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The AI Advantage

Unlocking a Decisive Decade for Superannuation & Investment Management

Contents

Introduction

Australian superannuation funds and investment managers are entering a decisive decade. Mergers, insourcing, fee pressure, rising regulatory expectations, cyber risk, and a generational wealth transfer are already reshaping operating models. Standing above and cutting across every one of these forces is Generative AI (GenAI). It is not another priority to "add to the list"; it is the lever that will determine who gets ahead on cost, speed, investment returns, member outcomes, and resilience.

This report serves as a blueprint for superannuation funds and investment managers seeking to unlock the potential of Generative AI amid accelerating industry change. This report distils ten key insights on AI strategy derived from:

- In-depth interviews with CEOs, CTOs, and other C-suite leaders of superannuation funds and investment managers in Australia (FSC members), ranging from large industry and retail superannuation funds to global fund managers.
- Insights from our discussions with local and global asset managers in Australia, Singapore, Hong Kong and the Middle East.
- Our work delivering GenAI and technology solutions to the finance industry.

Each insight is accompanied by three or more practical recommendations designed to support CEOs and Boards to meet the opportunities presented by GenAI.

Our goal is not only to share what we have heard from industry leaders, but also to spark conversations about the strategic priorities that will define the next 1-3 years for investment managers and superannuation funds and to position Australia to play a leading role in investment management regionally.

Key Insights:

1. AI is the master key to every strategic priority.
2. CEOs must lead from the front.
3. GenAI is a productivity paradox.
4. Openly address AI's job impact.
5. Empower employees with LLMs to build AI fluency and use-case innovation.
6. Set your guardrails early and clearly.
7. Measuring ROI for AI projects requires a different paradigm.
8. Buy for commodity and build for competitive advantage.
9. Distinguish old risks from new risks.
10. Technology is moving extremely fast, but don't let that be the excuse of inaction.

Our 10 insights articulate the challenges and opportunities for superannuation funds and investment managers as they embark on their AI journey, while our recommendations provide a blueprint for senior leaders to consider how best to implement AI. We have included use cases throughout this report, and particularly in Insights 1 and 10, to showcase what is already viable today.

We sincerely thank the FSC Funds Management Board Committee and Superannuation Board Committee, their members, and the senior executives who have generously provided their time for the benefit of our investment management and superannuation sectors. It demonstrates the strong engagement we have in our industry as we work together on delivering strong investment returns and retirement outcomes for all Australians.

About the Financial Services Council

The FSC is a peak body which sets mandatory Standards and develops policy for more than 100 member companies in one of Australia's largest industry sectors, financial services.

Our Full Members represent Australia's retail and wholesale funds management businesses, superannuation funds, investment platforms and financial advice licensees.

Our Supporting Members represent the professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses.

The financial services industry is responsible for investing more than $3 trillion on behalf of over 15.6 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange, and is one of the largest pools of managed funds in the world.

About Amplify AI Group

Amplify AI Group (www.amplifygroup.ai) is a Gen AI consulting firm specialising in helping superannuation funds and investment managers solve their hardest problems with AI and data. The Co-CEOs bring together 40+ years of deep finance industry expertise, from Australia's leading organisations, including Macquarie Group and MA Financial.

Amplify AI Group helps firms with:

- AI strategy, align your C-suite so that you can amplify your competitive advantage.
- AI build and implementation.
- AI coaching and workshops, to uplift the capabilities of Boards, C-suite and your team.

1. AI is the master key for every strategic priority

The Australian investment management and superannuation industry is navigating an era of profound transformation. The sector is now impacted by four distinctly Australian trends and two global changes. In discussions with superannuation funds and investment managers, the following factors have consistently emerged as the forces shaping their approach to Generative AI adoption and prioritisation:

In-sourcing of investment management

Superannuation funds are increasingly bringing investment management in-house. This direct investment brings different operating requirements compared to selecting and overseeing third party managers. This shift demands new capabilities across staffing, operations, data and technology. The larger superannuation funds are also setting up offshore offices, which necessitates re-designed team structures.

Industry consolidation

Ongoing mergers in the superannuation industry involve significant time and effort to achieve cultural and operational alignment to reach a 'steady state'. Newly combined superannuation funds often inherit multiple, incompatible technology platforms and fragmented datasets. This makes it difficult to deliver unified member experiences or leverage analytics effectively. Cultural friction also arises as different governance styles, risk appetites, and decision-making norms are blended. While scale can reduce servicing costs, it simultaneously introduces new layers of complexity and operational challenge.

Fee and margin pressure

Fee pressure is particularly acute for investment managers serving institutional clients. Superannuation funds are negotiating harder, often demanding lower management fees, greater transparency, and co-investment options. The competitive landscape is rewarding those who can deliver operational efficiencies and pass savings through to clients without sacrificing performance. Many fund managers are also considering diversification of their distribution channels among these changes.

Regulatory escalation

The regulatory expectations from ASIC and APRA have become a major focus for the industry, covering areas from outsourcing to valuation practices. The introduction of CPS 230 in July 2025 marked a significant step up in compliance requirements, mandating documented service-level agreements with critical third parties, rigorous scenario testing, and clear lines of accountability for operational disruptions.

Global cyber security threat

On a global scale, cyber security has emerged as the number one risk on board agendas, not only because of regulatory enforcement under APRA's CPS 234, but also due to high-

profile breaches that have eroded public trust. Across all stakeholders, from trustees to regulators to members, cyber security remains the top systemic risk. Criminals are increasingly sophisticated, and breaches have direct implications for member and investor data, investment operations, and reputation. Boards now expect cyber resilience to be embedded in any organisation, yet, the cost of fighting cyber criminals is escalating and it is difficult to assess the ROI from any spending.

Demographic transformation

The industry is also being reshaped by the ageing of the baby boomer generation and the largest intergenerational wealth transfer in history. Baby boomers, those born between 1946 and 1964, hold an estimated $6-7 trillion in assets across superannuation, property, direct investments, and business ownership. As these assets move into retirement phase, they create new pressures: changing investment risk profiles, heightened liquidity needs and demand for more tailored engagement. Research also shows that around $3.2tn[1] (JBW) will transfer to women, influencing how members and investors expect to interact with financial institutions. Lastly, the claims process has become a critical touchpoint – requiring empathetic, efficient, and fraud-resistant engagement to maintain trust. [2]

But AI is not just another addition to this list of strategic challenges. It is the **once-in-a-generation opportunity** to fundamentally reshape how we address these very priorities. Every strategic challenge should now be re-examined through an **AI lens**.

Specific use cases which address the challenges faced by superannuation funds and investment managers

Against these profound changes, here are some examples of how GenAI can address these challenges.

Insourcing of investments

As insourcing accelerates, superannuation funds can use AI to support both the recruitment and onboarding of investment teams.

On the recruitment side, many funds already include case studies (either take-home tasks or in person exercises) as part of their hiring process. Given that candidates increasingly possess AI skills, it is important to test these explicitly. For example, candidates could be asked to prepare an investment analysis or draft an Investment Committee paper using AI tools, with the in-person interview then focused on their broader skillset.

