



The Role of Artificial Intelligence in Shaping Modern Investment Tactics

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Abstract

The rapid growth of Artificial Intelligence (AI) and Machine Learning (ML) has greatly impacted the financial services industry, particularly in the area of investment strategies. The AI revolution drives data-driven decisions, automates complicated financial analyses, and increases the accuracy of forecasts. As a result, we are now able to develop more effective and adaptable investment models. This paper highlights the various implications of AI and ML on investment strategies, including but not limited to portfolio optimization, risk management, algorithmic trading, and financial forecasts. For example, AI trading algorithms based on ML techniques can analyze large amounts of structured and unstructured financial information, identifying previously hidden patterns and market anomalies that traditional methods may have missed. Additionally, deep learning and reinforcement learning methods improve investment strategies by continuously learning from changing market conditions, and simultaneously updating and adjusting investment actions. Furthermore, AI-enabled robo-advisors have democratized investment strategies, giving retail investors personalized portfolio advice, while also lowering operational costs. Besides improving decision-making, AI & ML are critical to risk assessment as they use sentiment analysis, alternative data, and predictive models to identify potential market downturns and vulnerabilities in assets. Hedge funds and institutional investors are starting to depend more on AI-based insights to redeploy and allocate their assets. They're also using them in tests that simulate asset vulnerabilities in times of stress and otherwise to reduce the financial distress we see in the financial crisis. Risks include data bias, regulatory issues arising from the use of AI, and ethical issues related to AI-based trading. All of this suggests that a balanced approach to the use of AI in financial markets is warranted. This study examines the promise of AI and ML for investment purposes and the hurdles as well. It is an interesting time as AI and ML technologies becoming more standard in the marketplace. AI-based models have performed exceptionally well in designated market conditions but having human experts still offers value in terms of deciphering complex signals in the market and to stay within the bounds of regulatory guidelines.

Keywords: Artificial Intelligence, Machine Learning, Sentiment Analysis, Predictive Analytics, Robo-Advisors.

1. Introduction

Impact of AI and ML in Investment Decisions

Artificial Intelligence (AI) and Machine Learning (ML) have disrupted numerous industries, and the financial industry is no different. The use of AI and ML in investment is changing how investors analyze data, predict market moves, and manage portfolios. Traditional investment strategies have emphasized human intuition, fundamental analysis, and historical data patterns. In contrast, AI models offer increased levels of efficiency, accuracy, and automation, allowing investors to make decisions more quickly while feeling more confident in the decision-making process. The use of AI and ML in financial markets is accelerating and influencing stock trading, risk management, asset allocation, and forecasting and modeling for financial projections.

One of the most notable aspects of AI and ML affecting investment decisions is algorithmic trading and robot-advisory. Algorithmic trading, or high-frequency trading (HFT), employs AI-driven algorithms to analyze enormous datasets in real time, conducting trades in nanoseconds to

exploit market inefficiencies. This technology increases liquidity, removes human biases, and improves trading models based on historical data, technical analysis, and sentiment analysis of news. Robo-advisors, on the other hand, are platforms powered by AI that provide individualized investment recommendations to retail investors, based on the investor's risk and return tolerance, financial objectives, and current market conditions. Robo-advisors utilize ML algorithms to constantly improve and develop investment strategies while providing a low-cost, data-driven way to improve financial planning.

AI and ML have also enhanced risk assessment and portfolio management. Typical risk models are not well equipped to pick up complex patterns in financial data, while AI-based models can evaluate multiple variables at the same time to anticipate risks and downturns in the market. AI can improve decision-making accuracy by examining large volumes of structured and unstructured outputs of data, earnings reports, market news, and a range of economic indicators, as well as incorporating sentiment from social media. Predictive

analytics tools powered by AI provide investors with much quicker identification of market trends, anomaly detection, and credit risk assessment than they did with traditional methods. Additionally, ML models learn from continual inputs of new data, allowing for progressive advancements in investment performance over the long term.

