2026 Market Outlook

December 2025

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Letter from the Partners

Outlook for H1 2026

2025 was a year of transition for global markets. In Canada and the United States, a shift toward lower interest rates unfolded against a backdrop of market anxiety over new Trump-tariffs, but in the end the headlines proved scarier than the reality and the global economy demonstrated notable resilience.

Looking ahead to 2026, the key question is whether central banks are finished cutting rates. The outlook is shaped by a tug-of-war between weakening labour markets and still-elevated inflation. We expect U.S. activity to pick up, supported by fiscal spending, while conditions in Canada remain more subdued.

Even so, this environment is creating opportunities. High-quality fixed income continues to play an important role in anchoring portfolio risk. We see attractive prospects in natural gas, gold and critical minerals, global infrastructure linked to long-term electrification, and a crypto ecosystem that is steadily maturing.

In this 2026 Market Outlook Report, our portfolio managers outline where they see the most compelling opportunities across key sectors and how active management can help navigate the risks around them.

We hope you find this outlook helpful as you plan for 2026 and beyond.

James Fox
John Wilson
Co-CEOs & Managing Partners
Ninepoint Partners LP

Fixed Income Outlook

As we close the chapter on 2025, the North American fixed income market reflects a year characterized by the resumption of rate cut cycles in both Canada and the United States. This environment catalysed a rally in bonds generally, though we note that U.S. bonds delivered superior performance compared to their Canadian counterparts.

The cautious optimism that defined the start of 2025, driven partly by declining interest rates, has been superseded by anxiety over market direction. This uncertainty, particularly concerning rate policy, sets the stage for a compelling and complex year in North American fixed income.

The Great Tug-of-War in 2026

The primary question hanging over fixed income investors entering 2026 is whether central banks are done cutting rates. We believe the answer lies in the ongoing tug-of-war between weakening labour markets and elevated inflation.

In the U.S., the battle against inflation remains complicated by the fact that tariff inflation is still migrating through the economic system. Furthermore, we think there will be a rebound in economic activity during the first half of 2026, largely attributable to the expected cadence of fiscal stimulus. This combination of higher growth coupled with elevated inflation presents a significant risk: it may compel the Federal Open Market Committee (FOMC) to signal that they are largely finished with rate cuts. This policy pivot would run counter to the market's current expectations (Figure 1).

Meanwhile, the economic situation in Canada is sluggish. The Bank of Canada (BoC) has essentially communicated that they have fully utilized their current toolkit. We believe the BoC would only consider restarting the cutting cycle for a third time if there is a material weakening of the labour market.

The Role of Fixed Income

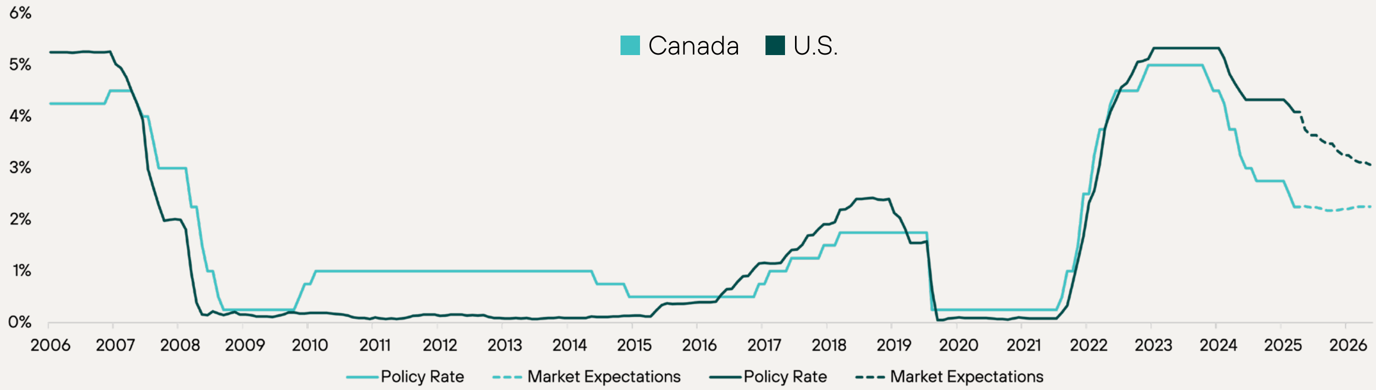
There remains a compelling case for exposure to high-quality fixed income, irrespective of which direction macroeconomic forces pull.

Bonds offer the potential for stable returns with relatively low volatility. In a period where equity markets are making new highs and trading is at elevated valuations, fixed income may provide an important counterweight for investors looking to anchor overall portfolio risk. Bonds may also serve as essential protection against adverse economic shifts. If an unexpected and material weakening in the economy were to occur, we believe fixed income could outperform as expectations for further rate cuts are quickly priced in.

Stronger growth in the U.S. in the first half of 2026 could mean fewer rate cuts, which in turn implies potential for higher bond yields and lower bond prices. That backdrop should create an attractive entry point into U.S. bonds. As the year progresses and fiscal tailwinds fade, we believe growth could slow, providing a tailwind for fixed income.

In Canada, growth is already weak, but the central bank has signalled that it is finished cutting rates, and the market appears to agree. If the economy begins to strengthen, long-term interest rates are more likely to rise, which may also present an appealing entry point for bond investors.

