



Unlocking Growth

The path to future returns



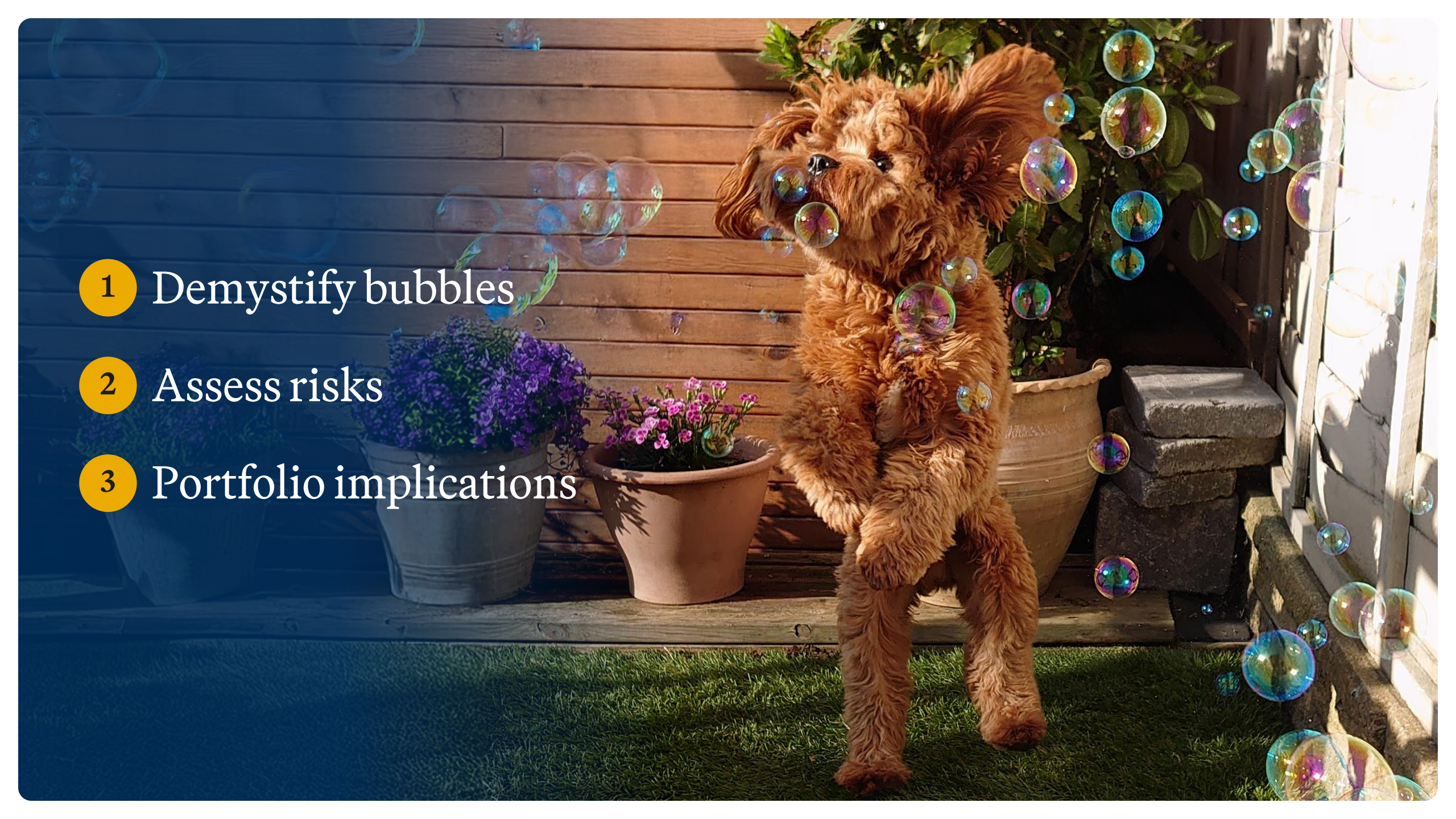
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The anatomy of a bubble: taking the measure of global valuations

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- A fluffy brown dog stands on a wooden deck, surrounded by numerous colorful, iridescent bubbles. The dog is looking towards the left. In the background, there are potted plants, including purple flowers and pink flowers, and a wooden fence. The scene is brightly lit, suggesting a sunny day outdoors.
- 1 Demystify bubbles
 - 2 Assess risks
 - 3 Portfolio implications

What is a bubble?

