



ALLIANCEBERNSTEIN®

# Second Quarter 2023 Review

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July 28, 2023

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


**Bill Siemers**, Interim Chief Financial Officer; Controller & Chief Accounting 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, 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.

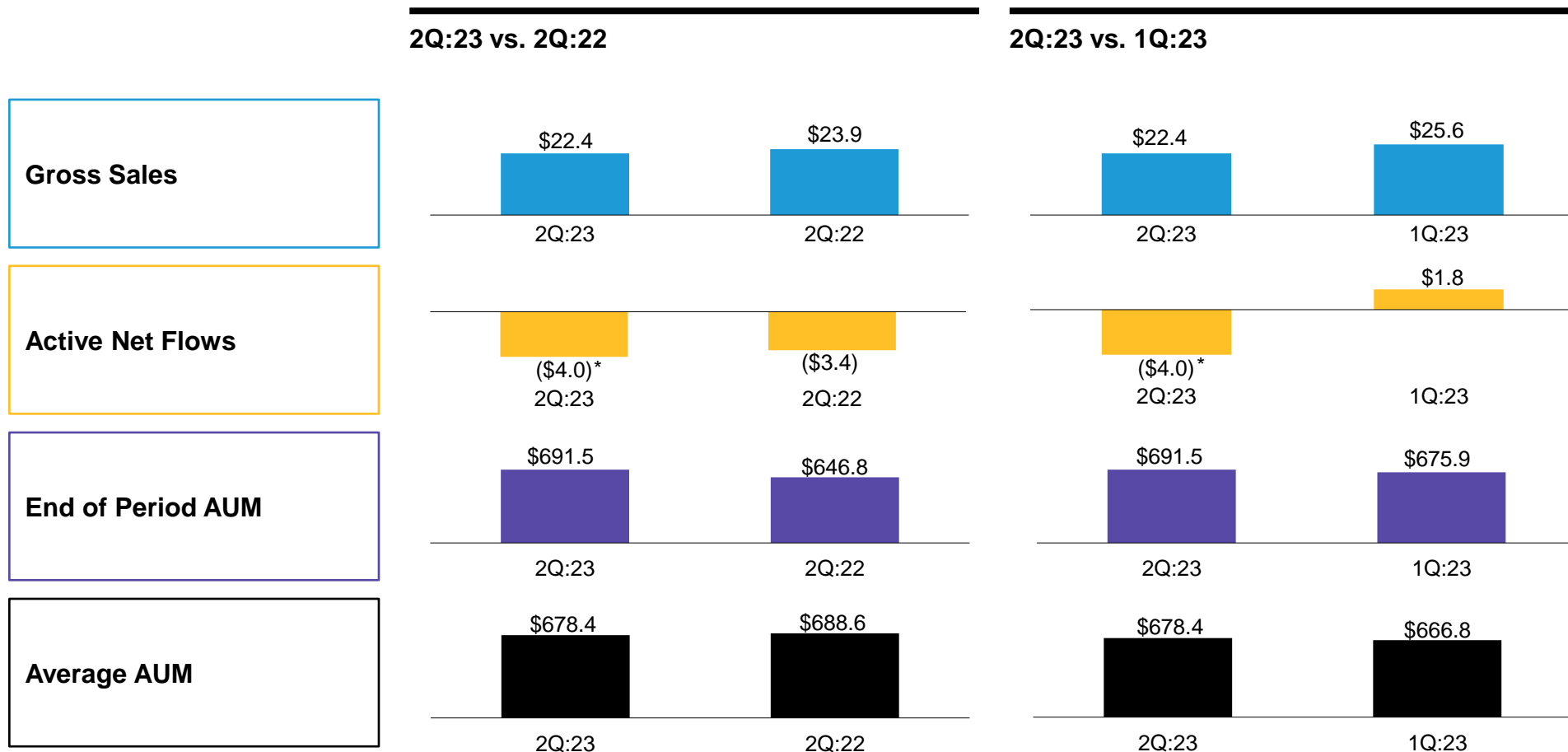
## The Forward-Looking Statements Referred to in the Preceding Paragraph Include Statements Regarding:

- **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: Second Quarter 2023



USD billions; scales differ by chart

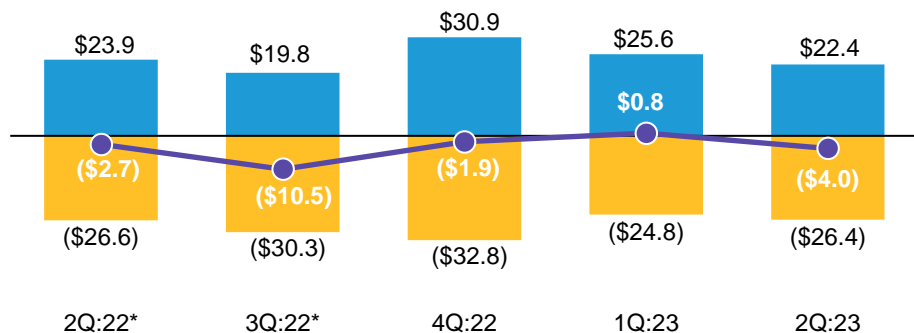
\*Includes \$6.2B of pre-disclosed outflows related to low-fee custom target-date & Fixed Income mandates

