VIG
ASSET MANAGEMENT

MEGATREND MONITOR

The future won't wait, and we're here to help you make sense of it.

November 2026



Welcome to the world of Megatrend Monitor!

Our newly launched monthly newsletter serves as an exclusive guide from the portfolio managers and analysts of the VIG Megatrend Fund Family in the ever-changing global market. Our goal is to filter out the noise and analyze the past month's key innovations, corporate breakthroughs, and market movements within the megatrend universe. Each month, our experts scrutinize the most important events in the innovation ecosystem, from corporate fundamentals to global trend shifts. With this publication, our investors – particularly partners in the VIG Megatrend and InnovationTrend funds – gain direct insight into the logic behind our investment decisions, uncovering the technological and social drivers propelling tomorrow's winners.



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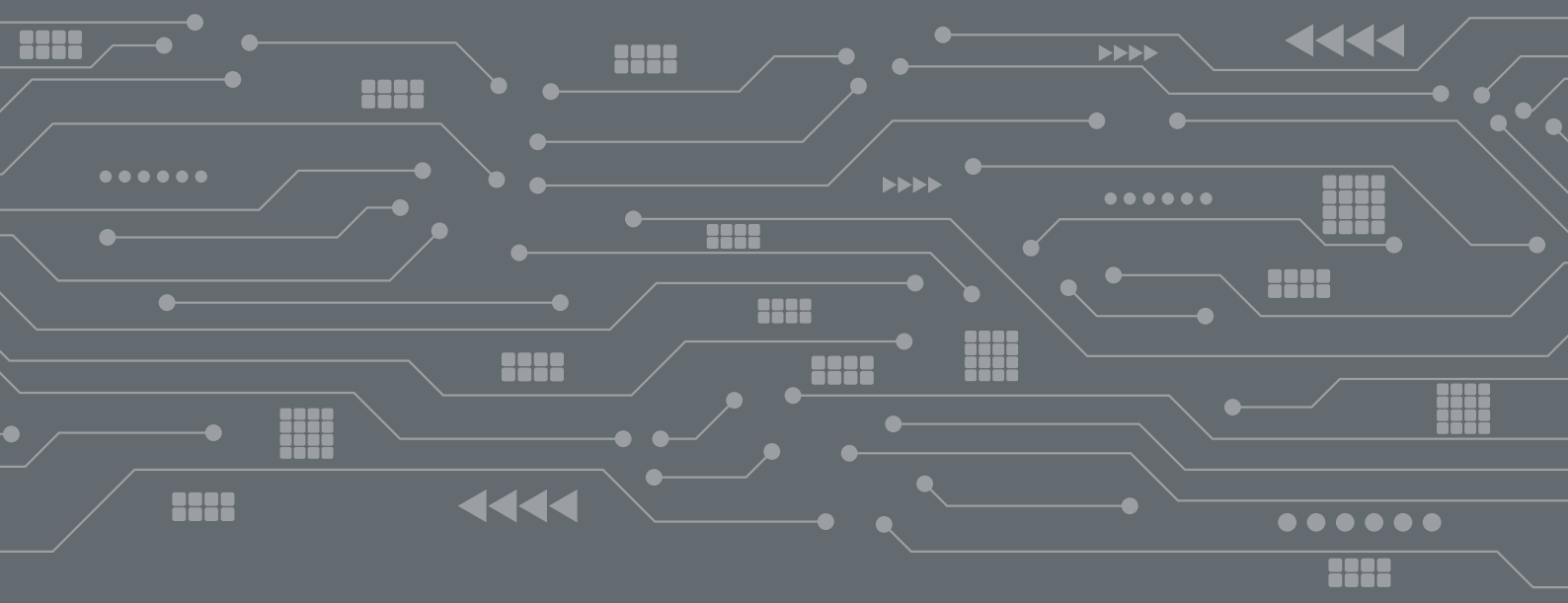


The past month's key stock market stories

- Growth in hyperscalers' capital expenditure may have peaked in the third quarter, but the pace of capacity expansion could accelerate each year through 2028.
- Valuations remain well below the peaks reached during the dot-com bubble.
- AI monetisation presents a mixed picture: revenue growth at leading AI developers is slowing, weakening confidence in the AI investment boom.
- Token prices are falling, but GPU rental rates are holding firm.
- Memory chipmakers are achieving record margins, while their Chinese rivals are rapidly gaining ground.
- Nearly 1,700 new data centres are competing for scarce power capacity in the US.



The Token: AI's language, memory and currency

What does artifical intelligence actually process?

What Is a Token?

Models do not read words, but tokens: fragments of text, each with a numerical ID.



Hungarian uses more than twice as many tokens: its inflected structure makes it costlier and fills the memory sooner.

How Much Memory Does AI Have?

The context window is what a model can hold in mind at once, also measured in tokens. Circle areas are proportional to window size.

Goldfish Memory
Anything outside the window is forgotten; every conversation starts from scratch.



Why Is Token Usage Rising?

Reasoning models also generate hidden tokens, while agents run dozens of rounds. Usage therefore rises even as token prices fall.



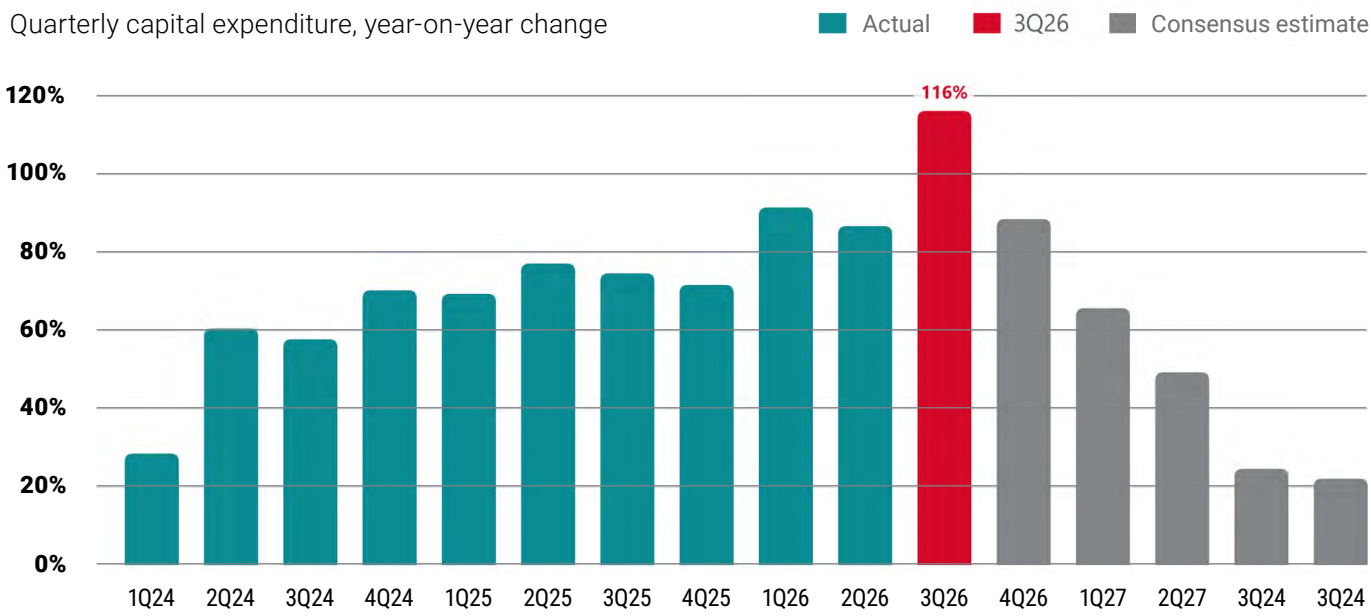
Sources: NVIDIA, Anthropic, OpenAI, Meta, VIG AM. Tokenisation: OpenAI o200k_base.
Page counts: ~0.55 words/token, 400 words/page. Part 3 illustrates orders of magnitude.

