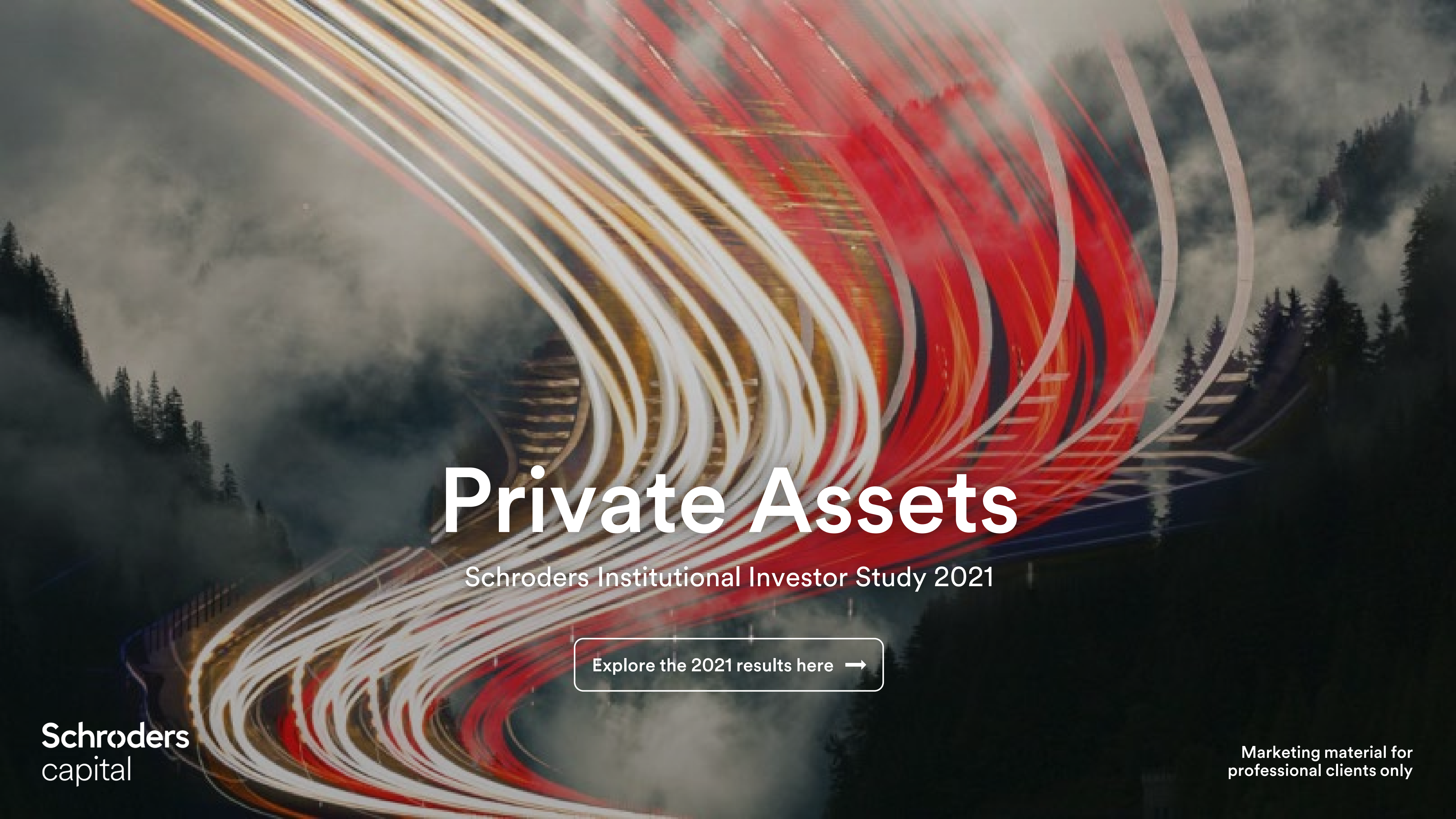


Private Assets

Schroders Institutional Investor Study 2021

Explore the 2021 results here →

Schroders capital

Marketing material for professional clients only

About the Study

Schroders Institutional Investor Study analyses the investment perspectives of 750 global institutional investors on the investment landscape, private assets and sustainability.

The respondents represent a spectrum of institutions, including corporate and public pension plans, insurance companies, official institutions, private banks, endowments and foundations, collectively responsible for US$26.8 trillion in assets. The research was carried out via an extensive global survey during February and March 2021.

The 750 institutional respondents were split as follows: 204 in North America, 275 in Europe (including South Africa), 205 in Asia-Pacific and 66 in Latin America. Respondents were sourced from 26 different locations.

Click here to find out more about the Study and the respondents

Source: Schroders Institutional Investor Study 2021.

Private assets continue to take a greater share in institutional investors' portfolios

90%

are planning to increase their allocation to one or more private assets in the next 12 months

Diversification is key for private assets investors

80%

highlight diversification as their major reason for investing in private assets

Significant interest in proactive investment strategies seeking to foster positive change

54%

point to the 'benefit all stakeholders' principle being a critical ESG considerations when investing in private assets

A message from our Global Head of Private Assets

“Schroders’ annual Institutional Investor Study asks 750 institutional investors their views on private assets. The results this year show that private assets continue to take a greater share of institutional portfolios. Given the strong momentum in allocations identified in previous years’ studies and that many of the key challenges in liquid markets have persisted this was perhaps to be expected. Even the global pandemic couldn’t derail the momentum. 90% of respondents confirmed allocations would rise in one or more areas of private assets throughout 2021.

However, what we find especially encouraging is the emergence of signs that the versatility within private markets is being recognised more and more. It’s interesting to see that private palettes will likely be growing more colourful, with a key finding of the 2021 Study that investors are increasingly looking to branch out and explore new areas.

Private equity remains the area attracting the most capital, and the second most popular asset class - infrastructure equity - is also unchanged from 2020’s results. However, 29% of investors this year also expect to invest more in impact strategies, a type of exposure private assets is uniquely positioned to deliver.

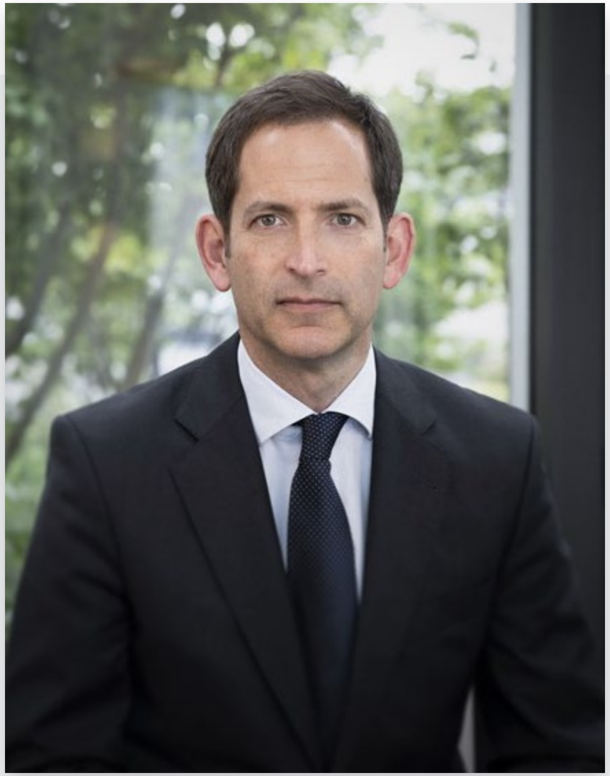
Sustainable investing has grown significantly in liquid markets in recent years, so a rise in attention within private markets was inevitable. The much greater proximity that private asset investors have to their portfolio holdings means positive change can be delivered with precision, and with visible, real-world results.

The impact of Covid-19 affected all aspects of our lives, highlighted inequality and drew our effect on the environment into sharper focus. Alongside an increased allocation to private assets, 37% of respondents highlight that the pandemic has also made them put more importance on ESG considerations when investing in private assets. The growing momentum behind sustainability in private assets will certainly be one to watch over the coming years.

80% of investors agree or strongly agree that adding diversification was their main justification for pursuing private assets. Even ‘generating high returns’ was bumped into second place (75%).

Key challenges have also evolved. Fees remain a primary obstacle for investment, whereas the perception of liquidity as an issue has fallen materially. In 2020, 56% of participants cited liquidity as an issue, while in 2021 42% said illiquidity was an impediment. The complexity of private assets as an investment route also declined by a wide margin. Only 35% of investors singled out complexity as a concern, versus 47% 12 months ago.

Private assets offer investors a wide risk and return spectrum, introducing, for example, complexity & liquidity premia to traditional risk and return drivers. A huge number of private assets-focused investment solutions can also be tailored to individual investor’s preferences.



