



AI enters its industrial phase

Looking back on our *thematic investments*



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This report provides a comprehensive assessment of the performance and positioning of our Thematic Investments offering during the first quarter of 2026, offering investors insight into the evolving forces shaping each theme. By contextualising sector-specific developments within broader macroeconomic dynamics, the analysis also outlines the key opportunities and risks expected to influence thematic returns in the period ahead.

The first quarter of 2026 unfolded against a backdrop of moderating but still resilient global growth. Inflation trends continued to improve across major economies, allowing central banks to remain cautiously accommodative, while economic momentum was increasingly driven by targeted capital expenditure in artificial intelligence, energy transition infrastructure and healthcare innovation. Geopolitical conditions became even more complex. The emergence of hostilities involving the US, Israel and Iran in March elevated geopolitical tensions, highlighting the growing importance of comprehensive risk management. In the United States, monetary policy entered a phase of consolidation following last year's easing cycle, with policymakers emphasising flexibility amid mixed economic signals and leadership-related speculation that intermittently influenced market sentiment.

Equity markets delivered a more measured performance in Q1 2026 compared to the strong finish to the prior year. Earnings growth remained supportive, particularly outside the mega-cap technology space, helping sustain a gradual broadening of market participation. Investors increasingly differentiated between long-term structural beneficiaries and more speculative segments of the AI ecosystem, prompting rotations toward underappreciated enablers, adjacent industries and quality companies with clearer earnings visibility. Valuation discipline and diversification therefore became more prominent themes as markets adjusted to a less uniformly bullish backdrop.

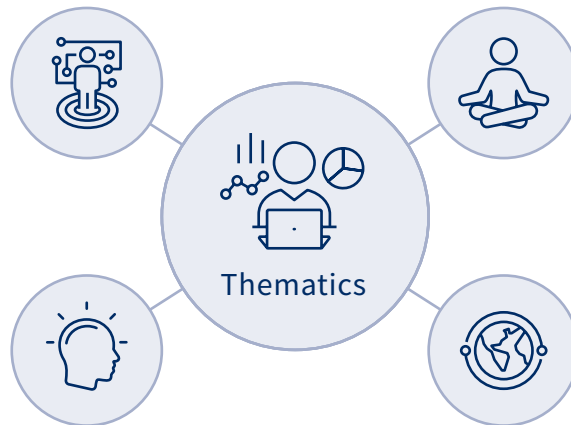
Looking ahead, the medium-term outlook for thematic investing remains constructive. Progress on disinflation, a shift toward more neutral monetary policy and improving market breadth beyond mega-caps are creating a supportive backdrop for structural growth themes. Continued capital deployment into AI adoption, sustainability-driven innovation and demographic-led healthcare demand supports our conviction that thematic investing will remain a key source of differentiated returns. As 2026 progresses, we believe our four thematic pillars are well positioned to capture these long-term opportunities while navigating near-term volatility with selectivity and discipline.

DIGITAL FRONTIERS

- ARTIFICIAL INTELLIGENCE
 - DATA CENTRES
- CYBERSECURITY
 - THE CLOUD
 - INDUSTRY 5.0
 - BLOCKCHAIN

ENTERTAINMENT & LIFESTYLE

- SOCIAL AND INTELLIGENT
COMMERCE
- STREAMING AND INTERACTIVE
ENTERTAINMENT
- SPORTS, TRAVEL AND EXPERIENCE



THE FUTURE OF BODY & MIND

- HEALTH, WEIGHT LOSS
AND WELLNESS
- SILVER ECONOMY

SUSTAINABILITY

- BLUE GOLD
- ENVIRONMENTAL INVESTING



Key trends at the heart of our *thematic investments*

As the decade unfolds, we expect society to undergo major shifts driven by a combination of forces, particularly rapid advances in technology. Our thematic investment pillars — Digital Frontiers, The Future of Body & Mind, Entertainment & Lifestyle, and Sustainability — are structured to tap into the value created by these developments and to offer distinct avenues for long term growth. As this transformation progresses, we also remain attentive to potential divergences and challenges shaped by demographic change, technological disruption, and an increasingly intricate geopolitical landscape.



DIGITAL FRONTIERS

Durable growth across the tech value chain

Accelerating AI adoption continues to reshape digital infrastructure, driving demand for compute capacity, specialised hardware, and increasingly advanced cooling and power systems. Rising thermal density is prompting wider liquid cooling deployment, while hyperscalers remain the main source of AI oriented capex, though investor focus is shifting toward monetisation and capital efficiency.

Cybersecurity is strengthening as a core growth pillar amid escalating AI driven threats and heightened regulatory scrutiny, despite near term valuation pressures. Industry 5.0 advances further highlight the convergence of AI, robotics, and human centric automation, expanding opportunities across industrial technology and semiconductor supply chains.

Blockchain adoption is progressing through tokenisation and stablecoin integration even as crypto volatility persists. Collectively, these trends underline durable long term opportunities across AI infrastructure, cloud platforms, cybersecurity, and digital transformation, where efficiency, scalability, and resilience remain key differentiators for investors.



ENTERTAINMENT & LIFESTYLE

Intelligent shopping meets the next wave of interactive entertainment

The Entertainment & Lifestyle sector is undergoing rapid transformation as intelligent commerce and immersive media evolve in tandem. Social shopping continues to accelerate across Western markets, supported by advances in AI driven personalisation and deeper integration of commerce into digital platforms, further tightening the link between user engagement and transaction flows. At the same time, the boundaries between streaming and gaming are blurring, signalling a push toward richer, more participatory content ecosystems. However, growth remains uneven across global markets: regulatory scrutiny and softer economic conditions in China continue to dampen momentum, while rising infrastructure demands and intensified competition weigh on profitability across gaming, hardware, and subscription models. Overall, the landscape reflects an ongoing shift toward adaptive, AI enabled experiences, as companies recalibrate their strategies to capture fast evolving consumer expectations shaped by personalisation, connectivity, and immersion.



THE FUTURE OF BODY & MIND

Science led wellness meets the next era of beauty

The Future of Body & Mind is being reshaped as health, beauty, and clinically driven innovation merge into a single, fast advancing ecosystem. Interest in next generation skincare and low intervention aesthetic treatments continues to rise, strengthened by technologies such as AI powered skin analysis and preventative, long term skin health strategies now defining 2026 beauty standards. Simultaneously, major progress in weight management science, including the emergence of oral GLP 1 therapies and evolving clinical frameworks for obesity, is transforming the broader wellness landscape and influencing consumer routines across lifestyle categories. Together, these developments reflect a decisive shift toward evidence based solutions that prioritise personalisation, measurable outcomes, and holistic wellbeing. Despite robust momentum, the industry is also navigating strain points such as supply imbalances and intensifying competitive dynamics, underscoring the need for adaptable strategies in a sector that continues to accelerate at pace.



