

The rise of AI-enabled analytics

How asset managers harness AI to optimize
the development and distribution of products



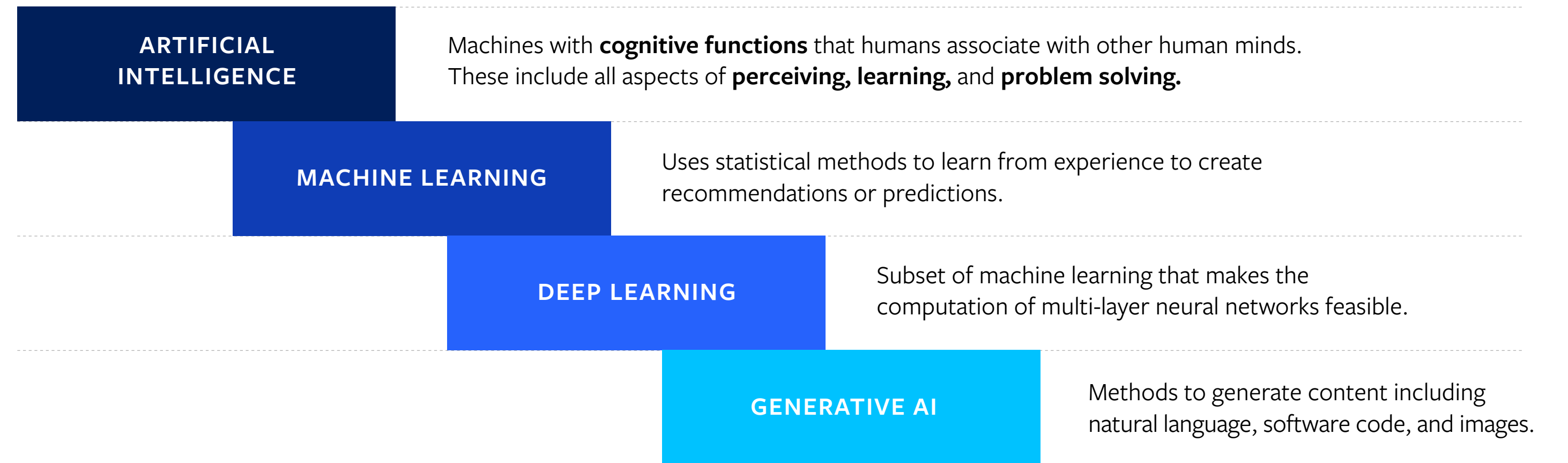
Artificial Intelligence (AI) is a group of different technologies that mimic human minds.

These new technologies are accelerating how businesses can extract value from data and analytics — from the creation of new data through sophisticated deep learning models, to natural language interpretation and generative AI.

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AI is machine processes built from large datasets that mimic the cognitive abilities of human minds. You can think of AI as having three sub-technologies:



AI-enabled analytics are transforming how businesses can extract value from data



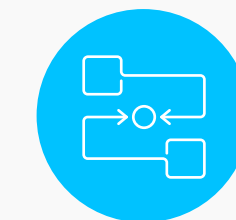
CREATE

AI-driven web scrapers and crawlers like GPTBot have unlocked a new age of data volume and accessibility, while new data harmonization, arbitration, and enrichment capabilities optimize data preparation.



MODEL

Machine learning models, deep learning, and generative AI engines have transformed the accuracy of predictive models, the power of diagnostics, and prescriptive capabilities.



INTERPRET

Generative AI has enabled a new level of data democratization through natural language models such as ChatGPT and Llama2, while at the same time empowering analysts with SQL, R, and Python coding assistants such as Copilot.

AI-enabled analytics are being used to optimize asset management distribution.

Our 2023 [Digital Transformation Study](#) uncovered that firms plan to boost their spending on next-gen technology by more than 20% in the next two years — even in the face of economic uncertainty.

Why? Market leaders see the value of action and the risk of inertia. A full 71% of financial services leaders say AI has significantly changed how they work.

Every day, AI and machine learning evolve to become more intelligent. “We are improving our response to new demands,” noted one CTO. “Now we can create predictive analytics and understand purchasing preferences.”

Distribution life cycle

AI offers tangible solutions to the scale, efficiency, and effectiveness challenges that distribution teams face in building businesses that deliver better outcomes for clients.

“We’ve increased sales effectiveness by 20%.”

