
A.I. in Wealth Trust: Developing the Use Cases and Trust Needed to be successful

April 23, 2025

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At the Forefront of Fintech Solutions



Where does AI fit within Wealth Management



- Here are some stats:
 - Celent reported that 62% of wealth managers in the US are either in production, piloting, experimenting or exploring use cases with generative AI. This is not limited to large firms with 50% of firms between \$1B – \$20B doing something related to AI.
 - More specifically, according to an Orion survey, Advisors plan on using AI and ML powered tools/services to serve clients more efficiently - 35%
 - IoT Analytics data and BCG analysis found in the final quarter of 2024, mentions of AI agents on earnings calls increased more than 330% year over year
- Use cases have been centered around:
 - Creation of actionable insights from large data stores
 - Determining of the next best action
 - Deploying intelligent automation
 - Delivering content on a timely basis
 - Increasing client engagement
- AI should be viewed as an enabler to scale, not as a replacement for staff

What is Artificial Intelligence?

- According to Google AI Assistant - Artificial intelligence (AI) is a field of computer science that focuses on enabling machines to perform tasks that typically require human intelligence. This includes learning, problem-solving, decision-making, and understanding natural language. AI systems learn from data, adapt to new situations, and can make predictions or recommendations based on their analysis.
- Commonly used AI tools in Wealth Management
 - Machine Learning - Leveraging algorithms to learn from data without any specific programming to make predictions
 - Predictive Analytics - Use of data, statistics, modeling, and machine learning to make predictions about future outcomes
 - Generative AI – Creation of content (e.g., text, images) based on what it has learned from existing data. It is developed based on Large Language Models (LLM)
 - Natural Language Processing - Processing where computers understand, interpret, and generate human language, it is related to Machine Learning
- Where things are headed
 - Agentic AI - AI systems that can autonomously make decisions and act to achieve specific goals with minimal human intervention. They can learn and adapt to new situations, improving their performance over time.



What are some of the use cases where AI can help?



Next Best
Action based on
client activity

Determination
of clients at risk

Know Your
Client

Document
Review

Alternative
Asset Servicing

Reconciliation

Administrative
and Investment
Reviews

Risk exposure

Addressing Key
Person Risk



We need to address the challenges with AI

- Data privacy
 - Using PII within an AI model
 - Sharing of sensitive data across clients or in the public domain
- Hallucinations cause by gaps in the training of your model
 - Missing some of the questions that need to be answered
 - Incorrect factoring when developing the algorithms
- Data access
 - AI models need to learn using past data, not all organizations have access to sufficient data to train and support the models
- Misrepresentation of results
 - Past returns are not an indicator of future results
- Immature regulatory framework
 - Still have a responsibility as a fiduciary
 - Some existing rules have applicability



Are bobcats native to Tampa? *According to Microsoft Copilot*

- Yes, bobcats are native to Tampa and can be found throughout Florida. These adaptable wildcats thrive in various habitats, including swamps, forests, and even suburban areas. They are solitary animals and **tend to avoid humans, but sightings are not uncommon. Bobcats are smaller than Florida panthers** and are known for their distinctive short tails and spotted coats.
- Yes, bobcats are indeed native to Tampa and can be found throughout Florida. These adaptable wildcats thrive in various habitats, including forests, swamps, and even suburban areas. Known for their short tails and spotted coats, bobcats are solitary creatures and are **more active during dawn and dusk. They are an essential part of Florida's ecosystem, helping to control populations of smaller animals like rodents and rabbits.**
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Question: Are bobcats native to Tampa?

Where do we go from here?



Defining your strategy and plans for execution

- [Create a policy for AI usage](#) – How comfortable are you with what your team can do? Cannot do? Does your team know?
- [Define what you want AI to do for your firm](#) – What are your use cases? Are they something that can be solved through AI?
- [Develop the supporting user stories / epics](#) – What are the questions you want to answer?
- [Inventory the data needed](#) – What is needed to answer the questions? What is the format? How 'clean' is it? How will you govern the quality?
- [Need to understand your partners plan](#) – What technology are they deploying? Are they further ahead of you? Do they have a strategy and plan?
- [Set the roadmap to achieve your goal](#) – What is a reasonable expectation on what can be done?



Interested in learning more?



Upcoming Fi-Tek on FinTek events

- Webinar (AI in Wealth Trust) – May 21st
- Video (A primer on AI in Wealth Trust) – May 28th
- Article (Understanding how AI can be impactful in Wealth Trust)– June 4th
- My Article of the Week – delivered on Fridays, covering Fintech and Wealth Management (just provide your email)

You can also reach out to me directly,
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