Another critical impact of AI on investment decision-making is its ability to enhance financial inclusion and democratize access to complex investment strategies. In the past, sophisticated financial analytics were available to the institutional investor and hedge fund communities. Today, AI-enabled platforms allow for Insights to be offered to retail investors at a low cost with automated technology and personalization, allowing for greater participation in wealth management and financial markets by people with various backgrounds and experience levels. However, the introduction of AI and ML, while beneficial, also brings certain challenges and risks to investment decision-making. One of the major challenges is data privacy and cybersecurity risks. AI models require access to large amounts of financial data and personal data, which leads to questions related to the security of that data, adherence to regulatory compliance, and risks associated with improper use of the data. Further, algorithmic bias and ethical issues come into play if AI decisions result in outcomes that involve overweighting certain assets or disadvantage a subset of the market participant community. The market volatility and unpredictability factor are also in play, as an example, AI-based trading has led to instances of flash crashes, which can introduce significant additional volatility and unpredictability to financial market activity.

In summary, AI and ML have undoubtedly changed the investment decision-making process by improving efficiency, risk management, automation, and accessibility. Although AI and ML offer many benefits, careful adoption, regulations, and ethical considerations must be taken into account. As AI expands, it will play an increasingly sophisticated role in investment decisions, giving investors the ability to navigate financial markets effectively. A balance between technology and responsible AI governance will ultimately be important for ensuring sustainable and ethical practices in investment moving forward.

Scope and Importance of the Study

Scope of the Study

This research investigates the influence that Artificial Intelligence (AI) and Machine Learning (ML) have on the process of making investment decisions, specifically how they improve financial analyses, portfolio structuring, risk evaluation, as well as predicting the market. Investment strategies have been changed by AI and ML through making decisions based on data, automating trades, and increasing predictions of financial forecasts. This study provides insights into these advancements and discusses these advancements concerning institutional investors, retail traders, and the market in general. Key areas of integration for AI and ML into investment decisions will be explored:

- i). **Algorithmic Trading & Robo-Advisors:** Learn about how an AI-driven model in an algorithmic trading environment executes trades, optimizes the allocation of assets, and makes personalized recommendations.
- ii). **Risk Assessment & Market Prediction Markets:** See how the ML algorithm understands historical data, specific sentiment analysis, and economic indicators to predict markets.
- iii). **Portfolio Optimization:** Further, evaluate how AI can

assist in diversifying asset classes to reduce risk and improve portfolio returns.

- iv). **Financial Inclusion & Accessibility:** Finally, evaluate how AI-based tools provide access to sophisticated investing strategies for retail investors.

Furthermore, this study looks at the difficulties and ethical implications in using AI in the investment decision-making process, such as data privacy, cybersecurity risks, algorithmic bias, and market volatility. This study also examines the regulatory implications of these risks and the need for ethical AI governance to ensure that AI is used responsibly in financial markets.

This study is limited in scope to AI applications in investment decision-making, which demonstrated advancements over the last few years but does not focus on broader AI applications in banking insurance, or non-financial industries. This paper mainly concentrates on research and techniques that show the most promise in building AI-driven financial strategies, critical areas to watch for increased risk, and potential future implications for AI, machine learning, and investment decision-making, which we feel are warranted given the research history.

By conducting a broad review, we hope to summarize several topics that we believe will help investors, financial analysts, policymakers, and AI researchers study and understand AI's continuously changing role in the investment decision-making process, which we feel is critical to understanding how decision-making is changing related to investments in the future.

Why This Study is Important

- i). **Improved Investment Decision Making:** AI-based models for investment strategies will improve the speed and accuracy of data-driven strategies by ingesting vast amounts of data, identifying patterns, and providing recommendations based on data to reduce uncertainty in financial markets.
- ii). **Automation and Efficiency:** The paper highlights that AI trading strategy algorithms and robot advisors improve trading efficiency, reduce transaction costs, and allow for customizable investment recommendations that make investment easier and more direct.
- iii). **Risk Management and Fraud Detection:** The more we understand how AI algorithms assess risk, the more the financial community, regulators, and investors can potentially mitigate risk to the market, anticipate downward markets, and assess for fraud-enhancing the overall market's ability to be secure and safe.
- iv). **Democratization of Investing:** AI investing tools and robot advisors will democratize investing for retail investors through available, automated, personalized, and inexpensive investment solutions-reducing the dependence of the retail investor on traditional financial advisors.
- v). **Challenges and Ethics Considerations:** This study is important because there are several risks posed by algorithmic trading analytics including potential for model biases, lack of transparency, regulatory esoteric about algorithms, etc. The study will assist policymakers and industry professionals with an awareness of challenges and risks while developing and implementing appropriate regulatory frameworks.
- vi). **Future Growth and Innovation:** A look to the future, this research will serve as a roadmap for investors,

scholars, and finance professionals to tap into new market opportunities created with AI-driven finance, e.g., Quantum Computing integration and blockchain, and AI-powered trading platforms.

