Distinctive and Connected

How to protect the investor story when AI reads first

luminous

Investors increasingly use AI to interpret corporate reporting and the investor story. In many cases, AI shapes how a company is understood before investors engage with the source material.

Most discussions have focused on discoverability: can AI find your content? Does it read your report accurately? Those questions matter, but they are only part of the equation.

Our research shows that AI usually produces answers that are accurate and useful, yet still manages to make your company look like everyone else.

The unseen risk is dilution, where AI helps investors understand the company while quietly erasing what makes it a compelling investment.

At Luminous, we believe the future belongs to companies that are both Distinctive and Connected: organisations with a clear, differentiated story that is also structured, consistent and accessible enough to survive interpretation by AI.

AI is quietly making distinctive companies look ordinary. Our job is to make sure that does not happen to yours.

This report explores what AI sees, what it misses and what companies can do to stay both Distinctive and Connected.

For IR and communications teams, what survives interpretation is becoming as important as what was written in the first place.

Highlights

We asked AI the questions investors commonly ask. Most answers came back flatter than the source content, and often the most unique stories lost the most. The stronger the edge, the more likely AI was to smooth it.

16%

Average fall in distinctiveness in AI answers.

57%

of outputs diluted or flattened – inflation was rare at just 1.3%.

79%

of the most distinctive stories still lost their edge. The best content is the most exposed.

Distinctive

Distinctive

As AI becomes the first reader of investor communications, the traditional investor story risks losing its distinctiveness. Companies will need new ways to keep their narrative differentiated.

We analysed annual reports from listed companies across the UK, Europe and Australia, asking a leading AI tool the questions investors typically ask.

Each answer was scored from 1 to 5. A score of 1 means the answer could apply to almost any company and a score of 5 means it could only apply to that company. The original report content was scored on the same basis for direct comparison.

Each report was assessed through five lenses:

- **Strategic distinctiveness:** The choices, trade-offs and competitive context behind a company's strategy, not just its priorities.
- **Equity story clarity:** How clearly the overall investment case comes together.
- **Business model specificity:** How the company actually creates value, beyond simply what it does.
- **Voice and leadership:** The judgement and perspective in Chair and CEO commentary.
- **Evidence and proof points:** The metrics and examples that anchor the story.

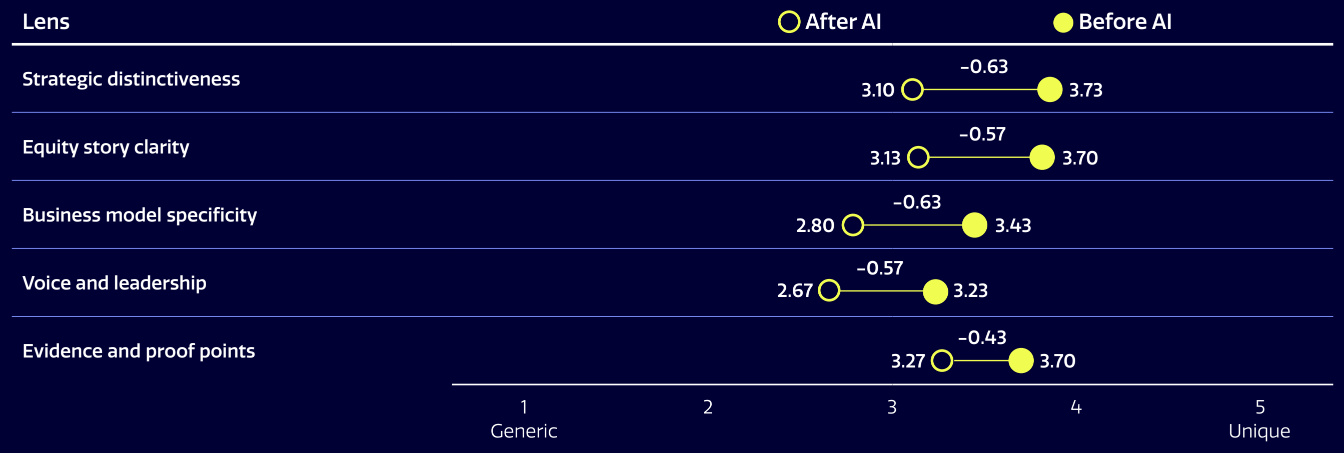
How AI performs across the five lenses

AI performed best when the source was firm numbers, named assets, milestones, clear market positions – and weaker where the story relied on judgement, tone or how value is created. Company-specific nuance gave way to generic narrative, and average AI-mediated distinctiveness fell by 16%.

