

Market volatility, local investments, and sustainability top of mind for global investors in uncertain environment

Investors eyeing a growing number of business challenges



At a glance

- An Ontario Teachers' commissioned IPSOS survey found that financial market volatility, trust/transparency and macroeconomic factors are the most pressing issues amongst global investors in 2024.
- Almost 70% of investors said they are more concerned about geopolitical instability than they were a year ago.
- Amid uncertainty, there is a clear home-region preference when it comes to where to invest in the short term.
- Close to 60% of investors said they are looking to increase their focus on sustainable investments in 2024.

The issues shaping global investor sentiment in 2024

Volatile markets. Macroeconomic and geopolitical instability. How to build and retain trust. These issues are top of mind for dealmakers.

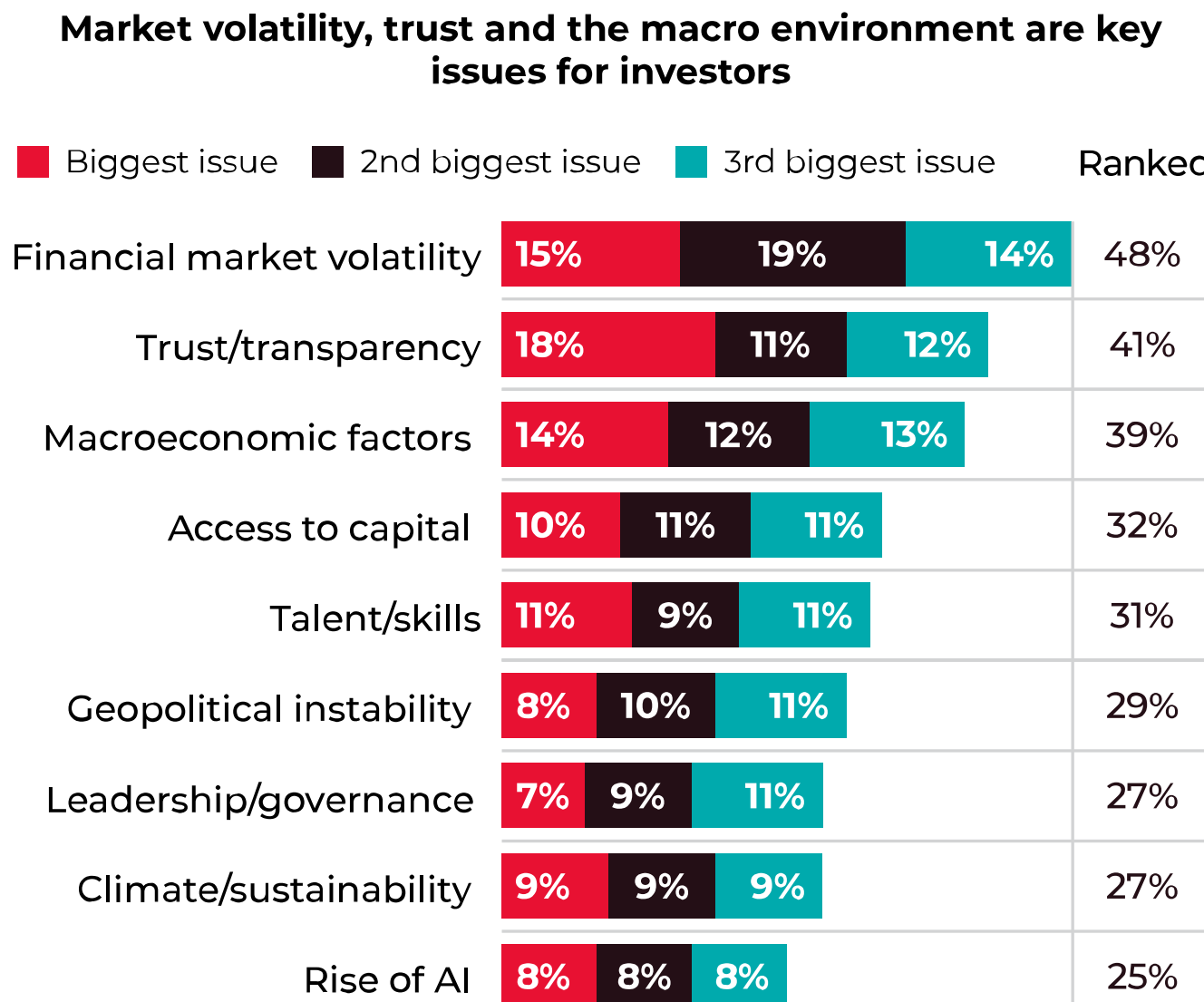
That's according to research we conducted with IPSOS late last year* as investors were dealing with uncertainty over the direction of economic growth, rising geopolitical tensions, and the impact of new artificial intelligence models on many businesses. Amid those challenges, investors were also evaluating opportunities arising from the current business environment, including digital transformation and how to support the climate transition.

