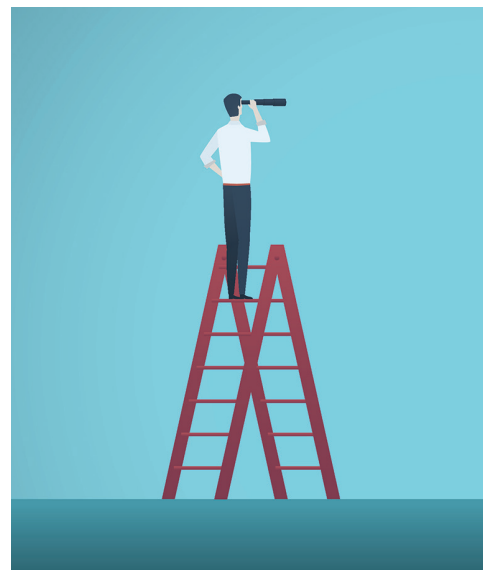


Looking forward to 2026

A fundamental shift in global economic dynamics is taking place: from an economic model where the search for endless growth through optimisation and efficiency was key, to one where resilience is becoming a central theme.

By Thomas Friedberger and Nina Majstorovic



In this changing market environment¹, Europe stands out as a unique investment opportunity, supported among other things by the fiscal stimulus, a healthy banking system and attractive valuations, both on private and on listed assets. Moreover, in an environment where the need to build resilience is essential, European Sovereignty remains a key investment opportunity according to us.

Looking back on the 2025 convictions, a greater influence of governments in economies for 2025 was anticipated. What are the current thoughts on this?

One of the most profound shifts underway is the transition from a growth-centric, globally optimised economic model to one that prioritises resilience, in which governments are increasingly becoming central actors. As building resilience has a cost, public debt levels have reached unprecedented heights, with the debt-to-GDP ratio in the United States now exceeding 120%, and the European Union at over 83%.² Moreover, the cost of financing these deficits is rising, and this should lead long-term interest rates to increase. This evolution is not just a temporary

response to recent shocks, but a structural change that is likely to persist.

The need for massive capital expenditure (CapEx) was a key theme. Is this still a determining factor?

The acceleration of CapEx is unmistakable and is reshaping the investment landscape across multiple sectors. The energy transition alone is projected to require between \$ 3 and \$ 5 trillion in annual investment by 2035³ as economies race to decarbonise and build out renewable energy infrastructure. Defence spending is also surging in the United States and particularly Europe, where budgets have increased by more than 30% since 2021.⁴ In 2024, European defence spending reached an estimated € 326 billion and is expected to rise by over € 100 billion in real terms by 2027.

Technology is another major driver, with global tech giants investing heavily in artificial intelligence and data centres. Between 2024 and 2028, tech giants are expected to invest more than \$ 1.2 trillion⁵ in these areas, reflecting both the promise and the competitive pressures of digital transformation. However, it is important to recognise that such large-scale investment does not automatically translate into economic value creation.

The last CIO Outlook for 2025 highlighted artificial intelligence as a major theme. What are the risks and opportunities as we look to 2026?

Artificial intelligence continues to be a major source of excitement and innovation

‘One of the most profound shifts underway is the transition from a growth-centric, globally optimised economic model to one that prioritises resilience.’

in financial markets and the broader economy. The transformative potential of generative AI and related technologies is widely recognised. However, the massive development costs associated with AI, particularly the energy-intensive and rapidly obsolescent nature of data centres raise important questions about medium-term profitability.

Recent developments, such as the emergence of DeepSeek, illustrate the risks of mis-allocated capital in a sector characterised by rapid disruption. For investors, the key is to balance optimism about AI with a clear-eyed assessment of the underlying costs and risks.

Previously, the economic development of the Indo-Pacific region, with China at its centre, appeared to be one of the key drivers of global growth over the coming decades. How is this trend evolving?

The rise of multipolarity is one of the defining trends for the next decade, with the Indo-Pacific region centred around China emerging as a key driver of global growth. By the end of the century, Asia and Africa are expected to account for nearly 9 billion of the world's projected 10 billion people,⁶ shifting the centre of economic gravity decisively towards the Indian Ocean. For investors, this trend could shape capital flows, trade dynamics and investment opportunities for decades to come.

What makes Europe a unique area of opportunity for investors in 2026 and beyond?

Europe is undergoing a significant transformation that positions it as a unique area of opportunity for investors according to us. Several factors underpin this conviction. First, the direction taken by Germany in terms of fiscal stimulus is a game changer, unlocking funding at the European level and anchoring a genuine strategy for European sovereignty. The European banking system is also completing its clean-up, with financial institutions in southern Europe now much stronger than in previous decades.⁷

Moreover, European asset valuations are lower than those in the US, both in listed and private markets and companies typically operate with less leverage.⁸ The continent is mobilising public and private sectors, especially in areas such as energy

transition, cybersecurity, defence and strategic infrastructure.

How does building resilience create economic value in Europe, despite higher costs and lower growth?

Building resilience is not without its costs. Companies and governments must contend with insurance costs, increased capital buffers, substantial CapEx requirements, larger scale inventories, rising defence spending et cetera. While building resilience implies a less optimised economic environment, it also creates significant opportunities for value creation according to us.

Consolidation and the creation of European champions will further generate value, while investments in strategic infrastructure, such as data centres, also offer attractive opportunities for investors, provided they remain disciplined and maintain strong local roots for origination and execution.

What are the key investment themes for 2026?

Looking forward to 2026, three major investment themes stand out: European sovereignty, private debt secondaries and real estate.⁹ Defence, cybersecurity, and decarbonisation are central to Europe's sovereignty strategy, with massive investments planned across these sectors. Private debt secondaries offer diversification and attractive valuations, benefiting from favourable supply-demand. Real estate, especially value-add and real estate debt, presents opportunities amid structural changes reshaping this sector. ■



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SUMMARY

The focus is shifting from global growth optimisation to resilience, with governments emerging as central actors.

AI remains a major source of excitement and innovation in financial markets and the broader economy.

The rise of multipolarity will define the next decade, with China-led Indo-Pacific driving global growth.

Europe is a unique area of opportunity for investors in 2026 as it is mobilising public and private sectors to catch up technologically and financially.

Real estate, especially value-add and real estate debt, presents opportunities amid structural changes.

- 1 Tikehau Capital CIO Outlook Autumn 2025, <https://www.tikehaucapital.com/-/media/Files/T/Tikehau-Capital-V2/documents/news-and-views/en/2025/tikehau-outlook25-eng.pdf>
- 2 Source: FMI, Global Debt Database 2023, Historical Public Debt Database, World Economic Outlook Database April 2024, SciencesPo.
- 3 Source: IEA World Energy Outlook 2024.
- 4 Source: European Council, Council of the European Union, European Defense Agency, data as of December 31, 2024
- 5 Source: Goldman Sachs Global Investment Research, data as of August 4, 2025. Estimates made by GS, including Alphabet, Amazon, Meta, Microsoft, and Oracle.
- 6 Source: United Nations, World Population Prospect 2024.
- 7 Source: Bank results publications, data as of June 30, 2025
- 8 Source: TIM, Bloomberg, data as of July 31, 2025.

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