



ALLIANCEBERNSTEIN®

October 24, 2018

THIRD QUARTER 2018 REVIEW

Seth P. Bernstein President & 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, 2017 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 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:

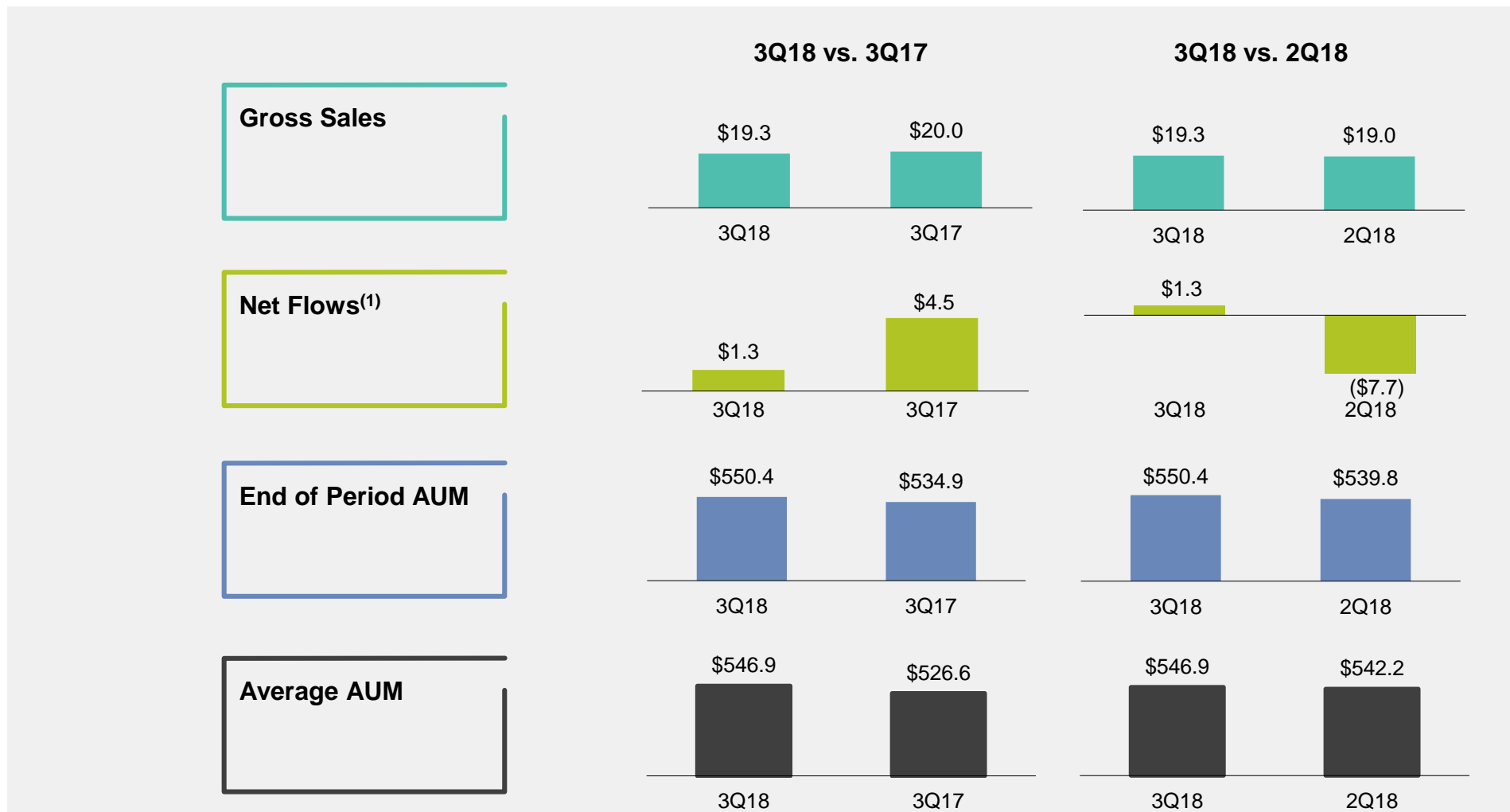
- + **The pipeline of new institutional mandates not yet funded:** Before they are funded, institutional mandates do not represent legally binding commitments to fund and, accordingly, the possibility exists that not all mandates will be funded in the amounts and at the times currently anticipated, or 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.
- + **The possibility that, based on the below factors, we will not be able to meet our stated 2020 margin target:** We have adopted a goal of increasing our adjusted operating margin from 27.7% (which we achieved for 2017) to a target of 30% by 2020. In setting our this target, we have made significant assumptions with respect to, among other things:
 - + the levels of positive net flows into our investment services;
 - + the level of growth (in terms of additional AUM) in our alternatives product business;
 - + the rate of increase in our fixed costs due to inflation and similar factors, the transitional costs related to our relocation strategy and the timing of such costs, the success we have in achieving planned new cost reductions (including those relating to our relocation strategy) and the timing of such cost reductions, and the investments we make in our business;
 - + general conditions of the markets in which our business operates, including modest continued appreciation in both equity and fixed income total investment returns.

While our 2020 margin target is presented with numerical specificity, and we believe the target to be reasonable as of the date of this report, the uncertainties surrounding the assumptions we discuss above create a significant risk that these assumptions may not be realized. Accordingly, our 2020 margin target may not be achieved, particularly if actual events adversely differ from one or more of our key assumptions.

Seth P. Bernstein

President & Chief Executive Officer

Firmwide Overview: Third Quarter 2018

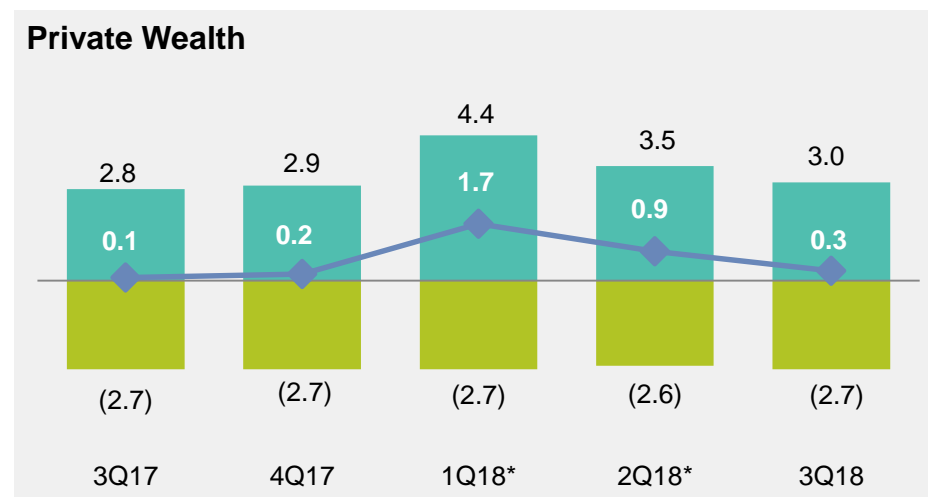
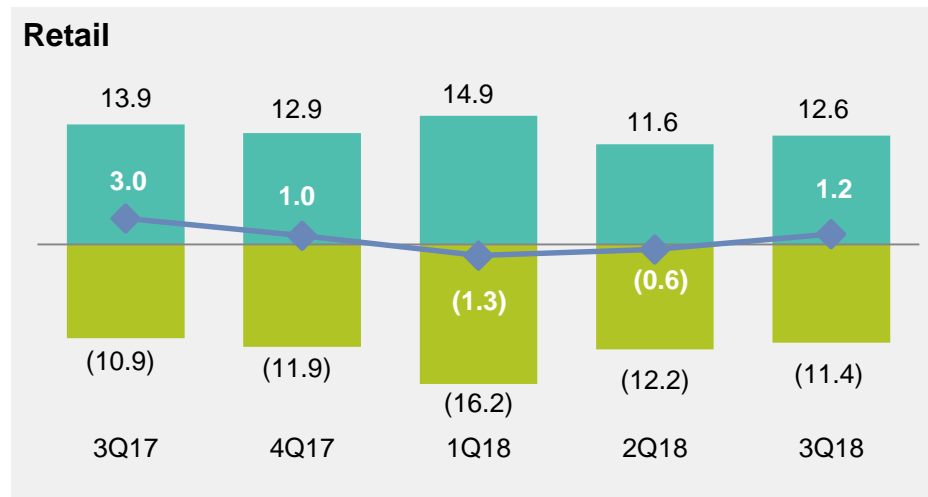
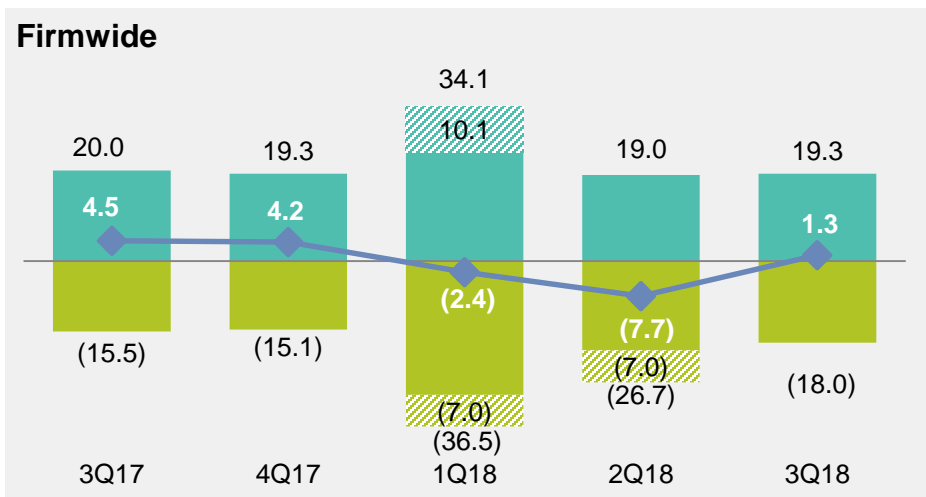


