



**BlackRock®**

**Global  
perspectives  
on investing in  
the low-carbon  
transition**

Survey of 200 institutional investors

# Executive summary

**The transition to a low-carbon economy is among a handful of major structural shifts that we see rewiring economies, sectors, and businesses.**

Clients are increasingly asking BlackRock how to mitigate investment risks and capture opportunities associated with climate and the low-carbon transition.

To help inform the choices BlackRock offers our clients, in June 2023 we commissioned iResearch Services, an independent third-party research consultancy, to conduct a market survey on our behalf. The survey seeks to better understand institutions' needs and preferences related to investing in the low-carbon transition.

iResearch Services polled 200 institutional investors globally, representing \$8.7 trillion<sup>1</sup> in assets under management, with the goal of providing a representative sample across regions and organization types. All survey respondents are involved in the investment process at their respective organizations. Survey responses have not been edited and solely represent the opinions of the respondents at the time of the survey.

The results offered a lens into how institutional investors globally are thinking about investing in the low-carbon transition. **Four key themes emerged:**



## **01.** **Low-carbon transition as an investment priority**

**56% of investors who took this survey indicated that they plan to increase transition allocations** in the next 1-3 years, and 46% said navigating the transition is their most important investment priority in the next 1-3 years.

## **03.** **Spotlight on whole portfolio, fixed income, KPIs<sup>2</sup>, and performance**

Respondents expressed that there are some product offerings gaps (e.g., **whole portfolio approach, emerging markets, fixed income**), as well as other challenges with transition allocations (e.g., tracking KPIs).

## **02.** **A mix of approaches**

Globally, the majority - 56% - of respondents indicated a **preference for a whole portfolio approach to transition investing**, while 41% expressed a preference for an asset-class-by-asset-class approach.

## **04.** **Managers' research and deal access are key**

When it comes to selecting a transition partner, institutional investors are looking for an asset manager with **strong research capabilities, access to proprietary deals, and performance track record**.

As a fiduciary, BlackRock invests on our clients' behalf to help them meet their investment objectives. Our role in the transition is to help clients navigate investment risks and opportunities, not to engineer a specific decarbonization outcome in the real economy. Our investment approach is informed by three principles: we provide choice, we seek the best risk-adjusted returns within the mandates clients give us, and we underpin our work with research, data, and analytics.

