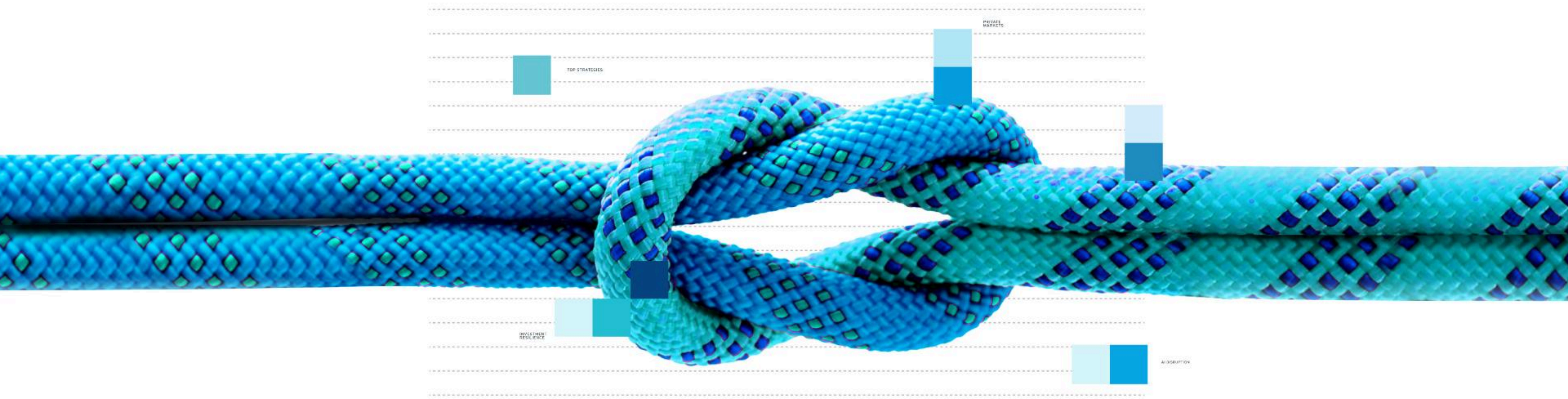


# RESILIENCE REDEFINED



→ How Investors Are Repositioning for a More Fragmented and Uncertain World

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## Key findings from a survey by Mubadala and Bloomberg Media reveal how investors are reshaping portfolios to build resilience and drive long-term value.

→ Today, the global economy is becoming more fragmented and less predictable due to multiple trends: shifting geopolitical dynamics, regional conflicts, geoeconomic regionalization, rapid technological disruption and the uneven impact of climate change.

Investors are beginning to accept that this fragmentation is not a passing phase, but a structural shift—and their portfolios are changing accordingly. Resilience, once viewed simply as protection against volatility, is now a proactive strategy to preserve momentum and drive long-term value.

Capital is steadily moving as allocations are shifting across public and private markets, while traditional benchmarks are being rewritten to reflect emerging risks. These developments reveal a profound transformation of investment strategies.

Resilience is no longer just about absorbing shocks, but also about positioning portfolios to adapt and respond to—and even capitalize on—a world defined not by stability, but by constant change.

These findings form the basis of Bloomberg Media's Strategies Under Stress study, conducted in December 2025 and sponsored by Mubadala, one of the world's largest sovereign wealth funds, based in Abu Dhabi. Based on a survey of 260 global investors across 11 major markets—including the US, UK, China, India and the UAE—the study examines how resilience is being redefined amid rising uncertainty.

