



**ALLIANCEBERNSTEIN®**

April 29, 2021

# FIRST QUARTER 2021 REVIEW

**Seth P. Bernstein** President & Chief Executive Officer

**Matt Bass** SVP, Head of Private Alternatives

**Ali Dibadj** Chief Financial Officer & Head of Strategy

# 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, 2020 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.

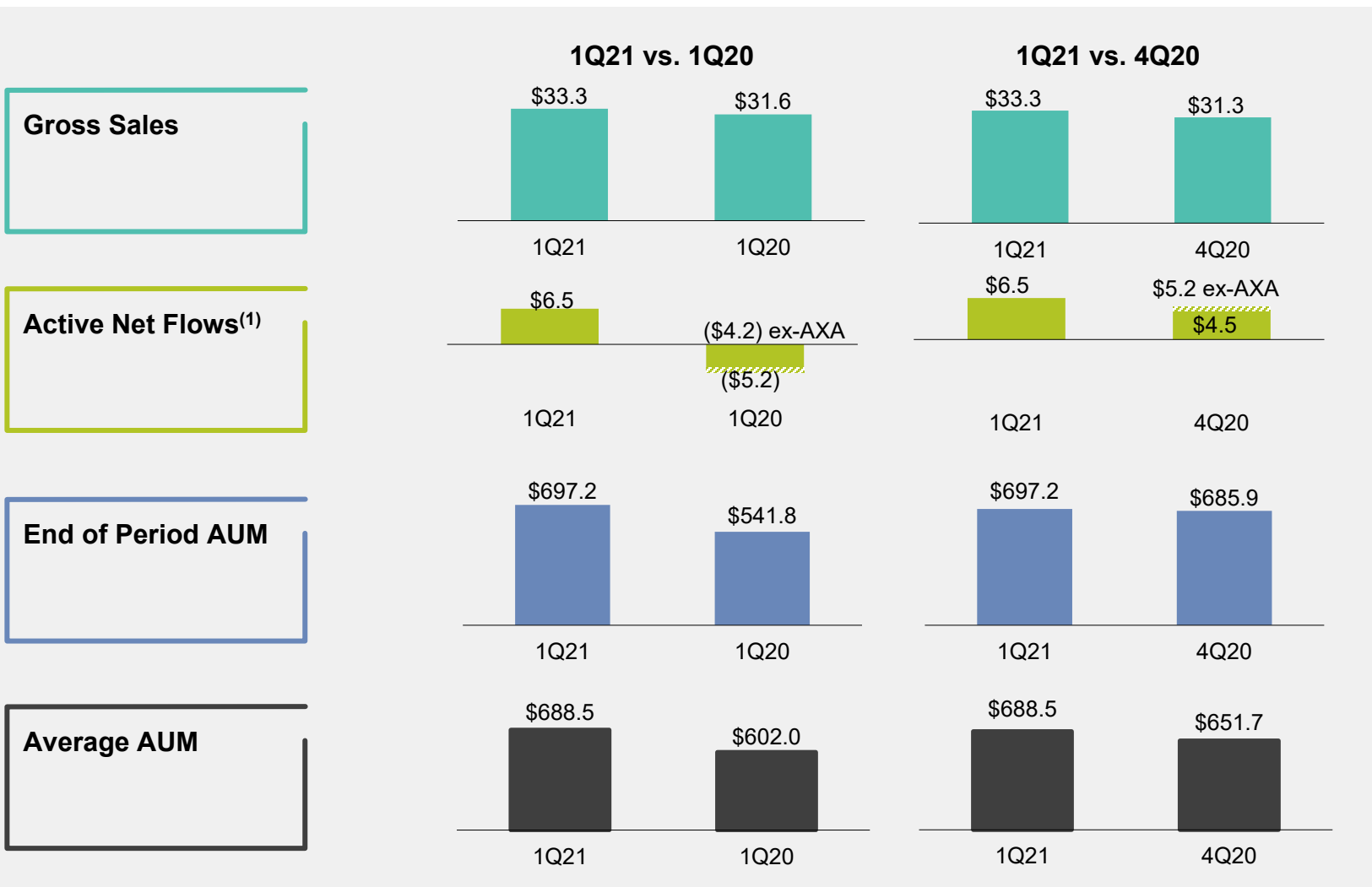
The forward-looking statements referred to in the preceding paragraph include statements regarding:

- **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.

# **Seth P. Bernstein**

## **President & Chief Executive Officer**

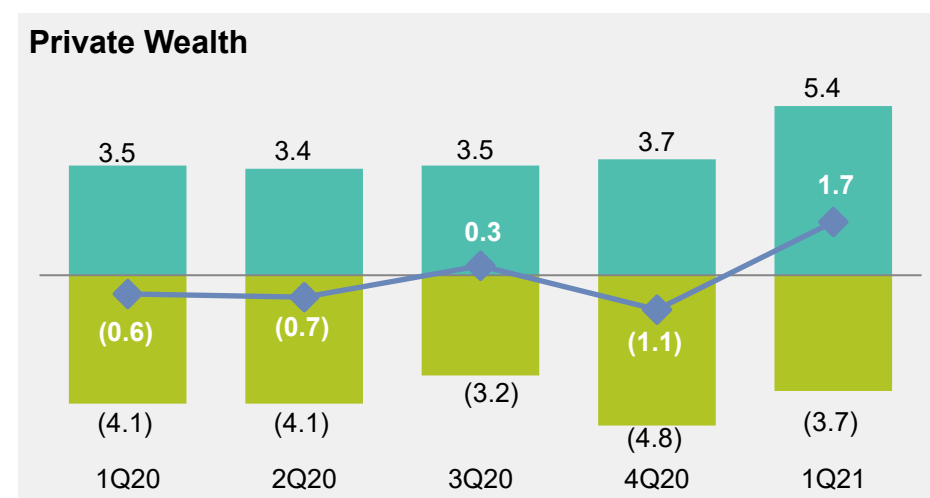
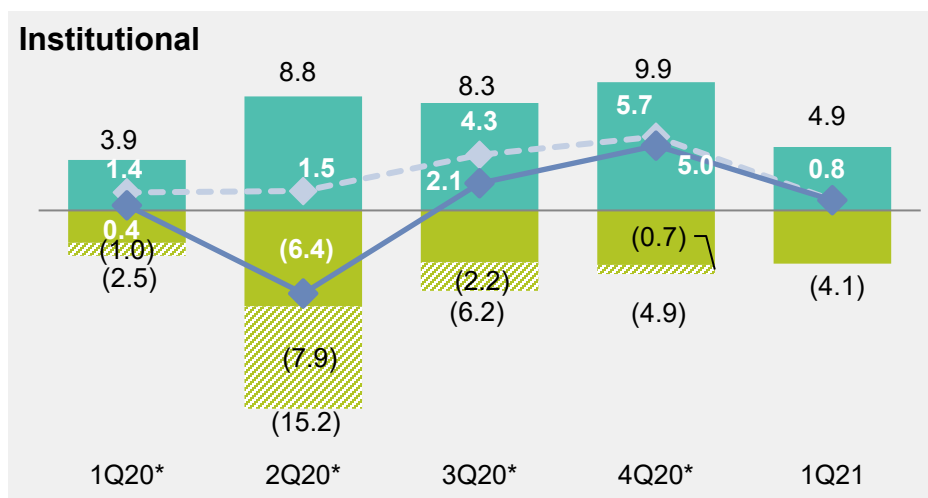
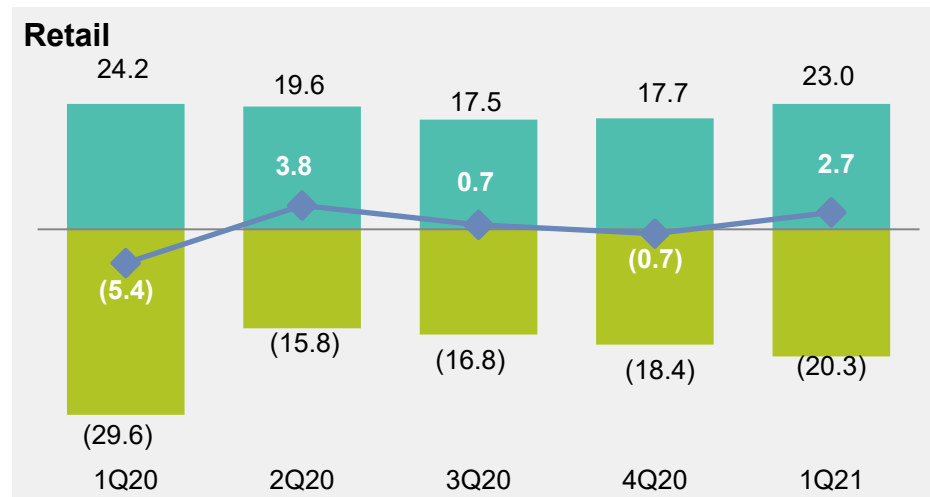
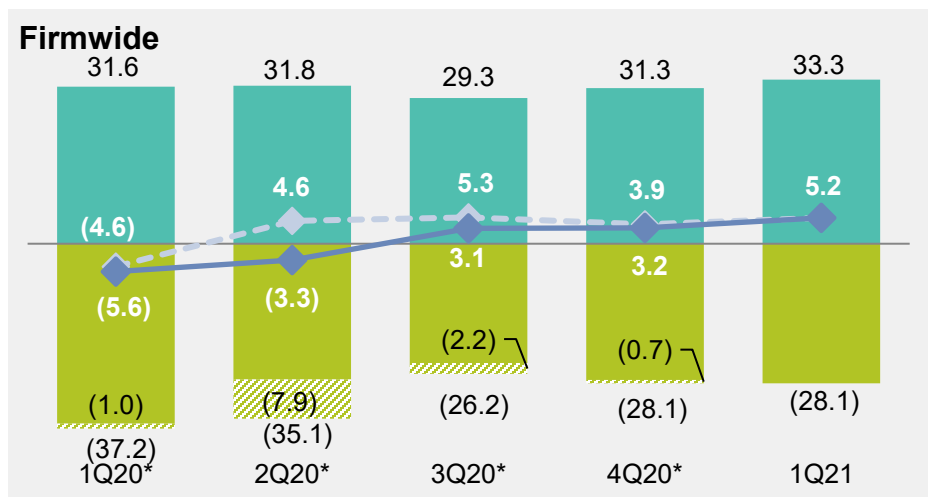
# Firmwide Overview: First Quarter 2021



US \$ Billions; scales differ by chart

(1) 1Q21: Total net inflows of \$5.2B: \$6.5B active net inflows and (\$1.3B) passive net outflows. 4Q20: Total net inflows of \$3.2B: \$4.5B active net inflows and (\$1.3B) passive net outflows. Shaded region excludes AXA outflows of (\$1.0B) in 1Q20 and (\$0.7B) in 4Q20.

