



ALLIANCEBERNSTEIN®

# The AB Investment Opportunity

---

Presentation for the  
Investment Community

April 2025

# Cautions Regarding Forward-Looking Statements

Certain statements provided by management in this presentation are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. The most significant of these factors include, but are not limited to, the following: the performance of financial markets, the investment performance of sponsored investment products and separately-managed accounts, general economic conditions, industry trends, future acquisitions, integration of acquired companies, competitive conditions, and government regulations, including changes in tax regulations and rates and the manner in which the earnings of publicly-traded partnerships are taxed. We caution readers to carefully consider such factors. Further, these forward-looking statements speak only as of the date on which such statements are made; we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements. For further information regarding these forward-looking statements and the factors that could cause actual results to differ, see “Risk Factors” and “Cautions Regarding Forward-Looking Statements” in AB’s Form 10-K for the year ended December 31, 2024 and subsequent forms 10-Q. Any or all of the forward-looking statements made in this presentation, Form 10-K, Forms 10-Q, other documents we file with or furnish to the SEC, and any other public statements we issue, may turn out to be wrong. It is important to remember that other factors besides those listed in “Risk Factors” and “Cautions Regarding Forward-Looking Statements,” and those listed below, could also adversely affect our revenues, financial condition, results of operations and business prospects.

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

- **The pipeline of new institutional mandates not yet funded:** Before they are funded, institutional mandates do not represent legally binding commitments to fund and, accordingly, the possibility exists that not all mandates will be funded in the amounts and at the times currently anticipated, or that mandates ultimately will not be funded.
- **Our relocation strategy:** While the expenses, expense savings and EPU impact we expect will result from our Relocation Strategy are presented with numerical specificity, and we believe these figures to be reasonable as of the date of this report, the uncertainties surrounding the assumptions on which our estimates are based create a significant risk that our current estimates may not be realized. These assumptions include: the amount and timing of employee relocation costs, severance, and overlapping compensation and occupancy costs we experience; and the timing for execution of each phase of our relocation implementation plan.
- **The achievement of our Private Markets AUM target:** Our ability to achieve our private markets AUM target is subject to the current market environment and our understanding of potential client interest for the types of products managed by the Private Alternatives investment teams.
- **The realization of Public and Private Market performance fees:** Our ability to realize future performance fees is subject to several general economic, political, and market factors; which could deviate from our current expectations.

# AB Is a Leading Active Manager with Premier Investment Capabilities

Supported by a globally diversified distribution footprint

**50+**

years of experience in  
investment management

**>500**

Investment  
professionals

**\$792 Billion**

in solutions for investors ranging  
from individuals to the world's  
largest institutions

AUM (USD Billions)

\$331



## Equities

Differentiated Insights  
High Conviction

\$296



## Fixed Income

Integrated Research  
Innovation and Technology

\$165



## Multi-Asset

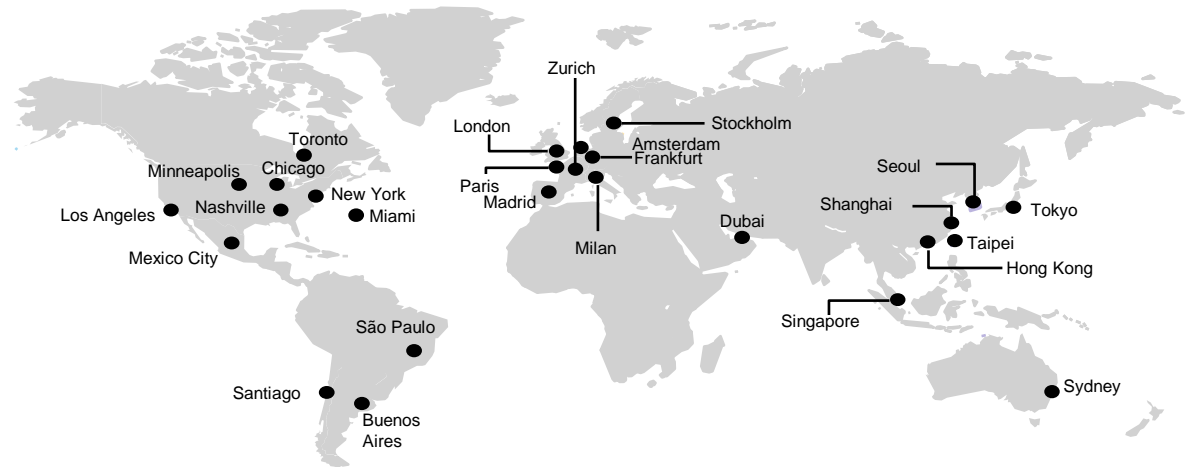
Focus on Client Outcomes  
Insights Across All Markets



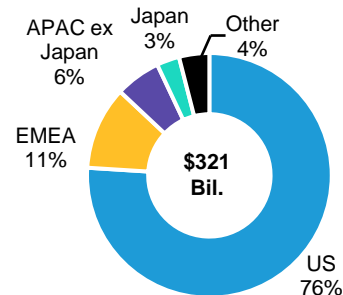
## Alternatives

Independent Agility  
Institutional Strength

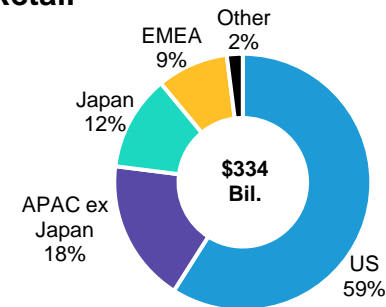
## Institutional and Retail Distribution Footprint



## Institutions



## Retail



## Private Wealth

Over **200** advisors  
managing **\$137 billion**  
in AUM

Percentages may not add up to 100% due to rounding.  
As of December 31, 2024

# Offering a Broad Range of Solutions to Improve Client Outcomes

Our global platform of innovative strategies helps clients achieve their unique objectives



**Equities \$331 Bil. AUM**  
Differentiated Insights  
High Conviction

## Stable and Consistent Alpha

- Global Core Equity
- Select US Equity

## Unique Alpha

- Concentrated US and Global
- Frontier Markets Equities
- Sustainable Thematic Equities

## Limited Downside Risk

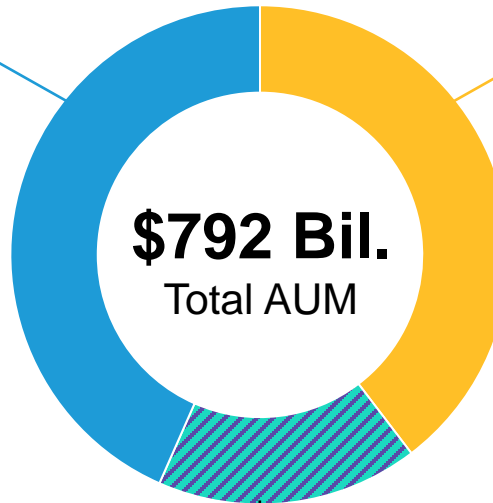
- Strategic Core Equities
- Select US Long/Short Equity

## Style Diversification

- Growth
- Value

## Active ETFs

- Five Active Equity Strategies



**Multi-Asset and Alternatives \$165 Billion AUM**



**Fixed Income \$296 Bil. AUM**  
Global Platform. Integrated Research  
Innovation and Technology

## Broad Market and Alpha

- Global Plus
- Global Fixed Income
- Systematic

## Spread Focus

- Global Credit
- US Investment-Grade Credit
- Emerging-Market Debt
- Buy and Maintain Credit

## Active ETFs

- Six Taxable and three Tax-Exempt Active ETFs

## High Yield

- US High Yield
- Low-Volatility High Yield
- Emerging-Market Corporates

## Multi-Sector/Unconstrained

- Global High Yield
- Multi-Sector Credit

## Municipal/Tax-Exempt

- Tax-Aware SMA
- High Grade
- Credit (Mid-Grade, High Yield)



