

REFINITIV

# DELTA REPORT

## 10-Q

AB - ALLIANCEBERNSTEIN HOLDING  
10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1268
CHANGES	365
DELETIONS	334
ADDITIONS	569

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 March 31, 2024 June 30, 2024

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. 001-09818

ALLIANCEBERNSTEIN HOLDING L.P.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

13-3434400

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

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. ☐

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(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
Units Rep. Assignments of Beneficial Ownership of LP Interests in AB Holding ("Units")	AB	New York Stock Exchange

The number of units representing assignments of beneficial ownership of limited partnership interests outstanding as of March 31, 2024 June 30, 2024 was 115,163,604 114,619,452.\*

\*includes 100,000 units of general partnership interest having economic interests equivalent to the economic interests of the units representing assignments of beneficial ownership of limited partnership interests.

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ALLIANCEBERNSTEIN HOLDING L.P.

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## FINANCIAL INFORMATION

Item 1. Financial Statements

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

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023

**ASSETS**

Investment in AB

Investment in AB

Investment in AB

Other assets

Other assets

Other assets

**Total assets****Total assets****Total assets****LIABILITIES AND PARTNERS' CAPITAL****LIABILITIES AND PARTNERS' CAPITAL****LIABILITIES AND PARTNERS' CAPITAL**

Liabilities:

Liabilities:

Liabilities:

Other liabilities

Other liabilities

Other liabilities

**Total liabilities**

Commitments and contingencies (See Note 8)

Commitments and contingencies (See Note 8)

Commitments and contingencies (See Note 8)

Partners' capital:

Partners' capital:

Partners' capital:

General Partner: 100,000 general partnership units issued and outstanding

General Partner: 100,000 general partnership units issued and outstanding

General Partner: 100,000 general partnership units issued and outstanding

Limited partners: 115,063,604 and 114,336,091 limited partnership units issued and outstanding

Limited partners: 114,519,452 and 114,336,091 limited partnership units issued and outstanding

AB Holding Units held by AB to fund long-term incentive compensation plans

Accumulated other comprehensive loss

**Total partners' capital****Total liabilities and partners' capital**

See Accompanying Notes to Condensed Financial Statements.

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

	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,					
	2024		2024		2023		2024		2023		2024	2023	2024	2023
Equity in net income attributable to AB Unitholders														
Equity in net income attributable to AB Unitholders														
Equity in net income attributable to AB Unitholders														
Income taxes														
Income taxes														
Income taxes														
<b>Net income</b>														
<b>Net income</b>														
<b>Net income</b>														
<b>Net income per unit:</b>														
<b>Net income per unit:</b>														
<b>Net income per unit:</b>														
Basic														
Basic														
Basic														
Diluted														

See Accompanying Notes to Condensed Financial Statements.

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**ALLIANCEBERNSTEIN HOLDING L.P.**  
**Condensed Statements of Comprehensive Income**  
(in thousands)  
(unaudited)

	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,					
	2024		2024		2023		2024		2023		2024	2023	2024	2023
Net income														
Net income														
Net income														
Other comprehensive (loss) income:														
Foreign currency translation adjustment, before tax														
Foreign currency translation adjustment, before tax														
Foreign currency translation adjustments, before reclassification and tax:														
Foreign currency translation adjustments, before reclassification and tax:														
Foreign currency translation adjustments, before reclassification and tax:														
Less: reclassification adjustment for (losses) in net income upon liquidation														
Foreign currency translation adjustment, before tax														
Income tax benefit														
Income tax (expense) benefit														
Income tax benefit														



Balance, end of period				
Balance, end of period				
Limited Partners' Capital	Limited Partners' Capital	Limited Partners' Capital		
Balance, beginning of period				
Net income				
Cash distributions to Unitholders				
Retirement of AB Holding Units				
Issuance of AB Holding Units to fund long-term incentive compensation plan awards				
Balance, end of period				
Balance, end of period				
Balance, end of period				
AB Holding Units held by AB to fund long-term incentive compensation plans	AB Holding Units held by AB to fund long-term incentive compensation plans	AB Holding Units held by AB to fund long-term incentive compensation plans		
Balance, beginning of period				
Change in AB Holding Units held by AB to fund long-term incentive compensation plans				
Balance, end of period				
Accumulated Other Comprehensive (Loss)	Accumulated Other Comprehensive (Loss)			Accumulated Other Comprehensive (Loss)
Balance, beginning of period				
Foreign currency translation adjustment, net of tax				
Foreign currency translation adjustment, net of tax				
Foreign currency translation adjustment, net of tax				
Changes in employee benefit related items, net of tax				
Balance, end of period				
Balance, end of period				
Balance, end of period				
Total Partners' Capital				

See Accompanying Notes to Condensed Financial Statements.

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<div> <div>ALLIANCEBERNSTEIN HOLDING L.P.</div> <div>Condensed Statements of Cash Flows</div> <div>(in thousands)</div> <div>(unaudited)</div> </div>					
		Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2024	2023	2024	2023
Cash flows from operating activities:					
Net income					
Net income					
Net income					
Adjustments to reconcile net income to net cash provided by operating activities:					
Equity in net income attributable to AB Unitholders					
Equity in net income attributable to AB Unitholders					
Equity in net income attributable to AB Unitholders					

Cash distributions received from AB

Changes in assets and liabilities:

(Increase) in other assets

(Increase) in other assets

(Increase) in other assets

(Decrease) in other liabilities

**Net cash provided by operating activities**

Cash flows from financing activities:

Cash flows from financing activities:

Cash flows from financing activities:

Cash distributions to Unitholders

Cash distributions to Unitholders

Cash distributions to Unitholders

Capital contributions from AB

**Net cash used in financing activities**

**Net cash used in financing activities**

**Net cash used in financing activities**

**Change in cash and cash equivalents**

**Change in cash and cash equivalents**

**Change in cash and cash equivalents**

Cash and cash equivalents as of beginning of period

**Cash and cash equivalents as of end of period**

See Accompanying Notes to Condensed Financial Statements.

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**ALLIANCEBERNSTEIN HOLDING L.P.**  
**Notes to Condensed Financial Statements**  
**March 31, June 30, 2024**  
(unaudited)

The words “we” and “our” refer collectively to AllianceBernstein Holding L.P. (“AB Holding”) and AllianceBernstein L.P. and its subsidiaries (“AB”), or to their officers and employees. Similarly, the word “company” refers to both AB Holding and AB. Where the context requires distinguishing between AB Holding and AB, we identify which of them is being discussed. These statements should be read in conjunction with the audited consolidated financial statements included in the Form 10-K for the year ended December 31, 2023.

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

### *Business Description*<sup>(1)</sup>

AB Holding's principal source of income and cash flow is attributable to its investment in AB limited partnership interests. The condensed financial statements and notes of AB Holding should be read in conjunction with the condensed consolidated financial statements and notes of AB included as an exhibit to this quarterly report on Form 10-Q and with AB Holding's and AB's audited financial statements included in AB Holding's Form 10-K for the year ended December 31, 2023.

AB provides diversified investment management **research** and related services globally to a broad range of clients. Its principal services include:

- **Institutional Services** – servicing its 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 its 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 Services** – servicing its 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.
- **Bernstein Research Services** – servicing institutional investors, such as pension fund, hedge fund and mutual fund managers, seeking high-quality fundamental research, quantitative services and brokerage-related services in equities and listed options.<sup>1</sup>

AB also provides distribution, shareholder servicing, transfer agency services and administrative services to certain of the mutual funds it sponsors.

AB's high-quality, in-depth research is the foundation of its asset management and private wealth management businesses. AB's research disciplines include economic, fundamental equity, fixed income and quantitative research. In addition, AB has expertise in multi-asset strategies, wealth management, environmental, social and corporate governance ("ESG"), and alternative investments.

AB provides 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;

On April 1, 2024 AB and Societe Generale, a leading European bank, completed their previously announced transaction to form a jointly owned equity research provider and cash equity trading partner for institutional investors. For further discussion, see Note 17 Divestiture to AB's condensed consolidated financial statements attached hereto as Exhibit 99.1.

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- 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);

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- Portfolios with Purpose, including Sustainable, Impact and Responsible+ (Climate-Conscious and ESG leaders) equity, fixed income and multi-asset strategies that address our clients' desire to invest their capital with a dedicated ESG focus, while pursuing strong investment returns;
- Multi-asset services and solutions, 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

As of March 31, 2024 June 30, 2024, EQH owned approximately 3.5% of the issued and outstanding units representing assignments of beneficial ownership of limited partnership interests in AB Holding ("AB Holding Units"). AllianceBernstein Corporation (an indirect wholly-owned subsidiary of EQH, "General Partner") is the general partner of both 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 March 31, 2024 June 30, 2024, the ownership structure of AB, expressed as a percentage of general and limited partnership interests, was as follows:

EQH and its subsidiaries	59.6	59.7	%
AB Holding	39.7	39.6	
Unaffiliated holders		0.7	
		100.0	%

Including both the general partnership and limited partnership interests in AB Holding and AB, EQH and its subsidiaries had an approximate 61.0% 61.1% economic interest in AB as of March 31, 2024 June 30, 2024.

Basis of Presentation

The interim condensed 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 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 financial statements and the reported amounts of revenues and expenses during the interim reporting periods. Actual results could differ from those estimates. The condensed statement of financial condition as of December 31, 2023 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.

AB Holding records its investment in AB using the equity method of accounting. AB Holding's investment is increased to reflect its proportionate share of income of AB and decreased to reflect its proportionate share of losses of AB and cash distributions made by AB to its Unitholders. In addition, AB Holding's investment is adjusted to reflect its proportionate share of certain capital transactions of AB.

Subsequent Events

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

(1) On April 1, 2024 AB and Societe Generale, a leading European bank, completed their transaction to form a jointly owned equity research provider and cash equity trading partner for institutional investors. AB contributed the Bernstein Research Services cash equities business to the joint venture. For further discussion, see Note 17 Divestiture to AB's condensed consolidated financial statements attached hereto as Exhibit 99.1, 99.1.

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2. Cash Distributions

AB Holding is required to distribute all of its Available Cash Flow, as defined in the Amended and Restated Agreement of Limited Partnership of AB Holding ("AB Holding Partnership Agreement"), to its Unitholders *pro rata* in accordance with their percentage interests in AB Holding. Available Cash Flow is defined as the cash distributions AB Holding receives from AB minus such amounts as the General Partner determines, in its sole discretion, should be retained by AB Holding for use in its business (such as the payment of taxes) or plus such amounts as the General Partner determines, in its sole discretion, should be released from previously retained cash flow.

On April 25, 2024 July 26, 2024, the General Partner declared a distribution of \$0.73 \$0.71 per unit, representing a distribution of Available Cash Flow for the three months ended March 31, 2024 June 30, 2024. Each general partnership unit in AB Holding is entitled to receive distributions equal to those received by each AB Holding Unit. The distribution is payable on May 23, 2024 August 15, 2024 to holders of record at the close of business on May 6, 2024 August 5, 2024.

3. Long-term Incentive Compensation Plans

AB maintains several unfunded, non-qualified long-term incentive compensation plans, under which the company grants awards of restricted AB Holding Units to its employees and members of the Board of Directors, who are not employed by AB or by any of AB's affiliates ("Eligible Directors").

AB funds its restricted AB Holding Unit awards either by purchasing AB Holding Units on the open market or purchasing newly-issued AB Holding Units from AB Holding, and then keeping these AB Holding Units in a consolidated rabbi trust until delivering them or retiring them. In accordance with the AB Holding 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 six months ended March 31, 2024 June 30, 2024 and 2023 consisted of the following:

		Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,			
		2024		2024		2023		2024		2023		2024	
		(in millions)		(in millions)		(in millions)		(in millions)		(in millions)		(in millions)	

Total amount of AB Holding Units Purchased (1)

Total Cash Paid for AB Holding Units Purchased (1)

Open Market Purchases of AB Holding Units Purchased (1)

Total Cash Paid for Open Market Purchases of AB Holding Units (1)

(1) Purchased on a trade date basis. The difference between open-market purchases and units retained 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.

Each quarter, AB considers 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 selected by AB has the authority under the terms and limitations specified in the plan to repurchase AB Holding Units on AB's behalf. Repurchases are subject to regulations promulgated by the SEC as well as certain price, market volume and timing constraints specified in the plan. We did not adopt a The plan adopted during the first second quarter of 2024. 2024 expired at the close of business on July 25, 2024. AB may adopt plans in the future to engage in open-market purchases of AB Holding Units to help fund anticipated obligations under its incentive compensation award program and for other corporate purposes.

During the first three six months of 2024 and 2023, AB awarded to employees and Eligible Directors 0.9 million 1.2 million and 0.3 million 0.4 million restricted AB Holding Unit awards, respectively. AB used AB Holding Units repurchased during the applicable period and newly-issued AB Holding Units to fund these restricted AB Holding Unit awards.

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4. Net Income per Unit

Basic net income per unit is derived by dividing net income by the basic weighted average number of units outstanding for each period. Diluted net income per unit is derived by adjusting net income for the assumed dilutive effect of compensatory options ("Net income – diluted") and dividing by the diluted weighted average number of units outstanding for each period.

	Three Months Ended March 31,	Three Months Ended June 30,	Six Months Ended June 30,		
	2024	2023	2024	2023	2024 2023
	(in thousands, except per unit amounts)		(in thousands, except per unit amounts)		
Net income – basic					
Net income – basic					
Net income – basic					
Net income – diluted					
Net income – diluted					
Net income – diluted					
Weighted average units outstanding – basic					
Weighted average units outstanding – basic					
Weighted average units outstanding – basic					
Weighted average units outstanding – diluted					
Weighted average units outstanding – diluted					
Weighted average units outstanding – diluted					
Basic net income per unit					
Basic net income per unit					
Basic net income per unit					
Diluted net income per unit					

There were no anti-dilutive options excluded from diluted net income in the three and six months ended March 31, 2024 June 30, 2024 or 2023.

## 5. Investment in AB

Changes in AB Holding's investment in AB during the three-month six-month period ended March 31, 2024 June 30, 2024 are as follows (in thousands):

Investment in AB as of December 31, 2023	\$	2,077,540
Equity in net income attributable to AB Unitholders		86,281 208,986
Changes in accumulated other comprehensive income		(4,159) (467)
Cash distributions received from AB		(97,650) (190,939)
Capital contributions (from) AB		(891) (752)
AB Holding Units retired		(531) (22,414)
AB Holding Units issued to fund long-term incentive compensation plans		16,014 20,117
Change in AB Holding Units held by AB for long-term incentive compensation plans		(7,853) (6,461)
Investment in AB as of March 31, 2024 June 30, 2024	\$	2,068,751 2,085,610

## 6. Units Outstanding

Changes in AB Holding Units outstanding during the three-month six-month period ended March 31, 2024 June 30, 2024 are as follows:

Outstanding as of December 31, 2023	114,436,091
Units issued	743,098 850,482
Units retired	(15,585) (667,121)
Outstanding as of March 31, 2024 June 30, 2024	115,163,604 114,619,452

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## 7. Income Taxes

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	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	% Change	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	% Change
Net income attributable to AB Unitholders	\$217,927	\$194,151	12.2	\$309,572	\$175,737	76.2
Multiplied by: weighted average equity ownership interest						
Equity in net income attributable to AB Unitholders	\$217,927	\$194,151	12.2	\$309,572	\$175,737	76.2

Equity in net income attributable to AB Unitholders

Equity in net income attributable to AB Unitholders

AB qualifying revenues

AB qualifying revenues

AB qualifying revenues

Multiplied by: weighted average equity ownership interest for calculating tax

Multiplied by: federal tax

Multiplied by: federal tax

Multiplied by: federal tax

Federal income taxes

Federal income taxes

Federal income taxes

State income taxes

State income taxes

State income taxes

**Total income taxes**



	Three Months Ended March 31, 2024									
	Three Months Ended March 31, 2023									
	Three Months Ended March 31, 2022									
	Three Months Ended June 30, 2024									
	2024									
	2024									
	2024	2023	% Change	2023	% Change	2024	2023	% Change		
	(in thousands, except per unit amounts)				(in thousands, except per unit amounts)				(in thousands, except per	
Net income attributable to AB Unitholders										
Net income attributable to AB Unitholders										
Net income attributable to AB Unitholders										
Weighted average equity ownership interest										
Equity in net income attributable to AB Unitholders										
Equity in net income attributable to AB Unitholders										
Equity in net income attributable to AB Unitholders										
Income taxes										
Net income of AB Holding										
Diluted net income per AB Holding Unit										

Distribution per AB Holding Unit <sup>(1)</sup>	Distribution per AB Holding Unit <sup>(1)</sup>	\$ 0.73	\$	\$ 0.66	10.6	10.6 %	Distribution per AB Holding Unit <sup>(1)</sup>	\$0.71	\$	\$0.61	16.4	16.4 %	\$
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(1) Distributions reflect the impact of AB's non-GAAP adjustments.

AB Holding's net income for the three and six months ended **March 31, 2024** **June 30, 2024** increased **\$9.8 million** **\$53.0 million** and **\$62.8 million**, respectively, as compared to the **three months ended March 31, 2023**, corresponding periods in 2023 primarily due to higher net income attributable to AB Unitholders.

AB Holding's partnership gross income is derived from its interest in AB. AB Holding's income taxes, which reflect a 3.5% federal tax on its partnership gross income from the active conduct of a trade or business, are computed by multiplying certain AB qualifying revenues by AB Holding's ownership interest in AB, multiplied by the 3.5% tax rate. Certain AB qualifying revenues are primarily U.S. investment advisory fees, research payments and brokerage commissions. AB Holding's effective tax rate was **10.5%** **7.5%** during the three months ended **March 31, 2024** **June 30, 2024**, compared to **11.7%** **12.4%** during the three months ended **March 31, 2023** **June 30, 2023**. AB Holding's effective tax rate was **8.7%** during the six months ended **June 30, 2024**, compared to **12.0%** during the six months ended **June 30, 2023**. See Note 7 to the condensed financial statements in Item 1 for the calculation of income tax expense.

### Management Operating Metrics

As supplemental information, AB provides the performance measures "adjusted net revenues," "adjusted operating income" and "adjusted operating margin," which are the principal metrics management uses in evaluating and comparing the period-to-period operating performance of AB. Management principally uses these metrics in evaluating performance because they present a clearer picture of AB's 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, management believes that these management operating metrics help investors better understand the underlying trends in AB's results and, accordingly, provide a valuable perspective for investors. Such measures are not based on generally accepted accounting principles ("non-GAAP measures").

We provide the non-GAAP measures "adjusted net income" and "adjusted diluted net income per unit" because our quarterly distribution per unit is typically our adjusted diluted 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 GAAP and non-GAAP measures in evaluating the company's financial performance. The non-GAAP measures alone may pose limitations because they do not include all of AB's revenues and expenses. Further, adjusted diluted net income per AB

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Holding Unit is not a liquidity measure and should not be used in place of cash flow measures. See AB's MD&A contained in Exhibit 99.1.

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The impact of these adjustments on AB Holding's net income and diluted net income per AB Holding Unit is as follows:

	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,		Six Months Ended June 30,					
	2024	2024	2023		2024	2023	2024	2023	2024	2023
	(in thousands, except per Unit amounts)			(in thousands, except per Unit amounts)			(in thousands, except per Unit amounts)			
AB non-GAAP adjustments <sup>2</sup>										
AB non-GAAP adjustments <sup>2</sup>										
AB non-GAAP adjustments <sup>2</sup>										
AB income tax (expense) on non-GAAP adjustments										
AB non-GAAP adjustments <sup>1</sup>										

[illegible]

The degree to which AB's non-GAAP adjustments impact AB Holding's net income fluctuates based on AB Holding's ownership percentage in AB.

### Capital Resources and Liquidity

During the **three six** months ended **March 31, 2024** **June 30, 2024**, net cash used in financing activities was **\$87.7 million** **\$172.0 million**, compared to **\$78.0 million** **\$152.3 million** during the corresponding 2023 period. The increase was primarily due to higher cash distributions to Unitholders of **\$9.3 million** **\$18.4 million**.

<sup>1</sup> Includes all AB non-GAAP adjustments to pre-tax income.

AB Holding has no liquidity risk as it only pays distributions to AB Holding's Unitholders to the extent of distributions received from AB (net of taxes paid).

### Commitments and Contingencies

See Note 8 to the condensed financial statements in Item 1.

<sup>2</sup> Includes all AB non-GAAP adjustments to pre-tax income.

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### 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, 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, 2023 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 to help fund anticipated obligations under our incentive compensation award program: The number of AB Holding Units AB may decide to buy in future periods, if any, to help fund 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.

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

There have been no material changes in AB Holding's market risk from the information provided under "Quantitative and Qualitative Disclosures About Market Risk" in Part II, Item 7A of AB Holding's Form 10-K for the year ended December 31, 2023.

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### 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 first second quarter of 2024 that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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## Part II

### OTHER INFORMATION

#### Item 1. Legal Proceedings

See Note 8 to the condensed 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 AB Holding's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

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

There were no AB Holding Units sold by AB Holding in the period covered by this report that were not registered under the Securities Act.

Each quarter, AB considers 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 ("Exchange Act"). We did not adopt a The plan adopted during the first second quarter of 2024. 2024 expired at the close of business on July 25, 2024. AB may adopt additional plans in the future to engage in open-market purchases of AB Holding Units to help fund anticipated obligations under the firm's incentive compensation award program and for other corporate purposes. See Note 3 to the condensed financial statements contained in Part 1, Item 1.

AB Holding Units bought by us or one of our affiliates during the first second quarter of 2024 are as follows:

#### ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of AB Holding Units Purchased	Average Price Paid Per AB Holding Unit, net of Commissions	Total Number of AB Holding Units Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of AB Holding Units that May Yet Be Purchased Under the Plans or Programs
1/1/24 - 1/31/24 <sup>(1)</sup>	2,042	\$ 30.74	—	—
2/1/24 - 2/29/24 <sup>(1)</sup>	94,838	33.55	—	—
3/1/24 - 3/31/24 <sup>(1)</sup>	33,668	32.72	—	—
<b>Total</b>	<b>130,548</b>	<b>\$ 33.29</b>	<b>—</b>	<b>—</b>

Period	Total Number of AB Holding Units Purchased	Average Price Paid Per AB Holding Unit, net of Commissions	Total Number of AB Holding Units Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of AB Holding Units that May Yet Be Purchased Under the Plans or Programs
4/1/24 - 4/30/24 <sup>(1)</sup>	216,309	\$ 34.42	—	—
5/1/24 - 5/31/24 <sup>(2)</sup>	266,931	33.62	—	—
6/1/24 - 6/30/24 <sup>(2)</sup>	373,555	33.49	—	—
<b>Total</b>	<b>856,795</b>	<b>\$ 33.77</b>	<b>—</b>	<b>—</b>

- (1) During the **first second** quarter of 2024, AB retained from employees **130,548** **216,309** AB Holding Units to allow them to fulfill statutory withholding tax requirements at the time of distribution of long-term incentive compensation awards.
- (2) During the second quarter of 2024, AB purchased 640,486 AB Holding Units on the open market pursuant to a Rule 10b5-1 plan to help fund anticipated obligations under our incentive compensation award program.

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AB Units bought by us or one of our affiliates during the **first second** quarter of 2024 are as follows:

#### ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of AB Units Purchased	Average Price Paid Per AB Unit, net of Commissions	Total Number of AB Units Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of AB Units that May Yet Be Purchased Under the Plans or Programs
1/1/24 - 1/31/24	—	—	—	—
2/1/24 - 2/29/24	—	—	—	—
3/1/24 - 3/31/24 <sup>(1)</sup>	14,200	\$ 33.30	—	—
<b>Total</b>	<b>14,200</b>	<b>\$ 33.30</b>	<b>—</b>	<b>—</b>

Period	Total Number of AB Units Purchased	Average Price Paid Per AB Unit, net of Commissions	Total Number of AB Units Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of AB Units that May Yet Be Purchased Under the Plans or Programs
4/1/24 - 4/30/24	—	—	—	—
5/1/24 - 5/31/24	—	—	—	—
6/1/24 - 6/30/24 <sup>(1)</sup>	4,600	33.56	—	—
<b>Total</b>	<b>4,600</b>	<b>\$ 33.56</b>	<b>—</b>	<b>—</b>

- (1) During **first second** quarter of 2024, AB purchased **14,200** **4,600** 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**

Pursuant to item 408(a) of Regulation S-K there were no directors or officers that had adopted or terminated a 10b5-1 plan or other trading arrangement during the **first** **second** quarter of 2024.

