

ALLIANCEBERNSTEIN HOLDING L.P.  
Form 10-K  
February 11, 2010

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-09818

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AllianceBernstein Holding l.p.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

13-3434400  
(I.R.S. Employer  
Identification No.)

1345 Avenue of the Americas, New York, N.Y.  
(Address of principal executive offices)

10105  
(Zip Code)

Registrant's telephone number, including area code: (212) 969-1000

Securities registered pursuant to Section 12(b) of the Act:

Title of Class  
units representing assignments of beneficial ownership  
of limited partnership interests

Name of each exchange on which registered  
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

The aggregate market value of the units representing assignments of beneficial ownership of limited partnership interests held by non-affiliates computed by reference to the price at which such units were last sold on the New York Stock Exchange as of June 30, 2009 was approximately \$1.73 billion.

The number of units representing assignments of beneficial ownership of limited partnership interests outstanding as of December 31, 2009 was 101,351,749. (This figure includes 100,000 units of general partnership interest having economic interests equivalent to the economic interests of the units representing assignments of beneficial ownership of limited partnership interests.)

DOCUMENTS INCORPORATED BY REFERENCE

This Form 10-K does not incorporate any document by reference.

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Glossary of Certain Defined Terms

“AllianceBernstein” – AllianceBernstein L.P. (Delaware limited partnership formerly known as Alliance Capital Management L.P., “Alliance Capital”), the operating partnership, and its subsidiaries and, where appropriate, its predecessors, Holding and APMC, Inc. and their respective subsidiaries.

“AllianceBernstein Investments” – AllianceBernstein Investments, Inc. (Delaware corporation), a wholly-owned subsidiary of AllianceBernstein that services retail clients and distributes company-sponsored mutual funds.

“AllianceBernstein Partnership Agreement” – the Amended and Restated Agreement of Limited Partnership of AllianceBernstein, dated as of October 29, 1999 and as amended February 24, 2006.

“AllianceBernstein Units” – units of limited partnership interest in AllianceBernstein.

“AUM” – assets under management for clients.

“AXA” – AXA (société anonyme organized under the laws of France), the holding company for an international group of insurance and related financial services companies engaged in the financial protection and wealth management businesses.

“AXA Equitable” – AXA Equitable Life Insurance Company (New York stock life insurance company), an indirect wholly-owned subsidiary of AXA Financial, and its subsidiaries other than AllianceBernstein and its subsidiaries.

“AXA Financial” – AXA Financial, Inc. (Delaware corporation), a wholly-owned subsidiary of AXA.

“Bernstein GWM” – Bernstein Global Wealth Management, a unit of AllianceBernstein that services private clients.

“Bernstein Transaction” – on October 2, 2000, AllianceBernstein’s acquisition of the business and assets of SCB Inc., formerly known as Sanford C. Bernstein Inc., and assumption of the liabilities of that business.

“Exchange Act” – the Securities Exchange Act of 1934, as amended.

“ERISA” – the Employee Retirement Income Security Act of 1974, as amended.

“General Partner” – AllianceBernstein Corporation (Delaware corporation), the general partner of AllianceBernstein and Holding and a wholly-owned subsidiary of AXA Equitable, and, where appropriate, APMC, Inc., its predecessor.

“Holding” – AllianceBernstein Holding L.P. (Delaware limited partnership).

“Holding Partnership Agreement” – the Amended and Restated Agreement of Limited Partnership of Holding, dated as of October 29, 1999 and as amended February 24, 2006.

“Holding Units” – units representing assignments of beneficial ownership of limited partnership interests in Holding.

“Investment Advisers Act” – the Investment Advisers Act of 1940, as amended.

“Investment Company Act” – the Investment Company Act of 1940, as amended.

“NYSE” – the New York Stock Exchange, Inc.

“Partnerships” – AllianceBernstein and Holding together.

“SCB” – SCB LLC and SCBL together.

“SCB LLC” – Sanford C. Bernstein & Co., LLC (Delaware limited liability company), a wholly-owned subsidiary of AllianceBernstein that provides Bernstein research services in the United States.

“SCBL” – Sanford C. Bernstein Limited (U.K. company), a wholly-owned subsidiary of AllianceBernstein that provides Bernstein research services primarily in Europe.

“SEC” – the United States Securities and Exchange Commission.

“Securities Act” – the Securities Act of 1933, as amended.

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PART I

Item 1. Business

The words “we” and “our” in this Form 10-K refer collectively to Holding and AllianceBernstein, or to their officers and employees. Similarly, the words “company” and “firm” refer to both Holding and AllianceBernstein. Where the context requires distinguishing between Holding and AllianceBernstein, we identify which of them is being discussed. Cross-references are in italics.

We use “global” in this Form 10-K to refer to all nations, including the United States; we use “international” or “non-U.S.” to refer to nations other than the United States.

We use “emerging markets” in this Form 10-K to refer to countries considered to be developing countries by the international financial community and countries included in the Morgan Stanley Capital International (“MSCI”) emerging markets index. As of December 31, 2009, examples of such countries were Brazil, Chile, China, Columbia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Malaysia, Mexico, Morocco, Peru, the Philippines, Poland, Russia, South Africa, South Korea, Taiwan, Thailand and Turkey.