**Multi-Asset**  
Focus on Client Outcomes  
Insights Across All Markets

## Outcome-Oriented Solutions

- Retirement
- Total Return
- Income/Thematic
- Risk-Managed

## Factor and Beta Strategies

- Alternative Risk Premia
- Index

## Active ETFs

- Three Options-Based Strategies



**Alternatives**  
Independent Agility  
Institutional Strength

## Private Credit Strategies

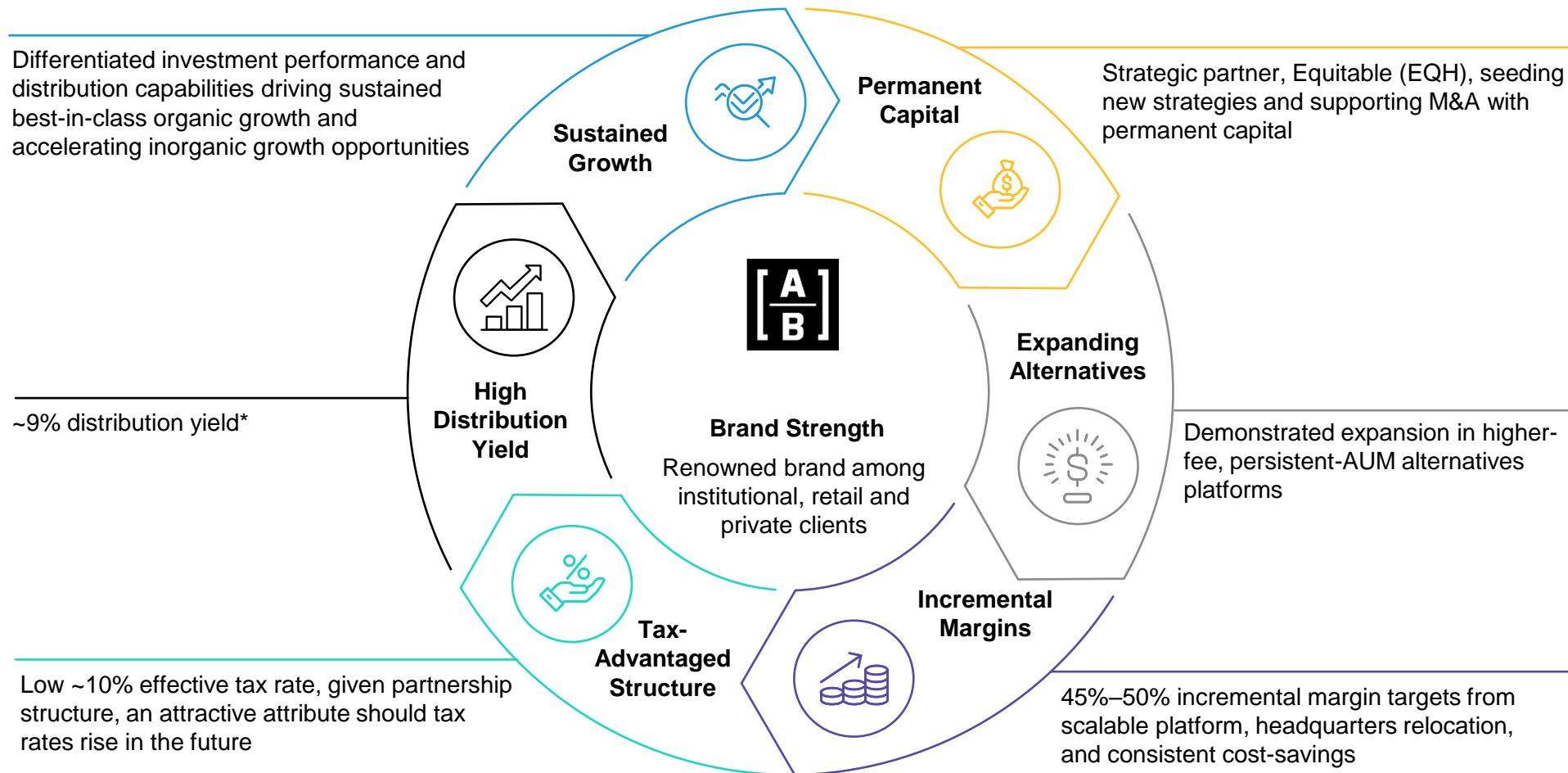
- US/Europe RE Debt
- Middle Market Lending
- Distressed Credit
- Renewable Energy
- Specialty Finance
- Transportation

## Opportunistic Strategies

- Real Estate Equity
- Global Equity Multi-strategy
- Energy Private Equity

AUM breakdown as of December 31, 2024

# The AB Investment Opportunity



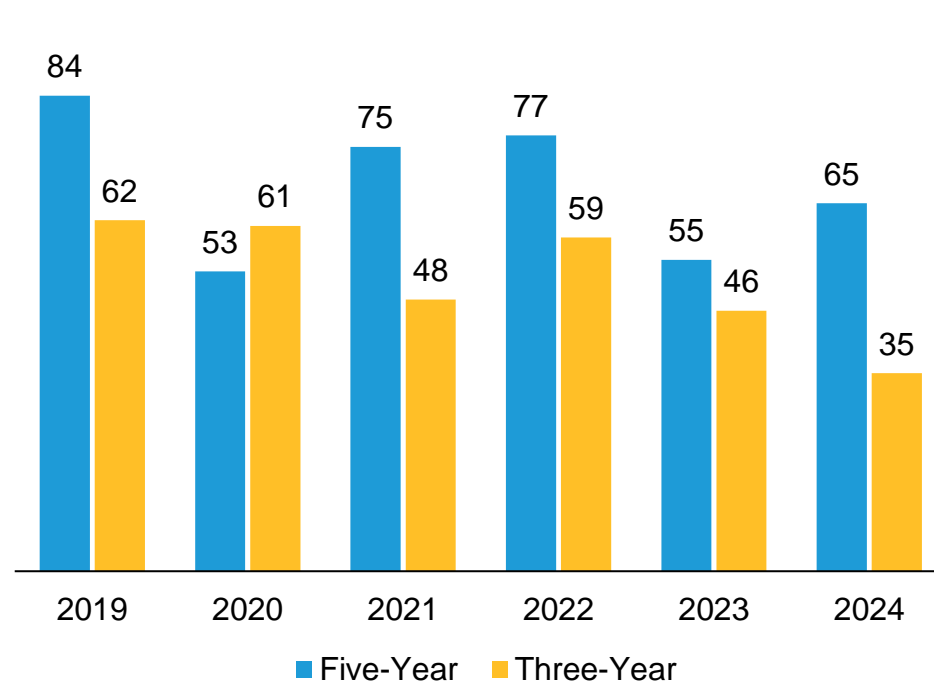
Permanent capital means investment capital of indefinite duration, which may be withdrawn under certain conditions. Although EQH has indicated its intention over time to provide this investment capital to AB as part of the “virtuous cycle”, it has no binding commitment to do so. \*Distribution yield estimated as of March 31st, 2025, based on last twelve months adjusted earnings/dividends (\$3.26/unit) and AB unit closing price of \$38.31.

Source: NasdaqIR

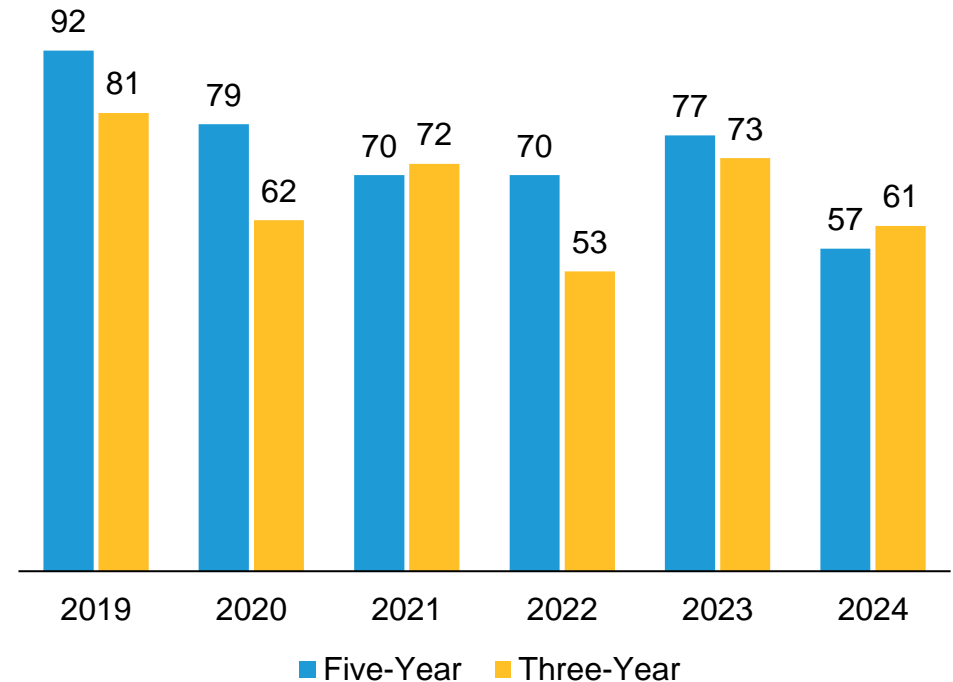
# Long-Term Investment Track Record Through Multiple Cycles...

