



By: Shiva Joon and the Data Science & Equities team

April 2026 www.research.hsbc.com

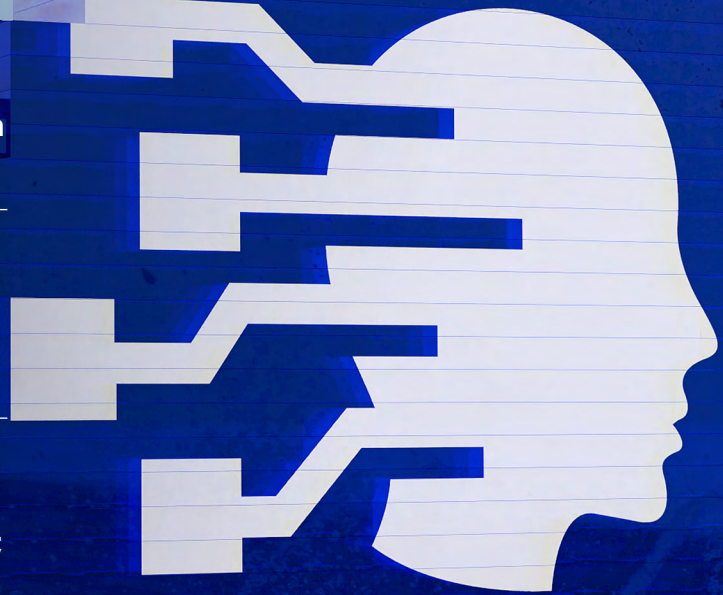
Sentiment, AI and Private Credit

HSBC Funding the Future Survey

Private investors are more optimistic about dealmaking for Q2 2026; public investors however are more neutral on market outlook

Public equity investors are bullish on Tech, while private investors are bullish on PURE; both are positive on TMT and Industrials

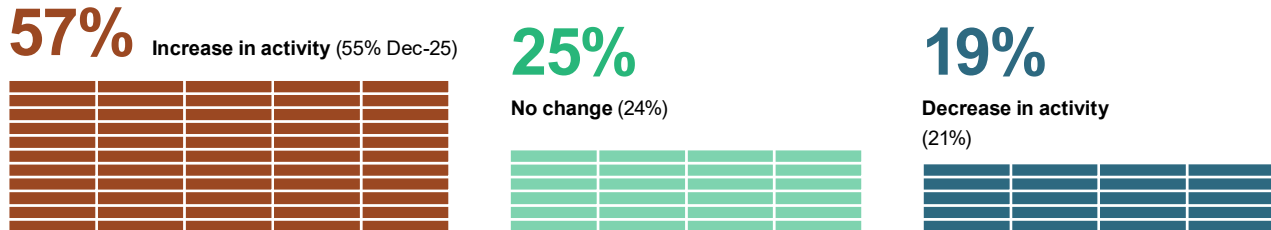
Investors remain moderately positive on private credit with US private lending market as regional preference; weakening fundamentals are seen as key risk



HSBC Funding the Future Survey: key data

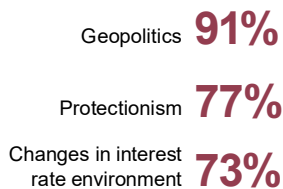
More private investors expect activity to pick up than in our previous survey

How do you foresee VC/PE activity over the next 12 months?



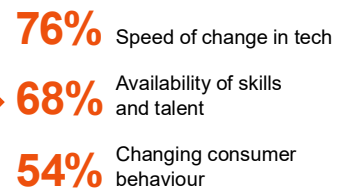
Geopolitics and protectionism are headwinds...

Major headwinds for the VC/IPO/PE market over the next quarter



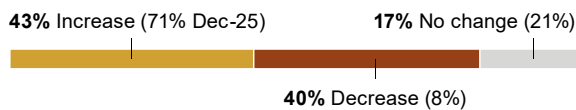
... while the AI tailwind continues

Major tailwinds for the VC/IPO/PE market over the next quarter

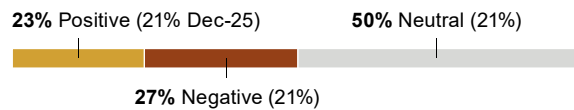


Investor sentiment on public and private equity is muted...

How do listed investors see activity in public equities over the coming quarter?

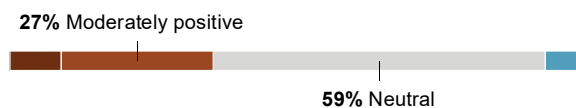


What is listed investor sentiment towards private equities?

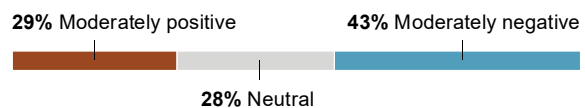


...although investors remain moderately positive on private credit

What is your overall sentiment towards private credit over the next 6-12 months (VC/PE investors)?

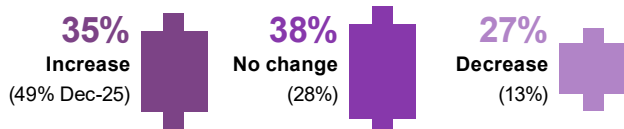


What is your overall sentiment towards private credit over the next 6-12 months (Listed investors)?



VC investors' outlook on IPO activity has softened...

How do you foresee IPO activity over the coming year?



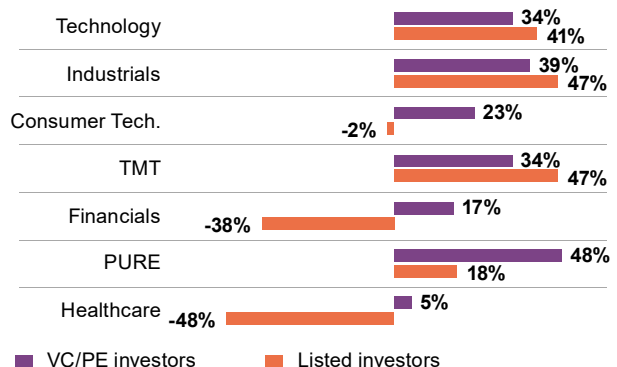
...but they remain keen on exits

Do you plan to exit companies in the next 12 months?



Net sentiment across sectors

What is your view on these sectors over the next three months?



Source: HSBC-Survation Funding the Future Survey (16-Mar to 10-Apr-26) among 211 market professionals together representing AUM of USD2.85trn, of which cUSD715bn attributed to VC and private equity (PE) investors

Executive Summary

Higher activity but lower sentiment

The eighth edition of our proprietary Funding the Future Survey shows investors in private markets are feeling optimistic about dealmaking, while public equity investors are more neutral on the market outlook. The outlook for venture capital (VC) activity has picked up a little since December, with more investors anticipating higher dealmaking activity in both the short and longer term. By contrast, public investors' expectations of continued equity market rally have softened since start of the year. AI, the pace of technological change, and changing consumer behaviours are key tailwinds, while geopolitical uncertainty and economic risks are seen as the main headwinds. Both public and private investors remain positive on Tech and Industrials, while Healthcare has taken a back seat. Interestingly, investors are still positive on private credit over the next 6-12 months.

Carried out by Survation, this survey captures the views of 211 global investors representing a significant portion of the private and public high-growth investment community. Survey participants represented a total AUM of USD2.85trn with about USD715bn attributed to VC and private equity (PE) investors.

The fieldwork took place from 16 March to 10 April 2026. The first quarter of 2026 was extremely volatile for markets. Destabilising narratives were broad-based, from AI being too disruptive to worries around private credit, to a string of geopolitical headlines – Venezuela, Greenland and, in March, the Middle East conflict. In private markets, persistent liquidity constraints and the overhang due to geopolitical uncertainty meant that although in headline terms VC fundraising and the dealmaking run rate were improving, capital was concentrated in AI, software and periphery deals. Exits, however, remained muted and heavily reliant on M&A rather than IPOs, with only a handful of landmark listings and trade sales moving the needle and limited distributions flowing back to limited partners.

Against this backdrop, investor sentiment about the near-term outlook for VC/PE activity remains positive. **Some 54% of private market investors foresee an increase in activity over the next quarter, up from 42% in our previous edition (December 2025).** Sentiment about the longer-term outlook has also improved a little, with 57% expecting stronger activity over the next 12 months, up from 55% in December. Geopolitics, Protectionism and changes in interest rate environment are seen as among the key headwinds to activity, while the pace of technological change remains the key tailwind.

Public investors, however, are more neutral. **Some 43% of those invested in listed equity markets are positive on the outlook of public equities for the coming quarter**, down from 71% at the start of the year. A big portion, 40%, now foresee a decrease in activity. This is a big swing from the start of the year.

Although investors anticipate higher VC/PE activity, net sentiment has broadly shifted lower for the near term. **Industrials, PURE (Power, Utilities, Resources and Energy) and TMT (Technology, Media, and Telecoms) are now the sectors with the most bullish sentiment among private investors.** Meanwhile, sentiment on Healthcare and Financials has cooled. This hints at greater dispersion among managers.

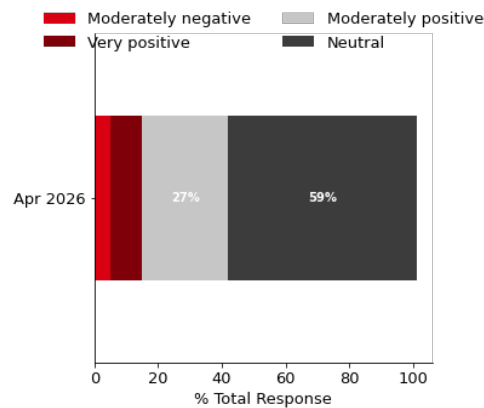
Public equity investors rank Technology more highly along with Industrials and TMT. They remain mostly neutral on Consumer Technology sectors, while Financials and Healthcare sectors have a somewhat bearish skew. Some 78% of public tech investors said they anticipate a further increase in tech earnings in the coming quarter.

Private credit investors remain moderately positive

With all the noise around private credit, it is difficult to distinguish between isolated problems with a limited number of firms vs a systemic problem in the asset class. The question remains: what is investors' appetite for private credit moving forward? According to our survey, investors in both public and private markets remain moderately positive on the asset class.

Private credit sentiment among private investors

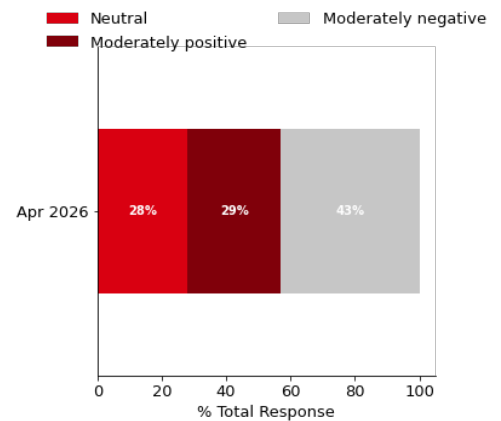
What is your overall sentiment towards private credit over next 6-12 months? (VC/PE investors)



Source: HSBC-Survation Funding The Future Survey

Private Credit sentiment among public investors

What is your overall sentiment towards private credit over next 6-12 months? (Listed investors)



Source: HSBC-Survation Funding The Future Survey

AI: what next for 2026

Our survey shows AI remains one of the most important structural growth themes for 2026, but investor enthusiasm is becoming more discriminating. Upside still exists if efficiency gains continue, enterprise ROI broadens and infrastructure bottlenecks ease, yet the survey shows investors are increasingly focussed on whether AI can convert adoption into monetization. Alongside monetization disappointment, geopolitics and energy constraints are now seen as key downside risks.

We also asked respondents for their views on:

- ◆ **Exits and IPO Trends:** 80% of VC/PE investors are planning to exit one of their portfolio companies in the coming year, with trade sales and buyouts remaining the overall investor favourite. **The IPO outlook has softened**, with 35% (down from 49%) of private investors and 46% (down from 55%) of listed investors anticipating an increase in IPO activity in 2026.
- ◆ **Headwinds for private markets:** Changes in the economic environment were cited by 73% of private investors as one of the biggest headwinds for the VC/PE/IPO outlook, while geopolitics was cited by 91% of private investors.
- ◆ **Nine themes:** Among the investment themes we track at HSBC Global Research, Disruptive Technology once again topped the poll for survey respondents.
- ◆ **Regional trends:** Among regional trends, sentiment in private markets remains positive. Investors in Asia have also become more optimistic about dealmaking activity in the coming quarter while the optimism around IPO activity remains. 77% of investors expect an increase in dealmaking activity while 55% investors anticipate an increase in IPO activity in the coming year. 67% of investors are now neutral on tech, and they note demand fluctuations as a key risk. **Asian private investors are bullish on TMT (Technology, Media and Telecommunications), Industrials, and Consumer Tech sectors over the next three months.**

European private investors are also mildly bullish, however less so than global peers. IPO activity is also expected to remain muted as only 40% of investors expect IPO activity to increase; however that is more than in our previous survey back in December. Investors are mildly bullish on PURE, and anticipate AI, and Satellite Tech verticals to see most investments in private markets over the coming three months.

