

Transformative Effects of Technological Advancements on Mutual Fund Advisory Services

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Abstract

This study offers an extensive review of existing literature and leverages secondary resources to investigate the impact of technological advancements on mutual fund advisory services. The research delves into the roles of AI, machine learning, and robo-advisors, drawing from scholarly articles, industry reports, and market analyses. Key findings highlight significant changes in advisory practices, such as the automation of routine tasks, enhanced data analytics capabilities, and the development of personalized investment strategies through AI. Additionally, the emergence of robo-advisors has democratized advisory services, making them more accessible to individuals with smaller account balances by offering lower-cost options to a wider audience. However, the study also uncovers challenges associated with these technological innovations. Issues include potential biases in AI systems, cybersecurity threats, and the imperative for advisors to continually update their technological skills. The research underscores that while technological advancements are crucial for the ongoing evolution of mutual fund advisory services, the benefits and efficiencies provided by technology must be balanced with human expertise to ensure sustained success. The study suggests that future research should focus on the primary validation of these findings through real-world data collected from advisors and clients. This could provide deeper insights into the practical implications and effectiveness of these technological advancements in the advisory field. Ultimately, the integration of technology and human expertise is essential for optimizing mutual fund advisory services, ensuring they remain effective and accessible in an increasingly digital landscape.

Keywords

Mutual Fund Advisory, Robo-advisors, Fintech, Industry Disruption, Artificial Intelligence