



# AB Private Lending Fund (“AB-LEND”)

AB-LEND is designed to provide attractive risk-adjusted returns and consistent income by investing in U.S. middle market direct lending

## AB-LEND Overview

AB-LEND is a public, non-traded, perpetually offered Business Development Company (“BDC”) advised by AB’s established direct lending platform, AB Private Credit Investors (“AB-PCI”), in partnership with AB’s high yield and leveraged loan franchise (“AB High Yield”). We believe this combined team equips AB-LEND with expanded sourcing capabilities and market intelligence to execute investments in both the U.S. middle market and syndicated credit market. AB-LEND primarily invests in directly originated and privately negotiated credit investments, while a minority allocation to syndicated credit facilitates initial deployment and ongoing investor liquidity.

## AB Private Credit Investors

AB-PCI is led by Brent Humphries, a Founding Member and President, who has 25+ years of experience investing in the middle market. Brent and four other Founding Members established AB-PCI in 2014 and are currently joined by 75+ additional professionals. Since its founding, AB-PCI has executed \$29.6 billion in gross capital commitments across 650+ transactions, and its current capital base is \$19.9 billion<sup>1</sup>.

## AB High Yield

AB High Yield has invested in public leveraged credit since 1986. The team includes 35+ professionals and currently manages \$36.2 billion across multiple mandates. The team will oversee the syndicated credit allocation.

## Why Private Credit?

- **Illiquidity Premium:** 175–200 bps historical average incremental yield premium over liquid corporate loans<sup>2</sup>
- **Risk Mitigation:** senior secured loans with priority ranking and other protections have historically generated low volatility and low losses
- **Floating Rate:** directly originated loans are generally floating rate, which historically has resulted in higher asset-level yields in elevated rate environments
- **Diversification:** idiosyncratic risk exposures for borrowers and structural features of the asset class provide portfolio diversification versus traditional assets

## Summary of Key Terms

<b>Fund Structure</b>	Public, non-traded, perpetually offered BDC
<b>Portfolio Leverage</b>	Target 1.0x–1.5x debt-to-equity
<b>Management Fees</b>	1.25% per annum on net assets (no management fee on assets funded with leverage)
<b>Incentive Fees</b>	<ul style="list-style-type: none"> <li>• 12.5% of net investment income, subject to a 5% hurdle and 100% catch-up</li> <li>• 12.5% of realized gains, net of realized and unrealized losses</li> </ul>
<b>Subscriptions</b>	Monthly at NAV
<b>Distributions</b>	Monthly. Dividend reinvestment option. <i>Distribution payments are not guaranteed. Distributions may be funded from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds. Distributions may also be funded in significant part, directly or indirectly, from temporary waivers or expense reimbursements borne by the Adviser or its affiliates, that may be subject to reimbursement to the Adviser or its affiliates.</i>
<b>Liquidity<sup>6</sup></b>	<ul style="list-style-type: none"> <li>• Quarterly tender offers for the repurchase of shares at NAV each quarter</li> <li>• Shares not held for at least one year will be subject to 2.0% early repurchase reduction</li> </ul>

## AB-LEND, a Differentiated Solution

- Seeks to invest in a diversified portfolio comprised primarily of directly originated U.S. middle market senior secured loans to core middle market borrowers
- Private loans expected to be complemented by investments in syndicated credit to facilitate retail-suitable structural features including full initial funding and quarterly shareholder liquidity
- Leverages two of AB’s well-established credit teams to capitalize on a dynamic corporate credit market
- AB’s parent, Equitable, has contributed a portfolio of AB-PCI originated loans<sup>3</sup> and has committed to remain invested for 5 years

## Indicative Asset Mix and Profile<sup>4</sup>

### Directly Originated Private Credit (75%–90%)<sup>5</sup>

<b>Borrower Profile</b>	<ul style="list-style-type: none"> <li>• U.S. middle market companies, primarily \$10–\$75 million in EBITDA annually and/or \$200 million–\$2 billion in enterprise value</li> <li>• Sector focus on those with recurring revenue, secular growth, or defensive traits</li> </ul>
<b>Investment Profile</b>	<ul style="list-style-type: none"> <li>• 20%–55% loan to value</li> <li>• 5–6 year stated maturity, 2–3 year effect. life</li> <li>• 450–750 bps interest spread over SOFR</li> </ul>
<b>Portfolio Construction</b>	<ul style="list-style-type: none"> <li>• 85%+ senior secured</li> <li>• 95%+ floating rate</li> <li>• 1%–2% average position size</li> </ul>

