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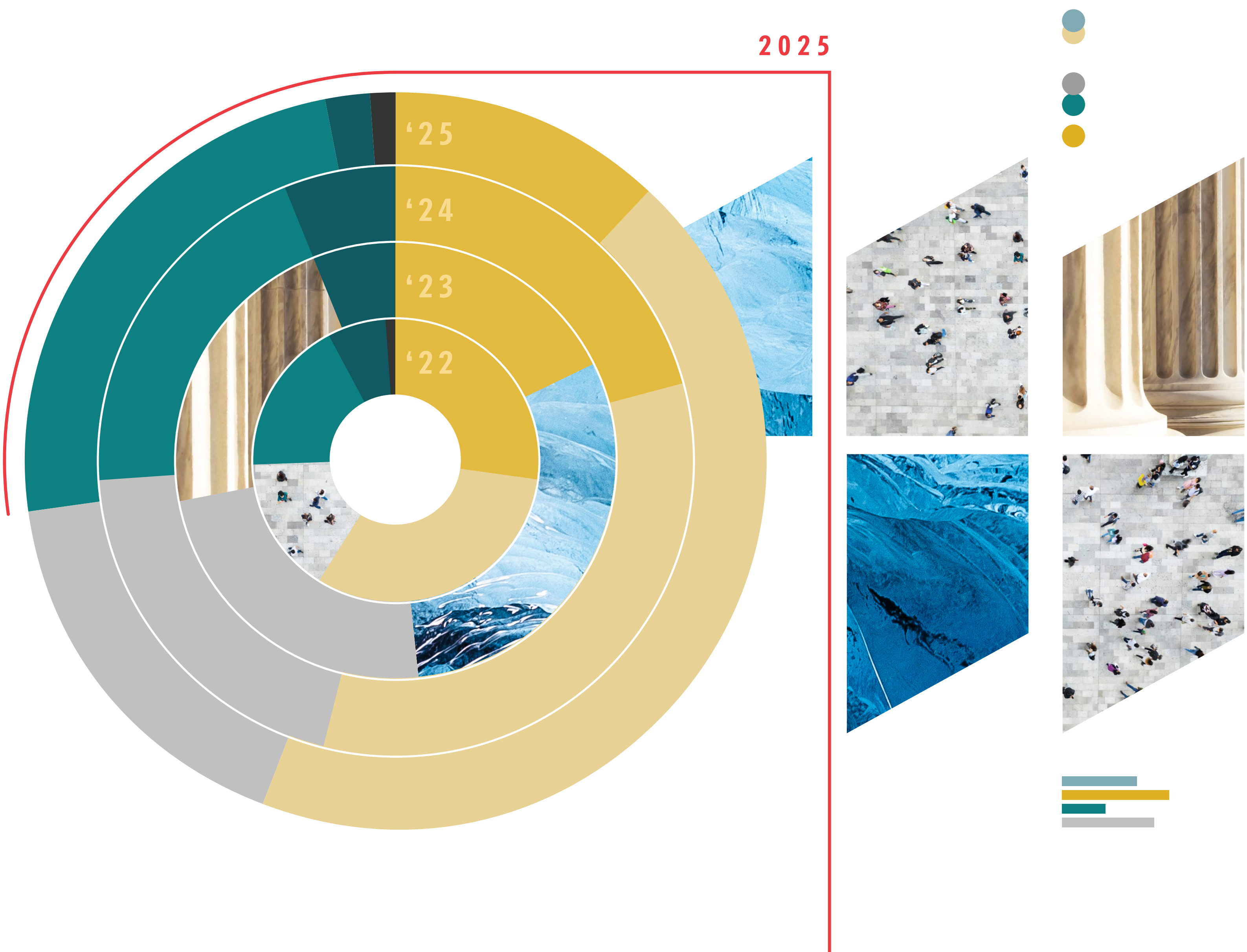
Voice of the Asset Owner Survey 2025

Quantitative Analysis

Conducted by Morningstar Indexes and Morningstar Sustainalytics



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September 2025

Our fourth annual global survey of institutional investors' priorities and perspectives

Institutional investors manage trillions of dollars in assets globally. Because of their size, strategy and systemic impact, these asset owners don't just participate in markets—they help shape them.

Our fourth annual global asset owner survey reveals a community deeply committed to its fiduciary responsibilities, while navigating increasingly significant disruption and uncertainty in capital markets and a complex regulatory landscape. This year's findings highlight several emerging trends: a growing consideration of reallocating away from US assets, a widening global divergence in approaches to environmental, social, and governance (ESG) investing—particularly between the US and other regions—increased sophistication in climate strategies and rising support for standardized ESG frameworks and regulation.

Phase One—What we heard: Qualitative insights from direct conversations

Earlier in 2025, as part of the qualitative phase of our survey, we held in-depth, one-on-one conversations with 25 asset owners from North America, Europe, and Asia-Pacific. The goal of these discussions was to surface key themes and perspectives to inform the broader quantitative study. Common threads included the shifting geopolitical, public policy, and market landscape; ESG regulation and implementation; and the evolution of asset owners' views on climate investment strategies. Read the full analysis.

Phase Two—Quantitative analysis

In July 2025, we launched the second phase of our annual survey—a quantitative study designed to delve deeper into the key themes surfaced during our initial qualitative discussions. The survey captured responses from over 500 asset owners of a variety of types, sizes, and geographies. The results are organized as follows:

1. Disruption and uncertainty drive asset owners to rethink asset allocation
2. ESG reexamined and reaffirmed
3. Shaping climate strategy: Global trends and local nuances
4. Stewardship: A key lever in climate ESG implementation
5. Regulatory reality check
6. Asset owners take charge: ESG implementation and priorities for improvement

Who did we talk to?

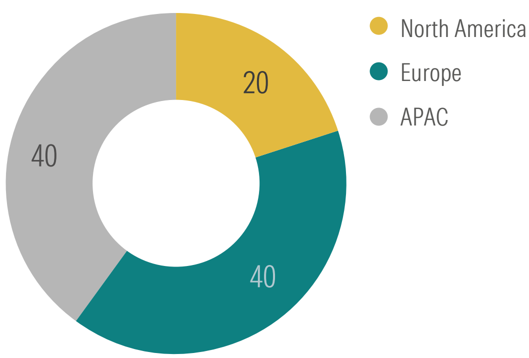
The quantitative survey gathered the responses of over 500 asset owners representing combined assets under management of $19.1 trillion.

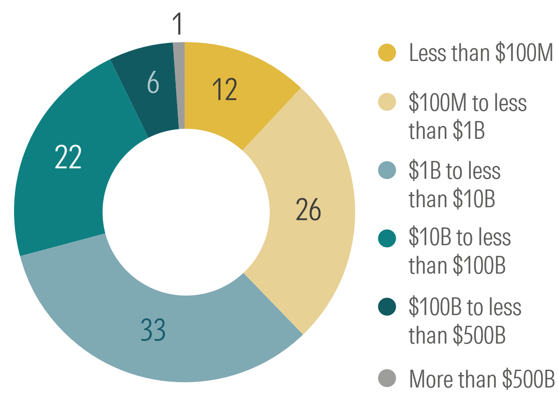
Those surveyed included outsourced chief investment officers, or OCIOs, (22%), family offices (19%), insurance general accounts (18%), pension funds (17%), endowments / foundations (12%), and charitable/religious foundations (11%). Sovereign wealth funds were also represented.

Geographically, the survey spanned 11 countries with 103 total respondents from North America (US and Canada), 203 respondents from Europe, and 200 located in the Asia-Pacific (APAC) region.

Nearly two-thirds of the asset owners surveyed represent institutions managing $1 billion or more in assets (62%), and more than one out of four (29%) manage $10 billion or more in assets.

Regional distribution (%) and AUM tier distribution (%)





Disruption and uncertainty drive asset owners to rethink asset allocation

Material considerations in a shifting global landscape

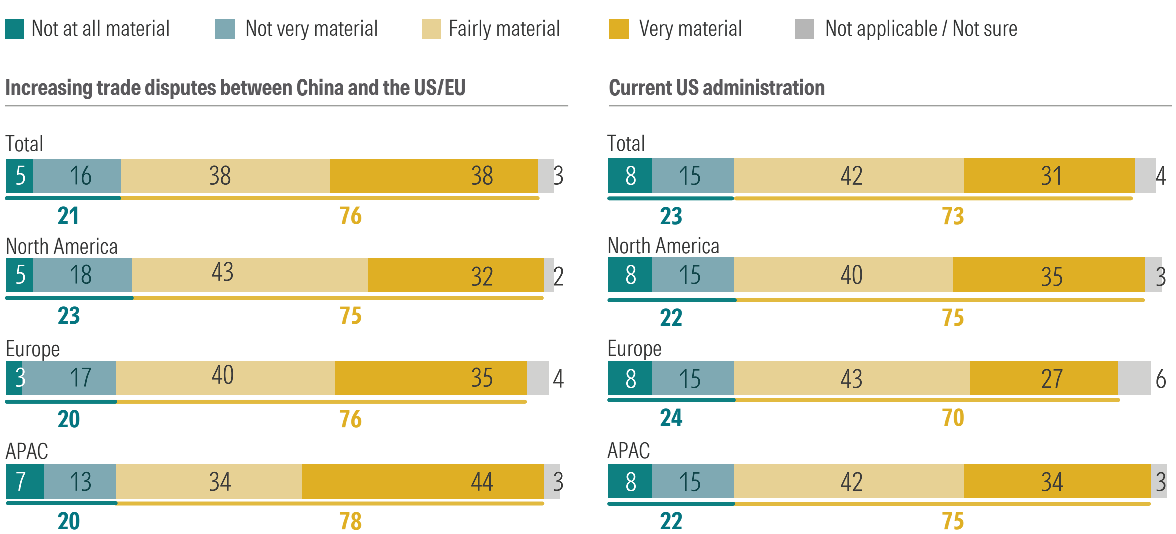
This year's survey was fielded during a period of heightened geopolitical uncertainty. Insights from our qualitative interviews revealed that asset owners are increasingly focused on distinguishing short-term noise from material investment considerations that have long term impact.

We asked asset owners how material a range of geopolitical issues have been to their overall investment decisions over the past year, and the following three US-driven issues rose to the top:

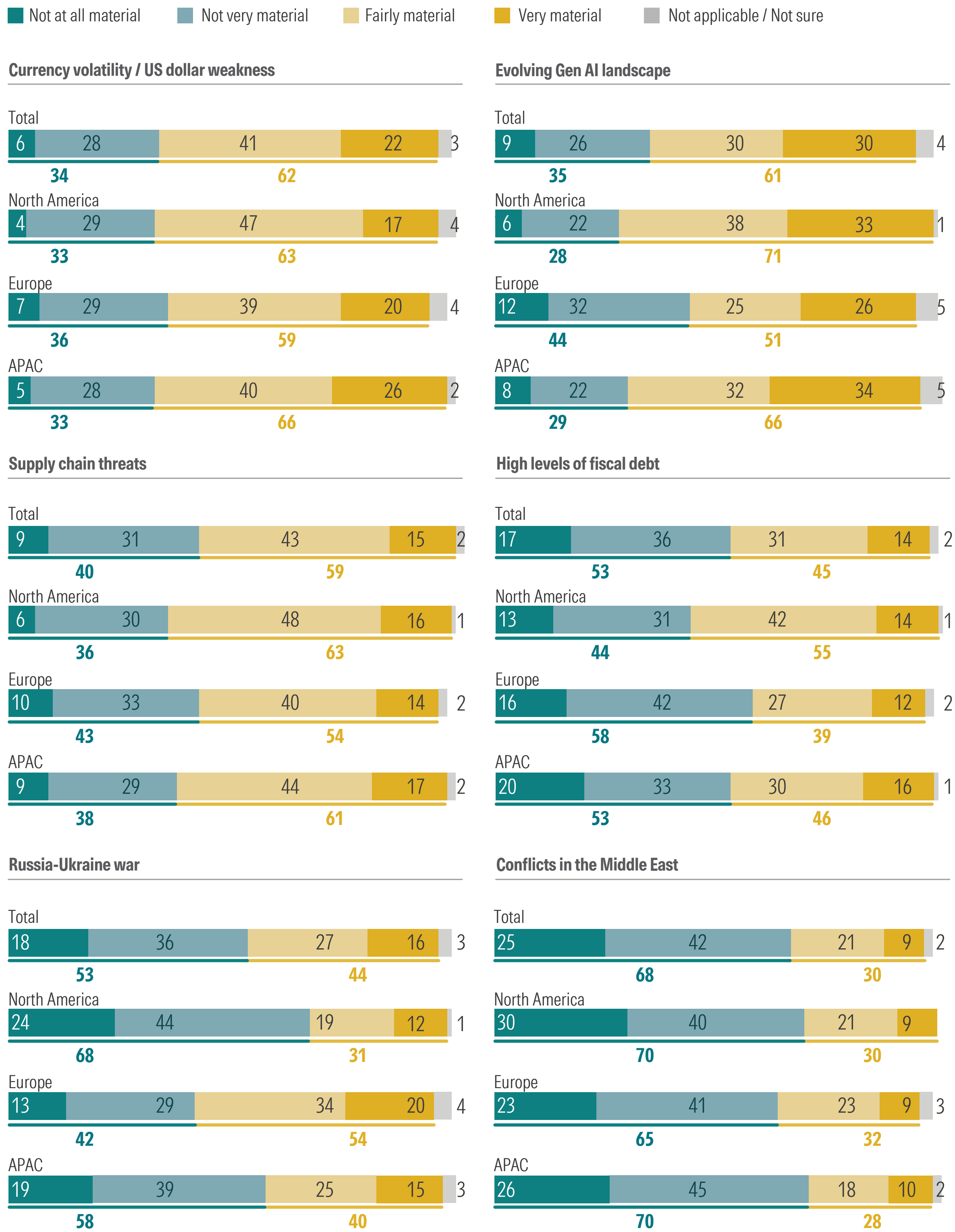
- 76% of asset owners view the trade disputes, including the tariffs levied by the US, as material (this figure proved quite stable regionally). Not surprisingly, asset owners in China overwhelmingly find this issue to be material (94%/not shown).
- 73% of asset owners view the current US administration as material
- 62% of asset owners view currency volatility/US dollar weakness as material

The rapidly evolving generative artificial intelligence landscape has become a significant factor in the institutional investment decision-making process as well, with 61% of asset owners globally citing it as material. This is more significant to asset owners in North America (71%) and APAC (66%) than it is to their counterparts in Europe (51%).

