



ALLIANCEBERNSTEIN[®]

July 23, 2020

SECOND QUARTER 2020 REVIEW

Seth P. Bernstein President & Chief Executive Officer

John C. Weisenseel Chief Financial Officer

Cautions Regarding Forward-Looking Statements

Certain statements provided by management in this presentation 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” and “Cautions Regarding Forward-Looking Statements” in AB’s Form 10-K for the year ended December 31, 2019 and subsequent forms 10-Q. Any or all of the forward-looking statements made in this presentation, Form 10-K, Forms 10-Q, 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 “Cautions Regarding Forward-Looking Statements,” and those listed below, could also adversely affect our revenues, financial condition, results of operations and business prospects.

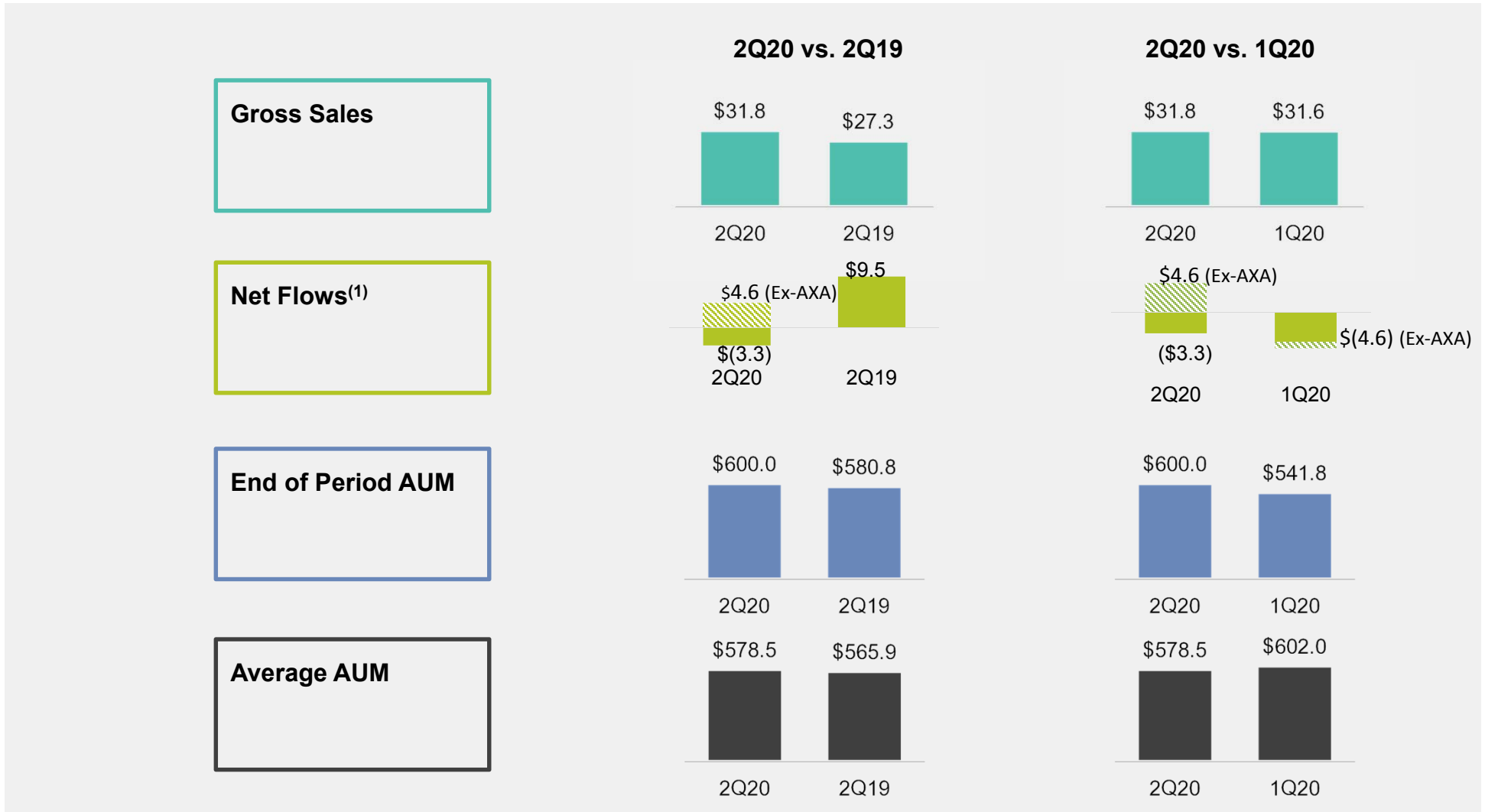
The forward-looking statements referred to in the preceding paragraph include statements regarding:

- **The pipeline of new institutional mandates not yet funded:** Before they are funded, institutional mandates do not represent legally binding commitments to fund and, accordingly, the possibility exists that not all mandates will be funded in the amounts and at the times currently anticipated, or that mandates ultimately will not be funded.
- **Our relocation strategy:** While 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.
- **Our adjusted operating margin target:** We previously adopted a goal of increasing our adjusted operating margin to a target of 30% by 2020, subject to the assumptions, factors and contingencies described as part of the initial disclosure of this target. Our adjusted operating margin, which was 27.5% during 2019, increased to 27.8% during the first six months of 2020. Our AUM and, therefore, our investment advisory revenues, including performance-based fee revenues, are heavily dependent upon the level and volatility of the financial markets. Based upon our current revenue and expense projections, we do not believe that achieving the 2020 Margin Target is likely. However, we are taking additional actions to better align our expenses with our expected revenues. We remain committed to achieving an adjusted operating margin of 30% in years subsequent to 2020 and will take continued actions in this regard, subject to prevailing market conditions and the evolution of our business mix. Furthermore, our revenues will continue to be affected by the severe adverse economic impact of the novel coronavirus pandemic (“COVID-19”). Please refer to our Form 10-Q for the quarter ended June 30, 2020 for additional information regarding the effect on our business COVID-19 has had and will continue to have.

