

PRESENTER: Well joining me now is Chris Ford from Smith & Williamson. Now, Chris, it's been 18 months since the Smith & Williamson Artificial Intelligence Fund was launched. So artificial intelligence as an investment theme, how has it developed over that period of time? CHRIS FORD: I think what's been most pleasing for us since we launched the fund has been the extent to which the theme has continue to broaden and deepen in respect of the way in which it's manifesting itself in the world economy. So we're seeing, as we had hoped and expected, more and more companies begin to engage with the theme, and begin to engage the theme in a really meaningful way that's beginning to significantly inflect their economic performance, and the moat that they enjoy around these businesses. So we are beginning to see within industries around the economy real differentiation amongst those that on the one hand have engaged with the theme, and are beginning to deploy solutions built on artificially intelligent platforms, and then those in contrast who aren't. PRESENTER: And have you made any significant changes to the fund since it launched? CHRIS FORD: There haven't been significant changes. We like to think that we can find companies that we want to invest in and partner with for a long period of time. So there haven't been significant changes and the turnover in the fund has been remarkably low. There have been a couple of cases where our investment pillars have changed, evolved, sometimes for the better, sometimes for the worse. And where things have deteriorated or changed significantly, then we have made the decision in a couple of cases to exit positions. But broadly speaking the fund still has the same constituents that we had when we first launched the fund. And the shape of the fund hasn't changed significantly either. So the broad characteristics of the fund in respect of delivering really significant levels of secular growth are still there. PRESENTER: Now artificial intelligence is quite a new theme. So the type of companies you're investing in are the types that maybe facilitate AI? CHRIS FORD: Yes, it's those who are developing the foundational technologies in some cases. But equally it might be those at the other end of the spectrum who might not be developing the underlying technologies themselves, but instead perhaps might be amongst the first in their sector or region of the world to deploy them in that particular way. So we think that there are a number of different ways where AI becomes very relevant for changing business models, and we look to invest across the whole spectrum of companies engaged with AI in a number of different ways. PRESENTER: There are many thematic funds on the market, what gives you the confidence that AI will persist over time? CHRIS FORD: We think we're very early in the adoption of artificially intelligent platforms, and that this is a theme that will have very significant persistency and duration to it. So whilst we're very pleased to see that there is this kind of burgeoning engagement with the theme across the economy, we're still very early. And if you asked most people where they have artificially intelligent platforms working in the company within which they work, they may be able to offer at most one or two examples. We think that that's going to deepen very significantly over time. And that gives us confidence that when we are finding these companies that are beginning to engage with AI, we've got a very long runway with which to work with these companies as they drive those artificially intelligent platforms very deeply into the business. We think it's similar to the internet in some ways. 1995 maybe there were plenty of companies that didn't have webpages at that point in time; now a webpage is just a tick box, everybody has to have one. But it's taken us two/three decades to get to that point, and we think that the adoption of artificially intelligent platforms will be a similarly long lived phenomenon within the world economy. PRESENTER: So finally where do you see this going over the next 12 months? CHRIS FORD: I don't think things are going to change very significantly. I think we're going to see a continuation of the trends that we're already seeing within the economy: a deepening, a broadening, new examples of artificially intelligent platforms popping up in different parts of the economy where we haven't maybe seen them before. But real ongoing traction in those parts of the economy which are already adopting them, and places such as healthcare in particular maybe where we're seeing real transformational deployment of artificially intelligent platforms that aren't just improving financial

outcomes for the companies that employ them, but also delivering very tangible benefits to patients. In that particular example we think we're going to see much more of that, and that's in everybody's best interests that we see that for the fund and for the broader economy. PRESENTER: Chris, thank you. CHRIS FORD: Thank you.