

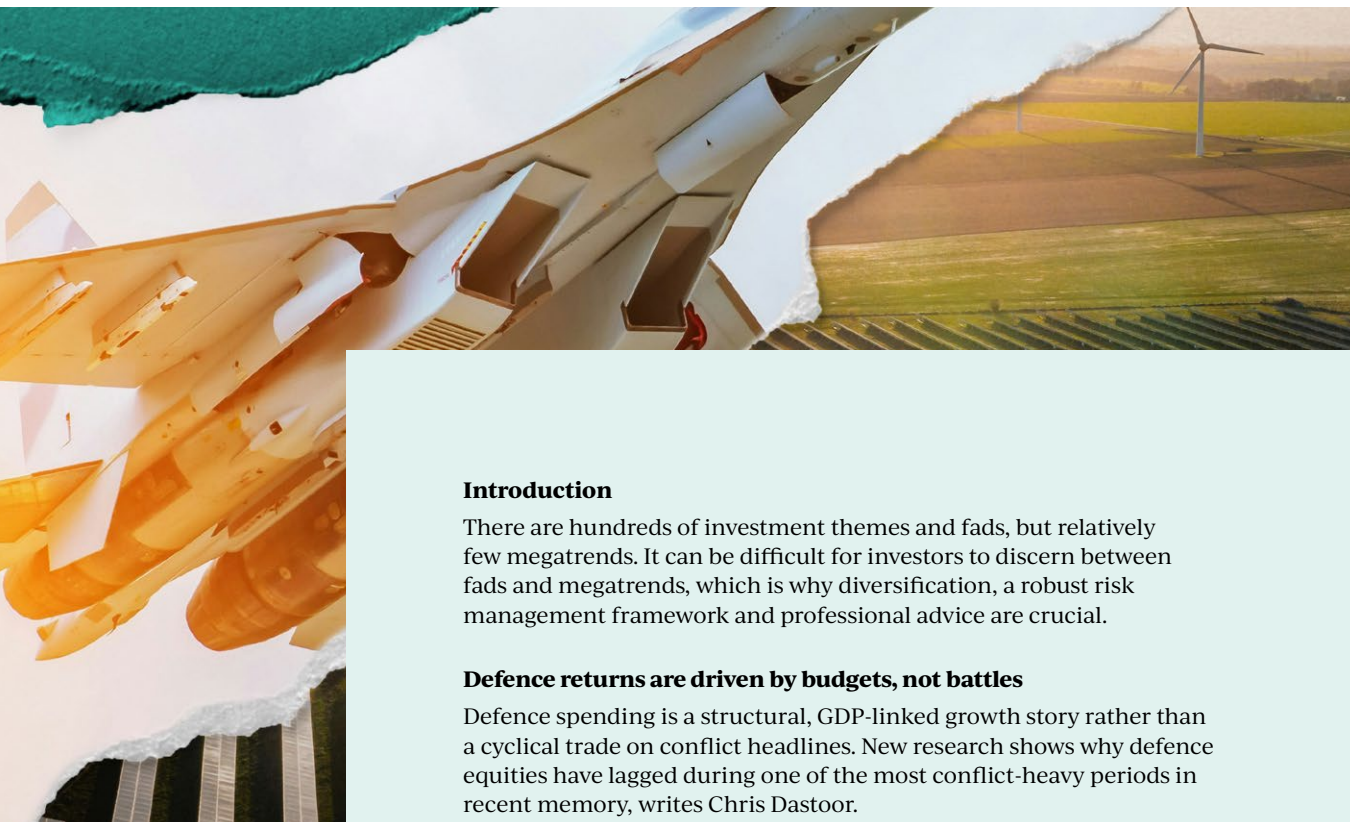


The adviser's guide to investment megatrends

THE BIGGEST OPPORTUNITIES
IN GLOBAL MARKETS

Gold and Commodities Defence AI and Robotics

Contents



Introduction

There are hundreds of investment themes and fads, but relatively few megatrends. It can be difficult for investors to discern between fads and megatrends, which is why diversification, a robust risk management framework and professional advice are crucial.

p. 04

Defence returns are driven by budgets, not battles

Defence spending is a structural, GDP-linked growth story rather than a cyclical trade on conflict headlines. New research shows why defence equities have lagged during one of the most conflict-heavy periods in recent memory, writes Chris Dastoor.

p. 05

Gold and the case for commodities

Gold's reputation as a safe haven took a hit after the US-Iran conflict. But the same buyers that drove a five-year rally have returned and the case for holding commodities in a portfolio has rarely been stronger, writes Brendan Swift.

p. 07

Cover story: How to separate a megatrend from an investment fad

Controlling position size, applying patience and deciding “what” to back rather than “who” to back are three steps advisers can help clients take to maximise their chances of capitalising on emerging investment megatrends or themes, writes Simon Hoyle.

p. 09

Is humanoid robotics AI's next frontier?

The robotics boom isn't about replacing factory workers; it's about plugging the labour gap that the service industry in developed economies can't fill. The next 12 to 14 months could be the fastest AI scaling phase ever seen, writes Chris Dastoor.

p. 12

Conclusion

While many of the megatrends discussed in this guide are expected to continue performing strongly, growth won't be a smooth, upward trajectory.

p. 14

Introduction

MEGATRENDS ARE NOT FADS

In investment circles, megatrends are broadly considered to be the structural shifts that will shape markets and drive returns for the next decade, at least.

Investment fads, on the other hand, are characterised by large, short-term bursts of outperformance, followed by a steep, rapid decline.

While there are hundreds of investment themes and fads, there are far fewer megatrends.

