



Adapting to Radical Pace of Change

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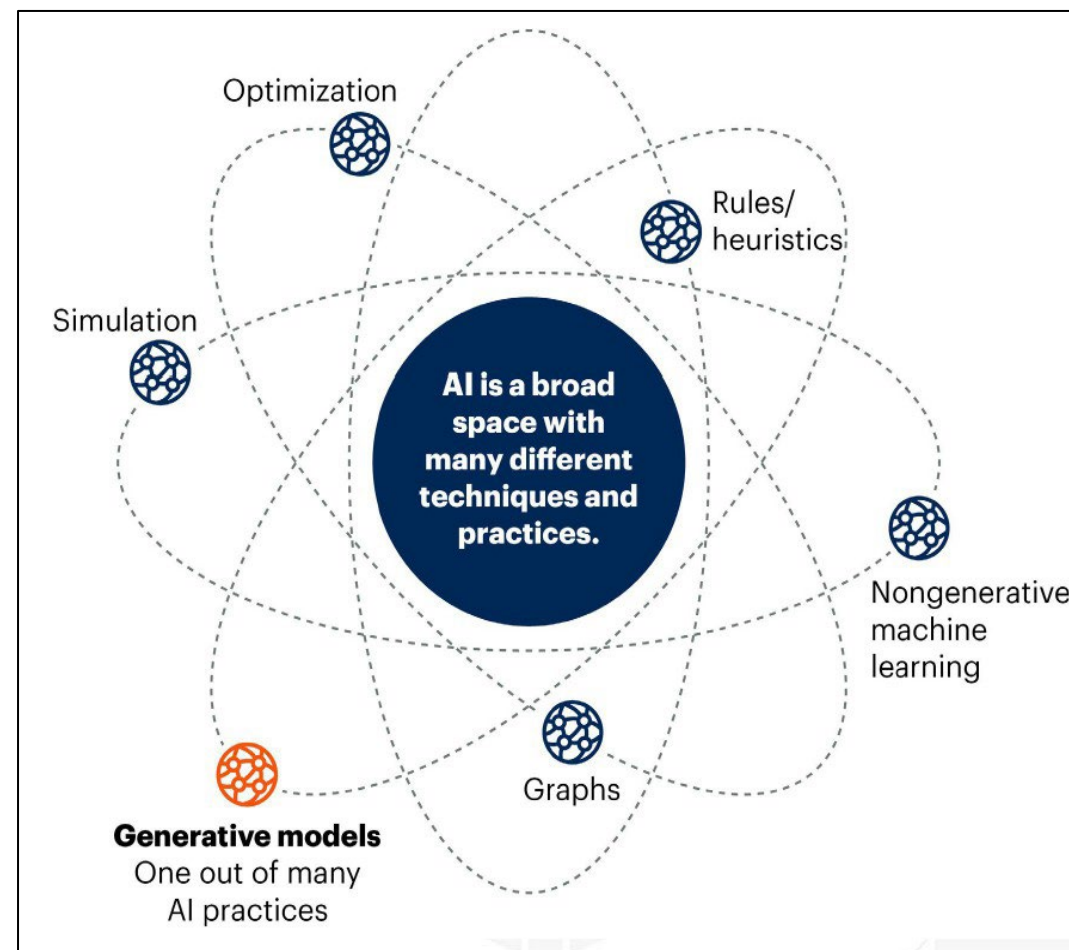
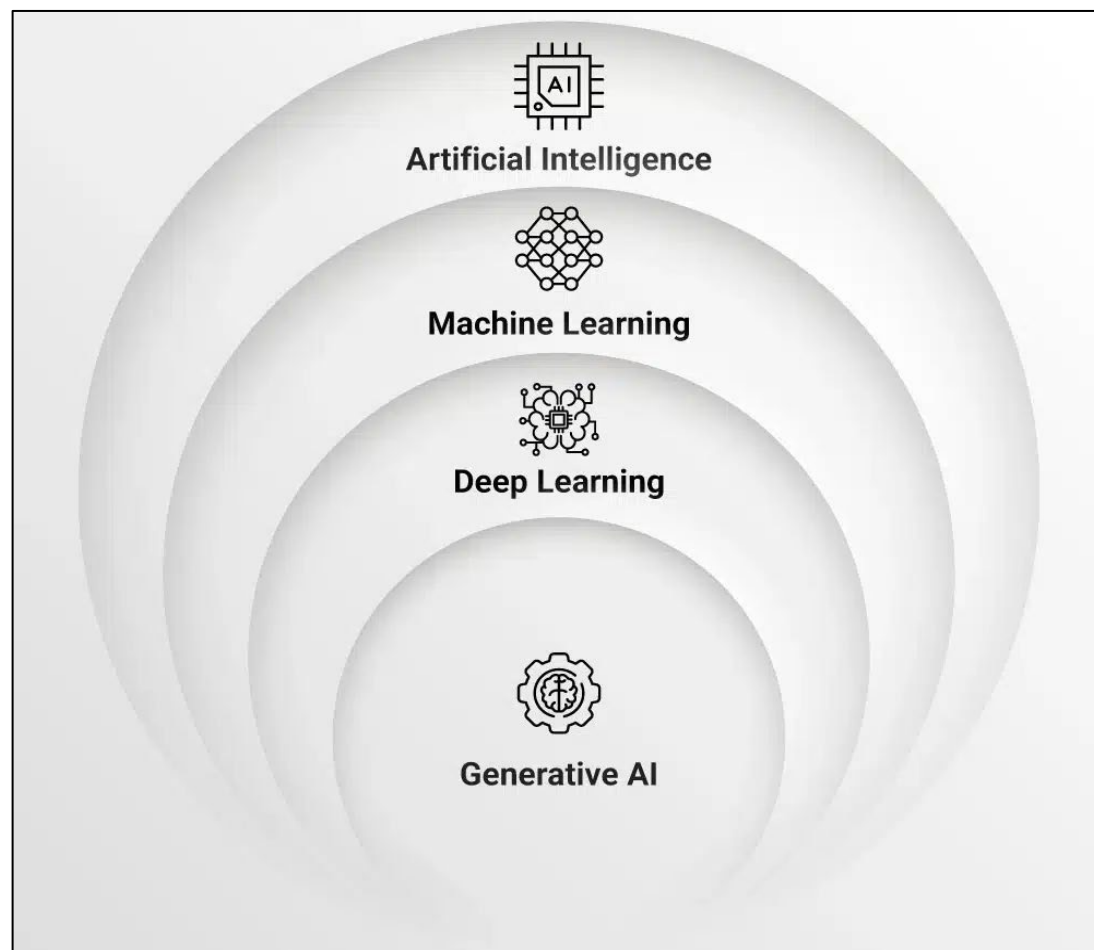
Agenda

- Introduction
- Current Trends
- AI Economics
- Technical Performance Benchmarks
- Industry in Focus: Software
- Practical AI & Enterprise Readiness
- Use Case in Focus: Investment Managers
- Conclusion

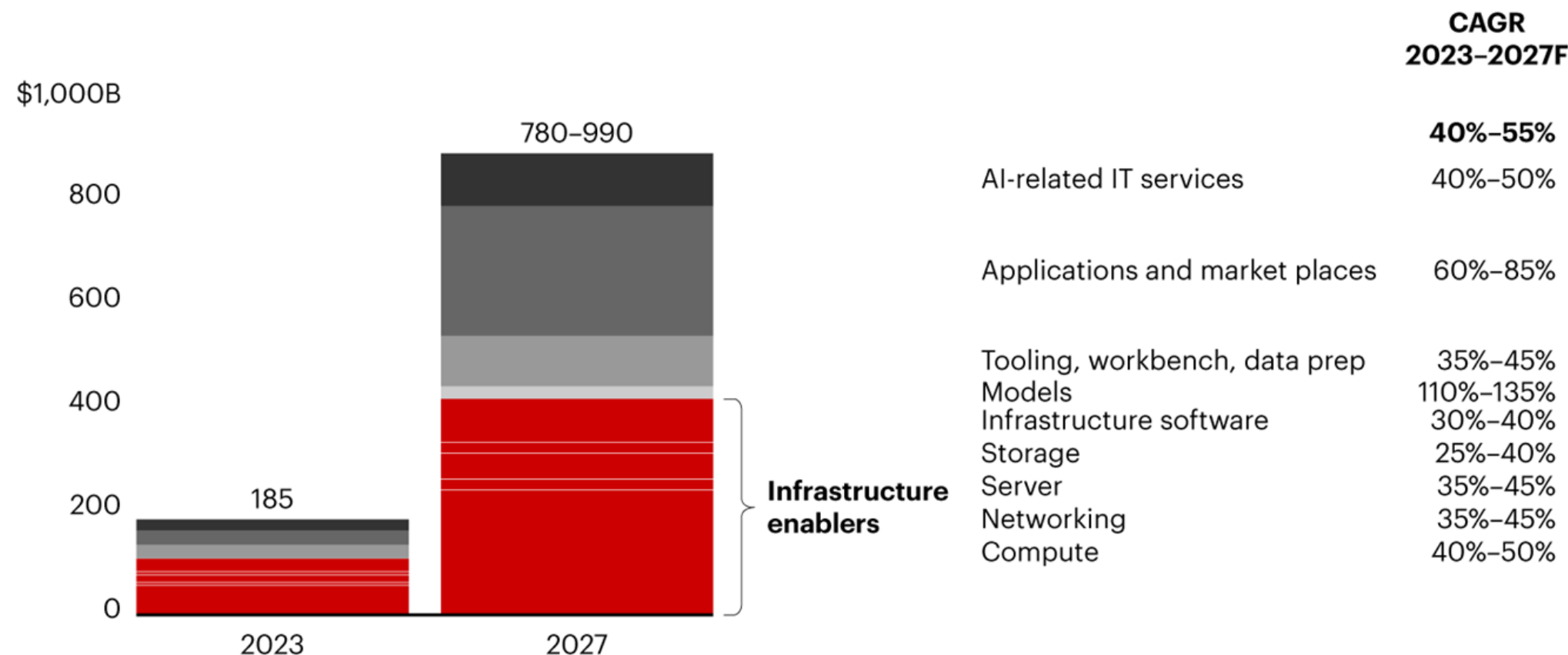
Economics Themes

- Zero Marginal Cost
- Scale Free Networks
- Recursive Self Improvement
- Open vs. Closed Source

Today's AI Landscape



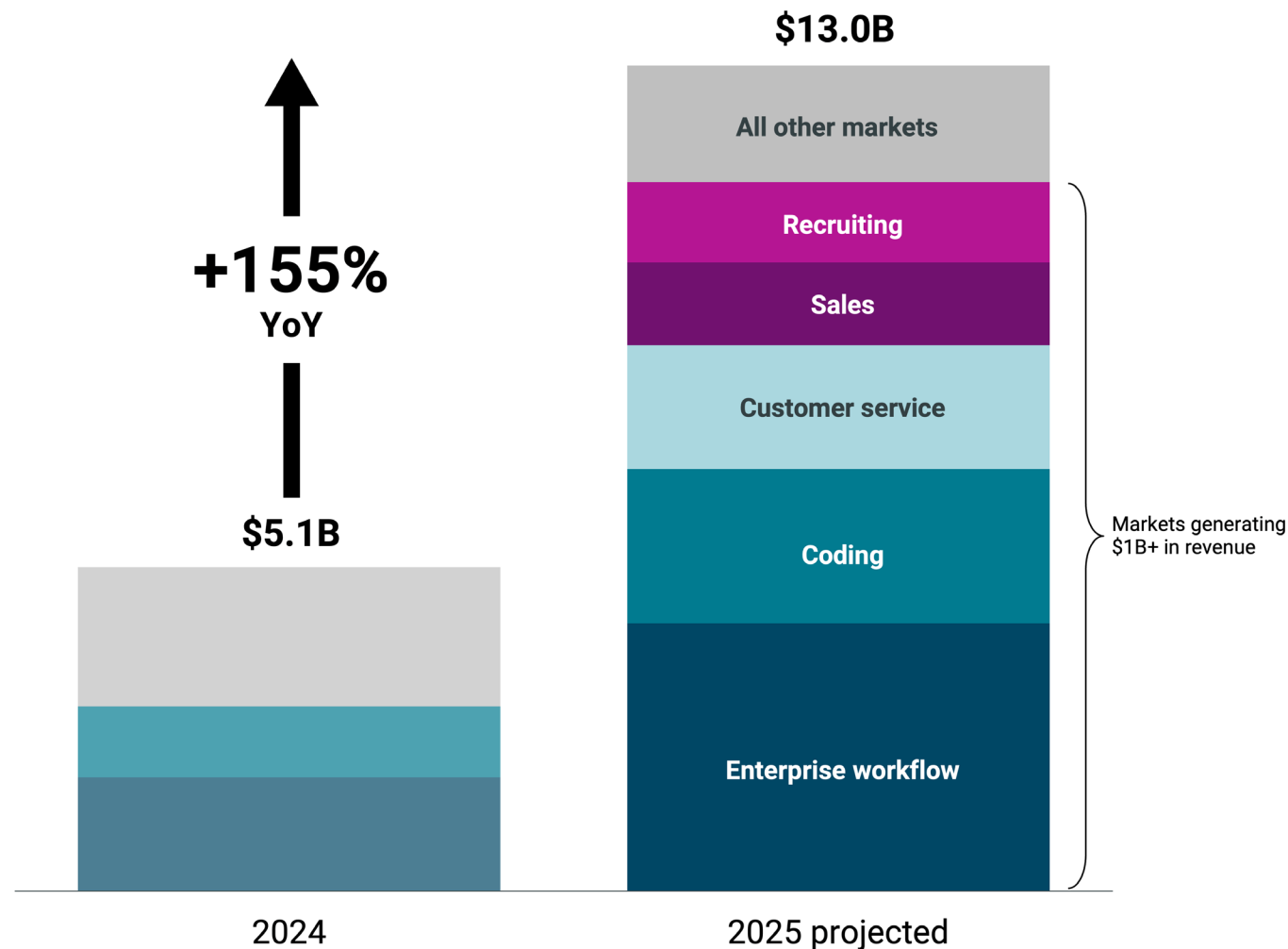
Scale & Rate of Change



Notes: AI defined as technology powered by neural networks/machine learning, excluding traditional business analytics and intelligence; compute category includes revenue from Nvidia and some server-like platforms using GPUs, leading to a category larger than servers; 2027 amounts are forecasts
Sources: IDC; Gartner; Bloomberg; Omdia; Morgan Stanley; BNP; market participant interviews; analyst reports; Bain & Company

Agents Revenue \$10B+ in '25

Total estimated annual revenue



Capabilities Forecast in 5 years

ChatGPT 4o ▾

1. Generate human-level text, code & logic

- Chatbots, software engineering, business plans, legal analysis.

