Can AI become your personal portfolio manager?

KIRUBAKARAN RAJENDRAN, 38
Chennai
Occupation: Full-time algo trader
Prompts used: Considering current market conditions, recommend me to sell any stock and replace with any other stock
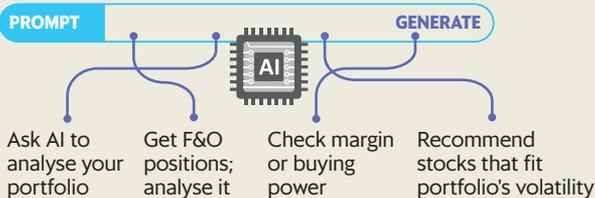
HEMANTH KUMAR BOYAPATI, 30
Vijayawada
Occupation: Cybersecurity analyst; invests in stock markets
Prompts used: Which parts of my stock portfolio I should hold, sell or add, to tune my portfolio in the style of Charlie Munger

How to prompt Claude

After connecting Zerodha account, give tasks in simple English

PROMPT — **GENERATE**

AI

Ask AI to analyse your portfolio

Get F&O positions; analyse it

Check margin or buying power

Recommend stocks that fit portfolio's volatility

How to set up Zerodha MCP on Claude AI

DOWNLOAD and install Node.js from nodejs.org

OPEN Claude desktop application

CHANGE configuration in developer settings*

CLOSE and restart Claude application

FOLLOW authorization prompts to connect Zerodha account

MCP or Model Context Protocol is an open-source framework that allows AI to access third-party systems to get real-time data, enhancing its capabilities and functions. More brokers can integrate it in future.

An illustration of prompt and response from Claude

Prompt: Recommend changes in my portfolio
Claude's response
1. Increase portfolio size
Note: Portfolio just had one Gold ETF for testing
2. Diversify asset classes
Equity **(60-70%)**
Debt **(20-30%)**
Alternative assets **(10-20%)**
Keep some gold exposure (reduce to **5-10%**)
REITs for real estate exposure
Consider commodities
For illustration purpose only

Use AI with caution

▶ AI can recommend stocks, but don't blindly invest
▶ Regulations need to evolve; fix accountability
▶ AI is not a regulated entity like RAs and RIAs^
▶ Beware of AI hallucinations
^Research analysts and registered investment advisors

What portfolio managers and financial planners say

We are not selling recommendations, we are selling credibility and conviction. Can an investor bet his wealth on AI-driven recommendations?
—Abhishek Banerjee, co-founder of LotusDew Wealth

Financial planning requires deeper and higher quality conversations, which can only emerge from human interactions
—Vishal Dhawan, founder of Plan Ahead Wealth Advisors

Regulatory framework assumes a "human agent" offering advice. If AI evolves from being a passive tool to an active recommender, definition of 'advice', 'execution', and 'intermediation' may require substantial rethinking.
—Sumit Agrawal, founder of Regstreet Law Advisors