Seth P. Bernstein

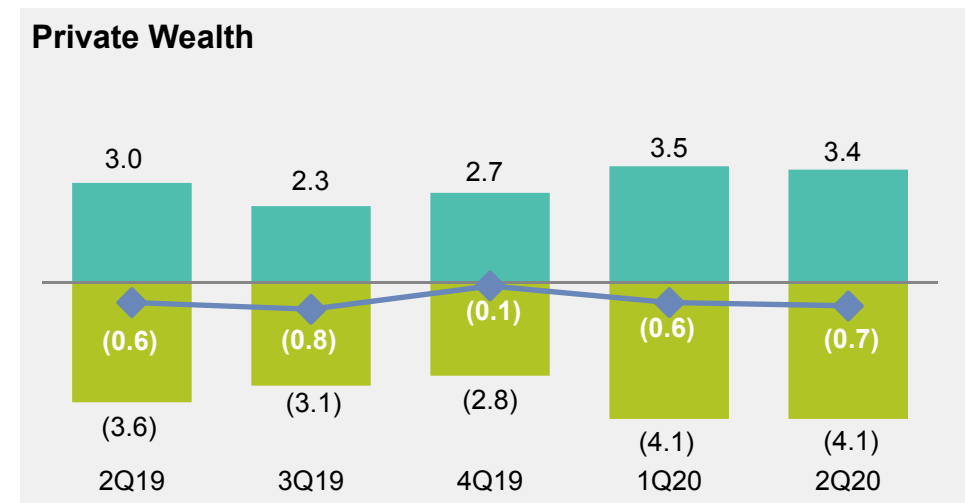
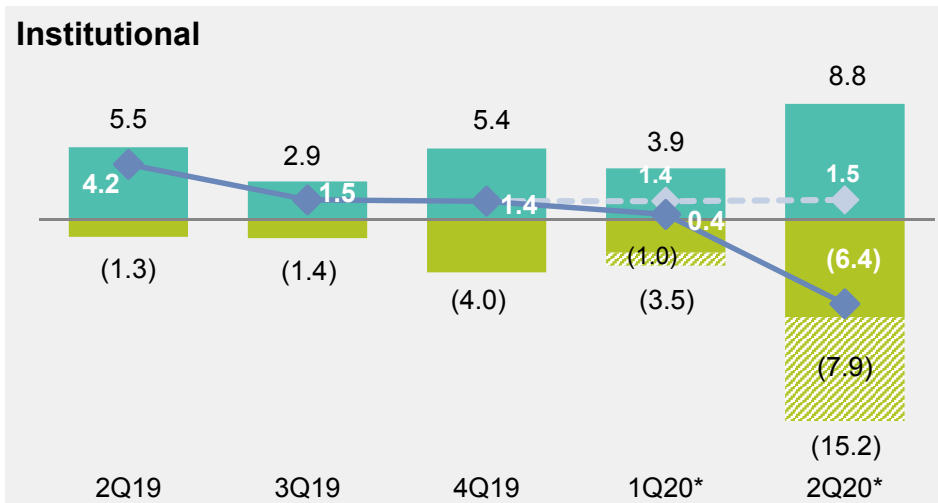
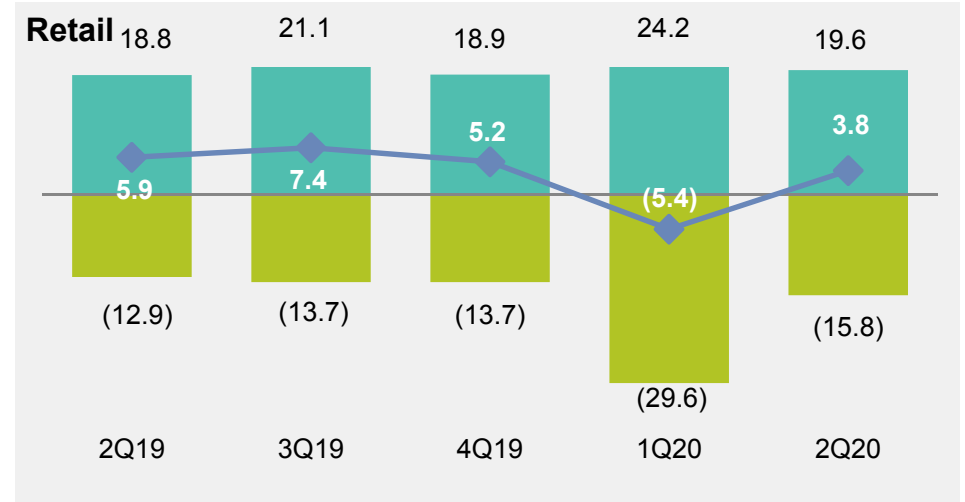
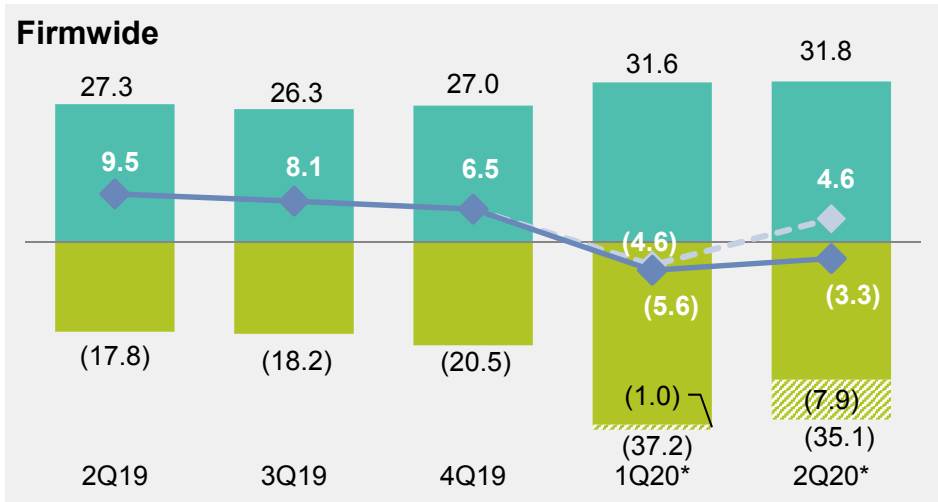
President & Chief Executive Officer

Firmwide Overview: Second Quarter 2020



AB US \$ Billions; scales differ by chart
 (1) 2Q20: \$(1.3)B active net outflows and \$(2.0)B passive net outflows. 2Q19 \$10.2B active net inflows and \$0.7B passive net outflows. 1Q20: \$5.2B active net outflows and \$0.4B passive net outflows. Shaded region excludes AXA outflows of \$7.9B in 2Q20 and \$1B in 1Q20.

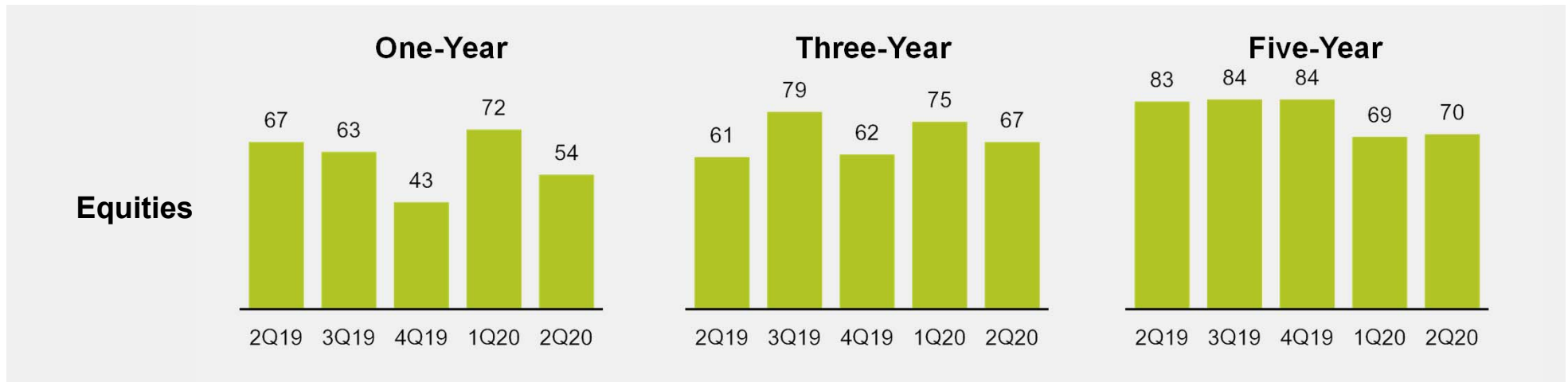
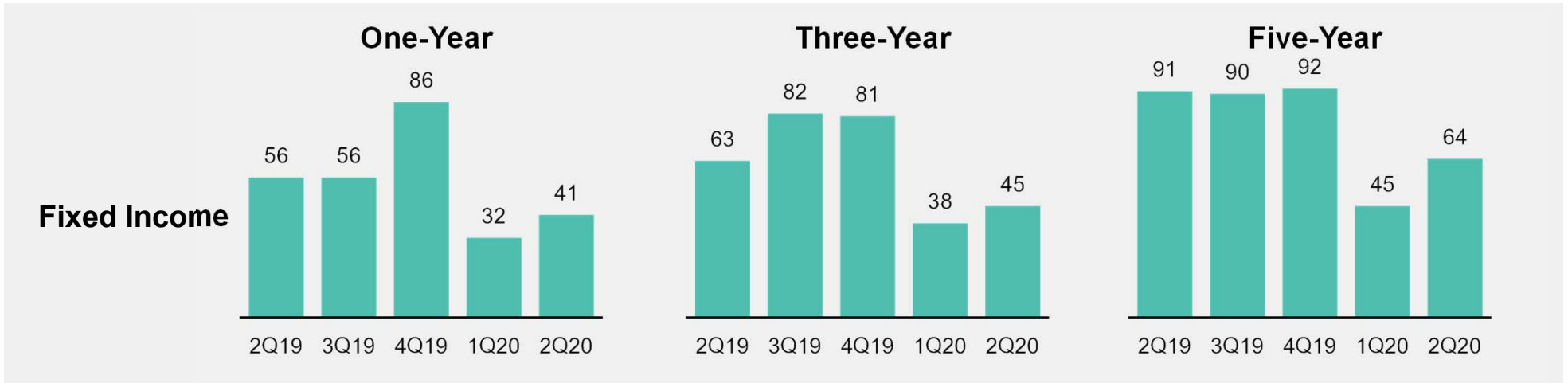
Asset Flows by Distribution Channel: Quarterly Trend



■ Gross Sales
 ■ Gross Redemptions
 ▨ AXA Redemptions
 ◆ Net Flows
 ◆ Net Flows ex AXA Redemptions

A US \$ Billions; scales differ by chart
B *Institutional net outflows include previously disclosed AXA S.A. terminated mandates of \$7.9B in 2Q20 and \$1.0B in 1Q20.

Percentage of Assets Outperforming at Quarter-End



A/B Percentage of active fixed income and equity assets in institutional services that outperformed their benchmark gross of fees and percentage of active fixed income and equity assets in retail Advisor and I share class funds ranked in the top half of their Morningstar category. Where no Advisor class exists, A share class used. As of June 30, 2020.

