WELCOME


Pragmatic
Good client contact
Considered
Stability
Care
Approachable
Good-peop
Talent
Communication
Strong
Integrity
Insight
Inspire
Commercial
Personal
Contact
Skilled
Openness
Responsible
Aspiration
People
Teamwork
Agility
Collaborative
Inclusiveness
Client-cen
Longevi
Resilience
Entrepreneurial
Dependable
First-class
Confidence
"Can-d
Diversity
Client-focus
Business
Consistency
Invest
Perfor
Non-commoditisatio
Personalities
Financially-strong
Learning
Agile
Relationshi
Bespoke
Knowledgeable

Cutting through the noise

Jon Cunliffe,
Head of Investment Office, JM Finn

Separating macroeconomic signal from geopolitical noise

Geopolitics only
matter if they affect:

- Global Liquidity
- Central Bank Policy
- Economic Growth
- Fiscal Policy
- Inflation
- Corporate Earnings
- Positioning / sentiment

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Post Great Financial Crisis (GFC) Background

The long-term picture

"If there's one thing we'd change about the past, it's that we'd have worried less about the future"

US Corporate profits/ S&P 500 performance 1947 – 2026 ($bn)

1947

2026

Source: Bloomberg

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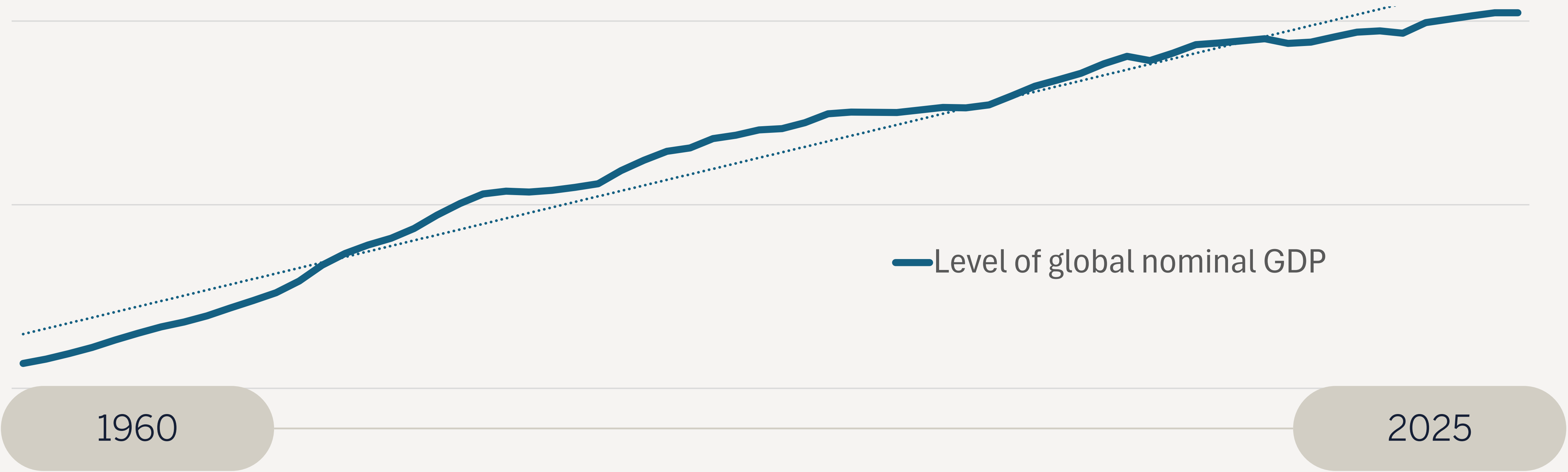
Policy drives economic and financial market outcomes

- The goal is to boost nominal GDP
- Deflate the debt burden
- Growth in world nominal GDP $bn (World Bank) has fallen well below trend
- Wider adoption of AI should boost productivity



Source: Bloomberg

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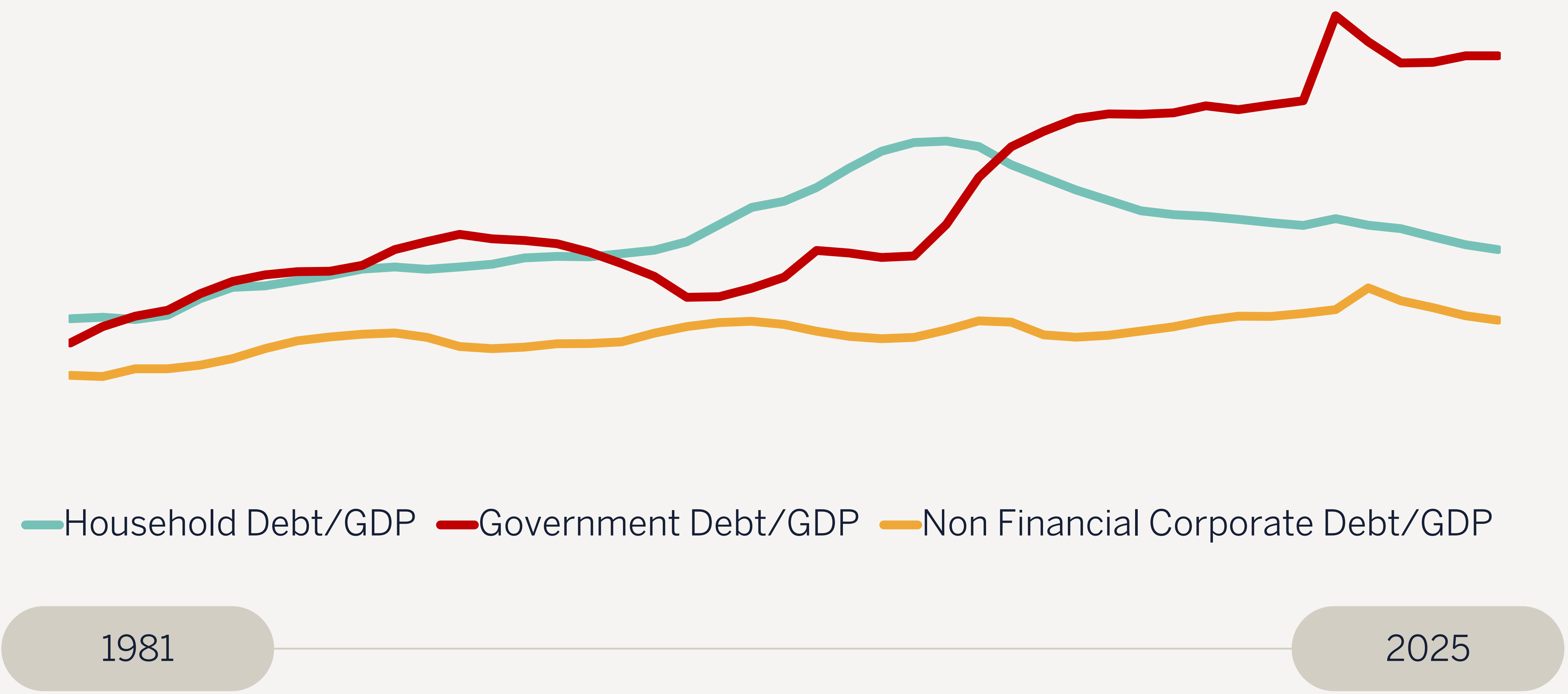
US private sector is in better shape than the state



Source: Federal Reserve Board

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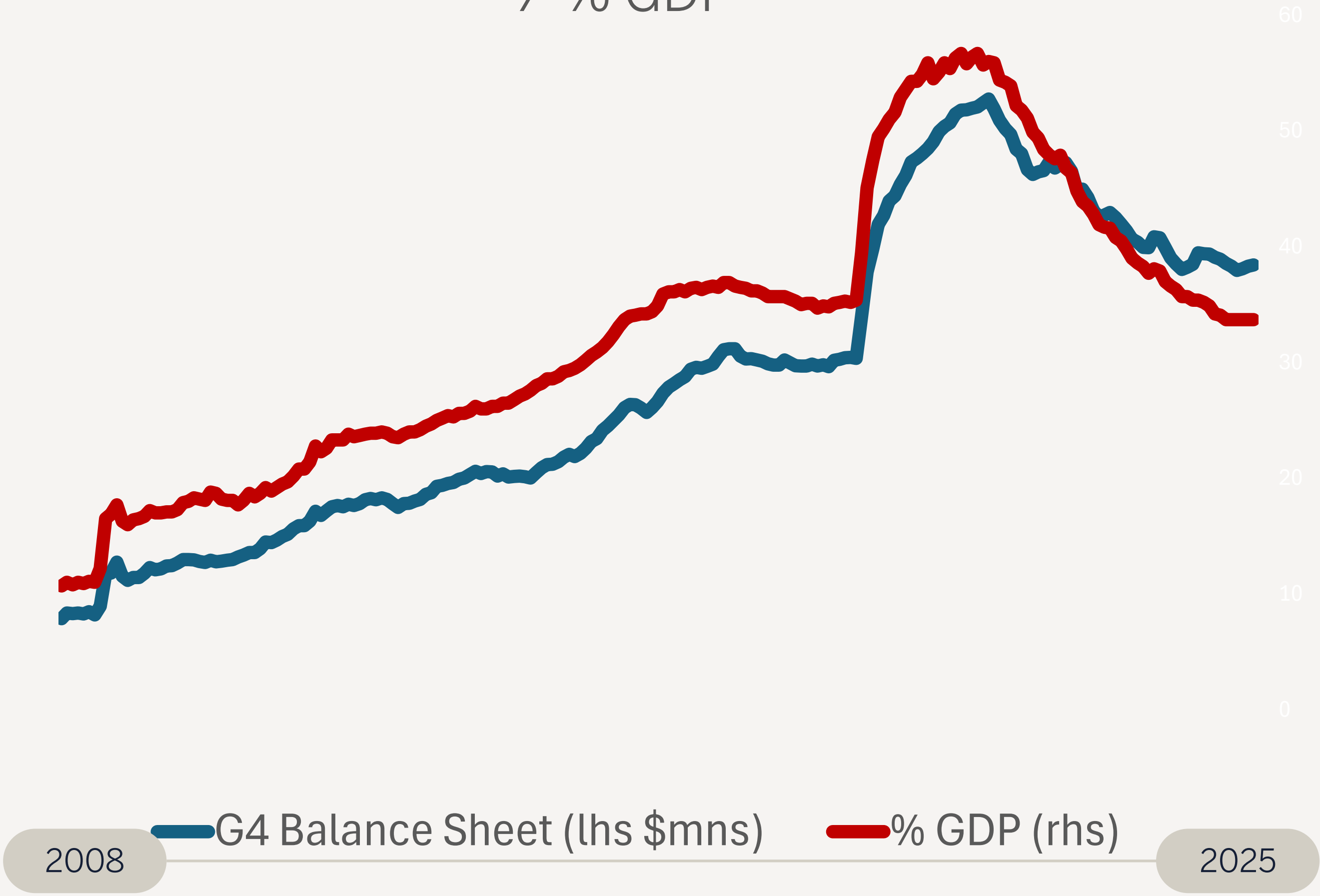
The Hotel California trade

"You can check out but you can never leave….."

G4 (US, Japan, Eurozone, UK) balance sheet / % GDP



Source: Bloomberg

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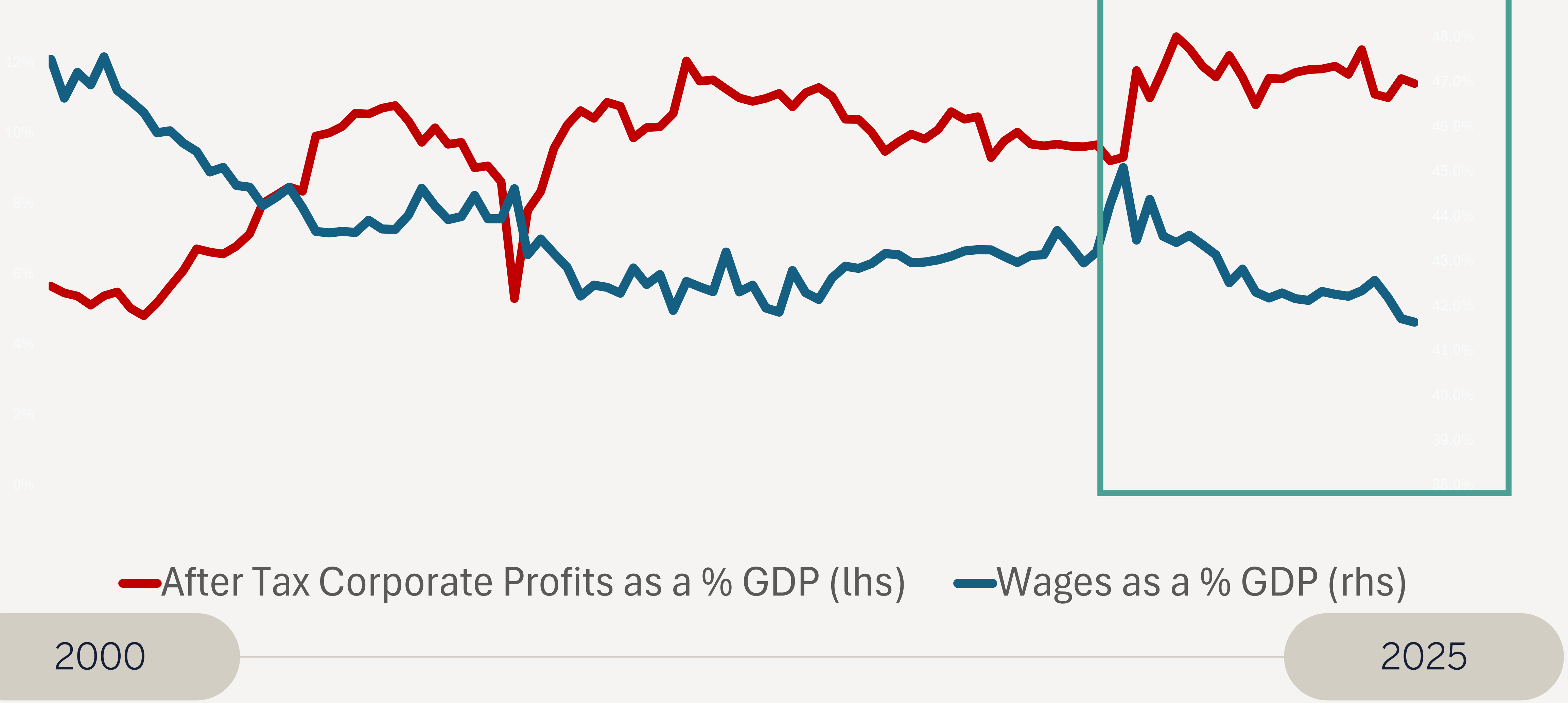
Global liquidity

Reacceleration of global money growth positive for equities

Wage growth has lagged corporate profit growth

US corporate profits vs wages as % of GDP



Source: Bloomberg

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“This time the world is prepared for Trump 2.0”

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The World under Trump 2.0

State-enabled capitalism rather than free market globalisation

Trump has led the US away from globalisation to national capitalism

- Energy and borders
- Tariffs as leverage
- Defence and critical technology
- Despite Trump's rhetoric favouring Main Street, markets matter most
- Higher inflation tolerated

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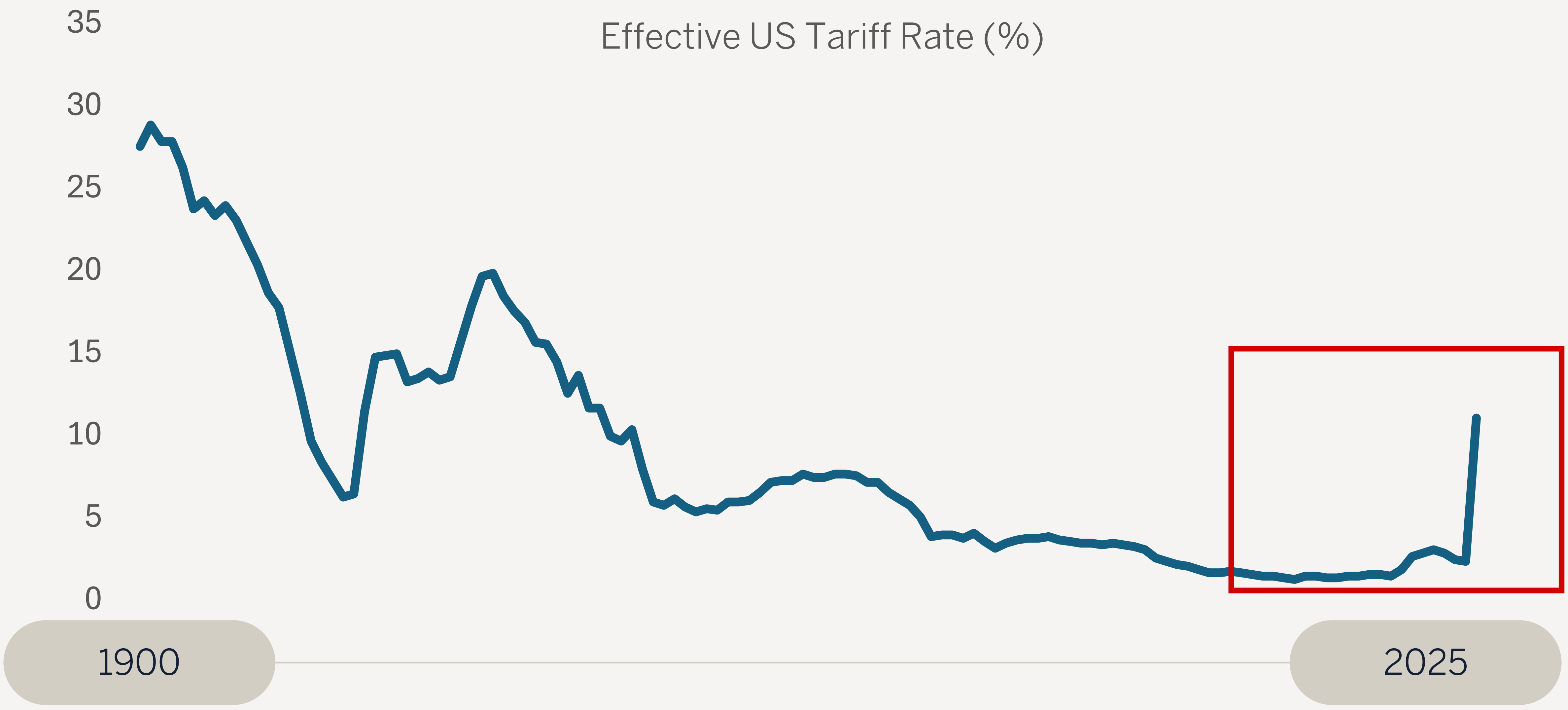
Trump has announced tariff rises to 15%



Source: Bloomberg

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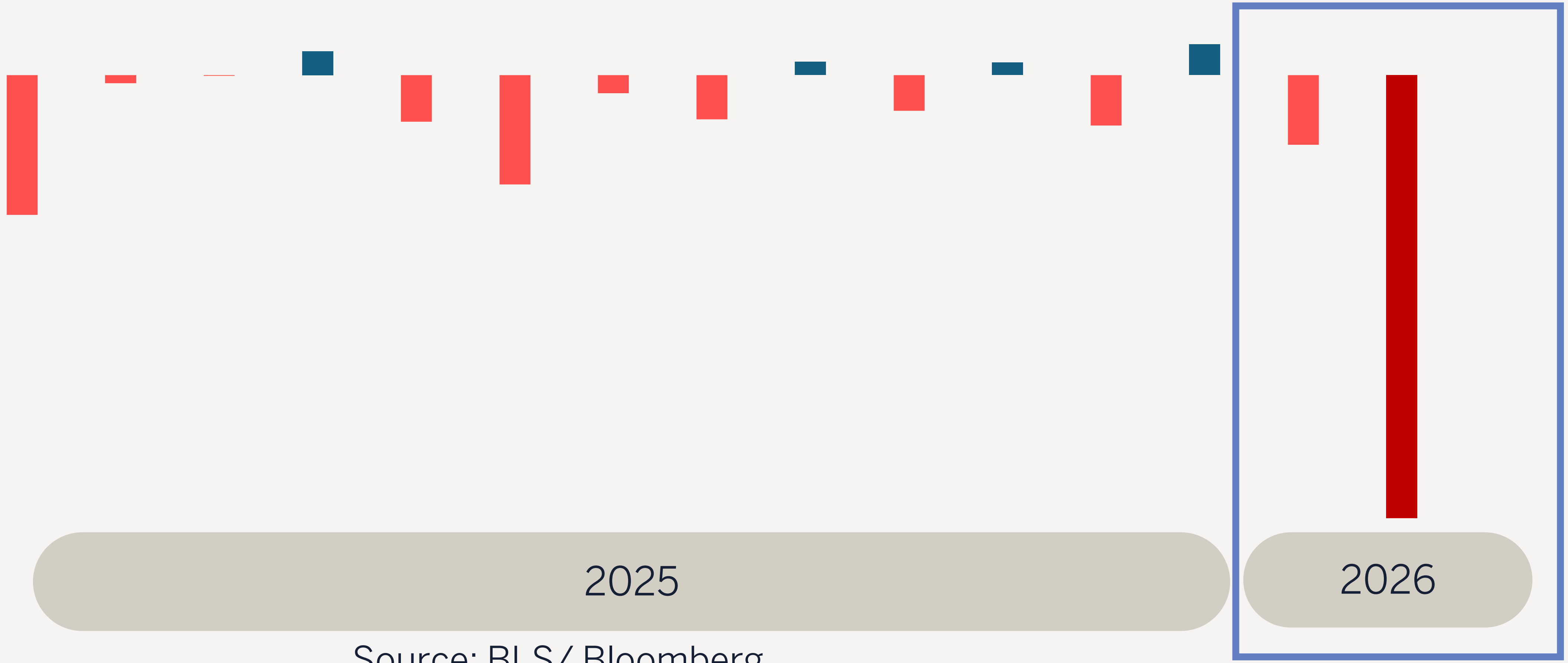
There is evidence of AI displacement of workers

Since Trump took office in 2025, excluding government and health and social care, the US economy **lost 427,000 jobs**:

US jobs excluding health and social care



Source: BLS/ Bloomberg

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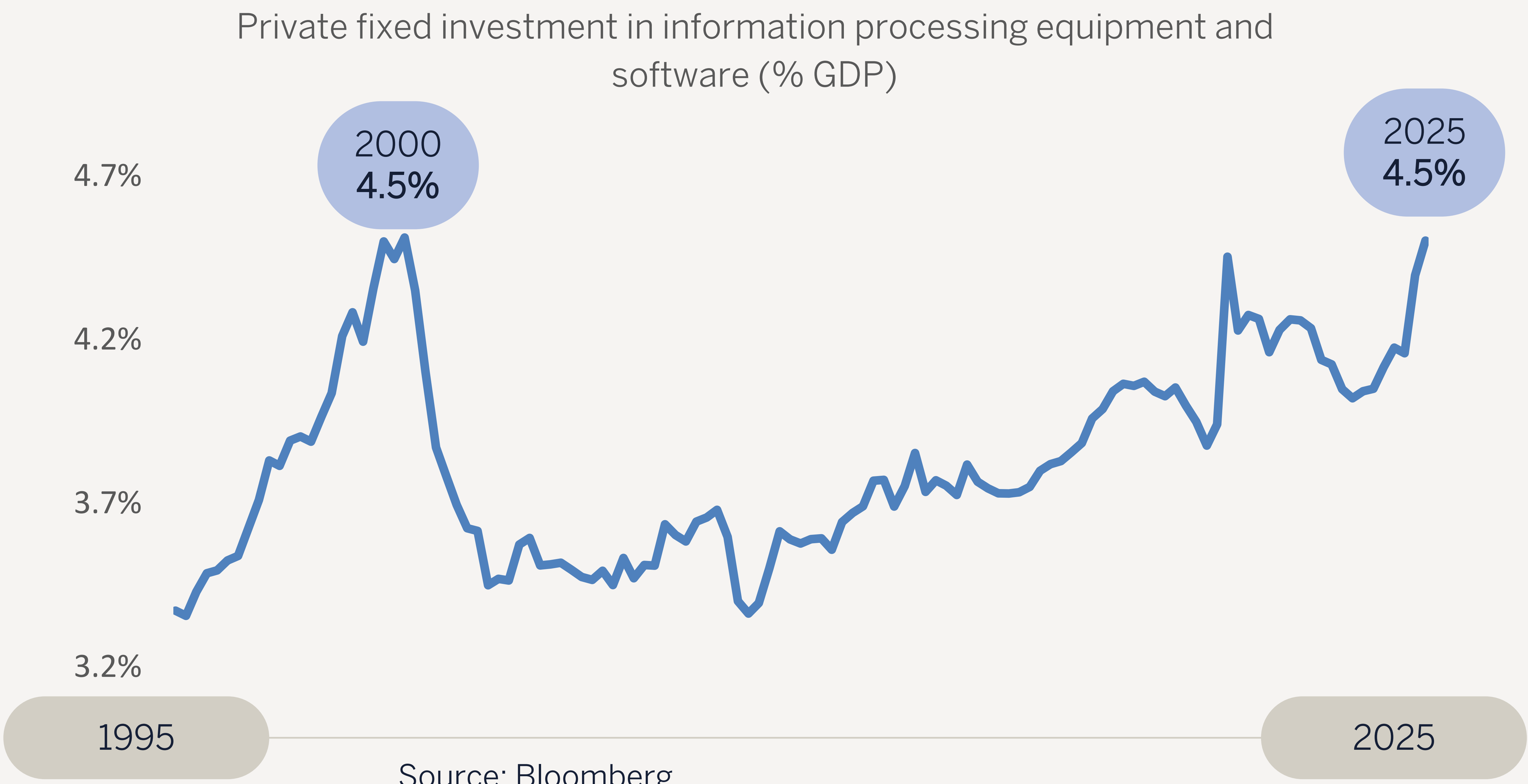
Tech cycle, not yet a repeat of 1999, but needs to be watched



Source: Bloomberg

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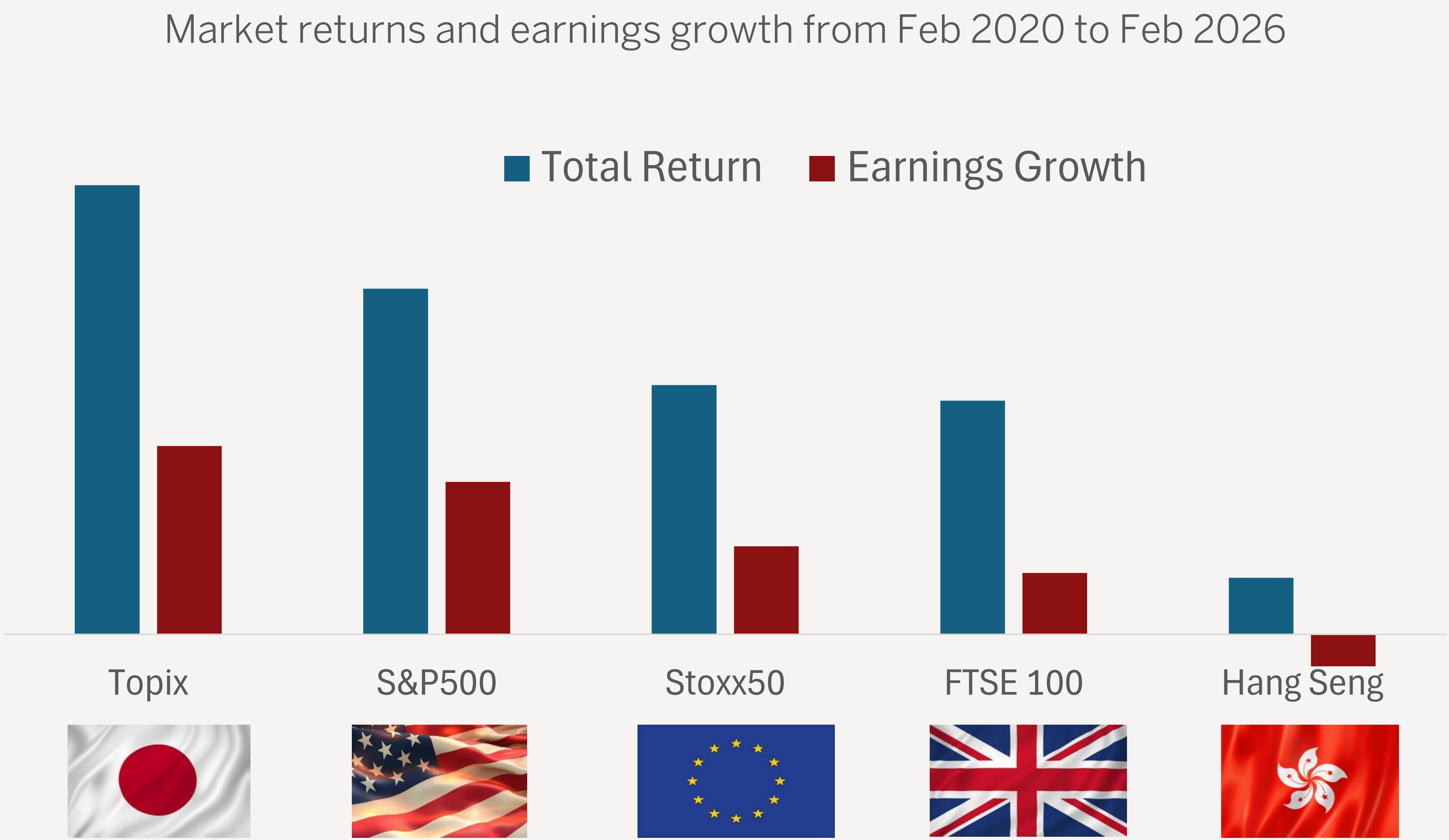
The Markets

