



ALLIANCEBERNSTEIN®

Fourth Quarter 2023 Review

February 7, 2024


Seth P. Bernstein, President & Chief Executive Officer
Matthew Bass, Head of Private Alternatives
Bill Siemers, Interim 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, 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, 2023. 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.

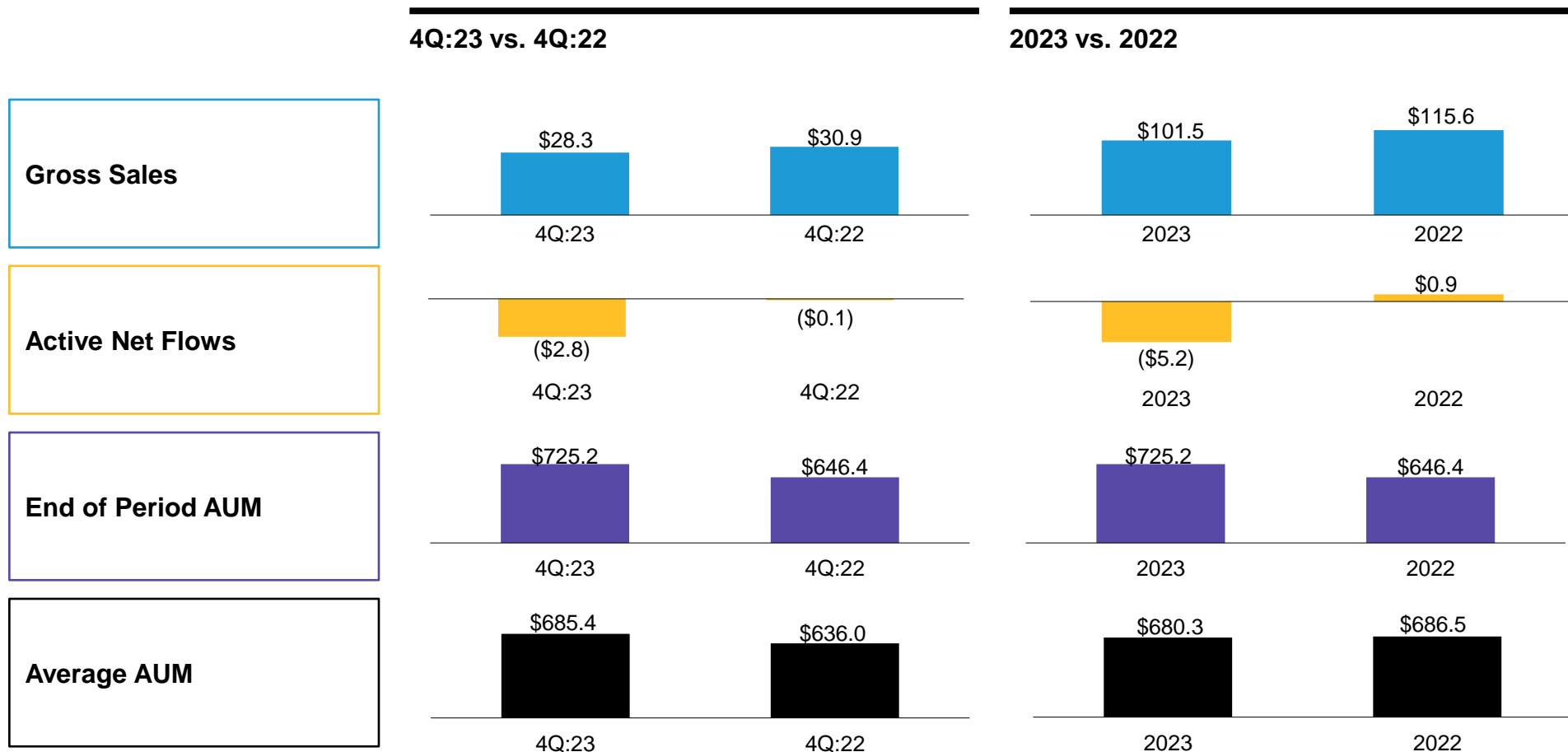
The Forward-Looking Statements Referred to in the Preceding Paragraph Include Statements Regarding:

- **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 2023

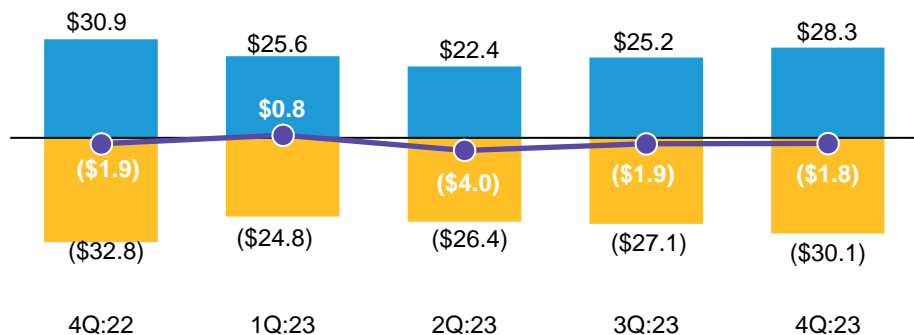


USD billions; scales differ by chart
 Figures shown may vary from reported figures due to rounding

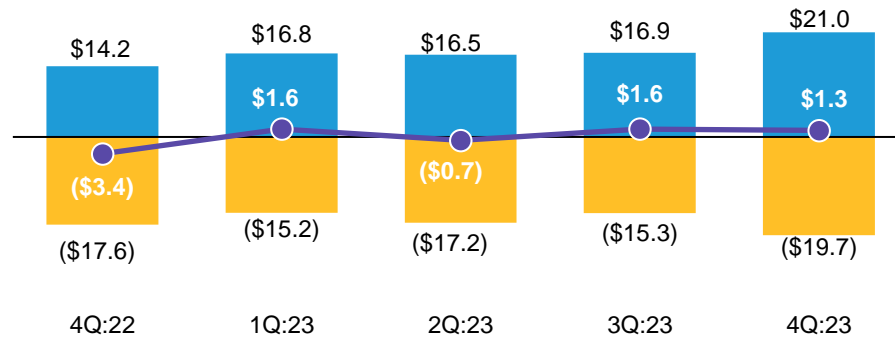


Asset Flows by Distribution Channel: Quarterly Trend

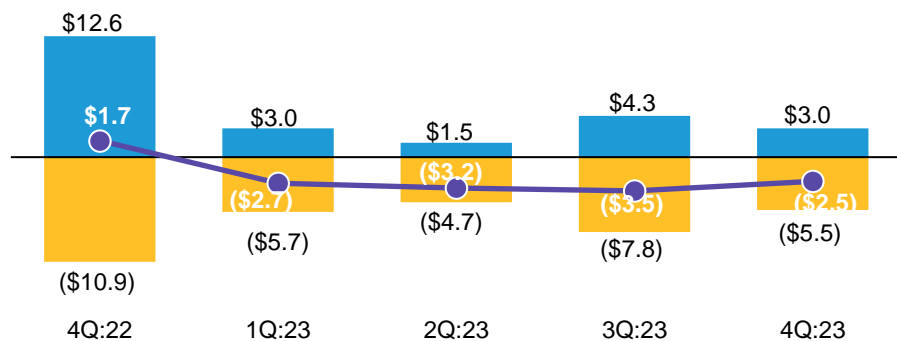
Firmwide



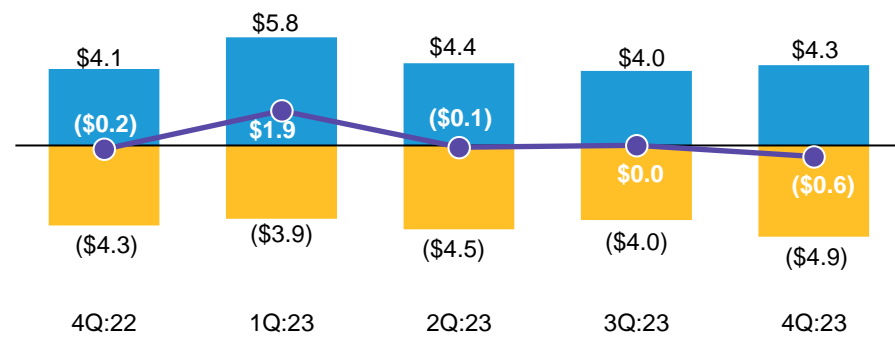
Retail



Institutional



Private Wealth



■ Gross Sales

■ Gross Redemptions

● Net Flows

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



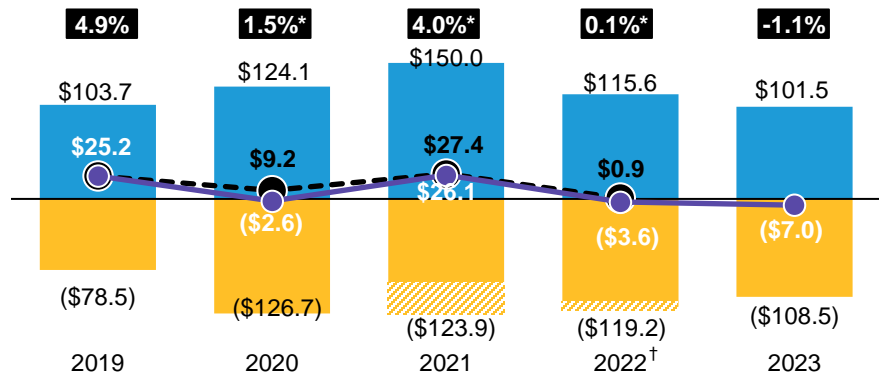
Asset Flows by Distribution Channel: Annual Trend

Firmwide 5-year average annual organic growth (“AOG”) of 2%

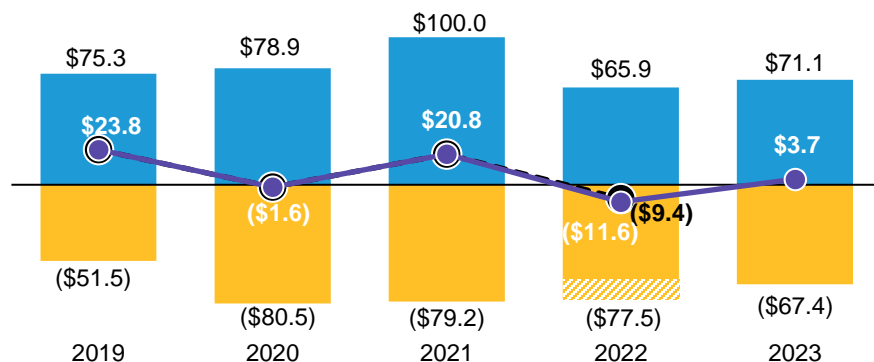
2 of 3 channels positive in 2023

Firmwide

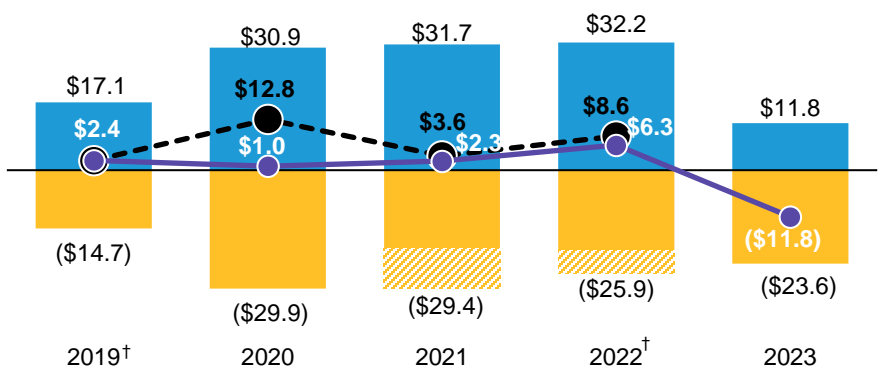
Annual Organic Growth Rate (“AOG”)



