AllianceBernstein®

Fourth Quarter 2022 Review

February 9, 2023

Seth P. Bernstein, President & Chief Executive Officer
Kate Burke, Chief Operating Officer & Chief Financial Officer
Onur Erzan, Head of Global Client Group & Private Wealth

Cautions Regarding Forward-Looking Statements

Certain statements provided by management in this presentation are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. The most significant of these factors include, but are not limited to, the following: the performance of financial markets, the investment performance of sponsored investment products and separately-managed accounts, general economic conditions, industry trends, future acquisitions, integration of acquired companies, competitive conditions, and government regulations, including changes in tax regulations and rates and the manner in which the earnings of publicly-traded partnerships are taxed. We caution readers to carefully consider such factors. Further, these forward-looking statements speak only as of the date on which such statements are made; we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements. For further information regarding these forward-looking statements and the factors that could cause actual results to differ, see “Risk Factors” and “Cautions Regarding Forward-Looking Statements” in AB’s Form 10-K for the year ended December 31, 2022 (to be filed on February 10, 2023) and subsequent forms 10-Q. Any or all of the forward-looking statements made in this presentation, Form 10-K, Forms 10-Q, other documents we file with or furnish to the SEC, and any other public statements we issue, may turn out to be wrong. It is important to remember that other factors besides those listed in “Risk Factors” and “Cautions Regarding Forward-Looking Statements,” and those listed below, could also adversely affect our revenues, financial condition, results of operations and business prospects.

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

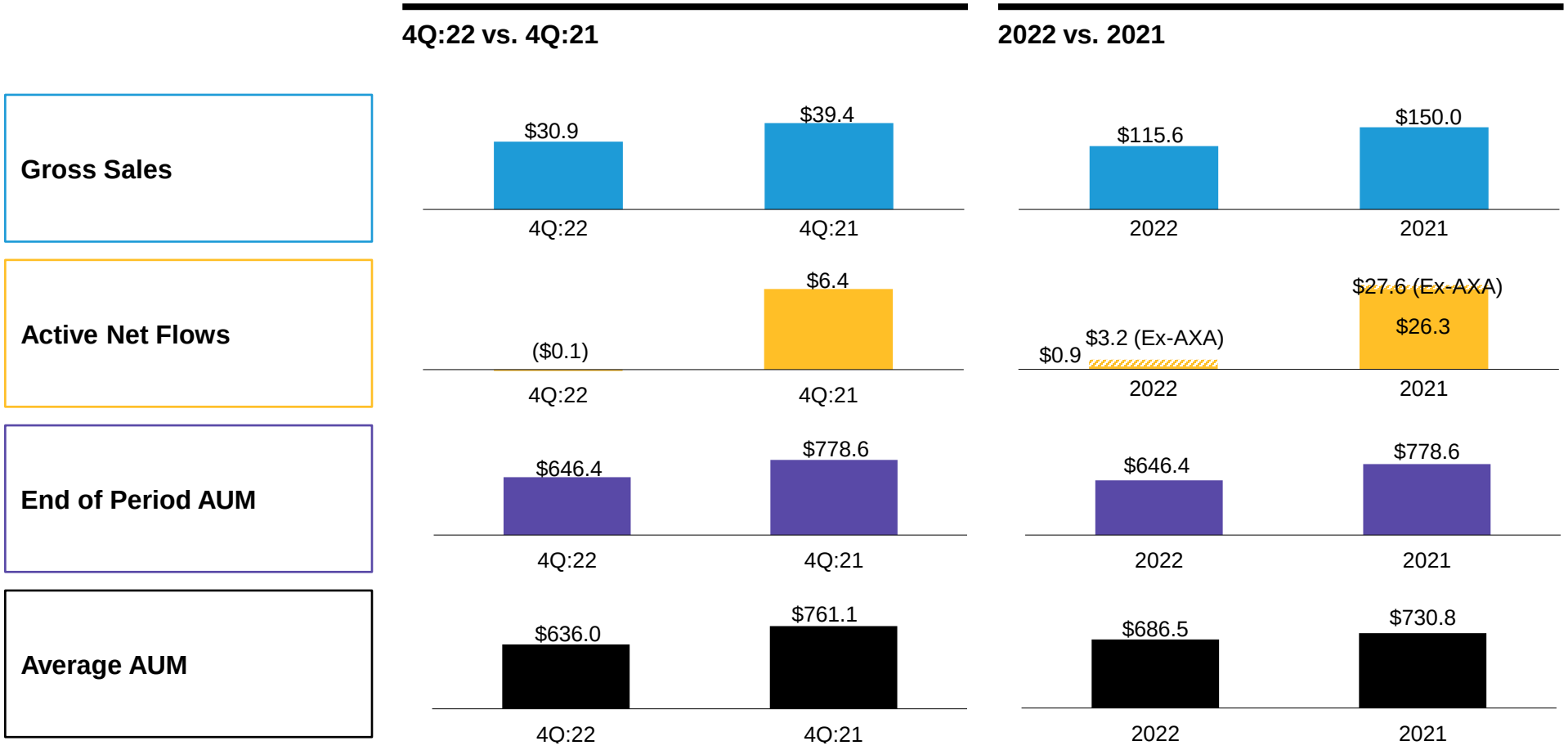
- **The pipeline of new institutional mandates not yet funded:** Before they are funded, institutional mandates do not represent legally binding commitments to fund and, accordingly, the possibility exists that not all mandates will be funded in the amounts and at the times currently anticipated, or that mandates ultimately will not be funded.

- **Our relocation strategy:** While the expenses, expense savings and EPU impact we expect will result from our Relocation Strategy are presented with numerical specificity, and we believe these figures to be reasonable as of the date of this report, the uncertainties surrounding the assumptions on which our estimates are based create a significant risk that our current estimates may not be realized. These assumptions include: the amount and timing of employee relocation costs, severance, and overlapping compensation and occupancy costs we experience; and the timing for execution of each phase of our relocation implementation plan.

