



August 2025

# MIFIDPRU 8 Disclosure

For the year ending 31 December 2024

## 1. Overview

### 1.1 Background

The Investment Firms Prudential Regime ("IFPR") is the Financial Conduct Authority's ("FCA") prudential regime for MiFID investment firms. Its provisions apply to AllianceBernstein Limited ("ABL" or the "Firm" or the "Company") as an FCA-authorised and regulated firm.

### 1.2 ABL Structure

ABL is an indirect, wholly-owned subsidiary of AllianceBernstein L.P. ("ABLP" or collectively with its subsidiaries the "AllianceBernstein Group" or "AB Group"). ABLP is a publicly-reporting United States Securities and Exchange Commission-registered investment adviser.

ABL is regulated by the FCA (FRN 147956) and has one wholly-owned subsidiary – AllianceBernstein (DIFC) Limited in the DIFC, Dubai, UAE which is regulated by the DIFC.

### 1.3 Application of Disclosure Requirements

IFPR has been implemented by the FCA through rules contained in the MIFIDPRU Sourcebook. Chapter 8 of MIFIDPRU sets out the disclosure requirements and this document has been prepared in accordance with these rules.

### 1.4 Frequency of Disclosures

These disclosures will be published at least once a year following approval of the Firm's Internal Capital Adequacy and Risk Assessment ("ICARA"), and alongside publication of the Firm's annual accounts. The disclosure may be updated more frequently in the event of a material business change.

### 1.5 Verification, Media and Location

These disclosures have been prepared solely for the purpose of fulfilling the Firm's MIFIDPRU 8 disclosure requirements and are not used by management for any other purpose. They have not been audited nor do they constitute any form of audited financial statement.

The Firm's Board of Directors (the "Board") is ultimately responsible for the Firm's systems and controls and for reviewing the effectiveness of those arrangements. However, such arrangements are designed to mitigate, not eliminate, risk and therefore can provide reasonable, but not absolute, assurance against material losses or financial misstatements.

These disclosures have been approved by the Firm's Board of Directors.

These disclosures will be published on the AB Group website ([www.alliancebernstein.com](http://www.alliancebernstein.com)).

## **2. Governance of ABL**

### **2.1 Board of Directors**

ABL is governed by its Board of Directors. The Board is responsible for managing the affairs and activities of the Company in accordance with its Memorandum and Articles of Association and any laws, rules and regulations to which the Company is subject. Its roles include:

- Directing and controlling the policies, activities and business strategies of the Company;
- Overseeing the business and operations of the Company, including the review and implementation of business plans;
- Managing the financial, personnel and other resources of the Company;
- Ensuring that the Company can operate as a going concern including meeting its regulatory and other capital requirements;
- Identifying and monitoring key risks within the business and operations of the Company and ensuring that appropriate controls operate effectively to manage those risks;
- Reviewing reports and management information from the management team of the Company and setting and monitoring the completion of assignments by individual Directors or by staff members; and
- Ensuring that applicable legal and regulatory requirements are met.

ABL's governance arrangements are supported by Terms of Reference and job descriptions which set out managers' individual responsibilities, accountabilities, reporting lines and authority levels. The Senior Managers and Certification Regime ("SMCR") further formalises individual accountability and responsibility.

### **2.2 Audit, Risk & Compliance Committee**

The Audit, Risk & Compliance Committee ("ARCC") is chaired by ABL's Director of Risk with ABL's Heads of Compliance and Internal Audit as vice-chairs. It is comprised of members of senior management including three ABL Board Directors. The role of the Committee is one of oversight and guidance related to risk management including internal audit and regulatory compliance, and to advise the Board on the establishment, implementation, and maintenance of adequate policies and procedures relating thereto. The Committee will review and escalate to the Board such issues as warrant Board discussion and/or direction with appropriate recommendations or guidance.

The Committee shall advise the Board on:

- Incidents or errors with a net financial impact of £20,000 or more;
- Material regulatory breaches or enforcements;
- Internal Audit reports rated Needs Improvement or Ineffective; and
- External reviews with High Priority Findings or Recommendations.

