

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

**Washington, DC 20549**

**FORM 10-Q**

**(Mark One)**

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

**For the quarterly period ended September 30, 2025**

**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 No. 000-29961**

**ALLIANCEBERNSTEIN L.P.**

**(Exact name of registrant as specified in its charter)**

**Delaware**

**13-4064930**

**(State or other jurisdiction of incorporation or organization)**

**(I.R.S. Employer Identification No.)**

**501 Commerce Street, Nashville, TN 37203**

**(Address of principal executive offices)**

**(Zip Code)**

**(615) 622-0000**

**(Registrant's telephone number, including area code)**

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 every Interactive Data File required to be submitted 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 such files).

**Yes**

**No**

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

**Large accelerated filer**

**Accelerated filer**

**Non-accelerated filer**

**Smaller reporting company**

**Emerging growth company**

**If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.**

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):

Yes

No

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

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
None	None	None

The number of units of limited partnership interest outstanding as of September 30, 2025 was 292,218,395.

**ALLIANCEBERNSTEIN L.P.**

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Part I  
FINANCIAL INFORMATION

**Item 1. Financial Statements**

**ALLIANCEBERNSTEIN L.P.  
AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Financial Condition**  
(in thousands, except unit amounts)  
(unaudited)

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 740,903	\$ 832,044
Cash and securities segregated, at fair value (cost: \$421,674 and \$495,391)	425,012	500,046
Receivables, net:		
Brokers and dealers	31,118	33,772
Brokerage clients	1,493,662	1,432,372
AB funds fees	388,085	467,351
Other fees	140,174	159,336
Investments:		
Equity method	254,378	286,721
Other	282,226	248,483
Assets of consolidated company-sponsored investment funds:		
Cash and cash equivalents	12,065	1,989
Investments	353,643	140,792
Other assets	29,943	14,801
Furniture, equipment and leasehold improvements, net	248,256	248,673
Goodwill	3,598,591	3,598,591
Intangible assets, net	181,379	215,054
Deferred sales commissions, net	169,317	182,707
Right-of-use assets	455,546	449,877
Other assets	259,768	259,318
<b>Total assets</b>	<b><u>\$ 9,064,066</u></b>	<b><u>\$ 9,071,927</u></b>

	September 30, 2025	December 31, 2024
<b>LIABILITIES, REDEEMABLE NON-CONTROLLING INTEREST AND CAPITAL</b>		
Liabilities:		
Payables:		
Brokers and dealers	\$ 188,795	\$ 162,570
Brokerage clients	1,739,904	1,933,843
AB mutual funds	1,688	830
Contingent consideration liability	8,562	9,385
Accounts payable and accrued expenses	432,753	426,675
Lease liabilities	518,540	512,615
Liabilities of consolidated company-sponsored investment funds	34,045	1,716
Accrued compensation and benefits	774,244	391,161
Debt	465,000	710,000
<b>Total liabilities</b>	<b>4,163,531</b>	<b>4,148,795</b>
Commitments and contingencies ( <i>See Note 12</i> )		
Redeemable non-controlling interest of consolidated entities	159,673	48,489
Capital:		
General Partner	48,009	49,519
Limited partners: 292,218,395 and 292,107,907 units issued and outstanding	4,849,614	4,999,616
Receivables from affiliates	212	(2,893)
AB Holding Units held for long-term incentive compensation plans	(100,651)	(62,366)
Accumulated other comprehensive (loss)	(57,823)	(110,581)
<b>Partners' capital attributable to AB Unitholders</b>	<b>4,739,361</b>	<b>4,873,295</b>
Non-redeemable non-controlling interests in consolidated entities	1,501	1,348
<b>Total capital</b>	<b>4,740,862</b>	<b>4,874,643</b>
<b>Total liabilities, non-controlling interest and capital</b>	<b>\$ 9,064,066</b>	<b>\$ 9,071,927</b>

See Accompanying Notes to Condensed Consolidated Financial Statements.

**ALLIANCEBERNSTEIN L.P.  
AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Income**  
(in thousands, except per unit amounts)  
(unaudited)

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>Revenues:</b>				
Investment advisory and services fees	\$ 874,450	\$ 842,386	\$ 2,573,540	\$ 2,444,118
Bernstein research services	—	—	—	96,222
Distribution revenues	210,424	189,216	607,811	527,811
Dividend and interest income	35,944	38,940	106,431	127,441
Investment (losses)	(2,721)	(3,512)	(31,084)	(15,398)
Other revenues	34,253	39,673	98,345	104,133
Total revenues	<u>1,152,350</u>	<u>1,106,703</u>	<u>3,355,043</u>	<u>3,284,327</u>
Less: Broker-dealer related interest expense	15,203	21,214	48,382	66,744
Net revenues	<u>1,137,147</u>	<u>1,085,489</u>	<u>3,306,661</u>	<u>3,217,583</u>
<b>Expenses:</b>				
Employee compensation and benefits	450,793	424,893	1,310,878	1,300,989
Promotion and servicing:				
Distribution-related payments	208,435	192,230	606,615	545,120
Amortization of deferred sales commissions	20,872	15,005	62,183	40,152
Trade execution, marketing, T&E and other	36,907	38,312	114,239	134,243
General and administrative	118,203	155,808	414,156	439,450
Contingent payment arrangements	43	(125,947)	149	(120,831)
Interest on borrowings	7,167	8,456	22,768	37,139
Amortization of intangible assets	11,250	11,451	33,733	34,754
Total expenses	<u>853,670</u>	<u>720,208</u>	<u>2,564,721</u>	<u>2,411,016</u>
<b>Operating income</b>	<b>283,477</b>	<b>365,281</b>	<b>741,940</b>	<b>806,567</b>
Gain on divestiture	—	—	—	134,555
<b>Non-operating income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>134,555</b>
<b>Pre-tax income</b>	<b>283,477</b>	<b>365,281</b>	<b>741,940</b>	<b>941,122</b>
Income taxes	17,085	14,255	46,566	50,389
<b>Net income</b>	<b>266,392</b>	<b>351,026</b>	<b>695,374</b>	<b>890,733</b>
Net income of consolidated entities attributable to non-controlling interests	7,129	5,054	4,845	17,262
<b>Net income attributable to AB Unitholders</b>	<b><u>\$ 259,263</u></b>	<b><u>\$ 345,972</u></b>	<b><u>\$ 690,529</u></b>	<b><u>\$ 873,471</u></b>
<b>Net income per AB Unit</b>	<b><u>\$ 0.88</u></b>	<b><u>\$ 1.20</u></b>	<b><u>\$ 2.34</u></b>	<b><u>\$ 3.02</u></b>

See Accompanying Notes to Condensed Consolidated Financial Statements.

**ALLIANCEBERNSTEIN L.P.  
AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Comprehensive Income**  
(in thousands)  
(unaudited)

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Net income	\$ 266,392	\$ 351,026	\$ 695,374	\$ 890,733
Other comprehensive income (loss):				
Foreign currency translation adjustment, before reclassification and tax	(7,297)	18,677	29,730	6,789
Less: reclassification adjustment for (losses) included in net income upon liquidation	—	—	—	(10,197)
Foreign currency translation adjustments, before tax	(7,297)	18,677	29,730	16,986
Income tax (expense)	(149)	(163)	(334)	(108)
Foreign currency translation adjustments, net of tax	(7,446)	18,514	29,396	16,878
Changes in employee benefit related items:				
Amortization of prior service cost	—	6	611	18
Recognized actuarial gain	—	105	—	664
Less: reclassification adjustment for (losses) included in net income upon retirement plan liquidation	—	—	(22,898)	—
Changes in employee benefit related items	—	111	23,509	682
Income tax (expense)	—	(1)	(147)	(8)
Employee benefit related items, net of tax	—	110	23,362	674
Other comprehensive (loss) income	(7,446)	18,624	52,758	17,552
Less: Comprehensive income in consolidated entities attributable to non-controlling interests	7,129	5,054	4,845	17,262
<b>Comprehensive income attributable to AB Unitholders</b>	<b>\$ 251,817</b>	<b>\$ 364,596</b>	<b>\$ 743,287</b>	<b>\$ 891,023</b>

See Accompanying Notes to Condensed Consolidated Financial Statements.

**ALLIANCEBERNSTEIN L.P.  
AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Changes in Partners' Capital**  
(in thousands)  
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
<b>General Partner's Capital</b>				
<b>Balance, beginning of period</b>	\$ 47,832	\$ 45,880	\$ 49,519	\$ 45,388
Net income	2,594	3,460	6,906	8,735
Cash distributions to General Partner	(2,479)	(2,285)	(8,471)	(7,101)
Long-term incentive compensation plans activity	9	27	(13)	83
Issuance (retirement) of AB Units, net	53	(437)	68	(460)
Issuance of AB Units in connection with EQH Amended Exchange Agreement	8,202	—	8,202	—
(Retirement) of AB Units in connection with EQH Amended Exchange Agreement	(8,202)	—	(8,202)	—
<b>Balance, end of period</b>	<b>48,009</b>	<b>46,645</b>	<b>48,009</b>	<b>46,645</b>
<b>Limited Partners' Capital</b>				
<b>Balance, beginning of period</b>	<b>4,831,485</b>	<b>4,639,147</b>	<b>4,999,616</b>	<b>4,590,619</b>
Net income	256,669	342,512	683,623	864,736
Cash distributions to Unitholders	(244,681)	(226,031)	(837,724)	(702,324)
Long-term incentive compensation plans activity	851	2,759	(1,327)	8,256
Issuance (retirement) of AB Units, net	5,290	(43,414)	5,426	(46,314)
Issuance of AB Units in connection with EQH Amended Exchange Agreement	811,986	—	811,986	—
(Retirement) of AB Units in connection with EQH Amended Exchange Agreement	(811,986)	—	(811,986)	—
<b>Balance, end of period</b>	<b>4,849,614</b>	<b>4,714,973</b>	<b>4,849,614</b>	<b>4,714,973</b>
<b>Receivables from Affiliates</b>				
<b>Balance, beginning of period</b>	<b>(2,421)</b>	<b>(3,822)</b>	<b>(2,893)</b>	<b>(4,490)</b>
Long-term incentive compensation awards expense	344	291	1,017	797
Capital contributions from AB Holding	2,289	39	2,088	201
<b>Balance, end of period</b>	<b>212</b>	<b>(3,492)</b>	<b>212</b>	<b>(3,492)</b>
<b>AB Holding Units held for Long-term Incentive Compensation Plans</b>				
<b>Balance, beginning of period</b>	<b>(94,436)</b>	<b>(92,612)</b>	<b>(62,366)</b>	<b>(76,363)</b>
Purchases of AB Holding Units for long-term compensation plans, net	(3,594)	(39,342)	(47,240)	(73,131)
(Retirement) issuance of AB Units, net	(5,387)	43,751	(5,040)	47,378
Long-term incentive compensation awards expense	3,797	6,266	13,934	26,645
Re-valuation of AB Holding Units held in rabbi trust	(1,031)	(2,976)	61	(9,442)
<b>Balance, end of period</b>	<b>(100,651)</b>	<b>(84,913)</b>	<b>(100,651)</b>	<b>(84,913)</b>
<b>Accumulated Other Comprehensive (Loss)</b>				
<b>Balance, beginning of period</b>	<b>(50,377)</b>	<b>(107,436)</b>	<b>(110,581)</b>	<b>(106,364)</b>
Foreign currency translation adjustment, net of tax	(7,446)	18,514	29,396	16,878
Changes in employee benefit related items, net of tax	—	110	23,362	674
<b>Balance, end of period</b>	<b>(57,823)</b>	<b>(88,812)</b>	<b>(57,823)</b>	<b>(88,812)</b>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
<b>Total Partners' Capital attributable to AB Unitholders</b>	<b>4,739,361</b>	<b>4,584,401</b>	<b>4,739,361</b>	<b>4,584,401</b>
<b>Non-redeemable Non-controlling Interests in Consolidated Entities</b>				
<b>Balance, beginning of period</b>	<b>1,635</b>	<b>3,540</b>	<b>1,348</b>	<b>4,572</b>
Net income	169	195	702	1,763
Distributions to non-controlling interests, net	(318)	(1)	(592)	(2,696)
Contributions from non-controlling interest	15	(1)	43	94
<b>Balance, end of period</b>	<b>1,501</b>	<b>3,733</b>	<b>1,501</b>	<b>3,733</b>
<b>Total Capital</b>	<b>\$ 4,740,862</b>	<b>\$ 4,588,134</b>	<b>\$ 4,740,862</b>	<b>\$ 4,588,134</b>

See Accompanying Notes to Condensed Consolidated Financial Statements.

**ALLIANCEBERNSTEIN L.P. AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Cash Flows**  
(in thousands)  
(unaudited)

	<b>Nine Months Ended September 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
<b>Net income</b>	<b>\$ 695,374</b>	<b>\$ 890,733</b>
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of deferred sales commissions	62,183	40,152
Non-cash long-term incentive compensation expense	14,951	27,442
Depreciation and other amortization	65,009	69,673
Unrealized (gains) on investments	(16,147)	(13,901)
Remeasurement of contingent payment arrangement	—	(128,505)
Equity in losses of equity method investments	32,343	35,443
Unrealized (gains) on investments of consolidated company-sponsored investment funds	(4,598)	(20,900)
(Gain) on divestiture	—	(134,555)
Non-cash lease expense	53,053	90,913
Retirement plan loss	17,733	—
Other, net	5,119	16,963
Changes in assets and liabilities:		
Decrease in securities, segregated	75,034	320,911
Decrease (increase) in receivables	46,160	(61,177)
(Increase) decrease in investments	(16,928)	18,880
(Increase) in deferred sales commissions	(48,793)	(110,642)
Decrease in other assets	2,880	26,187
(Increase) decrease in other assets of consolidated company-sponsored investment funds	(15,142)	20,564
(Increase) decrease in investments of consolidated company-sponsored investment funds	(208,253)	151,045
Increase (decrease) in other liabilities of consolidated company-sponsored investment funds	32,329	(7,604)
(Decrease) in payables	(172,690)	(504,165)
(Decrease) increase in accounts payable and accrued expenses	(1,268)	79,860
Increase in accrued compensation and benefits	379,409	394,899
Cash payments to relieve operating lease liabilities	(49,702)	(62,165)
<b>Net cash provided by operating activities</b>	<b>948,056</b>	<b>1,140,051</b>
<b>Cash flows from investing activities:</b>		
Purchases of furniture, equipment and leasehold improvements	(27,849)	(99,930)
Divestiture of business (includes \$304.0 million in cash proceeds in 2024)	—	(40,196)
Capital contribution to equity method investments	—	(39,401)
Debt repayment from equity method investments	—	86,200

	Nine Months Ended September 30,	
	2025	2024
<b>Net cash (used in) investing activities</b>	<b>(27,849)</b>	<b>(93,327)</b>
<b>Cash flows from financing activities:</b>		
(Repayment of) debt, net	(245,000)	(654,316)
(Decrease) in overdrafts payable	—	(2)
Distributions to General Partner and Unitholders	(846,195)	(709,424)
Terminations (redemptions) of non-controlling interest in consolidated company-sponsored investment funds, net	106,340	(99,465)
Capital contributions from (to) AB Holding	807	(902)
Purchases of AB Holding Units for long-term incentive compensation plan awards, net	(47,240)	(73,131)
Other, net	(4,267)	(7,011)
<b>Net cash (used in) financing activities</b>	<b>(1,035,555)</b>	<b>(1,544,251)</b>
Effect of exchange rate changes on cash and cash equivalents	34,283	7,916
<b>Net (decrease) in cash and cash equivalents</b>	<b>(81,065)</b>	<b>(489,611)</b>
Cash and cash equivalents as of beginning of the period	834,033	1,160,889
<b>Cash and cash equivalents as of end of the period</b>	<b>\$ 752,968</b>	<b>\$ 671,278</b>
<b>Non-cash financing activities:</b>		
Retirement of AB Units in connection with EQH Amended Exchange Agreement	\$ (820,188)	\$ —
Issuance of AB Units in connection with EQH Amended Exchange Agreement	\$ 820,188	\$ —

See Accompanying Notes to Condensed Consolidated Financial Statements.

**ALLIANCEBERNSTEIN L.P.  
AND SUBSIDIARIES**  
**Notes to Condensed Consolidated Financial Statements**  
**September 30, 2025**  
(unaudited)

*The words “we” and “our” refer collectively to AllianceBernstein L.P. and its subsidiaries (“AB”), or to their officers and employees. Similarly, the word “company” refers to AB. These statements should be read in conjunction with AB’s audited consolidated financial statements included in AB’s Form 10-K for the year ended December 31, 2024.*

## 1. Business Description, Organization and Basis of Presentation

### *Business Description*

We provide diversified investment management and related services globally to a broad range of clients. Our principal services include:

- **Institutional Services** – servicing our institutional clients, including private and public pension plans, foundations and endowments, insurance companies, central banks and governments worldwide, and affiliates such as Equitable Holdings, Inc. (“EQH”) and its subsidiaries, by means of separately-managed accounts, sub-advisory relationships, structured products, collective investment trusts, mutual funds, hedge funds and other investment vehicles.
- **Retail Services** – servicing our retail clients, primarily by means of retail mutual funds sponsored by AB or an affiliated company, sub-advisory relationships with mutual funds sponsored by third parties, separately-managed account programs sponsored by financial intermediaries worldwide and other investment vehicles.
- **Private Wealth Management** – servicing our private clients, including high-net-worth individuals and families, 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.

We also provide distribution, shareholder servicing, transfer agency services and administrative services to the mutual funds we sponsor.

Our high-quality, in-depth research is the foundation of our asset management and private wealth management businesses. Our research disciplines include economic, fundamental equity, fixed income and quantitative research. In addition, we have expertise in multi-asset strategies, wealth management, environmental, social and corporate governance (“ESG”), and alternative investments.

We provide a broad range of investment services with expertise in:

- Actively managed equity strategies, across global and regional universes, as well as capitalization ranges, concentration ranges and investment strategies, including value, growth and core equities;
- Actively managed traditional and unconstrained fixed income strategies, including taxable and tax-exempt strategies;
- Actively managed alternative investments, including fundamental and systematically-driven hedge funds, fund of hedge funds and direct assets (e.g., direct lending, real estate and private equity);
- Multi-asset solutions and services, including dynamic asset allocation, customized target-date funds and target-risk funds; and
- Passively managed equity and fixed income strategies, including index, ESG index and enhanced index strategies.

### *Organization*

AllianceBernstein Corporation (an indirect wholly-owned subsidiary of EQH, “General Partner”) is the general partner of both AllianceBernstein Holding L.P. (“AB Holding”) and AB. AllianceBernstein Corporation owns 100,000 general partnership units in AB Holding and a 1.0% general partnership interest in AB.

As of September 30, 2025, the ownership structure of AB, including limited partnership units outstanding as well as the general partner's 1.0% interest, was as follows:

EQH and its subsidiaries	68.5 %
AB Holding	30.8
Unaffiliated holders	0.7
	<u>100.0 %</u>

### *EQH Exchange*

On July 10, 2025, AB entered into an amended and restated Exchange Agreement (the “Amended Exchange Agreement”) with EQH to increase the AB Units that remain available for exchange from 4,788,806 AB Units to 19,682,946 AB Units. At the time the Amended Exchange Agreement was entered into, AB issued and exchanged 19,682,946 AB Units for an equal number of AB Holding Units held by EQH. The acquired AB Holding Units from the exchange were retired, along with an equal number of AB Units. Following the exchange, the Amended Exchange Agreement was terminated.