Strong
price gains

Momentum-
driven
enthusiasm

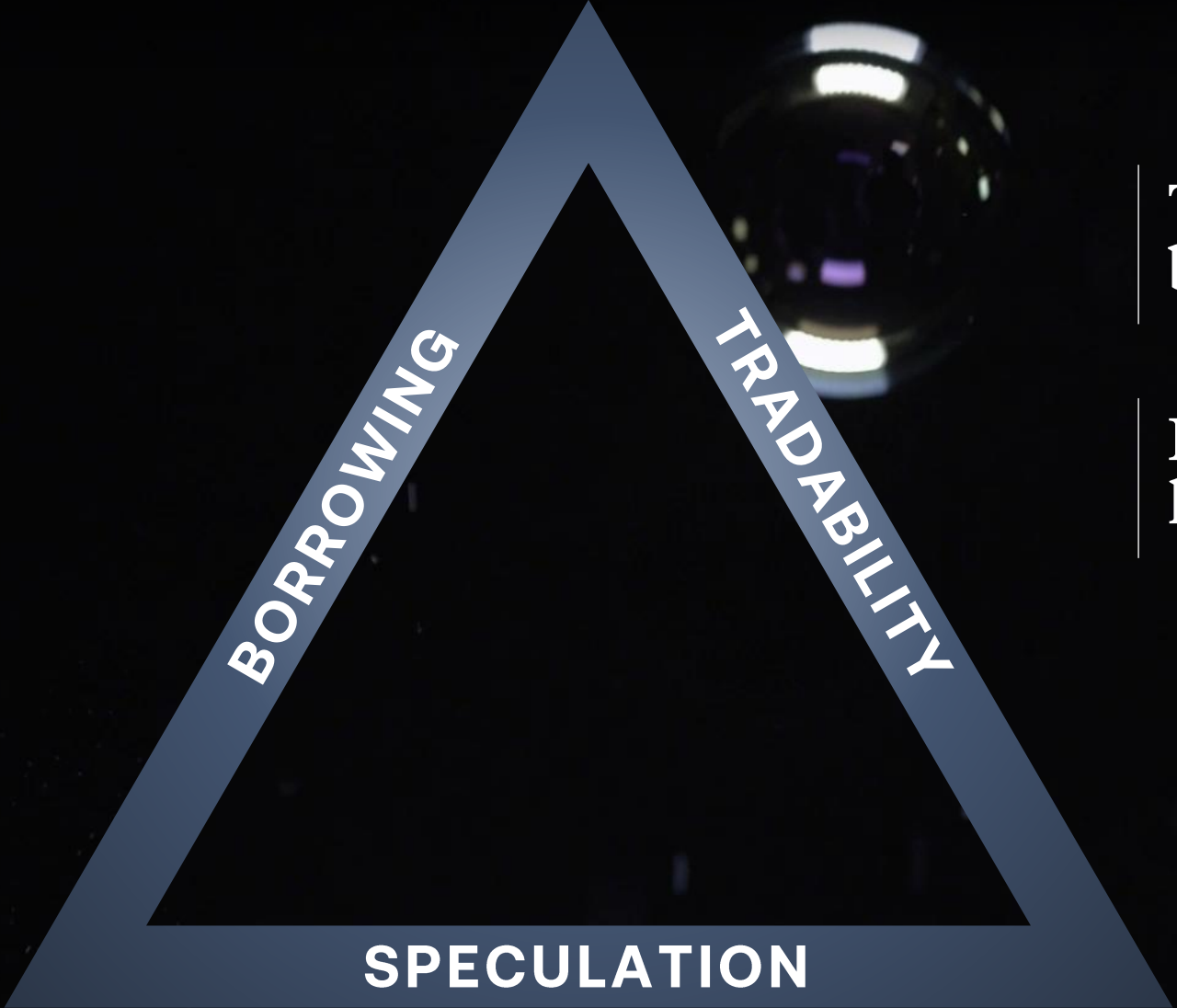
Powerful
new
narrative

Significant
price reversal

Bubbles: necessary conditions



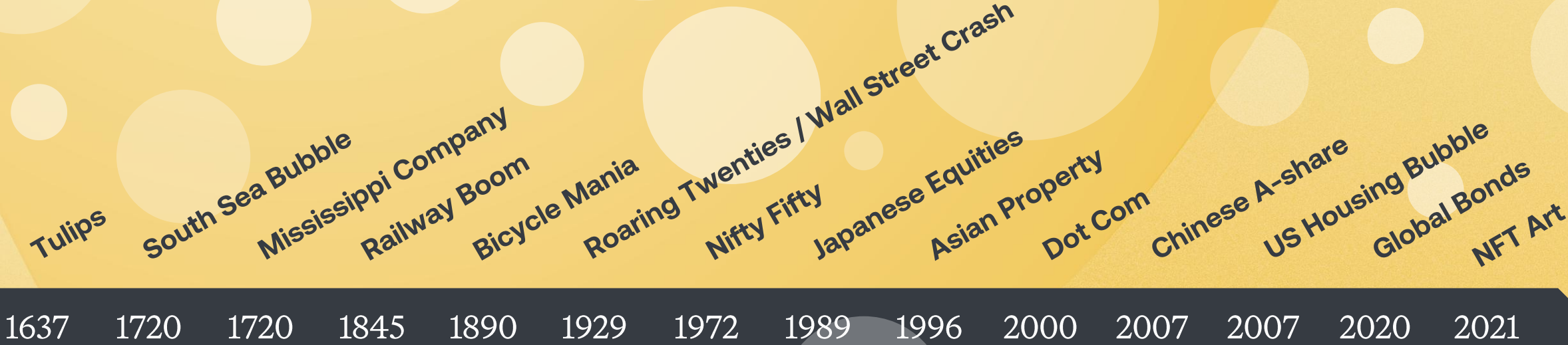
Bubbles: necessary conditions



Technological breakthrough

Policy/
legislative change

Not all bubbles are created equal



Not all bubbles are created equal



Tulips



Railway Boom



Bicycle Mania



Dot Com



