
Sustainable Funds U.S. Landscape Report

Morningstar Research

January 2018

Jon Hale, Ph.D., CFA
 Director, Sustainable Investing Research
 +1 312 696-6093
 jon.hale@morningstar.com

Contents

1	Introduction
3	Defining the U.S. Sustainable Funds Universe
6	Growth of the U.S. Sustainable Funds Universe
18	Performance and Expenses
24	Sustainable Funds and the Morningstar Sustainability Rating
27	Conclusion
29	Appendix

Introduction

Sustainable investing has gained considerable traction over the past several years. Assets under management in portfolios that use various approaches to sustainable investing have grown to an estimated \$23 trillion globally, an increase of more than 600% over the past decade. In the United States, sustainable assets have grown to an estimated \$8 trillion.¹ Nearly 1,300 asset managers globally, 268 of them in the U.S., representing more than \$70 trillion in assets, have signed the United Nations-sponsored Principles for Responsible Investment, committing themselves to incorporating environmental, social, and corporate governance criteria into their investment processes.²

Most of the growth in assets over the past decade has come from institutional investors, but individual investors are beginning to increase their investments in the field.³ Certainly a large and growing number of them are saying they have an interest in sustainable investing. According to the Natixis 2016 Global Survey of Individual Investors, large majorities of investors across generations support investing in companies that have good environmental records, are ethically run, and have a positive social impact.⁴ A 2017 Allianz Global Investors survey reported that majorities of individual investors believe ESG is a sound investment strategy.⁵ In a 2017 Morgan Stanley survey, 75% of investors said they are interested in sustainable investing and 71% believe companies with leading sustainability practices may be better long-term investments. Interest was highest among millennials, and women tend to be more interested than men. Interest in sustainable investing grew between 2015, when Morgan Stanley first surveyed individual investors on the topic, and 2017.⁶

For the widespread interest in sustainable investing among individual investors to turn into invested assets, investors, as well as advisors, gatekeepers and asset managers, need to better understand the mutual-fund choices available, as funds represent the most accessible vehicles for many individual investors and their retirement plans.

In 2016, Morningstar introduced a tool designed to enable investors to evaluate funds based on sustainability criteria. The Morningstar Sustainability Rating uses company ESG ratings from Sustainalytics to evaluate portfolios and then to compare portfolios with their peers. The

1 https://www.ussif.org/files/Publications/GSIA_Review2016.pdf

2 <https://www.unpri.org/signatory-directory/?co=235&sta=&sti=&sts=&sa=join&si=join&ss=join&q=>

3 https://www.ussif.org/files/Publications/GSIA_Review2016.pdf, pg. 10.

4 <https://www.im.natixis.com/us/resources/mind-shift-getting-past-the-screens-of-responsible-investing>

5 <https://us.allianzgi.com/en-us/advisors/our-firm/newsroom/press-releases/results-of-2017-esg-survey>

6 https://www.morganstanley.com/pub/content/dam/msdotcom/ideas/sustainable-signals/pdf/Sustainable_Signals_Whitepaper.pdf

Morningstar Sustainability Rating is a measure of how well the companies held in a portfolio are managing their ESG risks and opportunities relative to portfolios within the same Morningstar Category. It is an independent tool that gives investors an easy way to assess the sustainability of the holdings in a portfolio compared with those of similar portfolios.⁷

By identifying funds that do well on this measure of sustainability, the Morningstar Sustainability Rating helps investors incorporate sustainability into their investment decision-making. In effect, it also expands the universe of fund options that could be considered sustainable beyond the relatively small number of funds that intentionally incorporate sustainability into their investment approaches.

Yet the number of intentionally sustainable funds and their AUM have grown significantly in the U.S. over the past three years. These funds can be difficult to identify and analyze because they take varying approaches to sustainable investing and do not represent a single asset class or investment style. This Landscape Report addresses the state of the universe of intentionally sustainable funds in the U.S. as of the end of 2017. It clarifies the choices currently available to investors, traces the growth and breadth of that group, and evaluates performance, both in terms of sustainability and investment returns.

The key takeaways:

- ▶ More funds than ever incorporate ESG or sustainability themes in the U.S.
- ▶ Sustainable funds can now be found in 56 Morningstar Categories.
- ▶ Assets under management and net flows have reached all-time highs.
- ▶ Sustainable funds are competitive on price and performance.
- ▶ Performance skews positive over both the short term and long term.
- ▶ Sustainable funds consistently receive high Morningstar Sustainability Ratings.

⁷ See Hale, J. "The Morningstar Sustainability Rating: Helping Investors Evaluate the Sustainability of Portfolios," Investments & Wealth Monitor, Nov-Dec 2017. http://www.morningstar.com/lp/sustainability-rating?cid=OSM_LNK .

Defining the U.S. Sustainable Funds Universe

Sustainable investing is generally understood to be any investment process that uses ESG criteria to evaluate investments or to assess the societal impact of investments. Its focus is long term, taking into consideration the interests of an extended sphere of stakeholders, including the planet itself. It emphasizes material ESG issues that contribute to more thorough financial analysis. It encourages more-direct investment in areas like renewable energy and clean technologies as the world transitions to a low-carbon economy. It encourages more-responsible corporate behavior, which results in firms reducing negative externalities, helps them attract and retain a competitive workforce, enhances their intangible value, and strengthens confidence in the overall financial system.

