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Tech wave

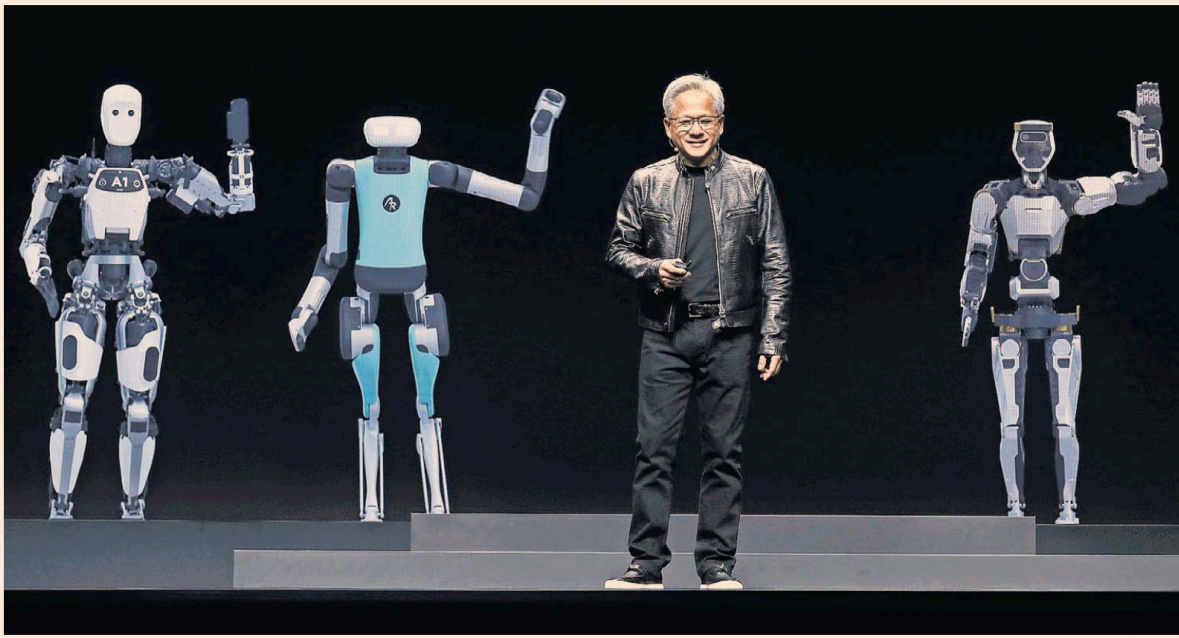
Nvidia unveils new AI chip

Nvidia chief executive Jensen Huang onstage at the Computex conference in Taipei yesterday, where he announced the next generation of the company's artificial intelligence processors.

The surprise move comes less than three months after its most recent launch. Huang lifted the lid on "Rubin", the successor to the company's "Blackwell" chips for data centres, which are currently in production after being unveiled in March.

The move shows how the world's most valuable chipmaker is racing to entrench its dominance in AI processing, which has propelled it into the ranks of the world's most valuable companies. Nvidia's pace of innovation has taken on an outsized importance to the stock market as traders bet on whether the huge AI-driven rally in a handful of Big Tech companies can continue.

Trading frenzy page 6



Chiang Ying-ying/AP

Briefing

Oil producers agree to extend deep cuts in output

Members of Opec+ have agreed to prolong reductions, in some cases to the end of next year, as the cartel battles to shore up prices amid weak demand and increased supply from other parts of the world, notably the US and Canada.— PAGE 2; US TIE-UPS, PAGE 6

Israel right rejects truce

Right-wing allies of Benjamin Netanyahu have said a US-backed Gaza plan would constitute "total surrender" to Hamas, threatening to bring down the government if it is enacted.— PAGE 2

GSK to face Zantac jury

A Delaware judge's ruling has paved the way for pharma groups to face trials in cases brought by 72,000 cancer sufferers who allege that a heartburn drug caused their condition.— PAGE 6

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Joe Biden's campaign has stepped up attacks on Donald Trump over his conviction, as Democrats urge the president to weaponise the New York "hush money" verdict.— PAGE 3; RUCHIR SHARMA, PAGE 19

Beijing hits out at Lai

Chinese defence minister Dong Jun has attacked new Taiwan president Lai Ching-te, warning that the island's "aggressive" behaviour is eroding prospects for peaceful unification.— PAGE 4

Goldman's private push

The bank has stepped up its push to grow its money management business by exploring ways to pay bonuses to investment bankers and traders who make referrals to its private bank.— PAGE 6

De Beers grief for Anglo

Anglo American chief Duncan Wanblad has admitted that selling the diamond business will be the hardest part of a shake-up he must deliver after rejecting BHP's £39bn takeover.— PAGE 8

Lex and Business Life

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Russia-China gas pipeline deal stalls as Beijing plays hardball over prices

Xi has upper hand over Putin War sanctions shift balance Moscow needs boost for Gazprom

MAX SEDDON — RIGA
ANASTASIA STOGNEI — TBILISI
HENRY FOY — BRUSSELS
JOE LEAHY — BEIJING

Russia's attempts to conclude a major gas pipeline deal with China have run aground over what Moscow sees as Beijing's unreasonable demands on price and supply levels, according to three people familiar with the matter.

Beijing's tough stance on the Power of Siberia 2 pipeline underscores how Russia's invasion of Ukraine has left President Vladimir Putin increasingly dependent on Chinese leader Xi Jinping for economic support.

The people familiar with the matter said China had asked to pay close to Russia's heavily subsidised domestic prices and would only commit to buying a

small fraction of the pipeline's planned annual capacity of 50bn cubic metres.

Approval for the pipeline would transform the dire fortunes of Gazprom, Russia's state gas export monopoly, by linking the Chinese market to gasfields in western Russia that once supplied Europe. Gazprom suffered a loss of Rbs629bn (\$6.9bn) last year, its biggest in at least a quarter of a century.

Russia has insisted it is confident of agreement on Power of Siberia 2 "in the

'China could need Russian gas strategically . . . but it needs a very cheap price and flexible obligations'

near future". But two of the people said the impasse was the reason Alexei Miller, Gazprom's chief executive, had not joined Putin on a state visit to Beijing last month. Miller would have been essential for any serious negotiations with China and his absence was "highly symbolic", said Tatiana Mitrova, a research fellow at Columbia University's Center on Global Energy Policy.

A deal on the pipeline was one of three main requests Putin made to Xi when they met, according to the people familiar with the matter, along with more Chinese bank activity in Russia and for China to snub a peace conference being organised by Ukraine this month.

China said on Friday it would skip Ukraine's summit in Geneva. Ukrainian President Volodymyr Zelenskyy yester-

day accused Beijing of helping Moscow to pressure other countries not to attend and said it was "in the hands" of Putin.

"With Chinese support to Russia, the war will last longer," Zelenskyy said in Singapore at the IISS Shangri-La Dialogue defence forum. He also criticised China for supplying Russia with dual-use items that the US says are helping to rebuild Moscow's defence industry.

But a pipeline deal remains distant, while the proposed co-operation with Chinese banks remains at a far smaller scale than Russia requested, the people familiar with the situation added.

Russia's failure to secure the pipeline deal underscores how the war in Ukraine has made China the senior partner in the countries' relationship, according to Alexander Gabuev, direc-

tor of the Carnegie Russia Eurasia Center in Berlin.

"China could need Russian gas strategically as a secure source of supply not based on maritime routes that would be affected in case of a maritime conflict around Taiwan or the South China Sea," Gabuev said. "But to make that worthwhile, China really needs a very cheap price and flexible obligations."

Russia's lack of an alternative overland route for its gas exports means Gazprom would probably have to accept China's conditions, Gabuev said.

The Kremlin and Beijing did not respond to requests for comment. Gazprom declined to comment.

Additional reporting by Demetri Sevastopulo and Christopher Miller
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Modi set to enter second decade as Indian premier

Analysis ► PAGE 4

China	RMB30
Hong Kong	HK\$33
India	Rup220
Indonesia	Rp45,000
Japan	¥650(inc JCT)
Korea	W4,500
Malaysia	RM11.50
Philippines	Peso 140
Singapore	S\$5.80(inc GST)
Taiwan	NT\$140
Thailand	Bht140

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No: 41,649 ★

Printed in London, Liverpool, Glasgow, Dublin, Frankfurt, Milan, Madrid, New York, Chicago, San Francisco, Tokyo, Hong Kong, Singapore, Seoul, Dubai



Pivotal Tesla retail investors at risk of missing vote on Musk's \$56bn pay deal

STEPHEN MORRIS AND
TABBY KINDER — SAN FRANCISCO
HARRIET AGNEW — LONDON

Tens of thousands of Tesla's retail shareholders holding up to \$17bn of stock may be unable to vote at its annual meeting this month as investment platforms have failed to put adequate cross-border systems in place.

The world's largest electric vehicle maker has been campaigning to get investors to back two controversial resolutions in what are likely to be tight votes at its June 13 meeting: one to re-ratify chief executive Elon Musk's \$56bn pay and another to reincorporate the company in Texas.

Tesla has an unusually high proportion of retail shareholders — who collectively own about 30 per cent of the company — and both votes require high hur-

dles for success. But many investors in Europe and Asia have found they are unable to cast their votes electronically from outside the US because the stockbrokers and online trading platforms where they hold their share accounts do not have adequate systems.

The vote to reincorporate Tesla in Texas has a higher threshold, requiring a majority of all shares outstanding to vote in favour, meaning votes not cast are considered against the proposal.

Tesla estimates that about 3 per cent of its shares could be affected, according to people familiar with the situation. That is equivalent to \$16.7bn of Tesla's \$558bn valuation.

"Given the size of the retail ownership, every individual vote counts," one of the people involved in the campaign said.

Tesla is working with proxy solicita-

tion firm Innisfree, which has more than 100 staff on the campaign.

Tesla and Innisfree have been trying to persuade brokers to put new processes in place, but while a few have been helpful, but the vast majority have not, saying they do not have time to install the infrastructure, the people said.

Hargreaves Lansdown, the UK's largest private investment platform, with \$120bn of assets and 1.7mn customers, is one of the international stockbrokers through which Tesla shareholders have been unable to vote.

The company said it was in the process of introducing voting systems in overseas jurisdictions but it had "not been possible" in this case.

Tesla did not respond to requests for comment.
Additional reporting by Sarah White

World Markets

STOCK MARKETS				CURRENCIES				GOVERNMENT BONDS			
	May 31	Prev	%chg		May 31	May 24		Yield (%)	May 31	May 24	Chg
S&P 500	5204.73	5235.48	-0.59	\$/£	1.086	1.085	£/\$	0.921	0.922		
Nasdaq Composite	16507.40	16737.08	-1.37	\$/¥	1.273	1.274	¥/\$	0.785	0.785		
Dow Jones Ind	38164.11	38111.48	0.14	€/£	0.853	0.851	£/€	1.173	1.175		
FTSEurofirst 300	2051.45	2044.54	0.34	¥/\$	157.145	156.975	\$/¥	170.587	170.255		
Euro Stoxx 50	4976.81	4982.18	-0.11	¥/£	200.078	199.963	£ index	83.333	83.309		
FTSE 100	8275.38	8231.05	0.54	SFr/£	0.979	0.992	SFr/£	1.149	1.165		
FTSE All-Share	4517.08	4494.75	0.50	CRYPTO							
CAC 40	7992.87	7978.51	0.18		May 31	Prev	%chg				
Xetra Dax	18497.94	18496.79	0.01	Bitcoin (\$)	66944.38	68571.17	-2.37				
Nikkei	38487.90	38054.13	1.14	Ethereum	3747.29	3760.77	-0.36				
Hang Seng	18079.61	18230.19	-0.83	COMMODITIES							
MSCI World \$	3420.32	3430.00	-0.28		May 31	May 24	%Week				
MSCI EM \$	1058.08	1072.11	-1.31	Oil WTI \$	76.92	77.78	-1.11				
MSCI ACWI \$	781.12	784.16	-0.39	Oil Brent \$	81.01	82.18	-1.42				
FT Wilshire 2500	6745.42	6777.85	-0.48	Gold \$	2348.55	2357.35	-0.37				
FT Wilshire 5000	52492.30	52733.60	-0.46								

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Data provided by Morningstar



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INTERNATIONAL

Output quotas

Opec+ agrees to extend production cuts

Oil cartel tries to placate members while conceding it has little wriggle room

TOM WILSON AND MALCOLM MOORE
LONDON

Opec+ members have agreed to extend a series of deep cuts in oil production, in some cases to the end of 2025, as it battles to shore up prices amid weak global demand and increased supply from other parts of the world.

The cartel conceded after virtual and in-person meetings yesterday that there was no room yet to change its stance on the output cuts that began in November 2022, as it pledged to keep more than

3mn barrels of crude per day off the market until the end of next year. The group will only bring back a small proportion of its curbed production this year, after eight key members, including Saudi Arabia, Russia, Iraq and the United Arab Emirates, agreed to begin unwinding some so-called “voluntary” cuts from October.

With an uncertain outlook on the Chinese economy and surging oil production from countries outside the Opec+ alliance, notably the US and Canada, member countries went further than expected to reassure the market that they would continue to show discipline over production.

Opec+ members “know that demand worries continue”, said Amrita Sen,

founder of research agency Energy Aspects. “They want to continue to provide stability.” She also said it was striking that Opec+ had postponed potentially fractious negotiations about future production quotas until the end

Members ‘know that demand worries continue. They want to continue to provide stability’

of next year. “They know this is not the right time to have that conversation.”

On Friday, benchmark Brent crude traded at \$80 a barrel, down from more than \$90 in April.

The complicated set of actions announced yesterday highlight the challenge that the producer group faces as it seeks to prop up prices while maintaining harmony among members, some of which are bristling to bring back curbed production.

Opec+ members are currently implementing three different sets of supply cuts introduced since November 2022.

The first set of curbs, a group-wide cut of 2mn b/d due to expire at the end of the year, was extended for 12 months by prolonging members’ baseline production quotas for another year. However, the group made an exception for the UAE, which will be permitted to gradually increase its 2025 baseline output by 300,000 b/d.

A set of voluntary production cuts by nine members, including Saudi Arabia, Russia and the UAE, totalling 1.66mn b/d and due to expire in December, has also been extended until the end of 2025.

A third set of voluntary cuts introduced in January and due to end this month, representing 2.2mn b/d, will be prolonged until September and then gradually unwound over the following 12 months, Saudi Arabia’s energy ministry said in a separate statement. The plan could be changed if necessary.

The three sets of cuts mean Opec+ members are currently producing almost 6mn b/d less than their combined capacity, representing about 6 per cent of global supply.

Results blow. Coalition outlook

ANC ‘humbled’ by worst general election showing

South Africa’s ruling party insists it will not be ‘bullied’ into removing president

ROB ROSE — JOHANNESBURG
DAVID PILLING — CAPE TOWN

South Africa’s governing African National Congress admitted it had been “humbled” by its worst general election performance since the first post-apartheid vote 30 years ago, but that it would not be “bullied” into axing President Cyril Ramaphosa.

Although the election result has not been formally declared, with all votes counted the ANC had won just 40.2 per cent, a result that one senior party member said had sent “shockwaves” through the organisation.

The centrist Democratic Alliance came second with 22 per cent. But the big winner was the uMkhonto weSizwe (MK) party, launched six months ago by former president Jacob Zuma, which surged to 14.6 per cent of the vote.

Zuma, who was declared ineligible to stand for parliament because of a previous criminal conviction for contempt of court, has said MK would be willing to form a coalition with the ANC, but only if it were to ditch Ramaphosa, with whom he has a personal vendetta.

The ANC, whose top decision-making body, the National Executive Committee, will meet tomorrow to conduct an autopsy of its poor performance and discuss coalition options, was resolute this would not happen.

“Ramaphosa is the president of the ANC,” Fikile Mbalula, its secretary-general, said at a media briefing yesterday. “If you come to us with a demand that Ramaphosa must step down as president, that’s not going to happen.”

Of coalition talks, he said: “We will not be bullied . . . we’ll engage with everybody”.

Analysts say Ramaphosa is under intense pressure after his party suffered a worse than expected 17 percentage point fall, from the 57.5 per cent achieved in the 2019 election. This represented “a seismic shift in politics”, said law professor Richard Calland.

One party insider told the FT that the ANC needed to rebuild, which would be a “culture shock for many”. But he also said that “this talk of Cyril falling on his sword is bullshit”.



Party shock: ANC officials face the media at the Electoral Commission’s National Results Operation Centre in Midrand — *Alert Pretorius/Reuters*

The MK party’s sudden elevation on to the national stage, based on a radical platform of scrapping the country’s constitution which was created after the end of apartheid, and nationalising mines and banks, has rattled investment markets.

Economists said the rand, which fell more than 2 per cent after the election to R18.79 to the dollar, was braced for a rocky start to the week.

Despite his party’s strong showing, Zuma has demanded a recount, citing irregularities, and threatened “trouble” if the Electoral Commission declared the final results as planned.

Zuma, who was president between 2009 and 2018 during a period when the assets of the state were looted, said that would be a “provocation” for his party and 25 others that have also issued objections. Most independent analysts consider any irregularities minor. “I am hoping whoever is responsible is hear-

ing us. Don’t start trouble when there is no trouble,” Zuma said.

Many commentators took this as ominous, given the riots that exploded across South Africa in 2021 after he was imprisoned after refusing to participate in a commission of inquiry into the corruption that raged under his presidency.

Mosotho Moepya, chair of the electoral commission, told the media that the results were uncompromised and audited.

Herman Mashaba, leader of the ActionSA party, which won 1.2 per cent of the vote, said: “After what happened in July 2021, after he was imprisoned, to use such threats is treasonous. Especially given how the ANC has treated him with kid gloves.”

Mashaba said that while there had been “glitches”, the election was free and fair. “There is no evidence otherwise,” he said.

He raised the alarm about a possible

‘If you come to us with a demand that Ramaphosa must step down, that’s not going to happen’

coalition between the ANC, Zuma’s MK and the radical Economic Freedom Fighters, warning that the “country’s economy will collapse within six months” if it went ahead. His said his preference was for the ANC to enter into a coalition with the DA. “The financial markets will punish us, so I hope the ANC and DA come to their senses and have sensible discussions,” he said.

Some ANC members are understood to favour a deal with MK and the radical EFF, but one Ramaphosa ally insisted they were in a minority.

“We need to put the country first,” the person said. “A majority of sensible people in the ANC will agree with that, but there’s a flipside of those in the NEC who want to create a situation where they can continue to loot. For them this is not about democracy but to create an opportunity to loot and to avoid prosecution.”

See FT View

Leftist stronghold

Meloni coalition backs Schmidt’s bid for Florence mayor

AMY KAZMIN — FLORENCE

Eike Schmidt made a name for himself as director of Florence’s famed Uffizi Gallery by taking on the ticket-scalping mafia selling museum passes at inflated prices.

Now the German art historian — who recently acquired Italian citizenship — is fighting another improbable battle: to be elected as mayor of the northern Italian city.

His bid is backed by Prime Minister Giorgia Meloni’s right-wing coalition, which is betting it can capitalise on Schmidt’s local fame to take power in the longtime leftist stronghold. Voters seem to be receptive to his candidacy, with polls projecting he may qualify for a run-off with the Democratic rival, Sara Funaro.

“What is important . . . is to run the municipality according to corporate criteria, without ideology,” Schmidt recently told affluent Florentines gathered at a 19th-century villa owned by one of his supporters.

Paola Fantacci, an 80-year-old Florentine who was in the audience, said Schmidt — an expert in Florence’s

Renaissance-era patrons, the Medici family — has what it takes to help the city confront the ills of excessive tourism.

But across town in the working class Isolotto district, voters were sceptical, especially of Schmidt’s claim that his alliance with right-wing parties will not influence his approach to local issues.

“He is a German,” said retired graphic designer Carlo Mannucci, 80. “I would much prefer a Florentine mayor,” he said, adding “when you are in politics, it’s hard to be apolitical”.

The results of the race will reverberate far beyond Florence. The city is among the last leftist bastions in the country. Its loss would deal a significant blow to the Democratic party, and its leader Elly Schlein, who took the party’s helm last year.

Ahead of the June 8-9 vote, polls show Schmidt just a few percentage points behind Funaro in a crowded field — a remarkable development in a city where centre-right candidates have rarely been competitive.

Mariagrazia Internò, local co-ordinator for the late Silvio Berlusconi’s Forza Italia, is optimistic that Schmidt has a fighting chance. “Florentines are tired —

truly tired,” she said. “We will surely go to the run-off, and then with the alliances will see.”

During his eight-year Uffizi tenure — which ended last year, Schmidt made headlines by battling powerful ticket scalpers who bought museum tickets in bulk, then resold them, outside the gallery and online, at high mark-ups.

Schmidt said his run for mayor was inspired by appeals from city residents, who approached him on the streets. “I was involved in problems that were often at the edge of what a museum director does. The city didn’t do any-



Eike Schmidt: the German-Italian historian is an expert on the Medici

thing so I needed to be more proactive myself.”

If elected, Schmidt has pledged tighter regulation of city centre businesses such as self check-in Airbnbs, street food vendors and mini-markets catering to tourists. He also wants to entice visitors beyond the historic centre to other parts of the city.

Such ideas do appeal. “He is a new wind, a new spirit,” said Mattia Mannini, 33, who runs a food distribution business. “His ideas are completely free from politics — he really thinks about concrete things, like an entrepreneur.”

Others are unsure. “Leading a city like Florence is a little bit difficult,” said Valfrido Barsi, 75, a retired bar owner. “Everyone wants to be in politics but they don’t have the basics.”

Should he lose, Schmidt says he does have a plan B. He has been appointed director of Capodimonte Museum in Naples, “a very challenging museum” whose problems are the opposite of the Uffizi’s. “In Florence, there is too much demand and not enough capacity,” he said. “But the Capodimonte — not even Italians know about it.”

Additional reporting by Giuliana Ricozzi

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Published by
The Financial Times (HK) Limited,
6th Floor, Nan Fung Tower, 88 Connaught Road
Central, Hong Kong
Asia Editor: Robin Harding

Printed by
Australia: Spotpress Pty Ltd, 24-26 Lillian Fowler
Place, Marrickville, NSW 2204
Hong Kong: Kin Ming Printing Co Ltd,
15/F BLK A, 18 Ka Yip Street, Ming Pao Industrial
Centre, Chai Wan; Representative: Angela Mackay;
ISSN 1025-918X

Japan: Nikkei Tokyo Newspaper Printing Center, Inc.,
1-10-5, Shinonome, Koto-Ku, Tokyo 135-0062
Representative: Hiroko Rizzo Hoshino;
ISSN 0915-9460

South Korea: Maeil Business Newspaper, 30-1, 1-Ga,
Pil-Dong, Jung-Ku, Seoul, 100-728

Singapore: SPH Media Limited, 2 Jurong Port Road,
619088

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INTERNATIONAL

Biden campaign hardens attacks on Trump after felony verdict

President urged to seize on rival's conviction as weapon in election

JAMES POLITI — WASHINGTON

Joe Biden's re-election campaign escalated its attacks on Donald Trump over his criminal conviction in New York, as Democrats urged the president to seize on the guilty verdict as an election weapon against his Republican rival.

In a memo released on Saturday, the Biden campaign described Trump as a "convicted felon" who would "destroy our justice system, shred our democracy, rig our economy for their billionaire donors, and attack the very idea of America".

The statement signals that Democrats and the Biden re-election bid are preparing to be more aggressive in targeting Trump over his status as the first former president to be found guilty of a crime, rather than adopt a more passive approach.

On Friday, Biden briefly addressed the Trump verdict at the beginning of remarks on his Middle East peace plan, criticising his rival for blasting the US justice system during a remorseless tirade against the ruling a few hours earlier.

"It's reckless, it's dangerous, and it's irresponsible for anyone to say this was rigged just because they don't like the verdict," Biden said.

Some Democrats have been pushing the US president and the campaign to go further. Christy Setzer, a Democratic strategist, says Biden and his party need to be more "forceful" in drawing a contrast with Trump when it comes to the conviction.

"Sometimes Democrats get so precious, so afraid to get their hands dirty or afraid to anger Trump's supporters... our party misses the opportunity," Setzer said on Saturday. "Let's not do that here, on a story that has the power to fundamentally change the trajectory of the race, and history."

The calls for Biden and the Democrats to be more pugnacious comes as a Reuters/Ipsos poll released on Saturday — and conducted after the conviction — showed that 10 per cent of Republican voters and 25 per cent of independent voters were less likely to vote for Trump because of the verdict. This would indicate a significant number of defections from the Trump camp.

Tony Fabrizio, a pollster for Trump, disputed the notion of any big effect on the former president's ability to win a second term in the White House.

"We told our donors and supporters that our polling in these target states was indicating that [almost] all of the trial impact was 'baked in the cake' and that we expected marginal impact from an adverse ruling," he said in a memo distributed by the Trump campaign on Saturday. "So far, that seems to be the case."

Democrats in swing districts heading into the November election are generally offering more guarded criticism of Trump over the ruling, while others say it is important not to focus excessively on the former president's crimes at the expense of kitchen-table issues.

"Trump continues to be a sideshow, a circus, a caricature of a buffoon, the



Anti-Trump protesters in New York on Friday. Below: Joe Biden



worst thing that happened to this country in a very long time. We need to focus on our people and the American people and getting them out to vote and focus a lot less on Trump," Jamaal Bowman, a New York congressman representing New York, told MSNBC on Saturday.

Many Republicans believe that Dem-

ocratic efforts to capitalise on Trump's verdict are bound to backfire, since the trial itself has done little to move the needle in national or swing state polling, and most voters on the right and centre-right accept Trump's claim that the prosecution had political motivations.

"Democrats think they can put out the Trump fire with oxygen. It's political malpractice," Mitt Romney, the Utah senator and Trump critic within the Republican party, told The Atlantic.

But Trump's verdict is making him politically vulnerable on several fronts. As well as labelling him a "convicted felon", Democrats will be able to target him for the underlying case — of falsifying business documents to pay for the silence of a porn actress so it would not damage his 2016 campaign for president.

