

SUMMER 2026

# QUILTER CHEVIOT BRIEFING



FEATURED:



INVESTMENT MANAGEMENT | FINANCIAL PLANNING

# WELCOME



A quick glance at the contents page and you might struggle to see a standout theme for the latest Quilter Cheviot magazine. After all, what could possibly link topics as diverse as China, the oil price, consumer goods companies, Q&A with the Professional Squash Association, and insights from a leading financial psychotherapist? The answer is one that applies to all our publications: continuous learning.

“Nothing has served me better in my long life than continuous learning”. So said the late Charlie Munger. Just like his long-time business partner Warren Buffett, Charlie Munger offered up plenty of words of wisdom during his long and successful investing career. The financial landscape in which we find ourselves is constantly evolving. It follows that investors should evolve with it too. Continuous learning is key to this.

Our analysts’ trips abroad can be viewed as a form of continuous learning, finding out information that is just not possible from our office. In this edition you can read how Carly Moorhouse, Fund Research Analyst, set out to build a 360-degree view of China.

Chris Beckett, Consumer Staples Analyst, has also been on his travels, to Orlando Florida to attend an annual gathering of global consumer staples businesses. While this sector might not have the stardust of artificial intelligence (AI) stocks, there is more to the sector than meets the eye, as Chris points out.



**John Goddard**  
Chief Executive Officer  
Quilter Cheviot

Speaking of AI, the technology is one reason why sustainable investors ought to feel positive for the future, according to Claudia Quiroz, Head of Sustainable Investment. A reminder that the potential to generate high returns and a focus on sustainable investing are not mutually exclusive.

Heightened volatility in the oil price has been a hot topic lately and Maurizio Carulli, Global Energy and Materials Analyst, offers his expert opinion as he discusses recent events in and around the Strait of Hormuz.

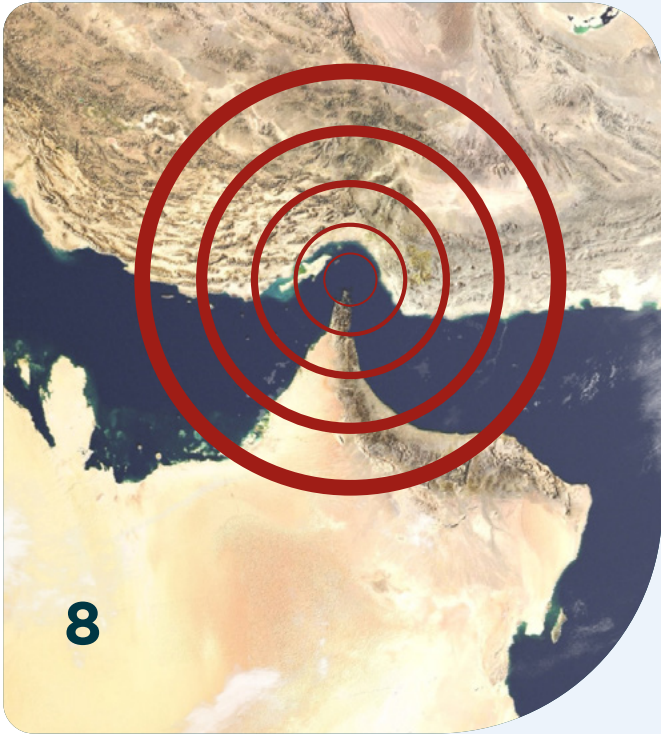
In ‘How to improve our relationship with money’, financial psychotherapist Vicky Reynal discusses how our attitudes towards money are formed and, importantly, what we can do to change these for the better.

Financial literacy plays a key role in our relationship with money. Improving literacy rates lies at the heart of the Quilter Foundation’s mission to create brighter financial futures for every generation. Foundation head Jennifer Piper provides a real-life example of how our charitable arm goes about delivering on its mission.

Alex Gough, CEO of the Professional Squash Association, sat down with us for a fascinating conversation about the latest developments in the sport and what inclusion in the 2028 Olympics could mean going forward.

Finally, it’s the turn of our Head of Technical David Denton to name his top ‘Page turners & podcast picks’. David reveals the sources he uses to keep on top of the increasingly complex and ever-changing world of personal finance. Getting useful tips from experts such as David is, of course, another way we can all further our financial education.

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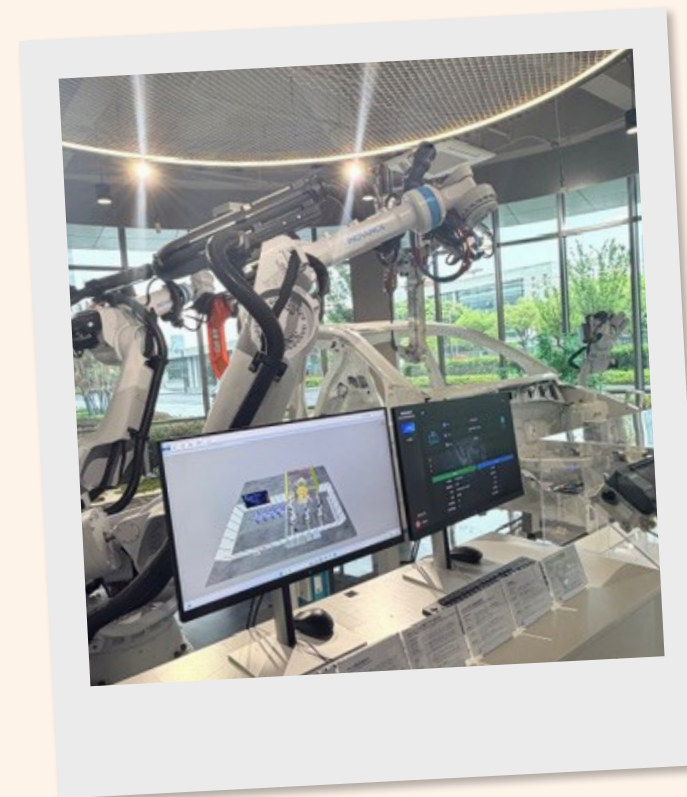


# CHINA REVISITED



**Carly Moorhouse**  
Fund Research Analyst  
Quilter Cheviot

Having visited China just 12 months ago, one thing that really stood out to me this time was how much the mood on the ground had shifted. The previous trip had felt somewhat subdued. Despite a more positive trajectory, the economy was clearly still finding its footing after a difficult period. In contrast, this visit was noticeably more positive; there was a renewed sense of momentum. Cities felt more vibrant, businesses more confident, and conversations far more forward-looking. While challenges clearly remain, the change in sentiment was tangible, suggesting that beneath the surface, China is regaining some of its dynamism.



## A 360-degree view

To build a genuine picture of what is happening in China today, our trip deliberately went beyond the usual polished narratives of tier-one cities. While we spent time in major hubs such as Shanghai and Shenzhen, we also travelled to lower-tier cities like Hefei and Suzhou, where much of the country's industrial transformation is quietly taking place. The itinerary was designed to give us a 360-degree view of the economy – from corporate meetings and factory tours to focus groups exploring local business and government priorities. We visited busy shopping districts to gauge consumer sentiment firsthand and assessed the mix of domestic versus foreign brands across different categories. Crucially, we also met companies spanning a wide range of industries, including a leading biotech contract research organisation, a private hospital, a semi-conductor equipment manufacturer, a commercial bank, and a robotics company. One memorable visit being to a fast-food chain that is fully vertically integrated, even owning its own chicken farms. Yes, we visited the chicken farm and no, I will not forget it in a hurry! Together, these experiences provided a far more grounded and nuanced understanding of China's evolving economic landscape.

## Tariffs, what tariffs?

One year on it is clear that tariffs have done little to disrupt China's position as a global export powerhouse – something that was consistently highlighted by the analysts I spoke to during my visit just before Liberation Day last year. Despite ongoing trade tensions, China reported a record trade surplus last year, underlining the resilience of its export model. This has been achieved through diversification. While exports to the US have faced headwinds, China has successfully expanded its reach into other regions, including Southeast Asia, Latin America, and Africa. The result is an economy that remains deeply embedded in global supply chains, regardless of bilateral trade dynamics. For investors, the implication is straightforward: China cannot simply be excluded, because its role in global manufacturing and trade remains both significant and, in many cases, indispensable.

## Did you know?

Electric vehicle manufacturer BYD's biggest markets outside of China are here, in the UK, and Brazil.