Fixed Income Investment Performance

Performance vs. Morningstar Category Average Through 6/30/20						
Retail Service	1 Year		3 Year		5 Year	
	Relative (%)	Percentile	Relative (%)	Percentile	Relative (%)	Percentile
Offshore						
American Income Portfolio	0.9	37	1.4	25	1.2	20
Emerging Markets Debt Portfolio	0.6	48	0.2	53	1.1	33
Emerging Markets Local Currency Debt	1.1	27	-0.1	59	0.6	30
European Income Portfolio	0.9	28	2.0	8	2.1	6
Global High Yield Portfolio	-2.9	86	-1.4	82	-0.3	68
Euro High Yield Portfolio	1.0	34	0.5	39	0.5	27
US Taxable						
Global Bond Fund	-1.1	64	-0.6	75	0.3	43
High Income Fund	-3.2	91	-1.9	95	-0.4	69
Income Fund	-2.4	84	-0.7	77	0.3	40
Municipals						
High Income Municipal Portfolio	0.2	46	0.7	25	0.6	27
Intermediate Diversified Muni	0.6	33	0.9	6	1.0	8
Municipal Bond Inflation Strategy	-2.6	98	-0.2	58	0.4	24
Municipal Income National Portfolio	-0.6	71	0.1	46	0.5	15

Past performance does not guarantee future results.

Relative Performance is calculated against the Fund's Morningstar Category and Percentile Ranking is determined by Morningstar Ranking Methodology. Advisor and I share class; A share class used when Advisor and I class not available. Morningstar Categories: American Income – USD Flexible Bond; Emerging Markets Debt – Global Emerging Markets Bond; Emerging Markets Local Currency Debt – Global Emerging Markets Bond – Local Currency; European Income – EUR Flexible Bond; Global High Yield – Global High Yield Bond; Euro High Yield – EUR High Yield Bond; Global Bond – World Bond; High Income – High Yield Bond; AB Income – Intermediate-Term Bond; High Income Municipal – High Yield Muni; Intermediate Diversified Muni – Muni National Short; Municipal Bond Inflation – Muni National Short; Municipal Income National – Muni National Inter. As of 6/30/20. Source: AB and Morningstar.



Equities Investment Performance

Retail Service	Performance vs. Morningstar Category Average Through 6/30/20					
	1 Year		3 Year		5 Year	
	Relative (%)	Percentile	Relative (%)	Percentile	Relative (%)	Percentile
Offshore						
Select US	-1.2	65	0.8	48	0.6	50
Sustainable US Thematic	0.5	45	0.1	51	0.9	41
Concentrated Global	-2.0	53	3.0	18	2.1	24
Global Low Vol ⁽¹⁾	-1.0	61	2.7	22	3.1	9
Global Core	-0.5	58	3.3	14	3.4	7
Sustainable Global Thematic	5.1	20	2.8	19	2.2	23
Eurozone Equity	-4.6	84	-0.6	63	2.3	12
Emerging Markets Growth	8.0	11	0.3	50	1.3	25
Emerging Markets Low Vol ⁽¹⁾	1.2	42	-1.5	73	-0.1	54
US						
Large Cap Growth	6.1	22	3.8	20	3.5	14
Discovery Growth	6.6	23	5.6	15	2.8	20
Concentrated Growth (US)	-10.3	86	-1.9	65	-0.9	61
Discovery Value	-5.6	87	-2.8	88	-1.7	79
Relative Value	-1.6	64	1.1	36	1.1	31
Concentrated International Growth	0.7	36	1.8	23	0.8	33
Global Core Equity	-2.1	52	1.3	35	1.6	26
Select US Long/Short	4.3	31	4.7	13	3.2	9

Past performance does not guarantee future results.

Relative Performance is calculated against the Fund's Morningstar Category and Percentile Ranking is determined by Morningstar Ranking Methodology. Advisor and I share class; A share class used when Advisor and I class not available. Select US – US Large-Cap Blend; Sustainable US Thematic – US Large-Cap Blend – representative of US Thematic and Strategic Research SMAs; Concentrated Global – Large Cap Growth; Global Low Vol – Global Large-Cap Blend; Global Core – Europe Large-Cap Value; Sustainable Global Thematic – Global Large-Cap Growth; Eurozone Equity – Eurozone Large-Cap Equity; Emerging Markets Growth – Global Emerging Markets; Emerging Markets Low Vol – Global Emerging Markets Equity; Concentrated Growth (US) – Large Growth; Discovery Growth – Mid-Cap Growth; Large Cap Growth – Large Growth; Discovery Value – Mid-Cap Value; Relative Value – Large Value; Concentrated International Growth – Foreign Large Growth; Global Core Equity – World Large Stock; Select US Long/Short – Long-Short Equity. As of 6/30/20. Source: AB and Morningstar. (1) A low vol universe comparison is not currently listed in Morningstar.



Retail Highlights

Redemptions and Net Flows Rebound in 2Q



Net Inflows >\$100M

Equity	Large Cap Growth ⁽¹⁾ , Strategic Research Balanced, Global Core, American Growth, Small Cap Growth, Int'l Healthcare, Select US Equity
Fixed Income	American Income, Global High Yield, AB High Income, Gov't Money Market
Multi-Asset / Alts	Custom Multi-Asset, Global Multi-Asset

Net Outflows >(\$100M)

Equity	Discovery Value
Fixed Income	AB Global Bond, Fixed Maturity Bond 2020, European Income

Second Quarter 2020 Highlights

Sales and Flows

- Gross sales of \$19.6B **third highest in Retail history**, -\$5B or 19% Q/Q, +\$1B or 4% Y/Y
- Redemptions improved by \$11B or 43% Q/Q, following March sell-off
- Net inflows \$3.8B, positive in each month
- Net inflows in 7 of last 8 quarters

Positive Net Flows in Active Fixed Income and Active Equities

- Active FI net inflows \$2B, versus outflows -\$4.8B Q1
- Active FI redemptions improved by \$18B Q/Q
- Active equity sales remain strong at \$8.3B, -6% Q/Q +53% Y/Y
- Active equity net inflows of \$1.9B
- 13th straight quarter of active equity net inflows

Broad-based Y/Y Sales Growth Across Products and Regions

- Broad-based Y/Y sales growth across regions; follows record Q1 sales
 - Asia ex J -16%, EMEA +13%, LatAm +1%, Japan +26%, US +34%
- 48 products with AUM exceeding \$1B

Milestones

- AB US Retail actively managed fund net inflow rankings: AB High Income 12th out of 180 funds in its Morningstar category, Large Cap Growth 19/342, Small Cap Growth 4/166, Global Core Equity 8/246 ⁽²⁾
- AB Offshore Retail fund net flow rankings: Global High Yield 2/127, American Income 1/37, American Growth 5/82⁽³⁾

(1) Includes Japan on-shore fund, and US 40 Act Fund. Source: Morningstar Direct, Includes Open-ended Funds and ETFs. Both active and passively managed funds are included.

(2) Source: ISS MI Simfund. Actively managed long-term funds only. Excludes 529 FoFs and closed-end.

(3) Source: Morningstar. Open end funds only. Excludes FoFs and Feeder Funds.

Institutional Highlights

Active Equity Organic Growth in 9/10 Trailing Quarters

33% Organic growth in 2Q; 13% Avg. since 2018
\$B



Second Quarter 2020 Highlights

Sales and Flows

- Gross sales of \$8.8B up 60% Y/Y and 125% Q/Q
- Net outflows of \$6.5B including \$7.9B of the anticipated AXA redemptions
 - Excluding AXA redemptions, net flows would have been +\$1.4B
 - 4th consecutive quarter of organic growth

Continued Strength in Active Equities a Key Flow Driver

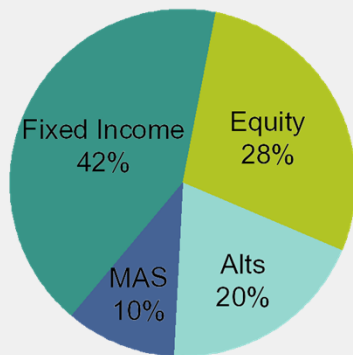
- \$4.6B active equity gross sales
 - Highest equity sales quarter in 12 years
- Active equity gross sales > \$1B for 11 out of last 12 quarters
- \$2.9B of active equity net positive flows, 33% annualized organic growth
- Active equities represent 34% of pipeline annual fee base (AFB)
- Organic growth in 9 of 10 trailing quarters

Growing and Diverse Pipeline Mix

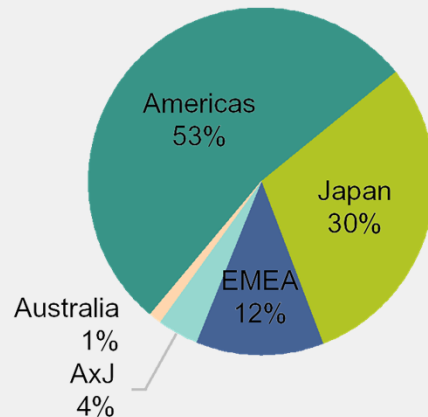
- \$17.5B quarter-end pipeline, up 14% sequentially and 146% Y/Y
 - Quarter-end pipeline excludes \$5.9B of won and funded "pass-through" mandates during the quarter
- Notable 2Q pipeline adds:
 - Commercial Mortgage Backed Securities: \$1.1B
 - Global Core Equity: \$950M
 - TALF: \$450M
 - Arya: \$425M
 - Collateralized Loan Obligations: \$225M
- AFB sets a new record for fourth consecutive quarter >\$40M
 - Alts represent > 50% of AFB

\$17.5B Pipeline⁽¹⁾ Diverse by Asset Class and Geography

Asset Class



Geography



(1) Total assets awarded and pending funding as of quarter-end. Fixed Income and Equity includes both active and passive strategies.