Here are a few insights into global investor sentiment and how it may shape investment decisions in 2024.

Financial market volatility is a big issue for many investors

Almost half (48%) of investors view “financial market volatility” as one of the three biggest issues facing their organization. This combines with “trust/transparency” (41%) and “macroeconomic factors” (39%) as the trio of issues they see as most pressing.

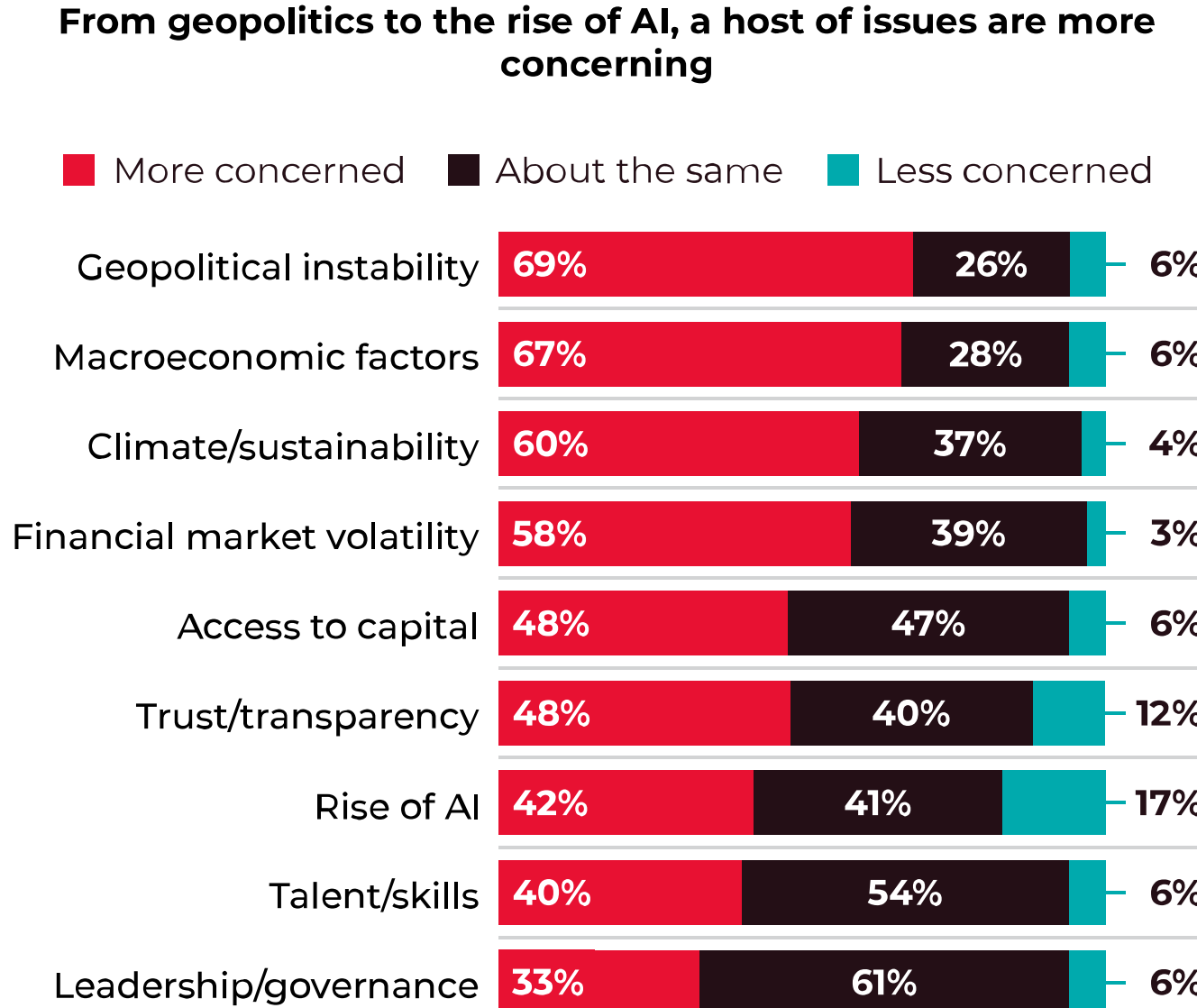
While sentiment is generally consistent across all markets, there are some regional trends. Investors in the Asia-Pacific region have a greater focus on “talent/skills” as a top-three issue (including a notable 43% in Hong Kong). Meanwhile, investors in the U.K. and France (36% and 35%, respectively) put “climate/sustainability” among their top three issues at a higher rate than their peers.