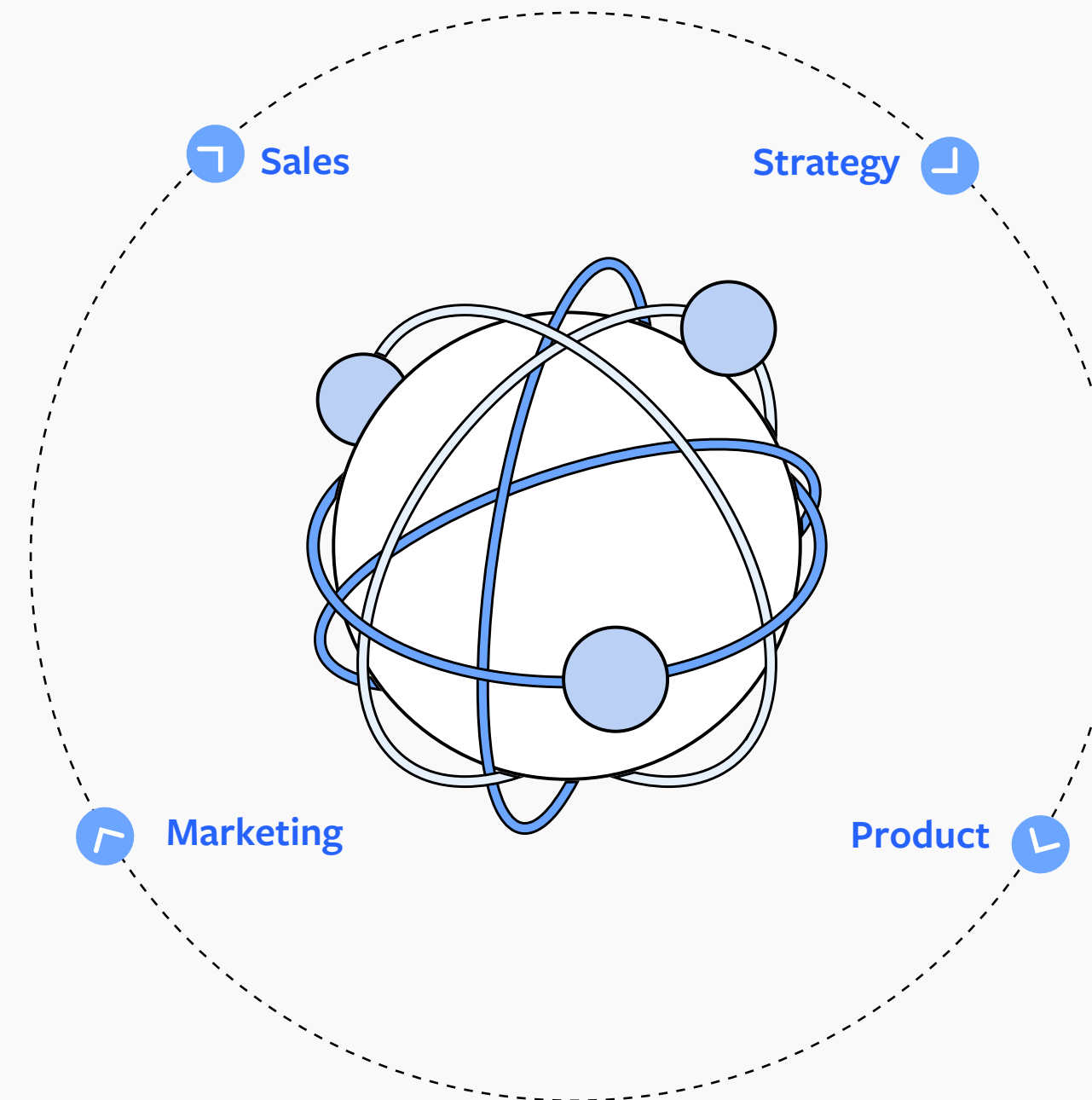
By using sophisticated sales targeting algorithms to identify opportunities and focus messaging on evidenced differentiation.

—Head of U.S. Distribution,
Multi-asset Manager

“We’ve measured an improvement in marketing ROI.”

With personalized and targeted campaigns facilitated by unique investor persona, demographic, and geolocation data.

— Chief Marketing Officer,
European Asset Manager



“We’re now confident in our strategic decision-making.”

Through a new predictive model that has informed new market entry and product development decisions.

— Chief Strategy Officer,
Global Top-10 Manager

“We’ve consolidated our fund range by 15%.”

With predictive models that help us gain confidence in demand and anticipate industry trends.