Where does the trend stand?

Capital expenditure by the major cloud providers – the technology companies known as hyperscalers – is the main driver of the AI megatrend. Combined capital expenditure by Alphabet, Meta, Microsoft and Amazon rose by 116% year on year in the third quarter. Consensus forecasts suggest this may have marked the peak in growth, with the rate expected to slow to 20% by the end of 2027, largely due to base effects. Market movements over the past three months also suggest that the AI investment boom has lost some of the explosive momentum that drove exceptional technology stock returns over the past two years.

Hyperscalers' capex growth is peaking

Quarterly capital expenditure, year-on-year change



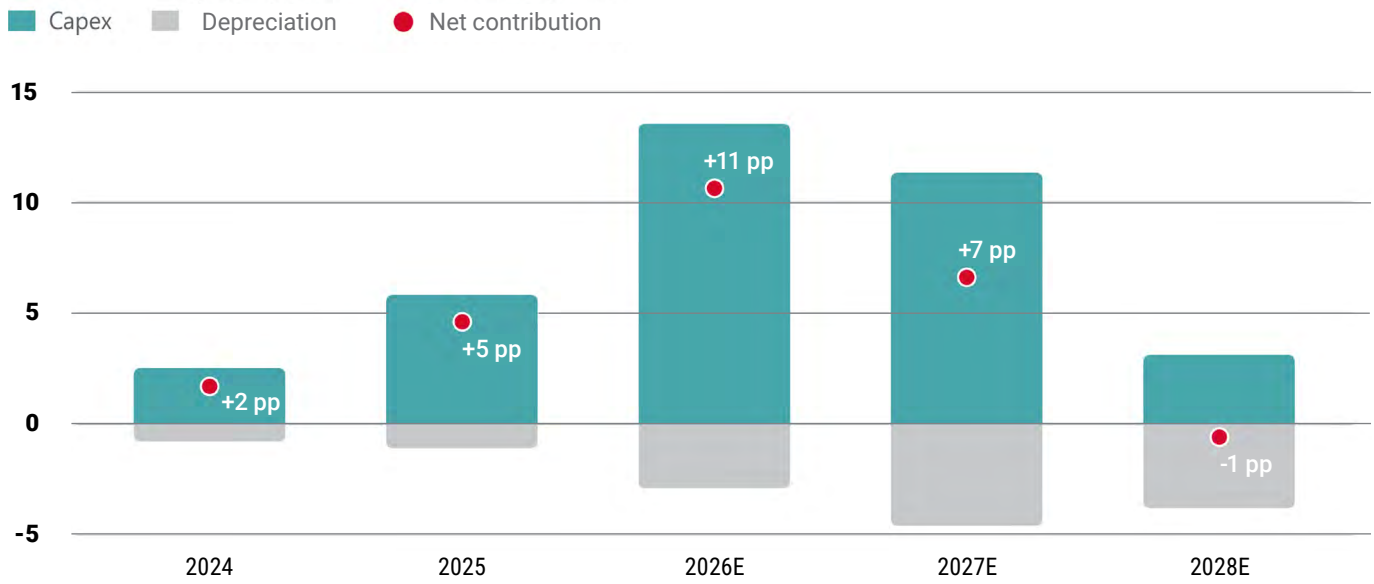
Source: FactSet, Goldman Sachs Global Investment Research

Hyperscalers' capital expenditure translates into revenue for chipmakers and suppliers of networking and energy infrastructure, directly boosting S&P 500 earnings. This year, the net contribution to the index's earnings growth amounts to 11 percentage points. However, as capital expenditure growth slows and depreciation charges on installed capacity rise, this contribution could fall to 7 percentage points in 2027 and turn slightly negative in 2028. What has so far been a tailwind for US equity market earnings growth could become a headwind in two years' time.



The earnings boost from AI capex is fading

Hyperscaler capex contribution to S&P 500 EPS growth, pp



Source: Goldman Sachs Global Investment Research

Valuations, however, suggest we are still far from bubble territory. The S&P 500 technology sector trades at a forward P/E of 19 times, less than half the peak of 51 times reached during the dot-com boom in 2000 and well below the levels seen in recent years. This year's decline in valuation multiples also suggests that the market has already priced in much of the slowdown.

Slower capital expenditure growth does not, however, mean a slowdown in capacity expansion. Hyperscalers and neoclouds – AI-focused cloud providers such as CoreWeave and Nebius – are bringing nearly 22 GW of new data centre capacity online this year, almost twice last year's figure. For comparison, Hungary's Paks Nuclear Power Plant has a total capacity of around 2 GW. In 2028 alone, data centre capacity serving AI computing needs could expand by nearly twenty times that amount. Some experts estimate that capacity additions could reach around 50 GW as early as 2027. At this scale, however, each additional data centre places substantial extra strain on the supply chain.

Tech valuations are less than half their dot-com peak

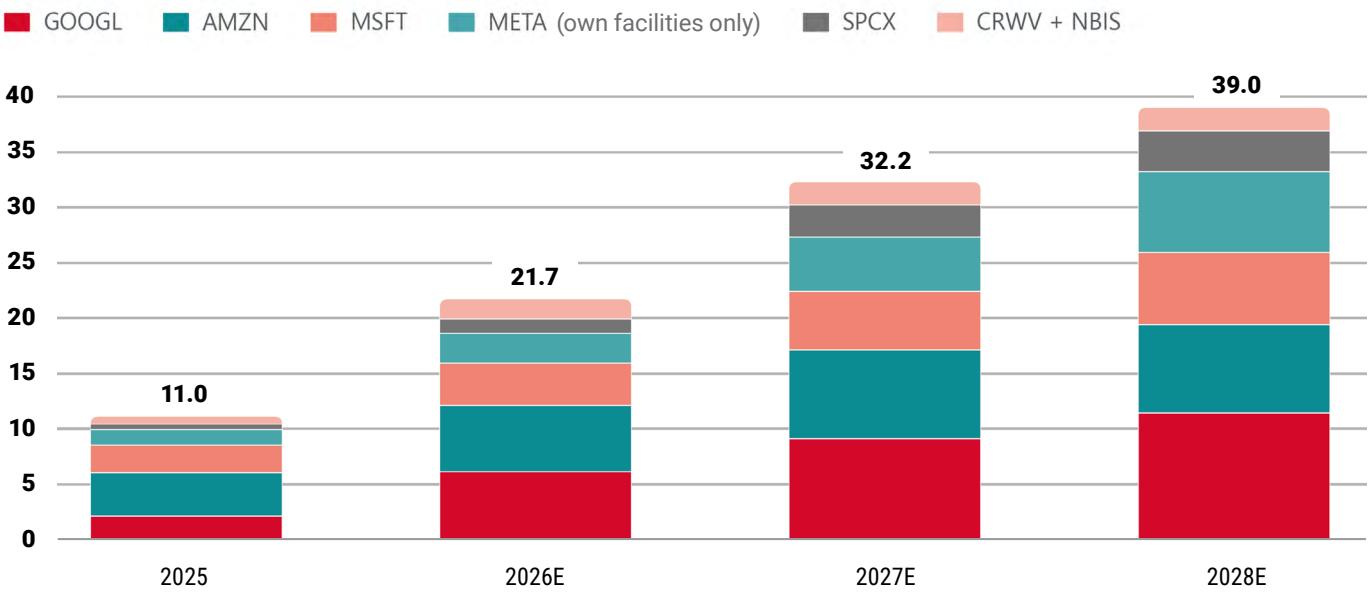
S&P 500 information technology, forward P/E



