AllianceBernstein®

Unlocking AI's Advantages in Investing

How Asset Managers Can Create Lasting Benefits for Clients

AI is becoming ubiquitous in asset management, but adoption alone won't create an edge. Lasting value will come from a clear strategy that connects AI tools with proprietary data, disciplined workflows, human judgment and strong governance. Firms that use AI to strengthen research, sharpen decision-making and build more capable investors will be best placed to turn the technology's promise into better insights and portfolio outcomes for clients.

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Building a Durable Edge

How can clients know whether an asset manager's AI deployment is delivering real benefits to their portfolios and allocations?

As AI tools become more widespread, investment firms must answer this question with clarity. In this paper, we argue that durable advantages will come from connecting AI with proprietary data, institutional knowledge, disciplined workflows and human expertise. The real differentiator will be how effectively firms integrate AI tools into their investment processes.

For investment firms, the true power of AI lies in enhancing investors' capabilities, not replacing them. When implemented thoughtfully, AI can help investment teams process more information, test ideas more rigorously, challenge assumptions and scale expertise across an organization. Yet successful adoption also requires strong governance, clear accountability and a culture that encourages innovation while maintaining human responsibility for every decision. In our view, the firms most likely to unlock lasting value from AI will be those that know how to transform the technology from a productivity tool into a strategic investment capability.

Key Takeaways:

- **AI deployment is not the same as AI advantage.** Competitive differentiation will increasingly depend on data, processes, governance and organizational infrastructure.
- **Proprietary knowledge is a critical asset.** AI becomes more valuable when it can access and learn from a firm's research, historical decisions and institutional expertise.
- **Structured investment processes create the best opportunities for AI.** Repeatable workflows enable firms to integrate AI systematically and apply it for the greatest impact.
- **Human judgment remains essential.** AI can help investors ask better questions, evaluate more evidence and challenge assumptions, but it cannot eliminate uncertainty or replace fiduciary accountability.
- **Clients should focus on outcomes, not technology claims.** The most important question is how AI strengthens research, decision-making and long-term investment outcomes.

No technology in human history has spread faster than artificial intelligence. It took ChatGPT just two months to reach 100 million users after its launch in 2022, compared to seven years for the internet and 75 for the telephone. While the AI revolution is still in its infancy, it has already made a profound impact in countless areas, from shopping to content creation to work processes.

The asset-management industry seems ripe for AI disruption. Investing across asset classes depends on mountains of data and text that human analysts struggle to process efficiently. Improving security-selection processes to help active portfolio teams deliver better outcomes sounds like a winning proposition, and has fueled a tantalizing conclusion: perhaps machines might soon be better than people at picking securities for investment portfolios.

But just like AI hype in other industries doesn't always deliver results for consumers, asset-management firms will be hard-pressed to demonstrate tangible benefits to clients. In this paper, we aim to help asset owners better understand how AI can be used most effectively on their behalf. Clients who are equipped to ask the right questions can separate AI proficiency from puff and discover how the technology can truly create strategic advantages for their portfolios, allocations and investment outcomes.

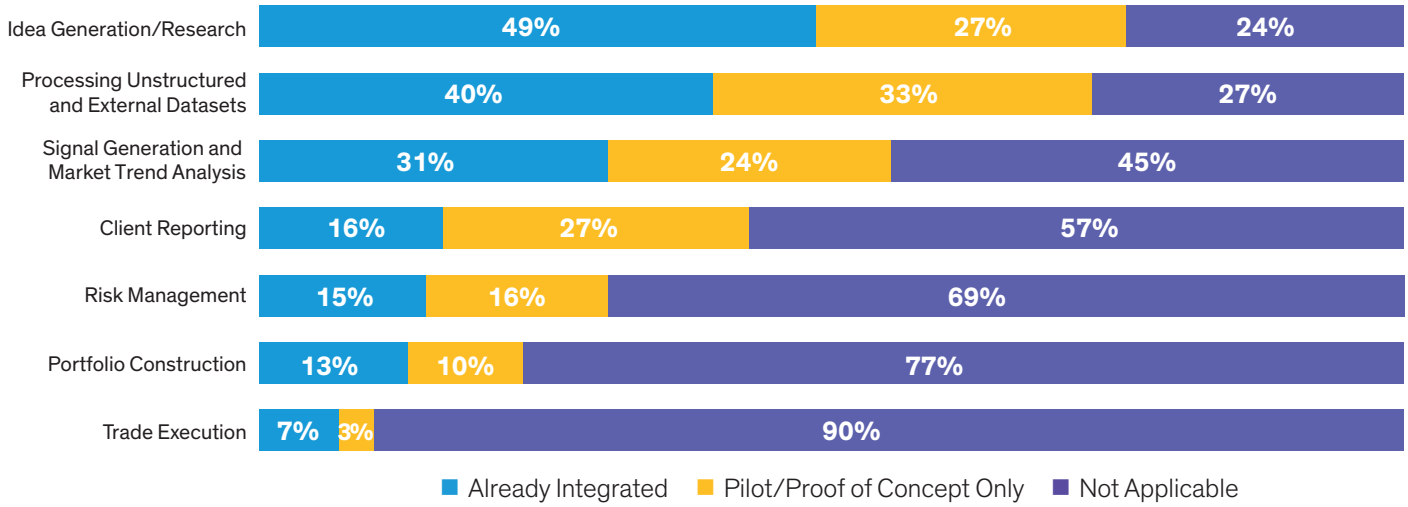
From Deployment to Durable Benefits

AI is fast becoming ubiquitous in asset management. But in early 2026 the industry was still in an "active early-adoption phase," according to a Mercer (now Marsh) survey of 131 asset-management firms.[1] Mercer reports that 55% of firms have integrated AI into at least one strategy's investment processes, while 91% plan to increase the use of AI in investment processes.

Idea generation and processing unstructured datasets are the most common uses of AI, while relatively few firms report deploying the technology for risk management, portfolio construction or trade execution (*Display 1*). "Firms report the strongest measurable benefits in operational efficiency and in the speed/quality of insights rather than in improved returns or risk reduction," says Mercer.[2]

DISPLAY 1: HOW ARE INVESTMENT FIRMS USING AI?