We use the term “hedge funds” in this Form 10-K to refer to private investment partnerships we sponsor that utilize various alternative strategies such as leverage, short selling of securities, and utilizing forward contracts, currency options and other derivatives.

General

Clients

AllianceBernstein provides research, diversified investment management and related services globally to a broad range of clients, including:

• institutional clients, including unaffiliated corporate and public employee pension funds, endowment funds, domestic and foreign institutions and governments, and various affiliates;

• retail clients, including U.S. and offshore mutual funds, variable annuities, insurance products and sub-advisory relationships;

• private clients, including high-net-worth individuals, trusts and estates, charitable foundations, partnerships, private and family corporations, and other entities; and

• institutional investors seeking high-quality research and related services, and issuers of publicly-traded securities seeking equity capital markets services.

We also provide distribution, shareholder servicing and administrative services to our sponsored mutual funds.

Our firm’s mission is to be the most trusted investment firm in the world by placing our clients’ interests first and foremost, utilizing our research capabilities to have more knowledge than any other investment firm, and using and sharing knowledge better than our competitors to help our clients achieve financial peace of mind and investment success.

## Research

Our high-quality, in-depth, fundamental research is the foundation of our business. We believe that our global team of research professionals gives us a competitive advantage in achieving investment success for our clients.

Our research disciplines include fundamental, quantitative and economic research, as well as currency forecasting. In addition, we have created several specialized research units, including one that examines global strategic changes that can affect multiple industries and geographies, and another dedicated to identifying potentially successful innovations within early-stage companies.

## Products and Services

We offer a broad range of investment products and services to our clients:

- To our institutional clients, we offer separately-managed accounts, sub-advisory relationships, structured products, collective investment trusts, mutual funds, hedge funds and other investment vehicles (“Institutional Services”);
- To our retail clients, we offer retail mutual funds sponsored by AllianceBernstein, our subsidiaries and our affiliated joint venture companies, sub-advisory services to mutual funds sponsored by third parties, separately-managed account programs sponsored by various financial intermediaries worldwide (“Separately-Managed Account Programs”) and other investment vehicles (collectively, “Retail Services”);
- To our private clients, we offer diversified investment management services through separately-managed accounts, hedge funds, mutual funds and other investment vehicles (“Private Client Services”); and



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•To institutional investors, we offer research, portfolio strategy and brokerage-related services, and, to issuers of publicly-traded securities, we offer equity capital markets services (“Bernstein Research Services”).

These services are provided by teams of investment professionals with significant expertise in their respective disciplines (see “Employees” in this Item 1). Our buy-side research analysts support our portfolio managers and, together, they oversee a number of different types of investment services within various vehicles (discussed above) and strategies (discussed below). Our sell-side research analysts provide the foundation for our Bernstein Research Services.

Our services include:

- Value equities, generally targeting stocks that are out of favor and considered undervalued;
- Growth equities, generally targeting stocks with under-appreciated growth potential;
- Fixed income securities, including taxable and tax-exempt securities;
- Blend strategies, combining style-pure investment components with systematic rebalancing;
- Passive management, including index and enhanced index strategies;

•Alternative investments, such as hedge funds, currency management strategies, venture capital and, beginning in 2010, direct real estate investing; and

•Asset allocation services, by which we offer blend strategies specifically-tailored for our clients (e.g., customized target-date fund retirement services for defined contribution plan sponsors).

We manage these services using various investment disciplines, including market capitalization (e.g., large-, mid- and small-cap equities), term (e.g., long-, intermediate- and short-duration debt securities), and geographic location (e.g., U.S., international, global and emerging markets), as well as local and regional disciplines in major markets around the world.

Blend strategies are a key component of our product line. As of December 31, 2009, blend strategies AUM was \$90 billion (representing 18% of our company-wide AUM), an increase of 6% from \$85 billion as of December 31, 2008 and a decrease of 49% from \$175 billion as of December 31, 2007.

We market and distribute alternative investment products (which include hedge funds, venture capital and currency management strategies) globally to high-net-worth clients and institutional investors. Alternative product AUM totaled \$3.9 billion as of December 31, 2009, \$2.5 billion of which was private client AUM (primarily hedge funds) and \$1.4 billion of which was institutional AUM (primarily currency services).

Sub-advisory client mandates span our investment strategies, including growth, value, fixed income and blend. We serve as sub-adviser for retail mutual funds, insurance products, retirement platforms and institutional investment products.

In August 2008, we created an initiative called AllianceBernstein Defined Contribution Investments (“ABDC”) focused on expanding our firm’s capabilities in the defined contribution (“DC”) market. ABDC seeks to provide the most effective DC investment solutions in the industry, as measured by product features, reliability, cost and flexibility, to meet specialized client needs by integrating research and investment design, product strategy, strategic partnerships

(e.g., record-keeper partnerships and operations collaboration), and client implementation and service. As of December 31, 2009, our DC assets under management, which are distributed in all three of our buy-side distribution channels, totaled \$25 billion.

In April 2009, we were selected by the U.S. Treasury Department as one of only three firms to manage its portfolio of assets issued by banks and other institutions taking part in the Capital Purchase Program of the Troubled Assets Relief Program. In addition, we were selected by the U.S. Treasury Department as one of nine pre-qualified fund managers under the Public-Private Investment Program and, during the fourth quarter of 2009, we were one of five firms that closed an initial Public-Private Investment Fund of at least \$500 million.