2. Create full-length films & games

- Scripts, characters, scenes, gameplay mechanics, voice acting.

3. Understand & speak like a human

- Emotionally aware assistants, real-time multilingual voice agents.

4. Power advanced personal assistants

- Life planning, memory recall, coordination across all apps and devices.

5. Operate humanlike robots

- Household helpers, elderly care, retail and hospitality automation.

6. Run autonomous customer service & sales

- End-to-end resolution, upselling, CRM integrations, 24/7 support.

7. Personalize entire digital lives

- Adaptive learning, dynamic content curation, individualized health coaching.

8. Build and run autonomous businesses

- AI-driven startups, inventory and pricing optimization, full digital operations.

9. Drive autonomous discovery in science

- Drug design, materials synthesis, climate modeling, novel hypothesis testing.

10. Collaborate creatively like a partner

- Co-writing novels, music production, fashion design, architecture.

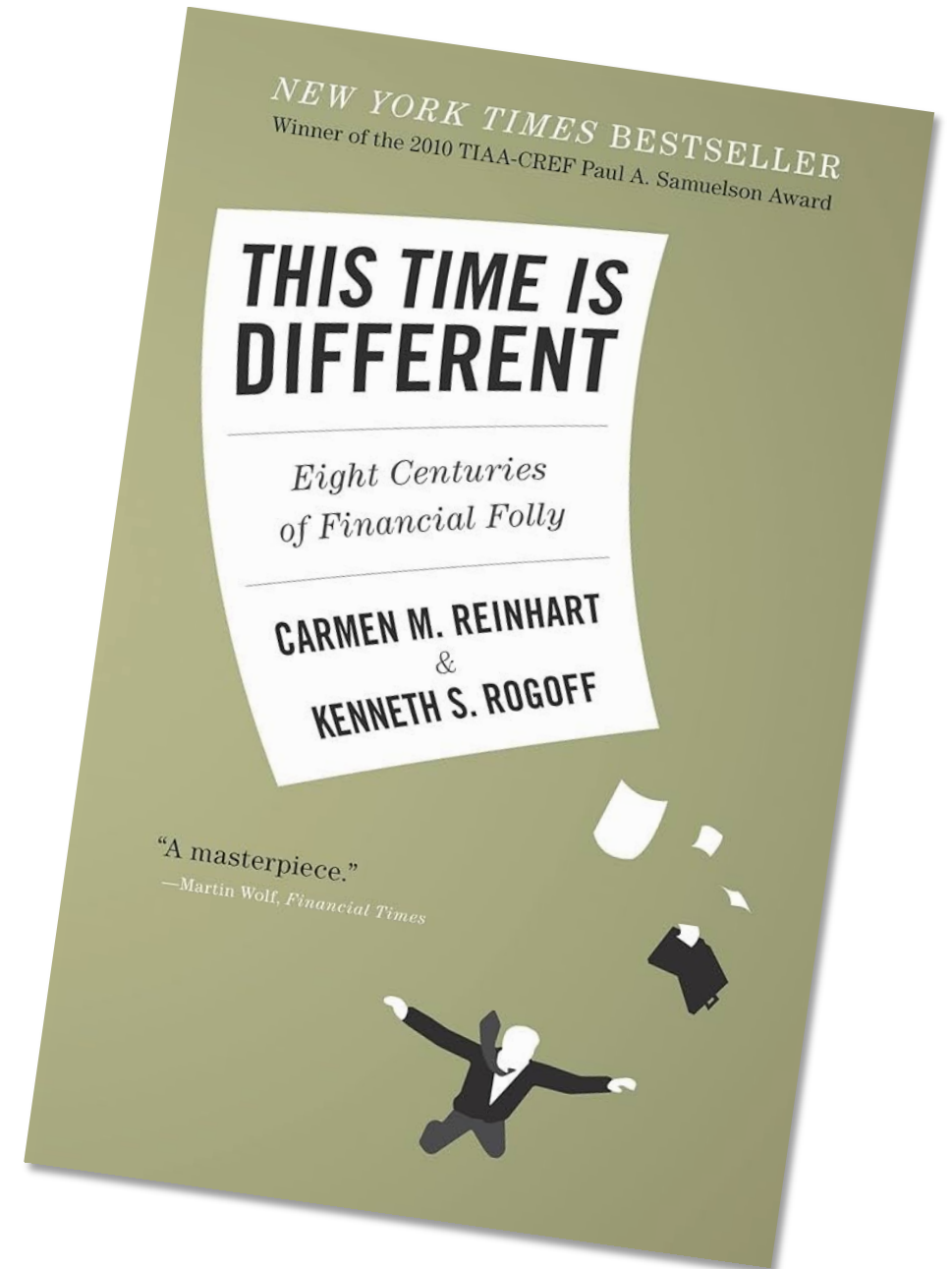
AI Economics

AI Economics

IS this time different?

AI bubble differs in **substance, capital intensity, & systemic impact**:

- *real productivity utility* rather than pure speculation.
- *capital-heavy* and linked to supply chains (chips, energy).
- *concentrated* in a few dominant players with recursive feedback loops.
- *direct implications for labor markets and geopolitics*.



Productivity Step Change

Lens 1

Total economic potential of 60-plus organizational use cases¹

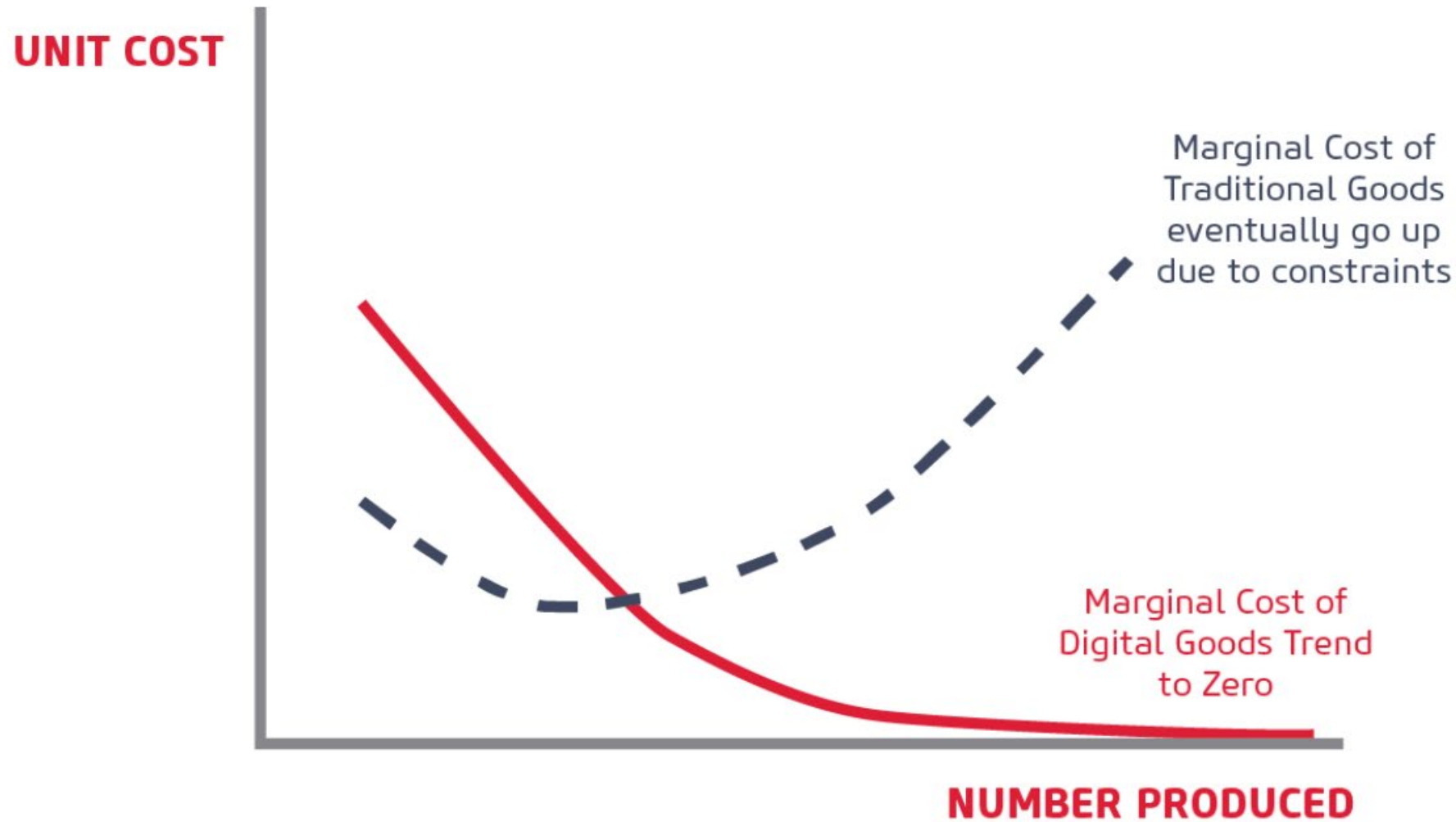
Lens 2

Labor productivity potential across ~2,100 detailed work activities performed by global workforce

