AllianceBernstein®

First Quarter 2023 Review

April 27, 2023

Seth P. Bernstein, President & Chief Executive Officer
Kate Burke, Chief Operating Officer & Chief Financial Officer
Scott DiMaggio, Co-Head of Fixed Income & Director of Global Fixed Income
Gershon Distenfeld, Co-Head of Fixed Income & Director of Credit

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 and subsequent forms 10-Q. Any or all of the forward-looking statements made in this presentation, Form 10-K, Forms 10-Q, other documents we file with or furnish to the SEC, and any other public statements we issue, may turn out to be wrong. It is important to remember that other factors besides those listed in “Risk Factors” and “Cautions Regarding Forward-Looking Statements,” and those listed below, could also adversely affect our revenues, financial condition, results of operations and business prospects.

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

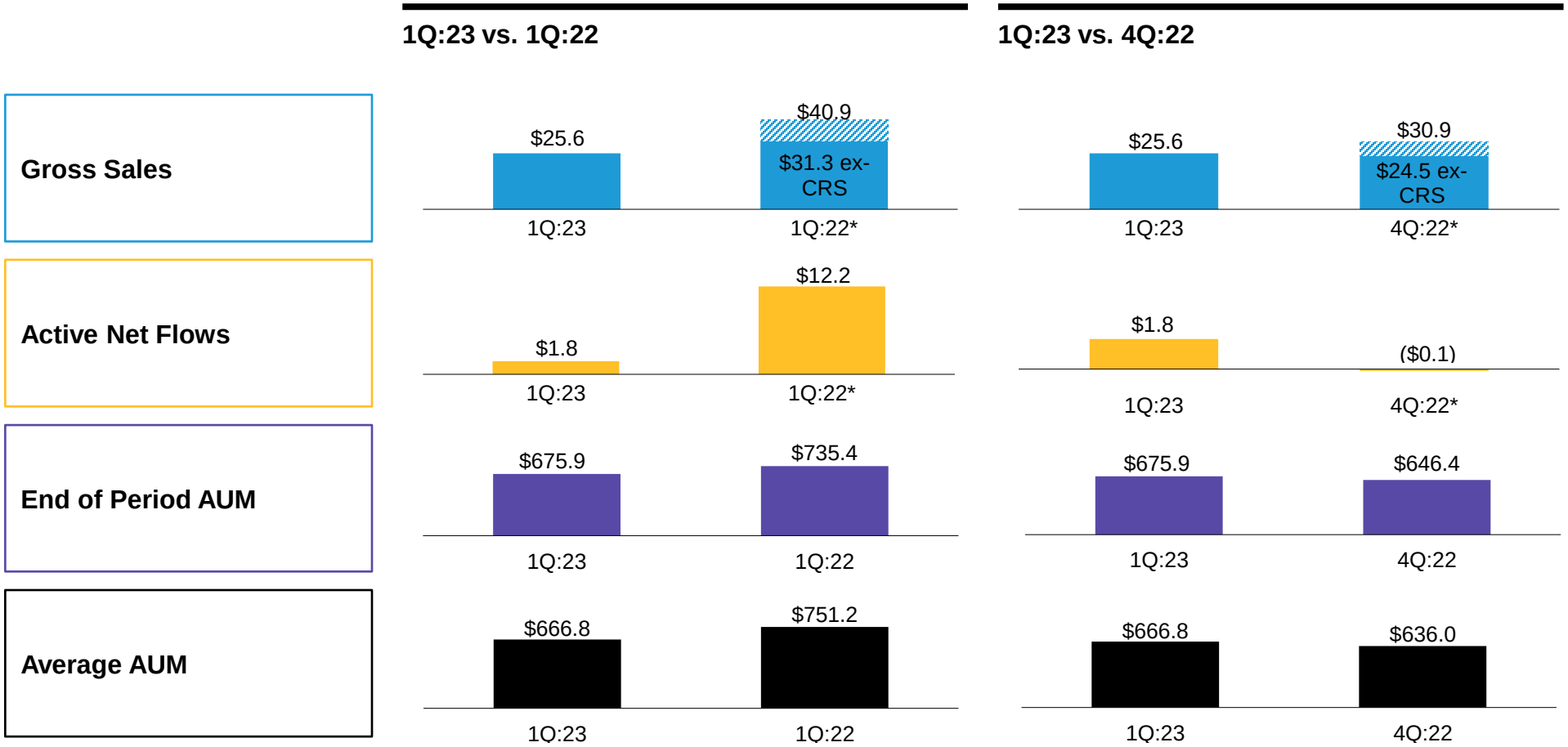
- **The pipeline of new institutional mandates not yet funded:** Before they are funded, institutional mandates do not represent legally binding commitments to fund and, accordingly, the possibility exists that not all mandates will be funded in the amounts and at the times currently anticipated, or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

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

Seth P. Bernstein

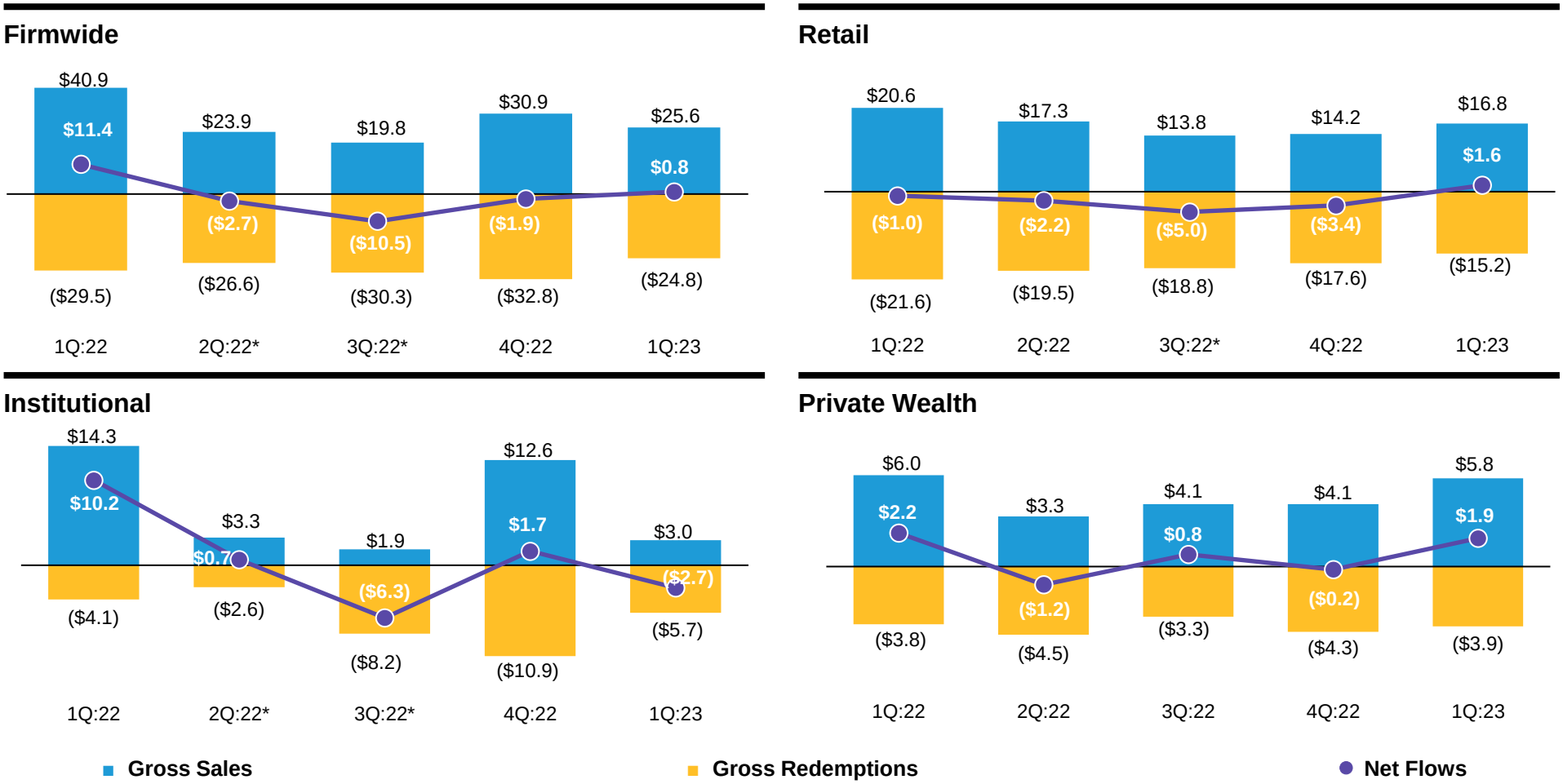
President & Chief Executive Officer

Firmwide Overview: First Quarter 2023



USD billions; scales differ by chart
Figures shown may vary from reported figures due to rounding.
*1Q:22 and 4Q:22 include $9.6B and $6.4B, respectively, in custom target-date institutional mandate fundings

Asset Flows by Distribution Channel: Quarterly Trend



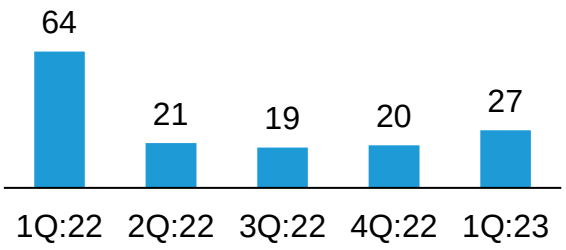
USD billions; scales differ by chart

*Includes 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.