Percentage of assets outperforming at quarter-end

## Equities



## Fixed Income



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

As of December 31, 2024

## ...Coupled with a Distribution Platform of Differentiated Capabilities...



**In-market coverage:** Comprehensive local coverage for leading global/regional intermediaries and consultants

**250+ sales professionals with local market specialists**



**Value-add services:** Differentiated client-capability building and thought leadership

**AB Advisor Institute  
Institutional Solutions Group**



**Broad investment-solution range:**  
Empowers at-scale distribution partnerships  
**Award-winning sustainable platform**



**Brand:** Significant global brand awareness  
**Ranked #6 Most Trusted Financial Company by Investor's Business Daily\***



**Vehicle flexibility:** Enables the delivery of global investment strategies to meet client needs

**Launched OEIC range in 2019 and Active ETFs in 2022**



**Data and analytics:** Data-driven and digitally enabled

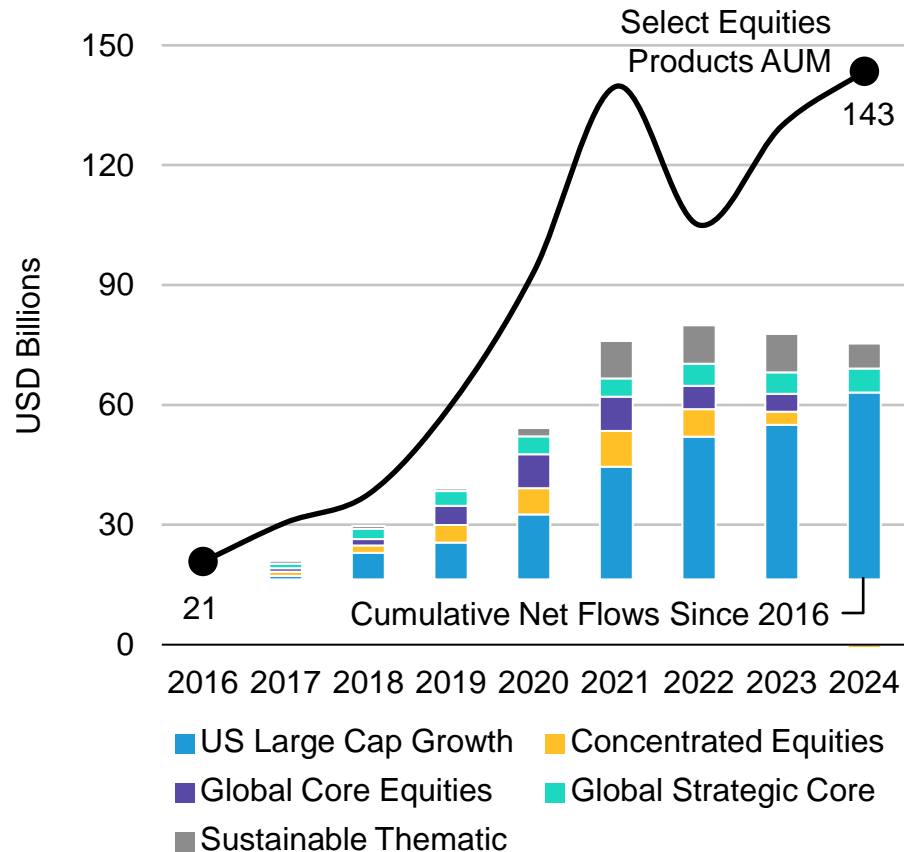
**Digital sales desk in US Retail**

\*Source: Investor's Business Daily, Top 25 Most Trusted Financial Companies, 2022

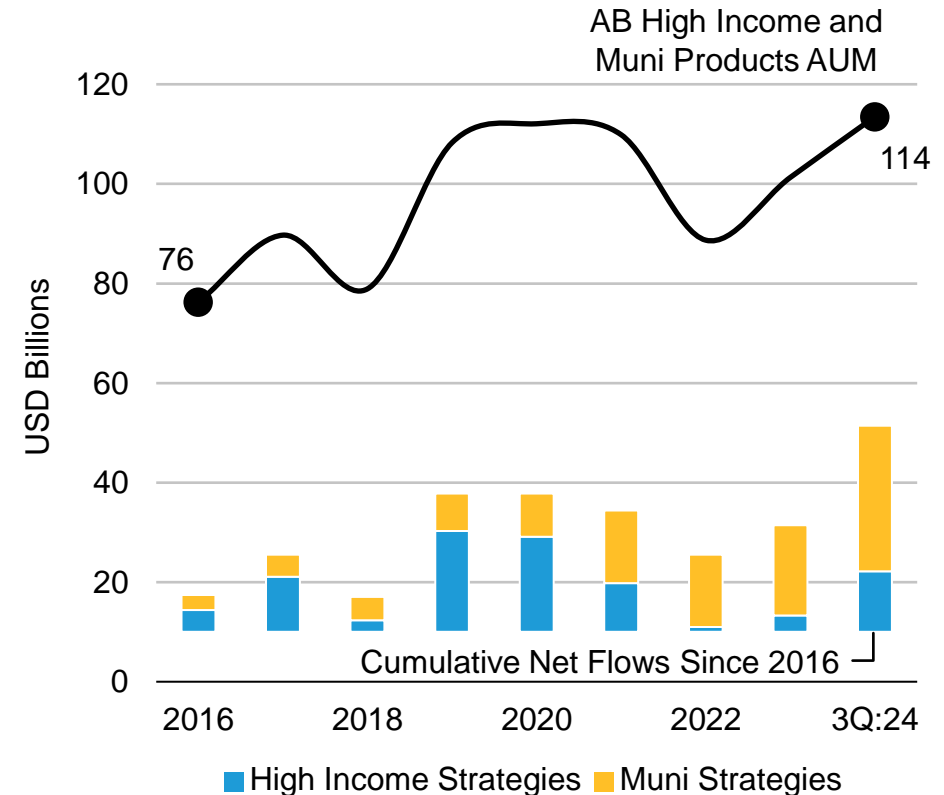
# ...Has Driven Scale and Net Flows Across Our Platform...