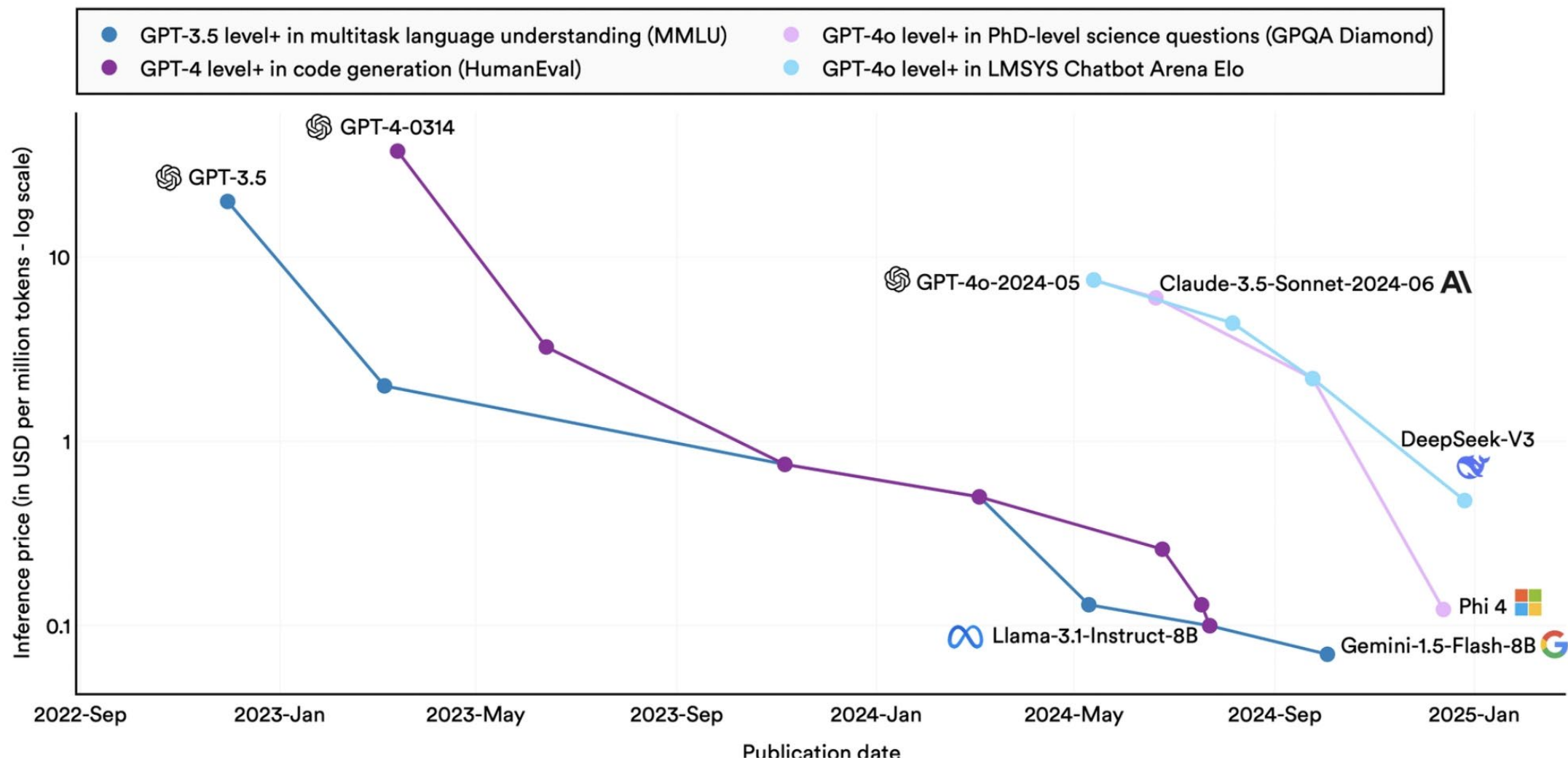
Revenue impacts of use cases¹

Cost impacts of use cases

Zero Marginal Cost for Intelligence

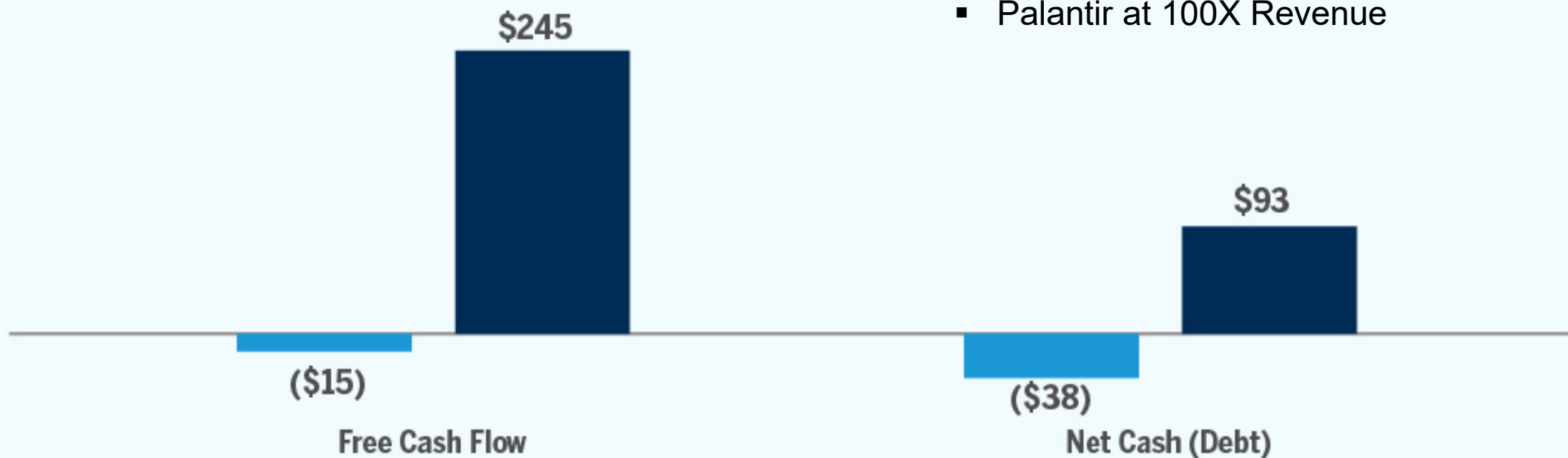


Marginal Cost of Inference Price



Internet Bubble vs AI Hyperscalers

■ Internet Backbone Providers in 2000
■ AI Hyperscalers in 2024

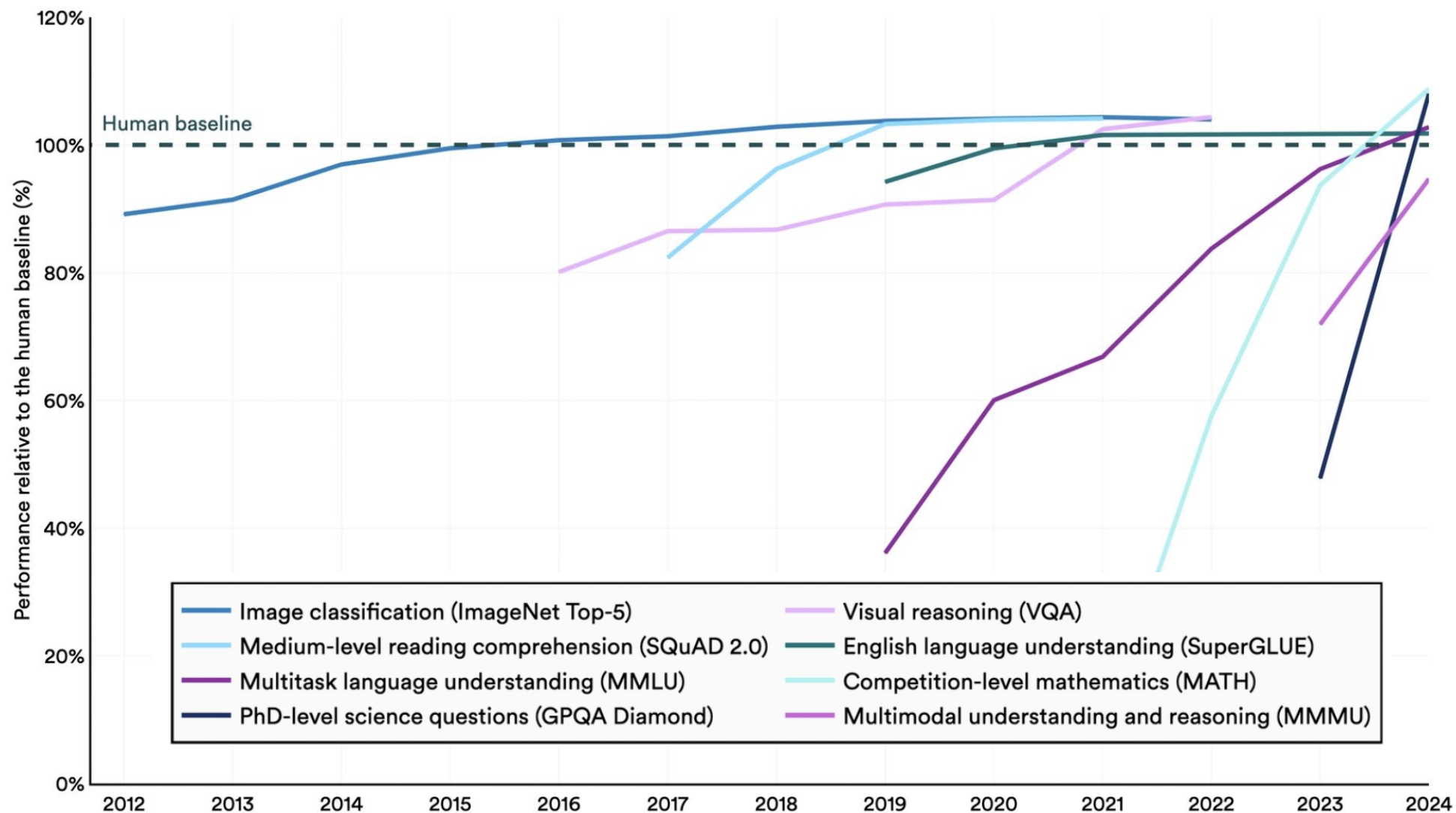


Future Valuation is focus

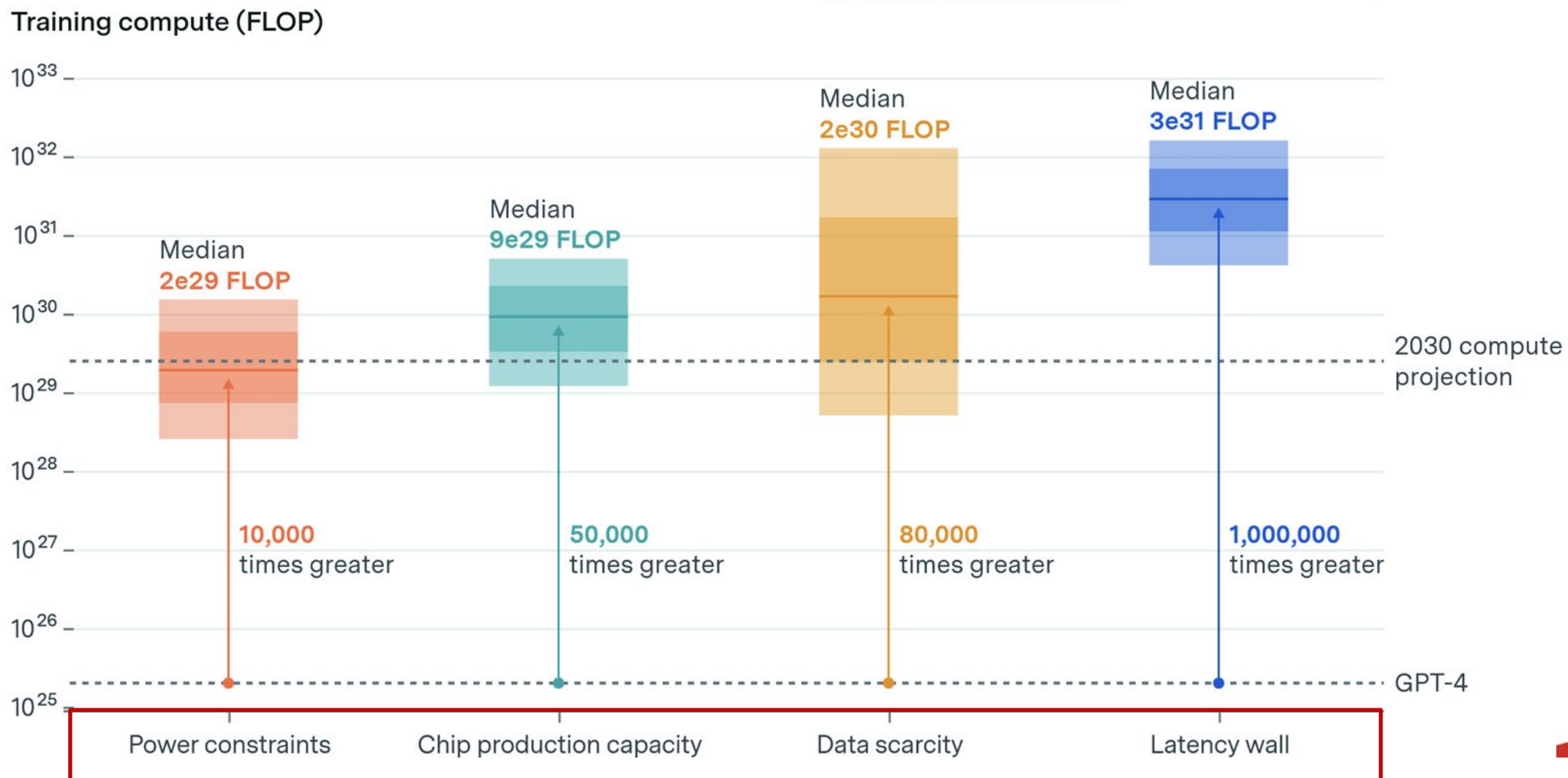
- Multiples and Value Compression
- Palantir at 100X Revenue