Seth P. Bernstein

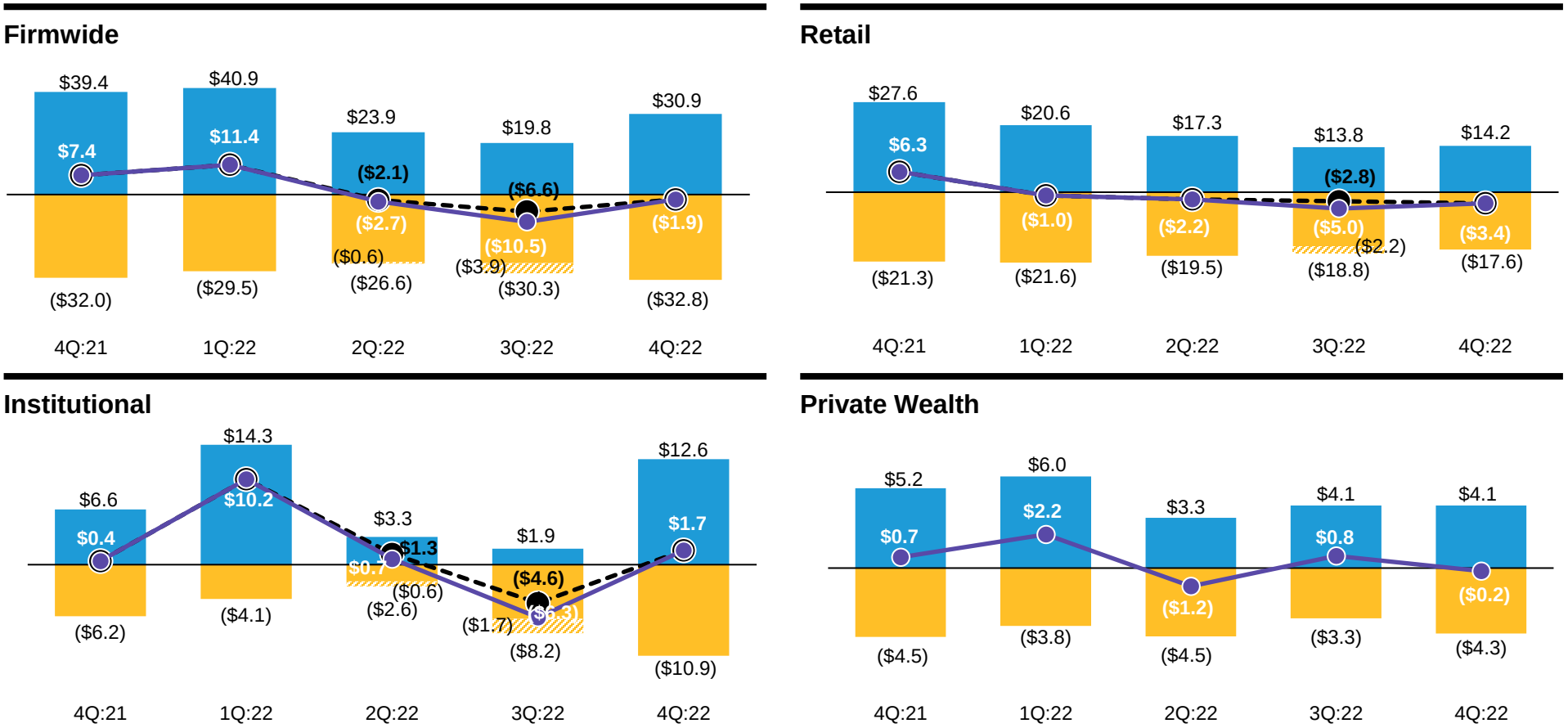
President & Chief Executive Officer

Firmwide Overview: Fourth Quarter and Full Year 2022



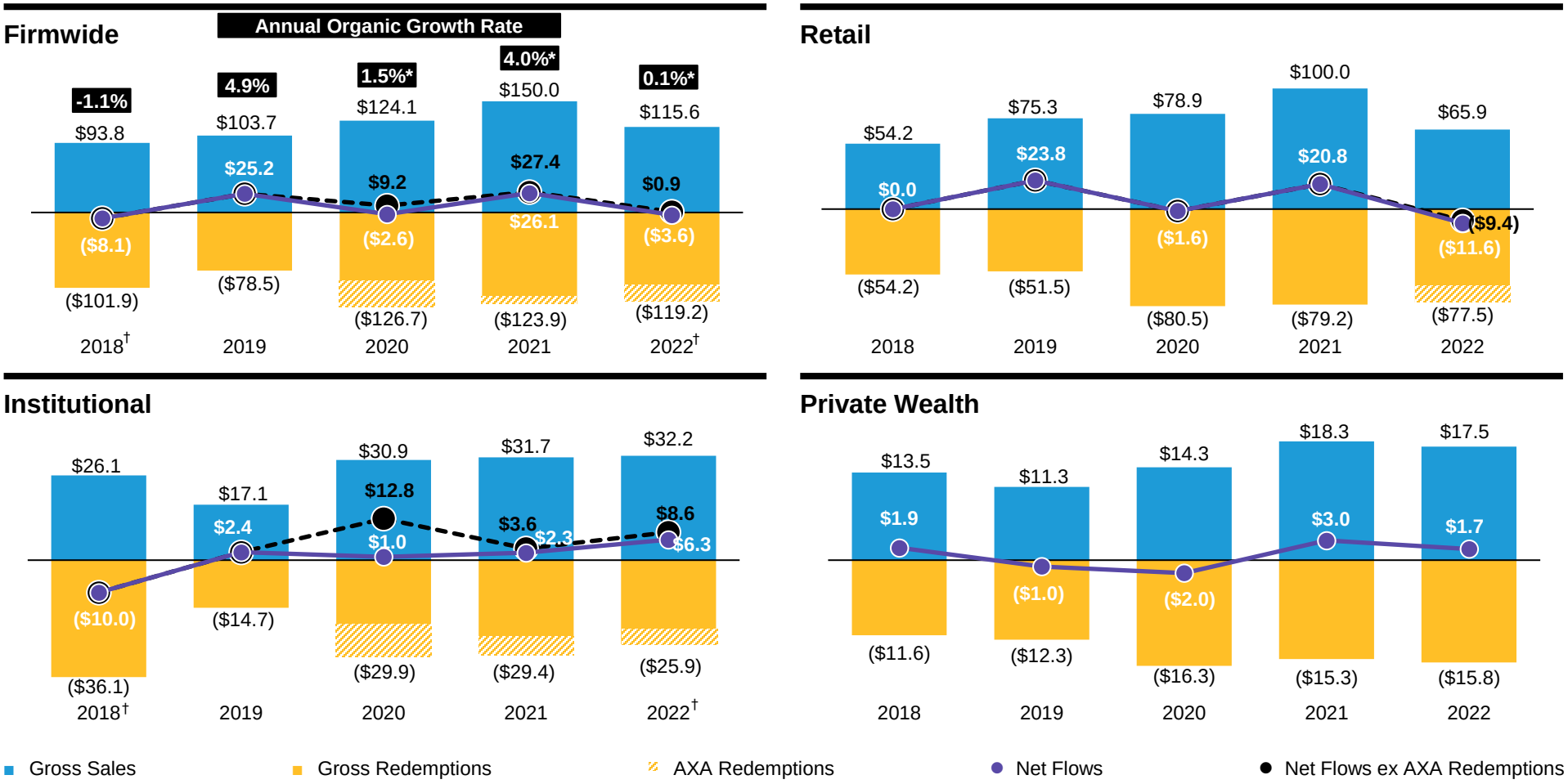
USD billions; scales differ by chart
Shaded regions represent pre-announced AXA active outflows, totaling $2.3B in 2022 and $1.3B in 2021. Figures shown may vary from reported figures due to rounding.

Asset Flows by Distribution Channel: Quarterly Trend



USD billions; scales differ by chart
Shaded regions represent previously announced AXA outflows of $0.6B in 2Q:22 and $3.9B in 3Q:22 ($2.2B Passive Retail & $1.7B Active Institutional). Figures shown may vary from reported figures due to rounding.

Asset Flows by Distribution Channel: Annual Trend



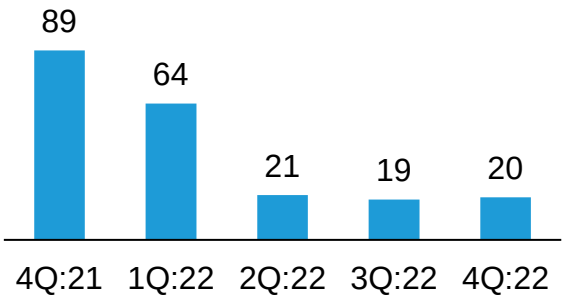
USD billions; scales differ by chart

*Organic growth rates exclude previously announced AXA redemptions totaling $4.5B in 2022 ($2.2B Retail + $2.3B Institutional), $1.3B in 2021, and $11.8B in 2020. †Includes pre-announced custom target-date institutional mandates of $16B in 2022 and net redemptions of ($3.9B) in 2018. Figures shown may vary from reported figures due to rounding.

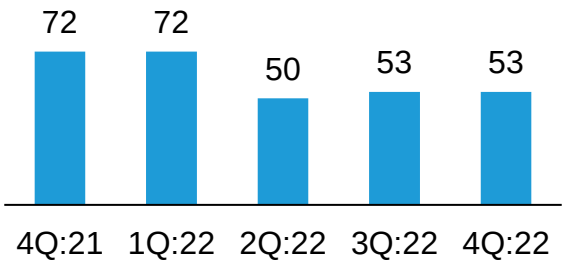
Percentage of Assets Outperforming at Quarter-End

Fixed Income

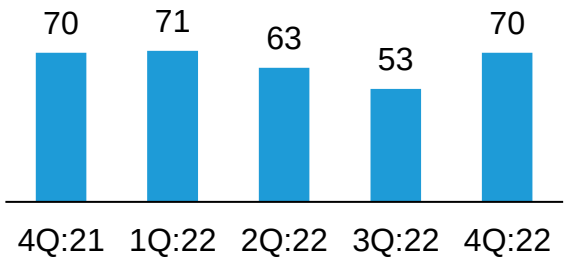
One-Year



Three-Year

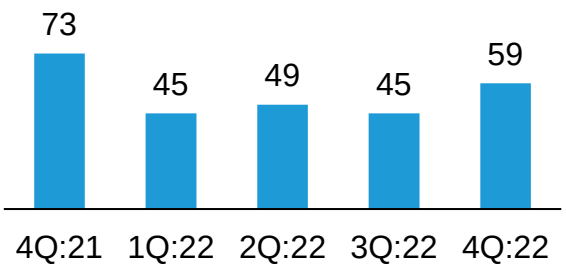


Five-Year

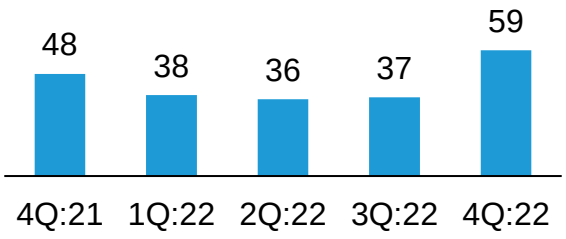


Equities

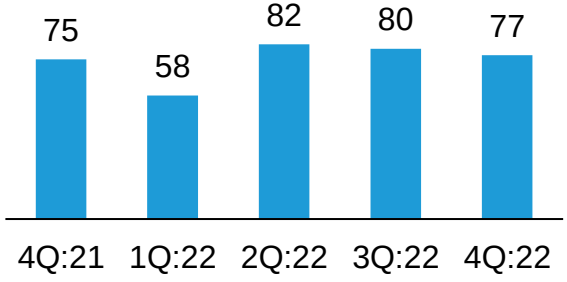
One-Year



Three-Year



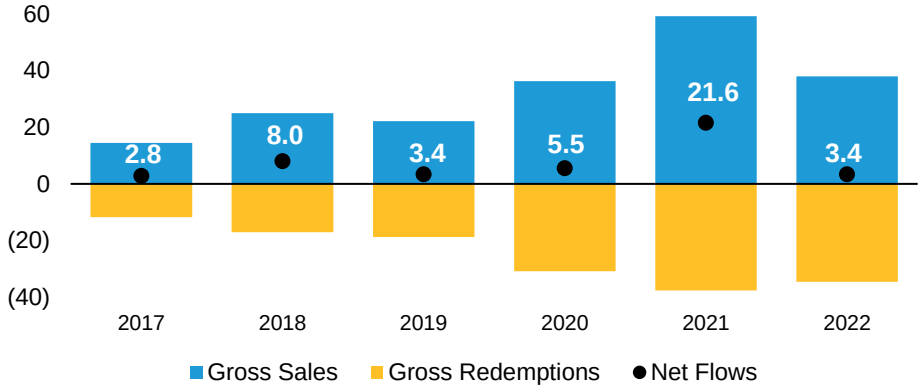
Five-Year



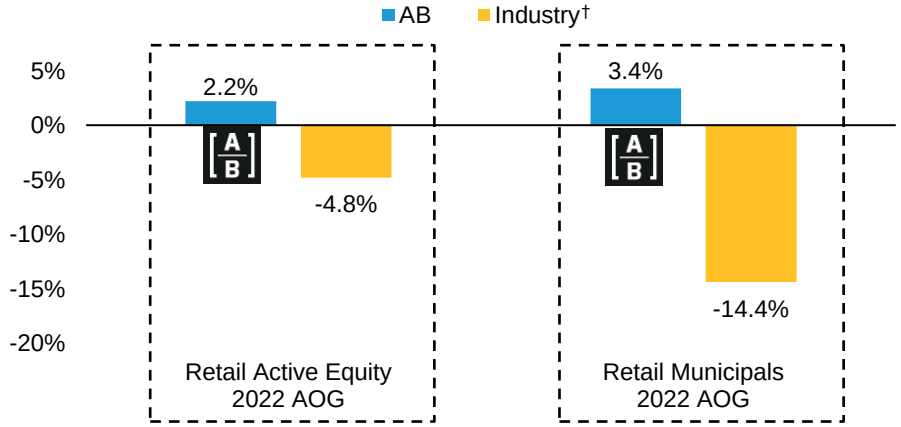
Percentage of active fixed income and equity assets in institutional services that outperformed their benchmark gross of fees and percentage of active fixed income and equity assets in retail Advisor and I share class funds ranked in the top half of their Morningstar category. Where no Advisor class exists, A share class used. Performance for private client services included as available.
As of December 31, 2022

Retail Highlights

6th Consecutive Year of Active Equity Organic Growth
(USD Billions)



AB vs. Industry FY22 Annual Organic Growth: Retail Active Equity & Retail Munis (Percent)



*Source: Simfund; excludes passive funds, ETFs, SMAs and 529 FoFs
†Source: Publicly available Morningstar data on retail active equity funds

Fourth Quarter and Full Year 2022 Highlights

4Q Sales Reflect Continued Challenging Markets; Redemptions Improve

- 4Q gross sales of $14.2B; -$13B or -48% Y/Y, +$0.4B or +3% Q/Q
- 2022 gross sales of $66B, -$34B or -34% vs. record 2021
- Historical low annual redemption rate of 24.2%, vs. 29.9% 2021
- 4Q net outflows $3.4B, and 2022 net outflows $11.6B ($9.4B ex-AXA)
  - Full year net outflows driven by Taxable FI, consistent with industrywide record Taxable FI redemptions; Barclay's Agg. -15% in 2022.

