Public

Artificial intelligence

Revisiting our outlook: How the landscape has shifted

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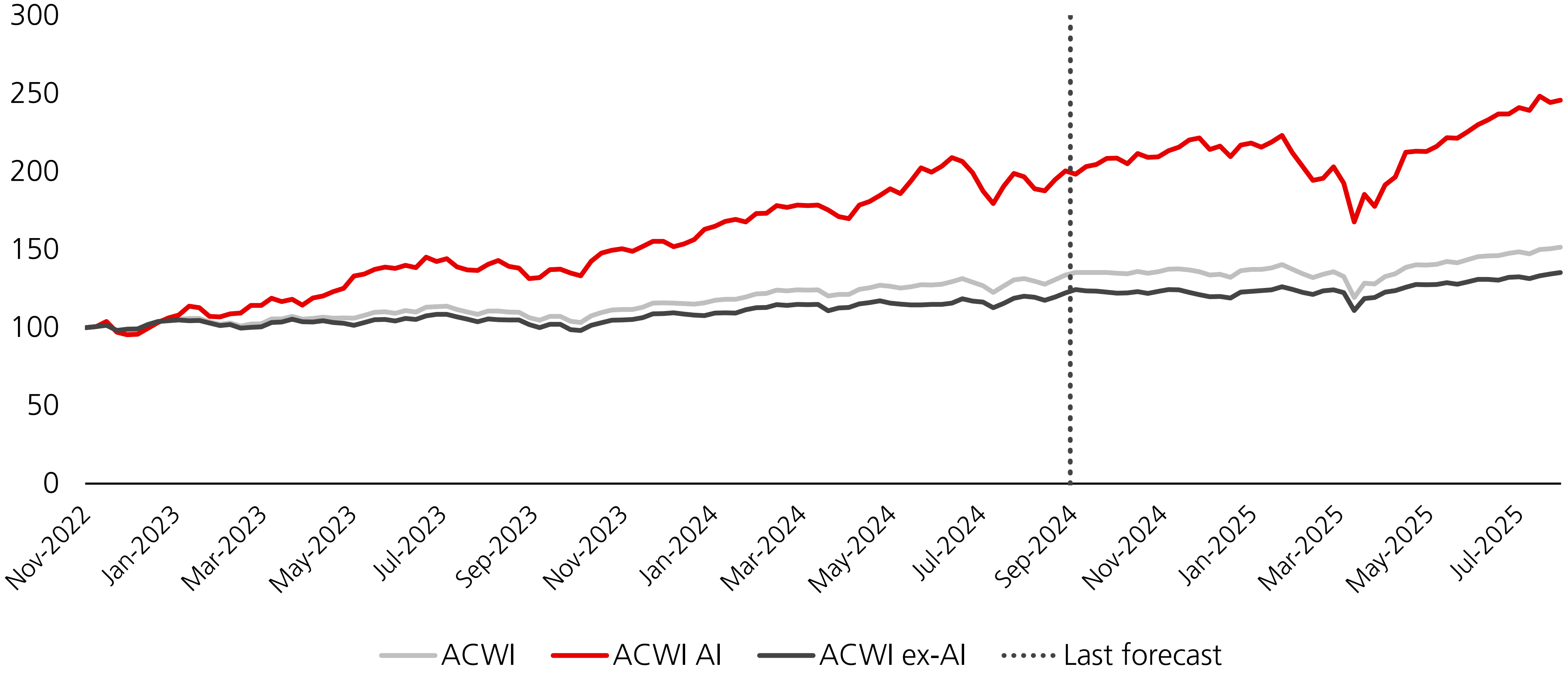
UBS CIO View 1: We believe AI is underappreciated

Revisited: AI will likely be the primary driver of market returns



ACWI AI:

+24%

ACWI ex-AI:

+9%

since last forecast

Global equities performance indexed at 100 at the launch of ChatGPT

UBS

Source: Refinitiv, UBS, as of Sep 2025.
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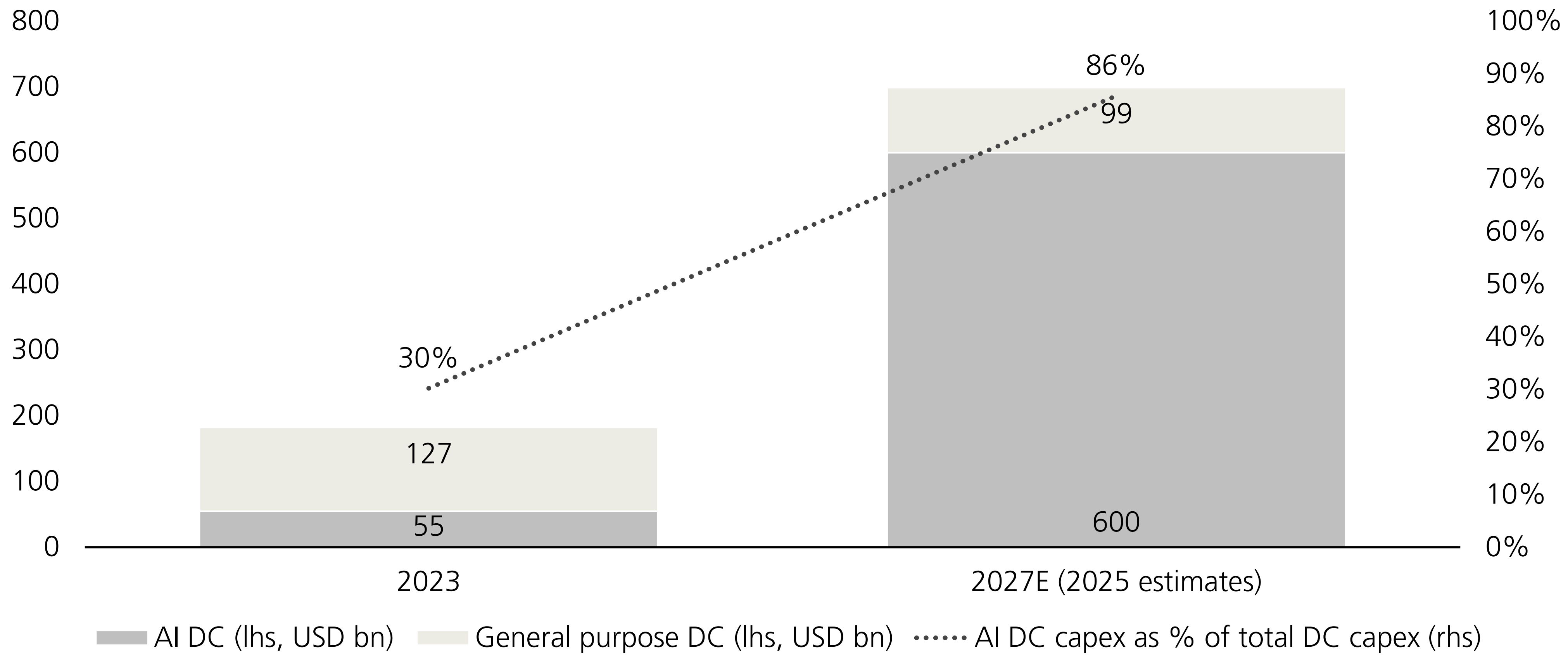
UBS CIO View 2: We believe AI capex will continue to increase