Figures shown may vary from reported figures due to rounding

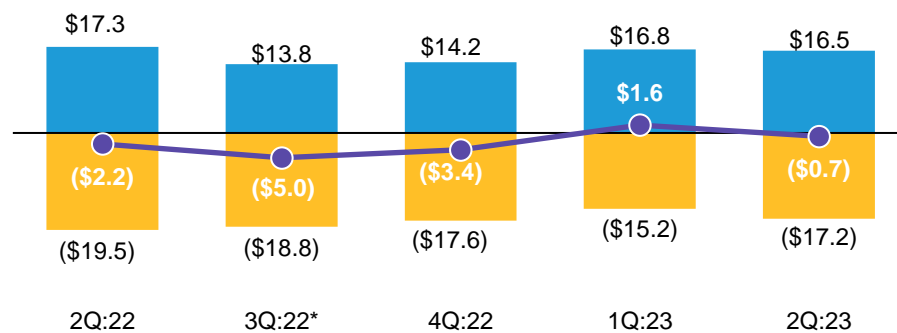


# Asset Flows by Distribution Channel: Quarterly Trend

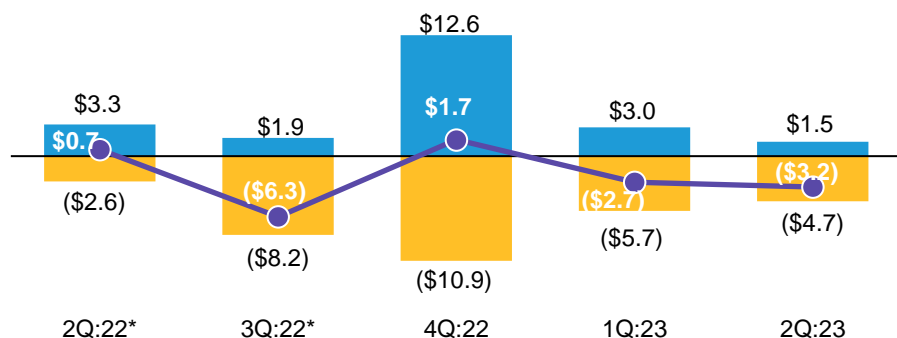
## Firmwide



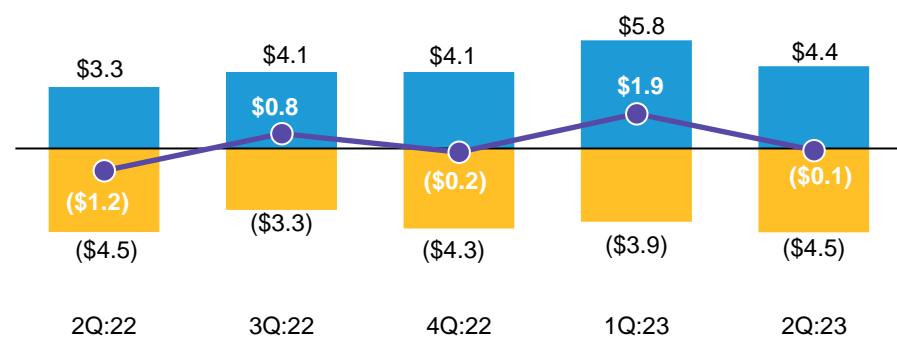
## Retail



## Institutional



## Private Wealth



■ Gross Sales

■ Gross Redemptions

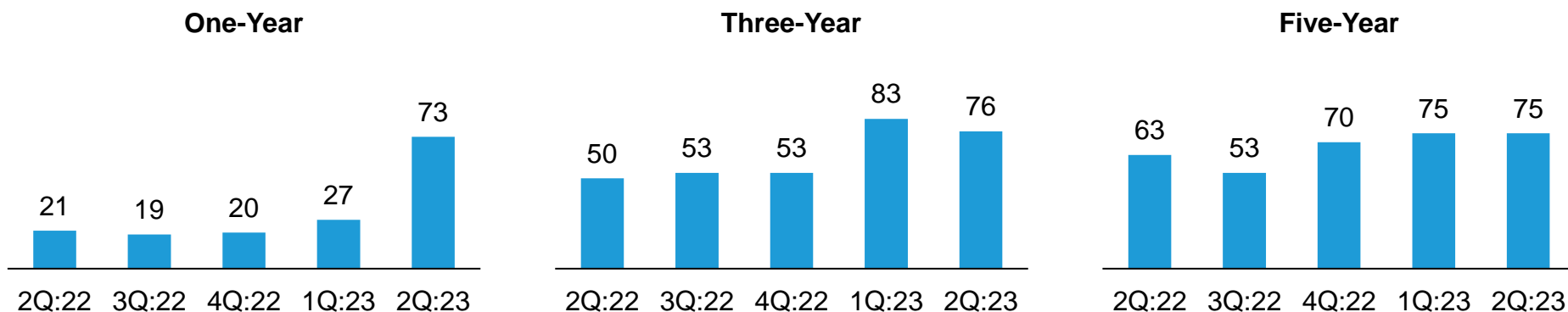
● Net Flows

USD billions; scales differ by chart

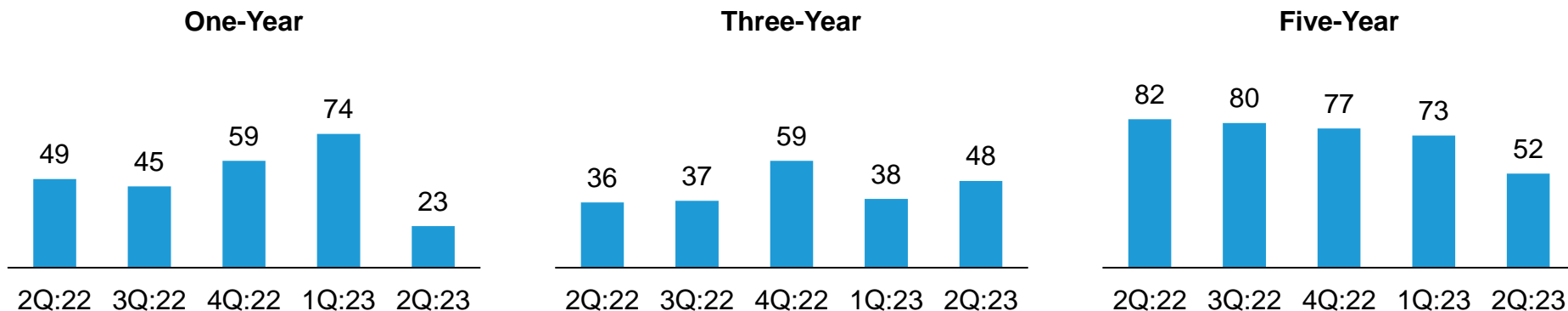
\*Includes AXA outflows of \$0.6B in 2Q:22, \$3.9B in 3Q:22 (\$2.2B Passive Retail & \$1.7B Active Institutional). Figures shown may vary from reported figures due to rounding.

# Percentage of Assets Outperforming at Quarter-End

## Fixed Income



## Equities



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

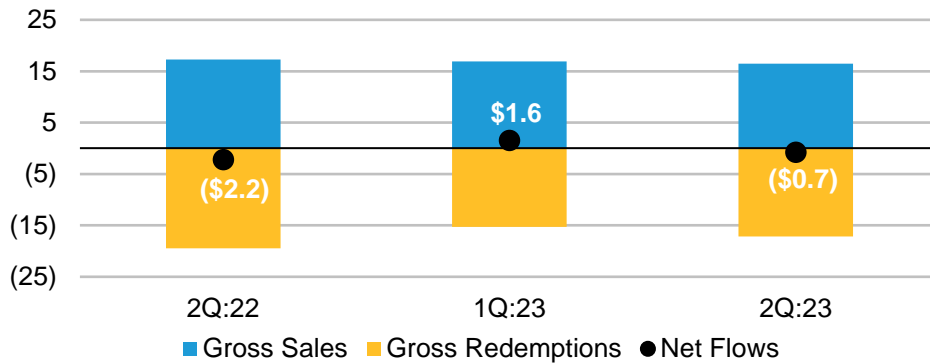
As of June 30, 2023



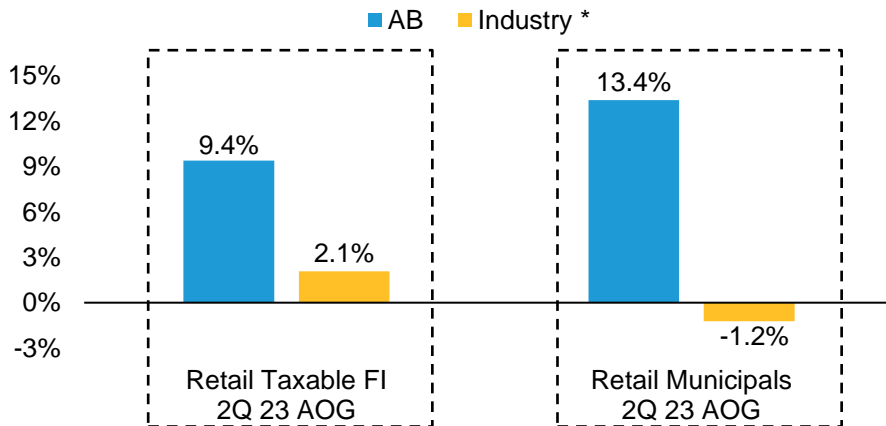
# Retail Highlights

## Channel Flows Supported by Fixed Income and US Retail

10% annualized Fixed Income organic growth in 2Q  
(USD Billions)



## AB vs. Industry 2Q 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

## Second Quarter 2023 Highlights

### Fixed Income and US Retail Demand Support Channel Sales & Flows

- 2Q23 gross sales of \$16.5B; -\$0.8B or -4% Y/Y, and -\$0.3B or -2% Q/Q
- Redemption rate of 27% vs. 25% in 1Q; in-line with 2Q 22
- Net channel outflows -\$0.7B
  - Strong US Retail demand +9% AOG, net inflows 11 of last 13 quarters

### AB Continues to Capitalize on Mix Shift to FI; Early Innings of Reallocation

- Taxable FI sales of \$5.7B, +113% Y/Y and -16% Q/Q; YTD sales +125% Y/Y
  - American Income sales up >5x Y/Y and -20% Q/Q
- Taxable FI net flows of +\$1.3B (+9% AOG), driven by American Income
- Muni SMAs continue to gain market share; +\$1.0B net flows +13% AOG, positive 11 of last 12 quarters
- Active Equity sales of \$8.0B, +16% Q/Q & -15% Y/Y; highest levels since 2Q22
  - Elevated Equity redemptions offset higher sales

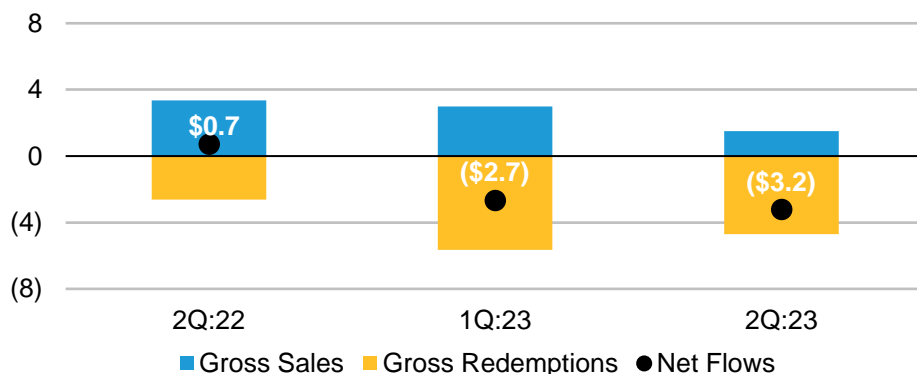
### Milestones

- Ranked in top quartile of US Retail flows for Taxable Bond and top 5% of Equities, Muni flows
- Ranked in top 2% of Cross-Border flows for Fixed Income
- Notable Net Inflow Peer Rankings†: US Funds: Large Cap Growth 2/337, Global Core 5/114, Disruptors ETF 5/94, AB Global Bond 2/33; Offshore Funds: American Income 1/48, European Equity 1/33

