The Investor

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A changing landscape

From April 2027, new rules on the inheritance tax treatment of pensions could reshape estate planning

Autumn 2026

St James's Place



It's certainly been an eventful summer and early autumn. As well as the long and unusually hot weather, we welcomed a new prime minister, the fifth in just four years, while geopolitical tensions continued to grow.

Volatility has continued to be a feature of our daily lives, financial and otherwise. At times like these, it can be tempting to focus on the headlines of the day. But successful financial planning is less about reacting to short-term events and more about having a clear plan and remaining focused on your long-term goals. And it's here that having support from a trusted financial adviser can really make a difference.

In this issue, we take a closer look at the rising cost of long-term care and why planning ahead could help provide greater choice in later life.

We examine the forthcoming inheritance tax changes to pensions and what they could mean for individuals and families ahead of their introduction in April 2027.

Elsewhere, we explore how artificial intelligence is reshaping industries and economies and creating both opportunities and challenges. We also look at factor investing and the role it can play within a diversified portfolio.

Finally, we hear directly from one of our advisers and their client about the difference a long-term advice relationship can make through changing circumstances and different stages of life.

I hope you find this edition informative and thought-provoking. As always, if you would like to discuss any of the topics covered, please do get in touch.



Rob Sanders
Chief Client Officer, St. James's Place

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IN BRIEF

Bringing pensions into one place

A government-backed system designed to let people view their various pensions in one place, making it easier for them to locate lost or forgotten retirement savings, is on track to be launched next year.

The Pensions Dashboard is an online tool that will provide users with a single digital summary of all their pension savings, from the state pension to workplace and private pensions.

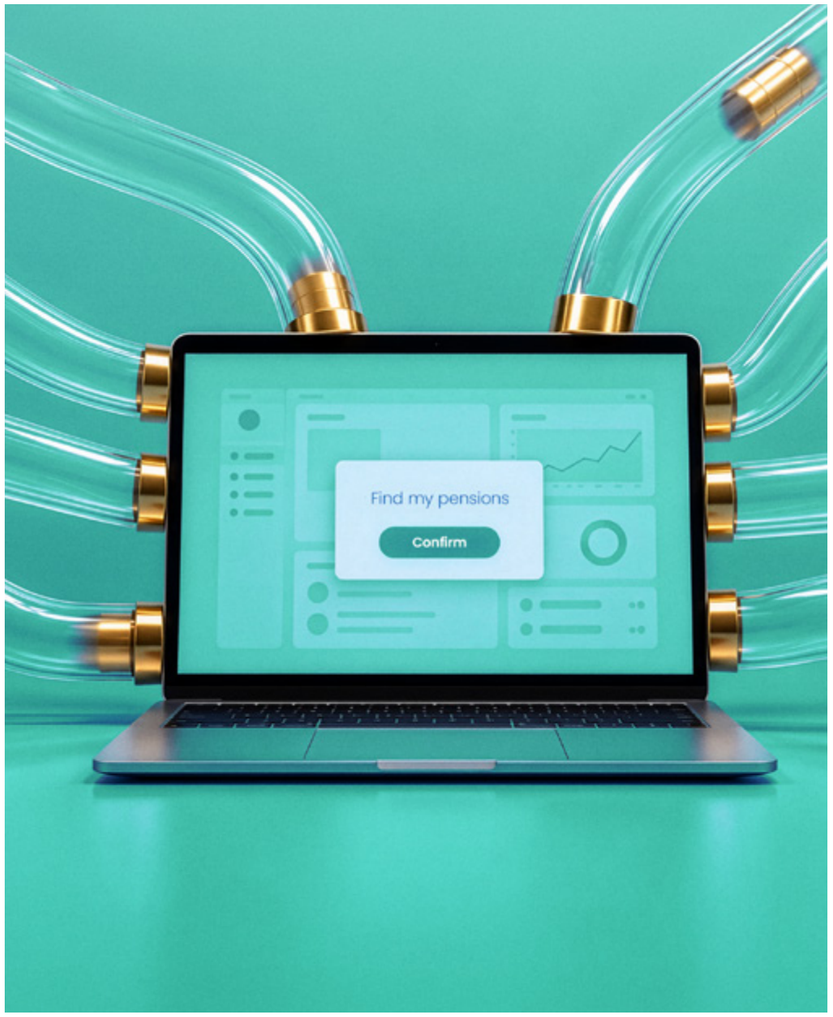
On 31 October this year, eligible pension providers met the mandatory deadline to connect to the Dashboard. Nearly 1,500 providers and schemes and more than 70 million workplace and private pensions have now been integrated.

As an early adopter of the Dashboard, St. James's Place has been working closely with the Pensions Dashboards Programme for more than four years.

Information available through the Dashboard will include pension start dates, current values and estimated retirement income for pensions that are not yet in payment. Users will be able to view their pension information but not manage it through the Dashboard. Any changes must be made directly with their pension provider.

Only pensions not currently being accessed will be available on the Dashboard. If you are already taking benefits from a pension, it will not appear.

The Dashboard is expected to be available to the public during the 2027/28 tax year.



IN BRIEF

Money on the Move Report 2026



"For expats and their families, the value of financial advice goes beyond achieving better returns. It is about an ongoing relationship that evolves with increasingly international lives, offering continuity, clarity and confidence for the future."

Oliver Wickham,
Asia and Middle East Partnership Director at St. James's Place

Living and working overseas can bring forward financial freedom by up to five years, according to St. James's Place's Money on the Move report.

Two in three expats in both Hong Kong (67%) and the UAE (64%) believe living abroad will mean they can retire at least five years early, while 57% of expats in Singapore said the same.

The survey, conducted with high net worth international expats living in Hong Kong, Singapore and the United Arab Emirates (UAE), found the higher earnings and more favourable tax regimes in those countries are accelerating how soon they can reach their financial goals.

More than half of expats said they rely on professional financial advice to manage their finances. But almost nine in ten (89%) living in the UAE believe seeking financial advice earlier would have improved their investment returns and savings.

In Singapore, expats said earlier financial advice could have saved them financial losses of more than £7,000, on average.

More than nine in ten expats in all three countries are earning more than they would at home. And those living abroad also reported being able to save much more.

Despite the ongoing US-Iran conflict in the Middle East, 78% of UAE expats say they plan to live abroad for at least eight years. The figure is the same for expats in Singapore, and marginally lower, at 74%, in Hong Kong.

Sources

1 St. James's Place. Money on the Move Report 2026: Findings are based on a double-blind online survey of 450 residents in each of the UAE, Singapore, and Hong Kong. Many of the survey respondents have lived and worked in multiple jurisdictions and have multi-jurisdictional wealth-management considerations. Fieldwork was completed in May 2026.

Issue contributors



Hetal Mehta
Chief Economist, SJP



Claire Trott
Head of Advice, SJP



Oliver Wickham
Partnership Director, SJP Asia and Middle East

Plus: Richard Murray, Chief Commercial Officer, Elephant's Child ◆ Tony Müdd, Divisional Director, SJP ◆ Obi Nnochiri, Private Client Consultant, SJP

For St. James's Place:

Head of Content: Helen Loveless

Financial Planning Lead: Jo Thornhill

Investment Lead: James Duckworth

Senior Investment Writer: Johnny Minter

Senior Financial Planning Writer: David Freitas

Senior Editor: Natasha Simms

Content Manager: Kerry Edwards

Brand Consultant: Nikky Cosh

Chief Client Officer: Rob Sanders

Magazine production:

The Like Minded Ltd

Autumn Budget: modest measures for "breathing space"

Giving households some "breathing space" was a key theme of Chancellor John Healey's first Autumn Budget. Against a backdrop of rising inflation, high government debt and geopolitical tensions, there was little room for major giveaways.

Instead, the chancellor announced a series of targeted measures aimed at easing living costs, alongside support for first-time buyers, smaller businesses and entrepreneurs.

While some commentators had hoped for more significant measures, not least to cut the ballooning welfare bill and bring down borrowing costs, the less eventful Budget was welcomed by many. Certainly, the lack of an announcement on possible increases to capital gains tax rates – something rumoured in the months before the Budget – will have reassured many people.

The lack of significant changes announced in this latest Budget is likely to be welcomed by many, while providing reassurance against previous Budget rumours. It also highlights the benefits of waiting before rushing into action when it comes to making financial decisions.



