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# Sustainable Funds U.S. Landscape Report

## More funds, more flows, and impressive returns in 2020.

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**Morningstar Manager Research**  
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Jon Hale  
Director, Sustainable Investing Research  
+1 312-696-6093  
[jon.hale@morningstar.com](mailto:jon.hale@morningstar.com)

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### Introduction

The turbulent events of 2020 — the global coronavirus pandemic, continued weather extremes, the movement for racial justice in the United States, and the U.S. presidential election — underscored the salience of sustainability concerns to investment managers and strengthened the rationale for end investors to invest in a sustainable way. Indeed, investors are embracing sustainable investments more than ever. A study released in November estimated that 1 in 3 dollars of overall assets under management in the U.S. is now subject to some type of sustainable investment strategy.<sup>1</sup>

What does that mean, exactly? Sustainable investing generally refers to the full consideration of environmental, social, and corporate governance, or ESG, concerns within an investment strategy, both to enhance investment performance and contribute to better societal outcomes. The basic consideration of ESG issues to enhance investment performance has also become widespread even among traditional investment managers, who are beginning to recognize the materiality of ESG risks and opportunities in security selection.

Sustainable investing has become increasingly relevant because of the climate crisis and the growing criticism of the shareholder-primacy view of the corporation. Global warming clearly poses significant investment and societal risks. Corporate short-termism and its focus on shareholder value have made it difficult to address these risks in a timely manner. The COVID-19 pandemic has underscored the need for corporations to focus on other stakeholders, especially workers. Sustainable investment supports the transition to a net-zero economy and to a stakeholder model that can create more value for shareholders, people, and the planet over the long run.

Mutual funds represent the most direct way for investors to invest sustainably. In the past five years, a considerable number of funds focused on sustainable investing have launched and many have built impressive track records. This report is intended to help asset managers, advisors and intermediaries, and end investors navigate this increasingly important investment area.

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<sup>1</sup> Report on US Sustainable and Impact Investing Trends, US SIF Foundation, 2020. <https://www.ussif.org/trends>

### Key Takeaways

- ▶ The number of sustainable open-end and exchange-traded funds available to U.S. investors increased to 392 in 2020, up 30% from 2019. The group has experienced a nearly fourfold increase over the past 10 years, with significant growth beginning in 2015.
- ▶ In 2020, 71 sustainable funds were launched, easily topping the previous high-water mark of 44 set in 2017. At least 30 funds have been launched each year from 2016 to 2020.
- ▶ Twenty-five existing funds were repurposed as sustainable funds in 2020. Sixty-nine funds have been repurposed since 2013. The 67 still alive represent about 17% of the overall group.
- ▶ Sustainable funds attracted a record \$51.1 billion in net flows in 2020, more than twice the previous record set in 2019. Sustainable fund flows accounted for nearly one fourth of overall flows into funds in the U.S.
- ▶ Passive funds, ETFs, and iShares dominated sustainable fund flows in 2020.
- ▶ Sustainable funds, on average, outperformed conventional funds and indexes in 2020.
- ▶ Sustainable funds tend to have lower ESG risk and lower carbon risk in their portfolios than conventional funds. They also vote in favor of key ESG shareholder resolutions more often, but sustainable fund support of such measures varies widely.

## The Sustainable Funds Universe

Nearly 400 open-end and exchange-traded sustainable funds were available to U.S. investors as of the end of 2020. Not so long ago, identifying such a group was a much easier task — not all that many such funds existed, new launches were few and therefore easy to monitor, and one could be fairly certain that traditional funds did not include ESG considerations in their investment process. None of those are true any longer. Every year since 2015, dozens of new sustainable funds have been launched, many existing funds have been repurposed as sustainable funds, and hundreds more funds now consider ESG to some degree in their investment process.

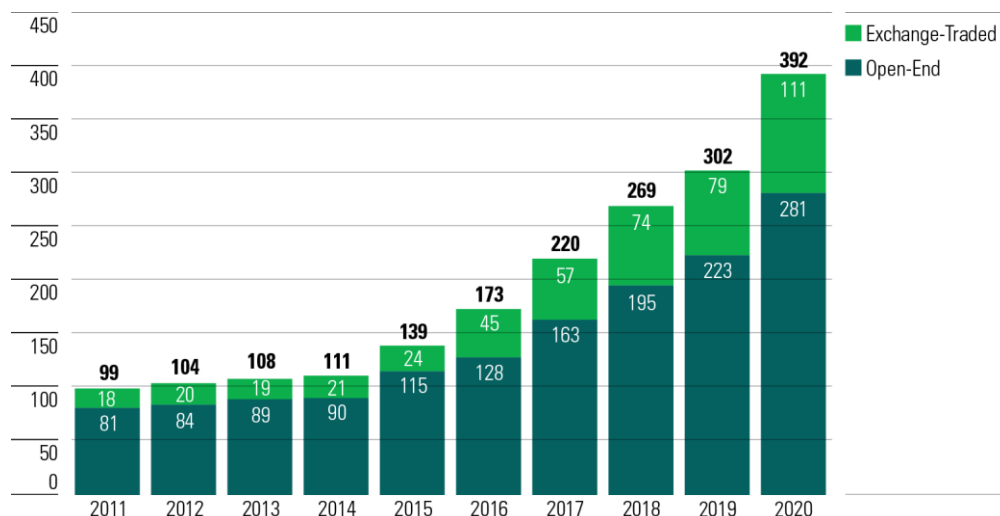
For a fund to be included in the sustainable funds universe, it must hold itself out to be a sustainable investment. In other words, ESG concerns must be central to its investment process and the fund's intent should be apparent from a simple reading of its prospectus. In particular, the Principal Investment Strategies section of the fund's prospectus should contain enough detail to leave no doubt that ESG concerns figure prominently in the fund's investment process. While many funds now mention ESG briefly somewhere in their prospectus, often in a less-prominent "Additional Information" section, those included in the sustainable funds universe make their commitment clear and prominent. For the occasional borderline cases, we further consulted fund reports, websites, pitchbooks, or spoke directly with portfolio managers to confirm a fund's commitment to being a sustainable investment.<sup>2</sup>

At the end of 2020, the group of sustainable open-end funds and ETFs available to U.S. investors numbered 392, up 30% from 2019.<sup>3</sup> The group has experienced a nearly fourfold increase over the past 10 years, with significant growth beginning in 2015.

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<sup>2</sup> To identify sustainable funds, we searched Morningstar Direct, as follows: 1. Open-End Funds and ETFs universe 2. Domicile = U.S. 3. Sustainable Investment Overall = Yes. 4. Oldest share class = Yes. From this list, we eliminated funds that are used in variable insurance/annuity accounts, and those that did not pass our prospectus review.

<sup>3</sup> Last year's report included 303 funds. 14 have since been liquidated and 2 others dropped. 76 funds have been added that launched in 2020 or too late in 2019 to be included in last year's report. 29 funds have been added that repurposed in 2020 or too late in 2019 to be included in last year's report.

**Exhibit 1** The Sustainable Funds Universe: A Nearly Fourfold Increase in the Past Decade

Source: Morningstar Direct. Data as of 12/31/2020. Note: Includes funds that have been liquidated during this period.

The list of sustainable funds does not include the many funds that now say they consider ESG but have not made it a central feature of their investment strategy. Just two years ago, it was uncommon to find any reference to ESG in the offering documents of traditional funds. Not anymore. Many funds now indicate in their prospectuses that they may consider ESG factors at some point in their investment process.<sup>4</sup> This trend will likely continue, given the ESG commitments most asset managers are making. In 2020, Morningstar's manager research team initiated discussions with asset managers about the ESG commitment level of funds under Morningstar analyst coverage. In their first wave of ESG commitment level assessments, Morningstar analysts found that virtually all asset managers have incorporated ESG to some degree, or have plans to do so, across their investment strategies. In many cases, however, those firm-level commitments have yet to make a significant impact at the fund level.<sup>5</sup> While these commitments are not intended to result in traditional funds becoming intentional offerings that would qualify for our universe of sustainable funds, they are significant as a reflection of the degree to which asset managers are incorporating ESG. We expect that virtually all funds will soon be routinely explaining in their prospectuses the role ESG plays in their investment process, regardless of how central it is.

Sustainable funds are not all alike. Most are diversified funds that invest in the asset classes and sub-asset classes to which most investors typically have exposures and, therefore, can be used in lieu of standard strategies in investor portfolios. Diversified sustainable funds broadly integrate ESG concerns throughout their security-selection and portfolio-construction process. From there, the specifics vary. For example, some strategies may focus on avoiding the worst ESG performers, some on emphasizing ESG

<sup>4</sup> In last year's report, we identified 564 funds that made references to ESG consideration in their prospectus. See Sustainable Funds U.S. Landscape Report, Morningstar Research; Feb. 14, 2020, p. 6.

<sup>5</sup> The Morningstar ESG Commitment Level, Morningstar Research, Nov. 17, 2020.

[https://www.morningstar.com/content/dam/marketing/shared/pdfs/Research/ESG\\_Commitment\\_Level\\_White\\_Paper\\_2020.pdf](https://www.morningstar.com/content/dam/marketing/shared/pdfs/Research/ESG_Commitment_Level_White_Paper_2020.pdf)

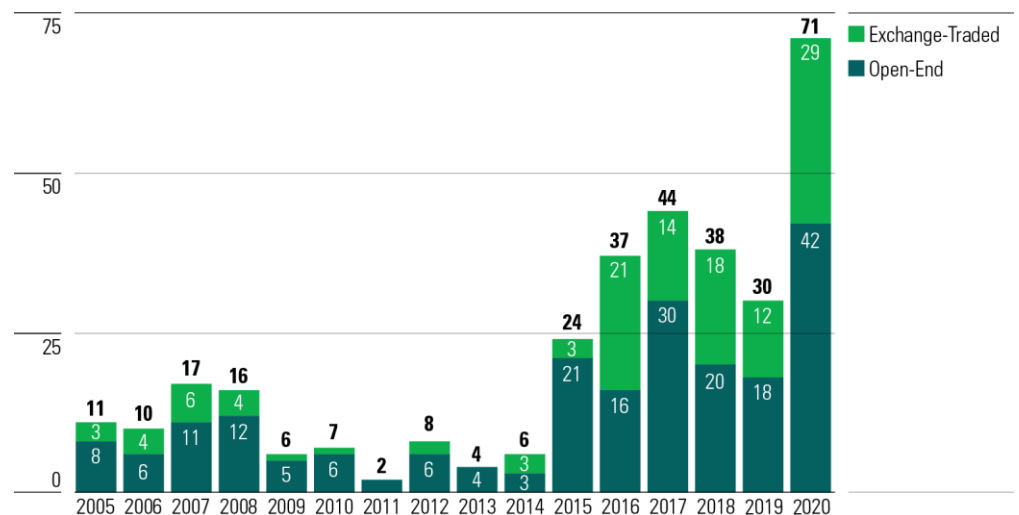
leaders, with others falling somewhere between. Some funds take a more-thematic approach, seeking investments that will benefit from adopting more-sustainable business models and from the transition to a just, low-carbon economy. Some funds employ outright exclusions on, for example, coal, all fossil fuel, tobacco, or weapons. Increasingly, sustainable funds are applying an impact lens to their portfolios, evaluating the impact of the companies whose stock they hold, the use of proceeds of the bonds they hold, and their own stewardship activities. Any given sustainable fund may employ several of these approaches.

Sustainable sector funds, by contrast, are those with portfolios focused on “green economy” industries like renewable energy, energy efficiency, environmental services, water, infrastructure, and green real estate. Green economy companies can be found across a variety of conventionally defined sectors, and, according to one estimate, they constitute 5% of global market cap.<sup>6</sup> Sector funds compose 44 of the 392 funds in our universe.

### New Funds in 2020

Sustainable fund launches continued a multiyear growth trend that began in 2015 when 24 new funds were launched, a record at the time. At least 30 funds have been launched each year since. In 2020, the 71 new funds that were launched easily topped the previous high-water mark of 44 set in 2017.

**Exhibit 2** Sustainable Fund Launches: A Multiyear Growth Trend



Source: Morningstar Direct. Data as of 12/31/2020. Note: 40 open-end funds in the report were launched between 1971 and 2004. The earliest ETF launch was in 2005. Includes 20 funds that subsequently have liquidated. Does not include original launches of funds that have subsequently repurposed.

<sup>6</sup> Investing in the Green Economy: Sizing the Opportunity, Index Insights FTSE Russell, December 2020.

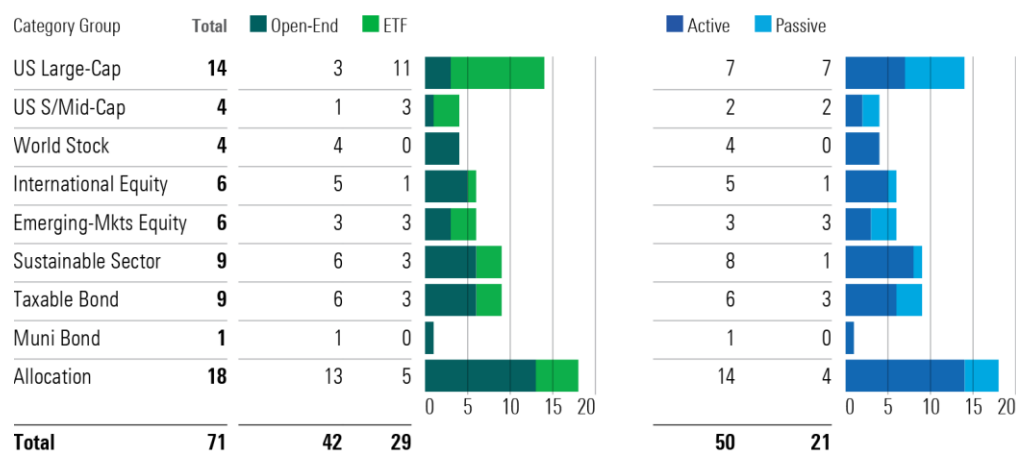
[https://content.ftserussell.com/sites/default/files/investing\\_in\\_the\\_green\\_economy\\_sizing\\_the\\_opportunity\\_final\\_0.pdf?\\_ga=2.164368063.1805070898.1612718017-1135872474.1610479360](https://content.ftserussell.com/sites/default/files/investing_in_the_green_economy_sizing_the_opportunity_final_0.pdf?_ga=2.164368063.1805070898.1612718017-1135872474.1610479360)

Of the 71 newly launched funds, 42 are open-end funds and 29 are ETFs. The open-end total is somewhat inflated because it includes the 11 funds in the BlackRock LifePath ESG Index target-date series; these funds also employ ETFs as their underlying holdings.

We also consider target-date funds to be actively managed because asset-allocation and glide path decisions are made by portfolio managers even when their underlying holdings are index funds, as is also the case with the new BlackRock target-date series. Including those 11 target-date funds, 50 of the newly launched sustainable funds are actively managed, including eight ETFs.

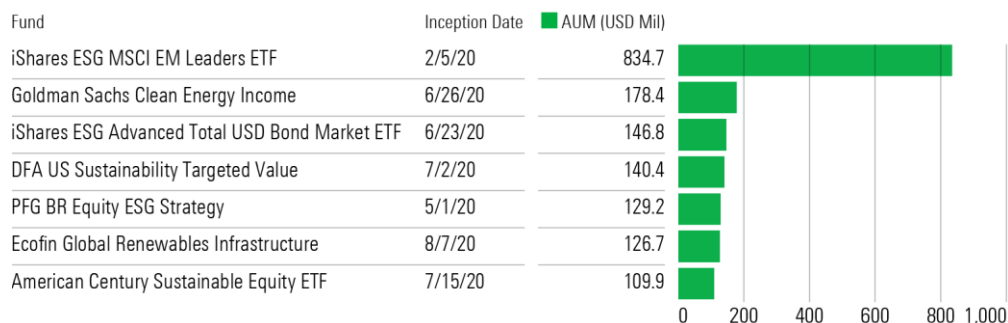
Nearly half of new launches are U.S. or international equity funds. The ranks of sustainable sector and fixed-income funds increased by nine and 10, respectively. The 71 new funds were placed in 38 different Morningstar Categories.

**Exhibit 3** Sustainable Fund Launches in 2020 by Category Group



Source: Morningstar Direct. Data as of 12/31/2020.

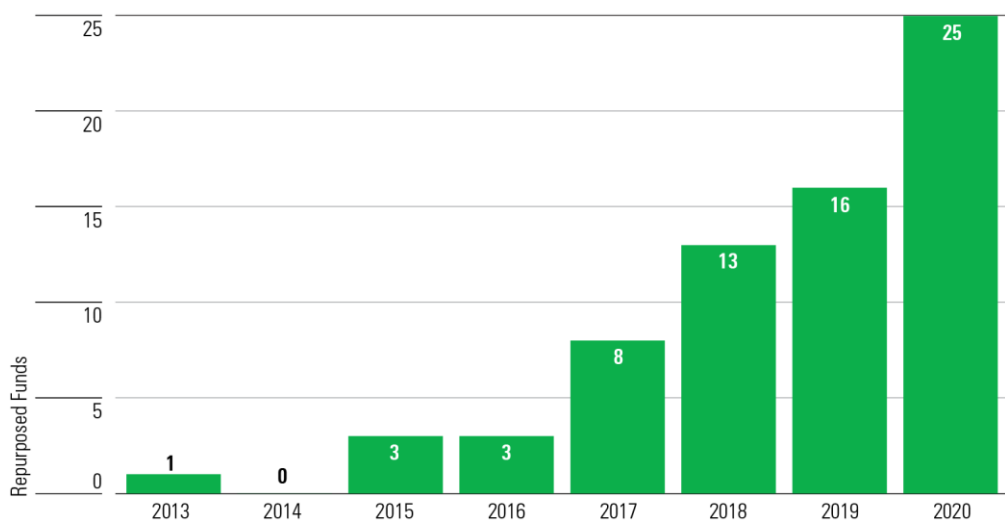
Seven of 2020's new sustainable funds already had assets of more than \$100 million at year-end. Leading the way is iShares ESG MSCI Emerging Markets Leaders ETF [LDEM](#). Launched in February, the fund had \$835 million in assets at year-end, far more than any other fund in the class of 2020. Two sustainable sector funds are on the list, Goldman Sachs Clean Energy Income [GCEDX](#) and Ecofin Global Renewables Infrastructure [ECOIX](#), helped by the strong performance of renewable energy stocks during the year.

**Exhibit 4** Sustainable Funds Launched in 2020 with Assets Greater than \$100 Million

Source: Morningstar Direct. Data as of 12/31/2020.

**Repurposed Funds in 2020**

Repurposed funds continued to add to the growth of the sustainable funds universe. Last year, 25 existing funds changed their investment strategies to become sustainable funds. In most cases, these funds also changed their names to reflect their repurposing. That brings the total of repurposed funds in the current sustainable funds universe to 64, representing about 16% of the overall group. Repurposing funds is a way for asset managers to build their sustainable assets under management without having to start new funds from scratch and wait for them to reach scale. Many fund lineups include actively managed funds that are at scale but experiencing chronic outflows. As assets naturally roll off over time, it is hard for these funds to make up for the outflows with new assets now that investors largely favor passive funds. But because of growing investor interest in sustainable funds, retooling an active fund into an active sustainable fund is an attractive option for some asset managers.

**Exhibit 5** More Existing Funds Are Repurposing as Sustainable

Source: Morningstar Direct. Data as of 12/31/2020.

