

How artificial intelligence is shaping asset management



Contents

Executive summary	3
Survey overview	4
AI integration in the investment process	5
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Nature of AI capability	7
Resourcing dedicated to AI development	9
Benefits observed from AI integration so far	10
Main barriers to further AI adoption	11
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Conclusion	13

Executive summary

This white paper summarizes the results of a Mercer survey of 131 asset managers conducted in February 2026 on how artificial intelligence (AI) is being integrated into the investment process. According to the survey findings, the industry is in an active early-adoption phase: more than half of firms report live AI integration in at least one strategy, and a substantial cohort reports pilot or proof-of-concept activity. Firms report the strongest measurable benefits in operational efficiency and in the speed/quality of insights, rather than in improved returns or risk reduction.¹

AI adoption today is concentrated in idea generation, processing unstructured data, and signal generation. For trade execution and portfolio construction, AI utilization remains uncommon. The primary barriers to AI adoption are data quality/access, regulatory and compliance concerns, and systems integration. Respondents identify data governance and system-level risks (including herding) as the most significant regulatory blind spots.

Key findings:

55%

report AI is integrated in at least one of their strategy's investment processes

18%

have not yet integrated AI into any part of their investment process

91%

plan to increase their use of AI in the next 12 months

69%

report data constraints as a significant barrier that prevents further AI adoption in their investment process

73%

are using AI for operational efficiency in their existing teams (for example, automating routine tasks)

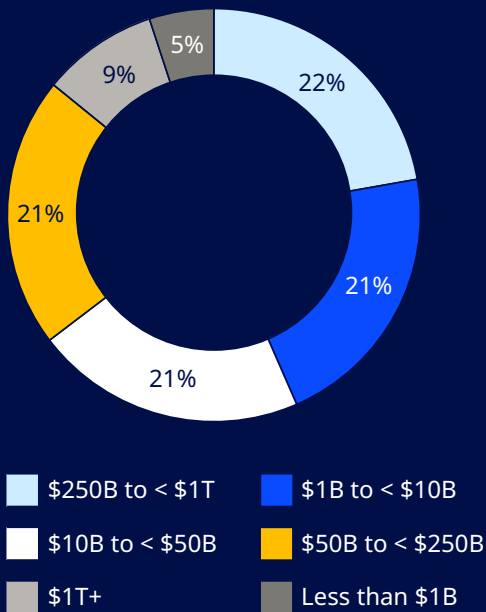
28%

have internally developed AI models

Survey overview

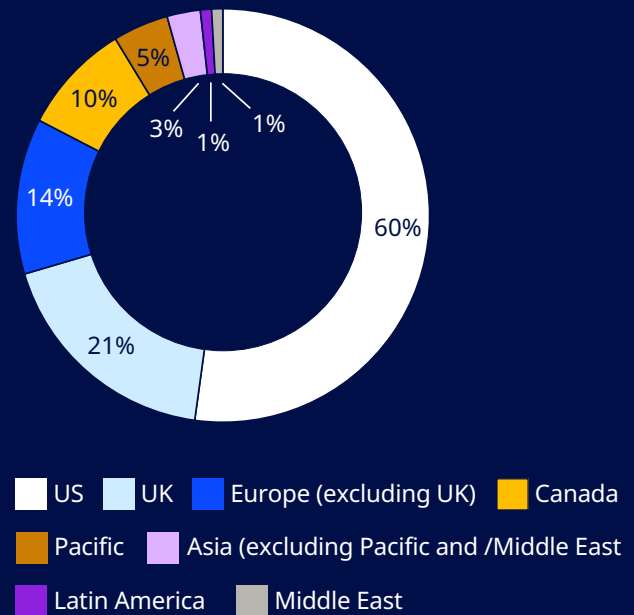
The Mercer 2026 AI in Asset Management Survey was conducted via an online survey in February 2026. Responses were provided by 131 asset managers from across the world.

1. Firm-size distribution by assets under management USD\$, as at December 31, 2025



Source: Mercer, Artificial Intelligence Asset Manager Survey, February 2026

2. Respondents' headquarters location



Source: Mercer Artificial Intelligence Asset Manager Survey, February 2026

Respondents were asked about the AI integration stage, use cases across the investment lifecycle, the nature of AI capabilities, resourcing, data inputs, measurable benefits, staff education, barriers, and regulatory blind spots.

