



ALLIANCEBERNSTEIN®

# Second Quarter 2022 Review

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July 29, 2022

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

**Kate Burke**, Chief Operating Officer and Chief Financial Officer


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

# 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, 2021 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.

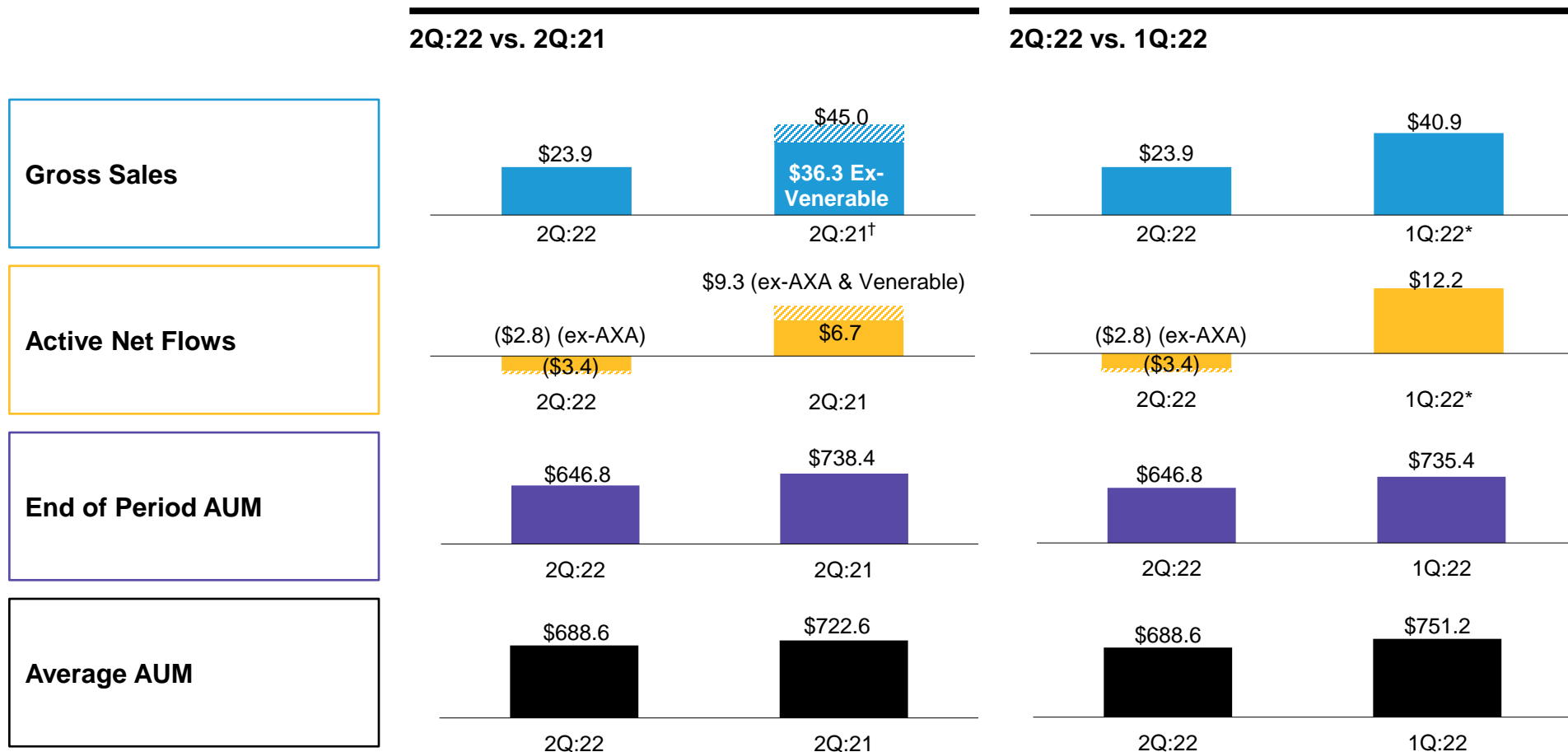
## The Forward-Looking Statements Referred to in the Preceding Paragraph Include Statements Regarding:

- **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: Second Quarter 2022



USD billions; scales differ by chart; figures shown may vary from reported figures due to rounding

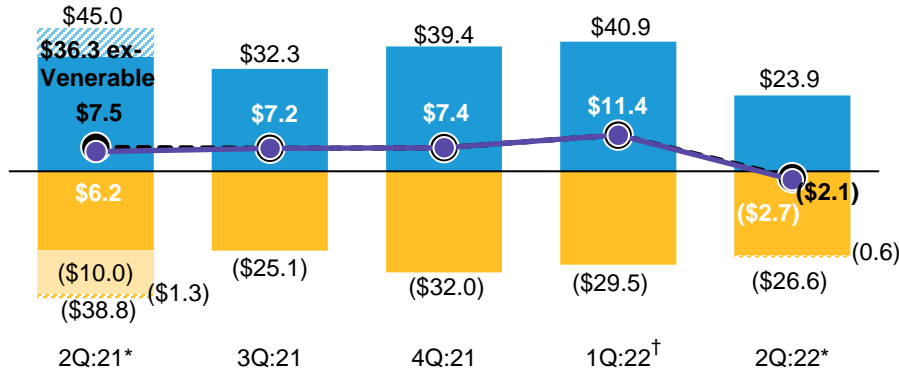
\*1Q:22 includes \$9.6B inflows from previously-announced custom target-date institutional mandate

†2Q:21 reflects \$8.7B sales related to the Venerable transaction, AXA outflows of (\$1.3B) and Venerable outflows of (\$1.3B)

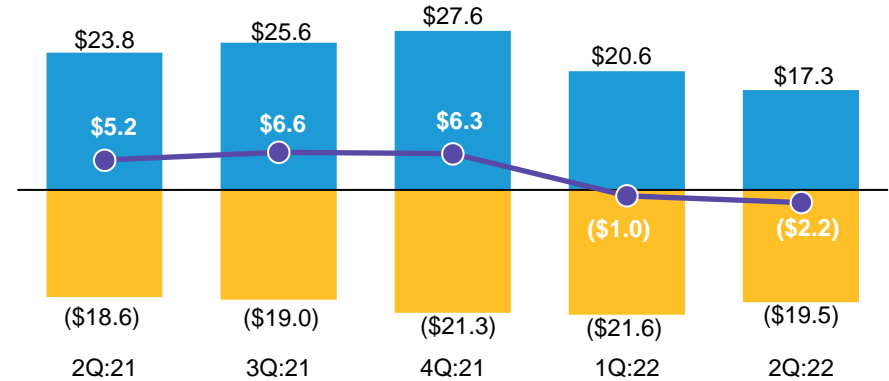


# Asset Flows by Distribution Channel: Quarterly Trend

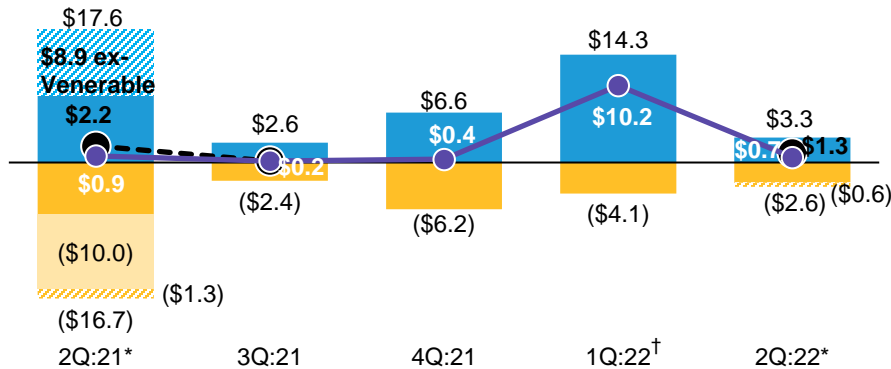
## Firmwide



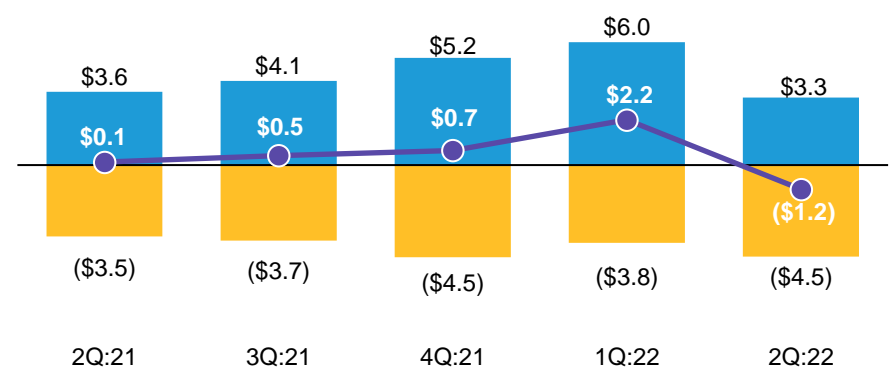
## Retail



## Institutional



## Private Wealth



■ Gross Sales ■ Gross Redemptions ■ AXA Redemptions ● Net Flows ● Net Flows ex AXA Redemptions ■ EQH-Venerable Redemptions