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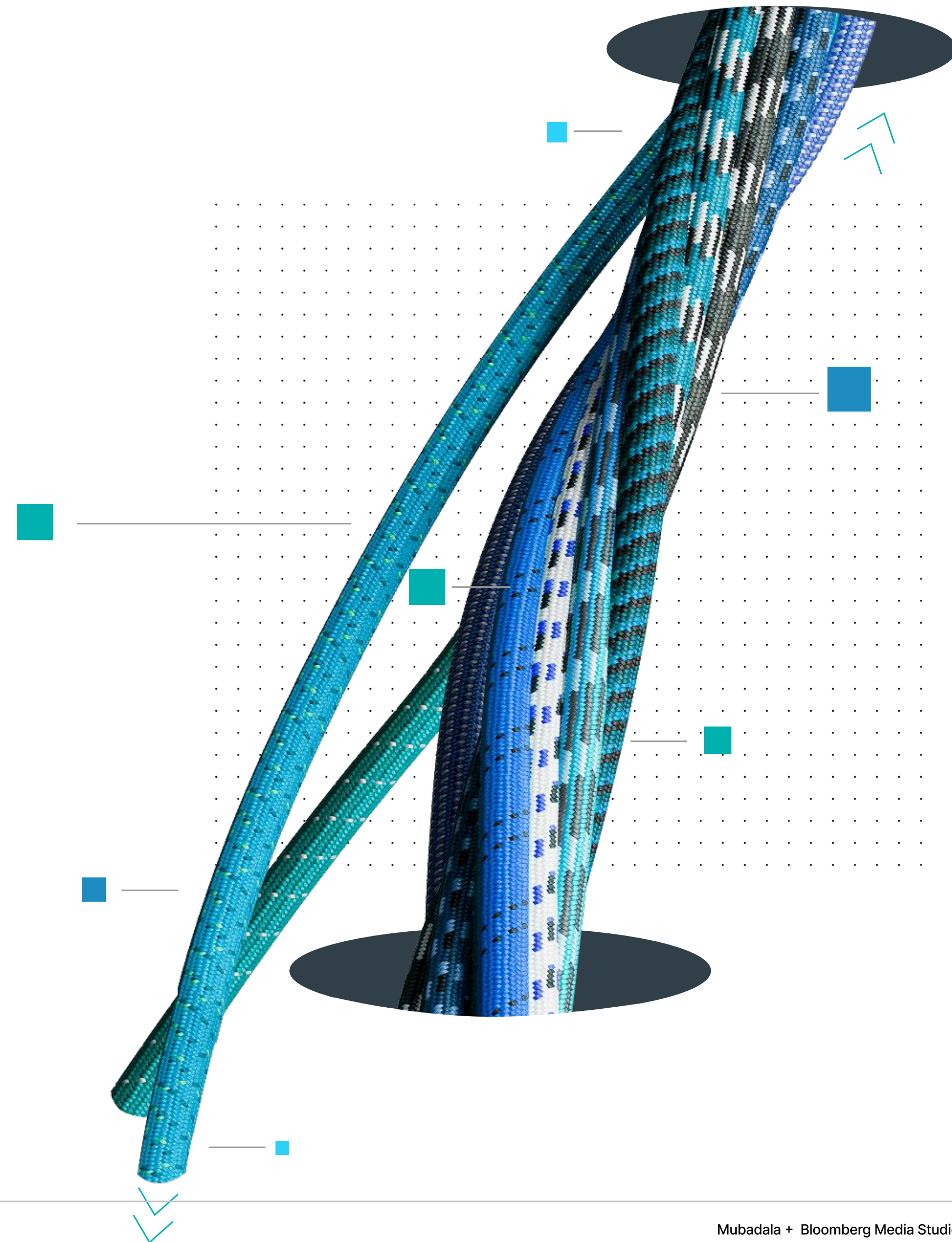
**260** Global Investors

**11** Markets

## CHAPTER - 1

# RESILIENCE AS VALUE

→ Most investors (69%) are now convinced that the globalized world order is fading and that the trade environment has fragmented for good.



**As a result, investors are no longer in a “wait and see” mood. Instead, they are focused on building resilience into their portfolios by directing their allocations to private markets and emerging economies, among other strategies.**

Notably, the findings point to a departure from the traditional meaning of resilience—the ability to withstand or recover from challenges—to now include and emphasize strategies that help secure long-term value.

Global investors now define resilience not only in terms of a balanced, diversified and agile portfolio that can quickly adapt to changing circumstances. Today, resilience increasingly prioritizes the creation of strong and stable institutions, with adequate liquidity and good governance that enables smart decision-making and action even during shocks.

Put simply, resilience is no longer a defense mechanism. It is a value driver.

Case in point: Mubadala adopts a “three-dimensional” lens to their approach, using both qualitative and quantitative methods to build a resilient strategy, a resilient portfolio and a resilient institution.