Moving from this general idea of sustainable investing to the specific implementation of it in an investment strategy, there are a lot of paths a strategy can take and still be considered a sustainable investment strategy. Using the term “sustainable” to describe a set of funds, however, is not simply another way to identify “values-based” funds. When we use the “socially conscious” screen in the Morningstar database to identify funds, the results include faith-based funds and those that use exclusionary screens that have nothing to do with sustainability. This might be considered a values-based fund universe but not a sustainable funds universe.

The sustainable funds universe today can be distinguished from funds that simply employ values-based criteria, such as those that exclude so-called “sin stocks,” like tobacco, alcohol, and gambling, or that use faith-based criteria to restrict their investments. Certainly, there are values-based elements to sustainable investing; in particular, the recognition that investors can have an impact on creating a low-carbon global economy that works for more people. Some sustainable funds do use product exclusions, but they do so in addition to their broad application of ESG criteria in their investment process. Sustainable investing also has a value-driven component to it that many investors find at least as salient, which is the idea that integrating ESG into an investment process can add valuable material information that might otherwise be overlooked by traditional financial analysis and thereby reduce risk or generate alpha.

For this review we have defined the U.S. sustainable funds universe as those open-end funds and exchange-traded portfolios that, by prospectus, state that they incorporate ESG criteria into their investment processes, or indicate that they pursue a sustainability-related theme, or seek measurable sustainable impact alongside financial return. This definition excludes funds that only use values-based exclusionary screening that is not related to sustainability issues. This results in a narrower cut of funds than would be created using the Morningstar socially conscious fund screen, but one that better reflects the concept of sustainable investing and distinguishes between sustainability and other types of values-based investing.

The contrast between a sustainability focus and values-based focus unrelated to sustainability can be seen by comparing the prospectus language of funds that use sustainability criteria with those that use values-based criteria unrelated to sustainability. The March 2017 prospectus for ClearBridge Sustainability Leaders, for example, states that the fund invests in stocks “that meet its financial and sustainability/environmental, social and governance (“ESG”) criteria.” It then provides a lengthy explanation of the selection process and definition of a sustainable company, which reads in part:

A sustainable company, in the subadviser’s view, is one that (1) offers products and services that have a positive impact on society (as described below) and (2) has well defined strategies in place to ensure longevity as an investment. The subadviser seeks to invest in companies that go beyond doing less harm to people and the planet relative to its peers, but also, in many cases, offer solutions to address negative impact from the actions of less responsible companies and industries. Further, sustainability is not limited to environmental stewardship, but also includes a company’s policies in regard to treating employees fairly and furthering their professional development, interacting in a positive way within its local community, promoting safety at all times, managing its supply chain responsibly, and employing corporate governance practices that are shareholder friendly and transparent.⁸

The prospectus language of most sustainable funds is not as expansive, but nonetheless establishes a fund’s intent toward incorporating sustainability criteria. Northern U.S. Quality ESG, for example, is also included in the list of sustainable funds. According to its August 2017 prospectus, the fund invests in companies that “have favorable environmental, social and governance characteristics” and “exhibit strong business fundamentals, solid management and reliable cash flows.”⁹

BlackRock Impact U.S. Equity makes the cut, based on its September 2017 prospectus, which states that the fund will invest “in a portfolio of equity securities of companies with positive aggregate societal impact outcomes.” These include areas like “green innovation, corporate citizenship, high impact disease research, ethics controversies and litigation”.¹⁰

By contrast, funds that use values-based exclusions only are not included in the list of sustainable funds because ESG criteria or sustainability, in general, are not part of their investment approach. For example, the February 2017 prospectus for DFA U.S. Social Core Equity 2 Portfolio, lists nine types of exclusions, including alcohol, tobacco, abortive agents, and contraceptives, but does not discuss sustainability or ESG criteria.¹¹

8 <http://hosted.rightprospectus.com/LeggMason/Fund.aspx?cu=52469C603&dt=P>

9 https://www.northerntrust.com/documents/prospectuses/individual/prospectus_4470294_statutory.pdf?bc=25277571

10 https://www.blackrock.com/investing/resources/regulatory-documents/stream-document?stream=reg&product=BR_IM-PR3&shareClass=Class+A&documentId=1168868-1168867-1168866-1281214-1211487&iframeUrlOverride=%2Finvesting%-2Fliterature%2Fprospectus%2Fpro-brfunds-impactusequity-inv-us.pdf

11 <https://prospectus-express.broadridge.com/summary.asp?clientid=dimenll&doctype=pros&fundid=233203298>

Timothy Plan Funds practice what they call “Biblically Responsible Investing,” but not sustainable investing. According to their August 11, 2017 prospectus supplement, the Timothy Plan Funds do not invest in the following excluded securities:

Excluded Securities are securities issued by any company that is involved in the production or wholesale distribution of alcohol, tobacco, or gambling equipment, gambling enterprises, or which is involved, either directly or indirectly, in abortion or pornography, or promoting anti-family entertainment or alternative lifestyles.¹²

American Funds: Washington Mutual uses two exclusions, according to its Statement of Additional Information, but does not have sustainability criteria as part of its investment policies. The fund follows a list of investment standards that have been in effect for many years, including that companies in which it invests “must not derive the majority of their revenues from alcohol or tobacco products”.¹³

Based on these distinctions between sustainable investing and various types of values-based investing, we narrowed the group of funds that are tagged as socially conscious in the Morningstar database to 235 sustainable open-end funds and exchange-traded portfolios in the U.S. The list includes equity, fixed-income, and allocation funds. Nearly all are diversified; some are funds that focus on renewable energy and clean technology, and some are thematic, pursuing a more specific overarching sustainability theme (for example, low-carbon, women in leadership, impact) within a diversified portfolio. A full list of sustainable funds is available in the Appendix.