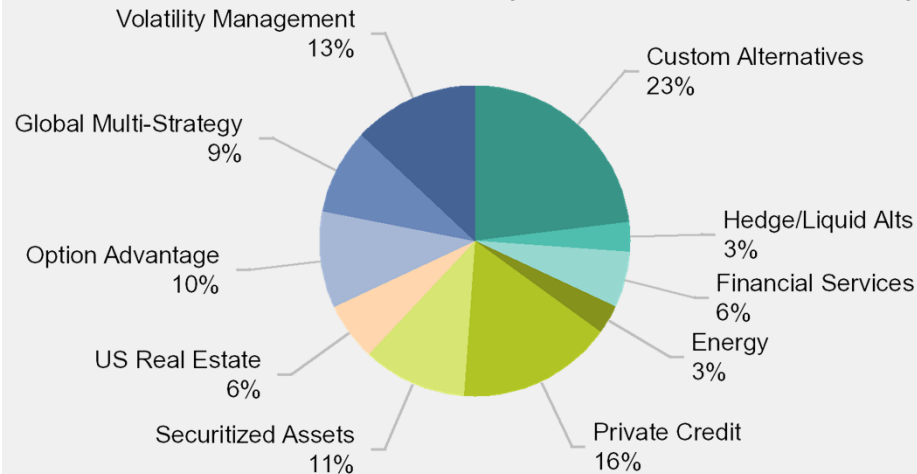
Private Wealth Management Highlights

1H Gross Sales +10% Y/Y; 8% CAGR last 5 years

\$B



Diversified Alternative Services (as % of Alternatives AUM)



Second Quarter 2020 Highlights

Sales and Flows

- Gross sales of \$3.4B, +13% Y/Y, -4% Q/Q reflecting risk aversion following first quarter volatility
- Net outflows of \$0.7B

Continued Focused Engagement as Valued Advisors

- AUM of \$94B +9% Q/Q as portfolios participated in the market recovery
- Dynamic Asset Allocation overlay facilitated re-risking
- Continued strength in customer engagement
 - Complete shift to virtual in 2Q, hosting 171 events
 - Unique blog visitors up 56% Y/Y
 - Bernstein Insights Podcast Network had over 8,000 downloads
- Some offices partially reopened, with most staff continuing effectively in the WFH environment, leveraging AB's flexible technology infrastructure

Innovation Supports Mix-Shift Towards More Complex Client Base

- Strong adoption of Muni Impact portfolio, AUM \$850M
- \$3.2B AUM in ESG strategies, +33% Q/Q and +49% Y/Y
- Proprietary SMA Tax-Loss Harvesting Portfolio scaling with \$233M AUM, +184% Q/Q
- Closed \$100M 2020 vintage Private Equity fund
- Advisor headcount up 5% YTD



Bernstein Research Highlights

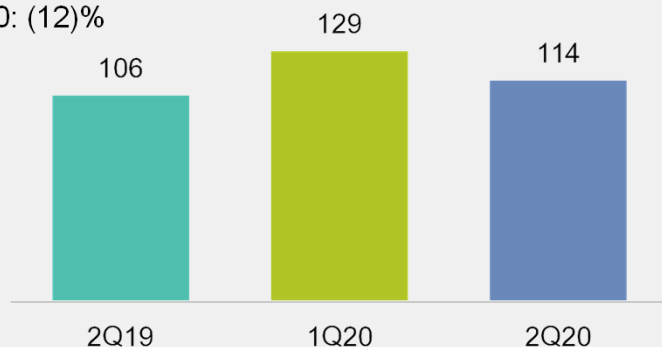
Bernstein Research Quarterly Revenues

\$M

% Change

2Q20/2Q19: +8%

2Q20/1Q20: (12)%

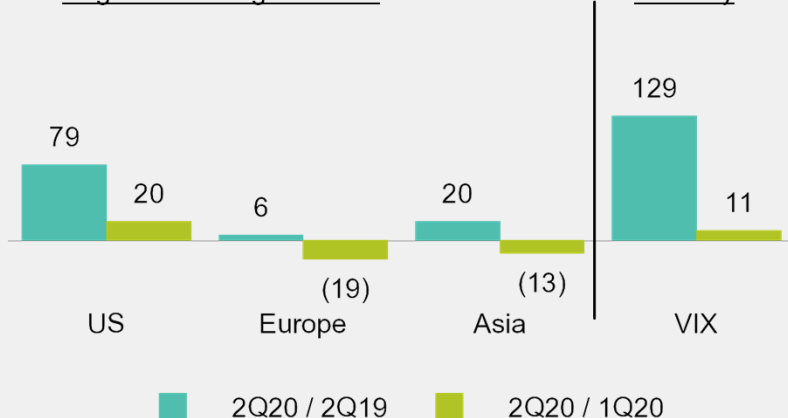


Regional Volumes and Volatility⁽¹⁾

(% Change)

Regional Trading Volumes

Volatility



Second Quarter 2020 Highlights

Market Volatility Moderated Sequentially, Still Elevated Y/Y

- Revenues of \$114M, +8% Y/Y, -12% Q/Q
- Trading volumes by market:
 - US +40% Y/Y, +4% Q/Q
 - Europe +4% Y/Y, -25% Q/Q
 - Asia +42% Y/Y, -4% Q/Q

Strong Client Engagement

- Successful *Virtual Strategic Decisions Conference*
 - 115 CEO's and Senior Executives
 - >2,500 institutional investors from >600 buy-side firms
 - 96 fireside chats averaging 150 clients each
- Increased client engagement led by mix shift to virtual events
 - Number of Webinars +90% Q/Q, +463% Y/Y
 - Client Attendance +61% Q/Q, +365% Y/Y

Investment in Product Quality and Premium Positioning

- 2Q new sector initiation: European Media
- Meaningful market share gains in Asia following research investment and India build out
- Autonomous acquisition fully annualized, meeting expectations, and cross-sell momentum continues



(1) VIX Source: Bloomberg; US Market Volumes Tape A and C – Bats; Europe: FESE – Federation of European Stock Exchanges member aggregated volumes including regulated markets and multilateral trading facilities. Value traded and in USD. Represents consideration in local currency at the time translated at that month's FX rates; Asia: Combined value traded for Hong Kong and Japan exchanges. Source: Bloomberg.

Progress on Our Strategy in 2Q20

Firmwide Initiative Progress

Deliver differentiated return streams to clients

- Active Equity: 67% of assets in outperforming services for 3-yr period; 54% for 1-yr and 70% for 5-yr
 - Top quartile⁽¹⁾ 3-yr: Large Cap Growth, Discovery Growth, Small Cap Growth, Sustainable Global Thematic, Int'l Strategic Core, Select US Long/Short, American Growth, Low Volatility Equity, Int'l Healthcare, Global Core Equity, Int'l Technology, Concentrated Global, European Equity
- Fixed Income: 45% of assets in outperforming services for 3-yr period; 41% for 1-yr and 64% for 5-yr
 - Top quartile⁽¹⁾ 3-yr: AB Corporate Income, Intermediate Diversified Muni A, AB Municipal Income, European Income, Short Duration High Yield, Asia Income Opportunities, China Bond Portfolio
- 65% of US rated and 59% of Lux rated assets rated 4/5-stars by Morningstar at quarter-end

Commercialize and scale our suite of services

- Active Equities demonstrating consistent flow strength
 - Retail: 13 straight quarters of active equity net inflows; +\$1.9B in 2Q
 - Institutional: Net inflows driven by \$2.9B of active equity net inflows, or 33% annlzd organic growth
- Continued strong sales with normalized redemptions
 - Retail: Third highest sales quarter ever of \$19.6B; net inflows of \$3.8B
 - Institutional: \$17.5B pipeline, another record AFB, with 30% Alts/MAS mix; \$500M TALF Fund raised
 - Private Wealth: Proactive client outreach; Tax Loss Harvesting, ESG growth
 - Bernstein Research: Continued Y/Y growth in global trading volumes and revenues
 - Alternatives/Multi-Asset: Closed \$100M 2020 JV FoF; Systematic Macro launched (third in liquid alts suite); Arya Long/Short \$425M raise; Anchor Path acquisition

Continuous and rigorous focus on expense management

- G&A increase held to inflationary levels excluding Nashville relocation costs
- Adjusted 2Q operating margin of 27.9%, up 280 bps Y/Y and up 30 bps Q/Q
- Adjusted EPU of \$0.61, up 8.9% Y/Y, down 4.7% Q/Q
- Nashville relocation guidance revised to (\$0.02)/EPU from (\$0.06)/EPU in 2020, and to slightly accretive in 2021