Areas of the Investment Process That Use AI Currently



Source: Mercer Artificial Intelligence Asset Manager Survey, February 2026

1 Beverley Sharp and Ana Tavares Vieira, *How artificial intelligence is shaping asset management*, Mercer 2026.
2 Ibid.

So, what would it take for AI to start making an impact on investment results? As models improve and become more user-friendly, AI functionality will soon be embedded across market-data platforms, research systems, productivity tools and workflows. But we don't think adoption is a good indicator of efficacy—and mass deployment alone won't necessarily deliver durable benefits.[3]

Beyond Adoption: What Creates Lasting Advantage?

History offers a useful caution. Every wave of investment technology—the spreadsheet, risk models, the internet and alternative data—handed its earliest adopters an edge, which narrowed as the tool spread. Once a capability is widely available, the advantages it creates tend to get priced away.

AI tools will proliferate at least as fast. That's why we don't believe the model itself will be a lasting source of advantage. Durable benefits will come from the structure and strategy built around the technology:[4] data connections, processes, governance and verification. Organizational infrastructure is far harder to copy than the AI model itself.

What will distinguish firms is how they apply AI within the investment process. Used properly, AI can help frame sharper investment questions, connect relevant evidence, monitor more signals and challenge investment theses, enabling differentiated insights to emerge faster. More powerful AI models cannot eliminate the structural challenges of forecasting financial returns, as we explain on page 9. Yet, portfolio teams that have a clear view of the key controversies driving an investment thesis can direct AI toward more effective uses—and redirect analysts' time to areas where human judgment is most valuable. In our view, deeply weaving AI into real investment decisions is the best way to transform the technology from a commoditized tool or general-purpose assistant to a true investment capability. Put another way, we believe AI strategy is becoming a core component of investment strategy.

3 Andrew Y. Chin, "AI and Alpha: Why Technology Alone Won't Be Enough," AllianceBernstein, July 27, 2026.
4 Andrew Y. Chin, "From Vision to Reality: Four Pillars for a Robust AI Strategy," AllianceBernstein, January 28, 2026.

Building the Foundation: Data, Knowledge and Process

It All Starts with Strong Data

For AI to make a difference in investing, it needs good data. In fact, data constraints and quality were reported to be the most common challenge to further AI adoption, with 69% of firms surveyed saying it was the main barrier, according to the Mercer survey.

Why is data so crucial for AI success? Because active investing strategies use public and proprietary information to generate insights and develop conviction in security selection. Good data also provides a factual anchor that helps prevent hallucinations.

Although public data is the easiest target for AI tools, it can only get you so far. Generic AI models can effortlessly access and summarize company reports and filings, or draft a primer on an industry and answer broad questions about a business. These useful, time-saving capabilities can help provide an initial perspective on a stock or bond, but they're becoming available to everyone.

The real opportunity begins when AI can draw on a firm's proprietary data. When directed to tap into a firm's internal research notes and past portfolio decisions, AI tools can generate analysis informed by the structured knowledge and insights of investment teams.

Embedding AI in the Investment Team

To generate differentiated output, we believe AI needs to be embedded in the investment team's process and philosophy, supported by internal proprietary data. It can then draw on historical lessons about which controversies matter, which data sources are most credible and which questions are most useful for assessing the future. That doesn't mean AI should replace human analysts; but AI tools should ask questions that are derived from the firm's people and research history, which will then become imprinted on its own thought processes.

We believe the real prize lies within a firm's own knowledge structure (*see* "Three Levels of AI Value Creation," *page 4*). That includes sources tagged with provenance, research conventions, institutional memory and a robust record of past decisions connected to their supporting data. This knowledge structure is an asset that is built slowly and compounds with every use. It also carries a strategic warning: when investment research is routed through a third-party vendor that keeps the data and workflow on its own platform, the firm's accumulated knowledge can end up behind someone else's walls. In our view, firms should own the storage infrastructure for their knowledge and invest in internal proprietary data to create a true AI advantage.

"The real opportunity begins when AI can draw on a firm's proprietary data."

Three Levels of AI Value Creation

For asset-management firms, AI can help improve investment processes in three distinct ways:

1. Linear improvements focus on doing existing tasks faster, cheaper or with greater consistency. AI can summarize earnings calls, extract data from filings, draft meeting notes or monitor routine information flows. These applications can save significant time and improve productivity, but they generally enhance existing workflows rather than change how investing is done.

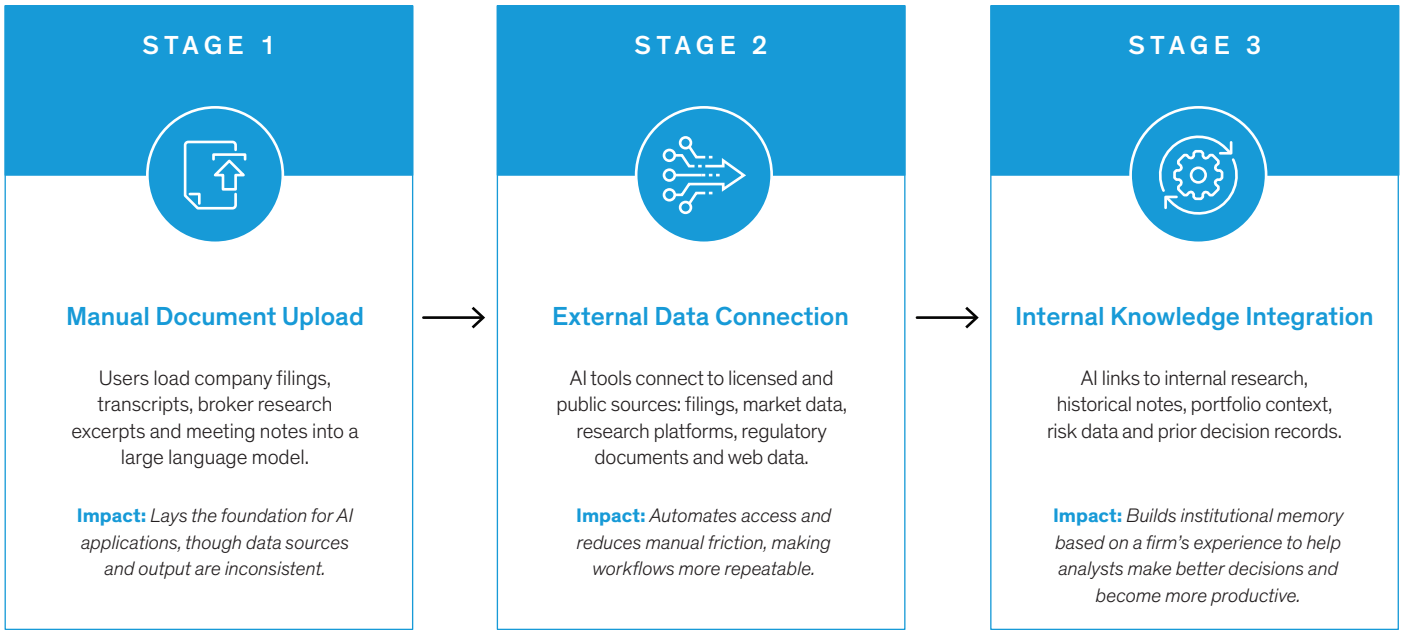
2. Exponential improvements emerge when AI enables analysis that would otherwise be impossible or impractical. An analyst can monitor only a finite number of companies, industries and data sources. AI, however, can sift through vast volumes of unstructured information, connect signals across markets and identify emerging developments that might otherwise go unnoticed. Used effectively, AI can expand the scale and scope of investment research, allowing teams to evaluate more evidence, test more hypotheses and surface differentiated insights more quickly.

