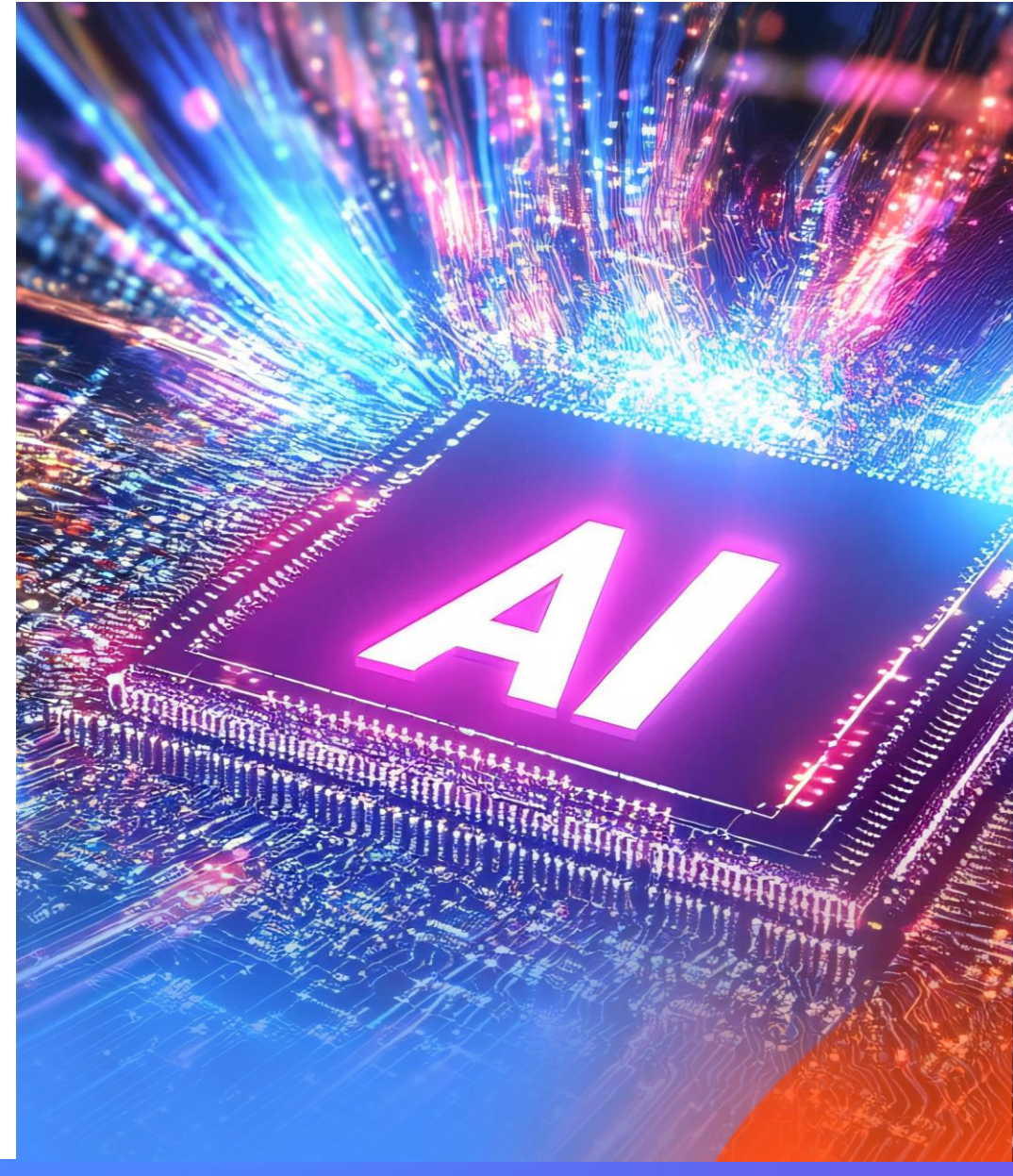


Artificial Intelligence: Future, or hype?



We believe Generative AI represents the **next major computing platform shift and a multi-trillion-dollar investment opportunity.**

Like past foundational technologies, AI will change the way we interact with computers

Internet



1990s – present

What is possible if you can connect all of the world's computers and exchange information?

Mobile



2000s – present

What is possible if you can put a computer in everyone's pocket?

Cloud



2010s – present

What is possible if computing becomes infinitely scalable?

AI



2020s and beyond

What is possible if computers can talk and reason in our native language, while matching or exceeding our intellect?