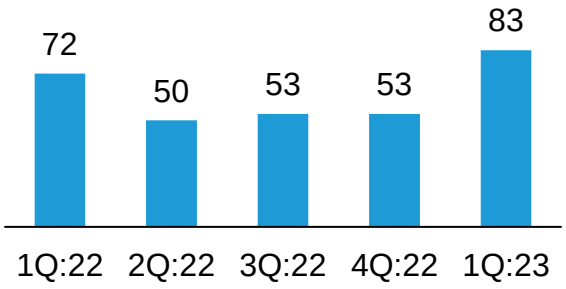
Percentage of Assets Outperforming at Quarter-End

Fixed Income

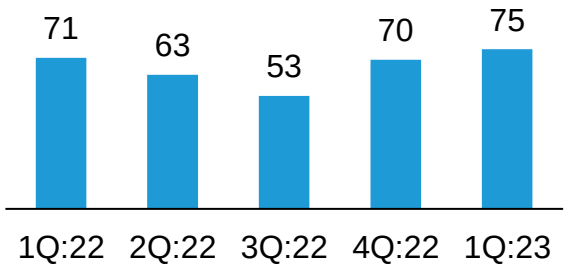
One-Year



Three-Year

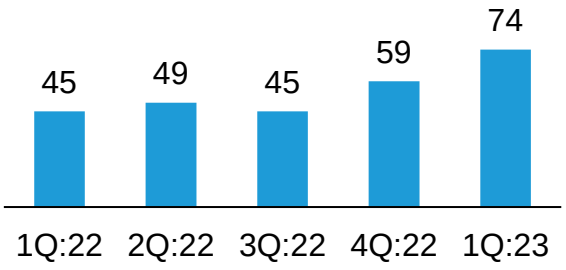


Five-Year

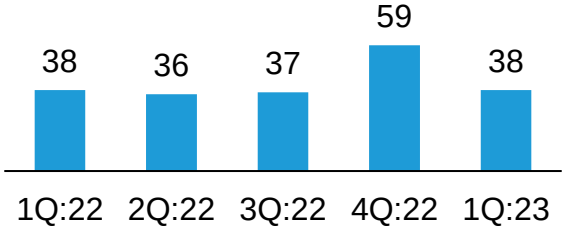


Equities

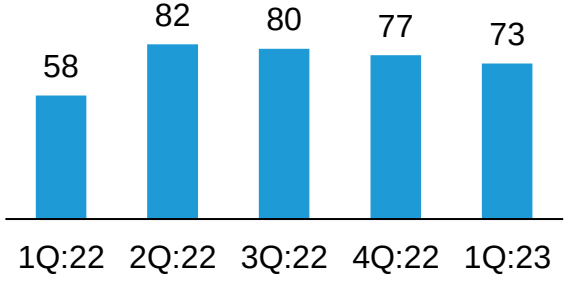
One-Year



Three-Year



Five-Year

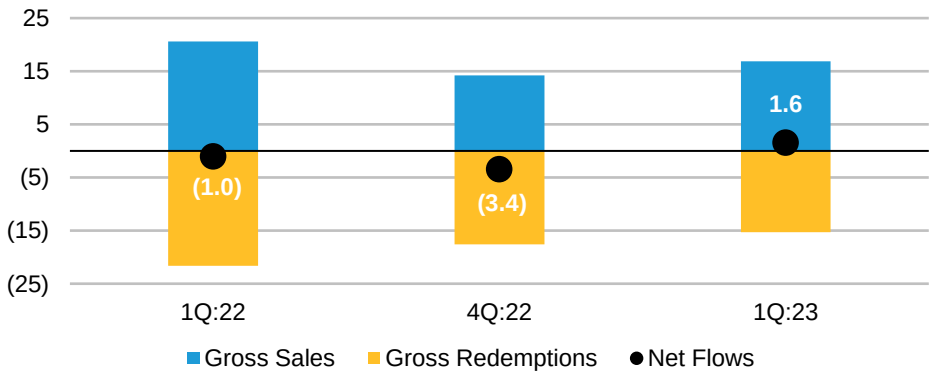


Percentage of active fixed income and equity assets in institutional services that outperformed their benchmark gross of fees and percentage of active fixed income and equity assets in retail Advisor and I share class funds ranked in the top half of their Morningstar category. Where no Advisor class exists, A share class used. Performance for private client services included as available.
As of March 31, 2023

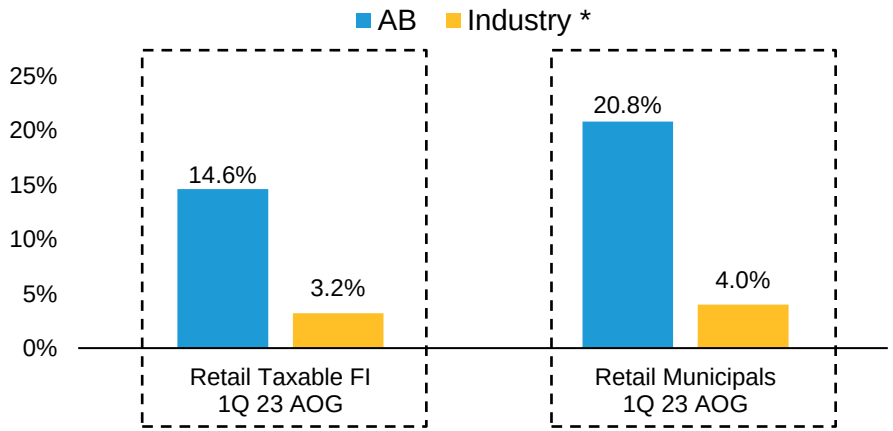
Retail Highlights

Strong FI Demand Drives Net Inflows

2.6% annualized organic growth in 1Q 2023



AB vs. Industry 1Q Annualized Organic Growth: Retail Taxable FI & Retail Munis (Percent)



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

First Quarter 2023 Highlights

Improved Fixed Income Demand Drives Sales, Net Inflows

- Gross sales of $16.8B; -$3.8B or -18% Y/Y, and +$2.6B or +18% Q/Q
- Redemption rate improved to 25%, versus 30% 4Q and 27% 1Q 22; lowest in last 12 quarters
- Net flows +$1.6B, or +2.6% AOG (annualized organic growth)

Mix Shift to FI markets; AB Leverages Globally Diversified Platform

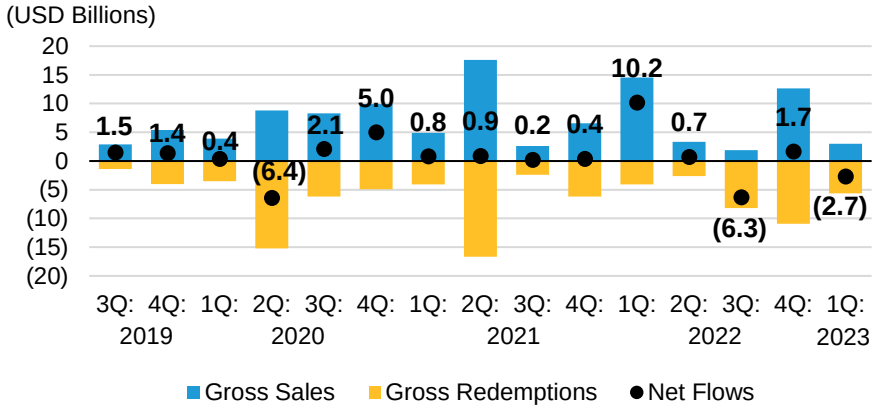
- Taxable FI sales of $6.8B, +136% Y/Y, +80% Q/Q
  - American Income Fund sales up 6x Y/Y, up 3x Q/Q
- Taxable FI net flows of +$2B (+15% AOG), driven by American Income
- Muni sales up; net flows +$1.4B (+21% AOG), positive 10 of last 11 quarters
- Strong geographic breadth: All regions post Q/Q sales growth and net inflows
  - US +12% AOG, positive net flows 10 of last 12 quarters
  - APAC +5% AOG

