

Harnessing AI for Value Investing in China: From Operational Efficiency to Strategic Edge

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The investment landscape is transforming at unprecedented speed. While the core principles of value investing—deep fundamental research, patience, and discipline—remain timeless, the methods of execution are evolving rapidly. For our China-based fund management firm, artificial intelligence has moved from experimental tool to integral partner, reshaping how we operate without compromising our investment philosophy.

Marketing and Communication: Building Our Digital Presence

AI's most visible impact appears in our marketing and investor communications. Our "pull" marketing strategy depends on creating high-quality, original content that attracts investors through insightful analysis rather than aggressive promotion.

Before AI, serving both Chinese and international investors meant painstaking content creation across multiple languages and formats. Now our bilingual content generation flows seamlessly between Chinese and English. Every piece we publish, from website articles to LinkedIn posts, communicates naturally to both audiences with a level of efficiency we never could have achieved manually.

We've also reimagined our weekly market dashboard. What was once a static PDF of charts and tables now arrives in both written and video formats, with key insights narrated by digital twins of our staff. This approach combines human credibility with AI scalability, making financial insights more engaging while maintaining our analytical rigor.

The results speak for themselves: not just faster content creation, but measurably better quality, consistency, and global reach. Next, we're exploring AI-enhanced CRM solutions to make our investor engagement more personalized and strategically targeted.

Investment Research: Preserving Depth, Accelerating Insight

While marketing benefits are highly visible, AI's true strategic value lies in investment research. Value investing demands rigorous analysis of individual companies, work that involves complex financial modeling and synthesizing insights across a vast array of information sources.

AI delivers substantial productivity gains here. Traditionally, analysts spent significant time extracting information from financial statements, company filings, analyst reports, conference calls, and news flow. This process offered few shortcuts. Now AI enables us to digest massive amounts of publicly available information and generate initial assessments in minutes rather than hours.

What sets us apart remains our analysts' judgment: their ability to ask the right questions, filter noise, and connect insights in ways machines cannot. AI simply frees them from data cleaning to focus on interpretation, reinforcing rather than replacing our investment discipline.

Consider a practical example. Calculating deal IRRs across a decade of acquisitions for a global industrial company was a task that once required a full day; today, it happens almost instantly. Competitive benchmarking, previously hampered by sparse disclosure and scattered data, now requires only a few keystrokes to gather and compare comprehensive information.

We've formalized these advances through a new practice in our weekly research meetings. Every presenting analyst must share their most insightful AI question from the week, whether posed to ChatGPT, Claude, Qwen, or other models, along with the response received. This surfaces unexpected insights, allows us to compare different AI systems, and most importantly, sharpens the skill of asking better questions.

Building Tomorrow's Investment Infrastructure

We're also developing AI agents that will deliver professional, investor-grade analysis across fundamental, technical, and behavioral dimensions. Our most advanced project will be a one-command stock report generator. Users will input any ticker and receive a comprehensive research note with key financial highlights and investment summary. The data will come from our proprietary databases, while AI will generate the narrative through custom agentic workflows.

This tool will cover the entire 5,000+ A-share universe with reports generated on demand—a significant step toward democratizing access to high-quality fundamental analysis. Beyond internal efficiency, it will represent the kind of scalable insight generation that could reshape how research is delivered to investors.

Looking further ahead, we're exploring AI-powered portfolio optimization and predictive analytics for dynamic strategy adjustment, alongside sophisticated risk management systems that will proactively identify vulnerabilities through advanced scenario modeling.

AI and the Essence of Value Investing

For us, AI is not a substitute for conviction, patience, or judgment. It's a scalable extension of intellectual capacity that removes friction from data handling and content creation while preserving the qualitative heart of fundamental investing.

Value investing has always been about adapting timeless principles to changing contexts. In today's environment where China's market dynamics, global capital flows, and technological innovation converge, the best investors aren't those who resist change, but those who harness it without compromising discipline.

AI enables us to uphold the rigor of value investing while expanding its reach, depth, and efficiency. We believe this creates a structural competitive advantage—not because AI replaces human insight, but because it amplifies it. The future belongs to investors who can combine the wisdom of traditional analysis with the power of modern tools.

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