



Balancing Innovation and Trust: AI and Cybersecurity in Financial Advice



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Agenda

- Why AI and cybersecurity matter now
- Where AI adds value in advice today
- How AI changes the cyber risk profile
- A practical model for responsible adoption

Learning Outcomes

- Identify safe, high-value AI use cases
- Understand how AI amplifies existing cyber risk
- Apply practical governance principles without building them yourself



Why This Conversation Matters Now

AI adoption in advice is accelerating faster than governance and controls

60%

of advisers are already using AI¹

25%

have formal AI governance²

AI is likely already being used in or around your practice, whether formally approved or not.

Poll: Where Are You Today?

Poll Question

Where is your practice today with AI?

- Not using AI
- Experimenting informally
- Embedded in workflows
- Unsure what's being used

Where AI Is Delivering Real Value in Advice

Where Advisers Are Seeing Practice Benefits



File notes and document support



Data summarisation and consistency



Review preparation and workflow efficiency



Quality control and completeness checks

77% of advisers already use AI for file notes and meeting summaries¹

AI works best behind the scenes, supporting advisers rather than replacing judgement

Where AI Introduces Risk

Risk Areas



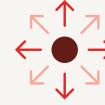
Client data copied into external tools



AI generated content without oversight



No consistent audit trail or accountability



Shadow use of AI expands the attack surface

20%+ of files uploaded to AI tools contain sensitive corporate data¹
77% of employees share sensitive company data via AI tools²

Efficiency gains without guardrails increase exposure

Poll: Adviser Risk Perception

Poll Question

Which area would cause the greatest issue if AI went wrong in your business?

- Client trust
- Compliance
- Data security
- Reputation

What We Actually See in Practice

Most cyber incidents do not start with sophisticated attacks.

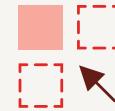
They usually start with:



Credential misuse



Data copied into tools it shouldn't be



Poor access controls

This is very similar to how advice businesses operate day-to-day

How AI Changes the Risk Profile

AI increases:



Data movement



System integration



Speed of mistakes

AI does not create new risk categories, it accelerates existing ones.

Cybersecurity Is Still a Trust Issue



Cyber incidents damage trust first, systems second.



Clients assume advisers protect their financial lives, not just their portfolios.

What Good Governance Looks Like in Reality

Not Theory. Simple, Operational.

In Practice



Clear rules on data use



Human review at decision points



Continuous monitoring, not one-off polices

Governance is something you operate everyday, not something you write once.

Why Most Firms Choose to Outsource This

Reality Check

Cyber and AI governance:



Requires dedicated specialists



Evolves constantly



Cannot be paused

Most organisations do not outsource responsibility, they outsource complexity.

From Theory to Execution

Theory

- Policies
- Frameworks
- Intent

Reality

- Daily use
- Monitoring
- Decisions

Most advisers do not want to design, monitor, and maintain AI governance frameworks.

This is where platform choice matters.

A Trusted Platform Approach

Principles



Enterprise grade data protection



Formal AI governance and review processes



Clear boundaries on AI usage



Human in the loop by design

Morningstar applies the same governance standards internally that it expects of advice businesses.

Build vs Outsource: A Practical Choice

Build

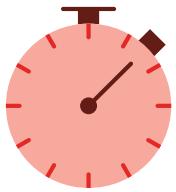
- Design governance
- Maintain controls
- Monitor continuously
- Update constantly

Outsource

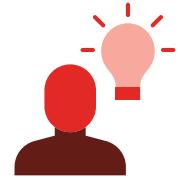
- Embedded guardrails
- Dedicated specialists
- Continuous oversight
- Evolves with change

Advisers remain accountable for advice outcomes, but do not need to build AI governance internally.

Reflection



Where could AI save time in your advice process without touching client trust?



Take a moment to think about one example in your process

Key Takeaways



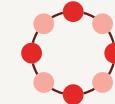
AI adoption is
inevitable



AI accelerates existing
cyber risk



Governance and trust
determine long-term
success



Platform choice
reduces operational
burden

Action Items



Identify where AI is currently used



Define clear boundaries for AI usage



Review data access and controls



Partner with organisations you trust to manage complexity

Future-proof advice is built on responsible AI, strong cybersecurity, and trusted partnerships.

Q&A

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