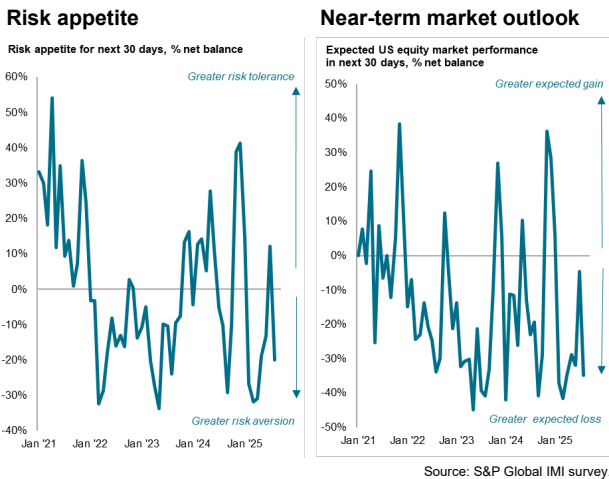


Embargoed until 1000 EDT (1400 UTC) 12 August 2025

S&P Global Investment Manager Index™ (IMI™)

Investors turn risk averse amid rising concerns over the macro environment

- Investor risk appetite turns negative after brief rebound in July.
- Concerns over the macro and political environments deepen while optimism around central bank policy ease.
- Valuations remain biggest drag on equity performance in the near term.
- Financials remain most favored, followed closely by communication services and the tech sector.



Risk aversion took hold of investors again in August following a brief recovery in July, according to the S&P Global Investment Manager Index™ (IMI™) survey. While valuations remain the biggest concern, jitters have notably risen regarding both the macro and political environments. This has contributed to a further cooling of near-term returns expectations among investors, while sector preferences have tilted towards a more defensive positioning.

The IMI's Risk Appetite Index fell to -20% in August from +12% in July. The latest reading is the lowest since April, when heightened uncertainty caused by various US tariff announcements affected investors' sentiment. The latest decline also marked a return to risk aversion following a brief period of risk tolerance in July.

The latest shift back to risk aversion is accompanied by a further reduction in the level of expected returns among US equity investors. Near-term expectations regarding US

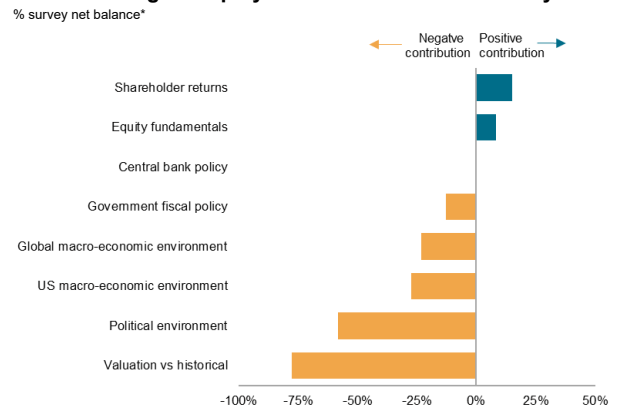
equity market performance similarly slumped to the lowest since April and was among the weakest so far this year. The subdued risk sentiment and expected returns readings underscored deepening concerns over the outlook for growth.

What's driving the market?

For a second successive month, equity valuation is perceived as exerting the biggest drag on equities, however, it is the global and US macroeconomic environments that have shown noticeable intensifications in the level of drag on equities. Concerns over the impact of higher US tariffs and related trade uncertainty on the outlook for growth, both in the US and globally, underpinned the latest heightening of risk aversion.

Meanwhile, shareholder returns, and equity fundamentals are deemed to provide reduced positive contributions for US equities compared to July and central bank policy has turned into a neutral factor on the back of rising uncertainty over the rate cut path by the Fed, according to investors.

What's driving US equity returns over the next 30 days?