The pattern was a steady drift to the middle – over half of outputs were diluted or flattened. Across the UK, Europe and Australia, AI remained accurate and useful, but distinctiveness declined in all three regions.

Every lens loses distinctiveness when AI reads it

Average score before and after AI, across UK, European and Australian listed reports



The five lenses

Strategic distinctiveness

Strategic distinctiveness was one of the most exposed lenses, with one of the largest transmission losses and the highest dilution rate (63% of outputs).

AI was generally effective at identifying broad strategic themes. However, the company-specific decisions and competitive context that made those priorities distinctive was more likely to be lost. As a result, strategy emerged clearer and more structured, but also more conventional.

"Strategy is often where differentiation lives. AI retains the direction of travel, but not the reason for taking that path."

Equity story clarity

Equity story clarity was the most investor-useful lens in the study. AI was particularly effective at pulling together information from across the report and turning it into a coherent and useful investment case.

However, more than half of equity story outputs became less distinctive. The weakest answers drifted into familiar corporate jargon around 'resilience', 'disciplined growth' and 'customer focus' without the competitive context or evidence that gave those themes meaning in the original report.

"The investment case survives, but the competitive edge is lost."

Business model specificity

Business model specificity was one of the weakest-performing lenses in the study. Around 60% of outputs became less distinctive.

AI could identify the products, services, customers and markets involved. The hurdle was in preserving how the business creates value. Revenue streams, capital allocation, customer economics and sources of competitive advantage were often simplified or lost altogether.

"What a business does survives more easily than the logic of how it creates value."

Voice and leadership

Voice and leadership was the weakest lens overall. It had the lowest distinctiveness and evidence-retention scores of any lens.

AI could usually summarise the substance of what the Chair or CEO said. Tone, emphasis, conviction and judgement were softened, leaving answers that capture the broad message, but not the mindset behind it. The result was a shift from unique leadership voice and insight to generic corporate summary.

"The voice of leadership is often the voice of differentiation, a perspective that is the first to be lost in transmission."

Evidence and proof points

Evidence and proof points was the strongest-performing lens in our study. It recorded the highest distinctiveness score and the highest preservation rate, with half of all outputs retaining their distinctiveness.

AI performs best when information is anchored in tangible evidence. However, a proof point can survive while its significance fades if AI loses its link to the competitive advantage or strategic decision the point was meant to evidence.

"A proof point becomes distinctive when it explains not just what happened, but why it matters."

The challenge

Companies need to make distinctiveness harder to lose.

Our findings suggest that AI can usually preserve the 'what'. The challenge for companies is protecting the 'why' – why a strategy is different, why a proof point matters and why the business creates value in a way that competitors cannot easily replicate.

A quiet drift to the middle

AI keeps the shape of your story but sands off what separates you from your peers.

The clearest pattern in the study was the convergence towards the middle. Across the dataset, AI generally preserved the broad shape of the story. What weakened was the differentiation within that story. The answers retained the form of the original narrative, but often resembled a shadow rather than a reflection of the source material.

In the original content, 57% of datapoints scored 4 for distinctiveness; in AI answers, this dropped to just 13%. Meanwhile, datapoints scoring 3, which were useful, readable and specific enough but only moderately distinctive, rose from 41% to 73%.

Why distinctiveness still pays, if you protect it

The dilution effect was most visible when the original content starts from a position of high distinctiveness. Outputs with a high (4) level of distinctiveness were diluted or flattened around 79% of the time, compared with about 25% for outputs that started at average distinctiveness.

On the surface, the results look counterintuitive. But there is a clear undertow in the data – stronger original content contains more detail, judgement and texture for AI to compress. The stronger the edge, the more likely AI was to smooth it.

Still, distinctiveness pays. More distinctive source content produced more useful, accurate AI answers. To overcome the distinctiveness paradox, points have to be evidenced and resilient to summarisation.

