

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

April 30, 2015

ALLIANCEBERNSTEIN HOLDING L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-09818
(Commission File Number)

13-3434400
(I.R.S. Employer Identification Number)

1345 Avenue of the Americas, New York, New York
(Address of principal executive offices)

10105
(Zip Code)

Registrant's telephone number, including area code:

212-969-1000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

AllianceBernstein L.P. and AllianceBernstein Holding L.P. (collectively, “**AB**”) are furnishing their news release issued on April 30, 2015 announcing financial and operating results for the quarter ended March 31, 2015 (“**1Q15 Release**”). The 1Q15 Release is attached hereto as Exhibit 99.01.

AB is furnishing its First Quarter 2015 Review, dated April 30, 2015 (“**1Q15 Review**”). The 1Q15 Review is attached hereto as Exhibit 99.02.

AB is furnishing a transcript of its conference call with analysts relating to the 1Q15 Release and the 1Q15 Review (“**1Q15 Transcript**”). The call took place on April 30, 2015. The 1Q15 Transcript is attached hereto as Exhibit 99.03.

Item 7.01. Regulation FD Disclosure.

AB is furnishing the 1Q15 Release, which is attached hereto as Exhibit 99.01.

AB is furnishing the 1Q15 Review, which is attached hereto as Exhibit 99.02.

AB is furnishing the 1Q15 Transcript, which is attached hereto as Exhibit 99.03.

Item 8.01 Other Events

On December 12, 2013, AB acquired W.P. Stewart & Co., Ltd. (“**WPS**”), an equity investment manager that managed, as of December 12, 2013, approximately \$2.1 billion in U.S., Global and EAFE concentrated growth equity strategies for its clients, primarily in the U.S. and Europe. On the date of this acquisition, each of approximately 4.9 million outstanding shares of WPS common stock (other than certain specified shares, as previously disclosed in Amendment No. 2 to Form S-4 filed by AllianceBernstein L.P. on November 8, 2013) was converted into the right to receive \$12 per share and one transferable contingent value right (“**CVRs**”) entitling the holders to an additional \$4 per share cash payment if the Assets Under Management (as such term is defined in the Contingent Value Rights Agreement (“**CVR Agreement**”) dated as of December 12, 2013, a copy of which was filed as Exhibit 4.01 (“**Exhibit 4.01**”) to the Form 10-K for the year ended December 31, 2013 filed by each of AllianceBernstein L.P. and AllianceBernstein Holding L.P.) in the acquired WPS investment services exceed \$5.0 billion on or before December 12, 2016, subject to certain measurement procedures and limitations set forth in the CVR Agreement. The foregoing description of the CVR Agreement does not purport to be complete and is qualified in its entirety by the full text of the CVR Agreement included as Exhibit 4.01 to our Form 10-K for the year ended December 31, 2013, which is incorporated herein by reference.

As of March 31, 2015, the Assets Under Management are approximately \$3.0 billion. As noted above, payment pursuant to the CVRs is triggered if Assets Under Management exceed \$5.0 billion on or prior to December 12, 2016, subject to certain measurement procedures and limitations. See the definition of AUM Milestone in Exhibit 4.01 for additional information regarding the circumstances that trigger payment pursuant to the CVRs.

Management has determined that the AUM Milestone did not occur during the first quarter of 2015.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

[99.01](#) 1Q15 Release.

[99.02](#) 1Q15 Review.

[99.03](#) 1Q15 Transcript.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALLIANCEBERNSTEIN HOLDING L.P.

Dated: May 1, 2015

By: /s/ Mona Bhalla

Mona Bhalla
Corporate Secretary



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ALLIANCEBERNSTEIN HOLDING L.P. ANNOUNCES FIRST QUARTER RESULTS
Adjusted Diluted Net Income of \$0.45 per Unit
Cash Distribution of \$0.45 per Unit
GAAP Diluted Net Income of \$0.45 per Unit

New York, NY, April 30, 2015 – AllianceBernstein L.P. (“AB”) and AllianceBernstein Holding L.P. (“AB Holding”) (NYSE: AB) today reported financial and operating results for the quarter ended March 31, 2015.

“We began 2015 with another quarter of meaningful progress in executing on our long-term strategy to deliver for clients with our investment performance, the global breadth of our offering and the strength of our financials,” said Peter S. Kraus, Chairman and Chief Executive Officer. “With strong sales momentum across our business, coupled with strict expense discipline, we generated positive net flows in all three of our client channels – \$6 billion in total – and expanded our adjusted operating margin by 190 basis points year-on-year, to 23.9%.”

(US \$ Thousands except per Unit amounts)	<u>1Q 2015</u>	<u>4Q 2014</u>	<u>1Q 2014</u>	<u>1Q 2015 vs 4Q 2014 % Change</u>	<u>1Q 2015 vs 1Q 2014 % Change</u>
Adjusted Financial Measures ⁽¹⁾					
Net revenues	\$ 633,995	\$ 654,932	\$ 595,093	(3.2%)	6.5%
Operating income	\$ 151,613	\$ 182,882	\$ 130,980	(17.1%)	15.8%
Operating margin	23.9%	27.9%	22.0%		
Net income attributable to AB	\$ 141,165	\$ 173,060	\$ 119,569	(18.4%)	18.1%
AB Holding Diluted EPU	\$ 0.45	\$ 0.57	\$ 0.39	(21.1%)	15.4%
AB Holding cash distribution per Unit	\$ 0.45	\$ 0.57	\$ 0.39	(21.1%)	15.4%
U.S. GAAP Financial Measures					
Net revenues	\$ 762,571	\$ 787,352	\$ 714,618	(3.1%)	6.7%
Operating income	\$ 153,214	\$ 190,570	\$ 129,903	(19.6%)	17.9%
Operating margin	19.9%	23.8%	17.9%		
Net income attributable to AB	\$ 141,469	\$ 177,425	\$ 116,725	(20.3%)	21.2%
AB Holding Diluted EPU	\$ 0.45	\$ 0.59	\$ 0.38	(23.7%)	18.4%
(US \$ Billions)					
Assets Under Management					
Ending AUM	\$ 485.9	\$ 474.0	\$ 454.1	2.5%	7.0%
Average AUM	\$ 481.0	\$ 476.0	\$ 452.0	1.1%	6.4%

(1) The adjusted financial measures are all non-GAAP financial measures. See pages 11-13 for reconciliations of GAAP Financial Results to Adjusted Financial Results and page 14 for notes describing the adjustments.

Kraus continued: "As we keep enhancing how we deliver for our clients, we're earning their trust. In the first quarter of 2015, we continued our strong investment performance momentum in fixed income, where 87%, 89% and 93% of our assets were in services that beat their benchmarks for the 1-, 3- and 5-year periods through March, respectively. We made continued progress in equities as well, where our share of outperforming assets is now 85% for the 1-year period, 75% for the 3-year and 57% for the 5-year. With competitive investment performance and a broader array of offerings, we're seeing high client interest across the board. In Institutional, gross sales increased both sequentially and year-on-year in the Americas, EMEA and Asia-Pacific, and our net flows of \$5.4 billion were our second-highest since the fourth quarter of 2007. What's more, we finished the quarter with a \$15.8 billion pipeline of new business, despite fundings and a high level of pass-through activity. Today, our 10 largest pipeline mandates include a mix of Customized Retirement Strategies (CRS), US, Canadian, European and global fixed income, core equities, direct middle- market lending and commercial real estate debt. Our Retail sales momentum was broad-based as well. All regions contributed to our 17% sequential gross sales increase in the first quarter, with notable strength in Japan. Sales of our active strategies were up 18% sequentially, and four of our top 10 sellers for the quarter are new offerings within the past five years, including SMA Muni Tax Aware and Concentrated Growth. Solid returns and relevant new services are fueling our momentum in Private Wealth Management as well, where net flows were positive for the quarter. Strategic Equities, the active equity sleeve of our integrated offering, outperformed the S&P 500 by 286 basis points in the first quarter and ranked in the 11th percentile among peers. And the new direct middle-market lending targeted service we recently introduced to Private Wealth clients was oversubscribed in record time. New and long-time clients look to us for thoughtful long-term planning, solutions tailored to their specific needs, and new and innovative ways to produce better outcomes. On the sell side, we're unique in both our exceptional research and our differentiated trading platform, which provides institutional clients with access to liquidity, 100% client alignment, research content and execution capabilities in 160 venues and 49 markets worldwide. That's why we keep increasing revenues and gaining share in a very competitive space. Finally, as a firm, we remain focused on growing profitably so we can deliver better returns to our unitholders. I'm very pleased with the 50%-plus incremental margin we produced year-on-year during the first quarter of 2015. This demonstrates our ability to control expenses as assets and revenues continue to grow. We've come a long way in our journey to position AB for a strong future and deliver on our promise to keep clients Ahead of Tomorrow with our service and offerings. We're off to a promising start in making continued progress in 2015."

The firm's cash distribution per unit of \$0.45 is payable on May 21, 2015, to holders of record of AB Holding Units at the close of business on May 11, 2015.

Market Performance

US equity and fixed income markets were positive in the first quarter, while global equity and fixed income markets were mixed. The S&P 500 returned 1.0% for the first quarter, while the MSCI EAFE Index's total return was 5.0%. The Barclays US Aggregate Index returned 1.6% during the first quarter and the Barclays Global Aggregate ex US Index's total return was (4.6)%.

Assets Under Management (\$ Billions)

Total assets under management as of March 31, 2015 were \$485.9 billion, up \$11.9 billion, or 2.5%, from December 31, 2014, and up \$31.8 billion, or 7.0%, from March 31, 2014.

	Institutions	Retail	Private Wealth Management	Total
Assets Under Management 3/31/15	\$ 243.7	\$ 164.3	\$ 77.9	\$ 485.9
Net Flows for Three Months Ended 3/31/15	\$ 5.4	\$ 0.5	\$ 0.1	\$ 6.0

Total net inflows of \$6.0 billion compared to the prior quarter's net outflows of \$1.6 billion and the prior-year period's net outflows of \$4.4 billion.

Net inflows to the Institutions channel were \$5.4 billion, compared to net outflows of \$0.3 billion in the fourth quarter of 2014. Institutions gross sales of \$7.3 billion increased 54% from the prior quarter's \$4.7 billion. The pipeline of awarded but unfunded Institutional mandates decreased sequentially from \$16.0 billion to \$15.8 billion at March 31, 2015. The \$10 billion Customized Retirement Strategies ("CRS") mandate that was added to the pipeline during the fourth quarter of 2014 has not yet funded but is expected to fund during the first half of 2015. Excluding CRS and passive, the active pipeline of \$5.7 billion compares to \$5.9 billion at year-end 2014.

The Retail channel experienced first quarter 2015 net inflows of \$0.5 billion, compared to the prior quarter's \$1.2 billion in net outflows. Retail gross sales of \$10.8 billion increased 17% sequentially from the fourth quarter's \$9.2 billion.

In the Private Wealth channel, net inflows of \$0.1 billion compared to net outflows of \$0.1 billion in the previous quarter. Private Wealth gross sales increased 11% to \$1.4 billion from the prior quarter's \$1.3 billion.

First Quarter Financial Results

We are presenting both earnings information derived in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and non-GAAP earnings information in this release. Management principally uses these non-GAAP financial measures in evaluating performance because they present a clearer picture of our operating performance, and allow management to see long-term trends without the distortion primarily caused by long-term incentive compensation-related mark-to-market adjustments, real estate consolidation charges/credits and other adjustment items. Similarly, we believe that this non-GAAP earnings information helps investors better understand the underlying trends in our results and, accordingly, provides a valuable perspective for investors. AB Holding is required to distribute all of its Available Cash Flow, as defined in the AB Holding Partnership Agreement, to its Unitholders (including the General Partner). Since the third quarter of 2012, Available Cash Flow has been the adjusted diluted net income per unit for the quarter multiplied by the number of units outstanding at the end of the quarter. Management anticipates that Available Cash Flow will continue to be based on adjusted diluted net income per unit, unless management determines that one or more of the non-GAAP adjustments that are made for adjusted net income should not be made with respect to the Available Cash Flow calculation. These non-GAAP measures are provided in addition to, and not as substitutes for, any measures derived in accordance with US GAAP and they may not be comparable to non-GAAP measures presented by other companies. Management uses both US GAAP and non-GAAP measures in evaluating our financial performance. The non-GAAP measures alone may pose limitations because they do not include all of our revenues and expenses.

Non-GAAP Earnings

This section discusses our first quarter 2015 non-GAAP financial results, as compared to the fourth quarter of 2014 and the first quarter of 2014. The phrases “adjusted net revenues”, “adjusted operating expenses”, “adjusted operating income”, “adjusted operating margin” and “adjusted diluted net income per Unit” are used in the following earnings discussion to identify non-GAAP information. The most directly comparable US GAAP items are reconciled to these non-GAAP items on pages 11-14 of this release.

Adjusted net revenues of \$634 million were up 7% compared to the first quarter of 2014, driven by higher base fees and Bernstein Research revenues, slight investment gains compared to investment losses in the prior-year period and higher performance-based fees, partly offset by higher net distribution expense, the result of current quarter distribution payments and amortization of deferred sales commissions that exceeded distribution revenues. Sequentially, adjusted net revenues were down 3%, driven by lower performance-based fees and Bernstein Research revenues, partly offset by slight investment gains compared to investment losses in the prior quarter and higher base fees.

Adjusted operating expenses were \$482 million for the first quarter, up 4% compared to the prior-year period, driven by higher total compensation and benefits and promotion and servicing expenses, partly offset by lower general and administrative (“G&A”) expense. The year-over-year increase in total compensation and benefits expense was a result of higher incentive and base compensation, partly offset by lower commissions. The increase in promotion and servicing expense was due to higher trade execution and travel and entertainment expenses. Within G&A, the decrease was due to lower occupancy expense.

Sequentially, adjusted operating expenses were up 2%, driven by a higher compensation and benefits expense during the quarter, which was partly offset by lower promotion and servicing expense. The sequential increase in total compensation and benefits expense was driven by a higher incentive compensation accrual, partly offset by lower base compensation. The decrease in promotion and servicing was primarily due to lower travel and entertainment expense that was partly offset by higher trade execution expense.