### **2.3 Health & Safety Committee**

The Health & Safety Committee is chaired by local Head of Facilities Management and is attended by the UK and European Chief Financial Officer ("CFO"). This Committee is responsible for the general oversight of safety arrangements at ABL's premises, for advising all managers and employees of their respective health and safety obligations and responsibilities, and for proposing ABL policies on health and safety related matters.

### **2.4 The Remuneration Committee**

The Remuneration Committee is chaired by the CFO and attended by the SMF1 with representation from Finance, Legal and People departments. Its role is to support the SMF1 in managing the remuneration affairs of ABL in

accordance with the powers and discretions vested in them by the Board of Directors and the requirements of the FCA and other applicable regulatory bodies. Further detail on ABL's approach to Remuneration can be found in Section 6.

## **2.5 Consumer Duty Committee**

The Consumer Duty Committee is the product development body for ABL in respect of the funds for which ABL is or will be a manufacturer or co-manufacturer.

## **2.6 Directorships**

No ABL Board Directors hold executive or non-executive directorships outside of the AllianceBernstein Group ("AB Group").

## **2.7 Approach to Diversity**

ABL aims to have a Board made up of individuals that have a variety of qualities, competencies and characteristics that provide new and challenging perspectives. ABL promotes diversity to strengthen the Board's ability to effectively govern the Firm and provide meaningful and important insights that will ultimately benefit the Firm, its employees and the way it conducts its business. ABL has a policy on Promoting Diversity of the Board of Directors which commits the Board of Directors to skills self-assessment and consideration of diversity as part of its selection process for new members of the Board.

# **3. Risk Management Objectives and Policies**

## **3.1 Risk Framework and Appetite**

ABL has adopted a Three Lines Model approach to risk management. The first line is comprised of Senior Managers of the Firm's business units and departments who are primarily responsible for identifying and managing risks in their area and for developing and communicating the policies, guidance and procedures necessary to manage those risks. The second line is comprised of the independent Risk and Compliance functions. The third line is the independent Internal Audit function.

ABL's main areas of risk exposure are: Strategic Risk; Investment Risk; Regulatory and Legal Risk, Financial Risk and Operational Risk. Market Risk; Foreign Exchange Risk; Counterparty Risk; Concentration Risk and Liquidity Risk are captured within both Investment Risk and Financial Risk. Cyber, Technology and Operational Resilience related risk is captured under Operational Risk.

ABL's approach to setting risk appetite first considers the risks inherent in each of its business activities and strategic objectives and then evaluates these risks. ABL's Board determines its appetite for each category of risk, and then monitors the risk level using a set of metrics designed to highlight changes which can potentially challenge currently stated risk appetite.

Severe but plausible scenarios and stress tests are used to assess tail risks, including both financial and non-financial harm, as part of the Internal Capital Adequacy and Risk Assessment ("ICARA") process.

## **3.2 Categories of Risk**

### **Strategic Risk**

Strategic Business Risk is the risk that the business will fail to deliver its strategic plan thereby adversely impacting earnings, liquidity and capital. This can be caused through engagement in activities that harm the success of the Firm's plan, incorrect implementation of the plan or through a failure to react to market factors outside the business'

control. Business risk is a natural part of operating a business and is best assessed via stress testing the five-year financial forecast to show impact on both capital and liquidity resulting from material changes to the firm's financial forecast.

### **Investment Risk**

Investment risk can be defined as the probability or likelihood of occurrence of losses relative to the expected return on any particular investment. It is the measure of the level of uncertainty of achieving the expected returns on investment decisions. It can be as a result of adverse market movements, the failure of an issuer or counterparty to meet their obligations in a timely manner or at all, or an inability to execute transactions at prevailing market prices due to inadequate market depth, availability of buyers for assets held, or other market disruptions.

### **Regulatory and Legal Risk**

Regulatory and Legal Risk is the risk of regulatory or legal sanction, reputational damage or financial consequences as a result of a failure to comply with, or adequately allow for changes in, all applicable laws, regulations or contractual requirements.