SUSTAINABILITY

Sustainability steadies as water stress and grid strains intensify

Sustainability themes remain structurally resilient despite uneven short term sentiment. Early 2026 saw water security rise up the agenda, accelerating investment in infrastructure, reuse, and technology. Institutional capital continues to support large scale water projects, while retail flows lag, keeping thematic ETFs subdued. Decarbonisation is also accelerating as soaring AI driven power demand exposes grid bottlenecks and reinforces the need for modernised transmission, storage, and flexible clean energy capacity. Momentum across geothermal, nuclear, and advanced grid systems is supported by evolving policy and corporate climate strategies, though affordability pressures and selective valuations demand disciplined investment. Overall, sustainability in Q1 2026 reflects solid fundamentals tempered by cautious capital flows as investors balance long term transition needs with near term market dynamics.

Digital frontiers

Artificial Intelligence

AI enters its infrastructure era

The first quarter of 2026 marked an important turning point for artificial intelligence. The focus has shifted from simply building the smartest AI models to scaling the infrastructure needed to run them efficiently on a global scale. Q1 saw a surge in new model launches, record spending on chips and data centres, rising challenges around power and cooling, and broader adoption of custom-designed chips. At the same time, companies moved decisively from experimentation to real deployment, embedding AI into everyday business processes.

AI is no longer an experimental technology. It has become core to digital infrastructure, comparable to cloud computing or the internet itself. This shift has kept demand extremely strong for AI-enabling hardware, including advanced processors, custom accelerators, memory and leading-edge chip manufacturing. Each new generation of AI models requires substantially more computing power, reinforcing the central role of the semiconductor industry. In response, cloud providers are building denser data centres and increasingly developing their own chips to improve cost efficiency and energy usage. Anthropic is clearly emerging as an enterprise-first AI platform, thanks to its new Claude model launch in February, with unusually strong revenue growth and expansion dynamics relative to consumer-heavy peers.

From a market perspective, most semiconductor stocks drifted lower in Q1 2026, despite generally strong earnings and intact fundamentals. In our view, this weakness was driven primarily by sentiment and elevated expectations rather than any deterioration in underlying business conditions. After the sharp re-rating in 2025, investor focus shifted away from the broad “AI growth story” toward a more demanding question: to what extent can **Nvidia** and its peers continue to deliver upside surprises in the near to medium term?

At the March 2026 **Nvidia** AI conference in San Jose, CEO Jensen Huang struck a notably bullish tone, stating: “I see, through 2027, at least a trillion dollars in revenue.” This comment referred to cumulative multi-year revenue visibility, underpinned by existing orders, planned deployments, and already-committed infrastructure build-outs, rather than a single-year revenue target. Despite the scale of this statement, it failed to meaningfully re-ignite investor enthusiasm. Instead, the sector experienced a phase of profit-taking and valuation compression, particularly among the large-cap semiconductor leaders.

Importantly, valuations now appear far more reasonable. Relative to their five-year histories, many semiconductor stocks



trade in line with or below historical averages. Some leaders, including **Nvidia**, are now valued close to 20x forward earnings, which we view as undemanding given their growth profiles, margin structures, and balance-sheet strength.

We believe the current skepticism reflects investors looking several years ahead and increasingly questioning the durability of hyperscaler AI spending. Concerns centre on whether a moderation in capex growth could eventually lead to a normalisation of today's still very strong revenue growth rates. While these concerns have clearly weighed on sentiment, we do not believe the sector has reached such an inflection point yet. Order books remain robust, near-term visibility is high, and the bulk of announced AI investment commitments appears largely locked in.

Within this context, **Broadcom** remains one of our top picks. We see a clear inflection in AI-driven growth in 2026 as custom silicon programs continue to ramp, providing both revenue



acceleration and increasing earnings leverage. Operationally, **Nvidia** delivered another record quarter and is preparing to launch its next-generation Rubin platform, designed to improve energy efficiency and connectivity, two key bottlenecks in large AI systems. **AMD** continued to gain momentum as deliveries of its MI300X accelerators expanded under multi-year contracts with customers such as OpenAI and **Microsoft**. **Broadcom's** strategic importance also increased as hyperscalers accelerated their shift toward custom silicon, driving strong order growth and a record AI-related backlog.

Further down the supply chain, **TSMC** reported that AI chips now account for more than 60% of its most advanced production, a share expected to rise further. **ASML** continued to benefit from strong demand, supported by sustained investment from both logic and memory chipmakers. Once semiconductor manufacturers commit to new capacity, spending on wafer-fab equipment tends to remain resilient over multiple years, providing some good medium-term visibility for

equipment suppliers and foundries; as a result we continue to favor both companies.

Notably, the escalation of the Iran conflict added short-term volatility to markets during Q1, including AI-related stocks, but the impact was largely indirect. Rising oil prices temporarily increased concerns about energy costs for data centres and chip manufacturing, leading to brief pressure on the sector. However, there were no meaningful disruptions to semiconductor production or deliveries. Importantly, the conflict reinforced how strategically important AI and digital infrastructure have become for governments and companies. Investment plans remained intact, order backlogs stayed strong, and long-term spending commitments continued. Despite volatility and valuation adjustments, the underlying message remains clear: AI is driving one of the most durable and significant investment cycles in modern technology history.

Data centres

Surging AI workloads propel data centre expansion

Data centre construction continued to surge in the first quarter of 2026, driven by extraordinary demand from artificial intelligence, even as investor expectations remained high. Industry data increasingly suggests that the sector has entered the early stages of a multi-trillion-dollar global infrastructure cycle, with total data centre capacity expected to nearly double by 2030. Investment is expanding beyond traditional needs such as power, cooling and connectivity, and increasingly toward AI-ready servers, advanced compute systems and upgraded electrical distribution.

From a performance perspective, almost all data centre-exposed names delivered positive returns in Q1, despite broader market volatility. **Dell** and **Caterpillar** stood out, each posting returns of more than 20% during the quarter, supported by strong execution and improving confidence in AI-driven infrastructure spending. Overall demand remained exceptionally strong as hyperscalers and colocation providers worked urgently to bring new capacity online.

Dell in particular emerged as one of the strongest performers, putting earlier concerns behind it by delivering outstanding results. The company benefited from a record AI server backlog, strong momentum across both hyperscale and enterprise customers, and improving margins driven by higher-value AI infrastructure products. These factors lifted **Dell** shares to a new all-time high by the end of March.