In the moment, it can be difficult for investors to discern between the two, which is why diversification, a robust risk management framework and professional advice are crucial.

According to exchange traded fund (ETF) manager Global X, key megatrends include defence, commodities, green energy and, of course, artificial intelligence (AI) and robotics. No guide on megatrends would be complete without a meaty section dedicated to AI.

Global X senior investment strategist Billy Leung tells *Professional Planner* that AI is still in the early chapters of one of the largest innovation breakthroughs in history and the next part of that story will be told through robots, not chatbots (see page 12).

Leung also outlines the case for investing in defence, noting that a growing number of countries are lifting defence budgets, as the world moves away from the post-Cold War era of economic integration and shifts towards deglobalisation (see page 5).

This guide also explores the benefits of holding gold and commodities in a portfolio, despite some recent price volatility (see page 7).

And our cover story examines why controlling position size, applying patience and deciding “what” to back rather than “who” to back are three ways advisers can help clients maximise their chances of capitalising on the investment potential of a megatrend.

BEWARE OVERPAYING FOR GROWTH

Gaining targeted exposure to investment themes and megatrends has never been easier, with the rise of ETFs and managed accounts significantly expanding the range of investment options available to investors, and aiding advisers to construct and manage portfolios, and implement ideas at scale.

However, easy access to liquid, low-cost investment options places greater responsibility on investors and advisers to carefully research funds and strategies to avoid fads and paying too much for the promise of future growth.

With many equity markets near record highs and major indices concentrated in a small number of countries, sectors and companies, paying too much for any investment can leave portfolios vulnerable if expectations and markets change.

Given all the hype surrounding the megatrends outlined in this guide, it is critical that investors seek professional advice and guidance on how much they should pay for growth. As a general rule, investors should look to identify companies with strong characteristics, solid financial strength and reasonable valuations.

We hope that you find this guide interesting, insightful and useful.



Simon Hoyle

SIMON HOYLE

Acting editor, Professional Planner

Defence returns are driven by budgets, not battles

Defence spending is a structural, GDP-linked growth story rather than a cyclical trade on conflict headlines. New research shows why defence equities have lagged during one of the most conflict-heavy periods in recent memory, writes Chris Dastoor.

GLOBAL SPENDING ON defence is tracking a far more durable driver than active conflicts. It is tracking the underlying GDP growth of the countries doing the spending.

Global X senior investment strategist Billy Leung describes defence spending as a “structural, GDP-linked growth story” rather than a cyclical trade on conflict headlines, which explains why defence equities have lagged during one of the most conflict-heavy periods in recent memory.

“This is an ongoing growth thematic, which is essentially tracking each country's GDP growth,” Leung says.

“It's not cyclical... it's something that's going to grow all the time, unfortunately.”

As the world moves away from the post-Cold War era of economic integration and shifts towards deglobalisation, a growing number of countries are lifting defence budgets.

Leung observes that nations are increasingly prioritising self-sufficiency over cooperation.

But despite the budgetary increases, defence equities underperformed during one of the most conflict-heavy stretches in recent history, based on research by Global X, which tracked a run of major military escalations including a US raid on Venezuela that captured President Nicolás Maduro, the US-Israel war on Iran through to a mid-June ceasefire, the Russia-Ukraine war, and deadly attacks in Nigeria and Pakistan.

The firm's analysis found that the conventional link between geopolitical conflict and defence sector returns did not hold up well under scrutiny. Instead, it was the budget cycle that correlated with returns.

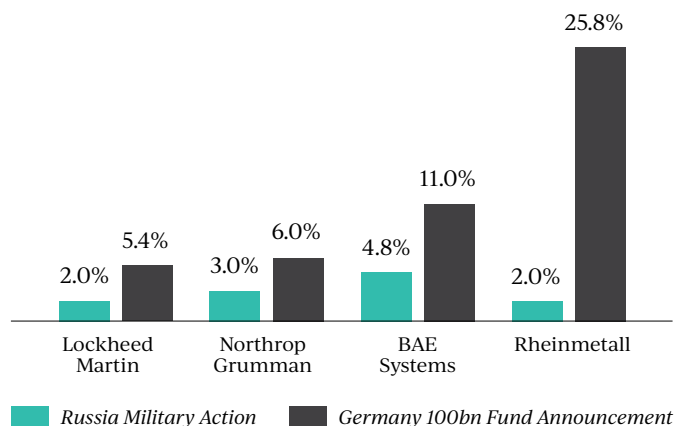
“A lot of the questions we get from investors are about the underperformance of defence stocks despite so many active conflicts,” Leung says.

“As the world moves away from the post-Cold War era of economic integration and shifts towards deglobalisation, a growing number of countries are lifting defence budgets.”

“When we looked into it, defence companies react more to budget changes.”

Global X's research showed that defence stocks have historically responded more strongly to government spending announcements than to military action itself because a funding commitment gives investors much clearer visibility over a company's future revenue, earnings and order book than a missile strike does.

