EQuilibrium Global Institutional Investor Survey

INSURANCE EDITION

Steady steps in shifting terrain:
How insurers are embracing opportunity and assessing risk in 2025

nuveen
A TIAA Company

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EQuilibrium 2025—Key highlights for insurers

Confidence rises amongst insurers, but risks linger

Despite continued concerns over geopolitical risk and market volatility, insurers are gaining greater confidence around the macro environment.

Only 27% are re-formulating capital market assumption methodologies due to shifting fundamentals, down from at least half in each of the past two years.

Private assets continue to garner new and more niche investments

While relatively few insurers are significantly changing strategic allocations, the move towards private assets will continue to push forward. Across all regions insurers are increasingly adding to private credit allocations, and nearly half report expanding into new niches in the private credit space.

Nearly seven in ten (69%) plan to increase private market allocations over the next 5 years.

Emphasis on impact investing is rising globally

Insurers continue to pull back from considering ESG risk factors when making investment decisions. Meanwhile, there is an increasing importance being placed on positive key performance indicators including impact investing and tracking against Sustainable Development Goals.

93% of insurers currently consider or plan to consider **environmental and/or social impact** when making investment decisions.

EQuilibrium 2025

Nuveen's fifth annual global institutional investor survey explores how views on uncertainty drive changes in asset allocation, particularly within the private assets ecosystem.

- We surveyed 800 institutional investors globally, including 235 insurance company respondents
- What follows are the global insurance survey results
- Representing asset levels USD $500M+
- Investment decision-makers only
- Fielded by CoreData Oct.-Nov. 2024
- Overall survey has a margin of error of +/-3.5% at a 95% confidence level (+/- 6.4% for insurance data)

Insurance company respondents

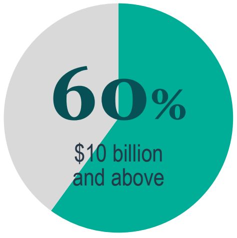
Region

EMEA	North America	APAC
42%	33%	25%

Country

	Percentage of insurers	Total count of insurers
U.S.	29%	68
Germany	15%	36
UK	13%	30
Japan	9%	21
Australia	5%	11
Other	29%	69

AUM



$6 trillion +

in cumulative assets managed by insurance company respondents

Overall (n = 235 All insurers).

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Market outlook

Confidence rises but risks linger

"The geopolitical outlook remains uncertain, but with each passing event you start to get a picture of how things may play out. I'm sure there will be short-term volatility, but there is more of a long-term consensus around particular asset classes."

– UK Insurer, Head of Investments and Chief Risk Officer

"Experts claim that corporate balance sheets are unsustainable in a higher-for-longer rate environment given the amount of leverage in the system. But we have seen meaningful inner deleveraging and top-line growth. This has contributed to lower-than-expected corporate default rates, so basically a pretty benign credit environment."

– US Insurer, Portfolio Manager

59%

express greater than normal uncertainty levels, down from 69% in 2024

73%

holding steady on approaches to capital market assumptions

42%

view a global recession as unlikely in 2025

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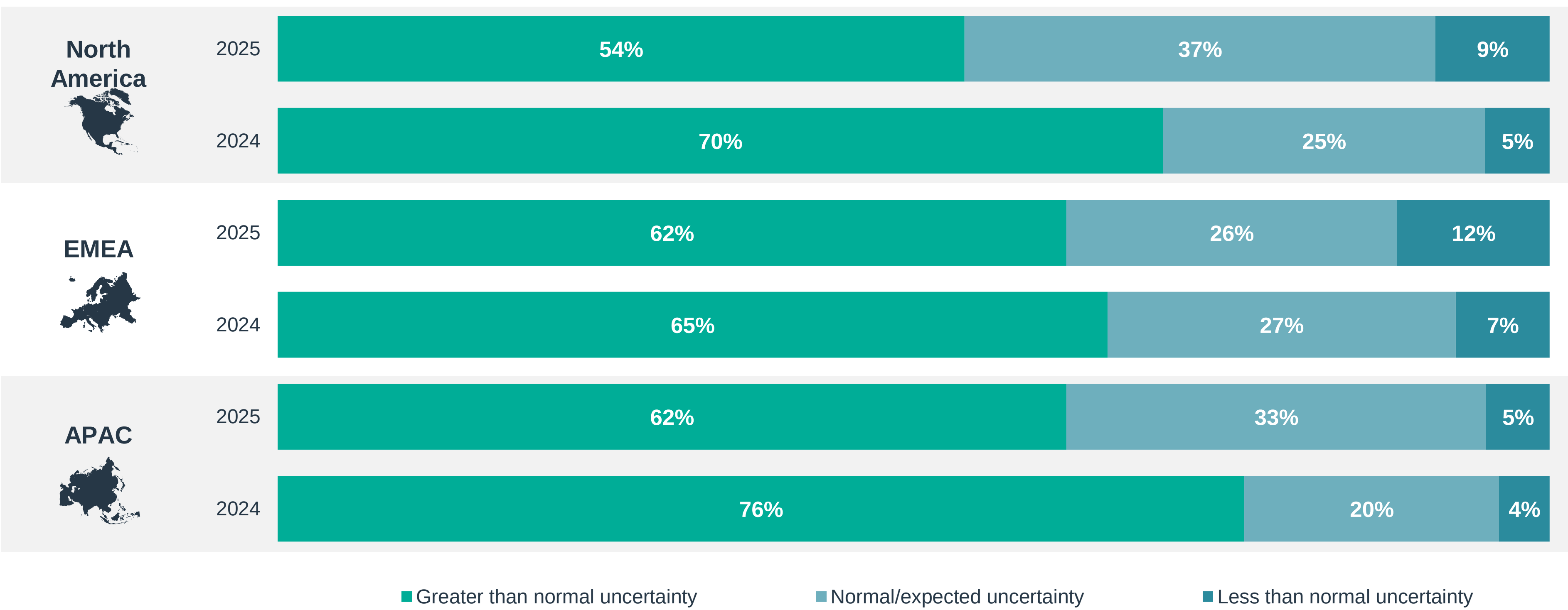
Uncertainty beginning to moderate for insurers globally

Confidence levels are rising year-over-year, most notably amongst North America and APAC insurers.

Macro and risk-return uncertainty

Taking into consideration the current environment, please rate your organization's general views about uncertainty in the current macro environment.



Overall (2025 n = 235 All insurers (North America n = 78, EMEA n = 99, APAC n = 58), 2024 n = 224 All insurers (North America n = 79, EMEA n = 95, APAC n = 50)).

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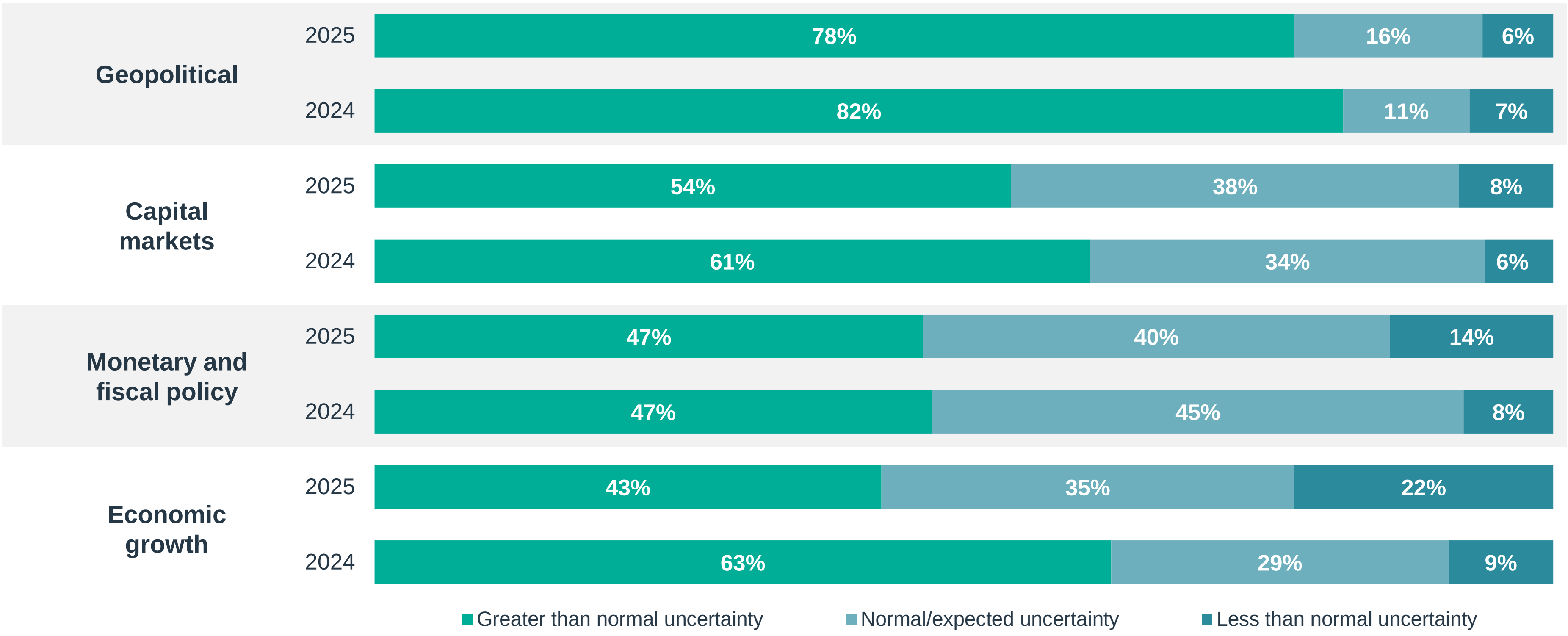
Geopolitical uncertainty remains elevated

Half of insurers still see elevated uncertainty around capital markets. The sharpest year-over-year decline in uncertainty was economic growth.

