The Growth of Socially Responsible Investing – Video Transcript

Many people are interested in socially responsible investing, also called sustainable, responsible, and impact investing — or SRI.

This type of investing lets people put their money into companies and/or industries that align with their personal values and beliefs.

SRI strategies typically look at environmental, social, and corporate governance factors – called ESG factors – to analyze investments.

This is often done by professional investment managers for large institutional investors, but there are hundreds of SRI funds that make it relatively easy for individual investors to incorporate SRI principles in their portfolios.

Broadly, this might mean looking at the way a company does business, the way it treats employees, and the social and environmental impact of its products and services.

Specifically, it might include analyzing factors such as board diversity, executive pay, equal employment opportunity, climate change, human rights, and conflict risk.

From 2010 to 2018, U.S. assets invested according to SRI principles increased by almost 300%, from $3.1 trillion to $12 trillion.

In addition to considering sustainability factors when *choosing* investments, shareholders are increasingly using voting power and other forms of influence to encourage corporate management to *follow* practices that might improve their company's sustainability efforts.

Innovation and technology advancements, such as targeted investment products, big data, and artificial intelligence, are likely to drive further interest in socially responsible investing.

Investment funds are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

Like all investments, socially responsible investments (SRI) entail risk, could lose money, and may underperform similar investments not constrained by social policies. There is no guarantee that an SRI will achieve its investment objectives. As with many investment strategies, SRIs may limit the total universe of available investments, and investors who want to diversify their portfolios *among a variety of sub-asset classes may not find an SRI to fill each sub-asset class. Diversification does not guarantee a profit or protect against investment loss. Different companies offering SRIs may use different definitions of socially responsible investing.*