## From innovation to application

One of the most striking observations from my trip was not just how innovative China has become, but how quickly that innovation can be translated into real-world capacity. The country combines a deep pool of highly skilled engineers and technicians with sheer scale, allowing ideas to move from concept to production far quicker than in most developed markets. There is a clear sense that when something is prioritised, it simply gets done. We all heard about it during Covid-19 when fully operational hospitals were erected in Wuhan in a matter of days. However, I saw this firsthand myself when visiting a company that others on our trip had toured just six months earlier. In that short space of time, an entirely new, fully automated factory had been constructed and was already operational. It is hard to overstate how unusual that would be elsewhere. This ability to rapidly build and scale up is a powerful competitive advantage, one that underpins China's leadership across many of the advanced manufacturing themes we are seeing today.

## Functionality over perfection

Another area where China is rapidly gaining ground is in humanoid robotics, but interestingly, the approach differs from some of the more ambitious visions seen elsewhere. Rather than focusing solely on highly complex, general-purpose humanoids, Chinese companies are prioritising practicality – developing robots capable of performing relatively simple, repetitive tasks in industrial settings. These machines are designed to handle the kind of menial, labour-intensive work that is increasingly difficult to staff, whether in factories or warehouses.

This focus on functionality over perfection is important. Unlike fixed automation systems – such as traditional robotic arms embedded in production lines – humanoid and semi-humanoid robots offer a level of flexibility that allows them to operate across multiple environments and tasks. They can be redeployed as needed, making them particularly well suited to dynamic manufacturing processes and logistics operations.

### Did you know?

Some humanoid robots in China are capable of changing their own batteries.



The economic rationale is equally compelling. China is facing a structural labour challenge, with an ageing population and a shrinking workforce putting pressure on productivity. Humanoid robots provide a scalable solution, helping to offset labour shortages while maintaining industrial output. As with electric vehicles, China's dominance in key parts of the supply chain, particularly rare earth materials, where it controls the majority of global production and processing, gives it a significant cost advantage. As a result, these robots can be produced more efficiently and deployed at scale, reinforcing China's leadership in this emerging industry while addressing one of its most pressing demographic challenges.

## Labubu!

Consumption patterns in China have also evolved in a way that differs meaningfully from Western markets. Prior to Covid-19, the buzzword around Chinese consumption was 'Premiumisation', but today that has changed. Spending is increasingly driven by emotion and perceived personal value, rather than purely by brand prestige or global trends. Consumers are asking themselves whether a product genuinely brings them joy or meaning, rather than simply signalling status. Pop Mart is a perfect example. It became a global sensation last year thanks to its Labubu character, but in the West the hype quickly faded, leading many to dismiss it as a passing trend. However, the reality on the ground in China tells a different story.



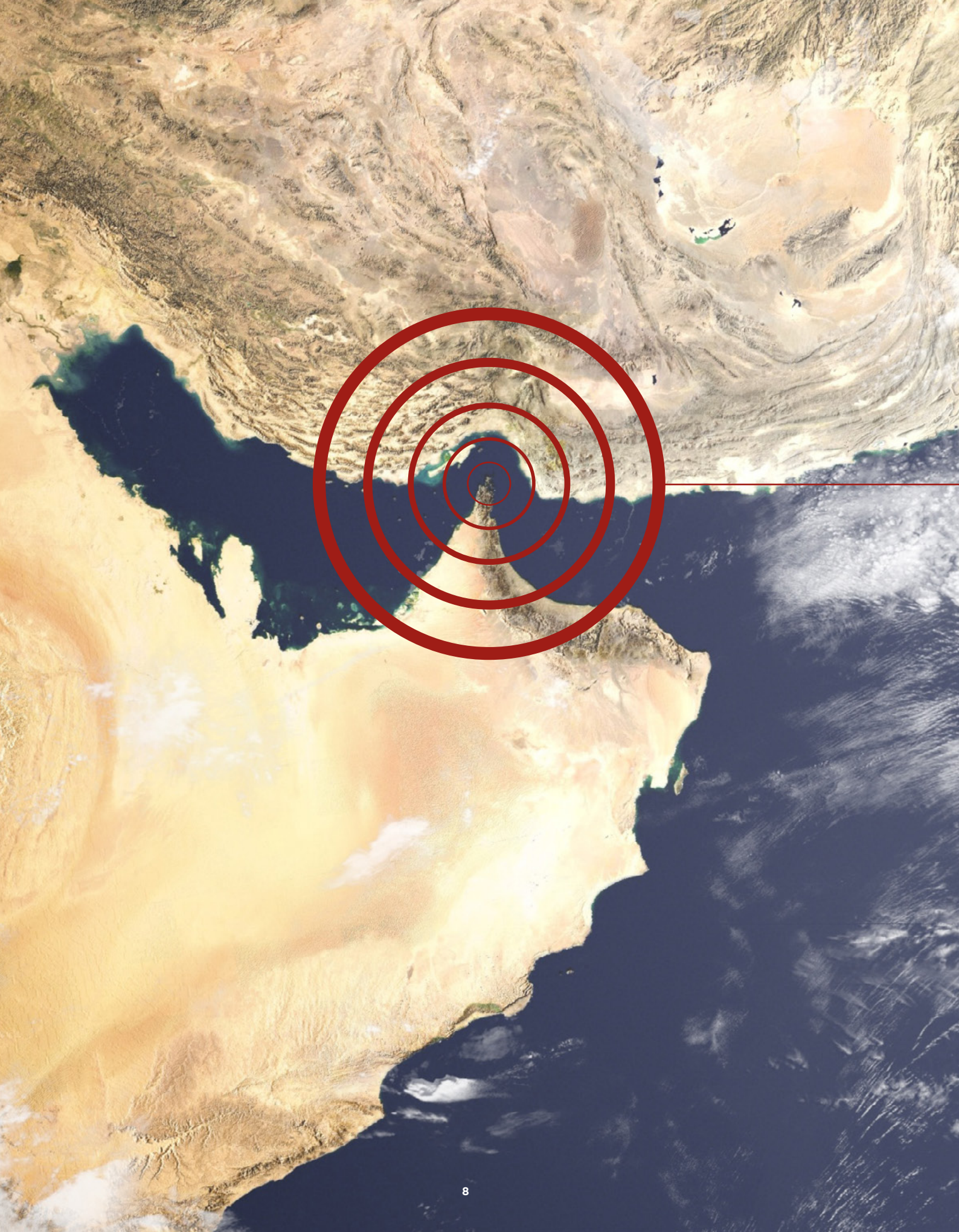
When I visited its flagship store in Shanghai, it was so crowded it was difficult to move, clear evidence that domestic demand remains exceptionally strong. This highlights an important distinction: success in China does not depend on global appeal. With a population of 1.4 billion people, companies can thrive by deeply resonating with local consumers, even if the trend itself doesn't travel. This shows how it's easy to have the wrong perception of something based on what we are seeing over here, but on the ground in China it can be a very different story.

## Full of energy

Recent tensions in the Middle East have raised concerns among investors about the potential knock-on effects for Asia, and especially China as a major importer of oil from the region. However, what stood out during my trip was how little concern this generated among the companies we met. The reason lies in how significantly China's energy mix has evolved over time. While the country was once heavily reliant on imported fossil fuels, it has spent years diversifying its energy sources, with renewables and nuclear now making up an increasingly large share of electricity generation. This shift reduces vulnerability to external shocks in global oil markets and provides a greater degree of energy security. Crucially, China has not only adopted renewable energy at scale domestically, but has also positioned itself as the global leader in the space. Its dominance across the supply chain, from solar panels to battery storage, is underpinned by strong government support, coordinated industrial policy, and sheer manufacturing scale. As a result, while geopolitical instability may still influence sentiment, the reality on the ground is that China is far better insulated than many expect, and increasingly in control of its own energy future.

## An improving trend

A resilient export model, cutting-edge innovation, strong domestic demand, and a relatively high degree of energy security, all help explain the renewed sense of momentum in China. 12 months ago, the watchword was 'subdued'. This year it is 'momentum'. The question is, where will China be in 12 months' time?



# A COMPASS TO NAVIGATE THE STRAIT OF HORMUZ EVENTS

Most readers will know that the effective closure of the Strait of Hormuz in recent months has had a significant impact on the oil price and the energy sector. This is because about 20% of world oil transits through the strait.

Obviously, this is not the first energy crisis that the world has experienced. Not too distant memories are the Yom Kippur War in 1973 between the Arab states and Israel, the Iran-Iraq war in the 1980s, the invasion of Kuwait by Iraq in 1990, and the invasion of Ukraine by Russia in 2022. With all these military events there was an associated 'supply shock' (ie some of the world's oil production was temporarily reduced). However, it was never as high as the 20% experienced in recent months. During the 1973-74 Arab oil embargo, the supply deficit was only 8%.

