



2022 REPORT ON US SUSTAINABLE INVESTING TRENDS

REGISTERED INVESTMENT COMPANY 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.

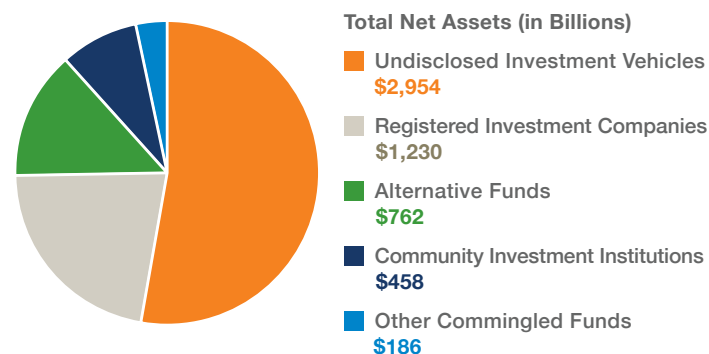
NEW METHODOLOGY

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.

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.

Money Manager Assets, by Type, Incorporating ESG Criteria 2022



SOURCE: US SIF Foundation





NOTE: Undisclosed Investment Vehicle Assets includes separate accounts, managing \$415 billion.

REGISTERED INVESTMENT COMPANIES

The US SIF Foundation identified \$1.2 trillion in ESG assets under management in 645 registered investment companies as of the start of 2022. Within this group, exchange traded funds (ETFs) predominated in terms of AUM represented at \$613 billion in 177 funds. Mutual funds came in at 444 funds in 2022 with \$590 billion in AUM. The report identified 16 closed-ended funds with \$4.5 billion in AUM incorporating ESG factors, as well as eight variable annuities with \$22.1 billion.

The top three issues addressed by registered investment companies in asset-weighted terms were tobacco exclusions, restrictions on military/weapons investments, and fossil fuel divestment.

ESG Incorporation by Registered Investment Companies 2022

	#	Assets (in Billions)	
Mutual Funds (ex-Variable Annuity)	444	\$590.0	
Exchange-Traded Funds	177	\$612.9	
Variable Annuities	8	\$22.1	
Closed-End Funds	16	\$4.5	
Total	645	\$1,230	

SOURCE: US SIF Foundation

ESG Categories Incorporated by Registered Investment Companies 2022

	Number of Funds	Assets (in Billions)
Environment	544	\$1,192
Products	469	\$1,158
Social	433	\$655
Governance	475	\$615
Total Across All Categories	645	\$1,230

SOURCE: US SIF Foundation

NOTE: Analysis based on assets of mutual funds, including those underlying variable annuity products, exchange-traded funds, and closed-end funds.

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.

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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