Georg Wunderlin
GLOBAL HEAD OF PRIVATE ASSETS, SCHRODERS CAPITAL

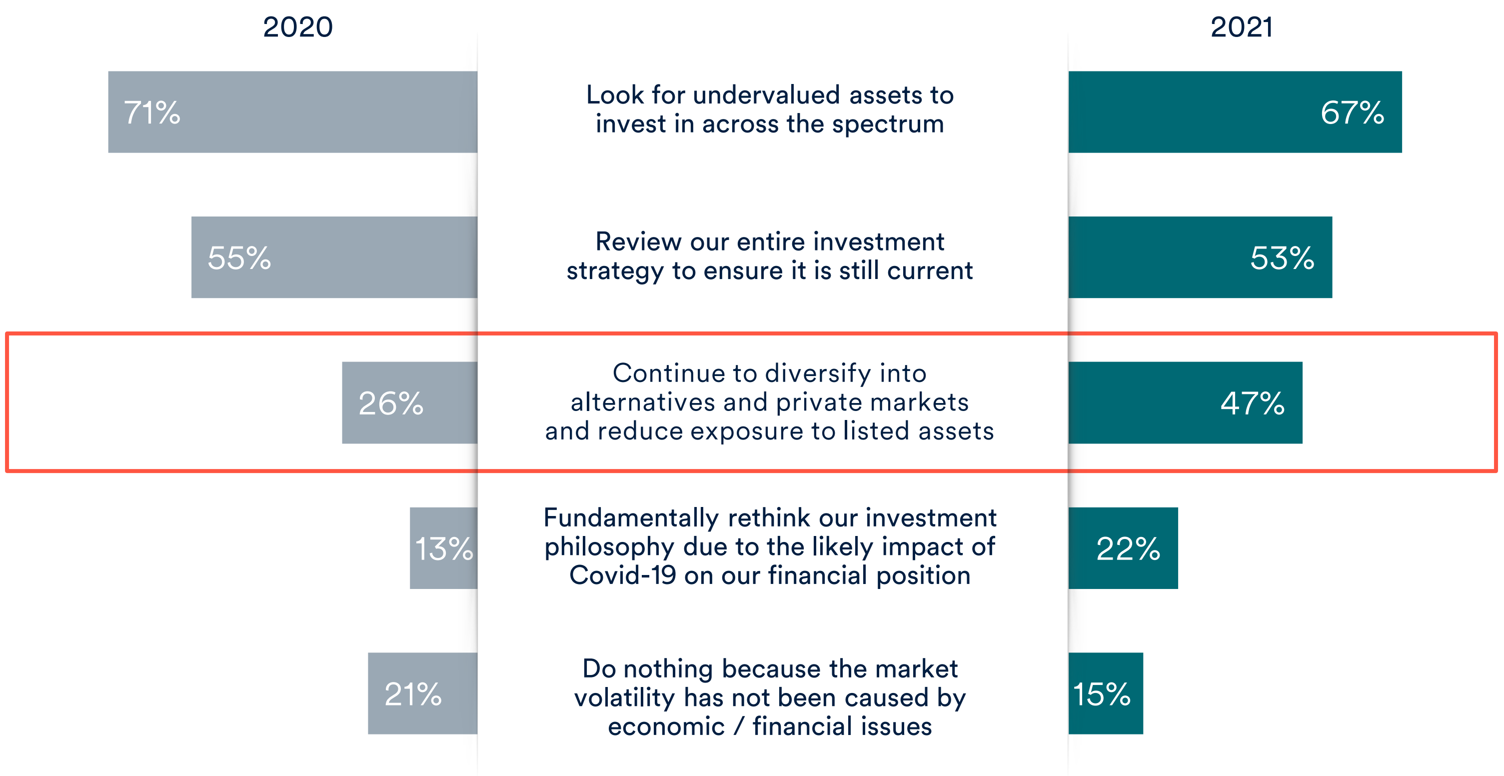
Source: Schroders Institutional Investor Study 2021.

Covid-19 has exacerbated the need to diversify into private assets

Private assets has remained an investment destination of choice for investors seeking shelter from the storm of equity and bond market volatility. True to the defensive qualities that are a hallmark feature of the asset class, 47% of global institutional investors highlight they are looking to diversify into alternatives and private markets due to the Covid-19 pandemic, up from 26% in 2020.

These optimistic outlooks can be attributed to the historic success of private markets taking advantage of sector dislocations in times of market turbulence.

Looking at your future investment strategy, to what extent are you likely to do the following based on your current assessment of the economic and financial impact of the Covid-19 pandemic?



Respondents were asked to rate on a scale of 1-10 where 1 = Very unlikely to do this and 10 = Very likely to do this. % Likely to do (7-10).

Source: Schroders Institutional Investor Study 2021.

HOW HAS COVID-19 IMPACTED INSTITUTIONAL INVESTORS' ALLOCATION TO PRIVATE ASSETS?

"

The insurance-linked securities (ILS) market has shown strong resilience during the outbreak of Covid-19 versus major corrections in the listed equity, commodity and debt markets. As observed during the global financial crisis, the uncorrelated nature of ILS to the economic cycle is providing investors with stability.

Within ILS there is a range of investment types from highly liquid catastrophe bonds through fixed term (12 months normally) private collateralised reinsurance transactions to multi-year investments in life insurance financing instruments, as well as Lloyd's and legacy risk markets.

Indeed, valuation is an area in which a manager can demonstrate significant skill to build up its credibility over time. Generally speaking, valuations of ILS are attractive as they benefit from attractive risk transfer prices after several eventful years on the natural catastrophe front. Yields available to investors have not been as high in probably a decade, specifically for private collateralised reinsurance transactions.

The relative complexity of different ILS transactions is also reflected in both transparency and management fees. As a general guide, the more complex, the less the inherent transparency and the higher the management fee. That is not to say that a manager should avoid the obligation to provide as much relevant information as possible to its clients. The different levels of fees reflect the depth of expertise required for the different strategies with higher fees supporting the higher expenses involved in accessing the more complex, less standardised investments. As an upside, complex and often closed ended ILS strategies do provide good opportunities for high yield and attractive IRRs.

Stephan Ruoff
GLOBAL HEAD OF INSURANCE-LIINKED SECURITIES, SCHRODERS CAPITAL

"

Real estate is a unique asset class. It has long been used alongside the conventional portfolio building blocks of equities and bonds, because of characteristics that mean it offers genuine diversification in income and return.

This diversification has proven to be especially valuable over the last few years. Volatility has been high in equity markets and the world has dealt with major disruptions we hardly need to specify.

Historically, the correlation between European real estate and equities and European real estate and bonds were low or negative, at 0.3 and -0.2 respectively.

The income from real estate, meanwhile, has grown in line with inflation over the long-term and while it has not matched the growth in income on equities, it is proven to be more stable, given the (relatively more) predictable nature of pay out on rental contracts versus dividends.

Sophie Van Oosterom
GLOBAL HEAD OF REAL ESTATE, SCHRODERS CAPITAL

Source: Schroders Institutional Investor Study 2021.

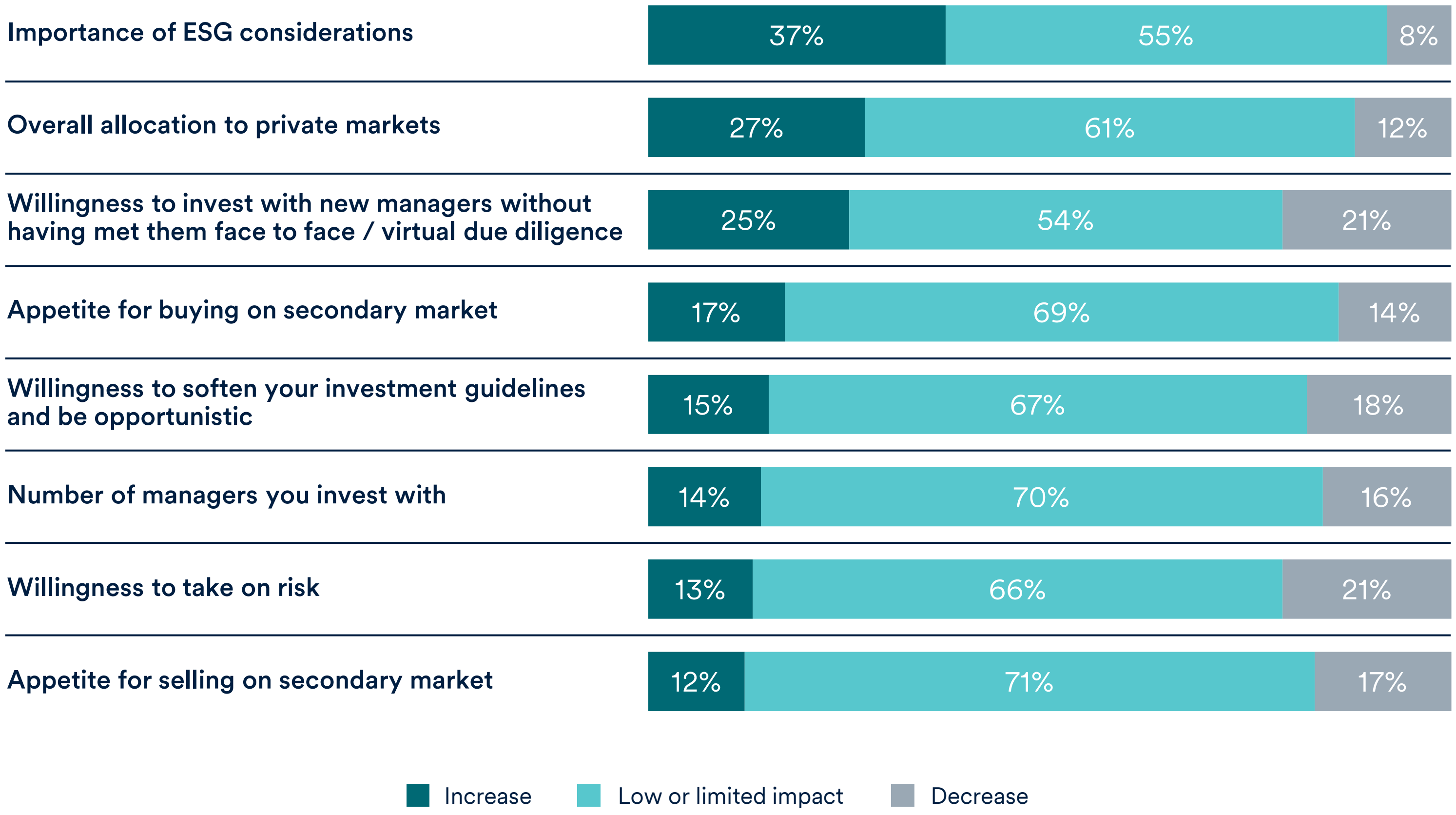
HOW HAS COVID-19 IMPACTED INSTITUTIONAL INVESTORS' ALLOCATION TO PRIVATE ASSETS?