AI integration in the investment process

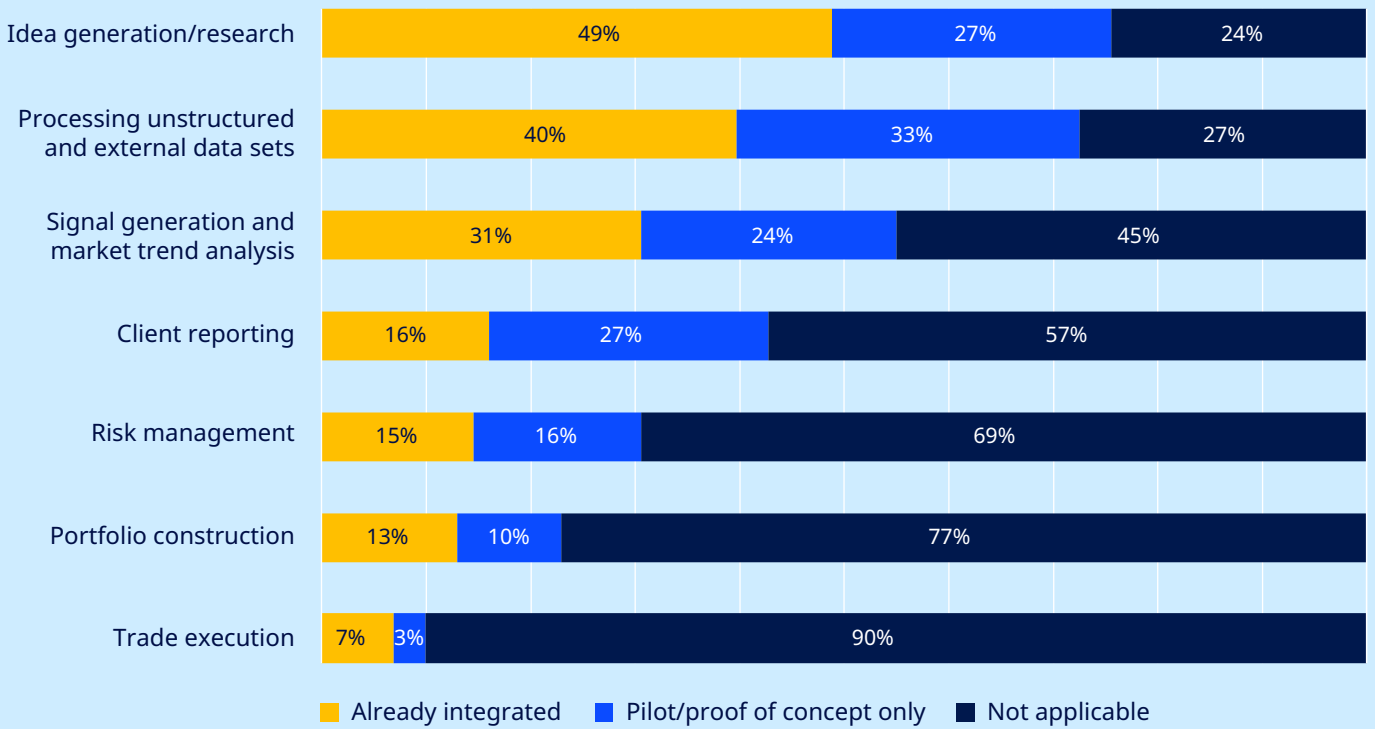
Artificial intelligence has arguably become an essential component of our daily lives, and asset management firms are no exception to this trend. The adoption of AI is no longer merely a trend that firms follow to maintain market presence. Rather, we believe it has become a decisive factor for operational efficiency and faster decision-making. The primary objective of this survey was to gain insight into how asset management firms are presently incorporating AI into their investment processes.

The asset management industry is in an active early-adoption and scale-up phase: 55% of firms have integrated AI in at least one strategy's investment process, and 27% of firms have integrated it as a pilot or proof of concept. The balance of 18% of firms have not yet integrated AI. We asked all firms whether they plan to increase AI use in the investment process, and 91% said they do, so we would expect the 18% figure to decrease significantly over the next 12 months.

In terms of the areas of the investment process that currently use AI, the chart below shows that current deployments are concentrated on upstream, research-oriented workflows and on unlocking value from data. Among the areas that remain nascent in AI adoption are trade execution and portfolio construction.



3. Areas of the investment process that use AI currently



Source: Mercer Artificial Intelligence Asset Manager Survey, February 2026

Nature of AI capability

AI is being used predominantly to seek improvements in productivity and augment human decision-making (co-pilot).

73% of firms are using AI to improve operational efficiency within their existing teams (for example, automating routine tasks), while 68% of firms go beyond that, using AI as a partner in the investment process (for instance, providing insights and analysis). Few firms (only 5%) entrust AI with autonomous or semi-autonomous decision authority in investment decisions such as trade or investment recommendations.