Milestones

- Ranked in top quartile of US Retail flows for Taxable Bond, Municipals
- Ranked in top 2% of Cross-Border flows for Fixed Income
- Notable Net Inflow Peer Rankings†: US Funds: Large Cap Growth 6/300, High Income, 5/57, Global Bond 6/31; Offshore Funds: Low Vol Equity 5/690, American Income 1/48, Global High Yield, 2/145

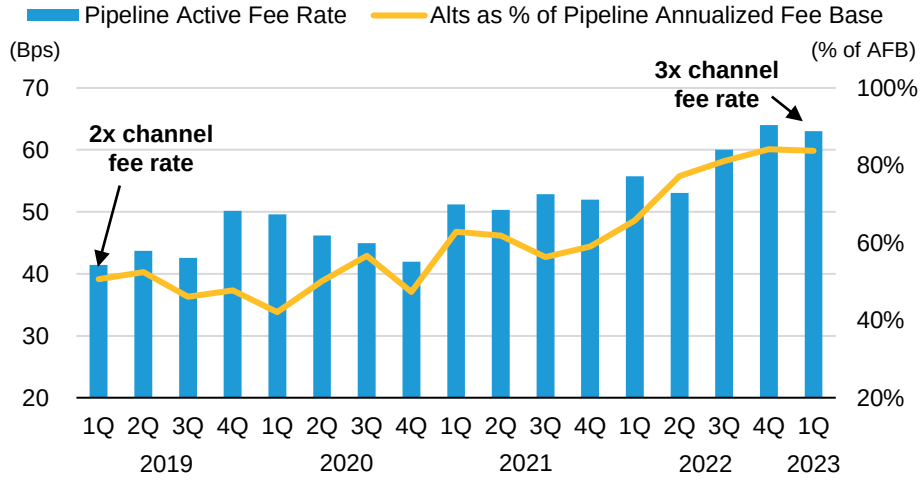
Institutional Highlights

Organic Gains in 12 out of 15 Trailing Quarters



Pipeline Active Fee Rate ~3x Channel Average

Driven by Mix Shift to Private Alts



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

First Quarter 2023 Highlights

Sales and Flows

- 1Q23 gross sales of $3.0B, down 79% Y/Y and 76% Q/Q; both prior periods saw large custom target-date mandates
- Net Institutional outflows -$2.7B

Sustained Institutional Demand for Alts/MAS

- 12th consecutive quarter of Alts/MAS net inflows
- Alts/MAS now represents 1/3 of channel AUM, outpacing channel AUM growth by 5x over the last 3 years

Pipeline w/ Accretive Annualized Fee Base (AFB)

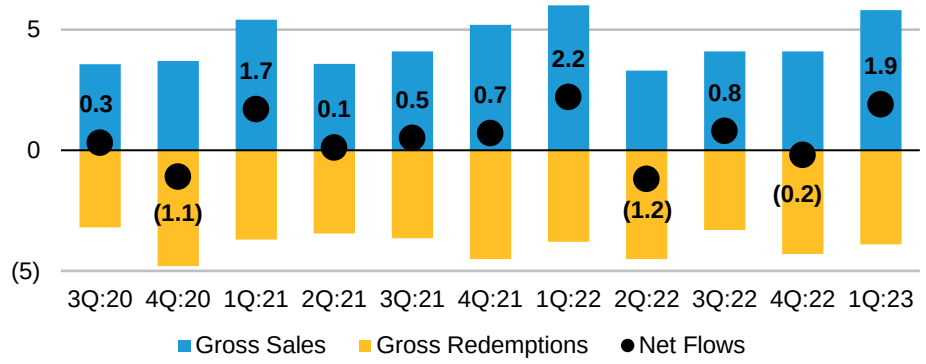
- $13.1B qtr-end pipeline*, flat Q/Q, with $1.4B of funded assets including $420M in ABCarVal CLO VII and $130M in Euro CRE Debt
- Pipeline active fee rate 3x institutional channel fee rate
  - Private Alts >80% of pipeline's Annualized Fee Base
- Notable 1Q pipeline additions:
  - US CRED (Equitable) $1.2B
  - Sustainable Global Thematic $200M
  - US Strategic Value $200M

Private Wealth Highlights

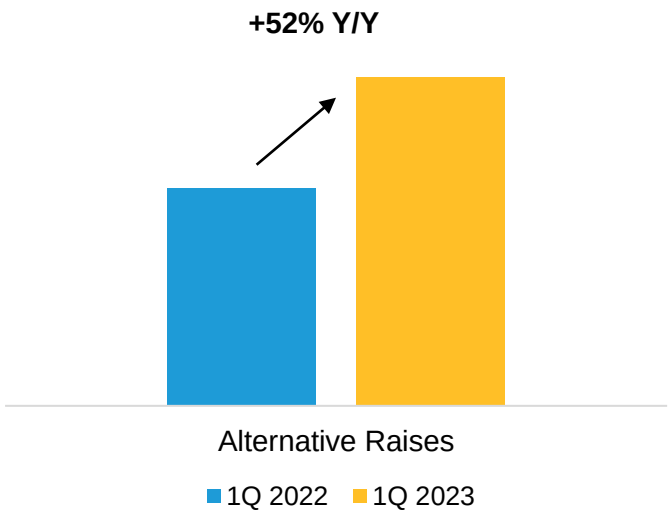
Strong Organic Growth in 1Q

Positive 8 of last 11 quarters

(USD billions)



Strong Growth in Alternative Raises



First Quarter 2023 Highlights

Strong Q/Q Sales and Advisor Productivity Growth Drive Net Inflows

- 1Q23 gross sales of $5.8B, -3% Y/Y, +40% Q/Q
- Advisor productivity: -8% Y/Y, +38% Q/Q
- 1Q net inflows of $1.9B
- Strong growth in money markets coinciding with March banking dislocation
- Net Inflows 8 of last 11 quarters

Driven by Continued Strong Client Engagement

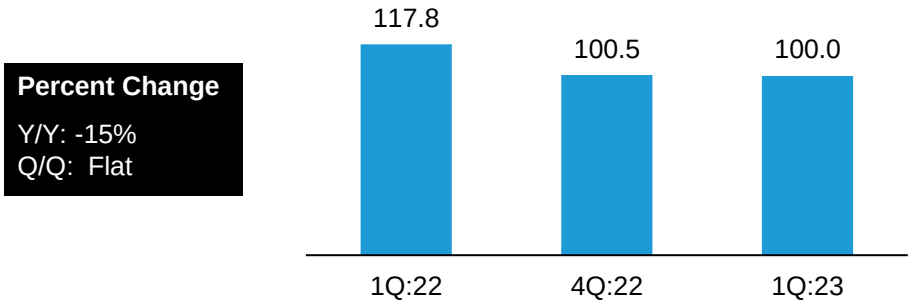
- Pre-transaction planning pipeline remains solid
- Continued mix shift towards Ultra HNW category

Innovation Supports Differentiated Client Needs

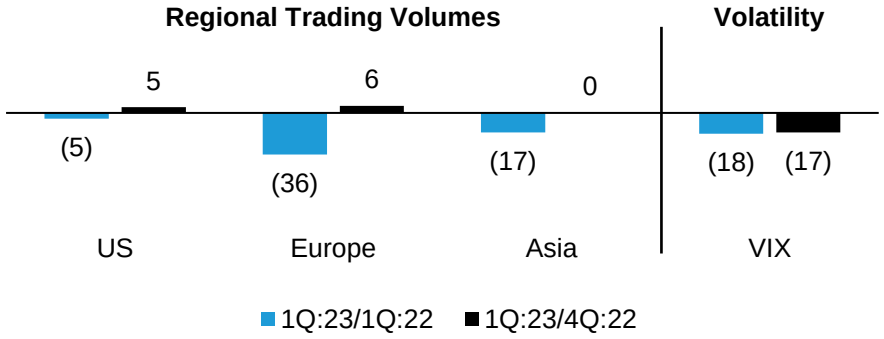
- Acceleration in Alternative Commitments: +$0.9B 1Q, +52% Y/Y
- First ABCarVal launch: Clean Energy Fund II
- Proprietary Direct Indexing Strategy $2.5B in AUM, +40% Annualized, +56% TTM organic

Bernstein Research Highlights

Bernstein Research Quarterly Revenues
(USD millions)



Regional Volumes and Volatility*
(% change)



First Quarter 2023 Highlights

Institutional Trading Volumes Remain Constrained

- 1Q revenues of $100M, -15% Y/Y, flat Q/Q
  - Recovery in US and Europe trading activity following slow 4Q, though markets remain soft
  - Research checks up Y/Y, down seasonally sequentially

Differentiated Research Brand Continues to Drive Client Engagement

- Grew market leading position in research checks
- 1Q initiations: US SMID-Cap Biotech, EU MedTech, EU Semiconductors, China Sportswear
- First ever TMT + Consumer 1:1 forum with 21 companies and 65 clients
- Strong engagement and client service trends

