

General questions

The 26 questions in this survey seek to explore the opportunities and challenges that fund managers are finding as part of their initial exploration of generative AI tools. The survey also aims to identify common use cases and trends in how these tools are expected to change the business model of those embracing generative AI tools, as well as the reservations others may have.

All data provided from this survey will be collated and retained by AIMA for the purposes of publishing a report due later this year, which will be made publicly available. Data from this survey will only be presented or shared in the aggregate. It will not be attributed, or attributable, to any specific firm or person.

The survey should take around 5 minutes to complete. Thank you for your support.

Definition of generative AI

Generative AI refers to a type of artificial intelligence that is designed to create or generate content that is novel and coherent, often mimicking aspects of human creativity. It involves algorithms and models that can produce data, such as text, images, audio, and even video, without direct human input for every element of the output. These models learn patterns and structures from existing data and then use that knowledge to generate new, similar content.

* 1. What is the primary hedge fund strategy of your principal flagship fund? Please select one option from the list below.

- | | | |
|---|--|--------------------------------------|
| <input type="radio"/> Long-short equity | <input type="radio"/> Event driven (inc merger
arbitrage, distressed and
special situations) | <input type="radio"/> Multi strategy |
| <input type="radio"/> Long-short credit | | <input type="radio"/> Fund of funds |
| <input type="radio"/> Long-only | <input type="radio"/> Equity market neutral
quantitative | |
| <input type="radio"/> Relative value arbitrage (inc
fixed income and convertible
arbitrage) | <input type="radio"/> Global macro | |
| | <input type="radio"/> CTA/Managed futures | |
| <input type="radio"/> Other (please specify) | | |

* 2. What is the net asset value (in US\$) of the hedge fund assets under management of your firm?

- | | |
|--|---|
| <input type="radio"/> Less than \$100m | <input type="radio"/> \$1bn - \$4.9bn |
| <input type="radio"/> \$101m - \$249m | <input type="radio"/> \$5bn - \$9.9bn |
| <input type="radio"/> \$250m - \$499m | <input type="radio"/> \$10bn - \$19.9bn |
| <input type="radio"/> \$500m - \$999m | <input type="radio"/> \$20bn or greater |

* 3. Where is your firm headquartered? Please select one option from the list below.

- United Kingdom
- Europe (excl. UK)
- United States
- Canada
- Other (please specify)
- Hong Kong
- Mainland China
- Middle East
- Singapore
- Japan
- Australia

4. Where do you sit within your firm? Please select one option from the list below.

- Front office
- Middle/back office

Company AI strategy

5. Does your firm have a staff policy document for the use of generative AI tools? Please select one option from the list below.

- Yes.
- No, but we are drafting one.
- No. We do not need one (please explain).

6. If yes to Q5, who is the primary architect/owner of the generative AI policy within your firm? Please select one option from the list below.

- Chief Technology Officer
- Chief Compliance Officer
- Chief Executive Officer
- Chief Information Security Officer
- Chief Legal Officer / General Counsel
- Several senior leaders participated in drafting the policy
- Chief Operating Officer
- Chief Investment Officer
- Other (please specify)

7. Does your firm allow staff to use external generative AI tools (e.g. ChatGPT) to support their work? Are there any limitations based on the type of work or part of the organisation you're in? Please select one option from the list below.

- Yes, we can use external generative AI tools for our work with no restrictions.
- We can use external generative AI tools within certain parameters defined in our AI policy.
- We have an internal generative AI tool that we can use.
- No, we are not allowed to use generative AI tools for any aspect of our work.

8. If you use generative AI tools for work, does your firm use an open-access version or a company-specific version? Please select one option from the list below.

- Open-access version.
- Company-specific version.
- Both.
- We are currently using an open-access model but we are moving to company-specific model.

Types of gen AI tools being used

9. Which generative AI tools do you use/have you used to assist you in your work? Please select all that apply.

- | | | |
|---|----------------------------------|---|
| <input type="checkbox"/> AlphaCode | <input type="checkbox"/> ChatGPT | <input type="checkbox"/> DALL-E |
| <input type="checkbox"/> Bard | <input type="checkbox"/> Claude | <input type="checkbox"/> GitHub Copilot |
| <input type="checkbox"/> Bing | <input type="checkbox"/> Copy.ai | <input type="checkbox"/> Llama 2 |
| <input type="checkbox"/> Other (please specify) | | |

10. Please select the option from the list below that best characterises how you decided which generative AI tools to use.

- We did extensive testing of all available generative AI tools and chose the one(s) that best served our needs
- We did some testing of some of the available generative AI tools and chose the one(s) that best served our needs
- We use ChatGPT because it is the most popular/widely used

11. Which of the options listed below have you used generative AI tools to help with? Please select all that apply.

- | | | |
|--|---|--|
| <input type="radio"/> Analysing/summarising documents | <input type="radio"/> Code generation/coding assistance | <input type="radio"/> Cyber security |
| <input type="radio"/> Writing/enhancing marketing material | <input type="radio"/> Pattern recognition in data | <input type="radio"/> Generating client communications |
| <input type="radio"/> Research (investment-based) | <input type="radio"/> Risk assessment and analysis | <input type="radio"/> Portfolio optimisation |
| <input type="radio"/> General research | <input type="radio"/> Compliance processes | |
| <input type="radio"/> Other (please specify) | | |

12. Can you give specific examples of how you're using generative AI tools and indicate if you are beta testing use cases or if you have embedded it in your work functions within any area of your firm?