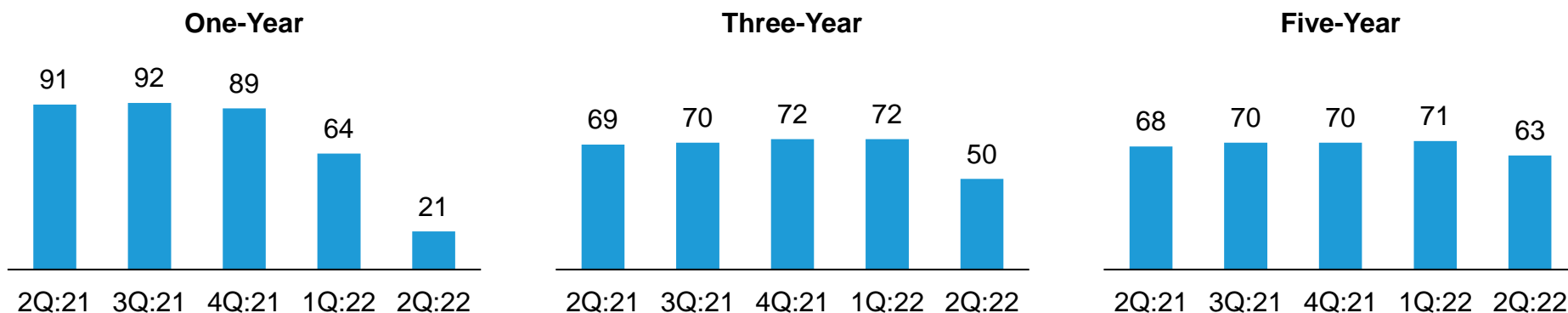
Note: In USD billions; scales differ by chart

\*Flows include previously announced AXA outflows of \$0.6B in 2Q:22 & \$1.3B in 2Q:21. In 2Q:21, AB had \$8.7B of institutional inflows and (\$10.0B) of outflows due to Equitable-Venerable transaction. †1Q:22 inflows include \$9.6B of previously announced custom target-date mandate. Figures shown may vary from reported figures due to rounding.

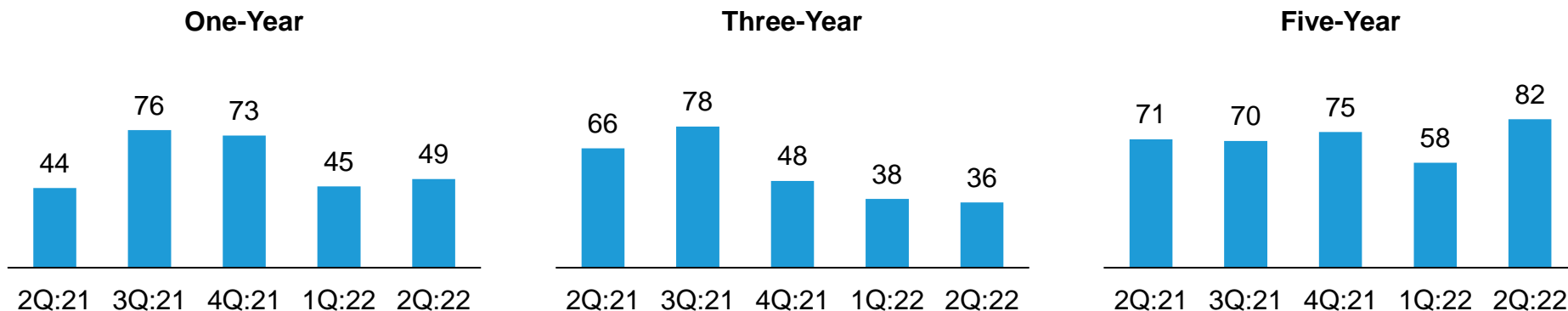


# Percentage of Assets Outperforming at Quarter-End

## 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.

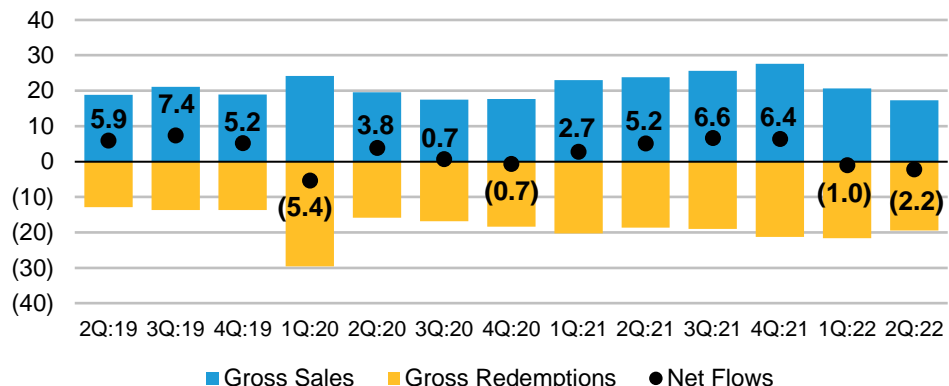
As of June 30, 2022



# Retail Highlights

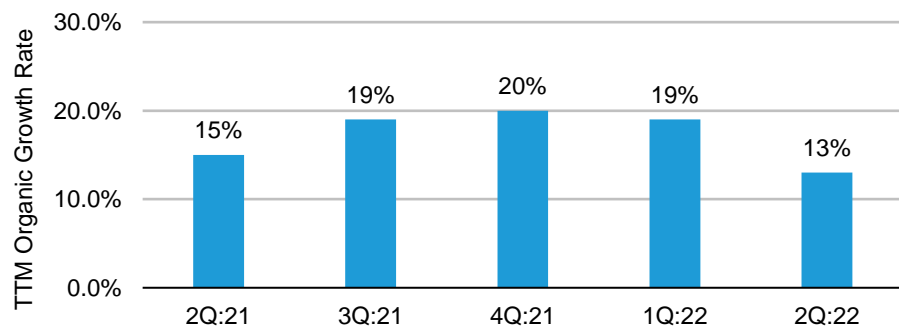
## Negative Market Sentiment Drives 2Q Outflows

Continued organic growth in Municipals, MAS and Active Equities



## Active Equity, Trailing Twelve-Month (TTM) Organic Growth

21<sup>st</sup> consecutive quarter of organic growth in Active Equities



\*Source: Simfund; excludes passive funds, ETFs, SMAs and 529 FoFs

## Second Quarter 2022 Highlights

### Sales continue to moderate from record 2021 levels

- Gross sales of \$17.3B; -\$6.5B or -27% Y/Y, and -\$3.3B or -16% Q/Q
- Redemption rate improved to 26.6%, versus 27.1% 1Q and 27.4% 2Q21
- Net flows -\$2.2B, reflecting weak FI markets; growth in Municipals, Active Eq.

### Adverse FI markets offset organic growth in Municipals, MAS, Active Eq.

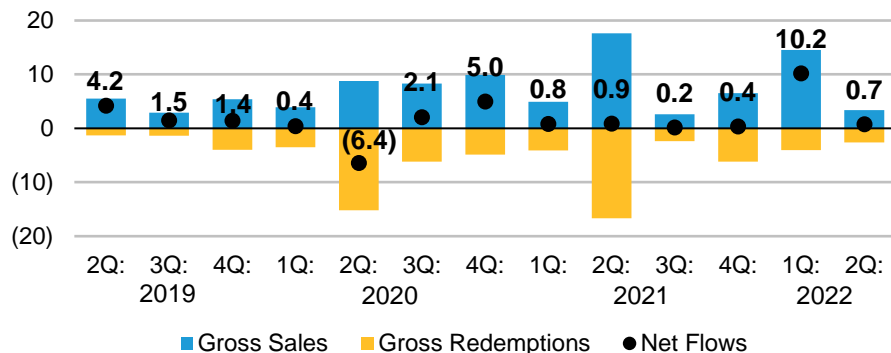
- Negative market sentiment continues to drive industrywide FI outflows
- FI net flows -\$3.1B; taxable FI -\$4.5B, though improved from 1Q levels
  - Redemption rate of Global High-Income Products in Asia ex-Japan improved to 28% in 2Q versus 46% in 1Q
- **8<sup>th</sup> consecutive quarter of municipal net inflows**, +\$0.7B or 10% AOG, outperforming category outflows; TTM AOG +17%
- **21<sup>st</sup> consecutive quarter of active equity net inflows**, +\$0.4B or 1% AOG

### Milestones

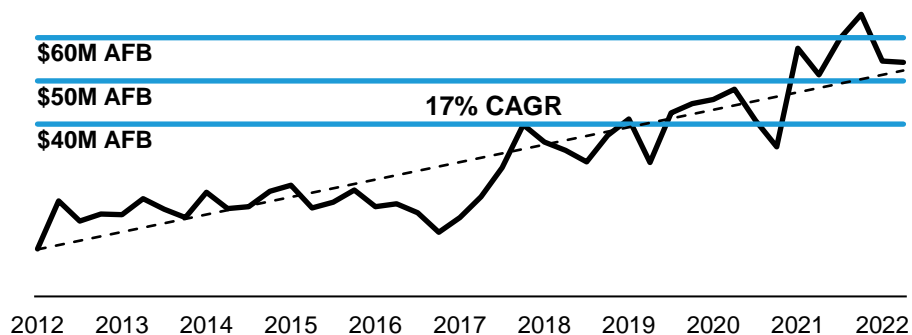
- Record Muni sales of \$4.2B, +75% Y/Y, +46% Q/Q, driven by SMA-related share gains
- Net Inflow Peer Rankings\*: AB All Market Real Return ranked 1/109 managers; Muni Income National ranked 5/117; Select US Long/Short ranked 5/93; Small Cap Growth ranked 9/171, AB Large Cap Growth ranked 21/361

