THE SUSTAINABLE INVESTING STUDY SUMMARY REPORT

Research in Finance's Sustainable Investing Study is an annual study, supported by EdenTree Investment Management, which aims to understand awareness of and demand for sustainable investing (SI) solutions.

The findings provide valuable insight on focal points of the sustainable investing landscape and how it is evolving.

Sustainable Investing Study

SUSTAINABLE INVESTING TRENDS

Sustainable Investing Study

SUSTAINABLE INVESTING IS SEEN AS AN INTEGRAL PART OF THE INVESTMENT MARKET – IT IS HERE TO STAY, BUT IT MUST PERFORM

MOST INTERMEDIARIES AGREE THAT SUSTAINABLE INVESTING (SI) IS A SENSIBLE LONG-TERM APPROACH THAT MUST ADDRESS ESG ISSUES ALONGSIDE FINANCIAL PERFORMANCE.

VIEWS ON SUSTAINABLE INVESTING

Percentage of respondents who agree that sustainable investing…

…is as much about financial performance as it is about addressing ESG issues	59%
…should be viewed simply as sensible long-term investing	54%
…is an industry fad – it won't last	15%
…is no longer relevant in the current environment	11%

IS SUSTAINABLE INVESTING CURRENTLY IN FAVOUR OR OUT OF FAVOUR?

Sustainable investing is currently in favour	25%
Sustainable investing is currently out of favour, but likely to return	64%
Sustainable investing is currently out of favour and unlikely to return	12%

MOST INTERMEDIARIES BELIEVE THAT SUSTAINABLE INVESTING IS EITHER IN FAVOUR OR, IF CURRENTLY OUT OF FAVOUR, LIKELY TO RETURN.

DEMAND AND FUTURE ALLOCATION

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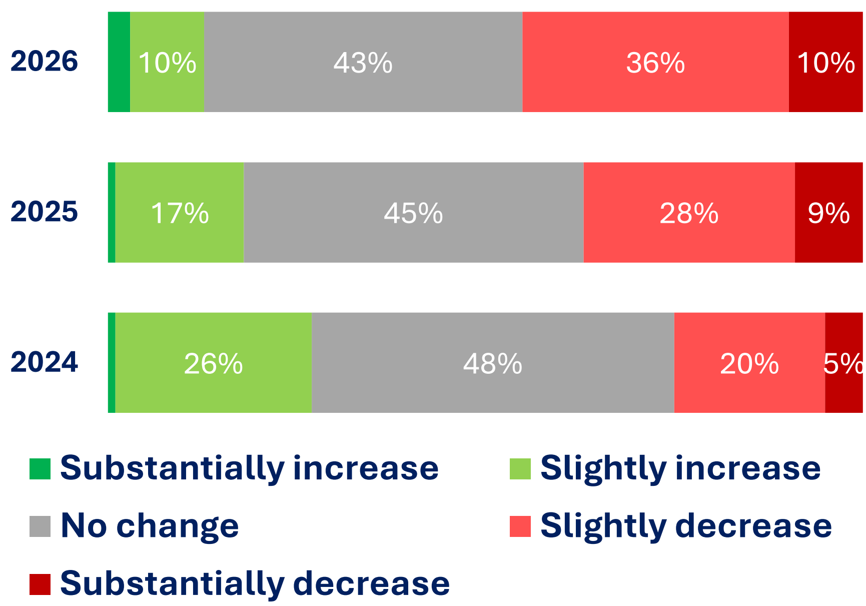
SUSTAINABLE INVESTING IS TRANSITIONING OUT OF ITS INFANCY - DESPITE SOFTER DEMAND, CLIENT INTEREST HAS LARGELY STABILISED

ALTHOUGH DEMAND FOR SUSTAINABLE FUNDS HAS SOFTENED THIS YEAR, OVER HALF OF INTERMEDIARIES REPORT THAT CLIENT DEMAND FOR SUSTAINABLE INVESTING HAS EITHER REMAINED STABLE OR INCREASED.

CLIENT DEMAND IN THE PAST 12 MONTHS (3 YEAR TREND)



EXPECTED CLIENT BEHAVIOUR REGARDING SUSTAINABLE FUNDS WITHIN THE NEXT 5 YEARS

18% INCREASE ALLOCATION

61% REMAIN INVESTED

13% DECREASE ALLOCATION

8% UNSURE

DESPITE SLOWER DEMAND RATES, ALMOST 4 IN 5 EXPECT THEIR CLIENTS TO EITHER MAINTAIN THEIR CURRENT ALLOCATIONS OR INCREASE THEM WITHIN THE NEXT 5 YEARS.

