

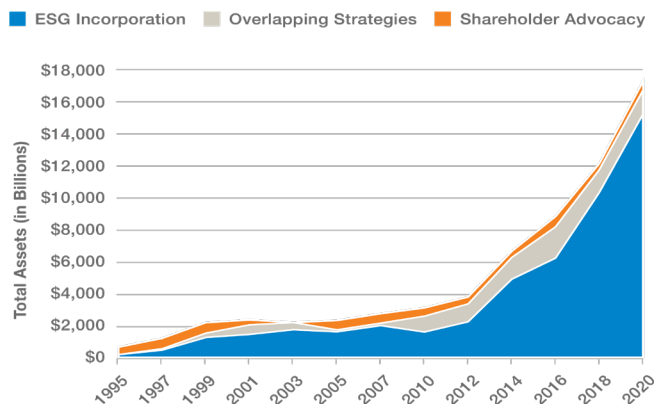
2020 Report on US Sustainable and Impact Investing Trends

ALTERNATIVE INVESTMENTS 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.

ALTERNATIVE INVESTMENT VEHICLES

The 2020 Trends Report identified \$716 billion in ESG assets under management across 905 alternative investment vehicles at the start of 2020. This is a 22 percent increase in assets compared to 2018 and a 16 percent increase in the number of funds.

Private equity and venture capital ESG funds represent the largest number of alternative funds and increased 21 percent to 681 funds. Assets under management increased 55 percent to \$438 billion.

The number of property funds and REITs identified increased to 126, up 17 percent, although assets in these funds declined 11 percent to \$242 billion.

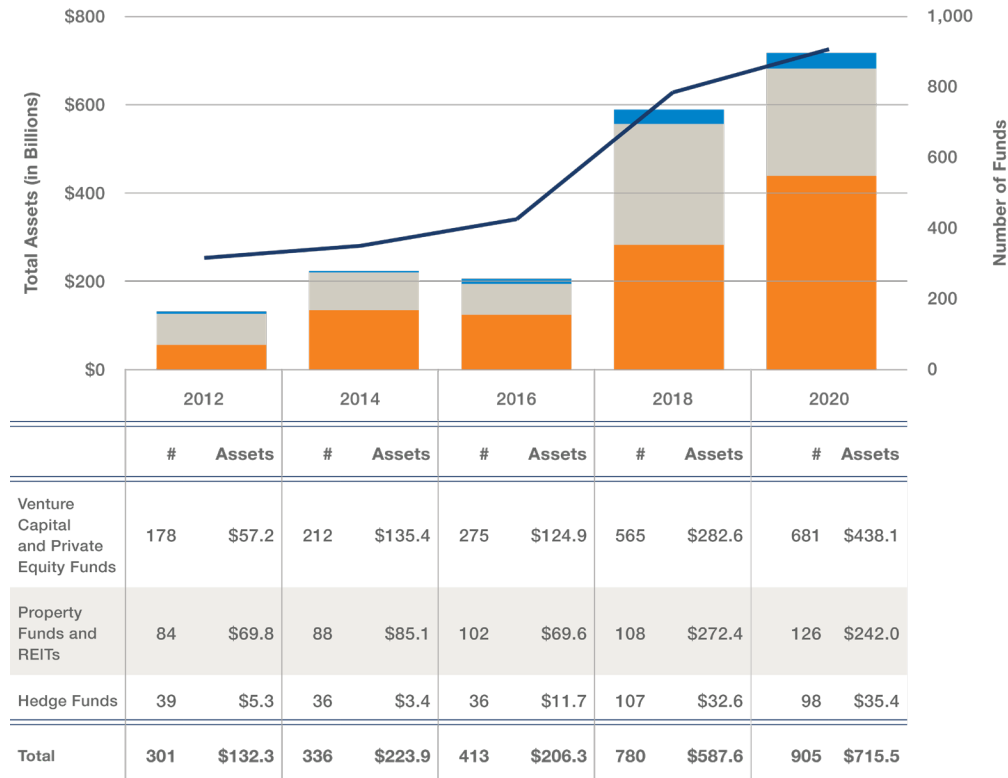
The number of hedge funds identified decreased 8 percent to 98, though hedge fund assets under management increased 9 percent to \$35.4 billion.

Environmental criteria were the top consideration across all alternative fund managers, with 863 funds and \$698 billion in assets under management affected, a 15 percent increase since 2018 in the number of funds and a 20 percent increase in assets of funds that took environmental factors into account.

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ESG Incorporation by Alternative Investment Vehicles 2012–2020

Left Axis: ■ Venture Capital and Private Equity Funds ■ Property Funds and REITs ■ Hedge Funds
 Right Axis: — Number of Alternative Investment Funds



SOURCE: US SIF Foundation.

NOTE: Asset values are in billions.

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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