Macro and risk-return uncertainty

Please indicate your organization's view about the level of uncertainty in the following macroeconomic areas:



Overall (2025 n = 235 All insurers, 2024 n = 224 All insurers), data may not sum to 100% due to rounding.

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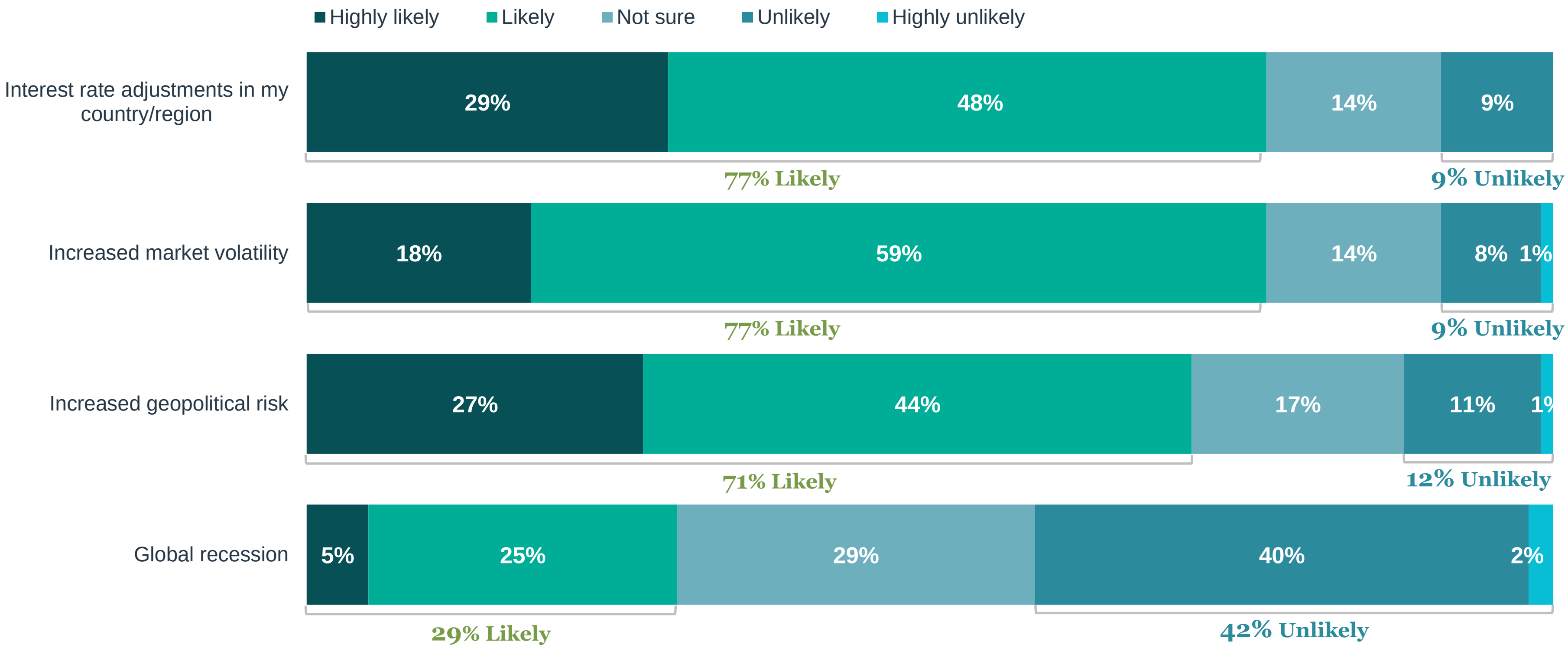
Insurers anticipate interest rate adjustments and heightened volatility

Against that backdrop, 42% of insurers indicate a global recession unlikely in 2025, with fears even lower amongst North American insurers at 50% of respondents.

How likely are the following macro events in 2025?

Please indicate the likelihood of the following events in 2025:



Overall (n = 235 All insurers), data may not sum to 100% due to rounding.

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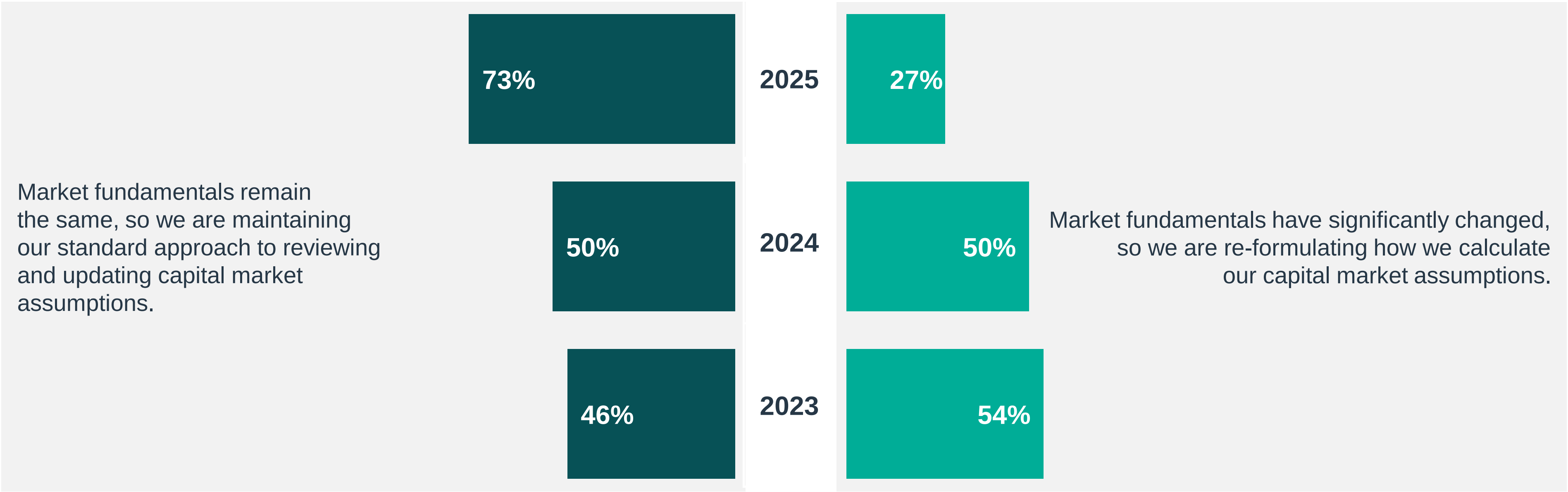
Most insurers now holding steady on capital market assumptions after two years of changes

As macro uncertainty ticks down, less than one-third of insurers are reassessing their capital market assumption methodologies.

How significantly are institutions shifting allocations and market assumptions?

Please select the statement that most aligns with your organization's current portfolio approaches.



Overall (2025 n = 235 All insurers, 2024 n = 224 All insurers, 2023 n = 193 All insurers).

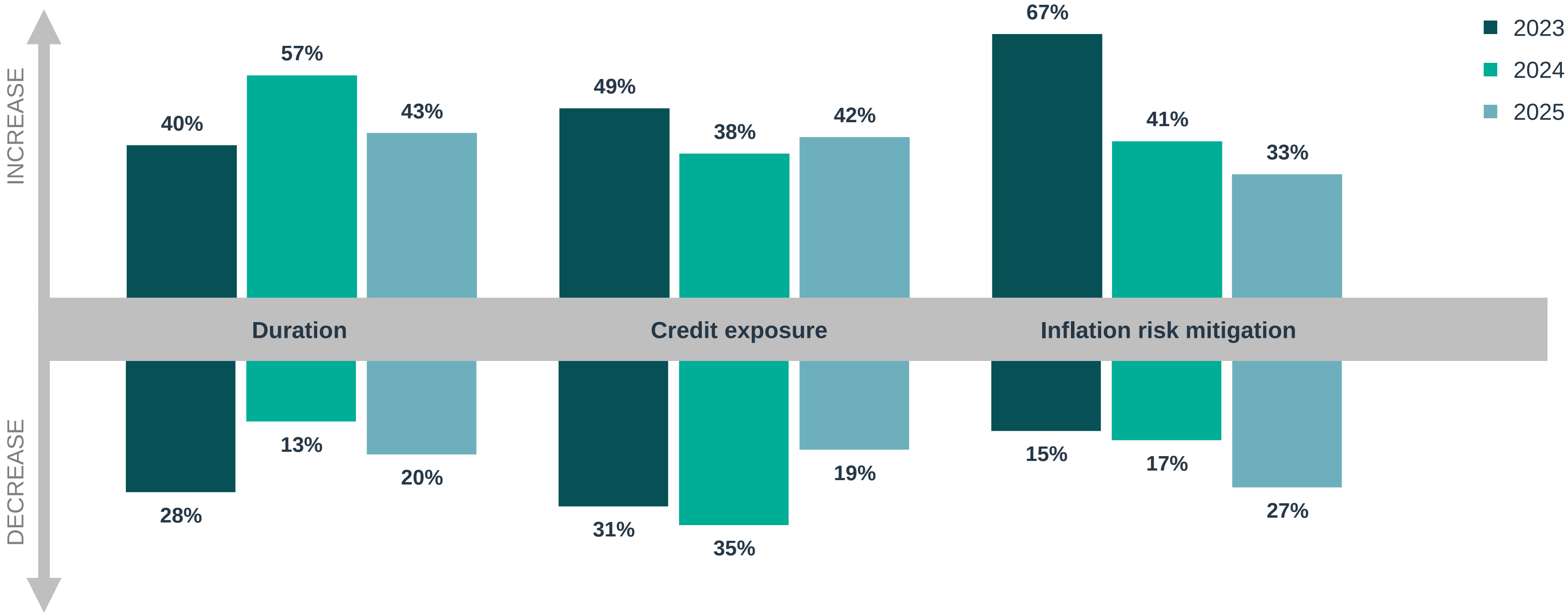
OPINION PIECE. PLEASE SEE IMPORTANT DISCLOSURES IN THE ENDNOTES.

