Where must capital flow?

SEVEN FORCES · 22 THEMES

THE FORCES · 7 · REVISED 2026

Not where it might, or where a story says it should. Where it has no real choice — because a grid has to carry loads it was never built for, because a population that lives longer consumes more medicine for longer, because work nobody is left to do still has to get done. **Those are the shifts large enough and slow enough to still be running in ten years, and they are what we underwrite against.**

It is a question about markets, not about companies. A force tells you which pools of capital keep growing without anyone having to be clever. It says nothing about which business inside one deserves your money — that is a separate test, and it is on the last page.

The Conviction Play

IN SEARCH OF EXCEPTIONAL COMPANIES

Independent research on one company at a time. Every business we write about goes through the same five structural tests, and we publish what came back whether it passed or not — **a bar that nothing fails is not a bar.** The small number that clear all five join the Exceptional Company Series and get a fact sheet of their own. **This sheet is the map that decides what is worth testing in the first place.** We publish no price targets and no view on any share price.

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WHERE CAPITAL HAS TO GO — I

FORCE I Power and energy systems

Electricity has to be generated, moved, stored and controlled in far greater volume and with far less tolerance for failure than the system was built for. Capital lands here whether the driver is decarbonisation, industrial load growth or simple replacement of assets past their life.

Grid Expansion, Reinforcement & Modernisation

Massive capital deployment into transmission, distribution, and grid resilience to support higher loads and bidirectional power flows.

End-Use Electrification of Transport, Industry & Buildings

Sustained replacement of combustion-based systems with electric alternatives across mobility, industry, and the built environment.

Power Management, Efficiency & Control Systems

Structural demand for equipment and systems that optimize conversion, efficiency, stability, and control across an electrified stack.

NOT YET WRITTEN UP Nothing published here yet. The map is wider than the coverage, and saying so is more useful than pretending otherwise.

PREV · VII NEXT · II

WHERE CAPITAL HAS TO GO — II–III

FORCE II The built environment and its resilience

Physical infrastructure gets hardened, duplicated and redesigned to survive things it was not specified for — extreme weather, deliberate attack, and resource scarcity. The threat differs; the concrete, the water system and the redundancy are the same spending.

Climate-Resilient Infrastructure & Adaptation

Rebuilding infrastructure to survive physical stress it was not specified for: storm-resistant materials, stormwater and drought systems, grid and telecom hardening, and the analytics that price the exposure. The threat is physical and statistical, not hostile.

Strategic Infrastructure & Critical Systems Protection

Protecting infrastructure against a deliberate adversary and against loss of national continuity: operational-technology cybersecurity, hardened and secure construction, and independent power for sites that cannot go dark. The threat is intentional. Weather-driven hardening is climate-resilient infrastructure.

Water, Waste & Resource Efficiency Systems

Sustained capital flows into systems that reduce resource intensity, recycle inputs, and secure reliable access to water and critical materials under constraint.

NOT YET WRITTEN UP No piece under this one yet — it is on the list, not on the page.

PREV · I NEXT · III

FORCE III Industrial capacity and supply chains

Where things are made, and what they are made from, is being rebuilt for security of supply rather than lowest landed cost. Reshoring, redundancy and material substitution are one destination reached by two roads — coercion risk and physical scarcity.

Supply Chain Resilience, Localisation & Redundancy

WHERE production sits and how goods move: reshoring and the industrial capex it pulls, freight and intermodal capacity, distribution and buffer inventory, and the software that makes a chain legible. A logistics and capacity theme, not a materials one.

Input Substitution & Material Innovation

What products are made OF: critical minerals secured outside a single jurisdiction, circular and recycled feedstocks, and engineered or bio-based substitutes for scarce inputs. A materials theme. Where things are made and how they move is supply chain resilience.

NOT YET WRITTEN UP Unwritten so far. A force earns its place by being real, not by having an article attached to it.

PREV · II NEXT · IV

WHERE CAPITAL HAS TO GO — IV–V

FORCE IV Automation and machine-performed work

Work moves from people to software and machines. Whether the reason is a shortage of workers or the cost of employing them, the capital goes to the same place: systems that perform the work, and the decision layers that direct them.

Software-Led Process Automation

Software that performs or removes work inside an organisation: horizontal workflow platforms, function-specific automation in finance, HR and service, vertical SaaS with automation embedded, and the systems that manage the workforce itself. Not machines doing physical work, and not the decision layers that direct them.

Intelligent Physical Automation

Machines that perform physical work, sold as horizontal capability rather than to one industry: vision and inspection, mobile and collaborative robots, field and off-highway autonomy, and the automation of factories and warehouses. Not software that reorganises how people work — that is software-led process automation — and not labour substitution scoped to a single sector.

Algorithmic Decision Infrastructure

Firms institutionalise algorithmic decision-making to improve speed, consistency, and outcomes across operations and planning.