Much of the market return driven by richer valuations



Source: Bloomberg

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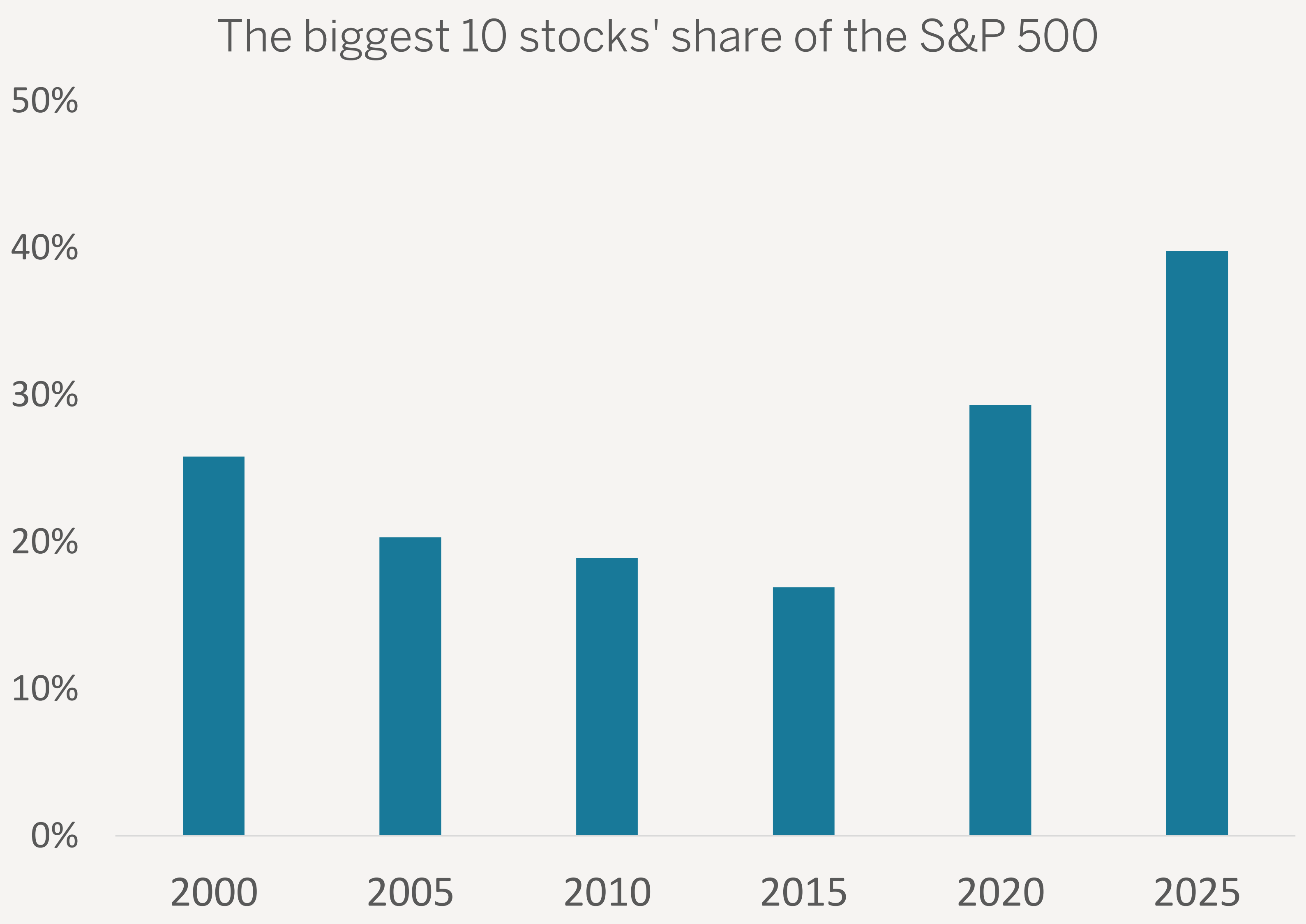
Leading to rising market concentration



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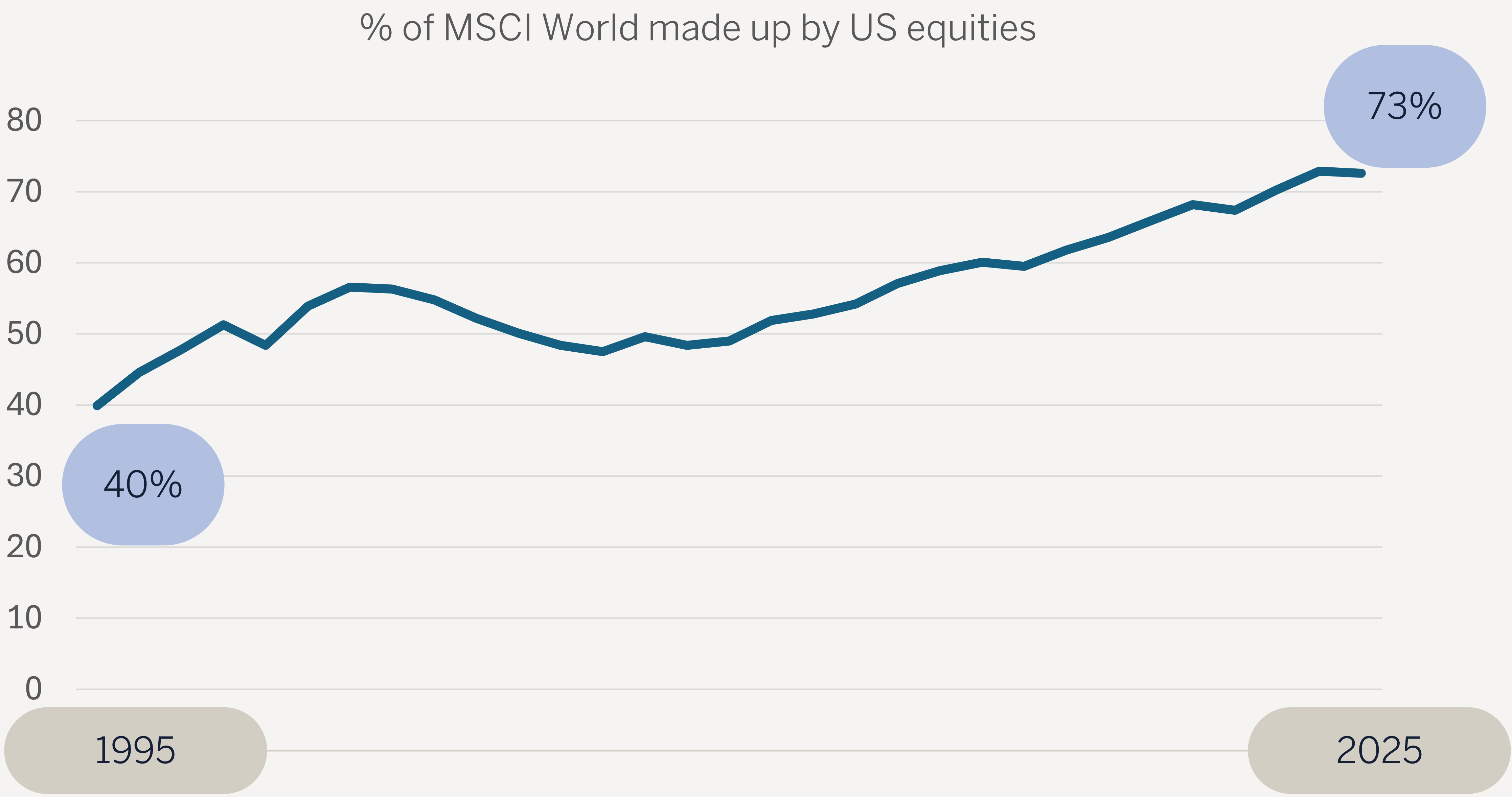
Source: MSCI

US equities have dominated global equity growth



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Source: MSCI

Global equity market sector returns have been broadening out

Source: Bloomberg

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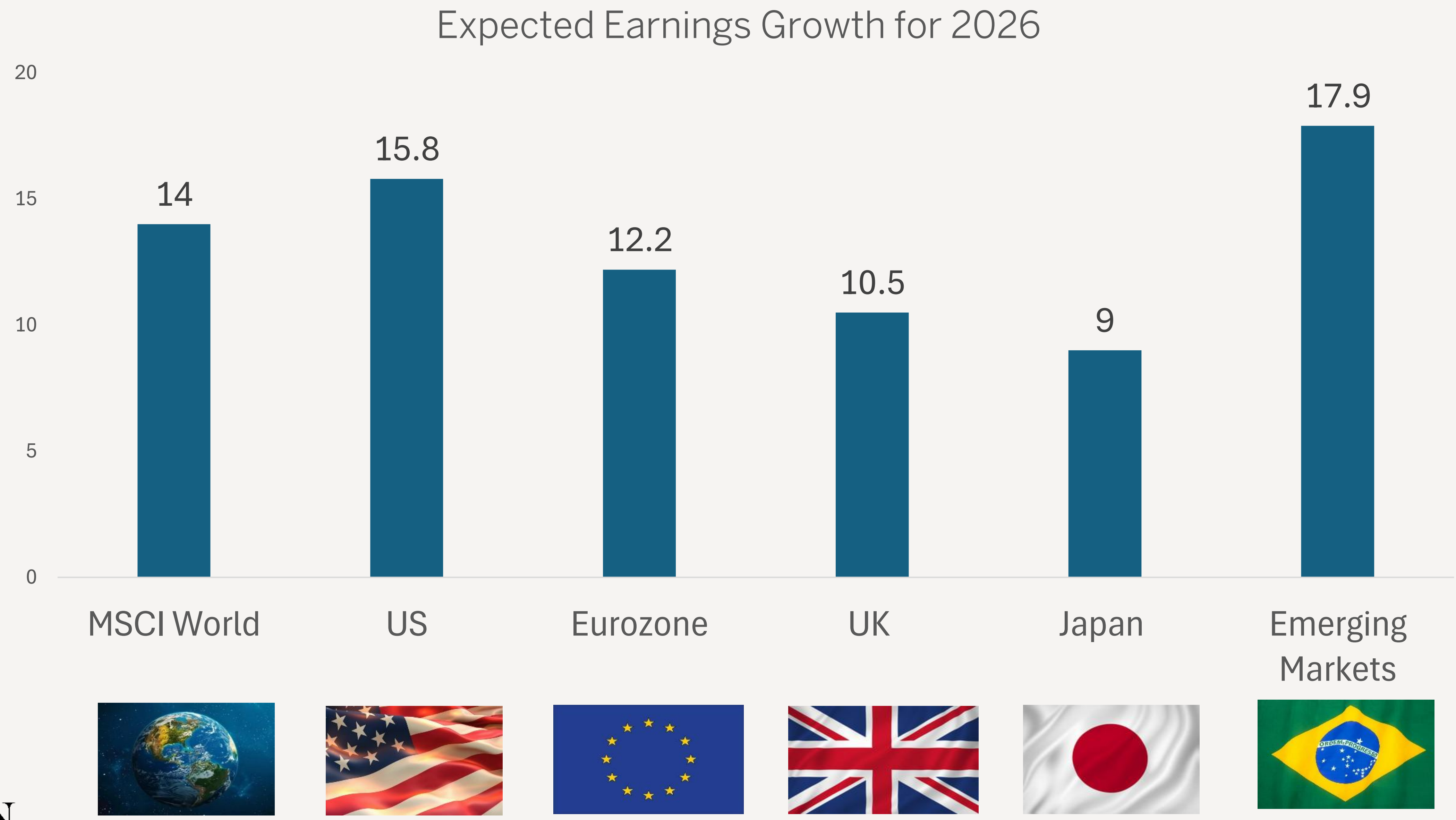
And earnings growth is also broadening out by region



Source: Bloomberg

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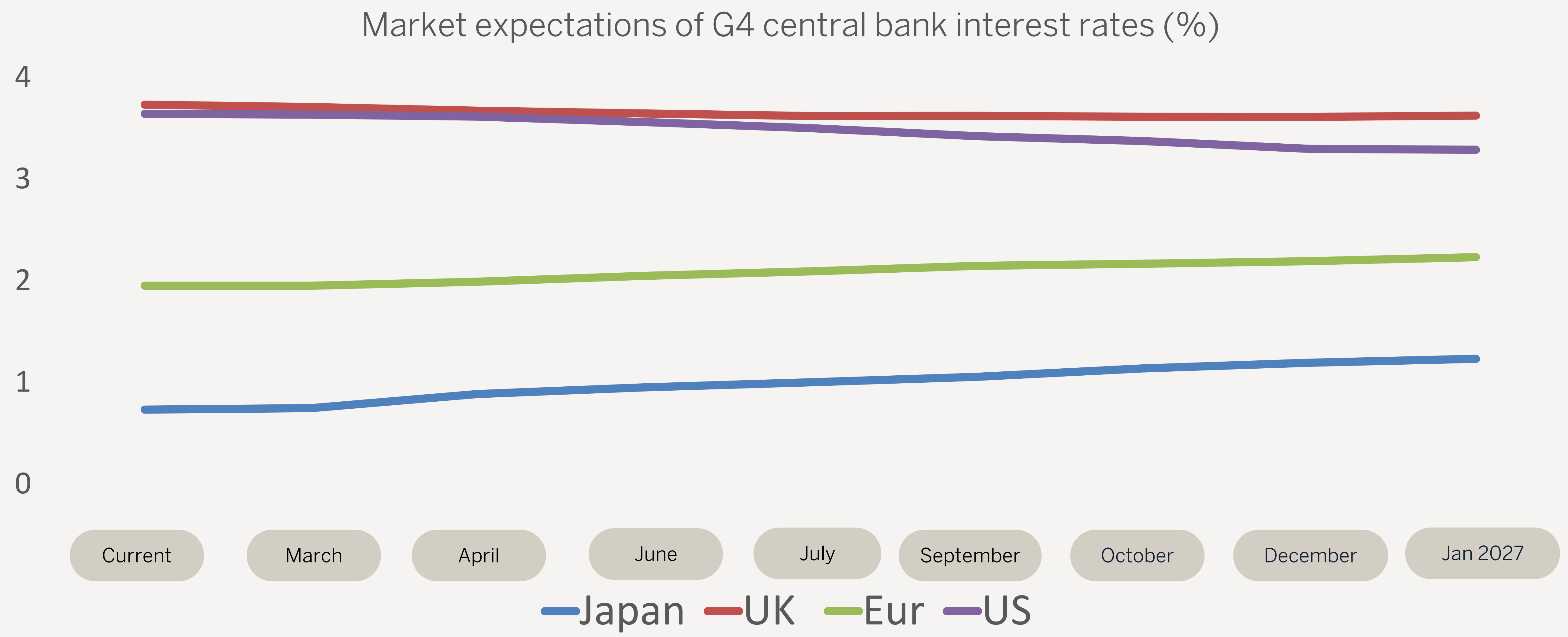
Central Banks are likely to keep monetary policy supportive



Source: Bloomberg

Investment Outlook

Separating macroeconomic signal from geopolitical noise

Positive	Mixed	Negative
Global Liquidity (positive)	Economic Growth (mixed, but positive)	Positioning/Sentiment (negative)
Central Bank Policy (generally positive)	Inflation (mixed)	
Fiscal Policy (generally positive)		
Corporate Earnings (positive)		

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Key Investment Views

Overweight	Overweight	Overweight	Overweight	Neutral	Underweight	Prefer shorter duration (for now)
UK Equities	Europe ex-UK Equities	Japan and Asia Pacific	Gold	Property and Infrastructure	US Equities	Bonds

I haven't forgotten about military conflict in Iran.....

Scenario (probability)			
	Rapid de-escalation (50% probability)	**Prolonged > four weeks (35% probability)**	**Escalation (15% probability)**
Energy prices	Oil prices settle in the $70 -75 range.	Oil prices are around $90-100.	Oil price >$120.
Catalyst	Iran and the US/Israel reach a new agreement.	The Strait remains largely closed, restricting supply back into global markets.	Substantial damage to Gulf energy infrastructure, limiting output.
Economic outcome	Growth remains solid.	Inflation pressures mount, impacting growth.	The conflict broadens and drags in Superpowers.
Market outcome	Markets respond with a relief rally.	Markets reprice lower, with equities and bonds falling.	Equities fall and bonds rally.

Important information

It is important to remember that past performance should not be seen as an indication of future performance.

Investment involves risk. The investments discussed in this document may not be suitable for all investors. The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested.

The information provided in this presentation is of a general nature. You should seek specific advice from a professional before investing. Where investment is made in currencies other than the investor’s base currency, the value of those investments, and any income from them, will be affected by movements in exchange rates. This effect may be unfavourable as well as favourable.

The description of the investment management services and processes in this document is a general one and detailed terms and conditions are available separately.

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JM Finn
Collectives Coverage

Samir Shah,
Senior Research Analyst (Collectives), JM Finn

Why use funds alongside direct equities?

Funds do not replace direct stock selection — they extend what we deliver for clients.

Broaden the opportunity set

Funds can efficiently hold a wider range of ideas than a purely stock-by-stock approach, helping us reach further without losing discipline.

Improve diversification

Collectives can diversify by region, style and asset class while still having a clearly defined role inside the overall client portfolio.

Use the best structure

Some exposures are simply more effective through a pooled vehicle than through direct holdings alone, especially when specialist access matters. We do this via a range of open and closed ended vehicles and ETFs.

What collectives coverage unlocks

World-class investors

Access proven managers with deep research capability, strong resources and repeatable processes that offer world-class solutions.

Niche specialists

Find experts in areas such as US small cap or Japan, where local knowledge, company access and specialist skill can make a real difference.

Less accessible asset classes

Gain exposure to securities not readily available to clients directly, including private equity and infrastructure.

How we select funds

We focus on four core questions before any fund earns a place in a client portfolio.

1
Team
Quality, stability, experience and alignment of the investment team.

2
Process
A clear and repeatable philosophy with a genuine source of edge.

3
Portfolio
Best ideas translated into sensible construction, diversification and risk.

4
Performance
Results that can be explained, trusted and matched to the objective.

The aim is simple:
Separate repeatable skill from good luck and make sure every fund has a clear role.

Depth of research behind the communications

31 Collectives analysts

Research capacity across a broad range of funds, managers and strategies.

15 Sectors covered

Coverage depth matters because different markets and asset classes need different questions and analysis.

An investment manager mindset

Our sector specialists are also Investment Managers — or on the pathway to become one.

That means research is more aligned to portfolio construction and client outcomes.

This breadth gives JM Finn genuine depth in fund research, not a one-size-fits-all view.

Best of both worlds

JM Finn uses funds to complement direct equity exposure by combining our own stock-picking conviction with broader reach, specialist skill and access to harder-to-source assets.

- Direct ownership where it adds value
- Collectives where specialist access takes us further
- Disciplined selection throughout

Thank you

March 2026

A Global outlook: JPMorgan Asset Management

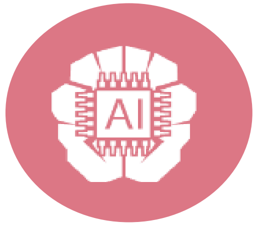
Sam Witherow, CFA
Portfolio Manager
International Equity Group

J.P.Morgan
ASSET MANAGEMENT

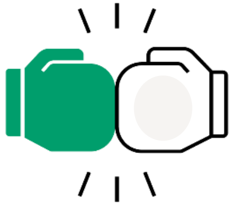
AI: balancing optimism with skepticism

"We always overestimate the change that will occur in the next two years and underestimate the change that will occur in the next ten"

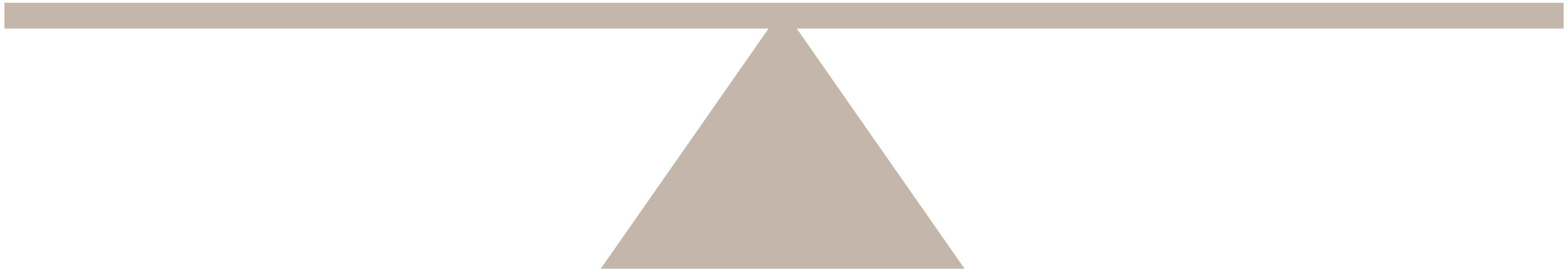
Bill Gates, 1996



AI 'PICKS & SHOVELS'
Favour incremental share gainers



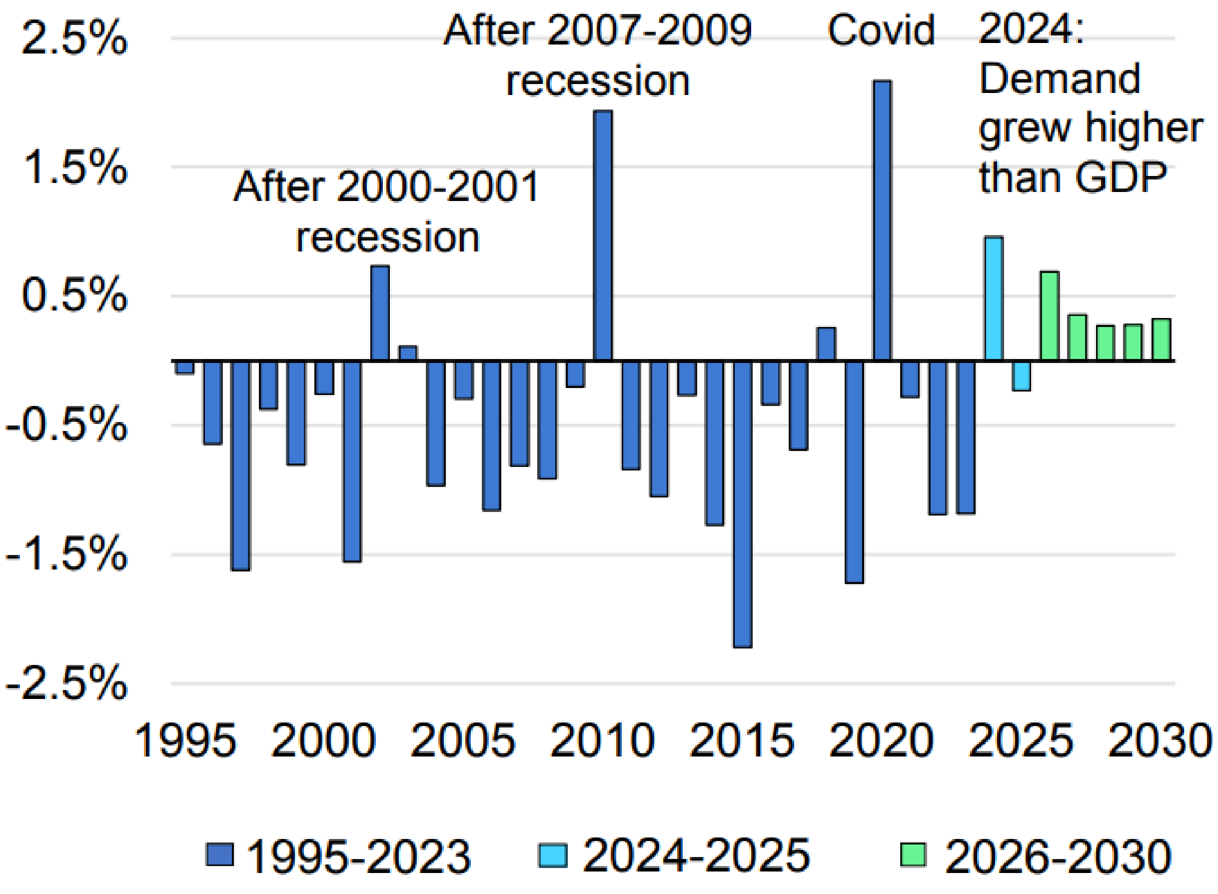
'DISRUPTED' DIGITAL INCUMBENTS
Diversified exposure where conviction in moats is strongest



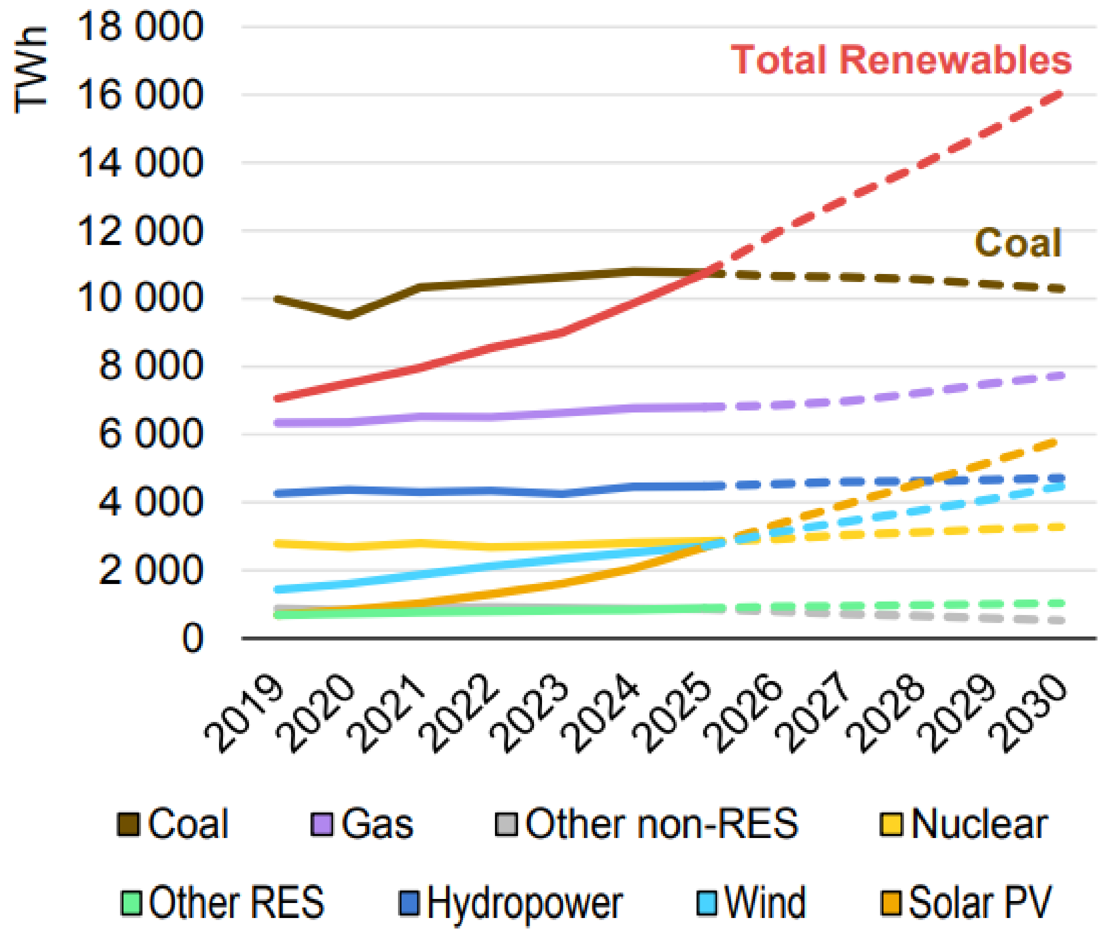
Source: J.P. Morgan Asset Management, Bloomberg, as of January 2026. The fund is actively managed. Holdings, sector weights, allocations and leverage, as applicable, are subject to change at the discretion of the Investment Manager without notice. The securities above are shown for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell. Opinions, estimates, forecasts, projections and statements of financial market trends are based on market conditions at the date of the publication, constitute our judgment and are subject to change without notice. There can be no guarantee they will be met.

