MDOTM

AI-DRIVEN INVESTMENT SOLUTIONS

Scaling AI In Asset & Wealth Management

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Agenda

About Us

MDOTM
AI-DRIVEN INVESTMENT SOLUTIONS

WE ARE A
FINTECH
COMPANY

WE BELIEVE IN
SCIENCE-ROOTED
INVESTMENT DECISIONS

WE DEVELOP
ARTIFICIAL INTELLIGENCE
TO BUILD RELIABLE
PORTFOLIOS

OUR TEAM
(MDOTM + MDOTM LAB)

110+
FINANCE
PROFESSIONALS
& CREATIVE
INNOVATORS

60+
PHYSICISTS,
ENGINEERS &
DATA SCIENTISTS

Signatory of:
PRI | Principles for Responsible Investment

MDOTM is the first AI-driven advisor to sign the Principles for Responsible Investment (UNPRI)

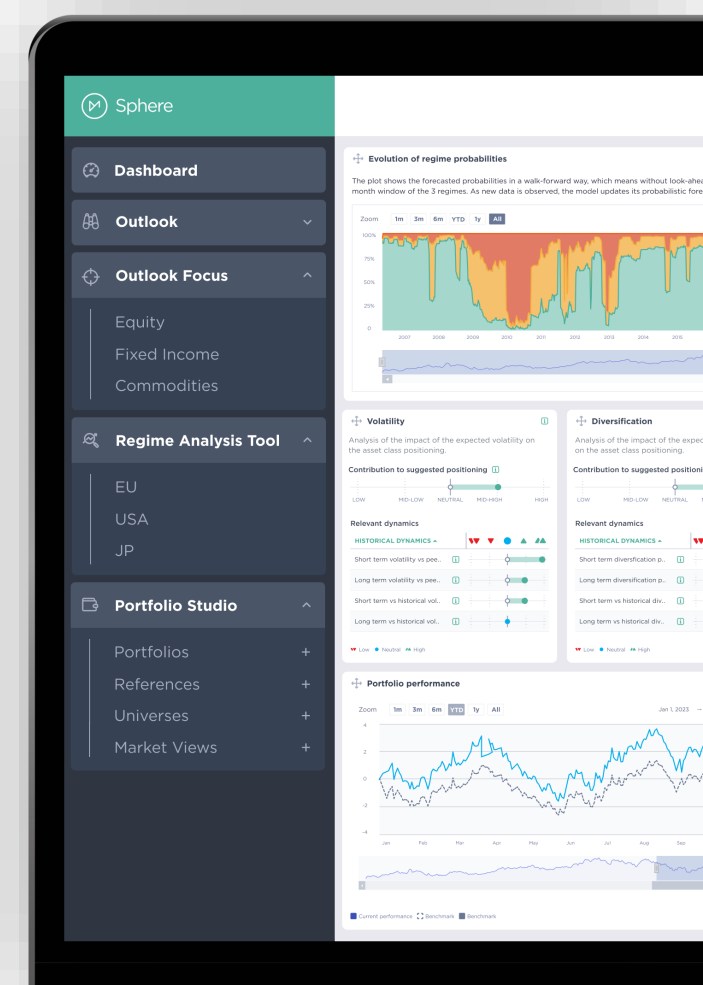## OUR OFFICES

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125 Kingsway London,
WC2B 6NH, UK

MILAN
Via Passione 8,
20122 Milan

NEW YORK
219 W 49th St, New York,
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Our AI Platform

Sphere

Add speed & scale to
your investments and
client engagement with
Analytical and **Generative AI**

About The Research
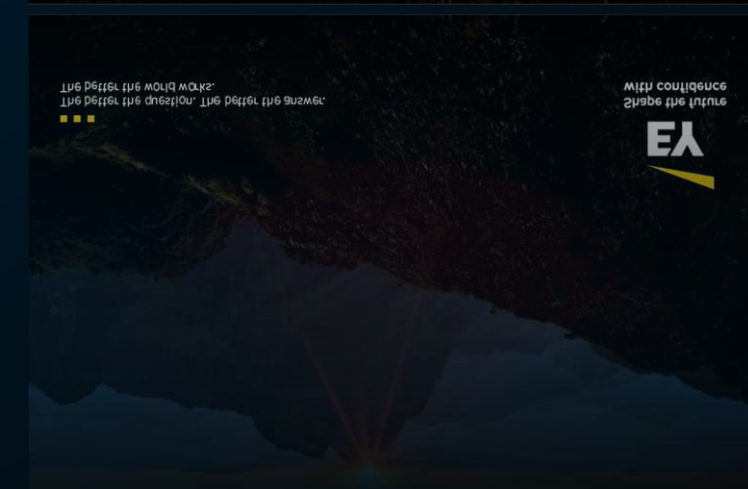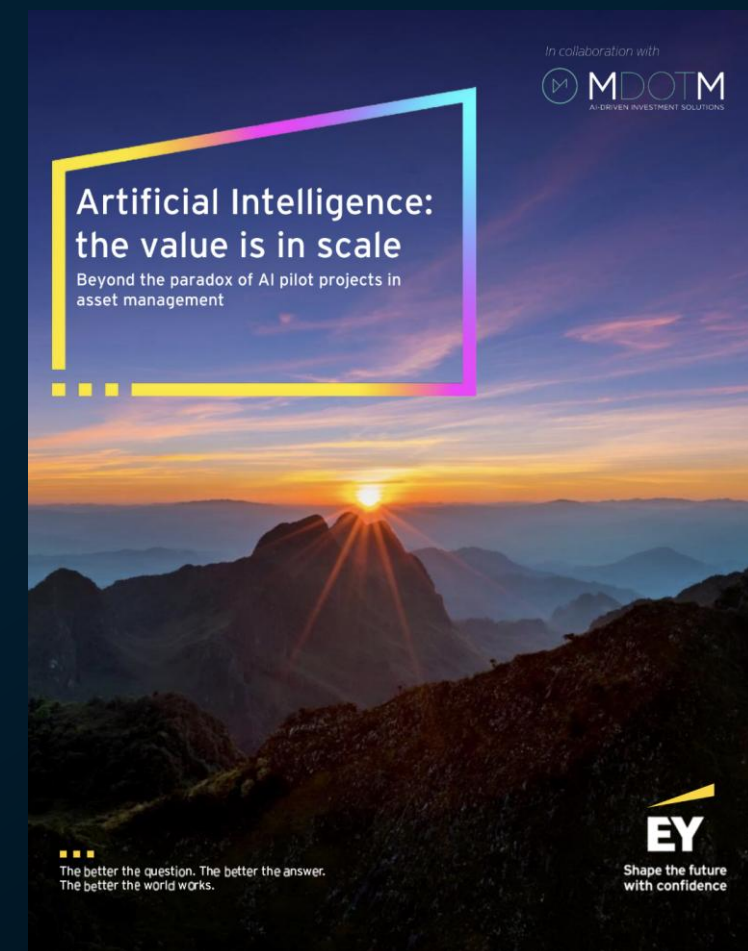
Purpose Of
The Research:

AI is widely seen as transformational, yet most firms remain stuck in **pilot projects**.

Fragmented initiatives, lack of governance, and risk concerns are slowing down adoption.

This paper provides a **practical framework** to move from experimentation to enterprise-wide transformation.

In collaboration with
MDOTM
AI-DRIVEN INVESTMENT SOLUTIONS

Artificial Intelligence:
the value is in scale
Beyond the paradox of AI pilot projects in asset management

The better the question. The better the answer.
The better the world works.

EY
Shape the future with confidence

Key Insights:

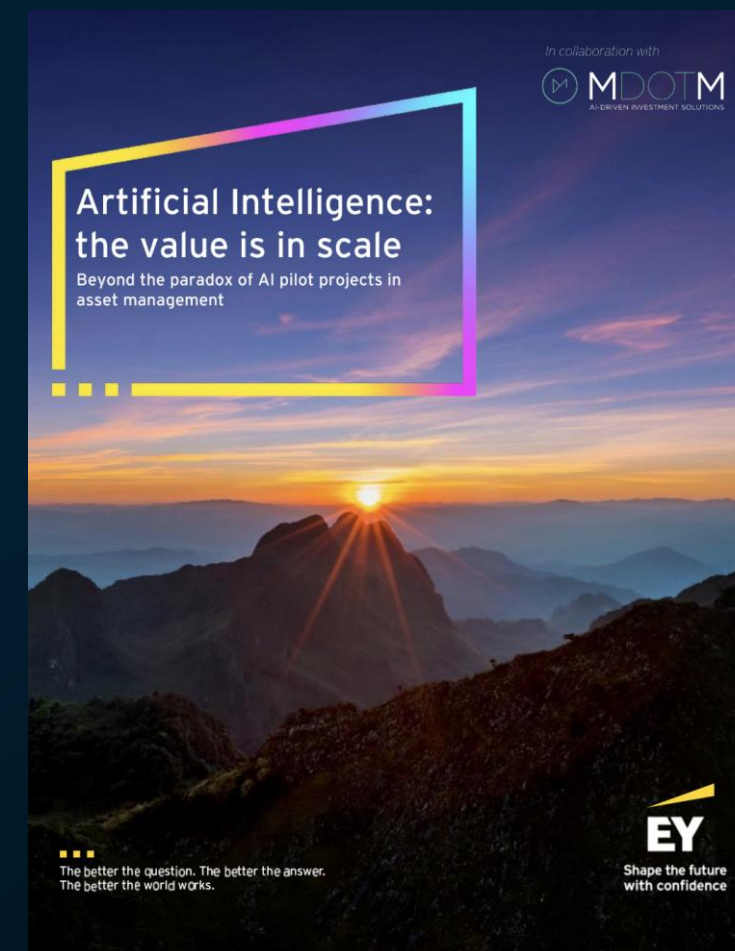**70%** of CEOs believe they must invest in AI now to stay competitive.

