



Morgan Lewis

ADVANCED TOPICS IN

HEDGE FUND PRACTICES

CONFERENCE

MANAGER AND INVESTOR PERSPECTIVES

NEW YORK

June 10, 2025

AI Opportunities and Challenges

Speakers



Jack O'Brien
+1.215.963.4969
[john.obrien@
morganlewis.com](mailto:john.obrien@morganlewis.com)



**Christine Ayako
Schleppegrell**
+1.202.739.5259
[christine.schleppegrell@
morganlewis.com](mailto:christine.schleppegrell@morganlewis.com)

Morgan Lewis

Trends in Use Cases

Automating non-investment advisory parts of the business

Licensing tools from an affiliate or third party

Biases: source, political, demographic, financial interest, language, framing, assumption

Recruiting

Deal due diligence

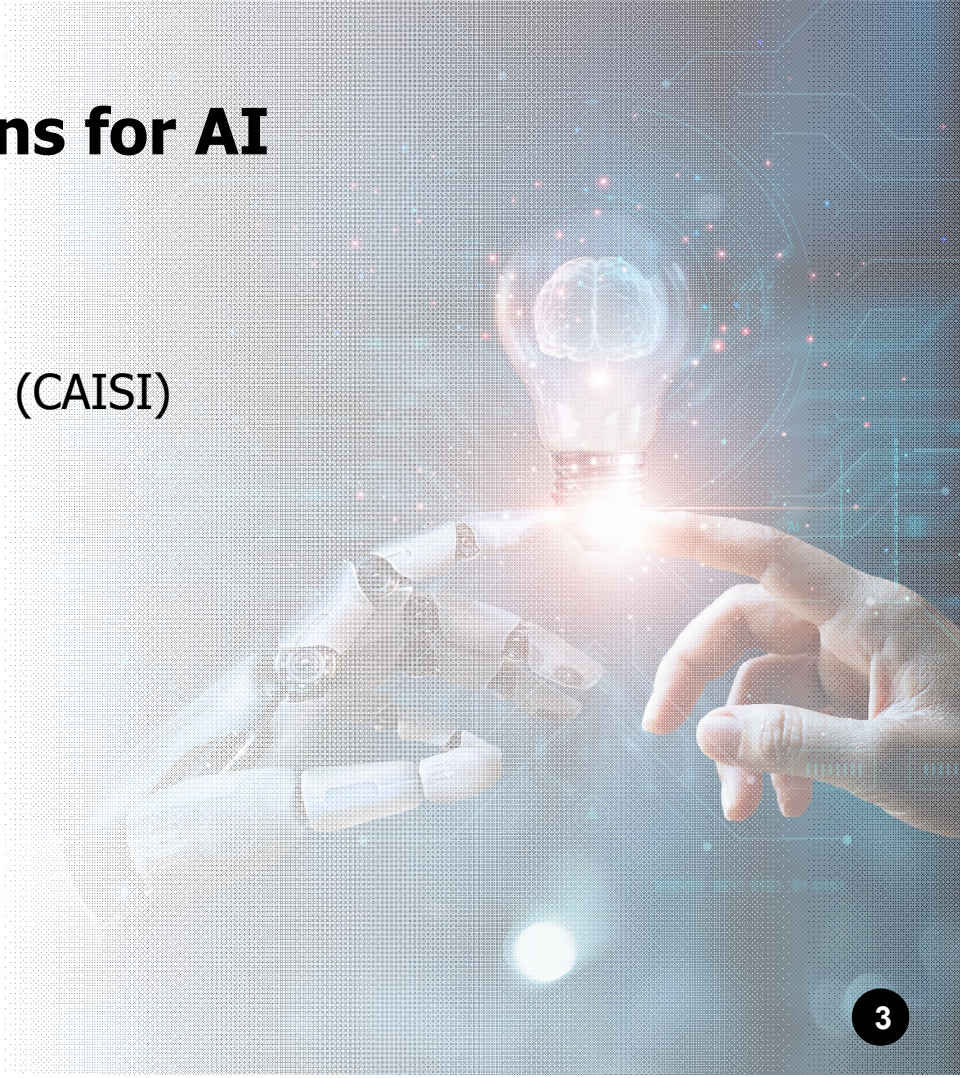
Financial crime prevention

Buckets according to SEC PDA proposal

- Operational
- Investor facing
- Investment

Trump Administration's Plans for AI

- Deregulation
 - Eliminating barriers to AI innovation
- Center for AI Standards and Innovation (CAISI)
- Conflicts with other regulatory regimes
- AI Education Executive Order



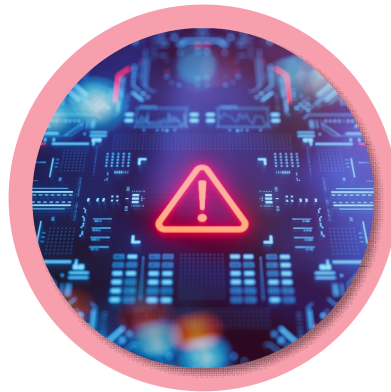
Regulatory Concerns



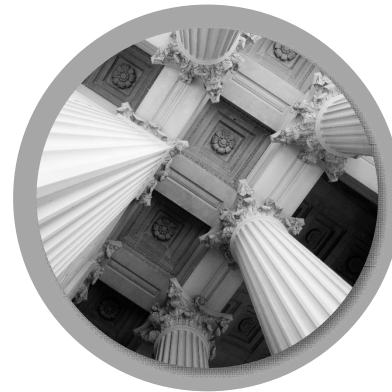
Recordkeeping



**Privacy/
Data Protection**



**Cybersecurity
Concerns**



Litigation

Develop First, Regulate Later

**Human in
the loop**

Hallucination rate

AI agent

AI washing

**Government regulation will
always lag private sector**