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Asia Quantitative Strategy

China Next Winners: China's AI-Native Asset Managers...Leading the Next Frontier of Enterprise AI Architecture



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This report is part of a series on China Next Winners in which we identify the next generation of industries and corporate winners in China.

China's asset management AI adoption has some distinct features: 1) The AI adoption globally has been slow and gradual since 2023 while in China, the adoption was fast-paced post the 'DeepSeek' moment, 2) China's open weight model ecosystem was a game changer leading to localized deployment and emergence of an advanced Enterprise AI stack vs. preference towards closed/frontier models in global enterprises and build vs. buy debate, 3) Chinese regulator released the most detailed guidelines seen globally on how AI should be deployed at asset managers vs. global regulations that have been more principle-based, 4) Chinese incumbent data providers quickly adopting AI and now MCP flexibility unlike global incumbents that largely remain closed.

China asset managers-The fastest AI maturity cycle and setting the standard for the next-gen Enterprise AI architecture: China asset managers quickly moved from AI augmentation in 2025 to building full AI stack within a year, driven by private model deployment, proprietary knowledge base and multi-agent workflows. We see a shift from IT led centralized AI to business led decentralized approach and a migration from prompts to agent/skill ecosystem. The idea of 'Enterprise Brain' is taking hold, with private AI deployment as the dominant stack, over-layed with public cloud deployments for non-sensitive data. We see interesting use-cases such as - 1) Smart Office Platform with MCP/ Skills/Agent centers, 2) AI workforce from AI secretaries to AI disclosure guardian to AI researchers, and 3) Agents being designed for "active listening" and "authentic empathy".

Chinese quant funds, the clear early winners-China quant funds have been at the forefront of AI development with the first breakthrough model, DeepSeek originating from a quant firm (High Flyer). Their advanced AI use led to 20% outperformance in 2025 which led to quant AUM more than doubling in a year to RMB 2.6tr (382bn USD). Quant funds are also leading with cutting edge AI use cases such as 1) End to end deep learning architecture that transforms market data into return forecasts, portfolio weights and execution decisions with reinforcement learning embedded in portfolio construction, market timing and dynamic exposure management, 2) AI-led global macro strategy where LLMs compress large volumes of structured/unstructured macro information to identify nonlinear mappings between asset prices and information, 3) Sentiment & behavioral analysis from social media data, news, transcripts, investor behavior and voice tone.

Investors AI toolkit & the regulatory landscape: While most big asset managers rely on their internal AI stack, the large incumbents such as Wind, iFinD and East Money remain equally relevant due to their sophisticated AI/MCP offerings. AlphaPai, AlphaEngine, DataYes and AI Jinbao are the dominant vertical AI tools while Kimi is emerging as the preferred AI lab tool for analysts. HK based investors also use Perplexity, Manus and Hermes agent actively. AMAC has now released clear six layer regulatory guidelines for how funds should build AI infrastructure, manage data, deploy models, develop AI applications, create scenario applications and manage security.

See the Disclosure Appendix of this report for required disclosures, analyst certifications and other important information. Alternatively, visit our Global Research Disclosure Website.

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DETAILS

Over the past 1yr, we have done a lot of work on AI in asset management, however, the core focus has been global funds. In this report, we do a deep dive on China's asset management industry to show where they are in their AI journey, how similar or different it looks to their global peers and what is the path forward.

Key takeaway-China's asset management industry has undergone a rapid AI led transformation, catalyzed by DeepSeek's model innovation which moved funds from experimental pilots in 2023-2024 to deep workflow integration by 2026. We find bigger China funds quite advanced in their Enterprise AI journey and their quant funds leading in terms of AI led strategies beating markets. China's open weight model ecosystem, we believe was a game changer leading to private/localized deployment of AI and a preference towards building a solid AI stack internally. Chinese regulator also seems to be ahead in presenting the most detailed guidelines seen globally on how AI should be deployed at asset managers. Chinese investor toolkit also looks somewhat different to what we see globally, led by a more flexible approach by incumbents, a strong open weight model ecosystem and increased focus on agentic platforms. We discuss each of these in detail below.

EXHIBIT 1: **Gen AI in Asset Management in China – Key Differentiation vs. Global Peers**

	China	Global
Model usage	China AI adoption driven by open weight models such as DeepSeek, Qwen, Kimi, GLM etc.	Global asset managers predominantly use frontier models such as ChatGPT, Claude, Gemini. No clear Enterprise shift towards China open weight models
Pace of adoption	AI adoption started slowly around 2024 but saw massive jump after "DeepSeek" moment. By 2026, the depth of AI adoption was deep	Big global asset managers started AI journey since 2023 but the adoption has been slow and gradual.
Enterprise AI architecture	Advanced architecture with shift from IT led to business led, prompts to skills/agents center, Enterprise brain and smart platforms	Big funds have central AI strategy with change management but still largely IT led. The shift towards Enterprise skills/brain not that prominent
Deployment architecture	Open weight ecosystem made private deployment the preferred choice. Public cloud deployment only for non-sensitive data layer	Build vs. buy has been an active debate. Big Enterprises building internally but primarily on frontier models. Hybrid approach now dominant
AI Tool Ecosystem	Internal AI platforms dominant. Incumbents like Wind/iFinD more sophisticated AI & flexible (MCP). Dominant vertical tools limited to few players	Copilot/ChatGPT/Claude as top Enterprise tools. Vertical tools like AlphaSense, Rogo, LinqAlpha showing strong growth. Incumbents slow & closed
Regulatory landscape	Asset Management Association of China (AMAC) released extensive guidelines in Apr 2026 for AI application in asset management	No descriptive guidelines. Most global regulations are principle based.EU AI act binding but not specific to asset managers

Source: Bernstein analysis

Recent Related Research

Gen AI in Asset Management: Intelligent Capital (BlackBook)

Gen AI in Asset Management: Chat with CTO & COO of Aiera - Key Takeaways & Replay

Gen AI in Asset Management: Chat with Perplexity - Key Takeaways & Replay

Gen AI in Asset Management: Is AI making markets more or less efficient?

Gen AI in Asset Management: Key takeaways from our Future of Tech Conference in Singapore

Gen AI in Asset Management: Artificial Intelligence.... Sooner or Later- Quantifying AI spend, efficiency & margin upside by 2030

Future of Tech: Gen AI in Asset Management...The AI-Native Asset Manager of 2030

Gen AI in Asset Management: Key takeaways from our Gen AI Symposium in London

Gen AI in Asset Management: Key takeaway from our Gen AI Symposium in HK

Gen AI in Asset Management: 10 key trends to watch-out for in 2026

GEN AI ADOPTION WITHIN CHINESE ASSET MANAGERS

Since 2025, China's fund-management industry has moved rapidly from Gen AI experimentation towards structured, production deployment, supported by a growing ecosystem of open weight models. The AI adoption journey within Chinese funds started in 2024 with DeepSeek's v1 models which were being used for code writing as one of the earlier use-cases. Bosera Fund, was one of the initial adopters of the DeepSeek-v1 model which was deployed on its own Ascend server as the foundational model for the company's intelligent development tools, and upgraded to the DeepSeek-v2 model in August 2024. E Fund also began integrating DeepSeek's V2 SaaS model service in May 2024. However, it was post DeepSeek R1 model release in January 2025, that the adoption within the financial world made a huge leap and many prominent funds started highlighting the improved efficiency through the use of AI. In March 2025, a major financial news report (see - here) highlighted examples of AI adoption cited by fund houses, which we share below:

- Xingzheng Global Fund's self-developed AI trader "Xingbao" (兴宝) lifted trading efficiency by over 30% and its DeepSeek +Word plugin cut document-processing time by 50%.
- Huitianfu Fund achieved 96%+ accuracy extracting bond ledger data and raised code-assistant adoption from 3% to 10%.
- Wanjia Fund built a proprietary "WanChat" platform binding DeepSeek's 32B local model to investment-research decision support and customer interaction experience.
- Southern Fund deployed DeepSeek 671B and 32B models locally connecting to the company's office assistant and tech assistant
- Yongying Fund used DeepSeek for Q&A, built unstructured trading data scenarios and AI document assistants
- Nuoxin Fund launched 'Nouxin AI Assistant' for investment research analysis, customer service and risk management

By 2026, the industry showed tremendous progress - a recent China Fund news article (see here) presented survey results of 20 leading public funds AI deployment done by China Fund Journal reporters. Research highlighted that Chinese funds have shown a mindset shift from using AI as augmentation tool to re-imagining business processes/functions through AI with increased focus on agentic workflows. While all leading funds have deployed AI, the depth and breadth of AI usage differs. Leading funds such as E Fund, Huitianfu Fund, Southern Fund and Harvest Fund, Fullgoal etc. have progressed toward enterprise-grade platforms cutting across broader investment process while funds like ICBC Securities Fund and China Merchant Fund have made AI automation across pension fund and FI operations. We show examples of AI deployment across major Chinese funds in Exhibit 4 below.

There is a long tail of smaller and boutique managers which remain focused on externally provided SaaS tools or vendor-embedded assistants from platforms such as Wind, iFinD and Tonghuashun while leading quantitative hedge funds (such as Ubiquant, High-Flyer, Minghong, and Lingjun) are at the other end of the AI adoption with preference on local deployment and utilizing LLMs alongside custom deep-learning pipelines for alternative data extraction, code generation, and synthetic feature creation.