# Institutional Highlights

## 8th Consecutive Quarter of Organic Growth (13<sup>th</sup> ex AXA) (USD billions)



## Pipeline Annualized Fee Base (“AFB”) \$54M, with ~3/4 Alts Data through 2Q:22 (USD millions)



\*Total assets awarded and pending funding as of quarter-end

## Second Quarter 2022 Highlights

### Sales and Flows

- Gross sales of \$3.3B, down from prior periods which had large one-time sales (2Q21 \$8.7B EQH-Venerable transaction, 1Q 22 \$9.6B CRS sale)
- Limited redemptions of \$2.6B or 3.2% annualized
- Fee-accretive mix of net inflows totaling \$0.7B (+\$1.3B ex-AXA)
- 8th consecutive quarter of organic growth; 12 of last 13 quarters positive (13 of 13 ex-AXA redemptions)

### Sustained Institutional Demand for Higher Fee Products

- ~60% of 2Q net flows in Alts/MAS, ~40% in Active Equity
- 2Q active equity sales >\$850M for 20th consecutive quarter

### Strong Pipeline with Accretive Annualized Fee Base (AFB)

- \$10.2B qtr-end pipeline\*, up 4% Q/Q; 90% of 2Q pipeline additions in Alts
- Pipeline active fee rate >3x institutional channel fee rate
- Notable 2Q pipeline additions:
  - Residential Mortgage Loans (CarVal/EQH): \$750 million
  - Commercial RE Debt (AXA): \$750 million
  - Merger Arbitrage (Custom Alts): \$500 million

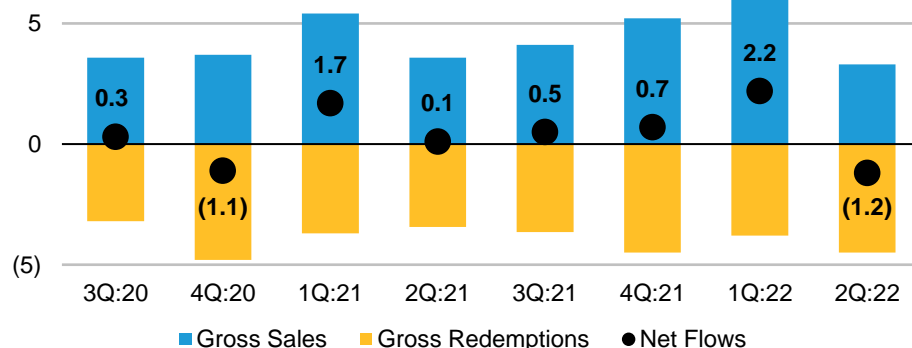


# Private Wealth Highlights

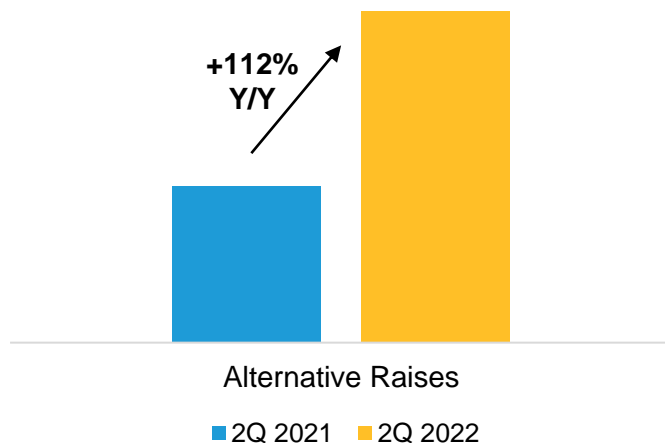
## Gross Sales, Redemptions and Net Flows

Net Flows Positive 6 of last 8 quarters

(USD billions)



## Continued Strong Growth in Alternative Raises



## Second Quarter 2022 Highlights

### 2Q Net Outflows driven by Cap Gains-related Tax Payments

- 2Q gross sales of \$3.3B, -8% Y/Y; YTD gross sales + 4% Y/Y
- 2Q net outflows of \$1.2B, driven by capital gains-related tax withdrawals due to 2021 business sales by UHNW entrepreneurs
- Net flows positive 6 of last 8 quarters, 2% organic growth TTM (trailing twelve)

### Maintaining Strong Client Engagement

- Gross flows from pre-liquidity event planning up >50% Y/Y and up >80% TTM
- Pre-transaction planning pipeline remains vibrant
- Continued mix shift towards Ultra HNW category
- Focused on servicing existing client needs in volatile markets

### Innovation Supports Differentiated Client Needs

- Strong growth in Private Alternative Commitments: +\$0.8B 2Q, +112% Y/Y
- Proprietary Direct Indexing Strategy \$1.7B in AUM, +70% Y/Y and +15% organic Q/Q
- Private Wealth ESG AUM \$6.0B, account base +14% Y/Y

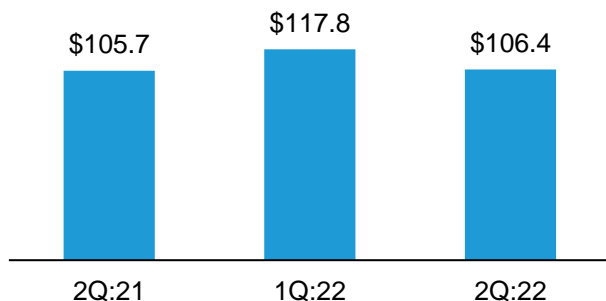
# Bernstein Research Highlights

## Bernstein Research Quarterly Revenues

(USD millions)

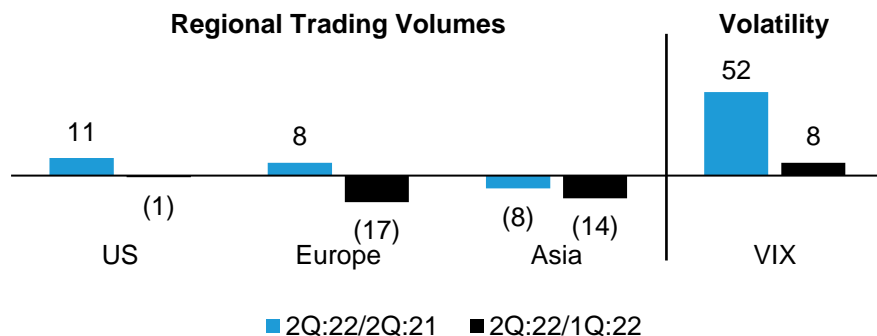
### Percent Change

Y/Y: +1%  
Q/Q: -10%



## Regional Volumes and Volatility\*

(% change)



\*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

## Second Quarter 2022 Highlights

### Higher Revenues in US Offset by Slowdown in Europe and Asia

- 2Q Revenues of \$106M, +1% Y/Y, -10% Q/Q
- Despite more volatility, Institutional trading constrained amidst uncertainty
- Asian investors continue to show caution relative to prior year

### Differentiated Research Brand Continues to Attract Recognition

- Research checks +8% Y/Y in 2Q, as brand continues to resonate
- Overwhelmingly positive client and corporate response to Bernstein's 38th in-person Strategic Decisions Conference ("SDC") in June
- 2Q new analyst initiations global in breadth: US Emerging Internet, European Autos, India Industrials and Infrastructure, China Software

# Status on Our Initiatives in 2Q22

## Firmwide Initiative

**Deliver superior investment solutions to clients**

## Status

- Fixed Income: 50% of assets in outperforming services for 3-yr period; 21% for 1-yr and 63% for 5-yr
- Active Equity: 36% of assets in outperforming services for 3-yr period; 49% for 1-yr and 82% for 5-yr
- 62% of US and 40% of Lux assets rated 4/5-stars by Morningstar at quarter-end

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

- Diversified offerings led in 2Q by Institutional growth; Overall 3% TTM organic growth
  - Retail: Growth in Municipals, MAS, Active Equities more than offset by FI outflows
  - Institutional: 8th consecutive quarter of AOG; positive 12 of last 13 qtrs
  - Private Wealth: Gross flows from pre-liquidity event planning up >50%
- Differentiated product amplifying growth
  - ESG: Portfolios with Purpose \$23.9B in AUM
  - Alternatives: 5% AOG, 17% AOG TTM; CarVal acquisition closed w/ \$2B add'l capital raised
    - AB now w/ ~\$54B private markets AUM
  - Municipals: 6% AOG, 9% AOG TTM, vs. industry outflows; 100% of AUM in 4/5-star rated funds

**Maintain strong incremental margins**

- Rolling 3-year incremental margin as of 2Q: 45%
- Adjusted 2Q operating income of \$226 million, down 19% Y/Y
- Adjusted 2Q operating margin of 27.7%, down 400 bps Y/Y
- Adjusted EPU of \$0.71, down 22% Y/Y