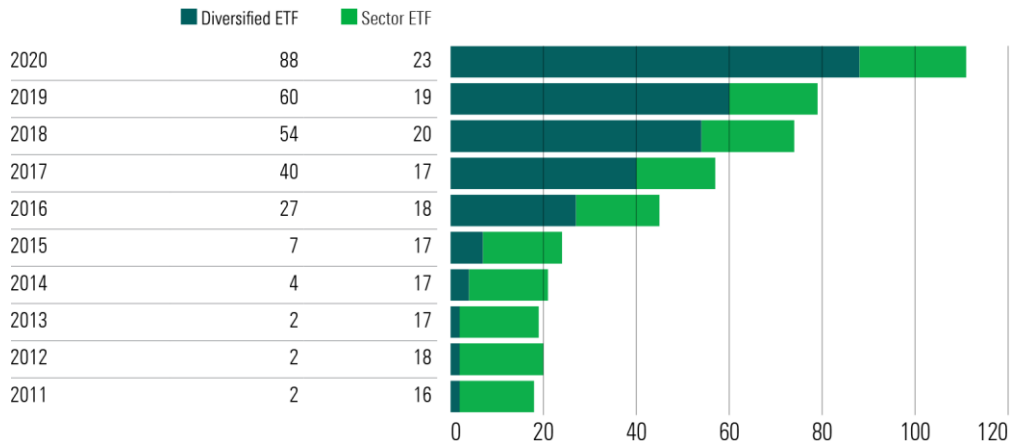
**Exhibit 6** Five Largest Funds Repurposed as Sustainable in 2020

Name	Date of ESG Adoption	Original Name	Inception Date	Assets (USD Mil)
Invesco Floating Rate ESG	8/4/20	Invesco Floating Rate	5/1/97	1,578
USAA Sustainable World	10/1/20	USAA World Growth	10/1/92	1,438
Nuveen Winslow Large-Cap Growth ESG	2/3/20	Winslow Large-Cap Growth	5/15/09	762
Boston Trust Asset Management	5/1/20	Same	12/1/95	597
Transamerica Sustainable Equity Income	12/1/20	Transamerica Dividend Income	1/4/13	550

Source: Source: Morningstar Direct. Data as of 12/31/20. Note: The date of ESG adoption for all repurposed funds can be found in the Appendix.

**ETF/Open-End**

The number of sustainable ETFs has grown considerably over the past five years and now stands at 111. At the end of 2015, only 24 ETFs existed and 17 of them were sustainable-sector funds. The subsequent growth in the number of ETFs has been dominated by diversified funds. At the end of 2020, 88 ETFs were diversified funds and 23 were sector funds.

**Exhibit 7** The Rise of Diversified ETFs

Source: Morningstar Direct. Data as of 12/31/2020.

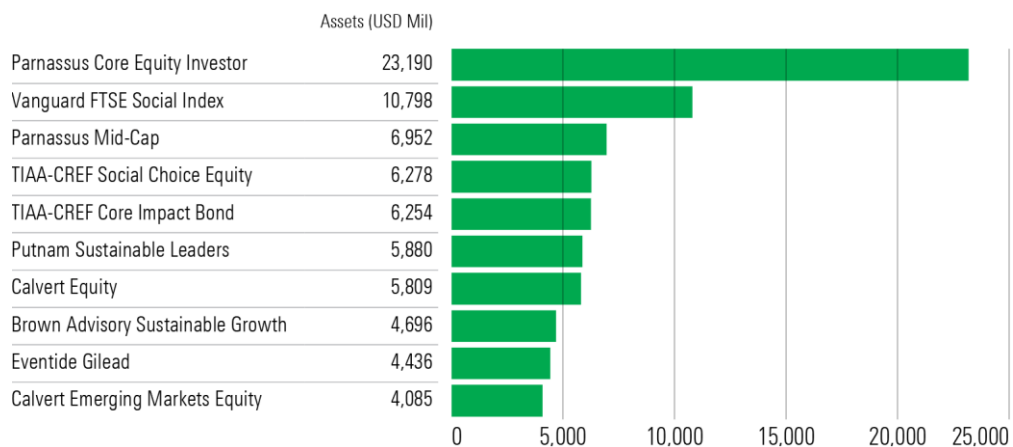
The number of open-end sustainable funds has also continued to increase, albeit at a lower rate than ETFs. The open-end group has grown to 281 funds from 115 at the end of 2015 (see Exhibit 1). Open-end funds command 71% of sustainable-fund assets.

The largest open-end funds tend to be older and actively managed. Among the 10 largest, Vanguard FTSE Social Index VFTNX is the only passive fund. Because these funds have good longer-term performance records, they continue to attract assets in today's more-competitive environment. Putnam Sustainable Leaders PNOPX is an exception. Formerly Putnam Multi-Cap Growth, the fund built its large



asset base prior to its March 2018 repurposing. It was already experiencing outflows at that time and they have continued so far.

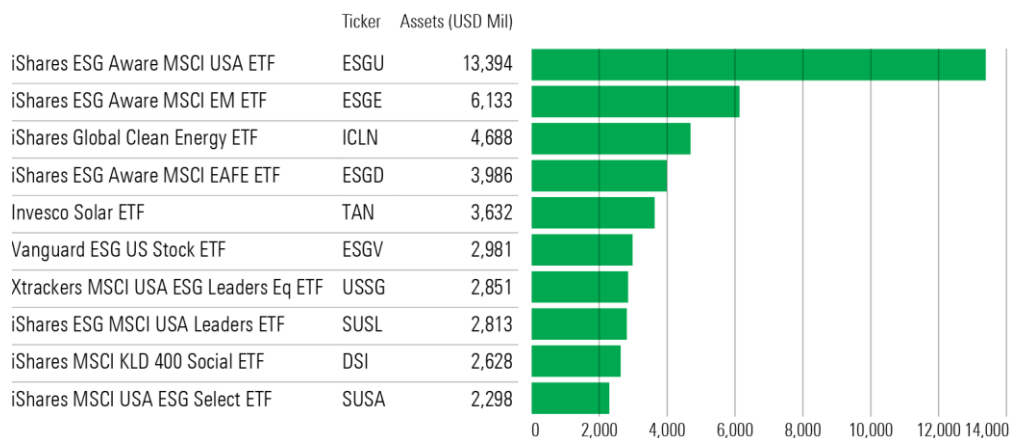
#### Exhibit 8 10 Largest Sustainable Open-End Funds



Source: Morningstar Direct. Data as of 12/31/2020.

The largest sustainable ETFs tend to be younger and all are passively managed. The list also reflects iShares' recent dominance of sustainable ETF flows. Seven of the 10 largest ETFs are iShares funds.

#### Exhibit 9 10 Largest Sustainable ETFs

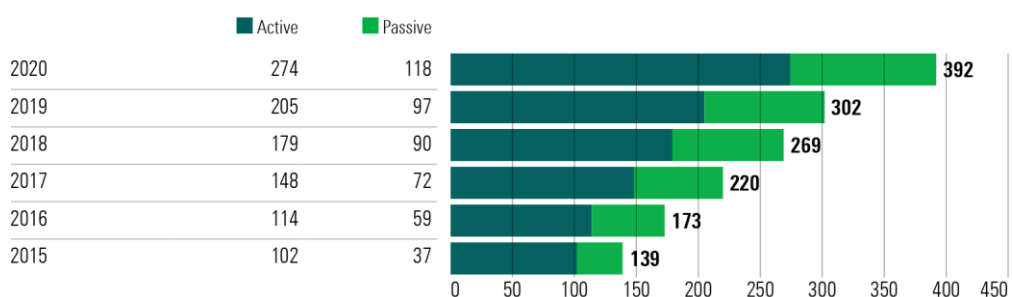


Source: Morningstar Direct. Data as of 12/31/2020.

### Active/Passive

Correlated with the growth in ETFs, the number of passive funds has also been growing over the past five years. Nearly all that growth is in diversified passive funds, as opposed to sector-focused funds. Between 2015 and 2020, the number of diversified passive funds increased to 91 from 20. Actively managed funds hold 62% of sustainable-fund assets.

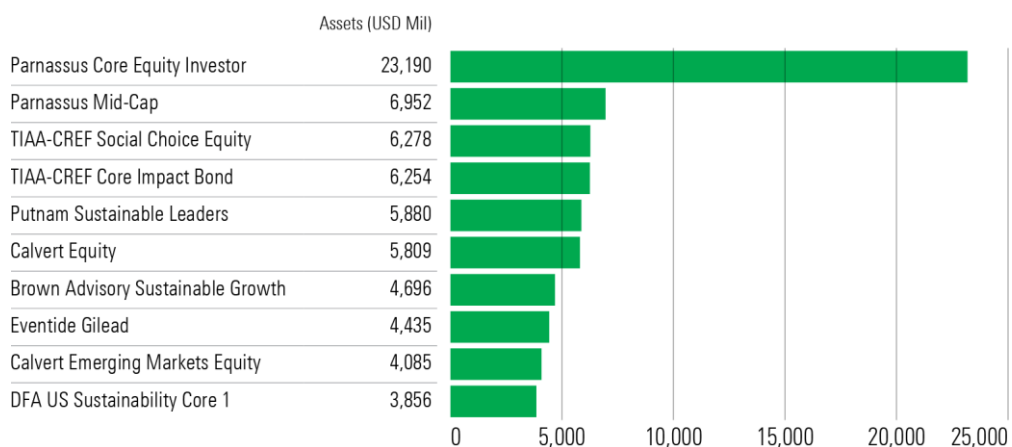
**Exhibit 10** Growth of Active and Passive Funds Since 2015



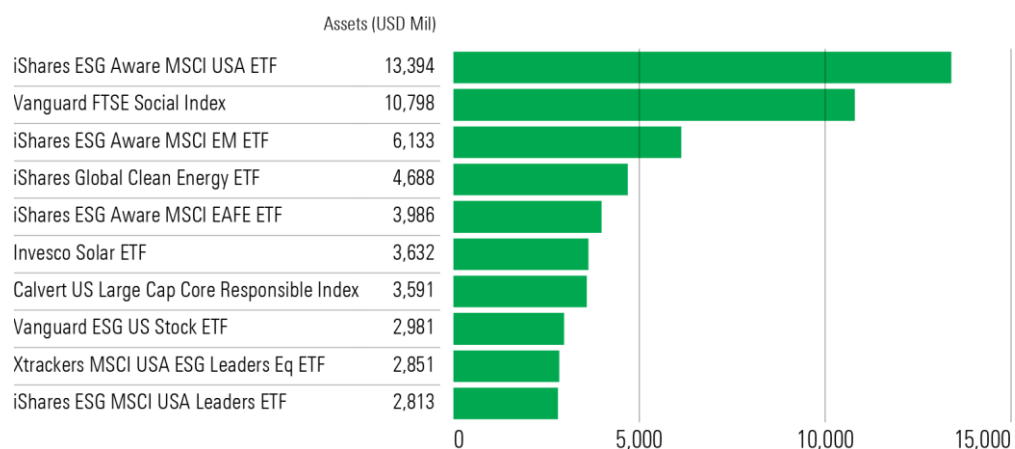
Source: Morningstar Direct. Data as of 12/31/2020.

Considerable overlap exists between the 10 largest open-end funds and the 10 largest active funds, and between the 10 largest ETFs and the 10 largest passive funds.

**Exhibit 11** 10 Largest Actively Managed Sustainable Funds



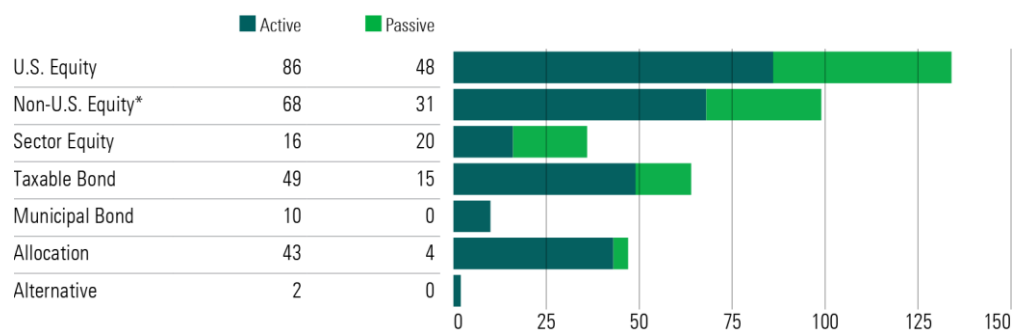
Source: Morningstar Direct. Data as of 12/31/2020.

**Exhibit 12** 10 Largest Passive Sustainable Funds

Source: Morningstar Direct. Data as of 12/31/2020.

**Asset Class and Category Coverage**

Of the 392 sustainable funds, 269 are equity funds, 74 are fixed-income funds, and 47 are allocation funds. Investors have the most choices in U.S. equity, with 134 funds. Another 99 funds are either world-stock or international-equity funds. Among fixed-income funds, 26 are intermediate-term funds. Overall, investors can find sustainable funds in 65 Morningstar Categories.

**Exhibit 13** Sustainable Funds by Asset Class

Source: Morningstar Direct. Data as of 12/31/2010. \*Includes global funds.

As the sustainable fund universe has grown, particularly in fixed-income, investors now have enough choices to construct comprehensive portfolios. Model portfolios using underlying ESG funds are now widely available.

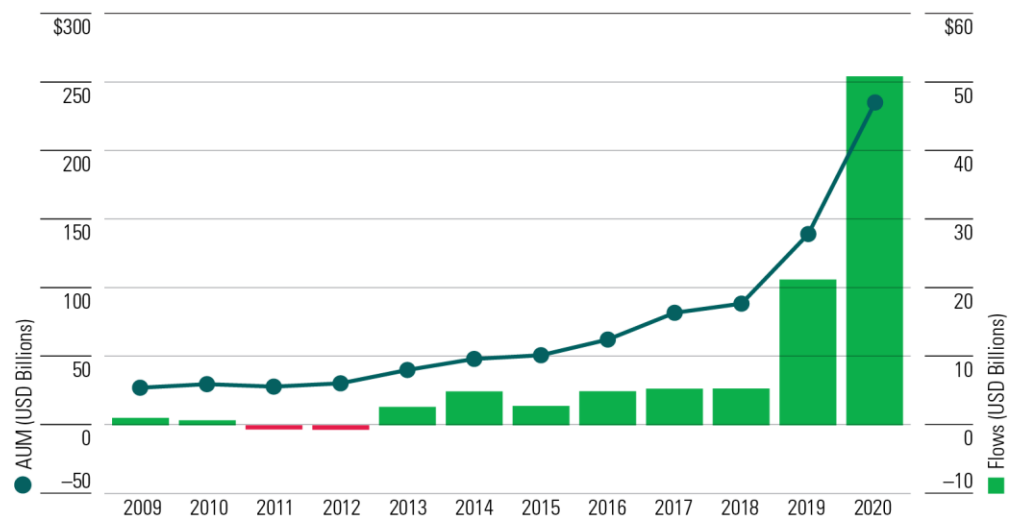
Because the ongoing growth in the number of sustainable funds began only in 2015, however, many funds lack long enough track records or have large enough asset bases to meet the selection criteria

commonly employed by many intermediaries. Among the 392 sustainable funds, 211 (54%) have three-year track records and 133 (34%) have five-year track records. In terms of assets, 240 (61%) have assets of at least \$50 million. Of those with less than \$50 million in assets, 90% are less than five years old. Track records and assets may be of greater concern when considering actively managed funds. Many of the funds with shorter track records are passive funds that mimic reputable ESG indexes run by established providers like MSCI and FTSE.

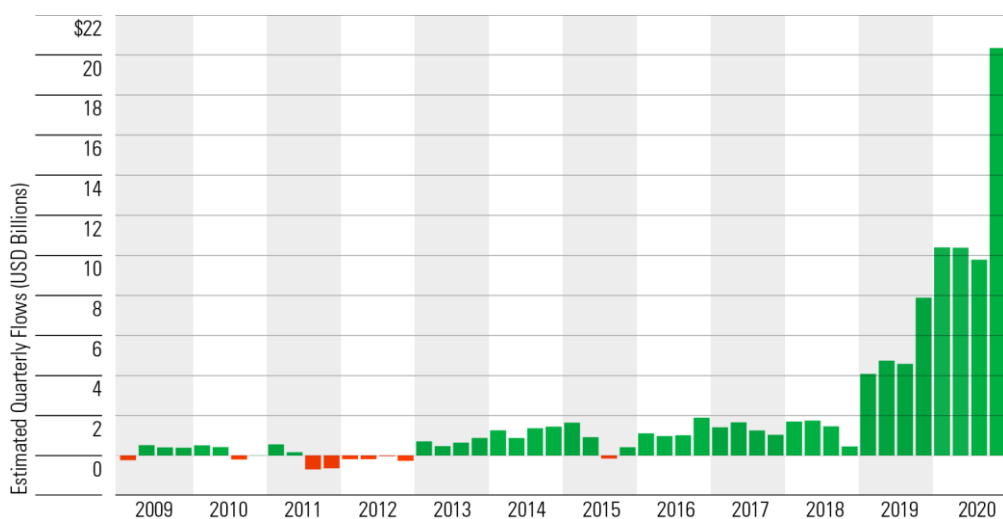
### Sustainable Fund Flows

Sustainable funds are more attractive than ever for U.S. fund investors. For the fifth calendar year in a row, sustainable funds set an annual record for net flows in 2020. And since the fourth quarter of 2019, assets have reached far higher levels. In 2016, 2017, and 2018, annual flows hovered around \$5 billion per year, with modest increases each year. Then in 2019, flows increased fourfold to \$21.4 billion, with \$7 billion of that coming in the fourth quarter. That record was promptly and easily eclipsed in 2020, as flows reached \$51.1 billion, with \$20.5 billion of that coming in the fourth quarter.

**Exhibit 14** Sustainable Funds Annual Flows and Assets

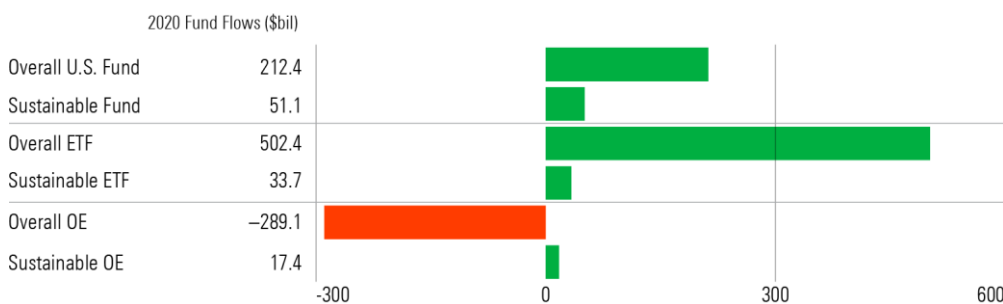


Source: Morningstar. Data as of 12/31/2020. Includes Sustainable Funds as defined in Sustainable Funds U.S. Landscape Report, Feb. 2020. Includes funds that have been liquidated; does not include funds of funds.