> "Overall, I'd say there were no big surprises – no showstoppers, and little in terms of major macro announcements. The package of announcements was broadly neutral as had been increasingly expected."
>
> **Hetal Mehta,**
> Chief Economist at St. James's Place

Key announcements

Investments

Plans to cut the annual cash ISA allowance from £20,000 to £12,000 for under-65s have been reversed, meaning all savers will continue to be able to put up to £20,000 into cash ISAs each tax year. The government also plans a new 'starter ISA' to encourage first-time investors into stocks and shares.

Winners: Savers and first-time investors

Tax

Tax rates on property and savings income were set to rise by two percentage points in April 2027 under plans announced by former chancellor Rachel Reeves in the 2025 Autumn Budget. However, Healey announced a further increase of two percentage points on top of this, also with effect from April 2027. Property and savings income will be taxed at 24% for basic-rate taxpayers, 44% for higher-rate taxpayers and 49% for additional-rate taxpayers. Currently the rates are 20%, 40% and 45% respectively.

Losers: Those earning income from savings and property

Property

The chancellor confirmed a new scheme will offer government-backed interest-free loans worth 20% of a property's value to first-time buyers purchasing new-build homes in England. Buyers will need a cash deposit of at least 2.5% to be eligible. The scheme is due to launch next spring.

A new first-time buyer ISA is also planned for April 2029, replacing the lifetime ISA for those saving towards their first home.

Winners: First time home buyers in England

Households

Energy costs: The daily standing charge on gas bills, currently £108 a year, will be removed, although unit costs are expected to rise. The government estimates three in five households will pay less overall, saving an average £45 a year.

Households in council tax bands A to D will also receive a £100 energy payment, while tariffs on fertiliser and heating oil will be temporarily suspended. The latter should lower costs for the agricultural sector and help those who use heating oil to warm their homes.

Yet predictions from leading energy companies including British Gas, EDF and E.ON suggest the UK energy price cap could rise by up to 25% in January. This is due to high wholesale gas prices fuelled by the US-Iran conflict. The energy regulator Ofgem will make an official announcement on this later this month.

Winners: Households with lower gas usage

Losers: Those who use more gas

Small businesses

Business rates: The threshold at which smaller businesses pay business rates will rise from £12,000 to £18,000 from April. The government says this will mean 70,000 smaller businesses will pay no business rates. These will include cafes, pubs and village halls.

Online marketplaces will also become responsible for collecting VAT from retailers using their platforms, where they have a turnover of £90,000 or more.

Winners: Smaller businesses

Losers: Some online marketplaces

Entrepreneurs and business owners

Capital gains tax (CGT) relief for founders: From April 2027, qualifying founders of high-growth, innovative companies will pay a reduced 10% CGT rate on up to £10 million of lifetime gains, subject to detailed rules following consultation.

Business asset disposal relief (BADR): From 6 April 2027, the lifetime limit for BADR will fall from £1 million to £500,000. The relief allows qualifying business owners to pay CGT at 18% when selling or disposing of their business.

Winners: Founders of high-growth entrepreneurial businesses

Losers: Those selling their business for more than £500,000

Pensions

State pension: The triple lock will end in 2030 and be replaced by a double lock, which the government estimates will save £50 billion by 2050.

From April 2027, a new pension tax allowance is intended to prevent people on modest pension incomes from facing small tax bills simply because their state pension has increased.

Winners: Government and pensioners reliant on the state pension



The changing role of pensions in passing on wealth

BY HELEN LOVELESS AND JO THORNHILL

The pensions landscape is set for one of its most significant changes in decades when unused pension funds become liable for inheritance tax for the first time. And the change is likely to have major implications for how many people manage their estate planning.

Currently pensions sit outside an estate on death, which means any unused funds are not liable for inheritance tax (IHT). However, from 6 April 2027, most unused pension funds will be included when the value of someone's estate is calculated for IHT purposes.

While IHT is viewed by many as a punitive and regressive tax, fewer than 5% of estates faced an IHT charge for the 2023/24 tax year according to the latest available data[1]. It means the majority of estates currently fall outside of the IHT net.

But a long-term freeze in the nil rate band thresholds for IHT means the proportion of estates that will need to pay IHT is increasing year by year.

According to HMRC's own figures, an additional 10,500 estates are expected to be liable for IHT in the 2027/28 tax year (where previously they would not have paid IHT) as a result of the policy change. A further 38,500 estates are expected to face a higher IHT bill[2].

While the changes will not affect everyone, they may be particularly relevant if you have accumulated significant pension wealth, expect your estate to exceed available inheritance tax allowances, hold business assets or commercial property within pension arrangements, or have previously viewed your pension as a way of passing wealth to future generations.

How is IHT applied on an estate?

Inheritance tax is not usually charged on the first £325,000 of an estate, which is known as the nil rate band.

Some people can also use an additional allowance of up to £175,000 – the residence nil rate band – when leaving a qualifying home to direct descendants, such as children or grandchildren.

Sources

1 HM Revenue and Customs. Inheritance tax liabilities statistics: commentary, 30 July 2026

2 HM Revenue and Customs policy paper: Inheritance tax on unused pension funds and death benefits, 21 July 2025

However, the residence nil rate band reduces, or tapers away, on estates worth more than £2 million. In such cases the residence nil rate band reduces by £1 for every £2 that the estate is worth over the £2 million taper threshold.

A single person may be able to pass on up to £500,000 without an IHT charge if they qualify for the full IHT nil rate band and residence nil rate band.

Assets passed between spouses and civil partners are generally exempt from IHT where partners are long-term UK residents.

Unused allowances may also be transferable, meaning a qualifying couple could potentially pass on up to £1 million without IHT. The amount available will depend on their circumstances. As mentioned above, a taper will apply on the residence nil rate band, for example, on estates valued at £2 million or more.

Inheritance tax is charged at a flat rate of 40% on the value of an estate over and above the relevant nil rate band.

Death in service benefits paid from a registered pension scheme will remain outside the scope of the new rules.

When considering your estate and what happens after death, it's vital to ensure your pension beneficiary nominations remain up to date so providers understand and can carry out your wishes.

The growing importance of estate planning

Traditionally, pensions have been designed to provide an income in retirement. However, because for decades they have been outside an estate for IHT purposes, some people have used them to pass wealth on to future generations.

Next year's pensions and IHT change is intended by the government to reduce the use of pensions as a vehicle to pass on wealth free from IHT.

And it is not hard to see that where people's estates have significant pension savings or valuable properties or assets, it could well result in a higher IHT bill and less wealth being passed to loved ones.

Claire Trott, Head of Advice at St. James's Place (SJP), says now is a good time to look at the impact of the changes for your estate, reviewing your other assets and options.

> "Estate planning is about more than reducing tax."
>
> "Start with who and how you want people to benefit from your estate before considering the best way to protect it for them. It's about making sure your wealth is passed on in line with your wishes, while balancing your own needs during retirement."
>
> "The rates of tax in your lifetime, on death and your beneficiaries' tax rates also need to feed into these considerations."
>
> **Claire Trott,**
> Head of Advice at St. James's Place

The chart below shows that while the proportion of deaths resulting in an IHT liability remains low – at under 5% – the figure has been steadily growing since the 2020/2021 tax year, due to a freeze in the nil rate band thresholds.



How will it affect estate planning?

Now is the time to review your estate planning arrangements ahead of the changes next April. This is particularly true where pensions have previously been used as an estate planning tool.

Many families will be looking to take steps to lower or mitigate a potentially higher IHT bill. A range of options and strategies will typically be available.

This might include using trusts, making gifts to loved ones, taking out whole of life insurance to meet a bigger IHT bill, or simply spending and enjoying their hard-earned savings in retirement, or a combination of these routes.

In the past, many people accessed ISAs and other savings first ahead of their pensions. This was because pensions could be passed on after death without IHT being applied. But the new rules have turned that planning strategy on its head.

Most pensions can currently be accessed from age 55, rising to 57 from April 2028. Taking money out of a pension, to pass on to others, could help with estate planning, but there may be tax implications for doing so which need to be considered.

The right planning approach will depend on your personal circumstances, including whether you need your pension to support your retirement income. In this case, accessing your pension to make lifetime gifts is unlikely to be the right route.

Claire says: "It is generally more difficult where there is a reliance on some or all of the pension or investments for income in your lifetime."