Source: Bloomberg

Hyperscalers and neoclouds to add 39 GW in 2028

Annual data centre capacity additions, GW

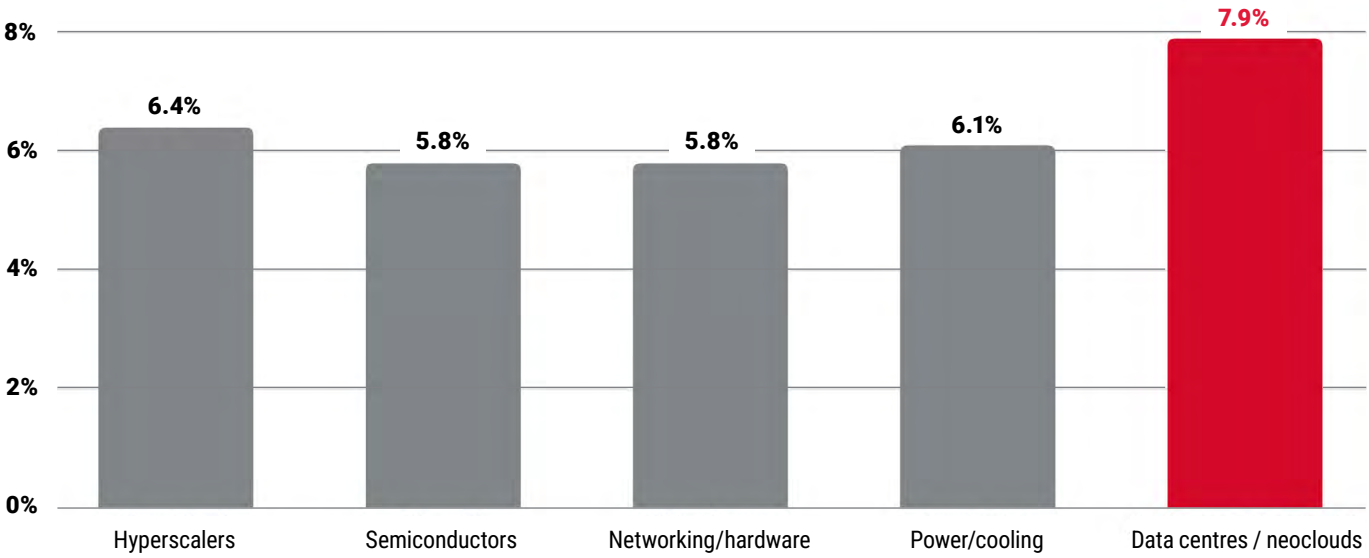


Source: TBC

Capacity expansion can no longer be funded solely from the cash flows of the companies making these investments, giving loan and bond markets an increasingly important role. Financing costs, however, vary significantly across companies. Bonds issued by hyperscalers, chipmakers and networking suppliers trade at yields of around 6%, while those of data centre operators and neoclouds yield close to 8% on average. Some data centre developers have seen their bond yields reach 15%, though this points more to company-specific capital structure problems than to conditions across the broader market.

Data centre and neocloud debt offers the highest yields

Weighted average bond yields by AI financing subsector



Source: Bloomberg, UBS

Who is paying for AI?

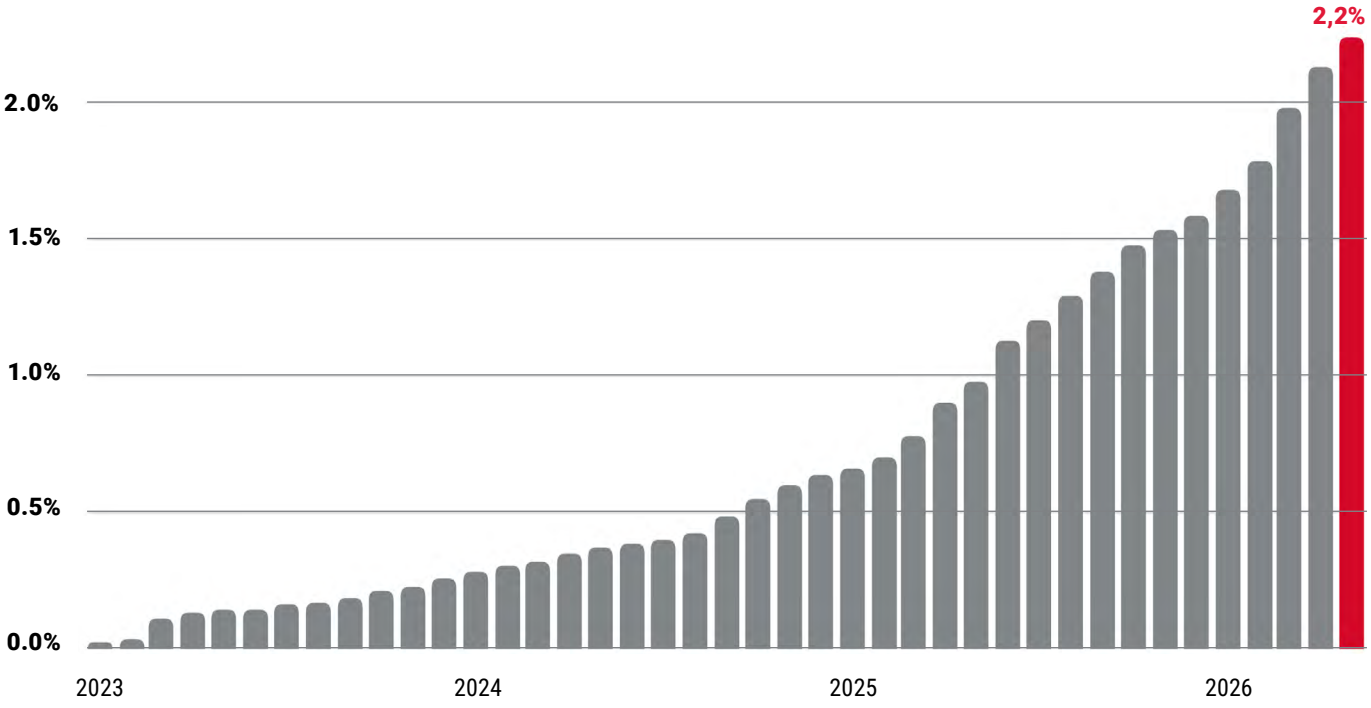
The investment boom is sustainable only if someone ultimately pays for it. Competing narratives persist, and several data points strengthen the sceptics' case.

On the consumer side, 2.2% of US households now pay for an AI subscription, roughly double the share a year ago. Adoption remains low, but that may be precisely where the opportunity lies. Streaming services followed a similar path, with a slow start followed by accelerating uptake. The more significant market, however, lies on the enterprise side.

Anthropic, the developer of the Claude model family, is a clear example of how enterprise demand is developing.

More households are paying for AI

Share of US households with a paid AI subscription



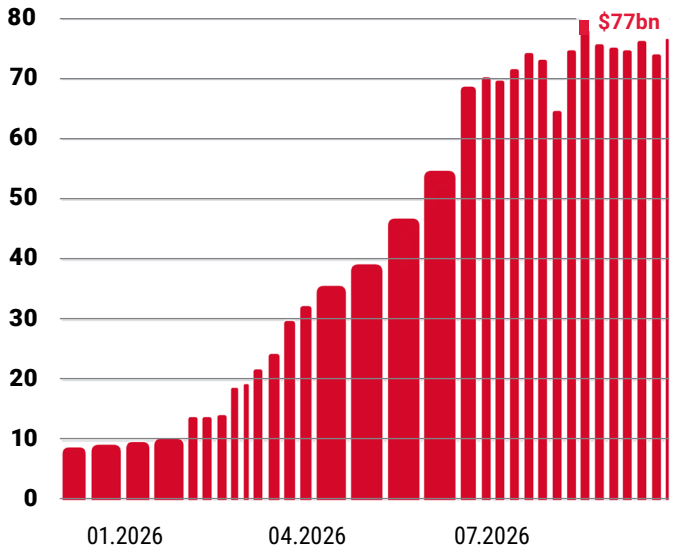
Source: PNC Research

Its annualised revenue has surged from below $10 billion at the start of 2026 to $77 billion. This growth came even as token prices fell to around $1 per million tokens, driven largely by competition between Chinese open-weight models and leading AI developers. For now, rising usage is offsetting falling prices, but data from recent months point to slowing revenue growth.