ESG considerations in private assets grow in importance due to Covid-19 pandemic

Sustainable investing has grown significantly in recent years and the resulting attention from private assets investors has been inevitable. The much greater proximity that private asset investors have to their portfolio holdings means positive change can be delivered with precision, and with visible, real-world results.

Added to the mix is the impact of Covid-19, which has affected all aspects of our lives, with sustainable investing being no exception. Alongside an increased allocation to private assets, 37% of respondents highlight that the pandemic has also made them put more importance on ESG considerations when investing in private assets. The growing momentum behind sustainability in private assets will certainly be one to watch over the coming years.

How will Covid-19 impact how you invest in private markets?



Source: Schroders Institutional Investor Study 2021.

HOW HAS COVID-19 IMPACTED INSTITUTIONAL INVESTORS' ALLOCATION TO PRIVATE ASSETS?

Click here to see more results on sustainability in private assets

Explore now

Philipp Mueller
CHIEF EXECUTIVE OFFICER, BLUEORCHARD

"Covid-19 has indicated the importance of providing financing in real time to the core sectors of the economy. It has also shown how vital the combination of public and private resources is at times of crisis, when financing needs are overwhelming and the funding from the private sector alone would not suffice.

There are many reasons that private assets are naturally aligned with sustainable investment. For a start, investment timescales are typically longer and engagement with companies is generally higher.

Private debt during the Covid-19 crisis remained important to provide liquidity in the market and to ensure that recovery in private debt markets could be achieved faster and without major restructurings. Private debt in emerging and frontier markets also proved crucial, with dedicated initiatives targeting the sectors and regions most impacted by the pandemic.

Source: Schroders Institutional Investor Study 2021.

Growing awareness of the versatility of private assets. Investors looking to allocate to multiple private assets in the next 12 months

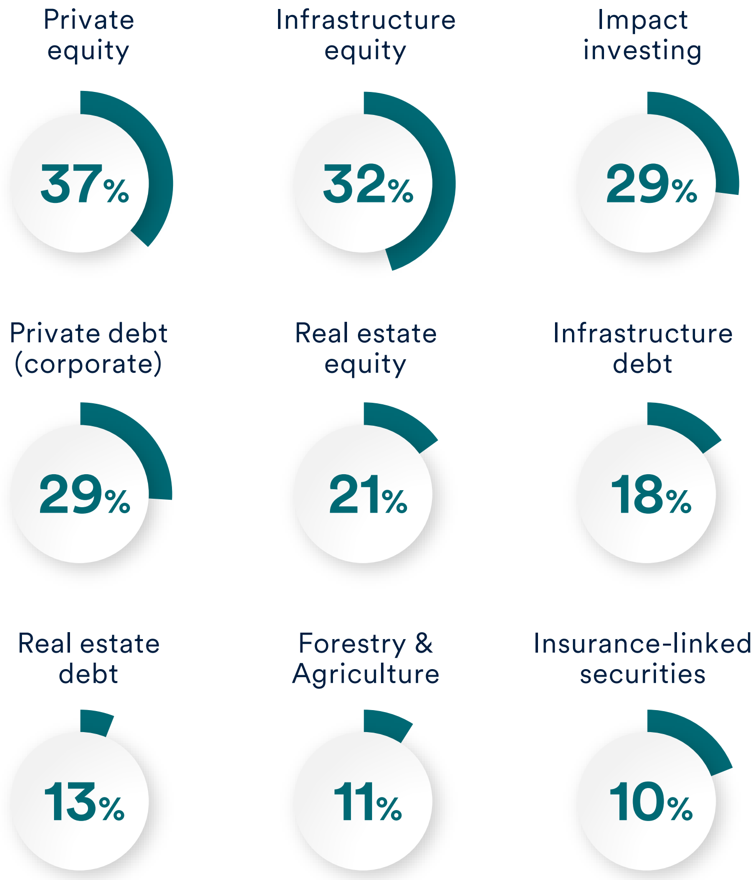
Overall, the outcome of this year's Study shows that private asset allocations continue to be increased broadly across the main categories: private equity, infrastructure equity and private debt. Additionally, the increased emphasis on sustainability and impact is also clearly evident; institutional investors seem to be looking for investments that have a positive social and environmental impact in addition to considering ESG risks to operational and financial performance.

37% of respondents highlight they expect an increase in allocation to private equity. Private equity demonstrated its stability during the global financial crisis and has done so again during the Covid-19 crisis. Private equity is also well positioned to capture secular – or non-economically sensitive – trends, before they are accessible through listed stock markets.

32% of respondents plan to increase their infrastructure equity allocation which is unsurprising in this environment. Infrastructure equity assets can offer robust yields in the context of ultra-low interest rates, while protecting capital and potentially anticipating inflation rises. In addition, with ESG considerations now of utmost importance, infrastructure's positive effects - both direct and indirect - are invaluable.

Another area that has shown consistency during the Covid-19 crisis is private debt. The crisis has been the first true proof-of-concept for private debt since its inception as an asset class following the global financial crisis. Increases to private debt allocations reflect investors' belief in its ability to adapt in face of adversity by pivoting toward defensive sectors, for example healthcare and technology, and renegotiating borrower-friendly funding terms.

Over the next 12 months, where do you intend to increase your allocation?



% Yes. Select all that apply. Multiple answers allowed. None of the above not listed.

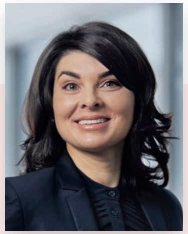
Source: Schroders Institutional Investor Study 2021.

GROWING AWARENESS OF THE VERSATILITY OF PRIVATE ASSETS. INVESTORS LOOKING TO ALLOCATE TO MULTIPLE PRIVATE ASSETS IN THE NEXT 12 MONTHS

“ The Study’s results are consistent with our client interactions and show how private assets are becoming a core allocation in many portfolios. It is interesting to see that private equity ranks highest on the intent to increase allocations, which we believe to be a reflection of its proven outperformance over public equity in the past.

The consistency in increased allocation across regions seems to be the outcome of a broad-based allocation increase to private equity rather than a specific tactical allocation adjustment.

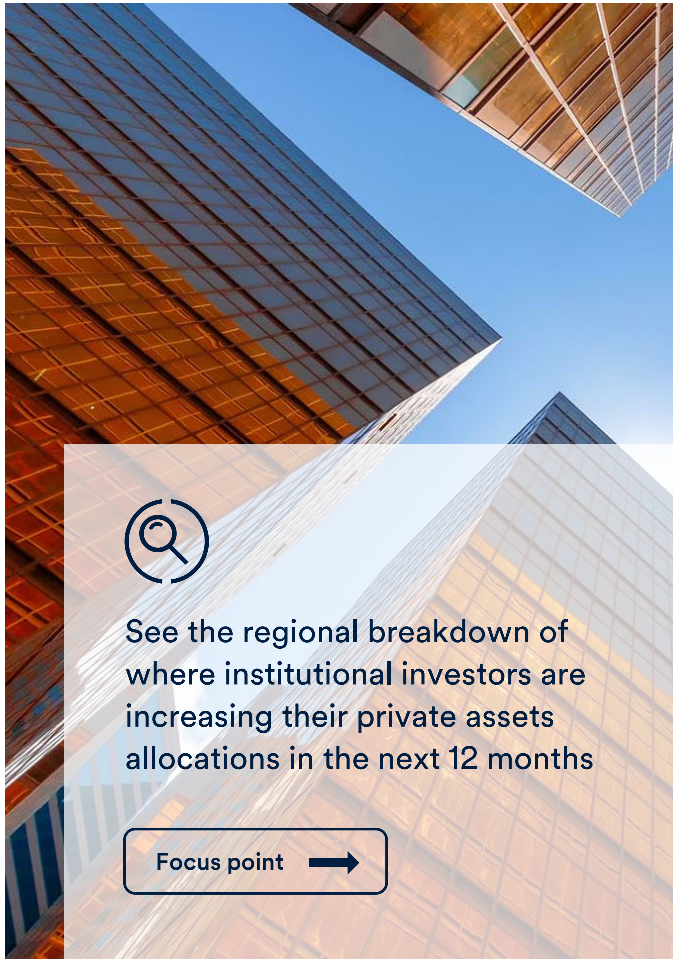
Rainer Ender
GLOBAL HEAD OF PRIVATE EQUITY, SCHRODERS CAPITAL



“ These findings make it clear that infrastructure equity is high on the investor agenda. For investors in Europe, home to the largest infrastructure market, the focus is especially sharp. The characteristics of the asset class are extremely appealing for those with a long-term investment horizon and its resilience has been demonstrated through the extraordinary market conditions of the pandemic.

Infrastructure equity typically has a longer-term investment horizon than other alternative investments, and its risk profile relative to – or indeed combined with traditional assets - is attractive. The asset class offers a long-term yield play, given the predictable nature of the cash flows and inflation-linked revenues, which investors are coming to value more and more.