The list represents a range of approaches, both in general investment terms and in sustainability terms. There are actively and passively managed sustainable funds, spread among dozens of Morningstar Categories. There are portfolios that are more concentrated and those with hundreds of holdings. Most use some type of company-level ESG evaluation to determine what stocks can be in the portfolio. ESG evaluations can be mainly data-driven or developed by analysts.

Some have a more comprehensive take on sustainability than others. A more-thorough approach may start with a well-researched predefined universe based on ESG evaluations, then also incorporate sustainability factors or themes in the selection process, actively engage with companies on ESG issues, and attempt to measure the portfolio’s environmental or societal impact. A more-basic approach may require analysts to incorporate the consideration of material ESG issues alongside many others in their decisions. Some approaches may actively seek out and tilt the portfolio towards sustainability leaders. Others may simply avoid the sustainability laggards. Passive approaches vary on where they draw the line on ESG performance and on how closely they structure the portfolio to a conventional benchmark. Some managers use a best-in-class approach that assures exposure to all economic sectors, others are content with sector over- and underweightings resulting from their ESG analysis.

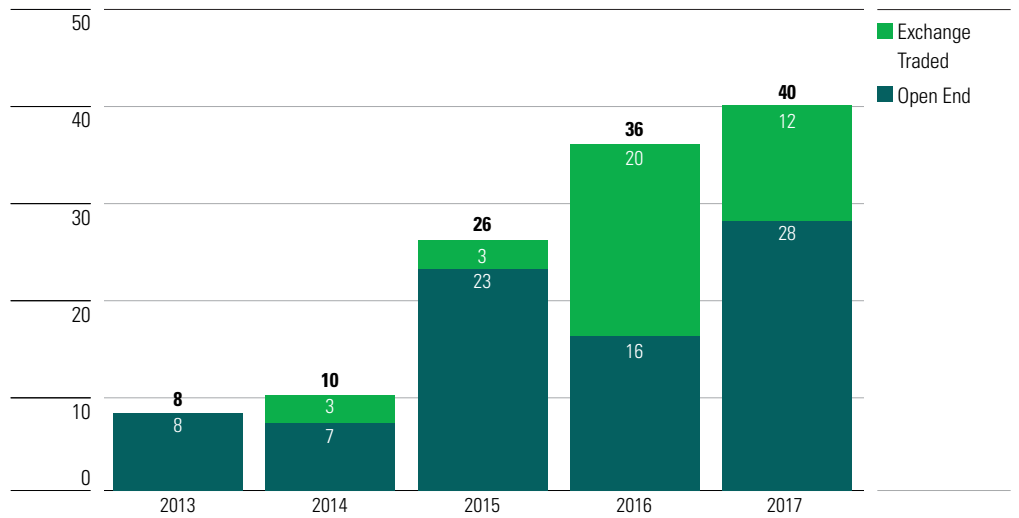
¹² <http://hosted.rightprospectus.com/TimothyPlan/Fund.aspx?dt=P&cu=887432813&ss=TP>

¹³ https://www.americanfunds.com/individual/pdf/shareholder/mfgepbx-001_wmifb.pdf, p. 10.

Growth of the U.S. Sustainable Funds Universe

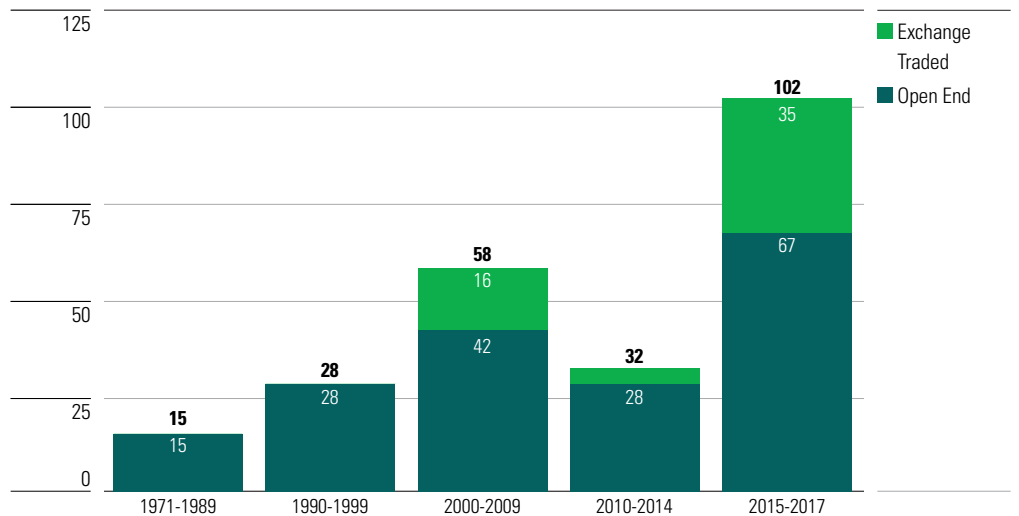
The universe of sustainable mutual funds and ETFs continued a multi-year growth trend in 2017, as asset managers positioned themselves to take advantage of high levels of investor interest. For the year, 40 new funds were launched, including the first sustainable target-date series, the first global real estate fund, and the first floating-rate fund. Ten bond funds were launched, including two focused on green bonds and four passively managed intermediate-term funds.