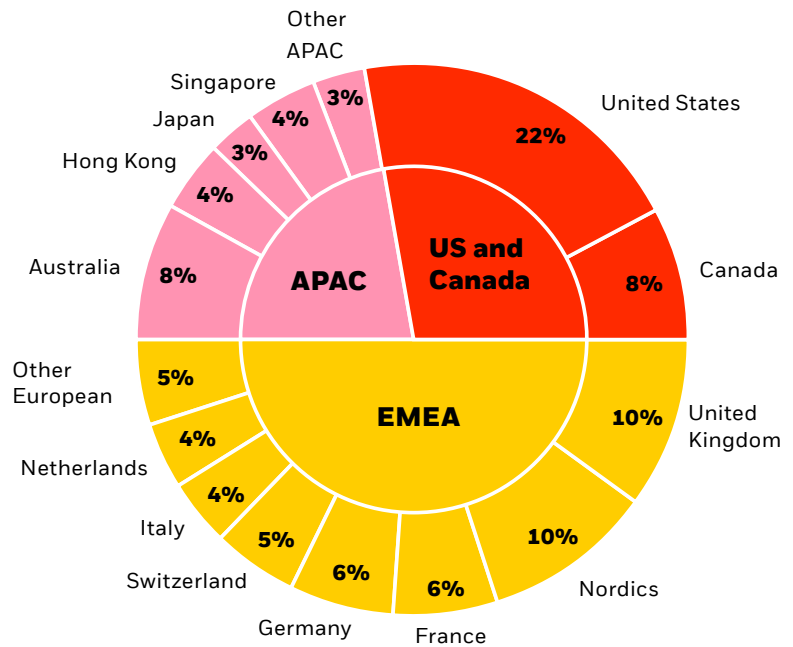
<sup>1</sup> Currency is shown in USD

<sup>2</sup> Key Performance Indicators

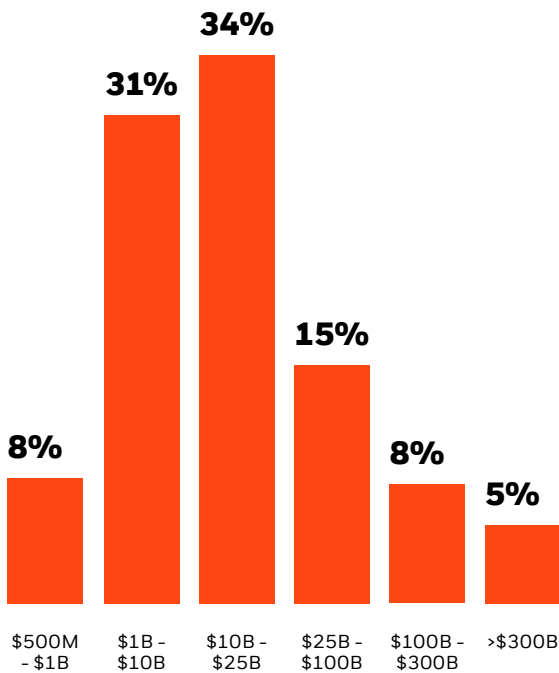
# About the survey

Understanding a diverse set of client perspectives

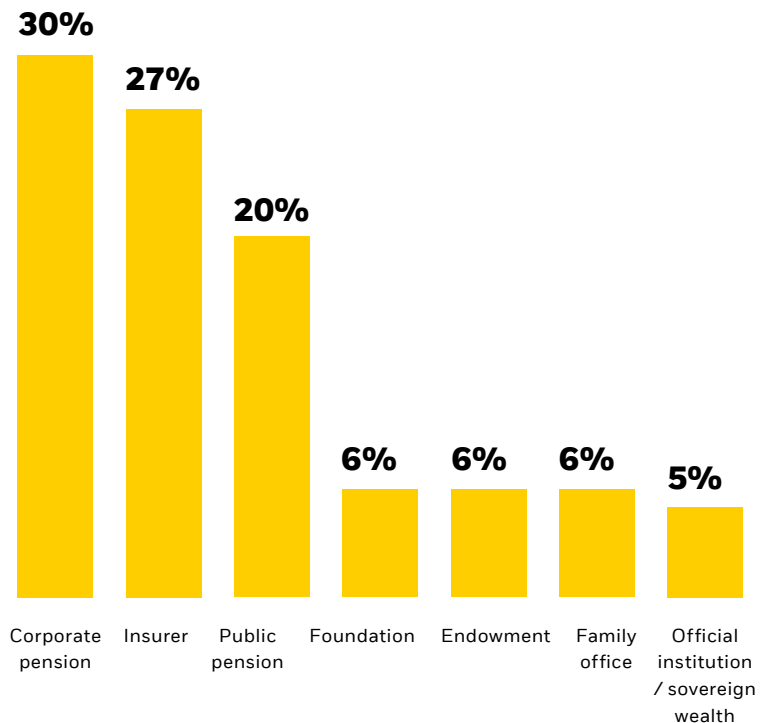
**The survey polled 200 institutions around the globe. Their sizes and geographies varied widely.<sup>1</sup>**



Institution size (USD)