Revenue trends at leading AI developers are closely linked to the computing capacity available to them. This is supported by the capacity agreement Anthropic signed with SpaceX in the second quarter, which was followed by a sharp increase in Anthropic's revenue. The question is whether slowing growth primarily reflects capacity constraints or is already signalling weaker-than-expected demand.

Anthropic's revenue soars as token prices fall

Anthropic's annualised revenue, $bn



LLM token price index, $ per million tokens



Source: Silicon Data, TickerTrends



Cheaper tokens, pricier GPUs

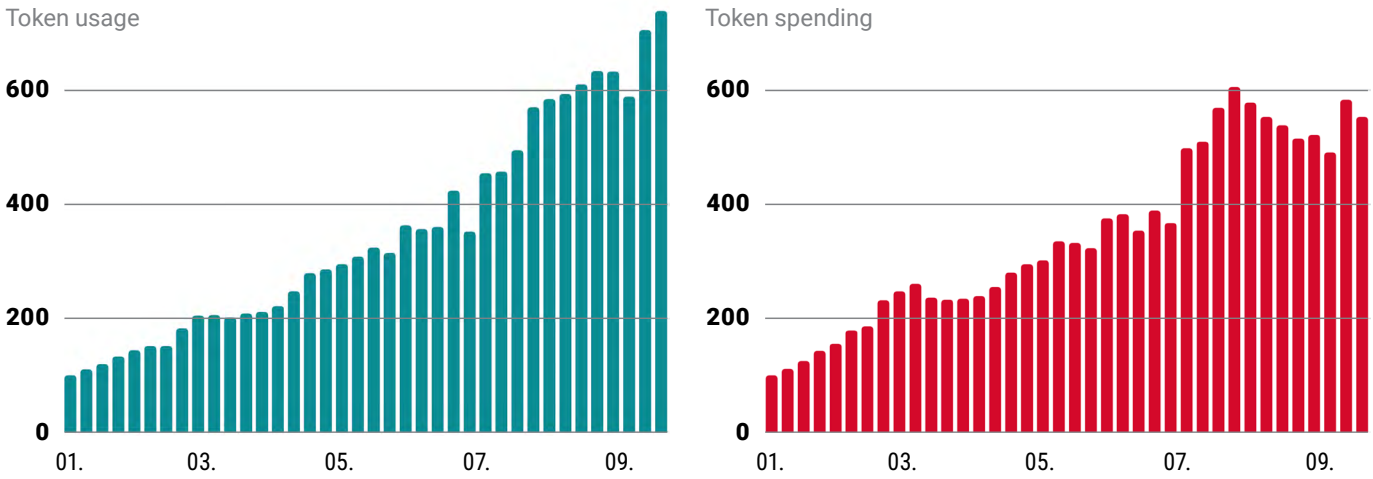
With token prices falling so quickly, it is reasonable to ask who is making money along the value chain. So far, the answer is clear: the rewards do not necessarily go to those selling the models, but to those who own the computing capacity.

Data from Ramp, a corporate spend management platform, show that token usage among its clients has grown more than sevenfold since the start of the year, while spending has remained flat since its August peak. Companies are therefore getting far more usage for the same spend. In the short term, this puts pressure on model providers' pricing; over the longer term, however, it broadens the user base.

While token prices are falling, rental rates for computing capacity are holding firm. NVIDIA H100 GPU rental rates have risen by around 50% since last November, while the token price index has fallen below its starting level. This widening gap suggests that the availability of GPUs, power and data centre space remains the bottleneck. Price competition is therefore primarily squeezing model providers' margins, while capacity owners retain their pricing power.

Usage rises while spending stays flat

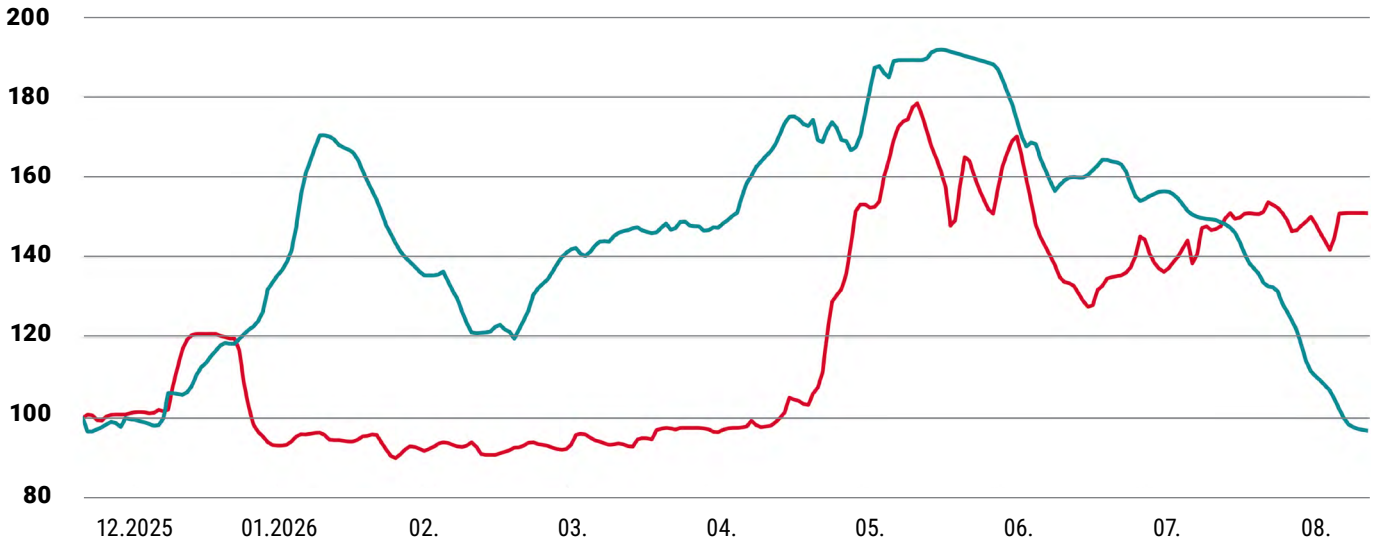
Token usage and spending among Ramp clients, indexed



Source: Ramp AI Index

Compute prices hold firm as token prices fall

Index, 19 Nov 2025 = 100, H100 GPU rental rate, Silicon Data token price index



Source: Ornn, Silicon Data, Bloomberg, Citadel Securities

Memory: a supercycle with Chinese competition risk

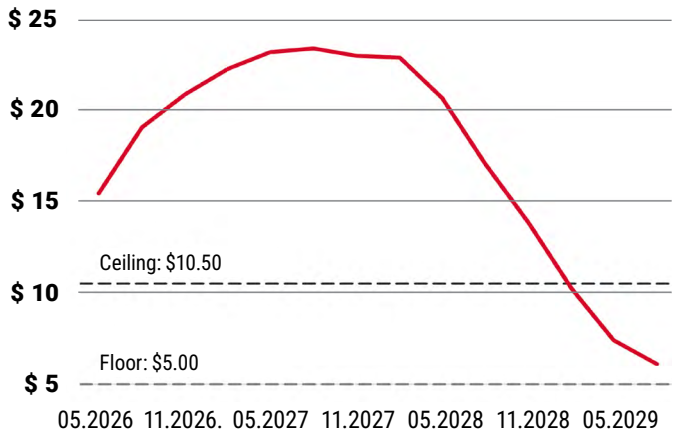
Capacity shortages are particularly acute in the memory market. Demand for high-bandwidth memory (HBM) used in AI accelerators is diverting production capacity away from conventional DRAM, pushing memory prices and manufacturers' margins to record levels. The question is not whether the cycle will turn, but when – and which players will remain competitive.

