

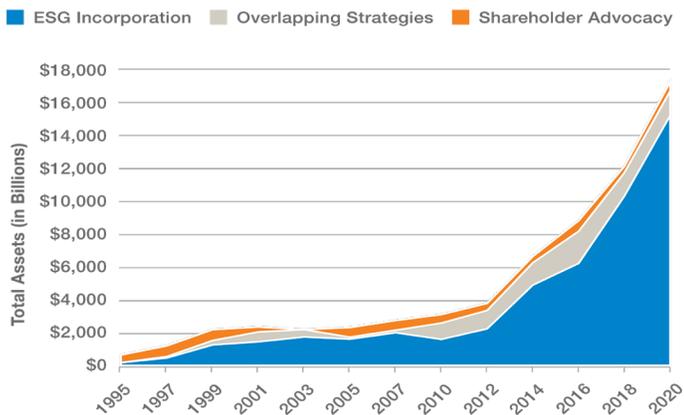
2020 Report on US Sustainable and Impact Investing Trends

COMMUNITY INVESTING 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.

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. Community investing assets nearly doubled between 2014 and 2016, then increased by just over 50 percent between 2016 and 2018, and most recently grew by 44 percent between 2018 and 2020 to \$266 billion. The number of community investing institutions stood at 1,204 in 2020, up from 1,145 in 2018.

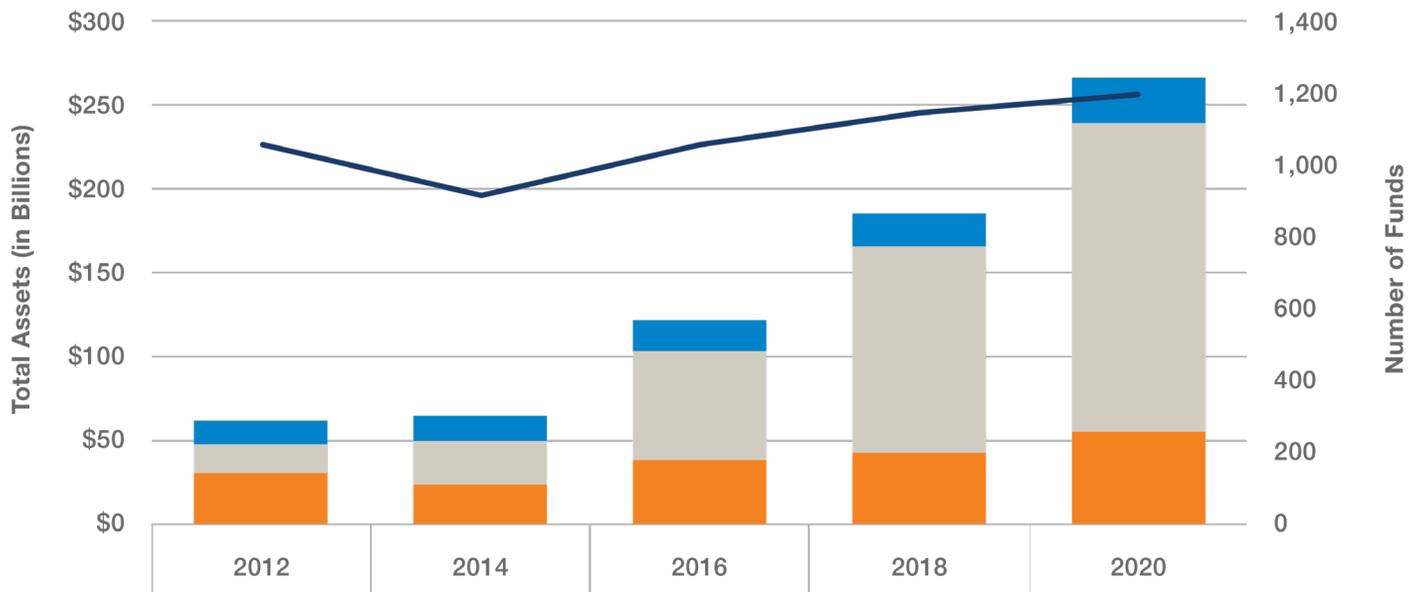
Community development credit unions constitute the largest group of community investing institutions in asset weighted terms. Credit union assets grew 49 percent since 2018 to more than \$180 billion, and their numbers increased substantially as well from 370 to more than 450.

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COMMUNITY INVESTING INSTITUTION ASSETS 2012-2020

Left Axis: ■ Community Development Banks ■ Community Development Credit Unions
■ Community Development Loan Funds ■ Community Development Venture Capital Funds

Right Axis: — Number of Community Investing Institutions



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.

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