Having great ideas is a great idea

Our 10 BIG IDEAS 2025

March 2025

Lower AI costs to boost adoption

→ **Since the appearance of ChatGPT, large technology companies have embarked in a massive investment cycle pouring money to build data centres for AI. In 2025, big tech is expected to spend $300bn in capex.**

- The infrastructure and data centre build-up began accelerating massively in 2024, and is expected to growth strongly in 2025 again, as large tech companies make massive investments.
- The DeepSeek event in January 2025 shocked markets as it proved it is possible to build AI models at a fraction of the cost of OpenAI or Anthropic.
- While the pace of cost reduction is high, it should not come as a total surprise as the history of technology is about lower costs boosting adoption.
- We believe we are at a stage now where infrastructure is mostly available, and models are becoming inexpensive enough to see a pick-up in adoption rate.

Autonomous vehicle

→ **The autonomous driving market has massive potential due to cost savings, improved safety, consumer demand, technological advancements, and environmental benefits. As regulations evolve and AV technology matures, adoption will accelerate, leading to disruptive changes in transportation, logistics, and urban mobility.**

- Autonomous vehicles (AVs) can reduce labour costs for industries reliant on human drivers such as ride-hailing and logistics.
- Safety is a major advantage of this technology. Waymo (Alphabet) claims 57% reduction in police-reported crash rates.
- AVs can turn travel time into productive time or entertainment time.
- AVs and hail-riding are solutions to the increase total cost of owning a car and can improve mobility of seniors or disabled individuals.
- Projected market value: the global autonomous vehicle market is expected to exceed $1.5 trillion by 2030.

#Funds & ETFs

#Equity

Space: the USD 1.8 trillion economy

→ **The study, "Space: the USD 1.8 trillion economy", by the WEF and McKinsey, estimates that the value of the space economy will triple to USD 1.8 trillion in the next 10 years.**

- Today, there are more commercial reasons to use space than ever. Companies like Meta, Uber, DoorDash or Amazon are looking to utilise satellite infrastructure to support and expand their services.
- Government agencies such as NASA or the European Space Agency are key players in space activities. However, the expertise needed to build "advanced" satellites, launch them into space, and maintain them is more cost-efficient when done by "commercial" companies.
- Government spending in the space sector is expected to shift toward private commercial companies that offer more innovative and cost-efficient solutions over government agencies.
- The servicing, maintaining, and managing of objects once they are in orbit is creating substantial business opportunities for the sector.

The winners of deregulation

The resurgence of corporate transaction

→ **A resurgence in various corporate transactions could materialise in 2025, fuelled by a supportive economic outlook characterised by expectations of solid nominal GDP growth in the US. Furthermore, under Trump 2.0, a lighter regulatory environment is expected to prevail, marked by a more hands-off approach from regulators.**

- This shift is likely to create a more favourable environment for deal-making, further fuelling growth in M&A, spinoff and IPO activities as:

  → Companies have strong balance sheets,

  → Confidence among managers remains high,

  → Financing conditions are improving, driven by lower debt costs.