Energy: electricity intensity of GDP is rising, renewables shift intact

Global electricity demand vs. GDP growth
Multi-decade trend of lower power intensity of growth is breaking



Global electricity supply by source
Multi-decade trend of lower power intensity of growth is breaking



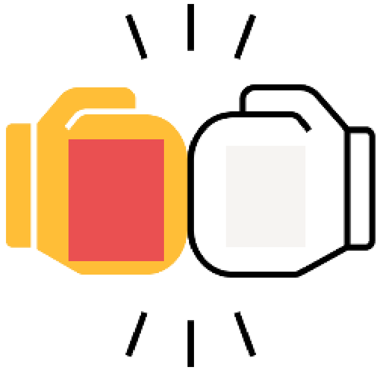
Source: JPMorgan Asset Management, IEA Electricity 2026. (LHS) Data for 2026-2030 are forecast values. GDP is based on the IMF World Economic Outlook. (RHS) RES = renewable energy sources. 'Other non-RES' includes oil, waste and other non-renewable sources. 'Other RES' includes geothermal, bioenergy, concentrated solar power (CSP), and ocean energy. Data for 2026-2030 are forecast values.

Reshoring / supply chain diversification: more focused than headlines suggest

Less driven by corporate risk management, more by national security policy in US and China

Semiconductors

Aerospace & Defence



Energy

Pharmaceuticals

Source: J.P. Morgan Asset Management as of 31 December 2025. The companies above are shown for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell. Provided to illustrate macro trends, not to be construed as offer, research or investment advice.

Important Information

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The Special Relationship

Dan Doherty
Global Chair of Corporate Affairs

Fraser Raleigh
MD for Public Affairs and Government Relations

Passing Wealth to the Next Generation – Planning with Confidence

Charlie Barrow, Wealth Planner

The Great Wealth Transfer: a global quandary

$124 trillion

in assets to pass from Baby Boomers to younger generations globally by 2030 – 2045.

What we'll cover today

- How Inheritance Tax works in practice
- Family assets and decisions
- Gifting and timing
- Protecting family wealth in the event of a divorce
- How JM Finn supports families
- Wealth planning: a practical checklist

How Inheritance Tax works in practice: applying to an estate

- 40% on the value of the estate above available allowances and reliefs
- Nil Rate Band - £325,000 per person (transferable between spouses/civil partners)
- Residence Nil Rate Band (RNRB)
- Business property relief
- Agricultural property relief

Estate (e.g. £1.5m) → Less allowances and reliefs → Taxable estate → Apply 40% IHT (IHT liability)

Family assets & decisions: the family home keep, downsize or gift?

- **Keeping:** preserves control and RNRB eligibility if passing to direct descendants.
- **Downsizing:** ‘downsizing addition’ can preserve RNRB even after selling/moving.
- **Gifting**: Potentially Exempt Transfer (7-year clock); but consider reservation of benefit rules.

Consider Stamp Duty Land Tax, Capital Gains Tax (on second homes), and deprivation-of-assets risks for care funding.

Balance financial security, housing needs and legacy goals.

Family assets & decisions: Pensions

- **Defined contribution pensions:** typically outside the estate for Inheritance Tax (IHT) purposes until 6 April 2027.
- **Death before age 75:** beneficiaries can usually take pension benefits tax-free; after 75: income taxed at their marginal rate.
- **Keep Expression of Wishes updated:** nominate/segment beneficiaries to obtain beneficiary drawdown.
- **Consider drawing from taxable assets** first to preserve pension 'wrapper' for heirs.
- A common misconception around "**pension double taxation**" at up to 67%: often over-stated and scenario- dependent.

Gifting & timing: Now vs later – timing the decision

- Use annual exemptions (£3,000 p.a. plus small gifts) and normal expenditure out of income.

- Larger gifts as Potentially Exempt Transfers start the 7-year clock; taper relief after 3 years (applies to the IHT due, not the gift itself).

- Cashflow modelling: ensure you ‘keep enough’ for lifetime needs and contingencies, e.g. care costs.

- Coordinate with beneficiaries’ tax positions (e.g., ISAs, LISAs, pension contributions).

Protecting family wealth in the event of divorce

- Structure gifts via trusts or consider pre/post-nuptial agreements (seek legal advice).
- Preserve family control over business interests; review shareholders' agreements.
- Ringfence inheritances where possible; align wills and letters of wishes.
- Educate beneficiaries on stewardship and the responsibilities of receiving wealth.

Wealth planning: a practical checklist

Understand your IHT position

- ✓ Review your estate value and likely exposure to Inheritance Tax.

Review the family home strategy

- ✓ Consider whether to keep, downsize or gift your home.

Check pension nominations and death-benefit planning

- ✓ Ensure Expressions of Wishes are up to date.
- ✓ Plan gifting carefully.
- ✓ Use exemptions where possible.

Protect family wealth across generations

- ✓ Consider trusts, agreements, and structures to manage divorce risk.

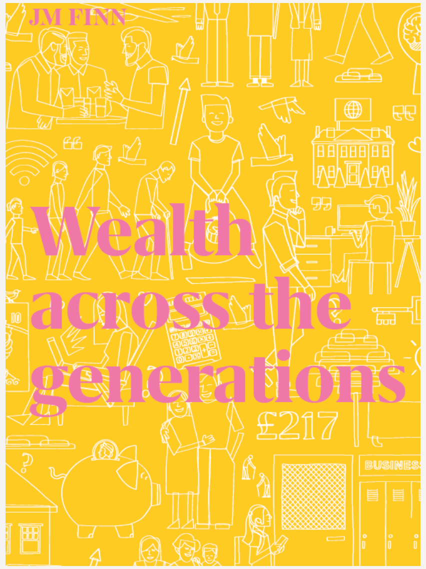
Use allowances and plan early each tax year

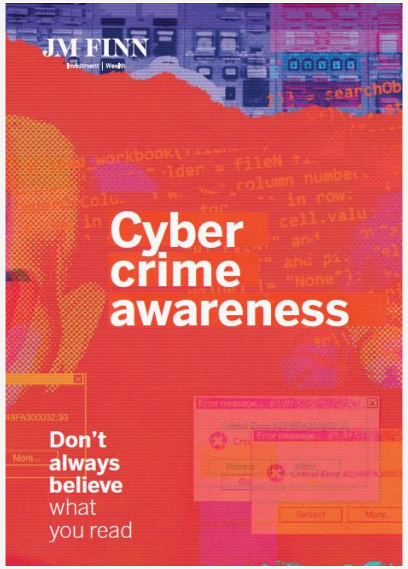
- ✓ Review ISAs, pensions and Capital Gains Tax annually.

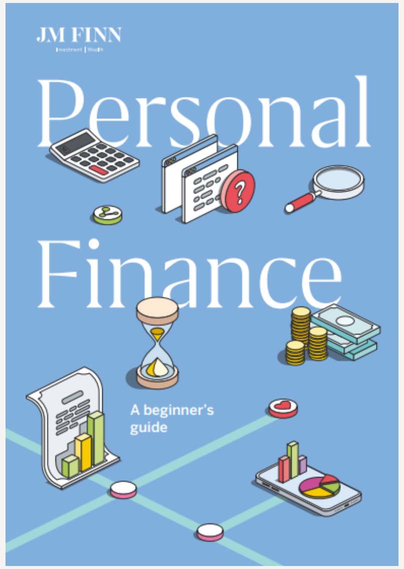
Thank you for listening

For further information about how the Wealth Planning team could help you, please email marketing@jmfinn.com

You may be interested in our other reports available to download at www.jmfinn.com







Important information

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The description of the wealth planning services and processes in this document is a general one and detailed terms and conditions are available separately.
Investment involves risk. The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested.
The Alternative Investment Market (AIM) is an unregulated exchange and tends to be made up of small sized companies. These securities are deemed to be high risk investments, and the possibility of losing money in such investments is therefore also high.

Business Property Relief is not guaranteed and remains at the discretion of HMRC to be determined on the death of the individual. The individual could die before the two-year BPR qualification period has been achieved. It is important to note that the BPR tax regime itself could be withdrawn by the UK Government at any point in the future.
Tax treatment depends on individual circumstances and may be subject to change in the future. The tax rates, benefits and allowances referred to in this document are accurate at the time of writing.
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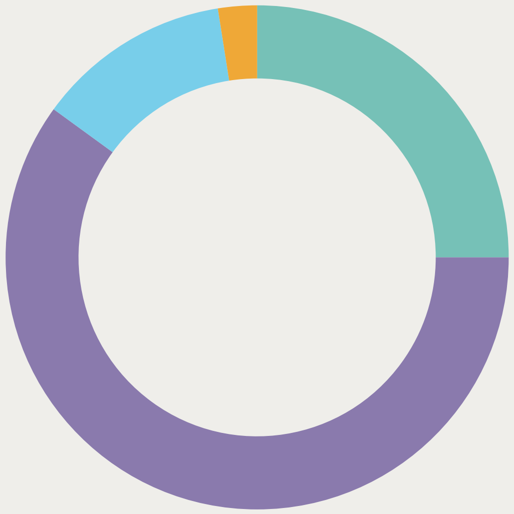
Connecting current themes to an investment portfolio

Lucy Coutts, Investment Director
James Godrich, Fund Manager

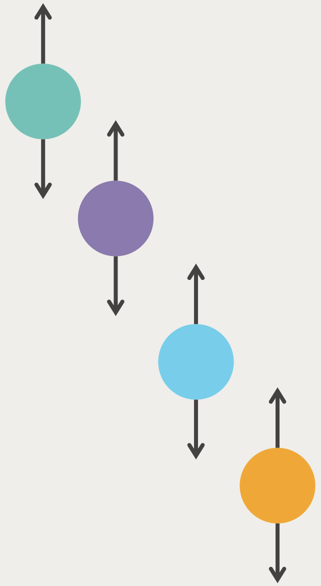
Portfolio construction



Portfolio

Fixed Income
Equity
Diversifiers
Cash

Asset Allocation



Asset Selection

Direct

Active

Passive

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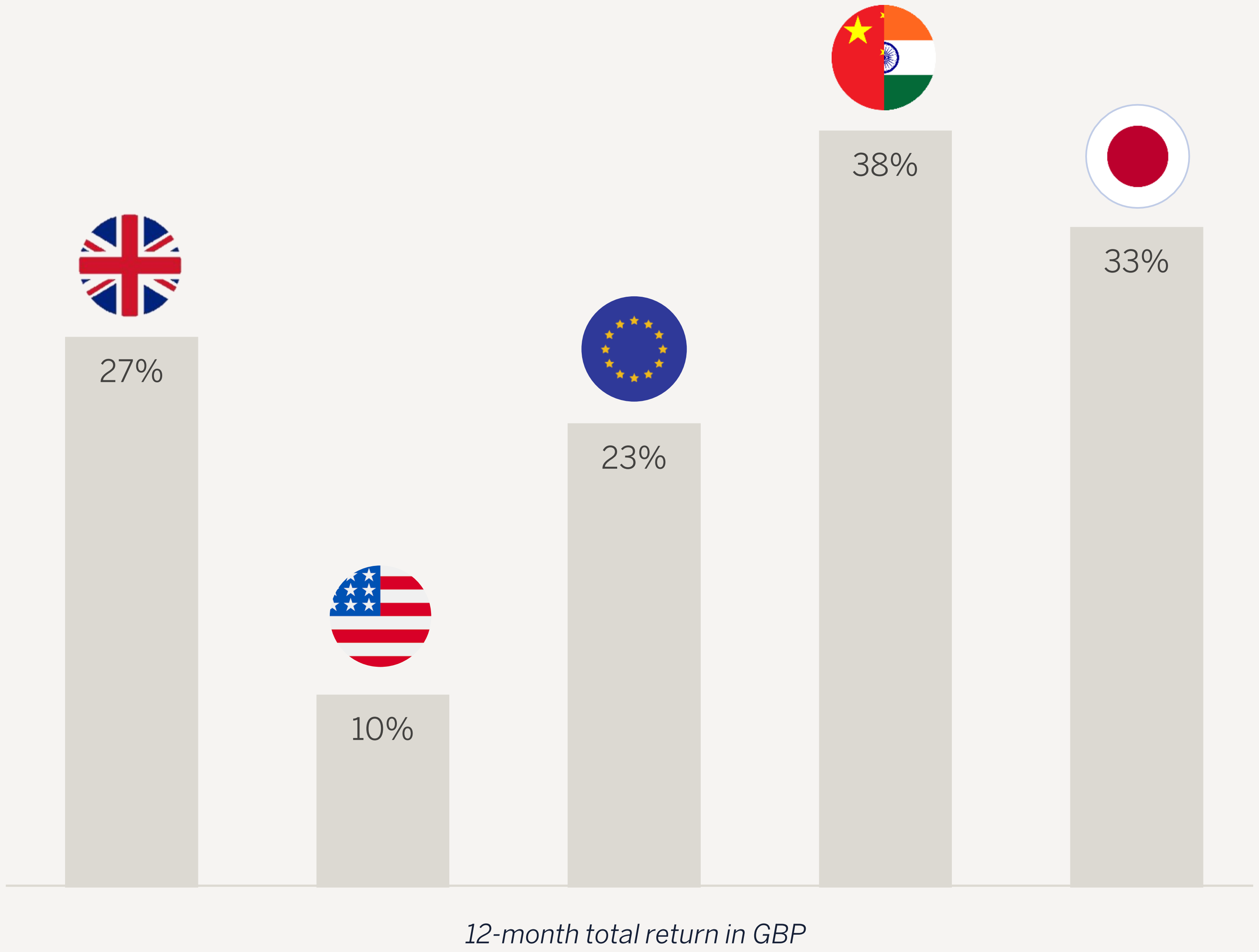
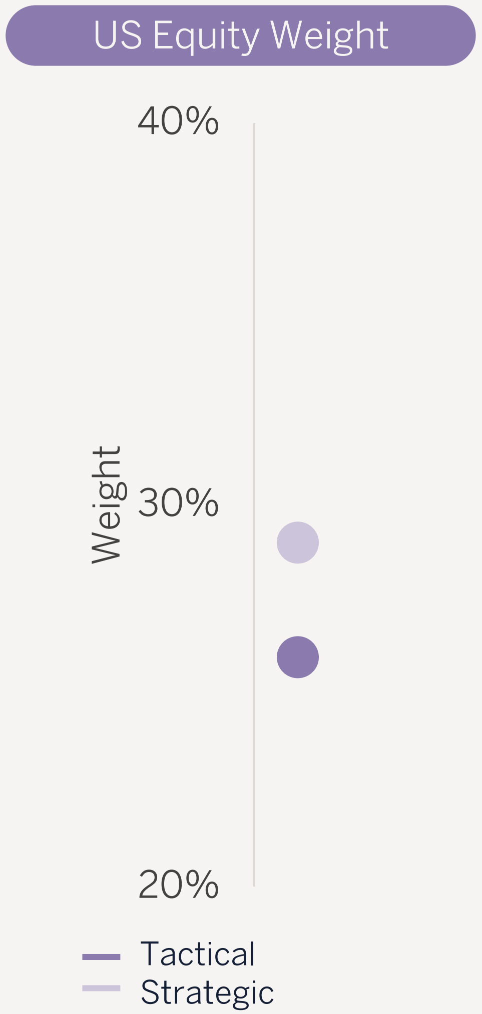
Broadening out of equity returns





FTSE All Share, S&P 500, MSCI Europe ex UK, MSCI AC Asia Pacific ex JP, TOPIX.

Source: FactSet and JM Finn Internal Reports. Past performance is not a reliable indicator of future results. Data accurate as at 28 February 2026.

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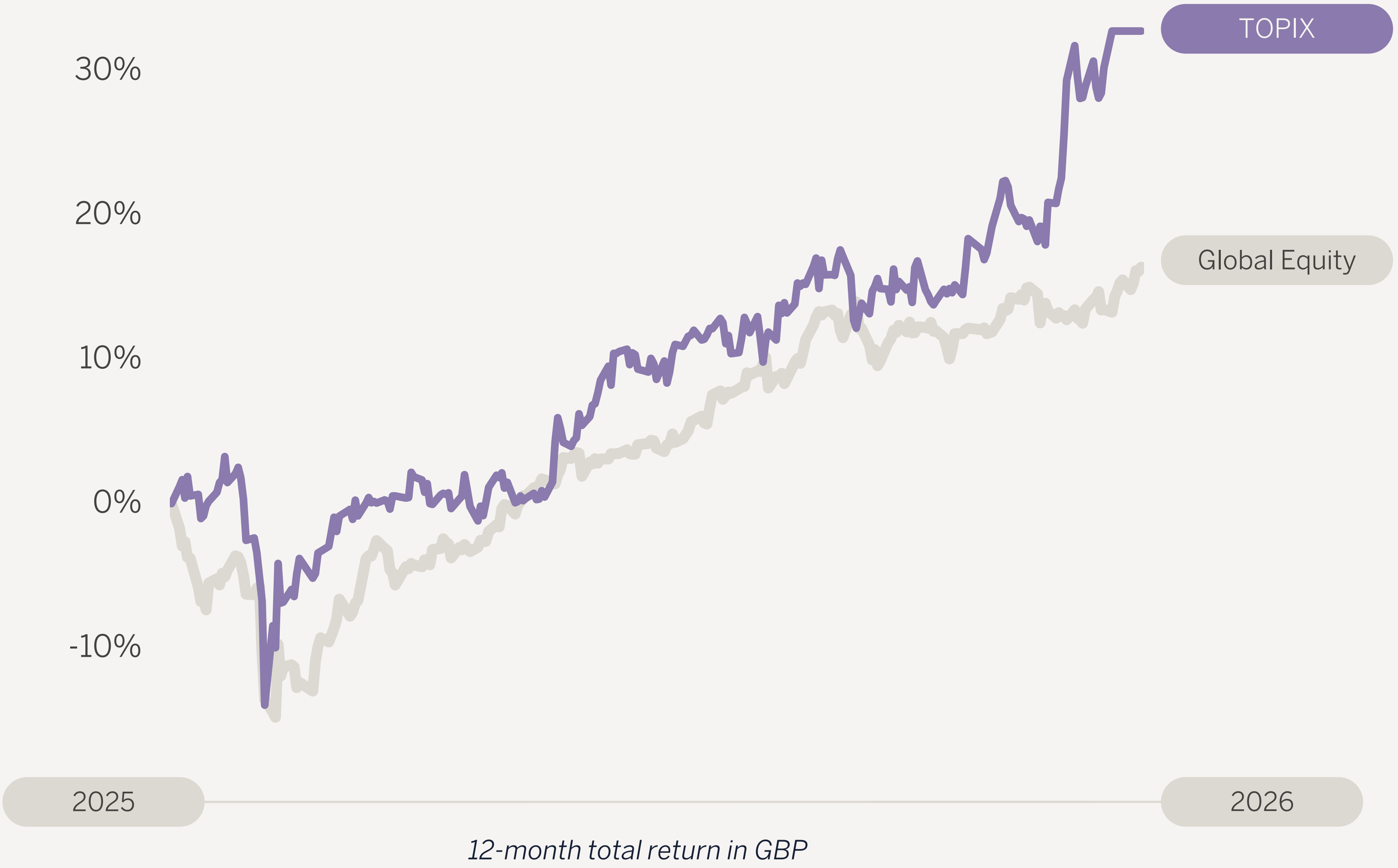
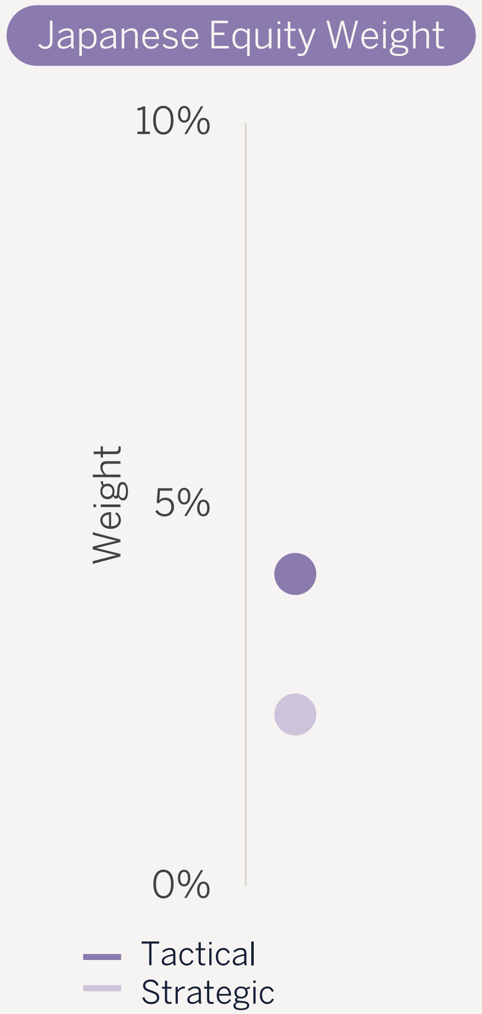
Broadening out of equity returns





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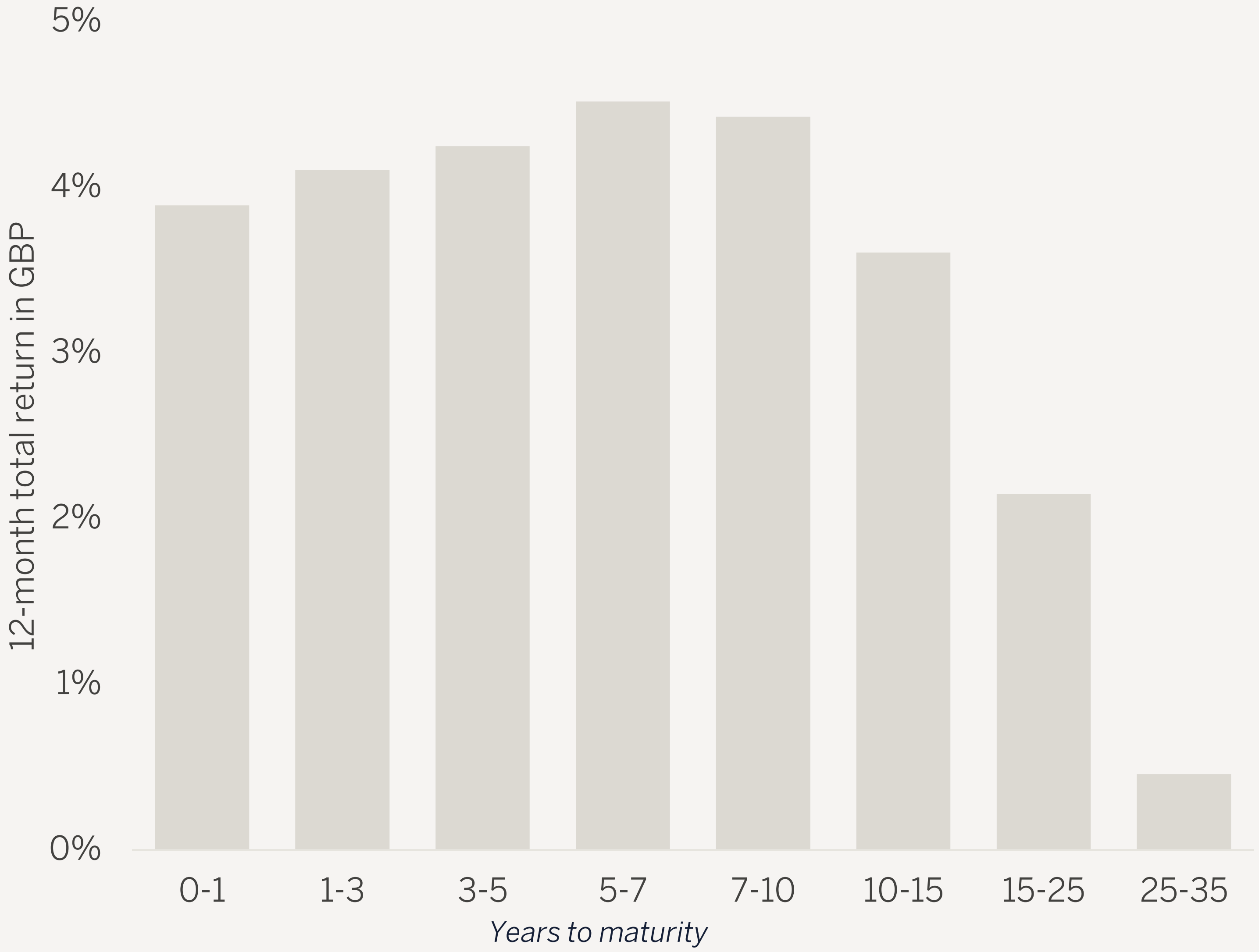
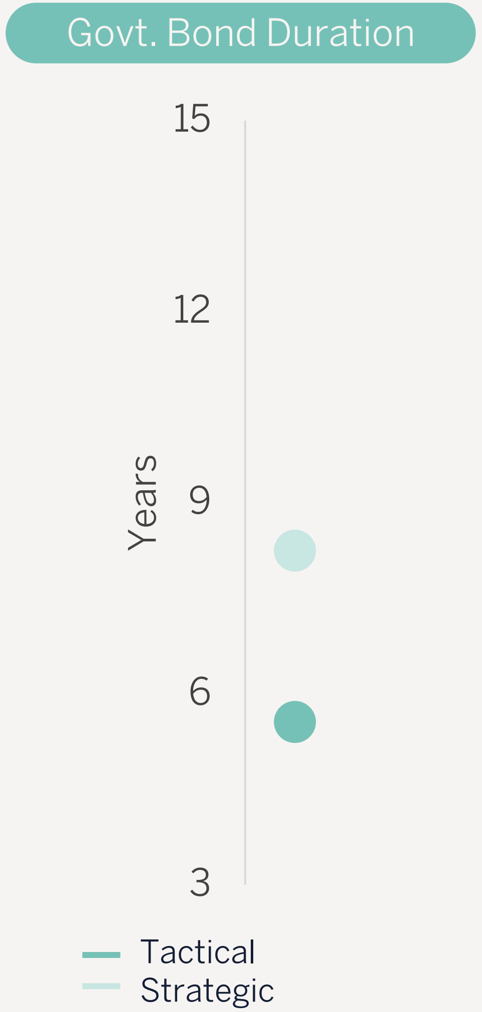
Source: FactSet and JM Finn Internal Reports. Past performance is not a reliable indicator of future results. Data accurate as at 28 February 2026.