Technical Performance Benchmarks

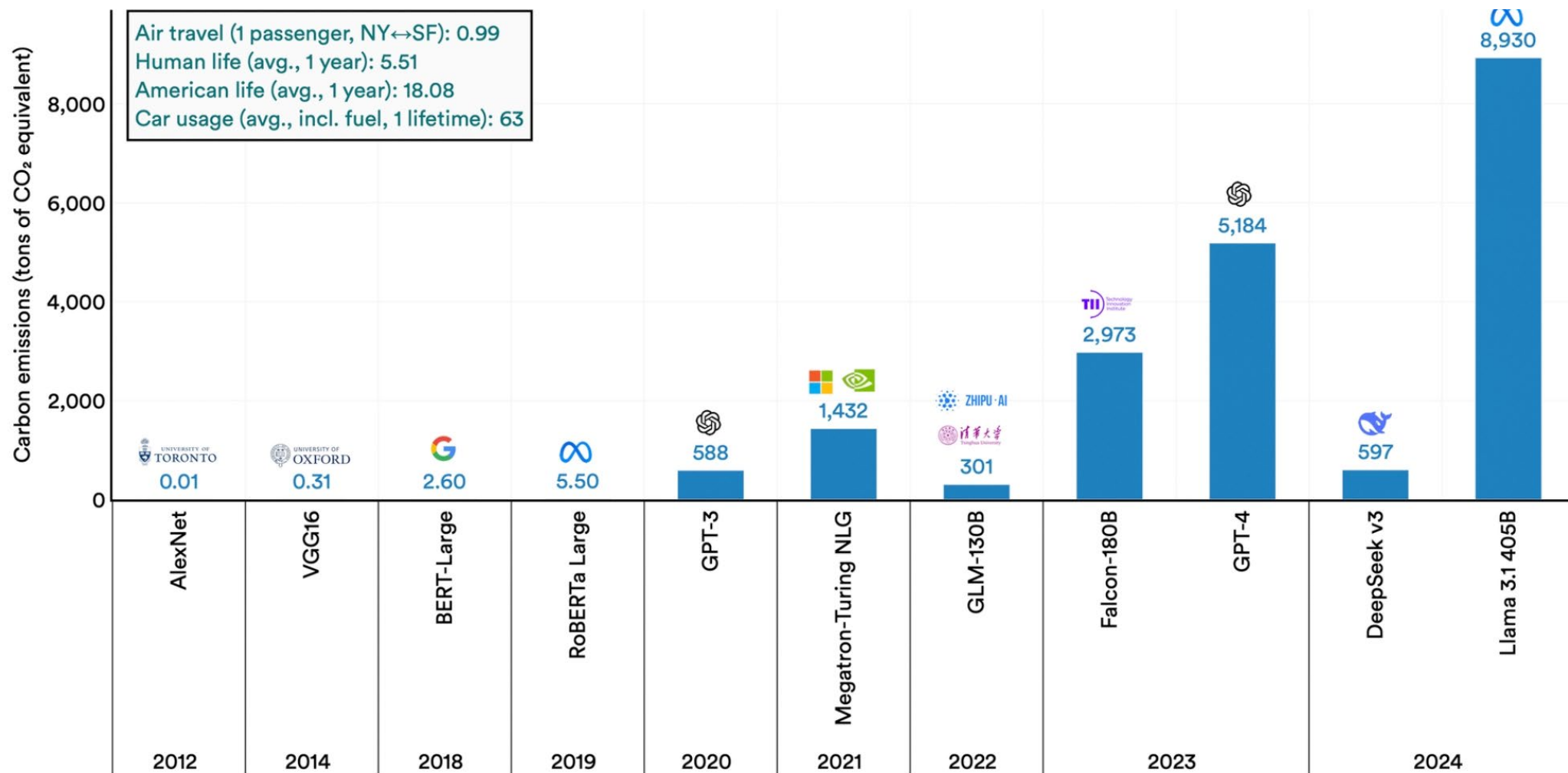
Technical Performance Benchmarks vs Human



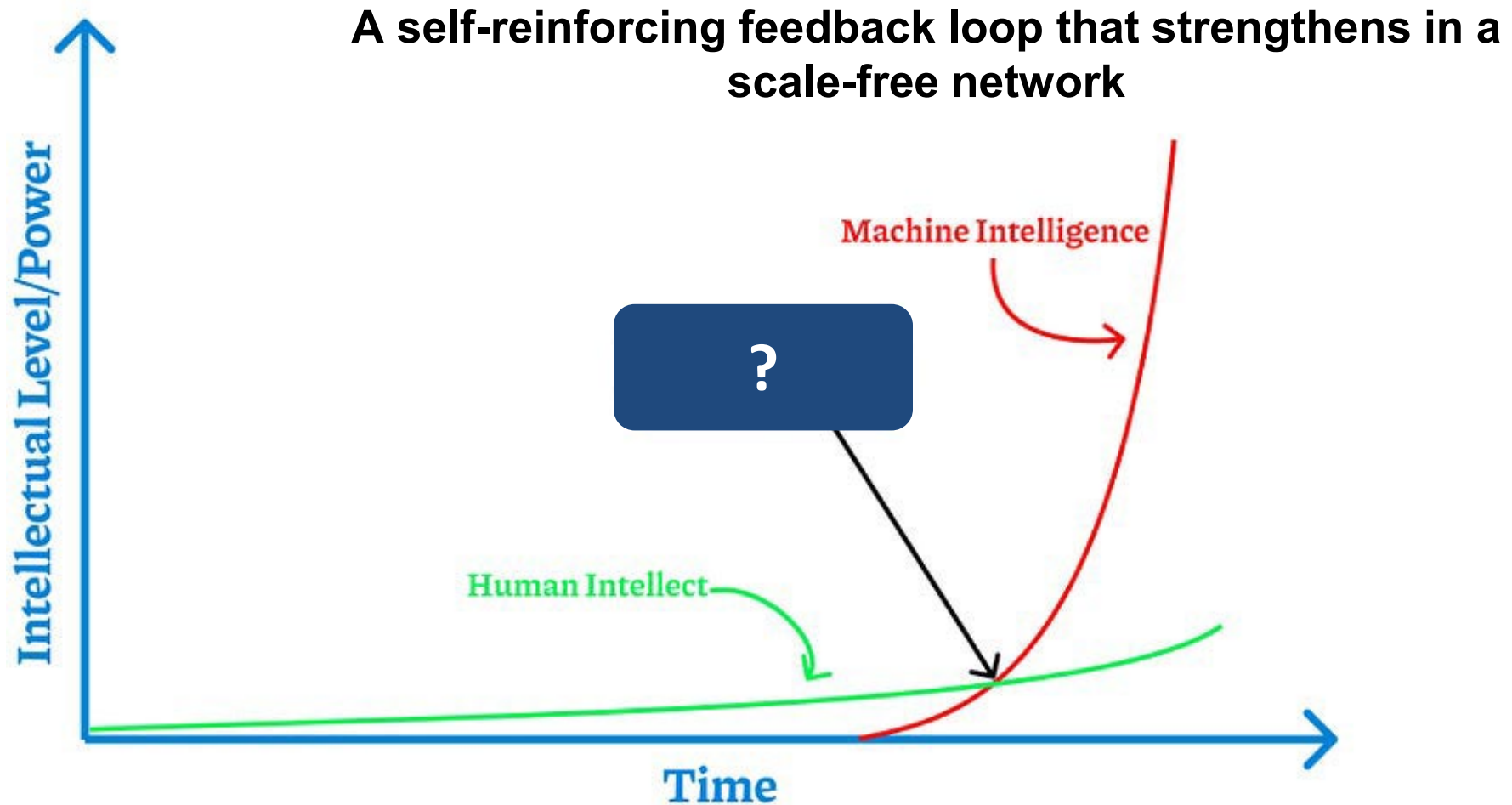
Scale to Constraints



Carbon Emissions



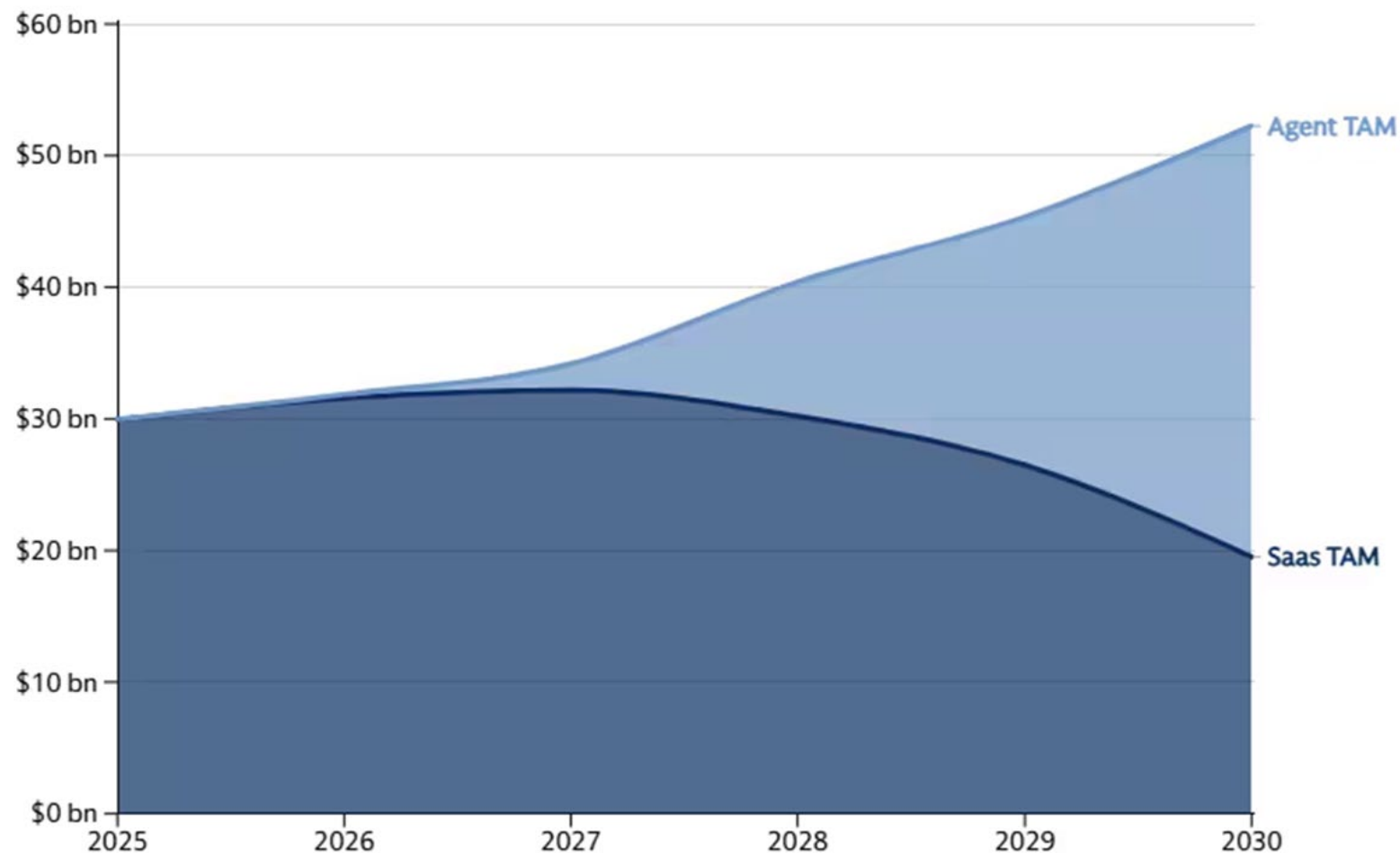
Recursive Self Improvement



Industry Impact: SaaS vs Agents

Massive Market Shift: SaaS to Agents

- Profit Pool in software is expected to shift toward AI Agents
- Illustrative shift in TAM for SaaS and Agents



■ SaaS TAM ■ Agent TAM

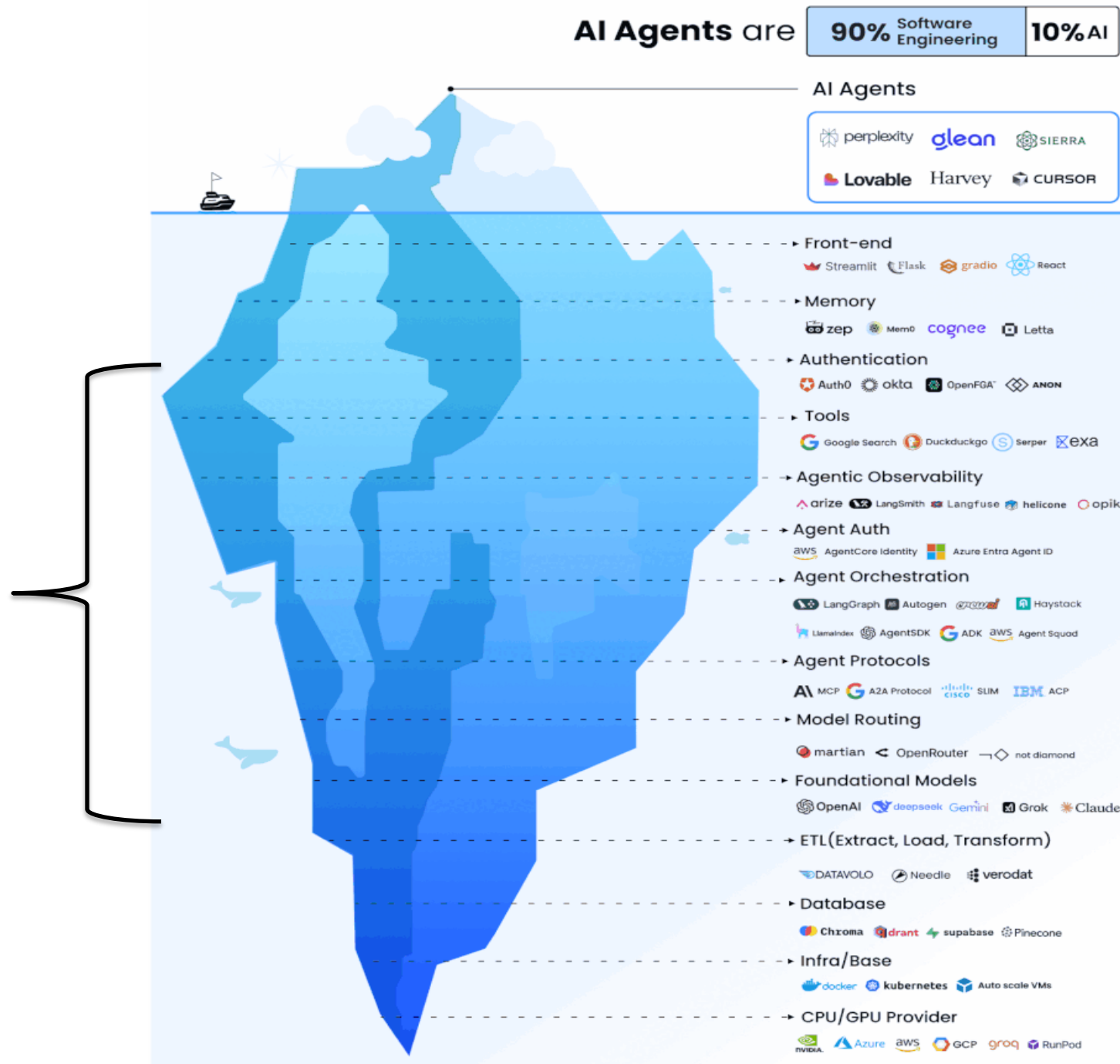
Source: Gartner, Goldman Sachs Research
Gartner data published October 10, 2024

Goldman
Sachs

Source: Stanford HCAI, Goldman Sachs, Bloomberg...





