### **Financial Risk**

The risk that ABL has insufficient financial resources or that it is unable to settle its financial obligations when they fall due as a result of having insufficient liquid resources. Financial Risk is also the risk that ABL incurs material financial loss as a result of adverse market movements or the failure of a counterparty, issuer or borrower to meet their obligations or perform these obligations in a timely manner.

Market risk arises in relation to the value of assets under management that underpin revenue streams. ABL's balance sheet is not directly impacted by market risk as it does not hold any material proprietary positions. The management of market risk is considered within business risk.

Foreign Exchange risk is the exposure of a firm's financial condition to adverse movements in exchange rates. ABL is primarily exposed to Foreign Currency risk from its non-sterling revenue streams and from its non-sterling assets and liabilities such as cash and net counterparty trade debtors and creditors. ABL actively manages its cash balances and converts surplus foreign currency balances to sterling as soon as practicable.

ABL's Counterparty risk arises from its cash deposits with banks and financial institutions, as well as credit exposures to debtors in respect of outstanding receivables. Cash deposits are held with high quality institutions which are regularly monitored. There are also regular credit control monitoring processes whereby aged receivables are reviewed and where appropriate, an amount set aside as provision for debts that are not expected to be collected in full.

Liquidity risk is the risk that current assets are not readily convertible to cash, that funds are either not available to service day-to-day funding requirements or are only available at a high cost or need to be arranged at a time when market conditions are unfavourable and consequently the terms are onerous. ABL is not exposed to any significant liquidity risk as it funds its business from its internal resources, does not have client money and does not have trading book positions and therefore no settlement risk.

ABL's Concentration risk arises from two material sources: 1. concentration of counterparties which hold cash in deposit on ABL's balance sheet; and 2. concentration of revenue from clients or products. ABL monitors cash concentration at its counterparties as part of its monthly financial reviews; and concentration of products and clients is consistently under review in the first line, as ABL's business model includes significant strategic diversifications for product and client base.

### **Operational Risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events. Operational Risk also captures errors, technology risk, operational resilience and business continuity, fraud and financial crime, third party risk including outsourcing and people risk.

## 4. Own Funds

### 4.1 Composition of Regulatory Own Funds

The Firm's own funds are CET1 and T2 capital. At 31 December 2024 and during the year, the Firm complied with all externally imposed capital requirements in accordance with the rules set out in IFPR (from 1st January 2022). Tier 1 capital consisted of fully issued ordinary shares, satisfying all the criteria for a Tier 1 instrument as outlined in the IFPR, and audited reserves. Tier 2 capital consists of fully issued preference shares.

**Table OF1 - Composition of regulatory own funds**

	Item	Amount (£ '000)	Source based on reference numbers / letters of the balance sheet in the audited financial statements
1	<b>OWN FUNDS</b>	<b>139,969</b>	
2	<b>TIER 1 CAPITAL</b>	<b>130,317</b>	
3	<b>COMMON EQUITY TIER 1 CAPITAL</b>	<b>130,317</b>	
4	Fully paid-up capital instruments	9,635	Note 19
5	Share premium		
6	Retained earnings	122,492	Note 21
7	Accumulated other comprehensive income		
8	Other reserves		
9	Adjustments to CET1 due to prudential filters		
10	Other funds		
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	-1,608	Note 16
19	CET1: Other capital elements, deductions and adjustments	-202	Note 13
20	<b>ADDITIONAL TIER 1 CAPITAL</b>	<b>0</b>	
21	<b>Fully paid up, directly issued capital instruments</b>		
22	<b>Share premium</b>		
23	<b>(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1</b>		
24	Additional Tier 1: Other capital elements, deductions and adjustments		
25	<b>TIER 2 CAPITAL</b>	<b>9,652</b>	
26	Fully paid up, directly issued capital instruments	9,652	Note 19
27	Share premium		
28	<b>(-) TOTAL DEDUCTIONS FROM TIER 2</b>		
29	Tier 2: Other capital elements, deductions and adjustments		

### 4.2 Reconciliation of Regulatory Own Funds to Balance Sheet in the Audited Financial Statements

The table below shows a reconciliation with own funds in the balance sheet where assets and liabilities have been broken down by asset and liabilities classes respectively. The information in the table below reflects the balance sheet in the audited financial statements.