Issues most material to asset owners' investment decisions (%)



Continued... **Issues most material to asset owners' investment decisions (%)**

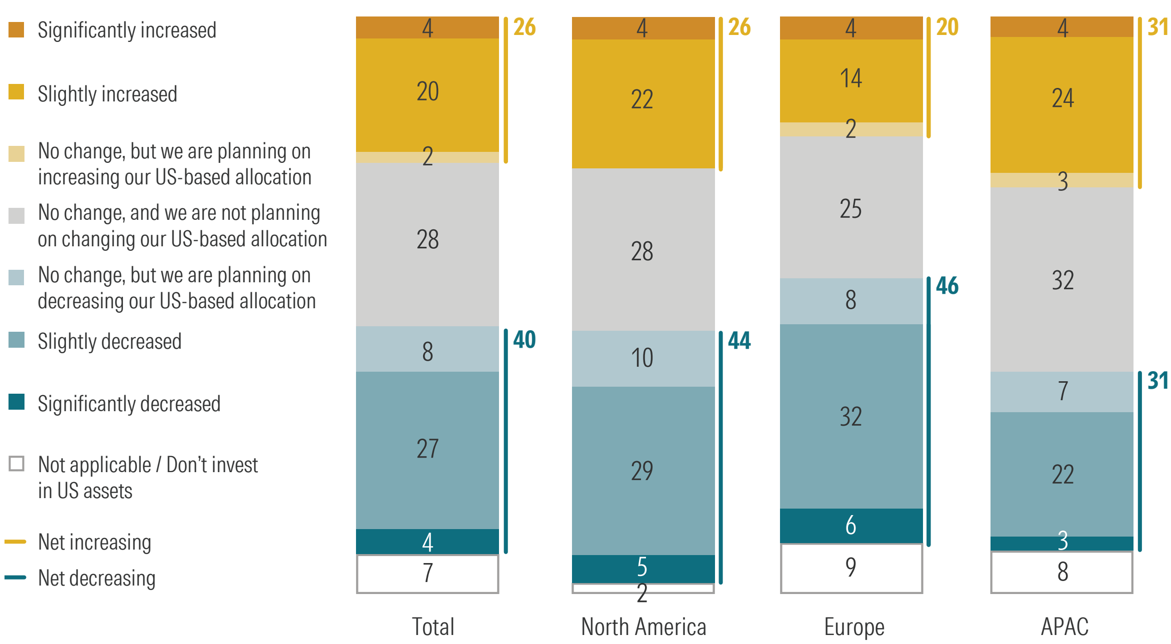


Strategic reallocation in response to US geopolitical influence

During the qualitative interviews, it became evident that asset owners were increasingly contemplating a reduction in their capital allocations to US assets. With the US playing an instrumental role in driving the top-three most material issues to asset owners, we probed a bit deeper into the quantitative data to understand whether these issues are motivating asset owners to shift their allocations away from US investments.

In the midst of increased risk and uncertainty, 40% of asset owners report that they've either already decreased or are planning to decrease their allocations to US investments, with certain markets like Canada (62%/not shown) and the UK (55%/not shown) much more likely to be reducing or planning to reduce their US allocations.

How allocations to US-based assets have changed over the past 12 months (%)

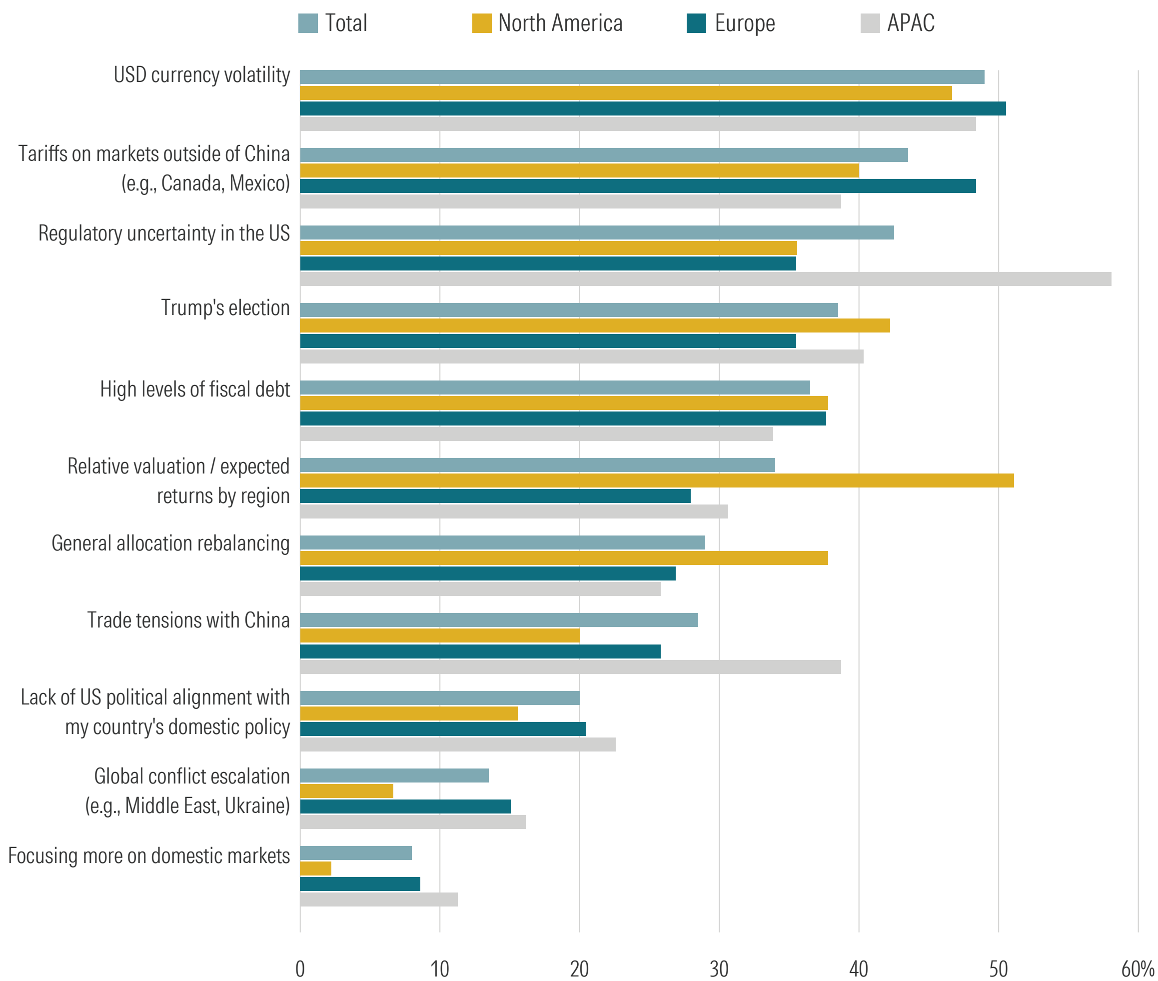


Asset owners cited a range of factors behind their decision to reduce their allocation to the US. They are most deterred by US dollar volatility, tariffs (in markets outside of China), as well as regulatory uncertainty in the US.

At the regional level, those in APAC markets are especially wary of regulatory uncertainty in the US (58%), while those in Europe (48%) are more motivated by concerns about tariffs than asset owners in APAC (39%). Interestingly, relative valuation and expected returns by region stands out among asset owners in North America as a prominent driver for reducing allocations to US-based investments.

While we heard from asset owners in the qualitative survey that there was a refreshed focus on opportunities in their domestic markets, interestingly, we did not see this in the quantitative results as a driving force behind the decision to reallocate away from US-based assets, with only 9% in Europe and 11% in APAC citing a focus on domestic markets as a rationale for reducing their allocation to the US.

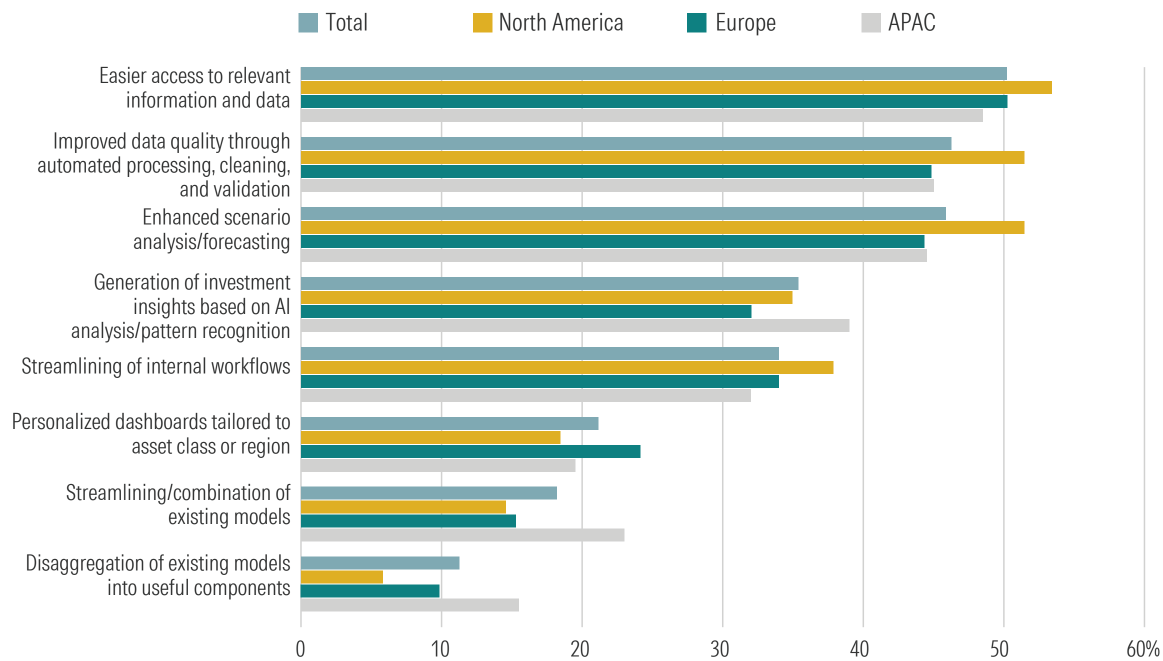
Rationale for reducing allocation to US-based assets (%)



Where asset owners see value in artificial intelligence

When asked to look ahead and predict where AI technologies could be the most useful to their investment operations, asset owners most often pointed to easier access to relevant info and data (50%), improved data quality through automated processes (46%), and enhanced scenario analysis/forecasting (46%). Asset owners in the US (58%/not shown) and Germany (62%/not shown) were particularly optimistic about improved access to relevant info and data, while Singapore (63%/not shown) stood out as having notably higher expectations for AI-driven investment insights.

Areas asset owners expect AI technologies (for example, large language models, machine learning) to be the most useful in their investment operations (%)

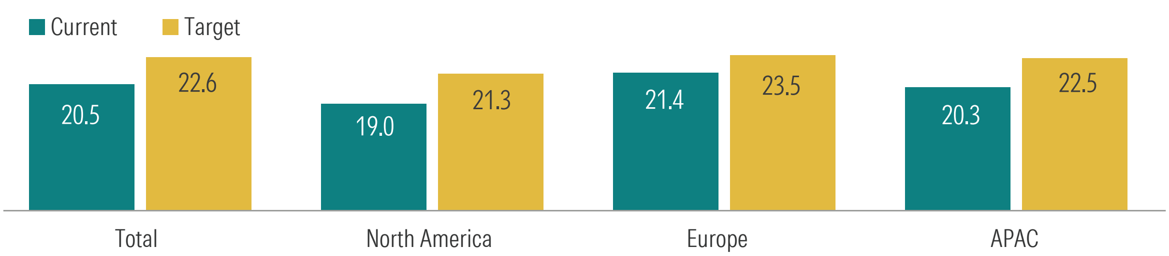


Private markets gaining ground in global portfolios

Throughout the qualitative interviews, it was clear that private market investing is becoming increasingly embedded in asset owner strategies globally, reinforcing a trend that we've seen steadily unfolding.

On average, asset owners globally report about 20% of their assets under management as being allocated to private markets. This is slightly higher in Europe (21.4%) than in APAC (20.3%) and North America (19.0%). When asked what their five-year target allocation to private markets looks like, respondents indicated an increase of roughly 2 percentage points, or 10%, across the board, suggesting a gradual yet consistent commitment to increased investment in private assets.

Current and five-year targeted percentage of total AUM invested in private markets (average) (%)



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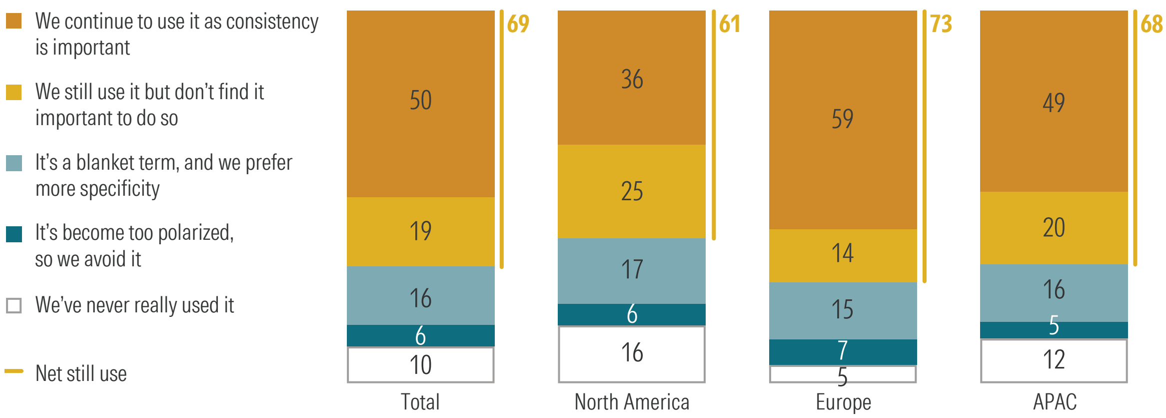
ESG reexamined and reaffirmed

The ESG label: still relevant or ready for a rebrand?