UBS estimates that DDR memory market prices could peak at around $23 per gigabyte in mid-2027, before falling below $10.50 by 2029 – the top of the contract price range negotiated with major customers. Over the same period, Micron's gross margin could decline from nearly 90% to around 78%. This would still represent exceptional profitability, but share prices typically signal a turn in the cycle well before it becomes visible in earnings.

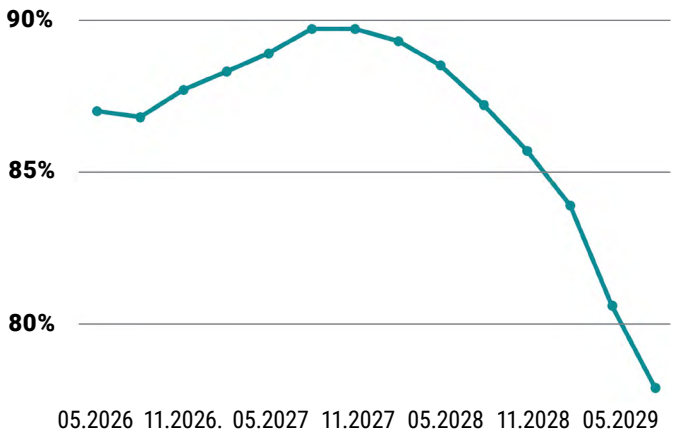
Compounding the cyclical risk is a structural challenge: the rapid rise of Chinese manufacturers. YMTC has increased its share of the NAND market from 4% to 14% in two years, primarily at Samsung's expense, despite US export restrictions.

Micron DDR pricing: average market price and contract range

DDR average market price and contract range, $/GB



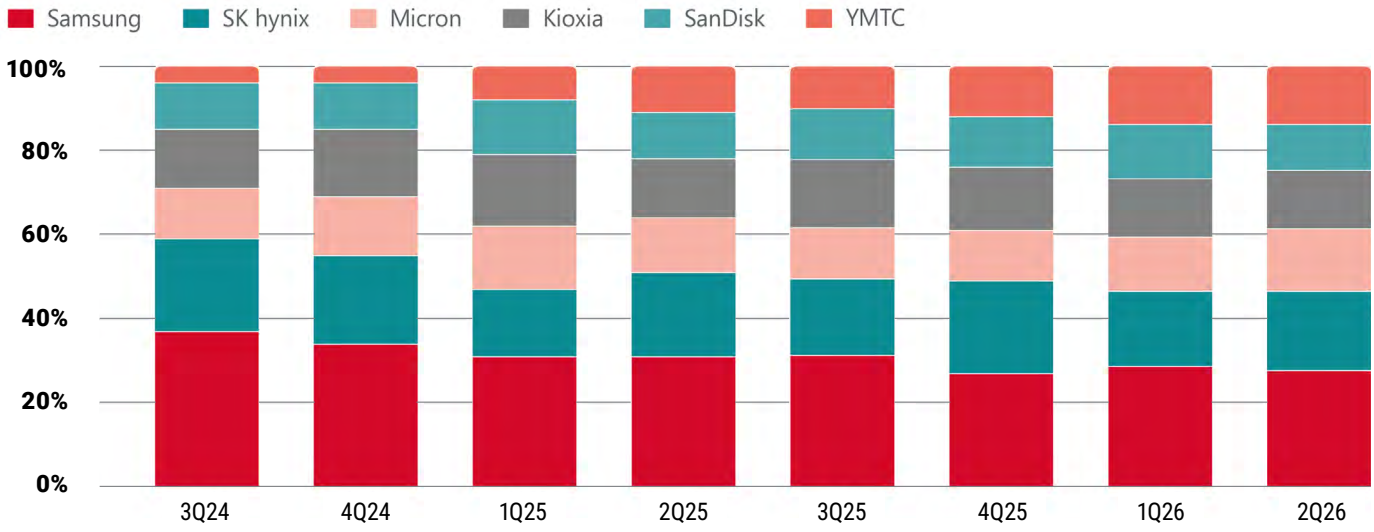
Micron gross margin (non-GAAP)



Source: UBS estimation

YMTC has more than tripled its NAND market share

Global NAND market share by revenue



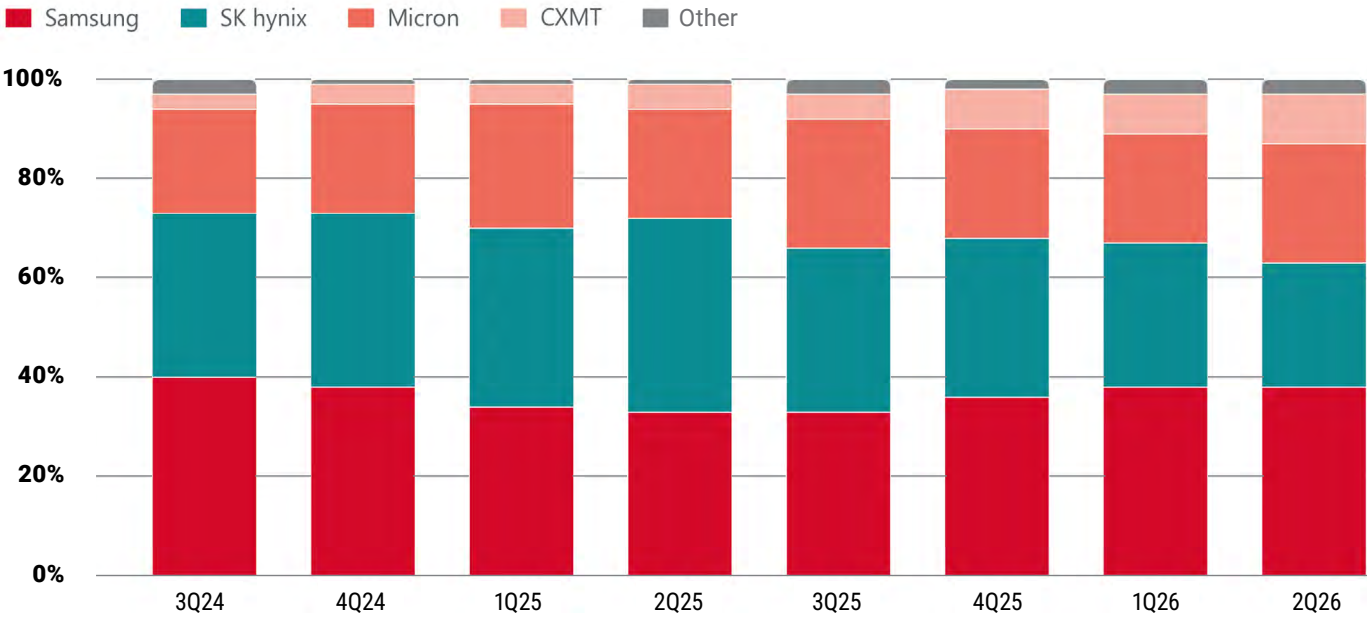
Source: Counterpoint, Nomura

In the DRAM market, CXMT has increased its share from 3% to 10%, so far mainly at SK hynix's expense. Chinese manufacturers remain strongest in less advanced products, but are expanding through state support, aggressive pricing and rapid capacity additions – just as high prices make the market particularly attractive.

The pattern is familiar. Until the late 2000s, solar panel manufacturing was largely concentrated in Europe and North America. Today, more than 90% is based in Asia, predominantly China. A similar shift is under way in electric vehicles: Chinese manufacturers now account for more than half of global sales of fully electric cars. In both industries, Chinese capacity expansion has persistently driven down prices and squeezed Western competitors' margins. Memory manufacturing could be the next industry to follow this path.