They will start to poke holes in Trump's claim that he is the candidate of law and order, since he failed to accept a criminal conviction. And if Trump lashes out and grows angrier at

'Sometimes Democrats get so precious, so afraid to get their hands dirty, our party misses the opportunity'

his legal predicament, as he did on Friday, they will have new opportunities to depict him as unhinged and distracted from the issues voters care most about.

"Trump's campaign is about him, our campaign is about America," the Biden campaign said in Saturday's statement.

A sign of whether Trump's verdict damages him politically will come from polling over the next few weeks. Biden still trails by 1.3 percentage points in national polling, according to the FiveThirtyEight.com average, and the former president also has a slight edge in key battleground states.

If Biden sees that attacks on Trump's criminal record are having an impact, he may emphasise that during their first debate in late June in Atlanta. Biden may still have to remain above the fray to remain presidential, but his allies will be less constrained.

"We need a phalanx of campaign surrogates out in force, comparing Trump, America's first felon on a major party ticket, to Biden," says Setzer.

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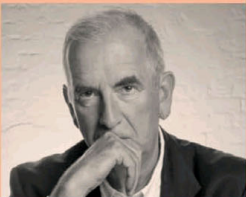
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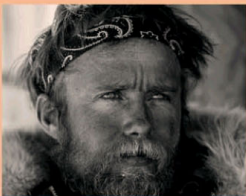
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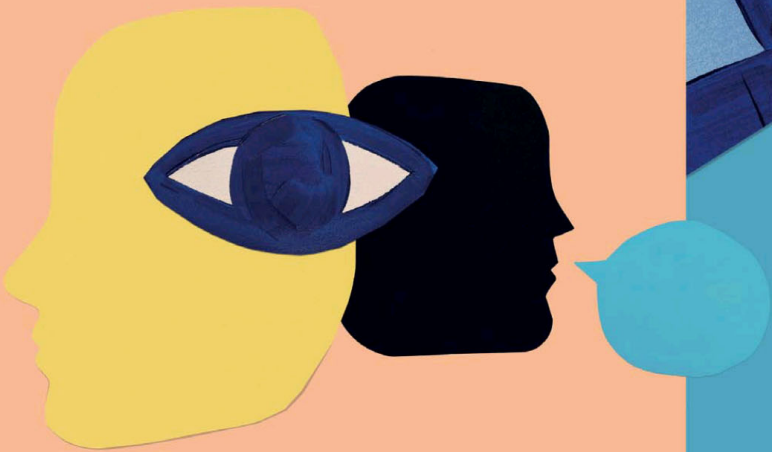
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INTERNATIONAL

Cross-strait relations

Beijing hits at 'aggressive' Taiwan conduct

Defence minister says Lai leadership 'using military means to reject unification'

KATHRIN HILLE AND
DEMETRI SEVASTOPOULO — SINGAPORE

China's defence minister has delivered a scathing attack on Taiwan's new president, Lai Ching-te, warning that Taiwan's "aggressive" behaviour and foreign moves to abet it were eroding prospects for peaceful unification.

Dong Jun said Lai and his new government were "now using military means to reject unification and making a lot of noise about arming themselves".

"Facing the strong military of the

big motherland, such armed conspiracies will be futile [and] will only lead to their own destruction more rapidly," Dong told the IISS Shangri-La Dialogue in Singapore, Asia's largest security conference.

Driven by China's increasing military intimidation campaign since Lai's Democratic Progressive party took power in 2016, Taipei has increased defence spending and started reforming its armed forces, including compulsory military service and more rigorous training.

Dong told the conference: "We always strive for peaceful unification. But the prospects for that are currently being eroded by the Taiwan independence separatists and external forces" —

a reference to the US, which has prodded Taiwan to do more for its own security. Moves such as selling weapons to Taiwan "send very wrong signals to Taiwan independence forces and embolden them to become very aggressive", Dong said.

He added: "I call on the Taiwan independence forces to wake up and return on the path to unification. Diligently study the relevant laws and don't touch upon the red lines of the anti-secession law."

The law, adopted by Beijing in 2005, spells out that China shall use "non-peaceful means" if anyone causes Taiwan's secession or if "prospects for peaceful unification [are] completely exhausted". Lai and his DPP reject Bei-

jing's claims and insist Taiwan, under its official name Republic of China, is a sovereign independent nation — a position backed by majority public opinion.

Lai's inauguration on May 20 was followed by two days of Chinese military exercises around the island that the People's Liberation Army said was a "punishment".

Taiwan expressed regret about Dong's "provocative, irrational" comments. "The Chinese Communist party has once again threatened Taiwan and neighbouring countries with militant statements. The risk that its totalitarian system damages regional security has already risen," said the Mainland Affairs Council, the cabinet-level China policy body.

In Dong's speech to the conference he portrayed China as a responsible great power seeking to safeguard regional peace and stability.

"We advocate the settlement of disputes through dialogue and consultations and not the law of the jungle," he said, pledging to support weaker states by helping them educate their military and assist with humanitarian and disaster relief.

The US rejected Dong's arguments. "Every year for three years, a new Chinese defence minister has come to Shangri-La. And every year, they've given a speech at complete odds with the reality of the PLA's coercive activity across the region," said a US official. "This year was no different."

Security fears

Chinese trade body seeks drone jammer technology for Russians

JOE LEAHY — BEIJING
SUN YU — NEW YORK
MAX SEDDON — RIGA

A Chinese trade body sought to buy drone-jamming equipment for Russian buyers last month, underlining the close ties between the two countries amid concerns in Europe and the US over China's supply of dual-use technology to Moscow.

The government-affiliated Guangdong Province Trade Promotion Association for Russia, which was set up last year to help Russian customers buy goods ranging from trucks to boats, posted a "Notice of foreign enterprises purchasing [unmanned aerial vehicle] equipment" on its WeChat social media site.

The association said the buyers wanted "interference generators, drone detectors (trade names BorisTone, Assel Labs, Bulat) or other similar technological solutions, UAV suppressors, communication frequency band jammers".

The buyers wanted a locally made equivalent to the Bulat drone detectors, which were developed by a St Petersburg company, 3mx. 3mx has said that these drones have been used "on the front lines" during Russia's invasion of Ukraine.

The US has repeatedly said it wants to stop supplies reaching Russia's defence industry through China, which it sees as a vital route to sustain President Vladimir Putin's war machine.

US deputy Treasury secretary Wally Adeyemo said last week that the US and Europe "must make the choice stark for China".

"Chinese firms can either do business in our economies or they can equip Russia's war machine with dual-use goods. They cannot do both," Adeyemo said ahead of a speech to German business leaders in Berlin on Friday.

China plays a dominant role in the global drone supply chain and DJI, which is based in Shenzhen in Guangdong province, is the world's largest commercial drone maker by shipments.

Last month, the US Treasury placed sanctions on two Chinese groups — Wuhan Global Sensor Technology and Wuhan Tongsheng Technology — that officials previously told reporters were helping Russia.

The Treasury also targeted Juhang Aviation, a company based in Shenzhen, that produces drone-related equipment, including propellers, signal jammers, sensors and engines.

According to its WeChat account profile, the Guangdong Province Trade Promotion Association for Russia was established under the guidance of the Guangdong Provincial Department of Commerce. Guangdong, a tech manufacturing superpower, is one of the country's wealthiest provinces.

The association's responsibilities include co-ordinating with the province to encourage global trade, assisting in connecting with Russian buyers, interpreting economic and trade policies and providing legal consultation services related to Russia.

The procurement notice was posted on May 22 and later removed. A person from the association told the FT that the announcement had been "some sort of mistake, so we took it down".

Beijing says it does not provide lethal arms to Russia. China has placed controls on the export of a broad range of drones and their components.

India election. BJP boost

Modi projected to secure third five-year term

Exit polls suggest leader is on course to enter second decade as prime minister

JOHN REED AND JYOTSNA SINGH
NEW DELHI

Narendra Modi is poised to secure a third five-year term as India's prime minister this week after exit polls projected a clear election victory for his Bharatiya Janata party and its smaller allies.

Polls this weekend conducted by six Indian TV stations and agencies all showed the Modi-led National Democratic Alliance winning a comfortable majority of between 353 and 401 seats in India's 543-seat Lok Sabha, or lower house, and easily beating the opposition INDIA alliance, a coalition of parties including the formerly ruling Indian National Congress.

That leaves Modi with a strong mandate to form the next government, taking him into a second decade as prime minister. "The opportunistic INDI Alliance failed to strike a chord with voters," Modi said in a series of posts on X on Saturday evening.

Market analysts, meanwhile, predicted a rally in Indian equities today in expectation of an emphatic Modi win. In India's last election in 2019 the NDA won 352 lower house seats, of which the BJP on its own won 303. The Election Commission of India is due to report official results tomorrow.

"All pollsters have given the BJP a very comfortable victory," said Rahul Verma, a fellow at the Centre for Policy Research, a New Delhi think-tank. "In fact, some are suggesting the BJP will be above the 300 mark [again] — or even improve on that."

The exit polls were released after a final round of voting in the marathon election ended on Saturday afternoon and a ban on the publication of opinion polls, imposed when voting in the seven-phase election started on April 19, was lifted.

The election was held in stages because of the logistical challenges of casting ballots and securing polling stations in a country with diverse geographies and nearly 1bn registered voters.

The results give the first indications of the shape of India's next parliament after an election that many saw as a referendum on Modi's decade in power.

If the polls' predictions are confirmed tomorrow, the victory will bolster Modi's image as one of the world's



Narendra Modi waves at supporters in Kolkata last week. Below, voters queue on Saturday in the final stage of the election — Subha Chaudhary/Reuters, AFP/Getty Images



strongest leaders at the helm of a fast-growing economy, at a time when its geopolitical clout is growing.

Exit polls have in the past had a mixed record on predicting India's elections, but in recent years proved to be a more reliable indicator of voters' decisions. In 2014 and 2019 the exit polls correctly forecast victories for the BJP-led NDA, but were numerically inaccurate, projecting fewer seats than Modi's bloc actually won.

"I think this is exactly how things will pan out and we will see a resounding vic-

tory for Modi, for the BJP a third consecutive time around without any difficulty," Shazia Ilmi, a national spokesperson for the BJP, told the Financial Times.

India's 73-year-old leader campaigned on the slogan of "Modi's guarantee", a reference to government welfare programmes that benefit hundreds of millions of Indians, and his record on reducing poverty and developing the world's fifth-biggest economy.

India's GDP grew at a better than expected rate of 7.8 per cent quarter-on-quarter in the three months to March, and its economy has been one of the world's fastest-growing since the Covid-19 pandemic.

During the campaign, the INDIA alliance sought to attack the BJP on its economic record, including persistently high unemployment, and accused it of seeking to cripple the opposition by jailing two state leaders and freezing some Congress bank accounts on the eve of the election.

Hours before the exit poll results were published, senior members of the opposition alliance, including Congress leaders Sonia Gandhi and Rahul Gandhi and

'I think this is exactly how things will pan out and we will see a resounding victory'

Shazia Ilmi, BJP

Delhi chief minister Arvind Kejriwal, met. Some of them claimed that they were themselves set to win.

Congress president Mallikarjun Kharge said that the INDIA alliance would get "at least 295-plus seats" — winning the election. Kharge claimed the exit poll surveys were "government surveys because they have the means to manipulate data".

Yesterday Kejriwal, before returning to jail in a corruption case his supporters claim is politically motivated, asked his Aam Admi colleagues to be vigilant on counting day to prevent any manipulation of voting machines.

"All exit polls are fake," he said. "Don't be depressed or discouraged."

Madhavi Arora, lead economist at Emkay Global Financial Services in Mumbai, said in a note that the results "suggest a solid win for the NDA", with "better traction for the BJP" in states such as Maharashtra and southern India where opposition parties are strong.

"While [the] final outcome may diverge from exit polls, a political continuity is likely to be good for risk assets in the immediate run and macro stability for the medium term," she wrote.

Lèse majesté law

Thai poll victor says banning his party would galvanise challenge to military-royalist elite

CHRISTIAN DAVIES — SEOUL
A. ANANTHA LAKSHMI — JAKARTA

The leader of Thailand's election-winning party who was blocked from power has said that dissolution of his party would "turbocharge" the progressive movement seeking to challenge the military-royalist elite.

Pita Limjaroenrat's Move Forward came first in parliamentary elections last year

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but was blocked from power by unelected senators appointed by the formerly ruling military junta.

The party faces possible dissolution — and Pita a decade-long ban from public office — over its campaign pledge to amend Thailand's *lèse majesté* law, which criminalises insults to the monarch and his immediate family.

Pita, 43, said he remained the "people's choice" for the premiership and expressed the hope of a fair hearing from the constitutional court, which could deliver a verdict from today on whether to break up the party.

The court ruled earlier this year that the party's intention to reform the *lèse majesté* law amounted to an attempt to overthrow the political system.

A separate petition with the anti-graft commission over the same issue could see Pita banned from politics for life.

Pita said that it was "disproportionate" to accuse him of insurrection and treason, arguing that his party was seeking "proportionality of law between pro-

tection of the monarchy" and freedom of speech.

He argued that his party's dissolution would only be a "hiccup"; in the long term it would "turbocharge our progressive ideas".

He cited the Future Forward party — an antecedent of Move Forward that

What was being sought was 'proportionality of law between protection of the monarchy' and free speech

was dissolved by the constitutional court in 2020 — to show that the opposition was gaining ground, from 81 seats in the 2019 election to 151 last year.

"We have proven in the past five years that our progressive ideas are the core substance of the movement," he said, rather than "the name . . . [or] the leader of the party".

Thailand's *lèse majesté* law, Article 112

of the penal code, is among the strictest in the world, carrying a maximum sentence of 15 years in prison. At least 272 people have been prosecuted for *lèse majesté* since 2020, according to Thai Lawyers for Human Rights, but calls for its reform have proved a red line for Thailand's royalist establishment.

This week 31-year-old Move Forward lawmaker Chonthicha Jangrew was sentenced to two years in prison for insulting the monarchy.

Pita noted the case of Netiporn "Bung" Sanesangkhom, a 28-year-old democracy activist who died last month after a hunger strike in pre-trial detention on charges that included insulting the monarchy. "If we [in the parliament] were allowed to debate maturely, transparently, and with respect about the *lèse majesté* in terms of its proportionality . . . I feel that if that space was available, then it will not force someone, especially juveniles and the younger generation, to choose methods that harm themselves and their loved ones."

Thitinan Pongsudhirak, a political-science professor at Chulalongkorn University, said Move Forward's dissolution was a foregone conclusion. "Other reforms are negotiable but the monarchy has become sacrosanct," he said.

Pita criticised Pheu Thai, the party of former prime minister and royalist *bête*



Junta senators have blocked Pita Limjaroenrat's party from power

noire Thaksin Shinawatra, for entering into a coalition with military-backed parties, thereby blocking Pita's party from power.

"The way [Pheu Thai] got into power . . . makes it very hard for them to exercise that power," he said, suggesting that Pheu Thai, traditionally Thailand's largest opposition group, would struggle to retain the support of reform-minded voters.

Pita said that as a longstanding treaty ally of the US, Thailand would like to see Washington deliver more in areas beyond defence and security, including the environment, trade, infrastructure and the digital economy.

The Philippines recently made a similar call for the US to step up trade and investment to counter China's growing influence in south-east Asia.

"We have been allies for almost 200 years, but it [should not be] just about defence," he said. He wanted to "expand or recalibrate" the relationship.

Additional reporting by Mercedes Ruehl

Consulting crisis A profession that flourished by preaching the gospel of change must now apply its doctrines to itself OPINION

Companies & Markets

GSK knocked by court ruling over heartburn drug litigation

- ◆ Zantac jury trials gain green light
- ◆ Route for 72,000 cancer sufferers

IAN JOHNSTON — LONDON

GSK and other pharmaceutical groups are set to face jury trials in cases brought by more than 72,000 cancer sufferers who allege that a heartburn drug caused their condition, after a judge in Delaware ruled that plaintiffs’ scientific evidence could be heard.

The ruling by Judge Vivian Medinilla means that scientific experts will be able to testify before a jury that there is a link between the plaintiffs’ cancers and their exposure to NDMA, a probable human carcinogen, through Zantac. GSK and other companies dispute the claims.

GSK, which developed the drug, could face costly compensation payouts if juries find it liable for the plaintiffs’ cancers. So could other companies that

The pharma group, which developed the treatment, risks costly compensation payouts if it is found liable

marketed Zantac, including Boehringer Ingelheim and Sanofi. The companies involved have seen tens of billions of dollars wiped off their market capitalisations because of the cases.

Although Medinilla’s ruling is not an endorsement of the plaintiffs’ evidence, it exposes the companies to the unpredictability of a jury trial. Medinilla said: “In Delaware . . . trial courts entrust questions of science to the scientists . . . It would be improper to simply dismiss these experts as ‘poseurs or witnesses for hire’.”

Brent Wisner, co-lead counsel in cases brought by plaintiffs in the Delaware and California state courts, said the ruling “moves us one step closer to justice for our clients. This case has always been about getting the science in front of a jury . . . Now the writing is on the wall.

GSK, Boehringer Ingelheim, and Sanofi will need to answer for their 40 years of misconduct”.

GSK said it would “immediately seek an appeal”. The scientific consensus was that “there is no consistent or reliable evidence that ranitidine increases the risk of any cancer, and GSK will continue to vigorously defend itself against all claims”. Ranitidine is the generic name for Zantac.

In 2022 a Florida federal court decided that other scientific experts’ findings about the carcinogenic nature of Zantac were based on “unreliable methodologies”.

Zantac was a best-seller for GSK after its US approval in 1983. It was the first drug to achieve blockbuster status by generating more than \$1bn in revenue, and was later also sold by other pharma groups.

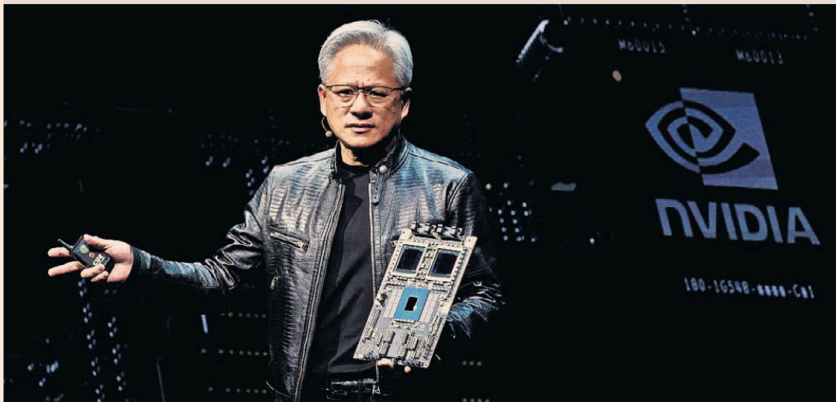
But in 2019 Valisure, an independent lab in Connecticut, reported that it had discovered “extremely high levels” of NDMA in ranitidine. NDMA is a substance also found in cigarettes and processed foods that is classed as a probable human carcinogen. The companies have challenged the lab’s methods.

The US Food and Drug Administration and the European Medicines Agency recommended suspension of the use of ranitidine products, and the FDA asked all manufacturers to withdraw products based on the drug.

This was largely unnoticed by investors until 2022, when an analyst note published by Morgan Stanley estimated the potential liability at up to \$45bn. Companies linked to the drug lost a combined \$40bn in value in days.

GSK, Sanofi and Pfizer have sought to settle numerous cases relating to Zantac. Last month Pfizer offered up to \$250mn to settle more than 10,000 lawsuits. In the first instance to go before a jury, GSK and Boehringer Ingelheim last month won a case in Illinois.

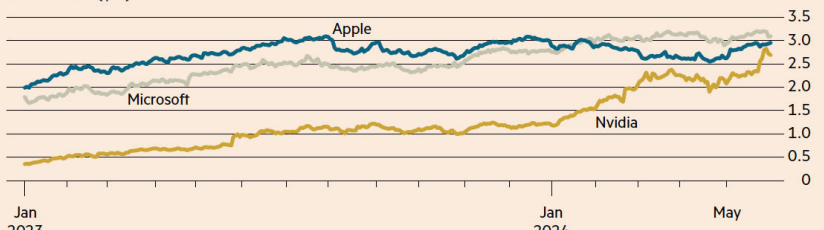
Trading frenzy Surge in call options activity sends Nvidia market value up by \$350bn



Nvidia, led by Jensen Huang, has been in a rally that bears the hallmarks of a ‘gamma squeeze’ — Ritchie B. Tongolepa-EFE

Nvidia hot on the heels of Apple and Microsoft

Market value (\$tn)



Source: Bloomberg

GEORGE STEER — LONDON

Nvidia has gained \$350bn in market value in wildly volatile trading since it reported first-quarter earnings less than two weeks ago, driven in part by a feedback loop of trading in the chipmaker’s options market.

The company, co-founded by Jensen Huang, was valued at \$2.69tn by Friday’s close, more than JPMorgan, Berkshire Hathaway and Meta combined, despite a pullback at the end of the week.

It has added roughly \$350bn since May 23, when it announced surging revenue growth over the first three months of the year. At the peak earlier in the week its value had risen by nearly half a trillion dollars, growing by a sum close to the market capitalisation of Tesla in just a few days.

Although many investors have been drawn to Nvidia by its bumper earnings, analysts say the rally bears the hallmarks of a “gamma squeeze”. In such a phenomenon, bulk buying of call options — derivatives that give traders the right to buy at a preset price and which can pay off

if a stock rises — forces brokers on the other side of the trade to buy shares in the underlying stock to protect themselves.

As Nvidia’s share price climbed last week, bullish traders purchased more and more call options, forcing brokers to purchase further Nvidia shares. This pushes the company’s share price higher, boosting demand for calls, all of which drives a self-fuelling cycle of further dealer hedging.

Shares fell 0.8 per cent by the end of trade on Friday, but the chipmaker has still closed the gap with Apple and Microsoft, for a long time the two largest companies on US markets.

Gamma squeezes “need a trigger”, said Steve Sosnick, chief strategist at Interactive Brokers. “An earnings beat, raised guidance and a stock split . . . are all potential triggers,” he added, referring to a 10-for-1 stock split that Nvidia announced along with its earnings.

Such squeezes are not uncommon. The meme-stock rally of early 2021 that centred on video game retailer GameStop was another example of traders buying short-

dated, out-of-the-money call options that forced brokers to snap up the company’s shares, driving a huge, if shortlived, rally.

Unlike GameStop, Nvidia boasts profit margins above 50 per cent and has lately come to embody investors’ hopes about the potentially transformative effect on the global economy of generative artificial intelligence, a technology that runs on the company’s chips.

Excitement around generative AI and the Nvidia chips that underpin it has grown to such a degree that “when Microsoft announces a huge capex [capital expenditure] spend [with] Nvidia the recipient of that capex spend, both stocks rally endlessly on the same news”, said Ritholtz Wealth Management chief executive Josh Brown in a note to clients.

“It’s a carousel that feeds on its own momentum, and everyone’s having the time of their life. Until one of that carousel’s ponies stumbles. Or some CFO somewhere looks at the spending, compares it to the actual return on investment, and decides to slow things up.”

Goldman weighs bonus plan to grow private bank

JOSHUA FRANKLIN — NEW YORK
HARRIET AGNEW — LONDON

Goldman Sachs is exploring paying referral bonuses for investment bankers and traders who send business to its private bank, part of a push to grow its money management business.

The New York bank’s top executives are developing a plan to use a set formula to calculate bonuses for employees who refer lucrative clients to the firm’s private wealth division, according to people familiar with the matter.

Employees are currently rewarded for collaboration with other units through a discretionary bonus, rather than a fixed formula. Having a fixed fee has been controversial among some at Goldman in the past who have argued that such a move should not be necessary. Goldman is now revisiting the plans, though the people familiar with the matter cautioned that no final decision has been made.

A bank spokesperson declined to comment on compensation matters.

For decades, Goldman operated primarily as a cluster of siloed businesses. David Solomon has sought to make Goldman’s bankers work more effectively together since his earliest days as chief executive under a programme dubbed “OneGS”.

The hope was that clarifying how any bonus is calculated would encourage greater collaboration from Goldman employees who interact with wealthy clients to give trading and investment banking advice. The Goldman spokesperson said OneGS had improved client relationships, “but of course we’re always considering ways to enhance our operations, including referrals”.

UBS has considered a similar incentive structure for investment bankers who introduce their clients to the group’s wealth management arm. But executives there decided not to pursue it as they felt it would be too complicated to run, and that well-paid investment bankers did not need additional bonuses, according to people with knowledge of the plans.

Growing Goldman’s private bank is central to Solomon’s efforts to make Goldman’s business more durable and less reliant on volatile investment banking and trading. Goldman has about \$2.85tn in assets under supervision at its asset and wealth management division, which is led by Marc Nachmann.

Additional reporting by Owen Walker

Oil & gas. Race for scale

Shale industry’s dealmaking wave redraws energy landscape

Consolidation battle forces shrinking number of groups to look further afield for prospects

MYLES MCCORMICK AND JAMIE SMYTH
NEW YORK

Dealmaking in US oil and gas has surged to almost \$200bn since the middle of last year as the biggest producers compete to swallow up rivals in a race for scale that has redrawn the national energy landscape.

But as the country’s best drilling acreage is snapped up, companies are casting a wider net and looking beyond the most sought after oilfields for acquisitions that will bolster their ability to pump hydrocarbons in the years ahead.

“We are in the midst of a consolidation wave and I don’t think it is over yet,” said Jon Hughes, chief executive of Petrie Partners, a boutique investment banking firm which advised on Pioneer Natural Resources’ \$60bn sale to ExxonMobil. “We’ve gone from about 65 to 41 publicly traded oil and gas companies in the US in less than five years.”

Since last July companies including Exxon, Chevron and Occidental Petroleum have announced \$194bn worth of deals across the US shale patch, according to consultancy Rystad Energy. This is almost triple the amount in the previous 12-month period.

The latest came this week when ConocoPhillips announced a \$22.5bn acquisition of Marathon Oil, after talks between the companies were reported by Financial Times. At least another \$62bn of assets are known to be on the market, according to Rystad. Companies including Permian Resources,

Matador Resources, Chord Energy and Civitas Resources are in the sights of bigger players, said Michael Alfaro of Gallo Partners, a hedge fund focusing on industrials and energy. He also pointed to privately held companies including Double Eagle and Mewbourne Oil as attractive prospects.