Caution within fixed income





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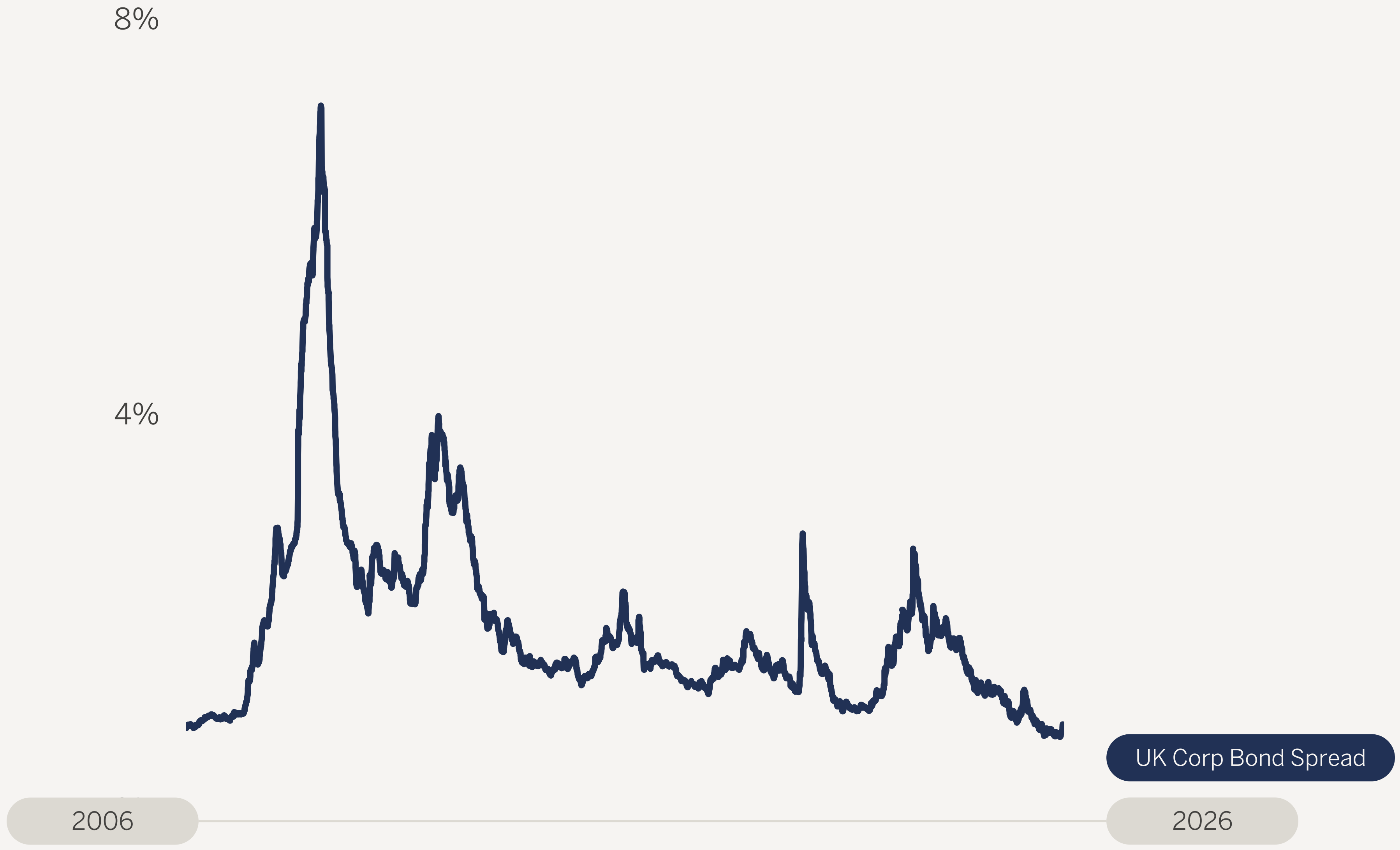
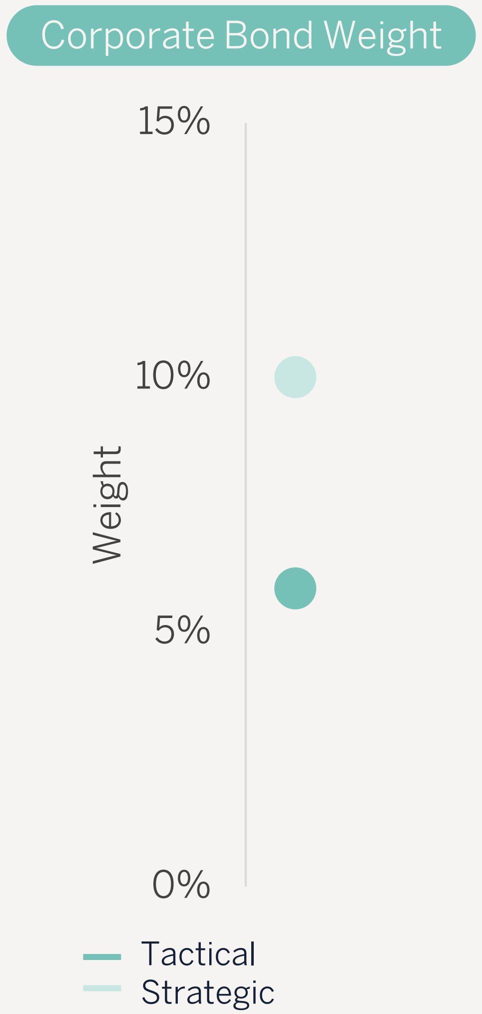
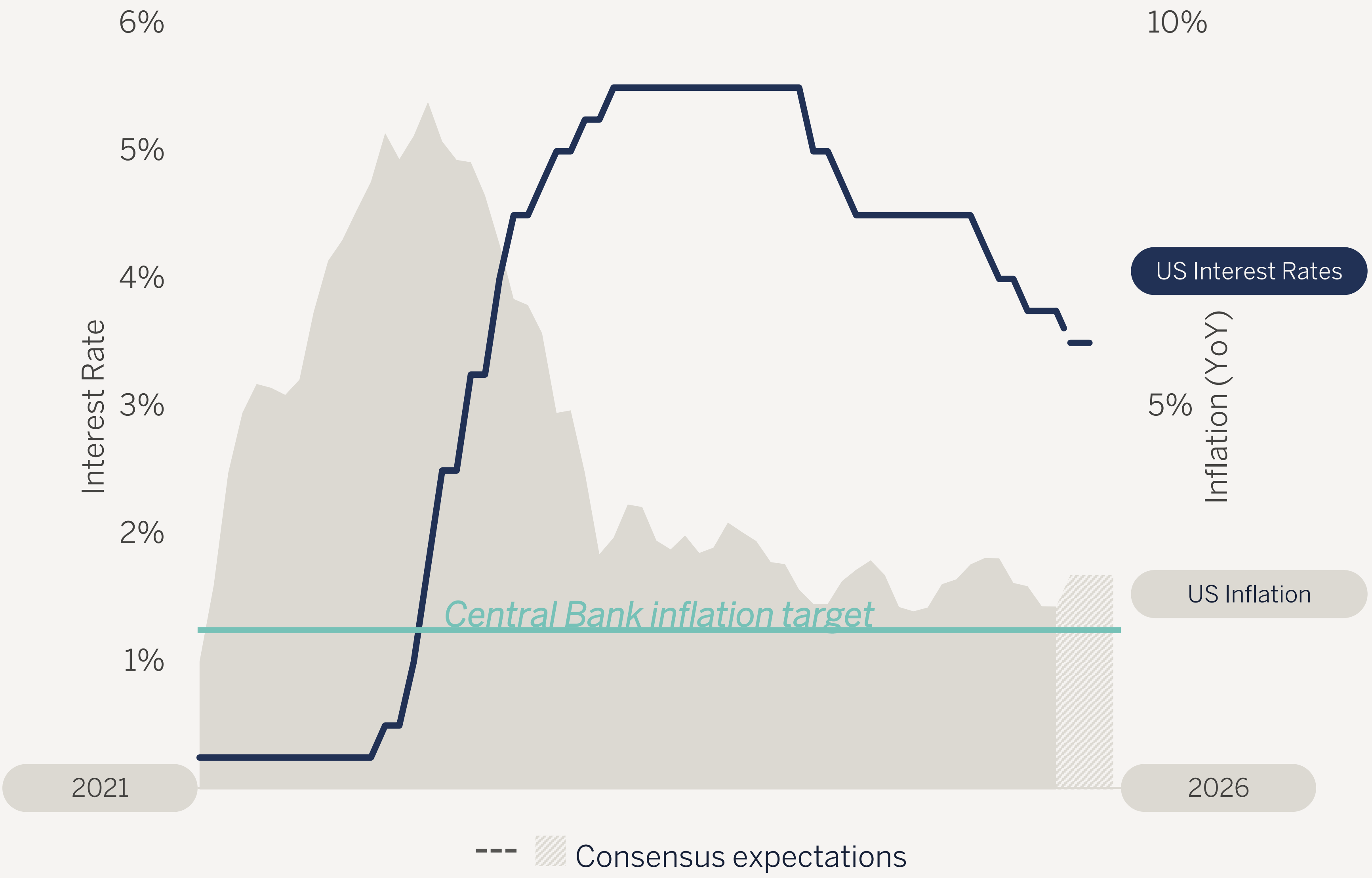
Caution within fixed income

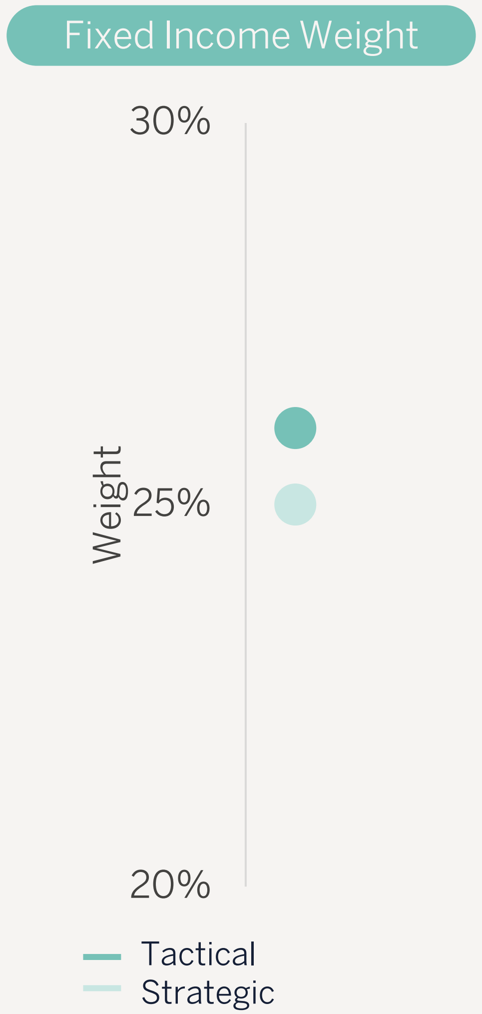




Source: FactSet and JM Finn Internal Reports. Past performance is not a reliable indicator of future results. Data accurate as at 28 February 2026.

A barbell approach

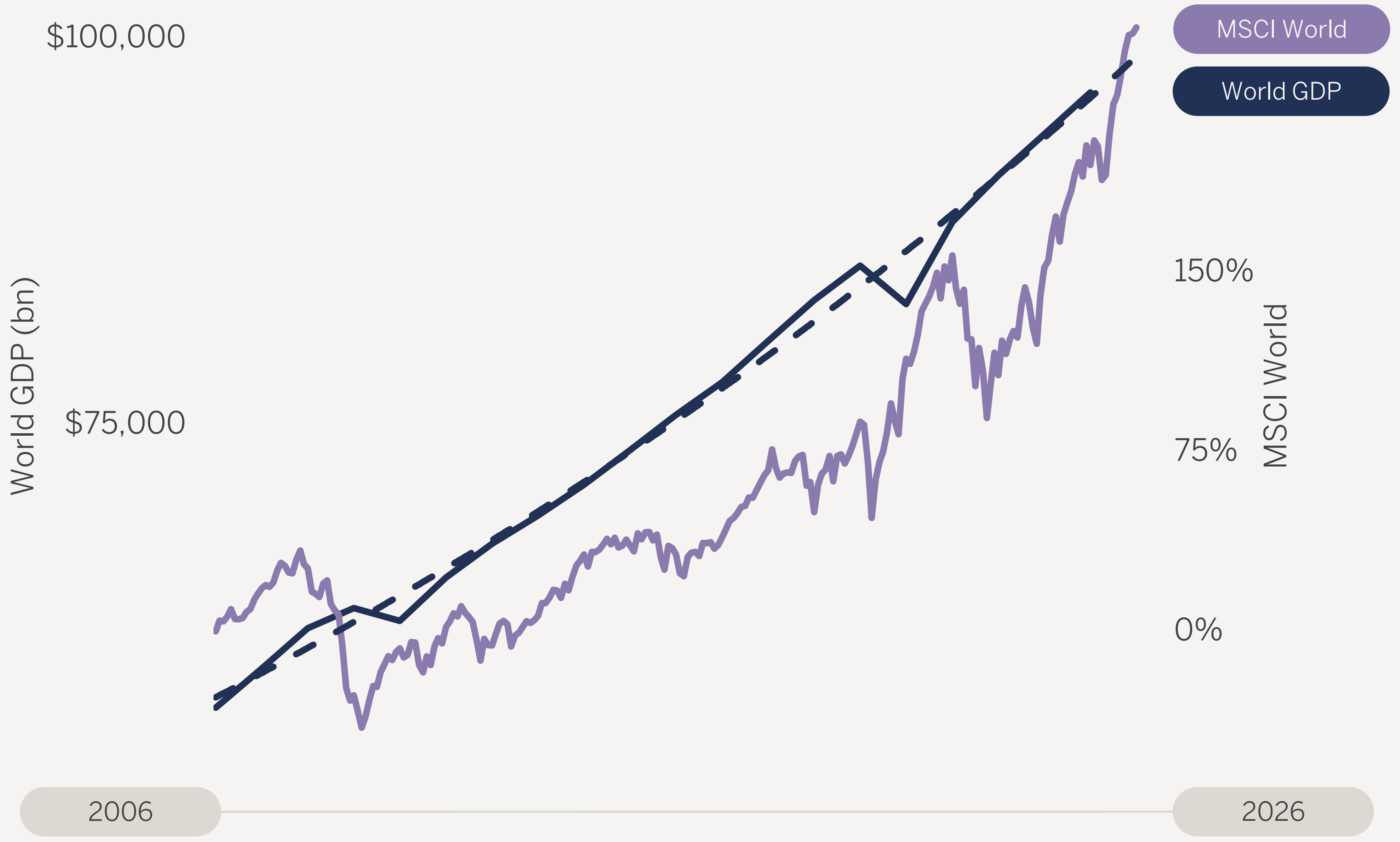


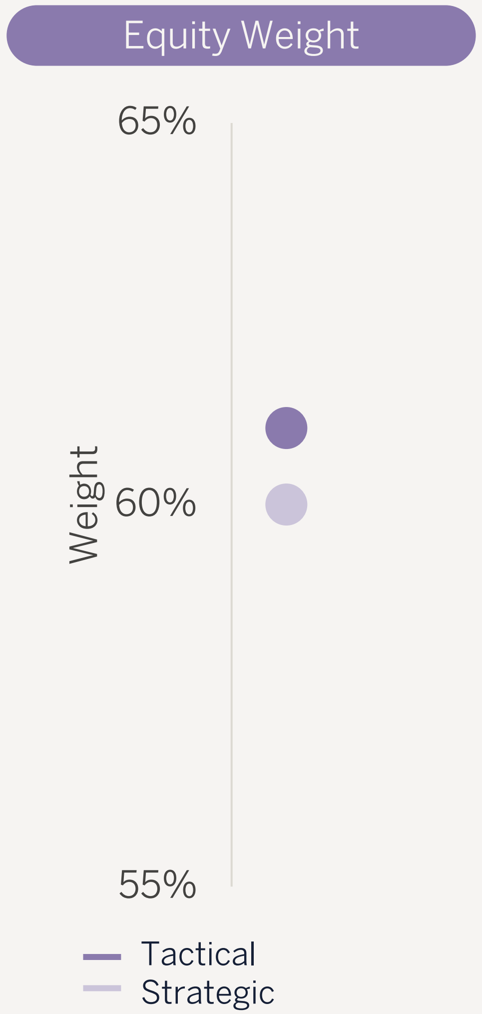


JM FINN

Source: FactSet and JM Finn Internal Reports. Past performance is not a reliable indicator of future results. Data accurate as at 28 February 2026.

A barbell approach





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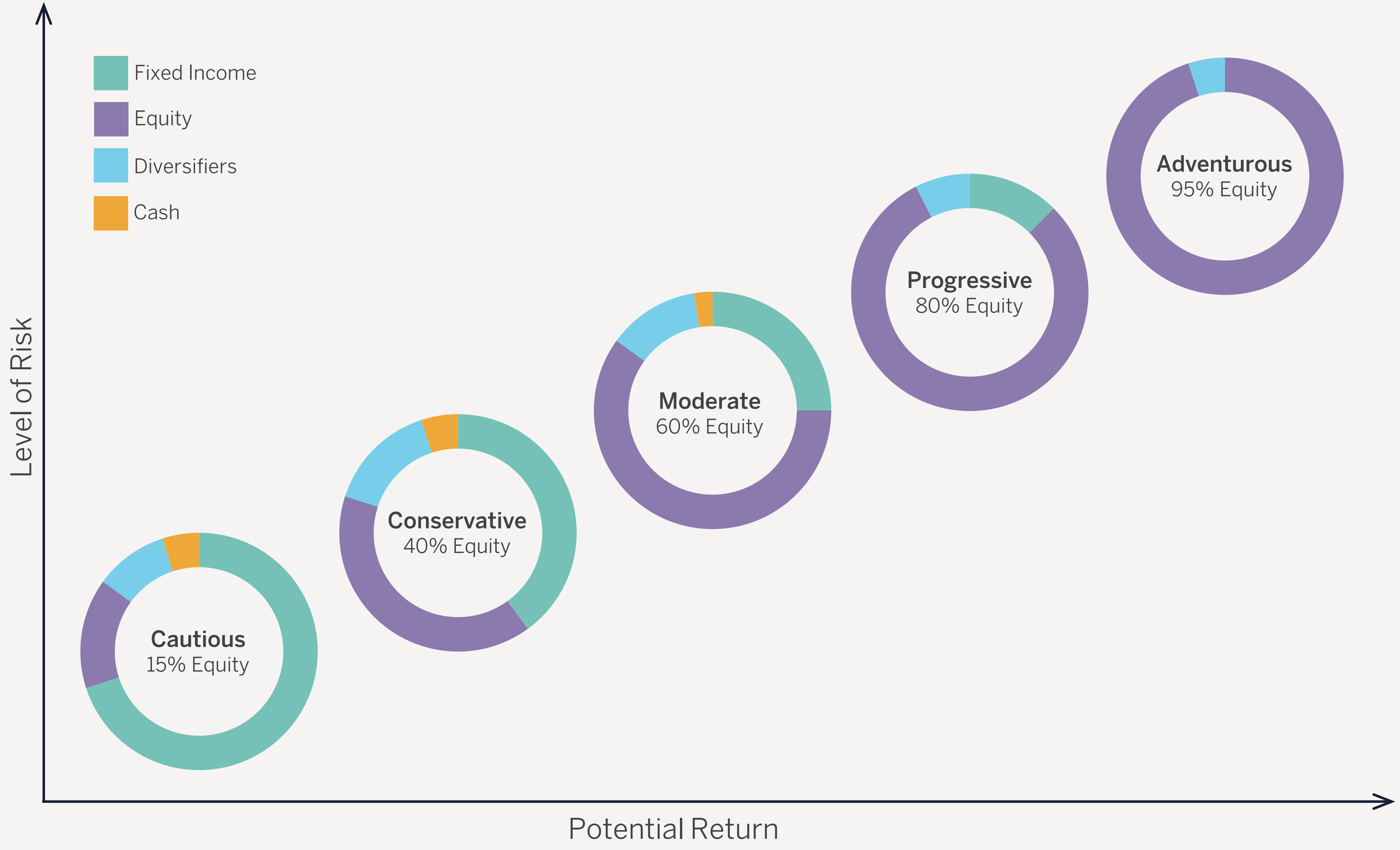
Investment Management Service



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Important information

Past performance is not a reliable indicator of future results. All performance figures shown are net of indirect costs but gross of direct costs.

The value of the YFS JM Finn Conservative, YFS JM Finn Moderate, YFS JM Finn Progressive and YFS JM Finn Adventurous Funds may go down as well as up and you may not receive back all the money you invest. Investment should be made on the basis of the Prospectus and Key Investor Information Document (KIID), available on our website. You should seek professional advice as to the suitability of the Fund before investing. Values may be affected by fluctuations in exchange rates where assets in the Fund are denominated in currencies other than sterling.

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JM FINN

Polar Capital Technology

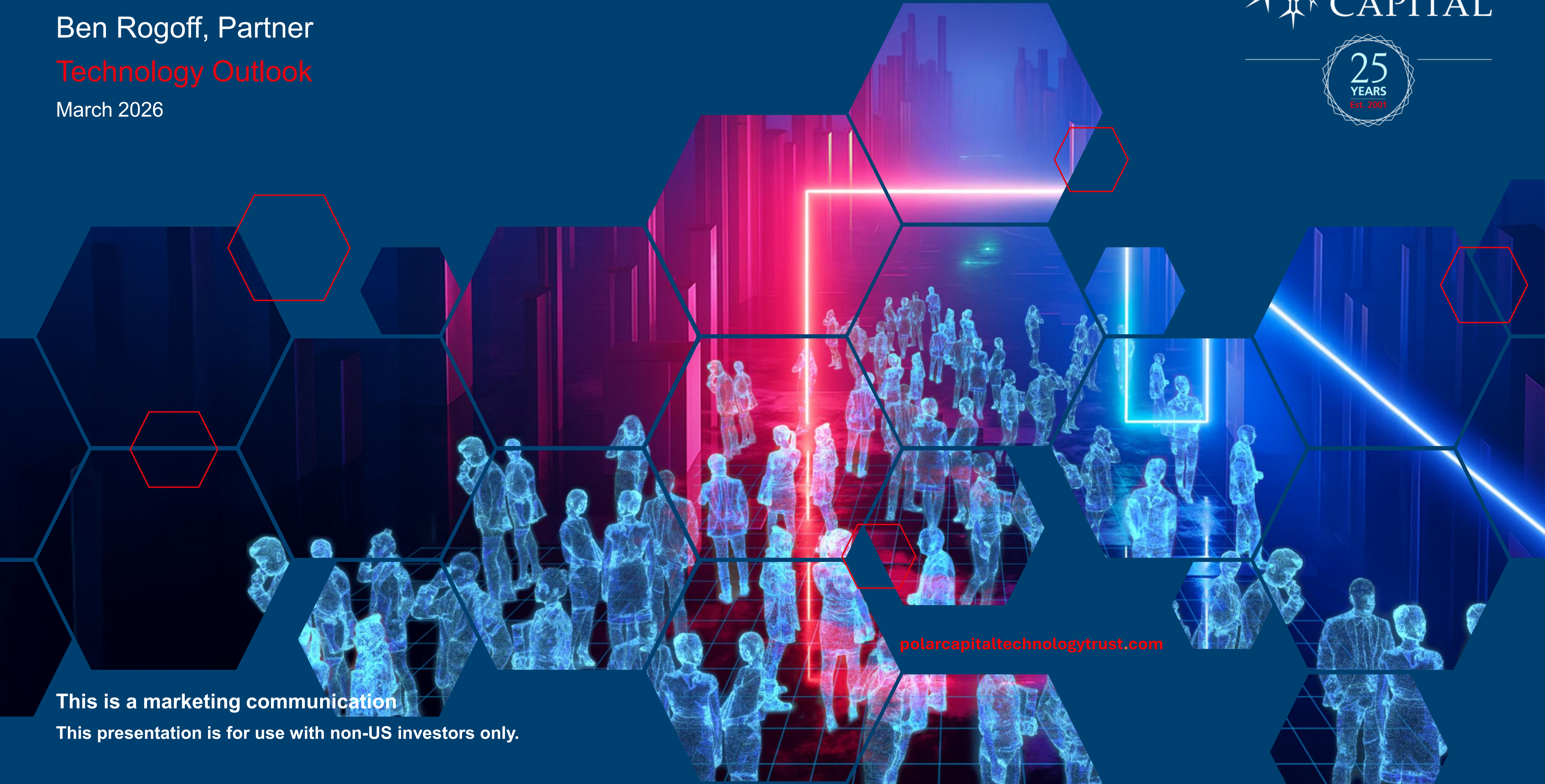
Ben Rogoff, Partner

Technology Outlook

March 2026

POLAR CAPITAL

25 YEARS Est. 2001



polarcapitaltechnologytrust.com

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Polar Capital Technology Team

Global Technology Fund	Polar Capital Technology Trust (LSE listed)	Artificial Intelligence Fund
US$11.8bn	US$8.2bn	US$1.9bn

Fund managers

Nick Evans
Partner
Experience: **28 years**

Fatima Iu
Partner
Experience: **21 years**

Ben Rogoff
Partner
Experience: **30 years**

Alastair Unwin
Partner
Experience: **14 years**

Xuesong Zhao
Partner
Experience: **19 years**

- Polar Capital Technology Trust – **launched in December 1996**
- **Global Technology Fund**
  Oct 2001 launch **17+ years leadership**
  Multi-cycle experience
- **Polar Capital Artificial Intelligence Fund**
  Oct 2017 launch **8+ years AI knowledge**
  Unique AI track record
- **One of the largest technology** investment teams in Europe **cUS$22.0bn under management**

Investment analysts

Paul Johnson
Investment Analyst
Experience: **13 years**

Nick Dumas-Williams
Investment Analyst
Experience: **10 years**

Patrick Stuff
Investment Analyst
Experience: **5 years**

Fred Holt
Investment Analyst
Experience: **5 years**

Lina Ghayor
Investment Analyst
Experience: **8 years**

Adam Gildea
Investment Analyst
Experience: **4 years**

Paddy Drewett
Data Analyst
Experience: **1 year**

Source: Polar Capital, 30 January 2026.

Polar Capital Global Technology

POLAR CAPITAL

A differentiated approach to technology change

Large experienced team
25+ year technology track record

AI first perspective; “AI Lens”
AI Fund launched 8 years ago

Embracing AI enabled change
New cycle requires a new portfolio

Technology disruption blueprint
Shift from complement to substitute

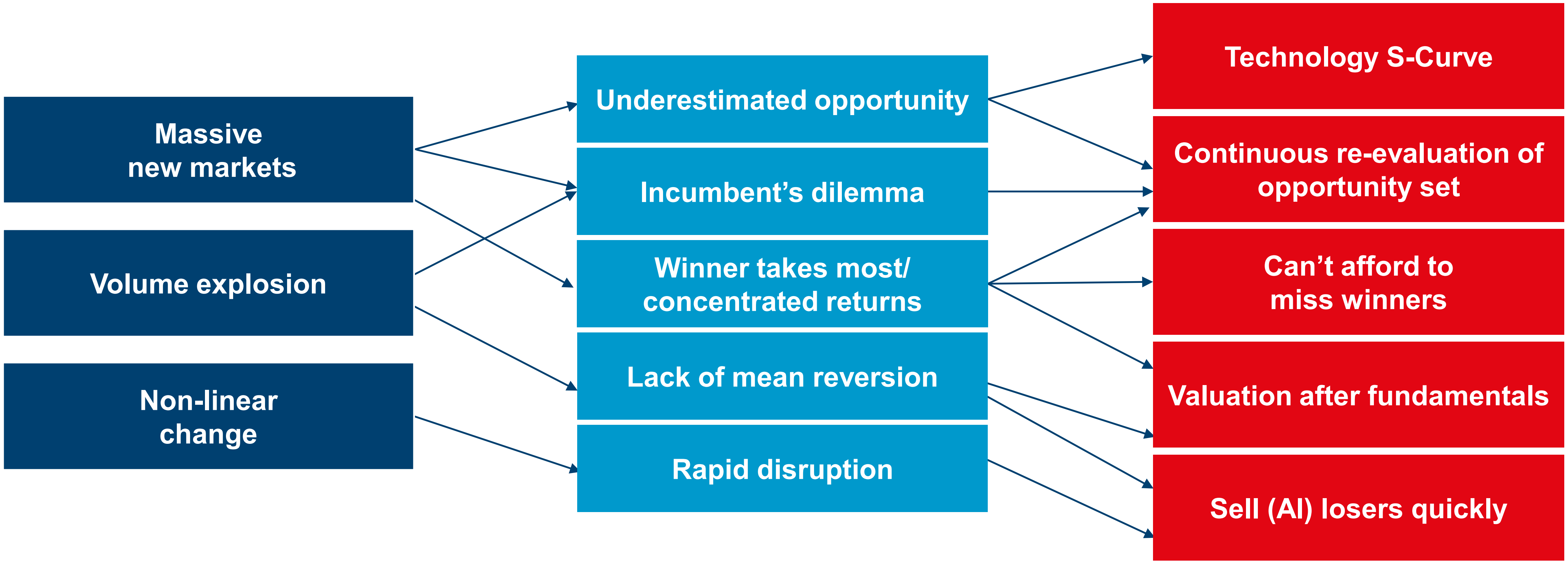
Active investment approach
Avoiding AI losers critical

Source: Polar Capital, October 2025.