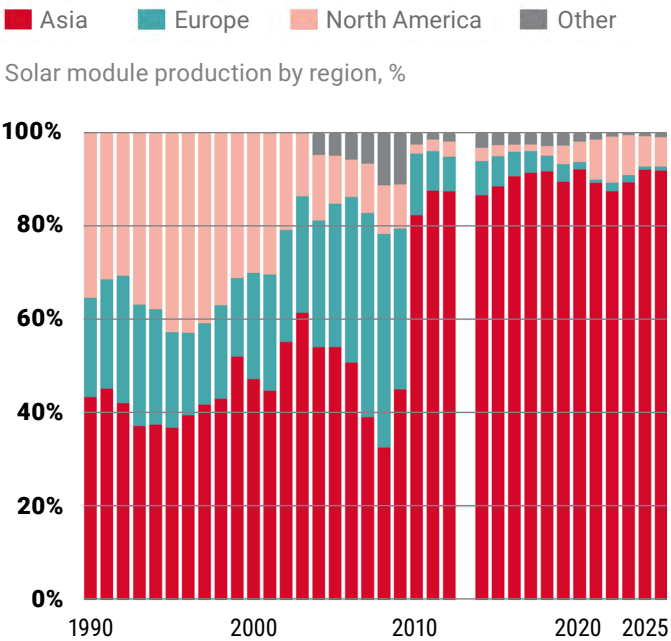
CXMT gains ground in the DRAM market

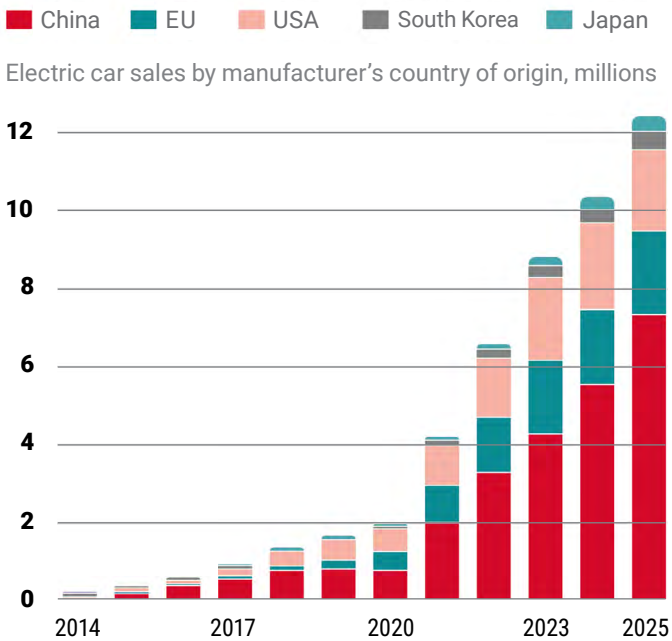
Global DRAM market share by revenue



Source: Counterpoint, Nomura

Memory could follow the path of solar panels and electric cars





Source: Fraunhofer ISE, PSE Projects

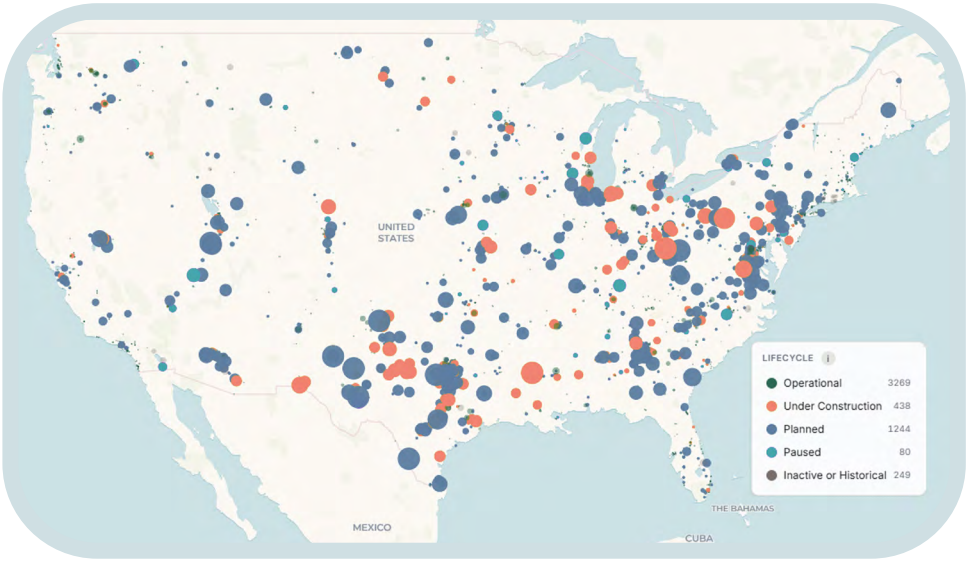
Power is the next bottleneck

After GPUs, power has become the tightest bottleneck in AI infrastructure expansion. For decades, the US electricity system served largely flat demand; the spread of data centres is now adding gigawatts of new power demand every year.

Nearly 1,700 new data centres

Around 3,300 data centres are currently operating in the United States, with nearly 440 more under construction and over 1,200 planned. On the map, yellow indicates facilities under construction and blue those in the planning stage. New projects are typically much larger than existing facilities, and the location of the largest developments increasingly depends on available grid and generation capacity. This also explains the large number of megaprojects in Texas.

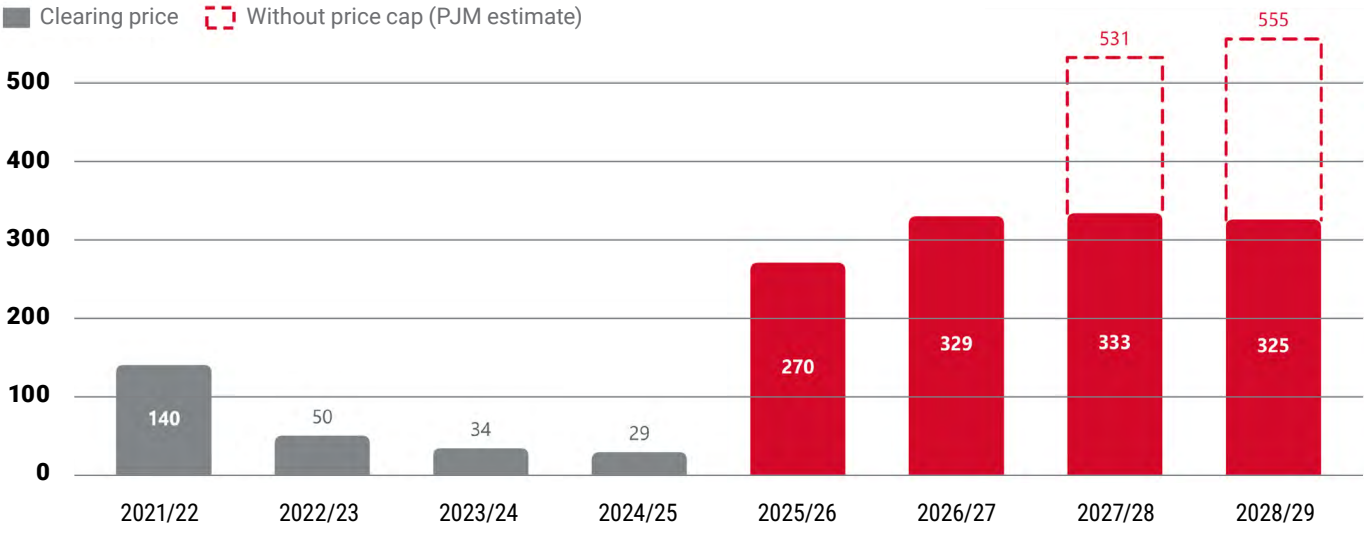
The scarcity of power supply is evident in US grid operator PJM's capacity auctions, which secure commitments from power plants to be available in future years. The clearing price rose more than elevenfold over two auctions and has remained at the price cap ever since. For the 2027/28 delivery year, the auction failed to secure even the capacity needed to ensure a reliable power supply. Increasingly severe imbalances are emerging in the electricity market.