Chantale Pelletier
GLOBAL HEAD OF INFRASTRUCTURE, SCHRODERS CAPITAL



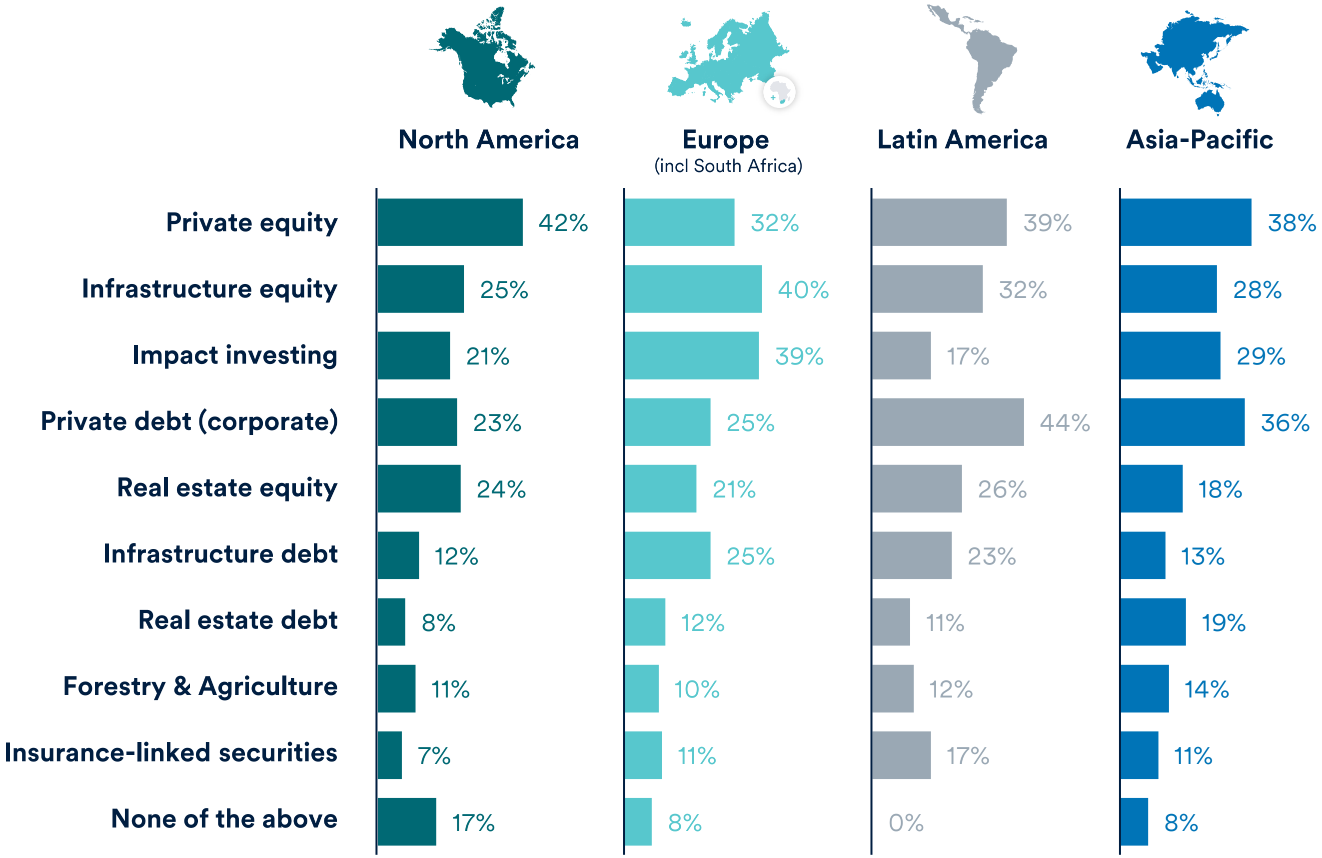
Source: Schroders Institutional Investor Study 2021.

FOCUS

Over the next 12 months, where do you intend to increase your allocation?

Breaking down the responses by region provides some noticeable differences. Investors in North America and Asia-Pacific have a clear bias to private equity (42% and 38% respectively) while European investors had a more tepid response, with 32% expecting to increase allocations. Conversely, those in Europe have the highest responses for infrastructure equity (40%) while North American investors trail in this category with 25%. European investors have long led the way in sustainable investing and 39% of respondents plan to increase allocation to impact investing, the highest response in the category, followed by 29% of Asia-Pacific investors. Only 21% of North American and 17% of Latin American investors plan to increase in this area.

After a significant amount of capital has been raised in private corporate debt over the last few years, Asia-Pacific (36%) and Latin American investors (44%) are the most interested in private debt moving forward. European and Latin American investors remain the primary investors in infrastructure debt.



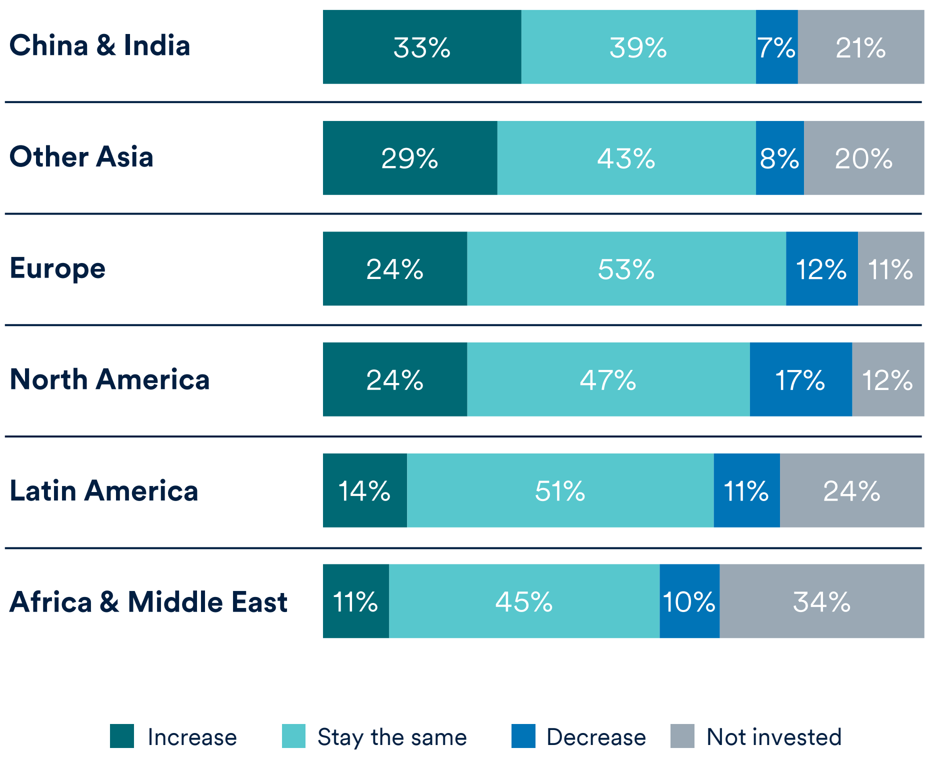
% Yes. Select all that apply. Multiple answers allowed.

Continue

Source: Schroders Institutional Investor Study 2021.

GROWING AWARENESS OF THE VERSATILITY OF PRIVATE ASSETS. INVESTORS LOOKING TO ALLOCATE TO MULTIPLE PRIVATE ASSETS IN THE NEXT 12 MONTHS

Over the next 12 months, how will you adjust your geographic exposure in private assets?



Source: Schroders Institutional Investor Study 2021.

The fieldwork for this year's Study was conducted in February-March 2021. A third of respondents expect to allocate more to China and India (33%) versus less than a quarter intending to invest more in Europe and North America. This is consistent across European and Asia-Pacific investors. In North America, respondents highlighted increased allocation for both China & India and North America (32%).

The more recent geopolitical and regulatory changes and uncertainties in China may have adversely affected investors' confidence in investing in the Chinese market. Many sectors in China have now been regulated, from the provision of private education, the internet and tech sector, real estate, healthcare and insurance sectors. This has been particularly important for the tech sector, as many of the stocks are US listed.

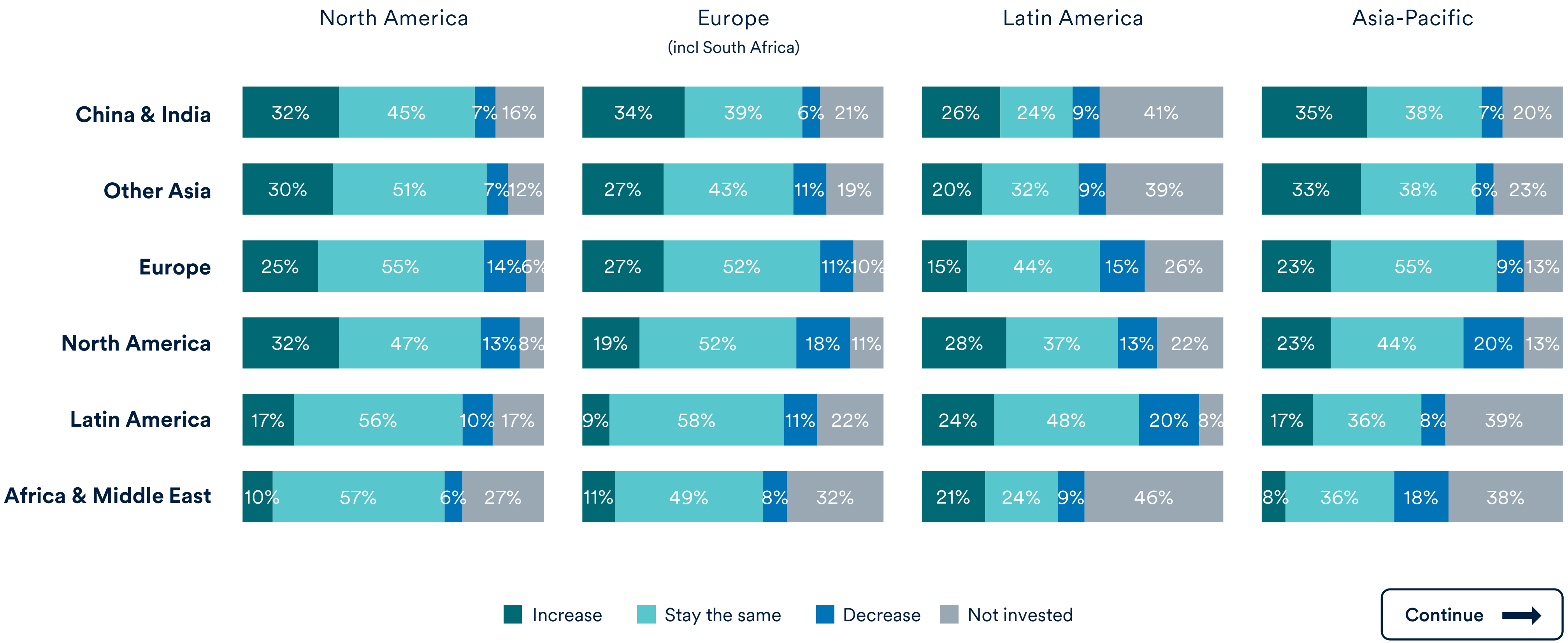
The initial reaction observed has been a shift of capital from China to other markets in the region, with noticeable flows to India. While this may impact investments in the short-term, the long-term investment horizon of private assets means private market investments should weather the storm. In these times, investors should look for a trusted manager with an experienced team on the ground and track record (see page 15 for "How important are the following criteria when selecting a private market manager?").