Automation of Routine Human Labour

Labour substitution scoped to one sector at a time, where the constraint is that the people are not there to hire: self-service in customer-facing retail, autonomy in agriculture, administrative substitution in healthcare. The distinction from the horizontal robotics and software themes is deliberate — here the theme is a labour market, not a technology.

WRITTEN UP Accenture · AeroVironment · MSCI · Microsoft · Moody's Corporation · Oracle

PREV · III NEXT · V

FORCE V Defence, security and strategic autonomy

States rebuild the capacity to defend themselves and to operate without depending on anyone else — across land, cyber and orbit. The buyer is sovereign, the budget is set by threat rather than by return, and it does not turn off in a downturn.

Defence, Deterrence & Security Capacity Expansion

Governments structurally increase spending to rebuild and sustain military, cyber, and homeland security capabilities.

Orbital Access & Space Infrastructure

Falling launch cost turns orbit from a scarce, state-controlled destination into usable infrastructure — communications, observation and positioning that both commercial and defence customers come to depend on.

WRITTEN UP AeroVironment · SpaceX

PREV · IV NEXT · VI

WHERE CAPITAL HAS TO GO — VI–VII

FORCE VI Health and care delivery

Populations live longer with more years of managed illness, and the care has to be delivered by a workforce that is not growing. Spending lands on diagnosis, intervention, chronic therapy, prevention and the systems that deliver all four with fewer hands.

Precision Diagnostics & Testing Infrastructure

Diagnosis moves earlier and gets more specific, which means more tests per patient and more instruments in more places. The economics sit in the recurring consumable, not the analyser.

Interventional & Platform Medicine

Procedures migrate onto platforms — robotic, catheter-based, image-guided — that a clinician trains on for years. The platform earns on every procedure it performs, and the training is the moat.

Metabolic & Chronic Disease Therapeutics

Chronic metabolic disease is treated for decades rather than cured, and a class that works at scale reshapes demand across every specialty downstream of it.

Preventative & Self-Directed Health

Spending to stay well rather than to be treated: screening bought out of pocket, nutrition, sleep, recovery and mental health. Elective, largely unreimbursed, and rising with age and income together.

Care, Health & Dependency Infrastructure Expansion

Delivering care with a workforce that is not growing: home and residential care capacity, the staffing and scheduling systems behind it, and the infrastructure that lets fewer people look after more. About who does the work, which is what separates it from the medicine themes beside it.

WRITTEN UP IDEXX Laboratories, Inc. · Intuitive Surgical, Inc. · Thermo Fisher Scientific

PREV · V NEXT · VII

FORCE VII Experience and discretionary time

As incomes rise and populations age into more leisure hours, a growing share of spending goes to how time is filled rather than to goods. The winners own a habit and the distribution to serve it.

At-Home Entertainment Platforms

Scaled subscription platforms that amortise content across a global base, where each additional market is served at near-zero marginal cost and the catalogue is the barrier.

Live, Travel & Experience Economy

Spending shifts from owning things to being somewhere — travel, live events, hospitality — and the durable economics sit in the booking layer and the venue, not in the operator carrying the asset.

Interactive & Social Entertainment

Entertainment people participate in rather than watch — gaming, real-money interactive, social platforms — where engagement compounds through the network and monetisation is per-session, not per-title.

WRITTEN UP Evolution AB · Grindr · Netflix

PREV · VI NEXT · I

HOW A FORCE BECOMES A COMPANY

01

A force says where to look

A shift big enough and slow enough to still be running in ten years tells you which markets keep growing without anyone having to be clever. It does not tell you which company inside one is worth owning.

02

The tests say what is actually there

Every company gets the same five structural tests — compounding, earnings quality, balance sheet, capital allocation, per-share value creation — applied identically, on reported numbers rather than on the story.

03

Most of them do not clear it

Which is the point. A framework that admitted everything would measure nothing. The ones that pass all five, and keep passing, are the ones worth the word exceptional — and they each get a sheet of their own.

What a force is for. It is context, never a reason on its own. A company sitting inside a genuine structural shift can still have poor economics, and a business with exceptional economics does not become better because its theme is fashionable. The force explains why a market keeps growing; it says nothing about whether one company inside it deserves your money.

What this sheet is not. It sets no price targets and no valuations, and it is not a list of what to buy. The companies named against each force are pieces we have already published, not recommendations. This is the map we use to decide what is worth studying — the assessment of any individual business is a separate piece of work, done the same way for every company, and published on its own page.

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7 forces · 22 themes · revised August 2026. This list is not fixed and is not meant to be. Forces get added when something structural turns up that the existing set cannot honestly hold, themes get split when one gets too broad to mean anything, and a force can be retired when the shift it described has finished happening. What does **not** change is that the same taxonomy is applied to every company we assess, and that every revision is dated. If the stamp above is old, the map is old — this document does not update itself, and the current version is always at theconvictionplay.com.