New data centres
Number of US data centres by lifecycle stage

Source: dcmap.us (screenshot)

PJM capacity prices remain stuck at the cap
PJM capacity auction clearing price, $/MW-day, by delivery year



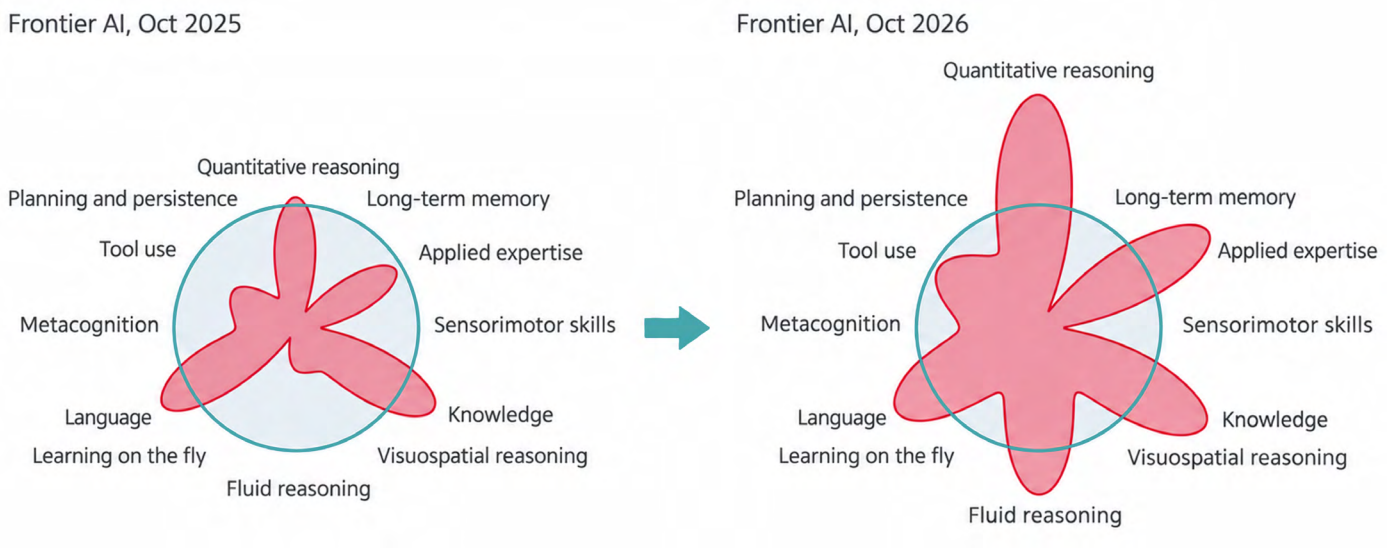
Source: PJM

Chart of the month

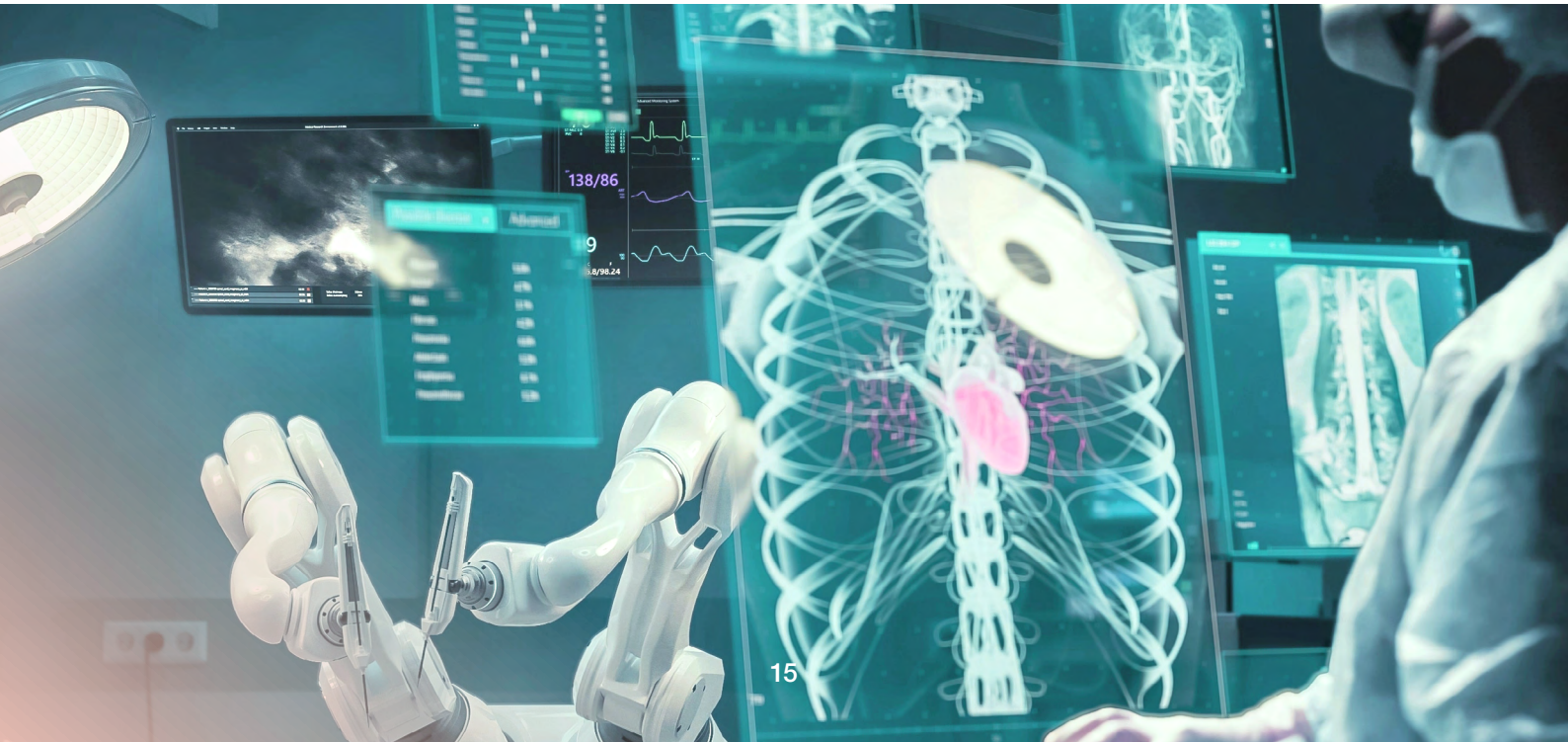
AI capabilities are developing unevenly: in some areas they already far exceed human abilities, while in others they still lag considerably. In just one year, the most advanced models have progressed from human-level performance on quantitative reasoning tests to nearly twice that of a skilled human. In fluid reasoning, they have also surpassed human performance, starting from just 35% of that level. Yet there has been no progress in long-term memory or physical and sensorimotor skills. This uneven development explains why the same model can seem both brilliant and surprisingly inept. It also points to potential avenues for further progress: capabilities that remain inside the circle marking human-level performance on the chart offer substantial scope for future breakthroughs.