**“We view resilience as more than a defensive mechanism against volatility. It is a proactive strategy. By making disciplined risk management part of our DNA, we ensure that we do not simply weather the shocks of a volatile world, but emerge from them in a relatively stronger position.”**

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**WALEED AL MOKARRAB AL MUHAIRI**  
DEPUTY GROUP CEO, MUBADALA

→ Defining Investment Resilience

**33 %**

**Long-term value creation: the ability to sustain performance across market cycles**

**23 %**

Portfolio strategy: balanced, diversified, adaptive allocation

**18 %**

Institutional strength: governance, decision-making, organizational stability

**14 %**

Operational continuity: keeping day-to-day operations running

**12 %**

Liquidity: maintaining flexibility and access to capital

## Confidence levels vary among investors regarding resilience strategies.

Opinions also differ on the factors that will build resilience in the global economy.

At the macro level, about half of all investors (48%) see technological innovation (AI and automation) as having the biggest impact on global economic resilience over the next 10-20 years. Other factors that matter the most to investors in this regard are macro/financial dynamics (39%), governance/institutions and global cooperation (35%) and climate adaptation/energy transition (33%).

Our study also shows that nearly two-thirds of investors assess resilience over a period of five-plus years, while just over a fifth (22%) take a longer-term view of 8-10 years or more.

So, how are investors building resilience into their operations?

The study shows that most investors are diversifying their capital across asset classes and geographies; doubling down on scenario planning and the use of risk tools to stress-test portfolios; strengthening their liquidity; and enhancing their hedging strategies.

These findings illustrate global investors' growing willingness to forego short-term returns in favor of a patient and prudent approach that leads to the creation of long-term value.

**“Resilience is not about making a lot of money one year and ending up in a valley the next. It’s about aligning with long-term growth areas and staying committed through cycles.”**

**MARC ANTAKI**

DEPUTY CHIEF STRATEGY  
AND RISK OFFICER, MUBADALA

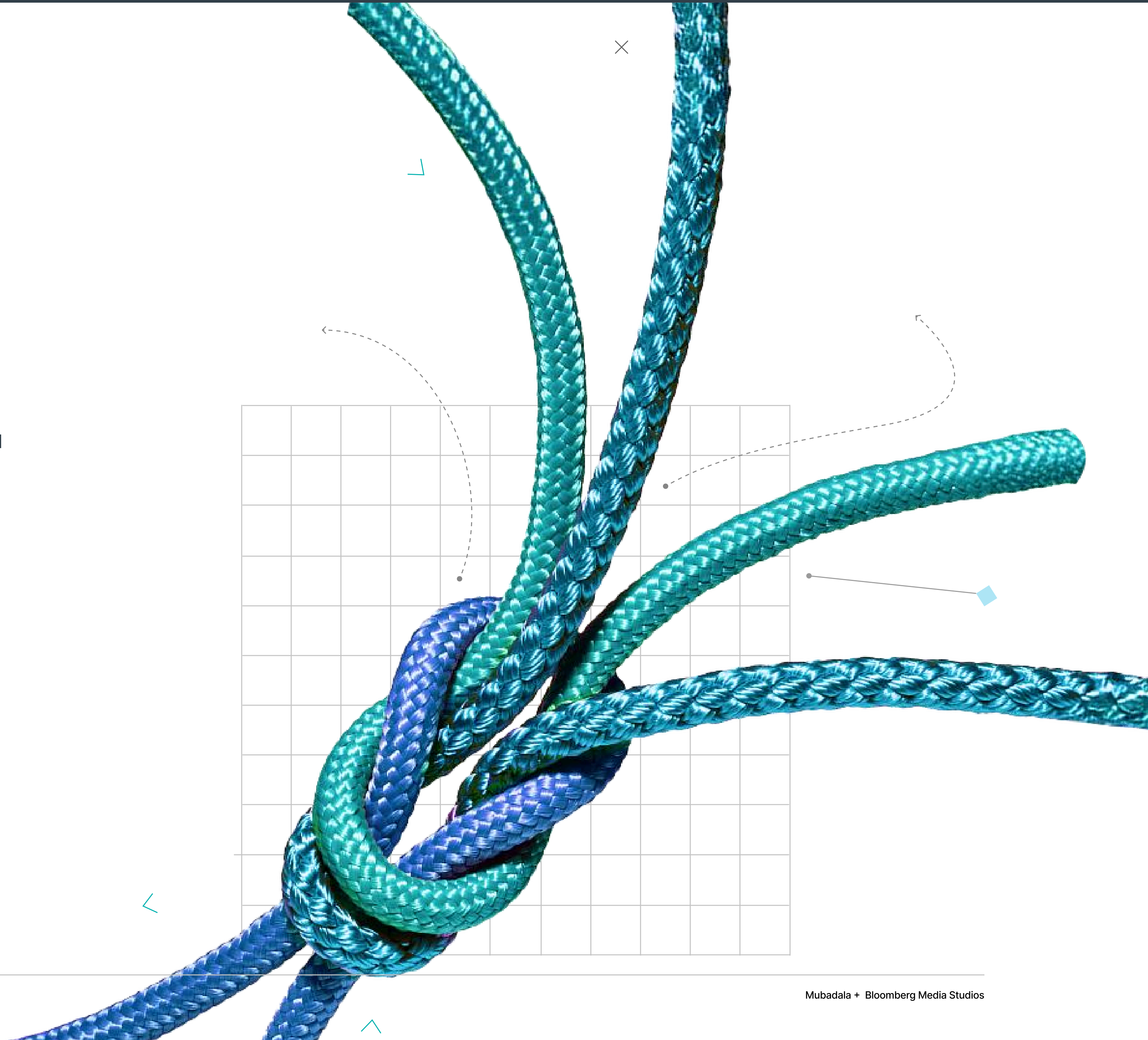
### → Top Strategies Adopted in Response to Systemic Shocks