Contents

HSBC Funding the Future Survey: key data	1
Executive Summary	2
Higher activity but lower sentiment	2
Private investors upbeat on activity	6
Private investors remain optimistic	6
Investors remain relatively positive on private credit	8
What would push AI investments higher in 2026?	11
TMT and Industrials – Investor preference heading into Q2	13
AI remains the key tailwind for private markets	17
Exit dynamics	18
HSBC's Themes	20
Asian investors remain more bullish	22
Europe turns moderately positive	24
Disclosure appendix	29
Disclaimer	31

Private investors upbeat on activity

- ◆ Private investors remain optimistic about VC/PE activity
- ◆ Public investors are more neutral on the markets outlook
- ◆ Interestingly, investors remain moderately positive on private credit

Private investors remain optimistic

Private investors remain bullish; public investors, however, are now more neutral

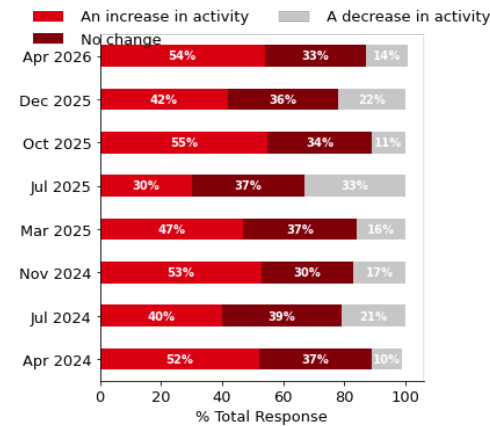
The latest Funding the Future survey suggests private investors are more bullish than they were at the start of the year, while public equity investors have turned more neutral. More VC/PE investors expect activity to pick up than in our previous survey ([Funding the Future Survey: 2026: Bullish hopes vs bubble fears](#), 15 Dec 2025). 54% of all private investors we surveyed now expect an increase in VC activity over the coming quarter, up from 42%, while 33% expect no change in the pace of VC/PE investments for the next quarter (Chart 1). Over a longer horizon too, investors remain bullish, with 57% still expecting a pick-up in activity over the next 12 months, up from 55% in December (Chart 2).

The Global VC run rate so far in 2026 is already on track to be higher than 2025. The first quarter of the year has seen USD330bn in global dealmaking activity, more than half of the entire 2025 level – though it is important to note that Artificial Intelligence (AI) & Machine Learning (ML) represented about 40% of these 1Q 2026 deals (over 80% by deal value), by far the largest chunk. As we discussed in our previous survey, investors within the private markets came into 2026 anticipating stronger VC/PE activity on the back of macroeconomic tailwinds and speed of technological changes, especially in the world of AI. And although the Middle East conflict has led to somewhat subdued sentiment since March, prior to that the global economy was holding up pretty well (see [Q1 in review](#), 1 April 2026), supporting the good start to the year for VC/PE dealmaking.

Moreover, our most recent survey suggests that over both the short and longer horizon, the portion of private investors who are outright bearish regarding VC/PE dealmaking has decreased (from 22% to 14% over the next quarter, and 21% to 19% over the year), suggesting investors who were bearish at the start of the year are now more bullish regarding the VC/PE activity outlook, although it should be noted that sentiment has become more nuanced in recent months. Private investors remain constructive on activity, but conviction is no longer high. IPO optimism has softened, and the broader backdrop has become more challenging as geopolitical and macro headwinds intensify. Later in this report we discuss some of these risks and what investors' views are on AI, Private Credit, and Exit Dynamics.

1. 54% of VC/PE investors are bullish for the start of 2026...

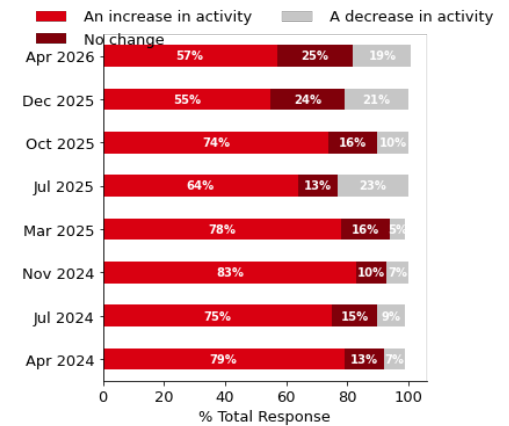
How do you foresee VC/PE activity over the coming quarter? (PE/VC investors)



Source: HSBC-Survation Funding The Future Survey

2. Over the next year, 57% of VC/PE investors are bullish

How do you foresee VC/PE activity over the coming year? (PE/VC investors)

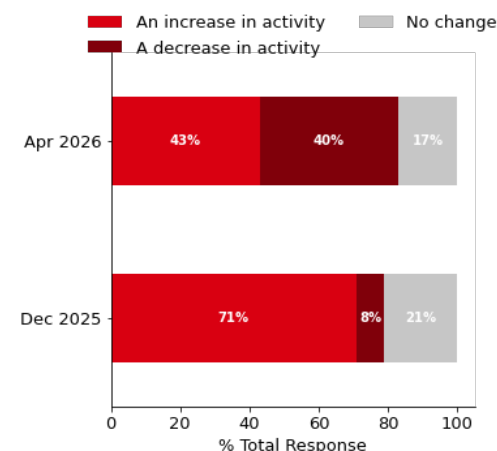


Source: HSBC-Survation Funding The Future Survey

Unlike private investors, listed equity investors are now more neutral on the outlook for both public and private equities (Chart 3 and 4). Some 43% of investors invested in listed equity markets are positive on the outlook for public equities for the coming quarter, down from 71% at the start of the year. A big portion, 40%, now foresee a decrease in activity. This is a big swing from the start of the year. The current geopolitical uncertainty has had a greater impact on listed equity investors' outlooks than on their private counterparts. This makes sense to us since listed equity investors can more frequently mark to market their investment values and hence short-term market volatility can have a bigger impact. Interestingly, listed investors were also more neutral on the outlook for private equity. The high neutral stance suggests there is still room to move on the back of good news in equity markets (Chart 4). 50% of investors we surveyed suggested they are neutral on the prospect of private equity over the coming three months.

3. Investor sentiment on public equities has become more muted

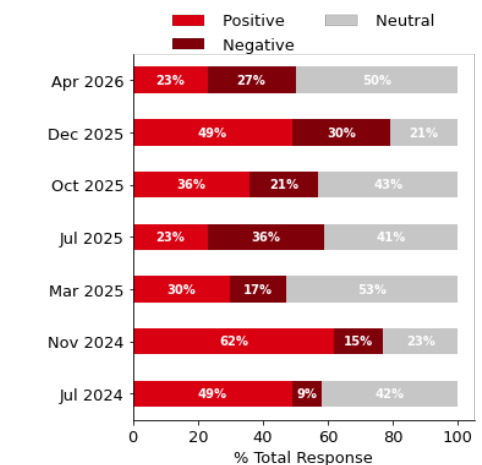
How do you foresee activity in public equities in the coming quarter? (Listed investors)



Source: HSBC-Survation Funding The Future Survey

4. Similarly, more listed investors are now neutral on private equity

What is your sentiment towards private equities currently? (Listed investors)



Source: HSBC-Survation Funding The Future Survey

Investors remain relatively positive on private credit

Credit markets, particularly private credit, have found themselves under more scrutiny in recent months. Concerns around sustainability, redemptions and heavy exposure to sectors like software and AI have been dominating the narrative. The IMF has also recently highlighted private credit as an area requiring closer monitoring due to its rapid growth and opacity. With all the noise around private credit, it is difficult to distinguish between isolated problems with a limited number of firms affected vs a potential for a systemic problem in the asset class. The question remains: what is investors' appetite for private credit moving forward, and how are investors invested in the asset class positioned in the near term?

We first wanted to check how many of our survey participants are invested in private credit. OFR's analysis gives an estimate of private credit exposure as being USD410bn-USD540bn¹. Putting this in perspective, according to FSB's global monitoring dataset, the size of private credit currently pales in comparison to other US financial assets². For instance, deposit-taking corporations (banks) assets are about USD33trn, the size of insurance corporations is about USD28trn, while the asset weight of non-bank financial intermediation (NBFIs) is USD94trn. So, although financial interconnections among different asset classes are not always straightforward, the size of current private credit exposure, in isolation, doesn't look too big. Our survey suggests something similar. Among private investors, only 16% of those we surveyed responded by saying they are currently invested in the private credit asset class. Among public investors, the number is slightly higher, at 28%.

We then asked investors what their sentiment around private credit over the next 6-12 months is. Chart 5 shows the response from private investors. Most investors are currently neutral on the asset class. 59% responded with "neutral", indicating the negative news flow has had an impact on investor sentiment. However, only 5% of investors we surveyed responded with an outright bearish view on the sector, and about 37% were positive on the outlook for the asset class. To our surprise, this suggests investors in the private space have not completely given up on the asset class despite the negative news in the recent weeks and months.

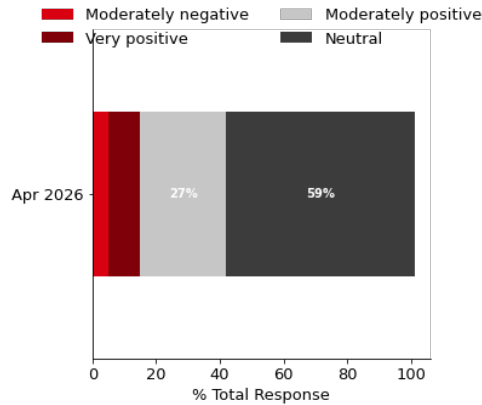
Public equity investors are slightly more negative on the outlook for private credit. Chart 6 shows the sentiment of public investors towards private credit over the next 6-12 months. 43% of investors we surveyed responded with moderately negative, while around 28% were neutral or moderately positive. No investor responded with very positive or very negative.

¹ <https://www.financialresearch.gov/briefs/files/OFRBrief-26-02-measuring-counterparty-exposures-private-credit.pdf>

² <https://www.fsb.org/2025/12/global-monitoring-report-on-nonbank-financial-intermediation-2025/>

5. Private credit sentiment among private investors

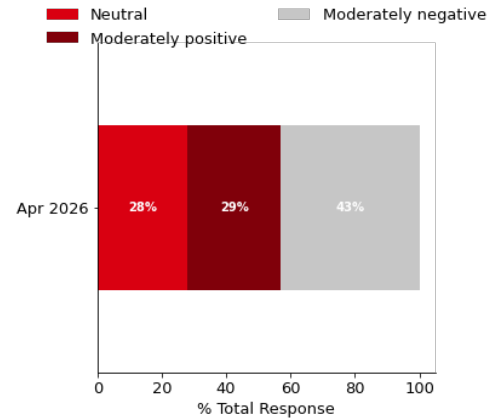
What is your overall sentiment towards private credit over next 6-12 months? (VC/PE investors)



Source: HSBC-Survation Funding The Future Survey

6. Private Credit sentiment among public investors

What is your overall sentiment towards private credit over next 6-12 months? (Listed investors)

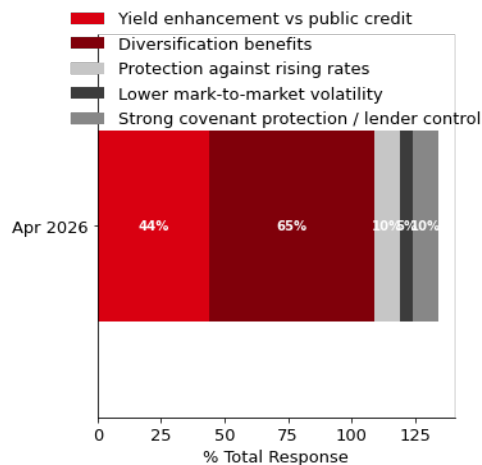


Source: HSBC-Survation Funding The Future Survey

Investors also suggested diversification benefits and yield enhancements vs public credit as the primary reason for maintaining exposure to private credit (Chart 7). This makes sense to an extent, as the big rationale for private credit seems to be to get paid extra for the illiquidity premium. Moreover, the US market seems to be the most appealing to investors. Chart 8 shows which private credit strategies investors currently allocate to. About 60% of investors responded with US-focussed strategies, with US asset backed finance getting the majority share at 30% within the US. Elsewhere 32% investors said they allocate to Asia private credit strategies.

7. Investors looking for private credit exposure mainly for diversification

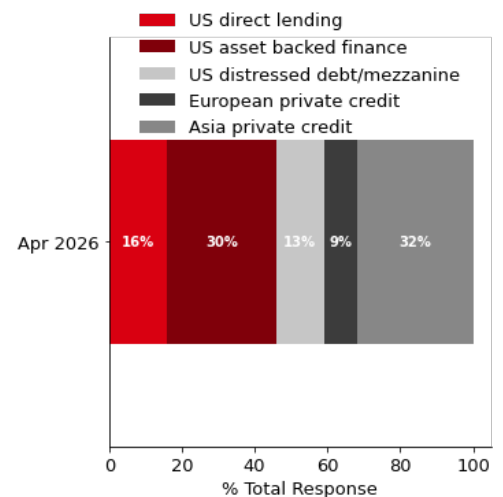
What are your primary reasons for exposure to private credit? (VC/PE investors)



Source: HSBC-Survation Funding The Future Survey

8. US market is leading currently followed by Asian private credit

Which private credit strategies do you currently allocate to? (VC/PE investors)

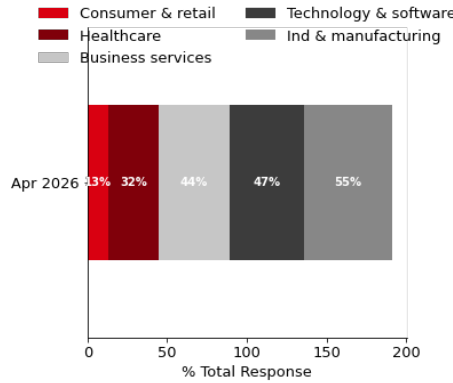


Source: HSBC-Survation Funding The Future Survey

Over the next few months, private investors suggested Industrials and manufacturing sectors should see the most growth within the private credit ecosystem (Chart 9). 55% of investors we surveyed chose Industrials and manufacturing, though Technology & software came a close second at 47%. Public investors, on the other hand, anticipate Infrastructure and energy sectors might be the most likely sectors to see growth in the space with over 71% public investors picking this option. 40% public investors also chose industrials and manufacturing (Chart 10).