Explore the regional differences

Focus point

FOCUS

Over the next 12 months, how will you adjust your geographic exposure in private assets?



Continue

Source: Schroders Institutional Investor Study 2021.

Diversification and opportunity for higher returns continue to be the key drivers for investing in private assets

This year's Study highlights that the opportunity to better diversify portfolios is a key driver of rising allocations to private assets (80%, up from 78% in 2020). Generating high returns was bumped into second place this year (75%).

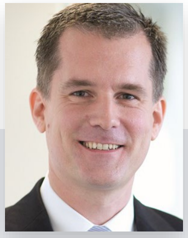
Diversification has grown steadily in importance with every month, quarter and year that valuations in liquid markets have hovered at historic highs. Moreover, investors have grown accustomed to the fact that the link between valuations and fundamentals has grown weaker. That is to say, "technical" factors of supply and demand in price action have been significantly influenced by the policy backdrop. Diversifying away from these factors is a practical step.

But while institutional investors clearly value diversification highly, we think the variety and consistency of diversification in private assets may be underestimated. The opportunity is not only to diversify across publicly listed and private investments, but also to diversify within private assets. Private markets have grown and matured over the last two decades and today represent a multitude of strategies with a variety of return drivers and risk profiles.

80% of global institutional investors say diversification is the primary reason for investing in private assets

Source: Schroders Institutional Investor Study 2021.

DIVERSIFICATION AND OPPORTUNITY FOR HIGHER RETURNS CONTINUE TO BE THE KEY DRIVERS FOR INVESTING IN PRIVATE ASSETS



“

Our Study shows that, in addition to expected outperformance, the opportunity to better diversify portfolios is a key reason why investors plan to increase their allocations to private assets.

This is not only about diversification across listed and private investments, but also about diversification within private assets. As the asset class has grown and matured over the last two decades, there is now a multitude of private asset strategies to choose from that provide investors with a variety of return drivers and risk profiles. Furthermore, the long tail of private assets that spans across deal sizes and investment types allows investors to be highly selective and to position their portfolios for exposure to the complexity premium, increased diversification and improved robustness.

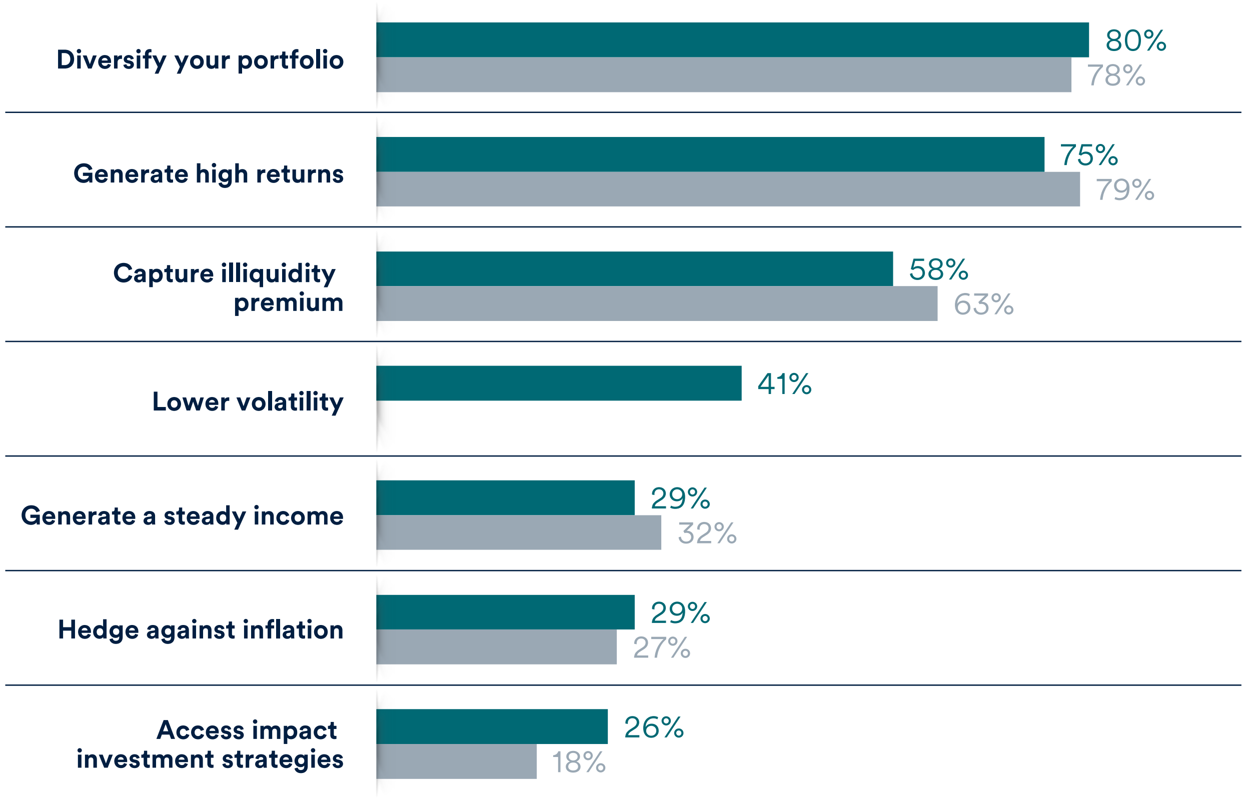
Private markets offer - variously - reduced cyclical exposure, greater idiosyncratic risk, restricted access and a breadth of opportunity set that we believe is underappreciated by many institutional investors.

Nils Rode

CHIEF INVESTMENT OFFICER, SCHRODERS CAPITAL

To what extent are the following factors reasons for you to invest in private assets?

2021 2020

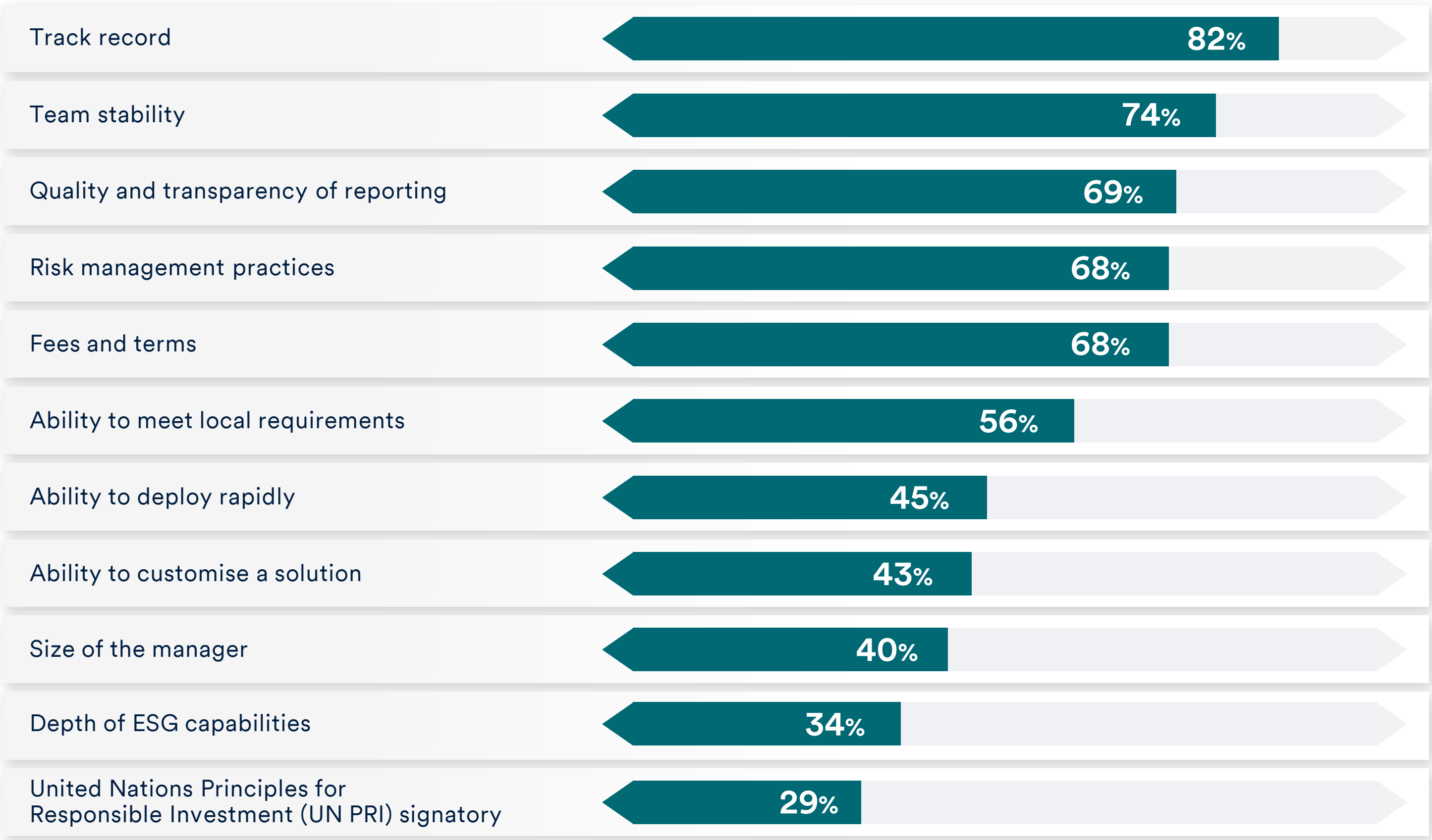


On a scale of 1-5 (1 being strongly disagree and 5 strongly agree). % Agree (4 + 5)

Source: Schroders Institutional Investor Study 2021.