Agentic Ecosystems

- AI Agents are 90% Software 10% AI
- New categories of software automation and services
- From Authentication to Orchestration to Protocols

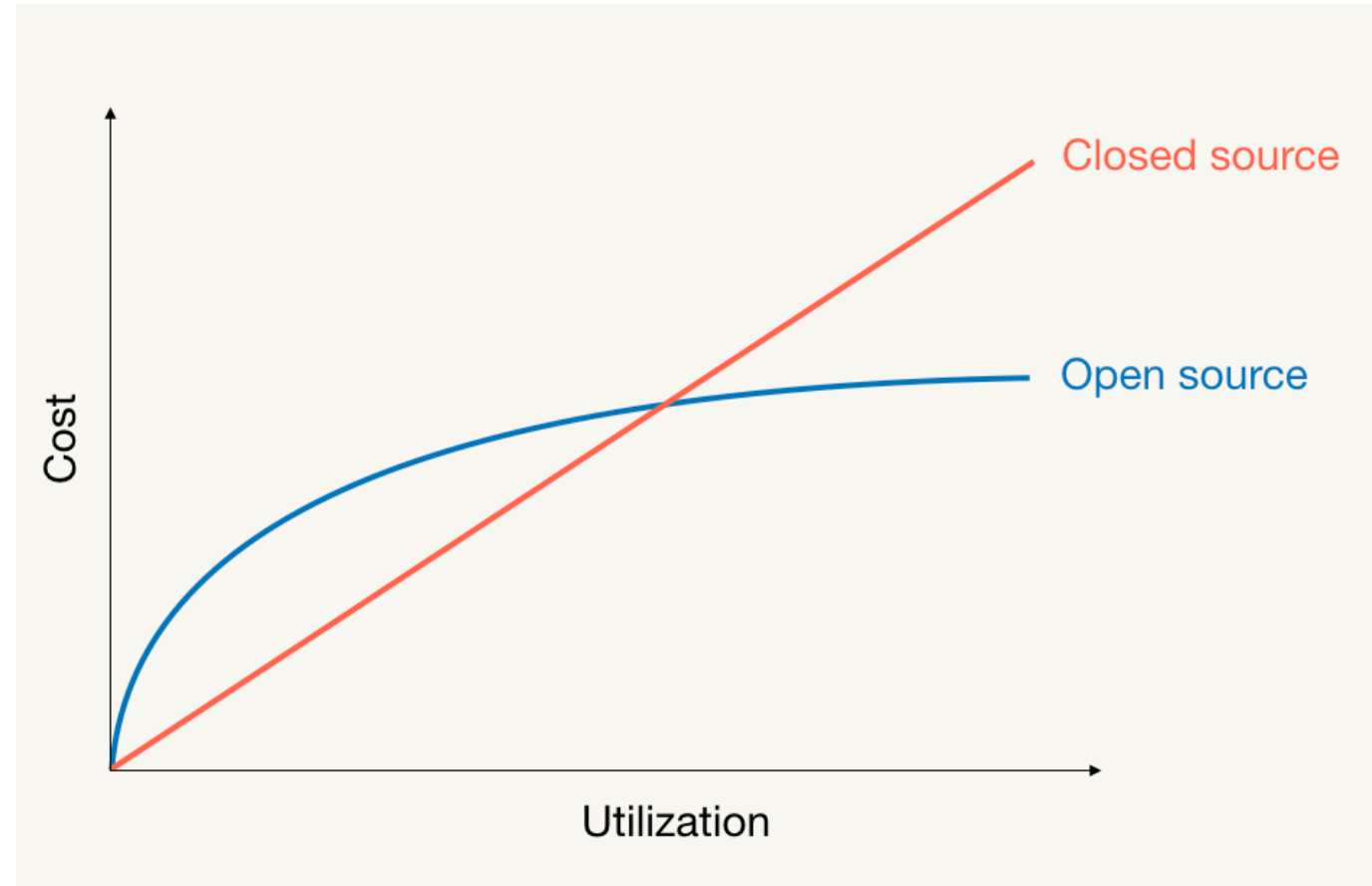
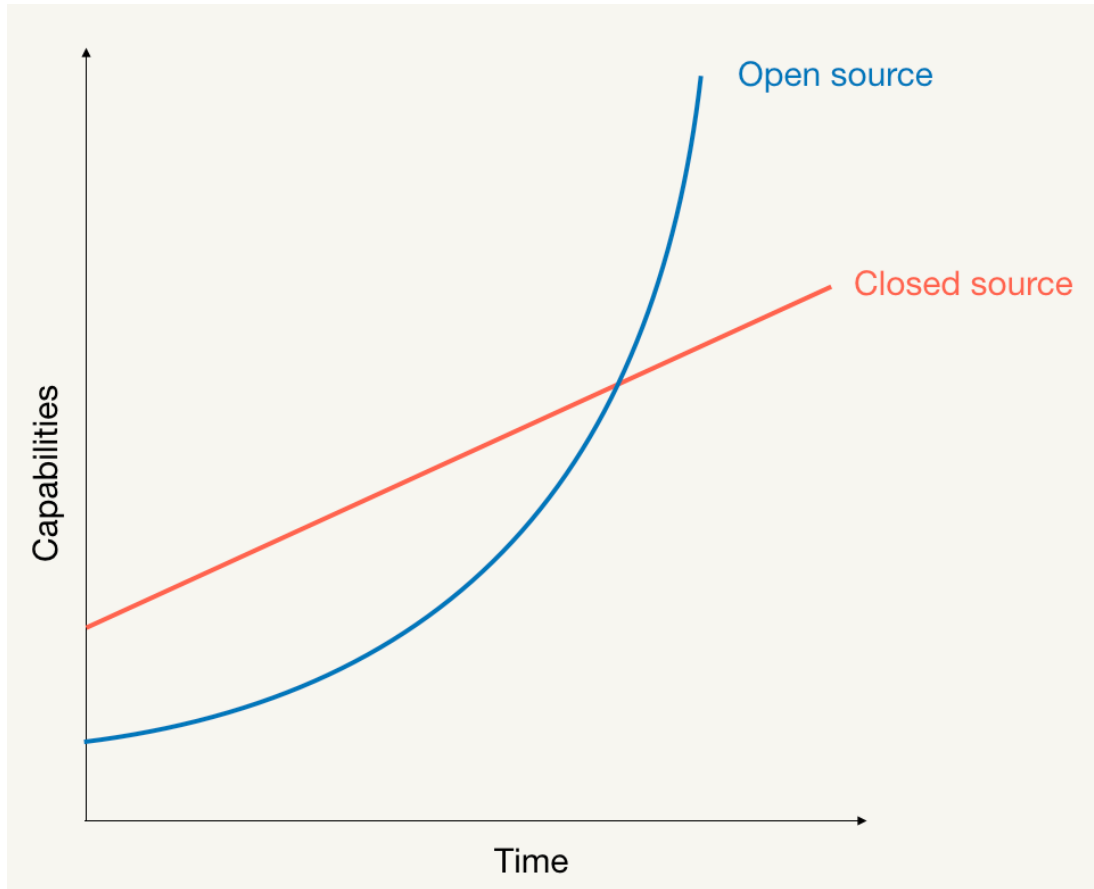


Open Source vs. Closed Source

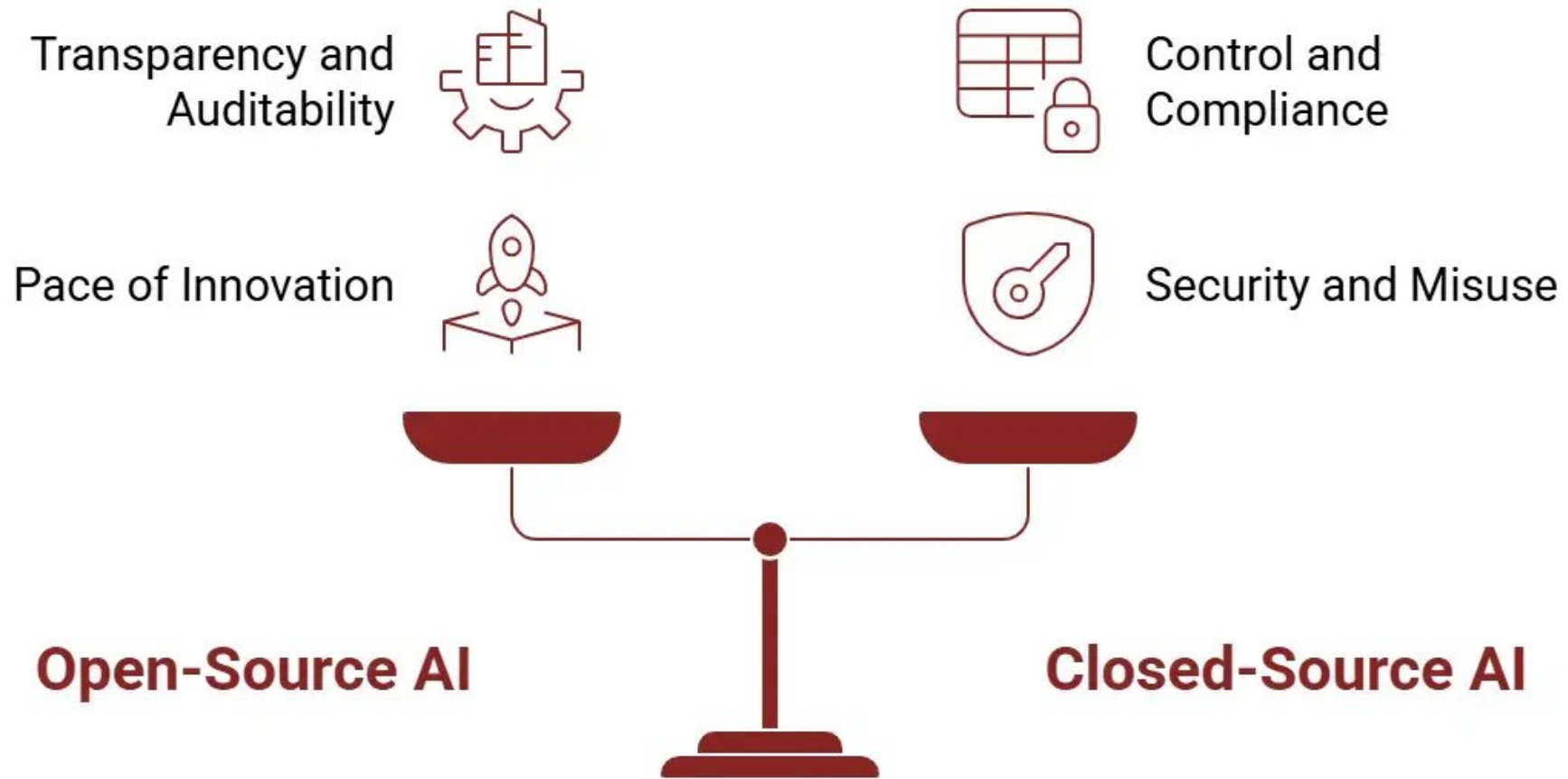
Open-Source vs Closed Race

	Open	Closed
Biggest public companies*	 NVIDIA  Meta  Alibaba  IBM	 Microsoft  Apple   amazon  Tencent 腾讯
Top-funded private companies	 X  MISTRAL AI  Hugging Face	 OpenAI ANTHROPIC  cohere  Moonshot AI
Notable investors**	andreessen. horowitz COATUE SEQUOIA 	khosla ventures  Microsoft  Tencent 腾讯
Total equity funding since 2020	 \$14.9B	 \$37.5B