Figure 1: The Rate Cut Cycle is Almost Over
Overnight Rates and Market Expectations



Source: Bloomberg

Tight Corporate Bond Spreads Stay Tight as Supply Builds

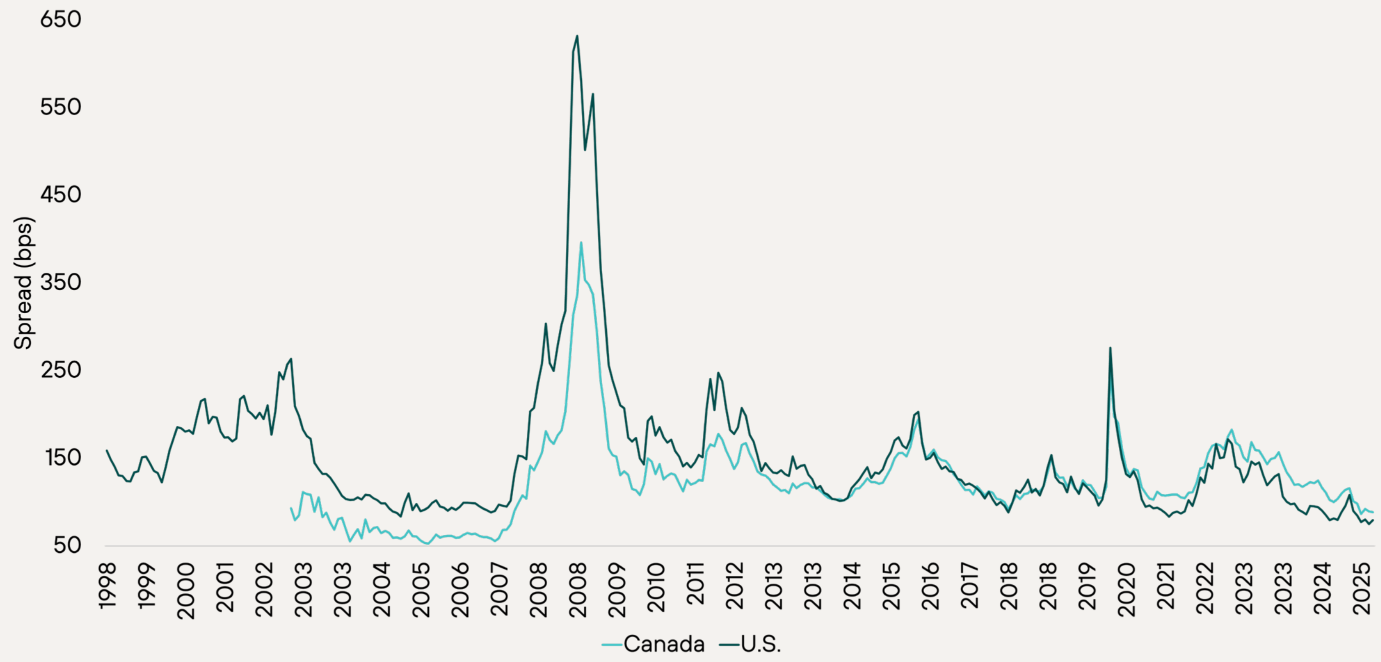
In corporate bond markets, despite the economic volatility of 2025, credit spreads in both Canada and the U.S. remain at post-2008 lows (Figure 2). This reflects strong fundamentals, elevated flows into fixed income, and a generally high level of risk appetite across financial markets (for example, equity valuations are also elevated).

Looking ahead to 2026, our base case calls for modest spread widening, driven by a record year of new-issue supply to fund AI-related capital expenditure and renewed M&A activity. While this is primarily a U.S. story, the close integration between markets suggests spillover effects into Canada as well.

Given current valuations and the forward outlook, we believe entering the new year with a lighter credit exposure is prudent. Opportunities may emerge sooner rather than later.

> *"Irrespective of which direction macroeconomic forces pull, there remains a compelling case for exposure to high-quality fixed income. In a period where equity markets are making new highs and trading is at elevated valuations, fixed income may provide an important counterweight for investors looking to anchor overall portfolio risk."*
>
> — Etienne Bordeleau-Labrecque
> *Vice President, Portfolio Manager*
> Ninepoint Partners

Figure 2: Corporate Credit Spreads are at Their Post-GFC Lows
Bloomberg Barclays Corporate Bond Spreads



Source: Bloomberg

Energy Outlook

As we look toward 2026, the energy market stands at a critical juncture, navigating short-term volatility while structural supply constraints set the stage for a compelling medium-term outlook. We remain very bullish on natural gas over the short, medium, and long term and view the oil outlook over the mid-to-long term as incredibly favourable.

2025: Short-Term Pressures Versus Equity Resilience

Crude markets faced pressure in 2025 due to accelerating non-OPEC supply growth, including increased offshore production from Brazil and the startup of Guyana's Yellowtail project in late 2025. Coupled with the disciplined unwinding of OPEC+ spare capacity, these additions drove an increase in global inventories of approximately 150 million barrels.

Amid this crude weakness, tariffs were a major source of volatility. However, discussions with upstream producers indicated the impacts were modest, confined to a few cost line items, and were not material to capital budgets. Tariffs proved to be "more headline noise than real impact."

In stark contrast to the oil inventory build-up and commodity weakness, natural gas delivered a strong performance in 2025, particularly in the U.S. This was underpinned by robust export growth, with U.S. LNG nameplate capacity increasing from approximately 14 bcf/d at the start of the year to approximately 18 bcf/d by year-end.

Importantly, we saw resilience in the Canadian equity markets that defied the commodity weakness. Canadian oil-weighted producers delivered positive equity performance in 2025, despite crude prices declining roughly 15%. This outcome shattered the misperception that weaker commodity prices automatically translate into weak equity performance.

Oil Outlook: Looking Through the Glut to Structural Tightness

We anticipate the crude market will remain oversupplied through early 2026, potentially leading to continued inventory builds. A primary risk is weaker than expected demand growth, especially if China slows or stops its strategic crude buying, which could pressure prices at storage hubs.

