

## CFA Institute Survey Finds AI Expected to Deliver Productivity Gains

### *CFA Institute Launches Global Research and Policy Centre*

[MELBOURNE, AUSTRALIA] 12 September, 2023 – CFA Institute, the global association of investment professionals, has launched its Research and Policy Centre to create a community of subject-matter experts, policymakers and thought leaders to encourage discussion on the most important themes shaping the investment industry. The Institute has also released a report revealing artificial intelligence (AI) could be a significant disruptor to the industry’s future and its adoption by firms could give them a competitive advantage.

The Research and Policy Centre is firmly anchored to the CFA Institute’s tenets of intellectual independence, impartiality, and technical rigour, and will drive engagement by transforming research insights into actions organised around four themes: **Capital Markets**, **Technology**, the **Future of the Industry**, and **Sustainability**.

The launch of the Research and Policy Centre includes the release of a new report on the **Future State of the Investment Industry**, which draws on survey responses from 3,000 investment professionals globally to offer a perspective on the megatrends and scenarios shaping the industry and how current and aspiring investment professionals can best prepare for the future.

**Paul Andrews**, Managing Director for Research, Advocacy, and Standards at CFA Institute said the CFA Institute Research and Policy Centre offers a non-partisan forum for industry leaders, regulators, and subject-matter experts to address unprecedented and often systemic challenges and opportunities in financial services. “Our goal is for the Research and Policy Centre to be a positive force for the industry, delivering and transforming research insights into actions and practical applications that strengthen markets, advance ethics, and improve investor outcomes for the ultimate benefit of society,” he said.

The Future State of the Investment Industry report is part of a new research series, *New Generation of Investors*, *New Ways of Investing*, and presents four narratives to assist practitioners and the industry to anticipate, consider and calibrate for the years ahead: **Diverging Worlds**, **Sustainable Finance**, **Digital Transformation**, and **The End of Cheap Money**.

**Rhodri Preece**, CFA, Senior Head of Research, CFA Institute and one of the report’s authors, said the analysis highlights opportunities for investment firms, including AI-driven productivity gains, greater product personalisation, and industry conditions that are more conducive for successful active managers to demonstrate their value. “The challenge to the industry and to investment professionals will be to adapt quickly and to create a better, more integrated, more sustainable, and more client-focused sector,” Preece said.

Lisa Carroll, CEO of CFA Societies Australia, said rapid technological innovation in the form of AI, machine learning and big data, among other applications, is also leading to accelerating change in the Australian investment industry.

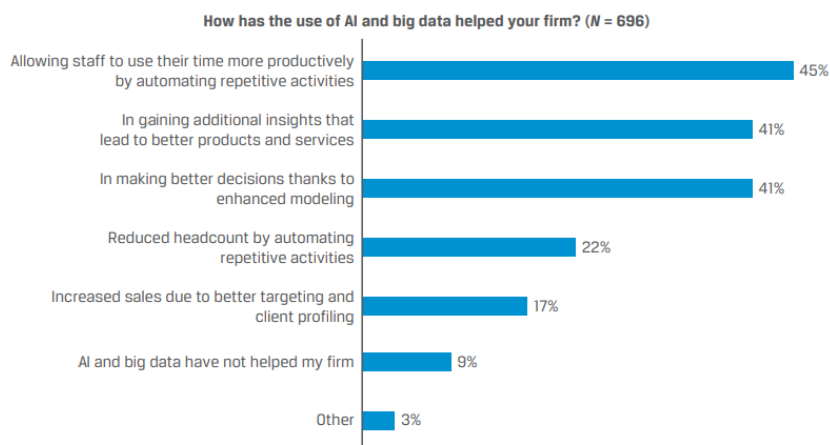
“Those firms in Australia that best integrate these developments into their talent-acquisition processes and investment teams and best meet client demand for personalised and technology-driven products could outperform firms that ignore technological developments,” Carroll said.

“More broadly across the globe, the survey results indicate a more symbiotic relationship between AI/big data and human intelligence (HI) —45% of respondents say that such technology allows staff to engage in more productive activities, while only 22% report that AI and big data adoption leads to reduced headcount,” Carroll said.

**Other key survey findings include:**

- Respondents to the Future State of the Investment Industry survey largely believe that HI and AI are mostly complementary rather than substitutable: 56% say that their firms are using AI and big data solutions in data analysis, but only 26% say the same for decision making.
- The most commonly cited benefit of AI and big data is allowing staff to use their time more productively by automating repetitive activities, cited by 45% of survey respondents (see Exhibit 20 from the report).
- AI applications reduce the cost, time, and skill set needed to perform complicated tasks, such as pattern identification, algorithm creation, and data cleaning and analysis.
- The AI + HI equation takes on ever-greater importance as more mundane and rote tasks are increasingly outsourced to large language models (LLMs), such as ChatGPT, and other tech solutions, leaving professionals free to conduct more extensive investment analysis.

**Exhibit 20. Use Cases for AI and Big Data**



- Cryptocurrencies, central bank digital currencies, fiat-backed stable coins, and nonfungible tokens (NFTs) will increase in appeal for investors. Cryptocurrencies, for example, are already the first investible asset for almost one in two Gen Z investors. Although tokenisation of illiquid assets is still in its nascent stages, the portfolio diversification opportunities offered will continue to expand as trust in blockchain technology grows, the report finds.

**About the [CFA Institute Research and Policy Centre](#)**

The CFA Institute Research and Policy Centre is a positive-influencing force in the global investment industry, transforming research insights into actions that strengthen markets, advance ethics, and improve investor outcomes for the ultimate benefit of society. It brings together CFA Institute expertise along with a diverse, cross-disciplinary community of subject matter experts working collaboratively to

address complex problems. It is informed by the perspective of practitioners and the convening power, impartiality, and credibility of CFA Institute, whose mission is to lead the investment profession globally.

The Research and Policy Centre is designed to enhance CFA Institute engagement with audiences including investment practitioners, policymakers, industry executives and researchers, by bringing together all CFA Institute research, policy, advocacy, and codes and standards content under one unified digital experience. Available content includes policy positions, practitioner tools, and industry-leading research, codes and standards. A range of content formats are available including new short-form *In Practice* papers accompanying in-depth research, new and enhanced newsletters to deliver personalized content directly to users, and videos, podcasts, and webinars. The Research and Policy Centre also offers searchable access to the archives and current editions of the CFA Institute *Financial Analysts Journal*, *Research Foundation* publications, and *Enterprise Investor* blog.

Visit the Research and Policy Centre at <http://rpc.cfainstitute.org>

### **About CFA Institute**

CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organization is a champion of ethical behavior in investment markets and a respected source of knowledge in the global financial community. Our aim is to create an environment where investors' interests come first, markets function at their best, and economies grow. There are nearly 200,000 CFA® charterholders worldwide in more than 160 markets. CFA Institute has ten offices worldwide and 160 local societies. For more information, visit [www.cfainstitute.org](http://www.cfainstitute.org) or follow us on LinkedIn and Twitter at @CFAInstitute.

### **About CFA Societies Australia**

CFA Societies Australia is part of the worldwide network of CFA Institute member societies that lead the investment profession globally by promoting the highest standards of ethics, education and professional excellence for the ultimate benefit of society. CFA Societies Australia represents the interests of over 3500 investment professionals through advocacy, education, events, and professional development. For more information visit [www.cfas.org.au](http://www.cfas.org.au), or follow us on Twitter at @CFASocietiesAus, Facebook at [facebook.com/CFASocietiesAus](https://www.facebook.com/CFASocietiesAus) or on LinkedIn.

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