Marketing document

# Syconvictions

MAY 2026

## At a glance

**AI**, the **most transformative theme** in technology

**Investing beyond the most obvious beneficiaries of AI**

We are becoming **more positive**, relatively speaking, **on hyperscalers**

## Message from the CIO

*For several months now, we've been hearing the same question: can we still be positive on AI after such a stock market run? My answer remains yes. Because, behind the market rally, there is now something much more solid than a mere narrative: results, investments and demand that continue to accelerate. The latest results from the hyperscalers have demonstrated this once again, with figures generally exceeding expectations and cloud growth often exceeding 30%, and accelerating.*

*This growth remains, in our view, the key factor. It accounts for a large part of the rise in share prices seen since the start of the year. Above all, it serves as a reminder that a valuation should not be judged in absolute terms, but in relation to the growth it represents.*

*However, despite their rebound, the Nasdaq and US technology stocks now appear relatively cheaper than in recent years compared to the rest of the market, precisely because their profits are growing rapidly.*

*In other words, the rise has been sharp, but it is also underpinned by a tangible improvement in fundamentals.*

*Of course, this dynamic calls for greater selectivity. We have invested heavily in 'AI enablers' – those essential players in the AI infrastructure value chain – which have seen sometimes spectacular rises.*

*Following this very strong re-rating, we are now becoming more positive, relatively speaking, on the hyperscalers. Why? Because they have the scale, the balance sheets and, above all, the head start in execution. They invested before others, on a large scale, and are best placed to benefit from a world that still lacks computing power.*

**Pierre-Alexis Dumont**,
Chief Investment Officer

## Market weather

**EQUITIES**
- European
- American
- Asian

**SOVEREIGN BONDS**
- European
- American

**CORPORATE BONDS**
- Investment Grade
- High Yield

**CASH**

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## Market environment

AI in China is no longer a speculative narrative: it is already an investment theme. China remains less advanced than the US in training state-of-the-art models, but it is **progressing faster in inference, commercialisation and the integration of applications into the real economy**. As the first chart shows, China's rise in AI-related patents has been spectacular: in just a few years, China has become the world's leading contributor, a sign of rapid catch-up in applied research and a now credible technological base.

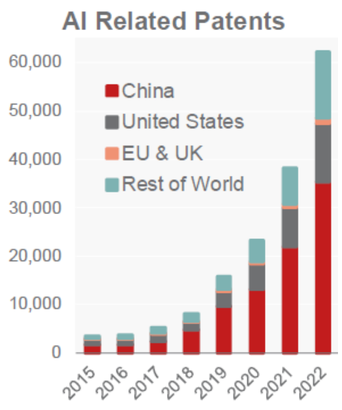
Its decisive advantage over the United States, however, lies in **industrial execution**. China combines speed, lower costs and the ability to rapidly deploy critical infrastructure. The **second graph** illustrates this clearly: China's installed electricity generation capacity has accelerated sharply and now far exceeds that of the United States and Europe.

This energy advantage is key at a time when AI is becoming an **infrastructure industry,** consuming data centres, electricity, cooling and networks. Several of our sources also point out that in Asia, it takes around **one to two years** to bring a new data centre online, far less than in the US, where past underinvestment and interconnection delays constitute a major bottleneck.

US restrictions on chips mainly hamper efficiency, not the trajectory. China can still ramp up capacity, but with more racks, packaging, electricity and data centre floor space. This is a constraint, but also an investment opportunity. Our view therefore favours the "**picks and shovels**": domestic equipment, advanced packaging, power, networks and third-party data centres such as GDS.

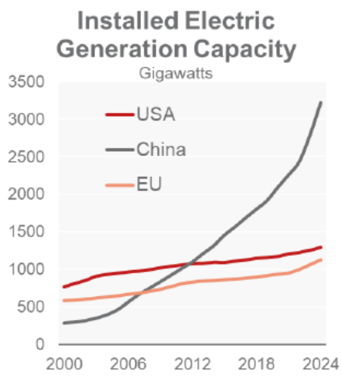
In line with this '**local for local**' approach, domestic substitution continues to accelerate, with clear beneficiaries such as Naura.

**China's ability to catch up**




Source: Stanford AI index (2024)

**A key competitive advantage: energy**




Source: IEA, GenAM

## Focus on...Tech

In our view, AI remains the most transformative theme in technology. Its **use continues to accelerate rapidly**, with an **explosion in the volumes processed**, creating a genuine **shortage of computing power** across the entire value chain: memory, optics, production capacity and infrastructure.

Against this backdrop, our positioning is not limited to the most obvious beneficiaries of AI: we are also seeking **second- and third-tier winners,** who are often less visible but just as essential.

**In the US, we currently see the widest range of opportunities.** Earnings growth remains stronger there, valuations have normalised and investor conviction remains high. **In Europe, the approach is more selective**. Direct exposure to AI is more limited there and the macroeconomic environment remains more complex. **In Asia, we remain positive on semiconductor equipment manufacturers**, particularly those exposed to the memory chain, as well as on stocks linked to **data centre power supply.**

## Key dates

2026

May 21st to 23rd
**GLOBSEC Forum**

May 29th to 31st
**IISS Shangri-La Dialogue**

June 10th and 11th
**ECB meeting**

June 15th to 17th
**G7 in France**



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