



Portfolio Managers' Quarterly Letter Q2 / 2025

Q2 / 2025: THE AGE OF AI AGENTS

INTRODUCTION

The revolution of AI agents has begun. The shift from individual AI applications toward autonomously operating systems is no longer a future scenario — it is happening right now, and its implications for investment markets are profound.

In this quarterly letter we present three key reasons why we believe the breakthrough of AI agents will happen in 2025: the necessary technologies have finally converged, the economic incentives are compelling for both developers and users, and third-party analyses confirm the market's enormous growth potential.

For the investor, this represents a structural shift that creates winners and losers across industries. The greatest beneficiaries are found among the players in AI infrastructure — cloud service providers, semiconductor companies and memory manufacturers — but also among rapidly adapting traditional companies. Those that harness agents into a competitive advantage.

As a concrete example of this transformation we examine CrowdStrike, which is uniquely well positioned to benefit from the new cybersecurity environment created by agents. The company's case shows that the age of agents is not just a quantitative leap in compute power, but a qualitative change that creates entirely new markets.

The Asilo Argo portfolio is positioned to welcome this change with open arms. The Gulf Stream has changed direction, and our task is to make sure that we are riding the middle of the current.

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WHAT IS AN AI AGENT?

An AI agent is software that is capable of independent decision-making, learning and performing actions on the user's behalf. Unlike current chatbots or systems specialised in a single task, an agent does not merely answer questions but takes care of things — for example planning a trip, ordering the products and updating the calendar.

An AI agent is not the same as "AI in general", nor should it be confused with individual snippets of code or automated tasks. It is a coordinated whole that combines several systems through a single user interface. The model resembles a smartphone, whose usage value arises from an ecosystem of thousands of applications and interfaces.

Property	Traditional generative AI (e.g., chatbots)	AI agents
Primary function	Answers users' queries with information or creates content.	Independently plans and executes tasks to achieve a given goal.
Autonomy	Operates on the basis of direct user commands and requires continuous input.	Can operate independently for longer periods to achieve the set goal.
Interaction	Interacts primarily with the user through a chat interface.	Can interact with various digital environments, applications and API interfaces.
Capability	Limited to producing text, images or other content within its model.	Can perform actions such as booking flights, managing calendars or conducting research.

WHY IS THE TIMING NOW RIGHT?

Previously the development of AI agents stumbled on inadequate context understanding and integration capability. Now these missing pieces of the puzzle exist.

1. The convergence thesis: now all the necessary technologies exist

Significant technological transitions happen through convergence — when several critical fields reach a certain level of maturity at the same time.

In 2025 three essential building blocks have snapped into place:

- Model scaling (e.g., OpenAI Sora, DeepSeek, GPT-4o)
- New architectures, such as the Model Context Protocol (MCP)
- Standardisation of interfaces (tool use, agent orchestration)

These were missing two years ago, but they now enable the practical exploitation of AI agents.

2. Economic incentives — for both developers and users

Technology alone is not enough to break markets. Economic incentives are also needed. In the case of AI agents these incentives are compelling and measurable for both sides: both for user companies and for developers. Unlike earlier AI applications, agents produce concrete, quantifiable benefits that show up directly on the income statement.

SUBSTANTIAL PRODUCTIVITY BENEFITS FOR USERS

Unlike general-purpose AI models or simple chatbots, AI agents are designed to execute multi-step task sequences, which leads to direct and measurable productivity improvements. This is particularly visible in the automation of routine but labour-intensive processes. For example, an industrial company using Palantir's AIP platform (Artificial Intelligence Platform) was able to compress a production planning process that previously took days into a few minutes, as AI agents optimised the supply chain in real time.

According to HubSpot, autonomous agents implemented correctly can cut operating costs by as much as 30 percent. Bell Canada has saved 500,000 calls in its call-centre environment with the help of AI agents, as the agents are able to fetch telemetry from the network without the human agent or the customer themselves having to search for the information. Insurance company Swiss Re used the Palantir Foundry platform to combine and analyse its data, and achieved a 170 percent return on invested capital in 7.3 months: reporting time shortened by 70–80 percent, insurance assessors' working time was saved by 30 percent, and data engineers' productivity grew by 50 percent.

AI agents represent not only a new technological capability, but an entirely new kind of business logic. According to a Boston Consulting Group analysis, with the help of agents organisations can scale more rapidly, because they can be copied and deployed without a proportional increase in costs or complexity.