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Global Reach

We serve clients in major global markets through operations in 45 cities in 24 countries. Our client base includes investors throughout the Americas, Europe, Asia, Africa and Australia. We utilize an integrated global investment platform that provides our clients with access to local (country-specific), international, and global research and investment strategies.

Assets under management by client domicile and investment service as of December 31, 2009, 2008 and 2007 were as follows:

By Client Domicile (\$ in billions):

December 31, 2009	December 31, 2008	December 31, 2007
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By Investment Service (\$ in billions):

December 31, 2009	December 31, 2008	December 31, 2007
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Our international client base stabilized during 2009, decreasing by 1% compared to a decrease of 43% during 2008. Our global and international AUM increased by 6% during 2009 compared to a decrease of 47% during 2008. Approximately 62%, 76% and 80% of our gross asset inflows (sales/new accounts) during 2009, 2008 and 2007, respectively, were invested in global and international investment services.

Revenues

We earn revenues primarily by charging fees for managing the investment assets of, and providing research to, our clients.

We generally calculate investment advisory fees as a percentage of the value of AUM at a specific point in time or as a percentage of the value of average AUM for the applicable billing period, with these percentages varying by type of investment service, size of account and total amount of assets we manage for a particular client. Accordingly, fee income generally increases or decreases as AUM increases or decreases. Increases in AUM generally result from market appreciation, positive investment performance for clients or net asset inflows from new and existing clients. Similarly, decreases in AUM generally result from market depreciation, negative investment performance for clients, or net asset outflows due to client redemptions, account terminations or asset withdrawals.

We are eligible to earn performance-based fees on hedge fund services, as well as some long-only services provided to our institutional clients. In these situations, we charge a base advisory fee and are eligible to earn an additional performance-based fee or incentive allocation that is calculated as either a percentage of absolute investment results or a percentage of investment results in excess of a stated benchmark over a specified period of time. In addition, some performance-based fees include a high-watermark provision, which generally provides that if a client account underperforms relative to its performance target (whether absolute or relative to a specified benchmark), it must gain back such underperformance before we can collect future performance-based fees. Therefore, if we fail to achieve our performance target for a particular period, we will not earn a performance-based fee for that period and, for accounts with a high-watermark provision, our ability to earn future performance-based fees will be impaired. If the percentage

of our AUM subject to performance-based fees grows, seasonality and volatility of revenue and earnings are likely to become more significant. Our performance-based fees in 2009, 2008 and 2007 were \$29.8 million, \$13.4 million and \$81.2 million, respectively. For additional information about performance-based fees, see “Risk Factors” in Item 1A and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Item 7.

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We sometimes experience periods when the number of new accounts or the amount of AUM increases or decreases significantly. These changes result from wide-ranging factors, including conditions of financial markets, our investment performance for clients and changes in our clients' investment preferences.

We earn revenues from clients to whom we provide fundamental research and brokerage-related services, primarily in the form of transaction fees calculated as either "cents per share" (generally in the U.S. market) or a percentage of the value of the securities traded (generally in the European market) for these clients. In 2009, we re-launched our equity capital markets business, through which we earn revenues from issuers of publicly-traded securities to which we provide these services in the form of underwriting fees, management fees and/or selling concessions, depending on our role in the offering.

Our revenues may fluctuate for a number of reasons; see "Risk Factors" in Item 1A and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7.

## Employees

The substantial decrease in our assets under management and the resulting decrease in fee revenues from levels during the first nine months of 2008 led us to undertake initiatives in 2008 and 2009 that resulted in significant reductions in operating expenses and capital expenditures.

We reduced our headcount by 628, or 13%, during 2009 to 4,369 which, along with the reduction in force that occurred during the fourth quarter of 2008, represents a total reduction of nearly 1,300 staff members, or 23%, from our headcount peak during the third quarter of 2008. These actions reduced our fixed compensation costs (salaries and fringe benefits) by approximately \$130 million. Despite these measures, we believe we have retained the intellectual capital required to service our clients and grow our business.

Our firm's 4,369 full-time employees, who are located in 24 countries, include 300 research analysts, 158 portfolio managers, 46 traders and 23 professionals with other investment-related responsibilities. We have employed these professionals for an average period of approximately eight years, and their average investment experience is approximately 17 years. We consider our employee relations to be good.

## Institutional Services

We serve our institutional clients primarily through AllianceBernstein Institutional Investments ("Institutional Investments"), a unit of AllianceBernstein, and through other units in our international subsidiaries and one of our joint ventures (institutional relationships of less than \$25 million are generally serviced by Bernstein GWM, our Private Client channel, discussed below). Institutional Services include actively managed equity accounts (including growth, value and blend accounts), fixed income accounts and balanced accounts (which combine equity and fixed income), as well as passive management of index and enhanced index accounts. These services are provided through separately-managed accounts, sub-advisory relationships, structured products, collective investment trusts, mutual funds and other investment vehicles. As of December 31, 2009, institutional AUM was \$300 billion, or 61% of our company-wide AUM as compared to \$291 billion, or 63%, as of December 31, 2008 and \$508 billion, or 63%, as of December 31, 2007. For more information concerning institutional AUM, revenues and fees, see "Assets Under Management, Revenues and Fees" in this Item 1.

