

February 14, 2017



FOURTH QUARTER 2016 REVIEW

Peter S. Kraus Chairman & Chief Executive Officer

John C. Weisenseel Chief Financial Officer

Cautions Regarding Forward-Looking Statements

Certain statements provided by management in this presentation are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. The most significant of these factors include, but are not limited to, the following: the performance of financial markets, the investment performance of sponsored investment products and separately-managed accounts, general economic conditions, industry trends, future acquisitions, competitive conditions, and current and proposed government regulations, including changes in tax regulations and rates and the manner in which the earnings of publicly-traded partnerships are taxed. AB cautions readers to carefully consider such factors. Further, such forward-looking statements speak only as of the date on which such statements are made; AB undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements. For further information regarding these forward-looking statements and the factors that could cause actual results to differ, see “Risk Factors” and “Cautions Regarding Forward-Looking Statements” in AB’s Form 10-K for the year ended December 31, 2016. Any or all of the forward-looking statements made in this presentation, Form 10-K, other documents AB files with or furnishes to the SEC, and any other public statements issued by AB, may turn out to be wrong. It is important to remember that other factors besides those listed in “Risk Factors” and “Cautions Regarding Forward-Looking Statements,” and those listed below, could also adversely affect AB’s financial condition, results of operations and business prospects.

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

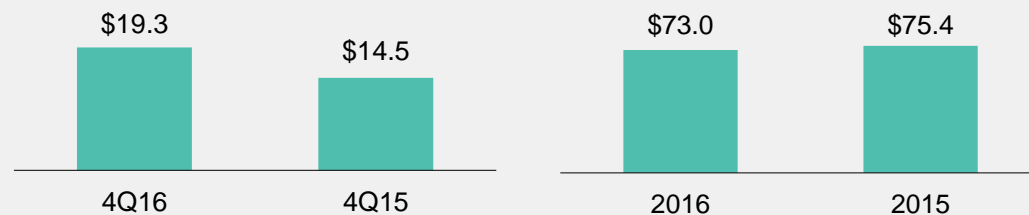
- + **The pipeline of new institutional mandates not yet funded:** Before they are funded, institutional mandates do not represent legally binding commitments to fund and, accordingly, the possibility exists that not all mandates will be funded in the amounts and at the times currently anticipated, or that mandates ultimately will not be funded.
- + **The possibility that AB will engage in open market purchases of Holding Units to help fund anticipated obligations under our incentive compensation award program:** The number of Holding Units AB may decide to buy in future periods, if any, to help fund incentive compensation awards is dependent upon various factors, some of which are beyond our control, including the fluctuation in the price of a Holding Unit and the availability of cash to make these purchases.
- + **Our expectation that, as a result of repatriating future non-U.S. earnings, effective January 1, 2017, our effective tax rate will increase:** Our effective tax rate fluctuates based on the mix of our earnings across our tax filing group, which includes our U.S. partnership, our U.S. corporate subsidiaries and our corporate subsidiaries operating in various non-U.S. jurisdictions, and the differences between the tax rates in the U.S and the other jurisdictions where we conduct business.

Peter S. Kraus

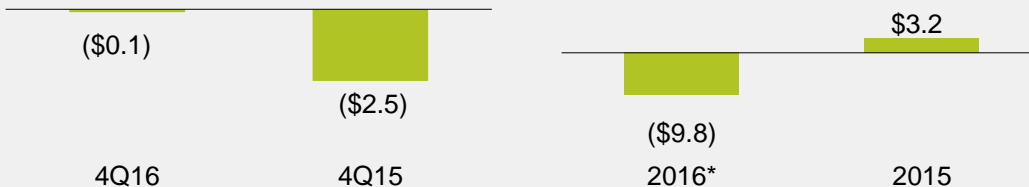
Chairman & Chief Executive Officer

Firmwide Overview: Fourth Quarter and Full Year 2016

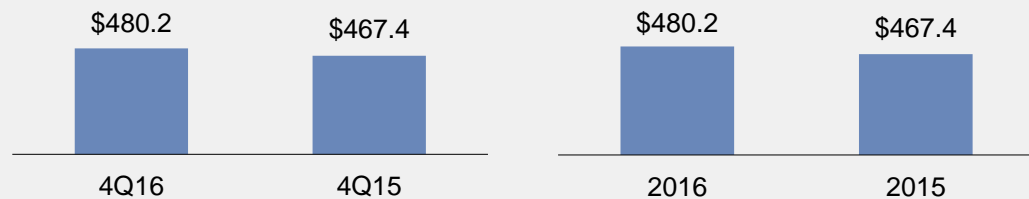
Gross Sales



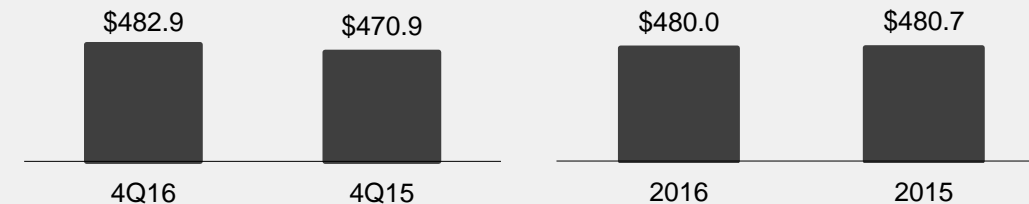
Net Flows



End of Period AUM



Average AUM

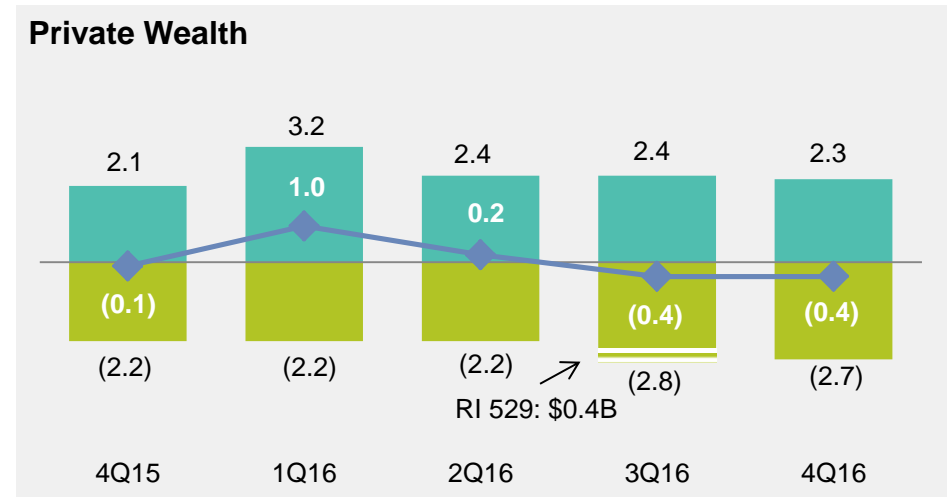
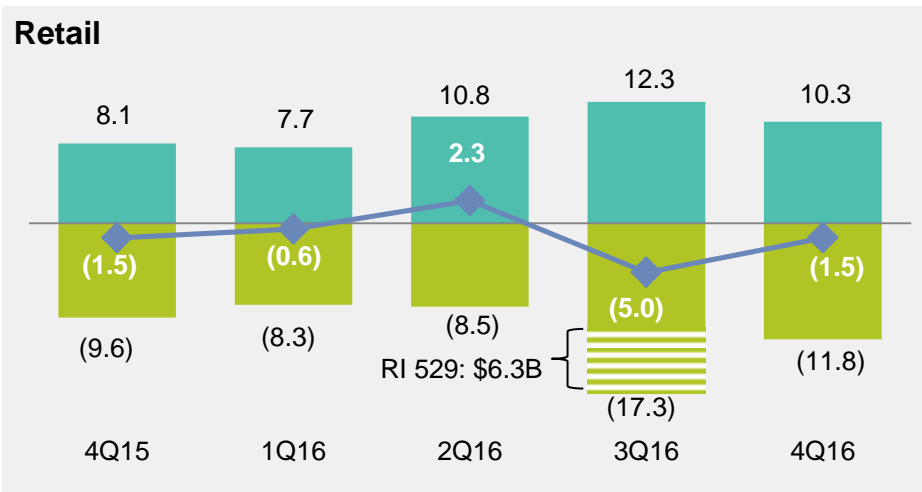
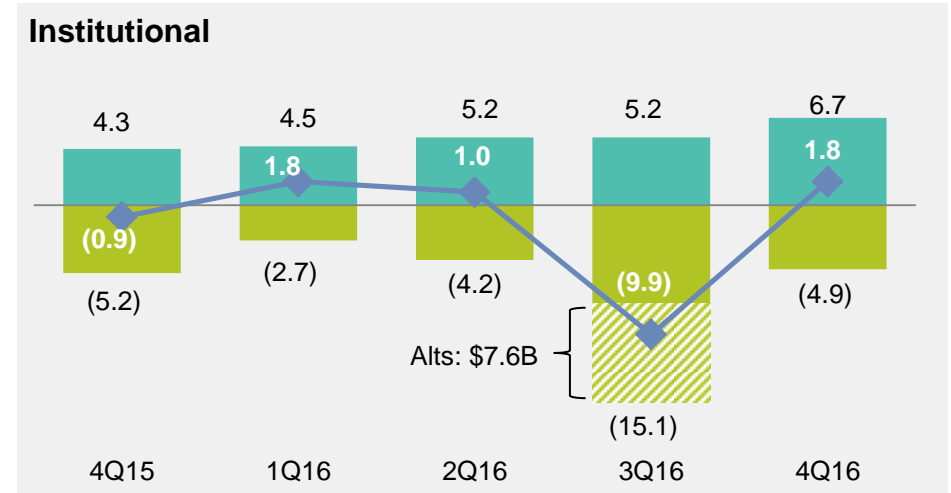
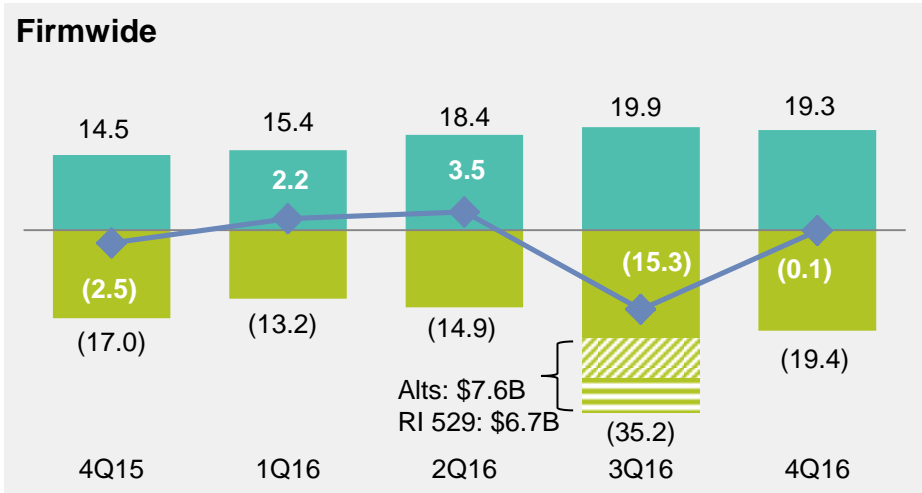


US \$ Billions; scales differ by chart

*Includes previously announced \$7.6B of outflows related to an institutional alternative investment portfolio termination and \$6.7B of outflows related to the conclusion of the Rhode Island CollegeBound 529 fund relationship.