For example, a report may explain why management slowed expansion to protect cash in weaker markets. AI may summarise this as disciplined growth. The answer is broadly accurate, but it removes the pressure, the decision and the investor implication behind it. That is why flattening can be more dangerous than a simple factual error.

A factual error is easier to spot, whereas a smoother version of the truth can drift by unnoticed.

Clear, useful, yet still indistinguishable

One of the more important findings is that AI's answers can stay useful while becoming less distinctive. Average usefulness to investors was 4.1 out of 5, even though average distinctiveness in AI's answers was just 3.

The absence of a correlation between transmission (the amount of distinctiveness lost or preserved) and investor usefulness reinforces this point. An answer can help an investor understand a company without preserving the distinctive characteristics that support investment decisions.

M&S experienced one of the most significant distinctiveness losses.

Answers remained useful (avg. 3.8) but lost their distinctiveness (avg. 2.6)

Before	After AI	What's lost
"Whereas to date much of the reshaping has involved fixing the basics and proving the potential in our product and formats, we are now at an inflexion point where confidence in both the strategy and management means that we can accelerate investment. This includes not only new store formats but technology and supply chain."	"The strategy is framed as moving beyond 'fixing the basics' towards accelerating investment after establishing confidence in the turnaround."	The loss of a distinctive story of progression and confidence results in a much more generic transformation narrative
"Our objective is to build a greater M&S for the decades to come." "The next three years are among the most important in our history."	"...a strategy centred on completing its multi-year transformation, built around trusted quality, value and long-term growth."	AI retains the long-term intent but loses the scale of ambition and emotional conviction resulting in a standard description of long-term growth.
"M&S has full ownership of product creation, from recipes to technical specifications, controlling the full P&L on every product sold."	"M&S creates value by designing, sourcing and selling products through an integrated omnichannel retail model."	AI replaces the distinctive description of M&S's operating model with a generic retail explanation. Losing narrative around ownership and product economics.

AI is able to create useful answers because it organises information well. It identifies main themes, pulls out relevant evidence and presents the company in a coherent form. That usefulness can come from simplification. This helps explain why usefulness retention is more resilient than distinctiveness, evidence retention and accuracy.

As investors increasingly use AI to triage, compare and summarise information, the first answer may become the first frame. If that answer is clear but generic, the company has been understood through a flatter version of its story.

Companies now need to optimise for two outcomes: does AI help an investor understand the company, and does it preserve why this company is different? The first is necessary. The second is where advantage lies.

The response is to make distinctiveness harder to lose, not less ambitious. To make content survive beyond the tipping point, companies need to strengthen the signals around their most distinctive claims.

A useful formula is:

Claim + Difference + Proof + Investor implication

Retaining distinctiveness

Less resilient claim	More resilient version
We have a resilient business model	We prioritise long-term contracted revenue over short-term volume growth. As a result, XX% of revenue is recurring, supported by renewal rates above X%, providing greater earnings visibility through market cycles.
We are investing for growth	We are prioritising capital in higher-return markets while slowing expansion in lower-demand regions. This has increased expected returns on invested capital to X% and improved cash generation.
We have strong customer relationships	We focus on long-term customer retention rather than transactional growth. Our top XX customers have worked with us for an average of X years and account for Y% of repeat revenue, supporting revenue visibility and lower acquisition costs.
We are a sustainability leader	We have focused investment on lower-carbon products serving regulated end markets. Our flagship solution reduces customer emissions by X% and is linked to growing demand from customers facing decarbonisation requirements.

The weakest outputs often lacked the fourth element: investor implication. A number becomes more useful when it answers 'So what?' A strategy becomes more useful when it explains 'Why this company?' A business model becomes more useful when it shows 'How is value created?'

What this means for you

The story survives, but the edge is lost

AI is often very useful. it organises content, identifies the main themes, retains headline proof points and helps investors understand the company. But it also produces a smoother, less distinctive version. A quiet drift to the middle that is easily missed by investors, and one that will impact their final decision as to who deserves their capital.

Overcoming the loss of distinctiveness means making your story too explicit and too well evidenced for AI to compress.

Journey before destination

Most companies write for the destination: the investor reading the report.

Now they also need to write for the journey. As content passes through AI, the detail and differentiation that make a company distinctive can be compressed or lost. Distinctiveness can no longer sit between the lines: it has to be explicit enough for AI to preserve. Companies that grasp this will keep control of their narrative.