Defence Stock Movements 1 Day On/Post Events

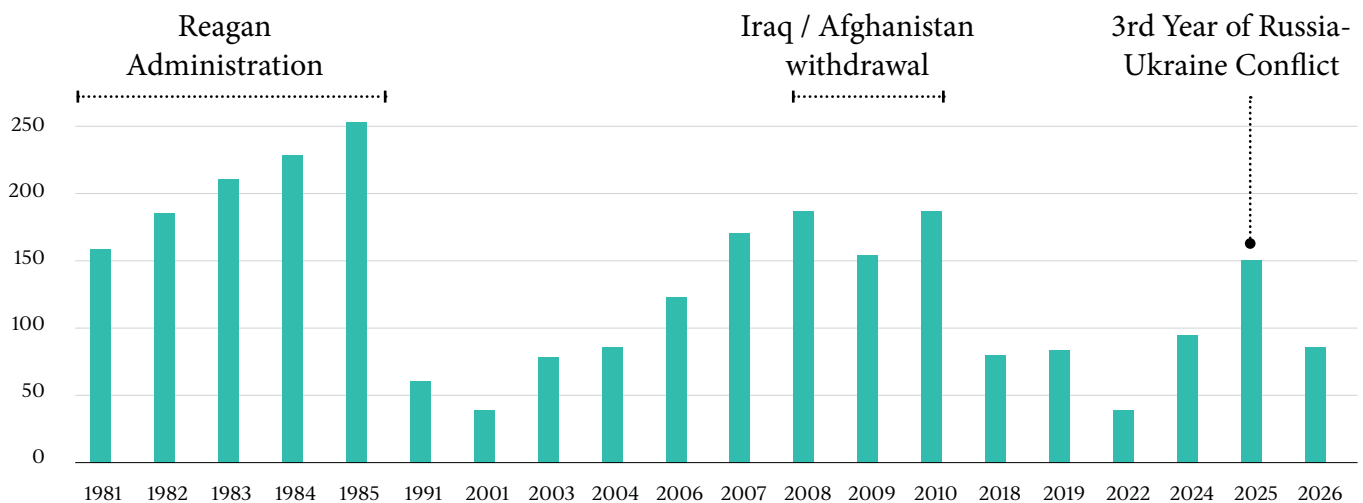


Source: Bloomberg data

This pattern held up across decades of US defence policy including the Reagan-era defence build-up, wartime supplementals during the Afghanistan and Iraq campaigns, the 2018-19 Bipartisan Budget Act increases, the 2022-24 Ukraine-related supplementals, last year's defence package under the “One Big Beautiful Bill”, and this year's Iran-related supplemental request.

However, despite budgets being the driver, Global X's research pointed to production capacity being the bottleneck now shaping the sector's multi-year outlook. At current production rates, missile inventories could take close to two years to replenish, with lead times on key systems running well beyond a year.

Major Congressional Department of Defense Spending Approvals (US\$ bn)



Source: US Department of Defense Green Book; Congressional Research Service; Congressional Budget Office; US Congress.

According to Global X, Patriot PAC-3 interceptors are estimated at 24-to-30 months, Tomahawk cruise missiles around 34 months, and both THAAD (Terminal High Altitude Area Defense) and SM-6 systems in the 24-to-36-month range.

Global X's research showed governments are increasingly prioritising domestic and regional defence suppliers over imports, and this shift is playing out across multiple allied markets simultaneously rather than in any single country.

In Europe, the ReArm Europe plan is driving demand for air defence, artillery and ammunition as the region replenishes stock sent to Ukraine.

The US is pushing its Replicator initiative alongside missile-defence and naval programs aimed at Indo-Pacific deterrence.

Japan's 2022 National Security Strategy has lifted spending on counterstrike and missile-defence capability while Taiwan's Overall Defence Concept is channelling investment into drones and asymmetric defence systems amid tensions with China.

"The nature of modern warfare has shifted the type of company that benefits from that spending."

In the Middle East, Red Sea escalation and regional missile threats are driving demand for air-defence and interception systems.

That geographic spread is exactly why Leung argues a single-country defence allocation misses the bigger picture.

"We're seeing different countries expanding or increasing the amount they're investing and the reason for that is we're going to a regime in the world where we're going to deglobalisation as opposed to globalisation," Leung says.

"Countries are, to put it simply, looking after themselves."

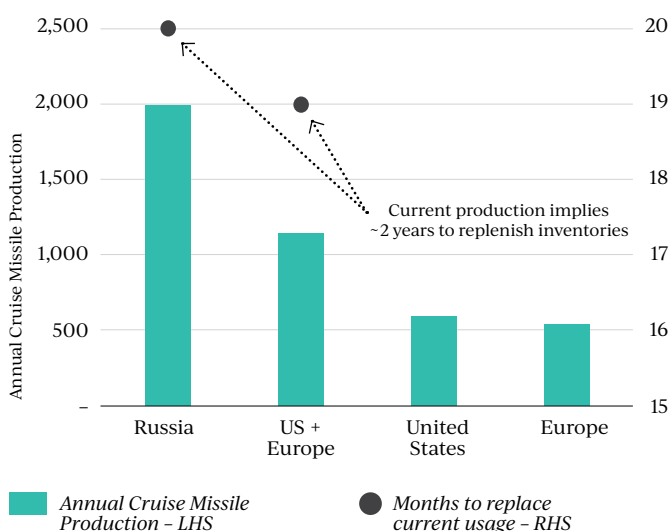
How military budgets are spent also matters, with Leung pointing out that the nature of modern warfare has shifted the type of company that benefits from that spending.

"We're no longer relying on big planes, big ships, big tanks," he says.

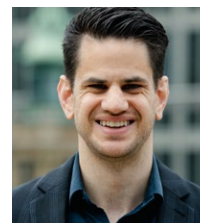
"Right now, we have the Ukraine using \$10,000 missiles, offsetting \$1 million missiles from Russia. We've also seen \$1000 missiles from Iran offsetting thousands and thousands of dollar missiles from Israel and US. That's why defence is no longer just about muscle power, but also technology."

Global X's local vehicle for the theme is the Global X Defence Tech ETF (ASX: DTEC), which tracks the Global X Defence Tech Index and applies a revenue filter to capture companies with genuine exposure to AI, drones and cybersecurity within the defence supply chain, rather than legacy hardware manufacturing alone. The fund currently holds 37 companies and carries a management fee of 0.50 per cent per annum. **PP**

Major Blocs Missile Production Capacity



Source: CSIS; IISS; US Department of Defense; Lockheed Martin; RTX; MBDA.