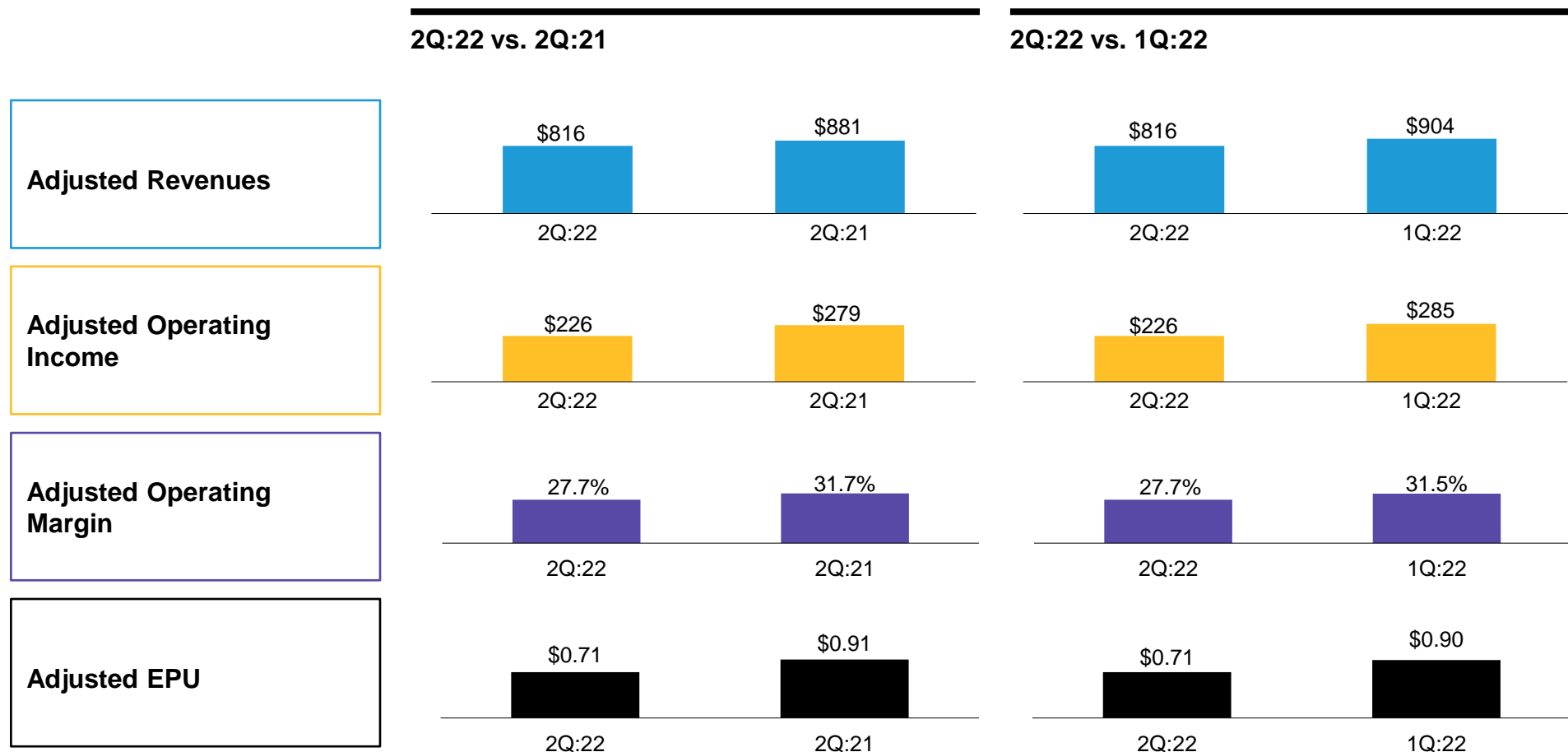
**Kate Burke**  
Chief Operating Officer  
& Chief Financial  
Officer

## Second Quarter 2022 GAAP Income Statement

Income Statement (in US \$ Millions)	2Q22	2Q21	% Δ	1Q22	% Δ
Base Fees	\$697	\$724	(4)%	\$748	(7)%
Performance Fees	23	54	(58)%	76	(70)%
Bernstein Research Services	106	106	1 %	118	(10)%
Distribution Revenues	153	155	(2)%	168	(9)%
Dividends & Interest	22	9	160 %	11	96 %
Investment (Losses) Gains	(48)	4	n/m	(39)	24 %
Other Revenues	27	26	4 %	26	3 %
<b>Total Revenues</b>	<b>980</b>	<b>1,078</b>	<b>(9)%</b>	<b>1,108</b>	<b>(12)%</b>
Less: Interest Expense	9	1	n/m	3	n/m
<b>Net Revenues</b>	<b>\$971</b>	<b>\$1,077</b>	<b>(10)%</b>	<b>\$1,105</b>	<b>(12)%</b>
Compensation & Benefits					
Compensation & Fringes	\$389	\$430	(10)%	\$431	(10)%
Other Employment Costs	9	6	50 %	8	13 %
<b>Total Compensation &amp; Benefits</b>	<b>398</b>	<b>436</b>	<b>(9)%</b>	<b>439</b>	<b>(9)%</b>
Promotion & Servicing	228	223	2 %	237	(4)%
General & Administrative	148	131	13 %	178	(17)%
Other	4	3	33 %	3	41 %
<b>Total Operating Expenses</b>	<b>\$778</b>	<b>\$793</b>	<b>(2)%</b>	<b>\$857</b>	<b>(9)%</b>
<b>Operating Income</b>	<b>\$193</b>	<b>\$284</b>	<b>(32)%</b>	<b>\$248</b>	<b>(22)%</b>
<b>Operating Margin</b>	<b>22.6 %</b>	<b>26.0 %</b>	<b>(340 bps)</b>	<b>24.7 %</b>	<b>(210 bps)</b>
<b>AB Holding GAAP Diluted Net Income Per Unit</b>	<b>\$0.69</b>	<b>\$0.91</b>	<b>(24)%</b>	<b>\$0.87</b>	<b>(21)%</b>

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

# Adjusted Financial Highlights: Second Quarter 2022



USD millions, except EPU; scales may differ by chart

Please refer to pages 34-37 for additional information on the reconciliation of GAAP financial results to adjusted financial results.



## Second Quarter 2022 Adjusted Income Statement

Adjusted Income Statement (in US \$ Millions)	2Q22	2Q21	% Δ	1Q22	% Δ
Base Fees <sup>(1)</sup>	\$677	\$698	(3)%	\$725	(7)%
Performance Fees	18	54	(67)%	45	(61)%
Bernstein Research Services	106	106	1 %	118	(10)%
Investment (Losses) Gains	(6)	0	n/m	(6)	(4)%
Other Revenues	30	24	24 %	25	22 %
<b>Total Revenues</b>	<b>825</b>	<b>882</b>	<b>(6)%</b>	<b>907</b>	<b>(9)%</b>
Less: Interest Expense	9	1	n/m	3	n/m
<b>Adjusted Net Revenues</b>	<b>\$816</b>	<b>\$881</b>	<b>(7)%</b>	<b>\$904</b>	<b>(10)%</b>
Compensation & Benefits					
Compensation & Fringes	\$392	\$428	(8)%	\$434	(10)%
Other Employment Costs	9	6	59 %	8	19 %
<b>Total Compensation &amp; Benefits</b>	<b>401</b>	<b>434</b>	<b>(7)%</b>	<b>442</b>	<b>(9)%</b>
Promotion & Servicing	51	38	33 %	42	21 %
General & Administrative	135	127	7 %	133	2 %
Other	3	3	(23)%	2	91 %
<b>Total Adjusted Operating Expenses</b>	<b>\$590</b>	<b>\$602</b>	<b>(2)%</b>	<b>\$619</b>	<b>(5)%</b>
<b>Adjusted Operating Income</b>	<b>\$226</b>	<b>\$279</b>	<b>(19)%</b>	<b>\$285</b>	<b>(21)%</b>
<b>Adjusted Operating Margin</b>	<b>27.7 %</b>	<b>31.7 %</b>	<b>(400 bps)</b>	<b>31.5 %</b>	<b>(380 bps)</b>
<b>AB Holding Adjusted Diluted Net Income Per Unit</b>	<b>\$0.71</b>	<b>\$0.91</b>	<b>(22)%</b>	<b>\$0.90</b>	<b>(21)%</b>
<b>Compensation Ratio</b>	<b>48.0 %</b>	<b>48.5 %</b>		<b>48.0 %</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.

# Second Quarter 2022 Adjusted Income Statement Highlights

## Revenues

- Base Fees decreased 3% vs. 2Q21 driven by a 5% decrease in avg. AUM that is lower across all channels, partially offset by a mix-driven fee rate improvement of 2%. Base Fees decreased 7% vs. 1Q22 driven by an 8% decrease in avg. AUM, lower across all channels, partially offset by a 1% fee rate improvement (driven by mix).
- Performance Fees decreased 67% versus 2Q21 driven by decreases in US Select Equity and Private Credit services. Performance Fees decreased 61% versus 1Q22 driven by decreases in Real Estate Equity, International Small Cap and Private Credit.
- Bernstein Research revenues were relatively flat versus 2Q21. The slight increase was driven by greater customer trading activity in the US offset by lower trading volumes in Asia and Europe. Bernstein Research revenues decreased 10% versus 1Q22 driven by a reduction in global customer trading activity partially offset by the timing of research payments.
- Other Revenues net of interest paid on customer balances were modestly lower versus both prior periods.

## Expenses

- The Adjusted Compensation Ratio was 48.0% in 2Q22 versus 48.5% in 2Q21 and 48.0% in 1Q22.
- Total Compensation & Benefits decreased 7% versus 2Q21 and 9% versus 1Q22 due primarily to lower incentive compensation.
- Promotion & Servicing increased 33% versus 2Q21 and 21% versus 1Q22 driven by higher T&E, firm meetings and marketing and advertising; prior period spending levels were depressed due to the Covid pandemic.
- G&A expenses increased 7% versus 2Q21 driven mainly by technology related expenses. G&A expenses increased 2% versus 1Q22 due to technology related expenses and professional fees which were partially offset by lower office related expenses.

## Operating Results

- Adjusted Operating Income decreased 19% versus 2Q21 and 21% versus 1Q22 due to lower base fees and performance fees.
- Adjusted Margin was 27.7% in 2Q22, versus 31.7% in 2Q21 and 31.5% in 1Q22.