Better portfolio construction and diversification (e.g., by geography, sector, currency, etc.)	<b>67%</b>
More scenario planning and pre-crisis stress testing	<b>60%</b>
More active risk rebalancing during periods of market stress	<b>50%</b>
Holding higher levels of cash or liquid reserves	<b>46%</b>
More emphasis on hedging strategies (e.g., currency, interest rate or inflation)	<b>44%</b>
More decentralized or agile decision-making	<b>36%</b>
Pursuing more opportunistic or counter-cyclical investments	<b>36%</b>
Increased reliance on external managers or specialists	<b>21%</b>

## CHAPTER - 2

# PRIVATE MARKET PIVOT

→ Investors are also pursuing resilience by making a conscious shift across public and private markets, and to “real” assets.



More than half (56%) shifted allocations from public to private markets in the past 12-18 months, in a bid to shield their investments from the ups and downs of public markets, with just 3% moving in the opposite direction. A significant minority (42%) report adhering to the status quo, with no major changes in capital allocation.

Among those shifting funds, the majority (53%) transferred 3%-5% of their holdings, with 19% shifting 6%-8%, while 18% of investors moved more than 8% of their holdings.

A sizable proportion of investors (40%) view infrastructure as the most effective asset class to build up economic resilience, followed by private equity (16%), private credit (15%) and thematic strategies (8%). Public equities bring up the rear, with 7% of investors considering them an effective source of economic resilience.

This investment approach capitalizes on a range of secular trends—including economic development, technological innovation, the energy transition and demographic shifts—to shield portfolios from volatile near-term market cycles, and it offers exposure to industries and companies ideally positioned for sustained growth.

“Resilience is not patience; it is disciplined risk-taking within a clearly defined appetite. It is the deliberate design of strategy to perform across multiple environments, supported by preparedness, strong governance, and the protection of institutional integrity.” says Pierre-Yves Mathonet, Head of Enterprise Risk Management at Mubadala, describing the sovereign wealth fund’s carefully considered approach to investing that powers all-around economic growth while building portfolio resilience.