Our institutional client base includes unaffiliated corporate and public employee pension funds, endowment funds, domestic and foreign institutions and governments, and certain of our affiliates (AXA and its subsidiaries), as well as

certain sub-advisory relationships with unaffiliated sponsors of various other investment products. We manage approximately 1,762 mandates for these clients, which are located in 42 countries. As of December 31, 2009, we managed employee benefit plan assets for 42 of the Fortune 100 companies, and we managed public pension fund assets for 39 states and/or municipalities in those states.

#### Retail Services

We provide investment management and related services to a wide variety of individual retail investors, both in the U.S. and internationally, through retail mutual funds sponsored by our company, our subsidiaries and affiliated joint venture companies; mutual fund sub-advisory relationships; Separately-Managed Account Programs; and other investment vehicles (“Retail Products and Services”). As of December 31, 2009, retail AUM was \$121 billion, or 24% of our company-wide AUM as compared to \$102 billion, or 22%, as of December 31, 2008 and \$183 billion, or 23%, as of December 31, 2007. For more information concerning retail AUM, revenues and fees, see “Assets Under Management, Revenues and Fees” in this Item 1.

Our Retail Products and Services are designed to provide disciplined, research-based investments that contribute to a well-diversified investment portfolio. We distribute these products and services through financial intermediaries, including broker-dealers, insurance sales representatives, banks, registered investment advisers and financial planners.

Our Retail Products and Services include open-end and closed-end funds that are either (i) registered as investment companies under the Investment Company Act (“U.S. Funds”), or (ii) not registered under the Investment Company Act and generally not offered to United States persons (“Non-U.S. Funds” and, collectively with the U.S. Funds, “AllianceBernstein Funds”). They provide a broad range of investment options, including local and global growth equities, value equities, blend strategies and fixed income securities. They also include Separately-Managed Account Programs, which are sponsored by financial intermediaries and generally charge an all-inclusive fee covering investment management, trade execution, asset allocation, and custodial and administrative services. We also provide distribution, shareholder servicing and administrative services for our Retail Products and Services.

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Our U.S. Funds, which include retail funds, our variable products series fund (a component of an insurance product) and the retail share classes of the Sanford C. Bernstein Funds (principally Private Client Services products, “SCB Funds”), currently offer 99 different portfolios to U.S. investors. As of December 31, 2009, retail U.S. Funds AUM was approximately \$45 billion, or 37% of total retail AUM as compared to \$39 billion, or 38%, as of December 31, 2008 and \$66 billion, or 36%, as of December 31, 2007. Because of the way they are marketed and serviced, we report substantially all of the AUM in the SCB Funds, which totaled \$26 billion as of December 31, 2009, as private client AUM.

Our Non-U.S. Funds are distributed internationally by local financial intermediaries to non-U.S. investors in most major international markets by means of distribution agreements. As of December 31, 2009, these funds consisted of 70 different portfolios and AUM in these funds was \$20 billion. We also offer local-market funds that we distribute in Japan through financial intermediaries. As of December 31, 2009, retail AUM in these funds was \$3 billion.

AllianceBernstein Investments serves as the principal underwriter and distributor of the U.S. Funds. AllianceBernstein Investments employs approximately 140 sales representatives who devote their time exclusively to promoting the sale of U.S. Funds and certain other Retail Products and Services offered by financial intermediaries.

AllianceBernstein (Luxembourg) S.A. (“AllianceBernstein Luxembourg”), a Luxembourg management company and one of our wholly-owned subsidiaries, generally serves as the placing or distribution agent for the Non-U.S. Funds. AllianceBernstein Luxembourg employs approximately 60 sales representatives who devote their time exclusively to promoting the sale of Non-U.S. Funds and other Retail Products and Services offered by financial intermediaries.

### Private Client Services

Through Bernstein GWM, we provide Private Client Services to high-net-worth individuals, trusts and estates, charitable foundations, partnerships, private and family corporations, and other entities by means of separately-managed accounts, hedge funds, mutual funds and other investment vehicles, with a minimum initial account size of \$500,000. As of December 31, 2009, private client AUM was \$75 billion, or 15% of our company-wide AUM as compared to \$69 billion, or 15%, as of December 31, 2008 and \$109 billion, or 14%, as of December 31, 2007. For more information concerning private client AUM, revenues and fees, see “Assets Under Management, Revenues and Fees” in this Item 1.

Our Private Client Services are built on a sales effort that involves 292 financial advisors based in 18 cities in the U.S. and in London, England. These advisors do not manage money, but work with private clients and their tax, legal and other advisors to assist them in determining a suitable mix of U.S. and non-U.S. equity securities and fixed income investments. The diversified portfolio created for each client is intended to maximize after-tax investment returns, in light of the client’s individual investment goals, income requirements, risk tolerance, tax situation and other relevant factors. In creating these portfolios, we utilize our research reports, investment planning services and the Wealth Management Group, which has in-depth knowledge of trust, estate and tax planning strategies.