After giving effect to such exchange and related retirements, including both the general partnership and limited partnership interest in AB Holding and AB, EQH has an approximate 68.5% economic interest in AB as of September 30, 2025.

### *Basis of Presentation*

The interim condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the interim results, have been made. The preparation of the condensed consolidated financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the interim reporting periods. Actual results could differ from those estimates. The condensed consolidated statement of financial condition as of December 31, 2024 was derived from audited financial statements. Certain disclosures included in the annual financial statements have been condensed or omitted from these financial statements as they are not required for interim financial statements under principles generally accepted in the United States of America (“GAAP”) and the rules of the SEC.

### *Principles of Consolidation*

The condensed consolidated financial statements include AB and its majority-owned and/or controlled subsidiaries, and the consolidated entities that are considered to be variable interest entities (“VIEs”) and/or voting interest entities (“VOEs”) in which AB has a controlling financial interest. Non-controlling interests on the condensed consolidated statements of financial condition include the portion of consolidated company-sponsored investment funds in which we do not have direct equity ownership. All significant inter-company transactions and balances among the consolidated entities have been eliminated.

### *Subsequent Events*

We have evaluated subsequent events through the date that these financial statements were filed with the SEC and did not identify any subsequent events that would require disclosure in these financial statements.

## **2. Significant Accounting Policies**

### *Recently Adopted Accounting Pronouncements*

In December 2023, the Financial Accounting Standards Board (“FASB”) issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This amendment is expected to enhance the transparency and decision usefulness of income tax disclosures by requiring public business entities, on an annual basis, to disclose specific categories in the rate reconciliation, additional information for reconciling items that meet a quantitative threshold and certain information about income taxes paid. This revised guidance is effective for financial statements issued for fiscal years beginning after December 15, 2024. The adoption of this standard did not have a material impact on our financial condition or results of operations.

#### *Accounting Pronouncements Not Yet Adopted*

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This amendment is expected to improve financial reporting by requiring that public business entities disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. This information is not generally presented in the financial statements today. The amendments in this update do not change or remove current expense disclosure requirements. This ASU is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments in this update should be applied either prospectively to financial statements issued for reporting periods after the effective date of this update or retrospectively to any or all periods presented in the financial statements. We are currently evaluating the impacts of the new standard.

#### *Goodwill*

Our acquisitions are accounted for under the acquisition method of accounting, where the cost of the acquisition is allocated on the basis of the estimated fair value of the assets acquired and the liabilities assumed. The excess of the purchase price over the fair value of identifiable assets acquired, net of liabilities assumed, results in the recognition of goodwill.

As of September 30, 2025, we had goodwill of \$3.6 billion on the consolidated statement of financial condition, which included \$2.6 billion as a result of the Sanford C. Bernstein Inc. (“Bernstein”) acquisition in 2000, \$666.1 million as a result of the CarVal Investors L.P. (“CarVal”) acquisition in 2022 and \$291.9 million in regard to various smaller acquisitions.

Goodwill is tested annually, as of September 30, for impairment utilizing the market approach where the fair value of the reporting unit is based on its unadjusted market valuation (AB Units outstanding multiplied by AB Holding's Unit price) and adjusted market valuations assuming a control premium (when applicable). A goodwill impairment would be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. The goodwill impairment test does not include a determination by management of whether a decline in fair value is temporary and it is important that management's determination of fair value reflect the impact of changing market conditions, including the severity and anticipated duration of any such changes.

As a part of our goodwill impairment evaluation, management uses the price of a publicly traded AB Holding Unit as a reasonable starting point for valuing an AB Unit because each represents the same fractional interest in our underlying business. Throughout the year, the carrying value of goodwill is also reviewed for impairment if certain events or changes in circumstances occur and trigger whether an interim impairment test may be required. Such changes in circumstances may include, but are not limited to, significant transactions including acquisitions or divestitures; a sustained decrease in the price of an AB Holding Unit or declines in AB's market capitalization that would suggest that the fair value of the reporting unit is less than the carrying amount; significant and unanticipated declines in AB's assets under management or revenues; and/or lower than expected earnings per unit. Any of these changes in circumstances could suggest the possibility that goodwill is impaired, but none of these events or circumstances by itself would indicate that it is more likely than not that goodwill is impaired. Instead, they are merely recognized as triggering events for the consideration of impairment and must be viewed in combination with any mitigating or positive factors. A holistic evaluation of all events since the most recent quantitative impairment test must be done to determine whether it is more likely than not that the reporting unit is impaired. As of September 30, 2025, the impairment test indicated that goodwill was not impaired.

### 3. Revenue Recognition

Revenues for the three and nine months ended September 30, 2025 and 2024 consisted of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
(in thousands)				
Subject to contracts with customers:				
Investment advisory and services fees				
Base fees	\$ 852,478	\$ 813,623	\$ 2,475,663	\$ 2,341,879
Performance-based fees	21,972	28,763	97,877	102,239
Bernstein research services <sup>(1)</sup>	—	—	—	96,222
Distribution revenues				
All-in-management fees	90,754	87,396	266,124	247,500
12b-1 fees	16,008	17,128	47,508	50,302
Other distribution fees	103,662	84,692	294,179	230,009
Other revenues				
Shareholder servicing fees	21,176	22,624	59,096	66,643
JV related revenues <sup>(2)</sup>	9,242	13,522	27,589	26,499
Other	2,932	3,473	10,044	10,930
	<u>1,118,224</u>	<u>1,071,221</u>	<u>3,278,080</u>	<u>3,172,223</u>
Not subject to contracts with customers:				
Dividend and interest income, net of broker-dealer related interest expense	20,741	17,726	58,049	60,697
Investment (losses)	(2,721)	(3,512)	(31,084)	(15,398)
Other revenues	903	54	1,616	61
	<u>18,923</u>	<u>14,268</u>	<u>28,581</u>	<u>45,360</u>
<b>Total net revenues</b>	<b><u>\$ 1,137,147</u></b>	<b><u>\$ 1,085,489</u></b>	<b><u>\$ 3,306,661</u></b>	<b><u>\$ 3,217,583</u></b>

(1) Effective April 1, 2024, AB deconsolidated the Bernstein Research Services business.

(2) We maintain certain service level agreements and recognize revenues associated with these transactions in connection with our investment in the JVs.

### 4. Long-term Incentive Compensation Plans

AB has several unfunded, non-qualified long-term incentive compensation plans, under which we grant awards of restricted units representing assignments of beneficial ownership of limited partnership interests in AB Holding (“AB Holding Units”) to employees, generally in the fourth quarter, and to members of the Board of Directors of the General Partner, who are not employed by our company or by any of our affiliates (“Eligible Directors”).

AB Holding Units are maintained in a consolidated rabbi trust either by purchasing AB Holding Units on the open market or by purchasing newly-issued AB Holding Units from AB Holding until delivering them or retiring them. In accordance with the Amended and Restated Agreement of Limited Partnership of AB (“AB Partnership Agreement”), when AB purchases newly-issued AB Holding Units from AB Holding, AB Holding is required to use the proceeds it receives from AB to purchase the equivalent number of newly-issued AB Units, thus increasing its percentage ownership interest in AB. AB Holding Units held in the consolidated rabbi trust are corporate assets in the name of the trust and are available to the general creditors of AB.

Repurchases of AB Holding Units for the three and nine months ended September 30, 2025 and 2024 consisted of the following:

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	(in millions)			
Total amount of AB Holding Units Purchased <sup>(1)</sup>	0.1	1.1	1.3	2.1
Total Cash Paid for AB Holding Units Purchased <sup>(1)</sup>	\$ 4.1	\$ 38.6	\$ 47.8	\$ 71.7
Open Market Purchases of AB Holding Units Purchased <sup>(1)</sup>	0.1	1.1	1.1	1.8
Total Cash Paid for Open Market Purchases of AB Holding Units <sup>(1)</sup>	\$ 3.9	\$ 38.6	\$ 42.3	\$ 60.1

<sup>(1)</sup> Purchased on a trade date basis. The difference between open-market purchases and total amount of units purchased reflects the retention of AB Holding Units from employees to fulfill statutory tax withholding requirements at the time of delivery of long-term incentive compensation awards.

Purchases of AB Holding Units reflected on the condensed consolidated statements of cash flows are net of AB Holding Unit purchases by employees as part of a distribution reinvestment election.

Each quarter, we consider whether to implement a plan to repurchase AB Holding Units pursuant to Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended ("Exchange Act"). A plan of this type allows a company to repurchase its shares at times when it otherwise might be prevented from doing so because of self-imposed trading blackout periods or because it possesses material non-public information. Each broker we select has the authority under the terms and limitations specified in the plan to repurchase AB Holding Units on our behalf. Repurchases are subject to regulations promulgated by the SEC as well as certain price, market volume and timing constraints specified in the plan. The plan adopted during the third quarter of 2025 expired at the close of business on October 22, 2025. We may adopt additional plans in the future to engage in open-market purchases of AB Holding Units for anticipated obligations under our incentive compensation award program and for other corporate purposes.

During the first nine months of 2025 and 2024, we awarded to employees and Eligible Directors 1.6 million and 1.2 million restricted AB Holding Unit awards, respectively. We use AB Holding Units repurchased during the applicable period and newly-issued AB Holding Units for these awards.

## 5. Net Income per Unit

Net income per Unit is derived by reducing net income for the 1.0% general partnership interest and dividing the remaining 99.0% by the weighted average number of limited partnership units outstanding for each period. Diluted net income per Unit is equivalent to net income per Unit, as there are no outstanding instruments that have a dilutive effect.

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	(in thousands, except per unit amounts)			
Net income attributable to AB Unitholders	\$ 259,263	\$ 345,972	\$ 690,529	\$ 873,471
Weighted average limited partnership Units outstanding	292,116	286,196	292,122	286,752
<b>Net income per AB Unit</b>	<b>\$ 0.88</b>	<b>\$ 1.20</b>	<b>\$ 2.34</b>	<b>\$ 3.02</b>

## 6. Cash Distributions

AB is required to distribute all of its Available Cash Flow, as defined in the AB Partnership Agreement, to its Unitholders and to the General Partner. Available Cash Flow can be summarized as the cash flow received by AB from operations minus such amounts as the General Partner determines, in its sole discretion, should be retained by AB for use in its business, or plus such amounts as the General Partner determines, in its sole discretion, should be released from previously retained cash flow.

Typically, Available Cash Flow has been the adjusted net income per Unit for the quarter multiplied by the number of general and limited partnership interests at the end of the quarter. In future periods, management anticipates that Available Cash Flow will be based on adjusted net income per Unit, unless management determines, with the concurrence of the Board of Directors, that one or more adjustments that are made for adjusted net income should not be made with respect to the Available Cash Flow calculation.

On October 23, 2025, the General Partner declared a distribution of \$0.94 per AB Unit, representing a distribution of Available Cash Flow for the three months ended September 30, 2025. The General Partner, as a result of its 1.0% general partnership interest, is entitled to receive 1.0% of each distribution. The distribution is payable on November 20, 2025 to holders of record on November 3, 2025.

## 7. Cash and Securities Segregated Under Federal Regulations and Other Requirements

As of September 30, 2025 and December 31, 2024, \$424.1 million and \$499.2 million, respectively, of U.S. Treasury Bills were segregated in a special reserve bank custody account for the exclusive benefit of our brokerage customers under Rule 15c3-3 of the Exchange Act.

## 8. Investments

Investments consist of:

	September 30, 2025	December 31, 2024
(in thousands)		
Equity securities:		
Long-term incentive compensation-related	\$ 30,787	\$ 31,934
Seed capital	187,988	169,502
Other	164	388
Investments in limited partnership hedge funds:		
Long-term incentive compensation-related	20,070	10,831
Seed capital	24,667	18,397
Equity method investments:		
Joint ventures	251,055	286,721
Other equity method investments	3,323	—
Time deposits	6,562	6,100
Other	11,988	11,331
<b>Total investments</b>	<b>\$ 536,604</b>	<b>\$ 535,204</b>

Total investments related to long-term incentive compensation obligations of \$50.9 million and \$42.8 million as of September 30, 2025 and December 31, 2024, respectively, consist of company-sponsored mutual funds and hedge funds. For long-term incentive compensation awards granted before 2009, we typically made investments in company-sponsored mutual funds and hedge funds that were notionally elected by plan participants and maintained them (and continue to maintain them) in a consolidated rabbi trust or separate custodial account. The rabbi trust and custodial account enable us to hold such investments separate from our other assets for the purpose of settling our obligations to participants. The investments held in the rabbi trust and custodial account remain available to the general creditors of AB.

The underlying investments of hedge funds in which we invest include long and short positions in equity securities, fixed income securities (including various agency and non-agency asset-based securities), currencies, commodities and derivatives (including various swaps and forward contracts). These investments are valued at quoted market prices or, where quoted market prices are not available, are fair valued based on the pricing policies and procedures of the underlying funds.

We allocate seed capital to our investment teams to help develop new products and services for our clients. A portion of our seed capital trading investments are equity and fixed income products, primarily in the form of separately-managed account portfolios, U.S. mutual funds, Luxembourg funds, Japanese investment trust management funds or Delaware

business trusts. We also may allocate seed capital to investments in private equity funds. Regarding our seed capital investments, the amounts above reflect those funds in which we are not the primary beneficiary of a VIE or hold a controlling financial interest in a VOE. See Note 14, *Consolidated Company-Sponsored Investment Funds*, for a description of the seed capital investments that we consolidate. As of September 30, 2025 and December 31, 2024, our total seed capital investments were \$414.3 million and \$294.7 million, respectively. Seed capital investments in unconsolidated company-sponsored investment funds are valued using published net asset values or non-published net asset values if they are not listed on an active exchange but have net asset values that are comparable to funds with published net asset values and have no redemption restrictions.

Equity method investments on the condensed consolidated statement of financial condition, including our investment in two joint ventures and a reinsurance sidecar, are accounted for under the equity method of accounting. AB owns a 66.7% majority interest in a North American JV ("NA JV") and a 49.0% interest in a joint venture outside of North America (and together the "JVs"). AB owns a 20.9% investment in Ruby RE, a reinsurance sidecar.

The portion of unrealized gains (losses) related to equity securities, as defined by ASC 321-10, held as of September 30, 2025 and 2024 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Net gains recognized during the period	\$ 11,928	\$ 8,321	\$ 22,336	\$ 20,365
Less: net gains recognized during the period on equity securities sold during the period	—	318	5,767	6,345
<b>Unrealized gains recognized during the period on equity securities held</b>	<b>\$ 11,928</b>	<b>\$ 8,003</b>	<b>\$ 16,569</b>	<b>\$ 14,020</b>

## 9. Derivative Instruments

See Note 14, *Consolidated Company-Sponsored Investment Funds*, for disclosure of derivative instruments held by our consolidated company-sponsored investment funds.

We enter various futures, forwards, options and swaps to economically hedge certain seed capital investments. Also, we have currency forwards that help us to economically hedge certain balance sheet exposures. In addition, our options desk trades long and short exchange-traded equity options. We do not hold any derivatives designated in a formal hedge relationship under ASC 815-10, *Derivatives and Hedging*.

The notional value and fair value as of September 30, 2025 and December 31, 2024 for derivative instruments (excluding derivative instruments relating to our options desk trading activities *discussed below*) not designated as hedging instruments were as follows:

	Fair Value		
	Notional Value	Derivative Assets	Derivative Liabilities
	(in thousands)		
<b>September 30, 2025:</b>			
Exchange-traded futures	\$ 193,619	\$ 75	\$ 1,568
Currency forwards	83,410	5,060	5,082
Interest rate swaps	7,540	83	72
Credit default swaps	375,539	744	9,870
Total return swaps	187,081	2,864	585
Option swaps	50,048	5,188	435
<b>Total derivatives</b>	<b>\$ 897,237</b>	<b>\$ 14,014</b>	<b>\$ 17,612</b>
<b>December 31, 2024:</b>			
Exchange-traded futures	\$ 157,787	\$ 2,835	\$ 33
Currency forwards	27,368	4,881	4,656
Interest rate swaps	17,667	367	14
Credit default swaps	199,720	4,172	9,099
Total return swaps	216,468	663	1,087
Option swaps	50,459	8,023	55
<b>Total derivatives</b>	<b>\$ 669,469</b>	<b>\$ 20,941</b>	<b>\$ 14,944</b>

As of September 30, 2025 and December 31, 2024, the derivative assets and liabilities are included in both receivables and payables to brokers and dealers on our condensed consolidated statements of financial condition.

The gains and losses for derivative instruments for the three and nine months ended September 30, 2025 and 2024 recognized in investment gains (losses) in the condensed consolidated statements of income were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Exchange-traded futures	\$ (3,782)	\$ (5,443)	\$ (7,415)	\$ (7,893)
Currency forwards	809	(460)	(4,966)	(105)
Interest rate swaps	9	(1,298)	(301)	(873)
Credit default swaps	(1,445)	(920)	(3,932)	(1,840)
Total return swaps	168	(5,295)	(9,209)	(9,233)
Option swaps	(638)	(1,869)	(2,906)	(1,921)
<b>Net (losses) on derivative instruments</b>	<b>\$ (4,879)</b>	<b>\$ (15,285)</b>	<b>\$ (28,729)</b>	<b>\$ (21,865)</b>

We may be exposed to credit-related losses in the event of non-performance by counterparties to derivative financial instruments. We minimize our counterparty exposure through a credit review and approval process. In addition, we have executed various collateral arrangements with counterparties to the over-the-counter derivative transactions that require both pledging and accepting collateral in the form of cash. As of September 30, 2025 and December 31, 2024, we held \$8.2 million and \$10.4 million, respectively, of cash collateral payable to trade counterparties. This obligation to return cash is reported in payables to brokers and dealers in our condensed consolidated statements of financial condition.

Although notional amount typically is utilized as the measure of volume in the derivatives market, it is not used as a measure of credit risk. Generally, the current credit exposure of our derivative contracts is limited to the net positive estimated fair value of derivative contracts at the reporting date after taking into consideration the existence of netting agreements and any collateral received. A derivative with positive value (a derivative asset) indicates existence of credit risk because the counterparty would owe us if the contract were closed. Alternatively, a derivative contract with negative

value (a derivative liability) indicates we would owe money to the counterparty if the contract were closed. Generally, if there is more than one derivative transaction with a single counterparty, a master netting arrangement exists with respect to derivative transactions with that counterparty to provide for aggregate net settlement.

Our standardized contracts for over-the-counter derivative transactions, known as ISDA master agreements, provide for collateralization. As of September 30, 2025 and December 31, 2024, we delivered \$11.0 million and \$5.2 million, respectively, of cash collateral into brokerage accounts. We report this cash collateral in cash and cash equivalents in our condensed consolidated statement of financial condition.

## 10. Offsetting Assets and Liabilities

See Note 14, *Consolidated Company-Sponsored Investment Funds*, for disclosure of offsetting assets and liabilities of our consolidated company-sponsored investment funds.