It is likely to be even more complicated where someone has illiquid assets, such as property. In contrast, Claire says: "If you have cash or a regular income stream then gifting these away or putting into a trust is a lot more feasible."

When it comes to using ISAs versus pensions first in retirement, Claire points out there will be a wide range of factors to consider, and the right decision will vary for different people.

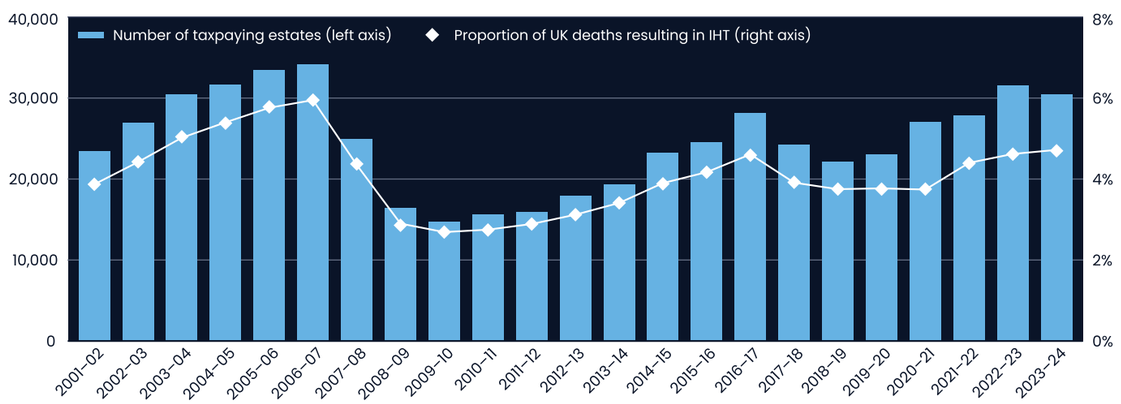
She adds: "There are issues with regard to the best way to spend pensions versus ISAs and IHT is just one of those factors."

It is the same with making gifts. There is a range of options available if this is something people want to do to reduce the value of an estate. But different types of gift have different rules and implications.

If you think your pension could push the value of your estate above the IHT thresholds, or increase an existing liability, it's worth taking some time to understand the potential impact as well as the options available.

Avoid making any rushed or knee-jerk decisions. Understand your current position, and once you have a clear picture, you can check that your plans still reflect what you want to achieve in terms of passing on a legacy to loved ones.

Number and proportion of deaths resulting in an IHT charge



Source: HM Revenue and Customs. Inheritance tax liabilities statistics: commentary – 30 July 2026

Claire says: "There will usually be a number of options available. This isn't a one size fits all piece of advice. Your circumstances now and in the future are important as well as the circumstances of your beneficiaries. You also never know when legislation might change again."

Ongoing financial advice can be valuable, whether you're looking to understand your position, explore your options or deal with more complex estate planning needs.

It's also recommended that you regularly review your financial plan to ensure it still fits with your goals.

Three things to review now:

- Update pension beneficiary nominations
- Assess whether your estate could exceed IHT thresholds
- Review whether your existing retirement income strategy still makes sense

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The Chartered Institute of Taxation (CIOT) is urging the government to review some of the rules around how inheritance tax on pensions will be handled, when the changes come about on 6 April next year.

The CIOT has warned that some of the arrangements for pensions after death, in cases where IHT will apply on an estate, run the risk of creating unfairness, disputes and delays between personal representatives, pension scheme administrators and beneficiaries.

The CIOT has written to the Treasury to ask for the following changes:

- Making the rules simpler for IHT on pensions found after an estate has been wound up.
- Making loss relief available to qualifying pension funds for IHT calculations.
- Allowing IHT payments on pensions to be made in instalments.
- Separating pension assets from other assets when calculating entitlement to the reduced IHT rate.
- Reassessing the six-month deadline for paying IHT.



Could some inherited pensions face two layers of tax?

In some cases, beneficiaries of inherited pension funds could face so-called double taxation after the changes come into effect next April.

This is because pension funds may be included in the value of an estate for inheritance tax purposes. On top of that, beneficiaries may also have to pay income tax when they take money from an inherited pension.

This situation is most likely to arise when the pension holder dies aged 75 or over. In these cases, withdrawals from the inherited pension are normally taxed at the beneficiary's marginal rate of income tax.

For higher and additional-rate taxpayers, this could significantly reduce the amount ultimately received. In some circumstances, the combined effect of inheritance tax and income tax could mean more than half of an inherited pension is lost to tax. For very large estates, where inheritance tax allowances are reduced, the overall tax burden could be even higher.

As an example, a pension worth £500,000 left to an adult child could be subject to inheritance tax as part of the estate, with further income tax due when money is withdrawn.

In contrast, beneficiaries who take an income from a pension inherited from a pension owner who died before the age of 75 don't normally pay income tax.

For estates with a value of more than £2 million there will also be a tapered withdrawal of the additional residence nil rate band. This will be at a withdrawal rate of £1 for every £2 over this threshold. In a small number of highly specific circumstances, the combined effect of inheritance tax, income tax and the tapering of inheritance tax allowances could produce an exceptionally high effective tax burden.

It's important to remember that these scenarios are likely to affect a relatively small number of people. The government has also indicated it is considering measures to reduce the impact of double taxation, although no details have yet been confirmed.

Pension holders should review their situation, and that of potential beneficiaries, to assess their options and strategies. Talking things through with an adviser and getting specialist tax advice could help to mitigate a large tax bill.

Business owners – the potential implications of the changes

Business owners could be among those most affected by the forthcoming changes bringing unused pension savings into the scope of inheritance tax (IHT) from April next year. Many have used pension arrangements not only to save for retirement, but also to hold commercial property and support longer-term succession planning.

The impact will likely be particularly significant for those who hold commercial property or other business-related assets within pension schemes such as self-invested personal pensions (SIPPs) or small self-administered schemes (SSASs).

Historically, business owners have used these pension arrangements to hold commercial property and other assets in a tax-efficient way. For example, they allow rental income from the business to be paid into the pension tax efficiently while keeping the property's value outside the estate for IHT purposes.

However, the rule changes could mean more of their wealth becomes subject to inheritance tax on death. This may be particularly significant for those with a large proportion of their wealth tied up in their business, commercial property and pension assets.

For many business owners, pensions have not only been a retirement savings vehicle but have also formed part of a broader succession planning strategy.

By helping pass wealth to future generations in a tax-efficient way, they have often played an important role in estate planning. As the rules change, some business owners may need to revisit existing succession plans to ensure they still meet their objectives.

The changes may also create a practical problem for families. Inheritance tax is generally due within six months of the end of the month of death, but commercial property can take much longer to sell. In some cases, beneficiaries may face a tax bill before sufficient cash is available to pay it, potentially creating an "asset rich, cash poor" situation and placing pressure on families at an already difficult time.

For some business owners, the reforms may prompt a review of how commercial property and other assets are owned, how future tax liabilities might be managed and whether existing plans remain appropriate. As the rules change, planning ahead is likely to become increasingly important. ◆

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When cash helps and when it can hold you back

BY NATASHA SIMMS

The UK is a nation of savers. Cash plays a vital role in our financial security and wellbeing. It can provide certainty and quick access to your money, as well as flexibility and peace of mind. But if you hold more than you need for too long, inflation can reduce its spending power and you may miss opportunities for longer-term growth. So, how can you make the most of your cash?

Preparing for the unexpected

Cash should be an essential element of your financial planning in the short to medium term. A strong foundation starts with saving a cash cushion that is readily available as and when you need it. Often referred to as an emergency or rainy-day fund, this cash pot is there for when the unexpected happens – when your car breaks down or the boiler needs replacing.

Typically, it's considered sensible to hold around three to six months' worth of your monthly outgoings in case of emergency (or up to 12 months if feasible). However, other factors such as your living arrangements or whether you have dependants should be considered when deciding what the right target amount is for you.

This pot can also serve as a financial safety net in case you experience an income shock such as an unforeseen job loss or bereavement. It can provide much needed breathing space through periods of change – relieving you of the stress of how the next bill will be paid. Overall, having an emergency fund to hand makes you more financially resilient.

Saving for planned expenses

When deciding whether to save or invest, consider when you expect to spend. Generally, for any spending likely in the next five years, having cash savings makes sense. For longer-term goals, investing starts to play a bigger role.

Risks of cash

A downside of holding too much money in cash is inflation. Over time, inflation pushes up the costs of goods and services and erodes the purchasing power of your money.