In the qualitative discussions, some asset owners acknowledged the term "ESG" as a useful means of readily identifying a concept, while others dismissed it as a "marketing term" that has become polarizing. Given conflicting sentiment around the term, we looked to the quantitative survey to help settle the debate on terminology.

While the term has certainly become more contested in recent years, at least two thirds of assets owners still report using it (69%), mostly for the sake of consistency. This is especially the case in Europe (73%) and APAC (68%).

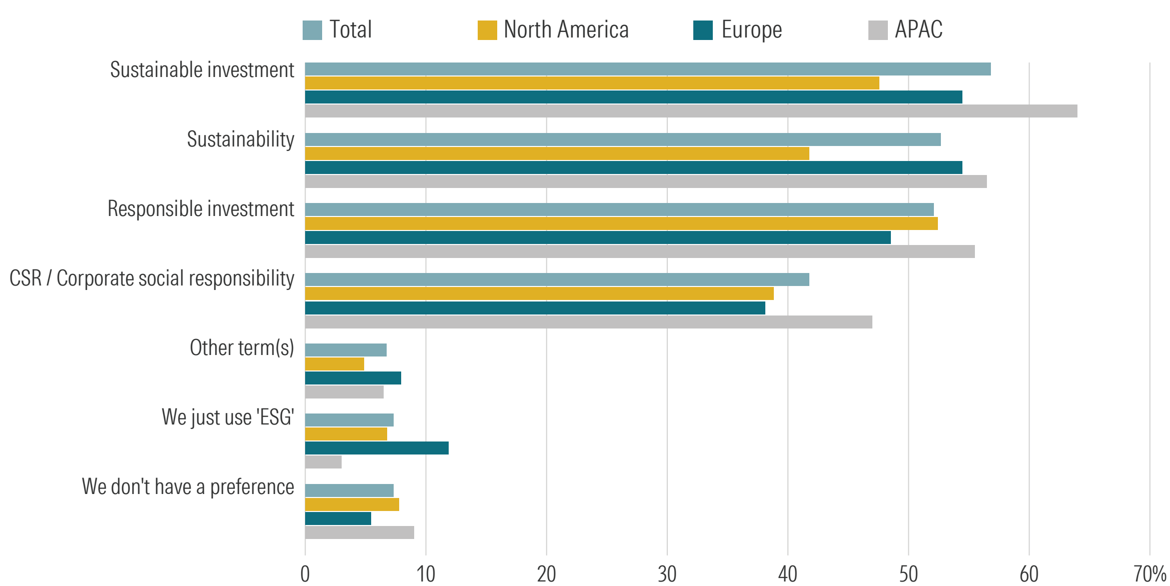
Orientation toward the term ESG (%)



Several alternative terms for ESG surfaced during our qualitative conversations, so we decided to probe deeper into the quantitative study to determine whether there is consensus on what a more appropriate term might be.

We asked survey participants which, if any, terms they use when referring to ESG (allowing them to select all that apply), and the most common terms chosen were "Sustainable investment" (57%), "Sustainability" (53%), and "Responsible investment" (52%).

Alternative terms used for referring to "ESG investing" (%)

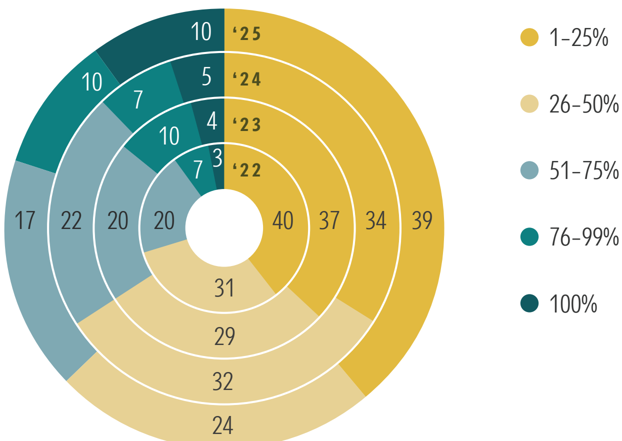


Language is tested, but ESG philosophy remains

Even as a loosely held consensus for ESG terminology remains, considering ESG factors in the investment process continues to be an imperative practice for asset owners globally.

Twenty percent of asset owners report that ESG considerations are applied to more than 75% of their AUM, an increase of 8 percentage points since last year. Those reporting that 100% of their AUM is invested through an ESG lens has reached 10%, a 5-percentage-point increase since last year, and up 233% since 2022 (3%).

Percentage of total AUM with ESG considerations applied (%) *

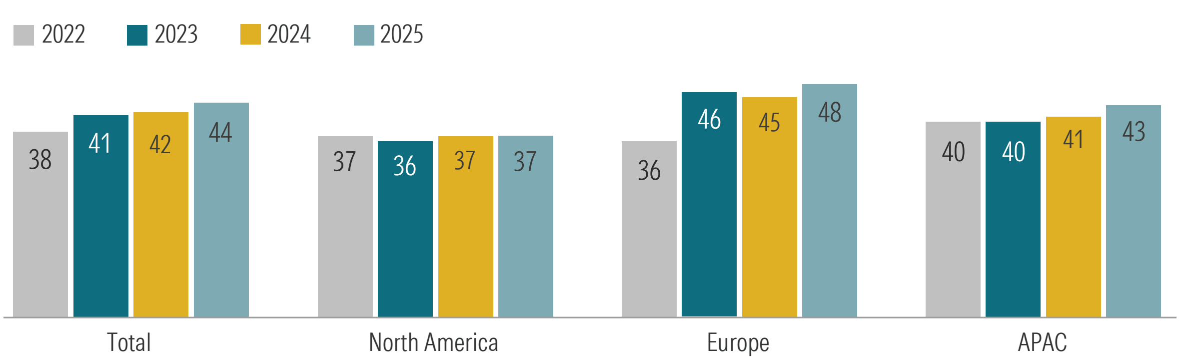


The average proportion of survey respondents' total AUM taking ESG into account is 44% compared with 42% in 2024, 41% in 2023, and 38% in 2022.

Broken down regionally, on average, European AOs invest nearly half (48%) of their assets through an ESG lens, up slightly from what was reported in 2024. This is driven largely by the 52 German AOs who responded to the survey (58%/not shown). Of the APAC countries covered, China reports the highest average AUM (68%/not shown) for which ESG factors are considered.

* Question was only applied to asset owners who invest at least 1% of their assets with ESG factors considered

Percentage of total AUM with ESG considerations applied (regional average) (%) *

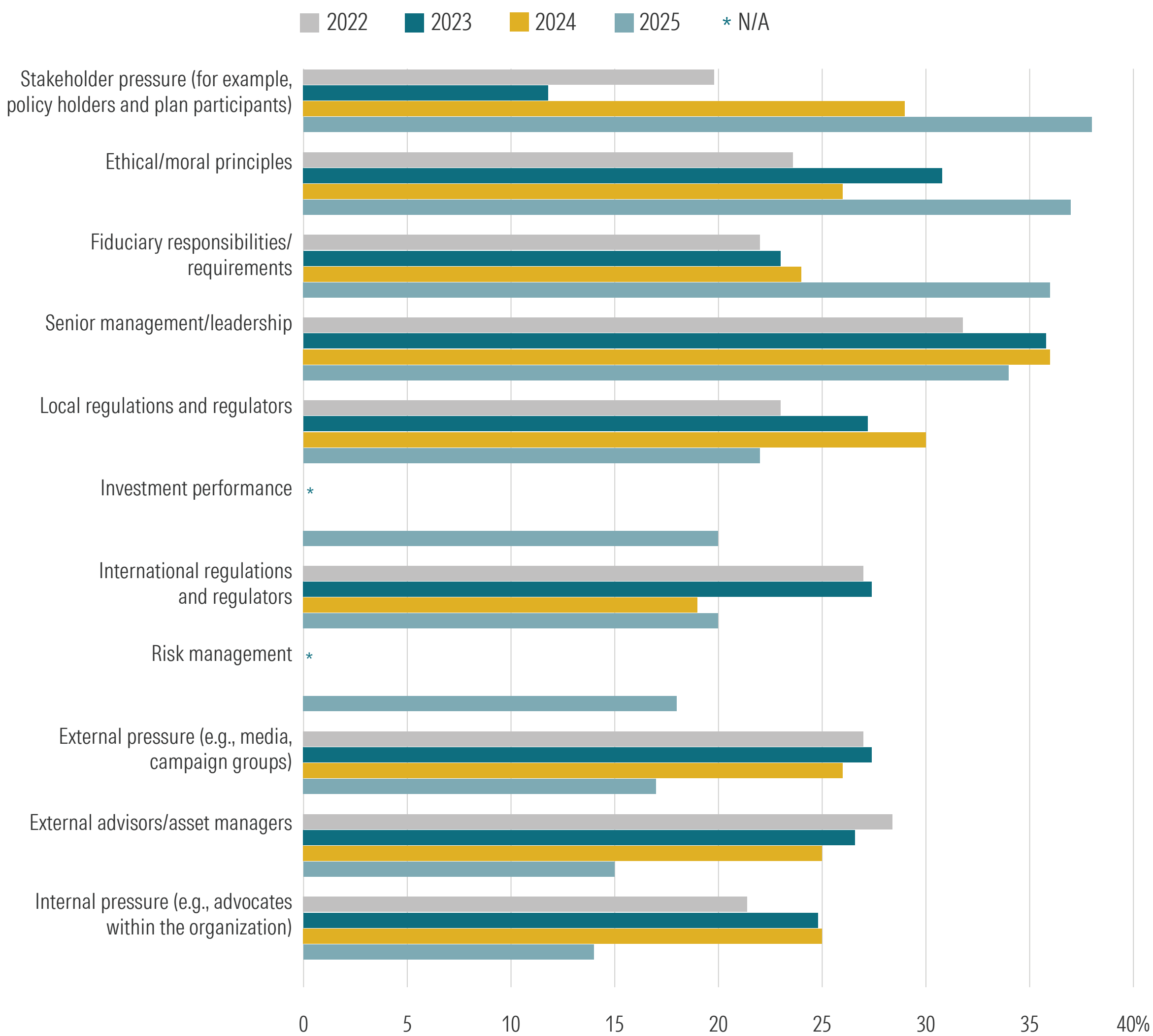


Motivators and obstacles to ESG adoption

For the fourth year in a row, we asked asset owners to select the three most important reasons their organization has chosen to consider ESG factors in their investment process. This year, we added two new options to the list of potential answers: investment performance and risk management.

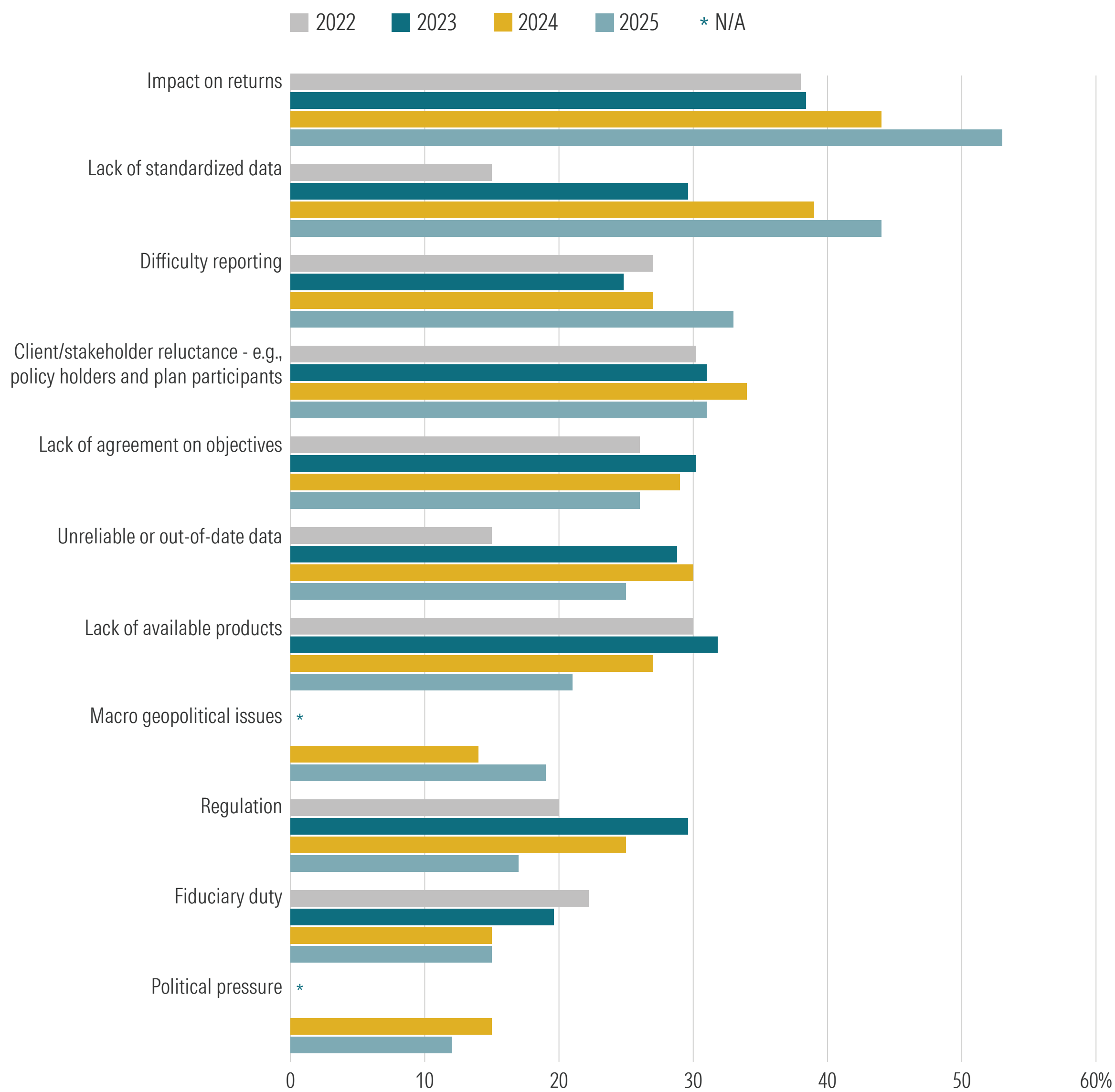
Stakeholder pressure, ethical/moral principles, and fiduciary responsibilities/requirements make up the top three most-selected responses, with fiduciary considerations increasing the most notably since 2024, rising over 12 percentage points to 36% in 2025. Like in previous years, the influence of senior management/leadership remains high, ranked fourth at (34%). The factor that has decreased most significantly in importance since 2024 is internal pressure (for example, advocates within the organization), which decreased from 25% of respondents selecting it as a top-three reason in 2024 to just 14% in 2025.