US \$ Billions; scales differ by chart

(1) 3Q18: \$2.5B active net inflows and \$1.2B passive net outflows. 3Q17 \$4.9B active net inflows and \$0.4B passive net outflows; 2Q18: \$8.2B active net outflows and \$0.5B passive net inflows



Asset Flows by Distribution Channel: Quarterly Trend



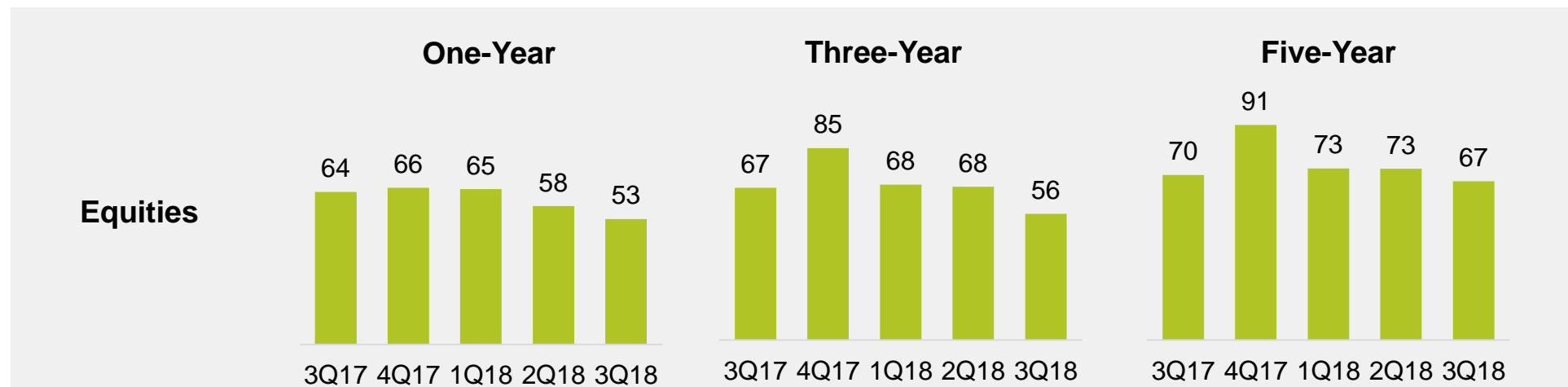
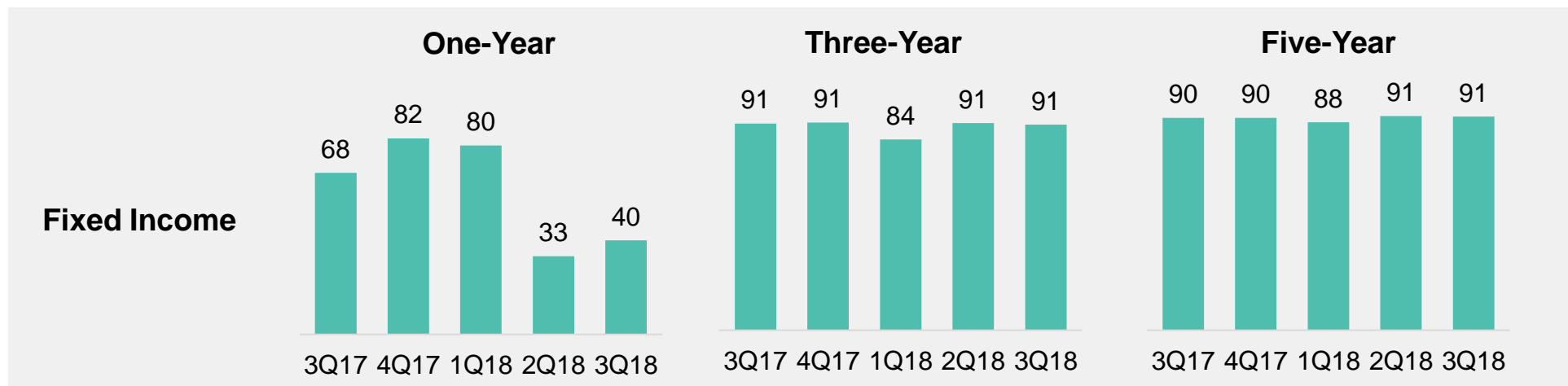
■ Gross Sales ■ CRS Sales ■ Gross Redemptions ■ CRS Redemptions ◆ Net Flows

US \$ Billions; scales differ by chart

*Private Wealth net inflows include Option Advantage overlay strategy inflows of \$1.3B in 1Q18 and \$0.5B in 2Q18.



Percentage of Assets Outperforming at Quarter-End



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. As of September 30, 2018.



Fixed Income Investment Performance

Retail Service	Performance vs. Morningstar Category Average Through 9/30/18					
	1 Year		3 Year		5 Year	
	Relative (%)	Percentile	Relative (%)	Percentile	Relative (%)	Percentile
Offshore						
American Income Portfolio	0.5	39	0.8	35	1.4	14
Emerging Markets Debt Portfolio	(1.9)	78	1.0	28	1.5	31
Emerging Markets Local Currency Debt	(2.1)	83	1.0	20	0.6	26
European Income Portfolio	1.5	12	1.8	17	1.6	13
Global High Yield Portfolio	(0.6)	73	0.7	34	0.5	41
Mortgage Income Portfolio	4.7	1	1.7	17	N/A	N/A
Euro High Yield Portfolio	(0.5)	72	1.1	22	0.8	30
US Taxable						
Global Bond Fund	1.0	33	0.2	45	2.2	14
High Income Fund	(2.7)	94	0.5	37	0.7	26
Income Fund	(0.9)	91	1.4	7	1.9	3
Municipals						
High Income Municipal Portfolio	(0.3)	46	0.6	32	1.0	21
Intermediate Diversified Muni	(0.6)	82	0.4	17	N/A	N/A
Municipal Income National Portfolio	0.4	28	0.8	12	0.9	16

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; Emerging Markets Debt – Global Emerging Markets Bond; Emerging Markets Local Currency Debt – Global Emerging Markets Bond – Local Currency; European Income – EUR Flexible Bond; Global High Yield – Global High Yield Bond; Mortgage Income – USD Flexible Bond; Euro High Yield – EUR High Yield Bond; Global Bond – World Bond; High Income – High Yield Bond; AB Income – Intermediate-Term Bond; High Income Municipal – High Yield Muni; Intermediate Diversified Muni – Muni National Short; Municipal Income National – Muni National Intern. As of 9/30/18. Source: AB and Morningstar.