### → Top “Resilience” Allocations in Private Markets

**72%** Private credit

**66%**  
Infrastructure

**65%**  
Private equity

**43%**  
Real estate

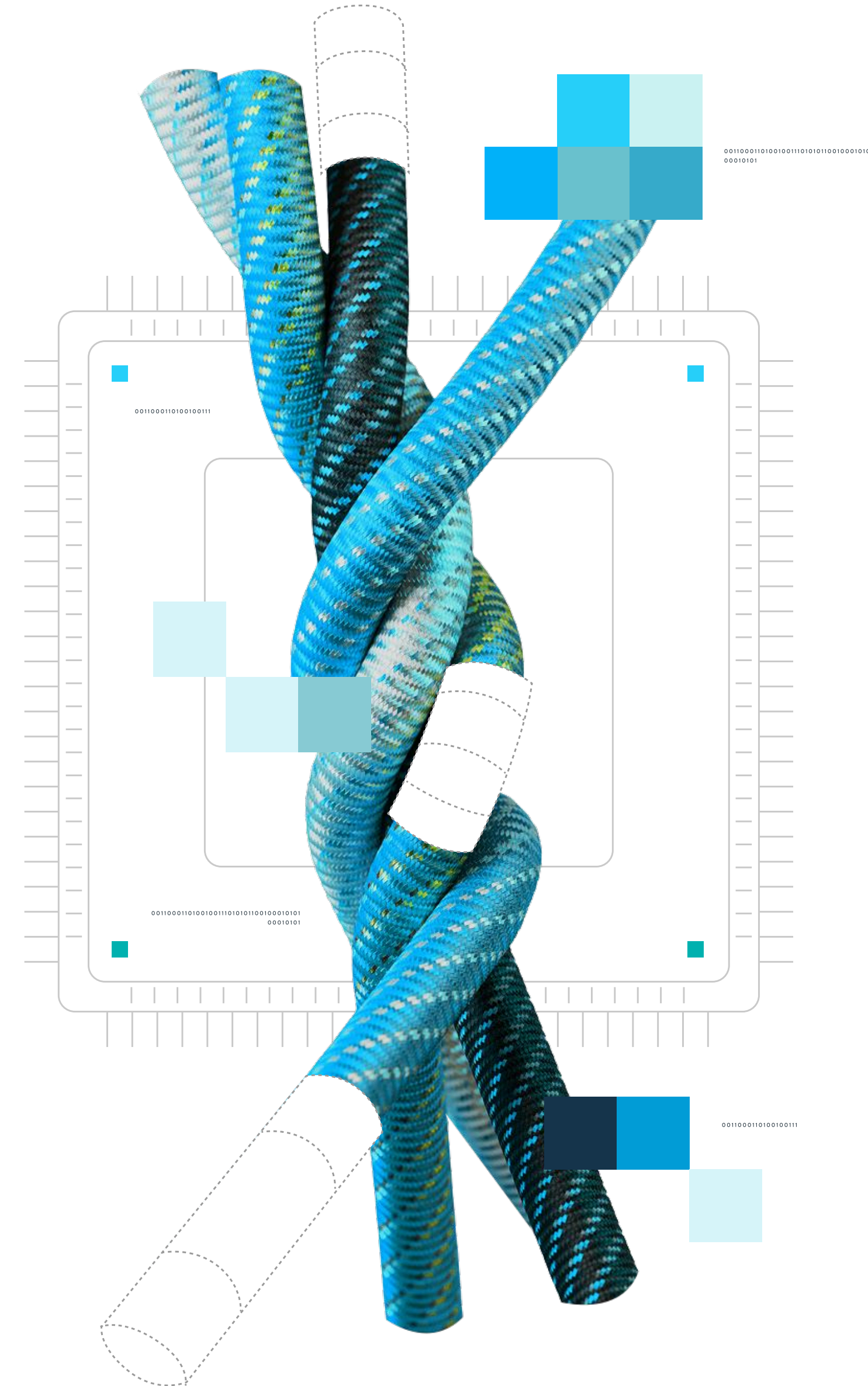
**33%**  
Renewables or  
energy transition  
assets

**21%**  
Natural resources

## CHAPTER - 3

# AI PARADOX

→ Technology, particularly artificial intelligence, is seen as transformative, yet not regarded as a top risk, underlining the growing recognition of AI as a force for change.



Technological risk is seen as the main non-financial influence on resilience, with software and AI being top resilience-focused themes among investors pursuing thematic and emerging strategies. AI is hailed as the biggest long-term driver of resilience (48%).