Rationale for considering ESG in the investment process – top three (%)



The primary barrier to considering ESG factors in the investment process this year remains the impact on returns, which has continued to increase as the top pain point, up from 38% in 2022 to 53% in 2025. Lack of standardized data (44%), and difficulty reporting (33%) persist as challenges as well. Regulation as an obstacle has declined, with 30% of asset owners listing it as a barrier in 2023, compared to just 17% in 2025.

Barriers to pursuing an ESG investment strategy—top three (%)

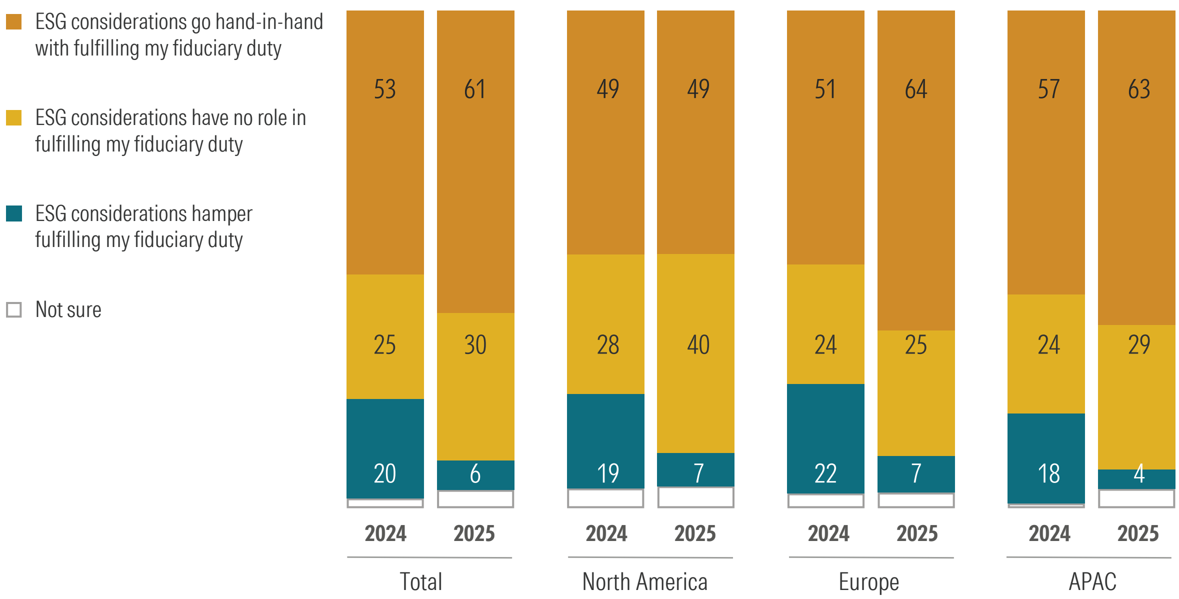


The increasing alignment of ESG considerations and fiduciary responsibility

This question was introduced in 2024, and we've seen a significant shift in the year that has passed. In 2024, 53% of asset owners surveyed said that ESG considerations go hand in hand with fulfilling their fiduciary duty. As of 2025, this number has increased to 61%. Along the same vein, the proportion of responses indicating that ESG considerations hamper the fulfillment of fiduciary duty has significantly decreased, from 20% in 2024 to just 6% in 2025.

* Question was only applied to asset owners who invest at least 1% of their assets with ESG factors considered

How ESG considerations contribute to fulfilling fiduciary duty (%) *



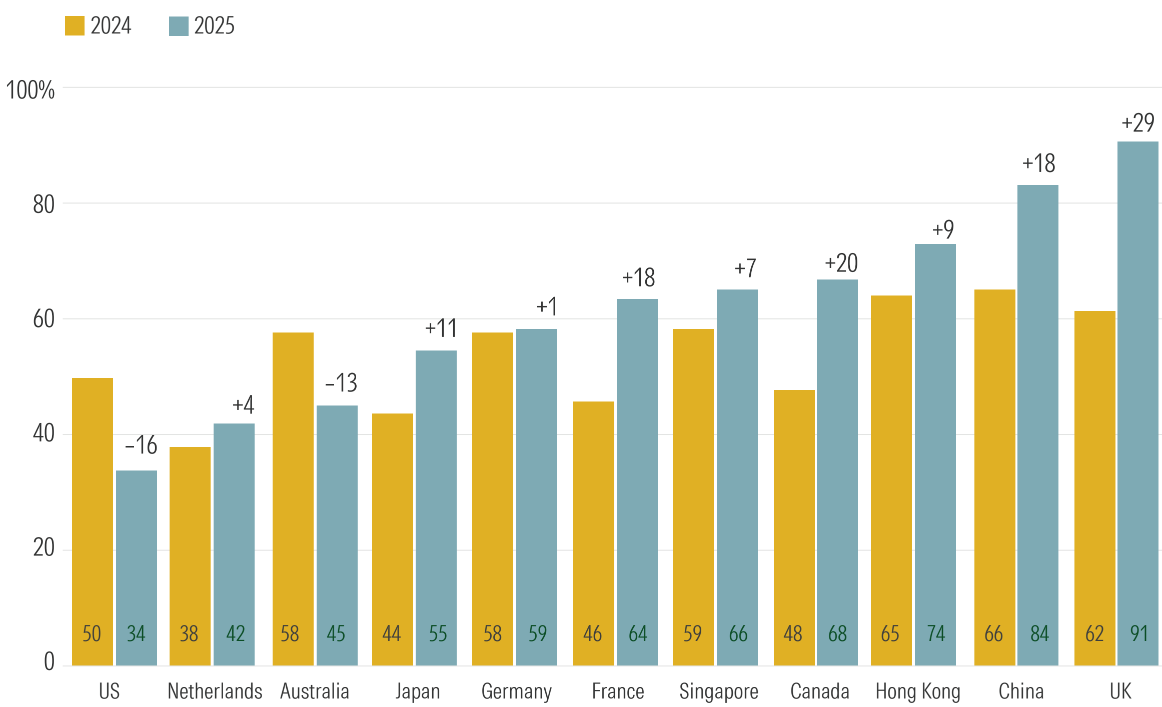
Country-specific observations include:

- When looking at the year over year change in responses, the US (–16%) and Australia (–13%) are the only two countries that saw a decrease in the view that ESG considerations are supportive of fulfilling their fiduciary duties.
- Asset owners in France increasingly view ESG considerations as supportive of fulfilling their fiduciary duties. Those who said ESG considerations help them fulfill their fiduciary responsibilities increased by 18 percentage points from 46% in 2024 to 64% in 2025, while those who feel they hamper their fiduciary goals dropped 19 percentage points from 30% in 2024 (not shown) to just 11% in 2025 (not shown).
- In the Netherlands, there has been a notable shift in perceptions regarding ESG considerations and fiduciary duty. The share of asset owners who said that ESG has no role in fulfilling their fiduciary obligations increased significantly, from 30% in 2024 (not shown) to 44% in 2025 (now shown). At the same time, the proportion who believe ESG considerations hamper their ability to meet these obligations fell sharply, from 26% (not shown) to 7% (not shown).

- Asset owners in the UK exhibit the strongest support for considering ESG as it relates to fiduciary responsibilities. The proportion of respondents who believe ESG considerations support their fiduciary duties increased signification, from 62% in 2024 to 91% in 2025, an increase of 29 percentage points.
- Japan is the only country in which no asset owners reported that the incorporation of ESG considerations impedes their ability to fulfill their fiduciary duty (not shown)—an improvement from the 22% (not shown) who expressed this view in 2024. Additionally, Japan reports one of the highest proportions (40%/not shown) of respondents indicating that ESG considerations play no role in fulfilling their fiduciary obligations.

* Question was only applied to asset owners who invest at least 1% of their assets with ESG factors considered

Proportion of respondents who said ESG considerations contribute to fulfilling fiduciary duty (%) *

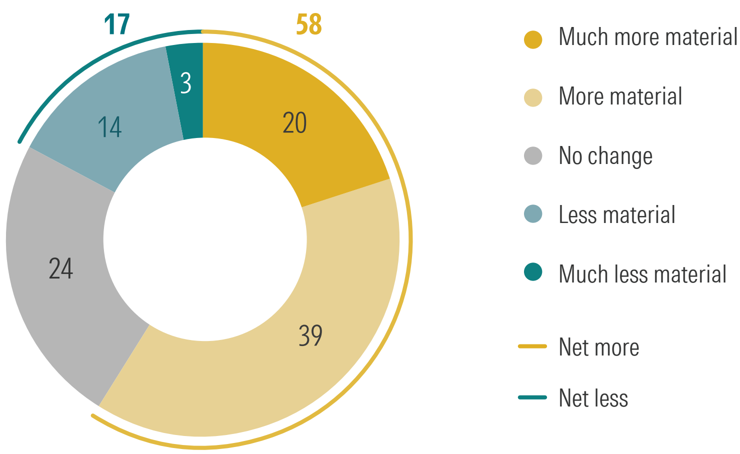


A rising sense of ESG materiality except in the US

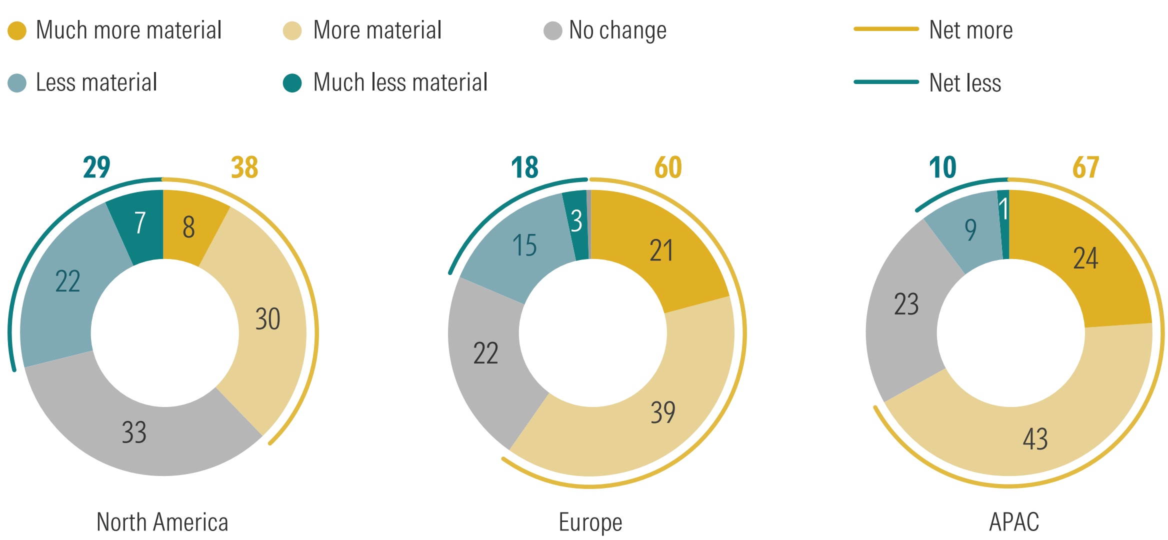
More than one-half (58%) of the asset owners we surveyed believe ESG has become "more" or "much more" material in the past five years.

Regionally, more asset owners in APAC (67%) believe ESG factors have become more material, followed by Europe (60%) and North America (38%). In addition, 29% of North American asset owners feel that ESG considerations have become either "less" or "much less" material in the past five years.

Whether ESG has become more or less material in the past five years (%) *



Whether ESG has become more material or less material in the past five years (regional average) (%) *

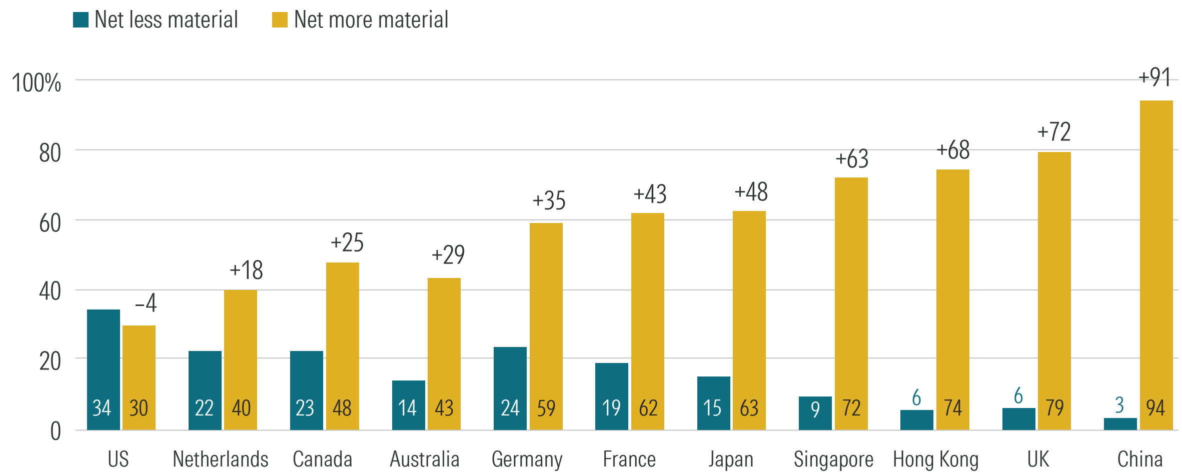


* Question was only applied to asset owners who invest at least 1% of their assets with ESG factors considered

We dissected the results further by comparing the "net more material" with the "net less material" answers on a country-by-country basis, and the US was the only country in which a greater proportion of respondents perceived ESG as having become less material (34%) than those who felt it has become more material (30%)—a clear indication that the US remains deeply divided on ESG. With 94% of its asset owners indicating that ESG has gained importance over the past five years, China shows the strongest internal consensus on the issue.