3. Transformational improvements occur when firms redesign how investment decisions are made and how expertise is shared. In this model, AI becomes deeply embedded in investment processes, drawing on proprietary research, institutional knowledge and repeatable workflows. Rather than simply assisting individual users, AI helps capture, scale and compound a firm's collective expertise. Over time, this can create an organizational capability that is far more difficult for competitors to replicate.

Today, many firms remain focused on linear improvements. We believe the greatest long-term potential lies in combining exponential analytical capabilities with transformational changes to investment processes, culture and institutional knowledge.

Getting started with AI can be a thankless task. We think defining a three-phased process can help investment firms tackle the challenges, starting with manual data uploads to external data connections and integrating internal knowledge (*Display 2*).

DISPLAY 2: BUILDING THE FOUNDATIONS OF AI CAPABILITIES



For illustrative purposes only

Source: AllianceBernstein (AB)

Disciplined Processes Harness AI's Potential

Good data is the starting point. But to deliver consistent advantages, we believe AI must be tethered to disciplined investment processes.

Investment teams can't tell AI tools what to do if they can't describe their own workflows. With a structured, repeatable and auditable investment process in place, a portfolio team can plug in AI tools where they matter most—delivering potentially exponential benefits.

Mature processes will be most suitable for fruitful AI deployment. In a structured workflow, the analyst can define what data the AI agent should retrieve, which questions it should answer and what checks are required. Without structure, AI risks becoming a general-purpose chatbot; helpful for ad hoc productivity, but hard to scale into decision-grade investment work. At the same time, AI can also improve more established processes, helping teams break free of inefficient legacy routines.

Where AI Fits in Investment Workflows

Private credit illustrates the point because its deal process is highly structured. Deal teams often work through a consistent sequence of steps, from sourcing the deal through the decision to invest. Because those steps recur across deals, AI can be inserted systematically into specific parts of the workflow while human analysts retain accountability (*Display 3*).

For example, AI can help review a confidential information memorandum (CIM), produce a first-pass company overview or identify missing diligence questions. The investment team can direct AI to compare market-study inputs, brainstorm on potential risks or act as a devil's advocate on an investment committee as it debates the pros and cons of a particular deal.

DISPLAY 3: THE PRIVATE CREDIT PROCESS—DIVING INTO DEALS AND DOCUMENTS

Ten Recurring Steps from Sourcing to the Investment Decision—AI Can Be Inserted Systemically While Human Analysts Stay Accountable

For illustrative purposes only

Source: AB

Low Hanging Fruit: Less Paperwork, More Insights

For fixed-income teams, the research-heavy investment process is often weighed down by a mountain of documents. Analysts often need to review a range of lengthy regulatory, government and other technical materials to answer highly focused investment questions.

AI can help alleviate the research burden by streamlining the document review and extraction process. This allows the analyst to spend more time studying the investment implications rather than the mechanics of collecting the data.

Scaling Successful Skills

An AI investment strategy should identify different processes that are common to different investing teams. In these cases, the firm's knowledge and best practices should be embedded in skills and agents (*see* "Skills vs. Agents: What's the Difference?"). New analysts can then quickly benefit from the tools while discovering the skills that reflect how the firm operates. For example, an AI skill can be standardized to help analysts prepare for company meetings across diverse investing teams.

"To deliver consistent advantages, we believe AI must be tethered to disciplined investment processes."

Skills vs. Agents: What's the Difference?

Building AI capability requires more than access to models and data. It also requires reusable workflows and institutional knowledge, often packaged as skills and agents. They are related, but not the same.

A skill is a reusable set of instructions that teaches an AI system how to perform a specific task in a consistent way. Think of it as a firm's institutional playbook embedded into AI. A skill might include the questions an analyst should ask before a management meeting, the steps for reviewing a credit agreement or the framework for analyzing earnings results. It would also typically explain where and how to get the data or other information to complete the task. Skills help capture best practices and make them available across the organization.

An agent uses one or more skills to complete a broader objective. Unlike a simple chatbot, an agent can follow a process, access relevant information, perform multiple tasks and generate a structured output. For example, a company meeting–preparation agent might draw on several skills: reviewing prior research, analyzing recent earnings, identifying key controversies and generating suggested discussion questions. The distinction matters because skills capture expertise, while agents put that expertise into action.