Caterpillar also benefited from the AI-driven expansion, remaining fully sold out of data centre gas turbines as demand for reliable backup power increased. **Eaton** continued to report a healthy backlog but saw sentiment soften following a revenue miss, while **Schneider Electric** delivered steady results but guided toward the lower end of expectations. Legrand faced headwinds from weaker commercial construction, although its data centre-related products, including racks, cabling and power distribution units, continued to perform strongly in Europe and North America.

Across the industry, power availability has become the single most important constraint shaping new data centre development. In key regions, grid-connection timelines have stretched to two to four years, influencing where facilities can be built and accelerating investment in backup generation, mixed energy strategies and efficiency-enhancing technologies. At the same time, the rapid growth of AI workloads is pushing data centres toward higher-density computing that requires more advanced cooling. Liquid cooling, immersion systems



and other next-generation solutions are now being deployed at scale, significantly reducing cooling-related power consumption and enabling dense GPU clusters to operate more efficiently. This trend is increasing the relevance of new platforms such as **Nvidia**'s Vera Rubin liquid-cooled systems, designed to operate efficiently in warmer climates while reducing reliance on traditional chiller infrastructure. After the recent drawdown in the shares of **Belimo**, we think the lower valuation level offers an attractive entry point for investors seeking exposure to the data centre theme within liquid cooling; we add it to our list.

The escalation of the Middle East conflict, particularly Iran-related tensions in early 2026, introduced additional uncertainty for industrial and infrastructure-exposed stocks. While the direct impact has so far been limited, a prolonged conflict could weigh on customer confidence, especially outside mission-critical investments. Higher energy and transportation costs risk adding to inflation and reducing growth visibility, which may lead customers to delay or phase discretionary equipment orders. For data centre-related businesses, however, AI-driven infrastructure spending remains resilient, as digital infrastructure continues to be treated as a strategic priority by hyperscalers and governments. As a result, geopolitical tensions have so far acted more as a sentiment headwind than a fundamental constraint on data centre investment.

DEEP DIVE

Data centres





Cybersecurity

AI driven threats meet AI native defence

The first quarter of 2026 reinforced cybersecurity as a critical pillar of digital infrastructure, even as the operating and investment environment became more demanding. The threat landscape continued to intensify, driven by higher attack volumes, greater use of AI-enabled techniques, and rising exposure through third-party software and supply chains. Attackers increasingly targeted trusted vendor relationships and publicly exposed applications, while ransomware and extortion activity remained elevated across healthcare, manufacturing, and critical infrastructure.

At the same time, enterprises faced a more complex governance challenge. The rapid adoption of AI tools and automation, often without central oversight, introduced new internal vulnerabilities and increased demand for stronger identity management, continuous monitoring, and automated response capabilities. Regulatory pressure also intensified across major markets, raising accountability at the board and executive level and reinforcing the need for scalable, software-driven security platforms.

Despite these strong fundamentals, cybersecurity stocks sold off sharply in Q1 2026 as the sector underwent a valuation reset. Shares of **Zscaler**, **CrowdStrike**, and **Palo Alto Networks** declined meaningfully, even though reported results were generally solid. Growth slowed modestly from the exceptional pace of recent years, typically from the mid-20% range toward the mid-teens or low-20s. However, investors became more skeptical about the timing of a renewed growth acceleration forecasted by analysts. As a result, the sector faced valuation multiple compression, amplified by AI-tech rotation and increased scrutiny around execution and margin discipline.

Earnings releases illustrate this dynamic clearly. **Zscaler** and **Palo Alto Networks** both beat revenue expectations but faced pressure from elevated investment spending and guidance that fell short of very high market expectations. **CrowdStrike** continued to generate strong recurring revenue and free cash flow, though growth decelerated modestly and margins were impacted by reinvestment. In contrast, **Fortinet** outperformed the sector, supported by consistent execution, a strong focus on profitability, accelerating service revenue, and industry-leading margins, making it more resilient during the valuation reset.

Looking ahead, cybersecurity demand remains structurally strong. Global security spending continues to grow at a double-digit rate, threat activity is accelerating, and regulatory scrutiny is increasing. However, investors are becoming more selective, favouring companies that can balance growth with profitability and execution discipline. At the same time, a new wave of AI-native security automation — spanning identity protection, threat detection, and autonomous security operations — is emerging and represents a meaningful next phase for the sector. Despite near-term volatility and valuation normalisation, cybersecurity remains a durable long-term growth theme for 2026 and beyond.

DEEP DIVE

Cybersecurity



The Cloud

Cloud giants deepen their AI build out

Q1 2026 reaffirmed that hyperscalers sit at the centre of the largest infrastructure build-out in computing history. AI demand remains exceptionally strong, highly visible, and supported by record backlogs across the industry. At the same time, market performance sharply diverged from fundamentals: Amazon declined ~11%, Microsoft ~24%, Alphabet ~8%, Oracle ~25%, while AI-exposed software names underperformed even more, with ServiceNow down ~32%, and Salesforce and Palantir ~19%. In our view, this disconnect reflects sentiment-driven valuation compression amid fear and uncertainty, rather than a deterioration in underlying demand.

The quarter confirmed that hyperscalers are entering a full-scale AI supercycle, driven by unprecedented infrastructure demand, multi-year backlog visibility, and escalating competition across infrastructure and model layers. Combined hyperscaler backlog has reached roughly USD 1.6 trillion, while capital spending is expected to exceed USD 600–645 billion in 2026, marking the most aggressive investment cycle in computing history. Despite this, valuation multiples moved sharply lower as investors refocused on free-cash-flow timing, capital efficiency, and the sustainability of elevated capex. When AI-related revenue growth lags infrastructure spending, markets compress multiples pre-emptively—a pattern that dominated Q1.

This dynamic was particularly visible at **Microsoft**. While Azure continues to grow strongly and enterprise demand remains intact, the stock sold off as investors questioned when OpenAI-driven workloads translate into incremental free cash flow, given the scale and front-loading of data centre investments. The issue is not strategic positioning, but the temporal mismatch between capex and monetisation, which pressured near-term valuation assumptions. Amazon faced a milder version of the same debate. AWS sentiment remains cautious as customers move from pilot to scaled AI deployments, even as industry discussions increasingly point to a re-acceleration in GenAI workloads. Amazon remains an underappreciated beneficiary of multi-cloud AI adoption, particularly as OpenAI expands its AWS capacity commitments and Trainium-based systems improve margin profiles at scale.

Alphabet proved the relative outperformer, supported by rising confidence in its vertically integrated AI stack. Rapid progress in Gemini, deeper integration across Search, Workspace, and Cloud, and TPU-driven cost efficiency helped alleviate investor concerns around monetisation leverage.

Google's ability to deploy model upgrades directly to billions of end users remains a uniquely defensible advantage.