CHRIS DASTOOR

Freelance Journalist and former editor of Professional Planner

Gold and the case for commodities

Gold's reputation as a safe haven took a hit after the US-Iran conflict. But the same buyers that drove a five-year rally have returned and the case for holding commodities in a portfolio has rarely been stronger, writes Brendan Swift.

GOLD'S LONG-RUNNING UPWARD trajectory took a sharp detour in February when the US-Iran war reignited geopolitical tensions. But the same buyers who have pushed the gold price to new records since 2024 are now back, according to Global X investment strategist Justin Lin.

"Now that the Iran war has turned into a little bit of a 'nothing burger' in terms of global economic impact, all parties are back," Lin says. "Overall, the picture is much more positive for gold now. If you can't easily identify the marginal seller, then the direction of travel tends to be up."

Gold is an unusual asset class that produces no cashflows or dividends – its price is set by demand with annual production broadly stable at roughly 3,600 tonnes.

But its reputation as an inflation hedge and store of value in volatile times has seen investment demand overtake jewellery as the largest demand driver in 2025.

HOW MUCH TO HOLD

While gold is considered a safe-haven asset, it can still be volatile and post significant falls in value.

Some investors were surprised when the US-Iran conflict in late-February prompted equity markets to decline by 8–10 per cent over the next month – gold didn't rally and instead lost about one-quarter of its value over several months.

"The fact is it's a liquidity-driven crisis and when people are worried about their portfolios, they don't selectively sell," Lin says. "They sell their whole portfolio and if there's 3 per cent gold in there, they will sell the gold. It's what happens afterwards that is most important in terms of the gold price action."

Stronger price momentum has since been reflected in ETF flows, with Global X reversing outflows across its three gold



"Throw maybe 3–5 per cent of your portfolio into gold and then don't look at it ever again for the rest of your life."

ETFs during the early stages of the US-Iran conflict to post more than \$100 million of inflows in the second half of 2026 to date. At the end of 2025, Global X's three gold ETFs held about \$7.3 billion, with its main physical GOLD ETF the largest on the ASX, with about \$5.9 billion.

While investing in gold can be a tactical play, its diversification benefits also make it a natural fit in a portfolio's alternative sleeve.

"The way that I would recommend most clients allocate to gold is to throw maybe 3–5 per cent of your portfolio into gold and then don't look at it ever again for the rest of your life," Lin says.

"That's because gold has a lot of really positive properties in terms of portfolio allocation – it has historically had low correlation to equities and fixed income so if there is a real black swan event – a 2008–2009 Global Financial Crisis – you're going to have a balance in your portfolio that helps offset some of that pain and maybe keep you in the market longer than you would have otherwise."

Nonetheless, a further escalation of the US-Iran conflict remains a tail risk if oil surges to \$180–\$200 a barrel and inflation runs well above 5 per cent – an environment that would initially punish gold, as well as most assets.

"Gold would react very negatively initially to that kind of environment due to the fact that it is a non-yielding asset and a lot of investors would find a 10 per cent yielding US Treasury bond quite attractive," Lin says.

But he argues the sell-off would be short-lived, with gold's lower price and safe-haven status quickly luring investors back.

CENTRAL BANKS

Central banks' buying spree and the surging value of gold pushed the asset class to make up 27 per cent of global central bank reserve assets by the end of last year, up from 20 per cent a year earlier, according to the European Central Bank.

Lin says the trend picked up after Russia invaded Ukraine in 2022 and the G7 froze about €260 billion of Russia's central bank assets.

"What this did was trigger non-US allied central banks to immediately start pivoting their assets away from US-dollar denominated financial assets and into something that's more neutral. But they also needed to be liquid and they also needed to be globally recognised and the only asset that really does that is gold."

More broadly, the US's growing debt under the Trump administration has continued to raise concerns about the role of the US dollar and Treasuries in the global economy.

Central banks in emerging markets such as China, Poland, Turkey and India have led the gold buying spree, with a Deutsche Bank analysis in April 2026 suggesting gold's share of central bank reserves tracks the geopolitical environment rather than the monetary system.

"Central banks and official institutions as defined by the World Gold Council have accounted for over 40 per cent of the investment demand for gold since 2022, excluding demand for jewelry, technology and industrial purposes," Deutsche Bank analysts said.



COPPER AND OTHER COMMODITIES

Gold may be the highest-profile commodity in the eyes of investors, but the asset class is broad, spanning precious metals, energy, industrial metals and agriculture.

While gold fell when the US-Iran conflict struck, other commodities surged. Oil responded to the energy shock from the closure of the Strait of Hormuz, while the price of copper has hit a record high in response to a broader array of forces.

Global X's Copper Miners ETF (ASX: WIRE) has attracted more than \$320 million in inflows over the year to date due to demand from electrification, battery technology, clean energy and, increasingly, the AI data centre build-out, Lin says.

On the supply side, production is forecast to stagnate and the threat of US tariffs on copper imports has triggered what Lin describes as one of the biggest generational movements in commodity inventory.

"Now that the Iran war has turned into a little bit of a 'nothing burger' in terms of global economic impact, all parties are back."

"It is a very binary risk in the future about how President Donald Trump announces the tariffs for copper," he says. "If he announces them in the right way – and the right way for me would be a 15 per cent tariff in 2027 and an elevated tariff in 2028 to continue incentivising the imports of copper into the US for the next two years – then the copper prices could head way higher."