Question: What is the most important issue facing you as an investor today? Please rank your top 3 issues.

Investors much more concerned about geopolitical instability than they were a year ago

Investor sentiment underscores the sheer range of business challenges they are eyeing as the business environment becomes more complex. More than two-thirds (69%) of global investors feel “geopolitical instability” is of more concern than a year earlier. The result isn't surprising, amidst hostilities in the Middle East and an ongoing conflict in Ukraine. A majority of investors are also increasingly concerned about “macroeconomic factors” (67%), “climate/sustainability” (60%) and “financial market volatility” (58%).

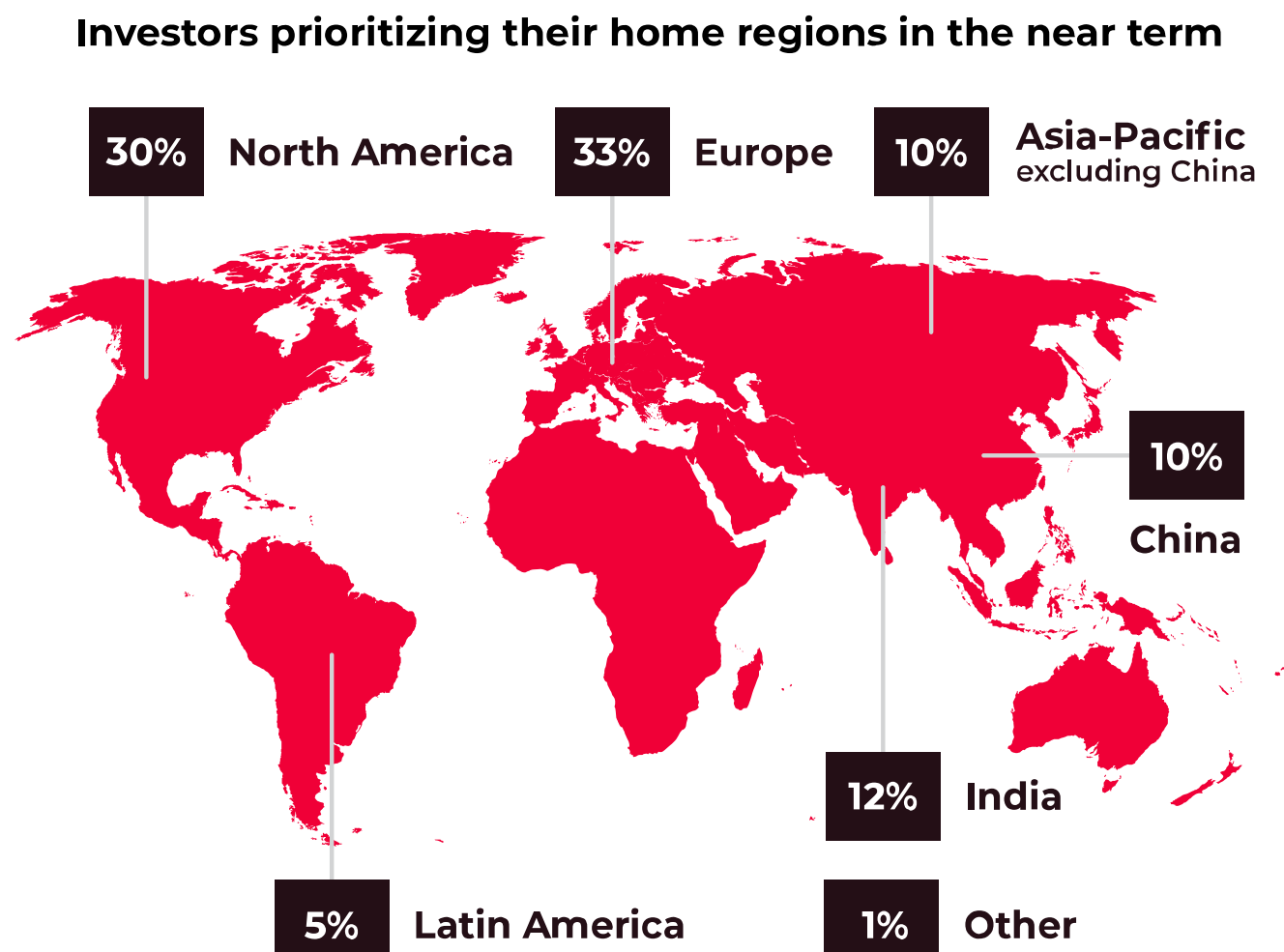


Question: Are you more or less concerned about... than you were a year ago?

Investment intentions about evenly split between major markets

Investment intentions are about evenly split across major markets. A third (33%) of investors aim to prioritize Europe for investment through 2024, while 30% say North America. About the same number (32%) prioritize Asian markets, with India enjoying a slight edge over China (12% versus 10%).