# Asset Flows by Distribution Channel: Quarterly Trend



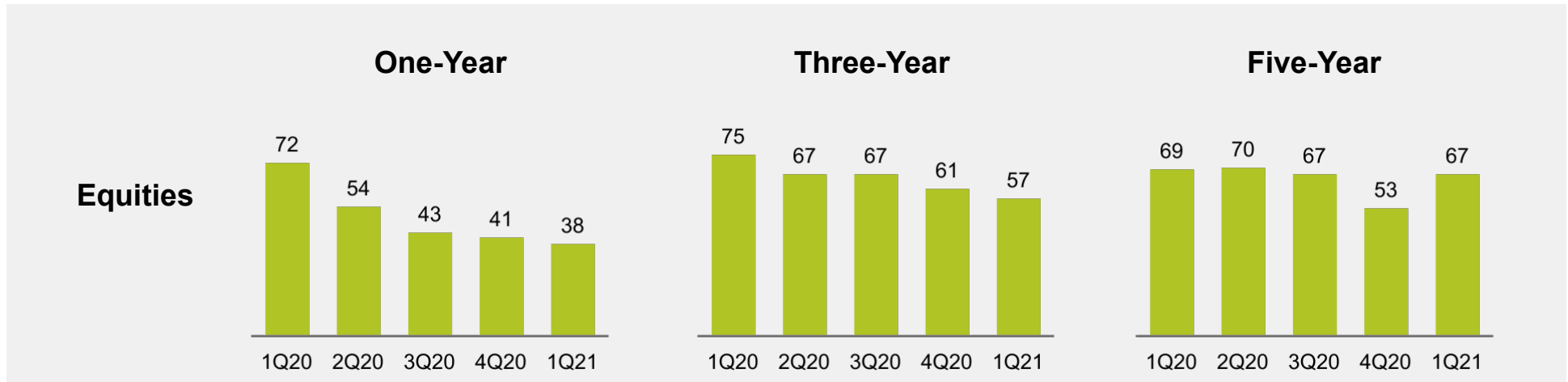
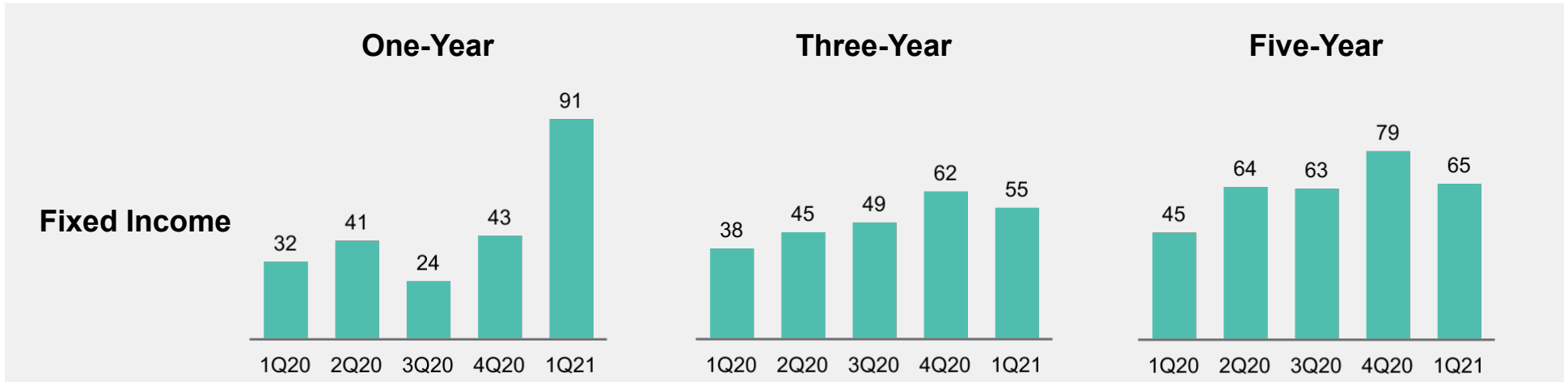
■ Gross Sales ■ Gross Redemptions ▨ AXA Redemptions ◆ Net Flows ◆ Net Flows ex AXA Redemptions



US \$ Billions; scales differ by chart

\*Institutional net outflows include previously disclosed AXA S.A. terminated mandates of \$0.7B in 4Q20, \$2.2B in 3Q20, \$7.9B in 2Q20 and \$1.0B in 1Q20.

# Percentage of Assets Outperforming at Quarter-End

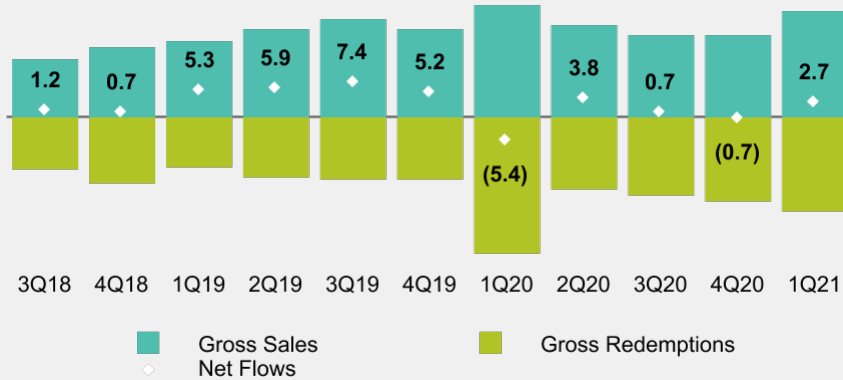


# Retail Highlights

## Balanced Offering Drives Consistent Organic Growth

4% AOG in 1Q; 9th Positive Quarter out of last 11

\$B



## Net Inflows >\$250M

<b>Equity</b>	Sust. Global Thematic, US Large Cap Growth <sup>1</sup> Strat. Rsch. Bal. SMA, Strat. Rsch. Equity SMA US Small Cap Growth, Sustainable US Thematic US SMID Cap Growth, US Small Cap Value
<b>Fixed Income</b>	Muni Tax Aware SMA, China Fixed Income
<b>Multi-Asset</b>	US Multi-Asset Income, Risk Overlay

## Net Outflows >(\$250M)

<b>Equity</b>	Select US Equity
<b>Fixed Income</b>	American Income, Global High Yield

## First Quarter 2021 Highlights

### Sales and Flows

- Gross sales of \$23.0B, **second highest ever** to Q1 20; down \$1B or 5% Y/Y, and up \$5B or 30% Q/Q
- Redemption rate of 31% stable with 30% 4Q, down from 50% 1Q 2020
- Net inflows +\$2.7B, annl'z'd organic growth (AOG) 4%; positive in 9 of last 11 qtrs

### Robust Growth in Active Equities more than offsets Fixed Income outflows

- Active equity sales of \$13.3B, +49% Y/Y, +30% Q/Q
- 16th straight quarter of active equity net inflows**, +\$4.7B or **17% AOG**
- Significant positive equity flows in US Retail and Japan
- Active fixed income sales of \$9.7B -35% Y/Y, +31% Q/Q;
- FI net flows -\$1.5B; municipal +\$1B (18% AOG) partially offset higher taxable FI redemptions driven by American Income

### Milestones

- Balanced geographic sales (36% US, 34% Japan/EMEA/LatAm, 30% Asia ex J)
- 4 New product launches in Japan and Taiwan raise \$1.3B in new AUM
- 61 products with AUM exceeding \$1B (27 Equity, 19 FI, 15 Alts/Multi-asset)
- AB US Retail actively managed fund net inflow rankings:<sup>(2)</sup>
  - U.S. Equity funds ranked **12th out of 454** managers, Int'l Equity funds ranked 30/252; Small Cap Growth 6/157, Discovery Growth 9/153, Global Core Equity 11/239, European Equity 9/39.
  - Muni funds 14/110 managers

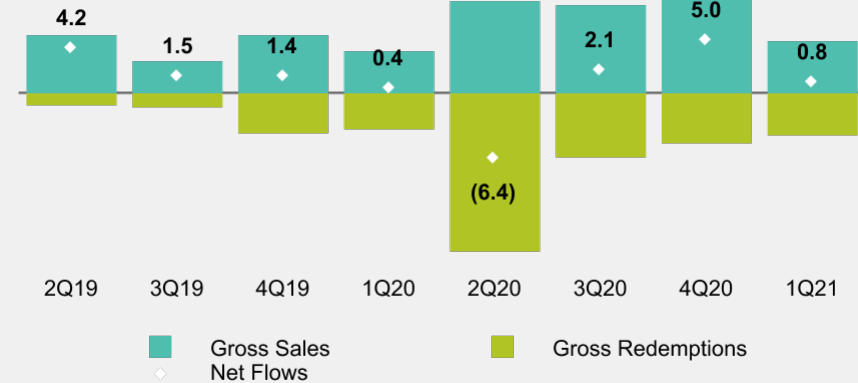


1. Includes Japan on-shore fund, and US 40 Act Fund. Source: Morningstar Direct, Includes Open-ended Funds and ETFs. Both active and passively managed funds are included.  
2. Source: ISS MI Simfund. Actively managed long-term funds only. Excludes 529 FoFs and closed-end.

