



ALLIANCEBERNSTEIN®

Fourth Quarter 2024 Review

February 6, 2025

Seth P. Bernstein, President & Chief Executive Officer
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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, 2024 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.
- **The achievement of our Private Markets AUM target:** Our ability to achieve our private markets AUM target is subject to the current market environment and our understanding of potential client interest for the types of products managed by the Private Alternatives investment teams.

AB's Unique Value Proposition

Integrated asset and wealth manager with differentiated capabilities, partnerships and structure



Key Business Highlights Fourth Quarter and Full Year 2024

- 1** **Transformative Initiatives, Enhancing Margin Profile and Prioritizing Resource Allocation**
 - Closing of Bernstein JV and NYC relocation contributed to 410bps margin expansion and debt repayment in FY24
 - 4Q24 adj. operating margin of 36.4%, +720 bps Y/Y; highest since 4Q21, aided by performance fees & comp true-up
- 2** **Despite 4Q Outflows, FY24 Active Assets Grew Organically, Registering +\$4.2bn Net Inflows**
 - Active Fixed Income inflows totaled \$24.6 billion, growing 9% organically in 2024, buoyed by Retail demand
 - Active Equity outflows -\$24.1 billion, largely driven by institutional redemptions related to performance or rebalancing
- 3** **Durable Fee Rate, Despite Volatile Market Dynamics and Softer Demand Trends**
 - Fee rate of 39.8 bps in 4Q, up 0.2 bps y/y, and 39.7 bps in FY24, down 0.2 bps y/y
 - Fee rate stability yields symmetrical market leverage; base management fees grew roughly in-line with AUM
- 4** **Expanded Investment and Distribution Coverage Via Team Lift-Outs and Vehicle Versatility**
 - EU & Global Growth Equity team lift-out, AUM ~\$700mln since 1Q launch; ABS Private Placements team lift-out in 4Q
 - ETF line-up offers 17 strategies, totaling \$5.5bn AUM, 70% net new assets; AB CarVal Interval Fund launch
- 5** **Platform Diversification, Leveraging Strategic EQH Relationship to Forge New Partnerships**
 - Private Markets AUM \$70 billion, generating 16.5% of asset management revenues; >\$3 billion FY24 net fundings
 - Launched insurance vertical and expanded partnership with RGA through Ruby Re investment

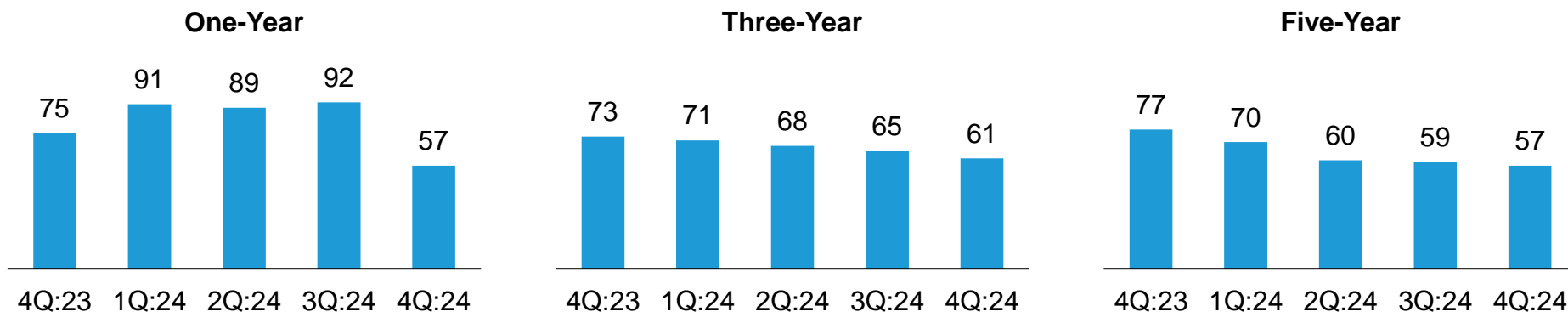
Key Financial Highlights Fourth Quarter & Full Year 2024

	4Q24	4Q23	FY24	FY23	
AUM and Flows (USD Billions, Except Fee Rate)	End of Period ("EOP") AUM	\$792.2	\$725.2	\$792.2	\$725.2
	Average AUM	\$801.0	\$685.4	\$768.5	\$680.3
	Equitable ("EQH") AUM, EOP	\$131.5	\$119.5	\$131.5	\$119.5
	Private Markets AUM, EOP	\$69.7*	\$61.0	\$69.7*	\$61.0
	Gross Sales	\$33.6	\$28.3	\$133.7	\$101.5
	Net Flows	(\$4.8)	(\$1.8)	(\$2.2)	(\$7.0)
	Active Net Flows	(\$3.0)	(\$2.8)	\$4.3	(\$5.2)
	Annualized Effective Fee Rate	39.8bps	39.6bps	39.7bps	39.9bps
GAAP Financials (USD Millions, Except EPU)	Net Revenues	\$1,258	\$1,090	\$4,475	\$4,155
	Operating Expenses	\$940	\$852	\$3,351	\$3,337
	Operating Income	\$318	\$238	\$1,124	\$818
	Operating Margin	25.0%	20.6%	24.7%	19.1%
	GAAP EPU	\$0.94	\$0.71	\$3.71	\$2.34
Adjusted Financials (USD Millions, Except EPU)	Net Revenues	\$973	\$871	\$3,528	\$3,372
	Operating Income	\$354	\$254	\$1,140	\$951
	Compensation Ratio	46.0%	47.7%	47.9%	49.0%
	Operating Margin	36.4%	29.2%	32.3%	28.2%
	Adjusted EPU	\$1.05	\$0.77	\$3.25	\$2.69
Capital Returns and Debt Metrics	Distributions Per Unit	\$1.05	\$0.77	\$3.26	\$2.69
	Distribution Ratio	100%	100%	100%	100%
	Consld. Debt/LTM EBITDA	0.4x	0.9x	0.4x	0.9x
	W Avg. ABH Diluted Units	112.7mln	111.6mln	114.1mln	112.9mln

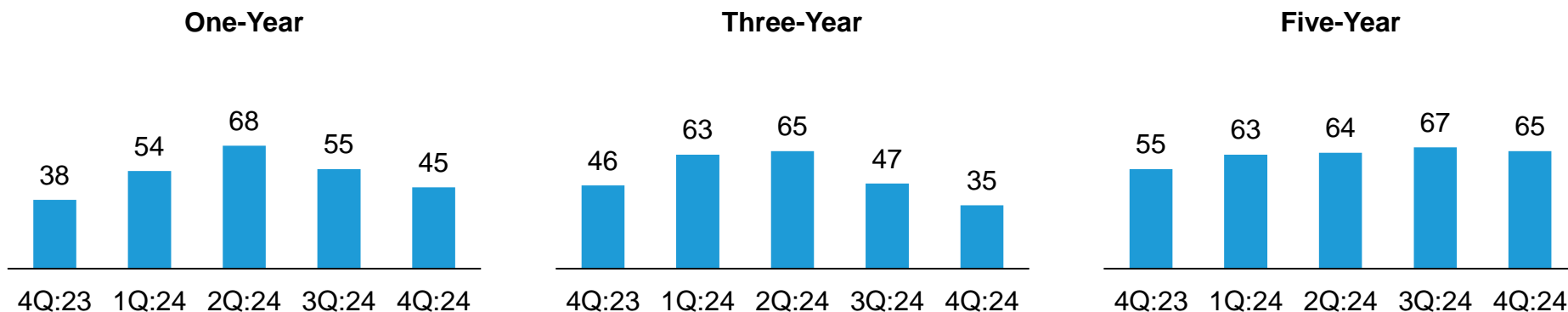
As of 12/31/2024. Source: AB. *Includes Fee-Paying AUM of \$57.1 billion and \$12.6 billion in fee-eligible AUM ("dry powder"). Fee-earning AUM includes those assets currently qualified to generate management fees. Fee-eligible AUM includes committed capital that is currently uncalled or recallable.

Percentage of Assets Outperforming at Quarter-End

Fixed Income



Equities



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. Performance for private client services included as available. Reflects ITM funds compared to Morningstar peer groups.

