

**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:**

**200**  
Institutional  
investors

**15+**  
Countries

**\$8.7T**  
AUM  
represented

## 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.

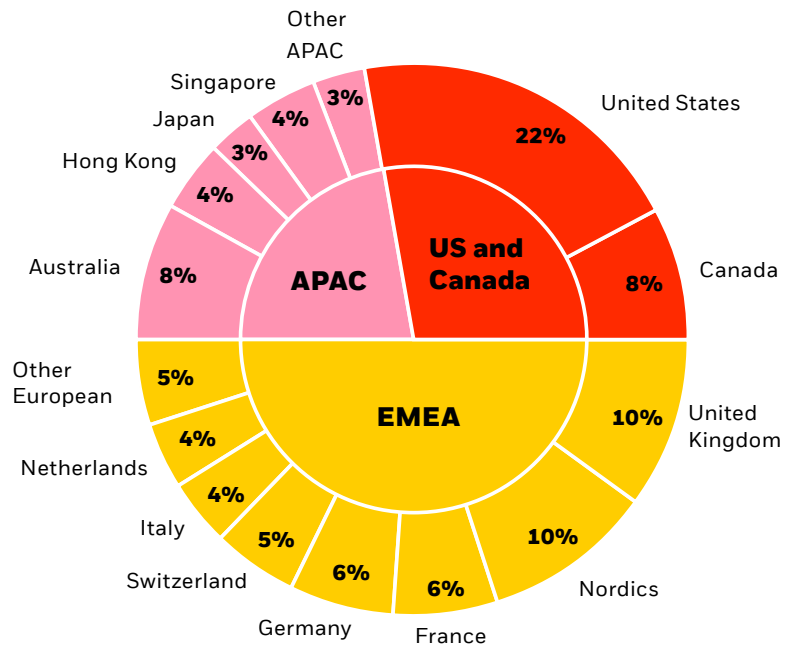
<sup>1</sup> Currency is shown in USD

<sup>2</sup> Key Performance Indicators

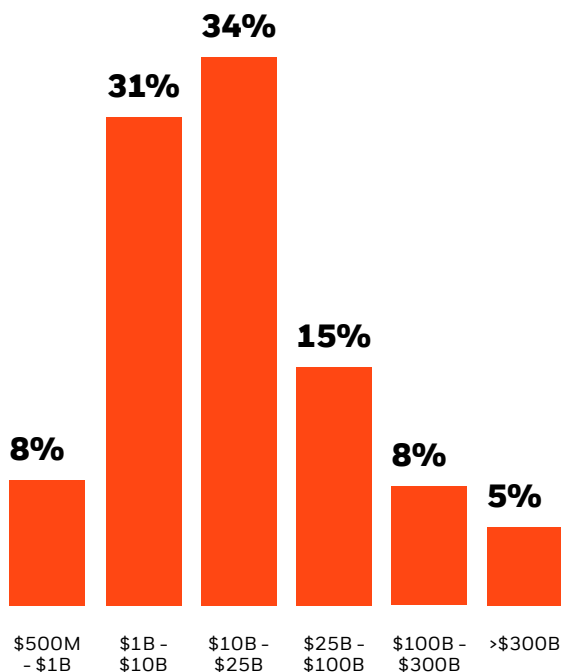
# About the survey

Understanding a diverse set of client perspectives

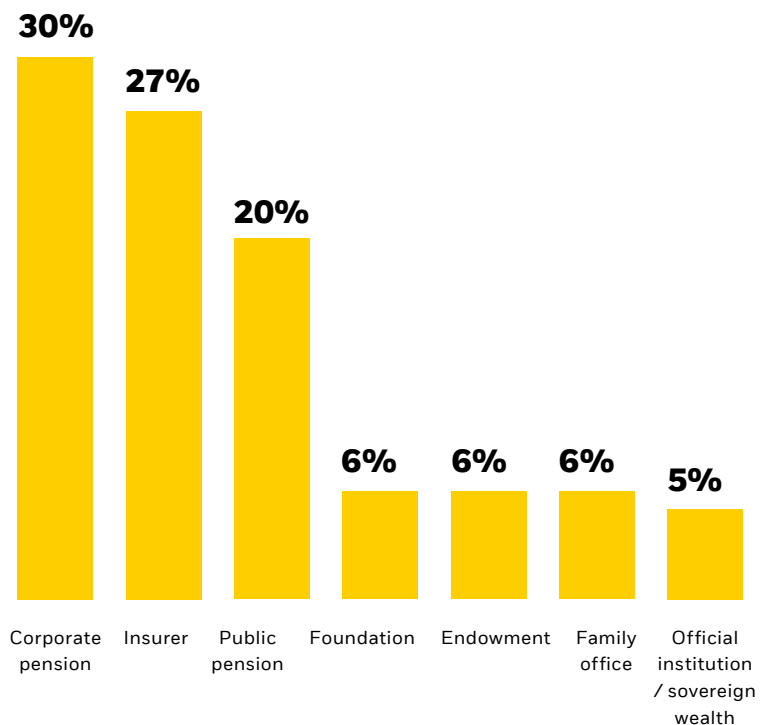
**The survey polled 200 institutions around the globe. Their sizes and geographies varied widely.<sup>1</sup>**



Institution size (USD)