73% of firms are using AI to improve operational efficiency within their existing teams

The market currently relies heavily on vendor solutions, with 63% of firms using off-the-shelf AI tools and 51% of firms applying proprietary tuning to vendor models. Fully in-house platform builds are less common (28%), reflecting cost,

complexity, and speed-to-market considerations. Only 9% of firms are currently operating a fully proprietary AI platform. While understandable from a resourcing and cost perspective, this does potentially raise the issue of vendor (and perhaps even model) concentration risk (identified as a concern by 9% of respondents — see page 12)

4. Nature of AI capability (multiple answers permitted; percentages based on the total number of asset managers)

We use vendor/off-the-shelf AI tools

63%

We use vendor tools with proprietary tuning or custom model configurations

51%

We have internally developed AI models

28%

We operate a fully proprietary AI platform/architecture

9%

Source: Mercer, Artificial Intelligence Asset Manager Survey, February 2026



In terms of the types of data used by asset management firms in their AI models, unstructured text has emerged as a major input alongside traditional time-series and fundamental data. Firms blend internal and vendor feeds, and a meaningful minority uses alternative data.

5. Data types used in AI models (multiple answers permitted; percentages based on the total number of asset managers)

Unstructured text and transcripts

68%

Traditional financial data (prices, fundamentals)

66%

Proprietary internal data

61%

Vendor provided data

58%

Alternative data (satellite, social media, ESG, for example)

41%

Other

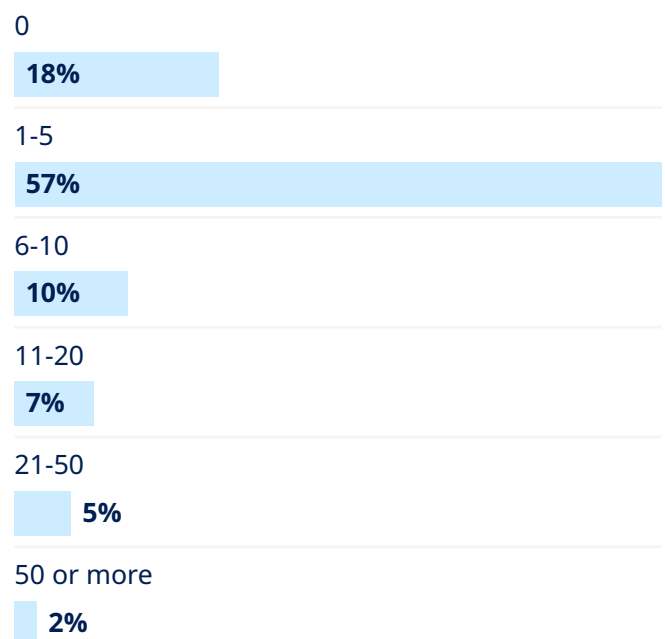
4%

Source: Mercer, Artificial Intelligence Asset Manager Survey, February 2026

Resourcing dedicated to AI development

According to the survey results, most firms' organizational structures include small, focused AI teams embedded within investment functions. 57% of firms report one to five full-time employees (FTEs) dedicated to AI work within investment teams. This suggests that many AI initiatives are pragmatic, use-case-led and may rely on vendor partnerships or centralized IT support.

6. Number of FTEs dedicated to AI development, implementation, or oversight



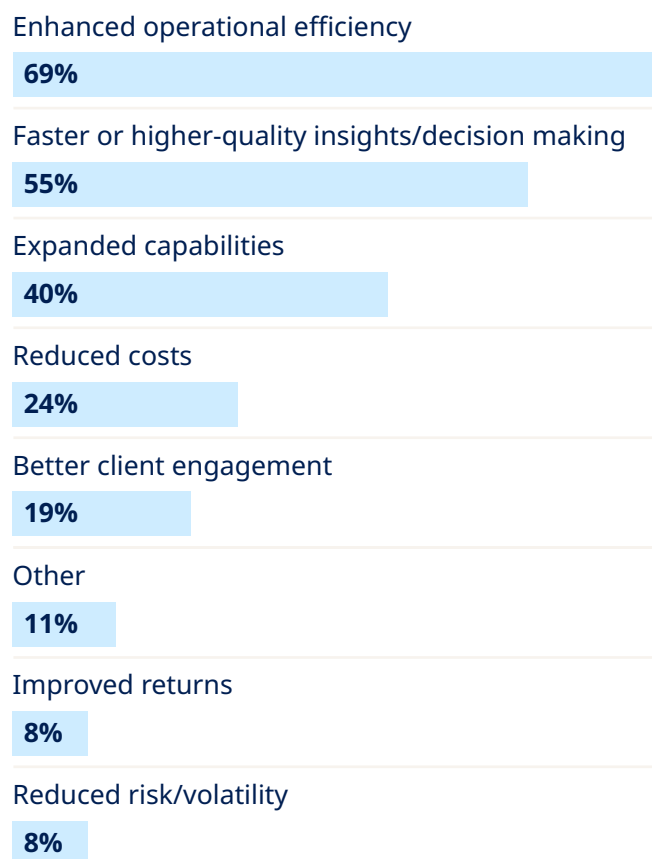
Source: Mercer, Artificial Intelligence Asset Manager Survey, February 2026