Asset Flows by Distribution Channel: Quarterly Trend

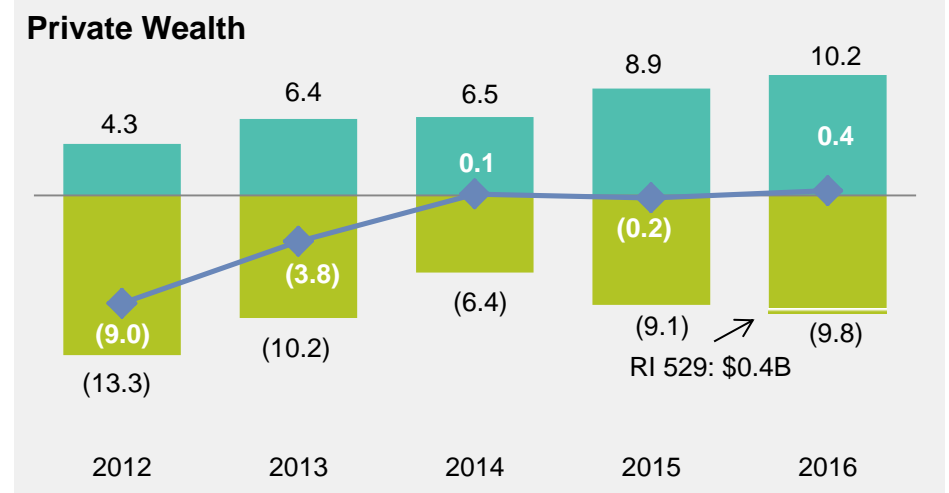
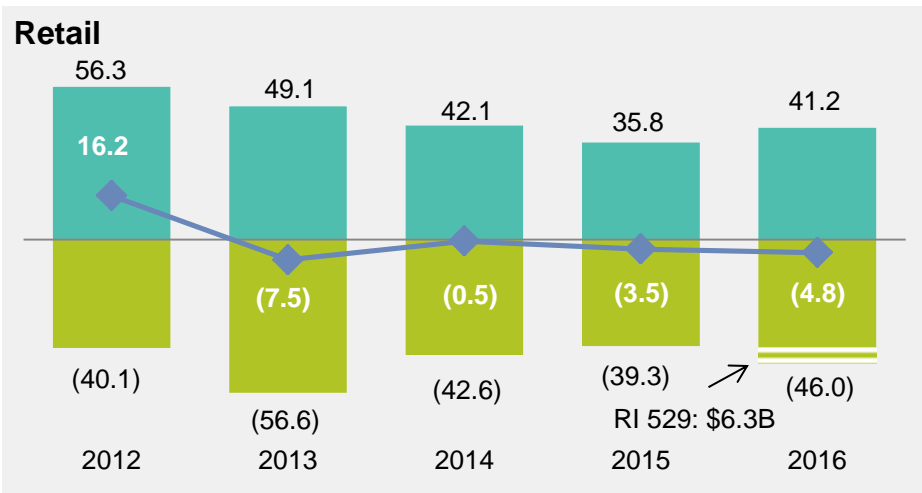
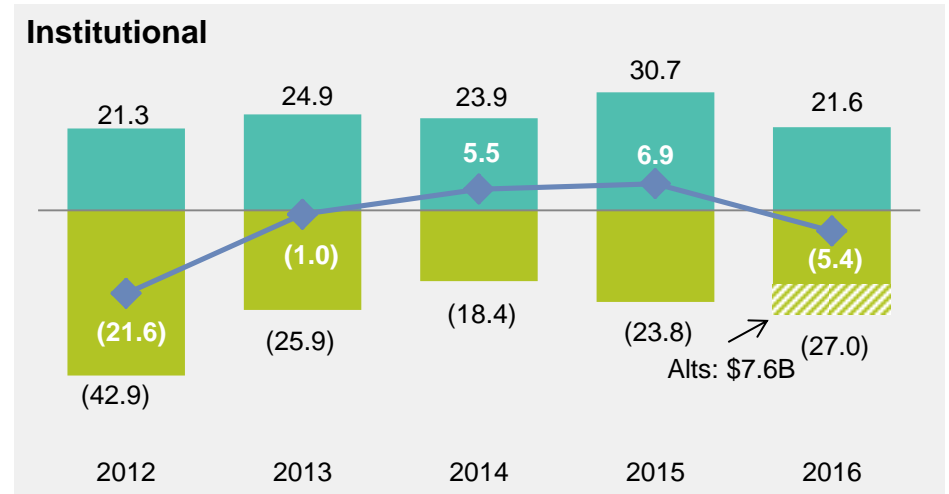
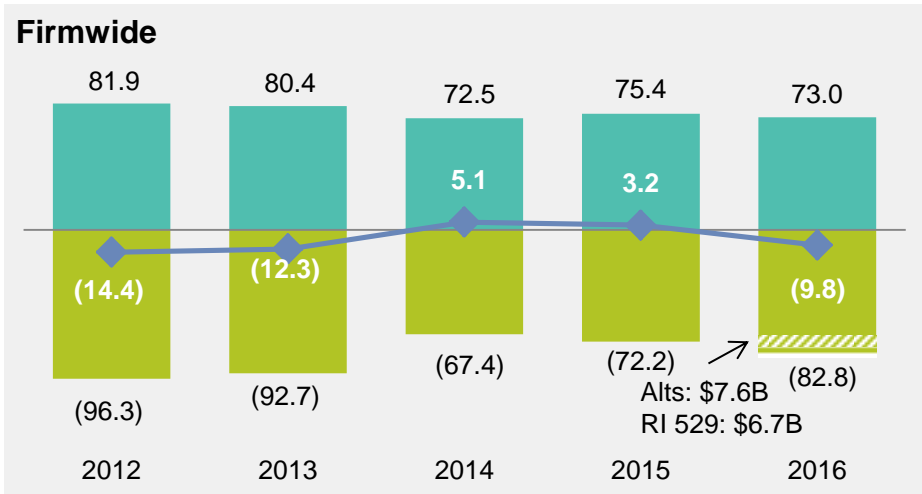


■ Gross Sales ■ Gross Redemptions ◆ Net Flows

US \$ Billions; scales differ by chart



Asset Flows by Distribution Channel: Annual Trend



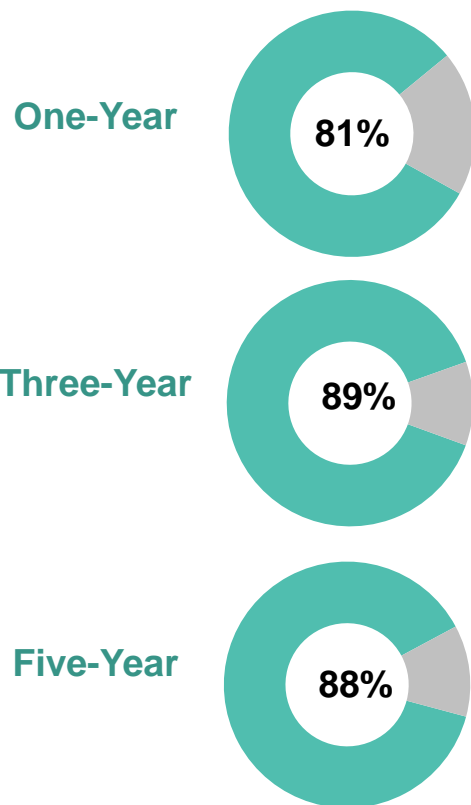
US \$ Billions; scales differ by chart

■ Gross Sales ■ Gross Redemptions ◆ Net Flows



Fixed Income Investment Performance

% of Assets in Outperforming Services*

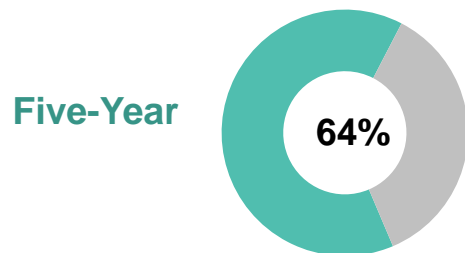
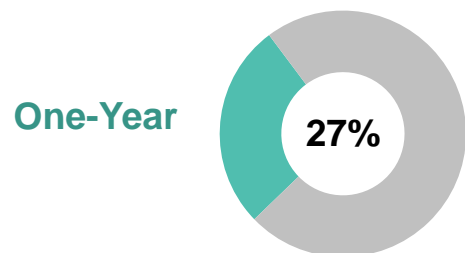


Institutional Service	Performance vs. Benchmark Through 12/31/16 (%)		
	1 Year	3 Year	5 Year
Risk Reducing			
Global Aggregate	0.9	0.4	0.1
Global Plus	2.0	0.8	0.8
Global Fixed Income	(0.6)	(0.1)	0.2
US Strategic Core Plus	2.0	1.2	1.1
US Core Fixed Income	0.6	0.3	0.5
US Investment Grade Corporates	0.5	0.9	0.6
TIPS Plus	3.0	1.3	1.4
Canada Core Plus	1.6	0.7	0.7
UK Core Plus	1.5	0.8	0.9
Return Seeking			
Global High Income	0.6	(0.5)	(0.2)
US High Yield	(1.1)	0.2	0.9
European Income	1.1	(0.1)	1.3
European High Yield	1.3	0.2	0.9
Emerging Markets Debt	3.7	0.0	0.5
Absolute Return			
Diversified Yield Plus	4.6	2.8	3.4
Unconstrained Bond	4.8	2.4	3.6

*Percentage of active fixed income assets in institutional services that outperformed their benchmark gross of fees and percentage of active fixed income assets in retail Advisor share class funds ranked in the top half of their Morningstar category. Where no Advisor class exists, A share class used. Corresponding percentages as of 9/30/16 were: 83% for 1-yr, 90% for 3-yr and 90% for 5-yr. Benchmarks: Global Aggregate (hedged to USD) – Bloomberg Barclays Global Aggregate Hedged; Global Plus (hedged to USD) – Bloomberg Barclays Global Aggregate Hedged; Global Fixed Income (hedged to USD) – JP Morgan Govt Bond Global Hedged; US Strategic Core Plus – Bloomberg Barclays US Aggregate; US Core Fixed Income – Bloomberg Barclays US Aggregate; US Investment Grade Corporate – Bloomberg Barclays US Credit; TIPS Plus – Bloomberg Barclays US Treasury Inflation Notes 1-10 Yr; Canada Core Plus – FTSE TMX Canada Universal Bond; UK Core Plus – BofA ML Sterling Non Gilts; US High Yield – Bloomberg Barclays US Corporate High Yield; Global High Income (hedged to USD) – Bloomberg Barclays Global High Yield Hedged; European Income (hedged to EUR) – 65% Bloomberg Euro Aggregate/35% Bloomberg Pan-Euro HY 2% Constraint; European High Yield – Bloomberg Barclays Euro HY 2% Cap; Emerging Markets Debt – JPM EMBI Global; Diversified Yield Plus – 3-Month GBP LIBOR; Unconstrained Bond – BAML 3 Month US T Bills. As of 12/31/16 and gross of fees.

Equities Investment Performance

% of Assets in Outperforming Services*

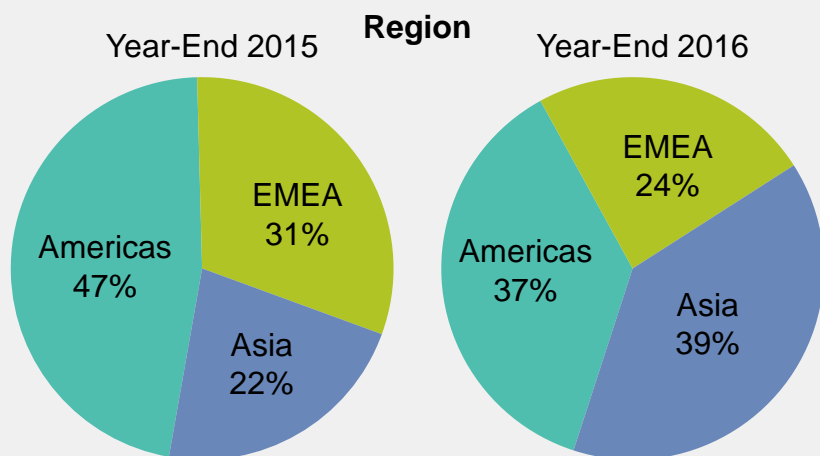
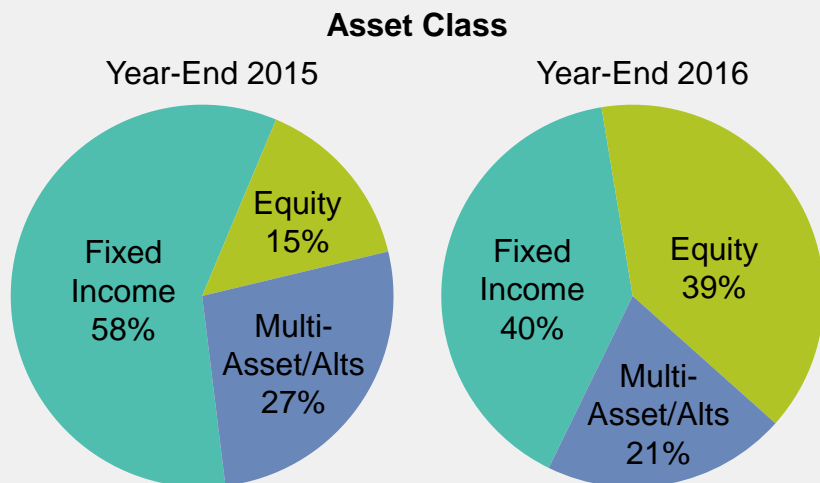


Institutional Service	Performance vs. Benchmark Through 12/31/16 (%)		
	1 Year	3 Year	5 Year
Unique Alpha			
Concentrated US Growth	(5.0)	(1.3)	0.9
Concentrated Global Growth	(4.3)	2.3	0.9
US Thematic Research	(7.2)	(1.3)	1.2
Global Thematic Research	(7.9)	0.4	0.6
Stable & Consistent Alpha			
Core Opportunities	(1.6)	1.1	1.6
Select US Equity	(1.7)	(0.1)	0.1
Global Core Equity	1.0	(0.2)	3.0
Style Diversification			
US SMID Cap Value	0.8	1.5	2.1
US SMID Cap Growth	(4.1)	(2.3)	(1.7)
US Large Cap Growth	(3.4)	1.5	2.2
Global Strategic Value	1.5	1.1	2.4
Emerging Markets Growth	(1.9)	3.8	4.4
Limiting Downside Risk			
US Strategic Core	(2.7)	3.3	0.9
Global Strategic Core	(2.3)	4.1	1.3
International Strategic Core	(0.2)	5.3	2.5
Emerging Markets Strategic Core	(1.9)	4.5	N/A

*Percentage of equity assets in institutional services that outperformed their benchmark gross of fees and percentage of active equity assets in retail Advisor share class funds ranked in the top half of their Morningstar category. Where no Advisor class exists, A share class used. Corresponding percentages as of 9/30/16 were: 43% for 1-yr, 63% for 3-yr and 64% for 5-yr. Benchmarks: Concentrated US Growth – S&P 500; Concentrated Global Growth – MSCI World; US Thematic Research – S&P 500; Global Thematic Research – MSCI ACWI; Core Opportunities – S&P 500; Select US Equity – S&P 500; Global Core Equity – MSCI ACWI; US SMID Cap Value – Russell 2500 Value; US SMID Cap Growth – Russell 2500 Growth; US Large Cap Growth – Russell 1000 Growth; Global Strategic Value – MSCI ACWI; Emerging Markets Growth – MSCI Emerging Markets; US Strategic Core Equity – S&P 500; Global Strategic Core Equity – MSCI World; International Strategic Core Equity – MSCI EAFE; Emerging Markets Strategic Core Equity – MSCI Emerging Markets. As of 12/31/16 and gross of fees.