Offsetting of assets as of September 30, 2025 and December 31, 2024 was as follows:

	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Statement of Financial Condition	Net Amounts of Assets Presented in the Statement of Financial Condition	Financial Instruments Collateral	Cash Collateral Received	Net Amount
(in thousands)						
<b>September 30, 2025:</b>						
Securities borrowed	\$ 12,767	\$ —	\$ 12,767	\$ (12,767)	\$ —	\$ —
Derivatives	\$ 14,014	\$ —	\$ 14,014	\$ —	\$ (8,152)	\$ 5,862
<b>December 31, 2024:</b>						
Securities borrowed	\$ 1,144	\$ —	\$ 1,144	\$ (1,044)	\$ —	\$ 100
Derivatives	\$ 20,941	\$ —	\$ 20,941	\$ —	\$ (10,357)	\$ 10,584

Offsetting of liabilities as of September 30, 2025 and December 31, 2024 was as follows:

	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Statement of Financial Condition	Net Amounts of Liabilities Presented in the Statement of Financial Condition	Financial Instruments Collateral	Cash Collateral Pledged	Net Amount
(in thousands)						
<b>September 30, 2025:</b>						
Derivatives	\$ 17,612	\$ —	\$ 17,612	\$ —	\$ (11,039)	\$ 6,573
<b>December 31, 2024:</b>						
Derivatives	\$ 14,944	\$ —	\$ 14,944	\$ —	\$ (5,188)	\$ 9,756

Cash collateral, whether pledged or received on derivative instruments, is not considered material and, accordingly, is not disclosed by counterparty.

## 11. Fair Value

See Note 14, *Consolidated Company-Sponsored Investment Funds*, for disclosure of fair value of our consolidated company-sponsored investment funds.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (*i.e.*, the “exit price”) in an orderly transaction between market participants at the measurement date. The three broad levels of fair value hierarchy are as follows:

- Level 1 – Quoted prices in active markets are available for identical assets or liabilities as of the reported date.
- Level 2 – Quoted prices in markets that are not active or other pricing inputs that are either directly or indirectly observable as of the reported date.
- Level 3 – Prices or valuation techniques that are both significant to the fair value measurement and unobservable as of the reported date. These financial instruments do not have two-way markets and are measured using management’s best estimate of fair value, where the inputs into the determination of fair value require significant management judgment or estimation.

#### *Assets and Liabilities Measured at Fair Value on a Recurring Basis*

Valuation of our financial instruments by pricing observability levels as of September 30, 2025 and December 31, 2024 was as follows (in thousands):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV Expedient<sup>(1)</sup></u>	<u>Total</u>
<b>September 30, 2025:</b>					
Money markets	\$ 159,958	\$ —	\$ —	\$ —	\$ 159,958
Securities segregated (U.S. Treasury Bills)	—	424,119	—	—	424,119
Derivatives	75	13,939	—	—	14,014
Equity securities	172,654	43,885	124	2,276	218,939
Other investments	9,194	—	—	—	9,194
<b>Total assets measured at fair value</b>	<b>\$ 341,881</b>	<b>\$ 481,943</b>	<b>\$ 124</b>	<b>\$ 2,276</b>	<b>\$ 826,224</b>
Derivatives	\$ 1,569	\$ 16,043	\$ —	\$ —	\$ 17,612
Contingent payment arrangements	—	—	8,562	—	8,562
<b>Total liabilities measured at fair value</b>	<b>\$ 1,569</b>	<b>\$ 16,043</b>	<b>\$ 8,562</b>	<b>\$ —</b>	<b>\$ 26,174</b>
<b>December 31, 2024:</b>					
Money markets	\$ 146,781	\$ —	\$ —	\$ —	\$ 146,781
Securities segregated (U.S. Treasury Bills)	—	499,245	—	—	499,245
Derivatives	2,835	18,106	—	—	20,941
Equity securities	193,766	5,921	121	2,016	201,824
Other investments	8,593	—	—	—	8,593
<b>Total assets measured at fair value</b>	<b>\$ 351,975</b>	<b>\$ 523,272</b>	<b>\$ 121</b>	<b>\$ 2,016</b>	<b>\$ 877,384</b>
Derivatives	\$ 33	\$ 14,911	\$ —	\$ —	\$ 14,944
Contingent payment arrangements	—	—	9,385	—	9,385
<b>Total liabilities measured at fair value</b>	<b>\$ 33</b>	<b>\$ 14,911</b>	<b>\$ 9,385</b>	<b>\$ —</b>	<b>\$ 24,329</b>

<sup>(1)</sup> Investments measured at fair value using NAV (or its equivalent) as a practical expedient.

Other investments included in Level 1 of the fair value hierarchy include our investment in a mutual fund measured at fair value.

We *provide below* a description of the fair value methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy:

- Money markets: We invest excess cash in various money market funds that are valued based on quoted prices in active markets; these are included in Level 1 of the valuation hierarchy.
- Treasury Bills: We hold U.S. Treasury Bills, which are primarily segregated in a special reserve bank custody account as required by Rule 15c3-3 of the Exchange Act. These securities are valued based on quoted yields in secondary markets and are included in Level 2 of the valuation hierarchy.
- Equity securities: Our equity securities consist principally of company-sponsored mutual funds with NAVs and various separately-managed portfolios consisting primarily of equity and fixed income mutual funds with quoted prices in active markets, which are included in Level 1 of the valuation hierarchy. In addition, some securities are valued based on observable inputs from recognized pricing vendors, which are included in Level 2 of the valuation hierarchy.
- Derivatives: We hold exchange-traded futures with counterparties that are included in Level 1 of the valuation hierarchy. In addition, we also hold currency forward contracts, interest rate swaps, credit default swaps, option swaps and total return swaps with counterparties that are valued based on observable inputs from recognized pricing vendors, which are included in Level 2 of the valuation hierarchy.
- Contingent payment arrangements: Contingent payment arrangements relate to contingent payment liabilities associated with various acquisitions. At each reporting date, we estimate the fair values of the contingent consideration expected to be paid based upon probability-weighted AUM and revenue projections, using unobservable market data inputs, which are included in Level 3 of the valuation hierarchy.

During the nine months ended September 30, 2025 there were no transfers between Level 2 and Level 3 securities.

The change in carrying value associated with Level 3 financial instruments carried at fair value, classified as equity securities, is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Balance as of beginning of period	\$ 121	\$ 116	\$ 121	\$ 118
Unrealized gains (losses), net	3	22	3	20
<b>Balance as of end of period</b>	<b>\$ 124</b>	<b>\$ 138</b>	<b>\$ 124</b>	<b>\$ 138</b>

Realized and unrealized gains and losses on Level 3 financial instruments are recorded in investment gains and losses in the condensed consolidated statements of income.

Our acquisitions may include contingent consideration arrangements as part of the purchase price. The change in carrying value associated with Level 3 financial instruments carried at fair value, classified as contingent payment arrangements, is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Balance as of beginning of period	\$ 8,520	\$ 255,166	\$ 9,385	\$ 252,690
Accretion	42	2,558	148	7,674
Change in estimate	—	(128,505)	—	(128,505)
Payments	—	—	(971)	(2,640)
<b>Balance as of end of period</b>	<b>\$ 8,562</b>	<b>\$ 129,219</b>	<b>\$ 8,562</b>	<b>\$ 129,219</b>

During the third quarter of 2024, we remeasured the contingent liability associated with our acquisition of AB Carval in 2022 and recorded a gain reflected within contingent payment arrangements in the condensed consolidated statements of income of \$128.5 million. The fair value of the contingent consideration was remeasured using forecasted future cash flows

using the Real Options valuation methodology. The most significant assumptions used to remeasure the liability were expected revenue growth rates and discount rates.

As of September 30, 2025, the expected revenue growth rates ranged from 2.0% to 13.3%, with a weighted average of 6.8%, calculated using cumulative revenues and range of revenue growth rates and a discount rate of 1.9%. As of September 30, 2024, including the CarVal contingent remeasurement, the expected revenue growth rates ranged from (2.2)% to 29.3%, with a weighted average of 8.6%, calculated using cumulative revenues and a range of revenue growth rates. The discount rates ranged from 1.9% to 10.4%, with a weighted average of 5.1%, calculated using total contingent liabilities and range of discount rates.

### ***Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis***

We did not have any material assets or liabilities that were measured at fair value for impairment on a nonrecurring basis during the nine months ended September 30, 2025 or during the year ended December 31, 2024.

## **12. Commitments and Contingencies**

### ***Legal Proceedings***

For significant litigation matters, we assess the likelihood of a negative outcome. If a negative outcome is probable and the loss can be reasonably estimated, we record an estimated loss. If a negative outcome is reasonably possible and we can estimate the potential loss or range of loss, or if a negative outcome is probable and we can estimate the potential loss or range of loss beyond any amounts already accrued, we disclose this information. However, predicting outcomes or estimating losses is often challenging due to litigation uncertainties, especially in early stages or complex cases. In such instances, we disclose our inability to predict the outcome or estimate losses.

AB may face regulatory inquiries, administrative proceedings, and litigation, some alleging significant damages. While it is possible we could incur losses from these matters, we cannot currently estimate such losses or their range. Management, after consulting with legal counsel, believes that the outcome of any individual or combined matters will not materially affect our operations, financial condition, or liquidity. However, due to inherent uncertainties, future developments could potentially have a material adverse effect on our results, financial condition, or liquidity in future reporting periods.

### ***Guarantees***

In 2024, AB and Societe General ("SocGen") completed a transaction forming two joint ventures, one outside of North America and one within North America ("NA JV"). In connection with the transaction, Bernstein Institutional Services LLC ("BIS"), the U.S. broker-dealer subsidiary of the NA JV, entered into a credit facility agreement with SocGen, as lender, providing for up to \$60.0 million of working capital. As a condition of the credit facility and until SocGen's ownership exceeds 50% of NA JV, AB will provide a limited guarantee under which AB will guarantee up to its percentage ownership, currently 66.7%, of any unpaid obligations of BIS. As of September 30, 2025, there were no unpaid obligations under this facility requiring a guarantee by AB. Effective February 28, 2025, the agreement was amended and the original maturity date of April 1, 2025 was extended to March 31, 2026. The current commitment under the facility has also been reduced from \$60.0 million to \$30.0 million. There were no other material amendments to the credit facility.

In addition, AB will indemnify SocGen Canada ("SG Canada") for certain obligations and liabilities in relation to Sanford C. Bernstein Canada ("SCB Canada") until such time as SocGen exceeds 50% ownership of NA JV (the "Canadian Regulatory Guarantee"). Under the terms of the Canadian Regulatory Guarantee, SG Canada must guarantee the customer liabilities of SCB Canada to the full extent of its regulatory capital which fluctuates based upon business activity. AB has agreed to indemnify SG Canada for 66.7% of any amounts paid by SG Canada under the Canadian Regulatory Guarantee. As of September 30, 2025, there were no unpaid obligations requiring a guarantee by AB.

### ***Commitments***

During the fourth quarter of 2024, we entered into a non-exclusive partnership with Reinsurance Group of America, Incorporated ("RGA") under which we committed to invest \$100.0 million in a reinsurance sidecar vehicle sponsored by RGA and focused on the U.S. asset-intensive reinsurance market. AB intends to manage private alternative assets for RGA's general account as part of a separate transaction. As of September 30, 2025, we have funded \$0.1 million of this commitment.

During the third quarter of 2025, we entered into a non-exclusive partnership with Carlyle Investment Management L.L.C. (the "Asset Management Sponsor") and Fortitude International Ltd. (the "Insurance Sponsor/and or their respective affiliates"), and together (the "Sponsors") under which we committed to invest \$100.0 million in a reinsurance sidecar vehicle Carlyle FCA Re, L.P. (the "FCA Re Sidecar"). The FCA Re Sidecar is focused on reinsuring Asian liabilities. AB intends to manage private alternative assets for the Insurance Sponsor as part of a separate transaction. As of September 30, 2025, we have not funded any of this commitment.

### **Joint Ventures**

Effective April 1, 2024, AB and SocGen formed a global joint venture with two joint venture holding companies, one outside of North America and one within North America ("NA JV", and together the "JVs"). AB owns a 66.7% majority interest in the NA JV while SocGen owns a 51% majority interest in the joint venture outside of North America.

At the close of the transaction, SocGen paid AB \$304.0 million in cash which included \$102.6 million of prepaid consideration for an option, exercisable by AB during the five years following the close of the transaction, that would result in SocGen having a 51% ownership of the NA JV (the "AB option"). AB's option may only be exercised upon receipt of appropriate regulatory approvals. Under the terms of the transaction and assuming AB exercises its option as noted above, SocGen would increase its ownership to a majority interest of the NA JV, without further consideration payable.

During the third quarter of 2025, appropriate regulatory approval for SocGen to increase its ownership to 51% was received and AB has issued formal notice of its intent to exercise the AB Option. AB will deliver the additional equity once the remaining AB option conditions have been fulfilled by the parties, at a future date, expected within the first half of 2026. Upon delivery of the additional equity, SG will own a majority interest in the NA JV. Until such time the equity is delivered, AB will maintain a 66.7% interest in the NA JV and a 49% interest in the JV outside of North America.

## **13. Leases**

We lease office space, furniture and office equipment under various operating and financing leases. Our current leases have initial lease terms of one year to 20 years, some of which include options to extend the leases for up to five years, and some of which include options to terminate the leases within one year.

Leases included in the condensed consolidated statement of financial condition as of September 30, 2025 and December 31, 2024 were as follows:

	<b>Classification</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>
		(in thousands)	
<b>Operating Leases</b>			
Operating lease right-of-use assets	Right-of-use assets	\$ 447,915	\$ 441,662
Operating lease liabilities	Lease liabilities	510,558	504,171
<b>Finance Leases</b>			
Property and equipment, gross	Right-of-use assets	21,222	19,548
Amortization of right-of-use assets	Right-of-use assets	(13,591)	(11,333)
Property and equipment, net		7,631	8,215
Finance lease liabilities	Lease liabilities	7,982	8,444

The components of lease expense included in the condensed consolidated statement of income as of September 30, 2025 and September 30, 2024 were as follows:

Classification	Three Months Ended September 30,		Nine Months Ended September 30,		
	2025	2024	2025	2024	
(in thousands)					
Operating lease cost	General and administrative	\$ 16,673	\$ 32,154	\$ 48,911	\$ 87,674
Financing lease cost:					
Amortization of right-of-use assets	General and administrative	1,230	1,141	3,871	3,240
Interest on lease liabilities	Interest expense	90	85	298	245
Total finance lease cost		1,320	1,226	4,169	3,485
Variable lease cost <sup>(1)</sup>	General and administrative	3,738	12,563	9,515	32,453
Sublease income	General and administrative	(716)	(7,938)	(1,981)	(24,407)
Net lease cost		\$ 21,015	\$ 38,005	\$ 60,614	\$ 99,205

<sup>(1)</sup> Variable lease expense includes operating expenses, real estate taxes and employee parking.

The sub-lease income represents all revenues received from sub-tenants. It is primarily fixed base rental payments combined with variable reimbursements such as operating expenses, real estate taxes and employee parking. Sub-tenant income related to base rent is recorded on a straight-line basis.

Maturities of lease liabilities were as follows:

Year ending December 31,	Operating Leases	Financing Leases	Total
	(in thousands)		
2025 (excluding the nine months ended September 30, 2025)	\$ 12,918	\$ 1,212	\$ 14,130
2026	64,484	4,120	68,604
2027	63,240	2,075	65,315
2028	56,054	753	56,807
2029	52,309	228	52,537
Thereafter	460,129	—	460,129
Total lease payments	709,134	8,388	717,522
Less interest	(198,576)	(406)	
Present value of lease liabilities	\$ 510,558	\$ 7,982	

**Lease term and discount rate:**

Weighted average remaining lease term (years):

Operating leases	13.50
Finance leases	2.18

Weighted average discount rate:

Operating leases	4.51 %
Finance leases	4.39 %

Supplemental non-cash activity related to leases was as follows:

	<b>Nine Months Ended September 30,</b>	
	<b>2025</b>	<b>2024</b>
	(in thousands)	
Right-of-use assets obtained in exchange for lease obligations <sup>(1)</sup> :		
Operating leases	29,984	214,349
Finance leases	1,661	—

<sup>(1)</sup> Represents non-cash activity and, accordingly, is not reflected in the condensed consolidated statement of cash flows.

#### 14. Consolidated Company-Sponsored Investment Funds

We regularly provide seed capital to new company-sponsored investment funds. As such, we may consolidate or de-consolidate a variety of company-sponsored investment funds each quarter. Due to the similarity of risks related to our involvement with each company-sponsored investment fund, disclosures required under the VIE model are aggregated, such as disclosures regarding the carrying amount and classification of assets.

We are not required to provide financial support to company-sponsored investment funds, and only the assets of such funds are available to settle each fund's own liabilities. Our exposure to loss regarding consolidated company-sponsored investment funds is limited to our investment in, and our management fee earned from, such funds. Equity and debt holders of such funds have no recourse to AB's assets or to the general credit of AB.

The balances of consolidated VIEs and VOEs included in our condensed consolidated statements of financial condition were as follows:

	<b>September 30, 2025</b>			<b>December 31, 2024</b>		
	<b>VIEs</b>	<b>VOEs</b>	<b>Total</b>	<b>VIEs</b>	<b>VOEs</b>	<b>Total</b>
	(in thousands)					
Cash and cash equivalents	\$ 12,027	\$ 38	\$ 12,065	\$ 1,671	\$ 318	\$ 1,989
Investments	320,922	32,721	353,643	82,027	58,765	140,792
Other assets	29,235	708	29,943	1,317	13,484	14,801
<b>Total assets</b>	<b>\$ 362,184</b>	<b>\$ 33,467</b>	<b>\$ 395,651</b>	<b>\$ 85,015</b>	<b>\$ 72,567</b>	<b>\$ 157,582</b>
Liabilities	\$ 33,488	\$ 557	\$ 34,045	\$ 345	\$ 1,371	\$ 1,716
Redeemable non-controlling interest	152,494	7,179	159,673	31,670	16,819	48,489
Partners' capital attributable to AB Unitholders	176,202	25,731	201,933	53,000	54,377	107,377
<b>Total liabilities, redeemable non-controlling interest and partners' capital</b>	<b>\$ 362,184</b>	<b>\$ 33,467</b>	<b>\$ 395,651</b>	<b>\$ 85,015</b>	<b>\$ 72,567</b>	<b>\$ 157,582</b>

During the nine-month period ended September 30, 2025, we deconsolidated four funds in which we had a seed investment of approximately \$53.9 million as of December 31, 2024, due to no longer having a controlling financial interest.

Changes in the redeemable non-controlling interest balance during the nine-month period ended September 30, 2025 are as follows (in thousands):

Redeemable non-controlling interest as of December 31, 2024	\$	48,489
Deconsolidated funds		(12,857)
Changes in third-party seed investments in consolidated funds		124,041
<b>Redeemable non-controlling interest as of September 30, 2025</b>	<b>\$</b>	<b>159,673</b>

**Fair Value**

Cash and cash equivalents include cash on hand, demand deposits, overnight commercial paper and highly liquid investments with original maturities of three months or less. Due to the short-term nature of these instruments, the recorded value has been determined to approximate fair value.

