



AI

Artificial Intelligence (AI) is not new. A defining moment occurred in 1997 when IBM's Deep Blue computer defeated chess grandmaster Gary Kasparov in a six-game chess match. However, despite this breakthrough, progress in AI development appeared to proceed at a measured pace – that is until this year.

In 2023, AI gained significant attention, particularly since the release of ChatGPT by developer OpenAI in late November 2022. GPT stands for "Chat Generative Pre-Trained Transformer", a technology that has combed through vast volumes of data. It is classified as a **large language model** that is proficient in natural language processing.

OpenAI continues to enhance its product, offering new releases and features, including the ability for users to customise their own chat bots. Furthermore, numerous other players have entered or are entering the AI arena, especially major IT companies such as Google, Meta (formerly Facebook), Apple and Amazon. Each of these companies has enormous resources and definitely doesn't want to be left wanting in the AI race.

It is estimated to have cost over \$100m to train OpenAI's GPT-4 model. Being a model that has the ability to comprehend and generate human language, it has the potential to revolutionise several industries. Three industries that come to mind include:

- **Education:** AI can facilitate personalised online education material, by offering tailored learning material, the required training, and the necessary exams. It can do this using the best sourced material.
- **Finance and investment industry:** At a consumer level, we should expect to see an increase in online "personalised" financial advice services. This could include investment recommendations, budgeting assistance, risk management, and an increase in services provided by robo advisers.
- **Legal Services:** AI has the ability to streamline many legal processes by assisting in contract drafting, document and contract review, virtual research and legal assistance. It should also be able to aid in addressing the growing demand of regulatory compliance.

These may be just some of the more obvious examples, but as with all technological developments, what may seem obvious does not necessarily play out exactly as envisaged. **What we do know is that over time technology assists with lowering of input costs, increasing scale and efficiency, and hence driving up margins. This is good for business and ultimately investors.**



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