Foundational technologies can create massive new markets

Internet



1990s – present

- eCommerce
- Search / digital advertising
- Video streaming
- Online gaming
- Digital payments

Mobile



2000s – present

- Social media
- Ride sharing
- Mobile semiconductors
- Mobile gaming

Cloud



2010s – present

- Infrastructure as a Service
- Software as a Service
- Assisted Driving
- Internet of Things (IoT)

AI



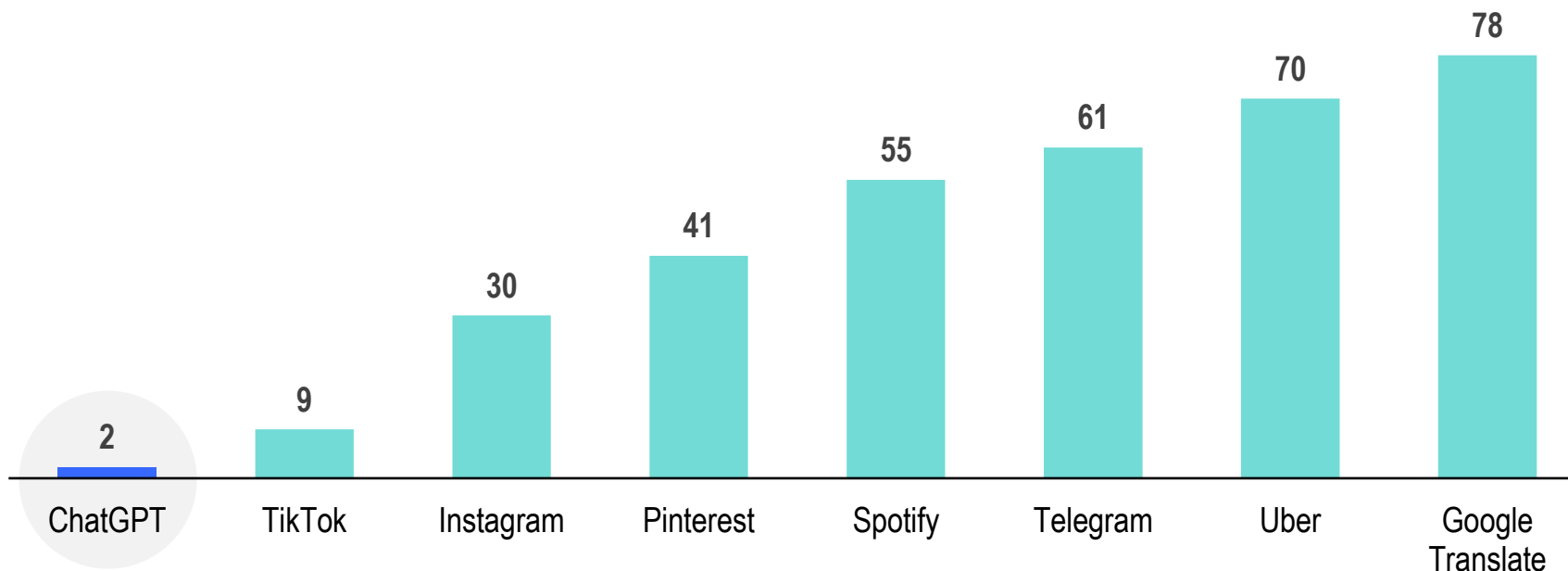
2020s and beyond

- Digital Labor
- Physical Labor (humanoid robots)
- Autonomous Vehicles
- ???