AUM growth of key products

## Select Equities Products



## High Yield and Muni Fixed Income Products



As of December 31, 2024



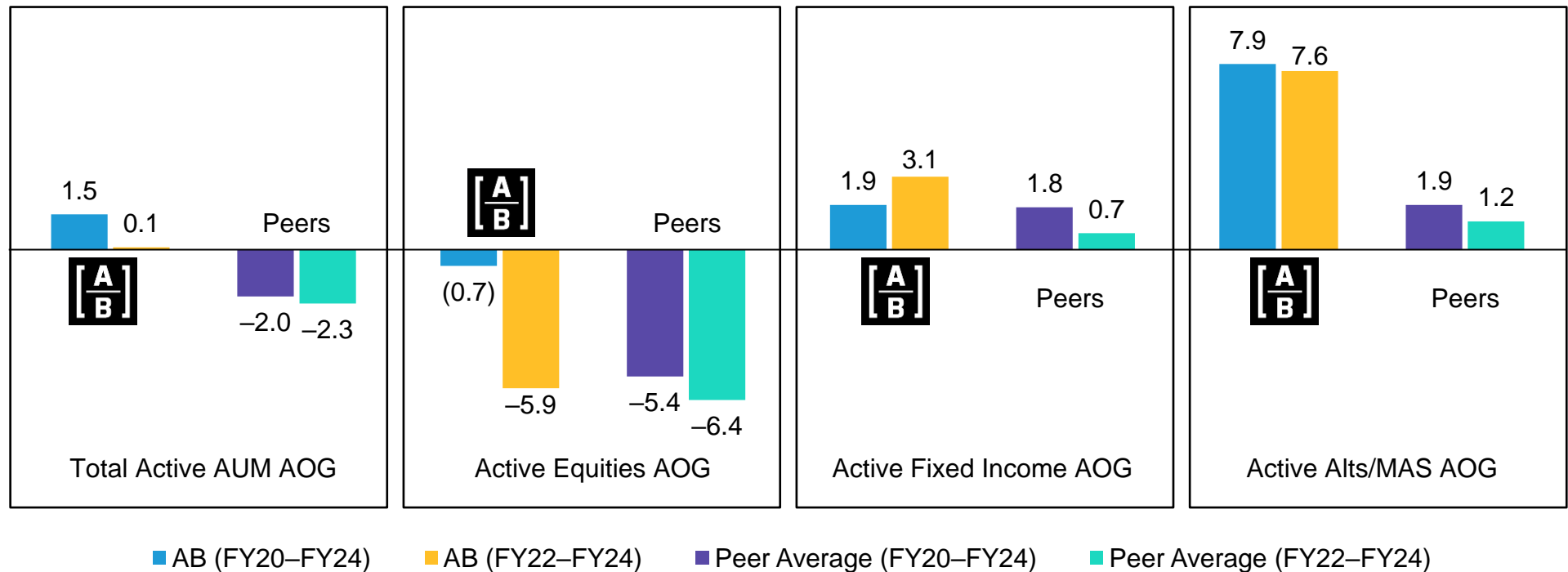


## ...Resulting in Sustained Organic Growth Through Market Cycles

AB's active organic growth ("AOG") outperformed the peer group average by ~400 bps over the last five-year and ~200 bps over the last three-year periods

### Annualized Organic Growth Rates for Active Net Inflows

Organic growth averages: (FY20–FY24) and (FY22–FY24)  
(percent)



Total active AUM and active fixed income average annualized growth excludes \$11.8 billion in low-fee AXA terminated mandates during 2020, \$1.3 billion in 2021 and \$2.3 billion in 2022

Peers: AMG, BEN, BLK, IVZ, JHG and TROW

# We Are Investing in Markets That Will Drive Future Growth

AB is focusing on solutions, vehicles and geographies with above-market growth potential



## Products/Segments

### Private Debt

AUM (USD Trillions)

**1.7**

Five-Year Projected Growth

**10%–15%**

### Insurance

AUM (USD Trillions)

**36**

Five-Year Projected Growth

**5%–8%**



## Vehicles

### Active ETFs

AUM (USD Trillions)

**0.5**

Five-Year Projected Growth

**15%–20%**

### US Retail SMAs

AUM (USD Trillions)

**1.8**

Five-Year Projected Growth

**9%–10%**



## Geographies

### China

AUM  
(USD Trillions)

**6.7**

Five-Year  
Projected Growth

**12%–14%**

### EMEA

AUM  
(USD Trillions)

**27**

Five-Year  
Projected Growth

**1%–4%**

### US Retail

AUM  
(USD Trillions)

**38**

AUM  
(USD Trillions)

**5%–7%**

**Current analysis and forecasts do not guarantee future results.**

Source: Barron's, Cerulli, McKinsey North American Wealth Management Benchmark Survey, Morgan Stanley, New York Stock Exchange, Oliver Wyman, Preqin, SSGA and AB

# Our Strategic Partnership with Equitable Holdings (EQH) Provides Several Advantages...

- Founded in 1859, Equitable (Rated A+/A1 by S&P/Moody's) provides advice, protection and retirement strategies with more than 5,000 client relationships globally
- EQH receives value through its ~62% economic interest in higher-multiple AB, having owned AB for over 25 years\*
  - EQH incented to help AB grow faster
  - AB generates over 30% of EQH cash flows, representing diversifying unregulated earnings to EQH at a high multiple, and aligns with EQH's strategy to growing its mix of capital-light, fee-type revenues
  - AB a key contributor to EQH portfolio, providing hedging and investment expertise to help improve EQH's risk-adjusted yield
- Since 2021, EQH has committed to allocating \$20 billion of permanent capital to AB's illiquid platform to further improve risk adjusted return of its General Account, through seeding new alternative business at AB—a "Virtuous Cycle"
  - AB has in the past grown third-party capital commitments by 4x initial seed capital
  - EQH committed \$750 million to recently acquired CarVal, enhancing the AB CarVal growth trajectory
  - EQH committed \$500 million to establishing NAV Lending capability with AB Private Credit Investors
  - Provides AB unique access to large addressable insurance market seeking higher yields, without sacrificing capital outlay

## EQH's Low Cost of Capital and High Cash Generation Benefits AB

- Represents AB's largest client totaling \$131 billion in permanent capital, or ~17% AUM as of YE-24
- Lead investor in seeding new liquid and illiquid alternative strategies
- Significant client for Fixed Income
- Provides low-cost \$900 million Line of Credit to AB through committed facility plus \$300 million through uncommitted facility

Permanent capital means investment capital of indefinite duration, which may be withdrawn under certain conditions. Although EQH has indicated its intention over time to provide this investment capital to AB as part of the "virtuous cycle", it has no binding commitment to do so.

\*Includes prior AXA ownership

# ...Accelerating Growth of our Private Markets Platform via the AB Carval Combination...

**Private Markets Current AUM: \$70 Billion<sup>1</sup>**  
**\$57B Fee-Earning AUM | \$13B Fee-Eligible**

**2027 Target: \$90-\$100 Bil.**



**AB Private Credit  
Investors ("AB-PCI")**  
**\$20.0Bil.**

- Corporate Direct Lending
- Minority Private Equity Co-Investments
- PE LP investments and Secondaries
- NAV Lending



**AB CarVal**  
**\$19.7Bil.**

- Opportunistic / Distressed Credit
- Renewable Energy Infrastructure
- Specialty Finance
- Transportation



**AB Private  
Placements**  
**\$14.4Bil.**

- Investment Grade Private Debt
- Secured and Unsecured
- Corporate and Infrastructure



**Commercial Real  
Estate Debt**  
**\$10.1Bil.**

- US and Europe
- Value-add, Core & Core-plus loans
- Senior / Whole Loans
- Mezzanine Loans
- Preferred / Structured Equity