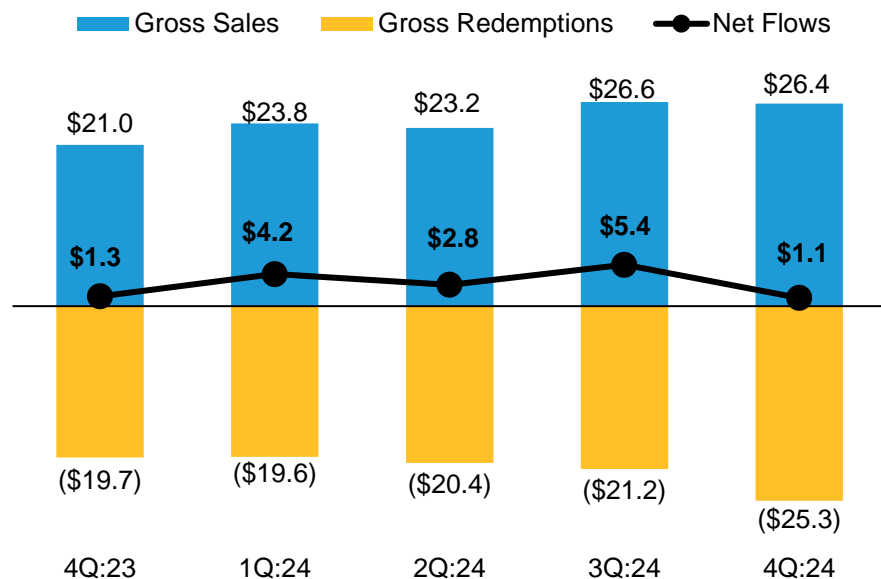
As of December 31, 2024. Source: AB



Retail Highlights

Retail Sales Match FY21 Record, Highest Inflows Since FY21

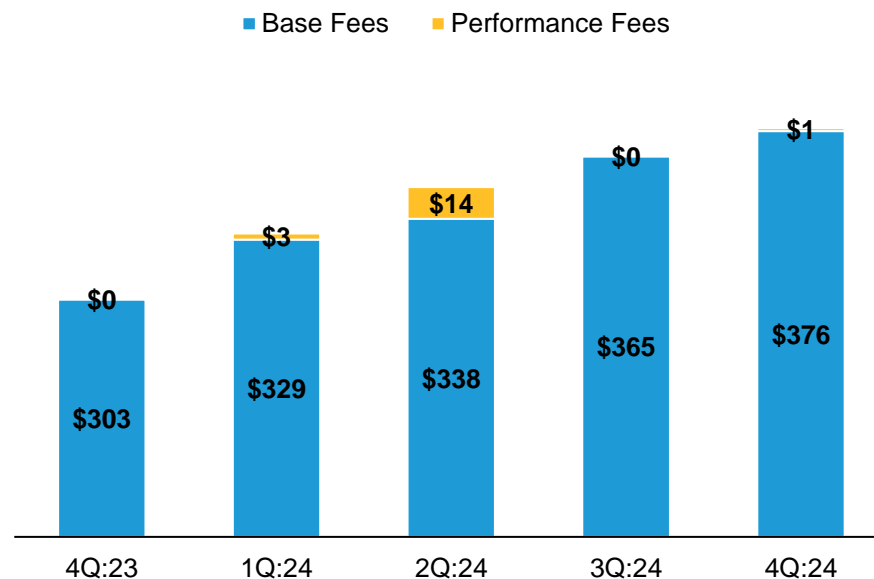
USD billions



- 4Q24 marked our **sixth straight quarter** of positive channel flows, **1% annualized organic rate (“AOG”)** led by record-level Tax-Exempt FI inflows of \$5.0bn, offsetting outflows across other asset classes in 4Q
- FY24 second consecutive year** of positive channel flows, generating **5% AOG** (highest since '21), led by \$19bn Active Fixed Income inflows with Taxable and Tax-Exempt respectively growing 12% & 34%

Driving Steady Growth in Adjusted Management Fees

USD millions



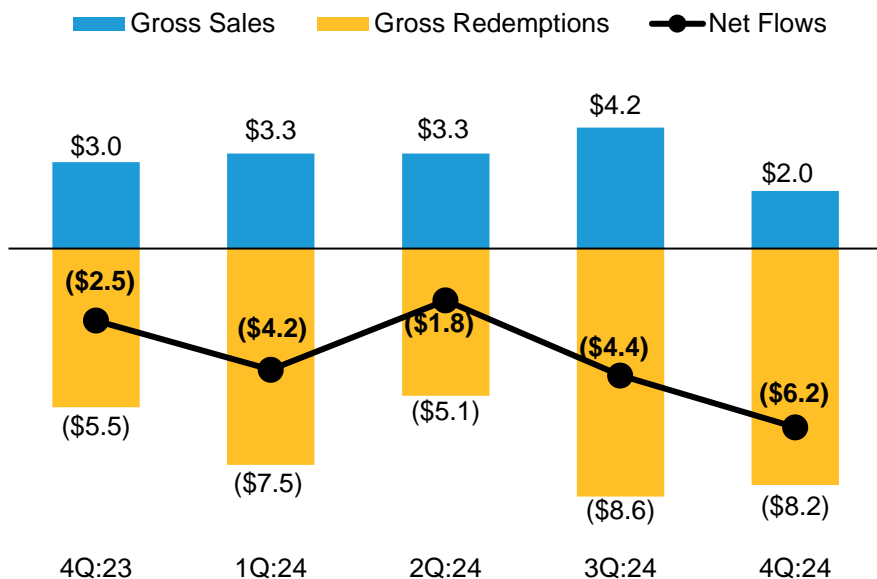
- 4Q24 adjusted base management fees grew 24% y/y & 3% q/q, in-line with channel average AUM levels growing 25% y/y & 3% q/q
- FY24 adjusted base management fees grew 17% y/y, compared to channel avg. AUM levels rising 20%
- Channel base fee rate of 44.8bps in 4Q24, roughly stable y/y & q/q
- Organic base fee growth of 3.4% in FY24 and -0.5% in 4Q24

As of 12/31/2024. Source: AB



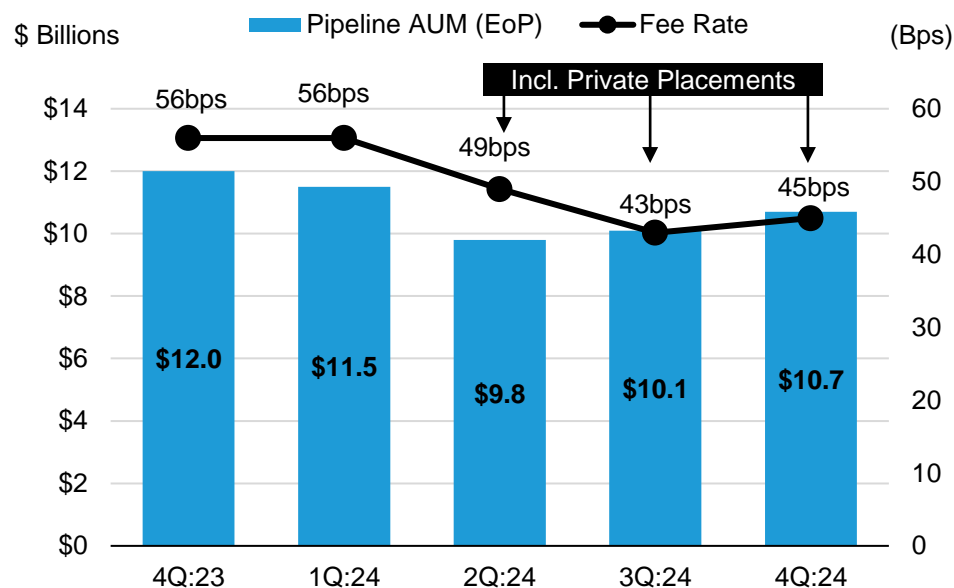
Institutional Highlights

Active Equity Redemptions, Alts Distributions & Rates Vol USD Billions



- Active Equity net outflows of $-\$4.6$ bn in 4Q & $-\$17.5$ bn in FY24, driven by redemptions Global Core, Concentrated (US+Glb) & non-US
- Taxable FI $+\$3.5$ bn FY24 inflows & $-\$0.6$ bn in 4Q, reflecting rates vol
- 4Q deployments in Priv Placements, CRE Debt, Priv Cred offset by planned distributions; FY24 Alts net deployments $>\$2$ bn

Pipeline Reflects Strong Fundings, Coupled with Alts Wins



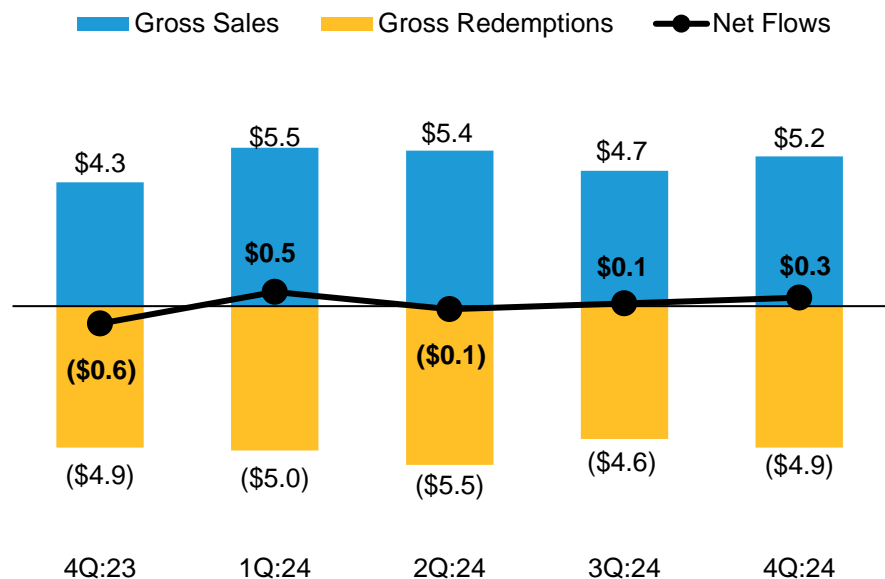
- Channel base fee rate of 18.0 bps in 4Q, down -6% Y/Y and -3% Q/Q, reflecting distributions from higher-fee Alternative strategies and non-US Active Equity redemptions in 4Q
- $\$10.7$ bn pipeline reflecting $\$2$ bn in fundings and $\$2.7$ bn in additions, incl. $\$2.1$ bn Alts and $\$0.6$ bn FI mandates
- Pipeline fee rate increased 2bps q/q; >2 x channel's fee rate

