



CIO continues to suggest investors focus on other factors when considering tech allocations, such as identifying relative laggards within the AI theme in the defensive software and internet industry. (UBS)

Positioning in big tech as antitrust risks fade

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Shares in Google-parent Alphabet rose more than 8% in after-hours trading on Tuesday after a US district judge ruled Google would not be forced to sell its Chrome browser or stop making payments for default search placement on Apple and other devices. The judge instead imposed more moderate remedies, and suggested the Department of Justice (DOJ) had been “overreaching” in seeking forced divestitures.

Separately, the White House revoked Taiwan chipmaker TSMC’s fast-track status for US chip manufacturing equipment exports to its operations in China, mirroring similar rule changes for South Korean memory makers Samsung and SK Hynix. That follows an 18.3% single-day rally in Alibaba shares on Monday, after the Chinese tech giant beat on earnings and posted strong AI capital spending.

Without taking any single name views, we make several observations for global tech investors:

Antitrust risks tend to be overblown. While regulatory scrutiny of big tech companies can generate market concern, history shows these threats usually have only a temporary impact on share prices. For example, internet peers underperformed during prior Federal Trade Commission (FTC) and DOJ investigations in 2014-15, but rebounded strongly once regulatory risk faded. The current US administration has generally sought to balance oversight with the need to avoid stifling innovation. We believe investors should not overreact to regulatory headlines, as the end outcomes often prove less disruptive than initially feared.

Dispersion is taking on a greater importance. The latest market moves line up with our call for investors to rebalance some tech exposure away from large-cap semiconductors and toward AI laggards that have not rallied as sharply. The recent divergence in performance between leading global tech companies underlines the importance of diversification within the sector while still staying focused on companies with strong cash positions and robust free cash flow margins.

US semiconductor policy is fluid, but must be taken in context. US-China chip headlines may create periodic volatility or concern. But we think the latest policy changes appear relatively benign. While the US may continue to impose restrictions to safeguard its chip technology leadership, these new export restrictions target older “mature” chip lines not used in advanced AI chips. For China tech, the direct impact appears limited, as leading AI chips for hyperscalers are sourced from overseas foundries and domestic chip capabilities remain nascent. We think the investment case for China tech, driven by AI model optimization and chip localization, remains intact. We don’t see these latest measures as a signal US-China tech tensions are again set to escalate.

So, we continue to suggest investors focus on other factors when considering tech allocations, such as identifying relative laggards within the AI theme in the defensive software and internet industry. Stepping back, second-quarter earnings for big tech have been robust and broad-based, with most companies beating both sales and earnings per share estimates for the quarter. Forward guidance has also held up, and cloud revenues at the largest platforms grew by more than 25% year over year in the June quarter. As the AI theme matures, we recommend balancing tech exposure across baskets of low, medium, and high AI sensitivity. Another way to manage potential volatility within tech is to consider structured strategies.

Original report – [Positioning in big tech as antitrust risks fade, 3 September 2025.](#)

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