Insurers minimizing portfolio changes amid a more normalized market environment

Changes are being made around the margins to portfolio duration, credit exposure and inflation risk mitigation.

Directional portfolio changes over next 12 months

In the next 12 months, indicate the directional changes you will be making in your portfolio(s) in the following areas.



Overall (2025 n = 235 All insurers, 2024 n = 224 All insurers, 2023 n = 193 All insurers).

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Asset allocation

Insurers continue private markets momentum

"The trillions of capital raised by private equity and private credit institutions is mostly undeployed given macro uncertainty or lack of M&A. A lot of that will be unleashed from 2025 through 2027 in opportunities that will drive additional sources of origination and AUM growth across private markets."

– US Insurer, Portfolio Manager

"We invest in forestry and agriculture because they are truly uncorrelated to public markets. Private infrastructure debt is also a good fit for our portfolio because we have long-dated liabilities to match."

– German Insurer, Head of Strategy

83%

are making little change to strategic asset allocations

69%

expect to increase private market allocations over the next five years, up from 58% in 2024

49%

are increasingly expanding into new niche private credit opportunities

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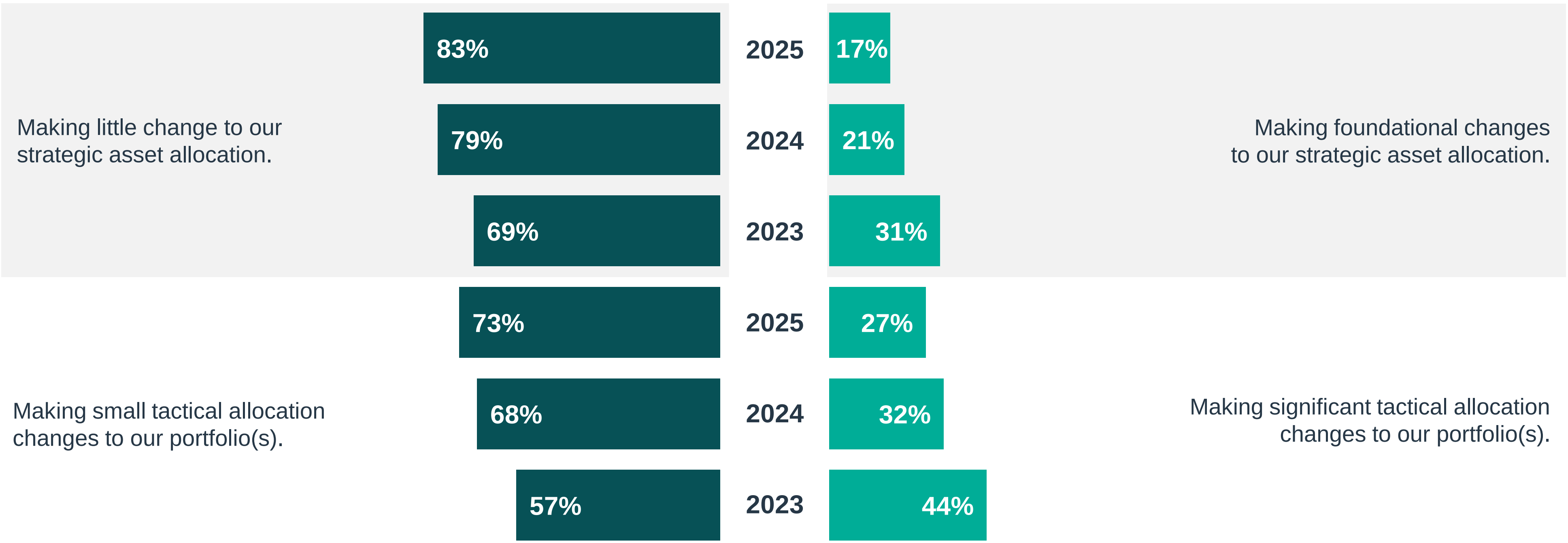
Fewer insurers plan significant allocation changes as uncertainty levels temper

When it comes to both strategic and tactical allocations, for the second consecutive year, fewer insurers plan to make large-scale changes to portfolios – indicating that portfolios are positioned for a range of outcomes.

How significantly are institutions shifting allocations and market assumptions?

Please select the statement that most aligns with your organization's current portfolio approaches.



Overall (2025 n = 235 All insurers, 2024 n = 224 All insurers, 2023 n = 193 All insurers), data may not sum to 100% due to rounding.

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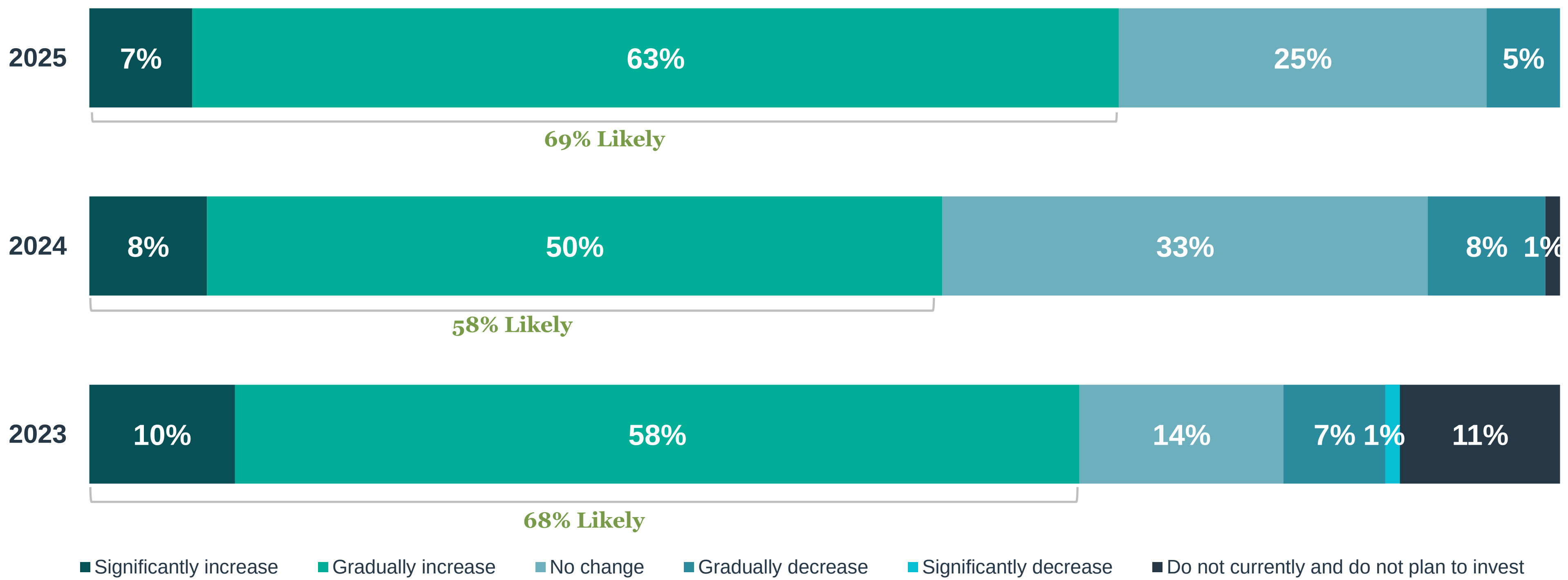
Insurers expect further push into private assets

95% plan to increase or maintain private market investments over the next five years, representing an acceleration from intentions in 2024.

How are you shifting your private market allocations?

In the next five years, does your organization plan to increase or decrease its overall allocation to private market investments?