Institutional Highlights

\$3.7B Active Pipeline¹ at Year-End More Diverse Y/Y



1. Assets awarded and pending funding as of quarter-end; excludes CRS/passive.

Fourth Quarter and Full Year 2016 Highlights

Robust gross sales and flows

- + Gross sales of \$6.7B in 4Q increased +56% Y/Y and +29% Q/Q
 - + Y/Y and Q/Q increases in Americas and EMEA; Q/Q increase in Asia
 - + 4Q16 pipeline fundings +86% above trailing 5-quarter average
- + Return to positive net flows in 4Q, though negative for the full year
 - + Excluding \$7.6B alts redemption, net inflows of +\$2.2B for full year

Notable pipeline adds across asset classes

- + US Systematic Value: \$430M
- + Global Credit: \$380M
- + Commercial Real Estate Debt III: \$200M
- + Managed Volatility Equities: \$145M
- + US Small Cap Value: \$140M
- + US SMID Cap Growth: \$50M

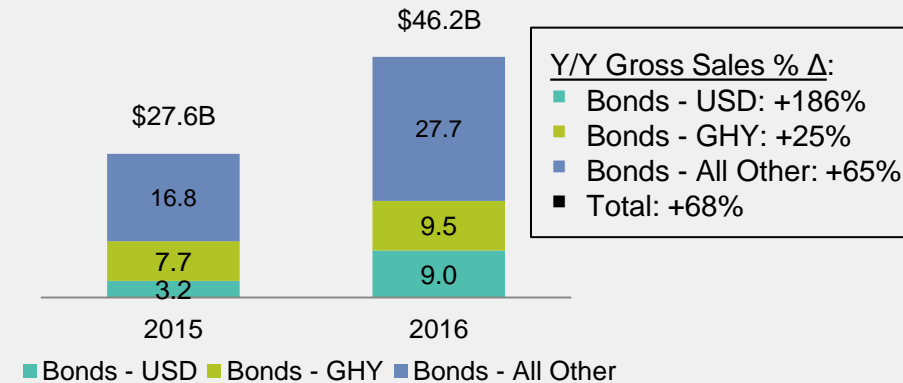
Continued progress in new growth areas

- + \$2.5B Ramius acquisition adds capabilities in customized factor based and alternative risk premia solutions for Institutional clients
- + Funded first Target Date Multi-Manager CIT mandate for \$340M in 2016
- + Launched Real Estate Debt III in 2H16

Retail Highlights

Improved Asia ex Japan Industry Fixed Income Fund Sales¹

(\$B)



4Q and Full Year 2016 Retail Highlights

2016 gross sales of \$41B up +15%; \$40B+ sales for 4 of 5 years

- + Asia ex Japan up +40% and US Retail up +43%
- + Combined Global High Yield and American Income Portfolio gross sales up +85% vs. 2015
- + Excluding -\$6.3B RI 529 outflows, positive net flows of +\$1.5B in 2016

US Funds top-ranked by 2016 net flows by category

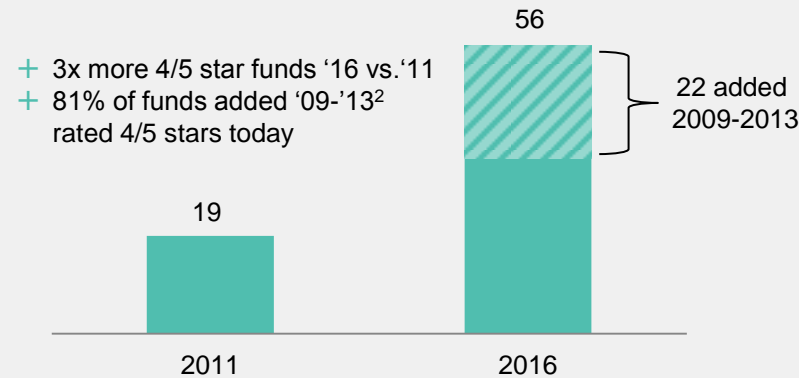
- + AB Global Bond: #1 active manager in World Bond category
- + AB High Income: #6 in High Yield Bond category
- + High Income Muni: #9 in High Yield Muni category
- + Large Cap Growth: #10 in Large Growth category

Lux Funds top-ranked by 2016 net flows by category

- + American Income Portfolio: #1 in Bonds USD category
- + Global High Yield: #2 in Global High Yield category

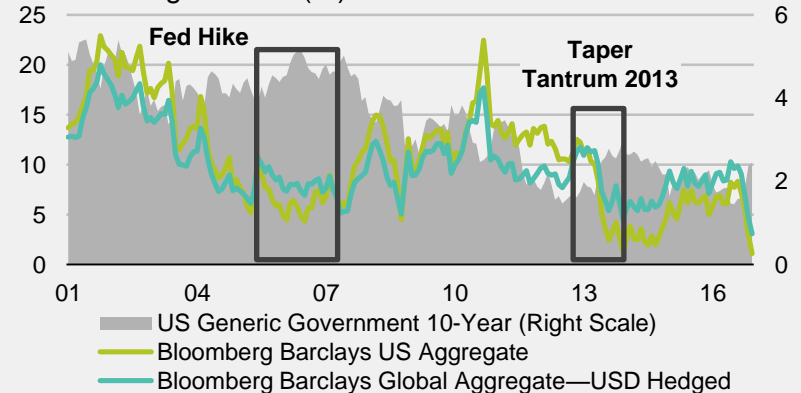
Our Investment in New Products is Paying Off

US and Lux Funds Ranked 4/5 Stars



Time Erases the Pain of Rising Rates

24-Month Rolling Returns (%)



1. Source: SalesWatch. As of December 31, 2016

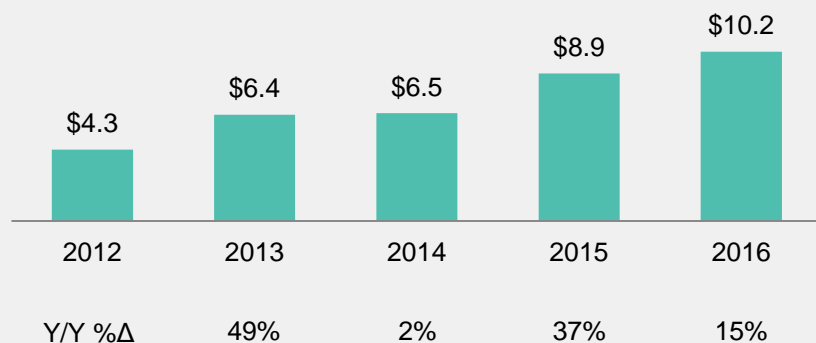
2. Funds still in existence.



Private Wealth Management Highlights

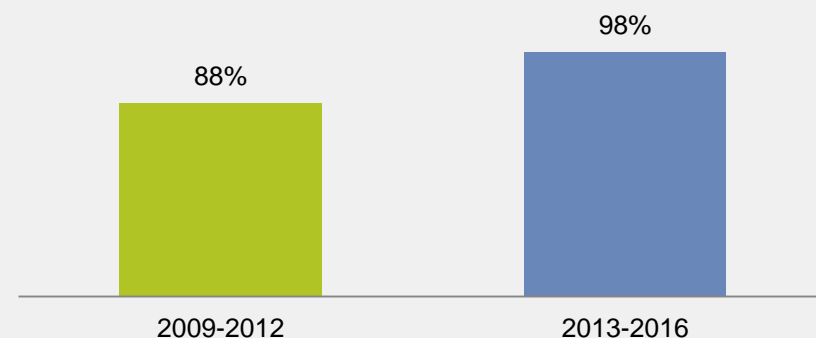
Four Straight Years of Improving Gross Sales

\$B



Senior Advisor¹ Retention Rate Near All-Time Highs

Avg.



Fourth Quarter and Full Year Private Wealth Highlights

Best overall flow picture since the Financial Crisis

- + Highest gross production since 2008
 - + 2016 gross sales of \$10.2B up +15%; 4th straight annual increase
- + Client retention still near all time highs achieved in 2015
- + \$400M net inflows in 2016
 - + \$800M net inflows in 2016 ex-529
 - + Best net flows since 2007

Well-positioned and motivated team of Senior Advisors

- + 99% principal retention rate in 2016; 4-yr average of 98%
- + Average new client relationship size up +33% Y/Y
- + Average production per producing advisor up +13% Y/Y
- + Philanthropy-related AUM up 40% in 2016 due to heightened focus
- + Launched Salesforce CRM tool in 4Q to enhance client service and business development

Success with Targeted Services to augment return and diversification

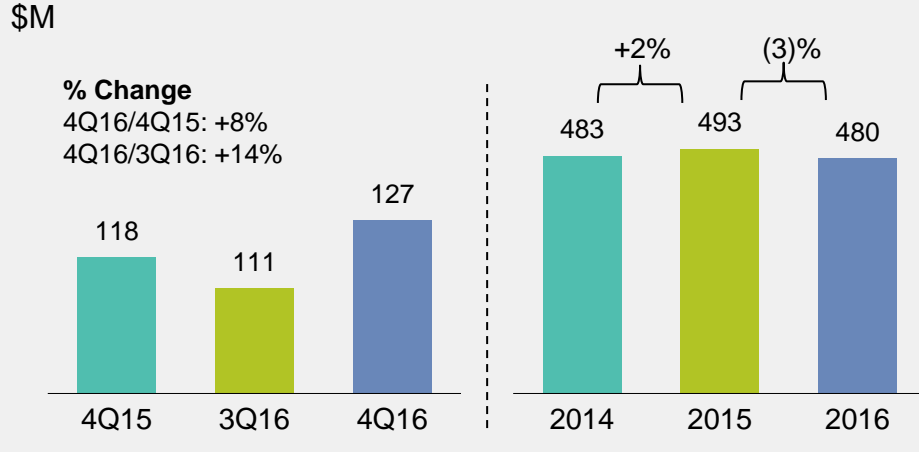
- + \$1.3B in commitments to Targeted Services in 2016
 - + Energy Opportunity Fund launched in 2016 and closed at capacity with \$435M
 - + Global Research Insights launched in 2016 and raised \$400M

1. Principals

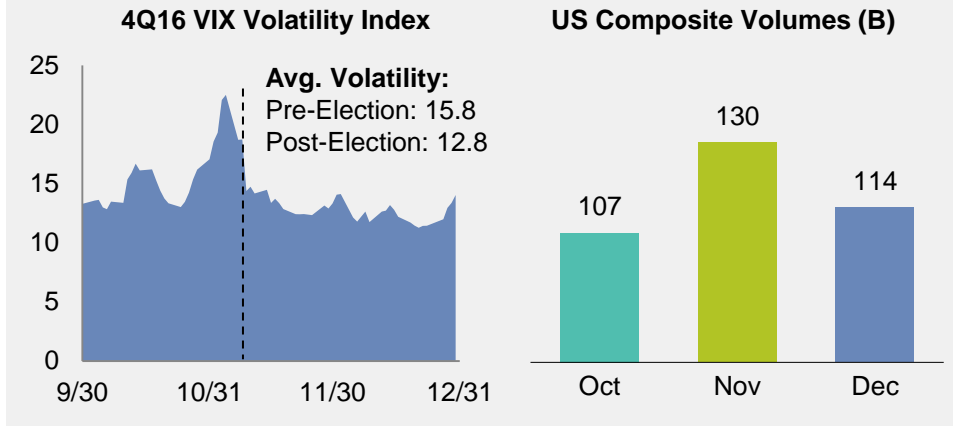


Bernstein Research Highlights

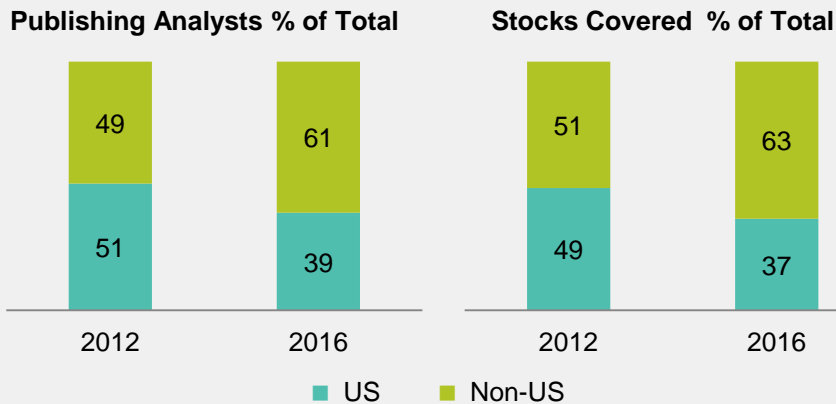
Quarterly Revenues and Annual Revenues



Surprising US Election Outcome Turned the Tide



Non-US Analysts and Stocks Well Exceed US Today



Bernstein Research Fourth Quarter and 2016 Highlights

European *Institutional Investor* Survey: Best ever results in 2017

- + 13 Top 3 ranked teams and 3 runner-ups

Global expansion efforts are paying off

- + Record Bernstein global market share for 12 months ending 9/30/16
- + Client votes continue to move up significantly in all regions
- + Bernstein publishing analysts up +15% since 2012 vs. 10% analyst headcount reduction industry-wide¹