DIVERSIFICATION AND OPPORTUNITY FOR HIGHER RETURNS CONTINUE TO BE THE KEY DRIVERS FOR INVESTING IN PRIVATE ASSETS

How important are the following criteria when selecting a private market manager?



On a scale of 1-5 (1 being not important at all and 5 very important). % Important (4 + 5).

Source: Schroders Institutional Investor Study 2021.

Track record and team stability top criteria when selecting a private assets manager

Track record (82%), team stability (74%) and quality and transparency of reporting (69%) remain the most important measures across all regions when selecting a private markets manager. This speaks to the long-term, illiquid and opaque nature of the asset class, coupled with investors' desire to partner with high-performing, experienced teams, providing transparency in a market where quality of information is key.

Although ESG-related criteria are lower down on this list (depth of ESG capabilities & UN PRI signatory), we believe these criteria will be prioritised and significantly rise in importance over the coming years.

Explore the regional differences for manager selection

Focus point

FOCUS

How important are the following criteria when selecting a private market manager?

	North America	Europe (incl South Africa)	Latin America	Asia-Pacific
Track record	86%	76%	88%	86%
Team stability	81%	75%	82%	63%
Quality and transparency of reporting	69%	72%	71%	67%
Risk management practices	70%	70%	67%	63%
Fees and terms	70%	72%	55%	65%
Ability to meet local requirements	52%	52%	82%	55%
Ability to deploy rapidly	46%	42%	47%	48%
Ability to customise a solution	36%	42%	61%	46%
Size of manager	33%	43%	36%	44%
Depth of ESG capabilities	23%	47%	44%	25%
United Nations Principles for Responsible Investment (UN PRI) signatory	18%	44%	26%	21%

On a scale of 1-5 (1 being not important at all and 5 very important). % Important (4 + 5).

Over 70% of North American and European investors are focused on ‘risk management practices’ and ‘fees and terms’ following track record, team stability and quality of reporting.

Alternatively, Latin American and, to a lesser extent, Asia-Pacific investors look for providers to meet local requirements (82% and 55%, respectively) and build customised solutions (61% and 46%) as key considerations in comparison to other regions. This speaks to the fragmented nature of the Latin American and Asian markets and a historical emphasis on domestic investment. ‘Depth of ESG capabilities’ continue to climb in importance for investors across all regions, led by 47% of European and 44% Latin American respondents.

Continue

Source: Schroders Institutional Investor Study 2021.

DIVERSIFICATION AND OPPORTUNITY FOR HIGHER RETURNS CONTINUE TO BE THE KEY DRIVERS FOR INVESTING IN PRIVATE ASSETS

David Seex

HEAD OF SOLUTIONS, SCHRODERS CAPITAL

"

Talking to investors, we hear that they are concerned about the governance of multiple complex investments and value partnership, both as a means to accessing to ideas and as a way to extend their team's resources. This year's Study reveals different aspects of this as investor priorities; not just track record but quality of reporting, risk management and the ability to customise a solution. Behind this we see a change of thinking toward an outcome orientation, where the lines between asset classes and between public and private investments become less important.

Solutions fit into this direction of travel, where the practical and the technical come together in order to meet particular risk, return and liquidity parameters.

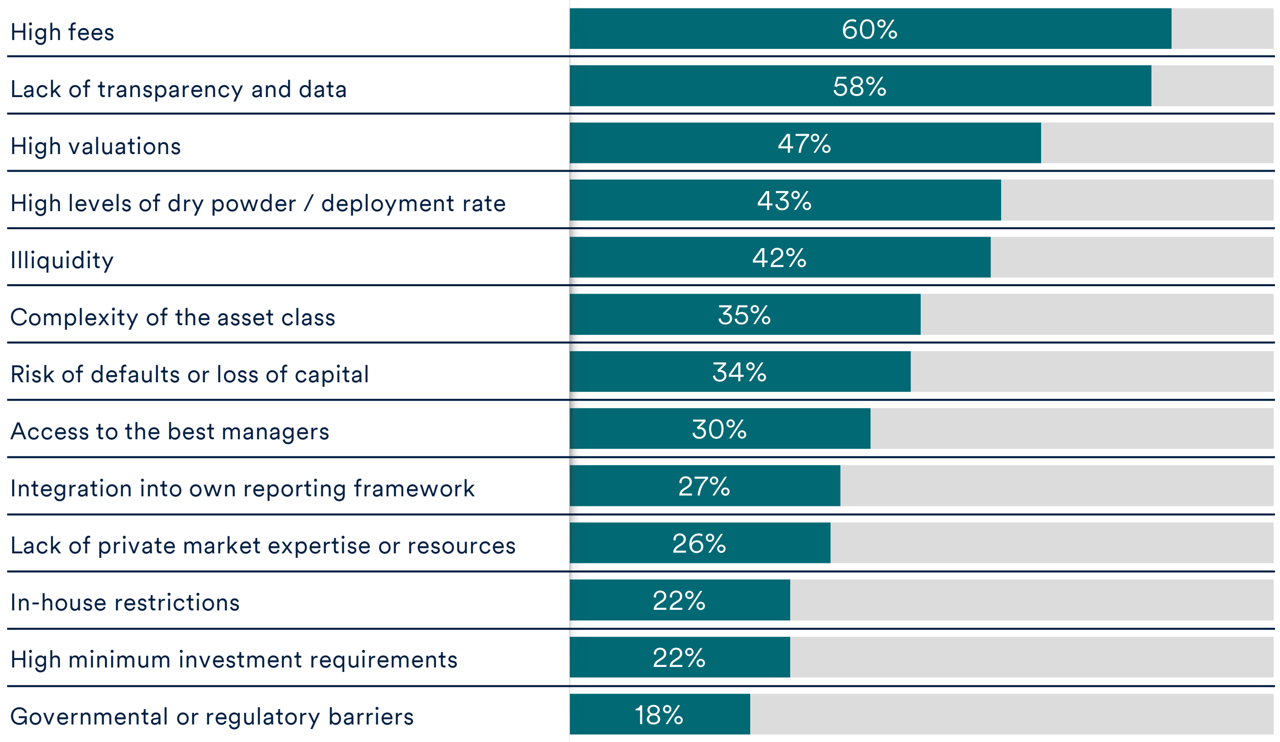
Source: Schroders Institutional Investor Study 2021.

Cost, lack of transparency and high valuations remain the greatest obstacles when investing in private assets

Concerns around high fees continue to be the main challenge for 60% of institutional investors when considering investment into private assets. This is consistent with previous years' results (54% in 2019; 52% in 2020). Lack of transparency and data (58%) follows closely behind.

Earlier, the illiquid nature of private assets was highlighted as a driving factor behind allocations to the sector (see page 14). It is interesting to note, when asked about the challenges, illiquidity (42%) and complexity of the asset class (35%) are still barriers but are lower down in investors' concerns. This may suggest that investors are now recognising that illiquidity and long lock-ups, whilst a concern, are also a key reason to invest in private assets. Ultimately, investors may have come to find that there are positives of these characteristics, including potentially further control, impact, effective crisis management and ultimately superior value creation.

In your experience what are the main challenges of investing in private assets?



Respondents were asked to rate on a scale of 1-5 where 1 = Not concerned at all and 5 = Very concerned.

Source: Schroders Institutional Investor Study 2021.

Sustainability considerations in private assets

When asked about the importance of ESG considerations within private assets, 54% point to the 'benefit all stakeholders' principle being critical. These are strategies which focus on assets with strong - or improving - sustainable practice.

The need for quality and transparent reporting in sustainable investing has been highlighted in the specific sustainability results from this year's Study. This is also seen in the private assets results; 50% of respondents highlight that the manager's ability to report quantitatively on the impact of their investment strategy is key when investing sustainability in private markets.

This interest in impact investing in private assets goes hand-in-hand with a demonstrable interest for thematic investing. Climate change has taken centre stage, but social themes like job creation, quality of jobs, and gender, equality and diversity are also in focus. The result is that a portfolio across multiple private asset strategies can result in a credible investment solution to address thematic investing at scale.

How important are the following ESG considerations when investing in the private market?

54% The strategy focuses on assets with strong or improving sustainable practice – 'benefit all stakeholders' principle

39% The strategy plays an active role in addressing global challenges – UN Sustainable Development Goals

50% Manager's ability to report quantitatively on positive / negative impact of investment strategy

33% Independent accreditation of GP's ESG processes and principles

46% Manager integrates ESG considerations into the strategy – 'do no harm' principle

On a scale of 1-5 (1 being not important and 5 very important). % important (4 + 5).

