

Morningstar's Guide to AI Adoption

Unlock the potential of artificial intelligence, understand the challenges, and find solutions for the future of finance.

NVIDIA Corp NVDA ★★★★★

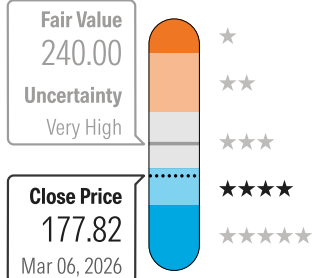
Overview

Equity Style Box	Sector	Industry	Day Range	Year Range
Large Growth	Technology	Semiconductors	176.82-182.76	86.62-212.19

Summary

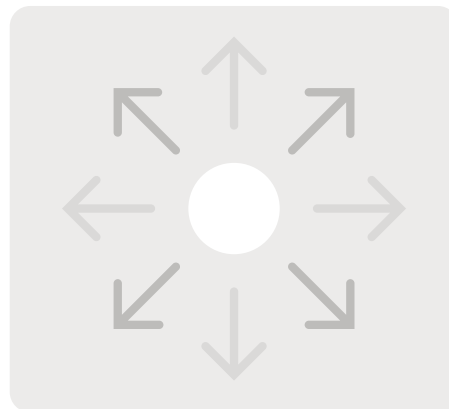
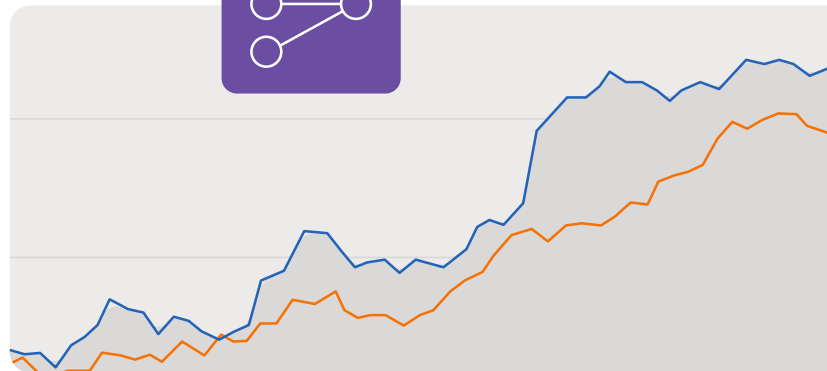
Fair Value Assessment

Undervalued (25% Discount)



Trading Information

Bid / Size 176.19 × 100	Ask / Size 176.26 × 200	Beta (5-Year) 2.28
Short % of Float 1.09	Shares Outstanding 24,300.00 Mil	Shares Short 254.31 Mil



The Investment World Goes All In on AI

Artificial intelligence is everywhere. In fact, it's unavoidable. It's in media, our search engines, our phones, our social media, and, increasingly, the scale of AI integration means it's present in our finances, from investment tools and strategies to AI-themed funds.

Almost everyone has been exposed to AI in one form or another. And this exposure is set to grow, with firms adapting and accelerating their strategies in the heated race to leverage its potential.

In an [EY survey](#) of wealth and asset managers, 95% of respondents reported their organizations are already deploying AI in multiple use cases. In fact, 78% reported implementing three to five Gen AI use cases. In that same survey, 75% of firms said they plan to invest over \$11 million toward AI implementation over the next two years.