### Bernstein Research Services

Bernstein Research Services consist of fundamental research, quantitative services and brokerage-related services in equities and listed options provided to institutional investors such as pension fund, hedge fund and mutual fund managers, and other institutional investors. Brokerage-related services are provided by SCB LLC in the United States and SCBL primarily in Europe, with research services also provided by Sanford C. Bernstein, a unit of AllianceBernstein Hong Kong Limited (a wholly-owned subsidiary of AllianceBernstein, “AB Hong Kong”), in Asia.

For more information concerning the revenues we derive from Bernstein Research Services, see “Assets Under Management, Revenues and Fees” in this Item 1.

We provide fundamental company and industry research along with disciplined research into securities valuation and factors affecting stock-price movements. Our analysts are consistently among the highest ranked research analysts in industry surveys conducted by third-party organizations.

Additionally, we provide equity capital markets services to issuers of publicly-traded securities, primarily in initial public offerings and follow-on offerings, acting as manager, syndicate member or selling group member.



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## Assets Under Management, Revenues and Fees

The following tables summarize our AUM and revenues by distribution channel:

## Assets Under Management(1)

	2009	December 31, 2008 (in millions)	2007	% Change	
				2009-08	2008-07
Institutional Services	\$300,052	\$291,361	\$508,081	3.0	% (42.7 )%
Retail Services	120,697	101,643	183,165	18.7	(44.5 )
Private Client Services	74,753	68,947	109,144	8.4	(36.8 )
Total	\$495,502	\$461,951	\$800,390	7.3	(42.3 )

(1) Excludes certain non-discretionary client relationships.

## Revenues

	Years Ended December 31,			% Change	
	2009	2008	2007	2009-08	2008-07
	(in thousands)				
Institutional Services	\$811,164	\$1,240,636	\$1,481,885	(34.6 )%	(16.3 )%
Retail Services	888,256	1,227,538	1,521,201	(27.6 )	(19.3 )
Private Client Services	589,665	849,830	960,669	(30.6 )	(11.5 )
Bernstein Research Services	434,605	471,716	423,553	(7.9 )	11.4
Other(1)	187,600	(239,037 )	332,441	n/m	n/m
Total Revenues	2,911,290	3,550,683	4,719,749	(18.0 )	(24.8 )
Less: Interest Expense	4,411	36,524	194,432	(87.9 )	(81.2 )
Net Revenues	\$2,906,879	\$3,514,159	\$4,525,317	(17.3 )	(22.3 )

(1) Other revenues primarily consist of dividend and interest income, investment gains (losses) and shareholder servicing fees. For additional information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7.

AXA and its subsidiaries, whose AUM consists primarily of fixed income investments, together constitute our largest client. Our affiliates represented approximately 22%, 21% and 15% of our company-wide AUM as of December 31, 2009, 2008 and 2007, respectively. We earned approximately 4%, 5% and 5% of our company-wide net revenues from our affiliates for each of 2009, 2008 and 2007, respectively. This AUM is included in our Institutions and Retail buy-side distribution channels.

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## Institutional Services

The following tables summarize our Institutional Services AUM and revenues:

Institutional Services Assets Under Management(1)							
(by Investment Service)							
	2009	December 31, 2008	2007	% Change			
	(in millions)			2009-08	2008-07		
Value Equity:							
U.S.	\$19,028	\$22,598	\$49,235	(15.8	)%	(54.1	)%
Global and International	88,758	84,787	192,472	4.7		(55.9	)
	107,786	107,385	241,707	0.4		(55.6	)
Growth Equity:							
U.S.	18,124	16,075	31,908	12.7		(49.6	)
Global and International	34,762	38,034	88,691	(8.6	)	(57.1	)
	52,886	54,109	120,599	(2.3	)	(55.1	)
Fixed Income:							
U.S.	71,832	66,151	73,240	8.6		(9.7	)
Global and International(2)	41,083	37,900	44,066	8.4		(14.0	)
	112,915	104,051	117,306	8.5		(11.3	)
Other(3):							
U.S.	9,677	6,617	12,426	46.2		(46.7	)
Global and International(2)	16,788	19,199	16,043	(12.6	)	19.7	
	26,465	25,816	28,469	2.5		(9.3	)
Total:							
U.S.	118,661	111,441	166,809	6.5		(33.2	)
Global and International	181,391	179,920	341,272	0.8		(47.3	)
Total	\$300,052	\$291,361	\$508,081	3.0		(42.7	)

(1) Excludes certain non-discretionary client relationships.

(2) Certain client assets were reclassified among investment services to more accurately reflect how these assets are managed by our firm.

(3) Includes index, structured, asset allocation services and other non-actively managed AUM.