# Institutional Highlights

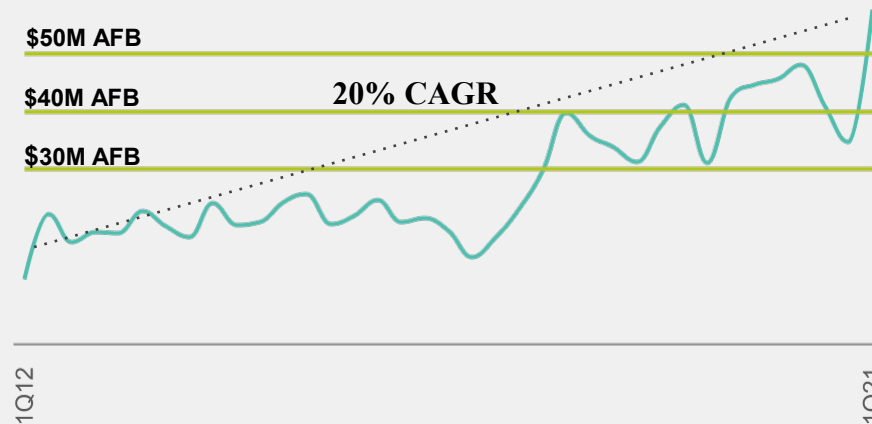
## Organic Growth in 7/8 Trailing Quarters

1% AOG in 1Q  
\$B



## Record High Pipeline AFB led by Alternatives

\$M



## First Quarter 2021 Highlights

### Sales and Flows

- Gross sales of \$4.9B up 26% Y/Y and down 51% Q/Q
- Net inflows of \$0.8B and positive for 7 of the last 8 quarters
  - 3<sup>rd</sup> consecutive quarter of organic growth
- Sales diverse across geography

### Broad Strength in Fixed Income and Continued Success in Active Equities

- Fixed income gross sales of \$3.5B up 338% Y/Y
  - Diversified services, driven by Credit, US Investment Grade Corporates, Securitized Debt, CLO & Emerging Market Debt
- \$0.9B active equity gross sales
  - Active equities unfunded pipeline third strongest AFB ever at >25%

### Growing Pipeline Well-Diversified by Asset Class

- \$15.2B quarter-end pipeline<sup>1</sup>, up 25% Q/Q and down 1% Y/Y
- Diverse by asset class: 31% Alts, 28% CRS\*, 26% Equity & 15% FI
- Notable 1Q pipeline adds:
  - CRS (Customized Retirement Solutions): \$1.5B
  - US CRED Fund IV: \$1.1B
  - Euro CRED: \$1B
  - US Investment Grade Corp: \$750M
  - Emerging Market Debt: \$550M
  - Middle Market Direct Lending: \$500M
- AFB at a new record high > \$50M
  - Alts represent > 50% of AFB

(1) Total assets awarded and pending funding as of quarter-end.

\* CRS are low fee mandates.





# Private Wealth Management Highlights

## Strong Rebound in Net Flows in 1Q

\$B



## First Quarter 2021 Highlights

### Sales and Flows Reflect Sentiment Shift to Re-Risk

- Strong gross sales of \$5.4B, up 54% Y/Y and 46% Q/Q
- Productivity continues to improve, +31% Q/Q
- Redemptions of \$3.7B, or 23% sequential improvement
- Net inflows of \$1.7B, 6% AOG

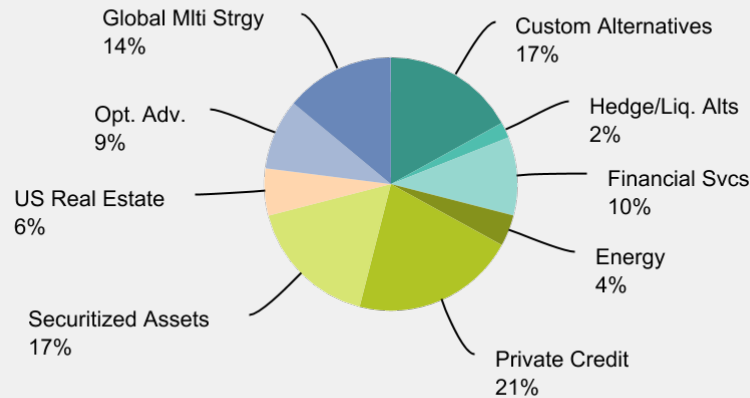
### Strong Client Engagement Reflecting Heightened Risk-Tolerance

- Increase in client meetings focused on cash deployment into long-term allocations
- Strong increase in Pre-IPO Planning versus 2020 levels
- \$106M raised in Private Credit
- \$75M raised on First Close 2021 Vintage Private Equity Fund of Funds

### Innovation Supports Differentiated Allocations to meet Diverse Client Needs

- Muni Impact portfolio now \$1.2B of AUM, +63% Y/Y
- Private Wealth grew ESG AUM to \$5.2B in AUM, up 115% Y/Y and 17% Q/Q
- Proprietary SMA Tax-Loss Harvesting Portfolio \$700M in AUM, up 48% Q/Q
- Significant acceleration in product launches planned for 2021 across Alternative, ESG, and SMA platforms

## Diversified Alternative Services (as % of Alternatives AUM)



# Bernstein Research Highlights

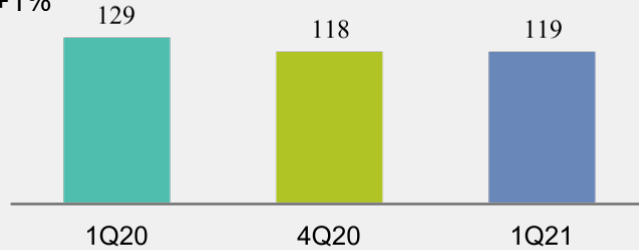
## Bernstein Research Quarterly Revenues

\$M

% Change

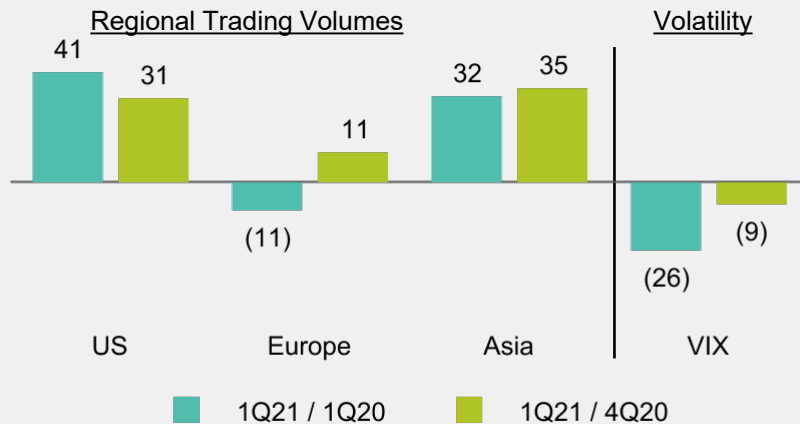
1Q21/1Q20: (8)%

1Q21/4Q20: +1%



## Regional Volumes and Volatility<sup>(1)</sup>

(% Change)



## First Quarter 2021 Highlights

### Healthy Institutional Trading Volumes

- Revenues of \$119M, -8% Y/Y, +1% Q/Q
- Continued strong growth in Asia, including India, supported by Asian investments
- Broadly active institutional markets leads to healthy US trading volumes

### Asia Growth

- Asia trading commissions up 50% Y/Y, compounding last year's 50% Y/Y growth
- India revenue continues to ramp strongly, up >300% Y/Y
- Launched coverage on China internet; hired additional tech analyst

### Continued Strong Client Recognition for Differentiated Research Platform

- Research checks up 15% Y/Y with good momentum
- Positive momentum in client vote recognition

(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 1Q21

## Firmwide Initiative      Progress

### Deliver superior investment solutions to clients

- Active Equity: 57% of assets in outperforming services for 3-yr period; 38% for 1-yr and 67% for 5-yr
- Fixed Income: 55% of assets in outperforming services for 3-yr period; 91% for 1-yr and 65% for 5-yr
- 70% of US rated and 56% of Lux rated assets rated 4/5-stars by Morningstar at quarter-end

### Develop, commercialize and scale our suite of services

- Balanced offerings driving consistent organic growth across all channels
  - Retail: 4% AOG (positive last 9 of 11 qtrs); 16 straight quarters of active equity net inflows
  - Institutional: 1% AOG (positive last 7 of 8 qtrs); \$15.2B pipeline, record AFB > \$50M now comprised of > 50% Alts
  - Private Wealth: 6% AOG, net inflows +\$1.7B; strong sales with improved investment performance
- Differentiated product amplifying growth
  - ESG: Portfolios with Purpose \$21B in AUM, +128% Y/Y, +27% Q/Q
  - Alternatives/Multi-Asset: 12% AOG
  - Municipals: 13% AOG, with >90% of AUM in 4/5-star rated funds