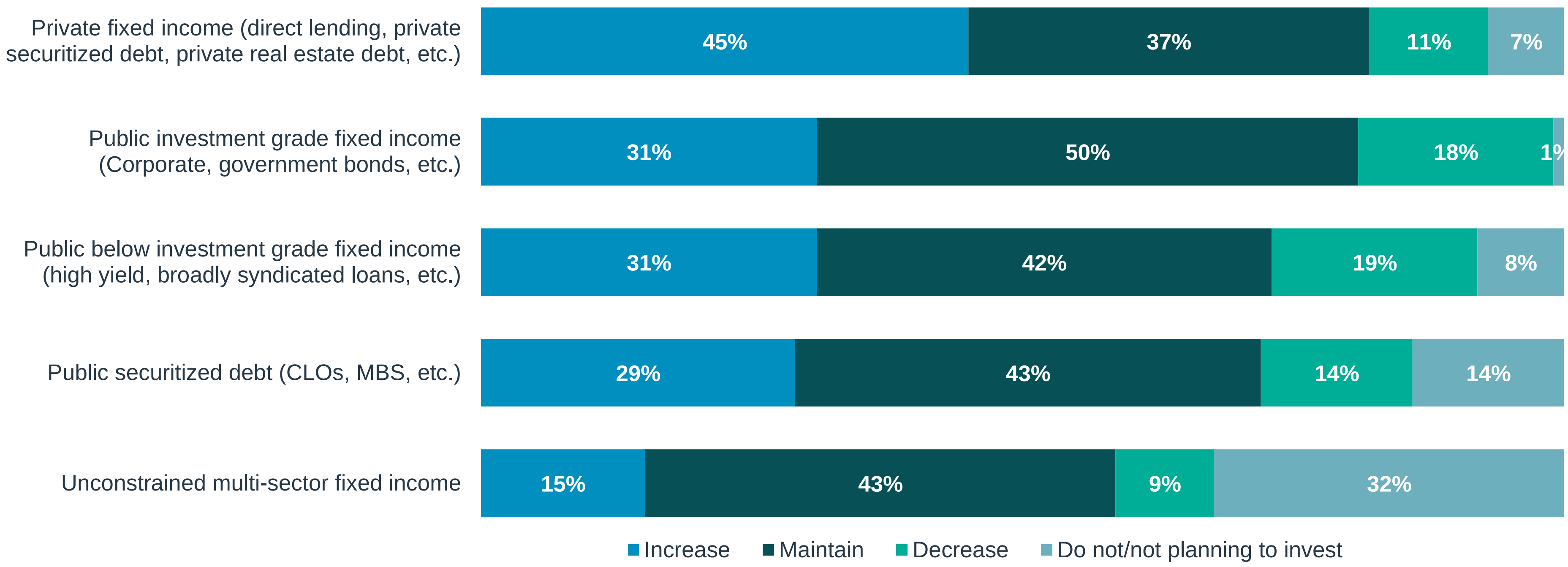
Overall (2025 n = 235 All insurers, 2024 n = 224 All insurers, 2023 n = 193 All insurers), data may not sum to 100% due to rounding.

Fixed income allocations prioritize privates

Within public fixed income, insurers are increasingly allocating to below investment grade debt, after strongly favoring high quality last year.

How are you shifting fixed income allocations over the next two years?

The current environment has many investors adjusting their fixed income allocations. Please indicate the directional changes you plan to make in the next two years.



Overall (n = 235 All insurers), data may not sum to 100% due to rounding.

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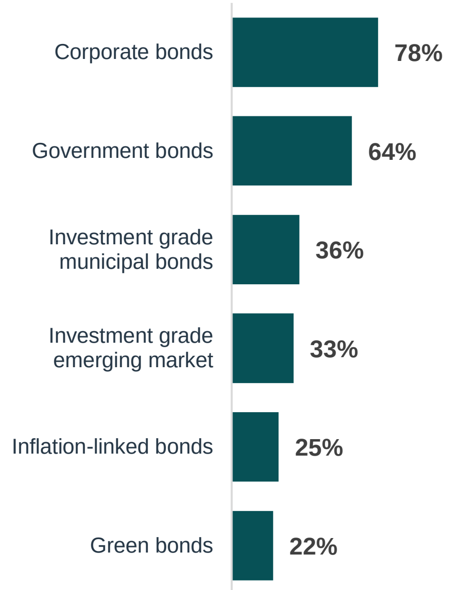
Insurers diversifying private fixed income exposure in infrastructure and real estate debt

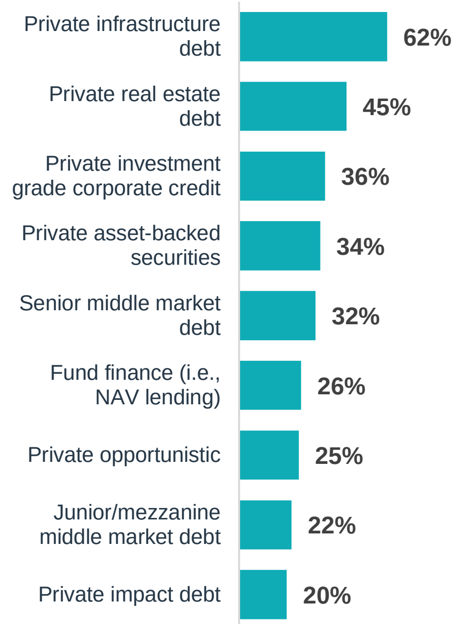
How are you shifting fixed income allocations over the next two years?

For investors increasing allocations to fixed income, please indicate which of the following assets you plan to increase. Select all that apply.

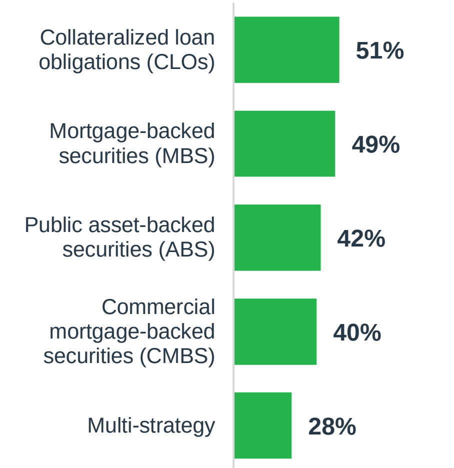
Public investment grade fixed income
n respondents = 73



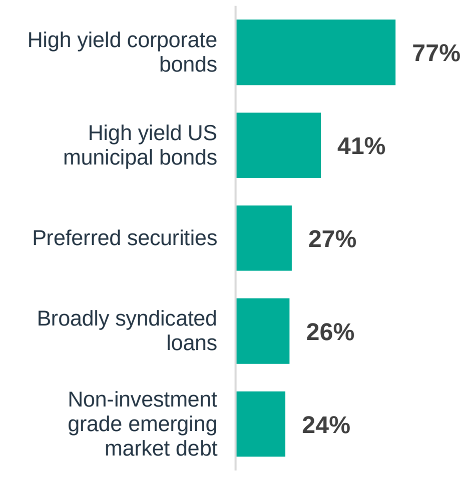
Private fixed income
n respondents = 105



Public securitized debt
n respondents = 67



Public below investment grade fixed income
n respondents = 74



Multiple answers allowed.

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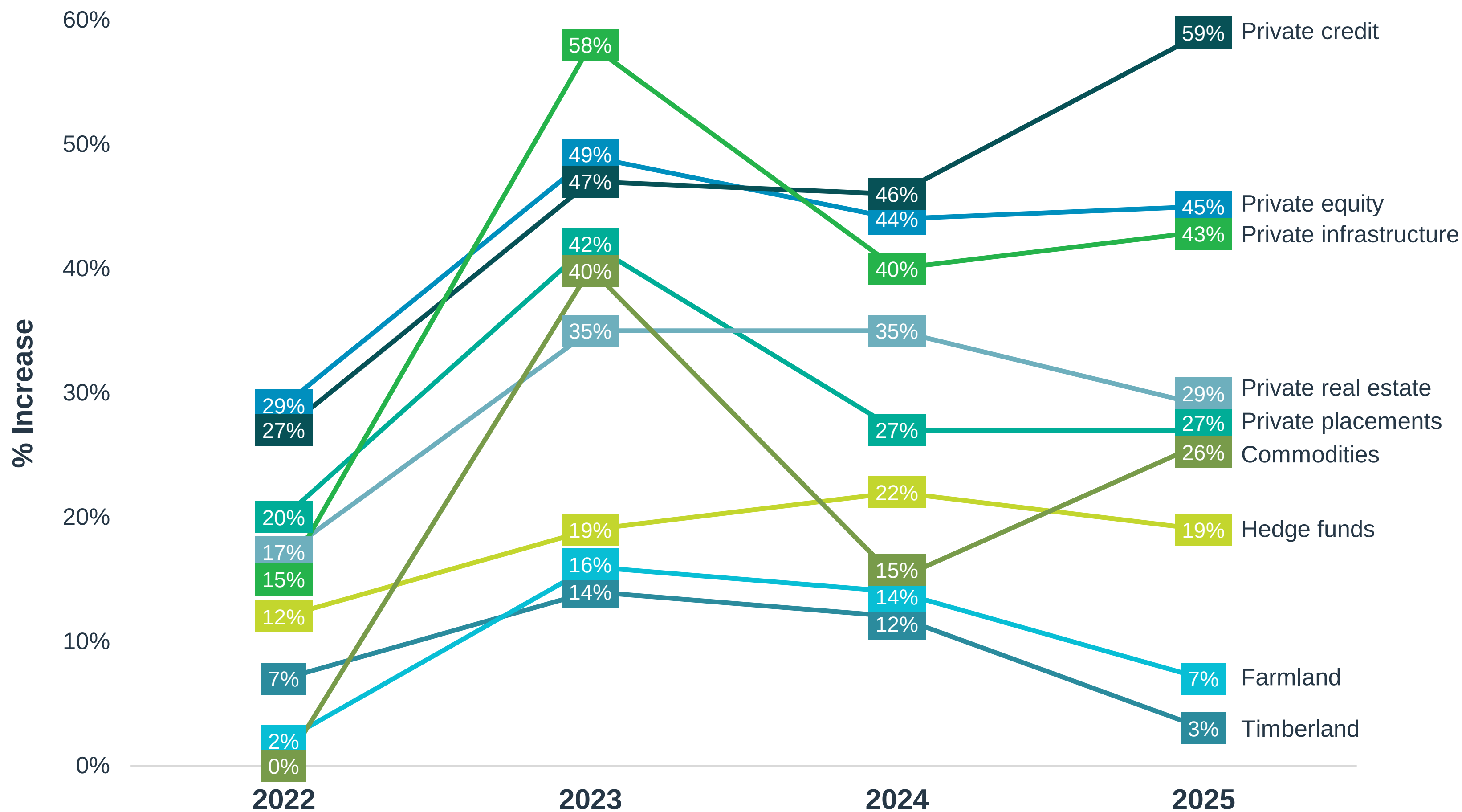
North America insurers accelerating private credit investment plans

Allocation plans across alternative asset classes

Based on the list below, please select the alternative investments you are currently allocated to and how you plan to adjust allocations over the next two years.