# Institutional Highlights

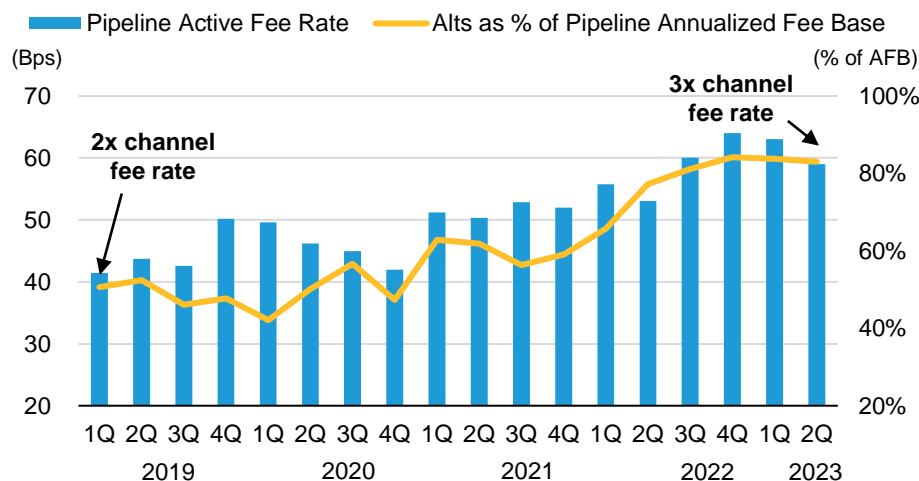
## May & June Net Flows Positive following April Redemptions

(USD Billions)



## Pipeline Active Fee Rate ~3x Channel Average

Driven by Mix Shift to Private Alts



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

## Second Quarter 2023 Highlights

### Sales and Flows

- 2Q23 gross sales of \$1.5B, nearly half from Active Equities
- Net outflows -\$3.2B, driven by \$6B in pre-announced low-fee April redemptions
  - Channel flows positive in May and June
- Strong demand for FI: Taxable FI net flows +\$3.6B or +11% AOG

### Growing Pipeline w/ Accretive Annualized Fee Base (AFB)

- \$14.4B qtr-end pipeline\*, up \$1.3B or +10% Q/Q, driven by Active Equities
- Pipeline includes \$4.1B at CarVal
- Pipeline active fee rate 3x institutional channel fee rate
  - Private Alts >80% of pipeline's Annualized Fee Base
- Notable 2Q pipeline additions:
 

• US Large Cap Growth	\$1.3B
• CarVal (Multiple strategies)	\$330M
• Australian Equities	\$165M
• Sustainable Global Thematic	\$150M

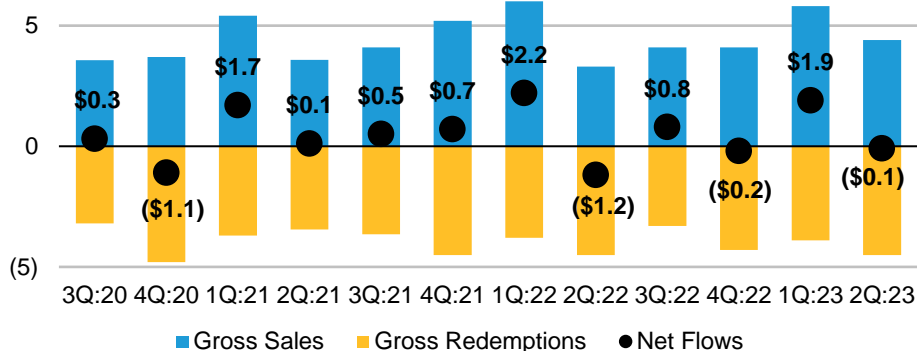




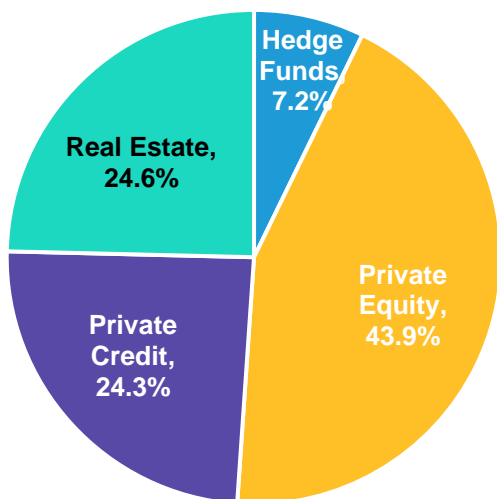
# Private Wealth Highlights

## Resilient 2Q Sales Despite Sequential Seasonal Slowdown

YTD net inflows of \$1.8 billion, double vs. prior-year period levels (USD billions)



## YTD Alternative Raises of \$1.3B, Diversified By Strategy



## Second Quarter 2023 Highlights

### Strong Y/Y Sales Growth and Advisor Productivity

- 2Q23 gross sales of \$4.4B, +35% Y/Y, -23% seasonally Q/Q
- Advisor productivity: +30% Y/Y, -24% seasonally Q/Q
- Strong sales in money markets +\$1.2B and Private Alts
- 2Q net flows of -\$0.1B
- YTD net inflows of \$1.8B or +3.4% AOG, double the rate of prior year period

### Driven by Continued Strong Client Engagement

- Pre-transaction planning pipeline remains solid; 2Q AUM growth from business sales well outpacing a 48% Y/Y decline in US M&A deal volumes
- Ultra HNW category sustains meaningful growth

### Innovation Supports Differentiated Client Needs

- YTD Alternative Commitments: +\$1.3B
- Strong 2H pipeline of Alternative launches
- Proprietary Direct Indexing Strategy \$3.0B in AUM, +35% annualized organically, +53% TTM organic

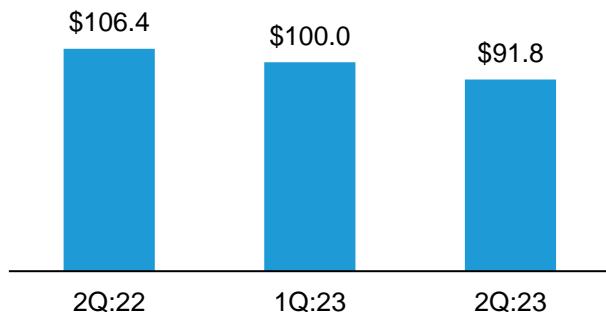
# Bernstein Research Highlights

## Bernstein Research Quarterly Revenues

(USD millions)

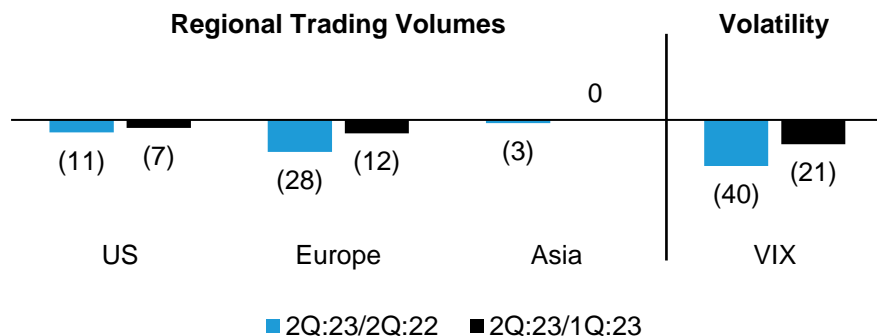
### Percent Change

Y/Y: -14%  
Q/Q: -8%



## Regional Volumes and Volatility\*

(% change)



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

Source: Bloomberg

## Second Quarter 2023 Highlights

### Institutional Trading Volumes Remain Constrained Amidst Investor Caution

- 2Q revenues of \$92M, -14% Y/Y, -8% Q/Q
  - Global institutional equities trading volumes remain soft
  - Research checks up Y/Y at Autonomous

### Differentiated Research Brand Continues to Drive Client Engagement

- Market leading position in research checks; flat Q/Q, -2% Y/Y
- 2Q initiations: EU MedTech, EU Business Services, EU General Retail, Japan Bio-Pharma
- 39<sup>th</sup> Annual Strategic Decisions Conference, >1,200 clients attended, >700 meetings, with client touches up >40% Y/Y
- Received license to operate in Japan