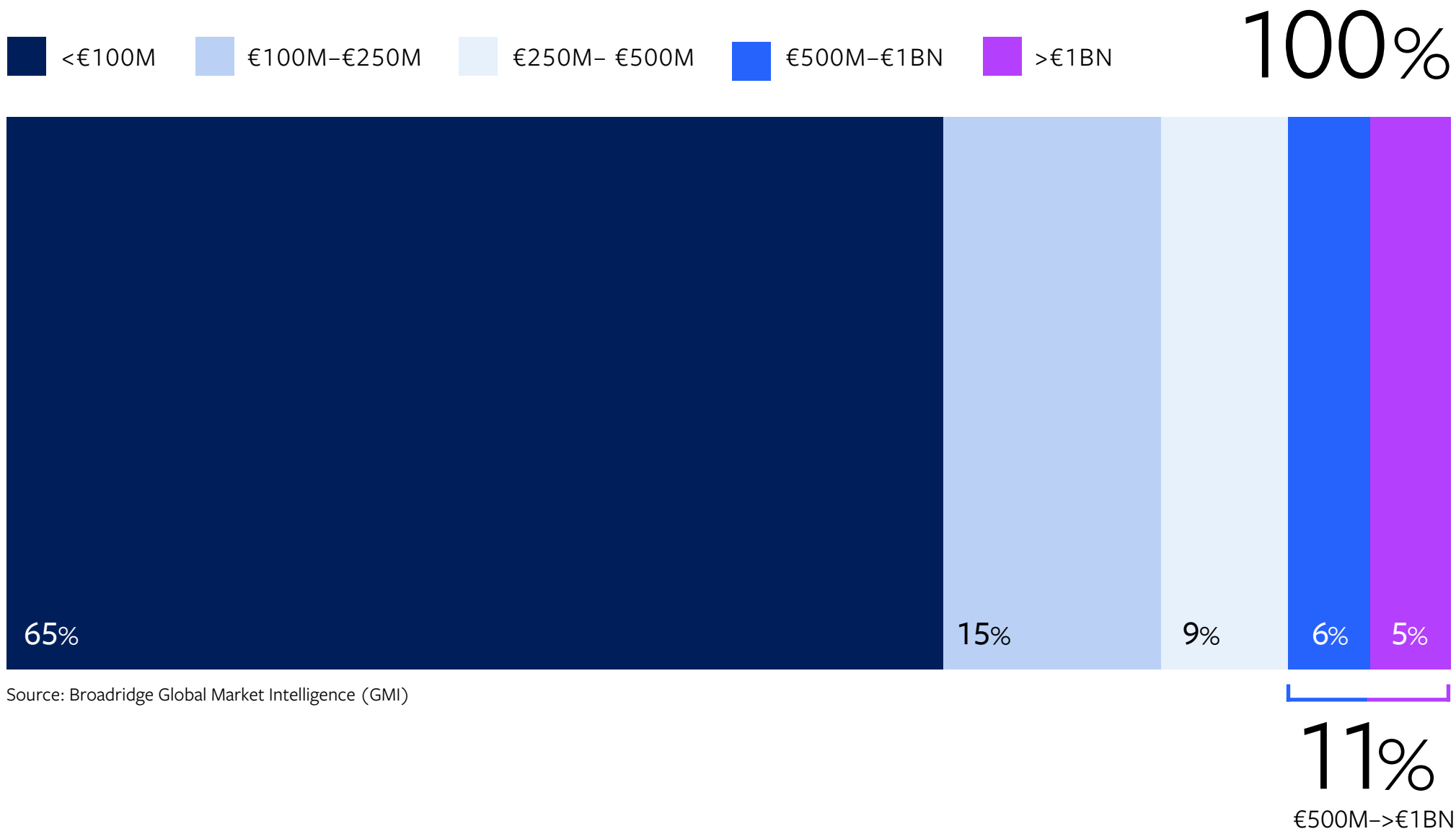
— Head of Product,
Global Fund Manager

Why are AI-enabled analytics a priority for product leaders?

Because launching new products is expensive, and most are not successful.

Successful new product launches can make a huge contribution to overall growth. Yet product and strategy leaders don't have the tools to predict demand with confidence, contributing to poor new product growth performance.

PERCENT OF FUNDS LAUNCHED BETWEEN 2013 AND 2018 BY ASSET LEVEL



Source: Broadridge Global Market Intelligence (GMI)

Of all funds launched between 2013 and 2018, **only 11%** have grown to exceed €500M AUM.

Despite this, **48% of AUM growth** came from new funds (<5 years) over the latest five-year period.

Global Demand Model brings confidence to current and future demand analysis.

Broadridge helps unravel the complexities of demand forecasting. Our innovative application of AI-enabled analytics makes it easy to size global markets, predict shifts in product demand, and measure the business impact of a broad range of hypothetical macroeconomic and capital-markets outcomes.



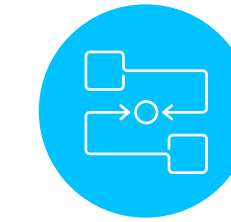
CREATE

- AI crawlers and scrapers
- AI data prep such as watsonx
- AI-automated quality assurance, cleansing, and exception management



MODEL

- Machine learning
- Deep neural networks



INTERPRET

- Generative AI large language models
- Visual analytics

1. TOTAL MARKET SIZING

- Integrated global retail and institutional AUM for true total market coverage of public and private markets
- Harmonized fund and client taxonomies to standardize market sizing by country, fund sector, vehicle, and distribution channel

2. DEMAND FORECASTING

- AI and ML models trained on the most complete set of global retail and institutional assets, flows, and fees
- Three-year forward-looking views of quarterly assets, flows, fees, and revenues across all asset classes and wrappers

3. SCENARIO PLANNING

- Consensus outlooks from leading financial institutions and researchers on GDP growth, interest rate policy, inflation rates, market performance, and more
- Asset management demand scenarios for a range of bull- and bear-market economic conditions accessible through a chatbot virtual assistant and dashboard analytics



CREATE

1. Total Market Sizing

The accuracy of any AI-enabled forecast depends on the quality of the inputs.