Top 5 AI use cases for impact in next 6–12 months:

- Mass personalization
- Market analysis & economic forecasts
- Automation of back-office processes
- Knowledge management
- Report automation

Artificial Intelligence: the value is in scale
Beyond the paradox of AI pilot projects in asset management

Opportunities Of AI

Firms use **AI** to improve **quality**, **performance** and **marginality**

The AI opportunity

Making Sense of Complexity

Today, the challenge is not so much about gathering data but rather it is about **interpreting and extracting value from it**

Customization at scale

AI can process **millions of data points** in seconds and build thousands of **custom portfolios simultaneously**
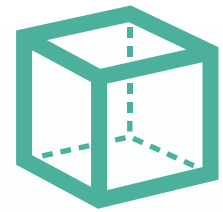
Automating reporting

Generative and **Analytical AI** can produce **human-like commentaries** with deep data analytics capabilities

Higher margins + faster growth

Investment firms that integrate **AI overperform peers** by **+8.1%** in **AuM growth** and **+7.7% in revenue growth**

Understanding
The Technology

Analytical AI
Solve complex problems

What It Does:
Solves complex & time-varying analytical problems

Use Cases:
- Portfolio Optimisation
- Regime Analysis
- Factor Modelling
- Risk Management

Examples:

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Sphere

DataRobot

Qlik

arabesque

clarifai
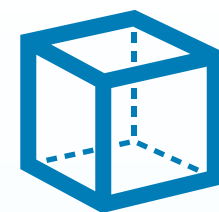
Generative AI
Retrieve, assemble, generate

What It Does:
Generate new content from a text or unstructured input

Use Cases:
- Question answering
- Information retrieval
- Text generation
- Summarization

Examples:

ChatGPT

Ps

Midjourney

Canva

DALL·E

Google AI
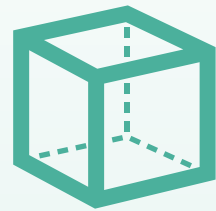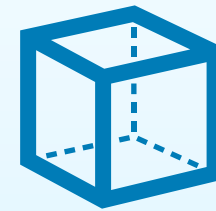
Analytical AI + Generative AI

Investing Use Case 1:
Solve Specific Tasks

Human Trigger

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1   GENERATIVE AI

Understands the question, **gathers and enriches** available data

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2   ANALYTICAL AI

Computes a **mathematical solution** leveraging large datasets

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3   GENERATIVE AI

Uses the underlying data to **generate a written explanation** in natural language

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Solution   **The user visualises the output**
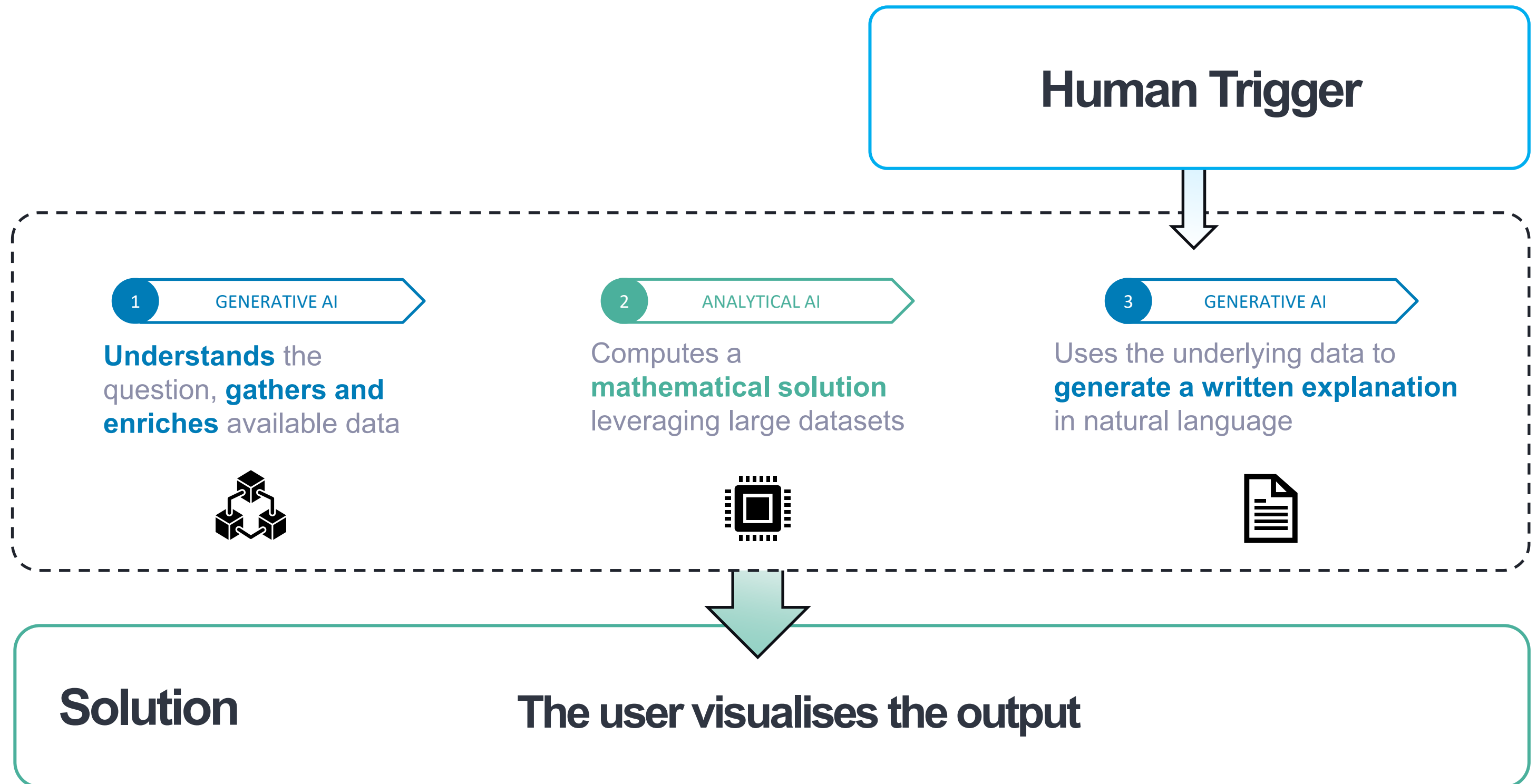
Investing Use Case 2: Investment Companion