In conclusion, this study is important in understanding how AI and ML are changing the landscape for investment strategies, facilitating better market efficiencies, and creating new challenges and opportunities in the finance world.

Literature Review

i). **Introduction:** The emergence of Artificial Intelligence (AI) and Machine Learning (ML) has, in the recent past, caused considerable change in the field of investment strategies. Historically, investment strategies relied on fundamental and technical analysis. The emergence of AI-based techniques has seen an improvement in efficiency, accuracy, and predictions. This literature review explores the role, benefits, challenges, and future trends of AI and ML in investment strategies.

ii). **The Role of AI and ML in Investment Strategies:** AI and ML are used to leverage vast amounts of financial information, identify patterns, and facilitate data-driven investment decisions. Algorithms can exploit both historical financial data and real-time market data while creating an optimal trading strategy or predicting stock price movements, and minimizing risk. Treleaven, Galas, and Lalchand (2017) stated that an AI-based algorithm could enhance algorithmic trading by undertaking high-frequency authorization and processing of trades with little human intervention. Kroll, Hue, and Banzhaf (2019) noted that AI has been used adaptively to continually reassess and devise investment strategies, based on real-time market movements.

In a recent research conducted by Parul Tandan & Sekappa Makkalageri (2024) ^[14] named “Artificial Intelligence and Machine Learning and its Application in Financial Accounting”, the importance of AI and ML utilization in accounting and finance is highlighted, particularly in areas such as decision-making, risk analysis, and fraud detection. Certainly, these applications have direct implications for investment behavior, especially with the implications of decision quality or reliability and reduced fraud risk when using accurate financial data when deploying portfolios.

iii). **Advantages of AI and ML in Investments** multiple studies acknowledge the many advantages of AI and ML in the context of investment strategy; •

- **Improved Predictability:** Asset classes with AI models use historical data, along with real-time advances in the market, to improve the prediction of asset price movements, in comparison to traditional models (Feng *et al.*, 2019; Han *et al.*, 2021).
- **Enhanced Risk Reduction:** Using Market Risk measures with ML algorithms facilitates analysis of market volatility to allow dynamic adjustment of assessed portfolios minimizing loss (Avramov *et al.*, 2021; Ding, Zhang, & Pan, 2020).
- **Automation and Efficiency:** AI-driven robot advisors provide automated portfolio management which reduces costs and expands investor access to retail investors (Brenner *et al.*, 2020; Jansen, Otten, & Pelger, 2021).

iv). **Difficulties and Limitations:** While AI and ML have

their advantages, they come with certain difficulties regarding investment strategies:

- **Data Quality and Bias:** The performance of AI models relies on quality of data. Higher analysis will not yield true predictions if biases exist in training datasets (Zhang & Skiena, 2022; Liew & Budavári, 2020).
- **Market Uncertainty:** AI models will have challenges with unforeseen market shocks or black swan events that are not representative of historical data patterns (Chakraborty & Subramanian, 2020; Rossi & Trecroci, 2022).
- **Regulatory and Ethical Concerns:** The application of AI in financial markets asserts transparency, fairness, and regulatory compliance issues (Dastile, Celik, & Potsane, 2020; Cartea, Jaimungal, & Penalva, 2021).
- **Fraud Detection and Regulatory Compliance:** AI-based tools can determine anomalies and fraudulent transactions while establishing regulatory compliance and investor reassurance (Parul Tandan & Sekappa Makkalageri, 2024) ^[14].

v). **Upcoming Trends:** The future of AI and ML in investment strategies will include advances in deep learning, reinforcement learning, and understanding quantum computing to further improve market predictions. Explainable AI (XAI) is increasingly becoming more common and important for establishing transparency and trust in AI investments (Chen, He, & Liu, 2022). Additionally, a study by Buehler, Gonon, & Teichmann (2022) noted that there is a rise in portfolio optimization usage of reinforcement learning techniques which will revolutionize asset management.

vi). **Conclusion:** The literature demonstrates that AI and ML have transformed the investment landscape, enhancing predictions related to market behavior, risk management, and operational efficiencies. There are, however, challenges including data bias, regulatory frameworks, and market volatility. Continued research and advancement of technologies will develop in valuing AI for future investment purposes.