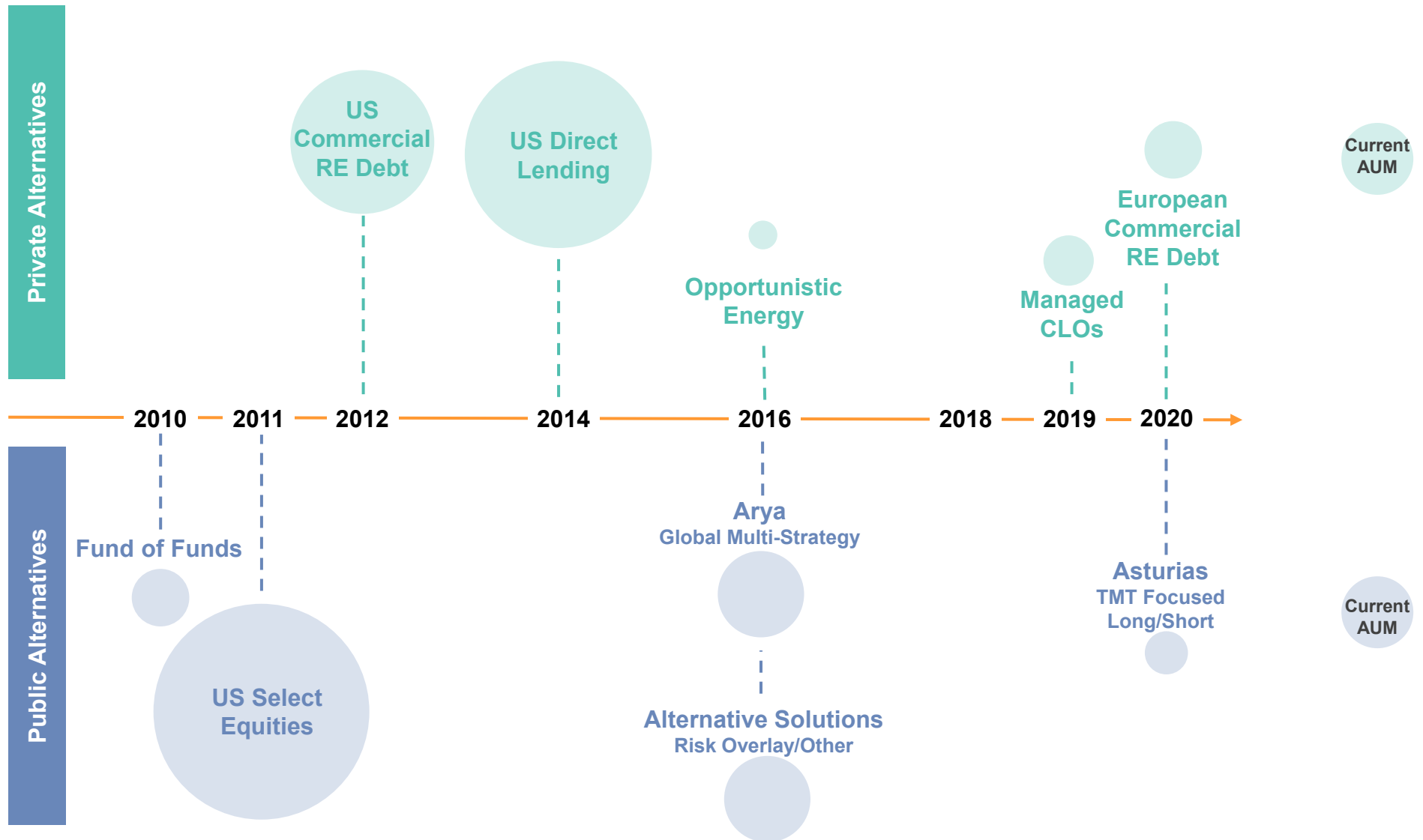
### Maintain strong incremental margins

- G&A up 2% Y/Y
- Adjusted 1Q operating margin of 31.7%, up 410 bps Y/Y
- Adjusted EPU of \$0.81, up 27% Y/Y
- Nashville relocation \$0.01/unit accretive in 1Q

# **Matt Bass**

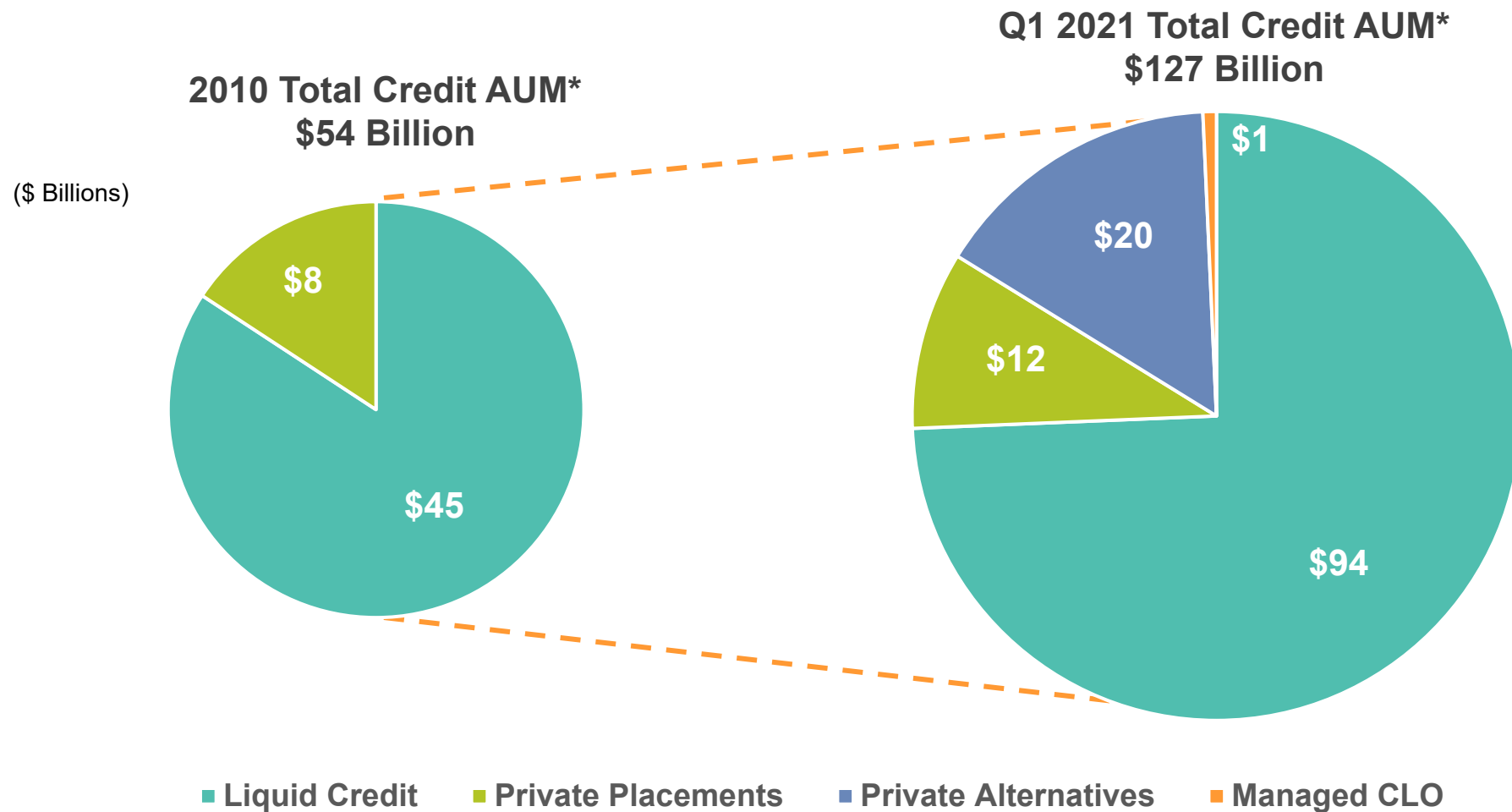
## **SVP, Head of Private Alternatives**

# Long-Term Strategy to Extend Investment Capabilities into Alternatives



# Growth in Private Alternatives Driven by Credit Strategies

## A Natural Extension of our Liquid Credit Business



Notes:

Liquid Credit includes US and global high yield, global credit securitized debt and emerging markets debt.

\* Total AUM for Private Alternatives includes uncalled committed capital or fund target leverage, where applicable.

# Private Alternatives Platform Provides Strong Foundation for Growth

## Private Alternatives: \$20 Billion in Committed Capital \*

### Private Credit

#### US Direct Lending

- Launched in 2014
- Deployed \$13.0B since inception, invested in 206 companies
- Invests across 6 vehicles
- \$11.0B in committed capital
- Partnership with Abbott Capital to access and invest in PE multi-manager solutions

### Energy

- Launched in 2016
- Invests across 2 vintages
- \$0.6B in committed capital

### Commercial Real Estate

#### US Commercial Real Estate Debt

- Launched in 2012
- Deployed \$5.7B since inception, financing 107 properties
- Invests across 6 strategies; recent first close of fourth US commercial real estate debt fund
- \$6.7B in committed capital

#### European Commercial Real Estate Debt

- Launched in 2020
- Capital deployment commenced in Q1
- Invests across 2 strategies
- \$1.2B in committed capital



Notes:

\* Includes uncalled committed capital or fund target leverage, where applicable.