Equities Investment Performance

Retail Service	Performance vs. Morningstar Category Average Through 9/30/18					
	1 Year		3 Year		5 Year	
	Relative (%)	Percentile	Relative (%)	Percentile	Relative (%)	Percentile
Offshore						
Select US	3.4	14	0.9	46	1.5	31
US Thematic	2.6	22	2.8	7	3.3	1
Concentrated Global	4.6	22	2.5	24	N/A	N/A
Global Low Vol ⁽¹⁾	7.3	5	1.9	29	4.6	2
Global Core	5.9	8	3.6	7	2.4	20
Global Thematic	(0.6)	56	1.8	29	2.1	22
European Equity	3.6	11	3.8	6	4.7	1
Emerging Markets Growth	(8.5)	97	(1.4)	71	1.2	24
Emerging Markets Low Vol ⁽¹⁾	(0.6)	62	(0.7)	62	N/A	N/A
US						
Large Cap Growth	0.9	44	1.5	33	3.2	9
Discovery Growth	14.3	4	5.7	7	1.7	23
Discovery Value	1.8	30	0.4	40	2.1	18
Concentrated Growth (US)	(2.9)	68	(1.7)	74	(0.1)	56
Concentrated International Growth	(1.4)	65	0.5	35	N/A	N/A
Relative Value	3.4	18	1.6	21	1.5	18
International Value	(3.4)	91	(1.0)	69	0.5	35

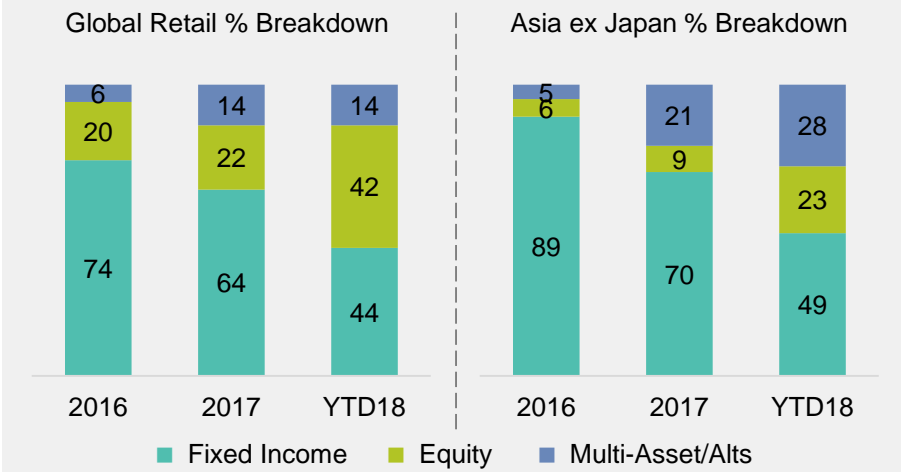
Past performance does not guarantee future results.

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. Select US – US Large-Cap Blend; US Thematic – US Large-Cap Blend – representative of US Thematic and Strategic Research SMAs; Concentrated Global – Large Cap Growth; Global Low Vol – Global Large-Cap Blend; Global Core – Europe Large-Cap Value; Global Thematic – Global Large-Cap Growth; European Equity – Europe Large-Cap Value; Emerging Markets Growth – Global Emerging Markets; Emerging Markets Low Vol – Global Emerging Markets Equity; Large Cap Growth – Large Growth; Discovery Growth – Mid-Cap Growth; Discovery Value – Mid-Cap Value; Concentrated Growth (US) – Large Growth; Concentrated International Growth – Foreign Large Growth; Relative Value – Large Value; International Value – Foreign Large Value. As of 9/30/18. Source: AB and Morningstar. (1) A low vol universe comparison is not currently listed in Morningstar.



Retail Highlights

Improving Gross Sales Diversification



Diverse Array of AB Funds with \$100M+ Net Sales⁽¹⁾ YTD

Equity	Fixed Income
Large Cap Growth ⁽²⁾	SMA Tax Aware Fixed Income
Global Strategic Core	Mortgage Income
Eurozone Equity	Euro High Yield
SMA Strategic Research	AB Income
Discovery Growth (SMID)	Diversified Yield Plus
Emerging Markets Growth	
European Equity	Multi-Asset / Alts
International Healthcare	Global Multi-Asset (DIMs)
SMA Concentrated US Growth	Multi-Asset Income Fund-of-Fund
Global REIT	Emerging Market Multi-Asset
Select US Equity	Select L/S Equity

Third Quarter 2018 Highlights

Sales and Flows

- + 3Q18 gross sales of \$12.6B down 9% Y/Y, up 9% Q/Q
 - + Sequential increase driven by Asia ex Japan, Japan and US Retail⁽³⁾
 - + Equity sales 50%+ of quarterly total; up 74% Y/Y and 13% Q/Q
 - + Taxable fixed income sales down 54% Y/Y, up 5% Q/Q
- + YTD gross sales of \$39.1B down 4% vs. YTD17
- + Annualized 3Q18 redemption rate of 24% down from 30% 1H average
 - + Redemptions decreased across all active asset classes
 - + Taxable fixed income redemptions improved by \$1.7B or 23%
- + \$1.2B net inflows follow two quarters of outflows
 - + Active equity net inflows of +\$3.0B in 3Q brings YTD total to +\$6.2B
 - + 6 straight quarters of positive active equity flows
 - + US Retail net inflows for 7 straight quarters and 10 of last 11

Asia ex Japan Fixed Income Update

- + Industry-wide retail bond fund sales⁽⁴⁾ remain depressed
 - + USD Bonds -54% YTD18 vs. YTD17; GHY -54% and All Other -24%
- + AB Asia ex Japan trends improved sequentially
 - + AIP: sales increased 85% Q/Q and net flows turned positive
 - + GHY: sales decreased 8% Q/Q, though outflows improved by 30%

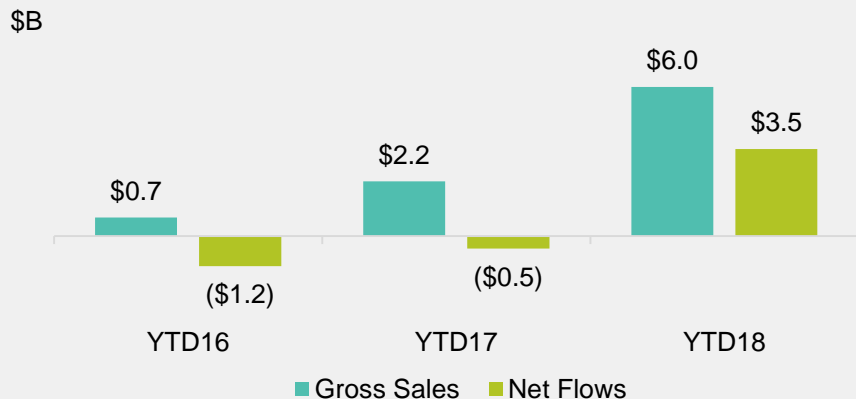
Milestones

- + AB Large Cap Growth #1 ranked Japan-domiciled US LCG fund by AUM and flows
- + AB FlexFee Funds winner of WealthManagement.com 2018 Industry Award in "AM Thought Leadership Product Enhancement" category

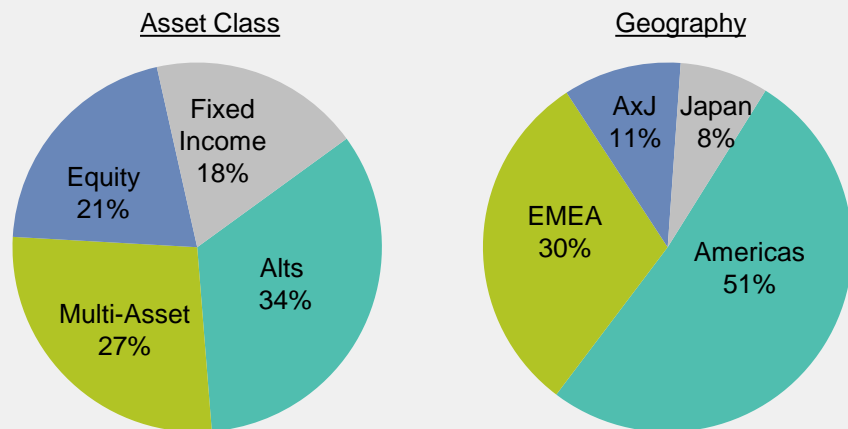
(1) Net sales reflect gross sales less redemptions. Excludes exchanges between funds and cash flows/unreinvested dividends. (2) Includes Japan on-shore fund, US 40 Act Fund, Lux Fund and Korea on-shore fund. (3) US Retail excludes Sub-Advisory. (4) Source: SalesWatch. As of August 31, 2018.