For example, £100 today will get you a lot less than it would have five years ago.

If interest rates can't keep pace with inflation, the 'real' value of your money won't grow. Historically, investing has provided higher returns than cash over the medium and long term, though it is a riskier option. Values can rise and fall, and you could get back less than you invested.

Choosing the right home for your cash

When it comes to choosing a savings account, time is money. Typically, the longer you commit to keeping your money deposited, the higher the interest rate you can earn.

There are three main types of savings account in the UK. Instant access accounts tend to offer lower interest rates. However, they allow you to withdraw your money whenever you need it. Your emergency fund should be saved in one of these.

Some savings accounts require you to provide advance notice before you access your money, known as notice accounts. Interest rates are generally higher than on instant access accounts. The trade-off is less flexibility around when you can withdraw your money.

Fixed term accounts require you to commit to keeping your money saved for a set period, usually between one and five years. You will receive an interest rate during this time, which is typically higher than other account types. However, you may be charged a withdrawal fee to take money out early.

You can mix and match the accounts you use for different savings. This approach can provide you with flexibility to access the cash you might need quickly while earning a better return on money you don't expect to need for some time.

Keeping it tax efficient

In the UK, your personal savings allowance determines how much interest you can earn on savings before needing to pay tax. Basic rate taxpayers have an annual allowance of £1,000. Higher rate taxpayers can earn £500 interest on savings free of tax, but this falls to £0 for additional rate taxpayers. You pay tax on any interest over your allowance at your usual rate of income tax.

The exception to this rule is for money saved in an individual savings account (ISA), which is tax free. There are four types of ISA: cash, stocks and shares, lifetime and innovative finance. You can currently save or invest up to £20,000 in total across your ISAs each tax year. Plans to limit the amount that under-65s can deposit into a cash ISA to £12,000, announced by the previous chancellor Rachel Reeves, have been abandoned. Chancellor John Healey announced the reversal in last month's Budget. It means the limit will remain at £20,000 for all savers. Nor will savers face a charge on interest earned on cash held in stocks and shares ISAs. These allowances and tax rules may change over time and will also depend on your individual circumstances.

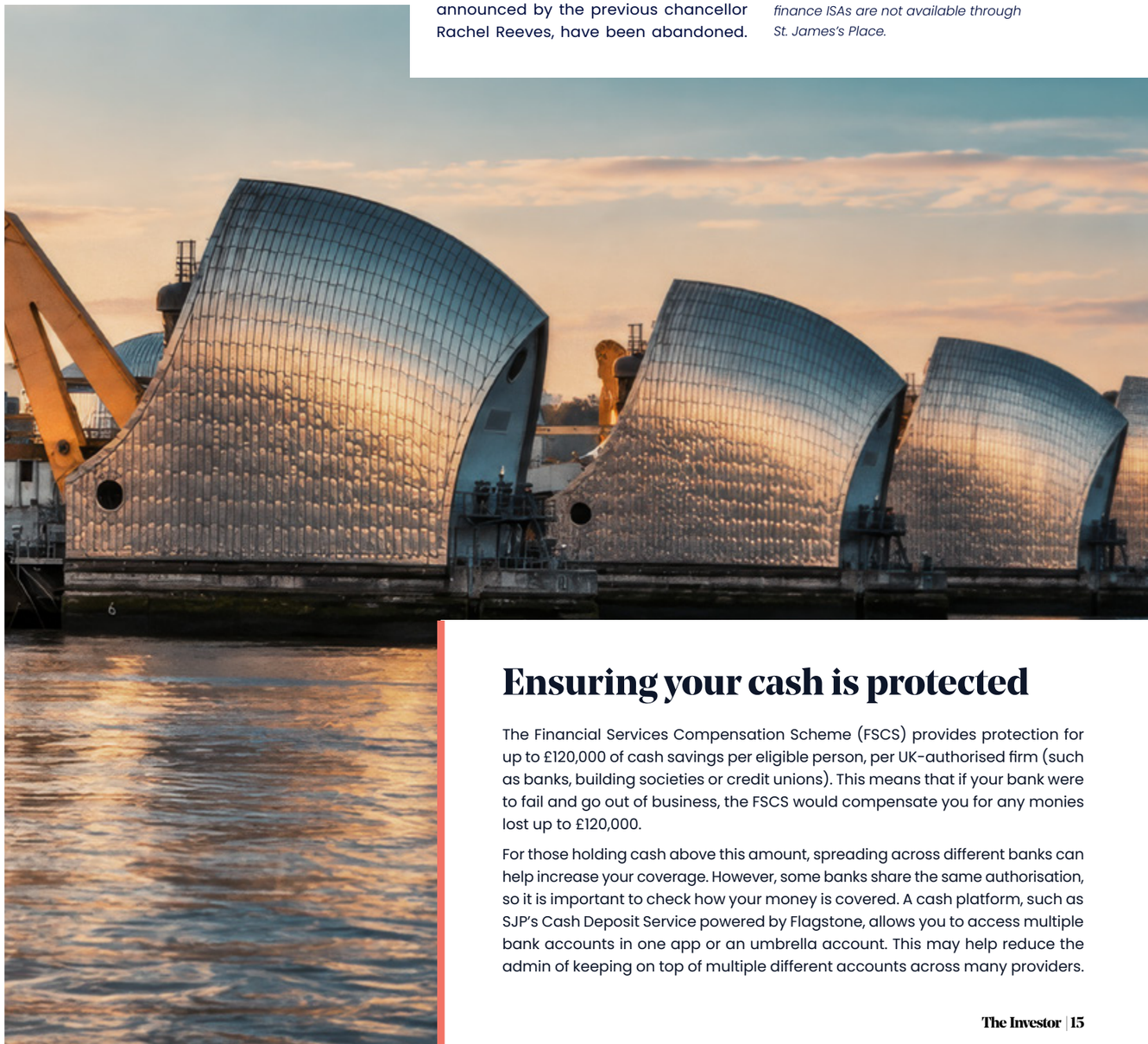
Getting the balance right

There's a time and a place for holding cash. Holding too much – without a role for it – can mean leaving potential investment returns on the table. However, saving for emergencies and short-term goals in a tax-efficient way is crucial for strengthening your financial resilience and wellbeing.

Please note that cash, lifetime and innovative finance ISAs are not available through St. James's Place.

"The UK's headline rate of inflation has been running above the Bank of England's target of 2% for 57 out of the past 60 months and is currently 3.5%. The longer inflation remains elevated, the more it erodes the purchasing power of people's savings. On top of this, energy price shocks, such as those stemming from the recent Iran conflict, push inflation even higher."

Hetal Mehta,
Chief Economist at
St. James's Place



Ensuring your cash is protected

The Financial Services Compensation Scheme (FSCS) provides protection for up to £120,000 of cash savings per eligible person, per UK-authorised firm (such as banks, building societies or credit unions). This means that if your bank were to fail and go out of business, the FSCS would compensate you for any monies lost up to £120,000.

For those holding cash above this amount, spreading across different banks can help increase your coverage. However, some banks share the same authorisation, so it is important to check how your money is covered. A cash platform, such as SJP's Cash Deposit Service powered by Flagstone, allows you to access multiple bank accounts in one app or an umbrella account. This may help reduce the admin of keeping on top of multiple different accounts across many providers.

Inside the great AI investment race

BY JOHNNY MINTER

AI no longer just belongs in the realms of science fiction; it's increasingly present throughout our lives. While there are arguments around the risks versus the benefits, there is no doubt that AI is already making a huge impact. And this is only the beginning.

When ChatGPT launched in November 2022, it ushered in a new era of AI-powered chatbots. Four years later, the use of AI has spread into almost every facet of life – from farming to medicine to the world of entertainment. There are even AI-powered toothbrushes. In many industries, AI has fundamentally shifted ways of working.

Behind this transformation has been an explosion in AI and AI-related companies. From those that build the chips, to the businesses building data centres to train algorithms, through to the companies building the AI models themselves. These companies have seen their valuations soar in the past four years as investors bet on a new industrial revolution.

The promise behind all this is a boost to productivity. And according to Hetal Mehta, Chief Economist at St. James's Place, we're starting to see some of these gains – depending on where you look. She says: "The US is at the forefront of this. We've seen strong productivity growth in the US for quite some time, but I think it's fair to say the recent leg of that is AI-related. In the UK, it seems to be still very nascent. However, in the GDP numbers for July, the ONS said that there was evidence that AI was helping."