[1] JBWere, 'The Growth of Women and Wealth: A Closer Look at Australia's Growing Cohort of High-Net-Worth Female Investors', *JBWere*, 2024, https://www.jbwere.com.au/campaigns/growth-of-women-and-wealth, accessed 1 September, 2024.

[2] Australian Securities and Investments Commission, 'Super Industry Hit with Long List of Actions in Landmark Death Benefit Claims Handling Report,' *ASIC Media Release*, 31 March, 2025, https://www.asic.gov.au/about-asic/news-centre/find-a-media-release/2025-releases/25-049mr-super-industry-hit-with-long-list-of-actions-in-landmark-death-benefit-claims-handling-report/.

As AI democratises access to technical skills, funds also have the opportunity to rethink team design, particularly when entering new geographical markets or establishing direct investment teams. We understand that some investment managers are operating with a leaner staffing model by embedding GenAI into their processes. For greenfield initiatives, this shift can be adopted more seamlessly.

Finally, AI can enhance onboarding of new team members through AI chatbots available on-demand. They can provide policy guidance, process explanations and even team specific background. This systemisation is helpful to preserve organisational knowledge, and many US based firms have taken this approach in the last 12 months.

Mergers/ integration

The same readily available AI tools that are widely used in marketing can also be used for internal staff engagement and communications. Research from the University of Chicago[3] identifies marketing as one of the professions making the most extensive use of AI tools, and our experience is that this is certainly the case for financial services. For people managers and senior leaders. AI provides the opportunity to generate personalised communications for their teams at scale, to access more AI generated communications which is personalised for each team, enhancing connection and improving the cultural integration benefits that mergers seek to achieve.

Diversification of client channels

In the last six months, the most popular LLMs have improved their research capabilities significantly. Deep research into new clients and the investors channel (e.g. search for family offices in Singapore and their decision makers) can easily be achieved with GenAI.

Operational efficiencies

We have seen significant efficiencies, as well as higher quality reporting, with the use of a modern data warehouse and GenAI. By systemising information, the 'triple handling' between team members is vastly reduced and also allows investment managers to better scale.

AI to assist due diligence and monitoring

GenAI is already being applied to aspects of investment due diligence, and similar assistive capabilities could extend to operational oversight. For example, funds could input APRA and ASIC requirements (such as CPS230) into GenAI, then review service provider responses against those standards to identify any gaps. Over time, organisations may also explore developing in-house AI tools to assist the operational risk and business teams in conducting ongoing due diligence more consistently and efficiently, while maintaining appropriate human oversight and accountability.

[3] Humlum, Anders, and Emilie Vestergaard. "The Adoption of ChatGPT." *Becker Friedman Institute Working Paper* No. 2024-50, April 25, 2024. Becker Friedman Institute, University of Chicago, https://bfi.uchicago.edu/working-paper/2024-50 (bfi.uchicago.edu)

Catering to demographic needs through to 'hyper personalisation'

The evolution of tools like ChatGPT has highlighted both the benefits and risks of tone and positioning in AI communication - for instance, feedback on early models being "too agreeable" compared with ChatGPT 5.0[4] sounding more direct. This underscores the opportunity to design AI-driven engagement that is tailored to specific demographics. For example, client-facing chatbots or internal training tools could be personalised to better serve women, retirees, or other member cohorts. The ability to move from broad personalisation to true "hyper-personalisation" represents a powerful and accessible use case for member engagement.

Special case study – private credit

ASIC released REP 814, their interim report on private credit on 22 September 2025.[5] The report reviewed the state of the private credit markets in Australia. The report acknowledges the role private credit plays in the Australian market, but highlighted the need for greater disclosure, higher reporting standards, and governance practices more closely aligned with international markets and institutional investors.

There are several ways that data and AI can be used to meet the good market practice discussed in the interim report.

Firstly, ASIC's call for a more granular level of numerical reporting (fees, asset and portfolios) highlights the importance of a good data foundation, with the assistance of a data warehouse. This provides the flexibility to track additional parameters, forming the basis for uplifted investor reports.

To achieve this depends on getting the basics right: having information that is clean, consistent and reliable. If the underlying numbers are messy, even the smartest AI won't deliver the clarity regulators and investors expect.

As part of uplifting the standards of reporting, AI can play a pivotal role in locating and extracting historical information from loan and fund documents. Once captured, this data can flow into automated workflows, reducing manual effort and creating a reliable audit trail.

For investor reporting, LLMs can also assist in transforming complex data into clearer, plain-English investor disclosures and reports. With appropriate guardrails and validation by report providers and financial professionals, these tools can help ensure that information on fee structures (including borrower-paid fees and SPV margins), valuation methods, arrears, impairments, and distribution sources are communicated more consistently and

[4] Fischl, David. "ChatGPT Is Like a Puppy Dog. It's Reared to Please You – But Beware." *Australian Financial Review*, 12 August 2025. https://www.afr.com/technology/chatgpt-is-like-a-puppy-dog-it-s-reared-to-please-you-but-beware-20250812-p5mmac

[5] Australian Securities and Investment Commission, *Private Credit in Australia*, 9 September, 2025, https://download.asic.gov.au/media/z2tnnasb/rep814-published-22-september-2025.pdf.

transparently, while preserving the fund manager's brand voice and professional judgment. This directly addresses ASIC's concerns about opacity while strengthening investor trust.

Agentic AI goes a step further. These autonomous systems can continuously monitor fund data, track conflicts of interest, and run stress tests when exposures change. They can draft Portfolio Manager and Investment Committee alerts against mandates/thresholds, shifting compliance from reactive to proactive.

Lastly, the transparency afforded by enhanced reporting allow fund managers and investors to easily benchmark each fund's performance and fees using AI. This transparency gives investors' confidence in the private credit funds they are investing in and provides for long-term, sustainable growth of private credit as it becomes an essential source of capital in Australia.

Conclusion

While this chapter has given some examples of how AI can help address today's challenges, with a special focus on private credit, the opportunity is far broader. AI can play a pivotal role in enhancing our investment management and superannuation industry. The key question for boards and executives is no longer *"how do we fit AI in alongside everything else?"* but rather *"how do we use AI to get ahead on all of these priorities?"*

Our recommendations on prioritisation

1. Cyber security is non-negotiable and often, are the first use cases that are being experimented with during our discussions in the industry. While building strength in cyber security is critical, there is a need to ensure that budget allocations to cyber security are not based on knee-jerk reactions.
2. Where there is reliance on technology vendors or service providers, test your vendor's technology roadmap and effectiveness of "AI features".
3. There is a risk that mergers do not achieve the intended outcomes. Clear communication on the changes and the adoption of AI during this period is particularly important early in the merger, and pre-planned in the transition plan. We note that the most successful mergers have clear transition plan across all aspects: culture, branding, team structure, processes and technology. Delaying the new operating rhythm carries significant risks.
4. Pilot high ROI tools to demonstrate value and build confidence. Start with high-ROI areas such as automated investor reporting, member service chatbots, and predictive analytics for asset allocation (including recommendations 5 & 6 below).
5. Empower in-sourced investment teams with AI research and oversight co-pilots. As superannuation funds internalise investment management, GenAI can augment research by scanning vast datasets, summarising broker notes, and highlighting risks, while simultaneously improving oversight through automated monitoring and compliance checks. This strengthens both performance and governance.
6. Personalise member engagement and retirement outcomes. GenAI enables more tailored communication and advice, particularly for women as the intergenerational wealth transfer accelerates. Personalised digital coaches, predictive analytics on retirement adequacy, and empathetic AI-enabled claims support can transform how members engage with funds and improve trust in the system.