Institutional Highlights

Strong Momentum in Active Equity Sales and Flows



\$7.9B Pipeline⁽¹⁾ Diverse by Asset Class and Geography



(1) Total assets awarded and pending funding as of quarter-end

Third Quarter 2018 Highlights

Positive Trends Continue in Active Equity and Fixed Income Rebound

- + Active equity gross sales of \$1.1B 30% of total
 - + Fifth straight quarter of \$1B+ equity sales brings YTD total to \$6B
- + Strong fixed income gross sales in 3Q across diverse services, including Global, Canadian Bonds, Investment Grade and EM Debt
- + Growing consultant advocacy
 - + 70% of YTD fundings have been linked to consultants at 13 different firms
 - + YTD RFP activity: equity up 34% and alts more than triple

Diverse Sales and Pipeline Mix

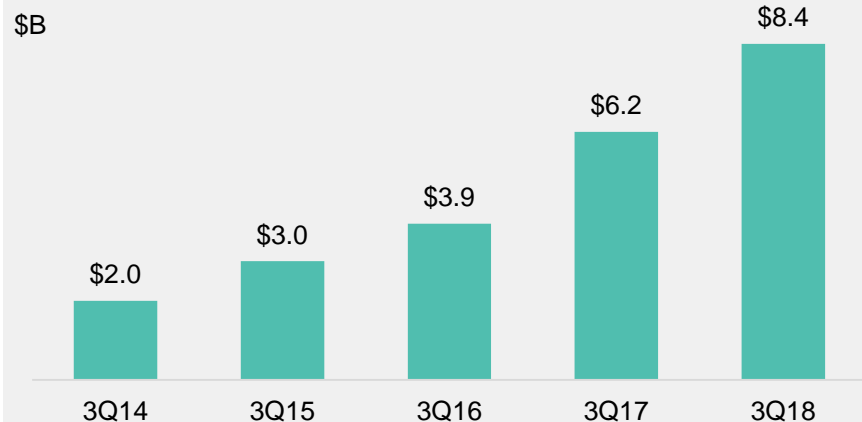
- + 3Q18 gross sales revenue 32% higher than 2017 quarterly average
- + Nearly half of \$7.9B total pipeline from 3Q18 additions
- + Notable 3Q pipeline adds across asset classes:
 - + Customized Retirement Strategies (CRS): \$2B
 - + International Strategic Value: \$525M
 - + US Investment Grade Credit: \$450M
 - + Global Aggregate Fixed Income: \$200M
 - + Emerging Market Debt: \$125M
 - + US Strategic Core Equity: \$120M
 - + Global Fixed Income: \$100M
 - + Multi-Asset Global Tactical Asset Allocation: \$100M
- + \$5.9B pipeline excluding CRS:
 - + 3Q additions more than 1.5x channel fee rate
 - + Fixed income 50% of new additions, equity 42%, multi-asset 8%

Private Wealth Management Highlights

Fastest Organic Growth Among \$20M+ Clients



\$8.4B in Alts/Focused Equities Deployed and Committed Assets



Third Quarter 2018 Highlights

Sales and Flow Momentum

- + YTD gross sales of \$9.1B up 5% excluding Option Advantage (OA)
 - + Best YTD gross sales in ten years
- + Best YTD asset retention in 20 years
- + 3Q18 net inflows of +\$0.3B brings YTD total to +\$1.1B excluding OA
 - + Seventh straight net flow positive quarter

Appealing to a broader and more affluent client base

- + Clients > \$20M annualized organic growth rate (ex OA) of 6.2% more than two times the 2017 rate of 2.7%
 - + Nearly three times the total channel organic growth rate of 2.1%
- + Annualized organic growth rate of +3.2% YTD for client accounts with Alts/Focused Equities (ex OA) vs. +1.4% for clients without them

Advisor productivity continues to rise

- + Advisors on track for \$200M+ in annual production up 66% vs. YTD17
- + Tax efficient philanthropic accounts up 30% YTD vs. YTD17

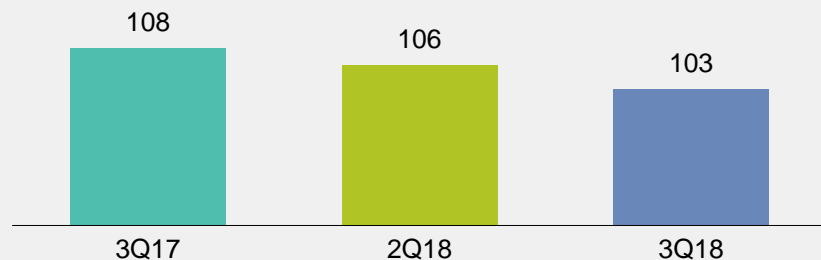
Improved Advisor Headcount Trends

- + Net advisor headcount up 7% YTD after flat to negative growth for 2 years
 - + Third 2018 advisor training class started in 3Q

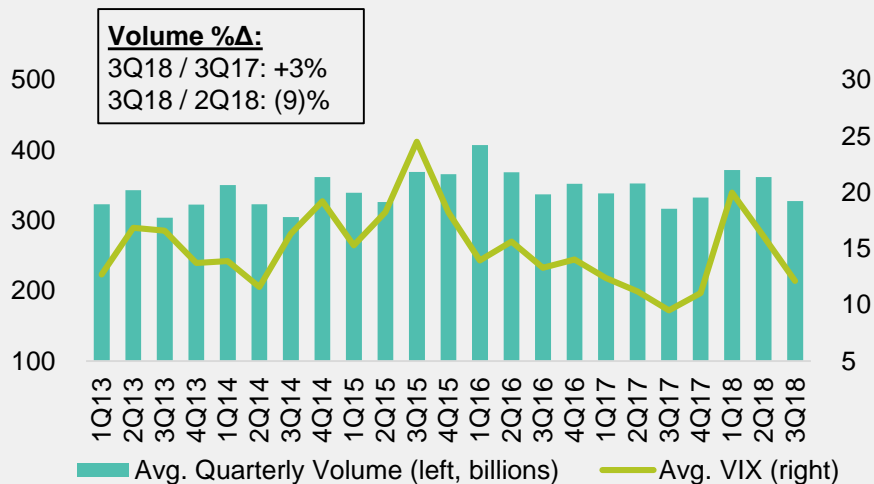
Bernstein Research Highlights

Bernstein Research Quarterly Revenues

\$M
% Change
3Q18/3Q17: (5)%
3Q18/2Q18: (3)%



US Market Volumes and VIX Down Sequentially⁽¹⁾



(1) Source: VIX – Bloomberg; US Market Volumes Tape A and C – Bats

Progress on Bernstein Research Strategy in 3Q18

Investing to remain the industry's research quality leader

- + Another strong showing in *Institutional Investor's* All-America Research Team survey
 - + #5 weighted ranking up from #6 last year
 - + #1 ranking in seven sectors
- + 15th annual Pan-European Strategic Decisions Conference attended by ~670 clients
 - + A record 107 companies participated

Growing our industry-leading agency trading platform

- + Helping clients adapt to new liquidity landscape in Europe
 - + New tools for periodic auctions and systematic internalizers
- + Investing in new machine learning research for trade optimization

Globalizing our research and trading capabilities

- + New research license in India and expect trading license in next 3 months
- + Out of 27 new stock launches in 3Q18, 23 were outside US

MiFID II Update

- + Continued shift from execution revenue to research checks
- + Unbundling of research payments has resulted in delayed revenue recognition
 - + Research payment timing expected to impact FY revenue by ~2-4%

Progress on Our Strategy in 3Q18

Firmwide Initiative

Deliver differentiated return streams to clients

Progress

- + Fixed Income: 91% of assets in outperforming services for 3-yr period; 40% for 1-yr and 91% for 5-yr
 - + Top quartile⁽¹⁾ 3-yr: AB, Muni, European and Mortgage Income, Diversified Muni, EMD (local), Euro HY
- + Active equity: 56% of assets in outperforming services for 3-yr period; 53% for 1-yr and 67% for 5-yr
 - + Top quartile⁽¹⁾ 3-yr: European Equity, Discovery Growth, US Thematic, Global Core, Relative Value, Concentrated Global

Commercialize and scale our suite of services

- + Retail sales diversification globally and in Asia ex Japan region
 - + Equity and Multi-Asset/Alts together 50%+ of total YTD gross sales in both global and Asia ex Japan retail
 - + Active equity YTD gross sales of \$19B up ~80% vs. 2017; net inflows of +\$3B brings YTD total to +\$6.2B
 - + Sequential sales increases in Asia ex Japan, Japan and US Retail⁽²⁾
- + Continued positive active equity trends in Institutional and fixed income gross sales rebound
 - + Active equity gross sales of \$1.1B brings YTD total to \$6B; FI gross sales of \$2.5B up vs. 2Q
 - + \$7.9B pipeline diverse by asset class (Alts 34%, MAS 27%, Equity 21% and FI 18%) and region (Americas 51%, EMEA 30%, Asia ex Japan 11%, Japan 8%)
- + Private Wealth net flow positive for 7th straight quarter; best YTD asset retention in 20 years

Continuous and rigorous focus on expense management

- + Another quarter of operating leverage
 - + 3Q18 adjusted operating margin of 29.7% up 470 bps Y/Y
 - + Adjusted net revenue growth of 10% outpaced expense growth of 3%
 - + Adjusted incremental margin of 78%, or 55% excluding prior-year quarter one-timers
- + Adjusted comp ratio of 47.5% in 3Q for 48.2% YTD
- + Adjusted EPU of \$0.69 up 35% Y/Y and 11% Q/Q

(1) Source: Morningstar (2) US Retail excludes Sub-Advisory.