Trading: Growth in a challenging market environment

- + Double-digit full year growth in US low touch trading
- + Ranked #1 in independent survey for Electronic Trading Quality and Electronic Trading Service in 2016 – both for 2nd straight year

1. *Financial Times* 2/1/17



Progress on Our Strategy in 2016

Firmwide Initiative

Deliver for our clients with our investment performance

Progress

- + Fixed Income: 89% of assets in outperforming services for 3-yr period
 - + Top quartile: Global Fixed Income, Plus and Aggregate, US Strat. Core Plus, Global High Income
 - + Top half: Canada Core Plus, US High Yield, US Investment Grade Corporate, UK Core Plus
- + Active equity: 80% of assets in outperforming services for 3-yr period
 - + Top quartile: Strategic Core, EM and US LC Growth, Concentrated Global Growth, US SMID Value
 - + Top half: Select, Global Strat. Value, Global Strat. Core, Conc. US Growth, US and Global Thematic

Build a broader and more balanced global business

- + Diverse Institutional active pipeline of \$3.7B at quarter-end
 - + Regional split: Asia: 39%, Americas: 37%, EMEA: 24%
- + \$1B Institutional equity sales highest since 3Q15 – half from Global Core and EM Strategic Core
- + +15% Retail annual gross sales increase driven by Asia ex Japan (+40%) and US (+43%)
- + Bernstein Research global expansion success: publishing analysts 61% of total; covered stocks: 63%

Constantly innovate for clients with our products and services

- + Funded first Target Date Multi-Manager Collective Investment Trust (CIT) mandate of \$340M in 2H16
- + Target Date Multi-Manager Fund series with Morningstar reached 2-yr mark in December
- + Ramius acquisition adds custom alternative solutions capabilities and \$2.5B in Institutional assets
- + Commercial Real Estate Debt Fund III capital raise of \$200M continues momentum in private credit
- + \$1.3B in new Private Wealth Targeted Services assets in 2016; \$800M+ from two new launches

Achieve greater operating leverage and better financial results

- + Reduced adjusted operating expenses by 3% in 2016
 - + Lower adjusted expenses in each major expense category: Compensation & benefits (-3%), promotion & servicing (-7%), G&A (-2%)
- + Added 80 bps to full year adjusted operating margin of 25.3%; five straight years of margin expansion

John C. Weisenseel

Chief Financial Officer

Fourth Quarter and Full Year 2016 GAAP Income Statement

Income Statement (in US \$ Millions)	4Q16	4Q15	% Δ	FY 2016	FY 2015	% Δ
Base Fees	\$ 486	\$ 474	3%	\$ 1,901	\$ 1,950	(3%)
Performance Fees	29	4	625%	33	24	38%
Bernstein Research Services	127	118	8%	480	493	(3%)
Distribution Revenues	97	101	(4%)	384	427	(10%)
Dividends & Interest	14	9	56%	37	25	48%
Investment Gains (Losses)	8	(2)	n/m	93	4	2225%
Other Revenues	28	24	17%	110	101	9%
Total Revenues	789	728	8%	3,038	3,024	0%
Less: Interest Expense	3	1	200%	9	3	200%
Net Revenues	\$ 786	\$ 727	8%	\$ 3,029	\$ 3,021	0%
Compensation & Benefits						
Compensation & Fringes	\$ 295	\$ 278	6%	\$ 1,202	\$ 1,236	(3%)
Other Employment Costs	7	8	(13%)	28	32	(13%)
Total Compensation & Benefits	302	286	6%	1,230	1,268	(3%)
Promotion & Servicing	157	161	(2%)	621	666	(7%)
General & Administrative	97	108	(10%)	444	433	3%
Other	8	1	700%	11	23	(52%)
Total Operating Expenses	\$ 564	\$ 556	1%	\$ 2,306	\$ 2,390	(4%)
Operating Income	\$ 222	\$ 171	30%	\$ 723	\$ 631	15%
Operating Margin	27.4%	23.3%		23.2%	20.7%	
AB Holding GAAP Diluted Net Income Per Unit ¹	\$ 0.77	\$ 0.52	48%	\$ 2.23	\$ 1.86	20%

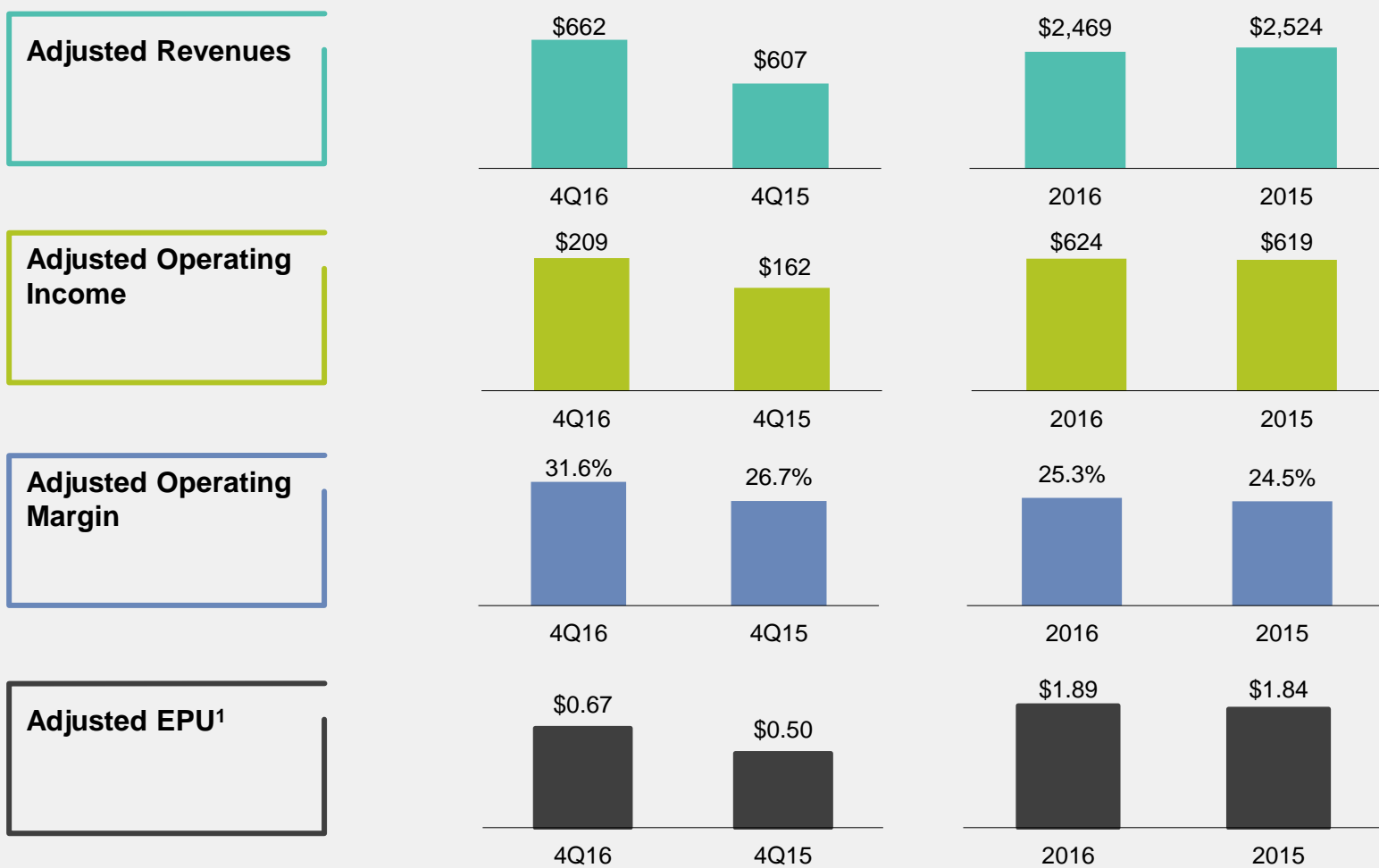
Percentages are calculated using amounts rounded in millions.

(1) The 4Q15 and FY 2015 GAAP Diluted Net Income per Unit has been revised.



Adjusted Financial Highlights: Fourth Quarter and Full Year 2016

In US \$ Millions; scales may differ



Please refer to pages 33-43 for additional information on the reconciliation of GAAP financial results to adjusted financial results.

(1) The 4Q15 and FY 2015 Adjusted Diluted Net Income per Unit has been revised.

Fourth Quarter and Full Year 2016 Adjusted Income Statement

Adjusted Income Statement (in US \$ Millions)	4Q16	4Q15	% Δ	FY 2016	FY 2015	% Δ
Base Fees	\$ 484	\$ 471	3%	\$ 1,892	\$ 1,939	(2%)
Performance Fees	29	4	625%	33	24	38%
Bernstein Research Services	127	118	8%	480	493	(3%)
Net Distribution Revenues (Expenses)	(8)	(4)	100%	(28)	(15)	87%
Investment Gains (Losses)	4	(4)	n/m	2	(2)	n/m
Other Revenues	29	23	26%	99	88	13%
Total Revenues	665	608	9%	2,478	2,527	(2%)
Less: Interest Expense	3	1	200%	9	3	200%
Adjusted Net Revenues	\$ 662	\$ 607	9%	\$ 2,469	\$ 2,524	(2%)
Compensation & Benefits						
Compensation & Fringes	\$ 295	\$ 277	6%	\$ 1,199	\$ 1,235	(3%)
Other Employment Costs	6	8	(25%)	27	33	(18%)
Total Compensation & Benefits	301	285	6%	1,226	1,268	(3%)
Promotion & Servicing	43	47	(9%)	174	188	(7%)
General & Administrative	100	105	(5%)	412	419	(2%)
Other	9	8	13%	33	30	10%
Total Adjusted Operating Expenses	\$ 453	\$ 445	2%	\$ 1,845	\$ 1,905	(3%)
Adjusted Operating Income	\$ 209	\$ 162	29%	\$ 624	\$ 619	1%
Adjusted Operating Margin	31.6%	26.7%		25.3%	24.5%	
AB Holding Adjusted Diluted Net Income Per Unit ¹	\$ 0.67	\$ 0.50	34%	\$ 1.89	\$ 1.84	3%
Compensation Ratio	44.6%	45.6%		48.5%	48.9%	

Please refer to pages 33-43 for additional information on the reconciliation of GAAP financial results to adjusted financial results. Percentages are calculated using amounts rounded in millions.

(1) The 4Q15 and FY 2015 Adjusted Diluted Net Income per Unit has been revised.

Fourth Quarter and Full Year 2016 Adjusted Income Statement Highlights

Revenues

- + Base Fees increased versus 4Q15 due primarily to higher average AUM in the Retail and Private Wealth channels. The decline versus 2015 is due primarily to lower average Retail AUM and lower fee rate realization.
- + Performance Fees were up versus the prior year quarter and on a full year basis due mainly to higher fees earned on our Securitized Asset, Private Credit, and Concentrated Equity Growth services.
- + Bernstein Research Services revenues increased versus 4Q15 due to increased global client activity, but were lower versus 2015 due to a decline in client activity in Europe and Asia, in addition to a negative foreign exchange effect.
- + Net Distribution Expenses increased versus both prior periods due to lower distribution revenues which have not been offset by corresponding decreases in distribution payments and amortization of deferred sales commissions.
- + Investment gains in 4Q16 were attributed to seed investment gains versus seed investment losses in 4Q15. For FY16, seed investment gains were partially offset by broker dealer investment losses; broker dealer investment losses in FY15 were partially offset by seed investment gains.
- + Increased dividend & interest revenues and capital gain distributions on our seed and broker/dealer investment portfolios contributed to the gains in Other Revenues versus both prior periods.

Expenses

- + The Adjusted Compensation Ratio was 44.6% in 4Q16 versus 45.6% in 4Q15, and 48.5% for full year 2016 compared to 48.9% in 2015.
- + Total Compensation & Benefits increased 6% versus the prior year quarter due to higher incentive compensation, partially offset by lower fringe and other employment cost. The 3% decrease versus 2015 is primarily attributed to lower incentive compensation and other employment costs.
- + The decline in Promotion & Servicing expenses versus both the prior year quarter and the prior year are due primarily to lower T&E and marketing costs and lower transfer fees related to the loss of the Rhode Island college savings plan mandate.
- + G&A expenses were down versus both prior periods due to lower occupancy and professional fees, partially offset by higher portfolio services expenses.
- + Other expenses increased in 2016 vs. 2015 due to higher interest and intangibles amortization expense.