ONLY A MINORITY ARE LOOKING TO DIVEST FROM THEIR SUSTAINABLE FUNDS.

SUSTAINABILITY DISCLOSURE REQUIREMENTS (SDR)

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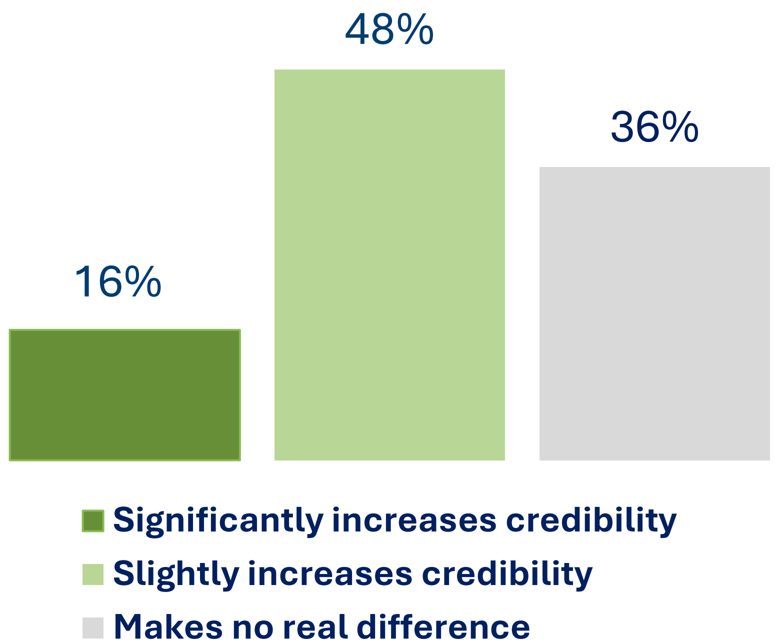
THE MAJORITY OF INTERMEDIARIES RECOGNISE SDR LABELS VALUE IN VALIDATING SUSTAINABILITY CLAIMS OF FUNDS

WHAT IMPACT DO SDR LABELS HAVE ON THE CREDIBILITY OF A FUND'S SUSTAINABILITY CLAIMS?



SDR LABELS ARE HELPING TO STRENGTHEN TRUST, WITH NEARLY TWO THIRDS OF INTERMEDIARIES SAYING THEY INCREASE THE CREDIBILITY OF SUSTAINABILITY CLAIMS COMPARED TO UNLABELLED FUNDS.

LEADING BRANDS IN EFFECTIVELY IMPLEMENTING SDR LABELS

IN TERMS OF ASSET MANAGERS PERCEIVED AS BEING THE MOST EFFECTIVE IN IMPLEMENTING SDR LABELS, RLAM RANKS FIRST AND IS MENTIONED SPONTANEOUSLY BY JUST OVER 40% OF INTERMEDIARIES

SUSTAINABLE INVESTING BARRIERS AND LEADERS

Sustainable Investing Study

PERFORMANCE CONCERNS CONTINUE TO HOLD BACK SUSTAINABLE INVESTING – LOW CLIENT DEMAND IS ALSO A KEY BARRIER TO ADOPTING SUSTAINABLE INVESTING

POOR PERFORMANCE, LOW CLIENT DEMAND AND NOT ENOUGH GOOD OPTIONS IN SOME SECTORS / ASSET CLASSES ARE THE KEY BARRIERS INTERMEDIARIES ARE FACING WHEN IT COMES TO SUSTAINABLE INVESTING.

BARRIERS TO ADOPTING SUSTAINABLE INVESTING – TOP 5 (OF 14)

	2026	2025	2024
Believe it could hinder investment performance	1st	1st	3rd
Low client demand	2nd	4th	4th
Not enough good options in some sectors/ asset classes	3rd	2nd	2nd
Changing political sentiment	4th	*Added in 2026*	
Lack of consistency in fund managers' definitions	5th	3rd	1st