Dollars rounded in millions, as such, amounts may not foot; percentages calculated in thousands.

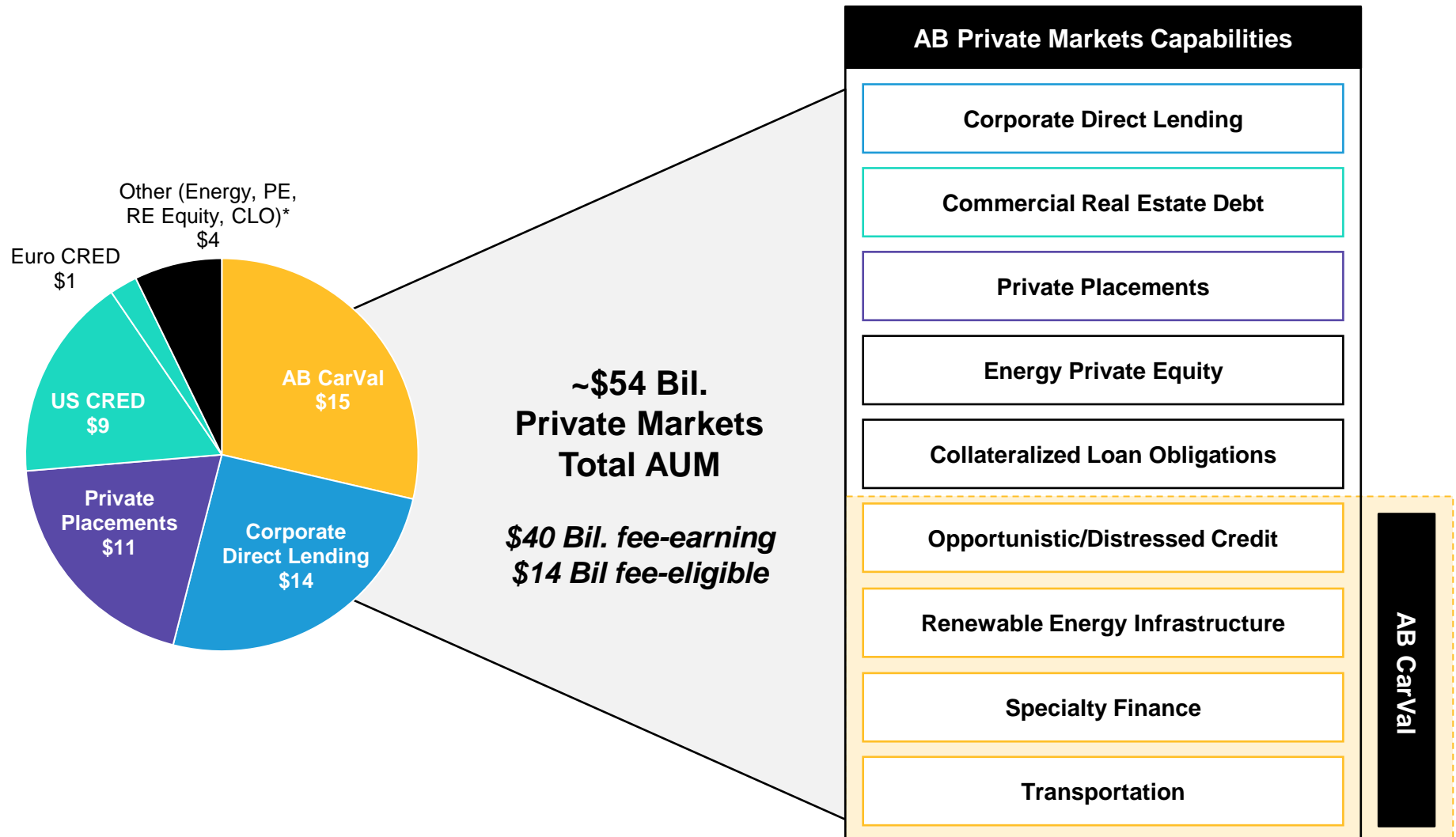






**Matt Bass**  
Head of Private  
Alternatives






# AB and CarVal Combine as a Leading Private Markets Business



AB AUM as of June 30, 2022, CarVal AUM as of July 1; AB CarVal AUM comprised of \$11.7B in fee-earning AUM and \$3.7B in fee-eligible AUM which includes uncalled capital  
 \*Includes a Real Estate Equity partnership with Prospect Ridge, a Multi-Manager Private Equity partnership with Abbott Capital Management, and a Private Equity Secondaries partnership with LSV Advisors.



# 2Q22 in Review: AB's 5-part Strategy Statement

 <p><b>Deliver</b></p>	<ul style="list-style-type: none"> <li>• 82% of Equities and 63% of Fixed Income assets outperforming over long-term (5 years)</li> <li>• Growth in Institutional (8 of last 8 quarters); overall, 3% TTM organic growth</li> <li>• Munis 6% AOG, Alts/MAS 5% AOG, Active Equities 1% AOG, offset by Taxable FI outflows</li> </ul>
 <p><b>diversify</b></p>	<p>2Q diversifying net inflows:</p> <ul style="list-style-type: none"> <li>• Equity: US Large Cap Growth, China Value, Global Strategic Core, Passive Tax Harvesting, Asia ex-Japan Value, NA Tech Sector, US Small Cap Growth</li> <li>• FI: High Grade Sec. Debt, US Inflation Linked, Global+ FI, Muni Tax-Aware, Muni Short-Duration</li> <li>• Alternatives: Private Credit, Commercial RE Debt, Private Placements, Multi-Asset Solutions</li> </ul>
 <p><b>and expand</b></p>	<ul style="list-style-type: none"> <li>• Retail: 21<sup>st</sup> consecutive quarter of active equity growth, 8<sup>th</sup> consecutive quarter of municipals</li> <li>• Private Wealth: pre-transaction planning pipeline strong, from which 2Q gross sales up &gt;50%</li> <li>• Alternatives: CarVal acquisition adds \$15B in Private Mkts AUM; AB Private Markets AUM \$54B<sup>†</sup></li> </ul>
 <p><b>responsibly</b></p>	<ul style="list-style-type: none"> <li>• Portfolios with Purpose \$23.9B</li> <li>• Impact investing partnership in Private Wealth</li> <li>• AB Commits to Net Zero Pathway</li> </ul>
 <p><b>with Equitable</b></p>	<ul style="list-style-type: none"> <li>• Inflows to Private Credit, US CRED</li> <li>• EQH commitment \$750M to CarVal under the \$10 billion permanent capital<sup>†</sup> allocation</li> <li>• Continue to reposition GA to higher yielding Private Alts, Private Placements and Securitized Assets</li> </ul>

\* Private Markets AUM includes Direct Lending, RE Debt, Private Placements, PE, CLOs, Opportunistic Credit, Renewable Infrastructure, Specialty Finance, Transportation

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

# 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
<b>Equity</b>								
Large Cap Growth	4.1	39	3.2	23	2.9	14	3.3	4
Concentrated Growth	6.3	29	0.5	52	1.2	34	1.1	27
Concentrated International Growth	(8.1)	88	(4.2)	94	(1.9)	82	N/A	--
Sustainable US Thematic	6.5	28	3.1	23	1.7	27	N/A	--
Select US Equity	3.8	18	2.0	14	1.8	12	1.1	20
International Tech	(5.3)	74	1.7	37	3.5	24	1.3	35
Low Vol	9.9	4	0.3	50	1.5	30	--	--
Eurozone Equity	0.7	41	(2.0)	83	(0.9)	73	1.4	15
Relative Value	(1.2)	63	(0.2)	54	0.9	33	0.9	24
<b>Multi-Asset/Alternative</b>								
Emerging Markets Multi-Asset	(0.8)	57	(2.0)	79	(2.0)	87	(1.0)	77
All Market Income	(5.0)	94	(7.9)	100	(6.0)	100	N/A	--
Select US Long/Short	1.6	40	2.8	20	3.3	8	N/A	--

■ 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 Income - USD Moderate Allocation; Select US Long/Short - Long-Short Equity.

As of June 30, 2022

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
<b>Fixed Income</b>								
American Income	(2.0)	70	(1.2)	88	(0.4)	73	0.1	36
European Income	(5.1)	86	(1.5)	77	(0.2)	54	1.1	21
Asia Income	(1.9)	65	(0.6)	60	(0.3)	59	N/A	--
Global High Yield	(0.8)	61	(1.2)	80	(1.1)	82	(0.6)	71
Short Duration High Yield	4.0	16	1.3	21	0.8	28	(0.5)	70
Emerging Markets Debt	(2.0)	69	(0.4)	60	(0.4)	69	0.3	51
High Income Advisor	(1.8)	77	(0.9)	82	(1.0)	91	0.3	36
Global Bond Advisor	1.1	32	0.1	47	(0.1)	59	0.4	45
Income Advisor	(2.0)	92	(0.8)	83	(0.5)	78	0.7	12
Intermediate Diversified Muni	(2.9)	96	0.1	48	0.5	12	N/A	--
High Income Muni	(1.0)	64	0.3	32	0.6	23	0.7	23