Operating Results

- + Adjusted Operating Income increased 29% versus the prior year quarter due to an increase in revenues outpacing the growth in operating expenses. Adjusted Operating Income was in line with 2015 due to reductions in operating expenses keeping pace with the decline in revenues.
- + Adjusted Margin was 31.6% in 4Q16, up from 26.7% in 4Q15. For the full year 2016, the Adjusted Margin was 25.3% compared to 24.5% in 2015.

Please refer to pages 33-43 for additional information on the reconciliation of GAAP financial results to adjusted financial results. Percentages are calculated using amounts rounded in millions.



Q & A



APPENDIX

Institutional Composite Relative Performance vs. Benchmarks

Periods Ended December 31, 2016

Service	4Q16	1-Yr	3-Yr	5-Yr	10-Yr	Benchmark
Equity						
Emerging Markets Value	2.0	4.3	2.0	(0.0)	(0.6)	MSCI EM
Global Strategic Value	2.8	1.5	1.1	2.4	(3.1)	MSCI ACWI
US Small & Mid Cap Value	1.0	0.8	1.5	2.1	2.6	Russell 2500 Value
US Strategic Value	0.9	(5.2)	(2.9)	(1.0)	(2.6)	Russell 1000 Value
US Small Cap Growth	(0.8)	(3.6)	(2.7)	(1.0)	1.6	Russell 2000 Growth
US Large Cap Growth	(2.0)	(3.4)	1.5	2.2	0.1	Russell 1000 Growth
US Small and Mid Cap Growth	(0.3)	(4.1)	(2.3)	(1.7)	2.0	Russell 2500 Growth
Concentrated US Growth	(1.6)	(5.0)	(1.3)	0.9	1.8	S&P 500
Select US Equity	1.0	(1.7)	(0.1)	0.1	3.3	S&P 500
Global Core Equity	(1.0)	1.0	(0.2)	3.0	N/A	MSCI ACWI
Fixed Income						
Global High Income	0.9	0.6	(0.5)	(0.2)	0.3	Bloomberg Barclays Global High Yield - Hedged
Global Fixed Income	(0.1)	(0.6)	(0.1)	0.2	0.6	JPM Government Bond Global - Hedged
US Strategic Core Plus	0.5	2.0	1.2	1.1	0.9	Bloomberg Barclays US Aggregate
Emerging Market Debt	1.1	3.7	(0.0)	0.5	1.0	JPM EMBI Global
Global Plus	0.7	2.0	0.8	0.8	1.1	Bloomberg Barclays Global Aggregate - Hedged

Performance is preliminary and as of December 31, 2016. Investment performance of composites is presented before investment management fees. Periods of more than one year are annualized. The information in this table is provided solely for use in connection with this presentation and is not directed toward existing or potential investment advisory clients of AB. Global High Income, Global Fixed Income and Global Plus are hedged to USD.

Retail Mutual Funds Relative Performance vs. Morningstar Average

Service	Periods Ended December 31, 2016					Morningstar Average
	4Q16	1-Yr	3-Yr	5-Yr	10-Yr	
Equity						
International Value	(2.0)	(4.0)	1.0	0.7	(2.8)	Foreign Large Value
Growth & Income	0.1	(3.5)	0.4	1.4	0.6	Large Value
Discovery Value	3.3	6.6	1.8	2.1	2.1	Mid-Cap Value
US Value	1.0	(3.6)	(2.0)	(0.4)	(2.8)	Large Value
Sustainable Global Thematic	(5.7)	(2.6)	1.4	(0.2)	0.1	World Stock
International Growth	(4.8)	(4.8)	(1.5)	(2.6)	(2.0)	Foreign Large Growth
Large Cap Growth ⁽¹⁾	(0.9)	(0.2)	3.4	3.2	2.9	Large Growth
Emerging Markets Growth	(2.2)	(2.1)	2.3	2.5	(0.6)	Global Emerging Markets Equity
Growth ⁽¹⁾	(1.4)	(1.5)	2.2	0.9	(0.0)	Large Growth
Discovery Growth	1.5	(0.9)	(1.6)	(0.4)	1.0	Mid-Cap Growth
Fixed Income						
Global High Yield	0.7	3.0	1.4	0.4	0.9	Global High Yield Bond
American Income Portfolio	(0.6)	1.0	1.5	0.0	0.9	USD Flexible Bond
Global Bond	2.7	2.1	4.2	2.4	N/A	World Bond
High Income	0.2	2.1	1.6	1.7	N/A	Multisector Bond

(1) Performance figures other than 4Q16, One Year and Three Year positively affected by class action settlement proceeds.

As of December 31, 2016. Fund returns are based on Advisor Class shares. Where Advisor Class doesn't exist, Class A is used. All fees and expenses related to the operation of the Fund have been deducted, but returns do not reflect sales charges. The information in this table is provided solely for use in connection with this presentation, and is not directed toward existing or potential investment advisory clients of AB.

Assets Under Management: 4Q16

(US \$ Billions)

	At December 31, 2016				At Sept. 30, 2016
	Institutions	Retail	Private Wealth	Total	Total
Equity					
Actively Managed	\$ 27	\$ 44	\$ 41	\$ 112	\$ 111
Passive ⁽¹⁾	20	28	-	48	49
Total Equity	47	72	41	160	160
Fixed Income					
Taxable	150	61	10	221	230
Tax-Exempt	2	14	21	37	38
Passive ⁽¹⁾	1	9	1	11	11
Total Fixed Income	153	84	32	269	279
Other ⁽²⁾	39	4	8	51	51
Total	\$ 239	\$ 160	\$ 81	\$ 480	\$ 490
	At Sept. 30, 2016				
Total	\$ 247	\$ 162	\$ 81	\$ 490	

(1) Includes index and enhanced index services.

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

(1) Includes index and enhanced index services.

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



Three Months Ended 12/31/16: 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	134.9	3.8	(0.3)	(2.3)	1.2	(6.6)	(5.4)	129.5
Global and Non-US	112.1	2.9	(1.0)	(1.3)	0.6	(2.9)	(2.3)	109.8
Total Institutions	247.0	6.7	(1.3)	(3.6)	1.8	(9.5)	(7.7)	239.3
Retail								
US	81.1	3.9	(4.0)	(1.1)	(1.2)	1.0	(0.2)	80.9
Global and Non-US	81.1	6.4	(6.5)	(0.2)	(0.3)	(1.5)	(1.8)	79.3
Total Retail	162.2	10.3	(10.5)	(1.3)	(1.5)	(0.5)	(2.0)	160.2
Private Wealth Management								
US	54.8	1.7	(1.8)	(0.1)	(0.2)	0.3	0.1	54.9
Global and Non-US	26.2	0.6	(0.6)	(0.2)	(0.2)	(0.2)	(0.4)	25.8
Total Private Wealth	81.0	2.3	(2.4)	(0.3)	(0.4)	0.1	(0.3)	80.7
Firmwide								
US	270.8	9.4	(6.1)	(3.5)	(0.2)	(5.3)	(5.5)	265.3
Global and Non-US	219.4	9.9	(8.1)	(1.7)	0.1	(4.6)	(4.5)	214.9
Total Firmwide	490.2	19.3	(14.2)	(5.2)	(0.1)	(9.9)	(10.0)	480.2

Twelve Months Ended 12/31/16: AUM Roll-Forward by Distribution Channel

In US \$ Billions	Beginning	Sales/New	Redemptions/	Net Cash	Net		AUM		Investment	Net	End
Investment Service:	of Period	Accounts	Terminations	Flows	Flows	Acquisition	Adjustment (1)	Transfers	Performance	Change	of Period
Institutions											
US	118.6	16.3	(4.4)	(4.5)	7.4	-	-	-	3.5	10.9	129.5
Global and Non-US	117.6	5.3	(11.3)	(6.8)	(12.8)	2.5	(3.0)	-	5.5	(7.8)	109.8
Total Institutions	236.2	21.6	(15.7)	(11.3)	(5.4)	2.5	(3.0)	-	9.0	3.1	239.3
Retail											
US	78.6	14.6	(14.3)	(3.5)	(3.2)	-	-	0.1	5.4	2.3	80.9
Global and Non-US	75.8	26.6	(26.5)	(1.7)	(1.6)	-	-	-	5.1	3.5	79.3
Total Retail	154.4	41.2	(40.8)	(5.2)	(4.8)	-	-	0.1	10.5	5.8	160.2
Private Wealth Management											
US	52.2	7.2	(6.9)	(0.2)	0.1	-	-	(0.1)	2.7	2.7	54.9
Global and Non-US	24.6	3.0	(2.4)	(0.3)	0.3	-	-	-	0.9	1.2	25.8
Total Private Wealth	76.8	10.2	(9.3)	(0.5)	0.4	-	-	(0.1)	3.6	3.9	80.7
Firmwide											
US	249.4	38.1	(25.6)	(8.2)	4.3	-	-	-	11.6	15.9	265.3
Global and Non-US	218.0	34.9	(40.2)	(8.8)	(14.1)	2.5	(3.0)	-	11.5	(3.1)	214.9
Total Firmwide	467.4	73.0	(65.8)	(17.0)	(9.8)	2.5	(3.0)	-	23.1	12.8	480.2

(1) During the second quarter of 2016, we removed \$3.0 billion of Customized Retirement Strategies assets from AUM as our asset management services transitioned to consulting services.

Three Months Ended 12/31/16: 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	63.6	2.2	(3.0)	(0.9)	(1.7)	2.4	0.7	64.3
Global and Non-US	47.5	1.9	(1.3)	(0.1)	0.5	(0.4)	0.1	47.6
Total Equity Active	111.1	4.1	(4.3)	(1.0)	(1.2)	2.0	0.8	111.9
Equity Passive ⁽¹⁾								
US	37.3	-	-	(1.5)	(1.5)	1.5	-	37.3
Global and Non-US	11.2	0.1	(0.5)	-	(0.4)	-	(0.4)	10.8
Total Equity Passive ⁽¹⁾	48.5	0.1	(0.5)	(1.5)	(1.9)	1.5	(0.4)	48.1
Total Equity	159.6	4.2	(4.8)	(2.5)	(3.1)	3.5	0.4	160.0
Fixed Income - Taxable								
US	115.0	4.6	(0.8)	(0.6)	3.2	(7.7)	(4.5)	110.5
Global and Non-US	114.9	7.1	(5.9)	(1.8)	(0.6)	(3.9)	(4.5)	110.4
Total Fixed Income - Taxable	229.9	11.7	(6.7)	(2.4)	2.6	(11.6)	(9.0)	220.9
Fixed Income - Tax-Exempt								
US	38.2	2.0	(1.9)	(0.1)	-	(1.3)	(1.3)	36.9
Global and Non-US	-	-	-	-	-	-	-	-
Total Fixed Income - Tax-Exempt	38.2	2.0	(1.9)	(0.1)	-	(1.3)	(1.3)	36.9
Fixed Income Passive ⁽¹⁾								
US	6.7	-	-	0.1	0.1	(0.2)	(0.1)	6.6
Global and Non-US	4.9	-	(0.1)	0.1	-	(0.4)	(0.4)	4.5
Total Fixed Income Passive ⁽¹⁾	11.6	-	(0.1)	0.2	0.1	(0.6)	(0.5)	11.1
Total Fixed Income	279.7	13.7	(8.7)	(2.3)	2.7	(13.5)	(10.8)	268.9
Other ⁽²⁾								
US	10.0	0.6	(0.4)	(0.5)	(0.3)	-	(0.3)	9.7
Global and Non-US	40.9	0.8	(0.3)	0.1	0.6	0.1	0.7	41.6
Total Other⁽²⁾	50.9	1.4	(0.7)	(0.4)	0.3	0.1	0.4	51.3
Firmwide								
US	270.8	9.4	(6.1)	(3.5)	(0.2)	(5.3)	(5.5)	265.3
Global and Non-US	219.4	9.9	(8.1)	(1.7)	0.1	(4.6)	(4.5)	214.9
Total Firmwide	490.2	19.3	(14.2)	(5.2)	(0.1)	(9.9)	(10.0)	480.2

(1) Includes index and enhanced index services.