Many also expect AI to materially impact productivity, returns and workforce dynamics in the next three to five years, with most (60%) looking to support their workforce through retraining and upskilling programs.

Yet only 3% consider AI risk as a critical portfolio risk. For perspective, 6% of investors view extreme weather/climate disruption as a critical risk to their portfolio.

### → Strategies to Strengthen Economic Resilience in the Age of AI Disruption

**60%** Support workforce retraining and upskilling

**42%** Back infrastructure for digital inclusion (e.g., cloud, broadband, data centers)

**41%** Fund regional AI innovation ecosystems (e.g., universities, incubators, research hubs)

**26%** Promote ethical and inclusive deployment of AI tools

**17%** Invest in safety-net innovations (e.g., universal basic income pilots)

**14%** Mitigate local job displacement through capital reallocation



**“Resilience is not about making a lot of money one year and ending up in a valley the next. It’s about aligning with long-term growth areas and staying resilient and performing through cycles.”**

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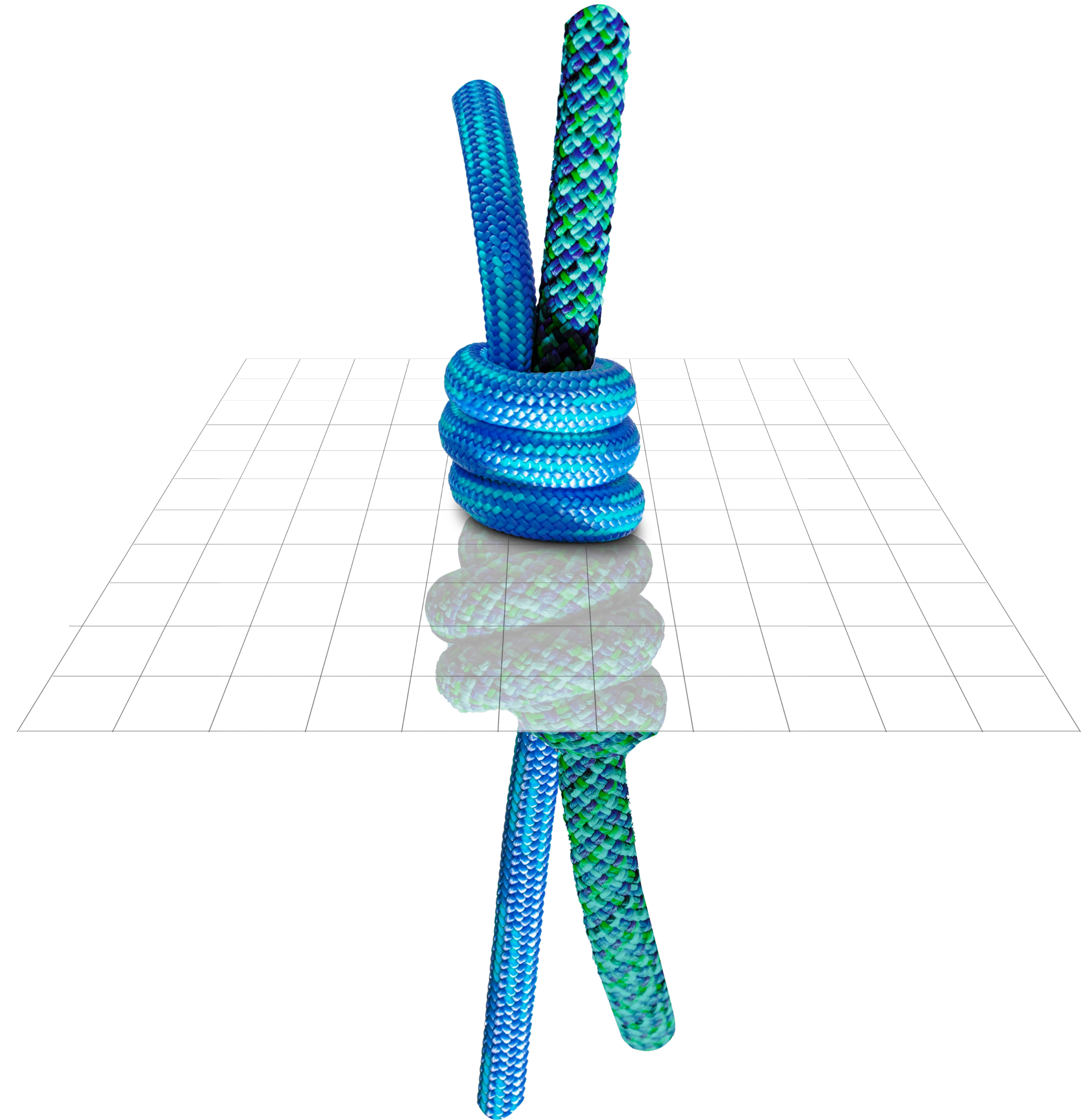
**MARC ANTAKI**  
DEPUTY CHIEF STRATEGY  
AND RISK OFFICER, MUBADALA