For investors seeking a more diversified exposure to commodities, Lin suggests a basket approach such as Global X's Bloomberg Commodity Index ETF (ASX: BCOM), which holds 25 commodities across energy, agriculture and precious and industrial metals. The fund has attracted more than \$50 million in inflows this year. **PP**



BRENDAN SWIFT
Investment content editor,
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How to separate a megatrend from an investment fad

Controlling position size, applying patience and deciding “what” to back rather than “who” to back are three steps advisers can help clients take to maximise their chances of capitalising on emerging investment megatrends or themes, writes Simon Hoyle.



A SHORT-TERM FAD and a megatrend can look identical for the first year or two. It's what happens after that which makes the difference.

Marc Jocum, senior ETF strategist at Global X, says megatrends are powerful, long-term structural changes capable of reshaping an economy or an industry over many years, and that reshaping is what creates the investment opportunity.

Jocum says that to qualify as a megatrend or thematic, four attributes must be present:

- Longevity, be it multi-year or multi-decade;
- Scale or a universe of companies big enough to materially reshape a market;
- Adoption on four fronts: government support, whether fiscal or regulatory; business adoption; consumer adoption; and
- Meaningful revenue and earnings.

Jocum says the dot-com boom is the clearest illustration of what happens if the final element on the list is found to be missing: the technology behind it eventually reshaped the world, but the companies driving the hype did not have the earnings to back their share prices. In other words, the megatrend was real, but the hype and valuations got well ahead of the underlying earnings reality.

A 2026 paper published by Marsh (formerly Mercer), *Investment Themes and Opportunities*, defines megatrends as multi-decade transitions that gradually reshape the world, distinct from the one-off regime changes and shorter economic supercycles.

"Investing should be as boring as possible, but I also believe that when you go to a restaurant and you order a Thai dish, as an example, no one really recommends the rice. The rice is the core. People recommend the hot spicy chicken or the extra chilli sauce or something like that."

The report says the benefits for investors include getting ahead of structural shifts that play out over five years or more, but the trick is to "catch such emerging trends before they make the headlines, as first-mover advantage increases the likelihood of improved performance when breakthrough technologies achieve market adoption".

FAST BURN, SLOW BURN

In management-speak, an "adoption S-curve" describes how an innovation enters a market and is taken up by consumers or users. Whether a theme follows the S-curve or just grinds along for years and doesn't really ever take off is part of what qualifies it as more than a fad.

Quantum computing and tokenisation, for example, are still early and thinly investable, Jocum says, while e-commerce is mature and largely factored into existing company share prices. An ideal entry point to a theme or megatrend is at the inflection, where adoption is just beginning to accelerate. But investors may need to be patient.

"Some of these things could take many, many years to eventually be adopted, and hence it is a slow burn," Jocum says.

"We've seen the likes of something like our lithium and battery-type ETF that didn't go anywhere for four or five years, and all of a sudden, you see this massive EV revolution. People start to talk about energy storage systems, and all of a sudden, it pops up massively over one year.

"Then on the other side, you also have periods of hype and euphoria around genuine long-term trends as we saw in something like semiconductors. While there can be short-term periods of euphoria, that doesn't necessarily detract from the fact that semiconductors are a genuine long-term structural trend. Euphoria comes and goes, and there can be short-term periods where you see very, very sharp price increases and price decreases, but the underlying demand drivers for semiconductors are much more enduring."

The risk investors face in the early stages of a megatrend is similar to the early stages of an investment fad: hype runs harder than fundamentals, and investors could end up paying too much for assets that never deliver on their promise.



A primary defence against the risk is controlling position size.

"Position sizing and controlling for risk is really important, because if you have 100 per cent of your portfolio in a thematic and you're not able to sleep at night, I'd argue that's really poor investing overall," Jocum says.

"We see a lot of people position in thematic only a few per cent of their portfolio in each individual thematic."

Because capitalising on megatrends or themes requires investors to recognise the trend early, there may not be many stocks to choose from early on. Some themes hold only 20 or 30 stocks.

"That, naturally, is going to create a lot more concentration," Jocum says. "It's almost like when you're riding a roller coaster, it's the price of admission you pay. For something like this, you may get outsized returns, and that's why people invest in themes to make money and to see some sort of alpha, like outperformance."

"But it comes with the price of potential volatility, and as long as investors understand that, and they get that it could be a bumpy ride, that is probably one of the best ways to control their own behaviour."

PERSONAL CURIOSITY

Jocum says investors are frequently attracted to the concept of megatrends "almost to satisfy their own personal curiosity".

"My view is investing should be as boring as possible, but I also believe that when you go to a restaurant and you order a Thai dish, as an example, no one really recommends the rice. The rice is the core, the foundation of the dish. People recommend the hot spicy chicken or the extra chilli sauce or something like that. Those are the thematic that create engagement with investing."

Jocum says being able to talk about megatrends and themes helps advisers satisfy the need a client might have to discuss potential sources of diversification, niche exposure or returns.

"I almost like to think that if an investor is spending a lot of their time researching and investing in these thematic, if that prevents them from touching the 70 to 80 per cent 'boring' part of their core portfolio, thematic are actually doing a psychological favour in the end," he says.

"I do think that they can be an alpha engine, to potentially generate returns, but only if investors position accordingly, understand the risk, and distinguishes a structural trend from a short-term theme. I think that's really important."

INTELLECTUAL HUMILITY

Identifying a theme or megatrend and the companies that support it, and diversifying across those companies, can obviously help to mitigate individual stock risk. An investor who believes in "space" as a theme does not need to bet specifically on SpaceX and Elon Musk.

"Instead of picking who's going to be the winners, thematic actually give investors the intellectual humility to say, I don't know who's going to win, but I'm going to invest in the broader theme, which I have conviction in," Jocum says.