Valuation of consolidated company-sponsored investment funds' financial instruments by pricing observability levels as of September 30, 2025 and December 31, 2024 was as follows (in thousands):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>September 30, 2025:</b>				
Investments - VIEs	\$ 35,276	\$ 253,736	\$ 31,910	\$ 320,922
Investments - VOEs	6,269	26,452	—	32,721
Derivatives - VIEs	1,183	18,728	—	19,911
Derivatives - VOEs	39	—	—	39
<b>Total assets measured at fair value</b>	<b><u>\$ 42,767</u></b>	<b><u>\$ 298,916</u></b>	<b><u>\$ 31,910</u></b>	<b><u>\$ 373,593</u></b>
Derivatives - VIEs	\$ 1,127	\$ 18,559	\$ —	\$ 19,686
<b>Total liabilities measured at fair value</b>	<b><u>\$ 1,127</u></b>	<b><u>\$ 18,559</u></b>	<b><u>\$ —</u></b>	<b><u>\$ 19,686</u></b>
<b>December 31, 2024:</b>				
Investments - VIEs	\$ 15,240	\$ 66,787	\$ —	\$ 82,027
Investments - VOEs	249	58,516	—	58,765
Derivatives - VIEs	48	53	—	101
Derivatives - VOEs	—	11,483	—	11,483
<b>Total assets measured at fair value</b>	<b><u>\$ 15,537</u></b>	<b><u>\$ 136,839</u></b>	<b><u>\$ —</u></b>	<b><u>\$ 152,376</u></b>
Derivatives - VIEs	\$ 72	\$ 13	\$ —	\$ 85
<b>Total liabilities measured at fair value</b>	<b><u>\$ 72</u></b>	<b><u>\$ 13</u></b>	<b><u>\$ —</u></b>	<b><u>\$ 85</u></b>

See Note 11 for a description of the fair value methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

The change in carrying value associated with Level 3 financial instruments carried at fair value within consolidated company-sponsored investment funds was as follows:

	<u>Three Months Ended</u> <u>September 30,</u>		<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(in thousands)			
Balance as of beginning of period	\$ —	\$ —	\$ —	\$ —
Newly consolidated funds:				
Consumer loan securities	27,347	—	27,347	—
Aviation securities	4,563	—	4,563	—
Transfers in	—	73	—	73
Unrealized gains, net	—	20	—	20
<b>Balance as of end of period</b>	<b><u>\$ 31,910</u></b>	<b><u>\$ 93</u></b>	<b><u>\$ 31,910</u></b>	<b><u>\$ 93</u></b>

Transfers into and out of all levels of the fair value hierarchy are reflected at end-of-period fair values. Realized and unrealized gains and losses on Level 3 financial instruments are recorded in investment gains and losses in the condensed consolidated statements of income.

**Derivative Instruments**

As of September 30, 2025 and December 31, 2024, the VIEs held \$0.2 million (net) and zero, respectively, of futures, forwards and swaps within their portfolios. For the three and nine months ended September 30, 2025, we recognized \$0.1 million of gains and \$0.3 million of losses, respectively, on these derivatives. For the three and nine months ended September 30, 2024, we recognized \$0.7 million of gains and \$0.2 million of losses, respectively, on these derivatives. These gains and losses are recognized in investment gains (losses) in the condensed consolidated statements of income.

As of September 30, 2025 and December 31, 2024, the VIEs held no cash collateral payable to trade counterparties. This obligation to return cash is reported in the liabilities of consolidated company-sponsored investment funds in our condensed consolidated statements of financial condition.

As of September 30, 2025 and December 31, 2024, the VIEs delivered \$0.4 million and \$0.3 million, respectively, of cash collateral into brokerage accounts. The VIEs report this cash collateral in the consolidated company-sponsored investment funds cash and cash equivalents in our condensed consolidated statements of financial condition.

As of September 30, 2025 and December 31, 2024, the VOEs held \$39 thousand and \$11.5 million futures, forwards, options or swaps within their portfolios. For the three and nine months ended September 30, 2025 and September 30, 2024, we recognized no gains or losses on these derivatives. These gains and losses are recognized in investment gains (losses) in the condensed statements of income.

As of September 30, 2025 and December 31, 2024, the VOEs held no cash collateral payable to trade counterparties.

As of September 30, 2025 and December 31, 2024, the VOEs delivered no cash collateral in brokerage accounts.

**Offsetting Assets and Liabilities**

Offsetting of derivative assets of consolidated company-sponsored investment funds as of September 30, 2025 and December 31, 2024 was as follows:

	<b>Gross Amounts of Recognized Assets</b>	<b>Gross Amounts Offset in the Statement of Financial Condition</b>	<b>Net Amounts of Assets Presented in the Statement of Financial Condition</b>	<b>Financial Instruments Collateral</b>	<b>Cash Collateral Received</b>	<b>Net Amount</b>
	(in thousands)					
<b>September 30, 2025:</b>						
Derivatives - VIEs	\$ 19,911	\$ —	\$ 19,911	\$ —	\$ (13)	\$ 19,898
Derivatives - VOEs	\$ 39	\$ —	\$ 39	\$ —	\$ —	\$ 39
<b>December 31, 2024:</b>						
Derivatives - VIEs	\$ 101	\$ —	\$ 101	\$ —	\$ (2)	\$ 99
Derivatives - VOEs	11,483	—	11,483	—	—	11,483

Offsetting of derivative liabilities of consolidated company-sponsored investment funds as of September 30, 2025 and December 31, 2024 was as follows:

	<b>Gross Amounts of Recognized Liabilities</b>	<b>Gross Amounts Offset in the Statement of Financial Condition</b>	<b>Net Amounts of Liabilities Presented in the Statement of Financial Condition</b>	<b>Financial Instruments Collateral</b>	<b>Cash Collateral Pledged</b>	<b>Net Amount</b>
	(in thousands)					
<b>September 30, 2025:</b>						
Derivatives - VIEs	\$ 19,686	\$ —	\$ 19,686	\$ —	\$ (404)	\$ 19,282
<b>December 31, 2024:</b>						
Derivatives - VIEs	\$ 85	\$ —	\$ 85	\$ —	\$ (85)	\$ —

Cash collateral, whether pledged or received on derivative instruments, is not considered material and, accordingly, is not disclosed by counterparty.

#### *Non-Consolidated VIEs*

As of September 30, 2025, the net assets of company-sponsored investment products that are non-consolidated VIEs are approximately \$47.5 billion. Our maximum risk of loss is our investment of \$37.5 million in these VIEs and our advisory fee receivables from these VIEs is \$90.7 million. As of December 31, 2024, the net assets of company-sponsored investment products that are non-consolidated VIEs was approximately \$46.9 billion. Our maximum risk of loss is our investment of \$17.3 million in these VIEs and our advisory fees receivable from these VIEs was \$115.2 million.

## 15. Units Outstanding

Changes in AB Units outstanding during the nine-month period ended September 30, 2025 were as follows:

Outstanding as of December 31, 2024	292,107,907
Units issued <sup>(1)</sup>	20,979,780
Units retired <sup>(1)(2)</sup>	<u>(20,869,292)</u>
<b>Outstanding as of September 30, 2025</b>	<b><u>292,218,395</u></b>

<sup>(1)</sup> Includes 19,682,946 issued and retired AB Units in connection with the Amended Exchange Agreement entered into with EQH on July 10, 2025.

<sup>(2)</sup> During the nine months ended September 30, 2025, we purchased 35,380 AB Units in private transactions and retired them.

## 16. Debt

#### *Credit Facility*

AB has an \$800.0 million committed, unsecured senior revolving credit facility (the "Credit Facility") with a group of commercial banks and other lenders. The Credit Facility was amended and restated as of August 5, 2025, extending the maturity date to August 5, 2030 and removing Sanford C. Bernstein & Co., LLC ("SCB LLC") as a co-borrower. There were no other significant changes included in the amendment. The Credit Facility provides for possible increases in the principal amount by up to an aggregate incremental amount of \$200.0 million; any such increase is subject to the consent of the affected lenders. The Credit Facility is available for AB business purposes, including the support of AB's commercial paper program. Management may draw on the Credit Facility from time to time.

The Credit Facility contains affirmative, negative and financial covenants, which are customary for facilities of this type, including restrictions on dispositions of assets, restrictions on liens, a minimum interest coverage ratio and a maximum leverage ratio. As of September 30, 2025, we were in compliance with these covenants. The Credit Facility also includes customary events of default (with customary grace periods, as applicable), including provisions under which, upon the occurrence of an event of default, all outstanding loans may be accelerated and/or lender's commitments may be terminated. Also, under such provisions, upon the occurrence of certain insolvency- or bankruptcy-related events of

default, all amounts payable under the Credit Facility would automatically become immediately due and payable, and the lender's commitments automatically would terminate.

Amounts under the Credit Facility may be borrowed, repaid and re-borrowed by us from time to time until the maturity of the facility. Voluntary prepayments and commitment reductions requested by us are permitted at any time without a fee (other than customary breakage costs relating to the prepayment of any drawn loans) upon proper notice and subject to a minimum dollar requirement. Borrowings under the Credit Facility bear interest at a rate per annum, which will be, at our option, a rate equal to an applicable margin, which is subject to adjustment based on the credit ratings of AB, plus one of the following indices: a term Secured Overnight Financial Rate; a Prime rate; or the Federal Funds rate.

As of September 30, 2025 and December 31, 2024, we had no amounts outstanding under the Credit Facility. Furthermore, during the first nine months of 2025 and the full year 2024, we did not draw upon the Credit Facility.

#### *EQH Facility*

AB also has a \$900.0 million committed, unsecured senior credit facility ("EQH Facility") with EQH. The EQH Facility matures on August 31, 2029 and is available for AB's general business purposes. Borrowings under the EQH Facility generally bear interest at a rate per annum based on prevailing overnight commercial paper rates.

The EQH Facility contains affirmative, negative and financial covenants which are substantially similar to those in AB's committed bank facilities. As of September 30, 2025, we were in compliance with these covenants. The EQH Facility also includes customary events of default substantially similar to those in AB's committed bank facilities, including provisions under which, upon the occurrence of an event of default, all outstanding loans may be accelerated and/or the lender's commitment may be terminated.

Amounts under the EQH Facility may be borrowed, repaid and re-borrowed by us from time to time until the maturity of the facility. AB or EQH may reduce or terminate the commitment at any time without penalty upon proper notice. EQH also may terminate the facility immediately upon a change of control of our general partner.

As of September 30, 2025 and December 31, 2024, AB had \$465.0 million and \$710.0 million outstanding under the EQH Facility, with interest rates of approximately 4.0% and 4.3%, respectively. Average daily borrowings on the EQH Facility for the first nine months of 2025 and the full year 2024 were \$411.7 million and \$494.2 million, respectively, with weighted average interest rates of approximately 4.3% and 5.2%, respectively.

#### *EQH Uncommitted Facility*

In addition to the EQH Facility, AB has a \$300.0 million uncommitted, unsecured senior credit facility ("EQH Uncommitted Facility") with EQH. The EQH Uncommitted Facility matures on August 31, 2029 and is available for AB's general business purposes. Borrowings under the EQH Uncommitted Facility generally bear interest at a rate per annum based on prevailing overnight commercial paper rates. The EQH Uncommitted Facility contains affirmative, negative and financial covenants which are substantially similar to those in the EQH Facility. As of September 30, 2025, we were in compliance with these covenants. As of September 30, 2025 and December 31, 2024 we had no amounts outstanding on the EQH Uncommitted Facility. During the first nine months of 2025 and full year 2024, we did not draw upon the EQH Uncommitted Facility.

#### *Commercial Paper*

As of both September 30, 2025 and December 31, 2024 we had no commercial paper outstanding. The commercial paper is short term in nature, and as such, recorded value is estimated to approximate fair value (and considered a Level 2 security in the fair value hierarchy). Average daily borrowings of commercial paper during the first nine months of 2025 and full year 2024 were \$212.7 million and \$268.2 million, respectively, with weighted average interest rates of approximately 4.5% and 5.4%, respectively.

#### *SCB Lines of Credit*

SCB LLC has three uncommitted lines of credit with three financial institutions. Two of these lines of credit permit us to borrow up to an aggregate of approximately \$150.0 million, with AB named as an additional borrower, while the other line has no stated limit. AB has agreed to guarantee the obligations on SCB LLC under these lines of credit. As of September 30, 2025 and December 31, 2024, SCB LLC had no outstanding balance on these lines of credit. Average daily borrowings on these lines of credit during the first nine months of 2025 and full year 2024 were \$0.5 million and \$0.6 million, respectively, with weighted average interest rates of approximately 7.4% and 8.5%, respectively.

## 17. Business Segment Information

Management has assessed the requirements of ASC 280, Segment Reporting, and determined that, because we utilize a consolidated approach to assess performance and allocate resources, we have only one operating segment. We provide diversified investment management, research and related services globally to a broad range of clients through our three distribution channels: Institutions, Retail and Private Wealth Management.

The Chief Operating Decision Maker ("CODM") is the Chief Executive Officer of AB. The CODM evaluates the reported measure of segment profit or loss in assessing segment performance and deciding how to allocate resources. Significant segment expenses are part of the CODM review and are critically important to understand the level of profitability and overall performance of the company. This assessment will determine the way in which the CODM allocates resources to our respective business operations.

### *Measurement of Segment Profit or Loss and How the CODM Uses the Reported Measure*

The CODM regularly receives financial information and management reports that are prepared on a consolidated basis. When assessing profitability, allocating resources and evaluating the underlying performance of our business, the CODM uses condensed consolidated net income as reported on the condensed consolidated statements of income. In applying the requirements under ASC 280, the company has identified significant segment expenses and other segment items related to our one operating segment. The significant expenses considered by the CODM in evaluating the performance of our business are consistent with the financial information included on the company's condensed consolidated statements of income. The measurement of assets as evaluated by the CODM is reported as "Total assets" on the condensed consolidated statements of financial condition. As an additional measure of segment profit or loss, the CODM considers certain adjustments to condensed consolidated net income. While management uses these additional adjusted metrics in assessing and allocating resources to the business, management recognizes that US GAAP principles are the basis of our performance. The accounting policies of our one operating segment are described in *Note 2, Significant Accounting Policies*.

Enterprise-wide disclosures as of and for the three and nine months ended September 30, 2025 and 2024 were as follows:

### *Services*

Net revenues derived from our investment management, research and related services for the three and nine months ended September 30, 2025 and 2024 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Institutions <sup>(1)</sup>	\$ 161,090	\$ 167,376	\$ 496,113	\$ 483,428
Retail <sup>(1)</sup>	631,769	593,323	1,834,917	1,696,171
Private Wealth Management <sup>(1)</sup>	313,191	293,527	909,416	858,973
Bernstein Research Services <sup>(2)</sup>	—	—	—	96,222
Other	46,300	52,477	114,597	149,532
Total revenues	1,152,350	1,106,703	3,355,043	3,284,326
Less: Broker-dealer related Interest expense	15,203	21,214	48,382	66,743
<b>Net revenues</b>	<b>\$ 1,137,147</b>	<b>\$ 1,085,489</b>	<b>\$ 3,306,661</b>	<b>\$ 3,217,583</b>

<sup>(1)</sup> Institutions, Retail and Private Wealth management revenues by channel include investment advisory base fees, performance-based fees, distribution revenues and shareholder servicing fees by channel.

<sup>(2)</sup> Effective April 1, 2024, AB deconsolidated the Bernstein Research Services business.

Our AllianceBernstein U.S. Growth Stock, an open-end fund incorporated in Japan, generated approximately 8% of our investment advisory and service fees for the three and nine months ended September 30, 2025 and 13% and 12% of our net revenues for the three and nine months ended September 30, 2025, respectively. U.S. Growth Stock generated approximately 7% of our investment advisory and service fees for the three and nine months ended September 30, 2024 and 11% and 10% of our net revenues for the three and nine months ended September 30, 2024, respectively.

*Geographic Information*

Net revenues related to our U.S. and international operations, for the three and nine months ended September 30, 2025 and 2024, were as follows:

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	(in thousands)			
Net revenues:				
United States	\$ 662,818	\$ 635,390	\$ 1,929,406	\$ 1,922,898
International:				
Luxembourg	268,907	264,543	788,140	770,414
Japan	152,549	129,926	434,553	352,317
Other International	52,873	55,630	154,562	171,954
Total International	474,329	450,099	1,377,255	1,294,685
<b>Total</b>	<b>\$ 1,137,147</b>	<b>\$ 1,085,489</b>	<b>\$ 3,306,661</b>	<b>\$ 3,217,583</b>

Long-lived assets related to our U.S. and international operations, as of September 30, 2025 and December 31, 2024, were as follows:

	<b>September 30, 2025</b>	<b>December 31, 2024</b>
	(in thousands)	
Long-lived assets:		
United States	\$ 4,142,891	\$ 4,187,885
International	54,652	57,140
<b>Total</b>	<b>\$ 4,197,543</b>	<b>\$ 4,245,025</b>

*Major Customers*

No single customer or individual client accounted for more than 10% of our total revenues for the three and nine months ended September 30, 2025 and 2024.

**18. Qualified Employee Benefit Plans**

We maintained a qualified, noncontributory, defined benefit retirement plan (the "Retirement Plan") covering current and former employees who were employed by AB in the United States prior to October 2, 2000. During 2024, the Compensation Committee of the AB Board of Directors approved the termination of the Retirement Plan, effective May 22, 2024. We began the process of settling benefits with vested participants and all lump sum disbursements elected by plan participants were distributed in December 2024 in the amount of \$35.0 million. The remaining retirement plan participants who did not elect a lump sum disbursement elected to roll over their benefit to a group annuity contract from a qualified insurance company to administer all future payments. During the nine months ended September 30, 2025, we settled all future obligations under the Retirement Plan and transferred the remaining benefit obligations to a qualified third party insurance provider under a group annuity contract. The total annuity premium transferred was \$59.4 million.

Following the transfer related to the annuity purchase, the plans funded status was in a deficit and the company funded an additional \$1.7 million to cover all remaining obligations. As a result of the settlement we recognized an initial non-cash settlement charge of approximately \$20.8 million related to Retirement Plan losses and the reclassification from accumulated other comprehensive loss to general and administrative expenses in the condensed consolidated statements of income. During the nine months ended September 30, 2025, we recognized an adjustment of \$3.1 million due to further reconciliation and true up activities. The final settlement charge, net of true up amounts, was \$17.7 million for the nine months ended September 30, 2025.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

### ***Executive Overview***

Our total assets under management (“AUM”) as of September 30, 2025 were \$860.1 billion, up \$31.0 billion, or 3.7%, compared to June 30, 2025, and up \$54.2 billion, or 6.7%, compared to September 30, 2024. During the third quarter of 2025 AUM increased due to market appreciation of \$33.3 billion, offset by net outflows of \$2.3 billion (Institutional net outflows of \$1.8 billion and Retail net outflows of \$1.7 billion were offset by Private Wealth net inflows of \$1.2 billion).

Institutional AUM increased \$11.4 billion, or 3.4%, to \$351.4 billion during the third quarter of 2025, due to market appreciation of \$13.2 billion, offset by net outflows of \$1.8 billion. Gross sales increased sequentially from \$3.7 billion during the second quarter of 2025 to \$14.0 billion during the third quarter of 2025. Redemptions and terminations decreased sequentially from \$3.7 billion to \$2.8 billion.

Retail AUM increased \$11.5 billion, or 3.3%, to \$356.2 billion during the third quarter of 2025, due to market appreciation of \$13.2 billion, offset by net outflows of \$1.7 billion. Gross sales increased sequentially from \$19.4 billion during the second quarter of 2025 to \$22.6 billion during the third quarter of 2025. Redemptions and terminations decreased sequentially from \$21.8 billion to \$20.4 billion.

Private Wealth AUM increased \$8.1 billion, or 5.6%, to \$152.5 billion during the third quarter of 2025, due to market appreciation of \$6.9 billion and net inflows of \$1.2 billion. Gross sales increased sequentially from \$4.8 billion during the second quarter of 2025 to \$5.8 billion during the third quarter of 2025. Redemptions and terminations decreased sequentially from \$5.2 billion to \$4.6 billion.