## Revenues from Institutional Services

(by Investment Service)

	Years Ended December 31,			% Change			
	2009	2008	2007	2009-08	2008-07		
	(in thousands)						
Investment Advisory and Services Fees:							
Value Equity:							
U.S.	\$57,596	\$108,921	\$153,747	(47.1	)%	(29.2	)%
Global and International	375,914	607,431	747,957	(38.1	)	(18.8	)

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	433,510	716,352	901,704	(39.5 )	(20.6 )
Growth Equity:					
U.S.	51,017	70,119	108,691	(27.2 )	(35.5 )
Global and International	150,612	276,676	311,727	(45.6 )	(11.2 )
	201,629	346,795	420,418	(41.9 )	(17.5 )
Fixed Income:					
U.S.	90,798	85,333	91,144	6.4	(6.4 )
Global and International	73,316	77,640	53,533	(5.6 )	45.0
	164,114	162,973	144,677	0.7	12.6
Other(1):					
U.S.	1,895	2,883	4,441	(34.3 )	(35.1 )
Global and International	9,343	11,633	10,353	(19.7 )	12.4
	11,238	14,516	14,794	(22.6 )	(1.9 )
Total Investment Advisory and Services Fees:					
U.S.	201,306	267,256	358,023	(24.7 )	(25.4 )
Global and International	609,185	973,380	1,123,570	(37.4 )	(13.4 )
	810,491	1,240,636	1,481,593	(34.7 )	(16.3 )
Distribution Revenues(2)	—	—	292	—	(100.0 )
Shareholder Servicing Fees(2)	673	—	—	n/m	—
Total	\$811,164	\$1,240,636	\$1,481,885	(34.6 )	(16.3 )

(1) Includes index, structured, asset allocation services and other non-actively managed AUM.

(2) For a description of distribution revenues and shareholder servicing fees, see “Retail Services” below.

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As of December 31, 2009, 2008 and 2007, Institutional Services represented approximately 61%, 63% and 63%, respectively, of our company-wide AUM. The fees we earned from these services represented approximately 28%, 35% and 33% of our company-wide net revenues for 2009, 2008 and 2007, respectively.

AXA and its subsidiaries together constitute our largest institutional client. Their AUM accounted for approximately 26%, 25% and 16% of our total institutional AUM as of December 31, 2009, 2008 and 2007, respectively, and approximately 10%, 8% and 7% of our total institutional revenues for 2009, 2008 and 2007, respectively.

The institutional AUM we manage for our affiliates, along with our nine other largest institutional accounts, accounted for approximately 40% of our total institutional AUM as of December 31, 2009 and approximately 19% of our total institutional revenues for the year ended December 31, 2009. No single institutional client other than AXA and its subsidiaries accounted for more than approximately 1% of our company-wide net revenues for the year ended December 31, 2009.

We manage the assets of our institutional clients through written investment management agreements or other arrangements, all of which are generally terminable at any time or upon relatively short notice by either party. In general, our written investment management agreements may not be assigned without client consent.

We are compensated principally on the basis of investment advisory fees calculated as a percentage of assets under management. The percentage we charge varies with the type of investment service, the size of the account and the total amount of assets we manage for a particular client.

We are eligible to earn performance-based fees on approximately 13% of institutional assets under management, which are primarily invested in long-only equity and fixed income services. Performance-based fees provide for a relatively low asset-based fee plus an additional fee based on investment performance. For additional information about performance-based fees, see “General—Revenues” in this Item 1 and “Risk Factors” in Item 1A.

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## Retail Services

The following tables summarize our Retail Services AUM and revenues:

Retail Services Assets Under Management (by Investment Service)					
	2009	December 31, 2008 (in millions)	2007	2009-08	% Change 2008-07
<b>Value Equity:</b>					
U.S.	\$ 11,253	\$ 12,086	\$ 33,488	(6.9 )%	(63.9 )%
Global and International	26,232	28,053	56,560	(6.5 )	(50.4 )
	37,485	40,139	90,048	(6.6 )	(55.4 )
<b>Growth Equity:</b>					
U.S.	9,552	8,494	24,637	12.5	(65.5 )
Global and International	14,339	11,544	23,530	24.2	(50.9 )
	23,891	20,038	48,167	19.2	(58.4 )
<b>Fixed Income:</b>					
U.S.	9,635	9,857	10,627	(2.3 )	(7.2 )
Global and International	30,263	20,178	29,855	50.0	(32.4 )
	39,898	30,035	40,482	32.8	(25.8 )
<b>Other(1):</b>					
U.S.	16,416	9,851	4,468	66.6	120.5
Global and International	3,007	1,580	—	90.3	n/m
	19,423	11,431	4,468	69.9	155.8
<b>Total:</b>					
U.S.	46,856	40,288	73,220	16.3	(45.0 )
Global and International	73,841	61,355	109,945	20.4	(44.2 )
<b>Total</b>	<b>\$ 120,697</b>	<b>\$ 101,643</b>	<b>\$ 183,165</b>	<b>18.7</b>	<b>(44.5 )</b>

(1) Includes index, structured, asset allocation services and other non-actively managed AUM.

