US SIF FOUNDATION

2018

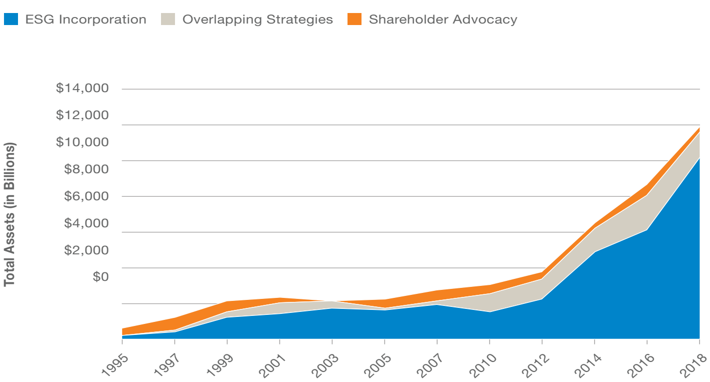
Report on US Sustainable, Responsible and Impact Investing Trends

COMMUNITY INVESTING HIGHLIGHTS

Sustainable, responsible and impact investing (SRI) in the United States continues to expand at a healthy pace. Total US-domiciled assets under management (AUM) using SRI strategies grew from $8.7 trillion at the start of 2016 to $12.0 trillion at the start of 2018, a 38 percent increase. This represents 26 percent—or 1 in 4 dollars—of the total US assets under professional management.

US SUSTAINABLE AND RESPONSIBLE INVESTING GROWTH 1995-2018

Since 1995, when the US SIF Foundation first measured US SRI assets at $639 billion, assets have increased 18-fold, a compound annual growth rate of 13.6 percent.



SOURCE: US SIF Foundation.

BREAKDOWN OF US SRI ASSETS

- Institutional investors, money managers and community investing financial institutions consider ESG issues in their investment research, analysis and decision making across portfolios totaling $11.6 trillion. This is a 44 percent increase from the $8.1 trillion reported in 2016.
- In addition, institutional investors and money managers that file or co-file shareholder resolutions on ESG issues represent $1.8 trillion.
- After eliminating double counting for assets involved in both strategies, the net total of SRI assets under management at the beginning of 2018 was $12.0 trillion.

COMMUNITY INVESTING

In the United States, community investing institutions direct capital to communities and individuals underserved by conventional financial services. They typically provide capital for small businesses, affordable housing units, charter schools, grocery stores and other community amenities.

Community investing institutions include banks, credit unions, loan funds and venture capital funds that are certified and overseen as community development financial institutions (CDFIs) as well as credit unions not certified as CDFIs but with the mission of serving lower income communities. They also include US-based loan funds that provide microfinance and other forms of capital to entrepreneurs and small businesses in poorer communities outside the United States.

The community investing sector has experienced rapid growth over the last decade, nearly doubling in assets between 2014 and 2016, and growing more than 50 percent from 2016 to 2018. (It should be noted that growth rates between 2014 and 2016 may have been abnormally high due to changes in the CDFI certification process.)

The largest growth in community investing assets has been among community development credit unions, whose assets have nearly doubled since 2016, thanks to an on-going wave of mergers and acquisitions within the sector, as high-performing community development credit unions take over the assets of other depository institutions that were impaired during the financial crisis.

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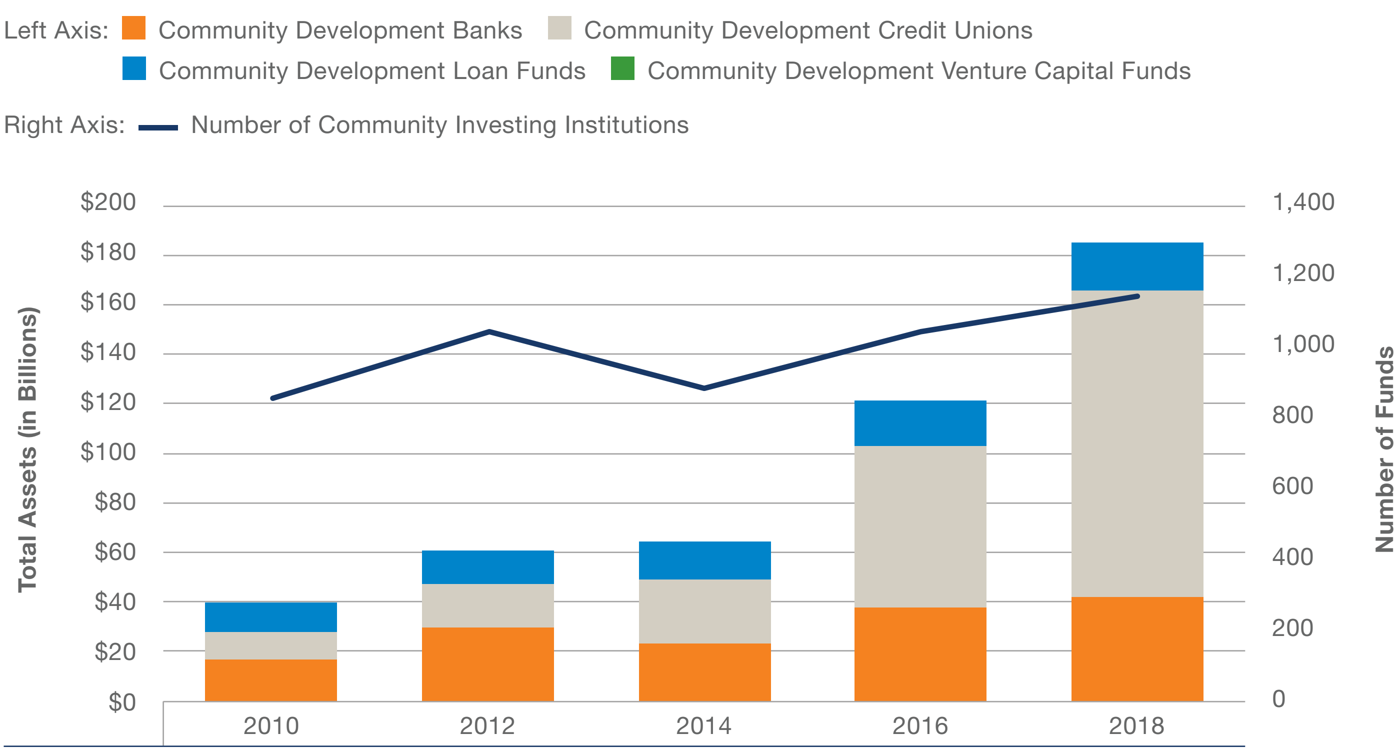
COMMUNITY INVESTING INSTITUTION ASSETS 2010-2018



About the 2018 *Trends Report*

The US SIF Foundation's biennial *Trends Report* provides extensive data on the assets using one or more sustainable investment strategies and examines a broad range of significant ESG issues such as climate change, human rights, weapons avoidance and corporate governance.

This report is the only report of its kind in the United States and is extensively used by other institutions and organizations. 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, responsible and impact investing across all asset classes. Its mission is to rapidly shift investment practices towards sustainability focusing on long-term investment and the generation of positive social and environmental impacts.

The US SIF Foundation undertakes educational, research and programmatic activities to advance the mission of US SIF.

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