Oracle continues to draw scrutiny. While its backlog and expanding hyperscale footprint underline robust demand, concerns persist around its capital-intensive structure, rising off-balance-sheet lease obligations, and sensitivity to long-duration financing. The mismatch between long-term



infrastructure commitments and shorter-dated customer contracts keeps **Oracle** among the highest-beta and most balance-sheet-sensitive names in the group.

The same valuation reset is playing out more forcefully across software. Horizontal SaaS companies are trading near multi-year valuation troughs as investors reassess whether AI represents a long-term tailwind or a structural threat to

legacy workflows. Multiples increasingly price in disruption without giving incumbents the benefit of the doubt. A key concern is the perceived transition from seat-based pricing toward consumption-based models, which could compress gross margins to lower levels over time. While consumption models are initially viewed as less predictable, they may in fact become less elastic as AI usage embeds deeper into core



workflows. In our view, current valuations already reflect a lot of negative headwinds, but overall Software firms need to prove that they can add incremental revenue to their businesses without sacrificing their core business. Therefore, uncertainty will likely continue to stay.

There, **ServiceNow**'s share price decline stood out. While acquisition rumours added noise, the magnitude of the

sell-off reflects broader fears around workflow automation vendors: slower core growth, pricing pressure, and uncertainty around AI-driven monetisation. We believe this reaction is disproportionate. **ServiceNow** is transitioning from CIO-led sales toward a CEO-level enterprise platform, expanding its TAM across customer service, HR, and creator workflows. Its GenAI traction is tangible, with AI-related revenue expected to scale from ~USD600 million in 2025 to over USD 1 billion in 2026, enabling a shift from ticket handling to true end-to-end workflow automation.

Developments at Anthropic reinforce that enterprise AI demand remains early-stage rather than saturated. During Q1-26, Anthropic released major Claude upgrades, including agentic capabilities, computer-use functionality, and expanded context windows, while reporting run-rate revenues of roughly USD 14 billion, with Claude Code exceeding USD 2.5 billion. While reported enterprise adoption figures vary, AI still represents only 5–10% of IT budgets, and many enterprises remain focused on data infrastructure, governance, and prioritising use cases rather than broad deployment. Software companies are expected to remain asset-light, increasingly relying on multiple off-the-shelf models rather than building proprietary stacks.

Overall, Q1 2026 was defined less by weakening fundamentals and more by a re-rating driven by uncertainty. Investors are demanding visible proof of core growth acceleration and scaling AI revenues. Platforms with breadth, distribution, and proprietary contextual data remain best positioned, while narrower point solutions face rising pressure. Until cash-flow visibility improves, valuation compression across both hyperscalers and SaaS may persist—despite the AI investment cycle remaining firmly intact.

DEEP DIVE

The Cloud



Industry 5.0

Physical AI emerges as the next frontier

The sector entered 2026 with strong momentum as artificial intelligence increasingly moved from software into the physical world. Q1 marked a clear inflection point: progress in humanoid robotics, smart factories, and autonomous industrial systems shifted from concept and pilot phases toward early commercial deployment. Advances in power semiconductors, sensors, motion control, compute architectures, and batteries are now converging with AI to enable machines that can perceive, decide, and act in real time.

The race toward large-scale humanoid deployment intensified, as manufacturers, technology providers, and integrators accelerated efforts to move humanoids from controlled environments into factories, warehouses, and logistics centres.

Nvidia's GTC in March underscored this transition, with CEO

Jensen Huang describing the onset of the “age of generalist robotics.” The focus has increasingly shifted from technological feasibility to speed of deployment, cost optimisation, and operational readiness. Several regions with strong manufacturing ecosystems have prioritised humanoids, with China’s rapid progress drawing attention for its pace and scalability—locally, 2026 was widely referred to as the “Year of the Humanoid.”

Performance across the theme diverged meaningfully.

We removed Dassault Systèmes from the Industry 5.0 basket, as its exposure remains more indirect, with longer monetisation timelines and continued valuation pressure across horizontal software. In its place, we added **Texas Instruments**, **Contemporary Amperex Technology (CATL)**, and **Arm Holdings**, which we view as more directly leveraged to physical AI and humanoid deployment.



Analog Devices (+16%), **Texas Instruments** (9%), and **Infineon** (+4%) benefited from rising AI content per device in industrial automation and robotics. AI-enabled machines require significantly more high-value analog, power-management, sensing, and control components to manage motion, energy efficiency, and real-world interaction. **Texas Instruments** continues to demonstrate structural strength as the leading analog supplier with deep exposure to motor control, robotics, factory automation, and electrification. Infineon fits especially well into the Industry5.0 theme, providing an almost full semiconductor stack—power, sensors, microcontrollers, connectivity, and security—while also benefiting from partnerships with **NVIDIA** to support AI-driven industrial platforms. As AI shifts toward the edge, these companies capture a growing share of AI-related revenues with favourable margin mix.

Honeywell (+15%) also performed strongly, supported by resilient industrial demand and expanding autonomy-driven software offerings across aerospace, safety, and asset optimisation. Its positioning across hardware, software, and operational data continues to support structurally improving margins as customers invest in smarter, more autonomous systems.

The addition of **Arm Holdings** reflects its role as a foundational IP provider in humanoid robotics and edge AI. Arm's licensing and royalty model underpins embedded intelligence in robots, enabling low-power, real-time perception and control at the edge alongside centralised AI compute. Importantly, humanoids remain in an early commercial phase, with limited direct revenue contribution today; however, Arm's IP model provides long-duration optionality as deployment volumes scale over time.

CATL strengthens exposure to the energy backbone of Industry5.0. Batteries remain a critical constraint for humanoids and mobile robots, where energy density, safety, charging speed, and lifecycle economics determine commercial viability. **CATL's** leadership in advanced battery chemistry, manufacturing scale, and cost optimisation positions it well as humanoids transition from pilot projects to real-world deployment.

By contrast, **SiemensAG** (-9%) underperformed. While strategically well positioned in automation and industrial software, near-term sentiment was weighed down by cyclical exposure, execution risk in large projects, and margin pressure during its transition toward more AI- and software-centric offerings. Markets prioritised near-term earnings visibility over longer-term Industry5.0 optionality.

Overall, Q1 2026 reinforced a clear conclusion: Industry5.0 leadership is emerging among companies with direct AI-linked revenues and tangible exposure to physical AI deployment. While humanoids are still early in commercial terms, they represent a promising new market. As autonomous factories, robots, and cyber-physical systems move into production, value is increasingly accruing to suppliers of compute, power, sensing, and energy—marking a key milestone in the evolution of physical AI.