As of 12/31/2024. Source: AB



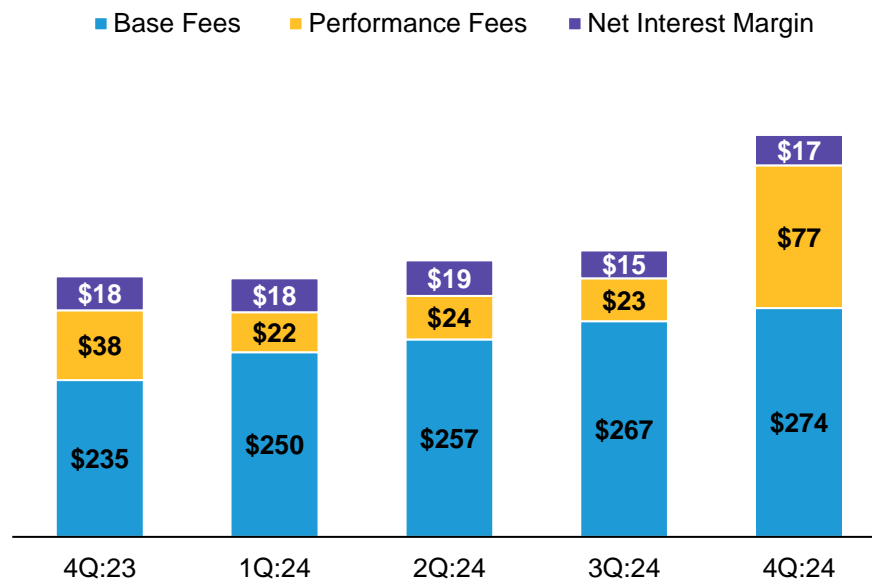
Private Wealth Highlights

Record Annual Sales Drive Fourth Straight Year of Inflows USD Billions



- Cross-asset gains in 4Q, driven by tax-exempt and Alts/ MAS, growing +7% and +6% AOG respectively; Active Equities outflows persist
- **FY24 fourth consecutive year** of inflows driven by +\$2.9bn alts/MAS, ~45% privates, and +\$2.1bn tax-exempt; Active Equities partial offset
- Private Alts fundraising of +\$0.3bn in 4Q and record +\$2.7bn in FY24

Diversified Revenue Streams, Uncaptured in Base Fee Rate USD millions



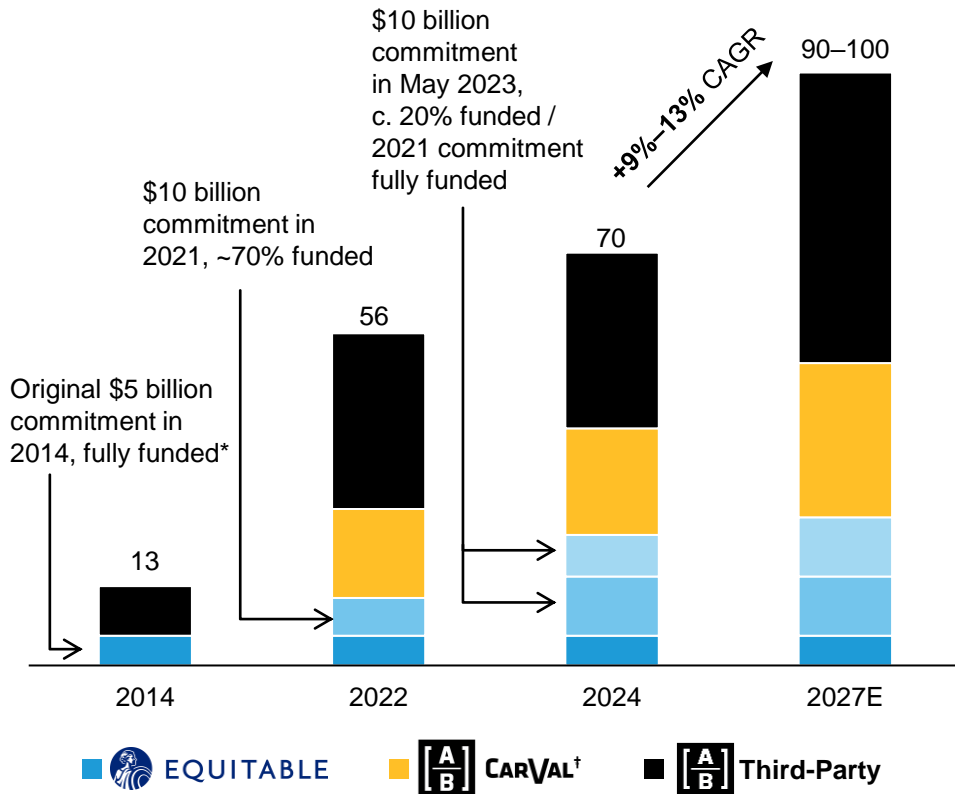
- 4Q adjusted revenues & base fees grew 26% & 17% y/y, respectively; FY24 adj. revenues & base fees grew 17% and 12% y/y, respectively
- Strong 4Q24 performance fees, even by historical standards driven by strong run-up in US Equities; ~2/3 Public Alts & 1/3 Private in PW
- Channel base fee rate of 79.8bps, down -2% y/y and -1% q/q

As of 12/31/2024. Source: AB. Note: Net interest margin is defined as: dividend and interest minus the interest expense on client cash



Progress Towards Our Private Markets AUM of \$90–\$100 Billion by 2027

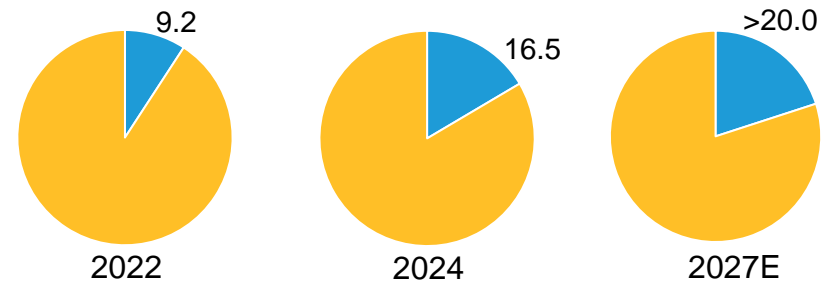
AB Private Markets AUM (2014–2027E) USD billion



Positioned to grow 9%–13% CAGR, to \$90–\$100 billion in Private Markets AUM by 2027, and derive >20% of our asset management revenues

- Well-established track records in corporate direct lending, commercial real estate, AB CarVal, private placements
- Equitable commitments drive quicker scale
- Third-party retail product expansion
- Insurance general account expansion, supported via partnerships and leveraging EQH strategic relationship
- In FY24, private markets accounted for >16% of our firmwide management revenues, including base and performance fees

Private Markets as Percent of Asset Management Revenues



As of 12/31/2024. Source: AB

*Includes seed funding from Equitable and AXA. †Adjusted for EQH commitments made to CarVal to avoid duplication.



Select Adjusted Financials and Ratios

Revenues	4Q24	4Q23	Percent Δ	2024	2023	Percent Δ
Base Fees*	\$798	\$682	17%	\$3,049	\$2,717	12%
Performance Fees:						
Private Markets†	67	41	66%	136	101	35%
Public Markets	66	10	n.m.	91	25	n.m.
Bernstein Research Services	—	100	n.m.	96	386	(75)%
Investment Gains	6	2	n.m.	12	1	n.m.
Dividend & Interest Revenue	34	46	(24)%	154	184	(16)%
Other Revenues	20	17	16%	74	66	12%
Total Revenues	991	898	10%	3,613	3,480	4%
Less: Broker-Dealer Related Interest Expense	18	27	(33)%	85	108	(21)%
Adjusted Net Revenues	\$973	\$871	12%	\$3,528	\$3,372	5%
Expenses	4Q24	4Q23	Percent Δ	2024	2023	Percent Δ
Compensation and Fringes	\$447	\$416	8%	\$1,690	\$1,654	2%
Other Employment Costs	10	10	(7)%	36	35	3%
Total Compensation and Benefits	457	426	7%	1,726	1,689	2%
Promotion and Servicing	40	50	(20)%	149	181	(18)%
General and Administrative	122	141	(14)%	513	551	(7)%
Total Adjusted Operating Expenses	\$619	\$617	—%	\$2,388	\$2,421	(1)%
Adjusted Operating Income	\$354	\$254	40%	\$1,140	\$951	20%
Adjusted Operating Margin	36.4%	29.2%	720 bps	32.3%	28.2%	410 bps
AB Holding Adjusted Diluted Net Income Per Unit	\$1.05	\$0.77	36%	\$3.25	\$2.69	21%
Compensation Ratio	46.0%	47.7%		47.9%	49.0%	

*Net of both sub-advisory and fees paid to distributors from investment management fees.