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 1Q23

Firmwide Initiative	Progress
Deliver superior investment solutions to clients	• Fixed Income: 83% of assets in outperforming services for 3-yr period; 27% for 1-yr and 75% for 5-yr • Active Equity: 38% of assets in outperforming services for 3-yr period; 74% for 1-yr and 73% for 5-yr • 61% of US and 66% of Lux assets rated 4/5-stars by Morningstar at quarter-end

Develop, commercialize and scale our suite of services	• Diversified offerings drive organic growth in 1Q
	  • Retail: Double-digit AOG in Taxable FI and Municipals offsets lower Active Equity sales
	  • Institutional: Sustained organic growth in Alts/MAS, positive net flows last 12 quarters
	  • Private Wealth: $1.9B net inflows, positive 8 of 11 quarters; MMF flows beneficiary of dislocation
	• Differentiated product amplifying growth
	  • Launched 3 Active Equity ETF's
	  • Alternatives: ABCarVal CLO VII raised $420M; $58B in Private Markets* AUM
	  • Municipals: 12% AOG, outpacing industry; 100% of AUM in 4/5-star rated funds

Maintain strong incremental margins	• Rolling 3-Year incremental margin of 22% • Adjusted 1Q operating income of $225 million, down 21% Y/Y • Adjusted 1Q operating margin of 27.0%, down 450 bps Y/Y • Adjusted EPU of $0.66, down 27% 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

Scott DiMaggio
Co-Head of Fixed Income, Director of Global Fixed Income

Gershon Distenfeld
Co-Head of Fixed Income, Director of Credit

AB Fixed Income: Global Resources

Team structured to deliver a 360° view

Global Resources

6 Quantitative Analysts

24 Global Corporate Credit Analysts

38 Portfolio Managers

5 Global Economists

6 Securitized Asset Analysts

4 Municipal Analysts

3 Responsible Investing Experts

133 Technology Experts

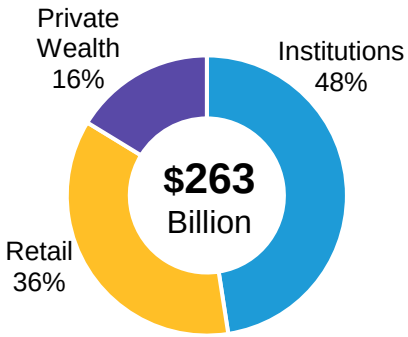
18 Traders

Tenure

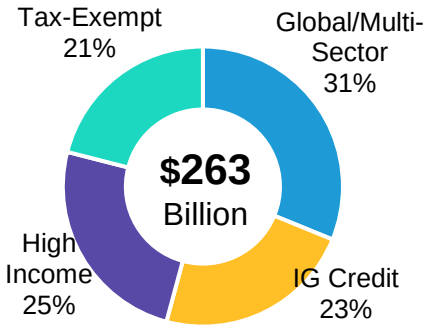
- Avg of 25 years in industry
- Avg of 17 years with AB

Fixed Income AUM

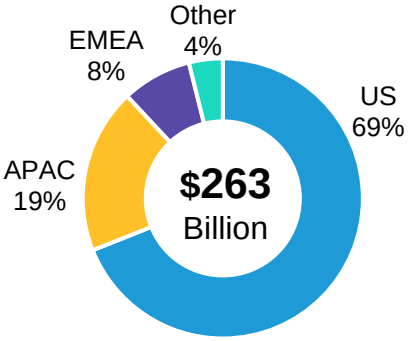
By Channel



By Strategy



By Client Domicile



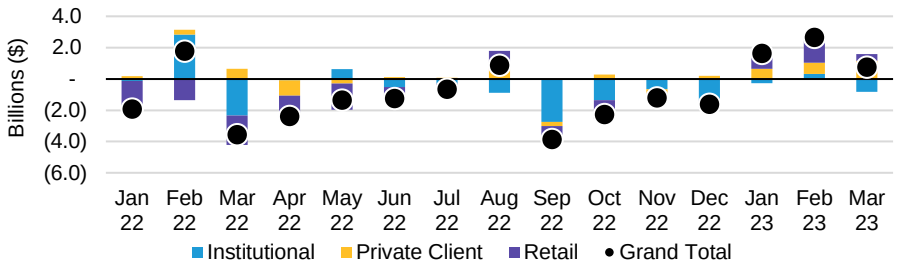
As of March 31, 2023

Fixed Income Demand is Improving with Higher Rates

AB Net Flows (2022 – March 2023)

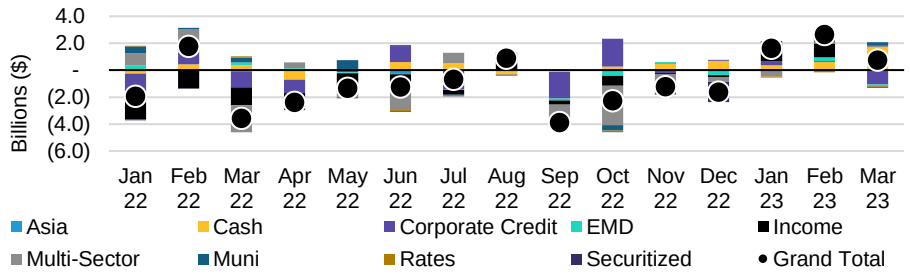
Market Volatility Led To Outflows Throughout Much of 2022

AB Active Fixed Income Flows



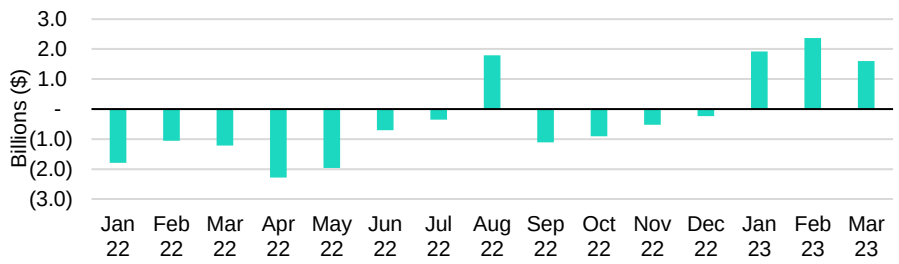
Though A Broad Platform Helped to Diversify Flows

AB Active Fixed Income Flows



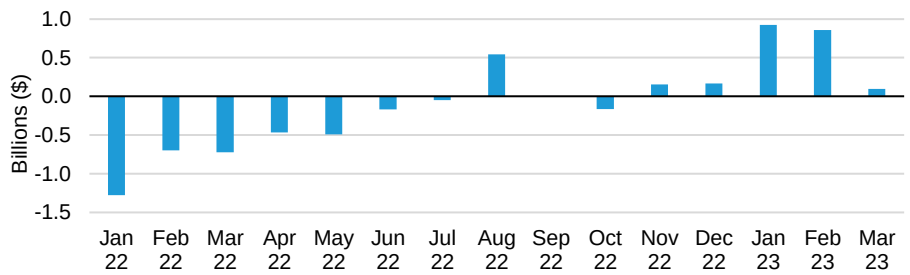
Retail and Private Wealth Started To Rebound First…

AB Active Fixed Income – Retail and Private Wealth Flows



…With American Income A Notable Example, As Flows Increased In Response to Rising Rates

AB American Income Fund Flows



Analysis provided for illustrative purposes only and is subject to revision.

As of March 31, 2023

Source: Bloomberg, J.P. Morgan and AB

Our Global FI Offering is Differentiated Among our Peers

With highly regarded, innovative capabilities across Income, Municipal and Tailored FI strategies

Our Heritage

- 50+ years experience serving institutional & retail investors globally
- Unified investment & risk management process across global FI platform
- An industry experienced, AB tenured investment team
- A culture of **innovation**

Product Scaling and Development

Market leading position in the provision of:

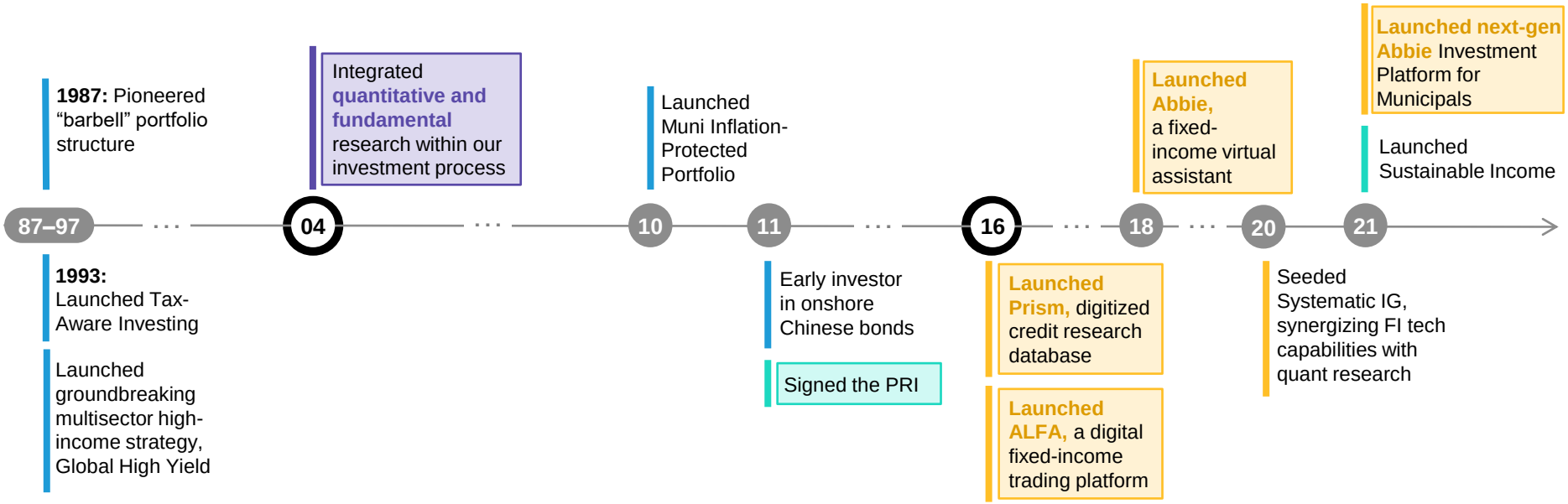
- **Tax-exempt** municipal mutual funds / SMA's
- **Income** strategies:
  - **Higher quality** strategies designed to deliver attractive income and capital preservation by **balancing rate and credit exposure** via **barbell approach**
  - **High income** strategies using a multi sector approach to deliver income from IG, HY and EM

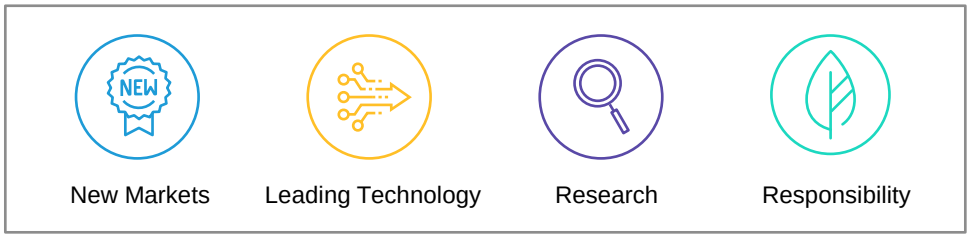
Tailored Mandates

- Deep knowledge and understanding of structuring tailored separate accounts with particular emphasis on:
  - **High quality global multi sector** strategies meeting the need for a core allocation in client asset allocation
  - **Investment Grade credit** Buy & Maintain and **Total Return** strategies
  - High Yield total return strategies
  - **Emerging market** hard currency sovereign & credit strategies in a blended approach

Culture of Innovation

Pushing research boundaries, pioneering new markets and engineering leading technologies, responsibly

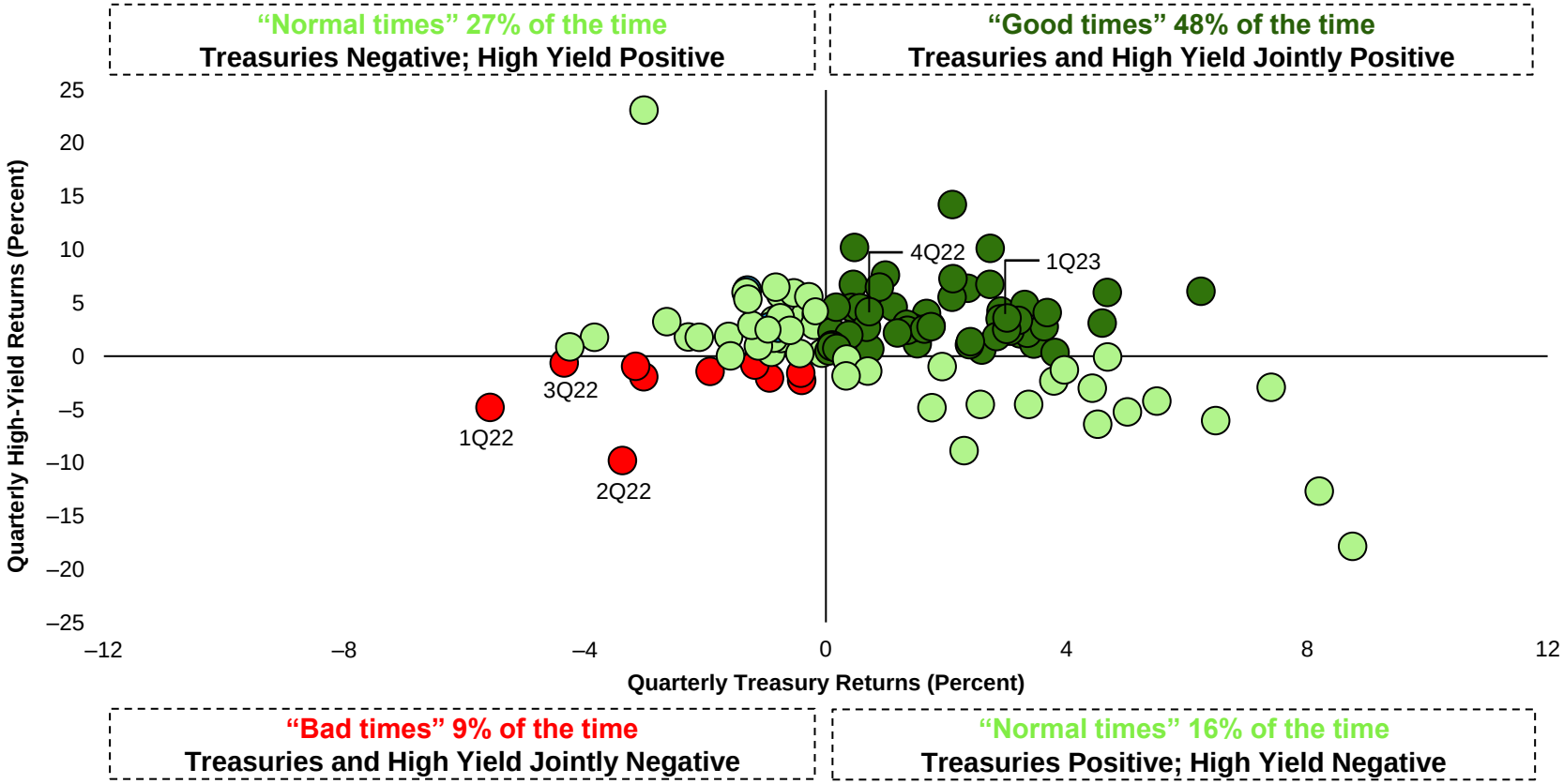




Use a Balanced Approach to Navigate Today's Environment

Our barbell approach is structured to perform in the vast majority of environments

Government and Credit Bonds Rarely Underperform Jointly



Reflects quarterly returns starting from 1 April 1993 to 31 March 2023. Numbers may not sum due to rounding.
HY is represented by Bloomberg US Corporate High Yield. TSY is represented by Bloomberg US Treasury. An investor cannot invest directly in an index, and its performance does not reflect the performance of any AB portfolio.
Source: Bloomberg and AB

Fixed Income Investment Performance

A track record of long-term outperformance

Relative Performance* of our Top Retail FI Solutions

Product	YTW	YTD	1-Year	Mstar %ile	3-Year	Mstar %ile	5-Year	Mstar %ile
American Income	7.1%	+0.8%	(1.8%)	74	(0.4%)	63	+0.3%	33
Global High Yield	9.8%	(0.0%)	(0.3%)	59	+1.0%	25	(0.7%)	85
Global Bond	5.5%	(0.0%)	+0.8%	37	+0.6%	29	+0.1%	49
Intermediate Diversified Muni	3.4%	+0.8%	(0.4%)	77	+0.6%	5	+0.8%	4
High Income Muni	5.3%	+0.8%	(0.4%)	55	+0.7%	23	+0.5%	23

Relative Performance† of our Top Institutional FI Solutions

Product	YTW	YTD	1-Year	3-Year	5-Year
Global Plus (USD Hedged)	5.5%	+0.3%	0.0%	+1.7%	+0.2%
US High Yield	8.5%	+0.1%	(0.6%)	+1.4%	+0.7%
Emerging Market Corp Debt	8.1%	+0.1%	(1.4%)	+4.2%	+0.9%

*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

† Relative performance vs. benchmarks: Bloomberg Global Agg – Hedged, Blbg US Corp HY, JPM CEMBI Broad Diversified

Source: Morningstar; Yield-to-Worst ("YTW") calculated as of 3/31/23

Our Fixed Income Growth Strategy has Three Key Pillars

While maintaining an unwavering commitment across the breadth of our FI platform

Fixed Income Growth Drivers

Municipals

Our Muni business has generated strong organic growth, averaging **4.9% p.a. over the last 5 years**