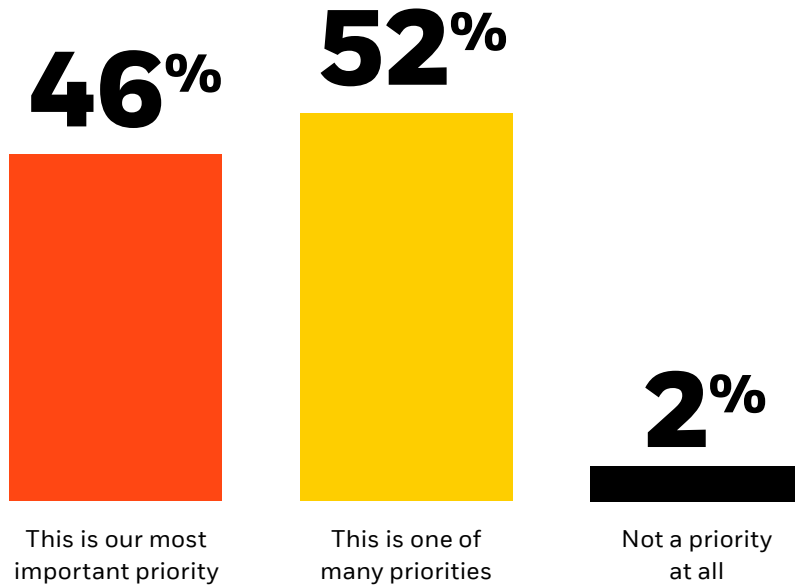
Organization breakdown



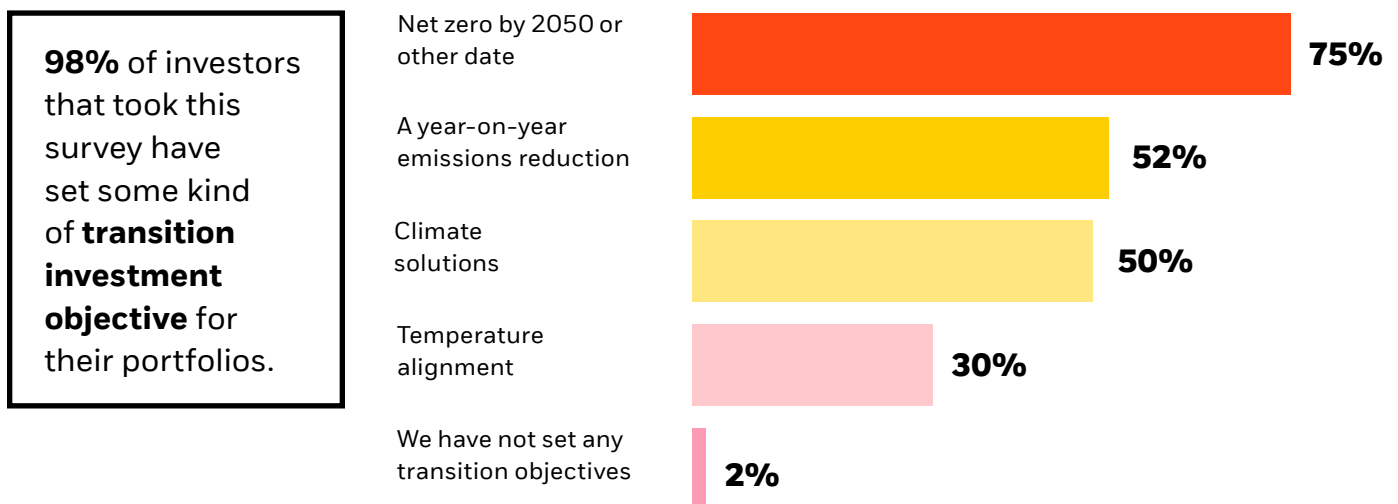
<sup>1</sup> Percentages shown on subsequent pages may not always add to 100% due to rounding.