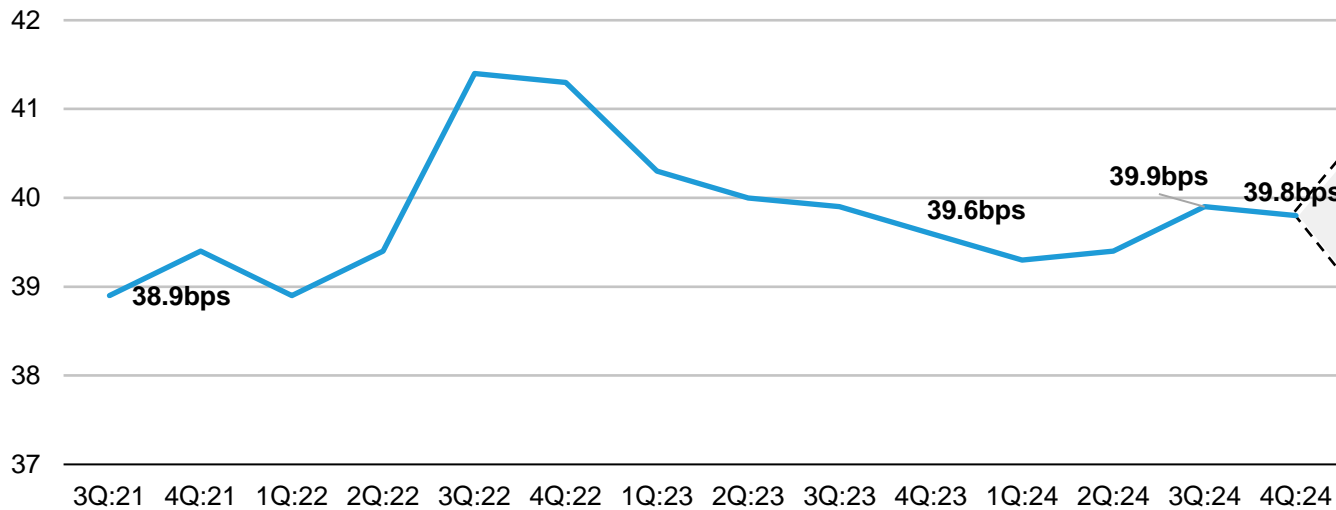
†Private Market strategies eligible for performance fees include: AB-Private Credit Investors ("AB-PCI"), US and EU Commercial Real Estate Debt, and AB CarVal.

Dollars rounded in millions, however percentages calculated using amounts rounded in thousands. As such, amounts may not foot.



Base Fee Rate Has Stabilized Year-to-Date

Firmwide Base Fee Rate—Last Three Years
Basis points



Supportive

- Alts deployments
- Rotation from MMKTs to FI
- Organic and AUM growth in Equity MFs, Offshore FI
- Organic and AUM growth in Private Wealth, Offshore Retail, Institutional Alts

Mixed

- FX Dynamics

Detractors

- Growth in low-fee products/ wrappers
- Increased revenue sharing and distribution fees
- Secular pressures driven by competitive dynamics

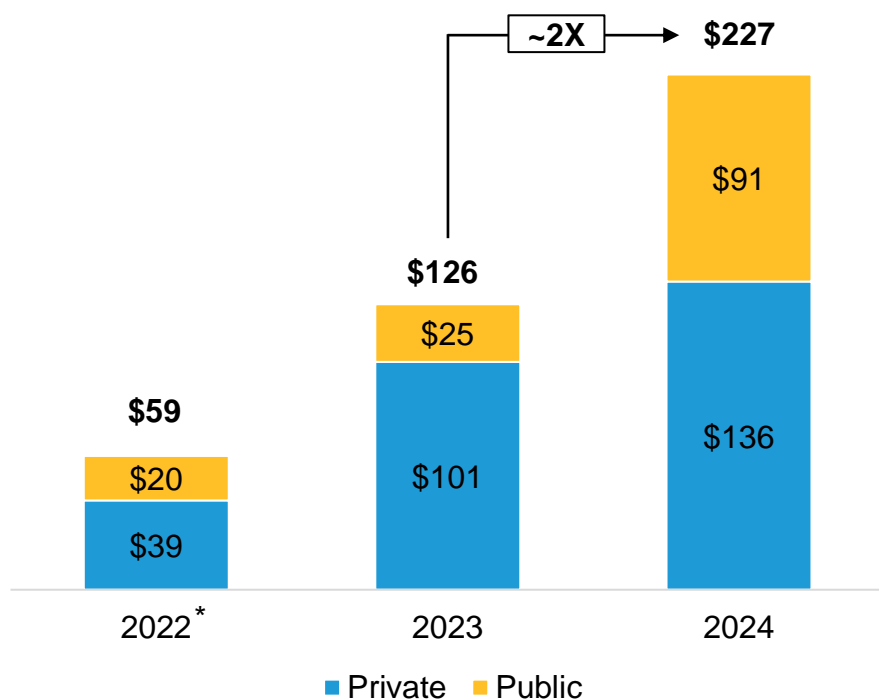
As of 12/31/2024
Source: AB



Large Portion of Recurring Performance-Related Fees, Driven by Privates

Annual Performance Fees—Private and Public Markets

USD Millions



- Strong public markets and performance, resulted in **\$66m** in of performance fees from our Public Alternative strategies in 4Q, driving meaningful upside from our prior guide of \$145–\$155 million of firmwide performance fees
- FY24 firmwide performance fees nearly **doubled** vs. prior-year, driven by our Private Markets platform, accounting for **~2/3 of AB's FY24 performance fees**
- Private Markets platforms generating performance fees:
 - Middle Market Lending, or “AB-PCI”
 - AB CarVal
 - Commercial Real Estate Debt
- AB-PCI accounts for majority of performance fees—these are recurring, hurdle-based revenues that typically trade at a premium valuation over public alpha