(1) Source: Morningstar

John C. Weisenseel

Chief Financial Officer

Second Quarter 2020 GAAP Income Statement

Income Statement (in US \$ Millions)	2Q20	2Q19	% Δ	1Q20	% Δ
Base Fees	\$ 569	\$ 585	(3)%	\$ 614	(7)%
Performance Fees	9	11	(18)%	8	13%
Bernstein Research Services	114	106	8%	129	(12)%
Distribution Revenues	120	108	11%	131	(8)%
Dividends & Interest	13	28	(54)%	20	(35)%
Investment Gains (Losses)	24	11	118%	(44)	n/m
Other Revenues	26	25	4%	25	4%
Total Revenues	875	874	—%	883	(1)%
Less: Interest Expense	3	16	(81)%	9	(67)%
Net Revenues	\$ 872	\$ 858	2%	\$ 874	—%
Compensation & Benefits					
Compensation & Fringes	\$ 345	\$ 356	(3)%	\$ 354	(3)%
Other Employment Costs	5	8	(38)%	8	(38)%
Total Compensation & Benefits	350	364	(4)%	362	(3)%
Promotion & Servicing	176	177	(1)%	201	(12)%
General & Administrative	127	121	5%	122	4%
Other	9	12	(25)%	11	(18)%
Total Operating Expenses	\$ 662	\$ 674	(2)%	\$ 696	(5)%
Operating Income	\$ 210	\$ 184	14%	\$ 178	18%
Operating Margin	21.7%	20.6%	110 bps	23.3%	(160) bps
AB Holding GAAP Diluted Net Income Per Unit	\$ 0.59	\$ 0.54	9%	\$ 0.63	(6)%

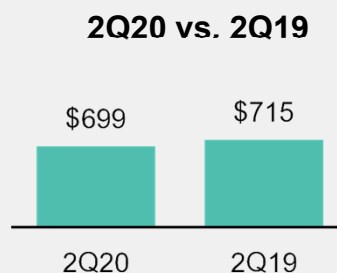


Percentages are calculated using amounts rounded in millions.

Adjusted Financial Highlights: Second Quarter 2020

In US \$ Millions; scales may differ

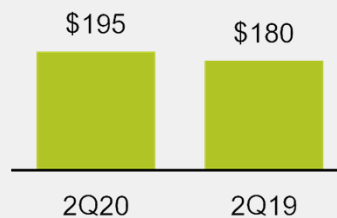
Adjusted Revenues



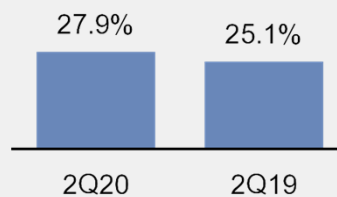
2Q20 vs. 1Q20



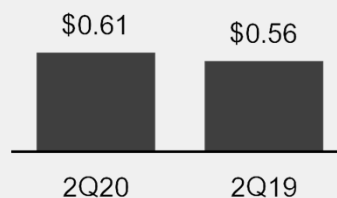
Adjusted Operating Income



Adjusted Operating Margin



Adjusted EPU



Second Quarter 2020 Adjusted Income Statement

Adjusted Income Statement (in US \$ Millions)	2Q20	2Q19	% Δ	1Q20	% Δ
Base Fees(1)	\$ 554	\$ 569	(3)%	\$ 594	(7)%
Performance Fees	9	11	(18)%	6	50%
Bernstein Research Services	114	106	8%	129	(12)%
Investment Gains (Losses)	1	5	(80)%	(7)	n/m
Other Revenues	24	40	(40)%	31	(23)%
Total Revenues	702	731	(4)%	753	(7)%
Less: Interest Expense	3	16	(81)%	9	(67)%
Adjusted Net Revenues	\$ 699	\$ 715	(2)%	\$ 744	(6)%
Compensation & Benefits					
Compensation & Fringes	\$ 339	\$ 353	(4)%	\$ 360	(6)%
Other Employment Costs	5	8	(38)%	8	(38)%
Total Compensation & Benefits	344	361	(5)%	368	(7)%
Promotion & Servicing	34	49	(31)%	46	(26)%
General & Administrative	117	113	4%	114	3%
Other	9	12	(25)%	10	(10)%
Total Adjusted Operating Expenses	\$ 504	\$ 535	(6)%	\$ 538	(6)%
Adjusted Operating Income	\$ 195	\$ 180	8%	\$ 206	(5)%
Adjusted Operating Margin	27.9%	25.1%	280 bps	27.6%	30 bps
AB Holding Adjusted Diluted Net Income Per Unit	\$ 0.61	\$ 0.56	9%	\$ 0.64	(5)%
Compensation Ratio	48.5%	49.5%		48.5%	



(1) Net of both sub-advisory and fees paid to distributors from investment management fees..
Percentages are calculated using amounts rounded in millions

Second Quarter 2020 Adjusted Income Statement Highlights

Revenues

- The 3% decrease in Base Fees versus 2Q19 was due primarily to the Private Wealth channel which had both lower average AUM and lower fee rate realization. Lower average AUM across all channels, combined with lower Private Wealth and Retail fee rate realization, contributed to the 7% decrease in base fees versus 1Q20.
- The 18% decrease in Performance Fees versus 2Q19 resulted from lower fees earned on our Private Credit services which were partially offset by higher fees earned on US Select Equity Long/Short. The 50% increase versus 1Q20 was due primarily to higher fees earned on US Select Equity Long/Short and our Private Credit services partially offset by lower fees earned on Financial Services Opportunities and Real Estate Equity Fund 1.
- Bernstein Research revenues increased 8% versus 2Q19 driven by increased customer trading activity in the U.S. and Asia. The 12% decline versus 1Q20 was primarily driven by decreased customer trading revenues in the U.S. and Europe attributed to decreased market volatility.
- Investment gains decreased 80% versus 2Q19 due to lower seed investment gains and broker dealer T-Bill investment losses. The 1Q20 investment losses were due to seed investment losses.
- Other Revenues decreased versus both prior periods due to lower dividends and interest earned on broker dealer investments while Interest Expense decreased due to lower interest paid on customer balances.

Expenses

- The Adjusted Compensation Ratio was 48.5% in 2Q20 versus 49.5% in 2Q19 and 48.5% in 1Q20.
- Total Compensation & Benefits decreased 5% versus 2Q19 and 7% versus 1Q20 due primarily to lower incentive compensation, commissions & fringes.
- Promotion & Servicing decreased 31% versus 2Q19 and 26% versus the prior quarter driven by lower T&E and marketing meetings resulting from COVID-19 related travel restrictions.
- G&A expenses were up 4% versus 2Q19 on higher technology and market data expenses. G&A expenses were up less than 3% versus 1Q20 due primarily to higher technology and professional fees.
- Other Expenses decreased versus both prior periods due to lower interest expense resulting from lower interest rates.

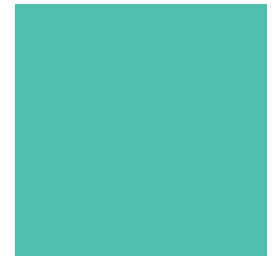
Operating Results

- Adjusted Operating Income increased 8% versus 2Q19 driven by a 6% decrease in expenses, primarily driven by lower compensation and promotion & servicing expenses outpacing the 2% decrease in revenue, primarily driven by lower base fees. The 5% decrease versus 1Q20 was due primarily to lower base fee and Bernstein Research revenues partially offset by lower compensation and promotion & servicing expenses.
- Adjusted Margin was 27.9% in 2Q20, versus 25.1% in 2Q19 and 27.6% in 1Q20.