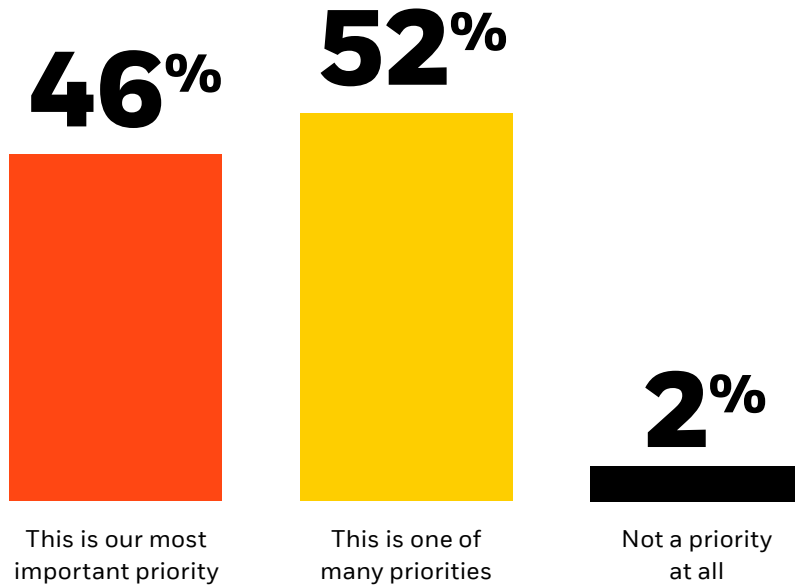
Organization breakdown



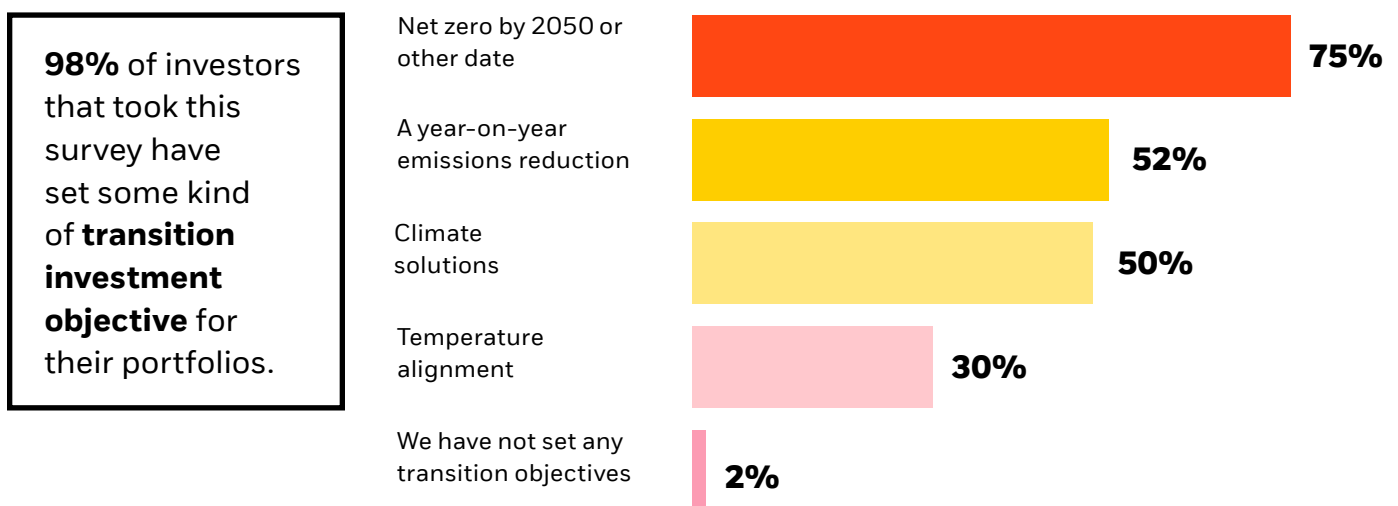
<sup>1</sup> Percentages shown on subsequent pages may not always add to 100% due to rounding.

# 1 • Low-carbon transition as an investment priority

Q | Where does navigating the transition to a low-carbon economy rank in your investment priorities in the next 1-3 years?