Houston-based EOG, valued at \$70bn and Oklahoma-based Devon Energy, valued at \$30bn, are the biggest publicly listed US players yet to strike in the recent wave. Devon risks becoming a target for other players if it fails to bulk up, analysts said. The company had held talks with Marathon, but was beaten to the punch by Conoco, said people familiar with the deal.

EOG and Devon did not respond to requests for comment on their plans. The dealmaking burst has entered a new phase. With much of the best acreage spoken for in the prolific Permian Basin of Texas and New Mexico — the engine room of the country’s oil industry — companies are looking further afield. Consolidation has left almost two-thirds of the field’s shale oil in the hands of just six companies, Rystad estimated.

Conoco’s deal for Marathon signalled a strategic shift in the M&A wave. Marathon holds some Permian acreage, but its assets are also scattered across less well-known basins such as Texas’s Eagle Ford, North Dakota’s Bakken and Oklahoma’s Scoop Stack. The deal was struck after Conoco lost out to rival Diamondback Energy in its attempt to buy Endeavor Energy Resources, one of the prized targets in the Permian.

“With limited remaining opportunities in the Permian, competition could have pushed ConocoPhillips to look for sizeable options elsewhere,” said Palash Ravi, senior analyst at Rystad. “Consolidation in US shale is most likely to shift outside of the Permian.”

The recent dealmaking flurry began with Exxon’s \$60bn bid for Pioneer, the biggest oil producer in Texas, last October. That was quickly followed by Chevron, Exxon’s biggest rival, announcing a contentious \$53bn deal for Hess.

Others soon followed as the biggest oil companies competed to acquire smaller rivals: Occidental Petroleum beat Diamondback to a \$12bn deal for Crown-Rock. Diamondback later muscled out Conoco with its \$26bn deal for Endeavor. Conoco’s \$22bn acquisition of Marathon on Wednesday came after weeks of vying with Devon Energy.

The dealmaking binge has also attracted the attention of antitrust regulators. The Federal Trade Commission has not yet sought to block a deal but it has launched investigations into many of the biggest acquisitions.

Under Lina Khan, FTC chair, six out of eight oil and gas deals announced with

price tags over \$5bn have received second requests for information from the regulator, according to Petrie Partners. That is up from one in 27 over a period of almost two decades previously.

Of the investigations launched, the regulator has cleared one deal: Exxon’s \$60bn takeover of Pioneer. But its approval was contingent on Scott Sheffield, the former Pioneer chief executive, being banned from serving on Exxon’s board, on the basis that he had allegedly colluded with Opec to curtail oil supplies.

Sheffield, who called the allegations “wild and unbelievable”, said the FTC’s antagonistic stance — and its ability to trawl through past communications in discovery — could prompt executives to think twice about striking deals.

“I’m very concerned that attacking past statements like this will have a chilling effect on the ability and willingness of business leaders to express their views publicly,” he told the FT.

The dealmaking spree has transformed the US oil and gas landscape from one made up of thousands of small-scale operators to one where a few big players hold sway.

Conoco’s latest deal will give it an output larger than supermajor TotalEnergies and on par with BP, according to consultancy Wood Mackenzie. Conoco, Exxon and Chevron will together account for 25 per cent of remaining US shale oil resources, Rystad calculates.

While many of the biggest deals have been done, industry executives say plenty more are yet to come. “The horse is out of the barn on M&A and we expect the arms race for scale to continue,” said Mark Viviano, portfolio manager at private equity group Kimmeridge.

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Insurers battle to keep up with climate change

A surge in extreme weather events has exposed the industry's struggling risk models and sparked a race for better tools

IAN SMITH AND KENZA BRYAN — LONDON

Half a century ago, one of the world's leading reinsurers published a paper on floods, referencing ancient diluvial stories such as the Mesopotamian epic of Gilgamesh, and urged better monitoring of "climatic variations".

The 1970s paper by Munich Re, now the largest in the industry, pointed to global warming, polar melt and other environmental shifts as needing further study, "especially as — as far as we know — its conceivable impact on the long-range risk trend has hardly been examined to date".

Today, the effect of climate change fuelling natural catastrophes such as floods and wildfires is evident, and insurance companies are scrambling.

The industry has been alert to the threat for decades. Yet executives have been spooked by the surge in extreme weather events, creating a property insurance crisis in some parts of the world.

The sector has been rocked four years in a row as natural catastrophe losses topped \$100bn. Even in 2023, a quiet year for hurricanes, there were a record-breaking 37 separate events costing at least \$1bn in losses.

"Very clearly the [insurance industry's] models are not working," said Lindsay Keenan, EU co-ordinator at campaign group Insure Our Future. "I'm amazed how they have managed to blag the regulators with their rhetoric that 'It's all OK, we have models for that' over the years, and still today."

Reinsurers took heavy losses before sharply tightening their terms two years ago, putting extra pressure on primary insurers. US property and casualty insurers incurred more than \$20bn in underwriting losses in both 2022 and 2023, according to rating agency AM Best. State Farm, the biggest US home insurer, suffered a net loss of more than \$6bn in both years. It has since paused new business in California and will not renew tens of thousands of policies.

Veteran industry executives have voiced their concerns about the battle to keep up with climate effects.

William Berkley, founder and executive chair of insurer WR Berkley Corporation, challenged fellow executives recently about their response to a changing climate that "doesn't follow" historic patterns.

"It doesn't seem like we are changing fast enough for the pace of change we have to adjust to," Berkley told a gathering at New York University in April.

Insurance models "struggle to factor, with any precision, the probabilities that are accruing from climate change", said Paula Jarzabkowski, an expert on risk at the University of Queensland. "I suspect that factoring climate risk into underwriting models is adding an uncertainty factor to premiums."

Industry figures who spoke to the Financial Times identified reasons why the sector had fallen behind the curve.

A key issue was the one-year term of insurance policies — the question of whether to insure or reinsure a property or postcode for the coming year only — with little incentive to take a longer-term view.

Adopting a conservative approach to climate threats also risked the loss of business or driving up capital requirements, some argued.

"The individual insurance companies look at this and say 'there is very little advantage to us' ... being a leader in this area," said one insurance expert, speaking privately.

This feeds into a second charge made by some: the risk models provided by the very biggest groups, Verisk and Moody's RMS, were slow to reflect the effect that accelerating climate change



High-water mark: floods on the River Danube near Budapest in 2023, a year in which there were a record 37 separate events costing at least \$1bn in losses
Cabe Krtzary/MTI via AP

was having on day-to-day losses.

Their priority was to gauge "peak perils", such as hurricanes, that can cause calamitous losses that could bring the sector to its knees, rather than "secondary perils" such as wildfires and storms, which may have a lesser individual cost — until they begin to widen and cascade.

Big risk modellers reject the idea that they did not focus enough on secondary perils. Jay Guin, chief research officer for extreme event solutions at Verisk, said the company had "been offering models for secondary perils for over 20 years and has made significant investments".

But it was not until the 2017-18 wildfire losses in California that the whole industry began to take a "more critical look" at such events, Guin said. "We have improved most aspects of the model and have accounted for the impact of climate change."

Executives describe an industry that is now recalibrating the threat from fires and floods. "Everyone has been surprised [by the surge in secondary perils]. It's a fair criticism that we fell behind," said Christian Mumenthaler, the departing chief executive of reinsurer Swiss Re.

He said it had been very difficult to predict how global warming would feed through to the cost of localised events,

'It doesn't seem like we are changing fast enough for the pace of change we have to adjust to'

such as floods, which might affect one building on a street but not another.

Julie Serakos, head of the model product management team at Moody's RMS, cited other complicating factors such as population growth in vulnerable regions and inflation in payouts. Serakos said: "There's just more exposure to these types of events."

Investment has now poured into new software tools and expertise that allow insurers to develop a longer-term view of climate effects.

Despite these efforts to catch up, however, the risk remains that the models will not fully reflect the catastrophic outcomes.

"As scientific evidence on climate change accumulates, you typically find the risks are higher in the new risk assessments compared to the previous one," said Wim Thiery, a climate scientist at Vrije Universiteit Brussel.

Scientists have also been unnerved by an unprecedented stretch of record heat over land and sea in the past year. Global

average temperatures surpassed the 1850-1900 average by 1.61C in the 12 months to April.

Members of the UK's Institute and Faculty of Actuaries argued in a recent report with University of Exeter scientists that more attention should be paid to the risk that extreme climate scenarios could be made more likely by a series of atmospheric and physical feedback loops, including the collapse of ice sheets. These tipping points would add even more guesswork to the modelling.

"It's product recall time for some of these models. Things are moving more quickly [than predicted] ... we need to move on to the next generation of climate scenarios," said Sandy Trust, head of organisational risk at British fund manager M&G, and a co-author of the report.

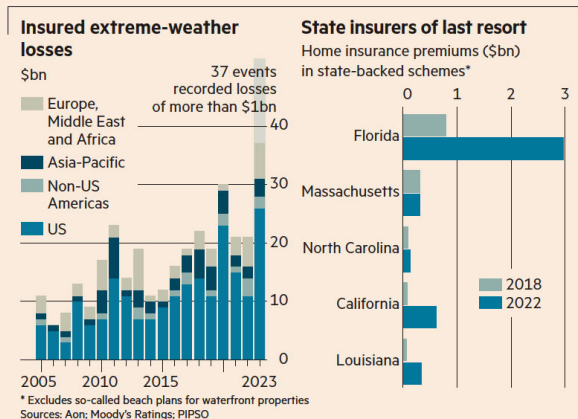
Another issue is how the consensus models developed by the Intergovernmental Panel on Climate Change, the UN body of scientists, are interpreted by the private sector.

Scientists and actuaries "are sailing past each other like ships in the night despite the fact they are using the same language of climate risk", said Kris de Meyer, head of the UCL climate action unit.

The scientific method focuses on the most likely outcomes within the full range of scenarios. The insurance world, conversely, aims to forecast the worst case, however unlikely, to avoid fluke events.

The response from the all-important reinsurance sector has been to draw back from covering secondary perils and to push up prices for primary insurers, who have passed them on to consumers. Greater numbers of property owners are relying on state-backed insurers as a last resort.

Most in the industry expect a continuation of that trend. "The reality is that climate change is essentially a slow burn," said Steve Bowen, chief science officer at reinsurance broker Gallagher Re. "The general trend [in losses] is going to continue to go up."



Food & beverage

Nestlé spots opportunity in ageing population

MADELEINE SPEED — LONDON

The chief executive of Nestlé said feeding ageing populations had become a big priority as the largest food company and infant formula pioneer reckons with dwindling birth rates.

"You're seeing there is a longer-term secular trend towards globally lower birth rates," said Mark Schneider.

"The 50+ age group in most countries around the world is going to increase significantly over the next 10-20 years. With that, and with the specific nutritional needs of that age group, there is an opportunity for us."

Over the past 15 years food groups such as Nestlé, Danone and Mars have diversified away from just groceries into higher-growth sectors such as specialised nutrition, petcare and coffee.

The category, which also includes infant formula, made up 15 per cent of

Nestlé's profits last year, compared with 50 per cent at French competitor Danone.

Nestlé's portfolio is weighted more towards adult and medical nutrition at 30 per cent compared with Danone's 20 per cent.

"We're not walking away from what we got started on, which is infant nutrition," said Schneider, who in 2016 became the first outsider to be appointed to the helm of the group. "But we do see that in most economies around the world, the bigger demographic opportunity is among the middle-aged and elderly."

Last year the company announced it was closing an infant formula factory which serves the Chinese market, citing a sharp decline in the country's falling birth rates. The number of deaths outstripped the number of births in the country by 2mn in 2023.

The opportunity in providing nutritional products for ageing populations intersected with the opportunity presented by the growing uptake of obesity drugs, he said.

Research shows, for example, that people using GLP-1 weight-loss drugs struggle to maintain muscle. Nestlé has responded by launching a line of ready meals which contain extra protein and fibre, and portioned to suit a GLP-1 user's appetite.

"When we talk about healthy ageing in humans, it is not only longevity but also about improved quality of life in your later years," he said.

The ageing opportunity also applied to pets, another growth drive, he said. Premiumisation in wealthier markets, where pets were increasingly seen as fully entitled household and family members, was still driving growth in pet food and petcare sales.

FT FINANCIAL TIMES

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COMPANIES & MARKETS

Mining

Anglo chief braced for De Beers challenge

Sale of diamond business part of break-up plan after rejecting BHP takeover

HARRY DEMPSEY — WASHINGTON
TOM WILSON — LONDON

Anglo American chief executive Duncan Wanblad has admitted that selling the diamond business De Beers will be the hardest part of a radical restructuring the miner must deliver after rejecting a £39bn takeover bid from rival BHP.

A promise to dispose of De Beers, the world's biggest diamond business, is part of a plan that amounts to breaking up Anglo that Wanblad pitched to share-

holders as a superior alternative to selling the company to BHP.

Other elements include demerging its Johannesburg-listed Anglo American Platinum business, selling its metallurgical coal business in Australia and shuttering or offloading its nickel mines in Brazil. That would leave Anglo as a leaner business focused on copper, iron ore and fertiliser.

Wanblad said he was "undaunted" by the challenge of exiting four businesses in 18 months but stressed that securing a buyer or a listing for De Beers would be the most challenging.

"It is the one that is real bottom of cycle," he said, referring to the slump in natural diamond prices that has already

forced De Beers to cut this year's production targets. "That [process] is going to take the longest."

BHP eventually dropped its six-week pursuit on Wednesday in the face of resolute opposition from Anglo's board, leaving Wanblad under pressure to deliver on what he has promised.

Wanblad said Anglo would run the four transactions and restructuring in parallel, adding he had "great confidence" in Anglo's ability to execute. "Investors are going to see continuous focus on delivery until we get it done in the next 18-24 months," he said. The 57-year-old South African added that he was fully committed to each disposal and would not change course, even if

commodity markets shifted in favour of one of the businesses he has promised to exit. "That's where I'm headed and I'm going to be undaunted in terms of getting from here to there," he said.

Under Mark Cutifani, Wanblad's predecessor, Anglo unveiled a similar radical plan in 2016 as Anglo faced a debt crunch but some asset sales such as Kumba Iron Ore were abandoned as performance improved.

Analysts have said that selling De Beers will be complicated by the rise of lab-grown diamonds and its ties to Botswana's government, where it sourced almost 80 per cent of its stones last year.

Based on valuation estimates by Wood Mackenzie, a consultancy, De

Beers would account for almost half of the \$25bn that Anglo could secure from the sales. Its current value on Anglo's balance sheet is \$7.3bn.

"If they try to run a sales process, I think there will be limited interest. At this stage, an IPO or listing feels more likely," said Rob Wake-Walker, a consultant at WWW International Diamond Consultants.

De Beers is yet to finalise a 10-year sales agreement with the Botswana government which owns 15 per cent of the diamond miner. Wanblad said that he hoped an agreement would be finalised within the next few months, saying that it had not been derailed by the BHP takeover battle.

Pharmaceuticals

Sanofi pushes ahead with consumer care spin-off

OLIVER BARNES — CHICAGO
IAN JOHNSTON AND
IVAN LEVINGSTON — LONDON
ADRIENNE KLASA — PARIS

Sanofi will press ahead with plans for a spin-off of its consumer division, which could be one of Europe's biggest deals this year, adding bankers to work on a sale process and preparations for a public listing expected to value the business at about €20bn.

Goldman Sachs and Morgan Stanley will work alongside BNP Paribas and Bank of America on a sale and potential float expected to take place as soon as the end of the year, according to people familiar with the matter.

The processes will run in tandem, a common deal structure known as a "dual track". Rothschild has also been working with Sanofi since the start of the process. The consumer division, which accounts for 10 per cent of Sanofi's sales, has drawn interest from potential private equity bidders, the people said. Analysts at Jefferies estimate the consumer care spin-off could be worth between €18bn and €20bn.

The step-up in preparations come as the European IPO market has shown signs of recovery this year, with a strong listing from Swiss skincare company Galderma, though the debut of German beauty retailer Douglas flopped in March.

In October, the French pharmaceutical company announced plans to

'At a certain point you have to decide what's best for consumer, and what's best for Sanofi'

separate its consumer healthcare business in the fourth quarter of 2024 at the earliest, saying "the most likely path" would be the creation of a publicly listed entity with its headquarters in France.

"At a certain point you have to decide what's best for consumer, and what's best for Sanofi," chief executive Paul Hudson told the Financial Times in December. "For us, being a pure-play biopharma with a different sort of probability of success [and] longer-term thinking . . . works for us. For consumer, being able to manage their own business, move at their own speed and make acquisitions works for them."

The move makes Sanofi the latest big pharma company to seek to separate low-margin, consumer businesses from divisions focused on innovative new medicines that offer higher returns.

In 2022, GSK spun off its consumer healthcare business Haleon, a joint venture with Pfizer, while Johnson & Johnson also listed its consumer business Kenvue in 2023. Hudson has sought to refocus the company on developing treatments for rare diseases and immunology since his appointment in 2019 as Sanofi seeks to build up its pipeline and reduce dependence on drug Dupixent.

Goldman Sachs, Morgan Stanley, Bank of America, BNP Paribas and Rothschild declined to comment.

Sanofi said it did not comment on "market rumours", adding "preparation for this potential separation project is progressing. We are keeping all options open to maximise value creation for all our stakeholders".

Market questions. Week ahead

ECB expected to shrug off inflation rise and cut rates

Will the ECB cut rates?

The European Central Bank has pledged to take a data-dependent approach to monetary policy. Yet on Thursday it seems almost certain to brush off the recent upturn in Eurozone inflation and start cutting rates anyway.

It will be hard for ECB policymakers to do anything else after many of them signalled clearly that it was on track to become the first big central bank to start lowering borrowing costs since the biggest price surge for a generation started three years ago.

Greg Fuzesi, an economist at JPMorgan, called the likely 0.25 percentage point cut in the ECB's 4 per cent deposit rate "somewhat rushed and odd", adding that "the cost of waiting until September appears low, while the benefit of getting more clarity on the inflation outlook appears high".

Most analysts think the recent upturn in Eurozone inflation, which accelerated for the first time this year from 2.4 per cent in April to 2.6 per cent in May, means the ECB will be reluctant to commit to further rate cuts after this week.

Konstantin Veit, a portfolio manager at bond investor Pimco, forecast that the ECB would nevertheless cut rates twice more this year — in September and December. But he said: "Risks are skewed towards less cuts, mainly on the back of sticky services inflation, a resilient labour market, loose financial conditions and ECB risk-management considerations."

The risk for the ECB is that this week's move could look like a mistake if Eurozone inflation keeps moving away from its 2 per cent target and the US Federal Reserve and Bank of England wait much longer before starting to cut.

Andrzej Szczepaniak, an economist at Nomura, expects the ECB to downplay May's reversal in inflation by pointing out it was driven by several one-off factors. But he also predicted it would adopt a "cautious and gradual approach" on further cuts. *Martin Arnold*

Will jobs data change Fed cut bets?

US jobs data for May on Friday will be scrutinised by investors to see if April's slowdown was a blip.

Economists expect non-farm payrolls to have grown by 180,000 in May, according to a poll by Bloomberg, broadly in line with a rise of 175,000 the month before.



A view of the European Central Bank's Frankfurt building. The risk for the ECB is that a rate cut this week could look like a mistake if inflation keeps moving away from its 2% target
Michael Probst/AP

Those figures suggested that the US labour market might finally be flagging following months of resilience in the face of high interest rates, and boosted markets by suggesting Federal Reserve rate cuts could arrive earlier than expected.

Some analysts think the April data was distorted by the early timing of the Easter break, and that jobs growth could be primed for a rebound.

"An earlier holiday could have pulled some hiring forward, resulting in stronger payrolls in March and weaker job growth in April," said US economists at BNP Paribas, who estimated growth of 200,000 for May and pointed to a similar pattern in 2018, when Easter fell at the very beginning of April.

The May jobs numbers land less than a week before the Fed holds its next rate-setting meeting.

Since last month's figures, other economic data has pointed to a gradual economic slowdown but only gradual progress in lowering inflation closer to the central bank's target, leading inves-

tors to push back their expectations for interest rate cuts to one, possibly two, later in the year. A sharper-than-expected slowdown in jobs growth might cause some to bring forward that timing. *Jennifer Hughes*

Does sterling have further to climb?

Sterling was one of the best performers among the world's big currencies last month as investors abandoned hopes of a summer interest rate cut and welcomed the prospect of an imminent election, leaving analysts predicting that sterling strength could have further to run.

The pound rose 1.7 per cent against the dollar to \$1.2701 in May, boosted by a surprisingly resilient economy, while lingering inflation concerns have increased the prospect of UK interest rates staying higher for longer.

The UK's currency also struck a 21-month high against the euro last week, reaching £0.8482 a euro, with analysts saying a new government could improve political stability and relations

'Part of sterling resilience is the fact the market is looking towards the election'

with the EU, further bolstering the currency.

"Part of sterling resilience is the fact the market is looking towards the election," said Themis Fiotakis, head of FX research at Barclays, adding that he had expected sterling to strengthen to £0.82 per euro by the end of the year but had brought the price target forward in light of the early election.

Currency analysts polled by Bloomberg expect sterling to reach \$1.30 by early next year, while holding steady against the euro.

But some analysts warn that the new government will have very little room for fiscal easing, and that while rate cuts have been delayed, they have not been taken off the agenda.

"Sterling can make modest gains and keep them for months, rather than weeks, but a significant rally requires a clear improvement in growth prospects and expectations of rates remaining high for considerably longer," said Kit Juckes, a currency strategist at Société Générale. *Mary McDougall*

Aerospace & defence. Sales push

South Korea looks to join leading arms dealers with fighter jet engine

Seoul forms partnership with Hanwha with view to moving up the exports value chain

SONG JUNG-A — SEOUL

South Korea's largest defence company is developing a fighter jet engine as the country works to move up the arms exporter value chain and boost its security self-sufficiency.

The chief of aero systems at Hanwha Aerospace said the company wanted to develop the engine by at least 2036. It is working in partnership with the South Korean government, one of the highest spenders on arms development.

"We should develop our own aircraft engines before it is too late for our long-term national security, as well as for economic benefits," said Kwangmin Lee in an interview with the Financial Times at the company's headquarters in Seoul.

"It will take at least 10 years and more than Won5tn [\$3.7bn]. We face high entry barriers, but we have experience producing engines, albeit under

licensed deals, and have developed small engines of our own and have a strong supply chain," he said.

South Korea has become one of the top 10 defence exporters, with the war in Ukraine driving demand for conventional arms such as tanks, howitzers and lower-end fighter jets.

Hanwha makes its own engines for ships, missiles and helicopters but has yet to produce an advanced fighter jet engine. It is a major parts supplier for General Electric, Pratt & Whitney and Rolls-Royce, which together dominate the aircraft engine market.

The company is targeting Won25tn in total sales of its own engines by 2050. The engines are expected to be used in upgraded versions of the country's first homegrown fighter jet, the KF-21, which Korea Aerospace Industries plans to mass produce in the second half of 2026.

Hanwha is currently assembling the F414 turbofan engines used in the KF-21 under licence with GE. "We will develop engines that are similar to GE's F414 class but have much better thrust and fuel consumption," said Lee.

He admitted that it was a difficult

undertaking. "There is a lot of scepticism over whether Ford can catch up with Ferrari, but you can't achieve anything without trying," said Lee, referring to the US carmaker's battle to develop a race car rivaling the Italian group.

Only six countries have indigenous engines to power the most modern fighter jets: the US, the UK, France, Russia, Ukraine and China.

Japan's industrial group IHI presented

an engine prototype when the country wanted to develop its own fighter jet independently. But it is now working alongside Rolls-Royce in the trilateral Global Combat Air Programme to build a supersonic jet with the UK and Italy.

After years of delays, the Indian government is collaborating with GE to develop its Kaveri engines. Turkey has also held talks with Rolls-Royce to co-develop engines for its fighter jet.

France's Safran, Russia's UEC-Aviad-



Battle lines: model military vehicles are displayed by Hanwha at the 2023 Seoul International Aerospace and Defense Exhibition in South Korea
Josh Smith/Reuters

vigatel, Ukraine's Ivchenko-Progress and China's AECC also produce aircraft engines.

Hanwha is building a \$30mn aircraft engine factory in South Korea and plans to triple the number of its domestic engineers to 600. It plans to set up overseas research centres in the US and Europe and is considering collaborating with other companies for its own engine project.

The company expects the South Korean air force to buy the upgraded KF-21s with its own engines and hopes eventually to sell them to countries in the Middle East, south-east Asia and eastern Europe.

"We will target those who can't buy fighter jets from the US for geopolitical reasons or those who can't afford to buy expensive US jets," said Lee.

Douglas Barrie, senior fellow at the International Institute for Strategic Studies, said Hanwha had the "technical industrial base to at least give it a really good go, but you should still not underestimate the challenges involved in this".

Kim Ho-sung, professor of advanced

defence engineering at Changwon National University, warned that the technology was difficult to develop.

"Developing a jet engine is the most complex technological feat, as the materials need to withstand combustion heat beyond 2,000 degrees Celsius," said Kim. "Even China had trouble overcoming the technological challenges until recently."

South Korea produces high-quality arms for less money, making them attractive to buyers in emerging markets. But Kim cautioned against Hanwha using the same strategy for the aircraft engine market, predicting that it would be difficult for the company to achieve economies of scale.

"Countries can easily buy the [US-made] F-15 with proven safety and superior performance. Why would they bother to buy the KF-21 with Korean-made engines at similar prices?" said Kim.

"It will be difficult to secure cost competitiveness without economies of scale. Global collaboration could be a better option for Korea."