Investment Approach: A Blueprint For Tech Disruption

POLAR CAPITAL

Technology feature | **Impact/lessons** | **Our approach to AI**



Source: Polar Capital, January 2026.

Investment Approach: Leveraging AI

Current AI tools/partners…

ChatGPT | Gemini | Quartr | rogo

AlphaSense | Boosted.ai | Orbit | samaya

Accelerated screening & research

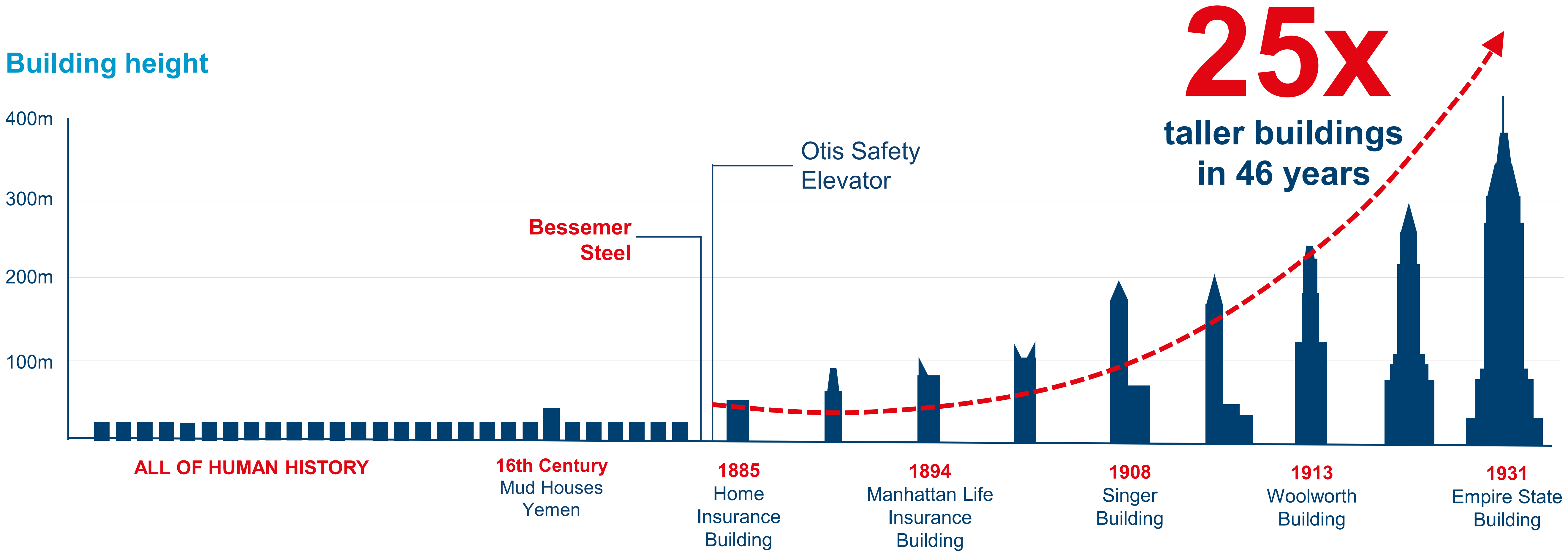
- **AI rapidly screens large volumes** of financial reports, earnings calls, news and broker research
- Summarise and **deliver faster analytical insights** from **vast datasets** (ahead of competitors)
- Parse **both qualitative and quantitative data**, unearthing deeper observations and enabling new screening tools

Investment insights & productivity tools

- **Custom in-house and 3rd party AI models** deliver exclusive insights based on our own investment approach
- **AI tools boost team productivity**, focusing analyst-time allocation on high-impact work
- **Enhances depth of analytics** for investment decision-making without compromising efficiency

Source: Polar Capital, February 2026. All opinions and estimates constitute the best judgment of Polar Capital as of the date hereof, but are subject to change without notice, and do not necessarily represent the views of Polar Capital. It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this document. A list of all recommendations made within the immediately preceding 12 months is available upon request.

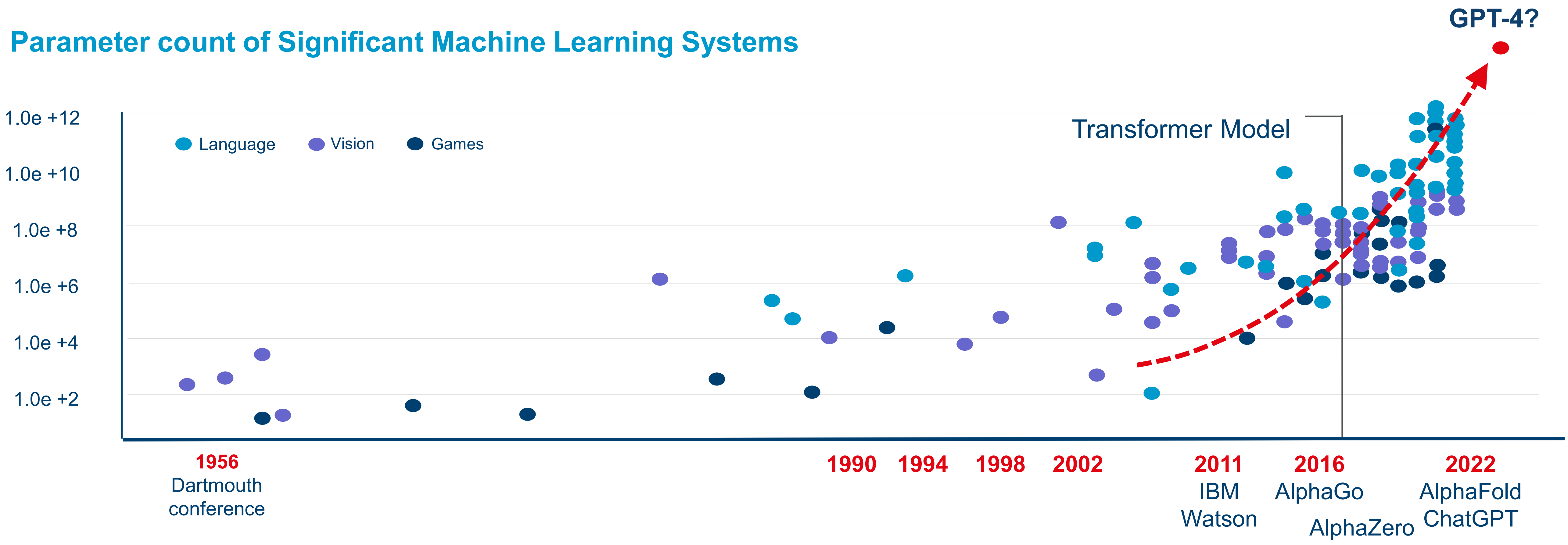
General Purpose Technologies Change Everything



Source: Polar Capital, April 2024.

General Purpose Technologies Change Everything

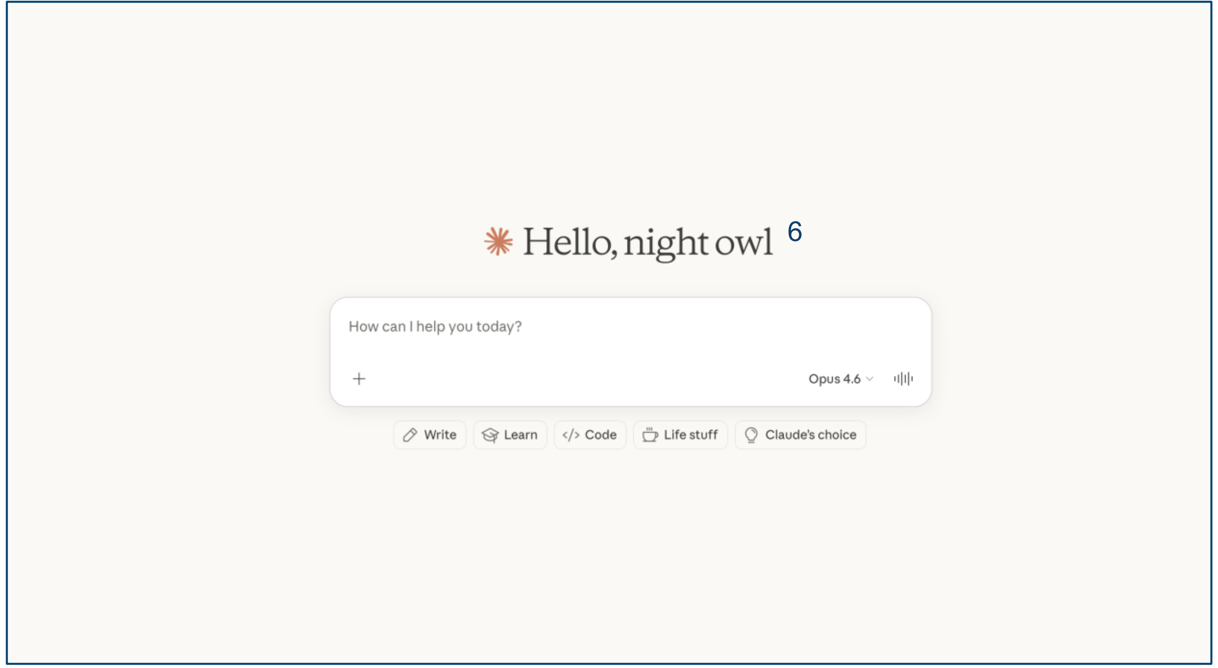
Parameter count of Significant Machine Learning Systems

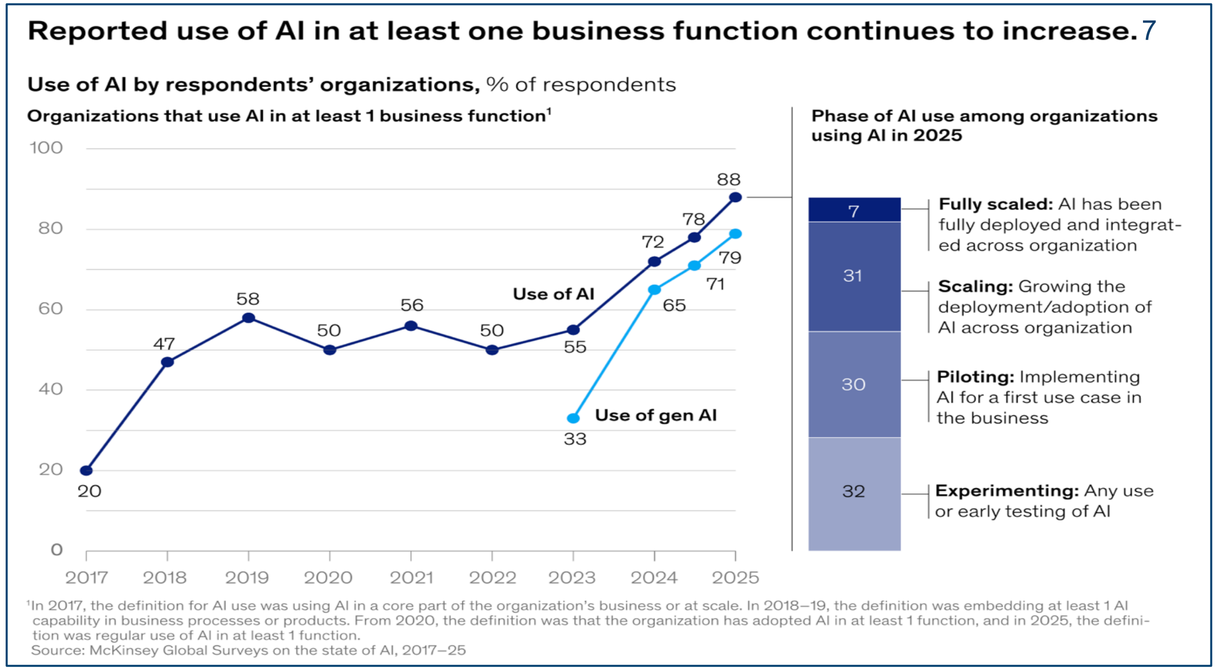


Source: The Atlantic, 6 March 2023, https://www.theatlantic.com/technology/archive/2023/03/openai-gpt-4-parameters-power-debate/673290//. Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved makes any express or implied warranties or representations.

AI Adoption: Do You AI?

- **OpenAI:** ChatGPT – 900m Weekly Average Users (WAU)[1], 2.5bn daily prompts[2]. **$25bn annual recurring revenue**
- **Anthropic:** Claude – enterprise focus, 7x increase in $100k[3] customers past year. Claude Code. **$19bn annual recurring revenue**
- **Productivity gains:** 40–60 minutes per day (OpenAI), median 84%[4] time saving per conversation (Anthropic)
- **Unlocking new tasks:** 75%[5] of workers report they can complete tasks they previously could not perform at all (OpenAI)





Source: 1. The Tech Crunch, 27 February 2026. **2.** ALM Corp, 3 March 2026. **3.** IMP News. **4.** Anthropic, 25 November 2025. **5.** OpenAI, 8 December 2025. **6.** Claude 4.6, March 2026. **7.** McKinsey, The State of AI in 2025, November 2025. Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved makes any express or implied warranties or representations. It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this document. A list of all recommendations made within the immediately preceding 12 months is available upon request.

AI Opportunity: Massive Market

- As a GPT, AI will have "profound economic consequences reshaping industries, creating new markets and altering the competitive landscape"[1]
- Knowledge work represents c34% of the global labour force/c$20trn to GDP[1], 20% productivity gain → $4trn opportunity/$800bn TAM[2]
- GenAI worth $2.6 - $4.4trn: potential to automate 30-50% of tasks in 60% of occupations by 2030[3]
- Benefits of 'ICT revolution' appeared in aggregate industry productivity data by late 1990s

AI expands technology's addressable market into knowledge work

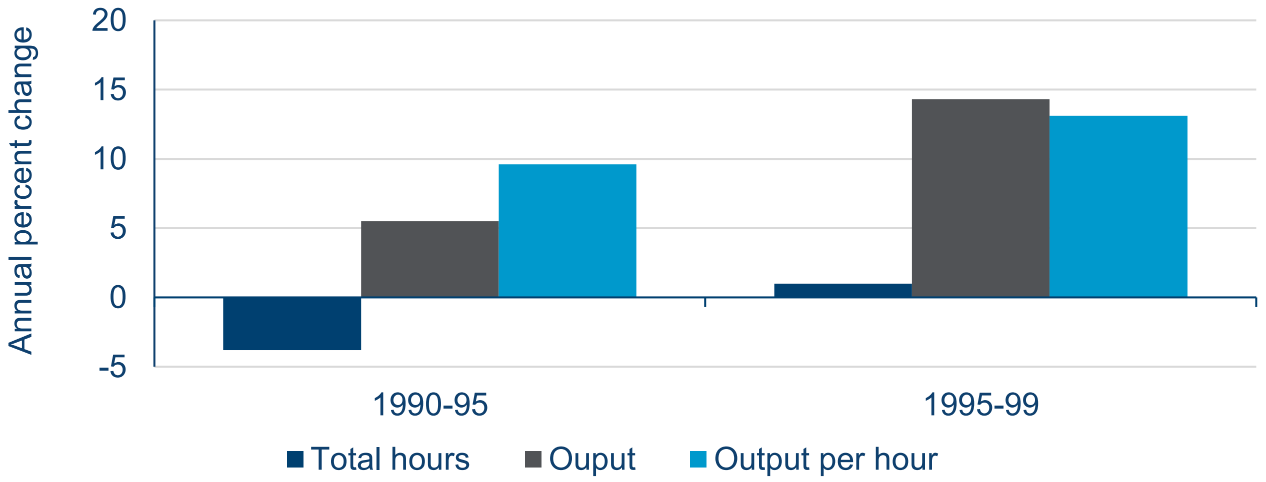
$6.1 Trn[4]

IT Spending 2026

$44 Trn

Global knowledge worker wage bill

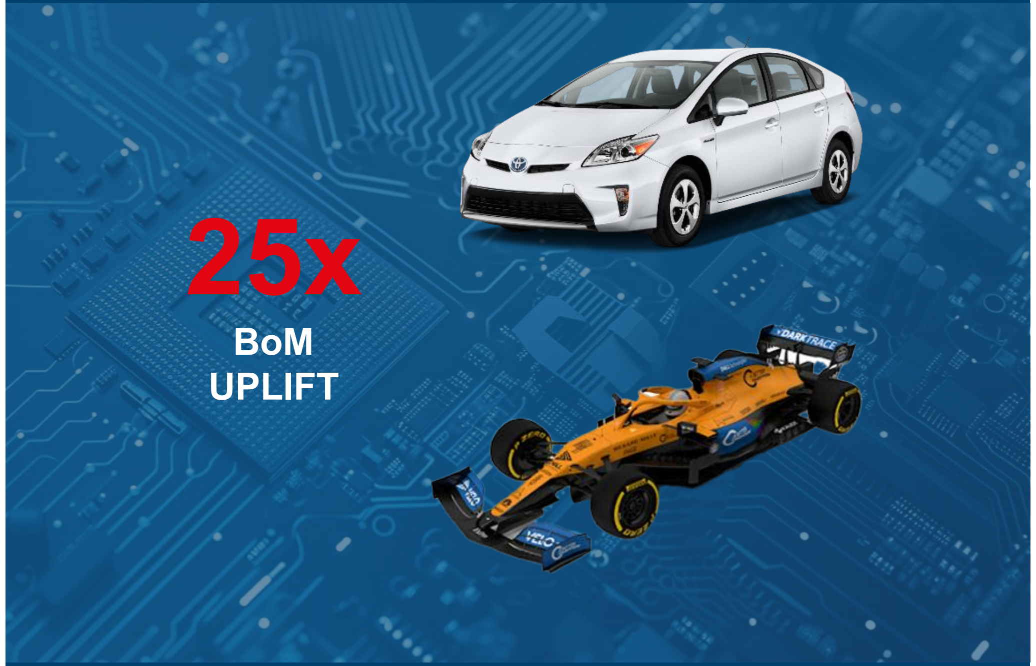
Labour productivity impact visible by late-1990s[5]



Source: Polar Capital, April 2025. **1.** IDC, 17 September 2024. **2:** Bernstein, Polar Capital Strategy Report, April 2025. **3.** McKinsey, 28 July 2023. **4.** Gartner, 22 October 2025, Gartner Forecasts Worldwide IT Spending to Grow 9.8% in 2026, Exceeding $6 Trillion For the First Time. **5.** US Bureau of Labor Statistics, 14 May 2002. All opinions and estimates constitute the best judgment of Polar Capital as of the date hereof, but are subject to change without notice, and do not necessarily represent the views of Polar Capital. Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved makes any express or implied warranties or representations. Forecasts contained herein are for illustrative purposes only and does not constitute advice or a recommendation. Forecasts are based upon subjective estimates and assumptions about circumstances and events that may not yet have taken place and may never do so. **TAM:** Total Addressable Market, **GDP:** Gross Domestic Product, **ICT:** Information and Communication Technology.

AI Opportunity: A New Compute Stack

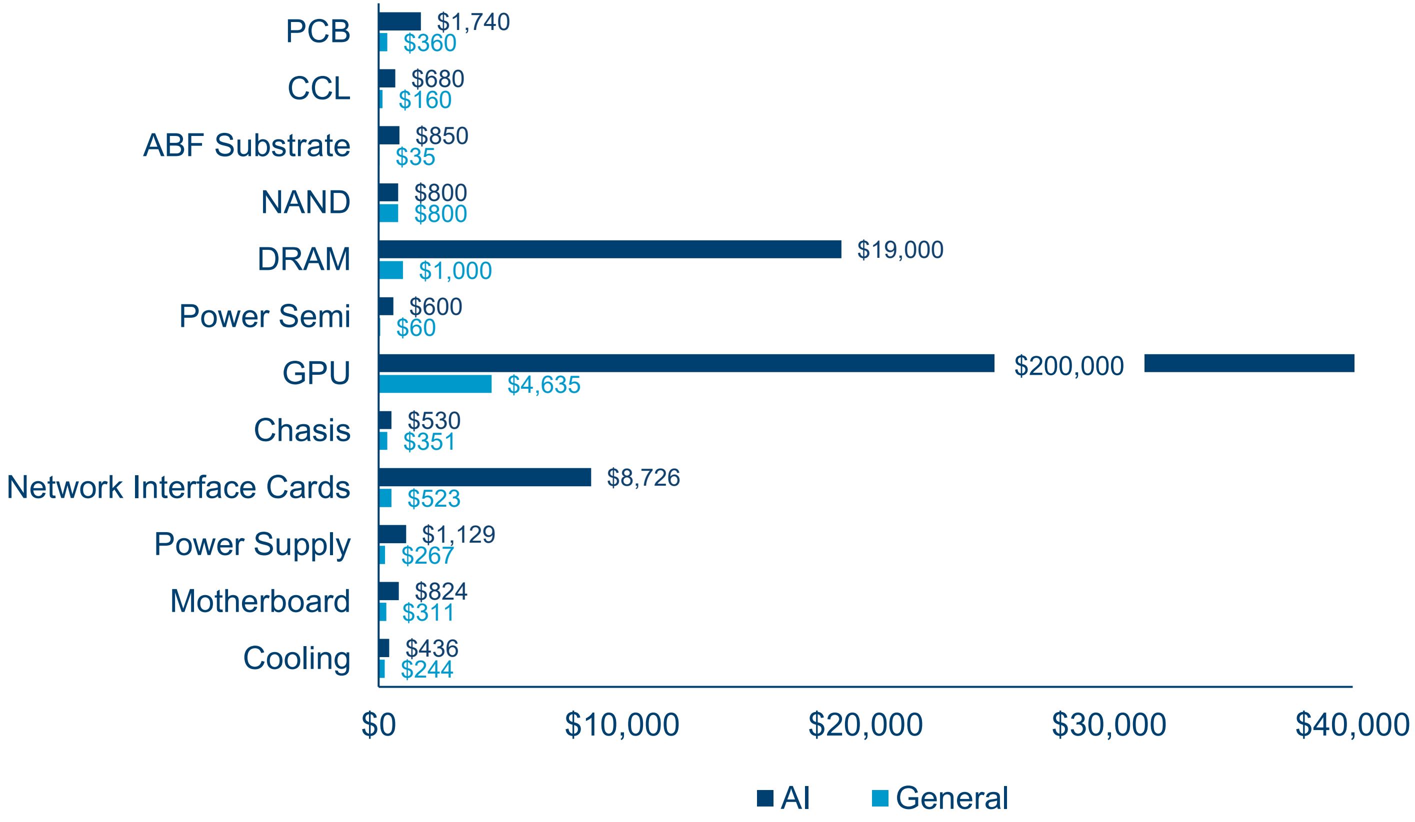
CPUs are the building blocks of the old infrastructure



AI requires accelerated and parallel computing

- **GPUs underpin AI servers**
- 25x the cost of a general-purpose server

US$ content per server



Source: Polar Capital, February 2024. Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved makes any express or implied warranties or representations. **CPU:** Central processing unit, **BoM:** Bill of material, **GPU:** Graphics processing unit, **PCB:** Printed Circuit Board, **CCL:** Copper Clad Laminate, **NAND:** NAND flash memory, **DRAM:** Dynamic Random Access Memory.

AI Opportunity: A New Compute Stack

Foundries → 3nm/2nm, new transistor architectures

Semiconductor Capital Equipment → Advanced tools and packaging

Networking – Ethernet/Infiniband → 400G/800G/1.6T, co-packaged optics

Substrates → Larger finer substrates with move to chiplet

Printed Circuit Boards → Higher layer count, ultra-low loss boards

Thermal Modules → Heat dissipation and management

High Bandwidth Memory → Multi-level stacked dies

Power → Same real estate but 4-5x more power output

Server ODMs → Server rack and rail design

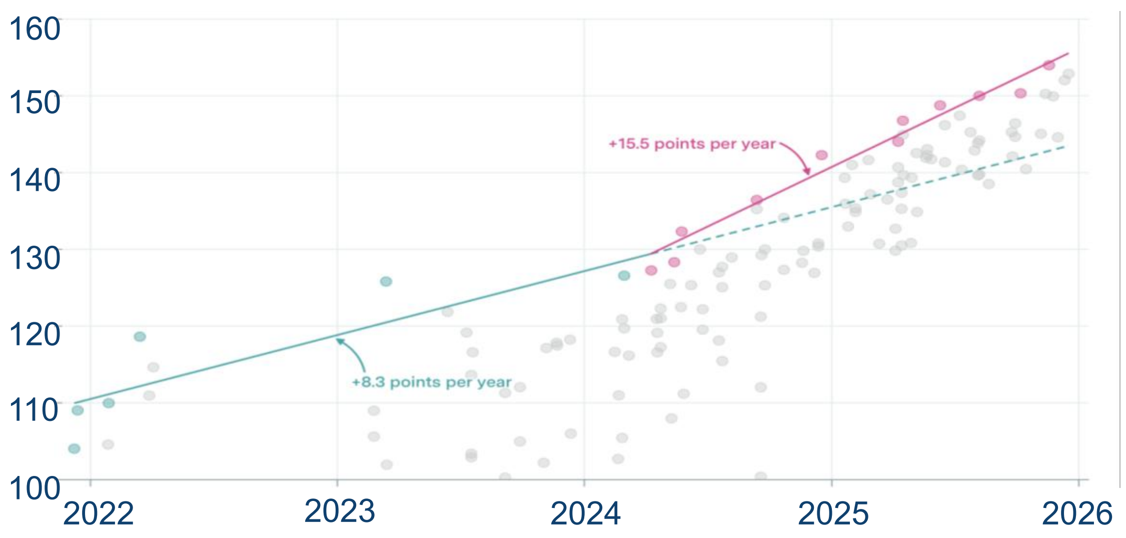
Source: Polar Capital, January 2026. Morgan Stanley, 16 October 2023, Asia Technology report, AI Hardware Supply Chain – The Value of STEAM Power. All opinions and estimates constitute the best judgment of Polar Capital as of the date hereof, but are subject to change without notice, and do not necessarily represent the views of Polar Capital. It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this document. A list of all recommendations made within the immediately preceding 12 months is available upon request. Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved makes any express or implied warranties or representations. **ODMs:** original design manufacturers.