Overall (2025 n = 73 NORAM insurers, 2024 n = 78 NORAM insurers, 2023 n = 43 NORAM insurers, 2022 n = 41 NORAM insurers).

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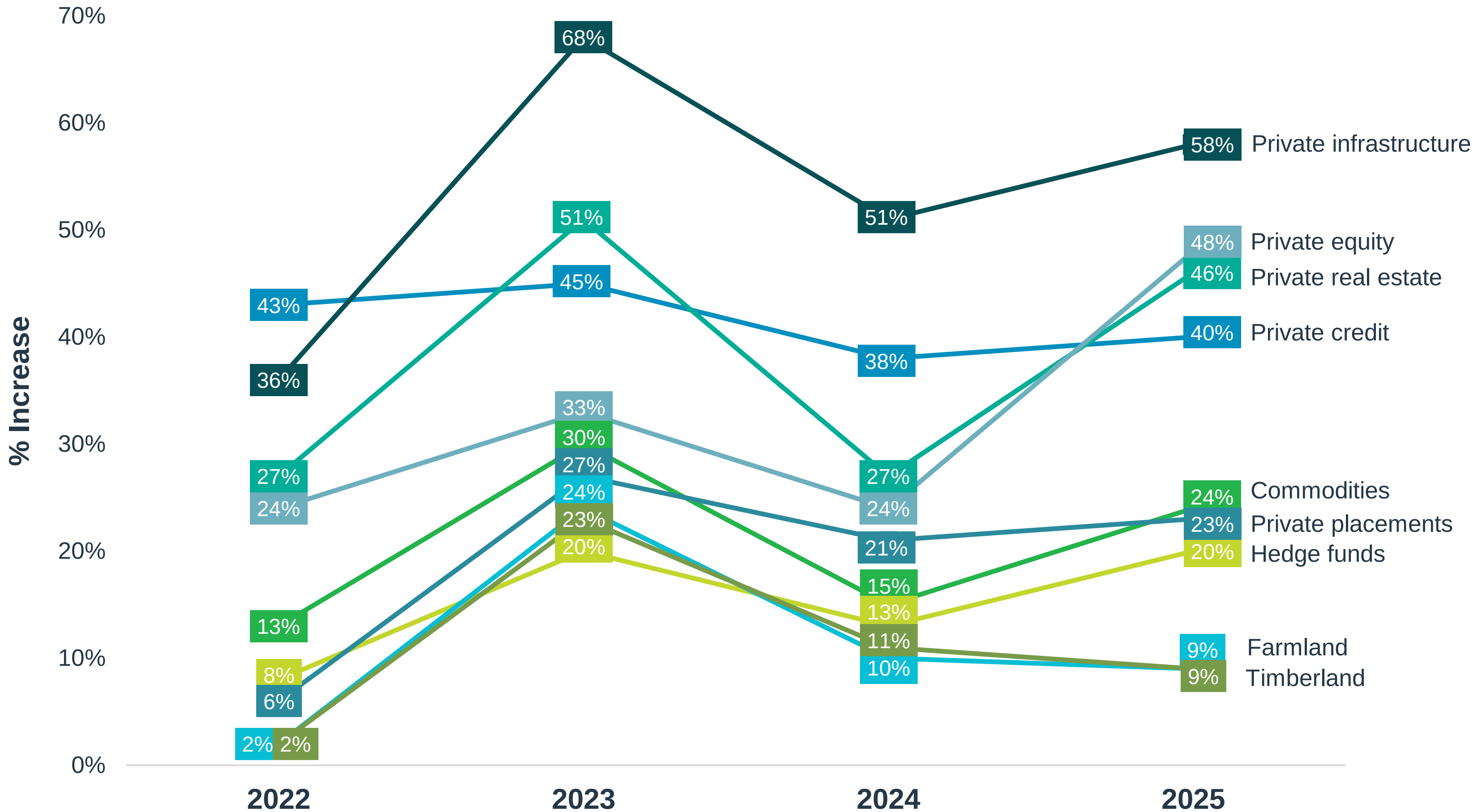
Private equity and real estate poised to see higher allocations from EMEA insurers

Allocation plans across alternative asset classes

Based on the list below, please select the alternative investments you are currently allocated to and how you plan to adjust allocations over the next two years.



Overall (2025 n = 90 EMEA insurers, 2024 n = 94 EMEA insurers, 2023 n = 88 EMEA insurers, 2022 n = 89 EMEA insurers).

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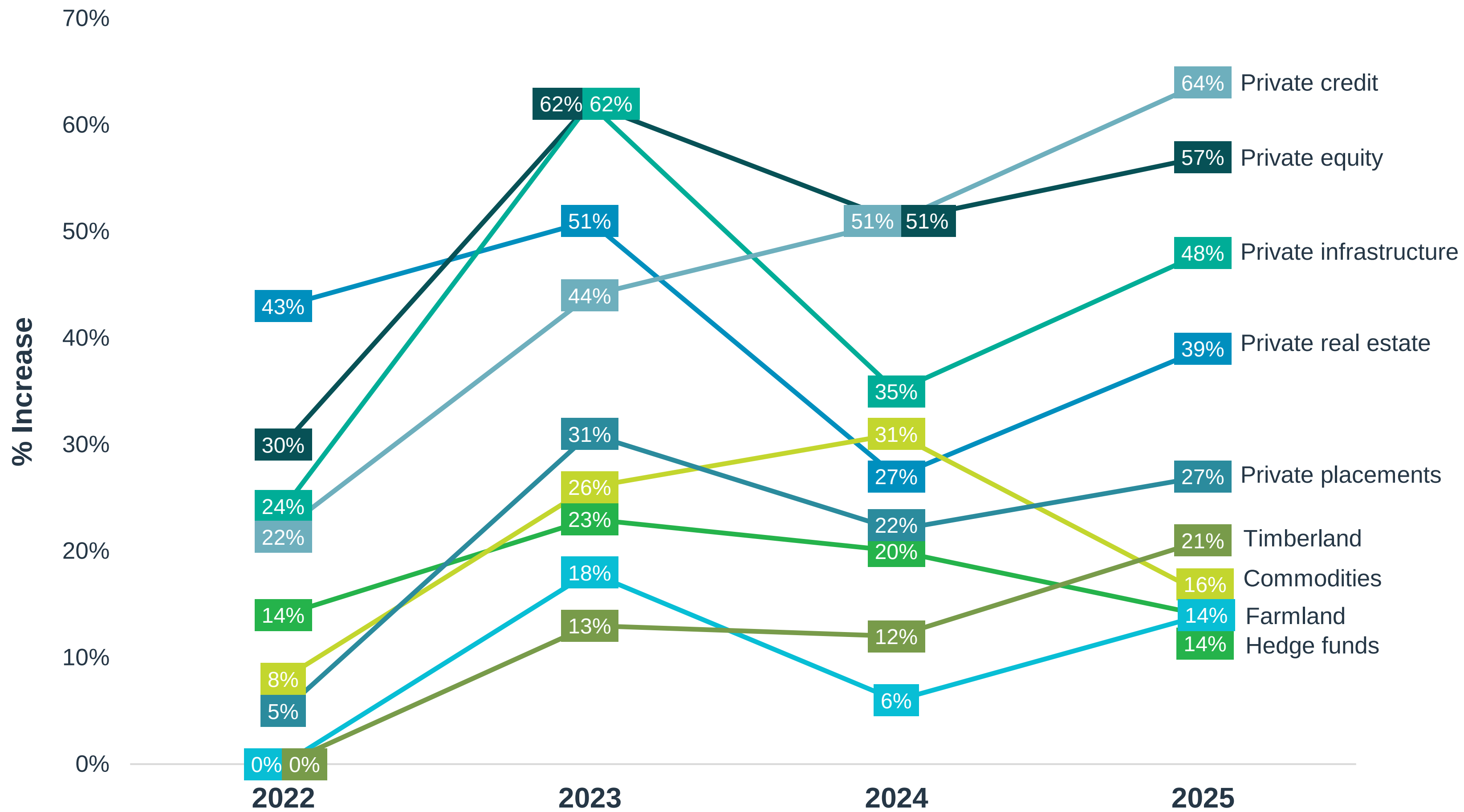
APAC insurers to continue their trajectory of higher private credit allocations

Allocation plans across alternative asset classes

Based on the list below, please select the alternative investments you are currently allocated to and how you plan to adjust allocations over the next two years.



Overall (2025 n = 56 APAC insurers, 2024 n = 49 APAC insurers, 2023 n = 39 APAC insurers, 2022 n = 37 APAC insurers).

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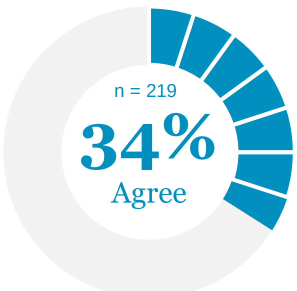
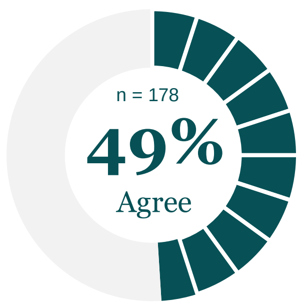
Insurers pursue new avenues for private credit investments

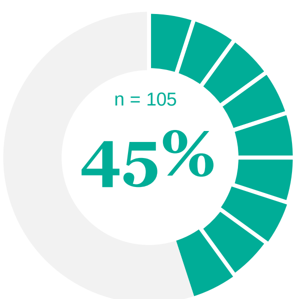
As insurers continue to increasingly view direct lending as a core holding, they look to diversify into new and niche asset classes and structures.