## Why the oil price didn't go higher

By the end of April 2026, the oil price rose to USD\$118 per barrel, double the USD\$60 per barrel at the beginning of this year. The price fell back to around USD\$73 per barrel at the end of June, after a memorandum of understanding was signed between the US and Iran. Since then, oil prices have increased above USD\$80 per barrel at the beginning of August, due to the restart of some hostilities in July. So, why did oil prices not increase by much more, as most energy analysts would have expected, given the extent of the oil supply reduction?

## There are three main reasons:

1

Saudi Arabia was able to redirect a significant portion of its oil production loading for export from the Persian Gulf to the Red Sea. This was possible thanks to the East-West pipeline that they built with foresight after the 1990 invasion of Kuwait by Iraq, precisely to prevent the impact of a possible future Strait of Hormuz closure.

2

When the Iran war started, the world had a large amount of strategic oil reserves and commercial inventories. For example, China, which is the largest importer of oil in the world (over 11 million barrels per day), significantly decreased its purchases of oil in recent months, using reserves and inventories instead, to avoid paying for expensive new oil imports. On the other side, the US massively increased its oil exports, albeit without increasing its domestic production significantly, again using strategic oil reserves and commercial inventories. Of course, strategic oil reserves and commercial inventories are now depleted, and if the Strait of Hormuz does not fully reopen, ultimately the energy markets might start to experience physical constraints in the near future.

3

The world economy has halved its 'energy intensity' (ie the amount of energy needed to produce a unit of output) since the 70s. Furthermore, with two energy crises in recent history (invasion of Ukraine and Iran war), the world has learnt to cope better with energy shocks and to use less energy, at least temporarily.



## The war's long-term effects

The Iran war is likely to bring several long-term consequences for energy markets. In particular:

- The importance of Opec (Organisation of the Petroleum Exporting Countries) in influencing oil prices will likely decrease, and, at the same time, the importance of the US in the energy markets will continue to increase. Additionally, the recent departure of the UAE from Opec, might be followed by other members too.
- In order to enhance energy security, both OECD (Organisation for Economic Co-operation and Development) and non-OECD countries are likely to keep higher levels of strategic oil reserves and commercial inventories in the future, as well as look to diversify their imports geographically.
- Renewables will likely continue to increase their share of global electricity production, given their ability to strengthen energy independence, being locally produced. Both solar and wind power will likely expand further. Less developed renewable energy sources such as geothermal might receive more impetus.
- In Asia, the use of thermal coal might continue to rise for the time being, given it is domestically produced and, again, provides energy independence, albeit at a cost of higher CO<sub>2</sub> emissions.
- Persian Gulf countries will continue to invest in energy infrastructure (oil pipelines, terminals, etc) that allow them to export oil via routes bypassing the Strait of Hormuz.

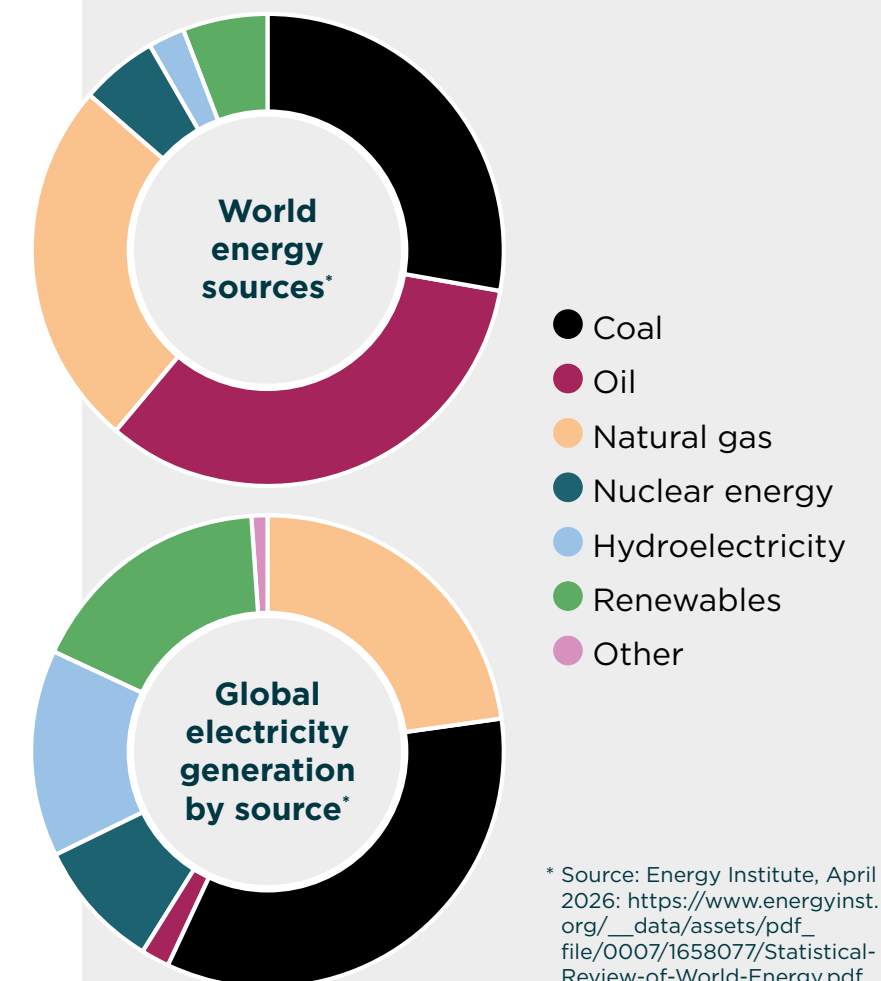
Assuming the number of oil tankers transiting via the Strait of Hormuz returns to normal levels, several months will still be needed to return to the pre-war balance in the global energy system.



Source: Nasa

## It's not just oil and gas

Lastly, it's worth mentioning that the closure of the Strait of Hormuz affects not only hydrocarbons exports, but also fertilisers, aluminium, and chemical products. For fertilisers, since a third of global production passes through the Strait of Hormuz, and given there are no significant strategic reserves and commercial inventories, some negative impact on crop production after the summer is likely. Combined with El Niño effects, this may well result in agricultural commodities price rises after the summer.



\* Source: Energy Institute, April 2026: [https://www.energyinst.org/\\_\\_data/assets/pdf\\_file/0007/1658077/Statistical-Review-of-World-Energy.pdf](https://www.energyinst.org/__data/assets/pdf_file/0007/1658077/Statistical-Review-of-World-Energy.pdf)