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CHAPTER - 4

# MEASURING **WHAT MATTERS**

→ Which metrics are global investors using to assess investment resilience?



Investors are deploying a wide variety of yardsticks, ranging from financial metrics like the Sharpe ratio to considerations like counterparty risk.

The three most popular metrics are the outcomes of scenario analyses and stress tests; capital adequacy levels; and operational resilience strategies such as business continuity planning.

### → Most Important Metrics to Assess Investment Resilience

Scenario analysis or stress test outputs	<b>15%</b>
Capital adequacy	<b>12%</b>
Operational resilience (e.g., business continuity planning, test results)	<b>11%</b>
Drawdown recovery time (half-life)	<b>10%</b>
Drawdown sensitivity (max or peak-to-trough losses)	<b>10%</b>
Liquidity coverage/redemption profile	<b>8%</b>
Sharpe ratio (or other risk-adjusted return metrics)	<b>7%</b>
Non-financial resilience indicators (e.g., ESG, cyber readiness, climate exposure)	<b>6%</b>
Funding ratio stability	<b>5%</b>
Portfolio volatility or standard deviation	<b>5%</b>
Relative performance against peers under stress	<b>5%</b>
Correlation to major indexes during crises	<b>2%</b>
Tail dependency or correlation under stress	<b>2%</b>
Counterparty concentration	<b>1%</b>
Expected shortfall/Conditional value at risk (CVaR)	<b>1%</b>

While a significant majority (87%) of global investors express confidence in their overall resilience strategy, a closer look at the data reveals a crucial tension: Ambition is currently outpacing execution in how these frameworks are applied.

For instance, despite 83% of investors identifying inflation and liquidity tightening as critical to their portfolio strategy (27% consider liquidity as a core metric), the study shows that only 12% define resilience by their access to capital.

However, a change of tack on this front is required to build resilience and to fully capitalize on opportunities when they present themselves. "Protecting liquidity under stress is what turns resilience from defence into optionality," says Mathonet. "It ensures that shocks do not force reactive decisions, but instead preserve the ability to allocate capital, rebalance risk and act deliberately within our risk appetite when others cannot."

As many as 86% of investors are overhauling their portfolio analytics benchmarks, with 50% supplementing traditional metrics with non-financial risk data, and 36% building entirely new bespoke benchmarks—reinforcing Mubadala's view of resilience as an embedded, forward-thinking capability. A small yet significant minority (14%) are re-weighting existing indexes or scorecards to emphasize resilience factors.

Additionally, the concepts of risk and resilience are viewed as multidimensional, being understood through lenses that include macroeconomics, technology, climate, geopolitics and reputation. A significant number of respondents also view regulatory uncertainty (68%) as "most critical."

### → Non-financial Factors Shaping Investors Definition of Resilience

**88%** Macroeconomic risk  
(inflation, debt, growth)

**85%** Technological risk (cybersecurity,  
AI disruption, digital failures)

**66%** Geopolitical risk (e.g., conflict,  
sanctions, trade fragmentation)

**64%** Environmental  
and climate risk

**55%** Reputational  
risk

**44%** Societal risk  
(e.g., inequality,  
demographic shifts,  
labor market  
disruptions)



**“For us, resilience is not just a defensive characteristic,  
but an outcome of disciplined risk structuring.  
When risk is understood, priced and embedded from  
the outset, it becomes a source of compounding value.”**

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**KHALED AL SHAMLAN AL MARRI**  
CEO OF REAL ASSETS, MUBADALA

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CHAPTER - 5

# CAPITAL IN MOTION

→ Where is the global quest for investment resilience taking investors?