■ 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 June 30, 2022

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	(4.0)	2.0	6.2	3.1
Concentrated Global Growth	(9.0)	(1.9)	1.6	1.7
Global Core	(3.1)	(1.8)	0.2	1.3
International Strategic Core	3.9	0.2	1.0	1.7
Sustainable Global Thematic	(5.4)	3.6	3.7	3.1
US Small Cap Value	0.9	1.0	0.8	2.5
Global Strategic Value	(1.4)	(2.8)	(5.1)	(1.0)
International Strategic Value	1.5	0.0	(2.7)	(0.5)
<b>Fixed Income</b>				
Global Income	(2.4)	(0.1)	0.2	1.6
Global Plus	(0.8)	0.1	(0.0)	0.4
Emerging Market Debt	(1.8)	(0.1)	(0.2)	0.2
US High Yield	(0.3)	1.4	0.8	0.7
US Strategic Core Plus	(0.4)	0.2	0.3	0.7
US Investment Grade Corporate	(0.6)	0.8	0.6	0.7
Intermediate Muni	0.1	0.6	0.6	0.6

## 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 June 30, 2022.

# Assets Under Management: 2Q22

(US \$ Billions)

	June 30, 2022				March 31, 2022	
	Institutions	Private Wealth	Retail	Total	Total	
<b>Equity</b>						
Actively Managed	\$ 58	\$ 47	\$ 118	\$ 223	\$ 265	
Passive <sup>(1)</sup>	23	2	31	56	66	
<b>Total Equity</b>	<b>81</b>	<b>49</b>	<b>149</b>	<b>279</b>	<b>331</b>	
<b>Fixed Income</b>						
Taxable	133	13	55	201	226	
Tax-Exempt	1	25	28	54	55	
Passive <sup>(1)</sup>	—	—	12	12	12	
<b>Total Fixed Income</b>	<b>134</b>	<b>38</b>	<b>95</b>	<b>267</b>	<b>293</b>	
<b>Alternatives/MAS <sup>(2)</sup></b>	<b>76</b>	<b>18</b>	<b>7</b>	<b>101</b>	<b>111</b>	
<b>Total</b>	<b>\$ 291</b>	<b>\$ 105</b>	<b>\$ 251</b>	<b>\$ 647</b>	<b>\$ 735</b>	

At March 31, 2022

<b>Total</b>	<b>\$ 326</b>	<b>\$ 117</b>	<b>\$ 292</b>	<b>\$ 735</b>	
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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 6/30/22: AUM Roll-Forward by Distribution Channel

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
<b>Institutions</b>								
US	\$ 154.1	\$1.4	\$(0.8)	\$—	\$0.6	\$(15.8)	\$(15.6)	\$ 138.5
Global and Non-US	171.8	1.9	(0.4)	(1.4)	0.1	(19.9)	(19.8)	152.0
<b>Total Institutions</b>	<b>325.9</b>	<b>3.3</b>	<b>(1.2)</b>	<b>(1.4)</b>	<b>0.7</b>	<b>(35.7)</b>	<b>(35.4)</b>	<b>290.5</b>
<b>Retail</b>								
US	187.6	12.7	(9.8)	(0.5)	2.4	(27.5)	(25.1)	162.5
Global and Non-US	105.0	4.6	(7.1)	(2.1)	(4.6)	(11.9)	(16.5)	88.5
<b>Total Retail</b>	<b>292.6</b>	<b>17.3</b>	<b>(16.9)</b>	<b>(2.6)</b>	<b>(2.2)</b>	<b>(39.4)</b>	<b>(41.6)</b>	<b>251.0</b>
<b>Private Wealth</b>								
US	75.3	2.2	(3.4)	—	(1.2)	(5.9)	(7.1)	68.2
Global and Non-US	41.6	1.1	(1.1)	—	—	(4.5)	(4.5)	37.1
<b>Total Private Wealth</b>	<b>116.9</b>	<b>3.3</b>	<b>(4.5)</b>	<b>—</b>	<b>(1.2)</b>	<b>(10.4)</b>	<b>(11.6)</b>	<b>105.3</b>
<b>Firmwide</b>								
US	417.0	16.3	(14.0)	(0.5)	1.8	(49.2)	(47.8)	369.2
Global and Non-US	318.4	7.6	(8.6)	(3.5)	(4.5)	(36.3)	(40.8)	277.6
<b>Total Firmwide</b>	<b>\$ 735.4</b>	<b>\$23.9</b>	<b>\$(22.6)</b>	<b>\$(4.0)</b>	<b>\$(2.7)</b>	<b>\$(85.5)</b>	<b>\$(88.6)</b>	<b>\$ 646.8</b>

## Three Months Ended 6/30/22: AUM Roll-Forward by Investment Service

In US \$ Billions	Beginning	Sales/New	Redemptions/	Net Cash	Net	Investment	Net	End
Investment Service:	of Period	Accounts	Terminations	Flows	Flows	Performance	Change	of Period
Equity Active								
US	\$ 159.8	\$ 8.0	\$ (6.4)	\$ (0.8)	\$ 0.8	\$ (27.6)	\$ (26.8)	\$ 133.0
Global and Non-US	105.4	3.4	(3.0)	(0.9)	(0.5)	(14.7)	(15.2)	90.2
<b>Total Equity Active</b>	<b>265.2</b>	<b>11.4</b>	<b>(9.4)</b>	<b>(1.7)</b>	<b>0.3</b>	<b>(42.3)</b>	<b>(42.0)</b>	<b>223.2</b>
Equity Passive <sup>(1)</sup>								
US	57.0	1.1	(0.1)	(0.5)	0.5	(9.3)	(8.8)	48.2
Global and Non-US	9.2	—	—	(0.8)	(0.8)	(0.9)	(1.7)	7.5
<b>Total Equity Passive<sup>(1)</sup></b>	<b>66.2</b>	<b>1.1</b>	<b>(0.1)</b>	<b>(1.3)</b>	<b>(0.3)</b>	<b>(10.2)</b>	<b>(10.5)</b>	<b>55.7</b>
<b>Total Equity</b>	<b>331.4</b>	<b>12.5</b>	<b>(9.5)</b>	<b>(3.0)</b>	<b>—</b>	<b>(52.5)</b>	<b>(52.5)</b>	<b>278.9</b>
Fixed Income - Taxable								
US	118.5	0.9	(2.6)	0.4	(1.3)	(8.9)	(10.2)	108.3
Global and Non-US	107.4	3.1	(5.1)	(2.4)	(4.4)	(10.4)	(14.8)	92.6
<b>Total Fixed Income - Taxable</b>	<b>225.9</b>	<b>4.0</b>	<b>(7.7)</b>	<b>(2.0)</b>	<b>(5.7)</b>	<b>(19.3)</b>	<b>(25.0)</b>	<b>200.9</b>
Fixed Income - Tax-Exempt								
US	54.8	5.3	(4.5)	—	0.8	(1.9)	(1.1)	53.7
Global and Non-US	0.1	—	—	0.1	0.1	(0.1)	—	0.1
<b>Total Fixed Income - Tax-Exempt</b>	<b>54.9</b>	<b>5.3</b>	<b>(4.5)</b>	<b>0.1</b>	<b>0.9</b>	<b>(2.0)</b>	<b>(1.1)</b>	<b>53.8</b>
Fixed Income Passive <sup>(1)</sup>								
US	8.0	(0.1)	0.1	0.5	0.5	(0.6)	(0.1)	7.9
Global and Non-US	4.7	—	(0.1)	0.3	0.2	(0.5)	(0.3)	4.4
<b>Total Fixed Income Passive<sup>(1)</sup></b>	<b>12.7</b>	<b>(0.1)</b>	<b>—</b>	<b>0.8</b>	<b>0.7</b>	<b>(1.1)</b>	<b>(0.4)</b>	<b>12.3</b>
<b>Total Fixed Income</b>	<b>293.5</b>	<b>9.2</b>	<b>(12.2)</b>	<b>(1.1)</b>	<b>(4.1)</b>	<b>(22.4)</b>	<b>(26.5)</b>	<b>267.0</b>
Alternatives/MAS <sup>(2)</sup>								
US	18.9	1.1	(0.5)	(0.1)	0.5	(0.9)	(0.8)	18.1
Global and Non-US	91.6	1.1	(0.4)	0.2	0.9	(9.7)	(8.8)	82.8
<b>Total Alternatives/MAS<sup>(2)</sup></b>	<b>110.5</b>	<b>2.2</b>	<b>(0.9)</b>	<b>0.1</b>	<b>1.4</b>	<b>(10.6)</b>	<b>(9.6)</b>	<b>100.9</b>
Firmwide								
US	417.0	16.3	(14.0)	(0.5)	1.8	(49.2)	(47.8)	369.2
Global and Non-US	318.4	7.6	(8.6)	(3.5)	(4.5)	(36.3)	(40.8)	277.6
<b>Total Firmwide</b>	<b>\$ 735.4</b>	<b>\$ 23.9</b>	<b>\$ (22.6)</b>	<b>\$ (4.0)</b>	<b>\$ (2.7)</b>	<b>\$ (85.5)</b>	<b>\$ (88.6)</b>	<b>\$ 646.8</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 6/30/22: Active vs. Passive Net Flows

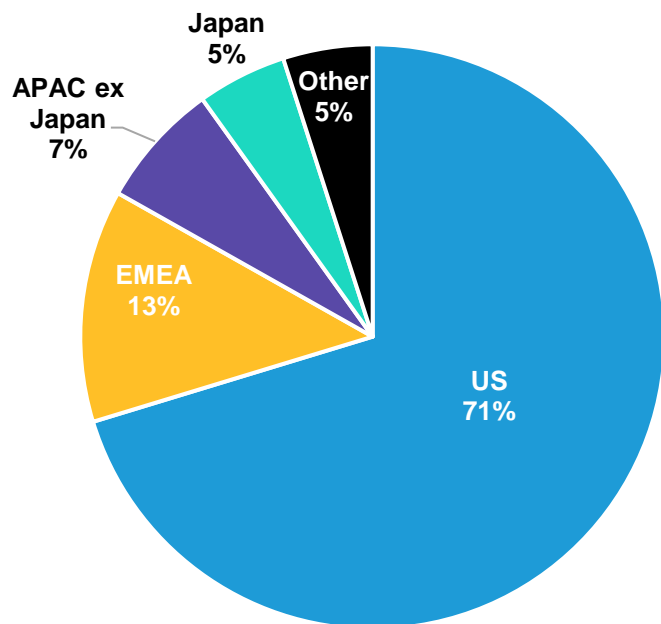
	Actively Managed		Passively Managed <sup>(1)</sup>		Total
Equity	\$	0.3	\$	(0.3)	\$ —
Fixed Income		(4.8)		0.7	(4.1)
Alternatives/MAS <sup>(2)</sup>		1.1		0.3	1.4
<b>Total</b>	<b>\$</b>	<b>(3.4)</b>	<b>\$</b>	<b>0.7</b>	<b>\$ (2.7)</b>

(1) Includes index and enhanced index services.