## POSTCARD FROM ORLANDO

# CONSUMER STAPLES, A SECTOR FOR THE TIMES?

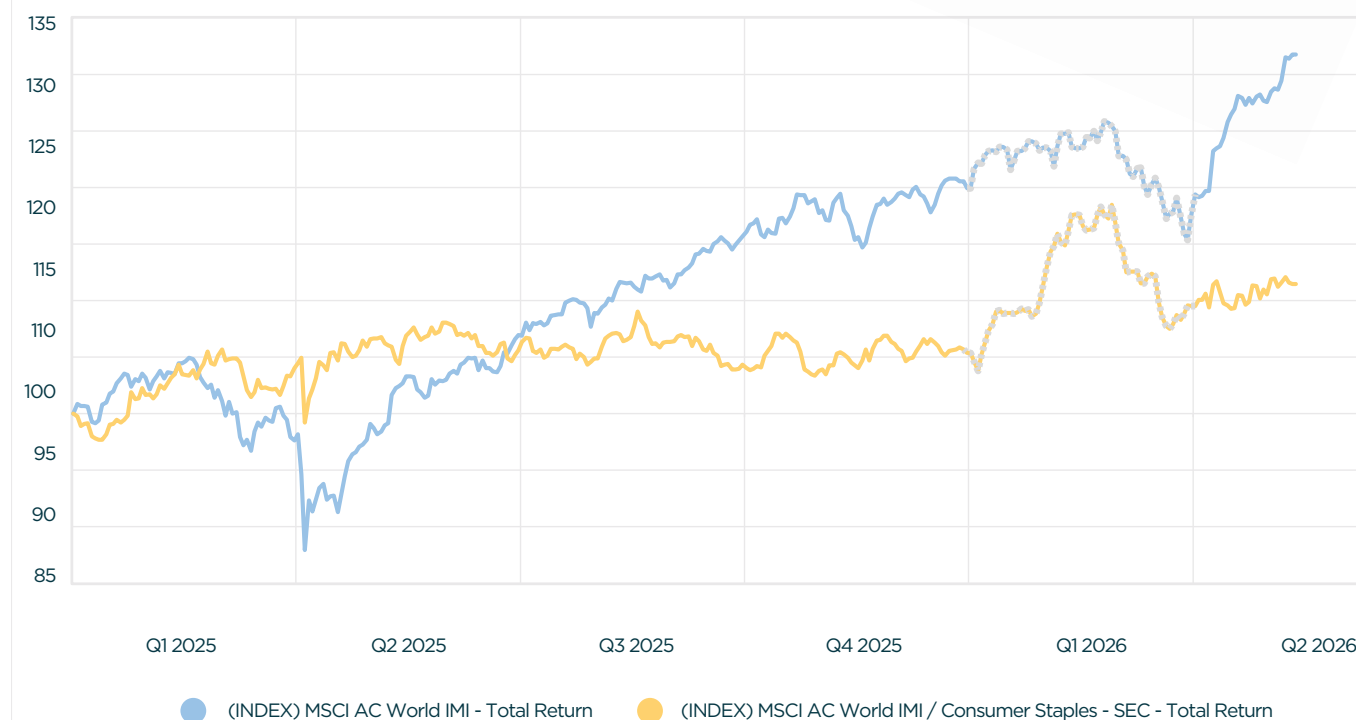


**Chris Beckett**  
Consumer  
Staples Analyst  
Quilter Cheviot

Did you know Orlando, Florida gets around 230 days of sunshine each year? Perhaps that explains why Signia Bonnet Creek, Orlando was chosen by the Consumer Analyst Group of New York (CAGNY) to host its 2026 gathering of global consumer staples businesses in February – the average temperature for the month is 22–24°C. For the sector has had a tough time of it in recent years, significantly underperforming the wider market. What better way to lift the spirits than a spot of winter sun?

In the event, a dollop of sunshine was not required as consumer staples enjoyed a strong start to the year, comfortably outperforming the market in January and February.

In a period of heightened geopolitical tensions, growing concerns over the disruptive threat of artificial intelligence (AI) and ongoing cost-of-living pressures, it's easy to see why consumer staples found themselves in demand. A sector for the times then?



Source: LSEG DataStream, Quilter Cheviot Limited, May 2026. Past performance is not a reliable indicator of future performance.

## Back to basics

Put together a word cloud on the consumer staples sector and chances are ‘defensive’ and ‘low growth’ would be among the most prominent. And for good reason too, after all, we need to eat, drink, clean, and, in some cases, smoke, come what may. Because of this, demand tends to hold up throughout the cycle. Consumer staples offer protection against inflation too. Cost increases are typically passed on to the consumer.

**All-weather products + inflation protection = defensive.**

Stable demand over the cycle does mean consumer staples businesses struggle to match top-line growth rates found elsewhere. There is only so much food and cleaning products a consumer needs to buy. Hence the low-growth tag.

**Stable demand = low growth**

## A simple financial model

Faced with low volume growth, consumer staples companies have historically focused on squeezing as much as possible out of every sale. They do this by increasing prices, moving up the premium product curve, expanding margins through tight cost control and efficiency gains, and innovating when it comes to advertising and promotion (A&P).

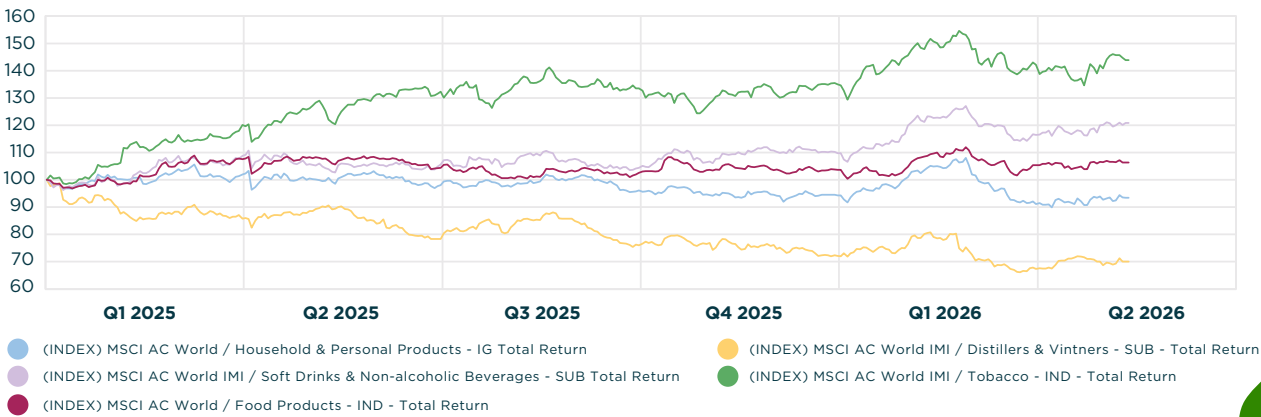
Low sales growth can morph into decent total shareholder returns by:

- increasing operating margins so that adjusted operating income growth outstrips net sales growth
- repaying debt or conducting share buybacks, so that adjusted EPS (earnings per share) growth exceeds adjusted operating income growth
- growing earnings and paying dividends so that total shareholder returns grow faster than EPS.

Cue a higher share price rating. That’s the theory. The reality is much more nuanced.

## A non-homogenous sector

One reason for this is that the sector is made up of several subsectors. Food producers, soft drinks, spirits, and tobacco companies, all are consumer staples businesses. All share a common quality: consumers cannot do without their products. The various subsectors, however, have different dynamics driving them. Because of this, relative performance at the subsector level can vary widely.



Source: LSEG DataStream, Quilter Cheviot Limited May 2026. Past performance is not a reliable indicator of future performance.

Between January 2025 and February 2026, tobacco stocks posted a +51% gain while spirits companies nursed a 20% loss. So much for tobacco being low growth, at least in shareholder-return terms. And so much for spirits companies being defensive.

## Shifting dynamics

The disparity in performance can be put down to a shifting consumer and macroeconomic environment. On the one hand, consumer habits and preferences are changing – more of us are focused on wellness, healthy eating, experiences, and multicultural flavours; on the other hand, the macroeconomic landscape is volatile – heightened geopolitical and global trade tensions, cost-of-living pressures, and technological disruption.

Consumer staples, like all businesses, face a changing market environment, but different subsectors are more exposed to certain drivers than others, creating winners and losers within the wider sector.

Take emerging markets, long viewed as a source of growth for consumer staples companies. This is largely down to the stellar growth seen in households’ disposable incomes. Higher disposable incomes equal more money to spend on snacks, drinks, and cleaning products.

Emerging markets therefore represent a structural growth opportunity for the sector, one that requires a different playbook to the premiumisation and category expansion strategies deployed in developed markets. Instead, the focus is on increasing market penetration and creating new product categories.

Unsurprisingly, many companies have high emerging markets exposure: Reckitt Benckiser (40%), Mondelez (40%), Coca Cola (50%), and Unilever (60%+). The high exposure is working too, with many of these companies reporting mid-to-high single-digit organic revenue growth from emerging markets.

### Did you know?

In 2004, there were 245 million USD\$25k+ households in North America and Europe combined, and 98 million in emerging markets. Fast-forward 20 years, in 2024 there were 304 million USD\$25k+ households in North America and Europe, but 316 million in emerging markets (source Euromonitor and Reckitt Benckiser).

### Did you know?

Mondelez estimates total snacking sales in emerging markets are set to grow to USD\$500 billion by 2030, more than double the USD\$220 billion sales in 2020 (source Euromonitor).