John C. Weisenseel

Chief Financial Officer

Third Quarter 2018 GAAP Income Statement

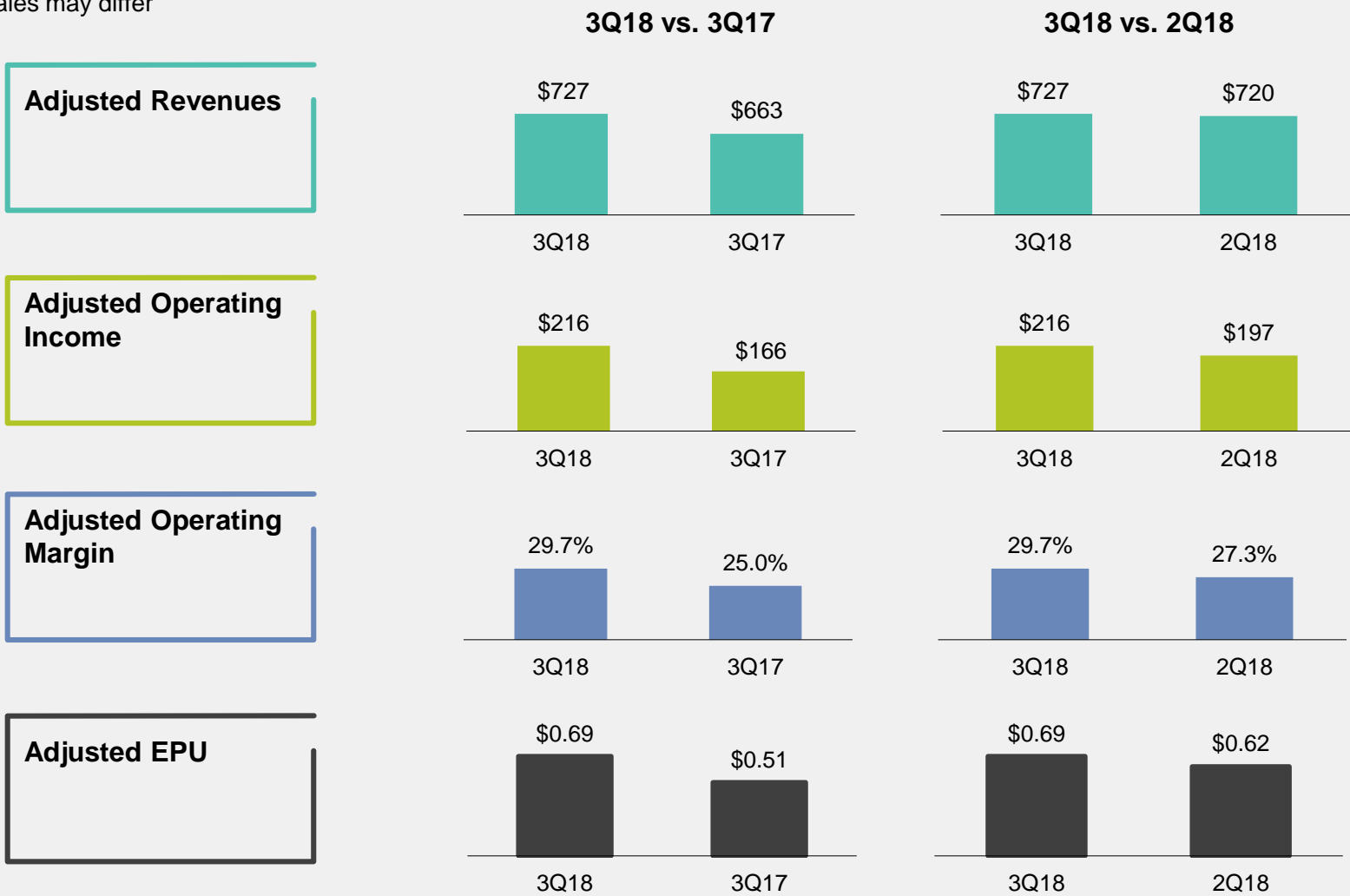
Income Statement (in US \$ Millions)	3Q18	3Q17	% Δ	2Q18	% Δ
Base Fees	\$ 569	\$ 539	6%	\$ 563	1%
Performance Fees	41	4	925%	35	17%
Bernstein Research Services	103	108	(5%)	106	(3%)
Distribution Revenues	104	106	(2%)	105	(1%)
Dividends & Interest	22	18	22%	21	5%
Investment Gains (Losses)	1	19	(95%)	1	0%
Other Revenues	24	25	(4%)	26	(8%)
Total Revenues	864	819	5%	857	1%
Less: Interest Expense	14	7	100%	12	17%
Net Revenues	\$ 850	\$ 812	5%	\$ 845	1%
Compensation & Benefits					
Compensation & Fringes	\$ 348	\$ 323	8%	\$ 350	(1%)
Other Employment Costs	9	7	29%	8	13%
Total Compensation & Benefits	357	330	8%	358	(0%)
Promotion & Servicing	162	164	(1%)	172	(6%)
General & Administrative	107	147	(27%)	116	(8%)
Other	10	9	11%	9	11%
Total Operating Expenses	\$ 636	\$ 650	(2%)	\$ 655	(3%)
Operating Income	\$ 214	\$ 162	32%	\$ 190	13%
Operating Margin	25.1%	17.9%		22.4%	
AB Holding GAAP Diluted Net Income Per Unit	\$ 0.68	\$ 0.46	48%	\$ 0.59	15%

Percentages are calculated using amounts rounded in millions.



Adjusted Financial Highlights: Third Quarter 2018

In US \$ Millions; scales may differ



Please refer to pages 32-35 for additional information on the reconciliation of GAAP financial results to adjusted financial results.

Third Quarter 2018 Adjusted Income Statement

Adjusted Income Statement⁽¹⁾ (in US \$ Millions)	3Q18	3Q17	% Δ	2Q18	% Δ
Base Fees	\$ 568	\$ 537	6%	\$ 561	1%
Performance Fees	41	5	720%	35	17%
Bernstein Research Services	103	108	(5%)	106	(3%)
Net Distribution Revenues (Expenses)	(6)	(8)	(25%)	(7)	(14%)
Investment Gains (Losses)	2	(2)	n/m	2	0%
Other Revenues	33	30	10%	35	(6%)
Total Revenues	741	670	11%	732	1%
Less: Interest Expense	14	7	100%	12	17%
Adjusted Net Revenues	\$ 727	\$ 663	10%	\$ 720	1%
Compensation & Benefits					
Compensation & Fringes	\$ 345	\$ 320	8%	\$ 349	(1%)
Other Employment Costs	9	7	29%	8	13%
Total Compensation & Benefits	354	327	8%	357	(1%)
Promotion & Servicing	42	42	0%	50	(16%)
General & Administrative	105	119	(12%)	106	(1%)
Other	10	9	11%	10	0%
Total Adjusted Operating Expenses	\$ 511	\$ 497	3%	\$ 523	(2%)
Adjusted Operating Income	\$ 216	\$ 166	30%	\$ 197	10%
Adjusted Operating Margin	29.7%	25.0%		27.3%	
AB Holding Adjusted Diluted Net Income Per Unit	\$ 0.69	\$ 0.51	35%	\$ 0.62	11%
Compensation Ratio	47.5%	48.5%		48.5%	

(1) Prior period Net Distribution Revenues (Expenses), Adjusted Revenues, Promotion and Servicing Expenses and Adjusted Operating Margin have been revised due to a reclassification of certain expenses that impacted previously presented amounts.

Please refer to pages 32-35 for additional information on the reconciliation of GAAP financial results to adjusted financial results. Percentages are calculated using amounts rounded in millions.

Third Quarter 2018 Adjusted Income Statement Highlights

Revenues

- + The increase in Base Fees versus both prior periods was primarily due to higher average AUM in the Retail and Private Wealth channels. A higher portfolio fee rate realization also contributed to the Y/Y increase.
- + Performance Fees were up vs. both 3Q17 and 2Q18 primarily due to higher fees earned on our Financial Services Opportunities and Real Estate Equity services.
- + Bernstein Research revenues declined Y/Y on lower revenues in the U.S and Asia partially offset by higher European revenues. Global revenues were adversely impacted by a stronger U.S. dollar and lower fee realization, due to the delay in revenue recognition resulting from the unbundling of research payments from trading commissions, and a shift to lower priced electronic trading.
- + Net Distribution Expenses improved versus both prior periods due primarily to lower amortization of deferred sales commissions.
- + Investment gains in both the current quarter and prior quarter were driven predominantly by seed investment gains. Investment losses in the prior year quarter were attributed primarily to seed investment losses.
- + An increase in Dividend & Interest Revenue related to Broker Dealer investments contributed to the gains in Other Revenues vs. the prior year.

Expenses

- + The Adjusted Compensation Ratio was 47.5% in 3Q18 vs. 48.5% in both 3Q17 and 2Q18.
- + Total Compensation & Benefits increased 8% Y/Y primarily due to higher base compensation, incentive compensation and commission accruals. The 1% Q/Q decline was driven by lower incentive compensation accruals.
- + Promotion & Servicing was in line Y/Y, while the 16% decline Q/Q was due primarily to lower seasonal T&E and marketing expenses, paired with lower trade execution costs as a result of lower trading volumes.
- + G&A expenses decreased 12% Y/Y due to lower occupancy expenses and Other G&A, which offset higher professional fees. The prior year period included a net \$15 million non-recurring charge: The net of a \$20 million outsourcing contract termination charge and a \$5 million Asia VAT (value added tax) refund credit.