SIGNIFICANT ECONOMIC INCENTIVES FOR DEVELOPERS

ServiceNow's Q3 2024 results offer concrete evidence of the revenue opportunities for developers: already 44 customers pay more than one million dollars per year for AI agent services. The commercial success of Palantir's AIP platform reflects the market potential: 71 percent growth rates are not achieved without a genuinely value-creating product.

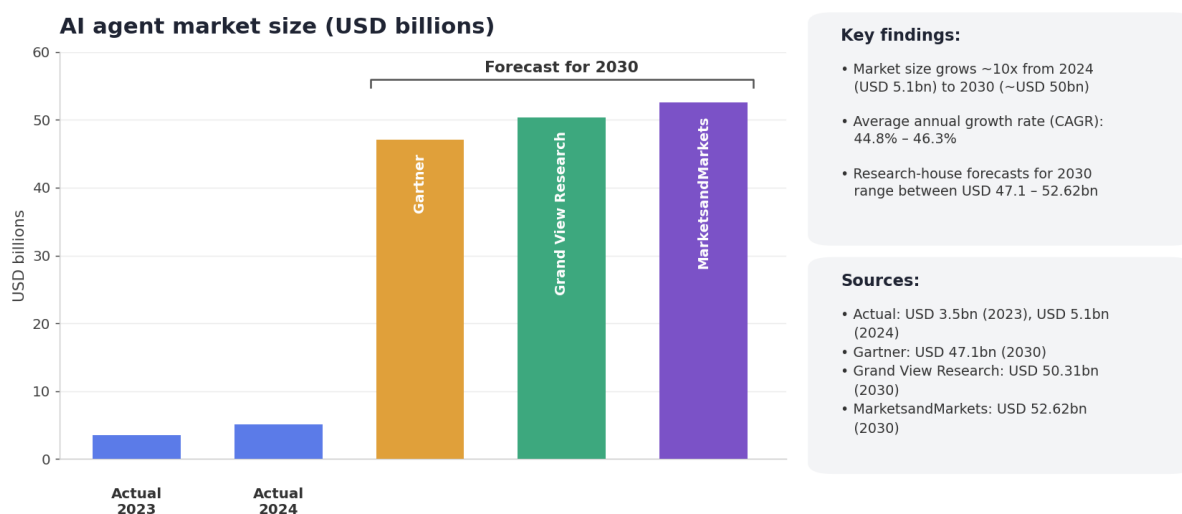
Once an agent has been developed, the marginal cost of delivering it to the next customer approaches zero. This business model, in which the number of use cases can grow exponentially without a corresponding increase in resources, has attracted venture capital investors on a massive scale. In 2024 AI agents raised over 100 billion dollars globally, nearly double the amount of the previous year. In North America, agent companies received 86.2% of all AI investments in 2025.

For example, Andreessen Horowitz is reportedly raising a 20 billion dollar mega-investment fund directed specifically at companies developing agent technology.

When the world's leading investors put their money so strongly behind a single technology, it is a strong signal of belief in the durability of its business models and in its enormous economic potential. For developers this means access to capital as well as the possibility to build globally scalable companies whose profitability potential is exceptional.

3. Third-party assessments support the outlook

Forecasts from market research institutes confirm the view that the market's transformation is now at hand and that this transformation is large in scale.



The size of the market grows nearly tenfold by 2030, reaching the USD 50 billion order of magnitude. The forecasts from different research institutes (Gartner, MarketsandMarkets, Grand View Research) are in line with each other. The fact that the forecasts from different research institutes are aligned with each other supports our view that agents are coming in a big way. If the drivers or data behind the forecast models were very strongly open to interpretation, one would expect that the results produced by different houses would differ from each other. It should also be noted that growth is not forecast to end in 2030 but is expected to continue strongly even after 2030. In summary: we believe that AI agents are coming, because the necessary technological development has happened, because economic incentives and money flows are driving this transformation, and because third-party analyses support our view.

WHAT DOES THE AGE OF AGENTS MEAN FOR THE INVESTOR?

Now that AI agents are emerging as a central enabling technology across industries, the next question is: what does this mean for the business environment and for companies' future prospects?

First, by their very nature AI agents require enormous amounts of compute power. Continuously running large language models or other AI inferences — especially when an organisation deploys thousands of agents — implies a vast processing load in the cloud and on edge devices. We are effectively talking about "software workers" who, instead of salaries, need CPU and GPU

time. This structural change favours the central players in AI infrastructure: cloud service providers and semiconductor companies.

