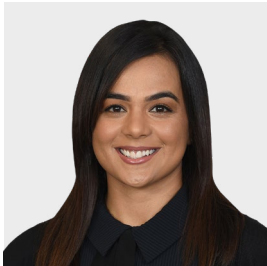




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Investing for a
world of change

Leveraging AI: A strategic imperative for financial advisors



Khadeeja Bassier
Chief Operating Officer

The future of the financial advice industry lies in using technology as an enabler to delivering tailored, responsive, and human-centric advice.

At the recent Ninety One IP Academy event, Khadeeja Bassier, COO of Ninety One, shared how artificial intelligence (AI) can revolutionise financial services. Her session explored how advisors can adopt and leverage these powerful developments to stay competitive, serve clients better, and future-proof their businesses.

The fast view

- AI adoption in financial services is accelerating but has yet to reach its full potential.
- AI should enhance rather than replace human expertise.
- Overcoming fear (of the unknown and/or displacement) is crucial for transitioning from AI enthusiasts to active adopters.
- Financial advisors can utilise AI across the value chain, including extracting value from client data, delivering personalised services, and coaching to prepare for difficult conversations.
- Embracing AI will position you at the forefront of the industry; using new technologies will shape a distinct competitive advantage.

Embracing the AI opportunity

Artificial intelligence is ubiquitous—yet, despite media saturation, many financial advisors still hesitate to embrace its capabilities fully. As Khadeeja Bassier highlighted, we've only scratched the surface of AI's potential in financial services. This represents a chance for emerging advisors to lead toward a more efficient, data-driven future.

Why should this matter to you? Because in a rapidly evolving market, staying relevant means mastering the tools that enable you to serve clients more swiftly, effectively, and insightfully. Despite some understandable scepticism, GenAI has unleashed a world of possibilities.

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From enthusiast to explorer – overcoming AI adoption barriers

Khadeeja identified two common barriers preventing financial professionals from fully adopting AI: fear of the unknown and fear of displacement. Typically, when it comes to new technologies, people fear the unknown and don't know where to start. In addition, with AI in particular, many people fear displacement. This is not a new fear and has accompanied most major technology shifts in history. Advisors might worry that AI will eventually replace their roles.

Khadeeja emphasised that AI is not about replacement but enhancing the human skillset. AI should perhaps have been called "Augmented Intelligence" instead. Advisors should view AI as a tool that allows them to concentrate on amplifying their strengths and delegating the areas that are time-consuming and less value-adding to AI.

Key takeaway: Shift your mindset from seeing AI as a threat to viewing it as a partner in your practice.

Technological change is not new...
nor is the **fear of displacement**

THE NEW YORK TIMES MAGAZINE, AUGUST 23, 1925

THE FAITHFUL DONKEY IS PASSING

Mechanical World of Today Has Little Need for Cantankerous Neddy, Man's Philosophical Companion and the Burden-Bearer of Other Ages

**'MURDER' OF MUSIC
LAID TO MACHINES**

**DOES MACHINE DISPLACE
MEN IN THE LONG RUN?**

New Studies Cited as Old Argument
Is Renewed Over Significance of
'Technological Unemployment'

16 The Daily Chronicle, Thursday, Nov. 17, 1955

**Uncle Sam Finds Uses for Automation;
Congress Has It Under Investigation**

THE AUTOMATION JOBLESS
Not Fired, Just Not Hired

*Growing technologies, shrinking
jobs: a limit to 'full employment'*

By Wassily Leontief

today is practically the same as it was 35
years ago.

would be unemployed. However, under condi-
tions of labor-saving technological advance,
creation of one additional job 20 years ago
might have required \$10,000; today, \$20,000;
from now easily \$50,000 or more.

THE NEW YORK TIMES, WEDNESDAY, SEPTEMBER 3,



PUMA (Programmable Unive
Machines for Assembly) is Gei
Motors' latest contribution in
area. Referring to people and r
as "interchangeable," G.M. will
sates workers and mechanical
on an assembly line that may
most complete integration of v

**Unemployment will end
honeymoon with robots**

By DON MADDOCKS

The Japanese, well known for
Japan, the United States and
West Germany will

1920s

1930s

1940s

1950s

1960s/
1970s

1980s/
1990s

AI in action – enhancing client engagement and efficiency

A core message of the session was the practical application of AI to improve client service. Khadeeja demonstrated how AI could assist advisors by analysing extensive client data, generating personalised financial recommendations, and drafting communication templates for sensitive client interactions.

She provided a compelling example of AI analysing income statements and creating a dashboard for a small business owner in under a minute. This task would typically take much longer for even the most experienced advisor.

Key takeaway: AI frees up valuable time by automating time-consuming tasks, enabling you to focus on what truly matters: your clients.

Advisor's Prompt

"Prepare a briefing for my meeting with the Naidoo family. Include portfolio performance, client goals, key discussion points, and talking points on recent repo rate changes."