Data-Driven Trigger

1 ANALYTICAL AI

Detects an anomaly and reacts from a data change

2 GENERATIVE AI

Gathers and **enriches available data**
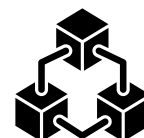
3 ANALYTICAL AI

Starts an **automated analysis routine** using large datasets
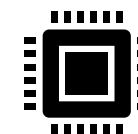
4 GENERATIVE AI

Uses the underlying data to **generate a report with explanations**

Solution

The user visualises the output

Implementing & Scaling The Technology
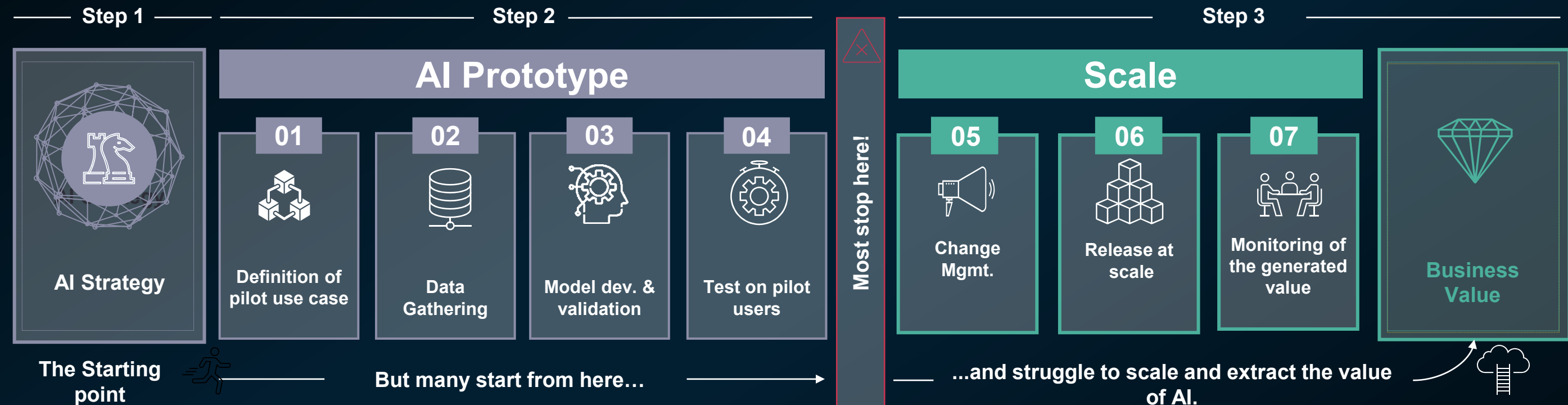
AI Use Cases In Asset & Wealth Management

AI Use Cases In Asset & Wealth Management

1 **Support The Investment Team**

EXAMPLES:
> Strategic and Tactical Asset Allocation
> Investment Commitee's Unbiased Input
> Quantitative Input Within Client's Model Construction
> Signals For Portfolio Managers

2 **Rebalance Portfolios At Scale**

EXAMPLES:
> Ability to manage thousands of portfolios at a time
> Used for fund management, ETFs, Segregated Accounts, Personalized Mandates, etc
> PMs choose objectives & constraints, then the AI does the heavy lifting

3 **Commentaries & Reporting**

EXAMPLES:
> Individual portfolio commentaries
> Reporting done at scale
> Model Portfolio delivery
> Wealth Management Clients' Commentaries

1

AI Support To The Investment Team

Leverage organized big data to support the investment team

Type of Output:

> Support To The Strategic and Tactical Asset Allocation

> Investment Commitee's Unbiased Input

> Quantitative Input Within Client's Model Construction

> Signals For Portfolio Managers

> Expected Risk Scenarios

READ THE DATA:

The Investment Team leverages AI's information to **complement their Asset Allocation activity**
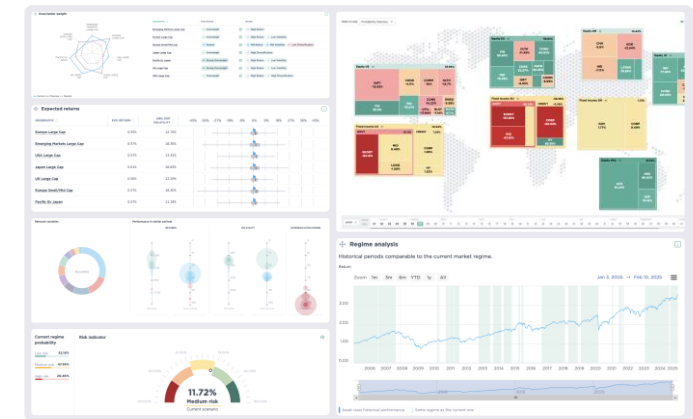
ACT ON THE DATA:

The Investment Team can create new **Asset Allocation Scenarios**

Combine AI's view with the views of your different investment team

AI PORTFOLIO

PTF 1   PTF 2   PTF N

AI Ptf 20.1%

Ptf 1 37.2%

Ptf 2 15.4%

Ptf 3 27.3%

Equity 58.83%

Fixed Income 33.99%

Achieve a final Asset Allocation resulting from:
people + people + tech
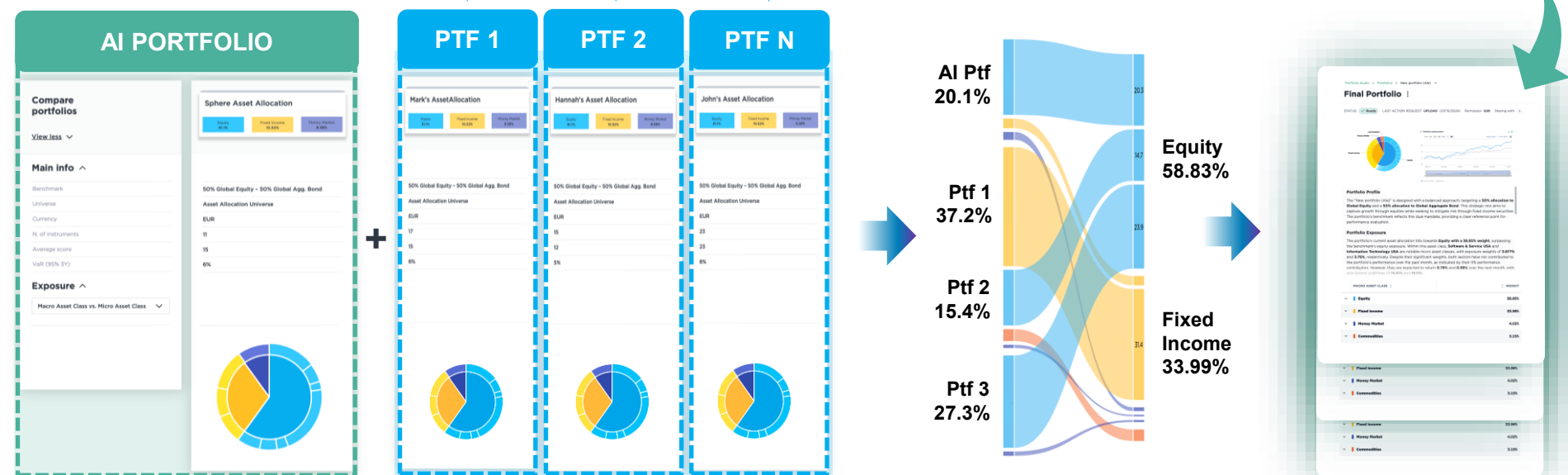
Rebalance Portfolios At Scale

Centralize investment ideas & scale delivery

Type of Output:

> Ability to manage thousands of portfolios at a time

> Model delivery

> Scaling up client personalization

> Specialized technology for fund management, ETFs, Segregated Accounts, Personalized Mandates, etc

> Choose objectives & constraints, then the AI does the heavy lifting

Investment Committee

Strategic & Tactical View

Model Portfolio 1 | Model Portfolio 2 | Model Portfolio ... | Model Portfolio N

Portfolio 1 | Portfolio 2 | Portfolio 3
Portfolio 4 | Portfolio 5 | Portfolio 6
Portfolio 7 | Portfolio 8 | Portfolio 9
Portfolio 10 | Portfolio ... | Portfolio N

Constraints & Preferences

Investable Universe | Exclusions | Allocation Bands | Active Weights | ESG | [...]

1 Automated Portfolio Management

2 Personalization & Rebalancing at Scale

2

Rebalance Portfolios At Scale

Centralize investment ideas & scale delivery

Type of Output:

> Ability to manage thousands of portfolios at a time

> Model delivery

> Scaling up client personalization

> Specialized technology for fund management, ETFs, Segregated Accounts, Personalized Mandates, etc