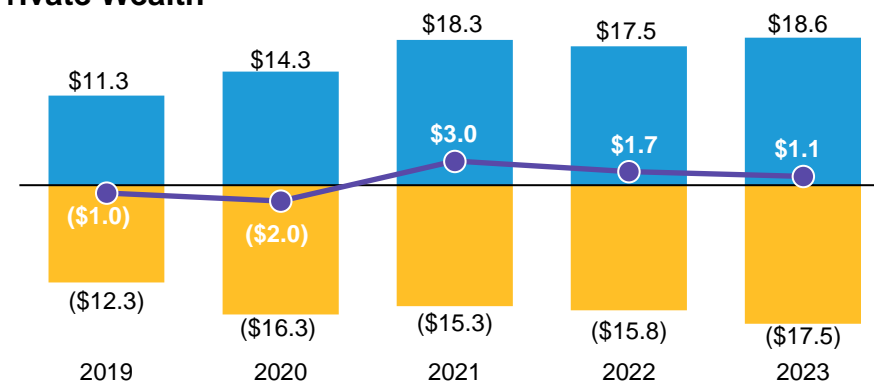
Retail



Institutional



Private Wealth



■ Gross Sales

■ Gross Redemptions

▨ AXA Redemptions

● Net Flows

● Net Flows ex AXA Redemptions

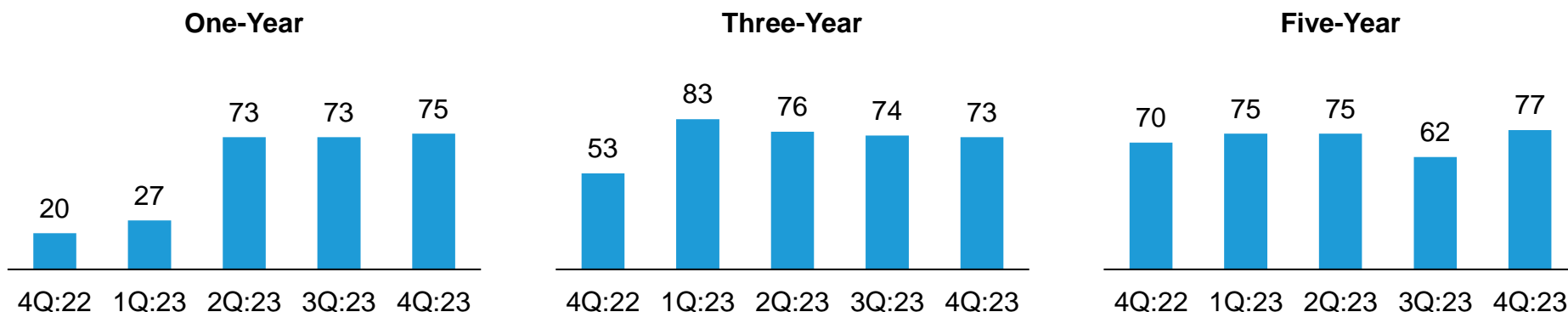
USD billions; scales differ by chart

*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. Figures shown may vary from reported figures due to rounding.

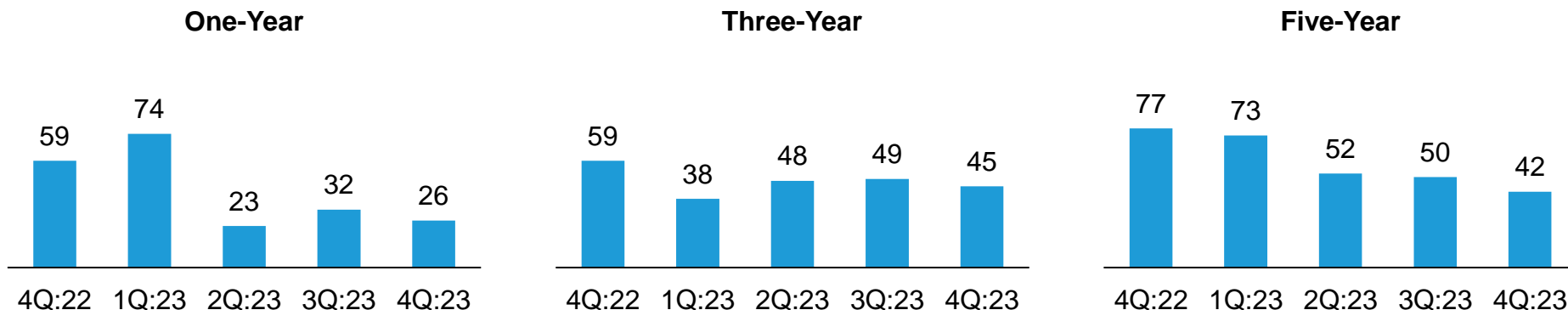


Percentage of Assets Outperforming at Quarter-End

Fixed Income



Equities



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

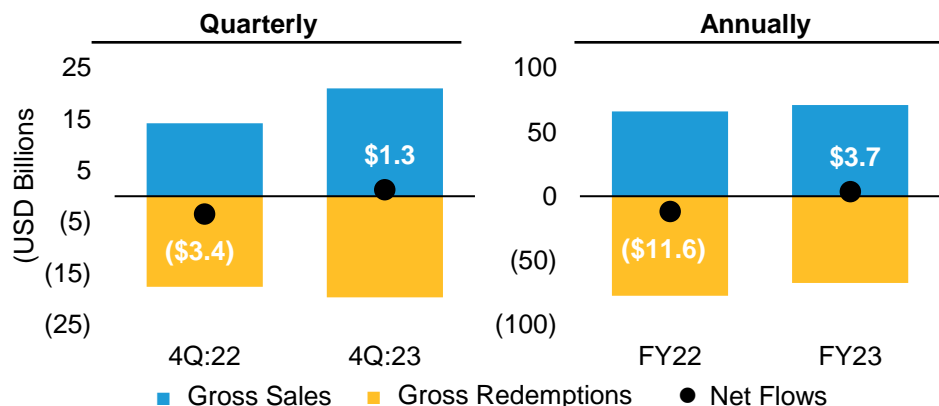
As of December 31, 2023



Retail Highlights

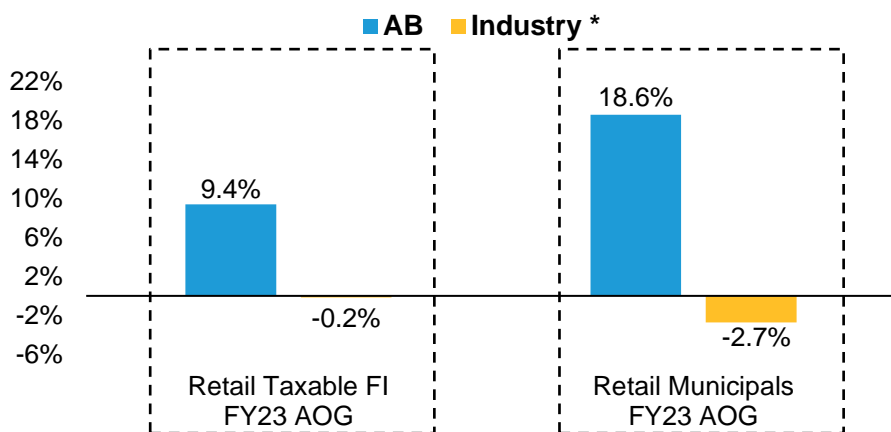
Organic Growth Led by Fixed Income and US Retail

Taxable FI AOG +5% in 4Q23 and +9% FY23



AB Organic Growth Outpaces Industry in FY23:

Retail Taxable FI & Retail Munis (Percent)



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

†Source: Publicly available Morningstar data on retail funds

Fourth Quarter and Full Year 2023 Highlights

Continued Strength in Cross-Border FI and US Retail Offsets Active Equity

- 4Q23 gross sales of \$21.0B; +\$6.8B or +47% Y/Y, and +\$4.1B or +24% Q/Q
- 2023 gross sales of \$71.1B; +5.2B or +8% vs. FY22
- FY23 redemption rate 28% vs. FY22's historically low 24%; 4Q23 30%
- 4Q23 net inflows of +\$1.3B, **+1.9% AOG**; FY23 +\$3.7B, **+1.5% AOG**

Market Share Gains in Key Geographies and Asset Classes

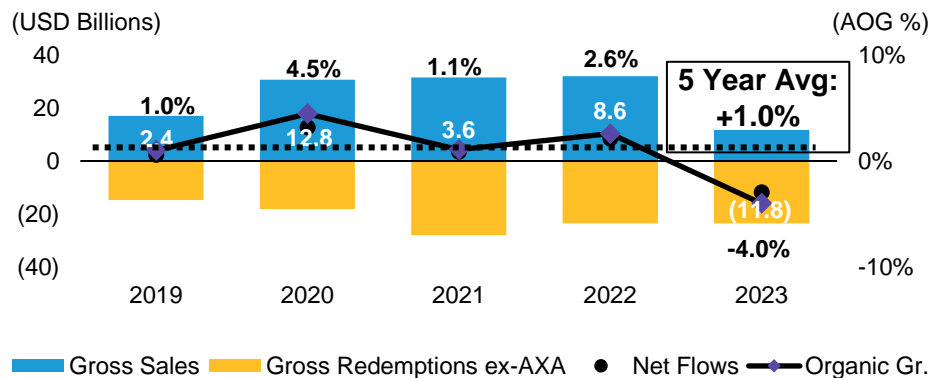
- 5th consecutive year of US Retail organic growth, +\$31B in aggregate net inflows, +9% average AOG last 5 years
- 11th consecutive year of Municipals organic growth; record annual sales of \$13B and \$5B inflows in FY23, +19% AOG in FY23
- Asia ex-Japan rebounds to positive net flows; American Income +\$5.2B net flows

Retail Channel Milestones

- 8th straight annual record for US Retail sales of \$36B, +9% Y/Y
- 6th straight annual record for Muni sales of \$13B, driven by SMAs
- Ranked top 2% of US Retail flows in Munis and Cross-Border Fixed Income flows; top 15% for Active ETFs (Both Equity & FI)
- 4Q23 Notable Net Inflow Peer Rankings†: US Funds: Muni Income 1/24, Short Duration HY 16/123, Intermediate Duration 23/140; Offshore Funds: Global High Yield 1/146, American Income 1/45

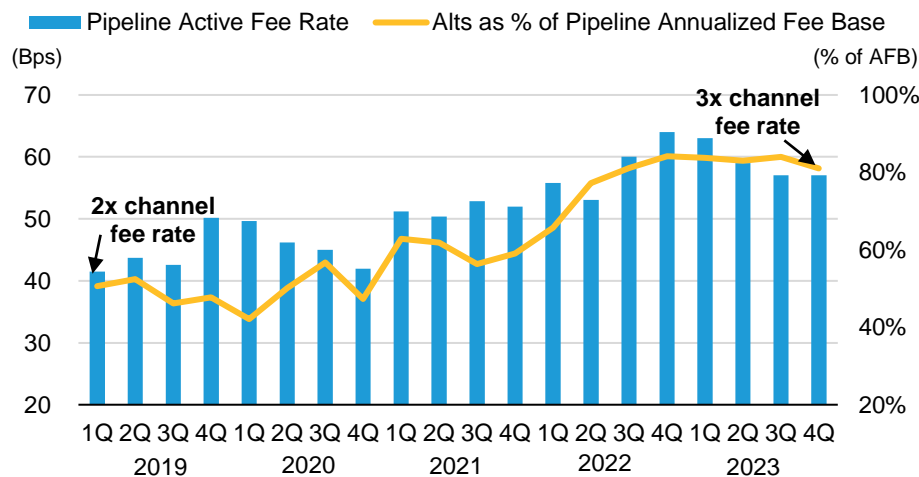
Institutional Highlights

FY23 Slower Following 4 Straight Years of 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 2023 Highlights