A key concern with AI is whether it might replace jobs. Yet so far, there is relatively limited evidence of widespread job market disruption. While surveys have shown a shift in hiring practices, jobs data in the US has so far remained resilient.

This hasn't been cheap. Companies and governments have ploughed trillions of dollars into an AI arms race across the globe. The build-out cost and high energy usage of data centres, and the general level of investment, are adding to inflationary pressures at a time when governments are already battling rising prices. Prices of computing parts such as Random Access Memory (RAM) and Solid-state Drives (SSDs) have seen large increases. However, Hetal adds: "In the near term, AI is inflationary. But longer term, as you get more of the productivity gains, that should tail off and become disinflationary."

The AI arms race

While spending on AI has so far been astronomical, this largely represents the scale of innovation and development going on.

According to Goldman Sachs, US data centre power demand was 31 GW in 2025. This is estimated to more than double to 66 GW in 2027 – representing thousands of new data centres being built.[1]

The expanding capacity and investment have allowed AI development to continue at pace. 2026 saw Chinese AI models become increasingly competitive with more expensive US equivalents. New models from the likes of Anthropic and OpenAI have seen gains in both efficiency and ability. Already, AI 'agents' have started hacking one another, leading senior figures to call for a slowdown in development.

Governments are aware of the risks posed by AI, though reactions vary between regions. In the US, President Trump has pushed back against the idea of more regulation, while the EU introduced its AI Act as far back as 2024 – suggesting a less light-touch approach. While tougher regulations may protect consumers and trust in systems, they are likely to come at the expense of development speed. With the AI industry still in its infancy, the effects of regulatory decisions made today may not be fully understood for some time.

Is the snake eating itself?

The risk of rogue AI is just one area being looked at. Another risk is just how interconnected AI companies are. With huge volumes of money being thrown around, the biggest companies are often both customers and investors in their suppliers. Amazon and Alphabet both own substantial stakes in Anthropic; Microsoft was an early backer of OpenAI. This is despite these companies also developing their own AI in-house.

A global arms race?

The adoption and development of AI and related technologies varies significantly across the world. Below are some of the key regions in the AI arms race:

The US – the global leader

The US outspends anywhere else on AI research and development by some margin. It's home to some of the largest companies in the world, with massive hyperscalers (technology companies that operate globally distributed data centres) and AI models that are at the forefront of research and development.

China – the challenger

The gap between China and the US has closed dramatically in 2026. Although investment into data centres remains lower than in the US, much of it is directed by the state, allowing for better coordination.

Taiwan and South Korea – semiconductor kings

Through companies like TSMC and Samsung, these countries are home to key semiconductor manufacturers.

As hyperscalers borrow to expand, these companies have arguably been the biggest beneficiaries so far.

Europe – the laggard (so far)

Europe as a continent is hugely behind the US and China in terms of both capacity and investment scale. As a comparison, in Europe, AI mega caps have an average market cap of US$300 billion. In the US, they are in the low trillions.



There is a real feedback loop observable in markets. The hyperscalers act as the input to the process. When they update their spending intentions, the entire supply chain reprices as a consequence.

This is one of the reasons recent earnings reports from these companies have garnered so much news coverage. The extent to which earnings have exceeded or fallen short of expectations has played an important role in investor confidence in the sector. Put simply, the higher the earnings, the more investment they can fund through their own cash flows. If they hit a downturn, either investment will have to slow, or borrowing will have to increase.

Despite reporting record earnings in many cases, these hyperscalers are still having to turn to debt markets to finance the AI build-out. According to Morgan Stanley, global AI-related debt issuance will end 2026 at nearly US$570 billion[2].

This risk isn't exactly a secret, which is one of the reasons why investment houses are currently paying so much attention to any new debt issuance, to establish just how sustainable it is. SJP's equity strategist Carlota Estragues Lopez says: "The greater the reliance on debt rather than free cash flow, the greater that risk will become."

Sources

1 Goldman Sachs, US Data Center Power Demand Projected to Double by 2027, May 2026.

2 Morgan Stanley, June 2026.

> "US hyperscalers used to fund their capital expenditures with their free cash flow. As some companies have depleted these cash reserves, they have turned to bond markets to raise money. Given these investments are a crucial input to the AI supply chain, debt issuance adds a new layer of fragility to the whole ecosystem."
>
> **Carlota Estragues Lopez,**
> Equity Strategist at St. James's Place



The AI supply chain

Equipment and material suppliers

These are the companies responsible for producing the machines necessary to make the chips AI requires. The key player in this space is ASML. As well as this, the semiconductor industry relies on access to critical materials, energy and water, making supply chains an increasingly important consideration.

Semiconductor manufacturing

The companies that physically design and manufacture the chips and parts that AI systems will run on. Their key customers today are the large hyperscalers that buy vast amounts of hardware to build their platforms. Semiconductor companies like Nvidia, Samsung and TSMC have so far been big winners from the AI race, as demand for their products has outstripped supply.

The hyperscalers

The components manufactured by the semiconductor companies are used in data centres built by hyperscalers. These companies are also responsible for the large cloud platforms AI relies on. As the key investors in building out AI, their spending plans have an outsized impact on the rest of the chain. Hyperscalers include some of the biggest names in the world, including Microsoft, Alphabet, and Amazon.

AI models and applications

These are the companies actually training AI models. These include the likes of OpenAI and Anthropic. Several hyperscalers are both developing their own AI models and investing in third party AI companies (for example Microsoft and Alphabet).

The end customer?

Although adoption is growing, end users are not currently paying enough to fund development. Instead, spending by hyperscalers continues to drive much of the industry's current growth.

The above chain is only as strong as its weakest link. Reduced investment, supply constraints or weak demand at any stage could impact growth and performance throughout the entire chain.

See your wealth differently



Keeley Hawes, star of our new brand campaign, talks to St. James's Place.

Renowned British actor Keeley Hawes is the face of our national brand campaign, which is focused on the term 'See your wealth differently'. It shines a spotlight on how personalised financial advice can offer a fresh perspective, cutting through the noise of an increasingly complex financial world.

Keeley, who has starred in some of Britain's favourite TV dramas, including *Ashes to Ashes, Line of Duty, Bodyguard, Spooks, The Durrells,* and *The Assassin,* spoke to St. James's Place about why she got involved in the campaign and the advice that's shaped her career.

What was it about the campaign that made you want to get involved?

The message is so simple. Quite often with commercials you sit and watch them and you end up thinking, well, that looked great, or that was funny, but I'm not quite sure what it was advertising. With this campaign the message is clear. For somebody like me – actors are famously bad with money – who is not particularly good in that way, it was a breath of fresh air.

That's why this campaign resonated with me. A financial adviser can demystify the world of finance and investment to help you manage it all. Because I didn't learn any of that at school.

The television advert involves you walking through a cave of paper, searching to find the right answer to your financial question. What was your favourite part of filming?

I had assumed it would be CGI (computer-generated imagery), because that's how scenes like this are usually done these days. But a full set had been built inside the studio – it was absolutely beautiful. I was able to walk through a world of paper. It was like an art installation. As we filmed there were people in the rafters with buckets of paper raining them down on me. There was paper flying everywhere. It's very exciting to be part of something so creative.

Our brand campaign highlights the benefits of personal advice, offering security and consistency in changing times. How do you adapt to ongoing change?

I think you have a different perspective as you get older. I turned 50 this year and now I see my children worrying about the sorts of things I worried about at their age. But today I just think it's not the end of the world. That attitude comes with time and experience.

Things go wrong in life, things go right. You have to try to be relaxed about that.

You've played so many different characters during your career. Who do you think would have been best at managing their money?

Julia Montague (Keeley's character as the Home Secretary in the BBC drama Bodyguard) would have been good with her money. She would have probably come from a financial background and would have been well advised. Mrs Durrell, in contrast, would be the worst. She'd be more like an actor in the way she managed her finances – not well at all!

Are you a saver or a spender?

I'm definitely a spender. I like to spend money on taking my family away. You never regret spending money on creating memories, because that's what life's all about. As your children get older it's harder to get them all in one place together. You see less of them. It's quite nice to force them into a family holiday, so for a week or two we can have that quality time together.

Is there a particular piece of advice that has shaped your career?