9. Private investors anticipate Industrials and Technology as biggest growth area in private lending

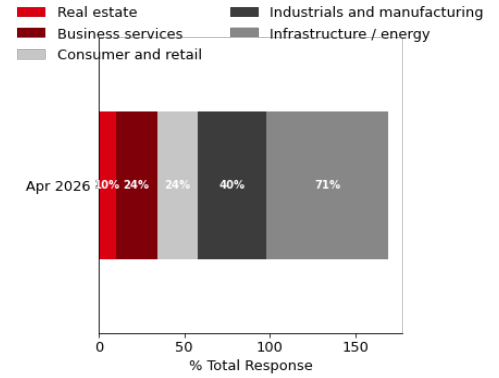
Which sectors do you expect to see the strongest growth within private direct lending? (VC/PE investors)



Source: HSBC-Survation Funding The Future Survey

10. Public investors anticipate infrastructure to see the most growth in the private lending asset class

Which sectors do you expect to see the strongest growth within private direct lending? (listed investors)

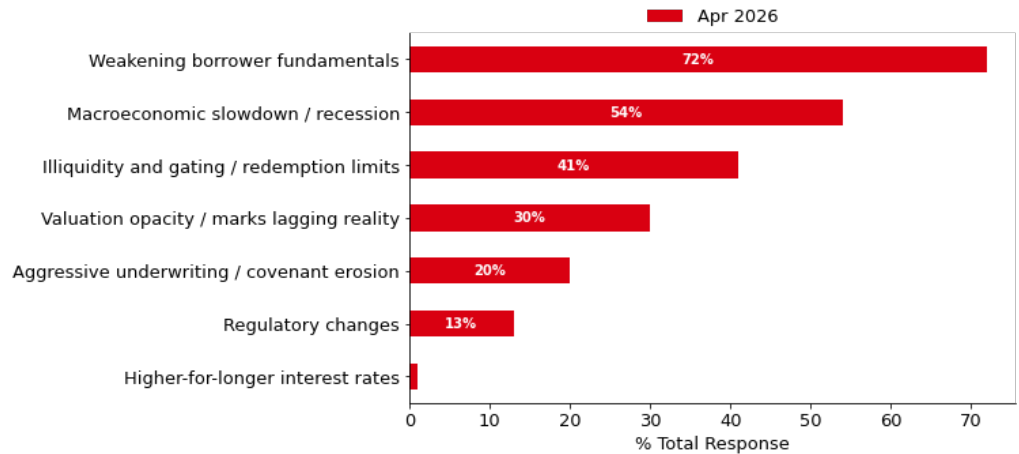


Source: HSBC-Survation Funding The Future Survey

Finally, when we asked investors what could pose the greatest risk to private credit performance in the near term, weakening borrower fundamentals came in as the biggest risk at 72%. This was followed by 54% respondents saying macroeconomic slowdown. Interestingly, redemption limits, which have been in the news flow more frequently around the private credit ecosystem, came in third with only 41% investors suggesting this poses a risk to private credit performance in the near term.

11. Weakening borrower fundamentals and Macroeconomic slowdown seen as the biggest risk to private credit returns in near term

What do you see as the greatest risk to private credit performance in near term? (VC/PE investors)



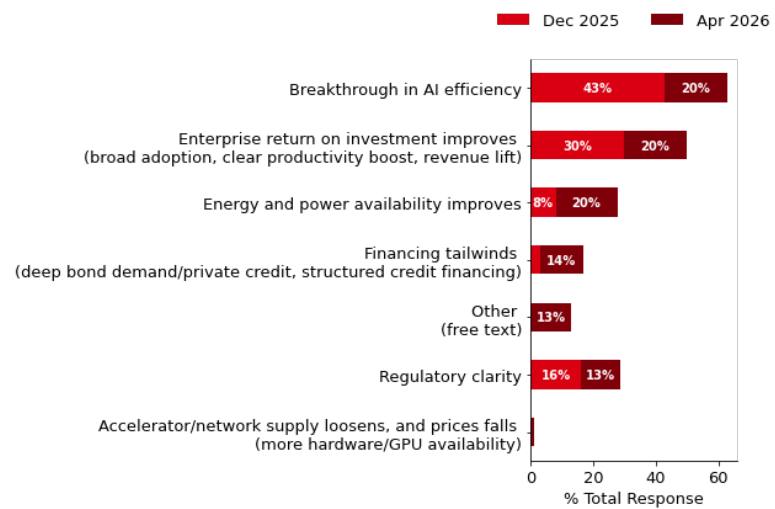
Source: HSBC-Survation Funding The Future Survey

What would push AI investments higher in 2026?

Once again, we asked investors what upside surprise could lead to an increase in AI investment. Our previous survey (December 2025) highlighted breakthroughs in efficiency and enterprise return on investment as the two dominant potential catalysts. In our most recent survey, these remain popular choices, but survey respondents also pointed to improved energy availability, financing tailwinds, and regulatory clarity as important potential catalysts. Investors now are looking for a much broader set of tailwinds for AI investments to continue.

12. Investor preference for upside surprise in AI investments has shifted to a broader requirement

Which one upside surprise would most increase 2026 AI investments/capex? (All investors)

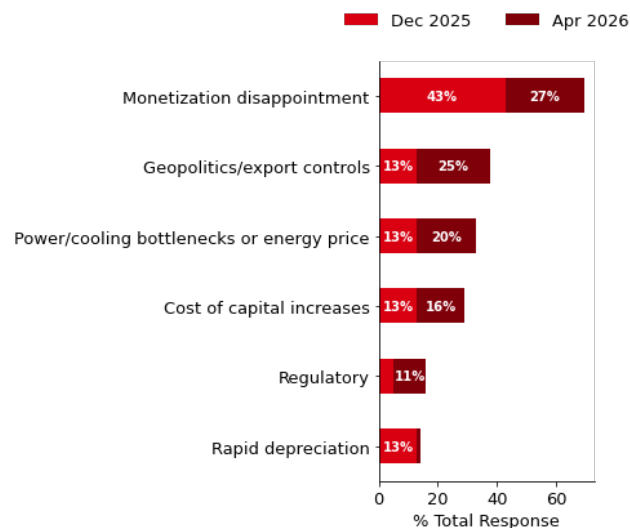


Source: HSBC-Survation Funding The Future Survey

In terms of downside risks for AI investments, investors responded with Monetization disappointment of AI tools, along with Geopolitical risks, as the biggest risks that could reduce AI investments (Chart 13)

13. Monetization disappointment & Geopolitics are the downside risks for AI investments

Which one downside risk would most reduce 2026 AI investment/capex? (All investors)



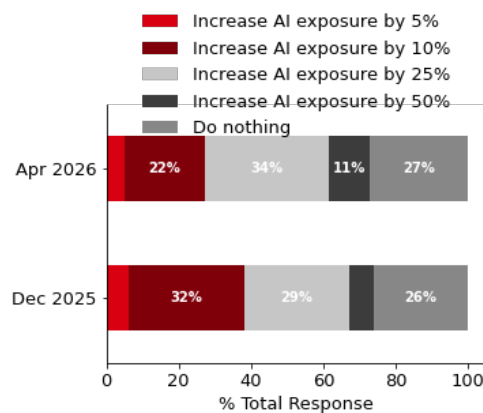
Source: HSBC-Survation Funding The Future Survey

We then asked investors how their AI exposure would change if their biggest upside or downside risk to AI investments in 2026 materialised.

In the upside scenario, the most popular choice (34%) among VC/PE investors would be to increase their AI exposure by about 25%, with about a quarter saying they would do nothing. Listed investors also suggested overall a 25% increase in AI exposure might be on the cards if their upside scenario is met (Chart 14 and 15).

14. VC/PE investors if their upside materialises anticipate 25% increase in AI investments

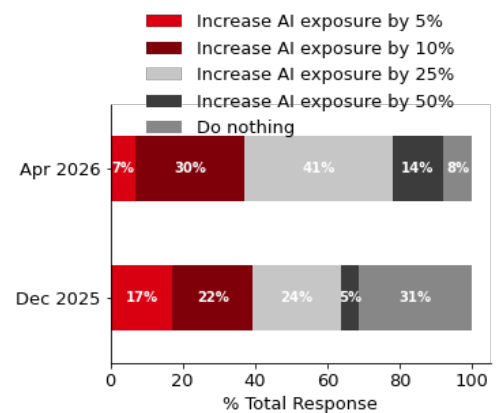
If your upside materializes, how would you change your 2026 AI investments? (VC/PE investors)



Source: HSBC-Survation Funding The Future Survey

15. For listed investors, 41% investors said they would increase exposure by 25%

If your upside materializes, how would you change your 2026 AI investments? (Listed investors)



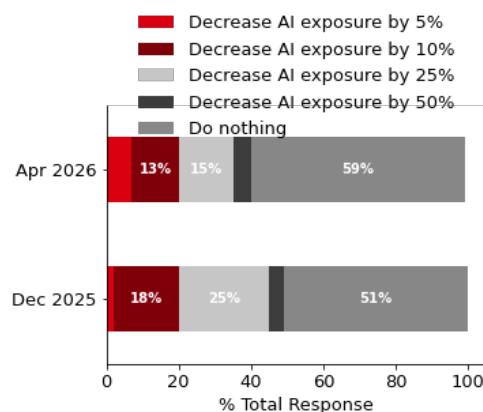
Source: HSBC-Survation Funding The Future Survey

In the downside scenario, about 60% of VC/PE investors said they would leave AI allocation unchanged and do nothing, while the remainder would trim exposure by 5-10% (Chart 16). Listed investors are somewhat more reactive. About 40% would cut AI exposure by 25%, while 34% said they will leave their AI exposure unchanged (Chart 17).

Interestingly, since the beginning of the year, more investors in both public and private sector would choose to leave their AI exposure unchanged in the event the downside scenario is met.

16. If the top downside materialises, VC/PE investors would likely do nothing...

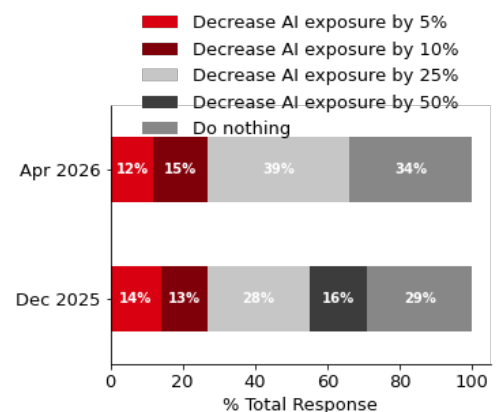
If your downside materializes how would you change your 2026 AI investments? (VC/PE investors)



Source: HSBC-Survation Funding The Future Survey

17. ...while 39% listed investors suggested might decrease it by 25%

If your downside materializes how would you change your 2026 AI investments? (Listed investors)



Source: HSBC-Survation Funding The Future Survey

Taken together, these results suggest AI remains one of the most important structural growth themes for 2026, but investor enthusiasm is becoming more discriminating. Upside still exists if efficiency gains continue, enterprise ROI broadens and infrastructure bottlenecks ease, yet the survey shows investors are increasingly focussed on whether AI can convert adoption into monetization. With monetization disappointment, geopolitics and energy constraints are now standing as key downside risks.

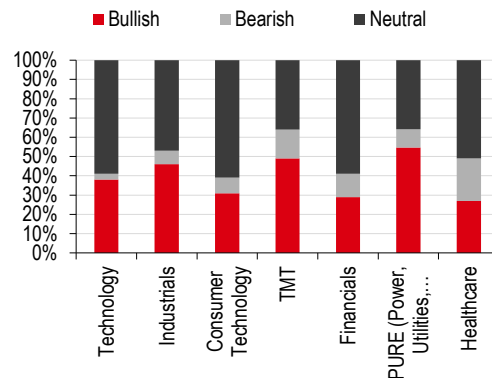
TMT and Industrials – Investor preference heading into Q2

Private markets – Industrials, PURE, TMT lead

PE/VC investors are particularly bullish on the Industrials, PURE (Power, Utilities, Resources and Energy) and TMT (Technology, Telecoms and Media) sectors (chart 18). These three sectors have the highest share of bullish responses for the coming three months. The Broad Tech sector and Consumer Technology sector have a much larger share of neutral responses than before. Financials continue to lag with fewer investors bullish on the sector. Chart 19 shows the net sentiment (bullish minus bearish) compared with our previous two surveys. Net sentiment has fallen across most sectors since October, except for Industrials, where net sentiment has gone from 12% in December to about 40%. The decline is most notable in Healthcare, where investors have gone from 85% to about 5% net positivity.