Sales and Flows

- 4Q23 gross sales of \$3.0B, Net outflows (\$2.5B)
- 2023 gross sales of \$11.8B reflects industrywide slowdown; compares with \$16B of CRS sales in 2022
- 2023 net outflows (\$11.8B)
- 5-year avg. AOG of +1%, positive 4 of last 5 years

Pipeline Maintains Accretive Annualized Fee Base (AFB)

- \$12.0B qtr-end pipeline*, down \$0.5B Q/Q
- \$1.5B 4Q fundings led by AB CarVal, Low Vol HY, Munis
- Active fee rate 3x channel avg; Private Alts >80% of Annlz'd Fee Base
- 4Q: >\$1.0B in Active Equity Pipeline additions, including:
 - Global Core Equity \$600M
 - US SMID Cap Value \$325M

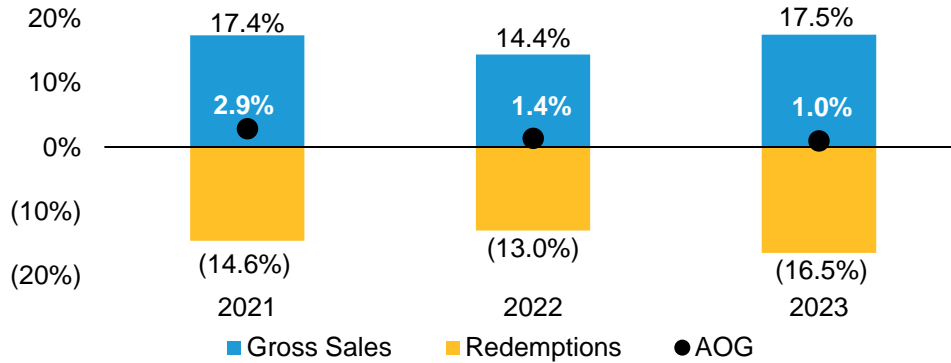


Private Wealth Highlights

Third Consecutive Year of Organic Growth

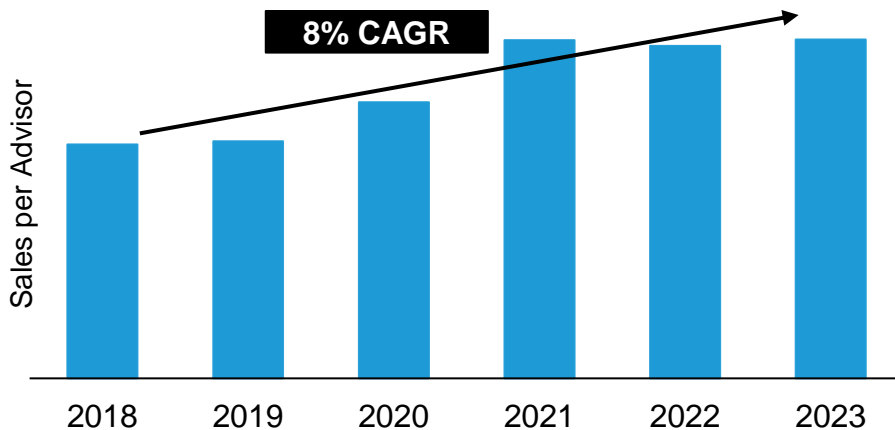
2023 net inflows of \$1.1 billion

(% of AUM)



Strong FA Productivity Growth

Sales per Advisor +8% CAGR over last 6 years



Fourth Quarter and Full Year 2023 Highlights

Sales Growth Driven by Differentiated Offerings, Record FA Productivity

- 4Q23 gross sales of \$4.3B, +6% Y/Y, +7% Q/Q
- 2023 gross sales of \$18.6B, +6% Y/Y
- 2023 FA Record Productivity Level, +2% Y/Y
- 4Q net outflows -\$0.6B, reflects seasonality
- 2023 net inflows of \$1.1B or +1.0% AOG
 - Led by Proprietary Direct Indexing, Active ETF's, Munis, Secondaries and Cash

Continued Strong Client Engagement, FA Hiring

- Year-end advisor headcount +5% vs. prior year
- Pre-transaction planning pipeline remains solid

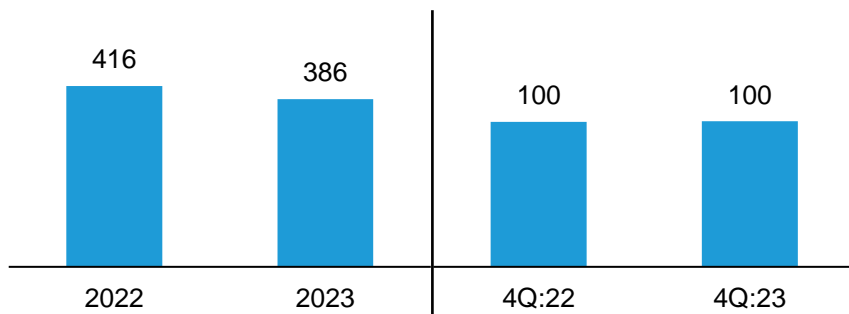
Innovation Supports Differentiated Client Needs

- 2023 Alternative Raises: +\$1.9B
- Proprietary Direct Indexing Strategy \$3.6B in AUM, +41% AOG

Bernstein Research Highlights

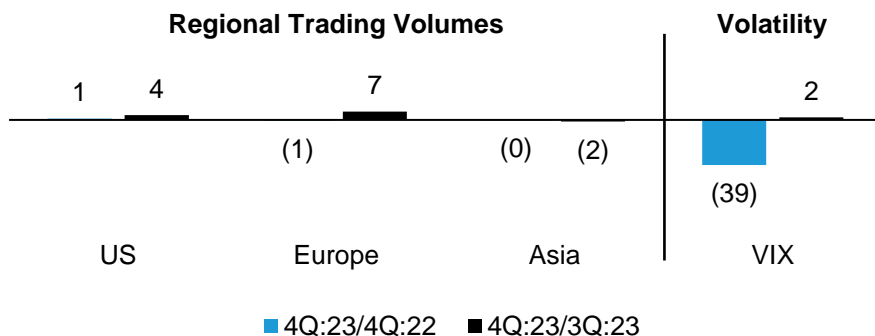
Bernstein Research Revenues

(USD millions)



Regional Volumes and Volatility*

(% change)



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

Source: Bloomberg

Fourth Quarter and Full Year 2023 Highlights

Institutional Trading Volumes Improved Q/Q, though Remain Constrained

- 4Q revenues of \$100M, Flat Y/Y, +7% Q/Q
 - Key global markets remain soft; signs of modest improvement in US
 - Modest growth in global research checks
- Full year revenues of \$386M, -7% Y/Y
 - Institutional equities trading remains constrained

Differentiated Research Brand Continues to Drive Client Engagement

- 4Q new stock coverage: Japanese Gaming, Crypto, US Media, Integrated Oil
- Hosted Healthcare Services Disruptors & US Quant conferences
- 12 Top ranked analysts in Institutional Investor's AART Results; Ranked in the top 10 within generalist sales and trading leaderboards

Joint Venture with SocGen

- Expected closing remains on track 1H 2024

Progress on Our Initiatives in 2023

Firmwide Initiative

Deliver differentiated investment solutions to clients

Develop, commercialize and scale our suite of services

Maintain strong incremental margins

Progress

- Fixed Income: 73% of assets in outperforming services for 3-yr period; 75% for 1-yr and 77% for 5-yr
- Active Equity: 45% of assets in outperforming services for 3-yr period; 26% for 1-yr and 42% for 5-yr
- 60% of US and 69% of Lux assets rated 4/5-stars by Morningstar at quarter-end

- Full Year: Organic Growth in two of three channels, driven by Fixed Income +5% AOG
 - Retail: +2% AOG driven by FI +13% AOG; US Retail +11% AOG
 - Private Wealth: +1% AOG, third straight year of organic growth
 - Institutional: Industrywide weakness reflected in slower sales
- Private Markets platform \$61B in AUM, +9% Y/Y
- Retail Muni platform +19% AOG, 11 straight years of organic growth
 - Muni SMA AUM \$23B, +36% Y/Y
- Launched 10 new Active ETFs in 2023; platform now \$1.5B AUM, with 12 Active ETF's
- China: Obtained license for wholly-owned mutual fund business

	<u>4Q 2023</u>		<u>FY 2023</u>	
Adj. operating income:	\$254 million	+6% Y/Y	\$951 million	-1% Y/Y
Adj. operating margin:	29.2%	-80 bps Y/Y	28.2%	-70 bps Y/Y
Adj. EPU:	\$0.77	+10% Y/Y	EPU \$2.69	-9% Y/Y

* Private Markets AUM includes fee earning and fee eligible AUM in the following strategies: Direct Lending, RE Debt, RE Equity, Private Placements, PE, CLOs, Opportunistic Credit, Renewable Infrastructure, Specialty Finance, Secondaries, Transportation. Inclusive of CarVal AUM in prior comparison periods.

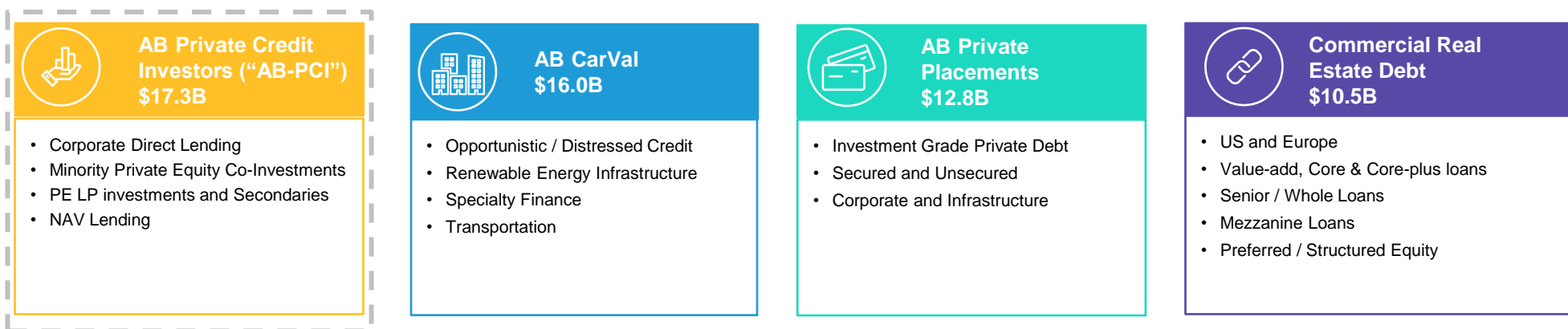


Matthew Bass
Head of Private
Alternatives

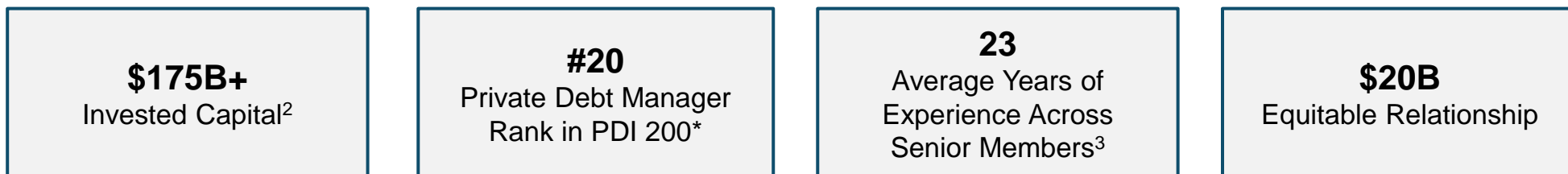
AB Private Markets: Established Platform With Differentiated Return Streams to Meet Client Objectives

