

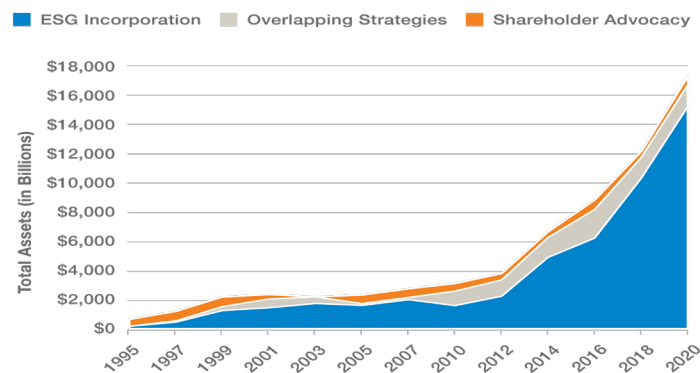
2020 Report on US Sustainable and Impact Investing Trends

2020 TRENDS REPORT 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.

MONEY MANAGER FINDINGS

Of the \$16.6 trillion in assets to which money managers apply ESG criteria, \$12.0 trillion was managed on behalf of institutional investors and \$4.6 trillion on behalf of individual investors.

Registered investment companies account for 19 percent of money manager ESG assets. Mutual funds are the largest of these in terms of number of funds and assets: 718 mutual funds with \$3.1 trillion in AUM.

At the start of 2020, \$716 billion in capital was identified under the management of 905 alternative investment vehicles, a 22 percent increase in assets identified since 2018 and a more than fivefold increase since 2012.

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 530 institutional investors controlling \$6.2 trillion in ESG AUM, equivalent to 51 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, was the leading issue affecting the largest pool of institutional investor assets.






2020 Report on US Sustainable and Impact Investing Trends

Top Specific ESG Criteria for Money Managers 2020

Climate Change/ Carbon	Anti-Corruption	Board Issues	Sustainable Natural Resources/ Agriculture	Executive Pay
				
\$4.18 Trillion	\$2.44 Trillion	\$2.39 Trillion	\$2.38 Trillion	\$2.22 Trillion
Percent Increase in Assets Affected since 2018				
39%	10%	66%	81%	122%

SOURCE: US SIF Foundation.

Top Specific ESG Criteria for Institutional Investors 2020

Conflict Risk (Terrorist or Repressive Regimes)	Climate Change/ Carbon	Tobacco	Board Issues	Sustainable Natural Resources/ Agriculture
				
\$2.73 Trillion	\$2.61 Trillion	\$2.47 Trillion	\$2.28 Trillion	\$2.18 Trillion
Percent Increase in Assets Affected since 2018				
-8%	17%	-3%	32%	95%

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.

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.

2020 Trends Report Donors and Sponsors: Wallace Global Fund, Parnassus Investments, Calvert Research and Management, Candriam Investors Group, ClearBridge Investments, Federated Hermes, Carillon Tower Advisers, Domini Impact Investments, MFS Investment Management, Natixis Investment Managers, North Sky Capital, Saturna Capital, Boston Trust Walden, Brown Advisory, Community Capital Management, F.L. Putnam, Governance and Accountability Institute, Natural Investments, Neuberger Berman, Nuveen, RBC SRI Wealth Management, Trillium Asset Management.