Reliable and comprehensive data inputs ensure that models capture the nuances of real-world trends and variations, leading to more precise predictions. Inaccurate or incomplete inputs can introduce biases that undermine the model's effectiveness. High-quality data plays a critical role in producing actionable insights that inform decision-making.

Best-in class data and expert research validation

Proprietary

Broadridge Global Market Intelligence

- Global AUM
- Flows

Broadridge Global Pricing Intelligence

- Fund Pricing
- Fee Revenues

Broadridge Fund Buyer Focus

- Investor sentiment

AI Document and Web Scraping

Third-party

- Regulator data feeds
- Data partners
- Research affiliates



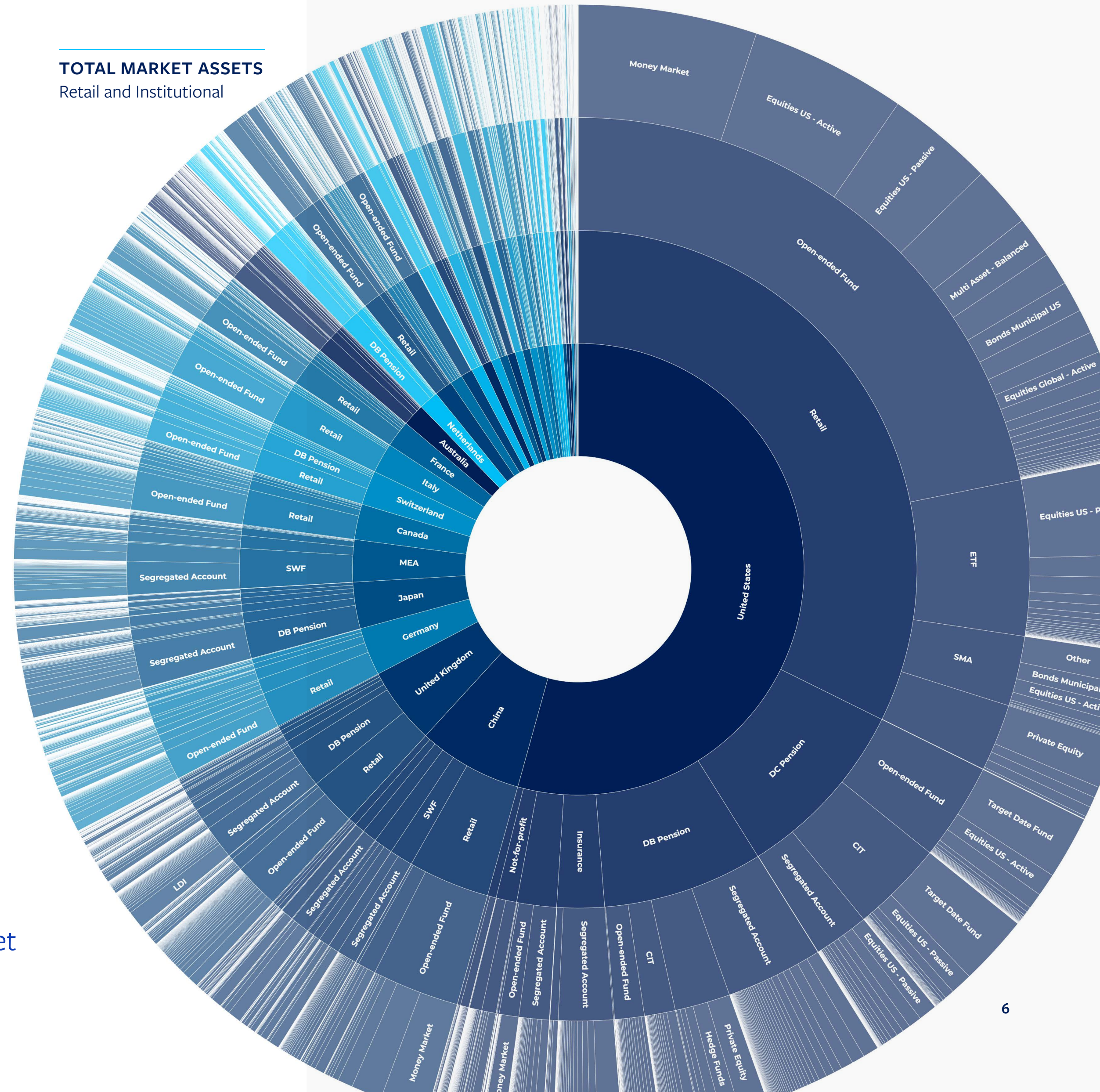
Combined with a bottom-up construction of the industry

- Local consultants and researchers
- Bottom-up market sizing
- Market-specific methodologies
- Expert network verification