# Growth Strategy Supported by Access to Strategic Capital Sources

## Organic Growth: Scale Existing Investment Platforms

- + Growing the core
  - + Scaling existing funds
  - + Follow-on funds
  - + New funds targeting new client segments
- + Extending into adjacencies
  - + Leverage existing investment teams and capabilities

## Inorganic Growth: Fill Gaps

- + Fill gaps through targeted acquisitions and team lift-outs
  - + Geographic
  - + Asset class
- + Focus on scalable, higher growth markets
- + Dedicated M&A program
- + Pursue attractive partnerships

### Access to Strategic Capital Sources:

- Permanent capital from Equitable Holdings, a virtuous cycle
- Bernstein Private Wealth Management, overseeing >\$100B in AUM
- Global institutional and retail client base



Notes:

Permanent capital means capital of indefinite duration, which may be withdrawn under certain conditions.



# Why AB?

**Since 2010, AB has completed 10 team lift-outs/acquisitions within alternatives, significantly scaling these strategies by more than 4x their initial seed investments**

## **AB Commitment to Growing Alternatives Business**

- + Prioritization to diversify investment products by type and region
- + Led by client demand
- + Deep strategic partnership with Equitable, with an emphasis on the growth of private alternatives

## **Strong Infrastructure with Demonstrated Track Record to Scale Acquired Business**

- + Teams maintain investment autonomy leveraging strategy-focused expertise combined with platform-wide investment experience across all asset classes
- + AB's global infrastructure supports growth and enhances operations
- + Global distribution franchise diversified by both institutional and high net worth capital

## **One Team Approach: From Sourcing through Commercialization**

- + Single point of contact throughout the process to ensure successful integration and continuity
- + Results in establishment of deeper connectivity within the firm and faster time to market
- + Dedicated business development professionals working in tandem with acquired investment teams to drive growth

# Ali Dibadj

## Chief Financial Officer & Head of Strategy

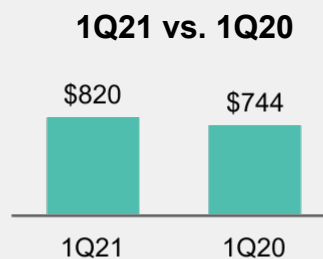
# First Quarter 2021 GAAP Income Statement

Income Statement (in US \$ Millions)	1Q21	1Q20	% Δ	4Q20	% Δ
Base Fees	\$ 687	\$ 614	12 %	\$ 656	5 %
Performance Fees	16	8	94 %	109	(86)%
Bernstein Research Services	119	129	(8)%	118	1 %
Distribution Revenues	147	131	13 %	143	3 %
Dividends & Interest	9	20	(58)%	9	— %
Investment Gains (Losses)	2	(44)	n/m	3	(26)
Other Revenues	28	25	9 %	26	5 %
<b>Total Revenues</b>	<b>1,008</b>	<b>883</b>	<b>14 %</b>	<b>1,064</b>	<b>(5)%</b>
Less: Interest Expense	1	9	(88)%	1	(20)%
<b>Net Revenues</b>	<b>\$ 1,007</b>	<b>\$ 874</b>	<b>15 %</b>	<b>\$ 1,063</b>	<b>(5)%</b>
Compensation & Benefits					
Compensation & Fringes	\$ 400	\$ 354	13 %	\$ 415	(4)%
Other Employment Costs	6	8	(25)%	9	(33)%
<b>Total Compensation &amp; Benefits</b>	<b>406</b>	<b>362</b>	<b>12 %</b>	<b>424</b>	<b>(4)%</b>
Promotion & Servicing	217	201	8 %	212	3 %
General & Administrative	120	122	(2)%	123	(2)%
Other	4	11	(65)%	2	83 %
<b>Total Operating Expenses</b>	<b>\$ 747</b>	<b>\$ 696</b>	<b>7 %</b>	<b>\$ 761</b>	<b>(2)%</b>
<b>Operating Income</b>	<b>\$ 260</b>	<b>\$ 178</b>	<b>46 %</b>	<b>\$ 302</b>	<b>(14)%</b>
<b>Operating Margin</b>	<b>25.9 %</b>	<b>23.3 %</b>	<b>260 bps</b>	<b>28.4 %</b>	<b>(250 bps)</b>
<b>AB Holding GAAP Diluted Net Income Per Unit</b>	<b>\$ 0.81</b>	<b>\$ 0.63</b>	<b>29 %</b>	<b>\$ 0.97</b>	<b>(16)%</b>

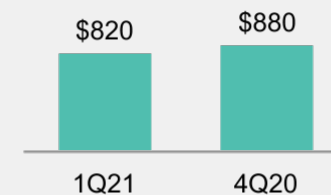
# Adjusted Financial Highlights: First Quarter 2021

In US \$ Millions; scales may differ

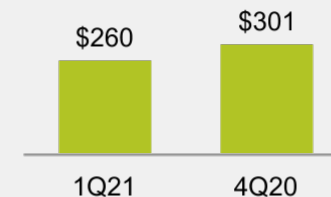
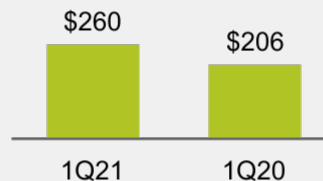
## Adjusted Revenues



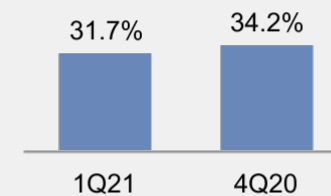
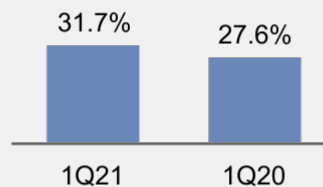
## 1Q21 vs. 4Q20



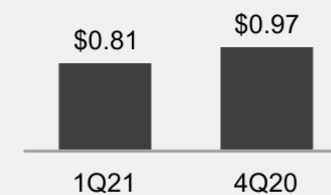
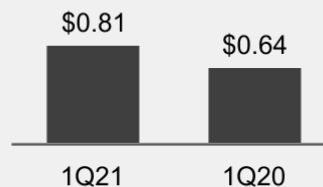
## Adjusted Operating Income



## Adjusted Operating Margin



## Adjusted EPU



# First Quarter 2021 Adjusted Income Statement

Adjusted Income Statement (in US \$ Millions)	1Q21	1Q20	% Δ	4Q20	% Δ
Base Fees <sup>(1)</sup>	\$ 661	\$ 594	11 %	\$ 632	5 %
Performance Fees	16	6	189 %	109	(85)%
Bernstein Research Services	119	129	(8)%	118	1 %
Investment Gains (Losses)	2	(7)	(135)%	(1)	n/m
Other Revenues	23	31	(25)%	23	2 %
<b>Total Revenues</b>	<b>821</b>	<b>753</b>	<b>9 %</b>	<b>881</b>	<b>(7)%</b>
Less: Interest Expense	1	9	(88)%	1	(20)%
<b>Adjusted Net Revenues</b>	<b>\$ 820</b>	<b>\$ 744</b>	<b>10 %</b>	<b>\$ 880</b>	<b>(7)%</b>
Compensation & Benefits					
Compensation & Fringes	\$ 398	\$ 360	10 %	\$ 410	(3)%
Other Employment Costs	6	8	(21)%	9	(30)%
<b>Total Compensation &amp; Benefits</b>	<b>404</b>	<b>368</b>	<b>10 %</b>	<b>419</b>	<b>(4)%</b>
Promotion & Servicing	36	46	(21)%	39	(6)%
General & Administrative	116	114	2 %	117	(1)%
Other	4	10	(65)%	4	8 %
<b>Total Adjusted Operating Expenses</b>	<b>\$ 560</b>	<b>\$ 538</b>	<b>4 %</b>	<b>\$ 579</b>	<b>(3)%</b>
<b>Adjusted Operating Income</b>	<b>\$ 260</b>	<b>\$ 206</b>	<b>26 %</b>	<b>\$ 301</b>	<b>(14)%</b>
<b>Adjusted Operating Margin</b>	<b>31.7 %</b>	<b>27.6 %</b>	<b>410 bps</b>	<b>34.2 %</b>	<b>(250 bps)</b>
<b>AB Holding Adjusted Diluted Net Income Per Unit</b>	<b>\$ 0.81</b>	<b>\$ 0.64</b>	<b>27 %</b>	<b>\$ 0.97</b>	<b>(16)%</b>
<b>Compensation Ratio</b>	<b>48.5 %</b>	<b>48.5 %</b>		<b>46.7 %</b>	

(1) Net of both sub-advisory and fees paid to distributors from investment management fees.  
Dollars rounded in millions, however percentages calculated using amounts rounded in thousands. As such, amounts may not foot.

# First Quarter 2021 Adjusted Income Statement Highlights

## Revenues

- Base Fees increased 11% versus 1Q20 and 5% versus 4Q20 due primarily to higher average AUM across all three distribution channels.
- The increase in Performance Fees versus 1Q20 resulted from higher fees earned on our Private Credit services. The sequential decrease is attributed to a large number of investment strategies having annual calculation periods ending in 4Q.
- Bernstein Research revenues decreased 8% versus 1Q20 mainly due to decreased customer trading revenues in the U.S. and Europe attributed to decreased market volatility partially offset by higher trading revenues in Asia. Revenues versus 4Q20 were mostly flat across all regions.
- 1Q21 recorded investment gains which were driven by seed investment gains versus investment losses in both prior periods.
- Other Revenues net of interest paid on customer balances was relatively unchanged versus both prior periods.

