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Quilter

Investor trends survey

Q2 2026



Welcome to the latest edition of our investor trends survey, a quarterly survey of the views of our WealthSelect global partners. This edition is based on responses received from our global partners in the second quarter of 2026.

Our latest survey found:

- ▶ more than half of the respondents expect market disruption from the Middle East to end in the next three months, with a further quarter expecting things to resolve in six months
- ▶ the European Central Bank is seen as the most likely to hike interest rates first, with the expectation being that it will come at the next meeting on 11 June 2026
- ▶ political choices are likely to impact markets on both sides of the Atlantic, with the US contending with the upcoming midterm elections and the UK dealing with elevated gilt yields at a time of leadership speculation
- ▶ most respondents remain comfortable with the state of the private credit market, with very few thinking recent blow ups indicate systemic risk that could trigger broader market stress.

Middle East disruption to stop being a driver of markets

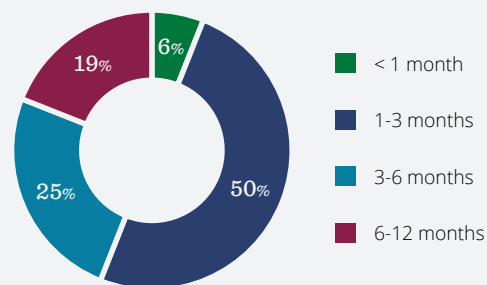
The first half of 2026 has been heavily impacted by the foreign policy actions of the United States even as markets have been led higher by the continued optimism around AI. Having captured Venezuelan President Nicolas Maduro and made overtures to acquire Greenland, Donald Trump's excursion into the Middle East and the ongoing conflict with Iran has had the greatest market reaction.

Oil prices have spiked and inflation is beginning to creep up across the globe as a deal between Iran and the US remains elusive at the time of writing. However, despite the differences, the respondents of our survey remain relatively sanguine about the prospect of market volatility continuing. More than 80% of respondents said they expect Middle East disruption to stop being a material driver of markets within six months, with more than half saying it would take no more than three months.

However, some did acknowledge that the future state remains uncertain with one respondent stating that it is 'hard to have high confidence in this view given the nature of the actors that will ultimately decide how this unfolds'.

Meanwhile, most respondents believe that the price of oil would need to rise by a lot more to pose a challenge to equity markets. Nearly two-thirds of respondents said the price of oil would need to be in the range of US\$130-\$150 per barrel for equities to reprice materially lower.

How long do you expect the Middle East to disrupt markets?



Three-quarters of respondents said they expect Middle East disruption to stop being a material driver of markets within six months.

Lindsay James, Investment Strategist, Quilter

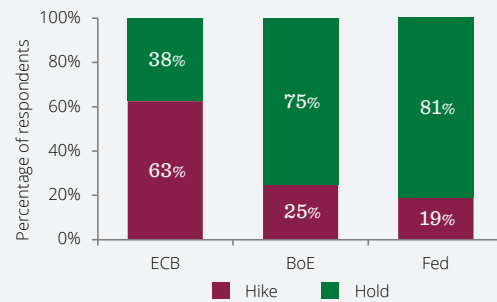


Central bank divergence on the cards

The disruption caused by the Middle East conflict is playing havoc with inflation expectations and what central banks might do next. One thing that is clear is that rate cuts are completely off the table, with none of the respondents expecting any cuts by the US Federal Reserve (Fed), Bank of England (BoE), or the European Central Bank (ECB) when they each meet next.

However, reflecting the far lower starting point, it is clear respondents expect the ECB to be the first to act. More than six in ten (63%) expect Christine Lagarde and co to hike rather than hold interest rates at their next meeting, compared to just 25% for the BoE and 19% for the Fed. A new era of central bank divergence appears to be on the cards.

What will be the next move from each central bank?



Meanwhile, inflation is the biggest thing being underappreciated by markets, with more than four in ten respondents (44%) identifying it as such. This was followed by the risk of an AI-bubble (22%), recession risk (15%), and geopolitical risk (11%).

Political risk to take centre stage

While events in the Middle East still loom large, in the US and the UK politics will soon take centre stage. The US sees crucial midterm elections later this year, with voters primed to deliver their opinion on the state of Donald Trump's second presidency.

The positive news is that only a quarter of respondents are expecting the outcome of the midterms to lead to any sort of short-term volatility caused by policy uncertainty. The same proportion expect little to no market impact, while 44% see a positive outcome for markets because of increased political gridlock and thus a preservation of the status quo. The US system of checks and balances suits markets just fine.