# 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?

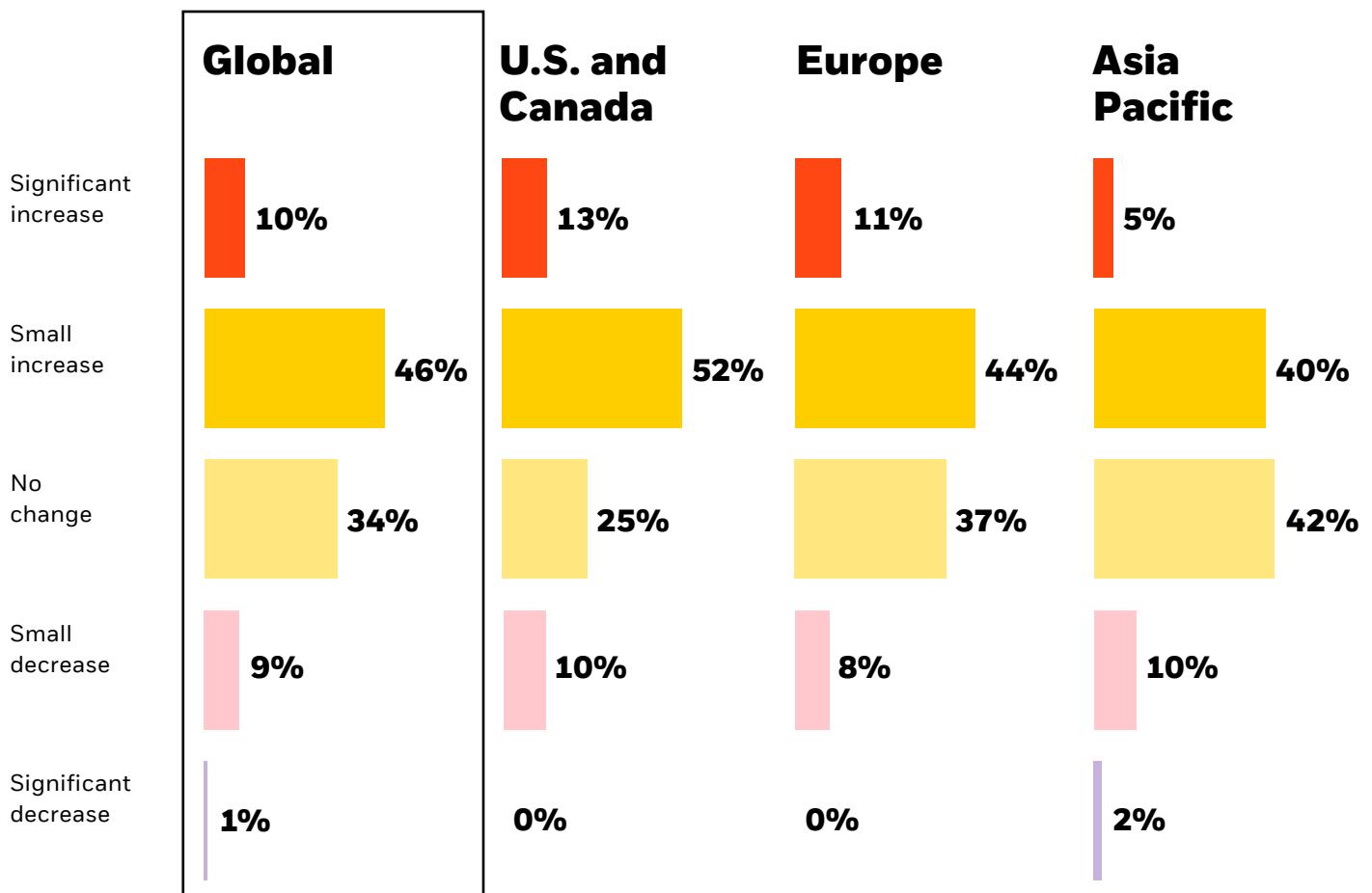


**Q** | Have you set any transition investment objectives across your portfolio?



# Low-carbon transition as an investment priority

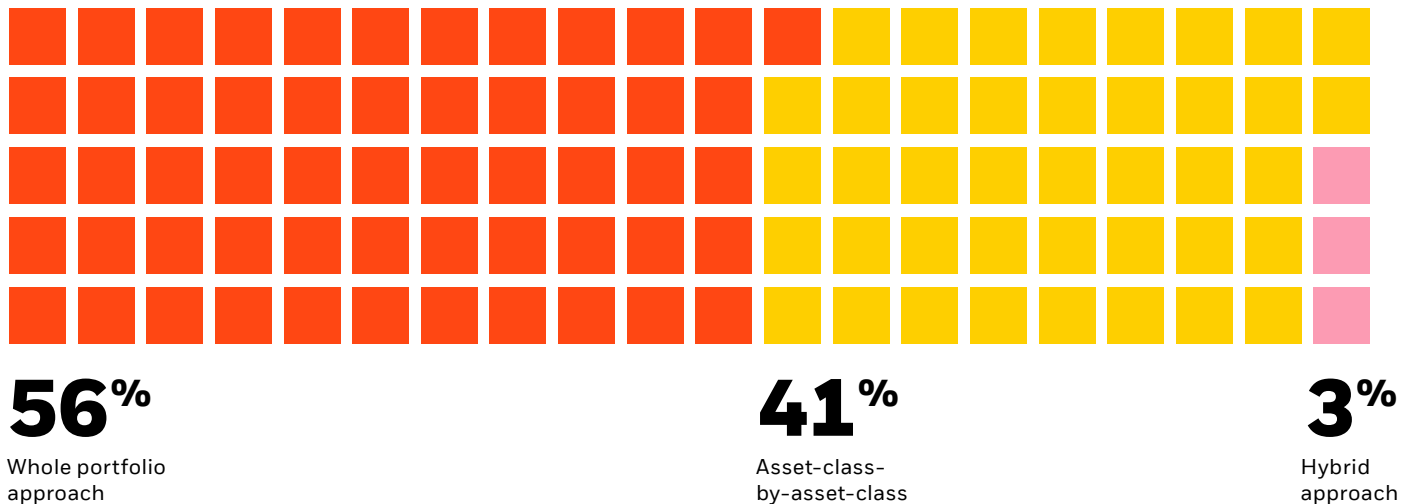
**Q** | How do you expect to change your allocations to transition strategies over the next 1-3 years?



**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>

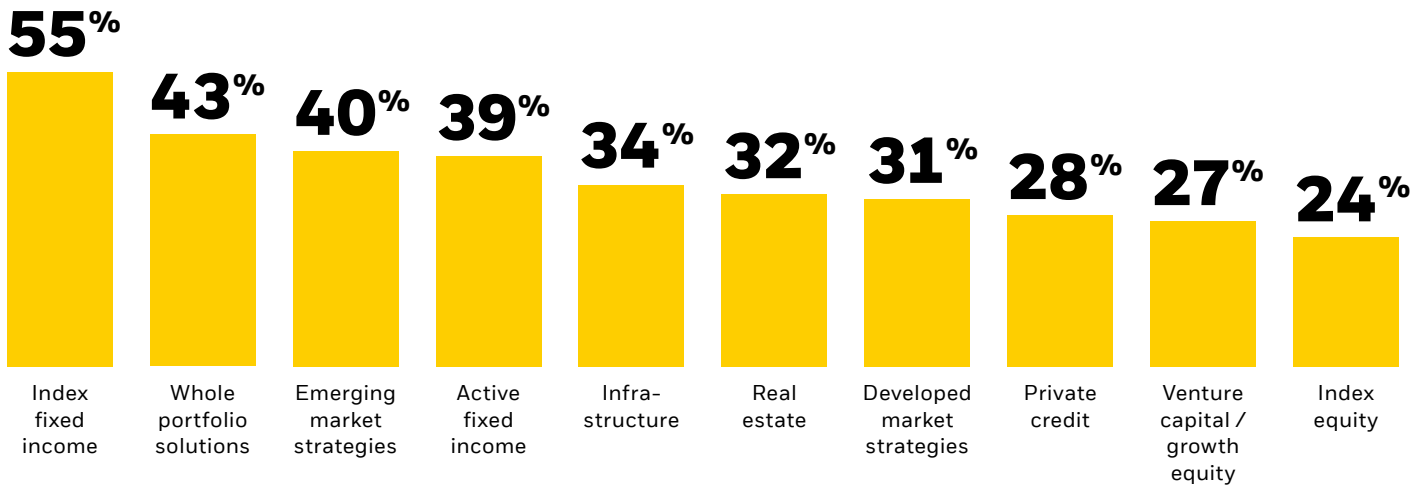


A majority of respondents indicated a preference for a **whole portfolio approach** to investing in the low-carbon transition, while 41% of respondents expressed a conviction for an asset-class-by-asset-class approach.