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Item 6. **Exhibits**

31.1	<a href="#">Certification of Mr. Bernstein furnished pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2	<a href="#">Certification of <b>Ms.</b> <b>Ms.</b> Marks furnished pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1	<a href="#">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.</a>
32.2	<a href="#">Certification of <b>Ms.</b><b>Marks</b><b>Ms.</b><b>Marks</b> furnishedfor 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.</a>
99.1	<a href="#">Part I, Items 1 through 4 of the AllianceBernstein L.P. Quarterly Report on Form 10-Q for the quarter ended <b>March</b> <b>June 30,</b> <b>2024,</b> <b>2024.</b></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 <b>March 31, 2024</b> <b>June 30, 2024,</b> formatted in Inline XBRL (included in Exhibit 101).

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**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: April 25, 2024 July 26, 2024

ALLIANCEBERNSTEIN HOLDING L.P.

By: /s/ Jackie Marks  
Jackie Marks  
Chief Financial Officer

By: /s/ Thomas Simeone  
Thomas Simeone  
Controller & Chief Accounting Officer

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Exhibit 31.1

I, Seth Bernstein, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AllianceBernstein Holding L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 25, 2024 July 26, 2024

/s/ Seth Bernstein  
Seth Bernstein  
President & Chief Executive Officer  
AllianceBernstein Holding L.P.

I, Jackie Marks, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AllianceBernstein Holding L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 25, 2024 July 26, 2024

/s/ Jackie Marks

Jackie Marks

Chief Financial Officer

AllianceBernstein Holding L.P.

/div>

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of AllianceBernstein Holding L.P. (the "Company") on Form 10-Q for the period ending March 31, 2024 June 30, 2024 to be filed with the Securities and Exchange Commission on or about April 25, 2024 July 26, 2024 (the "Report"), I, Seth Bernstein, President and Chief Executive Officer of the Company, certify, for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Exchange Act; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 25, 2024 July 26, 2024

/s/ Seth Bernstein  
Seth Bernstein  
President & Chief Executive Officer  
AllianceBernstein Holding L.P.

Exhibit 32.2

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of AllianceBernstein Holding L.P. (the "Company") on Form 10-Q for the period ending March 31, 2024 June 30, 2024 to be filed with the Securities and Exchange Commission on or about April 25, 2024 July 26, 2024 (the "Report"), I, Jackie Marks, Chief Financial Officer of the Company, certify, for the purpose of complying with Rule 13a-14(b) or 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Exchange Act; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 25, 2024 July 26, 2024

/s/ Jackie Marks  
Jackie Marks  
Chief Financial Officer  
AllianceBernstein Holding L.P.

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Exhibit 99.1

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)			
		March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
		ASSETS			
Cash and cash equivalents	Cash and cash equivalents	\$ 893,667	\$ 1,000,103	Cash and cash equivalents	\$ 871,369
Cash and securities segregated, at fair value (cost: \$856,569 and \$859,448)		865,586	867,680		\$ 1,000,103

Cash and securities segregated, at fair value (cost: \$583,151 and \$859,448)				Cash and securities segregated, at fair value (cost: \$583,151 and \$859,448)			
				591,582			
				867,680			
Receivables, net:	Receivables, net:			Receivables, net:			
Brokers and dealers	Brokers and dealers	61,124	53,144	Brokers and dealers	43,606	53,144	
Brokerage clients	Brokerage clients	1,330,045	1,314,656	Brokerage clients	1,394,269	1,314,656	
AB funds fees	AB funds fees	357,679	343,334	AB funds fees	305,880	343,334	
Other fees	Other fees	129,257	125,500	Other fees	124,925	125,500	
Investments:	Investments:			Investments:			
Long-term incentive compensation-related		36,741	40,033				
Joint ventures				Joint ventures	295,379		—
Other	Other	183,527	203,521	Other	229,393		243,554
Assets of consolidated company-sponsored investment funds:	Assets of consolidated company-sponsored investment funds:			Assets of consolidated company-sponsored investment funds:			
Cash and cash equivalents	Cash and cash equivalents	7,536	7,739	Cash and cash equivalents	3,857	7,739	
Investments	Investments	298,128	397,174	Investments	253,070	397,174	
Other assets	Other assets	10,953	25,299	Other assets	3,676	25,299	
Furniture, equipment and leasehold improvements, net	Furniture, equipment and leasehold improvements, net	195,744	176,348	Furniture, equipment and leasehold improvements, net	208,399	176,348	
Goodwill	Goodwill	3,598,591	3,598,591	Goodwill	3,598,591	3,598,591	
Intangible assets, net	Intangible assets, net	253,460	264,555	Intangible assets, net	240,601	264,555	
Deferred sales commissions, net	Deferred sales commissions, net	107,272	87,374	Deferred sales commissions, net	124,779	87,374	
Right-of-use assets	Right-of-use assets	505,288	323,766	Right-of-use assets	490,410	323,766	
Assets held for sale	Assets held for sale	745,471	564,776	Assets held for sale	—	564,776	
Other assets	Other assets	216,311	216,213	Other assets	321,184	216,213	
<b>Total assets</b>	<b>Total assets</b>	<b>\$ 9,796,380</b>	<b>\$ 9,609,806</b>	<b>Total assets</b>	<b>\$ 9,100,970</b>	<b>\$ 9,609,806</b>	

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		December		December		LIABILITIES, REDEEMABLE NON-CONTROLLING INTEREST AND CAPITAL
		March 31, 2024	31, 2023	June 30, 2024	31, 2023	
Liabilities:						
Payables:						
Brokers and dealers	Brokers and dealers	\$ 221,672	\$ 259,175	Brokers and dealers	\$ 156,894 \$ 259,175	
Brokerage clients	Brokerage clients	2,162,873	2,200,835	Brokerage clients	2,060,393 2,200,835	
AB mutual funds	AB mutual funds	1,471	644	AB mutual funds	337 644	
Contingent consideration liability	Contingent consideration liability	254,108	252,690	Contingent consideration liability	255,166 252,690	

Accounts payable and accrued expenses	Accounts payable and accrued expenses	488,951	172,163	Accounts payable and accrued expenses	286,536	172,163
Lease liabilities	Lease liabilities	570,163	369,017	Lease liabilities	555,992	369,017
Liabilities of consolidated company-sponsored investment funds	Liabilities of consolidated company-sponsored investment funds	14,132	12,537	Liabilities of consolidated company-sponsored investment funds	1,453	12,537
Accrued compensation and benefits	Accrued compensation and benefits	401,384	372,305	Accrued compensation and benefits	571,247	372,305
Debt	Debt	900,000	1,154,316	Debt	620,000	1,154,316
Liabilities held for sale	Liabilities held for sale	239,049	153,342	Liabilities held for sale	—	153,342
<b>Total liabilities</b>	<b>Total liabilities</b>	<b>5,253,803</b>	<b>4,947,024</b>	<b>Total liabilities</b>	<b>4,508,018</b>	<b>4,947,024</b>
Commitments and contingencies (See Note 12)	Commitments and contingencies (See Note 12)			Commitments and contingencies (See Note 12)		
Redeemable non-controlling interest of consolidated entities	Redeemable non-controlling interest of consolidated entities	124,894	209,420	Redeemable non-controlling interest of consolidated entities	108,255	209,420
Capital:	Capital:			Capital:		
General Partner	General Partner	45,325	45,388	General Partner	45,880	45,388
Limited partners: 287,322,525 and 286,609,212 units issued and outstanding	Limited partners: 287,322,525 and 286,609,212 units issued and outstanding	4,584,317	4,590,619	Limited partners: 287,322,525 and 286,609,212 units issued and outstanding		
Limited partners: 286,773,773 and 286,609,212 units issued and outstanding	Limited partners: 286,773,773 and 286,609,212 units issued and outstanding			Limited partners: 286,773,773 and 286,609,212 units issued and outstanding	4,639,147	4,590,619
Receivables from affiliates	Receivables from affiliates	(4,686)	(4,490)	Receivables from affiliates	(3,822)	(4,490)
AB Holding Units held for long-term incentive compensation plans	AB Holding Units held for long-term incentive compensation plans	(95,859)	(76,363)	AB Holding Units held for long-term incentive compensation plans	(92,612)	(76,363)
Accumulated other comprehensive (loss)	Accumulated other comprehensive (loss)	(115,894)	(106,364)	Accumulated other comprehensive (loss)	(107,436)	(106,364)
<b>Partners' capital attributable to AB Unitholders</b>	<b>Partners' capital attributable to AB Unitholders</b>	<b>4,413,203</b>	<b>4,448,790</b>	<b>Partners' capital attributable to AB Unitholders</b>	<b>4,481,157</b>	<b>4,448,790</b>
Non-redeemable non-controlling interests in consolidated entities	Non-redeemable non-controlling interests in consolidated entities	4,480	4,572	Non-redeemable non-controlling interests in consolidated entities	3,540	4,572

Total capital	Total capital	4,417,683	4,453,362	Total capital	4,484,697	4,453,362
Total liabilities, non-controlling interest and capital	Total liabilities, non-controlling interest and capital	\$9,796,380	\$9,609,806	Total liabilities, non-controlling interest and capital	\$9,100,970	\$9,609,806

See Accompanying Notes to Condensed Consolidated Financial Statements.

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

		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,			
		2024	2023		2024	2023	2024	2023		
<b>Revenues:</b>	<b>Revenues:</b>			<b>Revenues:</b>						
Investment advisory and services fees	Investment advisory and services fees	\$ 784,405	\$ 728,907	Investment advisory and services fees	\$ 817,327	\$ 721,678	\$ 1,601,732	\$ 1,450,585		
Bernstein research services	Bernstein research services	96,222	100,038	Bernstein research services	—	91,847	96,222	191,885		
Distribution revenues	Distribution revenues	165,690	141,078	Distribution revenues	172,905	144,798	338,595	285,876		
Dividend and interest income	Dividend and interest income	44,515	50,679	Dividend and interest income	43,986	50,193	88,501	100,872		
Investment gains		11,743	5,264							
Investment (losses) gains				Investment (losses) gains			(23,629)	670	(11,886)	5,934
Other revenues	Other revenues	25,293	26,146	Other revenues	39,167	24,719	64,460	50,865		
Total revenues	Total revenues	1,127,868	1,052,112	Total revenues	1,049,756	1,033,905	2,177,624	2,086,017		
Less: Broker-dealer related interest expense	Less: Broker-dealer related interest expense	23,717	28,021	Less: Broker-dealer related interest expense	21,813	25,449	45,530	53,470		
Net revenues	Net revenues	1,104,151	1,024,091	Net revenues	1,027,943	1,008,456	2,132,094	2,032,547		
<b>Expenses:</b>	<b>Expenses:</b>			<b>Expenses:</b>						
Employee compensation and benefits	Employee compensation and benefits	452,772	434,163	Employee compensation and benefits	423,324	428,079	876,096	862,242		
Promotion and servicing:	Promotion and servicing:			Promotion and servicing:						
Distribution-related payments	Distribution-related payments	172,982	148,381	Distribution-related payments	179,908	150,038	352,890	298,419		
Amortization of deferred sales commissions	Amortization of deferred sales commissions	11,799	8,154	Amortization of deferred sales commissions	13,348	8,767	25,147	16,921		
Trade execution, marketing, T&E and other	Trade execution, marketing, T&E and other	54,991	50,630	Trade execution, marketing, T&E and other	40,940	54,138	95,931	104,768		

General and administrative	General and administrative	137,910	139,653	General and administrative	145,732	149,935	283,642	289,588		
Contingent payment arrangements	Contingent payment arrangements	2,558	2,444	Contingent payment arrangements	2,558	2,443	5,116	4,887		
Interest on borrowings	Interest on borrowings	17,370	13,713	Interest on borrowings	11,313	14,672	28,683	28,385		
Amortization of intangible assets	Amortization of intangible assets	11,772	11,693	Amortization of intangible assets	11,531	11,723	23,303	23,416		
Total expenses	Total expenses	862,154	808,831	Total expenses	828,654	819,795	1,690,808	1,628,626		
Operating income	Operating income	241,997	215,260	Operating income	199,289	188,661	441,286	403,921		
Gain on divestiture						Gain on divestiture	134,555	—	134,555	—
Non-operating income						Non-operating income	134,555	—	134,555	—
Pre-tax income						Pre-tax income	333,844	188,661	575,841	403,921
Income taxes	Income taxes	16,042	11,342	Income taxes	20,092	9,901	36,134	21,243		
Net income	Net income	225,955	203,918	Net income	313,752	178,760	539,707	382,678		
Net income of consolidated entities attributable to non-controlling interests	Net income of consolidated entities attributable to non-controlling interests	8,028	9,767	Net income of consolidated entities attributable to non-controlling interests	4,180	3,023	12,208	12,790		
Net income attributable to AB Unitholders	Net income attributable to AB Unitholders	\$ 217,927	\$ 194,151	Net income attributable to AB Unitholders	\$ 309,572	\$ 175,737	\$ 527,499	\$ 369,888		
Net income per AB Unit:	Net income per AB Unit:			Net income per AB Unit:						
Basic	Basic	\$ 0.75	\$ 0.67	Basic	\$ 1.07	\$ 0.61	\$ 1.82	\$ 1.28		
Diluted	Diluted	\$ 0.75	\$ 0.67	Diluted	\$ 1.07	\$ 0.61	\$ 1.82	\$ 1.28		

See Accompanying Notes to Condensed Consolidated Financial Statements.

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

		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,			
		2024	2023		2024	2023	2024	2023		
Net income	Net income	\$ 225,955	\$ 203,918	Net income	\$ 313,752	\$ 178,760	\$ 539,707	\$ 382,678		
Other comprehensive (loss) income:	Other comprehensive (loss) income:			Other comprehensive (loss) income:						
Foreign currency translation adjustments, before reclassification and tax:				Foreign currency translation adjustments, before reclassification and tax:			(1,579)	4,525	(11,888)	10,656

Less: reclassification adjustment for (losses) in net income upon liquidation				Less: reclassification adjustment for (losses) in net income upon liquidation				(10,197)	—	(10,197)	—
Foreign currency translation adjustments, before tax	Foreign currency translation adjustments, before tax	(10,309)	6,131	Foreign currency translation adjustments, before tax	8,618	4,525	(1,691)	10,656			
Income tax benefit		109	47								
Income tax (expense) benefit				Income tax (expense) benefit				(54)	16	55	63
Foreign currency translation adjustments, net of tax	Foreign currency translation adjustments, net of tax	(10,200)	6,178	Foreign currency translation adjustments, net of tax	8,564	4,541	(1,636)	10,719			
Changes in employee benefit related items:				Changes in employee benefit related items:							
Amortization of prior service cost	Amortization of prior service cost	6	6	Amortization of prior service cost	6	6	12	12			
Recognized actuarial gain		669	298								
Recognized actuarial (loss) gain				Recognized actuarial (loss) gain				(110)	298	559	596
Changes in employee benefit related items	Changes in employee benefit related items	675	304	Changes in employee benefit related items	(104)	304	571	608			
Income tax (expense)	Income tax (expense)	(5)	(3)	Income tax (expense)	(2)	(1)	(7)	(4)			
Employee benefit related items, net of tax	Employee benefit related items, net of tax	670	301	Employee benefit related items, net of tax	(106)	303	564	604			
Other comprehensive (loss) income		(9,530)	6,479								
Other comprehensive income (loss)				Other comprehensive income (loss)				8,458	4,844	(1,072)	11,323
Less: Comprehensive income in consolidated entities attributable to non-controlling interests		8,028	9,767	Less: Comprehensive income in consolidated entities attributable to non-controlling interests		4,180	3,023	12,208	12,790		
Comprehensive income attributable to AB Unitholders	Comprehensive income attributable to AB Unitholders	\$ 208,397	\$ 200,630	Comprehensive income attributable to AB Unitholders	\$ 318,030	\$ 180,581	\$ 526,427	\$ 381,211			

See Accompanying Notes to Condensed Consolidated Financial Statements.

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ALLIANCEBERNSTEIN L.P.  
AND SUBSIDIARIES

**Condensed Consolidated Statements of Changes in Partners' Capital**

(in thousands)  
(unaudited)

		Three Months Ended			Three Months Ended June 30,		Six Months Ended June 30,					
		March 31,				2024	2023				2024	2023
		2024	2023									
General Partner's Capital	General Partner's Capital			General Partner's Capital								
Balance, beginning of period	Balance, beginning of period	\$ 45,388	\$ 45,985	Balance, beginning of period	\$ 45,325	\$ 45,595	\$ 45,388	\$ 45,985				
Net income	Net income	2,179	1,941	Net income	3,096	1,758	5,275	3,699				
Cash distributions to General Partner	Cash distributions to General Partner	(2,465)	(2,221)	Cash distributions to General Partner	(2,351)	(2,136)	(4,816)	(4,357)				
Long-term incentive compensation plans activity	Long-term incentive compensation plans activity	67	15	Long-term incentive compensation plans activity	(11)	(12)	56	3				
Issuance (Retirement) of AB Units, net		156	(125)									
(Retirement) Issuance of AB Units, net						(Retirement) Issuance of AB Units, net	(179)	28	(23)	(97)		
Balance, end of period	Balance, end of period	45,325	45,595	Balance, end of period	45,880	45,233	45,880	45,233				
Limited Partners' Capital	Limited Partners' Capital			Limited Partners' Capital								
Balance, beginning of period	Balance, beginning of period	4,590,619	4,648,113	Balance, beginning of period	4,584,317	4,609,592	4,590,619	4,648,113				
Net income	Net income	215,748	192,210	Net income	306,476	173,979	522,224	366,189				
Cash distributions to Unitholders	Cash distributions to Unitholders	(243,579)	(219,698)	Cash distributions to Unitholders	(232,714)	(211,158)	(476,293)	(430,856)				
Long-term incentive compensation plans activity	Long-term incentive compensation plans activity	6,674	1,438	Long-term incentive compensation plans activity	(1,177)	(1,111)	5,497	327				
Issuance of AB Units, net		14,855	(12,471)									
(Retirement) Issuance of AB Units, net						(Retirement) Issuance of AB Units, net	(17,755)	2,687	(2,900)	(9,784)		
Balance, end of period	Balance, end of period	4,584,317	4,609,592	Balance, end of period	4,639,147	4,573,989	4,639,147	4,573,989				
Receivables from Affiliates	Receivables from Affiliates			Receivables from Affiliates								
Balance, beginning of period	Balance, beginning of period	(4,490)	(4,270)	Balance, beginning of period	(4,686)	(5,097)	(4,490)	(4,270)				
Long-term incentive compensation awards expense	Long-term incentive compensation awards expense	215	191	Long-term incentive compensation awards expense	291	215	506	406				
Capital contributions (to) AB Holding		(411)	(1,018)									

Capital contributions from (to) AB Holding				Capital contributions from (to) AB Holding	573	(266)	162	(1,284)
Balance, end of period	Balance, end of period	(4,686)	(5,097)	Balance, end of period	(3,822)	(5,148)	(3,822)	(5,148)
AB Holding Units held for Long-term Incentive Compensation Plans	AB Holding Units held for Long-term Incentive Compensation Plans			AB Holding Units held for Long-term Incentive Compensation Plans				
Balance, beginning of period	Balance, beginning of period	(76,363)	(95,318)	Balance, beginning of period	(95,859)	(96,077)	(76,363)	(95,318)
Purchases of AB Holding Units to fund long-term compensation plans, net	Purchases of AB Holding Units to fund long-term compensation plans, net	(5,552)	(18,090)	Purchases of AB Holding Units to fund long-term compensation plans, net	(28,237)	(572)	(33,789)	(18,662)
(Issuance) Retirement of AB Units, net		(15,483)	12,510					
Retirement (Issuance) of AB Units, net				Retirement (Issuance) of AB Units, net	19,110	(1,754)	3,627	10,756
Long-term incentive compensation awards expense	Long-term incentive compensation awards expense	8,761	6,585	Long-term incentive compensation awards expense	11,618	8,376	20,379	14,961
Re-valuation of AB Holding Units held in rabbi trust	Re-valuation of AB Holding Units held in rabbi trust	(7,222)	(1,764)	Re-valuation of AB Holding Units held in rabbi trust	756	684	(6,466)	(1,080)
Balance, end of period	Balance, end of period	(95,859)	(96,077)	Balance, end of period	(92,612)	(89,343)	(92,612)	(89,343)
Accumulated Other Comprehensive (Loss)	Accumulated Other Comprehensive (Loss)			Accumulated Other Comprehensive (Loss)				
Balance, beginning of period	Balance, beginning of period	(106,364)	(129,477)	Balance, beginning of period	(115,894)	(122,998)	(106,364)	(129,477)
Foreign currency translation adjustment, net of tax	Foreign currency translation adjustment, net of tax	(10,200)	6,178	Foreign currency translation adjustment, net of tax	8,564	4,541	(1,636)	10,719
Changes in employee benefit related items, net of tax	Changes in employee benefit related items, net of tax	670	301	Changes in employee benefit related items, net of tax	(106)	303	564	604
Balance, end of period	Balance, end of period	(115,894)	(122,998)	Balance, end of period	(107,436)	(118,154)	(107,436)	(118,154)
Total Partners' Capital attributable to AB Unitholders	Total Partners' Capital attributable to AB Unitholders	4,413,203	4,431,015	Total Partners' Capital attributable to AB Unitholders	4,481,157	4,406,577	4,481,157	4,406,577

Non-redeemable Non-controlling Interests in Consolidated Entities	Non-redeemable Non-controlling Interests in Consolidated Entities			Non-redeemable Non-controlling Interests in Consolidated Entities				
Balance, beginning of period	Balance, beginning of period	4,572	12,607	Balance, beginning of period	4,480	12,343	4,572	12,607
Net income	Net income	118	—	Net income	1,450	515	1,568	515
Distributions to non-controlling interests, net	Distributions to non-controlling interests, net	(210)	—	Distributions to non-controlling interests, net	(2,485)	(2,473)	(2,695)	(2,473)
Adjustment	Adjustment	—	(264)	Adjustment	—	—	—	(264)
Contributions from non- controlling interest						Contributions from non- controlling interest	95	—
								95
Balance, end of period	Balance, end of period	4,480	12,343	Balance, end of period	3,540	10,385	3,540	10,385
Total Capital	Total Capital	\$ 4,417,683	\$ 4,443,358	Total Capital	\$ 4,484,697	\$ 4,416,962	\$ 4,484,697	\$ 4,416,962

See Accompanying Notes to Condensed Consolidated Financial Statements.