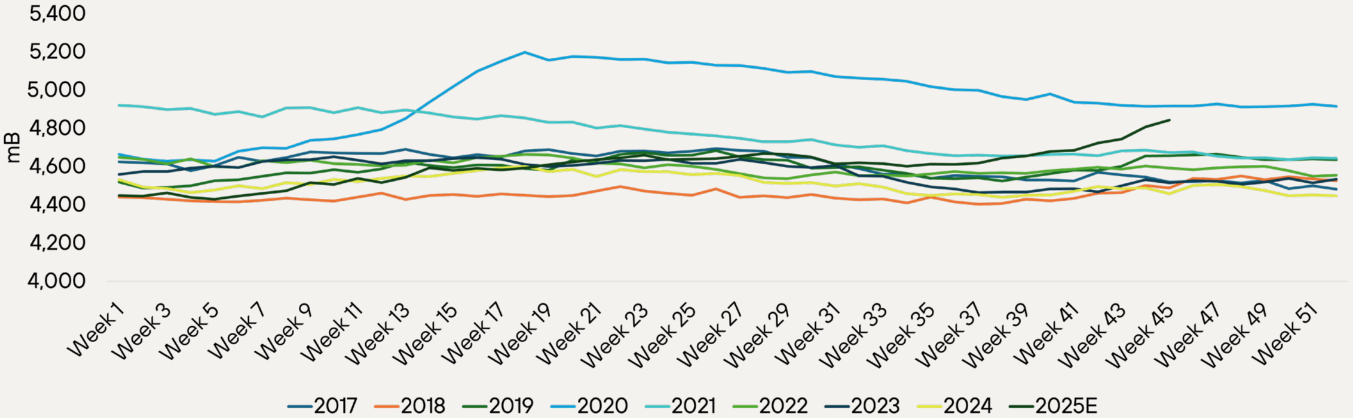
However, market participants should look past this short-term weakness through to the second half of 2026 and 2027. The medium-term outlook is fundamentally stronger due to three key themes:

1. The Twilight of U.S. Shale: The world has lost the largest source of incremental supply over the past 10 years as U.S. shale output is expected to plateau.
2. Normalized Spare Capacity: OPEC+ spare capacity is now normalized and will potentially be eliminated by the end of 2026.
3. Minimal Non-OPEC+ Growth: Minimal growth is expected from other non-OPEC countries.

Natural Gas: The Age of Gas is Here

Natural gas has transitioned from a bridge fuel to the fuel to satisfy massive increases in power demand. We expect natural gas prices to remain strong in 2026, supported by continued LNG export growth and rising power demand. In particular, U.S. export capacity is projected to increase by 2 bcf/d in 2026 (driven by Golden Pass and Corpus Christi Stage 3).

Figure 3: Total Global Oil Inventories
(Onshore + Oil on Water)



Source: Bloomberg

North of the border, LNG Canada, which began exporting in 2025, is expected to ramp up to its full capacity of 2 bcf/d by mid-year.

The second major driver for growth in the natural gas sector is electrification demand. The EIA estimates U.S. electricity demand will grow by 2.2% in both 2025 and 2026, significantly higher than prior years. Regionally, the impact is even more dramatic, with ERCOT (Texas) demand expected to grow by 20% from 2024 levels, largely driven by proposed data centers and manufacturing facilities. These data centers require non-interruptible sources of power, reinforcing natural gas's superiority over intermittent renewable energy.

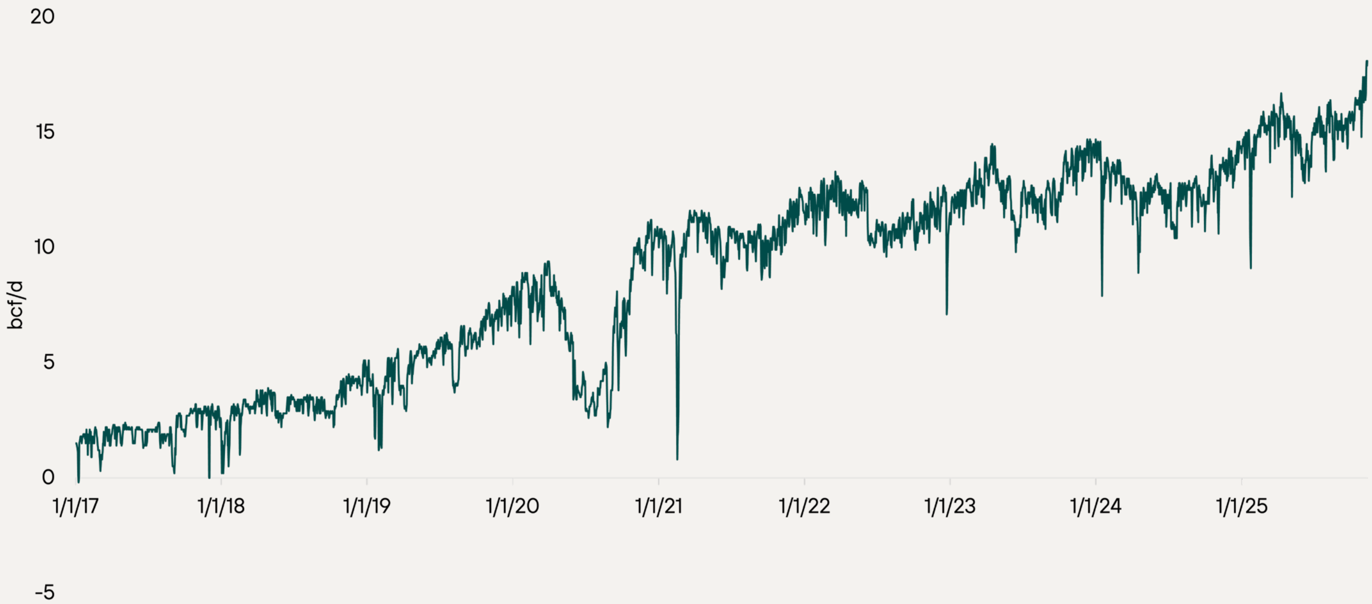
Why Invest in 2026: The Canadian Advantage

The Canadian market remains a compelling choice because it offers exceptional inventory depth and asset longevity. Canadian resource bases, including the Oil Sands, Montney, Deep Basin, and Duvernay, rank among the longest-lived globally, with producers holding decades worth of drilling inventory. This is a big differentiator compared to many U.S. peers, who face less than 10–15 years of drilling inventory and are showing signs of declining well performance.