7. Adopt a dual-track AI strategy (top-down and bottom-up). Boards should set a small number of ambitious “moonshots” such as radically faster claims resolution or step-change cost reductions, while at the same time empowering teams to deliver grassroots GenAI use cases across investments, member engagement, and operations. This dual approach ensures both bold vision and practical traction.

2. CEOs must lead from the front

All of the CEOs who have spoken with us about GenAI conveyed in great detail their current approach, the challenges, the key use cases and the future of work as impacted by GenAI. They shared anecdotal examples of a range of use cases from their regional peers and their team members across investment, operations and risk management functions.

The most progressive asset managers and superannuation funds have the CEO directly driving their strategy. And this flows through to their Executive Leadership Team (ELT). The most commonly adopted approaches are:

- At formal meetings and townhalls, CEOs discuss how their companies are currently using GenAI and what has been implemented.
- At informal meetings, the ELT speak about their personal use cases and share the wins of the different teams, including specific examples as to what has worked and the productivity gained.
- The CEOs drive the AI agenda at leadership offsites and strategy meetings with a smaller sub-committee.

This high visibility reflects the commitment from the CEO and the ELT to GenAI, and it is especially important as superannuation funds juggle cultural change through mergers and asset managers seek a competitive edge amid margin compression. Among all the activity in our industry, clear organisational signals about the intent to utilise AI are critical to align all team members.

For some asset managers with a US headquarter or in selected firms, we have observed the rise of a Chief AI Officer as a new role. The Chief AI Officer’s role often includes:

- Being the internal expert on AI.
- Driving an AI program across the entire business.
- Heading up an innovation hub within the company.

In some asset managers and, more broadly, in financial services, there is a further aspiration of being able to commoditise the AI applications they have built in house.

The popularity of a Chief AI Officer comes in the footsteps of many CXOs, including Chief Data Officers, Chief Digital Officers and Chief Transformation Officers. We note that there are some instances where this C-suite may be additive, including:

- Companies which are significant in size and require a dedicated senior executive to oversee the AI initiatives.
- Where the role of the Chief AI Officer is clear. In many organisations, the current requirements are more likely to be around coaching the ELT and the broader team, advising the CEO or spearheading enterprise-wide transformations.

We note that some of the legal, governance and ethical aspects of managing AI are sitting within existing roles, so there is a risk of overlap if the scope of the Chief AI Officer role is not clear. Our view is that the ultimate responsibility for GenAI rests with the CEO as the CEO is responsible for GenAI's impact on the business and this cannot be delegated to another person. Therefore, if a Chief AI Officer role does exist, the scope of their responsibilities needs to be very clear.

A number of CEOs we have engaged with also emphasised the need to focus on how their organisations can be transformed by Gen AI as a competitive advantage, rather than just capturing the 'low hanging fruit'. Using AI as a competitive advantage can range from significantly improving client experience, reducing risks and uplifting employee engagement to disrupting how the industry fundamentally operates. This approach of leveraging AI as a competitive advantage necessitates the CEO to be responsible in driving the strategy of the superannuation fund or investment management firm.

Our recommendations

1. CEOs must be visible champions of GenAI, communicating progress regularly at townhalls, leadership meetings, and through the ELT.
2. CEOs are accountable and responsible for AI: many of the CEOs were eager to meet with us to understand industry trends, best practice and blind spots. Given the pace of AI development, trusted AI experts and continuous learning are critical.
3. Be cautious in introducing a Chief AI Officer role: its purpose must be clear. It should not be created as a "tick-the-box" exercise or to simply signal posture.

3. GenAI is a productivity paradox

GenAI is often sold on its promise of productivity. But our interviews and industry examples reveal a more complex story: one that's part theatre, part dilemma, and, at times, even reversal.

Productivity Theatre

In 2023, Microsoft claimed its AI Copilot drove a 70% productivity boost, while Klarna, a buy now, pay later platform, announced its AI assistant had done the work of 700 full-time

agents.[6] Yet both later clarified their claims: Microsoft's figure referred to 70% of users saying they are more productive as a result of AI[7], and Klarna stepped back from praising the performance of AI in the months since.[8] We call this *productivity theatre* - headline numbers that look impressive on stage, but with a less certain story backstage.

Recent research in *Harvard Business Review* found that much of this AI-generated output is "workslop"[9] : polished content that looks impressive but lacks the substance to advance a task. Employees reported that around 15% of workplace content they receive each month qualifies as workslop, costing almost two hours per incident. At scale, this becomes an invisible tax that undermines productivity rather than creating it.

The real value often lies in subtler shifts: reduced burnout, more time for critical thinking, and healthier long-term outcomes.

The Productivity Dilemma

AI-generated efficiency also raises the question: who captures the gains? Employees may experience fewer repetitive tasks and smarter assistance but too often, saved time defaults back to employers as more work, rather than better balance. Employers can reinvest gains in people, culture, and innovation, or they can extract short-term cost savings. Superannuation funds and investment managers have the chance to model a better path where AI-driven productivity is shared, not hoarded.

The HBR workslop findings sharpen this dilemma: if organisations treat AI merely as a shortcut, they risk hollowing out motivation and collaboration, compounding disengagement rather than creating value.

The Productivity Reversal

In some cases, GenAI can slow us down. Deepfakes and synthetic media have forced insurers, banks, and other sectors to reintroduce manual checks, slowing previously automated processes. This includes, for example, stepping back from the use of voice recognition to authenticate clients. This erosion of trust creates friction - the opposite of

[6] Klarna, 'Klarna AI assistant handles two-thirds of customer service chats in its first month', *Klarna*, 27 February, 2025, https://www.klarna.com/international/press/klarna-ai-assistant-handles-two-thirds-of-customer-service-chats-in-its-first-month/, accessed 1 September, 2025.

[7] Microsoft, 'What Can Copilot's Earliest Users Teach Us About Generative AI at Work?' *Microsoft*, 15 November, 2023, https://www.microsoft.com/en-us/worklab/work-trend-index/copilots-earliest-users-teach-us-about-generative-ai-at-work, accessed 1 September, 2025.

[8] Marks, Gene, 'Business Tech News: Klarna Reverses On AI, Says Customers Like Talking To People,' *Forbes*, 27 May, 2025, https://www.forbes.com/sites/quickerbettertech/2025/05/18/business-tech-news-klarna-reverses-on-ai-says-customers-like-talking-to-people/, accessed 1 September, 2025.