Private Markets Current AUM: \$61B¹
\$50B Fee-Earning AUM | \$11B Fee-Eligible

2027 Target: \$90-\$100B



Key Statistics and Highlights



¹ Data as of December 31, 2023. AUM for AB Private Markets includes leverage where applicable and is comprised of fee-earning AUM and fee-eligible AUM. Fee-earning AUM includes those assets currently qualified to generate management fees. Fee-eligible AUM includes committed capital that is currently uncalled or callable. \$61B AUM includes \$4.6B in CLOs, Energy Opportunities, RE Equity, Secondaries ² Reflects invested capital (i.e., excludes unfunded capital commitments) for AB Private Markets excluding Private Placements as of December 31, 2023. ³ Denotes average industry experience of senior investment team members (MDs and above). * An annual list of leading 200 fundraisers in private debt based on a rolling five-year period published by Private Debt Investors (PDI) in December 2023. Source: AB; see A Word About Risk..

AB Private Credit Investors (“AB-PCI”)

AB-PCI is AB’s US private corporate credit and sponsor fund finance platform






Established in 2014, AB-PCI has grown into a scaled platform facilitated by its differentiating features





Scaled Platform and Team with Well-Established Reputation

Strong reputation underpinned by experienced team and robust investment activity

Founding Team	Current Team	Capital	Investment Activity
2008 Founding Team's Inception	Austin, TX NYC CHI HOU LA	\$17.3 billion AUM	\$24.5 billion Committed Since Inception
 Brent Humphries AB-PCI President	24 Avg. Years of Experience for Senior Team Members	7 Direct Lending Vehicles	576 Transactions Completed
 Jay Ramakrishnan Head of Originations	75 Professionals	6 PE Solutions Vehicles	360+ Sponsor Relationships
 Patrick Fear <ul style="list-style-type: none">• Head of Digital Infrastructure & Services• Chair, NAV Lending	<5% Turnover Rate Past 5 Years	1 NAV Lending Vehicle	85% Of Transactions as Lead Lender*
 Shishir Agrawal Head of Software Underwriting			
 Wesley Raper Chief Operating Officer			

*Lead role reflects deals in which AB-PCI i) served as the administrative agent, ii) held a secondary agent or arranger role while holding 25% of the debt quantum, iii) or holds at least 50% of the debt quantum with no title role; excludes opportunistic transactions. Source: AB. Please see A Word About Risk and Important Information and Disclosures in the Appendix.



Core Middle Market Focus with Differentiated Sector Expertise

AB-PCI principally invests in sr. secured loans to sponsor-backed companies in US middle market

Investment Strategy

- Directly originated, privately negotiated senior secured loans
- Focus on the core middle market
- Overweight sponsor-backed borrowers with the majority of deals sourced directly via sponsor relationships
- Core sectors include software & tech, digital infrastructure & services, healthcare & related IT, business services
- Highly discerning asset selection process

Investment Profile

97%

Senior Secured
Loans

\$45 million

Median EBITDA †

50%+

Recurring Revenue
Profile

1,000+

Deals Sourced
Per Year

~95%

Sponsored-Backed
Borrowers

39%

Average Loan
to Value §

~95%

Deals with Financial
Covenants*

4%

New Deal Close Rate ¶

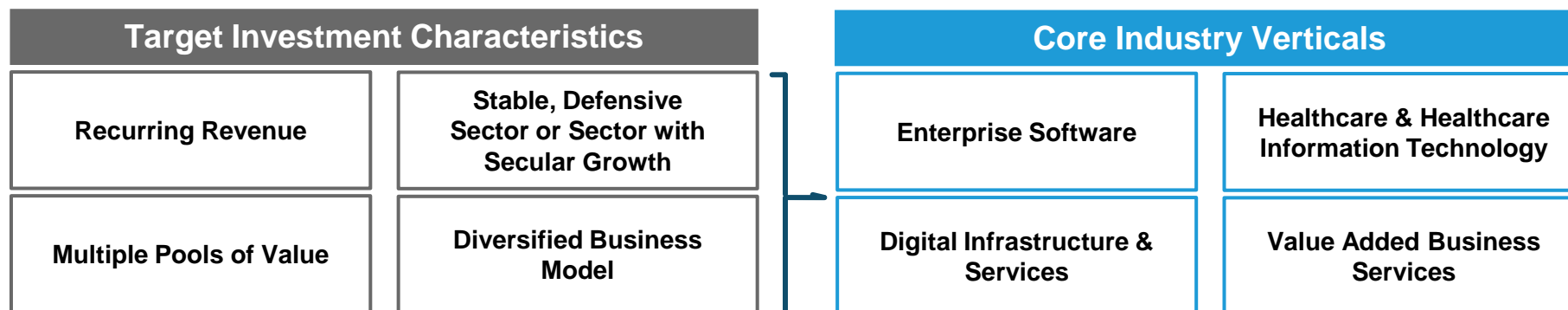
§ Based on underlying portfolio company funded debt facilities senior and pari-passu to the Portfolio's funded debt position as a percentage of portfolio company enterprise value. Average Loan to Value includes underperforming and non-performing loans. † Excludes transactions where EBITDA and debt-to-EBITDA multiples are not a primary underwriting metric and may not be the appropriate measure of credit risk. Also excludes underperforming loans. * Reflects the percentage of credit deals executed with covenants, as measured by funded dollars at deal closing, since AB-PCI's inception. ¶ The ratio of total closed deals and total sourced deals. Sourced deals indicate new, "unique" deals seen (debt and equity) by the AB-PCI team since inception. The sourced deals in this figure exclude opportunities to upsize an existing credit facility (e.g., add-ons) and exclude deals actively in the pipeline as the ultimate outcome of active deals is not yet known. Source: AB. Please see A Word About Risk and Important Information and Disclosures in the Appendix.



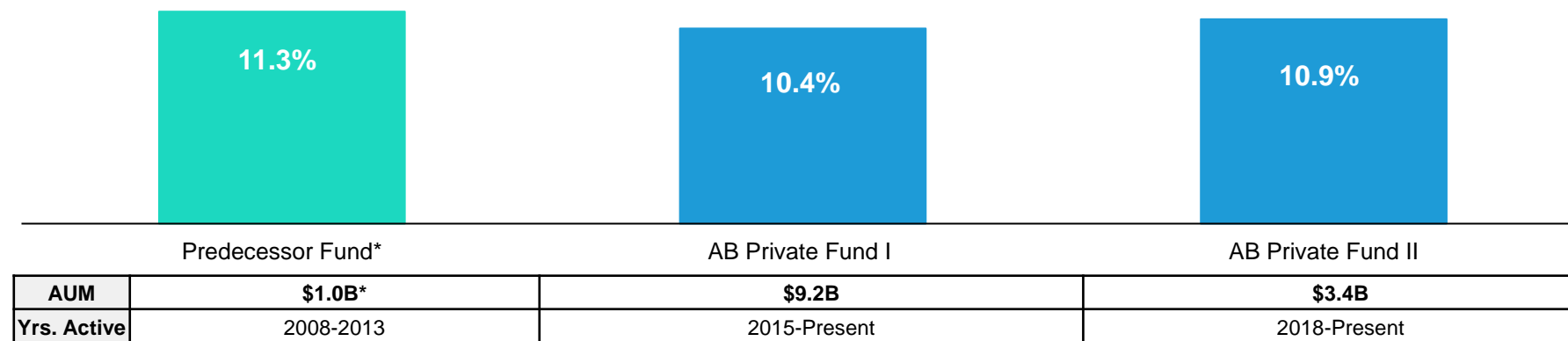
Proven Asset Selection and Track Record of Strong Performance

Highly discerning asset selection process with focus on predictable & recurring revenue businesses
Strong returns since 2008 for all AB-PCI and predecessor client accounts

Asset Selection: Target Investment Characteristics Lead to Core Sectors



Inception to Date Returns for Levered Institutional Accounts ¹



Past performance does not guarantee future results. ¹Performance reflects a first close investor in the institutional fee class, where applicable, for AB-PCI's levered, commingled private funds and its Predecessor Fund. *AB-PCI's senior leadership team previously led the Predecessor Fund, which employed a similar investment strategy. Please see A Word About Risk and Important Information and Disclosures in the Appendix. Source: AB



Perpetual Commingled Funds & Separate Accounts

Suite of perpetual investment solutions accommodating a variety of institutional & individual clients
Perpetual structure facilitates ongoing exposure, investor optionality and asset diversification

AB-PCI Product Offerings \$17.3B AUM*

Private Corporate Credit \$16.5B			PE Solutions \$0.8B	NAV Lending \$0.5B
Private Funds	BDCs	Separate Accounts	AB-Abbott PE Sols. (Closed-End Funds)	Customized Vehicles
Private Fund I 2015	Private BDC 2017	SMA 2014	AB-Abbott Funds Annual Vintages Beginning 2019	Sep. Managed Acct. 2023
Private Fund II 2018	Public Non- Traded BDC 2024 Launch	Fund of One 2015	Customized Vehicles	
Private Fund III 2020		Custom Account 2023	Fund-of-One 2020	
Private Fund IV 2024 Launch				
Insurance Dedicated Fund 2024 Launch				



*Note AUM for AB-PCI (as of December 31, 2023) excludes \$0.5 billion of NAV Lending AUM. Please see A Word About Risk and Important Information and Disclosures in the Appendix.