* Question was only applied to asset owners who invest at least 1% of their assets with ESG factors considered

Whether ESG has become more material or less material in the past five years (country-level comparison of "net more" and "net less" responses) (%) *



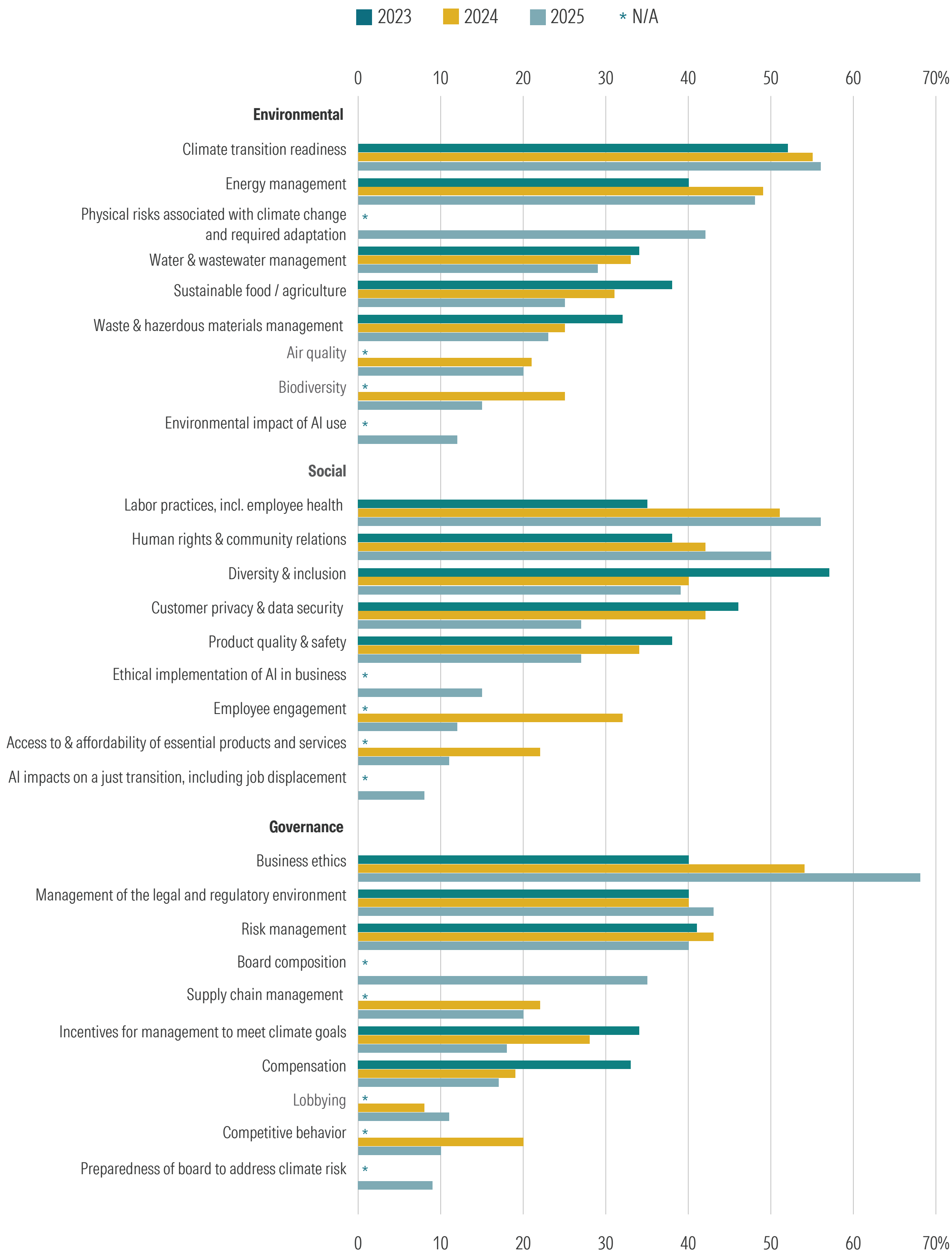
Asset owners were asked to select the top five issues most material to their investment decisions for each of the environmental, social, and governance categories. Climate transition readiness and energy management remain the leading environmental concerns, with 56% and 48% of asset owners, respectively, who consider ESG factors in the investment process selecting them as a top five issue. We introduced physical risks associated with climate change and required adaptation as an optional response this year, and it emerged as the third-most-selected option (42%). Climate-related considerations clearly continue to be a primary focus for institutional investors.

On social considerations, labor practices and human rights and community relations remain as the top-two most selected responses. Diversity and inclusion—the top selection in 2023, when 57% of asset owners selected it as one of their top five considerations—is now ranked third, with 39% of respondents selecting it as one of the most material social issues.

Since 2023, business ethics has consistently ranked as the most material issue in the governance category, with 68% of AOs selecting it as a top concern in 2025—a notable increase from 54% in 2024 and 40% in 2023. Management of the legal and regulatory environment as well as critical incident risk management have also consistently ranked as top concerns over the years. We added board composition to the optional responses this year, and it immediately bypassed supply chain management as the fourth-most popular selection.

* Question was only applied to asset owners who invest at least 1% of their assets with ESG factors considered

Issues most material to asset owners' investment decisions (top 5) (%) *



Shaping climate strategy: Global trends and local nuances

Operationalizing climate transition readiness

As mentioned above, and consistent with prior years, asset owners identified climate change as the most material environmental issue. In this year's survey, we were able to capture deeper insight by asking them which methods and measures they employ to promote climate transition readiness in their investments, and a picture of a multiprong approach emerged.

Of those identifying transition readiness as a material issue, 50% say they measure the carbon footprint of their portfolio, which is the highest level in the last three years (not shown) of surveying this question, suggesting investors have reached a critical threshold in terms of the availability of tools as well as the determination to conduct this baseline analysis.

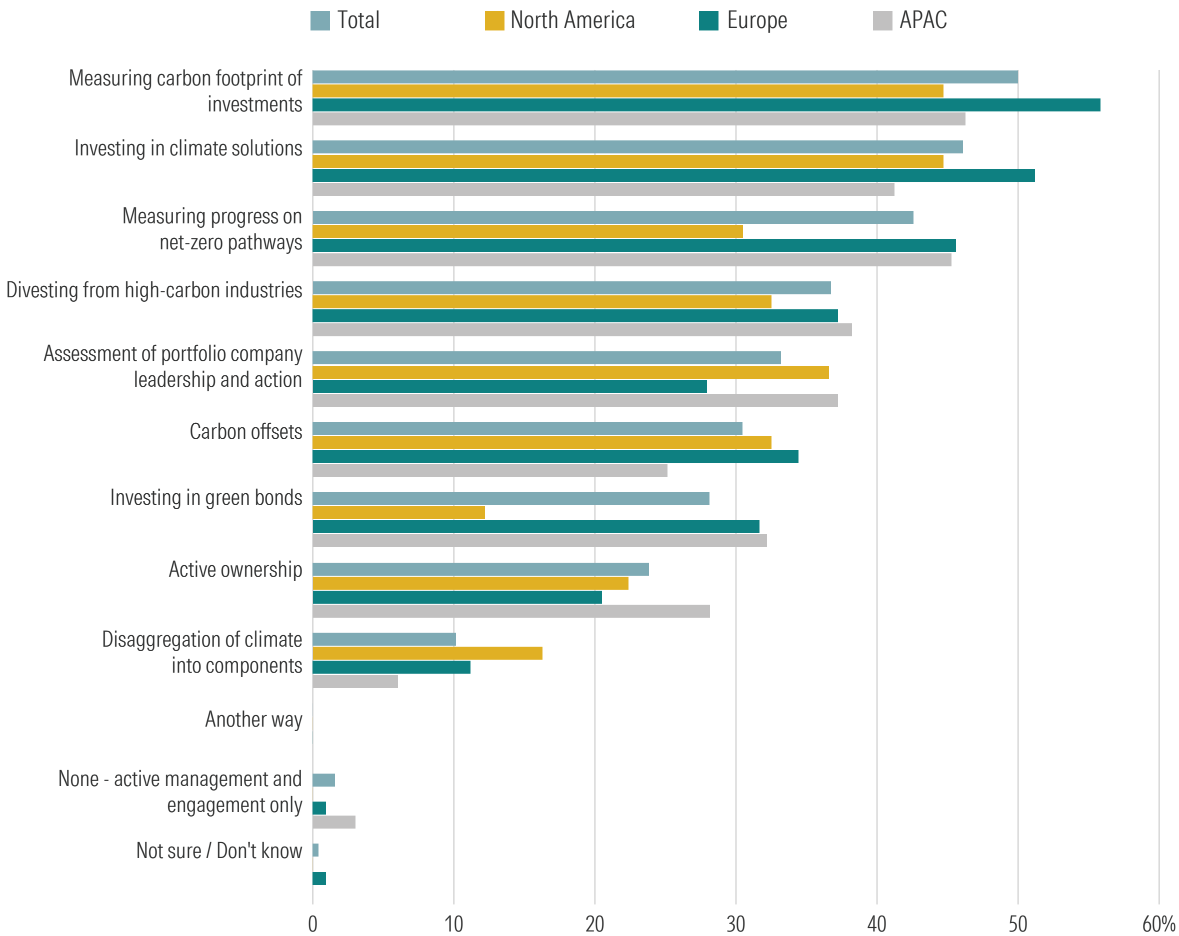
On a global scale, respondents identified investing in climate solutions (46%) and measuring progress on net zero pathways (43%) as the second- and third-most-employed methods, respectively, of promoting climate transition readiness in their investments.

Zooming in on regional differences,

- Asset owners in the US (23%/not shown) are less likely than those in Europe (46%) and APAC (45%) to rely on measuring progress on net-zero pathways.
- Carbon offsets are less frequently used in APAC (25%) than in Europe (35%), which is especially evident in China, where only 13% (not shown) of asset owners selected carbon offsets as a measure used to promote climate transition readiness.
- While green bonds were selected by nearly one-third (32%) of asset owners in both Europe and APAC, only 12% of those in North America invest in green bonds as a means to promote climate transition readiness.

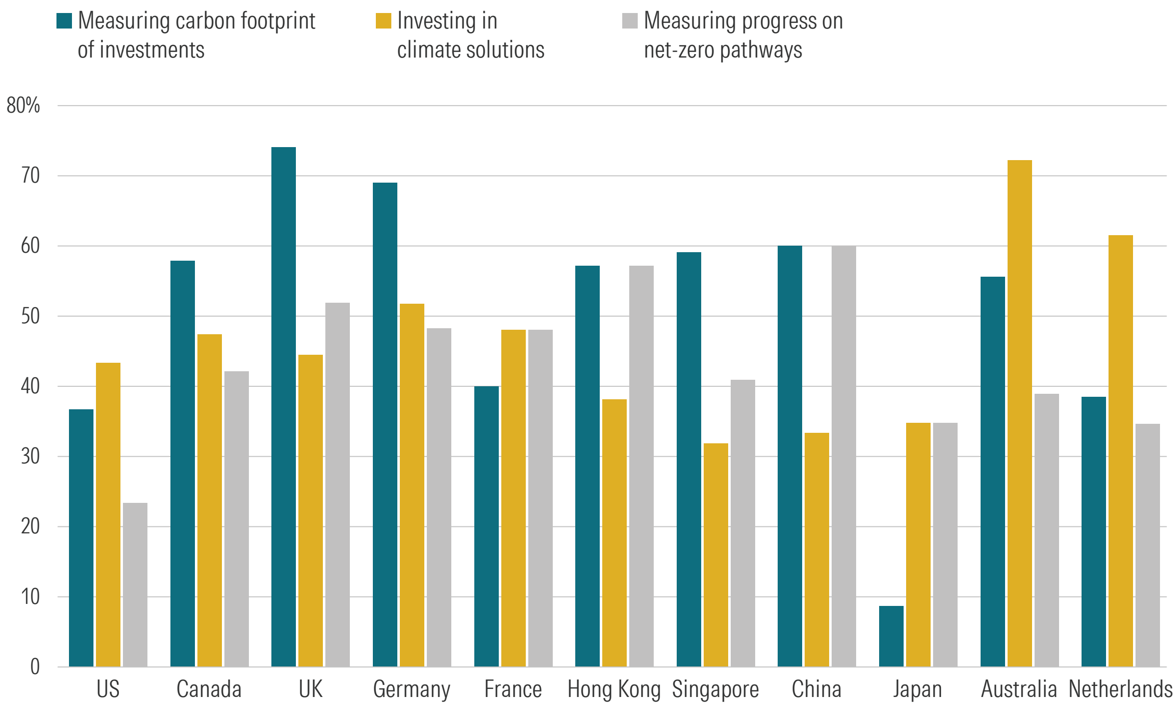
** Question was only applied to asset owners who indicated climate transition readiness is material

Measures taken to promote climate transition readiness in asset owners' investments (%) **



We also looked at how many asset owners in each country selected the top-three measures cited by asset owners as a whole, and clear nuances around climate strategy approaches emerged. While portfolio carbon foot printing was the top-selected measure among asset owners globally, reaching 50% of respondents, there was a wide range of responses at the country level, with Japan as low as 9% and the UK topping out at 74%. The second most-selected measure (investing in climate solutions) is most favored by asset owners in Australia (72%) and the Netherlands (62%). When it comes to measuring progress on net-zero pathways, the US stood out on the lower end, with only 23% of respondents selecting it.

