



THE NEXT CHAPTER IN FUND OPERATIONS:

AI in practice

The fund operations industry is entering a new phase of transformation. AI is no longer just helping teams work faster at the margins, it is beginning to reshape how core operational processes are managed, from reconciliations and oversight to exception handling and NAV support. As adoption moves from experimentation into production, the opportunity is becoming clearer: a more intelligent, responsive and resilient operating model for the future.

FROM AI POTENTIAL TO AI IN PRODUCTION

Fund operations are built on high-volume, rules-based activity carried out within a rigorous control environment. Reconciliations, fund accounting, transfer agency, transaction processing and reporting all rely on accuracy, consistency and scale. Those characteristics make the function especially well suited to AI adoption.

Earlier applications of AI tended to support discrete tasks. Models could classify a reconciliation break or recommend a resolution, while human teams remained responsible for routing, review and execution. The next stage is more advanced. Agentic AI is beginning to move beyond recommendation toward controlled execution, with systems designed to identify actions, complete defined tasks and escalate only genuine exceptions for human intervention.

“That shift matters because it changes the role AI can play across the operating model,” says Isabelle Monahan, Global Head Alternatives Operations at BNY. “Instead of simply accelerating individual steps, AI can help connect workflows end to end, improving speed, consistency and responsiveness without compromising oversight.”

BNY built Eliza, its enterprise AI platform, and paired it with peer learning circles, hackathons, and town halls to turn curiosity into capability, helping train its entire workforce in AI and driving broad adoption. Today, BNY is embedding AI into its operating model firm-wide. The firm now has more than 300 enterprise AI solutions in production, and in the second quarter of 2026, 40% of code was authored by AI. Within Asset Servicing, more than 40 AI solutions have already been developed through Eliza.



DID YOU KNOW?

BNY received **Global Custodian's Innovation in AI for Asset Servicing** award in July 2026.

In June 2026, BNY was named **Most Innovative Bank – Global in the Innovator Awards** by Global Finance.

SMARTER RECONCILIATIONS

Reconciliation is one of the clearest examples of how AI can improve outcomes in fund operations. For financial firms, the value is direct: less time spent by humans in investigating exceptions, faster resolution of breaks and greater certainty over positions and cash.

“At its foundation, reconciliation is a deterministic process that compares one dataset with another to confirm alignment,” says Nellie Ding, Global Head of Operations Digital Transformation, BNY. “That structured nature makes it well suited to AI.” At BNY, agentic AI reconciliation capabilities are helping accelerate the workflow by supporting data ingestion, cleansing, standardization and enrichment, while also reinforcing core data governance elements.

AI can then perform automated transaction matching, identifying patterns in transaction data and descriptions and recognizing broader relationships across datasets to improve accuracy and reduce manual intervention. When exceptions arise, AI can help accelerate resolution by analyzing root causes and suggesting effective next steps.

It can also add a further layer of intelligence to exception management by interpreting comments and contextual signals, assessing aging and risk, and helping prioritize the items most in need of attention. The result is a more proactive approach to managing breaks and a more responsive operating model overall.

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Global Head of Operations
Digital Transformation at BNY



REIMAGINING NAV MONITORING

NAV production remains at the center of the daily fund accounting cycle. It supports regulatory compliance, enables processing of investor flows, determines fund performance and provides critical visibility into next-day operations. The earlier the NAV can be produced, the better.

“Today we leverage intelligent NAV across several funds, while for other, more complex funds, we are steadily extending automation capabilities to further reduce manual intervention and accelerate NAV delivery,” says Nicole Greene, Head of Strategy and Product Transformation at BNY. “The process is complex, and control requirements remain paramount. Even so, meaningful progress is already being made toward a more automated model.”

Real estate funds provide a good example. Creating a NAV in this segment is often more complex because many prices must still be supplied manually. BNY has developed AI tools to help automate the gathering of this data and support data validation. High-quality data remains essential to accurate outcomes, so AI-enabled data management and governance play a foundational role in strengthening the reliability of the models used in NAV production.

BNY is also working to enable anomaly detection in transactions throughout the day, so that by the time the “golden hour” for NAV construction arrives, key controls are already under way. The increased availability of higher-quality, AI-processed data is an important enabler of this shift.

Another area of progress is the use of multiple models on a single task to increase automation while preserving control. For validation of financial statements where accuracy is critical, for example, an agentic AI model and a more traditional large language model can analyze documents independently. Where the outputs align, processing can continue automatically. Where they differ, the item is escalated for human review. “This moves the model away from routine human intervention and toward more targeted human oversight,” says McManus.



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THE FUND OPERATIONS PROFESSIONAL OF THE FUTURE

As AI takes on more of the repetitive work that has long defined fund operations, the role of the operations professional is beginning to change with people bound to spend less time on routine processing and more time on oversight, judgment and client service.

For financial firms, the benefits are tangible. Earlier resolution of issues can reduce downstream errors across books and records, while tighter processing cycles can support faster settlement, faster NAV delivery and more efficient use of working capital. Time spent on exception management, manual research and document handling can also be reduced.

This evolution does not diminish the importance of operational expertise. It increases it. “As routine activity becomes more automated, the human role becomes more focused on supervising AI-enabled workflows, refining controls, managing true exceptions and helping clients navigate complexity with confidence,” says Monahan. “The future workforce is likely to be defined less by execution alone and more by stewardship.”

At BNY, that transition is being supported through investment in continuous learning, role-based development and leadership capability, helping teams adapt as operational work evolves. “The broader lesson is that best practice in operations is no longer just about scale,” says Ding. “It is about combining AI with deep expertise to deliver a model that is faster and more responsive to the evolving demands of the global financial services ecosystem.”



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WHAT'S NEXT?

The next challenge is to connect AI tools across the operational lifecycle and integrate them more fully across engineering, product and operations.

That evolution will also extend beyond institutional silos. “As financial firms continue to develop AI capabilities of their own, the future is likely to involve greater interaction between AI systems across organizational boundaries, creating the potential for more connected processes across the ecosystem,” says Greene.

At the same time, the direction of travel will continue to depend on retaining what matters most: standards, controls, regulatory compliance and robust risk management. At BNY, all AI tools must pass through a rigorous governance process before going live, with legal and compliance embedded throughout. Oversight extends across the full AI lifecycle, including deployment, continuous monitoring, change management, telemetry logging, lineage tracking, approval workflows, access recertification, incident analysis and periodic retesting against real operational scenarios. Transparency is also built into AI models to support auditability and stronger human supervision.

Fund operations are entering a new era — and AI is set to play a defining role in what comes next. The opportunity now is not only to improve individual processes, but to reimagine the operating model as a whole. For firms that can pair innovation with strong controls and operational expertise, the next phase of transformation is already taking shape.

For more information about our solutions, please visit our Fund & Investor Solutions [website](#).



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