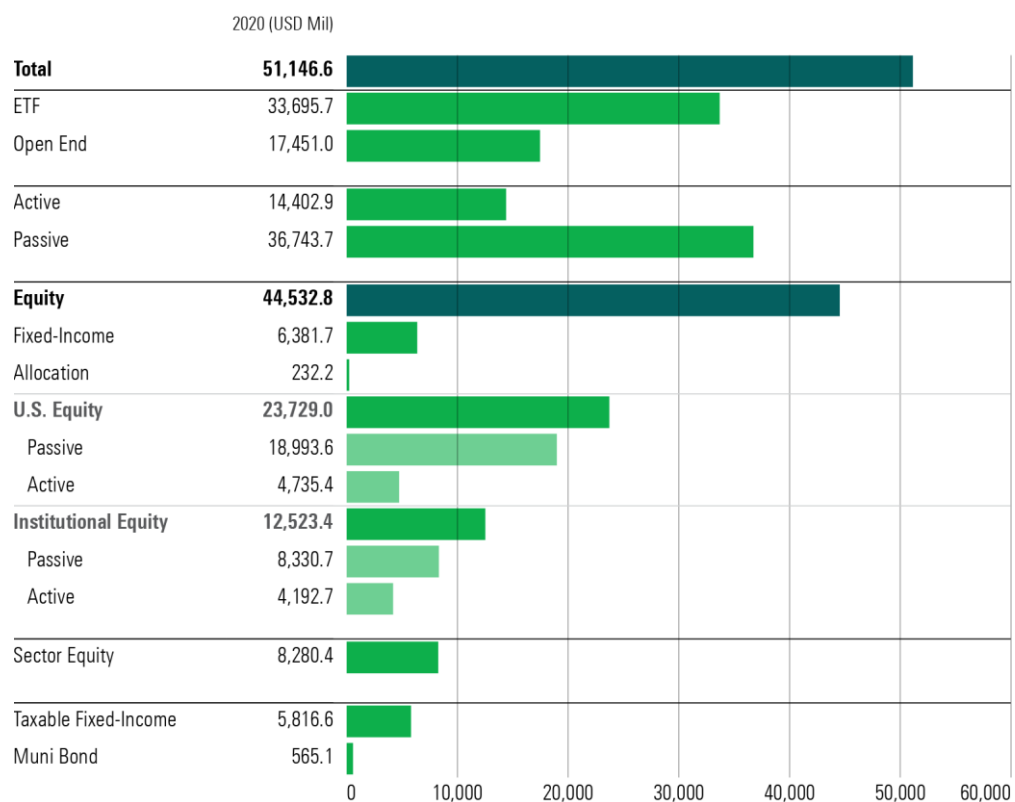
**Exhibit 15** Sustainable Funds Quarterly Flows

Source: Morningstar. Data as of 12/31/2020. Includes Sustainable Funds as defined in Sustainable Funds U.S. Landscape Report, Feb. 2020. Includes funds that have been liquidated; does not include funds of funds.

Sustainable fund flows constituted nearly one fourth of overall net flows into stock and bond mutual funds in the U.S. in 2020. It was not so long ago that sustainable fund flows failed to register above 1% of overall fund flows. Sustainable ETFs attracted about 7% of overall ETF flows for the year. But while investors pulled \$289 billion out of open-end funds, sustainable open-end funds attracted \$17.4 billion. Investors overall pulled money out of U.S. equity, sector-equity, international-equity, and allocation funds, but added money to sustainable funds in each of those category groups.

**Exhibit 16** Sustainable Fund Flows Relative to Overall Fund Flows

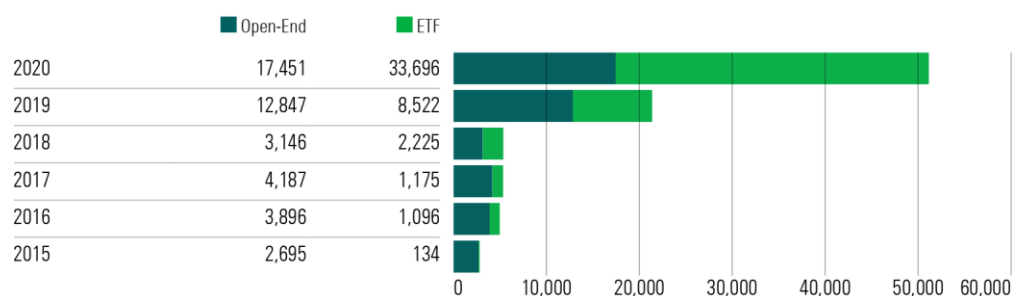
Source: Morningstar Direct. Data as of 12/31/2020.

**Exhibit 17** Sustainable Fund Flows by Fund Type, 2020

Source: Morningstar Direct. Data as of 12/31/2020.

**ETF Flows**

ETF flows exceeded open-end flows among sustainable funds for the first time in 2020, attracting about two out of every three dollars invested. The \$33.7 billion in ETF flows was almost four times more than in 2019 and 15 times more than in 2018. Prior to 2016, sustainable ETFs were few in number and most were sector funds. Since then, the number of diversified ETFs has expanded dramatically, and flows have followed. In 2020, sector funds focused on renewable energy also attracted strong flows on the back of strong performance from renewables stocks.

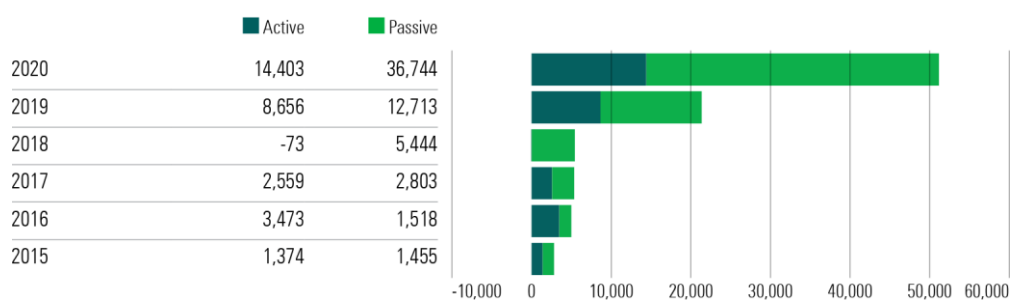
**Exhibit 18** Sustainable Fund Flows: ETFs Dominated in 2020

Source: Morningstar Direct. Data as of 12/31/2020.

### Passive Flows

ETF flows benefited from continued investor preference for passive funds. Among sustainable funds, 2020 marked the fourth consecutive year that passive fund flows outpaced those of actively managed funds. Helped also by several large open-end index funds, passive funds attracted 72% of sustainable fund flows.

**Exhibit 19** Sustainable Fund Flows: The Shift to Passive Funds Continued in 2020

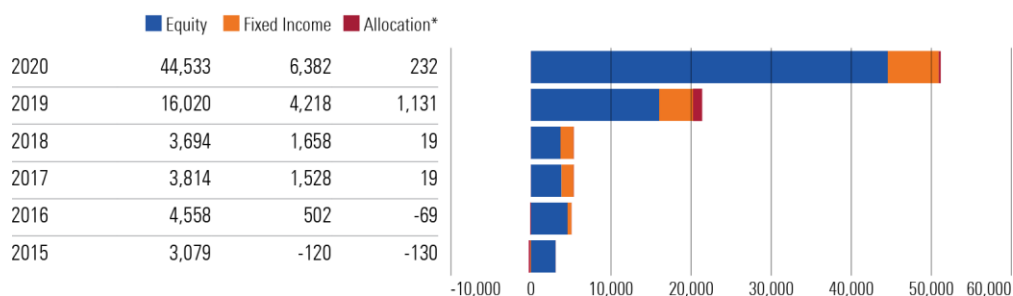


Source: Morningstar Direct. Data as of 12/31/2020.

### Fixed-Income Fund Flows

Equity funds have always commanded the lion's share of flows into sustainable funds and 2020 was no exception. Equity funds attracted 87% of overall flows last year, a higher percentage than in any of the previous three years. While equity flows continue to dominate, flows into sustainable fixed-income funds totaled a record \$6.4 billion in 2020, representing about 13% of overall flows. The number of fixed-income sustainable funds has increased substantially since 2015, to 74 from 20. More fixed-income choices help model builders fill their bond allocations, making ESG models more viable and ultimately helping drive more flows.

**Exhibit 20** Sustainable Fund Flows: Equity Dominates, but Fixed Income Growing

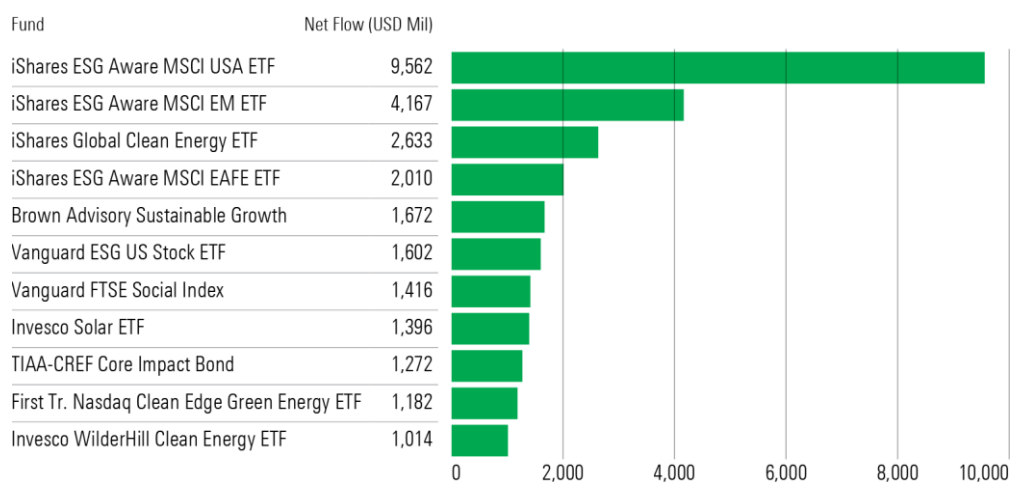


Source: Morningstar Direct. Data as of 12/31/2020. \*Excludes funds of funds.

### Largest Fund Flows

For the year, 11 sustainable funds attracted net flows greater than \$1 billion. Three of the top four spots were taken by iShares ESG Aware ETFs, which BlackRock uses in various ESG-aware model portfolios. In the top spot was the fund with the biggest allocation in those portfolios, iShares ESG Aware MSCI USA ETF ESGU, which amassed \$9.6 billion during 2020. Four of the funds with \$1 billion in flows focus on renewable energy, which was one of the best-performing parts of global equity markets for the year. The others were two passive Vanguard funds and two actively managed funds, one equity and one fixed-income: Brown Advisory Sustainable Growth BIAWX and TIAA-CREF Core Impact Bond TSBHX.

**Exhibit 21** Sustainable Funds with at Least \$1 Billion in Flows

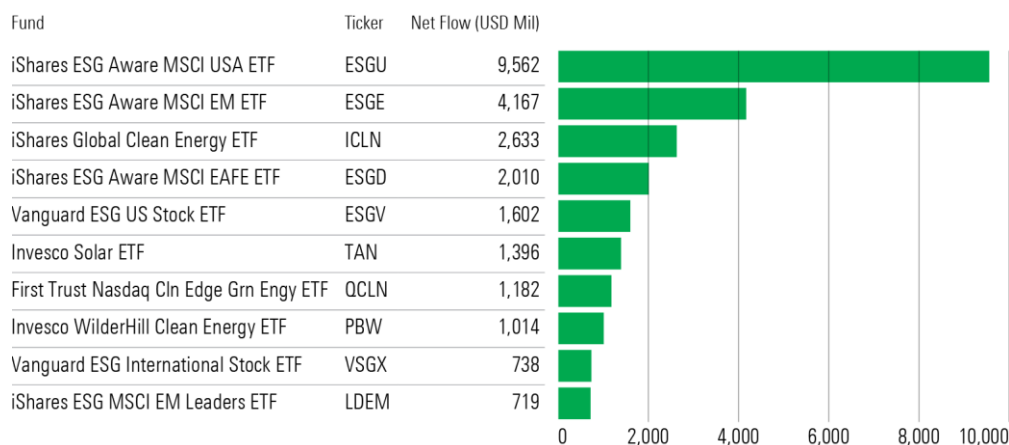


Source: Morningstar Direct. Data as of 12/31/2020.



Among ETFs, five iShares funds ranked in the top 10. Four funds focused on renewable energy also cracked the top 10.

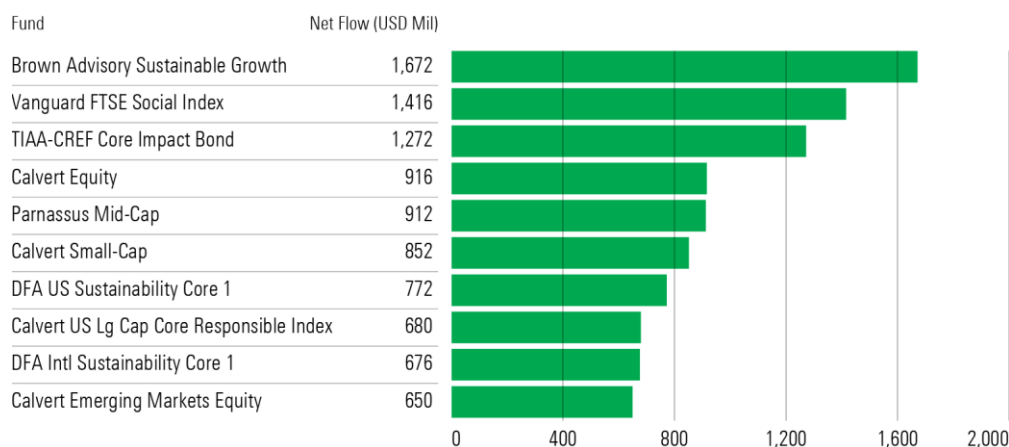
#### Exhibit 22 Sustainable ETFs with Largest Flows in 2020



Source: Morningstar Direct. Data as of 12/31/2020.

Among open-end funds with the most flows were two index funds—Vanguard FTSE Social Index and Calvert US Large Cap Core Responsible Index *CISIX*—and two enhanced index funds from Dimensional. The six actively managed funds included one fixed-income fund, TIAA-CREF Core Impact Bond *TSBRX*. Notably, the top 10 contained a diverse range of equity funds: U.S. large-cap, mid-cap, and small-cap funds, and international large-cap and emerging-markets funds.

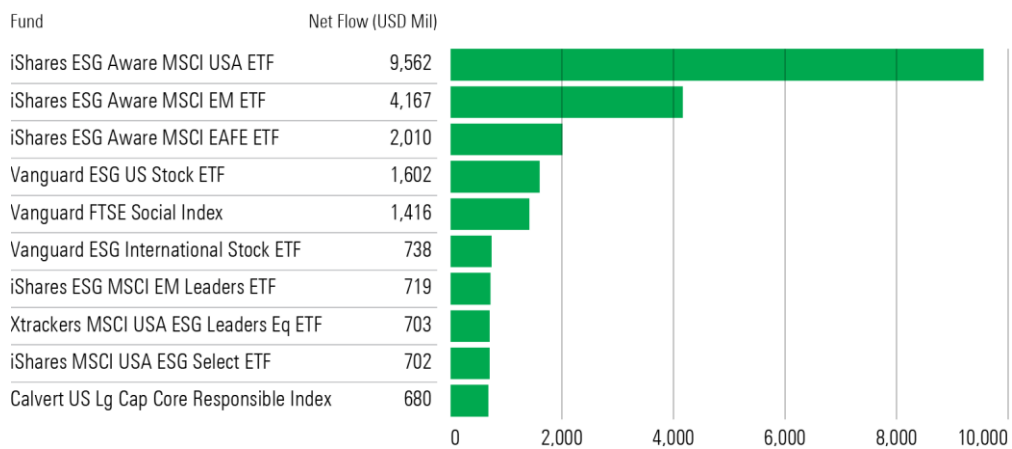
#### Exhibit 23 Sustainable Open-End Funds with Largest Flows in 2020



Source: Morningstar Direct. Data as of 12/31/2020.

Among diversified passive funds, iShares ESG Aware funds took the top three spots, followed by three Vanguard funds (two ETFs, and one open-end fund). Eight of the top 10 are ETFs.

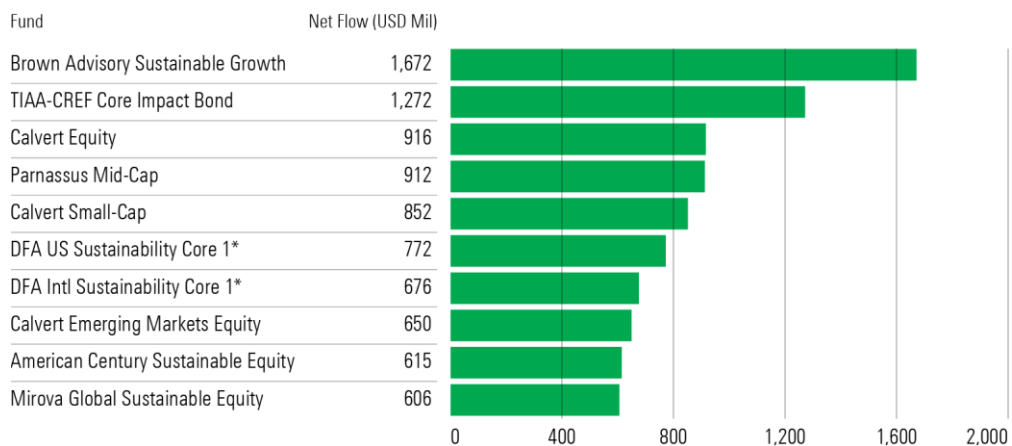
#### Exhibit 24 Sustainable Diversified Passive Funds with Largest Flows



Source: Morningstar Direct. Data as of 12/31/2020.

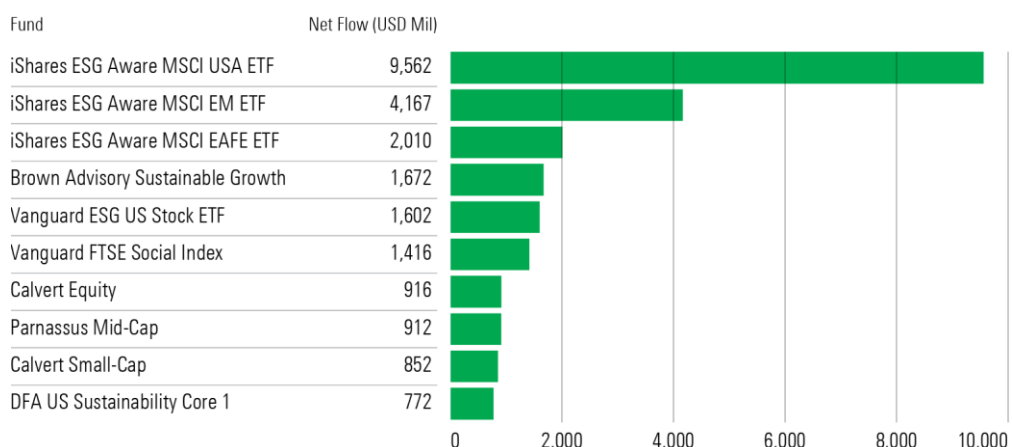
Brown Advisory Sustainable Growth set the pace for active fund flows. TIAA-CREF Core Impact Bond is the only bond fund in the top 10.

#### Exhibit 25 Sustainable Actively Managed Funds with Largest Flows



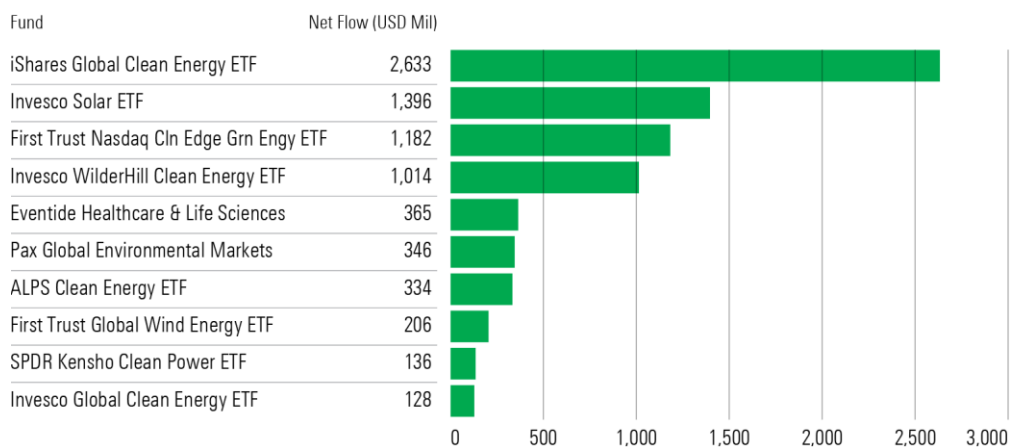
Source: Morningstar Direct. Data as of 12/31/2020. \*Enhanced index funds.