Multi-Year Diversification of Global Retail Platform Continues

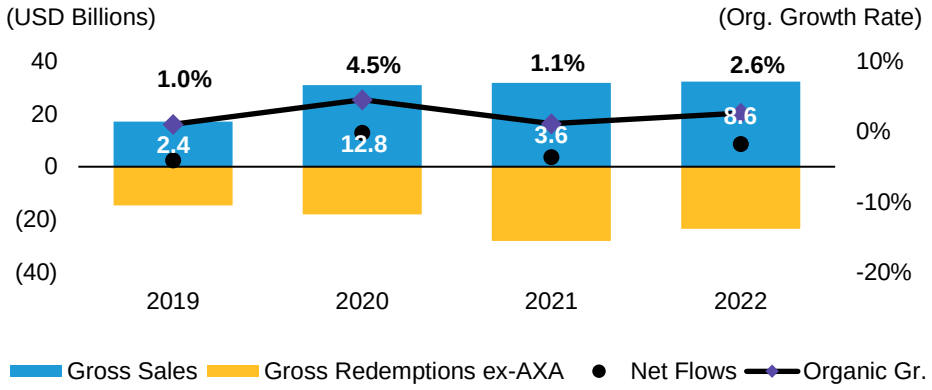
- 4th consecutive year of US Retail organic growth, $22B in aggregate net inflows over the period, or 8% average annual organic growth
- 5th consecutive year of Japan organic growth, $23B in aggregate net inflows over the period, or 29% average annual organic growth
- 6th consecutive year of Active Equities organic growth, $45B in aggregate net inflows over the period, or 9% average annual organic growth
- 10th consecutive year of Municipals organic growth, $17B in aggregate net flows over the period, or 11% average annual organic growth

Milestones

- 7th straight annual record for US Retail sales of $33B, +6% Y/Y
- 5th straight annual record for Muni sales of $12.3B, +30% Y/Y, driven by SMA-related share gains
- Net Inflow Peer Rankings*: **Q4 2022**: Overall US Equity 28/456, Large Cap Growth 6/300, American Income 1/48; Full Year 2022: Overall US Equity 10/456, Large Cap Growth 7/300, Sustainable Thematic Credit 8/44, Small Cap Growth 7/157

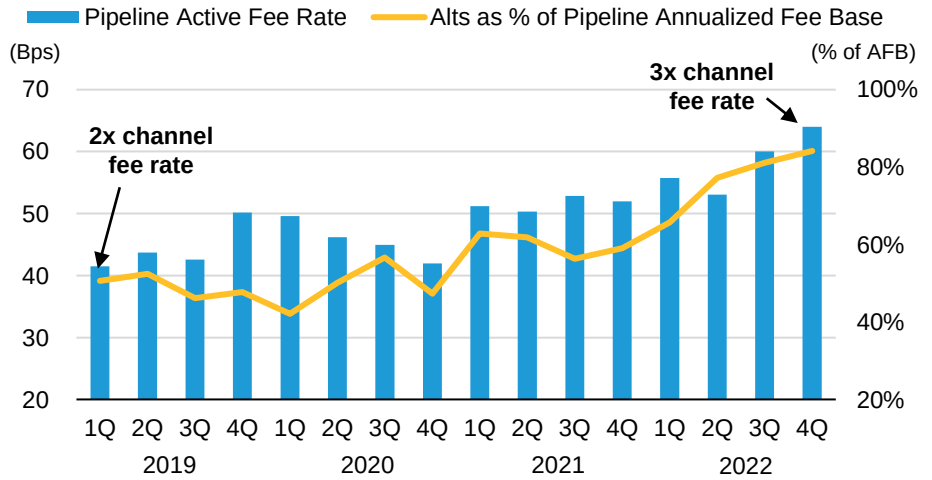
Institutional Highlights

4th Consecutive Year of Institutional Organic Growth



Pipeline Active Fee Rate ~3x Channel Average

Driven by Mix Shift to Private Alts



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

Fourth Quarter and Full Year 2022 Highlights

Sales and Flows

- 4Q22 gross sales of $12.6B, incl. $6.4B custom target-date mandate; up 93% Y/Y and +6x compared with slow 3Q22
- 2022 annual gross sales of $32.2B, highest since 2008, driven by $16.0B in fundings related to two institutional custom target date mandates
- 4Q22 organic growth rebounds to 2.4%, with net inflows of +$1.7B, positive for 12 of the last 14 quarters, (13 of 14 ex-AXA redemptions)
- 2022 net inflows totaled +$6.3B, +$8.6B ex-AXA, extending 4 consecutive years of channel organic growth

Institutional Fee Rate in FY22 Highest in a Decade

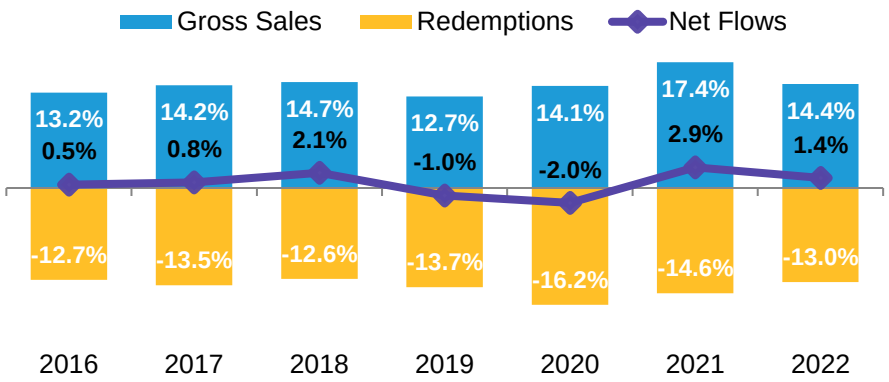
- Effective fee rate continued to improve in 4Q22, up 3% Q/Q and 27% Y/Y reflecting both organic and inorganic (CarVal) growth
- 10th consecutive quarter of Alts/MAS inflows

Strong 4Q Fundings; Pipeline w/ Accretive Annualized Fee Base (AFB)

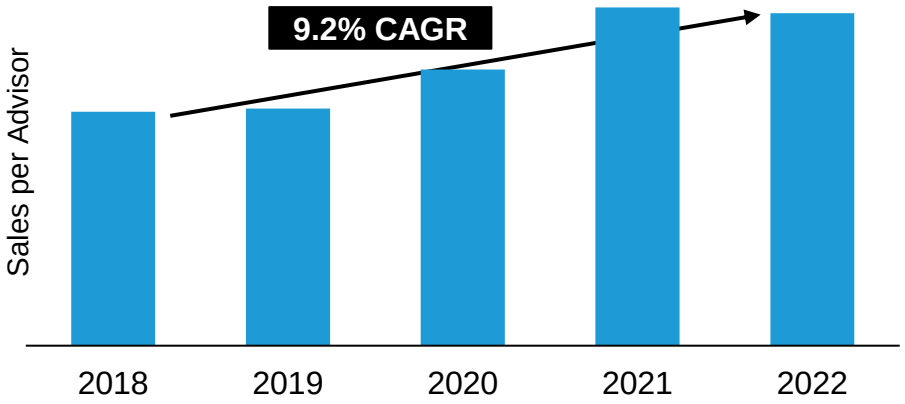
- $13.2B qtr-end pipeline*, down 47% Q/Q, as >$12B assets funded in 4Q, including $1.5B of fundings at CarVal
- Pipeline active fee rate 3x institutional channel fee rate, w/ Private Alts approx. half of 4Q additions
  - Private Alts >80% of Annualized Fee Base
- Notable 4Q pipeline additions:
  - PCI Middle Market Direct Lending $500M
  - EM Debt – Hard Currency $400M
  - Euro CRE Debt $300M

Private Wealth Highlights

Gross Sales, Redemptions and Net Flows
as % of Private Wealth AUM



Continued Strong Productivity
Advisor Productivity Grew at 9.2% CAGR Over Last 5 Years



Fourth Quarter and Full Year 2022 Highlights

Generating Organic Growth 5 of last 7 years

- 4Q gross sales of $4.1B, -21% Y/Y, +1% Q/Q
- 2022 gross sales of $17.5B, -4% Y/Y vs strong 2021
- 2022 advisor productivity -2%, remains at high levels
- Annual redemption rate improves to 13.0%, 160 bps lower Y/Y

Maintaining Strong Client Engagement

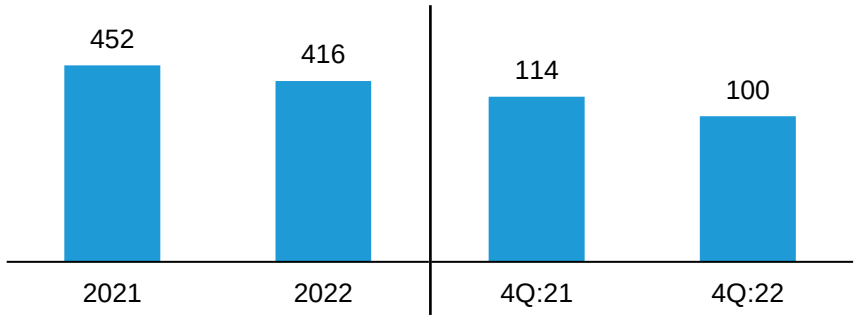
- Pre-transaction planning pipeline remains solid; 4Q AUM growth from business sales outpacing a 55% Y/Y decline in US M&A deal volumes
- Continued mix shift towards Ultra HNW category
- Focused on servicing existing client needs in volatile markets