Direct lending isn't niche anymore, we consider it a core holding.

We are increasingly expanding our private credit allocation into new niche opportunities.

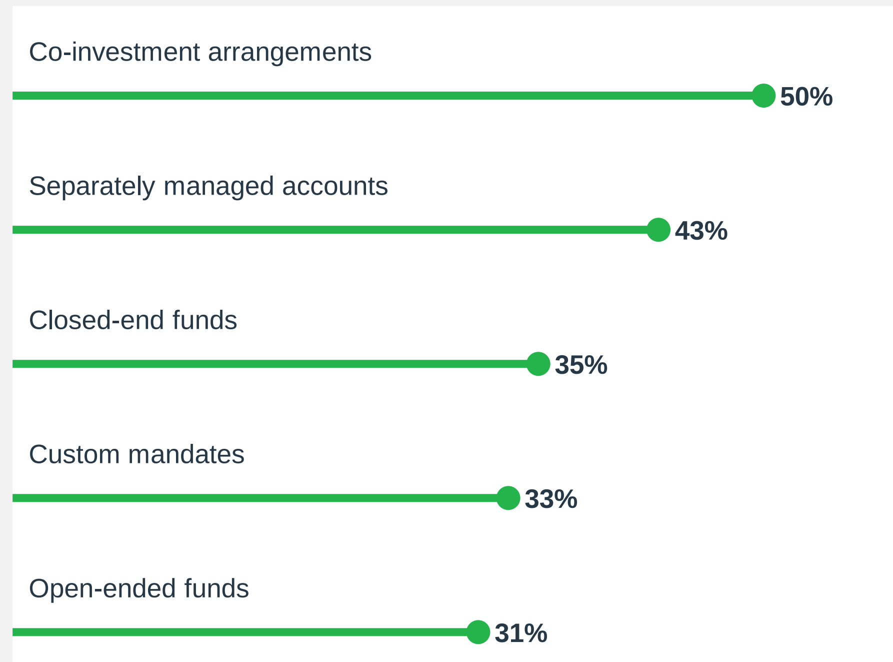




Planning to increase private real estate debt allocations

Preferred Methods for Gaining New Exposure to Private Credit

n = 115



Overall (n varies).

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Impact investing

Impact increasingly comes into focus

"How are we finding more sustainable measures to limit carbon emission, reverse the impact of global warming and at the same time transition away from traditional fossil fuels into more renewable options globally? **These themes will be a big driver of private markets.** We're going to see a lot of opportunities for different types of renewables and more advanced technologies."

– US Insurer, Portfolio Manager

58%

say impact investing will become an increasingly important allocation

55%

manage a separate allocation carve-out for impact

60%

believe a transition to a low-carbon economy is inevitable

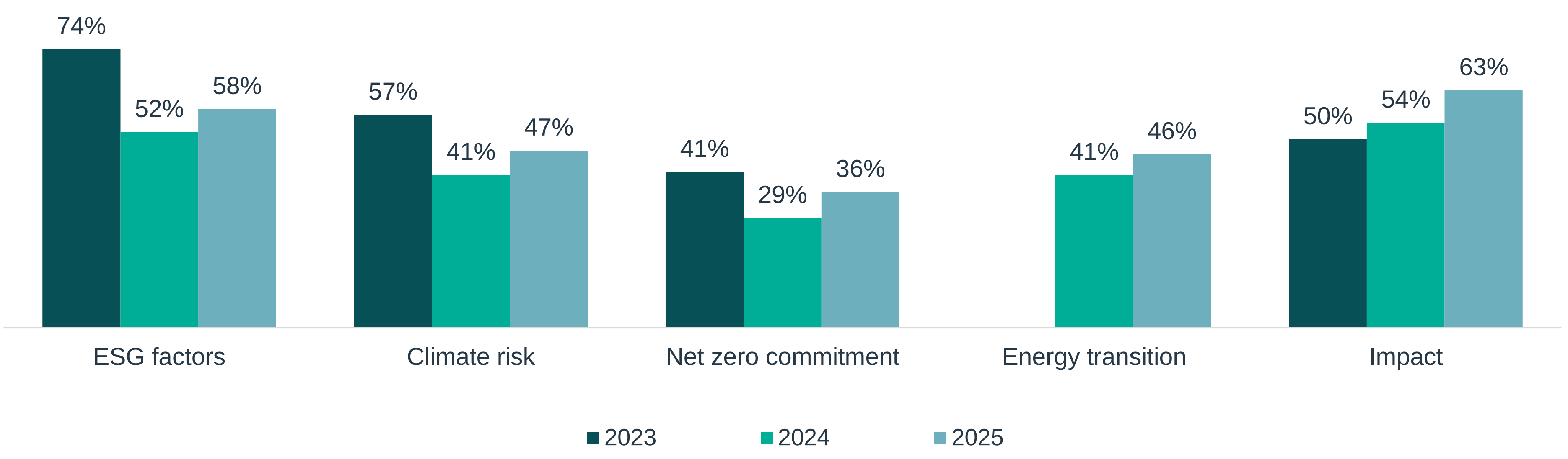
Importance of impact investing rising steadily for North America insurers

A shift continues as insurers pull back from considering ESG risk factors and towards positive key performance indicators when making investment decisions.

Considerations for investment decisions: North America insurers

Please indicate which of the following factors your organization considers when making investment decisions.

Investors who consider the following in their investment decisions



Overall (2025 n = 78 NORAM insurers, 2024 n = 79 NORAM insurers, 2023 n = 46 NORAM insurers), data may not sum to 100% due to rounding.

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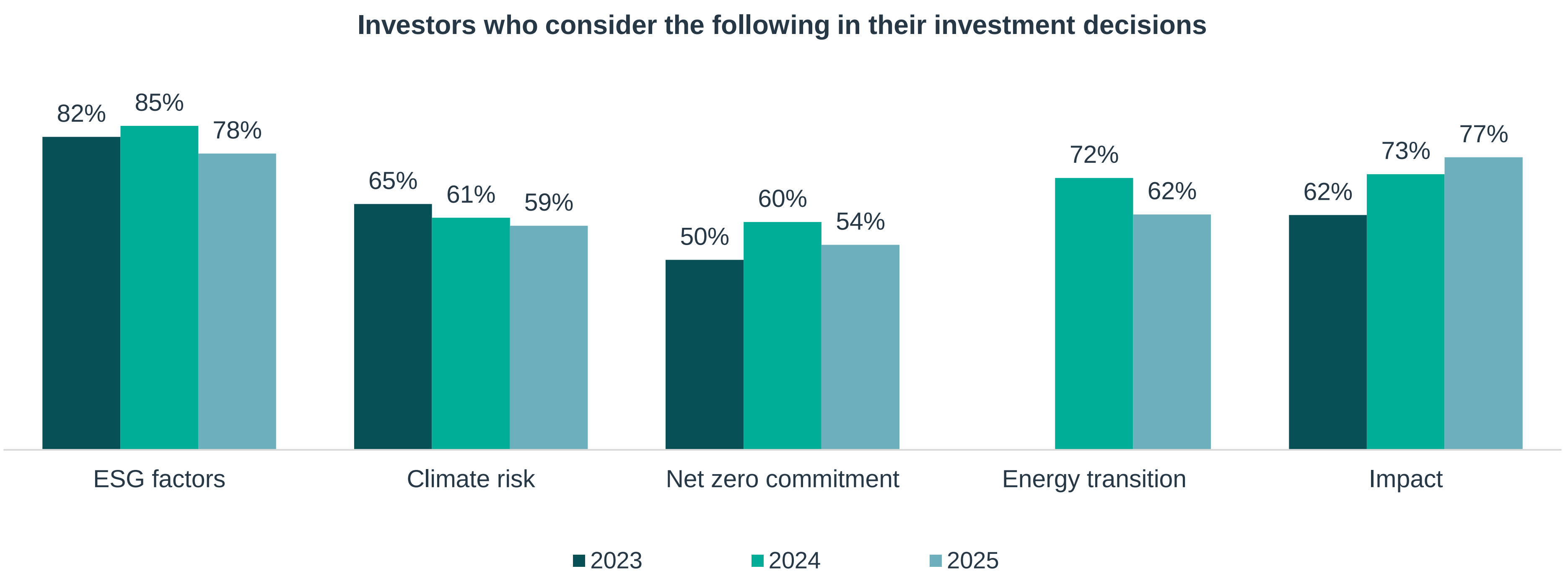
EMEA insurers focus on ESG factors and impact

Fewer insurers prioritizing responsible investing considerations in 2025, except for environmental and social impact which continues to rise year over year.

Considerations for investment decisions: EMEA insurers

Please indicate which of the following factors your organization considers when making investment decisions.



Overall (2025 n = 99 EMEA insurers, 2024 n = 95 EMEA insurers, 2023 n = 102 EMEA insurers), data may not sum to 100% due to rounding.