## Key Statistics and Highlights

**\$175B+**  
 Invested Capital<sup>2</sup>

**#20**  
 Private Debt Manager  
 Rank in PDI 200\*

**23**  
 Average Years of  
 Experience Across  
 Senior Members<sup>3</sup>

**\$20B**  
 Equitable Relationship

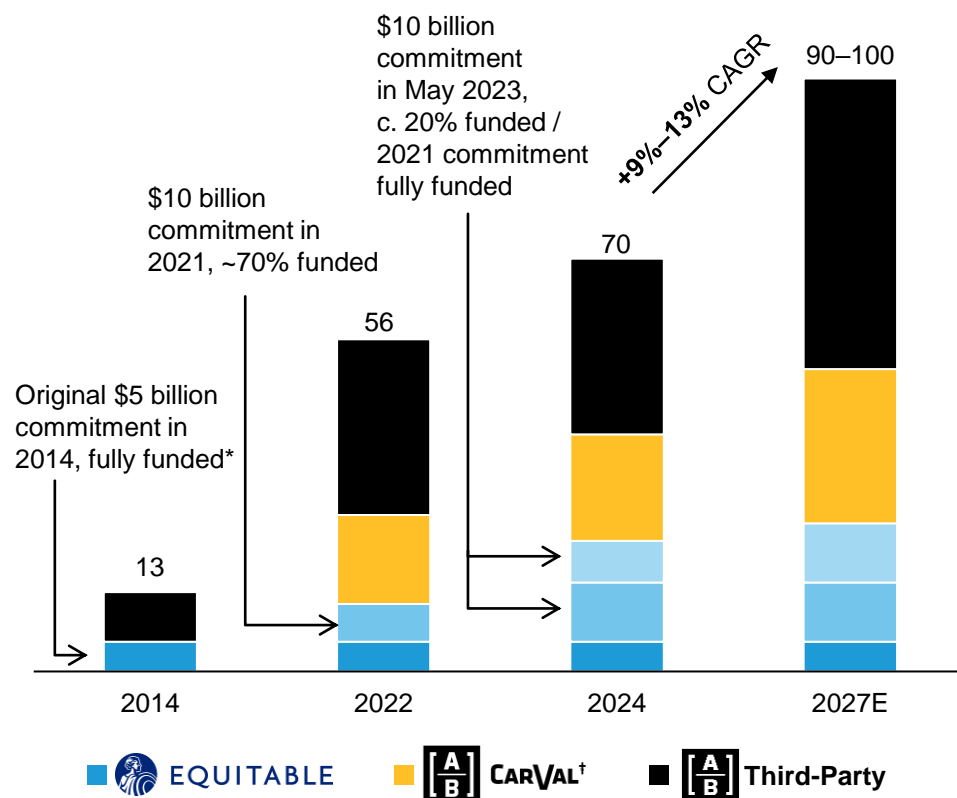
<sup>1</sup> Data as of December 31, 2024. AUM for AB Private Markets includes leverage where applicable and is comprised of fee-earning AUM and fee-eligible AUM. Fee-earning AUM includes those assets currently qualified to generate management fees. Fee-eligible AUM includes committed capital that is currently uncalled or callable. \$70B AUM includes \$5.6B in CLOs, Energy Opportunities, RE Equity, Secondaries <sup>2</sup> Reflects invested capital (i.e., excludes unfunded capital commitments) for AB Private Markets excluding Private Placements as of December 31, 2024. <sup>3</sup> Denotes average industry experience of senior investment team members (MDs and above). \* An annual list of leading 200 fundraisers in private debt based on a rolling five-year period published by Private Debt Investors (PDI) in December 2023. Source: AB; see A Word About Risk..

# ...Leveraging Equitable's Commitments to Grow Third-Party Capital

We aspire to grow Private Markets AUM to \$90–\$100 billion over the next five years

## AB Private Markets AUM (2014–2027E)

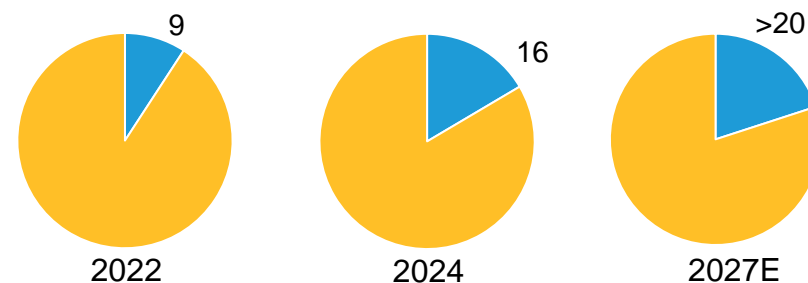
USD billion



Positioned to grow 9%–13% CAGR, to \$90–\$100 billion in Private Markets AUM by 2027, and derive >20% of our asset management revenues

- Well-established track records in corporate direct lending, commercial real estate, AB CarVal, private placements
- Equitable commitments drive quicker scale
- Third-party retail product expansion
- Insurance general account expansion, supported via partnerships and leveraging EQH strategic relationship
- In FY24, private markets accounted for 16% of our firmwide management revenues, including base and performance fees

## Private Markets as Percent of Asset Management Revenues



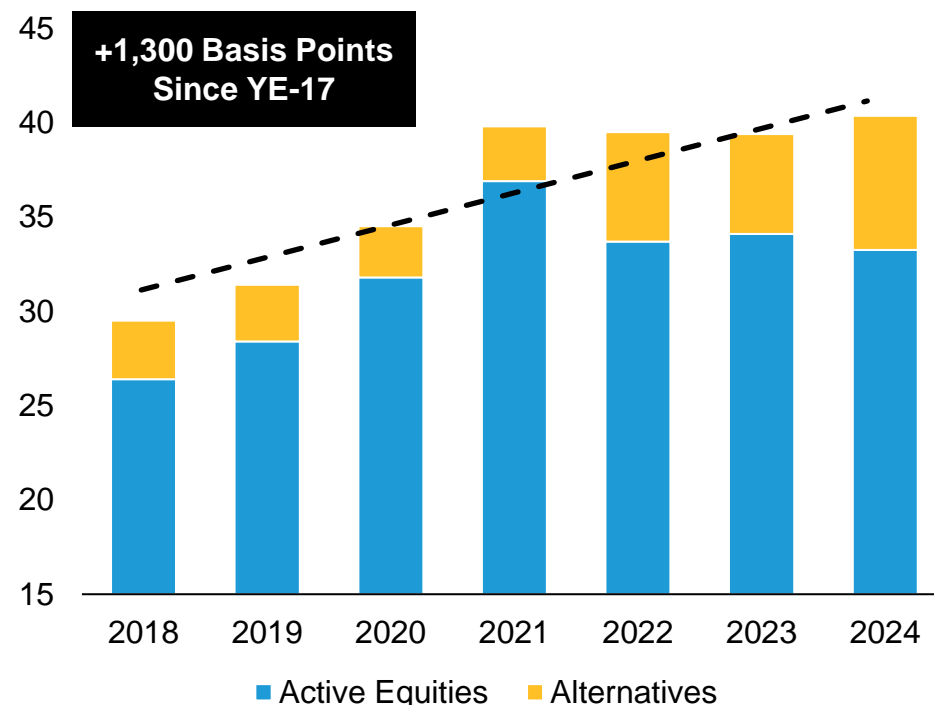
As of 12/31/2024. Source: AB

\*Includes seed funding from Equitable and AXA. <sup>†</sup>Adjusted for EQH commitments made to CarVal to avoid duplication.