US Housing Bubble

1637 1720 1720 1845 1890 1929 1972 1989 1996 2000 2007 2007 2020 2021

Systemic risks of bubbles

asset prices fall

forced selling

lenders pull back

companies reduce CapEx

consumers cut spending

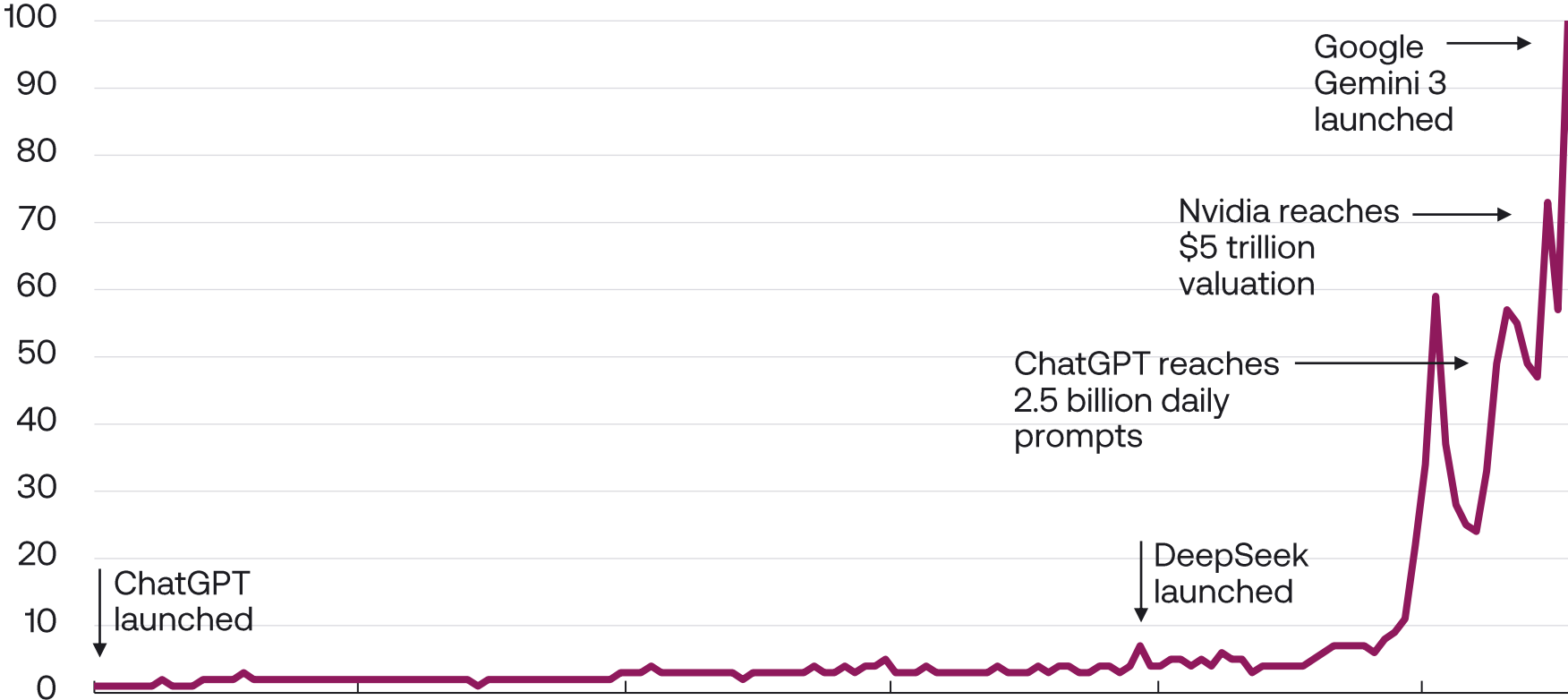
revenues fall

unemployment rises

self-reinforcing spiral

Potential bubbles today

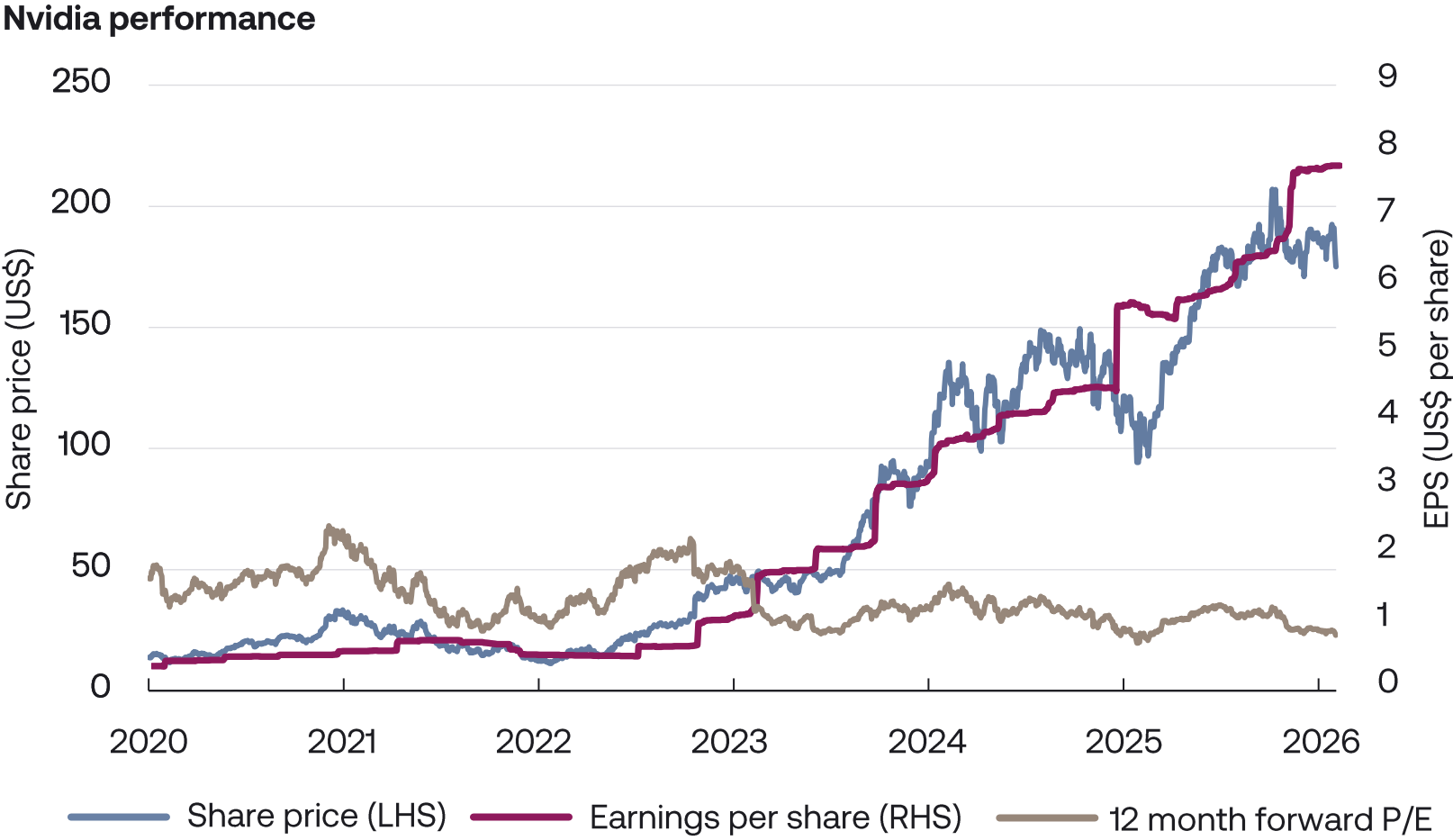
Global Google searches for the term 'AI bubble'