DEEP DIVE

Industry 5.0



Blockchain

Tokenised assets gain momentum

Q1-2026 marked a maturing phase for blockchain, with activity shifting further toward real-world use cases. Large global banks expanded trials in tokenised money-market funds and government bonds, while corporates increasingly adopted blockchain for supply-chain verification. Real-world asset tokenisation remained the fastest-growing segment, attracting steady inflows into tokenised fixed-income products offering transparency and lower settlement risk.

Crypto markets moved risk-off, with prices declining before stabilising toward quarter-end. Bitcoin held up better vs the rest, supported by spot ETF inflows and next-generation network upgrades improving speed and cost efficiency.

Coinbase broadly tracked crypto price movements rather than company-specific fundamentals. Overall, regulatory clarity in key markets continued to support the shift away from speculation toward payments, settlement, and financial infrastructure.

DEEP DIVE

Blockchain



Entertainment & lifestyle

Social and Intelligent Commerce

Cross border commerce accelerates

E-commerce entered 2026 with steady but more selective growth as platforms deepened their reliance on AI to improve product discovery, personalisation, and fulfilment. Early indications suggest that AI shopping assistants are already helping raise conversion rates by reducing search friction and guiding customers more efficiently toward relevant products, a trend reinforced by moves across China's tech giants to build full service, AI powered shopping experiences inside their ecosystems. **Tencent**, for example, upgraded its WeChat ecosystem and launched new AI agent services designed to let users complete shopping and payment tasks through conversational interfaces, reflecting China's broader push into what analysts call agentic commerce.

Cross border commerce strengthened as global supply chains stabilised and shipping costs eased, helping international online sales recover across key markets. This created favourable conditions for companies with strong fulfilment capabilities. **Alibaba** benefited from this trend as it continued expanding the tools and infrastructure supporting global cross border selling, enabling brands to manage real time inventory, logistics, and compliance more easily through its network. These investments helped position Alibaba at the centre of a broader shift toward more integrated global commerce flows.

At the same time, competition intensified across major marketplaces as firms adopted new AI features to differentiate the shopping experience. **Shopify** made significant progress embedding AI into the buying journey, allowing AI agents to surface merchant catalogues and complete purchases through Shopify's checkout. This helped drive a sharp increase in orders originating from AI based discovery channels, signalling that agent driven shopping behaviour is beginning to scale across Western markets.

Automation remained another defining theme. **Amazon** expanded its robotics strategy with the acquisition of Rivr, a Swiss developer of four legged delivery robots that can assist drivers in navigating steps, curbs, and other obstacles in the final stage of delivery. Amazon said the technology could boost both delivery safety and efficiency, marking another step in its long running effort to automate the most expensive leg of the fulfilment chain. The company also extended its automation push into the consumer space by acquiring Fauna Robotics, developer of the compact humanoid robot Sprout, signalling interest in bringing robotic assistance closer to everyday home environments.

Taken together, Q1 2026 made the direction of the sector unmistakable. e-commerce is evolving from traditional browsing interfaces toward AI mediated discovery, automated fulfilment, and increasingly globalised logistics. Platforms that combine strong supply chain networks with advanced AI capabilities are gaining an edge in efficiency, personalisation,



and delivery speed. The year opened with clear momentum behind this shift, and the competitive landscape is now being shaped by which companies can deploy AI and automation at scale while maintaining seamless customer experiences across borders and channels.



Streaming and Interactive Entertainment

Streaming moves from scale to sustainability

The streaming industry entered 2026 in a period of consolidation and strategic recalibration. Instead of chasing raw subscriber growth, leading platforms focused on profitability, smarter content spending, and broader monetisation models. **Netflix**, for example, leaned heavily into this shift as it prepared for Q1 results, with investors zeroing in on the rapid expansion of its ad supported tier, which is expected to double advertising revenue to roughly six percent of total revenue in 2026. **Netflix** dropped its acquisition bid for HBO and Warner Bros. Discovery in late February 2026, after declining to match Paramount-Skydance's higher offer. Netflix shares rose in response, as many investors viewed the decision as a capital-discipline win, removing balance-sheet risk and large integration uncertainty.

Disney's first fiscal quarter underscored the sector's shift toward disciplined growth. Streaming operating income jumped seventy two percent, helped by price increases on Disney+ and Hulu and strong theatrical releases that boosted engagement across its platforms. Although higher content and marketing spend weighed on overall operating income, **Disney**'s decision to stop reporting subscriber numbers signaled a clear industry move away from chasing scale and toward focusing on margins and monetisation quality.

Spotify also reflected this broader transition. Ahead of its Q1 update, the company highlighted strong user momentum, rising subscription revenue, and expanding margins following record free cash flow. It also signaled growing global diversification and higher creator payouts, while incorporating new AI features. Together, these trends show the sector's increasing reliance on hybrid monetisation models that blend subscriptions, advertising, and creator aligned products.

The gaming and interactive entertainment sector also advanced rapidly, benefiting from early integration of generative AI to create adaptive gameplay and personalised storylines. **Nintendo** exemplified this momentum. While the company faced softer-than expected US demand for its new Switch 2 console, leading to a planned output cut, global demand remained robust, with more than six million units sold within weeks of launch and major first party titles driving sustained hardware and software engagement. This surge in interactive entertainment complemented the broader streaming sector's push toward richer, more immersive experiences.

The future of body & mind

Health, Weight Loss and Wellness

Metabolic health reshapes consumer habits

Health and wellness trends strengthened in Q1 2026 as weight loss medications continued reshaping consumer behaviour across food choices, routines, and healthcare engagement. Demand for GLP 1 therapies remained a major catalyst, despite volatility among leading manufacturers. **Novo Nordisk** entered the year with brisk uptake of its newly launched oral obesity pill, even as it issued a weaker than expected 2026 outlook and faced competitive and pricing pressure in the fast growing obesity market. In contrast, **Eli Lilly** reinforced its leadership position, with soaring Mounjaro and Zepbound volumes driving expectations for roughly twenty five percent sales growth in 2026 and signalling continued momentum in weight management therapeutics. Together, these dynamics further accelerated the societal shift toward metabolic health optimisation, influencing diet, exercise, and healthcare utilisation patterns. **AstraZeneca** advanced its metabolic and obesity pipeline, including the progression of its oral GLP 1 candidate Elecliglipron and a strengthened oncology adjacent prevention strategy, reflecting how pharmaceutical innovation increasingly aligns with long term health optimisation rather than episodic treatment.

Wearable technology advanced toward continuous metabolic monitoring, converging with expanding AI powered coaching

tools that offer personalised exercise, nutrition, and recovery programs. Corporations deepened investment in employee health optimisation, with interest increasing in biometrics driven programs and AI assisted preventive care models. Healthcare infrastructure players also advanced this shift.

Thermo Fisher, for example, expanded its role in precision health through its acquisition of Clario Holdings and continued AI enhanced instrumentation collaborations, supporting broader adoption of personalised diagnostics and research workflows across the sector.

