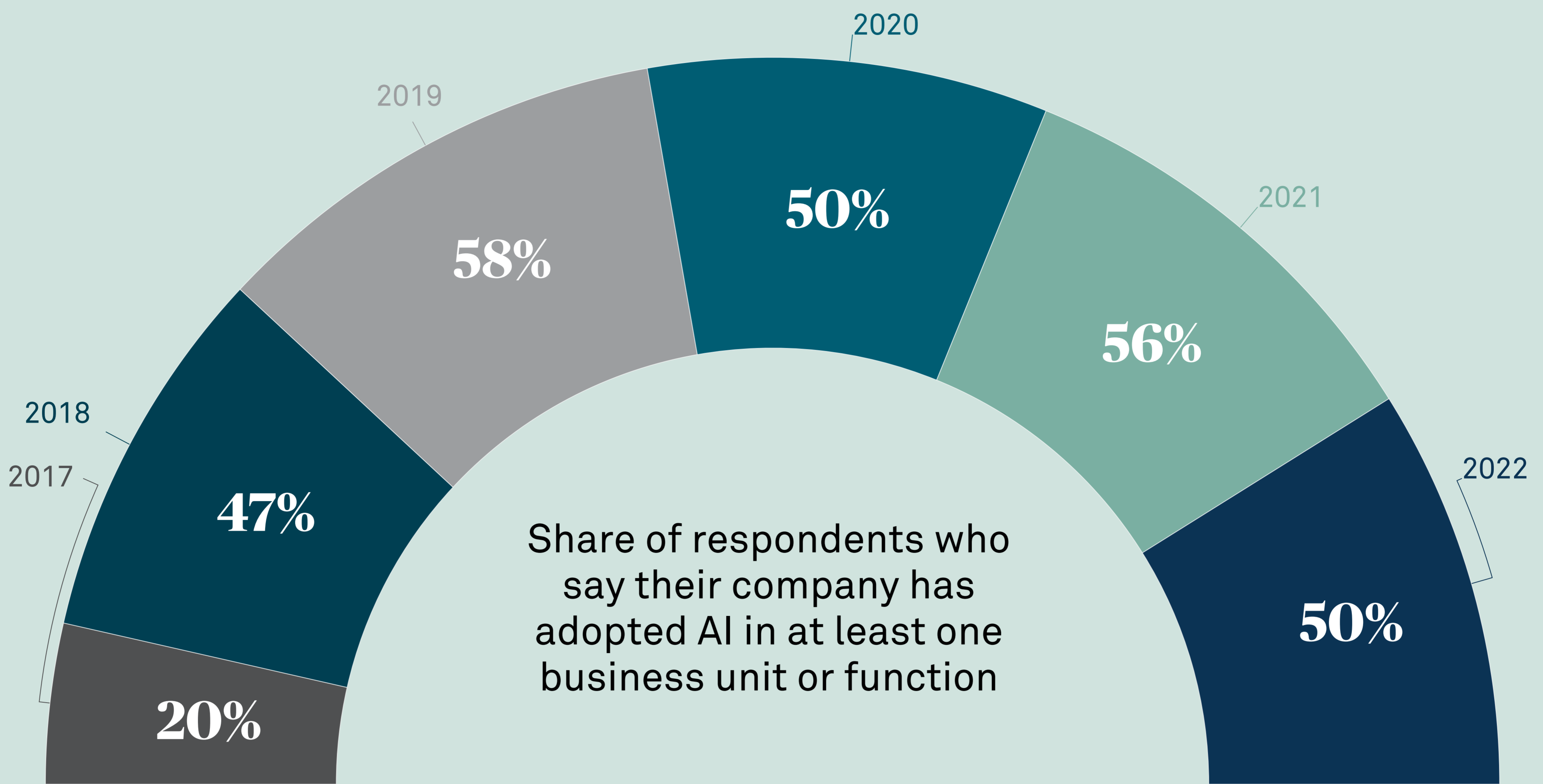


The rise of AI



Source: McKinsey & Company. The state of AI in 2022—and a half decade in review. December 2022. For illustrative purposes only.