Overall, China's leading fund managers have moved decisively beyond chatbot pilots toward enterprise AI infrastructure embedded across research, portfolio analysis, trading and operations. The dominant deployment architecture is 'hybrid' which uses combination of privatized deployment (for sensitive/prop data) + public cloud services (for public data and non-sensitive information processing). However, given the amount of sensitive data that investment teams deal with and the strength of open weight models, the preference has been on local/private deployment. This is somewhat different to what we see outside China,

where large firms are building internally but are still not on open weight models.

A few structural differences that we see in China's Gen AI adoption vs. global asset managers is that China's AI adoption wave really picked steam after DeepSeek's January 2025 release, whereas AI adoption outside of China has been more gradual and vendor-diversified, spanning nearly four years since ChatGPT's 2022 launch. Another central difference is the dominance of open weight models in Chinese institutions driven by the ever evolving and advanced open model ecosystem led by DeepSeek, Qwen, Kimi and GLM models. The AI models being used by asset managers outside China are predominantly closed and coming from frontier labs such as Open AI, Anthropic and Google. While after the latest Kimi K3 model launch, the acceptance and interest in open weight models has started picking up globally, we haven't seen a meaningful shift yet at enterprise level; though we do believe in the long-term a hybrid frontier+open weight model approach is likely to be the dominant set-up.

EXHIBIT 2: **Chinese Funds - Leading in Enterprise AI architecture**

The unique & advanced Enterprise AI Architecture features at Chinese funds

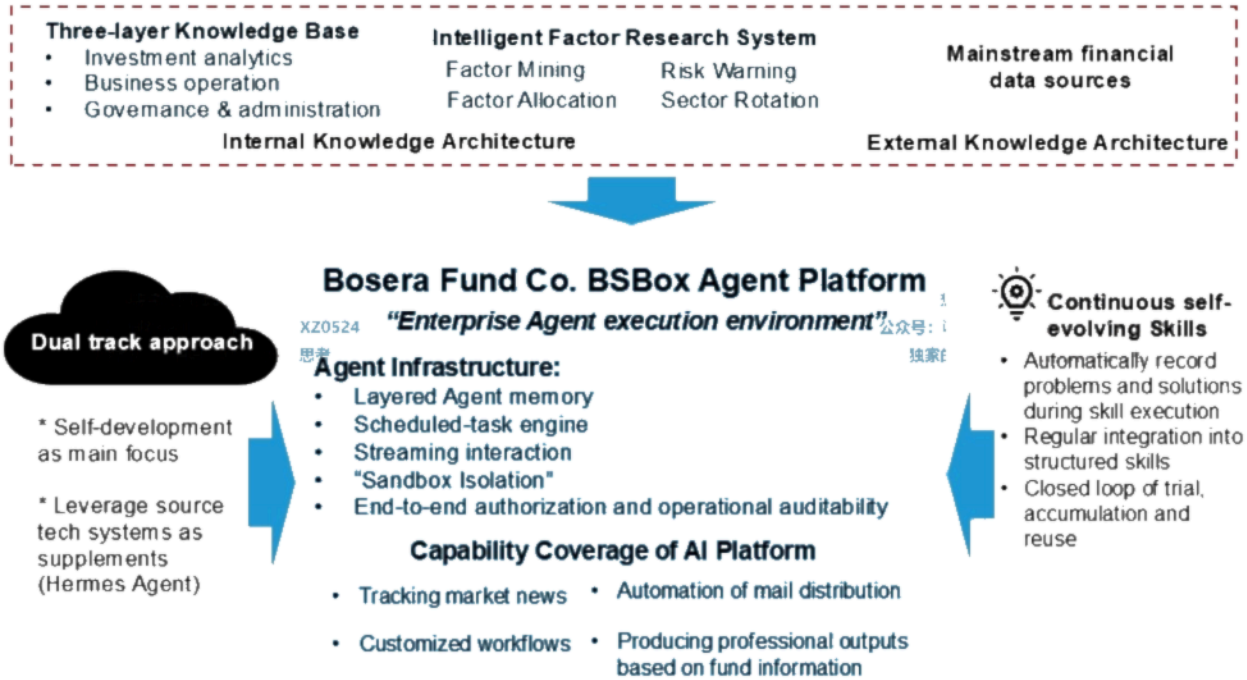
- Model Access and Gateway Layer with security features + Knowledge Layer + Agent Layer
- Shift from IT led centralized AI tools → business led decentralized approach
- Migration towards Agents & Skills – Organizational agents/skills+user specific agents/skills
- Organizational context or 'Enterprise Brain'
- Hybrid deployment – localized for sensitive/prop information+public cloud for non-sensitive/public market
- Clear delineation on what AI can and should not do
- Independent investment research workstation open to all research staff

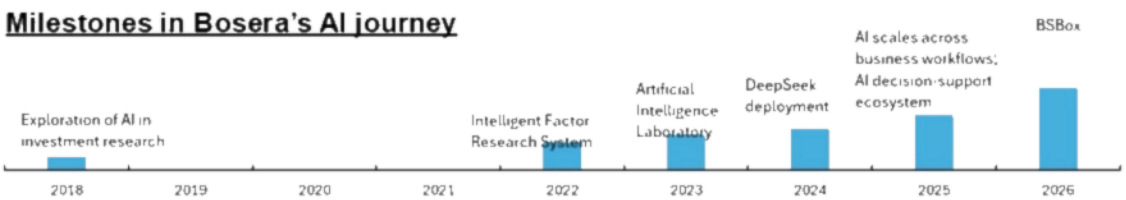
Interesting AI Use Cases at Chinese funds

China AMC	Fullgoal Fund	Huitianfu Fund	China Europe Fund
•"Feiyi" Intelligent Platform that automates data mining, portfolio analysis, and trade execution	•Smart Office Platform with MCP, skill centers – so far 20 agents, 60 skills, 50 MCPs live	•AI workbench right from AI institutional secretaries, assistants to AI information disclosure guardian, AI researcher, AI software engineer etc.	•Industry Prosperity Agent – Built with context/thinking process of researchers. Compressing time for updating 250 sub-industry business climate dashboards to 2 hours
•Smart Calf AI Agent - designed for "active listening" and "authentic empathy."	•Intelligent research institute- 24*7 multi-agent platform with customization on research agents and working on 1+N model		
•Red Rocket platform – democratizing access to tools like back testing, exposure analysis to retail investors			