In an investment context, agents operate at different levels requiring different types of human oversight. Insights generated for analyst review require a high level of oversight, since the large language model's (LLM) outputs haven't yet been synthesized into a recommendation. Interactions in which LLMs recommend actions need less intensive human approval, since these agents are trained to synthesize inputs into a decision; humans can still review both the reasoning and the underlying evidence to confirm the recommended action is appropriate. In execution use cases when LLM-driven systems trigger or orchestrate actions under predefined constraints, strict, embedded guardrails and preapprovals are built into the agentic workflow to ensure the agents perform as expected.

Of course, investment processes differ across asset classes or depend on a team's philosophy. But we believe there is a common guideline: AI should never make the ultimate call on an investment opportunity. Instead, it should be directed to add value by helping the team process document-heavy steps much faster, thereby freeing up time for them to spend on making the judgment calls that matter for a successful investment decision. In our experience, investment teams with the strongest and most coherent processes have been able to leverage AI most effectively because robust processes make it easier to integrate AI tools.

Reducing Data Costs and Bottlenecks

For investment analysts and portfolio managers, sourcing robust data is a constant challenge, especially for niche industries and highly specific investing cases. In the past, an analyst who wanted a specialized dataset had limited choices: buy a third-party dataset, ask a data scientist to scrape or structure the data, or skip the analysis entirely because it was too costly or time-consuming to create.

AI changes that equation. Now, analysts can use AI-assisted scraping, extraction and coding to create first-pass datasets themselves—effectively doing the work of basic data scientists. Not every analyst-built dataset will pass muster. But the research cycle can become faster and more experimental, as analysts will be able to test whether a dataset is useful before asking data science teams to scale it up. This can help reduce bottlenecks, cut costs and free up investment teams to focus resources on the most important data assets.

While that may sound technical, it potentially represents a sea change to the economics of research infrastructure. If analysts can create first-hand datasets, dashboards and monitoring tools in hours rather than weeks, a firm can reduce its dependency on bespoke software development queues and avoid buying narrow datasets with unproven value. This can help reduce software development costs, save time and enable analysts to build exactly what they need for bespoke research tasks. Over time, **we believe LLMs will dissolve the boundaries between traditional discretionary (fundamental) investing and systematic (quantitative approaches)**.[5] The proliferation of AI-enabled firsthand data collection might even help investment firms reduce their reliance on costly licenses for data terminals. We believe a strategic AI process can generate research benefits as well as cost benefits for clients and the firm.

5 Andrew Chin, "Leveling the Divide Between Discretionary and Systematic Investing: How AI Enables Breadth and Depth," *Journal of Portfolio Management* 51, no. 9 (August 2025).

Human Judgment, Culture and Governance

The early promise of AI has also fostered some misconceptions.

It's tempting to think that AI tools can replace portfolio managers and investment analysts. But since the investment industry is built on trust, we believe humans must remain accountable for investment decisions as part of their fiduciary duties to clients.

Verification—not just automation—makes that accountability real. Investors must know what an AI tool actually did, and check its work against reliable evidence before it shapes a decision. For example, given AI's tendency to hallucinate,[6] it would be imprudent for asset-management firms to rely on AI-driven tools, unverified, to choose securities and build portfolios. Hallucinations aren't the only flaw. AI models can also reinforce faulty assumptions or create a false sense of confidence in a common investment narrative. In our view, any unchecked AI output that reaches a portfolio decision is a risk.

AI also has inherent limitations in investment forecasting. More capable models don't eliminate the structural difficulties of investment forecasting. The information that reliably predicts returns is often difficult to distinguish from market noise, while market relationships change over time and investment outcomes are driven by many interacting factors. AI can help investors evaluate more evidence and challenge assumptions more effectively, but it cannot eliminate uncertainty. Even the most powerful AI tool won't turn a bad investment idea into a good one.

Building More Capable Investors

We believe the most important principle is that AI is an input to human judgment, not a substitute for it. AI's greatest value is helping skilled investors ask better questions, process more information and challenge assumptions. This frees up professionals to spend more time on the parts of the investment process where their experience and judgment can make the biggest difference to investment outcomes.

Human capabilities will be just as important as AI capabilities. As the technology becomes widespread and models improve, differentiated use will come from investment professionals who know how to use AI to make better decisions—identifying the right questions, selecting the right data and recognizing where the model might fail. Disciplined users have already become better at controlling errors, grounding answers in source documents and cross-checking sources. Above all, applying critical thinking and expertise to AI output will determine success.

> **"We believe the most important principle is that AI is an input to human judgment, not a substitute for it."**

Putting AI to Work:
Clearing the Path for Core Research Work

Sydney Kyne, Credit Research Analyst—Global Investment-Grade Credit, deployed an AI agent to comb through a massive regulatory report.[7]

6 Andrew Y. Chin, "Staying Grounded: Reducing AI Hallucinations," AllianceBernstein, March 13, 2026.
7 Sydney Kyne and Jonathan Berkow, "Putting AI to Work: Clearing the Path for Core Research Work," (vlog), AllianceBernstein (March 17, 2026).

When implemented correctly, AI can function like a personal research assistant for each analyst and investor, with different applications across a firm's professional hierarchy (*Display 4*). Junior analysts can ramp faster on new names and produce first-pass triage work. Experienced analysts can use AI to monitor competitors as well as to extract data across filings, transcripts and external sources. Senior investors can use AI as a thought partner to stress-test theses, challenge investment memos, prepare for management discussions and sharpen client communications.

Building more capable investors will compel firms to tailor off-the-shelf AI tools to their own investment philosophies and research processes using several techniques. Strong prompting can help steer a model quickly[8] by providing a few focused examples for the model to learn from. Models can also be fine-tuned further, albeit at a higher cost, providing thousands of correct answers to a problem that align a model's output with an investment team's thought process or workflow. Finally, to produce even more consistent, firm-specific results, AI experts can apply policy-based optimization and reinforcement learning.

Each approach requires curated examples, technical resources and clear standards, so they won't be equally accessible to every manager. Yet, applied with purpose, these procedures can also enhance and customize standard LLMs to align with a firm's values, strategies and objectives.