Regarding employee education and capability building, 56% of firms have a dedicated platform or program to educate existing employees on utilizing AI in their respective roles. Firms recognize that adoption requires cultural and capability shifts and some are investing in training and upskilling.

Benefits observed from AI integration so far

Firms have started to evaluate their use of AI. The clearest measurable gains so far are reported to be efficiency (69%) and improved insights (55%). Evidence that AI has improved investment returns (8%) or reduced portfolio volatility (8%) is limited among respondents to date.

7. Measurable benefits observed from AI integration so far (multiple answers permitted; percentages based on the total number of asset managers)

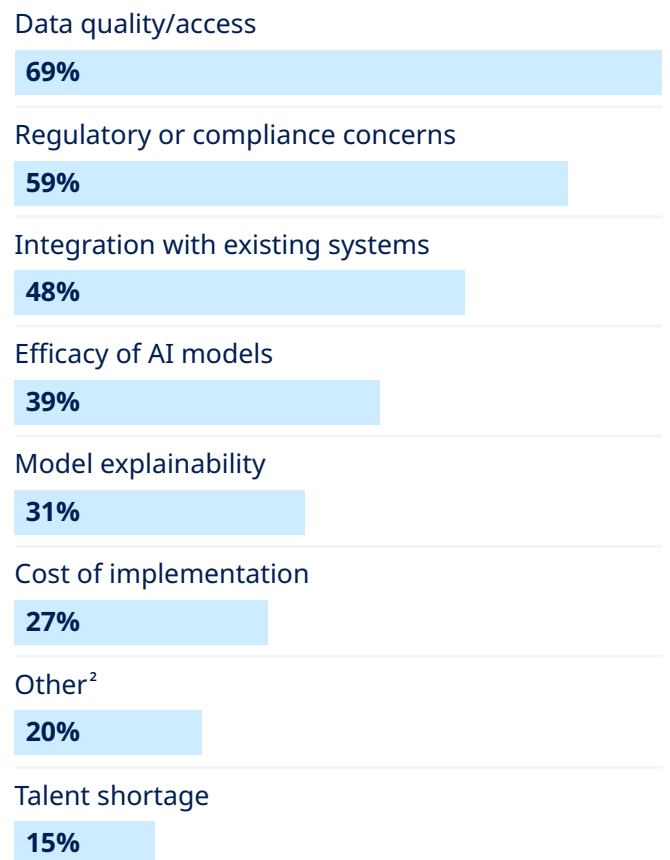


Source: Source: Mercer, Artificial Intelligence Asset Manager Survey, February 2026

Main barriers to further AI adoption

There are still several barriers that prevent firms from further adopting AI in their investment processes. Data constraints and regulatory concerns are the dominant frictions, with 69% and 59% of firms reporting so, respectively. Systems integration and trust in model outputs are material. Firms also point out the cost of implementation and security concerns, as well as talent shortages, but this is a less frequently cited concern, likely reflecting vendor usage or targeted hiring.

8. Main barriers to further AI adoption in the investment process (multiple answers permitted; percentages based on the total number of asset managers)