## Expenses

- The Adjusted Compensation Ratio was 48.5% in 1Q21 and 1Q20 versus 46.7% in 4Q20.
- Total Compensation & Benefits increased 10% versus 1Q20 due primarily to incentive compensation and fringes and decreased 4% versus 4Q20 due to lower incentive compensation partially offset by higher commissions.
- Promotion & Servicing decreased 21% versus 1Q20 due to lower T&E and firm meetings resulting from COVID-19 related travel restrictions. The 6% decline versus 4Q20 was due to lower firm meetings due to COVID-19 related travel restrictions as well as lower Marketing and Advertising.
- G&A expenses increased 2% versus 1Q20 due to higher occupancy costs related to Nashville relocation, other taxes, portfolio servicing, an unfavorable foreign exchange translation, professional fees and technology expenses partially offset by lower errors. G&A expenses decreased 1% versus 4Q20 due to lower charitable contributions and errors partially offset by higher occupancy costs primarily related to the Nashville transition and professional fees.

## Operating Results

- Adjusted Operating Income increased 26% versus 1Q20 due to an increase in revenues driven mainly by higher base fees outpacing the increase in operating expenses. Despite the increase in base fees, Adjusted Operating Income decreased by 14% versus 4Q20 due to the impact of lower performance fees and higher incentive compensation accruals as 4Q20 reflected full year compensation true-ups.
- Adjusted Margin was 31.7% in 1Q21, versus 27.6% in 1Q20 and 34.2% in 4Q20.



# 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 with permanent capital

## 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

~8% distribution yield in a low-rate environment \*

## Brand Strength

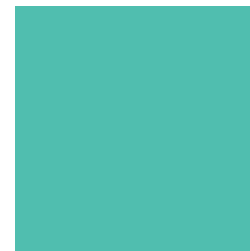
AB, Bernstein brands renowned among institutional investors

Private Wealth differentiated among peers; excellent margin, sticky assets adding significant long-term value



\* Distribution yield as of 4/27/2021

Permanent capital means capital of indefinite duration, which may be withdrawn under certain conditions.



# APPENDIX



# Retail Mutual Funds Relative Performance vs. Morningstar Average

Top quartile  
2<sup>nd</sup> quartile

Retail Service	1 Year		3 Year		5 Year		10 Year	
	Relative (%)	Percentile	Relative (%)	Percentile	Relative (%)	Percentile	Relative (%)	Percentile
<b>Equity</b>								
Large Cap Growth	(10.4)	84	1.7	30	1.2	31	2.0	17
Concentrated Growth	(3.2)	52	1.1	35	(0.1)	47	1.0	31
Concentrated International Growth	(1.1)	45	(0.5)	48	1.3	23	N/A	N/A
Sustainable US Thematic	5.5	25	1.6	33	2.0	27	0.4	45
Select US Equity	(0.3)	58	0.3	55	0.9	44	N/A	N/A
International Tech	19.6	16	11.6	5	8.9	5	4.9	4
Low Vol	(29.4)	93	(0.6)	54	(0.8)	63	N/A	N/A
Eurozone Equity	5.5	16	(1.8)	75	1.5	32	1.5	16
Relative Value	0.3	46	0.6	42	0.9	33	1.6	12
<b>Multi-Asset/Alternative</b>								
Emerging Markets Multi-Asset	11.8	14	3.1	8	2.7	9	N/A	N/A
All Market Income	(2.5)	62	(2.0)	83	(1.2)	75	N/A	N/A
Select US Long/Short	1.1	43	4.3	21	3.3	21	N/A	N/A

## 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 Income - USD Moderate Allocation; Select US Long/Short - Long-Short Equity. As of 3/31/2021. Source: AB and Morningstar.



# Retail Mutual Funds Relative Performance vs. Morningstar Average

Top quartile  
2<sup>nd</sup> quartile

Service	1 Year		3 Year		5 Year		10 Year	
	Relative (%)	Percentile	Relative (%)	Percentile	Relative (%)	Percentile	Relative (%)	Percentile
<b>Fixed Income</b>								
American Income	0.1	43	1.4	28	0.8	29	1.2	9
European Income	6.7	17	1.9	10	1.7	17	2.4	8
Asia Income	0.6	37	1.3	22	N/A	N/A	N/A	N/A
Global High Yield	2.2	23	(1.2)	82	—	56	0.2	51
Short Duration High Yield	(2.9)	65	1.3	22	(0.4)	64	N/A	N/A
Emerging Markets Debt	5.4	17	0.9	39	1.0	27	1.4	22
High Income Advisor	5.4	15	(1.6)	89	(0.5)	72	0.4	33
Global Bond Advisor	0.2	48	(0.5)	71	(0.1)	66	0.3	52
Income Advisor	4.0	10	—	53	0.7	18	1.3	4
Intermediate Diversified Muni	3.2	3	1.7	2	0.9	8	N/A	N/A
High Income Muni	3.0	14	1.0	19	0.8	20	1.1	14

## 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 3/31/2021. Source: AB and Morningstar.



# Institutional Composite Relative Performance vs. Benchmarks

Service	1 Year	3 Year	5 Year	10 Year
<b>Equity</b>				
US Small Cap Growth	7.9	10.8	9.9	4.6
Concentrated Global Growth	5.2	4.3	5.4	3.8
Global Core	(4.7)	0.9	1.5	N/A
International Strategic Core	(12.2)	(1.2)	(0.8)	N/A
Sustainable Global Thematic	17.8	8.1	6.4	1.8
US Small Cap Value	13.3	0.4	0.1	2.6
Global Strategic Value	5.7	(6.8)	(4.5)	(2.2)
International Strategic Value	10.6	(5.7)	(3.2)	(1.9)
<b>Fixed Income</b>				
Global Income	10.6	0.8	2.0	2.3
Global Plus	4.7	0.1	0.6	0.6
Emerging Market Debt	7.5	(0.1)	1.0	0.2
US High Yield	4.7	1.2	0.5	0.6
US Strategic Core Plus	4.2	0.5	0.9	0.7
US Investment Grade Corporate	5.4	1.1	0.7	0.2
Intermediate Muni	2.2	1.0	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 3/31/2021.

# Assets Under Management: 1Q21

(US \$ Billions)

	March 31, 2021				December 31, 2020
	Institutions	Private Wealth	Retail	Total	Total
<b>Equity</b>					
Actively Managed	\$ 64	\$ 53	\$ 115	\$ 232	\$ 218
Passive (1)	28	1	37	66	64
<b>Total Equity</b>	<b>92</b>	<b>54</b>	<b>152</b>	<b>298</b>	<b>282</b>
<b>Fixed Income</b>					
Taxable	157	14	81	252	263
Tax-Exempt	1	27	24	52	50
Passive (1)	—	—	8	8	9
<b>Total Fixed Income</b>	<b>158</b>	<b>41</b>	<b>113</b>	<b>312</b>	<b>322</b>
<b>Alternatives/MAS (2)</b>	<b>65</b>	<b>15</b>	<b>7</b>	<b>87</b>	<b>82</b>
<b>Total</b>	<b>\$ 315</b>	<b>\$ 110</b>	<b>\$ 272</b>	<b>\$ 697</b>	<b>\$ 686</b>
<b>At December 31, 2020</b>					
<b>Total</b>	<b>\$ 316</b>	<b>\$ 105</b>	<b>\$ 265</b>	<b>\$ 686</b>	



(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 3/31/21: 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	164.2	1.4	(0.3)	(2.8)	(1.7)	(0.2)	(4.0)	(5.9)	158.3
Global and Non-US	151.4	3.5	(2.5)	1.5	2.5	—	2.5	5.0	156.4
<b>Total Institutions</b>	<b>315.6</b>	<b>4.9</b>	<b>(2.8)</b>	<b>(1.3)</b>	<b>0.8</b>	<b>(0.2)</b>	<b>(1.5)</b>	<b>(0.9)</b>	<b>314.7</b>
Retail									
US	147.7	12.2	(6.9)	(1.7)	3.6	0.2	4.5	8.3	156.0
Global and Non-US	117.6	10.8	(10.8)	(0.9)	(0.9)	—	(0.4)	(1.3)	116.3
<b>Total Retail</b>	<b>265.3</b>	<b>23.0</b>	<b>(17.7)</b>	<b>(2.6)</b>	<b>2.7</b>	<b>0.2</b>	<b>4.1</b>	<b>7.0</b>	<b>272.3</b>
Private Wealth Management									
US	69.7	3.6	(2.8)	—	0.8	—	2.2	3.0	72.7
Global and Non-US	35.3	1.8	(0.9)	—	0.9	—	1.3	2.2	37.5
<b>Total Private Wealth</b>	<b>105.0</b>	<b>5.4</b>	<b>(3.7)</b>	<b>—</b>	<b>1.7</b>	<b>—</b>	<b>3.5</b>	<b>5.2</b>	<b>110.2</b>
Firmwide									
US	381.6	17.2	(10.0)	(4.5)	2.7	—	2.7	5.4	387.0
Global and Non-US	304.3	16.1	(14.2)	0.6	2.5	—	3.4	5.9	310.2
<b>Total Firmwide</b>	<b>685.9</b>	<b>33.3</b>	<b>(24.2)</b>	<b>(3.9)</b>	<b>5.2</b>	<b>—</b>	<b>6.1</b>	<b>11.3</b>	<b>697.2</b>