### Joint Venture with SocGen

- Expected closing 1H 2024; economics unchanged

# Progress on Our Initiatives in 2Q23

## Firmwide Initiative

**Deliver differentiated investment solutions to clients**

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

**Maintain strong incremental margins**


## Progress

- Fixed Income: 76% of assets in outperforming services for 3-yr period; 73% for 1-yr and 75% for 5-yr
- Active Equity: 48% of assets in outperforming services for 3-yr period; 23% for 1-yr and 52% for 5-yr
- 62% of US and 65% of Lux assets rated 4/5-stars by Morningstar at quarter-end

- Diversified offerings drive organic growth two of three months
  - Retail: 9% AOG in Fixed Income offsets lower Active Equity sales
  - Institutional: Pipeline of \$14.4B, +\$1.3B or 10% Q/Q driven by Active Equity
  - Private Wealth: Strong sales quarter, driven by MMF, -\$0.1B net inflows
- Executing our strategic growth initiatives in Private Markets
  - \$61B in Private Markets\* AUM; +13% Y/Y, +5% Q/Q
  - Second \$10B capital commitment by Equitable to grow Private Markets
  - Imminent close of CarVal's latest Clean Energy fund ~\$1.5B, ~3x first fund
- Targeted technology investments, enhancing the scalability of our Muni SMA platform
  - Municipals: 7% AOG, outpacing industry; 99% of AUM in 4/5-star rated funds

- Rolling 3-Year incremental margin of 21%
- Adjusted 2Q operating income of \$222 million, down 3% Y/Y
- Adjusted 2Q operating margin of 27.0%, down 100 bps Y/Y
- Adjusted EPU of \$0.61, down 14% 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.



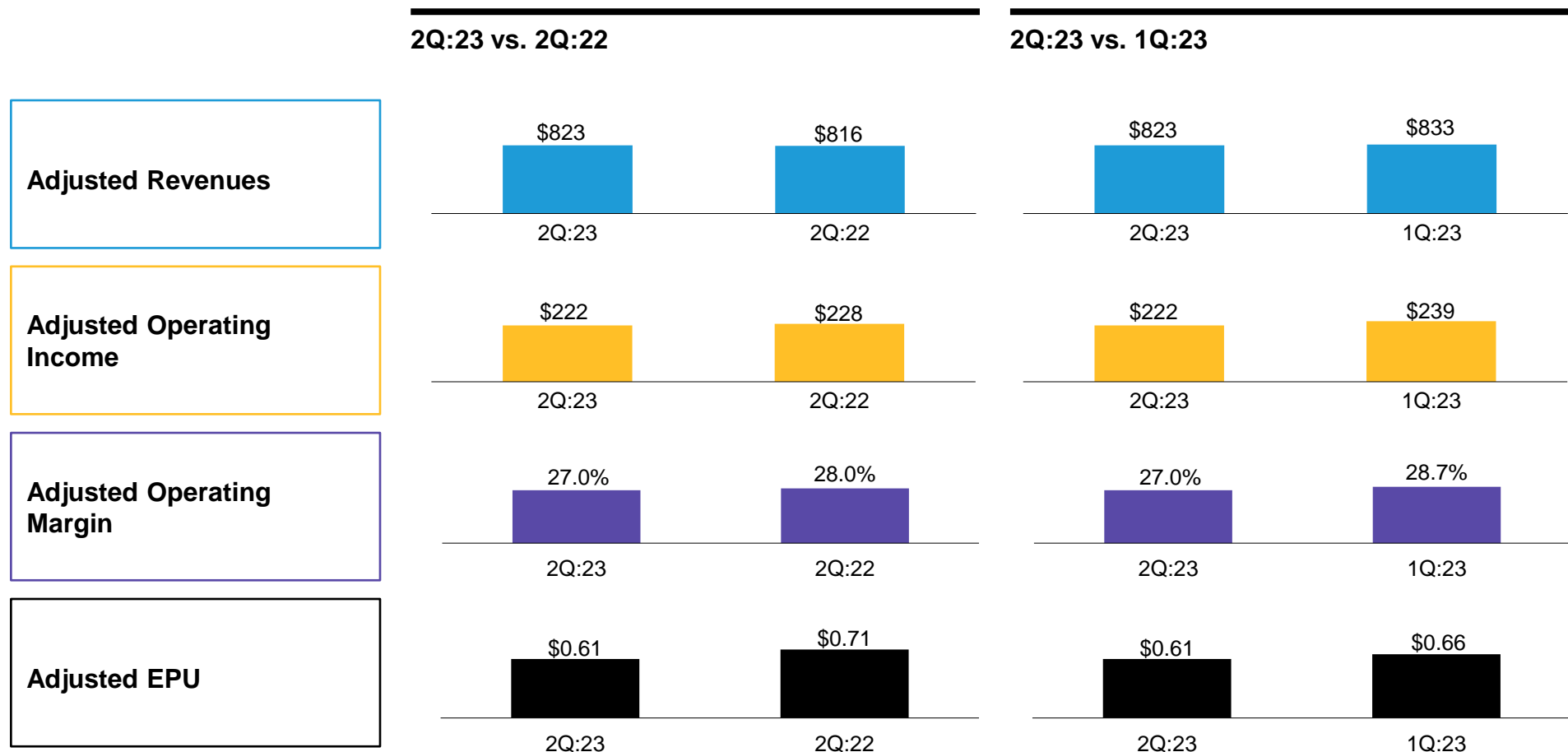
**Bill Siemers**  
Interim Chief Financial  
Officer; Controller &  
Chief Accounting  
Officer

## Second Quarter 2023 GAAP Income Statement

Income Statement (in US \$ Millions)	2Q23	2Q22	% Δ	1Q23	% Δ
Base Fees	\$703	\$697	1 %	\$692	2 %
Performance Fees	18	23	(20)%	37	(50)%
Bernstein Research Services	92	106	(14)%	100	(8)%
Distribution Revenues	145	153	(5)%	141	3 %
Dividends & Interest	50	22	123 %	51	(1)%
Investment Gains (Losses)	1	(48)	(101)%	5	(87)%
Other Revenues	25	27	(8)%	26	(6)%
<b>Total Revenues</b>	<b>1,034</b>	<b>980</b>	<b>6 %</b>	<b>1,052</b>	<b>(2)%</b>
Less: Broker-Dealer Related Interest Expense	26	9	188 %	28	(9)%
<b>Net Revenues</b>	<b>\$1,008</b>	<b>\$971</b>	<b>4 %</b>	<b>\$1,024</b>	<b>(2)%</b>
Compensation & Benefits					
Compensation & Fringes	\$420	\$389	8 %	\$426	(1)%
Other Employment Costs	8	9	(11)%	8	— %
<b>Total Compensation &amp; Benefits</b>	<b>428</b>	<b>398</b>	<b>8 %</b>	<b>434</b>	<b>(1)%</b>
Promotion & Servicing	213	228	(7)%	207	3 %
General & Administrative	150	148	1 %	140	7 %
Other	28	4	n/m	28	4 %
<b>Total Operating Expenses</b>	<b>\$819</b>	<b>\$778</b>	<b>5 %</b>	<b>\$809</b>	<b>1 %</b>
<b>Operating Income</b>	<b>\$189</b>	<b>\$193</b>	<b>(2)%</b>	<b>\$215</b>	<b>(12)%</b>
<b>Operating Margin</b>	<b>18.4%</b>	<b>22.6%</b>	<b>(420 bps)</b>	<b>20.1%</b>	<b>(170 bps)</b>
<b>AB Holding GAAP Diluted Net Income Per Unit</b>	<b>\$0.53</b>	<b>\$0.69</b>	<b>(23)%</b>	<b>\$0.59</b>	<b>(10)%</b>

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

# Adjusted Financial Highlights: Second Quarter 2023



USD millions, except EPU; scales may differ by chart

Please refer to pages 31-34 for additional information on the reconciliation of GAAP financial results to adjusted financial results.