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



Twelve Months Ended 12/31/16: AUM Roll-Forward by Investment Service

In US \$ Billions Investment Service:	Beginning of Period	Sales/New Accounts	Redemptions/ Terminations	Net Cash Flows	Net Flows	Acquisition	AUM Adjustment ⁽³⁾	Investment Performance	Net Change	End of Period
Equity Active										
US	63.5	9.2	(12.0)	(2.2)	(5.0)	-	-	5.8	0.8	64.3
Global and Non-US	47.1	5.2	(7.3)	(0.5)	(2.6)	-	-	3.1	0.5	47.6
Total Equity Active	110.6	14.4	(19.3)	(2.7)	(7.6)	-	-	8.9	1.3	111.9
Equity Passive ⁽¹⁾										
US	35.2	0.3	-	(2.4)	(2.1)	-	-	4.2	2.1	37.3
Global and Non-US	11.2	0.2	(1.0)	0.4	(0.4)	-	-	-	(0.4)	10.8
Total Equity Passive ⁽¹⁾	46.4	0.5	(1.0)	(2.0)	(2.5)	-	-	4.2	1.7	48.1
Total Equity	157.0	14.9	(20.3)	(4.7)	(10.1)	-	-	13.1	3.0	160.0
Fixed Income - Taxable										
US	101.6	18.1	(7.1)	(3.3)	7.7	-	-	1.2	8.9	110.5
Global and Non-US	105.8	27.7	(23.9)	(5.8)	(2.0)	-	-	6.6	4.6	110.4
Total Fixed Income - Taxable	207.4	45.8	(31.0)	(9.1)	5.7	-	-	7.8	13.5	220.9
Fixed Income - Tax-Exempt										
US	33.5	8.5	(5.0)	(0.2)	3.3	-	-	0.1	3.4	36.9
Global and Non-US	-	-	-	-	-	-	-	-	-	-
Total Fixed Income - Tax-Exempt	33.5	8.5	(5.0)	(0.2)	3.3	-	-	0.1	3.4	36.9
Fixed Income Passive ⁽¹⁾										
US	5.1	-	-	1.4	1.4	-	-	0.1	1.5	6.6
Global and Non-US	4.9	0.2	(0.6)	(0.3)	(0.7)	-	-	0.3	(0.4)	4.5
Total Fixed Income Passive ⁽¹⁾	10.0	0.2	(0.6)	1.1	0.7	-	-	0.4	1.1	11.1
Total Fixed Income	250.9	54.5	(36.6)	(8.2)	9.7	-	-	8.3	18.0	268.9
Other ⁽²⁾										
US	10.5	2.0	(1.5)	(1.5)	(1.0)	-	-	0.2	(0.8)	9.7
Global and Non-US	49.0	1.6	(7.4)	(2.6)	(8.4)	2.5	(3.0)	1.5	(7.4)	41.6
Total Other⁽²⁾	59.5	3.6	(8.9)	(4.1)	(9.4)	2.5	(3.0)	1.7	(8.2)	51.3
Firmwide										
US	249.4	38.1	(25.6)	(8.2)	4.3	-	-	11.6	15.9	265.3
Global and Non-US	218.0	34.9	(40.2)	(8.8)	(14.1)	2.5	(3.0)	11.5	(3.1)	214.9
Total Firmwide	467.4	73.0	(65.8)	(17.0)	(9.8)	2.5	(3.0)	23.1	12.8	480.2

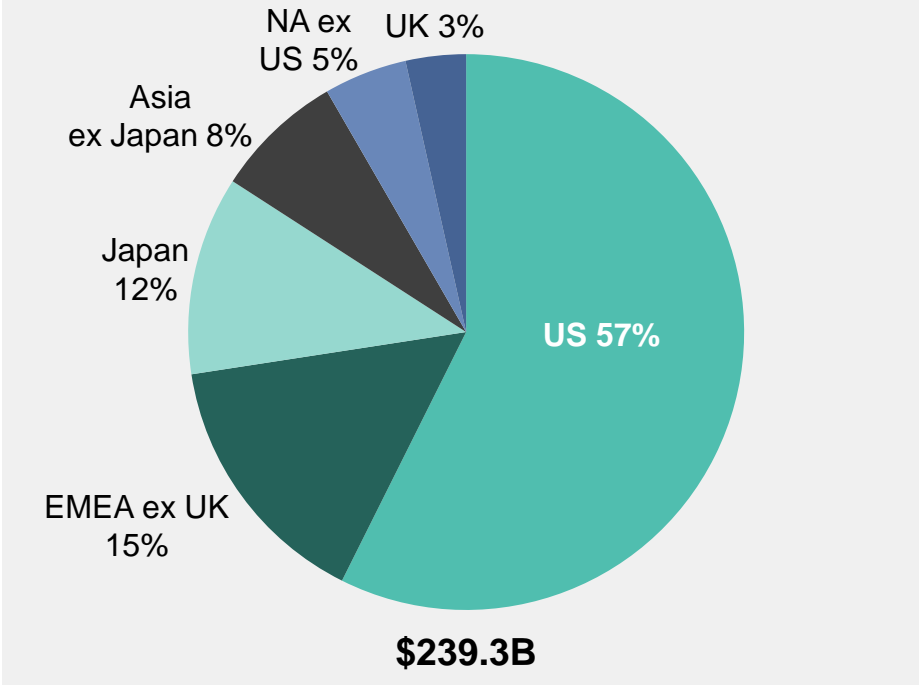
(1) Includes index and enhanced index services.

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

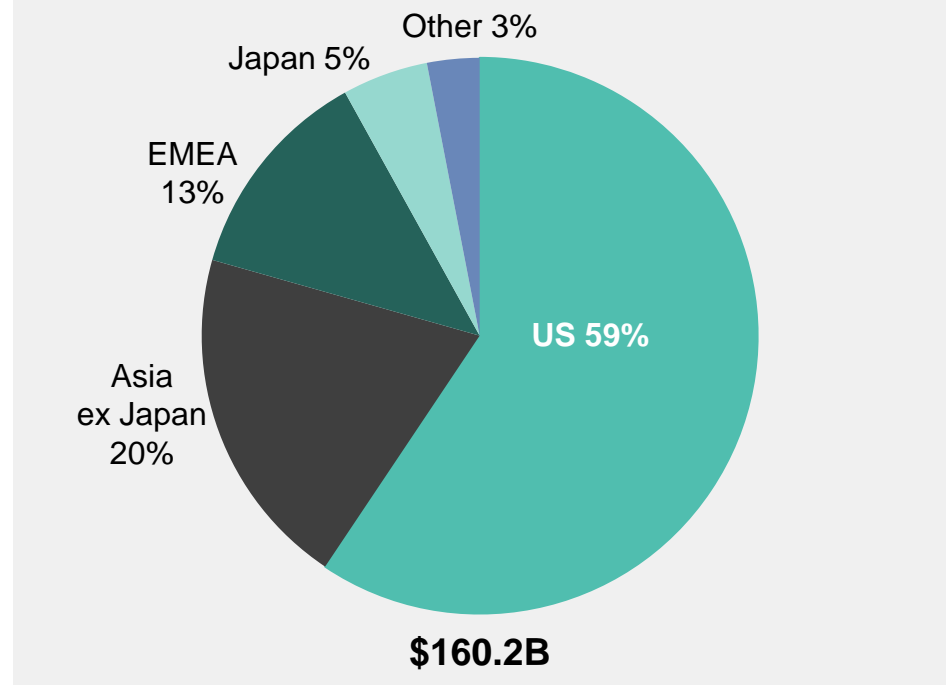
(3) During the second quarter of 2016, we removed \$3.0 billion of Customized Retirement Strategies assets from AUM as our asset management services transitioned to consulting services.

AUM by Region

Institutional



Retail



As of December 31, 2016
By client domicile



Fourth Quarter and Full Year 2016 Adjusted Advisory Fees

	4Q16	4Q15	% Δ	FY 2016	FY 2015	% Δ
Ending AUM (\$ Billions)	\$480	\$467	3%	\$480	\$467	3%
Average AUM (\$ Billions)	\$483	\$471	3%	\$480	\$481	(0%)

By Fee Type (\$ Millions):

Adjusted Base Fees	\$484	\$471	3%	\$1,892	\$1,939	(2%)
Adjusted Performance Fees	29	4	625%	33	24	38%
Total	\$513	\$475	8%	\$1,925	\$1,963	(2%)

Adjusted Base Fees By Channel (\$ Millions):

Institutions	\$102	\$103	(1%)	\$403	\$420	(4%)
Retail	205	200	3%	797	838	(5%)
Private Wealth	177	168	5%	692	681	2%
Total	\$484	\$471	3%	\$1,892	\$1,939	(2%)

Fourth Quarter and Full Year 2016 GAAP Income Statement

In US \$ Millions (except EPU)	4Q16	4Q15	% Δ	FY 2016	FY 2015	% Δ
Net Revenues	\$ 786	\$ 727	8%	\$ 3,029	\$ 3,021	0%
Operating Expenses	564	556	1%	2,306	2,390	(4%)
Operating Income	222	171	30%	723	631	15%
Net Income Attributable to AB Unitholders ¹	225	159	42%	673	580	16%
AB Holding GAAP Diluted Net Income per Unit ¹	\$0.77	\$0.52	48%	\$2.23	\$1.86	20%
AB Holding Distribution Per Unit	\$0.67	\$0.50	34%	\$1.92	\$1.86	3%

Percentages are calculated using amounts rounded to the nearest million.

(1) The 4Q15 and FY 2015 Net Income Attributable to AB Unitholders and GAAP Diluted Net Income per Unit has been revised.

Consolidated Balance Sheet

In US \$ Millions

	December 31, 2016	December 31, 2015 Revised
Assets		
Cash and cash equivalents	\$ 657	\$ 541
Cash and securities, segregated	946	565
Receivables, net	2,120	1,997
Investments:		
Long-term incentive compensation-related	68	78
Other	397	592
Assets of consolidated variable interest entities	933	-
Goodwill	3,067	3,045
Intangible assets, net	135	146
Deferred sales commissions, net	64	99
Other (incl. furniture & equipment, net)	354	371
Total Assets	\$ 8,741	\$ 7,434
Liabilities and Capital		
Liabilities:		
Payables	\$ 2,792	\$ 2,061
Accounts payable and accrued expenses	431	508
Liabilities of consolidated variable interest entities	293	-
Accrued compensation and benefits	251	253
Debt	513	582
Total Liabilities	4,280	3,404
Redeemable non-controlling interest	393	13
Partners' capital attributable to AllianceBernstein Unitholders	4,032	3,993
Non-controlling interests in consolidated entities	36	24
Total Capital	4,068	4,017
Total Liabilities and Capital	\$ 8,741	\$ 7,434

Consolidated Statement of Cash Flows

In US \$ Millions

	Twelve Months Ended	
	Dec. 31, 2016	Revised Dec. 31, 2015
Net Income	\$ 695	\$ 586
Non-cash items:		
Amortization of deferred sales commissions	41	49
Non-cash long-term incentive compensation expense	152	176
Depreciation and other amortization	59	56
Unrealized (gains)/losses on investments	(26)	29
Unrealized (gains) of consolidated VIEs	(31)	-
Other, net	9	(3)
Changes in assets and liabilities	649	(226)
Net cash provided by operating activities	1,548	667
Proceeds (purchases) of investments, net	1	4
Purchases of furniture, equipment, and leasehold improvements, net	(37)	(30)
Purchase of intangible asset	(2)	-
Purchases of businesses, net of cash acquired	(21)	-
Net cash used in investing activities	(59)	(26)
(Repayment)/issuance of commercial paper, net	(72)	94
(Decrease) Increase in overdrafts payable	(85)	80
Distributions to General Partner and Unitholders	(538)	(598)
Contributions to non-controlling interests of consolidated VIEs	-	(12)
Redemptions of non-controlling interests of consolidated VIEs, net	(137)	-
Payments of contingent payment arrangements	(1)	(5)
Additional investments by Holding with proceeds from exercise of compensatory options to buy Holding Units	6	9
Purchases of AB Holding Units to fund long-term incentive compensation plan awards, net	(236)	(214)
Other, net	2	-
Net cash used in financing activities	(1,061)	(646)
Effect of exchange rate changes on cash and cash equivalents	(10)	(10)
Net increase in cash and cash equivalents	418	(15)
Cash and cash equivalents at the beginning of period	577	556
Cash and cash equivalents at the end of period	\$ 995	\$ 541

AB Holding Financial Results

In US \$ Millions (exclucing per Unit amounts)	4Q16	Revised 4Q15	% Δ	FY 2016	Revised FY 2015	% Δ
AB						
Net Income Attributable to AllianceBernstein	\$225	\$159	42%	\$673	\$580	16%
Weighted Average Equity Ownership Interest	35.0%	35.7%		35.6%	36.2%	
AB Holding						
Equity in Net Income Attributable to AB	\$79	\$57	39%	\$240	\$210	14%
Income Taxes	6	6	0%	23	24	(4%)
Net Income	\$73	\$51	43%	\$217	\$186	17%
Diluted Net Income Per Unit, GAAP basis	\$0.77	\$0.52	48%	\$2.23	\$1.86	20%
Distributions Per Unit	\$0.67	\$0.50	34%	\$1.92	\$1.86	3%
Adjusted Diluted Net Income Per Unit	\$0.67	\$0.50	34%	\$1.89	\$1.84	3%

Please refer to pages 33-43 for additional information on the reconciliation of GAAP financial results to adjusted financial results. Percentages are calculated using amounts rounded in millions.