> Choose objectives & constraints, then the AI does the heavy lifting

Model Portfolio 1 | Model Portfolio 2 | Model Portfolio ... | Model Portfolio N

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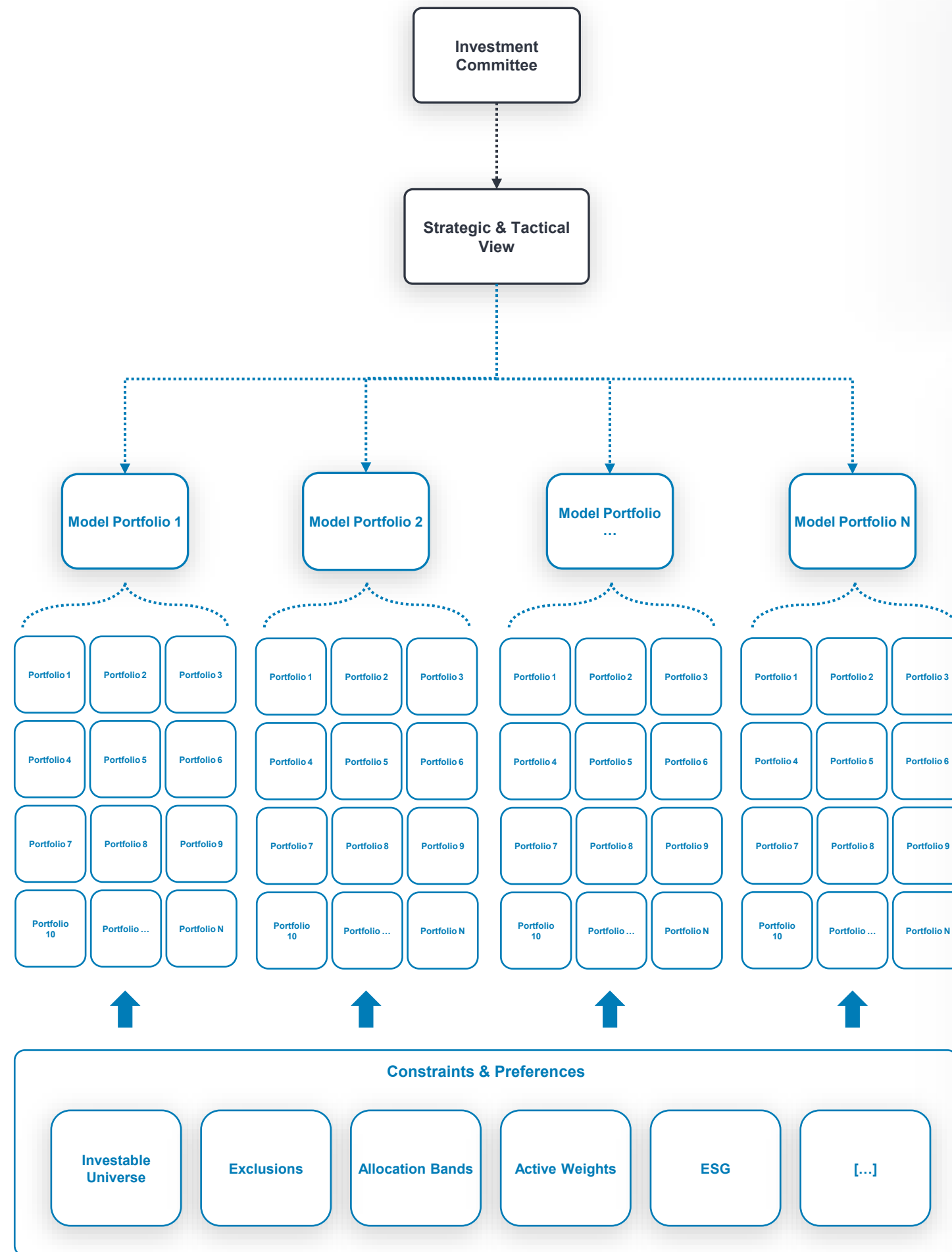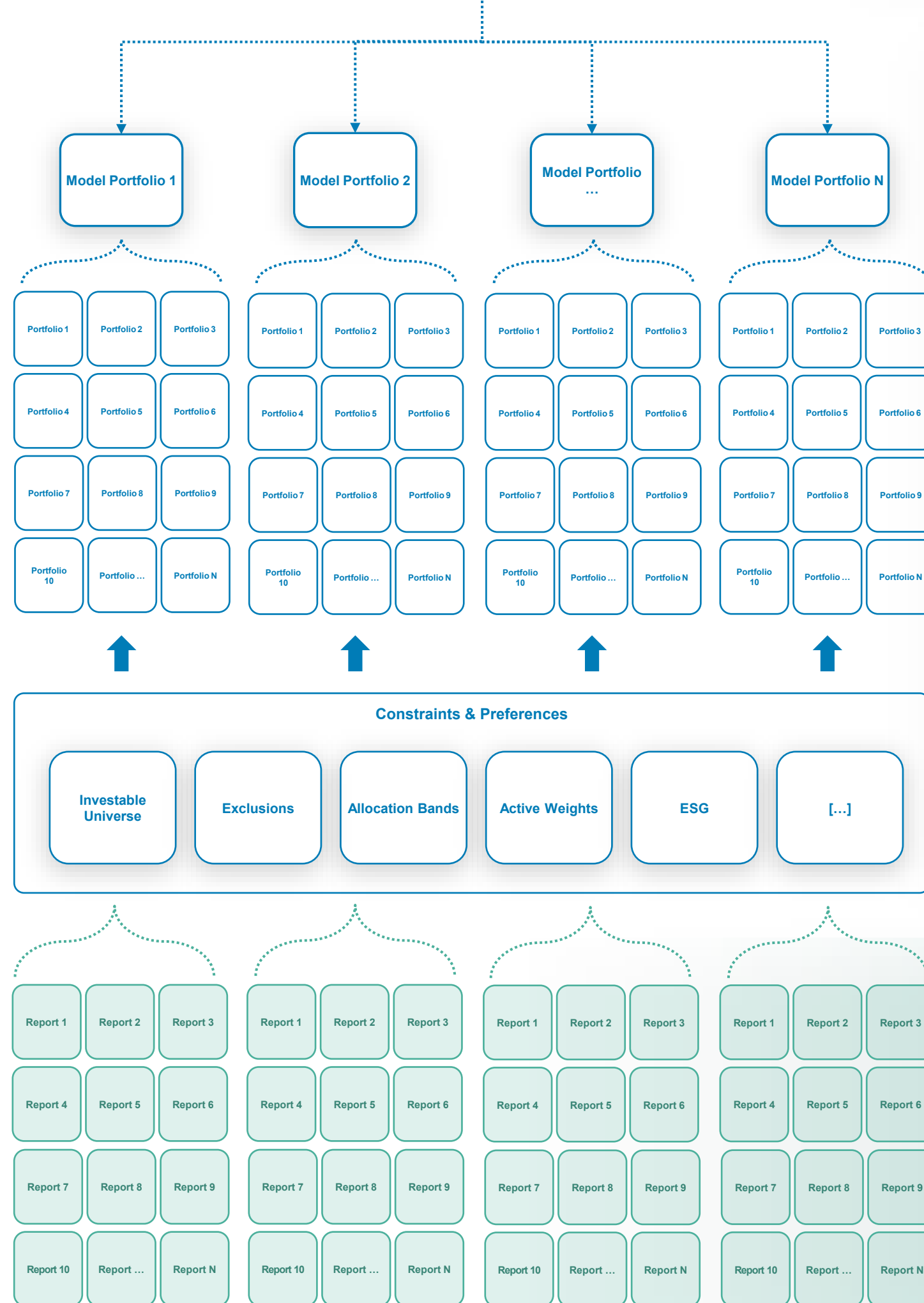Portfolio 10 | Portfolio ... | Portfolio N