As an actor, the thing I've heard most often is: 'Be on time, turn up, know your lines, and don't be badly behaved'. Reputation is important. There are lots of people who would love to be doing this job, so doing it well and being respectful matters.

Whose advice is most valuable to you?

My husband (the actor Matthew Macfadyen) gives good advice, particularly when it comes to work. I'll read a script and get completely overexcited. But he's much more level-headed. It helps having that sounding board, a different opinion. And he's got great taste. He's a valuable source of advice in that way. ◆











The cost of care: why early planning matters

BY DAVID FREITAS

Most people spend years planning for retirement and looking forward to the next stage of life. Far fewer spend time thinking about what happens if they need care later in life. Yet for many families, care becomes one of the biggest financial and emotional decisions they will ever face.

In the UK, the cost of long-term care can be significant and vary considerably depending on where you live and the support you need. With an ageing population and pressure on the care system, thinking about care before it is needed can give you and your family more time, more choice and greater confidence about the future.

While no one can predict what the future will hold, taking the time to consider the possibilities can help ensure that future decisions reflect your wishes and priorities.

Leaving it too late

Conversations about ageing, illness and future care needs can feel difficult. Many families put them off for as long as possible. But delaying the discussion can sometimes limit the options available when care is eventually needed.

Imagine a couple in their late 70s. One partner develops dementia and can no longer live independently. Suddenly, the family must decide where they will live, what support they will need and how it will be paid for. Choices that deserve careful consideration may have to be made at speed and under real pressure.

It can be helpful to consider long-term care as part of wider retirement planning, rather than waiting until support is urgently needed. Major life events such as retirement, bereavement or the diagnosis of a chronic condition may also prompt families and individuals to review their plans.

Discussing preferences before a crisis develops allows everyone the time and space to consider the options carefully, rather than making important decisions under pressure.

The cost of care is an important part of the conversation

Understanding the cost of care

Costs vary depending on where you live and the level of support required. In London and the South East they are typically highest, at close to £1,500 per week on average, whereas care in Northern Ireland may be around £1,000 per week – the lowest average across the UK.[1]

Figures show the cost of care averaged £1,298 per week in 2025, with many people facing notably higher bills. These costs can come as a surprise to families who have never explored care funding before. Depending on their circumstances, some people may need to use assets such as savings or property to help meet care costs.

Financial support from the local authority is not available to everyone. In England, people with assets above £23,250 may be expected to pay the full cost of residential care. The value of people's homes will typically also count towards this threshold. The rules are complex, however, and some assets may be excluded from the assessment in certain circumstances. Care funding thresholds differ across the UK and are also subject to change, so it's worth checking current rules in your area.

For some people, continuing NHS healthcare may be available, although eligibility is based on specific health needs and is assessed case by case.

Successive governments have pledged to reform social care – new prime minister Andy Burnham has said he would bring forward the planned review of social care by one year to 2027 – but significant changes may take time.

As a result, it remains important to understand the current system and plan based on today's rules.

The benefits of planning

Planning for care is about more than money.

Taking the time to think about where you would like to live, the type of support you might prefer and how care should be funded can provide reassurance for everyone involved.

Long-term care can take different forms. Some may wish to remain in their own home with support from carers, while others may eventually prefer residential or nursing care.

Understanding the options available can help ensure that future decisions are guided by personal preferences rather than time pressures.

Planning ahead may also help to reduce uncertainty. Having a framework in place can make it easier for family members to act on your wishes should they ever need to do so.

Funding future care

There is no single solution for funding care. The right approach will depend on individual circumstances. Common ways to fund this include:

- using income, savings or investments
- using property wealth
- buying an immediate needs annuity

Each option has different costs, risks and tax implications. Using pensions, investments or property to fund care can also affect future income and the amount left to loved ones, so it is important to consider the choices as part of a wider financial plan.

Starting the conversation

If discussing future care feels daunting, focusing on a few practical areas may help.

- **Talk about your preferences:** Would you want to stay at home, move nearer to family or consider residential care?
- **Understand your finances:** Review your income, savings, investments, property and likely future spending to understand how care costs might be met if the need arises. A financial adviser can help you achieve this.
- **Put legal arrangements in place:** A lasting power of attorney can allow someone you trust to make decisions on your behalf if you become unable to do so.
- **Write down your wishes:** A clear record can guide your family and reduce uncertainty at a difficult time.

No one can know whether they will need long-term care. But talking about the possibilities, understanding the costs and recording your wishes can give you and your family greater clarity, choice and confidence for the future. ◆

Lasting Powers of Attorney involve the referral to a service which is separate and distinct from those offered by St. James's Place and are not regulated by the Financial Conduct Authority.

Sources

1 Knight Frank, UK Care Homes: Trading Performance Review, December 2025

The appeal of annuities

An immediate needs plan (annuity) is designed for people who have reached the point of requiring long-term care.

In return for a one-off payment, it provides a guaranteed income paid directly to the care provider for as long as care is needed. These payments are usually tax-free if certain conditions are met.

For families concerned about rising care costs, this can provide valuable certainty and peace of mind. The amount of income depends on factors such as the person's age and health. Generally, those in poorer health may receive a higher income because they are expected to need care for a shorter period.

However, these plans can be expensive and, once purchased, the original capital cannot normally be recovered.

As immediate needs plans are specialist products, taking professional advice is essential before making any decisions.

A matter of perspective

According to Tony Müdd, a divisional director at St. James's Place, the idea that social care is seen as an expense should change.

The way Tony sees it, it is a case of untapped investment potential. He points to the fact social care creates local jobs that can't be outsourced and frees up unpaid family carers' time to remain in, or return to, work. It also unlocks time that NHS professionals spend on hospital admissions and discharges, which would lead to a more efficient use of hospital beds.

This would not be free – upfront funding is required and costs are immediate. But just because this isn't free, it doesn't mean it's also a pure cost, he adds.



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"How we classify expenditure shapes the decisions we are prepared to make. For decades we have framed social care as a welfare challenge. Perhaps it's time we also saw it as economic infrastructure."

"We don't assess transport solely by the cost of the tarmac. We measure it by the economic activity it unlocks. Social care deserves the same approach."

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Tony Müdd,
Divisional Director at St. James's Place

Beyond the day job for SME owners: focusing on 2027

BY DAVID FREITAS

In 2027, owners must look beyond the immediate challenges to ensure they achieve the best outcomes, specialists tell The Investor.



The pressures facing small and medium enterprise (SME) owners are mounting. Margins remain under pressure, costs continue to rise, and technological disruption is accelerating, forcing businesses to adapt more quickly than ever.

But the biggest risks for entrepreneurs and business owners may not be the immediately visible challenges. As tax rules evolve and succession planning becomes more complex, business owners need to pay as much attention to their personal finances as they do to the business balance sheet in order to achieve financial security and leave a lasting legacy.

Business planning ≠ owner planning

So far, 2026 has been a difficult year in many ways, due to geopolitical turmoil, changing domestic politics and rising costs in many areas. And storm clouds look likely to be on the horizon for business owners in 2027 too.

Forecasts point to an uncertain and volatile economy. Business investment is expected to fall 0.2% in 2026 before growing by 0.4% in 2027, according to the British Chambers of Commerce.[1]

Anaemic economic growth can be particularly hard on small enterprises, which typically operate on tighter margins and lower levels of resilience. Fewer than one in five (17.8%) small businesses anticipate growth over the next 12 months, with nearly one in three expecting to shrink, sell up or close, according to research by the Federation of Small Businesses (FSB).[2]

High inflation, driven in part by soaring energy prices as a result of the US-Iran war, will likely continue to squeeze margins. The tough fiscal backdrop in the UK may also bring challenges.

As business owners turn their attention to keeping their enterprises competitive in these conditions, they may understandably neglect challenges in a different dimension.

For many business owners, their company represents their financial future – effectively their pension when they sell. Therefore, any plan for the business needs to consider this and incorporate personal financial planning too.

With much of an entrepreneur's wealth often tied up in their business – and its performance – personal and business planning need to go hand in hand. Entrepreneurs need to be asking how their enterprise will fulfil their financial ambitions in the long term. Asking this question should help ensure the right preparation for an eventual exit, whatever that may look like.

Life beyond the business

Many owner-managers use pension contributions as a tax-efficient way to take money from their business and build wealth for the future. However, changes to the inheritance tax treatment of pensions from April 2027 (see feature on p8) provide a clear reason to review those plans.