Economics of Open vs Closed Source



Balancing Transparency and Control



Practical AI & Enterprise Readiness

Urgent but Unprepared



98% of companies feel increase in urgency



85% of companies believe less than 18 months to deploy AI strategy



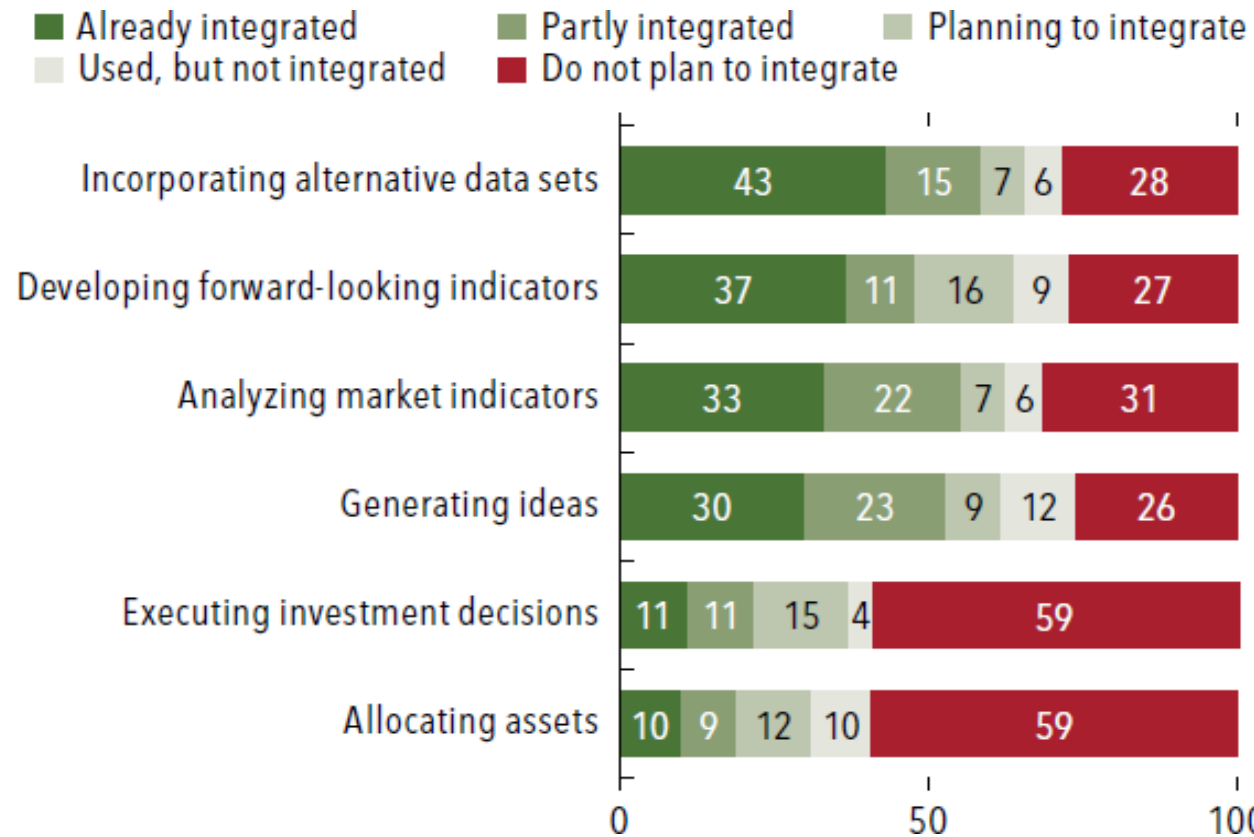
50% of companies have dedicated 10-30% budget to AI



13% of company leadership AI-ready by internal measures

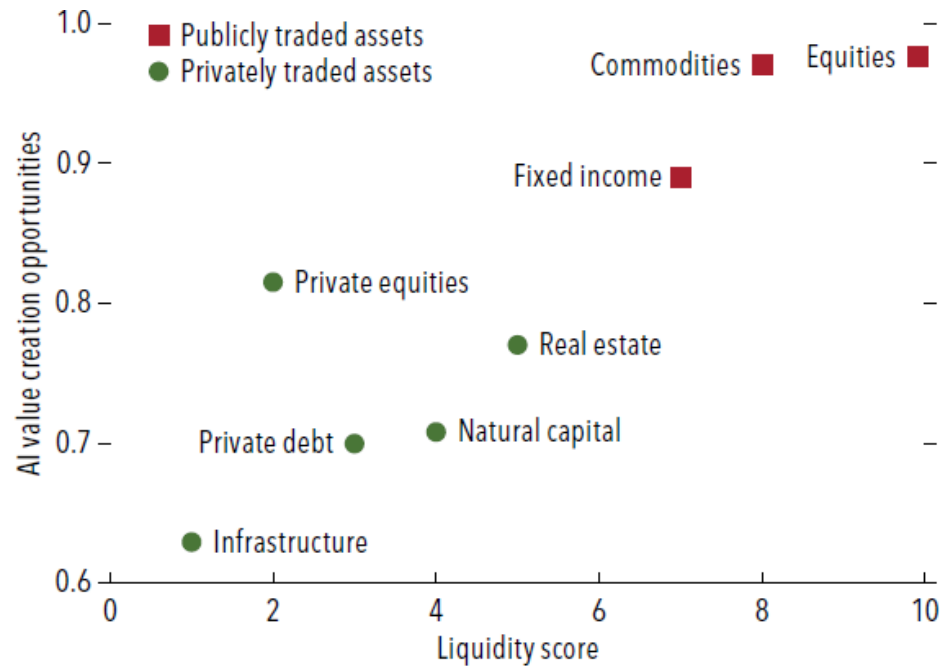
Use Case: Investment Managers

Early Adoption in Investment Decision Use Case by Investment Managers

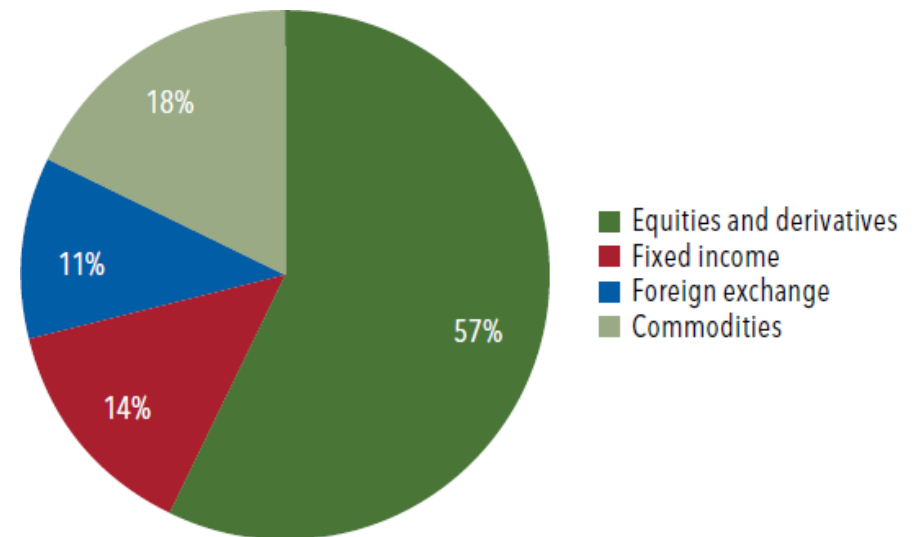


Use Case: Investment Managers

Use Cases Correlated with Liquidity


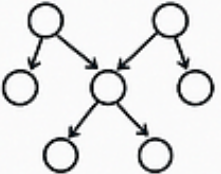
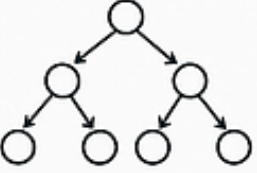


Use Cases by Asset Class

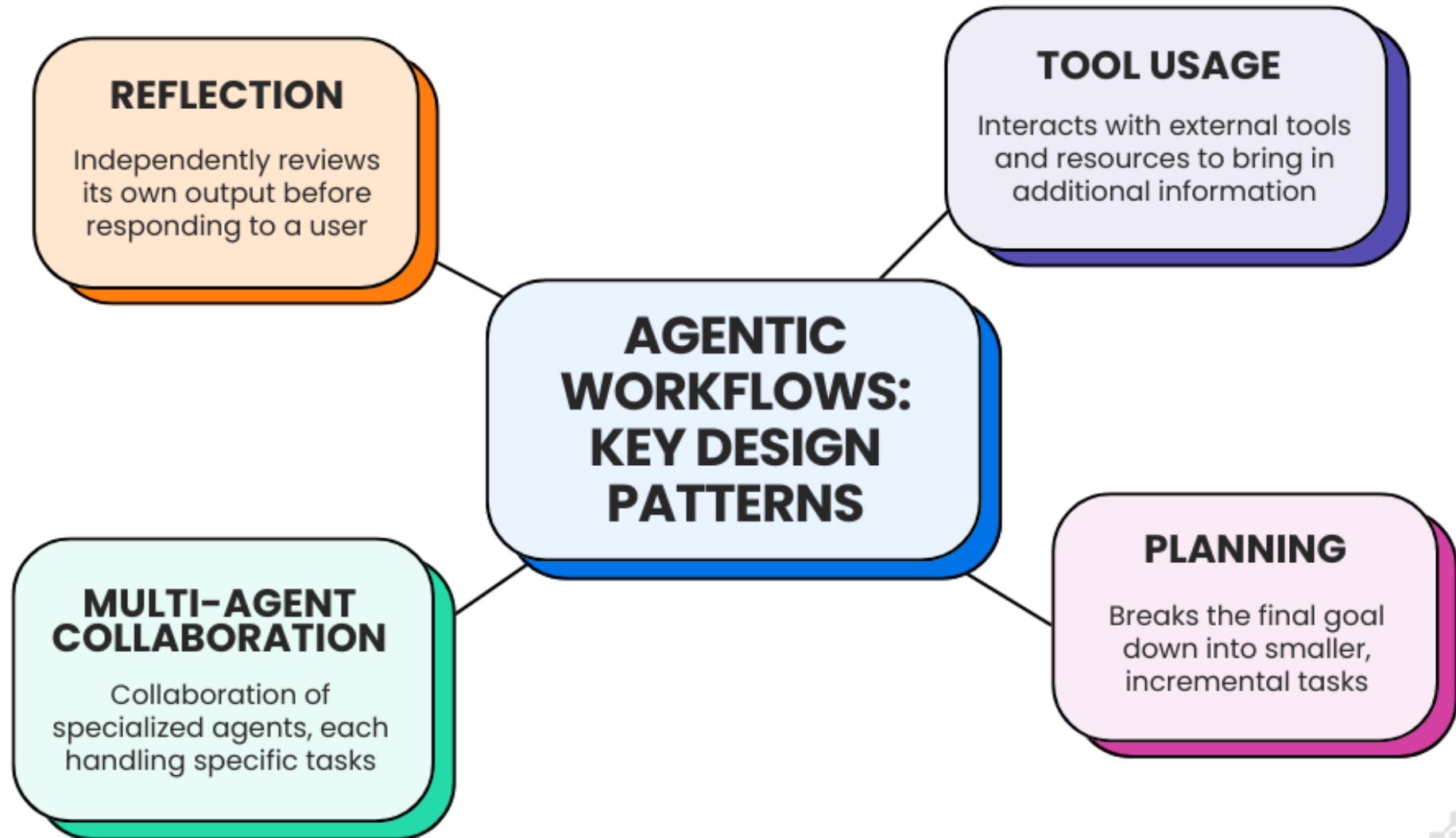


Context Engineering

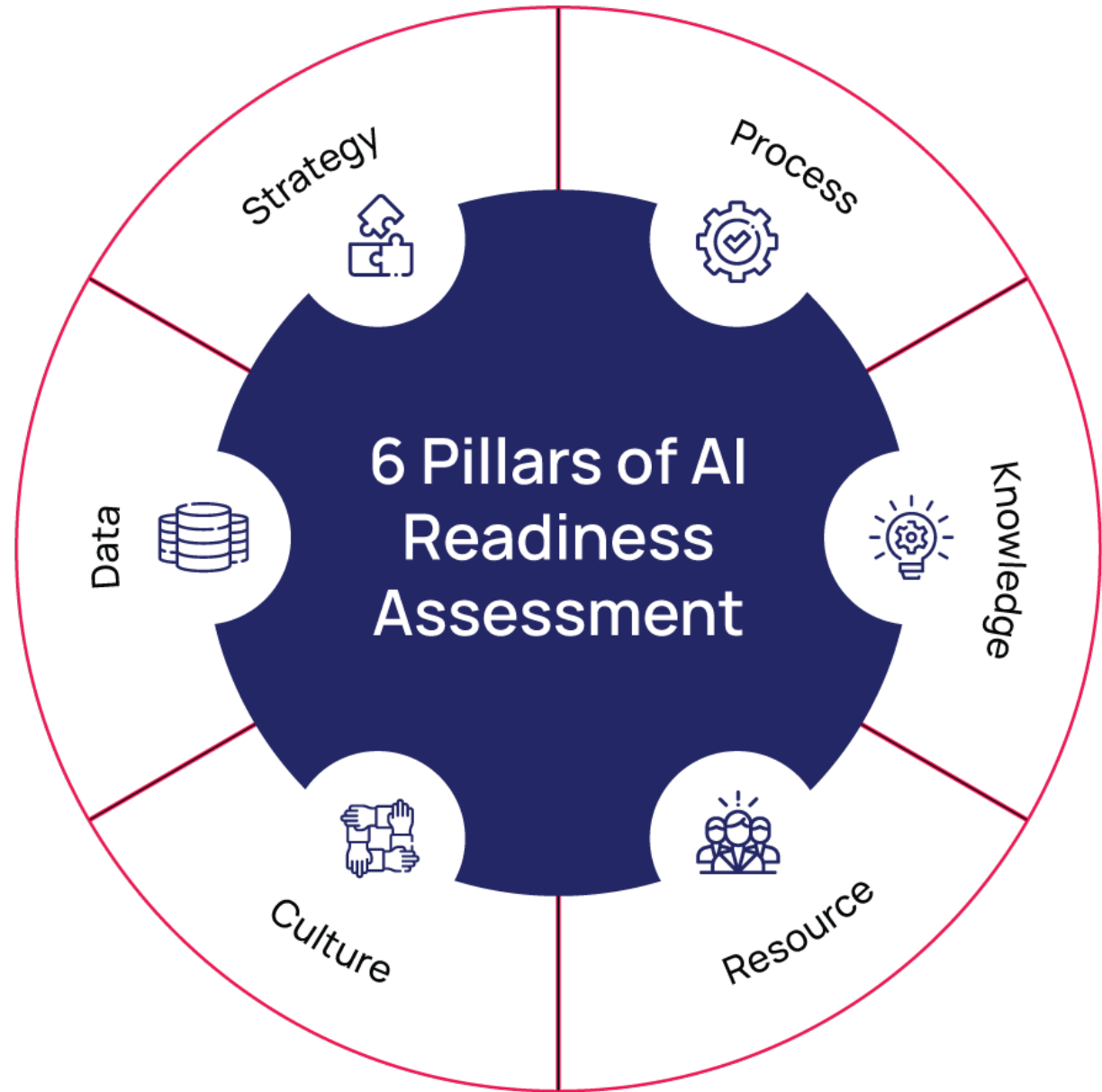
- CoT
- ToT
- Graph of Thought
- Self-Consistency
- Reflexion