We are well-positioned to expand our market share in SMAs & ETFs through evolving to a **Solutions-oriented** platform via:

- Mass customization
- More robust fund/ETF platform
- Model placement with MF/ETF's

Become Top 5 Provider of Municipal Services

Income

Capitalize on existing brand recognition and expertise to match **APAC market share success** in US & European retail

Compelling market opportunity:

- Increase flexibility within strategies
- Commercialize existing solutions
- Grow assets in underpenetrated areas

Substantially grow AUM in Income strategies over the next 5 years

Insurance

Leverage our strong foundation of insurance heritage and EQH partnership

Under-allocation to Fixed Income, coupled with highly favorable rates open a unique opportunity for our insurance-sensitive investment expertise

Organic growth will be led by enhancing existing infrastructure, expanding advisory / solution capabilities & increasing offerings

Become Top 10 Provider of Insurance Services

Kate Burke

Chief Operating Officer & Chief Financial Officer

First Quarter 2023 GAAP Income Statement

Income Statement (in US $ Millions)	1Q23	1Q22	% Δ	4Q22	% Δ
Base Fees	$692	$748	(7)%	$680	2 %
Performance Fees	37	76	(52)%	33	12 %
Bernstein Research Services	100	118	(15)%	100	— %
Distribution Revenues	141	168	(16)%	138	2 %
Dividends & Interest	51	11	n/m	59	(14)%
Investment Gains (Losses)	5	(39)	n/m	(11)	n/m
Other Revenues	26	26	— %	25	3 %
Total Revenues	**1,052**	**1,108**	**(5)%**	**1,024**	**3 %**
Less: Interest Expense	28	3	n/m	34	(18)%
Net Revenues	**1,024**	**1,105**	**(7)%**	**990**	**3 %**
Compensation & Benefits					
Compensation & Fringes	426	431	(1)%	391	9 %
Other Employment Costs	8	8	— %	8	— %
Total Compensation & Benefits	**434**	**439**	**(1)%**	**399**	**9 %**
Promotion & Servicing	207	237	(13)%	203	2 %
General & Administrative	140	178	(21)%	161	(13)%
Other	28	3	723 %	23	21 %
Total Operating Expenses	**809**	**857**	**(6)%**	**786**	**3 %**
Operating Income	**$215**	**$248**	**(13)%**	**$204**	**6 %**
Operating Margin	**20.1 %**	**24.7 %**	**(460 bps)**	**20.0 %**	**10 bps**
AB Holding GAAP Diluted Net Income Per Unit	**$0.59**	**$0.87**	**(32)%**	**$0.59**	**— %**

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

Adjusted Financial Highlights: First Quarter 2023

	1Q:23 vs. 1Q:22		1Q:23 vs. 4Q:22	
Adjusted Revenues	$833 (1Q:23)	$904 (1Q:22)	$833 (1Q:23)	$802 (4Q:22)
Adjusted Operating Income	$225 (1Q:23)	$285 (1Q:22)	$225 (1Q:23)	$232 (4Q:22)
Adjusted Operating Margin	27.0% (1Q:23)	31.5% (1Q:22)	27.0% (1Q:23)	28.9% (4Q:22)
Adjusted EPU	$0.66 (1Q:23)	$0.90 (1Q:22)	$0.66 (1Q:23)	$0.70 (4Q:22)

USD millions, except EPU; scales may differ by chart
Please refer to pages 39-42 for additional information on the reconciliation of GAAP financial results to adjusted financial results.

First Quarter 2023 Adjusted Income Statement

Adjusted Income Statement (in US $ Millions)	1Q23	1Q22	% Δ	4Q22	% Δ
Base Fees[1]	$667	$725	(8)%	$659	1 %
Performance Fees	33	45	(27)%	18	84 %
Bernstein Research Services	100	118	(15)%	100	— %
Investment (Losses)	(2)	(6)	(64)%	—	n/m
Other Revenues	63	25	158 %	59	7 %
Total Revenues	**861**	**907**	**(5)%**	**836**	**3 %**
Less: Interest Expense	28	3	n/m	34	(18)%
Adjusted Net Revenues	**833**	**904**	**(8)%**	**802**	**4 %**
Compensation & Benefits					
Compensation & Fringes	412	434	(5)%	373	11 %
Other Employment Costs	8	8	3 %	8	(2)%
Total Compensation & Benefits	**420**	**442**	**(5)%**	**381**	**10 %**
Promotion & Servicing	41	42	(2)%	42	(2)%
General & Administrative	132	133	(1)%	139	(4)%
Interest on Borrowings and Other	15	2	n/m	8	64 %
Total Adjusted Operating Expenses	**608**	**619**	**(2)%**	**570**	**7 %**
Adjusted Operating Income	**$225**	**$285**	**(21)%**	**$232**	**(3)%**
Adjusted Operating Margin	**27.0 %**	**31.5 %**	**(450 bps)**	**28.9 %**	**(190 bps)**
AB Holding Adjusted Diluted Net Income Per Unit	**$0.66**	**$0.90**	**(27)%**	**$0.70**	**(6)%**
Compensation Ratio	**49.5 %**	**48.0 %**		**46.4 %**	

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

First Quarter 2023 Adjusted Income Statement Highlights

Revenues

- Base Fees decreased 8% versus 1Q22 driven by an 11% decrease in average AUM, lower across all channels, while the fee rate increased 4%. Base Fees increased 1% versus 4Q22 driven by a 5% increase in average AUM, higher across all three distribution channels, partially offset by the impact of a 3% decrease in the fee rate.
- Performance Fees decreased 27% versus 1Q22 driven by lower Real Estate Equity fees partially offset by higher fees on Private Credit services. Performance Fees increased 84% versus 4Q22 mainly due to Private Credit services and International Small Cap.
- Bernstein Research revenues decreased by 15% versus 1Q22 due to a significant decline in customer trading activity across all regions as a result of market conditions. Bernstein Research revenues were essentially flat versus 4Q22.

Expenses

- The Adjusted Compensation Ratio was 49.5% in 1Q23 versus 48.0% in 1Q22 and 46.4% in 4Q22.
- Total Compensation & Benefits decreased 5% versus 1Q22 due to lower incentive compensation and commissions partially offset by higher base compensation. Total Compensation and Benefits increased 10% versus 4Q22 due to higher base and incentive compensation.
- Promotion & Servicing decreased 2% versus 1Q22 due to lower trade execution and clearance and transfer fees partially offset by higher T&E and firm meetings. Promotion & Servicing was down 2% versus 4Q22 driven by lower marketing and advertising and transfer fees.
- G&A expenses were relatively flat versus 1Q22. G&A expenses decreased 4% versus 4Q22 due to lower portfolio services related expenses, technology related expenses and professional fees.

Operating Results

- Adjusted Operating Income decreased 21% versus 1Q22 due to lower base and performance fees. Adjusted Operating Income decreased by 3% versus 4Q22 driven by higher Total Compensation & Benefits partially offset by higher base fees and performance fees.
- Adjusted Margin was 27.0% in 1Q23, versus 31.5% in 1Q22 and 28.9% in 4Q22.

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	3.7	21	1.0	45	2.9	14	3.0	6
Concentrated Growth	2.7	30	1.1	43	1.5	29	0.3	45
Concentrated International Growth	(2.1)	72	(4.1)	93	(2.6)	92	N/A	--
Sustainable US Thematic	4.8	16	3.9	13	2.1	21	N/A	--
Select US Equity	(0.5)	55	0.5	48	0.7	43	0.7	39
International Tech	1.7	46	2.5	37	4.2	19	2.6	21
Low Vol	3.2	15	(0.6)	61	1.8	29	2.4	12
Eurozone Equity	0.2	55	0.9	45	(1.5)	78	1.9	6
Relative Value	2.1	22	0.9	37	0.6	39	1.1	18
Multi-Asset/Alternative								
Emerging Markets Multi-Asset	0.3	47	(3.3)	84	(0.5)	61	(0.7)	71
All Market Real Return	(10.3)	93	8.1	14	(0.4)	84	(5.0)	100
Select US Long/Short	(3.1)	72	0.6	45	2.7	16	2.4	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 Real Return – Tactical Allocation; Select US Long/Short - Long-Short Equity.