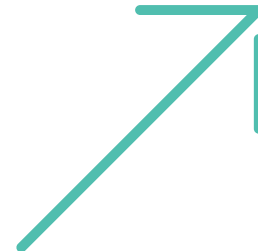
Operating Results

- + Adjusted Operating Income increased 30% Y/Y and 10% Q/Q due primarily to higher base and performance fees combined with lower non-compensation expenses.
- + Adjusted Margin was 29.7% in 3Q18, vs. 25.0% in 3Q17 and 27.3% in 2Q18. The firm realized an incremental adjusted margin of 78% as compared to the prior year period.

Please refer to pages 32-35 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 September 30, 2018

Service	3Q18	1-Yr	3-Yr	5-Yr	10-Yr	Benchmark
Equity						
Emerging Markets Value	0.3	(3.3)	(1.6)	(0.3)	(1.0)	MSCI EM
Global Strategic Value	(2.2)	(7.4)	(2.8)	(0.3)	(1.7)	MSCI ACWI
US Small & Mid Cap Value	(1.0)	1.0	0.8	1.5	2.0	Russell 2500 Value
US Strategic Value	(2.7)	(1.9)	(3.6)	(2.0)	(1.3)	Russell 1000 Value
US Small Cap Growth	3.8	17.7	7.8	3.2	4.2	Russell 2000 Growth
US Large Cap Growth	(2.2)	(1.4)	(0.4)	1.7	0.5	Russell 1000 Growth
US Small & Mid Cap Growth	0.8	12.5	4.3	1.3	3.1	Russell 2500 Growth
Concentrated US Growth	2.7	3.6	0.0	1.3	2.0	S&P 500
Select US Equity	0.3	1.9	(0.3)	0.2	2.2	S&P 500
Global Core Equity	0.5	3.6	2.0	1.0	N/A	MSCI ACWI
Fixed Income						
Global High Income	(0.6)	(0.1)	0.0	(0.1)	(0.1)	Bloomberg Barclays Global High Yield - Hedged
US High Yield	(0.1)	0.4	(0.4)	0.1	0.9	Bloomberg Barclays US Corporate High Yield
US Strategic Core Plus	0.0	0.7	1.2	1.1	1.6	Bloomberg Barclays US Aggregate
Emerging Market Debt	(0.4)	(2.0)	1.2	0.0	1.0	JPM EMBI Global
Global Plus	0.1	(0.4)	0.8	0.6	1.6	Bloomberg Barclays Global Aggregate - Hedged

Performance is preliminary and as of September 30, 2018. 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 and Global Plus are hedged to USD.

Retail Mutual Funds Relative Performance vs. Morningstar Average

Service	Periods Ended September 30, 2018					Morningstar Average
	3Q18	1-Yr	3-Yr	5-Yr	10-Yr	
Equity						
International Value	(0.9)	(3.4)	(1.0)	0.5	(2.1)	Foreign Large Value
Relative Value	2.7	3.4	1.6	1.5	1.6	Large Value
Discovery Value	0.4	1.8	0.4	2.1	1.7	Mid-Cap Value
US Value	(2.8)	(4.9)	(4.5)	(2.6)	(2.2)	Large Value
Sustainable Global Thematic	(0.3)	1.6	3.5	2.7	0.9	World Large Stock
Sustainable International Global Thematic	(2.6)	(8.3)	(3.2)	(2.2)	(2.3)	Foreign Large Growth
Large Cap Growth ⁽¹⁾	(0.7)	0.9	1.5	3.2	3.7	Large Growth
Emerging Markets Growth	(8.8)	(8.5)	(1.4)	1.2	0.0	Global Emerging Markets Equity
Growth ⁽¹⁾	(0.2)	5.1	2.5	3.3	1.4	Large Growth
Discovery Growth	1.3	14.3	5.7	1.7	3.4	Mid-Cap Growth
Fixed Income						
Global High Yield	(0.5)	(0.6)	0.7	0.5	1.6	Global High Yield Bond
American Income Portfolio	0.0	0.5	0.8	1.4	1.7	USD Flexible Bond
Global Bond	0.3	1.0	0.2	2.2	1.7	World Bond
High Income	(0.6)	(2.7)	0.5	0.7	2.1	High Yield Bond

(1) Performance figures other than 3Q18, One Year and Three Year positively affected by class action settlement proceeds.

As of September 30, 2018. Fund returns are based on Advisor Class shares. Where Advisor Class doesn't exist, Class I 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.

Three Months Ended 9/30/18: AUM Roll-Forward by Distribution Channel

In US \$ Billions	Beginning of Period	Sales/New Accounts	Redemptions/ Terminations	Net Cash Flows	Net Flows	Transfers	Investment Performance	Net Change	End of Period
Investment Service:									
Institutions									
US	130.5	0.4	(0.9)	(0.7)	(1.2)	0.1	1.3	0.2	130.7
Global and Non-US	123.9	3.3	(0.6)	(1.7)	1.0	0.2	1.2	2.4	126.3
Total Institutions	254.4	3.7	(1.5)	(2.4)	(0.2)	0.3	2.5	2.6	257.0
Retail									
US	95.8	6.8	(3.3)	(0.9)	2.6		4.2	6.8	102.6
Global and Non-US	94.5	5.8	(6.2)	(1.0)	(1.4)	-	0.6	(0.8)	93.7
Total Retail	190.3	12.6	(9.5)	(1.9)	1.2	-	4.8	6.0	196.3
Private Wealth Management									
US	62.4	2.0	(1.7)	(0.5)	(0.2)	(0.1)	1.8	1.5	63.9
Global and Non-US	32.7	1.0	(0.6)	0.1	0.5	(0.2)	0.2	0.5	33.2
Total Private Wealth	95.1	3.0	(2.3)	(0.4)	0.3	(0.3)	2.0	2.0	97.1
Firmwide									
US	288.7	9.2	(5.9)	(2.1)	1.2	-	7.3	8.5	297.2
Global and Non-US	251.1	10.1	(7.4)	(2.6)	0.1	-	2.0	2.1	253.2
Total Firmwide	539.8	19.3	(13.3)	(4.7)	1.3	-	9.3	10.6	550.4

Three Months Ended 9/30/18: 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	77.8	5.1	(2.9)	(0.9)	1.3	5.0	6.3	84.1
Global and Non-US	69.4	3.6	(1.8)	(0.2)	1.6	0.8	2.4	71.8
Total Equity Active	147.2	8.7	(4.7)	(1.1)	2.9	5.8	8.7	155.9
Equity Passive ⁽¹⁾								
US	42.1	(0.2)	-	(0.9)	(1.1)	3.0	1.9	44.0
Global and Non-US	11.7	0.1	-	(0.2)	(0.1)	0.4	0.3	12.0
Total Equity Passive⁽¹⁾	53.8	(0.1)	-	(1.1)	(1.2)	3.4	2.2	56.0
Total Equity	201.0	8.6	(4.7)	(2.2)	1.7	9.2	10.9	211.9
Fixed Income - Taxable								
US	108.2	1.6	(1.5)	0.4	0.5	(0.7)	(0.2)	108.0
Global and Non-US	117.7	5.7	(4.8)	(1.9)	(1.0)	0.1	(0.9)	116.8
Total Fixed Income - Taxable	225.9	7.3	(6.3)	(1.5)	(0.5)	(0.6)	(1.1)	224.8
Fixed Income - Tax-Exempt								
US	41.6	2.0	(1.4)	(0.2)	0.4	-	0.4	42.0
Global and Non-US	-	-	-	-	-	-	-	-
Total Fixed Income - Tax-Exempt	41.6	2.0	(1.4)	(0.2)	0.4	-	0.4	42.0
Fixed Income Passive ⁽¹⁾								
US	5.3	-	-	-	-	-	-	5.3
Global and Non-US	4.8	-	(0.1)	-	(0.1)	(0.1)	(0.2)	4.6
Total Fixed Income Passive⁽¹⁾	10.1	-	(0.1)	-	(0.1)	(0.1)	(0.2)	9.9
Total Fixed Income	277.6	9.3	(7.8)	(1.7)	(0.2)	(0.7)	(0.9)	276.7
Other ⁽²⁾								
US	13.7	0.7	(0.1)	(0.5)	0.1	-	0.1	13.8
Global and Non-US	47.5	0.7	(0.7)	(0.3)	(0.3)	0.8	0.5	48.0
Total Other⁽²⁾	61.2	1.4	(0.8)	(0.8)	(0.2)	0.8	0.6	61.8
Firmwide								
US	288.7	9.2	(5.9)	(2.1)	1.2	7.3	8.5	297.2
Global and Non-US	251.1	10.1	(7.4)	(2.6)	0.1	2.0	2.1	253.2
Total Firmwide	539.8	19.3	(13.3)	(4.7)	1.3	9.3	10.6	550.4

(1) Includes index and enhanced index services.