[9] Niederhoffer, Kate, Gabriella Rosen Kellerman, Angela Lee, Alex Liebscher, Kristina Rapuano, and Jeffrey T. Hancock. "AI-Generated 'Workslop' Is Destroying Productivity." *Harvard Business Review*, September 22, 2025 (updated September 25, 2025). https://hbr.org/2025/09/ai-generated-workslop-is-destroying-productivity

productivity. Preventing this requires investment in AI literacy, transparency, and ethical safeguards.

Workslop can also act as a form of reversal: instead of streamlining workflows, it creates rework, frustration, and erodes trust between colleagues. This is a reminder that productivity gains depend on thoughtful design, literacy, and safeguards, not blind adoption.

Our key recommendation to combat the downside of deepfake and the potential for fraud is to review your processes and identify any additional risks which your organisation is exposed to. For example, the minimum standard of 2 factor authentication is truly non-negotiable and therefore, investment managers and superannuation funds should consider how additional friction can be offset with superior client experience in other aspects of interactions.

Our recommendations

1. Boards and executives should resist the temptation to rely on "productivity theatre" numbers. Instead, assess how GenAI improves the quality of work through reducing burnout, enabling deeper thinking, and creating sustainable value, not just the volume of output. This goes to measuring ROI, which we discuss further in Insight 7.
2. Productivity improvements must not default to extraction. The most progressive firms are reinvesting gains into employees through upskilling, innovation, and culture. Sharing the benefits builds trust and drives longer-term engagement.
3. GenAI is a general-purpose technology, more like electricity than a point solution such as Salesforce. ROI must be measured in systemic outcomes: competitiveness, resilience, and innovation, rather than narrow cost savings. This is also discussed further in Insight 7.
4. Above all, education is the critical lever. Building AI literacy across boards, executives, and employees ensures that leaders can see through "theatre," teams can avoid creating "workslop," and organisations can harness productivity gains responsibly.

4. Openly address AI's job impact

Every CEO we spoke with in Australia advised that: GenAI is not being used to reduce jobs in investment managers or superannuation funds. Instead, three themes consistently emerged:

1. With the changes in the industry over the last few years, many organisations are run with extremely lean teams. Therefore, the availability of GenAI tools is expected to be a much-needed productivity boost.
2. There is a need to engage the entire workforce on the effective use of GenAI. As with all changes, there are laggards and early adopters, and the focus is on getting the laggards to increase their use of GenAI.

3. GenAI allows organisations to finally address challenges once left in the "too-hard basket." These complex problems, or new opportunities, are where GenAI is being applied first, well before any impact on jobs.

Discussions with many organisations have indicated that GenAI adoption may be challenged where:

- In selected teams or roles, there is a level of anxiety as to the job impact from GenAI.
- The in-house tool or LLMs which are available enterprise-wide do not meet their needs or there are no LLMs officially available.
- Team members feel like they are 'cheating' if they are using GenAI tools to do their work.

In the press, in financial services and particularly in technology, we do note that GenAI is making headlines every day and there are a range of narratives:

1. Many technology workers, from Canva and Atlassian have in fact joined the union, as they fear the impact of their roles.[10]
2. A number of Australian companies have indicated that they have reduced headcounts based on the effectiveness of GenAI.
3. Many US companies also tout the benefit of GenAI at reducing headcounts.

Among this uncertainty, it is unclear what the 'future of work' looks like to investment managers and superannuation funds. All CEOs we have spoken with have addressed this through townhalls and discussions with teams, but we note that a level of anxiety exists.

There is certainly no silver bullet in having a highly engaged workforce as GenAI develops and the townhalls are effective at least to demonstrate senior leaders are addressing the issues head-on. We have found in our industry workshops and keynotes, the audience and participants will ultimately raise the 'future of work' question for their role towards the end of a session / in the Q&A. In some cases, we have also worked with the People and Talent teams to facilitate discussions on the 'future of work'.

A common misstep we have observed is that some leaders have reassured staff that GenAI would not replace their jobs by pointing to current limitations, quoting hallucinations or examples of poor output. This may work in the short term, but it is weak messaging. GenAI tools are improving quickly, and today's limitations will not hold tomorrow. As noted by the University of Chicago research paper, software developers, IT support and marketing departments are the first professions to be able to make use of Gen AI at work [11] and we have seen this trend played out in financial services with technology teams broadening their

[10] McGuire, Amelia, 'Canva, Atlassian Employees Flock to Unions amid AI Job Fears,' *The Australian Financial Review*, 23 May 2025, https://www.afr.com/technology/canva-atlassian-employees-flock-to-unions-amid-ai-job-fears-20250520-p5m0rl, accessed 1 September, 2025.

[11] Humlum, Anders, and Emilie Vestergaard. "The Adoption of ChatGPT." *Becker Friedman Institute Working Paper* No. 2024-50, April 25, 2024. Becker Friedman Institute, University of Chicago, https://bfi.uchicago.edu/working-paper/2024-50 (bfi.uchicago.edu)

skillsets from the designated Business Analysts and Testing roles. High volume client services are likely to be the next area of focus. While Commonwealth Bank[12] has made headlines with reversing its decision around redundancy after the introduction of a client service chatbot, high volume client service and customer call centres are likely to be one area that many superannuation funds and investment managers focus on and may result in a change in role for those working in these areas. Therefore, a stronger message is this: GenAI is powerful, and it will only get better. But humans remain central. We will redesign our organisations to put people at the centre: where GenAI augments work, not replaces it.

Our recommendations

1. If the commitment is "no redundancies," it must be backed by consistent, visible behaviour.
2. If the commitment is for a redeployment into other roles, invest in targeted training, reskilling, and redeployment pathways to ensure people are equipped for new opportunities.
3. Address the inevitable reality that many roles will change and will be facilitated by GenAI. A 'future of talent strategy' accounting for different paces of technology adoption, including scenario analysis, could be helpful in reviewing the approach for your organisation.

5. Empower employees with LLMs to build AI fluency and use-case innovation.

The productivity gains shown through GenAI have been researched numerous times, and reported widely, with up to 40% greater quality in work for knowledge workers.[13] Our discussions with superannuation funds and fund managers over the last 12 weeks have also anecdotally indicated ~40% productivity gains for many users and use cases.

The traditional way to implement technology is to identify use cases first and then design an appropriate solution. With GenAI, this approach is too slow and risks missing the pace of change.

A better approach is to start by putting LLMs (e.g. ChatGPT, Co-Pilot, Claude) directly in people's hands. As employees use these tools, they quickly discover what GenAI can and cannot do and, in the process, generate authentic use cases grounded in day-to-day work.