Canadian oil producers are therefore well positioned to withstand short-term price weakness, supported by low decline rates, modest sustaining capital needs, which underpins free cash flow generation and shareholder returns.

For gas producers in Canada, we expect significant benefits from a narrowing AECO basis, which should move from roughly US$2.00 to the $1.30-$1.10 range as LNG Canada ramps to full capacity. This target-rich environment provides investors with exposure to strong capital return programs and meaningful upside potential in key natural gas names.

Figure 4: U.S. LNG Exports



Source: Bloomberg

Gold Equities Outlook

Following a record 2024, the gold price continued its upward ascent in 2025. Gold was an outperformer, starting the year at approximately $2,640/oz and peaking at $4,356/oz in October, before settling into the $4,000/oz range.

This strong momentum was fuelled by a combination of continuing central bank demand for bullion and increased interest from Western investors who began embracing gold as a strategic asset and portfolio diversifier.

Looking toward 2026, we believe the conditions for continued gold momentum are still intact.

Safe Haven Demand Driven by Central Banks and Western Investors

With unprecedented central bank demand now entering its fifth year, we believe gold is regaining its historical status as a strategic asset and we expect central banks to remain active buyers for the foreseeable future.

Simultaneously, Western investors continue to seek a safe haven amidst global economic and geopolitical uncertainty. In the short term, ongoing rate cuts should continue to lend support and maintain investor interest, while the longer-term de-dollarization trend also remains a supportive factor. Given that most investors remain underweight, there is significant potential for further positive momentum in 2026, in our view.

Gold Stocks Have Finally Joined the Rally

Unlike 2024, gold equities finally started to “work” in 2025, but the S&P/TSX Global Gold Index is only modestly outpacing the gold price year to date. Equity valuations remain compelling, while the free-cash-flow (FCF) generation is being used for capital return. Looking towards 2026, we believe gold equities will continue to play catch-up in this commodity-led rally and ultimately provide the leverage we typically expect in a bull cycle.

Figure 5: Previous Gold Cycles

Multi-year, strong equity outperformance

Source: Bloomberg, Canaccord, as at November 28, 2025

Canada: A Global Gold Leader

Canada's position as a gold leader remains clear. According to the World Gold Council, Canada is the fourth-largest gold supplier globally, producing 202 tonnes in 2024. With over 1,000 gold companies trading on the TSX and TSXV, Canadian investors have easily accessible exposure to all stages of the gold industry. Furthermore, the gold sector now accounts for approximately 13% of the S&P/TSX Composite Index.

We expect Canada to maintain its leadership position in 2026. While Ninepoint's investment approach is global, we see significant opportunities in Canada, specifically the Yukon, the Golden Triangle in British Columbia, and the Timmins/Abitibi region in Ontario and Quebec. These regions, along with many other opportunities across the country, should provide investors with ample opportunities.

"Looking towards 2026, gold equities will continue to play catch-up in this commodity-led rally, and we expect Canada to maintain its leadership position with significant opportunities in the Yukon, the Golden Triangle in British Columbia, and the Timmins/Abitibi region in Ontario and Quebec."

— Nawojka Wachowiak
Senior Portfolio Manager
Ninepoint Partners

Nawojka Wachowiak, Senior Portfolio Manager

Metals and Mining Outlook

2025 was a turning point in the general metals and mining sector as a complex geopolitical environment combined with rising global trade tensions shifted demand drivers and the outlook for many metals. Now, in addition to traditional supply/demand fundamentals, geopolitics, national security, technological growth such as AI, and environmental emission targets have become central factors for metal demand.

These evolving dynamics have also reinforced the strategic importance of metals, providing additional demand growth as well as opportunities for investors.

Mining and Metals as a Strategic Priority

Looking ahead to 2026, we expect the metals and mining sector will remain a focus in a complex global geopolitical landscape, with governments continuing to pivot policies in order to ensure access to critical minerals.

Specifically, many governments remain increasingly focused on onshoring and boosting supply chain independence, securing energy independence, increasing defence spending, and building strategic stockpiles.

Technology is another powerful driver, with rapid innovation creating strong demand from AI-focused data centres, advances in battery chemistry, communication infrastructure and upgrades to the electrical grid. Finally, the global push toward sustainability is driving demand through emission targets mandating widespread EV adoption and the build-out of renewable energy infrastructure.