Yields the most accurate view of the total addressable market

TOTAL MARKET ASSETS
Retail and Institutional



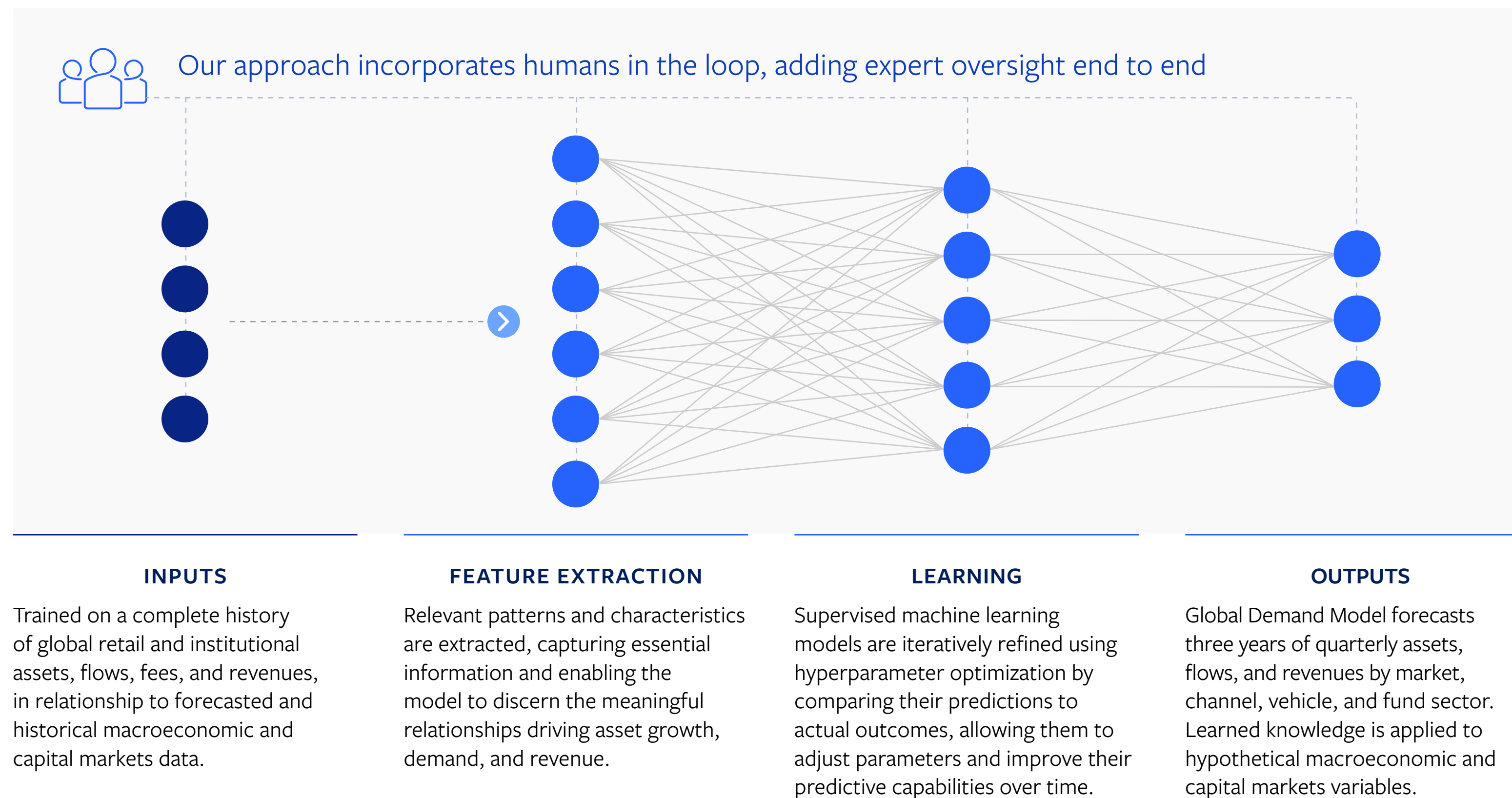


2. Demand Forecasting

Predictive analytics, underpinned by machine learning models, leverage historical data patterns to anticipate future demand trends. These models can decode intricate demand patterns in asset flows by identifying complex relationships hidden in data.

As a result, strategists can illuminate the impact that industry trends and macroeconomic and capital markets forces have on assets, flows, fees, and revenues. This transformative capability enables asset managers to optimize sales, marketing, and product resource allocation to stay ahead of market trends and gain a competitive edge.

Machine learning with human oversight



3. Scenario Planning

Machine learning-powered predictive analytics enable scenario planning to determine how a range of economic and financial market outcomes impact the global demand for asset management products.