### Syndicated Credit (10%–25%)<sup>5</sup>

<b>Investment Profile</b>	<ul style="list-style-type: none"> <li>• Primarily broadly syndicated loans with an emphasis on facilitating AB-LEND liquidity</li> </ul>
<b>Portfolio Construction</b>	<ul style="list-style-type: none"> <li>• 0.3%–0.8% average position size</li> </ul>

As of September 30, 2024. **Past Performance does not guarantee future results. This is neither an offer to sell nor a solicitation of an offer to buy the securities described herein; an offering is made only by prospectus. This information must be preceded or accompanied by a prospectus in order to understand fully all of the implications and risks of the offering. Neither the Securities and Exchange Commission nor any other state securities regulator has approved or disapproved of our securities or determined if our prospectus is truthful or complete. Neither the Attorney General of the State of New York nor any other state securities regulator has approved or disapproved of the securities described herein, determined if the prospectus is truthful or complete or passed on or endorsed the merits of this offering. Any representation to the contrary is a criminal offense. AllianceBernstein Investments, Inc. is the dealer manager for the AB-LEND offering.**

## Footnotes:

- 1) Capital base is outstanding investor commitments, plus reinvested dividends, plus target leverage.
- 2) Incremental yield in new issue middle market direct lending first lien loans versus large corporate loans, per LSEG.
- 3) In exchange for EQH seed transaction, EQH will receive \$110M in AB-LEND Class I shares and the balance of the consideration in cash.
- 4) There can be no assurance that AB-LEND will be able to implement its investment strategy, achieve its investment objectives or avoid substantial loss.
- 5) Portfolio construction represents the target for a fully ramped portfolio.
- 6) Beginning no later than the first full calendar quarter following the commencement of the offering, quarterly tender offers are expected but not guaranteed. AB-LEND intends to offer to repurchase, in each quarter, up to 5% of common shares outstanding as of the last day of the immediately preceding quarter. Only a limited number of shares will be eligible for repurchase and repurchases will be subject to available liquidity and other significant restrictions. An investment in AB-LEND shares has limited or no liquidity outside of the share repurchase program, and the AB-LEND board of trustees may amend, suspend or terminate the share repurchase program at any time if it deems such action to be in AB-LEND's best interest and the best interest of AB-LEND shareholders. As a result, share repurchases may not be available each quarter. See AB-LEND's prospectus for more information.

## A Word About Risk

An investment in AB-LEND involves a high degree of risk. You should purchase these securities only if you can afford a complete loss of your investment. Investors should review the offering documents, including the description of risk factors contained in the prospectus, prior to making a decision to invest in the securities described herein. The prospectus will include more complete descriptions of the risks described below as well as additional risks relating to, among other things, conflicts of interest and regulatory and tax matters. Any decision to invest in the securities described herein should be made after reviewing such prospectus, conducting such investigations as the investor deems necessary and consulting the investor's own legal, accounting and tax advisors in order to make an independent determination of the suitability and consequences of an investment in AB-LEND.

- AB-LEND has no prior operating history and there is no assurance that it will achieve its investment objective.
- An investment in the securities described herein may not be appropriate for all investors and is not designed to be a complete investment program.
- Investors should not expect to be able to sell their shares regardless of how AB-LEND performs.
- Investors should consider that they may not have access to the money invested for an extended period of time.
- AB-LEND does not intend to list its shares on any securities exchange and does not expect a secondary market in the shares to develop.
- Because investors may be unable to sell their shares in AB-LEND, investors will be unable to reduce their exposure in any market downturn.
- AB-LEND intends to implement a share repurchase program, but only a limited number of shares will be eligible for repurchase and repurchases will be subject to available liquidity and other significant restrictions.
- An investment in AB-LEND common shares is not suitable for investors if access to the money invested is needed. See "Suitability Standards" and "Share Repurchase Program" in the prospectus.
- Distributions are not guaranteed, and any distributions may be funded from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and there are no limits on the amounts to be paid from such sources. The likelihood that distributions are paid from sources other than cash flow from operations is higher in the early stages of the offering.
- Distributions may also be funded in significant part, directly or indirectly, from temporary waivers or expense reimbursements borne by the Adviser or its affiliates, that may be subject to reimbursement to the Adviser or its affiliates. The repayment of any amounts owed to the Adviser or its affiliates will reduce future distributions to which investors would otherwise be entitled.
- AB-LEND expects to use leverage, which will magnify the potential for loss on amounts invested in the Fund. See "Risk Factors" –Leverage Risk in the prospectus.
- AB-LEND qualifies as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act and AB-LEND cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make an investment in AB-LEND less attractive to investors.
- AB-LEND intends to invest primarily in securities that are rated below investment grade by rating agencies or that would be rated below investment grade if they were rated. Below investment grade securities, which are often referred to as "junk," have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. They may also be illiquid and difficult to value.

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