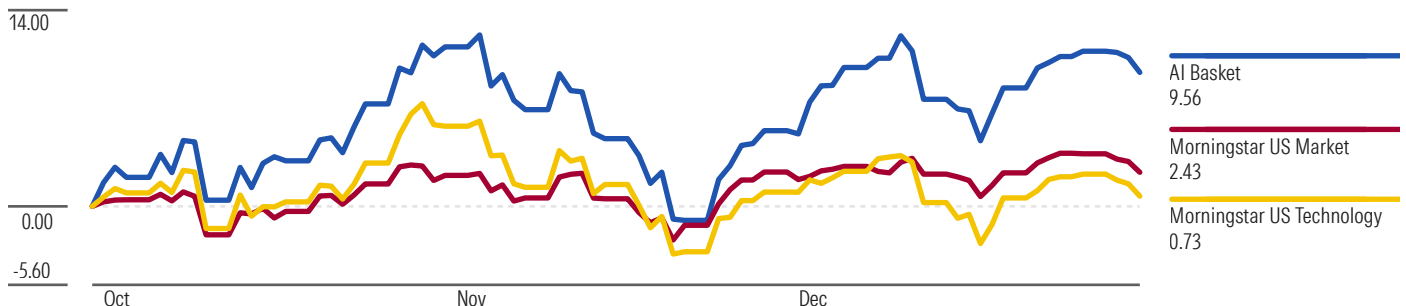
Nonetheless, navigating compliance, privacy, and regulatory constraints remain critical barriers to scaling AI's impact. Firms must also address data governance and build trust among advisors to fully integrate AI into workflows and realize its potential.

The growing popularity of AI also shows in investment trends, especially in thematic funds, which have long acted as a barometer for the trendiest investment topics. Global assets in artificial intelligence and big data funds total more than 77 billion USD.

AI companies are also seeing their stocks [gain ground and remain strong](#), weathering market volatility while outperforming the market. Morningstar analysts selected a basket of 34 major AI stocks, and of those stocks, 62% outperformed the market in 2025, with five returning more than 100%.

Firms are clearly eager to unlock AI's full potential, but achieving this means tackling key challenges with well-tailored solutions.

AI Basket Performance Q42025



Source: Morningstar Direct. Data as of December 31, 2025.

The Impact of AI

Across the financial services industry, various AI use cases have emerged as fintech, asset managers, and wealth managers look to benefit from AI integration.

At the same time, clients in these industries aren't ready to entrust AI with full control of critical decisions. Industry professionals should view AI as a powerful tool, excelling in repetitive, data-intensive tasks and enhancing human decision-making rather than replacing it.

The Best Use Cases for AI in Fintech

- ▶ **Algorithmic trading:** By accessing investment research and historical data, AI can generate predictive analytics to execute trades with speed and precision.
- ▶ **Credit scoring:** Machine learning models assess creditworthiness using nontraditional data sources like transaction history, education, and employment. This allows for a more comprehensive assessment.
- ▶ **Chatbots:** AI-powered bots provide 24/7 customer support with automated responses for commonly asked questions. Chatbots also use natural language processing to send personalized messages and engage in basic conversations about a client's financial profile and goals. This improves client communication and frees up human professionals to focus on more complex issues.
- ▶ **Compliance and risk management:** Artificial intelligence can automate monitoring and ensure adherence to regulatory standards, which then reduces operational risks.

The Best Use Cases for AI in Asset and Wealth Management

- ▶ **Personalization:** When done right, AI can deliver valuable insights that help managers personalize the client experience.
- ▶ **Asset and wealth managers** can use the data processing capabilities of AI to identify trends, patterns, and anomalies in the market and can model different scenarios.
- ▶ **Wealth managers** can use these outputs to create personalized, data-driven investment strategies that align with their clients' goals, such as risk tolerance or sustainability objectives. More personalized strategies lead to improved client relationships, which can help reduce the likelihood of customer churn.
- ▶ **Market monitoring:** AI can perform real-time analysis on current market data. This paints a more accurate picture of what's happening in the market, from major trends to sudden crashes, enabling portfolio managers to react accordingly and proactively optimize portfolio performance.
- ▶ **Client acquisition and retention:** In a recent analysis by Fidelity, 83% of wealth management firms reported using generative AI heavily at scale for notetaking and general meeting prep. An EY study also found that 74% of asset managers use AI to enhance the client acquisition experience.

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74% of asset managers use AI to enhance the client acquisition experience.

The Fidelity Wealth Management Pulse Survey
July 10, 2025, through August 11, 2025

The Universal Benefit of AI Adoption: Efficiency

Despite the diverse range of AI use cases across different firms and job roles, there's an overarching benefit of AI integration—efficiency.