Additional reporting by Sylvia Pfeiffer

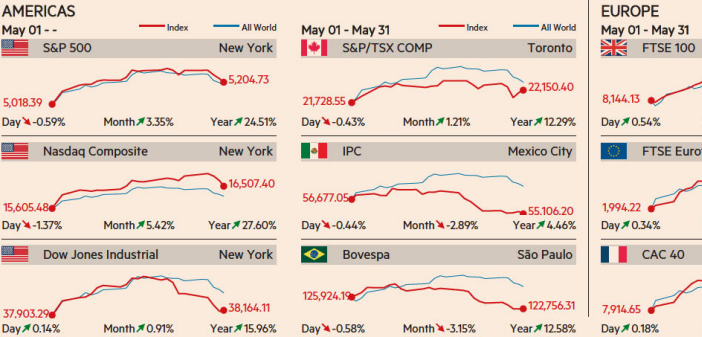
MARKET DATA

WORLD MARKETS AT A GLANCE

Change during previous day's trading (%)



Stock Market movements over last 30 days, with the FTSE All-World in the same currency as a comparison



Country	Index	Latest	Previous
Argentina	Merval	1643010.69	168731.47
Australia	All Ordinaries	7970.80	7895.20
Brazil	S&P/ASX 200	5914.50	5954.10
Canada	S&P/TSX 60	3368.37	3361.78
China	FTSE 400	9544.66	9582.62
France	FTSE 100	9007.71	8986.86
Germany	DAX	17,896.50	18,434.35
Hong Kong	Hang Seng	18,079.61	18,079.61
India	Nifty 500	21,103.30	21,038.55
Indonesia	Jakarta Comp	69,070.74	70,034.14
Japan	Nikkei 225	38,405.46	38,487.90
Korea	KOSPI	2,683.65	2,636.52
Malaysia	FTSE Bursa KL	1,994.22	2,051.45
Mexico	Bolsa Mexicana	125,924.19	122,756.31
Netherlands	AEX	901.61	905.58
New Zealand	NZX 50	11,887.29	11,857.21
Poland	WIG	22,150.40	22,150.40
Portugal	BVL	1,994.22	2,051.45
Romania	BET Index	1,994.22	2,051.45
Russia	MOEX	1,994.22	2,051.45
Saudi Arabia	TASI	1,994.22	2,051.45
South Africa	JSE	1,994.22	2,051.45
Spain	IBEX 35	17,896.50	18,434.35
Sweden	OMX Stockholm 30	2,683.65	2,636.52
Switzerland	SMI Index	12,000.86	11,889.90

(c) Closed. (u) Unavailable. 1 Correction. * Subject to official recalculation. For more index coverage please see www.ft.com/worldindices. A fuller version of this table is available on the f.com research data archive.

STOCK MARKET: BIGGEST MOVERS

AMERICA	ACTIVE STOCKS	stock	close	Day's	ACTIVE STOCKS	stock	close	Day's	EURO	ACTIVE STOCKS	stock	close	Day's	TOKYO	ACTIVE STOCKS	stock	close	Day's
		traded m's		change		traded m's		change			traded m's		change			traded m's		change
Nvidia	296.2	1087.32	-17.88	Shell	553.3	2811.50	14.00	Nestle N	1197.2	97.57	1.45	Laurent	2227.5	4490.00	-280.00			
Microsoft	56.4	426.41	-8.18	National Grid	182.0	82.42	0.40	Disco	158.2	95.18	1.98	Disco	158.2	95.18	1.98			
Tesla	56.1	174.91	-3.88	AstraZenca	477.1	12190.00	162.00	Abt Ltd N	52.2	50.44	0.08	Tokyo Electric	1802.8	3360.00	-47.00			
Advanced Micro Devices	42.8	161.43	-5.32	Fluor Entertainment	437.0	14900.00	75.00	Boredella	622.0	12.10	0.02	Mitsubishi UFJ Fin	1632.7	1659.00	28.00			
Apple	37.2	192.33	-0.38	London Stock Exchange	408.3	452.00	-84.00	Infoblox	51.9	235.87	2.78	Infoblox	51.9	235.87	2.78			
Amazon.com	35.3	174.57	-4.75	Reckitt Benckiser	408.3	452.00	-84.00	Infoblox	51.9	235.87	2.78	Infoblox	51.9	235.87	2.78			
Super Micro Computer	34.3	789.44	-58.50	Gilead	403.5	480.75	-1.15	Unicredit	524.5	36.38	-0.40	Societe	1227.7	4578.00	153.00			
Salesforce	29.2	220.61	2.80	Unilever	360.8	4279.00	20.00	Alcon N	520.2	82.03	0.14	Toyota Motor	1178.9	3401.00	25.00			
Meta Platforms	27.5	371.41	-11.82	Wendy Holdings	360.8	4279.00	20.00	Alcon N	520.2	82.03	0.14	Toyota Motor	1178.9	3401.00	25.00			
Alphabet	16.0	189.95	-2.16	Anglo American	360.8	4279.00	20.00	Alcon N	520.2	82.03	0.14	Toyota Motor	1178.9	3401.00	25.00			
BIGGEST MOVERS	Close	price	Day's	BIGGEST MOVERS	Close	price	Day's	BIGGEST MOVERS	Close	price	Day's	BIGGEST MOVERS	Close	price	Day's	BIGGEST MOVERS	Close	price
Up			Up				Up				Up							
Cassara Entertainment	36.68	4.83	15.2	National Grid	182.0	82.42	0.40	Dev A's	141.31	5.09	3.74	Saint James Place	305.00	19.00	6.64			
Cooper Companies (The)	94.55	4.32	4.7	Me Int	182.0	82.42	0.40	Totalenergies	66.75	1.44	2.20	Tokyo Electric Power	939.80	51.00	6.11			
Elevance Health	531.08	22.74	4.88	Asahi Metal Inds Holdings	145.20	6.80	4.78	Novartis N	95.13	1.98	2.13	Hit	4048.00	219.00	5.72			
Dollar General	133.85	3.71	4.46	National Grid	182.0	82.42	0.40	New Japan Sec Ser B	24.94	-0.54	-1.31	Bank of Tokyo-Mitsubishi	1092.00	54.00	5.44			
Warner Bros Discovery	8.40	0.32	3.96	Wit Air Holdings	292.00	96.00	4.37	Nestle N	97.57	1.45	1.51	Daiwa Securities	1234.00	60.50	5.16			
Downs			Downs				Downs				Downs							
Paycom Software	145.70	-13.25	-9.34	Great Portland Estates	107.00	-15.00	-12.30	Cargill	188.60	-7.70	-3.94	Johnson	3363.00	-80.00	-2.52			
HP	35.56	-2.80	-7.30	Fernero	41.55	-2.95	-6.63	Pharus	33.16	-1.00	-2.96	Omron	5138.00	-97.00	-1.83			
Super Micro Computer	34.3	-58.50	-7.07	Wood (Inds)	417.45	-10.20	-1.45	Vale, A.S. A	24.94	-0.54	-1.31	Bank of Tokyo-Mitsubishi	1092.00	54.00	5.44			
Vistra	98.46	-9.31	-6.56	Auction Technology	522.00	-29.00	-5.45	Airbus	155.94	-3.26	-2.05	Ebara	11460.00	-115.00	-0.99			
Nrg Energy	79.31	-3.33	-6.30	Al J Sports Technology	127.50	-8.30	-6.71	Index	43.58	-0.80	-1.80	Fanc	4399.00	-11.00	-0.25			

Based on the constituents of the S&P 500. Based on the constituents of the FTSE 100. Based on the constituents of the FTSE Eurofirst 300. Based on the constituents of the Nikkei 225. Based on the constituents of the FTSE All-World.

CURRENCIES

DOLLAR				POUND				DOLLAR			
May 31	Currency	Closing	Day's	Closing	Day's	Closing	Day's	May 31	Currency	Closing	Day's
		Mid	Change	Mid	Change	Mid	Change			Mid	Change
Argentina	Argentine Peso	895.2499	0.9598	971.8786	2.4178	1139.8308	0.8442	Indonesia	Indonesian Rupiah	16250.0000	-10.0000
Australia	Australian Dollar	1.5037	-0.0018	1.6324	0.0003	1.9145	-0.0034	Israel	Israeli Sheqel	3.7203	0.0151
Bahrain	Bahraini Dinar	0.3771	-	0.4093	0.0000	0.4801	-0.0003	Japan	Japanese Yen	157.1408	0.0000
Bolivia	Bolivian Boliviano	6.9100	0.0000	7.5015	0.0000	8.7939	0.0000	Kenya	Kenyan Shilling	15.0000	-0.0000
Brazil	Brazilian Real	5.2559	0.0528	5.7557	0.0651	6.6899	0.0636	Three Month		157.1428	0.0000
Canada	Canadian Dollar	1.3532	-0.0038	1.4794	-0.0021	1.7356	-0.0058	One Year		157.1371	0.0000
Chile	Chilean Peso	819.00	0.0000	897.3400	0.0000	1.0549	-0.0000	South Korea	South Korean Won	1384.5000	0.0000
China	Chinese Yuan	7.2440	-0.0010	7.8481	0.0097	9.2221	-0.0003	Kuwait	Kuwaiti Dinar	0.3070	0.0002
Colombia	Colombian Peso	3871.2500	-8.7900	4020.6756	-2.8165	4628.9452	-13.8891	Malaysia	Malaysian Ringgit	0.7000	0.0000
Costa Rica	Costa Rican Colon	525.8500	0.0000	574.5995	-3.7403	668.9020	0.0000	Mexico	Mexican Peso	17.0500	0.0000
Czech Republic	Czech Koruna	22.3944	0.0000	24.7999	0.0000	28.9452	0.0000	New Zealand	New Zealand Dollar	1.0000	0.0000
Denmark	Danish Krone	6.8707	-0.0003	7.4588	0.0002	8.7478	0.0186	Nigeria	Nigerian Naira	151.0000	25.0000
Egypt	Egyptian Pound	47.2445	0.0413	51.3104	0.1154	60.0170	0.1015	Norway	Norwegian Krone	10.5010	-0.0024
Hong Kong	Hong Kong Dollar	7.8234	0.0000	8.9801	0.0000	10.4600	0.0000	Pakistan	Pakistan Rupee	278.7500	0.0000
Hungary	Hungarian Forint	359.8404	0.0000	398.0408	1.7271	457.4551	0.4989	Peru	Peruvian Nuevo Sol	3.7450	-0.0100
India	Indian Rupee	83.4713	0.1538	90.6163	0.2914	106.2759	0.1376	Philippines	Philippine Peso	58.5200	-0.1220

Rates are derived from WM Reuters Spot Rates and Morningstar's latest rates at time of production. Some values are rounded. Currency redenominated by 1000. The exchange rates printed in this table are available on www.ft.com/marketsdata.

FTSE ACTUARIES SHARE INDICES

FTSE 100 (102)	FTSE 250 (250)	FTSE All-Share (All-Share)	FTSE 100 (102)	FTSE 250 (250)	FTSE All-Share (All-Share)	FTSE 100 (102)	FTSE 250 (250)	FTSE All-Share (All-Share)	FTSE 100 (102)	FTSE 250 (250)	FTSE All-Share (All-Share)	FTSE 100 (102)	FTSE 250 (250)	FTSE All-Share (All-Share)	FTSE 100 (102)	FTSE 250 (250)	FTSE All-Share (All-Share)	FTSE 100 (102)	FTSE 250 (250)	FTSE All-Share (All-Share)
8275.38	0.54	7955.78	8217.05	0.8187	7446.14	3.86	1.59	13.74	8217.05	0.8187	7446.14	3.86	1.59	13.74	8217.05	0.8187	7446.14	3.86	1.59	13.74
2070.12	0.29	1892.55	2070.07	0.2036	1872.39	1.39	21.90	282.4	2070.12	0.29	1892.55	2070.07	0.2036	1872.39	1.39	21.90	282.4	2070.12	0.29	1892.55
2186.77	0.30	1995.88	2186.77	0.30	1995.88	2186.77	0.30	1995.88	2186.77	0.30	1995.88	2186.77	0.30	1995.88	2186.77	0.30	1995.88	2186.77	0.30	1995.88
2052.52	0.15	4171.04	2052.52	0.15	4171.04	2052.52	0.15	4171.04	2052.52	0.15	4171.04	2052.52	0.15	4171.04	2052.52	0.15	4171.04	2052.52	0.15	4171.04
4006.54	0.52	4103.11	4006.54	0.52	4103.11	4006.54	0.52	4103.11	4006.54	0.52	4103.11	4006.54	0.52	4103.11	4006.54	0.52	4103.11	4006.54	0.52	4103.11
3905.17	0.62	3905.17	3905.17	0.62	3905.17	3905.17	0.62	3905.17	3905.17	0.62	3905.17	3905.17	0.62	3905.17	3905.17	0.62	3905.17	3905.17	0.62	3905.17
2075.42	0.15	4343.54	2075.42	0.15	4343.54	2075.42	0.15	4343.54	2075.42	0.15	4343.54	2075.42	0.15	4343.54	2075.42	0.15	4343.54	2075.42	0.15	4343.54
6763.95	0.18	6202.24	6763.95	0.18	6202.24	6763.95	0.18	6202.24												

FT500: THE WORLD'S LARGEST COMPANIES

Stock	52 Week							Stock	52 Week							Stock	52 Week							Stock	52 Week							Stock	52 Week						
	Prices/Week	High	Low	Yld	P/E	MCap			Prices/Week	High	Low	Yld	P/E	MCap			Prices/Week	High	Low	Yld	P/E	MCap			Prices/Week	High	Low	Yld	P/E	MCap			Prices/Week	High	Low	Yld	P/E	MCap	
Australia (AS)																																							
ANZ Bank	28.25	-0.13	29.80	22.58	6.12	12.66	56603.97	Niala	3.59	0.04	3.98	27.70	33.55	23.88	21883.6	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
BHP Group	44.51	-1.19	122.55	95.32	3.86	20.27	13384.44	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
Cash Resources	119.54	-1.19	122.55	95.32	3.86	20.27	13384.44	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
CSL	280.10	-1.49	327.98	228.65	1.28	36.64	90020.34	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
NatGas	33.91	-0.49	35.12	25.10	4.62	14.42	69974.19	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
Telstra	3.47	0.01	4.46	3.39	5.02	22.4	2884.38	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
Westpac	64.89	-1.42	71.11	46.64	3.02	28.64	48945.41	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
Woolworths	25.98	-0.89	28.05	20.03	5.22	11.15	59944.09	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
Woolworths	31.60	-0.89	40.35	30.12	3.3757013	25672.3		QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
Belgium (E)																																							
Andriess	57.62	-2.40	62.16	46.17	13.3	24.09	112418.73	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
KBC Grp	66.88	-0.90	71.70	48.78	6.08	11.8	30289.39	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
Brazil (E)																																							
Ambev	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
Bradesco	11.53	-0.12	15.77	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
Cielo	5.60	0.04	5.60	3.24	7.18	6.73	2894.71	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
Itaú Unifin	26.93	-0.51	32.24	22.34	5.11	7.54	25498.93	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
Petrobras	40.41	2.10	44.77	29.84	3.88	11.41	70633.83	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
Vale	62.87	-2.21	75.55	59.36	9.22	5.56	54252.2	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
Canada (CS)																																							
Bausch & Lomb	8.83	0.12	15.43	8.32	-	4.00	2275.98	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
BCE	46.48	-0.58	61.98	43.88	8.80	19.74	31102.44	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
BMont	119.23	-1.25	133.95	102.67	5.03	16.08	63785.24	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
BKMS	63.85	-1.62	70.40	65.20	13.75	10.21	57412.69	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
Broadfield	58.88	10.36	62.88	41.20	6.63	7.94	39948.82	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
CP	106.13	-0.32	123.37	94.45	0.73	20.51	72822.04	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
Canipac	66.88	0.28	69.99	47.44	5.34	9.99	49130.39	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
CanWest	10.88	-1.06	14.18	8.19	4.85	15.16	10363.71	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36
CanWest	10.88	-1.06	14.18	8.19	4.85	15.16	10363.71	QinetiQ	11.53	-0.34	15.78	11.41	8.71	3.00	11693.36	QinetiQ	11.53	-0.34	15.78	1																			

MANAGED FUNDS SERVICE

SUMMARY						FT.COM/FUNDS					
Winners - Europe ex-UK Equity						Losers - Europe ex-UK Equity					
Fund Name	1yr Return GBP	3yr Return GBP	5yr Return GBP	3yr Sharpe Ratio	3yr Std Dev	Fund Name	1yr Return GBP	3yr Return GBP	5yr Return GBP	3yr Sharpe Ratio	3yr Std Dev
Wheatsen European Dividend Growth Fund	21.75	12.57	11.62	0.87	13.10	Agf Global Bond Income-Euro Divd Growth Fund	3.47	-7.85	4.07	-0.44	20.25
Wheatsen European Dividend Growth Fund	23.10	12.52	-	0.92	12.54	Multi Asset Allocator Growth Fund W-ACC GBP	11.03	-7.69	6.90	-0.29	25.84
Wheatsen European Dividend Growth Fund	19.93	12.13	13.23	0.76	16.68	Janus Henderson Multi-Manager Global Select Fund Acc	-0.78	-3.77	0.48	-0.23	16.50
Artemis SmartGARP European Equity Fund	31.29	11.79	11.01	0.74	16.44	Janus Henderson Global Sustainable Investment Fund Inc	9.01	-3.51	5.59	-0.16	21.20
Lincoln European Dynamic Fund	21.55	10.53	15.91	0.73	15.82	VI Dowling European Unclassified Income Fund	0.00	-2.22	-	-0.12	13.34

Morningstar Star Ratings						Global Broad Category Group - Property					
Fund Name	Base Currency	Morningstar Rating 3 Yr	Morningstar Rating 5 Yr	Morningstar Rating 10 Yr	Morningstar Category	Base Currency	Total Ret 1Yr GBP	Total Ret 3Yr GBP	Total Ret 5Yr GBP		
SP Global Best Ideas Eq D GBP INC	Pound Sterling	★★★★	★★★★	★★★★	Property - Direct Switzerland	Swiss Franc	1.80	3.26	3.40		
Multi Asset Allocator Growth Fund W-ACC GBP	Pound Sterling	★★★★	★★★★	★★★★	Property - Direct UK	Pound Sterling	-1.43	-0.67	-1.08		
Janus Henderson Multi-Manager Global Select Fund Acc	Pound Sterling	★★★★	★★★★	★★★★	Property - Direct Other	US Dollar	-0.76	-2.05	-10.02		
Janus Henderson Global Sustainable Investment Fund Inc	Pound Sterling	★★★★	★★★★	★★★★	Property - Direct Global	US Dollar	-2.41	-3.90	0.34		
REI NST - Emerging Markets Fund W-ACC GBP	Pound Sterling	★★★★	★★★★	★★★★	Property - Direct Europe	Euro	-3.17	-4.08	-0.81		

TROY

ASSET MANAGEMENT

Please remember that past performance is not necessarily a guide to future performance

Firm Name
Troy Asset Management Limited

Fund Name
Trojan Fund O Inc.

Morningstar Category
GBP Flexible Allocation

Max Annual Charge
-

3Yr Rating
★★★★

Morningstar Sustainability Rating
-

Bid Price - **Mid Dealing Charge** 1.01

Offer Price - **Buy Sell On Year Return** 2.90

+/- 0.25 **Total Ret 3Yr** 3.07

Performance

Jun 2021 - May 2024
Trojan Fund O Inc

Day **▼** 0.08% Month **▼** 0.01% Year **▼** 4.07%

Weightings - As of 30/04/2024

Sector	Weighting	Cat Avg.
Basic Materials	3.18%	3.18%
Communication Services	2.65%	3.15%
Consumer Cyclical	-	5.46%
Consumer Defensive	16.54%	4.16%
Energy	-	3.10%
Financial Services	5.91%	8.30%
Healthcare	3.34%	5.57%
Industrials	1.01%	6.28%
Real Estate	-	2.37%
Technology	2.59%	7.55%
Utilities	-	1.86%
Cash & Equivalents	7.60%	15.62%
Corporate	-	11.23%
Derivative	-0.25%	2.84%
Government	60.61%	18.58%
Municipal	-	0.00%
Securitized	-	0.76%

Risk Measures - As of 30/04/2024

	1Yr	1Yr Cat Ave	3Yr	3Yr Cat Ave	5Yr	5Yr Cat Ave
Alpha	-2.83	-3.17	0.65	-2.34	2.38	-1.37
Beta	0.27	0.91	0.38	0.85	0.48	0.91
Information Ratio	-0.67	-0.65	0.16	-0.41	0.23	-0.33
R Squared	26.06%	63.50%	38.26%	58.96%	47.77%	61.64%
Sharpe Ratio	-0.61	-0.02	0.13	-0.14	0.66	0.22
Std Dev	3.47	8.20	4.65	8.31	5.35	8.77

Top 10 Holdings - As of 30/04/2024

Holding	Sector	Weighting
Unilever PLC	Consumer Defensive	4.18%
Visa Inc Class A	Financial Services	3.15%
Nestle SA	Consumer Defensive	2.74%
Diageo PLC	Consumer Defensive	2.54%
Alphabet Inc Class A	Communication Services	2.32%
Microsoft Corp	Technology	2.27%
Becton Dickinson & Co	Healthcare	1.84%
Procter & Gamble Co	Consumer Defensive	1.81%
Heineken NV	Consumer Defensive	1.55%
American Express Co	Financial Services	1.53%

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Fund	Bid	Offer	+/-	Yield	1Yr	3Yr	Fund	Bid	Offer	+/-	Yield	1Yr	3Yr	Fund	Bid	Offer	+/-	Yield	1Yr	3Yr	Fund	Bid	Offer	+/-	Yield	1Yr	3Yr	Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
------	-----	-------	-----	-------	-----	-----	------	-----	-------	-----	-------	-----	-----	------	-----	-------	-----	-------	-----	-----	------	-----	-------	-----	-------	-----	-----	------	-----	-------	-----	-------	-----	-----

Algebris Investments

Regulated

Algebris Core Italy I EUR €159.57 - 1.24 0.00 9.16 2.21

Algebris Core Italy R EUR €149.80 - 1.16 0.00 8.34 1.62

Algebris Financial Credit I EUR €201.21 - 0.57 0.00 16.25 1.49

Algebris Financial Credit R EUR €171.66 - 0.49 0.00 15.67 0.80

Algebris Financial Credit Rd EUR €95.79 - 0.27 6.13 15.82 0.96

Algebris Financial Equity B EUR €232.41 - 2.46 - 41.62 17.60

Algebris Financial Equity R EUR €192.98 - 2.03 - 40.21 16.35

Algebris Financial Income I EUR €224.97 - 1.08 0.00 25.60 7.70

Algebris Financial Income R EUR €202.00 - 0.97 0.00 24.48 6.74

Algebris Financial Income Rd EUR €114.88 - 0.55 4.78 24.49 6.93

Algebris Global Credit Opportunities I EUR €143.78 - 0.01 0.00 12.99 2.78

Algebris Global Credit Opportunities R EUR €135.55 - 0.02 0.00 12.67 2.50

Algebris Global Credit Opportunities Rd EUR €115.03 - 0.02 4.64 12.85 2.58

Algebris IG Financial Credit I EUR €108.29 - 0.22 0.00 11.21 -0.79

Algebris IG Financial Credit R EUR €105.63 - 0.21 0.00 10.65 -1.28

Algebris Sust. World B €129.00 - 0.30 0.00 22.33 -

Algebris Sust. World R €126.33 - 0.28 0.00 20.74 -

BLUE WHALE

GROWTH FUND

Blue Whale Growth USD T \$ 13.29 - -0.13 1.2 - 35.30 4.12

BM

BROOKS MACDONALD

Brooks Macdonald International Fund Managers Limited (JER)

Third Floor, No 1 Grenville Street, St Helier, Jersey, JE2 4JF

+44 (0) 1534 700 104 (int.) +44 (0) 800 735 8000 (UK)