DISPLAY 4: DEPLOYING AI ACROSS THE PROFESSIONAL HIERARCHY

Portfolio Managers
AI Role: Strategist

AI Skills
Assess portfolio risk | Frame scenarios | Strengthen client communication

Senior Investors
AI Role: Thought Partner

AI Skills
Stress-test theses | Challenge investment memos
Prepare for management meetings | Sharpen client communications

Experienced Analysts
AI Role: Force Multiplier

AI Skills
Monitor competitors | Extract data at scale
Track changes across filings, transcripts and external sources

Junior Analysts
AI Role: Accelerator

AI Skills
Ramp faster on new names | Learn industries more quickly
Produce first-pass triage work

8 Andrew Y. Chin and Yuyu Fan, "Prompting AI: Can Better Conversations Drive Better Investment Research?" AllianceBernstein, June 21, 2024.

Creating an AI-First Culture

Because AI is meant to sharpen human experience and expertise, getting the right talent will determine success. We believe investment firms will increasingly need skilled professionals to design the right AI workflows, understand which problems AI can help solve and identify the most transformational new use cases. Firms will also need a broad base of investment professionals who know how to use AI in day-to-day work. In an AI-driven investment firm, portfolio managers and analysts should instinctively reach for AI tools when they face a research, monitoring or workflow challenge.

At the same time, firms with a credible AI program will be better positioned to attract the most suitable investment talent that can deliver on the technology's promise.

Creating that type of culture requires change from the top and bottom. As we see it, senior investment leadership must make it clear that AI fluency is an integral component of the investment skill set. At the same time, the best workflows will often be discovered by the analysts and portfolio managers who are closest to the investment problems. Those innovators should be identified, rewarded, and given visible platforms and formal roles to teach others. These signals and incentives make it clear that AI capability is becoming part of the modern investment skill set, not a side hobby.

Innovators are central to enhancing a firm's AI skills. Their best work should be repackaged for the broader organization. Not every investor needs to build prompts, agents and dashboards from scratch. Libraries of proven prompts, agents and skills can embed the firm's intellectual property and investment philosophy for all aspects of the repeatable investment process, including earnings calls, management meetings, issuer monitoring, deal review, risk review and client communication.

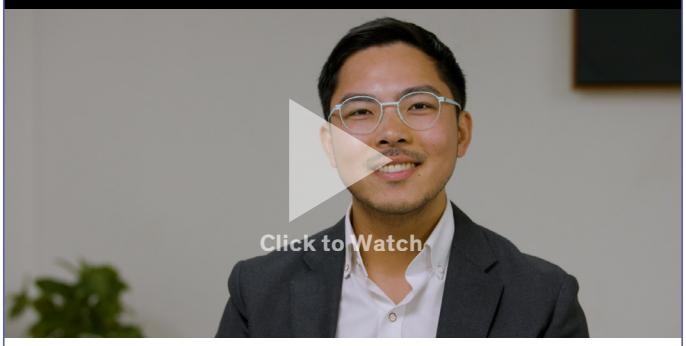
Junior analysts might feel threatened by an AI program. However, we think an AI-centric culture can reinforce and reframe the role of a junior analyst. They still need to be trained in all the traditional elements of security analysis, from financial statements to valuation analysis and industry structure. But now, they don't need to spend years mastering every mechanical task that AI tools can perform. Over time, broad AI adoption will enable more investment professionals to spend less time on obsolete mechanical processes and more time on higher-value skills. Talented junior analysts will be able to advance faster toward deploying the judgment, curiosity and frontier research that drive successful investing. In other words, the training trajectory of junior investment talent is poised to change dramatically.

Bolstering Accountability and Governance

For AI to become part of the investment process, it must meet an institutional standard that goes well beyond the technology itself. In other words, the operating model must be built around human accountability, which requires discipline in choosing the appropriate data sources and tools, as well as risk-calibrated governance.

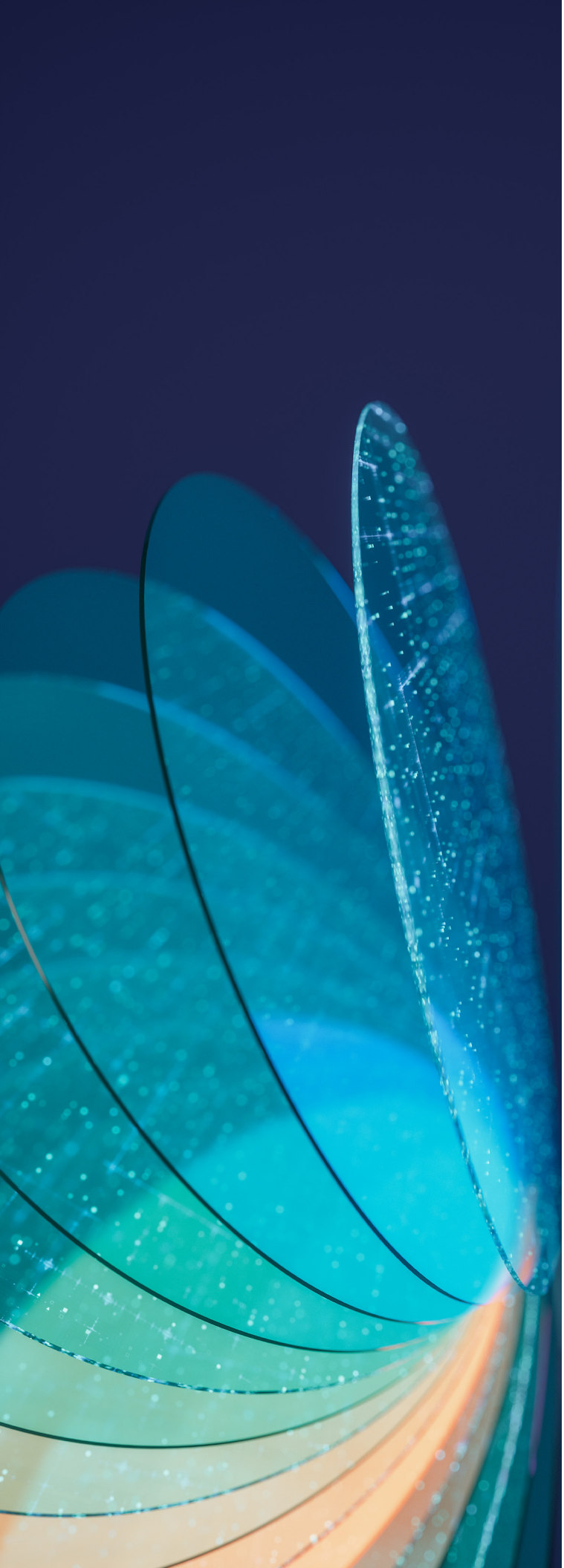
When using AI, analysts and portfolio managers must remain accountable for every recommendation, decision and outcome. As the technology becomes more integrated in our day-to-day work, clients should expect investing professionals to understand the limitations of AI tools and models, validate outputs and decide whether the analysis merits influencing an investment conclusion or not.