Generative Artificial Intelligence (AI): a significant growth opportunity

AI is creating an iPhone moment for the industry

Months to Reach 100M Users

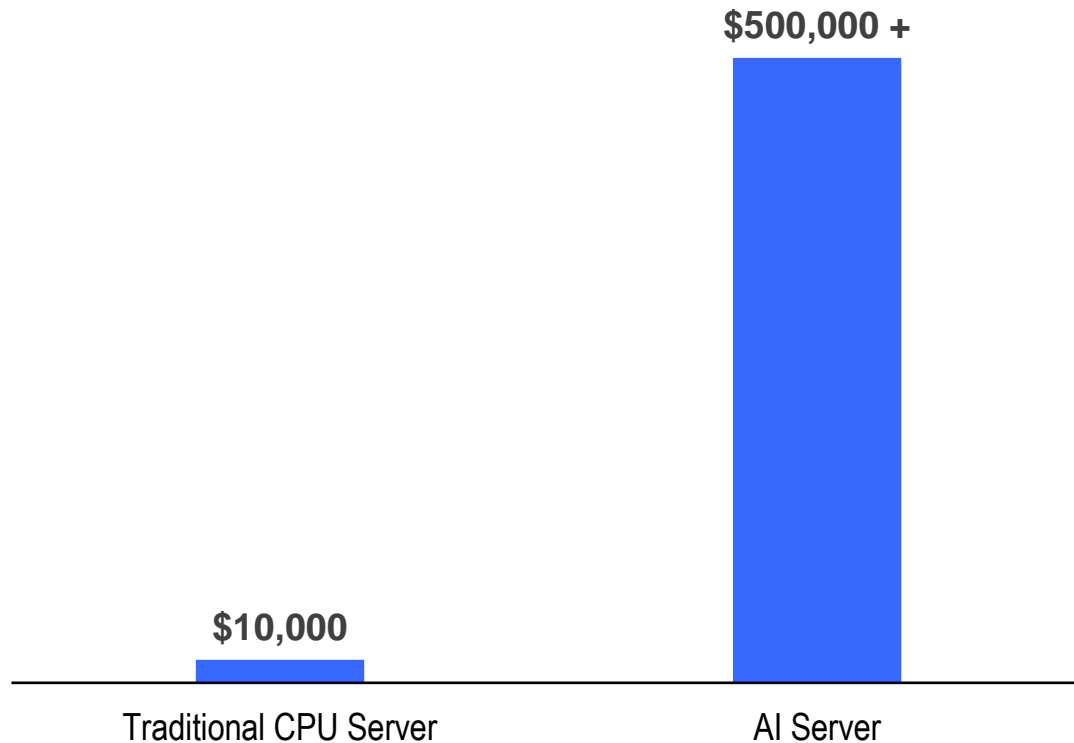


OpenAI's ChatGPT
chatbot has reached
800M weekly
active users as of
April 2025¹

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Sources: DemandSage, "ChatGPT Statistics," April 16, 2025. Company reports. Franklin Templeton.

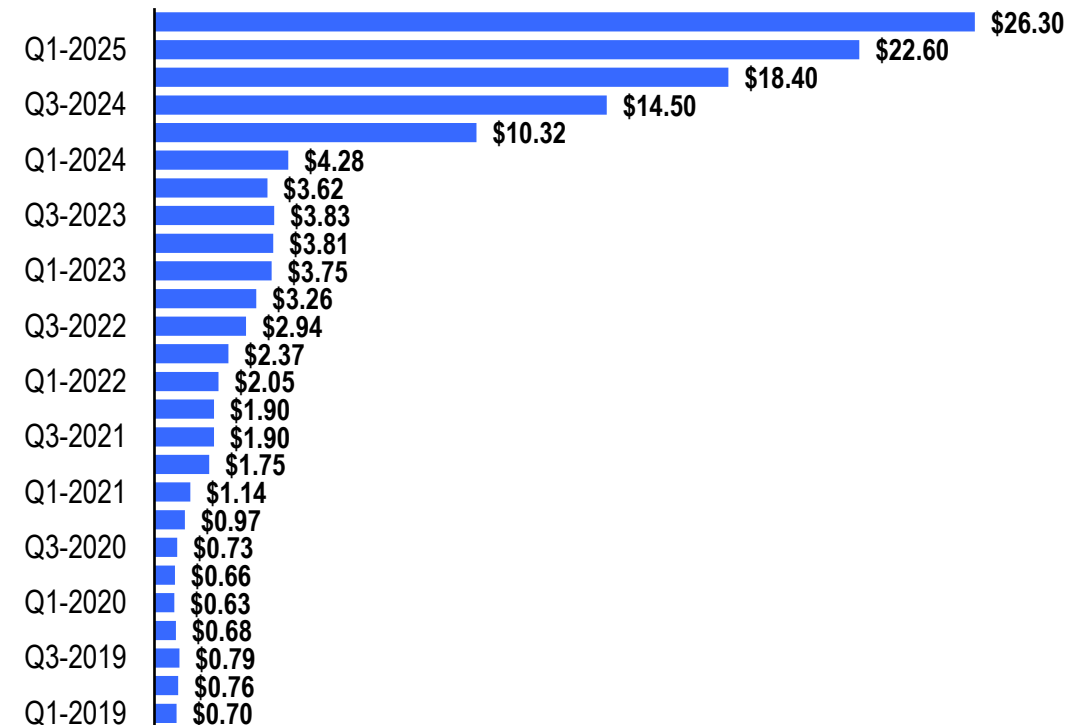
The “buildout” stage of generative AI continues