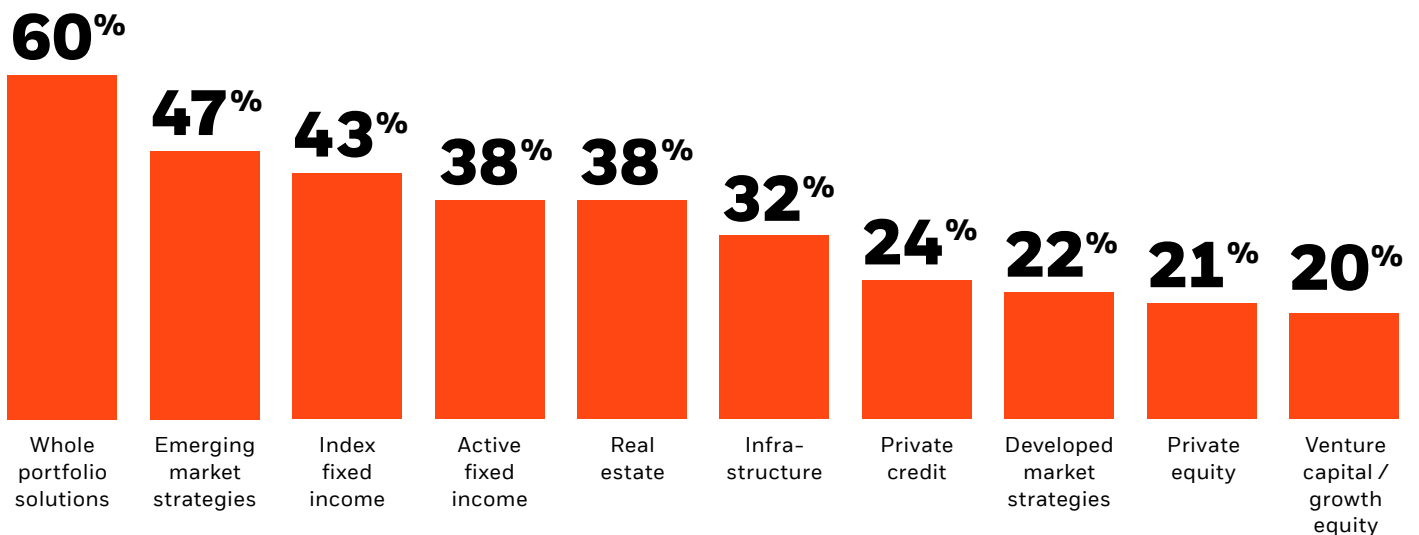
<sup>1</sup> For respondents who indicated that they planned to increase asset allocations to transition investing over the next 1-3 years.