Source: Google Trends, 08.02.26
Search interest over a specific time period, displayed on a relative scale from 0 to 100, where 100 signifies the peak interest for the time period of the chart.

Past performance is not a reliable indicator of future results and may not be repeated.

Potential bubbles today

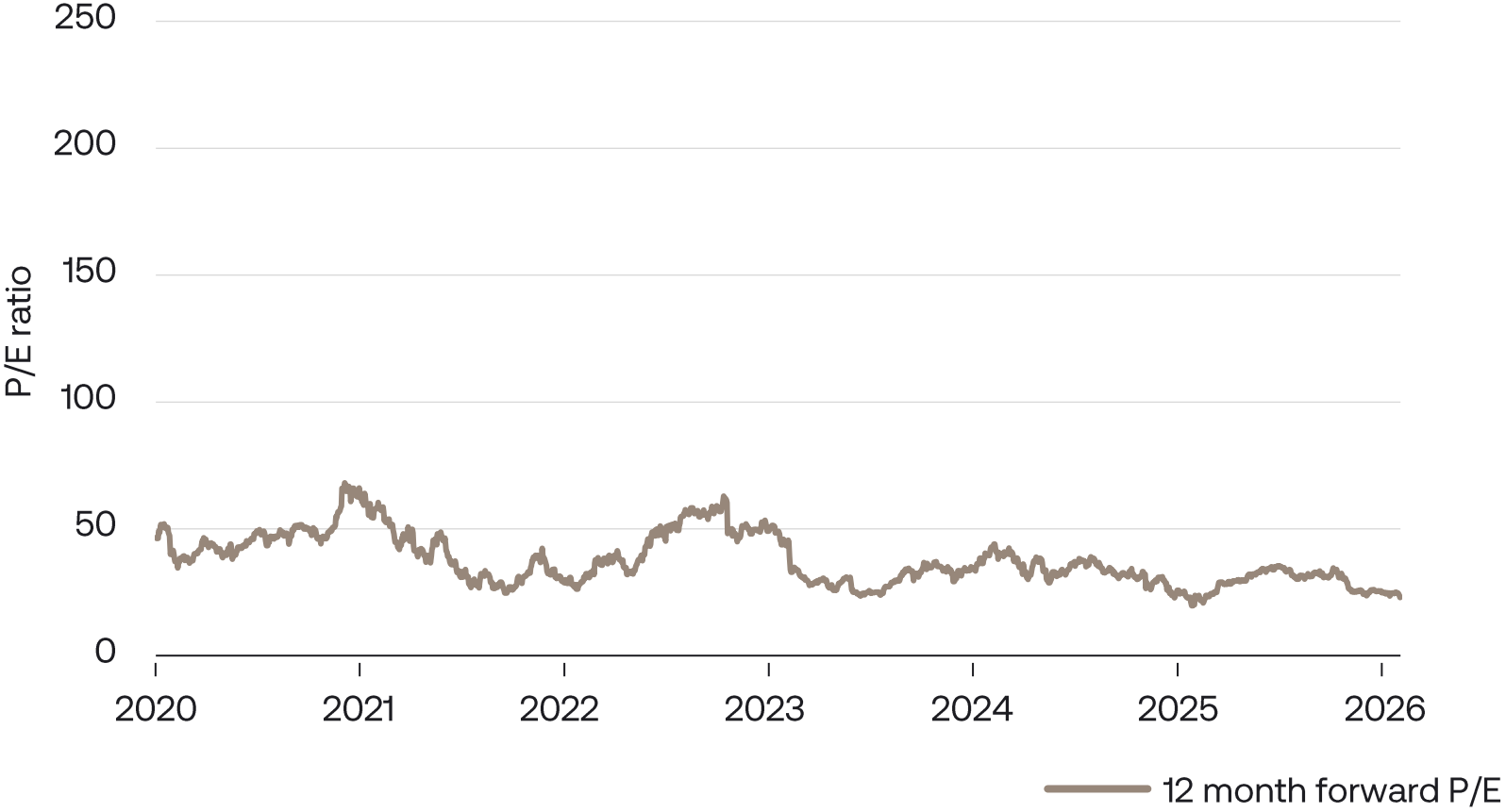


Source: Factset, 09.01.26

Past performance is not a reliable indicator of future results and may not be repeated.

Potential bubbles today

Nvidia performance



Source: Factset, 09.01.26

Past performance is not a reliable indicator of future results and may not be repeated.