Adjusted operating income of \$152 million increased 16% compared to the first quarter of 2014, and the adjusted operating margin increased to 23.9% from 22.0%. On a sequential basis, adjusted operating income decreased 17% from \$183 million, and the adjusted operating margin decreased from 27.9%.

Adjusted diluted net income per Unit was \$0.45 compared to \$0.39 in the first quarter of 2014 and \$0.57 in the fourth quarter of 2014.

US GAAP Earnings:

Net revenues of \$762 million were up 7% compared to the first quarter of 2014, as base and performance-based fees, investment gains, distribution revenues and Bernstein Research revenues were all higher. Sequentially, net revenues declined 3%, as a result of lower performance-based fees, distribution revenues, dividend and interest income and Bernstein Research revenues, which were partly offset by investment gains compared to investment losses in the prior period. Bernstein Research revenues increased 2% from the first quarter of 2014 due to increased client activity in the US and Asia, offsetting a decline in Europe, and declined 2% from the fourth quarter of 2014 due to decreased client activity in the US and Asia.

Operating expenses were \$609 million for the first quarter, up 4% year-over-year, as higher employee compensation and benefits and promotion and servicing expenses were partly offset by lower G&A expense. Employee compensation and benefits expense increased from the prior-year period due to higher incentive and base compensation, partially offset by lower commissions. Promotion and servicing expense increased from the prior-year period due to higher amortization of deferred sales commissions and distribution plan payments in non-US retail markets, as well as higher trade execution expense. Within G&A, occupancy expense was lower compared to the prior-year period. The Company recorded a \$0.4 million non-cash real estate credit during the first quarter of 2015 as part of its ongoing global real estate consolidation plan compared to a \$1.9 million non-cash real estate charge in the first quarter of 2014.

On a sequential basis, operating expenses were up 2% as higher employee compensation and benefit and G&A expenses were partly offset by lower promotion and servicing expense. Employee compensation and benefits expense increased due to a higher incentive compensation accrual, partially offset by lower base compensation. Within G&A, higher foreign exchange expenses and portfolio services fees were partially offset by lower professional fees. Also, in the fourth quarter of 2014, G&A expense was lower due to a corporate credit card rebate that did not occur again in the first quarter of 2015. Promotion and servicing expense declined sequentially as a result of lower distribution plan payments, primarily in non-US retail markets, and lower travel and entertainment expense. The Company's \$0.4 million non-cash real estate credit in the current quarter compares to a similar \$0.4 million non-cash real estate credit in the fourth quarter of 2014.

Operating income of \$153 million for the first quarter of 2015 increased 18% compared to \$130 million for the first quarter of 2014 and decreased 20% compared to \$191 million in the fourth quarter of 2014.

Diluted net income per Unit for the first quarter of 2015 was \$0.45 compared to \$0.38 for the first quarter of 2014 and \$0.59 for the fourth quarter of 2014.

Headcount

As of March 31, 2015, we had 3,486 employees, compared to 3,343 employees as of March 31, 2014 and 3,487 employees as of December 31, 2014.

Unit Repurchases

During the first quarter of 2015, AB purchased 0.7 million AB Holding Units for \$17.0 million (on a trade date basis). This amount reflects open-market purchases of 0.6 million AB Holding Units for \$15.1 million, with the remainder relating to purchases of AB Holding Units from employees to allow them to fulfill statutory tax withholding requirements at the time of distribution of long-term incentive compensation awards. During the first quarter of 2014, AB purchased 0.2 million AB Holding Units for \$3.7 million (on a trade date basis). This amount reflects purchases from employees to allow them to fulfill statutory tax withholding requirements at the time of distribution of long-term incentive compensation awards.

First Quarter 2015 Earnings Conference Call Information

Management will review first quarter 2015 financial and operating results during a conference call beginning at 8:00 a.m. (ET) on Thursday, April 30, 2015. The conference call will be hosted by Peter S. Kraus, Chairman and Chief Executive Officer, and John C. Weisenseel, Chief Financial Officer.

Parties may access the conference call by either webcast or telephone:

1. To listen by webcast, please visit AB's Investor Relations website at <http://abglobal.com/corporate/investor-relations/home.htm> at least 15 minutes prior to the call to download and install any necessary audio software.

2. To listen by telephone, please dial (866) 556-2265 in the U.S. or (973) 935-8521 outside the U.S. 10 minutes before the scheduled start time. The conference ID# is 23948571.

The presentation that will be reviewed during the conference call will be available on AB's Investor Relations website shortly after the release of first quarter 2015 financial and operating results on April 30, 2015.

AB will be providing live updates via Twitter during the conference call. To access the tweets, follow AB on Twitter: @AB_insights. Also, in the future, AB may provide public disclosures to investors via Twitter and other appropriate internet-based social media.

A replay of the webcast will be made available beginning approximately one hour after the conclusion of the conference call and will be available on AB's website for one week. An audio replay of the conference call will also be available for one week. To access the audio replay, please call (855) 859-2056 in the U.S., or (404) 537-3406 outside the U.S., and provide the conference ID #: 23948571.

Cautions Regarding Forward-Looking Statements

Certain statements provided by management in this news release 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, competitive conditions, and current and proposed government regulations, including changes in tax regulations and rates and the manner in which the earnings of publicly-traded partnerships are taxed. AB cautions readers to carefully consider such factors. Further, such forward-looking statements speak only as of the date on which such statements are made; AB undertakes 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, 2014 and Form 10-Q for the quarter ended March 31, 2015. Any or all of the forward-looking statements made in this news release, Form 10-K, Form 10-Q, other documents AB files with or furnishes to the SEC, and any other public statements issued by AB, 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 AB's financial condition, results of operations and business prospects.

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

- **The possibility that AB will engage in open market purchases of Holding Units to help fund anticipated obligations under our incentive compensation award program:** The number of Holding Units AB may decide to buy in future periods, if any, to help fund incentive compensation awards is dependent upon various factors, some of which are beyond our control, including the fluctuation in the price of a Holding Unit and the availability of cash to make these purchases.
- **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.

Qualified Tax Notice

This announcement is intended to be a qualified notice under Treasury Regulation §1.1446-4(b). Please note that 100% of AB Holding's distributions to foreign investors is attributable to income that is effectively connected with a United States trade or business. Accordingly, AB Holding's distributions to foreign investors are subject to federal income tax withholding at the highest applicable tax rate, currently 39.6%.

About AB

AB is a leading global investment management firm that offers high-quality research and diversified investment services to institutional investors, individuals and private wealth clients in major world markets.

As of March 31, 2015 AB Holding owned approximately 36.8% of the issued and outstanding AB Units and AXA, one of the largest global financial services organizations, owned an approximate 62.7% economic interest in AB.

Additional information about AB may be found on our website, www.abglobal.com.

www.abglobal.com

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(US \$ Thousands)	1Q 2015	4Q 2014	1Q 2014	1Q 2015 vs. 4Q 2014 % Change	1Q 2015 vs. 1Q 2014 % Change
Adjusted revenues:					
Base fees	\$ 487,378	\$ 485,253	\$ 452,039	0.4%	7.8%
Performance fees	4,152	28,034	2,845	(85.2%)	45.9%
Bernstein research services	126,046	128,409	123,009	(1.8%)	2.5%
Net distribution revenues	(3,601)	(3,647)	(1,413)	(1.3%)	154.8%
Net dividends and interest	4,943	6,194	3,922	(20.2%)	26.0%
Investments gains (losses)	89	(6,701)	(2,743)	n/m	n/m
Other revenues	15,607	17,931	18,235	(13.0%)	(14.4%)
Total adjusted revenues	634,614	655,473	595,894	(3.2%)	6.5%
Less: interest expense	619	541	801	14.4%	(22.7%)
Total adjusted net revenues	633,995	654,932	595,093	(3.2%)	6.5%
Adjusted operating expenses:					
Employee compensation and benefits	323,677	312,223	304,855	3.7%	6.2%
Promotion and servicing	46,285	48,446	45,200	(4.5%)	2.4%
General and administrative	104,760	104,081	107,241	0.7%	(2.3%)
Contingent payment arrangements	443	476	321	(6.9%)	38.0%
Interest	854	628	781	36.0%	9.3%
Amortization of intangible assets	6,461	6,448	5,907	0.2%	9.4%
Net income (loss) attributable to non-controlling interests	(98)	(252)	(192)	(61.1%)	(49.0%)
Total adjusted operating expenses	482,382	472,050	464,113	2.2%	3.9%
Adjusted operating income	151,613	182,882	130,980	(17.1%)	15.8%
Adjusted income taxes	10,448	9,822	11,411	6.4%	(8.4%)
Adjusted net income	\$ 141,165	\$ 173,060	\$ 119,569	(18.4%)	18.1%
AB Holding adjusted diluted EPU	\$ 0.45	\$ 0.57	0.39	(21.1%)	15.4%
Ending headcount	3,486	3,487	3,343	(0.0%)	4.3%
Ending AUM (in billions)	\$ 485.9	\$ 474.0	\$ 454.1	2.5%	7.0%
Average AUM (in billions)	\$ 481.0	\$ 476.0	\$ 452.0	1.1%	6.4%

(US \$ Thousands)	1Q 2015	4Q 2014	1Q 2014	1Q 2015 vs. 4Q 2014 % Change	1Q 2015 vs. 1Q 2014 % Change
GAAP revenues					
Base fees	\$ 489,836	\$ 486,481	\$ 452,039	0.7%	8.4%
Performance fees	4,152	28,034	2,845	(85.2%)	45.9%
Bernstein research services	126,046	128,409	123,009	(1.8%)	2.5%
Distribution revenues	109,184	112,929	106,186	(3.3%)	2.8%
Dividends and interest	5,094	8,799	4,101	(42.1%)	24.2%
Investments gains (losses)	3,888	(4,185)	559	n/m	595.5%
Other revenues	24,990	27,426	26,680	(8.9%)	(6.3%)
Total revenues	763,190	787,893	715,419	(3.1%)	6.7%
Less: interest expense	619	541	801	14.4%	(22.7%)
Total net revenues	762,571	787,352	714,618	(3.1%)	6.7%
GAAP operating expenses:					
Employee compensation and benefits	326,327	313,900	307,033	4.0%	6.3%
Promotion and servicing					
Distribution-related payments	100,386	104,585	98,642	(4.0%)	1.8%
Amortization of deferred sales commissions	12,399	11,991	8,957	3.4%	38.4%
Other	55,537	57,941	53,645	(4.1%)	3.5%
General and administrative					
General & administrative	107,333	105,593	107,487	1.6%	(0.1%)
Real estate (credits) charges	(383)	(405)	1,942	(5.4%)	n/m
Contingent payment arrangements	443	(3,899)	321	n/m	38.0%
Interest on borrowings	854	628	781	36.0%	9.3%
Amortization of intangible assets	6,461	6,448	5,907	0.2%	9.4%
Total operating expenses	609,357	596,782	584,715	2.1%	4.2%
Operating income	153,214	190,570	129,903	(19.6%)	17.9%
Income taxes	10,470	9,999	11,365	4.7%	(7.9%)
Net income	142,744	180,571	118,538	(20.9%)	20.4%
Net income of consolidated entities attributable to non-controlling interests	1,275	3,146	1,813	(59.5%)	(29.7%)
Net income attributable to AB Unitholders	\$ 141,469	\$ 177,425	\$ 116,725	(20.3%)	21.2%
AB Holding diluted EPU	\$ 0.45	\$ 0.59	\$ 0.38	(23.7%)	18.4%
Units Outstanding (in millions)					
AB L.P.					
Period-end	272.6	273.0	268.6	(0.1%)	1.5%
Weighted average - basic	272.8	269.8	268.5	1.1%	1.6%
Weighted average - diluted	273.9	270.9	269.5	1.1%	1.6%
AB Holding L.P.					
Period-end	100.3	100.8	96.2	(0.5%)	4.3%
Weighted average - basic	100.5	97.6	96.1	3.0%	4.6%
Weighted average - diluted	101.6	98.6	97.2	3.0%	4.5%

Ending and Average

	Three Months Ended	
	3/31/15	3/31/14
Ending Assets Under Management	\$ 485.9	\$ 454.1
Average Assets Under Management	\$ 481.0	\$ 452.0

Three-Month Changes By Distribution Channel

	Institutions	Retail	Private Wealth Management	Total
Beginning of Period	\$ 237.0	\$ 161.5	\$ 75.5	\$ 474.0
Sales/New accounts	7.3	10.8	1.4	19.5
Redemptions/Terminations	(2.4)	(9.0)	(0.7)	(12.1)
Net Cash Flows	0.5	(1.3)	(0.6)	(1.4)
Net Flows	5.4	0.5	0.1	6.0
Transfers	(0.3)	(0.1)	0.4	-
Investment Performance	1.6	2.4	1.9	5.9
End of Period	\$ 243.7	\$ 164.3	\$ 77.9	\$ 485.9

Three-Month Changes By Investment Service

	Equity Active	Equity Passive (1)	Fixed Income Taxable	Fixed Income Tax-Exempt	Fixed Income Passive (1)	Other (2)	Total
Beginning of Period	\$ 112.5	\$ 50.4	\$ 219.4	\$ 31.6	\$ 10.1	\$ 50.0	\$ 474.0
Sales/New accounts	4.0	0.2	12.7	1.5	0.1	1.0	19.5
Redemptions/Terminations	(3.9)	(0.2)	(6.5)	(0.7)	(0.1)	(0.7)	(12.1)
Net Cash Flows	(1.3)	(0.2)	0.2	(0.1)	(0.3)	0.3	(1.4)
Net Flows	(1.2)	(0.2)	6.4	0.7	(0.3)	0.6	6.0
Investment Performance	4.1	0.7	(0.3)	0.3	-	1.1	5.9
End of Period	\$ 115.4	\$ 50.9	\$ 225.5	\$ 32.6	\$ 9.8	\$ 51.7	\$ 485.9

(1) Includes index and enhanced index services.