Revisited: AI data centers are driving a new CAPEX cycle



2025E global AI capex +67% vs. 2024

Source: UBS estimates, as of Sep 2025.
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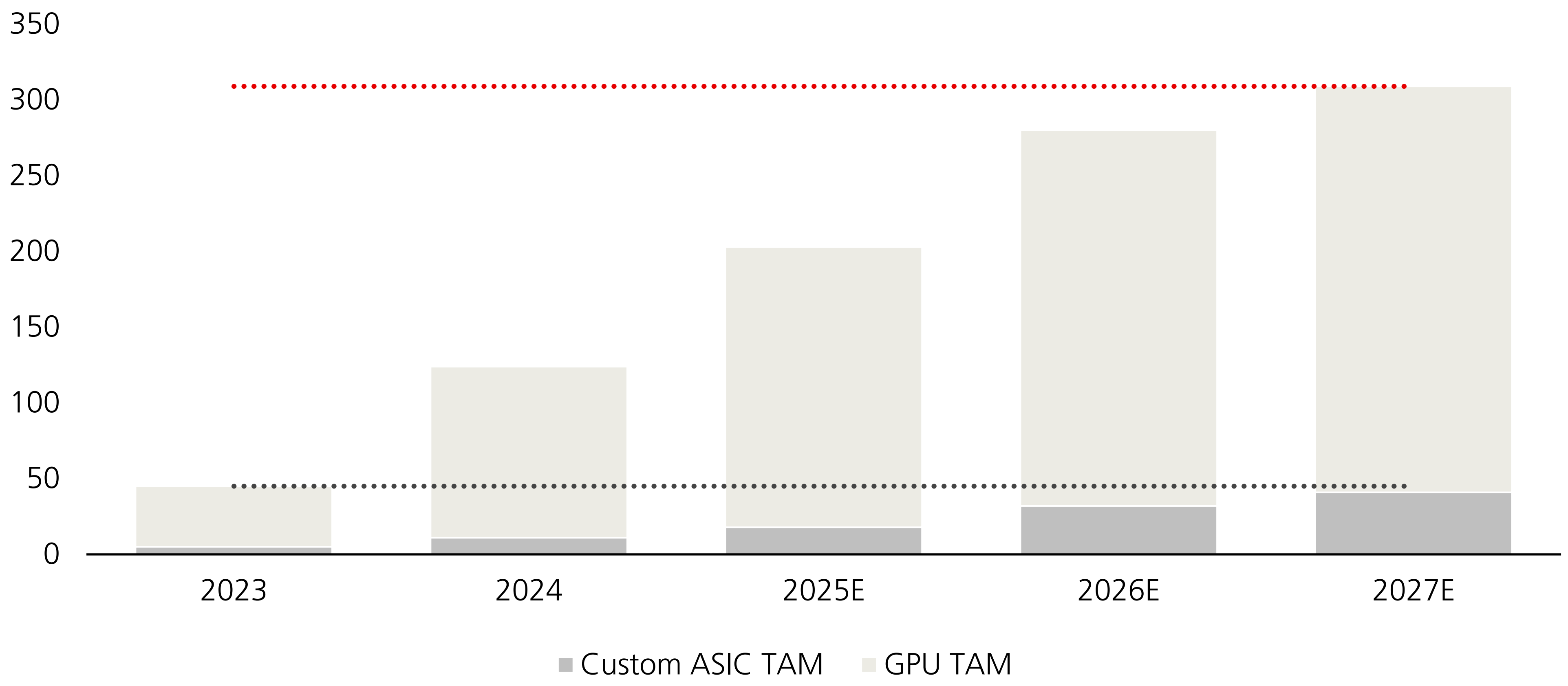
UBS CIO View 3: We believe GPUs will remain the core of the AI data center

Revisited: GPU access will remain key as compute needs exceed current installed base



ASICs remain **~10%** of total chip market

Total addressable market for GPUs and custom AI ASIC

Source: Company reports, UBS, as of Sep 2025.
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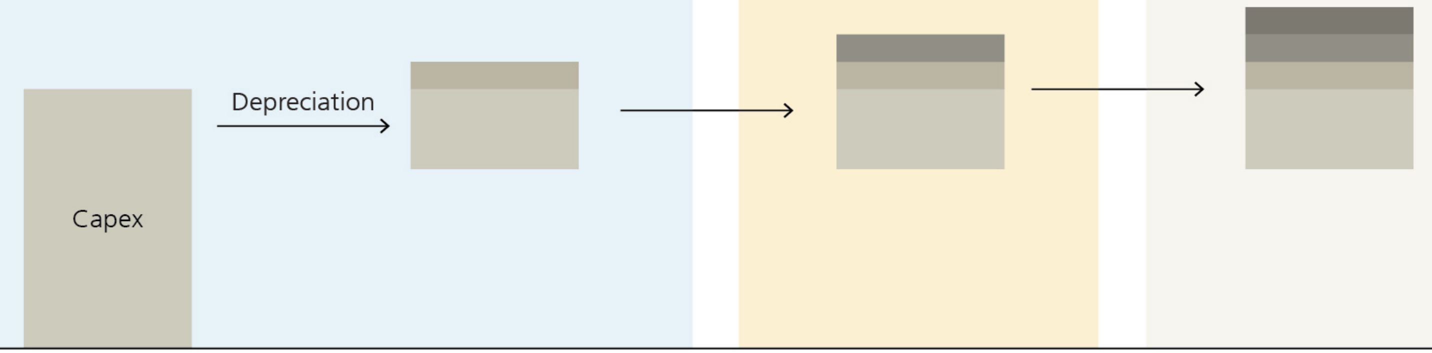
UBS CIO View 4: We believe AI will be worth the investments