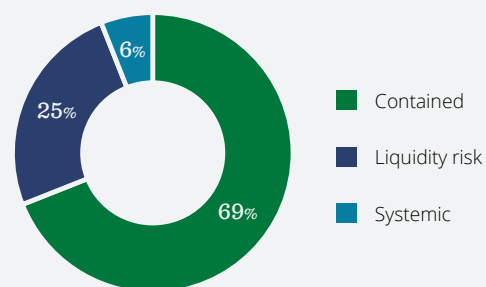
Meanwhile, in the UK, a crucial by-election could see the return of Andy Burnham, the favoured candidate of many left-leaning politicians to take over from Prime Minister Keir Starmer. Labour Party leadership uncertainty has already caused volatility within gilt markets as investors assess the potential for further spending promises and potential tax rises. If gilt yields do remain elevated, 56% of respondents believe a reaffirmation or strengthening of the fiscal rules, even if that meant a tightening of spending, would be the most credible outcome to deal with the problem, while nearly a third (31%) see a mix of tax rises and targeted spending restraint as the best option available.

Private credit fears brushed off

This time last year concerns were rising that the blow ups in the private credit market were indicative of a 'bubble' bursting, and the impact on wider financial markets could be vast. Fast forward 12 months and the fears have been put to one side. Nearly seven in ten respondents (69%) said private credit risk was contained and problems seen are purely idiosyncratic. Meanwhile, a quarter see it as a liquidity story, while just 6% believe private credit represents a systemic risk to markets.

Indeed, the respondents also believe the wider market is pricing things in similarly, with just 4% saying that private credit is being underappreciated as a risk by investors currently. What was once the biggest story in financial markets has swiftly been brushed away as new risks emerged.

Which best describes your view of private credit risk?



The positive news is that only a quarter of respondents are expecting the outcome of the midterms to lead to any sort of short-term volatility caused by policy uncertainty.

Lindsay James, Investment Strategist, Quilter



Sentiment indicator

Q2 2026

Our sentiment indicator provides you with a 12-month outlook from our WealthSelect global partners. We asked each global partner how they think a range of asset classes such as equities and fixed income across different regions will perform over the next year.

The sentiment indicator is an indication of investment sentiment from a selection of asset managers. No-one can predict the future direction of stock markets and past performance is not a reliable guide for future returns.

Outlook guidelines

▲ A positive outlook – The asset manager believes the sector will perform positively over the next 12 months.

↔ A neutral outlook – The asset manager believes the sector's performance will be relatively neutral over the next 12 months.

▼ A negative outlook – The asset manager believes the sector will perform negatively over the next 12 months.

	Equities							Fixed income								
	UK	US	Europe	Japan	Asia Pacific ex Japan	China	Emerging markets	UK gilts	UK corporate bonds	US Treasuries						
AllianceBernstein	↔	▲	↔	▲	▲	↑	▼	▲	↑	▼	▼	▼				
Allspring	↔	▲	↔	↓	▲	▲	↔	↓	▲	↓	↔	↓	↔			
Artemis	▲	↑	↔	↓	↔	↓	▲	▲	▲	↑	▼	↔	↔	↑		
BlackRock*	↔	▲	↔	▲	▼	↓	▲	↑	▲	↑	▼	↔	↓	▼	↓	
BNY	↔	↓	▲	↑	↔	↓	↔	↓	↔	▲	▼	↓	↔	↑	▼	↓
Columbia Threadneedle	↔	↔	▼	↓	↔	↓	▲	▲	▲	↔	↔	↔	↔	↔	↔	
Fidelity**	↔	▲	↔	↓	▲	↔	▲	▲	▲	↔	↔	↔	↔	↔	↔	
Invesco	▲	▲	↑	▲	▲	↔	↔	↓	▲	▲	▲	↑	▲	▼	▼	
JPMorgan	↔	▲	▼	▲	▲	↔	↔	▲	▲	▲	▲	▲	▲	▼	▼	
Pictet	↔	▲	↑	↔	↓	↔	↔	▲	↑	▲	↔	↔	↔	↔	↔	
PIMCO	↔	↔	↔	↔	↔	↔	↔	↔	↔	▲	↔	↔	▲	▲	▲	
Premier Miton	↔	↔	↔	↔	↔	↔	↔	↔	↔	▼	↔	↔	↔	↔	↔	
Redwheel	↔	↓	▼	↔	↓	↔	▲	↔	▲	↔	↓	▲	↑	▼	▼	
Schroders	↔	↓	▲	↔	↓	▲	↔	↓	↔	↓	▲	↔	↔	↔	↑	
TwentyFour	▼	↔	↔	↔	↔	↔	↔	↔	↔	↔	↔	▲	↔	↔	↔	
Wellington	▼	↓	▲	▼	↓	↔	↓	▲	▲	▲	▼	↓	▼	↓	▼	↓
Consensus	↔	▲	↔	▲	↔	↔	↔	▲	▲	▼	↔	↔	↔	↔	↔	

* The views of BlackRock are on a six- to 12-month horizon from a US dollar perspective. This material represents an assessment of the market environment as of 31 May 2026 and is not intended to be a forecast or guarantee of future results. This information should not be relied upon as investment advice regarding any fund, strategy, or security.

** This is the broad investment view of the Fidelity multi-asset team. It does not necessarily represent the opinion or positioning of individual portfolio managers or Fidelity International more broadly. These views give an overall sense of their investment view, but do not indicate a specific numerical value or index in relation to their outlook.

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