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

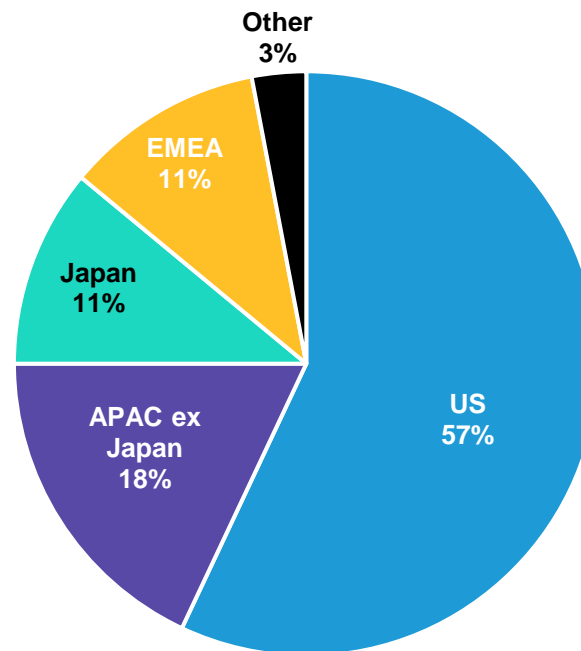
# Assets Under Management By Region

## Institutional Geographic Breakdown



**\$290.5B**

## Retail Geographic Breakdown



**\$251.0B**

As of June 30, 2022  
By Client Domicile  
Percentages may not add up to 100% due to rounding



## Second Quarter 2022 Adjusted Advisory Fees

	2Q22	2Q21	% Δ	1Q22	% Δ
Ending AUM (\$ Billions)	\$ 647	\$ 738	(12)%	\$ 735	(12)%
Average AUM (\$ Billions)	\$ 689	\$ 723	(5)%	\$ 751	(8)%
<b>By Fee Type (\$ Millions):</b>					
Adjusted Base Fees <sup>(1)</sup>	\$ 677	\$ 698	(3)%	\$ 725	(7)%
Adjusted Performance Fees	18	54	(67)%	45	(61)%
<b>Total</b>	<b>\$ 695</b>	<b>\$ 752</b>	<b>(8)%</b>	<b>\$ 770</b>	<b>(10)%</b>
<b>Adjusted Base Fees By Channel (\$ Millions):</b>					
Institutions	\$ 132	\$ 135	(2)%	\$ 137	(4)%
Retail	313	324	(3)%	344	(9)%
Private Wealth	232	239	(3)%	244	(5)%
<b>Total</b>	<b>\$ 677</b>	<b>\$ 698</b>	<b>(3)%</b>	<b>\$ 725</b>	<b>(7)%</b>

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

## Second Quarter 2022 GAAP Income Statement

In US \$ Millions (except EPU)	2Q22	2Q21	% Δ	1Q22	% Δ
Net Revenues	\$ 971	\$ 1,077	(10)%	\$ 1,105	(12)%
Operating Expenses	778	793	(2)%	857	(9)%
Operating Income	193	284	(32)%	248	(22)%
Net Income Attributable to AB Unitholders	209	268	(22)%	261	(20)%
<b>AB Holding GAAP Diluted Net Income per Unit</b>	<b>\$ 0.69</b>	<b>\$ 0.91</b>	<b>(24)%</b>	<b>\$ 0.87</b>	<b>(21)%</b>
<b>AB Holding Distribution Per Unit</b>	<b>\$ 0.71</b>	<b>\$ 0.91</b>	<b>(22)%</b>	<b>\$ 0.90</b>	<b>(21)%</b>

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

# Consolidated Balance Sheet

In US \$ Millions			
<b>Assets</b>		<b>6/30/2022</b>	<b>12/31/2021</b>
Cash and cash equivalents	\$	1,206	\$ 1,286
Cash and securities, segregated		1,747	1,504
Receivables, net		2,726	2,651
Investments:			
Long-term incentive compensation-related		47	64
Other		169	209
Assets of consolidated variable interest entities		497	734
Goodwill		3,092	3,092
Intangible assets, net		42	42
Deferred sales commissions, net		60	75
Right-of-use Assets		390	422
Other (incl. furniture & equipment, net)		521	431
<b>Total Assets</b>	<b>\$</b>	<b>10,497</b>	<b>\$ 10,510</b>
<b>Liabilities, Redeemable Non-Controlling Interest and Capital</b>			
Liabilities:			
Payables	\$	4,220	\$ 3,968
Accounts payable and accrued expenses		253	257
Lease Liabilities		454	491
Liabilities of consolidated variable interest entities		38	87
Accrued compensation and benefits		564	370
Debt		800	755
<b>Total Liabilities</b>		<b>6,329</b>	<b>5,928</b>
Redeemable non-controlling interest		309	421
Partners' capital attributable to AllianceBernstein Unitholders		3,859	4,161
<b>Total Capital</b>		<b>3,859</b>	<b>4,161</b>
<b>Total Liabilities and Capital</b>	<b>\$</b>	<b>10,497</b>	<b>\$ 10,510</b>

# Consolidated Statement of Cash Flows

In US \$ Millions	Six Months Ended	
	6/30/2022	6/30/2021
Net Income	\$ 418	\$ 515
Non-cash items: Amortization of deferred sales commissions	18	16
Non-cash long-term incentive compensation expense	27	28
Depreciation and other amortization	22	22
Unrealized losses on investments	43	4
Unrealized losses (gains) on investments of consolidated company-sponsored investment funds	80	(1)
Other, net	14	12
Changes in assets and liabilities	28	206
<b>Net cash provided by operating activities</b>	<b>702</b>	<b>850</b>
Purchases of furniture, equipment, and leasehold improvements, net	(19)	(26)
Purchases of businesses, net of cash acquired	(1)	(4)
<b>Net cash used in investing activities</b>	<b>(20)</b>	<b>(30)</b>
Borrowings (repayments) of debt, net	45	(85)
(Decrease) increase in overdrafts payable	(14)	8
Distributions to General Partner and Unitholders	(648)	(531)
(Redemptions) of non-controlling interests of consolidated company-sponsored investment funds, net	(60)	(88)
Additional investments by Holding with proceeds from exercise of compensatory options to buy Holding Units	—	3
Purchases of AB Holding Units to fund long-term incentive compensation plan awards, net	(106)	(75)
Other, net	(2)	(1)
<b>Net cash used in financing activities</b>	<b>(785)</b>	<b>(769)</b>
Effect of exchange rate changes on cash and cash equivalents	(52)	(1)
Net (decrease) increase in cash and cash equivalents	(155)	50
Cash and cash equivalents at the beginning of period	1,376	1,074
<b>Cash and cash equivalents at the end of period</b>	<b>\$ 1,221</b>	<b>\$ 1,124</b>



# Second Quarter 2022 AB Holding Financial Results

In US \$ Millions (excluding per Unit amounts)	2Q22	2Q21	% Δ	1Q22	% Δ
<b>AB</b>					
Net Income Attributable to AllianceBernstein	\$ 209	\$ 268	(22)%	\$ 261	(20)%
Weighted Average Equity Ownership Interest	36.1 %	36.4 %		36.2 %	
<b>AB Holding</b>					
Equity in Net Income Attributable to AB	\$ 75	\$ 97	(23)%	\$ 94	(20)%
Income Taxes	\$ 7	\$ 6	11 %	\$ 8	(14)%
<b>Net Income</b>	<b>\$ 68</b>	<b>\$ 91</b>	<b>(25)%</b>	<b>\$ 86</b>	<b>(21)%</b>
<b>Diluted Net Income Per Unit, GAAP basis</b>	<b>\$ 0.69</b>	<b>\$ 0.91</b>	<b>(24)%</b>	<b>\$ 0.87</b>	<b>(21)%</b>
<b>Distributions Per Unit</b>	<b>\$ 0.71</b>	<b>\$ 0.91</b>	<b>(22)%</b>	<b>\$ 0.90</b>	<b>(21)%</b>
<b>Adjusted Diluted Net Income Per Unit</b>	<b>\$ 0.71</b>	<b>\$ 0.91</b>	<b>(22)%</b>	<b>\$ 0.90</b>	<b>(21)%</b>

Please refer to pages 34-36 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.