Brooks Macdonald International Investment Funds Limited

Euro High Income €1,232.2 - 4.00% 2.50 4.28 -4.10

High Income €0.8563 - 0.0002 3.77 8.40 -3.68

Sterling Bond £1,273.8 - 0.0004 2.06 7.93 -3.63

Brooks Macdonald International Multi Strategy Fund Limited

Cautious Balanced Strategy £1,312.4 - 0.0020 1.21 6.38 -0.82

Cautious Balanced Strategy A £0.8406 - 0.0014 1.69 6.90 -

Balanced Strategy £0.9892 - 0.0007 - 9.01 -

Balanced Strategy A £1,301.6 - 0.0007 9.58 -

Growth Strategy £2,180.1 - 0.0002 0.69 11.00 2.15

Growth Strategy A £1,034.9 - 0.0001 1.03 11.59 -

High Growth Strategy £3,055.8 - 0.0008 0.23 11.84 2.40

High Growth Strategy A £1,044.6 - 0.0003 0.67 12.41 -

US\$ Growth Strategy £1,999.1 - 0.0050 0.00 15.80 -0.93

Dealing Daily. Initial Charge Nil for A classes and up to 2% for other classes

Candriam Index Arbitrage-C-Cap

€ 1485.07

- 0.05 0.00 5.02 1.73

Candriam Long Short Credit-R-Cap

€ 112.42

- 0.06 0.00 5.73 2.12

Candriam Risk Arbitrage-C-Cap

€ 2574.86

- 1.69 0.00 6.40 0.26

Candriam Bond Emrg Mkts-HST

\$ 789.26

- 2.71 6.68 6.14 -4.14

Candriam Sust Bond Emrg R-Cap

€ 103.02

- 0.10 0.00 6.18 -2.03

Candriam Sust Bond GlobalHghYldH-Cap

€ 1158.28

- 0.60 0.00 6.70 0.38

Candriam Sust Eq Cntl Econ-R-Cap

€ 145.56

- 0.05 0.00 11.49 -1.59

Candriam Sust Eq Cntl Econ-I-Cap

€ 1679.84

- 4.44 0.00 6.27 -2.13

Candriam Sust Eq Emerging Mkts-Cap

€ 118.30

- 1.44 0.00 5.52 -10.03

Candriam Sust Eq EMU-C-Cap

€ 189.18

- 0.70 0.00 11.06 5.40

Candriam Sust Eq S&P 500-Cap

€ 2440.86

- 28.30 0.00 1.57 -2.99

Candriam Sust Eq World-C-Cap

€ 35.50

- 0.14 0.00 16.58 7.89

WILMF US Hghlght Cpn Bond-R-Cap

\$ 151.37

- 0.10 0.00 8.70 2.03

Candriam Investors Group

Other International Funds

Candriam Bds Euro Sh Term Cap € 2902.69 - 1.67 0.00 3.14 -0.20

Candriam Bonds Credit Opportunities € 207.63 - 0.00 0.00 4.68 0.76

Candriam Bonds Emrg Mid-C-Cap € 2642.61 - 7.24 0.00 18.64 -1.13

Candriam Equities Europ Qtr Hgh-Cap € 215.06 - 1.40 0.00 -1.99 -0.30

Candriam Equities L Global Dmrg-R-Cap € 304.80 - 2.55 0.00 18.38 8.26

Candriam Equities L Onco Impt-H-Cap € 2795.88 - 8.08 0.00 6.79 0.30

Candriam Equities L Hlthlnf Tech-Cap € 4544.59 - -100.44 0.00 25.37 6.06

Cantab Asset Management Ltd

10123 522000

www.cantabam.com

VT Cantab Balanced A GBP Acc € 1.11 - -0.01 1.49 5.65 -2.02

VT Cantab Moderate A GBP Acc € 1.14 - 0.00 1.82 5.78 -1.46

VT Cantab Sustainable Gbl Eq A GBP Acc € 1.39 - 0.00 1.18 9.71 9.18

Chartered Asset Management Pte Ltd

Other International Funds

CAM-GTF VCC \$1859.78 3983.8 -705.16 - -6.36 3.78

CAM-GTI VCC \$780.49 - -32.39 - 12.31 4.69

RAIC VCC \$ 1.64 1.64 0.03 2.06 5.74 -1.66

Dragon Capital

www.dragoncapital.com

Fund information: info@dragoncapi.com

Other International Funds

Vietnam Equity (UCITS) Fund A USD \$ 31.64 - 0.10 0.00 21.88 -2.86

Dragon Capital

www.dragoncapital.com

Fund information: info@dragoncapi.com

Other International Funds

Vietnam Equity (UCITS) Fund A USD \$ 31.64 - 0.10 0.00 21.88 -2.86

Dragon Capital

www.dragoncapital.com

Fund information: info@dragoncapi.com

Other International Funds

Vietnam Equity (UCITS) Fund A USD \$ 31.64 - 0.10 0.00 21.88 -2.86

Global Dividend Fund W-ACC GBP

€ 3.40

- -0.02 2.62 12.06 7.74

Global Enhanced Income W-ACC GBP

€ 2.68

- 0.00 4.38 12.11 8.13

Global Property Fund W-ACC GBP

€ 1.88

- -0.01 2.05 5.62 -3.24

Global Special Situa W-ACC GBP

€ 84.40

- -0.18 0.57 15.85 1.32

Index Emerging Markets P-ACC GBP

€ 1.78

- -0.02 2.30 8.42 -2.20

Index Europe ex UK P-ACC GBP

€ 2.27

- 0.00 2.35 13.16 7.29

Index Japan P-ACC GBP

€ 2.24

- 0.01 1.80 13.49 5.59

Index Pacific ex Japan P-ACC GBP

€ 1.93

- -0.01 3.97 4.63 0.93

Index UK P-ACC GBP

€ 1.80

- -0.01 3.43 12.45 7.43

Index US P-ACC GBP

€ 4.37

- -0.01 1.11 22.81 13.09

Index World P-ACC GBP

€ 3.31

- -0.02 1.45 19.62 10.48

MoneyMarket Balanced Fund W-ACC GBP

€ 0.63

- 0.00 3.39 6.76 1.96

MoneyMarket Dividend Fund W-ACC GBP

€ 1.32

- -0.01 4.30 8.86 8.01

Sustainable MoneyMarket Income Fund W-ACC GBP

€ 12.89

- -0.03 - 8.41 4.09

Multi Asset Allocator Alternative Fund W-ACC GBP

€ 2.41

- -0.01 1.16 13.00 5.02

Multi Asset Allocator Defensive Fund W-ACC GBP

€ 1.37

- -0.01 1.60 5.21 -1.39

Multi Asset Allocator Growth Fund W-ACC GBP

€ 2.03

- -0.01 1.23 10.31 2.79

Multi Asset Balanced Income Fund W-ACC GBP

€ 0.95

- 0.00 4.74 6.92 -1.58

Multi Asset Income & Growth Fund W-ACC GBP

€ 1.04

- -0.01 4.47 9.09 0.31

Multi Asset Income Fund W-ACC GBP

€ 0.86

- 0.00 5.84 6.33 -2.89

Multi Asset Income Strategic Fund W-ACC GBP

€ 1.70

- -0.01 1.26 7.80 0.60

Multi Asset Open Admstr W-ACC GBP

€ 1.92

- -0.01 1.74 9.91 4.00

Multi Asset Open Defens W-ACC GBP

€ 1.39

- -0.01 2.37 4.75 0.45

Multi Asset Open Growth Fund W-ACC GBP

€ 1.81

- -0.01 1.97 9.19 3.46

Multi Asset Open Strategic Fund W-ACC GBP

€ 1.60

- -0.01 2.22 6.81 1.33

Open World Fund W-ACC GBP

€ 2.60

- -0.02 0.95 12.96 6.68

Strategic Bond Fund W-ACC GBP

€ 1.25

- 0.00 3.29 6.30 -3.34

UK Opportunities Fund W-ACC GBP

€ 265.40

- 0.90 2.81 9.35 -4.17

UK Smaller Companies W-ACC GBP

€ 4.24

- 0.00 2.15 16.58 5.61

Index Sterling Corporate Bond Fund P-ACC GBP

€ 0.87

- -0.01 4.15 9.50 -4.50

Index UK Gilt Fund P-ACC GBP

€ 0.73

- 0.00 3.50 3.51 -8.41

Sustainable Asia Equity Fund W-ACC GBP

€ 1.82

- -0.01 1.00 -0.38 -6.36

Sustainable Multi Asset Balanced Fund W-ACC GBP

€ 1.02

- -0.01 1.76 10.01 -

Sustainable Multi Asset Conservative Fund W-ACC GBP

€ 0.95

- 0.00 2.18 7.26 -

Sustainable Multi Asset Growth Fund W-ACC GBP

€ 1.07

- 0.00 1.74 11.64 -

Guinness Global Investors

Guinness Global Equity Income I GBP Sto. € 20.93 - 0.04 1.88 14.28 10.70

Guinness Global Investors Y GBP Acc € 38.32 - -0.82 0.00 28.87 11.25

Guinness Sustainable Global Equity Y GBP Acc € 12.34 - -0.07 - 9.99 4.96

Guinness Global Investors

Guinness Global Equity Income I GBP Sto. € 20.93 - 0.04 1.88 14.28 10.70

Guinness Global Investors Y GBP Acc € 38.32 - -0.82 0.00 28.87 11.25

Guinness Sustainable Global Equity Y GBP Acc € 12.34 - -0.07 - 9.99 4.96

Artemis Fund Managers Ltd (1200)F

57 St. James's Street, London SW1A 1LD 0800 082 2051

Authorized Inv Funds

Artemis Corporate Bond I Acc 2787.86 - 12.70 3.29 19.72 10.27

Artemis European Select I Acc 105.78 - 0.40 0.06 9.36 -2.11

Artemis Global Income I Inc 564.66 - 3.53 2.65 32.28 12.64

Artemis Global Select I Acc 157.34 - 0.51 0.09 22.27 6.89

Artemis High Income I Q Inc 201.87 - -0.31 3.41 22.42 6.77

Artemis Income I Inc 454.03 - -1.95 2.49 22.39 7.24

Artemis Monthly Dist I Inc 132.79 - 0.87 3.20 32.30 10.83

Artemis Positive Future Fund 189.87 - -1.79 0.84 14.33 5.58

Artemis Short-Dn Strat Bond 116.54 - 0.12 4.45 9.80 2.41

Artemis Strategic Bond I Q Acc 71.54 - 0.13 4.55 7.89 -0.78

Artemis SmartGARP Glomr Eq I Acc 277.12 - 1.23 3.65 17.15 7.90

Artemis SmartGARP Glo Eq I Acc 76.43 - 0.29 4.54 18.25 5.54

Artemis SmartGARP UK Eq I Acc 64.80 - 0.01 0.00 2.22 -12.28

Artemis Strategic Assets I Acc 101.99 - 0.03 1.60 2.34 3.53

Artemis Strategic Bond I Q Acc 189.87 - 0.13 4.55 7.89 -0.78

Artemis UK Select Fund Class A Acc 996.04 - 3.46 2.25 24.63 9.08

Artemis UK Smaller Cos I Acc 2374.02 - 4.07 2.35 20.44 3.42

Artemis UK Special Sits I Acc 931.83 - 3.86 2.14 20.00 4.67

Artemis US Extended Alpha I Acc 426.82 - -1.97 0.00 25.93 12.55

Artemis US Select I Acc 392.41 - -1.89 0.00 30.67 10.27

Artemis US Smllr Cos I Acc 368.38 - 3.86 0.00 28.73 1.90

Brown Advisory

Thoughtful Investing.

Brown Advisory Funds plc

http://www.brownadvisory.com Tel: 020 3301 8130

FCA Recognised

Global Leaders Fund USD C € 26.46 - -0.11 - 20.16 5.41

Global Leaders Sustainable Fund USD C € 15.78 - -0.08 - 19.65 4.72

Global Sustainable Total Return Bond GBP B € 9.25 - 0.02 2.71 0.79 -

Global Sustainable Total Return Bond USD B € 9.83 - 0.02 0.00 1.24 -

US Equity Growth Fund USD B € 60.69 - -0.95 - 22.73 1.15

US Flexible Equity Fund USD B € 31.87 - -0.19 - 29.76 7.85

US Mid-Cap Growth Fund USD C € 20.11 - -0.13 - 18.50 -2.11

US Small Cap Blend Fund USD B € 23.47 - -0.23 - 16.66 0.19

US Smaller Companies Fund USD B € 37.67 - 0.08 - 9.09 -3.04

US Sustainable Growth Fund USD C € 32.22 - -0.51 - 26.90 8.32

US Sustainable Value Fund USD C Acc € 13.13 - 0.07 - - -

CP Global Asset Management

www.cpglobal.com.sg

Email: customer_support@cpglobal.com.sg

International Mutual Funds

CP Multi-Strategy Fund \$ 368.96 - 2.23 0.00 17.68 13.53

CP Capital Asset Management Limited

www.cpccpl.com.sg

Email: fundservices@cpccpl.com

International Mutual Funds

CPS Master Private Fund \$ 490.87 - 1.28 - 14.53 11.55

CP Global Alpha Fund \$ 403.37 - 1.16 0.00 14.25 11.47

EdenTree Investment Management Ltd

Sunderland, SR43 4AU, 0800 358 3010

Authorized Inv Funds

EdenTree European Equity Cls A Inc 373.90 - 2.40 2.32 19.68 8.30

EdenTree European Equity Cls B Inc 378.20 - 2.40 2.83 20.31 8.90

EdenTree Global Equity Cls A Inc 370.90 - -2.40 - 10.51 2.97

EdenTree Global Equity Cls B Inc 374.60 - -2.40 1.45 11.10 3.53

EdenTree Global Impact Bond B 86.31 - 0.05 3.01 4.20 -

EdenTree Green Future B Net Inc 112.10 - 0.40 1.06 13.63 -

EdenTree Green Infrastructure Cls B Inc € 0.83 - 0.00 6.65 -8.53 -

EdenTree Managed Income Cls A Inc 124.40 - 0.70 4.58 7.85 2.01

EdenTree Managed Income Cls B Inc 133.50 - 0.70 4.70 8.27 2.50

EdenTree Multi-Asset Balanced Cls B Acc € 0.98 - 0.01 2.00 8.51 -

EdenTree Multi-Asset Contra Cls B Acc € 0.98 - 0.00 2.13 7.19 -

EdenTree Multi-Asset Growth Cls B Acc € 1.01 - -0.01 1.99 10.90 -

EdenTree Responsible and Sust S Dist Bd B 94.94 - 0.05 2.97 5.82 -0.01

EdenTree Sterling Bond Cls A Inc 85.81 - 0.04 - 8.07 -2.89

EdenTree Sterling Bond Cls B Inc 97.71 - 0.04 4.44 8.74 -2.30

EdenTree UK Equity Cls A Inc 222.50 - 1.30 2.15 3.44 -3.52

EdenTree UK Equity Cls B Inc 222.20 - 1.30 2.15 3.44 -3.52

EdenTree UK Equity Opps Cls A Inc 305.80 - 1.00 1.54 14.51 -2.66

EdenTree UK Equity Opps Cls B Inc 312.40 - 1.00 1.26 15.16 -2.11

Euronova Asset Management UK LLP

100 Fleet Street, London EC4A 3DF

Authorized Inv Funds

Smaller Cos Cls One Shares € 57.04 - 0.04 0.00 3.09 -1.15

Smaller Cos Cls Two Shares € 36.14 - 0.02 0.00 2.58 -1.84

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LGT Wealth Management (CI) Limited		(JER)	
Sir Walter Raleigh House, 48-50 Esplanade, St Helier, Jersey, JE2 3GB			
SIC Recognised			
Volare Offshore Strategy Fund Limited			
Bridge Fund	£2.3583	- 0.0027	- 10.72 3.02
Global Equity Fund	£3.7891	- 0.0082	1.39 14.16 6.09
Global Fixed Interest Fund	£0.7488	- 0.0034	5.34 7.28 - 3.14
Income Fund	£0.8767	- 0.0024	- 11.42 3.84
Sterling Fixed Interest Fund	£0.6859	- 0.0005	- 8.50 - 4.73
UK Equity Fund	£1.9468	- 0.0128	3.30 6.85 - 0.13



Lothbury Property Trust (UK)				
155 Bishopsgate, London EC2M 3TQ +44(0) 20 3551 4900				
Property & Other UK Unit Trusts				
Lothbury Property Trust GBP	£1431.66	1470.99	-7.01	3.95 -10.58 -7.77

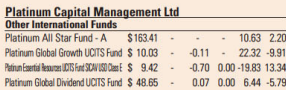
Toscafund Asset Management LLP						
www.toscafund.com						
Tosca Mid Cap GBP	£ 117.80	-	-0.64	0.00	-29.93	-21.59
Tosca Opportunity B USD	\$ 252.81	-	-15.03	0.00	-29.95	-19.96
Pegasus Fund Ltd A-1 GBP	£ 27.03	-	-0.23	0.00	-32.66	-22.42

Troy Asset Mgt (1200) (UK)
2nd floor, 20-22 Bedford Row, London, WC1R 4EB
Order Desk and Enquiries: 0345 608 0950

Oasis Crescent Global Investment Funds (UK) ICVC(UK) Regulated						
Oasis Crescent Global Equity Fund USD A (Dist)	\$ 38.02	-	0.33	0.82	11.92	-0.40
Oasis Crescent Global Income Fund USD A (Dist)	\$ 10.10	-	0.00	3.78	5.02	-0.07
Oasis Crescent Global Low Equity Fund USD D (Dist)	\$ 12.92	-	0.07	1.48	9.00	-0.47
Oasis Crescent Global Medium Equity Fund USD A (Dist)	\$ 14.53	-	0.10	1.06	9.36	-0.38
Oasis Crescent Global Property Equity Fund USD A (Dist)	\$ 8.68	-	0.13	1.77	16.97	-1.24
Oasis Crescent Global Short Term Income Fund USD A (Dist)	\$ 0.94	-	0.00	3.36	6.43	0.68
Oasis Crescent Variable Fund GBP A (Dist)	E 10.34	-	0.06	0.73	8.98	0.06

Troy Asset Mgt (1200) (UK)
2nd floor, 20-22 Bedford Row, London, WC1R 4EB
Order Desk and Enquiries: 0345 608 0950

Attributed Investment Funds					
Investment Director - Waystone Management (UK) Limited					
Trojan Investment Funds	Value (£m)	% of Fund Assets	Value (£m)	% of Fund Assets	Value (£m)
Trojan Ethical Global Inc O Acc	96.44	+0.07	275.4	4.88	-
Trojan Ethical Global Inc O Inc	109.79	+0.06	259	4.88	-
Trojan Ethical O Acc	135.47	+0.05	124	6.13	3.46
Trojan Ethical O Inc	133.38	+0.06	145	6.33	3.53
Trojan Ethical Income O Acc	147.68	+0.10	272	6.30	4.81
Trojan Ethical Income O Inc	118.69	+0.80	279	6.29	1.79
Trojan Fund O Acc	401.35	+0.30	103	4.07	3.01
Trojan Fund O Inc	320.64	+0.25	104	4.07	3.01
Trojan Global Equity O Acc	597.72	+4.67	102	15.83	7.66
Trojan Global Equity O Inc	477.24	+3.84	102	15.83	7.66
Trojan Global Income O Acc	156.66	+2.4	308	3.00	4.24
Trojan Global Income O Inc	124.86	+2.0	314	3.00	4.24
Trojan Income O Acc	358.48	+1.96	295	4.61	1.32
Trojan Income O Inc	169.03	+0.92	302	4.60	1.32



Rubrics Global UCITS Funds Plc		(IRL)				
www.rubricsam.com						
Regulated						
Rubrics Emerging Markets Fixed Income UCITS Fund	\$ 141.02	-	0.16	0.00	1.54	-0.28
Rubrics Global Credit UCITS Fund	\$ 17.54	-	0.03	0.00	3.77	-0.76
Rubrics Global Fixed Income UCITS Fund	\$ 172.07	-	0.45	0.00	0.31	-1.56

Private Fund Mgrs (Guernsey) Ltd	(GSY)
Regulated	
Monument Growth 29/05/2024	£575.11 580.73 1.57 0.88 5.23 3.31

Scottish Friendly Asset Managers Ltd (UK)					
Scottish Friendly Hse, 16 Blythswood Sq, Glasgow G2 4HJ 0141 275 5000					
Authorised Inv Funds					
Managed Growth ♦	397.00	-	0.50	0.00	15.78 6.58
UK Growth ♦	450.90	-	1.90	0.00	12.44 3.69



Prusik Investment Management LLP	(IRL)
Enquiries - 0207 493 1331	
Regulated	
Prusik Asian Equity Income B Dist	\$ 169.74 - 0.58 6.01 2.36 0.08

SICO BSC (c)	(BHR)						
+973 17515031.							
www.sicobank.com							
Khaleej Equity Fund	\$ 642.45	-	7.90	0.00	14.90	10.23	
SICO Kingdom Equity Fund	\$ 39.99	-	0.48	0.00	23.11	10.36	
SICO Gulf Equity Fund	\$ 166.16	-	-0.39	0.00	9.09	8.98	

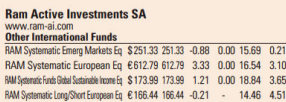
Milltrust International Managed Investments SPC am@milltrust.com , +44(0)20 8123 8316, www.milltrust.com Regulated				
Milltrust Alaska Brazil Fund SP A	\$ 88.61	-	-1.16	0.00 -1.36 1.74
Milltrust Laurentia Africa Fund SP A	\$ 97.72	-	-0.21	0.00 7.66 -4.87
Milltrust Marcellus India Fund SP A	\$ 142.81	-	-0.43	0.00 13.20 -2.40
Milltrust Singapore ASEAN Fund SP Founders	\$ 145.26	-	-0.13	0.00 14.96 -3.53
Milltrust SPARK Korea Equity Fund SP A	\$ 135.09	-	-2.40	0.00 13.66 -7.49
Milltrust Xingtai China Fund SP A	\$ 87.44	-	-0.59	0.00 -3.46 -13.60
The Climate Impact Asia Fund SP A	\$ 72.59	-	-0.41	0.00 -6.56 -9.58

Purisma Investment Fds (UK) (1200)F		(UK)
2nd floor, 20-22 Bedford Row, London, WC1R 4EB		
Order Desk and Enquiries: 0345 922 0044		
Authorised Inv Funds		
Authorised Corporate Director - Waystone Management (UK) Limited		
Global Total Fd PCG A	515.00	-4.15 0.27 26.81 12.00
Global Total Fd PCG B	507.83	-4.10 0.26 26.50 11.73
Global Total Fd PCG INT	497.01	-4.01 0.26 26.18 11.45



STONEHAGE FLEMING
GLOBAL BEST IDEAS
EQUITY FUND

Ministry of Justice Common Investment Funds (UK)						
Property & Other UK Unit Trusts						
The Equity Idx Tracker Fd Inc	2098.00	-	1.00	2.37	13.65	5.71
Distribution Units						



Superfund Asset Management GmbH					
www.superfund.com, +43 (1) 247 00					
Other International Funds					
Other International Funds					
Superfund Green Gold	\$1076.95	-	-13.85	0.00	5.40-12.68

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Rutherford Hall
‘Hell yes, sign Labour’s
business support letter’
WORK & CAREERS

Employers face a rising climate conundrum



Pilita Clark
Business Life

Not that long ago, I met a lawyer in London named Tom Goodhead who said something that stayed with me. His firm, Pogust Goodhead, takes class actions against big companies for environmental disasters and he said one reason for its rapid growth was the large number of young lawyers eager to join from older, more established firms that cheerfully defended the same companies.

I later spoke to a young litigator Goodhead had hired from a global corporate law firm with a lot of fossil fuel clients. “I took a big career risk to be on the right side of history,” Edmund Bentsi-Enchill told me. “But it’s definitely worth it.”

For a long time, I have thought stories like this were interesting but unrepresentative.

A handful of the young in a city such as London, in a field like law, might be willing to abandon a venerable employer for a green-leaning start-up. But has so-called “climate quitting” really taken off? Do employers really need to show they care about the environment if they want to hold on to younger staff? The evidence increasingly suggests they might.



Kenneth Andersson

I say this having just ploughed through a survey of nearly 23,000 Gen Z and millennial workers in 44 countries that consultants at Deloitte published a couple of weeks ago.

In case your grasp of generational clichés is as loose as mine, Deloitte defines Gen Z as those born after 1995 and millennials after 1983. People who are generally in their twenties or thirties – and made up nearly half the full-time US workforce in 2021.

This is the 13th annual study of its type that Deloitte has done and it shows about 20 per cent of younger staff now say they have changed jobs or industries because of environmental concerns. A slightly higher percentage say they plan to do this in the future and more than 70 per cent say that green credentials and policies matter when they are job hunting.

These numbers gel with European Investment Bank research last year

“Do businesses really need to show they care about the environment if they want to hold on to younger staff?”

that found 76 per cent of 20-something Europeans say the climate impact of prospective employers is a key factor, and 22 per cent say it is a top priority.

The more salient point in the Deloitte survey, however, is that it shows a need for employers to have more than mere policy on climate.

The share of workers in their twenties who say they and their colleagues are pressing their firms to take action on global warming has increased from 48 per cent in 2022 to 54 per cent in 2024. The rise was similar for millennials.

The measures they want range from staff sustainability training and renovating the office, to the more demanding prospect of transforming the business model to make it more climate-friendly, a suggestion made by nearly 20 per cent of the workers. A similar share said they would like employers to work “more closely with governments [on] sustainability”.

When I asked Deloitte to dig into their data to see if this trend was more pronounced in western Europe or North America, as I expected, they came back with surprising news.

Both those regions were outranked by south-east Asia. A striking 66 per

cent of Gen Z workers and 71 per cent of millennials in that part of the world said they were pushing their organisations to take action on climate change. The corresponding figures in mature western markets were just 50 per cent and 42 per cent respectively.

The industries feeling this pressure most are also interesting. Deloitte’s data shows it is staff in financial services, followed by the energy and resources sector, who are most likely to be pushing for change. Business services and consumer businesses are a long way behind.

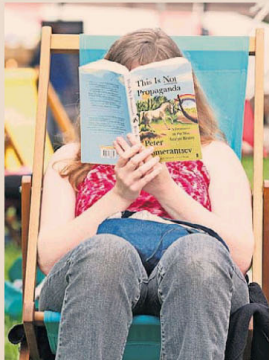
Deloitte’s global chief sustainability officer, Kathy Alsega, says it is not clear exactly why this is the case. It could be that climate action is more visible to employees in customer-facing sectors such as consumer products, or in western countries, so workers don’t feel the need to press for more action. Or it could be something else.

Either way, I have had to change my mind. Companies do not have to take climate action seriously. But if they don’t, they might find it increasingly hard to hire – and keep – all the younger workers they need.

pilita.clark@ft.com

Lex.

Baillie Gifford exit shows UK arts need new funding model



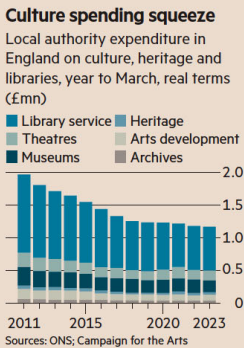
Literary festivals are closing the book on their partnerships with Baillie Gifford. The Scottish fund manager is under attack for its purported links to Israel and the fossil fuel industry. The move may appease activists but is another blow for Britain’s beleaguered arts sector.

The Edinburgh International Book Festival, which this week followed Hay Festival, will now be among a huge cast of cultural offerings struggling for funds.

Money from Arts Council England, which distributes national state funding, has fallen by nearly a tenth in real terms in the decade to 2020-21, according to the Creative Industries Policy and Evidence Centre. Funding from local authorities, the biggest chunk of income, has almost halved on the same basis, according to Campaign for the Arts.

Dominic Cook, a former director at The Royal Court theatre, last month called for renationalising the arts. His point, provocatively framed, was that the current system is broken. The model that worked when he started out in the late 1980s – when generous state funding and box office receipts combined more or less covered costs – now requires hefty doses of private funding.

Baillie Gifford’s exit illustrates just



how tough that is. UK philanthropists are in any case a pale shadow of their American cousins. Efforts to boost this, such as a 2010 government pledge to match philanthropic donations to arts organisations with public money, barely moved the dial. Shrinking public money hardly serves as a magnet for private inflows.

British arts are largely a cottage industry, with star-studded West End shows and a fiendishly long tail. Inefficiencies are inherent but cost cutting is hardly viable if you are a two-woman band. Besides, size or cultural heft is not a signifier of financial success: London’s National Theatre and Young Vic both ran deficits last year.

Finding a suitable financing model is tough. There is no getting away from a hybrid public/private model but predictability would help. Knowing how much is coming through from the state each year is crucial. Knowing the local authority owned building is not at risk of being sold under your feet is also key.