Top-three global measures to promote climate transition readiness and variation across countries (%) **

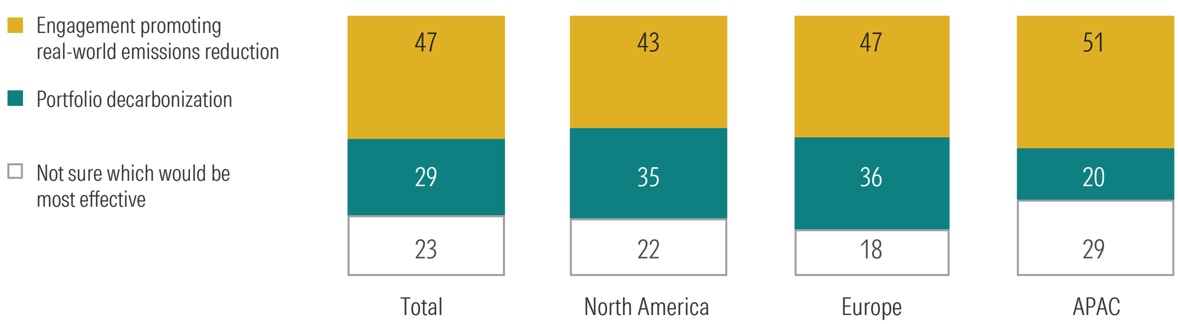


Approaches to climate transition readiness: Engagement leads, but uncertainty remains

We also asked the same base of asset owners to choose between 1) engagement for promoting real-world emissions reduction and 2) portfolio decarbonization as a means for influencing climate transition readiness in their investments, and nearly half (47%) chose engagement. The remaining 29% chose portfolio decarbonization, and nearly one in four (23%) stated that they were not sure which would be most effective.

** Question was only applied to asset owners who indicated climate transition readiness is material

Engagement or portfolio decarbonization? **



Stewardship: A key lever in climate and ESG implementation

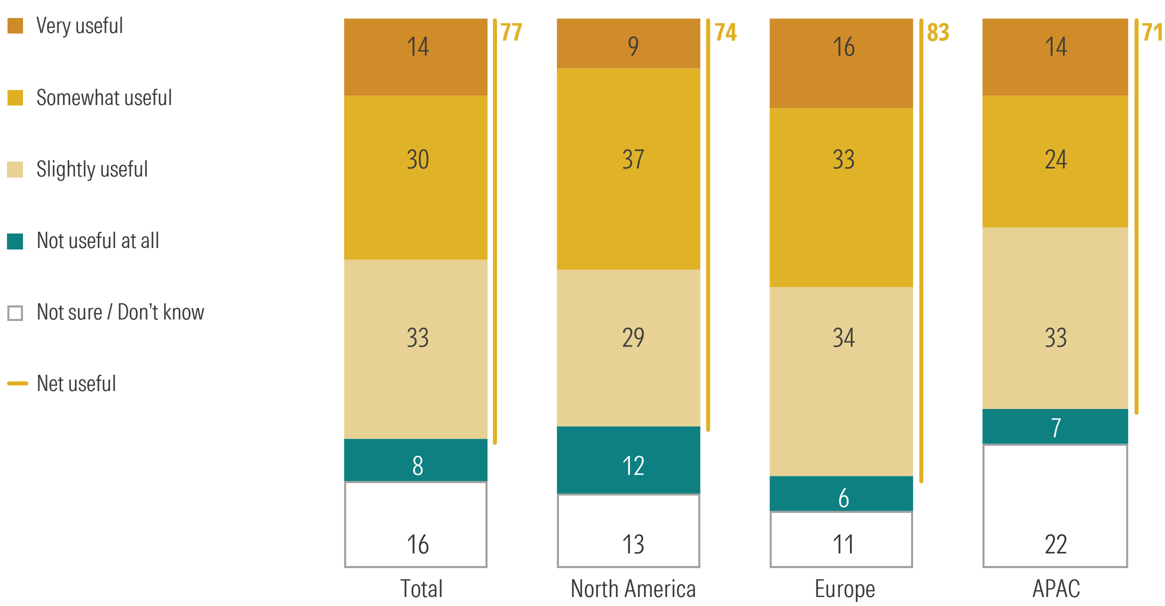
Stewardship's role in ESG implementation: clear value, yet some uncertainty remains

During our qualitative conversations with asset owners, we heard that now more than ever, the approach to governance and the long-term viability of companies is an important investment consideration.
Investors view stewardship as instrumental in managing ESG risks, like climate change, as well as capitalizing on ESG opportunities.

To validate what we heard in our one-on-one conversations, we asked survey participants how useful stewardship is in driving the implementation of their overall ESG program, and 77% of respondents verified that they find stewardship useful. Still, another 16% selected the "not sure/don't know" response, indicating that asset owners need improved means of demonstrating real-world impact and accountability for delivering on stewardship objectives at a time when reporting and measurement of engagement activity and effectiveness remains unstandardized.

* Question was only applied to asset owners who invest at least 1% of their assets with ESG factors considered

Usefulness of stewardship (including proxy voting) in driving the implementation of ESG programs (%) *

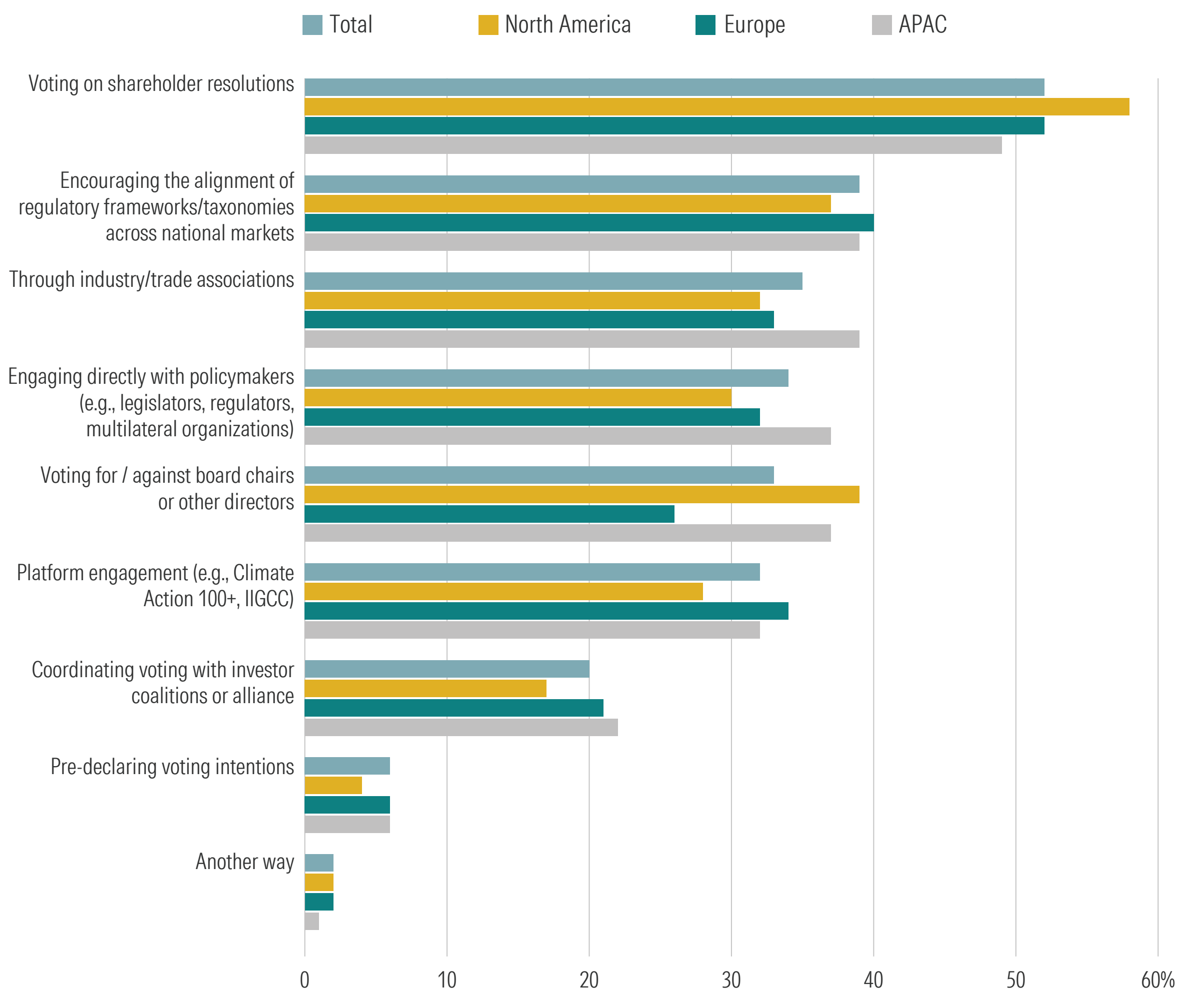


From voting to advocacy: Multifaceted approaches to stewardship

We provided survey participants with a list of eight different methods for employing engagement and asked them to select all that apply to their stewardship program. We learned that more than half (52%) leverage shareholder voting as part of their program. We also learned that around one-third of AOs employ a wide range of additional tactics, from encouraging the alignment of regulatory frameworks/taxonomies across national markets, to working with industry/trade associations, to engaging directly with policy makers, and more. This demonstrates that globally, stewardship activity appears to be reaching a new level of maturity spanning bilateral and multilateral engagement with issuers, as well as increased focused on system-level stewardship activities.

* Question was only applied to asset owners who invest at least 1% of their assets with ESG factors considered

Methods of active ownership employed (%) *



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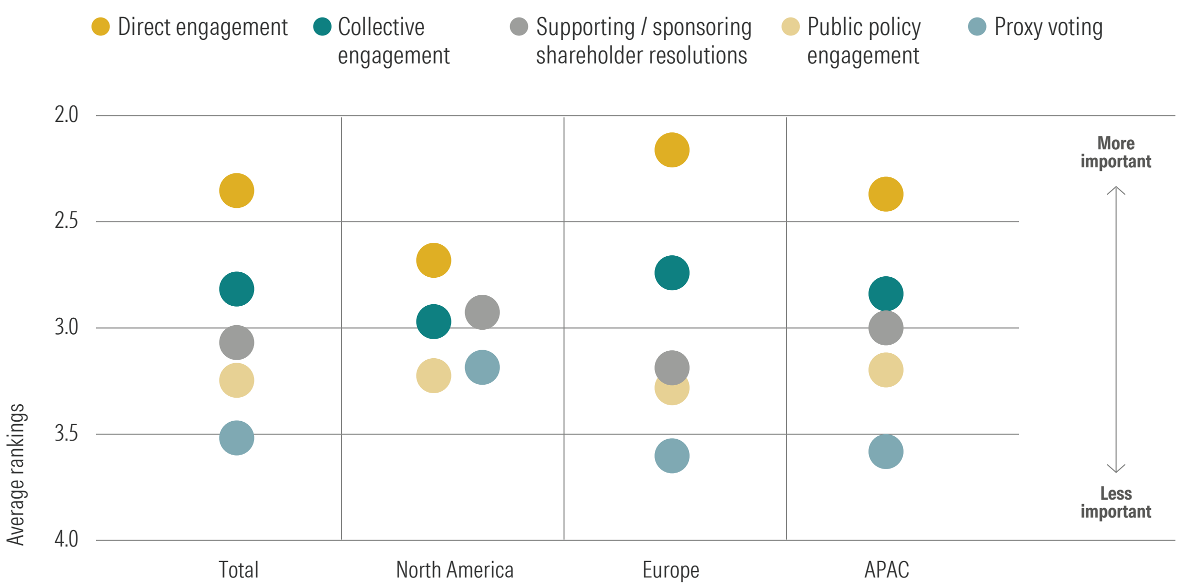
How asset owners value different ESG active ownership strategies

When also asked to rank a selection of methods from one to five in terms of importance to their ESG active engagement program, 39% (not shown) of AOs ranked direct engagement with companies as the most important component, an increase of 7 percentage points over last year (not shown). Collective engagement earned second place in importance most frequently, with 27% (not shown) of AOs ranking it number two. The exhibit below shows each component and its average rank, both on a global scale and regionally.

Methods of active ownership ranked in order of importance (average rank) *



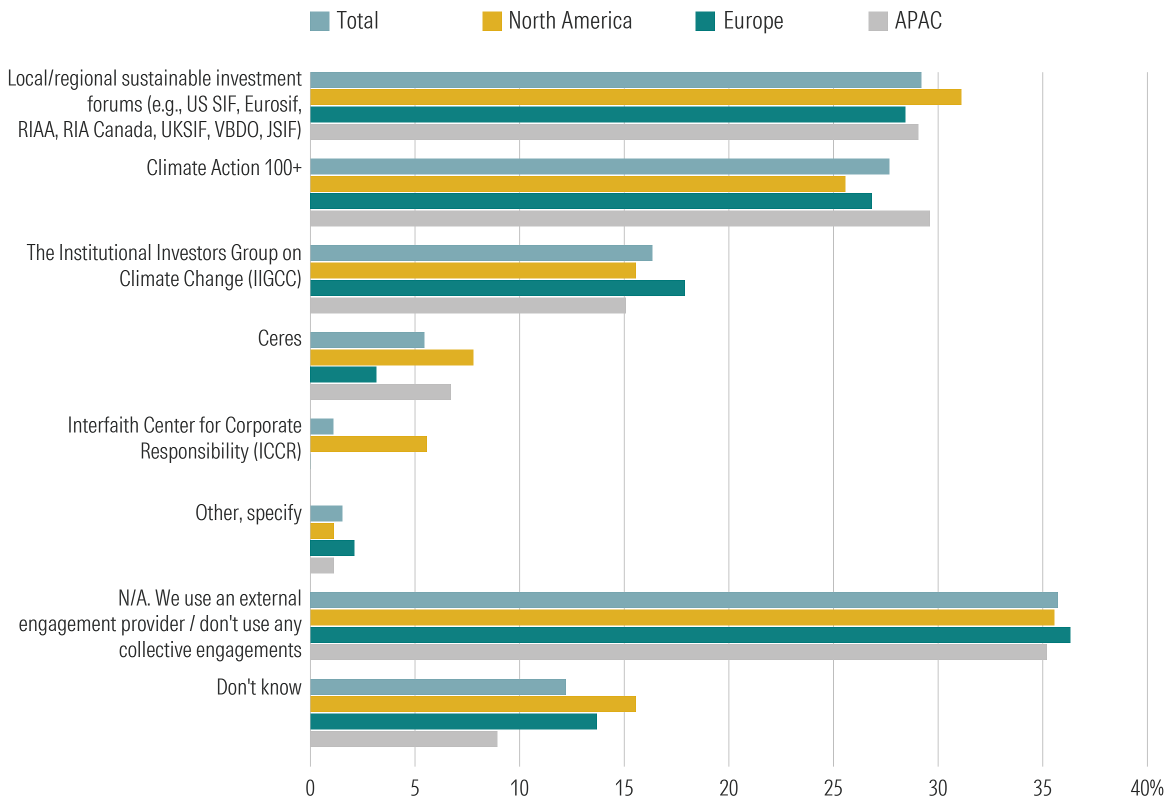
* Question was only applied to asset owners who invest at least 1% of their assets with ESG factors considered

A closer look at collective engagement

Participants were presented with a list of common collective engagement channels and asked to select all that they use as part of their active ownership approach. We learned that 36% of asset owners either use an external engagement provider or don't use any collective engagement channels. For those participating directly in collective engagement efforts, local/regional sustainable investment forums (such as US SIF, Eurosif, RIAA, RIA Canada, UKSIF, VBDO, and JSIF) came in as the most-selected option, with Climate Action 100+ coming in at a close second.