# Low spirits

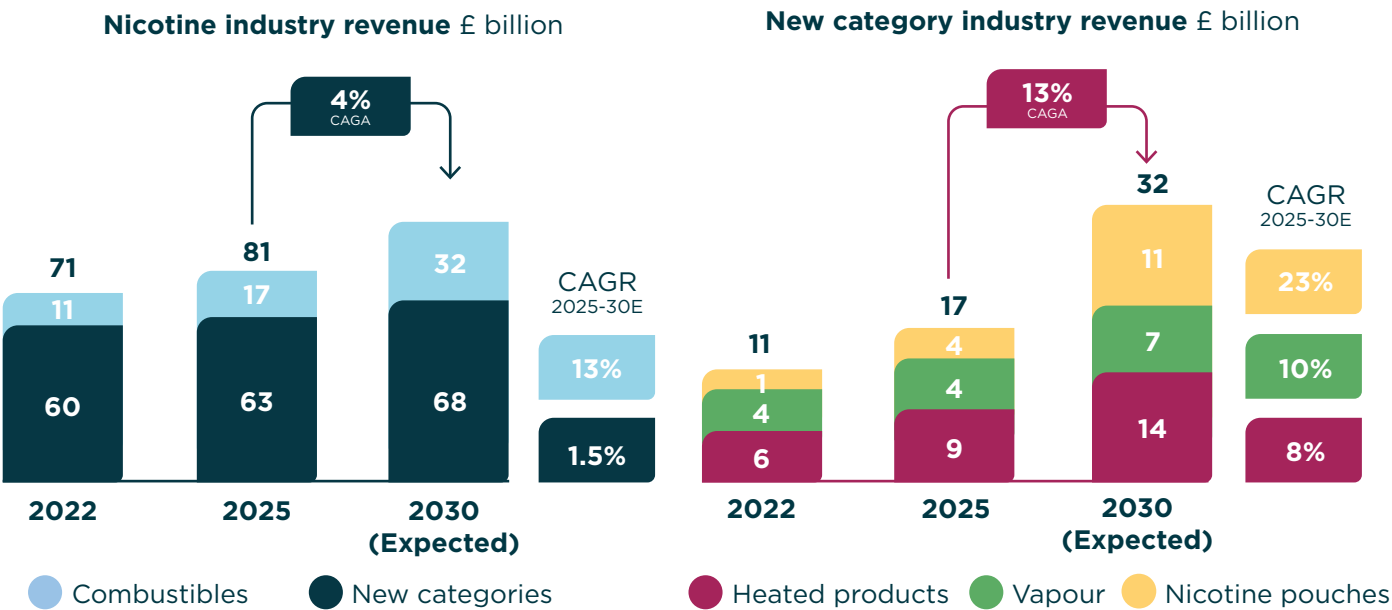
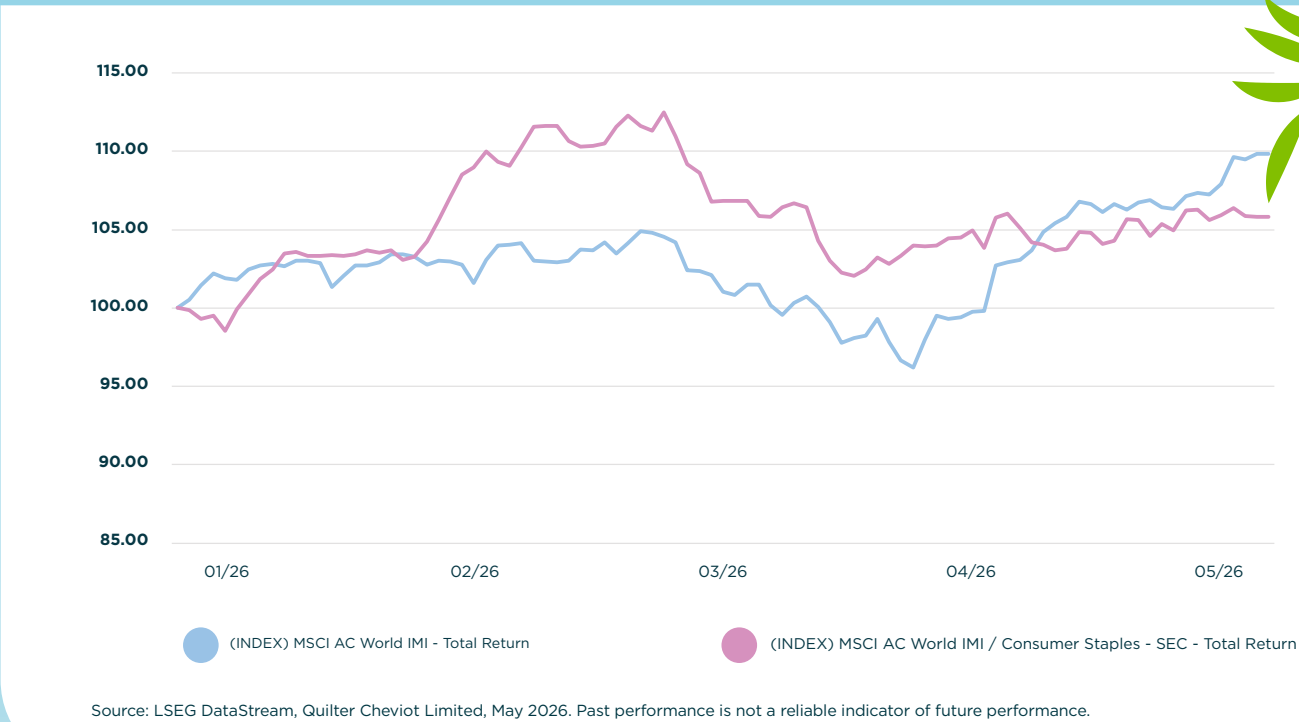
Alcoholic beverages companies are also exposed to the emerging markets growth story. And yet, as shown above, the subsector has significantly underperformed not just the market but the wider consumer staples sector too.

A number of factors are at play here: a decline in alcohol consumption among younger generations; consumers trading down in response to cost-of-living pressures; and the rise of non-alcoholic beverage alternatives. Together, these have dulled the emerging markets growth story. The result? Alcoholic beverages companies have suffered a de-rating, moving from a 20+ times earnings multiple, to one in the mid-teens today.

# A smoking sector

And then there is tobacco, a subsector vulnerable to healthier living choices. Yes and no. True, the number of tobacco users fell from 1.38 billion in 2000 to 1.2 billion in 2024 according to **the World Health Organisation (WHO)**<sup>1</sup>. Despite this, one in five adults remain addicted to smoking tobacco. Still, the declining trend is clear. Cigarettes are not the only game in town though. There are other smoke-free ways for consumers to get their nicotine hit, such as heated products, vaping, and nicotine pouches. And these new categories are growing fast.

With new categories forecast to grow at a 13% compound average growth rate (CAGR) between 2025-2030, compared to 1.5% for combustibles (primarily via price rises), getting smokers to switch to smoke-free products is a key focus. The combination of hiking cigarette prices and smoke-free growth has consistently generated mid-to-high single-digit revenue growth which in turn has helped fund generous shareholder returns via dividends and buybacks. It's a recipe that has enabled tobacco stocks to beat most all comers recently.



Source: British American Tobacco p.l.c: [https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/investor-presentations/BAT\\_CAGNY\\_2026\\_Presentation.pdf](https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/investor-presentations/BAT_CAGNY_2026_Presentation.pdf)

<sup>1</sup> <https://www.who.int/news/item/06-10-2025-who-tobacco-trends-report-1-in-5-adults-still-addicted-to-tobacco#:~:text=Note%20to%20editors,short%20by%2050%20million%20users.>

# AI-proof?

Tobacco's outperformance might also be down to the subsector being regarded as AI-proof. After all, AI-bots promise to do many things, but smoking on behalf of their human companions will not be one of them. The same is true for the overall consumer staples sector. Humans will continue to need food, drink, and cleaning products.

AI therefore does not represent such a disruptive threat as it does for a host of other sectors. Instead, AI is viewed as an opportunity. By deploying the technology on complex tasks such as product development, consumer targeting, procurement, and forecasting, AI promises to help grow sales and profits. Reckitt's for example believes AI has sped up concept generation by 70%. On balance, the consumer staples sector looks set to be an AI beneficiary.

# A sector for the times?

Of course, a lot has happened since the February conference. Soon after, war broke out in the Middle East which, along with the subsequent closure of the Strait of Hormuz shipping channel, threatened a global inflationary and growth shock. At the same time, renewed enthusiasm for all things AI has seen a resurgence in the tech sector. Despite this, consumer staples have largely kept pace with the wider market year-to-date. Understandable given the level of uncertainty that currently prevails.



Protection against the economic cycle, a hedge against inflation, structural growth drivers, a potential AI-beneficiary, all are what you would look for in a sector for the times in today's world. And because of this, the sun could well continue to shine on consumer staples for a good while longer. Until next time Orlando...

# FINDING SUSTAINABLE OPPORTUNITIES IN A VOLATILE WORLD



**Claudia Quiroz**

Head of Sustainable Investment

Quilter Cheviot

The world around us is changing quickly, and this naturally shapes the way we think about investing. Periods of geopolitical tension often make us hesitant. Buying equities at the onset of a conflict, such as the recent war in Iran, can be a difficult decision to make. But for long-term investors, especially those with an interest in sustainability, there are plenty of reasons to feel optimistic. We've identified three below:

## 1. Energy transition

One of the most encouraging trends in sustainable investing is the continued global shift towards cleaner energy. Countries want to reduce their reliance on fossil fuels and strengthen their own energy security. This is driving record investment into wind, solar, and energy-efficient technologies. The numbers are large. USD\$2.3 trillion was invested in the energy transition globally in 2025, according to BloombergNEF's (BNEF) latest **Energy Transition Investment Trends**<sup>1</sup>, an 8% increase on the previous year. At USD\$893 billion, electrified transport saw the largest investment followed by renewable energy at USD\$690 billion.