Revisited: AI will be worth even greater investments, in our view

	Enabling layer		Intelligence layer	Application layer
	AI data centers			
	Infrastructure GPUs, memory, interconnects, SSD, other data center capex	**Cloud** Public and private cloud solutions	**LLMs** Text, image, and video	**Applications** Co-pilots, agents, assistants, marketing, customer service, R&D
2030E Revenue	USD 960bn	USD 288bn	USD 494bn	USD 901bn

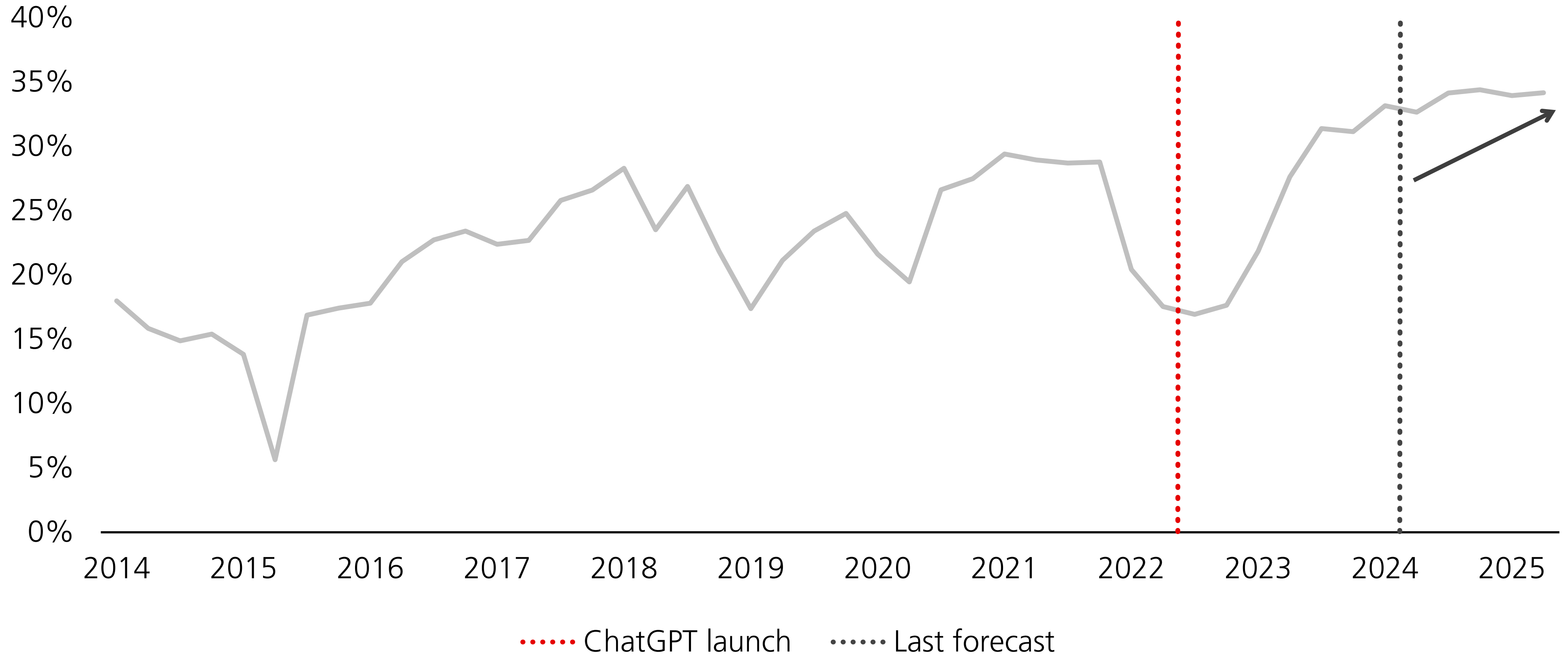


2030E AI revenue potential at

USD 2.6tr

UBS CIO View 5: AI company margins will improve, in our view

Revisited: Margin gains to level off as depreciation increases



Margins +2%
since last forecast

Average net profit margin of select AI chip companies and cloud hyperscalers, in %

Source: Refinitiv, UBS, as of Sep 2025.