Opportunities with generative AI

13. What are the main advantages you believe will come from embracing generative AI tools?

Please select the top three.

- | | |
|---|---|
| <input type="checkbox"/> Cost savings | <input type="checkbox"/> Time saving on administrative tasks |
| <input type="checkbox"/> Enhancing investment decisions/strategies (e.g. screening, alpha generation) | <input type="checkbox"/> Content generation (investor communications, marketing, etc) |
| <input type="checkbox"/> Portfolio optimisation | <input type="checkbox"/> Streamlining legal/compliance functions |
| <input type="checkbox"/> Analysing alternative data | <input type="checkbox"/> None of the above |

14. Which functions are likely to see significant disruption (either positive or negative) due to the integration of generative AI tools in the next two years? Please select all that apply.

- | | | |
|---|---|---|
| <input type="checkbox"/> Portfolio management | <input type="checkbox"/> Marketing and investor relations | <input type="checkbox"/> Business development |
| <input type="checkbox"/> Research | <input type="checkbox"/> Accounting and finance | <input type="checkbox"/> Operations |
| <input type="checkbox"/> Risk management | <input type="checkbox"/> IT and technology | <input type="checkbox"/> Human resources |
| <input type="checkbox"/> Legal and compliance | <input type="checkbox"/> Client services | <input type="checkbox"/> None listed |

15. Does your firm use generative AI tools as part of its investment decision-making processes? Please select the statement that most accurately reflects your position.

- Generative AI tools are used for research purposes
- Generative AI tools are used for stock selection
- Generative AI tools are used to create/test an investment thesis
- We do not currently use generative AI tools in our front office

16. If not now, do you expect generative AI tools to become part of your investment decision-making process in the next 12 months?

- Yes
- No
- Unsure

17. What probability do you assign to generative AI tools being responsible for live signal generation without any intervention, within the next two years?

- Very likely
- Likely
- Unlikely
- Very unlikely

Challenges with generative AI

18. What are the main challenges you predict will come from incorporating generative AI tools? Please select your top three from the list below.

- | | | |
|---|--|--|
| <input type="checkbox"/> Training/education of staff | <input type="checkbox"/> Regulatory compliance | <input type="checkbox"/> Unpredictable market events (black swan events) |
| <input type="checkbox"/> Lack of in-house technical expertise | <input type="checkbox"/> Cyber attacks | <input type="checkbox"/> Technological challenges |
| <input type="checkbox"/> Data security and privacy | <input type="checkbox"/> Disinformation online that will disrupt investment strategies | <input type="checkbox"/> Ethical considerations |
| <input type="checkbox"/> Unreliable: prone to errors in content created by AI tools (AI hallucinations) | <input type="checkbox"/> Algorithmic bias | |
| <input type="checkbox"/> IP and copyright infringement | <input type="checkbox"/> Model robustness and explainability | |
| <input type="checkbox"/> Other (please specify) | | |

19. Have you experienced/do you foresee any hardware-related challenges to your firm's adoption of generative AI tools? Please select all that apply.

- Storage of servers
- Maintaining cooling systems
- Supply chain issues with upgrading systems (e.g. chips, servers, etc)
- Not relevant as we use a cloud service for our IT systems
- Other (please specify)

AI talent and training

20. What types of training are/will you offer to relevant staff to allow for the effective incorporation of generative AI tools? Please select the most appropriate option from the list below.

- We have already had staff training on applying generative AI tools to our work
- We will organise staff training on generative AI tools in the next six months
- We do not need to train staff on using generative AI tools
- We do not use generative AI tools

21. If your firm conducts training in generative AI applications, is it mandatory or voluntary?

- Mandatory
- Voluntary
- A mix, depending on where you sit in the firm (e.g. mandatory for senior leadership, voluntary for other departments)

22. If you are organising training for staff on generative AI tools, which of the statements listed below applies to you?

- Training will be conducted by current staff that are/will be our AI lead
- We will use a third-party service to train staff
- We are hiring someone to be our AI lead who will also train staff

23. Will the need for experience with generative AI tools be an important part of the hiring process for your firm in the short term? Are you looking to hire people with this experience within the next 12 months? Please select all that apply.

- Yes, with front office roles
- Yes, with middle/back office roles
- Yes, with all roles
- No

24. Will your firm hire any dedicated AI experts within the next 12 months?

- We plan to hire at least one AI specialist
- We may hire one or more AI specialists
- We are unlikely to hire someone in a dedicated AI role
- No AI-related hiring is currently planned
- We already have AI specialists in house

25. If yes to Q24, where will/does this person(s) sit within the firm?

- Front office
- Back/middle office

26. What role would you like to see AIMA play in supporting members to explore the opportunities and challenges related to generative AI tools? Please select all that apply.

- Creation of DDQs
- Creation of an AI committee
- Drafting of sound practice guides
- Other (please specify)
- Hosting AI-focused educational webinars/roundtables
- Engaging with regulators to shape AI regulatory frameworks