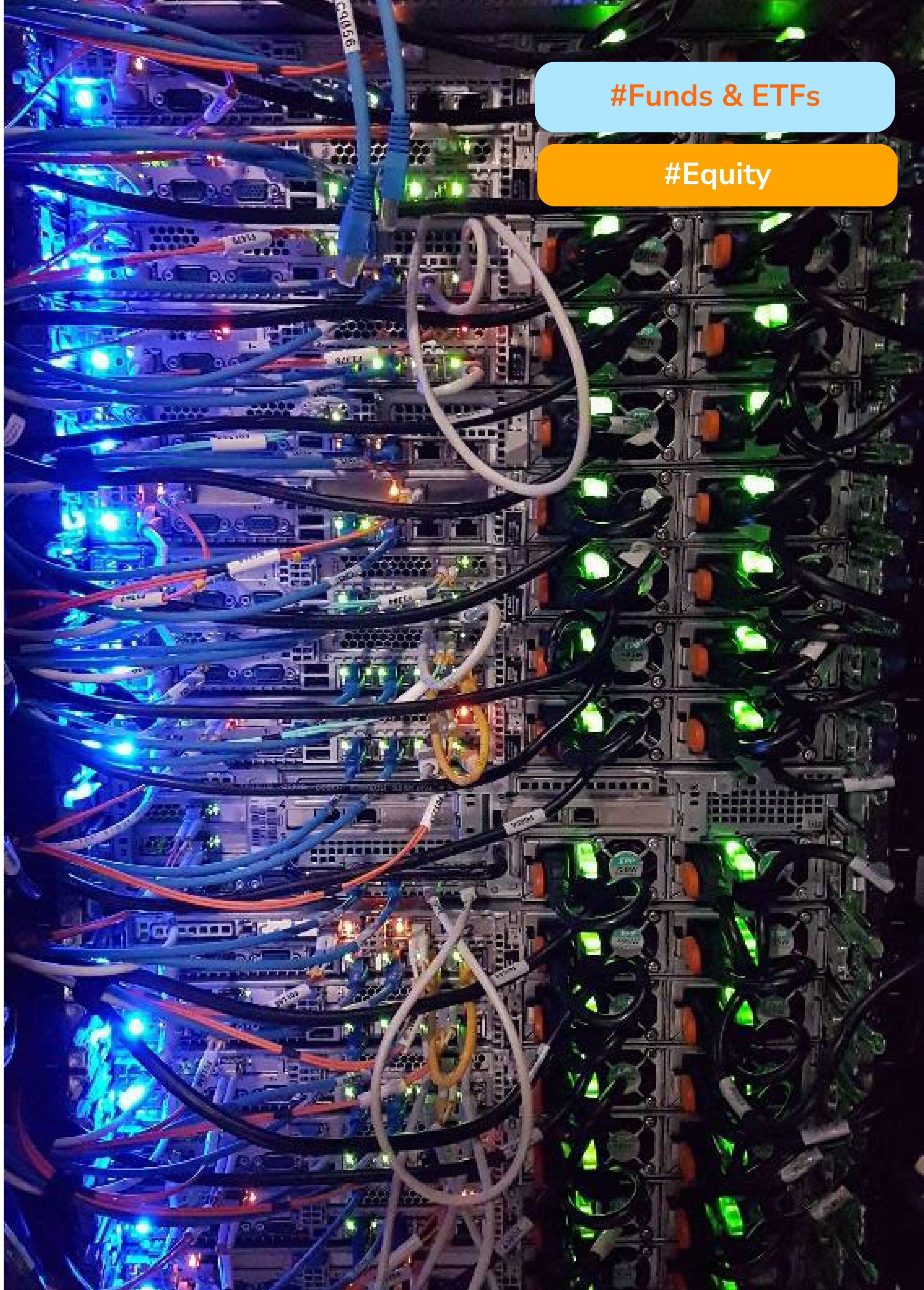
- M&A will emerge as the core strategic option for companies looking for growth in an environment of rising uncertainties.

- Another important trend will be the resurgence of IPO activity. There is growing pressure on private asset managers to both deploy capital and generate returns by harvesting investments.

Infrastructure: The "Three Ds"

→ **Over the next decades, trillions of dollars will be required to improve global infrastructure, driven by three key trends, known as the "Three Ds": digitalisation, deglobalisation and decarbonisation. These trends reflect the broad transformations reshaping the global economy. They include the shift toward a digital world, and the growing effort to reduce reliance on global supply chains.**

- Digitalisation is the key trend among the three Ds, with AI technology playing a central role in this transformation as it drives the need for fibre networks, towers, and data centres, all of which requiring significant investment in infrastructure.
- As for deglobalisation, it is reflected in the 2022 bipartisan CHIPS Act, aimed at boosting the US semiconductor industry as well as the growing effort to reduce reliance on global supply chains.
- Regarding decarbonisation, with the re-election of President Trump, global decarbonisation efforts may slow, but countries like China will continue progressing.