Tech stocks valuations

The Magnificent 7 in 2025

	12-month forward P/E ratio
Microsoft	23.7
Apple	29.2
Nvidia	21.8
Amazon	24.0
Alphabet	25.5
Meta	18.6
Tesla	171.3
Aggregate	33.6*

Source: Datastream, 31.12.25. *Weighted average

Largest 7 tech companies in 2000

	12-month forward P/E ratio
Microsoft	97.4
Cisco Systems	126.7
Intel	82.6
Oracle	169.3
IBM	26.3
Lucent Technologies	40.0
Nortel Networks	18.2
Aggregate	90.6*

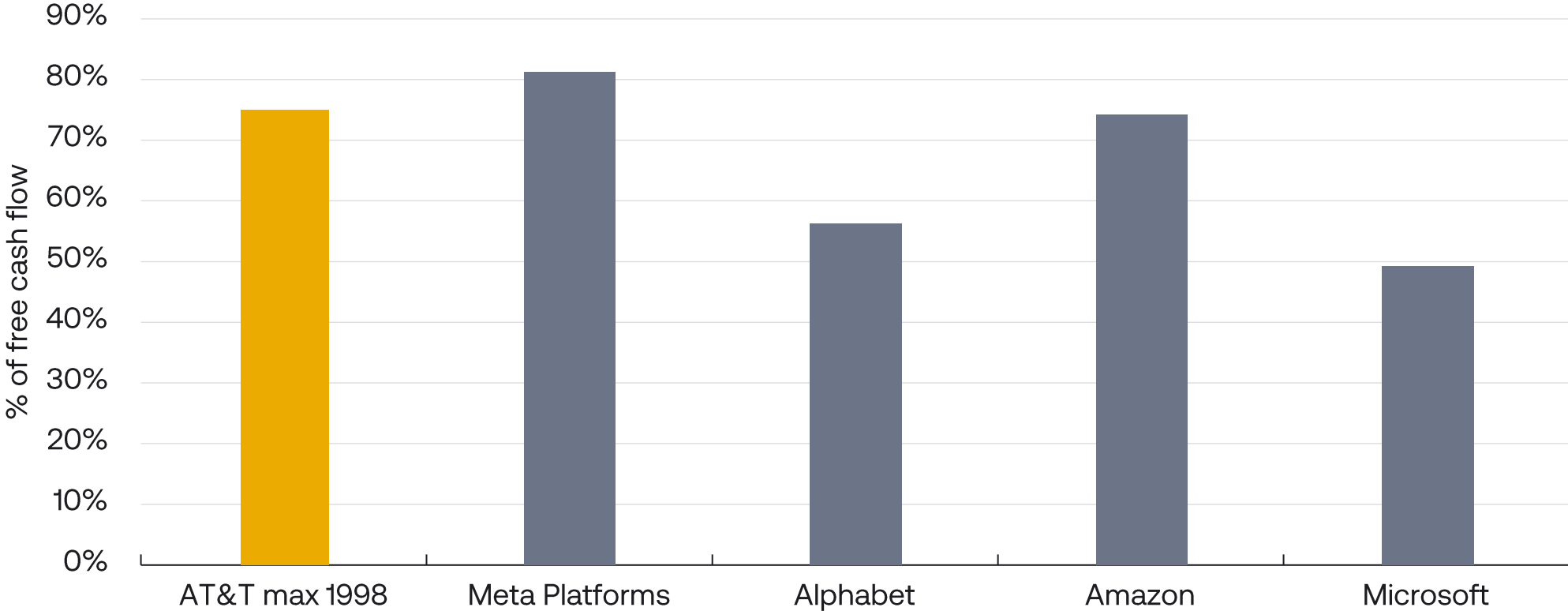
Source: Datastream, 31.12.25.