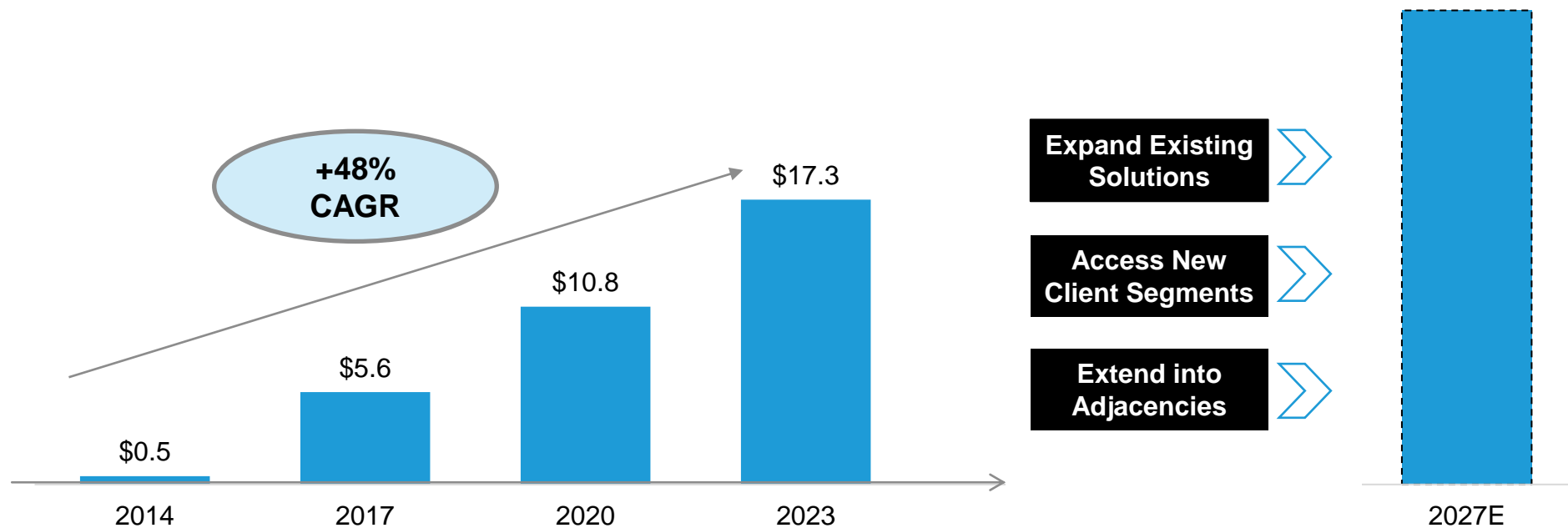


AB-PCI Has Experienced Robust Historical Growth

Historical growth due to scaling perpetual vehicles, underpinned by strong performance for clients

AB-PCI AUM Growth

(\$billions)

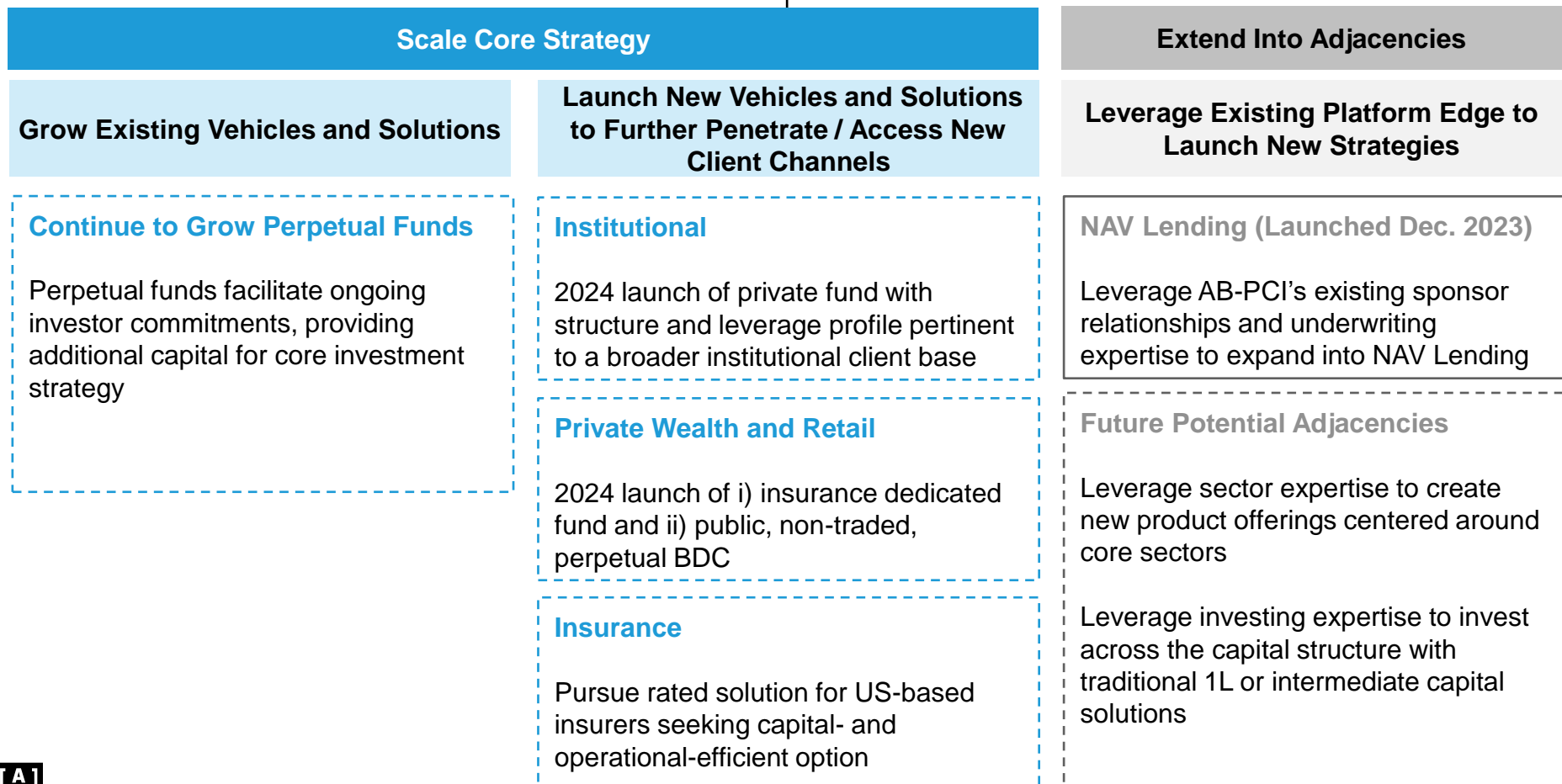
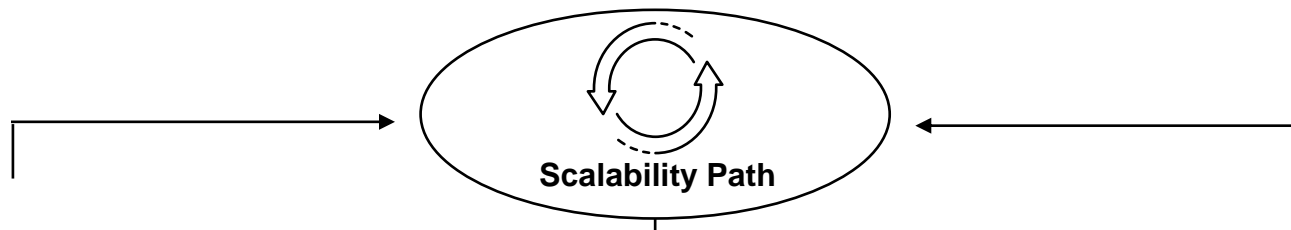


Please see A Word About Risk and Important Information and Disclosures in the Appendix.



Organic Growth Strategy

Leverage existing capabilities to penetrate new client channels and launch product expansions





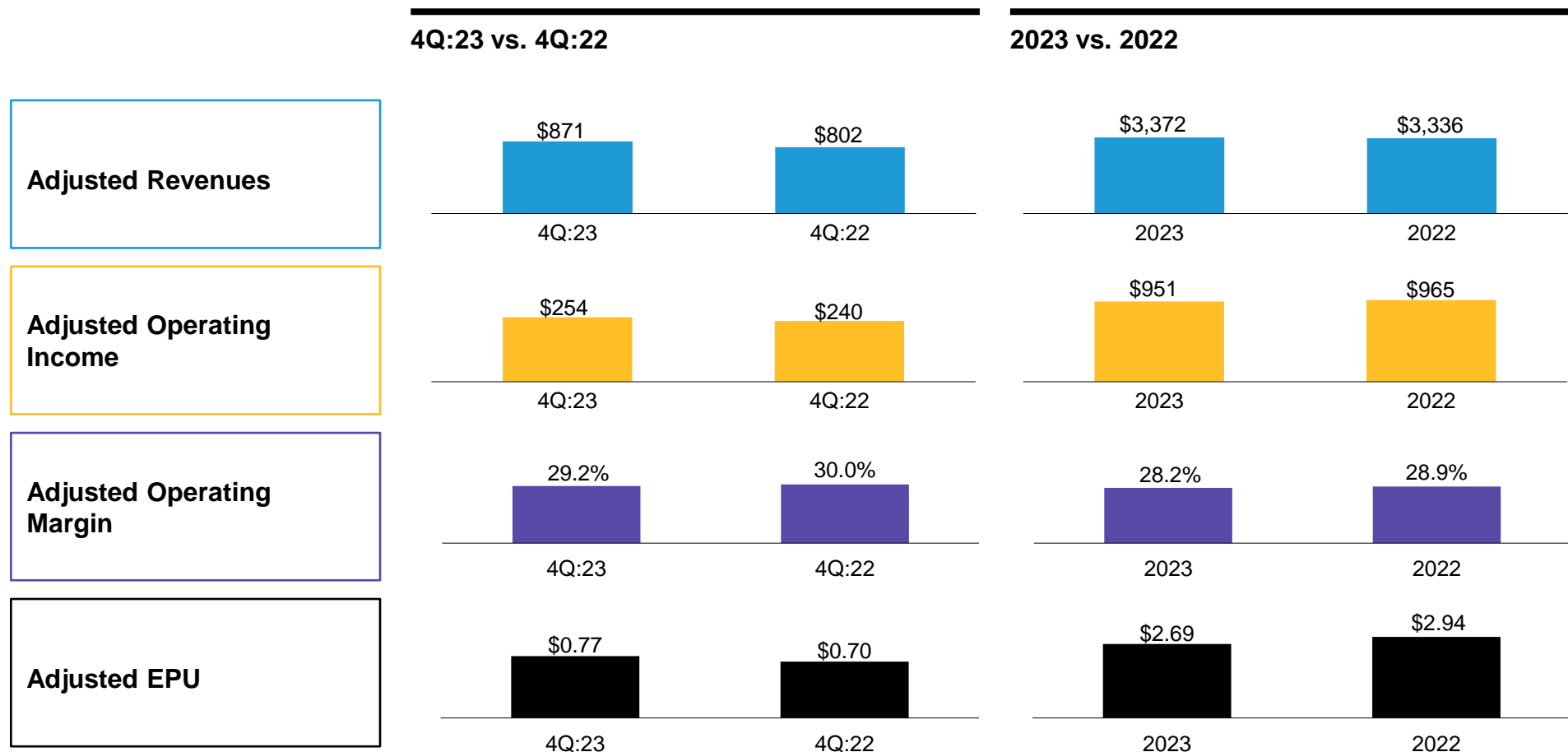
Bill Siemers
Interim Chief Financial
Officer

Fourth Quarter and Full Year 2023 GAAP Income Statement

Income Statement (in US \$ Millions)	4Q23	4Q22	% Δ	FY 2023	FY 2022	% Δ
Base Fees	\$714	\$680	5 %	\$2,831	\$2,826	— %
Performance Fees	62	33	90 %	145	145	— %
Bernstein Research Services	100	100	— %	386	416	(7)%
Distribution Revenues	151	138	10 %	586	607	(3)%
Dividends & Interest	49	59	(17)%	199	123	62 %
Investment Gains (Losses)	15	(11)	n/m	14	(102)	n/m
Other Revenues	26	25	3 %	102	106	(4)%
Total Revenues	1,117	1,024	9 %	4,263	4,121	3 %
Less: Interest Expense	27	34	(22)%	108	67	62 %
Net Revenues	1,090	990	10 %	4,155	4,054	3 %
Compensation & Benefits						
Compensation & Fringes	442	391	13 %	1,733	1,631	6 %
Other Employment Costs	11	8	38 %	36	36	— %
Total Compensation & Benefits	453	399	14 %	1,769	1,667	6 %
Promotion & Servicing	225	203	11 %	863	880	(2)%
General & Administrative	147	161	(9)%	582	642	(9)%
Other	27	23	18 %	123	50	143 %
Total Operating Expenses	852	786	8 %	3,337	3,239	3 %
Operating Income	\$238	\$204	17 %	\$818	\$815	— %
Operating Margin	20.6 %	20.0 %	60 bps	19.1 %	21.5 %	(240 bps)
AB Holding GAAP Diluted Net Income Per Unit	\$0.71	\$0.59	20 %	\$2.34	\$2.69	(13)%

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 2023



USD millions, except EPU; scales may differ by chart

Please refer to pages 42-46 for additional information on the reconciliation of GAAP financial results to adjusted financial results.