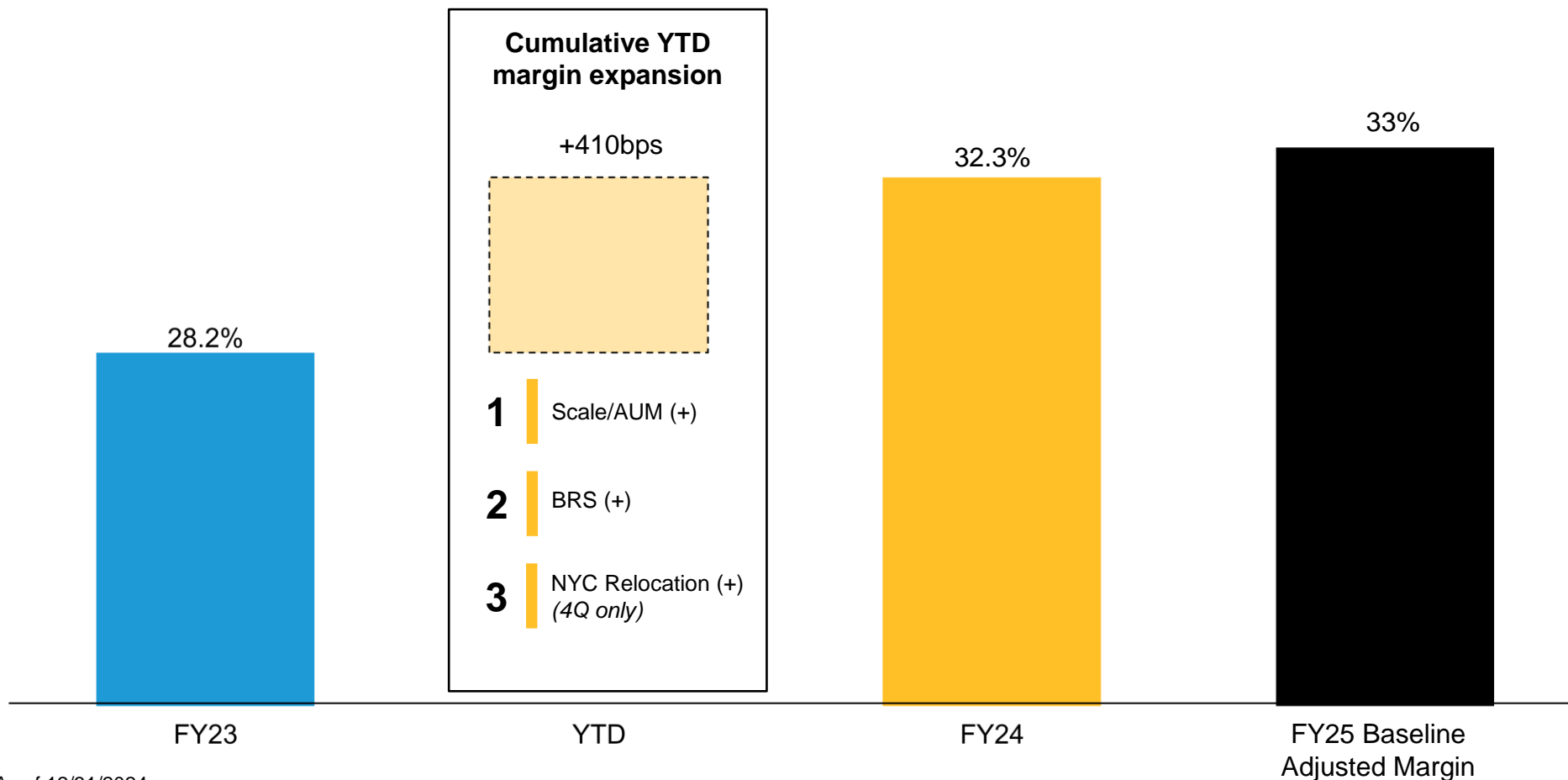
As of 12/31/2024. Source: AB

*FY22 performance fees exclude \$32 million from Commercial Real Estate Equity



Assuming Neutral Markets, Launching Point for FY25 Margins is 33%

Adjusted Operating Margin Path and FY25 Outlook



As of 12/31/2024
Source: AB



Appendix

Retail Mutual Funds Relative Performance vs. Morningstar Averages

Retail Service	1 Year		3 Year		5 Year		10 Year	
	Relative (%)	Percentile	Relative (%)	Percentile	Relative (%)	Percentile	Relative (%)	Percentile
Equity								
Large Cap Growth	(3.5)	69	(0.3)	62	0.5	47	1.7	19
Concentrated Growth	(17.9)	98	(6.7)	95	(5.6)	96	(2.5)	87
Concentrated International Growth	(6.1)	89	(7.5)	99	(6.1)	99	N/A	--
Sustainable US Thematic	(18.0)	98	(5.7)	93	(3.1)	84	N/A	--
Select US Equity	4.7	13	1.8	19	1.3	31	1.0	29
International Tech	13.6	15	4.1	32	5.2	20	3.7	17
Low Vol	4.4	29	4.5	4	1.6	33	2.4	17
Eurozone Equity	(4.5)	85	(1.9)	76	(2.3)	85	0.5	43
Relative Value	(1.3)	64	0.4	45	0.5	42	0.9	25
Multi-Asset/Alternative								
Emerging Markets Multi-Asset	8.3	4	3.2	19	0.8	39	0.6	35
All Market Real Return	(8.4)	90	(2.1)	79	(2.7)	88	(4.8)	99
Select US Long/Short	4.7	25	(0.1)	50	1.0	32	1.6	27

■ Top Quartile

■ 2nd Quartile

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: Large Cap Growth - Large Growth; Concentrated Growth (US) - Large Growth; Concentrated International Growth - Foreign Large Growth; Sustainable US Thematic - US Large-Cap Growth; Sustainable Global Thematic - Global Large-Cap Growth; Select US - Large-Cap Blend; International Tech - Sector Equity Technology; Low Vol - Global Large-Cap Blend; Eurozone Equity - Eurozone Large-Cap Equity; Relative Value - Large Value; Emerging Markets Multi-Asset - Global Emerging Markets; All Market Real Return - Global Large-Stock Blend; Select US Long/Short - Long-Short Equity.

As of December 31, 2024

Source: AB and Morningstar



Retail Mutual Funds Relative Performance vs. Morningstar Averages

Service	1 Year		3 Year		5 Year		10 Year	
	Relative (%)	Percentile	Relative (%)	Percentile	Relative (%)	Percentile	Relative (%)	Percentile
Fixed Income								
American Income	(1.0)	66	(0.9)	69	(0.6)	71	0.1	39
European Income	0.2	43	(0.3)	57	0.3	38	1.1	19
Asia Income	2.2	10	(0.3)	56	0.2	44	N/A	--
Global High Yield	1.0	41	0.6	41	(0.1)	58	0.1	51
Short Duration High Yield	0.6	49	1.5	20	1.3	16	0.5	37
Emerging Markets Debt	3.6	17	0.7	40	0.9	30	0.8	31
High Income Advisor	1.3	17	0.6	30	(0.1)	49	0.1	43
Global Bond Advisor	(1.2)	76	(0.4)	59	(0.2)	57	0.1	46
Income Advisor	(0.3)	60	(0.5)	70	(0.5)	75	0.4	25
Intermediate Diversified Muni	(0.3)	70	(0.7)	78	0.2	33	N/A	--
High Income Muni	(0.3)	65	(0.7)	77	0.0	52	0.4	25

■ Top Quartile

■ 2nd Quartile

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; European Income - EUR Flexible Bond; Asia Income - Asia Bond; Global High Yield - Global High Yield Bond; Short Duration High Yield - Global High Yield Bond; Emerging Markets Debt - Global Emerging Markets Bond; High Income - High Yield Bond; Global Bond - World Bond; Income Advisor - Intermediate Core-Plus Bond; Intermediate Diversified Muni - Muni National Short; High Income Municipal - High Yield Muni. As of December 31, 2024

Source: AB and Morningstar



Institutional Composite Relative Performance vs. Benchmarks

Service	1 Year	3 Year	5 Year	10 Year
Equity				
US Small Cap Growth	4.6	(4.4)	1.8	3.7
Concentrated Global Growth	(9.3)	(9.3)	(4.8)	(0.4)
Global Core	(6.4)	(2.8)	(2.6)	(0.1)
International Strategic Core	6.0	1.7	0.8	1.6
Sustainable Global Thematic	(10.4)	(8.1)	(0.1)	1.4
US Small Cap Value	4.4	(1.0)	0.7	1.1
Global Strategic Value	(6.1)	(1.6)	(3.3)	(3.4)
International Strategic Value	2.2	0.7	(0.2)	(0.8)
Fixed Income				
Global Income	1.8	0.6	0.6	1.3
Global Plus	(0.6)	(0.2)	0.2	0.3
Emerging Market Debt	2.8	0.7	0.8	0.4
US High Yield	0.1	0.1	0.8	0.3
US Strategic Core Plus	1.5	0.6	0.7	0.7
US Investment Grade Corporate	1.4	0.5	0.7	0.7
Intermediate Muni	0.5	0.5	0.7	0.7

Past performance does not guarantee future results.

Investment Performance of composites is presented before investment management fees. Periods of more than one year are annualized. US Small Cap Growth - Russell 2000 Growth Index GDR; Concentrated Global Growth - MSCI World Index NDR; Global Core - MSCI ACWI NDR; International Strategic Core - MSCI EAFE Index NDR; Sustainable Global Thematic - MSCI ACWI NDR; US Small Cap Value - Russell 2000 Value Index GDR; Global Strategic Value - MSCI ACWI NDR; International Strategic Value - MSCI EAFE Index NDR; Global Income - Bloomberg Barclays US Aggregate Index; Global Plus - Bloomberg Barclay Global Aggregate Index Hedged; EM Debt - JPM EMBI Global; Global High Income - Bloomberg Barclays Global HY Index Hedged; US HY - Bloomberg Barclays US Corporate HY Index; US Strategic Core Plus - Bloomberg Barclays US Aggregate Index; US Investment Grade Corporate - Bloomberg Barclays US Credit Index; Intermediate Muni - Lipper Short/Int Blended Muni Fund Avg. Global Plus are hedged to USD. Performance is preliminary and as of December 31, 2024.

Assets Under Management: 4Q24

(US \$ Billions)

	December 31, 2024				September 30, 2024
	Institutions	Private Wealth	Retail	Total	Total
Equity					
Actively Managed	\$49	\$54	\$160	263	271
Passive ⁽¹⁾	24	6	38	68	69
Total Equity	73	60	198	331	340
Fixed Income					
Taxable	117	19	74	210	217
Tax-Exempt	1	30	45	76	71
Passive ⁽¹⁾	—	—	10	10	11
Total Fixed Income	118	49	129	296	299
Alternatives/MAS ⁽²⁾	130	28	7	165	167
Total	\$321	\$137	\$334	\$792	\$806

September 30, 2023

Total	\$335	\$136	\$335	\$806
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(1) Includes index and enhanced index services.

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



Three Months Ended 12/31/24: AUM Roll-Forward by Distribution Channel

In US \$ Billions Investment Service:	Beginning of Period	Sales/New Accounts	Redemptions/ Terminations	Net Cash Flows	Net Flows	Adjustm ⁽¹⁾	Investment Performance	Net Change	End of Period
Institutions									
US	\$163.2	\$1.6	\$(0.7)	\$(1.1)	\$(0.2)	\$—	\$(2.5)	\$(2.7)	\$160.5
Global and Non-US	172.0	0.4	(3.2)	(3.2)	(6.0)	—	(5.1)	(11.1)	160.9
Total Institutions	335.2	2.0	(3.9)	(4.3)	(6.2)	—	(7.6)	(13.8)	321.4
Retail									
US	233.6	18.9	(13.0)	(1.6)	4.3	—	2.5	6.8	240.4
Global and Non-US	100.9	7.5	(7.5)	(3.2)	(3.2)	—	(3.8)	(7.0)	93.9
Total Retail	334.5	26.4	(20.5)	(4.8)	1.1	—	(1.3)	(0.2)	334.3
Private Wealth									
US	90.9	3.9	(3.8)	0.4	0.5	0.7	0.4	1.6	92.5
Global and Non-US	45.3	1.3	(1.0)	(0.5)	(0.2)	—	(1.1)	(1.3)	44.0
Total Private Wealth	136.2	5.2	(4.8)	(0.1)	0.3	—	(0.7)	0.3	136.5
Firmwide									
US	487.7	24.4	(17.5)	(2.3)	4.6	0.7	0.4	5.7	493.4
Global and Non-US	318.2	9.2	(11.7)	(6.9)	(9.4)	—	(10.0)	(19.4)	298.8
Total Firmwide	\$805.9	\$33.6	\$(29.2)	\$(9.2)	\$(4.8)	\$0.7	\$(9.6)	\$(13.7)	\$792.2

(1) This adjustment is due to a change in fee policy related to certain fixed income assets effective October 1, 2024.