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Funding the AI build out

Hyperscalers have been using their cash flow

2026 capital expenditures as a % of free cash flow



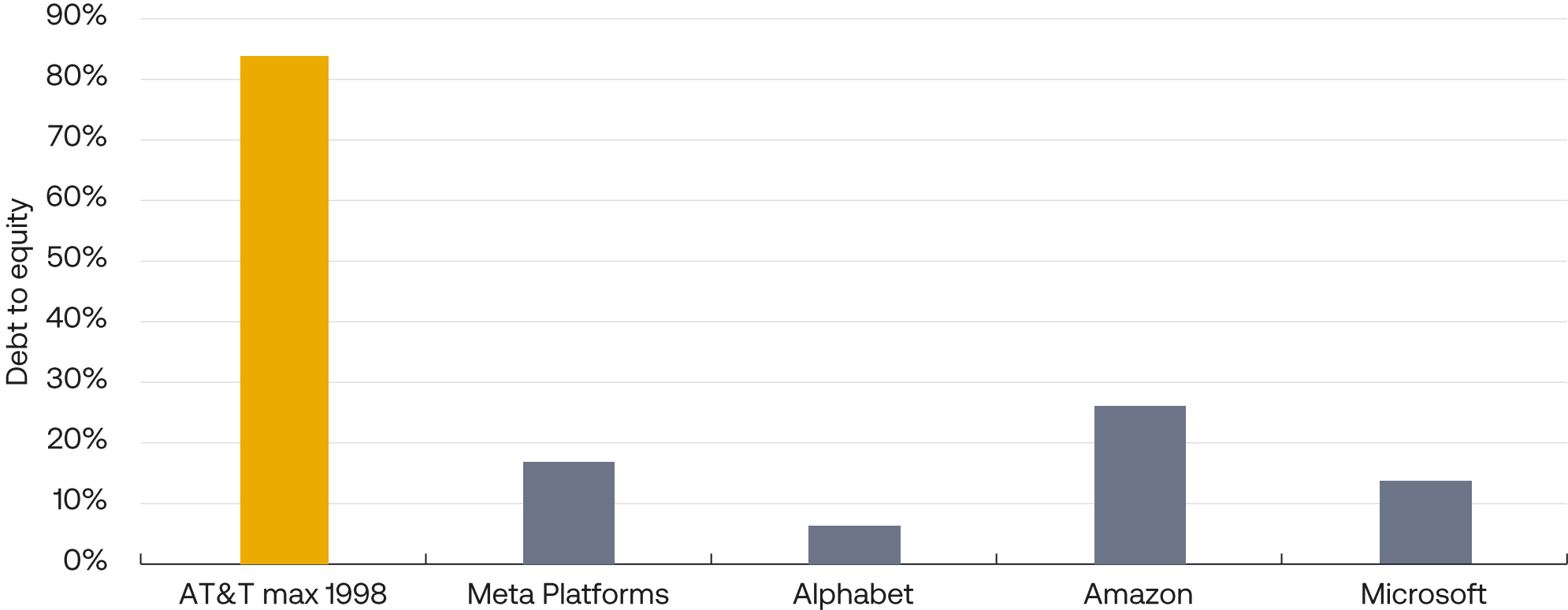
Source: Visible Alpha, 17.02.26

Past performance is not a reliable indicator of future results and may not be repeated.

Funding the AI build out

Room for further borrowing

2026 debt to equity ratios



Source: Visible Alpha, 17.02.26

Past performance is not a reliable indicator of future results and may not be repeated.

Circular dealings in AI

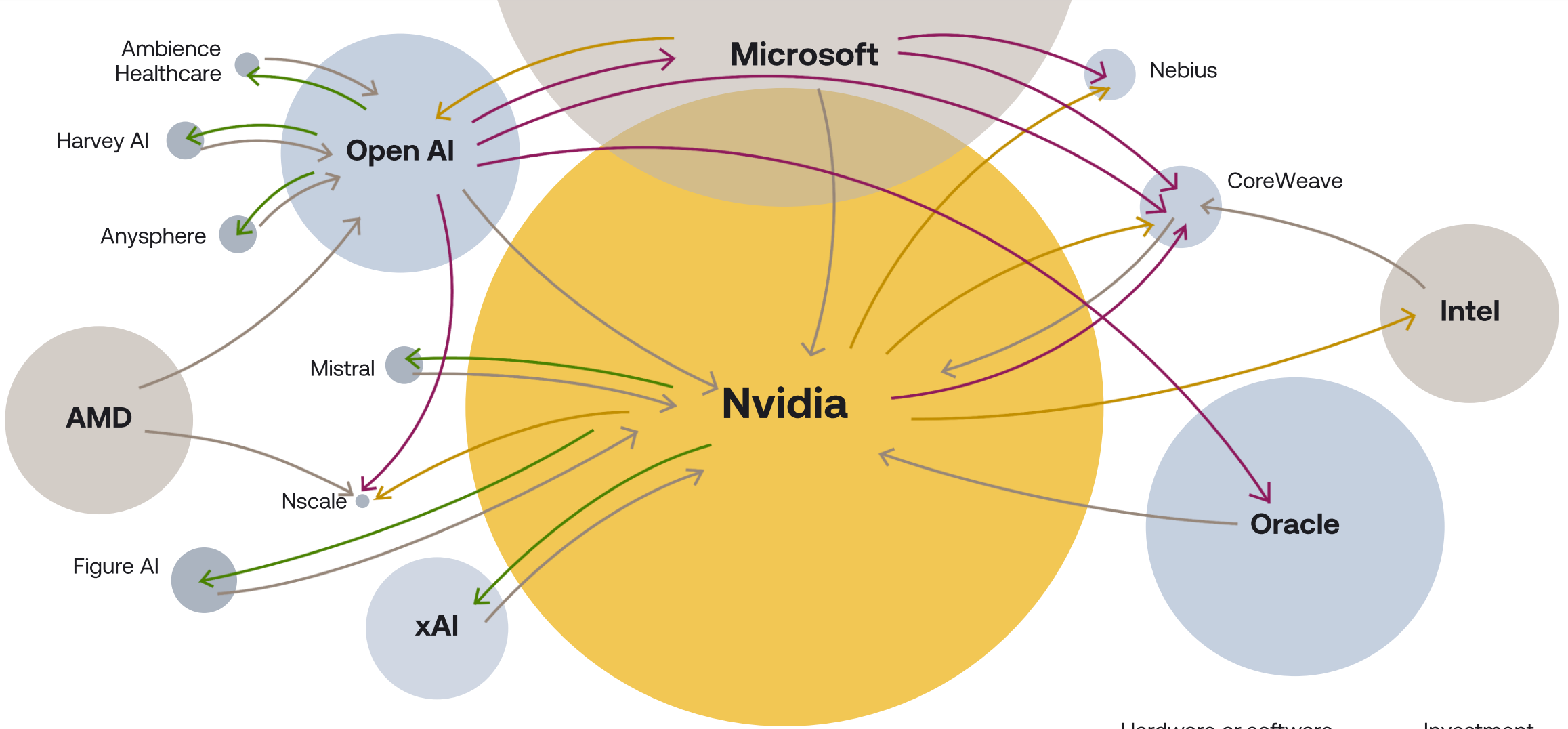


Chart is illustrative. Based on: Bloomberg News Reporting, 08.02.26
Circles sized by market value.

- Hardware or software
- Investment
- Services
- Venture capital

Is there demand?
Speed of adoption

18
years

Personal
computer

8.5
years

Internet

4.5
years

Generative
AI

When the warning lights are flashing, what can we do?