Fourth Quarter and Full Year 2023 Adjusted Income Statement

Adjusted Income Statement (in US \$ Millions)	4Q23	4Q22	% Δ	FY 2023	FY 2022	% Δ
Base Fees ⁽¹⁾	\$682	\$659	3 %	\$2,717	\$2,742	(1)%
Performance Fees	51	18	184 %	126	91	39 %
Bernstein Research Services	100	100	— %	386	416	(7)%
Investment Gains (Losses)	2	—	n/m	1	(2)	n/m
Dividend & Interest Revenue	46	43	4%	184	90	103%
Other Revenues	17	16	6 %	66	66	—%
Total Revenues	898	836	7 %	3,480	3,403	2 %
Less: Broker-Dealer Related Interest Expense	27	34	(22)%	108	67	62 %
Adjusted Net Revenues	871	802	9 %	3,372	3,336	1 %
Compensation & Benefits						
Compensation & Fringes	416	373	11 %	1,654	1,613	3 %
Other Employment Costs	10	8	26 %	35	36	(3)%
Total Compensation & Benefits	426	381	12 %	1,689	1,649	2 %
Promotion & Servicing	50	42	18 %	181	177	2 %
General & Administrative	141	139	2 %	551	545	1 %
Total Adjusted Operating Expenses	617	562	10 %	2,421	2,371	2 %
Adjusted Operating Income⁽²⁾	\$254	\$240	6 %	\$951	\$965	(1)%
Adjusted Operating Margin⁽²⁾	29.2 %	30.0 %	(80 bps)	28.2 %	28.9 %	(70 bps)
AB Holding Adjusted Diluted Net Income Per Unit	\$0.77	\$0.70	10 %	\$2.69	\$2.94	(9)%
Compensation Ratio	47.7 %	46.4 %		49.0 %	48.4 %	

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

(2) During 2Q23, we adjusted operating income to exclude the impact of interest on borrowings in order to align with industry peers. We have recast prior periods presentation to align with the current period presentation. Interest expense on borrowings was \$12.8mln in 4Q23, \$8.5mln in 4Q22, \$54.4mln in FY23 and \$17.9mln in FY22.

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

Fourth Quarter and Full Year 2023 Adjusted Income Statement Highlights

Revenues

- Base Fees increased 3% versus 4Q22 driven by an 8% increase in average AUM, higher across all channels, partially offset by fee rate decrease of 4%, lower across all channels, principally driven by asset mix. Base Fees were down 1% versus FY22 due to a 1% decrease in average AUM, lower in Retail and Institutional channels, and a flat fee rate.
- Performance Fees increased 184% versus 4Q22 driven by AB CarVal and our Private Credit Services. Performance Fees increased 39% versus FY22 driven by our Private Credit Services, AB CarVal, Securitized Assets and AB Arya Partners partially offset by lower Real Estate Equity.
- Bernstein Research revenues were flat versus 4Q22. Bernstein Research revenues decreased 7% versus FY22 due to significant declines in customer trading activity across all regions as a result of market conditions.
- Dividend & Interest Revenues increased 4% versus 4Q22 due to higher dividends and interest earned on broker dealer investments while Interest Expense decreased 22% due to lower interest paid on customer balances. Dividend & Interest Revenues increased 103% versus FY22 due to higher dividends and interest earned on broker dealer investments while Interest Expense increased 62% due to higher interest paid on customer balances.

Expenses






- The Adjusted Compensation Ratio was 47.7% in 4Q23 versus 46.4% in 4Q22 and 49.0% in FY23 versus 48.4% for FY22.
- Total Compensation & Benefits increased 12% versus 4Q22 primarily due to higher base and incentive compensation. Total Compensation & Benefits increased 2% versus FY22 due to higher base and incentive compensation partially offset by lower commissions.
- Promotion & Servicing increased 18% versus 4Q22 due to higher T&E and firm meetings. Promotion & Servicing increased 2% versus FY22 due to higher T&E and firm meetings partially offset by lower trade execution and clearance.
- G&A expenses increased 2% versus 4Q22 due to higher occupancy and technology related expenses partially offset by lower portfolio servicing fees. G&A expenses increased 1% versus FY22 due to higher occupancy and professional fees expenses partially offset by lower portfolio servicing fees and a favorable foreign exchange impact.

Operating Results

- Adjusted Operating Income increased 6% versus 4Q22 mainly due to higher base and performance fees partially offset by higher Compensation & Benefits. Adjusted Operating Income decreased 1% versus FY22 mainly due to lower Bernstein Research and base revenues and higher Compensation & Benefits expenses partially offset by higher performance fees.
- Adjusted Margin was 29.2% in 4Q23, down from 30.0% in 4Q22. For FY23, the Adjusted Margin was 28.2% versus 28.9% in FY22.



2023 in Review: Execution Across our Strategy

 <p>Deliver</p>	<ul style="list-style-type: none"> • 77% of Fixed income and 42% of Equity assets outperforming over long-term (5 years) • Retail, Private Wealth channels both positive for full year, led by Fixed Income +5.5% AOG
 <p>diversify</p>	<ul style="list-style-type: none"> • Augmenting solutions through new wrappers: launched 10 new ETF's, platform now \$1.5B in AUM • New investment strategies: Security of the Future, US High Dividend ETF, Disruptors ETF, Corporate Bond ETF, Core Plus Bond ETF, Conservative Buffer ETF; announced NAV Lending
 <p>and expand</p>	<ul style="list-style-type: none"> • US Retail organic growth of 11%, positive 5 consecutive years • Private Mkts AUM \$61B +9%, driven by Secondaries, Renewable Energy, Mtg. Loans, ECRED • Insurance asset mgmt. team awarded 2nd straight Investment Team of the Year by Insurance Asset Risk; and awarded inaugural Insurance Asset Risk award – Alternatives Mgr. of the Year • Expanded Muni SMA market share through customization and tax optimization at scale • China: Obtained license for wholly-owned mutual fund business
 <p>responsibly</p>	<ul style="list-style-type: none"> • Portfolios with Purpose now \$27.8B, up 17% Y/Y • Concluded Climate Academy 2.0 in collaboration with Columbia Climate School for our clients • Non-Comp Expense Growth maintained below inflation at +1% Y/Y; G&A -1% Y/Y ex AB CarVal
 <p>with Equitable</p>	<ul style="list-style-type: none"> • Equitable doubles size of Private Markets permanent capital † commitment to \$20B • Repositioning of GA to higher yielding Private Alts, Private Placements and Securitized Assets; ~90% of initial \$10B of committed capital deployed as of YE 2023

* 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, for which commitments may be withdrawn under certain conditions. Such conditions primarily include potential regulatory restrictions, lacking sufficient liquidity to fund the capital commitments to AB and AB's inability to identify attractive investment opportunities which align with the investment strategy. Although EQH's insurance subsidiaries have indicated their intention over time to provide this investment capital to AB, they have no binding commitment to do so. While the withdrawal of their commitment could potentially slow down our introduction of certain products, the impact to our overall operations would not be material.

Appendix

Retail Mutual Funds Relative Performance vs. Morningstar Averages

Retail Service	1 Year		3 Year		5 Year		10 Year	
	Relative (%)	Percentile	Relative (%)	Percentile	Relative (%)	Percentile	Relative (%)	Percentile
Equity								
Large Cap Growth	(1.7)	58	2.7	29	1.7	24	2.6	10
Concentrated Growth	(17.0)	94	1.2	50	(0.8)	65	(0.3)	60
Concentrated International Growth	(11.9)	98	(7.3)	95	(4.2)	98	N/A	--
Sustainable US Thematic	(15.9)	92	0.8	55	0.6	42	N/A	--
Select US Equity	(3.4)	74	1.4	22	0.6	46	0.8	35
International Tech	7.0	38	0.3	53	3.8	26	2.6	21
Low Vol	(0.1)	55	4.1	6	1.1	38	2.9	5
Eurozone Equity	(3.2)	82	(1.7)	75	(1.9)	82	1.0	31
Relative Value	0.1	48	1.3	27	0.4	42	0.8	26
Multi-Asset/Alternative								
Emerging Markets Multi-Asset	4.4	22	0.1	46	(0.9)	60	0.2	42
All Market Real Return	(13.3)	97	2.9	6	(2.5)	88	(5.6)	100
Select US Long/Short	0.3	47	0.6	39	1.6	27	2.2	16

■ Top Quartile

■ 2nd Quartile

Past performance does not guarantee future results.

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

As of December 31, 2023

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	2.3	14	(0.3)	57	0.2	40	0.9	17
European Income	5.7	3	(0.5)	64	0.9	23	1.3	15
Asia Income	(0.8)	69	(1.1)	64	(0.2)	58	N/A	--
Global High Yield	2.0	21	0.5	41	0.1	52	0.2	46
Short Duration High Yield	0.1	52	1.6	21	1.0	23	0.5	34
Emerging Markets Debt	2.6	19	(0.2)	58	0.8	34	1.0	28
High Income Advisor	2.5	6	0.3	37	(0.1)	54	0.3	37
Global Bond Advisor	(0.9)	69	0.3	44	(0.1)	51	0.3	50
Income Advisor	0.9	19	(0.4)	65	(0.1)	54	0.8	10
Intermediate Diversified Muni	1.4	3	(0.2)	58	0.8	5	N/A	--
High Income Muni	0.1	53	(0.2)	64	0.4	31	0.8	15

■ 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, 2023

Source: AB and Morningstar



Institutional Composite Relative Performance vs. Benchmarks

Service	1 Year	3 Year	5 Year	10 Year
Equity				
US Small Cap Growth	0.5	(3.2)	2.4	2.6
Concentrated Global Growth	(12.3)	(7.2)	(1.5)	1.2
Global Core	(1.2)	(0.6)	(1.0)	0.3
International Strategic Core	(1.6)	(0.4)	(0.9)	2.0
Sustainable Global Thematic	(5.2)	(3.6)	2.7	2.6
US Small Cap Value	(5.8)	(0.2)	0.1	1.2
Global Strategic Value	(3.0)	0.2	(3.2)	(2.5)
International Strategic Value	(2.0)	0.3	(1.4)	(1.0)
Fixed Income				
Global Income	2.3	0.5	0.9	1.5
Global Plus	0.6	0.3	0.4	0.4
Emerging Market Debt	2.2	(0.3)	0.3	0.1
US High Yield	0.8	0.5	1.1	0.5
US Strategic Core Plus	0.6	0.4	0.5	0.7
US Investment Grade Corporate	1.0	0.2	1.0	0.8
Intermediate Muni	0.9	0.7	0.8	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, 2023.