The recent war in the Middle East has served as a reminder for why this transition is so important. In response to the closure of the Strait of Hormuz, a vital shipping channel through which around a fifth of pre-conflict global oil and gas production passed, the International Energy Agency (IEA) co-ordinated the release of a record 400 million barrels of strategic oil reserves in an effort to stabilise energy markets. Developments such as these have pushed energy security to the forefront and highlight the vulnerability of the fossil fuel supply chains and the urgency of transitioning to renewable local sources. In line with this, initiatives around the world are being launched – the European Union's (EU) AccelerateEU Communication, announced in April 2026, is one such initiative.

### AccelerateEU Communication<sup>2</sup>

In response to the Middle East conflict and its ongoing disruption to global energy markets, the Communication is focused on strengthening the EU's energy resilience.

The Communication notes how those EU countries with higher renewable/nuclear power in their overall energy mix, sufficient capacity and storage, and flexible grid systems have, on the whole, been less impacted by the energy price shock unleashed by the war. Clean energy is therefore seen as integral to efforts to strengthen EU energy resilience: "The clean energy transition is an economic, competitiveness, and security imperative that will require strong commitment from all parties involved, close coordination, and increased investment."

"The need for transition is not new, but it must be significantly accelerated in view of the geopolitical realities of the conflict in the Middle East." AccelerateEU Communication<sup>2</sup>

## 2. Artificial intelligence (AI)

Technology is also playing a central role in shaping a more sustainable future. AI, for example, is enabling energy optimisation and emissions reduction across many sectors of the economy. We are seeing strong demand for AI from smarter grids and emissions tracking to climate-resilient infrastructure.

Yet it is not all one way. Ask Google for an overview of the technology's impact on carbon emissions, and the AI-generated response is: "AI's impact on carbon emissions is a complex issue, with AI both contributing to and potentially mitigating climate change". That's because AI is energy-hungry too. Think of all those data centres being built to train the large language models (LLMs) being developed.

So, while AI solutions can enable wider economic efficiencies and innovations that reduce emissions – AI services aid in designing next-generation solar panels, optimising power grid distribution, and reducing the carbon intensity of cement production – it is important to understand the entire value chain.

Encouragingly, the AI industry is taking action. Companies pivotal to AI expansion, particularly cloud hyperscalers, have set ambitious decarbonisation plans: Microsoft aims to be carbon negative by 2030; while Alphabet is targeting net zero emissions across all operations and value chain by 2030. These goals will be challenged by the energy demands of AI, but 62% of major data and AI operators are investing directly in renewable energy sources. As a result they expect to be able to self-generate clean power by 2027, according to a study carried out by KPMG: AI's dual promise: **Enabling positive climate outcomes and powering the energy transition**<sup>3</sup>.

Big tech groups including Alphabet, Amazon, and Microsoft have announced plans to spend USD\$725 billion on AI in 2026.

Quantifying AI's overall impact on climate change is difficult, but the IEA predicts that widespread adoption of AI technology by 2035 could lead to global emissions reductions that would be three times larger than total data centre emissions even after accounting for a significant increase in such facilities (Energy and AI: IEA special report, International Energy Agency, April 2025).

"By 2030, AI will consume more electricity than Japan yet eliminate 3–5 billion tons of CO<sub>2</sub>. That paradox represents humanity's best climate opportunity." (KPMG)

## 3. Social and financial inclusion

Beyond technology and energy, demographic changes are creating new long-term opportunities. Populations are ageing, particularly in developed markets, which supports demand for healthcare innovation. At the same time, around 1.3 billion adults worldwide still lack access to basic financial services, disproportionately affecting women and low-income households. Meanwhile, 65% of adults in low-income economies do not have access to a basic transaction account, according to **the World Bank Group**<sup>4</sup>.

Once again, these are eye-catching numbers, but there are companies working to improve financial inclusion. And while these companies are helping people build health and financial resilience, they are also tapping into fast-growing markets.

"The large unmet need for credit from micro, small, and medium enterprises (MSMEs) in developing economies is estimated to be in the trillions of dollars." (The World Bank Group)

### Trillion-dollar opportunities

The energy transition, AI, and social and financial inclusion all represent multi-year trillion-dollar opportunities. All highlight how, in today's volatile world, a sustainable investment approach can help investors focus on companies that are adapting to complex supply chains and contributing positively to society. These businesses tend to be better managed, more forward looking, and aligned with structural drivers, thereby offering the potential for sustained growth over the long term.

By staying diversified, patient, and purposeful, investors can target attractive long-term returns while supporting the transition to a more sustainable global economy, even when the short-term outlook is volatile and uncertain.

1 <https://about.bnef.com/insights/clean-energy/bloombergnef-finds-global-energy-transition-investment-reached-record-2-3-trillion-in-2025-up-8-from-2024/>

2 [https://energy.ec.europa.eu/strategy/accelerateeu-strengthen-eu-energy-resilience\\_en](https://energy.ec.europa.eu/strategy/accelerateeu-strengthen-eu-energy-resilience_en)

3 <https://assets.kpmg.com/content/dam/kpmgsites/xx/pdf/2025/11/ai-dual-promise-report.pdf>

4 <https://www.worldbank.org/ext/en/topic/financial-sector/financial-inclusion>

# QA

## Road to LA Olympics 2028:

after decades of campaigning, squash has finally secured its place at the Olympic Games. Its debut at Los Angeles 2028 is a landmark moment not just for the sport, but for the global squash community and the next generation of athletes.

# THE OLYMPICS GET SET FOR A SERVING OF SQUASH



An exclusive with **Alex Gough**, CEO, Professional Squash Association (PSA)

### What did the moment of Olympic confirmation mean to you personally and what does it represent for the sport as a whole?

It's hard to put into words. I've been in this sport since I was a teenager playing for Wales, and we've tried to get into the Olympics for over 30 years. When we finally got the news, it was a 'pinch me' moment. So many people had tried so hard over so many years, and it was just reward for them.

For the sport, it's massive. Squash has always been better than its reputation – anyone who's watched two players compete in a glass court knows how good it is, but not enough people have seen it. The Olympics fixes that. It puts us in front of people, countries, and funding we've never had access to before. And it gives kids picking up a racket now something to dream about, which we didn't have enough of in the past.

### From a strategic standpoint, how is the PSA approaching this two-year window leading up to LA 2028?

We have to make it count now we are in, some of the areas we're focused on are: 1. Tech and broadcast innovation, so we can better tell the story of the sport to people who won't have watched squash before. For example, biometric data to showcase how hard the athletes are working, distances the players are covering, measuring force that players are moving around the court with, and AI refereeing assistance. 2. Making sure the pathway for players to qualify for LA28 is clear and fair. 3. Focusing on officiating and governance so referees and standards are world-class by the time everyone's watching. 4. Not taking our eye off growing the tour commercially and at grassroots level, because the Olympics is one moment and we need the sport to keep growing long after that's done.

### What do you believe finally made the difference in securing Olympic inclusion after previous attempts fell short?

A few things came together. The sport itself got better – SquashTV has improved our exposure; we've got a glass court that can go up almost anywhere; and men's and women's prize money and profile are completely equal at the top of the game, which matters a lot to how the International Olympic Committee sees things these days.

But I also think the sport did a better job of working together. PSA, World Squash, the national federations, we got behind one story instead of everyone pulling in different directions. And the US is a strong market for squash, with a high chance of success for the US in the women's draw.

### How do you balance preparing squash for the Olympic spotlight while continuing to grow the PSA Tour commercially and globally?

I don't think of them as separate things pulling against each other. The tour is what keeps the lights on every single week – that's what sponsors are investing in, not just a once-every-four-years moment. The Olympic story helps raise our profile, making the tour a better sell commercially. And the tour doing well is what proves to the IOC and broadcasters that we're not just a one-off – we're a sport worth backing long term.

Where you've got to be careful is not letting all the Olympic-facing work – officiating, qualification, tech – pull time and resources from the basics: sponsor relationships like the one we're building with Quilter Cheviot, the events calendar, media rights. LA28 should speed up growth that's already happening, not distract from it.

**How has your experience as a player shaped the way you're leading squash into this Olympic era?**

Hugely so. When you've been out there competing – travelling to tournaments, dealing with the economics of being a player, wondering why squash wasn't getting the attention it deserved – you carry that with you into every decision you make as a sports administrator. Knowing what it feels like to be a player who's giving everything to this sport and not getting the recognition or the opportunities that other athletes get in bigger sports.