Twelve Months Ended 12/31/24: AUM Roll-Forward by Distribution Channel

In US \$ Billions	Beginning	Sales/New	Redemptions/	Net Cash	Net			Investment	Net	End
Investment Service:	of Period	Accounts	Terminations	Flows	Flows	Adjustm ⁽¹⁾	Transfers	Performance	Change	of Period
Institutions										
US	\$150.5	\$9.6	\$(2.9)	\$(4.6)	\$2.1	\$—	\$0.1	\$7.8	\$10.0	\$160.5
Global and Non-US	166.6	3.4	(12.0)	(10.0)	(18.6)	—	—	12.9	(5.7)	160.9
Total Institutions	317.1	13.0	(14.9)	(14.6)	(16.5)	—	0.1	20.7	4.3	321.4
Retail										
US	197.1	66.3	(44.9)	(8.7)	12.7	—	(0.1)	30.7	43.3	240.4
Global and Non-US	89.7	33.6	(26.8)	(6.1)	0.7	—	—	3.5	4.2	93.9
Total Retail	286.8	99.9	(71.7)	(14.8)	13.4	—	(0.1)	34.2	47.5	334.3
Private Wealth										
US	80.8	15.2	(14.8)	1.3	1.7	0.7	—	9.3	11.7	92.5
Global and Non-US	40.5	5.6	(5.1)	(1.3)	(0.8)	—	—	4.3	3.5	44.0
Total Private Wealth	121.3	20.8	(19.9)	—	0.9	0.7	—	13.6	15.2	136.5
Firmwide										
US	428.4	91.1	(62.6)	(12.0)	16.5	0.7	—	47.8	65.0	493.4
Global and Non-US	296.8	42.6	(43.9)	(17.4)	(18.7)	—	—	20.7	2.0	298.8
Total Firmwide	\$725.2	\$133.7	\$(106.5)	\$(29.4)	\$(2.2)	\$0.7	\$—	\$68.5	\$67.0	\$792.2

(1) This adjustment is due to a change in fee policy related to certain fixed income assets effective October 1, 2024.

Three Months Ended 12/31/24: AUM Roll-Forward by Investment Service

In US \$ Billions Investment Service:	Beginning of Period	Sales/New Accounts	Redemptions/ Terminations	Net Cash Flows	Net Flows	AUM Adj ⁽³⁾	Investment Performance	Net Change	End of Period
Equity Active									
US	\$186.9	\$8.7	\$(9.5)	\$(3.3)	\$(4.1)	\$—	\$3.5	\$(0.6)	\$186.3
Global and Non-US	84.4	3.1	(4.5)	(1.9)	(3.3)	—	(4.0)	(7.3)	77.1
Total Equity Active	271.3	11.8	(14.0)	(5.2)	(7.4)	—	(0.5)	(7.9)	263.4
Equity Passive ⁽¹⁾									
US	61.4	0.2	(0.1)	(1.2)	(1.1)	—	1.4	0.3	61.7
Global and Non-US	7.5	—	(0.1)	(0.2)	(0.3)	—	(0.6)	(0.9)	6.6
Total Equity Passive⁽¹⁾	68.9	0.2	(0.2)	(1.4)	(1.4)	—	0.8	(0.6)	68.3
Total Equity	340.2	12.0	(14.2)	(6.6)	(8.8)	—	0.3	(8.5)	331.7
Fixed Income - Taxable									
US	117.2	5.1	(4.3)	2.4	3.2	0.2	(3.1)	0.3	117.5
Global and Non-US	99.0	5.3	(6.1)	(3.1)	(3.9)	—	(3.3)	(7.2)	91.8
Total Fixed Income - Taxable	216.2	10.4	(10.4)	(0.7)	(0.7)	0.2	(6.4)	(6.9)	209.3
Fixed Income - Tax-Exempt									
US	71.2	8.5	(3.2)	0.2	5.5	0.5	(1.0)	5.0	76.2
Global and Non-US	—	—	—	—	—	—	—	—	—
Total Fixed Income - Tax-Exempt	71.2	8.5	(3.2)	0.2	5.5	0.5	(1.0)	5.0	76.2
Fixed Income Passive ⁽¹⁾									
US	9.0	—	—	(0.1)	(0.1)	—	(0.4)	(0.5)	8.5
Global and Non-US	2.4	—	(0.3)	(0.2)	(0.5)	—	(0.1)	(0.6)	1.8
Total Fixed Income Passive⁽¹⁾	11.4	—	(0.3)	(0.3)	(0.6)	—	(0.5)	(1.1)	10.3
Total Fixed Income	298.8	18.9	(13.9)	(0.8)	4.2	0.7	(7.9)	(3.0)	295.8
Alternatives/MAS ⁽²⁾									
US	42.0	1.9	(0.4)	(0.3)	1.2	—	—	1.2	43.2
Global and Non-US	124.9	0.8	(0.7)	(1.5)	(1.4)	—	(2.0)	(3.4)	121.5
Total Alternatives/MAS⁽²⁾	166.9	2.7	(1.1)	(1.8)	(0.2)	—	(2.0)	(2.2)	164.7
Firmwide									
US	487.7	24.4	(17.5)	(2.3)	4.6	0.7	0.4	5.7	493.4
Global and Non-US	318.2	9.2	(11.7)	(6.9)	(9.4)	—	(10.0)	(19.4)	298.8
Total Firmwide	\$805.9	\$33.6	\$(29.2)	\$(9.2)	\$(4.8)	\$0.7	\$(9.6)	\$(13.7)	\$792.2

(1) Includes index and enhanced index services.

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

(3) This adjustment is due to a change in fee policy related to certain fixed income assets effective October 1, 2024.

Twelve Months Ended 12/31/24: AUM Roll-Forward by Investment Service

In US \$ Billions	Beginning of Period	Sales/New Accounts	Redemptions/Terminations	Net Cash Flows	Net Flows	AUM Adj ⁽³⁾	Transfers ⁽³⁾	Investment Performance	Net Change	End of Period
Investment Service:										
Equity Active										
US	\$161.3	\$37.6	\$(34.7)	\$(10.2)	\$(7.3)	\$—	\$—	\$32.3	\$25.0	\$186.3
Global and Non-US	86.2	11.4	(19.6)	(8.6)	(16.8)	—	—	7.7	(9.1)	77.1
Total Equity Active	247.5	49.0	(54.3)	(18.8)	(24.1)	—	—	40.0	15.9	263.4
Equity Passive ⁽¹⁾										
US	55.0	1.4	(0.4)	(6.6)	(5.6)	—	—	12.3	6.7	61.7
Global and Non-US	7.1	0.1	(0.2)	(0.9)	(1.0)	—	—	0.5	(0.5)	6.6
Total Equity Passive⁽¹⁾	62.1	1.5	(0.6)	(7.5)	(6.6)	—	—	12.8	6.2	68.3
Total Equity	309.6	50.5	(54.9)	(26.3)	(30.7)	—	—	52.8	22.1	331.7
Fixed Income - Taxable										
US	118.6	19.1	(14.6)	6.1	10.6	0.2	(12.1)	0.2	(1.1)	117.5
Global and Non-US	90.0	25.3	(19.3)	(5.6)	0.4	—	—	1.4	1.8	91.8
Total Fixed Income - Taxable	208.6	44.4	(33.9)	0.5	11.0	0.2	(12.1)	1.6	0.7	209.3
Fixed Income - Tax-Exempt										
US	61.1	24.2	(11.1)	0.5	13.6	0.5	—	1.0	15.1	76.2
Global and Non-US	—	—	—	—	—	—	—	—	—	—
Total Fixed Income - Tax-Exempt	61.1	24.2	(11.1)	0.5	13.6	0.5	—	1.0	15.1	76.2
Fixed Income Passive ⁽¹⁾										
US	9.0	—	(0.1)	(0.4)	(0.5)	—	—	—	(0.5)	8.5
Global and Non-US	2.4	—	(0.5)	—	(0.5)	—	—	(0.1)	(0.6)	1.8
Total Fixed Income Passive⁽¹⁾	11.4	—	(0.6)	(0.4)	(1.0)	—	—	(0.1)	(1.1)	10.3
Total Fixed Income	281.1	68.6	(45.6)	0.6	23.6	0.7	(12.1)	2.5	14.7	295.8
Alternatives/MAS ⁽²⁾										
US	23.4	8.8	(1.7)	(1.4)	5.7	—	12.1	2.0	19.8	43.2
Global and Non-US	111.1	5.8	(4.3)	(2.3)	(0.8)	—	—	11.2	10.4	121.5
Total Alternatives/MAS⁽²⁾	134.5	14.6	(6.0)	(3.7)	4.9	—	12.1	13.2	30.2	164.7
Firmwide										
US	428.4	91.1	(62.6)	(12.0)	16.5	0.7	—	47.8	65.0	493.4
Global and Non-US	296.8	42.6	(43.9)	(17.4)	(18.7)	—	—	20.7	2.0	298.8
Total Firmwide	\$725.2	\$133.7	\$(106.5)	\$(29.4)	\$(2.2)	\$0.7	\$—	\$68.5	\$67.0	\$792.2

(1) Includes index and enhanced index services.