Net revenues of \$1.1 billion for the third quarter of 2025 increased \$51.7 million, or 4.8%, compared to the third quarter of 2024. The increase was primarily due to higher investment advisory base fees of \$38.9 million, higher distribution revenues of \$21.2 million and higher net dividend and interest revenues of \$3.0 million, partially offset by lower performance-based fees of \$6.8 million and lower other revenues of \$5.4 million.

Operating expenses for the third quarter of 2025 increased \$133.5 million, or 18.5%, to \$853.7 million from \$720.2 million in the third quarter of 2024. The increase was primarily due to a prior period gain of \$128.5 million related to a fair value remeasurement of the contingent payment liability associated with our acquisition of AB CarVal in 2022, higher employee compensation and benefits expense of \$25.9 million and higher promotion and servicing expense of \$20.7 million, partially offset by lower general and administrative (“G&A”) expense of \$37.6 million and lower interest on borrowings of \$1.3 million.

Operating income decreased \$81.8 million, or 22.4%, to \$283.5 million from \$365.3 million in the third quarter of 2024 and our operating margin decreased to 24.3% in the third quarter of 2025 from 33.2% in the third quarter of 2024.

### ***Market Environment***

#### **U.S. Equities**

U.S. equity markets delivered strong returns in the third quarter of 2025, benefitting from resilient consumer spending, benign inflation readings and strong GDP growth. Earnings momentum also supported the equity rally, with consensus estimates indicating a year-over-year earnings growth of approximately 7–8% for the S&P 500 in the third quarter of 2025. The S&P 500 returned 8.1% during the current quarter, reaching record highs. Market breadth improved notably, with small-cap stocks outperforming large-caps, driving 12.4% returns for the Russell 2000 in the current quarter. The rally was led by the information technology and communication services sectors while sectors like energy and utilities lagged, constrained by volatile commodity prices and margin pressure. While AI-levered companies continued to drive outsized gains, the strength in small- and mid-cap segments lent confidence in broader participation.

#### **Global and Non-U.S. Equities**

Eurozone equities maintained their positive momentum as economic data stabilized and fiscal policy remained supportive with the MSCI European Economic and Monetary Union index returning 4.3% (gross, Euro terms) during the third quarter of 2025. U.K. equities also recorded strong gains, with the MSCI U.K. returning 7.8% (gross U.K. terms) as a weaker British pound aided companies with international operations. Japanese equities saw strong performance, with the TOPIX Index returning 11.4%, supported by improving corporate earnings outlook and yen weakness that boosted exporters. Emerging market equities had a strong quarter with the MSCI Emerging Markets index generating 11.0% returns (gross, USD terms), driven by a strong rally in Chinese equities following additional fiscal stimulus, liquidity injections, and trade talk progression between the U.S. and China.

### Global Bonds

Government bonds showed mixed performance in the third quarter of 2025, with U.S. Treasury yields decreasing, while U.K., German, and Japanese yields increased. In the U.S., the Federal Reserve ("the Fed") implemented a well-anticipated 25 basis point policy rate cut in September, its first cut of the year, citing signs of a slowing labor market and softer job data. The Fed's updated forecasts from the September Summary of Economic Projections indicated a more dovish outlook, with expectations of slightly lower GDP growth and inflation trending towards target. In contrast, eurozone and Japanese sovereign bonds fell, driven by political turmoil and increased fiscal spending.

Credit markets performed well, with investment-grade corporates tightening spreads, while high-yield bonds and emerging-market debt saw strong returns driven by improved risk sentiment. Globally, sovereign and corporate bonds benefited from the decline in yields, although inflation and fiscal worries in certain regions limited overall returns. In the U.S., core bonds advanced, with the Bloomberg U.S. Aggregate Bond Index returning 2.0% over the third quarter.

### Relationship with EQH and its Subsidiaries

EQH (our parent company) and its subsidiaries are our largest client. EQH is collaborating with AB in order to improve the risk-adjusted yield for the General Accounts of EQH's insurance subsidiaries by investing additional assets at AB, including the utilization of AB's higher-fee, longer-duration alternative offerings. During the second quarter of 2023, Equitable Financial Life Insurance Company, a subsidiary of EQH ("Equitable Financial"), committed to an additional \$10 billion in permanent capital to build out AB's private illiquid offerings, including private alternatives and private placements, deployment of which is approximately 70% complete. The initial \$10 billion commitment from 2021 has been fully deployed. We expect this anticipated capital from EQH's insurance subsidiaries will continue to accelerate both organic and inorganic growth in our private alternatives business, allowing us to continue to deliver for our clients, employees, unitholders and other stakeholders. For example, included in the initial \$10 billion commitment by EQH is \$750 million in capital deployed through AB CarVal.

Permanent capital means investment capital of indefinite duration, for which commitments may be withdrawn under certain conditions. Such conditions primarily include potential regulatory restrictions, lacking sufficient liquidity to fund the capital commitments to AB and AB's inability to identify attractive investment opportunities which align with the investment strategy. Although EQH's insurance subsidiaries have indicated their intention over time to provide this investment capital to AB, they have no binding commitment to do so. While the withdrawal of their commitment could potentially slow down our introduction of certain products, the impact to our overall operations would not be material.

### Assets Under Management

Assets under management by distribution channel are as follows:

	As of September 30,		\$ Change	% Change
	2025	2024		
	(in billions)			
Institutions	\$ 351.4	\$ 335.2	\$ 16.2	4.8 %
Retail	356.2	334.5	21.7	6.5
Private Wealth	152.5	136.2	16.3	11.9
<b>Total</b>	<b>\$ 860.1</b>	<b>\$ 805.9</b>	<b>\$ 54.2</b>	<b>6.7 %</b>

Assets under management by investment service are as follows:

	<b>As of September 30,</b>		<b>\$ Change</b>	<b>% Change</b>
	<b>2025</b>	<b>2024</b>		
	(in billions)			
<b>Equity</b>				
Actively Managed	\$ 281.3	\$ 271.3	\$ 10.0	3.7 %
Passively Managed <sup>(1)</sup>	77.3	68.9	8.4	12.2
<b>Total Equity</b>	<b>358.6</b>	<b>340.2</b>	<b>18.4</b>	<b>5.4</b>
<b>Fixed Income</b>				
Actively Managed				
Taxable	214.3	216.2	(1.9)	(0.9)
Tax-exempt	85.8	71.2	14.6	20.5
	300.1	287.4	12.7	4.4
Passively Managed <sup>(1)</sup>	10.1	11.4	(1.3)	(11.8)
<b>Total Fixed Income</b>	<b>310.2</b>	<b>298.8</b>	<b>11.4</b>	<b>3.8</b>
<b>Alternatives/Multi-Asset Solutions<sup>(2)</sup></b>				
Actively Managed	177.9	155.9	22.0	14.1
Passively Managed <sup>(1)</sup>	13.4	11.0	2.4	21.8
<b>Total Alternatives/Multi-Asset Solutions</b>	<b>191.3</b>	<b>166.9</b>	<b>24.4</b>	<b>14.6</b>
<b>Total</b>	<b>\$ 860.1</b>	<b>\$ 805.9</b>	<b>\$ 54.2</b>	<b>6.7 %</b>

(1) Includes index and enhanced index services.

(2) Includes certain multi-asset solutions and services not included in equity or fixed income services.

Changes in assets under management for the three-month, nine-month and twelve-month periods ended September 30, 2025 are as follows:

	<b>Distribution Channel</b>			
	<b>Institutions</b>	<b>Retail</b>	<b>Private Wealth</b>	<b>Total</b>
	(in billions)			
Balance as of June 30, 2025	\$ 340.0	\$ 344.7	\$ 144.4	\$ 829.1
Long-term flows:				
Sales/new accounts	14.0	22.6	5.8	42.4
Redemptions/terminations	(2.8)	(20.4)	(4.6)	(27.8)
Cash flow/unreinvested dividends	(13.0)	(3.9)	—	(16.9)
Net long-term (outflows) inflows	(1.8)	(1.7)	1.2	(2.3)
Market appreciation	13.2	13.2	6.9	33.3
Net change	11.4	11.5	8.1	31.0
<b>Balance as of September 30, 2025</b>	<b>\$ 351.4</b>	<b>\$ 356.2</b>	<b>\$ 152.5</b>	<b>\$ 860.1</b>
Balance as of December 31, 2024	\$ 321.4	\$ 334.3	\$ 136.5	\$ 792.2
Long-term flows:				
Sales/new accounts	22.2	67.7	16.5	106.4
Redemptions/terminations	(9.0)	(64.5)	(14.8)	(88.3)
Cash flow/unreinvested dividends	(15.9)	(8.8)	—	(24.7)
Net long-term (outflows) inflows	(2.7)	(5.6)	1.7	(6.6)
Transfers	0.5	(0.1)	(0.4)	—
Market appreciation	32.2	27.6	14.7	74.5
Net change	30.0	21.9	16.0	67.9
<b>Balance as of September 30, 2025</b>	<b>\$ 351.4</b>	<b>\$ 356.2</b>	<b>\$ 152.5</b>	<b>\$ 860.1</b>
Balance as of September 30, 2024	\$ 335.2	\$ 334.5	\$ 136.2	\$ 805.9
Long-term flows:				
Sales/new accounts	24.3	94.1	21.6	140.0
Redemptions/terminations	(12.9)	(85.0)	(19.6)	(117.5)
Cash flow/unreinvested dividends	(20.2)	(13.7)	—	(33.9)
Net long-term (outflows) inflows	(8.8)	(4.6)	2.0	(11.4)
Adjustments <sup>(1)</sup>	—	—	0.7	0.7
Transfers	0.5	(0.1)	(0.4)	—
Market appreciation	24.5	26.4	14.0	64.9
Net change	16.2	21.7	16.3	54.2
<b>Balance as of September 30, 2025</b>	<b>\$ 351.4</b>	<b>\$ 356.2</b>	<b>\$ 152.5</b>	<b>\$ 860.1</b>

<sup>(1)</sup> This adjustment is due to a change in fee policy related to certain fixed income assets effective October 1, 2024.

	Investment Service							Total
	Equity Actively Managed	Equity Passively Managed <sup>(1)</sup>	Fixed Income Actively Managed - Taxable	Fixed Income Actively Managed - Tax-Exempt	Fixed Income Passively Managed <sup>(1)</sup>	Alternatives / Multi-Asset Solutions <sup>(2)</sup>		
	(in billions)							
Balance as of June 30, 2025	\$ 273.4	\$ 70.8	\$ 214.5	\$ 79.5	\$ 10.2	\$ 180.7	\$ 829.1	
Long-term flows:								
Sales/new accounts	10.9	2.8	15.4	7.6	—	5.7	42.4	
Redemptions/terminations	(14.1)	(0.1)	(8.9)	(3.5)	(0.1)	(1.1)	(27.8)	
Cash flow/unreinvested dividends	(3.2)	(1.5)	(10.7)	—	(0.1)	(1.4)	(16.9)	
Net long-term (outflows) inflows	(6.4)	1.2	(4.2)	4.1	(0.2)	3.2	(2.3)	
Transfers	0.5	(0.5)	—	—	—	—	—	
Market appreciation	13.8	5.8	4.0	2.2	0.1	7.4	33.3	
Net change	7.9	6.5	(0.2)	6.3	(0.1)	10.6	31.0	
<b>Balance as of September 30, 2025</b>	<b>\$ 281.3</b>	<b>\$ 77.3</b>	<b>\$ 214.3</b>	<b>\$ 85.8</b>	<b>\$ 10.1</b>	<b>\$ 191.3</b>	<b>\$ 860.1</b>	
Balance as of December 31, 2024	\$ 263.4	\$ 68.3	\$ 209.3	\$ 76.2	\$ 10.3	\$ 164.7	\$ 792.2	
Long-term flows:								
Sales/new accounts	32.4	3.8	37.2	19.3	0.2	13.5	106.4	
Redemptions/terminations	(40.2)	(2.1)	(30.5)	(11.6)	(0.2)	(3.7)	(88.3)	
Cash flow/unreinvested dividends	(7.1)	(2.3)	(13.8)	—	(0.8)	(0.7)	(24.7)	
Net long-term (outflows) inflows	(14.9)	(0.6)	(7.1)	7.7	(0.8)	9.1	(6.6)	
Transfers	0.5	(0.5)	—	—	—	—	—	
Market appreciation	32.3	10.1	12.1	1.9	0.6	17.5	74.5	
Net change	17.9	9.0	5.0	9.6	(0.2)	26.6	67.9	
<b>Balance as of September 30, 2025</b>	<b>\$ 281.3</b>	<b>\$ 77.3</b>	<b>\$ 214.3</b>	<b>\$ 85.8</b>	<b>\$ 10.1</b>	<b>\$ 191.3</b>	<b>\$ 860.1</b>	
Balance as of September 30, 2024	\$ 271.3	\$ 68.9	\$ 216.2	\$ 71.2	\$ 11.4	\$ 166.9	\$ 805.9	
Long-term flows:								
Sales/new accounts	44.2	4.0	47.5	27.8	0.2	16.3	140.0	
Redemptions/terminations	(54.1)	(2.3)	(40.8)	(14.8)	(0.6)	(4.9)	(117.5)	
Cash flow/unreinvested dividends	(12.3)	(3.7)	(14.5)	0.2	(1.1)	(2.5)	(33.9)	
Net long-term (outflows) inflows	(22.2)	(2.0)	(7.8)	13.2	(1.5)	8.9	(11.4)	
Adjustments <sup>(3)</sup>	—	—	0.2	0.5	—	—	0.7	
Transfers	0.5	(0.5)	—	—	—	—	—	
Market appreciation	31.7	10.9	5.7	0.9	0.2	15.5	64.9	
Net change	10.0	8.4	(1.9)	14.6	(1.3)	24.4	54.2	
<b>Balance as of September 30, 2025</b>	<b>\$ 281.3</b>	<b>\$ 77.3</b>	<b>\$ 214.3</b>	<b>\$ 85.8</b>	<b>\$ 10.1</b>	<b>\$ 191.3</b>	<b>\$ 860.1</b>	

<sup>(1)</sup> Includes index and enhanced index services.

<sup>(2)</sup> Includes certain multi-asset solutions and services not included in equity or fixed income services

<sup>(3)</sup> This adjustment is due to a change in fee policy related to certain fixed income assets effective October 1, 2024.

Net long-term inflows (outflows) for actively managed investment services as compared to passively managed investment services for the three-month, nine-month and twelve-month periods ended September 30, 2025 are as follows:

	Periods Ended September 30, 2025		
	Three-months	Nine-months	Twelve-months
	(in billions)		
<b>Actively Managed</b>			
Equity	\$ (6.4)	\$ (14.9)	\$ (22.2)
Fixed Income	(0.1)	0.6	5.4
Alternatives/Multi-Asset Solutions	3.1	8.7	8.3
<b>Total Actively Managed</b>	<b>(3.4)</b>	<b>(5.6)</b>	<b>(8.5)</b>
<b>Passively Managed</b>			
Equity	1.2	(0.6)	(2.0)
Fixed Income	(0.2)	(0.8)	(1.5)
Alternatives/Multi-Asset Solutions	0.1	0.4	0.6
<b>Total Passively Managed</b>	<b>1.1</b>	<b>(1.0)</b>	<b>(2.9)</b>
<b>Total net long-term (outflows)</b>	<b>\$ (2.3)</b>	<b>\$ (6.6)</b>	<b>\$ (11.4)</b>

Average assets under management by distribution channel and investment service are as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
	(in billions)				(in billions)			
<b>Distribution Channel:</b>								
Institutions	\$ 343.5	\$ 328.4	\$ 15.1	4.6 %	\$ 332.7	\$ 321.8	\$ 10.9	3.4 %
Retail	349.5	324.4	25.1	7.7	339.2	309.3	29.9	9.7
Private Wealth	147.8	133.1	14.7	11.1	141.9	128.2	13.7	10.7
<b>Total</b>	<b>\$ 840.8</b>	<b>\$ 785.9</b>	<b>\$ 54.9</b>	<b>7.0 %</b>	<b>\$ 813.8</b>	<b>\$ 759.3</b>	<b>\$ 54.5</b>	<b>7.2 %</b>
<b>Investment Service:</b>								
Equity Actively Managed	\$ 276.1	\$ 267.2	\$ 8.9	3.3 %	\$ 266.3	\$ 259.6	\$ 6.7	2.6 %
Equity Passively Managed <sup>(1)</sup>	74.3	67.3	7.0	10.4	70.6	65.0	5.6	8.5
Fixed Income Actively Managed – Taxable	212.8	212.3	0.5	0.2	211.2	211.0	0.2	0.1
Fixed Income Actively Managed – Tax-exempt	82.2	68.6	13.6	19.8	79.6	65.3	14.3	21.9
Fixed Income Passively Managed <sup>(1)</sup>	10.1	11.3	(1.2)	(10.7)	10.2	11.2	(1.0)	(9.0)
Alternatives/Multi-Asset Solutions <sup>(2)</sup>	185.3	159.2	26.1	16.4	175.9	147.2	28.7	19.5
<b>Total</b>	<b>\$ 840.8</b>	<b>\$ 785.9</b>	<b>\$ 54.9</b>	<b>7.0 %</b>	<b>\$ 813.8</b>	<b>\$ 759.3</b>	<b>\$ 54.5</b>	<b>7.2 %</b>

<sup>(1)</sup> Includes index and enhanced index services.

<sup>(2)</sup> Includes certain multi-asset solutions and services not included in equity or fixed income services.

Our Institutional channel third quarter average AUM of \$343.5 billion increased \$15.1 billion, or 4.6%, compared to the third quarter of 2024, while Institutional channel third quarter ending AUM increased \$16.2 billion, or 4.8%, to \$351.4 billion from September 30, 2024. The \$16.2 billion increase in AUM resulted primarily from market appreciation of \$24.5 billion, partially offset by net outflows of \$8.8 billion.

Our Retail channel third quarter average AUM of \$349.5 billion increased \$25.1 billion, or 7.7%, compared to the third quarter of 2024, while Retail channel third quarter ending AUM increased \$21.7 billion, or 6.5%, to \$356.2 billion from September 30, 2024. The \$21.7 billion increase resulted primarily from market appreciation of \$26.4 billion, partially offset by net outflows of \$4.6 billion.

Our Private Wealth channel third quarter average AUM of \$147.8 billion increased \$14.7 billion, or 11.1%, compared to the third quarter of 2024, while Private Wealth channel third quarter ending AUM increased \$16.3 billion, or 11.9%, to \$152.5 billion from September 30, 2024. The \$16.3 billion increase resulted primarily from market appreciation of \$14.0 billion and net inflows of \$2.0 billion.