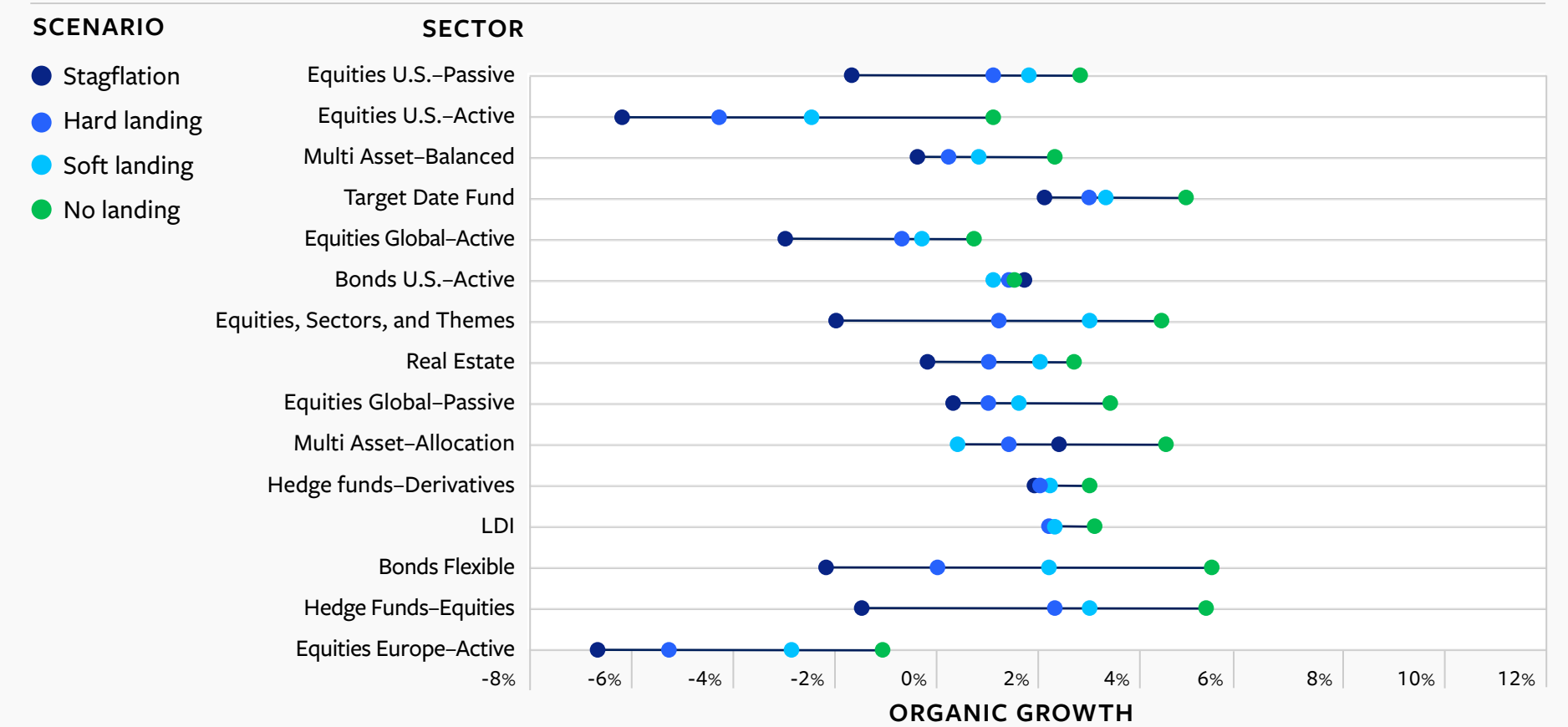
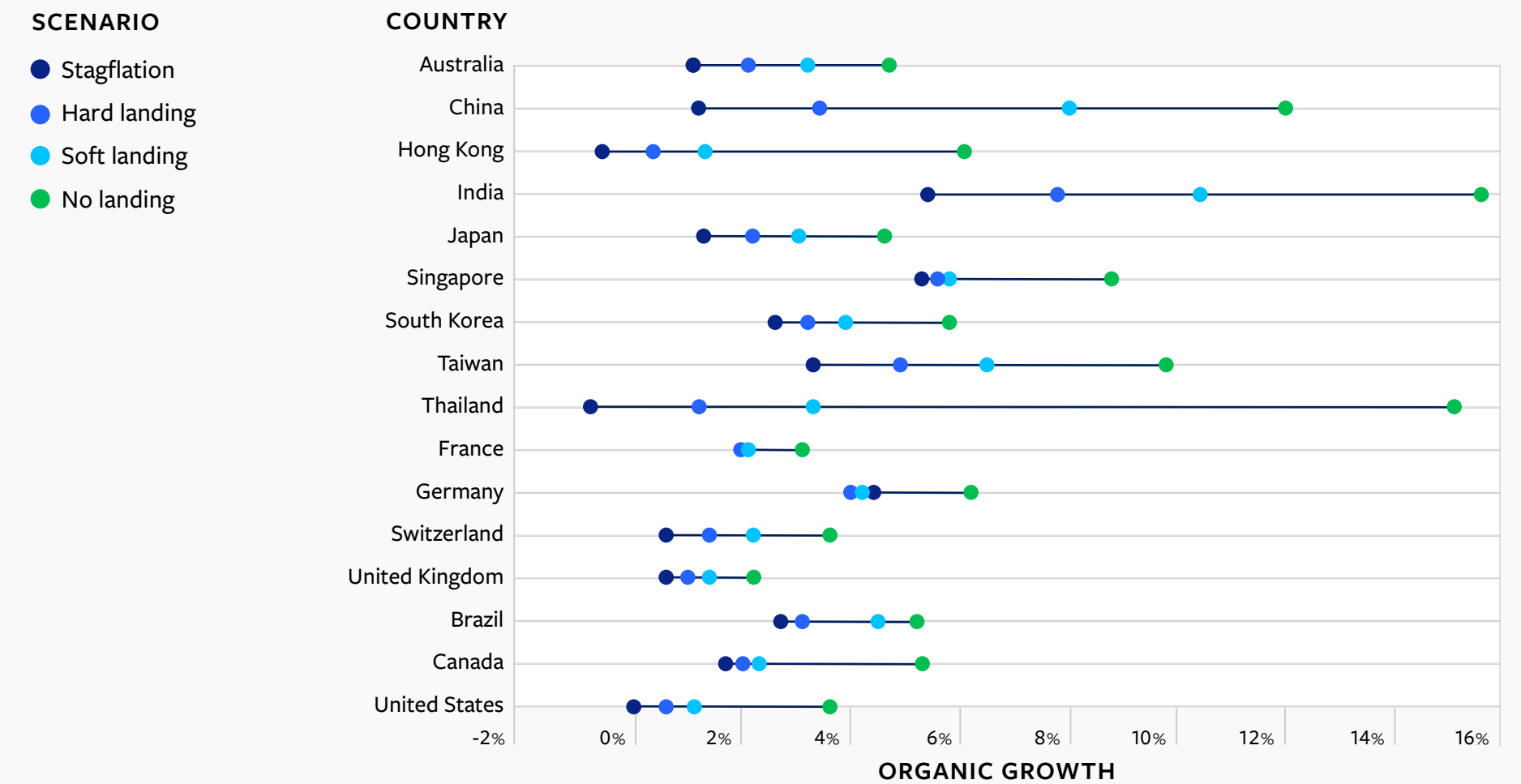
For economically sensitive business models such as asset management, these analytics are particularly effective in revealing high-probability future market rotations. These analytics help product and distribution teams with product placement and enable leadership to make informed decisions around resource allocation and corporate strategy.