From using chatbots to triage frequently asked questions or predictive modelling to assess market scenarios, AI empowers financial market participants to dedicate more time to the most meaningful work.

Thanks to AI and predictive models, asset managers, financial advisors, and wealth managers can increase their personalization efforts, allowing them to prioritize customer outreach, optimize retention strategies, and keep costs low, all at scale.

Whether through strengthening client relationships or surfacing actionable investment insights, AI can improve operational efficiency, streamline workflows, and reduce costs.

AI Ecosystems: Navigating Obstacles

Firms are striving to not only navigate the complex world of AI but build out entire AI ecosystems. These ecosystems are comprehensive frameworks that integrate generative AI, large language models, and other AI capabilities and tools to address diverse industry needs.

However, integrating AI into existing systems presents challenges, particularly when it comes to compliance and maintaining robust data governance. Organizations must address issues like data security and compatibility with legacy systems to fully leverage AI's potential.

Challenges of AI Adoption

For all the advantages of AI, there are still many [concerns and obstacles to overcome](#).



- ▶ **The AI Bubble:** Similar to the “dotcom bubble” burst in early 2000, there are concerns the rapid investment in artificial intelligence has outpaced the technology's immediate profitability. The only way to mitigate the concerns is to look at the current impact of AI.



- ▶ **Infrastructure:** The rapid pace of AI advancements has highlighted concerns over insufficient infrastructure, as many organizations struggle to keep up. However, hyperscalers like Microsoft, Meta, Alphabet, and Amazon are making significant investments in AI infrastructure, particularly in data centers.



► Security: Robust cybersecurity measures can only succeed if each step of the process plays its part. Firms deploying AI systems must ensure security is embedded throughout the process, especially when it comes to the design, development, integration, and operation of AI technologies.



► Regulations: New regulations will inevitably aim to mitigate potential risks and establish best practices for AI deployment. In the meantime, firms should proactively establish AI governance guidelines. In other words, apply a clear strategy outlining objectives, benefits, risks, and ethical guidelines, supported by updated policies on data privacy, security, and workplace AI usage.

How Morningstar is Evolving with AI

In the face of these challenges and a rapidly expanding ecosystem of artificial intelligence, firms need comprehensive, cutting-edge solutions to quickly adapt their approach to AI.

That's where Morningstar comes in.

AI models are accelerating, and our technological infrastructure is evolving to meet the demand, processing an average of 23,000 data points each minute. Morningstar's own AI strategy focuses on bridging data, research, and artificial intelligence to empower investors with actionable, transparent solutions.

Our approach emphasizes seamless integration of AI into workflows, enabling faster, more confident investment decisions without sacrificing accuracy.

Morningstar's Direct AI Solutions help financial professionals personalize insights, enhance decision-making, keep pace with the industry, and explore new horizons for investing success.

Morningstar MCP Server

The Morningstar MCP Server is a server that makes integration simple, so you can focus on innovation. The server enhances AI workflows with access to vetted data and research. It eliminates the need for building complex data infrastructures.

Integrated with platforms like Claude, ChatGPT, Microsoft Copilot Studio, and Microsoft Foundry, the MCP Server ensures consistent, high-quality insights while reducing operational overhead.



ChatGPT



Claude



Microsoft Foundry



Microsoft Copilot Studio

Morningstar Agent

The Morningstar Agent streamlines investment research by providing direct API access to Morningstar's AI-ready data and research. The agent eliminates the need for complex data pipelines and allows users to optimize investment strategies with AI.

This tool empowers organizations to integrate trusted insights into their AI applications, delivering faster responses, all grounded in Morningstar's independent research and data.