AI adoption has more than doubled since 2017¹

94%

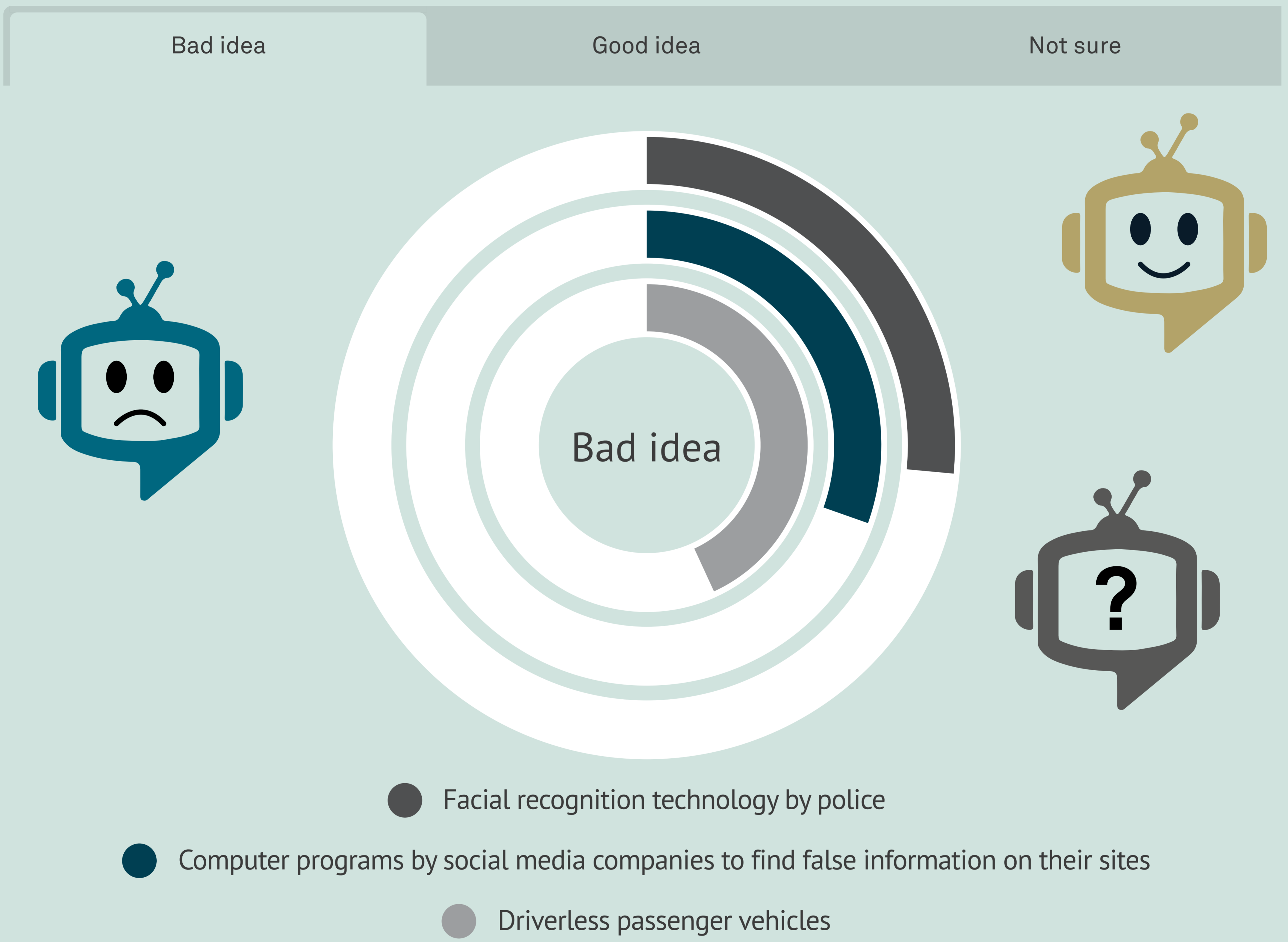
of business leaders surveyed believe AI is critical to success over the next four years²