The AB Investment Opportunity

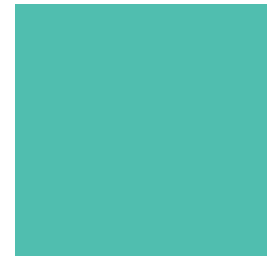
Sustained Growth	Differentiated investment performance and distribution capabilities driving sustained best-in-class organic growth and accelerating inorganic growth opportunities
Expanding Alternatives	Demonstrated expansion in higher-fee, persistent-AUM alternatives platforms
Committed Capital (EQH)	Strategic partner, Equitable (EQH), seeding new strategies and supporting M&A
Strong Incremental Margins	45-50% incremental margin targets from scalable platform, headquarters relocation, and consistent cost-savings
Tax Advantaged Structure	Low ~10% effective tax rate, given partnership structure, an attractive attribute should tax rates rise in the future
High Distribution Yield	~9% distribution yield in a low rate environment
Brand Strength	AB, Bernstein brands renowned among institutional investors Private Wealth differentiated among peers; excellent margin, sticky assets adding significant long-term value





Q & A





APPENDIX

Institutional Composite Relative Performance vs. Benchmarks

Periods Ended June 30, 2020

Service	2Q20	1-Yr	3-Yr	5-Yr	10-Yr	Benchmark
Equity						
International Strategic Core	(1.2)	2.1	2.2	3.6	N/A	MSCI EAFE
US Small & Mid Cap Value	0.5	(2.7)	(0.9)	(0.4)	0.4	Russell 2500 Value
US Strategic Value	1.1	(1.2)	(3.1)	(4.3)	(2.5)	Russell 1000 Value
US Small Cap Growth	6.9	13.2	13.4	8.3	5.8	Russell 2000 Growth
US Large Cap Growth	(2.1)	1.3	1.7	1.4	1.4	Russell 1000 Growth
US Relative Value	0.1	0.4	2.1	1.6	1.8	Russell 1000 Value
US Small & Mid Cap Growth	3.6	7.9	6.9	3.9	3.3	Russell 2500 Growth
US Strategic Core	(5.7)	(5.5)	(0.9)	(0.4)	N/A	S&P 500
Concentrated US Growth	1.0	—	4.2	2.1	2.8	S&P 500
Select US Equity	(2.7)	(2.3)	(0.4)	(0.6)	0.6	S&P 500
Global Core Equity	(3.1)	(1.6)	1.6	2.0	N/A	MSCI ACWI
Fixed Income						
Global High Income	0.5	(2.6)	(1.4)	(0.9)	(0.4)	Bloomberg Barclays Global High Yield - Hedged
Global Fixed Income	0.7	(0.3)	(0.3)	(0.1)	0.3	Bloomberg Barclays Global Treasury - Unhedged
US Strategic Core Plus	2.2	(0.9)	—	0.5	0.8	Bloomberg Barclays US Aggregate
Emerging Market Debt	4.7	(0.9)	(0.6)	—	0.2	JPM EMBI Global
Global Plus	2.3	(0.7)	(0.4)	—	0.3	Bloomberg Barclays Global Aggregate - Hedged
Intermediate Municipal	0.8	0.1	0.5	0.6	0.6	Lipper Short/ Int Blended Muni Fund Avg



Performance is preliminary and as of June 30, 2020. Investment performance of composites is presented before investment management fees. Periods of more than one year are annualized. The information in this table is provided solely for use in connection with this presentation and is not directed toward existing or potential investment advisory clients of AB. Global High Income and Global Plus are hedged to USD.

Retail Mutual Funds Relative Performance vs. Morningstar Average

Periods Ended June 30, 2020

Service	2Q20	1-Yr	3-Yr	5-Yr	10-Yr	Morningstar Average
Equity						
Global Core	(4.1)	(2.1)	1.3	1.6	N/A	Large-Cap Blended Equity
Relative Value	(1.6)	(1.6)	1.1	1.1	1.7	Large Value
Discovery Value	1.6	(5.6)	(2.8)	(1.7)	(0.7)	Mid-Cap Value
US Value	(1.3)	(4.1)	(4.4)	(4.2)	(2.7)	Large Value
Sustainable Global Thematic	7.2	13.2	6.9	5.0	1.5	World Large Stock
Sustainable International Thematic	1.6	3.1	(0.8)	(1.0)	(1.6)	Foreign Large Growth
Large Cap Growth	(2.0)	6.1	3.8	3.5	3.0	Large Growth
Emerging Markets Growth	7.5	8.0	0.3	1.3	1.7	Global Emerging Markets Equity
Growth	0.3	(1.1)	3.4	2.8	1.8	Large Growth
Discovery Growth	6.0	6.6	5.6	2.8	3.3	Mid-Cap Growth
Fixed Income						
Global High Yield	1.6	(2.9)	(1.4)	(0.3)	0.1	Global High Yield Bond
American Income Portfolio	0.9	0.9	1.4	1.2	1.2	USD Flexible Bond
Global Bond	0.5	(1.1)	(0.6)	0.3	0.5	World Bond
High Income	3.3	(3.2)	(1.9)	(0.4)	0.3	High Yield Bond



As of June 30, 2020. Fund returns are based on Advisor Class shares. Where Advisor Class doesn't exist, Class I is used. All fees and expenses related to the operation of the Fund have been deducted, but returns do not reflect sales charges. The information in this table is provided solely for use in connection with this presentation, and is not directed toward existing or potential investment advisory clients of AB.

Assets Under Management: 2Q20

(US \$ Billions)

	June 30, 2020				March 31, 2020
	Institutions	Private Wealth	Retail	Total	Total
Equity					
Actively Managed	\$ 46	\$ 44	\$ 83	\$ 173	\$ 142
Passive (1)	24	—	30	54	47
Total Equity	70	44	113	227	189
Fixed Income					
Taxable	154	14	80	248	236
Tax-Exempt	1	25	21	47	46
Passive (1)	—	—	10	10	10
Total Fixed Income	155	39	111	305	292
Other(2)	51	11	6	68	61
Total	\$ 276	\$ 94	\$ 230	\$ 600	\$ 542
At March 31, 2020					
Total	\$ 257	\$ 86	\$ 199	\$ 542	



(1) Includes index and enhanced index services.

(2) Includes certain multi-asset solutions and services and certain alternative investments.

Three Months Ended 6/30/20: AUM Roll-Forward by Distribution Channel

In US \$ Billions Investment Service:	Beginning of Period	Sales/New Accounts	Redemptions/ Terminations	Net Cash Flows	Net Flows	Transfers	Investment Performance	Net Change	End of Period
Institutions									
US	143.7	5.1	(8.4)	(1.5)	(4.8)	—	11.9	7.1	150.8
Global and Non-US	113.0	3.7	(4.3)	(1.0)	(1.6)	—	14.0	12.4	125.4
Total Institutions	256.7	8.8	(12.7)	(2.5)	(6.4)	—	25.9	19.5	276.2
Retail									
US	104.2	9.0	(6.8)	(0.5)	1.7	0.2	16.7	18.6	122.8
Global and Non-US	94.4	10.6	(7.7)	(0.8)	2.1	—	10.2	12.3	106.7
Total Retail	198.6	19.6	(14.5)	(1.3)	3.8	0.2	26.9	30.9	229.5
Private Wealth Management									
US	58.6	2.7	(3.0)	0.1	(0.2)	(0.2)	5.4	5.0	63.6
Global and Non-US	27.9	0.7	(1.2)	—	(0.5)	—	3.3	2.8	30.7
Total Private Wealth	86.5	3.4	(4.2)	0.1	(0.7)	(0.2)	8.7	7.8	94.3
Firmwide									
US	306.5	16.8	(18.2)	(1.9)	(3.3)	—	34.0	30.7	337.2
Global and Non-US	235.3	15.0	(13.2)	(1.8)	—	—	27.5	27.5	262.8
Total Firmwide	541.8	31.8	(31.4)	(3.7)	(3.3)	—	61.5	58.2	600.0

Three Months Ended 6/30/20: AUM Roll-Forward by Investment Service

In US \$ Billions Investment Service:	Beginning of Period	Sales/New Accounts	Redemptions/ Terminations	Net Cash Flows	Net Flows	Investment Performance	Net Change	End of Period
Equity Active								
US	79.1	8.2	(5.3)	(0.7)	2.2	17.9	20.1	99.2
Global and Non-US	62.4	5.6	(4.0)	(1.0)	0.6	10.9	11.5	73.9
Total Equity Active	141.5	13.8	(9.3)	(1.7)	2.8	28.8	31.6	173.1
Equity Passive(1)								
US	38.9	—	—	(1.6)	(1.6)	8.1	6.5	45.4
Global and Non-US	8.3	—	—	0.1	0.1	0.5	0.6	8.9
Total Equity Passive(1)	47.2	—	—	(1.5)	(1.5)	8.6	7.1	54.3
Total Equity	188.7	13.8	(9.3)	(3.2)	1.3	37.4	38.7	227.4
Fixed Income - Taxable								
US	124.2	5.7	(9.7)	0.1	(3.9)	6.3	2.4	126.6
Global and Non-US	111.9	9.3	(9.1)	(1.4)	(1.2)	10.6	9.4	121.3
Total Fixed Income - Taxable	236.1	15.0	(18.8)	(1.3)	(5.1)	16.9	11.8	247.9
Fixed Income - Tax-Exempt								
US	45.9	2.3	(2.6)	—	(0.3)	1.4	1.1	47.0
Global and Non-US	—	—	—	—	—	0.1	0.1	0.1
Total Fixed Income - Tax-Exempt	45.9	2.3	(2.6)	—	(0.3)	1.5	1.2	47.1
Fixed Income Passive(1)								
US	5.3	—	—	(0.1)	(0.1)	0.1	—	5.3
Global and Non-US	5.0	—	(0.1)	(0.4)	(0.5)	0.1	(0.4)	4.6
Total Fixed Income Passive(1)	10.3	—	(0.1)	(0.5)	(0.6)	0.2	(0.4)	9.9
Total Fixed Income	292.3	17.3	(21.5)	(1.8)	(6.0)	18.6	12.6	304.9
Other(2)								
US	13.1	0.6	(0.6)	0.4	0.4	0.2	0.6	13.7
Global and Non-US	47.7	0.1	—	0.9	1.0	5.3	6.3	54.0
Total Other(2)	60.8	0.7	(0.6)	1.3	1.4	5.5	6.9	67.7
Firmwide								
US	306.5	16.8	(18.2)	(1.9)	(3.3)	34.0	30.7	337.2
Global and Non-US	235.3	15.0	(13.2)	(1.8)	—	27.5	27.5	262.8
Total Firmwide	541.8	31.8	(31.4)	(3.7)	(3.3)	61.5	58.2	600.0



(1) Includes index and enhanced index services.