18. PURE, Industrials, and TMT private investors are most bullish

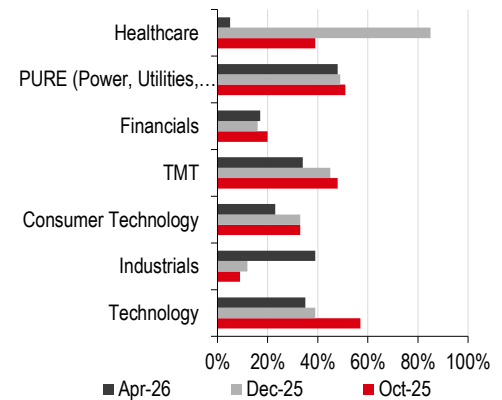
What is your view on the following sector over the next 3 months? (PE/VC investors)



Source: HSBC-Survation Funding The Future Survey

19. Net sentiment across sectors

What is your view on the following sector over the next 3 months? (PE/VC investors)



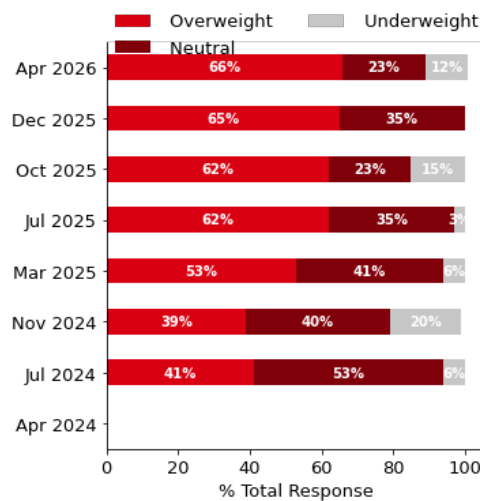
Source: HSBC-Survation Funding The Future Survey

VC investments in healthcare picked up meaningfully in 2025 and into early 2026. 2025 saw 26.1% YoY increase in deal flow within healthcare with AI-driven provider solutions the biggest pull. A big part was the improving macro conditions and clarity on regulatory conditions in the US. However, as the quarter has unfolded, the optimism we saw at the start of the year has become more evidence-driven. In MedTech, deal value is strong but activity is concentrated in later stage companies with regulatory traction. Early stage deal activity remains below historical norms. Additionally, the geopolitical uncertainty and shifting policy expectations in the US have made investors less exuberant on the sector in the near term. Overall, it seems healthcare investors are less willing to make sector-wide investments, and are more focussed on a small set of high conviction opportunities.

Chart 20 shows 66% of investors in private markets are currently overweight the Tech sector. This is a slight increase from 65% in our previous survey, while 12% have become underweight the sector. In Healthcare portfolio weightings, the swing is much bigger, mirroring the significant shift in Healthcare sentiment. Some 33% investors are currently overweight the sector in private markets (Chart 21), down from 68% at the start of the year. The proportion of those who are underweight has increased from about 4% to 11%. Over half the investors we surveyed have now become neutral on healthcare.

20. 66% of PE/VC investors are overweight Tech sector in their portfolios

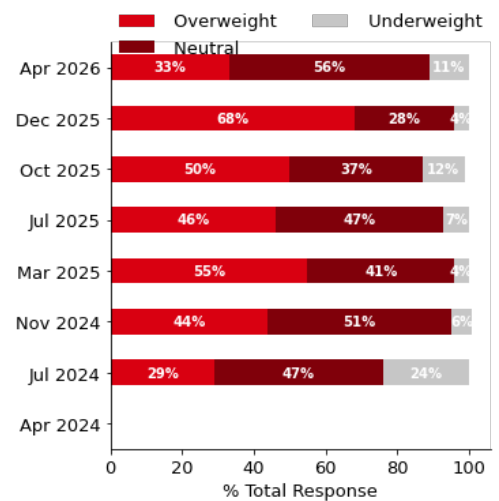
How do you describe your current portfolio weighting in tech? (PE/VC investors)



Source: HSBC-Survation Funding The Future Survey

21. While more investors are now neutral on healthcare since start of the year

How do you describe your current portfolio weighting in healthcare? (PE/VC investors)



Source: HSBC-Survation Funding The Future Survey

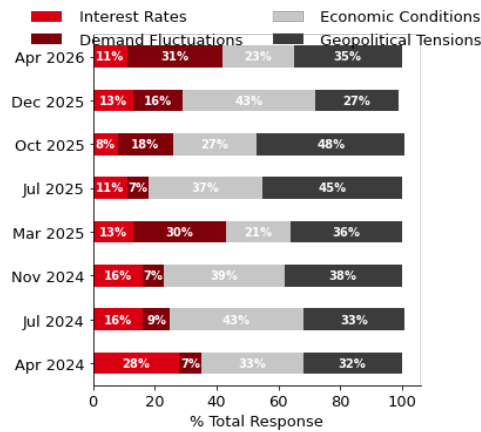
This again suggests to us the core beta of VC portfolios right now is Tech. AI/software is the main driver of upside in this VC cycle. Overweights in Tech sit in AI and Software sectors, particularly in AI infrastructure, and vertical AI software-as-a-service (SaaS) apps. With only 33% overweight in healthcare, our survey results suggest investors currently see it as a small allocation, and perhaps as a way to achieve partial diversification of portfolios.

We also asked VC/PE investors what they see as the biggest macro risks facing the tech sector in the near term. Some 35% identified “geopolitical tensions” as the top concern. The economic concerns from our previous survey have reduced, and geopolitics have once again, unsurprisingly, taken the top spot (Chart 22). The supply chain uncertainty and commodity market disruption due to the Middle East conflict matters to PE/VC investors as it translates into costs, delays and demand shocks for the sector.

In Healthcare, 41% of investors are now expecting no change in deal volumes the next 6 months, while 49% are anticipating an increase in deal volumes, down from 85% from the start of the year (Chart 23). With healthcare deal volumes expected to hold steady but investor sentiment neutral, it suggests primarily deal pricing and valuations are likely to be affected rather than activity levels. It seems plausible that capital might concentrate in fewer, higher quality assets with strong clinical and economic evidence. Eventually, as deal activity is expected to rise according to investors, as we mentioned earlier, deal valuations going forward might have to adjust, making assets cheaper than before.

22. Tech VC/PE investors think geopolitics again are the biggest macro risks

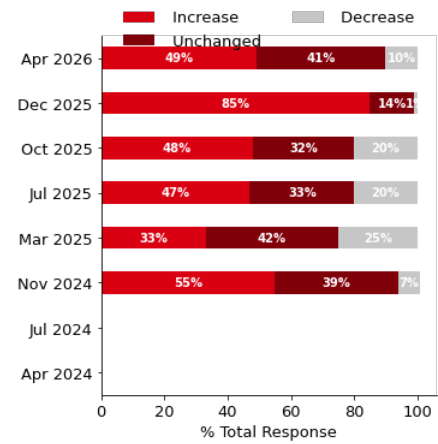
What do you see as the biggest macro risks to the tech sector? (PE/VC investors)



Source: HSBC-Survation Funding The Future Survey

23. VC/PE investors anticipate no change in deal volumes in healthcare in near term

What is your view on deal volumes in healthcare in the next 6 months? (PE/VC investors)



Source: HSBC-Survation Funding The Future Survey

Listed markets – AI valuations and pivot to enablers

Listed equity investors provide an interesting comparison to private investors. Chart 24 shows listed investors are most bullish on TMT, Industrials and Technology sectors. They remain mostly neutral on Consumer Technology sectors, while Financials and Healthcare sectors have a somewhat bearish skew.

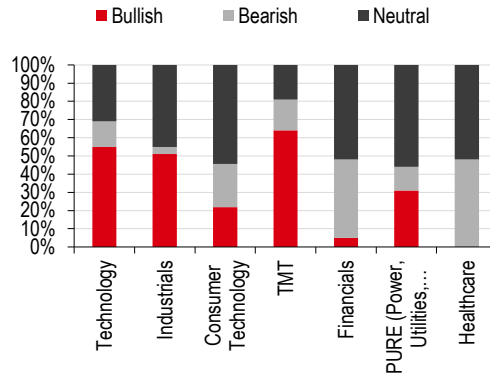
Chart 25 shows the net sentiment (bullish minus bearish) among different sectors. Healthcare and Financials have seen the biggest change in net sentiment since start of the year. Financials net sentiment has gone down by 52% while Healthcare sentiment has gone down by 86% and now both these sectors have a net bearish sentiment.

Overall, most sectors have seen sizable sentiment decline since October 2025. Many are now outright bearish. Outside of Financials and Healthcare, Consumer Technology has seen a huge swing from strongly bullish to slightly bearish while PURE, though still positive, has seen sentiment drop sharply. Technology stays positive and along with TMT, is still a liked sector.

The cooling in risk appetite suggests the market still favours AI-linked growth and infrastructure, especially tech and parts of industrials. Industrials are also getting a boost from defence spending globally with the sector being in vogue. The survey shows a clear rotation: tech and TMT remain favoured but with fading enthusiasm and industrials have quietly gained, while healthcare has swung from optimism to deep negative sentiment.

24. TMT, Industrials and Tech investors are most bullish in listed equities

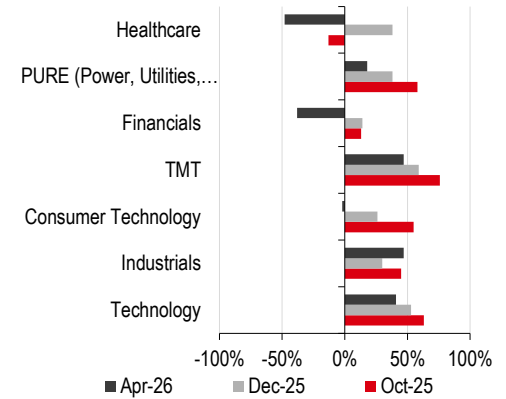
What is your view on the following sector over the next 3 months? (Listed investors)



Source: HSBC-Survation Funding The Future Survey

25. Investors in listed equities are also bullish across sectors, however net positivity is lower (Net positivity)

What is your view on the following sector over the next 3 months? (Listed investors)

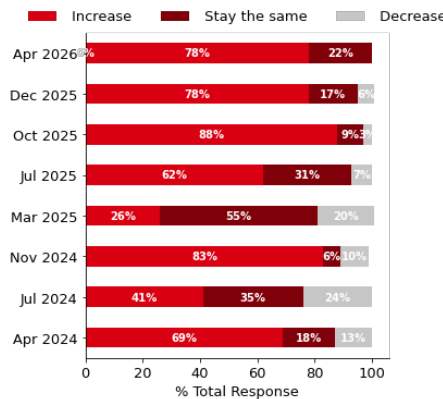


Source: HSBC-Survation Funding The Future Survey

Listed tech investors also continue to expect valuations in the sector to grow in 2026, with 78% saying they anticipate an increase in earnings (Chart 26).

26. Listed Tech investors anticipate tech earnings to continue to grow

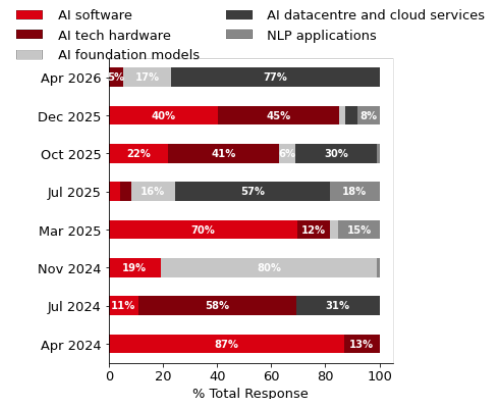
What are your expectations for year over year earnings growth in tech? (Listed investors)



Source: HSBC-Survation Funding The Future Survey

27. But think AI datacentre is most at risk

Which sector do you think has biggest risk to tech earnings? (Listed investors who said AI as risk)



Source: HSBC-Survation Funding The Future Survey

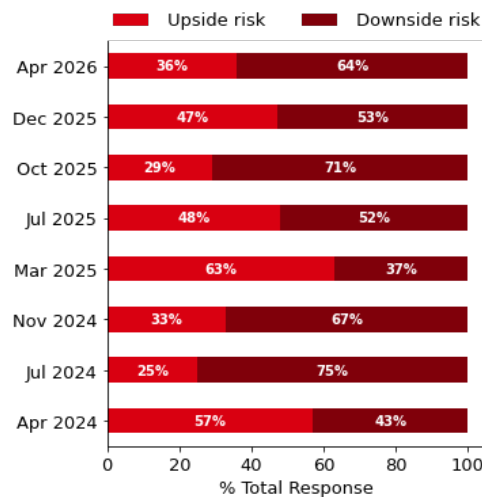
However, although investors are expecting earnings to grow, they also see AI datacentre and cloud services subsectors as most at risk. Chart 27 shows 77% of investors who responded to our survey think these sectors face the biggest risk to earnings.

This, we think, underscores that investors are likely increasingly worried that the most crowded part of AI trade may be vulnerable to overinvestment and margin pressure. AI bubble concerns and concerns around private credit have no doubt amplified these worries, making some investors feel somewhat queasy about potential downside surprise.

Elsewhere, 90% of investors we surveyed in the public equities see EV-related raw materials as the dominant risk to tech earnings. While previously concerns have been dispersed across battery technology sensors and autonomous software, the concentrated worry now regarding raw materials suggest investors are generally more concerned about raw materials potentially presenting bottlenecks. This could be due to the timing of the survey fieldwork, which coincided with the Middle East conflict and supply chain issues.