In 2018, **40%**

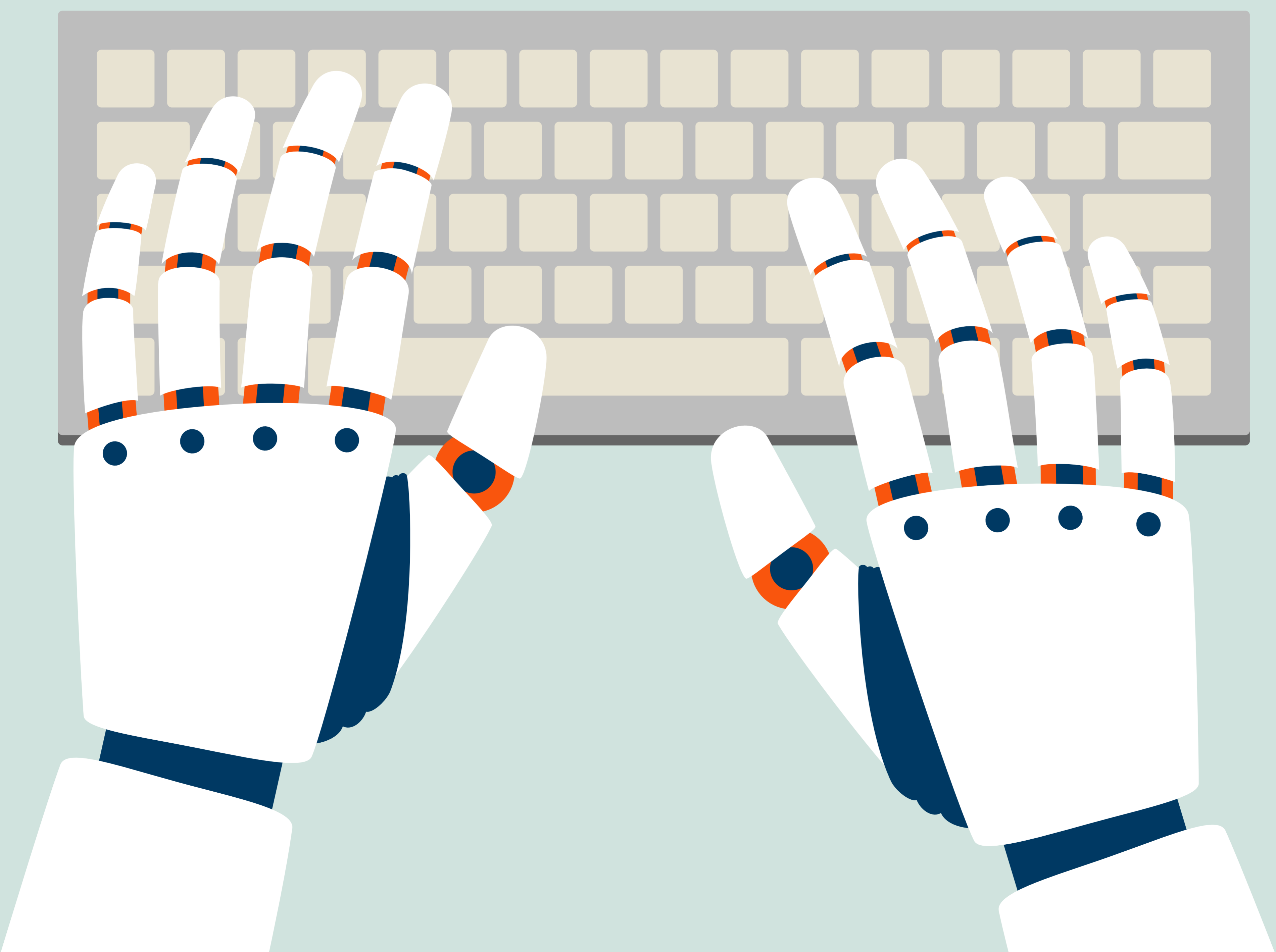
of surveyed companies reported more than 5% of their digital budgets went to AI vs.

52% in 2022³

% OF U.S. ADULTS WHO THINK WIDESPREAD USE OF EACH OF THE FOLLOWING HAS BEEN/WOULD BE A...



Source: Pew Research Center. AI and human enhancement: America's openness is tempered by a range of concerns. March 2022. Respondents who did not give an answer are not shown. Figures may not add up to 100% due to rounding. Survey conducted November 1-7 2021.



1 McKinsey & Company. The state of AI in 2022—and a half decade in review. December 2022.
 2 Deloitte. Survey: Key findings from the state of AI in the enterprise, 5th edition. October 2022.
 3 McKinsey & Company. The state of AI in 2022—and a half decade in review. December 2022.

Is AI adoption a good thing?

With artificial intelligence (AI) we have now arrived at what can be seen as the ‘third epoch of technology’. The first was the development of the internet; the second – smartphones. AI could contribute hundreds of billions in increased productivity and new consumption to the global economy. This technology could potentially impact all sectors. We believe it will present a myriad of investment opportunities in the years ahead.

However, opinions on AI’s latest phase range from excited approval from the many companies which see rich potential in its application to those who downplay its use as a new gimmick or worry about its unintended consequences and potential future impacts on humankind.

Siuchoon Koay, research analyst, Newton Investment Management

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