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

By Client Domicile

	Institutions	Retail	Private Wealth	Total
U.S. Clients	\$ 140.2	\$ 99.7	\$ 75.9	\$ 315.8
Non-U.S. Clients	103.5	64.6	2.0	170.1
Total	\$ 243.7	\$ 164.3	\$ 77.9	\$ 485.9

First Quarter 2015 GAAP to Non-GAAP Reconciliation

In US \$ Thousands

	GAAP	Adjustments							Non-GAAP	
		Distribution Related Payments (A)	Pass Through Expenses (B)	Deferred Comp. Inv. (C)	Venture Capital Fund (D)	Real Estate Charges (E)	Contingent Payment Adjust. (F)	Acquisition-Related Expenses (G)		Other (H)
Investment advisory and services fees	\$ 493,988		(2,458)							\$ 491,530
Bernstein research services	126,046									126,046
Distribution revenues	109,184	(112,785)								(3,601)
Dividend and interest income	5,094			(151)						4,943
Investment gains (losses)	3,888			(2,426)	(1,373)					89
Other revenues	24,990		(9,383)							15,607
Total revenues	763,190	(112,785)	(11,841)	(2,577)	(1,373)	-	-	-	-	634,614
Less: interest expense	619									619
Net revenues	762,571	(112,785)	(11,841)	(2,577)	(1,373)	-	-	-	-	633,995
Employee compensation and benefits	326,327			(2,634)				(16)		323,677
Promotion and servicing	168,322	(112,785)	(9,252)							46,285
General and administrative	106,950		(2,589)			383		16		104,760
Contingent payment arrangements	443									443
Interest on borrowings	854									854
Amortization of intangible assets	6,461									6,461
Net income (loss) of consolidated entities attributable to non-controlling interests	-								(98)	(98)
Total expenses	609,357	(112,785)	(11,841)	(2,634)	-	383	-	-	(98)	482,382
Operating income	153,214	-	-	57	(1,373)	(383)	-	-	98	151,613
Income taxes	10,470			4		(26)				10,448
Net income	142,744			53	(1,373)	(357)			98	141,165
Net income (loss) of consolidated entities attributable to non-controlling interests	1,275				(1,373)				98	-
Net income attributable to AB Unitholders	\$ 141,469	\$ -	\$ -	\$ 53	\$ -	\$ (357)	\$ -	\$ -	\$ -	\$ 141,165

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Fourth Quarter 2014 GAAP to Non-GAAP Reconciliation

In US \$ Thousands

	GAAP	Adjustments							Non-GAAP	
		Distribution Related Payments (A)	Pass Through Expenses (B)	Deferred Comp. Inv. (C)	Venture Capital Fund (D)	Real Estate Charges (E)	Contingent Payment Adjust. (F)	Acquisition-Related Expenses (G)		Other (H)
Investment advisory and services fees	\$ 514,515		(1,228)							\$ 513,287
Bernstein research services	128,409									128,409
Distribution revenues	112,929	(116,576)								(3,647)
Dividend and interest income	8,799			(2,605)						6,194
Investment gains (losses)	(4,185)			882	(3,398)					(6,701)
Other revenues	27,426		(9,495)							17,931
Total revenues	787,893	(116,576)	(10,723)	(1,723)	(3,398)	-	-	-	-	655,473
Less: interest expense	541									541
Net revenues	787,352	(116,576)	(10,723)	(1,723)	(3,398)	-	-	-	-	654,932
Employee compensation and benefits	313,900			(1,195)				(482)		312,223
Promotion and servicing	174,517	(116,576)	(9,495)							48,446
General and administrative	105,188		(1,228)			405		(284)		104,081
Contingent payment arrangements	(3,899)						4,375			476
Interest on borrowings	628									628
Amortization of intangible assets	6,448									6,448
Net income (loss) of consolidated entities attributable to non-controlling interests	-								(252)	(252)
Total expenses	596,782	(116,576)	(10,723)	(1,195)	-	405	4,375	(766)	(252)	472,050
Operating income	190,570	-	-	(528)	(3,398)	(405)	(4,375)	766	252	182,882
Income taxes	9,999			(7)		(120)	(60)	10		9,822
Net income	180,571	-	-	(521)	(3,398)	(285)	(4,315)	756	252	173,060
Net income (loss) of consolidated entities attributable to non-controlling interests	3,146				(3,398)				252	-
Net income attributable to AB Unitholders	\$ 177,425	\$ -	\$ -	\$ (521)	\$ -	\$ (285)	\$ (4,315)	\$ 756	\$ -	\$ 173,060

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First Quarter 2014 GAAP to Non-GAAP Reconciliation

In US \$ Thousands

	GAAP	Adjustments							Non-GAAP	
		Distribution Related Payments (A)	Pass Through Expenses (B)	Deferred Comp. Inv. (C)	Venture Capital Fund (D)	Real Estate Charges (E)	Contingent Payment Adjust. (F)	Acquisition-Related Expenses (G)		Other (H)
Investment advisory and services fees	\$ 454,884									\$ 454,884
Bernstein research services	123,009									123,009
Distribution revenues	106,186	(107,599)								(1,413)
Dividend and interest income	4,101			(179)						3,922
Investment gains (losses)	559			(1,297)	(2,005)					(2,743)
Other revenues	26,680		(8,445)							18,235
Total revenues	715,419	(107,599)	(8,445)	(1,476)	(2,005)	-	-	-	-	595,894
Less: interest expense	801									801
Net revenues	714,618	(107,599)	(8,445)	(1,476)	(2,005)	-	-	-	-	595,093
Employee compensation and benefits	307,033			(1,565)				(613)		304,855
Promotion and servicing	161,244	(107,599)	(8,445)							45,200
General and administrative	109,429					(1,942)		(246)		107,241
Contingent payment arrangements	321									321
Interest on borrowings	781									781
Amortization of intangible assets	5,907									5,907
Net income (loss) of consolidated entities attributable to non-controlling interests	-								(192)	(192)
Total expenses	584,715	(107,599)	(8,445)	(1,565)	-	(1,942)	-	(859)	(192)	464,113
Operating income	129,903	-	-	89	(2,005)	1,942	-	859	192	130,980
Income taxes	11,365			1		33		12		11,411
Net income	118,538	-	-	88	(2,005)	1,909	-	847	192	119,569
Net income (loss) of consolidated entities attributable to non-controlling interests	1,813				(2,005)				192	-
Net income attributable to AB Unitholders	\$ 116,725	\$ -	\$ -	\$ 88	\$ -	\$ 1,909	\$ -	\$ 847	\$ -	\$ 119,569

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- A. Adjusted net revenues exclude distribution-related payments to third parties as well as amortization of deferred sales commissions against distribution revenues. We believe excluding distribution-related payments from net revenues is useful for our investors and other users of our financial statements because such presentation appropriately reflects the nature of these costs as pass-through payments to third parties who perform functions on behalf of our sponsored mutual funds and/or shareholders of these funds. We exclude amortization of deferred sales commissions from net revenues because such costs, over time, essentially offset our distribution revenues. These adjustments have no impact on operating income, but they do have an impact on our operating margin.
- B. We exclude pass-through expenses we incur (primarily through our transfer agency) that are reimbursed and recorded as fees in revenues from our adjusted net revenues. These fees have no impact on operating income, but they do have an impact on our operating margin.
- C. Prior to 2009, a significant portion of employee compensation was in the form of long-term incentive compensation awards that were notionally invested in AB investment services and generally vested over a period of four years. AB economically hedged the exposure to market movements by purchasing and holding these investments on its balance sheet. All such investments had vested by year-end 2012 and the investments have been distributed to the participants, except for those investments with respect to which the participant elected a long-term deferral. Fluctuation in the value of these investments is recorded within investment gains and losses on the income statement and also impacts compensation expense. Management believes it is useful to reflect the offset achieved from economically hedging the investments' market exposure in the calculation of adjusted operating income and adjusted operating margin. The non-GAAP measures exclude gains and losses and dividends and interest on employee long-term incentive compensation-related investments included in revenues and compensation expense.
- D. Most of the net income or loss of consolidated entities attributable to non-controlling interests relates to the 90% limited partner interests held by third parties in our consolidated venture capital fund. We own a 10% limited partner interest in the fund. Because we are the general partner of the venture capital fund and are deemed to have a controlling interest, US GAAP requires us to consolidate the financial results of the fund. However, recognizing 100% of the gains or losses in net revenues and operating income while only retaining 10% is not reflective of our underlying financial results at the net revenue and operating income level. As a result, we exclude the 90% limited partner interests we do not own from our adjusted net revenues and adjusted operating income.
- E. Real estate (credits)/charges 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.
- F. Recording changes in estimates of the contingent consideration associated with a 2010 acquisition have been excluded because this is not considered part of our core operating results.
- G. Acquisition-related expenses, primarily severance and professional fees incurred as a result of acquisitions in the fourth quarter of 2013 and the second quarter of 2014, have been excluded because they are not considered part of our core operating results when comparing results from period to period and to industry peers.
- H. Net income of joint ventures attributable to non-controlling interests, although not significant, is excluded because it does not reflect the economic interest attributable to AB.

Adjusted Operating Margin

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



April 30, 2015

FIRST QUARTER 2015 REVIEW

Peter S. Kraus Chairman & Chief Executive Officer
John C. Weisenseel Chief Financial Officer

Cautions Regarding Forward-Looking Statements

Certain statements provided by management in this presentation are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. The most significant of these factors include, but are not limited to, the following: the performance of financial markets, the investment performance of sponsored investment products and separately-managed accounts, general economic conditions, industry trends, future acquisitions, competitive conditions, and current and proposed government regulations, including changes in tax regulations and rates and the manner in which the earnings of publicly-traded partnerships are taxed. AB cautions readers to carefully consider such factors. Further, such forward-looking statements speak only as of the date on which such statements are made; AB undertakes 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, 2014 and Form 10-Q for the quarter ended March 31, 2015. Any or all of the forward-looking statements made in this presentation, Form 10-K, Form 10-Q, other documents AB files with or furnishes to the SEC, and any other public statements issued by AB, 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 AB's 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.
- + **The possibility that AB will engage in open market purchases of Holding Units to help fund anticipated obligations under our incentive compensation award program:** The number of Holding Units AB may decide to buy in future periods, if any, to help fund incentive compensation awards is dependent upon various factors, some of which are beyond our control, including the fluctuation in the price of a Holding Unit and the availability of cash to make these purchases.
- + **Our anticipation that cumulative write-offs relating to Phase II of our global real estate consolidation program targeting approximately 510,000 square feet of office space will remain in our previously announced range of \$225 million to \$250 million:** Any charges we record are based on our current assumptions regarding sublease marketing periods, costs to prepare the properties to market, market rental rates, broker commissions and subtenant allowances/incentives, all of which are factors largely beyond our control. If our assumptions prove to be incorrect, we may be forced to record additional charges beyond our previously announced range of \$225 million to \$250 million.



Peter S. Kraus

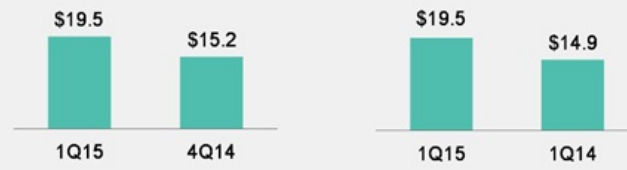
Chairman & Chief Executive Officer



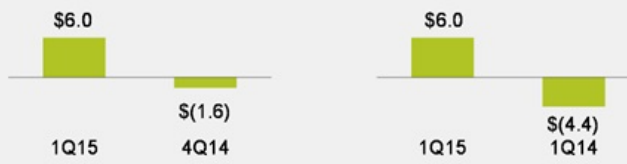
Firmwide Overview: First Quarter 2015

In US \$ Billions

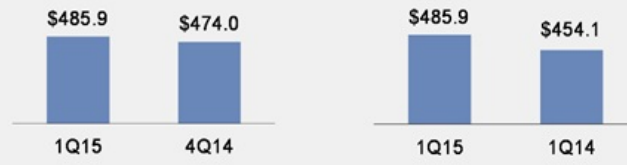
Gross Sales



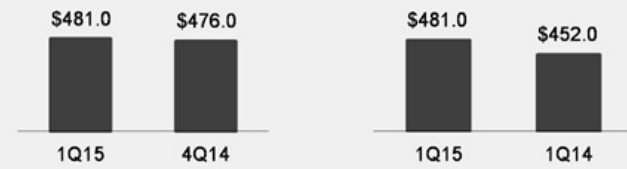
Net Flows



End of Period AUM



Average AUM

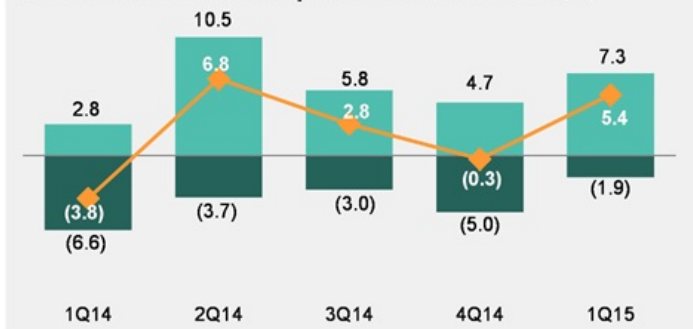


Asset Flows by Distribution Channel: Quarterly Trend

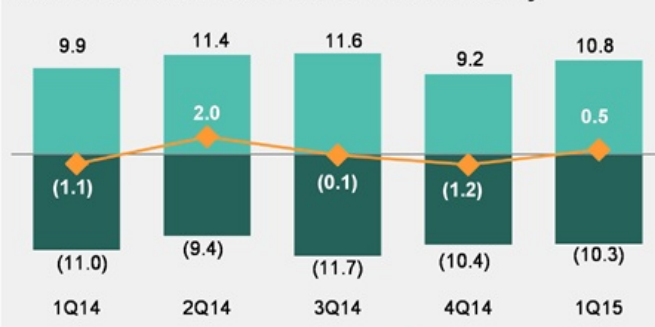
Firmwide: Net Flows Up Sequentially and Year-over-Year



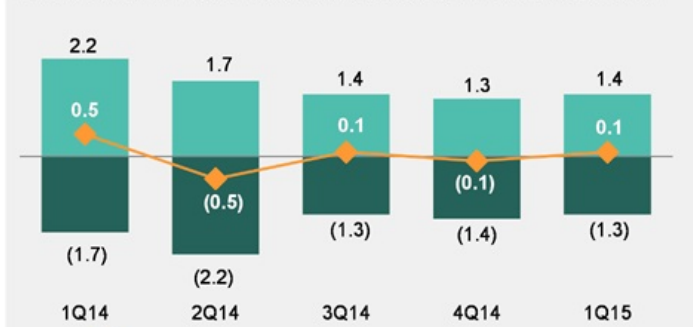
Institutional: Net Flows up \$9.2B Y/Y and \$5.7B Q/Q