Innovation Supports Differentiated Client Needs

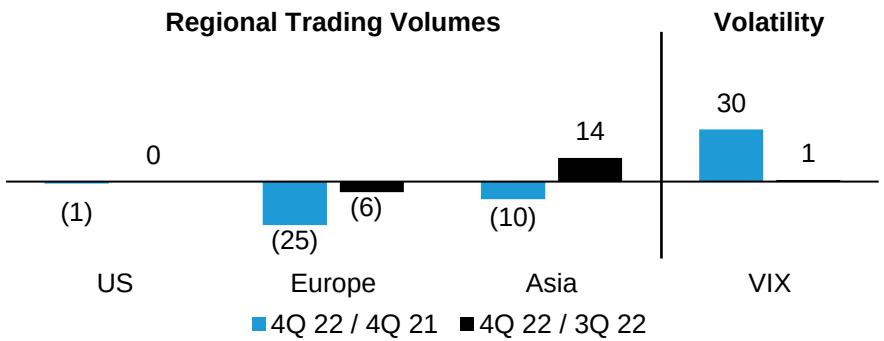
- Merger Arb, Impact Alternatives (3rd party partner) launched
- Private Alternative commitments: 2022 $1.8B, +10% Y/Y
- Proprietary Direct Indexing Strategy $2.2B in AUM, organic growth +62% Y/Y and +11% Q/Q
- Private Wealth ESG AUM $6.1B, organic growth +6% Y/Y

Bernstein Research Highlights

Bernstein Research Quarterly Revenues
(USD millions)



Regional Volumes and Volatility*
(% change)



Fourth Quarter and Full Year 2022 Highlights

Institutional Trading Volumes Improved Sequentially, though Remain Constrained

- 4Q revenues of $100M, -12% Y/Y, +10% Q/Q
  - Recovery in trading activity following unusually challenging 3Q
- Full year revenues of $416M, -8% Y/Y
  - Stronger 1H followed by weak 2H; institutional trading volumes remain constrained amidst global uncertainty

Differentiated Research Brand Continues to Attract Recognition

- Growth in research checks driven by HSD growth at Autonomous
- 4Q new analyst initiations: US Retail, India Banks; Hired US Media Analyst
- Continued build-out in Asia, including opening Japan office and new B/D license in Singapore

Recently Announced Transformational Joint Venture with SocGen remains on track for 4Q 2023 close

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

Progress on Our Initiatives in 2022

Firmwide Initiative	Progress
Deliver superior investment solutions to clients	• Fixed Income: 53% of assets in outperforming services for 3-yr period; 20% for 1-yr and 70% for 5-yr • Active Equity: 59% of assets in outperforming services for 3-yr period; 59% for 1-yr and 77% for 5-yr • 62% of US and 38% of Lux assets rated 4/5-stars by Morningstar at quarter-end

Develop, commercialize and scale our suite of services	• 4th consecutive year of active organic growth, led by positive net flows in Institutions & Private Wealth
	• 2nd consecutive year of growth in effective fee rate, +3% Y/Y
	• Retail: FI net outflows partially offset by growth in US Retail and Japan, Active Equities, Munis and Alts
	• Institutional: 2% organic growth driven by CRS, Private Alts
	• Private Wealth: 1% organic growth, driven by Private Alts and Taxable FI
	• Differentiated product amplifying growth
	  • Launched Active ETF's, supported by EQH
	  • Alternatives/MAS: +22% AOG; led by CRS, US CRED, Private Credit, ABCarVal
	• CarVal acquisition (+$2.5B raised since April) and Bernstein Research JV key strategic moves in 2022

Maintain strong incremental margins	• Full year rolling 3-year incremental margin: 35% • Adjusted 2022 operating income of $947 million, down 22% Y/Y • Adjusted 2022 operating margin of 28.4%, down 520 bps Y/Y • Adjusted 2022 EPU of $2.94, down 24% Y/Y

Kate Burke

Chief Operating Officer & Chief Financial Officer

Fourth Quarter and Full Year 2022 GAAP Income Statement

Income Statement (in US $ Millions)	4Q22	4Q21	% Δ	FY 2022	FY 2021	% Δ
Base Fees	$680	$780	(13)%	$2,826	$2,949	(4)%
Performance Fees	33	157	(79)%	145	245	(41)%
Bernstein Research Services	100	114	(12)%	416	452	(8)%
Distribution Revenues	138	178	(23)%	607	652	(7)%
Dividends & Interest	59	13	n/m	123	39	n/m
Investment (Losses)	(11)	(4)	181 %	(102)	(1)	n/m
Other Revenues	25	28	(9)%	106	109	(3)%
Total Revenues	**1,024**	**1,266**	**(19)%**	**4,121**	**4,445**	**(7)%**
Less: Interest Expense	34	1	n/m	67	3	n/m
Net Revenues	**990**	**1,265**	**(22)%**	**4,054**	**4,442**	**(9)%**
Compensation & Benefits						
Compensation & Fringes	391	430	(9)%	1,631	1,685	(3)%
Other Employment Costs	8	10	(20)%	36	31	16 %
Total Compensation & Benefits	**399**	**440**	**(9)%**	**1,667**	**1,716**	**(3)%**
Promotion & Servicing	203	257	(21)%	880	940	(6)%
General & Administrative	161	172	(6)%	642	556	15 %
Other	23	3	n/m	50	14	n/m
Total Operating Expenses	**786**	**872**	**(10)%**	**3,239**	**3,226**	**0 %**
Operating Income	**$204**	**$393**	**(48)%**	**$815**	**$1,216**	**(33)%**
Operating Margin	**20.0 %**	**30.8 %**	**(1,080 bps)**	**21.5 %**	**27.3 %**	**(580 bps)**
AB Holding GAAP Diluted Net Income Per Unit	**$0.59**	**$1.27**	**(54)%**	**$2.69**	**$3.88**	**(31)%**

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

Adjusted Financial Highlights: Fourth Quarter and Full Year 2022

	4Q:22 vs. 4Q:21		2022 vs. 2021	
Adjusted Revenues	$802	$1,024	$3,336	$3,610
	4Q:22	4Q:21	2022	2021
Adjusted Operating Income	$232	$394	$947	$1,214
	4Q:22	4Q:21	2022	2021
Adjusted Operating Margin	28.9%	38.5%	28.4%	33.6%
	4Q:22	4Q:21	2022	2021
Adjusted EPU	$0.70	$1.29	$2.94	$3.89
	4Q:22	4Q:21	2022	2021

USD millions, except EPU; scales may differ by chart
Please refer to pages 33-37 for additional information on the reconciliation of GAAP financial results to adjusted financial results.

Fourth Quarter and Full Year 2022 Adjusted Income Statement

Adjusted Income Statement (in US $ Millions)	4Q22	4Q21	% Δ	FY 2022	FY 2021	% Δ
Base Fees[1]	$659	$753	(12)%	$2,742	$2,841	(3)%
Performance Fees	18	134	(87)%	91	222	(59)%
Bernstein Research Services	100	114	(12)%	416	452	(8)%
Investment (Losses) Gains	—	(1)	(78)%	(2)	1	n/m
Other Revenues	59	25	122 %	156	98	60 %
Total Revenues	**836**	**1,025**	**(18)%**	**3,403**	**3,614**	**(6)%**
Less: Interest Expense	34	1	n/m	67	4	n/m
Adjusted Net Revenues	**802**	**1,024**	**(22)%**	**3,336**	**3,610**	**(8)%**
Compensation & Benefits						
Compensation & Fringes	373	428	(13)%	1,613	1,677	(4)%
Other Employment Costs	8	10	(19)%	36	31	17 %
Total Compensation & Benefits	**381**	**438**	**(13)%**	**1,649**	**1,708**	**(3)%**
Promotion & Servicing	42	48	(11)%	177	161	10 %
General & Administrative	139	141	(2)%	545	512	6 %
Other	8	3	142 %	18	15	26 %
Total Adjusted Operating Expenses	**570**	**630**	**(9)%**	**2,389**	**2,396**	**— %**
Adjusted Operating Income	**$232**	**$394**	**(41)%**	**$947**	**$1,214**	**(22)%**
Adjusted Operating Margin	**28.9 %**	**38.5 %**	**(960 bps)**	**28.4 %**	**33.6 %**	**(520 bps)**
AB Holding Adjusted Diluted Net Income Per Unit	**$0.70**	**$1.29**	**(46)%**	**$2.94**	**$3.89**	**(24)%**
Compensation Ratio	**46.4 %**	**41.7 %**		**48.4 %**	**46.5 %**	

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

Fourth Quarter and Full Year 2022 Adjusted Income Statement Highlights

Revenues

- Base Fees decreased 12% vs. 4Q21 driven by a 16% decrease in average AUM, lower across all channels, partially offset by fee rate improvement of 5%, flat to higher across all channels, driven by asset mix and the impact of a higher CarVal Base Fees rate. Base Fees were down 3% vs. FY21 due to a 6% decrease in average AUM, lower across all channels, partially offset by fee rate improvement of 3%, higher in Institutional and Retail, driven by asset mix and the half year impact of CarVal.
- Performance Fees decreased 87% vs. 4Q21 driven by Financial Services Opportunities, AB Arya Partners, Real Estate Equity, US Concentrated Growth and US Small Cap Growth. Performance Fees decreased 59% vs. FY21 driven by Financial Services Opportunities, US Select Equity, AB Arya Partners, Private Credit services and US Concentrated Growth.
- Bernstein Research revenues decreased 12% vs. 4Q21 driven by a decline in trading activity across all regions. Bernstein Research revenues decreased 8% vs. FY21 due to lower trading activity in Europe and Asia due to local market conditions.