* Question was only applied to asset owners who invest at least 1% of their assets with ESG factors considered

Collective engagement channels utilized (%) *

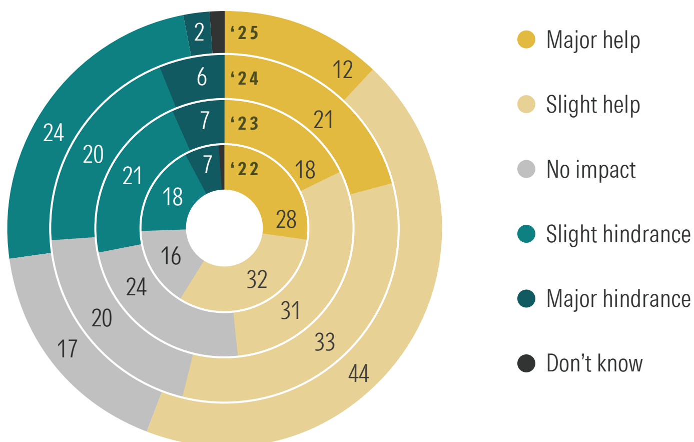


Regulation reality check

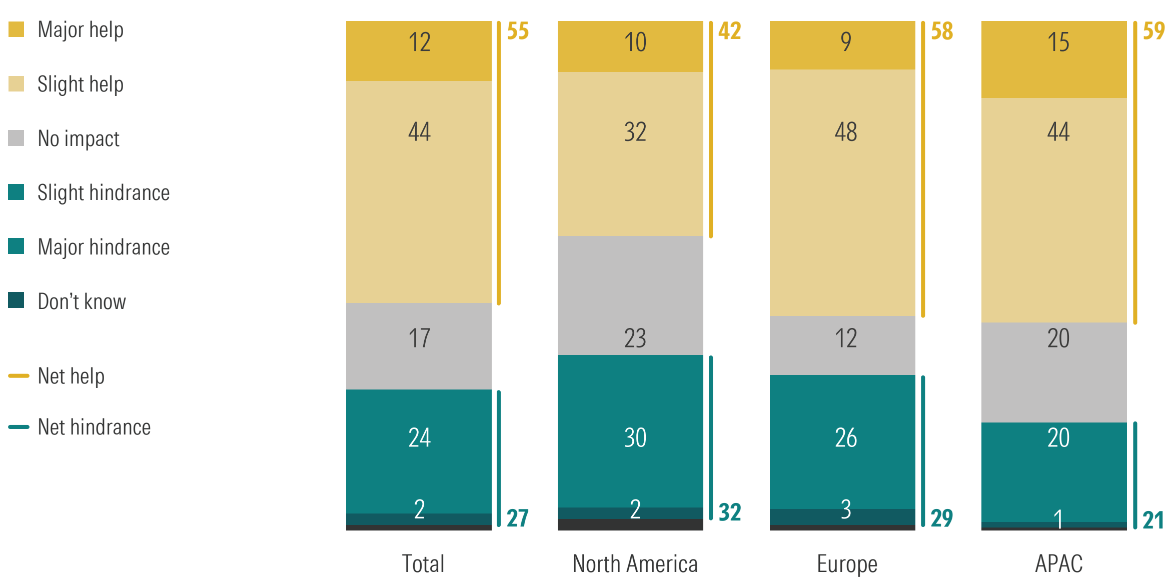
Perspectives on ESG regulation continue to evolve

While the qualitative interviews indicated asset owners were split on the positives and negatives of industry regulation amid recent policy rollbacks, our quantitative survey findings found asset owners largely positive on regulation. There has been a slight increase in the proportion saying ESG regulations have been a help (55% in 2025, 53% in 2024, and 49% in 2023). Asset owners in the APAC region and Europe are particularly particularly positive about regulation, with 59% and 58% viewing it as helpful, respectively, compared with just 42% in North America.. AOs in the UK (70%/not shown), Singapore (69%/not shown) and China (81%/not shown) are among those most positive about regulation, while those in France (40%/not shown), the US (36%/not shown), and Germany (35%/now shown) feel the most strongly that ESG regulations have become a hindrance.

Whether ESG regulations are a help or a hindrance (%) *



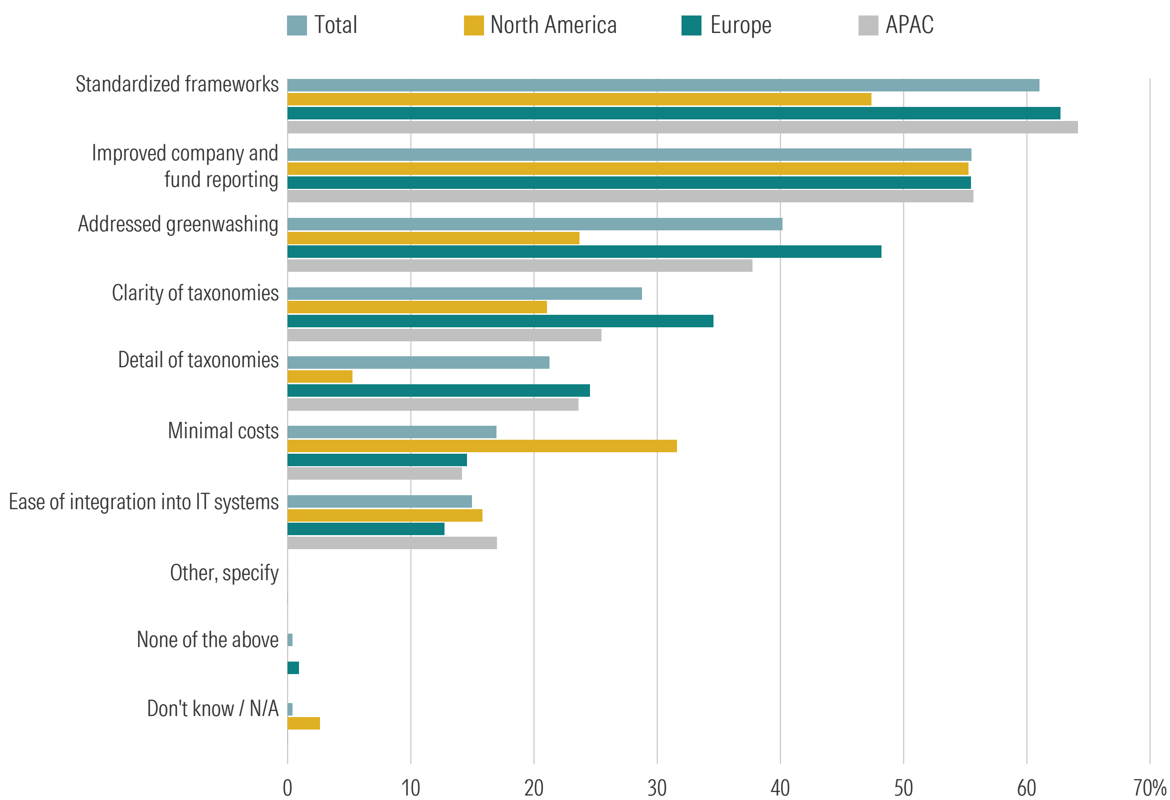
Regional breakdown (%) *



* Question was only applied to asset owners who invest at least 1% of their assets with ESG factors considered

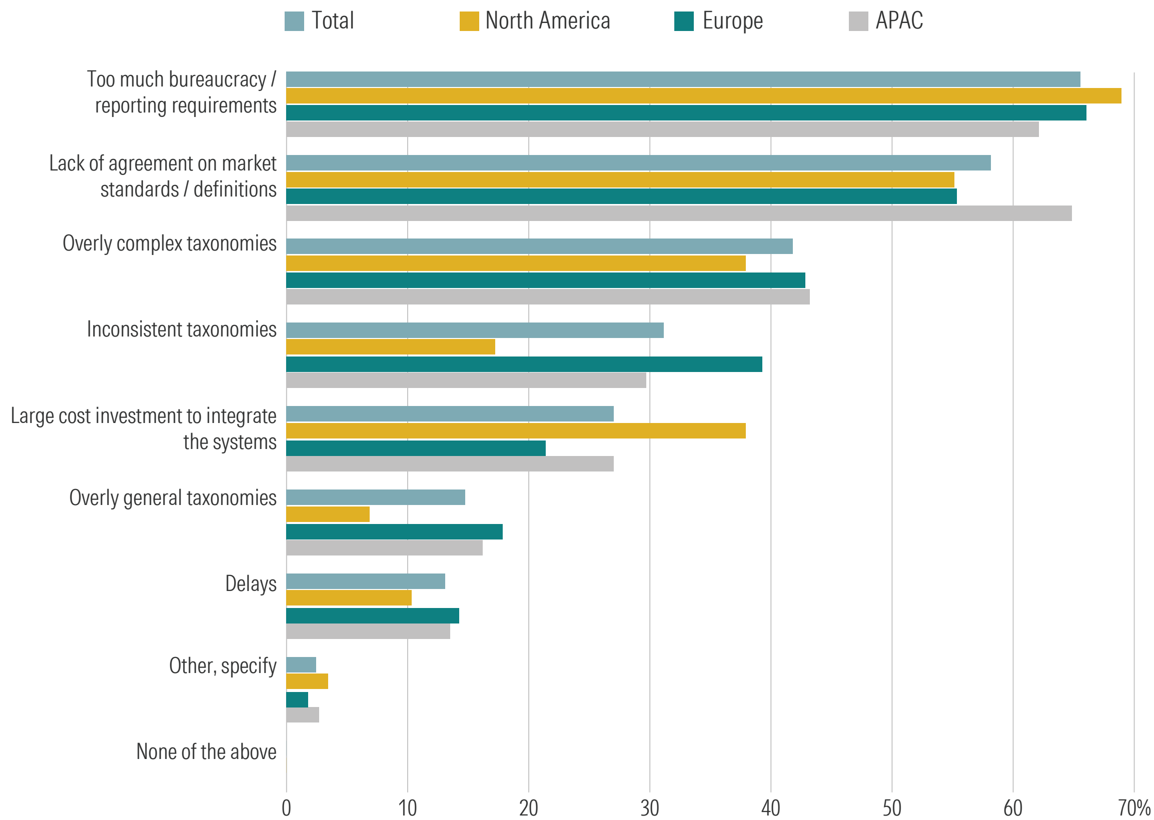
AOs increasingly appreciate standardized frameworks when asked why they find ESG regulations helpful. The proportion mentioning this option reached 61% this year, up 8 percentage points from 2024 (not shown) and 15 percentage points from 2023 (not shown).

How ESG regulations have helped (%)



Among those who consider regulation to be a hindrance, the most common grievances were excessive bureaucracy/reporting requirements (66%), lack of agreement on market standards/definitions (58%), and overly complex taxonomies (42%).

How ESG regulations have hindered (%)

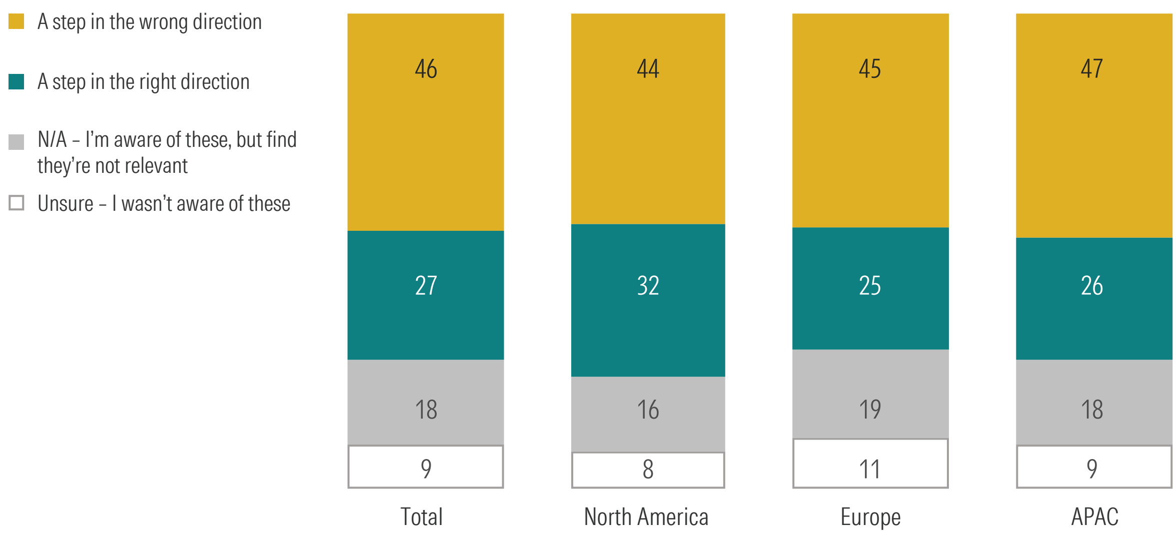


Global skepticism toward recent regulatory rollbacks

When asked about recent regulatory rollbacks with respect to ESG reporting (EU omnibus and SEC guidelines), a much larger cohort consider these a step in the wrong direction (46%) than the right direction (27%). These views are consistent across regions. Notably, the US (34%/not shown) and instead of & Germany (31%/not shown) were the top two countries saying it is a step in the right direction, asserting more of a negative view on the initial direction of the regulations.