Exhibit 1 Sustainable Funds Launches: A Multi-Year Growth Trend



Source: Morningstar Direct. Data as of 12/31/2017.

Exhibit 2 Sustainable Funds Launches, 1971-2017



Source: Morningstar Direct. Data as of 12/31/2017.

The year's 40 new funds follow on the heels of 2016, when 36 funds were launched, and 2015, which saw 26 launches. In just the past three calendar years, 102 funds, 43% of those included in this report, have been launched. Of these, 67 are open-end funds, 35 are ETFs.

Repurposed Funds. While most of the growth in the number of sustainable funds has come from new launches, asset managers have begun adding sustainability criteria to the prospectuses of existing funds and, in some cases, referring to it in the funds' names. In 2017 alone, 17 existing funds added ESG to their prospectuses, and 23 have done so since December 2015 (another fund on the list made the changes in late 2013). Eight of the 23 now use the terms "Sustainable" or "ESG" in their names. Most of these funds are run by large asset managers like J.P. Morgan or Morgan Stanley and are taking an approach that considers ESG issues, especially ESG risks, as one component of their overall security-selection process. JPMorgan Emerging Markets Equity Fund, for example, as stated in its prospectus supplement dated Nov. 21, 2017, now calls out ESG as part of its investment process:

Exhibit 3 Funds Adopting Sustainable Investing Criteria

Name	Date of ESG Adoption	Category	Original Fund Name	Original Fund Launch	Sustainability Rating	Star Rating
AB Sustainable Global Thematic A	11/1/16	World Large Stock	AB Global Thematic Growth	3/1/82	⊕⊕⊕⊕⊕	★★★★
American Century Sustainable Equity A	6/30/16	Large Blend	American Century Fundamental Equity	11/30/04	⊕⊕⊕⊕⊕⊕	★★★★
AMG Managers Fairpointe ESG Equity	10/1/17	Mid-Cap Value	AMG Managers Fairpointe Focused Equity	12/24/14	⊕⊕⊕⊕⊕⊕	★★★★
Hartford Schrodgers Emerging Mkts Eq	10/21/16	Diversified Emerging Markets	Same	3/31/06	⊕⊕	★★★★
Hartford Schrodgers International Stk I	10/21/16	Foreign Large Blend	Same	12/20/85	⊕⊕⊕⊕⊕	★★★★
JPMorgan Corporate Bond I	11/21/17	Corporate Bond	Same	3/1/13	⊕⊕⊕⊕⊕	★★★★
JPMorgan Emerging Markets Equity A	11/21/17	Diversified Emerging Markets	Same	9/28/01	⊕⊕⊕⊕⊕	★★★★
JPMorgan Intrepid Sustainable Equity I	11/1/16	Large Blend	JPMorgan Intrepid Advantage	2/28/03	⊕⊕⊕⊕⊕⊕	★★★★
JPMorgan Municipal Income I	2/28/17	Muni National Intermediate	Same	2/9/93	—	★★★★
Morgan Stanley Inst Asia Opp I	5/1/17	Pacific/Asia ex-Japan Stock	Same	12/29/15	⊕	—
Morgan Stanley Inst EMkts Ldrs I	5/1/17	Diversified Emerging Markets	Same	1/6/15	⊕⊕⊕⊕⊕⊕	—
Morgan Stanley Inst Global Opp I	5/1/17	World Large Stock	Same	5/30/08	⊕	★★★★★
Morgan Stanley Inst International Opp I	5/1/17	Foreign Large Growth	Same	3/31/10	⊕	★★★★★
Morgan Stanley Inst Intl Advtg I	5/1/17	Foreign Large Growth	Same	12/28/10	⊕	★★★★★
Nationwide Global Sust Equity R6	12/10/15	World Large Stock	Nationwide Global Equity	1/28/94	⊕⊕⊕⊕⊕	★★★★
PIMCO Low Duration ESG Inst	1/6/17	Short-Term Bond	PIMCO Low Duration IV	12/31/96	—	★★★★
PIMCO Total Return ESG Inst	1/6/17	Intermediate-Term Bond	PIMCO Total Return IV	5/1/91	—	★★★★
RBC BlueBay High Yield Bond I	9/1/17	High Yield Bond	Same	11/30/01	—	★★★★
RBC Emerging Markets Equity I	9/1/17	Diversified Emerging Markets	Same	12/20/13	⊕⊕⊕⊕⊕⊕	★★★★
RBC Emerging Markets Small Cap Eq I	9/1/17	Diversified Emerging Markets	Same	12/20/13	—	★★
RBC Global Opportunities I	9/1/17	World Large Stock	Same	12/3/14	⊕⊕	★★★★★
RBC International Opportunities I	9/1/17	Foreign Large Growth	Same	12/3/14	⊕⊕⊕⊕⊕	★★
UBS International Sustainable Equity P	10/28/13	Foreign Large Blend	UBS International Equity	8/31/93	⊕⊕⊕⊕⊕⊕	★★★★
UBS US Sustainable Equity P	10/27/17	Large Blend	UBS US Large Cap Equity	2/22/94	⊕⊕⊕⊕⊕⊕	★★

Morningstar Direct. Data as of 12/31/2017. Oldest share class listed.

