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AI IN WEALTH MANAGEMENT

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WHAT WE DO

EMPOWERING **DATA-DRIVEN** STRATEGIES

PERFORMANCE MEASUREMENT

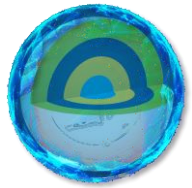
BPO, Multi-Currency, and Return Calculations, Open APIs – Database Agnostic

REFINITIV opturo

DATA ANALYTICS

ESG, NLG, Machine Learning, Risk, Benchmark, Peer Comparison

OWL analytics RegAlytics finmason



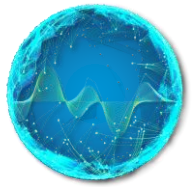
REPORTING

Custom Report Builder, Automated Rules, Custom Branding, 150+ Reporting Exhibits

CORE EXECVIEW eVestech

PROFESSIONAL SERVICES

Customization consultants help you extend base product functionality.



DATA AGGREGATION

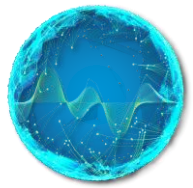
Structured and Unstructured Data, 350+ Connections, QA Checks – Reconciliation

WEALTH ACCESS

VENTURES

Corporate VC Arm focused on WealthTech, RegTech, and MortgageTech

ICR PARTNERS INTEGRATED CAPITAL RESEARCH RegAlytics OWL analytics



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TYPES OF AI & TRENDS

OVERVIEW

The digitized ecosystem will be 2023's most significant disruptor. There is one technology at the center, which is "Artificial Intelligence". The world has pivoted quickly from "technology complementing humans" to "humans complementing technology". A balancing act has emerged that will define the future of the industry: the blending of man and machine in advisors to produce better service and results for increasingly tech-savvy high-net-worth individuals (HNWI) and emerging affluent clients. There are two main types of AI that the wealth management industry is quickly adopting and changing the way firms do business with their clients to compliment the expertise and nuanced touch of a human advisor.

NLP & NLG

Natural language processing works by taking unstructured data and converting it into a structured data format. Natural language generation is another subset of natural language processing. It is the process of producing a human language text response based on data input.

MACHINE LEARNING

AI and ML in wealth management is the ability to use predictive analytics to make more informed investment decisions. Predictive analytics involves using historical data and machine learning algorithms to make predictions about future market trends and asset performance.

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DATA INPUTS

STRUCTURED

- Pre-defined & Formatted
- Easy to retrieve and ready for analysis
- Examples include
  - .CSV
  - .JSON
  - .TXT
  - etc

UNSTRUCTURED

- Exists in native format
- Easy to store but difficult to analyze
- Examples include:
  - Emails
  - PDFs
  - Excel Spreadsheets
  - Media files (videos, mp3s, etc)
  - Social Media
  - Text messages
  - Etc.

USE CASES

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USE CASE 1

HELD AWAY ACCOUNTS

EXTRACT. NORMALIZE. RECONCILE.

Share a holistic view of your client's investments with the ability to extract, aggregate, normalize, and reconcile the performance data from outside custodians consolidating all their accounts.

Question: How are you managing held aways?

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USE CASE 2

ALTERNATIVE ASSET STATEMENTS

STRUCTURED. UNSTRUCTURED. AUTOMATED.

Automated processing of extracting Private Equity and Alternative Asset statements by ingesting structured and unstructured data sets and establishing data feeds with various providers.

Question: Are you manually inputting data from these types of statements?

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USE CASE 3

DATA INSIGHT

FORECAST. INFORM. STRATEGIZE

Proactively inform business strategies, forecast performance trends, and address client sentiment as well as other patterns by analyzing large data sets using AI technology.

Question: What tools are you using to analyze large data sets?

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USE CASE 4

POWERFUL PROPOSAL

STREAMLINE. AUTOMATE. GENERATE.

- Streamline and automate reasoning to generate initial investment and financial planning recommendations
- Dynamic profiling of clients can continue during client meetings with complex calculations can refine automatically and update the portfolio in real-time.
- Using analytics, advisors can use what appeals to similar clients as a guide

Question: How are you optimizing client proposals?

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USE CASE 5

SENTIMENT ANALYSIS

UNDERSTAND. ANALYZE. PRIORITIZE

- Firms can better understand the customer sentiments which are hard to infer or ignore due to human subjectivity by scanning & analyzing the various client communications medium, (be it verbal or written calls, surveys, email, tweets, support ticket. It can be done at scale and provide quicker responses
- Deeper insights can be extracted by highlighting the sentences and keywords behind strong sentiments
- Ability to prioritize urgent needs based on sentiments rather than traditional first in first serve models

Question: How are you measuring client and employee sentiment?