Putting AI to Work:
Pressure Testing Deal Scenarios



Jack Chen, AB Research Analyst—Strategic Core Equities, explains how he used AI to understand a complex merger scenario.[9]

9 Jack Chen and Jonathan Berkow, "Putting AI to Work: Pressure Testing Deal Scenarios," (vlog), AllianceBernstein (April 21, 2026).



AI's flaws cannot be ignored. LLMs can generate fluent, confident, internally consistent narratives that are factually wrong. Investors must be on the alert for three common failures:

- **Hallucinations:** The model invents plausible-sounding facts (citations, statistics, management quotes) that do not exist. Fluency masks fabrication.
- **Anchoring:** The first narrative generated by AI shapes subsequent analysis. When a bull case is articulated first, it becomes harder to dislodge—even when evidence weakens it.
- **False Consensus:** When all portfolio managers use the same LLM tools, machine-generated narratives converge, creating crowded positions that appear independently derived.

How to Tame AI Risks

These risks must be acknowledged and actively controlled. To neutralize hallucination risk, investors must follow concrete steps[10] including verifying primary sources independently and prompting the model with "check with me instructions." Anchoring can be mitigated by adversarial prompting—asking the model to argue the opposite case—and by tracking whether each thesis originated with the human or the model and was independently stress-tested. We believe investors must also beware of crowding risks; if peers are all using the same tools, contrarian positioning may come from rejecting the consensus narrative.

Compliance concerns are especially relevant for tasks requiring high fidelity. That's why, in our view, AI should never be the final authority for client reporting, performance numbers, attribution, trade execution or any output requiring 100% accuracy. Those tasks require governed data, review controls and established reporting processes. AI can help monitor or explain those outputs—but it shouldn't replace any system of record, in our view.

In the discussion of AI hallucinations, we tend to forget that humans also make mistakes—and are accountable for their errors. But leaning on AI models doesn't reduce the personal responsibility of investors for the accuracy of information and decision-making. Reinforcing that principle is crucial to a culture of accountability in AI-assisted investing processes.

That said, we also believe governance shouldn't impede AI adoption. Low-risk research experimentation should be encouraged with clear guardrails, while higher-risk use cases, such as client-facing output, sensitive data or portfolio implementation, require stronger controls and review. A staged approach can build confidence without allowing red tape to slow research, talent development and limited ability to identify new sources of insight. We believe the goal is to be responsibly nimble: enabling experimentation while protecting clients, data and accountability.

10 Chin, "Staying Grounded."

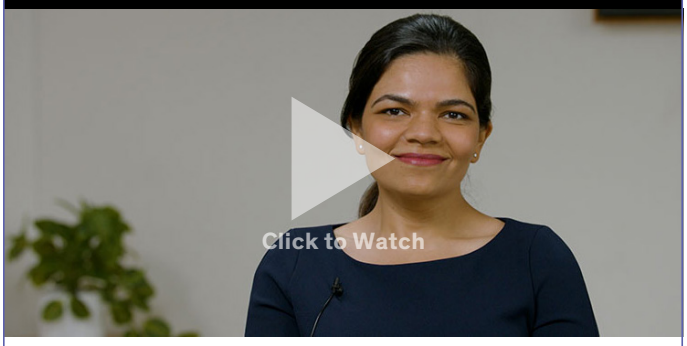
From Tools to Capability: Building an AI-Native Investment Organization

As AI tools become broadly available, the organizational ability to use them effectively is far more important than the underlying technology. For AI success, we believe asset managers must develop a comprehensive strategy that focuses on talent, process, data and governance.

The key question is: How can investment leaders make AI adoption systematic without making it bureaucratic? The answer requires an organizational structure that can scale best practices, protect client data and maintain accountability. But it also needs flexibility for investment teams to experiment, discover new workflows and move quickly as models and tools evolve. This will require several commitments:

1. **Senior sponsorship.** Leadership must make clear that AI fluency is part of the future investment skill set and that thoughtful experimentation is expected and rewarded.
2. **Frontline innovation.** Many high-value use cases will come from analysts and PMs closest to the work—not necessarily from the centralized technology teams. Compliance should help enable this type of responsible innovation.
3. **Visible rewards.** Innovators who build reusable workflows, agents, dashboards or monitoring systems should receive recognition and career credit.
4. **Packaged best practices.** The best prompts, agents and use cases should be made easy for the broader organization to adopt.
5. **Role-specific training.** Training should be organized around investment workflows—not generic AI usage. That means teaching investment teams how to apply AI to research in new names, earnings, issuer monitoring and deal diligence, as well as for risk review and client communication.
6. **Balancing speed responsibly.** Governance should distinguish between low-risk experimentation and higher-risk use cases that can impact clients.

Putting AI to Work:
Streamlining Data Collection



Ruchira Amin, AB Senior Research Analyst—Small and Mid Cap Value Equities, built an agent that can analyze quarterly filings of companies.[11]

“When using AI, analysts and portfolio managers must remain accountable for every recommendation, decision and outcome.”

11 Ruchira Amin and Jonathan Berkow, “Putting AI to Work: Streamlining Data Collection,” (vlog), AllianceBernstein (April 2, 2026).

The Future of AI-Native Investing

In the early stages of AI adoption, many investment teams have focused on improving existing workflows. Over time, we think the technology's real power will be to help portfolio managers and research analysts discover transformational new workflows and uses.