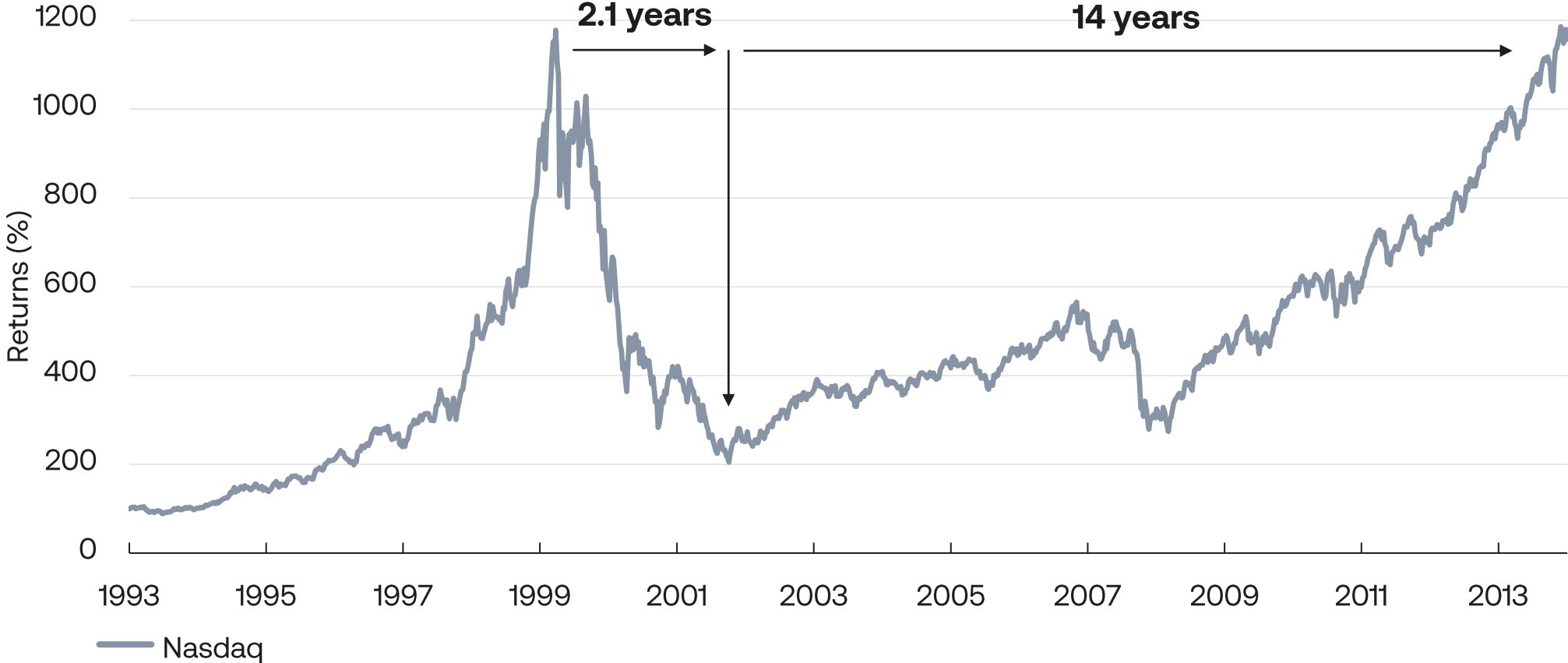
Review strategy and
plan for expenditure

Diversify risk

Stay disciplined

The power of diversification

Dot com bubble epicentre



Source: Sarasin & Partners, Bloomberg, 26.02.26

Past performance is not a reliable indicator of future results and may not be repeated.