It should encourage business owners to consider how their business, pension and other assets can best support their long-term goals.

"If you own a business, you need to know your knowables," says Richard Murray, chief commercial officer at Elephant's Child, an SME business advisory service. "Knowing where you are and knowing your destination is key."

To make important business and personal decisions, business owners must also know how much their business is worth. But many of them don't, Richard notes.

They also need to know what the business needs to be worth if it is to support their future plans.

According to Richard, regular valuations are important, regardless of whether the owner intends to take out income gradually, receive a large payout on exit or pursue a mix of both. A valuation helps owners assess whether they remain on track to meet their financial objectives.

The finishing line

Once a business owner is confident in the value of their business, they can test that number against their retirement expectations, says Richard.

"If you know what your destination looks like, you know what you have to work towards."

He has come across most scenarios – owners who extracted larger retirement pots than anticipated, and others who didn't quite get there within the expected period.

And so has Obi Nnochiri, a private client consultant at St. James's Place.

"Most people want the same outcome in retirement: financial security and choice," he says. "For business owners, the difference between achieving that and falling short comes down to having a clearly defined plan."

The fact most unused pension funds will form part of people's estates for IHT purposes in only a few months should encourage owners to act on their financial goals, Obi says. More broadly, it is a reminder that the tax treatment of wealth depends on how it is structured. For many business owners, that consideration extends beyond pensions to what happens when value is extracted from, or realised through, the sale of a business.

But this is not the only gamechanger affecting business owners. Since 6 April 2026, combined business relief and agricultural property relief have been capped at £2.5 million per person. Assets exceeding this amount are no longer fully exempt from tax.

"Broader estate planning shouldn't be a one-off task. It should evolve and adapt to circumstances, in line with business growth and changes in personal taxation," Obi adds.

These tax changes raise more difficult questions about IHT when a business is sold. While shares in a qualifying business may benefit from business relief, the proceeds of a sale are typically held as cash or investments, which do not attract the same treatment. ▸

Owners approaching retirement may therefore need to consider how much value they can realise from their business and how that wealth will be structured afterwards, Obi notes.

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"Selling the business isn't the finishing line from a financial planning perspective. It can completely reshape a business owner's personal balance sheet. The important question isn't simply how much they can sell the business for, but what its value needs to be when they expect to leave it."

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Obi Nnochiri,
Private Client Consultant at St. James's Place

A marathon, not a sprint

Planning an eventual exit often forces owners to take a more holistic view of their business. A valuation puts a price tag on the company, but making the business sustainable for buyers helps to validate the long-term value of the business.

Some SME business owners may struggle to sell their company when too much expertise and decision-making are concentrated in the founder. If the owner retires, the business may have little or no value to potential buyers.

It may also become harder to attract investment, secure a strong valuation or transfer ownership smoothly.

Retaining and developing talent in the long term can protect against some of the risks that could affect the business and the owner's financial circumstances. Developing a management team capable of running day-to-day operations independently may provide evidence that the business can continue to thrive without its owner.

Obi notes that investing time and money to reduce this type of succession risk typically pays off in the long term.

"For many owners, the people strategy becomes the succession strategy," he notes. "Benefits such as employee management incentives, key person protection or structured retention planning are a robust way of ensuring an owner can increase confidence in their exit."

Putting your best foot forward

There is no doubt that 2027 will bring plenty of curveballs for business owners. High inflation may lead to higher wage demands and operating costs, while economic uncertainty may put pressure on valuations.

At the same time, owners may need to balance the demands of today's business with their longer-term financial ambitions and retirement expectations.

To get 2027 right, they may have to think well beyond it. ◆

Sources

1 British Chambers of Commerce, BCC Economic Forecast. September 2026

2 Federation of Small Businesses, Small Business Index Q2. August 2026



The 2027 journey

The ultimate benefit of planning early isn't just tax efficiency; it's choice.

Here are seven questions a business owner should be asking that could shape decision making in 2027:

- How much is my business worth today?
- How much of my personal wealth depends on the business?
- How can I take my money from the business tax-efficiently?
- Am I building enough wealth outside the business?
- Could recent and upcoming pensions and IHT changes affect my plans?
- Could the company go on without me?
- Do I want to sell, pass the business on or retain ownership and step back?

While every business owner's circumstances are different, asking these questions can help to create more options down the line. The earlier owners look for answers, the more choices they are likely to have when the time comes to step away.

The most important planning for an eventual exit therefore often starts long before there is a buyer at the door. Business exit strategies may include the referral to a service that is separate and distinct from those offered by St. James's Place.

Quality, value or momentum: which investor are you?

BY JOHNNY MINTER

What's important when investing? A company's value? How well run it is? Or how its share price is behaving? What if it could be all three?

If you were looking to invest in a company, what would you focus on? Would it be its accounts – considering how profitable the business was, if it could show consistent earnings or other similar metrics? Would you look at businesses with a share price or value below what you think it's actually worth? Or would you look for a company benefiting from recent market trends – to hitch your wagon to the current golden goose, so to speak?

Any of these are sensible things to consider when debating investing in a company. In fact, these are some of the more common lenses professional investors use themselves.

Known as 'factor investing', focusing on characteristics such as these has long been a key method of identifying potential opportunities. And it has proven to be broadly successful as well. Over the long term, factor investing has shown an association with strong returns.

Hamish Gibberd, multi asset portfolio manager at St. James's Place, says: "People often think about investing in these ways because you can define them, and they're easy to relate to. But there is also evidence over 30 or 40 years that, for example, buying stocks at a cheaper price than what they're worth does create upside excess returns compared to the broader index. The same is true for buying companies with consistently quality earnings that compound through time."

Building on momentum

Of late, momentum-style investing has produced some excellent returns for investors, largely driven by the AI boom. Early investors in computer memory or storage manufacturers will have seen massive gains, as the industry continues to sell stock at high prices.

However, investing isn't about past returns as they aren't a reliable indicator of future returns. It's about future returns. Runs such as this only have so far to go. Inevitably, the growth will slow at some point. Those who buy later in the cycle will see lower returns. Several AI companies have risen by over 1000% over the past five years. Would someone investing now reasonably expect the same rate of growth for those companies for another five years? Eventually momentum will slow – and later investors will see weaker returns.

> "Whereas AI has carried momentum forward, it's had the opposite effect on quality."

Momentum-style investments are particularly prone to this risk – if momentum reverses, you might find yourself holding the wrong company at the wrong time.

In contrast, quality has struggled in recent years. Whereas AI has carried momentum forward, it's had the opposite effect on many companies that would be considered quality. Many of these would have had competitive advantages that made it hard for rivals to emerge. But AI has upended that in a lot of cases. Or at least investors worry that AI might do that. These include legal, accounting and consulting firms, as well as those in the software category.

It's worth noting that markets are constantly reassessing these opinions. At the start of the year, share prices for several software providers dropped sharply on AI fears.[1] At the time of writing, losses at many of those companies have been more than erased as the narrative has changed.

As with companies and geographies, the investment style in vogue slowly rotates over time. Today momentum might be the most popular. But eventually attention will shift to other styles – value or quality, for example.

Spreading your bets

Trying to call when the market will rotate is incredibly difficult. Timing the market on anything like a regular basis is simply not doable, even for professionals.

Rather than attempting to do that, another option is to blend a portfolio between the different styles. Once again, the value of diversification becomes apparent.

As Hamish says: "When you've got three things that work through time and you don't know which is going to work when, but you're confident over 20 years of investing they'll add some value, do all three of them."

It's also worth noting that not all companies will nicely fit into one category, and they can move between them over time. A company can have a strong balance sheet and low stock price at the same time, for example. If its share price takes off, it might no longer be 'value' but, depending on the reason for the increase, it might be part of a general momentum play.

As Hamish notes: "Sometimes the best way to build a portfolio is to capture a group of stocks that have multiple characteristics. That can be quite an attractive thing about a stock. If it's got high-quality earnings, it's going to compound through time, and it's cheap. That's a good thing." ◆

Sources

1 Bloomberg, as at 07/10/26

Types of factor investing

There is no one size fits all definition of factor investing styles – different companies will have slightly different versions of the below, known as 'quality', 'value' and 'momentum'. Below are the broad brush strokes that all will follow, though:

Quality stocks

Looking for well-run, financially solid companies

What to look for:

- How much profit a company generates from the money invested in it.
- How much the company relies on borrowed money versus its own funds. Lower debt-to-equity ratios mean less risk if things go wrong.
- How consistent profits have been year to year. Steady growth beats a rollercoaster.
- How much cash is left over after costs. More cash means the business keeps more of what it earns.