AI Model Improvement: Acceleration

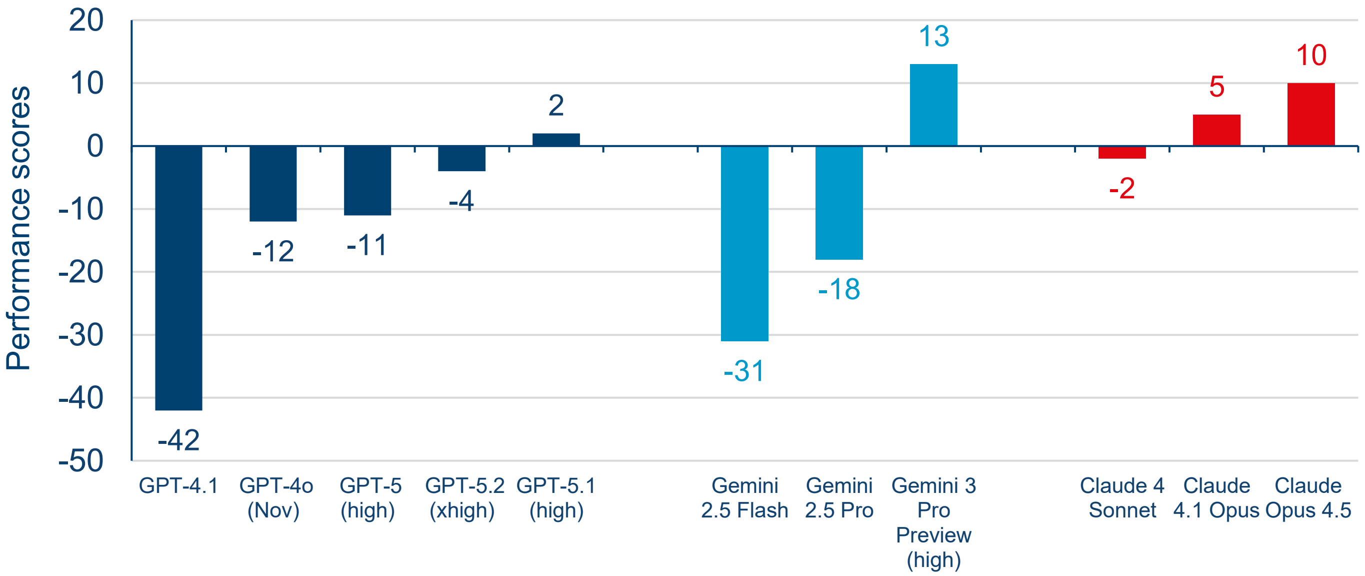
POLAR CAPITAL

- **Still "no wall":** Three scaling vectors → frontier model progress remains remarkably consistent and predictable (20+ years). Falling error rates
- **Scaling at unprecedented pace:** 4.4x more compute / year, 5-6x faster than Moore's Law. Monotonic gains with more test time compute
- **AI capability improvement has nearly doubled in speed** around April 2024: Coinciding with **the emergence of reasoning models** and **RL**
- Scaling + multimodality + **new emergent behaviours + agentic = expect to be regularly surprised by AI progress**

Epoch Capabilities Index (2022 – Present)[1]



Hallucination performance[2]



Source: 1. Epoch AI, 23 December 2025. **2.** alysis, December 2025. AA-Omniscience Index (higher is better) measures knowledge reliability and hallucination. It rewards correct answers, penalises hallucinations, and has no penalty for refusing to answer. Scores range from -100 to 100, where 0 means as many correct as incorrect answers, and negative scores mean more incorrect than correct. Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved makes any express or implied warranties or representations. **RL:** Reinforcement Learning.

AI Model Improvement: 'Superhuman' AI

Benchmarks smashed

- o1: 83% in the International Mathematics Olympiad, compared to 13% achieved by GPT-4o[1], surpassed PhD physics experts and achieved "superhuman performance in… diagnostic clinical reasoning"[2, 3]
- OpenAI's o3 solved c25% of problems on a Frontier Maths benchmark (no previous model >2%)[4]

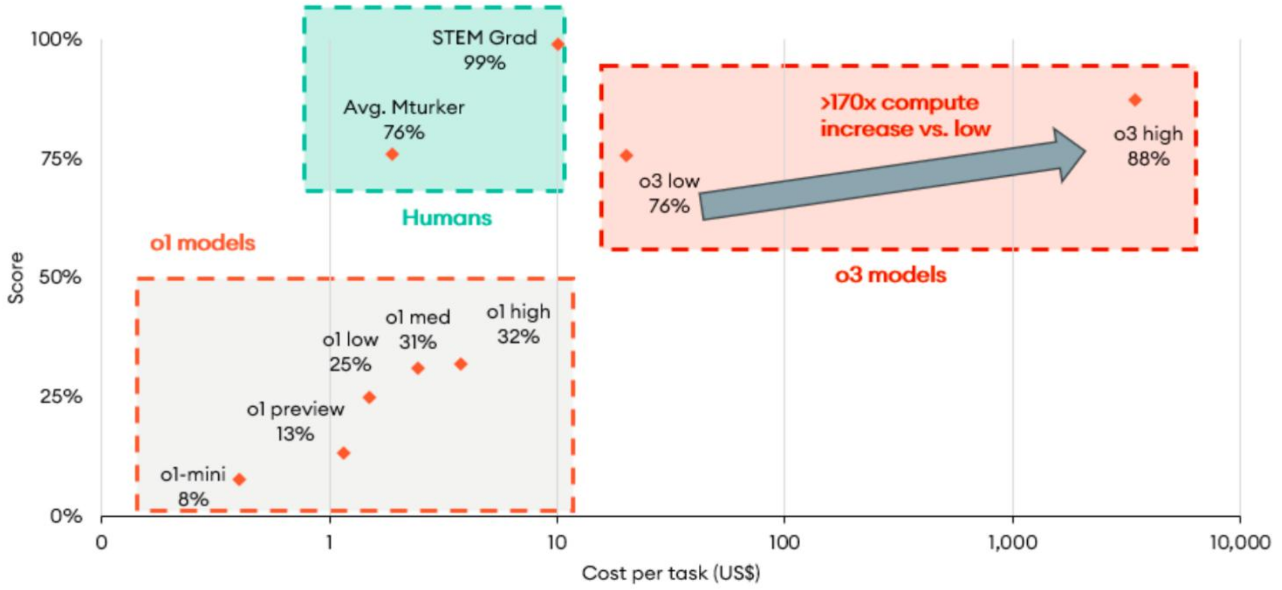
Deep Research modes added to flagship AI models

- Models allowed even longer to complete tasks, with OpenAI's Deep taking between 5-30 minutes[5]
- **o3 achieved 76-88% on the ARC-AGI benchmark** vs GPT4o at c5%, but requires 2000x more compute[4, 6]

Scaling beyond human constraints

- Force multiplier – likely to scale far beyond human-driven AI usage and current comprehension
- **Jensen Huang:** Inference demand could increase by a factor of one million, or even a billion[7]

OpenAI o3 breakthrough on ARC-AGI benchmarks…at a cost[8]

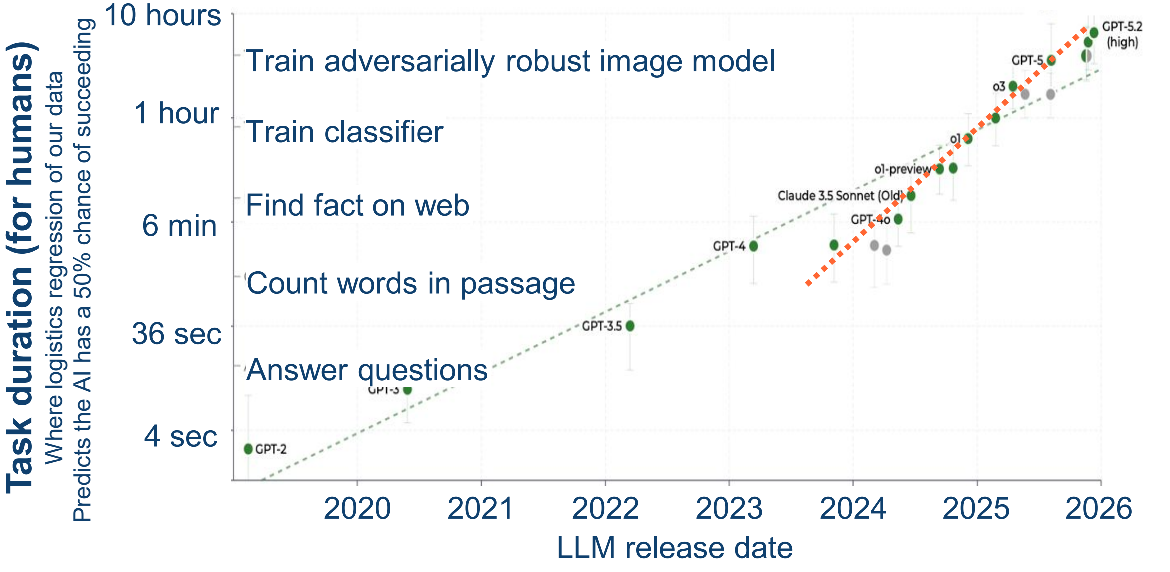


Source: Polar Capital, April 2025. **1.** AI-Pro, 11 December 2024. **2.** One Useful Thing, 12 September 2024. **3.** Arxiv.org. **4.** Arstechnica, 7 March 2025. **5.** OpenAI, 2025. **6.** Venturebeat.com. **7.** Computer Weekly, 27 February 2025. **8.** Arcprize.org and NSR analysis. All opinions and estimates constitute the best judgment of Polar Capital as of the date hereof, but are subject to change without notice, and do not necessarily represent the views of Polar Capital. Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved makes any express or implied warranties or representations.

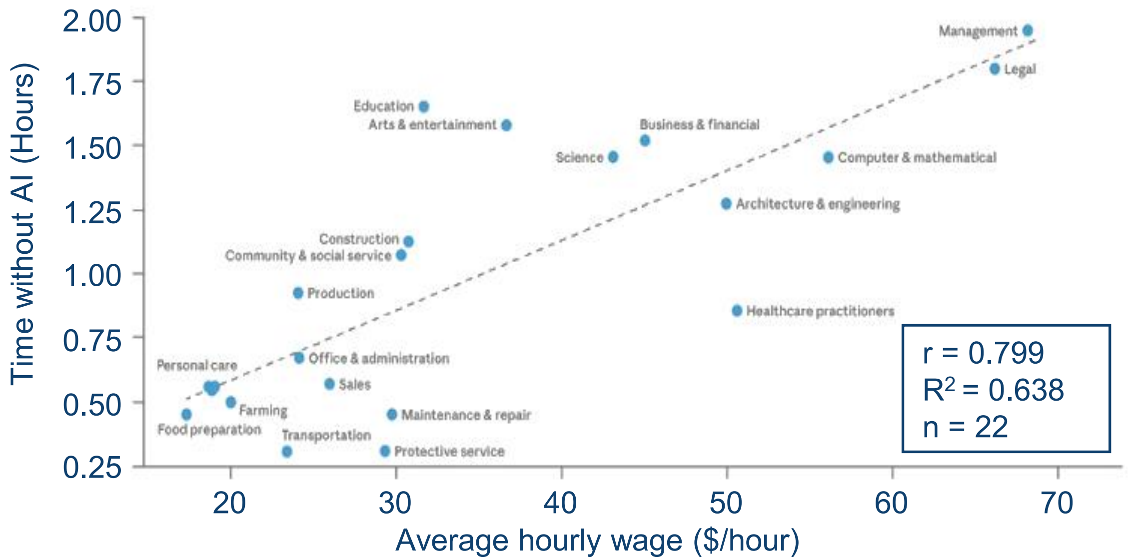
Autonomous Task Duration → Agentic Viability

- **Complex tasks:** Many steps, dependencies interact and mistakes propagate. Less error accumulation → longer plans hold → multi-tool workflows
- **METR data shows autonomous task horizons doubling every c7 months (accelerating to ~4 months in 2024-2025) –** Semi Analysis
- **Multimodality** massively increases the number of subtask types a model can handle within a single chain.
- **Cognitive task complexity correlates with wage:** Every purely cognitive occupation below the RHS line faces disruption

Time horizon of software tasks different LLMs complete 50% of the time[1]



Task duration vs. wage by occupation[2]



Source: 1. METR, 6 February 2026. **2.** Anthropic, 25 November 2025. Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved makes any express or implied warranties or representations.

The Coding Breakthrough: From Assistant to Agent

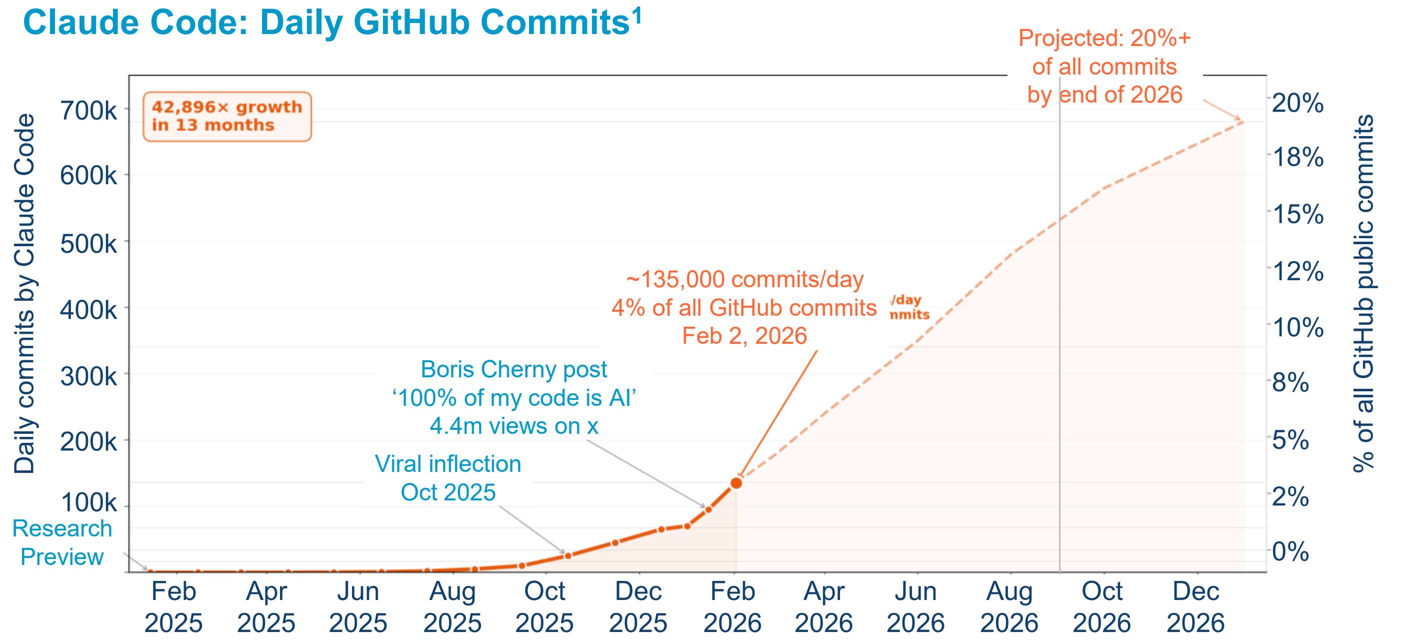
- From autocomplete → **reliable AI agents** able to sustain longer chains of work / trusted with tasks previously requiring human oversight
- A **commit is a unit of completed work, not just code:** c135,000 daily commits is measure of finished work, not autocomplete volume
- **The 43,000× growth comes from the same tasks taking radically less time** – the volume explosion = task duration collapsing
- **Coding as microcosm:** Model builders (Anthropic, OpenAI, Google) moving into tooling, squeezing platform / IDE players (Microsoft, Cursor)

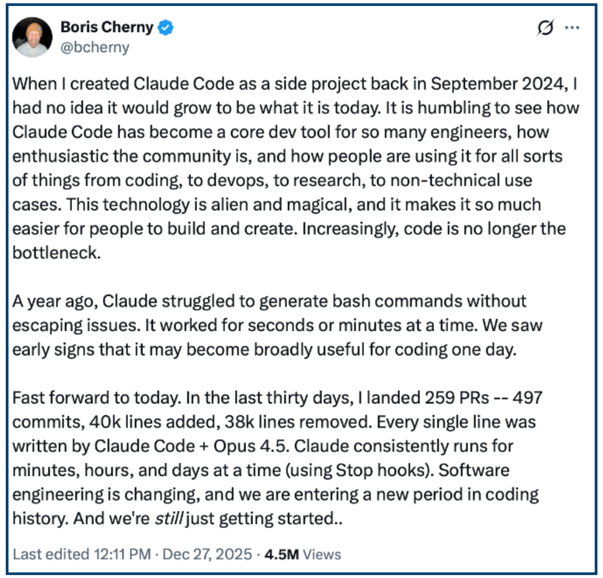
GitHub Copilot

Claude Code

Codex

OpenAI Frontier




Boris Cherny
@bcherny

When I created Claude Code as a side project back in September 2024, I had no idea it would grow to be what it is today. It is humbling to see how Claude Code has become a core dev tool for so many engineers, how enthusiastic the community is, and how people are using it for all sorts of things from coding, to devops, to research, to non-technical use cases. This technology is alien and magical, and it makes it so much easier for people to build and create. Increasingly, code is no longer the bottleneck.

A year ago, Claude struggled to generate bash commands without escaping issues. It worked for seconds or minutes at a time. We saw early signs that it may become broadly useful for coding one day.

Fast forward to today. In the last thirty days, I landed 259 PRs -- 497 commits, 40k lines added, 38k lines removed. Every single line was written by Claude Code + Opus 4.5. Claude consistently runs for minutes, hours, and days at a time (using Stop hooks). Software engineering is changing, and we are entering a new period in coding history. And we're *still* just getting started..

Last edited 12:11 PM · Dec 27, 2025 · **4.5M** Views

Source: 1. SemiAnalysis, Anthropic, **Note:** Projection shown as dashed line. February 2026.Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved makes any express or implied warranties or representations. Forecasts contained herein are for illustrative purposes only and does not constitute advice or a recommendation. **IDE:** Integrated Development Environments.

Why The Coding Moment Matters

Canonical example of AI progress

- **Converging capabilities, not a single breakthrough:** Scale, reasoning, tool integration, and reinforcement learning compound together
- **The perfect proving ground:** Code compiles or it doesn't, passes tests or it doesn't. *No subjectivity*. The domain where AI progress is most provable / hardest to dismiss
- **The coding trajectory is AI's maturation arc**: Autocomplete → vibe-coding → orchestrated engineering that writes, tests, and verifies a template for AI progress

Source: Polar Capital, February 2026.

Why The Coding Moment Matters

Canonical example of AI progress

Recursive code generation

- **Converging capabilities, not a single breakthrough:** Scale, reasoning, tool integration, and reinforcement learning compound together
- **The perfect proving ground:** Code compiles or it doesn't, passes tests or it doesn't. *No subjectivity*. The domain where AI progress is most provable / hardest to dismiss
- **The coding trajectory is AI's maturation arc**: Autocomplete → vibe-coding → orchestrated engineering that writes, tests, and verifies a template for AI progress
- **Recursive:** Better AI code builds better AI tools. Capability gains feed directly back into themselves – at a speed / generality without historic precedent

Source: Polar Capital, February 2026.

Why The Coding Moment Matters

Canonical example of AI progress

Recursive code generation

Reasoning substrate

- **From syntax to scaffolding:** All frontier models generate code but the strongest decide when to use it e.g., decomposing problems, externalising memory, coordinating tools. Code as cognitive scaffolding, not output
- **Externalised cognition, not reasoning:** Reasoning models didn't learn to reason – they learned to offload thinking into code, tools, and verification loops. Previously everything stayed inside the model
- **The only medium that argues back:** Prose can be vague, Code enforces precision – assumptions tested
- **From intelligence to agency:** Code turns AI thinking into action – orchestrating workflows, penalising premature answers, rewarding multi-step deliberation

Source: Polar Capital, February 2026.

Why The Coding Moment Matters

Canonical example of AI progress

Recursive code generation

Reasoning substrate

Makes agentic possible

- **Agentic inflection:** Former 'chaos engines', agents can now externalise memory, write code, call tools, and verify
- **Verification enables autonomy:** Self-repairing code gives AI the feedback loop needed to operate independently
- **Tool use requires code as glue:** Model Context Protocol, sandboxes, databases, browsers – agents coordinate tools by writing the connective logic between them
- **Long tasks possible:** Code lets agents offload state, build checkpoints, and maintain coherence over time
- **Non-human scaling:** The most significant agentic unlock

Source: Polar Capital, February 2026.

Why The Coding Moment Matters

Canonical example of AI progress

Recursive code generation

Reasoning substrate

Makes agentic possible

Digital Disruption

- **Agentic inflection:** Former ’chaos engines’, agents can now externalise memory, write code, call tools, and verify
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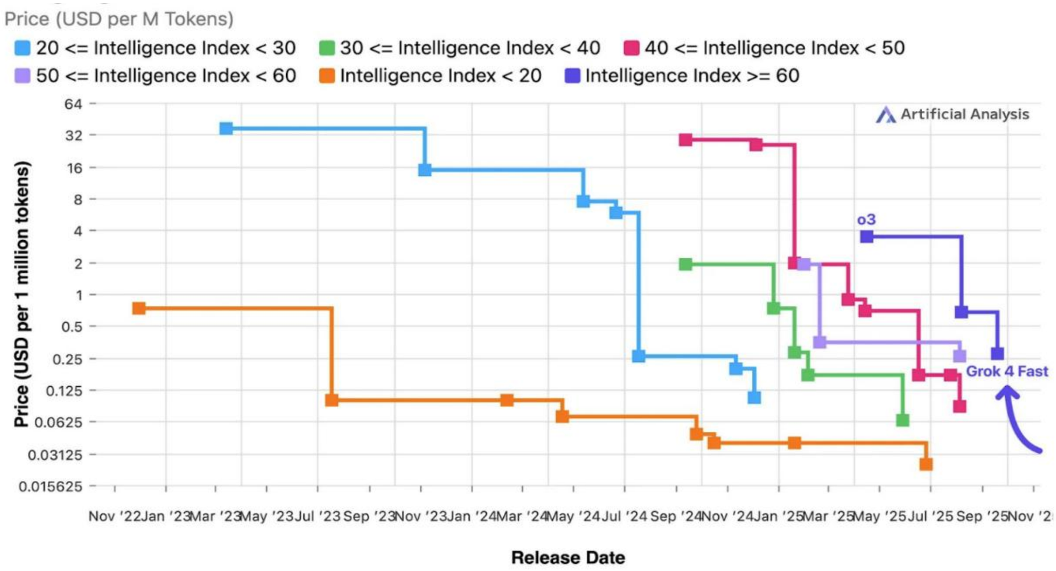
- **Non-human scaling:** The most significant agentic unlock

Source: Polar Capital, February 2026.

Code Explosion: Reimagining The Digital World

- **Modern codebase of civilisation:** c.2.8trn lines of code written in the past 20 years, active codebase c1trn lines?
- **Code explosion:** 2010 production - 33bn lines of new / modified code / year. 2024: AI assistants - 256bn lines, 41% of new code
- **Cost per line of code:** Pre-AI $7-15, AI-assisted $2-4, Agentic <$2. **Marginal costs → zero** - token prices falling at c.90% / year
- **Historical precedent?** Agricultural Mechanisation (1870+)**:** Price per bushel -40-50%, total output +4-6x, **life expectancy +20 years**

Language Model Inference Price[1]



Implications of zero cost code

- **Experimentation explodes, iteration cycles collapse**
- **Viable autonomous systems**
- **Software moats shift** (data, distribution, regulation)
- **Value add shifts:** production → speed, judgment, design
- **Democratisation:** Non-programmers become developers

Source: 1. Artificial Analysis, October 2025 Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved makes any express or implied warranties or representations.

Code Explosion: Reimagining The Digital World

- The unit economics of digital businesses change – structurally, not gradually

- **Software: Business logic + process logic + code → repeatable best practice**
  AI commoditises all three layers — anyone can build, the moat disappears

- **Information services: Data acquisition + validation + packaging → sold at scale**
  AI strips the presentation layer, commoditises analysis — pricing power depended on bundling both

- **Digital platforms: Network effects + UX + matching/discovery algorithms → scaled marketplaces**
  Agents query across platforms, bypassing the UX — platforms lose discovery / customer relationship

- **Content creation: Talent + production + distribution → monetised attention**
  Production costs collapse, supply explodes – only the highest-tier talent retains a premium

- A different efficient frontier: **Agents solve for outcomes, not time spent**

Source: Polar Capital, February 2026

Digital Disruption: Software Competition

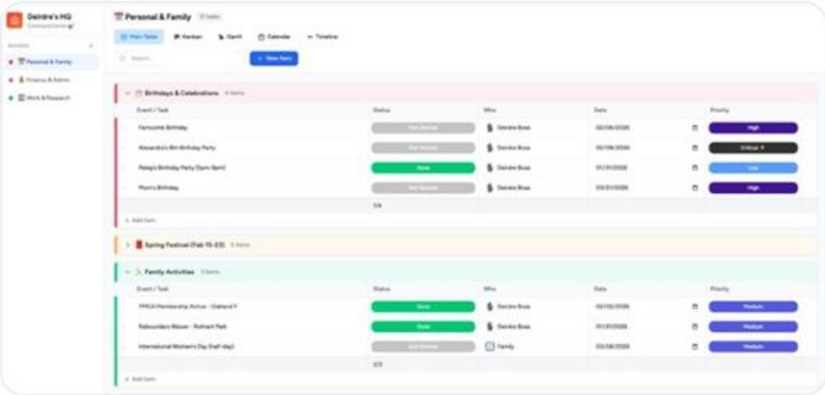
DIY / AI Natives / Citizen Developers / Recursive Code Generation

Deirdre Bosa @dee_bosa

ok WOW.
Woke up this morning and said, for fun, lets try to recreate monday. com w Claude cowork. it wont work or anything, but we can just show our audience that its plausible.

1 hour later... I literally have my own monday. com that's plugged into my calendar & gmail and surfaced a kids bday that was not anywhere on my radar and I need to get a gift for. Can imagine next step being: order gift and have it delivered by Sunday.

2026 is WILD.



tobi lutke @tobi · 11 Jan

My annual MRI scan gives me a USB stick with the data, but you need this commercial windows software to open it.

Ran Claude on the stick and asked it to make me a html based viewer tool. This looks... way better.

Right now, for most products at Anthropic it's effectively 100% just Claude writing, and then what we've done is created all the right scaffolds around it to let us trust it. **"Claude is now writing Claude."**

- Mike Krieger, Anthropic CPO
Feb 2026

Source: X (formerly Twitter). Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved makes any express or implied warranties or representations.