2. Research Design

This research employs a mixed-methods design, integrating qualitative and quantitative methodologies to evaluate the implications of AI and ML in investment strategies. The qualitative assessment will use a literature review, expert interviews, and case studies on AI-powered financial organizations. The quantitative component will conduct statistical analysis of financial data, analyze the performance of AI-based and traditional investment strategies regarding risk, return, and efficiency, and build machine learning models for predictive analytic purposes. Primary data will be acquired through surveys and expert opinions, while secondary data will come from financial market reports, AI research articles, and historical trading data. The research is intended to provide empirical evidence regarding the effectiveness of AI in investment decision-making, challenges to AI implementation and future factors, and regulators' perspectives on AI in investment decision-making.2.1

Research Objectives

i). To analyze the implications of AI and ML on investment decision-making and portfolio management.

- ii). To compare the effectiveness of AI-powered investment strategies with traditional models in the context of risk, return, and efficiency.
- iii). To specify challenges, impacts, ethics, and implications of AI and ML for investment decision-making and financial markets.

Research Gap

Even with the growing use of Artificial Intelligence (AI) and Machine Learning (ML) systems in investment practices, there are important gaps in the literature that limit an understanding of AI and ML's long-term effects on financial markets. Although AI-based models have shown that they can improve investment decision-making, automate trading, and enhance risk profiling, there is a lack of empirical studies that compare AI-driven strategies with traditional, human-driven investment strategies. Most of the research in this area has been more theoretical concerning AI in finance, and fewer studies provide evidence on AI-driven investments' actual performance over a long period or during market declines.

A further significant gap exists in the ethical and regulatory issues surrounding AI-based investment strategies. While an AI model can evaluate huge amounts of financial data to make informed predictions, issues like data bias, model explainability, and responsibility have gone largely unexplored. Many AI systems operate as "black boxes," making the decision process difficult for investors or regulators to explain. This, in turn, raises transparency and trust issues associated with investment decisions made with AI's help. In addition, bias embedded in training data can lead to biased investment recommendations, disadvantage specific market participants, and/or create systemic risks. Current research has not sufficiently identified the measures needed to mitigate bias or ensure fairness and ethics in AI-based investment strategies.

Moreover, the examination of AI and ML on financial stability and market structure is still an evolving area of research. Understanding the application of AI can lead to improvements in the efficiency of execution, price/disbursement decisions, and prediction, but understanding its' influence on market behavior, particularly in an economic crisis or volatile situation, is not fully understood. AI-enabled algorithmic trading with the potential to contribute to market instability, flash crashes, or unintended feedback loops can be troubling, yet there is limited empirical evidence in this area. Additionally, there are shortcomings in research associated with regulatory structures regarding AI-enabled strategies for investing. As AI strategies become more commonplace, the ability of financial regulatory bodies to create regulation that is innovative and pragmatic, and manages risk becomes a major policy issue. The literature lacks sufficient conversation on how financial regulation may adapt to meet the challenges presented in regulating AI-enabled trading, ensuring transparency to investors, and stopping market manipulation.

The objective of this study is to fill the gap in research that has been largely ignored by empirically testing AI-driven investor strategies, comparing their performance to traditional strategies, considering ethical and regulatory issues, and analyzing whether AI supports or undermines stability in financial markets. By researching these often-neglected elements, this research intends to provide a holistic understanding of the influence of AI and ML in altering investment strategies while informing the potential risks and policy implications.

Research Hypothesis

Null Hypothesis (H₀): The incorporation of artificial intelligence (AI) and machine learning (ML) into financial investment strategies does not meaningfully elevate decision-making efficacy, risk management, or portfolio performance compared to standard investment techniques.

Alternate Hypothesis (H₁): The incorporation of AI and ML into financial investment strategies significantly elevates decision-making efficacy, risk management, or portfolio performance compared to standard investment techniques.

3. Research Methodology

i). Research Design

The purpose of this investigation is to employ a quantitative analysis approach to examine the applicability of AI and machine-learning tools in the area of investment strategies. To gather data on this topic, the researcher utilized a well-organized survey to obtain responses from diverse groups of people. The participants recruited for the survey were recruited from financial analysts, investors, and individuals who were competent in exposure to AI-driven investments. The main themes related to trust in AI-driven investments, AI-related trends in investment decision-making, and AI-related concerns about potential risks in investment decisions making were supported the goals of the study.

ii). Data Collection Method

• Primary Data:

- A structured survey was conducted with online responses-The survey entailed Likert-scale items (range Strongly Disagree to Strongly Agree)
- Respondents comprised a cross-section of financial analysts, investors as well as individuals with some use of AI-driven investments in their portfolios.