Canada's Strategic Position

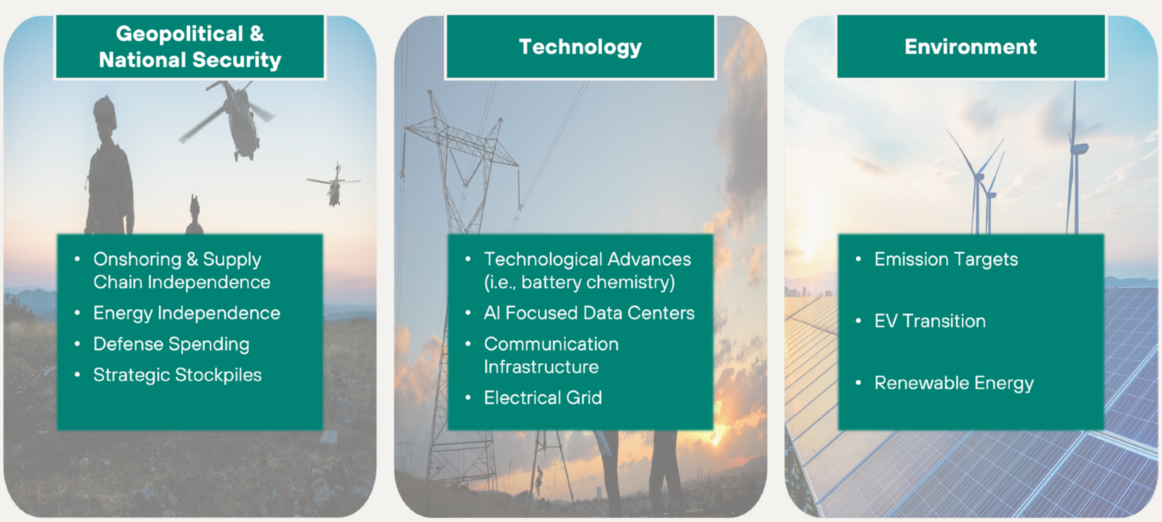
Canada is a recognized Tier-1 mining jurisdiction and a leading metal producer, extracting more than 60 minerals and metals. With newly announced investments and partnerships under the G7 Critical Minerals Action Plan, and a political "awakening" to the importance of Canada's mining sector, the country is well positioned to continue its crucial role as a key metals supplier.

We believe that the broader metals and mining sector will continue to offer potential opportunities for investors. For those seeking exposure to this evolving landscape, a diversified approach to the mining sector can offer access to key metal markets, such as uranium, rare earths, critical minerals, and gold, by focusing on quality producers, developers, and explorers across these themes.

> *"We believe that in 2026 the broader metals and mining space will continue to provide opportunities for investors as geopolitics, technological shifts and environmental considerations drive significant growth in metal demand."*
>
> — Nawojka Wachowiak
> *Senior Portfolio Manager*
> Ninepoint Partners

Evolving Commodity Demand Drivers

Geopolitics/National Security, technology & environment are key growth drivers



Source: Ninepoint Partners

Sam Mitter, Senior Portfolio Manager
Jonathan Lo, Associate Portfolio Manager

Global Equities Outlook

2025 was a year of profound transition for global markets. While tariff shocks and political volatility dominated headlines early in the year, the global economy ultimately demonstrated remarkable resilience.

The initial market panic over escalating tariffs triggered a nearly 20% equity correction early in 2025. However, this proved to be episodic volatility. By year-end, the global economy expanded by roughly 3.1%[1], exceeding expectations despite trade tensions and higher policy rates.

As we enter 2026, we see continued supportive conditions for global equity markets. This new cycle is defined by the intersection of AI-driven capital expenditure and policy easing, which together are, in our view, set to extend the bull market that began in 2022.

From Tariffs to Transformation: Trade Volatility Meets Technological Momentum

In retrospect, the initial market panic surrounding tariffs proved less significant to global markets with the economy demonstrating resilience throughout this period.

The immense investment related to artificial intelligence (AI) and data centres provided an offset to the economic weakness driven by trade uncertainty, benefiting broad sectors like semiconductors, power infrastructure, and utilities.

Conversely, the prices of stocks belonging to companies identified as operating in verticals susceptible to disruption by AI (i.e. "AI victims"), including many software companies, suffered significantly throughout 2025.

The Case for Global Equities in 2026

We remain constructive on global equities heading into 2026. We believe the bull market is still relatively young, and several forces continue to support the potential for further upside.

AI remains the strongest tailwind. We are still in the early stages of adopting a technology that should create new investment opportunities and drive innovation across areas such as healthcare and consumer applications. Earnings growth, the factor that matters most for equity markets, also remains solid in the U.S., supported by ongoing AI-related capex.

There are also headwinds to watch. The U.S.–China relationship remains a key variable as both push for AI leadership, though tensions have eased somewhat following the recent Trump–Xi meeting. Inflation remains above the Fed's target, and tariff-related price adjustments may not have been fully reflected yet. If the economy reaccelerates as rates move lower, inflation pressures could build again in 2026. Finally, U.S. consumer spending, while resilient, reflects a bifurcated consumer base where some consumers continue to do well, and others are feeling the strain of slower economic growth. Consumer confidence has recently weakened, and we will be monitoring its impact on spending behaviour.

An AI Bubble? Not Likely

Some analysts and investors have raised concerns about bubble-like conditions in AI-related stocks and have drawn comparisons to 1999. While there are signs of exuberance, we do not think that analogy holds up today.

Today's technology leaders are distinctly different from those in the dot-com era. Valuations, though elevated, remain well below the peaks of 2000 and today's major technology companies are among the most cash-rich in history and have only recently begun issuing debt. Moreover, demand for compute remains strong, and cloud providers continue to face capacity constraints.

While periods of volatility are to be expected after such a strong run in equities in 2025, over the longer term we remain bullish.

> *"We believe the global equity bull market is still relatively young, and several forces continue to support the potential for further upside. Moreover, we are still in the early innings of the application of a transformative technology in AI that may result in many more investment opportunities."*
>
> — Jonathan Lo
> *Associate Portfolio Manager*
> Ninepoint Partners

Infrastructure Outlook

In 2025, we believe the global infrastructure asset class again justified its inclusion in a diversified investment portfolio, delivering steady results despite heightened volatility, shifting trade policies and uncertainty regarding monetary policy. Looking ahead to 2026, we expect structural tailwinds from two key investment themes: the push toward global electrification and fiscal spending on large-scale, non-residential construction projects. The potential for healthy cash flow generation may create investment opportunities in infrastructure and infrastructure-related equities.