# Three Months Ended 3/31/21: 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	125.1	9.7	(6.1)	(1.6)	2.0	5.8	7.8	132.9
Global and Non-US	92.7	5.9	(3.2)	(1.0)	1.7	4.5	6.2	98.9
<b>Total Equity Active</b>	<b>217.8</b>	<b>15.6</b>	<b>(9.3)</b>	<b>(2.6)</b>	<b>3.7</b>	<b>10.3</b>	<b>14.0</b>	<b>231.8</b>
Equity Passive(1)								
US	53.4	0.2	—	(1.8)	(1.6)	3.6	2.0	55.4
Global and Non-US	11.1	—	(0.6)	0.2	(0.4)	0.2	(0.2)	10.9
<b>Total Equity Passive(1)</b>	<b>64.5</b>	<b>0.2</b>	<b>(0.6)</b>	<b>(1.6)</b>	<b>(2.0)</b>	<b>3.8</b>	<b>1.8</b>	<b>66.3</b>
<b>Total Equity</b>	<b>282.3</b>	<b>15.8</b>	<b>(9.9)</b>	<b>(4.2)</b>	<b>1.7</b>	<b>14.1</b>	<b>15.8</b>	<b>298.1</b>
Fixed Income - Taxable								
US	133.3	3.0	(1.5)	(1.3)	0.2	(6.8)	(6.6)	126.7
Global and Non-US	129.9	9.4	(10.7)	0.3	(1.0)	(3.4)	(4.4)	125.5
<b>Total Fixed Income - Taxable</b>	<b>263.2</b>	<b>12.4</b>	<b>(12.2)</b>	<b>(1.0)</b>	<b>(0.8)</b>	<b>(10.2)</b>	<b>(11.0)</b>	<b>252.2</b>
Fixed Income - Tax-Exempt								
US	50.2	3.4	(2.0)	0.2	1.6	(0.1)	1.5	51.7
Global and Non-US	0.1	—	—	—	—	—	—	0.1
<b>Total Fixed Income - Tax-Exempt</b>	<b>50.3</b>	<b>3.4</b>	<b>(2.0)</b>	<b>0.2</b>	<b>1.6</b>	<b>(0.1)</b>	<b>1.5</b>	<b>51.8</b>
Fixed Income Passive(1)								
US	4.5	—	—	0.2	0.2	(0.2)	—	4.5
Global and Non-US	4.0	—	(0.1)	0.1	—	(0.2)	(0.2)	3.8
<b>Total Fixed Income Passive(1)</b>	<b>8.5</b>	<b>—</b>	<b>(0.1)</b>	<b>0.3</b>	<b>0.2</b>	<b>(0.4)</b>	<b>(0.2)</b>	<b>8.3</b>
<b>Total Fixed Income</b>	<b>322.0</b>	<b>15.8</b>	<b>(14.3)</b>	<b>(0.5)</b>	<b>1.0</b>	<b>(10.7)</b>	<b>(9.7)</b>	<b>312.3</b>
Alternatives/MAS(2)								
US	15.1	0.9	(0.4)	(0.2)	0.3	0.4	0.7	15.8
Global and Non-US	66.5	0.8	0.4	1.0	2.2	2.3	4.5	71.0
<b>Total Alternatives/MAS(2)</b>	<b>81.6</b>	<b>1.7</b>	<b>—</b>	<b>0.8</b>	<b>2.5</b>	<b>2.7</b>	<b>5.2</b>	<b>86.8</b>
Firmwide								
US	381.6	17.2	(10.0)	(4.5)	2.7	2.7	5.4	387.0
Global and Non-US	304.3	16.1	(14.2)	0.6	2.5	3.4	5.9	310.2
<b>Total Firmwide</b>	<b>685.9</b>	<b>33.3</b>	<b>(24.2)</b>	<b>(3.9)</b>	<b>5.2</b>	<b>6.1</b>	<b>11.3</b>	<b>697.2</b>



(1) Includes index and enhanced index services.

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

# Active vs. Passive Net Flows

## Three Months Ended 3/31/21

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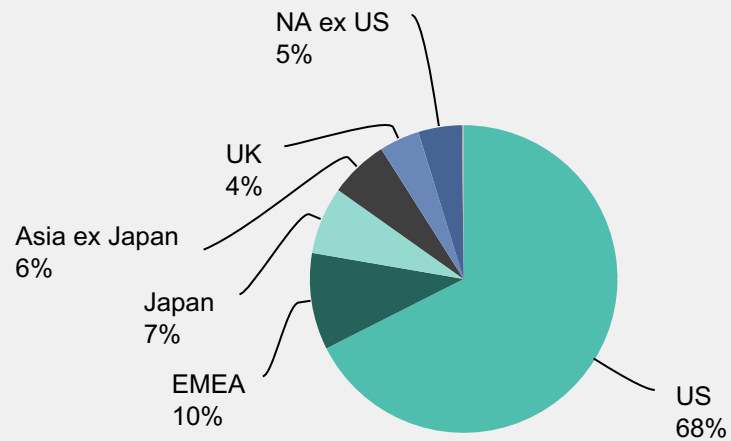
	<b>Actively Managed</b>	<b>Passively Managed <sup>(1)</sup></b>	<b>Total</b>
Equity	\$ 3.7	\$ (2.0)	\$ 1.7
Fixed Income	0.8	0.2	1.0
Alternatives/MAS <sup>(2)</sup>	2.0	0.5	2.5
<b>Total</b>	<b>\$ 6.5</b>	<b>\$ (1.3)</b>	<b>\$ 5.2</b>

(1) Includes index and enhanced index services.

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

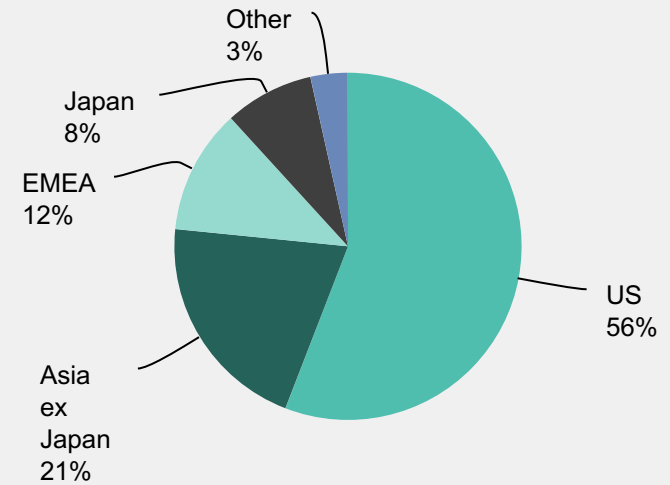
# AUM by Region

## Institutional



**\$314.7B**

## Retail



**\$272.3B**





# First Quarter 2021 Adjusted Advisory Fees

	1Q21	1Q20	% Δ	4Q20	% Δ
<b>Ending AUM (\$ Billions)</b>	\$ 697	\$ 542	29 %	\$ 686	2 %
<b>Average AUM (\$ Billions)</b>	\$ 689	\$ 602	14 %	\$ 652	6 %
<b>By Fee Type (\$ Millions):</b>					
Adjusted Base Fees	\$ 661	\$ 594	11 %	\$ 632	5 %
Adjusted Performance Fees	16	6	189 %	109	(85)%
<b>Total</b>	<b>\$ 677</b>	<b>\$ 600</b>	<b>13 %</b>	<b>\$ 741</b>	<b>(9)%</b>
<b>Adjusted Base Fees By Channel (\$ Millions):</b>					
Institutions	\$ 128	\$ 106	21 %	\$ 121	6 %
Retail	305	280	9 %	297	3 %
Private Wealth	228	208	10 %	214	7 %
<b>Total</b>	<b>\$ 661</b>	<b>\$ 594</b>	<b>11 %</b>	<b>\$ 632</b>	<b>5 %</b>

# First Quarter 2021 GAAP Income Statement

In US \$ Millions (except EPU)	1Q21	1Q20	% Δ	4Q20	% Δ
Net Revenues	\$ 1,007	\$ 874	15 %	\$ 1,063	(5)%
Operating Expenses	747	696	7 %	761	(2)%
Operating Income	260	178	46 %	302	(14)%
Net Income Attributable to AB Unitholders	244	194	26 %	286	(15)%
<b>AB Holding GAAP Diluted Net Income per Unit</b>	<b>\$ 0.81</b>	<b>\$ 0.63</b>	<b>29 %</b>	<b>\$ 0.97</b>	<b>(16)%</b>
<b>AB Holding Distribution Per Unit</b>	<b>\$ 0.81</b>	<b>\$ 0.64</b>	<b>27 %</b>	<b>\$ 0.97</b>	<b>(16)%</b>

# Consolidated Balance Sheet

In US \$ Millions

<b>Assets</b>	<b>3/31/2021</b>	<b>12/31/2020</b>
Cash and cash equivalents	\$ 960	\$ 1,037
Cash and securities, segregated	1,413	1,753
Receivables, net	2,416	2,280
Investments:		
Long-term incentive compensation-related	59	60
Other	141	193
Assets of consolidated variable interest entities	367	351
Goodwill	3,095	3,083
Intangible assets, net	43	44
Deferred sales commissions, net	67	64
Right-of-use Assets	413	418
Other (incl. furniture & equipment, net)	481	412
<b>Total Assets</b>	<b>\$ 9,455</b>	<b>\$ 9,695</b>
<b>Liabilities, Redeemable Non-Controlling Interest and Capital</b>		
Liabilities:		
Payables	\$ 3,549	\$ 3,740
Accounts payable and accrued expenses	202	198
Lease Liabilities	495	505
Liabilities of consolidated variable interest entities	43	31
Accrued compensation and benefits	403	335
Debt	625	675
<b>Total Liabilities</b>	<b>5,317</b>	<b>5,484</b>
Redeemable non-controlling interest	89	102
Partners' capital attributable to AllianceBernstein Unitholders	4,049	4,112
<b>Total Capital</b>	<b>4,049</b>	<b>4,112</b>
<b>Total Liabilities and Capital</b>	<b>\$ 9,455</b>	<b>\$ 9,698</b>