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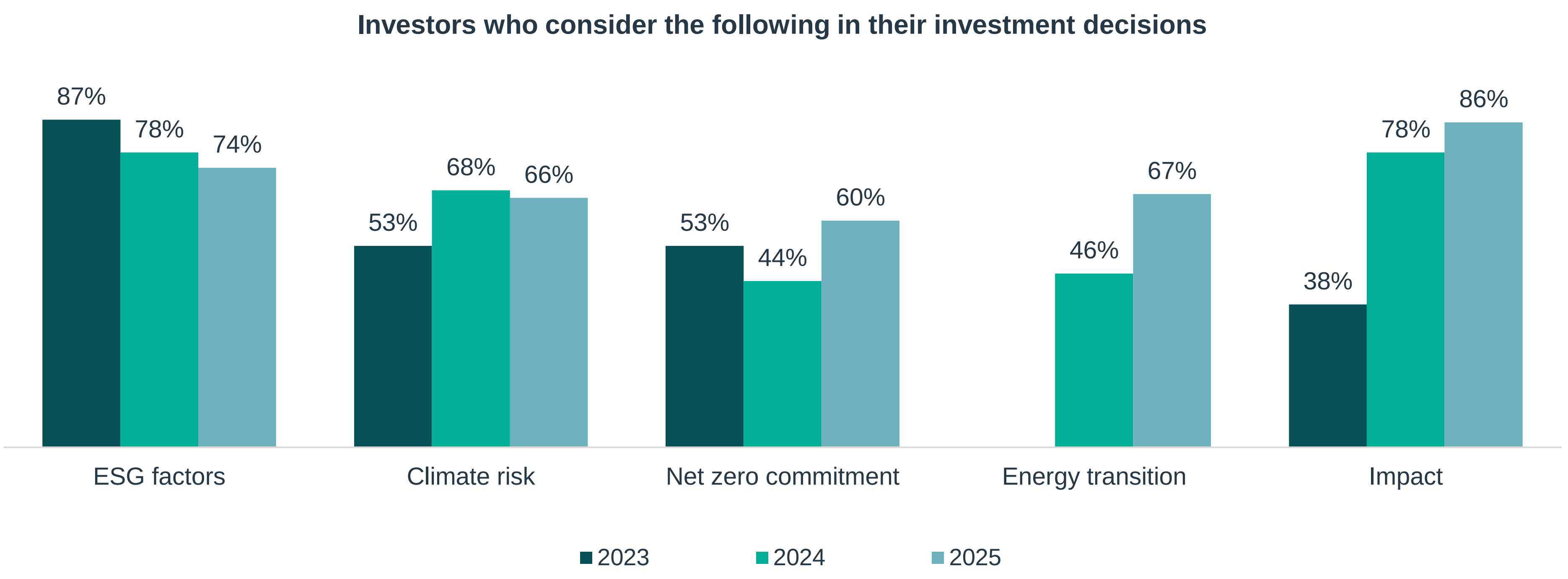
APAC insurers exhibit widest breadth of responsible investing factors

The majority in APAC consider all these factors in their investing process, with net zero commitments, energy transition and impact considerations having recently surged.

Considerations for investment decisions: APAC insurers

Please indicate which of the following factors your organization considers when making investment decisions.



Overall (2025 n = 58 APAC insurers, 2024 n = 50 APAC insurers, 2023 n = 45 APAC insurers), data may not sum to 100% due to rounding.

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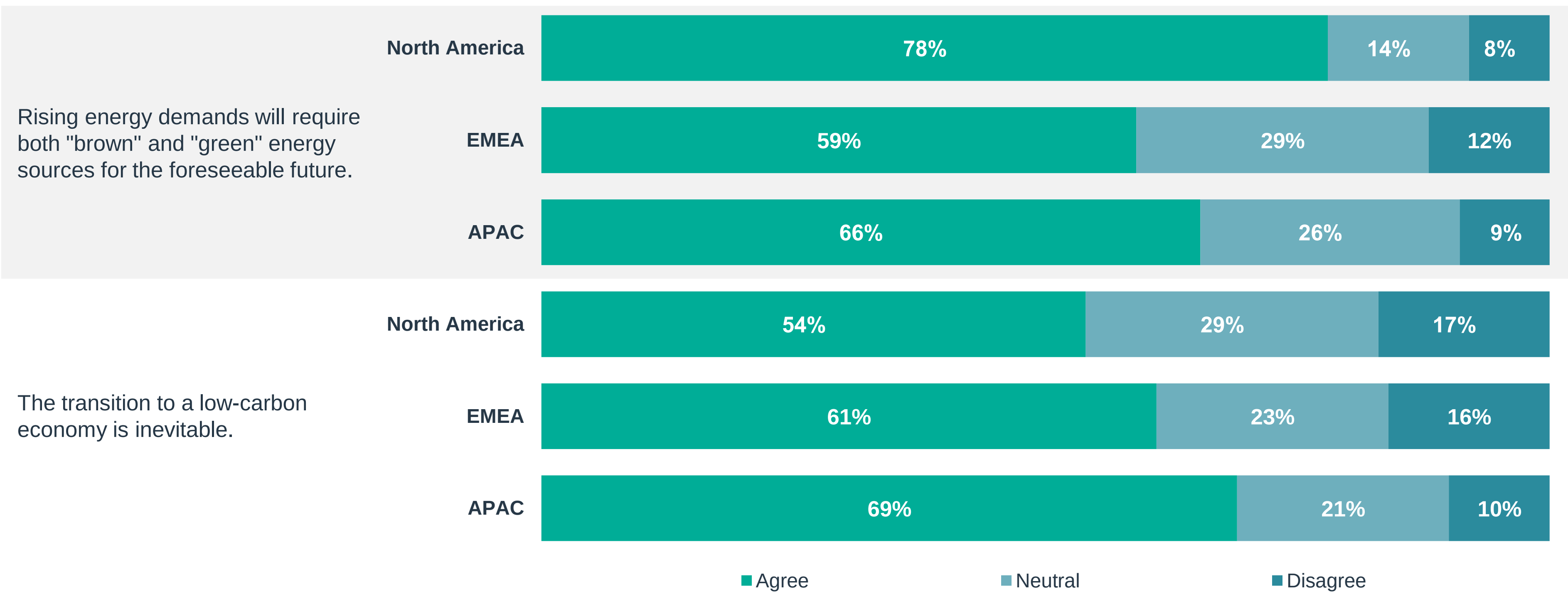
Insurers around the globe express differing views around energy transition theme

As insurers are thinking about the transition to a low-carbon economy, two-thirds recognize the need for "brown" energy sources in the near term, including more than three-quarters of those in North America.

Sentiment regarding energy transition

To what extent do you agree or disagree with the following statements?



Overall (2025 n = 235 All insurers (North America n = 78, EMEA n = 99, APAC n = 58), data may not sum to 100% due to rounding.

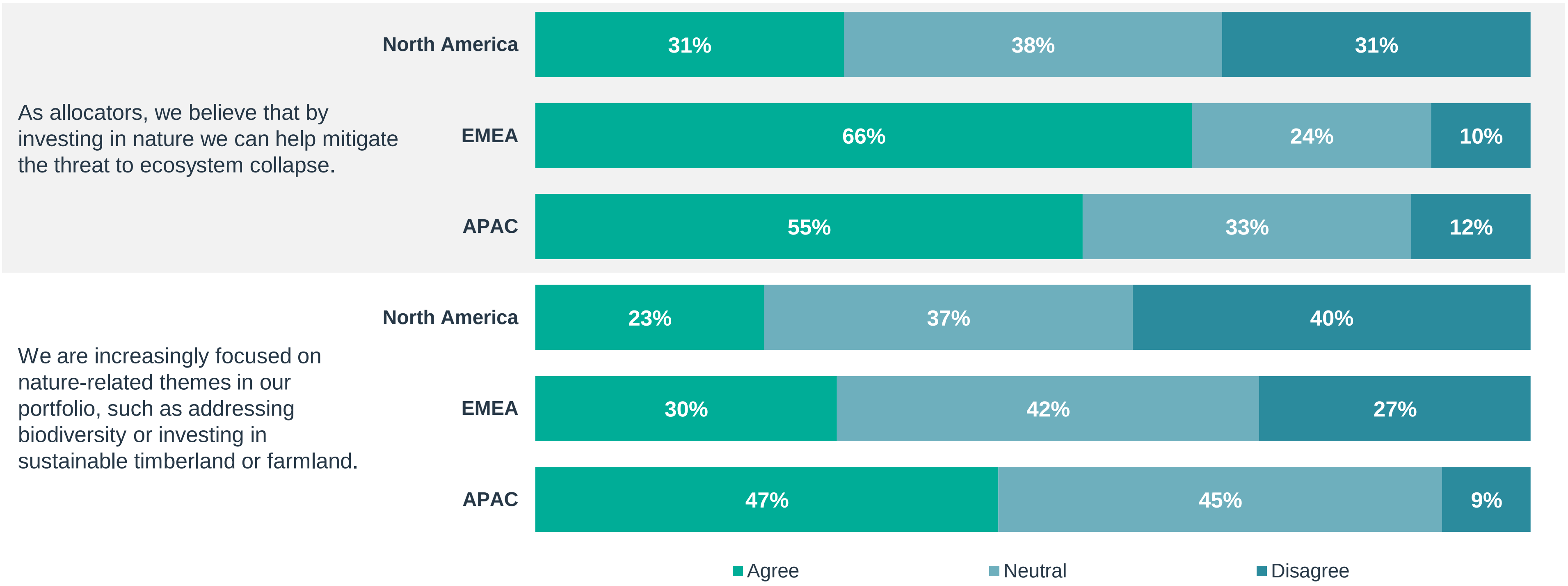
OPINION PIECE. PLEASE SEE IMPORTANT DISCLOSURES IN THE ENDNOTES.

More than half of EMEA and APAC insurers acknowledge they can help mitigate nature loss

Yet fewer are currently placing a greater focus on these themes within portfolios.

Attitudes towards nature-related investing

To what extent do you agree or disagree with the following statements?



Overall (2025 n = 235 All insurers (North America n = 78, EMEA n = 99, APAC n = 58), data may not sum to 100% due to rounding.