Retail: Net Flows Returned to Positive Territory



Private Wealth: Net Flow Positive 3 Out of Past 5 Quarters



US \$ Billions; scales differ by chart

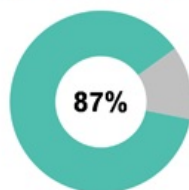
■ Gross Sales ■ Gross Redemptions ◆ Net Flows



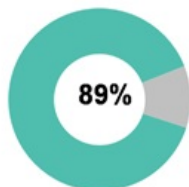
Fixed Income Investment Performance

% of Assets in Services Outperforming Benchmark

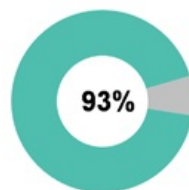
One-Year



Three-Year



Five-Year



	Relative Performance Through 3/31/15 (%)			
	1Q15	1 Year	3 Year	5 Year
Risk Reducing				
US Strategic Core Plus	0.3	0.9	1.1	1.0
US Core Fixed Income	0.1	0.2	0.6	0.5
US Investment Grade Corporates	0.2	1.2	0.9	0.9
TIPS Plus	0.4	0.8	1.3	1.4
Global Aggregate	0.1	0.5	0.5	0.9
Global Plus	(0.1)	0.1	0.2	0.7
Global Fixed Income	0.0	0.3	0.6	1.6
Canada Core Plus	0.1	0.1	0.6	0.9
UK Core Plus	0.1	1.0	0.9	1.1
Return Seeking				
US High Yield	(0.2)	1.0	1.5	0.6
Global High Income	1.0	4.1	1.5	0.9
European Income	0.1	(1.4)	0.8	1.2
European High Yield	0.1	0.0	1.1	1.2
Emerging Markets Debt	(0.1)	(0.5)	0.5	0.5
Absolute Return				
Diversified Yield Plus	1.2	3.0	3.4	3.5
Unconstrained Bond	1.7	2.4	3.4	N/A

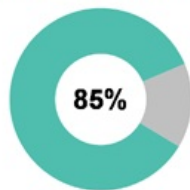
US Strategic Core Plus – Barclays US Aggregate; US Core Fixed Income – Barclays US Aggregate; US Investment Grade Corporates – Barclays US Credit; TIPS Plus – Barclays US Treasury Inflation Notes; Global Aggregate – Barclays Global Aggregate; Global Plus – Barclays Global Aggregate; Global Fixed Income – Citigroup WGBI; Canada Core Plus – FTSE TMX Canada Universal Bond; UK Core Plus – BofA ML Sterling Non Gilts; US High Yield – Barclays US Corporate High Yield; Global High Income – Barclays Global High Yield; European Income – 65% Barclays Euro Aggregate/35% Barclays Pan-Euro HY 2% Constraint; European High Yield – Barclays Euro HY 2% Cap; Emerging Markets Debt – JPM EMBI Global; Diversified Yield Plus – 3-Month GBP LIBOR; Unconstrained Bond – BofA ML 3 Month US T Bills. Preliminary performance as of 3/31/15; annualized and gross of fees.



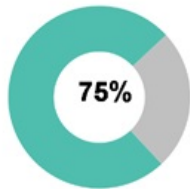
Equities Investment Performance

% of Assets in Services Outperforming Benchmark

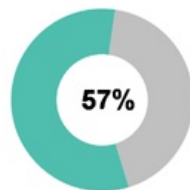
One-Year



Three-Year



Five-Year



	Relative Performance Through 3/31/15 (%)			
	1Q15	1 Year	3 Year	5 Year
Unique Alpha				
Concentrated US Growth	1.1	7.1	1.9	2.8
Concentrated Global Growth	3.3	13.0	0.8	3.0
US Thematic Research	5.3	3.3	1.7	0.9
Global Thematic Research	3.6	5.1	1.4	(0.1)
Emerging Consumer	(0.8)	2.8	N/A	N/A
Stable & Consistent Alpha				
US Core Opportunities	2.1	3.5	2.1	2.7
Select US Equity	0.8	2.5	1.2	2.4
Global Core Equity	(0.4)	(1.5)	2.2	N/A
Style Diversification				
US SMID Cap Value	0.4	4.0	2.1	0.5
US SMID Cap Growth	(1.3)	(4.8)	(2.2)	2.6
US Large Cap Growth	2.4	6.9	2.6	0.3
Global Strategic Value	2.3	3.0	4.5	0.1
Emerging Markets Growth	2.8	9.8	5.7	2.5
Limiting Downside Risk				
US Strategic Core Equity	4.0	8.9	3.9	N/A
Global Strategic Core Equity	1.5	6.2	3.4	N/A

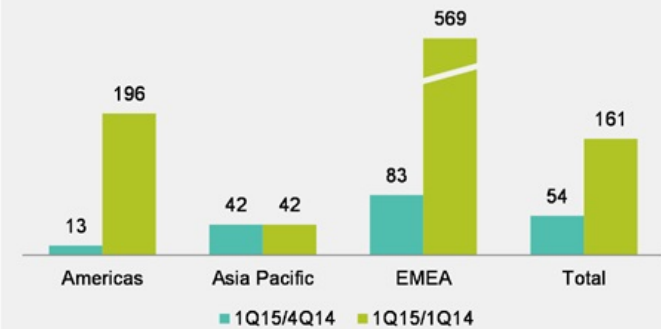
Concentrated US Growth – S&P 500; Concentrated Global Growth – MSCI World; US Thematic Research – S&P 500; Global Thematic Research – MSCI ACWI; Emerging Consumer – MSCI Emerging Markets; US Core Opportunities – S&P 500; Select US Equity – S&P 500; Global Core Equity – MSCI ACWI; US SMID Cap Value – Russell 2500 Value; US SMID Cap Growth – Russell 2500 Growth; US Large Cap Growth – Russell 1000 Growth; Global Strategic Value – MSCI ACWI; Emerging Markets Growth – MSCI Emerging Markets; US Strategic Core Equity; S&P 500; Global Strategic Core Equity – MSCI World. Preliminary performance as of 3/31/15; annualized and gross of fees.



Institutional Highlights

Sequential and Year-over-Year Gross Sales Increases Across Regions

% Change



\$15.8B Pipeline[†] At Quarter-End

\$B



New Additions[‡] Across Asset Classes

Fixed Income

Canada Core Plus	\$520M
US Strategic Core Plus	\$400M
Global Short Duration	\$275M
US Investment Grade Corporates	\$140M
Emerging Market Debt	\$100M

Equity / Alts / Multi-Asset

Commercial Real Estate Debt Fund II	\$610M
International Strategic Core	\$90M
Concentrated US Growth	\$75M
Real Estate Opportunities Fund II	\$60M

[†]Assets awarded and pending funding as of quarter-end.

[‡]Represents significant pipeline activity; not comprehensive.



Retail Highlights

Top 10 Selling Services Are a Diverse Mix

Services ranked by total 1Q15 gross sales

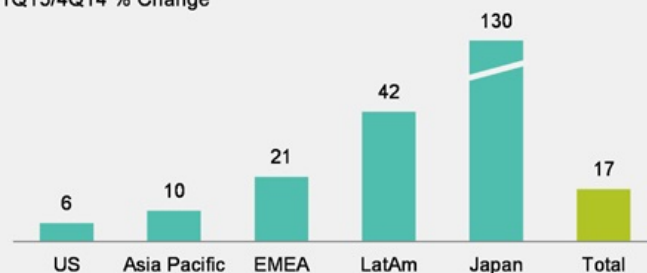
Product	Q/Q % Δ in Gross Sales	Net Flow Positive	Q/Q Net Flow Trend
Global High Yield	(16)		↓
European Income	162	✓	↑
American Income	39	✓	↑
AB High Income	17	✓	↑
US Large Cap Growth	46	✓	↑
Select Equity*	27	✓	↓
Select Equity L/S*	(2)		↓
Tax Aware SMA Muni*	47	✓	↑
Concentrated Growth*	1,000+	✓	↑
Global Bond	16		↓

*Introduced since 2009



Sequential Gross Sales Increases Across Regions

1Q15/4Q14 % Change

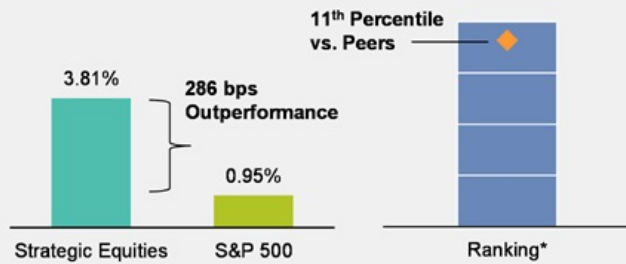


1Q15 Milestones

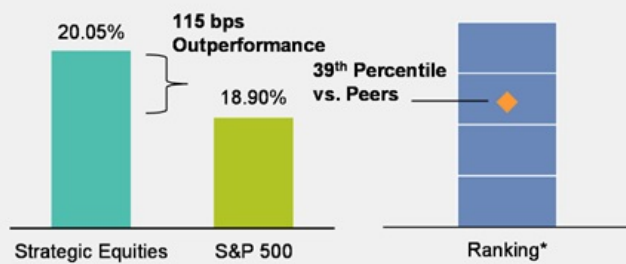
- + Positive sales trends
 - + Gross sales of \$10.8B up both sequentially and year-on-year
 - + Gross sales of \$2B in 1Q15 from products launched since 2009
 - + \$33 billion in total gross sales of these products since 2012
- + Strong track records and asset gathering momentum
 - + High Income Muni celebrated 5-yr anniversary in January with top quartile performance across time periods and \$2.1B in assets
 - + High Income, Global Bond and Large Cap Growth US retail funds all top quartile for 3-yr
 - + Emerging Market Growth, Global Plus Fixed Income, American Income and Euro High Yield Lux funds all top quartile for 3-yr

Private Wealth Management Highlights

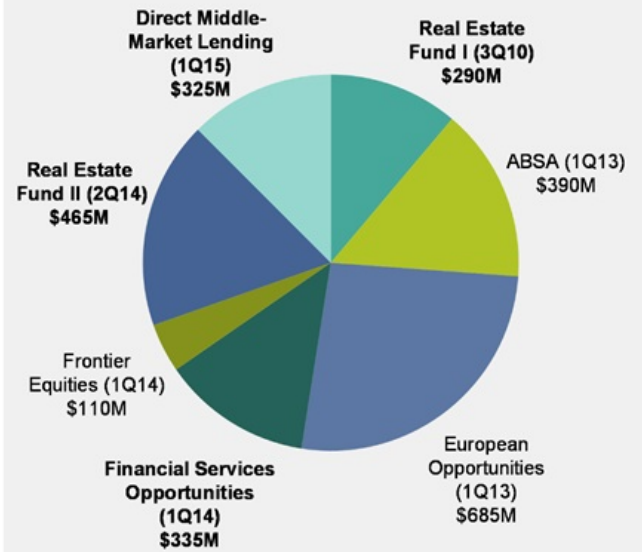
Strategic Equities Beat Benchmark and Peers in 1Q15...



...And Since Inception (June 2012)



Targeted Services Resonating with Clients with \$2.6B Committed To-Date



As of March 31, 2015

Performance for Strategic Equities is presented gross of investment management fees.

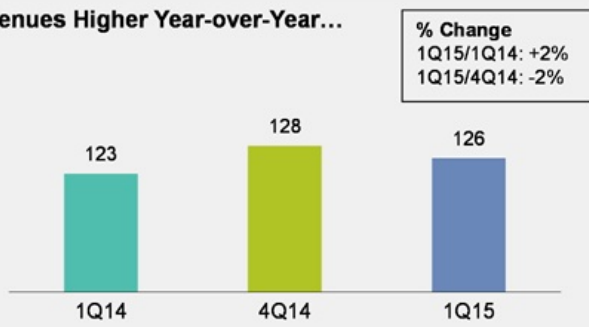
*Ranking for Strategic Equities is based on eVestment universe of separately managed accounts, US Large Cap Core Category and is gross of fees.

Services in bold are closed-end services and are fully committed.