Source: Bernstein analysis

EXHIBIT 3: **Bosera Fund: At the forefront of Enterprise AI architecture**





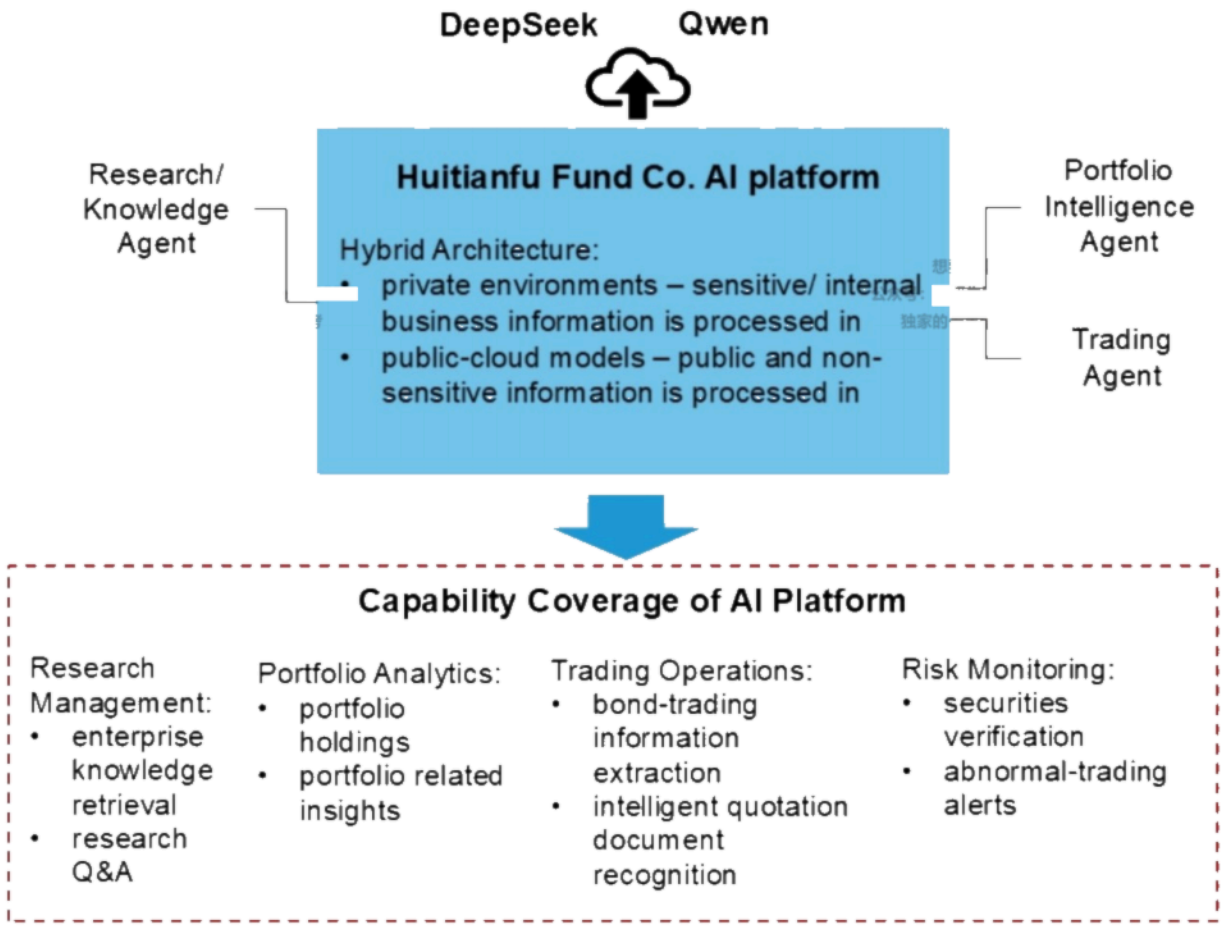
Source: Sina, AMAC, Bernstein Analysis

EXHIBIT 4: **Some examples of AI deployment at China mutual funds**

Fund	Deployment position	Architecture and capabilities	Core applications/use-cases
E Fund (易方达基金)	Enterprise-wide, scaled	Unified data, computing and AI capability layer enabling full logging and auditability	* AI penetration across research, investment, trading, operations and risk control * Creating next gen investment research platformplatforms * Developed "Skill + knowledge base" with Tencent's ima platform for fund education, portfolio/market interpretation, and research
Huitianfu Fund (汇添富基金)	Enterprise-wide, scaled	Local deployment of DeepSeek and Qwen combined with public-cloud services; enterprise knowledge-base management, model access/evaluation and agent development	* Q&A bot * Portfolio insights application * real-time quote analysis and aggregation of deposit/certificate/repurchase market data * transaction document recognition and abnormal-trading alerts
ICBC Credit Suisse Fund (工银瑞信基金)	Advanced vertical deployment	Private deployment since 2023; generative, coding, multimodal and OCR services; 7 PFLOPS of FP16 computing; procurement-plus-leasing capacity strategy	One-stop intelligent pension management platform spanning pre/mid/post investment processes, including regulatory-rule checks, duration and return simulations, and RPA handling of operational exceptions
China Merchants Fund (招商基金)	Advanced multi-scenario deployment	Connects models with professional data, knowledge and tools; applies data classification, access controls and audit trails to sensitive applications	* AI Stock insights * Financial-report commentary, * Index-constituent forecasting * Interest rate assistant * Over 40 workflows and 17 document-extraction models
Fullgoal (富国基金)	Advanced research infrastructure	Enterprise RAG knowledge base; distributed GPU cluster which is divided into model-inference and quantitative-backtesting resource pools	* Automated processing of large research-reports * Aggregation of market views * Enterprise level research knowledge growth and Q&A feature

Source: Chnfund, Bernstein analysis

EXHIBIT 5: **Enterprise AI platform of Huitianfu Fund: Connecting models, knowledge, agents and business workflows**



Source: Chnfund, Bernstein Analysis

AI ADOPTION IN QUANT FUNDS

China's local quant industry has been ahead of the curve in applying Gen AI to investment research and systematic workflows. A distinctive feature of the ecosystem is that DeepSeek, arguably China's most influential domestic foundation model, originated from High-Flyer, a quantitative investment firm. This reflects the sector's unusually deep combination of engineering talent, high-performance computing infrastructure, proprietary market data, and commercial incentive to apply advanced AI directly to research and trading.

The shift from 2024 to 2025 has been rapid. In 2024, most applications were still exploratory: firms were testing large-language models for research summarization, programming assistance, document retrieval, and basic workflow automation. By 2025, post DeepSeek, adoption moved toward production-oriented infrastructure, with greater emphasis on deploying models locally, integrating proprietary data, and embedding AI into daily research and development processes. The BigQuant 2025 survey showed that nearly 44% of local quant firms locally deployed models such as DeepSeek. A further 30% were fine-tuning foundation models, while 26% were building proprietary vertical-domain LLMs (Exhibit 6). It highlighted that the priority for Quant funds AI deployment was combining it securely with internal data, research archives, code repositories, trading knowledge, and firm-specific workflows to create differentiated capabilities.

By Q12025, Investment research and idea generation were the leading AI applications, used by 55% of surveyed local quant firms (Exhibit 7). These applications included synthesizing market and company information, structuring research questions, generating hypothesis trees, reviewing historical evidence, and accelerating the iteration from an initial investment idea to a testable quantitative signal. This is in-line with some earlier use-cases seen at global quant funds/teams, which we discussed in

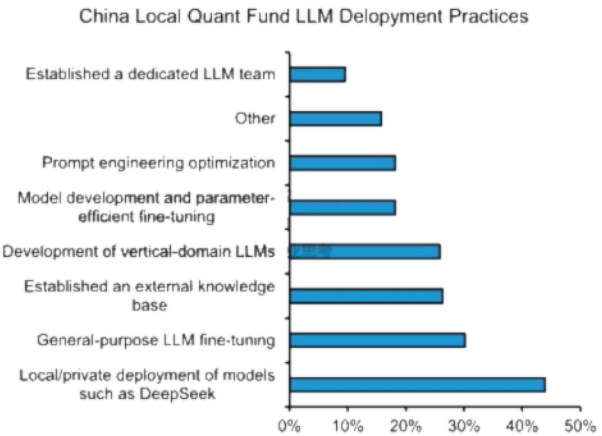
our earlier report - see link. Other major use cases were code generation and debugging, cited by 33% of firms, and automated factor mining, cited by 31%. The adoption pattern suggests that Gen AI's most early use-cases were not to replace portfolio managers or create fully autonomous investment decisions. Instead, it was compressing the time required to move from raw data and an investment hypothesis to research, code, backtests, factor diagnostics, and implementation-ready outputs. However, now China's local quant managers (including discretionary funds) are increasingly treating GenAI as core research infrastructure rather than a peripheral productivity tool.

By Q12026, AI agents became mainstream with local Quant funds deploying AI agents across the development lifecycle—from backtesting frameworks and factor-calculation scripts to execution systems, data engineering, and data-cleaning workflows, among which, code generation is currently the most mature and broadly deployed. Approximately 64% of organizations are already using Agents to automate code generation and debugging, followed by data cleaning (57.4%), factor mining (53.81%) and intelligent backtesting (44.84%). The scale of adoption is increasingly material. For quant firms, the implication is particularly important. Research capacity has historically been constrained by the availability of experienced researchers, data engineers, and low-latency systems developers. Agentic coding can expand the number of hypotheses a team can test, shorten the iteration cycle for factor research, reduce time spent on maintenance work, and allow human researchers to focus more of their effort on economic intuition, feature design, robustness testing, and portfolio construction. Interesting use case is China's quant funds are increasingly using LLMs to extract behavioral and alternative-data alpha, adoption is led by social-media sentiment mining (59.6%), institutional order-flow reconstruction from tick data (53.9%), news sentiment and regime analysis (49.4%), and semantic analysis of company filings and research reports (48.3%), highlighting a strong focus on decoding investor behavior and unstructured information (Exhibit 8 - Exhibit 9). This is quite similar to what we have seen globally at major quant shops.

China's leading quant funds are pushing Gen AI beyond research assistance and into the core investment process end to end. Representative firms such as Hanrong and Zhengren have adopted end-to-end deep learning architectures that directly transform Level 2 market data into return forecasts, portfolio weights, and execution decisions, with reinforcement learning increasingly embedded in portfolio construction, market timing, and dynamic exposure management. Meanwhile, Beiyang has moved even further towards a "one-model" paradigm, where a unified AI model autonomously generates nonlinear factors, constructs portfolios, and produces trading signals across multiple product lines, effectively replacing the traditional separation between factor, signal, and portfolio teams. A common theme across these firms is the shift from human-designed factors to machine-discovered representations. Rather than explicitly specifying factor relationships, AI models are trained on massive volumes of high-frequency tick and order-book data to uncover nonlinear patterns that are difficult for human researchers to identify. Semimartingale uses a unified end-to-end deep-learning framework to generate thousands of short-horizon strategies and dynamically allocate capital among them, while Zhengding combines deep neural networks with ultra-low-latency infrastructure to generate real-time forecasts and trading decisions within milliseconds. The emphasis is increasingly on adaptive learning, rapid iteration, and automated signal generation, rather than traditional factor research. Not all firms are focused solely on microstructure data. Renaissance Era represents a different frontier, applying LLMs to compress decades of global macro information, news, and market data into a structured representation of the macro environment and generating signals across equities, bonds, commodities, FX, and volatility. Meanwhile, Zhancheng is exploring a more experimental approach inspired by large language models, using transformer architectures and structural reasoning to allow models to discover market relationships through analogy and pattern recognition rather than predefined causal factor frameworks. Together, these examples suggest that Chinese quant managers are increasingly treating Gen AI not as a productivity tool but as a new investment architecture, spanning signal discovery, portfolio optimization, execution, and even macro reasoning (Exhibit 10).