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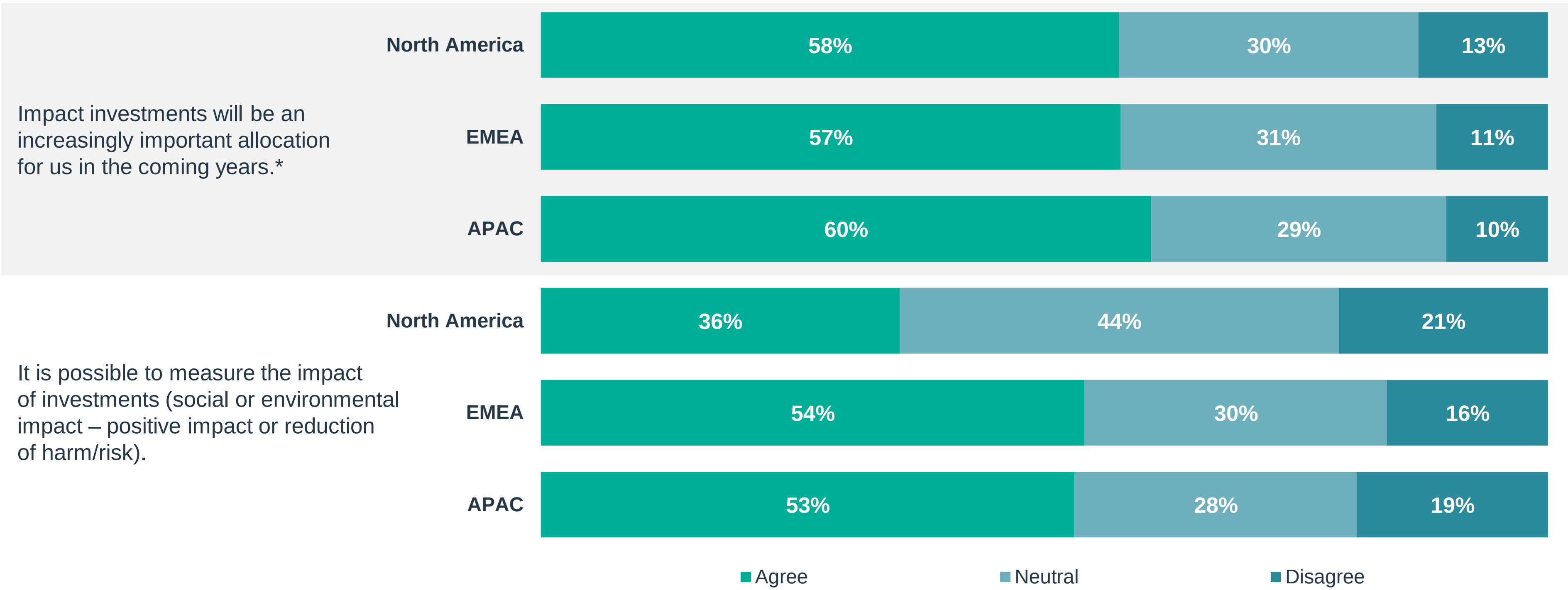
Majority of insurers globally expect to increase impact allocations

However, there is some regional divergence in belief around the ability to measure impact with only 36% in North America confident in measurement.

Sentiment regarding impact investing

To what extent do you agree or disagree with the following statements?



Overall (2025 n = 235 All insurers (North America n = 78, EMEA n = 99, APAC n = 58), data may not sum to 100% due to rounding.

*Overall (2025 n = 218 insurers considering/planning to consider impact (North America n = 64, EMEA n = 96, APAC n = 58), data may not sum to 100% due to rounding.

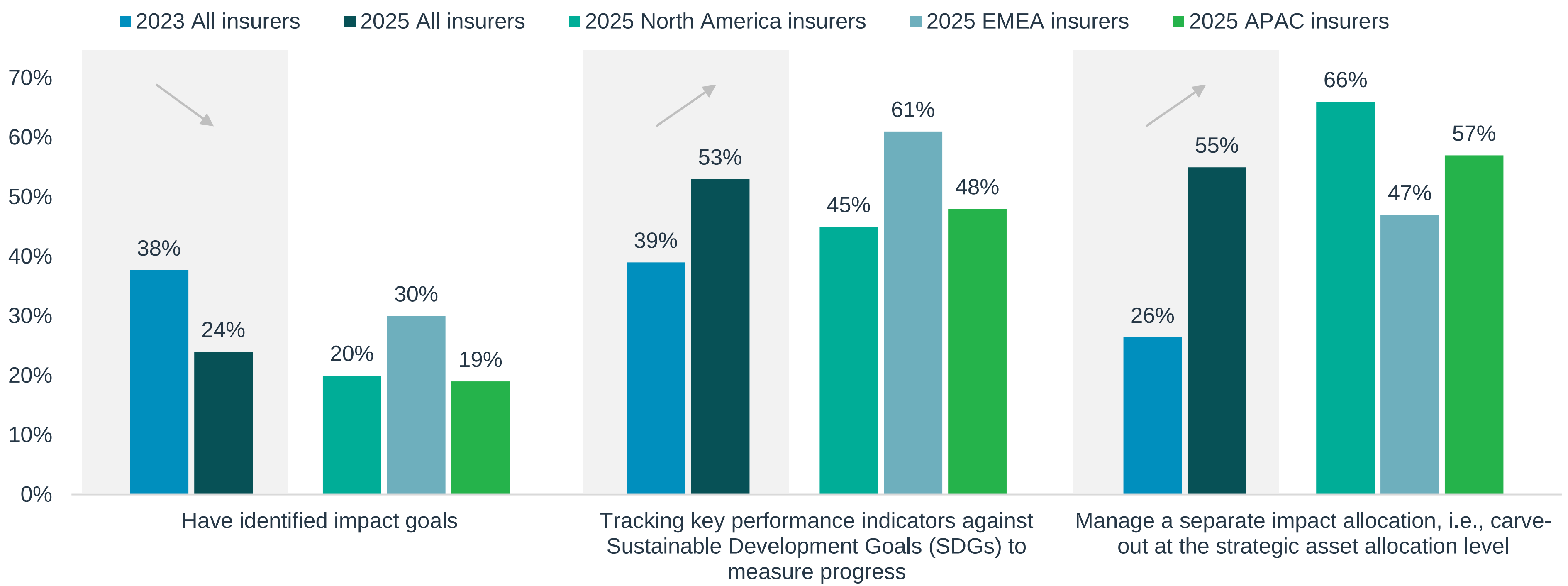
OPINION PIECE. PLEASE SEE IMPORTANT DISCLOSURES IN THE ENDNOTES.

Insurers globally consider SDGs and separate allocations when implementing impact strategies

Since 2023, there has been a doubling of insurers carving out impact investments at the strategic asset allocation level.

Approach to implementing impact investing strategies

You indicated you consider or plan to consider impact in your investment decisions. Please indicate which of the following approaches you take when implementing your impact strategy. Select all that apply.



Overall (2025 n = 218, NORAM n = 64, EMEA n = 96, APAC n = 58, 2023 n = 159 insurers considering or planning to consider impact).

Important disclosures

This material is not intended to be a recommendation or investment advice, does not constitute a solicitation to buy, sell or hold a security or an investment strategy, and is not provided in a fiduciary capacity. The information provided does not take into account the specific objectives or circumstances of any particular investor or suggest any specific course of action. Financial professionals should independently evaluate the risks associated with products or services and exercise independent judgment with respect to their clients.

Investing involves risk; principal loss is possible. Equity investments are subject to market risk. Debt or fixed income securities are subject to credit risk and interest rate risk. The value of, and income generated by debt securities will decrease or increase based on changes in market interest rates. As interest rates rise, bond prices fall. Credit risk refers to an issuer's ability to make interest and principal payments when due. As an asset class, real assets are less developed, more illiquid, and less transparent compared to traditional asset classes. Investments will be subject to the risks generally associated with the ownership of real estate-related assets and foreign investing, including changes in economic conditions, currency values, environmental risks, the cost of and ability to obtain insurance, and risks related to leasing properties. Investments in commodity-linked derivative instruments have a high degree of price variability and are subject to rapid and substantial price change.

Responsible investing incorporates Environmental Social Governance (ESG) factors that may affect exposure to issuers, sectors, industries, limiting the type and number of investment opportunities available, which could result in excluding investments that perform well.

Nuveen considers ESG integration to be the consideration of financially material ESG factors within the investment decision making process. Financial materiality and applicability of ESG factors varies by asset class and investment strategy. ESG factors may be among many factors considered in evaluating an investment decision, and unless otherwise stated in the relevant offering memorandum or prospectus, do not alter the investment guidelines, strategy or objectives. Select investment strategies do not integrate such ESG factors in the investment decision making process.

Concentration in infrastructure-related securities involves sector risk and concentration risk, particularly greater exposure to adverse economic, regulatory, political, legal, liquidity, and tax risks associated with MLPs and REITs.

As an asset class, agricultural investments are less developed, more illiquid, and less transparent compared to traditional asset classes. Agricultural investments will be subject to risks generally associated with the ownership of real estate-related assets, including changes in economic conditions, environmental risks, the cost of and ability to obtain insurance, and risks related to leasing of properties.

Private equity and private debt investments, like alternative investments are not suitable for all investors given they are speculative, subject to substantial risks including the risks associated with limited liquidity, the potential use of leverage, potential short sales, concentrated investments and may involve complex tax structures and investment strategies.

Investing in open-end and closed-end funds involves risk; principal loss is possible. There is no guarantee the Fund's investment objectives will be achieved. Closed-end fund shares may frequently trade at a discount or premium to their net asset value.

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