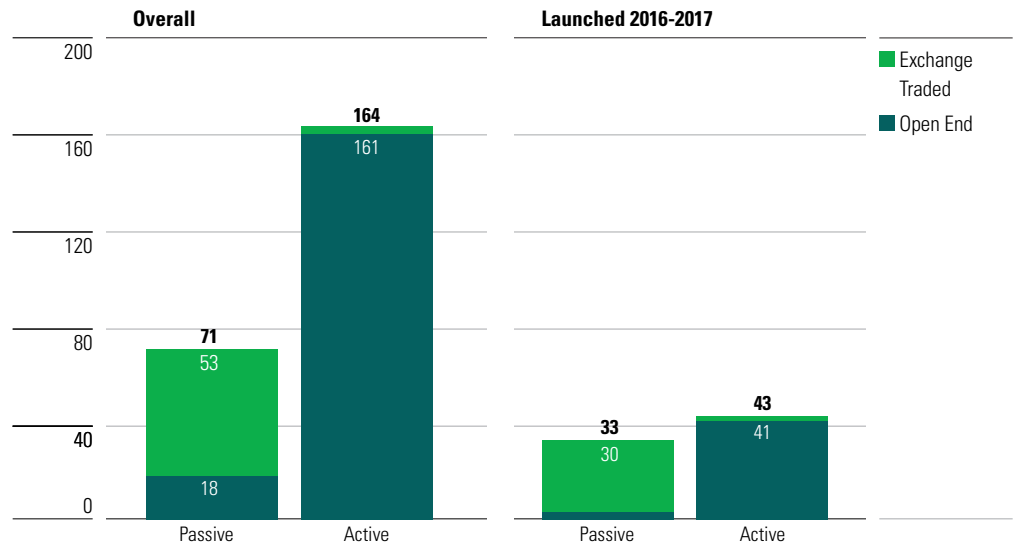
[R]esearch analysts seek to assess the risks presented by certain environmental, social and governance factors. While these particular risks are considered, securities of issuers presenting such risks may be purchased and retained by the Fund¹⁴

Repurposing funds as sustainable allows asset managers to leverage existing assets to build their sustainable-funds business, thereby avoiding having to create funds from scratch and the sometimes long wait to reach scale. Many large asset managers have an inventory of actively managed equity funds with large but seasoned asset bases that cannot attract new assets at the rate they are losing assets that have been in the funds for a long time.

Funds adopting sustainable investing criteria fall into 12 Morningstar Categories, including four in the Diversified Emerging Markets Category. Some of these funds may not be as focused on sustainability in their approach as others, but like the J.P. Morgan fund, they are now explicitly including some consideration of ESG as part of their process. Morgan Stanley added ESG criteria to five of its international institutional funds in May 2017, three of which have excellent performance records but also have Morningstar Sustainability Ratings of 1 globe. This suggests they haven't built those track records by investing in companies with strong sustainability profiles.

Passive Funds. Passive funds comprise 30% of sustainable funds in the U.S., and their numbers have been growing. Of the sustainable funds launched within the past three years, 40% of them are passively managed. More than half of passive sustainable funds are less than three years old. Not surprisingly, most (51 of 71) are ETFs. Five more open-end funds are quasi-index portfolios—three TIAA Social Choice funds and two DFA Sustainability Core funds. Passive funds in the group span a range from those that mimic broad-market equity indexes to those that track customized sector-equity indexes to those that follow broad-market fixed-income indexes.

¹⁴ <https://prospectus-express.newriver.com/summary.asp?doctype=spro&clientid=jpmll&fundid=4812a0607>

Exhibit 4 Passive Sustainable Funds Gaining Ground

Source: Morningstar Direct. Data as of 12/31/2017.

Many broad-market passive funds are built by using a combination of ESG screening criteria and product-involvement exclusions. The largest, Vanguard FTSE Social Index, for example, tracks the FTSE4Good U.S. Select Index, which screens for companies with good records on the environment, human rights, health and safety, labor standards, and diversity. It also uses several product-involvement-based exclusions, including alcohol, tobacco, and nuclear power.¹⁵ Calvert's series of index funds are based on S-Network indexes that have been screened using Calvert's ESG framework and also include product exclusions. The iShares MSCI ACWI Low Carbon Target ETF is based on an index that tilts the MSCI ACWI Index towards companies with low carbon emissions.¹⁶ Passive fixed-income funds, such as NuShares ESG U.S. Aggregate Bond ETF, are typically based on indexes that screen corporates on the same ESG criteria that is used in equity indexes and may include a more-limited ESG evaluation of government issuers.¹⁷

¹⁵ <https://personal.vanguard.com/pub/Pdf/sp213.pdf?2210133483>.

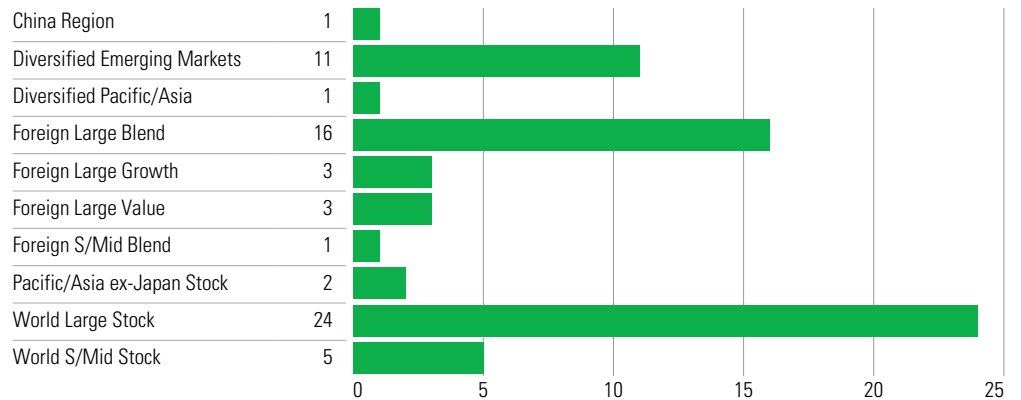
¹⁶ <https://www.ishares.com/us/library/stream-document?stream=reg&product=IUS-CRBN&shareClass=NA&documentId=1071659-1071658-926300-1168203-1103590&iFrameUrlOverride=%2Fus%2Fliterature%2Fsummary-prospectus%2F-sp-ishares-msci-acwi-low-carbon-target-etf-7-31.pdf>.