Dermatology and aesthetics saw similar momentum.

Galderma continued to scale scientifically driven skin health solutions, showcasing new clinical evidence for its biologic therapies and aesthetic injectables during the 2026 American Academy of Dermatology meeting, reinforcing its position as a leader in consumer and therapeutic dermatology. Broader metabolic interests also intersected with wellness:

Wellness adoption extended further into lifestyle categories such as sleep, stress management, and functional nutrition. Ingredient and fragrance supplier **Givaudan** continued to develop flavour, fragrance, and wellness focused innovations, including personalised beverage concepts aligned with GLP 1 driven consumer trends showcased at Expo West 2026, highlighting how wellness preferences permeate everyday product formulation and sensory design.





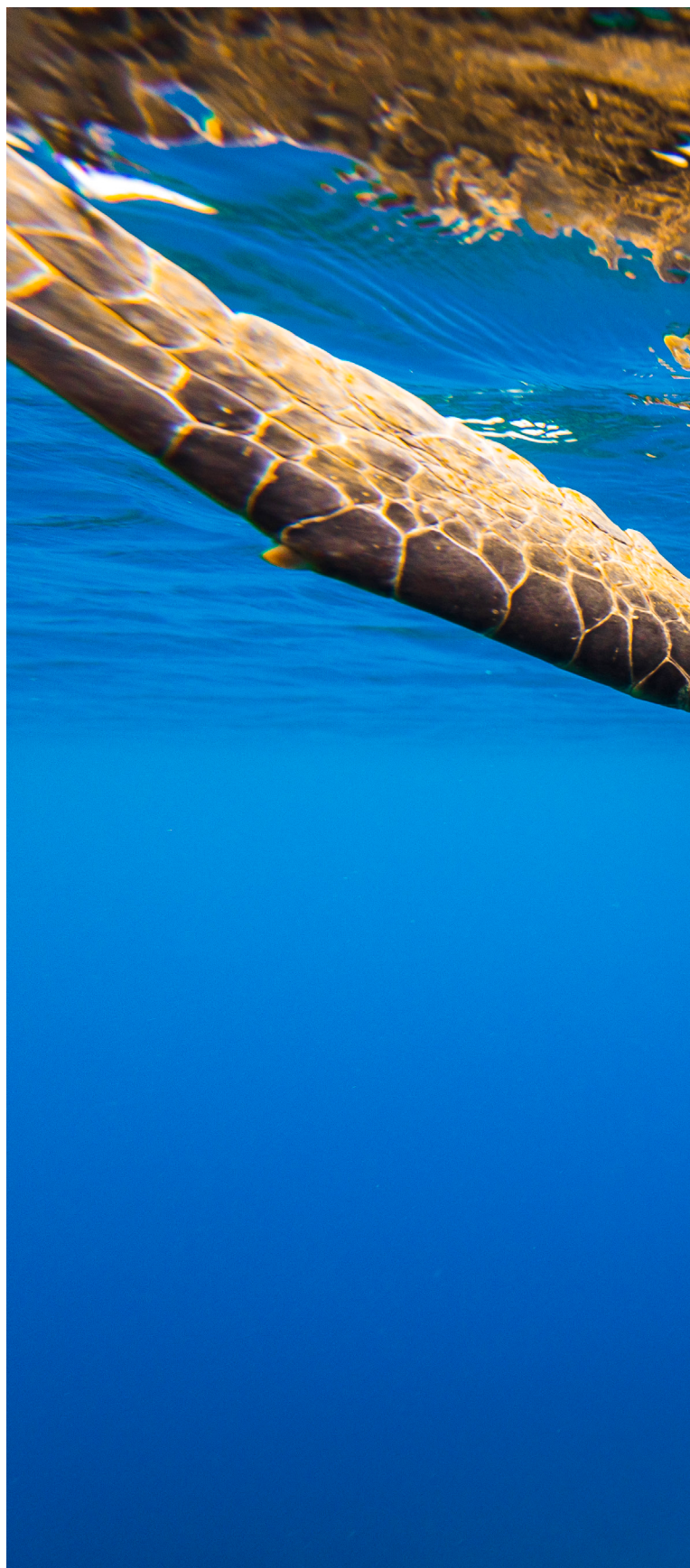
Sustainability

Blue Gold

Water security moves to the strategic forefront

Geopolitical instability in the Middle East kept global attention on water security throughout Q1 2026, accelerating investment in desalination, wastewater reuse, and resilient infrastructure. Gulf nations expanded large scale reverse osmosis programs, while utilities and regulators worldwide increasingly framed water scarcity as a national security issue. This drove stronger demand for advanced membranes, pumps, monitoring systems, and energy efficient treatment technologies.

Several industry developments reinforced this shift. **Veolia**'s partnership with SBM Offshore to deploy floating desalination units highlighted growing interest in flexible and rapidly deployable infrastructure for water stressed regions. Against this backdrop, demand for industrial water efficiency solutions also strengthened. **Ecolab**'s acquisition of CoolIT Systems, while positioned as an AI data centre cooling play, reflected a broader convergence between water management and thermal efficiency, especially as manufacturers and data centre operators confront tightening water use expectations in high stress regions. Similarly, **Veralto** expanded its compliance driven water quality ecosystem with its acquisition of GlobalVision, reinforcing the increasing importance of precise, data rich monitoring and verification as water related regulatory pressures rise across sectors.





Opportunistic Thematic: Infineon Technologies (Power Semiconductors & AI Infrastructure)

The company

Infineon Technologies is one of Europe's most strategically important semiconductor companies and the global leader in power electronics. Headquartered near Munich, Germany, Infineon focuses on semiconductors that manage, convert, and secure electrical energy—an often overlooked but essential layer in modern technology systems. Its portfolio spans silicon, silicon-carbide (SiC), and gallium-nitride (GaN) technologies, which are critical for electrification, renewable energy, electric-vehicle powertrains, industrial automation, and energy-efficient infrastructure.

Infineon operates across four core divisions—Automotive, Green Industrial Power, Power & Sensor Systems, and Connected Secure Systems—giving it broad exposure to electric vehicles, charging infrastructure, industrial drives, renewable power systems, data centres, robotics, IoT devices, and secure embedded applications. Rather than competing in cutting-edge logic chips, Infineon specializes in the “power backbone” of the digital and electrified economy, improving efficiency, reliability, and safety across the entire energy value chain.

Why we like Infineon Technologies

Infineon is entering a strong multi-year growth phase as AI infrastructure and robotics converge, creating surging demand for high-efficiency power semiconductors. While headlines often focus on GPUs and AI processors, the real bottleneck in AI deployment is power delivery. Modern AI data centres require enormous amounts of electricity, stable current flows, complex power-conversion layers, and robust battery-backup systems. Infineon supplies exactly these components, high-density power modules, Si/SiC devices, power management ICs, sensors, and safety chips, earning it the status of a classic “picks-and-shovels” provider to the AI boom.

