



FIN 377 - Investments

Group AI Assignment 5

Future AI Trends in Financial Investments

This AI assignment must be done as a group, and all group members (unless there are unusual circumstances) will receive the same grade. The assignment must be uploaded to the D2L folder by the due date listed on the course schedule. Use the following title: "FIN 377 AI Ass. 5, Group X". Upload ONLY ONE assignment per group. All prompts (including the names of the AI models used) and (unedited) completions should be included in an appendix.

AI Assignment 5: Future AI Trends in Financial Investments

Assignment Overview

For this assignment, you will research and analyze the current state and future potential of artificial intelligence (AI) in the domain of financial investments. Your goal is to produce a comprehensive report that explores how AI is being used today to inform investment decisions and strategies, as well as how AI may shape the future of investing in the coming years.

Key Topics to Cover

1. **Current Applications:** Investigate and describe how AI and machine learning are currently being utilized by investment firms, hedge funds, and other financial institutions to analyze markets, identify investment opportunities, and manage risk. Provide specific examples of AI-powered tools and platforms.
2. **Emerging Trends:** Identify the most promising emerging trends and research directions in AI for financial investments. This could include advancements in

areas like deep learning, reinforcement learning, natural language processing, sentiment analysis, and algorithmic trading.

3. **Potential Impact:** Analyze the potential future impact of AI on the investment industry. How might AI change the way investment decisions are made? What are the possible implications for human investors and financial advisors? Could AI democratize access to sophisticated investment strategies?
4. **Challenges and Risks:** Discuss the key challenges and risks associated with relying on AI for financial investments. Consider issues like data quality, algorithmic bias, model interpretability, market volatility, and the potential for AI-driven market instability.
5. **Regulatory Landscape:** Examine the current and potential future regulatory environment surrounding the use of AI in financial services. How are regulators approaching this issue globally? What new regulations or guidelines might be needed?
6. **Ethical Considerations:** Explore the ethical implications of AI in financial investments. How can we ensure AI is used responsibly and aligns with human values? What safeguards are needed to prevent unintended consequences?