PRESS RELEASE

CFA Institute Report Introduces Framework for AI Adoption

[SYDNEY AUSTRALIA] **– July 27 2026 –** The CFA Institute has released a new report which explores the integration of artificial intelligence (AI) in investment management and which will help Australian asset managers prepare governance, oversight, and regulatory responses to AI.

The first in a series of publications on AI, *Artificial Intelligence and the Future of Finance: A Framework for Structural Change*, the publication introduces the **CFA Institute AI Transition Framework,** which is designed to equip investment professionals, industry leaders, and regulators with a conceptual framework for understanding and engaging with structural changes prompted by the rising use of AI in the investment industry.

Mona Naqvi, Managing Director of the CFA Institute Research and Policy Centre and author of the research, said: “The objective now is to understand these structural changes early enough so that professional standards, governance, and market practice can evolve ahead of AI’s deepening integration, rather than solely respond to it.

“As AI-driven analytical capability becomes increasingly abundant and embedded in investment decision-making, professional competence will increasingly depend on judgement, ethics, and the ability to govern complex systems responsibly,” Naqvi said.

Strong governance, oversight, and professional standards will be needed to respond to the use of AI as it becomes embedded in investment decision-making, including in Australian markets, according to **CFA Society Australia CEO Lisa Carroll**.

“AI puts core finance assumptions under pressure. Informational efficiency, diversification, persistent outperformance, fiduciary accountability, and market stability might endure, but AI changes the conditions under which they operate,” Carroll said.

This CFA Institute report asserts that AI will make investment analysis faster, cheaper, and more widely available, which will impact investment professionals and processes.

“Investment skills will still matter, but as AI makes investment analysis cheaper and more widely available, firms could have difficulty gaining an edge by simply finding or processing information faster. Skills development might shift toward designing stronger systems, governing models well, managing data quality, and making sound allocation decisions,[1]” said Carroll.

[1] https://rpc.cfainstitute.org/research/reports/2026/artificial-intelligence-future-of-finance?s_cid=olm-rpc-global-global-july26-x-x-b2c-SFDCDirect701WP00001JYcLyYAL-PR-awareness-All-X-AI-Series-CFA-press-release-X

However, the use of AI will need to be closely governed by the investment industry and government bodies. Asset managers will need clear responsibility for how AI-supported decisions are made, tested, explained, and challenged, according to Carroll.

"Regulators and professionals also need to watch shared infrastructure risks, because common models and platforms could affect many institutions at once," she said.

"Shared AI models could create new risks if many firms rely on similar data, tools, and decision frameworks. When institutions use overlapping models, they could generate similar signals and make similar portfolio moves at the same time. This could reduce diversity in market views, tighten correlations, and amplify stress during periods of volatility," Carroll said.

Several large Australian superannuation funds use AI to enhance investment decision-making and member services and boosting governance. AustralianSuper, for example, has embraced AI and automation across its business, including in investment decision-making and providing member services. Australia's largest superannuation fund recently appointed former Microsoft executive Sarah Carney as its Head of AI and Automation in a new role.[2]

Separately, State Super uses reinforcement learning and large language models to aid investment decision making. The organisation developed in-house a proprietary AI-powered platform, Insight Portal, to analyse market data and inform tactical decisions, such as country allocation tilts and currency pair selections.

According to Carroll, asset managers can use *Artificial Intelligence and the Future of Finance: A Framework for Structural Change* report to do the following:

- **Map** how AI could reshape capital markets, investment decision-making, and competitive dynamics
- **Assess** AI's effects on information processing, price discovery, capital allocation, risk management, and market stability
- **Identify** where investment skill, professional judgment, and fiduciary accountability might shift as AI adoption deepens
- **Prepare** governance, oversight, and regulatory responses for multiple AI-driven market scenarios

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About CFA Institute

As the global association of investment professionals, CFA Institute sets the standard for professional excellence and credentials. We champion ethical behavior in investment markets and serve as the leading source of learning and research for

[2] https://www.australiansuper.com/about-us/newsroom/2026/05/australiansuper-appoints-first-ever-head-of-ai-and-automation

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