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

		Three Months Ended March 31,			Six Months Ended June 30,	
		2024	2023		2024	2023
<b>Cash flows from operating activities:</b>	<b>Cash flows from operating activities:</b>			<b>Cash flows from operating activities:</b>		
<b>Net income</b>	<b>Net income</b>	<b>\$ 225,955</b>	<b>\$ 203,918</b>	<b>Net income</b>	<b>\$ 539,707</b>	<b>\$ 382,678</b>
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:			Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of deferred sales commissions	Amortization of deferred sales commissions	11,799	8,154	Amortization of deferred sales commissions	25,147	16,921
Non-cash long- term incentive compensation expense	Non-cash long- term incentive compensation expense	8,976	6,776	Non-cash long- term incentive compensation expense	20,885	15,367
Depreciation and other amortization	Depreciation and other amortization	23,244	22,849	Depreciation and other amortization	46,319	45,928
Unrealized (gains) on investments	Unrealized (gains) on investments	(3,734)	(4,662)	Unrealized (gains) on investments	(5,944)	(1,853)
Equity in earnings of equity method investments				Equity in earnings of equity method investments	27,893	—
Unrealized (gains) on investments of consolidated company- sponsored investment funds	Unrealized (gains) on investments of consolidated company- sponsored investment funds	(7,481)	(16,162)	Unrealized (gains) on investments of consolidated company- sponsored investment funds	(11,527)	(27,027)

(Gain) on divestiture				(Gain) on divestiture	(134,555)	—
Non-cash lease expense	Non-cash lease expense	29,123	26,426	Non-cash lease expense	57,705	51,768
(Gain) loss on assets held for sale		(650)	2,500			
Other, net	Other, net	7,795	(3,523)	Other, net	15,017	4,699
Changes in assets and liabilities:				Changes in assets and liabilities:		
Decrease in securities, segregated	Decrease in securities, segregated	2,094	467,788	Decrease in securities, segregated	276,098	643,417
(Increase) decrease in receivables		(17,238)	126,176			
Decrease in receivables				Decrease in receivables	33,358	336,744
Decrease in investments	Decrease in investments	30,595	18,571	Decrease in investments	27,092	3,155
Decrease (increase) in investments of consolidated company-sponsored investment funds		106,527	(10,641)			
Decrease in investments of consolidated company-sponsored investment funds				Decrease in investments of consolidated company-sponsored investment funds	155,631	221,636
(Increase) in deferred sales commissions	(Increase) in deferred sales commissions	(31,697)	(14,120)	(Increase) in deferred sales commissions	(62,552)	(29,916)
(Increase) in other assets	(Increase) in other assets	(52,798)	(102,965)	(Increase) in other assets	(47,392)	(18,581)
Increase in other assets and liabilities of consolidated company-sponsored investment funds, net		15,941	1,747			
Increase (decrease) in other assets and liabilities of consolidated company-sponsored investment funds, net				Increase (decrease) in other assets and liabilities of consolidated company-sponsored investment funds, net	10,539	(11,078)
(Decrease) in payables	(Decrease) in payables	(71,542)	(764,090)	(Decrease) in payables	(269,927)	(1,027,887)
Increase (decrease) in accounts payable and accrued expenses	Increase (decrease) in accounts payable and accrued expenses	50,615	(12,365)	Increase (decrease) in accounts payable and accrued expenses	64,332	(15,595)
Increase in accrued compensation and benefits	Increase in accrued compensation and benefits	34,064	23,277	Increase in accrued compensation and benefits	212,993	185,443
Cash payments to relieve operating lease liabilities	Cash payments to relieve operating lease liabilities	(7,901)	(26,566)	Cash payments to relieve operating lease liabilities	(34,911)	(53,498)
Net cash provided by (used in) operating activities		353,687	(46,912)			
Net cash provided by operating activities				Net cash provided by operating activities	945,908	722,321

Cash flows from investing activities:	Cash flows from investing activities:	Cash flows from investing activities:
Purchases of furniture, equipment and leasehold improvements	Purchases of furniture, equipment and leasehold improvements	Purchases of furniture, equipment and leasehold improvements
	(31,289)	(10,572)
Joint venture equalization payment	303,980	—
Divestiture of business (includes \$304.0 million in cash proceeds)		Divestiture of business (includes \$304.0 million in cash proceeds)
		(40,196)
Capital contribution to equity method investments		Capital contribution to equity method investments
		(39,401)
Debt repayment from equity method investments		Debt repayment from equity method investments
		86,200
Net cash contribution (to) affiliates		Net cash contribution (to) affiliates
		(752)
		(2,030)
Net cash provided by (used in) investing activities	272,691	(10,572)
Net cash (used in) investing activities		Net cash (used in) investing activities
		(50,714)
		(16,971)

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Cash flows from financing activities:	Cash flows from financing activities:	Three Months Ended March 31,		Six Months Ended June 30,	
		2024	2023	2024	2023
(Repayment of) proceeds from debt, net		(254,316)	45,000		
(Repayment of) debt, net				(534,316)	(120,000)
Increase in overdrafts payable		45,688	86		
(Decrease) in overdrafts payable				(2)	—
Distributions to General Partner and Unitholders	Distributions to General Partner and Unitholders	(246,044)	(221,919)	(481,109)	(435,213)
(Redemptions) of non-controlling interest in consolidated company-sponsored investment funds, net	(Redemptions) of non-controlling interest in consolidated company-sponsored investment funds, net	(92,554)	(2,133)	(113,373)	(195,883)
Capital contributions (to) affiliates		(891)	(1,324)		

Purchases of AB Holding Units to fund long-term incentive compensation plan awards, net	Purchases of AB Holding Units to fund long-term incentive compensation plan awards, net	(5,552)	(18,090)	Purchases of AB Holding Units to fund long-term incentive compensation plan awards, net	(33,789)	(18,662)
Other, net	Other, net	(3,052)	(2,339)	Other, net	(5,603)	(2,426)
<b>Net cash (used in) financing activities</b>	<b>Net cash (used in) financing activities</b>	<b>(556,721)</b>	<b>(200,719)</b>	<b>Net cash (used in) financing activities</b>	<b>(1,168,192)</b>	<b>(772,184)</b>
Effect of exchange rate changes on cash and cash equivalents	Effect of exchange rate changes on cash and cash equivalents	(10,156)	10,232	Effect of exchange rate changes on cash and cash equivalents	(12,665)	16,178
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>Net increase (decrease) in cash and cash equivalents</b>	<b>59,501</b>	<b>(247,971)</b>	<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(285,663)</b>	<b>(50,656)</b>
Cash and cash equivalents as of beginning of the period	Cash and cash equivalents as of beginning of the period	1,160,889	1,309,017	Cash and cash equivalents as of beginning of the period	1,160,889	1,309,017
<b>Cash and cash equivalents as of end of the period</b>	<b>Cash and cash equivalents as of end of the period</b>	<b>\$ 1,220,390</b>	<b>\$ 1,061,046</b>	<b>Cash and cash equivalents as of end of the period</b>	<b>\$ 875,226</b>	<b>\$1,258,361</b>

See Accompanying Notes to Condensed Consolidated Financial Statements.

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**ALLIANCEBERNSTEIN L.P.  
AND SUBSIDIARIES**  
**Notes to Condensed Consolidated Financial Statements**  
**March 31, June 30, 2024**  
(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, 2023.

## 1. Business Description Organization and Basis of Presentation

### Business Description<sup>(1)</sup>

We provide diversified investment management **research** 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 Services** – 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.

• **Bernstein Research Services** – servicing institutional investors, such as pension fund, hedge fund and mutual fund managers, seeking high-quality fundamental research, quantitative services and brokerage-related services in equities and listed options. <sup>1</sup>

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

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

We provide AB provides 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);
- Portfolios with Purpose, including Sustainable, Impact and Responsible+ (Climate-Conscious and ESG leaders) equity, fixed income and multi-asset strategies that address our clients' desire to invest their capital with a dedicated ESG focus, while pursuing strong investment returns;

<sup>1</sup>On April 1, 2024 AB and Societe Generale, a leading European bank, completed their previously announced transaction to form a jointly owned equity research provider and cash equity trading partner for institutional investors. For further discussion see Note 17 Divestiture.

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- 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.

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Organization

As of March 31, 2024 June 30, 2024, EQH owned approximately 3.5% of the issued and outstanding units representing assignments of beneficial ownership of limited partnership interests in AllianceBernstein Holding L.P. ("AB Holding Units"). 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 March 31, 2024 June 30, 2024, 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	59.659.7 %
AB Holding	39.739.6
Unaffiliated holders	0.7
	100.0 %

Including both the general partnership and limited partnership interests in AB Holding and AB, EQH and its subsidiaries had an approximate 61.0%61.1% economic interest in AB as of March 31, 2024 June 30, 2024.

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, 2023 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. See Note 17 Divestiture for further discussion. SEC and did not identify any subsequent events that would require disclosure in these financial statements.

On April 1, 2024 AB and Societe Generale, a leading European bank, completed their transaction to form a jointly owned equity research provider and cash equity trading partner for institutional investors. AB has deconsolidated the Bernstein Research Services business and contributed the business to the joint venture. For further discussion, see Note 17 Divestiture.

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### 2. Significant Accounting Policies

#### Recently Adopted Accounting Pronouncements

During the three and six months ended March 31, 2024 June 30, 2024, there have been no recently adopted accounting pronouncements.

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#### Accounting Pronouncements Not Yet Adopted

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 revised guidance will not have a material impact on our financial condition or results of operations.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which required disclosure of incremental segment information on an annual and interim basis. This ASU was effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and requires retrospective application to all prior periods presented in the financial statements. We are currently evaluating the impacts of the new standard.

#### Investments in Unconsolidated Joint Ventures

Effective April 1, 2024, AB and Societe Generale ("SocGen") completed their previously announced transaction to form 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 majority interest in the NA JV while SocGen owns a majority interest in the joint venture outside of North America.

On April 1, 2024, we deconsolidated our Bernstein Research Services ("BRS") business and contributed the BRS business to the JVs. We have recorded our subsequent investment in each of the JVs under the equity method of accounting under ASC 323 *Investments – Equity Method and Joint Ventures*, as we retained the ability to exercise significant influence over the operating and financial policies of the JVs but did not retain a controlling interest. Our investments in companies over which we have the ability to exercise significant influence are accounted for under the equity method and are recorded at cost plus our share of earnings and losses. As of June 30, 2024, we owned 66.7% of the NA JV and 49.0% of the joint venture outside of North America and our combined carrying value in the two investments was \$295.4 million. The structure of the Board of Directors of the NA JV, which includes two independent directors, in addition to four directors from AB and three directors from SocGen, precludes AB's control of the Board thereby permitting deconsolidation of the BRS business.

In addition, we periodically assess our investments in our joint ventures for impairment if certain events or changes in circumstances occur including, but not limited to, ongoing operating losses, projected decreases in earnings or a significant business disruption. The significant assumptions used to estimate fair value include revenue growth and profitability, capital spending and a discount rate. By their nature, these assumptions and projections are uncertain. If we were to determine the current fair value of our investment was less than the carrying value of the investment, and we determined the shortfall was other than temporary, we would recognize an impairment to the investment in the amount by which the carrying value exceeds its fair value. For further discussion, see Note 17 – Divestiture.

#### Reclassification

During the second quarter of 2024, amounts previously presented on the condensed consolidated statement of financial condition as "long-term incentive compensation-related" investments are now presented as "other" investments. Prior period amounts previously presented as such have been reclassified to conform to the current periods presentation.

### 3. Revenue Recognition

Revenues for the three and six months ended **March 31, 2024**, **June 30, 2024** and 2023 consisted of the following:

		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023		2024	2023	2024	2023
		(in thousands)			(in thousands)			
Subject to contracts with customers:	Subject to contracts with customers:			Subject to contracts with customers:				
Investment advisory and services fees	Investment advisory and services fees			Investment advisory and services fees				
Base fees	Base fees	\$ 754,239	\$ 692,327	Base fees	\$ 774,017	\$ 703,371	\$ 1,528,256	\$ 1,395,699
Performance-based fees	Performance-based fees	30,166	36,580	Performance-based fees	43,310	18,307	73,476	54,886
Bernstein research services (1)	Bernstein research services (1)	96,222	100,038	Bernstein research services (1)	—	91,847	96,222	191,885
Distribution revenues	Distribution revenues			Distribution revenues				
All-in-management fees	All-in-management fees	78,424	68,788	All-in-management fees	81,680	70,849	160,104	139,637
12b-1 fees	12b-1 fees	16,605	15,155	12b-1 fees	16,569	15,778	33,174	30,933
Other distribution fees	Other distribution fees	70,661	57,135	Other distribution fees	74,656	58,171	145,317	115,306
Other revenues	Other revenues			Other revenues				
Shareholder servicing fees	Shareholder servicing fees	21,663	20,293	Shareholder servicing fees	22,356	20,801	44,019	41,094
Other	Other	3,820	5,691	Other	3,637	3,802	7,457	9,493
		<u>1,071,800</u>	<u>996,007</u>		<u>1,016,225</u>	<u>982,926</u>	<u>2,088,025</u>	<u>1,978,933</u>
Not subject to contracts with customers:	Not subject to contracts with customers:			Not subject to contracts with customers:				
Dividend and interest income, net of broker-dealer related interest expense	Dividend and interest income, net of broker-dealer related interest expense	20,798	22,658	Dividend and interest income, net of broker-dealer related interest expense	22,173	24,744	42,971	47,402
Investment gains		11,743	5,264					
Investment (losses) gains				Investment (losses) gains			(23,629)	670
Other revenues	Other revenues	(190)	162	Other revenues	13,174	116	12,984	278
		<u>32,351</u>	<u>28,084</u>		<u>11,718</u>	<u>25,530</u>	<u>44,069</u>	<u>53,614</u>
<b>Total net revenues</b>	<b>Total net revenues</b>	<b>\$ 1,104,151</b>	<b>\$ 1,024,091</b>	<b>Total net revenues</b>	<b>\$ 1,027,943</b>	<b>\$ 1,008,456</b>	<b>\$ 2,132,094</b>	<b>\$ 2,032,547</b>

(1) On April 1, 2024 AB and Societe Generale, a leading European bank, completed their transaction to form a jointly owned equity research provider and cash equity trading partner for institutional investors. AB has deconsolidated the Bernstein Research Services business and contributed the business to the joint venture. For further discussion, see Note 17 Divestiture.

### 4. Long-term Incentive Compensation Plans

We maintain several unfunded, non-qualified long-term incentive compensation plans, under which we grant annual awards 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").

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We fund our restricted AB Holding Unit awards either by purchasing AB Holding Units on the open market or purchasing newly-issued AB Holding Units from AB Holding, and then keeping these AB Holding Units in a consolidated rabbi trust 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.

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Repurchases of AB Holding Units for the three and six months ended March 31, 2024, June 30, 2024 and 2023 consisted of the following:

		Three Months Ended March 31,				Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023			2024	2023	2024	2023
		(in millions)				(in millions)			
Total amount of AB Holding Units Purchased <sup>(1)</sup>	Total amount of AB Holding Units Purchased <sup>(1)</sup>	0.1	0.5	Total amount of AB Holding Units Purchased <sup>(1)</sup>		0.9	—	1.0	0.5
Total Cash Paid for AB Holding Units Purchased <sup>(1)</sup>	Total Cash Paid for AB Holding Units Purchased <sup>(1)</sup>	\$ 4.3	\$ 18.8	Total Cash Paid for AB Holding Units Purchased <sup>(1)</sup>		\$ 29.0	\$ —	\$ 33.3	\$ 18.8
Open Market Purchases of AB Holding Units Purchased <sup>(1)</sup>	Open Market Purchases of AB Holding Units Purchased <sup>(1)</sup>	—	—	Open Market Purchases of AB Holding Units Purchased <sup>(1)</sup>		0.6	—	0.6	—
Total Cash Paid for Open Market Purchases of AB Holding Units <sup>(1)</sup>	Total Cash Paid for Open Market Purchases of AB Holding Units <sup>(1)</sup>	\$ —	\$ —	Total Cash Paid for Open Market Purchases of AB Holding Units <sup>(1)</sup>		\$ 21.5	\$ —	\$ 21.5	\$ —

(1) Purchased on a trade date basis. The difference between open-market purchases and units retained 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. We did not adopt a The plan adopted during the first second quarter of 2024, 2024 expired at the close of business on July 25, 2024. We may adopt plans in the future to engage in open-market purchases of AB Holding Units to help fund anticipated obligations under our incentive compensation award program and for other corporate purposes.

During the first three six months of 2024 and 2023, we awarded to employees and Eligible Directors 0.9 million 1.2 million and 0.3 million 0.4 million restricted AB Holding Unit awards, respectively. We use AB Holding Units repurchased during the applicable period and newly-issued AB Holding Units to fund these awards.

## 5. Net Income per Unit

Basic 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 basic weighted average number of limited partnership units outstanding for each period. Diluted 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 total of the diluted weighted average number of limited partnership units outstanding for each period.

		Three Months Ended March 31,	
		2024	2023

	(in thousands, except per unit amounts)	
Net income attributable to AB Unitholders	\$ 217,927	\$ 194,151
Weighted average limited partnership units outstanding – basic	286,876	285,726
Weighted average limited partnership units outstanding – diluted	286,876	285,726
<b>Basic net income per AB Unit</b>	<b>\$ 0.75</b>	<b>\$ 0.67</b>
<b>Diluted net income per AB Unit</b>	<b>\$ 0.75</b>	<b>\$ 0.67</b>

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in thousands, except per unit amounts)			
Net income attributable to AB Unitholders	\$ 309,572	\$ 175,737	\$ 527,499	\$ 369,888
Weighted average limited partnership units outstanding – basic	287,192	285,670	287,034	285,698
Weighted average limited partnership units outstanding – diluted	287,192	285,670	287,034	285,698
<b>Basic net income per AB Unit</b>	<b>\$ 1.07</b>	<b>\$ 0.61</b>	<b>\$ 1.82</b>	<b>\$ 1.28</b>
<b>Diluted net income per AB Unit</b>	<b>\$ 1.07</b>	<b>\$ 0.61</b>	<b>\$ 1.82</b>	<b>\$ 1.28</b>

There were no anti-dilutive options excluded from diluted net income in the three and six months ended March 31, 2024 June 30, 2024 or 2023.

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## 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 diluted 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 diluted 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 April 25, 2024 July 26, 2024, the General Partner declared a distribution of \$0.81 \$0.79 per AB Unit, representing a distribution of Available Cash Flow for the three months ended March 31, 2024 June 30, 2024. 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 May 23, 2024 August 15, 2024 to holders of record on May 6, 2024 August 5, 2024.

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

As of both March 31, 2024 June 30, 2024 and December 31, 2023, \$0.6 billion and \$0.9 billion 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:

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
	(in thousands)		(in thousands)	
Equity securities:	Equity securities:		Equity securities:	
Long-term incentive compensation-related	\$ 25,029	\$ 18,882	\$ 25,321	\$ 18,882
Seed capital	148,615	128,771	158,523	128,771
Equities			42	—
Investments in limited partnership hedge funds:	Investments in limited partnership hedge funds:		Investments in limited partnership hedge funds:	

Long-term incentive compensation-related	Long-term incentive compensation-related	11,712	21,151	Long-term incentive compensation-related	\$	10,267	\$	21,151
Seed capital	Seed capital	17,523	57,624	Seed capital		18,129		57,624
Investment in joint ventures				Investment in joint ventures		295,379		—
Time deposits	Time deposits	6,249	6,517	Time deposits		6,165		6,517
Other	Other	11,140	10,609	Other		10,946		10,609
<b>Total investments</b>	<b>Total investments</b>	<b>\$ 220,268</b>	<b>\$ 243,554</b>	<b>Total investments</b>	<b>\$</b>	<b>524,772</b>	<b>\$</b>	<b>243,554</b>

Total investments related to long-term incentive compensation obligations of \$36.7 million \$35.6 million and \$40.0 million as of March 31, 2024 June 30, 2024 and December 31, 2023, 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.

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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 March 31, 2024 June 30, 2024 and December 31, 2023, our total seed capital investments were \$343.4 million \$327.1 million and \$394.2 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.

In addition, On April 1, 2024, we have long positions deconsolidated our BRS business and contributed the business to the JVs. We record our subsequent investment in corporate equities the JVs under the equity method of accounting and long exchange-traded options traded through our options desk. investment in joint ventures includes our investments in these JVs (for further discussion, see Note 2 Significant Accounting Policies and Note 17 Divestitures). These investments are recorded at cost plus our share of earnings and losses.

The portion of unrealized gains (losses) related to equity securities, as defined by ASC 321-10, held as of March 31, 2024 June 30, 2024 and 2023 were as follows:

	Three Months Ended March 31,			
	2024		2023	
	(in thousands)			
Net gains recognized during the period	\$	11,058	\$	5,464
Less: net gains recognized during the period on equity securities sold during the period		7,389		590
<b>Unrealized gains recognized during the period on equity securities held</b>	<b>\$</b>	<b>3,669</b>	<b>\$</b>	<b>4,874</b>

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023	
	(in thousands)							
Net gains recognized during the period	\$	986	\$	2,983	\$	12,044	\$	8,447
Less: net (losses) gains recognized during the period on equity securities sold during the period		(1,362)		5,259		6,027		5,849
<b>Unrealized gains (losses) recognized during the period on equity securities held</b>	<b>\$</b>	<b>2,348</b>	<b>\$</b>	<b>(2,276)</b>	<b>\$</b>	<b>6,017</b>	<b>\$</b>	<b>2,598</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*.

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The notional value and fair value as of **March 31, 2024**, **June 30, 2024** and December 31, 2023 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				Fair Value			
	Notional Value	Derivative Assets		Derivative Liabilities	Notional Value	Derivative Assets		Derivative Liabilities
		(in thousands)				(in thousands)		
March 31, 2024:								
June 30, 2024:					June 30, 2024:			
Exchange-traded futures	Exchange-traded futures	\$ 121,735	\$ 47	\$ 751	Exchange-traded futures	\$ 109,749	\$ 32	\$ 556
Currency forwards	Currency forwards	15,991	4,674	4,566	Currency forwards	10,123	5,022	5,027
Interest rate swaps	Interest rate swaps	44,545	519	519	Interest rate swaps	38,185	657	516
Credit default swaps	Credit default swaps	83,507	8,436	3,240	Credit default swaps	49,503	9,153	2,996
Total return swaps	Total return swaps	94,800	181	2,633	Total return swaps	91,378	475	1,661
Option swaps	Option swaps	50,109	—	150	Option swaps	50,045	—	208
Total derivatives	Total derivatives	\$ 410,687	\$ 13,857	\$ 11,859	Total derivatives	\$ 348,983	\$ 15,339	\$ 10,964
December 31, 2023:								
Exchange-traded futures	Exchange-traded futures	\$ 116,344	\$ 1	\$ 3,511	Exchange-traded futures	\$ 116,344	\$ 1	\$ 3,511
Currency forwards	Currency forwards	34,440	4,951	5,597	Currency forwards	34,440	4,951	5,597
Interest rate swaps	Interest rate swaps	11,345	294	349	Interest rate swaps	11,345	294	349
Credit default swaps	Credit default swaps	139,607	9,265	4,197	Credit default swaps	139,607	9,265	4,197
Total return swaps	Total return swaps	95,021	6	4,391	Total return swaps	95,021	6	4,391
Option swaps	Option swaps	50,232	1	135	Option swaps	50,232	1	135
Total derivatives	Total derivatives	\$ 446,989	\$ 14,518	\$ 18,180	Total derivatives	\$ 446,989	\$ 14,518	\$ 18,180

As of **March 31, 2024**, **June 30, 2024** and December 31, 2023, 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 (excluding our options desk trading activities *discussed below*) for the three and six months ended **March 31, 2024**, **June 30, 2024** and 2023 recognized in investment gains (losses) in the condensed consolidated statements of income were as follows:

		Three Months Ended March 31,				Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023			2024	2023	2024	2023
		(in thousands)				(in thousands)		(in thousands)	
Exchange-traded futures	Exchange-traded futures	\$ (1,579)	\$ (4,632)	Exchange-traded futures	\$ (871)	\$ 2,032	\$ (2,450)	\$ (2,600)	
Currency forwards	Currency forwards	364	(105)	Currency forwards	(9)	68	355	(37)	
Interest rate swaps	Interest rate swaps	143	(63)	Interest rate swaps	282	114	425	51	

Credit default swaps	Credit default swaps	(829)	(2,228)	Credit default swaps	(91)	(2,013)	(920)	(4,241)
Total return swaps	Total return swaps	(3,256)	(2,056)	Total return swaps	(682)	(1,645)	(3,938)	(3,701)
Option swaps	Option swaps	207	(1,410)	Option swaps	(259)	583	(52)	(827)
<b>Net (losses) on derivative instruments</b>	<b>Net (losses) on derivative instruments</b>	<b>\$ (4,950)</b>	<b>\$ (10,494)</b>	<b>Net (losses) on derivative instruments</b>	<b>\$ (1,630)</b>	<b>\$ (861)</b>	<b>\$ (6,580)</b>	<b>\$ (11,355)</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 **March 31, 2024**, **June 30, 2024** and December 31, 2023, we held **\$7.7 million**, **\$7.4 million** and \$5.7 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

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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 **March 31, 2024**, **June 30, 2024** and December 31, 2023, we delivered **\$4.0 million**, **\$4.1 million** and \$7.8 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.