UBS CIO View 6: Vertically integrate AI foundries will emerge

Revisited: Most AI enablers operate across all stages of the value chain

Company	Enabling layer		Intelligence layer	Application layer
	Chips	Cloud		
Google	TPUs	GCP	Gemini (formerly Bard)	Duet AI, Advertising
Microsoft	Maia	Azure	Open AI (investment)	Github, Office Co-pilot
Amazon	Trainium, Inferentia	AWS	?	Chat bot recommendations
Meta	MTIA	?	Llama	Advertising
Nvidia	GPUs	DGX	Nemotron	Chip design
Tencent	?	Tencent Cloud	Hunyuan	Advertising
Baidu	GPUs (investment)	Wangpan	Ernie	Baidu Comate
Alibaba	Inference chips (*to be confirmed*)	Aliyun	Qwen	Qwent-Agent
Huawei	GPUs	Huawei Cloud	PanGu	PanGu Drug Molecule Model

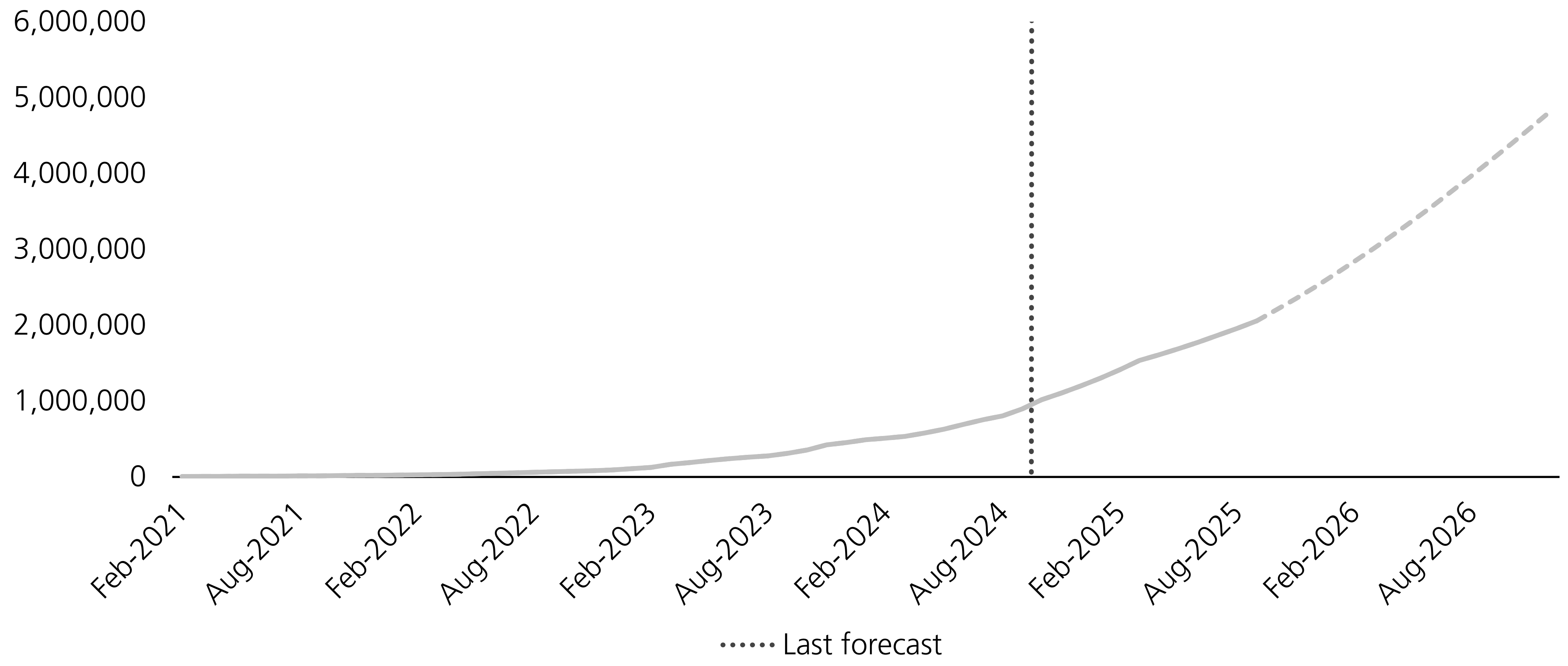
More signs of vertical integration

UBS

Source: UBS, as of Sep 2025

UBS CIO View 7: Existing software companies will be challenged by AI

Revisited: Intelligence will become ubiquitous



Number of AI models

+2x since last forecast

Total number of AI models available on Hugging Face

UBS

Source: Hugging Face, UBS, as of Sep 2025

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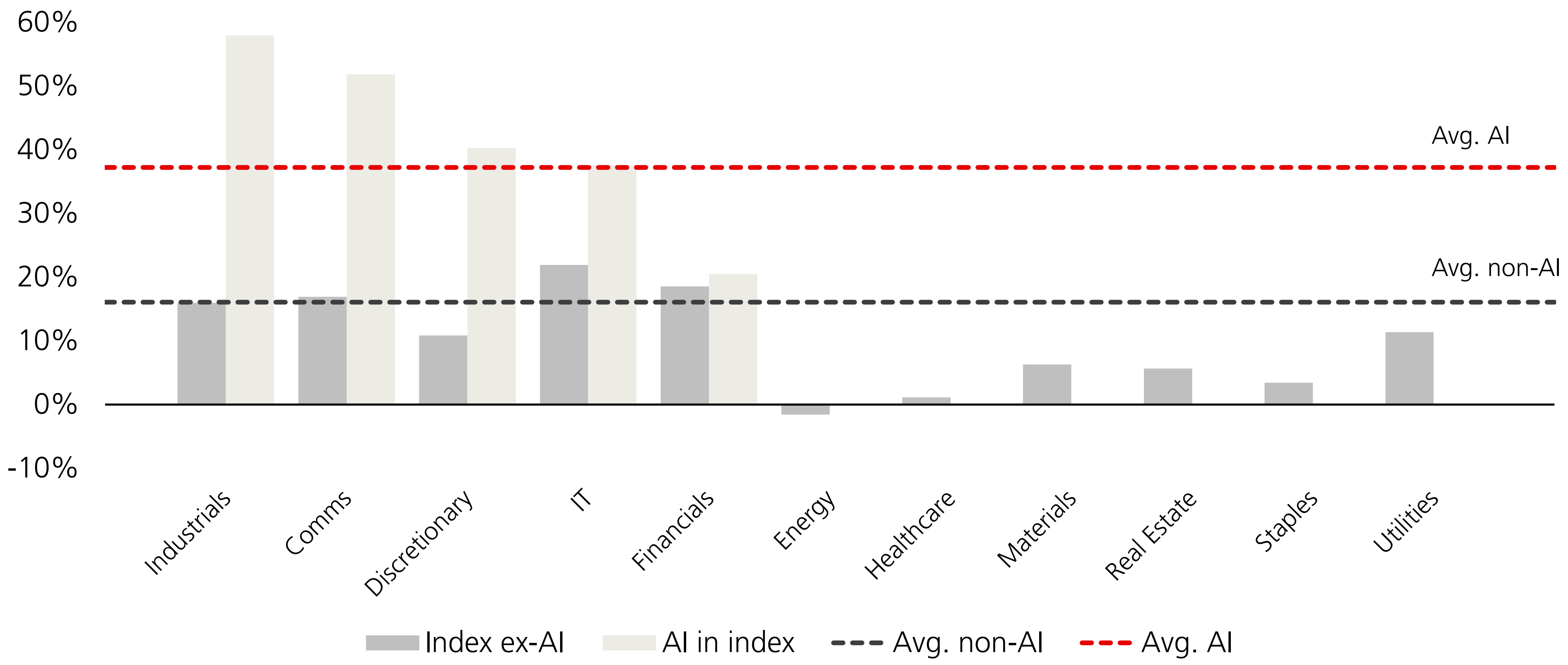
UBS CIO View 8: Companies with differentiated data assets will benefit from AI