#Funds & ETFs

#Equity

Emerging markets revival

Asian Leaders

- Weak and slowing economic growth, the burst of the residential market bubble, and trade tensions between China and the US have contributed to the negative investor sentiment toward China. Nevertheless, the country’s long-term prospects appear interesting for investors willing to look beyond the near-term challenges. The recent stimulus package and encouraging announcements for a more supportive economic policy in 2025 suggest that the Chinese authorities are committed to stabilise growth, and potentially engineer a growth rebound driven by domestic demand. Additionally, valuations appear currently attractive.
- India and Vietnam are another focus due to their favourable demographics, educated labour force, and the trend of global manufacturers adopting a “China plus one” strategy to reduce their exposure to China. Even though both countries are facing potential short-term challenges, such as global flow reallocations toward China and uncertainty over the impact of President Trump’s tariffs, their long-term growth prospects remain strong.

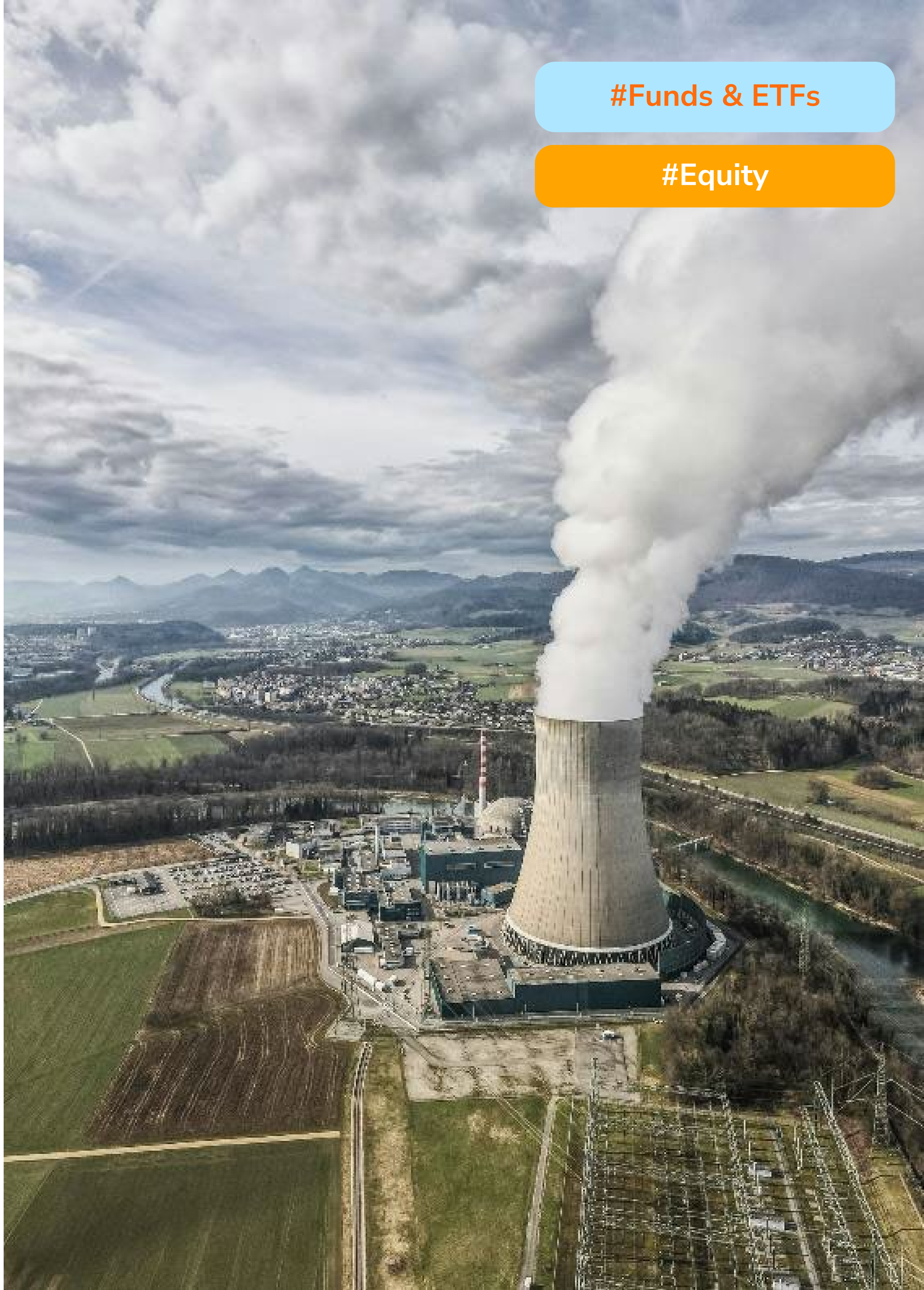
#Funds & ETFs

#Equity

Big tech sparks a new era for nuclear energy

→ **Nuclear energy is experiencing a resurgence as the power consumption of data centres has significantly increased, driven by the widespread use of cloud computing to support generative AI services and other internet-based applications used by billions of people.**

- Hyperscalers (Microsoft Azure, AWS, Meta, Google Cloud, etc.) require a reliable and sustainable energy source to meet the rapidly growing and massive energy demand created by these technologies.
- To address this challenge, tech giants decided to invest in their own nuclear energy production capabilities. As an example, Amazon and Google are now developing their own nuclear power through a new small modular reactors (SMR) technology.
- SMRs are considered as the next generation nuclear energy sources due to their scalability, fast construction, and low cost.



Good governance in the age of Trumpian laissez-faire

→ **For many investors, governance can be seen as intangible and difficult to quantify, especially in a world where intangible assets are growing in importance due to the shift from an industrial economy to a more intangible asset (knowledge based) economy.**

- Good governance leads to better decision-making particularly in areas such as capital management and risk management.
- The principles that derive from good governance could prove even more valuable in an environment –such as the Trump administration– possibly characterised by a combination of trade protectionism and domestic laissez-faire, potentially leading to insufficient regulation.
