



SEEKING OUT AI'S NEXT WINNERS

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Artificial intelligence (AI) is driving one of the largest investment cycles in decades. The companies building the infrastructure that underpins AI — from semiconductors and manufacturing equipment to cloud platforms and data centers — are attracting significant attention as organizations invest heavily to develop and deploy the technology.

However, history suggests that the ultimate beneficiaries of transformative technologies are not always the businesses supplying the tools. Electrification created substantial opportunities for power providers, but its broader economic impact came from the companies that successfully applied it to improve productivity and strengthen their competitive positions. AI may prove no different.

For long-term investors, the key question is where AI will have the greatest economic impact. While the foundations remain essential, some of the most compelling opportunities may emerge among businesses using AI to improve customer outcomes, operate more efficiently and reinforce strengths built over many years.

Laying the Foundations

Understanding that opportunity begins with the infrastructure enabling AI today. The scale of investment is unprecedented, with the world's leading technology companies expected to invest approximately US\$730 billion in capital expenditure in 2026 alone,¹ much of it directed toward AI infrastructure. Every dollar invested creates demand across a much broader ecosystem, from semiconductor manufacturing and cloud computing to data centers, cybersecurity, industrial automation and the businesses that will use AI to operate more efficiently.

Much of the market's attention has focused on the companies developing the technology. These businesses are likely to remain important to AI's development, but the opportunity may extend well beyond them.

AI adoption depends on a much wider network of physical and digital infrastructure. Every new data center requires substantial investment in the facilities and systems that support its operation. Networks must be secured. As AI moves beyond the data center, intelligence needs to be embedded into factories, vehicles and industrial equipment.

Jay McLeod

Walter Scott Investment Analyst

KEY TAKEAWAYS

- The scale of AI investment is unprecedented, with much of the spending directed toward AI infrastructure.
- The companies building AI infrastructure remain essential to the ecosystem's development. However, history shows that as new technologies mature, value creation often broadens beyond the businesses supplying the tools.
- Some of the most compelling opportunities may lie with businesses that can use AI to strengthen established competitive advantages, improve customer outcomes and enhance productivity.

¹JPMorgan Research, June 2026

From Infrastructure to Adoption

The companies building AI infrastructure remain essential to the ecosystem's development. However, history shows that as new technologies mature, value creation often broadens beyond the businesses supplying the tools. The ability to apply technology effectively can become just as important as the technology itself.

Businesses across industries are incorporating AI into products and existing operations, using machine learning and advanced analytics to automate routine tasks, improve decision-making and increase productivity.

These applications are emerging across a range of industries, from financial software and energy to utilities, manufacturing and transportation. By embedding AI into established products and processes, companies can build on their existing strengths while improving how they operate and serve customers.

What Makes a Long-Term AI Winner?

AI is often most powerful when combined with advantages that are difficult to replicate. These include proprietary data, deep operational expertise, strong customer relationships and established market positions. Rather than disrupting such companies, it may reinforce their competitive positions by improving decision-making and enhancing customer outcomes.

For long-term investors, this reinforces the importance of looking beyond today's headlines. In our view, some of the most compelling opportunities may lie with businesses that can use AI to strengthen established competitive advantages, improve customer outcomes and enhance productivity. Where new technology meets enduring business quality, the potential for long-term growth may be greatest.

About Walter Scott

Walter Scott is the global equities-focused investment firm within BNY Investments.

Artificial intelligence (AI) refers to computer systems that can perform tasks typically requiring human intelligence, such as visual perception, speech recognition, decision-making, and language translation.

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