For example, consider the coverage burden for a typical investment analyst. Even with a defined coverage universe, an analyst can't possibly monitor every competitor, regulatory filing or management comment relevant to their coverage universe. Each company has countless suppliers and is influenced by vast customer signals, while facing evolving risks and controversies. AI changes the scale of what can be monitored in real time to inform investing recommendations.

With properly developed AI tools and skills, each investor will gain access to a network of specialized research assistants, something we've compared to having 10,000 interns at their side. These AI agents will collect data, monitor changes and challenge assumptions in new ways. They'll also be able to generate new hypotheses, build data dashboards and surface anomalies continuously. As this process unfolds, the new challenge for investment teams will be to identify which of these new workflows can improve investment outcomes.

From AI Claims to Client-Centric Capabilities

AI will change asset management in ways that are hard to imagine, even today. But clients shouldn't be dazzled by the sheer scale of a firm's AI deployment or flashy technology. Instead, clients should ask how AI is being applied: what data it can access, which investment workflows it supports, how outputs are tested and who's accountable for the final decision.

Don't expect AI to independently deliver better investing outcomes. Rather, its potential lies in expanding the scale and speed at which skilled investors collect information, test ideas and monitor change. When used properly, it can help challenge assumptions that underpin investing decisions, so portfolio teams stay focused on the questions that matter most.

Clients should look for firms that can demonstrate a clear path from AI use to investment capability, supported by a culture of skepticism and accountability. That will help distinguish thoughtful application from deployment for its own sake, and identify managers using AI to strengthen research, improve decision-making and support better long-term outcomes.

AI at AB: From Individual Expertise to Institutional Intelligence

Many investment firms are experimenting with AI. At AB, our goal is not simply to deploy more AI tools. We aim to build an investment platform that captures, compounds and scales the collective expertise of our investment professionals.

We think the greatest long-term opportunity lies in transforming individual knowledge into institutional capability. Every day, analysts, portfolio managers and risk specialists generate insights through research, investment debates, company meetings and portfolio decisions. Historically, much of that knowledge has remained within teams or individuals. Our AI strategy seeks to make that expertise more accessible across the organization while preserving human accountability for every investment decision.

To support this objective, we're building an investment intelligence platform (*Display, page 15*). At its foundation, the platform is a governed data and knowledge architecture that connects trusted external information with AB's proprietary research, historical investment insights and internal expertise. We think this type of foundation is essential because AI systems are only as valuable as the information they can access.

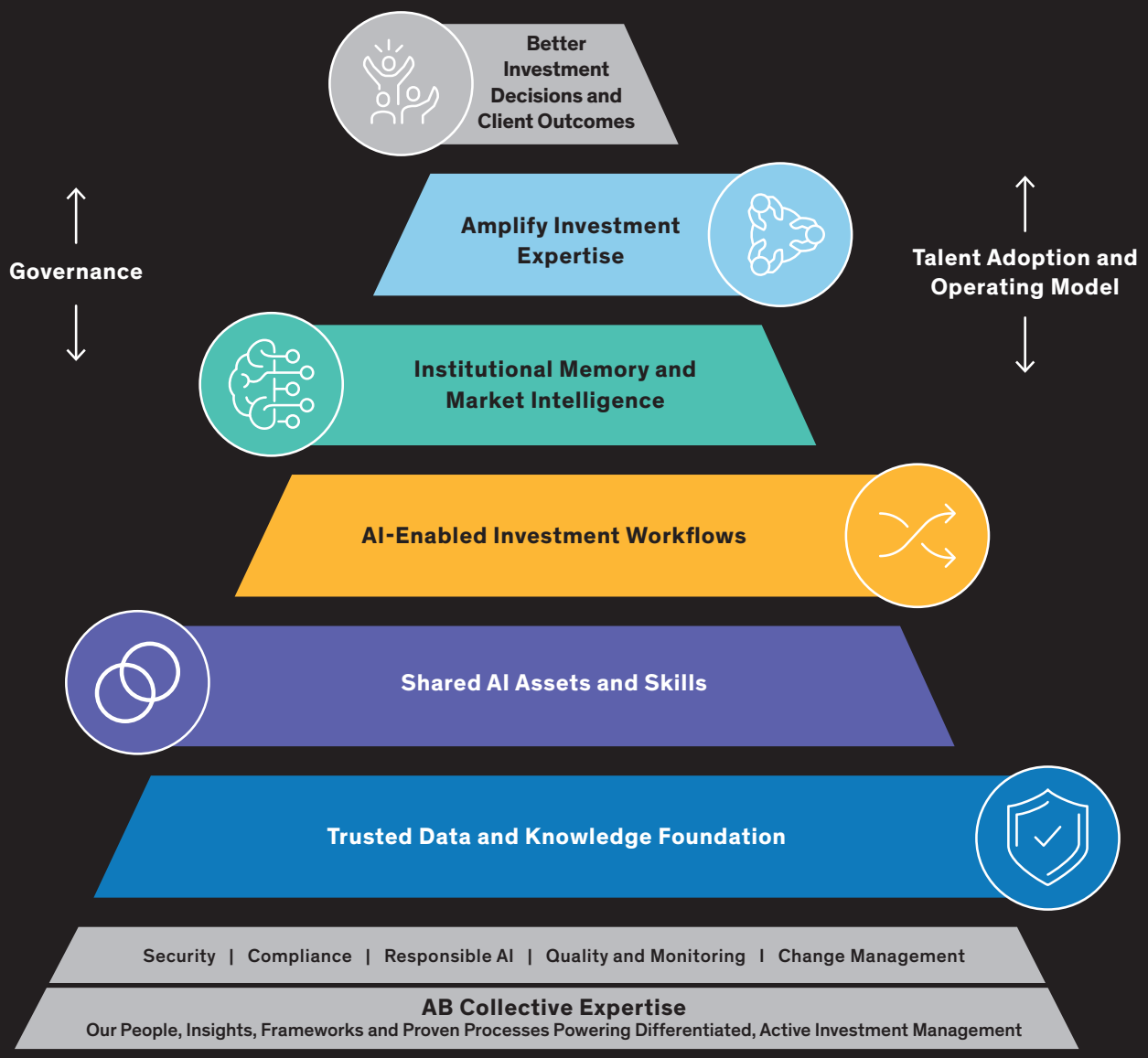
Beyond data, we're focused on creating reusable AI capabilities that can be shared across investment teams. Instead of requiring every analyst to develop prompts, workflows or agents from scratch, our goal is to package successful approaches into repeatable tools and processes. In our view, the most effective AI organizations will be those that can turn individual innovation into shared organizational capability.