An AI server costs ~27x a standard server
USD



One datacenter’s revenue more than tripled in
under one year

USD Billions

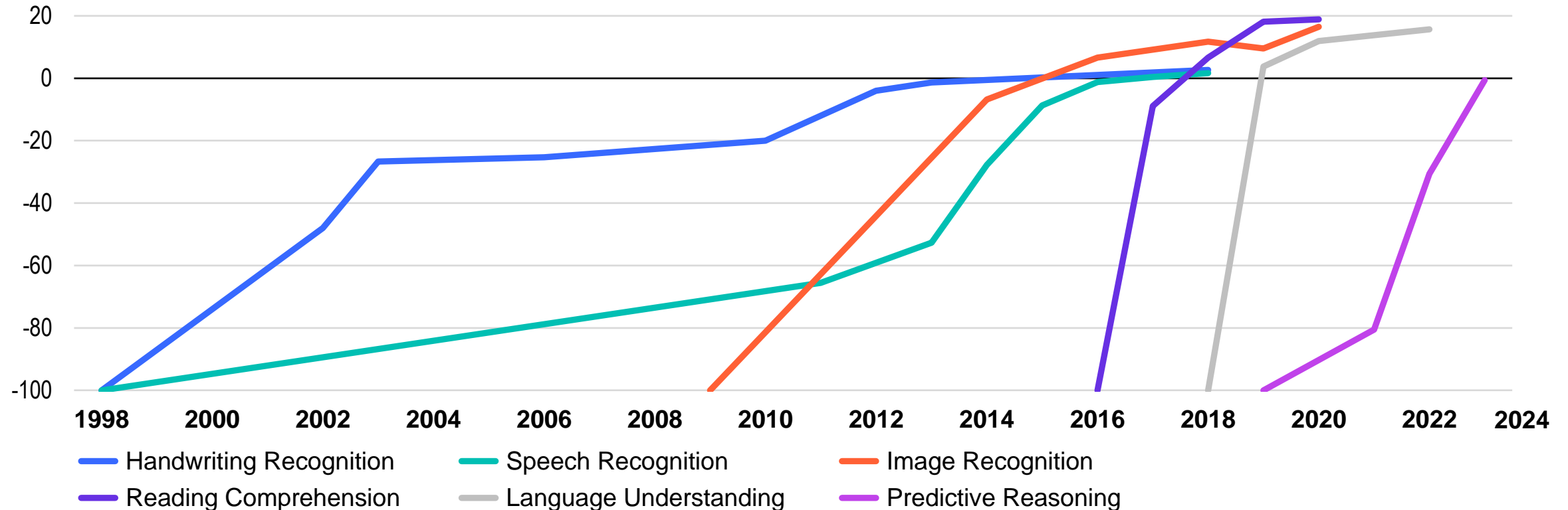


Source: Company reports, Franklin Templeton. Figures are an estimate, as of May 2025. .

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AI has exceeded human performance on many tasks

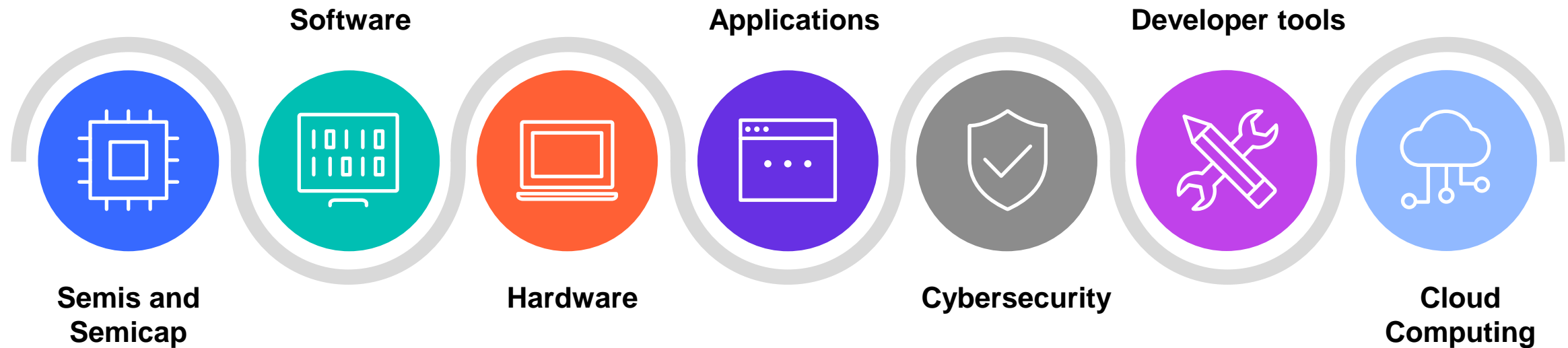
AI Model Benchmarking Relative to Human Performance



Source: Kiela et al., with minor processing by Our World in Data. Data updated April 22, 2024. "Test scores of AI systems on various capabilities relative to human performance" (dataset). Kiela et al., "Dynabench: Rethinking Benchmarking in NLP" (original data). Within each domain, the initial performance of the AI is set to -100. Human performance is the baseline, set to zero. When the AI's performance crosses the zero line, it scores more points than humans.