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

(3) This adjustment is due to a change in fee policy related to certain fixed income assets effective October 1, 2024.

(4) Approximately \$12.1 billion of private placements was transferred from Taxable Fixed Income into Alternatives/Multi-Asset during the third quarter of 2024 to better align with standard industry practice for asset class reporting purposes.

Active vs. Passive Net Flows

Three Months Ended 12/31/24

	Actively Managed		Passively Managed ⁽¹⁾		Total
Equity ⁽¹⁾	\$	(7.4)	\$	(1.4)	\$ (8.8)
Fixed Income		4.8		(0.6)	4.2
Alternatives/MAS ⁽²⁾		(0.4)		0.2	(0.2)
Total	\$	(3.0)	\$	(1.8)	\$ (4.8)

Twelve Months Ended 12/31/24

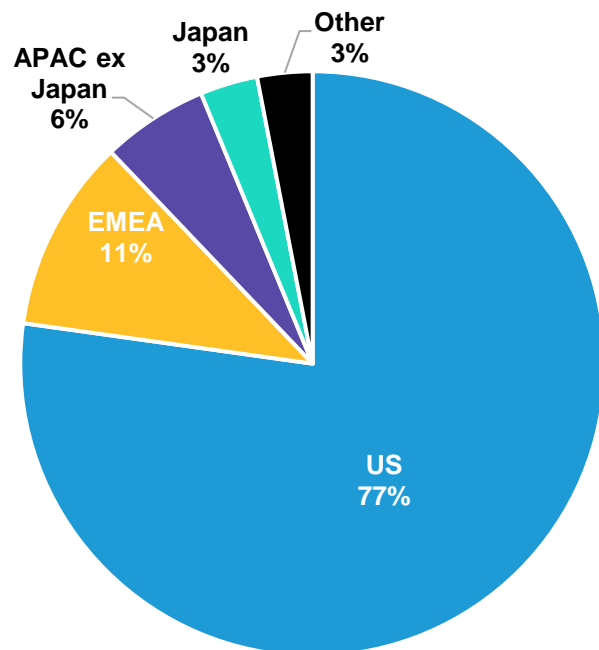
	Actively Managed		Passively Managed ⁽¹⁾		Total
Equity ⁽¹⁾	\$	(24.1)	\$	(6.6)	\$ (30.7)
Fixed Income		24.6		(1.0)	23.6
Alternatives/MAS ⁽²⁾		3.8		1.1	4.9
Total	\$	4.3	\$	(6.5)	\$ (2.2)

(1) Includes index and enhanced index services.

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

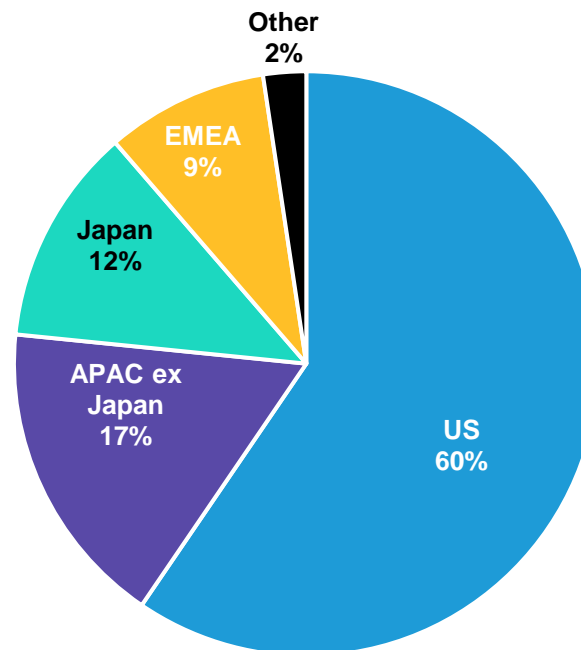
Assets Under Management By Region

Institutional Geographic Breakdown



\$321.4B

Retail Geographic Breakdown



\$334.3B

As of December 31, 2024
 By Client Domicile
 Percentages may not add up to 100% due to rounding



Fourth Quarter and Full Year 2024 Adjusted Advisory Fees

	4Q24	4Q23	% Δ	FY 2024	FY 2023	% Δ
Ending AUM (\$ Billions)	\$792	\$725	9 %	\$792	\$725	9 %
Average AUM (\$ Billions)	\$801	\$685	17 %	\$769	\$680	13 %
By Fee Type (\$ Millions):						
Adjusted Base Fees ⁽¹⁾	\$798	\$682	17 %	\$3,049	\$2,717	12 %
Adjusted Performance Fees	133	51	161 %	227	126	80 %
Total	\$931	\$733	27 %	\$3,276	\$2,843	15 %
Adjusted Base Fees By Channel (\$ Millions):						
Institutions	\$148	\$144	3 %	\$592	\$585	1 %
Retail	376	303	24 %	1,410	1,201	17 %
Private Wealth	274	235	17 %	1,047	931	12 %
Total	\$798	\$682	17 %	\$3,049	\$2,717	12 %

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

Fourth Quarter and Full Year 2024 GAAP Income Statement

In US \$ Millions (except EPU)	4Q24	4Q23	% Δ	FY 2023	FY 2022	% Δ
Net Revenues	\$ 1,258	\$ 1,090	15%	\$ 4,475	\$ 4,155	8%
Operating Expenses	940	852	10%	3,351	3,337	0%
Operating Income	318	238	33%	1,124	818	38%
Net Income Attributable to AB Unitholders	300	227	32%	1,173	765	53%
AB Holding GAAP Diluted Net Income per Unit	\$ 0.94	\$ 0.71	32%	\$ 3.71	\$ 2.34	59%
AB Holding Distribution Per Unit	\$ 1.05	\$ 0.77	36%	\$ 3.26	\$ 2.69	21%

Dollars rounded in millions, however percentages calculated using amounts rounded in thousands. As such, amounts may not foot.

Fourth Quarter and Full Year 2024 AB Holding Financial Results

In US \$ Millions (excluding per Unit amounts)	4Q24	4Q23	% Δ	FY 2024	FY 2023	% Δ
AB						
Net Income Attributable to AllianceBernstein	\$300	\$227	32 %	\$1,173	\$765	53 %
Weighted Average Equity Ownership Interest	38.9%	38.9%		39.4%	39.2%	
AB Holding						
Equity in Net Income Attributable to AB	\$117	\$89	32 %	\$462	\$300	54 %
Income Taxes	\$11	\$9	20 %	\$39	\$36	8 %
Net Income	\$106	\$80	33 %	\$423	\$264	60 %
Diluted Net Income Per Unit, GAAP basis	\$0.94	\$0.71	32 %	\$3.71	\$2.34	59 %
Distributions Per Unit	\$1.05	\$0.77	36 %	\$3.26	\$2.69	21 %
Adjusted Diluted Net Income Per Unit	\$1.05	\$0.77	36 %	\$3.25	\$2.69	21 %

Please refer to pages 29-33 for additional information on the reconciliation of GAAP financial results to adjusted financial results. Dollars rounded in millions, however percentages calculated using amounts rounded in thousands. As such, amounts may not foot.

Fourth Quarter 2024 GAAP to Non-GAAP Reconciliation

In US \$ Thousands	GAAP	Adjustments									Non-GAAP	
		Distribution Related Payments (A)	Pass Through Adjustments (B)	Deferred Comp. Inv. (C)	Pension Obligation Settlement (D)	NCI/ Consol VIE (E)	Real Estate Credits (Charges) (F)	Acquisition-Related Expenses (G)	Equity Method Investment (H)	Interest Expense (I)		
Investment advisory and services fees	\$ 998,021	\$ (16,281)	\$ (42,364)	\$ (8,033)		\$ (143)						\$ 931,200
Bernstein research services	—											—
Distribution revenues	198,859	(198,859)										—
Dividend and interest income	37,872			(1,439)		(2,019)						34,414
Investment gains (losses)	1,912			1,414		1,035			1,168			5,529
Other revenues	38,662		(18,742)			1						19,921
Total revenues	1,275,326	(215,140)	(61,106)	(8,058)	—	(1,126)	-	-	1,168	-		991,064
Less: broker-dealer related interest expense	17,770											17,770
Net revenues	1,257,556	(215,140)	(61,106)	(8,058)	—	(1,126)	-	-	1,168	-		973,294
Employee compensation and benefits	500,778		(37,634)	(5,966)					—			457,178
Promotion and servicing	263,043	(215,140)	(8,132)									39,771
General and administrative	159,764		(15,340)		(13,130)	(330)	206	(9,072)				122,098
Contingent payment arrangements	(1,066)							1,066				—
Interest on borrowings	6,370									(6,370)		—
Amortization of intangible assets	11,160							(11,286)				(126)
Net income (loss) of consolidated entities attributable to non-controlling interests	—					(6)						(6)
Total expenses	940,049	(215,140)	(61,106)	(5,966)	(13,130)	(336)	206	(19,292)	-	(6,370)		618,915
Operating income	317,507	—	—	(2,092)	13,130	(790)	(206)	19,292	1,168	6,370		354,379
Interest on borrowings	—									6,370		6,370
Income taxes	14,755			(97)	621	(37)	(10)	897	54			16,183
Net income	317,507	-	-	(1,995)	12,509	(753)	(196)	18,395	1,114	-		331,826
Net income (loss) of consolidated entities attributable to non-controlling interests	2,975			(2,185)		(790)						-
Net income attributable to AB Unitholders	\$ 299,777	\$ -	\$ -	\$ 190	\$ 12,509	\$ 37	(196)	\$ 18,395	\$ 1,114	-		\$ 331,826

Please refer to page 33 for notes describing the adjustments.