As a result of **March 31, 2024** and **December 31, 2023** the deconsolidation of the BRS business on April 1, 2024, we no longer have long and short exchange-traded equity options. As of **December 31, 2023**, these equity options were classified as held for sale on our condensed consolidated statement of financial condition. For further discussion, see **Note 17 Divestiture**.

Our Prior to the deconsolidation of the BRS business, our options desk provides provided our clients with equity derivative strategies and execution for exchange-traded options on single stocks, exchange-traded funds and indices. While predominately agency-based, the options desk may commit capital to facilitate a client's transaction. Our options desk hedges hedged the risks associated with this activity by taking offsetting positions in equities. For the three months ended **March 31, 2024** and **2023**, (prior to our deconsolidation of the BRS business on April 1, 2024), we recognized losses of **\$2.0 million**, **\$2.0 million** on equity options activity. For the three and six months ended **June 30, 2023**, we recognized losses of **\$2.9 million**, **\$0.8 million** and **\$3.7 million**, respectively, on equity options activity. These gains and losses are recognized in investment gains (losses) in the condensed consolidated statement of income.

## 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 **March 31, 2024**, **June 30, 2024** and December 31, 2023 was as follows:

March 31, 2024:							June 30, 2024:						
March 31, 2024:							June 30, 2024:						
June 30, 2024:							December 31, 2023:						
December 31, 2023:							December 31, 2023:						
Securities borrowed	Securities borrowed	\$	—	\$	14,719	\$ (14,719)	—	\$	—	\$	14,719	\$ (14,719)	—
Derivatives	Derivatives	\$	13,857	\$	—	\$ (7,665)	\$	6,192	Derivatives	\$	15,339	\$	—
December 31, 2023:	December 31, 2023:						December 31, 2023:						

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		Gross Amounts of Liabilities Offset in the Statement of Financial Condition						Net Amounts of Liabilities Presented in the Statement of Financial Condition										
		Gross Amounts of Recognized Liabilities	\$	Financial Condition	\$	Financial Instruments Collateral	Cash Collateral Pledged	Net Amount		Gross Amounts of Recognized Liabilities	\$	Financial Condition	\$	Financial Instruments Collateral	Cash Collateral Pledged	Net Amount		
		(in thousands)								(in thousands)								
<b>March 31, 2024:</b>																		
Securities loaned		\$ 65,860	\$ —	\$ 65,860	\$ (65,860)	\$ —	\$ —											
<b>June 30, 2024:</b>										<b>June 30, 2024:</b>								
Derivatives	Derivatives	\$ 11,859	\$ —	\$ 11,859	\$ —	\$ (4,031)	\$ 7,828		Derivatives	\$ 10,964	\$ —	\$ 10,964	\$ —	\$ (4,059)	\$ 6,905			
<b>December 31, 2023:</b>	<b>December 31, 2023:</b>									<b>December 31, 2023:</b>								
Securities loaned	Securities loaned	\$ 125,101	\$ —	\$ 125,101	\$ (122,369)	\$ —	\$ 2,732		Securities loaned	\$ 125,101	\$ —	\$ 125,101	\$ (122,369)	\$ —	\$ 2,732			
Derivatives	Derivatives	\$ 18,180	\$ —	\$ 18,180	\$ —	\$ (7,795)	\$ 10,385		Derivatives	\$ 18,180	\$ —	\$ 18,180	\$ —	\$ (7,795)	\$ 10,385			

## 11. Fair Value

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.

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

	Level 1	Level 2	Level 3	NAV Expedient <sup>(1)</sup>	Other	Total
<b>March 31, 2024:</b>						
Money markets	\$ 155,596	\$ —	\$ —	\$ —	\$ —	\$ 155,596
Securities segregated (U.S. Treasury Bills)	—	865,253	—	—	—	865,253
Derivatives	47	13,810	—	—	—	13,857
Investments:						
Equity securities	167,181	6,319	114	30	—	173,644
Limited partnership hedge funds <sup>(2)</sup>	—	—	—	—	29,235	29,235

Time deposits <sup>(3)</sup>	—	—	—	—	6,249	6,249
Other investments	8,436	—	—	—	2,704	11,140

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		NAV						NAV					
		Level 1	Level 2	Level 3	Expedient <sup>(1)</sup>	Other	Total		Level 1	Level 2	Level 3	Expedient <sup>(1)</sup>	Total
Total investments		175,617	6,319	114	30	38,188	220,268						
<b>June 30, 2024:</b>								<b>June 30, 2024:</b>					
Money markets	Money markets							\$ 163,955	\$ —	\$ —	\$ —	\$ —	\$ 163,955
Securities segregated (U.S. Treasury Bills)	Securities segregated (U.S. Treasury Bills)							—	591,569	—	—	—	591,569
Derivatives	Derivatives							32	15,307	—	—	—	15,339
Equity securities	Equity securities							179,045	4,695	116	30	—	183,886
Other investments	Other investments							8,292	—	—	—	—	8,292
<b>Total assets measured at fair value</b>	<b>Total assets measured at fair value</b>	<b>\$ 331,260</b>	<b>\$ 885,382</b>	<b>\$ 114</b>	<b>\$ 30</b>	<b>\$ 38,188</b>	<b>\$ 1,254,974</b>	<b>\$ 351,324</b>	<b>\$ 611,571</b>	<b>\$ 116</b>	<b>\$ 30</b>	<b>\$ 963,041</b>	
Derivatives	Derivatives	\$ 751	\$ 11,108	\$ —	\$ —	\$ —	\$ 11,859	\$ 556	\$ 10,408	\$ —	\$ —	\$ —	\$ 10,964
Contingent payment arrangements	Contingent payment arrangements	—	—	254,108	—	—	254,108	—	—	255,166	—	—	255,166
<b>Total liabilities measured at fair value</b>	<b>Total liabilities measured at fair value</b>	<b>\$ 751</b>	<b>\$ 11,108</b>	<b>\$ 254,108</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 265,967</b>	<b>\$ 556</b>	<b>\$ 10,408</b>	<b>\$ 255,166</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 266,130</b>
<b>December 31, 2023:</b>								<b>December 31, 2023:</b>					
Money markets	Money markets	\$ 146,906	\$ —	\$ —	\$ —	\$ —	\$ 146,906	\$ 146,906	\$ —	\$ —	\$ —	\$ —	\$ 146,906
Securities segregated (U.S. Treasury Bills)	Securities segregated (U.S. Treasury Bills)	—	867,679	—	—	—	867,679	—	867,679	—	—	—	867,679
Derivatives	Derivatives	1	14,517	—	—	—	14,518	1	14,517	—	—	—	14,518
Investments:													
Equity securities	Equity securities	113,833	32,104	118	1,598	—	147,653	113,833	32,104	118	1,598	—	147,653
Limited partnership hedge funds <sup>(2)</sup>	Limited partnership hedge funds <sup>(2)</sup>	—	—	—	—	78,775	78,775						
Time deposits <sup>(3)</sup>	Time deposits <sup>(3)</sup>	—	—	—	—	6,517	6,517						
Other investments	Other investments	7,870	—	—	—	2,739	10,609	7,870	—	—	—	—	7,870
Total investments	Total investments	121,703	32,104	118	1,598	88,031	243,554						
<b>Total assets measured at fair value</b>	<b>Total assets measured at fair value</b>	<b>\$ 268,610</b>	<b>\$ 914,300</b>	<b>\$ 118</b>	<b>\$ 1,598</b>	<b>\$ 88,031</b>	<b>\$ 1,272,657</b>	<b>\$ 268,610</b>	<b>\$ 914,300</b>	<b>\$ 118</b>	<b>\$ 1,598</b>	<b>\$ 1,184,626</b>	
Derivatives	Derivatives	\$ 3,511	\$ 14,669	\$ —	\$ —	\$ —	\$ 18,180	\$ 3,511	\$ 14,669	\$ —	\$ —	\$ —	\$ 18,180
Contingent payment arrangements	Contingent payment arrangements	—	—	252,690	—	—	252,690	—	—	252,690	—	—	252,690

Total liabilities measured at fair value	Total liabilities measured at fair value	\$	3,511	\$	14,669	\$	252,690	\$	—	\$	—	\$	270,870	Total liabilities measured at fair value	\$	3,511	\$	14,669	\$	252,690	\$	—	\$	270,870
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- (1) Investments measured at fair value using NAV (or its equivalent) as a practical expedient.
- (2) Investments in equity method investees that are not measured at fair value in accordance with GAAP.
- (3) Investments carried at amortized cost that are not measured at fair value in accordance with GAAP.

Other investments included in Level 1 of the fair value hierarchy include our investment in a mutual fund measured at fair value (\$8.48.3 million and \$7.9 million as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively). Other investments not measured at fair value include (i) investment in a start-up company that does not have a readily available fair value (this investment was \$0.3 million as of both March 31, 2024 and December 31, 2023) and (ii) broker dealer exchange memberships that are not measured at fair value in accordance with GAAP (\$2.4 million as of both March 31, 2024 and December 31, 2023).

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.

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- 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 three six months ended March 31, 2024 June 30, 2024 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 March 31,	
	2024	2023
	(in thousands)	
Balance as of beginning of period	\$ 118	\$ 129
Purchases	—	—
Sales	—	—
Realized gains (losses), net	—	—
Unrealized (losses) gains, net	(4)	41
<b>Balance as of end of period</b>	<b>\$ 114</b>	<b>\$ 170</b>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in thousands)			
Balance as of beginning of period	\$ 114	\$ 170	\$ 118	\$ 129
Unrealized gains (losses), net	2	(49)	(2)	(8)
<b>Balance as of end of period</b>	<b>\$ 116</b>	<b>\$ 121</b>	<b>\$ 116</b>	<b>\$ 121</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 March 31,			Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023		2024	2023	2024	2023
		(in thousands)			(in thousands)			
Balance as of beginning of period	Balance as of beginning of period	\$ 252,690	\$ 247,309	Balance as of beginning of period	\$ 254,108	\$ 248,185	\$ 252,690	\$ 247,309
Accretion	Accretion	2,558	2,443	Accretion	2,558	2,444	5,116	4,887
Payments	Payments	(1,140)	(792)	Payments	(1,500)	—	(2,640)	(792)
Held for sale reclassification	Held for sale reclassification	—	(775)	Held for sale reclassification	—	(775)	—	(1,550)
Balance as of end of period	Balance as of end of period	\$ 254,108	\$ 248,185	Balance as of end of period	\$ 255,166	\$ 249,854	\$ 255,166	\$ 249,854

As of **March 31, 2024** **June 30, 2024**, the expected revenue growth rates ranged from 2.0% to 29.3%, with a weighted average of 7.9%, calculated using cumulative revenues and range of revenue growth rates. The discount rates range from 1.9% to 10.4%, with a weighted average of 4.6%, calculated using total contingent liabilities and range of discount rates. As of **March 31, 2023** **June 30, 2023**, the expected revenue growth rates ranged from 2.0% to 83.9%, with a weighted average of 10.3%, 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 4.6%, 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 **three** **six** months ended **March 31, 2024** **June 30, 2024** or during the year ended December 31, 2023.

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## 12. Commitments and Contingencies

### Legal Proceedings

With respect to all significant litigation matters, we consider the likelihood of a negative outcome. If we determine the likelihood of a negative outcome is probable and the amount of the loss can be reasonably estimated, we record an estimated loss for the expected outcome of the litigation. If the likelihood of a negative outcome is reasonably possible and we are able to determine an estimate of the possible loss or range of loss in excess of amounts already accrued, if any, we disclose that fact together with the estimate of the possible loss or range of loss. However, it is often difficult to predict the outcome or estimate a possible loss or range of loss because litigation is subject to inherent uncertainties, particularly when plaintiffs allege substantial or indeterminate damages. Such is also the case when the litigation is in its early stages or when the litigation is highly complex or broad in scope. In these cases, we disclose that we are unable to predict the outcome or estimate a possible loss or range of loss. **As a result of these types of factors, we are unable, at this time, to estimate the losses that are reasonably possible to be incurred or ranges of such losses with respect to our significant litigation matters.**

On December 14, 2022, four individual participants in the Profit Sharing Plan for Employees of AllianceBernstein L.P., (the "Plan") filed a class action complaint (the "Complaint") in the U.S. District Court for the Southern District of New York (the "Court") against AB, current and former members of the Compensation and Workplace Practices Committee, of the Board, and the Investment and Administrative Committees under the Plan. **Plaintiffs, who seek On February 24, 2023, AB filed a motion to represent a class of dismiss all participants in the Plan from December 14, 2016 to the present, allege that defendants violated their fiduciary duties claims and engaged in prohibited transactions under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), by including proprietary collective investment trusts as investment options offered under the Plan. The Complaint seeks unspecified damages, disgorgement and other equitable relief. On on March 25, 2024, the Court granted AB's AB's motion to dismiss the Complaint complaint in its entirety. Plaintiffs were given 30 days to file a motion for leave Plaintiff's time to amend their Complaint complaint or appeal the Court's decision. To date, Court's decision has now expired and we have not received notice of any subsequent Court filings made by the Plaintiffs. While the ultimate outcome of consider this matter is currently not determinable, we do not believe this litigation will have a material adverse effect on our results of operations, financial condition or liquidity, concluded.**

AB may be involved in various **other** matters, including regulatory inquiries, administrative proceedings and litigation, some of which may allege significant damages. It is reasonably possible that we could incur losses pertaining to these other matters, but we cannot currently estimate any such **losses, or a range of reasonably possible losses**. Management, after consultation with legal counsel, currently believes that the outcome of any other individual matter that is pending or threatened, or all of them combined, will not have a material adverse effect on our results of operations, financial condition or liquidity. However, any inquiry, proceeding or litigation has an element of uncertainty; management cannot determine whether further developments relating to any other individual matter that is pending or threatened, or all of them combined, will have a material adverse effect on our results of operation, financial condition or liquidity in any future reporting period.

### Guarantees

Effective April 1, 2024 AB and SocGen completed their previously announced transaction to form the JVs. At the time of closing, 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.

In addition, in connection with the close of the transaction, AB will indemnify SG Canada for certain obligations and liabilities in relation to 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.

### 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.

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Leases included in the condensed consolidated statement of financial condition as of March 31, 2024 June 30, 2024 and December 31, 2023 were as follows:

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		Classification	December 31,				Classification	December 31,	
			March 31, 2024	2023				June 30, 2024	2023
			(in thousands)					(in thousands)	
<b>Operating Leases</b>	<b>Operating Leases</b>				<b>Operating Leases</b>				
Operating lease right-of-use assets	Operating lease right-of-use assets	Right-of-use assets	\$ 495,166	\$ 312,588	Operating lease right-of-use assets	Right-of-use assets	\$ 481,336	\$ 312,588	
Operating lease liabilities	Operating lease liabilities	Lease liabilities	560,218	357,623	Operating lease liabilities	Lease liabilities	546,961	357,623	
<b>Finance Leases</b>	<b>Finance Leases</b>				<b>Finance Leases</b>				
Property and equipment, gross	Property and equipment, gross	Right-of-use assets	18,969	18,975	Property and equipment, gross	Right-of-use assets	18,725	18,975	
Amortization of right-of-use assets	Amortization of right-of-use assets	Right-of-use assets	(8,847)	(7,797)	Amortization of right-of-use assets	Right-of-use assets	(9,651)	(7,797)	
Property and equipment, net	Property and equipment, net		10,122	11,178	Property and equipment, net		9,074	11,178	
Finance lease liabilities	Finance lease liabilities	Lease liabilities	9,945	11,394	Finance lease liabilities	Lease liabilities	9,031	11,394	

The components of lease expense included in the condensed consolidated statement of income as of March 31, 2024 June 30, 2024 and March 31, 2023 June 30, 2023 were as follows:

		Classification	Three Months Ended March 31,				Classification	Three Months Ended June 30,		Six Months Ended June 30,	
			2024	2023				2024	2023	2024	2023
			(in thousands)					(in thousands)		(in thousands)	
Operating lease cost	Operating lease cost	General and administrative	\$ 27,936	\$ 23,164	Operating lease cost	General and administrative	\$ 27,584	\$ 24,120	\$ 55,520	\$ 47,284	
Financing lease cost:	Financing lease cost:				Financing lease cost:						

Amortization of right-of-use assets	Amortization of right-of-use assets	General and administrative	1,052	1,076	Amortization of right-of-use assets	General and administrative	1,047	1,203	2,099	2,279
Interest on lease liabilities	Interest on lease liabilities	Interest expense	84	65	Interest on lease liabilities	Interest expense	76	88	160	153
Total finance lease cost	Total finance lease cost		1,136	1,141	Total finance lease cost		1,123	1,291	2,259	2,432
Variable lease cost <sup>(1)</sup>	Variable lease cost <sup>(1)</sup>	General and administrative	9,610	8,867	Variable lease cost <sup>(1)</sup>	General and administrative	10,280	7,432	19,890	16,299
Sublease income	Sublease income	General and administrative	(7,723)	(8,260)	Sublease income	General and administrative	(8,746)	(8,741)	(16,469)	(17,001)
Net lease cost	Net lease cost		\$ 30,959	\$ 24,912	Net lease cost		\$ 30,241	\$ 24,102	\$ 61,200	\$ 49,014

(1) 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. The vast majority of sub-tenant income is derived from our New York metro sub-tenant agreements. Sub-tenant income related to base rent is recorded on a straight-line basis.

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Maturities of lease liabilities were as follows:

	Operating Leases	Financing Leases	Total
Year ending December 31,	(in thousands)		
2024 (excluding the three months ended March 31, 2024)	\$ 79,030	\$ 2,884	\$ 81,914
2025	61,398	3,984	65,382
2026	58,966	2,553	61,519
2027	56,376	881	57,257
2028	50,227	137	50,364
Thereafter	458,710	—	458,710
Total lease payments	764,707	10,439	775,146
Less interest	(204,489)	(494)	
Present value of lease liabilities	\$ 560,218	\$ 9,945	

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	Operating Leases	Financing Leases	Total
Year ending December 31,	(in thousands)		
2024 (excluding the six months ended June 30, 2024)	\$ 52,076	\$ 1,927	\$ 54,003
2025	61,864	4,050	65,914
2026	60,648	2,617	63,265
2027	58,144	922	59,066
2028	52,050	142	52,192
Thereafter	464,114	—	464,114
Total lease payments	748,896	9,658	758,554
Less interest	(201,935)	(627)	
Present value of lease liabilities	\$ 546,961	\$ 9,031	

We have signed a lease that commenced during the first quarter of 2024, relating to approximately 166,000 square feet of space in New York City.

### Lease term and discount rate:

#### Weighted average remaining lease term (years):

Operating leases	12.74	13.03
Finance leases	2.80	2.55

#### Weighted average discount rate:

Operating leases	4.2	4.3 %
Finance leases	3.3	3.4 %

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

		Three Months Ended March 31,		Six Months Ended June 30,	
		2024	2023	2024	2023
		(in thousands)		(in thousands)	
Right-of-use assets obtained in exchange for lease obligations <sup>(1)</sup> :	Right-of-use assets obtained in exchange for lease obligations <sup>(1)</sup> :			Right-of-use assets obtained in exchange for lease obligations <sup>(1)</sup> :	
Operating leases	Operating leases	204,729	3,390	Operating leases	213,235
Finance leases	Finance leases	—	585	Finance leases	2,096

<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.

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

		March 31, 2024			December 31, 2023					June 30, 2024			December 31, 2023		
		(in thousands)			(in thousands)					(in thousands)			(in thousands)		
		VIEs	VOEs	Total	VIEs	VOEs	Total			VIEs	VOEs	Total	VIEs	VOEs	Total
Cash and cash equivalents	Cash and cash equivalents	\$ 7,425	\$ 111	\$ 7,536	\$ 7,572	\$ 167	\$ 7,739	Cash and cash equivalents	\$ 3,733	\$ 124	\$ 3,857	\$ 7,572	\$ 167	\$ 7,739	
Investments	Investments	171,088	127,040	298,128	286,619	110,555	397,174	Investments	157,618	95,452	253,070	286,619	110,555	397,174	
Other assets	Other assets	9,251	1,702	10,953	15,010	10,289	25,299	Other assets	2,544	1,132	3,676	15,010	10,289	25,299	
<b>Total assets</b>	<b>Total assets</b>	<b>\$ 187,764</b>	<b>\$ 128,853</b>	<b>\$ 316,617</b>	<b>\$ 309,201</b>	<b>\$ 121,011</b>	<b>\$ 430,212</b>	<b>Total assets</b>	<b>\$ 163,895</b>	<b>\$ 96,708</b>	<b>\$ 260,603</b>	<b>\$ 309,201</b>	<b>\$ 121,011</b>	<b>\$ 430,212</b>	
Liabilities	Liabilities	\$ 10,002	\$ 4,130	\$ 14,132	\$ 9,699	\$ 2,838	\$ 12,537	Liabilities	\$ 1,142	\$ 311	\$ 1,453	\$ 9,699	\$ 2,838	\$ 12,537	
Redeemable non-controlling interest	Redeemable non-controlling interest	103,743	21,151	124,894	202,882	6,538	209,420	Redeemable non-controlling interest	92,498	15,757	108,255	202,882	6,538	209,420	
Partners' capital attributable to AB	Partners' capital attributable to AB							Partners' capital attributable to AB							
Unitholders	Unitholders	74,019	103,572	177,591	96,620	111,635	208,255	Unitholders	70,255	80,640	150,895	96,620	111,635	208,255	
<b>Total liabilities, redeemable non-controlling interest and partners' capital</b>	<b>Total liabilities, redeemable non-controlling interest and partners' capital</b>	<b>\$ 187,764</b>	<b>\$ 128,853</b>	<b>\$ 316,617</b>	<b>\$ 309,201</b>	<b>\$ 121,011</b>	<b>\$ 430,212</b>	<b>Total liabilities, redeemable non-controlling interest and partners' capital</b>	<b>\$ 163,895</b>	<b>\$ 96,708</b>	<b>\$ 260,603</b>	<b>\$ 309,201</b>	<b>\$ 121,011</b>	<b>\$ 430,212</b>	

During the three-month six-month period ended March 31, 2024 June 30, 2024, we deconsolidated two four funds in which we had a seed investment of approximately \$18.5 million \$46.5 million as of December 31, 2023, due to no longer having a controlling financial interest.

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Changes in the redeemable non-controlling interest balance during the three-month six-month period ended March 31, 2024 June 30, 2024 are as follows (in thousands):

Redeemable non-controlling interest as of December 31, 2023	\$	209,420
Deconsolidated funds		(107,153)(119,231)
Changes in third-party seed investments in consolidated funds		22,62718,066
Redeemable non-controlling interest as of <b>March 31, 2024</b> <b>June 30, 2024</b>	\$	<b>124,894</b> <b>108,255</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.