Bernstein Research Highlights

Revenues Higher Year-over-Year... \$M



...As Trading Activity Increased in Europe and Asia Industry Trading Volumes* (% Change)



Bernstein's Trading Platform: Unique and Unconflicted

- + **Global Equity Platform**
 - + Global cash, algorithmic and portfolio trading desks
 - + Execution capabilities in 160 venues and 49 markets
- + **100% Client-Aligned Interests**
 - + No proprietary trading
 - + Transparent trading model maximizes performance of Institutional orders
- + **Differentiated Natural Liquidity and Access**
 - + Natural, clean and crossable flow
 - + Top-ranked full-service global electronic platform
 - + Access to dark pools, client-focused routing and anonymity
- + **Smart, Integrated Content**
 - + Research, sales and trading coordinated to provide targeted advice aligned with clients' holdings
 - + Deep sector expertise
 - + US options desk and execution consulting

*US: NYSE and Nasdaq shares traded (Tape A and Tape C shares only); Europe: FESE – Federation of European Stock Exchanges on-exchange volumes; Asia: Combined value traded for Hong Kong and Japan



Progress on Our Strategy

Firmwide Initiative Progress

Deliver for our clients with our investment performance

- + 89% of Fixed Income assets in outperforming services for 3-yr period; 87% for 1-yr and 93% for 5-yr
 - + UK Core Plus, TIPS Plus and European High Yield top quartile performers for the 3-yr
 - + Top decile performers include US High Yield for the 3-yr and European High Yield for the 5-yr
- + 75% of Active Equity assets in outperforming services for 3-yr period; 85% for 1-yr and 57% for 5-yr
 - + Top quartile 3-yr performers include: Concentrated US Growth, US Thematic Research, US Core Opportunities, US SMID Cap Value, Global Strategic Value and Global Strategic Core
 - + US LC Growth & EM Growth top decile for 3-yr; US SMID Cap Growth & US Core Oppties for 5-yr
 - + Better performance driving increased demand for long-standing services like US LC Growth

Build a broader and more balanced global business

- + Institutional net flows positive across three major regions – Americas, EMEA and Asia Pacific
- + \$2.4B pipeline adds include Core and EM Debt fixed income, Commercial RE Debt and Equity strategies
- + All regions contributed to sequential Retail sales growth of +17%
 - + Japan gross sales up 130% Q/Q and 39% Y/Y
 - + Notable success on local platforms with US LC Growth and Concentrated US Growth

Constantly innovate for clients with our products and services

- + Innovative Retail products launched since 2009 resonating with Institutional and Retail clients
 - + \$2B in Retail gross sales of newer offerings in 1Q15; \$33B total since track records started in 2012
- + \$1B+ in total committed assets to direct middle-market lending from Institutional and private clients
- + Private Wealth clients embracing targeted services – \$2.6B in asset commitments to-date
 - + Direct middle-market lending service oversubscribed within 3 months

Achieve greater operating leverage and better financial results

- + 5% annualized organic growth and \$6.0B in total net flows positive across all three client channels
- + Adjusted net revenues up 6.5% and adjusted operating income up 15.8% Y/Y
- + Adjusted operating margin of 23.9% in 1Q15 up 190 basis points Y/Y
 - + Incremental margin of more than 50% Y/Y



John C. Weisenseel

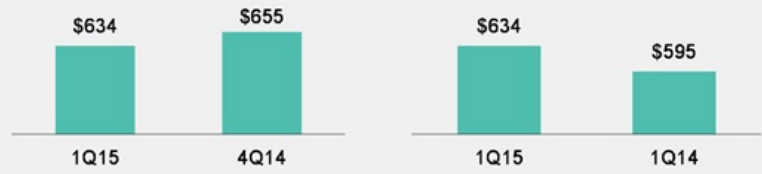
Chief Financial Officer



Financial Highlights: First Quarter 2015

In US \$ Millions

Adjusted Revenues



Adjusted Operating Income



Adjusted Operating Margin



Adjusted EPU



Please refer to pages 29-32 for additional information on the reconciliation of GAAP financial results to adjusted financial results



First Quarter 2015 Adjusted Income Statement

Adjusted Income Statement (in US \$ Millions)	1Q15	4Q14	% Δ	1Q14	% Δ
Base Fees	\$ 487	\$ 486	0%	\$ 452	8%
Performance Fees	4	28	(86%)	3	33%
Bernstein Research Services	126	128	(2%)	123	2%
Net Distribution Revenues (Expenses)	(3)	(4)	(25%)	(1)	200%
Investment Gains (Losses)	-	(7)	n/m	(3)	n/m
Other Revenues	21	24	(13%)	22	(5%)
Total Revenues	635	655	(3%)	596	7%
Less: Interest Expense	1	-	100%	1	0%
Adjusted Net Revenues	\$ 634	\$ 655	(3%)	\$ 595	7%
Compensation & Benefits					
Base Compensation	\$ 108	\$ 110	(2%)	\$ 102	6%
Incentive Compensation	143	128	12%	124	15%
Commissions, Fringes & Other	73	74	(1%)	79	(8%)
Total Compensation & Benefits	324	312	4%	305	6%
Promotion & Servicing	46	48	(4%)	45	2%
General & Administrative	105	104	1%	107	(2%)
Other	7	8	(13%)	7	0%
Total Adjusted Operating Expenses	\$ 482	\$ 472	2%	\$ 464	4%
Adjusted Operating Income	\$ 152	\$ 183	(17%)	\$ 131	16%
Adjusted Operating Margin	23.9%	27.9%		22.0%	
AB Holding Adjusted Diluted Net Income Per Unit	\$ 0.45	\$ 0.57	(21%)	\$ 0.39	15%

Please refer to pages 29-32 for additional information on the reconciliation of GAAP financial results to adjusted financial results
Percentages are calculated using amounts rounded in millions



First Quarter 2015 Adjusted Income Statement Highlights

Revenues

- + Base fees increased year-on-year due to an increase in average AUM across all three channels (Institutional, Retail, Private Wealth). The sequential increase was due to higher average AUM in the Institutional and Private Wealth channels.
- + Performance Fees declined sequentially because most of our investment strategies have year-end annual calculation periods.
- + Bernstein Research revenues increased vs. 1Q14 due to higher revenues in both the US and Asia, which offset declines in Europe. Revenues declined sequentially due to lower client activity in the US and Asia.
- + With lower distribution revenues earned on US retail funds and higher distribution expense relating to increased sales of retail funds in Asia in this year's first quarter, we recorded a Net Distribution Expense.
- + Our 1Q15 Investment line includes seed investment gains vs. seed investment losses in 4Q14 and 1Q15.
- + Other Revenues declined sequentially and year-on-year because of lower mutual fund reimbursements and lower shareholder servicing fees.

Expenses

- + The compensation ratio was 50.0% for 1Q15 vs. 46.5% for 4Q14 and 50.0% for 1Q14.
- + Total Compensation & Benefits increased 6% vs. the prior-year quarter due to higher revenues and increased 4% sequentially due to the higher comp ratio.
- + Promotion & Servicing expenses increased 2% vs. 1Q14 due to higher trade execution and T&E costs and declined 4% sequentially due primarily to lower T&E.
- + G&A expenses declined 2% vs. the prior year due primarily to lower occupancy expenses and were relatively flat vs. 4Q14.

Operating Results

- + The 16% increase in Adjusted Operating Income versus the prior year quarter was due to increased revenues outpacing expense growth.
- + The 17% sequential decline in Adjusted Operating Income resulted from lower revenues paired with an increase in Comp & Benefits expenses driven by the higher comp accrual.
- + Adjusted Margin for 1Q15 was 23.9% versus 22.0% in 1Q14 and 27.9% in 4Q14.
 - + In addition to expanding our margin by 190 bps vs. 1Q14, we produced a 53% incremental margin.

Please refer to pages 29-32 for additional information on the reconciliation of GAAP financial results to adjusted financial results





Q & A





APPENDIX



Institutional Composite Relative Performance vs. Benchmarks

Service	Periods Ended March 31, 2015					Benchmark
	1Q15	1-Yr	3-Yr	5-Yr	10-Yr	
Equity						
Emerging Markets Value	(0.7)	3.2	(1.5)	(2.1)	(1.4)	MSCI EM
Global Strategic Value	2.3	3.0	4.5	0.1	(1.8)	MSCI ACWI
US Small & Mid Cap Value	0.4	4.0	2.1	0.5	2.0	Russell 2500 Value
US Strategic Value	1.4	1.3	1.1	(1.4)	(1.5)	Russell 1000 Value
Growth & Income	1.8	0.4	0.1	2.0	0.5	Russell 1000 Value
US Small Cap Growth	(0.5)	(8.2)	(2.5)	2.3	1.9	Russell 2000 Growth
US Large Cap Growth	2.4	6.9	2.6	0.3	0.6	Russell 1000 Growth
US Small and Mid Cap Growth	(1.3)	(4.8)	(2.2)	2.6	2.5	Russell 2500 Growth
Select US Equity	0.8	2.5	1.2	2.4	4.8	S&P 500
Fixed Income						
Global High Income	1.0	4.2	1.5	0.9	1.6	Barclays Global High Yield
Global Fixed Income	0.0	0.3	0.6	1.6	1.2	Citigroup WGBI
US Strategic Core Plus	0.3	0.9	1.1	1.0	0.9	Barclays US Aggregate
Emerging Market Debt	(0.1)	(0.5)	0.5	0.5	1.4	JPM EMBI Global
Global Plus	(0.1)	0.1	0.2	0.7	0.3	Barclays Global Aggregate

Performance is preliminary and as of March 31, 2015.

Investment performance of composites is presented before investment management fees. Periods of more than one year are annualized.

The information in this table is provided solely for use in connection with this presentation and is not directed toward existing or potential investment advisory clients of AB.



Retail Mutual Funds Relative Performance vs. Lipper Average

Periods Ended March 31, 2015

Service	1Q15	1-Yr	3-Yr	5-Yr	10-Yr	Lipper Average
Equity						
International Value	1.2	1.5	(0.5)	(2.6)	(2.5)	International Multi-Cap Value
Growth & Income	(0.2)	(1.9)	0.4	1.6	(0.6)	Large-Cap Core
Discovery Value	1.0	5.4	2.4	0.5	1.5	Mid Cap Value
U.S. Value	(0.8)	(0.1)	0.5	(0.6)	(1.8)	Large Cap Value
Global Thematic Growth	1.8	2.5	(1.2)	(3.3)	(0.8)	Global Multi-Cap Growth
International Growth	(0.5)	3.3	(1.6)	(1.7)	(0.5)	International Multi-Cap Growth
Large Cap Growth ⁽¹⁾	2.3	6.9	3.4	1.5	2.3	Large Cap Growth
Emerging Markets Growth	3.8	9.2	4.3	2.0	(0.6)	Equity Emerging Mkts Global
Growth ⁽¹⁾	1.0	6.5	0.7	0.4	(1.1)	Large Cap Growth
Discovery Growth	0.0	(3.7)	(0.7)	3.4	0.6	Mid Cap Growth
Fixed Income						
Global High Yield	3.5	7.9	3.1	2.1	2.8	Bond Global High Yield
American Income Portfolio	1.4	2.9	2.4	2.3	2.2	Bond USD
Global Bond	1.7	6.3	2.1	1.2	2.3	Global Income
High Income	(0.6)	1.1	1.2	0.9	2.9	High Yield

(1) Performance figures other than 1Q15, One Year and Three Year positively affected by class action settlement proceeds. As of March 31, 2015. Fund returns are based on Class A shares. All fees and expenses related to the operation of the Fund have been deducted, but returns do not reflect sales charges.

The information in this table is provided solely for use in connection with this presentation, and is not directed toward existing or potential investment advisory clients of AB.



Assets Under Management

(US \$ Billions)

	At March 31, 2015				At Dec 31, 2014
	Institutions	Retail	Private Wealth	Total	Total
Equity					
Actively Managed	\$ 29	\$ 47	\$ 39	\$ 115	\$ 112
Passive ⁽¹⁾	22	28	1	51	51
Total Equity	51	75	40	166	163
Fixed Income					
Taxable	154	61	10	225	219
Tax-Exempt	2	11	20	33	32
Passive ⁽¹⁾	-	9	1	10	10
Total Fixed Income	156	81	31	268	261
Other ⁽²⁾	37	8	7	52	50
Total	\$ 244	\$ 164	\$ 78	\$ 486	\$ 474
	At Dec 31, 2014				
Total	\$ 237	\$ 161	\$ 76	\$ 474	

(1) Includes index and enhanced index services.

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



Three Months Ended 3/31/15: AUM Roll-Forward by Distribution Channel

In US \$ Billions	Beginning	Sales/New	Redemptions/	Net Cash	Net	Transfers	Investment	Net	End
Investment Service:	of Period	Accounts	Terminations	Flows	Flows		Performance	Change	of Period
Institutions									
US	114.0	2.3	(1.3)	1.2	2.2	(0.3)	1.5	3.4	117.4
Global and Non-US	123.0	5.0	(1.1)	(0.7)	3.2	-	0.1	3.3	126.3
Total Institutions	237.0	7.3	(2.4)	0.5	5.4	(0.3)	1.6	6.7	243.7
Retail									
US	77.4	3.8	(2.8)	(0.8)	0.2	(0.1)	1.7	1.8	79.2
Global and Non-US	84.1	7.0	(6.2)	(0.5)	0.3	-	0.7	1.0	85.1
Total Retail	161.5	10.8	(9.0)	(1.3)	0.5	(0.1)	2.4	2.8	164.3
Private Wealth Management									
US	51.7	0.9	(0.5)	(0.7)	(0.3)	0.4	1.1	1.2	52.9
Global and Non-US	23.8	0.5	(0.2)	0.1	0.4	-	0.8	1.2	25.0
Total Private Wealth	75.5	1.4	(0.7)	(0.6)	0.1	0.4	1.9	2.4	77.9
Firmwide									
US	243.1	7.0	(4.6)	(0.3)	2.1	-	4.3	6.4	249.5
Global and Non-US	230.9	12.5	(7.5)	(1.1)	3.9	-	1.6	5.5	236.4
Total Firmwide	474.0	19.5	(12.1)	(1.4)	6.0	-	5.9	11.9	485.9



Three Months Ended 3/31/15: AUM Roll-Forward by Investment Service

In US \$ Billions	Beginning of Period	Sales/New Accounts	Redemptions/ Terminations	Net Cash Flows	Net Flows	Investment Performance	Net Change	End of Period
Investment Service:								
Equity Active								
US	61.9	2.2	(1.7)	(0.7)	(0.2)	2.1	1.9	63.8
Global and Non-US	50.6	1.8	(2.2)	(0.6)	(1.0)	2.0	1.0	51.6
Total Equity Active	112.5	4.0	(3.9)	(1.3)	(1.2)	4.1	2.9	115.4
Equity Passive ⁽¹⁾								
US	37.6	-	-	(0.7)	(0.7)	0.5	(0.2)	37.4
Global and Non-US	12.8	0.2	(0.2)	0.5	0.5	0.2	0.7	13.5
Total Equity Passive⁽¹⁾	50.4	0.2	(0.2)	(0.2)	(0.2)	0.7	0.5	50.9
Total Equity	162.9	4.2	(4.1)	(1.5)	(1.4)	4.8	3.4	166.3
Fixed Income - Taxable								
US	97.4	2.7	(1.6)	1.3	2.4	1.0	3.4	100.8
Global and Non-US	122.0	10.0	(4.9)	(1.1)	4.0	(1.3)	2.7	124.7
Total Fixed Income - Taxable	219.4	12.7	(6.5)	0.2	6.4	(0.3)	6.1	225.5
Fixed Income - Tax-Exempt								
US	31.6	1.5	(0.7)	(0.1)	0.7	0.3	1.0	32.6
Global and Non-US	-	-	-	-	-	-	-	-
Total Fixed Income - Tax-Exempt	31.6	1.5	(0.7)	(0.1)	0.7	0.3	1.0	32.6
Fixed Income Passive ⁽¹⁾								
US	5.0	-	-	(0.3)	(0.3)	0.1	(0.2)	4.8
Global and Non-US	5.1	0.1	(0.1)	-	-	(0.1)	(0.1)	5.0
Total Fixed Income Passive⁽¹⁾	10.1	0.1	(0.1)	(0.3)	(0.3)	-	(0.3)	9.8
Total Fixed Income	261.1	14.3	(7.3)	(0.2)	6.8	(0.0)	6.8	267.9
Other ⁽²⁾								
US	9.6	0.6	(0.6)	0.2	0.2	0.3	0.5	10.1
Global and Non-US	40.4	0.4	(0.1)	0.1	0.4	0.8	1.2	41.6
Total Other⁽²⁾	50.0	1.0	(0.7)	0.3	0.6	1.1	1.7	51.7
Firmwide								
US	243.1	7.0	(4.6)	(0.3)	2.1	4.3	6.4	249.5
Global and Non-US	230.9	12.5	(7.5)	(1.1)	3.9	1.6	5.5	236.4
Total Firmwide	474.0	19.5	(12.1)	(1.4)	6.0	5.9	11.9	485.9

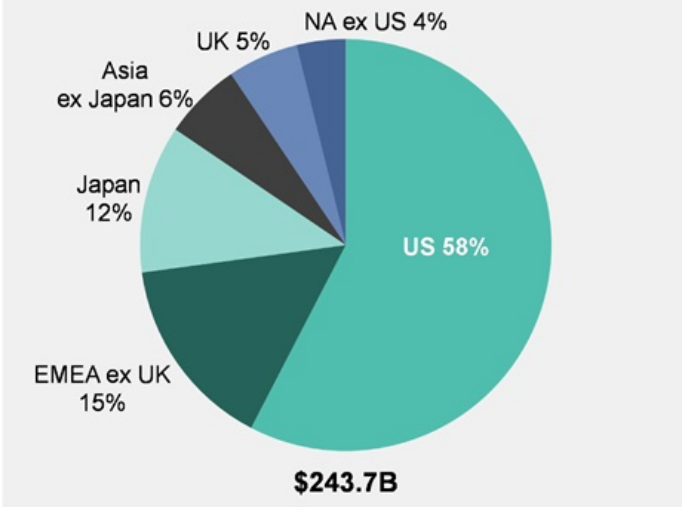
(1) Includes index and enhanced index services.