28. Investors think end demand risks in tech are skewed downwards now

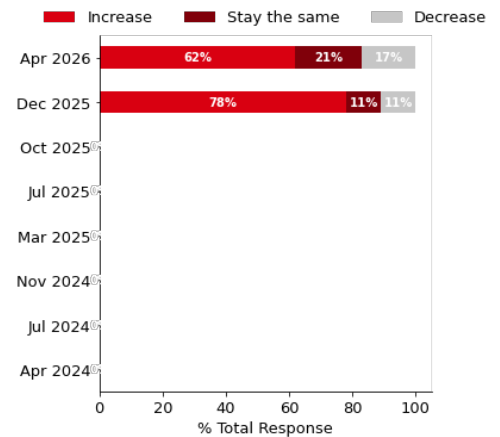
How do you assess the end demand risks in the tech sector? (Listed investors)



Source: HSBC-Survation Funding The Future Survey

29. Investors see CAPEX spend in AI reducing in near term

What are your predictions for CAPEX spending in AI over the coming six months? (Listed investors)



Source: HSBC-Survation Funding The Future Survey

Tech investors also now perceive end demand as a downside risk (Chart 28). Investors in listed markets are worried that end-market demand may not be strong enough to support current expectations. In other words, even though tech growth remains intact, overall, the market is becoming less confident, as we see in the headline sentiment numbers discussed before. Chart 29 adds an important layer: investors still mostly expect AI capex to increase over the next six months (62%) but that conviction has weakened meaningfully since start of the year, while the share expecting the spending to decrease has now risen to 17%. It seems investors still believe the AI investment cycle has room to run but they are increasingly alert to the risk of moderation.

AI remains the key tailwind for private markets

In our 2025 editions of the survey, investors believed tariffs, protectionism, and geopolitics were key overhangs. In the latest data those concerns have become more pronounced again. Geopolitics is now seen as the biggest headwind for private markets, with 91% respondents identifying it as a drag, while protectionism (77%), changes in interest rate environment (73%) and economic environment (68%) also rank as major constraints.

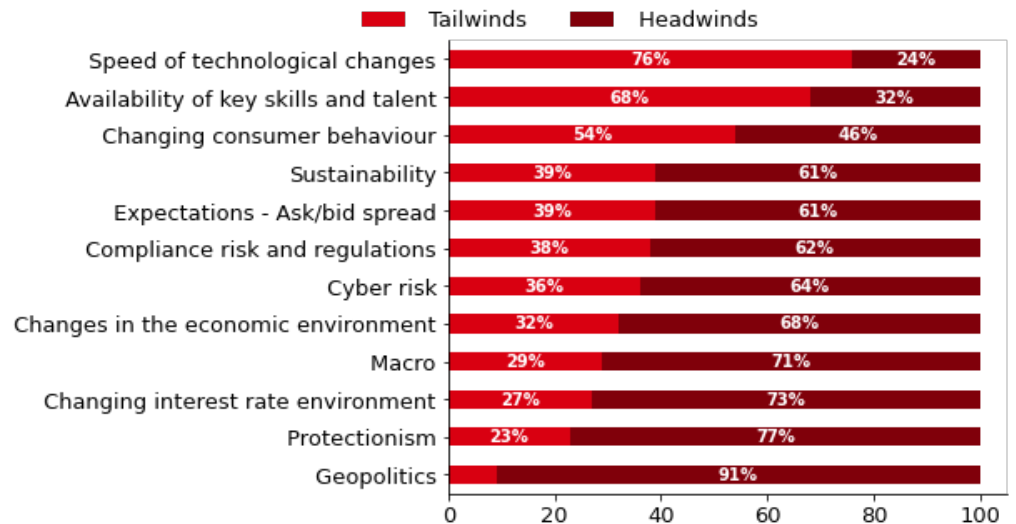
On the other side of the equation, the speed of technological changes remains the key tailwind, according to investors. According to our latest survey, 76% of investors view this as a positive force, again underlining that innovation, particularly around AI and adjacent technologies continues to anchor the structural growth case for VC and PE.

Alongside this, availability of key skills and talent (68%) and changing consumer behaviour (54%) are also seen as supportive, suggesting investors still see attractive opportunities where innovation, talent and shifting demand patterns intersect.

Chart 30 shows the breakdown of key tailwinds and headwinds to the private markets. This tension helps explain why our latest survey shows moderating sentiment alongside still-positive activity expectations.

30. Geopolitics have become the key headwinds for private markets, while speed of technology changes remain the key tailwind

What do you see as the tailwinds and headwinds for the VC/IPO/PE market over the next quarter? (Private investors)



Source: HSBC-Survation Funding The Future Survey

Exit dynamics

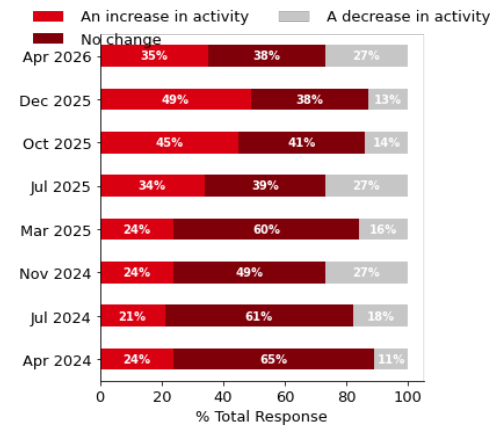
Amid geopolitical uncertainty, commodities disruption and policy uncertainty in the US, and investor optimism regarding the outlook for ECM activity has dampened again. More investors now anticipate no change in IPO activity than before. Some 35% of VC/PE investors expect an increase in IPO activity in the coming year while 38% expect no change and 27% now expect a decrease in IPO activity (Chart 31). This stands in contrast to the findings of our previous survey which showed a strong expectation of IPOs opening up, especially in some Asian markets like Hong Kong.

One key reason for fading confidence may be the lower than expected exit valuations and reduction in buy-side appetite due to geopolitical and macro uncertainty. The IPO window is perceived as partially open at best, consistent with more muted sentiment as we discussed earlier in this report.

Listed investors have also become less constructive on the IPO outlook over the course of the year (Chart 32). 46% of investors now expect an increase in IPO activity over the coming year (down from 55% in December), while 50% expect a decrease.

31. VC investors' IPO optimism has softened in near term

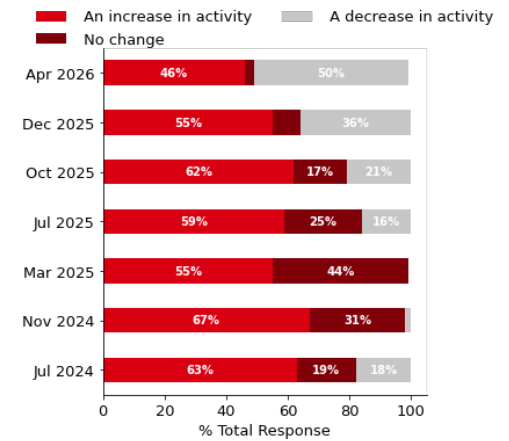
How do you foresee IPO activity over the coming quarter?(VC/PE investors)



Source: HSBC-Survation Funding The Future Survey

32. Listed investors also less optimistic about the IPO outlook

How do you foresee IPO activity over the coming year? (Listed investors)



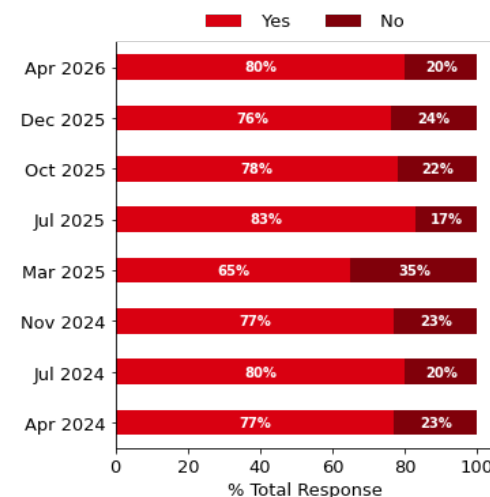
Source: HSBC-Survation Funding The Future Survey

That said, weaker IPO sentiment has not translated into weaker exit intentions. 80% of investors we surveyed said they plan to exit portfolio companies over the next 12 months, up from 76% in December 2025 (Chart 33). Investors are looking for liquidity and there is continued pressure to return capital but via private routes rather than public markets. Chart 34 shows the preferred avenues for exit from investors. Trade sales continue to stand out as preferred avenue for exits. In the latest survey, 56% of respondents selected trade sale as a preferred route, ahead of buyouts at 48%, IPOs at 37% and mergers at 35%. While buyouts remain an important channel, the persistence of trade sales at the top of the rankings suggest strategic buyers are still seen as most reliable source of liquidity in a market where valuation remains tight and IPO visibility is limited.

For both tech and healthcare, M&A and buyouts will remain the dominant exit routes, putting a premium on strategic fit, sponsor relationships, and building assets that are attractive to potential acquirers.

33. Investors remain keen on exits

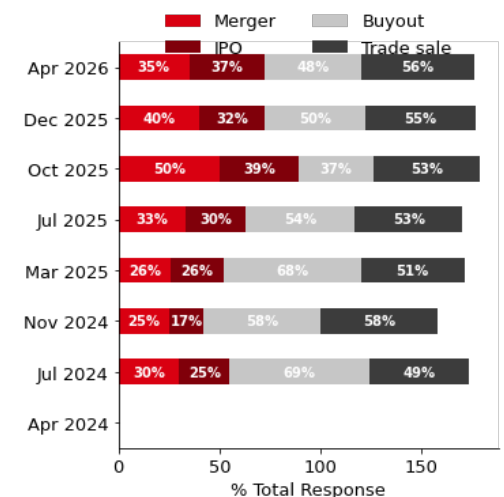
Do you plan to exit any of your portfolio companies in the next 12 months?(VC/PE investors)



Source: HSBC-Survation Funding The Future Survey

34. Trade Sales remain the preferred avenues

What is your preferred avenue for portfolio exits? (VC/PE investors)



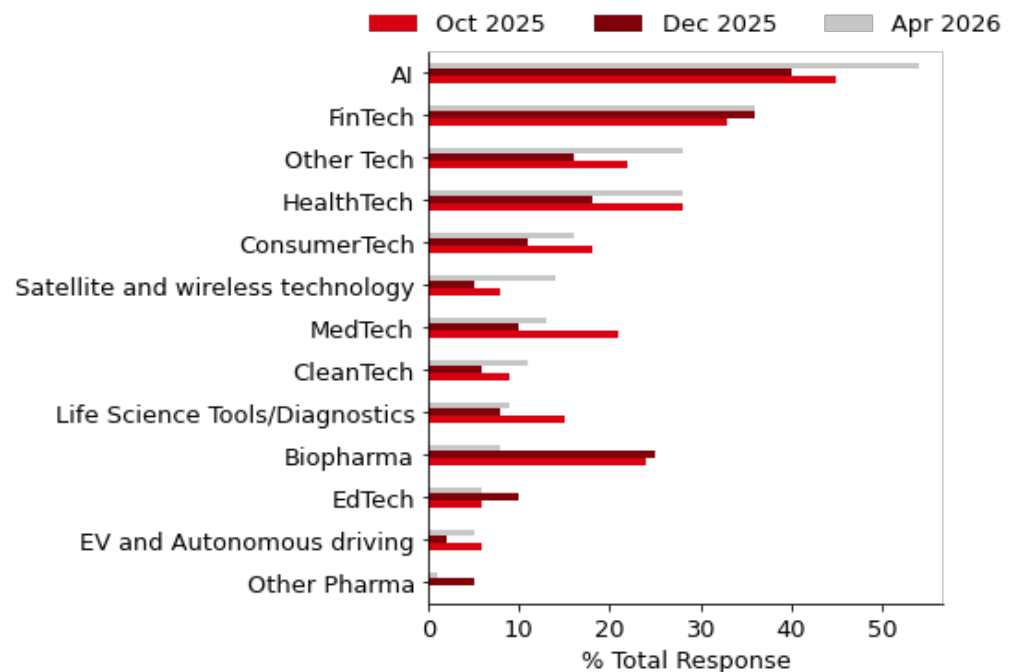
Source: HSBC-Survation Funding The Future Survey

Looking ahead, responses to our survey imply a tech-driven wave of ECM activity for the rest of 2026. AI, FinTech, Health tech, Consumer Tech, and other Tech related deals are expected to dominate the exit pipeline, according to our survey (Chart 35).

AI, unsurprisingly, has been the busiest theme in VC investments according to our survey since 2024. April 2026 version again increases the portion of investors anticipating exits from AI. Numerous AI-focused start-ups have matured over the last few years and about a dozen (from both AI software and hardware sectors) are eyeing IPO pipelines now. Private market liquidity events are also dominant exit routes including strategic M&A for AI software and infrastructure assets, and more sponsor backed take privates as alternatives to IPOs. Secondaries have also proven to be another credible alternative to IPOs for tech deals.

35. AI, fintech, Other Tech & Biopharma among the most expected verticals for exits

What sectors do you expect exits from in the coming year? (VC/PE investors)



Source: HSBC-Survation Funding The Future Survey

HSBC's Themes

As in our previous edition of the Funding the Future Survey, we asked investors for their views on HSBC's themes to gain deeper insights into how investors align their investment strategies with these key thematic areas. For more information on HSBC's approach, please read our [Nine themes guide](#).

The themes serve as a framework to examine the longer-term trends reshaping economies, markets and societies. These trends are not only influencing investments, but also have a lasting impact on investor and company strategies. Given how important we think these themes are, we sought to gauge how high-growth investors view them and how they influence their asset allocation decisions for 2026.

This should give us an insight into which theme investors are focused on more and which themes are perhaps less in the spotlight currently.