Revisited: AI will shape performance beyond traditional allocation categories



Annualized returns since the launch of ChatGPT, in %

+9%

avg. AI overperformance across sectors since last forecast

UBS CIO View 9: Closed source models will remain top performers

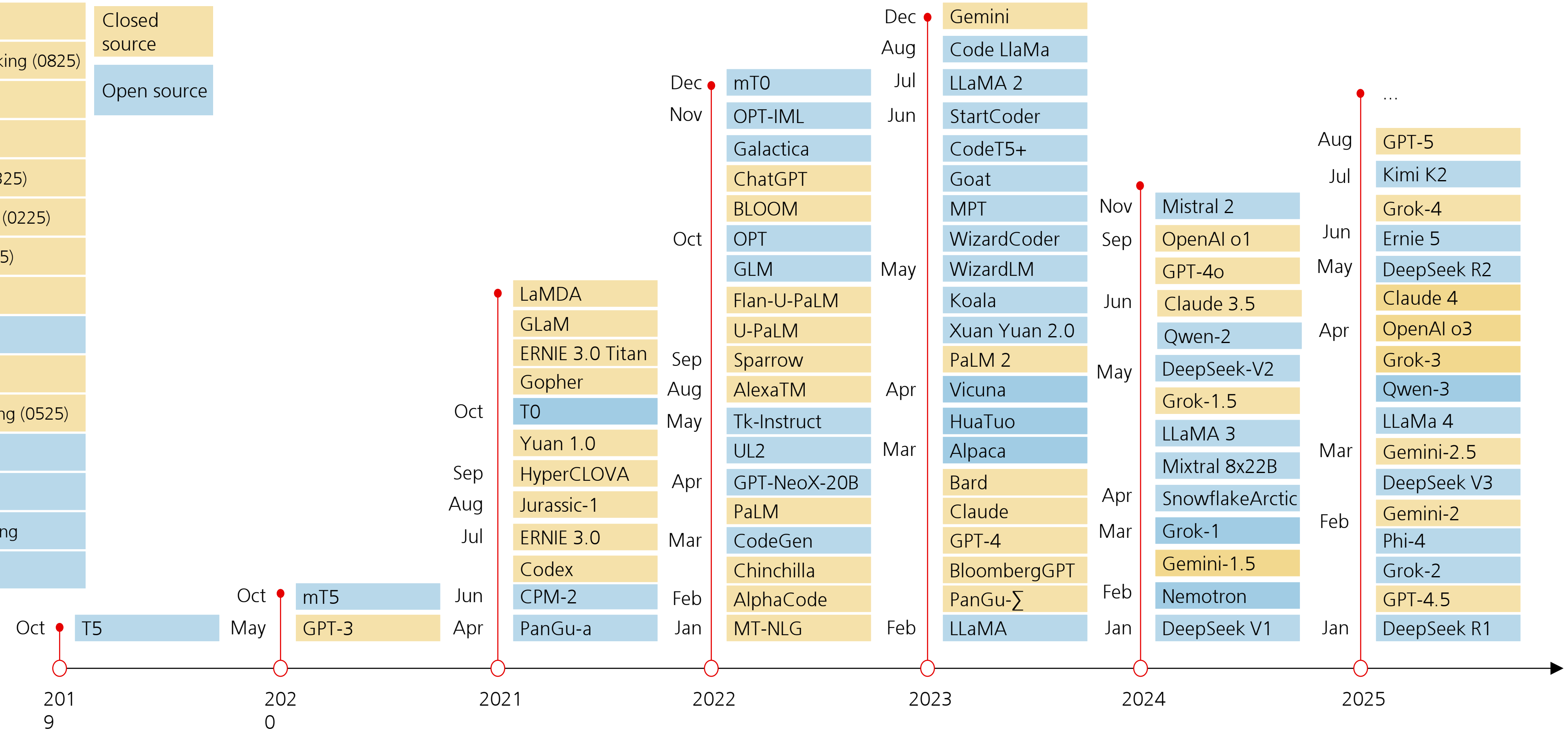
Revisited: Closed source models maintain performance edge