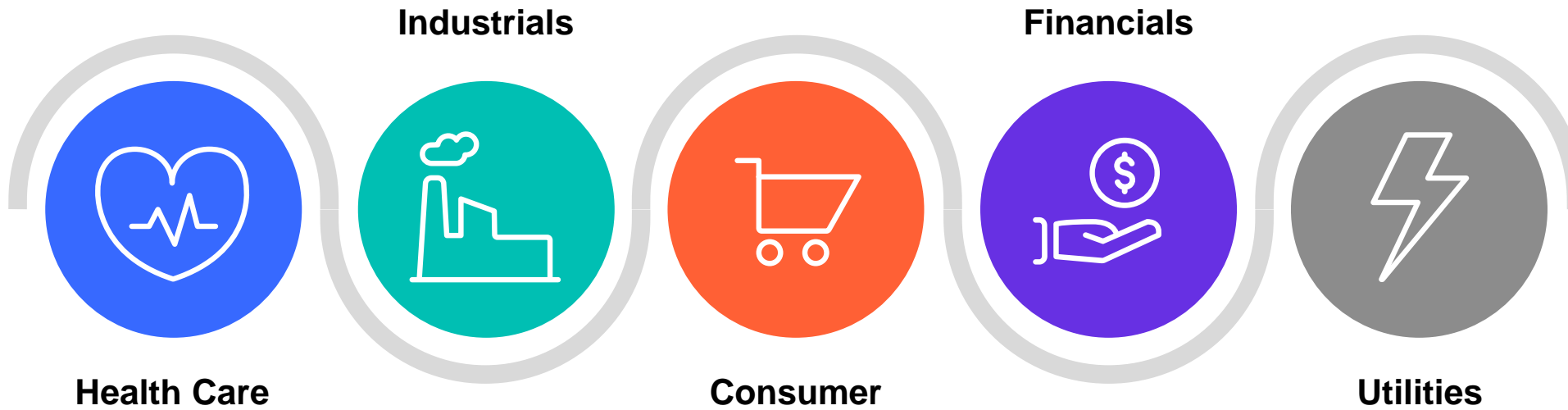
**The great accelerator
across many sectors**

AI will impact companies across the technology sector...



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... as well as sectors beyond tech



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Investors have underestimated the long-term impact of new technology



Personal computers
PC Users in 2000



Internet
Internet Users in 2000



Mobile
Smart Phone Shipments in 2013



Cloud
Top Three Cloud Provider Revenue in 2020



AI
AI Market Size

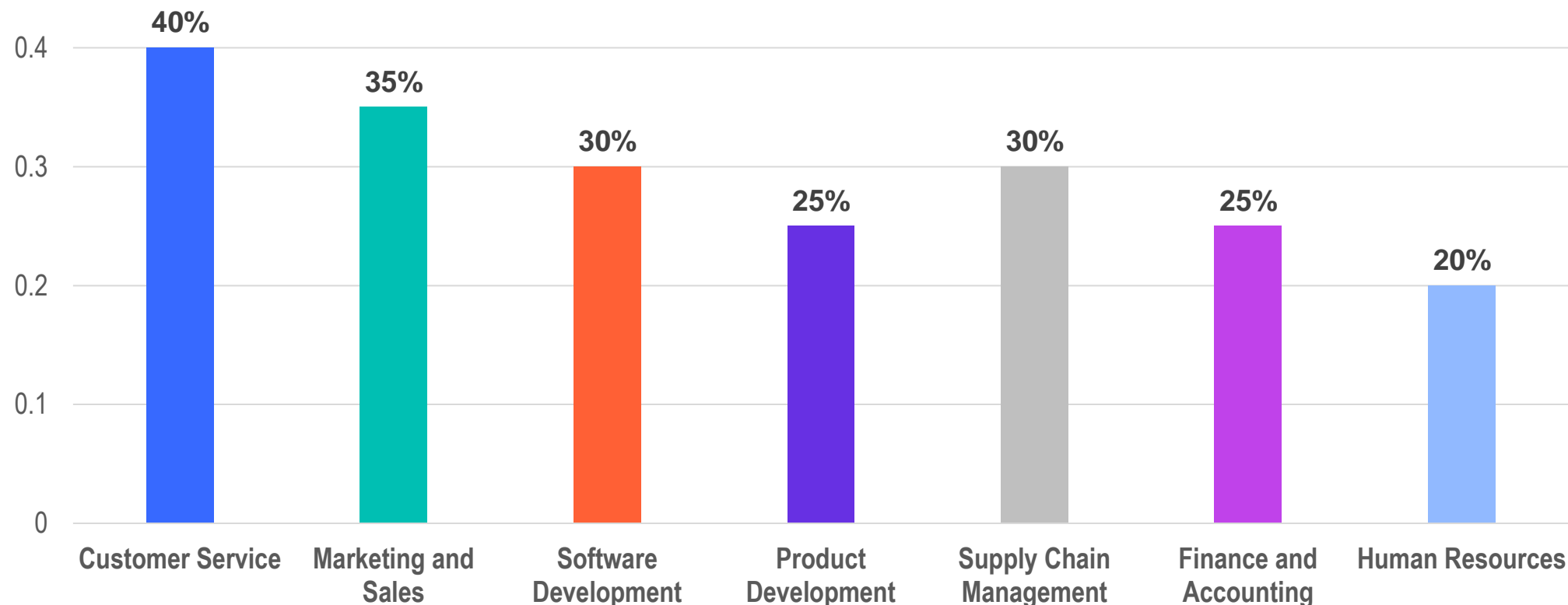
Megatrend

Megatrend	Personal computers PC Users in 2000	Internet Internet Users in 2000	Mobile Smart Phone Shipments in 2013	Cloud Top Three Cloud Provider Revenue in 2020	AI AI Market Size
Initial Forecast	225 million	152 million	657 million	\$90.2 Billion	\$1.8 Trillion
Actual	354 million	361 million	1,019 million	\$115.6 Billion	?
Underestimation	36%	58%	36%	22%	?