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USE CASE 6

RELATIONSHIP MANAGEMENT

EFFICIENCY. CUSTOMIZE. COMMUNICATE.

- Reduce client meeting time preparation by using NLG systems which can provide advisors with pre-generated discussion points for upcoming client meetings
- Pre-generated meeting agenda can include information such as client investment objectives, risk profile, portfolio performance, investment recommendations, market insights, and house views
- Based on this information, advisors can create customized plans and reports for clients

Question: How are advisors using technology to more efficiently manage client relationships?

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USE CASE 7

COMPLIANCE & REPORTING

IDENTIFY. RECONCILE. COMMUNICATE.

- The advanced capabilities offered by NLG systems will allow compliance teams to quickly identify the discrepancies embedded within the data, and raise alarms on time
- The finance function generates MIS reports by aggregating data from multiple sources
- NLG solutions optimize this process by providing access to meaningful information, and considerably improve the quality of MIS reporting

Question: What steps of your compliance process could be improved using AI?

EXAMPLES OF FIRMS USING AI

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FIRMS USING AI

bondIT

BondIT's Scorable solution leverages the analytical power of Machine Learning and Explainable AI to turn data into actionable insights and helps firms to anticipate critical bond rating changes ahead of the market. Scorable Credit Analytics predicts the downgrade and upgrade probability of more than 3,000 rated corporate and financial issuers worldwide within a 12-month timeframe. The Scorable Rating Transition Model analyses more than 250 unique variables daily, allowing wealth managers to make informed investment decisions, outperform peers, and stay ahead of fixed-income changes. Thanks to its XAI approach, Scorable creates transparency and enables users to understand the drivers behind the predictions.

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FIRMS USING AI

QRAFT

QRAFT was started by a group of people passionate about quantitative investing, who found success trading with their own money in their spare time. However, they quickly realized the limitations of traditional quantitative investing, and grew frustrated at both the amount of work and short life span of the strategies they were using. That frustration drove them to find a new solution to this problem: Artificial Intelligence. Since 2016, QRAFT has been on a mission to transform investing with artificial intelligence.

QRAFT's investment experts partner with our teams of data scientists, researchers, and data engineers to apply AI technology to data processing, investment research, stock selection, portfolio construction, and risk management.

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FIRMS USING AI

OWL ESG

OWL ESG's mission is to provide clients with the data and tools they need to make ESG-related decisions with confidence. Whether providing investors with the most accurate, freshest, most transparent, most objective ESG data to drive investment decisions, or providing corporates and their consultants with data to evaluate strategic priorities against peers and market trends, ESG data, delivered fast, fresh, and accurate, is at the core of OWL ESG.

RISKS OF USING AI

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RISKS OF USING AI

DATA BIAS

One of the biggest risks of AI in wealth management is data bias. AI algorithms are trained on data, and if that data is biased, the algorithm will be biased as well. This can lead to inaccurate investment decisions and losses for investors.

MODEL COMPLEXITY

AI models can be very complex, making them difficult to understand and interpret. This can make it difficult for asset managers to know how the models work and why they make the decisions they do. This can lead to mistakes and losses.

REGULATORY COMPLIANCE

The use of AI in asset management raises several regulatory compliance issues. For example, wealth managers need to ensure that they are using AI in a way that complies with all applicable laws and regulations. They also need to be able to explain how their AI systems work and why they make the decisions they do.

JOB DISPLACEMENT

The use of AI in asset management could lead to job displacement. As AI-powered tools become more sophisticated, they will be able to automate more tasks that are currently performed by human workers. This could lead to job losses in the asset management industry.

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MITIGATING THE RISKS OF AI

Despite the risks, AI has the potential to transform the asset management industry. By carefully managing the risks, asset managers can use AI to improve their investment performance and better serve their clients.

HOW TO MITIGATE RISKS

There are a number of steps that asset managers can take to mitigate the risks of AI. These include:

- Using high-quality data (data is the oxygen of technology)
- Ensuring that AI models are transparent and interpretable
- Ensuring technology providers have bank grade security systems and processes in place
- Complying with all applicable laws and regulations
- Communicating with investors and staff about the use of AI
- By taking these steps, wealth managers can help to ensure that AI is used in a safe and responsible manner.

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THANK YOU

Q & A

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