



# 2022 REPORT ON US SUSTAINABLE INVESTING TRENDS

## ALTERNATIVE INVESTMENTS HIGHLIGHTS

As of year-end 2021, the US SIF Foundation identified \$8.4 trillion in total US-domiciled assets under management (AUM) using sustainable investing strategies. This represents 13 percent – or 1 in 8 dollars – of the total US assets under professional management.

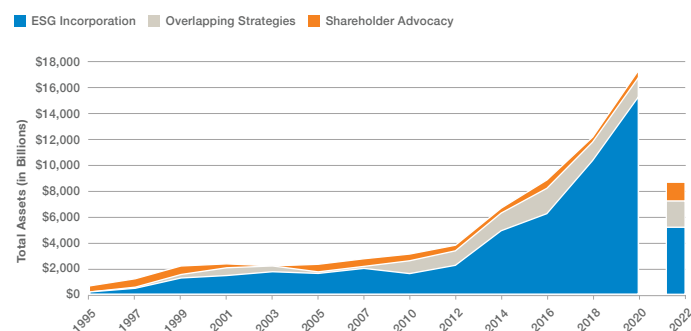
## NEW METHODOLOGY

This year, the US SIF Foundation modified its methodology in response to the rapid growth and evolution of the sustainable investment field. The revised methodology required more granular information regarding the incorporation of ESG issues in order to be included in the tally of sustainable investment assets under management. In a departure from previous editions, this report does not include the AUM of investors who stated that they practice firmwide ESG integration but did not provide information on any specific ESG criteria they used (such as biodiversity, human rights or tobacco) in their investment decision-making and portfolio construction.

## US SUSTAINABLE INVESTING GROWTH

Since 1995, when the US SIF Foundation began tracking and measuring sustainable investing assets in the United States, the field has evolved into a multi trillion dollar industry.

### Sustainable Investing in the United States 1995–2022



SOURCE: US SIF Foundation

NOTE: Assets under management in 2022 represent US SIF's new modified methodology.

## BREAKDOWN OF US SUSTAINABLE INVESTING ASSETS




- \$7.6 trillion in US-domiciled assets at the beginning of 2022 held by 497 institutional investors, 349 money managers and 1,359 community investment institutions that practice “ESG incorporation” — applying various ESG criteria in their investment decision-making and portfolio selection.
- \$3.0 trillion in US-domiciled assets at the beginning of 2022 held by 224 institutional investors or money managers that filed or co-filed shareholder resolutions on ESG issues at publicly traded companies from 2020 through 2022.
- After eliminating double counting for assets involved in both strategies, the net total of sustainable investing assets under management at the beginning of 2022 was \$8.4 trillion.

## ALTERNATIVE INVESTMENT VEHICLES

At the start of 2022, the US SIF Foundation identified 383 alternative investment vehicles managing \$762 billion in assets under management as engaging in ESG incorporation. Property funds and real estate investment trusts (REITs) were the largest segment in terms of AUM with \$424 billion across 90 funds, while private equity and venture capital (PE/VC) represented the largest number of funds with 220 funds managing an aggregate \$299 billion in AUM. The Trends report also identified 73 hedge funds with \$40 billion assets under management.

Environmental criteria were the top consideration for alternative fund managers in asset-weighted terms, with 343 funds and \$723 billion in AUM affected. Climate change/carbon emissions was the top ESG issue for each category—PE/VC funds, property funds and hedge funds. Social criteria were incorporated by the largest number of funds—403—but assets managed with social factors ranked second at \$676 billion. Governance criteria were addressed by 232 funds representing \$620 billion. Product-related criteria were addressed by 107 funds with \$53 billion in AUM.

## ESG Incorporation by Alternative Investment Vehicles 2022

	#	Assets (in Billions)	
Venture Capital and Private Equity Funds	220	\$299.3	
Property Funds and REITs	90	\$423.5	
Hedge Funds	73	\$39.5	
<b>Total</b>	<b>383</b>	<b>\$762.4</b>	

SOURCE: US SIF Foundation

### About the 2022 Trends Report

The US SIF Foundation's biennial Trends Report is the only report providing a detailed breakdown of the professional assets under management—across all asset classes—that are engaged in sustainable investing strategies. It provides extensive data on the numbers of money management firms, institutional asset owners and investment vehicles using sustainable investment strategies. It also distills the range of environmental, social and governance (ESG) issues that investors consider. To obtain a copy, visit [www.ussif.org/trends](http://www.ussif.org/trends).

### About US SIF

**US SIF: The Forum for Sustainable and Responsible Investment** is the leading voice advancing sustainable investing across all asset classes. Its mission is to rapidly shift investment practices toward sustainability, focusing on long-term investment and the generation of positive social and environmental impacts.

**The US SIF Foundation** is a 501(c)(3) organization that supports the work of the work of US SIF by undertaking educational, research and programmatic activities to advance the mission of US SIF.

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