The UK is one of just three countries that is a net exporter of music. Music, performing and visual arts still employ 280,000 plus, although that is down from 315,000 in 2019. Book festivals, theatre and concerts woo tourists. The case for rethinking funding just got stronger.

NIKKEI Asia The voice of the Asian century

CROSSWORD No 17,752 by MOO

ACROSS

1 Hold up bottle of bubbly taken from case (6)
4 Covering for a Pole? (3,5)
10 Reason I earn a lot abroad (9)
11 Weight of cargo uncertain (5)
12 Auntie running to and fro (4)
13 Arranged in secret (10)
15 Drunken girl making a weapon (7)
16 Sportsman with mullet maybe left in annoyance (6)
19 Socialist investors bringing in new leader (6)
21 Dictator’s confidence secured (7)
23 Altar boy slyly locking men in science room (10)
25 Sappy message left unfinished (4)
27 Talk foolishly of father promoting Republican (5)
28 Haunting end of homicide case (9)
29 Rogue parliamentarian obstructing Sunak endlessly (8)
30 Speculate about whistle-blower being lonely (6)

DOWN

1 Book a tough defender (8)
2 Engineer home at ten, worn out (4-5)
3 School board getting rid of head (4)
5 President’s daughter getting the blues? (7)
6 Obvious evidence new king’s no mug (7,3)
7 News in Brussels beginning to indicate malaise (5)
8 In conclusion strive to entertain (6)
9 Singer putting everything in bag upside down (6)
14 Become a priest, as underling must? (4,6)
17 Old Welsh rite revived (9)
18 Supporter of woman held in Arab port terrified at first (8)
20 Defiant cry from drunkard at this point (2,5)
21 Fish mostly too dry when served up (6)
22 A mistake making beer in this way? (4-2)
24 Prime minister embodying British retreat (5)
26 No escape for you now, amigo (4)

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Chief Green Hydrogen
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WORK & CAREERS

Hell yes, sign Labour's business support letter



Rutherford Hall
Critical Comms

Messages from the archive of Rutherford Hall, critical communications strategist

WhatsApp to Stephen: I've just had Jane from LOTO (Labour leader's office) on the line. She's organising a business letter for Starmer and wants me to help rustle up a few of our clients. She even asked me to sign but I've said I prefer to stay behind the scenes. But we probably need to find a couple of names.

From: Rutherford@monkwellstrategy.com
To: PhilKW@LKandW.co.uk

Phil. It's definitely flattering that Labour has approached you to sign their business leaders letter. My general advice is "hell yes" to backing the winning horse. But just a few things to bear in mind.

Number 1. Unless you are a dyed in the wool supporter – which our previous efforts to get you in with Liz Truss would suggest you aren't – then make sure this is a business decision, which you can align with what you do, and square your shareholders.

Number 2. Who else is on the list? If the other top business leaders are Michelle Mone, Frank Hester, that bloke from BrewDog or anyone who

runs a water company then give it a swerve.

Number 3. Are you prominent on the list of names? You want to be in the top 5, one of the ones who actually gets noted. A good deed is not a good deed if no one sees you doing it. But you also want Premier League names only. You don't belong with the small fry. Don't sign anything that doesn't make you look good.

Number 4: The other side will want to discredit the list so are you OK with some extra scrutiny?

And 5: You have to be happy with at least a bit of the letter. And not just the punctuation. You have to be able to say you believe at least a few of the words in between.

Best, Rutherford
Find me on Strava, KoM Sydenham Hill, PR Al Jubailah/Bawdah Loop – 42 mins.

WhatsApp to PhilK: No it needs to be more than prepositions as well. Actual sentiments.

WhatsApp to PhilK: Sorry Phil I've literally never heard of half these people. You look like the only decent name. Some are retired. You want to be on the letter that the white papers say features "captains of industry". This is the lance corporals of industry.

WhatsApp to Stephen: Whose

brilliant idea was it to hold our summer party on the night of the election?

WhatsApp to Stephen: Yes, I know it was my idea but we have to move it. Otherwise it will just be clients, retiring MPs and journalists killing time till the exit poll. We need to reschedule for the week after. All the new ministers will rock up. The clients will love it. We'll even get a big mention in the Politico email. Just make sure we don't clash with the big leftie organisations like the New Statesman, Labour Together or the BBC.

WhatsApp to LOTOJane: Jane, sorry to hear about Phil saying no. I'm surprised because he's privately very enthusiastic about Keir. Let me talk to him.

WhatsApp to Stephen: Aargh. Jane says Keir is relying on us to find some names. In other words, we're in Siberia unless we help.

WhatsApp to list 1: Hi, just a heads-up to a few close clients who might be interested. Keir Starmer's team are looking for people to sign a supportive business letter. This election is as near as you get to a sure thing and there's big brownie points available. Let me know if you are interested.

WhatsApp to LOTOJane: Great news, I've got a few clients ready to sign up

This election is as near as you get to a sure thing and there's big brownie points available

including some major business bosses – David at Fracarys and John from BigEnergy
WhatsApp to LOTOJane: Well yes, there's a teensy fossil fuel dimension to their work. But this is an economy letter not an environment one and anyway they are very forward-looking about the green transition
WhatsApp to BigEnergy John: We're on. Now remember, you are very excited by clean energy and the green transition. Maybe keep mum with your views on Ed Miliband and don't mention the renewed focus on the North Sea fields till after the election.
WhatsApp to BigEnergy John: I know you aren't aligned with their policy but tell your board this is the best way to influence decisions. And you like most of the letter.
WhatsApp to BigEnergy John: Well, you like the punctuation.
WhatsApp to LOTOJane: That's great and I'm sure they will pull in some other big names. I've got Phil K to agree too.
WhatsApp to LOTOJane: Not at all. I'm glad Keir is pleased and please tell him I was happy to help. Look forward to seeing you all at our summer party. Will keep the champagne on ice.

Messages recovered by Robert Shrimley

Employment

US students face recruitment challenges after Gaza protests

Companies warn of tougher scrutiny following Israel-Hamas war activism, write *Andrew Jack, Joshua Franklin and Emma Jacobs*

Last autumn, Ryna Workman had an offer to join an international law firm after they completed their legal degree at New York University.

But their response to the October 7 Hamas attack on Israel changed all that.

Shortly after the attack, Workman made a pro-Palestinian statement in an email sent as part of their role as president of the Student Bar Association, saying "Israel bears full responsibility for this tremendous loss of life".

After other students shared the email with Workman's would-be employer Winston & Strawn, the firm rescinded their job offer, stating the comments "profoundly conflict with [the firm's] values".

Other students have had a similar experience. Davis Polk & Wardwell, another law firm, said it would revoke three offers to students at Harvard and Columbia because of similar declarations. A number of other business people – including Bill Ackman, founder of Pershing Square, and the heads of companies including food chain Sweetgreen and DoveHill Capital Management – have threatened to do the same.

Law firms including Sullivan & Cromwell said they would not tolerate bias, hate speech or discriminatory remarks by employees. They are stepping up background checks internally and through external due diligence companies, including examining applicants' social media posts and affiliations to student societies.

Such scrutiny is adding to pressures on a graduating cohort in an uncertain job market, after the isolation and anxiety of the Covid-19 pandemic deprived many of a normal school and university experience.

It raises questions about the extent of employers' rights to examine the activities and beliefs of candidates seeking recruitment, and is prompting those who support students to reconsider the advice they give on how the next generation can protect their reputation.

A number of students – notably from poorer backgrounds – have avoided becoming too engaged in the protests for fear of being disbarred from graduating. Others have said classmates left demonstrations early out of fear that their activism, if made public, could damage their job prospects.

Since Columbia University took the rare step of summoning police on to its New York campus this spring to break up the encampment of students protesting against Israeli bombing of Gaza, similar interventions at universities across the US have led to nearly 3,000 arrests.

Other students face disciplinary action directly from their universities, which could remain on their academic records and delay or prevent them



Ryna Workman had a job offer with an international law firm rescinded after it heard of a pro-Palestinian statement the student had made

David Degner/FT

from even completing their studies.

They face far more scrutiny than demonstrators in the past, driven in part by a spate of "doxxing": personal information which is posted online, often by organisations that publicly accuse pro-Palestinian activists of extreme or antisemitic beliefs, which activists deny holding.

Randall Schmollinger, who has just completed the first year of a masters in international relations at Columbia and has been involved in campus protests, said he and a number of friends were still struggling to find summer internships.

"I would be lying if I didn't think the stigma of being at Columbia might have crossed their minds. Even if it's not explicit company policy, it creates a sense that candidates are fighting uphill to get recruited."

Tracking the underlying reason for rejections is difficult: neither employers nor university careers services, cautious of legal or reputational risk, are keen to comment. However, some said they had reassessed activity in response to recent demonstrations.

One senior executive at a large Wall Street bank said the protests would have an impact on which schools they targeted. "There are consequences to these people's behaviour," the banker said. "We're still going to hire from Harvard and Columbia but we're even more open minded about where we recruit from."

Neil Barr, managing partner of Davis Polk & Wardwell, said: "We have heightened antennas to the issues on campus; we want to make sure that the people we are hiring are complying with university rules and the laws of the cities in which they live. Where we have no tolerance is where the nature of speech turns to hate or discrimination."

In private, a number of other employers have indicated that while they are keen to diversify the range of

institutions from which they recruit, they will not discriminate against entire universities – notably elite ones on which they heavily rely.

Smaller and more ideological recruiters have dominated the public debate. A group of federal judges who said they had "lost confidence" in Columbia over its handling of the protests and would not hire law clerks from the university were all conservatives appointed by former president Donald Trump.

A few employers have taken the opposite position. Andrew Dudum, chief executive of hims & hers, a telehealth company, who has Palestinian roots, posted on X: "If you're currently protesting against the genocide of the Palestinian people & for your university's

'Where we have no tolerance is where the nature of speech turns to hate or discrimination'

divestment from Israel, keep going. It's working. There are plenty of companies & CEOs eager to hire you, regardless of university discipline."

After a backlash that temporarily depressed the share price of his company, he was forced to stress that his support for peaceful protest was "in no way [to] condone nor support acts or threats of violence, antisemitism, or intimidation".

Graduate recruitment has highlighted the difficulties of political activism within organisations. While many employers came out with messages of support for Black Lives Matter and Ukraine, leaders grappled with how best to respond to the Israel-Gaza conflict.

Senior managers report intergenerational tension over workplace priorities and culture, including whether junior

staff should have a say in who the company does business with, said Megan Reitz, associate fellow at Saïd Business School, Oxford university. "We have managers and leaders who see a raft of issues as being outside of the workplace remit – but younger generations have, in some cases, a different view about where work begins and ends."

Officials at several elite universities with high-profile protests said they had not observed any significant drop either in on-campus recruitment events or hiring of recruits. Megan Hendricks, executive director, MBA Career Services & Employer Alliance, said her board members reported that "they aren't seeing any issues or shifts" when it came to on-campus recruitment. While protest has been less prominent in the MBA sector, the alliance membership includes business schools at Columbia and other institutions where campus activism has made headlines.

Santina Pitcher, a director of the University of Berkeley's career centre, said the institution's students had been successful in recruitment and talking to employers. "I would expect to have seen some more but I can honestly say since October 7 I have only heard of one employer who has backed out and decided not to come to campus."

But she advised greater caution on the part of students. "You need to be very careful about what you're putting out there and clean up your online presence. . . . Make sure LinkedIn is popping up first."

She said her colleagues advised students that if employers asked "inappropriate questions" they should respond by querying how that related to the job. However, she said: "We know employers are probably not always sticking to the script . . . If you're hearing something that is giving you a red flag, that's information to help you make the decision on whether that's the job for you."

Work Watch

Make-up artists help bosses keep up appearances



Emma Jacobs

In a light-filled kitchen in south-west London, Natalie James considers my face before declaring my blusher too pink and eyebrows too pale. Her prescription: a bit of pomade to provide an "espresso shot" to the face – she's too polite to say I look knackered – and a warmer tone for my cheeks.

James is not readying me for a party but overhauling my make-up bag to rejuvenate and professionalise my work style. The self-billed "executive groomer" is one of a number of beauty experts hired by professionals and entrepreneurs ahead of photoshoots for social media and press releases, as well as presentations and keynote speeches. She also provides personal consultations for corporate grooming.

Over the past 18 months, beauty booking app Ruuby has seen a rise in bookings for professional make-up services, with many pre-work appointments at 6am and 7am. Founder Venetia Archer says slots tend to be taken by professionals preparing for work and media events. The proliferation of beauty tutorials on social media is setting a higher standard, and older clients are more likely to seek professional services.

Online working has also opened a new area in which to feel insecure about our appearance: video calls, and the ever-present reverse camera, leading some to identify Zoom dysmorphia. "The way we show up in our workplaces has been heavily influenced by the rise of digital media," says James. However, a study by WFH Research, an academic survey project, this year found 47 per cent of white-collar workers put make-up on when they go to the office, compared with only 31 per cent when working from home.

The topic of make-up in a professional context might make some recoil in horror. Viv Groskop, *How to Own the Room* author and podcaster, says "It feels like such a 1980s thing to talk about". But many women are "incredibly relieved" to discuss pressures to look a certain way at work. "A lot of us secretly worry we've got it wrong . . . our insecurities are still ripe for exploitation."

Rules, Groskop adds, are subjective. Hillary Clinton

received constant feedback on blow dries and make-up until her team realised the responses were neither consistent nor useful. "People just wanted to judge," Scarlett Gray, chief executive and founder of mobile beauty service Glow & Dry, agrees. "You can't win. If you're too done up [people will criticise], if you're not, people will think you haven't made an effort."

Professional style has relaxed, however, since the padded shoulder looks of the '80s. While women had felt under pressure to dial down femininity, James now detects "the rise of the empowered feminine".

One entrepreneur reflects that, in her career as a banker, she never wore make-up because she wanted to be "taken seriously". But grooming and skincare have since become more important, and she recently paid for a make-up consultation. "We're all on video now."

Attitudes are generational. Groskop believes "over-50s expect grooming to be important"; Cyler D, a New York-based make-up artist, says young professional women "tend to be more playful in their make-up". But "too much . . . can be seen as frivolous or trying too hard".

They may be right to be mindful of the impact of a full face. A University of Colorado paper found that among female scientists "seemingly trivial details such as wearing make-up or styling one's hair can lead to even lower inferences about one's science-worthiness". But other research has found professionally applied make-up can make women appear more trustworthy.

When James prepares executives for presentations, powder is key for men and women. "If somebody looks shiny on stage and they're talking about numbers, you think they're nervous." Cyler D says the top request before a presentation is, "Please don't make me look like a clown, please don't make me look like a drag queen." The key is skincare prep, he says, as high-quality video and auditorium projections leave make-up or imperfections with nowhere to hide. "If you have perfect skin, everything falls into place." Groskop's best advice is having confidence in one's own judgment. "Look the way you want to look – whether with or without interventions – and stick to it." Gray concurs: when a client is in her chair, she wants to reflect their personality. "If she wants to wear a red lip, they should go for it."

WORK & CAREERS

The CEO. Cristina Scocchia, Illycaffè

‘I see my role as a doctor’s – once I am done I move on to the next patient’

Boss of coffee maker is applying lessons from Covid and cosmetics to overseas expansion, writes *Silvia Sciorilli Borrelli*

Cristina Scocchia, one of few female chief executives in Italy, landed her first internship in 1996 by pretending. “On the CV I sent Procter & Gamble I had written I spoke ‘good’ English, but I didn’t speak good English at all, and after passing the writing test I had to sit for an interview with an American executive,” recalls the CEO of coffee manufacturer Illycaffè.

Her would-be employers shouted at her; Scocchia confessed – and set out some mitigating circumstances. “English wasn’t taught where I’m from,” she recalls. “They would have never considered my application otherwise [and] I really wanted to have the opportunity to show them I was good . . . it was my American dream.”

Years later she became her interviewer’s boss as she climbed the ranks at the US multinational’s European headquarters in Geneva, ultimately becoming head of international cosmetics operations. “Eventually I learnt English,” she laughs.

Scocchia, 50, has been the chief executive of three different companies in the past decade, in a country where only 4 per cent of all CEOs, aged almost 60 on average, are women. “I doubt I would have had the same career trajectory had I not left Italy,” she says.

She has honed her leadership skills in difficult business cases, including a turnaround at Kiko Milano, the make-up brand in which LVMH-backed L. Catterton took a majority stake this year. At Illy, which she joined in January 2022, her task is not rescue but expansion: taking the family-owned coffee manufacturer public and increasing sales outside Italy, in the face of supply chain pressures, climate change and environmental degradation posing profound risks to the coffee trade.

“I came in with a clear objective . . . to grow internationally so we are ready to list,” she says. “I see my role a bit like

‘If we convince even only 1 per cent of [China] to drink Illycaffè, it will be a big win’

a doctor’s . . . I like taking care of a specific condition, once I am done with the job I like to move on to the next patient . . . before Illycaffè, the patients needed turnarounds, here the challenge is a new one for me.”

From her offices in Milan, Scocchia says she is optimistic about ensuring international expansion despite headwinds that could jeopardise IPO plans. “The company posted its best results ever in 2023 without offloading extra [raw materials and logistics] costs entirely on consumers.”

In 2023, revenues grew more than 5 per cent year on year to about €600mn, while profits jumped by 67 per cent compared with 2022. Italy’s third-largest coffee maker by revenue, Illy already exports two-thirds of its products abroad, yet the international business remains “fragmented”, says Scocchia.

Her plan is to focus on expansion in a few lucrative territories especially the US where chair Andrea Illy, the founding family’s scion, said last year he ideally wanted to list. The US accounts for a sixth of Illy’s total revenue; under Scocchia’s five-year plan, it should grow to a share equalling that of Italy, which constitutes a third. The company also wants to expand in China, where consumers prefer tea. “If we convince even only 1 per cent of the population to drink Illycaffè it will be a big win.”

Illy beans are mainly sourced in South America, then shipped back to Trieste, the company’s headquarters in the north of Italy, where they are processed and packaged. They are then transported back across the Atlantic to the US, where a 250g tin sells for about \$15. “Americans love ‘made in Italy’ products, so it has to be made in Italy,” Scocchia says. But the logistics involved expose Illy to volatility.

Since the outbreak of the Israel-Hamas war last October, diversions to the Suez Canal have lengthened journey times and reduced the number



Cristina Scocchia says she had ambitions to be a chief executive since she was a child because she wanted the ‘responsibility to lead and care for a community’ — Alberto Bernasconi/FT

of ships available, increasing costs by more than 30 per cent. The price of raw coffee has also jumped since Scocchia’s initial projections, due to climate change and, in part, war in Ukraine. “We completed our business plan in February 2022 based on a [certain] raw coffee cost of 110 cents per pound, by the following month the price had more than doubled.” Deforestation — “not just a huge problem for our industry but for communities in developing countries too” — is likely to make this worse, threatening to make half the world’s coffee plantations unusable by 2050.

Between 2022 and 2023, production costs rose more than 17 per cent, Illy offloaded only a third of that on to consumers. “We decided to shoulder the rest and compress our margins,” says Scocchia. “If you are an ethical company, you need to be ready to do your part.” The first Italian coffee manufacturer to achieve B Corp status, its chair is a sustainability pioneer and has historically paid growers above market value to maintain supply.

Scocchia was already familiar with Illy when she joined: in 2019, Andrea Illy approached her to join the board. “I think it was a way to sound me out, get to know me better at board meetings.” She had aspired to be a CEO since childhood; not, she says, because she was “thirsty for power”, but to show “responsibility to lead and care for a community”.

She says her time at P&G pushed her to reject “easy roles” in favour of challenges. “My boss at the time pointed out it was easy to come up with a marketing strategy for a desirable product . . . where you could make a difference was with an uninviting one.”

One early success was leading the turnaround of dental prostheses adhesive Kukident, in part through a hit advertising campaign. It showed an elderly couple kissing in the rain with a

voiceover saying: “Just one of the two wears dentures – guess who.” Making an unglamorous product sexy, she realised, could be fun. “The teaching that has made a difference [is to] make an impact where there are challenges.”

In 2013, Scocchia was poached by L’Oréal to head its Italian business, which at the time had not been profitable for years. She took the helm at Kiko Milano in 2017 to mop up a failed international expansion. In her first three years, Kiko was forced to exit the US through a Chapter 11 bankruptcy of its domestic subsidiary, to cut almost 800 jobs, close 14 per cent of global stores and embark on a complicated debt restructuring. The company doubled its earnings before interest, tax, depreciation and amortisation in 24 months.

Scocchia says the experience was “a huge human and managerial challenge”. But soon after the business returned to profitability, Italy became the first western country in lockdown as the Covid pandemic wreaked havoc, with

‘I have believed since my childhood that leadership means responsibility not power’

Bergamo, where Kiko is headquartered, among the worst-hit areas.

“I decided we were going to shut down the business, including the ecommerce channel, before the Italian government ordered the lockdown, because I had no way of making sure staff and suppliers could stay safe,” Scocchia explains. “It wasn’t any easy choice right after completing a two-year turnaround, people feared they were going to be laid off . . . but we promised it would not be the case.”

Ultimately, she kept her word: despite suffering a 30 to 50 per cent fall in revenue, the company avoided job losses and continued to pay salaries. She describes the pandemic as the most “fulfilling” moment of her career. “I was finally able to put into practice what I have believed in since my childhood: leadership means responsibility not power.”

Now at Illy, she says she is applying the same principles: pushing ahead is a responsibility. “If companies just pull back, economies will be paralysed,” she says. “We are doing everything that is in our power to move forward and carry out our plan.”

While ramping up local operations overseas, she plans to maintain a strong grip on production and sales from Trieste, improving co-ordination across different areas of the business.

“That means being willing to question yourself and demonstrating what you are worth,” she says. “A top-down leadership approach never helps.”

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A day in the life

6.30am Wake up and have breakfast with my son. I like to spend time with him before he leaves for school. Once he heads out I read the papers (online).
8am I have my first call on the way to the office, many more follow if I’m not travelling.
12.30pm I often have one-hour business lunches, then head back to the office and continue with calls and meetings until the evening.
7pm Leave the office and every so often I’ll indulge in a massage or meet friends for an aperitivo or dinner. I don’t drink but I love food! If I’m home, I love reading a good book after dinner.
Midnight To bed.

ARTS



Jonas Kaufmann, left, as Andrea Chénier and Sondra Radvanovsky as Maddalena — Marc Brenner/Royal Opera House

OPERA

Andrea Chénier
Royal Opera House, London
★★★★★

Platée
Garsington Opera, Buckinghamshire
★★★★★

Richard Fairman

The smart money said this revival of Giordano’s *Andrea Chénier* would have little new to offer, but it was wrong. Although the Royal Opera production is nearly 10 years old and the two main singers and conductor have appeared in it before, this performance made news on two counts.

The first is that Jonas Kaufmann sounds restored to something like his pre-pandemic self after several years of illnesses and cancellations. The bur-

nished tone may have turned a little husky, but the musicianship is as fine as ever and, while he has never been the kind of tenor to throw caution to the wind, he roused his vocal resources to give the role of Andrea Chénier some impassioned, full-throttle singing.

The second is that Antonio Pappano is making his final appearances after 22 years as the Royal Opera’s music director. A verismo opera was a good choice to say goodbye and Giordano most likely never heard *Andrea Chénier* played with the near-symphonic scale and passion that Pappano gives it here.

When David McVicar’s production was new in 2015 it felt inert, conventional in a tired way, but nearly a decade later the world looks different. With cutbacks hurting on every side, one is grateful for its grandeur and opulence, which may soon be a thing of the past.

Give it a cast that is committed and there is life in it after all. Sondra Rad-

vanovsky is never a soprano to hold back and she sings Maddalena with no holds-barred power, while also finding an inner intensity at her heart, charging the opera with electricity.

Amartuvshin Enkhbat sings a strong Gérard, with rolling waves of ample tone. There are vivid cameos from Rosalind Plowright as Contessa di Coigny and Ashley Riches as Roucher. Katia Ledoux gives notice of an impressive voice as Bersi and where would this production be without the inimitable Elena Zilio as old, blind Madelon? You are unlikely to come across an *Andrea Chénier* better than this.

To June 11, roh.org.uk

For a celebratory start to Garsington Opera’s season, Rameau’s wildly odd *Platée* makes an intriguing choice. It was written for the wedding of Louis XV’s son, the dauphin of France, in 1745. For reasons that seem bizarre to us today, Rameau chose the mark the occasion

with a farcical tale of how Jupiter tricks his jealous wife Juno by setting up a bogus wedding to an ugly marsh nymph — cue frog noises and slimy scenes.

Is there anything today as far from real life as reality TV? Director Louisa Muller has updated Rameau’s mythological fable into a gods-meet-the-commoners episode of *Love Island*. When Jupiter and Juno fall out, Olympus TV’s hit show’s ratings plummet, so the creators cook up the idea of Jupiter being paired with Platée, a gawky girl who trips over her own feet and has a male voice (the role is sung by a tenor).

Unfortunately, like the stars of reality TV, the production is not as funny as it thinks it is. Some scenes hit the spot, such as the lengthy divertissement when La Folie (Madness) appears as a glittering chanteuse hosting nightclub revels, but too much is reduced to generic hyperactivity, as if a lot of mad rushing about can hide a lack of specific comic ideas.

As compensation, the period-instrument English Concert was on hand, stylishly conducted by Paul Agnew, a former Platée of distinction himself. Henry Waddington and Robert Murray, as Cithéron and Mercury, are admired Garsington regulars, though both tended to ride roughshod over the French recitative, and Ossian Huskinson’s Jupiter impressed with his strong bass-baritone voice.

The evening’s accolade goes to tenor Samuel Boden as poor, put-upon Platée, first for his elegant singing and second for his willingness to don a series of lurid green dresses. This production’s final image of Platée, now abandoned and dejected, is a difficult one. So long as Platée is a marsh nymph, mocking her is not a problem, but what about rejecting a young woman simply because she is not very attractive? Do we really want to laugh at her?