Absolute investment composite returns, gross of fees, and relative performance as of September 30, 2025 compared to benchmarks for certain representative Institutional equity and fixed income services are as follows:

	<u>1-Year</u>	<u>3-Year<sup>(1)</sup></u>	<u>5-Year<sup>(1)</sup></u>
<b>Income (fixed income)</b>			
Absolute return	5.6 %	8.7 %	2.7 %
Relative return (vs. Bloomberg Barclays U.S. Aggregate Index)	2.7	3.8	3.1
<b>High Income (fixed income)</b>			
Absolute return	8.2	12.6	6.4
Relative return (vs. Bloomberg Barclays Global High Yield Index - Hedged)	(0.4)	(0.2)	0.7
<b>Global Plus - Hedged (fixed income)</b>			
Absolute return	3.3	5.6	0.8
Relative return (vs. Bloomberg Barclays Global Aggregate Index - Hedged)	0.3	0.4	0.4
<b>Intermediate Municipal Bonds (fixed income)</b>			
Absolute return	2.8	4.9	2.0
Relative return (vs. Lipper Short/Int. Blended Muni Fund Avg)	0.3	0.7	0.7
<b>U.S. Core Plus (fixed income)</b>			
Absolute return	4.1	6.1	0.4
Relative return (vs. Bloomberg Barclays U.S. Aggregate Index)	1.3	1.1	0.9
<b>Emerging Market Debt (fixed income)</b>			
Absolute return	8.4	13.4	2.9
Relative return (vs. JPM EMBI Global/JPM EMBI)	0.7	2.1	0.7
<b>Sustainable Global Thematic</b>			
Absolute return	3.5	15.2	7.5
Relative return (vs. MSCI ACWI Index)	(13.8)	(7.9)	(6.1)
<b>International Strategic Core Equity</b>			
Absolute return	17.0	22.2	11.1
Relative return (vs. MSCI EAFE Index)	2.0	0.5	(0.1)
<b>U.S. Small &amp; Mid Cap Value</b>			
Absolute return	2.5	13.6	15.1
Relative return (vs. Russell 2500 Value Index)	(6.5)	(1.8)	0.1

	1-Year	3-Year <sup>(1)</sup>	5-Year <sup>(1)</sup>
<b>U.S. Large Cap Value</b>			
Absolute return	11.2	20.1	17.3
Relative return (vs. Russell 1000 Value Index)	1.8	3.2	3.4
<b>U.S. Small Cap Growth</b>			
Absolute return	3.8	15.2	5.0
Relative return (vs. Russell 2000 Growth Index)	(9.7)	(1.5)	(3.4)
<b>U.S. Large Cap Growth</b>			
Absolute return	16.7	26.4	14.6
Relative return (vs. Russell 1000 Growth Index)	(8.8)	(5.2)	(2.9)
<b>U.S. Small &amp; Mid Cap Growth</b>			
Absolute return	5.1	15.2	5.4
Relative return (vs. Russell 2500 Growth Index)	(7.5)	(0.8)	(2.3)
<b>Concentrated U.S. Growth</b>			
Absolute return	7.0	16.8	10.7
Relative return (vs. S&P 500 Index)	(10.6)	(8.1)	(5.8)
<b>Select U.S. Equity</b>			
Absolute return	19.3	24.6	17.8
Relative return (vs. S&P 500 Index)	1.7	(0.4)	1.3
<b>Strategic Equities</b>			
Absolute return	14.8	23.5	16.0
Relative return (vs. Russell 3000 Index)	(2.6)	(0.6)	0.3
<b>Global Core Equity</b>			
Absolute return	9.4	19.9	11.0
Relative return (vs. MSCI ACWI Index)	(7.9)	(3.2)	(2.6)
<b>U.S. Strategic Core Equity</b>			
Absolute return	13.6	22.1	15.1
Relative return (vs. S&P 500 Index)	(4.0)	(2.8)	(1.4)
<b>Select U.S. Equity Long/Short</b>			
Absolute return	12.1	14.8	11.6
Relative return (vs. S&P 500 Index)	(5.5)	(10.1)	(4.9)
<b>Global Strategic Core Equity</b>			
Absolute return	12.8	20.6	13.3
Relative return (vs. S&P 500 Index)	(4.4)	(3.1)	(1.1)

<sup>(1)</sup> Reflects annualized returns.

**Consolidated Results of Operations**

	<b>Three Months Ended September 30,</b>				<b>Nine Months Ended September 30,</b>			
	<b>2025</b>	<b>2024</b>	<b>\$ Change</b>	<b>% Change</b>	<b>2025</b>	<b>2024</b>	<b>\$ Change</b>	<b>% Change</b>
	(in thousands, except per unit amounts)							
Net revenues	\$1,137,147	\$1,085,489	\$ 51,658	4.8 %	\$3,306,661	\$3,217,583	\$ 89,078	2.8 %
Expenses	853,670	720,208	133,462	18.5	2,564,721	2,411,016	153,705	6.4
Operating income	283,477	365,281	(81,804)	(22.4)	741,940	806,567	(64,627)	(8.0)
Non-operating income	—	—	—	—	—	134,555	(134,555)	n/m
Pre-tax income	283,477	365,281	(81,804)	(22.4)	741,940	941,122	(199,182)	(21.2)
Income taxes	17,085	14,255	2,830	19.9	46,566	50,389	(3,823)	(7.6)
Net income	266,392	351,026	(84,634)	(24.1)	695,374	890,733	(195,359)	(21.9)
Net income of consolidated entities attributable to non-controlling interests	7,129	5,054	2,075	41.1	4,845	17,262	(12,417)	(71.9)
Net income attributable to AB Unitholders	<u>\$259,263</u>	<u>\$345,972</u>	<u>\$ (86,709)</u>	(25.1)	<u>\$690,529</u>	<u>\$873,471</u>	<u>\$(182,942)</u>	(20.9)
Net income per AB Unit	<u>\$ 0.88</u>	<u>\$ 1.20</u>	<u>\$ (0.32)</u>	(26.7)	<u>\$ 2.34</u>	<u>\$ 3.02</u>	<u>\$ (0.68)</u>	(22.5)
Distributions declared per AB Unit	<u>\$ 0.94</u>	<u>\$ 0.85</u>	<u>\$ 0.09</u>	10.6 %	<u>\$ 2.66</u>	<u>\$ 2.45</u>	<u>\$ 0.21</u>	8.6 %
Operating margin <sup>(1)</sup>	<u>24.3 %</u>	<u>33.2 %</u>			<u>22.3 %</u>	<u>24.5 %</u>		

<sup>(1)</sup> Operating income excluding net income (loss) attributable to non-controlling interests as a percentage of net revenues.

Net income attributable to AB Unitholders for the three months ended September 30, 2025 decreased \$86.7 million, or 25.1%, from the three months ended September 30, 2024. The decrease is primarily due to (in millions):

Lower prior period gain on adjustment of contingent payment arrangements	\$ (126.0)
Higher employee compensation and benefits expense	(25.9)
Higher promotion and servicing expense	(20.7)
Lower performance-based fees	(6.8)
Lower other revenue	(5.4)
Higher base advisory fees	38.9
Lower general and administrative expense	37.6
Higher distribution revenues	21.2
Higher net dividend and interest revenue	3.0
Other	(2.6)
	<u>\$ (86.7)</u>

Net income attributable to AB Unitholders for the nine months ended September 30, 2025 decreased \$182.9 million, or 20.9%, from the nine months ended September 30, 2024. The decrease is primarily due to (in millions):

Lower gain on divestiture	\$ (134.6)
Lower prior period gain on adjustment of contingent payment arrangement	(121.0)
Lower Bernstein Research Services revenue	(96.2)
Higher promotion and servicing expense	(63.5)
Higher investment losses	(15.7)
Higher employee compensation and benefits expense	(9.9)
Lower other revenues	(5.8)
Higher base advisory fees	133.8
Higher distribution revenues	80.0
Lower general and administrative expense	25.3
Lower interest on borrowings	14.4
Lower net income of consolidated entities attributable to non-controlling interest	12.4
Other	(2.1)
	<u><u>\$ (182.9)</u></u>

### ***Units Outstanding; Unit Repurchases***

Each quarter, we consider whether to implement a plan to repurchase AB Holding Units pursuant to Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended (“**Exchange Act**”). A plan of this type allows a company to repurchase its shares at times when it otherwise might be prevented from doing so because of self-imposed trading blackout periods or because it possesses material non-public information. Each broker we select has the authority to repurchase AB Holding Units on our behalf in accordance with the terms and limitations specified in the plan. Repurchases are subject to regulations promulgated by the SEC, as well as certain price, market volume and timing constraints specified in the plan. The plan adopted during the third quarter of 2025 expired at the close of business on October 22, 2025. We may adopt additional plans in the future to engage in open-market purchases of AB Holding Units for anticipated obligations under our incentive compensation award program and for other corporate purposes.

### ***Cash Distributions***

We are required to distribute all of our Available Cash Flow, as defined in the AB Partnership Agreement, to our Unitholders and the General Partner. Available Cash Flow typically is the adjusted net income per Unit for the quarter multiplied by the number of general and limited partnership interests at the end of the quarter. In future periods, management anticipates that Available Cash Flow will continue to be based on adjusted net income per unit, unless management determines, with concurrence of the Board of Directors, that one or more adjustments that are made for adjusted net income should not be made with respect to the Available Cash Flow calculation. *See Note 6 to our condensed consolidated financial statements contained in Item 1 for a description of Available Cash Flow.*

### ***Management Operating Metrics***

We are providing the non-GAAP measures “adjusted net revenues,” “adjusted operating income” and “adjusted operating margin” because they are additional operating metrics management uses in evaluating and comparing period-to-period operating performance. Management uses these additional metrics in evaluating performance because they present a clearer picture of our operating performance and allow management to see long-term trends without the distortion primarily caused by long-term incentive compensation-related mark-to-market adjustments, acquisition-related expenses, interest expense and other adjustment items. Similarly, we believe that these management operating metrics help investors better understand the underlying trends in our results and, accordingly, provide a valuable perspective for investors.

We provide the non-GAAP measures "adjusted net income" and "adjusted net income per unit" because our quarterly distribution per unit is typically our adjusted net income per unit (which is derived from adjusted net income).

These non-GAAP measures are provided in addition to, and not as substitutes for, net revenues, operating income and operating

margin, and they may not be comparable to non-GAAP measures presented by other companies. Management uses both accounting principles generally accepted in the United States of America ("US GAAP") and non-GAAP measures in evaluating our financial performance. The non-GAAP measures alone may pose limitations because they do not include all of our revenues and expenses.

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	(in thousands, except per unit amounts)			
<b>Net revenues, US GAAP basis</b>	<b>\$ 1,137,147</b>	<b>\$ 1,085,489</b>	<b>\$ 3,306,661</b>	<b>\$ 3,217,583</b>
Adjustments:				
Distribution-related adjustments:				
Distribution revenues	(210,424)	(189,216)	(607,811)	(527,811)
Investment advisory services fees	(18,876)	(18,017)	(60,969)	(57,457)
Pass-through adjustments:				
Investment advisory services fees	(13,970)	(12,256)	(40,385)	(39,256)
Other revenues	(15,433)	(20,987)	(46,471)	(50,197)
Impact of consolidated company-sponsored investment funds	(7,059)	(5,182)	(4,679)	(16,848)
Incentive compensation-related items	(2,404)	(2,286)	(11,369)	(6,353)
Equity method investments:				
Equity loss on JVs	16,162	7,550	35,606	35,443
(Gain) on other equity method investments	(471)	—	(3,263)	—
<b>Adjusted net revenues</b>	<b>\$ 884,672</b>	<b>\$ 845,095</b>	<b>\$ 2,567,320</b>	<b>\$ 2,555,104</b>
<b>Operating income, US GAAP basis</b>	<b>\$ 283,477</b>	<b>\$ 365,281</b>	<b>\$ 741,940</b>	<b>\$ 806,567</b>
Adjustments:				
Real estate	—	(206)	—	(618)
Incentive compensation-related items	1,214	742	2,756	2,590
EQH award compensation	344	291	1,017	797
Retirement plan settlement (gain) loss	(2,442)	—	17,733	—
Acquisition-related expenses (income)	12,545	(112,906)	38,571	(78,890)
Equity method investments:				
Equity loss on JVs	16,162	7,550	35,606	35,443
(Gain) on other equity method investments	(471)	—	(3,263)	—
AB Funds reimbursement (income) expense	(8,500)	—	5,796	—
Total of non-GAAP adjustments before interest on borrowings	18,852	(104,529)	98,216	(40,678)
Interest on borrowings	7,167	8,456	22,768	37,139
Sub-total of non-GAAP adjustments	26,019	(96,073)	120,984	(3,539)
Less: Net income of consolidated entities attributable to non-controlling interests	7,129	5,054	4,845	17,262
<b>Adjusted operating income</b>	<b>\$ 302,367</b>	<b>\$ 264,154</b>	<b>\$ 858,079</b>	<b>\$ 785,766</b>
<b>Non-Operating income, US GAAP basis</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 134,555</b>
Less: Interest on borrowings	7,167	8,456	22,768	37,139
Less: Gain on divestiture	—	—	—	134,555
<b>Adjusted non-operating (expense)</b>	<b>\$ (7,167)</b>	<b>\$ (8,456)</b>	<b>\$ (22,768)</b>	<b>\$ (37,139)</b>
<b>Adjusted pre-tax income</b>	<b>\$ 295,200</b>	<b>\$ 255,698</b>	<b>\$ 835,311</b>	<b>\$ 748,627</b>
Less: Adjusted income taxes	17,802	9,972	52,458	40,052

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
<b>Adjusted net income</b>	<b>\$ 277,398</b>	<b>\$ 245,726</b>	<b>\$ 782,853</b>	<b>\$ 708,575</b>
<b>Net income per AB Unit, GAAP basis</b>	<b>\$ 0.88</b>	<b>\$ 1.20</b>	<b>\$ 2.34</b>	<b>\$ 3.02</b>
Impact of non-GAAP adjustments	0.06	(0.35)	0.31	(0.57)
<b>Adjusted net income per AB Unit</b>	<b>\$ 0.94</b>	<b>\$ 0.85</b>	<b>\$ 2.65</b>	<b>\$ 2.45</b>
<b>Operating margin, GAAP basis</b>	<b>24.3 %</b>	<b>33.2 %</b>	<b>22.3 %</b>	<b>24.5 %</b>
Impact of non-GAAP adjustments	9.9	(1.9)	11.1	6.3
<b>Adjusted operating margin</b>	<b>34.2 %</b>	<b>31.3 %</b>	<b>33.4 %</b>	<b>30.8 %</b>

Adjusted operating income for the three months ended September 30, 2025 increased \$38.2 million, or 14.5%, from the three months ended September 30, 2024, primarily due to higher investment advisory base fees of \$35.6 million, lower general and administrative ("G&A") expense of \$23.8 million and higher investment gains compared to losses in the prior year of \$8.2 million, partially offset by higher employee compensation and benefits expense of \$24.6 million and lower performance-based fees of \$5.9 million.

Adjusted operating income for the nine months ended September 30, 2025 increased \$72.3 million, or 9.2%, from the nine months ended September 30, 2024, primarily due to higher investment advisory base fees of \$123.7 million, lower G&A expense of \$48.3 million and lower promotion and servicing expense of \$14.8 million, partially offset by lower BRS revenues of \$96.2 million due to the BRS deconsolidation, lower net dividend and interest revenue of \$5.7 million, lower performance-based fees of \$4.9 million and higher employee compensation and benefits expense of \$3.2 million.

#### Adjusted Net Revenues

Net Revenue, as adjusted, is reduced to exclude all of the company's distribution revenues, which are recorded as a separate line item on the consolidated statement of income, as well as a portion of investment advisory services fees received that is used to pay distribution and servicing costs. For certain products, based on the distinct arrangements, certain distribution fees are collected by us and passed through to third-party client intermediaries, while for certain other products, we collect investment advisory services fees and a portion is passed through to third-party client intermediaries. In both arrangements, the third-party client intermediary owns the relationship with the client and is responsible for performing services and distributing the product to the client on our behalf. We believe offsetting distribution revenues and certain investment advisory services fees is useful for our investors and other users of our financial statements because such presentation appropriately reflects the nature of these costs as pass-through payments to third parties that perform functions on behalf of our sponsored mutual funds and/or shareholders of these funds. Distribution-related adjustments fluctuate each period based on the type of investment products sold, as well as the average AUM over the period. Also, we adjust distribution revenues for the amortization of deferred sales commissions as these costs, over time, will offset such revenues.

We adjust investment advisory and services fees and other revenues for pass through costs, primarily related to our transfer agent and shareholder servicing fees. Also, we adjust for certain investment advisory and services fees passed through to our investment advisors. These fees do not affect operating income, as such, we exclude these fees from adjusted net revenues. We also adjust for certain pass through costs associated with the transition of services to the JVs entered into with Societe Generale ("SocGen"). These amounts are expensed by us and passed to the JVs for reimbursement. These fees do not affect operating income, as such, we exclude these fees from adjusted net revenues

We adjust for the revenue impact of consolidating company-sponsored investment funds by eliminating the consolidated company-sponsored investment funds' revenues and including AB's fees from such consolidated company-sponsored investment funds and AB's investment gains and losses on its investments in such consolidated company-sponsored investment funds that were eliminated in consolidation.

Adjusted net revenues exclude investment gains and losses and dividends and interest on employee long-term incentive compensation-related investments. Also, we adjust for certain acquisition-related pass-through performance-based fees and performance related compensation.

We also adjust net revenues to exclude our portion of the equity income or loss associated with our equity method investments, including our investment in the JVs and reinsurance sidecars, as we don't consider this activity part of our core business operations and these investments generate non-cash volatility which distort core earnings performance. Effective April 1, 2024 following the close of the transaction with SocGen, we record all income or loss associated with the JVs as an equity method investment income (loss). As we no longer consider this activity part of our core business operations and our intent is to fully divest from both joint ventures, we consider these amounts temporary, and as such, we exclude these amounts from our adjusted net revenues.

### Adjusted Operating Income

Adjusted operating income represents operating income on a US GAAP basis excluding (1) real estate charges (credits), (2) the impact on net revenues and compensation expense of the investment gains and losses (as well as the dividends and interest) associated with employee long-term incentive compensation-related investments, (3) the equity compensation paid by EQH to certain AB executives, (4) retirement plan settlement (gain) loss, (5) acquisition-related expenses (income), (6) income (loss) related to our equity method investments, (7) AB Funds reimbursement (income) expense, (8) interest on borrowings and (9) the impact of consolidated company-sponsored investment funds.

Real estate charges (credits) incurred during the fourth quarter of 2019 through the fourth quarter of 2020, while excluded in the period in which the charges (credits) were recorded, were included ratably over the remaining applicable lease term.

Prior to 2009, a significant portion of employee compensation was in the form of long-term incentive compensation awards that were notionally invested in AB investment services and generally vested over a period of four years. AB economically hedged the exposure to market movements by purchasing and holding these investments on its balance sheet. All such investments had vested as of year-end 2012 and the investments have been delivered to the participants, except for those investments with respect to which the participant elected a long-term deferral. Fluctuation in the value of these investments, which also impacts compensation expense, is recorded within investment gains and losses on the income statement. Management believes it is useful to reflect the offset achieved from economically hedging the market exposure of these investments in the calculation of adjusted operating income and adjusted operating margin. The non-GAAP measures exclude gains and losses and dividends and interest on employee long-term incentive compensation-related investments included in revenues and compensation expense.

The board of directors of EQH granted to Seth Bernstein, our CEO, equity awards in connection with EQH's IPO. Additionally, equity awards have been granted to Mr. Bernstein and other AB executives for their membership on the EQH Management Committee. These individuals may receive additional equity or cash compensation from EQH in the future related to their service on the Management Committee. Any awards granted to these individuals by EQH are recorded as compensation expense in AB's consolidated statement of income. The compensation expense associated with these awards has been excluded from our non-GAAP measures because they are non-cash and are based upon EQH's, and not AB's, financial performance.