¹⁷ <http://connect.rightprospectus.com/Nuveen/TADF/67092P870/SP?site=ETF>.

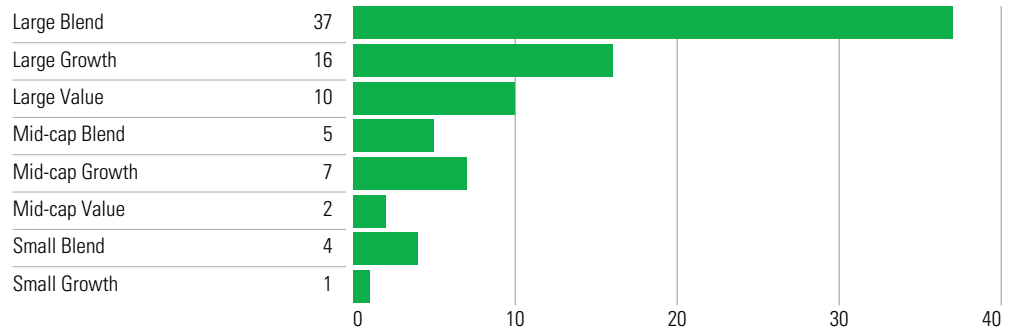
Category Coverage. The number of categories in which there are sustainable investment funds has grown significantly. Investors can now find sustainable funds in 56 Morningstar Categories. While most are equity funds, and most of those focus on large-cap stocks, the group includes 39 bond funds and 25 allocation funds. In February, Natixis launched the first sustainable target-date series, the Natixis Sustainable Future Funds. During the fourth quarter, the first sustainable global real estate and bank loan funds were launched. With four repurposed funds added to the group, the diversified emerging markets category now contains 11 funds. The Morningstar Categories with the most sustainable funds are Large Blend, Large Growth, World Stock, Foreign Large Blend, and Intermediate Bond. Investors have plenty of choices, including more-seasoned funds, in those core areas. While there are now funds in many other categories that can be used to build a broadly diversified portfolio, there remains a limited number of choices within many categories.

Exhibit 5 Sustainable Funds Span a Range of Morningstar Categories

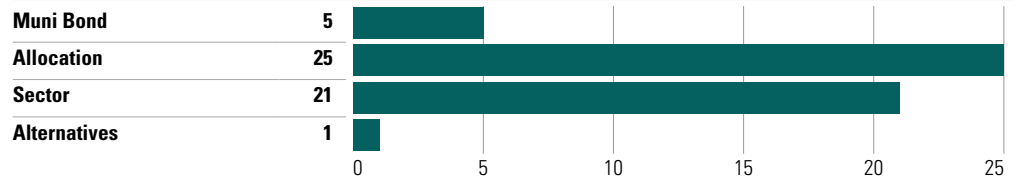
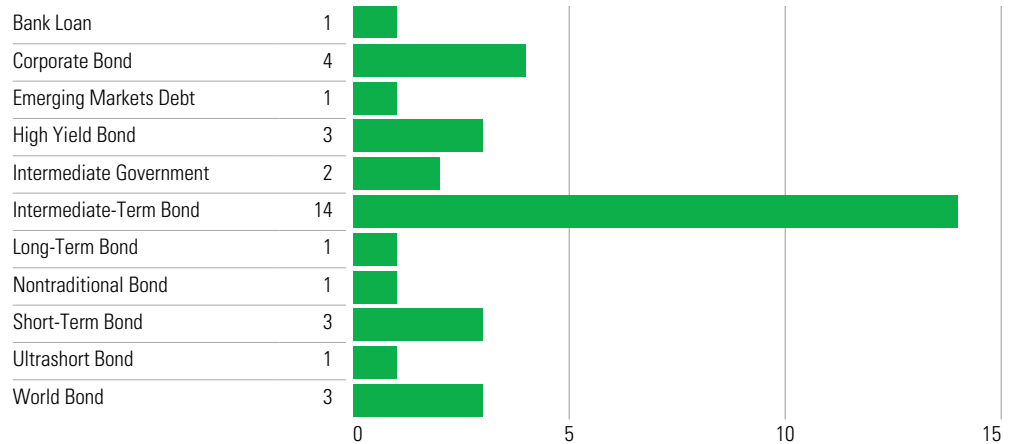
International Equity



U.S. Equity



Source: Morningstar Direct. Data as of 12/31/2017.

Exhibit 5 Sustainable Funds Span a Range of Morningstar Categories (Continued)**Fixed Income-Taxable**

Source: Morningstar Direct. Data as of 12/31/2017.