## Second Quarter 2023 Adjusted Income Statement

Adjusted Income Statement (in US \$ Millions)	2Q23	2Q22	% Δ	1Q23	% Δ
Base Fees <sup>(1)</sup>	\$678	\$677	— %	\$667	2 %
Performance Fees	15	18	(17)%	33	(55)%
Bernstein Research Services	92	106	(14)%	100	(8)%
Investment Gains (Losses)	1	(6)	(123)%	(2)	(161)%
Dividend & Interest Revenue	46	12	n/m	46	(2)%
Other Revenues	17	18	(5)%	17	(1)%
<b>Total Revenues</b>	<b>849</b>	<b>825</b>	<b>3 %</b>	<b>861</b>	<b>(1)%</b>
Less: Broker-Dealer Related Interest Expense	26	9	188 %	28	(9)%
<b>Adjusted Net Revenues</b>	<b>\$823</b>	<b>\$816</b>	<b>1 %</b>	<b>\$833</b>	<b>(1)%</b>
Compensation & Benefits					
Compensation & Fringes	\$408	\$392	4 %	\$412	(1)%
Other Employment Costs	8	9	(12)%	8	2 %
<b>Total Compensation &amp; Benefits</b>	<b>416</b>	<b>401</b>	<b>4 %</b>	<b>420</b>	<b>(1)%</b>
Promotion & Servicing	46	51	(10)%	41	11 %
General & Administrative	139	135	3 %	132	5 %
Other	—	1	n/m	1	n/m
<b>Total Adjusted Operating Expenses</b>	<b>\$601</b>	<b>\$588</b>	<b>2 %</b>	<b>\$594</b>	<b>1 %</b>
<b>Adjusted Operating Income <sup>(2)</sup></b>	<b>\$222</b>	<b>\$228</b>	<b>(3)%</b>	<b>\$239</b>	<b>(7)%</b>
<b>Adjusted Operating Margin</b>	<b>27.0 %</b>	<b>28.0 %</b>	<b>(100 bps)</b>	<b>28.7 %</b>	<b>(170 bps)</b>
<b>AB Holding Adjusted Diluted Net Income Per Unit</b>	<b>\$0.61</b>	<b>\$0.71</b>	<b>(14)%</b>	<b>\$0.66</b>	<b>(8)%</b>
<b>Compensation Ratio</b>	<b>49.5 %</b>	<b>48.0 %</b>		<b>49.5 %</b>	

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

(2) During 2Q 2023, 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 \$14.7 million, \$2.7 million and \$13.7 million as of Q2 2023, Q2 2022 and Q1 2023, respectively. Dollars rounded in millions, however percentages calculated using amounts rounded in thousands. As such, amounts may not foot.

# Second Quarter 2023 Adjusted Income Statement Highlights

## Revenues

- Base Fees were flat versus 2Q22. Base Fees increased 2% versus 1Q23 driven by a 2% increase in average AUM, higher across all three distribution channels.
- Performance Fees decreased 17% versus 2Q22 driven by lower Real Estate Equity and Strategic Equity fees partially offset by higher fees on Private Credit services. Performance Fees decreased 55% versus 1Q23 mainly due to lower Private Credit services and International Small Cap.
- Bernstein Research revenues decreased by 14% versus 2Q22 and 8% versus 1Q23 due to a significant decline in customer trading activity across all regions as a result of market conditions.

## Expenses

- The Adjusted Compensation Ratio was 49.5% in 2Q23 versus 48.0% in 2Q22 and 49.5% in 1Q23.
- Total Compensation & Benefits increased 4% versus 2Q22 due to higher base and incentive compensation partially offset by lower commissions. Total Compensation & Benefits decreased 1% versus 1Q23 due to lower base compensation and commissions partially offset by higher incentive compensation.
- Promotion & Servicing decreased 10% versus 2Q22 due to lower trade execution, marketing and advertising and transfer fees. Promotion & Servicing increased 11% versus 1Q23 driven by higher T&E and firm meetings.
- G&A expenses increased by 3% versus 2Q22 due to higher office and related expenses and professional fees which were partially offset by a favorable foreign exchange impact. G&A expenses increased 5% versus 1Q23 due to an unfavorable foreign exchange impact, higher portfolio services related expenses, office and related expenses, technology related expenses and professional fees.

## Operating Results

- Adjusted Operating Income decreased 3% versus 2Q22 due primarily to higher Total Compensation & Benefits. Adjusted Operating Income decreased by 7% versus 1Q23 driven by lower Performance Fees and Bernstein Research revenues and higher Promotion and Servicing and G&A expenses.
- Adjusted Margin was 27.0% in 2Q23, versus 28.0% in 2Q22 and 28.7% in 1Q23.

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





# Appendix

# Retail Mutual Funds Relative Performance vs. Morningstar Averages

Retail Service	1 Year		3 Year		5 Year		10 Year	
	Relative (%)	Percentile	Relative (%)	Percentile	Relative (%)	Percentile	Relative (%)	Percentile
<b>Equity</b>								
Large Cap Growth	(1.1)	59	1.3	45	2.4	19	3.0	7
Concentrated Growth	(9.4)	91	1.2	45	1.0	39	(0.3)	60
Concentrated International Growth	(2.8)	78	(5.0)	91	(3.0)	92	N/A	--
Sustainable US Thematic	(3.3)	74	3.1	25	1.9	24	N/A	--
Select US Equity	(1.2)	68	1.6	20	1.0	38	0.7	39
International Tech	8.9	30	1.3	47	4.2	19	3.3	18
Low Vol	(1.3)	64	1.4	38	1.6	31	2.5	11
Eurozone Equity	(4.1)	78	(0.6)	62	(1.7)	81	1.3	23
Relative Value	2.1	30	1.3	30	0.8	35	0.9	24
<b>Multi-Asset/Alternative</b>								
Emerging Markets Multi-Asset	(0.4)	49	(2.7)	75	(0.6)	59	(0.5)	63
All Market Real Return	(14.1)	99	2.3	17	(3.2)	95	(6.3)	100
Select US Long/Short	(0.1)	48	1.2	37	2.5	13	2.5	9

■ 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 June 30, 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
<b>Fixed Income</b>								
American Income	(0.0)	47	(0.7)	65	0.1	46	0.7	20
European Income	1.5	29	(0.8)	67	0.3	35	1.2	14
Asia Income	0.3	44	(0.7)	64	0.2	49	N/A	--
Global High Yield	1.1	36	0.6	35	(0.4)	68	0.1	53
Short Duration High Yield	0.8	39	1.2	22	1.4	16	0.4	38
Emerging Markets Debt	(0.4)	56	(0.3)	54	0.4	47	0.8	34
High Income Advisor	0.7	35	0.4	35	(0.7)	80	0.0	50
Global Bond Advisor	(0.8)	71	0.1	49	(0.1)	54	0.2	44
Income Advisor	(0.0)	52	(0.1)	43	(0.4)	73	0.6	15
Intermediate Diversified Muni	0.9	8	0.2	39	0.7	5	N/A	--
High Income Muni	(0.4)	62	0.3	42	0.3	29	1.2	19

■ Top Quartile

■ 2nd Quartile

## Past performance does not guarantee future results.

Relative Performance is calculated against the Fund's Morningstar Category and Percentile Ranking is determined by Morningstar Ranking Methodology. Advisor and I share class; A share class used when Advisor and I class not available. Morningstar Categories: American Income – USD Flexible Bond; European Income - EUR Flexible Bond; Asia Income - Asia Bond; Global High Yield - Global High Yield Bond; Short Duration High Yield - Global High Yield Bond; Emerging Markets Debt - Global Emerging Markets Bond; High Income - High Yield Bond; Global Bond - World Bond; Income Advisor - Intermediate Core-Plus Bond; Intermediate Diversified Muni - Muni National Short; High Income Municipal - High Yield Muni. As of June 30, 2023

Source: AB and Morningstar



# Institutional Composite Relative Performance vs. Benchmarks

Service	1 Year	3 Year	5 Year	10 Year
<b>Equity</b>				
US Small Cap Growth	(1.4)	(2.5)	3.4	3.2
Concentrated Global Growth	(4.0)	(5.1)	(0.4)	1.6
Global Core	(0.3)	(1.4)	(0.1)	0.3
International Strategic Core	(5.9)	(2.4)	(0.9)	1.5
Sustainable Global Thematic	0.7	(0.7)	3.3	3.4
US Small Cap Value	(0.8)	1.4	0.4	1.8
Global Strategic Value	(0.7)	1.3	(4.3)	(1.9)
International Strategic Value	1.2	2.9	(2.0)	(0.4)
<b>Fixed Income</b>				
Global Income	1.2	1.5	0.3	1.4
Global Plus	0.2	0.6	0.1	0.4
Emerging Market Debt	(0.5)	0.0	(0.1)	(0.0)
US High Yield	0.1	1.0	0.8	0.5
US Strategic Core Plus	0.8	0.8	0.3	0.7
US Investment Grade Corporate	0.7	0.6	0.8	0.7
Intermediate Muni	0.9	0.9	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 June 30, 2023.