Second, agents are memory-intensive. Because they rely on large models and datasets, servers must be able to hold huge models in RAM or in specialised HBM (High-Bandwidth Memory). Servers designed for AI use already on average consume six times more DRAM memory than ordinary servers. This development augurs well for memory manufacturers and suggests that bottlenecks may shift from compute power to memory bandwidth.

Third, although infrastructure is the clearest beneficiary, traditional companies can also emerge as winners. For example, a bank that automates its customer support and its internal processes with the help of agents can achieve a significant competitive edge in efficiency and customer experience. On the other hand, companies that delay the adoption of agents may lose their competitiveness to more quickly adapting players.

For the investor this means that the winners are:

- Agent builders and enablers: The largest providers of AI models, platforms, cloud services and semiconductors.
- Infrastructure component manufacturers: In particular memory-chip manufacturers and data-centre builders.
- Cybersecurity companies: Players specialised in the management and security of agents.
- Rapidly adapting traditional companies: Forerunners in their industries that harness agents as a source of efficiency.

The rise of AI agents changes the structures of the investment environment. The most important beneficiaries are the builders of AI agents and the enablers of AI — that is, the largest providers of AI models and platforms, cloud service providers and semiconductor companies. AI agents require enormous amounts of compute power, memory and storage, which benefits memory manufacturers and data-centre builders.

Traditional companies can also rise as winners, provided that they succeed in leveraging agents in improving efficiency and customer experience. In addition, cybersecurity companies that develop tools for the management and security of agents may see growth.

Risk is borne especially by labour-intensive service companies, such as outsourcing firms and call centres, whose business is based on routine work. Companies that delay the adoption of agents may also lose their competitiveness to more quickly adapting players. The winds of change are blowing and as a whole the Asilo Argo portfolio is positioned to welcome this change with open arms.

"It is not the strongest of the species which survive, nor the most intelligent, but those most able to change."

-- Charles Darwin

CASE STUDY

Case Oracle

An enormous amount of valuable corporate data rests in Oracle databases. Oracle has one of the world's most popular databases, and hundreds of thousands of banks, insurance companies, operators and governments run their critical systems on top of Oracle. Breaking away from Oracle is expensive and risky. Migrating to another system is a **significant investment**, and in large projects the **risk of failure is high**. Although migration tools exist, the practical implementation is complex, and Oracle's licensing terms make the process even more difficult.

On top of this massive, hard-to-migrate and critical mass of data, the company has built the **23ai version**, in which vector search, a RAG engine and ready-made large models operate directly within the same database.

Although competitors such as AWS and Microsoft offer comparable AI services, Oracle's advantage is clear: its AI runs directly where the corporate data already is. Companies do not need to move their sensitive data anywhere.

Off the shelf, Oracle offers **more than 50 ready-to-use AI agents**, with more agents in development. These agents automate, for example, invoicing, production planning and HR processes. Companies that have large and critical masses of data are unlikely to move them away from Oracle — especially now that AI analytics can be run directly within the existing database. Oracle today runs on all the major cloud platforms, so customers can use familiar technology in the environment of their choice.

Demand has exploded. Oracle's management reports that customers want all available capacity regardless of location. As AI agents become more widespread, companies realise that their Oracle database is in a key position — it is not merely compatible with the AI future, but a necessary part of it. The shift to cloud services multiplies Oracle's revenue: every billion in database support can turn into **five billion** in cloud revenue.

THE AGE OF AGENTS CHANGES THE OPERATING ENVIRONMENT OF COMPANIES

The rise of AI agents grows the need for compute power, which is good news for the Asilo Argo portfolio that contains AI infrastructure. The question, however, is not only about a quantitative growth of compute, but also about a qualitative change in the business environment. We describe our way of taking into account this change in the business environment by using a concrete example. Let us therefore dive a little deeper into the world of the cybersecurity company CrowdStrike.

THE NEW FRONT IS THE ENEMY'S DREAM

AI agents change companies' security environment fundamentally. Each agent is in practice a super-capable identity with access to sensitive information and the ability to act autonomously. As these agents are deployed on a massive scale — according to recent market research 96% of companies plan to increase the use of agents within the next 12 months and some are aiming at

the deployment of even more than a billion agents — the company's attack surface expands explosively.