China's quantitative-fund industry is scaling rapidly as AI-enabled investment processes translate into both stronger performance and exceptional fundraising demand. Quant AUM more than doubled in less than a year to over RMB 2.6tn (US$382bn), aided by AI-driven models that outperformed discretionary managers by more than 20% in 2025. The return advantage has accelerated product formation: 6,296 new quant products launched in 2025, 46% of all new hedge funds, while leading managers such as Ubiquant raised RMB 2.6bn in under two hours for a single new offering. This points to a self-reinforcing cycle in which AI-led signal discovery, broader stock coverage and faster execution improve relative returns, attract investor flows, and fund further investment in data, compute and quant talent.

EXHIBIT 6: **Majority of China local quant funds prefer local deployment of models like DeepSeek (44%), followed by fine-tuning LLMs and creating a knowledge base**



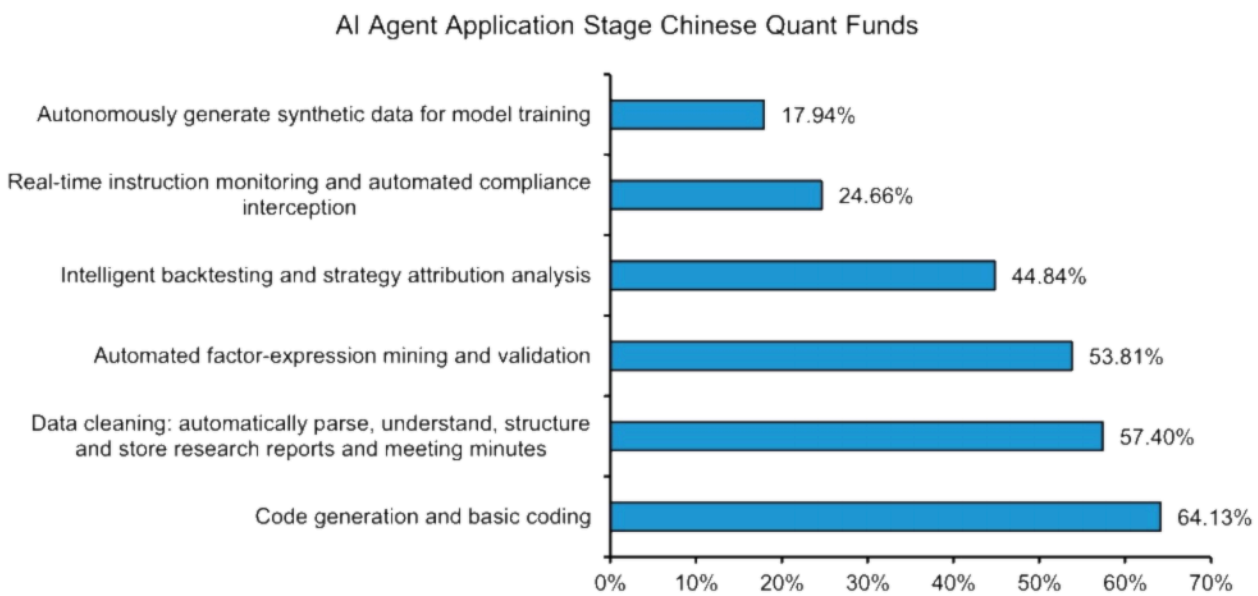
Based on survey of China quant investing white book 2024 - 2025, N = 209
Source: Bigquant, Bernstein analysis

EXHIBIT 7: **In 2024, bulk of quant funds were using Gen AI for idea generation, coding followed by factor mining**



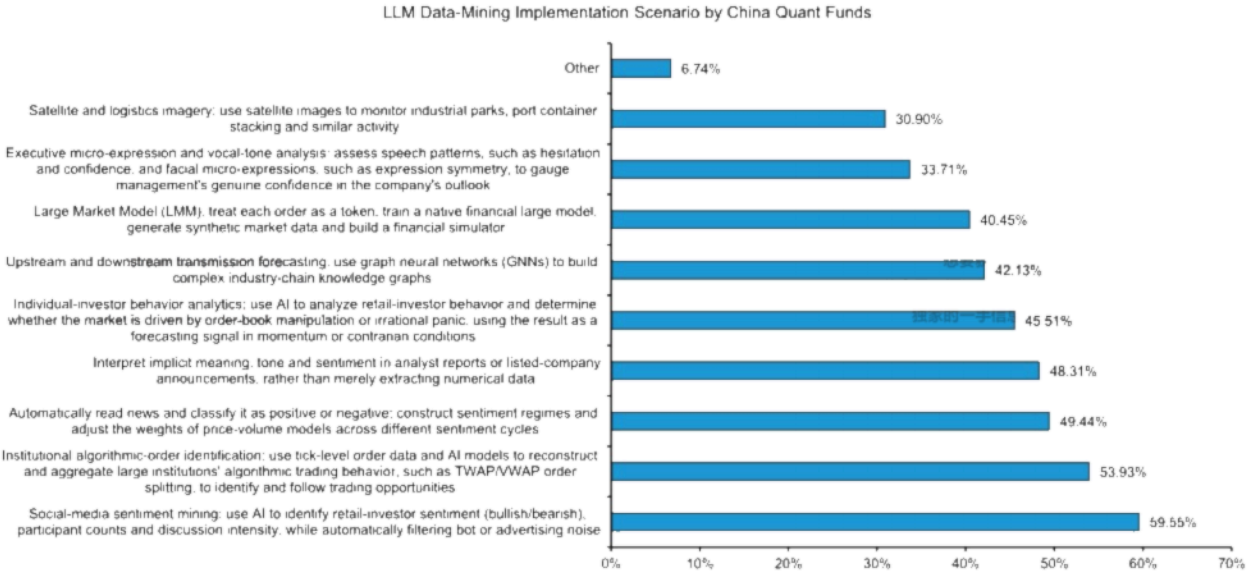
Based on survey of China quant investing white book 2024 - 2025, N = 209
Source: Bigquant, Bernstein analysis

EXHIBIT 8: **By Q126, China quant funds moved to agents - mainly for coding (64.13%), followed by data cleaning (57.4%), factor mining (53.81%) and intelligent backtesting (44.84%)**



Based on survey of China quant investing white book 2025 - 2026, N = 178
Source: Bigquant, Bernstein analysis

EXHIBIT 9: **For China quant funds, the LLM based data mining is majorly focused on extracting sentiment (social media, retail, news, transcipt based) or behavioral analytics (algo trading behavior, retail investor behavior)**



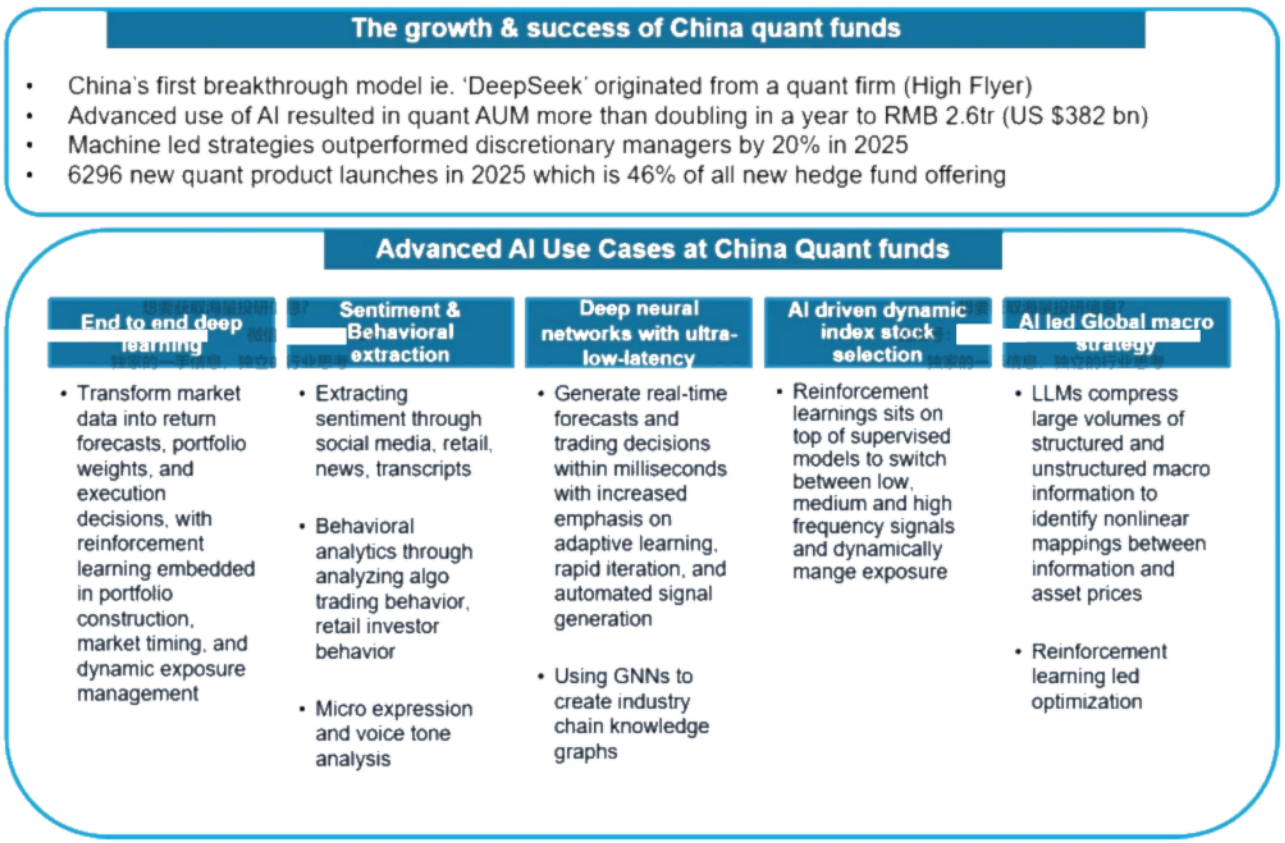
Based on survey of China quant investing white book 2025 - 2026, N = 178
Source: Bigquant, Bernstein analysis