The three iShares ESG Aware portfolios topped the list of diversified equity fund flows. Open-end funds grabbed six of the top 10 spots.

**Exhibit 26** Sustainable Diversified Equity Funds with Largest Flows

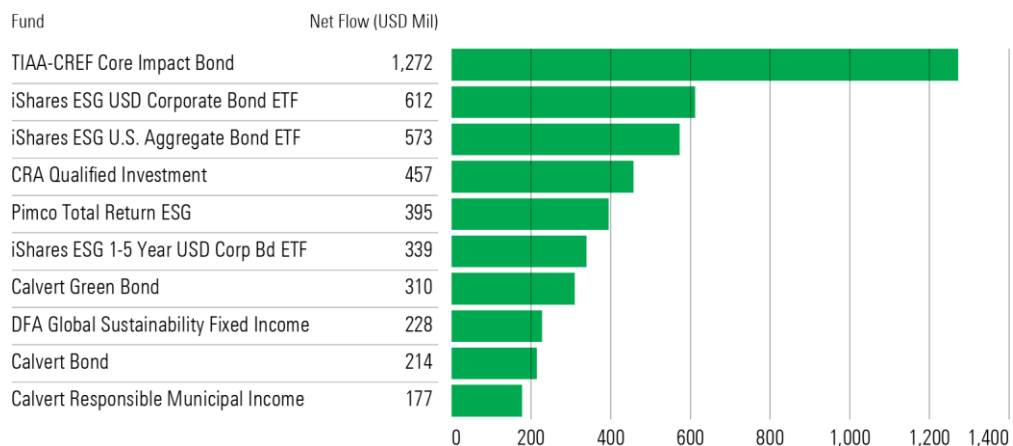
Source: Morningstar Direct. Data as of 12/31/2020.

It was a big year for flows into sustainable sector funds, particularly funds focused on renewable energy stocks, which posted big returns for the year. The top four funds on the list had returns of at least 141% in 2020. Invesco Solar ETF [TAN](#) posted a 233% return.

**Exhibit 27** Sustainable Sector Funds with Largest Flows

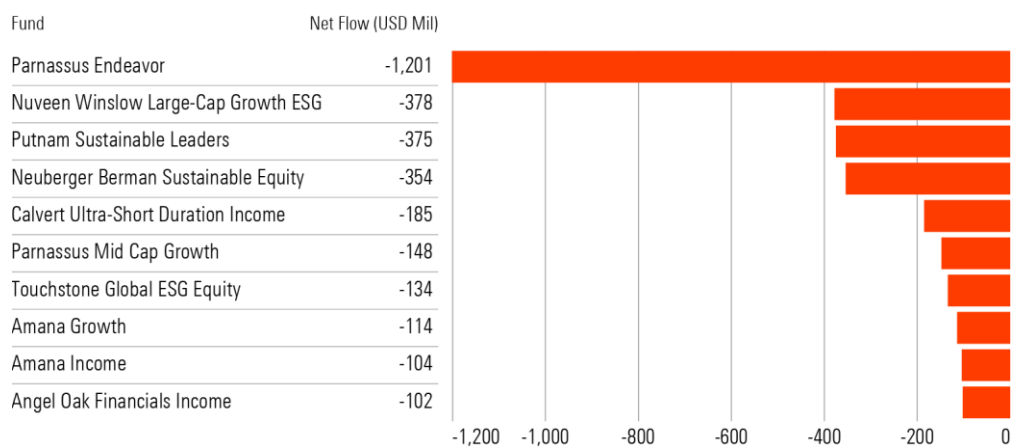
Source: Morningstar Direct. Data as of 12/31/2020.

The fixed-income fund list is led by TIAA-CREF Core Impact Bond, which attracted twice the flows of any other sustainable bond fund. Three iShares ESG bond funds are also on the list, having started to gain traction with investors this year. In the tenth spot is Calvert Responsible Municipal Income [CTTIX](#), one of 10 muni funds that now have sustainability mandates.

**Exhibit 28** Fixed-Income Funds with Largest Flows

Source: Morningstar Direct. Data as of 12/31/2020. \*Enhanced index funds.

Not all sustainable funds enjoyed inflows in 2020; 88 funds experienced outflows. For the most part, however, outflows were modest: Among the 88 funds with outflows, half of the funds had outflows of less than \$10 million. The funds with the largest outflows are all actively managed. Several — Amana Growth [AMAGX](#), Amana Income [AMANX](#), Neuberger Berman Sustainable Equity [NBSRX](#), and Parnassus Endeavor [PARWX](#) — have large asset bases built over a decade ago. As they experience natural outflows from seasoned assets, they find it harder in the current more-competitive setting to replace them. Similarly, Nuveen Winslow Large-Cap Growth ESG [NVLIX](#) and Putnam Sustainable Leaders are recently repurposed funds that may be seeing older shareholders leaving because they are not interested in the funds' new sustainability focus. Calvert Ultra-Short Duration Income's [CULAX](#) outflows are likely a result of investors repositioning along the yield curve. Finally, Parnassus Mid Cap Growth [PARNX](#) and Touchstone Global ESG Equity [TEQAX](#) have gone through recent manager changes and tweaks to their investment objectives.

**Exhibit 29** Sustainable Funds with Largest Outflows in 2020

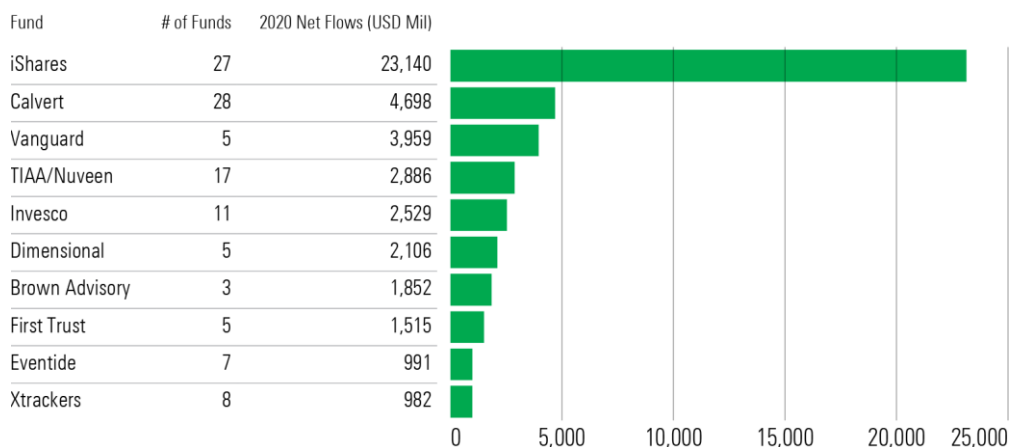
Source: Morningstar Direct. Data as of 12/31/2020. \*Enhanced index funds.

### Asset Manager Flows

The dominance of flows into ETFs and passive funds has a lot to do with iShares' growing suite of sustainable ETFs. In 2020, iShares launched 13 new ESG ETFs, including four funds of funds, to add to its 14 existing funds. Together, iShares funds captured nearly half of overall sustainable fund flows for the year, an astonishing \$23.1 billion.

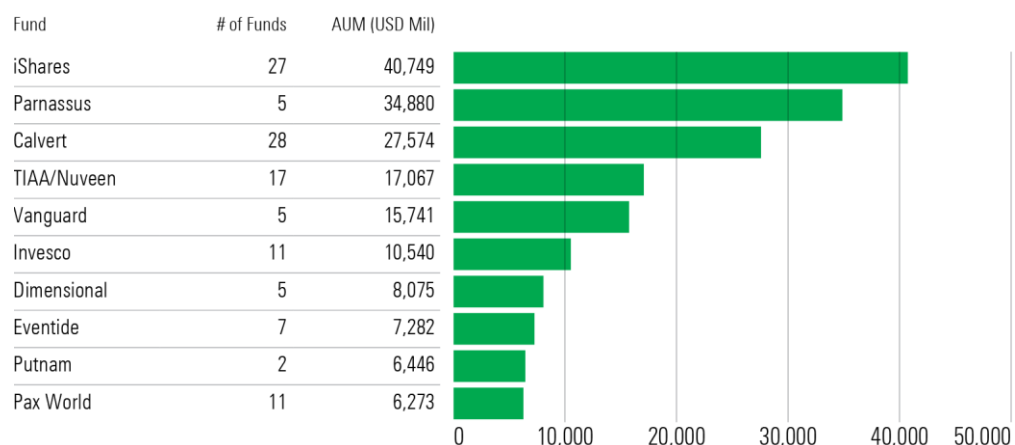
Calvert, recently acquired by Morgan Stanley, was a distant second, garnering \$4.7 billion for its lineup of 28 active and passive funds. Vanguard started making headway in this space with its five offerings, two open-ends and three ETFs, which added \$4 billion. Eight asset managers attracted flows of at least \$1.5 billion in 2020.

**Exhibit 30** Asset Managers with Largest Flows Into Sustainable Funds



Source: Morningstar Direct. Data as of 12/31/2020. \*Enhanced index funds.

iShares now commands more assets in sustainable funds than any other asset manager, followed by Parnassus, Calvert, TIAA/Nuveen, and Vanguard. Four of the top 10 asset managers are dedicated ESG shops: Parnassus, Calvert, Eventide, and Pax World.

**Exhibit 31** Top 10 Asset Managers by Sustainable Fund Assets

Source: Morningstar Direct. Data as of 12/31/2019. Bold=Firmwide focus on sustainable investing.

## Investment Performance

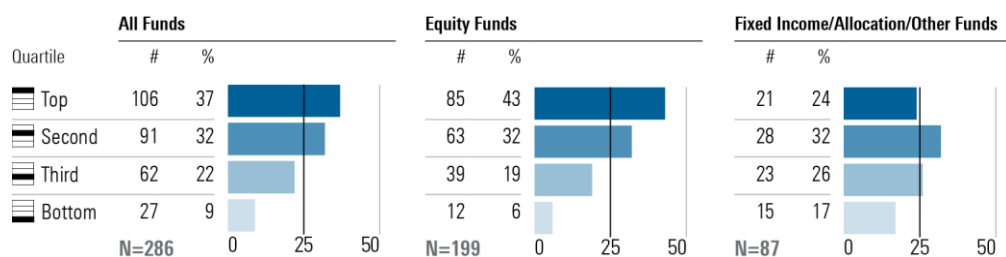
Sustainable funds outperformed their conventional fund peers in 2020. The reasons for the outperformance are varied because, as discussed above, sustainable funds do not all take the same approach. The characteristic they do share is that they put the evaluation of ESG concerns at the center of the investment process in their evaluation of securities, portfolio construction, and societal impact. Also as discussed above, sustainable funds can be found in multiple Morningstar Categories and across asset classes.

### Performance by Category Rank

To evaluate the investment performance of sustainable funds, we can compare how their returns rank relative to their Morningstar Category peers. We use quartile distributions to compare how sustainable funds' returns rank compared with those of all funds, category by category. We combine those to get an overall distribution of sustainable fund returns ranks. By definition, all funds in a category must be evenly apportioned across quartiles. Using this method of comparison, we can determine whether sustainable funds are over- or under-represented in each quartile.<sup>7</sup>

Sustainable funds comfortably outperformed their peers in 2020, especially equity funds. Three of every four sustainable equity funds finished in the top half of their Morningstar Category, and 43% posted top-quartile returns. By contrast, the returns of only 6% landed in their category's bottom quartile. Results for other funds were distributed more evenly across quartiles.

<sup>7</sup> For open-end funds, the returns of the oldest share class were used. Repurposed funds are included after they develop a sufficient track record as sustainable funds.

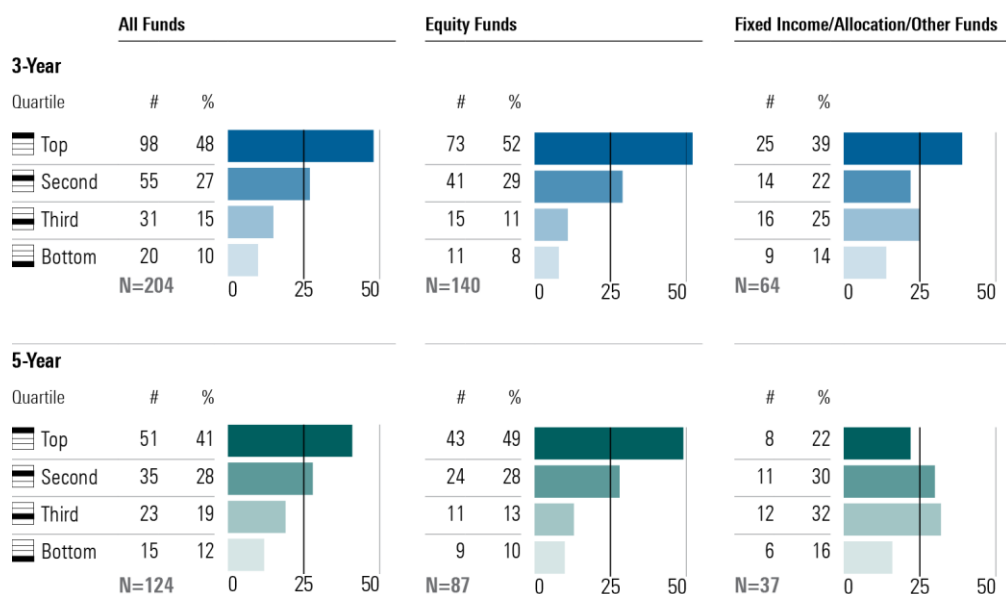
**Exhibit 32** Sustainable Funds 2020 Return Rank by Morningstar Category Quartile

Source: Morningstar Direct. Data as of 12/31/2020. Note: Funds with full-year records only. Funds repurposed during 2020 not included.

Longer-term, the results look even better. Although sustainable funds benefit from their 2020 relative performance in three- and five-year trailing return rankings, they had been overperforming their peers, albeit to a more-modest degree, prior to 2020.

For the trailing three years, 75% of sustainable funds ranked in the top half of their category, including 81% of equity funds. Among equity funds, 52% ranked in the top quartile and only 8% in the bottom quartile.

The trailing five-year story is much the same, with 69% of sustainable funds ranked in the top half of their category, including 77% of equity funds. Among equity funds, 49% ranked in the top quartile and 10% in the bottom quartile.

**Exhibit 33** Sustainable Funds Three- and Five-Year Trailing Performance by Morningstar Category Quartile

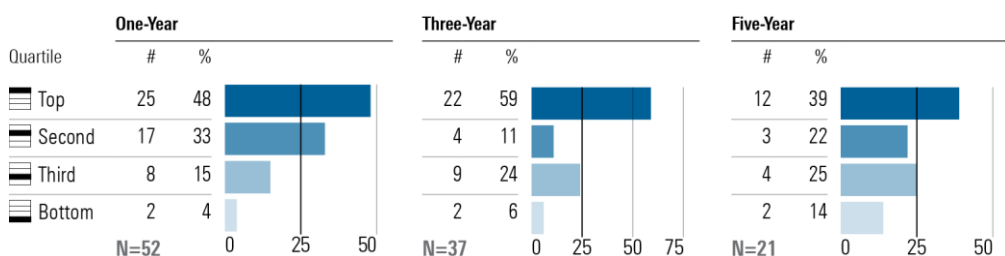
Source: Morningstar Direct. Data as of 12/31/2020. Note: Repurposed funds included after three or five years with sustainable objective.

### U.S. Large-Cap

This is a major allocation for most investors and the place where many would first consider adding sustainable funds to their portfolios. Core large-cap funds are directly comparable to the S&P 500, the most-used benchmark for U.S. large-cap stocks, and are found in the large-blend Morningstar Category.

Of the 52 sustainable large-blend funds with full-year records, 25 ranked in the category's top quartile in 2020, and 81% ranked in the top half. Moreover, 44% of sustainable funds (23 of 52) beat the S&P 500 for the year, compared with only 20% of large-blend funds overall.

**Exhibit 34** Sustainable U.S. Large-Blend Funds Outperform Category Peers



Source: Morningstar Direct. Data as of 12/31/2020. Note: Repurposed funds included after one, three, or five years with sustainable objective.

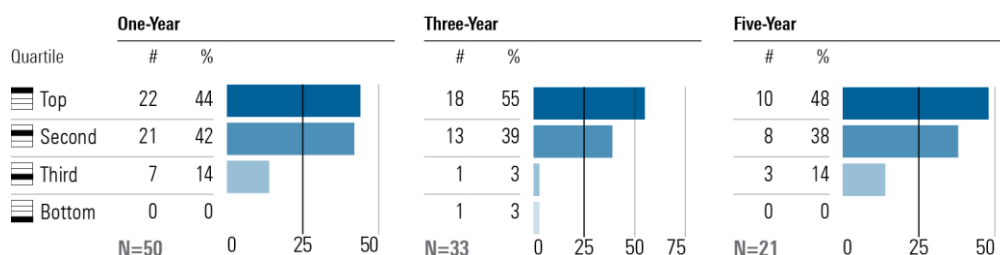
Over the longer periods, 59% of the 37 large-blend funds with sufficient records place in the category's top quartile for the trailing three years. The group diminishes to 21 funds with five-year records, but 39% rank in the top quartile.

### Global and International Large-Cap

Investors can also select from 50 sustainable funds with track records of at least a year that focus on developed-markets large-cap equities. This group includes 27 funds in the world large-stock Morningstar Category. These are diversified sustainable global funds that include U.S. and non-U.S. exposure. It also includes 23 funds that reside in the foreign large-blend Morningstar Category, focusing on non-U.S. large caps.

Of the 50 funds in these categories with full-year records, 22 ranked in the top quartiles, and 86% ranked in the top halves. None ranked in the bottom quartiles. Among the 23 foreign large-blend funds, 22 beat the MSCI EAFE Index for the year compared with just half of all funds in the category. Among the 27 world large-stock funds, 20 (74%) beat the MSCI World Index compared with only 43% of all funds in the category.



**Exhibit 35** Sustainable Global and International Funds Outperform Category Peers

Source: Morningstar Direct. Data as of 12/31/2020. Note: Repurposed funds included after one, three, or five years with sustainable objective.

**ESG Index Performance**

Investors have increasingly gravitated to index funds, and as discussed above, sustainable fund investors are no exception. Sustainable index funds are not all structured the same way or track the same indexes, but they provide investors broad, diversified exposure similar to that offered by conventional market-cap-weighted index funds. The difference is that the sustainable index funds use ESG criteria to determine which stocks make it into the index and their weightings.

To compare the performance of sustainable index funds with that of conventional indexes, we selected 23 ESG index funds that provide close comparisons to traditional index funds that invest in the U.S. and in developed markets outside the U.S.<sup>8</sup> For the year overall, 22 of these 23 sustainable index funds outperformed the relevant conventional index. The 15 funds in the group with three-year records are all outperforming over that time frame as well.