Most sustainable funds are diversified stock or bond funds. Some diversified sustainable funds also employ explicit themes. Examples include fossil fuel-free and low-carbon funds, such as the three Green Century funds and TIAA-CREF Social Choice Low Carbon Equity, gender-lens funds like Pax Ellevest Global Women's Index, and environmentally themed funds like Brown Advisory Sustainable Growth and Shelton Green Alpha.

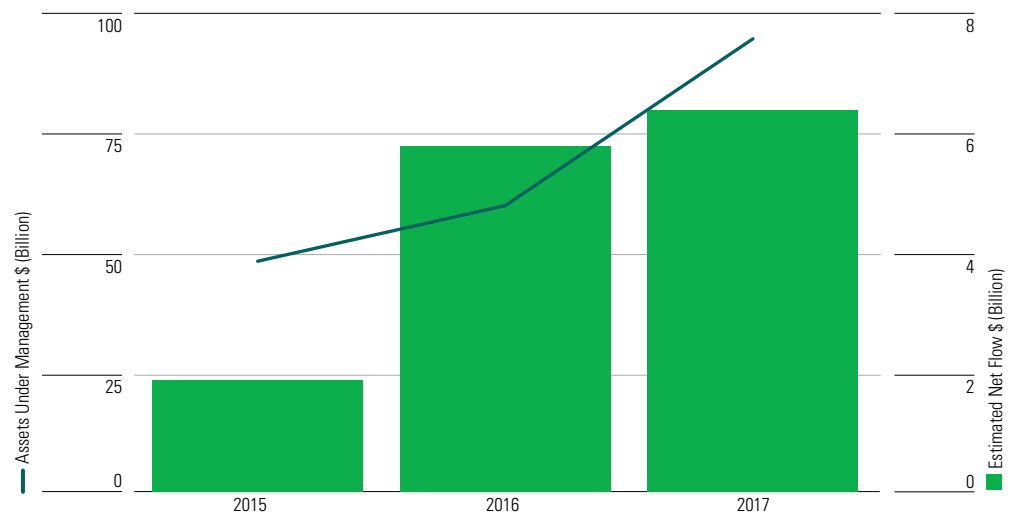
An increasing number of funds are emphasizing impact as a theme, meaning their focus is not only on using ESG for risk-reduction or alpha-generation, but also on delivering—and measuring—the societal impact of their investments. Examples include BlackRock Impact U.S. Equity and BlackRock Impact Bond, Columbia U.S. Social Bond, the Domini funds, Hartford Global Impact, and iShares Global Impact.

Finally, a number of funds are “green sector” funds. Their portfolios do not necessarily fit into one of the standard economic sectors and they can be found in several different Morningstar Categories, but they invest in renewable energy, energy efficiency, resource conservation, water, clean technology and other environmental areas. Examples include Calvert Global Energy Solutions, Pax Global Environmental Markets, and PowerShares CleanTech ETF.

Assets and Flows. The estimated net flows and AUM of sustainable funds in the U.S. continued to grow in 2017. The group altogether posted a record year for net flows, for the second year in a row,

according to Morningstar's estimated fund-flow data. Flows totaled \$6.4 billion in 2017, up about 10% from \$5.8 billion in 2016. Flows tripled in 2016 compared with 2015. Sustainable funds, 72% of which are equity funds, were buoyed by strong equity market performance in 2017. As a result, they now have \$95 billion in AUM, a 58% increase over the past year.

Exhibit 6 A Record Year for Sustainable Funds Flows and AUM



Source: Morningstar Direct. Data as of 12/31/2017.

Flows to sustainable funds went mostly to open-end funds, with four out of five dollars invested there rather than in ETFs in 2017. ETFs dominate only the Sector Equity category, which includes funds that invest in areas like renewable energy, clean technology, and green bonds. ETFs are making in-roads in U.S. equity, garnering more than a third of estimated net flows last year. ETFs have made less headway to date among international equity funds.

Exhibit 7 Most Flows to Open-End Funds; Passives Dominate U.S. Equity

	Funds	ETFs	Total	Funds (#)	ETFs (#)	Total (#)
US Equity	928,188,290	484,354,156	1,412,542,446	62	21	83
Sector Equity	-33,387,139	272,694,818	239,307,679	6	15	21
International Equity	3,211,931,211	372,508,335	3,584,439,546	53	14	67
Taxable Bond	1,149,222,882	38,797,683	1,188,020,565	29	5	34
Muni Bond	-25,126,214	—	-25,126,214	5	0	5
Allocation	7,356,136	—	7,356,136	25	0	25
Alternatives	3,019,068	—	3,019,068	1	0	1
Totals	5,241,204,234	1,168,354,992	6,409,559,226			

Note: Does not include 3 ETNs

Passive Mutual Fund Flows, 2017	Active–Open End	Passive–Open End
US Equity	-238,806,821	1,166,995,111
International Equity	2,804,404,407	407,622,665

Source: Morningstar Direct. Data as of 12/31/2017.

Within U.S. equity, passive assets have been dominating flows, consistent with broader trends. Combining open-end index funds and ETFs, estimated flows to passive U.S. sustainable funds in 2017 were around \$1.6 billion while actively managed open-end funds had net outflows of just under \$240 million. The same cannot be said for international equity, where estimated flows to passive sustainable funds and ETFs were \$780 million, while flows to actively managed funds totaled about \$2.8 billion. That is partly a reflection of investor preference for active management in emerging markets and of the flows into several actively managed international funds from J.P. Morgan, Morgan Stanley, and RBC that added ESG to their prospectuses in 2017.