# Assets Under Management: 2Q23

(US \$ Billions)

At June 30, 2023

At March 31, 2023

	Institutions	Private Wealth	Retail	Total	Total
<b>Equity</b>					
Actively Managed	\$57	\$49	\$130	\$236	\$229
Passive <sup>(1)</sup>	24	3	33	60	57
<b>Total Equity</b>	<b>81</b>	<b>52</b>	<b>163</b>	<b>296</b>	<b>286</b>
<b>Fixed Income</b>					
Taxable	126	17	59	202	198
Tax-Exempt	1	26	29	56	55
Passive <sup>(1)</sup>	—	—	10	10	10
<b>Total Fixed Income</b>	<b>127</b>	<b>43</b>	<b>98</b>	<b>268</b>	<b>263</b>
Alternatives/MAS <sup>(2)</sup>	101	21	6	128	127
<b>Total</b>	<b>\$309</b>	<b>\$116</b>	<b>\$267</b>	<b>\$692</b>	<b>\$ 676</b>

At March 31, 2023

<b>Total</b>	<b>\$307</b>	<b>\$113</b>	<b>\$256</b>	<b>\$676</b>
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(1) Includes index and enhanced index services.

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



# Three Months Ended 6/30/23: 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	\$141.6	\$1.2	\$(0.4)	\$3.2	\$4.0	\$0.1	\$1.7	\$5.8	\$147.4
Global and Non-US	165.0	0.3	(3.6)	(3.9)	(7.2)	—	4.0	(3.2)	161.8
<b>Total Institutions</b>	<b>306.6</b>	<b>1.5</b>	<b>(4.0)</b>	<b>(0.7)</b>	<b>(3.2)</b>	<b>0.1</b>	<b>5.7</b>	<b>2.6</b>	<b>309.2</b>
Retail									
US	172.2	11.0	(10.0)	(2.0)	(1.0)	(0.1)	9.6	8.5	180.7
Global and Non-US	84.5	5.5	(4.6)	(0.6)	0.3	—	1.1	1.4	85.9
<b>Total Retail</b>	<b>256.7</b>	<b>16.5</b>	<b>(14.6)</b>	<b>(2.6)</b>	<b>(0.7)</b>	<b>(0.1)</b>	<b>10.7</b>	<b>9.9</b>	<b>266.6</b>
Private Wealth									
US	74.0	3.0	(3.4)	0.7	0.3	—	2.2	2.5	76.5
Global and Non-US	38.6	1.4	(1.1)	(0.7)	(0.4)	—	1.0	0.6	39.2
<b>Total Private Wealth</b>	<b>112.6</b>	<b>4.4</b>	<b>(4.5)</b>	<b>—</b>	<b>(0.1)</b>	<b>—</b>	<b>3.2</b>	<b>3.1</b>	<b>115.7</b>
Firmwide									
US	387.8	15.2	(13.8)	1.9	3.3	—	13.5	16.8	404.6
Global and Non-US	288.1	7.2	(9.3)	(5.2)	(7.3)	—	6.1	(1.2)	286.9
<b>Total Firmwide</b>	<b>\$675.9</b>	<b>\$22.4</b>	<b>\$(23.1)</b>	<b>\$(3.3)</b>	<b>\$(4.0)</b>	<b>—</b>	<b>\$19.6</b>	<b>\$15.6</b>	<b>\$691.5</b>

# Three Months Ended 6/30/23: 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	\$142.8	\$7.5	\$(8.6)	\$(1.9)	\$(3.0)	\$10.7	\$7.7	\$150.5
Global and Non-US	86.3	1.8	(4.3)	(1.3)	(3.8)	2.9	(0.9)	85.4
<b>Total Equity Active</b>	<b>229.1</b>	<b>9.3</b>	<b>(12.9)</b>	<b>(3.2)</b>	<b>(6.8)</b>	<b>13.6</b>	<b>6.8</b>	<b>235.9</b>
Equity Passive <sup>(1)</sup>								
US	49.8	0.4	—	(0.4)	—	4.0	4.0	53.8
Global and Non-US	6.8	—	—	(0.3)	(0.3)	0.2	(0.1)	6.7
<b>Total Equity Passive<sup>(1)</sup></b>	<b>56.6</b>	<b>0.4</b>	<b>—</b>	<b>(0.7)</b>	<b>(0.3)</b>	<b>4.2</b>	<b>3.9</b>	<b>60.5</b>
<b>Total Equity</b>	<b>285.7</b>	<b>9.7</b>	<b>(12.9)</b>	<b>(3.9)</b>	<b>(7.1)</b>	<b>17.8</b>	<b>10.7</b>	<b>296.4</b>
Fixed Income – Taxable								
US	110.2	3.4	(2.4)	4.4	5.4	(1.1)	4.3	114.5
Global and Non-US	88.2	4.2	(3.1)	(1.6)	(0.5)	0.1	(0.4)	87.8
<b>Total Fixed Income – Taxable</b>	<b>198.4</b>	<b>7.6</b>	<b>(5.5)</b>	<b>2.8</b>	<b>4.9</b>	<b>(1.0)</b>	<b>3.9</b>	<b>202.3</b>
Fixed Income - Tax-Exempt								
US	55.3	3.4	(2.5)	—	0.9	(0.1)	0.8	56.1
Global and Non-US	—	—	—	—	—	—	—	—
<b>Total Fixed Income - Tax-Exempt</b>	<b>55.3</b>	<b>3.4</b>	<b>(2.5)</b>	<b>—</b>	<b>0.9</b>	<b>(0.1)</b>	<b>0.8</b>	<b>56.1</b>
Fixed Income Passive <sup>(1)</sup>								
US	7.2	—	—	(0.1)	(0.1)	(0.1)	(0.2)	7.0
Global and Non-US	2.3	—	(0.1)	0.3	0.2	(0.1)	0.1	2.4
<b>Total Fixed Income Passive<sup>(1)</sup></b>	<b>9.5</b>	<b>—</b>	<b>(0.1)</b>	<b>0.2</b>	<b>0.1</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>9.4</b>
<b>Total Fixed Income</b>	<b>263.2</b>	<b>11.0</b>	<b>(8.1)</b>	<b>3.0</b>	<b>5.9</b>	<b>(1.3)</b>	<b>4.6</b>	<b>267.8</b>
Alternatives/MAS <sup>(2)</sup>								
US	22.5	0.5	(0.3)	(0.1)	0.1	0.1	0.2	22.7
Global and Non-US	104.5	1.2	(1.8)	(2.3)	(2.9)	3.0	0.1	104.6
<b>Total Alternatives/MAS<sup>(2)</sup></b>	<b>127.0</b>	<b>1.7</b>	<b>(2.1)</b>	<b>(2.4)</b>	<b>(2.8)</b>	<b>3.1</b>	<b>0.3</b>	<b>127.3</b>
Firmwide								
US	387.8	15.2	(13.8)	1.9	3.3	13.5	16.8	404.6
Global and Non-US	288.1	7.2	(9.3)	(5.2)	(7.3)	6.1	(1.2)	286.9
<b>Total Firmwide</b>	<b>\$675.9</b>	<b>\$22.4</b>	<b>\$(23.1)</b>	<b>\$(3.3)</b>	<b>\$(4.0)</b>	<b>\$19.6</b>	<b>\$15.6</b>	<b>\$691.5</b>

(1) Includes index and enhanced index services.

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

## Three Months Ended 6/30/23: Active vs. Passive Net Flows

	Actively Managed	Passively Managed <sup>(1)</sup>	Total
Equity	\$(6.8)	\$(0.3)	\$(7.1)
Fixed Income	5.8	0.1	5.9
Alternatives/MAS <sup>(2)</sup>	(3.0)	0.2	(2.8)
<b>Total</b>	<b>\$(4.0)</b>	<b>\$0.0</b>	<b>\$(4.0)</b>

(1) Includes index and enhanced index services.

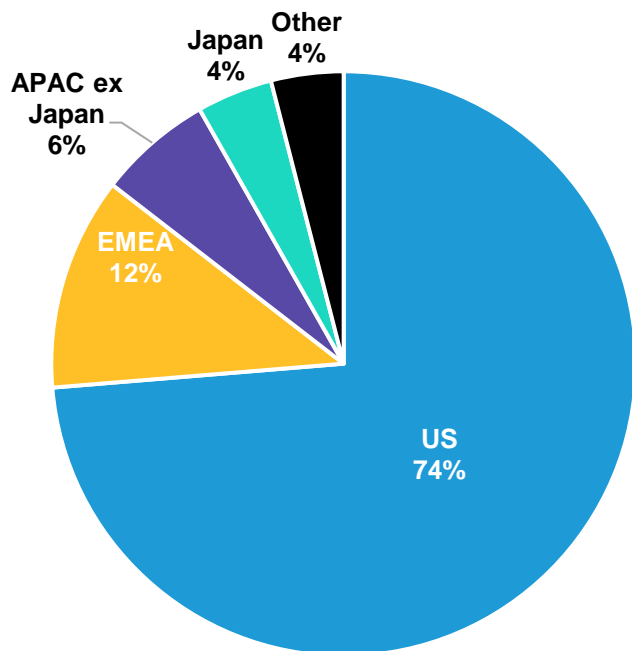
(2) Includes certain multi-asset solutions and services not included in equity or fixed income services.