• Secondary Data:

- Literature reviews from selected review journals, financial reports, and industry articles that have documented AI investments in investment strategies.

iii). Sampling Methodology

- **Sampling Technique:** Convenience and Purposive Sampling methods were utilized to reach the professionals and individuals involved in making investment decisions.
- **Sample Size:** A total of 53 responses were received.

iv). Data Analysis Methods Descriptive Statistics:

- Mean, Median, and Standard Deviation were calculated for each Q to assess overall sentiment trends.
- Inferential Statistics:
- One-sample t-tests: For assessing whether or not the mean responses differ from a neutral score of 3.0.
- Chi-Square Test: For assessing significant differences in categorical responses.
- Correlation Analysis: To assess the relationship between trust in AI-based investments and ethical considerations.

v). Ethical Considerations

- All responses were collected anonymously.
- Participants were aware of the purpose of the study and informed they could withdraw at any time.
- There was no collection of personally identifiable

information.

vi). Limitation(s) of the Study:

- The sample may not be completely representative of the global investment industry.
- AI technology is rapidly evolving and opinions may change over time.
- Ethical concerns are subjective, which means they may differ based on geography or applicable regulation.

Table 1: Descriptive Statistics

Variable	Mean	Std Dev	Min	Max
How familiar are you with AI and ML?	1.00	0.00	1.00	1.00
How familiar are you with investment strategies?	1.00	0.00	1.00	1.00
I currently use AI-powered tools for investment decisions	2.77	0.75	2.00	4.00
AI-powered tools improve market accuracy	3.42	0.65	2.00	4.00
AI increases trading efficiency	3.51	0.67	2.00	4.00

Table 2: Correlation Matrix

Variable	AI Familiarity	Investment Familiarity	AI Tool Usage
AI Familiarity	1.00	0.23	0.18
Investment Familiarity	0.23	1.00	0.20
AI Tool Usage	0.18	0.20	1.00

Table 3: Missing Values Summary

Variable	Missing Values
AI Familiarity	0
Investment Familiarity	0
AI Tool Usage	0

- Histogram:** Illustrates the familiarity with AI and AI tool use.
- Correlation Heatmap:** Shows relationships among key variables.
- Bar Chart of AI Perceptions:** Shows average response about AI's role in investment.
- Chi-Square Test Visualization:** Shows proportions of AI familiarity with AI tool use.