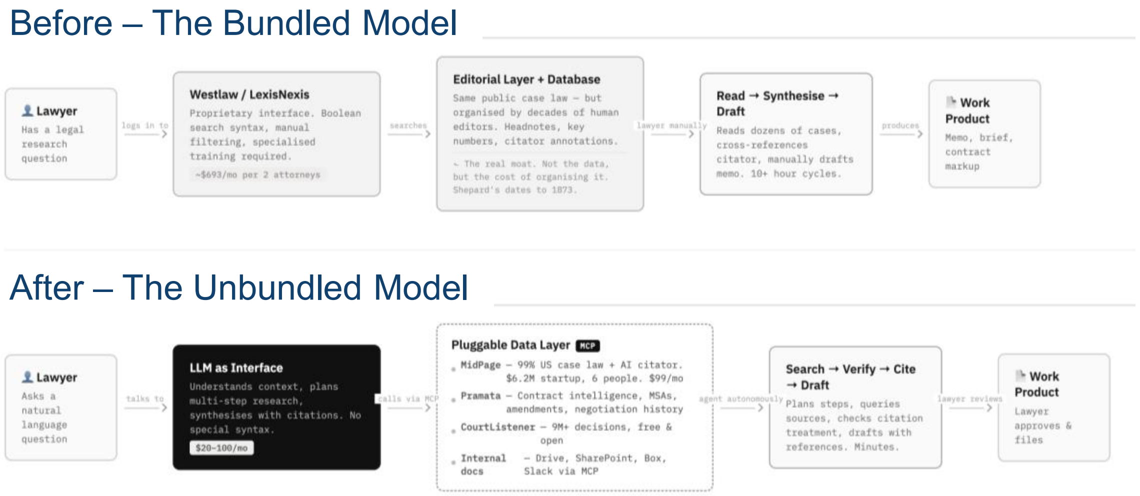
Digital Disruption: LLM As Interface

Model Providers Moving Up The Stack

- **LLMs are moving up the stack:** From model suppliers to workflow owners
- **Claude Integrations:** Data pipes built on MCP that let Claude talk to existing tools e.g., Gmail. Claude can read, search, create and take actions inside those tools, unbundling the role of standalone apps
- **Claude Plugins:** Domain-specific workflows that use those pipes. 11 starter plugins across all major enterprise functions incl. legal, finance launched simultaneously with Claude Cowork on Jan 30
- **Replicate existing workflows:** The legal plugin can review the contract sitting in SharePoint against your negotiating playbook, flag key clauses, triage NDAs by risk level and draft redlines. Delivered as open source
- **Widely applicable:** Every industry vertical has its own data moats potentially at risk from LLM + API access
- **The incumbents' dilemma:** If they don't integrate with MCP, they risk being routed around. If they do, they risk commoditising their own interface layer

Legal Research Workflow: Before and After AI[1]

Foundation models (LLMS) become the interface layer

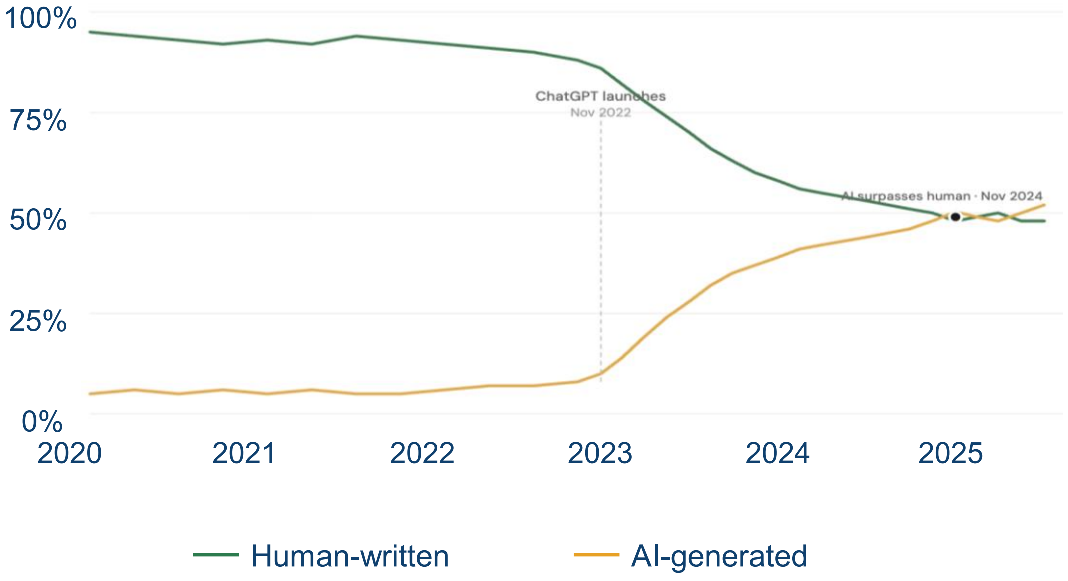


Source: Polar Capital, February 2026. Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved makes any express or implied warranties or representations. **1.** indicative only, generated by Claude. **LLM:** Large Language Model, **MCP:** Model Context Protocol, **API:** Application Programming Interface, **NDA:** Non-Disclosure Agreement.

Digital Disruption: Content Creation

- ‘**Slop**’: “Digital content of low quality that is produced…by means of artificial intelligence” – one of the 2025 words of the year
- **And yet, high-quality AI-assisted video only identified 57% of the time (Jan 2026).** This is the worst AI content is ever going to be
- **Production democratisation:** $60bn content revenue redistribution within 5 years of mass adoption; ~20% of content spend affected
- **Advertising disruption:** UK creative agency headcount -14% y/y in 2025, the steepest decline since records began

AI-Generated content has surpassed human content[1]



“We’re seeing remarkable progress with **“world models...** Just by watching millions of videos, **our AI models seem to be intuiting some notion of physics**,..”

- Demis Hassibis
(CEO Google DeepMind)

Source: 1. Graphite.io. Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved makes any express or implied warranties or representations.

Digital Disruption: Content Creation

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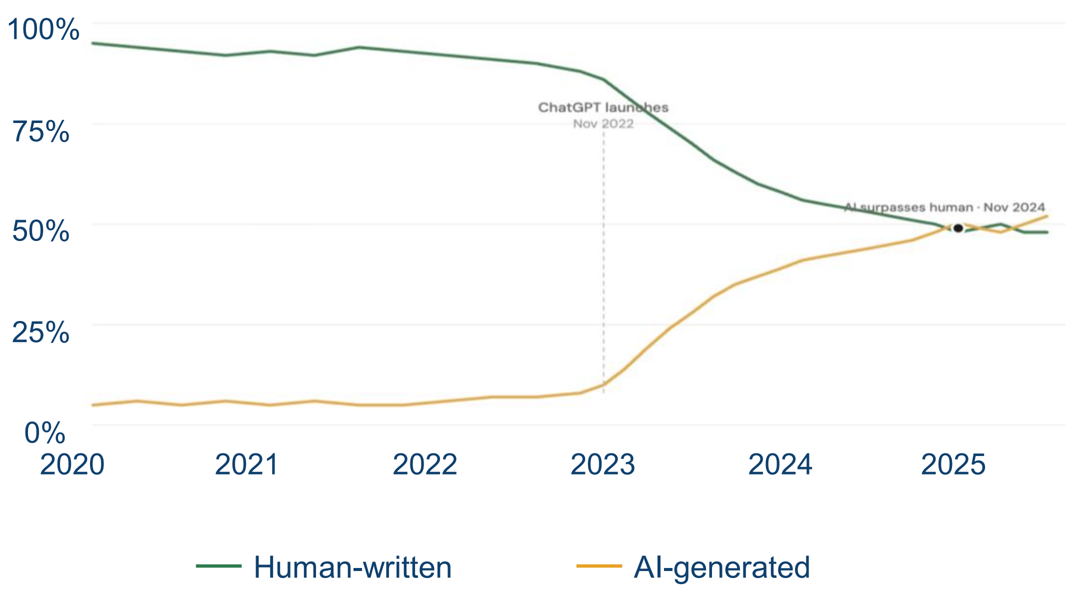

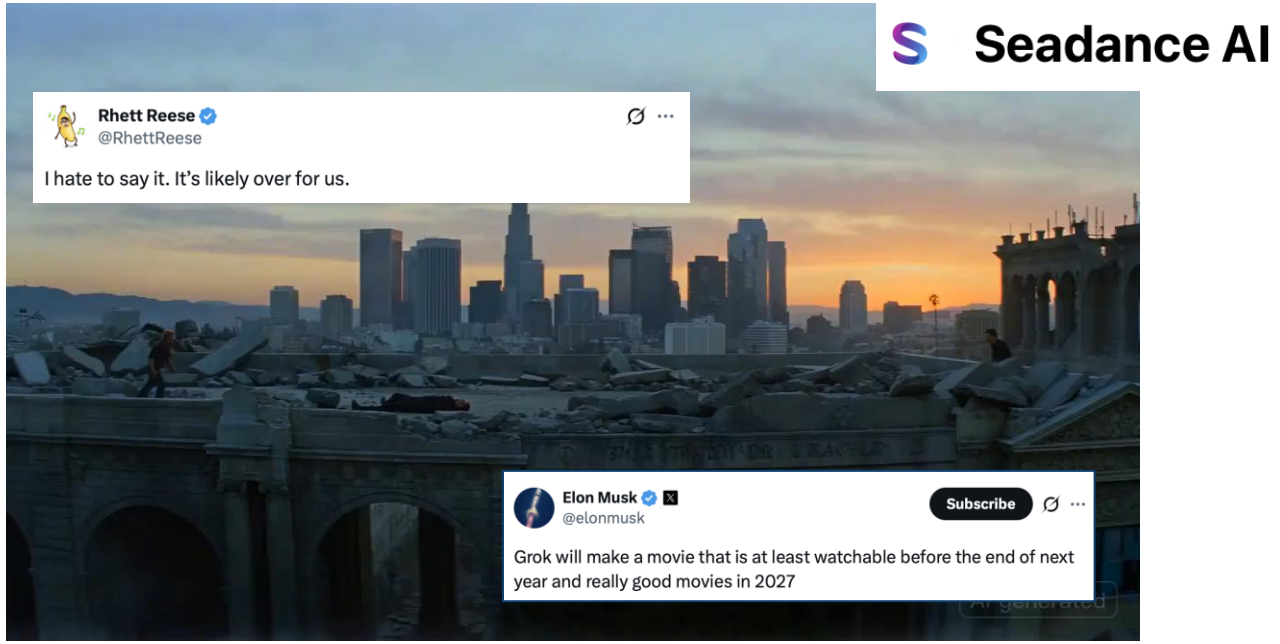

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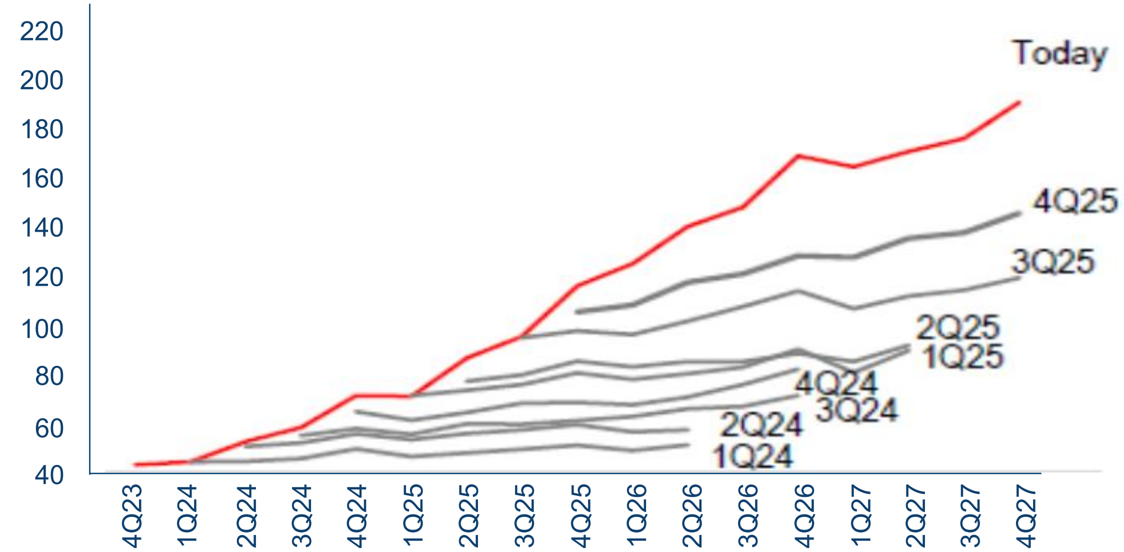
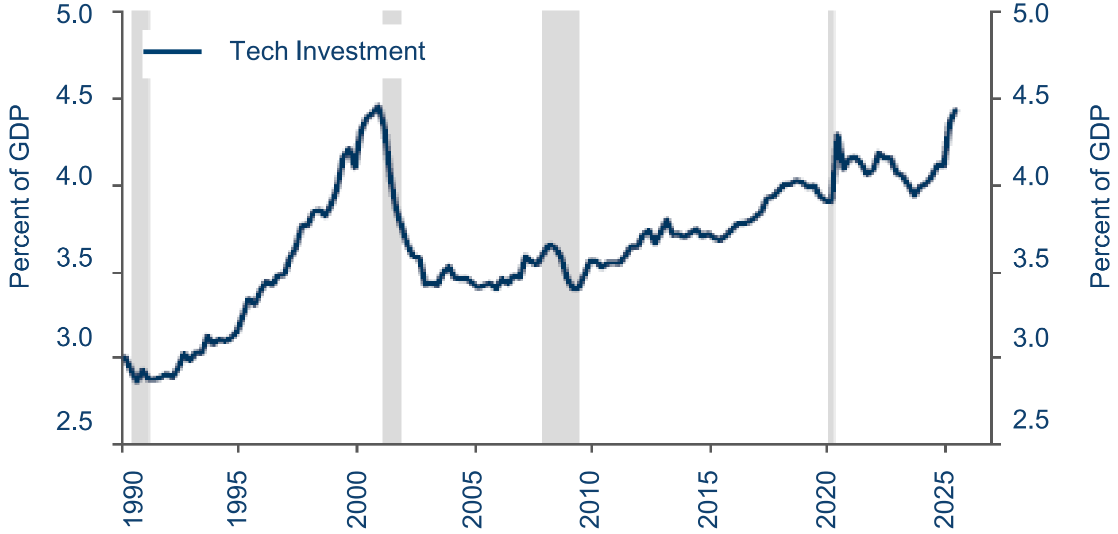
AI Opportunity: Accelerating Investment

- **NVIDIA CEO**; **"visibility of more than $500bn** in cumulative Blackwell and Rubin rev through CY 26"[1] – October 2025
- **McKinsey: 125 incremental GW of AI data centre capacity** to be added between 2025 and 2030 at a cost of $5trn[2]
- **Cowen:** "a **staggering 7.4GW of US data centre capacity** leased by hyperscalers in Q3'25 > all of 2024" – October 2025[3]
- **Open AI** partnerships with **NVIDIA, AMD and Broadcom each 6-10GW** over 2026-30[4]. New York average load is 6GW

Hyperscale quarterly capex estimates since 2024[5]



Tech investment up but from a higher base[6]



<u>**Past performance does not guarantee future returns.**</u>

Source: Polar Capital, January 2026. **1.** Yahoo, 29 October 2025. **2.** McKinsey, 28 April 2025. **3.** TD Cowen: Data Centre Checks, 20 October 2025. **4.** OpenAI, 22 October 2025. **5.** Wells Fargo Securities, LLC, FactSet. The EPS Report: What We Learned: AI Capex Up, Non-AI Greenshoots, 8 February 2026. **6.** Goldman Sachs, AI Versus the 1990s—The Path from Macro Boom to Macro Bubble, 9 November 2025. **Note:** Shading indicates NBER recessions. Tech investment includes private non residential fixed investment in software and information processing equipment. All opinions and estimates constitute the best judgment of Polar Capital as of the date hereof, but are subject to change without notice, and do not necessarily represent the views of Polar Capital. Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved makes any express or implied warranties or representations. Forecasts are based upon subjective estimates and assumptions about circumstances and events that may not yet have taken place and may never do so. **CY:** Current Year, **Capex:** Capital Expenditure.

Disruption Happens Early

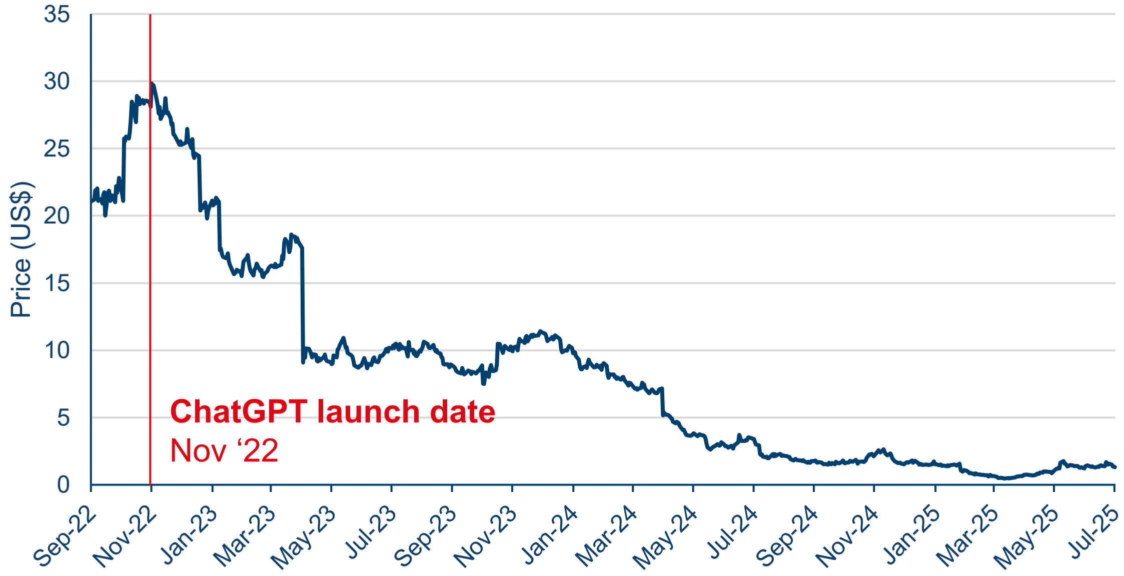
AI represents an existential threat to many incumbents

ChatGPT launch (Nov 2022)

“We saw a significant spike in student interest in ChatGPT. We now believe it's having an impact on our new customer growth rate”

Chegg – May ‘23

Chegg share price[1]

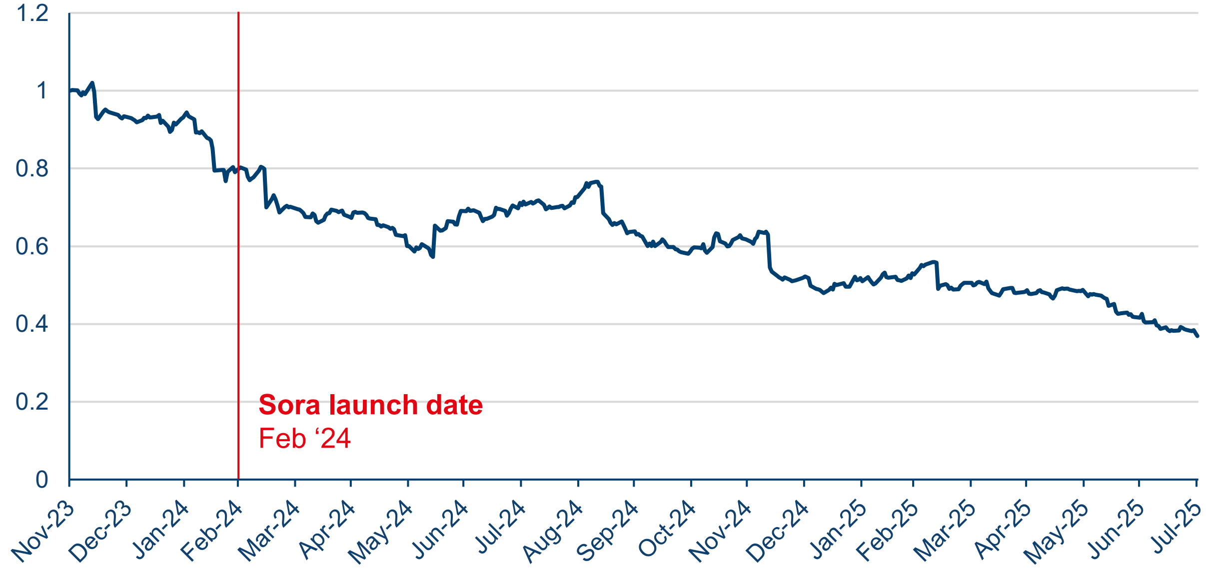


OpenAI Sora launch (Feb 2024)

“Some investors seem to believe that AI and the Sora product specifically pose an existential threat to Adobe's Creative Cloud Suite”

Adobe - May ‘24

Adobe relative performance (vs MSCI AC World index)[2]



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Source: Polar Capital, August 2025. **1.** Bloomberg, 31 July 2025. **2.** Bloomberg, 31 July 2025, Benchmark: MSCI All Country World Total Return Net Index All opinions and estimates constitute the best judgment of Polar Capital as of the date hereof, but are subject to change without notice, and do not necessarily represent the views of Polar Capital. It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this document. A list of all recommendations made within the immediately preceding 12 months is available upon request. Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved makes any express or implied warranties or representations.

Disruption Happens Early: Software

Decelerating growth; imperfect conduit for AI

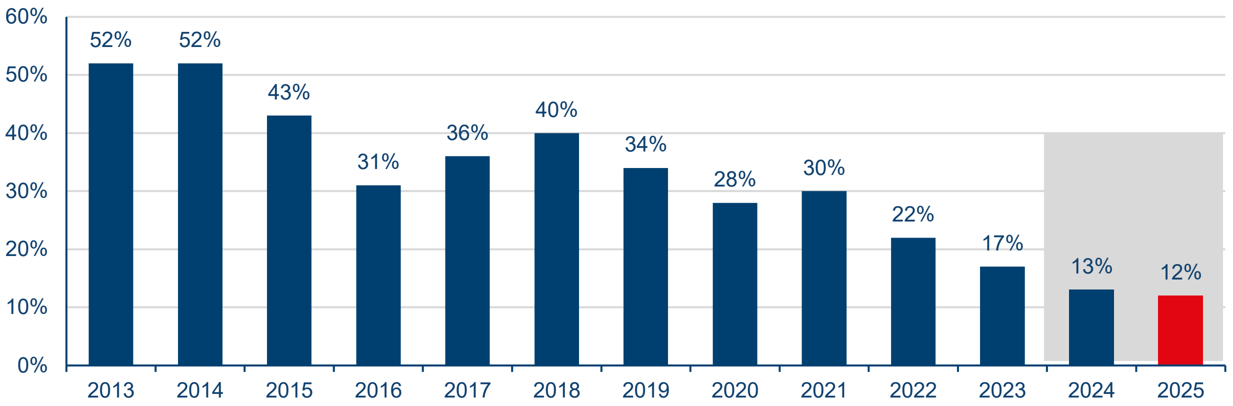
Signs of SaaS saturation

- **Customer count growth slowed** to 6% from 18% in 2021[1]

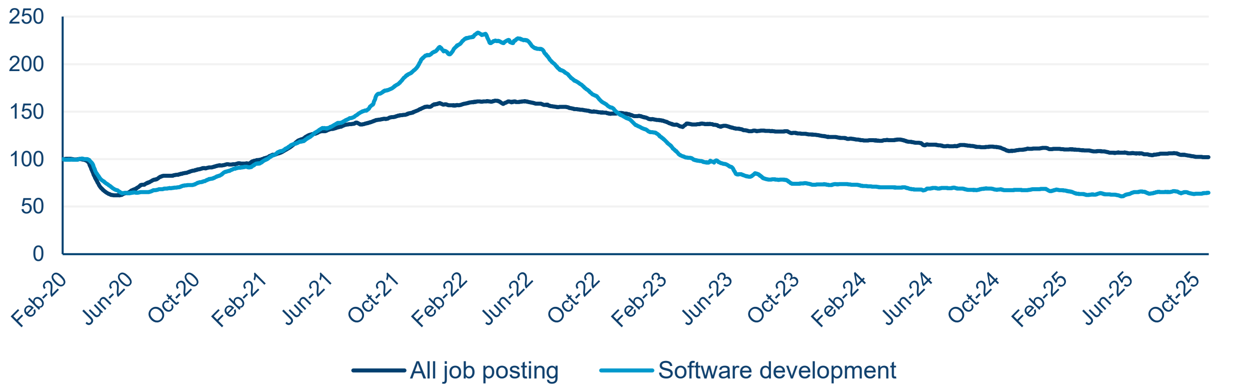
AI brings challenges to incumbents

- **Code becoming commoditised:** e.g. AI already writes >25% of code at Google[2], Salesforce not planning to increase developer headcount in 2025[3]
- **DIY company-specific software more prevalent** as AI coding tools improve/proliferate; Citizen developers outnumber pro developers 4:1[4]
- **Seat-based SaaS models under threat;** Meaningful (20-50%) productivity improvements; AI pricing models in flux (premium AI SKUs, bundled into higher tiers, credits/volume-based)

Median revenue growth rate of public SaaS companies[6]



All US job postings vs software job postings[7]



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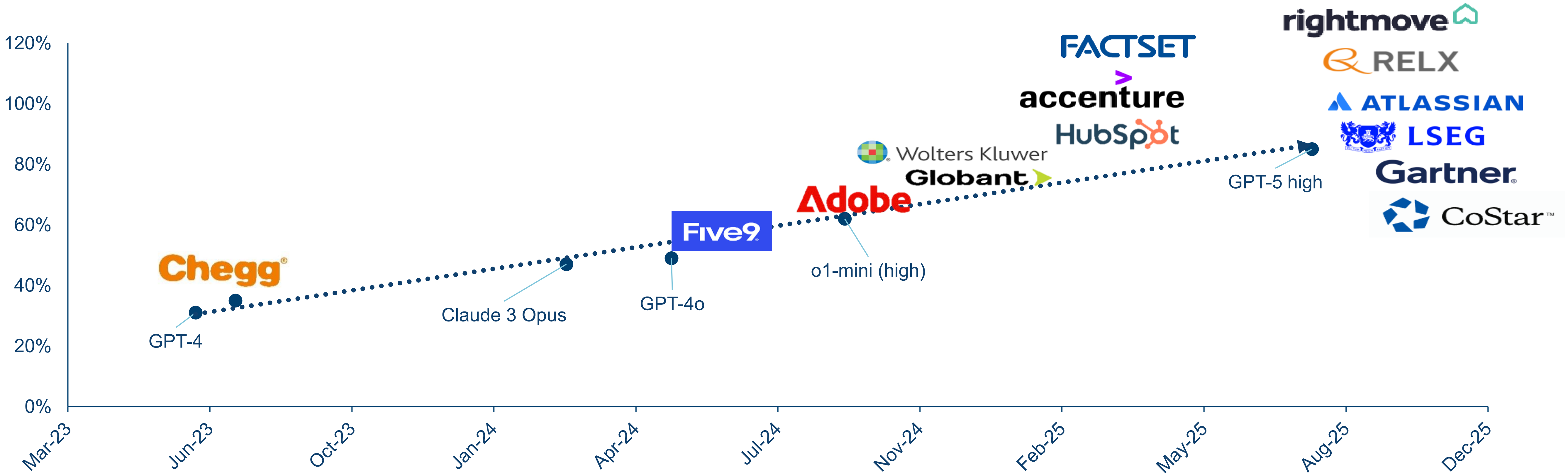
Source: Polar Capital, August 2025. **1.** Meritech Software Pulse, 25 February 2025. **2.** Forbes, 1 November 2024. **3.** CRM 4FQ25 Earnings Call, 22 June 2025. **4.** WFC: Developer Tooling Deep Div, 19 February 2025. **5.** Gartner Data Book (4Q23), Piper Sandler, 9 April 2025, n=102**.** **6.** St Louis FRED, 24 October 2025. All opinions and estimates constitute the best judgment of Polar Capital as of the date hereof, but are subject to change without notice, and do not necessarily represent the views of Polar Capital. Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved makes any express or implied warranties or representations. **SaaS:** Software as a Service, **SKU:** Stock Keeping Unit.