Expenses

- Adjusted Compensation Ratio was 46.4% in 4Q22 vs. 41.7% in 4Q21 and 48.4% in FY22 vs. 46.5% for FY21.
- Total Compensation & Benefits decreased 13% vs. 4Q21 due primarily to lower incentive compensation. Total Compensation and Benefits decreased 3% vs. FY21 driven by lower incentive compensation partially offset by higher base compensation and commissions.
- Promotion & Servicing decreased 11% vs. 4Q21 due to lower transfer fees, trade execution and clearance and marketing & advertising partially offset by higher T&E. Promotion & Servicing increased 10% vs. FY21 due to higher T&E and Firm Meetings partially offset by lower trade execution expenses and transfer fees.
- G&A expenses decreased 2% vs. 4Q21 due to the impact of favorable foreign exchange partially offset by higher professional fees and technology related expenses. G&A expenses increased 6% vs. FY21 due to higher technology related expenses, professional fees, occupancy and market data services

Operating Results

- Adjusted Operating Income decreased 41% vs. 4Q21 and by 22% vs. FY21 mainly due to lower base and performance fees partially offset by lower Compensation & Benefits expenses.
- Adjusted Margin was 28.9% in 4Q22, down from 38.5% in 4Q21. For FY22, the Adjusted Margin was 28.4% vs. 33.6% in FY21.

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

2022 in Review: Execution Across our Strategy

Deliver

- 77% of Equities and 70% of Fixed Income assets outperforming over long-term (5 years)
- Fourth straight year of Active organic growth, outperforming the industry
- Institutional, Private Wealth channels both positive for full year, with Alts/MAS +22% AOG

diversify

- Offered core investment solutions through new wrappers (Active ETF's) to meet client needs, Launched Ultra Short Income and Tax-Aware Short Duration Muni ETF's
- New strategies included: Diversity Champions Equity, SMA Custom Muni, Fixed Maturity Portfolio 2025

and expand

- Private Alternatives organic +12%; CarVal acquisition results in Private Markets AUM $56B, +57%*
- Invested in our Insurance asset management business to grow third party clients
- Redesigned the muni investment platform to enable customization and tax optimization at scale in our custom muni SMAs.
- Continued investment in China asset management (pending regulatory approval)

responsibly

- Continued to launch new Portfolios with Purpose, now $23.8B
- AB named Best Sustainable Fund Management Group of the Year, *Investment Week*
- AB's Muni Impact won Environmental Finance's IMPACT Award for FI Fund of the Year

with Equitable

- Supported launch of Ultra Short Income ETF, Acquisition of CarVal ($750M Commitment)
- Repositioning of GA permanent capital† to higher yielding Private Alts, Private Placements and Securitized Assets; more than 50% of $10B of committed capital deployed as of YE 2022

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

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

Appendix

Retail Mutual Funds Relative Performance vs. Morningstar Averages

Retail Service	1 Year Relative (%)	1 Year Percentile	3 Year Relative (%)	3 Year Percentile	5 Year Relative (%)	5 Year Percentile	10 Year Relative (%)	10 Year Percentile
Equity								
Large Cap Growth	1.1	44	2.5	28	2.8	12	3.0	4
Concentrated Growth	5.3	27	1.6	40	2.9	11	1.4	22
Concentrated International Growth	(5.6)	83	(4.4)	95	(2.4)	89	N/A	--
Sustainable US Thematic	6.8	24	5.4	6	2.8	12	N/A	--
Select US Equity	3.5	21	2.1	10	1.6	13	1.1	17
International Tech	(3.8)	71	2.7	28	4.3	17	2.3	24
Low Vol	8.0	6	1.4	34	2.8	12	3.2	3
Eurozone Equity	1.4	40	(1.3)	77	(0.6)	65	1.8	9
Relative Value	1.7	36	1.1	32	1.0	31	1.0	19
Multi-Asset/Alternative								
Emerging Markets Multi-Asset	(1.6)	65	(2.2)	78	(1.0)	70	(1.1)	79
All Market Income	(19.1)	94	(9.0)	100	(6.3)	100	N/A	--
Select US Long/Short	(2.3)	57	1.4	35	2.9	10	2.6	12

■ Top Quartile ■ 2nd Quartile

Past performance does not guarantee future results.

Relative Performance is calculated against the Fund's Morningstar Category and Percentile Ranking is determined by Morningstar Ranking Methodology. Advisor and I share class; A share class used when Advisor and I class not available. Morningstar Categories: Large Cap Growth - Large Growth; Concentrated Growth (US) - Large Growth; Concentrated International Growth - Foreign Large Growth; Sustainable US Thematic - US Large-Cap Growth; Sustainable Global Thematic - Global Large-Cap Growth; Select US - Large-Cap Blend; International Tech - Sector Equity Technology; Low Vol - Global Large-Cap Blend; Eurozone Equity - Eurozone Large-Cap Equity; Relative Value - Large Value; Emerging Markets Multi-Asset - Global Emerging Markets; All Market Income - USD Moderate Allocation; Select US Long/Short - Long-Short Equity.

As of December 31, 2022

Source: AB and Morningstar

Retail Mutual Funds Relative Performance vs. Morningstar Averages

Service	1 Year		3 Year		5 Year		10 Year	
	Relative (%)	Percentile	Relative (%)	Percentile	Relative (%)	Percentile	Relative (%)	Percentile
Fixed Income								
American Income	(3.0)	68	(1.2)	78	0.1	43	0.5	27
European Income	(5.4)	87	(1.1)	70	0.1	42	1.0	20
Asia Income	(1.1)	54	0.3	45	0.1	49	N/A	--
Global High Yield	(0.7)	57	(1.0)	75	(0.6)	71	(0.1)	60
Short Duration High Yield	3.5	18	2.0	13	1.5	15	0.3	44
Emerging Markets Debt	(2.9)	77	(0.3)	59	0.1	54	0.7	36
High Income Advisor	(1.5)	69	(1.2)	83	(1.1)	90	0.0	47
Global Bond Advisor	0.7	35	0.3	36	0.0	57	0.4	35
Income Advisor	(1.9)	88	(1.0)	87	(0.4)	72	0.5	18
Intermediate Diversified Muni	(3.1)	96	(0.0)	55	0.5	10	N/A	--
High Income Muni	(1.5)	70	0.2	47	0.3	30	0.6	24

■ Top Quartile ■ 2nd Quartile

Past performance does not guarantee future results.

Relative Performance is calculated against the Fund's Morningstar Category and Percentile Ranking is determined by Morningstar Ranking Methodology. Advisor and I share class; A share class used when Advisor and I class not available. Morningstar Categories: American Income – USD Flexible Bond; European Income - EUR Flexible Bond; Asia Income - Asia Bond; Global High Yield - Global High Yield Bond; Short Duration High Yield - Global High Yield Bond; Emerging Markets Debt - Global Emerging Markets Bond; High Income - High Yield Bond; Global Bond - World Bond; Income Advisor - Intermediate Core-Plus Bond; Intermediate Diversified Muni - Muni National Short; High Income Municipal - High Yield Muni. As of December 31, 2022

Source: AB and Morningstar

Institutional Composite Relative Performance vs. Benchmarks

Service	1 Year	3 Year	5 Year	10 Year
Equity				
US Small Cap Growth	(12.0)	1.3	4.3	2.8
Concentrated Global Growth	(6.8)	(1.2)	1.7	1.7
Global Core	(1.2)	(1.8)	0.4	1.0
International Strategic Core	0.6	(0.2)	0.8	2.2
Sustainable Global Thematic	(8.1)	4.6	3.7	3.2
US Small Cap Value	(1.4)	1.6	0.5	2.5
Global Strategic Value	2.8	(2.5)	(4.7)	(1.1)
International Strategic Value	1.5	(0.5)	(2.9)	(0.5)
Fixed Income				
Global Income	(1.7)	(0.2)	0.3	1.2
Global Plus	(0.4)	0.3	0.2	0.3
Emerging Market Debt	(1.9)	(0.2)	(0.4)	(0.0)
US High Yield	(0.5)	1.1	0.8	0.5
US Strategic Core Plus	(0.3)	0.4	0.4	0.7
US Investment Grade Corporate	(0.7)	0.5	0.5	0.6
Intermediate Muni	0.2	0.7	0.7	0.7

Past performance does not guarantee future results.

Investment Performance of composites is presented before investment management fees. Periods of more than one year are annualized. US Small Cap Growth - Russell 2000 Growth Index GDR; Concentrated Global Growth - MSCI World Index NDR; Global Core - MSCI ACWI NDR; International Strategic Core - MSCI EAFE Index NDR; Sustainable Global Thematic - MSCI ACWI NDR; US Small Cap Value - Russell 2000 Value Index GDR; Global Strategic Value - MSCI ACWI NDR; International Strategic Value - MSCI EAFE Index NDR; Global Income - Bloomberg Barclays US Aggregate Index; Global Plus - Bloomberg Barclay Global Aggregate Index Hedged; EM Debt - JPM EMBI Global; Global High Income - Bloomberg Barclays Global HY Index Hedged; US HY - Bloomberg Barclays US Corporate HY Index; US Strategic Core Plus - Bloomberg Barclays US Aggregate Index; US Investment Grade Corporate - Bloomberg Barclays US Credit Index; Intermediate Muni - Lipper Short/Int Blended Muni Fund Avg. Global Plus are hedged to USD. Performance is preliminary and as of December 31, 2022.