**Table OF2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements**

Amount (£ '000)		a Balance sheet as in published / audited financial statements As at period end	b Under regulatory scope of consolidation As at period end	c Cross-reference to template OF1
<b>Assets</b>				
1	Property, plant and equipment	25,840		
2	Other receivables	1,005		Item 11
3	Shares in group undertakings	202		Item 19
4	Trade and other receivables	47,159		Item 11
5	Cash at bank and in hand	108,542		
6	<b>Total Assets</b>	<b>182,749</b>		Item 11, 19
<b>Liabilities</b>				
1	Creditors: amounts falling due within one year	30,296		
2	Creditors: amounts falling due after more than one year	10,131		
3	<b>Total Liabilities</b>	<b>40,427</b>		
<b>Capital and reserves</b>				
1	Called up share capital	19,287		Item 4, 26
2	Profit for the financial year	45,892		Item 6
3	Retained earnings	96,431		Item 6
4	Merger reserve	544		
5	<b>Total Shareholders' funds</b>	<b>142,322</b>		

## 5. Own Funds Requirements

### 5.1 Own Funds Requirements Summary

ABL's Own Funds Requirement ("OFR") is equal to its Fixed Overheads Requirement ("FOR") as this is greater than its K-Factor Requirement ("KFR") and Permanent Minimum Capital Requirement ("PMR").

Own Funds Requirement Summary		£'000
The highest of:		
(a) Permanent Minimum Requirement		75
(b) K-Factor Requirement		9,601
(i)	K-AUM	9,522
(ii)	K-COH	79
(c) Fixed Overhead Requirement		19,838
<b>Own Funds Requirement - highest of a, b, c</b>		<b>19,838</b>

### 5.2 Internal Capital Adequacy and Risk Assessment ("ICARA") Process

ABL is required to assess its own funds and liquidity requirements and ensure sufficient own funds and liquid assets are held to meet the Overall Financial Adequacy Rule ("OFAR"). The Firm undertakes its ICARA process at least once annually (or as material changes in conditions warrant). The Firm's most recent ICARA document was approved by the Board on 3 July 2025.

As part of the ICARA process, ABL has established its Own Funds Threshold Requirement ("OFTR"), its Liquid Assets Threshold Requirement ("LATR") and its Total Capital Requirement. This assessment involves addressing any potential harm from ongoing activities as well as an Orderly Wind-down scenario. The ICARA is undertaken on a proportionate basis, considering the Firm's size, and the nature and complexity of its activities.

### **5.3 Liquidity Requirements**

ABL must hold an amount of core liquid assets equal to the sum of one third of its FOR and 1.6% of the total amount of any guarantees provided to clients, as well as conducting further assessments to establish the LATR.

The Firm regularly reviews key elements of the liquid assets assessment, determining that these remain appropriate to cover the liquidity related risks of the Firm. Liquidity stress testing is also conducted as part of the ICARA process. The Firm has a Liquidity Risk Management Framework in place.

### **5.4 MIPRU Requirements**

The Firm is also required to hold Professional Indemnity Insurance (PII), in connection with certain aspects of its Defined Contribution ("DC") business. There is sufficient cover at AllianceBernstein Group level to satisfy the insurance limits and £134,000 has been set aside to satisfy the Firm's additional capital requirements relating to its insurance mediation activity. While the Firm maintains various insurance arrangements which could potentially mitigate certain risks, the Firm's capital calculations do not take insurance benefits into consideration.

## **6. Remuneration Policy and Practices**

### **6.1 ABL's activity**

ABL's primary activity is investment management alongside other related services. These services are provided to professional clients, retail clients via professional intermediaries and other related AB Group entities globally. The investment teams specialise in Equities, Fixed Income, Multi-Asset and both private and public Alternative strategies. The information disclosed in this section is proportionate to the size, nature and complexity of the activities of ABL and the risk profile of the Firm.