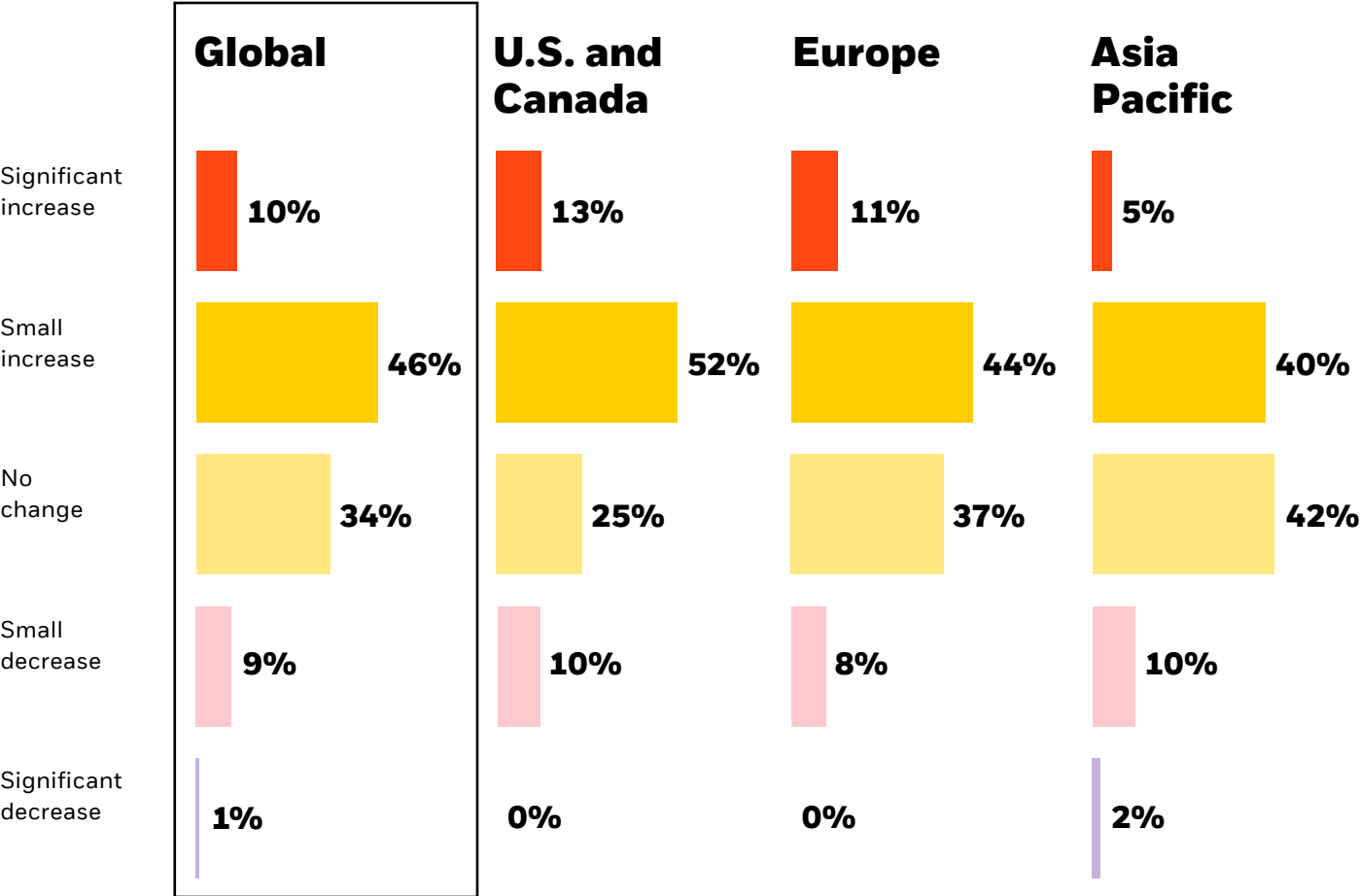


Q | Have you set any transition investment objectives across your portfolio?