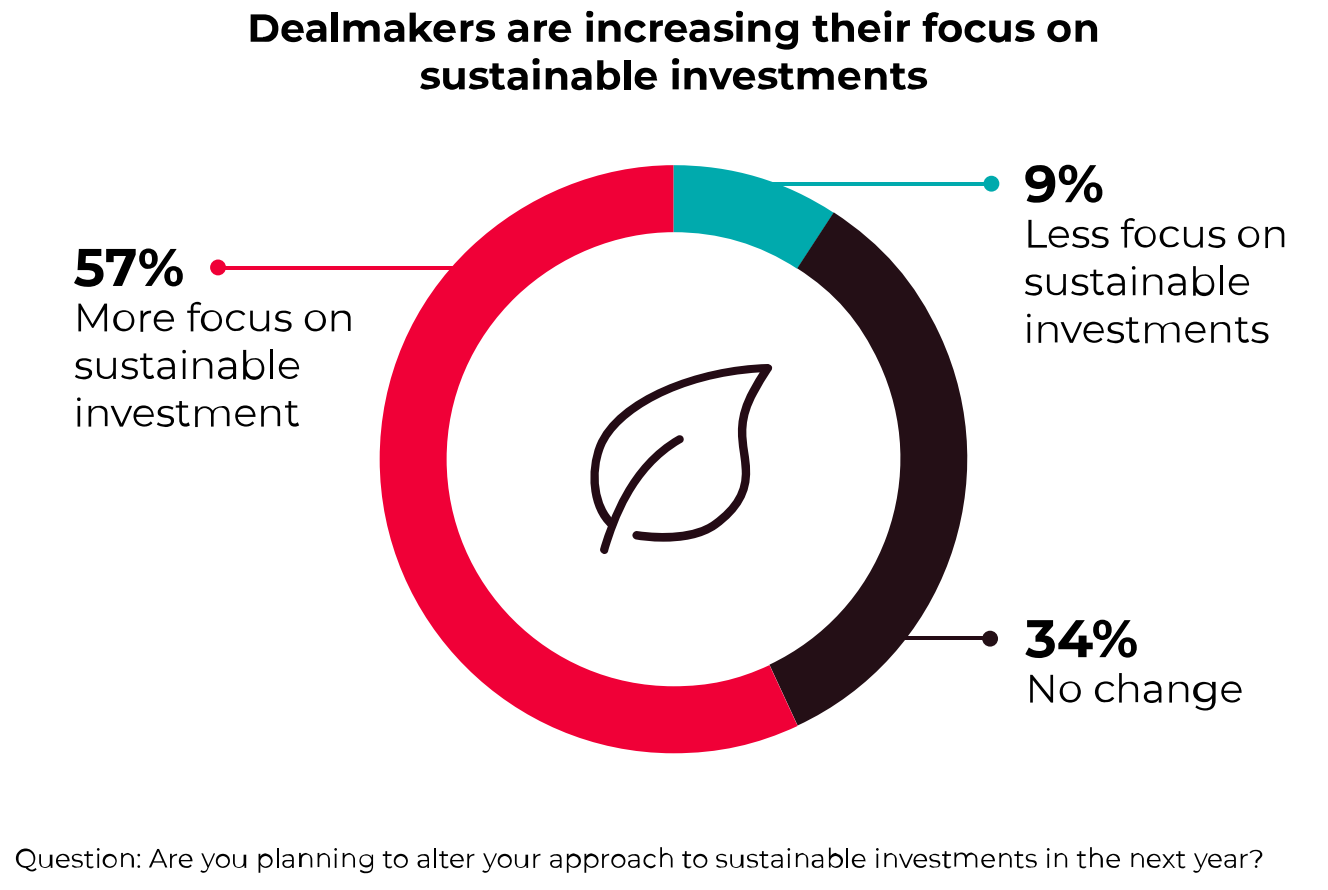
Underlying the global results is a clear home-region preference when it comes to where to invest in the short term. For instance, 73% of U.S. investors plan to invest in North America; for their Canadian counterparts, the figure is 65%. Investors in Germany and France are more focused on investments in Europe (72% and 65%, respectively). Almost two-thirds (64%) of Indian investors prioritize India.



Question: Which region are you prioritizing for investment in the next year?

Focus on sustainable investment is set to grow in 2024

In addition to prioritizing their home region, investors are increasingly considering sustainability in investment decisions. More than half of investors (57%) are looking to increase their focus in this area in 2024, with investors in India and Brazil leading the charge. A full 82% of India dealmakers intend to increase their focus on sustainable investing, with 77% of Brazil respondents saying the same. Fewer than 10% of investors globally plan to focus less on sustainable investments through 2024.



Question: Are you planning to alter your approach to sustainable investments in the next year?

Investors are navigating a complex landscape

The research [bolsters our view](#) that we are living in an era of accelerating change and complexity that requires new approaches. Investors will need to better prepare for change, build resilience and be more agile. Having a strong track record of success, a clear strategy and a reputation for trustworthiness will be essential if investors are to thrive in this complex landscape.

*Ontario Teachers'/Ipsos surveyed investors in 10 markets. A total of 900 responses were collected from director-level and above in private equity/venture capital funds, investment bank/M&A firms, accounting/legal advisory firms, or working as management consultants or as managers of pension plans, sovereign wealth funds, or other alternative assets. Number of respondents in each market are as follows: -Australia (n=50) -Brazil (n=100) -Canada (n=100) -China/HK (n=100) -France (n=100) -Germany (n=100) -India (n=100) -Singapore (n=50) -United Kingdom (n=100) -United States (n=100)

Fieldwork was carried out in October and November 2023.

The aggregate results for OTPP are considered accurate to within +/- 3.6 percentage points, 19 times out of 20. For individual countries, the results are accurate to within +/- 11.2 points for n = 100, and +/- 15.8 points for n = 50.