This new attack surface is more dangerous in three ways:

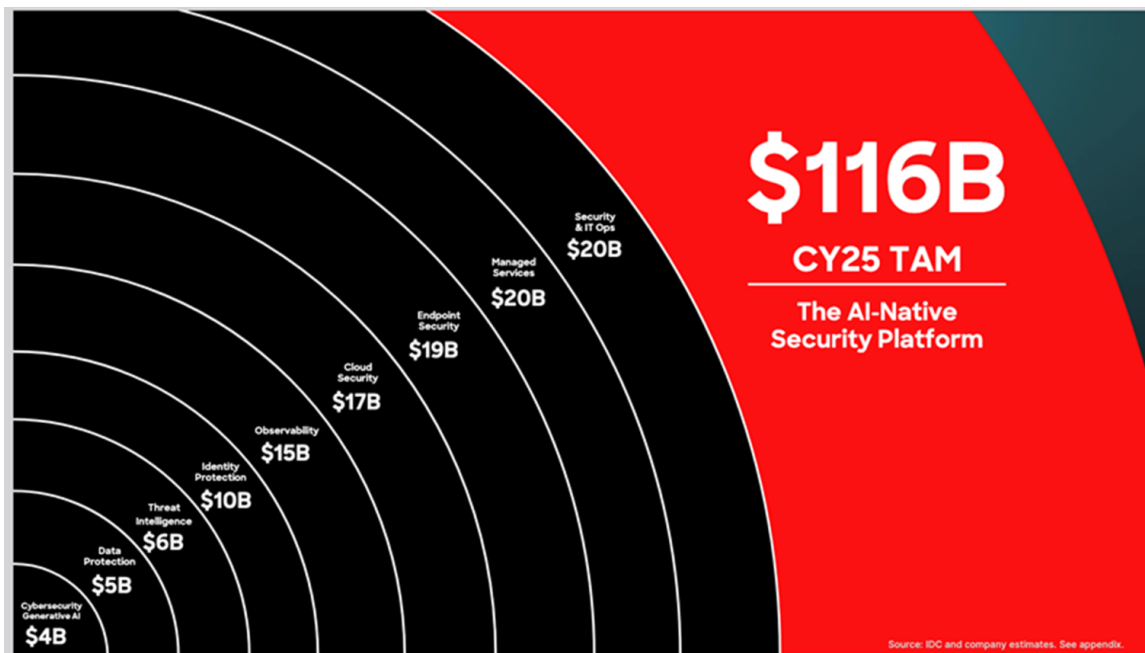
- Size: Agents are everywhere.
- Severity: Everything is connected to everything, and damage spreads faster than it can be isolated.
- Speed: Autonomous agents operate at machine speed.

The new reality created by AI agents is the enemy's paradise. Just as companies need the best possible protection for devices, data and human identities, every AI agent requires equivalent protection.

In this environment, CrowdStrike — which has leveraged AI from the very beginning — is uniquely well positioned. Their mission is to protect identities, workloads, infrastructure, data and the AI models themselves.

- Early to move: CrowdStrike's Charlotte AI platform is one of the first agent-based security operations centre (SOC) solutions. It offers customers automatic threat triage, decision-making and counter-measures without human intervention, doubling the speed of analysis and halving the compute power it requires.
- Trusted and high-quality: The company's Falcon platform has 97% customer loyalty, and third-party analyses (Forrester, Frost Radar) consistently identify it as a leading player. CrowdStrike is therefore a company with the ability to build excellent products.
- Scalable business: Agents dramatically increase the number of targets that need to be protected — and CrowdStrike provides a solution for this. Their partnerships with major players such as AWS, Microsoft and NVIDIA reinforce the brand and enable global distribution.
- Strong track record in the area of real options: CrowdStrike has demonstrated that it has the ability and the culture to move into new business areas. The company has used its strong position in its core area, endpoint protection (USD 19 bn), as a lever to expand successfully into new, large market segments, such as cloud security (USD 17 bn) and identity protection (USD 10 bn). It is no longer a company of a single product, but a platform that continuously generates new real options.

The figure below tells how CrowdStrike has the ability and the culture to move into new business areas.



CrowdStrike's case shows that the age of agents is not just a quantitative leap in compute power. It is a qualitative change that creates new risks and thereby new, critical markets. CrowdStrike does not merely survive this transition — it is one of the companies shaping its course. That is why it is in the Asilo Argo portfolio.

The Gulf Stream has changed direction. Our task is not to follow the surface of the sea but to make sure that we are riding the middle of the current.

Portfolio Managers of the Asilo Argo special investment fund

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