

Positioning for the transformation

2025 Global Outlook Investment Guide – APAC

BlackRock

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We have argued since 2020 that we are not in a business cycle. Historical trends are being permanently broken in real time as mega forces, like the rise of artificial intelligence (AI), transform economies. The ongoing outsized response of long-term assets to short-term news shows how unusual this environment is. We stay risk-on as we look for transformation beneficiaries – and go further overweight US stocks as the AI theme broadens out. We have more conviction inflation and interest rates will stay above pre-pandemic levels. Read the BlackRock Investment Institute’s (BII) [2025 Global Outlook](#) for more.

Below, we look at how to position portfolios for the BII’s three key investment themes for 2025, with examples of funds investors can use to implement these views.

01.

Financing the future

Mega forces including AI are transforming economies. We see capital markets – especially private markets – playing a vital role in building this transformation.

Investment implications

Sizeable capital will be needed as the transformation unfolds, and that investment is happening now. We think private markets will play a vital role in financing the waves of transformation as mega forces drive a broad infrastructure buildout.

Investing in Infrastructure

 **FTSE Global Core Infrastructure Index**

Coming soon: Private Market Infrastructure

Tapping into Tech & AI

 **World Technology**

Getting Granular in AI

In progress: we are developing a range of new products providing investors access to the AI theme.

02.

Rethinking investing

This transformation raises questions about how to build portfolios for an ever-changing outlook. We think investors should focus on dynamism and granularity more than broad asset class views, and put more weight on tactical views.

Investment implications

We think investors should focus more on granularity and less on broad asset classes. Greater volatility points to a need to be more dynamic with portfolio allocations.

Systematically Managing Volatility

 **Systematic Absolute Return Equities**

Flexibility Across Asset Classes

 **Global Allocation**

Income and Flexibility in Bonds

 **Sustainable Global Bond**

03.


Staying pro-risk

We remain pro-risk and further upgrade US stocks thanks to US corporate strength. But we stay nimble. Key signposts for changing our views include any surge in long-term bond yields or an escalation in trade protectionism.

Investment implications

We have more conviction in US equities outperforming their international peers. We recognise valuations are rich in US equities but don’t see them as a near-term market driver.

Leaning into US Market Breadth

 **S&P 500 Equal Weight Index**



Diversifying with Income

 **Systematic Global Income Equities**

Unlocking Alpha Opportunities

 **Global Unconstrained Equities**

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 Index exchange-traded product
 Alpha-seeking strategy

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