[12] Karvelas, Patricia. "I Trained the CBA Chatbot That Took My Job." *Australian Financial Review*, 3 September 2025. https://www.afr.com/companies/financial-services/i-trained-the-cba-chatbot-that-took-my-job-20250903-p5ms48

[13] Dell'Acqua, Fabrizio, Edward McFowland III, Ethan Mollick, Hila Lifshitz-Assaf, Katherine C. Kellogg, Saran Rajendran, Lisa Krayer, François Candelon, and Karim R. Lakhani. 'Navigating the Jagged Technological Frontier: Field Experimental Evidence of the Effects of AI on Knowledge Worker Productivity and Quality.' *Harvard Business School Working Paper*, No. 24-013, September 2023. *Harvard Business School*, https://www.hbs.edu/faculty/Pages/item.aspx?num=64700.

It is then critical to consolidate these bottom-up use cases at an organisational or divisional level. This ensures duplication is avoided, similar use cases are grouped, and, in many cases, existing processes are simplified or streamlined before automation through GenAI.

The most progressive asset managers and superannuation funds that we have met have the following approach in considering use cases:

1. Providing multiple LLMs for team members so that they truly think AI first. These tools could be enterprise grade, or alternatively, there are firms which allow the use of these LLMs on personal accounts, and they approach the data security through training, a strong monitoring program and consequence management.
2. Externally run, interactive training for team members so that they can improve on their AI use in a collaborative team learning environment.
3. For an engaged group of AI users, workshops can then be run to determine the most relevant approach for their teams. This 'bottom up' approach is critical to inform AI strategy in many organisations.

The distinguishing factor here is that all firms recognise the importance of education, from team members to the management team and the Board. Education is the real multiplier here for a number of reasons:

- An AI first mindset requires everyone to be using LLMs daily in order to understand the opportunities, risks and weaknesses of GenAI tools. Without this basic level of understanding, it is difficult to have a strategic conversation on the future of AI in any organisation.
- GenAI requires us to re-consider how existing risk mitigants are impacted across our processes, most notably cybersecurity. A fully informed organisation on the capabilities of GenAI is better able to meet the continuous tasks of managing the challenges and downside risks associated with GenAI.
- Continuous AI training is critical as there is currently a 'game changing' GenAI technology[14] innovation every month, with new models deployed by the large players.

Another widely misunderstood concept is the idea of the *AI agent*. Much of what is marketed today as "agents" are, in reality, nothing more than AI-enabled workflows with predefined triggers and outputs. True AI agents - systems that can reason, act autonomously, and adapt to changing contexts - remain rare and complex to deploy. Encouraging every team to build "agents" at this stage often leads to duplicated effort, fragile workflows, and significant data-security risks. The lesson for organisations is that agents should not be the starting point. Instead, firms should first embed daily use of LLMs, build a culture of experimentation, and then carefully introduce agent-like architectures within a clear organisational design and governance framework.

[14] Bolton, Rachel, 'Canva Made All Staff 'Down Tools' to Spend a Week Learning AI,' *The Australian Financial Review*, 10 July, 2025, https://www.afr.com/work-and-careers/workplace/canva-made-all-staff-down-tools-to-spend-a-week-learning-ai-20250710-p5me20, accessed 1 September, 2025.

Importantly, our insight is that this 'bottom up' strategy is the right one to drive productivity gains because productivity gains have much greater data backed ROI than the other aspects of GenAI. Therefore, having LLMs in the hands of team members is critical and some firms outside of the finance industry have complemented ongoing training with week-long 'down tools' in order to upskill teams with GenAI. The mindset shift required for productivity gains is: how can AI assist with this?

Our recommendations

1. Providing multiple LLMs, with training and appropriate guardrails, is the first step for firms to invest in Gen AI at a relatively low cost. Each LLM has their strengths and weaknesses, and team members can fully leverage the tools to get the productivity outcomes for the firm.
2. While there are many AI training programs provided by technology companies available, either online or in person, ongoing training is important for continuous learnings. Interactive and targeted training is critical to drive true productivity for team members and training should focus on specific use cases that team members can already use in their day-to-day job.
3. It is equally important for senior executives and the Board to undergo ongoing training and understand updates in AI as this technology is not 'set and forget'.
4. Most so-called "agents" today are only fragile workflows. Before moving into agents, organisations should first embed LLM use, consolidate bottom-up use cases, and design governance frameworks to manage duplication and security. Premature pursuit of agents risks wasted effort and unmanaged exposure.

6. Set your guardrails early and clearly

The ASIC report: *REP 798 Beware the Gap: Governance arrangements in the face of AI innovation* notes that some organisations have implemented Gen AI without adequate guardrails or have advanced their use of AI faster than developing their AI governance.[15] All organisations we have spoken with have GenAI governance and policies in place.

Approaches to AI governance vary, but most include targeted education for Boards. The majority of organisations have taken the Board through AI education, usually led by the CTO and CEO, with external Gen AI specialists who can provide the practical use cases as well as articulate the risks involved. This type of education also includes understanding the risks and responsibilities for directors.

Following this board education session, many investment managers and superannuation funds then present a 12 months GenAI strategy and often with a pilot set of users.

In the wider financial services industry, we see the following common pitfalls:

[15] Australian Securities and Investment Commission, *Report 798: Beware the gap: Governance arrangements in the face of AI innovation*, ASIC, October 2024, p.3.

- AI policy which does not specifically state the type of data which can be included in the AI tool. This is particularly relevant to investment managers and superannuation funds as we hold so much more personal data. A general statement could cause team members to interpret the policy quite differently and there is a risk your team members have sent confidential data out from an LLM.
- No training on the AI policy. Any policy which is not practically trained on is unlikely to have a level of understanding or compliance. In our regulated environment and long-established risk management approach, the risks of mis-using AI are exponentially greater.
- Complete blockage of all LLMs or no AI tools: where organisations do not provide any LLMs or AI tools which do not meet requirements for their teams, it is likely that team members are using publicly available LLMs for their own productivity.

Superannuation funds and investment managers have transitioned AI governance from a completely centralised model to a more risk-based approach and decentralised model over the last two years.

- Initially, all decision-making on AI projects was made centrally but as GenAI maturity moves forward, we have seen many organisations include GenAI considerations in all existing policy and approval approaches. E.g., when a new process is considered and signed off under an existing policy, there will be a specific consideration of AI risk and controls. This allows the risks and mitigants to be better understood.
- We have seen a move towards decentralised models. A risk-based approach is necessary here to ensure that there is both innovation and risks are mitigated. There has been an evolution of decision making with AI. Often, there is a centralised approach with respect to high-risk use cases while low risk use cases are largely managed and run by business teams. Defining an organisation's risk appetite is important here.

Board education is also a key part of many education programs. Currently, the pace of change is significant and a 'one off' training for the board does not reflect the pace and nature of the change. The most successful board education combines:

- hands on immersion as to how AI can be used for personal productivity and organisationally,
- an approach to the broader technology and data foundations that are needed to take advantage of AI for the competitive advantage of the firm,
- an understanding of the risks and limitations of AI technology,
- directors' duties and responsibilities with respect to overseeing non-financial risks and compliance with ASIC and APRA requirements.

