

Invest in transformational innovation

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Author: Sagar Khandelwal, Strategist, UBS Switzerland AG

- **Why?** (1) Innovation remains a key driver of long-term equity performance and an important feature of enduring market leaders. (2) Structural shifts in AI, energy infrastructure, and health care are expanding global profit pools and reshaping industries. (3) We expect our TRIO themes to offer durable, secular growth that we believe can persist well beyond short-term market volatility.
- **Why now?** (1) We expect global AI capex to grow 67% y/y to USD 375bn in 2025, while consensus forward estimates for capex have been surpassed threefold over the past two years. (2) Products that expand healthy lifespans (areas like obesity, oncology, and medical devices) can drive above-average growth for exposed companies. (3) Dips would offer compelling entry points for long-term investors, in our view.



Position at the forefront of change and capture long-term growth in transformational innovations. Source: Unplash

Artificial intelligence

AI stocks have delivered exceptional returns, prompting concerns about a potential bubble. While the magnitude of the rally could lead to increased volatility, we remain constructive. Robust capex investment, expanding strategic partnerships—such as OpenAI’s multi-year deals with AMD and NVIDIA—and rapid product innovation are set to drive ongoing demand for AI compute and support the trend. We continue to see global AI capex growing 67% y/y to USD 375bn this year and by a further 33% to USD 500bn next year, with consensus forward estimates for capex having been surpassed threefold already over the past two years.

At the same time, AI adoption is accelerating globally. A recent Microsoft survey shows 26% of working-age Americans use AI tools daily, with even higher rates in fast-adopting markets such as the UAE and Singapore (59%). This points to significant upside for US economic productivity as enterprise and consumer adoption increases, in our view.

Monetization is also advancing: One large language model provider recently launched the ability to both recommend and purchase products directly within its model, highlighting

progress on this front. We anticipate global AI revenues will grow at a 41% compound annual growth rate (CAGR) through 2030, reaching USD 2.6 trillion.

Power and resources

A wave of new partnerships has emerged across the power and resources sector in recent weeks, led by OpenAI’s strategic alliances to add incremental gigawatts of data center capacity. This reinforces our conviction that the investment cycle is still in its early stages. Despite heightened hype, we see strong underlying momentum from major players and an expanding supply chain, supporting accelerating orders and significant market expansion. As the buildout gathers pace, our outlook for the sector remains positive.

Notably, NVIDIA’s projection that global AI data center capital spending could reach USD 3-4 trillion annually by 2030—with potential increases of 170 GW worldwide and 110 GW in the US—underscores the scale of future electricity demand. These estimates, in line with other industry forecasts, suggest over USD 400 billion of infrastructure investment may be needed by 2030 to

support new electricity demand—reinforcing the long-term investment opportunity in power and resources.

Longevity

Advances in longevity science are reshaping the global economy as populations age and life expectancy rises. Pharma, medtech, and health care services are addressing major health challenges, including obesity, which affects over 800 million adults today and is projected to reach 1.13 billion by 2030. The market for GLP-1 anti-obesity drugs is expanding rapidly, with annual sales set to exceed USD 200 billion by 2030, according to our estimates. Meanwhile, demand for new treatments in oncology, Alzheimer's, and cardiovascular disease is also driving health care sector growth, which we believe could reach USD 2.2 trillion by 2030. Recent developments are also bringing greater clarity on US drug pricing and tariffs, which we believe will support improved sentiment and performance in the pharmaceutical sector over the near and medium term.

The consumer, financial, and real estate sectors are also adapting to demographic changes. Companies in nutrition and wellness are responding to the shift toward healthy aging. Financial services firms are developing solutions for retirement needs, with global wealth pools projected to grow 6-7% annually through 2030, per our estimates. The longevity trend is also increasing demand for senior housing, wellness services, and specialized health care real estate, including independent and assisted living facilities.

Appendix

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