Remember: Ensure FSCA compliance, consider FAIS Act, offer post-meeting support (e.g., formal proposal, FICA updates)

Portfolio Summary

Return: +3.8% (vs JSE All Share +3.3%)

Top: Naspers +7.2%

Lagging: RSA Govt Bonds +0.3%

Client Goals

- Retire in 15 years (60% progress)
- Fund university for children (ages 10, 13)
- Buy Western Cape holiday home in 7 years

Discussion Points

- TFSA/RA strategy for retirement
- Education savings options
- Impact of recent repo rate hikes
- Mrs. Naidoo's business plans
- Rebalancing needs (local equity, bonds)

Repo Rate Impact

- Bonds: Short-term pressure, long-term yield potential
- Equities: Financials may benefit, tech under pressure
- Property: Potential market slowdown
- Cash: Higher yields for emergency funds
- Debt: Review variable-rate loans
- Rand: Potential strengthening, impact on offshore investments

Performance Comparison



Adapting to change – The Fortune 500 lesson

Khadeeja used the example of Fortune 500 companies, noting that only 10% of those from 1955 remain on the list today. The common thread among those that endured? They successfully adapted to technological change. If we fast forward to the most valuable brands today, we would be tempted to conclude that they are all technology companies. While this is true, the more relevant takeaway is that all these companies deliver indispensable services and products in our daily lives. They also happen to be technology companies. Using technology to make financial advisors indispensable in clients' lives is the objective rather than the technology itself being the focus.

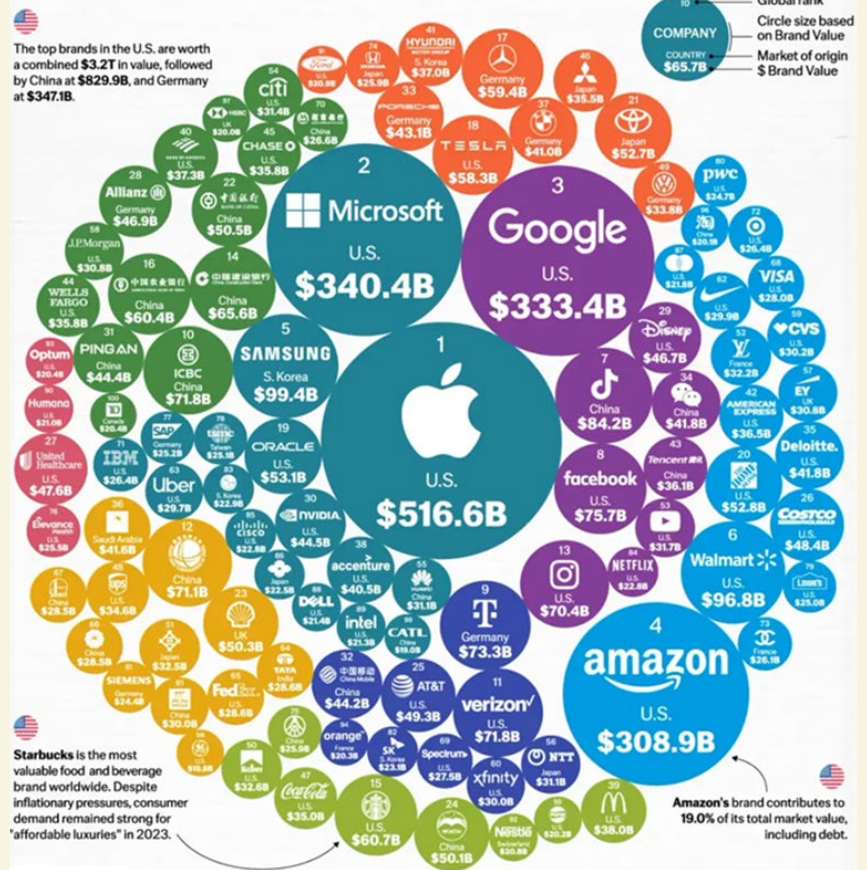
As financial advisors, your ability to adapt - whether by adopting new tools, staying ahead of industry trends, or continuously refining your business model - is crucial for long-term success. The future belongs to those who evolve, and AI is a central component.

Key takeaway: Your willingness to adopt AI will define whether your business survives and thrives in the coming years.

The top 100 most valuable brands 2024

Below, we show the world's most valuable brands based on Brand Finance's Global 500 ranking in 2024.

How is a brand's value determined?



Source: Brand Finance.

Practical steps for AI Integration

Khadeeja offered a clear roadmap for advisors beginning their AI journey. Whether you're an AI enthusiast or already exploring its capabilities, here are practical steps to integrate AI into your practice:

Start small

Experiment with off-the-shelf AI tools like ChatGPT or Claude for research, client engagement, and administrative tasks. Remember not to upload sensitive data into the tools.

Map your workflow

Think about what you are good at and where you have tasks that would benefit from automation. Always remember the importance of 'the human in the loop.'

Focus on value

The off-the-shelf tools excel at creative tasks; coaching is a great example. Asking the question 'What are my blind spots?' when preparing for a client conversation can yield very constructive inputs to build deeper client relationships.

Key takeaway: AI adoption need not be overwhelming—start with small steps and gradually increase your usage as you become more comfortable.

The future is now – don't get left behind

Khadeeja concluded with a clear call to action: AI isn't coming—it's already here. Financial advisors who begin adopting AI today will be positioned as leaders in the industry's future. For young advisors, this is your opportunity to set yourself apart and future-proof your career by embracing AI's full potential.

Take the first step. Experiment with AI. Learn from it. And, most importantly, use it to enhance—not replace—the human touch that makes financial advice so invaluable.

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