Source: Schroders Institutional Investor Study 2021.

SUSTAINABILITY CONSIDERATIONS IN PRIVATE ASSETS

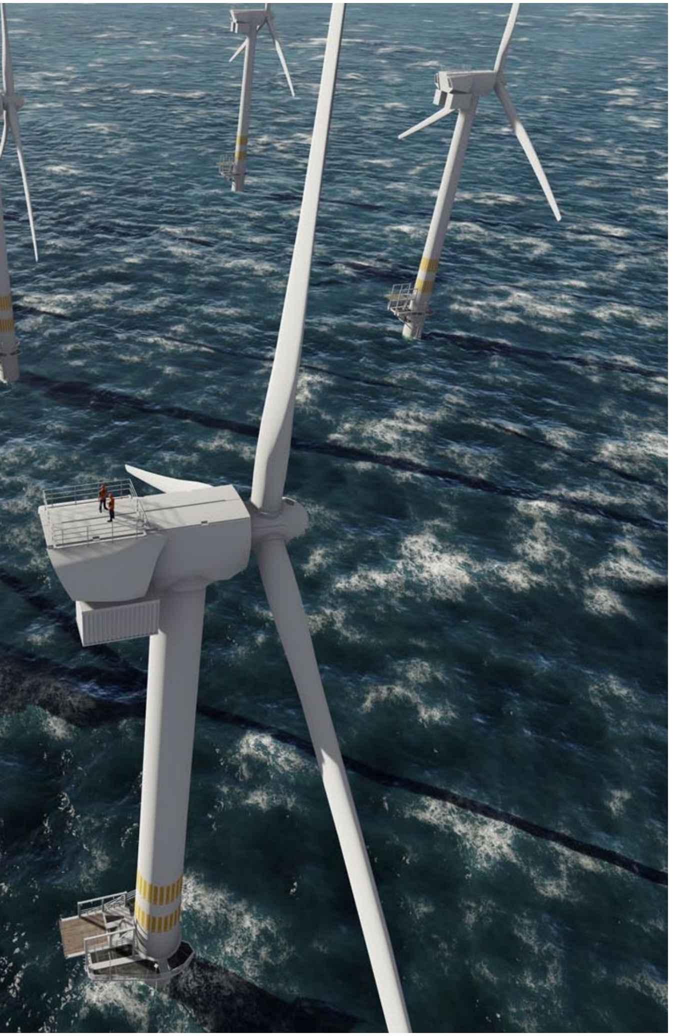
Maria Teresa Zappia

HEAD OF SUSTAINABILITY AND IMPACT,
SCHRODERS CAPITAL

CHIEF IMPACT AND BLENDED FINANCE OFFICER
AND DEPUTY CEO, BLUEORCHARD

> “Notwithstanding differences across regions, this year’s Study shows institutional investors’ significant demand for investment strategies proactively working to foster positive change.
>
> The way forward is clearly to excel in the measurement and reporting of impact and the implementation of best practices in the investment process. The time of nice pictures and anecdotal evidence in annual reports has clearly gone and regulatory requirements are also demanding a higher level of transparency when referring to sustainable and impact investing strategies.

Source: Schroders Institutional Investor Study 2021.



Challenges remain for sustainable investing

Although sustainability is now a major consideration in institutional investors' asset allocation, this year's results have shown that the degree of complexity around sustainable investing is still relatively high. Measuring and understanding social and environmental issues through an investment lens is still very new to many investors. Combining that with the lack of consistency in definitions, data and methodologies, it is unsurprising that 64% state the lack of standardisation as the main barrier to investing in strategies focused on sustainable and impact investing.

Within the context of the global results, the European results stand out (70% vs 64% global). This could be linked to the regulatory requirements: on one hand investors are seeking more-sizable opportunities but they are also "concerned" with all-new regulatory requirements in the EU. Investors are still figuring out which standards of measurement and metrics are best practice as the regulation itself is still evolving in the details of its data and reporting requirements.

Another aspect is worth noting is that the search for sustainable and impact investment managers with proven credentials remains a top priority both in North America (54%) and in Europe (53%). This indicates that sustainability and impact expertise in investment management is highly sought after by investors.

Encouragingly, we have seen a consistent year-on-year decrease around performance concerns. Some 38% of institutions had performance concerns about investing sustainably. This was down from 45% a year ago and a marked drop on the 51% recorded in 2018. This is a further sign that investors are recognising that investing sustainably does not have to come at the expense of returns.

So clearly, while appetite for sustainable and impact investments has generally increased, the selection of investment strategies, with investment managers with proven track record and expertise in sustainable investing, is still challenged by investors' capability to navigate a very heterogeneous and not always transparent impact and sustainable investing market.

Source: Schroders Institutional Investor Study 2021.

SUSTAINABILITY CONSIDERATIONS IN PRIVATE ASSETS

In your experience, what are the biggest obstacles to investing in private asset strategies focused on sustainable and impact investing?

	Global	North America	Europe (incl South Africa)	Latin America	Asia-Pacific
Lack of standardisation of measurement, processes, metrics etc.	64%	62%	70%	48%	61%
Limited number of managers with proven sustainable / impact credentials	51%	54%	53%	41%	48%
Weak ESG / impact management and measurement practices of asset managers and investees alike	43%	40%	41%	48%	46%
Limited internal resources to undertake due to diligence around the best ESG / impact investment opportunities	33%	39%	27%	21%	39%
Sector concentration e.g. renewables vs. more innovative strategies such as climate resilience	32%	37%	29%	32%	33%
Lack of sizable opportunities	29%	26%	34%	33%	23%
Challenges with company engagement	25%	22%	22%	41%	27%
Geographical concentration (e.g. developed vs. emerging markets)	23%	20%	24%	35%	22%

Rank 1 + 2 + 3

Source: Schroders Institutional Investor Study 2021.

About the Study

Schroders commissioned CoreData to conduct the fifth Institutional Investor Study to analyse the world's largest investors' key areas of focus and concern including the macroeconomic and geopolitical climate, return expectations, asset allocation and attitudes to private assets and sustainable investing.

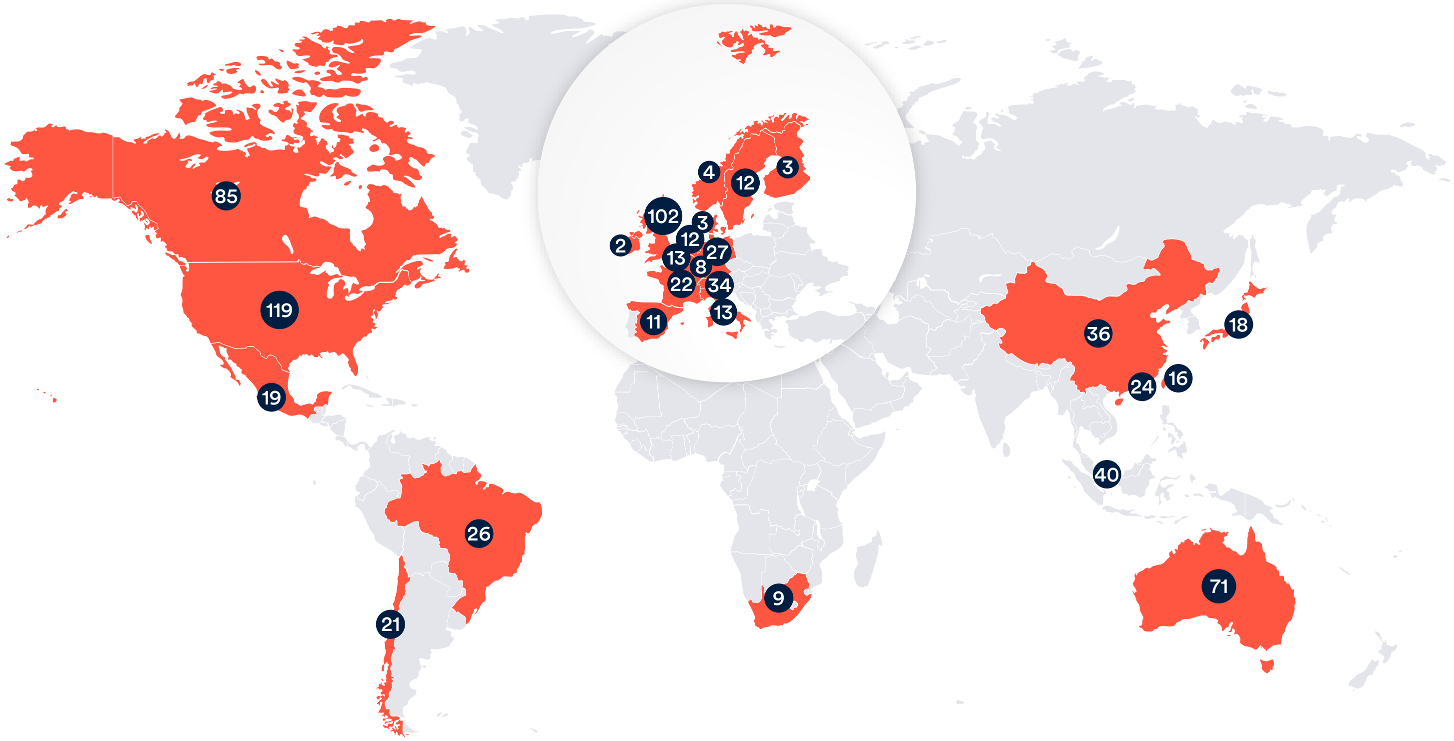
The respondents represents a spectrum of institutions, including corporate and public pension plans, insurance companies, official institutions, private banks, endowments and foundations, collectively responsible for US$26.8 trillion in assets.