Assets Under Management: 4Q22

(US $ Billions)	At December 31, 2022				At September 30, 2022
	Institutions	Private Wealth	Retail	Total	Total
Equity					
Actively Managed	$56	$46	$116	218	203
Passive [1]	21	2	31	54	52
Total Equity	77	48	147	272	255
Fixed Income					
Taxable	122	14	54	190	187
Tax-Exempt	1	25	27	53	52
Passive [1]	—	—	9	9	10
Total Fixed Income	123	39	90	252	249
Alternatives/MAS [2]	97	19	6	122	109
Total	$297	$106	$243	$646	$613

At September 30, 2022				
Total	$280	$101	$232	$613

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

Three Months Ended 12/31/22: AUM Roll-Forward by Distribution Channel

In US $ Billions **Investment Service:**	**Beginning of Period**	Sales/New Accounts	Redemptions/ Terminations	Net Cash Flows	Net Flows	Transfers	Investment Performance	Net Change	**End of Period**
Institutions									
US	**$134.1**	$3.5	$(1.7)	$(4.0)	$(2.2)	$—	$5.2	$3.0	**$137.1**
Global and Non-US	**145.3**	9.1	(1.8)	(3.4)	3.9	(0.1)	11.1	14.9	**160.2**
Total Institutions	**279.4**	12.6	(3.5)	(7.4)	1.7	(0.1)	16.3	17.9	**297.3**
Retail									
US	**154.5**	9.8	(9.4)	(1.1)	(0.7)	—	8.6	7.9	**162.4**
Global and Non-US	**77.8**	4.4	(6.0)	(1.1)	(2.7)	0.1	5.3	2.7	**80.5**
Total Retail	**232.3**	14.2	(15.4)	(2.2)	(3.4)	0.1	13.9	10.6	**242.9**
Private Wealth									
US	**66.4**	3.1	(3.1)	0.1	0.1	—	2.9	3.0	**69.4**
Global and Non-US	**34.6**	1.0	(1.2)	(0.1)	(0.3)	—	2.5	2.2	**36.8**
Total Private Wealth	**101.0**	4.1	(4.3)	—	(0.2)	—	5.4	5.2	**106.2**
Firmwide									
US	**355.0**	16.4	(14.2)	(5.0)	(2.8)	—	16.7	13.9	**368.9**
Global and Non-US	**257.7**	14.5	(9.0)	(4.6)	0.9	—	18.9	19.8	**277.5**
Total Firmwide	**$612.7**	$30.9	$(23.2)	$(9.6)	$(1.9)	$—	$35.6	$33.7	**$646.4**

Twelve Months Ended 12/31/22: AUM Roll-Forward by Distribution Channel

In US $ Billions **Investment Service:**	**Beginning of Period**	Sales/New Accounts	Redemptions/ Terminations	Net Cash Flows	Net Flows	AUM Adjustment	Acquisitions	Transfers	Investment Performance	Net Change	**End of Period**
Institutions											
US	**$165.4**	$7.7	$(4.3)	$(5.2)	$(1.8)	$(0.4)	$3.4	$(0.1)	$(29.4)	$(28.3)	**$137.1**
Global and Non-US	**171.7**	24.5	(9.0)	(7.4)	8.1	—	8.8	—	(28.4)	(11.5)	**160.2**
Total Institutions	**337.1**	32.2	(13.3)	(12.6)	6.3	(0.4)	12.2	(0.1)	(57.8)	(39.8)	**297.3**
Retail											
US	**202.1**	46.3	(35.7)	(5.1)	5.5	—	—	0.1	(45.3)	(39.7)	**162.4**
Global and Non-US	**117.8**	19.6	(30.6)	(6.1)	(17.1)	—	—	—	(20.2)	(37.3)	**80.5**
Total Retail	**319.9**	65.9	(66.3)	(11.2)	(11.6)	—	—	0.1	(65.5)	(77.0)	**242.9**
Private Wealth											
US	**78.1**	12.5	(11.8)	0.1	0.8	—	—	—	(9.5)	(8.7)	**69.4**
Global and Non-US	**43.5**	5.0	(4.0)	(0.1)	0.9	—	—	—	(7.6)	(6.7)	**36.8**
Total Private Wealth	**121.6**	17.5	(15.8)	—	1.7	—	—	—	(17.1)	(15.4)	**106.2**
Firmwide											
US	**445.6**	66.5	(51.8)	(10.2)	4.5	(0.4)	3.4	—	(84.2)	(76.7)	**368.9**
Global and Non-US	**333.0**	49.1	(43.6)	(13.6)	(8.1)	—	8.8	—	(56.2)	(55.5)	**277.5**
Total Firmwide	**$778.6**	$115.6	$(95.4)	$(23.8)	$(3.6)	$(0.4)	$12.2	$—	$(140.4)	$(132.2)	**$646.4**

Three Months Ended 12/31/22: AUM Roll-Forward by Investment Service

In US $ Billions **Investment Service:**	**Beginning of Period**	Sales/New Accounts	Redemptions/ Terminations	Net Cash Flows	Net Flows	Investment Performance	Net Change	**End of Period**
Equity Active								
US	**$126.1**	$6.3	$(5.5)	$(0.8)	$—	$8.7	$8.7	**$134.8**
Global and Non-US	**76.8**	3.0	(4.0)	(1.6)	(2.6)	8.9	6.3	**83.1**
Total Equity Active	**202.9**	9.3	(9.5)	(2.4)	(2.6)	17.6	15.0	**217.9**
Equity Passive[1]								
US	**45.8**	0.1	(1.5)	(0.6)	(2.0)	3.4	1.4	**47.2**
Global and Non-US	**6.3**	—	—	(0.3)	(0.3)	0.6	0.3	**6.6**
Total Equity Passive[1]	**52.1**	0.1	(1.5)	(0.9)	(2.3)	4.0	1.7	**53.8**
Total Equity	**255.0**	**9.4**	**(11.0)**	**(3.3)**	**(4.9)**	**21.6**	**16.7**	**271.7**
Fixed Income - Taxable								
US	**102.7**	4.8	(1.9)	(3.1)	(0.2)	2.7	2.5	**105.2**
Global and Non-US	**84.5**	3.5	(4.4)	(2.9)	(3.8)	4.4	0.6	**85.1**
Total Fixed Income - Taxable	**187.2**	8.3	(6.3)	(6.0)	(4.0)	7.1	3.1	**190.3**
Fixed Income - Tax-Exempt								
US	**51.8**	3.7	(4.5)	(0.2)	(1.0)	1.7	0.7	**52.5**
Global and Non-US	**0.1**	(0.1)	—	—	(0.1)	—	(0.1)	**—**
Total Fixed Income - Tax-Exempt	**51.9**	3.6	(4.5)	(0.2)	(1.1)	1.7	0.6	**52.5**
Fixed Income Passive[1]								
US	**7.2**	—	—	(0.3)	(0.3)	0.1	(0.2)	**7.0**
Global and Non-US	**2.3**	0.1	(0.1)	—	—	0.1	0.1	**2.4**
Total Fixed Income Passive[1]	**9.5**	0.1	(0.1)	(0.3)	(0.3)	0.2	(0.1)	**9.4**
Total Fixed Income	**248.6**	**12.0**	**(10.9)**	**(6.5)**	**(5.4)**	**9.0**	**3.6**	**252.2**
Alternatives/MAS[2]								
US	**21.4**	1.5	(0.8)	—	0.7	0.1	0.8	**22.2**
Global and Non-US	**87.7**	8.0	(0.5)	0.2	7.7	4.9	12.6	**100.3**
Total Alternatives/MAS[2]	**109.1**	9.5	(1.3)	0.2	8.4	5.0	13.4	**122.5**
Firmwide								
US	**355.0**	16.4	(14.2)	(5.0)	(2.8)	16.7	13.9	**368.9**
Global and Non-US	**257.7**	14.5	(9.0)	(4.6)	0.9	18.9	19.8	**277.5**
Total Firmwide	**$612.7**	$30.9	$(23.2)	$(9.6)	$(1.9)	$35.6	$33.7	**$646.4**

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

Twelve Months Ended 12/31/22: AUM Roll-Forward by Investment Service

In US $ Billions **Investment Service:**	**Beginning of Period**	Sales/New Accounts	Redemptions/ Terminations	Net Cash Flows	Net Flows	AUM Adj	Acq	Investment Performance	**Net Change**	**End of Period**
Equity Active										
US	**$173.7**	$32.3	$(23.5)	$(3.6)	$5.2	**$—**	**$—**	$(44.1)	**$(38.9)**	**$134.8**
Global and Non-US	**113.9**	13.7	(15.5)	(6.1)	(7.9)	—	—	(22.9)	**(30.8)**	**83.1**
Total Equity Active	**287.6**	46.0	(39.0)	(9.7)	(2.7)	—	—	(67.0)	**(69.7)**	**217.9**
Equity Passive(1)										
US	**60.8**	1.5	(1.6)	(2.3)	(2.4)	**—**	**—**	(11.2)	**(13.6)**	**47.2**
Global and Non-US	**10.8**	0.3	(1.5)	(1.7)	(2.9)	—	—	(1.3)	**(4.2)**	**6.6**
Total Equity Passive(1)	**71.6**	1.8	(3.1)	(4.0)	(5.3)	—	—	(12.5)	**(17.8)**	**53.8**
Total Equity	**359.2**	**47.8**	**(42.1)**	**(13.7)**	**(8.0)**	**—**	**—**	**(79.5)**	**(87.5)**	**271.7**
Fixed Income - Taxable										
US	**126.9**	11.3	(9.0)	(3.5)	(1.2)	**—**	**—**	(20.5)	**(21.7)**	**105.2**
Global and Non-US	**119.4**	14.2	(23.6)	(7.3)	(16.7)	—	—	(17.6)	**(34.3)**	**85.1**
Total Fixed Income - Taxable	**246.3**	25.5	(32.6)	(10.8)	(17.9)	—	—	(38.1)	**(56.0)**	**190.3**
Fixed Income - Tax-Exempt										
US	**57.0**	16.0	(15.0)	(0.3)	0.7	**—**	**—**	(5.2)	**(4.5)**	**52.5**
Global and Non-US	**0.1**	—	—	(0.1)	(0.1)	—	—	—	**(0.1)**	**—**
Total Fixed Income - Tax-Exempt	**57.1**	16.0	(15.0)	(0.4)	0.6	—	—	(5.2)	**(4.6)**	**52.5**
Fixed Income Passive(1)										
US	**8.9**	(0.2)	—	(0.1)	(0.3)	**—**	**—**	(1.6)	**(1.9)**	**7.0**
Global and Non-US	**4.3**	0.1	(1.5)	0.4	(1.0)	—	—	(0.9)	**(1.9)**	**2.4**
Total Fixed Income Passive(1)	**13.2**	(0.1)	(1.5)	0.3	(1.3)	—	—	(2.5)	**(3.8)**	**9.4**
Total Fixed Income	**316.6**	**41.4**	**(49.1)**	**(10.9)**	**(18.6)**	**—**	**—**	**(45.8)**	**(64.4)**	**252.2**
Alternatives/MAS(2)										
US	**18.3**	5.6	(2.7)	(0.4)	2.5	(0.4)	3.4	(1.6)	**3.9**	**22.2**
Global and Non-US	**84.5**	20.8	(1.5)	1.2	20.5	—	8.8	(13.5)	**15.8**	**100.3**
Total Alternatives/MAS(2)	**102.8**	26.4	(4.2)	0.8	23.0	(0.4)	12.2	(15.1)	**19.7**	**122.5**
Firmwide										
US	**445.6**	66.5	(51.8)	(10.2)	4.5	(0.4)	3.4	(84.2)	**(76.7)**	**368.9**
Global and Non-US	**333.0**	49.1	(43.6)	(13.6)	(8.1)	—	8.8	(56.2)	**(55.5)**	**277.5**
Total Firmwide	**$778.6**	$115.6	$(95.4)	$(23.8)	$(3.6)	$(0.4)	$12.2	$(140.4)	**$(132.2)**	**$646.4**