The (gains) losses associated with the termination of our defined benefit retirement plan are non-cash, short term in nature and not considered a part of our core operating results when comparing financial results from period to period.

Acquisition-related expenses (income) 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. Acquisition-related expenses (income) include professional fees, the recording of changes in estimates to, and accretion expense related to, our contingent payment arrangements associated with our acquisitions, certain compensation-related expenses and amortization of intangible assets for contracts acquired. During the three months ended September 30, 2024 we recognized a gain of \$128.5 million in contingent payment arrangements in the condensed consolidated statement of income related to a fair value remeasurement of the contingent payment liability associated with our acquisition of AB Carval in 2022. The fair value remeasurement was due to updated assumptions of future performance associated with the liability.

We also adjust operating income to exclude our portion of the equity income or loss associated with our equity method investments, including our investment in the JVs and reinsurance sidecar, as we don't consider this activity part of our core business operations and these investments generate non-cash volatility which distort core earnings performance. Effective April 1, 2024 following the close of the transaction with SocGen, we record all income or loss associated with the JVs as an equity method investment (income) loss. As we no longer consider this activity part of our core business operations and our intent is to fully divest from both joint ventures, we consider these amounts temporary, and as such, we exclude these amounts from our adjusted operating income.

During the first quarter of 2025, we identified an error in the billing practices of a third-party service provider, who had overbilled certain AB mutual funds for omnibus account services, sub-accounting services, and related transfer agency expenses in prior years. In the second quarter, at the request of the mutual fund Board, AB agreed to reimburse the affected funds for the entirety of the overpayment plus interest. During the third quarter, we resolved this matter with the service provider and recovered a portion of the overbilled amounts. We have adjusted operating income to exclude these amounts. We

believe adjusting for these costs is useful for our investors and other users of our financial statements as such presentation appropriately reflects the non-core nature of this expenditure.

We adjust operating income to exclude interest on borrowings in order to align with our industry peer group.

We adjust for the operating income impact of consolidating certain company-sponsored investment funds by eliminating the consolidated company-sponsored funds' revenues and expenses and including AB's revenues and expenses that were eliminated in consolidation. We also exclude the limited partner interests we do not own.

#### Adjusted Net Income per AB Unit

*As previously discussed*, our quarterly distribution is typically our adjusted net income per Unit (which is derived from adjusted net income) for the quarter multiplied by the number of general and limited partnership interests outstanding at the end of the quarter. Adjusted net income is derived from adjusted operating income less interest expense and adjusted income taxes. Adjusted income taxes, used in calculating adjusted net income, are calculated using the GAAP effective tax rate adjusted for non-GAAP income tax adjustments.

#### 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.

**Net Revenues**

The components of net revenues are as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
	(in thousands)				(in thousands)			
<b>Investment advisory and services fees:</b>								
Institutions:								
Base fees	\$ 156,982	\$ 160,146	\$ (3,164)	(2.0)%	\$ 459,387	\$ 464,324	\$ (4,937)	(1.1)%
Performance-based fees <sup>(2)</sup>	3,979	7,080	(3,101)	(43.8)	36,330	18,830	17,500	92.9
	<u>160,961</u>	<u>167,226</u>	<u>(6,265)</u>	<u>(3.7)</u>	<u>495,717</u>	<u>483,154</u>	<u>12,563</u>	<u>2.6</u>
Retail:								
Base fees	409,391	388,165	21,226	5.5	1,185,563	1,102,211	83,352	7.6
Performance-based fees <sup>(2)</sup>	(632)	345	(977)	n/m	7,377	16,668	(9,291)	(55.7)
	<u>408,759</u>	<u>388,510</u>	<u>20,249</u>	<u>5.2</u>	<u>1,192,940</u>	<u>1,118,879</u>	<u>74,061</u>	<u>6.6</u>
Private Wealth:								
Base fees	286,105	265,312	20,793	7.8	830,713	775,344	55,369	7.1
Performance-based fees	18,625	21,338	(2,713)	(12.7)	54,170	66,741	(12,571)	(18.8)
	<u>304,730</u>	<u>286,650</u>	<u>18,080</u>	<u>6.3</u>	<u>884,883</u>	<u>842,085</u>	<u>42,798</u>	<u>5.1</u>
Total:								
Base fees	852,478	813,623	38,855	4.8	2,475,663	2,341,879	133,784	5.7
Performance-based fees	21,972	28,763	(6,791)	(23.6)	97,877	102,239	(4,362)	(4.3)
	<u>874,450</u>	<u>842,386</u>	<u>32,064</u>	<u>3.8</u>	<u>2,573,540</u>	<u>2,444,118</u>	<u>129,422</u>	<u>5.3</u>
<b>Bernstein Research Services<sup>(1)</sup></b>								
Distribution revenues	210,424	189,216	21,208	11.2	607,811	527,811	80,000	15.2
Dividend and interest income	35,944	38,940	(2,996)	(7.7)	106,431	127,441	(21,010)	(16.5)
Investment (losses)	(2,721)	(3,512)	791	(22.5)	(31,084)	(15,398)	(15,686)	101.9
Other revenues	34,253	39,673	(5,420)	(13.7)	98,345	104,133	(5,788)	(5.6)
Total revenues	<u>1,152,350</u>	<u>1,106,703</u>	<u>45,647</u>	<u>4.1</u>	<u>3,355,043</u>	<u>3,284,327</u>	<u>70,716</u>	<u>2.2</u>
Less: broker-dealer related interest expense	15,203	21,214	(6,011)	(28.3)	48,382	66,744	(18,362)	(27.5)
<b>Net revenues</b>	<b><u>\$1,137,147</u></b>	<b><u>\$1,085,489</u></b>	<b><u>\$ 51,658</u></b>	<b>4.8%</b>	<b><u>\$3,306,661</u></b>	<b><u>\$3,217,583</u></b>	<b><u>\$ 89,078</u></b>	<b>2.8 %</b>

(1) Effective April 1, 2024, AB deconsolidated the Bernstein Research Services business.

(2) Approximately \$0.8 million of performance-based fee revenue was reclassified from Retail performance-based fee revenue into Institutional performance-based fee revenue during the three months ended September 30, 2025.

**Investment Advisory and Services Fees**

Investment advisory and services fees are the largest component of our revenues. These fees generally are calculated as a percentage of the value of AUM as of a specified date, or as a percentage of the value of average AUM for the applicable billing period, and vary with the type of investment service, the size of account and the total amount of assets we manage for a particular client. Accordingly, fee income generally increases or decreases as AUM increase or decrease and is affected by market appreciation or depreciation, the addition of new client accounts or client contributions of additional assets to existing accounts, withdrawals of assets from and termination of client accounts, purchases and redemptions of mutual fund shares,

shifts of assets between accounts or products with different fee structures, and acquisitions. Our average basis points realized (investment advisory and services fees divided by average AUM) generally approximate 30 to 105 basis points for actively managed equity services, 10 to 65 basis points for actively-managed fixed income services and 1 to 50 basis points for passively managed services. Average basis points realized for other services could range from 3 basis points for certain Institutional third party managed services to over 190 basis points for certain Retail and Private Wealth Management alternative services. These ranges include all-inclusive fee arrangements (covering investment management, trade execution and other services) for our Private Wealth Management clients.

We calculate AUM using established market-based valuation methods and fair valuation (non-observable market) methods. Market-based valuation methods include: last sale/settle prices from an exchange for actively-traded listed equities, options and futures; evaluated bid prices from recognized pricing vendors for fixed income, asset-backed or mortgage-backed issues; mid prices from recognized pricing vendors and brokers for credit default swaps; and quoted bids or spreads from pricing vendors and brokers for other derivative products. Fair valuation methods include: discounted cash flow models or any other methodology that is validated and approved by our Valuation Committee and sub-committee (the "Valuation Committee") (see paragraph immediately below for more information regarding our Valuation Committee). Fair valuation methods are used only where AUM cannot be valued using market-based valuation methods, such as in the case of private equity or illiquid securities.

The Valuation Committee, consists of senior officers and employees, which oversees a consistent framework of pricing and valuation of all investments held in client and AB portfolios. The Valuation Committee has adopted a Statement of Pricing Policies describing principles and policies that apply to pricing and valuing investments held in these portfolios. We also have a Pricing Group, which is overseen by the Valuation Committee and is responsible for managing the pricing process for all investments.

We sometimes charge our clients performance-based fees. 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. 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. We are eligible to earn performance-based fees on 7.5%, 7.3% and 0.4% of the assets we manage for private wealth clients, institutional clients and retail clients, respectively (in total, 4.5% of our AUM).

For the three months ended September 30, 2025, our investment advisory and services fees increased by \$32.1 million, or 3.8%, from the three months ended September 30, 2024, due to a \$38.9 million, or 4.8%, increase in base fees, offset by a \$6.8 million, or 23.6%, decrease in performance-based fees. The increase in base fees is primarily due to a 7.0% increase in average AUM. Performance-based fees decreased primarily due to lower performance fees earned on our Private Credit and Global Opportunistic Credit.

For the nine months ended September 30, 2025, our investment advisory and services fees increased by \$129.4 million, or 5.3%, from the nine months ended September 30, 2024, due to a \$133.8 million, or 5.7%, increase in base fees, offset by a \$4.4 million, or 4.3%, decrease in performance-based fees. The increase in base fees is primarily due to a 7.2% increase in average AUM. Performance-based fees decreased primarily due to lower performance fees earned on our U.S. Select Equity Long/Short, Private Credit, Global Opportunistic Credit and Emerging Markets Value, partially offset by higher performance fees earned on our International Small Cap.

Institutional base fees for the three months ended September 30, 2025 decreased by \$3.2 million, or 2.0%, from the three months ended September 30, 2024, primarily due to a decrease in portfolio fee rate, partially offset by a 4.6% increase in average AUM. Retail base fees for the three months ended September 30, 2025 increased \$21.2 million, or 5.5%, from the three months ended September 30, 2024, primarily due to a 7.7% increase in average AUM, partially offset by a decrease in portfolio fee rate. Private Wealth base fees for the three months ended September 30, 2025 increased \$20.8 million, or 7.8%, from the three months ended September 30, 2024, primarily due to a 11.1% increase in average AUM, partially offset by a decrease in portfolio fee rate.

Institutional base fees for the nine months ended September 30, 2025 decreased by \$4.9 million, or 1.1%, from the nine months ended September 30, 2024, primarily due to a decrease in portfolio fee rate, partially offset by a 3.4% increase in average AUM. Retail base fees for the nine months ended September 30, 2025 increased \$83.4 million, or 7.6%, from the nine months ended September 30, 2024, primarily due to a 9.7% increase in average AUM, partially offset by a decrease in portfolio fee

rate. Private Wealth base fees for the nine months ended September 30, 2025 increased \$55.4 million, or 7.1%, from the nine months ended September 30, 2024, primarily due to a 10.7% increase in average AUM, partially offset by a decrease in portfolio fee rate.

#### Bernstein Research Services

Bernstein Research Services revenue decreased \$96.2 million, or 100%, compared to the nine months ended September 30, 2024 due to the deconsolidation of the BRS business effective April 1, 2024.

#### Distribution Revenues

Two of our subsidiaries act as distributors and/or placement agents of company-sponsored mutual funds and receive distribution services fees from certain of those funds as full or partial reimbursement of the distribution expenses they incur. Period-over-period fluctuations of distribution revenues typically are in line with fluctuations of the corresponding average AUM of these mutual funds.

Distribution revenues for the three months ended September 30, 2025 increased \$21.2 million, or 11.2%, compared to the three months ended September 30, 2024, primarily due to the corresponding average AUM of these mutual funds increasing 10.2%. Distribution revenues for the nine months ended September 30, 2025 increased \$80.0 million, or 15.2%, compared to the nine months ended September 30, 2024, primarily due to the corresponding average AUM of these mutual funds increasing 11.4% and a shift in product mix to mutual funds that have higher distribution rates.

#### Dividend and Interest Income and Broker-Dealer Related Interest Expense

Dividend and interest income consists primarily of investment income and interest earned on customer margin balances and U.S. Treasury Bills as well as dividend and interest income in our consolidated company-sponsored investment funds. Broker-dealer related interest expense principally reflects interest accrued on cash balances in customers' brokerage accounts.

For the three months ended September 30, 2025, dividend and interest income decreased \$3.0 million, or 7.7%, compared to the three months ended September 30, 2024, primarily due to lower interest earned on customer margin accounts and U.S. Treasury Bills. Broker-dealer related interest expense for the three months ended September 30, 2025 decreased \$6.0 million, or 28.3%, compared to the three months ended September 30, 2024, primarily due to lower interest paid on cash balances in customers' brokerage accounts, as a result of lower balances and lower interest rates.

For the nine months ended September 30, 2025, dividend and interest income decreased \$21.0 million, or 16.5%, compared to the nine months ended September 30, 2024, primarily due to lower interest earned on customer margin accounts and U.S. Treasury Bills. Broker-dealer related interest expense for the nine months ended September 30, 2025 decreased \$18.4 million, or 27.5%, compared to the nine months ended September 30, 2024, primarily due to lower interest paid on cash balances in customers' brokerage accounts, as a result of lower balances and lower interest rates.

#### Investment Gains (Losses)

Investment gains (losses) consist primarily of realized and unrealized investment gains or losses on: (i) employee long-term incentive compensation-related investments, (ii) U.S. Treasury Bills, (iii) seed capital investments, (iv) derivatives and (v) investments in our consolidated company-sponsored investment funds. Investment gains (losses) also include equity in earnings of proprietary investments in limited partnership hedge funds that we sponsor and manage and equity gains (losses) related to our equity method investments.

Investment gains (losses) are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
<b>Long-term incentive compensation-related investments:</b>				
Realized gains (losses)	\$ 43	\$ (14)	\$ 1,031	\$ 7,110
Unrealized gains (losses)	1,917	1,649	2,584	(2,417)
<b>Investments held by consolidated company-sponsored investment funds:</b>				
Realized gains (losses)	1,092	1,035	2,551	(641)
Unrealized gains	4,433	9,373	4,598	20,900
<b>Seed capital and other investments:</b>				
Realized (losses) gains:				
Seed capital and other	(42)	332	4,736	19
Derivatives	(11,144)	(11,003)	(23,090)	(25,442)
Unrealized gains (losses):				
Seed capital and other	10,011	6,355	13,985	16,299
Derivatives	6,383	(4,225)	(5,174)	3,787
<b>Brokerage-related investments:</b>				
Realized gains (losses)	112	25	162	(279)
Unrealized gains (losses)	165	511	(124)	709
<b>Equity method investments:</b>				
(Loss) on JVs	(16,162)	(7,550)	(35,606)	(35,443)
Gain on other equity method investments	471	—	3,263	—
	<u>\$ (2,721)</u>	<u>\$ (3,512)</u>	<u>\$ (31,084)</u>	<u>\$ (15,398)</u>

#### Other Revenues

Other revenues consist of fees earned for transfer agency services provided to company-sponsored mutual funds, fees earned for administration and recordkeeping services provided to company-sponsored mutual funds and the General Accounts of EQH and its subsidiaries, and other miscellaneous revenues. Other revenues for the three months ended September 30, 2025 decreased \$5.4 million, or 13.7%, compared to the three months ended September 30, 2024, primarily due to a decrease in certain reimbursements for services provided to the JVs and lower shareholder servicing fees. Other revenues for the nine months ended September 30, 2025 decreased \$5.8 million, or 5.6%, compared to the nine months ended September 30, 2024, primarily due to lower shareholder servicing fees, partially offset by higher reimbursements for services provided to the JVs.

**Expenses**

The components of expenses are as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
	(in thousands)				(in thousands)			
Employee compensation and benefits	\$ 450,793	\$ 424,893	\$ 25,900	6.1 %	\$ 1,310,878	\$ 1,300,989	\$ 9,889	0.8 %
Promotion and servicing:								
Distribution-related payments	208,435	192,230	16,205	8.4	606,615	545,120	61,495	11.3
Amortization of deferred sales commissions	20,872	15,005	5,867	39.1	62,183	40,152	22,031	54.9
Trade execution, marketing, T&E and other	36,907	38,312	(1,405)	(3.7)	114,239	134,243	(20,004)	(14.9)
	<u>266,214</u>	<u>245,547</u>	<u>20,667</u>	<u>8.4</u>	<u>783,037</u>	<u>719,515</u>	<u>63,522</u>	<u>8.8</u>
General and administrative	118,203	155,808	(37,605)	(24.1)	414,156	439,450	(25,294)	(5.8)
Contingent payment arrangements	43	(125,947)	125,990	n/m	149	(120,831)	120,980	n/m
Interest on borrowings	7,167	8,456	(1,289)	(15.2)	22,768	37,139	(14,371)	(38.7)
Amortization of intangible assets	11,250	11,451	(201)	(1.8)	33,733	34,754	(1,021)	(2.9)
<b>Total</b>	<b><u>\$ 853,670</u></b>	<b><u>\$ 720,208</u></b>	<b><u>\$ 133,462</u></b>	<b><u>18.5 %</u></b>	<b><u>\$ 2,564,721</u></b>	<b><u>\$ 2,411,016</u></b>	<b><u>\$ 153,705</u></b>	<b><u>6.4 %</u></b>

**Employee Compensation and Benefits**

Employee compensation and benefits expense consists of base compensation (including salaries and severance), annual short-term incentive compensation awards (cash bonuses), annual long-term incentive compensation awards, commissions, fringe benefits and other employment costs (including recruitment, training, temporary help and meals).

Compensation expense as a percentage of net revenues was 39.6% and 39.1% for the three months ended September 30, 2025 and 2024, respectively. Compensation expense as a percentage of net revenues was 39.6% and 40.4% for the nine months ended September 30, 2025 and 2024, respectively. Compensation expense generally is determined on a discretionary basis and is primarily a function of our firm's current-year financial performance. The amounts of incentive compensation we award are designed to motivate, reward and retain top talent while aligning our executives' interests with the interests of our Unitholders. Senior management, with the approval of the Compensation and Workplace Practices Committee of the Board of Directors of AllianceBernstein Corporation ("Compensation Committee"), periodically confirms that the appropriate metric to consider in determining the amount of incentive compensation is the ratio of adjusted employee compensation and benefits expense to adjusted net revenues. Adjusted net revenues used in the adjusted compensation ratio are the same as the adjusted annual net revenues presented as a non-GAAP measure (*discussed earlier in this Item 2*). Adjusted employee compensation and benefits expense is total employee compensation and benefits expense minus other employment costs such as recruitment, training, temporary help and meals (which was 1.1% of adjusted net revenues for both the three and nine months ended September 30, 2025 and 1.0% of adjusted net revenues for both the three and nine months ended September 30, 2024), and excludes the impact of mark-to-market vesting expense, as well as dividends and interest expense, associated with employee incentive compensation-related investments and the amortization expense associated with the awards issued by EQH to some of our firm's executive officers relating to their roles as members of the EQH Management Committee. Senior management, with the approval of the Compensation Committee, has established as an objective that adjusted employee compensation and benefits expense, excluding the impact of performance-based fees, generally should not exceed 50.0% of our adjusted net revenues in any year, except in unexpected or unusual circumstances. Our ratio of adjusted compensation expense as a percentage of adjusted net revenues was 48.5% for the three and nine months ended September 30, 2025. Our ratio of adjusted compensation

expense as a percentage of adjusted net revenues was 48.0% for the three months ended September 30, 2024 and 48.7% for the nine months ended September 30, 2024.