* Question was only applied to asset owners who invest at least 1% of their assets with ESG factors considered

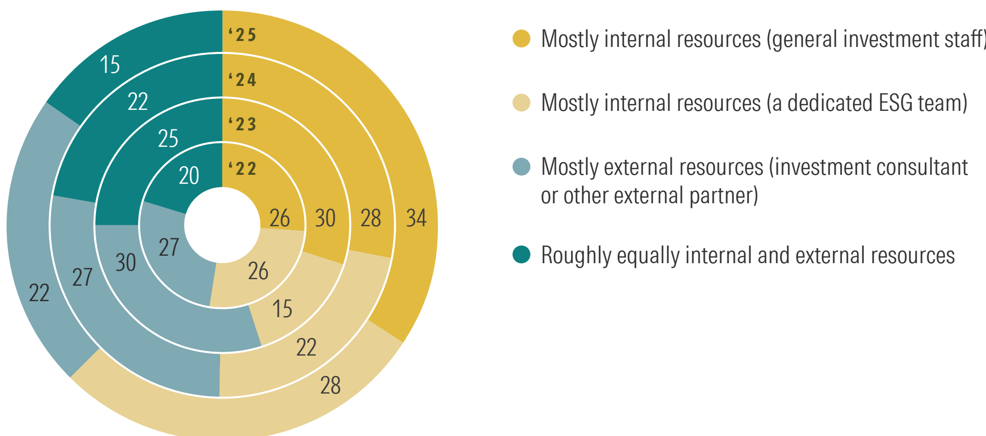
Reactions to recent regulatory rollbacks in the US and Europe (%) *



Asset owners take charge: ESG implementation and priorities for improvement

In terms of who asset owners rely on in the operation of their ESG program, we are seeing more asset owners manage this responsibility internally, either via their general investment staff or a dedicated ESG team (61% combined), than in years prior. This could be due to several causes, including cost efficiency and the desire for asset owners to have greater control to manage their strategies specifically to their unique goals, values, and risk tolerances. This is especially prevalent in France (72% /not shown), Germany (71% /not shown), China (71% /not shown) and Japan (70% /not shown).

Who asset owners rely on most in the operation of their ESG programs (%) *

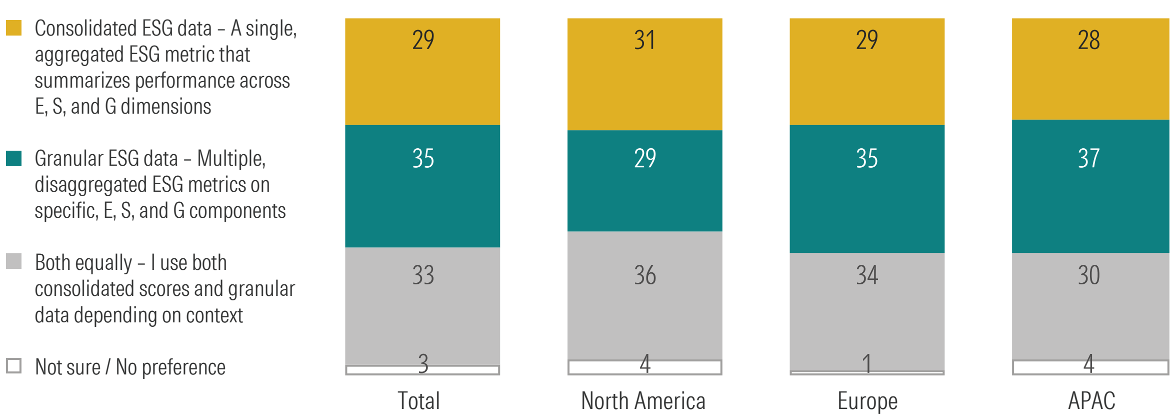


Granular versus consolidated ESG data: A mixed approach

We asked the asset owners who incorporate ESG factors in their investment processes whether they prefer consolidated ESG data (for example, a single, aggregated ESG metric that summarizes performance across E, S, and G dimensions); granular ESG data (for example, multiple, disaggregated ESG metrics on specific E, S, and G components); or both options equally, meaning they use both consolidated scores/rankings and granular data, depending on the context. All three options received similar response rates, ranging from 29% to 35%. Those who manage all their assets internally are the most likely to prefer granular data (not shown).

* Question was only applied to asset owners who invest at least 1% of their assets with ESG factors considered

Preference for or granular or consolidated ESG data (%) *



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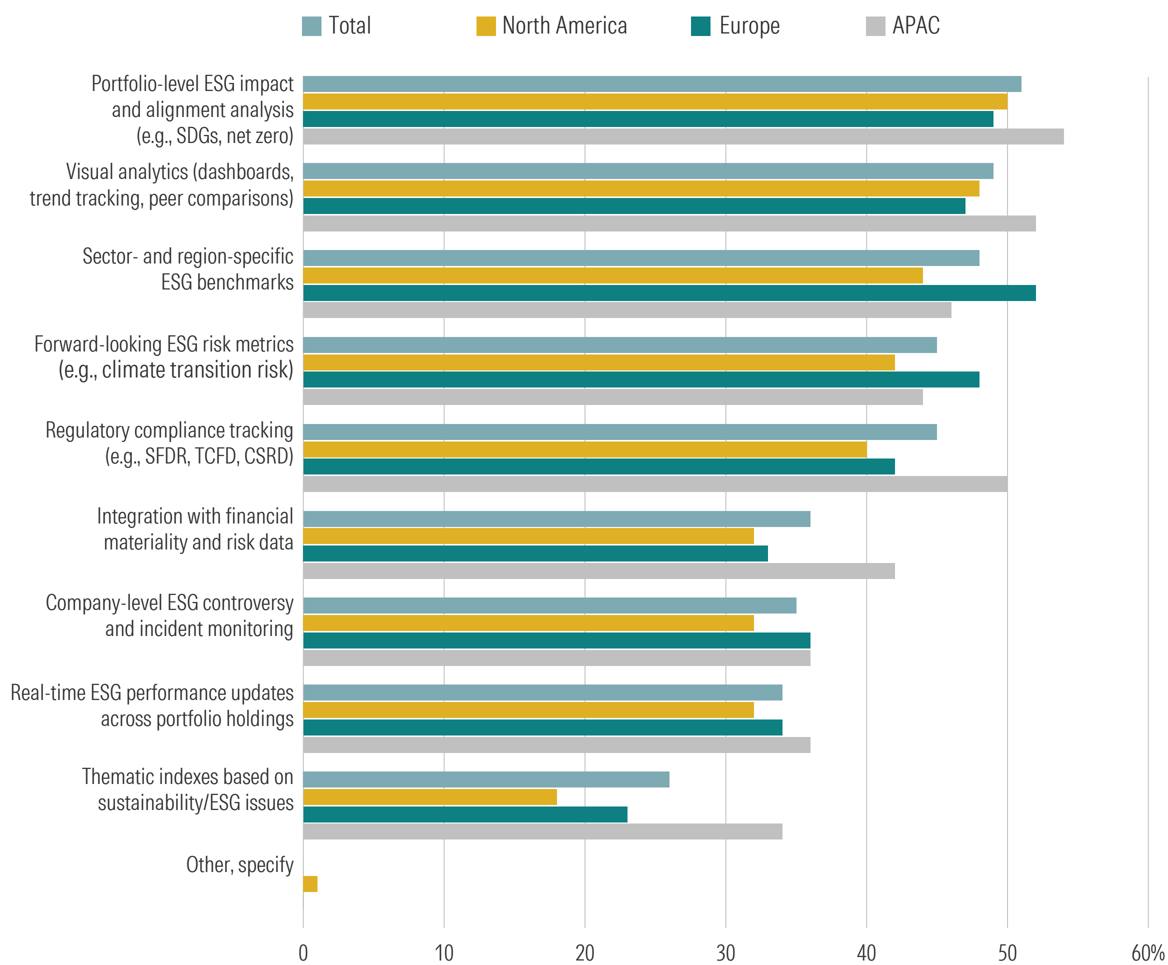
What asset owners value most in ESG ratings, indexes, and data

In prior years we learned that asset owners utilize a combination of ESG ratings, indexes, and data. This year, rather than asking them to rank the relative importance of these tools, we presented nine specific features and asked respondents to indicate which they consider valuable in the context of ESG ratings, indexes, and data.

Globally, each feature was selected as valuable by more than one-fourth of the asset owners we surveyed, and roughly half of them selected five of the features. Among the most popular were portfolio-level ESG impact alignment analysis (51%), visual analytics (49%), sector- and region-specific ESG benchmarks (48%), forward-looking ESG metrics (45%), and regulatory compliance tracking (45%).

* Question was only applied to asset owners who invest at least 1% of their assets with ESG factors considered

Which features or tools in ESG ratings, indexes, or data platforms asset owners would find valuable (%) *

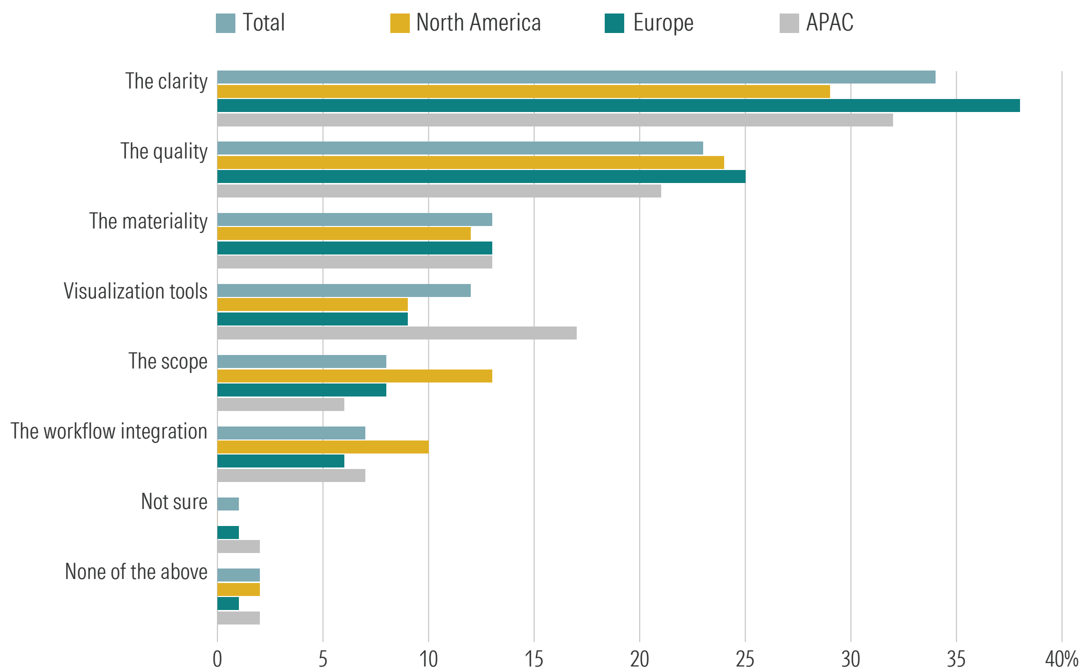


Key areas for improvement

We also asked which element of ESG ratings, indexes, and data needs the most improvement (only one could be selected) and the top responses were the clarity (34%), the quality (23%), and the materiality (13%). Visualization tools (12%) were ranked fourth by the global audience and were particularly important to asset owners in the APAC region (17%).

* Question was only applied to asset owners who invest at least 1% of their assets with ESG factors considered

Where the greatest improvement of available ESG ratings, data, and indexes is required over the next five years (%) *



Conclusion

As long-term globally diversified investors, asset owners have faced recent challenges in 2025 that are evoking questions about their asset allocations, perspectives on ESG policies, and the most effective means of responding to stakeholders. An investor's place in the world and the environment they're operating in clearly has an impact on their perspective. Apart from those in the US, most asset owners globally view ESG as becoming more material and are looking to regulators to help push toward more standardized data. On the other hand, in this year's survey, we see that US investors view ESG issues as becoming less material and think that the regulatory rollback is a welcome reduction of bureaucratic burden. While asset owners represent just one segment of the global investment ecosystem, they play a pivotal role in shaping market behavior through their policies and decisions. Their influence extends across the entire investment value chain, guiding the actions of other participants. Therefore, it's essential that investors of all types stay informed on institutional investor perspectives and trends so they can identify emerging opportunities, align with best practices, and meet evolving stakeholder expectations.

About Morningstar Indexes

As the fastest growing global index provider for the last three years according to Burton-Taylor, Morningstar Indexes was built to keep up with the evolving needs of investors—and to be a leading-edge advocate for them. Our rich heritage as a transparent, investor-focused leader in data and research uniquely equips us to support individuals, institutions, wealth managers and advisors in navigating investment opportunities across all major asset classes, styles and strategies. From assessing risk and return with traditional benchmarks to helping investors effectively incorporate ESG objectives into their investment process, our range of index solutions spans an investment landscape as diverse as investors themselves. We help investors answer today's increasingly complex questions so that they can more easily reach tomorrow's goals. For more information, visit indexes.morningstar.com.

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Morningstar Sustainalytics is a leading ESG data, research, and ratings firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Morningstar Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG information and assessments into their investment processes. The firm also works with hundreds of companies and their financial intermediaries to help them consider material sustainability factors in policies, practices, and capital projects. With 17 offices globally, Morningstar Sustainalytics has more than 1,800 staff members, including more than 850 analysts with varied multidisciplinary expertise across more than 40 industry groups. For more information, visit www.sustainalytics.com.

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