He says thematic exposure also makes an otherwise abstract portfolio concrete: small modular reactors built to power AI, or the visible build-out of space launch capacity, give investors something they can tangibly see. Almost every business is now, in some sense, an AI business, with around 60 per cent of Australian companies mentioning the word

"AI" in their commentary during the most recent company reporting season.

The active-versus-passive management debate used to be about "who" to back (which manager) but is now about "what" to back (the structural trend or theme).

Jocum says an ETF only works structurally if the underlying securities are liquid enough for continuous trading, which is why ETFs built around micro-cap or illiquid names do not suit the wrapper.

"Instead of picking who's going to be the winners, thematic actually give investors the intellectual humility to say, I don't know who's going to win, but I'm going to invest in the broader theme, which I have conviction in."

Investors can choose a broad, diversified basket, such as a roughly 90-stock AI ETF; or a narrower group, such as uranium and copper miners as inputs to AI infrastructure; or the data centre build-out itself. There's virtually an ETF for every link in the value chain.

Jocum says thematic ETFs make up around 5 per cent of global equity ETF assets but attract close to 10 per cent of total flows so far this year, and thematic ETF assets in Australia have grown to around \$12 billion, up from around \$3 billion five years ago.

Most advisers still prefer to select individual ETFs themselves rather than outsource that decision, though asset consultants are increasingly building blended thematic portfolios on clients' behalf.

"Advisers want to have these conversations with their clients and get them engaged in these things, which is why they like doing the 'bricklaying', if that makes sense, on which ETFs to buy rather than outsourcing it," Jocum says. "The value for the adviser is having a broad range of ETFs at their disposal as tools to build and shape portfolios around their clients' needs." **PP**



SIMON HOYLE

Acting editor, Professional Planner

Is humanoid robotics AI's next frontier?

The robotics boom isn't about replacing factory workers, it's about plugging the labour gap that the service industry in developed economies can't fill. The next 12 to 14 months could be the fastest AI scaling phase ever seen, writes Chris Dastoor.

ARTIFICIAL INTELLIGENCE (AI) is still in the early chapters of one of the largest innovation breakthroughs in history and the next part of that story will be told through robots, not chatbots.

Global X senior investment strategist Billy Leung tells *Professional Planner* that current global investment in AI is estimated to be roughly US\$1 trillion (\$1.39 trillion), which sounds substantial until it's set against the size of the global economy.

In the context of global gross domestic product, it equates to about 0.7 per cent, Global X senior investment strategist Billy Leung tells *Professional Planner*.

By comparison, Leung says the rollout of 3G, 4G and 5G mobile networks accounted for around 0.9 per cent of global GDP at the time while the build-out of internet bandwidth ran to about 1.1 per cent. In other words, the world is spending proportionally less on AI than it did on the two previous technology waves that reshaped the global economy.

"We were spending more for those two innovation breakthroughs as a percentage of global GDP, roughly speaking," he says.

The upside is on the other side of the ledger, Leung argues, pointing to forecasts that the AI market could reach US\$4 trillion by 2035 (about 7 per cent of global GDP). That's two-to-three times larger than the addressable market either the internet or smartphone era ever reached.

"We're investing less than the previous innovation breakthroughs, but the addressable market is two-to-three times larger than the previous breakthroughs," Leung says.

"That's why we think AI is still at the very early stages, but the key point of why we're expanding into all these use cases is that we believe we are at the crux of AI scaling. Over the next 12 to 24 months, we expect adoption to grow at the fastest pace we've ever seen and the reason is cost."

NEXT PHASE OF DEVELOPMENT

Leung says the price of AI training and usage, including token costs, has fallen by about 99 per cent over the past two years, which is the fastest cost collapse he has seen in any technology cycle.

"Our thesis is that when we see a very sharp decrease in cost, that's when scaling and adoption really ramps up," he says.

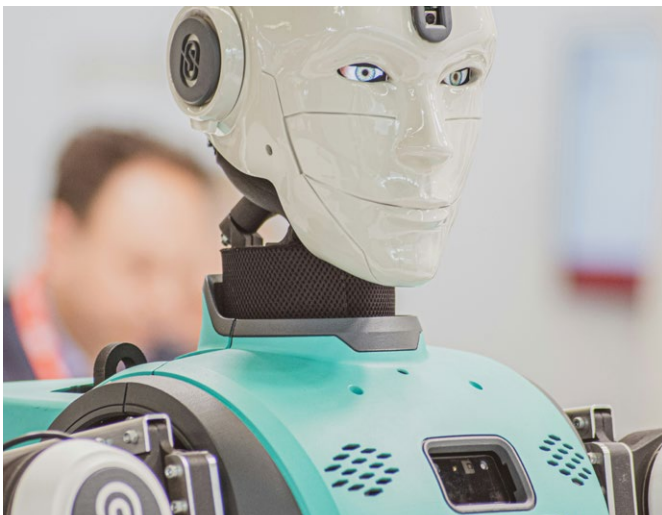
"We've seen that in both the internet and mobile phones. Back in the day, we didn't spend much time on the smartphone but because data costs are coming down, we're spending more time using it."