Structural Tailwinds for Global Infrastructure

Over the past few years, the electrification of the global economy has been the most important structural tailwind for the sector. Going forward, electricity demand is expected to accelerate through 2035, led by power-intensive, AI-focused data centres. Meeting this demand will require ongoing investment across power generation, electricity transmission and distribution and other supporting energy assets.

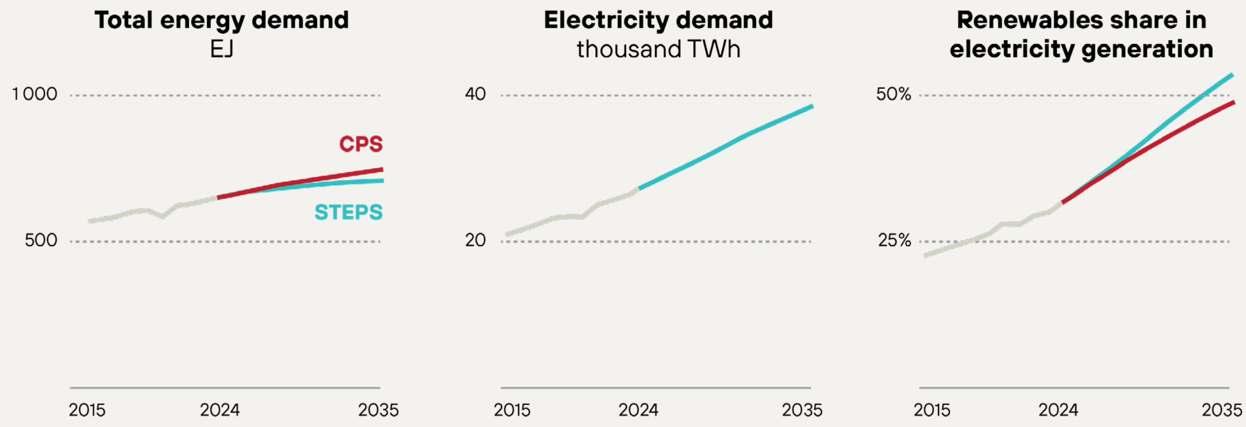
Importantly, rising demand for electricity is a global trend, and the International Energy Agency (IEA) expects growth across all major regions of the world, led by faster expansion in emerging or developing economies. Based on their Current Policies Scenario (CPS), global electricity demand should increase by 3% per year to 2035, which equates to a monstrous 1,000 TWh increase every year. To put this into perspective, it is roughly equivalent to adding Japan's current total demand annually through 2035.

Also note that the electrification investment theme extends beyond just the Regulated Utilities and includes the Independent Power Producers (IPPs) that generate electricity using natural gas or nuclear power. Additionally, various infrastructure-related companies in a wide range of industries stand to benefit, including those in the Real Estate (data centre REITs), Industrials (engineering and construction contractors and electrical equipment manufacturers) and Energy (particularly natural gas storage and transportation) sectors.

"As global electrification accelerates and governments expand fiscal spending on large-scale construction, we believe infrastructure will continue to justify its place in a diversified portfolio, offering the potential for resilient cash flows, compelling long-term tailwinds, and opportunities across both defensive and cyclical sectors."

— Jeff Sayer
Vice President, Portfolio Manager
Ninepoint Partners

Figure 6: Total Energy Demand, Electricity Demand, and Renewables in Electricity Generation by Scenario, 2015-2035

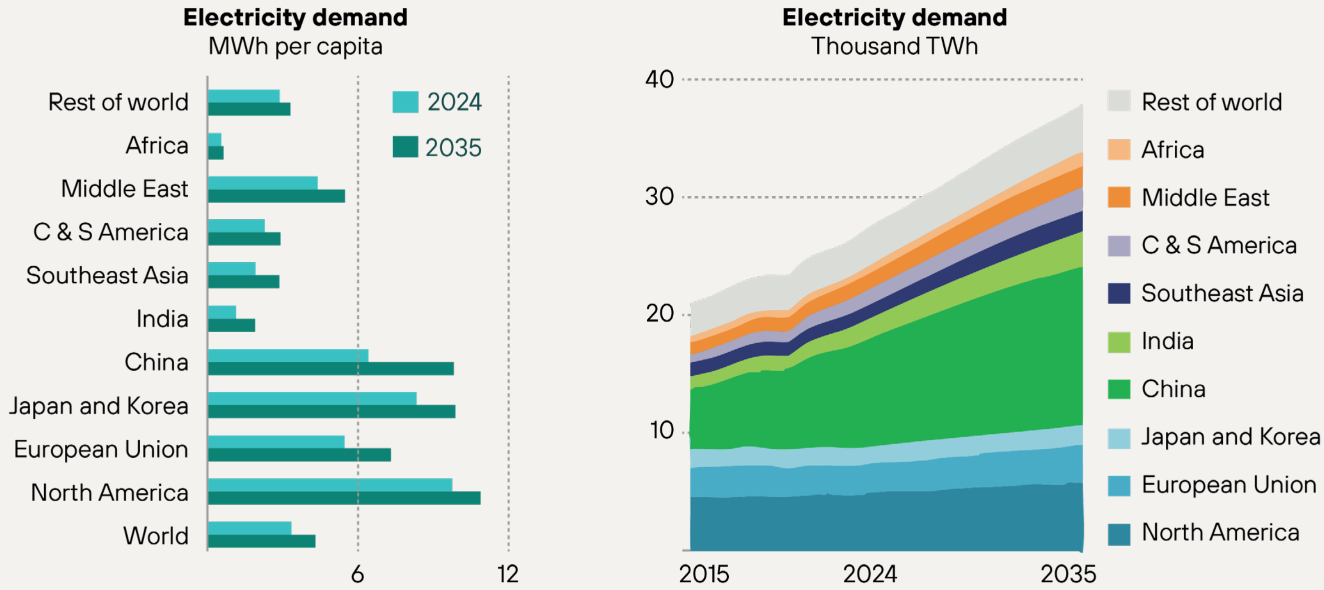


Electricity demand outpaces total energy demand growth by a wide margin; renewables account for an increasing share of surging electricity demand.

