

The Big 7 Asset Managers Now Use AI

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The 7 largest U.S. asset managers, collectively managing \$38 trillion in assets, are incorporating AI into their investment advisory services. Goldman Sachs today announced it is “[rolling] out an AI assistant for its employees as artificial intelligence sweeps Wall Street” (source: CNBC).

The 17,000 state-registered investment advisors and 9,000 firms managing between \$100 million and \$1 billion in assets are competing with mega-capitalized companies with world-class marketing muscle. The only effective way to compete and grow is by adopting advanced data science and AI. AI will continue to make inroads as the go-to information source for investors. Investors will want to know if their advisors have incorporated data science and AI into their decision-making process. Many investors will develop more confidence in AI than in their investment advisors. The most effective defense is a strong and focused offense: ERS will help firms become leaders in data science in AI and win customers from the mega firms.

Equity Risk Sciences provides small and mid-sized firms with advanced, time-tested data science and AI tools. ERS helps these firms enhance their competitiveness, improve results, and adapt to the highly competitive investment landscape.

The 7 largest US asset management firms are increasingly integrating artificial intelligence into their operations to enhance efficiency, decision-making, and client services. Here's an overview of how these companies utilize AI:

1. **BlackRock's Aladdin platform** includes AI to provide risk analytics and portfolio management tools.
2. **Vanguard Group** employs AI to analyze scenarios and historical data, improving decision-making.
3. **Fidelity's AI Models** deliver robust, value-generating models at speed.
4. **Morgan Stanley's AI @ Morgan Stanley Assistant:** Developed in partnership with OpenAI by mid-2024, 98% of advisor teams had adopted this assistant.
5. **JPMorgan's COIN Platform** saves around 360,000 hours of legal work each year.
6. **Goldman's** AI initiative aims to increase efficiency and reduce operational costs.
7. **Capital Group** leverages algorithms to analyze vast amounts of market data, identifying patterns and trends across various sectors to identify potential investment opportunities.

These initiatives demonstrate the asset management industry's commitment to leveraging AI technologies to improve efficiency, reduce costs, and provide better services to clients.

ERS provides data science and AI technology to small and mid-sized RIAs, fiduciaries and financial institutions.

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