(2) Includes certain multi-asset solutions and services and certain alternative investments.

Active vs. Passive Net Flows

Three Months Ended 6/30/20

	Actively Managed	Passively Managed ⁽¹⁾	Total
Equity	\$ 2.8	\$ (1.5)	\$ 1.3
Fixed Income ⁽³⁾	(5.4)	(0.6)	(6.0)
Other ⁽²⁾	1.3	0.1	1.4
Total	\$ (1.3)	\$ (2.0)	\$ (3.3)

(1) Includes index and enhanced index services.

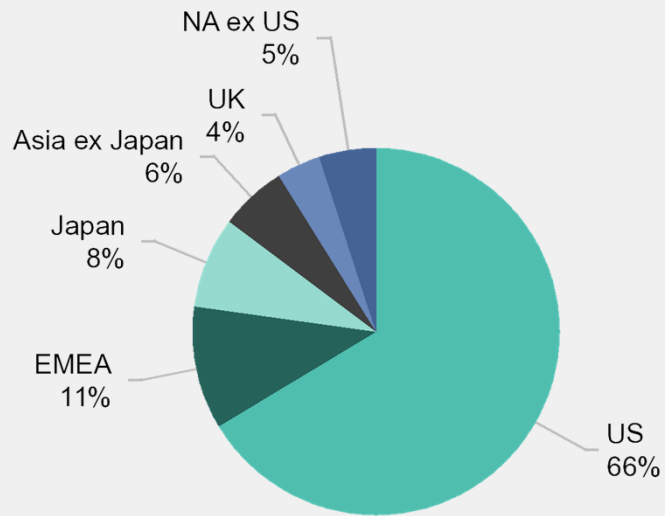
(2) Includes certain multi-asset solutions and services and certain alternative investments.

(3) Actively managed Fixed Income amounts include previously disclosed AXA S.A. terminated mandates of \$7.9B in 2Q20. Excluding these outflows, Actively Managed Fixed Income Net Inflows were \$2.5B in 2Q20 and Total Net Inflows were \$4.6B in 2Q20.



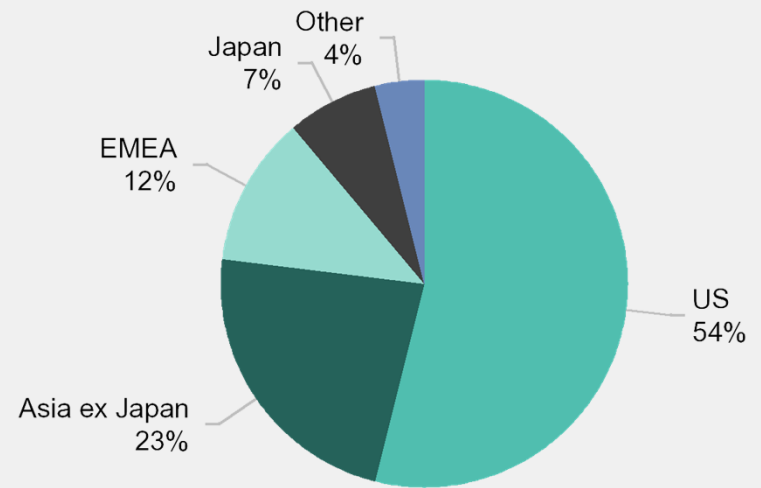
AUM by Region

Institutional



\$276.2B

Retail



\$229.5B

Second Quarter 2020 Adjusted Advisory Fees

	2Q20	2Q19	% Δ	1Q20	% Δ
Ending AUM (\$ Billions)	\$ 600	\$ 581	3%	\$ 542	11%
Average AUM (\$ Billions)	\$ 579	\$ 566	2%	\$ 602	(4)%
By Fee Type (\$ Millions):					
Adjusted Base Fees	\$ 554	\$ 569	(3)%	\$ 594	(7)%
Adjusted Performance Fees	9	11	(18)%	6	50%
Total	\$ 563	\$ 580	(3)%	\$ 600	(6)%
Adjusted Base Fees By Channel (\$ Millions):					
Institutions	\$ 107	\$ 107	—%	\$ 106	1%
Retail	258	248	4%	280	(8)%
Private Wealth	189	214	(12)%	208	(9)%
Total	\$ 554	\$ 569	(3)%	\$ 594	(7)%



(1) Net of both sub-advisory and fees paid to distributors from investment management fees..

Second Quarter 2020 GAAP Income Statement

In US \$ Millions (except EPU)	2Q20	2Q19	% Δ	1Q20	% Δ
Net Revenues	\$ 872	\$ 858	2%	\$ 874	—%
Operating Expenses	662	674	(2)%	696	(5)%
Operating Income	210	184	14%	178	18%
Net Income Attributable to AB Unitholders	177	166	7%	194	(9)%
AB Holding GAAP Diluted Net Income per Unit	\$ 0.59	\$ 0.54	9%	\$ 0.63	(6)%
AB Holding Distribution Per Unit	\$ 0.61	\$ 0.56	9%	\$ 0.64	(5)%



Percentages are calculated using amounts rounded to the nearest million.

Consolidated Balance Sheet

In US \$ Millions

Assets	6/30/2020	12/31/2019
Cash and cash equivalents	\$ 825	\$ 680
Cash and securities, segregated	1,882	1,095
Receivables, net	2,064	2,045
Investments:		
Long-term incentive compensation-related	54	51
Other	241	216
Assets of consolidated variable interest entities	275	612
Goodwill	3,083	3,077
Intangible assets, net	54	55
Deferred sales commissions, net	59	36
Right-of-use Assets	318	363
Other (incl. furniture & equipment, net)	473	476
Total Assets	\$ 9,328	\$ 8,706
Liabilities, Redeemable Non-Controlling Interest and Capital		
Liabilities:		
Payables	\$ 3,565	\$ 2,835
Accounts payable and accrued expenses	209	192
Lease Liabilities	417	468
Liabilities of consolidated variable interest entities	26	31
Accrued compensation and benefits	480	277
Debt	685	560
Total Liabilities	5,382	4,363
Redeemable non-controlling interest	51	326
Partners' capital attributable to AllianceBernstein Unitholders	3,895	4,017
Non-controlling interests in consolidated entities	—	—
Total Capital	3,895	4,017
Total Liabilities and Capital	\$ 9,328	\$ 8,706

Consolidated Statement of Cash Flows

In US \$ Millions

	Six Months Ended	
	6/30/2020	6/30/2019
Net Income	\$ 367	\$ 333
Non-cash items: Amortization of deferred sales commissions	12	7
Non-cash long-term incentive compensation expense	15	27
Depreciation and other amortization	72	84
Unrealized losses (gains) on investments	14	(17)
Unrealized losses (gains) on investments of consolidated company-sponsored investment funds	12	(32)
Other, net	—	12
Changes in assets and liabilities	330	133
Net cash provided by operating activities	822	547
Purchases of furniture, equipment, and leasehold improvements, net	(6)	(11)
Purchases of businesses, net of cash acquired	(14)	5
Net cash used in investing activities	(20)	(6)
Proceeds from (repayment of) borrowings, net	125	(86)
(Repayment) of bank loans	—	(25)
Increase (decrease) in overdrafts payable	17	(19)
Distributions to General Partner and Unitholders	(447)	(343)
(Redemptions) subscriptions of non-controlling interests of consolidated company-sponsored investment funds, net	(270)	49
Additional investments by Holding with proceeds from exercise of compensatory options to buy Holding Units	—	9
Purchases of AB Holding Units to fund long-term incentive compensation plan awards, net	(47)	(58)
Other, net	(2)	—
Net cash provided by (used in) financing activities	(624)	(473)
Effect of exchange rate changes on cash and cash equivalents	(11)	—
Net increase in cash and cash equivalents	167	68
Cash and cash equivalents at the beginning of period	691	653
Cash and cash equivalents at the end of period	\$ 858	\$ 721

Second Quarter 2020 AB Holding Financial Results

In US \$ Millions (excluding per Unit amounts)	2Q20	2Q19	% Δ	1Q20	% Δ
AB					
Net Income Attributable to AllianceBernstein	\$ 177	\$ 166	7%	\$ 194	(9)%
Weighted Average Equity Ownership Interest	35.6%	35.5%		36.0%	
AB Holding					
Equity in Net Income Attributable to AB	\$ 63	\$ 59	7%	\$ 70	(10)%
Income Taxes	\$ 6	\$ 7	(14)%	\$ 8	(25)%
Net Income	\$ 57	\$ 52	10%	\$ 62	(8)%
Diluted Net Income Per Unit, GAAP basis	\$ 0.59	\$ 0.54	9%	\$ 0.63	(6)%
Distributions Per Unit	\$ 0.61	\$ 0.56	9%	\$ 0.64	(5)%
Adjusted Diluted Net Income Per Unit	\$ 0.61	\$ 0.56	9%	\$ 0.64	(5)%

AB Please refer to pages 34-37 for additional information on the reconciliation of GAAP financial results to adjusted financial results. Percentages are calculated using amounts rounded in millions.