- Academic research has shown that companies with a strong corporate culture and clear corporate strategy, thanks to the quality of its executive decision-makers, are better equipped to navigate corporate challenges.

Macro diversifiers

Gold maintains its shine

→ **Trump's presidency will certainly continue to boost gold's appeal as a safe-haven. Concerns that the Trump administration's proposed trade tariffs and tax cuts could spark inflation, weaken the USD, and fuel the surge in public debt increase the demand for gold as a hedge against global market volatility.**

- Most central banks, including the Fed, are still their easing monetary policies, albeit at a slower pace than expected a few months ago. Furthermore, President Trump's call for immediate rate cuts at the WEF has been adding to the positive sentiment toward gold.
- Longer term, the persistence of massive budget deficits and the ongoing increase in the already record US debt levels may end up undermining the US dollar, making the case for de-dollarisation by major central banks stronger.
- Gold also remains an attractive portfolio diversification.

#Funds & ETFs

#Commodities

Short-term, high-carry investments

→ **Why incorporate high-carry investments?**

- *Secure strong and predictable cash flows* – high-carry investments generate stable and substantial income, providing enhanced liquidity and financial security.
- *Built-in protection through high buffer* – the elevated carry acts as a cushion, mitigating downside risk and reducing volatility.
- *Superior yield in a rising rate environment* – high-carry strategies offer a compelling alternative to traditional fixed-income assets, outpacing inflation and policy rate hikes.

→ **Why opt for short-dated strategies?**

- *Enhanced visibility on fundamentals* – short-term investments offer better predictability on company performance and financial health.
- *Reinvestment advantage and interest rate protection* – frequent reinvestment of cash flows enables adaptation to evolving market conditions and rising interest rates.
- *Attractive yield premium over money market funds (MMFs)* – short-term high-carry strategies deliver a significantly higher return than traditional MMFs.

Looking for yield

Wealthy nations

Investing into GCC (Gulf Cooperation Council)

→ **Very low government debt**

- *Saudi Arabia :* 26%-28% debt-to-GDP in 2025-27
- *UAE:* 13%-14% debt-to-GDP in 2025-26 (S&P)

→ **Accelerating economic growth**

- *Saudi Arabia :* GDP is projected to grow by +5.3% in 2025, +4.0% in 2026, and +3.6% in 2027 (2024: +1.4%)
- *Qatar :* +2.3% in 2025, +4.2% in 2026, and +7.5% in 2027 (S&P)

Relative Value in Credit

European banks

European bank earnings proved resilient, with non-performing loans better than feared. Banks also stand to gain from steeper yield curve and fiscal stimulus program.