METHOD	ILLUSTRATION	DESCRIPTION	PERFORMANCE
Chain-of-Thought		Generate a single reasoning path step-by-step	Foundational method Brittle
Self-Consistency		Sample multiple paths, then select the most frequent answer	Boosts accuracy and robustness
Tree-of-Thought		Explore and evaluate multiple reasoning paths	Excels at complex reasoning

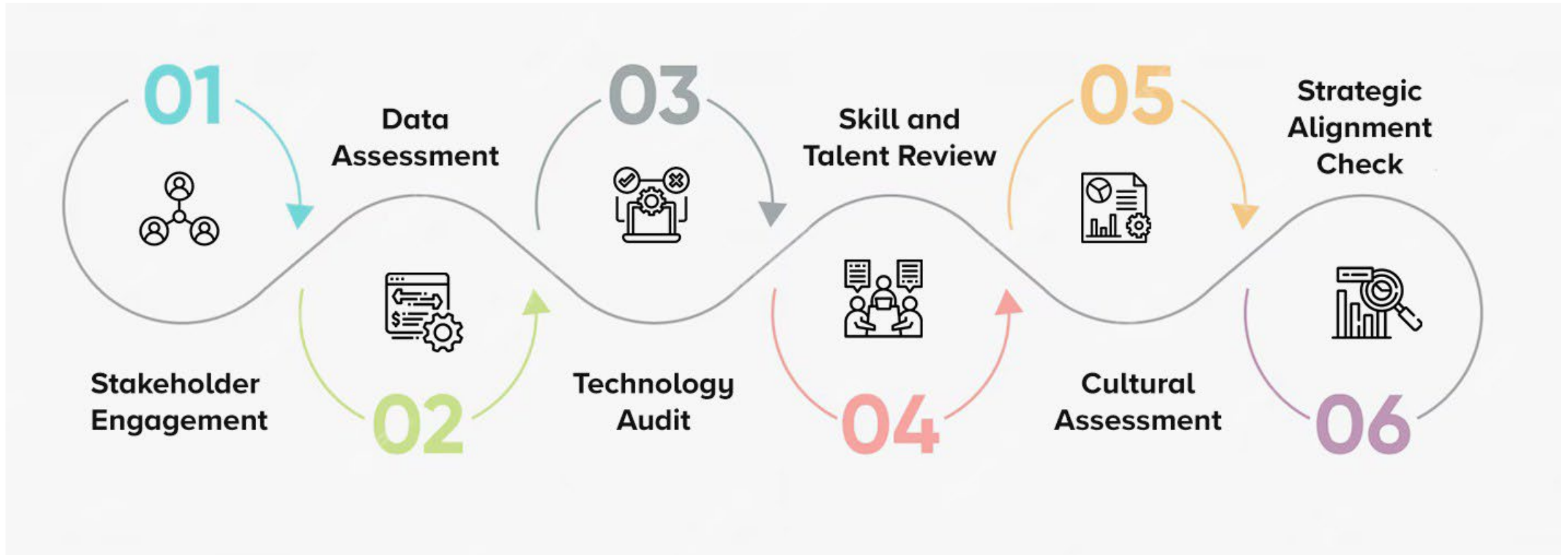
Agentic Design



AI Readiness: Alignment Across Pillars



AI Readiness: Practical Next Steps



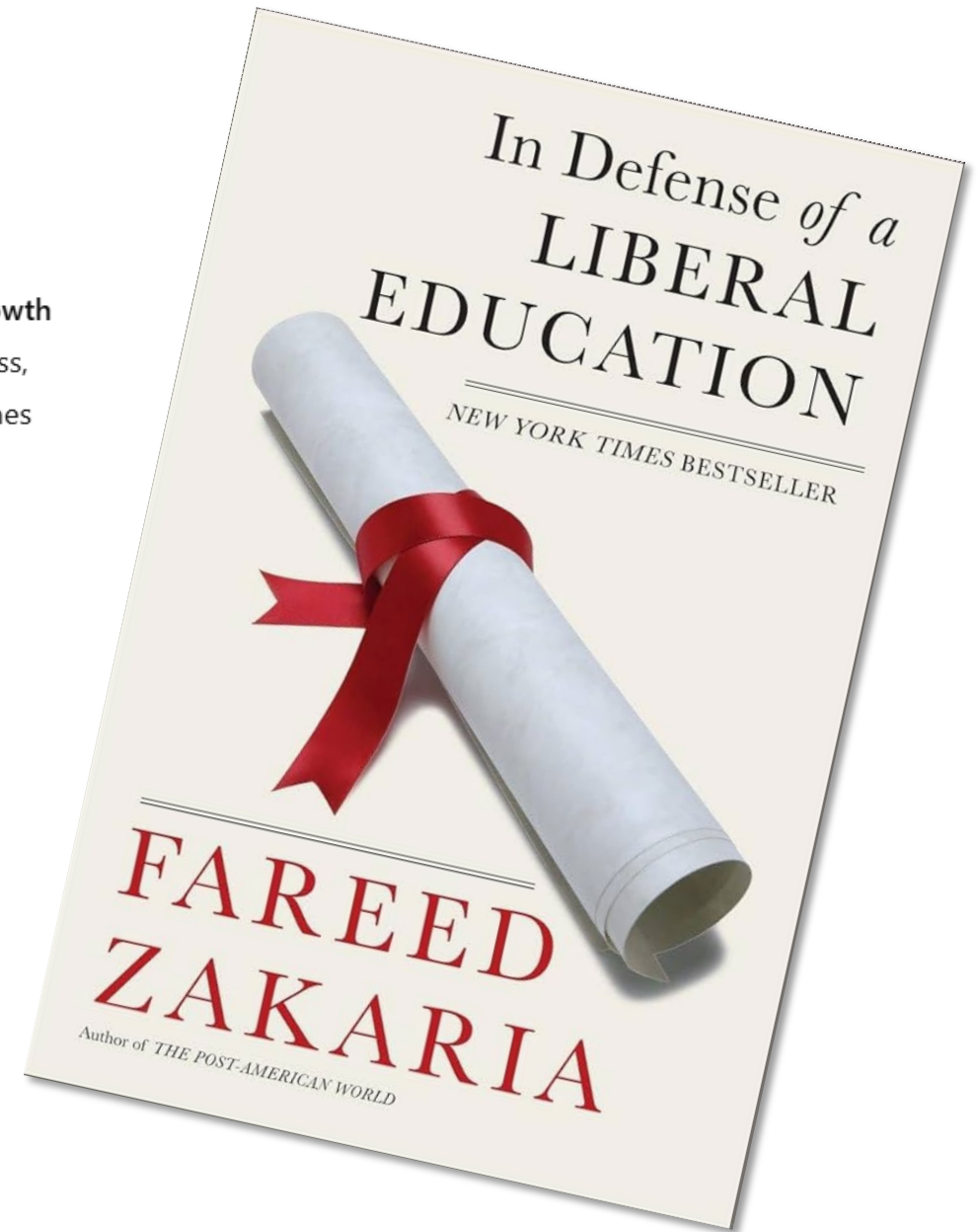
Conclusion

Richness of Irony

The Irony

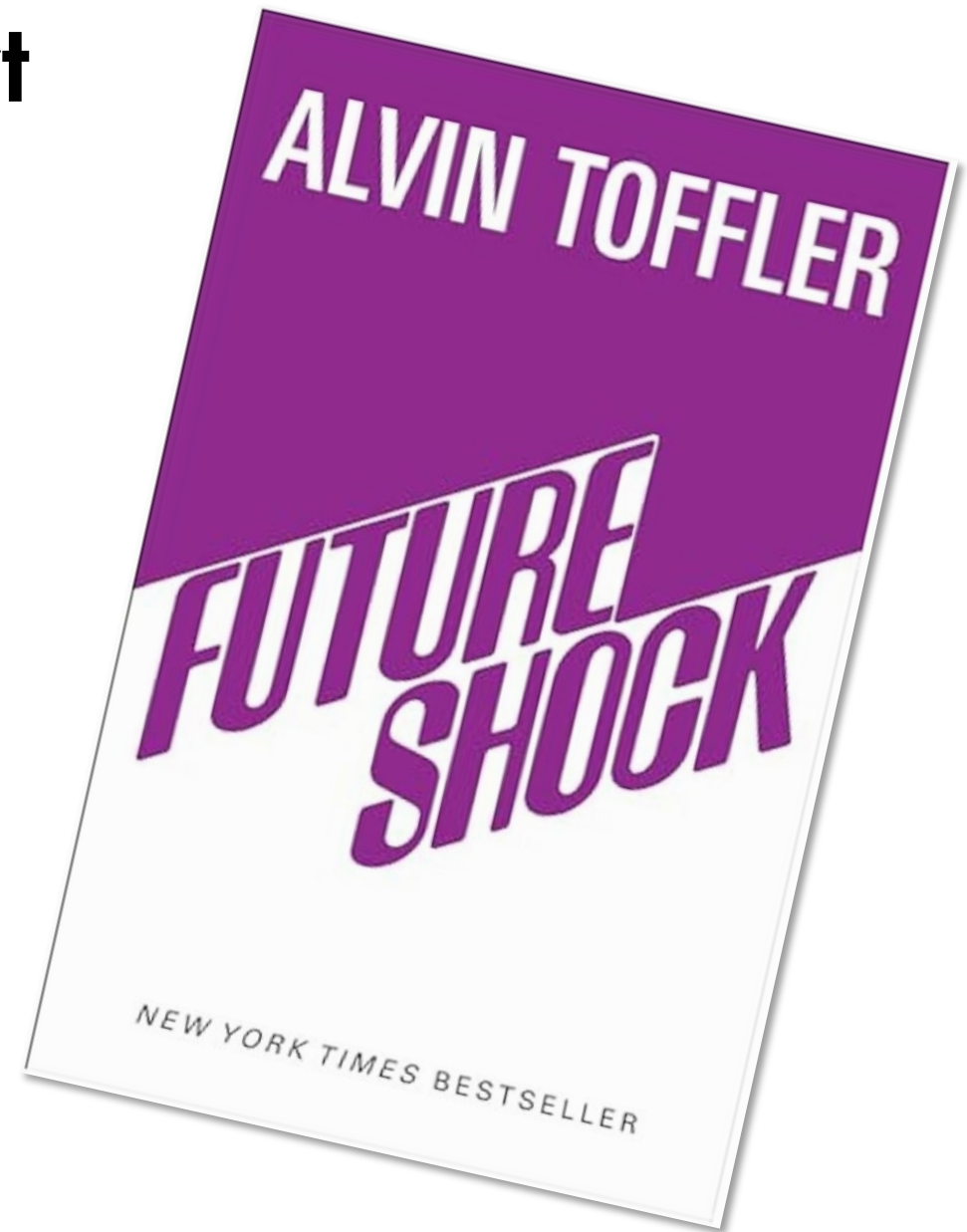
The irony is that while AI appears to be the pinnacle of STEM-driven progress, its **most sustainable growth and adoption may hinge on skills cultivated in the liberal arts**—storytelling, ethics, historical awareness, and critical thinking. The “hard science” of machine learning generates the tools, but the “soft” disciplines determine their direction, societal value, and long-term impact.