Assets Under Management: 4Q23

(US \$ Billions)

	December 31, 2023				September 30, 2023
	Institutions	Private Wealth	Retail	Total	Total
Equity					
Actively Managed	\$59	\$50	\$138	247	227
Passive ⁽¹⁾	24	4	34	62	56
Total Equity	83	54	172	309	283
Fixed Income					
Taxable	127	18	64	209	195
Tax-Exempt	1	27	33	61	56
Passive ⁽¹⁾	—	—	11	11	9
Total Fixed Income	128	45	108	281	260
Alternatives/MAS ⁽²⁾	106	22	7	135	126
Total	\$317	\$121	\$287	\$725	\$669

September 30, 2023

Total	\$297	\$113	\$259	\$669
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(1) Includes index and enhanced index services.

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

Three Months Ended 12/31/23: AUM Roll-Forward by Distribution Channel

In US \$ Billions Investment Service:	Beginning of Period	Sales/New Accounts	Redemptions/ Terminations	Net Cash Flows	Net Flows	Investment Performance	Net Change	End of Period
Institutions								
US	\$141.5	\$1.3	\$(1.7)	\$(0.6)	\$(1.0)	\$10.0	\$9.0	\$150.5
Global and Non-US	155.4	1.7	(0.8)	(2.4)	(1.5)	12.7	11.2	166.6
Total Institutions	296.9	3.0	(2.5)	(3.0)	(2.5)	22.7	20.2	317.1
Retail								
US	176.5	14.5	(11.2)	(1.9)	1.4	19.2	20.6	197.1
Global and Non-US	82.7	6.5	(5.5)	(1.1)	(0.1)	7.1	7.0	89.7
Total Retail	259.2	21.0	(16.7)	(3.0)	1.3	26.3	27.6	286.8
Private Wealth								
US	75.1	3.1	(3.5)	0.3	(0.1)	5.8	5.7	80.8
Global and Non-US	37.8	1.2	(1.4)	(0.3)	(0.5)	3.2	2.7	40.5
Total Private Wealth	112.9	4.3	(4.9)	—	(0.6)	9.0	8.4	121.3
Firmwide								
US	393.1	18.9	(16.4)	(2.2)	0.3	35.0	35.3	428.4
Global and Non-US	275.9	9.4	(7.7)	(3.8)	(2.1)	23.0	20.9	296.8
Total Firmwide	\$669.0	\$28.3	\$(24.1)	\$(6.0)	\$(1.8)	\$58.0	\$56.2	\$725.2

Twelve Months Ended 12/31/23: 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	\$137.1	\$6.0	\$(2.8)	\$(1.9)	\$1.3	\$0.1	\$12.0	\$13.4	\$150.5
Global and Non-US	160.2	5.8	(9.8)	(9.1)	(13.1)	—	19.5	6.4	166.6
Total Institutions	297.3	11.8	(12.6)	(11.0)	(11.8)	0.1	31.5	19.8	317.1
Retail									
US	162.4	46.6	(37.3)	(6.5)	2.8	(0.1)	32.0	34.7	197.1
Global and Non-US	80.5	24.5	(20.8)	(2.8)	0.9	—	8.3	9.2	89.7
Total Retail	242.9	71.1	(58.1)	(9.3)	3.7	(0.1)	40.3	43.9	286.8
Private Wealth									
US	69.4	13.7	(12.8)	1.4	2.3	—	9.1	11.4	80.8
Global and Non-US	36.8	4.9	(4.7)	(1.4)	(1.2)	—	4.9	3.7	40.5
Total Private Wealth	106.2	18.6	(17.5)	—	1.1	—	14.0	15.1	121.3
Firmwide									
US	368.9	66.3	(52.9)	(7.0)	6.4	—	53.1	59.5	428.4
Global and Non-US	277.5	35.2	(35.3)	(13.3)	(13.4)	—	32.7	19.3	296.8
Total Firmwide	\$646.4	\$101.5	\$(88.2)	\$(20.3)	\$(7.0)	\$—	\$85.8	\$78.8	\$725.2

Three Months Ended 12/31/23: 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	\$146.3	\$6.2	\$(7.5)	\$(2.0)	\$(3.3)	\$18.3	\$15.0	\$161.3
Global and Non-US	80.5	3.0	(3.4)	(1.3)	(1.7)	7.4	5.7	86.2
Total Equity Active	226.8	9.2	(10.9)	(3.3)	(5.0)	25.7	20.7	247.5
Equity Passive ⁽¹⁾								
US	49.5	0.2	(0.1)	(0.4)	(0.3)	5.8	5.5	55.0
Global and Non-US	6.5	—	—	(0.2)	(0.2)	0.8	0.6	7.1
Total Equity Passive⁽¹⁾	56.0	0.2	(0.1)	(0.6)	(0.5)	6.6	6.1	62.1
Total Equity	282.8	9.4	(11.0)	(3.9)	(5.5)	32.3	26.8	309.6
Fixed Income - Taxable								
US	111.7	4.9	(4.8)	0.6	0.7	6.2	6.9	118.6
Global and Non-US	83.3	5.3	(3.6)	(1.8)	(0.1)	6.8	6.7	90.0
Total Fixed Income - Taxable	195.0	10.2	(8.4)	(1.2)	0.6	13.0	13.6	208.6
Fixed Income - Tax-Exempt								
US	55.6	5.5	(3.6)	—	1.9	3.6	5.5	61.1
Global and Non-US	—	—	—	—	—	—	—	—
Total Fixed Income - Tax-Exempt	55.6	5.5	(3.6)	—	1.9	3.6	5.5	61.1
Fixed Income Passive ⁽¹⁾								
US	7.1	1.2	—	—	1.2	0.7	1.9	9.0
Global and Non-US	2.3	0.1	(0.1)	—	—	0.1	0.1	2.4
Total Fixed Income Passive⁽¹⁾	9.4	1.3	(0.1)	—	1.2	0.8	2.0	11.4
Total Fixed Income	260.0	17.0	(12.1)	(1.2)	3.7	17.4	21.1	281.1
Alternatives/MAS ⁽²⁾								
US	22.9	0.9	(0.4)	(0.4)	0.1	0.4	0.5	23.4
Global and Non-US	103.3	1.0	(0.6)	(0.5)	(0.1)	7.9	7.8	111.1
Total Alternatives/MAS⁽²⁾	126.2	1.9	(1.0)	(0.9)	—	8.3	8.3	134.5
Firmwide								
US	393.1	18.9	(16.4)	(2.2)	0.3	35.0	35.3	428.4
Global and Non-US	275.9	9.4	(7.7)	(3.8)	(2.1)	23.0	20.9	296.8
Total Firmwide	\$669.0	\$28.3	\$(24.1)	\$(6.0)	\$(1.8)	\$58.0	\$56.2	\$725.2

(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 12/31/23: 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	\$134.8	\$27.3	\$(28.5)	\$(5.0)	\$(6.2)	\$32.7	\$26.5	\$161.3
Global and Non-US	83.1	10.0	(15.3)	(4.0)	(9.3)	12.4	3.1	86.2
Total Equity Active	217.9	37.3	(43.8)	(9.0)	(15.5)	45.1	29.6	247.5
Equity Passive ⁽¹⁾								
US	47.2	0.9	(0.2)	(4.4)	(3.7)	11.5	7.8	55.0
Global and Non-US	6.6	0.4	(0.1)	(0.6)	(0.3)	0.8	0.5	7.1
Total Equity Passive⁽¹⁾	53.8	1.3	(0.3)	(5.0)	(4.0)	12.3	8.3	62.1
Total Equity	271.7	38.6	(44.1)	(14.0)	(19.5)	57.4	37.9	309.6
Fixed Income - Taxable								
US	105.2	16.9	(11.6)	3.4	8.7	4.7	13.4	118.6
Global and Non-US	85.1	19.5	(15.7)	(5.9)	(2.1)	7.0	4.9	90.0
Total Fixed Income - Taxable	190.3	36.4	(27.3)	(2.5)	6.6	11.7	18.3	208.6
Fixed Income - Tax-Exempt								
US	52.5	16.5	(11.1)	0.3	5.7	2.9	8.6	61.1
Global and Non-US	—	—	—	—	—	—	—	—
Total Fixed Income - Tax-Exempt	52.5	16.5	(11.1)	0.3	5.7	2.9	8.6	61.1
Fixed Income Passive ⁽¹⁾								
US	7.0	1.7	—	(0.2)	1.5	0.5	2.0	9.0
Global and Non-US	2.4	—	(0.3)	0.3	—	—	—	2.4
Total Fixed Income Passive⁽¹⁾	9.4	1.7	(0.3)	0.1	1.5	0.5	2.0	11.4
Total Fixed Income	252.2	54.6	(38.7)	(2.1)	13.8	15.1	28.9	281.1
Alternatives/MAS ⁽²⁾								
US	22.2	3.0	(1.5)	(1.1)	0.4	0.8	1.2	23.4
Global and Non-US	100.3	5.3	(3.9)	(3.1)	(1.7)	12.5	10.8	111.1
Total Alternatives/MAS⁽²⁾	122.5	8.3	(5.4)	(4.2)	(1.3)	13.3	12.0	134.5
Firmwide								
US	368.9	66.3	(52.9)	(7.0)	6.4	53.1	59.5	428.4
Global and Non-US	277.5	35.2	(35.3)	(13.3)	(13.4)	32.7	19.3	296.8
Total Firmwide	\$646.4	\$101.5	\$(88.2)	\$(20.3)	\$(7.0)	\$85.8	\$78.8	\$725.2

(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 12/31/23

	Actively Managed	Passively Managed ⁽¹⁾	Total
Equity	\$ (5.0)	\$ (0.5)	\$ (5.5)
Fixed Income	2.5	1.2	3.7
Alternatives/MAS ⁽²⁾	(0.3)	0.3	—
Total	\$ (2.8)	\$ 1.0	\$ (1.8)

Twelve Months Ended 12/31/23

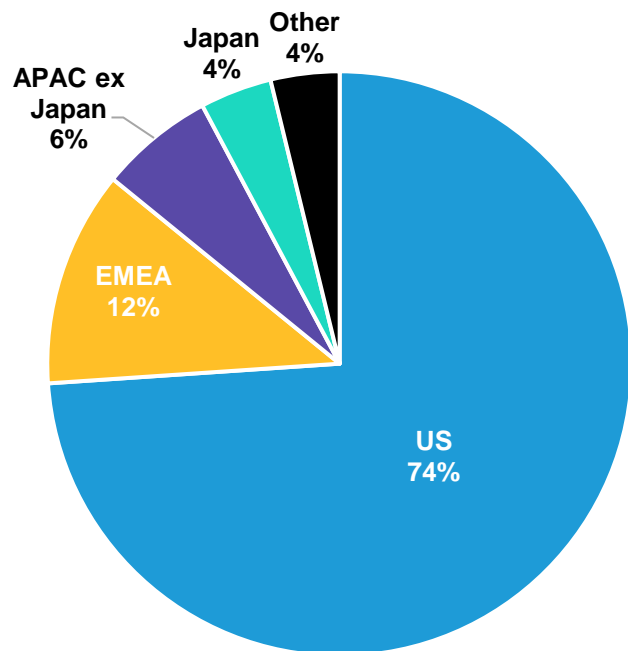
	Actively Managed	Passively Managed ⁽¹⁾	Total
Equity	\$ (15.5)	\$ (4.0)	\$ (19.5)
Fixed Income	12.3	1.5	13.8
Alternatives/MAS ⁽²⁾	(2.0)	0.7	(1.3)
Total	\$ (5.2)	\$ (1.8)	\$ (7.0)

(1) Includes index and enhanced index services.