Fourth Quarter 2023 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	Interest Expense		
		(A)	(B)	(C)	(E)	(F)	(G)	(I)		
Investment advisory and services fees	\$ 775,931	\$ (15,302)	\$ (27,162)	\$ (763)	\$ (204)					\$ 732,500
Bernstein research services	100,382									100,382
Distribution revenues	151,339	(151,339)								—
Dividend and interest income	48,682			(362)	(3,309)					45,011
Investment gains (losses)	14,966			(2,384)	(10,088)					2,494
Other revenues	25,993		(8,811)		(69)					17,113
Total revenues	1,117,293	(166,641)	(35,973)	(3,509)	(13,670)	—	—	—	—	897,500
Less: interest expense	26,573									26,573
Net revenues	1,090,720	(166,641)	(35,973)	(3,509)	(13,670)	—	—	—	—	870,927
Employee compensation and benefits	453,291		(21,702)	(4,677)				(1,270)		425,642
Promotion and servicing	225,226	(166,641)	(8,674)							49,911
General and administrative	146,595		(5,597)		(405)	206	633			141,432
Contingent payment arrangements	2,603						(2,603)			—
Interest on borrowings	12,799								(12,799)	—
Amortization of intangible assets	11,706							(11,639)		67
Net income (loss) of consolidated entities attributable to non-controlling interests	—				(19)					(19)
Total expenses	852,220	(166,641)	(35,973)	(4,677)	(424)	206	(14,879)	(12,799)	(12,799)	617,033
Operating income	238,500	—	—	1,168	(13,246)	(206)	14,879	12,799	12,799	253,894
Interest on borrowings									12,799	12,799
Income taxes	(2,202)	—	—	40	122	2	(180)			(2,218)
Net income	240,702	—	—	1,128	(13,368)	(208)	15,059	—	—	243,313
Net income (loss) of consolidated entities attributable to non-controlling interests	13,384			(138)	(13,246)					—
Net income attributable to AB Unitholders	\$ 227,318	\$ —	\$ —	\$ 1,266	\$ (122)	\$ (208)	\$ 15,059	\$ —	\$ —	\$ 243,313

Please refer to page 33 for notes describing the adjustments.



Full Year 2024 GAAP to Non-GAAP Reconciliation

In US \$ Thousands	Adjustments												Non-GAAP
	GAAP	Distribution Related Payments	Pass Through Adjustments	Deferred Comp. Inv.	Pension Obligation Settlement	NCI/ Consol VIE	Real Estate Credits (Charges)	Acquisition- Related Expenses	Equity Method Investment	Interest Expense	(Gain) loss on Divestiture		
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)		
Investment advisory and services fees	\$ 3,442,139	\$ (73,737)	\$ (81,622)	\$ (9,518)		\$ (486)							\$ 3,276,776
Bernstein research services	96,222												96,222
Distribution revenues	726,670	(726,670)											—
Dividend and interest income	165,313			(1,612)		(9,745)							153,956
Investment (losses) gains	(13,486)			(3,280)		(7,869)			36,611				11,976
Other revenues	142,794		(68,939)			126							73,981
Total revenues	4,559,652	(800,407)	(150,561)	(14,410)	—	(17,974)	-	-	36,611	-	-	-	3,612,911
Less: broker-dealer related interest expense	84,513												84,513
Net revenues	4,475,139	(800,407)	(150,561)	(14,410)	—	(17,974)	-	-	36,611	-	-	-	3,528,398
Employee compensation and benefits	1,801,767		(60,244)	(13,899)				(1,358)					1,726,266
Promotion and servicing	982,558	(800,407)	(33,413)										148,738
General and administrative	599,215		(56,904)		(13,130)	(1,679)	825	(15,340)					512,987
Contingent payment arrangements	(121,896)							121,896					—
Interest on borrowings	43,509									(43,509)			—
Amortization of intangible assets	45,913							(45,603)					310
Net income (loss) of consolidated entities attributable to non-controlling interests	—					(47)							(47)
Total expenses	3,351,066	(800,407)	(150,561)	(13,899)	(13,130)	(1,726)	825	59,595	-	(43,509)	-	-	2,388,254
Operating income	1,124,073	—	—	(511)	13,130	(16,248)	(825)	(59,595)	36,611	43,509	-	-	1,140,144
Interest on borrowings	—									43,509			43,509
Gain on Divestiture	134,555										(134,555)		—
Income taxes	65,143			(26)	680	(842)	(43)	(3,087)	1,921	-	(6,940)		56,806
Net income	1,193,485	-	-	(485)	12,450	(15,406)	(782)	(56,508)	34,690	-	(127,615)	-	1,039,829
Net income (loss) of consolidated entities attributable to non-controlling interests	20,238			(3,990)		(16,248)			-	0	0		-
Net income attributable to AB Unitholders	\$ 1,173,247	\$ -	\$ -	\$ 3,505	\$ 12,450	\$ 842	\$ (782)	\$ (56,508)	\$ 34,690	-	\$ (127,615)	\$ -	\$ 1,039,829

Please refer to page 33 for notes describing the adjustments.



Full Year 2023 GAAP to Non-GAAP Reconciliation

In US \$ Thousands	Adjustments								Non-GAAP
	GAAP	Distribution Related Payments (A)	Pass Through Adjustments (B)	Deferred Comp. Inv. (C)	NCI/ Consol VIE (E)	Real Estate Credits (Charges) (F)	Acquisition-Related Expenses (G)	Interest Expense (I)	
Investment advisory and services fees	\$ 2,975,468	\$ (60,919)	\$ (62,538)	\$ (8,246)	\$ (837)				\$ 2,842,928
Bernstein research services	386,142								386,142
Distribution revenues	586,263	(586,263)							—
Dividend and interest income	199,443			(509)	(15,779)				183,155
Investment gains (losses)	14,206			(4,866)	(8,105)				1,235
Other revenues	101,342		(34,910)		(402)				66,030
Total revenues	4,262,864	(647,182)	(97,448)	(13,621)	(25,123)	—	—	—	3,479,490
Less: interest expense	107,541								107,541
Net revenues	4,155,323	(647,182)	(97,448)	(13,621)	(25,123)	—	—	—	3,371,949
Employee compensation and benefits	1,769,153		(44,043)	(18,703)			(17,861)		1,688,546
Promotion and servicing	862,828	(647,182)	(34,358)						181,288
General and administrative	581,571		(19,047)		(1,668)	825	(10,800)		550,881
Contingent payment arrangements	22,853						(22,853)		—
Interest on borrowings	54,394							(54,394)	—
Amortization of intangible assets	46,854						(46,556)		298
Net income (loss) of consolidated entities attributable to non-controlling interests	—				(283)				(283)
Total expenses	3,337,653	(647,182)	(97,448)	(18,703)	(1,951)	825	(98,070)	(54,394)	2,420,730
Operating income	817,670	—	—	5,082	(23,172)	(825)	98,070	54,394	951,219
Interest on borrowings								54,394	54,394
Income taxes	29,051	—	—	177	(828)	(29)	3,466	—	31,837
Net income	788,619	—	—	4,905	(22,344)	(796)	94,604	—	864,988
Net income (loss) of consolidated entities attributable to non-controlling interests	24,009			(837)	(23,172)			—	—
Net income attributable to AB Unitholders	\$ 764,610	\$ —	\$ —	\$ 5,742	\$ 828	\$ (796)	\$ 94,604	\$ —	\$ 864,988

Please refer to page 33 for notes describing the adjustments.

AB Adjusted Financial Results Reconciliation

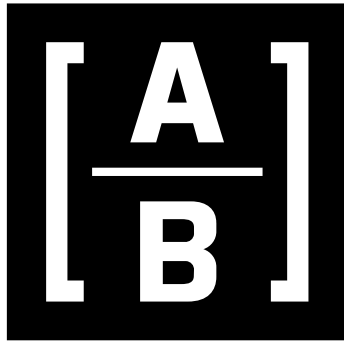
Notes to Consolidated Statements of Income and Supplemental Information (Unaudited)

- 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. Also, we adjust for certain investment advisory and service fees passed through to our investment advisors. 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. Also, we adjust for certain acquisition related pass through performance-based fees and performance related compensation.
- D. The losses associated with the termination of our defined benefit retirement plan are non-cash, short term in nature and not considered a part of our core operating results when comparing financial results from period to period.
- E. 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.
- F. 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.
- 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. 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.
- H. We adjust net revenues to exclude our portion of the equity income or loss associated with our investment in JVs. Effective April 1, 2024 following the close of the transaction with SocGen, we record all income or loss associated with the JVs as equity method investment income (loss). As we no longer consider this activity part of our core business operations and our intent is to fully divest from both joint ventures, we consider these amounts temporary, and as such, we exclude these amounts from our adjusted net revenues.
- I. Interest on borrowings has been excluded from operating income in order to align with our industry peers.
- J. We excluded the gain on divestiture from our net income as it is not considered 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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