# Low-carbon transition as an investment priority

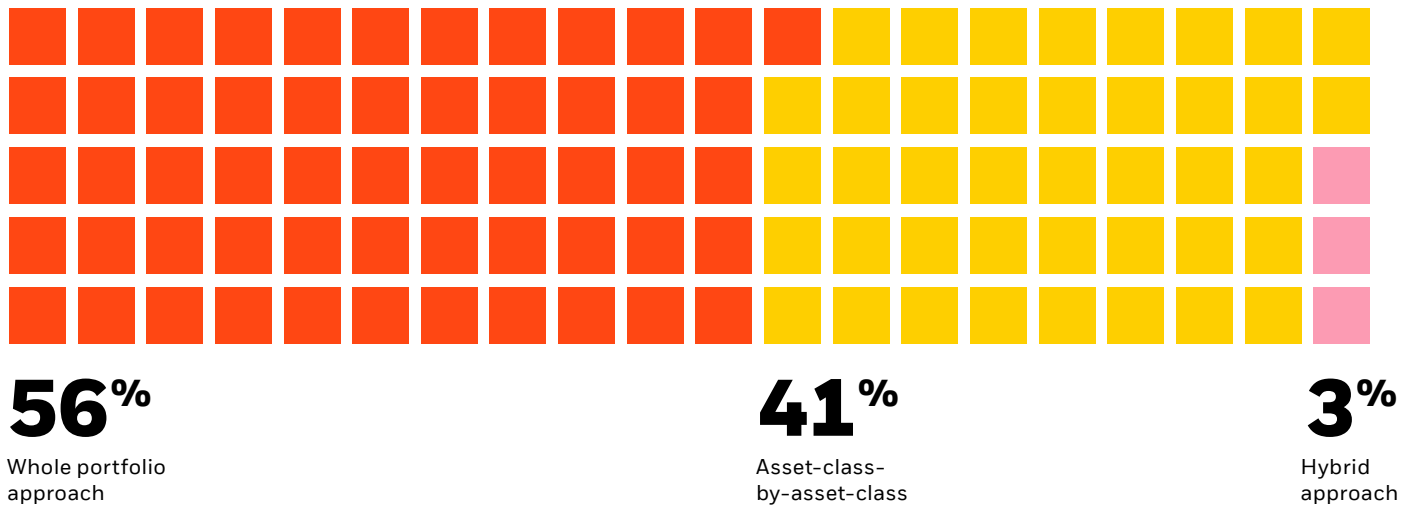
**Q** | How do you expect to change your allocations to transition strategies over the next 1-3 years?



**56%** of survey respondents are looking to **increase their allocations to transition strategies**, with investors in U.S. and Canada expressing the strongest intention to increase allocations.

## 2 ● A mix of approaches

Q | If you're planning to increase your allocation to transition strategies, is the increase at an asset class level or on a whole portfolio basis?<sup>1</sup>

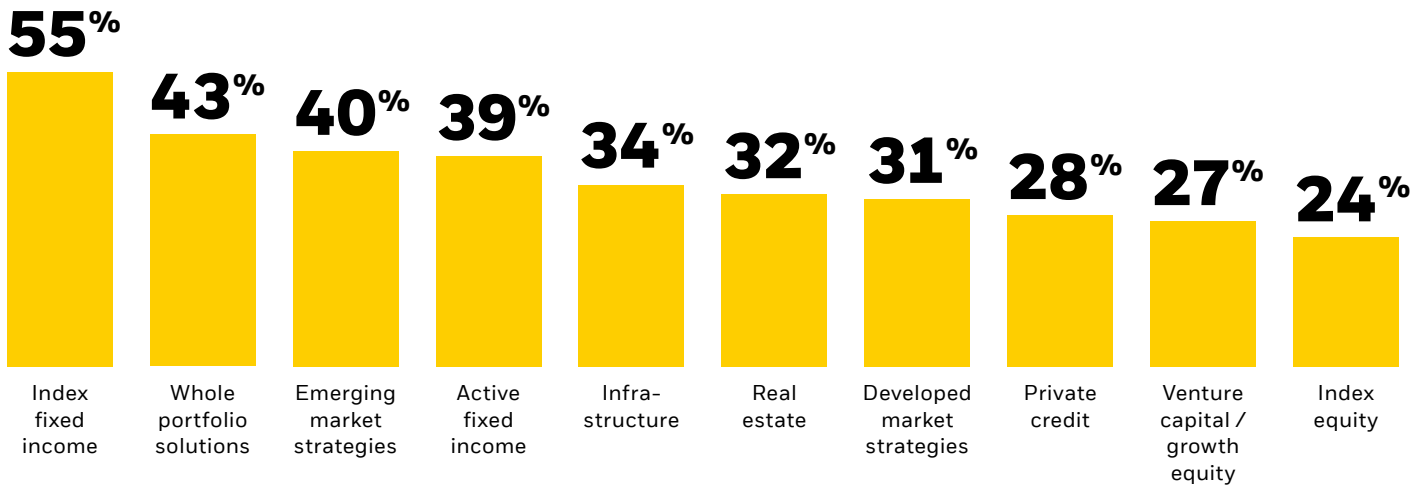


A majority of respondents indicated a preference for a **whole portfolio approach** to investing in the low-carbon transition, while 41% of respondents expressed a conviction for an asset-class-by-asset-class approach.