# 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.

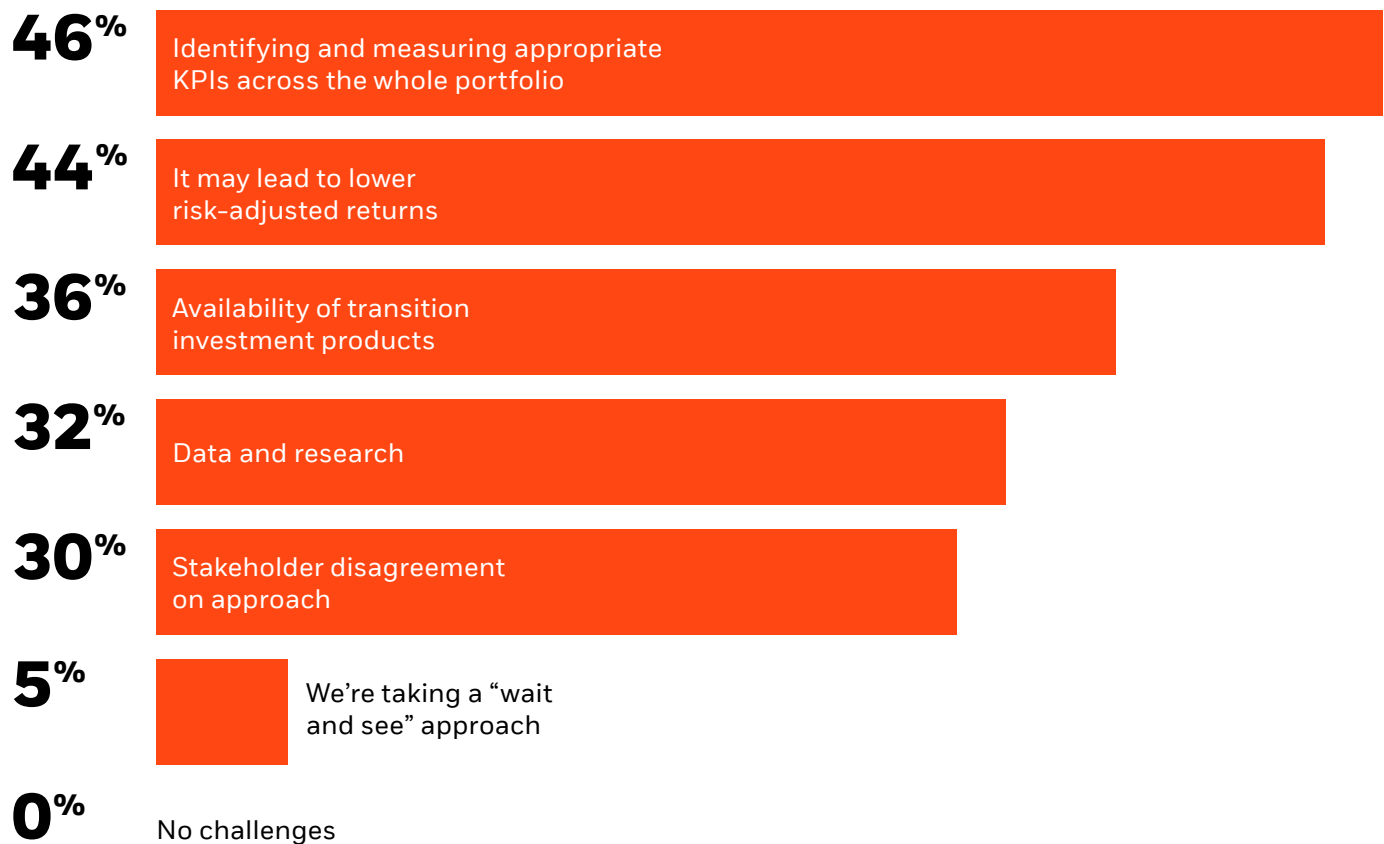


The top asset classes where institutional investors intend to increase allocations are **index fixed income, whole portfolio solutions, and emerging markets**. They would like to see **more products available in the same asset classes** in which they intend to increase allocations, particularly whole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

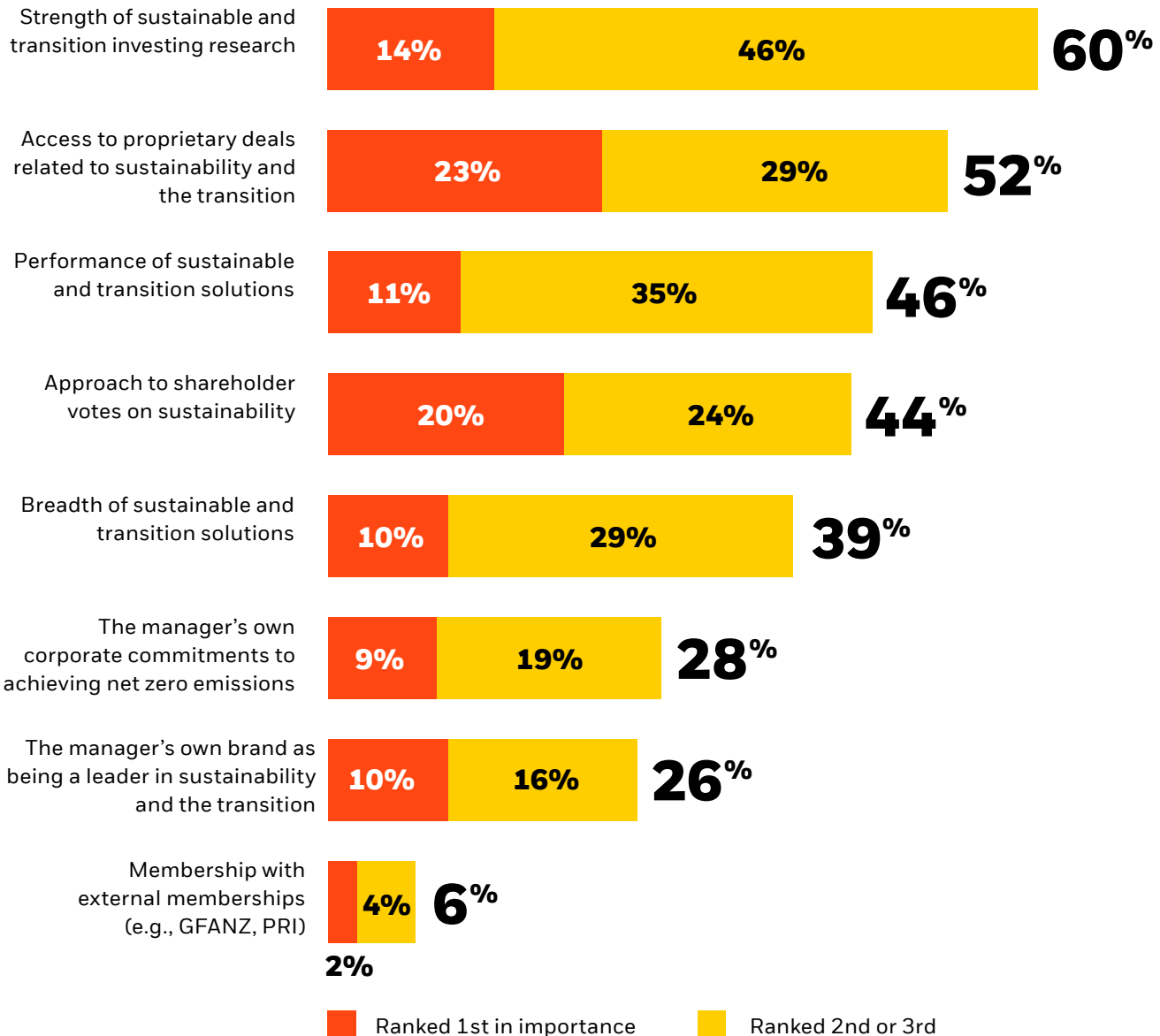
# Spotlight on whole portfolio, fixed income, KPIs, and performance

**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).

## Disclosures

**Capital at risk.** All financial investments involve an element of risk. Therefore, the value of the investment and the income from it will vary and the initial investment amount cannot be guaranteed.

The material is for information purposes only. It is not intended for and should not be distributed to, or relied upon by members of the public.

It is not intended to be a forecast, research or investment advice, and is not a recommendation, or an offer or solicitation to buy or sell any securities or to adopt any investment strategy. The opinions expressed are subject to change. References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be and should not be interpreted as recommendations. Reliance upon information in this material is at the sole risk and discretion of the reader. The material was prepared without regard to specific objectives, financial situation or needs of any investor.

Past performance is not a reliable indicator of current or future results.