EXHIBIT 10: **Some examples of AI use-cases within China quant funds**

Institution	Strategy Characteristics	Investment Workflow	How AI is Used in the Investment Process	Model Output
Hanrong (翰荣)	High turnover, short horizon A share strategy using 100% Level 2 price-volume data. Multi-horizon forecasts span hourly to three day horizons; annualized two-way turnover is approximately 200–250x, with 40–50% of positions rebalanced daily.	High-frequency feature extraction → deep-learning return forecasting → multi-horizon portfolio optimization approximately every 10 minutes → third party algorithmic execution. Risk controls follow Barra CNE5 constraints.	AI is used end to end for cross sectional return forecasting and multi-horizon portfolio optimization. Quant researchers retain control of interpretable, robust feature engineering, while dedicated GPU infrastructure supports real-time inference and rapid iteration.	Cross-sectional stock-return forecasts from hourly to three-day horizons; optimized portfolio weights and rebalance instructions approximately every 10 minutes.
Zhengren (正仁)	AI-driven enhanced-index stock selection with dynamic market timing and flexible turnover of approximately 80–200x. Data is approximately 80% Level 2 price-volume, supplemented by fundamentals, consensus expectations and policy/public-opinion inputs.	Feature engineering → model forecasting → portfolio optimization → trade execution. Reinforcement learning sits above supervised models to switch among low-, medium- and high-frequency signals and dynamically manage exposure.	Uses meta learning, GNNs, deep neural networks and reinforcement learning. RL is applied to market timing, model weighting, portfolio optimization rewards and exposure management; deep learning is also used in execution strategies.	Stock selection forecasts, RL generated position management signals, dynamic model weights and 60–140% portfolio exposure. Timing alpha contributes approximately one-third to one-half of total return.
Zhengding (正定)	Pure price volume, short cycle and high turnover equity strategy differentiated by ultra low latency. The ive system uses approximately 300 features from a reserve of approximately 2,000.	Human-led feature engineering → deep-neural-network nonlinear forecasting → streaming parent-child nference → low latency order generation and execution. The research platform performs high-throughput factor validation and backtesting.	Deep neural networks capture nonlinear, high-dimensional relationships and are iterated frequently to adapt to market changes. Machine learning supports feature optim zation, while proprietary low latency infrastructure accelerates nference and decision-making.	Nonlinear equity forecasts and order decisions generated within 100 milliseconds of receiving market data; million scale mathematical operations completed within 1 millisecond.
Beiyang (倍漾)	Fully automated, end-to-end AI equity process using one unified model for the long side of all strategies. Focuses on second- and minute-level A-share price-volume behavior, with next-day signals as a supplement.	Data processing → autonomous factor generation → modeling → portfolio construction → signal generation → proprietary low-latency execution. Small parameter updates occur biweekly and major core-module upgrades quarterly.	A unified AI model autonomously creates nonlinear factors from Level 2 tick data and directly produces complete investment strategies. AI also adapts parameters to liquidity conditions, while the proprietary Poseidon compiler converts research models into low-latency live models.	Nonlinear factors, portfolio allocations and trading signals across multiple product lines. AI-generated nonlinear factors account for 70% of signals; outputs operate mainly at second/minute horizons with additional next-day signals.
Semimartingale (半鞅)	High-frequency, high-turnover, flexible-execution strategy based entirely on raw Level 2 microstructure data. Forecast horizons range from one minute to one day, average holding period is two to three days and annualized two-way turnover is approximately 100–150x	Raw snapshots, tick trades and tick orders → batch-stream integrated processing → multi-scale feature aggregation → unified end-to-end deep learning model → adaptive multi-strategy allocation → C++ low-latency execution and monitoring	A unified deep-learning model performs multi-horizon, multi-objective modeling. AI generates a large factory of sub-strategies across data types, model types, prediction objectives and horizons, while a top-level allocation model dynamically adjusts their weights.	Millisecond-level forecasts and trading decisions at any point during market hours; dynamically weighted short-horizon sub-strategies and portfolio allocations
Zhancheng (瞻程)	Human inspired rather than human guided AI. The strategy rejects subjective human inputs at the final decision stage and emphasizes structural mappings, analogy and human-like reasoning rather than strict causal factor relationships.	Human expertise defines how the model should learn and reason → end-to-end model independently discovers structural market relationships → autonomous investment decisions without subjective intervention.	Transformer based models are designed to learn heuristics, analogies and structural relationships across datasets. Human input is limited to model design and reasoning architecture rather than investment decisions or macro views.	Independent investment decisions generated through an interpretable human-like reasoning structure; the source does not specify the precise signal or portfolio-output format.
Renaissance Era (时代复兴)	Top-down global macro strategy spanning equities, bonds, commodities, foreign exchange and volatility. It trades no more than 50 core global macro instruments, rebalances daily and has annualized turnover of approximately 100–150x	Continuous global macro information collection from 1970 onward → LLM-based low-loss compression → Transformer/RNN modeling → reinforcement learning optimization and reasoning → daily cross-asset signal generation and intelligent trading	LLMs compress large volumes of structured and unstructured macro information to identify nonlinear mappings between information and asset prices. Transformer and RNN models are combined with RL for self-learning, loss-function design and chain-of-thought training.	Trading signals across equities, bonds, commodities, foreign exchange, volatility and other macro assets, supported by dynamic reasoning chains and daily portfolio rebalancing.

Source: Bigquant, Bernstein analysis

EXHIBIT 11: **The rise of China quant funds - At the forefront of AI development & adoption**



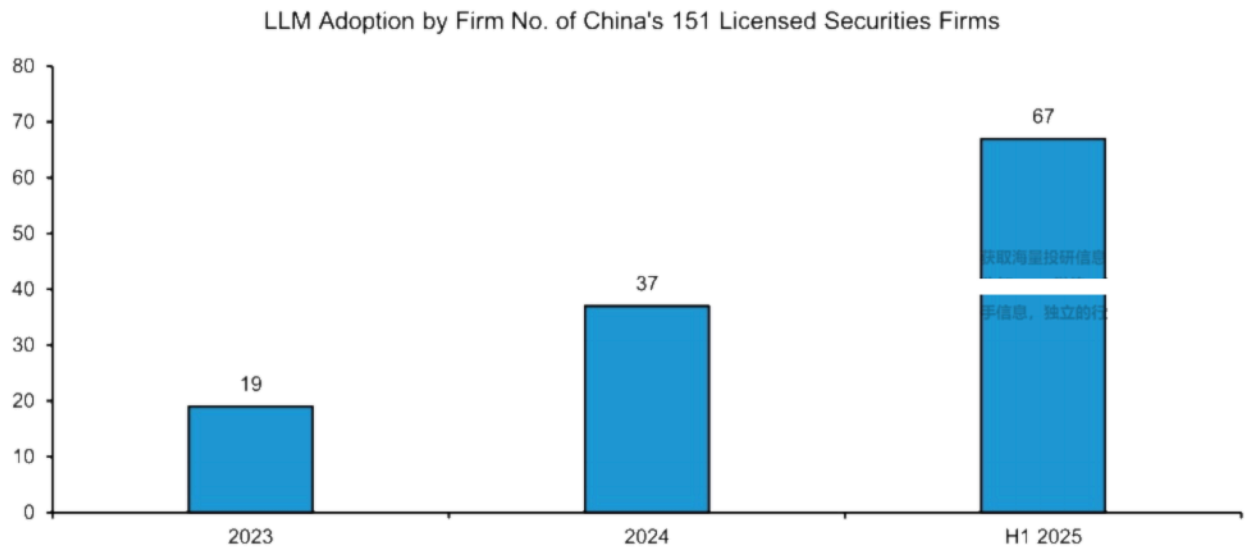
Source: Bernstein analysis

GEN AI ADOPTION IN SECURITIES FIRMS

Several patterns recur across the China Gen AI-in-investing landscape. First, cost democratization via open-weight models (DeepSeek R1, Alibaba's Qwen, Kimi etc.) has been the single biggest driver of penetration among small and mid-sized Chinese managers who previously lacked resources for proprietary AI. Second, competition is shifting from raw model benchmarks toward workflow-embedded, measurable agent performance. Third, data ownership and compliance-driven monetization (Xuntu's ORE Ecosystem Partner Program; Tonghuashun's provenance-controlled MCP) are emerging as the next competitive battleground as terminals unbundle.