Every new AI data centre needs more of what Infineon makes. Management has highlighted this clearly by guiding to €2.5 bn in AI-related revenue by 2027, signalling confidence that demand is structural rather than cyclical. In parallel, robotics, particularly humanoid robots, is emerging as the next major hardware cycle. Management recently described humanoid robotics as a market that could eventually rival AI semiconductors in size. These machines require dozens of motors, controllers, sensors, power devices, and safety systems, most of which Infineon already supplies today. As humanoid robots move from prototypes to commercial deployment, Infineon is uniquely positioned to benefit across nearly the entire electronics stack.

Beyond AI and robotics, Infineon also stands to benefit from a recovery in industrial and automotive end markets, the re-acceleration of the SiC cycle, and a favourable currency backdrop. Crucially, the growing mix of AI-related power systems supports a structural uplift in margins, as these applications command higher value and longer design cycles.

Thematic positioning

Infineon fits naturally into multiple strategic themes, including Artificial Intelligence infrastructure, Industry 5.0, electrification, and energy efficiency. Unlike pure AI chip designers, Infineon's exposure is less volatile and more durable, as power efficiency is non-negotiable regardless of which compute architecture wins. As electricity becomes the scarcest and most expensive input for digital growth, companies that enable efficient energy usage gain increasing strategic importance.

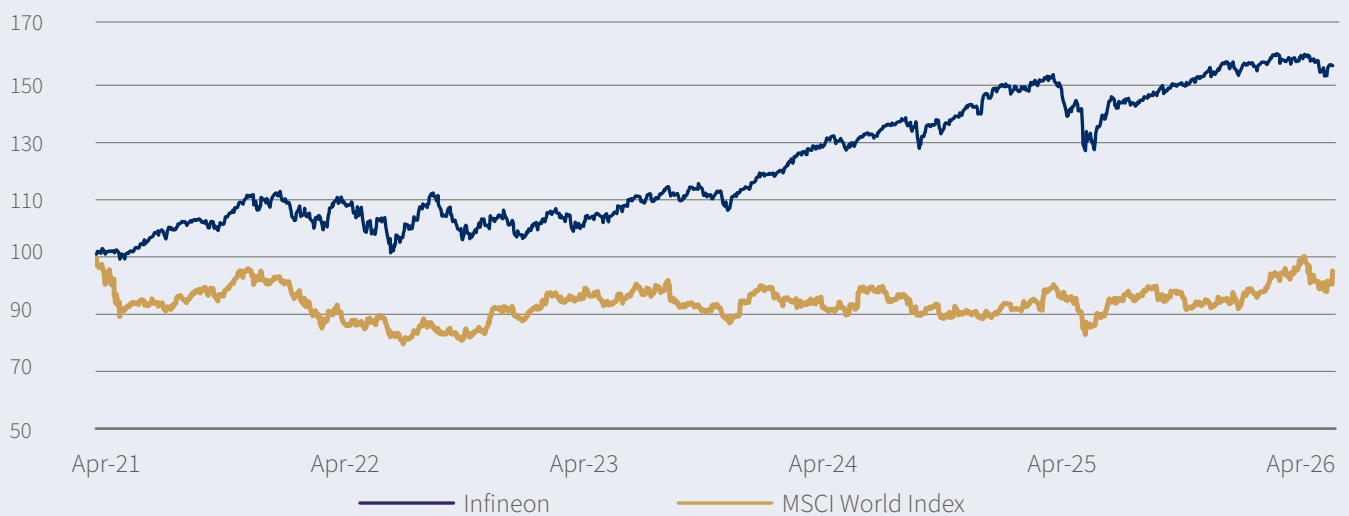
Catalysts

Infineon's growth outlook is supported by several powerful catalysts converging at the same time. AI-driven data centre power upgrades are accelerating faster than previously expected, boosting demand for advanced power semiconductors where Infineon is strongly positioned. In parallel, humanoid robotics platforms from players such as Tesla (Optimus), Figure AI, Sanctuary, and UBTech are progressing toward commercialization, creating new, high value applications for power management and sensing solutions. The silicon carbide (SiC) cycle is also showing signs of re acceleration, supported by a recovery in industrial and automotive demand, underpinning medium term volume and pricing momentum. Additional tailwinds come from resilient China automotive demand and favorable EUR/USD currency dynamics. Together with an AI driven improvement in product mix, these factors support a structurally higher gross margin profile for Infineon over time.



Valuation

Despite its central role in AI infrastructure and robotics hardware, Infineon trades at a discount to high-growth semiconductor peers. The stock currently trades at roughly 16x FY27 earnings, below its long-term average of around 20x, even as earnings are expected to grow at a ~34% CAGR between 2025 and 2027. As AI-related power demand and robotics adoption scale further, we see meaningful upside potential driven by mix shifts, margin expansion, and upward earnings revisions.



