

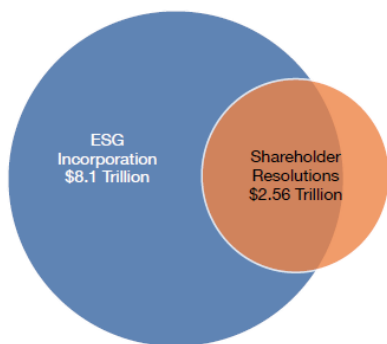
2016 Trends Report: Highlights for Educational Institutions

Snapshot of US Sustainable, Responsible and Impact Investing

What the *Trends Report* measures

The 2016 *Trends Report* is a snapshot of US-domiciled assets engaged in sustainable, responsible and impact (SRI) strategies at year-end 2015. The report measures two SRI strategies: (1) ESG incorporation, and (2) Filing shareholder resolutions on ESG issues.

Sustainable, Responsible and Impact Investing Assets in the United States 2016



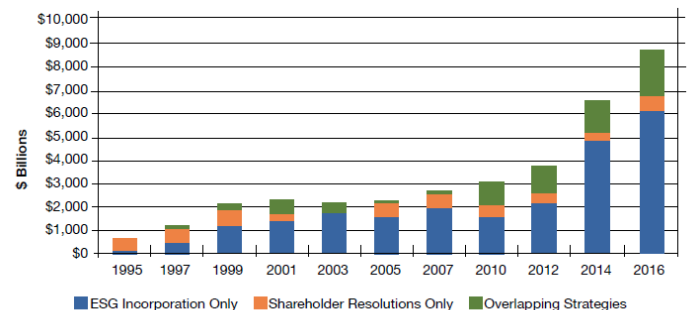
SOURCE: US SIF Foundation.
 NOTE: ESG incorporation assets in this figure include those in Community Investing Institutions.

Data from Report on US Sustainable, Responsible and Impact Investing Trends 2016; SRI assets represent nearly 22% of \$40.3 trillion in assets under professional management tracked by Cerulli Associates at year-end 2015.

33% growth over the past two years, and a 14-fold increase since 1995

- SRI investing continues to expand—now accounting for more than one out of every five dollars under professional management in the United States.
- The total US-domiciled assets under management using SRI strategies grew to \$8.72 trillion at the start of 2016, an increase of 33% since 2014.

Sustainable, Responsible and Impact Investing in the United States 1995-2016



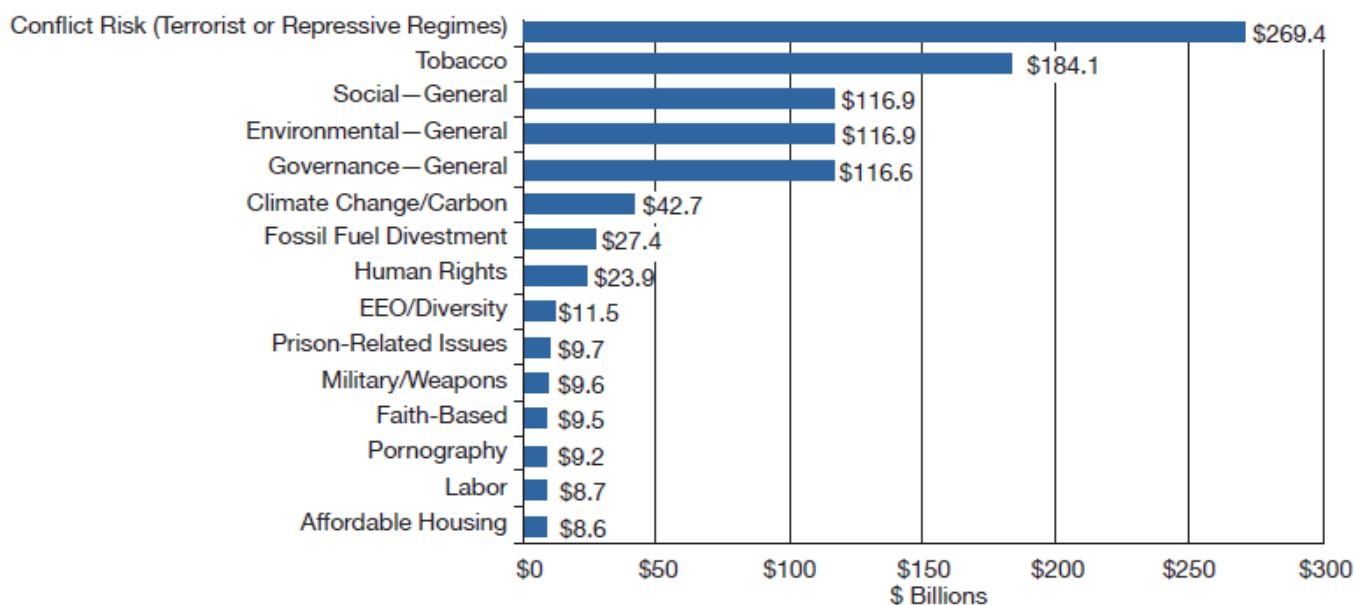
SOURCE: US SIF Foundation.

Significant Findings for Educational Institutions

- Educational institutions constitute the third largest pool of institutional capital with ESG assets after public funds and corporations.
- Educational institutions in aggregate hold \$293 billion in assets that are subject to various ESG criteria. The majority of these ESG assets are subject to criteria related to avoiding investments in tobacco or in companies doing business in Sudan and other countries of conflict risk, as shown in the chart on the next page.
- Some universities have started to incorporate general environmental, social and governance issues across their investment portfolios instead of, or in conjunction with, focusing on a single issue or a few specific issues. For example, in 2014 Harvard University, which has the largest university endowment in the United States, publicly committed to this strategy. It was also the first university to become a signatory to the Principles for Responsible Investment. General environmental, social and governance issues affect over \$100 billion in university investment assets.
- Numerous colleges and universities are also exploring how to apply concerns about specific environmental and social issues to their investment policies, and some have already established and implemented policies.

- At the start of 2016, the US SIF Foundation identified \$42.7 billion held by educational institutions that consider climate change in investment analysis, a dramatic increase over the comparable \$1.3 billion identified in 2014. Assets of \$27.4 billion are subject to fossil fuel restrictions, compared with just \$135 million in 2014.
- Institutions increasingly are mentioning ESG considerations in their investment policy statements, and more institutions are committing money to sustainable investment funds. Several nonprofit organizations and networks such as the Responsible Endowments Coalition, the Sustainable Endowments Institute and the Intentional Endowments Network provide endowments, students and other stakeholders with support, data and research on sustainable investment issues.

Fig. 3.10: Leading ESG Criteria for Educational Institutions 2016



SOURCE: US SIF Foundation.

About the 2016 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.

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