To June 30, garsingtonopera.org

‘Taopunk’ twist on the 2D action platform game

GAMING

Nine Sols
On PC now, consoles forthcoming
★★★★★

Lewis Gordon

The suffix “punk” has become one of the most overused in all pop culture. There is steampunk, dieselpunk, solarpunk and hopepunk alongside the dystopian daddy of them all, cyberpunk. A common criticism of this naming convention is that the speculative futures of these microgenres often lack punk’s anti-establishment and anti-capitalist sensibility — that they are little more than politically inert aesthetics.

Now we have the “taopunk” of *Nine Sols*, a 2D action-platformer, developed by Taiwanese studio Red Candle Games, that feels both strikingly fresh and comfortably familiar. Here, long-standing cyberpunk tropes meet south-east Asian mythology.

The combining of these elements yields a procession of exquisite images: towering futurist pagodas twinkling in subterranean darkness; a dragon that doubles as a boat, controlled by giant wires perforating its scaly neck; a pristine sci-fi interior set against a painterly backdrop of red ash trees. This is a future that feels as if it is constructed as much from bamboo and jade as steel and microchips.

Nine Sols makes you work hard for these visual pay-offs. You play as a catlike warrior named Yi who is able to turn the elemental life force of *chi* into bone-crunching martial-arts moves. You must bide your time in each encounter, parrying attacks before unleashing quick counter-manoevres, similar to the deflection mechanic in the masterful 2019 action game *Sekiro: Shadows Die Twice*. Should you fall in battle (a near-certainty in this challenging game), Yi is transported back to a root node where he is able to rest and regain health. But these are placed too far

apart, often causing frustrating backtracking through the serpentine facility that our feline hero is breaking into.

At times, *Nine Sols* plays like a linear 2D action-platformer; at others, it is more free-form, letting you loose in larger spaces. These contrasting approaches lead to occasional confusion. Does the game want me to poke about in every nook or barrel along its primary narrative path? Sometimes the question is simpler: which way propels the story forwards?

Yet even if the level design doesn’t hit the heights of recent genre classics such as *Animal Well*, the worldbuilding is fresh, distinct and attention-grabbingly grim for

This is a future that feels constructed as much from bamboo and jade as steel and microchips

a game of otherwise cute anime aesthetics. Early on, you learn that humans, referred to as “apemen”, are essentially subservient to another race of creatures and ritually harvested for their body parts. These people live as premodern peasants, tilling the land, falling in love and having children, but their existence is a sham, constructed and controlled from afar by their tyrannical masters who reside beneath the soil.

It’s tempting to read this as an analogy for the imperialism of neighbouring China, but the game’s Taiwanese makers haven’t commented on this aspect of the story. Regardless, *Nine Sols* works without such a subtext. This is a vivid and vital expression of south-east Asian identity in a sci-fi genre that has long been captured by the orientalist gaze of cyberpunk. In this way, and in the ways that the game is unafraid to shock, all while peering beyond the deceptions of everyday life, the “taopunk” *Nine Sols* proves itself more than punk enough.



‘Nine Sols’ blends the fresh and the familiar

Female politicians get a voice

PODCASTS

Fiona Sturges



Of all the trends to have gripped the audio industry, the political podcast ranks as one of the most unexpected. Such is the soaring popularity of *The Rest is Politics*, the chart-busting pod hosted by political outlaws-turned-cosy centrist dads Rory Stewart and Alastair Campbell, Channel 4 is screening televised episodes of it in the run-up to the UK election.

No wonder networks are scrambling to replicate its success. *Political Currency*, featuring old parliamentary sparring partners George Osborne and Ed Balls launched last year to a more muted reception, while this spring has brought the all-new *Electoral Dysfunction*, hosted by Labour MP Jess Phillips, former Scottish Conservative party leader (and now Conservative peer) Ruth Davidson and political journalist Beth Rigby.

Electoral Dysfunction, from Sky News, is different from its UK rivals in that it features women — a novelty in an otherwise dispiritingly blokey domain. It also has, in Phillips and Davidson, two working politicians.

This poses an obvious problem. While Stewart and Campbell can let rip all they like about today’s political shenanigans, Phillips and Davidson must be more judicious. Put simply, they can’t speak freely.

In any case, with the election just over a month away, the latest episode is the last to feature Phillips for six weeks — she has door-knocking to be getting on with — even though the series will be upping its output to two episodes a week. (In her absence, a series of guest presenters will be filling in.)

Her final episode features discussion about the Conservatives’ campaign pledge to bring back National Service and Labour unrest over MP Diane Abbott, who was suspended from the party last year after a row over antisemitism and who may or may not have been barred from standing in the election (reports have been conflicting). On Abbott, Phillips says, “Personally and politically, I think they should just let Diane run . . . It should be for her to decide.” A clear enough stance, but one that noticeably doesn’t criticise her boss, Keir Starmer, for his handling of the row.

The most illuminating parts are when they move off party squabbles and policy announcements and discuss their personal experiences. Davidson talks of the camaraderie of electioneering, followed by “[the] absence, this crashing low that you get after the high of a campaign”. Of the three of them, Rigby’s is the dominant voice, forever highlighting her journalistic contacts as she references private texts and WhatsApp chats between her and unnamed “sources”.

And even though Davidson and Phillips are ostensibly political opposites, the conversation is all very affable, perhaps too much so. While the trio have cut back on the unfunny small talk of their early episodes, there is a notable absence of fireworks or snark. We can only hope that changes once election fever really sets in. [news.sky.com](https://www.skysports.com/news/sky.com)



Labour MP Diane Abbott is the subject of the latest episode of ‘Electoral Dysfunction’
Thabo Jayesmi/SOPA Images/LightRocket

FT

FINANCIAL TIMES

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PARTNER CONTENT

by Rabobank

FT BIG READ. SCIENCE

Radical advances in neurotechnology are helping severely disabled people to walk. Researchers think the computerised interfaces could one day provide the link between human and artificial intelligence.

By Clive Cookson and Richard Waters

Seven years ago Michel Roccati swerved to avoid an animal while riding his motorbike near Turin and smashed into a roadside bench. The crash “exploded the bones in my back”, Roccati says, severing his spinal cord and cutting all communication between his brain and legs.

“My doctors told me then that I would never be able to stand again, let alone walk,” says Roccati, who is 32. Then he activates a series of electrodes that neurosurgeons in Lausanne threaded along his spinal cord in a pioneering operation in 2020.

His body shudders gently for a second or two and he rises from his chair, stepping out confidently across the room, though holding on to a walker for balance. “Every day my ability to walk improves, as my muscles become stronger and my nerves gradually regenerate,” he says.

Roccati is one of a growing group of people benefiting from radically new forms of neurotechnology, under development at university and company labs in Europe and North America, which use computerised implants to interact with the human brain and central nervous system.

These brain-computer interfaces can bypass neural impediments that prevent people who are severely disabled by accident or disease from moving their limbs — and enable those who cannot speak or operate a keyboard to communicate. Within a few years BCIs could develop into a market worth several billion dollars a year treating patients with severe motor impairment, according to Michael Mager, chief executive of Precision Neuroscience, a medical BCI company in the US.

The long-term implications are far greater. “We are creating a link between human intelligence and artificial intelligence,” says Mager. “It is possible that the only use for that fundamental connection will be paralysis, but I think it’s very unlikely.”

Elon Musk founded Neuralink — the best-known BCI company — in 2016 with a view to developing general purpose technology for connecting human brains and machines.

Musk has long talked about using such links to essentially merge human intelligence with AI. For instance, he claims that greatly increasing the speed at which the brain can absorb and communicate information might overcome what he sees as one of the main limits to the ability of humans to keep up with advances in machine intelligence.

But long before the cyborg future Musk dreams of, many in the field predict the technology will be used in more practical ways to overcome personal physical constraints and enhance individual performance, for instance by sharpening peoples’ visual and auditory powers, or boosting memory.

“We are some way away from that but I don’t think it’s hard to imagine over time this technology being adopted by people who are otherwise healthy,” says Mager, who co-founded Precision in 2021 with Benjamin Rapoport, a founding member of Neuralink.

The technical hurdles remain high. Collecting, exporting and interpreting signals from the brain is still a science in its infancy, while the invasive brain surgery required rules the procedure out for all but severely disabled patients.

At the same time, the technology raises profound ethical questions. “The medical side is already well protected by regulators and existing regulations,” says Rafael Yuste, director of Columbia University’s NeuroTechnology Center in New York. “But the technology will balloon and spread to the non-medical side,” he adds, posing significant new questions about how far people should be allowed to go to enhance their mental abilities, for example their memories.

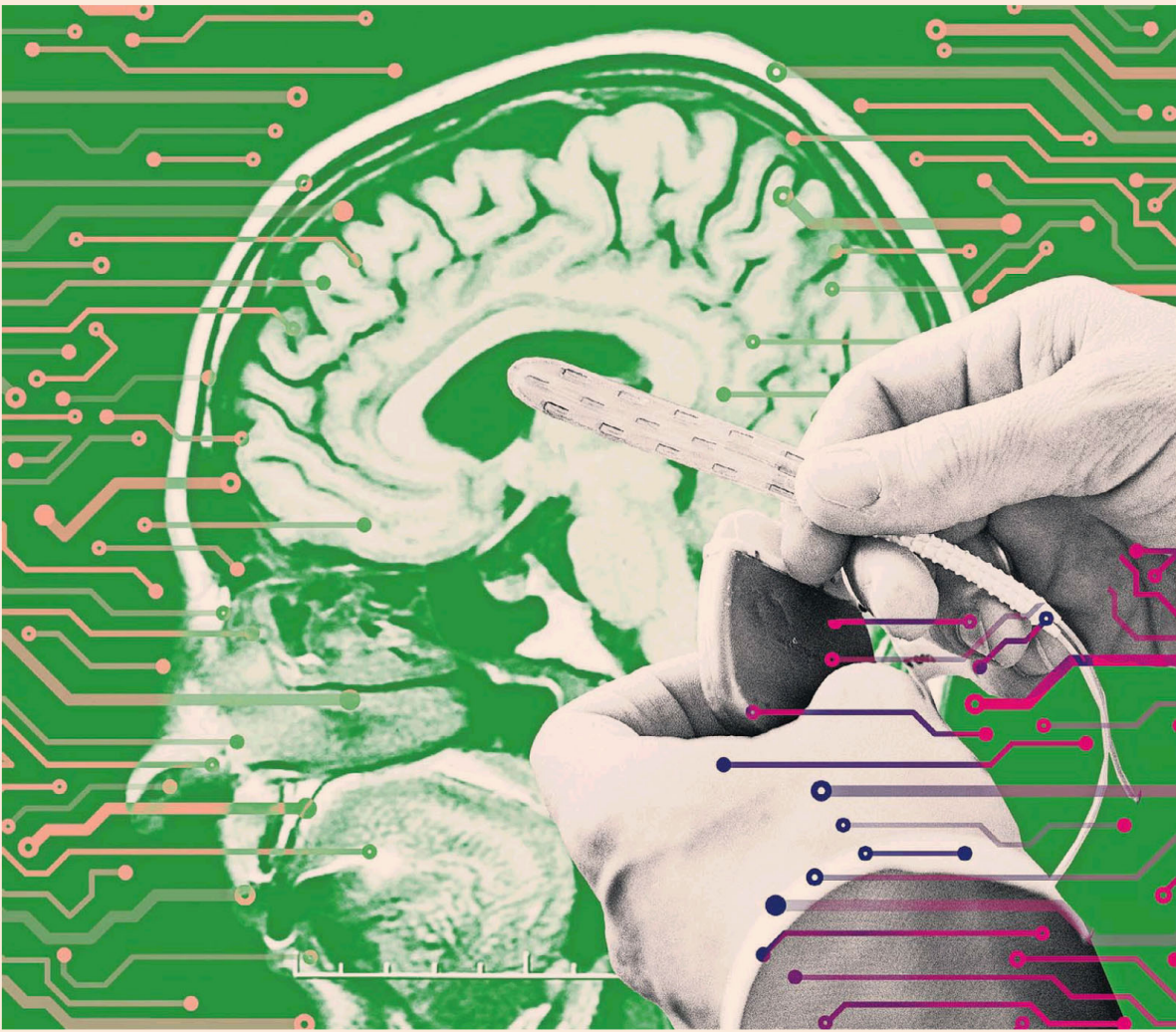
Yet in the lab, using brain signals to activate computers and other machines — something that until recently sounded like science fiction — is becoming almost routine, setting the technology on a path that could have long-term consequences.

“This is a turning point for humanity,” says Yuste. “For the first time we have technology that can change the essence of who we are by getting into the brain, the organ that generates all of our mental and cognitive abilities.”

Neurosurgeons around the world have implanted electrodes into the human brain for decades as a treatment for Parkinson’s disease and other movement disorders.

But the new wave of neural implants is far more sophisticated, allowing two-way communication between brain and device, says Jocelyne Bloch, a neurosurgeon at Lausanne University Hospital who operated on Roccati.

The potential demand is huge.



The transformative potential of brain implants

The technology is in its early stages but some are already predicting a market worth billions of dollars a year treating patients with severe motor impairment

FT montage/Roxley/Dreamstime

Beyond giving severely paralysed people the power to communicate and move again, medical uses could range from tackling sight and hearing loss to improving the treatment of chronic pain and psychiatric conditions. Yet few medical BCIs have been implanted into humans so far, as pioneering academic and corporate labs proceed slowly to prove their safety and efficacy.

Although external BCIs placed on the skin or scalp can detect and modulate neural activity to some extent, “the only way to record it sensitively and for extended periods is with a device placed surgically under the skull,” says Leigh Hochberg, director of the Center for Neurotechnology at Massachusetts General Hospital and of the

long-running BrainGate BCI research programme.

Only 50 or so patients worldwide have received a long-term prosthetic brain computer implant since clinical research started 20 years ago, Hochberg estimates. To accelerate clinical development, he and colleagues across the US set up the Implantable BCI Collaborative Community this year with the regulator, the Food and Drug Administration, joining as a key participant.

“Because we learn a tremendous amount from each participant in these pilot clinical trials, I don’t think we’ll need large numbers taking part in the trials demonstrating safety and efficacy before applying for regulatory approval,” says Hochberg. “Maybe dozens of patients but certainly not the thousands who often take part in trials of new drugs.”

Europe — Switzerland, in particular — has a significant presence in the BCI implant industry. Two companies, Onward Medical and Neurosoft Bioelectronics, are spinouts from École Polytechnique Fédérale de Lausanne (EPFL), the continent’s leading academic centre for neurotech research. A third, InBrain Neuroelectronics in Barcelona, is developing implants from graphene — sheets of carbon just one atom thick that was hailed as a wonder material after its discovery in 2004.

But experts on both sides of the Atlantic agree that American BCI companies have an advantage over their European counterparts.

It is easier to fund and build an enduring company in the US, says Dave Marver, an American medtech leader who joined Onward in Lausanne as chief executive. “You have a larger pool of management talent in the US with more experience of commercialising things globally, more funding is available there and the regulatory regimes differ.”

The FDA is better prepared to approve BCI clinical trials than its European counterparts, Marver says. When he came to Onward in 2020, he continues, “we didn’t have any clinical sites or plans to commercialise in Europe, because of the cost and complexity”. He quickly changed that policy. “I said: ‘We have paralysed people here, we are headquartered here and we’re going to commercialise here.’”

Among the half-dozen US companies

testing BCI implants, “Elon Musk is clearly our biggest competitor,” says Grégoire Courtine, who heads EPFL’s neurotech research. But he insists that Onward, which has raised just over €170m since its foundation in 2014, can match the performance of Musk’s Neuralink, which has raised \$687m in funding, according to PitchBook.

Neuralink is the most visible neurotech company in the media — and the least transparent. It communicates through occasional tweets and blog posts. After animal tests, Neuralink’s first human subject, 30-year-old paraplegic Noland Arbaugh, received his Link implant at Barrow Neurological Institute in Arizona in January.

In videos and blogs posted by Neuralink, Arbaugh enthused over the way the Link had enabled him to control a computer cursor. In the weeks after the surgery many of the 64 flexible recording leads that had been threaded through Arbaugh’s brain came loose. Neuralink engineers compensated by programming the device to be more sensitive to neural activity. The company is now selecting a second volunteer to receive an improved version of the Link.

Competing neurotech companies vary considerably in the type of electrodes they implant into the brain. Researchers have most experience with the so-called Utah array, a rigid assembly of 96 electrodes that has been used for 20 years by the BrainGate academic consortium. The most recent BrainGate human study, published in Nature last August, placed two arrays each about the size of a small aspirin pill with a total of 128 electrodes into the cerebral cortex of Pat Bennett, 68, a patient with amyotrophic lateral sclerosis. She had lost the ability to talk.

An AI algorithm decodes her neural activity, teaching itself to distinguish the patterns associated with her formulation of individual phonemes — the building blocks of spoken English. A language model then converts the stream of phonemes into a sequence of words that can be displayed on a computer screen or spoken by a synthetic voice at about 60 words per minute with reasonable accuracy.

Other labs are developing more flexible and less invasive BCIs. Neurosoft Bioelectronics in Geneva is testing ultra-thin, soft electrodes deposited on

“This is a turning point for humanity. For the first time we have technology that can change the essence of who we are”

silicone that wrap over the folds of the brain’s surface. InBrain’s graphene interface has similar selling points. It sits “on the cortex like a piece of cellophane without penetrating it,” says Carolina Aguilar, chief executive. Its first human trial is imminent. She sees Parkinson’s disease as InBrain’s first target, aiming to displace the “low density, low resolution” deep brain stimulation devices on offer.

Some BCI companies are focusing on medical applications beyond disabled patients. Nicolas Vachicouras, Neurosoft chief executive, estimates that 60mn people worldwide have severe tinnitus, resulting in “severe depression and even suicide attempts, with no effective treatment available today”. The company’s research suggests that the cause is abnormal activity in the auditory cortex, which can be corrected with neuromodulation.

Among the US companies, Synchron stands a good chance to be the first BCI implant to get to market. Much like a stent, its device

is inserted into a blood vessel and sits above the motor cortex, the part of the brain that controls movement. It has been tested in 10 patients so far and publication of final results is expected soon, followed by a larger clinical study which the company hopes will lead to FDA approval. Although the device is not as sensitive to neural activity as some competitors, Synchron chief executive Tom Oxley says the company can achieve marketing approval more quickly with technology that does not require open brain surgery.

None of the implants are yet close enough to market for their cost to be an immediate issue but executives say pricing will have to reflect the huge potential benefits the technology offers patients with severe neurological disorders whose healthcare is expensive.

“The key to creating a viable BCI industry, as well as ensuring patient access, is insurance coverage of the systems at a rate that is commensurate with the amount of money that these cost both to develop and to deliver,” says Precision’s Mager. “This needs to be a six-figure reimbursement.”

Matt Angle, chief executive of Paradromics, a company in Texas developing a BCI with more electrodes than a standard implant, predicts that the first devices will cost “upwards of \$100,000”, but “we would like to get to a place where brain-computer interfaces are costing on the order of what deep brain stimulators are costing today — let’s say \$30,000”.

Looking further ahead, Angle predicts that BCIs’ medical applications alone will create a market worth hundreds of billions of dollars — though many other experts in the field say it is far too soon to tell. “There is the potential to develop a dozen companies that are each worth more than \$1bn in this space,” he says — and that is before BCIs are applied to enhancing human performance in areas from eyesight to memory.

Such breakthroughs will depend on continued improvements in sensors and the microelectronics needed to capture and transmit brain signals. Much also rests on broader advances in computing and AI. These include using cloud computing and applying AI to help interpret brain signals.

Clinical trials today process data locally, says Courtine of EPFL, “but we do intend eventually to have all this brain information in the cloud, so we can train a large language model and create a brain GPT. Then we can learn from hours and hours of brain activity from a lot of people.”

Such projects are intensifying calls by ethicists to anticipate threats from misuse of neural data gathered from BCIs. Unesco, the UN scientific and cultural organisation, has convened a panel of 24 experts to draft recommendations on the ethics of neurotechnology.

Gabriela Ramos, who leads Unesco’s neurotech initiative, says: “We aim to ensure that these scientific and technological developments are aligned with our human rights.” That means more than protecting the privacy of people’s thoughts revealed by BCIs, she adds. For example, future implants may change an individual’s personality more extensively than existing brain treatments.

Yuste at Columbia University is a vocal advocate for “neuro-rights”. His main concerns revolve around the non-medical uses of the technology, like enhancing mental performance. One way to protect people would be “to regulate the new consumer BCIs as if they were medical devices”, he says.

For pioneering patients such as Roccati, such concerns are academic compared with the benefits that neurotechnology can bring. “My implant has already transformed my life,” he says.

Brain-computer interfaces

Systems for acquiring brain signals and processing them into information or commands that can replicate normal functions either in healthy organs that are disconnected from the nervous system or through output devices

Selected devices under development

Onward Medical

1 Two implants collect brain signals

2 A backpack unit predicts the motor intentions from the signals, turning them into command signals

3 Transmitted into the spinal cord via electrodes, they bypass damaged areas, offering possibilities for restoration of walking

Neuralink

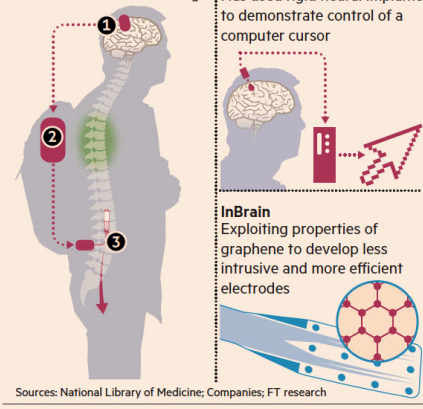
Developing a BCI with electrodes that thread through the brain, enabling individuals with quadriplegia (paralysed arms and legs) to operate electronic devices

BrainGate

Has used rigid neural implants to demonstrate control of a computer cursor

InBrain

Exploiting properties of graphene to develop less intrusive and more efficient electrodes



Sources: National Library of Medicine; Companies; FT research

The FT View



ft.com/opinion

South Africa on the precipice

The ANC's coalition choices will determine the country's future

South Africa stands on a knife edge. After an election in which the African National Congress was dealt the most crushing election blow in its history, it will struggle to govern without support. To shore up a majority, it will either look to the Democratic Alliance (rallying cry: “rebuild South Africa”), or the uMkhonto we Sizwe party of disgraced former president Jacob Zuma (rallying cry: “scrap the constitution”). Depending on which way it jumps, South Africa could claw its way back on to a recovery path or go the way of Venezuela.

The country’s electoral map has been turned upside down. The ANC’s share of the vote dropped below 50 per cent for the first time since 1994 to a dismal 40 per cent. That is a punishing verdict on a party that brought liberation to the

majority of South Africans and that was once expected, in Zuma’s phrase, to govern “until Jesus comes”.

The ANC lost 17 percentage points from 2019. Nearly 15 of these went to Zuma’s MK party, whose appeal went beyond its core Zulu constituency. The free-market DA party barely budged from last time at 22 per cent while the radical Economic Freedom Fighters of Julius Malema fell to 9.5 per cent. Viewed another way, the ANC won 65 per cent; its problem is that it has split into three factions: Zuma’s party, Malema’s party and the governing party led by Cyril Ramaphosa.

Which way the rump ANC moves now will determine South Africa’s future for many years. One possibility is that the ANC leadership will blame Ramaphosa for the dire result by sacking him. That could pave the way for an alliance with Zuma’s MK, possibly with the EFF thrown in for good measure.

The party of Nelson Mandela would then have taken a disastrous step

towards becoming a typical liberation movement seeking to perpetuate its power and ransack the state. There was already a foreshadowing of this when Zuma was president from 2009-2018, a period when state institutions were gutted, corruption flourished and growth collapsed. Now, added to that heady mix would be the “radical transformation” policies of the EFF, including nationalisations and accelerated land expropriation. Investors would stampede for the exit and the economy would shrink – leaving a Zumaesque party to loot a vanishing economy. Zuma has already revealed his predilection for trashing institutions, calling electoral fraud despite his party’s excellent showing.

There are two alternatives to the doomsday scenario. They both involve the DA and probably require Ramaphosa to hang on to the presidency, at least for now. The first is that the ANC governs as a minority administration with the help of the DA, which would be granted the Speaker of the house and

After nearly 15 years of zero growth in per capita terms, the nation is crying out for economic expansion

effective control of the legislature. The second is a “government of national unity” – in truth an anyone-but-MK/ EFF government – that could bring some semblance of sensible rule.

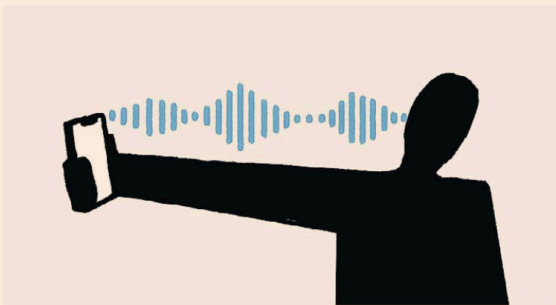
Things can be done to bring South Africa back from the brink. After nearly 15 years of zero growth in per capita terms, the country is crying out for the economic expansion that alone will get people back to work and provide the means to address glaring social inequalities. There are practical steps, from fixing failing power, water and transport infrastructure with the help of the private sector to ending “cadre deployment”, where jobs are given to unqualified party hacks. Ideology – whether nostalgia for an imaginary Soviet past or anathema to the private sector – must not get in the way of getting South Africa back to job-creating economic growth.

There are plenty of people around Ramaphosa who know that this is the right path. For the sake of South Africa, they should take it.

Opinion Society

How to avoid being a voice note bore

Ben Hickey



As I toiled through some phone-based admin on a recent dreary morning, a notification popped up that shook me to my core. A friend appeared to have left a one-minute-long voice note in a 13-member group chat.

What could possibly have happened, I asked myself? What could she have to tell the other 12 of us that demanded our immediate collective aural attention in this way? As I listened, intrigue gave way to indignation. Not only had she left a one-minute voice note in a 13-person WhatsApp group but it was directed at – and only concerned – one other person in the chat. My friend had flagrantly flouted voice note code and yet, with no code explicitly established, I had no way of calling her out.