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Valuation of consolidated company-sponsored investment funds' financial instruments by pricing observability levels as of **March 31, 2024** **June 30, 2024** and December 31, 2023 was as follows (in thousands):

		Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
<b>March 31, 2024:</b>										
<b>June 30, 2024:</b>						<b>June 30, 2024:</b>				
Investments - VIEs	Investments - VIEs	\$ 46,870	\$ 124,218	\$ —	\$ 171,088	Investments - VIEs	\$ 16,392	\$ 141,226	\$ —	\$ 157,618
Investments - VOEs	Investments - VOEs	16,540	110,500	—	127,040	Investments - VOEs	13,785	81,667	—	95,452
Derivatives - VIEs	Derivatives - VIEs	250	5,448	—	5,698	Derivatives - VIEs	457	107	—	564
<b>Total assets measured at fair value</b>	<b>Total assets measured at fair value</b>	<b>\$ 63,660</b>	<b>\$ 240,166</b>	<b>\$ —</b>	<b>\$ 303,826</b>	<b>Total assets measured at fair value</b>	<b>\$ 30,634</b>	<b>\$ 223,000</b>	<b>\$ —</b>	<b>\$ 253,634</b>
Derivatives - VIEs	Derivatives - VIEs	88	5,278	—	5,366	Derivatives - VIEs	99	60	—	159
<b>Total liabilities measured at fair value</b>	<b>Total liabilities measured at fair value</b>	<b>\$ 88</b>	<b>\$ 5,278</b>	<b>\$ —</b>	<b>\$ 5,366</b>	<b>Total liabilities measured at fair value</b>	<b>\$ 99</b>	<b>\$ 60</b>	<b>\$ —</b>	<b>\$ 159</b>
<b>December 31, 2023:</b>										
Investments - VIEs	Investments - VIEs	\$ 49,455	\$ 237,164	\$ —	\$ 286,619	Investments - VIEs	\$ 49,455	\$ 237,164	\$ —	\$ 286,619
Investments - VOEs	Investments - VOEs	9,036	101,519	—	110,555	Investments - VOEs	9,036	101,519	—	110,555
Derivatives - VIEs	Derivatives - VIEs	2,139	2,763	—	4,902	Derivatives - VIEs	2,139	2,763	—	4,902
Derivatives - VOEs	Derivatives - VOEs	—	8,775	—	8,775	Derivatives - VOEs	—	8,775	—	8,775
<b>Total assets measured at fair value</b>	<b>Total assets measured at fair value</b>	<b>\$ 60,630</b>	<b>\$ 350,221</b>	<b>\$ —</b>	<b>\$ 410,851</b>	<b>Total assets measured at fair value</b>	<b>\$ 60,630</b>	<b>\$ 350,221</b>	<b>\$ —</b>	<b>\$ 410,851</b>
Derivatives - VIEs	Derivatives - VIEs	\$ 944	\$ 1,587	\$ —	\$ 2,531	Derivatives - VIEs	\$ 944	\$ 1,587	\$ —	\$ 2,531
<b>Total liabilities measured at fair value</b>	<b>Total liabilities measured at fair value</b>	<b>\$ 944</b>	<b>\$ 1,587</b>	<b>\$ —</b>	<b>\$ 2,531</b>	<b>Total liabilities measured at fair value</b>	<b>\$ 944</b>	<b>\$ 1,587</b>	<b>\$ —</b>	<b>\$ 2,531</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 There were no Level 3 financial instruments carried at fair value within the consolidated company-sponsored investment funds was as follows:



December 31, 2023:	December 31, 2023:	December 31, 2023:	December 31, 2023:	December 31, 2023:	December 31, 2023:	December 31, 2023:	December 31, 2023:	December 31, 2023:	December 31, 2023:
Derivatives	Derivatives								
- VIEs	- VIEs	\$ 4,902	\$ —	\$ 4,902	\$ —	\$ (1,415)	\$ 3,487	- VIEs	\$ 4,902 \$ — \$ 4,902 \$ — \$ (1,415) \$ 3,487

Offsetting of derivative liabilities of consolidated company-sponsored investment funds as of March 31, 2024 June 30, 2024 and December 31, 2023 was as follows:

Net Amounts of Gross Amounts of Liabilities Offset in the Statement of Financial Condition of Financial Instruments Collateral Pledged Net Amount						Net Amounts of Gross Amounts of Liabilities Offset in the Statement of Financial Condition of Financial Instruments Collateral Pledged Net Amount					
(in thousands)						(in thousands)					
March 31, 2024:	June 30, 2024:	December 31, 2023:	March 31, 2024:	June 30, 2024:	December 31, 2023:	March 31, 2024:	June 30, 2024:	December 31, 2023:	March 31, 2024:	June 30, 2024:	December 31, 2023:
Derivatives	Derivatives	Derivatives	Derivatives	Derivatives	Derivatives	Derivatives	Derivatives	Derivatives	Derivatives	Derivatives	Derivatives
- VIEs	- VIEs	- VIEs	- VIEs	- VIEs	- VIEs	- VIEs	- VIEs	- VIEs	- VIEs	- VIEs	- VIEs
\$ 5,366	\$ —	\$ 5,366	\$ —	\$ (1,679)	\$ 3,687	\$ 159	\$ —	\$ 159	\$ —	\$ (159)	\$ —
\$ 2,531	\$ —	\$ 2,531	\$ —	\$ (1,408)	\$ 1,123	\$ 2,531	\$ —	\$ 2,531	\$ —	\$ (1,408)	\$ 1,123

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 March 31, 2024 June 30, 2024, the net assets of company-sponsored investment products that are non-consolidated VIEs are approximately \$65.5 billion \$67.0 billion, and our maximum risk of loss is our investment of \$22.2 million \$14.3 million in these VIEs and our advisory fee receivables from these VIEs is \$115.0 million \$103.7 million. As of December 31, 2023, the net assets of company-sponsored investment products that were non-consolidated VIEs was approximately \$54.6 billion; our maximum risk of loss was our investment of \$10.3 million in these VIEs and our advisory fees receivable from these VIEs was \$114.5 million.

#### 15. Units Outstanding

Changes in AB Units outstanding during the three-month six-month period ended March 31, 2024 June 30, 2024 were as follows:

Outstanding as of December 31, 2023	286,609,212
Units issued	743,098 850,482
Units retired <sup>(1)</sup>	(29,785) (685,921)
Outstanding as of March 31, 2024 June 30, 2024	287,322,525 286,773,773

<sup>(1)</sup> During the three six months ended March 31, 2024 June 30, 2024, we purchased 14,200 18,800 AB Units in private transactions and retired them.

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#### 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, which matures on October 13, 2026. 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 and Sanford C. Bernstein & Co., LLC ("SCB LLC") business purposes, including the support of AB's commercial paper program. Both AB and SCB LLC can draw directly under the Credit Facility and management may draw on the Credit Facility from time to time. AB has agreed to guarantee the obligations of SCB LLC under the Credit Facility.

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 March 31, 2024 June 30, 2024, 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 **March 31, 2024** **June 30, 2024** and December 31, 2023, we had no amounts outstanding under the Credit Facility. Furthermore, during the first **three six** months of 2024 and the full year 2023, 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 November 4, 2024 and is available for AB's general business purposes. **Our intent is to amend and extend this facility before maturity.** 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 **March 31, 2024** **June 30, 2024**, 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 **both March 31, 2024** **June 30, 2024** and December 31, 2023, AB had **\$620.0 million and \$900.0 million** outstanding under the EQH Facility, **respectively**, with an interest rate of approximately 5.3%, **respectively**. Average daily borrowings on the EQH Facility for the first **three six** months of 2024 and the full year 2023 were **\$771.4 million** **\$639.1 million** and \$743.1 million, respectively, with weighted average interest rates of approximately 5.3% and 4.9%, 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 September 1, 2024 and is available for AB's general business purposes. **Our intent is to amend and extend this facility before maturity.** 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 **March 31, 2024** **June 30, 2024**, we were in compliance with these covenants. As of **March 31, 2024** **June 30, 2024** and **December 31, 2023**

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**December 31, 2023** we had no amounts outstanding on the EQH Uncommitted Facility. During the first **three six** months of 2024, we did not draw upon the EQH Uncommitted

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Facility. Average daily borrowing for the full year 2023 were \$3.6 million with a weighted average interest rate of approximately 4.6%.

#### *Commercial Paper*

As of **March 31, 2024** **June 30, 2024** we had no commercial paper outstanding. As of December 31, 2023, we had \$254.3 million of commercial paper outstanding with an interest rate of 5.4%. 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 **three six** months of 2024 and full year 2023 were **\$455.0 million** **\$367.0 million** and \$267.6 million, respectively, with weighted average interest rates of approximately **5.5%** **5.4%** and 5.2%, respectively.

#### *SCB Lines of Credit*

SCB LLC has five uncommitted lines of credit with five financial institutions. Four of these lines of credit permit us to borrow up to an aggregate of approximately \$315.0 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 **March 31, 2024** **June 30, 2024** and December 31, 2023, SCB LLC had no outstanding balance on these lines of credit. Average daily borrowings during the first **three six** months of 2024 and full year 2023 were **\$0.5 million** **\$1.3 million** and \$1.1 million, respectively, with weighted average interest rates of approximately 8.5% and 7.8%, respectively.

## **17. Divestiture**

On November 22, 2022, AB and Societe Generale (Euronext: GLE, "SocGen"), SocGen, a leading European bank, announced plans to form a joint venture combining their respective cash equities and research businesses (the "Initial Plan"). In the Initial Plan, AB would own a 49% interest in the **global** joint venture and SocGen would own a 51% interest, **in the global joint venture**, with an option to reach 100% ownership after five years.

During the fourth quarter of 2023, AB and SocGen negotiated a revised plan (the "**Revised Plan**" "**Revised Plan**") **under which to form 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").** Effective April 1, 2024, AB and SocGen **would own** completed **their previously announced transaction in accordance with the Revised Plan.** AB owns a 66.7% majority **of** interest in the NA JV while SocGen owns a 51% majority interest in

the joint venture outside of North America and America. While AB would own currently owns a majority of the joint venture within North America (the "NA JV"), NA JV, the structure of the Board of Directors of the NA JV, which includes two independent directors, in addition to four directors from AB and together three directors from SocGen, precludes AB's control of the "JVs"). Subsequently, Board thereby permitting deconsolidation of the BRS business. Going forward, AB will maintain an equity method investment in each of the JVs and report on April 1, 2024, the transaction closed, performance of the two JV holding companies on a combined basis.

As a result of the greater value of the business AB contributed to the JVs, SocGen paid AB \$304.0 million in cash to equalize the value of the contributions by AB and SocGen to the JVs. The cash payment of \$304.0 million included \$102.6 million of prepaid consideration for an option, exercisable by AB during the next five years, that would result in SocGen having a 51% ownership of the NA JV (the "AB option") and bringing the transaction ownership terms back in line with the Initial Plan. AB's option may only be exercised upon receipt of appropriate regulatory approvals. The \$304.0 million cash payment was used to pay down debt under AB's existing credit facilities.

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. AB has an additional option to sell its ownership interests in the JVs to SocGen after five years, at the fair market value of AB's interests in the JVs, also assuming receipt of appropriate subject to regulatory approvals, approval. The ultimate objective of SocGen and AB is for SocGen to eventually own 100% of the JVs after five years.

AB has deconsolidated the BRS business and retained the Bernstein Private Wealth Management business within its existing U.S. broker dealer, SCB LLC. AB's Private Wealth Management business continues to operate through SCB LLC and SCB LLC continues to serve as custodian for nearly all Private Wealth assets under management. AB continues to serve as investment adviser to these Private Wealth clients. Further, we entered into certain transition services agreements with the JVs in connection with the divestiture of the BRS business. From April 1, 2024 through June 30, 2024 we provided services and recognized revenues of \$12.4 million associated with these transition services agreements.

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The \$304.0 net carrying amount of the BRS business assets and liabilities included in the sale was \$312.1 million and consisted of the following:

	April 1, 2024
	(in thousands)
Cash and cash equivalents	\$ 338,226
Receivables, net:	
Brokers and dealers	31,427
Brokerage clients	2,817
Other fees	14,719
Investments	9,555
Furniture and equipment, net	5,472
Other assets	44,751
Right-of-use assets	4,422
Intangible assets	3,850
Goodwill	159,826
<b>Total assets sold</b>	<b>\$ 615,065</b>
Payables:	
Brokers and dealers	\$ 15,271
Brokerage clients	14,110
AP and Accrued Expenses	134,979
Other liabilities	10,370
Accrued compensation and benefits	42,069
Debt	86,200
<b>Total liabilities sold</b>	<b>\$ 302,999</b>

As a result of the sale, we recognized a pre-tax gain of \$134.6 million during the second quarter of 2024, calculated as follows:

	April 1, 2024	
	(in thousands)	
Cash proceeds	\$	303,980
Fair value of equity interest in the JVs		283,871
Net carrying amount of assets and liabilities divested		(312,066)
Consideration for future put option to be exercised by AB		(102,550)
Cumulative translation losses		(10,197)
Reorganization costs		(28,483)
<b>Pre-tax gain on divestiture</b>	<b>\$</b>	<b>134,555</b>

We deconsolidated approximately \$312.1 million of net assets and liabilities of the BRS business and contributed those assets and liabilities to the JVs. We recorded an initial investment in the JVs, at fair value of \$283.9 million. The fair value of the equity method investments was determined using a dividend discount model whereby a forecast of net banking income attributable to each of the JVs is discounted using an estimated cost of capital to determine the present value of expected future dividends.

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In addition, we recorded a liability in accounts payable and accrued expenses on the condensed consolidated statement of financial condition of approximately \$102.6 million, based on the negotiated terms of the Revised Plan, related to the AB option. Upon receipt of appropriate regulatory approvals, AB intends to exercise the AB option and will recognize a gain or loss at that time, dependent upon the fair market value of the additional equity interest that would result in SocGen having 51% ownership interest in NA JV. For discussion on our accounting policy related to investments in unconsolidated joint ventures, see *Note 2 Significant Accounting Policies*.

The net cash payment contributed at transaction close from the divestiture of the BRS business as presented under Cash Flows from Investing Activities represents the cash portion of the sale consideration, which was determined as the fair value of the sale consideration, adjusted by the cash transferred to the joint ventures and direct costs to sell. The following table summarizes the different components of the initial business divestiture presented under cash flows from investing activities:

	June 30, 2024	
	(in thousands)	
Cash proceeds from buyer	\$	303,980
Initial cash contributed to joint ventures from transferring balance sheet		(338,226)
Direct costs to sell		(5,950)
<b>Cash outflow from divestiture</b>		<b>(40,196)</b>

Included in the initial cash contribution to the joint ventures is approximately \$69.1 million of prefunded cash received on March 27, 2024 from SocGen in advance of closing due to certain banking holidays in the U.S. and internationally and internationally. The \$69.1 million was used to pay down debt under AB's existing credit facilities. AB included in held for sale cash as of March 31, 2024 with an offsetting liability recorded a liability of \$304.0 million in accounts payable and accrued expenses in held for sale liabilities on its the condensed consolidated statement of financial condition as condition. At transaction close, AB contributed this cash to the joint ventures on behalf of March 31, 2024. SocGen.

AB will deconsolidate As of December 31, 2023 the BRS business and retain the Bernstein Private Wealth Management business within its existing U.S. broker dealer Sanford C. Bernstein & Co., LLC. The structure of the Board of Directors of the NA JV, which includes two independent directors, precludes AB's control of the Board thereby permitting deconsolidation of the BRS business. Going forward, AB will maintain an equity method investment in the JVs accounted for under ASC 323Investments – Equity Method and Joint Ventures.

The assets and liabilities of AB's research services business ("the disposal group") continue to be were classified as held for sale on the condensed consolidated statement of financial condition and recorded at fair value, less cost to sell as of March 31, 2024. sell. As a result of classifying these assets as held for sale, we recognized a cumulative non-cash valuation adjustment of \$6.0 \$6.6 million as of March 31, 2024 and \$6.6 million as of of December 31, 2023, respectively, to recognize the net carrying value at lower of cost or fair value, less estimated costs to sell. Cumulative costs to sell, which have been paid as of March 31, 2024, approximate \$7.2 million. No costs to sell were paid during the three months ended March 31, 2024.

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The following table summarizes the assets and liabilities of the disposal group classified as held for sale on the condensed consolidated statement of financial condition as of March 31, 2024 and December 31, 2023:

	(in thousands)	March 31, 2024	December 31, 2023
Cash and cash equivalents	\$	319,187	\$ 153,047
Receivables, net:			
Brokers and dealers		55,394	32,669
Brokerage clients		13,256	74,351

Other fees	22,443	15,326
Investments	13,061	17,029
Furniture and equipment, net	5,517	5,807
Other assets	154,465	104,228
Right-of-use assets	4,422	5,032
Intangible assets	3,850	4,061
Goodwill	159,826	159,826
Valuation adjustment (allowance) on disposal group	(5,950)	(6,600)
<b>Total assets held for sale</b>	<b>\$ 745,471</b>	<b>\$ 564,776</b>
Payables:		
Brokers and dealers	\$ 38,012	\$ 39,359
Brokerage clients	19,790	16,885
Other liabilities	147,911	67,938
Accrued compensation and benefits	33,336	29,160
<b>Total liabilities held for sale</b>	<b>\$ 239,049</b>	<b>\$ 153,342</b>

	December 31, 2023	
	(in thousands)	
Cash and cash equivalents	\$	153,047
Receivables, net:		
Brokers and dealers		32,669
Brokerage clients		74,351
Other fees		15,326
Investments		17,029
Furniture and equipment, net		5,807
Other assets		104,228
Right-of-use assets		5,032
Intangible assets		4,061
Goodwill		159,826
Valuation adjustment (allowance) on disposal group		(6,600)
<b>Total assets held for sale</b>	<b>\$</b>	<b>564,776</b>
Payables:		
Brokers and dealers	\$	39,359
Brokerage clients		16,885
Other liabilities		67,938
Accrued compensation and benefits		29,160
<b>Total liabilities held for sale</b>	<b>\$</b>	<b>153,342</b>

As of March 31, 2024 and December 31, 2023, cash and cash equivalents classified as held for sale included in the condensed consolidated statement of cash flows was \$319.2 million and \$153.0 million, respectively, million.

We have determined that the exit from the sell-side research business does did not represent a strategic shift that has had, or is likely to have a major effect on our consolidated results of operations. Accordingly, we have did not classified classify the disposal group as discontinued operations. The results of operations of the disposal group up to the respective dates date of sale will be were included in our consolidated results of operations for all periods presented. The lower of amortized cost or fair value adjustment upon transferring these assets to held for sale was not material.

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

### Executive Overview

Our total assets under management ("AUM") as of March 31, 2024 June 30, 2024 were \$758.7 billion \$769.5 billion, up \$33.5 billion \$10.8 billion, or 4.6% 1.4%, compared to December 31, 2023 March 31, 2024, and up \$82.8 billion \$78.0 billion, or 12.2% 11.3%, compared to March 31, 2023 June 30, 2023. During the first second quarter of 2024 AUM increased due to market appreciation of \$33.0 billion \$9.9 billion and net inflows of \$0.5 billion \$0.9 billion (Retail net inflows of \$4.2 billion and Private Wealth net inflows of \$0.5 billion \$2.8 billion, offset by Institutional net outflows of \$4.2 billion \$1.8 billion and Private Wealth net outflows of \$0.1 billion).

Institutional AUM increased \$5.4 billion \$0.2 billion, or 1.7% 0.1%, to \$322.5 billion \$322.7 billion during the first second quarter of 2024, due to market appreciation of \$9.6 billion \$2.0 billion, offset by net outflows of \$4.2 billion \$1.8 billion. Gross sales remained flat from the first quarter of 2024 at \$3.3 billion. Redemptions and terminations increased sequentially from \$3.0 billion \$3.4 billion to \$3.5 billion.

Retail AUM increased \$8.4 billion, or 2.7%, to \$316.4 billion during the fourth second quarter of 2023 2024, due to \$3.3 billion market appreciation of \$5.6 billion and net inflows of \$2.8 billion. Gross sales decreased sequentially from \$23.8 billion during the first quarter of 2024 to \$23.2 billion during the second quarter of 2024. Redemptions and terminations decreased sequentially from \$16.9 billion to \$16.7 billion.

Private Wealth AUM increased \$2.2 billion, or 1.7%, to \$130.4 billion during the second quarter of 2024, due to market appreciation of \$2.3 billion, offset by net outflows of \$0.1 billion. Gross sales decreased sequentially from \$5.5 billion during the first quarter of 2024 to \$5.4 billion during the second quarter of 2024. Redemptions and terminations increased sequentially from \$2.5 billion \$4.9 billion to \$3.4 billion \$5.5 billion.

Retail AUM increased \$21.2 billion, or 7.4%, to \$308.0 billion during the first quarter of 2024, due to market appreciation of \$17.0 billion and net inflows of \$4.2 billion. Gross sales increased sequentially from \$21.0 billion during the fourth quarter of 2023 to \$23.8 billion during the first quarter of 2024. Redemptions and terminations increased sequentially from \$16.7 billion to \$16.9 billion.

Private Wealth AUM increased \$6.9 billion, or 5.7%, to \$128.2 billion during the first quarter of 2024, due to market appreciation of \$6.4 billion and net inflows of \$0.5 billion. Gross sales increased sequentially from \$4.3 billion during the fourth quarter of 2023 to \$5.5 billion during the first quarter of 2024. Redemptions and terminations remained flat at \$4.9 billion.

Bernstein Research Services revenue for the first second quarter of 2024 was \$96.2 million, down \$3.8 million, decreased \$91.8 million, or 3.8% 100.0%, compared to the first second quarter of 2023. The decrease was driven by lower customer trading activity due to the prevailing macro-economic environment, deconsolidation of the Bernstein Research Services ("BRS") business and contribution of the business to the joint ventures, effective April 1, 2024. For further discussion, see Note 17, *Divestiture to our condensed consolidated financial statements contained in Item 1.*

Net revenues for the first second quarter of 2024 increased \$80.1 \$19.5 million, or 7.8% 1.9%, to \$1.1 billion from \$1.0 billion in \$1.0 billion, compared to the first second quarter of 2023. The increase was primarily due to higher investment advisory base fees of \$61.9 million, \$70.6 million, higher distribution revenues of \$24.6 million \$28.1 million, higher performance-based fees of \$25.0 million and higher investment gains other revenues of \$6.5 million, \$14.4 million primarily due certain reimbursements for services provided to the joint ventures, partially offset by lower performance-based fees of \$6.4 million, lower Bernstein Research Revenues Services revenue of \$3.8 million \$91.8 million due to the deconsolidation of the BRS business and lower net dividend and interest income higher investment losses of \$1.8 million. \$24.3 million primarily due to the equity loss on the joint ventures. Operating expenses for the first second quarter of 2024 increased \$53.3 \$8.9 million, or 6.6% 1.1%, to \$862.2 \$828.7 million from \$808.8 \$819.8 million in the first second quarter of 2023. The increase was primarily due to higher promotion and servicing expense of \$32.6 million, higher \$21.3 million, partially offset by lower employee compensation and benefits expense of \$18.6 million and higher interest on borrowings of \$3.7 million, partially offset by \$4.8 million, lower general and administrative expense of \$1.7 million. \$4.2 million and lower interest on borrowings of \$3.4 million. Operating income increased \$26.7 \$10.6 million, or 12.4% 5.6%, to \$242.0 \$199.3 million from \$215.3 \$188.7 million in the first second quarter of 2023 and our operating margin increased to 21.2% 19.0% in the first second quarter of 2024 from 20.1% 18.4% in the first second quarter of 2023.

## Market Environment

### US U.S. Equities

US Equity Markets showed strength U.S. equity markets maintained positive momentum in the first second quarter of 2024, benefiting from a resilient U.S. economy, ongoing enthusiasm around Artificial Intelligence and a widely held outlook for monetary easing, albeit at a slower pace than expected in early 2024. The with the S&P 500 index returned 10.6% for Index gaining 4.3%, primarily driven by the first Information Technology and Communication Services sectors. Market breadth deteriorated in the second quarter, of 2024, with all index sectors ending positive except for Real Estate. Despite cross-sector as equity gains were again concentrated among larger technology companies, particularly those benefiting from artificial intelligence. Evidencing the returns dispersion, widened and market breadth deteriorated sequentially. The the S&P 500 Value index underperformed the S&P 500 Growth index while and Small-Caps (market capitalization ranges between \$250 million to \$2 billion) and Mid-Caps (market capitalization ranges between \$2 billion to \$10 billion) lagged Large-Caps (market capitalization above \$10 billion) with the Russell 2000 returning 5.2% Index falling 3.3% in the first second quarter of 2024 compared to versus the S&P 500's 10.6% return.

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

In the Eurozone, improving business activity and inflation data boosted the equity markets, with the MSCI Eurozone returning 7.8% in the first quarter of 2024. UK equities also rose with the MSCI UK returning 3.1% as annual inflation fell from its October 2022 peak of 11.1% to 3.4% in February, the lowest rate since September 2021. In Japan, equities maintained strong momentum with the TOPIX returning 18.1% in Japanese Yen terms, fueled by increasing optimism over Japan's positive economic cycle, mild inflation and wage growth. Asia (ex Japan) equities achieved modest gains bouncing back from the recent lows. Emerging Markets also gained over the first quarter of 2024 but continued to underperform Developed Markets, 500 gaining 4.3%.