Shaqiu Think Tank tracks LLM adoption across all 151 licensed Chinese securities firms and finds huge growth (see here): 19 brokerages (mostly top-tier) began exploring large models in 2023 but that number rose to 37 in 2024 and 67 by H1 2025 ie. 44% of the securities firms were using AI by mid-2025. It identifies 12 core use cases of Gen AI spanning front-office functions (wealth advisory, marketing, research, investment banking, trading) and middle/back-office functions (compliance, operations, IT, cybersecurity), and profiles 20 flagship deployments - CICC's "CICC Insight" (中金点睛) investment-research large-model platform, China Securities Co. (中信建投)'s "Zhiyan-Zhiwen-Zhishu" (智研·智问·智数) integrated intelligent research platform, China Merchants Securities' planned "AI Research Institute" for financial-statement interpretation and report drafting, and East Money's autonomous "AI Researcher" capable of independently completing information-gathering and analysis workflows. Guotai Haitong is building a unified investment-banking AI platform called "Zhijian" (智鉴) while CICC's "Zhiyue" (智阅) large model is applied to IB risk-control review. Based on use cases, investment research and wealth advisory have become the two priority battlegrounds for top brokerages, with other functions expected to follow quickly (Exhibit 12 - Exhibit 13).

EXHIBIT 12: **The LLM adoption of licensed securities frims have increased from 19 in 2023 to 67 in H12025, a 44% adoption rate**



Source: shaqiu, Bernstein analysis

EXHIBIT 13: **Gen AI use cases in leading securities firms**

Scenario	Institution	Product / Application
Wealth Advisory	Soochow Securities (东吴证券)	Multi-agent-system-based AI investment advisorshaqiu
Wealth Advisory	GF Securities (广发证券)	Wealth AI Assistant for personalized client analysis and one-click content creationshaqiu
Customer Service	CSC Financial (中信建投证券)	Wealth-management intelligent customer-service assistantshaqiu
Customer Service	Guolian Minsheng Securities (国联民生证券)	Large-model-empowered customer service centershaqiu
Marketing	CSC Financial (中信建投证券)	Long-tail-client inclusive digital financial services platformshaqiu
Investment Research	CICC (中金公司)	"CICC Insight" (中金点睛) investment-research large-model platformshaqiu
Investment Banking	GF Securities	"AI Wenquxing" (文曲星) for IB document draftingshaqiu
Investment Banking	Guotai Haitong Securities (国泰海通证券)	Integrated digital investment-banking platformshaqiu
Investment Banking	Huatai United Securities (华泰联合证券)	Intelligent review of investment-banking transactionsshaqiu
Trading	China Galaxy Securities (银河证券)	Bond quote-inquiry robotshaqiu
Trading	GF Securities	OTC derivatives client-service assistantshaqiu
Compliance & Risk Control	Guotai Haitong Securities	Full-process intelligent compliance and risk controlshaqiu
Business Analysis	Shanghai Securities (上海证券)	ChatBI-based intelligent data insight platformshaqiu
Operations Management	Soochow Securities	AI-powered parsing of private-fund contract parametersshaqiu
Office Productivity	Changjiang Securities (长江证券)	Large-model-empowered daily office workshaqiu
Office Productivity	China Merchants Securities (招商证券)	"Zhaozheng Juli" (招证聚力) collaborative office platformshaqiu
IT — R&D/Ops	Guotai Haitong Securities	Intelligent testing practicesshaqiu
IT — R&D/Ops	China Merchants Securities	AI coding assistantshaqiu
Cybersecurity	Everbright Securities (光大证券)	Security large model for high-adversarial attack detectionshaqiu
Cybersecurity	Soochow Securities	Security large-model practiceshaqiu

Source: shaqiu, Bernstein analysis

GEN AI TOOLKIT FOR INVESTORS IN CHINA

China's financial-AI landscape is best viewed in four layers: incumbent data terminals, AI-native vertical AI tools, AI Labs and global agentic platforms

TERMINAL INCUMBENTS

Historically, fund managers used Wind, retail investors used Tonghuashun, and day traders browsed East Money, with data, news, and analytics bundled into single terminal interfaces. Since March 2026, all three incumbents have opened Model Context Protocol (MCP) or "Skills" interfaces that let external AI agents, including general-purpose models to query their proprietary databases directly, without requiring users to log into the terminal itself. This shift reflects three distinct competitive responses shaped by each firm's underlying business model. Wind, whose moat is institutional workflow lock-in managers and analysts), doubled down on terminal-embedded agents (WindClaw, Alice Agent, "Alice 27") befor opening AIFin Market in May 2026. Tonghuashun, whose revenue is largely from advertising/internet marketing becoming the data layer behind any agent via iFinD MCP, reflecting its retail-driven product philosophy which is from its "i Wencai" natural-language stock-screening tool. East Money, which derives over 90% of revenue from fund-distribution licenses, opened Skills for news search, financial data queries, and stock screening specifically

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influence over the investor's path to an actual trade. We share more details below

Wind remains the default institutional infrastructure for much of China's professional investment industry**.** Its advantage is not merely the Alice model or WindClaw, but the combination of proprietary financial data, entrenched terminal workflows and broad usage among fund managers, securities firms, banks, insurers and QFIIs. The addition of Agents, an intelligent operating system and MCP connectivity represents an effort to preserve Wind as the primary institutional data layer even as analysts increasingly conduct research through external AI interfaces.

Tonghuashun/iFinD is the other major institutional data platform, with particularly broad coverage across securities firms, funds, banks, insurers, futures companies and corporate users. Its strategy is relatively open and data-centric: HithinkGPT, Wencai, AI research tools and MCP connectivity allow users or external Agents to draw on iFinD's databases, while HiAlpha extends the ecosystem into natural-language strategy construction, simulation and automated review. HiAlpha is relevant to active and quantitative investors, although it currently looks more like a strategy-experimentation and simulated-execution layer than a core enterprise research platform.

East Money/Miaoxiang is more transaction and distribution-oriented. Miaoxiang combines financial Q&A, document analysis, private knowledge bases and packaged institutional Skills, but the broader ecosystem remains anchored in East Money's retail brokerage, information and fund-distribution channels. It opened access to its AI platform to all East Money users in March 2025, substantially expanding potential reach.

AI LABS

Out of all the AI Labs while Deepseek remains the key model being used by enterprises to build their AI stack, Qwen and GLM models are also becoming important and gaining traction. However, as a horizontal platform, Kimi is becoming popular both at enterprise and analyst/PM level. **Kimi for Financial Services** has become the most credible model-led challenger at the research layer. Unlike Alpha Pai or AlphaEngine, Kimi begins with a general-purpose foundation model and adds financial data, research Skills, modeling and valuation workflows, and A-share, Hong Kong and US equity coverage. Its connections to sources including Wind, S&P Global Market Intelligence, EDGAR, Crunchbase and macroeconomic databases making it particularly relevant for cross-border research, while named users such as CICC and HongShan provide early evidence of institutional adoption.

We also think **Tencent WorkBuddy Finance** is also well received in the industry, it is an enterprise Agent workbench for asset managers, securities firms and wealth advisers. It connects market and fund data, internal knowledge, specialist Skills and multi-Agent workflows to automate research monitoring, fund screening, portfolio look-through, risk alerts and investment-content generation. Its differentiation is Agent orchestration, WeCom integration and enterprise governance rather than proprietary financial data. Tencent reports adoption by more than 100 financial institutions.

VERTICAL AI LEADERS

Alpha Pai/PaiWork is one of the leading independent, AI-native institutional research platforms**.** It entered through high-frequency pain points such as meetings and information processing, then expanded into company and sector research, private knowledge management, workflow collaboration and persistent research Agents. Xuntu Technology reports that Alpha Pai serves more than 120,000 professional users across over 8,000 institutions, making it one of the clearest examples of scaled adoption among Chinese funds, securities research institutes, insurers and private-market investors.

AlphaEngine/AlphaClaw is probably Alpha Pai's closest direct competitor. Its heritage is more data-infrastructure-led: Entropy Reduction Technology initially built research data centers and private knowledge infrastructure for major asset managers before expanding into professional AI search and autonomous Agents capable of producing spreadsheets, backtests and research commentary. The company reports more than 93,000 verified professional investors and nearly 9,000 asset-management or corporate decision-making teams, although this denominator is not directly comparable with Alpha Pai's institution count.

DataYes should also be considered a mainstream institutional platform, particularly after consolidating UQER, Datayes! Pro, Datayesir and its enterprise solutions into one ecosystem. Its differentiation is the integration of structured financial data, factor libraries, quantitative research and backtesting, portfolio and risk analytics, and newer Gen-AI research assistants. DataYes reports serving more than 2,000 domestic and overseas financial institutions and over 10 million individual investors, giving it one of the clearest disclosed institutional-client footprints.

Finenter/AI Jinbao is another significant institutional platform, but its moat is communication and proprietary research content**.** It originated in roadshows and interactions among listed companies, securities research institutes and professional investors, then added deep-research modes, earnings-review Agents, MCP servers and integrated research workspaces. Its reported ecosystem connects more than 3,100 listed companies, 74 securities research institutes and three million professional investors; these numbers indicate network reach rather than contracted institutional customers, but they illustrate its strong position in corporate access and event-driven research.

EMERGING CHALLENGERS

FinStep/AI Xiaocaishen Pro is more content-led. Its combination of Cailian Press's financial information and StepFun's model capabilities supports financial search, chart interpretation, deep research and long-form report generation. Publicly identified collaborations with Guotai Haitong and Zhongtai Securities establish some institutional relevance. **Reportify** is better characterized as a lightweight research copilot than an enterprise research operating system. It offers financial search, source-based Q&A, document analysis, translation, screening and customizable Agents across A-shares, Hong Kong and US equities. Its accessible, self-service model makes it attractive to analysts and sophisticated individual investors, but public evidence of large-scale institutional deployment remains limited.