For the three months ended September 30, 2025, employee compensation and benefits expense increased \$25.9 million, or 6.1%, compared to the three months ended September 30, 2024, primarily due to higher base compensation of \$7.7 million, higher commissions of \$6.1 million, higher fringe benefits of \$5.5 million and higher incentive compensation of \$5.4 million. For the nine months ended September 30, 2025, employee compensation and benefits expense increased \$9.9 million, or 0.8%, compared to the nine months ended September 30, 2024, primarily due to higher commissions of \$24.9 million, partially offset by lower base compensation of \$15.6 million

#### Promotion and Servicing

Promotion and servicing expenses include distribution-related payments to financial intermediaries for distribution of AB mutual funds and amortization of deferred sales commissions paid to financial intermediaries for the sale of back-end load shares of AB mutual funds. Also included in this expense category are costs related to trade execution and clearance, travel and entertainment, advertising and promotional materials.

Promotion and servicing expenses increased \$20.7 million, or 8.4%, during the three months ended September 30, 2025 compared to the three months ended September 30, 2024. The increase was primarily due to higher distribution-related payments of \$16.2 million and higher amortization of deferred sales commissions of \$5.9 million.

Promotion and servicing expenses increased \$63.5 million, or 8.8%, during the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024. The increase was primarily due to higher distribution-related payments of \$61.5 million and higher amortization of deferred sales commissions of \$22.0 million, partially offset by lower trade execution and clearance expense of \$16.2 million due to the BRS deconsolidation.

#### General and Administrative

General and administrative expenses include portfolio services expenses, technology expenses, professional fees and office-related expenses (occupancy, communications and similar expenses). General and administrative expenses as a percentage of net revenues were 10.4% and 14.4% for the three months ended September 30, 2025 and 2024, respectively. General and administrative expenses as a percentage of net revenues were 12.5% and 13.7% for the nine months ended September 30, 2025 and 2024, respectively.

General and administrative expenses decreased \$37.6 million, or 24.1%, during the three months ended September 30, 2025 compared to the corresponding period in 2024, primarily due to lower office-related expenses of \$23.4 million principally driven by our early exit from our previous New York office location in 2024, a partial recovery of \$8.5 million from a third-party service provider related to the recognition of the AB Funds reimbursement expense recognized in the second quarter of 2025, lower professional fees of \$5.1 million and a final settlement of the pension obligation of \$2.4 million, partially offset by higher portfolio services and related expenses of \$3.3 million.

General and administrative expenses decreased \$25.3 million, or 5.8%, during the nine months ended September 30, 2025 compared to the corresponding period in 2024, primarily due to lower office-related expenses of \$58.0 million primarily driven by our early exit from our previous New York office location in 2024, lower professional fees of \$10.9 million, lower other taxes of \$4.4 million, partially offset by a one time gain in the prior year period related to the recognition of a \$20.8 million government incentive grant received in connection with the relocation of our headquarters to Nashville, Tennessee, a retirement plan settlement loss of \$17.7 million in the current year, a \$5.8 million AB Funds reimbursement expense (net of \$8.5 million recovered in the third quarter of 2025) related to a disputed billing practice of a third-party service provider and higher portfolio services and related expense of \$4.5 million.

#### Contingent Payment Arrangements

Contingent payment arrangements reflect changes in estimates of contingent payment liabilities associated with acquisitions in current and previous periods, as well as accretion expense of these liabilities. There were no changes in our estimates during the nine months ended September 30, 2025. During the three months ended September 30, 2024 we recognized a gain of \$128.5 million in contingent payment arrangements in the condensed consolidated statement of income related to a fair value remeasurement of the contingent payment liability associated with our acquisition of AB CarVal in 2022. The fair value remeasurement was due to updated assumptions of future performance associated with the liability.

During the three months ended September 30, 2025 and 2024, we recognized zero and \$2.6 million in accretion expense related to our contingent considerations payable. During the nine months ended September 30, 2025 and 2024, we recognized \$0.1 million and \$7.7 million in accretion expense related to our contingent considerations payable.

We made payments of approximately \$1.0 million and \$2.6 million, associated with our contingent consideration during the nine months ended September 30, 2025 and September 30, 2024, respectively, related to various smaller acquisitions.

#### Interest on Borrowings

Interest on borrowings reflects interest expense related to our debt and credit facilities. *See Note 16 to AB's condensed consolidated financial statements contained in Item 1*, for disclosures relating to our debt and credit facilities. For the three months ended September 30, 2025 interest on borrowings decreased \$1.3 million, or 15.2%, compared to the three months ended September 30, 2024. The decrease was primarily due to lower weighted average interest rates. For the nine months ended September 30, 2025 interest on borrowings decreased \$14.4 million, or 38.7%, compared to the nine months ended September 30, 2024. The decrease was primarily due to lower weighted average interest rates and lower weighted average borrowings.

#### Amortization of Intangible Assets

Amortization of intangible assets reflects our amortization of costs assigned to acquired investment management contracts with a finite life. These assets are recognized at fair value and generally are amortized on a straight-line basis over their estimated useful life. Amortization of intangible assets decreased \$0.2 million during the three months ended September 30, 2025 compared to the three months ended September 30, 2024. Amortization of intangible assets decreased \$1.0 million during the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024.

#### ***Income Taxes***

AB, a private limited partnership, is not subject to federal or state corporate income taxes. However, AB is subject to a 4.0% New York City unincorporated business tax ("UBT"). Our domestic corporate subsidiaries are subject to federal, state and local income taxes and generally are included in the filing of a consolidated federal income tax return. Separate state and local income tax returns also are filed. Foreign corporate subsidiaries generally are subject to taxes in the jurisdictions where they are located.

Income tax expense for the three months ended September 30, 2025 increased \$2.8 million, or 19.9%, compared to the three months ended September 30, 2024 as a result of an increase in foreign income in jurisdictions that carry a higher tax rate. Income tax expense for the nine months ended September 30, 2025 decreased \$3.8 million, or 7.6%, compared to the nine months ended September 30, 2024 as a result of a decrease in foreign income in jurisdictions that carry a higher tax rate. There were no material changes to uncertain tax positions (FIN 48 reserves) or valuation allowances against deferred tax assets for the three and nine months ended September 30, 2025.

#### ***Net Income (Loss) of Consolidated Entities Attributable to Non-Controlling Interests***

Net income (loss) of consolidated entities attributable to non-controlling interests primarily consists of limited partner interests owned by other investors in our consolidated company-sponsored investment funds. For the three months ended September 30, 2025, we had \$7.1 million of net income of consolidated entities attributable to non-controlling interests compared to net income of \$5.1 million for the three months ended September 30, 2024. The increase is driven by higher net income of consolidated entities attributable to non-controlling interests. For the nine months ended September 30, 2025, we had \$4.8 million of net income of consolidated entities attributable to non-controlling interests compared to net income of \$17.3 million for the nine months ended September 30, 2024. The decrease is driven by lower net income of consolidated entities attributable to non-controlling interests. Period-to-period fluctuations result primarily from the number of consolidated company-sponsored investment funds and their respective market performance.

## CAPITAL RESOURCES AND LIQUIDITY

Cash flows from operating activities primarily include the receipt of investment advisory and services fees and other revenues offset by the payment of operating expenses incurred in the normal course of business. Our cash flows from operating activities have historically been positive and sufficient in supporting our operations. We do not anticipate this to change in the foreseeable future. Cash flows from investing activities generally consist of small capital expenditures and, when applicable, business acquisitions. Cash flows from financing activities primarily consist of issuance and repayment of debt and the repurchase of AB Holding Units for our long-term deferred compensation plans. We are required to distribute all of our Available Cash Flow to our Unitholders and the General Partner.

During the first nine months of 2025, net cash provided by operating activities was \$948.1 million compared to net cash provided of \$1.1 billion during the corresponding 2024 period. The decrease is primarily due to the net activity of our consolidated company-sponsored investment funds of \$355.1 million, a decrease in accounts payable and accrued liabilities of \$81.1 million and an increase in other investments of \$35.8 million, partially offset by a decrease in fees receivable of \$136.1 million, a decrease in deferred sales commissions of \$61.8 million and a decrease in broker-dealer related net assets of \$56.8 million.

During the first nine months of 2025, net cash used in investing activities was \$27.8 million, compared to net cash used of \$93.3 million during the corresponding 2024 period. The change is due to a decrease in debt repayment received from equity method investments of \$86.2 million, lower purchases of furniture, equipment and leasehold improvements of \$72.1 million, a decrease in cash used related to the divestiture of the BRS business of \$40.2 million and a decrease in capital contributions to equity method investments of \$39.4 million.

During the first nine months of 2025, net cash used in financing activities was \$1.0 billion, compared to net cash used of \$1.5 billion during the corresponding 2024 period. The change is primarily due to lower repayments of debt of \$409.3 million and capital contributions from consolidated funds in the current year compared to cash distributions in the prior year (net impact of \$205.8 million), partially offset by higher cash distributions to Unitholders of \$136.8 million.

During the second quarter of 2025, EQH announced the final results of its cash tender offer and purchased a total of 19,682,946 AB Holding Units. During the third quarter, AB entered into an amended and restated Exchange Agreement (the “Amended Exchange Agreement”) with EQH to increase the AB Units that remain available for exchange from 4,788,806 AB Units to 19,682,946 AB Units. At the time the Amended Exchange agreement was entered into, AB issued and exchanged 19,682,946 AB Units for AB Holding Units held by EQH. The acquired AB Holding Units from the exchange were retired, along with an equal number of AB Units.

As of September 30, 2025, AB had \$740.9 million of cash and cash equivalents (excluding cash and cash equivalents of consolidated company-sponsored investment funds), all of which is available for liquidity but consists primarily of cash on deposit for our broker-dealers related to various customer clearing activities, and cash held by foreign subsidiaries of \$499.3 million.

*See Note 16 to AB’s condensed consolidated financial statements contained in Item 1*, for disclosures relating to our debt and credit facilities. We use our debt and credit facilities to seed certain new investment products which may expose us to market risk, credit risk and material gains and losses. To reduce our exposure, we enter into various futures, forwards, options and swaps primarily to economically hedge certain of our seed money investments. While in most cases broad market risks are hedged and are effective in reducing our exposure, our hedges are imperfect and we may remain exposed to some market risk and credit-related losses in the event of non-performance by counterparties on these derivative instruments.

Our financial condition and access to public and private debt markets should provide adequate liquidity for our general business needs. Management believes that cash flow from operations and the issuance of debt and AB Units or AB Holding Units will provide us with the resources we need to meet our financial obligations. See “*Cautions Regarding Forward-Looking Statements*” for a discussion of credit markets and our ability to renew our credit facilities at expiration.

## COMMITMENTS AND CONTINGENCIES

AB’s capital commitments, which consist primarily of operating leases for office space, generally are funded from future operating cash flows. *See Note 13* for discussion of lease commitments.

*See Note 12* for discussion of commitments and contingencies.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of the condensed consolidated financial statements and notes to condensed consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses.

There have been no updates to our critical accounting estimates during the third quarter of 2025, other than as noted below, from those disclosed in “*Management’s Discussion and Analysis of Financial Condition*” in our Form 10-K for the year ended December 31, 2024.

### **Goodwill**

Our acquisitions are accounted for under the acquisition method of accounting, where the cost of the acquisition is allocated on the basis of the estimated fair value of the assets acquired and the liabilities assumed. The excess of the purchase price over the fair value of identifiable assets acquired, net of liabilities assumed, results in the recognition of goodwill.

As of September 30, 2025, we had goodwill of \$3.6 billion on the consolidated statement of financial condition which included \$2.6 billion as a result of the Sanford C. Bernstein Inc. (“Bernstein”) acquisition in 2000, \$666.1 million as a result of the CarVal Investors L.P. (“CarVal”) acquisition in 2022 and \$291.9 million in regard to various smaller acquisitions.

We have determined that AB has only one reporting segment and reporting unit. We test our goodwill annually, as of September 30, for impairment or if certain events or changes in circumstances occur and trigger an interim impairment test. The carrying value of goodwill is also reviewed if facts and circumstances occur that suggest possible impairment, such as, but not limited to significant transactions including acquisitions or divestitures and significant declines in AUM, revenues, earnings or the price of an AB Holding Unit. Any of these changes in circumstances could suggest the possibility that goodwill is impaired, but none of these events or circumstances by itself would indicate that it is more likely than not that goodwill is impaired. Instead, they are merely recognized as triggering events for the consideration of impairment and must be viewed in combination with any mitigating or positive factors. A holistic evaluation of all events since the most recent quantitative impairment test must be done to determine whether it is more likely than not that the reporting unit is impaired.

For our annual impairment test, we utilize the market approach where the fair value of the reporting unit is based on its unadjusted market valuation (AB Units outstanding multiplied by AB Holding’s Unit price) and earnings multiples. A goodwill impairment would be the amount by which a reporting unit’s carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. The goodwill impairment test does not include a determination by management of whether a decline in fair value is temporary and it is important that management’s determination of fair value reflect the impact of changing market conditions, including the severity and anticipated duration of any such changes. The price of a publicly traded AB Holding Unit serves as a reasonable starting point for valuing an AB Unit because each represents the same fractional interest in our underlying business. Our market approach analysis also includes comparable industry earnings multiples applied to our earnings forecast and assumes a control premium (when applicable).

## ACCOUNTING PRONOUNCEMENTS

*See Note 2 to AB’s condensed consolidated financial statements contained in Item 1.*

## CAUTIONS REGARDING FORWARD-LOOKING STATEMENTS

Certain statements provided by management in this report and in the portion of AB’s Form 10-Q attached hereto as *Exhibit 99.1* 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, the impact of tariffs and potential disruptions in international trade on financial markets, product and account performance, asset levels and 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” in Part I, Item 1A* of our Form 10-K for the year ended December 31, 2024

and Part II, Item 1A in this Form 10-Q. Any or all of the forward-looking statements that we make in our Form 10-K, this Form 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 those listed below could also adversely impact our revenues, financial condition, results of operations and business prospects.

The forward-looking statements referred to in the preceding paragraph, most of which directly affect AB but also affect AB Holding because AB Holding's principal source of income and cash flow is attributable to its investment in AB, include statements regarding:

- Our belief that the cash flow AB Holding realizes from its investment in AB will provide AB Holding with the resources it needs to meet its financial obligations: AB Holding's cash flow is dependent on the quarterly cash distributions it receives from AB. Accordingly, AB Holding's ability to meet its financial obligations is dependent on AB's cash flow from its operations, which is subject to the performance of the capital markets and other factors beyond our control.
- Our financial condition and ability to access the public and private capital markets providing adequate liquidity for our general business needs: Our financial condition is dependent on our cash flow from operations, which is subject to the performance of the capital markets, our ability to maintain and grow client assets under management and other factors beyond our control. Our ability to access public and private capital markets on reasonable terms may be limited by adverse market conditions, our firm's credit ratings, our profitability and changes in government regulations, including tax rates and interest rates.
- The outcome of litigation: Litigation is inherently unpredictable, and excessive damage awards do occur. Though we have stated that we do not expect any pending legal proceedings to have a material adverse effect on our results of operations, financial condition or liquidity, any settlement or judgment with respect to a legal proceeding could be significant and could have such an effect.
- The possibility that we will engage in open market purchases of AB Holding Units for anticipated obligations under our incentive compensation award program: The number of AB Holding Units AB may decide to buy in future periods, if any, for incentive compensation awards depends on various factors, some of which are beyond our control, including the fluctuation in the price of an AB Holding Unit (NYSE: AB) and the availability of cash to make these purchases.
- Our determination that adjusted employee compensation expense, excluding the impact of performance-based fees, generally should not exceed 50% of our adjusted net revenues on an annual basis: Aggregate employee compensation reflects employee performance and competitive compensation levels. Fluctuations in our revenues and/or changes in competitive compensation levels could result in adjusted employee compensation expense exceeding 50% of our adjusted net revenues.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

There have been no material changes in AB's market risk during the third quarter of 2025 from the information provided under "Quantitative and Qualitative Disclosures About Market Risk" in Part II, Item 7A of AB's Form 10-K for the year ended December 31, 2024.

### **Item 4. Controls and Procedures**

#### ***Disclosure Controls and Procedures***

Each of AB Holding and AB maintains a system of disclosure controls and procedures that is designed to ensure that information required to be disclosed in our reports under the Exchange Act is (i) recorded, processed, summarized and reported in a timely manner, and (ii) accumulated and communicated to management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), to permit timely decisions regarding our disclosure.

As of the end of the period covered by this report, management carried out an evaluation, under the supervision and with the participation of the CEO and the CFO, of the effectiveness of the design and operation of the disclosure controls and procedures. Based on this evaluation, the CEO and the CFO concluded that the disclosure controls and procedures are effective.

#### ***Changes in Internal Control over Financial Reporting***

No change in our internal control over financial reporting occurred during the third quarter of 2025 that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## Part II

**OTHER INFORMATION****Item 1. Legal Proceedings**

See Note 12 to the condensed consolidated financial statements contained in Part I, Item 1.

**Item 1A. Risk Factors**

There have been no material changes to the risk factors from those appearing in our Annual Report on Form 10-K ("AB 10-K") for the fiscal year ended December 31, 2024.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

AB Units bought by us or one of our affiliates during the third quarter of 2025 are as follows:

**ISSUER PURCHASES OF EQUITY SECURITIES**

<b>Period</b>	<b>Total Number of AB Units Purchased</b>	<b>Average Price Paid Per AB Unit, net of Commissions</b>	<b>Total Number of AB Units Purchased as Part of Publicly Announced Plans or Programs</b>	<b>Maximum Number (or Approximate Dollar Value) of AB Units that May Yet Be Purchased Under the Plans or Programs</b>
7/1/25 - 7/31/25	—	\$ —	—	—
8/1/25 - 8/31/25	—	—	—	—
9/1/25 - 9/30/25 <sup>(1)</sup>	1,100	39.48	—	—
<b>Total</b>	<b>1,100</b>	<b>\$ 39.48</b>	—	—

<sup>(1)</sup> During third quarter of 2025, AB purchased 1,100 AB Units in private transactions and retired them.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

None.

**Item 5. Other Information**

On May 21, 2025, Mr. Seth Bernstein, Chief Executive Officer of AB adopted a Rule 10b5-1 trading arrangement, as defined in Regulation S-K, (the "Plan"), Item 408. The Rule 10b5-1 trading arrangement had a plan effective date of August 19, 2025 and plan end date of November 17, 2025 and provided for the sale of up to 31,694 AB Holding Units pursuant to the terms of the plan.

During the third quarter, a total of 31,694 AB units were sold pursuant to the Plan and the Plan was terminated.

No other directors or officers adopted or terminated a 10b5-1 trading arrangement or non-10b5-1 trading arrangement during the third quarter of 2025.

**Item 6. Exhibits**

31.1	<a href="#"><u>Certification of Mr. Bernstein furnished pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
31.2	<a href="#"><u>Certification of Mr. Simeone furnished pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
32.1	<a href="#"><u>Certification of Mr. Bernstein furnished for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
32.2	<a href="#"><u>Certification of Mr. Simeone furnished for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2025, formatted in Inline XBRL (included in Exhibit 101).

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: October 23, 2025

**ALLIANCEBERNSTEIN L.P.**

By: /s/ Thomas Simeone  
Thomas Simeone  
Chief Financial Officer

By: /s/ Alexis Luckey  
Alexis Luckey  
Chief Accounting Officer