Among U.S. funds, 11 of 12 beat the S&P 500 fund we used as a proxy for the index, led by IQ Candriam ESG US Equity ETF IQSU and Calvert US Large-Cap Core Responsible Index, both of which are based on proprietary ESG indexes. The 22.4% average sustainable index fund return easily beat the 18.4% return of the fund we used as a proxy for the S&P 500. The only sustainable fund underperformer was Xtrackers MSCI USA ESG Leaders Equity ETF USSG, which trailed iShares Core S&P 500 ETF IVV by just 0.1%.

<sup>8</sup> These ESG index funds were selected at the beginning of the year and used in quarterly performance updates.

Q1: <https://www.morningstar.com/articles/976361/sustainable-funds-weather-the-first-quarter-better-than-conventional-funds>.

Q2: <https://www.morningstar.com/articles/991091/sustainable-stock-funds-held-their-own-in-second-quarter-rally>.

Q3: <https://www.morningstar.com/articles/1007824/sustainability-matters-sustainable-equity-funds-turn-in-another-strong-quarter>.

Q4: <https://www.morningstar.com/articles/1017056/sustainable-equity-funds-outperform-traditional-peers-in-2020>.

**Exhibit 36** U.S. Sustainable Equity Index Funds Outperformed the S&P 500 in 2020

U.S. Sustainable Equity Index Funds	Ticker	2020		Three-Year		Morningstar Sustainability Rating
		Total Return	% Rank Category	Annualized Trailing Return	% Rank Category	
IQ Candriam ESG US Equity ETF	IOSU	28.2	3	—	—	★★★★★★
Calvert US Large Cap Core Rspnb Idx I	CISIX	26.1	4	17.1	1	★★★★
Vanguard ESG US Stock ETF	ESGV	25.7	4	—	—	★★★★
iShares MSCI USA ESG Select ETF	SUSA	24.6	6	15.9	6	★★★★★★
Vanguard FTSE Social Index I	VFTNX	22.7	10	16.7	2	★★★★
iShares ESG Aware MSCI USA ETF	ESGU	22.5	11	15.8	6	★★★★
Nuveen ESG Large-Cap ETF	NULC	22.3	12	—	—	★★★★★★
iShares MSCI KLD 400 Social ETF	DSI	20.8	19	15.1	10	★★★★★★
Xtrackers S&P 500 ESG ETF	SNPE	19.6	27	—	—	★★★★
iShares ESG MSCI USA Leaders ETF	SUSL	18.8	32	—	—	★★★★★★
Fidelity U.S. Sustainability Index	FITLX	18.7	33	14.7	14	★★★★★★
Xtrackers MSCI USA ESG Leaders Eq ETF	USSG	18.3	38	—	—	★★★★★★
Sustainable Index Fund Average	—	22.4	17	15.9	7	★★★★★★
iShares Core S&P 500 ETF (Conv'l Bmark)	IVV	18.4	37	14.1	24	★★★★

Source: Morningstar Direct. Data as of 12/31/2020. Note: Oldest share class used for mutual funds.

Among index funds investing in non-U.S. large caps, all 11 beat an MSCI EAFE Index fund. The leader was Calvert International Responsible Index **CDHIX**. Based on Calvert's proprietary index, the fund posted a 15.3% return for the year, miles ahead of the MSCI EAFE fund's 8.6% return. Next best was Vanguard ESG International Stock ETF **VSGX**, which tracks the FTSE Global All Cap ex US Choice Index. The fund posted a 13.5% return. Overall, the 11 sustainable funds posted a 12% average return for 2020, well ahead of the MSCI EAFE fund.

**Exhibit 37** EAFE ESG Index Funds

U.S. Sustainable Equity Index Funds	Ticker	2020		Three-Year		Morningstar Sustainability Rating
		Total Return	% Rank Category	Annualized Trailing Return	% Rank Category	
Calvert International Responsible Idx I	CDHX	15.3	14	7.4	8	★★★★
Vanguard ESG International Stock ETF	VSGX	13.5	20	—	—	★★★
Xtrackers MSCI ACWI ex USA ESG LdrsEqETF	ACSG	13.4	21	—	—	★★★★
Praxis International Index I	MPLIX	13.2	22	5.2	28	★★★★
Fidelity Intl Sustainability Idx	FNIDX	13.0	23	5.9	19	★★★★
Green Century MSCI Intl Indx Instl	GCIFX	12.4	26	6.6	14	★★★★★★
Pax MSCI EAFE ESG Leaders Index Instl	PXNIX	10.8	33	5.9	19	★★★★★★
Nuveen ESG Intl Dev Mkts Eq ETF	NUDM	10.7	35	5.5	23	★★★★
Xtrackers MSCI EAFE ESG Leaders Eq ETF	EASG	10.5	37	—	—	★★★★
IQ Candriam ESG International Equity ETF	IQSI	10.4	38	—	—	★★★★
iShares ESG Aware MSCI EAFE ETF	ESGD	8.6	49	5.0	32	★★★★
Sustainable Index Fund Average	—	12.0	29	5.9	20	★★★★
iShares Core MSCI EAFE ETF (Conv'l Bmark)	IEFA	8.6	50	4.5	48	★★★★

Source: Morningstar Direct. Data as of 12/31/2020. Note: Oldest share class used for mutual funds.

## Sustainability Performance

Having evaluated the investment performance of sustainable funds, we now turn to sustainability performance. While this is an area of evaluation that is not all that well developed, it is highly relevant to an overall evaluation of sustainable funds. At a basic level, we need to assess whether sustainable funds are doing what they claim to be doing.

Using Morningstar data, we can assess a fund's sustainability in three ways. First, we can evaluate ESG risk in fund portfolios. Our expectation is that sustainable funds will have low levels of ESG risk compared with peers. Second, we can look at how sustainable funds are doing in the transition to a low-carbon economy. Our expectation is that sustainable funds will have lower carbon exposure than their peers and lower exposure to fossil fuels. Finally, we can evaluate impact via fund proxy voting on ESG issues. Our expectation is that sustainable funds will be strong supporters of ESG-related shareholder resolutions.

### The Morningstar Sustainability Rating

In this section, we examine the extent to which sustainable funds are actually investing in sustainable companies and the extent to which they differ from funds that do not consider ESG factors, or do so in a limited way. The Morningstar Sustainability Rating can help answer these questions.

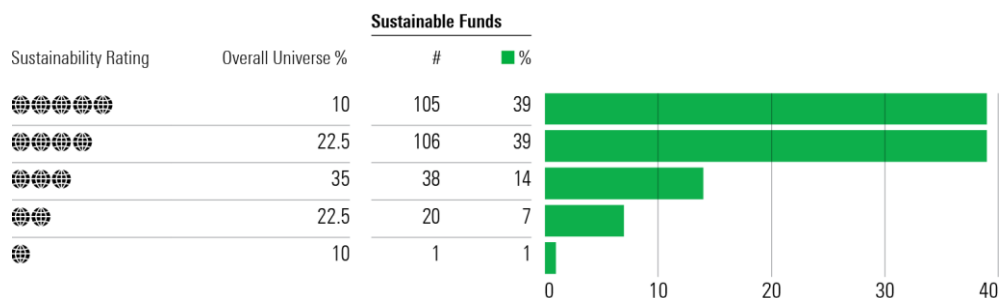
Based on Sustainalytics' company ESG Risk Ratings, the Morningstar Sustainability Rating is an asset-weighted rollup of those ratings based on the trailing 12 months of a fund's portfolios. Fund sustainability scores are ranked, and 1 to 5 globes are assigned. Funds with the best 10% of scores within their peer group receive 5 globes, and those ranking in the next 22.5% receive 4 globes. In other words, funds ranking in the top third of their peer group receive 4 or 5 globes.<sup>9</sup>

Sustainable funds have significantly lower levels of ESG risk embedded in their portfolios.<sup>10</sup> About four in five (78%) of sustainable funds receive the highest ratings, 4 or 5 globes, compared with only one third of funds overall. At the other end of the scale, only 7% of sustainable funds receive the lowest rating, 1 or 2 globes, compared with one third of funds overall.

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<sup>9</sup> For more details, see <https://www.morningstar.com/articles/954595/enhancement-to-sustainability-rating-emphasizes-material-esg-risk>.

<sup>10</sup> Sustainable Sector funds are not included in this analysis because most are in either diversified equity categories or a catchall Miscellaneous Sector category, making peer-group comparisons like the globe rating less meaningful. Many of these funds do have higher ESG risk levels, owing to their exposure to companies in the energy, utilities, and industrials sectors. Such companies may have higher ESG risk but also higher potential societal impact because of the products and services they are developing.

**Exhibit 38 ESG Risk in Diversified Sustainable Funds**

Source: Morningstar Direct. Data as of 12/31/2020.

**Low Carbon and Fossil-Fuel-Free Sustainable Funds**

While more funds appear to be avoiding fossil fuel, investors should not assume that all sustainable funds do so. Morningstar calculates a fund-level Carbon Risk Score that rolls up Sustainalytics' company-level carbon-risk scores, using portfolios from the trailing 12 months. Those that have low carbon risk and low fossil-fuel exposure receive the Morningstar Low Carbon Designation.<sup>11</sup>

Sustainable funds appear to be improving their low-carbon performance. In 2019, slightly less than half of the 184 sustainable funds with a Morningstar Carbon Risk Score received the Low Carbon Designation. At the end of 2020, 149 of the 203 such funds received the Low Carbon Designation, or 73%. That is a much higher rate than in the overall universe of U.S. and international stock funds, in which 43% received the designation.

While some sustainable funds are fossil-fuel free by prospectus, most are not. The proportion of sustainable funds with less than 1% average exposure to fossil fuel over the past 12 months is only 20%.

<sup>11</sup> For more information, see Measuring Transition Risk in Fund Portfolios: The Morningstar Portfolio Carbon Risk Score, Morningstar Research, April 30, 2018. [https://www.morningstar.com/content/dam/marketing/shared/Company/LandingPages/CarbonRisk/Carbon\\_Risk\\_Paper.pdf?cid=EMQ\\_](https://www.morningstar.com/content/dam/marketing/shared/Company/LandingPages/CarbonRisk/Carbon_Risk_Paper.pdf?cid=EMQ_)

**Exhibit 39** Sustainable Funds with Morningstar Low Carbon Designation and < 1% of Assets in Fossil Fuels

Fund	Fund
<ul style="list-style-type: none"> <li>AB Sustainable Global Thematic</li> <li>Alger Responsible Investing</li> <li>Aspiration Redwood</li> <li>Baillie Gifford Global Stewardship Equity</li> <li>Brown Advisory Sustainable Growth</li> <li>Calvert Emerging Markets Equity</li> <li>Calvert Equity</li> <li>Change Finance US LgCp FossilFuel Fr ETF</li> <li>ClearBridge Large Cap Growth ESG ETF</li> <li>Domini Impact Equity</li> <li>Domini Impact International Equity</li> <li>Etho Climate Leadership US ETF</li> <li>Goldman Sachs ESG Em Mkts Equity</li> <li>Green Century Balanced</li> </ul>	<ul style="list-style-type: none"> <li>Green Century Equity</li> <li>Lateef Focused Sustainable Growth</li> <li>Morgan Stanley Inst Global Sustain</li> <li>Nuveen ESG Large-Cap Growth ETF</li> <li>Nuveen ESG Mid-Cap Growth ETF</li> <li>Nuveen Winslow Large-Cap Growth ESG</li> <li>Parnassus Core Equity</li> <li>Parnassus Endeavor</li> <li>Parnassus Mid Cap Growth</li> <li>Pax Global Environmental Mkts</li> <li>Pax Global Opportunities</li> <li>Pax Large Cap Fund</li> <li>Riverbridge Eco Leaders</li> <li>UBS US Sustainable Equity</li> </ul>

Source: Morningstar Direct. Data as of 12/31/2020.

**Proxy Voting**

Another increasingly important dimension of sustainable investing is stewardship: how a fund engages with the companies it owns, votes proxies, and seeks to provide measurable impact beyond financial return. Sometimes called active ownership, this activity is not easy to evaluate overall, but we can assess the extent to which sustainable funds use their proxy votes to support sustainability in companies whose stocks they own.

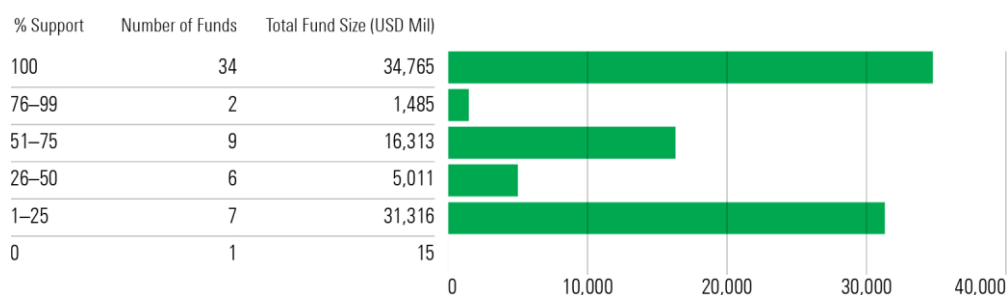
Many of the issues that shareholders place on company proxy ballots directly address sustainability concerns. In 2020, 186 ESG-related shareholder resolutions appeared on proxy ballots. Average support was 28%, with 20 ESG-related resolutions achieving the support of a majority of shares voted, breaking the record of 14 set in 2019. Sixty-seven of the 186 ESG-related resolutions received at least 40% of the overall vote of minority outside shareholders.

We assessed sustainable funds' level of support for those 67 key ESG resolutions and found, not surprisingly, a higher rate of support than among funds overall. Sustainable funds, on average, supported 76% of the key ESG resolutions on which they voted. By contrast, conventional funds offered by the 20 largest U.S. stock fund managers supported the same set of resolutions, on average, 47% of the time.<sup>12</sup>

<sup>12</sup> For more on these findings, see Sustainable Fund Proxy Votes Show a Range of Support for ESG Measures, Morningstar Research, December 2020. <https://direct.morningstar.com/research/doc/1014808/Sustainable-Fund-Proxy-Votes-Show-a-Range-of-Support-for-ESG-Measures>

Among sustainable funds that voted on at least 10 key ESG resolutions, most funds exhibited strong support, but support ranged from 100% all the way down to zero. Among the funds that did not exhibit strong support were several with large asset bases. Because fund votes are cast in proportion to the value of their shares, the influence of the funds that did not exhibit strong support was about the same as those that did exhibit strong support. Thirty-four of the 59 sustainable funds supported 100% of the key ESG resolutions on which they voted in 2020. Together, these funds manage \$34.8 billion in assets.

**Exhibit 40** Sustainable Fund Support for Key ESG Resolutions in 2020



Source: Morningstar Proxy Voting Database, Morningstar Direct. Data as of 11/30/2020. Note: Includes funds voting on at least 10 key ESG resolutions.

On the other hand, 14 sustainable funds, with \$36.3 billion in assets, voted in favor of less than half of the key ESG resolutions on which they voted. Eight of those voted in favor of fewer than 25% of key resolutions. Seven of the eight are offered by the two largest asset managers — BlackRock and Vanguard — and six are among the largest sustainable funds with over \$1 billion in assets. Several of these funds have been attracting large inflows.

As investors put more money into sustainable funds, the collective influence of these strategies via their proxy voting also grows. Because of their size, larger funds have greater influence on any particular vote than do smaller funds. Overall support for key ESG resolutions among the largest sustainable funds, however, was mixed in 2020. Across the dozen sustainable funds with more than \$1 billion in assets, average support for the key resolutions was only 50%. Only three funds exhibited 100% support, and six supported more than half the resolutions voted. The large funds offered by BlackRock, Dimensional, and Vanguard voted in favor of key resolutions only one third of the time or less. Proxy-voting decisions are mostly determined at the asset-manager level, not the fund level. Sustainable funds advised by asset managers with greater commitments to sustainability tend to exhibit higher levels of support for key ESG resolutions.

**Exhibit 41** How the Largest Sustainable Funds Voted on Key ESG Resolutions

Fund	Fund Size (\$mil)	# Votes	% Support
Parnassus Core Equity	23,190	10	100
Calvert US Large Cap Core Responsible Index	3,591	41	100
Pax Large Cap Fund	1,041	10	100
American Century Sustainable Equity	3,173	20	65
Putnam Sustainable Leaders	5,880	11	64
TIAA-CREF Social Choice Equity	6,278	25	60
DFA US Sustainability Core 1	3,856	44	34
Vanguard ESG US Stock ETF	2,981	53	19
Vanguard FTSE Social Index	10,798	45	18
iShares MSCI KLD 400 Social ETF	2,678	19	16
iShares ESG MSCI USA Leaders ETF	2,813	18	11
iShares ESG Aware MSCI USA ETF	13,394	35	9

Source: Morningstar Proxy Voting Database, Morningstar Direct. Data as of 11/30/2020. Note: Includes funds voting on at least 10 key ESG resolutions.

## Conclusion

In 2020, we saw the high levels of interest in sustainable investing materialize into record flows to sustainable funds. Several key factors contributed. First, the growth of the sustainable funds universe since 2015 has given investors a sufficient number and range of options from which to select. Investors can now more easily identify sustainable fund choices and build out their portfolios with sustainable funds. The growing availability of model portfolios is making this even easier.

Second, as more sustainable funds build competitive performance records, lingering doubts about underperformance have diminished. This is an especially important factor for intermediaries and advisors who do not want to steer their clients into underperforming investments. An investment in a diversified sustainable fund should carry the expectation of competitive risk-adjusted return and, like all actively managed and smart-beta strategies, a rationale for long-term outperformance. In general, that rationale for sustainable funds is alignment with large-scale sustainability trends that are reshaping the global economy.

Over the past several years and especially in 2020, sustainable funds outperformed their conventional peers. The better relative performance of sustainable funds is tied to their focus on companies with better ESG profiles and their alignment with the transition to a low-carbon economy. In 2020, sustainable funds demonstrated that investing with an emphasis on how a company manages material ESG risks and how it manages key stakeholders can produce good returns in an uncertain economic environment.