So, when we're talking about qualification pathways for LA28, or how prize money is structured, or what kind of experience players get at events, I'm not looking at it purely from a business or governance angle. I'm asking myself what I'd have wanted as a player.

**Do you ever reflect on your own playing days and imagine what an Olympic opportunity would have meant to you?**

Yes, all the time! I reached a ranking of World No. 5 and played for Wales internationally for a long time. There wasn't a single moment in my career where the Olympics was even a possibility. So, it's a strange thing to sit here now, having worked on getting squash into the games, and think about what that would have meant to me as a player in my 20s.

I think it would have changed everything - how I trained, what I was chasing, how the sport was seen by people back home. I don't spend a lot of time dwelling on it, but every so often, especially when I'm talking to players coming through now who will get that shot, it does hit me. I'm genuinely happy for them though and will get to live it vicariously through them in two years' time.

**How is the PSA ensuring that players from emerging squash nations have a genuine opportunity to reach that Olympic stage?**

This one matters a lot. Squash has always had its strongholds. In previous years it's been countries like Australia, Pakistan, England, but now with the likes of Egypt, US, and a handful of others. If we're not careful, an Olympic pathway could end up just favouring the countries that already have the money, the courts, and the coaching in place. That's not what this should be about.

“The real measure of success is what happens in the years after.”

So, we're putting real effort into working with national federations in emerging markets, making sure development support and funding gets to players who don't have the same access others do. It's also about being deliberate with how qualification slots are worked out, so there's a genuine route in for someone from a country that's never had a player anywhere near an Olympic Games before. There are a few different routes into the games, which are world ranking, winners of continental games, spots for the host nation, and a final qualifying event to create a much wider spread of countries with a genuine shot at getting there.



**Which regions or markets do you see benefiting most from squash's Olympic inclusion?**

The obvious one is the US market – hosting the Games in LA gives us a real chance to continue to grow the sport in a country that's got the facilities, the sporting culture, and the media reach.

Asia is another one. Countries like Malaysia, Hong Kong, India, and Pakistan already have strong squash traditions and passionate followings, and an Olympic platform gives them a reason to invest even more in facilities and junior development – plus there's a huge population base there that we've barely scratched the surface of.

I'd also point to parts of Africa and Latin America, where squash exists but hasn't had the funding or exposure to really take off. The Olympics won't fix that overnight, but it changes the conversation – national Olympic committees and governments tend to sit up and take notice of sports that are in the Games in a way they do not for sports that aren't, and that can unlock funding and facilities that just weren't there before.

And honestly, I don't think it's only about brand-new markets – I think our traditional strongholds like Egypt and England will benefit too, because Olympic status raises the profile and credibility of the whole sport, which lifts everything and everyone in it.

**How important is digital innovation, streaming, storytelling, social content, in turning Olympic exposure into long-term fan growth?**

I'd say it's everything. The Olympics on its own doesn't build a fanbase. What happens after is what matters, and that's almost entirely a digital and content question now. We've been building this out for a while through SquashTV, thinking hard about what content works best where.

Storytelling matters just as much as the raw footage. People don't fall in love with a sport from a scoreline, they fall in love with the players, the rivalries, the personalities, the journeys. A lot of what we're doing is making sure those stories are being told properly on social media, so casual Olympic viewers have a reason to follow a player or a rivalry once the Games are over. If we get that right, LA28 can be the start of a genuinely new fanbase.

**How important is it that squash presents itself as a modern, inclusive sport on the Olympic stage?**

The Olympics is the biggest audience we will ever get, and first impressions count. Squash already ticks a lot of boxes – equal prize money and profile for men and women, a genuinely global mix of top players – so LA28 is our chance to show that off rather than just talk about it.

It matters beyond optics too. The next generation of players and fans deciding whether this is a sport for them will be watching, and if we come across as modern, diverse, and welcoming, that's what pulls people in and keeps them here long after the Games are done.

**What legacy do you hope squash leaves after its first Olympic appearance?**

For me, it's simple: we want more kids, in more countries, picking up a racket because they watched LA28 and thought “I want to do that”. That's the real legacy, not a medal table or a one-off ratings spike. If in 10 years' time we look back and the sport is bigger, more global, and more secure because of that first Games, that's the win.

The real measure of success is what happens in the years after. Are participation numbers up in places that had never really engaged with squash before? Has the tour grown commercially off the back of the exposure? Are the qualification pathways producing Olympic hopefuls from nations we have never seen at that level before? That's the harder, slower work, and it matters more than anything that happens over those two weeks in LA. A great game that doesn't change the trajectory of the sport afterwards would be a missed opportunity – success is squash looking meaningfully different, and bigger, in 2032 because of what we did in 2028.

**And when you think about the next generation watching squash in the Olympics for the first time – what do you hope they take away from it?**

I hope they just think it's brilliant to watch – the speed, the athleticism, two players going toe to toe in that glass box with nowhere to hide. That's honestly the first thing. Before anything else, I want everyone, young and old, to be excited by what they're seeing.

**In one word, what does LA 2028 mean for squash?**

Exposure!

# HOW TO IMPROVE OUR RELATIONSHIP WITH MONEY



**Vicky Reynal**

Financial  
Psychotherapist

**Do you have a strong aversion to debt? Are you wary of risk in all shapes and sizes? Or do you avoid opening letters that look suspiciously like they contain a bill? When it comes to personal finances, we all have our quirks and biases. But why is that and what can be done to overcome them?**

Enter Vicky Reynal, award-winning financial psychotherapist, author of *Money on Your Mind*, and columnist for the *Times* and *Sunday Times*. Vicky recently shared her insights with us during which she answered these questions and more.

## Money triggers such strong emotions, where do these come from?

The simple answer is our experiences. Or, when it comes to money, a lack of them. Many of us were not taught lessons in money when we were young. Low levels of financial literacy can generate strong emotional responses and problematic behaviours because we are not equipped to deal with money issues when they crop up. Non-money-related experiences are also at work. An individual who grew up without a sense of worthiness, for example, might struggle to enjoy their money. So, they might keep hold of it in shame, or they might be inclined to spend it unwisely or even subconsciously sabotage their success by making bad investments.

A sense of feeling worthy is established early in childhood. It is through the first interactions with our parents that we build a sense of who we are, whether we are lovable, or are deserving of nice things. A mother smiling back at her children tells them that they are good. Repeatedly being told off, criticised, and punished when we are young can make us feel shameful and bad whenever we make a mistake. And it is by internalising the message that we can't make mistakes, that we can become risk averse. Early interactions shape how we think about ourselves, how relationships work, how much we're expected to give versus receive, and how much we are allowed to have without feeling guilty.

“We feel the pain of losses twice as much as we feel the pleasure of gains, meaning we are going to make sure we don't lose money. This can play against us because we might overreact when we see our portfolio going down or we might hold on to losses for too long because we want to see the value go back up.”



## Is our relationship with money all down to our childhood then?

There are different layers to how we build our relationship with money. Deep-seated longings, fears, and desires formed in our childhood are one level. Experiences later in life are another. As are our personalities. Are we impulsive? Do we make choices without thinking? All affect our relationship with money. And then there's culture, religion, and politics. People raised in certain cultures can be very open about money and unashamed about the pursuit of wealth. People raised in some religious or political contexts might be taught to be modest, not to overreach, and be generous to others. If, as an adult, an individual has a desire to pursue wealth but, because of their upbringing, has feelings of guilt and shame, this can sow the seeds for internal conflict.

## How can investment managers and financial advisers help people deal with their feelings around money?

By being curious. Advisers need to get the individual to open up by asking searching questions. What is it about money that keeps a client up at night? What do they wish to do? The key for advisers is not to lead or make assumptions, but to ask questions to get to the bottom of why clients have the feelings they have. If an individual makes a broad statement such as "I'm afraid about the future", advisers need to find out more. What lies behind the fear? The answer might be because clients think they are not good with money. Or the fears might be centred around catastrophic scenarios they build in their minds about the future. Each answer must be delved into deeper to peel the layers of anxiety. Once the underlying fears and their causes have been identified, those beliefs can be challenged.

Finding out where the client wants to end up is equally as important as where the individual is coming from. Are they working towards being able to enjoy those holidays they haven't been on when they retire? Or is it about legacy and leaving something behind for the next generation because their parents were unable to do that? Whatever the reason, the individual should be encouraged to articulate that dream from an emotional side.

It boils down to a strong client/adviser relationship. The best ones in my view are those in which the client feels heard and understood. So, advisers need to ask more questions to understand what clients fear and what they want. As for clients, they have to open up with their feelings and responses.