The power of diversification

S&P 500 – broad industry exposure

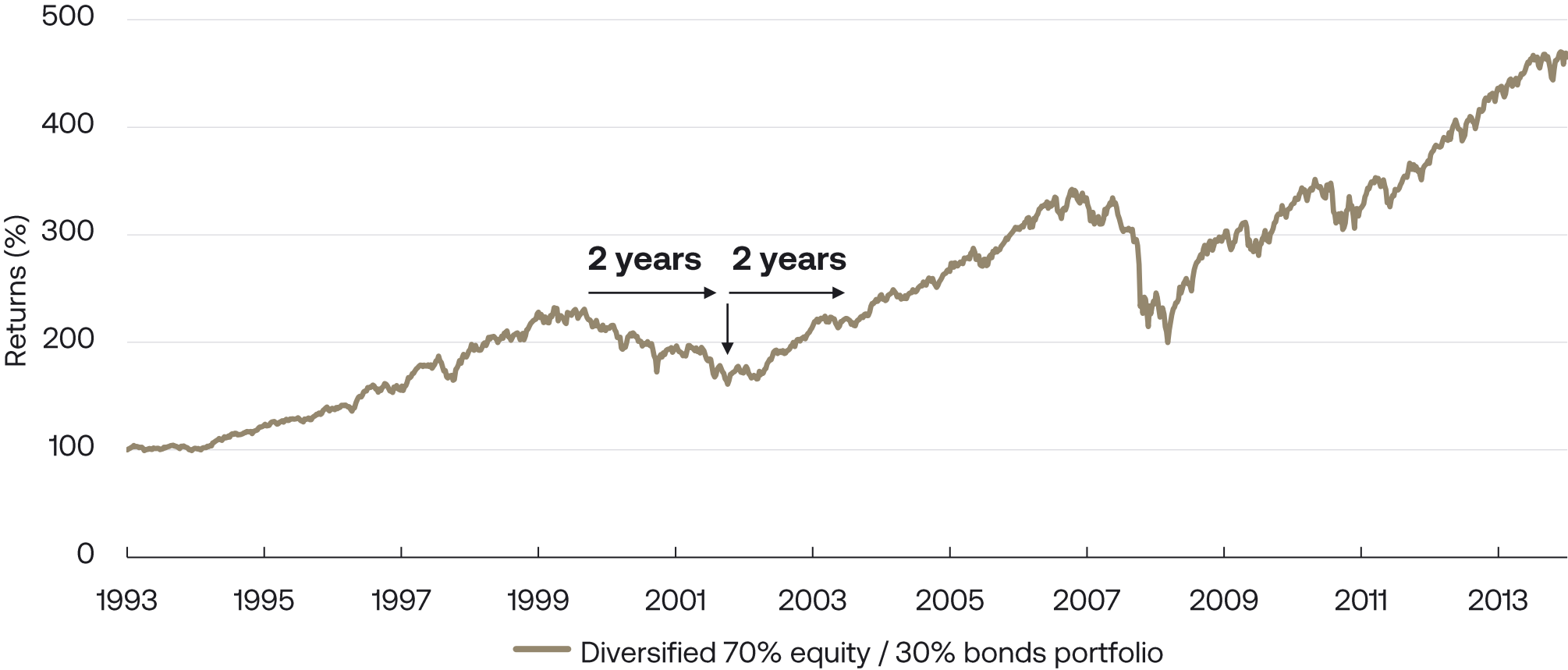


Source: Sarasin & Partners, Bloomberg, 26.02.26

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Diversified portfolio

Meeting long-term objectives

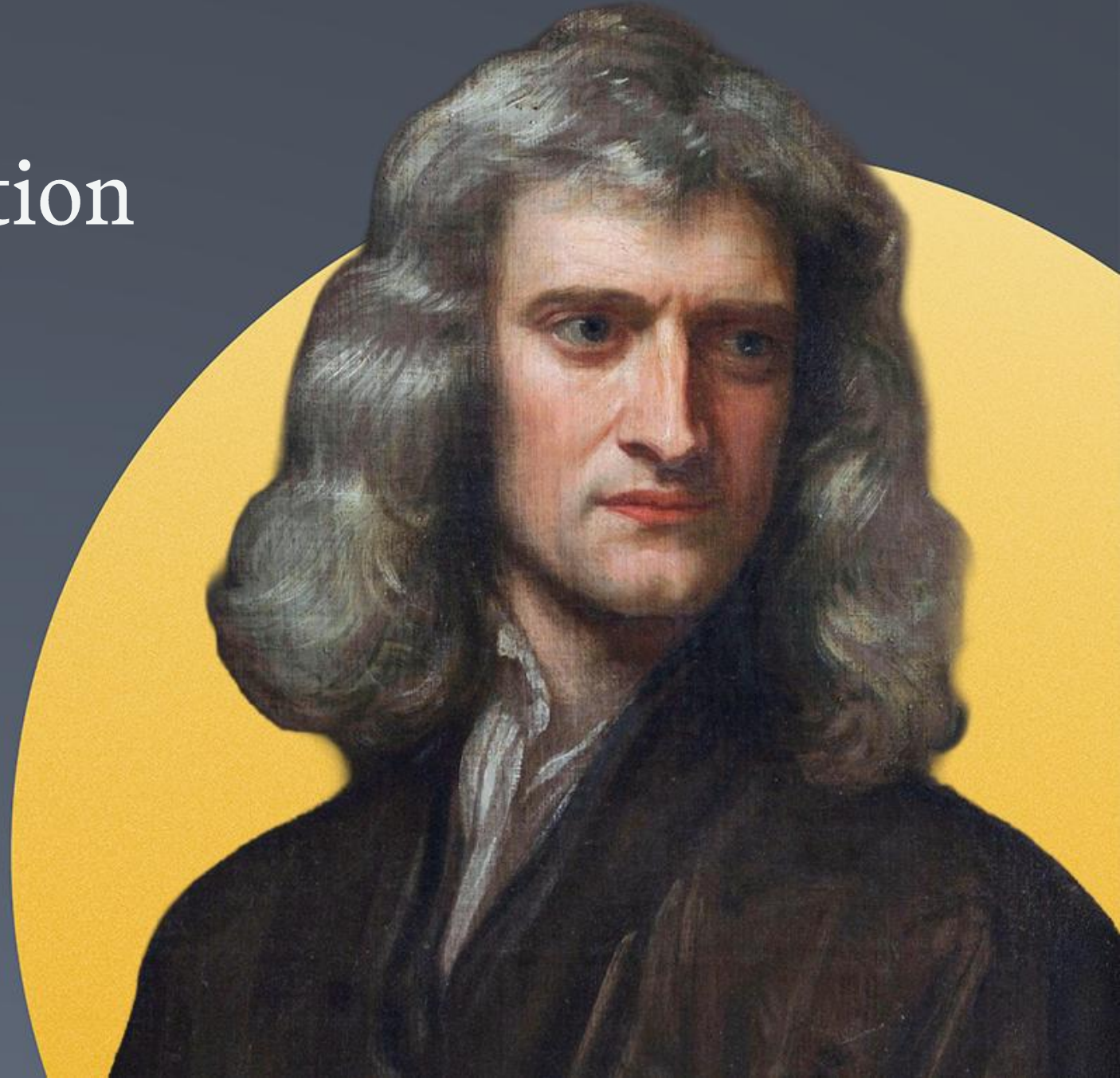


Source: Sarasin & Partners, Bloomberg, 26.02.26

Past performance is not a reliable indicator of future results and may not be repeated.

“I can calculate the motion
of heavenly bodies,
but not the madness
of people.”

—Sir Isaac Newton



The anatomy of a bubble



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