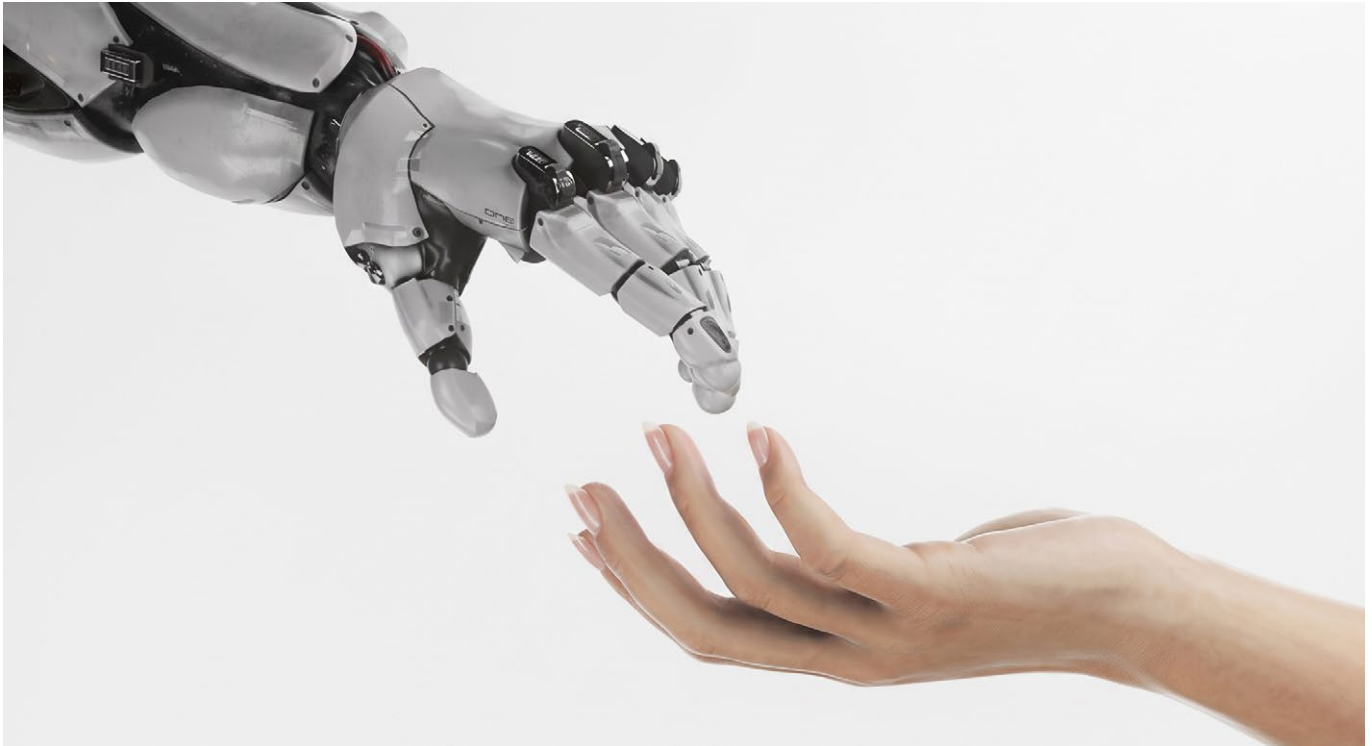
Leung says humanoid robotics will be one of the biggest beneficiaries of this next wave of adoption during the upcoming 12 to 14-month window.

However, he distinguishes between this new wave of robotics and the industrial automation that has existed in factories for decades. Traditional automation is built for single repetitive tasks, for example, an arm that moves an object from point A to point B, with no capacity to adapt.

What's emerging now is different, Leung says, adding that AI-powered robots are capable of sensing, reasoning and completing multiple tasks, rather than being locked into one motion.

"The falling cost of the underlying AI models is what has finally made that flexibility commercially viable," he says.





"This is where robotics can actually come in to help. We're already seeing this in some of the hospitals in China where robots are working alongside humans. That's where we see the biggest impact and not just factories where we believe that automation is already quite sufficient."

"It's no longer constrained to one task or one movement. Now it's multi-movement, multi-task robotics, which is what we think will be the next episode for the next few decades."

Humanoid robots have the potential to replace worker roles, and Leung says the robots will be cheap to deploy because they can slot into existing human workflows rather than requiring a factory or workplace to be re-engineered.

That said, the impact on jobs could be overstated as these robots will function in chronically understaffed industrial and service sectors.

"We don't have enough healthcare specialists, we don't even have enough doctors, we don't have enough aged care workers," Leung says.

"This is where robotics can actually come in to help. We're already seeing this in some of the hospitals in China where robots are working alongside humans. That's where we see the biggest impact and not just factories where we believe that automation is already quite sufficient."

OPPORTUNITIES BEYOND THE US

While the Magnificent Seven tech stocks have dominated US stock markets, Leung says the robotics opportunity is more geographically diverse than investors might assume, which is a structural feature of this technology cycle, not an accident.

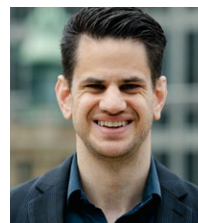
While the US leads on chips and the underlying AI "brain", Leung says the hardware layer around robotics tells a different story. Strong camera and sensor manufacturers are based in Japan, Taiwan and China, while the actuators

that connect a robot's moving parts, akin to human joints, are largely produced in China, reflecting a decade and a half of manufacturing experience. Robot assembly capability, meanwhile, draws heavily on Japan's long history in precision assembly.

For investors building portfolios, Leung says the AI and robotics theme shouldn't be read purely through a US-technology lens; the value chain runs through North Asia as much as Silicon Valley.