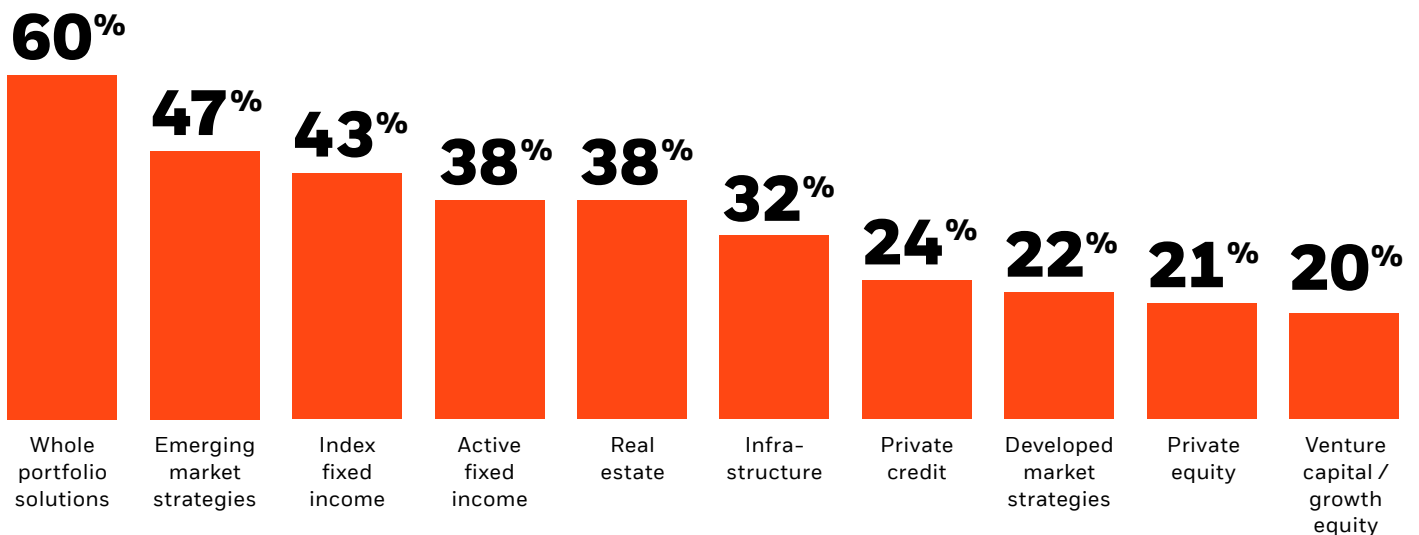
<sup>1</sup> For respondents who indicated that they planned to increase asset allocations to transition investing over the next 1-3 years.

# 3. Spotlight on whole portfolio, fixed income, KPIs, and performance

Q | In which asset classes do you intend to increase allocation to transition strategies? Please select all that apply.<sup>1</sup>



Q | Where do you wish to see more transition and sustainable investing products available? Please select all that apply.