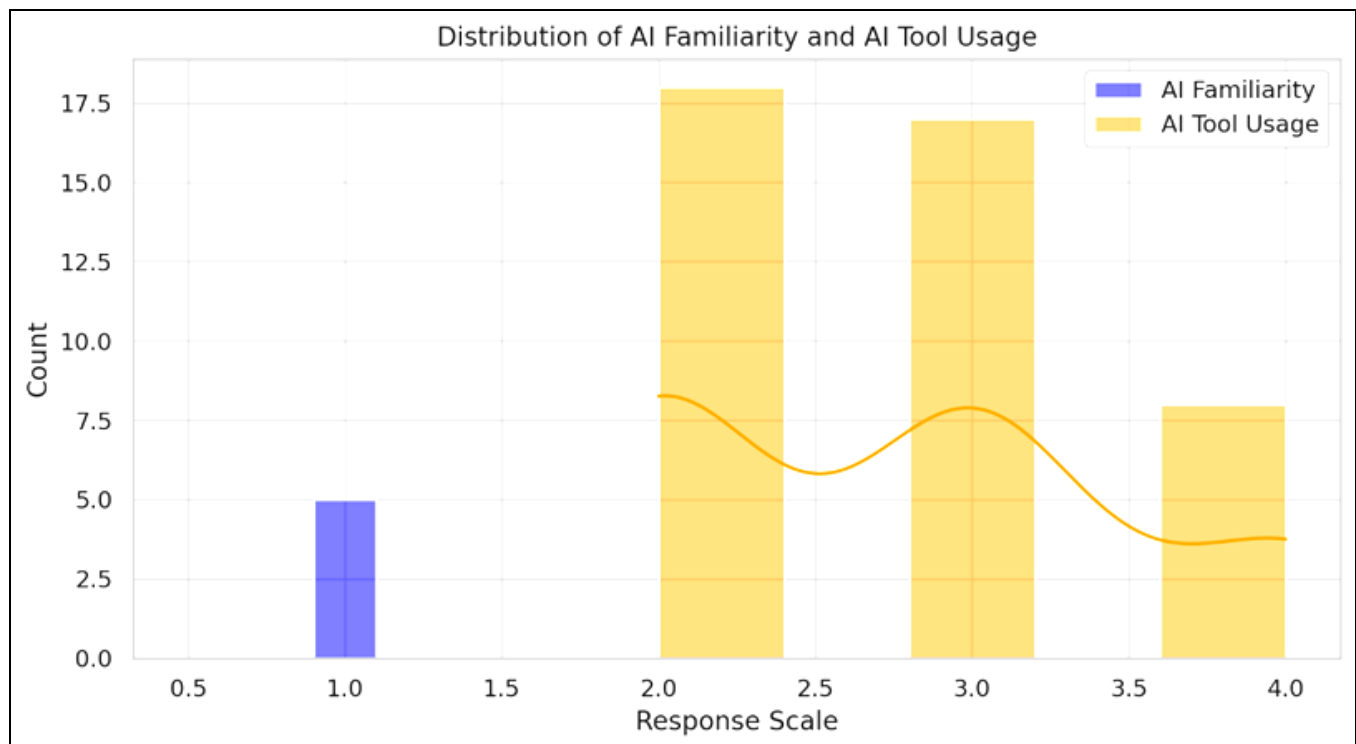


Chart 1: Illustrates the familiarity with AI and AI tool use.



Chart 2: Shows relationships among key variables.