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



Active vs. Passive Net Flows

Three Months Ended 9/30/18

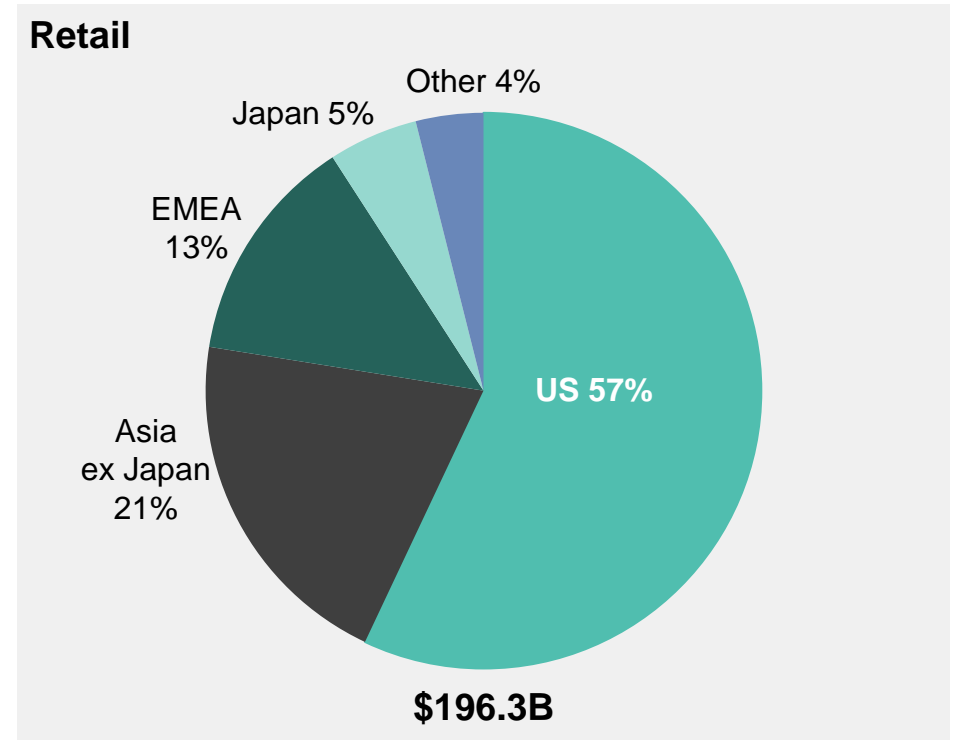
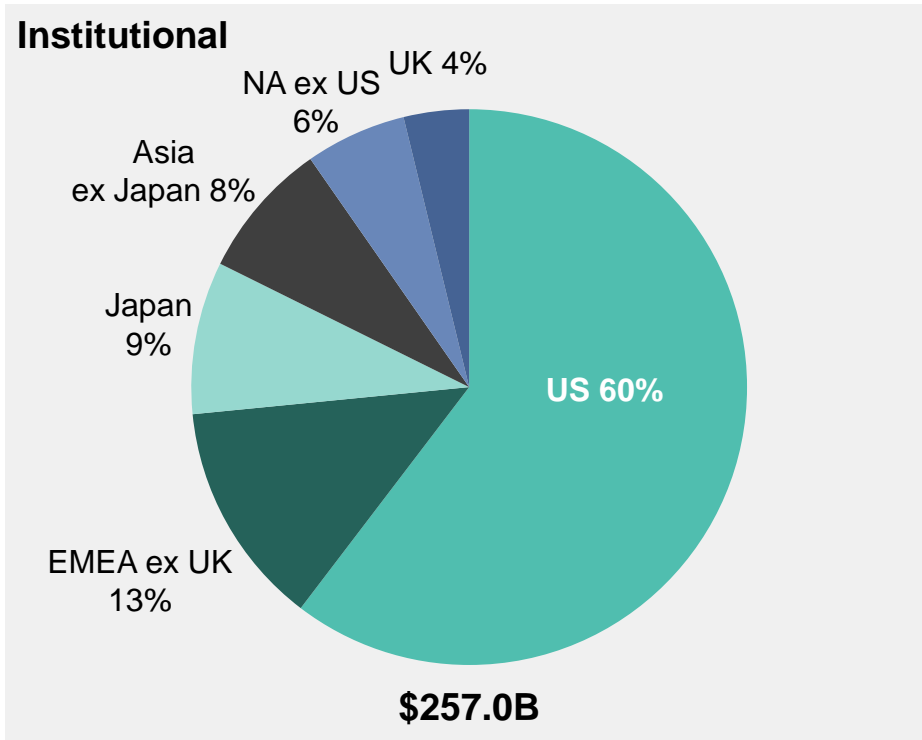
	Actively Managed	Passively Managed ⁽¹⁾	Total
Equity	\$2.9	(\$1.2)	\$1.7
Fixed Income	(0.1)	(0.1)	(0.2)
Other ⁽²⁾	(0.3)	0.1	(0.2)
Total	\$2.5	(\$1.2)	\$1.3

(1) Includes index and enhanced index services.

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



AUM by Region



As of September 30, 2018
By client domicile



Third Quarter 2018 Adjusted Advisory Fees

	3Q18	3Q17	% Δ	2Q18	% Δ
Ending AUM (\$ Billions)	\$550	\$535	3%	\$540	2%
Average AUM (\$ Billions)	\$547	\$527	4%	\$542	1%

By Fee Type (\$ Millions):

Adjusted Base Fees	\$568	\$537	6%	\$561	1%
Adjusted Performance Fees	41	5	720%	35	17%
Total	\$609	\$542	12%	\$596	2%

Adjusted Base Fees By Channel (\$ Millions):

Institutions	\$110	\$108	2%	\$112	(2%)
Retail	252	239	5%	246	2%
Private Wealth	206	190	8%	203	1%
Total	\$568	\$537	6%	\$561	1%

Third Quarter 2018 GAAP Income Statement

In US \$ Millions (except EPU)	3Q18	3Q17	% Δ	2Q18	% Δ
Net Revenues	\$ 850	\$ 812	5%	\$ 845	1%
Operating Expenses	636	650	(2%)	655	(3%)
Operating Income	214	162	32%	190	13%
Net Income Attributable to AB Unitholders	204	141	45%	182	12%
AB Holding GAAP Diluted Net Income per Unit	\$ 0.68	\$ 0.46	48%	\$ 0.59	15%
AB Holding Distribution Per Unit	\$ 0.69	\$ 0.51	35%	\$ 0.62	11%

Percentages are calculated using amounts rounded to the nearest million.



Consolidated Balance Sheet

In US \$ Millions

Assets	September 30, 2018	December 31, 2017
Cash and cash equivalents	\$ 607	\$ 672
Cash and securities, segregated	1,263	816
Receivables, net	2,252	2,183
Investments:		
Long-term incentive compensation-related	58	66
Other	420	378
Assets of consolidated company-sponsored investment funds	323	1,608
Goodwill	3,067	3,067
Intangible assets, net	85	106
Deferred sales commissions, net	17	30
Other (incl. furniture & equipment, net)	457	369
Total Assets	\$ 8,549	\$ 9,295
Liabilities and Capital		
Liabilities:		
Payables	\$ 3,057	\$ 2,580
Accounts payable and accrued expenses	374	516
Liabilities of consolidated company-sponsored investment funds	9	698
Accrued compensation and benefits	665	270
Debt	398	566
Total Liabilities	4,503	4,630
Redeemable non-controlling interest	104	602
Partners' capital attributable to AllianceBernstein Unitholders	3,940	4,061
Non-controlling interests in consolidated entities	2	2
Total Capital	3,942	4,063
Total Liabilities and Capital	\$ 8,549	\$ 9,295

Consolidated Statement of Cash Flows

In US \$ Millions

	Nine Months Ended	
	Sept. 30, 2018	Sept. 30, 2017
Net Income	\$ 593	\$ 466
Non-cash items:		
Amortization of deferred sales commissions	17	25
Non-cash long-term incentive compensation expense	13	27
Depreciation and other amortization	53	50
Unrealized (gains) losses on investments	(5)	3
Unrealized (gains) on investments of consolidated company-sponsored investment funds	(24)	(33)
Other, net	1	10
Changes in assets and liabilities	466	533
Net cash provided by operating activities	1,114	1,081
Purchases of furniture, equipment, and leasehold improvements, net	(27)	(25)
Net cash used in investing activities	(27)	(25)
Repayment of commercial paper, net	(97)	(220)
Repayment of bank loans	(75)	-
(Decrease) increase in overdrafts payable	(39)	66
Distributions to General Partner and Unitholders	(653)	(489)
Redemptions of non-controlling interests of consolidated company-sponsored investment funds, net	(519)	(9)
Additional investments by Holding with proceeds from exercise of compensatory options to buy Holding Units	11	18
Purchases of AB Holding Units to fund long-term incentive compensation plan awards, net	(83)	(134)
Other, net	(4)	(52)
Net cash used in financing activities	(1,459)	(820)
Effect of exchange rate changes on cash and cash equivalents	(9)	17
Net (decrease) increase in cash and cash equivalents	(381)	253
Cash and cash equivalents at the beginning of period	998	994
Cash and cash equivalents at the end of period	\$ 617	\$ 1,247