Our recommendations

1. Organisations should define clear objectives and ethical principles before deploying AI. This includes anticipating risks and designing mitigation strategies upfront.
2. Organisations should have a very clear policy stating what is permissible or not with respect to AI usage. This needs to be reviewed regularly to ensure this is still relevant and training on the policy is also critically important.
3. A risk-based approach to use cases and governance is industry practice.
4. Organisations should conduct regular AI and digital education for Boards, covering technology and data maturity, the 'art of the possible', the risks and mitigants and Boards' responsibilities is non-negotiable. Many superannuation funds and investment managers also have a digital and AI sub-committee to meet the emerging needs.

7. Measuring the ROI for AI projects requires a different paradigm

A recent study from MIT [16] titled *The GenAI Divide State of AI in Business 2025* interviewed 52 people and concluded that 95% of pilot projects don't make it into production. That is not surprising. By definition, pilot projects are experiments and they are meant to test boundaries, explore use cases, and fail fast. If most pilots succeed, organisations are not experimenting enough with their use cases.

The broader perspective is that: research across decades of technology initiatives shows that most technology projects fail. 15 years of research by McKinsey found only 33% of digital transformations hit their goals[17] and a Standish Group report put project failure rates even higher, with large companies completing 9% of their projects on time and on budget[18]. By that standard, a 5% "success" rate for AI pilots is not catastrophic, it is in line with other technology projects.

What the MIT study has really uncovered is not AI failure, it is the normal process of enterprise technology adoption.

One notable finding from the MIT report, and also in line with discussions with superannuation funds and investment managers, is the inherent difficulty of measuring ROI for AI projects. There are very few investment managers and superannuation funds who have been able to comprehensively measure ROI from their GenAI projects or the impact of personal productivity, except by surveys and anecdotal feedback.

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[16] MLQ.ai., *The GenAI Divide: State of AI in Business 2025*. Version 0.1, July 2025, https://mlq.ai/media/quarterly_decks/v0.1_State_of_AI_in_Business_2025_Report.pdf, accessed 1 September, 2025.

[17] McKinsey & Company, 'The Science behind Successful Organizational Transformations,' *McKinsey & Company*, 7 December, 2021, https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/successful-transformations, accessed 1 September, 2025.

[18] The Standish Group, *The Standish Group Report CHAOS*, October 2016, https://simpleisbetterthancomplex.com/media/2016/10/chaos-report.pdf, accessed 1 September, 2025.

The first unique difficulty is the threat of job losses which are played out in the media. Daily press on the negative impact on jobs, which has already seen changes in the US labour market for graduates[19], along with the demands of the unions, have seen this being a fear unlike most technology changes in the workplace in the last 20 years. Some firms have seen that their team members are reluctant to adopt GenAI in the first place because of this fear of job loss.

We discussed this in the productivity paradox in Insight 3. Where employees have significant gains in productivity and in light of lean team structures, there are few personal benefits of reporting productivity gains.

Against this backdrop, and specific to enterprise-wide programs in the MIT study, the second difficulty in measuring ROI requires a different set of thinking. While the easiest measurement point is time or cost savings, there are other elements such as:

- quality and consistency of the output
- speed,
- reduced risk, and
- AI's role in assisting in decision analysis

which are much more difficult to measure.

Speed, as an example, could be a competitive advantage for investment teams to be able to identify market signals earlier and re-balance. Reduction in risk also requires a more comprehensive framework to measure accurately. AI's role in assisting in decision analysis is extremely difficult to measure but is, in fact, one of the use cases we have discussed with CEOs, where AI is used as a thinking partner for a Portfolio Manager. There is tremendous value in improving the quality of decision making when we are augmented by GenAI.

GenAI is one technology which is used by many teams, including investment teams[20] for productivity and competitive advantage. In the past, other than quant trading or hedge funds, technology for investment teams have tended towards operational execution. Given the broad range of AI opportunities which could be pursued, traditional ROI metrics require more thinking to demonstrate the broader range of benefit.

The third element is employee engagement. As discussed in Insight 10, employees will select firms which provide career opportunities which take GenAI into consideration. We have seen this with the younger, technology native team members and the approach to GenAI could also be a consideration in the war for talent.

[19] Brynjolfsson, Erik, Bharat Chandar, and Ruyu Chen, 'Canaries in the Coal Mine? Six Facts about the Recent Employment Effects of Artificial Intelligence,' *Stanford Digital Economy Lab Working Paper*, 26 August, 2025, https://digitaleconomy.stanford.edu/wp-content/uploads/2025/08/Canaries_BrynjolfssonChandarChen.pdf, accessed 1 September, 2025.

[20] Katz, Michael, 'Due to AI, Norway's $1.8T Pension Giant Needs No More Employees - for Now.' *Chief Investment Officer*, 3 June 2025, https://www.ai-cio.com/news/due-to-ai-norways-1-8t-pension-giant-needs-no-more-employees-for-now/, accessed 1 September, 2025.

One study which has attempted to measure the value of AI[21] asked survey participants to identify how much they would pay in order to keep the LLM they are currently using. This novel way of measurement provided an estimated value of $US97bn in the global use of GenAI.

Our recommendations

1. For personal productivity, relentlessly train and upskill your team with relevant use cases, to empower them to use GenAI personally and uplift their understanding so that they are ready and able to grow with your firm as you enter the age of GenAI.
2. For automation, focus on either high volume use cases or high value use cases. High volume use cases are usually in the member services while high value use cases could be providing an enterprise productivity tool for the investment teams. This type of automation is where leading firms have targeted their first use cases. Please refer to Insight 10 for a more comprehensive list of use cases.
3. For strategic, top down projects and aspirational use cases, establish an AI Value Office to track benefits and reinvest savings. To ensure that AI delivers measurable results, funds should create an AI Value Office in partnership with finance, monitoring realised efficiencies, member outcomes, and risk improvements. This allows organisations to reinvest gains into bold innovation while maintaining discipline over cost and ROI.

8. Buy for commodity and build for competitive advantage

The simple heuristic often used is this: **Buy for commodity. Build for competitive advantage.**

Historically, this was a minefield for three reasons:

1. Poor experiences with off-the-shelf products.
2. Frustrations with custom-built solutions.
3. Internal dynamics - from stakeholder preferences to capability gaps to budget pressures.

In our discussions with investment managers and superannuation funds, there is further complexity with this build vs buy approach because of the speed at which GenAI is evolving. There are some contradictory considerations which GenAI exacerbates:

- We heard anecdotes from firms which have built tools in-house only for a vendor to provide it six months later.
- The speed at which GenAI is evolving also makes it difficult for in-house talent to build their own GenAI tools and maintain this.

[21] Collis, Avinash, and Erik Brynjolfsson, 'AI's Overlooked $97 Billion Contribution to the Economy,' *The Wall Street Journal*, 3 August, 2025, https://www.wsj.com/opinion/ais-overlooked-97-billion-contribution-to-the-economy-users-service-da6e8f55.

- Vendors may not be investing in their products and never ‘catch up’. Especially for vendors in captive markets, where ‘switching costs’ are high for investment managers and superannuation funds, there are less incentives for vendors to invest.