Fourth Quarter 2016 GAAP to Non-GAAP Reconciliation

Fourth Quarter 2016 GAAP to Non-GAAP Reconciliation

In US \$ Thousands

	GAAP	Adjustments								Non-GAAP	
		Distribution Related Payments (A)	Pass Through Expenses (B)	Deferred Comp. Inv. (C)	Consol VIE (D)	Real Estate Credits (Charges) (E)	Contingent Payment Adjust. (F)	Acquisition-Related Expenses (G)	Other (H)		Income Taxes (I)
Investment advisory and services fees	\$ 515,616		(2,107)		51						\$ 513,560
Bernstein research services	127,472										127,472
Distribution revenues	96,766	(104,879)			69						(8,044)
Dividend and interest income	13,760			(1,212)							12,548
Investment gains (losses)	7,883			846	(5,197)						3,532
Other revenues	27,867		(8,575)		(3,283)						16,009
Total revenues	789,364	(104,879)	(10,682)	(366)	(8,360)	-	-	-	-	-	665,077
Less: interest expense	3,108										3,108
Net revenues	786,256	(104,879)	(10,682)	(366)	(8,360)	-	-	-	-	-	661,969
Employee compensation and benefits	301,723			(114)				(483)			301,126
Promotion and servicing	156,655	(104,879)	(8,433)								43,343
General and administrative	97,022		(2,249)		(1,631)	6,941		(31)			100,052
Contingent payment arrangements	178										178
Interest on borrowings	1,472										1,472
Amortization of intangible assets	6,967										6,967
Net income (loss) of consolidated entities attributable to non-controlling interests									(32)	-	(32)
Total expenses	564,017	(104,879)	(10,682)	(114)	(1,631)	6,941	-	(514)	(32)	-	453,106
Operating income	222,239	-	-	(252)	(6,729)	(6,941)	-	514	32	-	208,863
Income taxes	(8,996)			(14)		(392)		29		21,571	12,198
Net income	231,235			(238)	(6,729)	(6,549)		485	32	(21,571)	196,665
Net income (loss) of consolidated entities attributable to non-controlling interests	6,697				(6,729)				32		-
Net income attributable to AB Unitholders	\$ 224,538	\$ -	\$ -	\$ (238)	\$ -	\$ (6,549)	\$ -	\$ 485	\$ -	\$ (21,571)	\$ 196,665

Please refer to page 43 for notes describing the adjustments.

Third Quarter 2016 GAAP to Non-GAAP Reconciliation

Third Quarter 2016 GAAP to Non-GAAP Reconciliation

In US \$ Thousands

	GAAP	Adjustments							Non-GAAP	
		Distribution Related Payments (A)	Pass Through Expenses (B)	Deferred Comp. Inv. (C)	Consol VIE (D)	Real Estate Charges (E)	Contingent Payment Adjust. (F)	Acquisition- Related Expenses (G)		Other (H)
Investment advisory and services fees	\$ 489,393		(1,719)		132					\$ 487,806
Bernstein research services	110,885									110,885
Distribution revenues	97,625	(105,632)			48					(7,959)
Dividend and interest income	7,876			(141)						7,735
Investment gains (losses)	17,606			(2,556)	(13,981)					1,069
Other revenues	26,272		(8,049)		(2,313)					15,910
Total revenues	749,657	(105,632)	(9,768)	(2,697)	(16,114)	-	-	-	-	615,446
Less: interest expense	2,066									2,066
Net revenues	747,591	(105,632)	(9,768)	(2,697)	(16,114)	-	-	-	-	613,380
Employee compensation and benefits	316,737			(3,060)				(18)		313,659
Promotion and servicing	152,836	(105,632)	(7,908)							39,296
General and administrative	106,364		(1,860)		(561)	140		(285)		103,798
Contingent payment arrangements	(21,129)						21,483			354
Interest on borrowings	1,009									1,009
Amortization of intangible assets	6,465									6,465
Net income (loss) of consolidated entities attributable to non-controlling interests	-								143	143
Total expenses	562,282	(105,632)	(9,768)	(3,060)	(561)	140	21,483	(303)	143	464,724
Operating income	185,309	-	-	363	(15,553)	(140)	(21,483)	303	(143)	148,656
Income taxes	11,578			23		(9)	(1,343)	19	-	10,268
Net income	173,731	-	-	340	(15,553)	(131)	(20,140)	284	(143)	138,388
Net income (loss) of consolidated entities attributable to non-controlling interests	15,696				(15,553)				(143)	-
Net income attributable to AB Unitholders	\$ 158,035	\$ -	\$ -	\$ 340	\$ -	\$ (131)	\$ (20,140)	\$ 284	\$ -	\$ 138,388

Please refer to page 43 for notes describing the adjustments.

Second Quarter 2016 GAAP to Non-GAAP Reconciliation

Second Quarter 2016 GAAP to Non-GAAP Reconciliation

In US \$ Thousands

	GAAP	Adjustments							Non-GAAP	
		Distribution Related Payments (A)	Pass Through Expenses (B)	Deferred Comp. Inv. (C)	Consol VIE (D)	Real Estate Charges (E)	Contingent Payment Adjust. (F)	Acquisition- Related Expenses (G)		Other (H)
Investment advisory and services fees	\$ 477,050		(2,443)		64					\$ 474,671
Bernstein research services	115,053									115,053
Distribution revenues	97,321	(103,794)			34					(6,439)
Dividend and interest income	7,697			(142)						7,555
Investment gains (losses)	2,276			(792)	(3,089)					(1,605)
Other revenues	28,283		(9,265)		(2,480)					16,538
Total revenues	727,680	(103,794)	(11,708)	(934)	(5,471)	-	-	-	-	605,773
Less: interest expense	1,874									1,874
Net revenues	725,806	(103,794)	(11,708)	(934)	(5,471)	-	-	-	-	603,899
Employee compensation and benefits	309,249			(580)						308,669
Promotion and servicing	159,151	(103,794)	(9,120)							46,237
General and administrative	106,956		(2,588)		(729)	2,801		(239)		106,201
Contingent payment arrangements	353									353
Interest on borrowings	1,052									1,052
Amortization of intangible assets	6,470									6,470
Net income (loss) of consolidated entities attributable to non-controlling interests	-								101	101
Total expenses	583,231	(103,794)	(11,708)	(580)	(729)	2,801	-	(239)	101	469,083
Operating income	142,575	-	-	(354)	(4,742)	(2,801)	-	239	(101)	134,816
Income taxes ⁽¹⁾	13,231			(33)		(260)		22		12,960
Net income ⁽¹⁾	129,344			(321)	(4,742)	(2,541)		217	(101)	121,856
Net income (loss) of consolidated entities attributable to non-controlling interests	4,843				(4,742)				(101)	-
Net income attributable to AB Unitholders ⁽¹⁾	\$ 124,501	\$ -	\$ -	\$ (321)	\$ -	\$ (2,541)	\$ -	\$ 217	\$ -	\$ 121,856

Please refer to page 43 for notes describing the adjustments.

(1) Income taxes, Net income and Net income attributable to non-controlling interests have been revised.

First Quarter 2016 GAAP to Non-GAAP Reconciliation

First Quarter 2016 GAAP to Non-GAAP Reconciliation

In US \$ Thousands

	GAAP	Adjustments							Non-GAAP	
		Distribution Related Payments (A)	Pass Through Expenses (B)	Deferred Comp. Inv. (C)	Consol VIE (D)	Real Estate Charges (E)	Contingent Payment Adjust. (F)	Acquisition-Related Expenses (G)		Other (H)
Investment advisory and services fees	\$ 451,413		(2,405)		(54)					\$ 448,954
Bernstein research services	126,465									126,465
Distribution revenues	92,692	(98,369)			31					(5,646)
Dividend and interest income	7,370			(151)						7,219
Investment gains (losses)	65,650			1,326	7,923			(75,273)		(374)
Other revenues	27,611		(9,246)		(2,842)					15,523
Total revenues	771,201	(98,369)	(11,651)	1,175	5,058	-	-	-	(75,273)	592,141
Less: interest expense	2,075									2,075
Net revenues	769,126	(98,369)	(11,651)	1,175	5,058	-	-	-	(75,273)	590,066
Employee compensation and benefits	302,011			212						302,223
Promotion and servicing	152,570	(98,369)	(9,086)							45,115
General and administrative	133,509		(2,565)		(791)	(27,586)				102,567
Contingent payment arrangements	353									353
Interest on borrowings	1,232									1,232
Amortization of intangible assets	6,409									6,409
Net income (loss) of consolidated entities attributable to non-controlling interests	-								101	101
Total expenses	596,084	(98,369)	(11,651)	212	(791)	(27,586)	-	-	101	458,000
Operating income	173,042	-	-	963	5,849	27,586	-	-	(75,374)	132,066
Income taxes ⁽¹⁾	12,506			70		1,994			(5,442)	9,128
Net income ⁽¹⁾	160,536			893	5,849	25,592			(69,932)	122,938
Net income (loss) of consolidated entities attributable to non-controlling interests	(5,748)				5,849				(101)	-
Net income attributable to AB Unitholders ⁽¹⁾	\$ 166,284	\$ -	\$ -	\$ 893	\$ -	\$ 25,592	\$ -	\$ -	\$ (69,831)	\$ 122,938

Please refer to page 43 for notes describing the adjustments.

(1) Income taxes, Net income and Net income attributable to non-controlling interests have been revised.

Fourth Quarter 2015 GAAP to Non-GAAP Reconciliation

Fourth Quarter 2015 GAAP to Non-GAAP Reconciliation

In US \$ Thousands

	GAAP	Adjustments							Non-GAAP	
		Distribution Related Payments (A)	Pass Through Expenses (B)	Deferred Comp. Inv. (C)	Venture Capital Fund (D)	Real Estate Charges (E)	Contingent Payment Adjust. (F)	Acquisition-Related Expenses (G)		Other (H)
Investment advisory and services fees	\$ 477,639		(2,638)							\$ 475,001
Bernstein research services	118,442									118,442
Distribution revenues	100,757	(105,052)								(4,295)
Dividend and interest income	8,651			(1,521)						7,130
Investment gains (losses)	(2,003)			(583)	(1,560)					(4,146)
Other revenues	24,509		(9,001)							15,508
Total revenues	727,995	(105,052)	(11,639)	(2,104)	(1,560)	-	-	-	-	607,640
Less: interest expense	1,269									1,269
Net revenues	726,726	(105,052)	(11,639)	(2,104)	(1,560)	-	-	-	-	606,371
Employee compensation and benefits	286,399			(1,866)						284,533
Promotion and servicing	160,959	(105,052)	(8,856)							47,051
General and administrative	107,993		(2,783)			221				105,431
Contingent payment arrangements	(6,769)						7,212			443
Interest on borrowings	817									817
Amortization of intangible assets	6,414									6,414
Net income (loss) of consolidated entities attributable to non-controlling interests	-								(64)	(64)
Total expenses	555,813	(105,052)	(11,639)	(1,866)	-	221	7,212	-	(64)	444,625
Operating income	170,913	-	-	(238)	(1,560)	(221)	(7,212)	-	64	161,746
Income taxes ⁽¹⁾	10,023			(14)		(13)	(423)			9,573
Net income ⁽¹⁾	160,890			(224)	(1,560)	(208)	(6,789)		64	152,173
Net income (loss) of consolidated entities attributable to non-controlling interests	1,496				(1,560)				64	-
Net income attributable to AB Unitholders ⁽¹⁾	\$ 159,394	\$ -	\$ -	\$ (224)	\$ -	\$ (208)	\$ (6,789)	\$ -	\$ -	\$ 152,173

Please refer to page 43 for notes describing the adjustments.

(1) Income taxes, Net income and Net income attributable to non-controlling interests have been revised.

Third Quarter 2015 GAAP to Non-GAAP Reconciliation

Third Quarter 2015 GAAP to Non-GAAP Reconciliation

In US \$ Thousands

	GAAP	Adjustments							Non-GAAP	
		Distribution Related Payments (A)	Pass Through Expenses (B)	Deferred Comp. Inv. (C)	Venture Capital Fund (D)	Real Estate Charges (E)	Contingent Payment Adjust. (F)	Acquisition- Related Expenses (G)		Other (H)
Investment advisory and services fees	\$ 486,286		(2,479)							\$ 483,807
Bernstein research services	127,065									127,065
Distribution revenues	105,365	(109,049)								(3,684)
Dividend and interest income	5,459			(130)						5,329
Investment gains (losses)	(10,326)			5,273	2,829					(2,224)
Other revenues	25,647		(8,946)							16,701
Total revenues	739,496	(109,049)	(11,425)	5,143	2,829	-	-	-	-	626,994
Less: interest expense	803									803
Net revenues	738,693	(109,049)	(11,425)	5,143	2,829	-	-	-	-	626,191
Employee compensation and benefits	317,560			4,917						322,477
Promotion and servicing	161,838	(109,049)	(8,789)							44,000
General and administrative	109,678		(2,636)			(1,682)				105,360
Contingent payment arrangements	443									443
Interest on borrowings	712									712
Amortization of intangible assets	6,411									6,411
Net income (loss) of consolidated entities attributable to non-controlling interests	-								(242)	(242)
Total expenses	596,642	(109,049)	(11,425)	4,917	-	(1,682)	-	-	(242)	479,161
Operating income	142,051	-	-	226	2,829	1,682	-	-	242	147,030
Income taxes ⁽¹⁾	11,814			19		140				11,973
Net income ⁽¹⁾	130,237	-	-	207	2,829	1,542	-	-	242	135,057
Net income (loss) of consolidated entities attributable to non-controlling interests	(3,071)				2,829				242	-
Net income attributable to AB Unitholders ⁽¹⁾	\$ 133,308	\$ -	\$ -	\$ 207	\$ -	\$ 1,542	\$ -	\$ -	\$ -	\$ 135,057

Please refer to page 43 for notes describing the adjustments.