Terminal Value Questioned As AI Improves

AI performance on Ph.D.-level science questions



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"Agents don't use software they subsume it"

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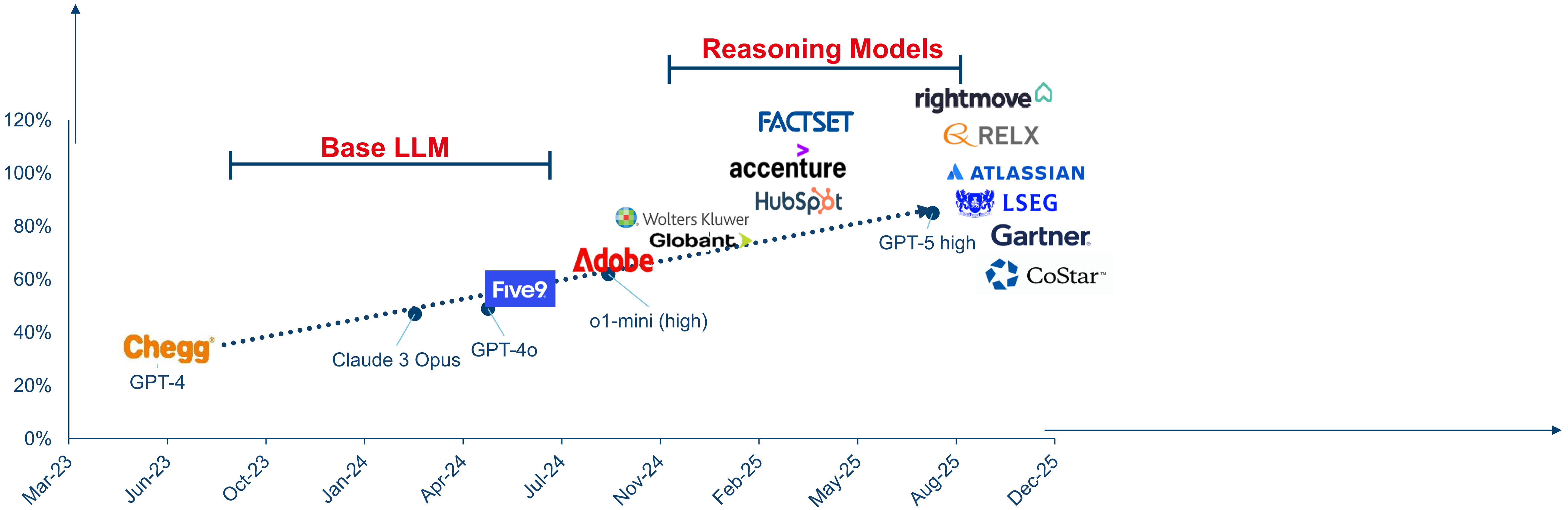

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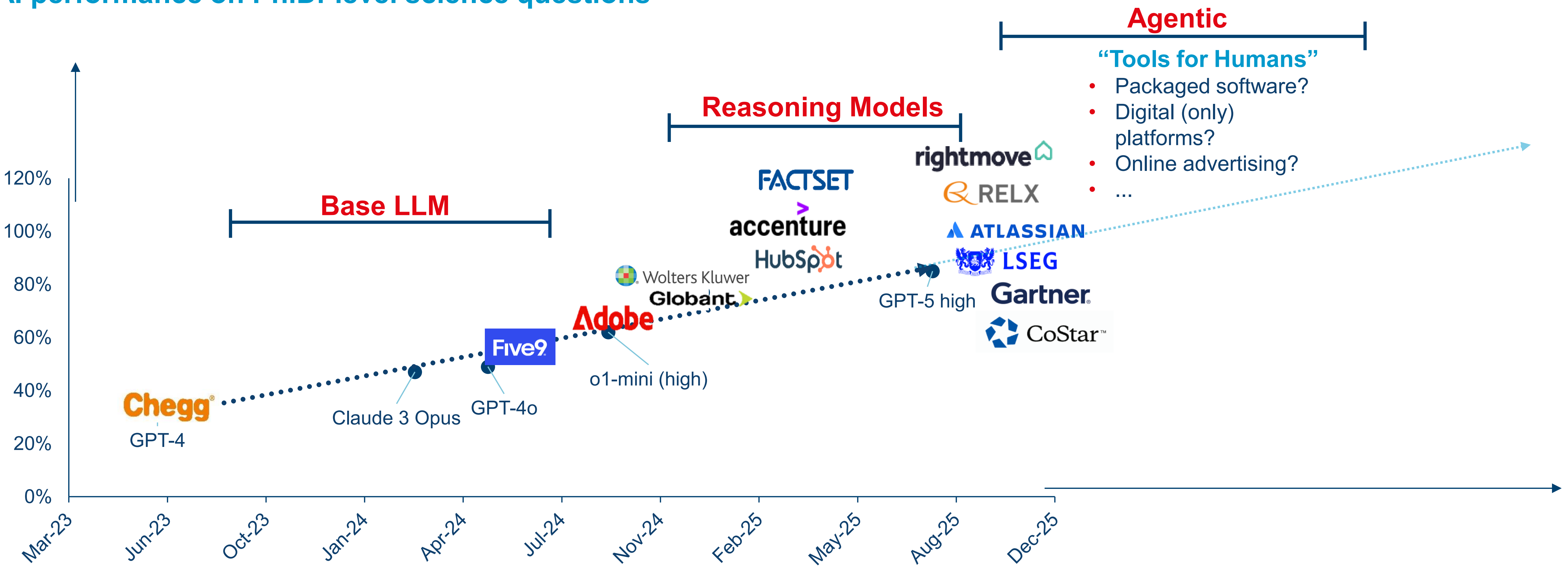

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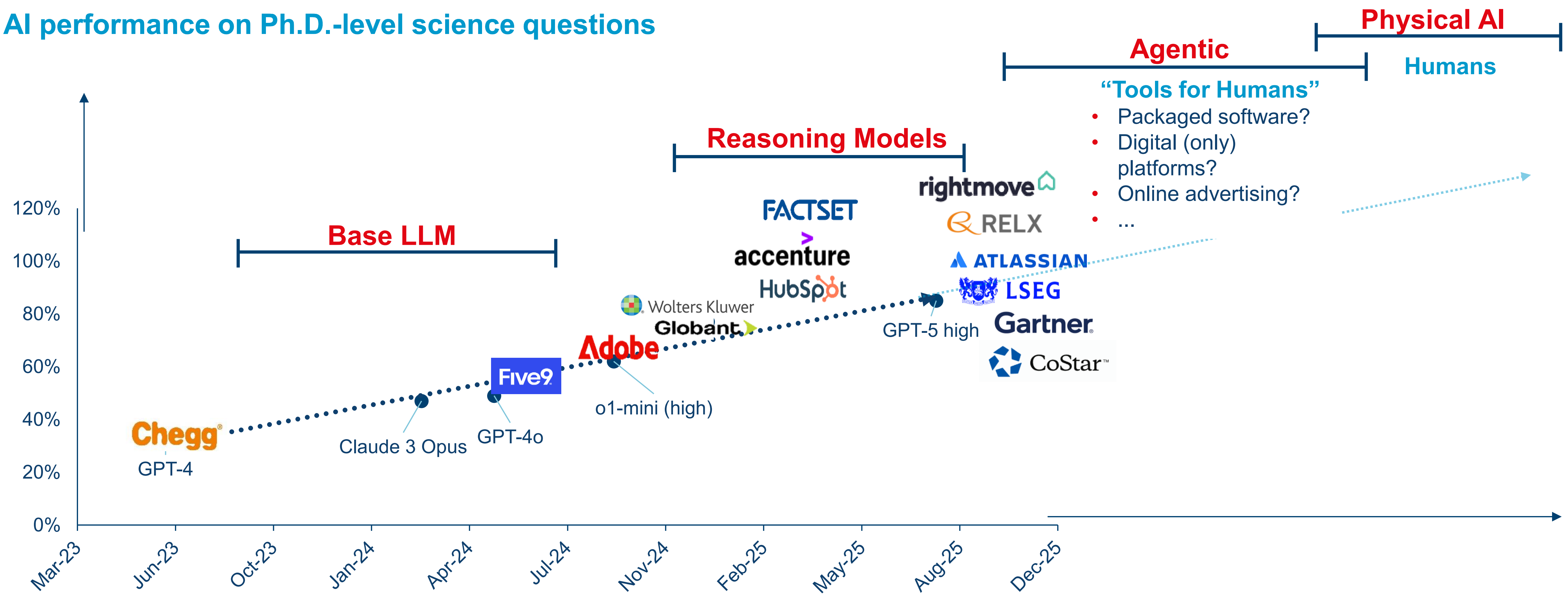

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AI Bubble? We Don't Think So

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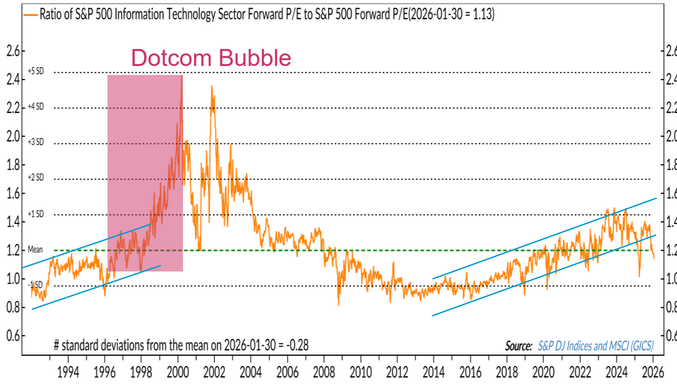
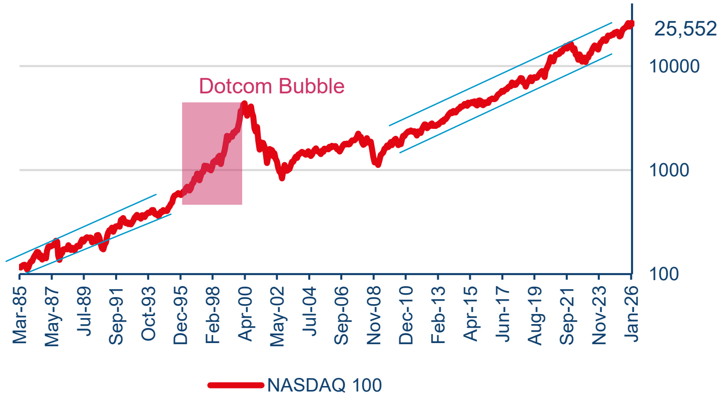
- **Valuations are extended, not bubble-like:** IT sector trades 30x forward price to earnings / c1.3x S&P 500 vs c45x and >2x in dotcom[1]
- **Earnings growth:** Sector returns driven by earnings per share revisions > multiple expansion since ChatGPT launch
- **AI investment** share of GDP c1% just **c3 years in** (vs prior tech builds 5-10 yrs or longer)
- **Big Tech's strong B/S and FCF profiles.** *c$1trn more capacity if they move to 1x net debt/EBITDA*[2]
- **Token demand 2x every 2 months**[3]; **2.5bn Daily ChatGPT queries/day** across **800m weekly active users**[4]

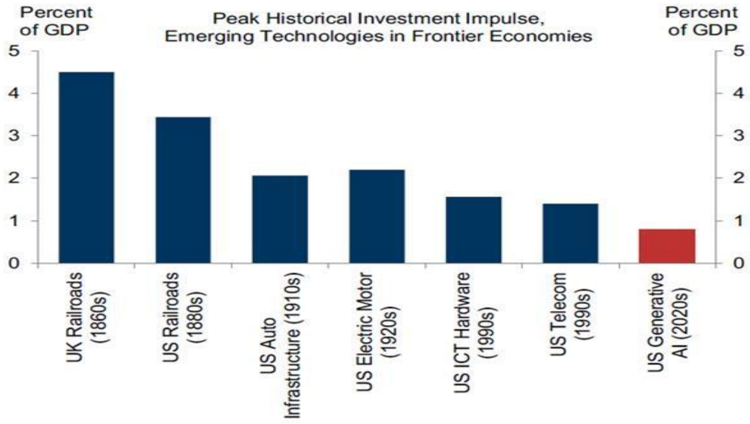
Relative sector valuation (P/E)[5]



NASDAQ 100 performance[6]



AI Investment % GDP vs prior tech infra builds[7]



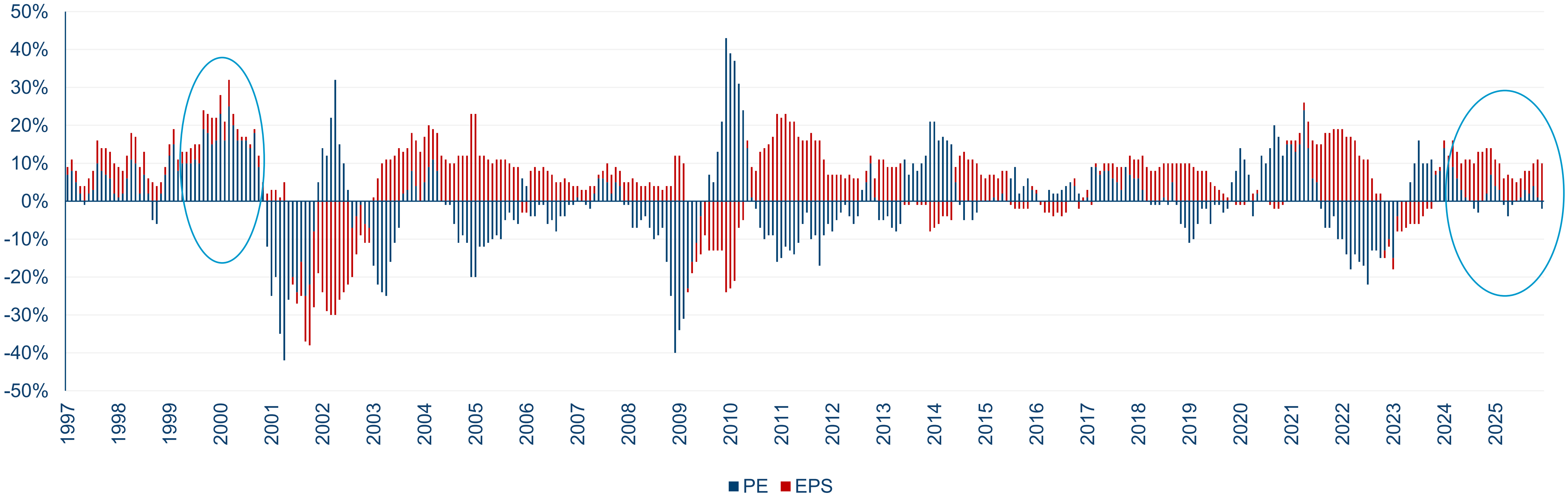
Past performance does not guarantee future returns.

Source: Polar Capital, November 2025. **1.** Ned Davis, 2 October 2025. **2.** BoA Specialist Sales, 24 September 2025. **3.** NVIDA, October 2025. **4.** **TechCrunch**, 6 October 2025. **5.** Ned Davis, 30 January 2026. Copyright 2026 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved. See NDR Disclaimer at www.ndr.com/copyright.html. For data vendor disclaimers refer to www.ndr.com/vendorinfo/. **6.** Bloomberg, 30 January 2026. **7.** Goldman Sachs Investment Research, Bureau of Economic Analysis, Global Economics Analyst, The AI spending boom is not too big (Briggs), 15 October 2025. All opinions and estimates constitute the best judgment of Polar Capital as of the date hereof, but are subject to change without notice, and do not necessarily represent the views of Polar Capital. Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved makes any express or implied warranties or representations. Forecasts are based upon subjective estimates and assumptions about circumstances and events that may not yet have taken place and may never do so. **EBITDA:** Earnings Before Interest, Taxes, Depreciation, and Amortisation.

AI Bubble? We Don't Think So

Earnings growth driving technology returns post ChatGPT launch

Nasdaq log returns broken into P/E expansion and earnings growth[1]



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Source: Polar Capital, December 2025. **1.** Strategy Outlook, BNP Paribas December 2025; All opinions and estimates constitute the best judgment of Polar Capital as of the date hereof, but are subject to change without notice, and do not necessarily represent the views of Polar Capital. Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved makes any express or implied warranties or representations.

Mag-7: A Less Good Conduit

Google

+ TPUs, AI talent, data, distribution. Cloud business well positioned
– AI competitive with core search, capex up (not yet showing up)

Microsoft

+ Azure AI cloud growth, #1 trusted enterprise AI partner
– OpenAI relationship, app software business at risk, capex up

Meta

+ AI enhancements driving higher usage and monetization
– Capital intensity increasing, AI competition, model challenges

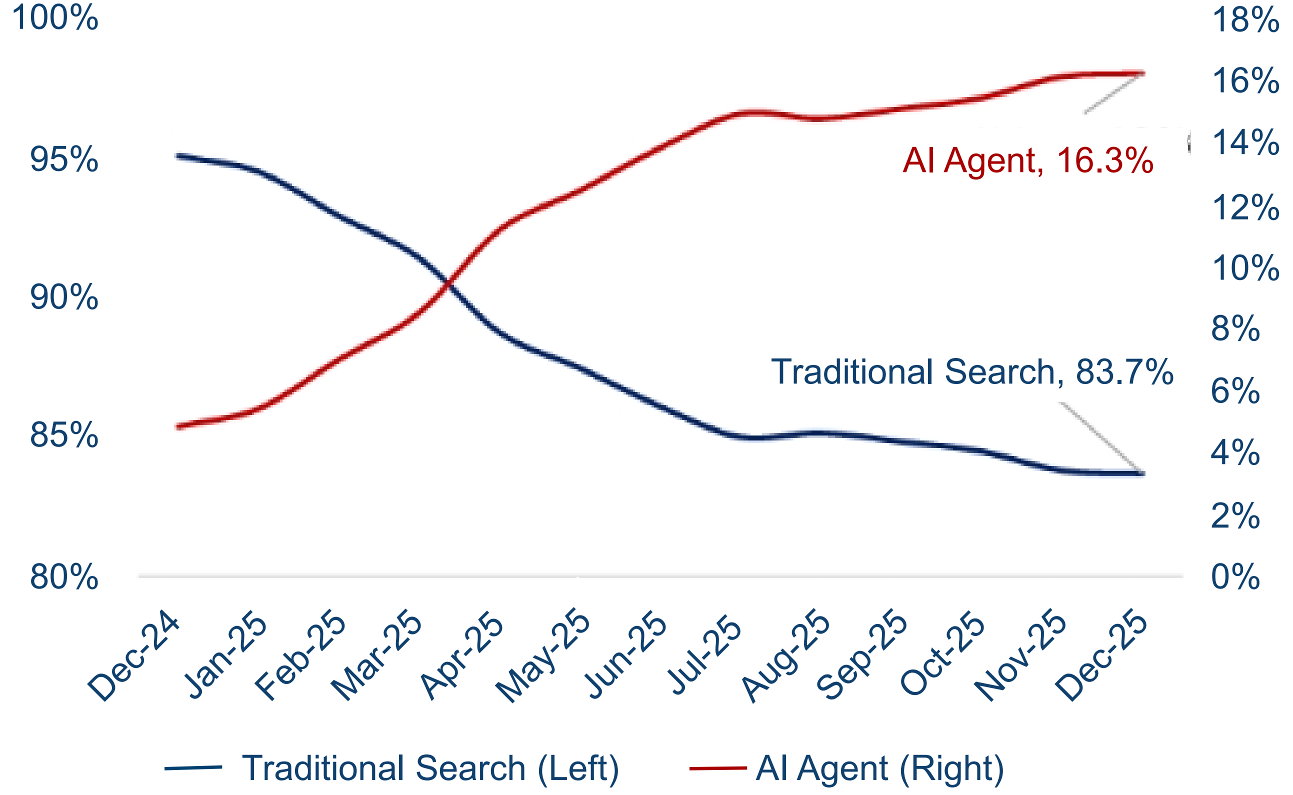
Apple

+ Capital-light, AI drives upgrade cycle/enhances ecosystem
– Apple Intelligence underwhelming, new GPT = new interface?

amazon

+ AI = compute demand for AWS, operational benefit to retail
– Cloud share donor, no prop AI model, capex up

AI Agent vs traditional search usage instance[1]



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Volatility Endemic To New Technology Cycles

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Volatility is endemic to all new technology cycles

- **Innovation curve** is at its steepest
- **Scale of the opportunity** hard to define
- **Pace of innovation** impossible to predict

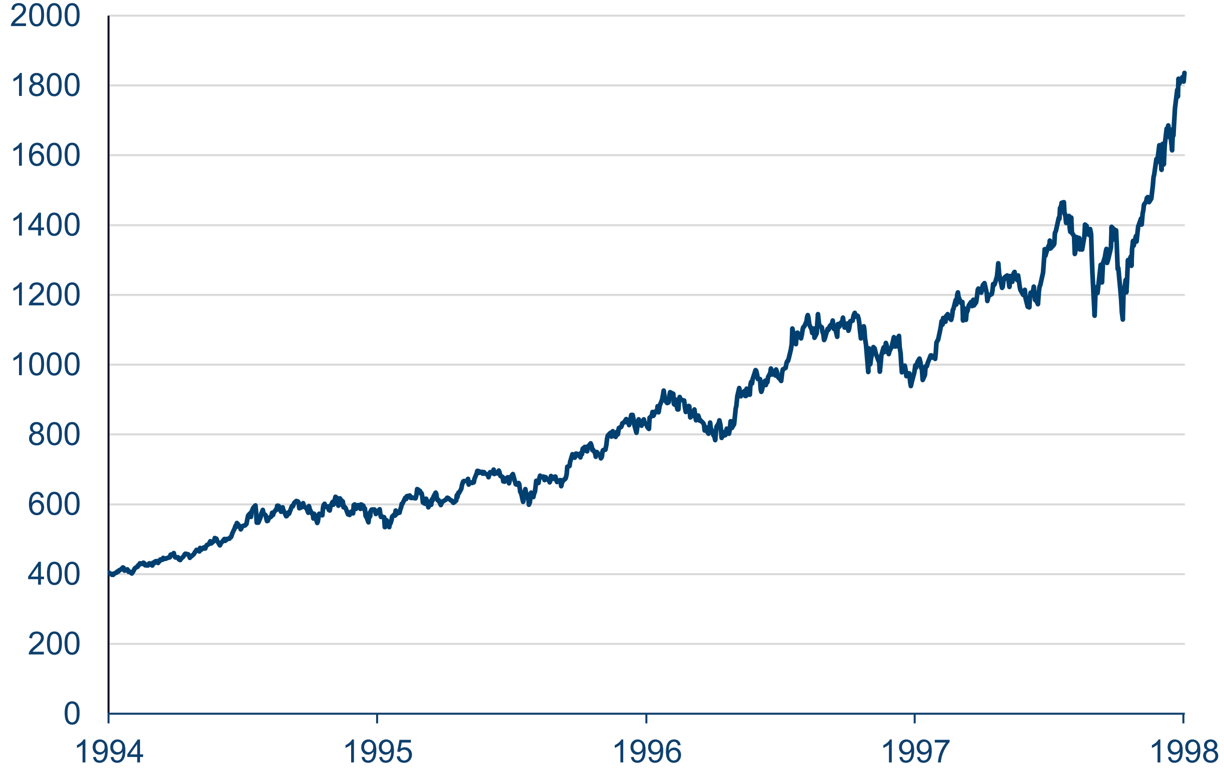
Volatility creates opportunity

- **NASDAQ gained 354% 1995-1998** (pre ‘99 ‘melt-up’)
- **Seven >15% corrections** during the period

Managing risk adjusted returns

- **Diversification:** crucial in a narrow market
- **Valuation:** growth centric approach, but with limits
- **Liquidity:** ability to change your mind when required
- **Position sizing:** reflect conviction & change/disruption
- **Nasdaq put options:** to soften portfolio excess beta

NASDAQ 100 (1995-1998) - pre ‘99 melt up



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Conclusions

- Until model progress slows, AI likely remains the **dominant driver of stock markets**
- **Recent model progress** has been both remarkable and predictable
- The **reasoning breakthrough** is allowing probabilistic models to generate deterministic output
- Code was the first, but **applicable to any domain with verifiable outputs**
- Likely to prove **incredibly disruptive to incumbents**, and any digital profit pool (c.$650bn capex)
- **Disruption first**, but AI will unlock the most remarkable opportunities for civilisational advancement
- **We cannot know what happens next:** Too many different scenarios – avoid hubris, stay nimble

Source: Polar Capital, March 2026.

Appendix

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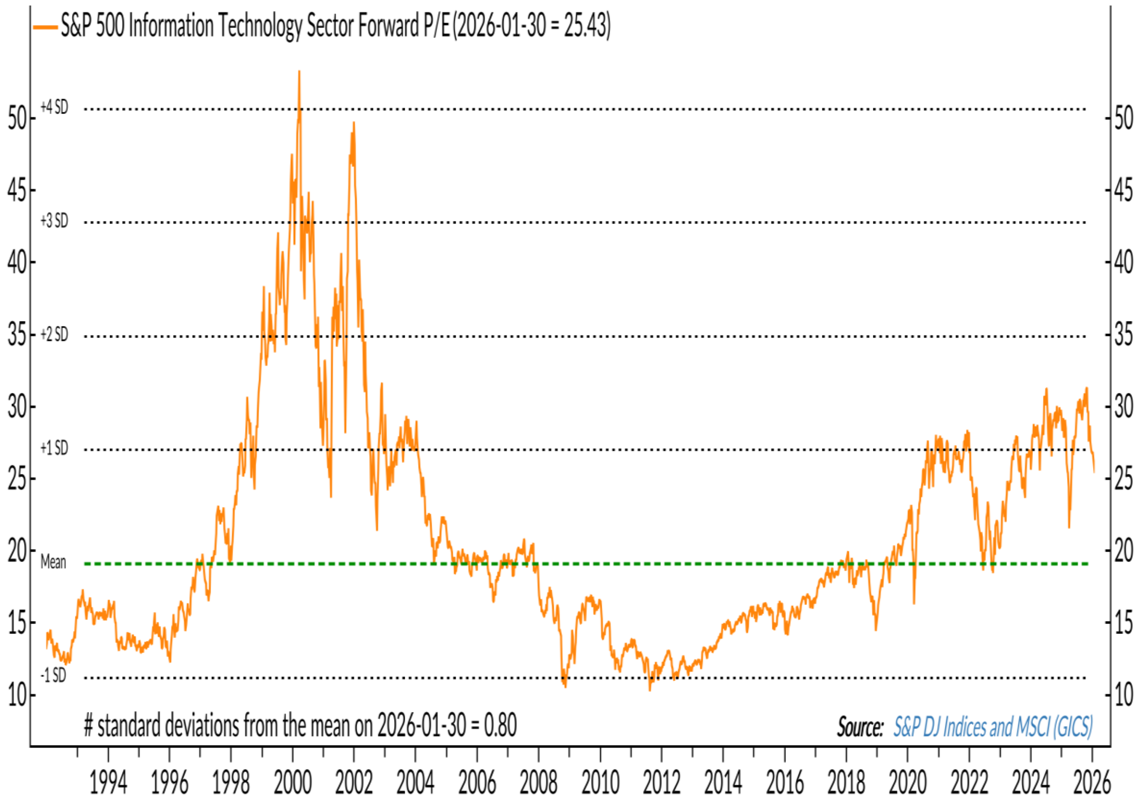
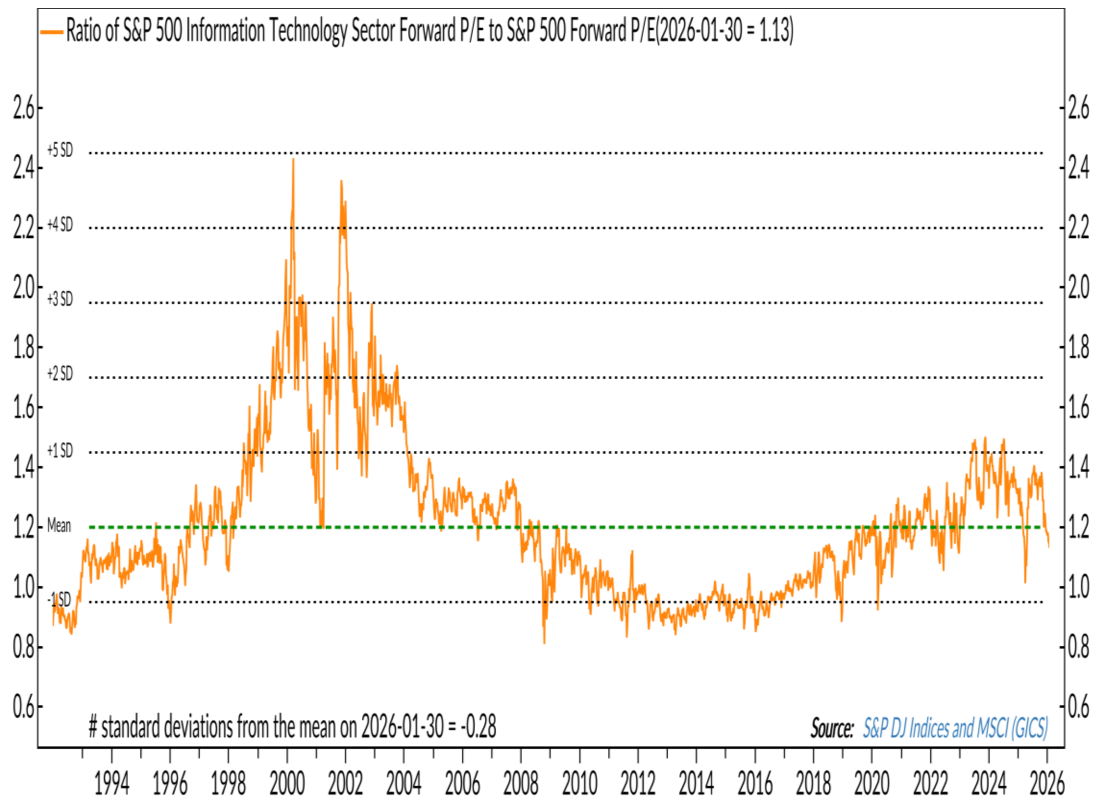
AI Bubble? We Don't Think So

Absolute sector valuation (P/E)



Relative sector valuation (P/E)



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