SPECIALIST PLATFORMS

Youlian Cloud/Qilin is oriented more toward fund marketing, ETF services, investor communications and public-opinion monitoring than toward the core investment-decision workflow. Its products are commercially applied across mutual funds, securities firms, banks and listed companies. **ChinaScope** is primarily an upstream financial and industrial-data specialist. Its strengths lie in industrial-chain and supply-chain data, knowledge graphs, news analytics and risk monitoring, making it a potential data component within institutional AI systems rather than a complete replacement for an AI research workspace. It serves funds, securities firms, banks and industrial enterprises.

AGENTIC TOOLS

Perplexity is increasingly relevant to Hong Kong analysts as a cross-border research and verification layer. Its strengths are source-cited web research, global news, filings and structured financial information. Perplexity Computer is their core product offering now which does work for you using skills, memory, tool calls etc. It is complementary to Wind or iFinD for global and US-focused work, and is a preferred tool for HK based funds. For details about Perplexity Computer, see - Gen AI in Asset Management: Chat with Perplexity - Key Takeaways & Replay

Manus was quite popular when it launched and was one of the first personal agent platform. It can automate web research, spreadsheet analysis, modeling, report production and presentations, making it relevant to analyst productivity and research production. While it does not come with inbuilt connection to financial data, but user can add any connectors that they like. It is similar to any other agentic platform with its memory, skills, task scheduler etc.

Hermes Agent is an open-source, self-hosted autonomous Agent developed by Nous Research for customizable, privacy-sensitive workflows**.** It combines persistent memory and self-generated Skills with web research, coding, spreadsheet analysis, financial modeling, and report production; institutions can connect it to Wind AIFin Market, internal databases and market-data APIs to build a private investment-research assistant. Its flexibility and support for Hong Kong equity data makes it attractive. It is one of the more widely used agent platforms more recently by HK investors.

EXHIBIT 14: **Gen AI platforms used by Chinese investors**

	Platform	Type / Owner	Gen AI Capabilities and Positioning	Reported Institutional Reach
Incumbents	**Wind（万得）**	Financial data terminal; Wind Information	Alice financial-language model and Agents, WindClaw, Alice intelligent OS and AIFin Market/MCP connectivity. Incumbent, terminal-first platform combining proprietary data with embedded workflows while selectively opening data and tools to external Agents.	Wind describes itself as an important provider to securities firms, fund managers, insurers, banks and QFIIs
	Tonghuashun / iFinD（同花顺）	Institutional financial-data platform operated by Hithink RoyalFlush	HithinkGPT, Wencai natural-language screening, AI research tools and MCP connectivity. Data-and-query-first strategy seeking to make iFinD the financial-data layer for both its own terminal and third-party Agents.	iFinD reports cooperation across brokers, banks, funds, futures, insurance and asset-management institutions
Vertical AI Platform	**East Money / Miaoxiang（东方财富 / 妙想）**	Listed fintech, brokerage and fund-distribution ecosystem	Miaoxiang financial LLM, investment-research assistant, meeting summaries, document Q&A, private knowledge bases, packaged Skills and institutional-grade MCP data. Transaction- and distribution-led ecosystem using AI research capabilities to retain influence across the research-to-trading journey.	Nearly 10,000 financial institutions served, including securities firms, funds and banks, according to a September 2025 company case study; the broader East Money ecosystem serves over 400 million users.
	Alpha Pai / PaiWork（Alpha派 / 派沃客）	Xuntu Technology（讯兔科技）; independent financial-AI company	AlphaMiner, AlphaLink, PaiWork/PaiWork+, financial Agents and Skills, private knowledge management and the iRaB benchmark. AI-native research-workflow platform progressing from meeting and information processing toward persistent company and sector research Agents.	More than 120,000 professional users across over 8,000 institutions as of September 2026
	AlphaEngine / AlphaClaw（熵简科技）	Independent financial-AI and asset-management data-infrastructure company founded in 2017	Professional AI search, research databases, knowledge management, private-data integration and AlphaClaw autonomous research Agent; outputs include spreadsheets, backtests and research commentary. Direct Alpha Pai competitor with stronger roots in institutional data centres and proprietary-data infrastructure.	Served more than 93,000 verified professional investors and covering nearly 9,000 asset managers/corporate decision-making teams
	DataYes / Datayes! Pro / Datayesir（通联数据 / 萝卜投研）	Specialist third-party financial-data and asset-management technology provider backed by China Wanxiang	AI search, intelligent reports, research assistants, UQER quantitative research and backtesting, factor libraries, portfolio analysis, risk management, asset allocation and enterprise Agents. Data- and quant-infrastructure-led platform with particular strength in structured data and enterprise implementation.	Company reports serving more than 2,000 domestic and overseas financial institutions and over 10 million individual investors
	Finenter / AI Jinbao（进门财经 / AI 进宝）	Independent institutional-research and communications platform; Tencent became a strategic investor	Research, deep-research and Agent modes; earnings-review Agent; financial search, chart and research MCP servers; integrated database and research workspace. Communication- and content-led platform connecting listed companies, sell-side researchers and professional investors.	Reportedly connects more than 3,100 listed companies, 74 securities research institutes and three million professional investors
AI Labs	**Kimi for Financial Services（Kimi 金融版）**	Chinese general-purpose and financial AI platform developed by Moonshot AI（月之暗面）	Deep research, cited financial search, company and sector analysis, financial modelling, valuation, report generation and customizable Skills, with connectivity to Wind, S&P Global Market Intelligence, Crunchbase, Tianyancha, EDGAR and macroeconomic databases. Emerging model-led competitor for cross-border China, Hong Kong and US research.	Moonshot publicly identifies CICC and HongShan/Sequoia China as users and says investment banks, funds and VC firms are adopting the platform
Agentic Platform	**Manus**	General-purpose autonomous AI Agent; operated primarily from Singapore and available to Hong Kong users	Autonomous web research, spreadsheet analysis, financial modelling, report and presentation creation, and multi-step workflow execution. Horizontal productivity Agent that can substitute for parts of research production, but lacks proprietary financial data and deeply embedded institutional investment workflows.	No financial-institution adoption figure disclosed.
	Perplexity/Perplexity Computer	US-based search engine+ agentic platform (Computer)	Source-cited search and deep research, company financials, estimates, valuations, pricing, filings, peers, ownership and earnings data, plus structured Finance Search APIs. Strong cross-border verification and global-research layer, complementary to Wind/iFinD but not a substitute for China-local institutional databases. Perplexity Computer is their core product offering now which does work for you using skills, memory, tool calls etc.	Large amounts of funds based in HK use Perplexity
	Hermes Agent	Open-source, self hosted autonomous AI Agent developed by Nous Research	Persistent memory, self-generated reusable Skills, autonomous web and document research, code and terminal execution, spreadsheets, DCF/comparable company/LBO modelling, and report production. Horizontal Agent framework that can become a private research assistant by connecting to Wind AIFin Market, internal databases and market-data APIs; differentiated by self-hosting and closed-loop Skill creation.	Globally, Hermes has substantial open-source developer reach. Its self hosted architecture and support for Hong Kong equity data make it well received by HK institutional investors

Source: Company websites, Bernstein analysis

REGULATORY LANDSCAPE

China's regulatory landscape for AI adoption within finance is increasingly becoming for formalized with clear guidelines emerging for the asset management industry as well as the banking/insurance industry. In April 2025, the China Securities Regulatory Commission's Guangdong bureau, together with the Guangdong Securities and Futures Industry Association and hosted by GF Securities, convened China's first nationwide symposium on AI development in the securities industry, drawing nearly 50 representatives from industry institutions and technology firms. The symposium marked the transition from institution-by-institution experimentation to a coordinated supervisory agenda. Its importance lies in issue identification and consensus formation, not in the creation of enforceable rules.

In April 2026, the Asset Management Association of China (AMAC) released industry's first official standard, the *Guidelines on Large Model Technology Application for Fund Operating Institutions* (《基金经营机构大模型技术应用规范》, T/AMAC 0004-2026), jointly drafted with major asset managers like E Fund (易方达), ICBC Credit Suisse (工银瑞信), China Asset Management (华夏基金), leading quant fund Ubiquant (九坤投资), CICC Wealth Management and other important players in the AI ecosystem such as Alibaba, Zhipu AI, Huawei and the China Academy of Information and Communications Technology. The AMAC standard is the pivotal development for asset management because it translates AI governance into a reference architecture and operational controls. The breadth of the drafting group, public and private fund managers, a wealth manager, cloud and model vendors, and a national research institute, suggests an attempt to make the framework workable across both institutional users and technology suppliers. Some key takeaways are -

- The guidelines provide control measures to be established at 6 layers - infrastructure, data management, scenario applications, model services, application layer and security management. Hence, the regulator clearly considers AI deployment as a full stack Enterprise architecture decision. (Exhibit 16)

- Security is a core requirement, especially around separation of sensitive information from general-purpose model training. The standard states that unmasked personal information, core trading instructions and unpublished investment-research information should not be directly used for training or fine-tuning, while highly sensitive investment strategies and risk-control rules should be confined to dedicated private or isolated environments. It additionally calls for output-content controls, interception or human review of unreasonable outputs, supply-chain checks, access separation, audit trails, reference traceability and business-continuity arrangements.