# Consolidated Statement of Cash Flows

In US \$ Millions

	<b>Three Months Ended</b>	
	<b>3/31/2021</b>	<b>3/31/2020</b>
Net Income	\$ 244	\$ 169
Non-cash items: Amortization of deferred sales commissions	8	5
Non-cash long-term incentive compensation expense	18	8
Depreciation and other amortization	32	36
Unrealized losses on investments	—	21
Unrealized losses on investments of consolidated company-sponsored investment funds	7	52
Other, net	10	(1)
Changes in assets and liabilities	9	(3)
<b>Net cash provided by operating activities</b>	<b>328</b>	<b>287</b>
Purchases of furniture, equipment, and leasehold improvements, net	(15)	(3)
Purchases of businesses, net of cash acquired	(4)	(12)
<b>Net cash used in investing activities</b>	<b>(19)</b>	<b>(15)</b>
Proceeds from debt	(50)	375
(Decrease) increase in overdrafts payable	(1)	85
Distributions to General Partner and Unitholders	(290)	(254)
(Redemptions) of non-controlling interests of consolidated company-sponsored investment funds, net	(13)	(75)
Additional investments by Holding with proceeds from exercise of compensatory options to buy Holding Units	2	—
Purchases of AB Holding Units to fund long-term incentive compensation plan awards, net	(36)	(18)
Other, net	6	—
<b>Net cash used in financing activities</b>	<b>(382)</b>	<b>113</b>
Effect of exchange rate changes on cash and cash equivalents	(2)	(13)
Net decrease in cash and cash equivalents	(75)	372
Cash and cash equivalents at the beginning of period	1,074	691
<b>Cash and cash equivalents at the end of period</b>	<b>\$ 999</b>	<b>\$ 1,063</b>

# First Quarter 2021 AB Holding Financial Results

In US \$ Millions (excluding per Unit amounts)	1Q21	1Q20	% Δ	4Q20	% Δ
<b>AB</b>					
Net Income Attributable to AllianceBernstein	\$ 244	\$ 194	26 %	\$ 286	(15)%
Weighted Average Equity Ownership Interest	36.4 %	36.0 %		35.4 %	
<b>AB Holding</b>					
Equity in Net Income Attributable to AB	\$ 89	\$ 70	27 %	\$ 101	(12)%
Income Taxes	\$ 8	\$ 8	2 %	\$ 8	(5)%
<b>Net Income</b>	<b>\$ 81</b>	<b>\$ 62</b>	<b>30 %</b>	<b>\$ 93</b>	<b>(13)%</b>
<b>Diluted Net Income Per Unit, GAAP basis</b>	<b>\$ 0.81</b>	<b>\$ 0.63</b>	<b>29 %</b>	<b>\$ 0.97</b>	<b>(16)%</b>
<b>Distributions Per Unit</b>	<b>\$ 0.81</b>	<b>\$ 0.64</b>	<b>27 %</b>	<b>\$ 0.97</b>	<b>(16)%</b>
<b>Adjusted Diluted Net Income Per Unit</b>	<b>\$ 0.81</b>	<b>\$ 0.64</b>	<b>27 %</b>	<b>\$ 0.97</b>	<b>(16)%</b>



Please refer to pages 38-41 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.

# First Quarter 2021 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	\$ 703,466	(22,553)	(4,196)		(36)		\$ 676,681	
Bernstein research services	119,021						119,021	
Distribution revenues	147,600	(147,600)					—	
Dividend and interest income	8,684			(85)	(2,488)		6,111	
Investment gains (losses)	1,928			(2,012)	2,453		2,369	
Other revenues	27,711		(10,531)		(240)		16,940	
<b>Total revenues</b>	<b>1,008,410</b>	<b>(170,153)</b>	<b>(14,727)</b>	<b>(2,097)</b>	<b>(311)</b>	<b>—</b>	<b>821,122</b>	
Less: interest expense	1,144						1,144	
<b>Net revenues</b>	<b>1,007,266</b>	<b>(170,153)</b>	<b>(14,727)</b>	<b>(2,097)</b>	<b>(311)</b>	<b>—</b>	<b>819,978</b>	
Employee compensation and benefits	406,059			(2,245)			403,814	
Promotion and servicing	216,831	(170,153)	(10,389)				36,289	
General and administrative	120,223		(4,338)		(603)	985	116,245	
Contingent payment arrangements	796						796	
Interest on borrowings	1,294						1,294	
Amortization of intangible assets	1,479						1,479	
<b>Total expenses</b>	<b>746,682</b>	<b>(170,153)</b>	<b>(14,727)</b>	<b>(2,245)</b>	<b>(603)</b>	<b>985</b>	<b>(22)</b>	
<b>Operating income</b>	<b>260,584</b>	<b>—</b>	<b>—</b>	<b>148</b>	<b>292</b>	<b>(985)</b>	<b>22</b>	
Income taxes	16,745	—	—	12	22	(58)	1	
Net income	243,839	—	—	136	270	(927)	21	
Net income (loss) of consolidated entities attributable to non-controlling interests	(292)				292		—	
<b>Net income attributable to AB Unitholders</b>	<b>\$ 244,131</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 136</b>	<b>\$ (22)</b>	<b>\$ (927)</b>	<b>\$ 21</b>	
							<b>\$ 243,339</b>	



Please refer to page 41 for notes describing the adjustments.

# First Quarter 2020 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)	Real Estate Credits (Charges) (E)	Acquisition-Related Expenses (F)		Other (G)
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
<b>Total revenues</b>	<b>883,475</b>	<b>(145,671)</b>	<b>(16,669)</b>	<b>6,993</b>	<b>24,135</b>	<b>—</b>	<b>—</b>	<b>859</b>	<b>753,122</b>
Less: interest expense	9,319								9,319
<b>Net revenues</b>	<b>874,156</b>	<b>(145,671)</b>	<b>(16,669)</b>	<b>6,993</b>	<b>24,135</b>	<b>—</b>	<b>—</b>	<b>859</b>	<b>743,803</b>
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
<b>Total expenses</b>	<b>695,933</b>	<b>(145,671)</b>	<b>(16,669)</b>	<b>6,243</b>	<b>(1,436)</b>	<b>339</b>	<b>(526)</b>	<b>—</b>	<b>538,213</b>
<b>Operating income</b>	<b>178,223</b>	<b>—</b>	<b>—</b>	<b>750</b>	<b>25,571</b>	<b>(339)</b>	<b>526</b>	<b>859</b>	<b>205,590</b>
Income taxes	9,474	—	—	28	843	(27)	17	28	10,363
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			—	—
<b>Net income attributable to AB Unitholders</b>	<b>\$ 194,320</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 722</b>	<b>\$ (843)</b>	<b>\$ (312)</b>	<b>\$ 509</b>	<b>\$ 831</b>	<b>\$ 195,228</b>



Please refer to page 41 for notes describing the adjustments.

# Fourth 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)	(F)		(G)
Investment advisory and services fees	\$ 764,969	(19,722)	(3,999)		(170)				\$ 741,078
Bernstein research services	118,398								118,398
Distribution revenues	143,131	(143,131)							—
Dividend and interest income	8,696			(918)	(1,284)				6,494
Investment gains (losses)	2,610			(4,270)	711			—	(949)
Other revenues	26,517		(10,187)		(121)				16,209
<b>Total revenues</b>	<b>1,064,321</b>	<b>(162,853)</b>	<b>(14,186)</b>	<b>(5,188)</b>	<b>(864)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>881,230</b>
Less: interest expense	1,429								1,429
<b>Net revenues</b>	<b>1,062,892</b>	<b>(162,853)</b>	<b>(14,186)</b>	<b>(5,188)</b>	<b>(864)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>879,801</b>
Employee compensation and benefits	424,468			(5,056)					419,412
Promotion and servicing	211,522	(162,853)	(10,043)						38,626
General and administrative	122,533		(4,143)		(483)	985	(1,614)		117,278
Contingent payment arrangements	(558)							1,366	808
Interest on borrowings	1,177								1,177
Amortization of intangible assets	1,330								1,330
<b>Total expenses</b>	<b>760,472</b>	<b>(162,853)</b>	<b>(14,186)</b>	<b>(5,056)</b>	<b>(483)</b>	<b>985</b>	<b>(1,614)</b>	<b>1,366</b>	<b>578,631</b>
<b>Operating income</b>	<b>302,420</b>	<b>—</b>	<b>—</b>	<b>(132)</b>	<b>(381)</b>	<b>(985)</b>	<b>1,614</b>	<b>(1,366)</b>	<b>301,170</b>
Income taxes	15,704			(7)					15,631
Net income	286,716			(125)	(360)	(933)	1,532	(1,291)	285,539
Net income (loss) of consolidated entities attributable to non-controlling interests	381				(381)				—
<b>Net income attributable to AB Unitholders</b>	<b>\$ 286,335</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (125)</b>	<b>\$ 21</b>	<b>\$ (933)</b>	<b>\$ 1,532</b>	<b>\$ (1,291)</b>	<b>\$ 285,539</b>



Please refer to page 41 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. 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.
- G. 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.

### 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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