Revenues from Retail Services (by Investment Service)					
	2009	Years Ended December 31, 2008 (in thousands)	2007	2009-08	% Change 2008-07
<b>Investment Advisory and Services Fees:</b>					
<b>Value Equity:</b>					
U.S.	\$ 45,211	\$ 88,394	\$ 129,125	(48.9 )%	(31.5 )%
Global and International	121,514	216,561	262,369	(43.9 )	(17.5 )
	166,725	304,955	391,494	(45.3 )	(22.1 )
<b>Growth Equity:</b>					
U.S.	46,672	84,651	119,880	(44.9 )	(29.4 )
Global and International	85,583	130,247	168,817	(34.3 )	(22.8 )

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	132,255	214,898	288,697	(38.5 )	(25.6 )
Fixed Income:					
U.S.	30,219	30,888	39,644	(2.2 )	(22.1 )
Global and International	175,595	195,373	224,335	(10.1 )	(12.9 )
	205,814	226,261	263,979	(9.0 )	(14.3 )
Other(1):					
U.S.	8,972	3,702	1,868	142.4	98.2
Global and International	9,429	1,297	—	627.0	n/m
	18,401	4,999	1,868	268.1	167.6
Total Investment Advisory and Services Fees:					
U.S.	131,074	207,635	290,517	(36.9 )	(28.5 )
Global and International	392,121	543,478	655,521	(27.8 )	(17.1 )
	523,195	751,113	946,038	(30.3 )	(20.6 )
Distribution Revenues(2)	275,372	376,372	471,031	(26.8 )	(20.1 )
Shareholder Servicing Fees(2)	89,689	100,053	104,132	(10.4 )	(3.9 )
Total	\$ 888,256	\$ 1,227,538	\$ 1,521,201	(27.6 )	(19.3 )

(1) Includes index, structured, asset allocation services and other non-actively managed AUM.

(2) For a description of distribution revenues and shareholder servicing fees, see below.

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Investment advisory fees and distribution fees for our Retail Products and Services are generally charged as a percentage of average daily AUM. In the past, as certain of the U.S. Funds grew, we revised our fee schedules to provide lower incremental fees above certain asset levels. Fees paid by the U.S. Funds, EQ Advisors Trust (“EQAT”), AXA Enterprise Multimanager Funds Trust (“AXA Enterprise Trust”) and AXA Premier VIP Trust are reflected in the applicable investment management agreement, which generally must be approved annually by the boards of directors or trustees of those funds, including by a majority of the independent directors or trustees. Increases in these fees must be approved by fund shareholders; decreases need not be, including any decreases implemented by a fund’s directors or trustees. In general, each investment management agreement with the AllianceBernstein Funds, EQAT, AXA Enterprise Trust and AXA Premier VIP Trust provides for termination by either party at any time upon 60 days’ notice.

Fees paid by Non-U.S. Funds are reflected in investment management agreements that continue until they are terminated. Increases in these fees generally must be approved by the relevant regulatory authority, depending on the domicile and structure of the fund, and Non-U.S. Fund shareholders must be given advance notice of any fee increases.

Revenues from Retail Services represented approximately 31%, 35% and 34% of our company-wide net revenues for the years ended December 31, 2009, 2008 and 2007, respectively.

Our Retail Products and Services include open-end mutual funds designed to fund benefits under variable annuity contracts and variable life insurance policies offered by unaffiliated life insurance companies (“Variable Product Series Fund”), and we sub-advise variable product mutual funds sponsored by affiliates. As of December 31, 2009, we managed or sub-advised approximately \$36 billion of Variable Product Series Fund AUM.

The mutual funds we sub-advise for AXA and its subsidiaries together constitute our largest retail client. They accounted for approximately 25%, 21% and 22% of our total retail AUM as of December 31, 2009, 2008 and 2007, respectively, and approximately 5%, 7% and 7% of our total retail revenues for 2009, 2008 and 2007, respectively.

Our mutual fund distribution system (the “System”) includes a multi-class share structure that permits open-end AllianceBernstein Funds to offer investors various options for the purchase of mutual fund shares, including both front-end load shares and back-end load shares. For front-end load shares, AllianceBernstein Investments generally pays sales commissions to financial intermediaries distributing the funds from the front-end sales charge it receives from investors at the time of the sale. For back-end load shares, AllianceBernstein Investments pays sales commissions to financial intermediaries at the time of sale and also receives higher ongoing distribution services fees from the mutual funds. In addition, investors who redeem back-end load shares before the expiration of the minimum holding period (which ranges from one year to four years) pay a contingent deferred sales charge (“CDSC”) to AllianceBernstein Investments. We expect to recover sales commissions for back-end load shares over periods not exceeding five and one-half years through receipt of a CDSC and/or the higher ongoing distribution services fees we receive from holders of back-end load shares. Payments of sales commissions made to financial intermediaries in connection with the sale of back-end load shares under the System, net of CDSC received of \$18.7 million, \$33.7 million and \$31.1 million, totaled approximately \$31.6 million, \$9.1 million and \$84.1 million during 2009, 2008 and 2007, respectively. We have not offered back-end load shares to new investors in U.S. Funds since January 31, 2009.

The rules of the Financial Industry Regulatory Authority, Inc. (“FINRA”) effectively cap the aggregate sales charges that may be received from each open-end U.S. Fund by AllianceBernstein Investments at 6.25% of cumulative gross sales (plus interest at the prime rate plus 1% per annum).

Most open-end U.S. Funds have adopted a plan under Rule 12b-1 of the Investment Company Act that allows the fund to pay, out of assets of the fund, distribution and service fees for the distribution and sale of its shares (“Rule 12b-1 Fees”). The open-end AllianceBernstein Funds have entered into agreements with AllianceBernstein Investments under

which they pay a distribution services fee to AllianceBernstein Investments. AllianceBernstein Investments has entered into selling and distribution agreements pursuant to which it pays sales commissions to the financial intermediaries that distribute our open-end U.S. Funds. These agreements are terminable by either party upon notice (generally 30 days) and do not obligate the financial intermediary to sell any specific amount of fund shares.