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

Active vs. Passive Net Flows

Three Months Ended 12/31/22

	Actively Managed	Passively Managed [1]	Total
Equity	$ (2.6)	$ (2.3)	$ (4.9)
Fixed Income	(5.1)	(0.3)	(5.4)
Alternatives/MAS [3]	7.6	0.8	8.4
Total	**$ (0.1)**	**$ (1.8)**	**$ (1.9)**

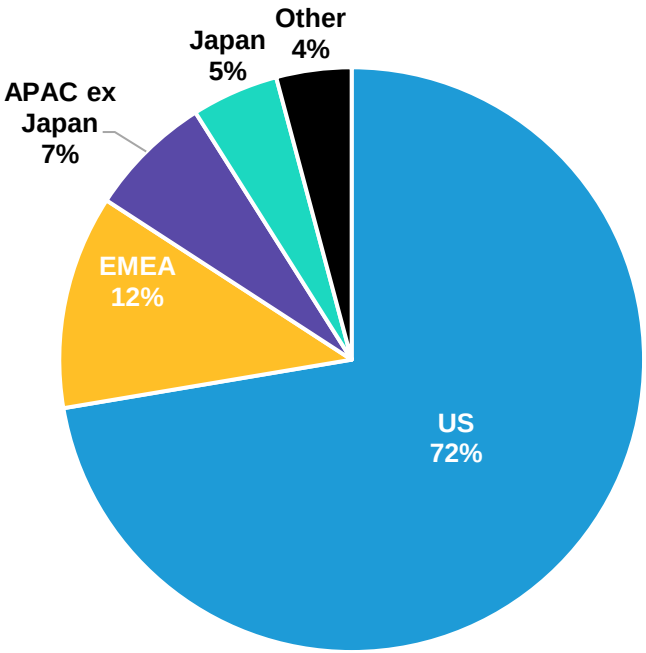
Twelve Months Ended 12/31/22

	Actively Managed	Passively Managed [1]	Total
Equity [2]	$ (2.7)	$ (5.3)	$ (8.0)
Fixed Income [2]	(17.3)	(1.3)	(18.6)
Alternatives/MAS [3]	20.9	2.1	23.0
Total	**$ 0.9**	**$ (4.5)**	**$ (3.6)**

(1) Includes index and enhanced index services.
(2) Actively managed Fixed Income and passively managed Equity amounts include previously disclosed AXA S.A. terminated mandates of $2.3B and $2.2B, respectively, in '22. Excluding these outflows, Active Fixed Income net outflows were ($15.0B) and Passive Equity net outflows were ($3.1B) in 2022. Total net inflows were $0.9B in 2022.
(3) Includes certain multi-asset solutions and services not included in equity or fixed income services.

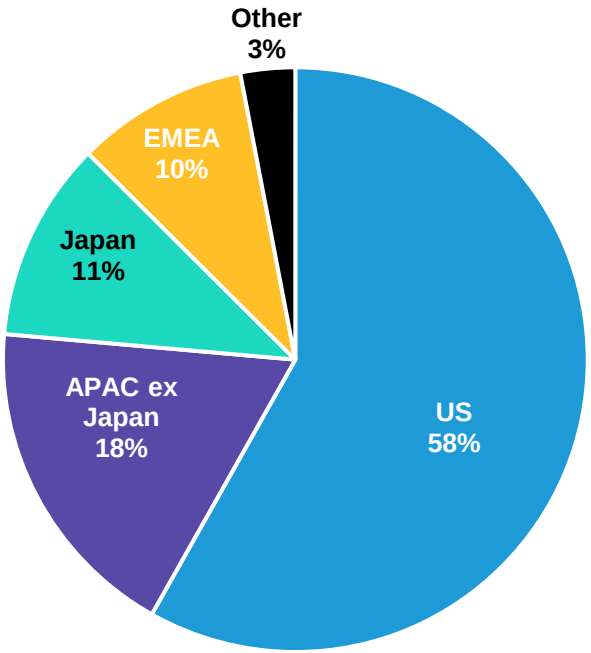
Assets Under Management By Region

Institutional Geographic Breakdown



$297.3B

Retail Geographic Breakdown



$242.9

As of December 31, 2022
By Client Domicile
Percentages may not add up to 100% due to rounding

Fourth Quarter and Full Year 2022 Adjusted Advisory Fees

	4Q22	4Q21	% Δ	FY 2022	FY 2021	% Δ
Ending AUM ($ Billions)	**$646**	**$779**	**(17)%**	**$646**	**$779**	**(17)%**
Average AUM ($ Billions)	**$636**	**$761**	**(16)%**	**$687**	**$731**	**(6)%**
By Fee Type ($ Millions):						
Adjusted Base Fees[1]	$659	$753	(12)%	$2,742	$2,841	(3)%
Adjusted Performance Fees	18	134	(87)%	91	222	(59)%
Total	**$677**	**$887**	**(24)%**	**$2,833**	**$3,063**	**(8)%**
Adjusted Base Fees By Channel ($ Millions):						
Institutions	$152	$138	10 %	$572	$537	7 %
Retail	285	363	(21)%	1,244	1,337	(7)%
Private Wealth	222	252	(12)%	926	967	(4)%
Total	**$659**	**$753**	**(12)%**	**$2,742**	**$2,841**	**(3)%**

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

Fourth Quarter 2022 and Full Year GAAP Income Statement

In US $ Millions (except EPU)	4Q22	4Q21	% Δ	FY 2022	FY 2021	% Δ
Net Revenues	$990	$1,265	(22)%	$4,054	$4,442	(9)%
Operating Expenses	786	872	(10)%	3,239	3,226	—%
Operating Income	204	393	(48)%	815	1,216	(33)%
Net Income Attributable to AB Unitholders	187	372	(50)%	832	1,149	(28)%
AB Holding GAAP Diluted Net Income per Unit	**0.59**	**1.27**	**(54)%**	**2.69**	**3.88**	**(31)%**
AB Holding Distribution Per Unit	**$ 0.70**	**$1.29**	**(46)%**	**$2.95**	**$3.90**	**(24)%**

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

Fourth Quarter and Full Year 2022 AB Holding Financial Results

In US $ Millions (excluding per Unit amounts)	4Q22	4Q21	% Δ	FY 2022	FY 2021	% Δ
AB						
Net Income Attributable to AllianceBernstein	$187	$372	(50)%	$832	$1,149	(28)%
Weighted Average Equity Ownership Interest	38.4%	36.0%		36.7%	36.2%	
AB Holding						
Equity in Net Income Attributable to AB	$72	$134	(46)%	$306	$416	(27)%
Income Taxes	$8	$9	(9)%	$31	$30	3 %
Net Income	**$64**	**$125**	**(49)%**	**$275**	**$386**	**(29)%**
Diluted Net Income Per Unit, GAAP basis	**$0.59**	**$1.27**	**(54)%**	**$2.69**	**$3.88**	**(31)%**
Distributions Per Unit	**$0.70**	**$1.29**	**(46)%**	**$2.95**	**$3.90**	**(24)%**
Adjusted Diluted Net Income Per Unit	**$0.70**	**$1.29**	**(46)%**	**$2.94**	**$3.89**	**(24)%**

Please refer to pages 33-36 for additional information on the reconciliation of GAAP financial results to adjusted financial results.
Dollars rounded in millions, however percentages calculated using amounts rounded in thousands. As such, amounts may not foot.

Fourth Quarter 2022 GAAP to Non-GAAP Reconciliation

In US $ Thousands	GAAP	Adjustments: Distribution Related Payments (A)	Pass Through Adjustments (B)	Deferred Comp. Inv. (C)	NCI/ Consol VIE (D)	Real Estate Credits (Charges) (E)	Acquisition-Related Expenses (F)	Non-GAAP
Investment advisory and services fees	$ 713,216	(13,112)	(7,730)	(14,832)	(162)			$ 677,380
Bernstein research services	100,467							100,467
Distribution revenues	137,764	(137,764)						—
Dividend and interest income	58,667			(721)	(14,518)			43,428
Investment (losses) gains	(11,308)			(1,336)	12,331			(313)
Other revenues	25,344		(10,055)		(163)			15,126
Total revenues	1,024,150	(150,876)	(17,785)	(16,889)	(2,512)	—	—	836,088
Less: interest expense	33,974							33,974
Net revenues	**990,176**	**(150,876)**	**(17,785)**	**(16,889)**	**(2,512)**	**—**	**—**	**802,114**
Employee compensation and benefits	399,101		(3,675)	(13,977)			(679)	380,770
Promotion and servicing	203,207	(150,876)	(9,913)					42,418
General and administrative	161,194		(4,197)		(274)	206	(18,315)	138,614
Contingent payment arrangements	2,516						(2,516)	—
Interest on borrowings	8,505							8,505
Amortization of intangible assets	11,912						(11,964)	(52)
Net (loss) of consolidated entities attributable to non-controlling interests	—				(88)			(88)
Total expenses	**786,435**	**(150,876)**	**(17,785)**	**(13,977)**	**(362)**	**206**	**(33,474)**	**570,167**
Operating income	**203,741**	**—**	**—**	**(2,912)**	**(2,150)**	**(206)**	**33,474**	**231,947**
Income taxes	11,030	—	—	(160)	(118)	(11)	1,808	12,549
Net income	192,711	—	—	(2,752)	(2,032)	(195)	31,666	219,398
Net income (loss) of consolidated entities attributable to non-controlling interests	5,574			(3,424)	(2,150)			—
Net income attributable to AB Unitholders	**$ 187,137**	**$ —**	**$ —**	**$ 672**	**$ 118**	**$ (195)**	**$ 31,666**	**$ 219,398**

Please refer to page 37 for notes describing the adjustments.