Second Quarter 2020 GAAP to Non-GAAP Reconciliation

In US \$ Thousands

	GAAP	Adjustments					Acquisition-Related Expenses (F)	Non-GAAP
		Distribution Related Payments (A)	Pass Through Adjustments (B)	Deferred Comp. Inv. (C)	NCI/ Consol VIE (D)	Real Estate Credits (Charges) (E)		
Investment advisory and services fees	\$ 578,203	(12,202)	(3,331)		(82)			\$ 562,588
Bernstein research services	113,609							113,609
Distribution revenues	120,099	(120,099)						—
Dividend and interest income	12,692			(88)	(3,857)			8,747
Investment gains (losses)	24,189			(5,257)	(17,430)			1,502
Other revenues	26,092		(10,195)		(183)			15,714
Total revenues	874,884	(132,301)	(13,526)	(5,345)	(21,552)	—	—	702,160
Less: interest expense	3,435							3,435
Net revenues	871,449	(132,301)	(13,526)	(5,345)	(21,552)	—	—	698,725
Employee compensation and benefits	349,638			(5,658)			(199)	343,781
Promotion and servicing	176,588	(132,301)	(10,053)					34,234
General and administrative	126,950		(3,473)		(612)	(5,188)	(606)	117,071
Contingent payment arrangements	807							807
Interest on borrowings	1,096							1,096
Amortization of intangible assets	6,723							6,723
Net income (loss) of consolidated entities attributable to non-controlling interests	—							—
Total expenses	661,802	(132,301)	(13,526)	(5,658)	(612)	(5,188)	(805)	503,712
Operating income	209,647	—	—	313	(20,940)	5,188	805	195,013
Income taxes	11,386	—	—	17	(1,139)	281	44	10,589
Net income	198,261	—	—	296	(19,801)	4,907	761	184,424
Net income (loss) of consolidated entities attributable to non-controlling interests	20,940				(20,940)			—
Net income attributable to AB Unitholders	\$ 177,321	\$ —	\$ —	\$ 296	\$ 1,139	\$ 4,907	\$ 761	\$ 184,424



Please refer to page 37 for notes describing the adjustments.

Second Quarter 2019 GAAP to Non-GAAP Reconciliation

In US \$ Thousands

	GAAP	Adjustments				Non-GAAP
		Distribution Related Payments (A)	Pass Through Adjustments (B)	Deferred Comp. Inv. (C)	NCI/ Consol VIE (D)	
Investment advisory and services fees	\$ 596,364	(11,148)	(4,356)		(288)	\$ 580,572
Bernstein research services	105,991					105,991
Distribution revenues	108,347	(108,347)				—
Dividend and interest income	27,654			(136)	(3,983)	23,535
Investment gains (losses)	10,949			(1,389)	(4,143)	5,417
Other revenues	24,796		(9,160)		(283)	15,353
Total revenues	874,101	(119,495)	(13,516)	(1,525)	(8,697)	730,868
Less: interest expense	16,302					16,302
	857,799	(119,495)	(13,516)	(1,525)	(8,697)	714,566
Employee compensation and benefits	363,702			(2,029)		361,110
Promotion and servicing	177,045	(119,495)	(9,009)		(563)	48,541
General and administrative	120,728		(4,507)		(998)	113,068
Contingent payment arrangements	829				(2,155)	829
Interest on borrowings	3,990					3,990
Amortization of intangible assets	7,285					7,285
Net income (loss) of consolidated entities attributable to non-controlling interests	—				58	58
Total expenses	673,579	(119,495)	(13,516)	(2,029)	(940)	534,881
Operating income	184,220	—	—	504	(7,757)	179,685
Income taxes	10,211	—	—	27	(433)	9,954
Net income	174,009	—	—	477	(7,324)	169,731
Net income (loss) of consolidated entities attributable to non-controlling interests	7,757				(7,757)	—
Net income attributable to AB Unitholders	\$ 166,252	\$ —	\$ —	\$ 477	\$ 433	\$ 169,731

A
B

Please refer to page 37 for notes describing the adjustments.

First Quarter 2020 GAAP to Non-GAAP Reconciliation

In US \$ Thousands

	GAAP	Adjustments						Non-GAAP	
		Distribution Related Payments	Pass Through Adjustments	Deferred Comp. Inv.	NCI/ Consol VIE	Real Estate Credits (Charges)	Acquisition- Related Expenses		Other
		(A)	(B)	(C)	(D)	(E)	(G)		(H)
Investment advisory and services fees	\$ 621,725	(14,814)	(7,062)		64				\$ 599,913
Bernstein research services	129,223								129,223
Distribution revenues	130,857	(130,857)							—
Dividend and interest income	20,465			(106)	(5,599)				14,760
Investment gains (losses)	(44,306)			7,099	29,599			859	(6,749)
Other revenues	25,511		(9,607)		71				15,975
Total revenues	883,475	(145,671)	(16,669)	6,993	24,135	—	—	859	753,122
Less: interest expense	9,319								9,319
Net revenues	874,156	(145,671)	(16,669)	6,993	24,135	—	—	859	743,803
Employee compensation and benefits	362,272			6,243			(176)		368,339
Promotion and servicing	201,281	(145,671)	(9,465)						46,145
General and administrative	122,267		(7,204)		(1,436)	339	(350)		113,616
Contingent payment arrangements	793								793
Interest on borrowings	2,834								2,834
Amortization of intangible assets	6,486								6,486
Net income (loss) of consolidated entities attributable to non-controlling interests	—								—
Total expenses	695,933	(145,671)	(16,669)	6,243	(1,436)	339	(526)	—	538,213
Operating income	178,223	—	—	750	25,571	(339)	526	859	205,590
Income taxes	9,474	—	—	28	843	(27)	17	28	10,362
Net income	168,749	—	—	722	24,728	(312)	509	831	195,228
Net income (loss) of consolidated entities attributable to non-controlling interests	(25,571)				25,571			—	—
Net income attributable to AB Unitholders	\$ 194,320	\$ —	\$ —	\$ 722	\$ (843)	\$ (312)	\$ 509	\$ 831	\$ 195,228



Please refer to page 37 for notes describing the adjustments.

AB Adjusted Financial Results Reconciliation

Notes to Consolidated Statements of Income and Supplemental Information (Unaudited)

- A. We 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. 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. Also, we adjust distribution revenues for the amortization of deferred sales commissions as these costs, over time, will offset such revenues.
- B. We exclude additional pass-through expenses we incur (primarily through our transfer agency) that are reimbursed and recorded as fees in revenues. These fees have no impact on operating income, but they do have an impact on our operating margin. As such, we exclude these fees from adjusted net revenues.
- C. We exclude the impact on net revenues and compensation expense of the mark-to-market gains and losses (as well as the dividends and interest) associated with employee long-term incentive compensation-related investments. In addition, we exclude any EQH-related equity compensation expense as the awards are non-cash and are based on EQH's and not AB's financial performance.
- D. We adjust for the impact of consolidating certain company-sponsored investment funds by eliminating the consolidated company-sponsored investment funds revenues and expenses and including AB's revenues and expenses that were eliminated in consolidation. In addition, the net income of joint ventures attributable to non-controlling interests is excluded because it does not reflect the economic interest attributable to AB.
- E. Real estate credits are excluded because they are not considered part of our core ongoing operations. However, beginning in the fourth quarter of 2019, real estate charges (credits) while excluded in the period in which the charges (credits) are recorded, are included ratably over the remaining applicable lease term.
- F. The recording of a change in estimate of the contingent consideration payable relating to our acquisitions is not considered part of our core operating results.
- G. 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.
- H. For first quarter 2020, Other reflects the write-down of an investment that has been excluded due to its non-recurring nature and because it is not part of our core operating results.

Adjusted Operating Margin

Adjusted operating margin allows us to monitor our financial performance and efficiency from period to period without the volatility 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.



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