- The guidelines highlight appropriate use-cases for AI as investment research, compliance & risk, marketing, client service, operations, employee productivity and software development. For investment research, the standard identifies information extraction, financial-report analysis, public-opinion monitoring and factor mining as appropriate applications. The framing is primarily decision support: large models structure unstructured information, identify indicators, compare trends and propose candidate features, while investment professionals remain responsible for validation and decisions. For quantitative research, the explicit recognition of factor mining is significant but should not be read as an endorsement of model-generated alpha. In practice, the governance requirements imply that candidate factors still require point-in-time data controls, economic rationale, out-of-sample testing, turnover and capacity analysis, and independent model validation; these are analytical implications of applying the standard's data-quality, traceability and model-risk principles rather than separately stated performance tests.

In June 2026, the National Financial Regulatory Administration (NFRA) issued formal "Guiding Opinions on the Safe Development and Application of Artificial Intelligence in the Banking and Insurance Industries," explicitly citing the need to standardize AI development given rapidly increasing technology investment and accelerating application deployment across the financial sector, while managing risks in areas like related-party transactions and capital use (Exhibit 15).

Globally, regulatory frameworks have been more principles-based vs. AMAC's clear guidelines around infrastructure, data, models, applications, security and governance. **Hong Kong's SFC** imposes supervisory expectations on licensed firms using GenAI, including senior-management accountability, risk classification, model validation, human oversight, data security and third-party controls; **IOSCO** provides a global baseline for intermediaries and asset managers covering governance, testing, monitoring, staff competence, outsourcing, disclosure and data quality; In the **EU**, the binding, risk-based AI Act is supplemented by EFAMA's voluntary AI-System Assessment Tool, which helps asset managers document use cases against the AI Act, GDPR, MiFIR and DORA; **South Korea's FSC** introduced self-regulatory financial-sector guidelines based on seven principles—governance, legality, human supervision, model credibility, financial stability, consumer interest and security, effective June 2026; the **UK Investment Association's *AI in Investment Management*** report provides voluntary industry recommendations on governance, model approval, data quality, explainability, human oversight, hallucination and vendor risk;

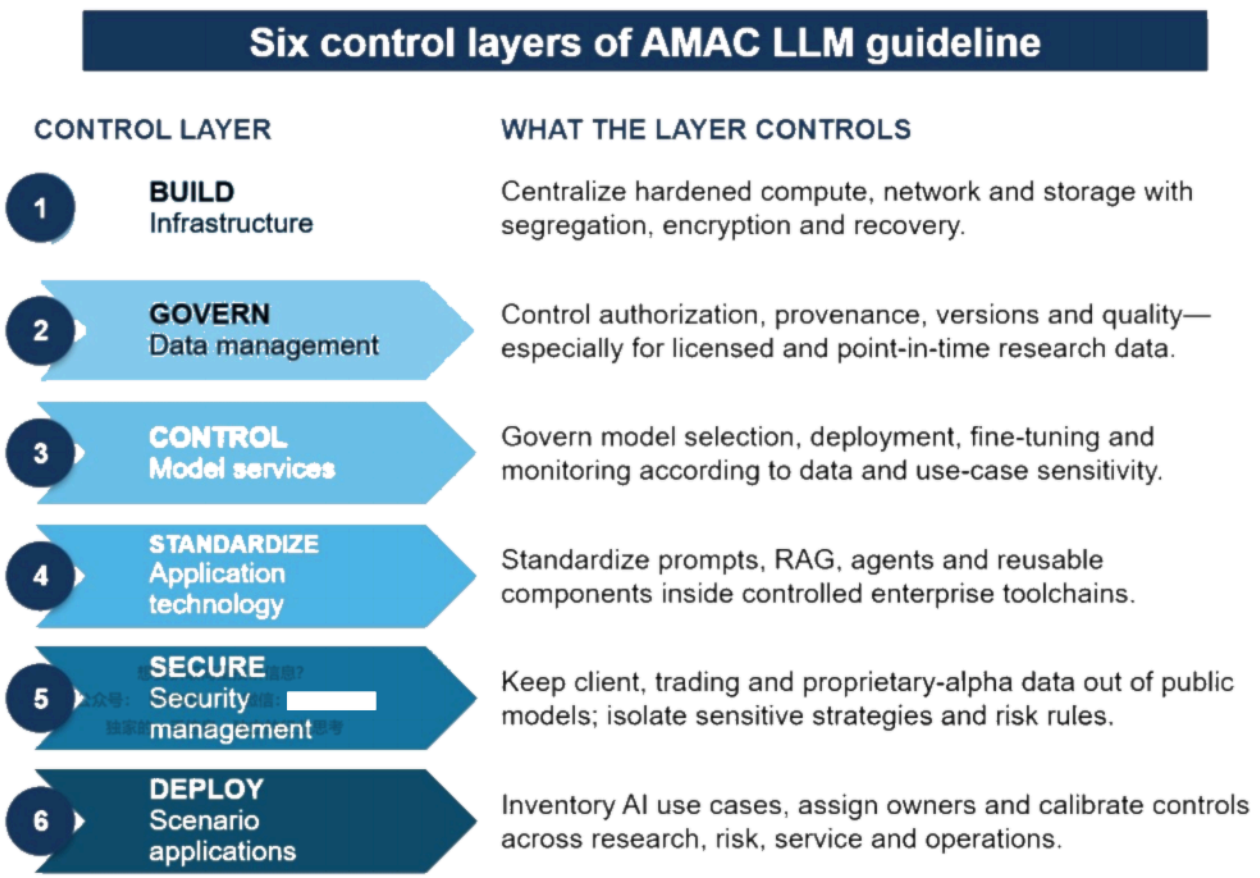
and **Japan's FSA** uses its AI Discussion Paper v1.1 to promote sound financial-sector adoption through dialogue and practical examples of governance, customer-facing safeguards and risk mitigation, although it remains preliminary guidance rather than binding regulation.

EXHIBIT 15: **China Gen AI regulatory landscape - Guidelines for AI application in Asset Management and Banking/ Insurance**

Date	Development	Institutional status and scope	Key content	Significance for AI adoption
Apr-26	AMAC released and implemented T/AMAC 0004-2026, Guidelines/Specification for the Application of Large-Model Technology by Fund Operating Institutions (《基金经营机构大模型技术应用规范》).	The fund industry's first large-model group standard, applicable to fund operating institutions' platform construction and application services.jnzstatic.cs+1	Establishes requirements across six layers: infrastructure, data management, model services, application technology, security management and scenario applications. It recognizes seven use-case groups: investment research, compliance and risk control, marketing, customer service, operations, office productivity, and software R&D.	Converts high-level governance principles into an operating blueprint for asset managers. It standardizes architecture, deployment, data controls, model governance and permitted supporting use cases, making AI governance an enterprise-control issue rather than an isolated IT project.
Jun-26	The NFRA issued Guiding Opinions on the Safe Development and Application of Artificial Intelligence in the Banking and Insurance Industries (《关于银行业保险业人工智能安全开发应用的指导意见》).	Formal supervisory guidance for banking and insurance institutions—not securities firms or fund managers as such.	Sets 32 measures across governance, development and application, data governance, computing infrastructure, risk management, capability building, and supervision. Core principles are "whoever uses it is responsible," autonomous controllability, pragmatic efficiency and safe development.	Moves AI into board-level governance and comprehensive risk management. It treats the financial institution - not the model vendor—as the accountable party and applies controls across the full AI lifecycle.

Source: Company websites, Bernstein analysis

EXHIBIT 16: **From Infrastructure to Application: AMAC's Six-Layer LLM Control Framework**



Source: csics.cn, Bernstein analysis

THE PATH FORWARD

The emerging consensus across Chinese asset managers is that the next phase of AI adoption is not about using chatbots or copilots to improve productivity at the margin. Rather, it is about building agent-driven investment operating systems that can autonomously execute large portions of the research workflow. The competitive battleground is shifting from access to models toward the integration of proprietary data, workflow engineering, and AI agents, potentially redefining how research, portfolio management, trading, and risk management are conducted across the asset management industry. A few important aspects of how Chinese funds are thinking about the next phase of AI development are -

- AI evolving from being a tool to a colleague - The most common theme across fund companies is a deeper integration of AI into the entire investment process with autonomous agents being capable of planning tasks, invoking tools, conducting analysis, generating reports, and delivering recommendations
- Human investors remain the decision makers - Despite rapid advances in AI capabilities, there is broad consensus that AI will primarily augment information processing, research, and analysis. Final investment judgments, portfolio decisions, and fiduciary responsibility are expected to remain with human investment professionals for the foreseeable future
- Competitive advantage to come from data and workflow integration, not models alone - Several firms emphasize that proprietary data, knowledge systems, and workflow engineering will be more important differentiators than access to more advanced models. The winners are likely to be firms that combine AI models + investment processes + proprietary research data into a unified operating system.

Overall, 2026 is being identified as the first year of Investment Research Agent era with firms such as E Fund and ICBC Credit Suisse Fund highlighting that the first phase of AI foundational capability building is over, and their journey is transitioning into AI-driven large-scale application stage which is expected to move from AI for tool empowerment to value creation. This is completely aligned with how asset managers globally are approaching their AI journey.

We acknowledge the contributions of Rui Shi to this report