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### **Q3 2025 Investment Outlook – Investors should prepare for the unexpected**

Investors should develop portfolios that are resilient to political and market surprises to navigate the uncertain economic climate, HSBC Global Private Banking has recommended to its high net worth and ultra high net worth clients.

In its latest Investment Outlook, Charting through Turbulence with Resilient Portfolios, the bank set out how investors should continue to expect the unexpected, even after the roller-coaster ride in the markets so far this year. With the high volume of US policy announcements, investors are likely to continue seeing two-way market volatility.

However, there remain plenty of opportunities around the world. As valuations on many asset classes are now more attractive than just a few months ago, the bank said investors should look at quality stocks and bonds, areas with policy support and opportunities supported by structural trends. It concluded building a resilient portfolio that can tap into longer-term opportunities while managing short-term volatility is the way to go.

HSBC Global Private Banking's four priorities going into Q3 2025 are:

- **Rebuild a diversified regional and sector equity exposure:** Broad exposure helps widen the opportunity set, while helping to ease the impact of quick market reversals. Many of the best thematic opportunities span regions and sectors.
- **Capture opportunities in AI adoption:** AI-led innovation continues at full speed across sectors. Our focus is switching from tech hardware to software and AI adopters that benefit from AI proliferation and commercialisation.
- **Mitigate currency and portfolio risks:** A multi-asset approach can manage portfolio volatility amid uncertain markets. Alternative assets and volatility strategies also provide downside protection in equity, bond and currency markets.
- **Tap into Asia's domestic resilience and structural growth:** Amid global trade uncertainty, Asia continues to provide attractive opportunities, particularly in China, India and Singapore, from domestic growth drivers and structural trends.

**Willem Sels, Global Chief Investment Officer at HSBC Global Private Banking and Premier Wealth, said:** "While we expect to see lower US growth this year, the economy should not slide into recession or stagflation. Earnings growth will likely be in the single digits, but expectations have already been reduced, and valuations are reasonable at around historical averages."

**Cheuk Wan Fan, Chief Investment Officer for Asia at HSBC Global Private**

**Banking and Premier Wealth, said:** “Reduced tail risks of US-China decoupling should help stabilise business sentiment and investor confidence in Asia. But given the outcomes of trade talks remain uncertain, we expect Asian policymakers will continue to provide further monetary and fiscal stimulus to boost domestic consumption. We favour domestically oriented sectors and quality industry leaders.”

**Notes to Editors**

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