This leads us to the third factor contributing to flows into sustainable funds, which is the precarious state of the world today and more investors wanting to have a positive impact on it. Global warming and wealth inequality will set the context for investing for the next several decades. Sustainable funds are becoming increasingly interested in demonstrating to their investors the broader impact of their investments and their stewardship activities. Stewardship has great potential to affect change, as companies begin to recognize that a growing portion of their investor base is composed of sustainable investors. That helps companies move away from a short-term shareholder-centric approach to a longer-term perspective that focuses on creating value for all stakeholders, with better outcomes for society and the planet. We saw this year that companies that are moving in this direction performed better during the global COVID-19 pandemic for all their stakeholders. ■■



## Appendix

### Exhibit 42 Sustainable Funds Included in Report

Fund*	Morningstar Category 2020-12	Inception Date	Repurposed Funds ESG Start Date**	Fund AUM 12/2020 (\$Mil)***	Annual Return				Morningstar Sustainability Rating	Low Carbon Designation™
					2020	% Rank Cat	Morningstar Rating Overall			
1919 Socially Responsive Balanced A	Allocation 50% to 70% Equity	11/6/92	—	489	20.57	6	★★★★★	⊕⊕⊕⊕⊕⊕	🌱	
AB Impact Municipal Income	Muni National Long	9/12/17	—	385	5.88	31	★★★★★	—	—	
AB Sustainable Global Thematic A	World Large Stock	3/1/82	11/1/16	1,792	39.37	10	★★★★	⊕⊕⊕⊕⊕	🌱	
AB Sustainable Intl Thematic A	Foreign Large Growth	6/2/94	1/8/18	606	29.55	22	★★★	⊕⊕⊕⊕⊕⊕	🌱	
Aberdeen Emerging Mkts SustLdrs InstlSvc	Foreign Large Growth	8/30/00	12/1/20	216	22.99	42	★★★	⊕⊕⊕⊕⊕	🌱	
Aberdeen Global Equity Impact Instl	World Large Stock	5/4/05	2/28/19	73	30.05	17	★★★	⊕⊕⊕⊕⊕⊕	🌱	
Aberdeen International Sust Ldrs I	Foreign Large Blend	11/17/99	12/1/20	142	17.37	9	★★★	⊕⊕⊕⊕⊕	—	No
Aberdeen US Sust Ldrs Smlr Coms Instl	Large Growth	6/29/04	12/1/20	15	27.06	72	—	⊕⊕⊕⊕⊕	—	No
Aberdeen US Sustainable Leaders Instl	Large Growth	6/29/04	12/1/20	444	25.92	76	★★	⊕⊕⊕⊕⊕	🌱	
Access Capital Community Investment I	Intermediate Government	6/23/98	—	652	3.87	80	★★★	⊕⊕⊕⊕⊕	—	
AGF Global Sustainable Growth Equity I	World Large Stock	11/15/17	—	2	44.55	7	★★★★★	⊕⊕⊕⊕⊕	🌱	
AIG ESG Dividend W	Mid-Cap Value	12/16/16	—	43	5.39	33	★★★★	⊕⊕⊕⊕⊕⊕	🌱	
Alger Responsible Investing A	Large Growth	12/4/00	—	82	35.77	42	★★★	⊕⊕⊕⊕⊕⊕	🌱	
Alpha Architect Freedom 100 Em Mkts ETF	Diversified Emerging Mkts	5/22/19	—	30	17.17	49	—	⊕⊕⊕⊕⊕	—	No
ALPS Clean Energy ETF	Equity Energy	6/27/18	—	784	140.15	1	—	⊕⊕⊕⊕⊕	—	
Amana Developing World Investor	Diversified Emerging Mkts	9/28/09	9/21/17	49	21.26	31	★★★	⊕⊕⊕⊕⊕⊕	—	
Amana Growth Investor	Large Growth	2/3/94	9/21/17	2,760	32.86	52	★★★★	⊕⊕⊕⊕⊕⊕	🌱	
Amana Income Investor	Large Blend	6/23/86	9/21/17	1,423	13.95	65	★★★	⊕	🌱	
American Century Mid Cap Growth Imp ETF	Mid-Cap Growth	7/15/20	—	8	—	—	—	⊕⊕⊕⊕⊕	—	
American Century Sustainable Equity A	Large Blend	11/30/04	6/30/16	3,173	18.98	31	★★★★	⊕⊕⊕⊕⊕⊕	🌱	
American Century Sustainable Equity ETF	Large Blend	7/15/20	—	110	—	—	—	⊕⊕⊕⊕⊕⊕	—	
AMG GW&K Core Bond ESG I	Intermediate Core Bond	4/30/93	5/1/19	207	7.33	62	★★★	⊕⊕⊕⊕⊕⊕	—	
AMG GW&K Enhanced Core Bond ESG Z	Intermediate Core-Plus Bond	1/2/97	5/1/19	55	9.65	19	★★★★	⊕⊕⊕⊕⊕⊕	—	
Amplify Lithium & Battery Tech ETF	Natural Resources	6/4/18	—	42	44.32	6	—	⊕	—	
Angel Oak Financials Income Ins Class	Short-Term Bond	11/3/14	11/6/19	142	-3.75	100	★★	—	—	
Appleseed Investor	World Allocation	12/8/06	—	96	7.50	43	★★★	⊕⊕⊕⊕	—	
Ashmore Emerging Markets Equity ESG Ins	Diversified Emerging Mkts	2/26/20	—	15	—	—	—	⊕⊕⊕⊕⊕⊕	—	
Aspiration Redwood	Large Blend	11/16/15	—	119	15.89	54	★★★	⊕⊕⊕⊕⊕⊕	🌱	
AVDR US LargeCap ESG ETF	Large Blend	12/29/20	—	1	—	—	—	—	—	
AXS Sustainable Income I	High Yield Bond	2/1/13	10/19/20	52	2.98	81	★	—	—	
Baillie Gifford Global Stwdsp Eqs K	World Large Stock	12/14/17	4/29/20	6	75.39	3	★★★★★	⊕⊕	🌱	
Baillie Gifford Positive Chg Eqs K	World Large Stock	12/14/17	—	96	88.43	2	★★★★★	⊕⊕	🌱	
Baywood Socially Responsible Instl	Large Value	1/3/05	—	5	4.23	37	★★	⊕⊕⊕⊕⊕	—	No
BlackRock Advantage ESG Em Mkts Eq Ins	Diversified Emerging Mkts	8/18/20	—	12	—	—	—	—	—	
BlackRock Advantage ESG Intl Eq Ins	Foreign Large Blend	8/18/20	—	11	—	—	—	—	—	
BlackRock Advantage ESG US Eq Instl Shrs	Large Blend	10/5/15	—	179	22.41	11	★★★★★	⊕⊕⊕⊕⊕	🌱	
BlackRock Global Impact Institutional	World Large Stock	5/27/20	—	23	—	—	—	⊕⊕	—	
BlackRock International Impact Instl	Foreign Large Blend	6/30/20	—	8	—	—	—	⊕⊕	—	

Source: Morningstar Direct. Data as of 12/31/2020. \*For funds with multiple share classes, the largest share class is listed. 2020 Return, Return % Rank Category and Morningstar Rating refer to largest share class. \*\*The date of a repurposed fund's first prospectus indicating sustainability focus. \*\*\*Fund AUM includes all share classes of multiple

**Exhibit 42** Sustainable Funds Included in Report (Continued)

Fund*	Morningstar Category 2020-12	Inception Date	Repurposed Funds ESG Start Date**	Fund AUM 12/2020 (\$Mil)***	Annual Return		Morningstar Rating Overall	Morningstar Sustainability Rating	Low Carbon Designation™
					2020	% Rank Cat			
BlackRock LifePath ESG Index 2025 Instl	Target-Date 2025	8/18/20	—	2	—	—	—	—	—
BlackRock LifePath ESG Index 2030 Instl	Target-Date 2030	8/18/20	—	3	—	—	—	—	—
BlackRock LifePath ESG Index 2035 Instl	Target-Date 2035	8/18/20	—	2	—	—	—	—	—
BlackRock LifePath ESG Index 2040 Instl	Target-Date 2040	8/18/20	—	2	—	—	—	—	—
BlackRock LifePath ESG Index 2045 Instl	Target-Date 2045	8/18/20	—	2	—	—	—	—	—
BlackRock LifePath ESG Index 2050 Instl	Target-Date 2050	8/18/20	—	2	—	—	—	—	—
BlackRock LifePath ESG Index 2055 Instl	Target-Date 2055	8/18/20	—	2	—	—	—	—	—
BlackRock LifePath ESG Index 2060 Instl	Target-Date 2060+	8/18/20	—	2	—	—	—	—	—
BlackRock LifePath ESG Index 2065 Instl	Target-Date 2060+	8/18/20	—	2	—	—	—	—	—
BlackRock LifePath ESG Index Ret Instl	Target-Date Retirement	8/18/20	—	2	—	—	—	—	—
BlackRock Systematic ESG Bond K	Intermediate Core-Plus Bond	8/23/16	—	56	8.96	32	★★★★	—	—
BlackRock US Impact Institutional	Large Blend	6/30/20	—	7	—	—	—	⊙⊙⊙	—
BNY Mellon Sustainable Balanced K	World Allocation	11/30/17	4/1/19	15	16.32	7	★★★★★	⊙⊙⊙⊙⊙⊙	☑
BNY Mellon Sustainable US Eq Fd Z	Large Blend	3/29/72	—	437	24.22	7	★★★★	⊙⊙⊙⊙⊙	☑
Boston Common ESG Impact Intl	Foreign Large Blend	12/29/10	—	386	18.55	8	★★★★	⊙⊙⊙⊙⊙⊙	☑
Boston Common ESG Impact US Equity	Large Blend	4/30/12	—	49	19.53	28	★★★	⊙⊙⊙⊙⊙⊙	☑
Boston Trust Asset Management	Allocation 70% to 85% Equity	12/1/95	5/1/20	597	7.83	79	★★★★★	⊙⊙⊙⊙⊙⊙	☑
Boston Trust Equity	Large Blend	10/1/03	5/1/20	168	14.53	62	★★★	⊙⊙⊙⊙⊙⊙	☑
Boston Trust Midcap	Mid-Cap Blend	9/24/07	5/1/20	140	8.81	68	★★★★	⊙⊙⊙⊙⊙⊙	☑
Boston Trust SMID Cap	Mid-Cap Blend	11/30/11	5/1/20	226	8.26	72	★★★★	⊙⊙⊙⊙⊙⊙	No
Boston Trust Walden Balanced	Allocation 70% to 85% Equity	6/18/99	—	177	8.26	77	★★★★	⊙⊙⊙⊙⊙⊙	☑
Boston Trust Walden Equity	Large Blend	6/18/99	—	264	13.28	70	★★★	⊙⊙⊙⊙⊙	☑
Boston Trust Walden International Eq	Foreign Large Blend	6/9/15	—	74	7.16	69	★★★	⊙⊙⊙⊙⊙⊙	No
Boston Trust Walden Midcap	Mid-Cap Blend	8/1/11	—	83	8.76	69	★★★★	⊙⊙⊙⊙⊙⊙	☑
Boston Trust Walden Small Cap	Small Blend	12/16/05	—	601	8.17	67	★★★★	⊙⊙⊙⊙⊙	—
Boston Trust Walden SMID Cap	Mid-Cap Blend	6/28/12	—	65	9.13	66	★★★★	⊙⊙⊙⊙⊙⊙	No
Brown Advisory Sustainable Bond Investor	Intermediate Core-Plus Bond	8/7/17	—	199	8.87	35	★★★	—	—
Brown Advisory Sustainable Growth I	Large Growth	6/29/12	—	4,696	39.09	31	★★★★	⊙⊙⊙⊙⊙	☑
Brown Advisory Tax-Exempt Sust Bd Inv	Muni National Interm	12/2/19	—	199	2.07	99	—	—	—
Calvert Balanced A	Allocation 50% to 70% Equity	10/21/82	—	1,076	15.44	24	★★★★	⊙⊙⊙⊙⊙	☑
Calvert Bond A	Intermediate Core-Plus Bond	8/24/87	—	2,090	7.38	69	★★★	—	—
Calvert Conservative Allocation A	Allocation 30% to 50% Equity	4/29/05	—	266	12.18	20	★★★★★	—	—
Calvert Emerging Markets Advancement I	Diversified Emerging Mkts	10/1/19	—	50	15.35	57	—	⊙⊙⊙⊙⊙	—
Calvert Emerging Markets Equity I	Diversified Emerging Mkts	10/31/12	—	4,085	24.87	22	★★★★	⊙⊙⊙⊙⊙	☑
Calvert Equity A	Large Growth	8/24/87	—	5,809	24.27	79	★★★	⊙⊙⊙⊙⊙⊙	☑
Calvert Flexible Bond Fund Class I	Nontraditional Bond	9/30/14	—	204	4.12	51	★★★	—	—
Calvert Floating-Rate Advantage R6	Bank Loan	10/10/17	—	80	0.57	78	★★★	—	—
Calvert Global Energy Solutions I	World Small/Mid Stock	5/31/07	—	169	61.50	4	★★★	⊙⊙⊙⊙	—
Calvert Global Water A	Natural Resources	9/30/08	—	477	14.78	58	★★★★	⊙⊙⊙⊙⊙	—
Calvert Green Bond I	Intermediate Core-Plus Bond	10/31/13	—	761	7.18	72	★★★	—	—
Calvert Growth Allocation A	Allocation 85%+ Equity	6/30/05	—	231	18.54	32	★★★★	⊙⊙⊙⊙⊙	☑
Calvert High Yield Bond I	High Yield Bond	7/9/01	—	362	5.44	46	★★★★	—	—

Source: Morningstar Direct. Data as of 12/31/2020. \*For funds with multiple share classes, the largest share class is listed. 2020 Return, Return % Rank Category and Morningstar Rating refer to largest share class. \*\*The date of a repurposed fund's first prospectus indicating sustainability focus. \*\*\*Fund AUM includes all share classes of multiple

**Exhibit 42** Sustainable Funds Included in Report (Continued)

Fund*	Morningstar Category 2020-12	Inception Date	Repurposed Funds ESG Start Date**	Fund AUM 12/2020 (\$Mil)***	Annual Return		% Rank Cat	Morningstar Rating Overall	Morningstar Sustainability Rating	Low Carbon Designation™
					2020	2020				
Calvert Income A	Corporate Bond	10/12/82	—	679	8.25	76	★★	—	—	—
Calvert International Equity A	Foreign Large Blend	7/2/92	—	724	17.65	8	★★★★★	●●●●●	●	—
Calvert International Opportunities I	Foreign Small/Mid Growth	5/31/07	—	434	14.04	85	★★★	●●●●●	—	No
Calvert International Responsible Idx I	Foreign Large Blend	10/30/15	—	336	15.32	14	★★★★	●●●●●	●	—
Calvert Long-Term Income A	Long-Term Bond	12/31/04	—	109	14.55	55	★★	—	—	—
Calvert Mid-Cap A	Mid-Cap Blend	10/31/94	—	273	11.66	53	★★★	●●●●●●	—	No
Calvert Moderate Allocation A	Allocation 50% to 70% Equity	4/29/05	—	392	15.17	26	★★★★	●●●●●	—	—
Calvert Responsible Municipal Income A	Muni National Interm	8/23/83	—	372	4.37	54	★★★	—	—	—
Calvert Short Duration Income A	Short-Term Bond	1/31/02	—	1,766	4.51	29	★★★★	—	—	—
Calvert Small-Cap A	Small Blend	10/1/04	—	2,041	14.64	35	★★★★★	●●●●●	—	—
Calvert Ultra-Short Duration Income A	Ultrashort Bond	10/31/06	—	801	0.65	82	★★★	—	—	—
Calvert US Large Cap Core Rspnb Idx I	Large Blend	6/30/00	—	3,591	26.11	4	★★★★★	●●●●●	●	—
Calvert US Large Cap Growth Rspnb Idx I	Large Growth	6/19/15	—	170	38.67	32	★★★★	●●●●●	●	—
Calvert US Large Cap Value Rspnb Idx I	Large Value	6/19/15	—	966	9.03	14	★★★★	●●●●●	●	—
Calvert US Mid Cap Core Rspnb Idx I	Mid-Cap Blend	10/30/15	—	150	24.00	8	★★★★★	●●●●●	●	—
Cavanal Hill Mid Cap Diverse Ldrsp Instl	Mid-Cap Blend	12/30/16	12/28/20	1	14.61	32	★★★★	●●●●●	—	No
CCM Alternative Income Institutional	Multialternative	5/31/13	—	23	-10.86	93	★	—	—	—
CCM Core Impact Equity Fund Advisor	Large Blend	11/25/96	10/2/18	66	18.71	33	★★	●●●●●	●	—
CCM Small/Mid-Cap Impct Val Fd Advisor	Small Value	11/25/96	10/2/18	19	-20.05	100	★	●●●●●●	—	—
Change Finance US LgCp FossilFuel Fr ETF	Large Blend	10/9/17	—	33	24.82	5	★★★★★	●●●●●●	●	—
Changebridge Capital Sustainable Eq ETF	Large Value	11/12/20	—	2	—	—	—	●●●	—	—
ClearBridge Dividend Strategy ESG ETF	Large Blend	5/22/17	—	14	10.98	82	★★★	●●●●●	—	No
ClearBridge Large Cap Growth ESG ETF	Large Growth	5/22/17	—	133	32.14	55	★★★	●●●●●	—	—
ClearBridge Sustainability Leaders I	Large Growth	3/31/15	—	24	35.74	42	★★★	●●●●●	—	—
Coho Relative Value ESG	Large Value	11/27/19	—	12	12.21	5	—	●●●●●●	—	—
Columbia Sustainable Intl Eq Inc ETF	Foreign Large Value	6/13/16	—	5	-1.22	65	★★★	●●●	—	No
Columbia Sustainable US Equity Inc ETF	Large Value	6/13/16	—	6	0.67	67	★★	●●●●	—	No
Columbia US Social Bond Inst	Muni National Long	3/26/15	—	68	4.81	65	★★★	—	—	—
CRA Qualified Investment CRA	Intermediate Government	8/30/99	—	2,838	3.99	76	★★★	—	—	—
Cushing® Global Clean Equity I	World Large Stock	1/31/20	—	13	—	—	—	—	—	—
Dana Epiphany ESG Equity Inst	Large Blend	2/13/08	12/19/18	21	13.82	66	★★	●●●●●	—	No
Dana Epiphany ESG Small Cap Eq Instl	Small Growth	11/3/15	10/1/20	13	13.32	95	★	●●●●	—	—
DFA Em Mkts Sustnby Cor 1 Instl	Diversified Emerging Mkts	3/27/18	—	803	14.04	64	—	●●●●	—	No
DFA Global Sustainability Fixed Inc Ins	World Bond-USD Hedged	11/6/18	—	626	7.99	27	—	●●●●●●	—	—
DFA Intl Sustainability Core 1	Foreign Large Blend	3/12/08	—	2,649	11.63	28	★★★★	●●●●	—	—
DFA US Sustainability Core 1	Large Blend	3/12/08	—	3,856	21.22	16	★★★★	●●●	—	—
DFA US Sustainability Targeted Val Instl	Small Value	7/2/20	—	140	—	—	—	●●●●●	—	—
Direxion MSCI USA ESG Ldrs vs Lggsd ETF	Large Blend	2/5/20	—	12	—	—	—	●●●●●●	—	—
Direxion World Without Waste ETF	Large Blend	12/17/20	—	5	—	—	—	—	—	—
Domini Impact Bond Investor	Intermediate Core-Plus Bond	6/1/00	—	201	10.09	16	★★★	—	—	—

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**Exhibit 42** Sustainable Funds Included in Report (Continued)