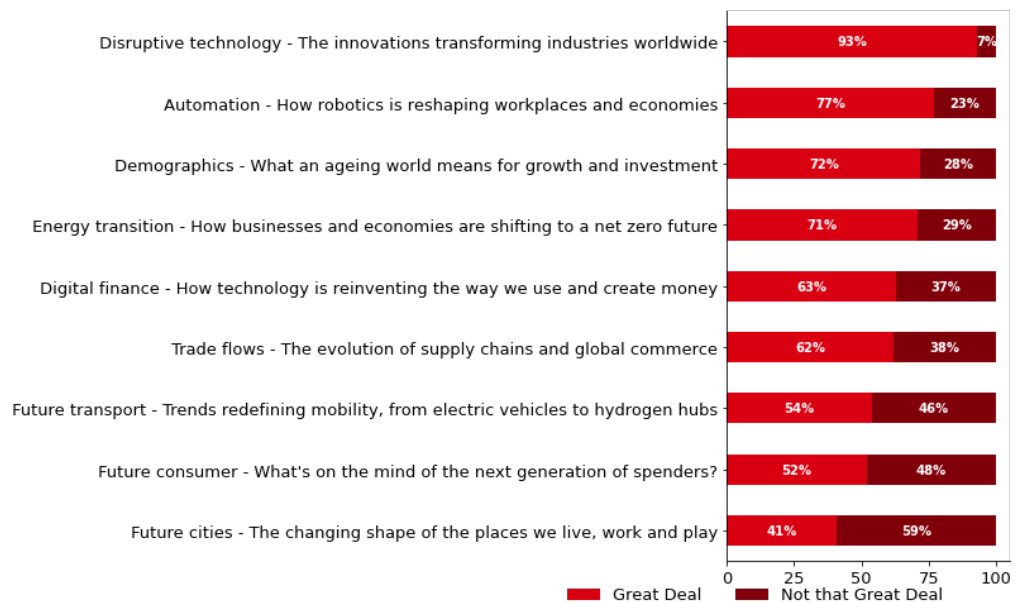
Chart 36 highlights to what degree each theme factors in investors' strategies. Unsurprisingly, **Disruptive Technology** again emerged as a top priority. Some 93% (up from 92%) of investors we surveyed responded that this theme matters the most when they think about investment strategy. As this can be a very wide theme spanning sectors and industries, it is understandable that the vast majority of investors would find it critical to their investment approach.

Automation and **Demographics** were again ranked highly, with 77% (71% previously) and 72% (72% previously) of investors respectively focusing on what these two themes mean for future investments.

Note: Since we carried out the survey fieldwork, we have refreshed our thematic approach, adding Future Healthcare as a new theme. This replaces Future Cities, which will now be included in other themes such as Demographics.

36. Disruptive Tech, Automation, Demographics and Energy transition are at front of investor minds when thinking about their investment strategy

To what extent do each of the following theme factor into your investment?



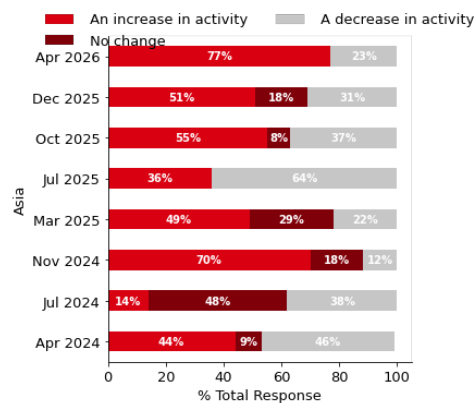
Source: HSBC-Survation Funding The Future Survey

Asian investors remain more bullish

- ◆ Asian VC investors are more bullish on deal activity
- ◆ Investors remain optimistic about IPO activity
- ◆ Investors are bullish on tech but see demand fluctuations as key risk

A1. Asian VC investors positive over the coming year

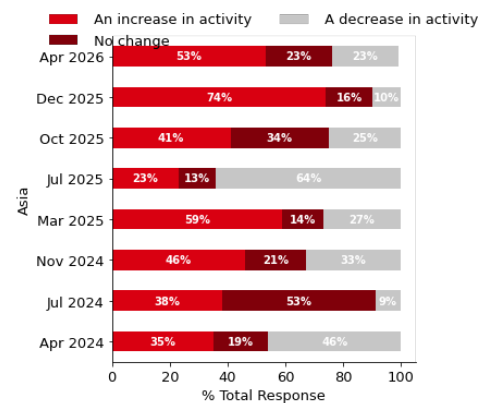
How do you foresee VC/PE activity over the coming year? (VC/PE investors in Asia)



Source: HSBC-Survation Funding The Future Survey

A2. IPO optimism remains

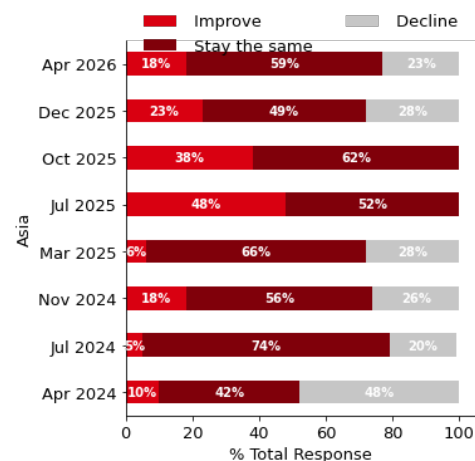
How do you foresee IPO activity over the coming year? (VC/PE investors in Asia)



Source: HSBC-Survation Funding The Future Survey

A3. Investors expect fundraising conditions remain the same in near term

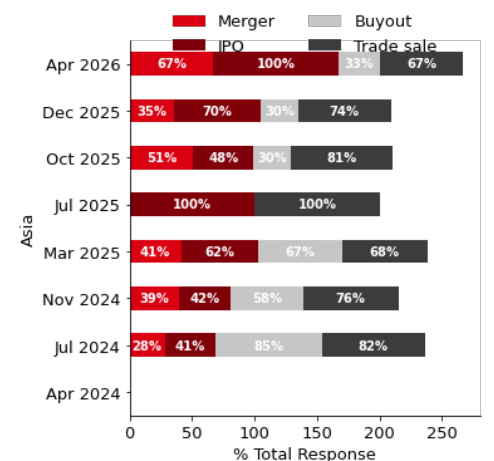
How do you foresee fundraising conditions over the coming quarter? (VC/PE investors in Asia)



Source: HSBC-Survation Funding The Future Survey

A4. IPOs and trade sales are now preferred exit avenues

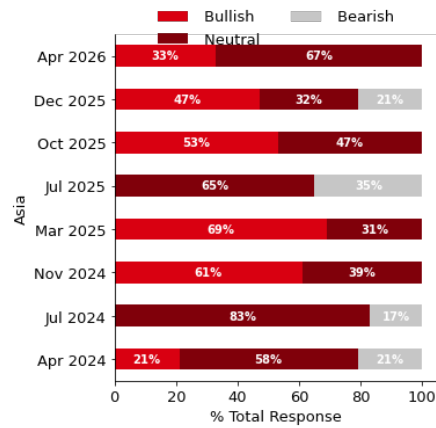
What is your preferred avenue for your portfolio exits? (VC/PE investors in Asia)



Source: HSBC-Survation Funding The Future Survey

A5. Asian VC investors are neutral on tech...

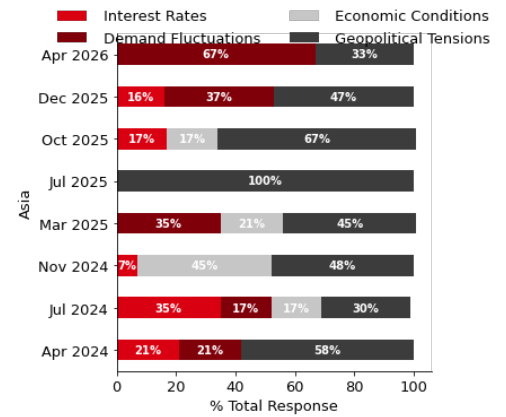
What is your view on the tech sector sentiment over the next three months? (VC/PE investors in Asia)



Source: HSBC-Survation Funding The Future Survey

A6. ...and perceive demand fluctuations as a downside risk

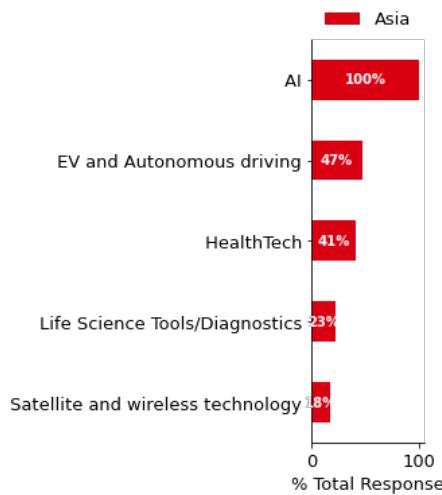
What do you see as the biggest macro risk to the tech sector? (VC/PE investors in Asia)



Source: HSBC-Survation Funding The Future Survey

A7. Asian VC investors expect to see investments in AI, HealthTech and EV

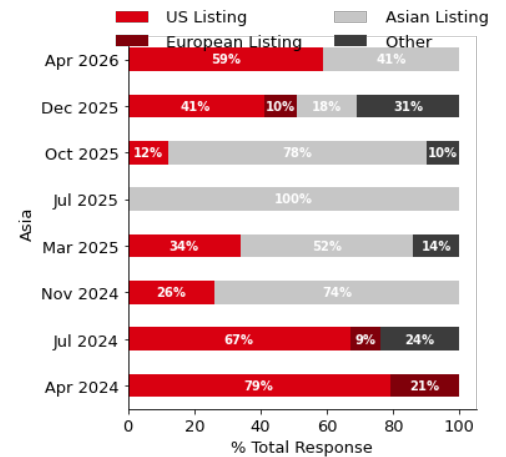
Which sectors/industries do you expect to see the most investment in the private market over the coming quarter? (VC/PE investors in Asia)



Source: HSBC-Survation Funding The Future Survey

A8. In terms of listing, Asian investors have diversified listing options

What are your geographic preferences for VC-backed investments in terms of going public? (VC/PE investors in Asia)



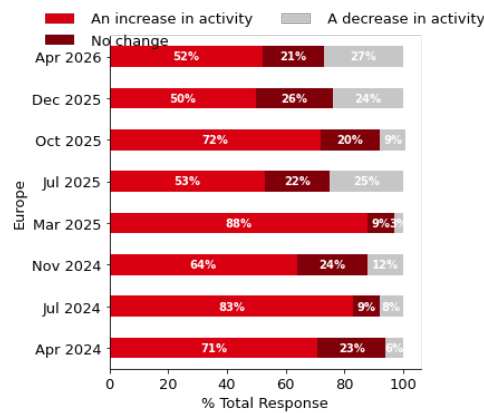
Source: HSBC-Survation Funding The Future Survey

Europe turns moderately positive

- ◆ European VC/PE investors mildly bullish, however less so than global peers
- ◆ IPO activity expected to remain muted in the region; however better than previous survey
- ◆ Investors are neutral on both Tech and Healthcare sectors

E1. European VC investors slight bullish over the coming year

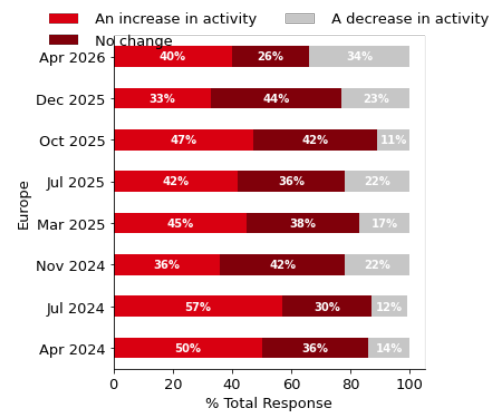
How do you foresee VC/PE activity over the coming year? (VC/PE investors in Europe)



Source: HSBC-Survation Funding The Future Survey

E2. IPO activity expected to remain muted

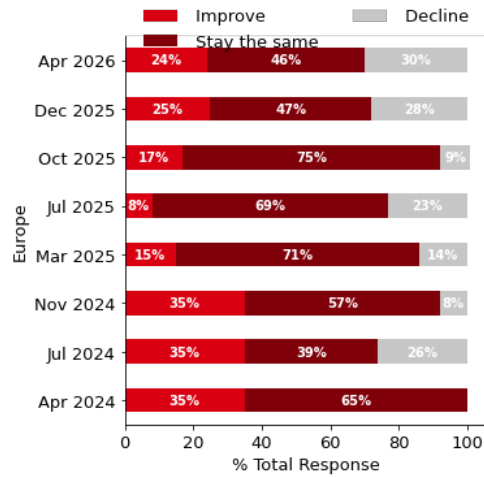
How do you foresee IPO activity over the coming year? (VC/PE investors in Europe)



Source: HSBC-Survation Funding The Future Survey

E3. Investors expect fundraising conditions to largely remain the same

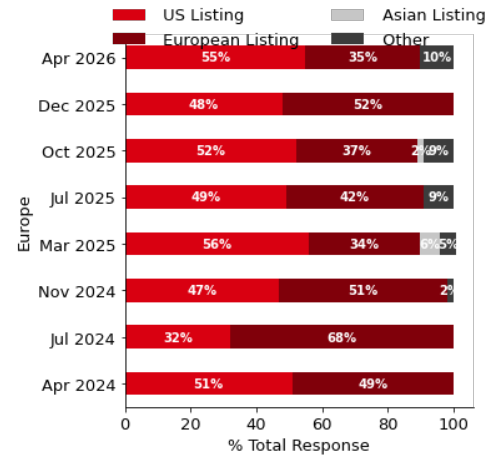
How do you foresee fundraising conditions over the coming quarter? (VC/PE investors in Europe)



Source: HSBC-Survation Funding The Future Survey

E4. More European investors want to list in Europe

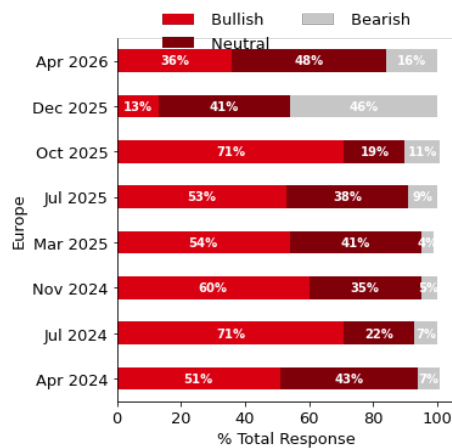
What are your preference for VC backed investments in terms of going public? (VC/PE investors in Europe)



Source: HSBC-Survation Funding The Future Survey

E5. European VC investors neutral on tech...