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

Eurozone equities moved lower in the second quarter with the MSCI Eurozone falling 1.2%, as the European Central Bank's 25 basis point rate cut in early June was overshadowed by political turmoil. The U.K. MSCI index gained 3.7% in the second quarter, with U.K. equities achieving new all-time highs, as the annual consumer price index inflation fell back to 2.0% in May, hitting the Bank of England's target for the first time since July 2021. Japanese equities also saw gains in second quarter with the TOPIX generating 1.7% total return in Japanese yen terms. However, continued depreciation of the Japanese yen turned the foreign currency-based return negative, while the Bank of Japan also expressed concerns about the negative impact of yen weakness on the economy and inflation. Asia ex-Japan equity markets posted strong gains, led by China's rebound, Taiwan's outsized exposure to the semi-conductor industry and positive investor sentiment towards India. Emerging markets outperformed their Developed counterparts in the second quarter.

Global Bonds

Higher than expected Renewed concerns about the U.S. economy overheating weighed on global bonds early in the second quarter with sentiment improving gradually as softer labor market conditions and lower inflation readings combined with resilient global economic activity tempered initial expectations for imminent rate cuts, emerged later in the quarter. The U.S. 10-year Treasury yield jumped from 3.87% at the end of the fourth quarter of 2023 to 4.21% at the end of the first quarter of 2024. The UK 10-year gilt yield rose from 3.54% to 3.94%, while the German 10-year Bond yield steadied at 2.03%, a 26 basis point increase from the end of the fourth quarter of 2023. While corporate bonds outperformed government bonds, resurgent rates volatility and diminishing expectations for rate cuts resulted in a weaker bond market with the Bloomberg Global Aggregate Bond index returning 2.1% ended lower 1.1% in the first second quarter. Investment grade ("IG") corporate bond markets in the U.S. and Europe delivered positive returns both absolute and relative over government bonds, while high yield markets had another strong out performance over IG and governments. Government bond markets diverged with a sharp sell-off in U.S. Treasuries at the beginning of the second quarter followed by political-driven weakness in the Eurozone, with French debt risk premiums rising in response to the snap parliamentary election announcement in late June. Emerging Market debt yields also pushed higher, with the postponement of 2024, the Federal Reserve easing cycle.

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. In mid-2021, Equitable Financial Life Insurance Company, a subsidiary of EQH ("Equitable Financial"), agreed to provide an initial \$10 billion in permanent capital to build out AB's private illiquid offerings, including private alternatives and private placements. Deployment of this the initial \$10 billion in permanent capital is over 95% completed and is expected to be completed in the first half of 2024, now complete. In addition, during the second quarter of 2023, EQH committed to provide an additional \$10 billion in permanent capital, deployment of which will begin following the completion of the initial \$10 billion commitment, has begun. We expect this anticipated capital from Equitable Financial 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.

Joint Venture with Societe Generale

On November 22, 2022 Effective April 1, 2024, AB and Societe Generale (EURONEXT: GLE, "SocGen" ("SocGen"), a leading European bank, completed their previously announced plans transaction to form a joint venture combining their respective cash equities and research businesses (the "Initial Plan"). In the Initial Plan, AB would own a 49% interest in the joint venture and SocGen would own a 51% interest in the global joint venture with an option to reach 100%% ownership after five years.

During two joint venture holding companies, one outside of North America and one within North America ("NA JV", and together the fourth quarter of 2023, "JVs"). AB and SocGen negotiated a revised plan (the "Revised Plan") under which SocGen would own owns a majority of interest in the NA JV while SocGen owns a majority interest in the joint venture outside of North America and America. AB would own a majority of the joint venture within North America (the "NA JV", and together the "JVs"). On April 1, 2024, the transaction was completed. AB will deconsolidate has deconsolidated the BRS business and retain retained the Bernstein Private Wealth Management business within its existing U.S. broker dealer Sanford C. Bernstein & Co., LLC. For further discussion, see Note 17 Divestiture, to our condensed consolidated financial statements contained in Item 1.

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Assets Under Management

Assets under management by distribution channel are as follows:

		As of March 31,				As of June 30,			
		2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
		(in billions)				(in billions)			
Institutions	Institutions	\$ 322.5	\$ 306.6	\$ 15.9	5.2 %	Institutions	\$ 322.7	\$ 309.2	\$ 13.5 4.4 %
Retail	Retail	308.0	256.7	51.3	20.0	Retail	316.4	266.6	49.8 18.7
Private Wealth	Private Wealth	128.2	112.6	15.6	13.8	Private Wealth	130.4	115.7	14.7 12.7
Total	Total	\$ 758.7	\$ 675.9	\$ 82.8	12.2 %	Total	\$ 769.5	\$ 691.5	\$ 78.0 11.3 %

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Assets under management by investment service are as follows:

		As of March 31,				As of June 30,			
		2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
		(in billions)				(in billions)			
Equity	Equity					Equity			

Actively Managed	Actively Managed	\$ 264.1	\$ 229.1	\$ 35.0	15.3 %	Actively Managed	\$ 264.4	\$ 235.9	\$ 28.5	12.1 %
Passively Managed <sup>(1)</sup>	Passively Managed <sup>(1)</sup>	64.7	56.6	8.1	14.5	Passively Managed <sup>(1)</sup>	65.8	60.5	5.3	8.9
<b>Total Equity</b>	<b>Total Equity</b>	<b>328.8</b>	<b>285.7</b>	<b>43.1</b>	<b>15.1</b>	<b>Total Equity</b>	<b>330.2</b>	<b>296.4</b>	<b>33.8</b>	<b>11.4</b>
<b>Fixed Income</b>	<b>Fixed Income</b>					<b>Fixed Income</b>				
Actively Managed	Actively Managed					Actively Managed				
Taxable	Taxable	212.1	198.4	13.7	6.9	Taxable	216.0	202.3	13.7	6.7
Tax-exempt	Tax-exempt	64.0	55.3	8.7	15.7	Tax-exempt	66.2	56.1	10.1	18.0
		276.1	253.7	22.4	8.8		282.2	258.4	23.8	9.2
Passively Managed <sup>(1)</sup>	Passively Managed <sup>(1)</sup>	11.2	9.5	1.7	16.6	Passively Managed <sup>(1)</sup>	11.0	9.4	1.6	17.3
<b>Total Fixed Income</b>	<b>Total Fixed Income</b>	<b>287.3</b>	<b>263.2</b>	<b>24.1</b>	<b>9.1</b>	<b>Total Fixed Income</b>	<b>293.2</b>	<b>267.8</b>	<b>25.4</b>	<b>9.5</b>
<b>Alternatives/Multi-Asset Solutions<sup>(2)</sup></b>	<b>Alternatives/Multi-Asset Solutions<sup>(2)</sup></b>					<b>Alternatives/Multi-Asset Solutions<sup>(2)</sup></b>				
Actively Managed	Actively Managed	133.1	119.9	13.2	10.9	Actively Managed	136.0	119.6	16.4	13.7
Passively Managed <sup>(1)</sup>	Passively Managed <sup>(1)</sup>	9.5	7.1	2.4	33.8	Passively Managed <sup>(1)</sup>	10.1	7.7	2.4	31.6
<b>Total Alternatives/Multi-Asset Solutions</b>	<b>Total Alternatives/Multi-Asset Solutions</b>	<b>142.6</b>	<b>127.0</b>	<b>15.6</b>	<b>12.2</b>	<b>Total Alternatives/Multi-Asset Solutions</b>	<b>146.1</b>	<b>127.3</b>	<b>18.8</b>	<b>14.8</b>
<b>Total</b>	<b>Total</b>	<b>\$ 758.7</b>	<b>\$ 675.9</b>	<b>\$ 82.8</b>	<b>12.2 %</b>	<b>Total</b>	<b>\$ 769.5</b>	<b>\$ 691.5</b>	<b>\$ 78.0</b>	<b>11.3 %</b>

(1) Includes index and enhanced index services.

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

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Changes in assets under management for the three-month, six-month and twelve-month periods ended March 31, 2024 June 30, 2024 are as follows:

	Distribution Channel							Distribution Channel										
	Private				Private													
	Institutions	Retail	Wealth	Total	Institutions	Retail		Wealth	Total									
(in billions)							(in billions)											
Balance as of March 31, 2024							Balance as of March 31, 2024	\$	322.5	\$	308.0	\$	128.2	\$	758.7			
Long-term flows:							Long-term flows:											
Sales/new accounts							Sales/new accounts		3.3		23.2		5.4		31.9			
Redemptions/terminations							Redemptions/terminations		(3.5)		(16.7)		(5.5)		(25.7)			
Cash flow/unreinvested dividends							Cash flow/unreinvested dividends		(1.6)		(3.7)		—		(5.3)			
Net long-term (outflows) inflows							Net long-term (outflows) inflows		(1.8)		2.8		(0.1)		0.9			
Market appreciation							Market appreciation		2.0		5.6		2.3		9.9			
Net change							Net change		0.2		8.4		2.2		10.8			
Balance as of June 30, 2024							Balance as of June 30, 2024	\$	322.7	\$	316.4	\$	130.4	\$	769.5			
Balance as of December 31, 2023	Balance as of December 31, 2023	\$	317.1	\$	286.8	\$	121.3	\$	725.2	Balance as of December 31, 2023	\$	317.1	\$	286.8	\$	121.3	\$	725.2
Long-term flows:	Long-term flows:									Long-term flows:								
Sales/new accounts	Sales/new accounts		3.3		23.8		5.5		32.6	Sales/new accounts		6.6		47.0		10.9		64.5
Redemptions/terminations	Redemptions/terminations		(3.4)		(16.9)		(4.9)		(25.2)	Redemptions/terminations		(6.9)		(33.5)		(10.4)		(50.8)
Cash flow/unreinvested dividends	Cash flow/unreinvested dividends		(4.1)		(2.7)		(0.1)		(6.9)	Cash flow/unreinvested dividends		(5.7)		(6.6)		—		(12.3)
Net long-term (outflows) inflows	Net long-term (outflows) inflows		(4.2)		4.2		0.5		0.5	Net long-term (outflows) inflows		(6.0)		6.9		0.5		1.4
Market appreciation	Market appreciation		9.6		17.0		6.4		33.0	Market appreciation		11.6		22.7		8.6		42.9
Net change	Net change		5.4		21.2		6.9		33.5	Net change		5.6		29.6		9.1		44.3

Balance as of March 31, 2024		\$	322.5	\$	308.0	\$	128.2	\$	758.7									
Balance as of June 30, 2024										Balance as of June 30, 2024	\$	322.7	\$	316.4	\$	130.4	\$	769.5
Balance as of March 31, 2023		\$	306.6	\$	256.7	\$	112.6	\$	675.9									
Balance as of June 30, 2023										Balance as of June 30, 2023	\$	309.2	\$	266.6	\$	115.7	\$	691.5
Long-term flows:	Long-term flows:									Long-term flows:								
Sales/new accounts	Sales/new accounts	12.1	78.1	18.3	108.5	Sales/new accounts		13.9	84.8	19.3	118.0							
Redemptions/terminations	Redemptions/terminations	(12.6)	(61.7)	(18.4)	(92.7)	Redemptions/terminations		(12.1)	(63.8)	(19.4)	(95.3)							
Cash flow/unreinvested dividends	Cash flow/unreinvested dividends	(12.9)	(10.1)	—	(23.0)	Cash flow/unreinvested dividends		(13.8)	(11.2)	—	(25.0)							
Net long-term (outflows) inflows	Net long-term (outflows) inflows	(13.4)	6.3	(0.1)	(7.2)	Net long-term (outflows) inflows		(12.0)	9.8	(0.1)	(2.3)							
Transfers		0.1	(0.1)	—	—													
Market appreciation	Market appreciation	29.2	45.1	15.7	90.0	Market appreciation		25.5	40.0	14.8	80.3							
Net change	Net change	15.9	51.3	15.6	82.8	Net change		13.5	49.8	14.7	78.0							
Balance as of March 31, 2024		\$	322.5	\$	308.0	\$	128.2	\$	758.7									
Balance as of June 30, 2024										Balance as of June 30, 2024	\$	322.7	\$	316.4	\$	130.4	\$	769.5

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	Investment Service										
	Equity Actively Managed	Equity Passively Managed <sup>(1)</sup>	Fixed Income Actively Managed - Tax- Exempt	Fixed Income Actively Managed - Tax- Exempt	Fixed Income Passively Managed <sup>(1)</sup>	Alternatives/ Multi-Asset Solutions <sup>(2)</sup>	Total				
(in billions)									Equity Actively Managed	Equity Passively Managed	
Balance as of March 31, 2024									Balance as of March 31, 2024	\$ 264.1	\$
Long-term flows:									Long-term flows:		
Sales/new accounts									Sales/new accounts	12.5	
Redemptions/terminations									Redemptions/terminations	(13.4)	
Cash flow/unreinvested dividends									Cash flow/unreinvested dividends	(5.2)	
Net long-term (outflows) inflows									Net long-term (outflows) inflows	(6.1)	
Market appreciation (depreciation)									Market appreciation (depreciation)	6.4	
Net change									Net change	0.3	
Balance as of June 30, 2024									Balance as of June 30, 2024	\$ 264.4	\$
Balance as of December 31, 2023	Balance as of December 31, 2023	\$ 247.5	\$ 62.1	\$ 208.6	\$ 61.1	\$ 11.4	\$ 134.5	\$ 725.2	Balance as of December 31, 2023	\$ 247.5	\$
Long-term flows:	Long-term flows:								Long-term flows:		
Sales/new accounts	Sales/new accounts	11.7	0.7	12.1	5.3	—	2.8	32.6	Sales/new accounts	24.2	
Redemptions/terminations	Redemptions/terminations	(14.3)	(0.1)	(7.0)	(2.5)	(0.1)	(1.2)	(25.2)	Redemptions/terminations	(27.8)	
Cash flow/unreinvested dividends	Cash flow/unreinvested dividends	(3.6)	(3.9)	(0.5)	0.1	—	1.0	(6.9)	Cash flow/unreinvested dividends	(8.7)	
Net long-term (outflows) inflows	Net long-term (outflows) inflows	(6.2)	(3.3)	4.6	2.9	(0.1)	2.6	0.5	Net long-term (outflows) inflows	(12.3)	
Market appreciation (depreciation)	Market appreciation (depreciation)	22.8	5.9	(1.1)	—	(0.1)	5.5	33.0	Market appreciation (depreciation)	29.2	
Net change	Net change	16.6	2.6	3.5	2.9	(0.2)	8.1	33.5	Net change	16.9	
Balance as of March 31, 2024		\$ 264.1	\$ 64.7	\$ 212.1	\$ 64.0	\$ 11.2	\$ 142.6	\$ 758.7			

Balance as of June 30, 2024									Balance as of June 30, 2024		
Balance as of March 31, 2023									\$ 264.4 \$		
\$ 229.1 \$ 56.6 \$ 198.4 \$ 55.3 \$ 9.5 \$ 127.0 \$675.9											
Balance as of June 30, 2023									Balance as of June 30, 2023		
									\$ 235.9 \$		
Long-term flows:	Long-term flows:								Long-term flows:		
Sales/new accounts	Sales/new accounts	40.5	1.8	37.4	17.9	1.7	9.2	108.5	Sales/new accounts	43.8	
Redemptions/terminations	Redemptions/terminations	(47.5)	(0.3)	(28.2)	(11.1)	(0.3)	(5.3)	(92.7)	Redemptions/terminations	(48.0)	
Cash flow/unreinvested dividends	Cash flow/unreinvested dividends	(11.3)	(8.0)	(1.5)	0.3	0.1	(2.6)	(23.0)	Cash flow/unreinvested dividends	(13.3)	
Net long-term (outflows) inflows	Net long-term (outflows) inflows	(18.3)	(6.5)	7.7	7.1	1.5	1.3	(7.2)	Net long-term (outflows) inflows	(17.5)	
Market appreciation	Market appreciation	53.3	14.6	6.0	1.6	0.2	14.3	90.0	Market appreciation	46.0	
Net change	Net change	35.0	8.1	13.7	8.7	1.7	15.6	82.8	Net change	28.5	
Balance as of March 31, 2024											
\$ 264.1 \$ 64.7 \$ 212.1 \$ 64.0 \$ 11.2 \$ 142.6 \$758.7											
Balance as of June 30, 2024									Balance as of June 30, 2024		
									\$ 264.4 \$		

(1) Includes index and enhanced index services.

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

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Net long-term inflows (outflows) for actively managed investment services as compared to passively managed investment services for the three-month, six-month and twelve-month periods ended March 31, 2024 June 30, 2024 are as follows:

		Periods Ended March 31, 2024			Periods Ended June 30, 2024			
		Three-months		Twelve-months	Three-months		Six-months	Twelve-months
		(in billions)			(in billions)			
Actively Managed	Actively Managed				Actively Managed			
Equity	Equity	\$ (6.2)	\$ (18.3)		Equity	\$ (6.1)	\$ (12.3)	\$ (17.5)
Fixed Income	Fixed Income	7.5	14.8		Fixed Income	6.3	13.9	15.2
Alternatives/Multi-Asset Solutions	Alternatives/Multi-Asset Solutions	2.4	0.3		Alternatives/Multi-Asset Solutions	1.1	3.4	4.4
		3.7	(3.2)			1.3	5.0	2.1
Passively Managed	Passively Managed				Passively Managed			
Equity	Equity	(3.3)	(6.5)		Equity	(0.7)	(4.1)	(7.0)
Fixed Income	Fixed Income	(0.1)	1.5		Fixed Income	—	(0.1)	1.5
Alternatives/Multi-Asset Solutions	Alternatives/Multi-Asset Solutions	0.2	1.0		Alternatives/Multi-Asset Solutions	0.3	0.6	1.1
		(3.2)	(4.0)			(0.4)	(3.6)	(4.4)
Total net long-term inflows (outflows)	Total net long-term inflows (outflows)	\$ 0.5	\$ (7.2)		Total net long-term inflows (outflows)	\$ 0.9	\$ 1.4	\$ (2.3)

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

		Three Months Ended March 31,					Three Months Ended June 30,				Six Months Ended June 30,			
				\$	%				\$	%			\$	%
		2024	2023	Change	Change		2024	2023	Change	Change	2024	2023	Change	Change
		(in billions)					(in billions)				(in billions)			
Distribution Channel:	Distribution Channel:					Distribution Channel:								
Institutions	Institutions	\$ 317.8	\$ 304.6	\$ 13.2	4.3 %	Institutions	\$ 319.6	\$ 305.1	\$ 14.5	4.8 %	\$ 318.2	\$ 304.6	\$ 13.6	4.5 %
Retail	Retail	296.9	252.0	44.9	17.8	Retail	308.0	259.9	48.1	18.5	301.7	255.9	45.8	17.9
Private Wealth	Private Wealth	124.2	110.2	14.0	12.8	Private Wealth	127.9	113.4	14.5	12.7	125.7	111.6	14.1	12.6
Total	Total	\$ 738.9	\$ 666.8	\$ 72.1	10.8 %	Total	\$ 755.5	\$ 678.4	\$ 77.1	11.4 %	\$ 745.6	\$ 672.1	\$ 73.5	10.9 %

Investment Service:	Investment Service:					Investment Service:									
Equity Actively Managed	Equity Actively Managed	\$ 254.2	\$ 226.8	\$ 27.4	12.1 %	Equity Actively Managed	\$ 259.7	\$ 230.3	\$ 29.4	12.8 %	\$ 255.9	\$ 228.4	\$ 27.5	12.0 %	
Equity Passively Managed <sup>(1)</sup>	Equity Passively Managed <sup>(1)</sup>	63.8	55.9	7.9	14.2	Equity Passively Managed <sup>(1)</sup>	64.2	57.7	6.5	11.1	63.9	56.8	7.1	12.4	
Fixed Income Actively Managed – Taxable	Fixed Income Actively Managed – Taxable	209.3	195.3	14.0	7.2	Fixed Income Actively Managed – Taxable	212.9	199.4	13.5	6.8	211.0	197.2	13.8	7.0	
Fixed Income Actively Managed – Tax-exempt	Fixed Income Actively Managed – Tax-exempt	62.5	54.1	8.4	15.5	Fixed Income Actively Managed – Tax-exempt	64.7	55.5	9.2	16.5	63.5	54.8	8.7	16.1	
Fixed Income Passively Managed <sup>(1)</sup>	Fixed Income Passively Managed <sup>(1)</sup>	11.2	9.5	1.7	18.0	Fixed Income Passively Managed <sup>(1)</sup>	11.0	9.5	1.5	15.7	11.1	9.5	1.6	16.9	
Alternatives/Multi-Asset Solutions <sup>(2)</sup>	Alternatives/Multi-Asset Solutions <sup>(2)</sup>	137.9	125.2	12.7	10.2	Alternatives/Multi-Asset Solutions <sup>(2)</sup>	143.0	126.0	17.0	13.5	140.2	125.4	14.8	11.8	
Total	Total	\$ 738.9	\$ 666.8	\$ 72.1	10.8 %	Total	\$ 755.5	\$ 678.4	\$ 77.1	11.4 %	\$ 745.6	\$ 672.1	\$ 73.5	10.9 %	

(1) Includes index and enhanced index services.

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

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Our Institutional channel first second quarter average AUM of \$317.8 billion \$319.6 billion increased \$13.2 billion \$14.5 billion, or 4.3% 4.8%, compared to the first second quarter of 2023, primarily due to ending AUM increasing \$15.9 billion \$13.5 billion, or 5.2% 4.4%, to \$322.5 billion \$322.7 billion from March 31, 2023 June 30, 2023. The \$15.9 billion \$13.5 billion increase in AUM resulted primarily from market appreciation of \$29.2 billion \$25.5 billion, offset by net outflows of \$13.4 billion \$12.0 billion.

Our Retail channel first second quarter average AUM of \$296.9 billion \$308.0 billion increased \$44.9 billion \$48.1 billion, or 17.8% 18.5%, compared to the first second quarter of 2023, primarily due to ending AUM increasing \$51.3 billion \$49.8 billion, or 20.0% 18.7%, to \$308.0 billion \$316.4 billion from March 31, 2023 June 30, 2023. The \$51.3 billion \$49.8 billion increase resulted primarily from market appreciation of \$45.1 billion \$40.0 billion and net inflows of \$6.3 billion \$9.8 billion.

Our Private Wealth channel first second quarter average AUM of \$124.2 billion \$127.9 billion increased \$14.0 billion \$14.5 billion, or 12.8% 12.7%, compared to the first second quarter of 2023, primarily due to ending AUM increasing \$15.6 billion \$14.7 billion, or 13.8% 12.7%, to \$128.2 billion \$130.4 billion from March 31, 2023 June 30, 2023. The \$15.6 billion \$14.7 billion increase resulted from market appreciation of \$15.7 billion \$14.8 billion, offset by net outflows of \$0.1 billion.