# A Continued Mix Shift to Higher Fee, Active Equities and Alternatives...

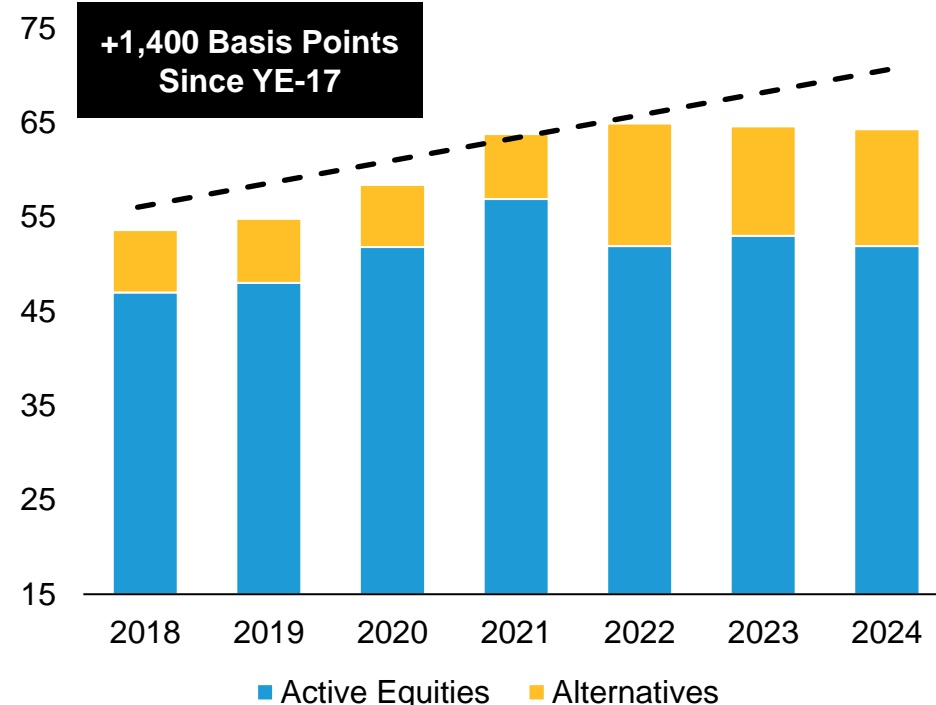
## Percent of Assets Under Management

Sum of active equities and alternatives



## Percent of Annualized Fee Base

Sum of active equities and alternative

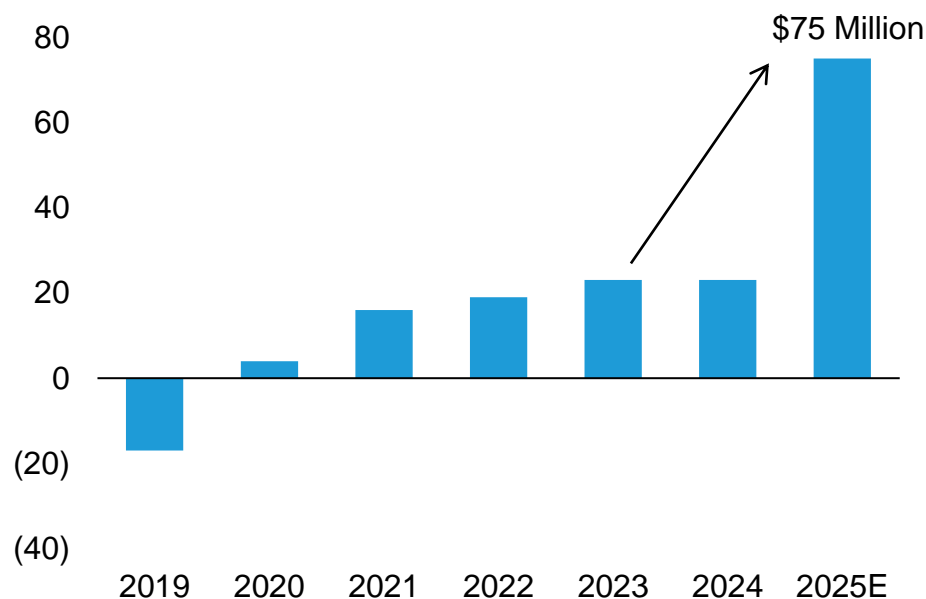


As of December 31, 2024

# ...Combined with Focused Execution on Cost Reduction

## Nashville Relocation Annual Cost Savings

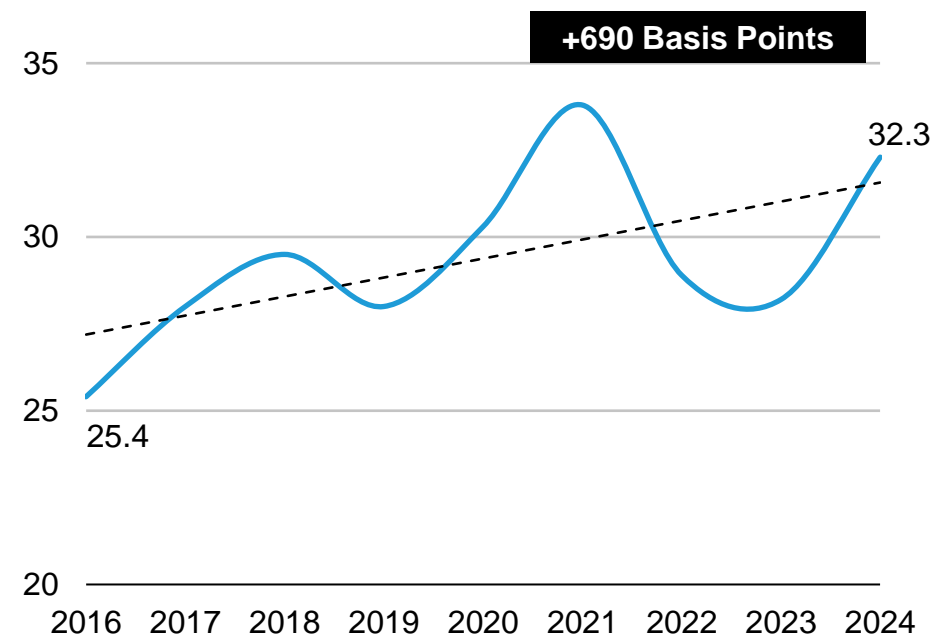
USD millions



- Accretive in 2020 and beyond; 2024 EPU accretion \$0.08
- >1,000 positions have been relocated
- New state of the art headquarters building occupied in July 2021

## Annual Adjusted Operating Margins

Percent



- Despite waves of market volatility, we have expanded our adjusted operating margins by nearly 700 bps since FY16
- In 2024 Total Opex was down 1% despite an elevated inflation backdrop
- We maintain a disciplined focus on expense management which will enable us to continue investing for growth

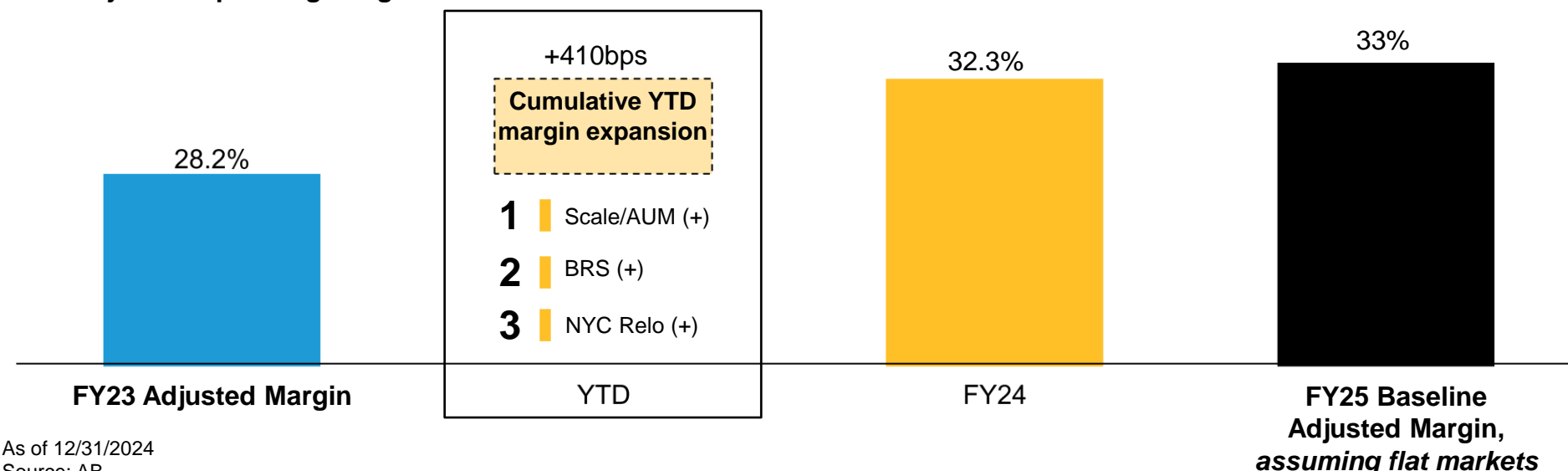
As of December 31, 2024

# Margin-Accretive Initiatives

Looking forward, we have multiple levers to drive margin expansion, assuming flat markets

Path to 350–500 bps of adjusted operating margin expansion by 2027		Range (Basis Points)
1	Bernstein Research Services deconsolidation – <b>completed and reflected on financials</b>	+200–250
2	Full realization of Nashville relocation cost savings – <b>completed; first quarter impact in 4Q:24</b>	+100–150
3	Private Alts and growth investments (2027E and beyond)	+50–100
Adj. operating margin; cumulative expected impact by 2027		<b>+350–500</b>