# Second Quarter 2022 GAAP to Non-GAAP Reconciliation

In US \$ Thousands		Adjustments							
	GAAP	Distribution Related Payments	Pass Through Adjustments	Deferred Comp. Inv.	NCI/ Consol VIE	Real Estate Credits (Charges)	Acquisition- Related Expenses	Non-GAAP	
		(A)	(B)	(C)	(D)	(E)	(F)		
Investment advisory and services fees	\$ 719,476	(14,357)	(10,043)		(341)			\$ 694,735	
Bernstein research services	106,442							106,442	
Distribution revenues	153,130	(153,130)						—	
Dividend and interest income	22,512			(39)	(10,038)			12,435	
Investment gains (losses)	(48,220)			5,334	37,130			(5,756)	
Other revenues	26,950		(9,436)		(178)			17,336	
Total revenues	<u>980,290</u>	<u>(167,487)</u>	<u>(19,479)</u>	<u>5,295</u>	<u>26,573</u>	<u>—</u>	<u>—</u>	<u>825,192</u>	
Less: interest expense	8,846							8,846	
<b>Net revenues</b>	<b><u>971,444</u></b>	<b><u>(167,487)</u></b>	<b><u>(19,479)</u></b>	<b><u>5,295</u></b>	<b><u>26,573</u></b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>816,346</u></b>	
Employee compensation and benefits	398,273			3,668			(679)	401,262	
Promotion and servicing	227,889	(167,487)	(9,292)					51,110	
General and administrative	147,855		(10,187)		(198)	206	(2,232)	135,444	
Contingent payment arrangements	838						(838)	—	
Interest on borrowings	2,681							2,681	
Amortization of intangible assets	1,260						(1,180)	80	
<b>Total expenses</b>	<b><u>778,796</u></b>	<b><u>(167,487)</u></b>	<b><u>(19,479)</u></b>	<b><u>3,668</u></b>	<b><u>(198)</u></b>	<b><u>206</u></b>	<b><u>(4,929)</u></b>	<b><u>590,577</u></b>	
<b>Operating income</b>	<b><u>192,648</u></b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>1,627</u></b>	<b><u>26,771</u></b>	<b><u>(206)</u></b>	<b><u>4,929</u></b>	<b><u>225,769</u></b>	
Income taxes	10,650			91	1,480	(10)	274	12,485	
Net income	181,998			1,536	25,291	(196)	4,655	213,284	
Net income (loss) of consolidated entities attributable to non-controlling interests	(26,771)				26,771			—	
<b>Net income attributable to AB Unitholders</b>	<b><u>\$ 208,769</u></b>	<b><u>\$ —</u></b>	<b><u>\$ —</u></b>	<b><u>\$ 1,536</u></b>	<b><u>\$ (1,480)</u></b>	<b><u>\$ (196)</u></b>	<b><u>\$ 4,655</u></b>	<b><u>\$ 213,284</u></b>	

Please refer to page 37 for notes describing the adjustments.



# Second Quarter 2021 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 (D)	Real Estate Credits (Charges) (E)	Acquisition-Related Expenses (F)	
Investment advisory and services fees	\$ 777,624	(20,459)	(4,403)		(351)			\$ 752,411
Bernstein research services	105,655							105,655
Distribution revenues	155,538	(155,538)						—
Dividend and interest income	8,658			(71)	(2,087)			6,500
Investment gains (losses)	4,181			(2,201)	(1,671)			309
Other revenues	25,900		(8,229)		(177)			17,494
<b>Total revenues</b>	<b>1,077,556</b>	<b>(175,997)</b>	<b>(12,632)</b>	<b>(2,272)</b>	<b>(4,286)</b>	<b>—</b>	<b>—</b>	<b>882,369</b>
Less: interest expense	734							734
<b>Net revenues</b>	<b>1,076,822</b>	<b>(175,997)</b>	<b>(12,632)</b>	<b>(2,272)</b>	<b>(4,286)</b>	<b>—</b>	<b>—</b>	<b>881,635</b>
Employee compensation and benefits	435,707			(2,198)			—	433,509
Promotion and servicing	222,568	(175,997)	(8,086)					38,485
General and administrative	131,324		(4,546)		(713)	985	(180)	126,870
Contingent payment arrangements	838							838
Interest on borrowings	1,241							1,241
Amortization of intangible assets	1,521							1,521
<b>Total expenses</b>	<b>793,199</b>	<b>(175,997)</b>	<b>(12,632)</b>	<b>(2,198)</b>	<b>(713)</b>	<b>985</b>	<b>(180)</b>	<b>602,464</b>
<b>Operating income</b>	<b>283,623</b>	<b>—</b>	<b>—</b>	<b>(74)</b>	<b>(3,573)</b>	<b>(985)</b>	<b>180</b>	<b>279,171</b>
Income taxes	12,480	—	—	(3)	(157)	(43)	7	12,284
Net income	271,143	—	—	(71)	(3,416)	(942)	173	266,887
Net income (loss) of consolidated entities attributable to non-controlling interests	3,573				(3,573)			—
<b>Net income attributable to AB Unitholders</b>	<b>\$ 267,570</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (71)</b>	<b>\$ 157</b>	<b>\$ (942)</b>	<b>\$ 173</b>	<b>\$ 266,887</b>

Please refer to page 37 for notes describing the adjustments.

# First Quarter 2022 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 (D)	Real Estate Credits (Charges) (E)	Acquisition-Related Expenses (F)	
Investment advisory and services fees	\$ 823,782	(17,285)	(35,976)		(133)			\$ 770,388
Bernstein research services	117,807							117,807
Distribution revenues	168,341	(168,341)						—
Dividend and interest income	11,475			(66)	(4,053)			7,356
Investment (losses) gains	(39,024)			4,150	28,892			(5,982)
Other revenues	26,155		(8,963)		(168)			17,024
<b>Total revenues</b>	<b>1,108,536</b>	<b>(185,626)</b>	<b>(44,939)</b>	<b>4,084</b>	<b>24,538</b>	<b>—</b>	<b>—</b>	<b>906,593</b>
Less: interest expense	2,849							2,849
<b>Net revenues</b>	<b>1,105,687</b>	<b>(185,626)</b>	<b>(44,939)</b>	<b>4,084</b>	<b>24,538</b>	<b>—</b>	<b>—</b>	<b>903,744</b>
Employee compensation and benefits	439,420			2,964			(679)	441,705
Promotion and servicing	236,854	(185,626)	(8,821)					42,407
General and administrative	177,625		(36,118)		(507)	206	(8,072)	133,134
Contingent payment arrangements	838						(838)	—
Interest on borrowings	1,411							1,411
Amortization of intangible assets	1,136						(1,098)	38
<b>Total expenses</b>	<b>857,284</b>	<b>(185,626)</b>	<b>(44,939)</b>	<b>2,964</b>	<b>(507)</b>	<b>206</b>	<b>(10,687)</b>	<b>618,695</b>
<b>Operating income</b>	<b>248,403</b>	<b>—</b>	<b>—</b>	<b>1,120</b>	<b>25,045</b>	<b>(206)</b>	<b>10,687</b>	<b>285,049</b>
Income taxes	12,721	—	—	57	1,281	(11)	547	14,595
Net income	235,682	—	—	1,063	23,764	(195)	10,140	270,454
Net income (loss) of consolidated entities attributable to non-controlling interests	(25,045)				25,045			—
<b>Net income attributable to AB Unitholders</b>	<b>\$ 260,727</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 1,063</b>	<b>\$ (1,281)</b>	<b>\$ (195)</b>	<b>\$ 10,140</b>	<b>\$ 270,454</b>

Please refer to page 37 for notes describing the adjustments.

# AB Adjusted Financial Results Reconciliation

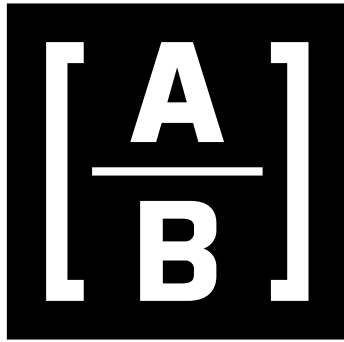
## Notes to Consolidated Statements of Income and Supplemental Information (Unaudited)

- A. We exclude all of the company's distribution revenues, which are recorded as a separate line item on the consolidated statement of income, as well as a portion of investment advisory services fees received that is used to pay distribution and servicing costs. Such presentation appropriately reflects the nature of these costs as pass-through payments to third parties that perform functions on behalf of our sponsored mutual funds and/or shareholders of these funds. Also, we adjust distribution revenues for the amortization of deferred sales commissions as these costs, over time, will offset such revenues.
- B. We exclude additional pass-through expenses we incur (primarily through our transfer agency) that are reimbursed and recorded as fees in revenues. These fees have no impact on operating income, but they do have an impact on our operating margin. As such, we exclude these fees from adjusted net revenues.
- C. We exclude the impact on net revenues and compensation expense of the mark-to-market gains and losses (as well as the dividends and interest) associated with employee long-term incentive compensation-related investments. In addition, we exclude any EQH-related equity compensation expense as the awards are non-cash and are based on EQH's and not AB's financial performance.
- D. We adjust for the impact of consolidating certain company-sponsored investment funds by eliminating the consolidated company-sponsored investment funds revenues and expenses and including AB's revenues and expenses that were eliminated in consolidation. In addition, the net income of joint ventures attributable to non-controlling interests is excluded because it does not reflect the economic interest attributable to AB.
- E. Real estate credits are excluded because they are not considered part of our core ongoing operations. However, beginning in the fourth quarter of 2019, real estate charges (credits) while excluded in the period in which the charges (credits) are recorded, are included ratably over the remaining applicable lease term.
- F. 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.

### 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.

**For illustrative purposes only;** The information should not be construed as sales or marketing material or an offer or solicitation for the purchase or sale of any financial instrument, product or service sponsored by AllianceBernstein or its affiliates.



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