An illustration of Global Demand Model in action

Global Demand Model forecasts growth rates and visualizes results across a range of possible outcomes. Each one of the four scenarios reflects the bull- and bear-case scenarios published in the investment outlooks from leading banks, investment houses, and market research firms.

- **Stagflation:** Inflation becomes entrenched, weighing on the economy for an extended period
- **Hard landing:** Inflation is curbed, but results in recession to which policy makers pivot
- **Soft landing:** Higher rates tame inflation, which falls in line with central bank's forecasts without a recession
- **No landing:** Inflation falls more than forecasted and growth surprises to the upside

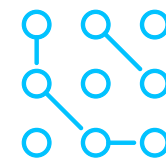
THREE-YEAR ORGANIC CAGR FORECASTS



Translating data into effective action

Large language model interfaces mark a turning point in business intelligence. AI democratizes data and intelligence across critical decision-making functions, enabling efficient interrogation of huge bodies of content, paving the way for better informed decisions, common “truths” and enduring success in a data-centric world.

Our latest innovation — a generative AI large language model called “DistributionAI” — makes insights more accessible than ever.



Data

Extract real-world value

Data inundation is a reality for modern businesses. Extracting value from a sea of information requires efficient tools. Traditional methods fall short as they're time-consuming and lack real-time insights.