(1) Income taxes, Net income and Net income attributable to non-controlling interests have been revised.

Second Quarter 2015 GAAP to Non-GAAP Reconciliation

Second Quarter 2015 GAAP to Non-GAAP Reconciliation

In US \$ Thousands

	GAAP	Adjustments							Non-GAAP	
		Distribution Related Payments (A)	Pass Through Expenses (B)	Deferred Comp. Inv. (C)	Venture Capital Fund (D)	Real Estate Charges (E)	Contingent Payment Adjust. (F)	Acquisition-Related Expenses (G)		Other (H)
Investment advisory and services fees	\$ 515,924		(3,978)							\$ 511,946
Bernstein research services	121,910									121,910
Distribution revenues	111,850	(115,291)								(3,441)
Dividend and interest income	5,667			(135)						5,532
Investment gains (losses)	11,993			(362)	(7,014)					4,617
Other revenues	26,023		(8,597)							17,426
Total revenues	793,367	(115,291)	(12,575)	(497)	(7,014)	-	-	-	-	657,990
Less: interest expense	630									630
Net revenues	792,737	(115,291)	(12,575)	(497)	(7,014)	-	-	-	-	657,360
Employee compensation and benefits	337,640			(582)						337,058
Promotion and servicing	174,473	(115,291)	(8,418)							50,764
General and administrative	108,012		(4,157)			80				103,935
Contingent payment arrangements	442									442
Interest on borrowings	736									736
Amortization of intangible assets	6,512									6,512
Net income (loss) of consolidated entities attributable to non-controlling interests	-								(339)	(339)
Total expenses	627,815	(115,291)	(12,575)	(582)	-	80	-	-	(339)	499,108
Operating income	164,922	-	-	85	(7,014)	(80)	-	-	339	158,252
Income taxes ⁽¹⁾	10,822									10,822
Net income ⁽¹⁾	154,100	-	-	85	(7,014)	(80)	-	-	339	147,430
Net income (loss) of consolidated entities attributable to non-controlling interests	6,675				(7,014)				339	-
Net income attributable to AB Unitholders ⁽¹⁾	\$ 147,425	\$ -	\$ -	\$ 85	\$ -	\$ (80)	\$ -	\$ -	\$ -	\$ 147,430

Please refer to page 43 for notes describing the adjustments.

(1) Income taxes, Net income and Net income attributable to non-controlling interests have been revised.

First Quarter 2015 GAAP to Non-GAAP Reconciliation

First Quarter 2015 GAAP to Non-GAAP Reconciliation

In US \$ Thousands

	GAAP	Adjustments							Non-GAAP	
		Distribution Related Payments (A)	Pass Through Expenses (B)	Deferred Comp. Inv. (C)	Venture Capital Fund (D)	Real Estate Charges (E)	Contingent Payment Adjust. (F)	Acquisition-Related Expenses (G)		Other (H)
Investment advisory and services fees	\$ 493,988		(2,458)							\$ 491,530
Bernstein research services	126,046									126,046
Distribution revenues	109,184	(112,785)								(3,601)
Dividend and interest income	5,094			(151)						4,943
Investment gains (losses)	3,888			(2,426)	(1,373)					89
Other revenues	24,990		(9,383)							15,607
Total revenues	763,190	(112,785)	(11,841)	(2,577)	(1,373)	-	-	-	-	634,614
Less: interest expense	619									619
Net revenues	762,571	(112,785)	(11,841)	(2,577)	(1,373)	-	-	-	-	633,995
Employee compensation and benefits	326,327			(2,634)				(16)		323,677
Promotion and servicing	168,322	(112,785)	(9,252)							46,285
General and administrative	106,950		(2,589)			383		16		104,760
Contingent payment arrangements	443									443
Interest on borrowings	854									854
Amortization of intangible assets	6,461									6,461
Net income (loss) of consolidated entities attributable to non-controlling interests	-								(98)	(98)
Total expenses	609,357	(112,785)	(11,841)	(2,634)	-	383	-	-	(98)	482,382
Operating income	153,214	-	-	57	(1,373)	(383)	-	-	98	151,613
Income taxes ⁽¹⁾	12,139			4		(30)				12,113
Net income ⁽¹⁾	141,075			53	(1,373)	(353)			98	139,500
Net income (loss) of consolidated entities attributable to non-controlling interests	1,275				(1,373)				98	-
Net income attributable to AB Unitholders ⁽¹⁾	\$ 139,800	\$ -	\$ -	\$ 53	\$ -	\$ (353)	\$ -	\$ -	\$ -	\$ 139,500

Please refer to page 43 for notes describing the adjustments.

(1) Income taxes, Net income and Net income attributable to non-controlling interests have been revised.

Full Year 2016 GAAP to Non-GAAP Reconciliation

Year Ended December 31, 2016 GAAP to Non-GAAP Reconciliation

In US \$ Thousands

	GAAP	Adjustments								Non-GAAP	
		Distribution Related Payments (A)	Pass Through Expenses (B)	Deferred Comp. Inv. (C)	Consol VIE (D)	Real Estate Credits (Charges) (E)	Contingent Payment Adjust. (F)	Acquisition- Related Expenses (G)	Other (H)		Income Taxes (I)
Investment advisory and services fees	\$ 1,933,471		(8,674)		195						\$ 1,924,992
Bernstein research services	479,875										479,875
Distribution revenues	384,405	(412,673)			181						(28,087)
Dividend and interest income	36,702			(1,647)							35,055
Investment gains (losses)	93,353			(1,175)	(14,346)			(75,273)			2,559
Other revenues	110,096		(35,134)		(10,919)						64,043
Total revenues	3,037,902	(412,673)	(43,808)	(2,822)	(24,889)	-	-	-	(75,273)	-	2,478,437
Less: interest expense	9,123										9,123
Net revenues	3,028,779	(412,673)	(43,808)	(2,822)	(24,889)	-	-	-	(75,273)	-	2,469,314
Employee compensation and benefits	1,229,721			(3,542)				(501)			1,225,678
Promotion and servicing	621,211	(412,673)	(34,547)								173,991
General and administrative	443,851		(9,261)		(3,713)	(17,704)		(556)			412,617
Contingent payment arrangements	(20,245)						21,483				1,238
Interest on borrowings	4,765										4,765
Amortization of intangible assets	26,311										26,311
Net income (loss) of consolidated entities attributable to non-controlling interests	-								312		312
Total expenses	2,305,614	(412,673)	(43,808)	(3,542)	(3,713)	(17,704)	21,483	(1,057)	312	-	1,844,912
Operating income	723,165	-	-	720	(21,176)	17,704	(21,483)	1,057	(75,585)	-	624,402
Income taxes	28,319			50		1,221	(1,482)	73	(5,193)	21,571	44,559
Net income	694,846	-	-	670	(21,176)	16,483	(20,001)	984	(70,392)	(21,571)	579,843
Net income (loss) of consolidated entities attributable to non-controlling interests	21,488				(21,176)				(312)		-
Net income attributable to AB Unitholders	\$ 673,358	\$ -	\$ -	\$ 670	\$ -	\$ 16,483	\$ (20,001)	\$ 984	\$ (70,080)	\$ (21,571)	\$ 579,843

Please refer to page 43 for notes describing the adjustments.

Full Year 2015 GAAP to Non-GAAP Reconciliation

Year Ended December 31, 2015 GAAP to Non-GAAP Reconciliation

In US \$ Thousands

	GAAP	Adjustments							Non-GAAP	
		Distribution Related Payments (A)	Pass Through Expenses (B)	Deferred Comp. Inv. (C)	Consol VIE (D)	Real Estate Credits (Charges) (E)	Contingent Payment Adjust. (F)	Acquisition-Related Expenses (G)		Other (H)
Investment advisory and services fees	\$ 1,973,837		(11,553)							\$ 1,962,284
Bernstein research services	493,463									493,463
Distribution revenues	427,156	(442,178)								(15,022)
Dividend and interest income	24,872			(1,938)						22,934
Investment gains (losses)	3,551			1,903	(7,117)					(1,663)
Other revenues	101,169		(35,926)							65,243
Total revenues	3,024,048	(442,178)	(47,479)	(35)	(7,117)	-	-	-	-	2,527,239
Less: interest expense	3,321									3,321
Net revenues	3,020,727	(442,178)	(47,479)	(35)	(7,117)	-	-	-	-	2,523,918
Employee compensation and benefits	1,267,926			(166)				(15)		1,267,745
Promotion and servicing	665,593	(442,178)	(35,314)							188,101
General and administrative	432,633		(12,165)			(998)		15		419,485
Contingent payment arrangements	(5,441)						7,212			1,771
Interest on borrowings	3,119									3,119
Amortization of intangible assets	25,798									25,798
Net income (loss) of consolidated entities attributable to non-controlling interests	-								(742)	(742)
Total expenses	2,389,628	(442,178)	(47,479)	(166)	-	(998)	7,212	-	(742)	1,905,277
Operating income	631,099	-	-	131	(7,117)	998	(7,212)	-	742	618,641
Income taxes ⁽¹⁾	44,797			9		71	(512)			44,365
Net income ⁽¹⁾	586,302	-	-	122	(7,117)	927	(6,700)	-	742	574,276
Net income (loss) of consolidated entities attributable to non-controlling interests	6,375				(7,117)				742	-
Net income attributable to AB Unitholders ⁽¹⁾	\$ 579,927	\$ -	\$ -	\$ 122	\$ -	\$ 927	\$ (6,700)	\$ -	\$ -	\$ 574,276

Please refer to page 43 for notes describing the adjustments.

(1) Income taxes, Net income and Net income attributable to non-controlling interests have been revised.

AB Adjusted Financial Results Reconciliation

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

- A. Adjusted net revenues exclude distribution-related payments to third parties as well as amortization of deferred sales commissions against distribution revenues. We believe excluding distribution-related payments from net revenues is useful for our investors and other users of our financial statements because such presentation appropriately reflects the nature of these costs as pass-through payments to third parties who perform functions on behalf of our sponsored mutual funds and/or shareholders of these funds. We exclude amortization of deferred sales commissions from net revenues because such costs, over time, essentially offset our distribution revenues. These adjustments have no impact on operating income, but they do have an impact on our operating margin.
- B. We exclude pass-through expenses we incur (primarily through our transfer agency) that are reimbursed and recorded as fees in revenues from our adjusted net revenues. These fees have no impact on operating income, but they do have an impact on our operating margin.
- C. Prior to 2009, a significant portion of employee compensation was in the form of long-term incentive compensation awards that were notionally invested in AB investment services and generally vested over a period of four years. AB economically hedged the exposure to market movements by purchasing and holding these investments on its balance sheet. All such investments had vested by year-end 2012 and the investments have been distributed to the participants, except for those investments with respect to which the participant elected a long-term deferral. Fluctuation in the value of these investments is recorded within investment gains and losses on the income statement and also impacts compensation expense. Management believes it is useful to reflect the offset achieved from economically hedging the investments' market exposure in the calculation of adjusted operating income and adjusted operating margin. The non-GAAP measures exclude gains and losses and dividends and interest on employee long-term incentive compensation-related investments included in revenues and compensation expense.
- D. Most of the net income or loss of consolidated entities attributable to non-controlling interests relates to the 90% limited partner interests held by third parties in our consolidated venture capital fund. We own a 10% limited partner interest in the fund. Because we are the general partner of the venture capital fund and are deemed to have a controlling interest, US GAAP requires us to consolidate the financial results of the fund. However, recognizing 100% of the gains or losses in net revenues and operating income while only retaining 10% is not reflective of our underlying financial results at the net revenue and operating income level. As a result, we exclude the 90% limited partner interests we do not own from our adjusted net revenues and adjusted operating income. Effective January 1, 2016, our consolidated venture capital fund is included with other consolidated VIEs. In 2016, we adjusted for the revenue impact of consolidating certain VIEs (as a result of the adoption of a new accounting standard; see Note 2 to our condensed consolidated financial statements). This adjustment reflects the elimination of the consolidated VIEs revenues and expenses and the inclusion of AB's revenues and expenses from such VIEs and AB's investment gains and losses on its investments in such VIEs that were eliminated in consolidation.
- E. Real estate (credits)/charges have been excluded because they are not considered part of our core operating results when comparing financial results from period to period and to industry peers.
- F. Recording changes in estimates of the contingent consideration associated with our acquisitions have been excluded because they are not considered part of our core operating results.
- G. Acquisition-related expenses incurred as a result of acquisitions have been excluded because they are not considered part of our core operating results when comparing results from period to period and to industry peers.
- H. Net income of joint ventures attributable to non-controlling interests, although not significant, is excluded because it does not reflect the economic interest attributable to AB. In addition, in 2016 we excluded a realized gain on an investment carried at cost due to its' non-recurring nature and it not being part of our core operating results.

Adjusted Operating Margin

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

Adjusted Income Taxes

The income tax adjustment reflects a reduction of the US GAAP income tax liability for a fourth quarter 2016 change in estimate relating to the third quarter 2016 revision to income taxes (\$13.3 million) and a reversal of a deferred tax liability relating to foreign translation adjustments (\$8.2 million). We excluded these credits due to their non-recurring nature.

$$\left[\begin{array}{c} A \\ \hline B \end{array} \right]$$