**In the U.S.,** this material is for Institutional use only – not for public distribution.

**In Canada,** this material is intended for institutional investors only, is for educational purposes only, does not constitute investment advice and should not be construed as a solicitation or offering of units of any fund or other security in any jurisdiction.

**In Latin America,** for Institutional Investors and Financial Intermediaries Only (Not for public distribution). This material is for educational purposes only and does not constitute an offer or solicitation to sell or a solicitation of an offer to buy any shares of any fund (nor shall any such shares be offered or sold to any person) in any jurisdiction in which an offer, solicitation, purchase or sale would be unlawful under the securities law of that jurisdiction. It is possible that some or all of the funds mentioned in this document have not been registered with the securities regulator of Argentina, Brazil, Chile, Colombia, Mexico, Panama, Peru, Uruguay or any other securities regulator in any Latin American country and thus might not be publicly offered within any such country. The securities regulators of such countries have not confirmed the accuracy of any information contained herein. No information discussed herein can be provided to the general public in Latin America.

**In Argentina,** only for use with Qualified Investors under the definition as set by the Comisión Nacional de Valores (CNV).

**In Peru,** for use only with institutional investors as such term is defined by the Superintendencia de Banca, Seguros y AFP.

**In Colombia,** the offer of each Fund is addressed to less than one hundred specifically identified investors, and such Fund may not be promoted or marketed in Colombia or to Colombian residents unless such promotion and marketing is made in compliance with Decree 2555 of 2010 and other applicable rules and regulations related to the promotion of foreign financial and/or securities related products or services in Colombia.

**IN MEXICO, FOR INSTITUTIONAL AND QUALIFIED INVESTORS USE ONLY. INVESTING INVOLVES RISK, INCLUDING POSSIBLE LOSS OF PRINCIPAL. THIS MATERIAL IS PROVIDED FOR EDUCATIONAL AND INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SHARES OF ANY FUND OR SECURITY.** This information does not consider the investment objectives, risk tolerance or the financial circumstances of any specific investor. This information does not replace the obligation of financial advisor to apply his/her best judgment in making investment decisions or investment recommendations. It is your responsibility to inform yourself of, and to observe, all applicable laws and regulations of Mexico. If any funds, securities or investment strategies are mentioned or inferred in this material, such funds, securities or strategies have not been registered with the Mexican National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores, the “CNBV”) and thus, may not be publicly offered in Mexico. The CNBV has not confirmed the accuracy of any information contained herein. The provision of investment management and investment advisory services (“Investment Services”) is a regulated activity in Mexico, subject to strict rules, and performed under the supervision of the CNBV. These materials are shared for information purposes only, do not constitute investment advice, and are being shared in the understanding that the addressee is an Institutional or Qualified investor as defined under Mexican Securities (Ley del Mercado de Valores). Each potential investor shall make its own investment decision based on their own analysis of the available information. Please note that by receiving these materials, it shall be construed as a representation by the receiver that it is an Institutional or Qualified investor as defined under Mexican law. BlackRock México Operadora, S.A. de C.V., Sociedad Operadora de Fondos de Inversión (“BlackRock México Operadora”) is a Mexican subsidiary of BlackRock, Inc., authorized by the CNBV as a Mutual Fund Manager (Operadora de Fondos), and as such, authorized to manage Mexican mutual funds, ETFs and provide Investment Advisory Services. For more information on the Investment Services offered by BlackRock Mexico,

please review our Investment Services Guide available in [www.blackrock.com/mx](http://www.blackrock.com/mx). This material represents an assessment at a specific time and its information should not be relied upon by you as research or investment advice regarding the funds, any security or investment strategy in particular. Reliance upon information in this material is at your sole discretion.. BlackRock México is not authorized to receive deposits, carry out intermediation activities, or act as a broker dealer, or bank in Mexico. For more information on BlackRock México, please visit: [www.blackrock.com/mx](http://www.blackrock.com/mx). BlackRock receives revenue in the form of advisory fees for our advisory services and management fees for our mutual funds, exchange traded funds and collective investment trusts. Any modification, change, distribution or inadequate use of information of this document is not responsibility of BlackRock or any of its affiliates. Pursuant to the Mexican Data Privacy Law (Ley Federal de Protección de Datos Personales en Posesión de Particulares), to register your personal data you must confirm that you have read and understood the Privacy Notice of BlackRock México Operadora. For the full disclosure, please visit [www.BlackRock.com/mx](http://www.BlackRock.com/mx) and accept that your personal information will be managed according with the terms and conditions set forth therein. BlackRock® is a registered trademark of BlackRock, Inc. All other trademarks are the property of their respective owners.

For Offshore Wealth Investors, For Institutional investors and financial intermediaries only (not for public distribution). The information contained herein is for informational purposes only and is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. An assessment should be made as to whether the information is appropriate for you having regard to your objectives, financial situation, and needs. This information does not consider the investment objectives, risk tolerance, or the financial circumstances of any specific investor. This information does not replace the obligation of financial advisor to apply his/her best judgment in making investment decisions or investment recommendations.

This material is for distribution to Professional Clients (as defined by the Financial Conduct Authority or MiFID Rules) only and should not be relied upon by any other persons.

**In the UK and Non-European Economic Area (EEA) countries:** this is Issued by BlackRock Investment Management (UK) Limited, authorised and regulated by the Financial Conduct Authority. Registered office: 12 Throgmorton Avenue, London, EC2N 2DL. Tel: + 44 (0)20 7743 3000. Registered in England and Wales No. 02020394. For your protection telephone calls are usually recorded. Please refer to the Financial Conduct Authority website for a list of authorised activities conducted by BlackRock.

**In the European Economic Area (EEA):** this is Issued by BlackRock (Netherlands) B.V. is authorised and regulated by the Netherlands Authority for the Financial Markets. Registered office Amstelvein 1, 1096 HA, Amsterdam, Tel: 020 – 549 5200, Tel: 31-20-549-5200. Trade Register No. 17068311 For your protection telephone calls are usually recorded.