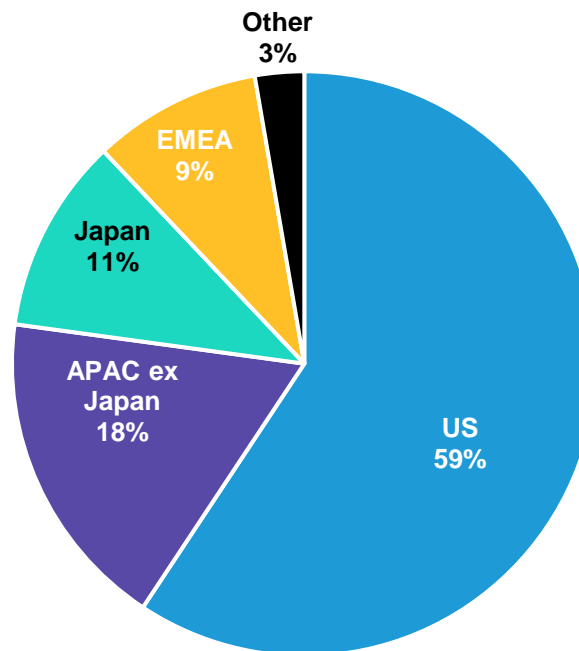
# Assets Under Management By Region

## Institutional Geographic Breakdown



**\$309.1B**

## Retail Geographic Breakdown



**\$266.6B**

As of June 30, 2023  
By Client Domicile  
Percentages may not add up to 100% due to rounding



## Second Quarter 2023 Adjusted Advisory Fees

	2Q23	2Q22	% Δ	1Q23	% Δ
<b>Ending AUM (\$ Billions)</b>	<b>\$692</b>	<b>\$647</b>	<b>7 %</b>	<b>\$676</b>	<b>2 %</b>
<b>Average AUM (\$ Billions)</b>	<b>\$678</b>	<b>\$689</b>	<b>(2)%</b>	<b>\$667</b>	<b>2 %</b>
<b>By Fee Type (\$ Millions):</b>					
Adjusted Base Fees <sup>(1)</sup>	\$678	\$677	— %	\$667	2 %
Adjusted Performance Fees	15	18	(17)%	33	(55)%
<b>Total</b>	<b>\$693</b>	<b>\$695</b>	<b>— %</b>	<b>\$700</b>	<b>(1)%</b>
<b>Adjusted Base Fees By Channel (\$ Millions):</b>					
Institutions	\$145	\$129	12 %	\$148	(2)%
Retail	300	316	(5)%	292	3 %
Private Wealth	233	232	— %	227	3 %
<b>Total</b>	<b>\$678</b>	<b>\$677</b>	<b>— %</b>	<b>\$667</b>	<b>2 %</b>

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

## Second Quarter 2023 GAAP Income Statement

In US \$ Millions (except EPU)	2Q23	2Q22	% Δ	1Q23	% Δ
Net Revenues	\$1,008	\$971	4 %	\$1,024	(2)%
Operating Expenses	819	778	5 %	809	1 %
Operating Income	189	193	(2)%	215	(12)%
Net Income Attributable to AB Unitholders	176	209	(16)%	194	(9)%
<b>AB Holding GAAP Diluted Net Income per Unit</b>	<b>\$0.53</b>	<b>\$0.69</b>	<b>(23)%</b>	<b>\$0.59</b>	<b>(10)%</b>
<b>AB Holding Distribution Per Unit</b>	<b>\$0.61</b>	<b>\$0.71</b>	<b>(14)%</b>	<b>\$0.66</b>	<b>(8)%</b>

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



# Consolidated Balance Sheet

In US \$ Millions		
Assets	6/30/2023	12/31/2022
Cash and cash equivalents	\$1,089	\$1,130
Cash and securities, segregated	879	1,522
Receivables, net	2,154	2,435
Investments:		
Long-term incentive compensation-related	38	48
Other	175	170
Assets of consolidated variable interest entities	347	581
Goodwill	3,599	3,599
Intangible assets, net	287	310
Deferred sales commissions, net	65	52
Right-of-use Assets	361	372
Other (incl. furniture & equipment, net)	356	369
Assets held for sale	566	551
<b>Total Assets</b>	<b>\$9,916</b>	<b>\$11,139</b>
<b>Liabilities, Redeemable Non-Controlling Interest and Capital</b>		
Liabilities:		
Payables	\$2,892	\$3,875
Contingent consideration liability	250	247
Accounts payable and accrued expenses	156	173
Lease Liabilities	413	427
Liabilities of consolidated variable interest entities	10	56
Accrued compensation and benefits	594	416
Debt	870	990
Liabilities held for sale	129	108
<b>Total Liabilities</b>	<b>5,314</b>	<b>6,292</b>
Redeemable non-controlling interest	185	369
Partners' capital attributable to AllianceBernstein Unitholders	4,407	4,465
Non-controlling interests in consolidated entities	10	13
<b>Total Capital</b>	<b>4,417</b>	<b>4,478</b>
<b>Total Liabilities and Capital</b>	<b>\$9,916</b>	<b>\$11,139</b>

# Consolidated Statement of Cash Flows

In US \$ Millions	Six Months Ended	
	6/30/2023	6/30/2022
Net Income	\$383	\$418
Non-cash items: Amortization of deferred sales commissions	17	18
Non-cash long-term incentive compensation expense	15	27
Depreciation and other amortization	46	22
Unrealized (gains) losses on investments	(2)	43
Unrealized (gains) losses on investments of consolidated company-sponsored investment funds	(27)	80
Noncash lease expense	52	52
Other, net	5	14
Changes in assets and liabilities	233	28
<b>Net cash provided by operating activities</b>	<b>722</b>	<b>702</b>
Purchases of furniture, equipment, and leasehold improvements, net	(15)	(19)
Purchases of businesses, net of cash acquired	—	(1)
<b>Net cash used in investing activities</b>	<b>(15)</b>	<b>(20)</b>
(Repayments of) proceeds from debt, net	(120)	45
(Decrease) in overdrafts payable	—	(14)
Distributions to General Partner and Unitholders	(435)	(648)
(Redemptions) of non-controlling interests of consolidated company-sponsored investment funds, net	(196)	(60)
Purchases of AB Holding Units to fund long-term incentive compensation plan awards, net	(19)	(106)
Other, net	(4)	(2)
<b>Net cash used in financing activities</b>	<b>(774)</b>	<b>(785)</b>
Effect of exchange rate changes on cash and cash equivalents	16	(52)
Net (decrease) in cash and cash equivalents	(51)	(155)
Cash and cash equivalents at the beginning of period	1,309	1,376
<b>Cash and cash equivalents at the end of period</b>	<b>\$1,258</b>	<b>\$1,221</b>

# Second Quarter 2023 AB Holding Financial Results

In US \$ Millions (excluding per Unit amounts)	2Q23	2Q22	% Δ	1Q23	% Δ
<b>AB</b>					
Net Income Attributable to AllianceBernstein	\$176	\$209	(16)%	\$194	(9)%
Weighted Average Equity Ownership Interest	39.3 %	36.1 %		39.3 %	
<b>AB Holding</b>					
Equity in Net Income Attributable to AB	69	75	(8)%	76	(10)%
Income Taxes	8	7	19 %	9	(4)%
<b>Net Income</b>	<b>\$61</b>	<b>\$68</b>	<b>(11)%</b>	<b>\$67</b>	<b>(10)%</b>
<b>Diluted Net Income Per Unit, GAAP basis</b>	<b>\$0.53</b>	<b>\$0.69</b>	<b>(23)%</b>	<b>\$0.59</b>	<b>(10)%</b>
<b>Distributions Per Unit</b>	<b>\$0.61</b>	<b>\$0.71</b>	<b>(14)%</b>	<b>\$0.66</b>	<b>(8)%</b>
<b>Adjusted Diluted Net Income Per Unit</b>	<b>\$0.61</b>	<b>\$0.71</b>	<b>(14)%</b>	<b>\$0.66</b>	<b>(8)%</b>

Please refer to pages 31-34 for additional information on the reconciliation of GAAP financial results to adjusted financial results. Dollars rounded in millions, however percentages calculated using amounts rounded in thousands. As such, amounts may not foot.