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Absolute investment composite returns, gross of fees, and relative performance as of March 31, 2024 June 30, 2024 compared to benchmarks for certain representative Institutional equity and fixed income services are as follows:

		1-Year		3-Year <sup>(1)</sup>		5-Year <sup>(1)</sup>			1-Year		3-Year <sup>(1)</sup>		5-Year <sup>(1)</sup>	
<b>Income - Hedged (fixed income)</b>	<b>Income - Hedged (fixed income)</b>							<b>Income - Hedged (fixed income)</b>						
Absolute return	Absolute return	6.9	%	(0.3)	%	2.3	%	Absolute return	7.3	%	(0.9)	%	1.7	%
Relative return (vs. Bloomberg Barclays Global High Yield Index - Hedged)	Relative return (vs. Bloomberg Barclays Global High Yield Index - Hedged)	5.2		2.2		2.0		Relative return (vs. Bloomberg Barclays Global High Yield Index - Hedged)	4.6		2.2		1.9	
<b>High Income (fixed income)</b>	<b>High Income (fixed income)</b>							<b>High Income (fixed income)</b>						
Absolute return	Absolute return	14.5		3.2		4.3		Absolute return	12.7		2.3		3.8	
Relative return (vs. Bloomberg Barclays U.S. Aggregate Index - Hedged)	Relative return (vs. Bloomberg Barclays U.S. Aggregate Index - Hedged)	1.1		1.0		0.7		Relative return (vs. Bloomberg Barclays U.S. Aggregate Index - Hedged)	0.2		0.7		0.6	
<b>Global Plus - Hedged (fixed income)</b>	<b>Global Plus - Hedged (fixed income)</b>							<b>Global Plus - Hedged (fixed income)</b>						

Absolute return	Absolute return	4.6	(0.9)	1.1	Absolute return	5.2	(1.5)	0.5
Relative return (vs. Bloomberg Barclays Global Aggregate Index - Hedged)	Relative return (vs. Bloomberg Barclays Global Aggregate Index - Hedged)	0.5	0.4	0.3	Relative return (vs. Bloomberg Barclays Global Aggregate Index - Hedged)	1.0	0.1	0.3
<b>Intermediate Municipal Bonds (fixed income)</b>	<b>Intermediate Municipal Bonds (fixed income)</b>				<b>Intermediate Municipal Bonds (fixed income)</b>			
Absolute return	Absolute return	3.8	0.7	2.0	Absolute return	4.2	0.5	1.7
Relative return (vs. Lipper Short/Int. Blended Muni Fund Avg)	Relative return (vs. Lipper Short/Int. Blended Muni Fund Avg)	0.7	0.6	0.7	Relative return (vs. Lipper Short/Int. Blended Muni Fund Avg)	0.8	0.6	0.7
<b>U.S. Strategic Core Plus (fixed income)</b>	<b>U.S. Strategic Core Plus (fixed income)</b>				<b>U.S. Strategic Core Plus (fixed income)</b>			
Absolute return	Absolute return	2.6	(2.1)	0.8	Absolute return	3.9	(2.5)	0.3
Relative return (vs. Bloomberg Barclays U.S. Aggregate Index)	Relative return (vs. Bloomberg Barclays U.S. Aggregate Index)	0.9	0.4	0.5	Relative return (vs. Bloomberg Barclays U.S. Aggregate Index)	1.3	0.5	0.6
<b>Emerging Market Debt (fixed income)</b>	<b>Emerging Market Debt (fixed income)</b>				<b>Emerging Market Debt (fixed income)</b>			
Absolute return	Absolute return	11.9	(1.0)	1.3	Absolute return	11.3	(2.5)	0.7
Relative return (vs. JPM EMBI Global/JPM EMBI)	Relative return (vs. JPM EMBI Global/JPM EMBI)	2.4	0.1	0.4	Relative return (vs. JPM EMBI Global/JPM EMBI)	2.9	—	0.4
<b>Sustainable Global Thematic</b>	<b>Sustainable Global Thematic</b>				<b>Sustainable Global Thematic</b>			
Absolute return	Absolute return	16.6	2.9	12.6	Absolute return	10.6	0.8	11.4
Relative return (vs. MSCI ACWI Index)	Relative return (vs. MSCI ACWI Index)	(6.6)	(4.1)	1.7	Relative return (vs. MSCI ACWI Index)	(8.8)	(4.7)	0.7
<b>International Strategic Core Equity</b>	<b>International Strategic Core Equity</b>				<b>International Strategic Core Equity</b>			
Absolute return	Absolute return	15.3	5.5	6.3	Absolute return	15.9	4.0	6.3
Relative return (vs. MSCI EAFE Index)	Relative return (vs. MSCI EAFE Index)	—	0.7	(1.0)	Relative return (vs. MSCI EAFE Index)	4.4	1.1	(0.1)
<b>U.S. Small &amp; Mid Cap Value</b>	<b>U.S. Small &amp; Mid Cap Value</b>				<b>U.S. Small &amp; Mid Cap Value</b>			
Absolute return	Absolute return	23.6	6.7	10.7	Absolute return	13.1	3.5	9.3
Relative return (vs. Russell 2500 Value Index)	Relative return (vs. Russell 2500 Value Index)	2.3	1.3	1.4	Relative return (vs. Russell 2500 Value Index)	1.9	1.3	1.3

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		1-Year	3-Year <sup>(1)</sup>	5-Year <sup>(1)</sup>		1-Year	3-Year <sup>(1)</sup>	5-Year <sup>(1)</sup>
<b>U.S. Strategic Value</b>								
<b>U.S. Large Cap Value</b>					<b>U.S. Large Cap Value</b>			
Absolute return	Absolute return	26.1	11.6	12.3	Absolute return	16.7	9.1	11.7

Relative return (vs. Russell 1000 Value Index)	Relative return (vs. Russell 1000 Value Index)	5.9	3.5	2.0	Relative return (vs. Russell 1000 Value Index)	3.7	3.6	2.7
<b>U.S. Small Cap Growth</b>	<b>U.S. Small Cap Growth</b>				<b>U.S. Small Cap Growth</b>			
Absolute return	Absolute return	19.8	(4.5)	9.5	Absolute return	9.2	(7.1)	7.2
Relative return (vs. Russell 2000 Growth Index)	Relative return (vs. Russell 2000 Growth Index)	(0.6)	(1.8)	2.1	Relative return (vs. Russell 2000 Growth Index)	0.1	(2.3)	1.0
<b>U.S. Large Cap Growth</b>	<b>U.S. Large Cap Growth</b>				<b>U.S. Large Cap Growth</b>			
Absolute return	Absolute return	37.8	12.2	17.6	Absolute return	32.3	9.4	17.9
Relative return (vs. Russell 1000 Growth Index)	Relative return (vs. Russell 1000 Growth Index)	(1.2)	(0.3)	(0.9)	Relative return (vs. Russell 1000 Growth Index)	(1.2)	(1.9)	(1.5)
<b>U.S. Small &amp; Mid Cap Growth</b>	<b>U.S. Small &amp; Mid Cap Growth</b>				<b>U.S. Small &amp; Mid Cap Growth</b>			
Absolute return	Absolute return	26.0	(1.3)	10.2	Absolute return	13.1	(4.7)	7.9
Relative return (vs. Russell 2500 Growth Index)	Relative return (vs. Russell 2500 Growth Index)	4.9	(0.5)	0.8	Relative return (vs. Russell 2500 Growth Index)	4.1	(0.6)	0.3
<b>Concentrated U.S. Growth</b>	<b>Concentrated U.S. Growth</b>				<b>Concentrated U.S. Growth</b>			
Absolute return	Absolute return	23.9	7.0	13.4	Absolute return	15.7	3.2	11.6
Relative return (vs. S&P 500 Index)	Relative return (vs. S&P 500 Index)	(6.0)	(4.5)	(1.6)	Relative return (vs. S&P 500 Index)	(8.9)	(6.8)	(3.5)
<b>Select U.S. Equity</b>	<b>Select U.S. Equity</b>				<b>Select U.S. Equity</b>			
Absolute return	Absolute return	31.2	12.4	15.9	Absolute return	26.0	10.8	15.7
Relative return (vs. S&P 500 Index)	Relative return (vs. S&P 500 Index)	1.3	0.9	0.9	Relative return (vs. S&P 500 Index)	1.4	0.8	0.6
<b>Strategic Equities</b>	<b>Strategic Equities</b>				<b>Strategic Equities</b>			
Absolute return	Absolute return	31.7	10.9	14.7	Absolute return	25.9	9.3	14.5
Relative return (vs. Russell 3000 Index)	Relative return (vs. Russell 3000 Index)	2.4	1.2	0.3	Relative return (vs. Russell 3000 Index)	2.8	1.3	0.4
<b>Global Core Equity</b>	<b>Global Core Equity</b>				<b>Global Core Equity</b>			
Absolute return	Absolute return	18.0	4.9	9.4	Absolute return	14.7	2.7	8.7
Relative return (vs. MSCI ACWI Index)	Relative return (vs. MSCI ACWI Index)	(5.2)	(2.1)	(1.5)	Relative return (vs. MSCI ACWI Index)	(4.6)	(2.8)	(2.0)
<b>U.S. Strategic Core Equity</b>	<b>U.S. Strategic Core Equity</b>				<b>U.S. Strategic Core Equity</b>			
Absolute return	Absolute return	27.0	12.7	13.5	Absolute return	22.1	11.3	13.1
Relative return (vs. S&P 500 Index)	Relative return (vs. S&P 500 Index)	(2.9)	1.2	(1.5)	Relative return (vs. S&P 500 Index)	(2.4)	1.2	(2.0)
<b>Select U.S. Equity Long/Short</b>	<b>Select U.S. Equity Long/Short</b>				<b>Select U.S. Equity Long/Short</b>			
Absolute return	Absolute return	21.4	8.2	10.7	Absolute return	18.1	7.4	10.5
Relative return (vs. S&P 500 Index)	Relative return (vs. S&P 500 Index)	(8.5)	(3.3)	(4.4)	Relative return (vs. S&P 500 Index)	(6.4)	(2.6)	(4.5)
<b>Global Strategic Core Equity</b>	<b>Global Strategic Core Equity</b>				<b>Global Strategic Core Equity</b>			
Absolute return	Absolute return	26.2	12.5	12.2	Absolute return	23.0	11.6	12.3
Relative return (vs. S&P 500 Index)	Relative return (vs. S&P 500 Index)	(1.0)	1.7	(1.2)	Relative return (vs. S&P 500 Index)	0.7	2.3	(1.0)

(1) Reflects annualized returns.

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Consolidated Results of Operations

		Three Months Ended March 31,				Three Months Ended June 30,				Six Months Ended June 30,			
		2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change	2024	2023	\$ C	
		(in thousands, except per unit amounts)				(in thousands, except per unit amounts)							
Net revenues	Net revenues	\$1,104,151	\$1,024,091	\$80,060	7.8 %	\$1,027,943	\$1,008,456	\$ 19,487	1.9 %	\$2,132,094	\$2,032,547	\$ 9	
Expenses	Expenses	862,154	808,831	53,323	6.6 %	828,654	819,795	8,859	1.1 %	1,690,808	1,628,626	6	
Operating income	Operating income	241,997	215,260	26,737	12.4 %	199,289	188,661	10,628	5.6 %	441,286	403,921	3	
Non-operating income	Non-operating income									134,555	—	13	
Pre-tax income	Pre-tax income									333,844	188,661	14	
Income taxes	Income taxes	16,042	11,342	4,700	41.4 %	20,092	9,901	10,191	102.9 %	36,134	21,243	1	
Net income	Net income	225,955	203,918	22,037	10.8 %	313,752	\$ 178,760	134,992	75.5 %	539,707	382,678	15	
Net income of consolidated entities attributable to non-controlling interests	Net income of consolidated entities attributable to non-controlling interests	8,028	9,767	(1,739)	(17.8) %	4,180	3,023	1,157	38.3 %	12,208	12,790		
Net income attributable to AB Unitholders	Net income attributable to AB Unitholders	\$ 217,927	\$ 194,151	\$23,776	12.2 %	\$ 309,572	\$ 175,737	\$133,835	76.2 %	\$ 527,499	\$ 369,888	\$15	
Diluted net income per AB Unit	Diluted net income per AB Unit	\$ 0.75	\$ 0.67	\$ 0.08	11.9 %	\$ 1.07	\$ 0.61	\$ 0.46	75.4 %	\$ 1.82	\$ 1.28	\$	
Distributions per AB Unit	Distributions per AB Unit	\$ 0.81	\$ 0.74	\$ 0.07	9.5 %	\$ 0.79	\$ 0.68	\$ 0.11	16.2 %	\$ 1.59	\$ 1.42	\$	
Operating margin <sup>(1)</sup>	Operating margin <sup>(1)</sup>	21.2 %	20.1 %			19.0 %	18.4 %			20.1 %	19.2 %		

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

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Net income attributable to AB Unitholders for the three months ended **March 31, 2024** **June 30, 2024** increased **\$23.8 million** **\$133.8 million**, or **12.2%** **76.2%**, from the three months ended **March 31, 2023** **June 30, 2023**. The increase primarily is due to (in millions):

Higher gain on divestiture	\$	134.6
Higher base advisory fees		\$61.9 70.6
Higher distribution revenues	24.6	28.1
Higher performance-based fees		25.0
Higher other revenues		14.4
Lower employee compensation and benefits expense		4.8
Lower general and administrative expenses		4.2
Lower interest on borrowings		3.4
Lower Bernstein Services Research revenues <sup>(1)</sup>		(91.8)
Higher investment gains losses	6.5	(24.3)
Higher promotion and servicing expenses	(32.6)	(21.3)
Higher income taxes		(10.2)
Other		(3.7)
	\$	133.8

Net income attributable to AB Unitholders for the six months ended June 30, 2024 increased \$157.6 million, or 42.6%, from the six months ended June 30, 2023. The increase primarily is due to (in millions):

Higher gain on divestiture	\$	134.6
Higher base advisory fees		132.6
Higher distribution revenues		52.7
Higher performance-based fees		18.6
Higher other revenues		13.6
Lower general and administrative expenses		5.9
Lower Bernstein Services Research revenues <sup>(1)</sup>		(95.7)
Higher promotion and servicing expenses		(53.9)
Higher investment losses		(17.8)
Higher income taxes		(14.9)
Higher employee compensation and benefits expense	(18.6)	(13.9)
Lower performance-based fees net dividend and interest revenue		(6.4)
Higher income taxes		(4.7)
Lower Bernstein Services Research Revenue		(3.8)
Higher interest on borrowings	(3.7)	(4.4)
Other		0.6 0.2
	\$	23.8 157.6

#### 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. We did not adopt a The plan adopted during the first second quarter of 2024. 2024 expired at the close of business on July 25, 2024. We may adopt plans in the future to engage in open-market purchases of AB Holding Units to help fund anticipated obligations under our incentive compensation award program and for other corporate purposes.

<sup>(1)</sup>On April 1, 2024 AB and SocGen, a leading European bank, completed their transaction to form a jointly owned equity research provider and cash equity trading partner for institutional investors. AB has deconsolidated the BRS business and contributed the business to the JVs. For further discussion, see Note 17 Divestiture to our condensed consolidated financial statements contained in Item 1 and Executive Overview in Item 2.

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#### 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 diluted 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 diluted 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 the principal operating metrics management uses in evaluating and comparing period-to-period operating performance. Management principally uses these 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 diluted net income per unit" because our quarterly distribution per unit is typically our adjusted diluted 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.

		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,			
		2024	2023		2024	2023	2024	2023		
		(in thousands, except per unit amounts)			(in thousands, except per unit amounts)					
Net revenues, US GAAP basis	Net revenues, US GAAP basis	\$ 1,104,151	\$ 1,024,091	Net revenues, US GAAP basis	\$ 1,027,943	\$ 1,008,456	\$ 2,132,094	\$ 2,032,547		
Adjustments:	Adjustments:			Adjustments:						
Distribution-related adjustments:	Distribution-related adjustments:			Distribution-related adjustments:						
Distribution revenues	Distribution revenues	(165,690)	(141,078)	Distribution revenues	(172,905)	(144,798)	(338,595)	(285,876)		
Investment advisory services fees	Investment advisory services fees	(19,090)	(15,456)	Investment advisory services fees	(20,350)	(14,005)	(39,440)	(29,461)		
Pass-through adjustments:	Pass-through adjustments:			Pass-through adjustments:						
Investment advisory services fees	Investment advisory services fees	(15,513)	(9,763)	Investment advisory services fees	(11,488)	(11,046)	(27,001)	(20,809)		
Other revenues	Other revenues	(8,761)	(9,343)	Other revenues	(20,447)	(8,096)	(29,208)	(17,438)		
Impact of consolidated company-sponsored investment funds	Impact of consolidated company-sponsored investment funds	(8,374)	(10,409)	Impact of consolidated company-sponsored investment funds	(3,292)	(2,975)	(11,667)	(13,384)		
Incentive compensation-related items	Incentive compensation-related items	(2,547)	(5,443)	Incentive compensation-related items	(1,521)	(4,905)	(4,067)	(10,349)		
Equity loss on JVs						Equity loss on JVs	27,893	—	27,893	—
Adjusted net revenues	Adjusted net revenues	\$ 884,176	\$ 832,599	Adjusted net revenues	\$ 825,833	\$ 822,631	\$ 1,710,009	\$ 1,655,230		

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		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023		2024	2023	2024	2023

<b>Operating income, US GAAP basis</b>	<b>Operating income, US GAAP basis</b>	<b>\$ 241,997</b>	<b>\$ 215,260</b>	<b>Operating income, US GAAP basis</b>	<b>\$199,289</b>	<b>\$ 188,661</b>	<b>\$441,286</b>	<b>\$403,921</b>		
Adjustments:	Adjustments:			Adjustments:						
Real estate	Real estate	(206)	(206)	Real estate	(206)	(206)	(412)	(412)		
Incentive compensation-related items	Incentive compensation-related items	1,097	1,608	Incentive compensation-related items	751	1,103	1,846	2,711		
EQH award compensation	EQH award compensation	215	191	EQH award compensation	291	215	506	406		
Acquisition-related expenses	Acquisition-related expenses	14,981	17,725	Acquisition-related expenses	19,035	20,525	34,017	38,249		
Equity loss on JVs						Equity loss on JVs	27,893	—	27,893	—
Total of non-GAAP adjustments before interest on borrowings	Total of non-GAAP adjustments before interest on borrowings	16,087	19,318	Total of non-GAAP adjustments before interest on borrowings	47,764	21,637	63,850	40,954		
Interest on borrowings <sup>1</sup>		17,370	13,713							
Interest on borrowings						Interest on borrowings	11,313	14,672	28,683	28,385
Sub-total of non-GAAP adjustments	Sub-total of non-GAAP adjustments	33,457	33,031	Sub-total of non-GAAP adjustments	59,077	36,309	92,533	69,339		
Less: Net income of consolidated entities attributable to non-controlling interests	Less: Net income of consolidated entities attributable to non-controlling interests	8,028	9,767	Less: Net income of consolidated entities attributable to non-controlling interests	4,180	3,023	12,208	12,790		
<b>Adjusted operating income <sup>1</sup></b>		<b>267,426</b>	<b>238,524</b>							
<b>Adjusted operating income</b>						<b>Adjusted operating income</b>	<b>254,186</b>	<b>221,947</b>	<b>521,611</b>	<b>460,470</b>
<b>Non-Operating income, US GAAP basis</b>						<b>Non-Operating income, US GAAP basis</b>	<b>134,555</b>	<b>—</b>	<b>134,555</b>	<b>—</b>
Less: Interest on borrowings	Less: Interest on borrowings	17,370	13,713	Less: Interest on borrowings	11,313	14,672	28,683	28,385		
Less: Gain on divestiture						Less: Gain on divestiture	134,555	—	134,555	—
<b>Adjusted non-operating (expense)</b>						<b>Adjusted non-operating (expense)</b>	<b>(11,313)</b>	<b>(14,672)</b>	<b>(28,683)</b>	<b>(28,385)</b>
Adjusted pre-tax income	Adjusted pre-tax income	250,056	224,811	Adjusted pre-tax income	242,873	207,275	492,928	432,085		
Less: Adjusted income taxes	Less: Adjusted income taxes	16,529	11,848	Less: Adjusted income taxes	14,621	10,882	30,906	22,728		
<b>Adjusted net income</b>	<b>Adjusted net income</b>	<b>\$ 233,527</b>	<b>\$ 212,963</b>	<b>Adjusted net income</b>	<b>\$228,252</b>	<b>\$ 196,393</b>	<b>\$462,022</b>	<b>\$409,357</b>		
<b>Diluted net income per AB Unit, GAAP basis</b>	<b>Diluted net income per AB Unit, GAAP basis</b>	<b>\$ 0.75</b>	<b>\$ 0.67</b>	<b>Diluted net income per AB Unit, GAAP basis</b>	<b>\$ 1.07</b>	<b>\$ 0.61</b>	<b>\$ 1.82</b>	<b>\$ 1.28</b>		

Impact of non-GAAP adjustments	Impact of non-GAAP adjustments	0.06	0.07	Impact of non-GAAP adjustments	(0.28)	0.07	(0.23)	0.14
<b>Adjusted diluted net income per AB Unit</b>	<b>Adjusted diluted net income per AB Unit</b>			<b>Adjusted diluted net income per AB Unit</b>				
		\$ 0.81	\$ 0.74		\$ 0.79	\$ 0.68	\$ 1.59	\$ 1.42
<b>Operating margin, GAAP basis</b>	<b>Operating margin, GAAP basis</b>			<b>Operating margin, GAAP basis</b>				
		21.2 %	20.1 %		19.0 %	18.4 %	20.1 %	19.2 %
Impact of non-GAAP adjustments	Impact of non-GAAP adjustments	9.1	8.6	Impact of non-GAAP adjustments	11.8	8.6	10.4	8.6
<b>Adjusted operating margin</b>	<b>Adjusted operating margin</b>			<b>Adjusted operating margin</b>				
		30.3 %	28.7 %		30.8 %	27.0 %	30.5 %	27.8 %

Adjusted operating income for the three months ended **March 31, 2024** **June 30, 2024** increased **\$28.9 million** \$32.2 million, or **12.1%** 14.5%, from the three months ended **March 31, 2023** **June 30, 2023**, primarily due to higher investment advisory base fees of **\$56.5 million** \$64.3 million, higher **investment gains** performance-based fees of **\$5.0 million** and **\$27.1 million**, lower general and administrative expenses of **\$4.0 million** \$13.5 million, lower promotion and servicing expenses of \$13.4 million, higher investment gains of \$2.5 million and lower employee compensation and benefits expense of \$2.4 million, partially offset by lower Bernstein Research Services revenue of \$91.9 million due to the deconsolidation of the BRS<sub>1</sub> business.

Adjusted operating income for the six months ended **June 30, 2024** increased \$61.1 million, or 13.3%, from the six months ended **June 30, 2023**, primarily due to higher investment advisory base fees of \$120.8 million, higher performance-based fees of \$20.6 million, lower general and administrative expenses of \$17.5 million, lower promotion and servicing expenses of \$8.4 million, higher investment gains of \$7.5 million and higher other revenues of \$2.3 million, partially offset by lower Bernstein Research Services revenue of \$95.7 million due to the deconsolidation of the BRS<sub>1</sub> business and higher employee compensation and benefits expense (excluding of \$19.3 million).

<sup>1</sup>On April 1, 2024 AB and SocGen, a leading European bank, completed their transaction to form a jointly owned equity research provider and cash equity trading partner for institutional investors. AB has deconsolidated the **impact of long-term incentive compensation-related items** of \$21.7 million, lower performance-based fees of \$6.4 million, higher **promotion** BRS business and **servicing** expenses of \$4.9 million contributed the business to the joint venture. For further discussion, see **Note 17 Divestiture to our condensed consolidated financial statements contained in Item 1 and lower Bernstein Services Research Revenue of \$3.8 million**, **Executive Overview in Item 2**.

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## **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.

<sup>1</sup> During the second quarter of 2023, we revised adjusted operating income to exclude interest on borrowings in order to align with our industry peer group. We have recast prior periods presentation to align with the current period presentation.

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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**, **Additionally**, we adjust for certain investment advisory and services fees passed through to our investment advisors. **We also adjust for certain pass through costs associated with the transition of services to the JVs entered into with 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.

**We also adjust net revenues to exclude our portion of the equity income or loss associated with our investment in the JVs. 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 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.

#### 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) acquisition-related expenses, (5) equity income (loss) on JVs (6) interest on borrowings and (6) (7) 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, are 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

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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.

Acquisition-related expenses 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 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.

We also adjust operating income to exclude our portion of the equity income or loss associated with our investment in the JVs. 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.

The recording of changes in estimates of contingent consideration payable with respect to contingent payment arrangements associated with our acquisitions are not considered part of our core operating results and, accordingly, have been excluded.

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 and Adjusted Diluted Net Income per AB Unit

As previously discussed, our quarterly distribution is typically our adjusted diluted 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, gain on divestiture and adjusted income taxes.