## YTD Adjusted Operating Margin and FY25 Outlook



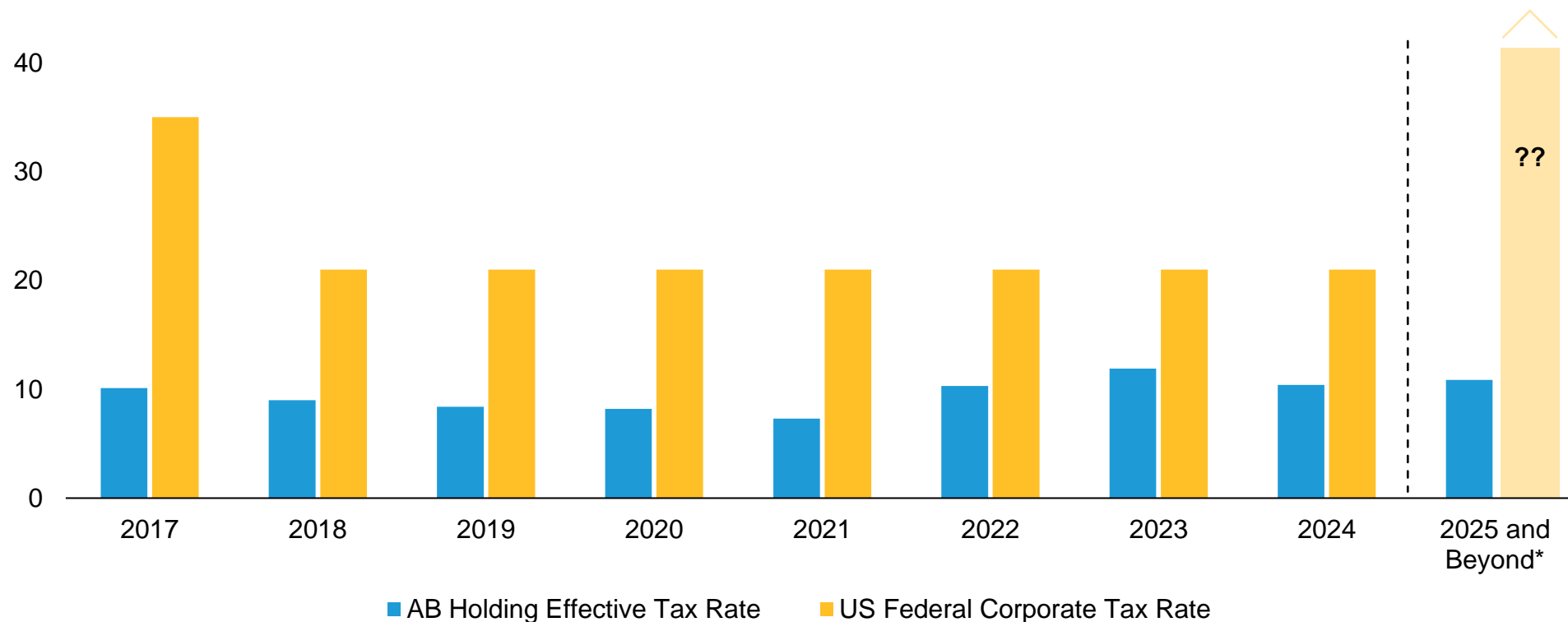
As of 12/31/2024  
Source: AB



# Partnership Structure Hedges Against Risk of a Higher Tax World

## Effective Tax Rate Rates

Percent



AB Holding is a grandfathered publicly-traded partnership “PTP” for federal tax purposes and, accordingly, is not subject to federal or state corporate income taxes. However, AB Holdings is subject to a 3.5% federal tax and a 1.0% California state tax on partnership gross income from active conduct of a trade or business, derived from its interest in AB

\* 2025 tax rate assumes average of last 3 years

# Tax Implications for Investors

## True equity in tax-advantaged earnings

AllianceBernstein Holding (NYSE: AB) is a publicly traded limited partnership, paying lower federal and state tax rates compared to corporations and distributing its entire Available Cash Flow (Earnings) to unitholders.

- Unitholders are not taxed on quarterly cash distributions, but rather on their pro-rata share of the partnership's taxable income
- Importantly, additional tax deductions allow **deferral** of a portion of federal income taxes based on the investor's pro rata share of the partnership's taxable income until sale



**Partnership effective tax rate in the low-teens (percent)**



**100% Payout of Adj. Earnings**

**Tax Benefits to AB Unitholders**

- 1 Tax savings permit higher cash distributions
- 2 Deferral of portion of taxable income
- 3 Time value of tax deferral

### Individual investors who purchased and hold AB units via a traditional brokerage account

AllianceBernstein mails Schedule K-1s by first week of March

K-1s reflect pro rata share of the partnership's taxable income

Unitholders are required to report their pro rata share of the partnership's taxable income on their tax return

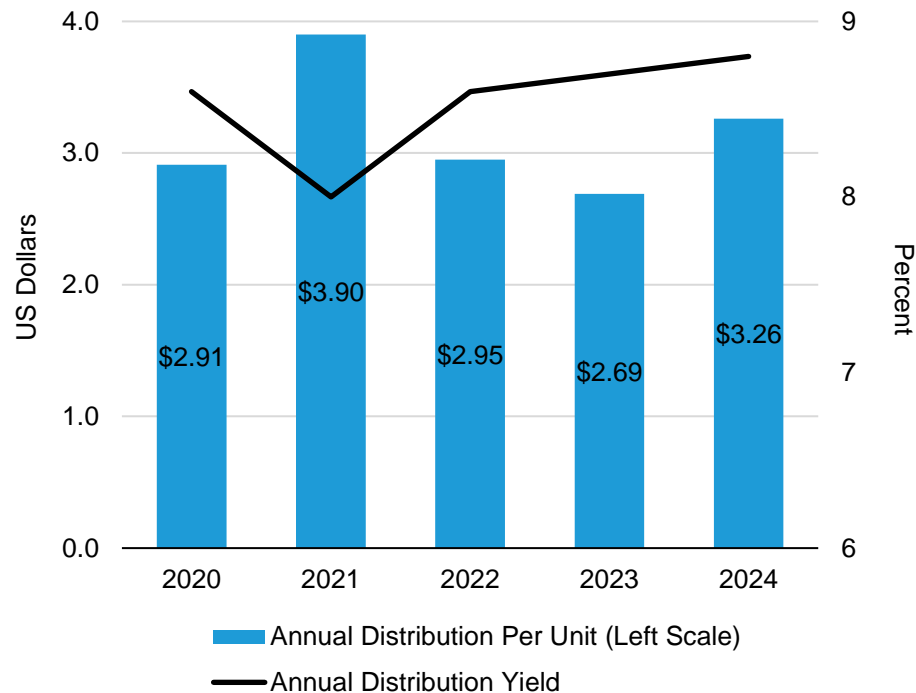
Distributions reflected on the K-1 are not taxed as income; rather they lower the cost basis of the AB units

Circular 230 Disclosure: The information contained herein serves as a guideline and is only provided for general informational purposes. It should not be considered as offering any tax advice. You should consult your tax advisor on specific issues related to your tax situation. Additional information <https://www.alliancebernstein.com/corporate/en/investor-relations/tax-information.html>

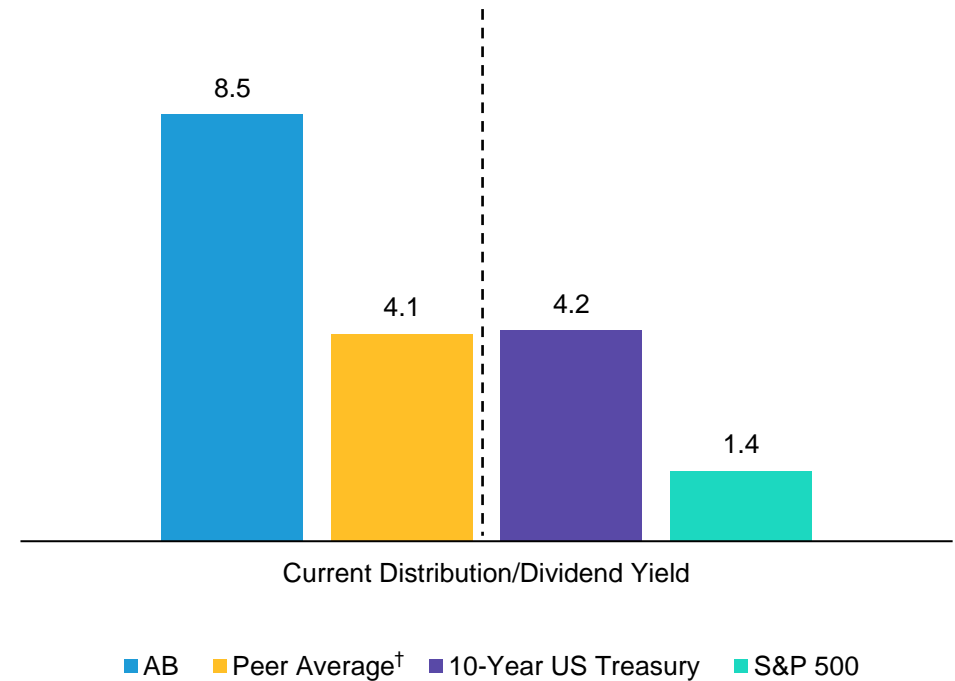
# High Distribution Yield in a Low-Rate Environment...

