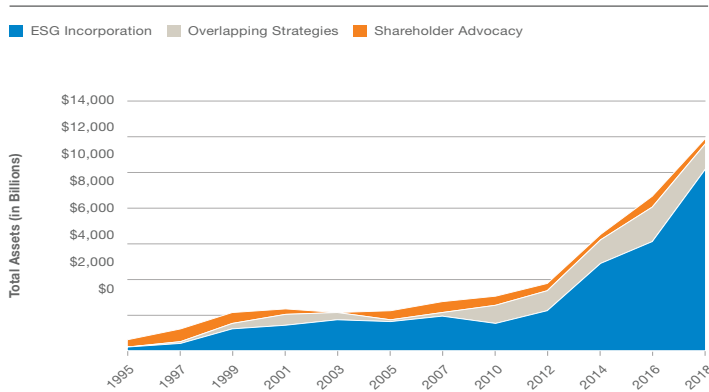


2018 TRENDS REPORT HIGHLIGHTS

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.

MONEY MANAGER FINDINGS

Of the \$11.6 trillion in assets, **\$8.6 trillion was managed on behalf of institutional investors** and **\$3.0 trillion on behalf of individual investors.**

Registered investment companies account for 22 percent of money manager ESG assets. **Mutual funds are the largest** of these in terms of number of funds and assets: 636 mutual funds with \$2.6 trillion in AUM.

AUM in ESG **alternative investment vehicles nearly tripled** since 2016, totaling \$588 billion across 780 alternative investment vehicles at the start of 2018.

The ESG investment approaches most broadly employed by money managers are **ESG integration** and **exclusionary screening.**

INSTITUTIONAL INVESTOR FINDINGS

The US SIF Foundation also gathered detailed data on or from 496 institutional investors controlling \$5.61 trillion in ESG AUM, equivalent to 65 percent of the institutional portion of ESG AUM identified by money managers.






Public funds represent both the largest value of ESG AUM and the largest number of institutional investors incorporating some form of ESG in their investments.

Continuing a trend first observed in 2010, **policies related to conflict risk countries**, primarily Sudan and Iran, affect the largest pool of institutional investor assets.

TOP ESG CRITERIA FOR MONEY MANAGERS

<p>Climate Change/ Carbon</p>  <p>\$3.00 Trillion</p>	<p>Tobacco</p>  <p>\$2.89 Trillion</p>	<p>Conflict Risk (Terrorist or Repressive Regimes)</p>  <p>\$2.26 Trillion</p>	<p>Human Rights</p>  <p>\$2.22 Trillion</p>	<p>Transparency and Anti-Corruption</p>  <p>\$2.22 Trillion</p>
--	---	---	---	--

TOP ESG CRITERIA FOR INSTITUTIONAL INVESTORS

<p>Conflict Risk (Terrorist or Repressive Regimes)</p>  <p>\$2.97 Trillion</p>	<p>Tobacco</p>  <p>\$2.56 Trillion</p>	<p>Climate Change/ Carbon</p>  <p>\$2.24 Trillion</p>	<p>Board Issues</p>  <p>\$1.73 Trillion</p>	<p>Executive Pay</p>  <p>\$1.69 Trillion</p>
---	---	--	---	---

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.

2018 Trends Report Donors and Sponsors: Nuveen—A TIAA Company, Calvert Investments, Candriam Investors Group, Bank of America, Bloomberg, MacArthur Foundation, MFS, Neuberger Berman, BlackRock, CBIS, Community Capital Management, Domini Impact Investments, Green Century Funds, Parnassus Investments and Trillium Asset Management.