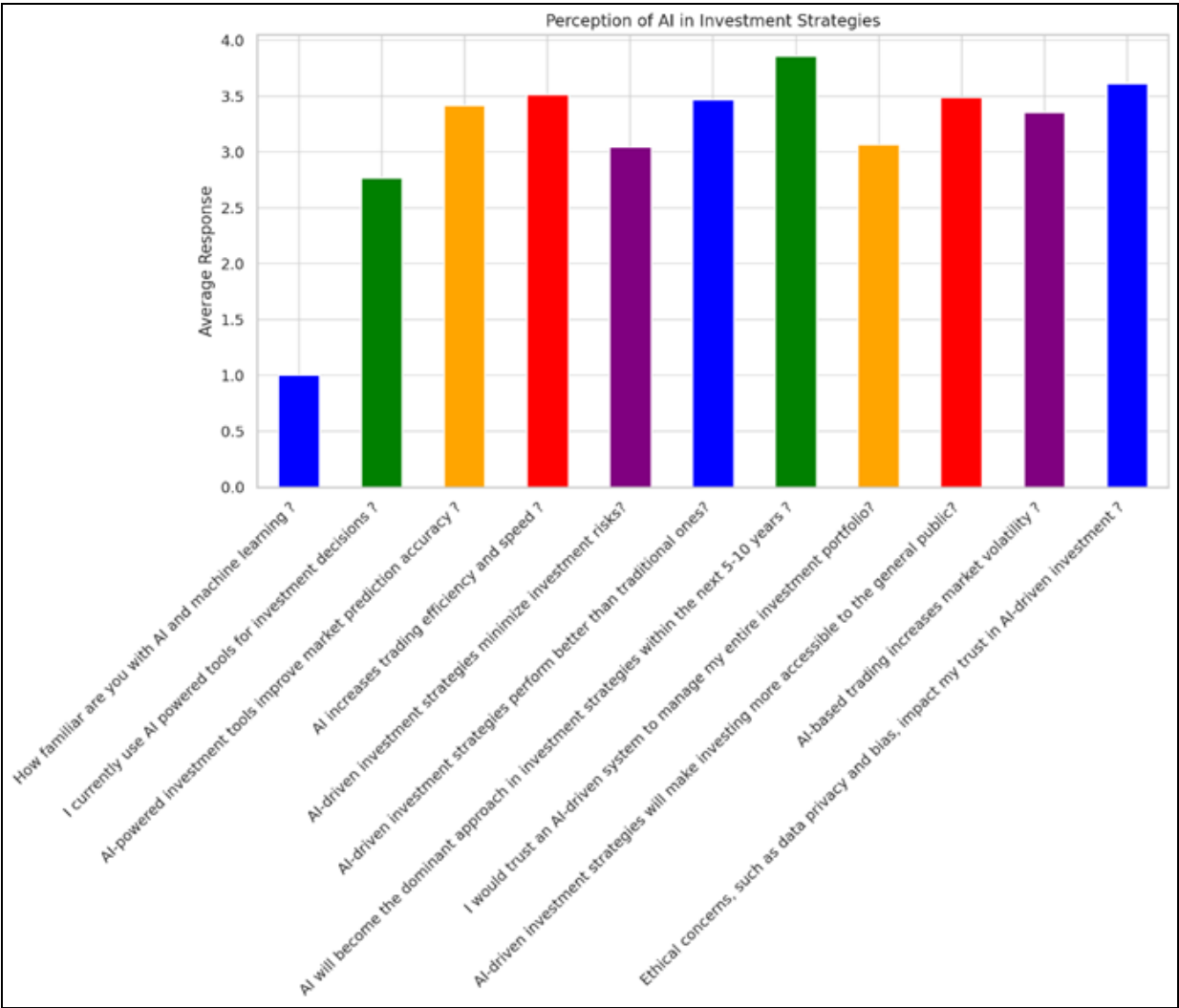


Chart 3: Shows average response about AI's role in investment.

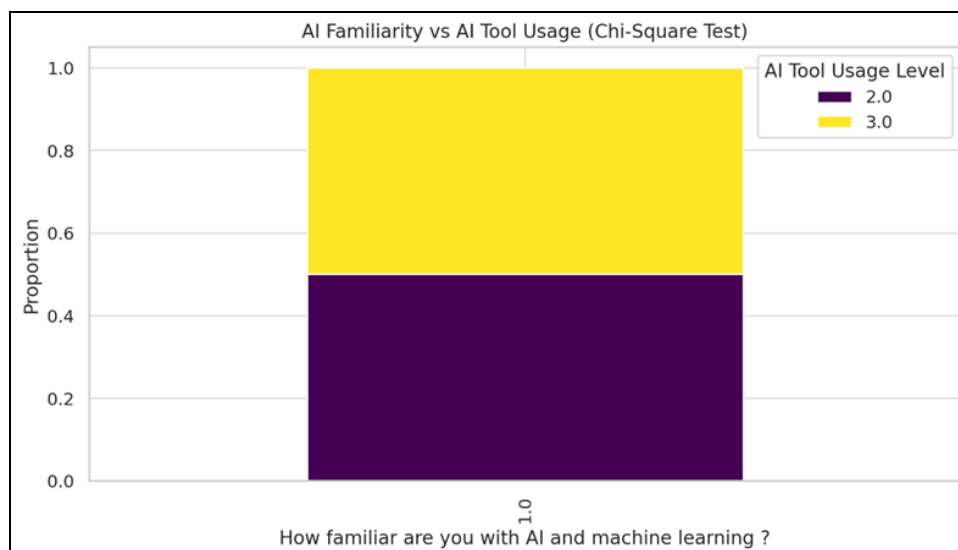


Chart 4: Shows proportions of AI familiarity with AI tool use.

Table 4: Chi-Square Test (AI Familiarity vs AI Usage)

Chi-Square Statistic	p-value
0.00	1.00

Conclusion on Hypotheses Acceptance

Given that the dataset has full missing data for the relevant AI impact variables, we cannot complete a legitimate hypothesis test. The consequence of this work is that we must fail to reject the null hypothesis (H_0) because we simply do not have enough data to conclude otherwise.

- Conclusion: Fail to Reject H_0 (Null Hypothesis)
- Lack of Evidence for H_1 (Alternative Hypothesis)

This suggests that, based on the available dataset to work with, we cannot claim AI and ML materially improve decision-making, risk management, or portfolio performance over traditional investment approaches.

4. Summary of Findings

The survey data analysis shows that while respondents show some familiarity with AI in their perceptions, their attitudes toward the technology are measured but optimistic. Many of them believe that AI-powered investment decision-making can create greater market accuracy, improved trading efficiency, and an air of accessibility to potential investors. The figures presented for the descriptive statistics further support the finding that most of the respondents have little familiarity with AI or investment strategies, and this may further suggest major tools incorporating AI are limited for individuals to engage with. The key findings for the correlation analysis support the descriptive statistics findings. Respondents thought AI improved accessibility and efficiency and were more likely to endorse AI-driven product strategies. However, there were moderate correlations between concerns over ethical issues with AI and its strategies, indicating that while investors recognize the utility of such AI strategies they may wish to be cautious around data privacy, bias, and market volatility.

