

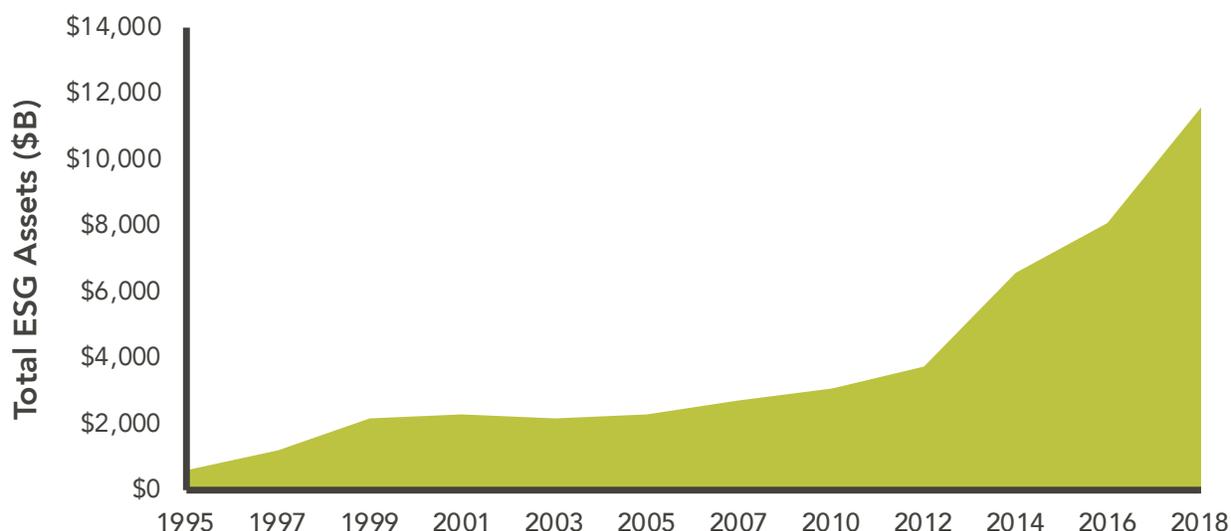
Chart of the Week

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ESG Assets Continue Their Dramatic Rise

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Increased demand has led to a surge in U.S.-based ESG assets in recent years



Source: The Forum for Sustainable and Responsible Investment

The demand for — and supply of — ESG investment opportunities has surged over the past several years. This week's chart depicts the rise in U.S.-based ESG assets. After doubling in size between 2012 and 2016, the value of sustainable, responsible and impact investing assets grew by another 38% from 2016 to 2018. These investments now account for more than $\frac{1}{4}$ th of total U.S. assets under professional management.

From the demand side, signatories to the Principles for Responsible Investment, a set of investment principles that enable the incorporation of ESG considerations into investment practices, grew in combined assets from less than \$6 trillion in 2006 to over \$81 trillion by the end of April 2018. In response, the supply of ESG strategies in the market continues to increase as well, with investment firms offering ESG products in both the traditional and alternative asset classes.

Regulatory changes, new research, and shifting investor demographics continue to foster increased interest in ESG investing, and plan sponsors should be prepared to adapt their investment options to accommodate the changing landscape. ■

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