Fund*	Morningstar Category 2020-12	Inception Date	Repurposed Funds ESG Start Date**	Fund AUM 12/2020 (\$Mil)***	Annual Return		Morningstar Rating Overall	Morningstar Sustainability Rating	Low Carbon Designation™
					2020	% Rank Cat			
Domini Impact Equity Investor	Large Blend	6/3/91	—	973	30.62	2	★★★★★	●●●●●●	☑
Domini Impact International Equity Inv	Foreign Large Value	12/27/06	—	1,267	5.73	19	★★★★★	●●●●●●	☑
Domini International Opportunities Ins	Foreign Large Blend	11/30/20	—	24	—	—	—	—	—
Domini Sustainable Solutions Ins	World Large Stock	4/1/20	—	33	—	—	—	●●●	—
DWS ESG Core Equity Institutional	Large Blend	8/1/05	9/23/19	196	19.09	31	★★	●●●●●●	☑
DWS ESG Global Bond S	World Bond-USD Hedged	3/1/91	5/1/19	68	5.62	62	★★	—	—
DWS ESG International Core Eq S	Foreign Large Blend	11/11/14	12/1/19	11	9.99	42	★★	●●●●●●	No
Ecofin Global Renewables Infras Ins	Infrastructure	8/7/20	—	127	—	—	—	●●●●	—
Ecofin Global Water ESG	Natural Resources	2/14/17	6/5/18	24	15.44	55	★★★★★	●●●●●●	No
Essex Environmental Opportunities Instl	World Small/Mid Stock	9/1/17	—	39	63.14	3	★★★★★	●	—
Etho Climate Leadership US ETF	Mid-Cap Growth	11/18/15	—	119	25.21	73	★★★	●●●●●●	☑
Eventide Core Bond I	Intermediate Core Bond	7/31/20	—	52	—	—	—	●●●●●●	—
Eventide Dividend Opportunities I	Mid-Cap Blend	9/29/17	—	168	25.35	7	★★★★★	●●●●●●●	No
Eventide Exponential Technologies I	Technology	6/30/20	—	58	—	—	—	●●●	—
Eventide Gilead N	Mid-Cap Growth	7/8/08	—	4,435	55.11	17	★★★★★	●●●●	—
Eventide Healthcare & Life Sciences I	Health	12/27/12	—	2,267	37.04	17	★★★★★	●	—
Eventide Limited-Term Bond A	Short-Term Bond	7/28/10	12/20/18	95	3.60	56	★★★★	●●●●●●	—
Eventide Multi-Asset Income I	Allocation 30% to 50% Equity	7/15/15	—	205	18.41	6	★★★★★	●●●●●●	—
Federated Hermes Global Equity IS	World Large Stock	4/23/19	—	9	20.53	30	—	●●●●●●	No
Federated Hermes Global Small Cap IS	World Small/Mid Stock	4/23/19	—	3	12.79	73	—	●●●●	No
Federated Hermes SDG Eggm HY Crdt IS	High Yield Bond	9/25/19	—	38	7.13	22	—	—	—
Federated Hermes SDG Engagement Eq IS	World Small/Mid Stock	11/6/18	—	51	8.34	89	—	●●●●●●	No
Fidelity® Intl Sustainability Idx	Foreign Large Blend	5/9/17	—	209	12.98	24	★★★★	●●●●	No
Fidelity® Select Envir and Alt Engy Port	Industrials	6/29/89	—	291	21.18	22	★★★	●●●●	No
Fidelity® Sustainability Bond Index	Intermediate Core Bond	6/19/18	—	215	7.49	54	—	—	—
Fidelity® U.S. Sustainability Index	Large Blend	5/9/17	—	644	18.67	34	★★★★★	●●●●●●●	☑
Fidelity® Water Sustainability	Natural Resources	4/16/20	—	28	—	—	—	●●●●●●	—
Fidelity® Women's Leadership	Large Blend	5/1/19	—	74	25.30	5	—	●●●●●●●	☑
First Trust EIP Carbon Impact ETF	Utilities	8/20/19	—	3	8.74	4	—	●●●●	—
First Trust Global Wind Energy ETF	Miscellaneous Sector	6/16/08	—	402	61.02	—	—	●●●●●●	No
First Trust NASDAQ® Cln Edge® GrnEngyETF	Miscellaneous Sector	2/8/07	—	1,999	183.45	—	—	●	—
First Trust NASDAQ® Cln Edge® StGidlfsETF	Miscellaneous Sector	11/16/09	—	137	48.27	—	—	●●●●●●●	☑
First Trust Water ETF	Miscellaneous Sector	5/8/07	—	689	21.22	—	—	●●●	—
Firsthand Alternative Energy	Technology	10/29/07	—	19	83.88	15	★★	●	—
Fisher IIG All Frgn Eq Env & Sci Val	Foreign Large Blend	7/17/20	—	0	—	—	—	●●●●●●●	—
Fisher IIG ESG Fixed Inc for Ret Plns	Intermediate Core Bond	12/13/19	—	3	6.70	78	—	—	—
Fisher IIG ESG Stck for Ret Plns	World Large Stock	12/13/19	—	0	27.23	22	—	●●●●	—
Fisher IIG US Lrg Cp Eq Env & Sci Val	Large Blend	7/17/20	—	0	—	—	—	●●●●●●●	—
FlexShares STOXX Gbl ESG Impact ETF	World Large Stock	7/13/16	—	131	17.53	37	★★★★	●●●●	☑
FlexShares STOXX US ESG Impact ETF	Large Blend	7/13/16	—	119	20.83	19	★★★★★	●●●●	☑

Source: Morningstar Direct. Data as of 12/31/2020. \*For funds with multiple share classes, the largest share class is listed. 2020 Return, Return % Rank Category and Morningstar Rating refer to largest share class. \*\*The date of a repurposed fund's first prospectus indicating sustainability focus. \*\*\*Fund AUM includes all share classes of multiple



**Exhibit 42** Sustainable Funds Included in Report (Continued)

Fund*	Morningstar Category 2020-12	Inception Date	Repurposed Funds ESG Start Date**	Fund AUM 12/2020 (\$Mil)***	Annual Return		Morningstar Rating Overall	Morningstar Sustainability Rating	Low Carbon Designation™
					2020	% Rank Cat			
Franklin Municipal Green Bond Adv	Muni National Interm	10/1/19	—	7	6.26	5	—	—	—
Frontier MFG Global Sustainable Instl	World Large Stock	10/9/19	—	22	7.74	72	—	●●●●●	—
FundX Sustainable Impact	Large Growth	3/31/17	—	25	27.04	73	★★	●●●●●	●
Gabelli ESG I	Large Blend	6/1/07	—	37	13.37	69	★	●●●●●	●
Glenmede Responsible ESG US Equity	Large Blend	12/22/15	—	26	9.58	86	★★★	●●●●●●	●
Glenmede Women in Leadership US Eq	Large Value	12/22/15	—	25	7.85	19	★★★★	●●●●●●	●
Global X CleanTech ETF	Miscellaneous Sector	10/27/20	—	58	—	—	—	●●●●●	—
Global X Conscious Companies ETF	Large Blend	7/11/16	—	403	16.84	50	★★★★	●●●●●	No
GMO Climate Change III	World Small/Mid Stock	4/5/17	—	294	42.86	18	★★★	●	No
GMO Climate Change Series PS	World Small/Mid Stock	11/16/18	—	22	42.27	20	★★★	●	No
Goldman Sachs Clean Energy Income Ins	Equity Energy	6/26/20	—	178	—	—	—	●●●●●	—
Goldman Sachs ESG Em Mkts Eq R6	Diversified Emerging Mkts	5/31/18	—	11	32.41	12	—	●●●●●	●
Goldman Sachs International Eq ESG Svc	Foreign Large Blend	12/1/92	2/28/18	182	22.68	4	★★★★	●●●●●	●
Goldman Sachs JUST US Large Cap Eq ETF	Large Blend	6/7/18	—	191	19.64	27	—	●●●●●	●
Gotham ESG Large Value Institutional	Large Value	12/28/18	—	1	3.37	43	—	●●●●●●	No
Green California Tax-Free Income Fund	Muni California Intermediate	12/4/85	1/1/15	60	3.22	72	★★	—	—
Green Century Balanced	Allocation 50% to 70% Equity	3/18/92	—	354	15.95	19	★★★★	●●●●●●	●
Green Century Equity Individual Investor	Large Growth	9/13/95	—	418	22.23	84	★★	●●●●●●	●
Green Century MSCI Intl Indx Instl	Foreign Large Blend	9/30/16	—	119	12.43	26	★★★★★	●●●●●●	●
Guinness Atkinson Alternative Energy	Foreign Small/Mid Value	3/31/06	—	26	86.45	1	★★★	●●●●●	—
Hartford Climate Opportunities Y	World Small/Mid Stock	2/29/16	—	77	41.34	23	★★★★	●●●●●●	No
Hartford Global Impact R6	World Small/Mid Stock	2/28/17	—	102	31.45	37	★★★★	●●●●●●	—
Highland Socially Responsible Equity Y	Large Growth	12/31/96	7/17/19	71	6.82	100	★	●●●●●	●
Horizon ESG Defensive Core Inv	Large Blend	12/27/19	—	9	21.76	14	—	—	—
Impact Shares NAACP Minority Empwmt ETF	Large Blend	7/12/18	—	19	26.25	3	—	●●●●●	●
Impact Shares Sus Dev Gls Gbl Eq ETF	Large Value	9/24/18	—	4	15.98	2	—	●●●●●	●
Impact Shares YWCA Women's Empwmt ETF	Large Blend	8/24/18	—	12	39.75	1	—	●●●●●	●
Integrity ESG Growth & Income A	Large Blend	1/3/95	—	60	17.14	48	★★★	●●●●●●	●
Invesco Cleantech™ ETF	Miscellaneous Sector	10/24/06	—	466	51.62	—	—	●●●●●	—
Invesco Floating Rate ESG A	Bank Loan	5/1/97	8/4/20	1,578	1.51	55	★★★★	—	—
Invesco Global Clean Energy ETF	Miscellaneous Sector	6/13/07	—	301	144.13	—	—	●●●	—
Invesco Global Water ETF	Natural Resources	6/13/07	—	236	14.25	62	★★★★	●●●●●	●
Invesco MSCI World SRI Index Y	World Large Stock	7/1/16	—	10	12.86	56	★★	●●●●●●	●
Invesco Real Assets ESG ETF	Real Estate	12/18/20	—	1	—	—	—	—	—
Invesco S&P Global Water ETF	Natural Resources	5/14/07	—	826	15.78	53	★★★★★	●●●●●	No
Invesco Solar ETF	Miscellaneous Sector	4/15/08	—	3,632	233.26	—	—	●	—
Invesco US Large Cap Core ESG ETF	Large Blend	12/18/20	—	1	—	—	—	—	—
Invesco Water Resources ETF	Natural Resources	12/6/05	—	1,314	20.81	24	★★★★★	●●●	No
Invesco WilderHill Clean Energy ETF	Miscellaneous Sector	3/3/05	—	2,175	205.57	—	—	●	—
IQ Candriam ESG International Equity ETF	Foreign Large Blend	12/16/19	—	133	10.43	39	—	●●●●●	No

Source: Morningstar Direct. Data as of 12/31/2020. \*For funds with multiple share classes, the largest share class is listed. 2020 Return, Return % Rank Category and Morningstar Rating refer to largest share class. \*\*The date of a repurposed fund's first prospectus indicating sustainability focus. \*\*\*Fund AUM includes all share classes of multiple

**Exhibit 42** Sustainable Funds Included in Report (Continued)

Fund*	Morningstar Category 2020-12	Inception Date	Repurposed Funds ESG Start Date**	Fund AUM 12/2020 (\$Mil)***	Annual Return		Morningstar Rating Overall	Morningstar Sustainability Rating	Low Carbon Designation™
					2020	% Rank Cat			
IQ Candriam ESG US Equity ETF	Large Blend	12/16/19	—	329	28.18	3	—	●●●●●●●●	✓
iShares ESG 1-5 Year USD Corp Bd ETF	Short-Term Bond	7/11/17	—	511	5.02	18	★★★★★	●●●●●●	No
iShares ESG Advanced Hi Yld Corp Bd ETF	High Yield Bond	6/14/16	—	79	5.72	40	★★★★★	—	—
iShares ESG Advanced MSCI EAFE ETF	Foreign Large Blend	6/16/20	—	63	—	—	—	●●●●●●●●	—
iShares ESG Advanced MSCI EM ETF	Diversified Emerging Mkts	10/6/20	—	13	—	—	—	●●●●●●	—
iShares ESG Advanced Til USD Bd Mkt ETF	Intermediate Core-Plus Bond	6/23/20	—	147	—	—	—	—	—
iShares ESG Aware Aggressive Allc ETF	Allocation 70% to 85% Equity	6/12/20	—	5	—	—	—	●●●●●●	—
iShares ESG Aware Conservative Allc ETF	World Allocation	6/12/20	—	4	—	—	—	—	—
iShares ESG Aware Growth Allc ETF	World Allocation	6/12/20	—	4	—	—	—	●●●●●●	—
iShares ESG Aware Moderate Allc ETF	World Allocation	6/12/20	—	4	—	—	—	—	—
iShares ESG Aware MSCI EAFE ETF	Foreign Large Blend	6/28/16	—	3,986	8.62	51	★★★	●●●●●●	No
iShares ESG Aware MSCI EM ETF	Diversified Emerging Mkts	6/28/16	—	6,133	19.22	36	★★★	●●●●●●	No
iShares ESG Aware MSCI USA ETF	Large Blend	12/1/16	—	13,394	22.49	11	★★★★★	●●●●●●	✓
iShares ESG Aware MSCI USA Small-Cap ETF	Small Blend	4/10/18	—	510	19.77	15	—	●●●●●●	—
iShares ESG MSCI USA Leaders ETF	Large Blend	5/7/19	—	2,813	18.76	33	—	●●●●●●●●	✓
iShares ESG U.S. Aggregate Bond ETF	Intermediate Core Bond	10/18/18	—	740	7.41	59	—	—	—
iShares ESG USD Corporate Bond ETF	Corporate Bond	7/11/17	—	723	9.76	53	★★★	●●●●●●	—
iShares Global Clean Energy ETF	Miscellaneous Sector	6/24/08	—	4,688	141.31	—	—	●●●●●●	—
iShares Global Green Bond ETF	World Bond-USD Hedged	11/13/18	—	157	6.53	42	—	—	—
iShares MSCI ACWI Low Carbon Target ETF	World Large Stock	12/8/14	—	619	17.02	38	★★★★	●●●●●●	✓
iShares MSCI Global Impact ETF	World Large Stock	4/20/16	—	308	44.67	7	★★★★★	●●●●	✓
iShares MSCI KLD 400 Social ETF	Large Blend	11/14/06	—	2,628	20.81	19	★★★★	●●●●●●●●	✓
iShares MSCI USA ESG Select ETF	Large Blend	1/24/05	—	2,298	24.64	6	★★★★★	●●●●●●●●	✓
iShares® ESG Advanced MSCI USA ETF	Large Blend	6/16/20	—	81	—	—	—	●●●●●●●●	—
iShares® ESG MSCI EM Leaders ETF	Diversified Emerging Mkts	2/5/20	—	835	—	—	—	●●●●●●	—
iShares® ESG Screened S&P 500 ETF	Large Blend	9/22/20	—	7	—	—	—	●●●●●●●●	—
iShares® ESG Screened S&P Mid-Cap ETF	Mid-Cap Blend	9/22/20	—	11	—	—	—	●●●●●●	—
iShares® ESG Screened S&P Small-Cap ETF	Small Blend	9/22/20	—	7	—	—	—	●●●●●●	—
Janus Henderson Global Sust Eq I	World Large Stock	6/25/20	—	20	—	—	—	●●●●●●●●	—
JHancock ESG All Cap Core R6	Large Growth	6/6/16	—	34	19.29	90	★★	●●●●●●●●	✓
JHancock ESG Core Bond R6	Intermediate Core Bond	12/14/16	—	64	6.60	80	★★	—	—
JHancock ESG International Equity R6	Foreign Large Growth	12/14/16	—	80	25.31	33	★★★	●●●●●●	✓
JHancock ESG Large Cap Core R6	Large Blend	6/6/16	—	87	18.65	34	★★★★★	●●●●●●●●	✓
JPMorgan Carbon Transition US Eq ETF	Large Blend	12/9/20	—	23	—	—	—	—	—
JPMorgan Sustainable Municipal Income I	Muni National Interm	2/9/93	2/28/17	311	4.82	34	★★★	—	—
JPMorgan US Sustainable Leaders I	Large Blend	2/28/03	11/1/16	75	19.74	26	★★★★	●●●●●●●●	✓
Karner Blue Biodiversity Impact Inst	World Large Stock	9/17/19	—	8	18.30	36	—	●●●●	No
Kayne Anderson Renewable Infras I	Infrastructure	7/23/20	—	44	—	—	—	●●●●●●	—
KBI Global Investors Aquarius Instl	Natural Resources	10/12/18	—	147	13.48	64	—	●●●●●●	No
Kennedy Capital ESG SMID Cap I	Mid-Cap Blend	6/28/19	—	6	20.98	13	—	●●●●●●	—

Source: Morningstar Direct. Data as of 12/31/2020. \*For funds with multiple share classes, the largest share class is listed. 2020 Return, Return % Rank Category and Morningstar Rating refer to largest share class. \*\*The date of a repurposed fund's first prospectus indicating sustainability focus. \*\*\*Fund AUM includes all share classes of multiple

**Exhibit 42** Sustainable Funds Included in Report (Continued)

Fund*	Morningstar Category 2020-12	Inception Date	Repurposed Funds ESG Start Date**	Fund AUM 12/2020 (\$Mil)***	Annual Return		Morningstar Rating Overall	Morningstar Sustainability Rating	Low Carbon Designation™
					% Rank 2020	Cat			
KraneShares MSCI China Environment ETF	China Region	10/12/17	—	64	136.07	1	★★★★★	●●●●●	—
KraneShares MSCI China ESG Ldrs ETF USD	China Region	2/3/20	—	21	—	—	—	●●●●●	—
Lateef Focused Sustainable Growth CL I	Large Growth	9/6/07	9/1/20	54	29.55	63	★★	●●●●●	🌱
Lazard US Sustainable Equity Inst	Large Blend	6/30/20	—	12	—	—	—	●●●●●●●	—
Lord Abbett Climate Focused Bond I	World Bond-USD Hedged	5/28/20	—	12	—	—	—	●●●●●●●	—
MassMutual Premier Balanced R5	Allocation 50% to 70% Equity	9/30/94	11/18/20	147	10.89	60	★★★★	●●●●●	—
Matthews Asia ESG Institutional	Pacific/Asia ex-Japan Stk	4/30/15	—	88	43.13	19	★★★	●●●●●	—
Mesirow Financial Sm Cp Value Sust Instl	Small Value	12/19/18	—	11	6.70	27	—	●●●●●	—
Mirova Global Green Bond N	World Bond-USD Hedged	2/28/17	—	39	7.89	28	★★★★	●●●●●●●	—
Mirova Global Sustainable Equity Y	World Large Stock	3/31/16	—	875	32.42	15	★★★★	●●●●●●●	🌱
Mirova International Sustainable Eq N	Foreign Large Blend	12/28/18	—	17	23.60	2	—	●●●●●●●●	🌱
Morgan Stanley Inst Global Sustain I	World Large Stock	8/30/13	3/29/18	53	15.96	44	★★★★	●●●●●●●	🌱
Morgan Stanley Inst Strategic Income IS	Multisector Bond	12/30/14	10/1/19	27	2.71	76	★★	—	—
Nationwide Global Sust Eq R6	World Large Stock	1/28/94	12/10/15	56	20.56	30	★★★★	●●●●●●●	🌱
Natixis Sustainable Future 2015 N	Target-Date 2015	2/28/17	—	4	13.41	4	★★★★★	●●●●●●●●	—
Natixis Sustainable Future 2020 N	Target-Date 2020	2/28/17	—	3	14.32	3	★★★★★	●●●●●●●●	—
Natixis Sustainable Future 2025 N	Target-Date 2025	2/28/17	—	7	14.11	19	★★★★	●●●●●●●●	🌱
Natixis Sustainable Future 2030 N	Target-Date 2030	2/28/17	—	8	15.32	15	★★★★★	●●●●●●●●	🌱
Natixis Sustainable Future 2035 N	Target-Date 2035	2/28/17	—	7	15.56	28	★★★★	●●●●●●●●	🌱
Natixis Sustainable Future 2040 N	Target-Date 2040	2/28/17	—	5	16.56	24	★★★★	●●●●●●●●	🌱
Natixis Sustainable Future 2045 N	Target-Date 2045	2/28/17	—	5	16.89	29	★★★★	●●●●●●●●	🌱
Natixis Sustainable Future 2050 N	Target-Date 2050	2/28/17	—	5	17.44	24	★★★★	●●●●●●●●	🌱
Natixis Sustainable Future 2055 N	Target-Date 2055	2/28/17	—	4	16.48	36	★★★★	●●●●●●●●	🌱
Natixis Sustainable Future 2060 N	Target-Date 2060+	2/28/17	—	3	17.36	28	★★★★	●●●●●●●●	🌱
Neuberger Berman AMT Sustainable Eq I	Large Blend	2/18/99	—	674	19.56	28	★★★	●●●●●●●●	🌱
Neuberger Berman Municipal Impact Instl	Muni National Interm	3/11/13	6/28/18	63	4.30	58	★★★	—	—
Neuberger Berman Sustainable Eq Investor	Large Blend	3/16/94	—	1,756	19.38	28	★★★	●●●●●●●●	🌱
New Alternatives A	World Small/Mid Stock	9/3/82	—	410	69.15	1	★★★★★	●●●●●●●	—
Northern Global Sustainability Index I	World Large Stock	3/5/08	—	921	15.48	47	★★★★	●●●●●●●	No
Northern US Quality ESG K	Large Blend	10/2/17	—	267	20.15	25	★★★★	●●●●●●●●	🌱
Nuveen ESG Emerging Markets Equity ETF	Diversified Emerging Mkts	6/6/17	—	67	24.56	23	★★★★	●●●●●●●	No
Nuveen ESG High Yield Corporate Bd ETF	High Yield Bond	9/25/19	—	72	3.96	69	—	—	—
Nuveen ESG Intl Dev Mkts Eq ETF	Foreign Large Blend	6/6/17	—	82	10.74	36	★★★★	●●●●●●●	🌱
Nuveen ESG Large-Cap ETF	Large Blend	6/3/19	—	19	22.32	12	—	●●●●●●●●	🌱
Nuveen ESG Large-Cap Growth ETF	Large Growth	12/13/16	—	431	39.67	29	★★★★	●●●●●●●●	🌱
Nuveen ESG Large-Cap Value ETF	Large Value	12/13/16	—	677	1.88	55	★★★	●●●●●●●●	No
Nuveen ESG Mid-Cap Growth ETF	Mid-Cap Growth	12/13/16	—	257	45.60	26	★★★★	●●●●●●●●	🌱
Nuveen ESG Mid-Cap Value ETF	Mid-Cap Value	12/13/16	—	152	0.96	64	★★★	●●●●●●●●	No
Nuveen ESG Small-Cap ETF	Small Blend	12/13/16	—	534	23.48	6	★★★★★	●●●●●●●	—
Nuveen ESG US Aggregate Bond ETF	Intermediate Core Bond	9/29/17	—	190	7.50	52	★★★	—	—