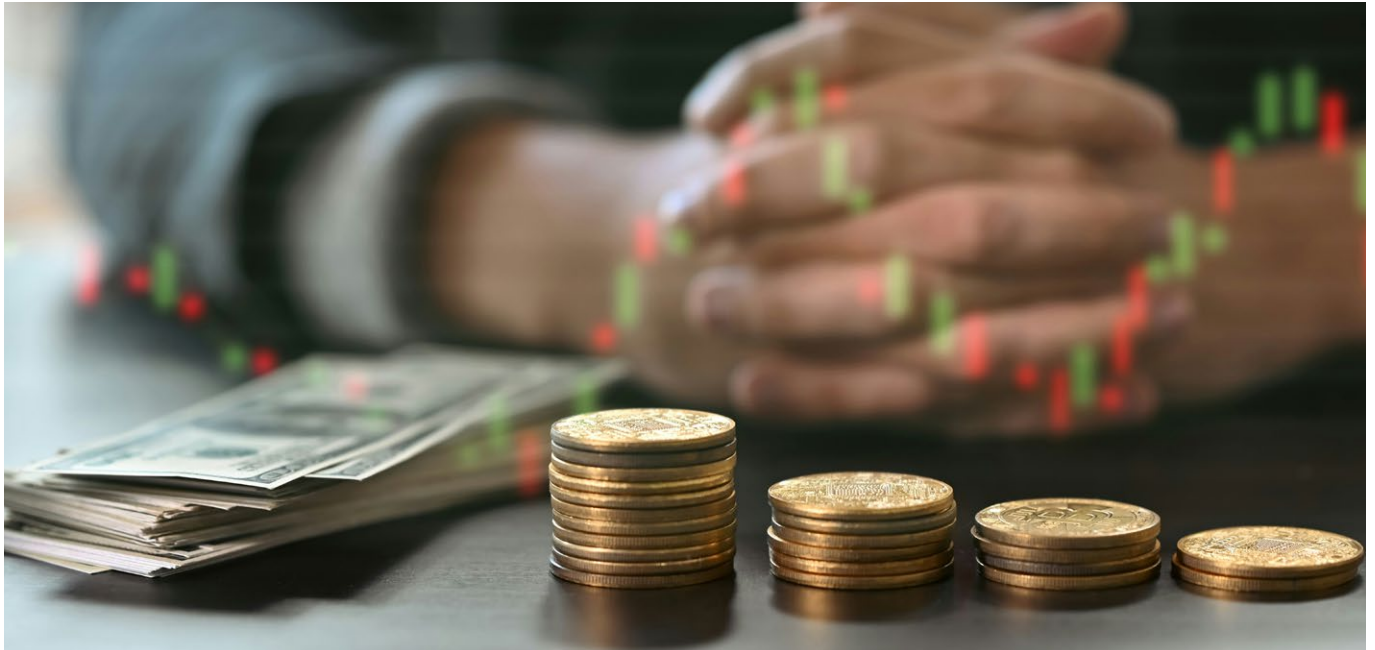
"What's interesting about humanoid robotics is that it's no longer constrained to just the US, because it's no longer just a software story," Leung says.

Global X offers exposure to the theme through its Global X Humanoid Robotics ETF (ASX: HMND), which tracks the Solactive Global Humanoid Robotics AUD Index and invests in a portfolio of companies spanning humanoid and service robotics, industrial and autonomous systems, and the components that enable robotic movement and sensing. **PP**



CHRIS DASTOOR

Freelance journalist and former editor of Professional Planner



Conclusion

AT THE START of each year, fund managers and investment houses commonly release their annual economic and market outlook and predict the themes that will drive returns for the next 12 to 18 months. Publishers, too, like to put out [guides](#) at the beginning of the year.

But when it comes to the megatrends and structural shifts that are expected to shape markets for the next decade, if not decades, to come, timing is not as critical.

The goal of every investor is to not overpay for assets, and the cost of an investment is a key determinant of its ultimate return, but investors who can take a long-term view stand to reap the benefits of being patient and disciplined.

Take the AI megatrend, for example. It has been driving public and private markets higher and higher since late 2022 when OpenAI launched ChatGPT 3.5. This year alone, global AI capital expenditure is on track to exceed \$1 trillion, according to Goldman Sachs.

Many analysts expect even greater spending in 2027, as enterprise and

consumer AI adoption accelerates and fuels a digital infrastructure boom.

However, the wall of money pouring into the sector and the dominance of tech companies in global indices has raised concerns of a potential bubble, despite distinct differences between today's tech leaders and those of the dot-com era.

As pointed out in our cover story, today's leaders display four critical attributes, including meaningful earnings.

That said, when it comes to investing, nothing is straightforward and risk-free.

While many of the megatrends discussed in this guide are expected to drive markets and returns for the next decade, it won't be a smooth, upward trajectory.

Investors should expect volatility.

This can already be seen in the gold price. Earlier this year, gold's reputation as a safe haven took a hit after the US-Iran conflict, which ended the commodity's long rally. Still, the case for holding commodities in a portfolio has rarely been stronger, according to Global X, with relatively low gold

prices presenting a buying opportunity for long-term investors seeking liquidity, diversification and a hedge against inflation.

Similarly, the past year has been a bumpy ride for private markets investors, with the private credit sector's concentration in speculative software companies sparking a wave of redemptions. A sudden sell-off in January and February saw hundreds of billions of dollars wiped off valuations, earning it the moniker 'SaaSocalypse'.

The message is that megatrends are not exempt from the jitters. Despite strong fundamentals, all companies will be affected by factors including geopolitical uncertainty, interest rates and investor sentiment, but the long-term megatrend investment opportunity set is attractive.

For investors seeking targeted exposure to high-growth opportunities as part of a diversified portfolio, gaining access to megatrends has never been easier, due to an ever-expanding range of ETFs and managed accounts.

While broad market indices like the MSCI World and S&P 500 already provide meaningful exposure to the AI thematic, investors can use specialist funds to dial up their exposure to non-tech themes and trends too. **PP**

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