AB Holding Financial Results

In US \$ Millions (excluding per Unit amounts)	3Q18	3Q17	% Δ	2Q18	% Δ
AB					
Net Income Attributable to AllianceBernstein	\$204	\$141	45%	\$182	12%
Weighted Average Equity Ownership Interest	35.7%	34.8%		36.0%	
AB Holding					
Equity in Net Income Attributable to AB	\$73	\$49	49%	\$65	12%
Income Taxes	7	6	17%	7	0%
Net Income	\$66	\$43	53%	\$58	14%
Diluted Net Income Per Unit, GAAP basis	\$0.68	\$0.46	48%	\$0.59	15%
Distributions Per Unit	\$0.69	\$0.51	35%	\$0.62	11%
Adjusted Diluted Net Income Per Unit	\$0.69	\$0.51	35%	\$0.62	11%

Please refer to pages 32-35 for additional information on the reconciliation of GAAP financial results to adjusted financial results. Percentages are calculated using amounts rounded in millions.

Third Quarter 2018 GAAP to Non-GAAP Reconciliation

In US \$ Thousands

	Adjustments								Non-GAAP
	Distribution Related Payments (A)	Pass Through Expenses (B)	Deferred Comp. Inv. (C)	NCI/ Consol VIE (D)	Real Estate Credits (Charges) (E)	Contingent Payment Adjust. (F)	Acquisition- Related Expenses (G)	Other (H)	
GAAP									
Investment advisory and services fees	\$ 610,063	(1,114)		(132)				-	\$ 608,817
Bernstein research services	103,581								103,581
Distribution revenues	104,488	(111,023)		52					(6,483)
Dividend and interest income	21,942		(131)	(2,216)					19,595
Investment gains (losses)	565		(1,252)	1,269				1,000	1,582
Other revenues	24,012	(8,970)		(516)					14,526
Total revenues	864,651	(111,023)	(10,084)	(1,383)	(1,543)	-	-	1,000	741,618
Less: interest expense	14,475								14,475
Net revenues	850,176	(111,023)	(10,084)	(1,383)	(1,543)	-	-	1,000	727,143
Employee compensation and benefits	357,442		(3,203)					-	354,239
Promotion and servicing	161,816	(111,023)	(8,827)						41,966
General and administrative	107,371	(1,257)		(895)	155				105,374
Contingent payment arrangements	52					-			52
Interest on borrowings	2,711								2,711
Amortization of intangible assets	6,965								6,965
Net income (loss) of consolidated entities attributable to non-controlling interests	-			78					78
Total expenses	636,357	(111,023)	(10,084)	(3,203)	(817)	155	-	-	511,385
Operating income	213,819	-	-	1,820	(726)	(155)	-	1,000	215,758
Income taxes	9,419			82	(27)	(6)		46	9,515
Net income	204,400			1,738	(699)	(149)		954	206,243
Net income (loss) of consolidated entities attributable to non-controlling interests	726				(726)				-
Net income attributable to AB Unitholders	\$ 203,674	\$ -	\$ -	\$ 1,738	\$ 27	\$ (149)	\$ -	\$ 954	\$ 206,243

Please refer to page 35 for notes describing the adjustments.



Third Quarter 2017 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	\$ 543,107	(1,018)		(207)						\$ 541,882
Bernstein research services	108,385									108,385
Distribution revenues	106,042	(113,735)								(7,693)
Dividend and interest income	17,619		(130)	(4,021)						13,468
Investment gains (losses)	18,808		(2,055)	(18,486)				(361)		(2,094)
Other revenues	24,902	(8,741)		(655)						15,506
Total revenues	818,863	(113,735)	(9,759)	(2,185)	(23,369)	-	-	-	(361)	669,454
Less: interest expense	6,713									6,713
Net revenues	812,150	(113,735)	(9,759)	(2,185)	(23,369)	-	-	-	(361)	662,741
Employee compensation and benefits	329,777		(2,514)							327,263
Promotion and servicing	164,001	(113,735)	(8,598)							41,668
General and administrative	147,367		(1,161)	(6,887)	(18,655)		(1,462)			119,202
Contingent payment arrangements	(140)					193				53
Interest on borrowings	2,105									2,105
Amortization of intangible assets	7,013									7,013
Net income (loss) of consolidated entities attributable to non-controlling interests								44	-	44
Total expenses	650,123	(113,735)	(9,759)	(2,514)	(6,887)	(18,655)	193	(1,462)	44	497,348
Operating income	162,027	-	-	329	(16,482)	18,655	(193)	1,462	(405)	165,393
Income taxes	4,547			19	(1,015)	1,149	(12)	90	(23)	5,433
Net income	157,480			310	(15,467)	17,506	(181)	1,372	(382)	(5,433)
Net income (loss) of consolidated entities attributable to non-controlling interests	16,526				(16,482)				(44)	-
Net income attributable to AB Unitholders	\$ 140,954	\$ -	\$ -	\$ 310	\$ 1,015	\$ 17,506	\$ (181)	\$ 1,372	\$ (338)	\$ (5,433)
										\$ 155,205

Please refer to page 35 for notes describing the adjustments.



Second Quarter 2018 GAAP to Non-GAAP Reconciliation

In US \$ Thousands

	Adjustments									
	GAAP	Distribution Related Payments	Pass Through Expenses	Deferred Comp. Inv.	NCI/ Consol VIE	Real Estate Credits (Charges)	Contingent Payment Adjst.	Acquisition- Related Expenses	Other	Non-GAAP
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
Investment advisory and services fees	\$ 598,108		(1,125)		(378)				-	\$ 596,605
Bernstein research services	106,211									106,211
Distribution revenues	105,118	(112,414)			56					(7,240)
Dividend and interest income	21,194			(156)	(2,381)					18,657
Investment gains (losses)	213			(542)	1,833				47	1,551
Other revenues	26,026		(9,362)		(624)					16,040
Total revenues	856,870	(112,414)	(10,487)	(698)	(1,494)	-	-	-	47	731,824
Less: interest expense	12,132									12,132
Net revenues	844,738	(112,414)	(10,487)	(698)	(1,494)	-	-	-	47	719,692
Employee compensation and benefits	358,248			(1,283)					-	356,965
Promotion and servicing	171,673	(112,414)	(9,220)							50,039
General and administrative	115,745		(1,267)		(1,297)	(6,909)				106,272
Contingent payment arrangements	52						-			52
Interest on borrowings	2,629									2,629
Amortization of intangible assets	6,927									6,927
Net income (loss) of consolidated entities attributable to non-controlling interests	-				64					64
Total expenses	655,274	(112,414)	(10,487)	(1,283)	(1,233)	(6,909)	-	-	-	522,948
Operating income	189,464	-	-	585	(261)	6,909	-	-	47	196,744
Income taxes	7,538			23	(8)	275			2	7,830
Net income	181,926			562	(253)	6,634			45	188,914
Net income (loss) of consolidated entities attributable to non-controlling interests	261				(261)				-	-
Net income attributable to AB Unitholders	\$ 181,665	\$ -	\$ -	\$ 562	\$ 8	\$ 6,634	\$ -	\$ -	\$ 45	\$ 188,914

Please refer to page 35 for notes describing the adjustments.



AB Adjusted Financial Results Reconciliation

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

- A. We offset distribution-related payments to third parties as well as amortization of deferred sales commissions against distribution revenues. 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. Amortization of deferred sales commissions is offset against net revenues because such costs, over time, essentially offset distribution revenues earned by the company.
- B. We exclude additional pass-through expenses we incur (primarily through our transfer agency) that are reimbursed and recorded as fees in revenues. These fees have no impact on operating income, but they do have an impact on our operating margin. As such, we exclude these fees from adjusted net revenues.
- C. We exclude the impact on net revenues and compensation expense of the mark-to-market gains and losses (as well as the dividends and interest) associated with employee long-term incentive compensation-related investments.
- 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 and charges are excluded since they are not considered part of our core ongoing operations.
- F. The recording of a change in estimate of the contingent consideration payable relating to our acquisitions is not considered part of our core operating results.
- G. 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.
- H. Other reflects recognition of deferred revenue and compensation related to the Real Estate Investment Equity Fund I performance fee. The net amount was recorded as a cumulative opening January 1, 2018 equity adjustment for GAAP, but included in adjusted earnings.

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.



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