### **6.2 Approach to Individual Remuneration**

At ABL, the criteria for setting fixed remuneration is based on a staff member's professional experience and organisational responsibility as set out in their terms of employment. It is permanent, pre-determined, non-discretionary, and not dependent on performance.

Variable remuneration is based on performance (or in exceptional cases, other conditions). The measures of the performance vary depending on the role of the individual. Where based on performance, variable remuneration reflects the long-term performance of the staff member as well as performance in excess of the staff member's terms of employment. Variable remuneration will also consider an individual's conduct during the relevant period, whereby adjustments may be made for poor conduct. A variable remuneration award may include (but is not limited to): (i) cash bonuses; (ii) awards, including both non-deferred and deferred, under any incentive arrangements operated by ABL (or in which staff of ABL participate) from time to time; (iii) Buy-Out Awards; and (iv) any other variable incentive award that any relevant member of staff of ABL may be awarded from time to time. ABL, through its Remuneration Committee, ensures that the fixed and variable components of remuneration are appropriately balanced.

ABL's Risk Management, Compliance and Internal Audit control functions advise the Remuneration Committee and the Board during the end of year variable bonus process as to whether they feel any staff member has taken undue

risks or whether they have any concerns that should influence compensation decisions. If undue risks taken in earlier years come to light, the Remuneration Committee and the Board expects, for the relevant business unit or individual, that these risks will be taken into account in determining current year compensation.

The AB Group is governed by an Independent Board of Directors that includes a Compensation & Workplace Practices Committee, chaired by an Independent Director, which acts as a global forum with responsibility for the remuneration strategy and philosophy of the AB Group as a whole. The Compensation & Workplace Practices Committee is responsible for ensuring that remuneration and incentives within ABLP and its subsidiaries are aligned with organisational strategy, do not reward undue risk-taking or failure and is awarded fairly based on individual, business unit and firm-wide performance.

ABL is not subject to the following rules on variable remuneration as it meets the criteria in SYSC 19G.1.1: shares, instruments and alternative arrangements (SYSC 19G.6.19R to SYSC 19G.6.21G); retention policy (SYSC 19G.6.22R to SYSC 19G.6.23G); deferral (SYSC 19G.6.24R to SYSC 19G.6.29R); and discretionary pension benefits (SYSC 19G.6.35R(2)). ABL has applied its own deferral arrangements to elements of variable remuneration which is seen as being a proportionate approach and a sufficient risk mitigant to disincentive poor behaviour whilst creating enough of an incentive to retain talent.

In accordance with the requirements of the MIFIDPRU Remuneration Code, and on a proportionate basis, the Firm has adopted a Remuneration Policy and a separate Malus and Clawback Policy which has been approved by the Firm's Board. The determination of the policy was based on guidance provided by the FCA and subject to input and review by the Firm's Control Functions and People department. The Remuneration Policy clearly outlines control and governance requirements, links between pay and performance and the role and responsibilities of relevant stakeholders.

### **6.3 Risk adjustment Framework**

The Firm has also established a separate Malus and Clawback Policy which sets out types of Malus and Clawback events and the Firm's ability to apply the policy should any related events take place. The general principle of this Malus and Clawback Policy is to ensure that variable remuneration awards should be paid or vest or retained only if it is sustainable and justified according to the performance and financial situation of ABL, the business unit and the relevant staff member concerned.

#### **Malus**

ABL may (but shall not be obliged to), in its absolute discretion, determine that Malus shall be applied to any variable remuneration award if in ABL's opinion:

- The relevant staff member participated in or was responsible for conduct that resulted in significant losses to AllianceBernstein Limited and/or a relevant business unit or client of AllianceBernstein Limited;
- The relevant staff member failed to meet appropriate standards of fitness and propriety;
- There is reasonable evidence of misbehaviour and/or misconduct by the relevant staff member (e.g. breach of code of conduct and other internal rules, especially concerning risks);
- AllianceBernstein Limited or a relevant business unit in which the Material Risk Taker is employed (or for which the Material Risk Taker is responsible), suffers a material downturn in its financial performance, where the conduct of the identified staff member contributed to the downturn in its financial performance and/or to the extent that the effect of payment of the awarded amount of variable compensation would be that the capital base of the investment firm would no longer be sound; or
- AllianceBernstein Limited, and/or a relevant business unit in which the Material Risk Taker is employed (or for which the Material Risk Taker is responsible), suffers a material failure of risk management, where the conduct

of the identified staff member contributed to the failure of risk management and/or to the extent that the effect of payment of the awarded amount of variable compensation would be that the capital base of the investment firm would no longer be sound

- There is reasonable evidence of material and/or serious error by the relevant staff member;
- There is a significant increase in AllianceBernstein Limited's, or their business unit's, economic or regulatory capital base, to the extent that the effect of payment of the awarded amount of variable compensation would be that the capital base of the investment firm would no longer be sound; or
- There are any regulatory sanctions, e.g. punitive, administrative, disciplinary or otherwise, where the conduct of the identified staff member contributed to the sanction.

**Clawback** may be applied in such event that

- the relevant staff member participated in or was responsible for conduct that resulted in significant losses to ABL or a relevant business unit or client of ABL.
- the relevant staff member failed to meet appropriate standards of fitness and propriety; or
- there is reasonable evidence of misbehaviour by the relevant staff member;
- in each case whether such act or circumstance (or similar) occurred before or after the grant of the variable remuneration award.

**Other considerations relevant to Malus and Clawback:**

- the proximity to the failure of risk management in question and the staff members level of responsibility
- the extent to which the relevant staff member could have been reasonably expected to be aware of the relevant circumstances at the time but failed to take adequate steps to promptly identify, assess, report, escalate or address them;
- the extent to which the relevant staff member, by virtue of their role or seniority, could be deemed indirectly responsible or accountable;
- the extent to which the staff member had control over the outcome
- external factors including market conditions
- the staff members level of compensation; and
- any other factors that ABL believes to be relevant.

The Remuneration Committee is responsible for overseeing the implementation of both the Remuneration Policy and the Malus and Clawback policy.

#### **6.4 Severance Pay**

ABL may make severance payments. Severance payments will depend on the individual circumstances and generally takes into account the length of services and the conditions upon which the individual is leaving the Firm. These payments would reflect the individual's performance over time and do not reward failure or misconduct.

#### **6.5 Guaranteed Remuneration**

Guaranteed variable compensation arrangements are offered only on an exceptional basis for staff joining ABL, are limited to the first year of their service. Remuneration relating to the 'buy-out' of new joiners' current bonus/deferred remuneration arrangements aligns with ABL's long term interests, and contains provisions on periods of retention, deferral, vesting and ex post risk adjustment that are no shorter than any corresponding periods that applied to the bought-out compensation. In accordance with FCA requirements, ABL will seek reasonable evidence as to both the amount and the form (including vesting period) of any compensation which is required to be bought out prior to any commitment.

**6.6 Material Risk Takers (“MRTs”)**

ABL has defined its MRTs based on the requirements and guidance laid out in SYSC 19G.5.3 and 19G.5.5. The Firm identified 25 employees as MRTs during the financial year ending 31 December 2024. This includes MRTs employed by other AB Group companies. Of the 25 MRTs, 20 are also Senior Managers. The Firm has also identified 7 further Senior Managers, who are not defined as MRTs.

**6.7 Quantitative Disclosures**

	Senior Managers (£'000)	Other Material Risk Takers (£'000)	Other Staff (£'000)
Total Fixed Remuneration	8,532	820	24,414
Total Variable Remuneration	34,278	8,305	21,895

There are no items to disclose in relation to MIFIDPRU 8.6.8R (5)(a) for the 2024 performance year. In accordance MIFIDPRU 8.6.8 (7)(b), ABL is exempt from disclosing the information detailed in MIFIDPRU 8.6.8R (5)(b).

Aggregate remuneration disclosed includes:

- Annual base salaries as at 31 December 2024;
- Cash bonus awards for the 2024 performance year and
- Deferred awards for 2024.