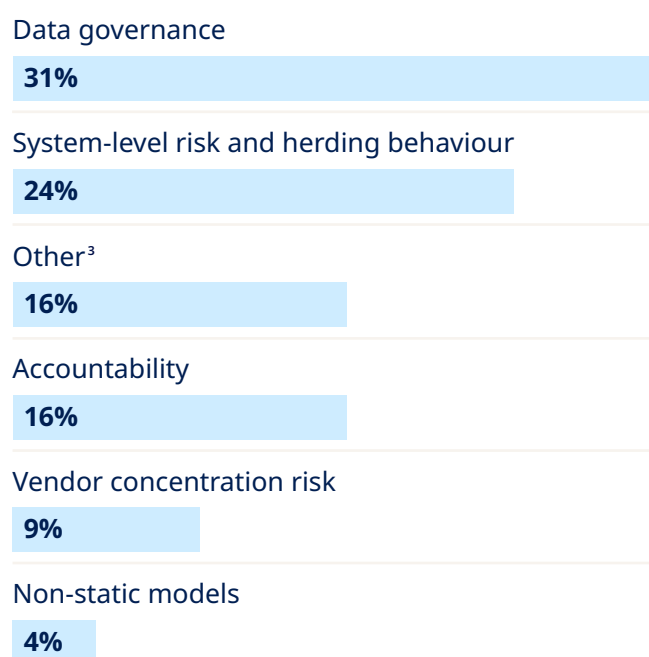


Source: Mercer, Artificial Intelligence Asset Manager Survey, February 2026



In terms of the largest regulatory blind spots in how AI is being used in the investment industry today, firms are concerned that current regulatory frameworks may not adequately cover data governance or system-level risk and herding behaviors. Accountability, vendor concentration risk, and transparency are also relevant blind spots highlighted by firms.

9. Largest regulatory blind spots in how AI is being used (multiple answers permitted; percentages based on the total number of asset managers)



Source: Mercer, Artificial Intelligence Asset Manager Survey, February 2026

Conclusion

The survey shows asset managers are in an active early-adoption phase with AI: a majority have integrated AI into at least one strategy, and most plan to increase use.

Adoption is concentrated upstream — in idea generation, processing unstructured data, and signal generation — where measurable gains have so far been strongest in operational efficiency (reported by roughly seven in 10 firms) and faster, higher-quality insights (reported by more than half). By contrast, trust in AI to make autonomous investment decisions remains limited.

Implementation patterns are pragmatic and vendor-led. Most firms rely on off-the-shelf tools, with around half applying proprietary tuning to vendor models. Only a small minority operate fully proprietary platforms. Small, embedded AI teams are common, and unstructured text alongside traditional financial and internal data dominate model inputs. The principal frictions to broader adoption are data quality and access, regulatory and compliance concerns, and systems integration. At the same time, firms flag data governance and system-level risks (including herding) as prominent regulatory blind spots.

Among other initiatives in the investments business, we are developing an AI-powered manager research tool to streamline the processing of structured and unstructured data and support the drafting of research documents for both investment and operational due diligence. Consistent with the majority of respondents, our approach layers proprietary

tuning on top of a vendor model, using Mercer's historical research and due diligence guidance, reflecting the prevalent “co-pilot” role AI plays in practice and helping ensure that the Mercer research DNA remains central to our work.

In addition to the manager research tool, Mercer is embedding new AI-enabled operating practices into our colleague workflows across our businesses, with the intention to help enable our specialists to focus their time on high-impact judgement, interpretation, and client partnership.

We also have a strong focus on training, with dedicated training modules and cross-team working groups encouraging the use of AI and providing guidance to the broader team on use cases.

Taken together, the evidence from the survey leads to three clear findings. First, AI today is principally an augmentation tool that could support productivity and insight rather than a source of autonomous investment decision making. Second, the dominant adoption model is vendor-centered, with proprietary adaptations and modest team resourcing. Third, achieving broader adoption may depend on addressing data quality, governance, and system-level risks as education and integration scale across firms.

Methodology

The Mercer 2026 AI in Asset Management Survey was conducted via an online survey in February 2026. Responses were provided by 131 asset managers from across the world. It is important to recognize that survey results are subject to inherent limitations and uncertainties. The survey results may not capture all relevant factors or market conditions. We gathered information through a request sent to our extended network of manager relationships. It is important to note that respondents did not receive any form of compensation to complete the survey.

Endnotes

- 1 All responses are sourced from Mercer's Artificial Intelligence Asset Manager Survey conducted in February 2026, based on responses from 131 participants. Responses were provided by global asset managers. It is important to note that the participants did not receive any form of compensation. It is important to recognize that survey results are subject to inherent limitations and uncertainties. The survey results may not capture all relevant factors or market conditions. These results should not be construed as personalized investment advice.
- 2 Other: Security and privacy concerns, governance and organizational readiness, culture, tracking and meeting changing regulatory requirements, applicability as a "judgment tool," addressing infrastructure (data platforms, API frameworks), constrained resources (small AI team), difficulty embedding AI into business processes, bandwidth, hallucinations, and more.
- 3 Other: Regulatory concerns, many different AI regulations globally, mix of emerging risks, accountability, transparency, confidentiality and privacy risk, accuracy risk, bias risk, intellectual property risk, vendor concentration risk, lack of clear disclosure requirements for AI use, distinguishing between operational efficiency tools investment decision support, and more.

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