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The gain on divestiture is not considered part of our core operating results and, accordingly has been excluded from our adjusted net income. 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 March 31,				Three Months Ended June 30,				Six Months Ended June 30,			
		2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change	2024	2023	\$ Change	
		(in thousands)				(in thousands)				(in thousands)			
Investment advisory and services fees:	Investment advisory and services fees:					Investment advisory and services fees:							
Institutions:	Institutions:					Institutions:							
Base fees	Base fees	\$ 151,389	\$ 155,366	\$ (3,977)	(2.6) %	Base fees	\$ 152,795	\$ 151,683	\$ 1,112	0.7%	\$ 304,184	\$ 307,049	\$ (2,865)
Performance-based fees	Performance-based fees	5,822	18,803	(12,981)	(69.0)	Performance-based fees	5,927	6,410	(483)	(7.5)	11,749	25,213	(13,464)
		157,211	174,169	(16,958)	(9.7)		158,722	158,093	629	0.4	315,933	332,262	(16,329)
Retail:	Retail:					Retail:							
Base fees	Base fees	351,361	308,713	42,648	13.8	Base fees	362,685	318,242	44,443	14.0	714,046	626,956	87,090
Performance-based fees	Performance-based fees	2,640	(9)	2,649	n/m	Performance-based fees	13,683	16	13,667	n/m	16,323	7	16,316
		354,001	308,704	45,297	14.7		376,368	318,258	58,110	18.3	730,369	626,963	103,406
Private Wealth:	Private Wealth:					Private Wealth:							
Base fees	Base fees	251,489	228,248	23,241	10.2	Base fees	258,537	233,446	25,091	10.7	510,026	461,694	48,332
Performance-based fees	Performance-based fees	21,704	17,786	3,918	22.0	Performance-based fees	23,700	11,881	11,819	99.5	45,404	29,666	15,738
		273,193	246,034	27,159	11.0		282,237	245,327	36,910	15.0	555,430	491,360	64,070
Total:	Total:					Total:							
Base fees	Base fees	754,239	692,327	61,912	8.9	Base fees	774,017	703,371	70,646	10.0	1,528,256	1,395,699	132,557
Performance-based fees	Performance-based fees	30,166	36,580	(6,414)	(17.5)	Performance-based fees	43,310	18,307	25,003	136.6	73,476	54,886	18,590
		784,405	728,907	55,498	7.6		817,327	721,678	95,649	13.3	1,601,732	1,450,585	151,147
Bernstein Research Services		96,222	100,038	(3,816)	(3.8)								
Bernstein Research Services <sup>2</sup>						Bernstein Research Services <sup>2</sup>					—	91,847	(91,847)
Distribution revenues	Distribution revenues	165,690	141,078	24,612	17.4	Distribution revenues	172,905	144,798	28,107	19.4	338,595	285,876	52,719
Dividend and interest income	Dividend and interest income	44,515	50,679	(6,164)	(12.2)	Dividend and interest income	43,986	50,193	(6,207)	(12.4)	88,501	100,872	(12,371)
Investment gains		11,743	5,264	6,479	123.1								
Investment (losses) gains						Investment (losses) gains					(23,629)	670	(24,299)
Other revenues	Other revenues	25,293	26,146	(853)	(3.3)	Other revenues	39,167	24,719	14,448	58.4	64,460	50,865	13,595
Total revenues	Total revenues	1,127,868	1,052,112	75,756	7.2	Total revenues	1,049,756	1,033,905	15,851	1.5	2,177,624	2,086,017	91,607
Less: broker-dealer related interest expense	Less: broker-dealer related interest expense	23,717	28,021	(4,304)	(15.4)	Less: broker-dealer related interest expense	21,813	25,449	(3,636)	(14.3)	45,530	53,470	(7,940)
Net revenues	Net revenues	\$1,104,151	\$1,024,091	\$80,060	7.8 %	Net revenues	\$1,027,943	\$1,008,456	\$19,487	1.9%	\$2,132,094	\$2,032,547	\$99,547

### 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

On April 1, 2024 AB and SocGen, a leading European bank, completed their transaction to form a jointly owned equity research provider and cash equity trading partner for institutional investors. AB has deconsolidated the BRS business and contributed the business to the JVs. For further discussion, see Note 17 Divestiture to our condensed consolidated financial statements contained in Item 1 and Executive Overview in Item 2.

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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,

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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 65 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 9.4% 8.3%, 8.0% 7.7% and 0.3% of the assets we manage for institutional clients, private wealth clients and retail clients, respectively (in total, 5.5% 4.9% of our AUM).

For the three months ended March 31, 2024 June 30, 2024, our investment advisory and services fees increased by \$55.5 million \$95.6 million, or 7.6% 13.3%, from the three months ended March 31, 2023 June 30, 2023, due to a \$61.9 million \$70.6 million, or 8.9% 10.0%, increase in base fees offset by and a \$6.4 million \$25.0 million, or 17.5% 136.6%, decrease increase in performance-based fees. The increase in base fees is primarily due to an 10.8% 11.4% increase in average AUM. Performance-based fees decreased increased primarily due to lower performance fees earned on our International Small Cap and Global Opportunistic Credit, partially offset by higher performance fees earned on our US Select Equity, Equity and Private Credit.

For the six months ended June 30, 2024, our investment advisory and services fees increased by \$151.1 million, or 10.4%, from the six months ended June 30, 2023, due to a \$132.6 million, or 9.5%, increase in base fees and a \$18.6 million, or 33.9%, increase in performance-based fees. The increase in base fees is primarily due to an 10.9% increase in average AUM. Performance-based fees increased primarily due to higher performance fees earned on our US Select Equity and Private Credit, partially offset by lower performance fees earned on our Global Opportunistic Credit and International Small Cap.

Institutional base fees for the three months ended March 31, 2024 decreased \$4.0 million June 30, 2024 increased \$1.1 million, or 2.6% 0.7%, from the three months ended March 31, 2023 June 30, 2023, primarily due to a 4.8% increase in average AUM, partially offset by a lower portfolio fee rate. Retail base fees for the three months ended June 30, 2024 increased \$44.4 million, or 14.0%, from the three months ended June 30, 2023, primarily due to a 18.5% increase in average AUM, partially offset by a lower portfolio fee rate. Private Wealth base fees for the three months ended June 30, 2024 increased \$25.1 million, or 10.7%, from the three months ended June 30, 2023, primarily due to a 12.7% increase in average AUM.

Institutional base fees for the six months ended June 30, 2024 decreased \$2.9 million, or 0.9%, from the six months ended June 30, 2023, primarily due to a lower portfolio fee rate, partially offset by a 4.3% 4.5% increase in average AUM. Retail base fees for the three six months ended March 31, 2024 June 30, 2024 increased \$42.6 million \$87.1 million, or 13.8% 13.9%, from the three six months ended March 31, 2023 June 30, 2023, primarily due to a 17.8% 17.9% increase in average AUM. AUM, partially offset by a lower portfolio fee rate. Private Wealth base fees for the three six months

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ended March 31, 2024 June 30, 2024 increased \$23.2 million \$48.3 million, or 10.2% 10.5%, from the three six months ended March 31, 2023 June 30, 2023, primarily due to a 12.8% 12.6% increase in average AUM.

## Bernstein Research Services

We earn Effective April 1, 2024, AB has deconsolidated the BRS business. For further discussion, see Note 17 Divestiture to our condensed consolidated financial statements contained in Item 1 and Executive Overview in Item 2.

Prior to the deconsolidation of the BRS business, we earned revenues for providing investment research to, and executing brokerage transactions for, institutional clients. These clients compensate compensated us principally by directing us to execute brokerage transactions on their behalf, for which we earn earned commissions, and to a lesser extent, but increasingly, by paying us directly for research through commission sharing agreements or cash payments. The Bernstein Research Services business has been classified as held for sale on the condensed consolidated statement of financial condition. For further discussion, see Note 17 Divestiture and Item 2 Executive Overview.

Revenues from Bernstein Research Services for the three months ended March 31, 2024 June 30, 2024 decreased by \$3.8 million \$91.8 million, or 3.8%100.0%, compared to the three months ended March 31, 2023 June 30, 2023. For the six months ended June 30, 2024, Bernstein Research Services revenue decreased by \$95.7 million, or 49.9%, compared to the six months ended June 30, 2023. The decrease for both the three and six months ended June 30, 2024 was driven by lower customer trading activity due to the prevailing macro-economic environment. deconsolidation of the BRS business.

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### 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 March 31, 2024 June 30, 2024 increased \$24.6 million \$28.1 million, or 17.4%19.4%, compared to the three months ended March 31, 2023 June 30, 2023, primarily due to the corresponding average AUM of these mutual funds increasing 13.0% and a slight shift in product mix 17.0%. Distribution revenues for the six months ended June 30, 2024 increased \$52.7 million, or 18.4%, compared to the six months ended June 30, 2023, primarily due to the corresponding average AUM of these mutual funds that have higher distribution rates. increasing 16.4%.

### 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 primarily related to our private wealth customers' brokerage accounts.

For the three months ended March 31, 2024 June 30, 2024, dividend and interest income decreased \$6.2 million, or 12.2%12.4%, compared to the three months ended March 31, 2023 June 30, 2023, primarily due to lower interest earned on customer margin balances and lower interest earned on U.S. Treasury Bills and customer margin accounts. Bills. Broker-dealer related interest expense for the three months ended March 31, 2024 June 30, 2024 decreased \$4.3 million \$3.6 million compared to the three months ended March 31, 2023 June 30, 2023, due to lower interest paid on cash balances in customers' brokerage accounts. For the six months ended June 30, 2024, dividend and interest income decreased \$12.4 million, or 12.3%, compared to the six months ended June 30, 2023, primarily due to lower interest earned on customer margin balances and lower interest earned on U.S. Treasury Bills. Broker-dealer related interest expense for the six months ended June 30, 2024 decreased \$7.9 million compared to the six months ended June 30, 2023, due to lower interest earned on cash balances in customers' brokerage accounts.

### 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) market-making in exchange-traded options and equities, (iv) seed capital investments, (v) derivatives and (vi) 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.

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Investment gains (losses) are as follows:

		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023		2024	2023	2024	2023
		(in thousands)			(in thousands)			
Long-term incentive compensation-related investments:	Long-term incentive compensation-related investments:			Long-term incentive compensation-related investments:				
Realized gains	Realized gains	\$ 7,089	\$ 655	Realized gains	\$ 35	\$ 5,906	\$ 7,124	\$ 6,561
Unrealized (losses) gains		(4,481)	1,150					

Unrealized gains (losses)				Unrealized gains (losses)				415	(4,521)	(4,065)	(3,371)
Investments held by consolidated company-sponsored investment funds:	Investments held by consolidated company-sponsored investment funds:			Investments held by consolidated company-sponsored investment funds:							
Realized (losses)	Realized (losses)	(1,416)	(5,582)	Realized (losses)	(260)	(12,338)	(1,676)	(17,920)			
Unrealized gains	Unrealized gains	7,481	16,162	Unrealized gains	4,046	10,865	11,527	27,027			
Seed capital investments:	Seed capital investments:			Seed capital investments:							
Realized gains (losses):											
Realized (losses):				Realized (losses):							
Seed capital and other	Seed capital and other	362	52	Seed capital and other	(673)	(233)	(312)	(181)			
Derivatives	Derivatives	(10,312)	(4,480)	Derivatives	(4,128)	(5,479)	(14,439)	(9,959)			
Unrealized gains (losses):	Unrealized gains (losses):			Unrealized gains (losses):							
Seed capital and other	Seed capital and other	7,977	3,652	Seed capital and other	1,968	2,252	9,944	5,903			
Derivatives	Derivatives	5,455	(5,995)	Derivatives	2,556	4,645	8,011	(1,350)			
Brokerage-related investments:	Brokerage-related investments:			Brokerage-related investments:							
Realized (losses)		(480)	(199)								
Realized gains (losses)				Realized gains (losses)				176	(267)	(304)	(466)
Unrealized gains (losses)	Unrealized gains (losses)	68	(151)	Unrealized gains (losses)	129	(160)	197	(310)			
		\$ 11,743	\$ 5,264								
Equity investment in JVs:				Equity investment in JVs:							
Equity (loss)				Equity (loss)	(27,893)	—	(27,893)	—			
		\$ (23,629)	\$ 670	\$ (11,886)	\$ 5,934						

#### 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 March 31, 2024 decreased \$0.9 million June 30, 2024 increased \$14.4 million, or 3.3% 58.4%, compared to the three months ended March 31, 2023 June 30, 2023, primarily due to lower mutual fund certain reimbursements and brokerage income, partially offset by higher shareholder servicing fees, for services provided to the JVs. Other revenues for the six months ended June 30, 2024 increased \$13.6 million, or 26.7%, compared to the six months ended June 30, 2023, primarily due to certain reimbursements for services provided to the JVs.

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#### Expenses

The components of expenses are as follows:

Three Months Ended March 31,				Three Months Ended June 30,				Six Months Ended June 30,			
		\$	%			\$	%			\$	%
2024	2023	Change	Change	2024	2023	Change	Change	2024	2023	Change	Change
(in thousands)				(in thousands)				(in thousands)			

Employee compensation and benefits	Employee compensation and benefits	\$ 452,772	\$ 434,163	\$ 18,609	4.3 %	Employee compensation and benefits	\$ 423,324	\$ 428,079	\$ (4,755)	(1.1) %	\$ 876,096	\$ 862,242	\$13,854	1.6 %
Promotion and servicing:	Promotion and servicing:					Promotion and servicing:								
Distribution-related payments	Distribution-related payments	172,982	148,381	24,601	16.6	Distribution-related payments	179,908	150,038	29,870	19.9	352,890	298,419	54,471	18.3
Amortization of deferred sales commissions	Amortization of deferred sales commissions	11,799	8,154	3,645	44.7	Amortization of deferred sales commissions	13,348	8,767	4,581	52.3	25,147	16,921	8,226	48.6
Trade execution, marketing, T&E and other	Trade execution, marketing, T&E and other	54,991	50,630	4,361	8.6	Trade execution, marketing, T&E and other	40,940	54,138	(13,198)	(24.4)	95,931	104,768	(8,837)	(8.4)
		239,772	207,165	32,607	15.7		234,196	212,943	21,253	10.0	473,968	420,108	53,860	12.8
General and administrative	General and administrative	137,910	139,653	(1,743)	(1.2)	General and administrative	145,732	149,935	(4,203)	(2.8)	283,642	289,588	(5,946)	(2.1)
Contingent payment arrangements	Contingent payment arrangements	2,558	2,444	114	4.7	Contingent payment arrangements	2,558	2,443	115	4.7	5,116	4,887	229	4.7
Interest on borrowings	Interest on borrowings	17,370	13,713	3,657	26.7	Interest on borrowings	11,313	14,672	(3,359)	(22.9)	28,683	28,385	298	1.0
Amortization of intangible assets	Amortization of intangible assets	11,772	11,693	79	0.7	Amortization of intangible assets	11,531	11,723	(192)	(1.6)	23,303	23,416	(113)	(0.5)
<b>Total</b>	<b>Total</b>	<b>\$ 862,154</b>	<b>\$ 808,831</b>	<b>\$ 53,323</b>	<b>6.6 %</b>	<b>Total</b>	<b>\$ 828,654</b>	<b>\$ 819,795</b>	<b>\$ 8,859</b>	<b>1.1 %</b>	<b>\$1,690,808</b>	<b>\$1,628,626</b>	<b>\$62,182</b>	<b>3.8 %</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 **41.0%** **41.2%** and 42.4% for the three months ended **March 31, 2024** **June 30, 2024** and 2023, respectively. **Compensation expense as a percentage of net revenues was 41.1% and 42.4% for the six months ended June 30, 2024** and 2023, 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 six months ended June 30, 2024 respectively, and 1.0% of adjusted net revenues for both the three and six months ended March 31, 2024 and March 31, 2023, June 30, 2023, respectively**), 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

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adjusted net revenues was 49.0% **for the three and six months ended March 31, 2024** **June 30, 2024** and 49.5% for the three **and six** months ended **March 31, 2023** **June 30, 2023**, respectively.

For the three months ended **March 31, 2024** **June 30, 2024**, employee compensation and benefits expense decreased \$4.8 million, or 1.1%, compared to the three months ended **June 30, 2023**, primarily due to lower base compensation of \$27.5 million and lower fringe expense of \$2.8 million, partially offset by higher incentive compensation of \$18.9 million and higher commissions of \$5.6 million. For the six months ended **June 30, 2024**, employee compensation and benefits expense increased **\$18.6 million** **\$13.9 million**, or **4.3%** **1.6%**, compared to the **three** six months ended **March 31, 2023** **June 30, 2023**, primarily due to higher incentive compensation of **\$16.3 million** **\$35.2 million** and higher fringe benefits commissions of **\$2.6 million** **\$5.8 million**, partially offset by lower base compensation of **\$1.2 million** **\$28.7 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.

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Promotion and servicing expenses increased **\$32.6 million** **\$21.3 million**, or **15.7%** **10.0%**, during the three months ended **March 31, 2024** **June 30, 2024** compared to the three months ended **March 31, 2023** **June 30, 2023**. The increase was primarily due to higher distribution-related payments of **\$24.6 million** **\$29.9 million**, higher amortization of deferred sales commissions of **\$3.6 million**, **\$4.6 million** and higher transfer fees of **\$2.7 million** **\$3.4 million**, partially offset by lower trade execution and clearance expenses of **\$15.3 million**. Promotion and servicing expenses increased **\$53.9 million**, or **12.8%**, during the six months ended **June 30, 2024** compared to the six months ended **June 30, 2023**. The increase was primarily due to higher distribution-related payments of **\$54.5 million**, higher amortization of deferred sales commissions of **\$8.2 million** and higher **travel** transfer fees of **\$6.1 million**, partially offset by lower trade execution and **entertainment** clearance expenses of **\$1.8 million** **\$16.1 million**.

## 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 **12.5%** **14.2%** and **13.6%** **14.9%** for the three months ended **March 31, 2024** **June 30, 2024** and 2023, respectively. General and administrative expenses decreased **\$1.7 million** **\$4.2 million**, or **1.2%** **2.8%**, during the three months ended **March 31, 2024** **June 30, 2024** compared to the corresponding period in 2023, primarily due to prior year valuation adjustments related to the classification of Bernstein Research Services as held for sale of **\$1.9 million**, lower technology expense of **\$1.5 million** and a favorable foreign exchange impact of **\$1.3 million**, partially offset by higher office-related expense of **\$3.4 million** and higher professional fees of **\$1.2 million**.

General and administrative expenses as a percentage of net revenues were **13.3%** and **14.2%** for the six months ended **June 30, 2024** and 2023, respectively. General and administrative expenses decreased **\$5.9 million**, or **2.1%**, during the six months ended **June 30, 2024** compared to the corresponding period in 2023, primarily due to the recognition of a **\$20.8 million** government incentive grant received in connection with our headquarters relocation to Nashville, Tennessee and prior year valuation adjustments related to the classification of Bernstein Research Services as held for sale of **\$4.7 million**, partially offset by higher office-related expenses expense of **\$7.1 million** **\$10.4 million**, higher other taxes of **\$5.2 million**, higher portfolio servicing expense of **\$3.8 million** **\$3.0 million** and higher **technology and related professional fees** expense of **\$2.4 million** **\$2.1 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. During the three months ended **March 31, 2024** **June 30, 2024** and 2023, we recognized **\$2.6 million** and **\$2.4 million** in accretion expense related to our contingent considerations payable. During the six months ended **June 30, 2024** and 2023, we recognized **\$5.1 million** and **\$4.9 million** in accretion expense related to our contingent considerations payable.

During the six months ended **June 30, 2024** we made payments of approximately **\$2.6 million** in contingent consideration related to various smaller acquisitions.

There were no changes in our estimates during the **three first six** months ended **March 31, 2024** and **2023**. **June 30, 2023**.

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## 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 **March 31, 2024** **June 30, 2024** interest on borrowings **increased \$3.7 million** **decreased \$3.4 million** compared to the three months ended **March 31, 2023** **June 30, 2023**. The decrease was primarily due to lower weighted average borrowings, partially offset by higher weighted average interest rates. For the six months ended **June 30, 2024** interest on borrowings **increased \$0.3 million** compared to the six months ended **June 30, 2023**. The increase was primarily due to higher weighted average borrowings and higher interest rates, partially offset by lower weighted average interest rates, 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 **increased \$0.1 million** **decreased \$0.2 million** during the three months ended **March 31, 2024** **June 30, 2024** compared to the three months ended **March 31, 2023** **June 30, 2023**. Amortization of intangible assets decreased **\$0.1 million** during the six months ended **June 30, 2024** compared to the six months ended **June 30, 2023**. During the six months ended **June 30, 2024** we wrote off approximately **\$1.5 million** of intangible assets associated with a 2022 acquisition. We did not have any adjustments to our intangible assets during the six months ended **June 30, 2023**.

## 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 **March 31, 2024** **June 30, 2024** increased **\$4.7 million** **\$10.2 million**, or **41.4%** **102.9%**, compared to the three months ended **March 31, 2023** **June 30, 2023**. Income tax expense for the six months ended **June 30, 2024** increased **\$14.9 million**, or **70.1%**, compared to the six months ended **June 30, 2023**. The increase was primarily due to higher 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 six months ended **March 31, 2024** **June 30, 2024**.

#### **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 six** months ended **March 31, 2024** **June 30, 2024**, we had **\$8.0** **\$12.2** million of net income of consolidated entities attributable to non-controlling interests compared to net income of **\$9.8** **\$12.8** million for the **three six** months ended **March 31, 2023** **June 30, 2023**. Period-to-period fluctuations result primarily from the number of consolidated company-sponsored investment funds and their respective market performance.

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#### **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 to fund 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 **three six** months of 2024, net cash provided by operating activities was **\$353.7 million** **\$945.9 million** compared to net cash used in operating activities of **\$46.9 million** **\$722.3 million** during the corresponding 2023 period. The change is primarily due to the net activity higher earnings of our consolidated company-sponsored investment funds **\$92.2 million** (after non-cash reconciling items), an increase in accounts payable and accrued liabilities of **\$131.4 million** **\$79.9 million**, an increase in broker-dealer payables (net of receivable and segregated U.S. Treasury bills) of **\$67.0 million**, **\$62.6 million** and an increase in accounts payable accrued compensation and accrued liabilities benefits of **\$63.0 million** **\$27.6 million**, a decrease partially offset by the net activity of our consolidated company-sponsored investment funds of **\$44.4 million** and an increase in other assets **\$50.2 million** and higher earnings deferred sales commissions of **\$48.8 million** (after non-cash reconciling items) **\$32.6 million**.

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During the first **three six** months of 2024, net cash provided by investing activities was **\$272.7 million**, compared to net cash used in investing activities of **\$10.6 million** was **\$50.7 million**, compared to **\$17.0 million** during the corresponding 2023 period. The change is primarily due to a **\$304.0 million** equalization payment cash used related to the divestiture of the BRS joint venture transaction business of **\$40.2 million**. The cash used in the current period, divestiture included **\$304.0 million** in cash proceeds received from SocGen offset by **\$338.2 million** in cash contributed from the transferring balance sheet and **\$6.0 million** in direct costs to sell. In addition, there was an increase in debt repayment from equity method investments of **\$86.2 million** offset by capital contributions to equity method investments of **\$39.4 million** and higher purchases of furniture, equipment and leasehold improvements of **\$20.7 million** **\$41.6 million**.

During the first **three six** months of 2024, net cash used in financing activities was **\$556.7 million** **\$1.2 billion**, compared to **\$200.7 million** **\$0.8 billion** during the corresponding 2023 period. The change is primarily due to higher repayments of debt of **\$299.3 million** **\$414.3 million**, higher cash distributions to Unitholders of **\$45.9 million** and higher net purchases of AB Holding Units to fund long-term incentive compensation plans of **\$15.1 million**, partially offset by lower net purchases of non-controlling interests of consolidated company-sponsored investment funds of **\$90.4 million** and higher cash distributions to Unitholders of **\$24.1 million**, partially offset by an increase in overdrafts payable of **\$45.6 million** **\$82.5 million**.

As of **March 31, 2024** **June 30, 2024**, AB had **\$1.2 billion** **\$875.2 billion** of cash and cash equivalents (including cash and cash equivalents of consolidated company-sponsored investment funds and cash held-for-sale funds), all of which is available for liquidity but consist primarily of cash on deposit for our broker-dealers related to various customer clearing activities, and cash held by foreign subsidiaries of **\$666.3 million** **\$483.7 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 from those disclosed in "Management's Discussion and Analysis of Financial Condition" in our Form 10-K for the year ended December 31, 2023.

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## 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, 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.

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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, 2023 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 to help fund anticipated obligations under our incentive compensation award program: The number of AB Holding Units AB may decide to buy in future periods, if any, to help fund 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 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, 2023.

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#### **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.

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

No change in our internal control over financial reporting occurred during the [first](#)[second](#) quarter of 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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