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

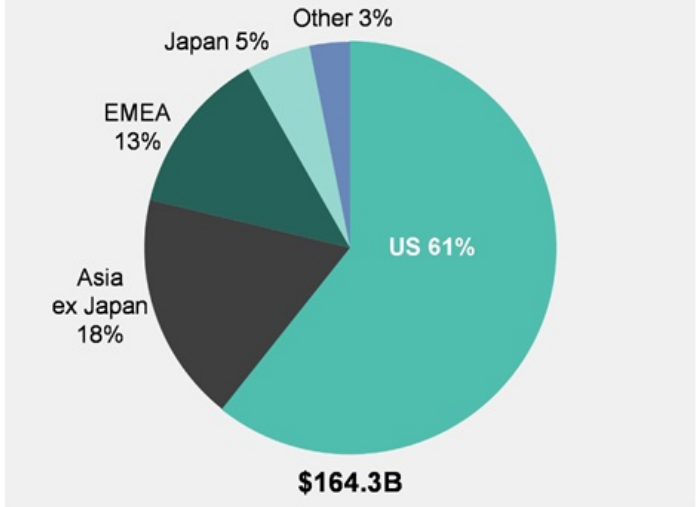


AUM by Region

Institutional



Retail



As of March 31, 2015
By client domicile



First Quarter 2015 Adjusted Advisory Fees

	1Q 2015	4Q 2014	% Δ	1Q 2014	% Δ
Ending AUM (\$ Billions)	\$486	\$474	3%	\$454	7%
Average AUM (\$ Billions)	\$481	\$476	1%	\$452	6%
By Fee Type (\$ Millions):					
Adjusted Base Fees	\$487	\$486	0%	\$452	8%
Adjusted Performance Fees	4	28	(86%)	3	33%
Total	\$491	\$514	(4%)	\$455	8%
Adjusted Base Fees By Channel (\$ Millions):					
Institutions	\$104	\$102	2%	\$99	5%
Retail	214	218	(2%)	197	9%
Private Wealth	169	166	2%	156	8%
Total	\$487	\$486	0%	\$452	8%



First Quarter 2015 GAAP Income Statement

In US \$ Millions (except EPU)	1Q 2015	4Q 2014	% Δ	1Q 2014	% Δ
Net Revenues	\$ 762	\$ 787	(3%)	\$ 715	7%
Operating Expenses	609	596	2%	585	4%
Operating Income	153	191	(20%)	130	18%
Net Income Attributable to AB Unitholders	141	177	(20%)	117	21%
AB Holding GAAP Diluted Net Income per Unit	\$0.45	\$0.59	(24%)	\$0.38	18%
AB Holding Distribution Per Unit	\$0.45	\$0.57	(21%)	\$0.39	15%

Percentages are calculated using amounts rounded to the nearest million



Consolidated Balance Sheet

In US \$ Millions

Assets	March 31, 2015	December 31, 2014
Cash and cash equivalents	\$ 671	\$ 556
Cash and securities, segregated	520	476
Receivables, net	2,011	1,915
Investments:		
Long-term incentive compensation-related	81	99
Other	648	664
Goodwill	3,045	3,045
Intangible assets, net	165	171
Deferred sales commissions, net	122	118
Other (incl. furniture & equipment, net)	348	334
Total Assets	\$ 7,611	\$ 7,378
Liabilities and Capital		
Liabilities:		
Payables	\$ 2,190	\$ 2,034
Accounts payable and accrued expenses	470	432
Accrued compensation and benefits	364	291
Debt	500	489
Total Liabilities	3,524	3,246
Redeemable non-controlling interest	16	16
Partners' capital attributable to AllianceBernstein Unitholders	4,039	4,086
Non-controlling interests in consolidated entities	32	30
Total Capital	4,071	4,116
Total Liabilities and Capital	\$ 7,611	\$ 7,378



Consolidated Statement of Cash Flows

In US \$ Millions

	Three Months Ended	
	March 31, 2015	March 31, 2014
Net Income	\$ 143	\$ 119
Non-cash items: Amortization of deferred sales commissions	12	9
Amortization of non-cash long-term incentive compensation	3	6
Depreciation and other amortization	14	16
Unrealized (gains) on investments	(8)	(2)
Other, net	1	-
Changes in assets and liabilities	95	(21)
Net cash provided by operating activities	260	127
Purchases of furniture, equipment, and leasehold improvements, net	(5)	(5)
Net cash used in investing activities	(5)	(5)
Issuance of commercial paper, net	11	104
Increase (decrease) in overdrafts payable	39	(42)
Distributions to General Partner and Unitholders	(173)	(179)
Capital contributions from Holding	6	6
Payments of contingent payment arrangements	-	(1)
Additional investments by Holding with proceeds from exercise of compensatory options to buy Holding Units	4	5
Purchases of Holding Units to fund long-term incentive compensation plan awards, net	(17)	(3)
Other, net	-	1
Net cash used in financing activities	(130)	(109)
Effect of exchange rate changes on cash and cash equivalents	(9)	2
Net increase in cash and cash equivalents	116	15
Cash and cash equivalents at the beginning of period	555	510
Cash and cash equivalents at the end of period	\$ 671	\$ 525



AB Holding Financial Results

In US \$ Millions (excluding per Unit amounts)	1Q 2015	4Q 2014	% Δ	1Q 2014	% Δ
AB					
Net Income Attributable to AllianceBernstein	\$141	\$177	(20%)	\$117	21%
Weighted Average Equity Ownership Interest	36.5%	35.8%		35.4%	
AB Holding					
Equity in Net Income Attributable to AB	\$52	\$64	(19%)	\$41	27%
Income Taxes	6	6	-	5	20%
Net Income	\$46	\$58	(21%)	\$36	28%
Diluted Net Income Per Unit, GAAP basis	\$0.45	\$0.59	(24%)	\$0.38	18%
Distributions Per Unit	\$0.45	\$0.57	(21%)	\$0.39	15%
Adjusted Diluted Net Income Per Unit	\$0.45	\$0.57	(21%)	\$0.39	15%

Please refer to pages 29-32 for additional information on the reconciliation of GAAP financial results to adjusted financial results
Percentages are calculated using amounts rounded to the nearest million



First Quarter 2015 GAAP to Non-GAAP Reconciliation

In US \$ Thousands

GAAP	Adjustments								Non-GAAP
	Distribution Related Payments (A)	Pass Through Expenses (B)	Deferred Comp. Inv. (C)	Venture Capital Fund (D)	Real Estate Charges (E)	Contingent Payment Adjust. (F)	Acquisition-Related Expenses (G)	Other (H)	
Investment advisory and services fees	\$ 493,988	(2,458)							\$ 491,530
Bernstein research services	126,046								126,046
Distribution revenues	109,184	(112,785)							(3,601)
Dividend and interest income	5,094		(151)						4,943
Investment gains (losses)	3,888		(2,426)	(1,373)					89
Other revenues	24,990		(9,383)						15,607
Total revenues	763,190	(112,785)	(11,841)	(2,577)	(1,373)	-	-	-	634,614
Less: interest expense	619								619
Net revenues	762,571	(112,785)	(11,841)	(2,577)	(1,373)	-	-	-	633,995
Employee compensation and benefits	326,327		(2,634)				(16)		323,677
Promotion and servicing	168,322	(112,785)	(9,252)						46,285
General and administrative	106,950		(2,589)			383	16		104,760
Contingent payment arrangements	443								443
Interest on borrowings	854								854
Amortization of intangible assets	6,461								6,461
Net income (loss) of consolidated entities attributable to non-controlling interests	-							(98)	(98)
Total expenses	609,357	(112,785)	(11,841)	(2,634)	-	383	-	(98)	482,382
Operating income	153,214	-	-	57	(1,373)	(383)	-	98	151,613
Income taxes	10,470			4		(26)			10,448
Net income	142,744			53	(1,373)	(357)		98	141,165
Net income (loss) of consolidated entities attributable to non-controlling interests	1,275				(1,373)			98	-
Net income attributable to AB Unitholders	\$ 141,469	\$ -	\$ -	\$ 53	\$ -	\$ (357)	\$ -	\$ -	\$ 141,165

Please refer to page 32 for notes describing the adjustments.



Fourth Quarter 2014 GAAP to Non-GAAP Reconciliation

In US \$ Thousands

GAAP	Adjustments								Non-GAAP	
	Distribution Related Payments (A)	Pass Through Expenses (B)	Deferred Comp. Inv. (C)	Venture Capital Fund (D)	Real Estate Charges (E)	Contingent Payment Adjust. (F)	Acquisition-Related Expenses (G)	Other (H)		
Investment advisory and services fees	\$ 514,515		(1,228)						\$ 513,287	
Bernstein research services	128,409								128,409	
Distribution revenues	112,929	(116,576)							(3,647)	
Dividend and interest income	8,799		(2,605)						6,194	
Investment gains (losses)	(4,185)		882	(3,398)					(6,701)	
Other revenues	27,426		(9,495)						17,931	
Total revenues	787,893	(116,576)	(10,723)	(1,723)	(3,398)	-	-	-	655,473	
Less: interest expense	541								541	
Net revenues	787,352	(116,576)	(10,723)	(1,723)	(3,398)	-	-	-	654,932	
Employee compensation and benefits	313,900			(1,195)				(482)	312,223	
Promotion and servicing	174,517	(116,576)	(9,495)						48,446	
General and administrative	105,188		(1,228)		405		(284)		104,081	
Contingent payment arrangements	(3,899)					4,375			476	
Interest on borrowings	628								628	
Amortization of intangible assets	6,448								6,448	
Net income (loss) of consolidated entities attributable to non-controlling interests	-							(252)	(252)	
Total expenses	596,782	(116,576)	(10,723)	(1,195)	-	405	4,375	(766)	472,050	
Operating income	190,570	-	-	(528)	(3,398)	(405)	(4,375)	766	182,882	
Income taxes	9,999			(7)		(120)	(60)	10	9,822	
Net income	180,571	-	-	(521)	(3,398)	(285)	(4,315)	756	173,060	
Net income (loss) of consolidated entities attributable to non-controlling interests	3,146				(3,398)			252	-	
Net income attributable to AB Unitholders	\$ 177,425	\$ -	\$ -	\$ (521)	\$ -	\$ (285)	\$ (4,315)	\$ 756	\$ -	\$ 173,060

Please refer to page 32 for notes describing the adjustments.



First Quarter 2014 GAAP to Non-GAAP Reconciliation

In US \$ Thousands

GAAP	Adjustments								Non-GAAP
	Distribution Related Payments (A)	Pass Through Expenses (B)	Deferred Comp. Inv. (C)	Venture Capital Fund (D)	Real Estate Charges (E)	Contingent Payment Adjust. (F)	Acquisition-Related Expenses (G)	Other (H)	
Investment advisory and services fees	\$ 454,884								\$ 454,884
Bernstein research services	123,009								123,009
Distribution revenues	106,186	(107,599)							(1,413)
Dividend and interest income	4,101		(179)						3,922
Investment gains (losses)	559		(1,297)	(2,005)					(2,743)
Other revenues	26,680		(8,445)						18,235
Total revenues	715,419	(107,599)	(8,445)	(1,476)	(2,005)	-	-	-	595,894
Less: interest expense	801								801
Net revenues	714,618	(107,599)	(8,445)	(1,476)	(2,005)	-	-	-	595,093
Employee compensation and benefits	307,033		(1,565)				(613)		304,855
Promotion and servicing	161,244	(107,599)	(8,445)						45,200
General and administrative	109,429				(1,942)		(246)		107,241
Contingent payment arrangements	321								321
Interest on borrowings	781								781
Amortization of intangible assets	5,907								5,907
Net income (loss) of consolidated entities attributable to non-controlling interests	-							(192)	(192)
Total expenses	584,715	(107,599)	(8,445)	(1,565)	-	(1,942)	-	(859)	(192)
Operating income	129,903	-	-	89	(2,005)	1,942	-	859	192
Income taxes	11,365			1		33		12	11,411
Net income	118,538	-	-	88	(2,005)	1,909	-	847	119,569
Net income (loss) of consolidated entities attributable to non-controlling interests	1,813				(2,005)			192	-
Net income attributable to AB Unitholders	\$ 116,725	\$ -	\$ -	\$ 88	\$ -	\$ 1,909	\$ -	\$ 847	\$ -

Please refer to page 32 for notes describing the adjustments.