**For qualified investors in Switzerland:** This document is marketing material. Until 31 December 2021, this document shall be exclusively made available to, and directed at, qualified investors as defined in the Swiss Collective Investment Schemes Act of 23 June 2006 (“CISA”), as amended. From 1 January 2022, this document shall be exclusively made available to, and directed at, qualified investors as defined in Article 10 (3) of the CISA of 23 June 2006, as amended, at the exclusion of qualified investors with an opting-out pursuant to Art. 5 (1) of the Swiss Federal Act on Financial Services (“FinSA”). For information on art. 8 / 9 Financial Services Act (FinSA) and on your client segmentation under art. 4 FinSA, please see the following website: [www.blackrock.com/finsa](http://www.blackrock.com/finsa).

**In South Africa:** Please be advised that BlackRock Investment Management (UK) Limited is an authorised Financial Services provider with the South African Financial Services Conduct Authority, FSP No. 43288.

**In the Middle East:** The information contained in this document, does not constitute and should not be construed as an offer of, invitation or proposal to make an offer for, recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. Whilst great care has been taken to ensure that the information contained in this document is accurate, no responsibility can be accepted for any errors, mistakes or omissions or for any action taken in reliance thereon. You may only reproduce, circulate and use this document (or any part of it) with the consent of BlackRock.

The information contained in this document is for information purposes only. It is not intended for and should not be distributed to, or relied upon by, members of the public.

The information contained in this document, may contain statements that are not purely historical in nature but are “forward-looking statements”. These include, amongst other things, projections, forecasts or estimates of income. These forward-looking statements are based upon certain assumptions, some of which are described in other relevant documents or materials. If you do not understand the contents of this document, you should consult an authorised financial adviser.

**In DIFC:** This information is for Professional Clients as defined under the Dubai Financial Services Authority (“DFSA”) Conduct of Business (COB) Rules only. It does not constitute and should not be construed as an offer of, invitation or proposal to make an offer for, recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. Whilst great care has been taken to ensure that the information contained in this document is accurate, no responsibility can be accepted for any errors, mistakes or omissions or for any action taken in reliance thereon. You may only reproduce, circulate and use this document (or any part of it) with the consent of BlackRock.

BlackRock Advisors (UK) Limited –Dubai Branch is a DIFC Foreign Recognised Company registered with the DIFC Registrar of Companies (DIFC Registered Number 546), with its office at Unit L15 – 01A, ICD Brookfield Place, Dubai International Financial Centre, PO Box 506661, Dubai, UAE, and is regulated by the DFSA to engage in the regulated activities of ‘Advising on Financial Products’ and ‘Arranging Deals in Investments’ in or from the DIFC, both of which are limited to units in a collective investment fund (DFSA Reference Number F000738).

**In the Kingdom of Saudi Arabia:** Issued in the Kingdom of Saudi Arabia (KSA) by BlackRock Saudi Arabia (BSA), authorised and regulated by the Capital Market Authority (CMA), License No. 18-192-30. Registered under the laws of KSA. Registered office: 29th floor, Olaya Towers – Tower B, 3074 Prince Mohammed bin Abdulaziz St., Olaya District, Riyadh 12213 – 8022, KSA, Tel: +966 11 838 3600. The information contained within is intended strictly for Sophisticated Investors as defined in the CMA Implementing Regulations. Neither the CMA or any other authority or regulator located in KSA has approved this information. The information contained within, does not constitute and should not be construed as an offer of, invitation or proposal to make an offer for, recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. Any distribution, by whatever means, of the information within and related material to persons other than those referred to above is strictly prohibited. The information contained in this document is intended strictly for sophisticated institutions.

**In the United Arab Emirates** this material is only intended for –natural Qualified Investor as defined by the Securities and Commodities Authority (SCA) Chairman Decision No. 3/R.M. of 2017 concerning Promoting and Introducing Regulations. Neither the DFSA or any other authority or regulator located in the GCC or MENA region has approved this information.

**For investors in Israel:** BlackRock Investment Management (UK) Limited is not licensed under Israel’s Regulation of Investment Advice, Investment Marketing and Portfolio Management Law, 5755-1995 (the “Advice Law”), nor does it carry insurance thereunder.

**In Bahrain:** The information contained in this document is intended strictly for sophisticated institutions.

**In Kuwait:** The information contained in this document is intended strictly for sophisticated institutions that are ‘Professional Clients’ as defined under the Kuwait Capital Markets Law and its Executive Bylaws.

**In Qatar:** The information contained in this document is intended strictly for sophisticated institutions.

**In Oman:** The information contained in this document is intended strictly for sophisticated institutions.

**In Australia & New Zealand,** issued by BlackRock Investment Management (Australia) Limited ABN 13 006 165 975, AFSL 230 523 (BIMAL) for the exclusive use of the recipient, who warrants by receipt of this material that they are a wholesale client as defined under the Australian Corporations Act 2001 (Cth) and the New Zealand Financial Advisers Act 2008 respectively.

This material provides general information only and does not take into account your individual objectives, financial situation, needs or circumstances. Before making any investment decision, you should therefore assess whether the material is appropriate for you and obtain financial advice tailored to you having regard to your individual objectives, financial situation, needs and circumstances. Refer to BIMAL’s Financial Services Guide on its website for more information. This material is not a financial product recommendation or an offer or solicitation with respect to the purchase or sale of any financial product in any jurisdiction.

This material is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. BIMAL is a part of the global BlackRock Group which comprises of financial product issuers and investment managers around the world. BIMAL is the issuer of financial products and acts as an investment manager in Australia. BIMAL does not offer financial products to persons in New Zealand who are retail investors (as that term is defined in the Financial Markets Conduct Act 2013 (FMCA)). This material does not constitute or relate to such an offer. To the extent that this material does constitute or relate to such an offer of financial products, the offer is only made to, and capable of acceptance by, persons in New Zealand who are wholesale investors (as that term is defined in the FMCA).