There are two areas which are of particular focus for GenAI buy and build considerations: budgetary considerations and expertise.

As discussed in our Introduction and in Insight 1, the industry is facing many competing demands and challenges.

When your team is excited about the possibility of GenAI, the number of use cases and AI tools being requested grows exponentially. But has the medium-term cost of maintaining multiple AI tools been fully considered? The cost begins from the selection process, through to ongoing due diligence, maintenance of infrastructure, complexity of multiple systems’ data and technology footprint and cyber security.

Often overlooked costs also include the internal and external touch points required to manage each new service or technology. There is significant investment required to manage these working relationships with vendor or service providers. A strong relationship is critical to get your requirements on your vendor or service provider’s technology and AI roadmap but this is no guarantee that what you need will be built to your specifications, in a time that is required for your business needs.

Secondly, the expertise required for the implementation, for both build and buy, and beyond is critical. Where you do not have access to expertise, the simple default is often to ‘do nothing’.

For both build and buy, having the right advice: either internal or external, becomes a key part in the selection. Do you have on your side, someone who has solved a similar problem before?

It is difficult to work out whether the AI advice you are getting is appropriate for your business. This is often the reason to go to a product as their proposition is clear and there is someone who can maintain this product.

The truth is that no “off-the-shelf” product is truly out-of-the-box. Every implementation needs configuration and no “custom build” happens without off-the-shelf components (e.g., databases, cloud providers, APIs).

This is a **spectrum** decision. Not a binary one.

Our recommendations

1. Having the right technology foundation in place is critical. This includes having a capable technologist for key decisions, designing a broader data architecture to avoid spaghetti systems and considering the role of a modern data warehouse which can bring all your data together to enable AI.
2. Consider carefully whether to train your own LLM. Developing an in-house LLM involves significant cost, complexity, and the need for additional guardrails. In most cases, using a state-of-the-art external model is the better option.
3. Ensure the person leading the project: has solved a similar problem before, are aligned with the 1-2 key objectives (non-negotiables of your firm) and can take a longer-term view and focus on what will give you a sustainable competitive advantage.
4. Lastly, in response to the insight, we recommend build or partner when:
    - The solution needs to evolve with your strategy.
    - Data complexity is high.
    - AI can unlock new efficiencies.
    - Internal buy-in is mixed and trust in vendors is low.

9. Distinguish old risks from new risks

Gen AI is moving at a rapid speed, and it is difficult even for AI experts to be on top of the emerging technology. In the first half of 2025 alone, there were 100 new significant developments in Gen AI with new AI models being developed, the emergence of DeepSeek, China's open AI model and advancing features every month.

It can quickly become overwhelming for many companies. Yet inertia, even on the risk management side alone, exposes organisations to unprecedented risks.

From discussions with investment managers and superannuation funds, it is much more practical to consider how many existing risks should apply in the age of AI, rather than creating a completely new framework to manage the risks of AI.

Some of the risks which have a strong risk and regulatory framework in place include: privacy, intellectual property (IP) and data security.

For example, IP is already well managed through contractual protections in legal agreements, vendor due diligence and third-party IP ownership clauses. Each of these areas can be further considered in GenAI by reviewing how your company's data is being used for AI training and how the existing company's output does not infringe on third-party IP. The annual service provider review or attestations should incorporate these key points and are critical requirements to meet APRA and ASIC regulations.

This then frees up your management team to focus on the new risks posed by Gen AI, including deepfake, biases and hallucinations.

Deepfake is one risk that has no effective controls that we can currently use. The cost of generating deepfake is equally democratised and criminals are likely to use open-source models. As discussed in Insight 3, the only viable approach to date is to step back from our existing technologies, such as voice recognition as a way of identifying clients and revert to more manual internal controls.

There is a case of an architect firm wiring $US25m[22] to what they thought was their London head office after watching a deepfake video. While there should be existing controls to ensure that there is appropriate sign off, it is easy to be misled when the technology is evolving. The traditional weak points, such as having a skeleton staff during holiday periods, would put additional pressure on existing controls.

Previously, decision making was largely made by humans, except through the common uses of machine learning. In reality, human biases are prevalent, but the impact of these biases was never measured. With the arrival of GenAI, these biases are exponentially higher, because they are now executed at scale but also because our data also contains biases. The government's AI voluntary standard[23] contains some guidelines on how to combat these biases and can be considered.

The most obvious of the risks of GenAI are the hallucinations, which are inevitable. GenAI hallucinates because GenAI does not actually reason, instead, it predicts based on patterns. I.e., it generates text by predicting what words statistically follow others, not by fact-checking or understanding the physical world around us. So when it doesn't "know" something or has incomplete or conflicting data in its training, it guesses in a way that sounds plausible but can be totally false. This fundamental nature leads to "hallucinations": fabrications of data, cases, or analysis. This new risk cannot currently be mitigated except through an additional check. Much like our manual processes around '4 eyes check', the human review process is important for most GenAI use cases. Alternatively, for low-risk use cases, there is also the option for an "AI in the loop", where there is a second AI reviewing the output before the next step.

Our recommendations

1. Distinguishing between 'old risks' and 'new risks' is one way to build confidence in assessing the benefits and risks of GenAI tools and extend existing frameworks before designing new ones.
2. Reviewing all existing processes for weaknesses due to GenAI as part your risk assessment process is important.
3. Continued AI education should cover cyber security, impact on other existing controls and new risks from GenAI.

[22] Kong, Harvey. '"Everyone Looked Real": Multinational Firm's Hong Kong Office Loses HK$200 Million after Scammers Stage Deepfake Video Meeting,' *South China Morning Post*, 4 February, 2024, https://www.scmp.com/news/hong-kong/law-and-crime/article/3250851/everyone-looked-real-multinational-firms-hong-kong-office-loses-hk200-million-after-scammers-stage.

[23] The Department of Industry, Science and Resources, 'Voluntary AI Safety Standard,' *The Australian Government*, 5 September 2024, https://www.industry.gov.au/publications/voluntary-ai-safety-standard.

10. Technology is moving extremely fast, but don't let that be the excuse of inaction

As noted in Insight 9, GenAI development is moving at an exponential speed, and we have found that this is one of the five main reasons that GenAI strategy and use has stalled: there are simply too many changes. Twelve months ago, some leaders were waiting for GenAI regulations before they made headway. We are indeed still waiting.

The reality is that even with the current AI technology, they are under-used by the vast majority of users. Even before the latest ChatGPT v 5 was released on 8th August 2025, there were 30 features in the free version of ChatGPT which few of us took advantage of. Secondly, we expect the "dust" will never fully settle. The GenAI landscape will remain in motion for years, if not decades, as models improve, regulations evolve, and competitive use cases emerge. We have found that the US headquartered asset managers are far in front in their thinking and maturity in the use of GenAI as they are closer to its development.

In this context, "technology is moving too fast" is not a risk-mitigation strategy. It is a reason your organisation risks falling behind. The winning posture is not to wait for stability, but to develop the organisational muscles to adapt at pace.