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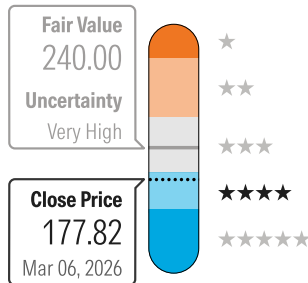
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Short % of Float 1.09	Shares Outstanding 24,300.00 Mil	Shares Short 254.31 Mil	Shares Short Change -1.08%
Short Ratio	Volume / Average	Day Range	Year Range

Provide a quick summary of NVIDIA



According to analyst research, NVIDIA Corp (ticker: NVDA) is a leading developer of graphics processing units (GPUs) that have traditionally enhanced computing experiences, particularly in gaming. Recently NVIDIA has positioned itself at the forefront of artificial intelligence (AI) by not only providing AI GPUs, but also developing a proprietary software platform called Cuda, which is essential for AI model development and training. The company's stronghold in the AI market is bolstered by high consumer switching costs associated with Cuda, making it difficult for competitors to displace NVIDIA as a leader in AI training. Furthermore, NVIDIA's expansion into networking solutions has allowed for more efficient clustering of GPUs, enhancing their capabilities in handling complex AI workloads. Overall, NVIDIA's prospects are closely tied to the growth of the AI market, and its economic moat is supported by its innovative software and hardware integration, which continues to solidify its market leadership.

Sources

Nvidia Remains at the Center of the AI Ecosystem
 January 10, 2026

Enter a question

Direct AI Insights

Morningstar Direct AI Insights offer actionable analysis for portfolios and watchlists powered by the latest analyst research and timely data.

Get investment summaries that simplify decision-making with tailored insights that highlight what matters most, so advisors can respond to client needs with precision and speed.

The market moves fast, but with Morningstar's Direct AI Solutions, you can move faster.

The screenshot displays the Morningstar Direct AI Insights interface. On the left is a navigation sidebar with options like Home, Clients & Planning, Model Portfolios, Watchlists (selected), Bookmarks, Morningstar Research, and various investment tools. The main content area is divided into three sections:

- Watchlists:** A table with 6 securities. The table has columns for 'Ticker' and 'Name'.

Ticker	Name
MCD	McDonald's Corp
NVDA	NVIDIA Corp
NTDOY	Nintendo Co Ltd ADR
PTLO	Portillo's Inc Class A
DIS	The Walt Disney Co
VFORX	Vanguard Target Retirement
- Recent Insights:** A section titled 'Recent Insights' generated on February 11, 2026. It contains three main insights:
 - Nvidia Corp:** Nvidia's expansion beyond gaming and data centers, highlighted at CES 2026, showcases its focus on artificial intelligence, robotics, and autonomous vehicles. The company maintains a \$130 fair value estimate, with strong demand in data center AI and innovative products like Project Digits, a mini supercomputer for developers.
 - The Walt Disney Co:** Disney's fiscal first-quarter results showed a 5% revenue increase and 38% rise in operating profit, driven by streaming profitability, strong movie releases, and sports performance. Despite a decline in linear networks, content and licensing revenue surged 34%. The firm maintains a \$125 fair value estimate, with experiences as a key growth driver.
 - Vanguard Target Retirement 2040 Fund:** Vanguard's Target Retirement series maintains an Above Average People rating, bolstered by a strong management team led by Roger Aliana.
- Recent Analysis:** A section titled 'Recent Analysis' generated on January 01, 2026. It contains four main insights:
 - McDonald's Corp:** McDonald's served up 5.7% global comparable sales growth in the fourth quarter, with gains across all segments. In the US, comparable sales popped 1.8%, accelerating sequentially and lapping a 1.4% decline in the year-ago period, with improvement in both check size and traffic.
 - Nvidia Deal:** Nvidia will invest \$30 billion in OpenAI as part of OpenAI's \$110 billion financing round at a \$730 billion pre-money valuation. OpenAI will use 3 gigawatts of dedicated inference capacity, along with 2 GW of AI training in Nvidia's latest Vera Rubin systems.
 - Walt Disney Co:** With heavy investment and good execution in parks and experiences and streaming, Disney has transitioned its business so that the ongoing, swift decline in traditional pay television is no longer a critical threat to the company.
 - Nintendo Co Ltd:** Nintendo started its video game console business in 1983 by launching the NES, and started its portable console business in 1989 by launching the Game Boy. Since then, the firm has focused on expanding.

Ready to embrace the future with AI?

[Explore Morningstar Direct
AI Solutions.](#)