Source: Morgan Stanley AI Guidebook Fourth Edition, 31/01/2024. Next Move Strategy Consulting. Initial forecast dates were February 1996 for PC and internet users, January 2010 for smartphone shipments, March 2017 for cloud revenue and January 2023 for AI market size.

Over \$3T of annual productivity gains unlocked across key business functions¹...

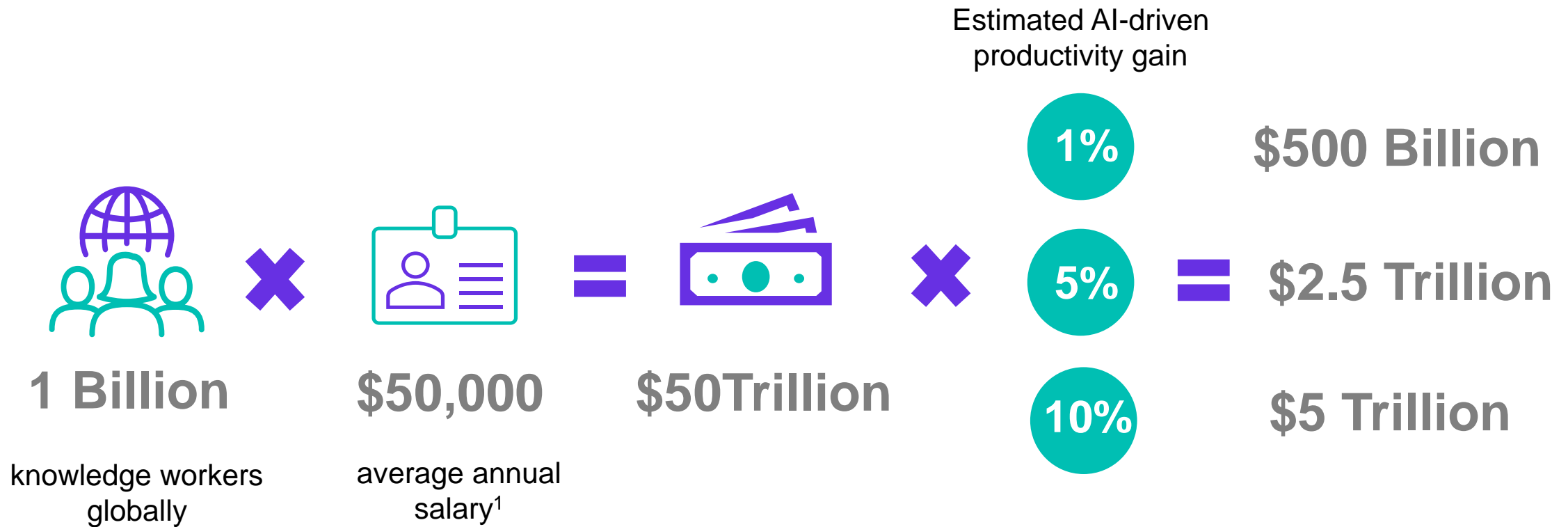
Estimated AI-driven productivity enhancement by function²



1. Source: McKinsey "GenAI's productivity possibilities. The Economic Potential of Generative AI", Franklin Templeton. Amount shown is in USD. January 18, 2024.


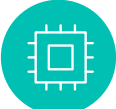



2. Source: World Economic Forum and PwC. Leveraging Generative AI for Job Augmentation and Workforce Productivity: Scenarios, Case Studies and a Framework for Action. November 2024.

What is the potential value of AI-driven productivity across knowledge workers?



1. Source: WorldData.info. Average income around the world. 2023.

How will “Digital Labor” boost knowledge worker productivity?

	Estimated AI productivity gain ¹
 AI Doctors	30-50%
 AI Engineers	25-40%
 AI Lawyers	30-50%
 AI Scientists	25-40%
 AI Marketers	25-40%

75%

of workers used AI at work in 2024, and 46% reported having started to use AI in the past six months. ²

1. Source: Franklin Templeton. Doctors - McKinsey & Company. “Generative AI in healthcare: Current trends and future outlook,” March 26, 2025. Engineers – The Engineer. “Will AI take all the engineering jobs or improve productivity?” October 16, 2024. Lawyers – Forbes, “Lawyers using AI produce better work in half the time, landmark study finds,” March 18, 2025. Scientists – McKinsey Digital, “Scientific AI: Unlocking the next frontier of R&D productivity,” January 15, 2025. Marketing - : World Economic Forum and PwC. “Leveraging Generative AI for Job Augmentation and Workforce Productivity: Scenarios, Case Studies and a Framework for Action,” November 2024.