Fourth Quarter 2021 GAAP to Non-GAAP Reconciliation

In US $ Thousands		Adjustments								
	GAAP	Distribution Related Payments	Pass Through Adjustments	Deferred Comp. Inv.	NCI/ Consol VIE	Real Estate Credits (Charges)	Acquisition-Related Expenses	Contingent Payment Adjustment	Other	Non-GAAP
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
Investment advisory and services fees	$ 936,637	(21,699)	(28,012)		(640)					$ 886,286
Bernstein research services	114,001									114,001
Distribution revenues	178,490	(178,490)								-
Dividend and interest income	12,598			(1,813)	(3,009)					7,776
Investment (losses) gains	(4,021)			173	518				1,880	(1,450)
Other revenues	27,825		(9,091)		(173)					18,561
Total revenues	1,265,530	(200,189)	(37,103)	(1,640)	(3,304)	-	-	-	1,880	1,025,174
Less: interest expense	848									848
Net revenues	**1,264,682**	**(200,189)**	**(37,103)**	**(1,640)**	**(3,304)**	**-**	**-**	**-**	**1,880**	**1,024,326**
Employee compensation and benefits	440,319			(2,433)			-			437,886
Promotion and servicing	256,998	(200,189)	(8,947)							47,862
General and administrative	171,997		(28,156)		(500)	206	(2,795)			140,752
Contingent payment arrangements	238							600		838
Interest on borrowings	1,330									1,330
Amortization of intangible assets	1,195									1,195
Net income (loss) of consolidated entities attributable to non-controlling interests	-				100					100
Total expenses	**872,077**	**(200,189)**	**(37,103)**	**(2,433)**	**(400)**	**206**	**(2,795)**	**600**	**-**	**629,963**
Operating income	**392,605**	**-**	**-**	**793**	**(2,904)**	**(206)**	**2,795**	**(600)**	**1,880**	**394,363**
Income taxes	17,474	-	-	35	(129)	(10)	123	(28)	84	17,549
Net income	375,131	-	-	758	(2,775)	(196)	2,672	(572)	1,796	376,814
Net income (loss) of consolidated entities attributable to non-controlling interests	2,904				(2,904)			-	-	-
Net income attributable to AB Unitholders	**$ 372,227**	**$ -**	**$ -**	**$ 758**	**$ 129**	**$ (196)**	**$ 2,672**	**(572)**	**1,796**	**$ 376,814**

Please refer to page 37 for notes describing the adjustments.

Full Year 2022 GAAP to Non-GAAP Reconciliation

In US $ Thousands	GAAP	Adjustments: Distribution Related Payments (A)	Pass Through Adjustments (B)	Deferred Comp. Inv. (C)	NCI/ Consol VIE (D)	Real Estate Credits (Charges) (E)	Acquisition-Related Expenses (F)	Contingent Payment Adjustment (G)	Non-GAAP
Investment advisory and services fees	$2,971,038	$(57,139)	$(65,116)	$ (15,488)	$ (767)				$2,832,528
Bernstein research services	416,273								416,273
Distribution revenues	607,195	(607,195)							—
Dividend and interest income	123,091			(876)	(31,800)				90,415
Investment (losses) gains	(102,413)			9,281	90,697				(2,435)
Other revenues	105,544		(38,959)		(694)				65,891
Total revenues	4,120,728	(664,334)	(104,075)	(7,083)	57,436	—	—	—	3,402,672
Less: interest expense	66,438								66,438
Net revenues	**4,054,290**	**(664,334)**	**(104,075)**	**(7,083)**	**57,436**	**—**	**—**	**—**	**3,336,234**
Employee compensation and benefits	1,666,636		(6,997)	(7,674)			(2,717)		1,649,248
Promotion and servicing	879,890	(664,334)	(38,390)						177,166
General and administrative	641,635		(58,688)		(2,258)	825	(36,808)		544,706
Contingent payment arrangements	6,563						(6,563)		—
Interest on borrowings	17,906								17,906
Amortization of intangible assets	26,564						(26,415)		149
Net loss of consolidated entities attributable to non-controlling interests	—				(138)				(138)
Total expenses	**3,239,194**	**(664,334)**	**(104,075)**	**(7,674)**	**(2,396)**	**825**	**(72,503)**	**—**	**2,389,037**
Operating income	**815,096**	**—**	**—**	**591**	**59,832**	**(825)**	**72,503**	**—**	**947,197**
Income taxes	39,639	—	—	27	2,897	(42)	3,513	—	46,034
Net income	775,457	—	—	564	56,935	(783)	68,990	—	901,163
Net loss (income) of consolidated entities attributable to non-controlling interests	(56,356)			(3,476)	59,832			—	—
Net income attributable to AB Unitholders	**$ 831,813**	**$ —**	**$ —**	**$ 4,040**	**$ (2,897)**	**$(783)**	**$ 68,990**	**$ —**	**$ 901,163**

Please refer to page 37 for notes describing the adjustments.

Full Year 2021 GAAP to Non-GAAP Reconciliation

In US $ Thousands		Adjustments								
	GAAP	Distribution Related Payments	Pass Through Adjustments	Deferred Comp. Inv.	NCI/ Consol VIE	Real Estate Credits (Charges)	Acquisition-Related Expenses	Contingent Payment Adjustment	Other	Non-GAAP
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
Investment advisory and services fees	$ 3,194,524	(90,242)	(40,628)		(1,147)					$ 3,062,507
Bernstein research services	452,017									452,017
Distribution revenues	652,240	(652,240)								-
Dividend and interest income	38,734			(2,034)	(9,506)					27,194
Investment (losses) gains	(636)			(4,660)	4,496				1,880	1,080
Other revenues	108,409		(37,209)		(776)					70,424
Total revenues	4,445,288	(742,482)	(77,837)	(6,694)	(6,933)	-	-	-	1,880	3,613,222
Less: interest expense	3,686									3,686
Net revenues	**4,441,602**	**(742,482)**	**(77,837)**	**(6,694)**	**(6,933)**	**-**	**-**	**-**	**1,880**	**3,609,536**
Employee compensation and benefits	1,716,013			(8,321)			-			1,707,692
Promotion and servicing	939,967	(742,482)	(36,636)							160,849
General and administrative	555,608		(41,201)		(1,922)	3,162	(3,214)			512,433
Contingent payment arrangements	2,710							600		3,310
Interest on borrowings	5,145									5,145
Amortization of intangible assets	5,697									5,697
Net income (loss) of consolidated entities attributable to non-controlling interests	-				100					100
Total expenses	**3,225,140**	**(742,482)**	**(77,837)**	**(8,321)**	**(1,822)**	**3,162**	**(3,214)**	**600**	**-**	**2,395,226**
Operating income	**1,216,462**	**-**	**-**	**1,627**	**(5,111)**	**(3,162)**	**3,214**	**(600)**	**1,880**	**1,214,310**
Income taxes	62,728	-	-	84	(251)	(150)	179	(30)	98	62,658
Net income	1,153,734	-	-	1,543	(4,860)	(3,012)	3,035	(570)	1,782	1,151,652
Net income (loss) of consolidated entities attributable to non-controlling interests	5,111				(5,111)			-		-
Net income attributable to AB Unitholders	**$ 1,148,623**	**$ -**	**$ -**	**$ 1,543**	**$ 251**	**$ (3,012)**	**$ 3,035**	**(570)**	**1,782**	**$ 1,151,652**

Please refer to page 37 for notes describing the adjustments.

AB Adjusted Financial Results Reconciliation

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

A. We exclude all of the company's distribution revenues, which are recorded as a separate line item on the consolidated statement of income, as well as a portion of investment advisory services fees received that is used to pay distribution and servicing costs. Such presentation appropriately reflects the nature of these costs as pass-through payments to third parties that perform functions on behalf of our sponsored mutual funds and/or shareholders of these funds. Also, we adjust distribution revenues for the amortization of deferred sales commissions as these costs, over time, will offset such revenues.
B. We exclude additional pass-through expenses we incur (primarily through our transfer agency) that are reimbursed and recorded as fees in revenues. These fees have no impact on operating income, but they do have an impact on our operating margin. As such, we exclude these fees from adjusted net revenues.
C. We exclude the impact on net revenues and compensation expense of the mark-to-market gains and losses (as well as the dividends and interest) associated with employee long-term incentive compensation-related investments. In addition, we exclude any EQH-related equity compensation expense as the awards are non-cash and are based on EQH's and not AB's financial performance. Also, we adjust for certain acquisition related pass through performance-based fees and performance related compensation.
D. We adjust for the impact of consolidating certain company-sponsored investment funds by eliminating the consolidated company-sponsored investment funds revenues and expenses and including AB's revenues and expenses that were eliminated in consolidation. In addition, the net income of joint ventures attributable to non-controlling interests is excluded because it does not reflect the economic interest attributable to AB.
E. Real estate credits are excluded because they are not considered part of our core ongoing operations. However, beginning in the fourth quarter of 2019, real estate charges (credits) while excluded in the period in which the charges (credits) are recorded, are included ratably over the remaining applicable lease term.
F. Acquisition-related expenses have been excluded because they are not considered part of our core operating results when comparing financial results from period to period and to industry peers. Acquisition-related expenses include professional fees and the recording of changes in estimates to contingent payment arrangements associated with our acquisitions. Beginning in the first quarter of 2022, acquisition-related expenses also include certain compensation-related expenses, amortization of intangible assets for contracts acquired and accretion expense with respect to contingent payment arrangements.
G. The recording of changes in estimates of contingent consideration payable with respect to contingent payment arrangements associated with our acquisitions are not considered part of our core operating results and, accordingly, have been excluded. Beginning in the first quarter of 2022, these adjustments are part of acquisition-related expenses.
H. Other reflects the write-down of an investment that has been excluded due to its non-recurring nature and because it is not part of our core operating results.

Adjusted Operating Margin

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

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