We are also investing in AI-enabled investment workflows across equities, fixed income, private alternatives and multi-asset portfolios. Our investment teams are developing applications that help identify signals, synthesize research, challenge investment theses and streamline document-intensive processes. The objective is not to automate investment judgment. Rather, it is to allow investment professionals to spend less time gathering information and more time evaluating its implications.

In our view, a strategic AI effort should strengthen investment discipline, not weaken it. That's why governance, transparency and human oversight are central to our approach. Investment professionals remain accountable for recommendations and portfolio decisions, while AI serves as a tool to broaden perspective, test assumptions and improve consistency.

Ultimately, we think successful AI adoption in asset management will depend less on access to models and more on an organization's ability to combine data, technology and human expertise. Our strategy is designed to help AB do exactly that: create a continuously learning investment organization that can deliver sharper insights, better decisions and better outcomes for clients.

DISPLAY 5: AB INVESTMENT INTELLIGENCE PLATFORM



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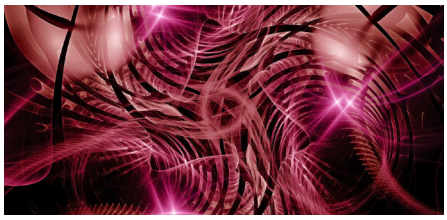

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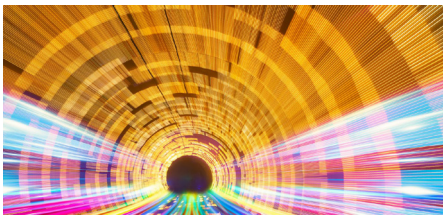

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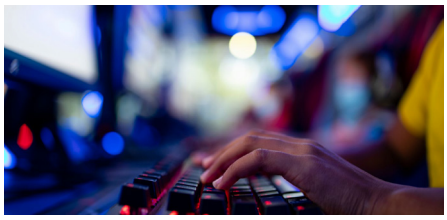

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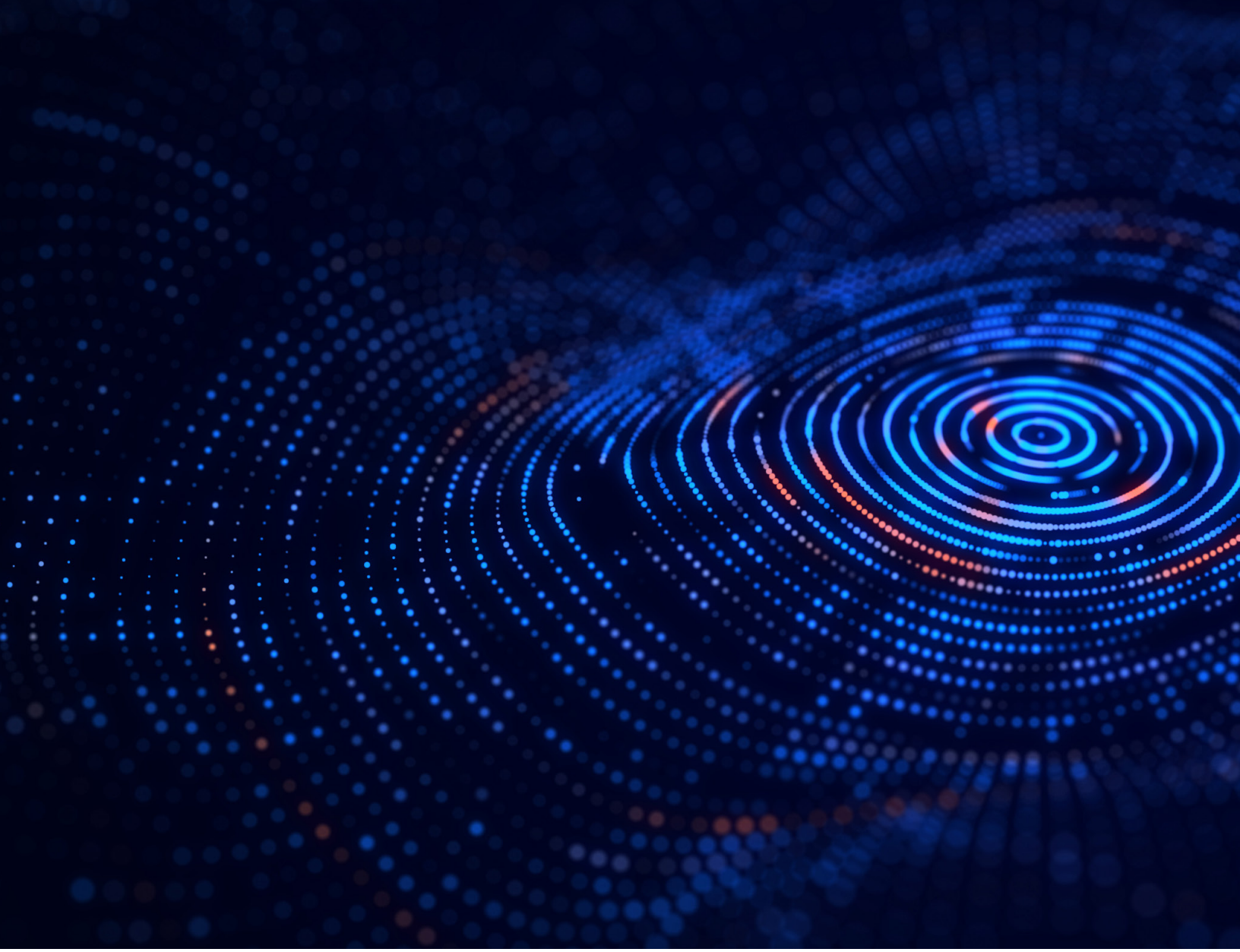

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