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**Exhibit 42** Sustainable Funds Included in Report (Continued)

Fund*	Morningstar Category 2020-12	Inception Date	Repurposed Funds ESG Start Date**	Fund AUM 12/2020 (\$Mil)***	Annual Return		Morningstar Rating Overall	Morningstar Sustainability Rating	Low Carbon Designation™
					2020	% Rank Cat			
Nuveen Winslow Large-Cap Growth ESG I	Large Growth	5/15/09	2/3/20	762	37.89	36	★★★★★	★★★★★★	✓
Old Westbury All Cap ESG	World Large Stock	3/1/18	—	46	6.50	75	—	★★★★★★	✓
Pacific Funds ESG Core Bond I	Intermediate Core Bond	12/14/20	—	25	—	—	—	—	—
Parnassus Core Equity Investor	Large Blend	8/31/92	—	23,190	21.19	16	★★★★★	★★★★★★	✓
Parnassus Endeavor Investor	Large Blend	4/29/05	—	3,263	27.42	3	★★★★★	★★★★★★	✓
Parnassus Fixed-Income	Intermediate Core-Plus Bond	8/31/92	—	396	7.91	56	★★	—	—
Parnassus Mid Cap Growth Investor	Mid-Cap Growth	12/27/84	—	1,079	28.61	69	★★★	★★★★★★	✓
Parnassus Mid-Cap	Mid-Cap Blend	4/29/05	—	6,952	14.88	32	★★★★★	★★★★★★	✓
Pax Core Bond Fund Institutional	Intermediate Core Bond	12/16/16	—	760	7.15	68	★★★	—	—
Pax Ellevest Gbl Women's Ldrsp Inv	World Large Stock	10/1/93	—	748	13.67	53	★★★	★★★★	✓
Pax ESG Beta Dividend Fund Institutional	Large Blend	12/16/16	—	140	14.54	62	★★★	★★★★★★	✓
Pax ESG Beta Quality Investor	Large Blend	6/11/97	—	257	13.34	69	★★★	★★★★	✓
Pax Global Environmental Mkts Instl	World Large Stock	3/27/08	—	1,620	26.00	23	★★★★	★★★★	✓
Pax Global Opportunities Institutional	World Large Stock	6/27/18	—	69	23.12	27	—	★★★★★★	✓
Pax High Yield Bond Investor	High Yield Bond	10/8/99	—	471	7.85	14	★★★★	—	—
Pax Large Cap Fund Institutional	Large Blend	12/16/16	—	1,041	23.99	8	★★★★★	★★★★★★	✓
Pax MSCI EAFE ESG Leaders Index Instl	Foreign Large Blend	1/27/11	—	702	10.78	34	★★★★	★★★★	✓
Pax Small Cap Institutional	Small Blend	3/27/08	—	466	12.06	46	★★★★	★★	—
Pax Sustainable Allocation Inv	Allocation 50% to 70% Equity	8/10/71	—	2,174	16.24	17	★★★★	★★★★★★	—
Payden California Municipal Social Imp	Muni California Intermediate	12/17/98	1/31/20	66	5.57	4	★★★★	—	—
PFG BR Equity ESG Strategy R Shares	World Large Stock	5/1/20	—	129	—	—	—	★★★★★★	—
PIMCO Climate Bond Institutional	Intermediate Core-Plus Bond	12/10/19	—	16	6.77	77	—	—	—
PIMCO Enhanced Short Mtrty Actv ESG ETF	Ultrashort Bond	12/10/19	—	158	2.08	18	—	—	—
PIMCO ESG Income Institutional	Multisector Bond	9/30/20	—	15	—	—	—	—	—
PIMCO Low Duration ESG Institutional	Short-Term Bond	12/31/96	1/6/17	414	3.30	69	★★★	—	—
PIMCO RAFI ESG US ETF	Large Value	12/18/19	—	12	5.41	31	—	★★★★	✓
PIMCO Total Return ESG Institutional	Intermediate Core-Plus Bond	5/1/91	1/6/17	1,972	8.97	32	★★★	—	—
Pioneer Balanced ESG Y	Allocation 50% to 70% Equity	12/16/91	12/1/19	379	12.90	41	★★★★	★★★★	✓
Praxis Genesis Balanced A	Allocation 50% to 70% Equity	12/31/09	—	88	12.97	41	★★★	★★★★	—
Praxis Genesis Conservative A	Allocation 30% to 50% Equity	12/31/09	—	28	10.28	41	★★★	★★★★	—
Praxis Genesis Growth A	Allocation 70% to 85% Equity	12/31/09	—	86	14.08	37	★★★★	★★★★	✓
Praxis Growth Index I	Large Growth	5/1/07	—	400	33.19	51	★★★★	★★★★	✓
Praxis Impact Bond A	Intermediate Core Bond	5/12/99	—	729	7.45	57	★★★	—	—
Praxis International Index I	Foreign Large Blend	12/31/10	—	320	13.18	23	★★★	★★★★	No
Praxis Small Cap Index I	Small Blend	5/1/07	—	140	11.04	53	★★★	★★★★	—
Praxis Value Index A	Large Value	5/1/01	—	309	3.58	41	★★★★	★★★★	No
Preserver Alternative Opportunists Instl	Allocation 50% to 70% Equity	3/1/16	12/30/19	26	14.04	34	★★★	★★★★	—
Putnam Sustainable Future A	Large Growth	11/1/99	3/1/18	566	52.74	10	★★★	★★	✓
Putnam Sustainable Leaders A	Large Growth	8/31/90	3/1/18	5,880	28.51	68	★★★	★★★★	✓
Quantified Common Ground Investor	Allocation 50% to 70% Equity	12/30/19	—	69	14.67	30	—	★★★★★★	—

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**Exhibit 42** Sustainable Funds Included in Report (Continued)

Fund*	Morningstar Category 2020-12	Inception Date	Repurposed Funds ESG Start Date**	Fund AUM 12/2020 (\$Mil)***	Annual Return		Morningstar Rating Overall	Morningstar Sustainability Rating	Low Carbon Designation™
					2020	% Rank Cat			
RBC Impact Bond R6	Intermediate Core Bond	12/18/17	—	42	8.01	36	★★★	—	—
Reynders McVeigh Core Equity Instl	Large Growth	3/29/19	—	43	46.35	17	—	⊗⊗⊗⊗⊗	⊗
Riverbridge Eco Leaders® Institutional	Mid-Cap Growth	12/31/14	—	16	44.35	28	★★★★	⊗⊗⊗⊗⊗	⊗
Russell Inv Sustainable Equity S	Large Blend	9/2/08	1/1/19	281	13.48	69	★★★	⊗⊗⊗⊗⊗	⊗
Saturna Sustainable Bond	World Bond	3/27/15	—	21	6.82	74	★★	—	—
Saturna Sustainable Equity	World Large Stock	3/27/15	—	19	24.39	25	★★★★	⊗⊗⊗⊗⊗	⊗
Segall Bryant&Hamill Workplace Eq Ret	Large Value	6/1/88	7/11/19	21	6.81	23	★★★	⊗⊗⊗⊗⊗	No
SGI Conservative	Allocation 15% to 30% Equity	6/8/20	—	1	—	—	—	—	—
SGI Peak Growth	World Allocation	6/8/20	—	9	—	—	—	⊗⊗⊗⊗	—
SGI Prudent Growth	Allocation 70% to 85% Equity	6/8/20	—	9	—	—	—	⊗⊗⊗⊗	—
Shelton Green Alpha	Mid-Cap Growth	3/12/13	—	183	113.87	3	★★★★★	⊗⊗⊗⊗	—
Sit ESG Growth I	Large Blend	7/1/16	—	8	15.90	54	★★★	⊗⊗⊗⊗⊗	⊗
SmartETFs Sustainable Energy II ETF	Equity Energy	11/11/20	—	1	—	—	—	⊗⊗⊗⊗⊗	—
SPDR® Blmbrg SASB Corp Bd ESG Sct ETF	Corporate Bond	11/5/20	—	27	—	—	—	⊗⊗⊗⊗⊗	—
SPDR® Kensho Clean Power ETF	Equity Energy	10/19/18	—	218	139.56	3	—	⊗⊗⊗⊗	—
SPDR® MSCI ACWI Low Carbon Target ETF	World Large Stock	11/25/14	—	80	17.00	39	★★★★	⊗⊗⊗⊗	⊗
SPDR® MSCI EAFE Fossil Fuel Free ETF	Foreign Large Blend	10/24/16	—	171	9.59	44	★★★	⊗⊗⊗⊗	⊗
SPDR® MSCI Em Mkts Fossil Fuel Free ETF	Diversified Emerging Mkts	10/24/16	—	139	20.12	34	★★★	⊗⊗⊗⊗	No
SPDR® S&P 500 Fossil Fuel Rsrv Free ETF	Large Blend	11/30/15	—	893	19.67	27	★★★★★	⊗⊗⊗⊗	⊗
SPDR® S&P 500® ESG ETF	Large Blend	7/27/20	—	93	—	—	—	⊗⊗⊗⊗⊗	—
SPDR® SSGA Gender Diversity ETF	Large Blend	3/7/16	—	182	17.95	43	★★★	⊗⊗⊗⊗⊗	⊗
Third Avenue International RE Val Fndrs	Global Real Estate	5/8/14	—	39	4.97	4	★★★★	⊗⊗⊗	—
Thornburg Better World International I	Foreign Large Blend	9/30/15	—	140	26.75	2	★★★★★	⊗⊗⊗⊗⊗	⊗
TIAA-CREF Core Impact Bond Instl	Intermediate Core-Plus Bond	9/21/12	—	6,254	7.45	68	★★★	—	—
TIAA-CREF Green Bond Institutional	Intermediate Core-Plus Bond	11/16/18	—	47	8.59	40	—	—	—
TIAA-CREF Short Duration Impact Bd Instl	Short-Term Bond	11/16/18	—	32	4.61	27	—	—	—
TIAA-CREF Social Choice Eq Instl	Large Blend	7/1/99	—	6,278	20.34	24	★★★★	⊗⊗⊗⊗⊗	⊗
TIAA-CREF Social Choice Intl Eq Instl	Foreign Large Blend	8/7/15	—	654	9.87	42	★★★	⊗⊗⊗⊗⊗	No
TIAA-CREF Social Choice LwCrbn Eq Instl	Large Blend	8/7/15	—	558	22.34	12	★★★★★	⊗⊗⊗⊗⊗	⊗
Touchstone Global ESG Equity Fd - CI A	World Large Stock	12/19/97	5/4/15	677	14.44	51	★★★★	⊗⊗⊗⊗	⊗
Touchstone Impact Bond Y	Intermediate Core Bond	11/15/91	5/21/18	402	6.71	77	★★★	—	—
Touchstone International ESG Equity A	Foreign Large Blend	12/3/07	—	32	12.70	25	—	⊗⊗⊗⊗⊗	⊗
Transamerica High Yield ESG I	High Yield Bond	7/31/20	—	21	—	—	—	—	—
Transamerica Sustainable Bond I	Intermediate Core-Plus Bond	7/31/20	—	25	—	—	—	—	—
Transamerica Sustainable Equity Inc I	Large Value	1/4/13	12/1/20	549	-7.66	97	★	⊗⊗⊗	No
Trend Aggregation ESG ETF	Allocation 50% to 70% Equity	5/7/20	—	17	—	—	—	⊗⊗⊗⊗⊗	—
Trillium ESG Global Equity Fund Retail	World Large Stock	9/30/99	—	754	24.57	24	★★★★	⊗⊗⊗⊗⊗	⊗
Trillium ESG Small/Mid Cap Inst	Mid-Cap Growth	8/31/15	—	19	15.93	93	★	⊗⊗⊗⊗	No
TrueShares ESG Active Opportunities ETF	Large Blend	2/28/20	—	7	—	—	—	⊗⊗⊗⊗⊗	—
UBS Engage For Impact P	World Large Stock	10/24/18	—	41	16.94	40	—	⊗⊗⊗	⊗

Source: Morningstar Direct. Data as of 12/31/2020. \*For funds with multiple share classes, the largest share class is listed. 2020 Return, Return % Rank Category and Morningstar Rating refer to largest share class. \*\*The date of a repurposed fund's first prospectus indicating sustainability focus. \*\*\*Fund AUM includes all share classes of multiple

**Exhibit 42** Sustainable Funds Included in Report (Continued)

Fund*	Morningstar Category 2020-12	Inception Date	Repurposed Funds ESG Start Date**	Fund AUM 12/2020 (\$Mil)***	Annual Return		Morningstar Rating Overall	Morningstar Sustainability Rating	Low Carbon Designation™
					2020	% Rank Cat			
UBS International Sustainable Equity P	Foreign Large Blend	8/31/93	10/28/13	321	12.96	24	★★★★	●●●●●	🌱
UBS Sustainable Development Bank Bond P	World Bond-USD Hedged	10/24/18	—	49	6.80	39	—	●●●●●●●	—
UBS US Sustainable Equity P	Large Blend	2/22/94	10/27/17	30	22.73	10	★★★	●●●●●●●	🌱
US Vegan Climate ETF	Large Blend	9/9/19	—	36	27.69	3	—	●●●●●●●	🌱
USAA Sustainable World	World Large Stock	10/1/92	10/1/20	1,438	15.71	45	★★★★	●●●	No
VanEck Vectors Environmental Svcs ETF	Industrials	10/10/06	—	38	13.17	46	★★★★	●●●●●	—
VanEck Vectors Green Bond ETF	World Bond	3/3/17	—	57	7.59	67	★★★	●●●●●●	—
VanEck Vectors Low Carbon Energy ETF	Miscellaneous Sector	5/3/07	—	270	118.63	—	—	●●●●●	—
Vanguard ESG International Stock ETF	Foreign Large Blend	9/18/18	—	1,584	13.52	20	—	●●●	🌱
Vanguard ESG US Corporate Bond ETF	Corporate Bond	9/22/20	—	84	—	—	—	●●●●●●	—
Vanguard ESG US Stock ETF	Large Blend	9/18/18	—	2,981	25.71	4	—	●●●●●●	🌱
Vanguard FTSE Social Index I	Large Blend	1/14/03	—	10,798	22.66	11	★★★★★	●●●●●●	🌱
Vanguard Global ESG Select Stk Admiral	World Large Stock	6/5/19	—	294	19.44	33	—	●●●●●●●	🌱
Vert Global Sustainable Real Estate Inst	Global Real Estate	10/31/17	—	84	-10.09	82	★★	●●●●●●●	No
Virtus AllianzGI Global Allocation A	World Allocation	9/30/98	10/11/19	307	13.97	17	★★★	—	—
Virtus AllianzGI Global Sust Instl	World Large Stock	12/9/14	—	187	18.87	35	★★★	●●●●●●●	🌱
Virtus AllianzGI Water Class P	Natural Resources	3/31/08	1/31/18	803	17.00	47	★★★★★	●●●●●●●	Yes
WCM Focused ESG Emerging Markets Ins	Diversified Emerging Mkts	3/31/20	—	1	—	—	—	●●●●●●●	—
WCM Focused ESG International Ins	Foreign Large Blend	3/31/20	—	1	—	—	—	●●●●	—
Wells Fargo Municipal Sustainability Ins	Muni National Interm	2/28/20	—	26	—	—	—	—	—
WisdomTree Emerging Markets ESG ETF	Diversified Emerging Mkts	4/7/16	11/1/20	36	12.31	71	★★★	●●●●●●	No
WisdomTree International ESG	Foreign Large Growth	11/3/16	11/1/20	20	11.32	94	★★★	●●●●●●	Yes
WisdomTree U.S. ESG ETF	Large Blend	2/23/07	10/26/20	84	12.98	71	★★★	●●●●●●	Yes
Xtrackers BBG US Invmt Grd Corp ESG ETF	Corporate Bond	3/3/15	5/12/20	10	-1.86	100	★	●●●●●●	No
Xtrackers JPMorgan ESG EM Sovereign ETF	Emerging Markets Bond	3/3/15	5/12/20	33	-3.09	99	★★	—	—
Xtrackers JPMorgan ESG USD HY Corp BdETF	High Yield Bond	3/3/15	5/12/20	16	1.13	93	★★	—	—
Xtrackers MSCI ACWI ex USA ESG LdrsEqETF	Foreign Large Blend	12/4/18	—	9	13.37	21	—	●●●●	No
Xtrackers MSCI EAFE ESG Leaders Eq ETF	Foreign Large Blend	9/5/18	—	16	10.48	38	—	●●●●●●	Yes
Xtrackers MSCI EMs ESG Leaders Eq ETF	Diversified Emerging Mkts	12/4/18	—	11	19.88	35	—	●●●●●●	No
Xtrackers MSCI USA ESG Leaders Eq ETF	Large Blend	3/6/19	—	2,851	18.74	33	—	●●●●●●●	Yes
Xtrackers S&P 500 ESG ETF	Large Blend	6/25/19	—	402	19.62	27	—	●●●●●●	Yes
Zeo Sustainable Credit I	Multisector Bond	5/31/19	—	18	-0.85	92	—	—	—

Source: Morningstar Direct. Data as of 12/31/2020. \*For funds with multiple share classes, the largest share class is listed. 2020 Return, Return % Rank Category and Morningstar Rating refer to largest share class. \*\*The date of a repurposed fund's first prospectus indicating sustainability focus. \*\*\*Fund AUM includes all share classes of multiple share-class funds.

**For More Information**

[SustainabilityTeam@morningstar.com](mailto:SustainabilityTeam@morningstar.com)



22 West Washington Street  
Chicago, IL 60602 USA

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