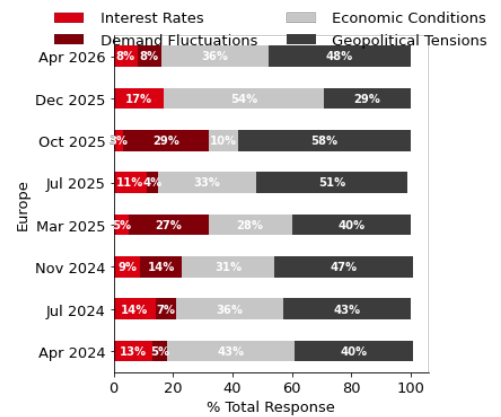
What is your view on the tech sector sentiment over the next three months? (VC/PE investors in Europe)



Source: HSBC-Survation Funding The Future Survey

E6. ...and perceive economic conditions as a key risk

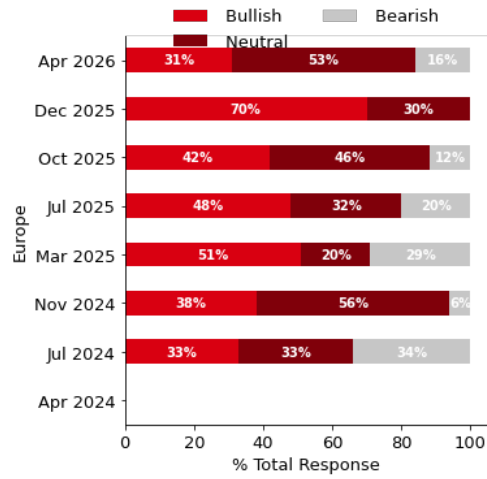
What do you see as the biggest macro risk to the tech sector? (VC/PE investors in Europe)



Source: HSBC-Survation Funding The Future Survey

E7. European VC investors neutral on Healthcare

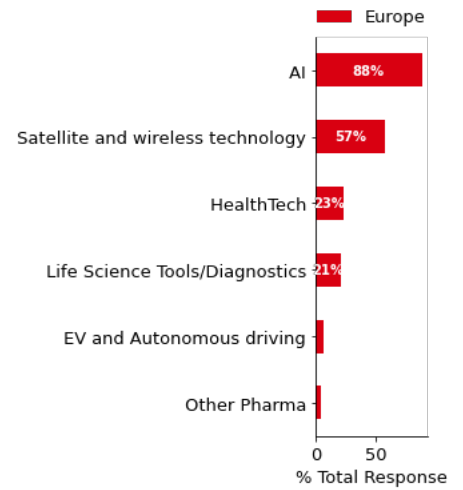
What is your view on the healthcare sector sentiment over the next three months? (VC/PE investors in Europe)



Source: HSBC-Survation Funding The Future Survey

E8. Most investments expected to be in AI, followed by Satellite tech

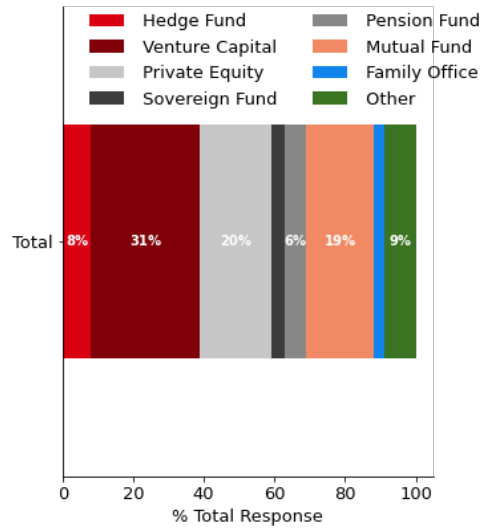
Which sectors do you expect to see the most investment in the private market over the coming quarter? (VC/PE investors in Europe)



Source: HSBC-Survation Funding The Future Survey

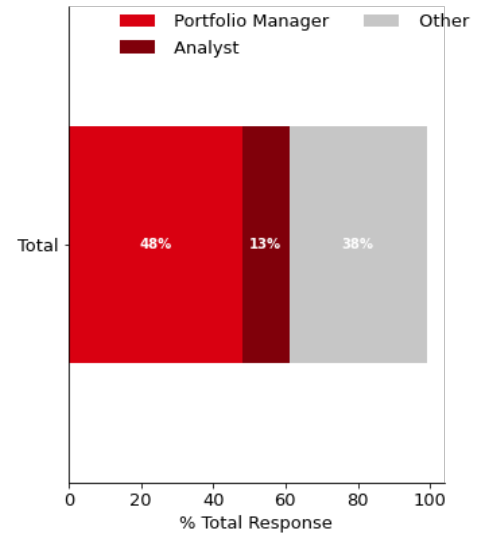
Survey demographics

SD1. Please select your investor category



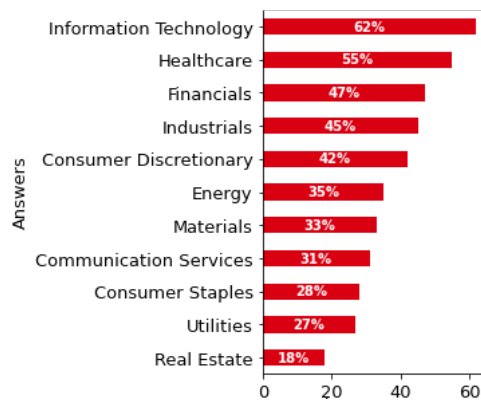
Source: HSBC-Survation Funding The Future Survey

SD2. What is your role?



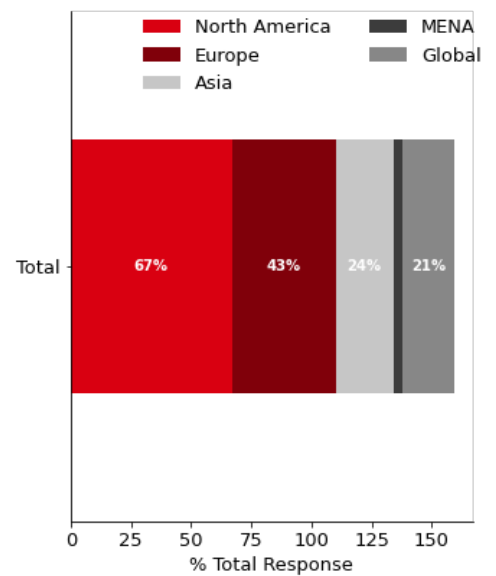
Source: HSBC-Survation Funding The Future Survey

SD3. Which sectors are you invested in?



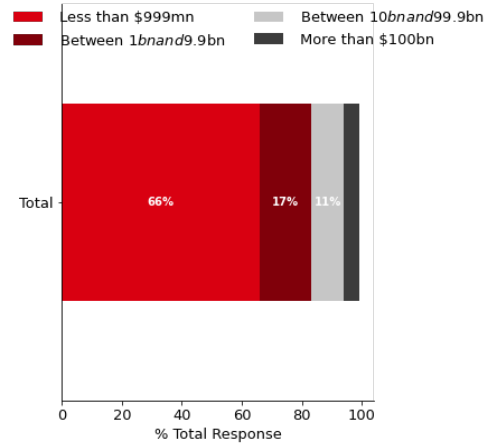
Source: HSBC-Survation Funding The Future Survey

SD4. Which regions are you invested in?



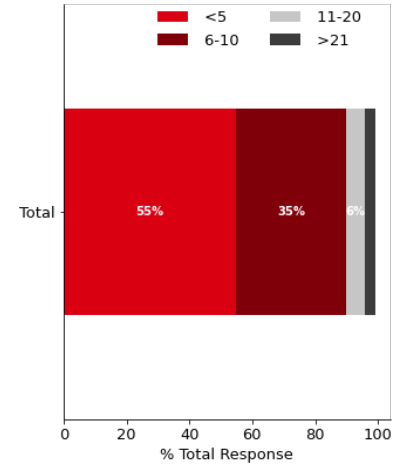
Source: HSBC-Survation Funding The Future Survey

SD5. What is the approximate level of your firm's overall AUM?



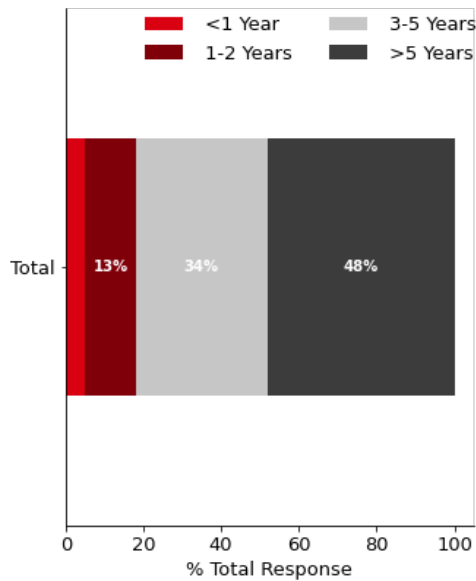
Source: HSBC-Survation Funding The Future Survey

SD6. How many individuals are involved in your investment decision?



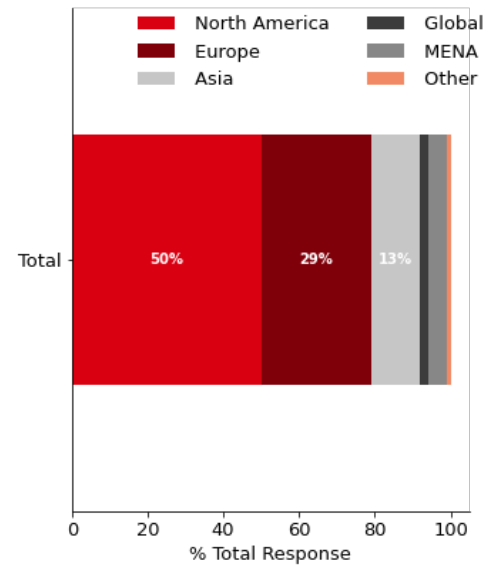
Source: HSBC-Survation Funding The Future Survey

SD7. What is the typical duration of your investment?



Source: HSBC-Survation Funding The Future Survey

SD8. In which region are you located?



Source: HSBC-Survation Funding The Future Survey

Disclosure appendix

Analyst Certification

The following analyst(s), economist(s), or strategist(s) who is(are) primarily responsible for this report, including any analyst(s) whose name(s) appear(s) as author of an individual section or sections of the report and any analyst(s) named as the covering analyst(s) of a subsidiary company in a sum-of-the-parts valuation certifies(y) that the opinion(s) on the subject security(ies) or issuer(s), any views or forecasts expressed in the section(s) of which such individual(s) is(are) named as author(s), and any other views or forecasts expressed herein, including any views expressed on the back page of the research report, accurately reflect their personal view(s) and that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation(s) or views contained in this research report: Shiva Joon, CFA, Mark McDonald, Rajesh Kumar, Frank Lee, Thomas Devlin and Max Kettner, CFA

Important disclosures

Equities: Stock ratings and basis for financial analysis

HSBC and its affiliates, including the issuer of this report ("HSBC") believes an investor's decision to buy or sell a stock should depend on individual circumstances such as the investor's existing holdings, risk tolerance and other considerations and that investors utilise various disciplines and investment horizons when making investment decisions. Ratings should not be used or relied on in isolation as investment advice. Different securities firms use a variety of ratings terms as well as different rating systems to describe their recommendations and therefore investors should carefully read the definitions of the ratings used in each research report. Further, investors should carefully read the entire research report and not infer its contents from the rating because research reports contain more complete information concerning the analysts' views and the basis for the rating.

From 23rd March 2015 HSBC has assigned ratings on the following basis:

The target price is based on the analyst's assessment of the stock's actual current value, although we expect it to take six to 12 months for the market price to reflect this. When the target price is more than 20% above the current share price, the stock will be classified as a Buy; when it is between 5% and 20% above the current share price, the stock may be classified as a Buy or a Hold; when it is between 5% below and 5% above the current share price, the stock will be classified as a Hold; when it is between 5% and 20% below the current share price, the stock may be classified as a Hold or a Reduce; and when it is more than 20% below the current share price, the stock will be classified as a Reduce.

Our ratings are re-calibrated against these bands at the time of any 'material change' (initiation or resumption of coverage, change in target price or estimates).

Upside/Downside is the percentage difference between the target price and the share price.

Prior to this date, HSBC's rating structure was applied on the following basis:

For each stock we set a required rate of return calculated from the cost of equity for that stock's domestic or, as appropriate, regional market established by our strategy team. The target price for a stock represented the value the analyst expected the stock to reach over our performance horizon. The performance horizon was 12 months. For a stock to be classified as Overweight, the potential return, which equals the percentage difference between the current share price and the target price, including the forecast dividend yield when indicated, had to exceed the required return by at least 5 percentage points over the succeeding 12 months (or 10 percentage points for a stock classified as Volatile*). For a stock to be classified as Underweight, the stock was expected to underperform its required return by at least 5 percentage points over the succeeding 12 months (or 10 percentage points for a stock classified as Volatile*). Stocks between these bands were classified as Neutral.