AB pays out 100% of adjusted earnings

## Annual Distributions and Yield (2020–2024)



## Current Yield\* (Percent) vs. Peer Group



\*AB's current yield measured as of March 31st, 2025, based on consensus estimates for Next-Twelve-Months Adjusted Earnings/Dividends (\$3.26/unit) and AB unit closing price of \$38.31.

†Peer average includes: Affiliated Managers Group, Franklin Resources, Blackrock, Invesco, Janus Henderson, T. Rowe Price

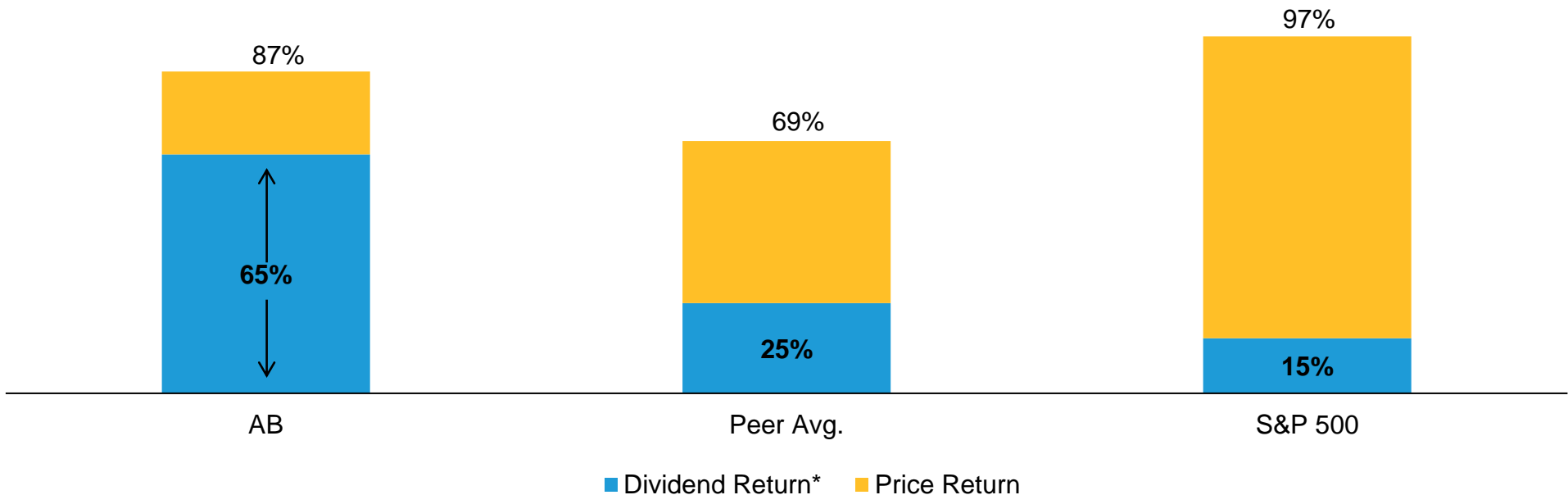
Source: NasdaqIR

## ...Combined with Strong Equity Performance

AB has outperformed peer average with reinvested distributions representing three quarters of Total Shareholder Return (“TSR”) over the last five years

### Total Shareholder Return\*

December 31, 2019–December 31, 2024 (percent)



Peer average includes: Affiliated Managers Group, Franklin Resources, Blackrock, Janus Henderson, Invesco, T. Rowe Price

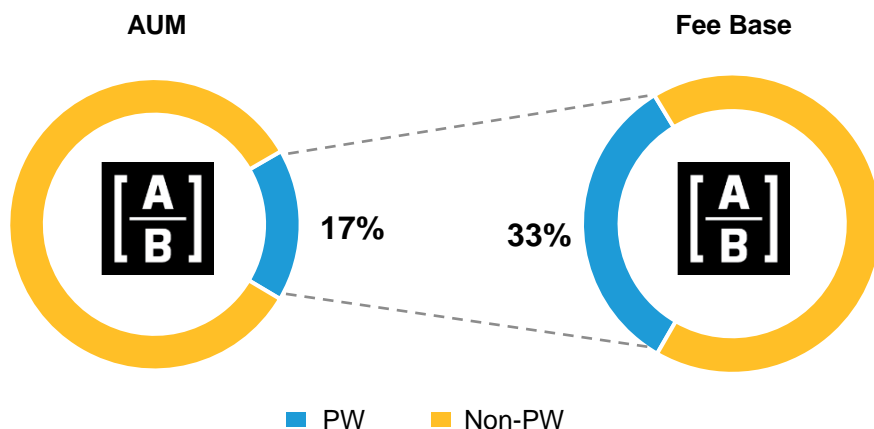
\*Assumes distributions reinvested during December 31, 2019–December 31, 2024

Source: NasdaqIR

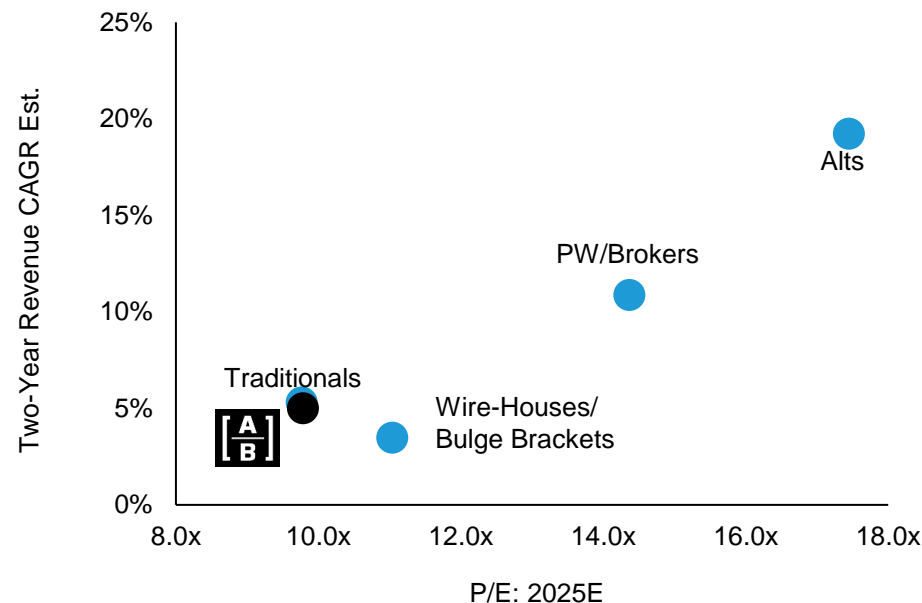
# Private Wealth Is a Strategic Asset to AllianceBernstein

Secularly growing, recurring fee business representing 1/3 of AB's adjusted base fees

## PW Accounts for 33% of AB's FY24 Adjusted Fee Base



## Brokers/Wealth Managers Trade at a Premium, Reflecting Secular Growth, Recurring-Fee Model



- Stable client assets, advisory fees valued at mid-teens earnings multiple in public markets
  - Sticky Assets—Average client account 12 years
  - Accretive and stable fee rates due to value-added personalized financial advice and planning
- Innovation supports differentiated client needs
  - Approximately \$2.7 billion in Private Alternatives fundraising in 2024

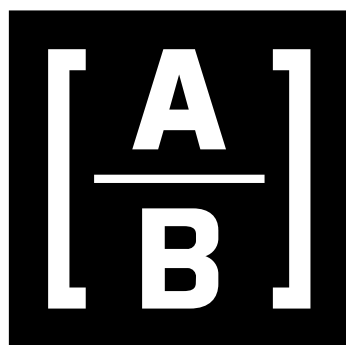
Traditional Asset Managers: BLK, TROW, BEN, IVZ, JHG, AMG; Alternative Asset Managers: BX, KKR, APO, ARES, OWL, CG, HLNE, TPG, STEP; Brokers/Private Wealth: SCHW, IBKR, RJF, LPLA, SF, AMK; Wire-houses: JPM, MS, BAC, WFC, NRTS; priced as of March 31, 2025

Source: NasdaqIR

# AB's Unique Value Proposition

Integrated asset and wealth manager with differentiated capabilities, partnerships and structure





**ALLIANCEBERNSTEIN®**