As of March 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	(1.8)	74	(0.4)	63	0.3	33	0.6	21
European Income	(3.0)	85	0.6	36	0.3	36	1.2	16
Asia Income	(0.4)	52	(0.2)	55	0.1	49	N/A	--
Global High Yield	(0.3)	59	1.0	25	(0.7)	75	(0.1)	61
Short Duration High Yield	2.7	16	1.0	25	1.6	15	0.4	39
Emerging Markets Debt	(2.3)	76	1.3	25	0.3	52	0.9	31
High Income Advisor	(1.2)	74	1.2	22	(1.1)	89	(0.0)	53
Global Bond Advisor	0.8	37	0.6	29	0.1	49	0.3	42
Income Advisor	(2.0)	93	0.6	27	(0.4)	78	0.4	21
Intermediate Diversified Muni	(0.4)	77	0.6	5	0.8	4	N/A	--
High Income Muni	(0.4)	55	0.7	23	0.5	23	0.6	22

■ 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 March 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	(3.9)	(0.5)	4.5	3.4
Concentrated Global Growth	(2.2)	(3.3)	(0.2)	1.4
Global Core	2.4	(1.8)	0.2	0.9
International Strategic Core	(1.9)	(2.6)	(0.3)	1.6
Sustainable Global Thematic	(1.5)	1.9	3.2	3.4
US Small Cap Value	1.4	3.3	0.5	2.2
Global Strategic Value	1.8	(0.0)	(4.7)	(1.5)
International Strategic Value	4.5	3.6	(2.9)	(0.2)
Fixed Income				
Global Income	(2.0)	2.8	0.1	1.1
Global Plus	(0.1)	1.4	0.2	0.2
Emerging Market Debt	(2.0)	1.5	(0.4)	(0.0)
US High Yield	(0.6)	1.4	0.7	0.5
US Strategic Core Plus	0.1	1.4	0.3	0.6
US Investment Grade Corporate	(0.4)	1.6	0.6	0.7
Intermediate Muni	0.7	1.1	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 March 31, 2023.

Assets Under Management: 1Q23

(US $ Billions)

	At March 31, 2023				At December 31, 2022
	Institutions	Private Wealth	Retail	Total	Total
Equity					
Actively Managed	$57	$48	$124	$229	$218
Passive [1]	23	3	31	57	54
Total Equity	80	51	155	286	272
Fixed Income					
Taxable	124	17	57	198	190
Tax-Exempt	1	26	28	55	53
Passive [1]	—	—	10	10	9
Total Fixed Income	125	43	95	263	252
Alternatives/MAS [2]	102	19	6	127	122
Total	$307	$113	$256	$676	$ 646

	At December 31, 2022			
Total	$297	$106	$243	$646

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

Three Months Ended 3/31/23: 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	**$137.1**	$1.1	$(0.5)	$(0.6)	$—	$4.5	$4.5	**$141.6**
Global and Non-US	**160.2**	1.9	(2.9)	(1.7)	(2.7)	7.5	4.8	**165.0**
Total Institutions	**297.3**	3.0	(3.4)	(2.3)	(2.7)	12.0	9.3	**306.6**
Retail								
US	**162.4**	9.8	(7.9)	(1.9)	—	9.8	9.8	**172.2**
Global and Non-US	**80.5**	7.0	(5.4)	—	1.6	2.4	4.0	**84.5**
Total Retail	**242.9**	16.8	(13.3)	(1.9)	1.6	12.2	13.8	**256.7**
Private Wealth								
US	**69.4**	4.7	(2.8)	0.1	2.0	2.6	4.6	**74.0**
Global and Non-US	**36.8**	1.1	(1.1)	(0.1)	(0.1)	1.9	1.8	**38.6**
Total Private Wealth	**106.2**	5.8	(3.9)	—	1.9	4.5	6.4	**112.6**
Firmwide								
US	**368.9**	15.6	(11.2)	(2.4)	2.0	16.9	18.9	**387.8**
Global and Non-US	**277.5**	10.0	(9.4)	(1.8)	(1.2)	11.8	10.6	**288.1**
Total Firmwide	**$646.4**	$25.6	$(20.6)	$(4.2)	$0.8	$28.7	$29.5	**$675.9**

Three Months Ended 3/31/23: 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	**$134.8**	$5.7	$(6.2)	$(0.9)	$(1.4)	$9.4	$8.0	**$142.8**
Global and Non-US	**83.1**	2.8	(4.4)	(0.4)	(2.0)	5.2	3.2	**86.3**
Total Equity Active	**217.9**	8.5	(10.6)	(1.3)	(3.4)	14.6	11.2	**229.1**
Equity Passive(1)								
US	**47.2**	0.2	—	(0.8)	(0.6)	3.2	2.6	**49.8**
Global and Non-US	**6.6**	—	—	(0.2)	(0.2)	0.4	0.2	**6.8**
Total Equity Passive(1)	**53.8**	0.2	—	(1.0)	(0.8)	3.6	2.8	**56.6**
Total Equity	**271.7**	**8.7**	**(10.6)**	**(2.3)**	**(4.2)**	**18.2**	**14.0**	**285.7**
Fixed Income – Taxable								
US	**105.2**	4.8	(2.0)	(0.3)	2.5	2.5	5.0	**110.2**
Global and Non-US	**85.1**	6.3	(4.1)	(1.2)	1.0	2.1	3.1	**88.2**
Total Fixed Income – Taxable	**190.3**	11.1	(6.1)	(1.5)	3.5	4.6	8.1	**198.4**
Fixed Income - Tax-Exempt								
US	**52.5**	3.9	(2.4)	0.1	1.6	1.2	2.8	**55.3**
Global and Non-US	**—**	—	(0.1)	0.1	—	—	—	**—**
Total Fixed Income - Tax-Exempt	**52.5**	3.9	(2.5)	0.2	1.6	1.2	2.8	**55.3**
Fixed Income Passive(1)								
US	**7.0**	—	—	(0.1)	(0.1)	0.3	0.2	**7.2**
Global and Non-US	**2.4**	—	(0.1)	—	(0.1)	—	(0.1)	**2.3**
Total Fixed Income Passive(1)	**9.4**	—	(0.1)	(0.1)	(0.2)	0.3	0.1	**9.5**
Total Fixed Income	**252.2**	**15.0**	**(8.7)**	**(1.4)**	**4.9**	**6.1**	**11.0**	**263.2**
Alternatives/MAS(2)								
US	**22.2**	1.0	(0.6)	(0.4)	—	0.3	0.3	**22.5**
Global and Non-US	**100.3**	0.9	(0.7)	(0.1)	0.1	4.1	4.2	**104.5**
Total Alternatives/MAS(2)	**122.5**	1.9	(1.3)	(0.5)	0.1	4.4	4.5	**127.0**
Firmwide								
US	**368.9**	15.6	(11.2)	(2.4)	2.0	16.9	18.9	**387.8**
Global and Non-US	**277.5**	10.0	(9.4)	(1.8)	(1.2)	11.8	10.6	**288.1**
Total Firmwide	**$646.4**	$25.6	$(20.6)	$(4.2)	$0.8	$28.7	$29.5	**$675.9**

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

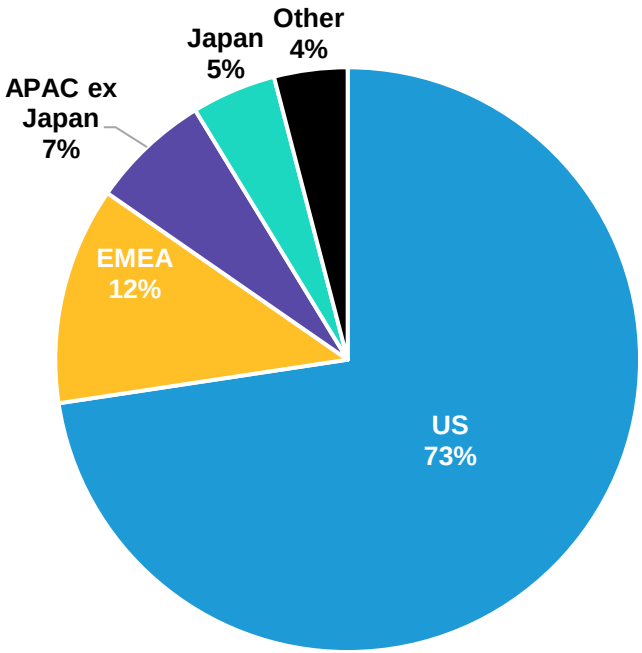
Three Months Ended 3/31/23: Active vs. Passive Net Flows

	Actively Managed	Passively Managed [1]	Total
Equity	$(3.4)	$(0.8)	$(4.2)
Fixed Income	5.1	(0.2)	4.9
Alternatives/MAS [2]	0.1	—	0.1
Total	**$1.8**	**$(1.0)**	**$0.8**