AB Adjusted Financial Results Reconciliation

AB

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

- A. Adjusted net revenues exclude distribution-related payments to third parties as well as amortization of deferred sales commissions against distribution revenues. We believe excluding distribution-related payments from net revenues is useful for our investors and other users of our financial statements because such presentation appropriately reflects the nature of these costs as pass-through payments to third parties who perform functions on behalf of our sponsored mutual funds and/or shareholders of these funds. We exclude amortization of deferred sales commissions from net revenues because such costs, over time, essentially offset our distribution revenues. These adjustments have no impact on operating income, but they do have an impact on our operating margin.
- B. We exclude pass-through expenses we incur (primarily through our transfer agency) that are reimbursed and recorded as fees in revenues from our adjusted net revenues. These fees have no impact on operating income, but they do have an impact on our operating margin.
- C. Prior to 2009, a significant portion of employee compensation was in the form of employee long-term incentive compensation awards that were notionally invested in AB investment services and generally vested over a period of four years. AB economically hedged the exposure to market movements by purchasing and holding these investments on its balance sheet. All such investments had vested by year-end 2012 and the investments have been distributed to the participants, except for those investments with respect to which the participant elected a long-term deferral. Fluctuation in the value of these investments is recorded within investment gains and losses on the income statement and also impacts compensation expense. Management believes it is useful to reflect the offset achieved from economically hedging the investments' market exposure in the calculation of adjusted operating income and adjusted operating margin. The non-GAAP measures exclude gains and losses and dividends and interest on employee long-term incentive compensation-related investments included in revenues and compensation expense.
- D. Most of the net income or loss of consolidated entities attributable to non-controlling interests relates to the 90% limited partner interests held by third parties in our consolidated venture capital fund. We own a 10% limited partner interest in the fund. Because we are the general partner of the venture capital fund and are deemed to have a controlling interest, US GAAP requires us to consolidate the financial results of the fund. However, recognizing 100% of the gains or losses in net revenues and operating income while only retaining 10% is not reflective of our underlying financial results at the net revenue and operating income level. As a result, we are excluding the 90% limited partner interests we do not own from our adjusted net revenues and adjusted operating income.
- E. Real estate (credits)/charges 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.
- F. The recording of a change in estimate of the contingent consideration payable relating to contingent payment arrangements associated with a 2010 acquisition is not considered part of our core operating results and, accordingly, has been excluded.
- G. Acquisition-related expenses, primarily severance and professional fees incurred as a result of acquisitions in the fourth quarter of 2013 and the second quarter of 2014, have been excluded because they are not considered part of our core operating results when comparing results from period to period and to industry peers.
- H. Net income of joint ventures attributable to non-controlling interests, although not significant, is excluded because it does not reflect the economic interest attributable to AB.

Adjusted Operating Margin

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



$$\left[\frac{A}{B} \right]$$



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PRESENTATION

Operator

Welcome to the AB first-quarter 2015 earnings review.

(Operator Instructions)

As a reminder, this conference is being recorded and will be available for replay for one week. I would now like to turn the conference over to the host for this call, the Director of Investor Relations for AB, Ms Andrea Prochniak. Please go ahead.

Andrea Prochniak - AllianceBernstein Holding L.P. - Director of IR

Thank you, Chris. Welcome to our first-quarter 2015 earnings review. This conference call is being webcast and accompanied by a slide presentation that is posted in the Investor Relations section of our website, www.abglobal.com. Peter Kraus, our Chairman and CEO; John Weisenseel, our CFO; and Jim Gingrich, our COO, will present our financial results and take questions after our prepared remarks.

Some of the information we present today is forward-looking and subject to certain SEC rules and regulations regarding disclosure. So I'd like to point out the Safe Harbor language on slide 1 of the presentation. You can also find our Safe Harbor language in the MD&A of our first-quarter 2015 Form 10-Q, which we filed this morning. Under Regulation FD, management may only address questions of a material nature from the investment community in a public forum. So please ask all such questions during this call. We're also live tweeting today's earnings call. You can follow us on Twitter using our handle, @AB_insights. Now, I'll turn the call over to Peter.

Peter Kraus - AllianceBernstein Holding L.P. - Chairman & CEO

Good morning, everybody. Thanks for joining us today. Let's get right into it with a firm-wide overview on slide 3. I'm pleased to be reporting on another quarter of progress on our long-term strategy to deliver for clients: the quality of our investment performance; the global breadth of our business; the innovation of our offerings; and the strength of our financials.

Looking at this slide, you can see that we improved both sequentially and year-on-year in the first quarter in every area represented: gross sales, net flows, period end and average AUM. Our first-quarter gross sales of \$19.5 billion were up 31% from the same prior-year period. Net inflows of \$6 billion improved by \$10 billion plus. Quarter-end AUM of \$486 billion was up nearly \$32 billion or 7% year-on-year. And average AUM of \$481 billion was up 6%.

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Slide 4 demonstrates our quarterly flow trends across channels. We had organic growth of 5% on an annualized basis in the first quarter and were flow positive across all three of our client channels, with the lion's share coming from institutional clients. Institutional net inflows of \$5.4 billion improved by nearly \$6 billion sequentially and more than \$9 billion year-on-year. This is due to broad-based sales strength in that business. I will get to that in a little bit.

Retail and private wealth net flows returned to positive territory in the first quarter. In fact, this is our third net flow positive quarter for private wealth out of five.

I'm also pleased to report that our investment performance trends have been strong as well. Let's begin with fixed income, that's on slide 5. Our strategies continue to outperform benchmarks across most, if not all, time periods. At quarter-end, 87% of our qualifying fixed income assets were in strategies that outperformed for the one-year period, 89% for the three, and 93% for the five-year period.

We also stack up well relative to peers. Top quartile performance for the three-year period include: UK Core Plus, TIPS Plus, and European high-yield. Top decile ranked services include: US high-yield for the three-year, European high-yield for the five-year. It's also worth noting that in a time of currency volatility, the hedged versions of our global plus, global aggregate and global fixed income strategies have delivered stellar absolute and relative performance.

In equities, we now have an impressive mix of long-standing and newer institutional strategies outperforming both bench and peers. Now I'm on slide 6. As of quarter-end, 85% of our qualifying equity assets were in outperforming services for the one-year period, 75% for the three-year, and 57% for the five. At this time last year, these numbers were 64% for the one, 43% for the three- and five-year periods. The improvement has been both absolute and relative to peers. In fact, the performance premiums of our institutional equity services today are the best we have seen in years.

Our top quartile performance for the three-year period include: concentrated US growth, one of the services we acquired with WPS; US Thematic Research; US Core Opportunities; US SMID Cap Value; Global Strategic Value; and Global Strategic Core. US Core Opportunities, US Large Cap Growth, Emerging Markets Growth, and US Strategic Core Equity, all rank top decile for the three-year. US SMID Cap Growth and US Core Opportunities are top decile for the five.

With a diverse and relevant offering and consistent outperformance, we are increasingly earning a seat at the table with clients, prospects and consultants. We're winning more business around the world; that's clear from our institutional channel highlights, which are on slide 7.

Starting at the chart at the left, total institutional gross sales were up 54% sequentially in the first quarter of this year and 161% year-on-year with every major region contributing to the increase. In the Americas and EMEA, we're doing multiples of the business today than we did just one year ago. Despite fundings and a high level of pass-through activity, our pipeline was down just \$200 million at quarter-end to \$15.8 billion in total assets and \$5.7 billion in active assets. That's the chart at the top right.

Below that, you can see some new mandates we were awarded during the quarter. Fixed income continues to represent the largest share of our new additions by assets with particular strength in the core plus complex.

Yet our share of equities, alternatives and multi-asset strategies has been increasing as well. Our second fund raise for Commercial Real Estate Debt garnered \$610 million in new commitments during the quarter. Another pipeline addition, Real Estate Opportunities Fund II has raised \$750 million from institutions so far. We won a \$75 million Concentrated US Growth mandate. This breadth of activity offers more proof that AB efforts to build a more balanced and client-focused institutional platform are indeed paying off.

Sales have been more diverse in our retail channel as well. This is highlighted on slide 8. On the left, there's a table of our top 10 retail products by gross sales during the first quarter of 2015, along with their sequential sales and flow trends. A few things jump out here. One, while fixed income continues to dominate our sales volume, 4 of our top 10 selling products in the first quarter were equity or alternative funds including US Large Cap Growth where sales increased 46% sequentially and net flows were robust.

Another is that retail investors are still very focused on income. With flat to negative yields in Europe these days, European Income service has been in big demand. Both gross sales and net flows were multiples of the fourth quarter of 2014. AB High Income Growth sales were up 17% sequentially, putting that fund in solid net flow positive territory. Investors also continued to favor strategies with US Treasury exposure. We see that in the strength of our American Income sales and flow trends.

Retail sales were strong across regions in the first quarter as well. That's the top right chart. All major markets contributed to total retail sequential gross sales growth of 17%. We had real success in Japan with services like US Large Cap Growth and Concentrated US Growth. Finally, solid retail track records are fueling sales momentum. Top sellers like High Income, Global Bond, US Large Cap Growth and American Income ranked top quartile amongst US and Lux funds for the three-year period.

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Now let's turn to private wealth management on slide 9. The success we're seeing in this business today is the culmination of years of hard work to evolve our offering and enhance our ability to service clients. Let's start with strategic equities on the left. We introduced this multi-style all cap sleeve to our diversified offering nearly three years ago to seek reliable returns for our clients in an array of market environments. I think we're delivering.

Strategic equities has outperformed the S&P by 115 basis points annualized since inception and ranks in the 39th percentile amongst peers. In this most recent quarter, strategic equities outperformed by a very impressive 286 basis points and ranked in the 11th percentile. The pie on the right demonstrates the increasing success we are having in anticipating and meeting clients' needs with the targeted services we offer. Together, these services have attracted more than \$2.6 billion in committed assets. The ones in bold are closed end services and are fully committed.

Here are some takeaways that let us know we're on the right track. Three fully committed services we've launched since the beginning of 2014 reached capacity within their first year, including direct middle market lending, a service we introduced to private clients in January. It was oversubscribed within three months.

In fact, two-thirds of our FAs had interested clients, the highest level of engagement of all of our targeted services to date. As we gain credibility in this space, we're able to attract clients' assets more quickly. Take Real Estate Fund I for example, launched in late 2010, took 19 months to reach full commitment. Fund II launched in mid-2014, took 12, raised \$175 million more than Fund I.

It's gratifying to see private wealth clients embrace the new things we're doing for them. More are coming to our events, participating in our new offerings and referring us to others. FAs are energized by the relevance of our offering. Production has spread out amongst a broad group of advisors nationwide. I feel pretty good about the direction of this business.

I'll finish our business highlights with Bernstein Research Services, which is on slide 10. It was another strong quarter for our sell-side, business revenues were up 2% from the first quarter 2014 and down just 2% from last year's quite volatile and active fourth quarter. You can see from the chart at the bottom left that while volumes were down in the US year-on-year, they increased in both Europe and Asia. Another proof point for us that expanding globally has been the right decision for our clients.

Everyone knows that our sell-side research is differentiated. I'd like to spend a few minutes now talking about how we're unique in our approach to trading as well. The right side of this slide outlines what makes our sell-side trading platform so special. For starters, we're truly global. We can execute cash, algorithmic and portfolio trades for clients in 160 venues in 49 markets around the world.

We're not prop traders or tied to an investment bank. So we are totally unconflicted in our approach. There's never any doubt that Bernstein's interests are 100% aligned with our client. While we have access to most dark pools, we don't have one of our own. We're not partial to anyone's. We're a neutral party for our clients, focused on routing their trades quickly to wherever we can find appropriate liquidity.

Clients appreciate our flow and our neutrality. This year, they ranked us number one in both US Equity Electric trading quality and client service in a leading independent service. Finally, our trading platform is linked with our research platform. Traders want both liquidity and content. We can offer insight on specific stocks and sectors in a way we believe no one else can. It's because of this combination of research and trading talent and capabilities that Bernstein Research is a core business for AB and a significant contributor to our results and our standing in the industry.

I'm going to wrap up today as I always do, with a recap of all the ways we're progressing in our long-term strategy to deliver for clients; that's on slide 11. In the first quarter, we not only maintained our long-term investment performance premiums in fixed income, we have restored the track records of many of our equity services as well. That performance is driving client demand for both newer offerings and long-standing services like US Large Cap Growth.

We had probably our most geographically diverse quarter yet, by both sales and flows, with just about every region of the world contributing to our year-on-year momentum in both institutional and retail. The work we've done to diversify our retail offerings in an innovative way is beginning to pay off. We see that in the reception we're getting from retail intermediaries. They're approving AB funds for sale, endorsing them and including them in their models again. Of the offerings we have introduced since 2009, we've done \$33 billion in gross sales since we began establishing track records in 2012.

We're tapping into a real need among our institutional and private wealth clients with our new direct middle market lending service. It's already passed the \$1 billion mark in total. We've closed it to new capacity until 2016. Finally, we keep making progress with our financials. AB produced year-on-year growth in revenues, adjusted operating income and adjusted operating margin in the first quarter. In fact, our incremental margin was more than 50% year-on-year.

I'm pleased with the progress we keep making to fulfill our promise to keep clients ahead of tomorrow. I'm also proud of the people here at AB who also work relentlessly to drive this business forward. Now, I'm going to turn it over to John for a discussion of the financials.

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John Weisenseel - AllianceBernstein Holding L.P. - CFO

Thank you, Peter. As always, my remarks today will focus primarily on our adjusted results. You can find our standard GAAP reporting as well as the reconciliation of GAAP to adjusted results in this presentation's appendix, our press release and our 10-Q.

Let's start with the highlights on slide 13. By every measure, our adjusted first-quarter results improved meaningfully versus the same prior-year period. That's clear from the right side of this slide. First-quarter revenues of \$634 million were up 7%. Operating income of \$152 million was up 16%. Our margin increased 190 basis points to 23.9%. We earned and will distribute to our unit holders \$0.45 per unit compared to last year's first-quarter adjusted EPU of \$0.39. As expected, our results declined from the fourth quarter of 2014, the result of typical seasonal patterns.