The research was carried out via an extensive global survey during February and March 2021.

Worldwide institutional respondents

750 institutional respondents

26 locations worldwide



Source: Schroders Institutional Investor Study 2021.

Regional institutional respondents

North America
(204)

27%

Europe*
(275)

37%

Latin America
(66)

9%

Asia-Pacific
(205)

27%

*Including South Africa

Type of organisation

29% Corporate pension plan

3% Official institutions

7% Private bank

7% Foundation

7% Endowment

23% Public or government pension plan

14% Life insurance company

10% Non-life insurance company

Assets under management

Less than 1 billion	14%
1 billion to less than 5 billion	24%
5 billion to less than 10 billion	11%
10 billion to less than 50 billion	24%
50 billion to less than 100 billion	8%
100 billion to less than 250 billion	11%
250 billion to less than 500 billion	5%
500 billion to less than 1 trillion	3%

Source: Schroders Institutional Investor Study 2021.

Important information

Marketing material for professional clients only.

This information is a marketing communication.

No responsibility can be accepted for errors of fact or opinion.

The material is not intended to provide, and should not be relied on for, accounting, legal or tax advice, or investment recommendations.

Reliance should not be placed on any views or information in the material when taking individual investment and/or strategic decisions.

Past Performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of investments to fall as well as rise.

Schroders has expressed its own views and opinions in this presentation and these may change.

Information herein is believed to be reliable but Schroders does not warrant its completeness or accuracy.

Schroders will be a data controller in respect of your personal data. For information on how Schroders might process your personal data, please view our Privacy Policy available at www.schroders.com/en/privacy-policy/ or on request should you not have access to this webpage.

For your security, communications may be recorded or monitored.

For readers/viewers in Argentina: Schroder Investment Management S.A., Ing. Enrique Butty 220, Piso 12, C1001AFB - Buenos Aires, Argentina. Registered/Company Number 15. Registered as Distributor of Investment Funds with the CNV (Comisión Nacional de Valores). Nota para los lectores en Argentina: Schroder Investment Management S.A., Ing. Enrique Butty 220, Piso 12, C1001AFB - Buenos Aires, Argentina. Inscripto en el Registro de Agentes de Colocación y Distribución de PIC de FCI de la Comisión Nacional de Valores con el número 15.

For readers/viewers in Brazil: Schroder Investment Management Brasil Ltda., Rua Joaquim Floriano, 100 – cj. 142 Itaim Bibi, São Paulo, 04534-000 Brasil. Registered/Company Number 92.886.662/0001-29. Authorised as an asset manager by the Securities and Exchange Commission of Brazil/Comissão de Valores Mobiliários ("CVM") according to the Declaratory Act number 6816. This presentation is intended for professional investors only as defined by the CVM rules which can be accessed from their website www.cvm.gov.br.

For readers/viewers in Canada: Schroder Investment Management North America Inc., 7 Bryant Park, New York, NY 10018-3706. NRD Number 12130. Registered as a Portfolio Manager with the Ontario Securities Commission, Alberta Securities Commission, the British Columbia Securities Commission, the Manitoba Securities Commission, the Nova Scotia Securities Commission, the Saskatchewan Securities Commission and the (Quebec) Autorité des marchés financiers.

For readers/viewers in Israel: Note regarding the Marketing material for Qualified Clients or Sophisticated Investors only. This communication has been prepared by certain personnel of Schroder Investment Management (Europe) S.A (Registered No. B 37.799) or its subsidiaries or affiliates (collectively, 'SIM'). Such personnel are not licensed by the Israeli Securities Authority. Such personnel may provide investment marketing, to the extent permitted and in accordance with the Regulation of Investment Advice, Investment Marketing and Investment Portfolio Management Law, 1995 (the 'Investment Advice Law'). This communication is directed at persons (i) who are Sophisticated Investors (ii) Qualified Clients ('Lakoach Kashir') as such term is defined in the Investment Advice Law; and (iii) other persons to whom it may otherwise lawfully be communicated. No other person should act on the contents or access the products or transactions discussed in this communication. In particular, this communication is not intended for retail clients and SIM will not make such products or transactions available to retail clients.

For readers/viewers in Switzerland: Issued by Schroder Investment Management (Switzerland) AG, Central 2, 8001 Zurich, Switzerland. Authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA).

For readers/viewers in the European Union/European Economic Area: Schroders will be a data controller in respect of your personal data. For information on how Schroders might process your personal data, please view our Privacy Policy available at www.schroders.com/en/privacy-policy or on request should you not have access to this webpage. Issued by Schroder Investment Management (Europe) S.A., 5, rue Höhenhof, L-1736 Senningerberg, Luxembourg. Registered No. B 37.799

For readers/viewers in the United Arab Emirates: Schroder Investment Management Limited, located in Office 506, Level 5, Precinct Building 5, Dubai International Financial Centre, PO Box 506612 Dubai, United Arab Emirates. Regulated by the Dubai Financial Services Authority. This presentation is not subject to any form of approval by the DFSA. Accordingly, the DFSA has not approved any associated documents nor taken any steps to verify the information and has no responsibility for it. This presentation is intended to be for information purposes only and it is not intended as promotional material in any respect. This presentation is intended for professional investors only as defined by the DFSA rules which can be accessed from their website www.dfsa.ae

Important information

For readers/viewers in the United Kingdom: Schroders will be a data controller in respect of your personal data. For information on how Schroders might process your personal data, please view our Privacy Policy available at www.schroders.com/en/privacy-policy or on request should you not have access to this webpage. Issued by Schroder Investment Management Limited, 1 London Wall Place, London EC2Y 5AU. Registered Number 1893220 England. Authorised and regulated by the Financial Conduct Authority.

For readers/viewers in the United States: For financial professionals and consultant only. Schroder Investment Management North America Inc., 7 Bryant Park, New York NY 10018-3706. CRD Number 105820. Registered as an investment adviser with the US Securities and Exchange Commission.

Note to readers/viewers in Australia: Issued by Schroder Investment Management Australia Limited Level 20, Angel Place, 123 Pitt Street, Sydney NSW 2000 Australia ABN 22 000 443 274, AFSL 226473. It is intended for professional investors and financial advisers only and is not suitable for retail clients.

Note to readers/viewers in Indonesia: This presentation is intended to be for information purposes only and it is not intended as promotional material in any respect. This presentation is intended for professional investors only as defined by the Indonesian Financial Services Authority ("OJK"). Issued by PT Schroder Investment Management Indonesia Indonesia Stock Exchange Building Tower 1, 30th Floor, Jalan Jend. Sudirman Kav 52-53 Jakarta 12190 Indonesia PT Schroder Investment Management Indonesia is licensed as an Investment Manager and regulated by the OJK. This material has not been reviewed by the OJK.

Note to readers/viewers in Japan: Issued by Schroder Investment Management (Japan) Limited 21st Floor, Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-Ku, Tokyo 100-0005, Japan Registered as a Financial Instruments Business Operator regulated by the Financial Services Agency of Japan (“FSA”). Kanto Local Finance Bureau (FIBO) No. 90. Member of Japan Investment Advisers Association, The Investment Trusts Association, Japan and Type II Financial Instruments Firms Association. This material has not been reviewed by the FSA.

Note to readers/viewers in Malaysia: This presentation has not been approved by the Securities Commission Malaysia which takes no responsibility for its contents. No offer to the public to purchase any fund will be made in Malaysia and this presentation is intended to be read for information only and must not be passed to, issued to, or shown to the public generally. Schroder Investment Management (Singapore) Ltd does not have any intention to solicit you for any investment or subscription in any fund and any such solicitation or marketing will be made by an entity permitted by applicable laws and regulations.

Note to readers/viewers in People’s Republic of China with QDII quota/MRF client and readers in Hong Kong S.A.R.: Issued by Schroder Investment Management (Hong Kong) Limited. Level 33, Two Pacific Place, 88 Queensway, Hong Kong. This material has not been reviewed by the Securities and Futures Commission of Hong Kong.

Note to readers/viewers in Singapore: This presentation is intended to be for information purposes only and it is not intended as promotional material in any respect. This presentation is intended for professional investors only as defined by Securities and Futures Act to mean for Accredited and or Institutional Clients only, where appropriate. Issued by Schroder Investment Management (Singapore) Ltd (Co. Reg. No. 199201080H) 138 Market Street #23-01 CapitaGreen, Singapore 048946. This presentation has not been reviewed by the Monetary Authority of Singapore.

Note to readers/viewers in South Korea: Issued by Schroders Korea Limitedn26th Floor, 136, Sejong-daero, (Taepyeongno 1-ga, Seoul Finance Center), Jung-gu, Seoul 100-768, South Korea . Registered and regulated by Financial Supervisory Service of Korea (“FSS”)This material has not been reviewed by the FSS.

Note to readers/viewers in Taiwan: Issued by Schroder Investment Management (Taiwan) Limited 9F., No. 108, Sec. 5, Xinyi Road, Xinyi District, Taipei 11047, Taiwan. Tel +886 2 2722-1868 Schroder Investment Management (Taiwan) Limited is independently operated. This material has not been reviewed by the regulators.

Note to readers/viewers in Thailand: This presentation has not been approved by the Securities and Exchange Commission which takes no responsibility for its contents. No offer to the public to purchase any fund will be made in Thailand and this presentation is intended to be read for information only for professional investors as defined by regulations and it is not intended as promotion material in any respect. It must not be passed to, issued to, or shown to the public generally. Schroder Investment Management (Singapore) Ltd does not have any intention to solicit you for any investment or subscription in any fund and any such solicitation or marketing will be made by an entity permitted by applicable laws and regulations. UK003467.

Schroders capital

Private Assets – Institutional Investor Study 2021

Go back

Start again