Note: EJ = exajoule; TWh = terwatt-hour. CPS = Current Policies Scenario; STEPS = Stated Policies Scenario.

Source: IEA World Energy Outlook 2025

Figure 7: Electricity Demand by Region/Country in the CPS to 2035



Electricity demand per capita rises to 2035 in all regions, and global electricity demand increases rapidly, predominately in emerging market and developing economies.

Note: MWh = megawatt-hour; TWh = terwatt-hour. C & S America = Central and South America

Source: IEA World Energy Outlook 2025

Managing Volatility in 2025

Despite our optimism, the path ahead is unlikely to be perfectly linear, especially since the Ninepoint Global Infrastructure Fund is invested in publicly traded equities, which are not immune to short-term swings.

In 2025, investors had to cope with two major macroeconomic shocks that created significant volatility in the early part of the year. The first was the release of DeepSeek, a new Large Language Model (LLM) based in China that reportedly was far less costly but more efficient compared to the best U.S.-based LLMs, which called into question the amount of computing power and electricity required. The second was President Trump's Liberation Day, which relied on questionable strategy and dubious methodology to calculate "reciprocal" tariffs levied on trading partners around the world. However, both shocks proved to be only temporary setbacks and, as the worst fears failed to materialize, equities rallied strongly from their mid-year lows.

Macro Backdrop for 2026

From a top-down perspective, easing monetary policy through 2025 and into 2026 could be positive for infrastructure's more interest rate-sensitive sectors and, because we believe that the global economy will avoid recession in the near- to medium-term, the more economically sensitive sectors may also perform well. With lower interest rates and reaccelerating GDP growth, infrastructure assets may see improving utilization, thus potentially boosting revenue, cash flow, and dividend growth. But if the macroeconomic environment does become more difficult than expected, the essential nature of most infrastructure facilities and services could prove more defensive than many other types of investments.

Active Management and Portfolio Construction

In this environment, we believe that active management will continue to be critical to building wealth over time. Historically the infrastructure asset class tends to balance interest rate-sensitive (or more defensive) sub-sectors such as Utilities and Real Estate and GDP-sensitive (or more cyclical) sub-sectors such as Industrials and Energy. We believe that long-term value creation comes from tactically adjusting sector exposures over the course of the cycle and applying targeted stock selection that reflects both current market dynamics and our forward outlook.

John Wilson, Co-CEO, Managing Partner, Senior Portfolio Manager
Jake Moodie, Analyst

Cryptoassets Outlook

2025 was crypto's strongest year yet, not because of price but because of progress.

Regulation finally caught up, institutions leaned in, and the technologies underpinning crypto evolved from promise to infrastructure. The tokenization of real-world assets accelerated at a record pace, stablecoins gained legal clarity, public markets fully embraced crypto-native companies and funds, prediction markets emerged as the go-to pricing engines for information, and AI became a powerful complementary force expanding crypto's utility.

Heading into 2026, we believe crypto stands on the edge of its most transformative chapter yet, where digital assets, traditional finance, and AI begin to operate as one interconnected system.

Crypto's Institutional Era Takes Hold: Asymmetric Returns to Sustain

While Bitcoin, Ethereum and Solana set new highs in 2025, performance across the rest of the crypto ecosystem was highly uneven. Most crypto assets remain well below their 2021 peaks, driven by two forces: institutionalization and liquidity dispersion.

Institutional capital has primarily flowed into large caps via ETFs and Digital Asset Treasuries, concentrating value in the biggest networks and creating a relatively more stable market structure compared to past retail-driven cycles. Liquidity dispersion, meanwhile, stemmed from the explosion of new tokens and public market opportunities, spreading capital across a much wider investable universe.

Nearly 90%[2] of total crypto market cap now sits within the top five assets, a trend we expect to persist as capital continues to favour transparency, fundamentals, and scale. Still, we believe the altcoin market does offer opportunities across various sectors.

The Tokenization of Every Financial Asset: Capital Markets on Crypto Rails

Five years ago, the tokenized asset market was roughly $20 billion.[3] Today, it exceeds $330 billion. Growth has been exponential, and in 2025 tokenization hit a tipping point.