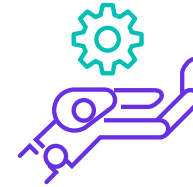
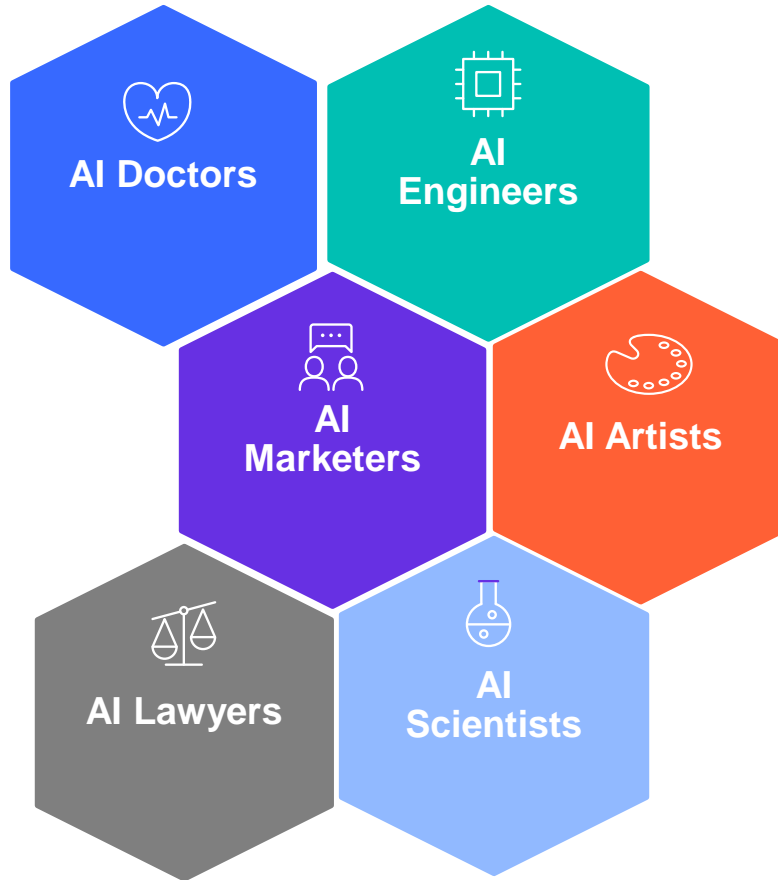
2. AIPRM. AI in the Workplace Statistics 2024.

What's next in AI? Agents and Physical AI



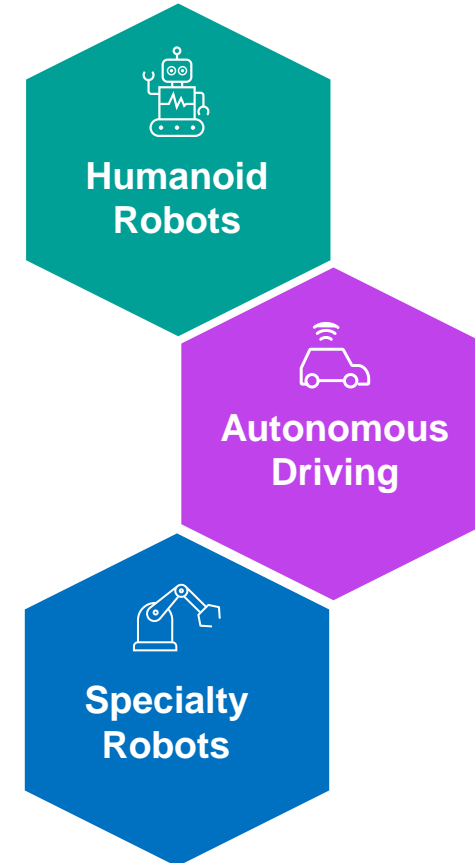
AI "Agents"