Value stocks

Looking for companies at low prices

What to look for:

- The price-to-earnings ratio. A lower ratio can mean it's undervalued (or there's a reason it's cheap).
- How the share price compares to the company's net assets. If the share price is below net assets, you're buying these assets for less than they're worth on paper.
- How much spare cash the business generates each year relative to its price. Higher means more bang for your buck.

Momentum stocks

Chasing trends

What to look for:

- Has the stock been going up over the past year? Momentum investors bet that winners keep winning, for a while.
- Is it beating its peers or the wider market, not just going up because everything else is?
- Are analysts getting more optimistic about future profits?
- Is the price above its recent average?

My adviser and me

BY JO THORNHILL

"From the first conversation there was a resonance."

It was a chance meeting in a local café three years ago that led Suzy to become one of Natalie's first clients when she set up her business.

Today, Suzy credits Natalie with helping her feel confident and in control financially. She believes receiving financial advice has helped her to move forward, following divorce and emotional upheaval.

Suzy says from the first conversations with Natalie she knew she understood her hopes, fears and priorities around money, and in life. She says: "I instantly knew we were on the same page. And when you're entrusting someone with your money, that's essential."



SJP Partner: **Natalie Cheesman** *(right), founder, director and financial planner at White Lined House Wealth Management, Horsham, West Sussex. Client:* **Suzy Cashman** *(left), author of The Invitation, sound therapist, and kundalini yoga teacher.*

It was the week before Christmas in 2023. Suzy had recently sold her house and with equity sitting in the bank, she knew she needed to take action and invest the money. But she didn't know where to start.

Suzy is a confident and highly successful writer and businesswoman, specialising in life transformation, sound therapy and kundalini yoga. But when it came to her own personal finances, and in particular investments, Suzy says she felt overwhelmed.

> "The key thing for me is trust."

"I had been thinking about getting financial advice, but I didn't know where to look," says Suzy. "I got divorced six years ago and my husband had always dealt with our finances in the past. With three kids I'm good with day-to-day budgeting for the household, but this felt much more daunting. I've had so much upheaval in my life, I think I was a bit scared of making the wrong decisions. I had no idea what to do with the money.

"Then I got talking to Natalie in a local coffee shop. We were both waiting to attend the school Christmas concert that morning," Suzy adds. "I knew Natalie was a fellow school mum. We had chatted in the playground over the years as our children are in the same class. But I didn't know what she did for a living."

Suzy says bumping into Natalie that day in the café was fortuitous. She felt that something aligned in that moment.

She told Natalie about her financial dilemma and concerns and quickly realised that Natalie could be the right person to help.

> "Natalie has given me a new clarity about my finances and has helped me plan wisely."

"The key thing for me is trust," says Suzy. "From the very first conversation with Natalie, there was a resonance. She is truly here to help me and offers a wealth of expertise, knowledge and care.

"What sets Natalie apart is that she looks out for me financially beyond the numbers, the screen and the paperwork. She takes a genuinely holistic view and loves to deepen her understanding of my situation to help me make aligned investment choices."

Suzy adds that as a single mother of three she knows she can trust Natalie's advice to build a solid financial foundation. She also says one of the best things about Natalie is that she listens and explains everything without jargon.

"I feel totally comfortable that I can ask Natalie anything about my money and investments. Natalie's help and advice have given me a new clarity about my finances and she has helped me plan wisely."

Natalie set up her St. James's Place (SJP) Partner practice White Lined House Wealth Management in May 2024, after qualifying as a financial adviser through the SJP Academy. But she has had a much longer career within regulated financial services, including running a mortgage and protection business for more than 15 years.

In 2025, Natalie won the prestigious SJP Mike Wilson Award. This is awarded to SJP's top Academy graduates, in recognition of their hard work and inspirational attitude.

For Natalie, understanding a client's needs is at the heart of everything. She says: "I listen first, find out what this person needs their finances to do in their life, and we build out from there."

Natalie says Suzy isn't a typical client: "She doesn't say 'I want to retire at 60, or 65', for example, because that isn't her focus right now.

"Suzy is so passionate about her work," Natalie explains. "It means she doesn't really see it as work. She's helping others and doing what she loves.

"While it is important to make provision for the future, and we look at cashflow modelling, Suzy isn't thinking that far ahead at the moment. She's focused on the present. Suzy has ambitious plans for growing her business. We have even supported each other in introducing clients to one another – so that has worked both ways.

"I've loved going to Suzy's sound baths, for example, and I've told my clients about them, and the yoga classes," says Natalie. "And Suzy has recommended me to many of her own clients."

The two women are looking into the possibility of running retreats for couples, offering yoga and other wellness therapies, alongside financial advice.

Natalie adds that one of the nicest things is how much Suzy has grown in confidence around her finances over the past two years.

"The change I've seen in Suzy has been quite transformational. She's evolving in her career, pushing herself, speaking at events and her ambition is growing," says Natalie. "She knows she has a sound financial base to work from and that's empowering."

Suzy adds: "I feel much more resilient now I have a financial plan. I can cope with changes and things life might throw at me.

"My focus and purpose are clear. I've always had a confidence and clarity with my business. But now I feel it too when I think about my financial future, which is extremely reassuring." ◆



Could this year's El Niño drive food prices higher?

BY JAMES DUCKWORTH

Food price inflation has eased from its recent peaks, bringing some relief to household budgets. But this winter's potentially powerful El Niño could disrupt harvests in 2027 across some of the world's most important farming regions, putting renewed pressure on household bills.

El Niño is a recurring warming of the tropical Pacific Ocean that changes weather patterns around the world. It occurs irregularly, usually every two to seven years, and can last for up to a year. Its effects can include drought in some major farming regions and unusually heavy rainfall in others. This can have a huge impact on the production of crops that are bought and sold globally.

For example, El Niño can increase the risk of drought in the agricultural powerhouses of Australia and India, while bringing wetter conditions to parts of the Americas.

According to the UK's Met Office, this year's El Niño could prove the largest since the 19th century[1] and is expected to increase the frequency and severity of extreme weather events globally.

It comes after several years during which global food markets have been disrupted. The pandemic pushed up farming costs, while Russia's invasion of Ukraine disrupted supplies of wheat and sunflower oil. Meanwhile, the ongoing US-Iran war and resulting hike in energy prices have also pushed costs higher.

Against that backdrop, the strength of global food supplies will determine how well markets can absorb another disruption.

A shrinking buffer for food markets?

The Food and Agriculture Organization, an agency of the United Nations, views agricultural markets as currently stable, with ample supplies providing protection against an immediate food price shock. Yet that may not last. Agricultural markets depend on factors including harvest volumes, stock levels, fertiliser availability, and energy costs.

Higher energy prices feed through into food costs by making crops more expensive to grow, process and transport. European natural gas prices have risen more than 150% so far in 2026[2] and are higher than at any time since the spike caused by Russia's invasion of Ukraine.

Natural gas is a key input in fertiliser production, and vital for many farmers, particularly in poorer countries. Applying less of it can reduce crop yields, leaving global food markets with less protection if El Niño disrupts harvests.

What does this mean for consumers and households?

El Niño increases the risk of renewed food price pressure, but it is too early to know how severe that pressure will be or how quickly it might reach UK supermarkets.

Here in the UK, the Bank of England's Monetary Policy Committee minutes in September 2026 highlighted that predictions of annual food price inflation of 4% for 2026 were lower than expected.[3]

While weather forecasters, governments and industry will all be keeping a close eye on El Niño, even a severe event doesn't necessarily mean a sudden or inevitable jump in supermarket prices. Commodity prices are only one part of the price paid in shops and any effect on supermarket prices may come with a lag. Much will also depend on which crops and regions are affected, as well as energy, transport and trade costs.

For now, the outlook remains uncertain. But with household budgets still under pressure and food prices an important part of overall inflation, the progress of El Niño, global harvests and energy costs will all be closely watched in the months ahead. ◆



Sources

1 Met Office - An 'unprecedented' El Niño and its implications for the weather forecast. 21 August 2026.

2 Bloomberg. October 2026.

3 Bank of England - Monetary policy summary and minutes of the MPC. 16 September 2026.

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