I'll get into these in more detail as I note the key items from our adjusted income statement on slide 14. I'll start at the top with base fees, which increased 8% year-on-year as a result of higher average AUM across all three of our distribution channels: institutional, retail and private wealth. As expected, our performance fees of \$4 million were down from the prior-quarter's \$28 million. That's because we recognize performance fees on services as revenues at the conclusion of their calculation periods, which were most of our strategies as the fourth quarter.

Bernstein Research service revenues were up 2% versus the first quarter 2014 as a result of higher client activity in both the US and Asia, which offset declines in Europe and declined 2% sequentially due to lower activity in the US and Asia. Investment gains and losses were essentially flat in the first quarter but included seed capital gains versus seed capital losses in both the first and fourth quarters of 2014. As a reminder, investment gains and losses include seed investments, our 10% interest in the Venture Capital Fund and our broker-dealer investments.

We had \$511 million in seed capital investments at quarter-end, the majority of which is hedged. Seed capital increased \$18 million from the fourth quarter as we funded new investments during the quarter. Other revenues are made up largely of fees we earned for transfer agency services we provide to company-sponsored mutual funds and for administration and record keeping services we provide to company-sponsored mutual funds and AXA general accounts.

This number tends to run in the low \$20 millions per quarter. At \$21 million for the first quarter other revenues were lower than the two prior comparable quarters. The result of lower mutual fund reimbursements and lower shareholder servicing fees. Finally total net revenues were up year-on-year as result of higher base fees that came from the higher average AUM mentioned earlier.

Moving to adjusted expenses. I'll begin with compensation and benefits. As you know, we accrued total compensation excluding other employment costs such as recruitment and training as a percentage of adjusted revenues. In the first quarter of this year we accrued compensation of 50% ratio in line with the same prior-year quarter but up from 46.5% ratio in the fourth quarter. Total compensation and benefits expense increased year-on-year largely in line with the increase to our net revenues and increased sequentially as a result of our higher first-quarter comp accrual.

First-quarter promotion and servicing expenses increased slightly year-on-year, but declined 4% sequentially as a result of lower seasonal T&E. G&A expenses decreased 2% versus the first quarter 2014 due primarily to lower occupancy expenses and were relatively flat to the fourth quarter. All in all, our total operating expenses of \$482 million increase 4% year-on-year and 2% sequentially.

Operating income of \$152 million for the quarter was up 16% from the prior year, as revenue growth outpaced expense growth and was down 17% sequentially primarily on lower performance fee revenues and the increase in common and benefits expense that resulted from the higher comp accrual. Our operating margin of 23.9% for the quarter was up 190 basis points from the first quarter 2014 reflecting the operating leverage we achieved in our business and a 53% incremental margin we produce.

On a sequential basis, 350 of the 400 basis point decline in our operating margin can be attributed to the higher comp ratio and the remainder to lower performance fees I discussed earlier. In addition, we recorded a \$400,000 credit within our GAAP G&A expenses in the first quarter to true up our real estate sublease assumptions. This credit has been excluded from our adjusted financial results.

Finally, the first-quarter effective tax rate for AllianceBernstein LP was 6.8%, as expected. These points are all highlighted on the next slide of this presentation as well. With that, Peter, Jim, and I are pleased to answer your questions.

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QUESTION AND ANSWER

Operator

(Operator Instructions)

Bill Katz, Citi.

Bill Katz - Citigroup - Analyst

Sort of bouncing around between a couple calls today, so I apologize if you've covered this already. You mentioned in your prepared remarks, Peter, that incremental margins were north of 50%. As you look about the business and it continues to gain some momentum, how are you thinking about the dynamic between growth of the business to reinvest since you're doing so well versus letting some of that drop to the bottom line?

Peter Kraus - AllianceBernstein Holding L.P. - Chairman & CEO

Well, I think that we've been active as investors over the last five years in building lots of new services. I think we may have said in the previous call at the end of the year last year, that our investment activities would probably tailor off over time. So we don't see the need to make the size investments that we have made in the past. So I can't dimension that to you with numbers but directionally, I think our feeling is that we've got lots going on right now, lots of good options, lots of good performance and an opportunity to create that operating leverage is really what we're looking for.

Bill Katz - Citigroup - Analyst

Okay. Then second question is, just you had put some, I think, white papers out perhaps to start talking about the opportunity in terms of the 401k area and so forth. But what's your sense in terms of the Department of Labor? How that might accelerate your penetration into the retirement market?

Peter Kraus - AllianceBernstein Holding L.P. - Chairman & CEO

Good question, Bill. So the DoL as everybody knows has put out -- actually, rather extensive proposed regulations. I think even yesterday, they indicated they were not going to increase the 75-day comment period. We'll see what actually occurs. But I think if the trend of what the DoL is proposing does in fact take place, there will be a significantly heightened light on fiduciary activities. Whether that light is shown just on the rollover market or a broader part of the market, I think ultimately that is the trend.

What we have been hard at work trying to build over the last five years is a set of services that actually show well in a more heightened fiduciary environment. So examples, certainly the product that we've talked about most recently, the MorningStar AB product where MorningStar is picking managers, AB is affecting the glide path, those managers are both internal and external or non- open architecture if you will. That's a pretty highly evolved fiduciary product for that marketplace.

The lifetime income strategy is also a highly evolved product for the fiduciary marketplace because it could include all the things that I previously said plus it also provides effectively a synthetic defined-benefit plan as it provides for longevity risk and effectively provides for the annuity for life. So I think that we have been thinking about the world evolving into one where fiduciary issues become more significant. I think that we've tried to position ourselves as a frontier thinking organization on that basis.

Bill Katz - Citigroup - Analyst

Okay. Thanks so much.

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Operator

Michael Kim, Sandler O'Neill.

Michael Kim - Sandler O'Neill & Partners - Analyst

Just first, in terms of the institutional channel. I know a number of your newer strategies have had a lot of success in terms of generating growth more recently. But was just wondering if you're starting to see some more interest in some of your core growth and value equity strategies, particularly given the investment performance track records across some of those services.

Jim Gingrich - AllianceBernstein Holding L.P. - COO

Michael, this is Jim. The answer is yes. In -- some of our biggest selling services this quarter were in fact our more traditional services. You mentioned institutional, but for example in retail, our Large Cap growth service was our largest seller in the quarter. So we are seeing increased engagement in consultants, for exactly the reasons you mentioned. That performance really across both our growth platform as well as our value platform is quite strong.

Peter Kraus - AllianceBernstein Holding L.P. - Chairman & CEO

Michael, I'm just going to take two services that are services that we've been focused on for many years, US Large Cap growth and global strategic value. So if you just look at percentile rankings on eVestment, US Large Cap Growth is 9th percentile for the quarter, 1 percentile for the year, if I got that right; yes. 10th percentile for the three-year and 33% for the five. Global strategic value which certainly had its challenges is 7 percentile for the one quarter, 11 percentile for the one year, 12 percentile for the three-year and 68 percentile for the five, reflecting some of the longer-term challenges we had in 2008 to 2009. Those are pretty strong track records for the services that we have been standing by for many, many years. I suspect that clients are going to notice that and come back to those services.

Michael Kim - Sandler O'Neill & Partners - Analyst

Got it. Okay. Then second question, just maybe one for John. Just wondering how you're thinking about expense growth at a high level? Then any thoughts on sort of the near-term trajectory in light of some of the seasonality exiting the first quarter?

John Weisenseel - AllianceBernstein Holding L.P. - CFO

Sure. Michael, it's John. I think if you look at the non-comp expenses, whether you look sequentially or year-over-year, they just fluctuated very -- in an immaterial type of way. So I think we've done a great job at focusing on those expenses, keeping them under control. I would expect that same pattern to continue into the future.

Then on the comp side, obviously, it's as we said, we expect to have leverage not just on the non-comp side of our expense base, but also on the comp side as well. If revenues go up and continue to go up, the markets continue to do well as well. So I think in the future, I think, although right now it's premature, to look for that type of leverage because it's still early in the year. But as we go through the year and we see revenues crystallize; if we see revenue growth, there could be some possible leverage there as well.

Michael Kim - Sandler O'Neill & Partners - Analyst

Okay. Thanks for taking my questions.

Operator

Robert Lee, KBW.

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Robert Lee - Keefe, Bruyette & Woods, Inc. - Analyst

Real quickly, my two questions are on private client business. I guess the first, I'm just curious with the -- I guess this is also institutional channel but for a lot of the alternative strategies where you've raised commitments, I'm just curious, how much of that, maybe all of it, is already in assets under management? Any sense of the pipeline of dry powder, more or less, that could flow into AUM as drawn down?

Peter Kraus - AllianceBernstein Holding L.P. - Chairman & CEO

Most of the recent money, Robert, is still in commitments. So the private lending money and the second real estate fund are mostly committed funds. There is a minority of money that's been drawn down -- some has been drawn down. The older funds are almost entirely funded. So as we ramp-up those services and we've been accelerating the amount of money that we're raising, we're basically building a pipeline in the future for fundings to increase AUM over time.

Robert Lee - Keefe, Bruyette & Woods, Inc. - Analyst

Okay, great. Then maybe sticking with the private client business. Clearly, the past year, you've gone back to, on average, some positive flows. But can you maybe just update us on kind of the plan -- the growth plans there? In addition to having introduced so many new services, where you stand with the increase in the number of financial advisors and office footprint that type of thing?

Jim Gingrich - AllianceBernstein Holding L.P. - COO

I think that we see several opportunities to grow the business. As you mentioned, our plans are to continue to expand the number of advisors. That can only happen, in our experience, at a moderate pace. So you're probably looking at something in the single-digits. We don't really have any plans to expand the number of offices at present. But we also think there is a big opportunity to expand the productivity of our current advisers both in terms of production and AUM, which we think will be as important if not more important than the increase in the number of advisers.

Robert Lee - Keefe, Bruyette & Woods, Inc. - Analyst

Is it possible to maybe get some sense of kind of what productivity may be now? What you think is over time kind of a level that would be an attractive target for you guys?

Jim Gingrich - AllianceBernstein Holding L.P. - COO

Well, we really -- I think it's tough to put targets on something like that. But if you were to look at what our productivity is at present versus what it was, for example, pre-GFC, we are well below what that business has delivered in the past on both metrics of production and AUM. If you look at what the trends have been, of late, both of those have been moving in a very positive direction, which has contributed to some of the positive flow trends that we've seen over the last 12 to 18 month.

Peter Kraus - AllianceBernstein Holding LP - Chairman & CEO

Maybe a more conceptual way to think about this is that business has had significantly higher productivity in the past with a much smaller product range. It's now got a much wider product range; therefore, it should have an improved opportunity of reaching that -- the historical productivities.

Robert Lee - Keefe, Bruyette & Woods, Inc. - Analyst

Okay, great. Thanks for taking my questions.

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Operator

(Operator Instructions)

Michael Carrier, Bank of America.

Michael Carrier - BofA Merrill Lynch - Analyst

First question, just on the flow outlook. You guys have been doing well in the fixed income side. I think in equities, just given the performance and then some of the new product strategies that you guys have launched, just wanted to get a sense on how much momentum you see on that side of the business? When you look at the performance yet certain strategies as an industry are still like out of favor. So when you kind of net that or you combine it, where do you see the momentum going forward? I guess mostly in the institutional channel, but if you see it more in some of the other areas, you can pick up there.

Peter Kraus - AllianceBernstein Holding L.P. - Chairman & CEO

That's a good question. Look, the industry has struggled with net positive flows and active management. It ebbs from zero to negative to slightly positive, but it certainly hasn't been a consistent positive flow for a number of years now. I think also the industry is asking a question between more diversified managers and higher conviction managers and higher conviction managers. How do you mix those two vis-a-vis a much bigger passive portfolio -- set of passive portfolios. That's true for institutional versus individual ie, retail.

So we've tried to position our equity business philosophically as a spectrum of opportunities. But many of them that we think are attractive are in what we'll call the higher conviction services, where we have either lower name counts or number of shares, more conviction ie, higher risk in tracking error, if you will, in some of those services. We've also created a platform that is much broader than just value and growth. There are style agnostic services. There's more stable services, higher quality services, a lot of different kinds of things than we've had in the past.

Now we've been doing that for the better part of four years. Now we've got three plus years of track record that shows that the investing activity has been very successful. So you can imagine that the velocity of conversation with consultants has continued to increase, including consultants in some cases actually recommending us broadly as opposed to a client going to a consultant and saying, what do you think about this service? And the consultant saying, fine. Now the consultant is actually saying, yes, but I'd like this service, more broadly speaking.

So clients without coming to the consultants are actually getting consultant recommendations for some of our products to actually put those into broader products. Same thing happens in retail world. As we populate platforms and go from getting on a platform to recommended to focus that continues to accelerate. This all takes time. You all understand that. But I think that we're well down the path of having that broader acceptance and having consultants and retail distributors starting to appreciate and have interest in this higher conviction strategy that we've talked about.

Michael Carrier - BofA Merrill Lynch - Analyst

Okay, that's helpful. Then, John, I think you guys mentioned this quarter, the incremental operating leverage around 50% or above 50%. I guess when we think about the outlook -- you look at the pipeline, you look at the flow trends and I guess, do what we can in terms of just assuming a normal market backdrop and maybe not as much FX movements going forward. But is that like a good way to think about kind of the revenue opportunity that you guys are seeing versus the investment spend that's needed? Maybe you can deliver something in that range, obviously, not every quarter, but over time?

John Weisenseel - AllianceBernstein Holding LP - CFO

Yes. I think over the long haul that would be our aspiration. Again, you may see some quarters where we are below that. But over the long haul that is what we would aspire to. Again, just going back, I think if you look at the non-comp expenses, as I mentioned earlier, they've been fairly flat. So we've shown that they've been very much leveragable. Then it's just on the non-comp side. Again, over time, we would hope as revenues rise or continue to rise that we could leverage that part of the P&L as well.

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Michael Carrier - BofA Merrill Lynch - Analyst

Okay. Thanks a lot.

Operator

There are no further questions at this time. I'll turn the call back over to Ms. Prochniak.

Andrea Prochniak - AllianceBernstein Holding L.P. - Director of IR

Thanks, everyone, for joining us today. I know it's a busy day for reporters. We're happy to respond to any follow-up questions you may have. Thanks. Have a great day.

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