Performance update

Company	Recommendation	Rating	Currency	Price	FV	Upside	Quarter return (%)	YTD (%)
DIGITAL FRONTIERS								
Artificial Intelligence								
NVIDIA Corporation	BUY	★★★★★	USD	177.64	250	40.7%	-7.00	-5.27
Advanced Micro Devices	BUY	★★★★★	USD	220.18	300	36.3%	-5.53	2.25
ASML Holding N.V.	BUY	★★★★★	EUR	1,115.00	1516	36.0%	22.03	21.42
Cadence Design Systems	BUY	★★★★	USD	279.39	387	38.5%	-11.96	-11.47
TSMC	BUY	★★★★	USD	341.76	388	13.5%	13.11	14.39
Micron Technology	BUY	★★★★	USD	377.76	500	32.4%	15.50	29.15
Broadcom	BUY	★★★★	USD	314.43	428	36.1%	-11.35	-9.94
Data centre infrastructure								
Dell Technologies	BUY	★★★★	USD	173.18	166	-4.1%	28.91	36.02
Eaton Corporation	BUY	★★★★★	USD	363.89	425	16.8%	11.81	13.76
Schneider Electric S.E.	HOLD	★★★	EUR	234.95	282	20.0%	-2.90	-0.53
ABB	BUY	★★★★	CHF	65.58	77	17.4%	8.34	12.14
Caterpillar	HOLD	★★★	USD	721.24	700	-2.9%	22.99	25.21
Legrand	BUY	★★★★	EUR	136.60	166	21.5%	3.25	6.94
Cybersecurity								
Palo Alto Networks	BUY	★★★★★	USD	161.95	193	19.2%	-14.20	-13.33
CrowdStrike Holdings	BUY	★★★★	USD	398.61	487	22.2%	-17.92	-16.19
Zscaler	BUY	★★★★	USD	139.52	173	24.0%	-38.31	-38.65
Fortinet	HOLD	★★★	USD	82.29	92	11.8%	1.76	2.47
Cloudflare	BUY	★★★★	USD	211.78	240	13.3%	3.37	6.09
The cloud (Hyperscalers and Software)								
Amazon.com	BUY	★★★★★	USD	212.79	296	39.1%	-10.43	-8.49
Microsoft Corporation	BUY	★★★★★	USD	372.88	450	20.7%	-23.89	-23.33
Alphabet	BUY	★★★★	USD	299.99	370	23.3%	-8.31	-4.35
Oracle Corporation	HOLD	★★★	USD	145.54	194	33.3%	-25.22	-26.01
Salesforce	BUY	★★★★★	USD	185.03	240	29.7%	-29.80	-30.42
ServiceNow	BUY	★★★★★	USD	102.42	167	63.1%	-32.21	-33.59
Palantir Technologies	BUY	★★★★	USD	147.93	203	37.2%	-19.11	-18.20
Industry 5.0								
Siemens Aktiengesellschaft	BUY	★★★★	EUR	211.80	295	39.3%	-9.61	-9.91
Analog Devices	BUY	★★★★	USD	327.36	380	16.1%	16.14	19.50
Honeywell International	BUY	★★★★	USD	228.21	260	13.9%	15.67	16.79
ARM Holdings	HOLD	★★★	USD	148.77	180	21.0%	36.46	34.20
Infineon Technologies	BUY	★★★★	EUR	39.00	48	23.1%	4.25	3.89
Blockchain								
Mastercard Incorporated	BUY	★★★★	USD	501.50	690	37.6%	-13.34	-13.02
Visa	BUY	★★★★	USD	303.33	398	31.2%	-14.36	-14.05
JPMorgan Chase & Co.	BUY	★★★★	USD	295.45	340	15.1%	-8.64	-7.77
Coinbase	BUY	★★★★	USD	174.79	365	108.8%	-24.61	-24.53
ENTERTAINMENT & LIFESTYLE								
Social and Intelligent Commerce								
JD.com	BUY	★★★★	USD	28.51	30	5.2%	3.00	-0.70
Tencent Holdings Limited	BUY	★★★★★	HKD	489.20	700	43.1%	-19.33	-18.47
Shopify	HOLD	★★★★	USD	118.80	130	9.4%	-27.56	-27.45
Alibaba Group Holding Limited	BUY	★★★★	USD	122.31	163	33.3%	-14.86	-17.00
Amazon.com	BUY	★★★★★	USD	212.79	296	39.1%	-10.43	-8.49
Meta Platforms	BUY	★★★★	USD	573.02	804	40.3%	-14.02	-13.88
Streaming and Entertainment								
Netflix	BUY	★★★★	USD	98.93	115	16.2%	2.53	5.49
The Walt Disney Company	HOLD	★★★	USD	96.28	115	19.4%	-16.04	-16.13
Spotify Technology S.A.	BUY	★★★★	USD	484.48	575	18.7%	-15.91	-15.99
Nintendo Co. Ltd.	BUY	★★★★	JPY	8,844.00	12124	37.1%	-15.88	-15.22

Company	Recommendation	Rating	Currency	Price	FV	Upside	Quarter return (%)	YTD (%)
Sports, Travel and Experience								
On Holding	BUY	★★★★	USD	33.67	56	66.3%	-28.30	-29.04
Booking Holdings	BUY	★★★★	USD	176.19	5100	2794.6%	-22.24	-18.65
EssilorLuxottica	BUY	★★★★	EUR	194.30	310	59.5%	-26.74	-28.58
Uber Technologies	BUY	★★★★★	USD	72.17	100	38.6%	-12.41	-12.12
Monster Beverage Corporation	HOLD	★★★	USD	74.16	90	21.4%	-6.39	-4.20
BODY, MIND AND THE FUTURE								
Health, Weight loss & Wellness								
Novo Nordisk	HOLD	★★★	DKK	235.05	265	12.7%	-26.54	-25.46
Eli Lilly and Company	BUY	★★★★	USD	927.06	1325	42.9%	-14.67	-14.00
Thermo Fisher Scientific	BUY	★★★★	USD	488.19	588	20.4%	-15.67	-16.24
Galderma Group	BUY	★★★★	CHF	154.20	200	29.7%	-5.37	-5.00
AstraZeneca	BUY	★★★★★	GBP	15,142.00	16400	8.3%	7.96	10.76
Givaudan	HOLD	★★★	CHF	2,754.00	3200	16.2%	-12.37	-10.38
Silver Economy								
Ferrari	HOLD	★★★	EUR	293.15	328	11.9%	-9.32	-8.32
Hermès International	HOLD	★★★	EUR	1,683.50	2280	35.4%	-23.99	-20.80
Sonova Holding	HOLD	★★★	CHF	179.70	220	22.4%	-13.57	-13.47
Intuitive Surgical	BUY	★★★★	USD	452.58	645	42.5%	-19.50	-20.96
Straumann Holding	HOLD	★★★	CHF	82.26	105	27.6%	-12.26	-12.48
Allianz	HOLD	★★★	EUR	369.70	402	8.7%	-7.12	-5.56
SUSTAINABILITY								
Blue Gold								
Veolia Environnement	BUY	★★★★	EUR	33.74	40	18.6%	9.78	13.11
Ecolab	BUY	★★★★	USD	267.03	349	30.7%	0.85	1.23
Veralto Corporation	HOLD	★★★	USD	88.73	115	29.6%	-12.52	-12.22
Xylem	BUY	★★★★	USD	123.85	160	29.2%	-12.86	-9.68
Geberit	BUY	★★★★	CHF	533.40	710	33.1%	-14.04	-14.11
Environment investing								
NextEra Energy	BUY	★★★★	USD	92.88	101	8.7%	16.10	16.10
Iberdrola S.A.	BUY	★★★★	EUR	20.07	20	-0.3%	8.46	8.46
E.ON	BUY	★★★★	EUR	19.29	22	14.0%	18.45	18.45
Schneider Electric S.E.	HOLD	★★★	EUR	235.85	282	19.6%	-2.90	-2.90
Cheniere Energy	BUY	☆★★★★	USD	284.05	305	7.4%	47.07	47.22

Note: We have made some changes to our thematics portfolio. New names are in bold, and we have taken the following name out of our investment universe: Dassault Systemes.

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Publication date: April 2026

Values: all data as of March 31, 2026

Sources of charts and tables: Rothschild & Co or Bloomberg unless otherwise stated

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