2025 and beyond



Physical AI

2025 and beyond



AI will reshape the workforce

40%

Potential increase in performance of highly skilled workers using AI¹

14%

Percent of employees who switch careers because of AI by 2030²

92M

Potential jobs displaced by AI by 2030¹

170M

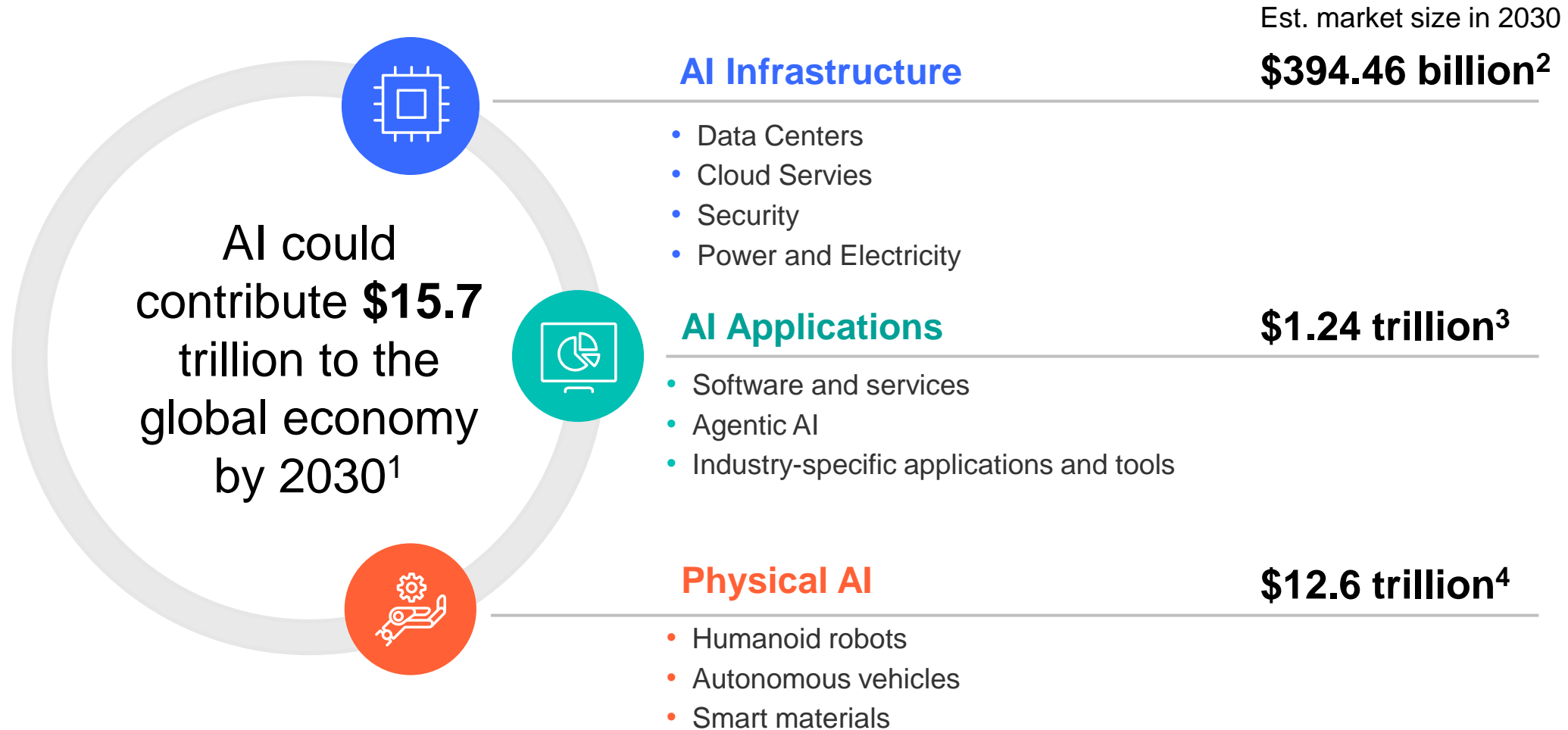
Potential new jobs created by AI requiring new skills¹

“...AI ...may cause the most dramatic and sustained economic boom of all time, with correspondingly **record job and wage growth.**”

Marc Andreessen,
Co-founder and
general partner,
Andreessen-Horowitz³

1. Source: McKinsey & Company. “Superagency in the Workplace – Empowering people to unlock AI’s full potential,” January 2025. 2. Genius, “How many jobs will AI replace by 2050?” IG Rosales, January 2025. 3. TechCrunch, “Workhelix taps years of research to help enterprises figure out where to apply AI,” February 27, 2025.

The AI investment universe



1. PWC, "Sizing the prize: what's the real value of AI for your business and how can you capitalize?"

2. Markets and Markets, "AI Infrastructure Market Size, Share & Trends," November 2024.

3. Next Move Strategic Consulting, Artificial Intelligence (AI) Market Report. February 14, 2025. 4. McKinsey, Trillion Sensor Economy, "How physical AI unlocks real world data," August 26, 2024.

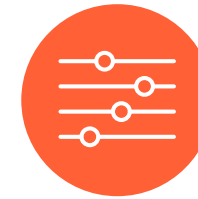
Potential challenges for AI



Energy Intensity



Regulation & Oversight



Ethical & Bias Concerns



Data Privacy



Misinformation



**Intellectual
Property Rights**

Key takeaways



Emergence of new market platforms have historically created massive value.



We are in the very early stages of AI centric investments.



Today, the impact is felt most in the technology sector, as we build the foundational structure.



Future growth stems from breadth of opportunity across all sectors of the economy.

We believe active management is critical for successfully navigating these dynamic markets

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