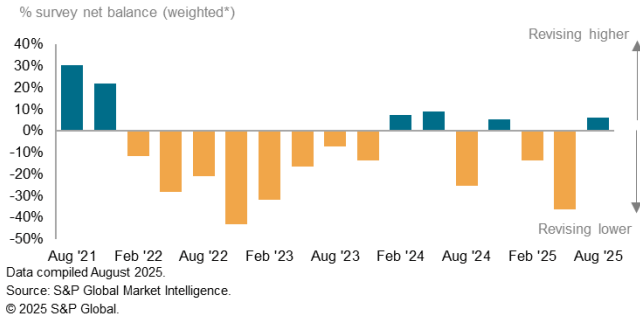


* The net balance shows the percentage of investors reporting an expected positive contribution minus those expecting a negative contribution. Those only reporting a 'slight' positive or negative contribution count as half a response, while those reporting a 'strong' positive or negative contribution count as one-and-a-half responses.
Source: S&P Global IMI survey.

That said, the August survey has shown that earnings expectations have notably improved since the previous quarter.

News Release

Given the recent US earnings results, how will you be revising your overall expectations for next quarter?



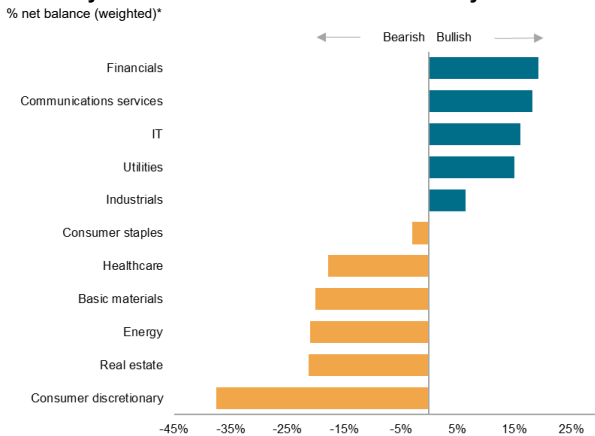
The latest climate for investment is also characterized by a near universal lowering of the importance of environmental, social and governance (ESG) issues for investors based on findings in August. Data privacy, executive compensation and board composition are among those retaining an influence on investment decisions on aggregate, whereas views of diminished importance have been assigned to factors including diversity, climate, pollution, and labor standards.

Sector preferences

The risk averse mood thereby led to a more defensive preference among investors in August. The utilities and consumer staples sectors are the only two to see a higher level of net balance compared to July.

Overall, the financial sector retains the top spot in August, followed closely by communication services and the IT sectors. This is however accompanied by a paring of bullish sentiment towards both the financial and IT sectors from July, in part capturing latest tariff updates including the announcement of the 100% chip tariff by the current US administration. Consumer discretionary stocks remain at rock bottom with bearish sentiment intensifying from July.

What is your sector outlook for the next 30 days?



* The net balance shows the percentage of those bullish minus those bearish. Those only reporting a 'slight' bullish or bearish outlook count as half a response, while those reporting a 'strong' bullish or bearish outlook count as one-and-a-half responses.

Source: S&P Global IMI survey.

Commentary

Jingyi Pan, Associate Director at S&P Global Market Intelligence and author of the report, said:

"Investor sentiment has visibly weakened at the start of August digesting the slew of tariff developments since July, including the implementation of higher tariffs for major US trading partners and the announcement of new tariffs on chips towards the tail-end of the survey period.

"This has clearly shifted views on market drivers, with a souring of perceptions towards both the US and global macroeconomic environments, while the potential tariff-related impact on inflation has also invited investors to wipe away their previously held optimism towards central bank policy in supporting US equity performance. The corresponding impact on expectations for near-term market returns shows deepening bearish sentiment to the greatest extent since April when higher-than-expected US tariff announcements were initially made."

Mohammad Hassan, Equities Dividend Forecasting Director at S&P Global Market Intelligence and author of the report, added:

"Despite the looming challenges posed by tariffs and economic uncertainty, the significant drop in bearish sentiment among North American investors from 47% to just 13% reflects a growing confidence in earnings growth. A more durable signal on this nascent shift in investor sentiment will materialize once the last of tariff related deals are done."

For a copy of the full report and data, please contact economics@spglobal.com.

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News Release

Note to Editors

This edition of the Investment Manager Index survey includes monthly responses from a panel of just under 300 participants employed by firms that collectively represent approximately \$3,500 bn in assets under management. Data were collected between August 4-7, 2025.

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