"People don't really get moved by numbers. They get moved by a story, by a future vision of themselves."

"I have seen people who are extremely successful in their professional lives, including CEOs and CFOs, be the complete opposite when it comes to their personal finances. So much so, some come to me with stacks of unopened bills. How can this be the same person? Because of complex feelings in the background, tasks like opening letters are avoided – it is easy to avoid things that are difficult."



## Volatile markets often generate anxieties; how can these best be navigated?

Being worried is a normal reaction when markets are volatile. The concern though is that fear can lead to plans being abandoned. And that's when goals are not achieved. It's important to reframe volatility as a normal part of investing rather than as a dangerous signal that requires action. Because that's what we do physiologically when we are fearful. We have an in-built aversion to loss. This is a cognitive bias: when we face a threat, we go into action mode; we become less able to think. One way to override this is to buy time. Advisers can suggest immediate action is not taken and arrange a call in a day or so to revisit the matter. By then, the individual may no longer be in a state of fear, and so is better able to think and make choices.

Education on how markets go through seasons helps too. So that when winter (volatility) comes clients aren't caught off guard. They knew this was coming. The winter of investing is the biggest test of clients' resolve, but they can be comforted by the knowledge that, by staying invested, their plan will help deliver their long-term goals. Normalising volatility rather than dismissing it is key.

"It's not always just about the 10% return or whatever number the client has in mind. It's about fulfilling dreams and building the life they want."

## What tips do you have for today's stress-invoking, emotional times?

Accepting our feelings is a start. As is acknowledging that it's normal to be afraid, to have doubts and worry. It shows we care about something enough to be worried about it. But then try to recognise that these beliefs can be self-limiting. They're not going to help you move forward in any way. Instead, they're just keeping you stuck where you are. You need to challenge yourself to think differently. Okay, I'm not going to sit here and worry. I'm going to look for a solution.

"I always challenge people to try to break down their beliefs about money. And then slowly they can find where the problem really is. Sometimes it's, 'I've never invested' or 'I don't know how to invest'. But does that make you bad with money? Or does it point towards a solution: you need to learn about investing?"



# ONE MISSION, TWO PERSPECTIVES

Quilter  
Foundation



**Jennifer Piper**  
Head of the Quilter Foundation  
Quilter

Our mission at the Quilter Foundation is  
**‘to create brighter financial futures for every  
generation’.**

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Through a combination of strategic partnerships  
with charities and community-based grant  
programmes focused on financial literacy,  
employment, and wellbeing, we have supported  
over 100,000 individuals since our launch in 2018.

The Brighter Together Fund is at the heart of our work, supporting local organisations that make a real difference in our communities. By giving funds to trusted local charities, the grants it provides help Quilter employees support causes close to them. It is an approach that strengthens communities by providing targeted help where it's needed. The aim: to promote long-term, community-led change.

Furthermore, the Quilter Foundation offers non-financial support to charities. Through volunteering, mentoring, advice, and access to our meeting spaces, we can help charities grow and succeed. The Quilter Foundation Charity Network also plays a key role here. The network brings funded charities together to share ideas and support each other. Through working as a group, charities can learn, innovate, and solve problems together which, in turn, will allow them to help even more children, young people, and families in the future.

The below provides two perspectives – one from a charity, the other from a Quilter employee – of a real-life example of how the support the Quilter Foundation gives to charities is not limited to financial help. They also show that it is not just the charities that benefit from the work we do. Many Quilter employees find the time they spend volunteering or mentoring on behalf of the Quilter Foundation is time well spent and hugely rewarding.

## The charity

Rose Road is a charity that provides a range of care services, including overnight short breaks, onsite and offsite outreach and day services, and telephone SEN (Special Educational Needs) advice services, for children and young people with complex disabilities and their families, across Southampton and surrounding areas.

Through a wide choice of activities designed to build resilience and meet individual needs, no matter how complex, Rose Road aims to give disabled young people great experiences as well as the opportunity to thrive and achieve their aspirations.

## The charity's perspective

The Quilter Foundation began supporting Rose Road in 2022 and has continued to make a lasting positive impact for children and young people with complex disabilities, and their families ever since.

The Quilter Foundation has funded 35 emergency bed nights, helped 15 families in times of crisis, attended and sponsored events, and has organised a Christmas Dinner Appeal to buy festive food, tableware, and decorations so we could enjoy a traditional meal with all the trimmings.

Beyond financial support, Quilter employees also regularly take part in volunteering days, which saves the charity time and money, helping us stretch our resources further. And by joining workshops and webinars run by the Foundation, employees and volunteers learn new skills. Meanwhile, having access to Quilter's meeting rooms to hold training programmes enables our support workers to maintain the qualifications they need to deliver expert care for our children and young people.

"The partnership between Rose Road and the Quilter Foundation is so important and has such a huge impact on everything we do here and the people we care for."

**Sam Robson, Corporate & Partnerships Manager, Rose Road Association**



## The Quilter employee perspective

I was first introduced to Rose Road Association through a business contact of mine. My initial interaction with the charity took the form of quiz nights and golf days. Having met the fundraisers at Rose Road, it became clear that whilst raising money was vitally important there was a wider support piece of the jigsaw that was missing. A piece that the Quilter Foundation could provide.

By securing a grant for Rose Road through the Quilter Foundation, we were able to offer the use of our facilities for staff meetings and also help the team with soft skills training, including how behavioural science can be used in fundraising and how to pitch their brilliant cause to potential supporters.

Providing charitable help has fostered ever-greater professional working relationships between Quilter Cheviot and other local businesses that support Rose Road. By working together with other businesses that have similar core values to us, we have been able to use our respective contacts in the area to introduce accountants and solicitors to Rose Road, as well as help with fundraising activities. Each year, for example, a triathlon is arranged with local professional connections competing.

"As a Quilter Cheviot employee, it's great to be able to nominate local charities via the Quilter Foundation as I can see the difference this makes firsthand to Rose Road."

**Gareth Granger, Business Development Manager, Quilter Cheviot**



# PAGE TURNERS & PODCAST PICKS

“Tax complexity itself is a kind of tax”. So said former US Finance Committee Chairman Max Baucus. It is because of this realisation that Technical Services at Quilter Cheviot exists. With the UK now having probably the longest and most complex tax legislation in the world, managing one’s affairs, let alone ensuring we keep more of what we own for longer, is well...taxing.



**David Denton**  
Head of Technical  
Quilter Cheviot

Accessing and assimilating the best sources of information is vital. So too is knowing how the UK economy (as well as legal and tax systems) has got to where it is today. For understanding the past is a fundamental requirement for navigating our future. Here are my tips on how best to fill what can be a daunting information gap.



## BOOK

**Great Britain. How we get our future back (Torsten Bell)**

An incredibly informative diagnosis (and easy read) as to how the UK has got to where it is economically, possible remedies, and a generous sprinkling of hope. Whilst not every reader will agree on the way forward, it would be difficult not to acknowledge the reason for the rarefied economic growth that has held back real wages, living standards, and the public services that we all most value.

Written by the economist and former CEO of the Resolution Foundation, and published shortly before Labour’s victory in July 2024 and his appointment as an MP and Pensions Minister, it is an essential read because context, after all, is everything.



## PODCAST

**IFS TaxLab**

Since 1969 the Institute for Fiscal Studies (IFS) has analysed and informed on primarily UK-related economic and social policy decisions. Where the media increasingly appears to satisfy its own need to sell copy, rather than informing the public, IFS podcasts seek to provide impartial and objective output from qualified researchers at the level of an educated listener.

Ultimately, they are eminently listenable. For this consumer at least, the most informative and erudite year-to-date drops have been on Plan2 student loans, the affordability of the state pension, and the viability (or otherwise) of Rachel Reeves’ fiscal rules.



## NEWSLETTER

**House of Commons Library**

Okay, so this is niche! If you’ve ever wondered what information those who truly shape our future base their decisions on, read on. For the House of Commons Library is an enormous data and resource source that our MPs (for whom it is authored for) and the rest of us can access. Whilst our upbringing, behavioural biases, and relationships are undoubtedly key, this resource appears to be the antidote to the substantial dose of social media that increasingly shapes ours and our MPs’ choices. A recent example would be ‘IHT: recent policy and debates’, 56 pages covering how the tax has evolved, followed by opposing cases for its abolition or its evolution. With no intended biases and covering (almost) every subject known to man, a week rarely goes by without a dozen or so authoritative updates relating to legislation, policy areas, and topical issues. If this newsletter does nothing else, it will demonstrate the impossibility of our MPs being up to date in more than a few key areas.

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