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

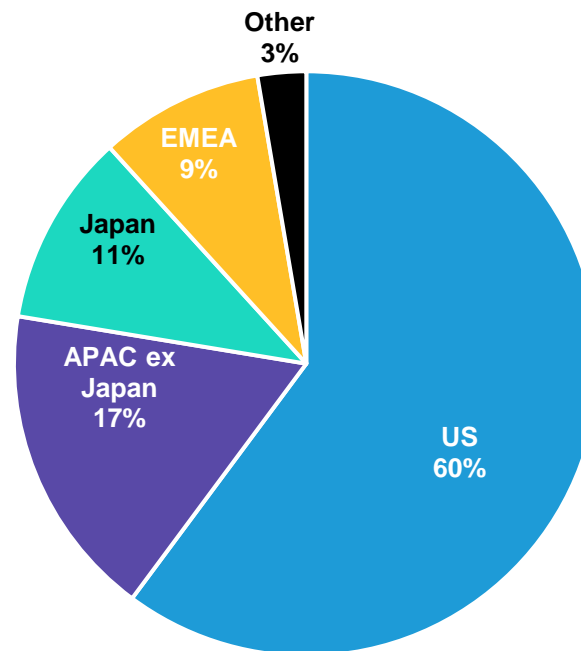
Assets Under Management By Region

Institutional Geographic Breakdown



\$317.1B

Retail Geographic Breakdown



\$286.8B

As of December 31, 2023
By Client Domicile
Percentages may not add up to 100% due to rounding



Fourth Quarter and Full Year 2023 Adjusted Advisory Fees

	4Q23	4Q22	% Δ	FY 2023	FY 2022	% Δ
Ending AUM (\$ Billions)	\$725	\$646	12 %	\$725	\$646	12 %
Average AUM (\$ Billions)	\$685	\$636	8 %	\$680	\$687	(1)%
By Fee Type (\$ Millions):						
Adjusted Base Fees ⁽¹⁾	\$682	\$659	3 %	\$2,717	\$2,742	(1)%
Adjusted Performance Fees	51	18	184 %	126	91	39 %
Total	\$733	\$677	8 %	\$2,843	\$2,833	— %
Adjusted Base Fees By Channel (\$ Millions):						
Institutions	\$144	\$148	(3)%	\$585	\$560	4 %
Retail	303	289	5 %	1,201	1,256	(4)%
Private Wealth	235	222	6 %	931	926	1 %
Total	\$682	\$659	3 %	\$2,717	\$2,742	(1)%

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

Fourth Quarter and Full Year 2023 GAAP Income Statement

In US \$ Millions (except EPU)	4Q23	4Q22	% Δ	FY 2023	FY 2022	% Δ
Net Revenues	\$1,090	\$990	10%	\$4,155	\$4,054	3%
Operating Expenses	852	786	8%	3,337	3,239	3%
Operating Income	238	204	17%	818	815	—%
Net Income Attributable to AB Unitholders	227	187	22%	765	832	(8)%
AB Holding GAAP Diluted Net Income per Unit	0.71	0.59	20%	2.34	2.69	(13)%
AB Holding Distribution Per Unit	\$0.77	\$0.70	10%	\$2.69	\$2.95	(9)%

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



Fourth Quarter and Full Year 2023 AB Holding Financial Results

In US \$ Millions (excluding per Unit amounts)	4Q23	4Q22	% Δ	FY 2023	FY 2022	% Δ
AB						
Net Income Attributable to AllianceBernstein	\$227	\$187	22 %	\$765	\$832	(8)%
Weighted Average Equity Ownership Interest	38.9%	38.4%		39.2%	36.7%	
AB Holding						
Equity in Net Income Attributable to AB	\$89	\$72	23 %	\$300	\$306	(2)%
Income Taxes	\$9	\$8	15 %	\$36	\$31	14 %
Net Income	\$80	\$64	24 %	\$264	\$275	(4)%
Diluted Net Income Per Unit, GAAP basis	\$0.71	\$0.59	20 %	\$2.34	\$2.69	(13)%
Distributions Per Unit	\$0.77	\$0.70	10 %	\$2.69	\$2.95	(9)%
Adjusted Diluted Net Income Per Unit	\$0.77	\$0.70	10 %	\$2.69	\$2.94	(9)%

Please refer to pages 42-46 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 2023 GAAP to Non-GAAP Reconciliation

In US \$ Thousands		Adjustments							Non-GAAP
		Distribution Related Payments (A)	Pass Through Adjustments (B)	Deferred Comp. Inv. (C)	NCI/ Consol VIE (D)	Real Estate Credits (Charges) (E)	Acquisition- Related Expenses (F)	Interest Expense (G)	
	GAAP								
Investment advisory and services fees	\$ 775,931	(15,302)	(27,162)	(763)	(204)				\$ 732,500
Bernstein research services	100,382								100,382
Distribution revenues	151,339	(151,339)							—
Dividend and interest income	48,682			(362)	(3,309)				45,011
Investment gains (losses)	14,966			(2,384)	(10,088)				2,494
Other revenues	25,993		(8,811)		(69)				17,113
Total revenues	1,117,293	(166,641)	(35,973)	(3,509)	(13,670)	—	—	—	897,500
Less: interest expense	26,573								26,573
Net revenues	1,090,720	(166,641)	(35,973)	(3,509)	(13,670)	—	—	—	870,927
Employee compensation and benefits	453,291		(21,702)	(4,677)			(1,270)		425,642
Promotion and servicing	225,226	(166,641)	(8,674)						49,911
General and administrative	146,595		(5,597)		(405)	206	633		141,432
Contingent payment arrangements	2,603						(2,603)		—
Interest on borrowings	12,799							(12,799)	—
Amortization of intangible assets	11,706						(11,639)		67
Net income (loss) of consolidated entities attributable to non-controlling interests	—				(19)				(19)
Total expenses	852,220	(166,641)	(35,973)	(4,677)	(424)	206	(14,879)	(12,799)	617,033
Operating income	238,500	—	—	1,168	(13,246)	(206)	14,879	12,799	253,894
Interest on borrowings								12,799	12,799
Income taxes	(2,202)	—	—	40	122	2	(97)	(83)	(2,218)
Net income	240,702	—	—	1,128	(13,368)	(208)	14,976	83	243,313
Net income (loss) of consolidated entities attributable to non-controlling interests	13,384			(138)	(13,246)				—
Net income attributable to AB Unitholders	\$ 227,318	\$ —	\$ —	\$ 1,266	\$ (122)	\$ (208)	\$ 14,976	\$ 83	\$ 243,313

Please refer to page 46 for notes describing the adjustments.

Fourth Quarter 2022 GAAP to Non-GAAP Reconciliation

In US \$ Thousands	Adjustments								Non-GAAP
	GAAP	Distribution Related Payments (A)	Pass Through Adjustments (B)	Deferred Comp. Inv. (C)	NCI/ Consol VIE (D)	Real Estate Credits (Charges) (E)	Acquisition-Related Expenses (F)	Interest Expense (G)	
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 gains (losses)	(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 income (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)	(8,505)	561,662
Operating Income	203,741	—	—	(2,912)	(2,150)	(206)	33,474	8,505	240,452
Interest on borrowings								8,505	8,505
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 46 for notes describing the adjustments.



Full Year 2023 GAAP to Non-GAAP Reconciliation

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

Please refer to page 46 for notes describing the adjustments.

Full Year 2022 GAAP to Non-GAAP Reconciliation

In US \$ Thousands	Adjustments								Non-GAAP
	Distribution	Pass	Deferred	NCI/	Real Estate	Acquisition-	Interest		
	Related	Through	Comp.	Consol	Credits	Related	Expense		
GAAP	Payments	Adjustments	Inv.	VIE	(Charges)	Expenses	(G)		
	(A)	(B)	(C)	(D)	(E)	(F)	(G)		
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)	(17,906)	2,371,131
Operating income	815,096	—	—	591	59,832	(825)	72,503	17,906	965,103
Interest on borrowings								17,906	17,906
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 46 for notes describing the adjustments.

AB Adjusted Financial Results Reconciliation

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

- A. We exclude all of the company's distribution revenues, which are recorded as a separate line item on the consolidated statement of income, as well as a portion of investment advisory services fees received that is used to pay distribution and servicing costs. Such presentation appropriately reflects the nature of these costs as pass-through payments to third parties that perform functions on behalf of our sponsored mutual funds and/or shareholders of these funds. Also, we adjust distribution revenues for the amortization of deferred sales commissions as these costs, over time, will offset such revenues.
- B. We exclude additional pass-through expenses we incur (primarily through our transfer agency) that are reimbursed and recorded as fees in revenues. Also, we adjust for certain investment advisory and service fees passed through to our investment advisors. These fees have no impact on operating income, but they do have an impact on our operating margin. As such, we exclude these fees from adjusted net revenues.
- C. We exclude the impact on net revenues and compensation expense of the mark-to-market gains and losses (as well as the dividends and interest) associated with employee long-term incentive compensation-related investments. In addition, we exclude any EQH-related equity compensation expense as the awards are non-cash and are based on EQH's and not AB's financial performance. Also, we adjust for certain acquisition related pass through performance-based fees and performance related compensation.
- D. 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. Interest on borrowings has been excluded from operating income in order to align with our industry peers.

Adjusted Operating Margin

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

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

A Word About Risk

The value of an investment can go down as well as up and investors may not get back the full amount they invested. Capital is at risk. Past performance does not guarantee future results.

There can be no assurance that any alternative investment objectives will be achieved. Investments in alternative strategies can be speculative and involve a high degree of risk and volatility. Performance compensation may create an incentive to make riskier investments. Alternative investments may involve higher fees and limit transferability and liquidity. AllianceBernstein and its affiliates have relationships and may engage in activities that may pose conflicts of interest.

Some of the principal risks of investing in alternative investments include:

Default Risk: The risk that issuers or counterparties may not be able to meet interest payments nor repay the capital borrowed. A default by the issuer may impact the value of the assets.

Securitized Asset Risk: Investments in mortgage-backed and other asset-backed securities may be particularly sensitive to changes in interest rates. They may also be subject to higher rates of default in the mortgages or assets backing the securities or risks associated with the nature and servicing of those securities.

Liquidity Risk: Adverse market conditions can affect the ability to sell assets when necessary. Reduced liquidity may have a negative impact on the price of the assets.

Market Risk: The market values of the investments may rise and fall from day to day, so investments may lose value.

Interest Rate Risk: Bonds may lose value if interest rates rise or fall—long-duration bonds tend to rise and fall more than short-duration bonds.

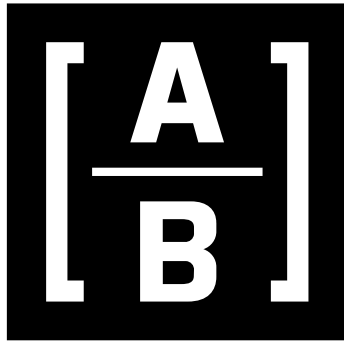
Credit Risk: A bond's credit rating reflects the issuer's ability to make timely payments of interest or capital—the lower the rating, the higher the risk of default. If the issuer's financial strength deteriorates, the issuer's rating may be lowered and the bond's value may decline.

Allocation Risk: Allocating to different types of assets may have a large impact on returns if one of these asset classes significantly underperforms the others.

Foreign Risk: Investing in overseas assets may be more volatile because of political, regulatory, market and economic uncertainties associated with them. These risks are magnified in assets of emerging or developing markets.

Currency Risk: Currency fluctuations may have a large impact on returns and the value of an investment may be negatively affected when translated into the currency in which the initial investment was made.

Capitalization Size Risk: Holdings in smaller companies are often more volatile than holdings in larger ones.



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