- **Human Centered Design**
- **Critical Thinking**
- **Ethical Foundations**
- **Purpose Driven Meaning**
- **Communications and Translation**



“too much change in too short a period of time”

- Alvin Toffler's *Future Shock* (1970) argues...the accelerating pace of technological, social, and cultural change produces a psychological state of “future shock”...
- creates a sense of disorientation, stress, and decision paralysis when individuals and societies are unable to adapt to rapid transformations.
- Thesis: industrial and post-industrial societies are generating change at a rate far faster than human adaptive mechanisms can manage, leading to breakdowns in institutions, values, and individual well-being.
- The book warns that without developing new ways to absorb and manage this accelerating change, societies risk widespread instability and alienation.



AI Council

- Claude Code by Anthropic
- ChatGPT for General Purposes
- Deep Seek for Research
- GitHub CoPilot for
- n8n for Agent Platform

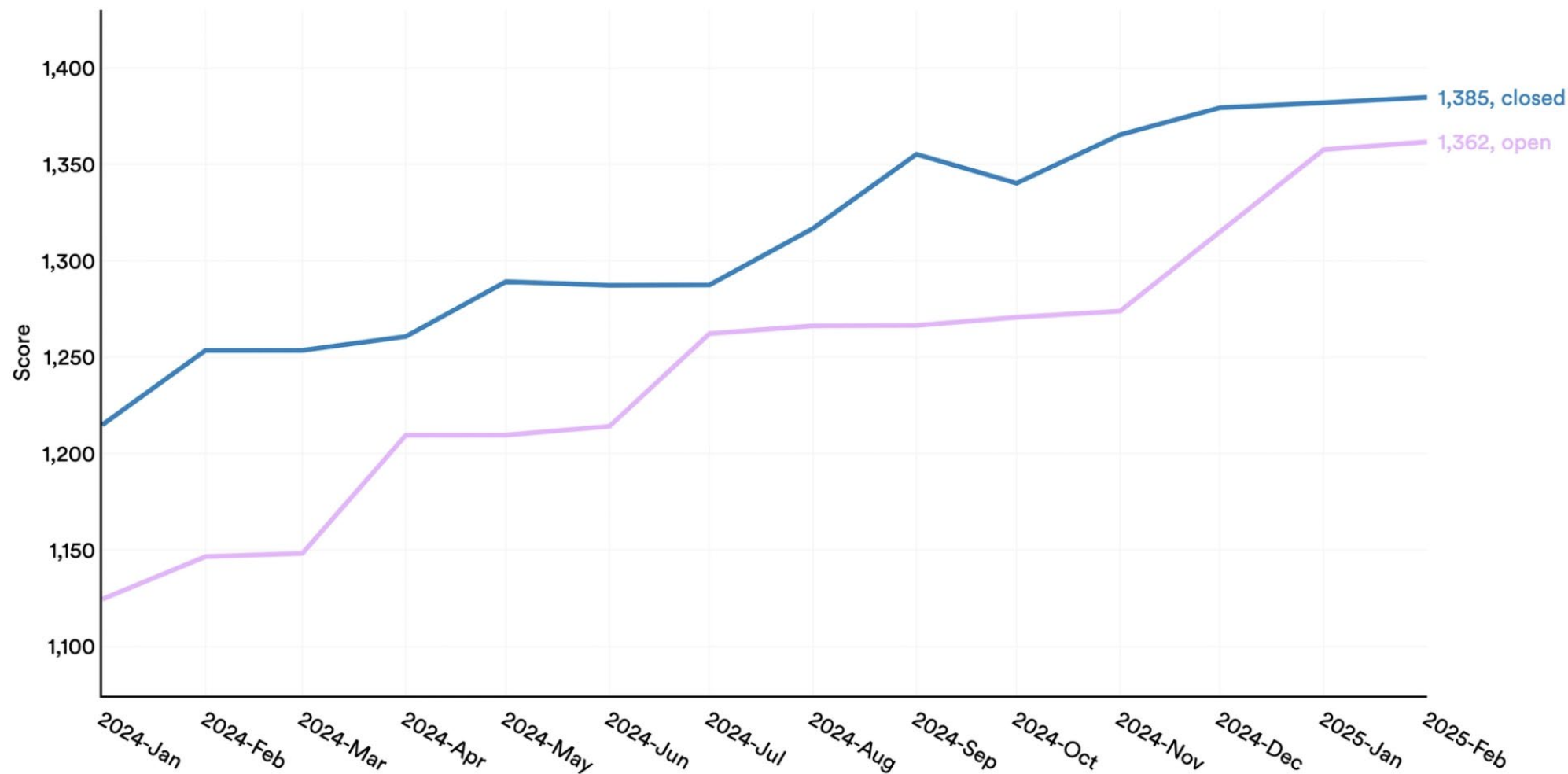
Liberty Street website
(www.LSGMI.com)



Q&A



Top Closed vs. Open-Source Models



Estimate Your Project with AI in Minutes

Quickly assess project needs, estimate capabilities and optimize your requirements with our AI-powered chatbot.



How Does It Work



Share Your Vision

Describe your project and ideas, and upload a file to facilitate a quick requirements analysis.



AI-Powered Refinement

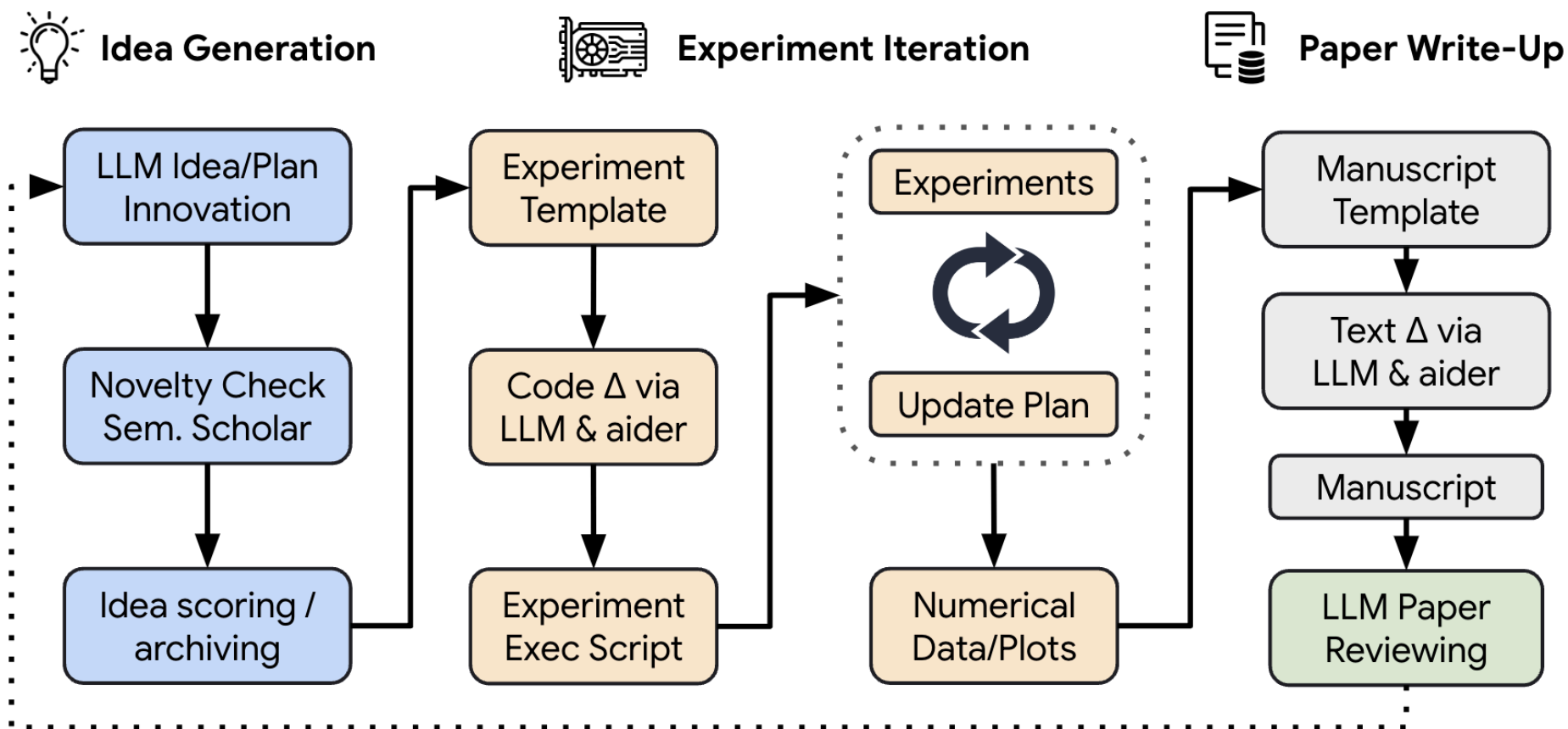
Collaborate with our AI to clarify requirements, explore options, and get intelligent suggestions that enhance your project scope.



Get Your Estimate

Receive a detailed estimate in Billing Units and connect with our Sales Team to move your project forward.

AI-Scientist End-to-End Research



AI Governance

Establish Clear Policies

- Data usage and privacy guidelines
- AI tool approval processes
- Vendor risk assessment protocols
- Family member training requirements

Risk Mitigation Strategies

- Start with non-critical use cases
- Maintain human oversight and validation
- Regular model performance monitoring
- Incident response and escalation procedures

Compliance Considerations

- Data protection regulations (GDPR, CCPA)
- Financial services regulations
- Cross-border data transfer rules
- Record keeping and audit requirements

Family Stakeholder Management

- Regular updates on AI initiatives
- Education on benefits and risks
- Feedback mechanisms and concerns address
- Alignment with family values and objectives

AI Tools

Document Intelligence

- Anthropic Claude: Contract analysis, research
- Microsoft Copilot: Office 365 integration, meeting summaries
- Harvey AI: Legal document review (for legal)

Investment Research

- AlphaSense: Market intelligence and research automation
- Bloomberg Terminal AI: Integrated financial data analysis
- Sentieo: Alternative data and research platform

Communication & Education

- Gamma: AI-powered presentation creation
- Notion AI: Knowledge management and documentation
- Canva Magic Studio: Marketing and family communication materials

Compliance & Risk

- Compliance.ai: Regulatory monitoring and alerting
- Thomson Reuters AI: Legal and compliance research
- Data integration and analysis

AI Readiness Assessment

Technology Infrastructure

- Current systems: Portfolio management, CRM, document storage
- Integration capabilities, data accessibility
- IT support capacity (internal vs. outsourced)

Privacy & Security Requirements

- Multi-jurisdictional compliance (US, EU, offshore entities)
- Family confidentiality protocols
- Data residency and sovereignty requirements

Team & Resources

- Current headcount and skill sets
- Technology adoption comfort level
- Budget allocation for new initiatives

Family Dynamics

- Next-generation technology expectations
- Decision-making structure for new tech
- Risk tolerance across family stakeholders

AI Quick Wins

Document Intelligence (30-60 days)

- Contract analysis and due diligence reviews
- Meeting transcription & action items extract
- Family meeting minutes and follow-up

✓ **ROI HIGHLIGHT:** 40-60% time savings on document review

Investment Research Automation (60-90 days)

- Market research, and summarization
- ESG screening and impact assessment
- Competitor analysis for portfolio companies

✓ **ROI HIGHLIGHT:** 3-5x faster research cycles

Communication Enhancement (30-45 days)

- Family portfolio updates
- Multi-language translation for global families
- Personalized investment education content

✓ **ROI HIGHLIGHT:** Improved family engagement, reduced admin time

Compliance Monitoring (90+ days)

- Regulatory tracking, impact assessment
- Conflict of interest screening
- Beneficial ownership reporting automation

✓ **ROI HIGHLIGHT:** Risk reduction and compliance efficiency

Measuring AI Impact

Time Savings Quantification (Metric Boxes)

- Document review: 40-60% time reduction
- Research tasks: 3-5x speed improvement
- Administrative work: 30-50% efficiency gain
- Meeting preparation: 50-70% time savings

Cost-Benefit Analysis

- Staff time savings
- Improved decision quality - Risk reduction
- Enhanced family service: Relationship value (hard to quantify)

Typical ROI Timeline

- Months 1-3: Setup costs, minimal savings
- Months 4-6: 10-20% efficiency gains
- Months 7-12: 25-40% routine task automation
- Year 2+: Compound benefits

Success Stories (Highlighted Box)

- Mid-size family office: 35% reduction in investment committee prep time
- Multi-generational family: 60% faster due diligence processes
- International family: 50% improvement in cross-border compliance monitoring

AI Vendor Selection

Security & Privacy (Weight: 40%)

- SOC 2 Type II, ISO 27001 certifications
- Data encryption (at rest and in transit)
- Geographic data controls and residency options
- Zero-trust architecture and access controls

Integration & Scalability (Weight: 25%)

- API compatibility with existing systems
- Single sign-on (SSO) capabilities
- Scalability from pilot to full deployment
- Migration and data portability options

Family Office Fit (Weight: 20%)

- Industry-specific features and use cases
- Customization for family office workflows
- Support for multiple entities and jurisdictions
- Training and onboarding support

Cost & ROI (Weight: 15%)

- Total cost of ownership (3-year view)
- Pilot program availability
- Measurable productivity improvements
- Contract flexibility and exit clauses