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The blind spots of uncertainty

2026 has so far been quite eventful with three major dislocations; worries that AI will disrupt business models of software and data companies, cracks in the booming private credit market and Israel and the US launching a war against Iran that has caused an energy supply shock by the de facto closure of the Strait of Hormuz.

The speed of change is extraordinary, with the transition to a multipolar world creating geopolitical fragmentation and the "rise of the nation state" now happening at an accelerating pace. However, the uncertainty of change can also create blind spots if you focus too much on the daily news flow rather than the long-term fundamental trajectories.

Our investment mindset is anchored around understanding and investing in longer-term trends and themes that structurally shape the global economic trajectory. However, the accelerating speed of change and the use of unpredictability as a negotiation tactic by the US president create new investment dynamics that need to be considered.

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Bo Knudsen
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Despite the truce, the Middle East remains a risk

Commenting on the war against Iran and the wider conflicts in the Middle East entails risks of making outdated statements, since the situation changes daily. Equity markets and energy prices will remain volatile as long as the underlying conflicts remain unresolved. While not owning a crystal ball, recent negotiation efforts seem to indicate that the tail risk of an escalating war appears more unlikely and thereby reducing long-term inflation risks. The cease-fire will likely hold for the same reason it was agreed to in the first place: both sides were hurting and would hurt even more if the war is restarted. The ceasefire has reduced the worst inflation fears and increased hopes that monetary policy actions could stay muted.

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Most countries in the world, including the biggest oil producer in the world the USA have an interest in lower oil prices. You don't win elections in the US with high gasoline prices and inflationary pressures. Therefore, we expect oil markets to have peaked, but also with continued high volatility and as the underlying conflict is complex and remains unsolved. The peace negotiations will likely be difficult, especially regarding the Strait of Hormuz and Iran's nuclear program. Therefore, we foresee a high probability of continued elevated oil prices for a longer period.

AI is disrupting companies' business models

Technology has once again shown that it does not necessarily make life easier but instead gives more choices. The big outstanding question that will affect sentiment among white-collar workers is the uncertainty around AI's effects on the job market, and whether or not AI will lead to cost-cutting and digital agents replacing humans. The debate has become pronounced as new tools and services are being introduced. New jobs will eventually be created, like in earlier technology booms, but the transition can be complicated and affect consumer sentiment.

Also, the business models of software and data companies are being questioned with the release of new powerful AI programming agents that threaten to make decades of investments in software programs worthless. Equity markets did as usual "shoot first, ask later" with a steep drop in the share price of data and software companies. This reaction is too simplistic. Generally, the growth and revenue models will be affected by the impact of AI, but not all data and software companies are created equal. The current share price declines

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treat distinct business models as a homogeneous block. Risk profiles of the companies differ materially, and AI disruption is not evenly distributed; applications embedded in proprietary data, systems of record, auditable ledgers, regulatory reporting, and deep system integrations are structurally more defensible. Moreover, effective AI adopters should not be priced as AI casualties.

Cracks in the private credit market

The market for private credit has increased significantly since the financial crisis in 2009 and especially since pre-COVID-19, where assets in private credit funds in the US have tripled to around USD 1.5 trillion by the end of 2025[1]. Now, there are beginning signs of stress with some credit funds experiencing dramatic price declines as investor demand for redemptions increases. The more uncertain economic outlook with rising inflation and interest rates has fuelled the stress, but also the uncertainty around software companies, as private credit funds have an estimated exposure to software and technology companies of around 20-25%.

A pivotal question is whether the rise of this shadow banking system is a systemic risk similar to the subprime mortgage crisis in the GFC. There are arguments supporting the conclusion that problems should be contained without systemic impact. These include no or low leverage in the private credit funds (compared to banks with leverage of 10x or more) and bank lending to the private credit funds is a very small part of banks' total loans outstanding. However, as the private credit market is less transparent and unregulated, it is a risk that requires attention.

Investment implications

Increased geopolitical fragmentation and the "rise of the nation state" are now a structural fact and despite negotiation efforts to resolve the crisis in the Middle East, we are faced with energy supply uncertainties, inflation, credit and growth concerns that can be influential over the coming year.

1 William Blair, Economic Weekly, March 2026, Economics Weekly: Wobbles in Private Debt Market

Economic growth is said to be energy transformed, so the Middle East situation increases the odds for an economic setback as the world is dependent upon fossil fuel flowing freely through the Strait of Hormuz. However, barring a new oil price spike, the inflation and growth impact in Europe and the US should be manageable. Central banks are potentially faced with the dilemma of rising inflation and slower growth (risk of stagflation). They might need to continue a hawkish narrative to contain inflationary expectations, but policy actions could stay more muted in this scenario.

A key driver of the US economy is the continued investment boom in data centres driven by AI. Demand for the so-called tokens has no limits as companies and individuals exploit what AI can do. And benefits are materialising. For example, annualised recurring revenues (ARR) for Anthropic (Claude) are exploding, growing from 9 bn. to 30 bn. in the first four months of 2026. OpenAI also shows strong growth. While this is a positive trend, the AI boom is very capital-intensive and demands easy credit markets and low interest rates for financing. The crack in the private credit market is one indication of the risk of tighter credit conditions.

At the same time, the US equity market is approaching a very active IPO market with total proceeds potentially quadrupling to a record $160 billion[2], and this estimate could turn out to be conservative. Some of the most prominent awaited IPOs are SpaceX, OpenAI and Anthropic. The potential combined value of these companies could be around USD 3 trillion. This massive increase in market capitalisation could increase technology's index weight in the US by 3-4 percentage points. Is a technology weight above the mid-30s sustainable? We see it as a risk factor to consider.

Continued rapid developments in AI will increase both competition and innovation. While it might

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become easier to produce groundbreaking digital products or physical products with high levels of intelligence, it is still hard to sell it to con-rsumers and corporate buyers. Companies with strong distribution platforms are in a very good position. Therefore, we remain optimistic about leading software and data despite the recent sell-off.

The theme 'rise of the nation states drives another capex-intensive investment wave across the world. In a world of historic geopolitical uncertainty symbolised by the deep cracks in the NATO Alliance, it is everyone for themselves. Building your own defence and energy infrastructure and focusing on a high degree of self-sufficiency and manufacturing capabilities is going to be a structural investment for years to come.

If capital markets tighten markedly for the first time in perhaps 15-20 years, our focus on high-quality investment companies with strong balance sheets, high margins and returns, and strong ability to generate cash flow should be well-positioned. We are reallocating capital into businesses where we believe the market is mispricing structural defensibility. We are set on the long-term in a very short-term world, where speculation reflects the blind spots of uncertainty.

2 Goldman Sachs, February 2026, Goldman Sachs predicts US IPO will hit $160b in 2026

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