This is particularly important in considering your future workforce. Younger graduates and junior team members are technology natives, and they expect their employers to be tech-enabled. Especially when comparing their workplace experience with their peers, workplaces which are laggards will fall behind in being able to attract and grow talent which are able to work with the technology of the future.

Organisations which have taken the lead have a range of use cases which have either been implemented or are in progress. Some of these use cases are shared below.

Contact centres

Contact centres, given the volume of transactions, are often the first area for GenAI to be implemented. GenAI can assist with:

- Providing the initial responses for the contact centre staff.
- Providing a transcription which summarises the discussion, rather than a manual write up of the discussion.
- Enabling quality review and staff training through analysis of transcripts.

The organisations we spoke with have implemented this use case initially as a pilot and have seen strong results, moving to a full scale GenAI use case. The benefits are around the time saved for team members, particularly in the summarisation of the call.

Offshore services

For investment managers, this is one area that we commonly see as reducing in size. Where an offshore office has defined processes and procedures, this lends itself to GenAI workflow

automation that is cost effective, with the added benefit of a faster response time and more accurate outcomes.

Risk management

Risk management teams have seen great uses of GenAI to review operational risk assessments. Acting as a 'black hat' reviewer, Gen AI can identify gaps and challenge assumptions. In these productivity-focused use cases, some organisations have achieved efficiency gains of up to 40% using advanced versions of LLMs.

Legal review

By simple prompting in LLMs, legal teams have experienced reliable document controls reviews. This simple use case provides immediate payback for the team.

Non-Disclosure Agreement review chatbots are also a common use case and can easily be built by legal, investment or technology teams.

Efficiency drivers for investment teams

Investment teams are under pressure to deliver superior returns in the superannuation industry and a slight improvement can mean a significant difference in their ranking.

As such, the high productivity use cases for investment teams include:

- Summarising the 30+ industry research reports and market updates which may arrive in an investment team's email, which all individual team members need to review daily.
- Finding signals in the market. Signals in the market range from RBA rate cuts to company announcements, and being able to assess these in real time against a broad basket of potential investment opportunities would assist investment professionals.

Thinking partner for portfolio manager and investment committees

As a thinking partner, the voice mode for many LLMs allow portfolio managers to bounce ideas and consider blind spots.

In investment committees (IC), the ability to have a designated 'black hat', LLMs become an alternative voice that can be objective and has complementary experience to the IC.

The aspirational use cases

A number of CEOs and investment industry leaders are considering how GenAI can provide advice for Australians, at scale. The world is grappling with an ageing population, and increased longevity, even before GenAI's advance in medicine is fully realised. The ability to fund retirement for an ageing population as our birth rate declines, is a global challenge.

Countries are increasingly recognising the importance of financial literacy. Ontario in Canada, as an example, has mandated financial literacy for schools[24,25]. The ability to provide cost effective advice for Australians is at the heart of many conversations we had. It is aspirational to consider whether GenAI could be part of the solution, and this is, indeed, the use case we could all be striving for.

Alongside advice at scale, the frontier is now shifting toward agentic AI in investment management[26]. Recent research has provided a glimpse into the possibility of multiple role-based AI agents working together to support stock selection in equity research and portfolio construction. In one example, three agents - focused on fundamental analysis, sentiment analysis, and valuation - worked in coordination, each taking on a specialised role before combining outputs into an investment thesis.

This approach shows how agentic systems could transform portfolio management from a human-led, tool-supported activity into a collaborative ecosystem where AI agents act as analysts, risk checkers, and optimisers. While early, these experiments, often leveraging LLMs like ChatGPT, highlight what is possible in fundamentals-driven investing and open the door to rethinking how retirement savings are managed.

Together, the two aspirational paths of advice at scale and agentic investment management, illustrate the transformative potential of GenAI: not just lowering the cost of advice, but also reinventing the investment process itself for the benefit of millions of Australians. That said, both remain at a very aspirational stage today, with most organisations still in the 'thinking about it' or 'talking about it' phase.

Our recommendations

1. AI strategy should be grounded in 2-3 horizons of 1-2 years in duration, with progressive and measurable deliverables. Balance aspirational experimentation within guardrails while steadily building the foundations of data and technology needed for scale.
2. Directors, executives and team members must understand AI's potential, risks, and limitations. For directors, this knowledge enables effective oversight; for executives, it drives business transformation; and for team members, it supports both career development and organisational impact.
3. Ask the question: how can AI give us a competitive advantage?

[24] Government of Canada, 'Financial literacy in Canada', *Financial Consumer Agency of Canada*, https://www.canada.ca/en/financial-consumer-agency/programs/financial-literacy.html, accessed 1 September, 2025.

[25] Humber Et Cetera Staff, 'Financial Literacy Must Be Taught Earlier Than High School,' *Humber Et Cetera*, 27 September, 2024, https://www.humberetc.ca/opinions/editorials/editorial-financial-literacy-must-be-taught-earlier-than-high-school-962, accessed 1 September, 2025.

[26] Zhao, Tianjiao, Jingrao Lyu, Stokes Jones, Harrison Garber, Stefano Pasquali, and Dhagash Mehta. *AlphaAgents: Large Language Model based Multi-Agents for Equity Portfolio Constructions*. arXiv preprint arXiv:2508.11152v1, 15 August, 2025, https://arxiv.org/html/2508.11152v1.

Methodology

This report draws upon a combination of primary and experiential research to provide a balanced, practitioner-led perspective on the priorities for investment managers and superannuation funds in Australia, with relevant insights from asset managers based in Asia Pacific and the Middle East.

Primary insights were gathered through a series of formal and informal interviews with C-suite leaders, including Chief Technology Officers, Chief Executive Officers, Chief Operating Officers, and other senior decision-makers. These discussions focused on strategic priorities, operational challenges, and the evolving role of technology, particularly GenAI, in driving organisational performance and resilience. Participants represented superannuation funds and investment managers.

Experiential insights were drawn from our work as a specialist generative AI consulting firm in financial services. This included discussions with investment managers based in Australia, the Middle East and Hong Kong. They covered: AI strategy development, implementation of AI-driven solutions, risk and governance frameworks, and operational change management. The practical experience gained through these discussions and client work has provided a granular view of adoption trends, common implementation barriers, and cultural considerations.

Supplementary desktop research was undertaken to contextualise findings within the broader market and regulatory environment. This included reviewing publicly available reports, regulatory guidance and market commentary. Sources included the Australian Securities and Investments Commission (ASIC), the Securities & Futures Commission (SFC), the Monetary Authority of Singapore (MAS), Voluntary AI Standards, the media and university research.

As no formal survey instrument or quantitative dataset was used in this study, all insights should be interpreted as directional. The perspectives captured are intended to reflect prevailing themes and lived experiences at the leadership level.

Limitations: While efforts were made to ensure a diversity of perspectives, the interview cohort was limited to leaders who were available and willing to share their views within the project timeframe. As such, the findings should be understood in the context of these contributors' backgrounds, market positions, and organisational priorities.