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

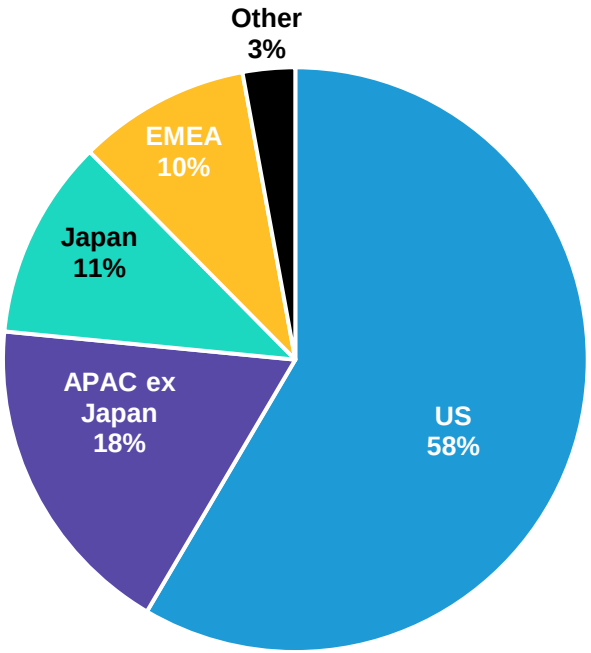
Assets Under Management By Region

Institutional Geographic Breakdown



$306.6B

Retail Geographic Breakdown



$256.7B

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

First Quarter 2023 Adjusted Advisory Fees

	1Q23	1Q22	% Δ	4Q22	% Δ
Ending AUM ($ Billions)	**$676**	**$735**	**(8)%**	**$646**	**5 %**
Average AUM ($ Billions)	**$667**	**$751**	**(11)%**	**$636**	**5 %**
By Fee Type ($ Millions):					
Adjusted Base Fees[1]	$667	$725	(8)%	$659	1 %
Adjusted Performance Fees	33	45	(27)%	18	84 %
Total	**$700**	**$770**	**(9)%**	**$677**	**3 %**
Adjusted Base Fees By Channel ($ Millions):					
Institutions	$149	$137	9 %	$152	(2)%
Retail	288	344	(16)%	285	1 %
Private Wealth	230	244	(6)%	222	4 %
Total	**$667**	**$725**	**(8)%**	**$659**	**1 %**

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

First Quarter 2023 GAAP Income Statement

In US $ Millions (except EPU)	1Q23	1Q22	% Δ	4Q22	% Δ
Net Revenues	$1,024	$1,105	(7)%	$990	3 %
Operating Expenses	809	857	(6)%	786	3 %
Operating Income	215	248	(13)%	204	6 %
Net Income Attributable to AB Unitholders	194	261	(26)%	187	4 %
AB Holding GAAP Diluted Net Income per Unit	**$0.59**	**$0.87**	**(32)%**	**$0.59**	**— %**
AB Holding Distribution Per Unit	**$0.66**	**$0.90**	**(27)%**	**$0.70**	**(6)%**

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

Consolidated Balance Sheet

In US $ Millions **Assets**	**3/31/2023**	**12/31/2022**
Cash and cash equivalents	$886	$1,130
Cash and securities, segregated	1,055	1,522
Receivables, net	2,306	2,435
Investments:		
Long-term incentive compensation-related	44	48
Other	168	170
Assets of consolidated variable interest entities	595	581
Goodwill	3,599	3,599
Intangible assets, net	299	310
Deferred sales commissions, net	58	52
Right-of-use Assets	340	372
Other (incl. furniture & equipment, net)	354	369
Assets held for sale	687	551
Total Assets	**$10,391**	**$11,139**
Liabilities, Redeemable Non-Controlling Interest and Capital		
Liabilities:		
Payables	$3,093	$3,875
Contingent consideration liability	248	247
Accounts payable and accrued expenses	148	173
Lease Liabilities	391	427
Liabilities of consolidated variable interest entities	44	56
Accrued compensation and benefits	437	416
Debt	1,035	990
Liabilities held for sale	176	108
Total Liabilities	**5,572**	**6,292**
Redeemable non-controlling interest	376	369
Partners' capital attributable to AllianceBernstein Unitholders	4,431	4,465
Non-controlling interests in consolidated entities	12	13
Total Capital	**4,443**	**4,478**
Total Liabilities and Capital	**$10,391**	**$11,139**

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

Consolidated Statement of Cash Flows

In US $ Millions		Three Months Ended 3/31/2023	3/31/2022
Net Income		$204	$236
Non-cash items:	Amortization of deferred sales commissions	8	9
	Non-cash long-term incentive compensation expense	7	19
	Depreciation and other amortization	23	11
	Unrealized (gains) losses on investments	(5)	21
	Unrealized (gains) losses on investments of consolidated company-sponsored investment funds	(16)	41
	Noncash lease expense	26	27
	Other, net	(1)	4
Changes in assets and liabilities		(293)	(218)
Net cash (used in) provided by operating activities		**(47)**	**150**
Purchases of furniture, equipment, and leasehold improvements, net		(10)	(6)
Net cash used in investing activities		**(10)**	**(6)**
Proceeds from debt, net		45	95
(Decrease) increase in overdrafts payable		—	(15)
Distributions to General Partner and Unitholders		(222)	(378)
(Redemptions) subscriptions of non-controlling interests of consolidated company-sponsored investment funds, net		(2)	(58)
Purchases of AB Holding Units to fund long-term incentive compensation plan awards, net		(18)	(14)
Other, net		(4)	(2)
Net cash used in financing activities		**(201)**	**(372)**
Effect of exchange rate changes on cash and cash equivalents		10	(11)
Net (decrease) in cash and cash equivalents		(248)	(239)
Cash and cash equivalents at the beginning of period		1,309	1,376
Cash and cash equivalents at the end of period		**$1,061**	**$1,137**

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

First Quarter 2023 AB Holding Financial Results

In US $ Millions (excluding per Unit amounts)	1Q23	1Q22	% Δ	4Q22	% Δ
AB					
Net Income Attributable to AllianceBernstein	$194	$261	(26)%	$187	4 %
Weighted Average Equity Ownership Interest	39.3 %	36.2 %		38.4 %	
AB Holding					
Equity in Net Income Attributable to AB	76	94	(19)%	72	6 %
Income Taxes	9	8	6 %	8	10 %
Net Income	**$67**	**$86**	**(22)%**	**$64**	**6 %**
Diluted Net Income Per Unit, GAAP basis	**$0.59**	**$0.87**	**(32)%**	**$0.59**	**— %**
Distributions Per Unit	**$0.66**	**$0.90**	**(27)%**	**$0.70**	**(6)%**
Adjusted Diluted Net Income Per Unit	**$0.66**	**$0.90**	**(27)%**	**$0.70**	**(6)%**

Please refer to pages 39-42 for additional information on the reconciliation of GAAP financial results to adjusted financial results.
Dollars rounded in millions, however percentages calculated using amounts rounded in thousands. As such, amounts may not foot.

First Quarter 2023 GAAP to Non-GAAP Reconciliation

In US $ thousands		Adjustments						
	GAAP	Distribution Related Payments	Pass Through Adjustments	Deferred Comp. Inv.	NCI/ Consol VIE	Real Estate Credits (Charges)	Acquisition-Related Expenses	Non-GAAP
		(A)	(B)	(C)	(D)	(E)	(F)	
Investment advisory and services fees	$ 728,907	(15,456)	(9,763)	(3,586)	(208)			$ 699,894
Bernstein research services	100,038							100,038
Distribution revenues	141,078	(141,078)						—
Dividend and interest income	50,679			(52)	(4,410)			46,217
Investment gains (losses)	5,264			(1,805)	(5,624)			(2,165)
Other revenues	26,146		(9,343)		(167)			16,636
Total revenues	1,052,112	(156,534)	(19,106)	(5,443)	(10,409)	—	—	860,620
Less: interest expense	28,021							28,021
Net revenues	**1,024,091**	**(156,534)**	**(19,106)**	**(5,443)**	**(10,409)**	**—**	**—**	**832,599**
Employee compensation and benefits	434,163		(5,871)	(7,360)			(679)	420,253
Promotion and servicing	207,165	(156,534)	(9,201)					41,430
General and administrative	139,653		(4,034)		(473)	206	(2,963)	132,389
Contingent payment arrangements	2,444						(2,444)	—
Interest on borrowings	13,713							13,713
Amortization of intangible assets	11,693						(11,639)	54
Net income (loss) of consolidated entities attributable to non-controlling interests	—				(51)			(51)
Total expenses	**808,831**	**(156,534)**	**(19,106)**	**(7,360)**	**(524)**	**206**	**(17,725)**	**607,788**
Operating income	**215,260**	**—**	**—**	**1,917**	**(9,885)**	**(206)**	**17,725**	**224,811**
Income taxes	11,342	—	—	102	(520)	(10)	934	11,848
Net income	203,918	—	—	1,815	(9,365)	(196)	16,791	212,963
Net income (loss) of consolidated entities attributable to non-controlling interests	9,767			118	(9,885)			—
Net income attributable to AB Unitholders	**$ 194,151**	**$ —**	**$ —**	**$ 1,697**	**$ 520**	**$ (196)**	**$ 16,791**	**$ 212,963**

Please refer to page 42 for notes describing the adjustments.

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

Please refer to page 42 for notes describing the adjustments.

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 42 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.

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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