Dashboards

Insights at your fingertips

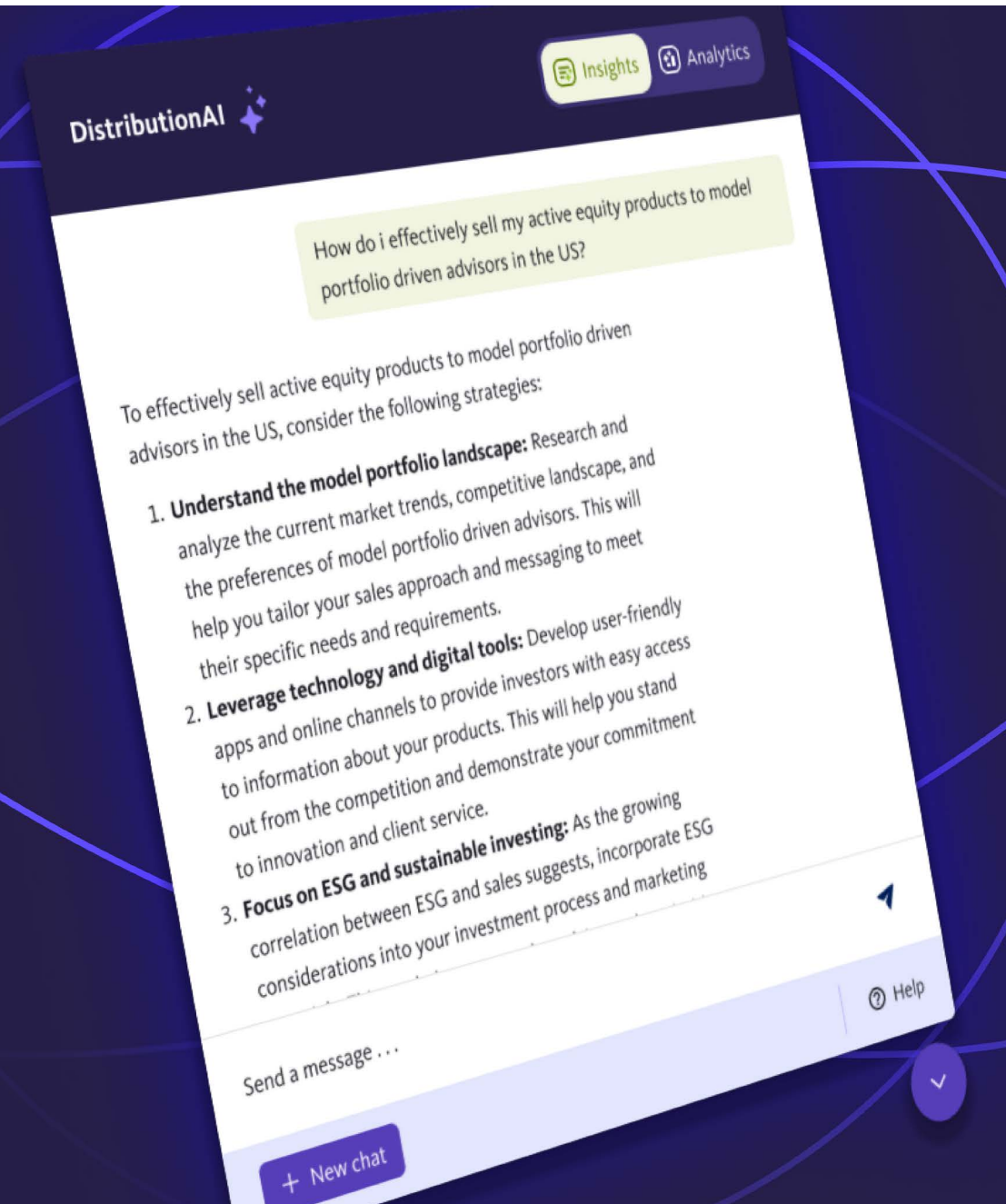
Dashboard analytics bridge the gap. Visual analytics present complex data in easily understood charts, granting instant access to critical KPIs and trends. Interactivity enables quick data exploration, empowering agile decision-making.



Language Models

A new dimension

Large language models add depth. They comprehend and generate human-like text from data inputs. By processing natural language queries, they connect analysts and non-technical users with understandable, contextual insights for unique industry and role-based applications.



DistributionAI is comprised of two knowledge centers: **Insights** and **Analytics**



Explore themes and trends impacting the global asset management industry. Trained on 10 years of proprietary research, hundreds of insights reports, and thought leadership written by our team of experts.



Analytics

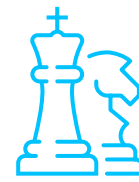


Precision analytics on current and future demand for global asset management products. AUM, flows, and revenues available to members of the new Global Demand Model.



AI-enabled analytics deliver value across the distribution function.

Partner with Broadridge to solve your most pressing distribution challenges with next-gen technology, data, and analytics.



Strategy

Predictive demand models build confidence in strategic decision-making, new market entry, and organic and inorganic growth opportunities.

Generative AI agents democratize critical market intelligence with a natural language interface.



Product

Forecasted asset flows provide a quantitative and systematic approach to analyzing the impact of market, economic, and industry trends.

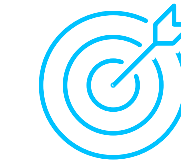
Sophisticated pricing analytics support effective pricing decisions and measurement of value with accurate benchmarking, and measurement of competitive precedent, sensitivity, elasticity, and opportunity cost.



Marketing

Brand and sentiment tracking provides critical marketing ROI analysis, client risk analysis, and a deeper understanding of the client experience.

End-investor demographics and personas, allied with a deep understanding of investor needs by life-stage and financial conditioning, that improve campaign messaging and design.



Sales

Sales opportunity targeting algorithms identify top prospects, prioritize leads, and position funds against the competition with wholesaler-friendly workflow tools.

Advisor scoring and segmentation models define ideal advisors to target based on unique advisory intelligence and key engagement and sales activity metrics.

➤ Your competitors are tapping into the power of AI-enabled analytics. Learn how Broadridge can help put you on top.
DistributionInsight.Broadridge.com

Broadridge Financial Solutions (NYSE: BR), a global Fintech leader with over \$6 billion in revenues, provides the critical infrastructure that powers investing, corporate governance, and communications to enable better financial lives. We deliver technology-driven solutions that drive business transformation for banks, broker-dealers, asset and wealth managers and public companies. Broadridge's infrastructure serves as a global communications hub enabling corporate governance by linking thousands of public companies and mutual funds to tens of millions of individual and institutional investors around the world. Our technology and operations platforms underpin the daily trading of more than \$10 trillion of equities, fixed income and other securities globally. A certified Great Place to Work®, Broadridge is part of the S&P 500® Index, employing over 14,000 associates in 21 countries. For more information about us, please visit Broadridge.com.

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