Six principles for protecting the investor story when AI reads first

01

Make distinctiveness explicit, not implied

AI retains the claim, but loses the implication. A 'strong market position', 'deep customer relationships', an 'attractive platform' or a 'resilient business model' only become distinctive when you explain what sits behind them.

02

Build every major claim around proof and implication

Evidence helps, but evidence alone is not enough. A metric can survive while its meaning disappears. A useful formula is: claim + difference + proof + investor implication. Reporters should state the 'so what' directly. Neither the reader nor the AI should have to infer the link.

03

Communicate the value-creation logic

Business model specificity was one of the weakest areas in the research. AI often summarised what companies do, but lost how they actually create value. A strong business model section helps investors understand the economics, dependencies and constraints behind the business. It explains how customers, revenue, capital and competitive advantage connect to create returns, and what needs to happen for the model to succeed.

04

Protect the leadership voice

Voice and leadership was the weakest lens in the study. AI often preserved the substance of Chair and CEO commentary but converted it into neutral, executive-summary language. The strongest examples explained what changed, what management learnt, what remained unresolved and where difficult choices were made. Leadership voice survives better when it contains specific judgement as well as tone.

05

Stress-test your story through AI

As AI becomes a more common first reader of the investor story, companies need to understand how their story appears after AI interpretation. The research shows that accuracy and usefulness can survive while differentiation weakens. The companies best placed to retain ownership of their narrative will be those that understand which parts of their story remain intact and which are most vulnerable to compression.

06

Own the source narrative

As AI tools increasingly summarise company information, companies need their own disclosures to be the clearest and most reliable source of the narrative. If company materials are unclear, inconsistent or outdated, AI is more likely to rely on third-party sources, analyst commentary or older content. Over time, that increases the risk of narrative drift.

Your annual report becomes more important, not less.

Connected

Connected

Distinctive alone isn't enough.

You also have to be connected.

A distinctive story still gets lost if AI meets it inconsistently across your channels.

AI platforms no longer build their view of a company from a single report or web page. They draw on many sources across the reporting and digital ecosystem.

For AI to represent your story accurately, those sources must reinforce the same messages, terminology and data points. Consistent signals make it easier for AI to recognise which messages belong together.

Inconsistent or outdated content does the opposite: when messages differ across channels, AI may fall back on third-party commentary or older material to fill the gaps.

A connected ecosystem is more than good communications practice. It is what keeps your story intact when AI reads it first.

The AI-ready investor communication ecosystem flows from a distinctive investor story through to the trust, visibility, reputation and value it creates:

Story

Distinctive investor story

A clear, credible and differentiated reason to invest that explains how the company creates value, why it will win and how it will deliver.

Structure

Narrative, governance and proof

A joined-up corporate narrative, supported by strategic priorities, KPIs, performance evidence and sustainability commitments, underpinned by consistent terminology, ownership and disclosure controls.

Publication

Reporting and digital disclosure ecosystem

Annual report, sustainability report, investor presentations, databooks, results announcements and the corporate/IR website – the channels that carry and publish the investor story.

Discovery

Digital-first, machine-readable and AI-visible

Semantic HTML, accessibility, structured metadata, tagged PDFs and iXBRL/XBRL content that make the story easier for people, search engines and AI platforms (ChatGPT, Gemini, Claude, Perplexity, Copilot) to find, interpret and reuse accurately.

Trust

Visibility, reputation and stakeholder understanding

A story that stays distinctive and connected wherever investors, analysts, regulators, media, rating agencies – and the AI they rely on – encounter it, strengthening trust, visibility, reputation and value.

How Luminous can help

We help investor relations and communications teams protect their most strategic asset, the investment narrative, so that it stays distinctive and survives intact wherever investors, and the AI they rely on, encounter it.

- Narrative and distinctiveness audits – we run your investor story through AI to show exactly what survives and what gets lost.
- AI-ready reporting – structuring annual reports, presentations and disclosures so machines preserve your meaning, not just your data.
- Connected ecosystem – aligning every channel so investors, analysts and AI platforms read one consistent story.
- Equity story and messaging – sharpening the reason to invest and the value-creation logic behind it.

Want to see how your investor story holds up when AI is the first reader? Get in touch to arrange a distinctiveness audit.

Get in touch:

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