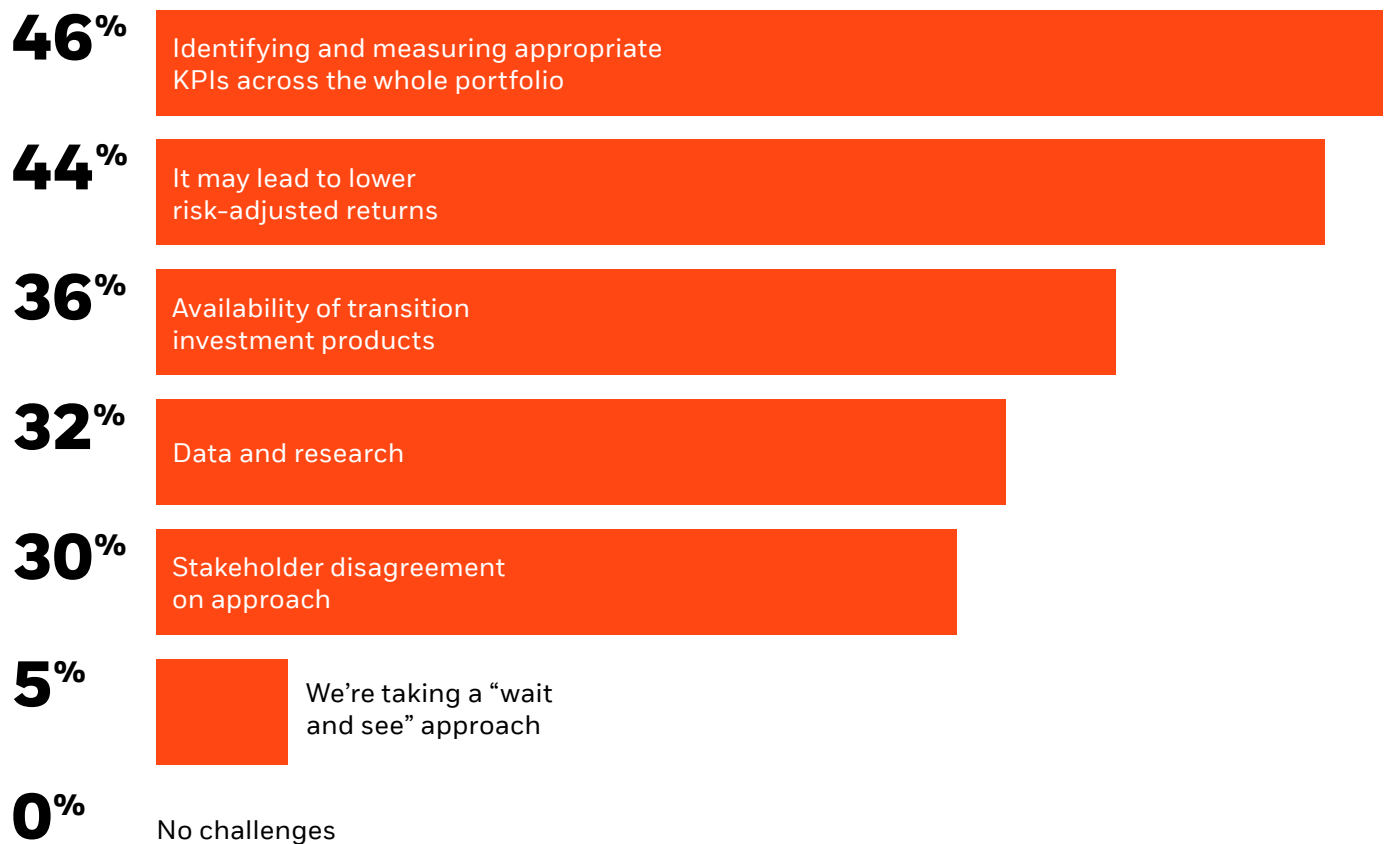


The top asset classes where institutional investors intend to increase allocations are **index fixed income, whole portfolio solutions, and emerging markets**. They would like to see **more products available in the same asset classes** in which they intend to increase allocations, particularly whole portfolio solutions.

<sup>1</sup> For respondents who indicated that they planned to increase asset allocations to transition investing over the next 1-3 years.

