markets, the investment performance of sponsored investment products and separately managed accounts, general economic conditions, industry trends, future acquisitions, integration of acquired companies, competitive conditions and government regulations, including changes in tax regulations and rates and the manner in which the earnings of publicly-traded partnerships are taxed. We caution readers to carefully consider such factors. Further, these forward-looking statements speak only as of the date on which such statements are made; we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements. For further information regarding these forward-looking statements and the factors that could cause actual results to differ, see “Risk Factors” in Item 1A of the enclosed Form 10-K. Any or all of the forward-looking statements that we make in Form 10-K, other documents we file with or furnish to the SEC, and any other public statements we issue, may turn out to be wrong. It is important to remember that other factors besides those listed in “Risk Factors” and those listed below could also adversely impact our revenues, financial condition, results of operations and business prospects.

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