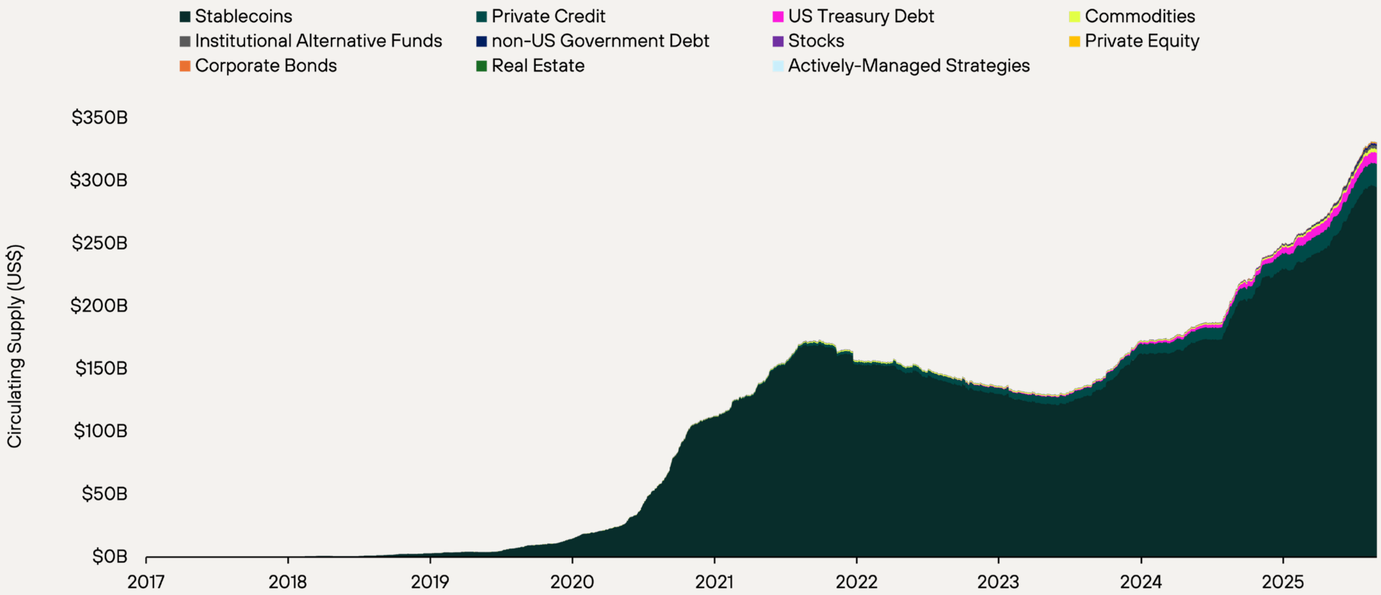
The SEC launched Project Crypto to bring capital markets onchain, the GENIUS Act established comprehensive stablecoin legislation, major asset managers debuted tokenized funds, and legacy traditional exchanges filed to enable tokenized stock trading.

Stablecoins were the "Aha!" moment that demonstrated the value of putting real-world assets like dollars onto crypto rails. In our view, stablecoins were the Trojan Horse for tokenization's entry into Wall Street – other asset types like equities, bonds, and commodities are already rapidly following suit.

With institutional buy-in and policy alignment accelerating, we think we will see the tokenized market eclipsing $500 billion in 2026.

> *"While once the world of tokenization was limited to cryptocurrencies themselves, in 2025 we can now see that blockchain and the ideas behind crypto are increasingly intertwined with existing financial institutions. Through the tokenization of markets, what was once a niche in finance is starting to affect how the entire industry functions."*
>
> — John Wilson
> *Co-CEO, Managing Partner, Senior Portfolio Manager*
> Ninepoint Partners

Figure 8: Total Market Value of Tokenized Assets



Source: RWA.xyz

Crypto's Integration in Public Markets: DATs, IPOs, and ETFs

Crypto's integration into public markets reached new heights in 2025.

The number of Digital Asset Treasuries (DATs) grew from just a handful in 2024 to nearly 250, raising over $20 billion from investors with announced plans exceeding $100 billion.[4,5] DATs now collectively own 3.5% of Bitcoin, 4.2% of Ethereum, and 2.5% of Solana supply.[6] We expect 2026 to usher in a wave of consolidation, with larger DATs trading at premiums acquiring smaller ones at discounts in accretive deals.

There were several high-profile crypto IPOs from Circle, Bullish, Gemini, and Figure, each attracting considerable initial investor demand. Still, the pipeline of private crypto companies looking to go public remains full, and we anticipate many will make their debuts in 2026 if market conditions remain supportive.

Crypto investment products experienced almost $50 billion in net inflows in 2025, bringing total AUM to $230 billion.[7] Given the SEC's recent approval of generic listing standards for spot crypto ETFs, we believe a wave of altcoin-focused ETFs will be approved and come to market throughout 2026.

In our view, the public investment universe of crypto-related opportunities is set to materially grow.

Prediction Markets Hit Escape Velocity: Information is Now an Investable Asset Class

After peaking around the 2024 U.S. presidential election and briefly cooling, prediction markets reached true escape velocity in 2025. Prediction markets are peer-to-peer marketplaces that allow users to turn their opinions on real-world event outcomes into tradable assets, with prices updating in real time to reflect collective belief. Participants can express views or hedge risk on everything from elections and macro data to sports, culture, and markets, turning information itself into an investable asset class. Trading volumes on these platforms surged to nearly $20 billion in 2025, up from $11 billion in 2024 and just $500 million in 2023.[8] This explosive growth drew the attention of NYSE-owner Intercontinental Exchange, which invested $2 billion in Polymarket, the world's largest prediction market. We expect the proliferation of prediction markets to accelerate in 2026 as traditional exchanges, fintechs, and crypto-native firms adopt them and cement their role as powerful real-time barometers of truth.

The Convergence of Crypto and AI: Bitcoin Miners 2.0 and AI Agents

While many view crypto and AI as mutually exclusive technologies, we believe the opposite to be true.

Many pure-play Bitcoin miners have evolved into hybrid operators that power both Bitcoin and AI compute. Given their long-term access agreements to power, land, and high-density infrastructure, Bitcoin miners naturally emerged as attractive partners for hyperscalers with surging data centre demand. Recognizing this opportunity, some Bitcoin miners repurposed or partially converted their facilities into high-performance compute hubs to diversify their revenue streams and tap into the AI boom.

At the same time, the rise of AI agents, autonomous digital entities that can make decisions and execute tasks, underscored a real dependence for crypto. AI agents can't open a bank account or navigate traditional financial systems. Crypto rails provide the only internet-native financial infrastructure through which they can hold assets, transact, and operate autonomously.

We believe this convergence of crypto and AI is in its infancy and will continue meaningfully through 2026.

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1. International Monetary Fund: Global Economy in Flux, Prospects Remain Dim
2. CoinMarketCap
3. RWA.xyz
4. Forbes: Inside The $150 Billion Bitcoin Treasury Boom Shakeout
5. The Block: The Funding: DATs have raised $20 billion, but have they peaked? What's next?
6. Blockworks: Treasury Companies: Overview
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8. Token Terminal: Prediction Markets

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