Uneven AI: ahead of humans in some areas, far behind in others

Capabilities relative to a skilled human (circle = skilled human, 1.0x)



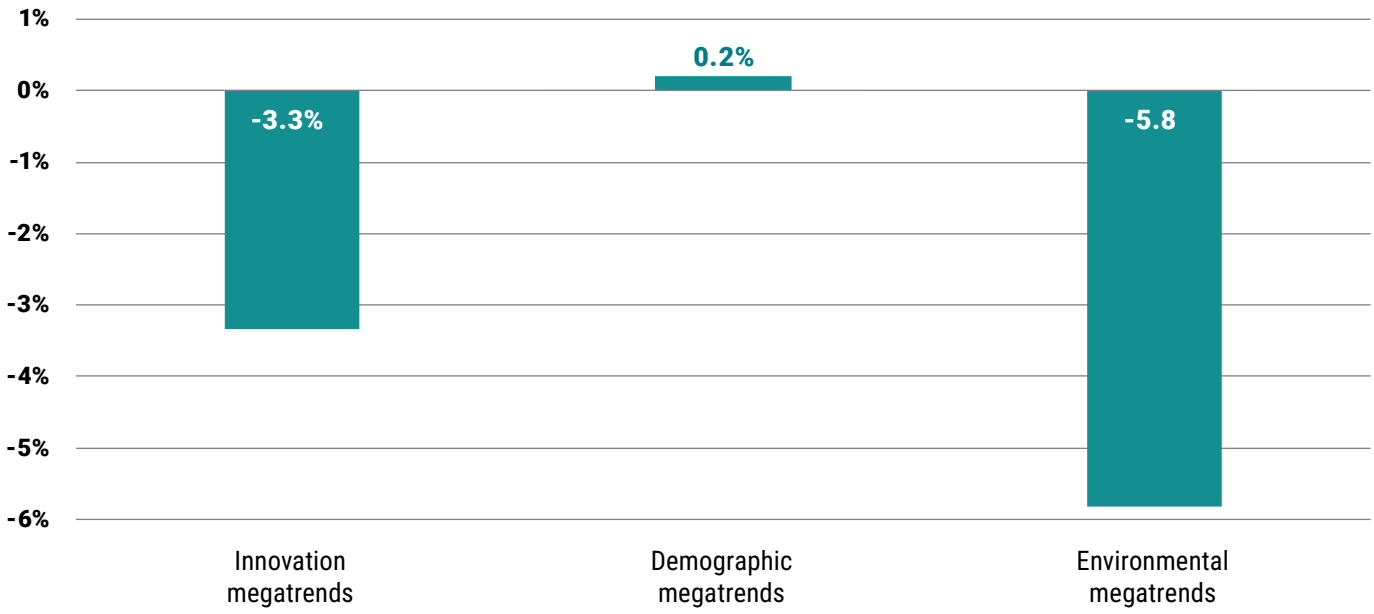
Source: TBC



A correction across megatrends

Demographic megatrends proved the most resilient over the past month, delivering flat to slightly positive returns. Innovation megatrends, by contrast, fell by around 3.3%, primarily reflecting a sharp correction in technology stocks, particularly semiconductor manufacturers. High valuations, rising bond yields and uncertainty over returns on AI-related investment combined to trigger strong selling pressure in the semiconductor sector. Environmental megatrends recorded the largest decline of the three categories, falling nearly 5.8%. Higher interest rates were particularly detrimental to clean energy, hydrogen technologies and nuclear projects, raising financing costs and reducing the present value of future cash flows.

30-day performance of megatrend strategies

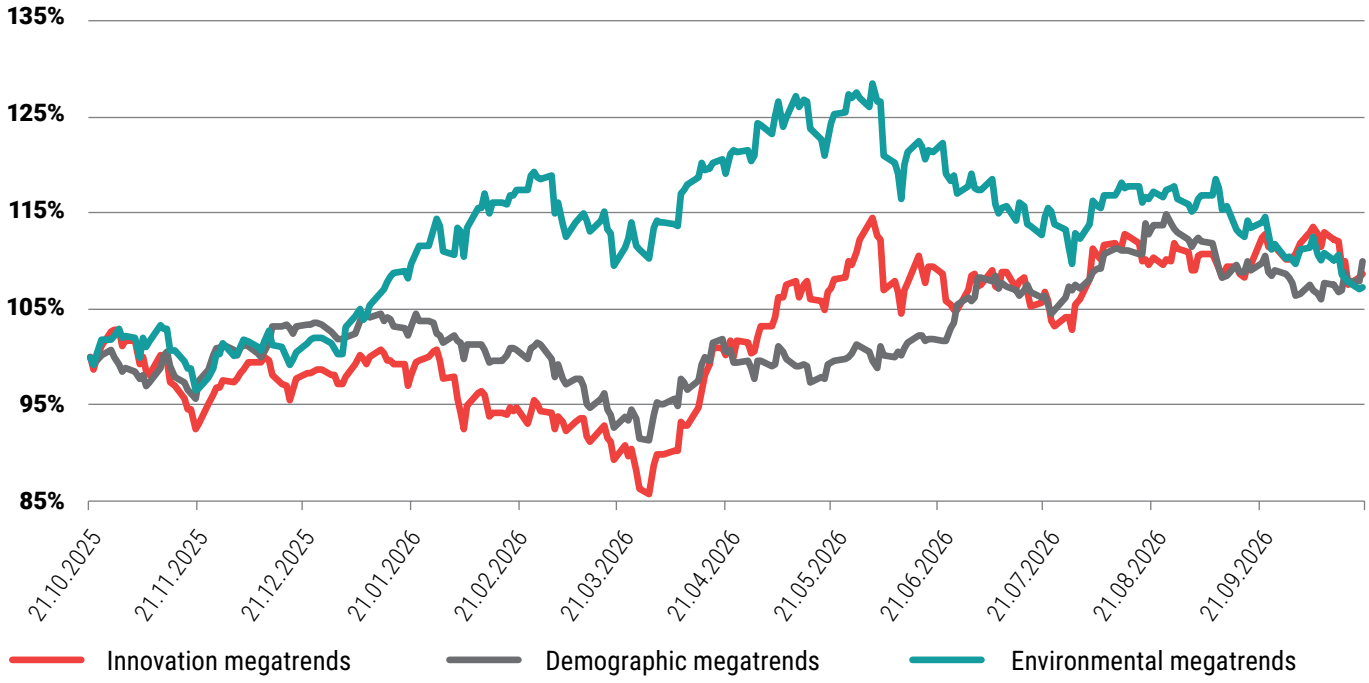


Source: Bloomberg, VIG Asset Management



The month's returns also significantly narrowed the gap in year-to-date performance between the three main categories. Both innovation and environmental megatrends are closely linked to the AI investment cycle: the former directly through technological development, the latter indirectly through data centres' growing electricity demand and energy infrastructure. The recent weakness in both groups may reflect uncertainty over AI-related growth expectations and investment returns. Meanwhile, the outperformance of demographic megatrends, particularly healthcare, suggests that investors may be rotating towards more defen sive companies with more predictable earnings.

Tellingly, consumer staples – one of the most defensive sectors among the themes we track – delivered the highest return over the past month. Structural growth funds, which are underweight the oil sector by design, also faced a headwind from traditional energy's second-place finish in the monthly performance rankings. Cannabis, by contrast, was the weakest-performing theme over the period. Regulatory uncertainty, limited access to financing and concerns over corporate profitability could keep valuations in the segment under sustained pressure.



Source: Bloomberg, VIG Asset Management

		1 month		YTD
Top 1	Consumer Staples	**6.1%**	Semiconductors	**63.8%**
Top 2	Energy	**5.8%**	Genomic Revolution	**61.2%**
Top 3	Metaverse	**4.8%**	Genomics	**54.8%**
Top 4	Genomics	**4.8%**	Energy	**47.1%**
Top 5	Healthcare	**4.4%**	Cybersecurity	**38.3%**
Bottom 5	Clean Energy / Uranium	**-14.4%**	Social Media	**-20.5%**
Bottom 4	Clean Energy / Hydrogen	**-15.6%**	Sport betting	**-21.6%**
Bottom 3	Alternative Medicine	**-18.2%**	EM Internet	**-21.7%**
Bottom 2	Resource Scarcity / Rare Earth	**-19.8%**	Resource Scarcity / Rare Earth	**-26.6%**
Bottom 1	Cannabis	**-20.9%**	China Tech	**-28.3%**

Source: Bloomberg, VIG Asset Management

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