Our findings show that the emerging markets of Asia-Pacific are an increasingly attractive option for those who seek to diversify. North America, home to the world's largest economy, follows at a fair remove, and the fast-growing Middle East region takes third place. Trailing behind the top three are Europe, South America and Africa.

Looking at funds moving in the opposite direction, the responses show that Europe is the biggest loser of capital, followed by South America, North America, Africa, Asia-Pacific and the Middle East.

→ Changes to Net Allocations in the Past 12-18 Months (INCREASE)

Asia-Pacific	<b>63%</b>
North America	<b>43%</b>
Middle East	<b>34%</b>
Europe	<b>29%</b>
South America	<b>26%</b>
Africa	<b>24%</b>

→ Changes to Net Allocations in the Past 12-18 Months (DECREASE)

Europe	<b>27%</b>
South America	<b>20%</b>
North America	<b>17%</b>
Africa	<b>14%</b>
Asia-Pacific	<b>10%</b>
Middle East	<b>10%</b>

Asia and emerging markets are the most popular investment themes among global investors considering thematic and emerging asset types to build long-term portfolio resilience over the next 10-20 years.

Other themes that have investors' attention include the Future of Finance, the Energy Transition and Software & AI.

Together, this mix of quantitative and qualitative strategies, including capital reallocation, thematic investing, new fit-for-purpose benchmarks and stress tests, can help investors not just survive, but thrive amid the multitude of global crises, and transform volatility from a threat into a strategic advantage.

"Resilience frameworks exist to improve decisions, not just absorb shocks," notes Mathonet.

### → Most Popular Investment Themes for Building Long-term Portfolio Resilience

Asia and Emerging Markets	<b>58%</b>
Future of Finance	<b>47%</b>
Energy Transition	<b>44%</b>
Software and AI	<b>43%</b>
Security of Everything	<b>34%</b>
Advanced Mobility	<b>33%</b>
Shifting Trade	<b>23%</b>
New and Smart Infrastructure	<b>20%</b>
Health and Wellness	<b>15%</b>
New Living and Consumer	<b>15%</b>
Climate	<b>13%</b>
Advanced Robotics	<b>11%</b>
Space Commercialization	<b>3%</b>

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**CHAPTER - 6**

# RECOMMENDATIONS

Resilience is now the central organizing principle for many of the world's investors. By investing in the creation of robust, durable assets, investors aim to both generate healthy long-term returns and build the resilient ecosystems that underpin them.

As the findings make clear, true resilience requires moving beyond outdated benchmarks and defensive posturing. It is time to embed disciplined risk management and dynamic scenario planning directly into your investment DNA. Review your current portfolio allocations, and begin transitioning toward a forward-thinking framework that transforms global volatility from a systemic threat into an advantage.

# Strategic Next Steps:

## → Rebalance the Portfolio and Strengthen Cash Reserves:

Shift focus to “resilience first” sectors such as infrastructure and renewables, and to counter-cyclical investment opportunities, to protect portfolios from near-term volatility and align with long-term growth areas. Hold higher levels of cash to absorb stress, preserve operational freedom and seize opportunities during turbulent times.

## → Overhaul Risk Metrics and Hedging Strategies:

Move beyond traditional financial benchmarks by incorporating scenario analysis, stress-testing and non-financial indicators (such as technological and climate risks) into regular portfolio assessments. Place more emphasis on hedging strategies to protect against currency, interest rate and inflation risks.

## → Capitalize on AI as a Value Driver:

Treat technological disruption as a strategic advantage, rather than a risk, by investing in digital inclusion infrastructure, regional AI innovation ecosystems and workforce retraining programs.

## → Geographic Diversification:

Evaluate geographic exposure to capture growth in Asia-Pacific and emerging markets, which global investors recognize as key avenues for building long-term portfolio resilience.

## → Adopt a Three-Dimensional View:

Build resilience across three specific dimensions: strategy, portfolio and the institution.



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