LEADING BRANDS FOR EFFECTIVE COMMUNICATION

1st – Royal London Asset Management

2nd – Liontrust

3rd – Edentree Investment Management

4th – Schroders

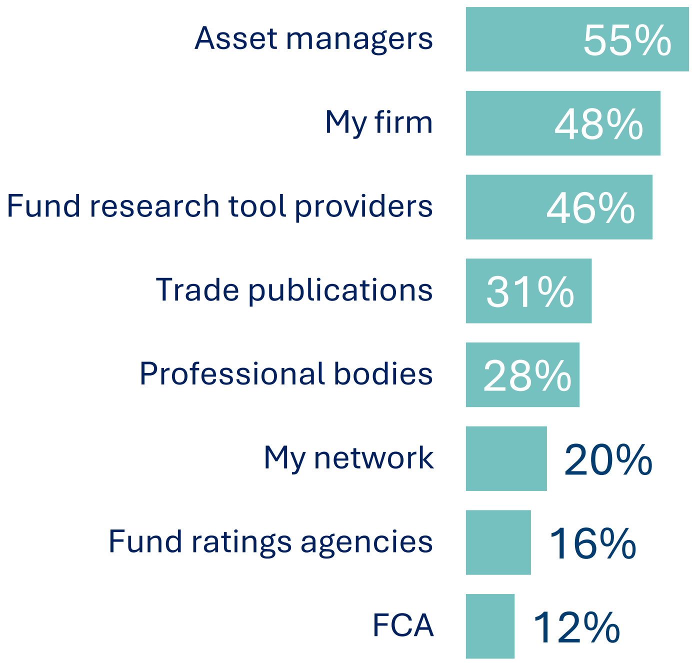
RLAM RANKS TOP FOR THE 3RD YEAR IN A ROW – JUST OVER 2 IN 5 INTERMEDIARIES PERCEIVE RLAM AS THE MOST EFFECTIVE COMMUNICATOR ON SUSTAINABLE INVESTING COMPARED TO PEERS.

INFORMATION AND EVENTS

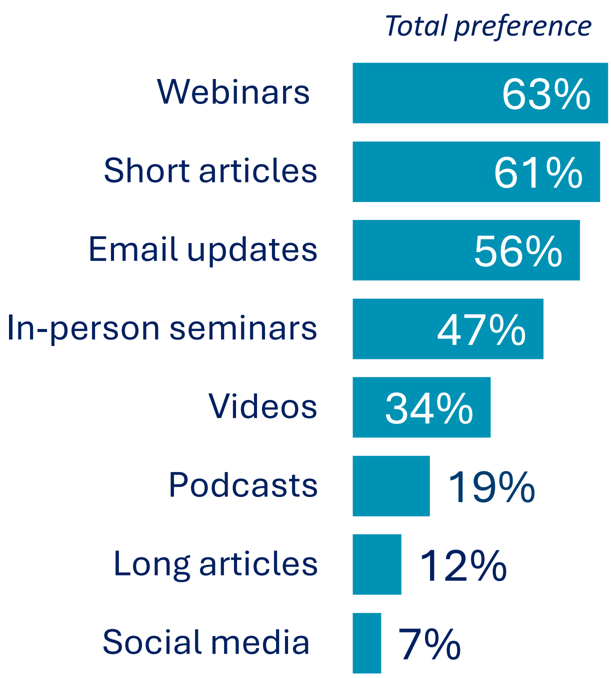
OVER HALF OF INTERMEDIARIES LOOK TO ASSET MANAGERS TO STAY INFORMED ON SUSTAINABLE INVESTING

ASSET MANAGERS PLAY A PIVOTAL ROLE AS THE PRIMARY SOURCE OF INFORMATION THAT INTERMEDIARIES USE TO STAY UP TO DATE WITH INFORMATION ON SUSTAINABLE INVESTING.

PREFERRED INFORMATION SOURCES TO STAY INFORMED ON SUSTAINABLE INVESTING



PREFERRED COMMUNICATIONS METHOD TO STAY INFORMED ON SUSTAINABLE INVESTING



WEBINARS REMAIN THE PREFERRED COMMUNICATION CHANNEL, WHILST SHORT ARTICLES GROW IN FAVOURABILITY.

ABOUT THE STUDY

Sustainable Investing Study

Methodology

The Sustainable Investing Study is an annual research study launched in 2019, aimed at giving investment managers a view of what is important in the markets, how the sustainable investing landscape is evolving over time, and how best to communicate with intermediaries on such an important and dynamic topic.

RiF's annual survey of retail intermediaries takes place in the first quarter of each calendar year, and in the most recent wave surveyed 200 retail intermediaries.

Contact us

Visit the RiF website:
https://researchinfinance.co.uk

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Research

We sincerely hope you have found this summary report insightful, and that you will continue to take part in our Sustainable Investing Study in future years.

Share

If you have any friends, family or colleagues in the institutional investment industry who would be interested in taking part, please send them the link below, where they will be able to receive invites to surveys, in-depth interviews and online communities.

Thank You

As a thank you for sharing your views, we always offer a reimbursement for your time – either as a voucher or charity donation – as well as summary findings at the end of the project. Participation is entirely voluntary, and you can unsubscribe from survey invites at any time.

https://tinyurl.com/RiFPanel