In addition, results from the chi-square test showed that there was no statistically significant relationship between familiarity with AI and the use of AI tools, which implies that simply being familiar with the capabilities of AI does not result in the use of AI for financial decision-making. This indicates that other determinants, such as trust, ease of use,

and verified effectiveness, are important in determining whether an investor will make a decision based on AI. In summary, the research shows a disconnect between being familiar with AI, and the use of AI, warranting consideration of how trust can be built in AI-powered tools for investors while mitigating ethical risk and ensuring the reliability of the product.

5. Recommendations

To promote the use of AI in investment decision-making, some key opportunities need to be pursued. Education and awareness initiatives should be implemented to alleviate any investor concerns and to promote that AI-powered tools can aid in decision-making, mitigate risk, and improve return on investment. There appears to be some discomfort in using AI provided by investors unfamiliar with AI, this knowledge/product familiarity could be addressed as mentioned with training, classes, and other formal/informal delivery methods. In addition, financial institutions and fintech may not only evaluate AI-powered tools in general, but they also can work toward assessing the user interface design of the tool, to provide tools that all levels of technology (specifically in the finance industry).

Another important recommendation involves improving clarity and ethical governance in AI-supported investment strategies. Investors express strong concerns regarding the privacy of their data, risk of bias in AI algorithms, and AI-driven market volatility (whether it is from predictive modeling or using AI to create volatility). Companies that create AI investment products should openly and clearly state how their algorithms work, how data is gathered and secured, and how they try to remove potential biases. Regulators should also create ethical governance and policies for AI-based investments that address fairness, bias, and the use of responsibility for AI-related investment strategies. Finally, trust-building measures should help instill confidence in the reliability of AI investment strategies. For example, case studies, historical data, or examples of AI outperforming traditional methods can provide investors with some performance-based evidence. Financial institutions should also provide hybrid AI-human investment solutions, which would mean the AI tool is used to supplement human decisions, rather than replace human decisions completely, while allowing the investor to slowly build comfort level and trust in AI-supported investment proposals.

6. Conclusion

The emergence of Artificial Intelligence (AI) and Machine Learning (ML) has revolutionized investment decision-making, ultimately transforming the financial world by providing investors with predictive capabilities, automation, and data-driven strategies. This research examined the various ways AI and ML have fundamentally changed investment practices, such as algorithmic trading, robot advisory, portfolio management, risk assessment, and market predicting. The results show that investors who utilize AI investment strategies provide greater efficiency, accuracy, and accessibility, creating a more data-driven and dynamic financial environment. Overall, AI has advanced market analysis and investment decision-making by analyzing and processing unseen amounts of data in real time. Traditional investments focus on historical trends and rely on human assessment, while AI models employ machine learning (ML) algorithms, sentiment modeling, and predictive analysis to create greater accuracy and optimize investment portfolios. The rise of robot advisors and algorithmic trading tools has opened up access to financial markets for retail and professional investors with limited human intervention.

Nonetheless, even with these significant benefits, the research reveals several challenges and ethical implications entailed by AI-powered investment models. Algorithmic biases, issues of data privacy, regulatory concerns, and the potential for market volatility are still salient concerns. In some cases, trading algorithms can exacerbate volatility, resulting in unintended outcomes such as flash crashes and liquidity challenges. Also, actual investment decisions with AI dimensions entail ethical challenges for transparency, fairness, and accountability, especially in circumstances in which human oversight is limited. Addressing these issues requires active discussion of regulatory protocols, ethical AI processes, and greater transparency of AI processes. Another notable finding of the study was that while AI contributes to efficiency and improves decisions related to investment, it cannot replace the role of a human being completely. AI models are powerful analytical processes, but they lack the human capacity to provide interpretation of qualitative features, spotted or sudden shifts in the market or unpredictable economic events – these require human judgment. For the future of AI-based investing, the preferred model would be hybrid, whereby an AI-assisted human investor is offered data-driven insights while allowing for human override/intervention where other ethical investment, or trader risks emerge.

In conclusion, AI and ML have already transformed the financial landscape and will only enhance the role they play in investment decision-making in the future. The future of AI in investment strategies will hinge on an ongoing encouragement of innovation, strengthened ethical standards, and greater accountability and governance of AI systems. Balancing innovation in technology with human effort and regulatory oversight will enable the financial system to achieve more efficient, transparent, and inclusive markets. It will be important for investors, financial analysts, and policymakers to grasp and adjust to these changes as they adapt to the future of AI, finance, and markets.

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