LLM Leaderboard

Closed source | Open source

1. Gemini-2.5-Pro
2. Claude opus 4.1-thinking (0825)
3. OpenAI o3
4. ChatGPT-5-high
5. ChatGPT-4o-latest (0325)
6. ChatGPT-4.5-preview (0225)
7. Claude opus 4.1 (0825)
8. ChatGPT-5-chat
9. Qwen-3-max
10. Grok-4 (0725)
11. Claude Opus 4-thinking (0525)
12. Kimi K2 (0725)
13. Qwen-3 (0725)
14. DeepSeek V3.1-thinking
15. DeepSeek V3.1

Chronological display of LLM releases

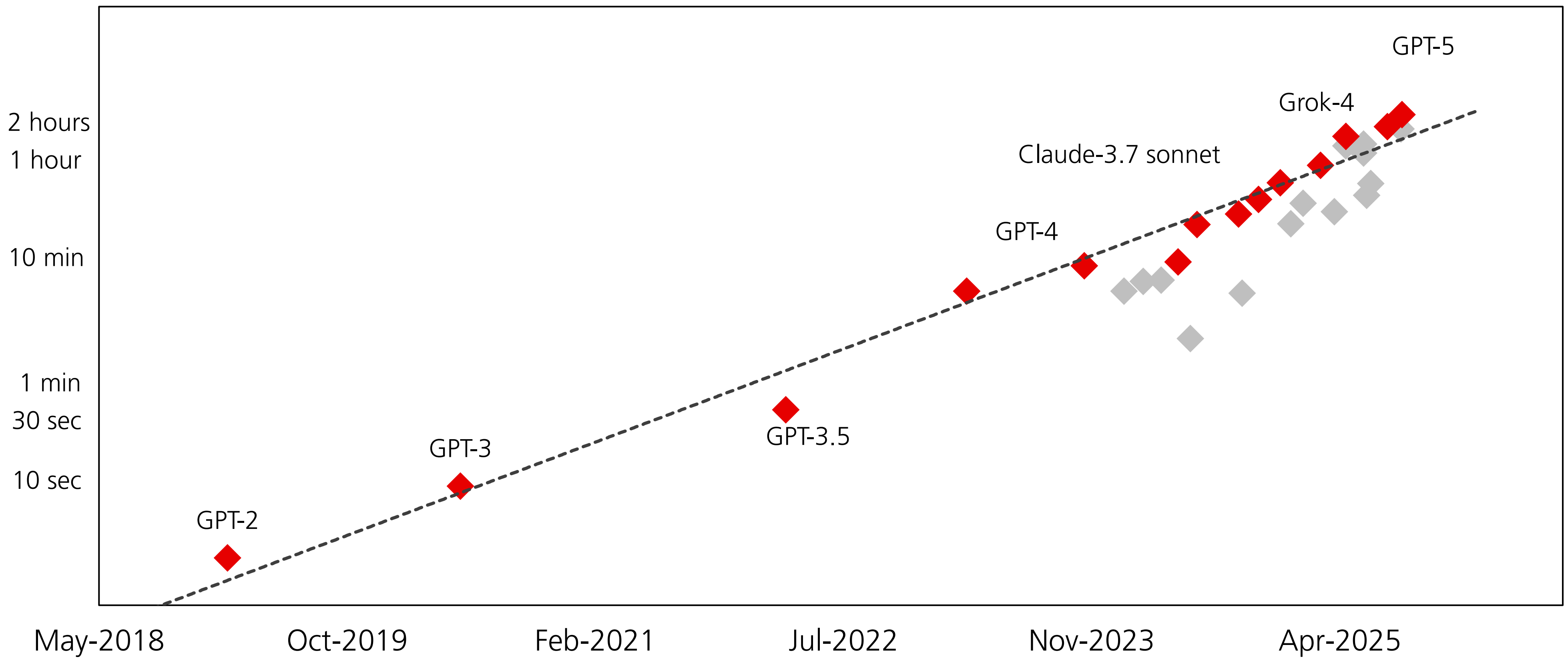


Latest closed source models **top leaderboard**

Sources: Hugging Face, as of Sep 2025, UBS, A comprehensive overview of Large Language Models by Naveed et al, Oct 2024

UBS CIO View 10: Application and intelligence layers will merge with AGI

Revisited: AI layers advance toward AGI



Model performance **+6x** since last forecast

The longest human task (by duration) that an LLM can complete with at least 50% success rate is doubling every 7 months

Source: Model Evaluation and Threat Research, UBS, as of Sep 2025

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