

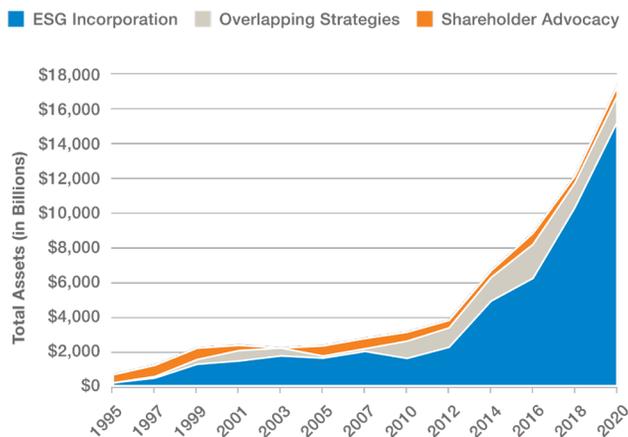
2020 Report on US Sustainable and Impact Investing Trends

PUBLIC FUNDS HIGHLIGHTS

Sustainable investing in the United States continues to expand at a robust pace. Total US-domiciled assets under management (AUM) using environmental, social and governance (ESG) strategies grew from \$12.0 trillion at the start of 2018 to \$17.1 trillion at the start of 2020, a 42 percent increase. This represents 33 percent – or 1 in 3 dollars – of the total US assets under professional management.

US SUSTAINABLE INVESTING GROWTH 1995-2020

Since 1995, when the US SIF Foundation first measured the size of the US sustainable investment universe at \$639 billion, assets have increased more than 25-fold, a compound annual growth rate of 14 percent.



SOURCE: US SIF Foundation.

BREAKDOWN OF US SUSTAINABLE INVESTING ASSETS

- Institutional investors, money managers and community investing financial institutions consider ESG issues in their investment research, analysis and decision making across portfolios totaling \$16.6 trillion. This is a 42 percent increase from the \$11.6 trillion reported in 2018.
- Institutional investors and money managers that file or co-file shareholder resolutions on ESG issues represent \$1.98 trillion.
- After eliminating double counting for assets involved in both strategies, the net total of sustainable investing assets under management at the beginning of 2020 was \$17.1 trillion.

PUBLIC FUNDS

Among institutional investors, public funds represent the largest number of institutions reporting incorporation of some form of ESG criteria in their investments and the largest value of ESG assets under management.

Public funds managed for federal, state, county and municipal governments, including public employee pension plans, incorporate ESG criteria across \$3.4 trillion in assets at the start of 2020, up 10 percent over 2018. The report identified 181 public funds subject to various ESG criteria, roughly the same as in 2018.

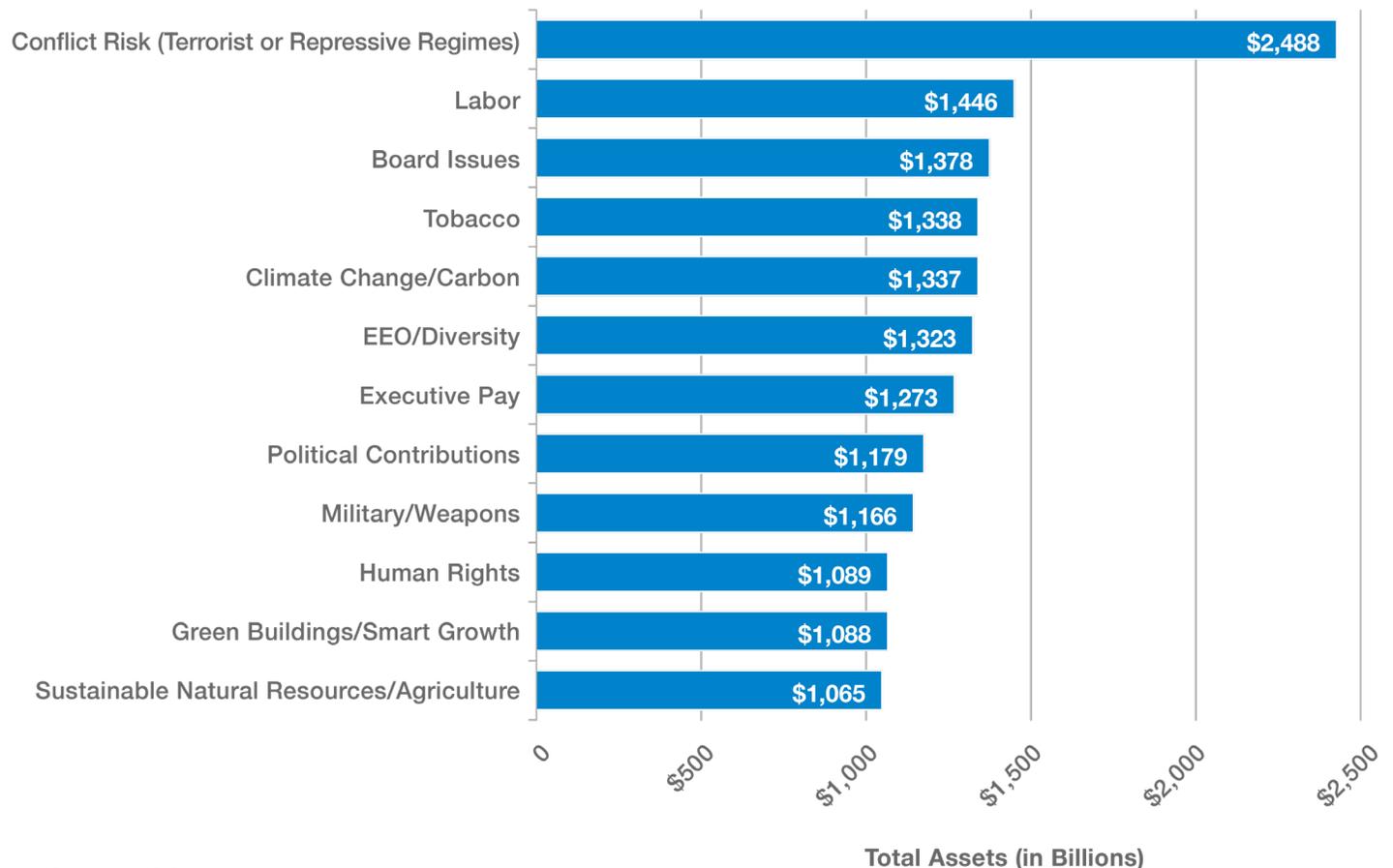
In asset weighted terms, the restriction of investments in companies doing business with **conflict risk countries** remains the top ESG factor affecting \$2.49 trillion in assets. The remaining issues in the top five for public funds were **labor issues** (\$1.45 trillion, an increase of 40 percent since 2018), **board issues** (\$1.38 trillion, up 12 percent), **tobacco** (\$1.34 trillion, up 29 percent) and **climate change/carbon** (\$1.34 trillion, up 38 percent).

Restricting investments in companies doing business in conflict risk countries, primarily Sudan and Iran, has been the top criterion for public funds since 2007, although the assets affected decreased nearly 6 percent since 2018.

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FIGURE 3.14

Leading ESG Criteria for Public Funds 2020



SOURCE: US SIF Foundation.

About the 2020 Trends Report

The US SIF Foundation's biennial Trends Report provides extensive data on the numbers of institutional asset owners, money management firms and investment vehicles using sustainable investment strategies. It also distills the range of significant environmental, social and governance (ESG) issues that investors consider.

The report is the only report of its kind in the United States. It is extensively used by other institutions and organizations. 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 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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