# Second Quarter 2023 GAAP to Non-GAAP Reconciliation

In US \$ Thousands	Adjustments								
	GAAP	Distribution Related Payments	Pass Through Adj.	Deferred Comp. Inv.	NCI/ Consol VIE	Real Est. Credits (Charges)	Acq Related Expenses	Interest Expense	Non-GAAP
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	
Investment advisory and services fees	\$ 721,678	(14,005)	(11,046)	(3,475)	(267)				\$ 692,885
Bernstein research services	91,847								91,847
Distribution revenues	144,798	(144,798)							—
Dividend and interest income	50,193			(45)	(4,633)				45,515
Investment gains (losses)	670			(1,385)	2,025				1,310
Other revenues	24,719		(8,096)		(100)				16,523
<b>Total revenues</b>	<b>1,033,905</b>	<b>(158,803)</b>	<b>(19,142)</b>	<b>(4,905)</b>	<b>(2,975)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>848,080</b>
Less: broker-dealer related interest expense	25,449								25,449
<b>Net revenues</b>	<b>1,008,456</b>	<b>(158,803)</b>	<b>(19,142)</b>	<b>(4,905)</b>	<b>(2,975)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>822,631</b>
Employee compensation and benefits	428,079		(6,011)	(5,553)			(987)		415,528
Promotion and servicing	212,943	(158,803)	(7,960)						46,180
General and administrative	149,935		(5,171)		(447)	206	(5,456)		139,067
Contingent payment arrangements	2,443						(2,443)		—
Interest on borrowings	14,672							(14,672)	—
Amortization of intangible assets	11,723						(11,639)		84
Net (loss) income of consolidated entities attributable to non-controlling interests	—				(175)				(175)
<b>Total expenses</b>	<b>819,795</b>	<b>(158,803)</b>	<b>(19,142)</b>	<b>(5,553)</b>	<b>(622)</b>	<b>206</b>	<b>(20,525)</b>	<b>(14,672)</b>	<b>600,684</b>
<b>Operating income</b>	<b>188,661</b>	<b>—</b>	<b>—</b>	<b>648</b>	<b>(2,353)</b>	<b>(206)</b>	<b>20,525</b>	<b>14,672</b>	<b>221,947</b>
Interest on borrowings	—							14,672	14,672
Income taxes	9,901	—	—	35	(123)	(10)	1,079	—	10,882
<b>Net income</b>	<b>178,760</b>	<b>—</b>	<b>—</b>	<b>613</b>	<b>(2,230)</b>	<b>(196)</b>	<b>19,446</b>	<b>—</b>	<b>196,393</b>
Net income (loss) of consolidated entities attributable to non-controlling interests	3,023			(670)	(2,353)				—
<b>Net income attributable to AB Unitholders</b>	<b>\$ 175,737</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 1,283</b>	<b>\$ 123</b>	<b>\$ (196)</b>	<b>\$ 19,446</b>	<b>\$ —</b>	<b>\$ 196,393</b>

Please refer to page 34 for notes describing the adjustments.

# Second Quarter 2022 GAAP to Non-GAAP Reconciliation

In US \$ Thousands	Adjustments								
	GAAP	Distribution Related Payments (A)	Pass Through Adjustments (B)	Deferred Comp. Inv. (C)	NCI/ Consol VIE (D)	RE Credits (Charges) (E)	Acq Related Expenses (F)	Interest Expense (G)	Non-GAAP
	Investment advisory and services fees	\$ 719,476	(14,357)	(10,043)		(341)			
Bernstein research services	106,442								106,442
Distribution revenues	153,130	(153,130)							—
Dividend and interest income	22,512			(39)	(10,038)				12,435
Investment gains (losses)	(48,220)			5,334	37,130				(5,756)
Other revenues	26,950		(9,436)		(178)				17,336
Total revenues	980,290	(167,487)	(19,479)	5,295	26,573	—	—	—	825,192
Less: broker-dealer related interest expense	8,846								8,846
<b>Net revenues</b>	<b>971,444</b>	<b>(167,487)</b>	<b>(19,479)</b>	<b>5,295</b>	<b>26,573</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>816,346</b>
Employee compensation and benefits	398,273			3,668			(679)		401,262
Promotion and servicing	227,889	(167,487)	(9,292)						51,110
General and administrative	147,855		(10,187)		(198)	206	(2,232)		135,444
Contingent payment arrangements	838						(838)		—
Interest on borrowings	2,681							(2,681)	—
Amortization of intangible assets	1,260						(1,180)		80
<b>Total expenses</b>	<b>778,796</b>	<b>(167,487)</b>	<b>(19,479)</b>	<b>3,668</b>	<b>(198)</b>	<b>206</b>	<b>(4,929)</b>	<b>(2,681)</b>	<b>587,896</b>
<b>Operating income</b>	<b>192,648</b>	<b>—</b>	<b>—</b>	<b>1,627</b>	<b>26,771</b>	<b>(206)</b>	<b>4,929</b>	<b>2,681</b>	<b>228,450</b>
Interest on borrowings	—							2,681	2,681
Income taxes	10,650	—	—	91	1,480	(10)	274	—	12,485
<b>Net income</b>	<b>181,998</b>	<b>—</b>	<b>—</b>	<b>1,536</b>	<b>25,291</b>	<b>(196)</b>	<b>4,655</b>	<b>—</b>	<b>213,284</b>
Net income (loss) of consolidated entities attributable to non-controlling interests	(26,771)				26,771			—	—
<b>Net income attributable to AB Unitholders</b>	<b>\$ 208,769</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 1,536</b>	<b>\$ (1,480)</b>	<b>\$ (196)</b>	<b>\$ 4,655</b>	<b>\$ —</b>	<b>\$ 213,284</b>

Please refer to page 34 for notes describing the adjustments.



# First Quarter 2023 GAAP to Non-GAAP Reconciliation

	Adjustments								
	GAAP	Distribution	Pass	Deferred	NCI/	RE	Acq	Interest	Non-GAAP
		Related	Through	Comp.	Consol	Credits	Related	Expense	
(A)	(B)	(C)	(D)	(E)	(F)	(G)			
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 (losses) gains	5,264			(1,805)	(5,624)				(2,165)
Other revenues	26,146		(9,343)		(167)				16,636
<b>Total revenues</b>	<b>1,052,112</b>	<b>(156,534)</b>	<b>(19,106)</b>	<b>(5,443)</b>	<b>(10,409)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>860,620</b>
Less: broker-dealer related interest expense	28,021								28,021
<b>Net revenues</b>	<b>1,024,091</b>	<b>(156,534)</b>	<b>(19,106)</b>	<b>(5,443)</b>	<b>(10,409)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>832,599</b>
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)
<b>Total expenses</b>	<b>808,831</b>	<b>(156,534)</b>	<b>(19,106)</b>	<b>(7,360)</b>	<b>(524)</b>	<b>206</b>	<b>(17,725)</b>	<b>(13,713)</b>	<b>594,075</b>
<b>Operating income</b>	<b>215,260</b>	<b>—</b>	<b>—</b>	<b>1,917</b>	<b>(9,885)</b>	<b>(206)</b>	<b>17,725</b>	<b>13,713</b>	<b>238,524</b>
Interest on borrowings	—							13,713	13,713
Income taxes	11,342	—	—	102	(520)	(10)	934		11,848
<b>Net income</b>	<b>203,918</b>	<b>—</b>	<b>—</b>	<b>1,815</b>	<b>(9,365)</b>	<b>(196)</b>	<b>16,791</b>	<b>—</b>	<b>212,963</b>
Net income (loss) of consolidated entities attributable to non-controlling interests	9,767			118	(9,885)				—
<b>Net income attributable to AB Unitholders</b>	<b>\$ 194,151</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 1,697</b>	<b>\$ 520</b>	<b>\$ (196)</b>	<b>\$ 16,791</b>	<b>\$ —</b>	<b>\$ 212,963</b>



Please refer to page 34 for notes describing the adjustments.

# AB Adjusted Financial Results Reconciliation

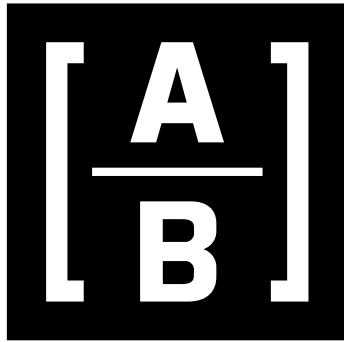
## Notes to Consolidated Statements of Income and Supplemental Information (Unaudited)

- 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.



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