# Spotlight on whole portfolio, fixed income, KPIs, and performance

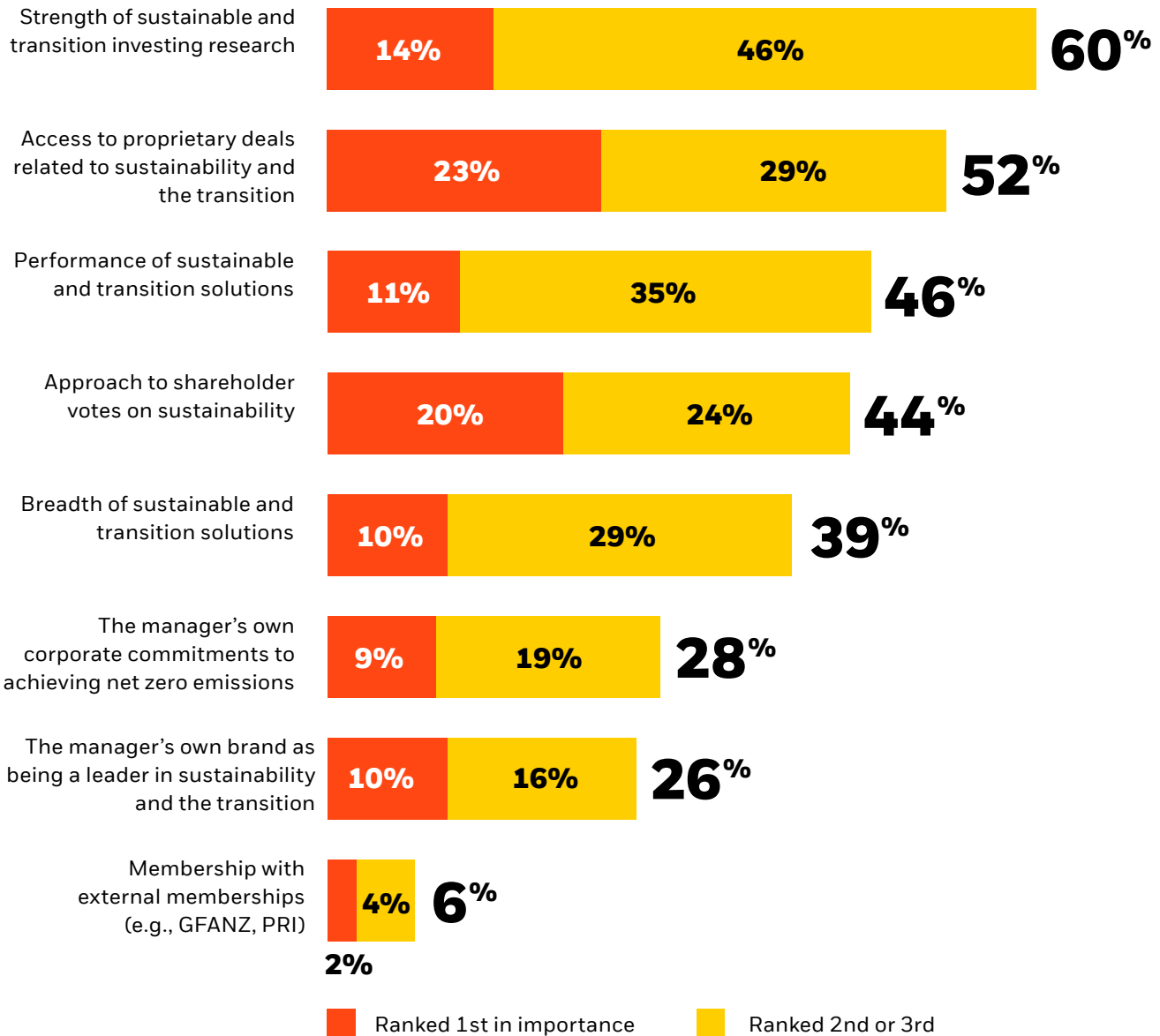
**Q** | What are the biggest challenges when allocating to transition strategies?  
Please select all that apply.





# 4. Managers' research and deal access are key

**Q** | What are the most important considerations when selecting your transition investing manager? Please rank up to 3 responses.



Institutional investors rank sustainable and transition investing **research, proprietary deal access, and performance of sustainable and transition solutions** as the most important factors in selecting a manager for transition allocation. **23%** of investors ranked access to proprietary deals as their **top consideration**.

## Survey methodology

The Global Transition Investing survey was conducted in June 2023. All respondents in this survey were institutional investors sourced by an independent third-party research consultancy. Respondents were asked to answer questions about the transition to a low-carbon economy, including their approach to portfolio allocations for the transition, portfolio transition objectives, and which qualities are important when selecting a transition asset manager. Respondents were also asked to respond to their level of responsibility for making investment decisions across the organization's portfolio. Further questions related to organization type, size, and location were included in order to gather insight about respondent demographics.

Any opinions expressed reflect our survey results as of June 2023. They are not intended to be a forecast of future events or a guarantee of future results. There is no guarantee that any forecasts made will come to pass.

Numbers or percentages may not add up to 100 due to rounding.

Sample size is 200 global respondents throughout unless indicated otherwise. This includes 100 respondents in Europe, 40 respondents in Asia Pacific, and 60 in North America (Canada and the United States).

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