Portfolio 1 | Portfolio 2 | Portfolio 3
Portfolio 4 | Portfolio 5 | Portfolio 6
Portfolio 7 | Portfolio 8 | Portfolio 9
Portfolio 10 | Portfolio ... | Portfolio N

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2 Personalization & Rebalancing at Scale

Constraints & Preferences

Investable Universe | Exclusions | Allocation Bands | Active Weights | ESG | [...]

Report 1 | Report 2 | Report 3
Report 4 | Report 5 | Report 6
Report 7 | Report 8 | Report 9
Report 10 | Report ... | Report N

Report 1 | Report 2 | Report 3
Report 4 | Report 5 | Report 6
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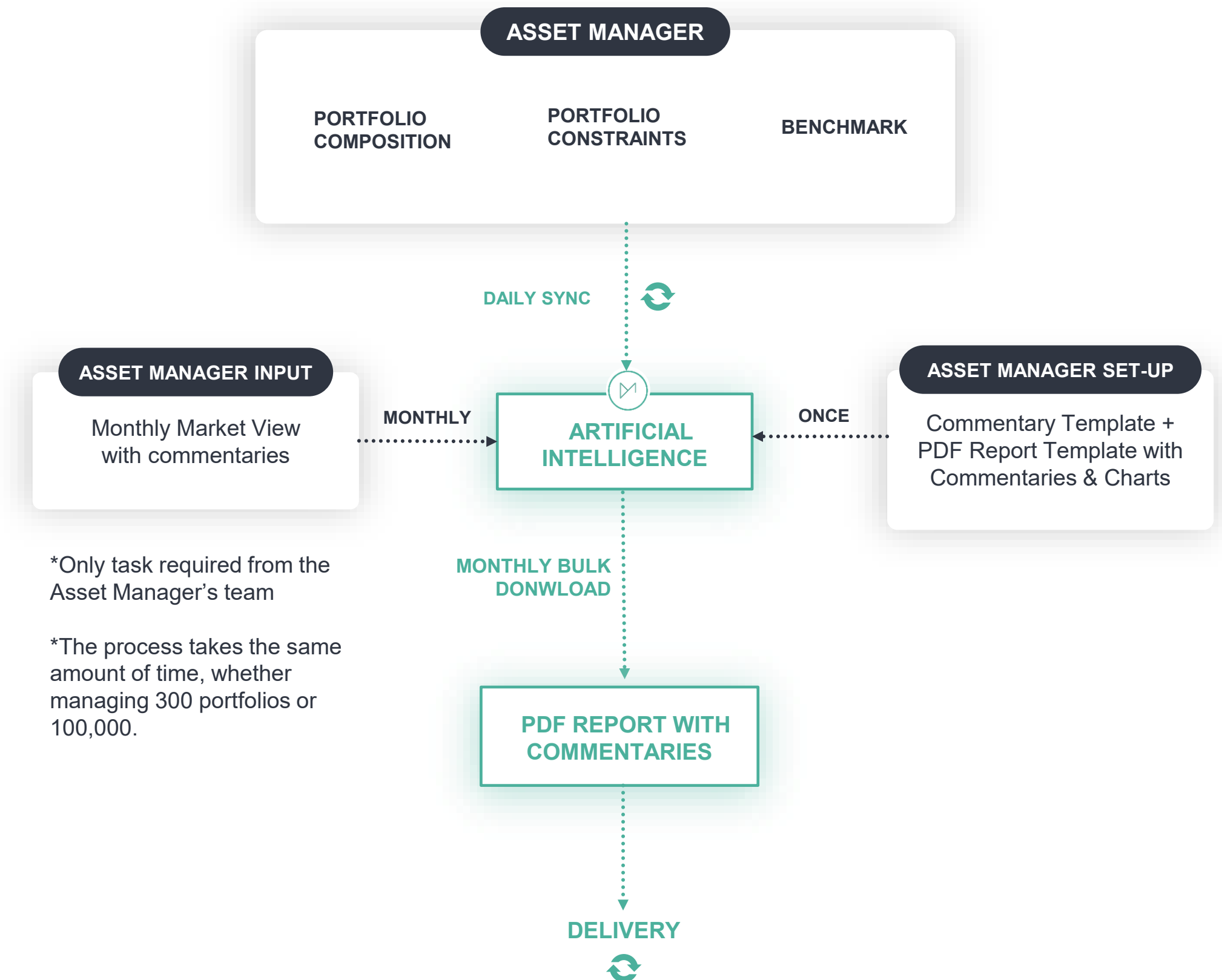
3 Customized Individual Reporting