BIMAL, its officers, employees and agents believe that the information in this material and the sources on which it is based (which may be sourced from third parties) are correct as at the date of publication. While every care has been taken in the preparation of this material, no warranty of accuracy or reliability is given and no responsibility for the information is accepted by BIMAL, its officers, employees or agents. Except where contrary to law, BIMAL excludes all liability for this information.

**In China,** This material may not be distributed to individuals resident in the People's Republic of China ("PRC", for such purposes, not applicable to Hong Kong, Macau and Taiwan) or entities registered in the PRC unless such parties have received all the required PRC government approvals to participate in any investment or receive any investment advisory or investment management services.

**In Hong Kong,** this material is issued by BlackRock Asset Management North Asia Limited and has not been reviewed by the Securities and Futures Commission of Hong Kong. This material is for distribution to "Professional Investors" (as defined in the Securities and Futures Ordinance (Cap.571 of the laws of Hong Kong) and any rules made under that ordinance.) and should not be relied upon by any other persons or redistributed to retail clients in Hong Kong.

**In Japan,** this is issued by BlackRock Japan. Co., Ltd. (Financial Instruments Business Operator: The Kanto Regional Financial Bureau. License No375, Association Memberships: Japan Investment Advisers Association, The Investment Trusts Association, Japan, Japan Securities Dealers Association, Type II Financial Instruments Firms Association) for Professional Investors only (Professional Investor is defined in Financial Instruments and Exchange Act).

**For Southeast Asia:** this document is issued by BlackRock and is intended for the exclusive use of any recipient who warrants, by receipt of this material, that such recipient is an institutional investors or professional/sophisticated/qualified/accredited/expert investor as such term may apply under the relevant legislations in Southeast Asia (for such purposes, includes only Malaysia, the Philippines, Thailand, Brunei and Indonesia). BlackRock does not hold any regulatory licenses or registrations in Southeast Asia countries listed above, and is therefore not licensed to conduct any regulated business activity under the relevant laws and regulations as they apply to any entity intending to carry on business in Southeast Asia, nor does BlackRock purport to carry on, any regulated activity in any country in Southeast Asia. BlackRock funds, and/or services shall not be offered or sold to any person in any jurisdiction in which such an offer, solicitation, purchase, or sale would be deemed unlawful under the securities laws or any other relevant laws of such jurisdiction(s).

This material is provided to the recipient on a strictly confidential basis and is intended for informational or educational purposes only. Nothing in this document, directly or indirectly, represents to you that BlackRock will provide, or is providing BlackRock products or services to the recipient, or is making available, inviting, or offering for subscription or purchase, or invitation to subscribe for or purchase, or sale, of any BlackRock fund, or interests therein. This material neither constitutes an offer to enter into an investment agreement with the recipient of this document, nor is it an invitation to respond to it by making an offer to enter into an investment agreement.

The distribution of the information contained herein may be restricted by law and any person who accesses it is required to comply with any such restrictions. By reading this information you confirm that you are aware of the laws in your own jurisdiction regarding the provision and sale of funds and related financial services or products, and you warrant and represent that you will not pass on or utilize the information contained herein in a manner that could constitute a breach of such laws by BlackRock, its affiliates or any other person.

**In South Korea,** this information is issued by BlackRock Investment (Korea) Limited. This material is for distribution to the Qualified Professional Investors (as defined in the Financial Investment Services and Capital Market Act and its sub-regulations) and for information or educational purposes only, and does not constitute investment advice or an offer or solicitation to purchase or sells in any securities or any investment strategies.

**In Singapore,** this document is provided by BlackRock (Singapore) Limited (company registration number:200010143Nfor use only with institutional and accredited investors as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.

**In Taiwan,** Independently operated by BlackRock Investment Management (Taiwan) Limited. Address: 28F., No. 100, Songren Rd., Xinyi Dist., Taipei City 110, Taiwan. Tel: (02)23261600.

**For Other Countries in APAC:** This material is provided for your informational purposes only and must not be distributed to any other persons or redistributed. This material is issued for Institutional Investors only (or professional/sophisticated/qualified investors as such term may apply in local jurisdictions) and does not constitute investment advice or an offer or solicitation to purchase or sell in any securities, BlackRock funds or any investment strategy nor shall any securities be offered or sold to any person in any jurisdiction in which an offer, solicitation, purchase or sale would be unlawful under the securities laws of such jurisdiction.

FOR INSTITUTIONAL, FINANCIAL PROFESSIONAL, PERMITTED CLIENT / INVESTOR AND WHOLESALE INVESTOR USE ONLY.  
THIS MATERIAL IS NOT TO BE REPRODUCED OR DISTRIBUTED TO PERSONS OTHER THAN THE RECIPIENT.

This material is provided to the recipient on a strictly confidential basis and is intended for informational or educational purposes only. Nothing in this document, directly or indirectly, represents to you that BlackRock will provide, or is providing BlackRock products or services to the recipient, or is making available, inviting, or offering for subscription or purchase, or invitation to subscribe for or purchase, or sale, of any BlackRock fund, or interests therein. This material neither constitutes an offer to enter into an investment agreement with the recipient of this document, nor is it an invitation to respond to it by making an offer to enter into an investment agreement.

The information provided here is neither tax nor legal advice and should not be relied on as such. Investment involves risk including possible loss of principal.

**FOR INSTITUTIONAL, FINANCIAL PROFESSIONAL, PERMITTED CLIENT / INVESTOR AND WHOLESALE INVESTOR USE ONLY. THIS MATERIAL IS NOT TO BE REPRODUCED OR DISTRIBUTED TO PERSONS OTHER THAN THE RECIPIENT.**

© 2023 BlackRock, Inc. All rights reserved. **BLACKROCK** is a trademark of BlackRock, Inc., or its subsidiaries in the United States and elsewhere. All other trademarks are those of their respective owners.

GELM-1772-AUG23-US