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AllianceBernstein Holding L.P. Q3 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

Absolutely. (Operator Instructions) Your first question comes from William Katz – Buckingham Research.

William Katz – Buckingham Research

My question is on the Institutional pipeline. You mentioned that you're seeing a little bit of a pickup in the gross sales. I was wondering if you could maybe dimension that between product and geography, where you're seeing the leverage?

David A. Steyn

Well, the pickup in Institutional activity is pretty broad-based, so I wouldn't really highlight any one country or one region.

In terms of product, if there's a bias it's towards fixed income, which I think is sort of consistent both with what our clients are doing in the de-risking which is taking place with pension funds and consistent with the type of performance we've been talking about. So insofar as there's a bias, the bias would be towards fixed income.

William Katz - Buckingham Research

I understand the mix issue on the fee rate, but nonetheless you look quarter to quarter, the equities did outperform fixed income. I would have thought there'd have been a bit more of a lift in the fee rate, all else being equal. Can you just maybe talk a little bit about in fixed income how the incremental new business compares on a fee basis relative to the [inaudible] business?

Robert H. Joseph, Jr.

Well, as David mentioned, to answer the second part of the question, since there's more of a bias towards fixed income, those are really where the assets have been growing. And obviously there's also, as you mentioned, a lift in equity AUM that's increasing faster than fixed income because of market activity.

I think the whole idea on the fee realization rate is that it's kind of lost in the rounding here. We have seen a slight pickup between the second and third quarters sequentially as a result of the fact that our equity assets under management have appreciated a little bit more quickly than our fixed income assets.

David A. Steyn

But if I could add to that and drill down a little bit into the fixed income, the realization rates are likely to rise going forward or are rising with what's in the pipeline because some of the significant mandates we have won or are pitching for or working on at the minute are in global and emerging markets capabilities, which have higher fee rates. And, indeed, that trend is not just Institutional. That trend is also reflected in the mutual fund business.

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