3

Commentaries & Reporting

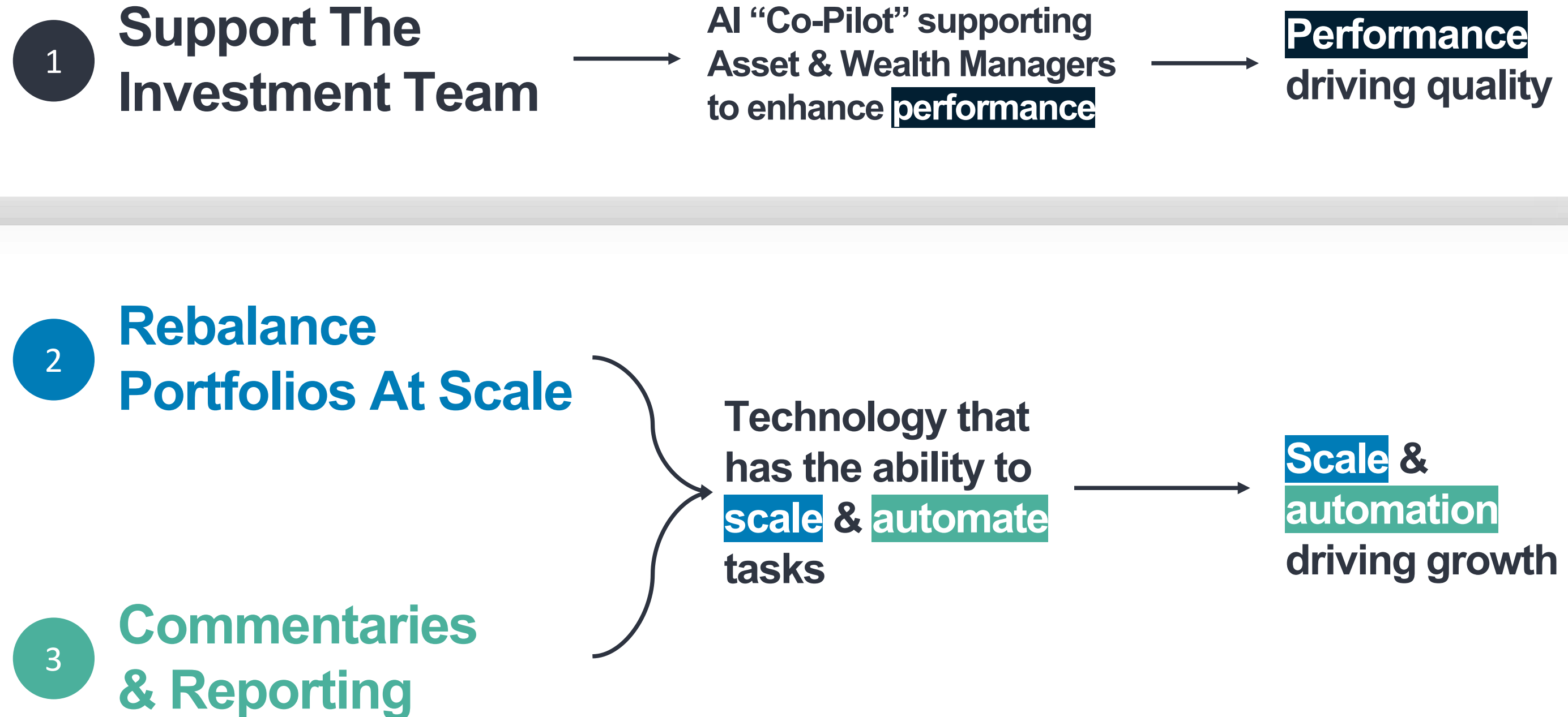## Centralize creativity & scale operations

Type Of Output:

> Individual portfolio commentaries

> Reporting done at scale

> Model portfolio delivery

> Client engagement

CLIENT EXAMPLE: Wealth Management Arm Of A 1Trn+ AuM European Asset Manager

ASSET MANAGER

| PORTFOLIO COMPOSITION | PORTFOLIO CONSTRAINTS | BENCHMARK |

DAILY SYNC

ASSET MANAGER INPUT

Monthly Market View with commentaries

MONTHLY → **ARTIFICIAL INTELLIGENCE** ← **ONCE**

ASSET MANAGER SET-UP

Commentary Template + PDF Report Template with Commentaries & Charts

*Only task required from the Asset Manager's team

*The process takes the same amount of time, whether managing 300 portfolios or 100,000.

MONTHLY BULK DONWLOAD

PDF REPORT WITH COMMENTARIES

DELIVERY

Takeaways:

1 **Support The Investment Team** → AI "Co-Pilot" supporting Asset & Wealth Managers to enhance performance → **Performance** driving quality

2 **Rebalance Portfolios At Scale**

3 **Commentaries & Reporting**

Technology that has the ability to scale & automate tasks → Scale & automation driving growth

Q&A

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