Spanish banks - stronger economic growth than the Eurozone.

UniCredit, BBVA, Groupe BPCE, Santander, Danske Bank, Barclays, Deutsche Bank

1

Subordinated bank debt fund

High incentive to redeem subordinated debts on the first call date.

An outstanding fund performance.

AXIOM ALTERNATIVE INVESTMENTS

2

US telecom

US telecom – recurrent revenue domestically, no direct impact from U.S. tariffs.

3

US energy midstream

Benefiting from higher volume of oil and gas, and energy demand from data centres.

Pay-or-take customer contracts to cushion the 15% Chinese tariffs on US LNG which could be directed to Europe.
(LNG: liquefied natural gas)

ENERGY TRANSFER, CHENIERE

4

Very selective Argentine corporates

The most resilient Argentine corporates backed by strong shareholders or dollar-denominated revenue.

Pan American ENERGY, tgs

5

Private equity: European buyout and secondaries

Access to lower mid-market hidden gems

→ Why European buyout?

- Europe offers a valuation advantage due to fewer funds relative to the number of SMEs.
- Less competition in the private equity landscape, creating opportunities for outsized returns.
- European Lower Mid-Market demonstrated greater resilience compared to large-cap segments, especially during the 2022-2023 downturn.

→ Why lower mid-market?

- Lower mid-market is appealing due to its growth potential, valuation discipline, and opportunities for operational improvements.
- Fragmented sectors like healthcare, or IT services, providing potential for buy-and-build strategies.
- Lower Mid-Market maintained stable exit activity even during challenging market conditions.

→ Why private equity secondaries?

- The secondaries market provides a pathway for liquidity in challenging exit environments.
- The market allows investors to access high-quality assets at potentially favourable valuations, presenting an opportunity for innovative investments.

Litigation finance

Offering 25% + truly uncorrelated returns

→ **What is litigation finance?**

- The funder will cover the legal bills of individuals/corporates (the “victim”) pursuing legal claims or lawsuits so that the victim can obtain compensation through a court judgement or a settlement.
- In exchange for funding, the fund receives a portion of any financial recovery resulting from the legal action, often referred to as a contingency fee or a share of the damages awarded.

→ **Why do we pursue litigation finance?**

- Uncorrelated risk factors: the cash flows behind a legal asset portfolio are based on facts and the law. Rates, inflation, GDP growth or other economic indicators do not influence cash flow drivers.
- All-weather origination: litigious situations arise in all markets. The types of legal assets being originated simply change based on the macro and microeconomic backdrop (e.g., M&A disputes in strong economy, insolvencies in recessions).
- Automatic exit: legal assets do not require an IPO, buyout, refinancing, take-out, or any third party to generate a cash flow event. Exits in market downturns are possible and not uncommon.

Crypto hedge funds

Attractive uncorrelated returns

→ **Why crypto hedge funds?**

- All-weather absolute return profile
- The monthly liquidity coupled with high target returns make crypto hedge funds an attractive asset class to own in a diversified portfolio
- We believe there is unique alpha (excess return) available in the crypto market due to volatility, fragmentation, and inefficiencies
- This is the same opportunity as HFs presented in the 80s and 90s. By backing the good performing managers now, we believe it is now time to find and secure capacity with the future Tudor Jones, Soros and Druckenmillers of crypto
- Additional alpha can be found through on-chain analysis
- Liquid portfolio diversification

Hedge funds

Access to the best hedge fund managers

→ **Why hedge funds?**

- Geopolitical uncertainty: hedge funds are often better positioned to capitalise on geopolitical risks by investing in global markets, currency arbitrage, and navigating political changes that may affect asset prices.
- Diversification: hedge funds offer diversification benefits by investing across various asset classes and strategies, potentially reducing overall portfolio risk.
- Opportunistic strategies: in times of economic and political uncertainty, hedge funds can exploit inefficiencies, distressed assets, and special situations that may arise, potentially providing strong returns when traditional markets struggle.

For further information

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Important Information