*A stock was classified as volatile if its historical volatility had exceeded 40%, if the stock had been listed for less than 12 months (unless it was in an industry or sector where volatility is low) or if the analyst expected significant volatility. However, stocks which we did not consider volatile may in fact also have behaved in such a way. Historical volatility was defined as the past month's average of the daily 365-day moving average volatilities. In order to avoid misleadingly frequent changes in rating, however, volatility had to move 2.5 percentage points past the 40% benchmark in either direction for a stock's status to change.

Rating distribution for long-term investment opportunities

As of 31 March 2026, the distribution of all independent ratings published by HSBC is as follows:

Buy	59%	(12% of these provided with Investment Banking Services in the past 12 months)
Hold	36%	(12% of these provided with Investment Banking Services in the past 12 months)
Sell	6%	(6% of these provided with Investment Banking Services in the past 12 months)

For the purposes of the distribution above the following mapping structure is used during the transition from the previous to current rating models: under our previous model, Overweight = Buy, Neutral = Hold and Underweight = Sell; under our current model Buy = Buy, Hold = Hold and Reduce = Sell. For rating definitions under both models, please see “Stock ratings and basis for financial analysis” above.

For the distribution of non-independent ratings published by HSBC, please see the disclosure page available at <http://www.hsbcnet.com/gbm/financial-regulation/investment-recommendations-disclosures>.

To view a list of all the independent fundamental ratings/recommendations disseminated by HSBC during the preceding 12-month period, and the location where we publish our quarterly distribution of non-fundamental recommendations (applicable to Fixed Income and Currencies research only), please use the following links to access the disclosure page:

Clients of HSBC Private Bank: www.research.privatebank.hsbc.com/Disclosures

All other clients: www.research.hsbc.com/A/Disclosures

HSBC and its affiliates will from time to time sell to and buy from customers the securities/instruments, both equity and debt (including derivatives) of companies covered in HSBC Research on a principal or agency basis or act as a market maker or liquidity provider in the securities/instruments mentioned in this report.

Analysts, economists, and strategists are paid in part by reference to the profitability of HSBC which includes investment banking, sales & trading, and principal trading revenues.

Whether, or in what time frame, an update of this analysis will be published is not determined in advance.

Non-U.S. analysts may not be associated persons of HSBC Securities (USA) Inc, and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with the subject company, public appearances and trading securities held by the analysts.

Economic sanctions laws imposed by certain jurisdictions such as the US, the EU, the UK, and others, may prohibit persons subject to those laws from making certain types of investments, including by transacting or dealing in securities of particular issuers, sectors, or regions. This report does not constitute advice in relation to any such laws and should not be construed as an inducement to transact in securities in breach of such laws.

For disclosures in respect of any company mentioned in this report, please see the most recently published report on that company available at www.hsbcnet.com/research. HSBC Private Bank clients should contact their Relationship Manager for queries regarding other research reports. In order to find out more about the proprietary models used to produce this report, please contact the authoring analyst.

Additional disclosures

- 1 This report is dated as at 24 April 2026.
- 2 All market data included in this report are dated as at close 22 April 2026, unless a different date and/or a specific time of day is indicated in the report.
- 3 HSBC has procedures in place to identify and manage any potential conflicts of interest that arise in connection with its Research business. HSBC's analysts and its other staff who are involved in the preparation and dissemination of Research operate and have a management reporting line independent of HSBC's Investment Banking business. Information Barrier procedures are in place between the Investment Banking, Principal Trading, and Research businesses to ensure that any confidential and/or price sensitive information is handled in an appropriate manner.
- 4 You are not permitted to use, for reference, any data in this document for the purpose of (i) determining the interest payable, or other sums due, under loan agreements or under other financial contracts or instruments, (ii) determining the price at which a financial instrument may be bought or sold or traded or redeemed, or the value of a financial instrument, and/or (iii) measuring the performance of a financial instrument or of an investment fund.

Production & distribution disclosures

1. This report was produced and signed off by the author on 23 Apr 2026 13:52 GMT.
2. In order to see when this report was first disseminated please see the disclosure page available at <https://www.research.hsbc.com/R/34/pwnNK7d>

Disclaimer

Legal entities as at 7 December 2024:

HSBC Bank plc; HSBC Continental Europe; HSBC Continental Europe SA, Germany; HSBC Bank Middle East Limited, DIFC; HSBC Bank Middle East Limited, UAE branch; HSBC Yatirim Menkul Degerler AS, Istanbul; The Hongkong and Shanghai Banking Corporation Limited, Hong Kong; The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch; The Hongkong and Shanghai Banking Corporation Limited, Seoul Securities Branch; The Hongkong and Shanghai Banking Corporation Limited, Seoul Branch; HSBC Qianhai Securities Limited; HSBC Securities (Taiwan) Corporation Limited; HSBC Securities and Capital Markets (India) Private Limited, Mumbai; HSBC Bank Australia Limited; HSBC Securities (USA) Inc., New York; HSBC México, SA, Institución de Banca Múltiple, Grupo Financiero HSBC; Banco HSBC SA

Issuer of report

HSBC Bank plc
8 Canada Square, London
E14 5HQ, United Kingdom
Telephone: +44 20 7991 8888
Fax: +44 20 7992 4880
Website: www.research.hsbc.com

In the UK, this publication is distributed by HSBC Bank plc for the information of its Clients (as defined in the Rules of FCA) and those of its affiliates only. Nothing herein excludes or restricts any duty or liability to a customer which HSBC Bank plc has under the Financial Services and Markets Act 2000 or under the Rules of FCA and PRA. A recipient who chooses to deal with any person who is not a representative of HSBC Bank plc in the UK will not enjoy the protections afforded by the UK regulatory regime. HSBC Bank plc is regulated by the Financial Conduct Authority and the Prudential Regulation Authority. If this research is received by a customer of an affiliate of HSBC, its provision to the recipient is subject to the terms of business in place between the recipient and such affiliate. In Australia, this publication has been distributed by The Hongkong and Shanghai Banking Corporation Limited (ABN 65 117 925 970, AFSL 301737) for the general information of its "wholesale" customers (as defined in the Corporations Act 2001). Where distributed to retail customers, this research is distributed by HSBC Bank Australia Limited (ABN 48 006 434 162, AFSL No. 232595). These respective entities make no representations that the products or services mentioned in this document are available to persons in Australia or are necessarily suitable for any particular person or appropriate in accordance with local law. No consideration has been given to the particular investment objectives, financial situation or particular needs of any recipient.

In the European Economic Area, this publication has been distributed by HSBC Continental Europe or by such other HSBC affiliate from which the recipient receives relevant services.

The document is distributed in Hong Kong and Japan by The Hongkong and Shanghai Banking Corporation Limited and has been prepared for the New York office of HSBC Bank USA, National Association. In Korea, this publication is distributed by either The Hongkong and Shanghai Banking Corporation Limited, Seoul Securities Branch ("HBAP SLS") or The Hongkong and Shanghai Banking Corporation Limited, Seoul Branch ("HBAP SEL") for the general information of professional investors specified in Article 9 of the Financial Investment Services and Capital Markets Act ("FSCMA"). This publication is not a prospectus as defined in the FSCMA. It may not be further distributed in whole or in part for any purpose. Both HBAP SLS and HBAP SEL are regulated by the Financial Services Commission and the Financial Supervisory Service of Korea.

Each of the companies listed above (the "Participating Companies") is a member of the HSBC Group of Companies, any member of which may trade for its own account as Principal, may have underwritten an issue within the last 36 months or, together with its Directors, officers and employees, may have a long or short position in securities or instruments or in any related instrument mentioned in the document. Brokerage or fees may be earned by the Participating Companies or persons associated with them in respect of any business transacted by them in all or any of the securities or instruments referred to in this document.

The information in this document is derived from sources the Participating Companies believe to be reliable but which have not been independently verified. The Participating Companies make no guarantee of its accuracy and completeness and are not responsible for errors of transmission of factual or analytical data, nor shall the Participating Companies be liable for damages arising out of any person's reliance upon this information. All charts and graphs are from publicly available sources or proprietary data. The opinions in this document constitute the present judgement of the Participating Companies, which is subject to change without notice. From time to time research analysts conduct site visits of covered issuers. HSBC policies prohibit research analysts from accepting payment or reimbursement for travel expenses from the issuer for such visits. This document is neither an offer to sell, purchase or subscribe for any investment nor a solicitation of such an offer.

HSBC Securities (USA) Inc. accepts responsibility for the content of this research report prepared by its non-US foreign affiliate. The information contained herein is under no circumstances to be construed as investment advice and is not tailored to the needs of the recipient. All US persons receiving and/or accessing this report and intending to effect transactions in any security discussed herein should do so with HSBC Securities (USA) Inc. in the United States and not with its non-US foreign affiliate, the issuer of this report. In Singapore, this publication is distributed by The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch for the general information of institutional investors or other persons specified in Sections 274 and 304 of the Securities and Futures Act (Chapter 289) ("SFA") and accredited investors and other persons in accordance with the conditions specified in Sections 275 and 305 of the SFA. Only Economics or Currencies reports are intended for distribution to a person who is not an Accredited Investor, Expert Investor or Institutional Investor as defined in SFA. The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch accepts legal responsibility for the contents of reports. This publication is not a prospectus as defined in the SFA. It may not be further distributed in whole or in part for any purpose. The Hongkong and Shanghai Banking Corporation Limited Singapore Branch is regulated by the Monetary Authority of Singapore. Recipients in Singapore should contact a "Hongkong and Shanghai Banking Corporation Limited, Singapore Branch" representative in respect of any matters arising from, or in connection with this report. Please refer to The Hongkong and Shanghai Banking Corporation Limited Singapore Branch's website at www.business.hsbc.com.sg for contact details. HSBC México, SA, Institución de Banca Múltiple, Grupo Financiero HSBC is authorized and regulated by Secretaría de Hacienda y Crédito Público and Comisión Nacional Bancaria y de Valores (CNBV).

In Brazil, this document has been distributed by Banco HSBC SA ("HSBC Brazil"), and/or its affiliates. As required by Resolution No. 20/2021 of the Securities and Exchange Commission of Brazil (Comissão de Valores Mobiliários), potential conflicts of interest concerning (i) HSBC Brazil and/or its affiliates; and (ii) the analyst(s) responsible for authoring this report are stated on the chart above labelled "HSBC & Analyst Disclosures".

The document is intended to be distributed in its entirety. Unless governing law permits otherwise, you must contact a HSBC Group member in your home jurisdiction if you wish to use HSBC Group services in effecting a transaction in any investment mentioned in this document. HSBC Bank plc is registered in England No 14259, is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is a member of the London Stock Exchange. (070905)

If you are a customer of HSBC International Wealth & Premier Banking ("IWPB"), including HSBC Private Bank, you are eligible to receive this publication only if: (i) you have been approved to receive relevant research publications by an applicable HSBC legal entity; (ii) you have agreed to the applicable HSBC entity's terms and conditions and/or customer declaration for accessing research; and (iii) you have agreed to the terms and conditions of any other internet banking, online banking, mobile banking and/or investment services offered by that HSBC entity, through which you will access research publications (collectively with (ii), the "Terms"). If you do not meet the above eligibility requirements, please disregard this publication and, if you are a IWPB customer, please notify your Relationship Manager or call the relevant customer hotline. Distribution of this publication is the sole responsibility of the HSBC entity with whom you have agreed the Terms. Receipt of research publications is strictly subject to the Terms and any other conditions or disclaimers applicable to the provision of the publications that may be advised by IWPB.

© Copyright 2026, HSBC Bank plc, ALL RIGHTS RESERVED. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, on any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of HSBC Bank plc.

[1277734]

Main contributors



Shiva Joon, CFA
Data Scientist
HSBC Bank plc
shiva.joon@hsbcib.com
+44 20 7991 1356



Frank Lee*
Global Head of Tech Hardware & Semi Research
The Hongkong and Shanghai Banking Corporation Limited
frank.lee@hsbc.com.hk
+852 2996 6916



Mark McDonald
Head of AI and Data Science
HSBC Bank plc
mark.mcdonald@hsbcib.com
+44 20 7991 3119



Thomas Devlin
Analyst, Data Science
HSBC Securities (USA) Inc.
thomas.devlin@us.hsbc.com
+1 212 525 0672



Rajesh Kumar*
Senior Global Life Sciences & Healthcare Analyst
HSBC Bank plc
rajesh4kumar@hsbcib.com
+44 20 7991 1629



Max Kettner*, CFA
Chief Multi-Asset Strategist
HSBC Bank plc
maximilian.j.kettner@hsbc.com
+44 20 7991 5045

* Employed by a non-US affiliate of HSBC Securities (USA) Inc, and is not registered / qualified pursuant to FINRA regulations

How to access HSBC Global Investment Research



Log on to the Global Investment Research website

To access all reports and videos log on to research.hsbc.com



Download the HSBC Global Investment Research app

From Apple's [App Store](#) or [Google Play](#). The app features topical and timely curated reports, multimedia, and upcoming events



Connect with Global Investment Research on LinkedIn

Search [#HSBCResearch](#) for free to view insights that can easily be shared with clients and prospects



Subscribe and listen to our podcasts

Under the Banyan Tree by HSBC Global Investment Research on [Apple](#), [Spotify](#) or [YouTube](#)

The Macro Brief by HSBC Global Investment Research on [Apple](#), [Spotify](#) or [YouTube](#)



Newsletters Subscribe to our monthly collection of free to view reports and interviews in [Open Pass](#) or read our bite-sized round up of research covering our nine key themes, [Talking Points](#)