In addition to Rule 12b-1 Fees, AllianceBernstein Investments, at its own expense, currently provides additional payments under distribution services and educational support agreements to financial intermediaries that sell shares of our funds, a practice sometimes referred to as revenue sharing. Although the amount of payments made in any given year may vary, the total amount paid to a financial intermediary in connection with the sale of shares of U.S. Funds will generally not exceed the sum of (i) 0.25% of the current year's fund sales by that firm, and (ii) 0.10% of average daily net assets attributable to that firm over the course of the year.

Financial intermediaries that provide accounting or record-keeping services with respect to their customers' investments in AllianceBernstein Funds may receive specified payments from these funds or from affiliates of AllianceBernstein, including AllianceBernstein Investor Services, Inc. (one of our wholly-owned subsidiaries, "AllianceBernstein Investor Services") and AllianceBernstein Investments.

During 2009, the 10 financial intermediaries responsible for the largest volume of sales of open-end AllianceBernstein Funds were responsible for 36% of such sales. AXA Advisors, LLC ("AXA Advisors"), a wholly-owned subsidiary of AXA Financial that utilizes members of AXA Equitable's insurance sales force as its registered representatives, was responsible for approximately 2%, 4% and 2% of total sales of shares of open-end AllianceBernstein Funds in 2009, 2008 and 2007, respectively. AXA Advisors is under no obligation to sell a specific amount of AllianceBernstein Fund shares and also sells shares of mutual funds sponsored by other affiliates and unaffiliated organizations.



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Morgan Stanley Smith Barney LLC (formed in 2009 by the combination of the Global Wealth Management group of Morgan Stanley & Co. Inc. and the Smith Barney division of Citigroup Global Markets Inc., “MSSB”) was responsible for approximately 5% of our open-end AllianceBernstein Fund sales in 2009. Merrill Lynch & Co., Inc. (and its subsidiaries, “Merrill Lynch”), which was acquired by Bank of America Corporation in 2008, was responsible for approximately 5%, 8% and 7% of open-end AllianceBernstein Fund sales in 2009, 2008 and 2007, respectively. Citigroup Inc. (and its subsidiaries, “Citigroup”) was responsible for approximately 4%, 7% and 7% of open-end AllianceBernstein Fund sales in 2009, 2008 and 2007, respectively. MSSB, Merrill Lynch and Citigroup are not under any obligation to sell a specific amount of AllianceBernstein Fund shares and each also sells shares of mutual funds that it sponsors and that are sponsored by unaffiliated organizations.

No dealer or agent has in any of the last three years accounted for more than 10% of total sales of shares of our open-end AllianceBernstein Funds.

Based on industry sales data reported by the Investment Company Institute, our market share in the U.S. mutual fund industry was approximately 1% of total industry assets in the U.S. during 2009. The investment performance of the U.S. Funds is an important factor in the sale of their shares, but there are also other factors, including the level and quality of our shareholder services (see below) and the amounts and types of distribution assistance and administrative services payments we make to financial intermediaries, which we believe are competitive with others in the industry.

AllianceBernstein Investor Services, which operates in San Antonio, Texas, provides transfer agency and related services for each open-end U.S. Fund (except the SCB Funds) and provides shareholder servicing for each open-end U.S. Fund’s shareholder accounts (approximately 3.5 million accounts in total), for which it receives a monthly fee under servicing agreements with each open-end U.S. Fund based on the number and type of shareholder accounts serviced. Each servicing agreement must be approved annually by the relevant open-end U.S. Fund’s board of directors or trustees, including a majority of the independent directors or trustees, and may be terminated by either party without penalty upon 60 days’ notice.

AllianceBernstein Funds utilize our personnel to perform most legal, clerical and accounting services. Payments to us by the U.S. Funds and certain Non-U.S. Funds for these services, which approximate \$7 million per year, must be specifically approved in advance by each fund’s board of directors or trustees.

A unit of AllianceBernstein Luxembourg (“ABIS Lux”) is the transfer agent for substantially all of the Non-U.S. Funds. ABIS Lux, based in Luxembourg and supported by operations in Singapore, Hong Kong and the United States, receives a monthly fee for its transfer agency services and a transaction-based fee under various services agreements with the Non-U.S. Funds. Each agreement may be terminated by either party upon 60 days’ notice.

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## Private Client Services

The following tables summarize Private Client Services AUM and revenues:

Private Client Services Assets Under Management  
(by Investment Service)

	2009	December 31, 2008 (in millions)	2007	2009-08	% Change 2008-07
Value Equity:					
U.S.	\$ 14,137	\$ 13,254	\$ 25,259	6.7	% (47.5 )%
Global and International	11,751	11,627	25,497	1.1	(54.4 )
	25,888	24,881	50,756	4.0	(51.0 )
Growth Equity:					
U.S.	10,384	8,425	16,004	23.3	(47.4 )
Global and International	6,941	5,709	12,175	21.6	(53.1 )
	17,325	14,134	28,179	22.6	(49.8 )
Fixed Income:					