Voice notes are a highly divisive medium of communication. There are those, like me, who enjoy both leaving

who doesn’t hate voice notes – you can really relax and be yourself. “Er”, “what was I saying?”, hiccups and all.

Which brings us to our first rule: only ever leave voice notes for someone you are confident likes you. A voice note is a demand on someone else’s time. It is also, as the detractors say, somewhat self-indulgent. While it is the case that a spot of self-indulgence can actually be quite healthy, it is unreasonable to expect someone who dislikes you to indulge you. Never argue via voice note either. To not allow someone to respond in real time to an accusation you are levelling at them is to emotionally torture them. And don’t leave a voice note when you are in a grumpy mood either – nobody wants to hear you whining.

Don’t force voice notes on to those (albeit unenlightened) people who have told you they hate them, unless there is a really good reason why you cannot text instead. If you do, you should be open to the possibility they will never listen to your monologue. Maybe that’s OK. Delivering a monologue can be rather enjoyable in itself.

Making your listener wait while you talk to someone else – a boss, partner, or pet – is unacceptable. So is making them wait while you look for your train ticket, keys, or child. A “pause” function is available. Use it.

Never give complicated instructions or directions in a voice note – these should be typed out so the other person can refer back to them. If you end up leaving a long voice note that contains a mixture of key information (such as a response to a specific question the other person has asked you) and rambling bits, follow it up with a text that gives the other person the important stuff so they’re not forced to listen straight away.

You need not keep your messages too short. Some of my favourite voice-noters leave me messages of 10 minutes or more. Leaving a voice note that is under 10 seconds – unless you are hilarious or the other person adores you – is irritating. Type it out instead.

Follow the other person’s cues. If they are responding to your eight-minute specials with one-minute voice messages or curt texts, take the hint. Also, if your message is longer than about four minutes, you should be open to the possibility that the other person is going to take a long time to listen and respond. If your message is upwards of 10 minutes, they might never listen to it. Be at peace with that.

All you need do, really, is remember to use a bit of common sense. Modern innovations need not negate good old-fashioned manners. And for God’s sake, unless you have won a Nobel Prize, lost a limb, or been found guilty of 34 counts of felony, never, ever, leave a voice note in a group chat.

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Letters

Why Ukrainian technology should be first brick in ‘drone wall’

As six Nato nations plan to collaborate and build a “drone wall” on Russian borders from Norway to Poland, you only have to look at how Ukraine has innovated to defend itself to realise that it must play a part in building such foundations (“Nato states plan ‘drone wall’ to repel Russia”, Report, May 27).

There are very few actors on the world stage today that can match Ukraine’s experience and ingenuity when it comes to drone warfare and how it has built a defence capability fit for 21st-century combat. Similarly, no other country can claim the brutal experience in countering Russian military tactics on a daily basis.

Over the past two years, start-ups in Ukraine have endured a “product innovation cycle” like no other. One where so much can be learnt about how technology operates in the real world, yet the risk of it failing couldn’t be higher.

Ukrainian company founders, unlike others engaged in financial investment, are risking their own lives, those of their friends and family, and the fate of their nation.

If a technology fails, it could wipe out a battalion and concede ground to the enemy. This level of dedication and resilience is truly admirable.

Therefore, if anyone should help lay

the defensive foundations against Russian forces, it must be those who have already developed innovative technology to meet the Russian threat head-on.

Ukrainian companies like Skyeton, whose drones can fly for more than 30 hours, cover 150 kilometres and withstand extreme temperatures to provide accurate aerial data for precise ground intervention.

Or Kvertus, which has manufactured more than 3,000 electronic warfare defence systems since 2022, saving at least 50,000 lives.

From stationary systems to provide vast protection for critical

infrastructure against electronic artillery, to portable units that can protect a small battalion unit on the move. These are just two examples of the many innovations that can be found in Ukraine’s new generation of technology companies – businesses that have been born out of bloody necessity to defend a nation and its people.

To not listen to the lessons of these founders when building future defence infrastructure could be a costly mistake paid for by future generations.

Andriy Dovbenko
Founder of UK-Ukraine TechExchange, London W2, UK

International lawfare is a stick the west can wield

Gideon Rachman’s call to revive the cold war slogan of defending the free world (Opinion, May 28) has a fundamental flaw: the absence of Soviet expansionism and communist subversion. That supposed threat is what motivated and rationalised the west’s cold war alliances with numerous unsavoury authoritarian regimes.

There is no evidence Moscow or Beijing has any global, ideological ambitions or are allied to movements seeking to seize power on their behalf. Far from striving to revolutionise world politics, as their communist forebears did, China and Russia are conservative powers struggling to prop up an international order based on the supremacy of state sovereignty.

Rachman is right to discard the so-called “rules-based international order”, but a better approach is the one to which he alludes at the end of his article – “international lawfare” – the defence of international law as the basis for a peaceful global order that will foster the democratic development of all states. That is the diplomatic big stick the west should wield.

Geoffrey Roberts
Member of the Royal Irish Academy
Emeritus Professor of History
University College Cork, Ireland

EU call to arms lacked a foreign policy perspective

I twice read President Emmanuel Macron and Chancellor Olaf Scholz’s call for a renewal of the EU’s mission and work (“We must strengthen European sovereignty”, Opinion, May 28). I did so to make sure it was the authors, and not the reader, who were responsible for a glaring omission. Across their spirited and highly specific call to strengthen the EU’s commitments and operations, what seemed missing was any focus on foreign policy, even after mentioning Russia’s war in Ukraine and, euphemistically other “geopolitical shifts”.

Without at least acknowledging the need for a coherent and co-ordinated foreign policy, while respecting national prerogatives and related entities like Nato, it’s hard not to see all of this as an ambitious continent-wide domestic agenda that takes for granted that security assurances will be provided by someone else, primarily, as the authors put it in lamenting the EU’s outbound investments, from “the other side of the Atlantic”. That’s a rather questionable way of strengthening a continent’s sovereignty.

Professor Randy Boyagoda
University of Toronto, ON, Canada



A Ukrainian soldier launches an Aviation Systems of Ukraine Valkyrya drone close to the front line in Donetsk Oblast in the east of the country — Alarm Stock Photo

Creditor protection rights: Adam Smith’s version

Pete Vatev makes a strong case as he argues that “creditor protection rights contributed to lowering the risk of lending” (“Florentine bankers knew all about the pricing of risk”, Letters, May 29).

It is worthwhile to mention that Adam Smith made exactly this point almost 250 years ago. In *Wealth of Nations* we read that “interest is raised by defective enforcement of contracts”. Thus, a “high rate of interest” is to be expected when governments neglect the duty of setting up strong courts of justice.

Smith explained that the premium paid by investors as they buy government-issued securities reflects “the universal confidence in the justice of the state”. He went a lot further in Book IV, arguing that, more than trade policies, differences in economic prosperity reflect an “equal and impartial”, as opposed to an “irregular and partial”, administration of justice.

Agustin Mackinlay
Barcelona, Spain

Ofwat playing Enron card?

So Ofwat “pushes private financing efforts” (Report, May 18) after years of allowing water companies to load themselves up with debt, minimise repairs and investment, pollute and extract large profits for paying shareholders that should have been reinvested. And then the failed Ofwat proposes Enron-type private financing for water infrastructure to deliver guaranteed profits, funded by customers. Campaigner Feargal Sharkey is correct to describe Ofwat’s proposal as a mess.

Martin Large
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Teachers need financial education, not just children

The push by Westminster’s education select committee for compulsory financial education in primary schools, in addition to secondary schools, is a welcome step (“UK primary school children should have better financial literacy education, say MPs”, Report, FT.com, May 22).

Financial capability better prepares young people to navigate financial challenges, maximise opportunities, boosts earning power and fuels savings.

And yet a recent YouGov study commissioned by Young Enterprise revealed that more than a third of secondary and over half of primary schoolteachers reported that financial education was either absent from their curriculum or its presence remained a mystery.

How prepared for the world of work are our young people if they have not learnt to earn and manage their money?

This inconsistency underscores the urgent need to strengthen financial education provision.

Without accessible tools, resources and training for educators, combined with a clear position in the curriculum, this crucial topic will continue to be delivered inconsistently and ineffectively, leaving young people disadvantaged based on where they live and how they learn.

We particularly endorse the committee’s proposal for a dedicated financial education “lead” in each school to ensure a more cohesive programme. Ultimately, the government must do more to equip and empower teachers, integrating this topic into the curriculum in a cost-effective and sustainable manner.

Sharon Davies
Chief Executive, Young Enterprise, London WC2, UK

Positive impact investment – it’s not all about ESG

The Special Reports article “Impact investing vs ESG: which produces the better results?” (FT.com, May 30) carries many valid points of view, but investing in companies solely focused on positive change is not the only way to have positive impact.

It’s vital to channel more capital to enterprises that will help to deal with systemic crises in climate, nature and society. But bear in mind that these crises are exacerbated by 99.9 per cent of the current business ecosystem.

So, all companies need their shareholders to be active stewards. These “active owners” must support and encourage, but if necessary require that enterprises rapidly transition their business models to stop contributing to climate change, the degradation of nature and social injustice.

Initially, the “environmental, social and governance” principle was a useful term as a new dimension of individual corporate governance. However, it has become counterproductive as it has expanded to encompass systemic sustainability. Every investment, even in companies with significant negative sustainability footprints, has a place. But investors who choose to invest in them need to work together to exercise their stewardship responsibilities to guide such companies on to a more sustainable path.

Achieving this would represent a hugely positive impact too.

Daniel Godfrey
Former Chief Executive, The Investment Association, London N5, UK

Forget fees, a donation can finesse Labour’s VAT plan

If Labour is elected and imposes VAT on school fees the simple solution would be for the schools with charitable status to tell fee payers that in future schools will not invoice parents for fees or extras but instead will request a donation (“Schools seek VAT clarity from Labour”, Report, May 30). For example if a year’s fees were £40,000 schools would request the donor to sign a standard Gift Aid declaration and make a donation of £32,500. The school would then claim the standard 25 per cent Gift Aid rebate ie £8,125 thus providing just over the required figure of £40,000.

Wayne Kitcat
Abinger, Surrey, UK

Correction

● Goldman Sachs’s new direct-lending fund is known as West Street Loan Partners V, not Wall Street Loan Partners V as wrongly stated in an article on May 30.

Opinion

Biden's challenge runs deeper than 'bad vibes'

MARKETS

Ruchir Sharma



A key question still looming over the US election is why voters give Joe Biden so little credit for an apparently robust economic recovery. Many observers dismiss this as a "vibe-cession" — a case of bad "vibes" created by partisan media and divorced from reality — with only occasional apologies for how condescending this sounds.

While it is a fact that the US economy has of late been growing at a relatively rapid pace, normal people don't live for quarterly GDP numbers, and their loss of faith in the system is a generational story. Ninety per cent of Americans born in the 1940s grew up to earn more than their parents, but that figure fell steadily to half of those born in 1980, and today barely more than a third of US adults say

they are better off than mom and dad.

With public debt at record highs, nearly half of Americans say they will depend on government help in retirement — but most don't trust the government to deliver promised benefits. Nearly seven in 10 say the economic and political system needs "major changes or to be torn down entirely".

Biden came to office promising to be the biggest spender since the New Deal and is now running deficits appropriate to a Depression amid a full-employment recovery. This helps explain why current growth looks so good and why trust in government continues a half-century decline. But this story goes beyond Biden and the US. While it can be argued runaway government spending has added to the misery — the average inflation rate under Biden is higher than under any president since Jimmy Carter — public gloom about the economy has long been building across developed nations.

For decades, economic growth has been slowing with rising inequality, and now leader approval ratings in many western countries are at record lows. During his presidency, Donald Trump's

approval ratings were also dismal despite a record low "misery index".

Partisanship does play a role. Members of both US parties are increasingly likely to feel pessimistic when a president of the other party is in power. Today, Republicans are the Americans most likely to say the economy is getting worse. Still, nearly six in 10 independents agree, and in at least one poll,

He came to office vowing to be the biggest spender since the New Deal but now runs Depression-style deficits

Democrats give the economy even lower marks now than they did under Trump. The bad vibes are not just a recent creation of partisan US media.

Over time, public frustration seems to build on a sense that the system is "rigged" against the average person. There are, as Biden's defenders say, technical signs that inequality has fallen on his watch, but take again the long

view: in 2022, the income share of the richest 1 per cent topped 20 per cent for the first time since the 1940s. That's according to the (progressive) World Inequality Database, not Biden baiters.

Further, not only have the biggest American companies grown spectacularly relative to the rest, they are also growing more entrenched, as are their owners. Wealth is rising fastest not for the 1 per cent but for the top tycoons, all of whom are — not coincidentally — in Big Tech. "The Great Gatsby Curve" shows that highly unequal societies tend also to be the least mobile, depriving capitalism of its inspiration: opportunity. By last year, political economist Blair Fix has shown, the wealth of the richest American was 50 times the median for the top 400 billionaires, up from 10 times in 1983. And even among billionaires, inequality begets immobility: top-50 billionaires are now roughly 40 per cent more likely to hold their place on the Forbes list from one year to the next than they were in the 1980s.

There is a deep sense that America is increasingly dominated by a wealthy elite. They can afford the \$250,000

membership to new private restaurants, which are subdividing vibrant cities like New York and Miami by income class. They set the rules in Washington and own the preponderant share of stocks, bonds and assets of all kinds, so they prosper most when easy money policies drive up the value of those assets. And also benefit when the government steps in to bail out the markets, as it now always does at the first hint of trouble.

Most people, surveys show, would prefer a more modest salary than to live among richer neighbours, yet that in effect is how Americans have no choice but to live now — in the shadows of great wealth and power. It would be unfair to blame Biden alone for imbalances that have been widening for decades, but it is also short sighted to suggest, as many have, that his main challenge is to sell the good news harder. The flaws of capitalism in its current, twisted form are real. Better "messaging" won't whisper the resulting frustrations away.

The writer is chair of Rockefeller International. His new book is 'What Went Wrong With Capitalism'

We need to put sand in the gears of the Russian war machine

Wally Adeyemo

Vladimir Putin's appointment of an economist to head Russia's defence ministry is about one thing: focusing the country's economy on the production of military equipment. This is a direct result of the US and our partners' deliberate efforts to use our sanctions and export controls to target Russia's military industrial complex and constrain the Kremlin's ability to build the weapons it needs for the war in Ukraine.

Amid unprecedented multilateral sanctions and a global private sector exodus, Putin faced a choice: preserve the future health of the country's economy or continue to prosecute his illegal invasion. It's clear he has chosen the latter. Moscow has doubled defence spending from 14 per cent of the budget in 2021 to 29 per cent this year. The Kremlin has nationalised industries across the economy. And businesses are reorientating from serving the public to serving the military.

I was in Kyiv and Germany this week to discuss with my counterparts what we can do to continue to put sand in the gears of Russia's war machine. First, we must recognise that this machine is powered by and reliant on imported components critical to the manufacture of ammunition, missiles and tanks. Now that Russia's entire industrial base is on a war footing, we need to ensure that sensitive dual-use goods are not getting into the country. We need the private sector to help us accomplish this goal.

It is important to recognise that the success of our sanctions and export

It is critical that our manufacturers take every step possible to scrutinise their supply chains

controls is only possible because of a partnership with the private sector. Companies have already done a great deal to help us constrain the Kremlin's access to goods, but we need them to do more. It is critical that our manufacturers take every step within their power to scrutinise their supply chains and prevent western-made equipment ending up in the weapons being deployed by the Kremlin.

We also need financial institutions in our countries to examine their correspondent relationships in the nations that are providing the Russian military industrial base with material support. This includes paying special attention to the small and mid-sized banks that are often the Kremlin's preferred vehicles to process payments for military goods.

We recognise that doing this work takes time. It also can come at the cost of short-term profits. But we should be clear-eyed that a Russian military backed by a mobilised economy will only grow in ambition. The cost to our companies and to the American and global economies of an emboldened Russia will dwarf the cost of taking action now. We need only look back to the increase in global headline inflation caused by the onset of Russia's full-scale invasion of Ukraine in 2022.

When I talk to the leaders of businesses across our coalition, they understand the stakes and are willing to do their part. They have rightly asked us for two things to help them help us. The first is more information. It is critical that our coalition continue to provide detailed, actionable information and typologies to our companies that are working hard to do the right thing. The second request has been for a risk-based regulatory and supervisory regime that allows them to better focus resources on our main concerns. We are prioritising delivering these reforms to our anti-money laundering regime in the US. But we also know that other countries need to take steps such as improving their customs and export control regimes.

The top strategic questions for Russia today revolve around military central planning, procurement and production. It's why Putin gave his new defence minister the mandate "to open the defence ministry to innovation". To be clear, the innovation he seeks is newfound efficiency in destroying Ukraine's communities, infrastructure and people. Together we can and must do all we can to stop Russia's war machine.

The writer is deputy secretary of the US Treasury

A many-sided crisis in consulting

BUSINESS

Rana Foroohar



Once worked for a large magazine company in the US that was worried about falling revenues and loss of readership amid what was then called the dotcom revolution. Corporate leaders decided to hire a major management consulting firm to analyse what should be done. After months of meetings and millions in fees, the verdict came in. Apparently, we just needed better story ideas. Needless to say this sage advice saved neither readers nor the product.

For this and other reasons, I've always been sceptical of management consulting. For starters, the "if you can measure it, you can manage it" approach to business just misses so much. Certain things, such as input costs and share price, can be discretely tallied. Others — like culture, loyalty and creativity — cannot.

Then there's the buck-passing problem: companies very often hire consultants so they can blame someone else if the solutions to challenging problems go awry. Add to this the fact that artificial intelligence can increasingly do the lower end of consulting work, and you've got a profession that may very well be in for secular decline.

The signs are everywhere. Firms such

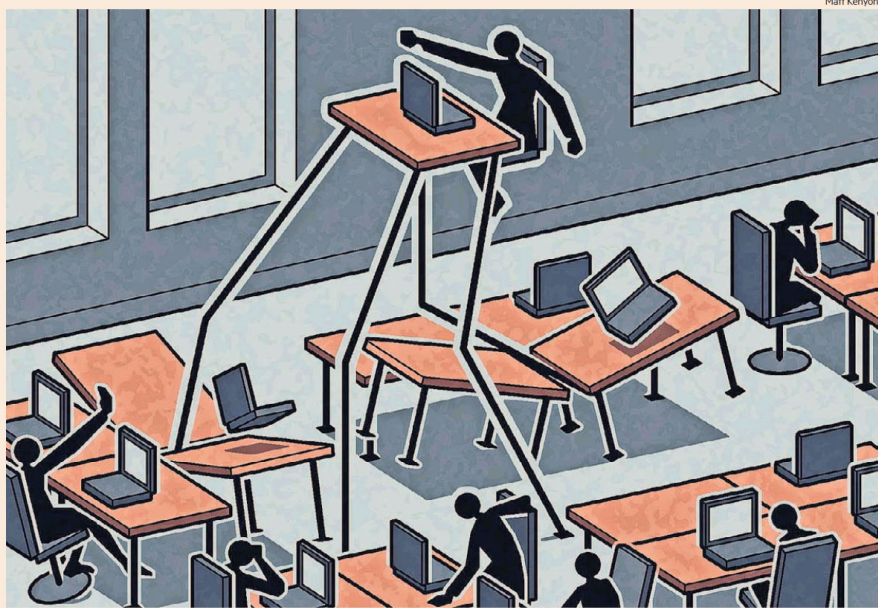
as Bain and McKinsey are shedding workers and offering them financial incentives to leave. Deloitte and EY are cutting costs and reorganising. Throughout the industry, there's a new sense of penny-pinching where things had once been flush.

While the profession boomed during Covid, when companies desperately sought help to deal with everything from supply-chain troubles to work-from-home shifts to the uncertain nature of the economic cycle, it is now slowing. According to the Kennedy Consulting Industry Monitor, revenue growth halved to 5 per cent last year.

Consulting firms are coming under political pressure too. A couple of weeks ago, a bill to ban McKinsey from US government work, put forward by the Missouri senator Josh Hawley, passed the Senate homeland security committee. There are still multiple hurdles to it becoming law but the idea is to stop the defence department and other federal agencies contracting with firms that do business with the Chinese government.

But it's not only populist politicians who are sceptical of consultants. Academics and industry insiders alike have become more critical. Economist Mariana Mazzucato and her colleague Rosie Collington last year published *The Big Con: How the Consulting Industry Weakens our Businesses, Infantilizes our Governments and Warps our Economies*.

The book argues that consulting has thrived on the problems of modern capitalism, from financialisation and corporate short-termism to risk-aversion



in a starved public sector, earning undue economic rents while creating very little value. "While consulting is an old profession," they write, "the Big Con grew from the 1980s and 1990s in the wake of reforms by both the 'neoliberal' right and 'Third Way' progressives — on both sides of the political spectrum."

Indeed, the industry's problems go even further back. One could argue that modern management consulting is the unfortunate love child of early 20th-century Taylorism — in which Frederick Winslow Taylor, a mechanical engineer from Philadelphia, aimed to clock the productivity of workers down to the second — and Chicago School ideas about "efficient" markets, which gained steam from the 1960s onwards.

Consultants have created a huge

All sorts of boutique risk analysis firms and sector experts are vying for a slice of the advisory industry

global market by preaching the gospel of disruption. As Harvard professor Clayton Christensen argued in *The Innovator's Dilemma*, in 1997, big companies were always at risk of having their lunch eaten by smaller upstarts. In order to get ahead of that, they needed to be changing all the time, internally.

But while that may have seemed true during the dotcom boom of the late 1990s, most sectors have become more concentrated, with big firms taking an ever larger slice of the economic pie.

Still, the cult of disruption dies hard. As reformed consultant and Deloitte/Cisco veteran Ashley Goodall writes in his new book *The Problem With Change*, "while we were all busily disrupting ourselves hither and yon, we somehow lost sight of the fact that change and improvement are two different things".

At first, he says, executives thought "we need to fix this problem; therefore, we need to change". Now too many believe "we need to change, because then all the problems will be fixed".

Consulting itself will have to change, because technology can today do so

much at the lower end of the pay scale. AI can make a good-enough PowerPoint presentation or research document, knocking out a lot of what freshman consultants used to do. Meanwhile, there's more competition at the top, with all sorts of boutique risk analysis firms and sector experts vying for a slice of the advisory business.

It's possible that a recession will give the industry new life. Management consulting often makes money by telling companies to cut staff. It can also replace them temporarily with either technology or more consultants, without all those bothersome issues of full-time employment or benefits. But I suspect that, just as many superfluous jobs at the bottom end of the socio-economic food chain have gone away in recent decades, white-collar industries such as consulting will be disrupted, too.

Will the result be fewer slide decks, mission statements, mandatory work bonding sessions and corporate-speak? If so, I'm all in.

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Labour's lack of boldness could come back to haunt it

BRITAIN

Martin Sandbu



It is as predictable as it is depressing that the two main parties in the UK's general election have decided to compete on being the least perceived as likely to raise taxes. No matter that the ruling Conservatives have brought the tax take to its highest level in decades, nor that most voters are resigned to seeing their taxes go up anyway: the name of the (campaigning) game is to promise, cross-my-heart-and-hope-to-die, that none of the taxes most citizens notice will go up.

For those who care about the state of Britain, this excess of fiscal responsibility is unhelpful. The greater worry is that it will prevent the next government from delivering the transformations the country needs.

This is a particular problem for

Labour, which is campaigning as the agent of change. But voters would be hard pressed to pin down what Labour would do differently from the incumbents, at a scale that makes a difference. Until not so long ago, the answer was "securonomics", shadow chancellor Rachel Reeves's ugly moniker for the good idea of borrowing sizeable amounts to invest in green energy, tech and infrastructure for a transformed economy. Bidenomics with British characteristics, if you will.

Scared of making the case for borrowing to invest now that interest rates are no longer near zero, Labour has largely given up on this programme. Perversely, the political consequence of Liz Truss's aborted deficit-funded tax cuts has been to make Labour fear looking suspect on the public finances.

It should not have. The Treasury can still borrow long-term at around a 2 per cent real annual rate. For anyone aware of how poor infrastructure holds back UK productivity, it beggars belief that the country should be lacking in investment projects with a far higher return than that. A genuinely responsible

government would pursue them.

But campaign managers in both main parties judge that it's electoral poison to make this case, with both Labour and the Tories now committing to make minimal resort to debt funding. When, in addition, they compete over how many taxes they can promise not to raise, can any future government be expected to deliver change worth the name?

The party's 'stability' commitment may prevent it from pursuing comprehensive tax reform

There is a lazy version of this critique, which is to point out that the sort of transformation the British economy will need — acceptable public services for an ageing population, and infrastructure to restore productivity growth and address regional inequality — involves spending that is only possible with a higher overall tax take in the long

term. Labour (like the Conservatives) has all but ruled that out, although (again like the Conservatives) it is set to keep the stealth tax increases implied in freezing nominal thresholds.

That the critique is lazy does not mean it is wrong. The most common counterargument — that higher taxes would themselves be bad for growth — is unfounded, at least in a country so lightly taxed by European standards. But there are ways to refute the critique that do not dabble in economic myths. One may simply judge that the British public is sufficiently tax-averse that whatever voters say they want more of, they are not willing to pay the bill come voting day, so the British state must be run on the cheap compared with European peers.

But Labour's problem is deeper. The lazy critique can obscure the sharper one that there is a lot that can and should be done to improve the tax system without growing the state's footprint in the economy. But Labour's "stability" commitment — if it is taken to entail, as it no doubt will be, not touching any of the big

taxes — may prevent it from pursuing even a revenue-neutral, but comprehensive tax reform.

Take the broad principle favouring low and uniform rates and as broad a taxable base as possible. In the UK that points to a lower main rate of VAT while shrinking lower-rated categories and the turnover threshold for VAT liability (one of the world's highest). It would also point to combining income tax and national insurance into a simple, uniformly progressive system. These and other simplifications could do wonders for productivity and growth. But because some people would face tax rises, a government pursuing such wide-ranging reform would, plausibly enough, be accused of promise-breaking.

What should be in Labour's manifesto — but won't be — is an acknowledgment that a commitment to stability and only modest tax increases is no obstacle to growth-boosting comprehensive tax reform and simplification. It will regret not seeking a mandate for that now.

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