Ten largest sustainable funds. The 10 largest funds account for about 45% of assets in the space. Nine of the 10 are equity funds. The list includes three Parnassus funds, including Parnassus Core Equity, which is the largest fund—three times larger than the second-largest fund on the list, its sibling, Parnassus Endeavor. Two emerging-markets funds that adopted ESG this year make the list. Vanguard FTSE Social Index ranks fourth overall and is the largest index fund. The other funds in the top 10 are older funds that have built their asset bases over time. The only bond fund on the list is CRA Qualified Investment, which focuses on high social-impact bonds, particularly affordable housing, while maintaining an investment-grade profile. The largest ETF, iShares MSCI KLD 400 Social ETF, has just over \$1 billion in assets, placing it 21st among all sustainable funds and ETFs.

Exhibit 8 Largest Sustainable Funds in the U.S.

Name	Morningstar Category	Inception Date	Annual Return		% Rank Cat 2017	Morningstar Rating Overall	Morningstar Sustainability Rating
			AUM—2017-12	2017			
Parnassus Core Equity Inv	Large Blend	8/31/92	16,157,259,603	16.58	88	★★★★	🌐🌐🌐🌐
Parnassus Endeavor Inv	Large Blend	4/29/05	5,210,147,475	19.81	66	★★★★★	🌐🌐🌐🌐
JPMorgan Emerging Markets Equity A	Diversified Emerging Mkts	9/28/01	4,806,092,495	42.14	14	★★★★	🌐🌐🌐🌐
Vanguard FTSE Social Index Inv	Large Blend	5/31/00	3,905,146,250	24.11	10	★★★★	🌐🌐🌐🌐
TIAA-CREF Social Choice Eq Instl	Large Blend	7/1/99	3,059,067,271	20.93	51	★★★	🌐🌐🌐🌐
Hartford Schroders Emerging Mkts Eq I	Diversified Emerging Mkts	3/31/06	2,867,186,636	40.87	19	★★★★	🌐🌐
Parnassus Mid-Cap	Mid-Cap Blend	4/29/05	2,802,512,071	15.79	57	★★★★	🌐🌐🌐🌐
Neuberger Berman Socially Rspns Inv	Large Growth	3/16/94	2,357,059,897	18.57	95	★★★	🌐🌐🌐🌐
Calvert Equity A	Large Growth	8/24/87	2,207,510,449	25.79	61	★★★	🌐🌐🌐🌐
CRA Qualified Investment CRA	Intermediate Government	8/30/99	2,131,921,276	2.17	19	★★★	—

Source: Morningstar Direct. Note: Returns and Morningstar Rating based on oldest share class. Data as of 12/31/2017.

Ten largest sustainable funds asset managers. Exhibit 8 shows the 10 asset managers with the most assets in sustainable funds. The list does not include asset managers who repurposed funds during the year, nor does it include assets in separate-account sustainable strategies or in public sustainable funds outside the U.S. These 10 asset managers run about one third of the funds in the overall group, command two thirds of the group's AUM, and garnered just more than one third of net flows for the year.

Exhibit 9 Asset Managers with Most Sustainable Funds Assets

Name	# of funds	AUM 12/17	Net Flows		
			1H 2017	2H 2017	Total 2017
Parnassus Investments	6	25,501,689,314	1,666,725,882	-231,859,317	1,434,866,565
Calvert Funds	27	10,870,649,120	-1,013,751,352	53,001,300	-960,750,052
TIAA/Nuveen	12	5,246,562,269	347,212,758	757,679,947	1,104,892,705
Pax World Funds	11	4,638,706,050	88,520,774	15,036,862	103,557,636
Vanguard	1	3,905,146,250	396,168,088	345,349,436	741,517,524
Saturna Capital	5	3,121,179,824	-206,945,698	-141,958,149	-348,903,847
Neuberger Berman	2	2,822,552,453	-67,102,630	-218,202,536	-285,305,166
BlackRock/iShares	12	2,738,202,167	156,884,431	266,305,023	423,189,454
Community Capital Mgmt	2	2,164,850,751	97,669,166	110,880,906	208,550,072
Eventide Funds	4	2,139,748,274	-97,349,569	50,864,876	-46,484,693

Source: Morningstar Direct. Data as of 12/31/2017.

Parnassus Investments has the most sustainable fund assets in the U.S., with \$25.5 billion spread across four large funds and two small ones. The firm takes an integrated approach to sustainable investing, weighing how well companies' environmental and workplace policies contribute to their competitive advantage. With the wind behind its back from years of excellent performance and increased interest in sustainable investing, the firm's assets have grown significantly in the past decade. Parnassus Core Equity gathered most of those assets after holding up reasonably well during 2008 and then posting steady top-half returns in the large blend category for six out of the next seven years. The fund couldn't keep up with the market in 2017 and fell into the large blend category's bottom quartile. Investors pulled just more than \$1 billion from the fund during the year, but the firm's funds netted \$1.4 billion for the year anyway. Most of the inflows went to Parnassus Endeavor, a growth fund that finished ahead of only one-third of its category peers in 2017 but its returns remain in the top percentile of the Large Growth Category over the three-, five-, and 10-year trailing periods.

Another asset manager dedicated to sustainable investing, Calvert Funds has the second most fund assets, with \$10.9 billion. With 27 different funds, Calvert is the only firm that offers a full range of funds. It also has about \$2.5 billion in variable insurance funds. But amid the growth in the space over the past three years, Calvert's estimated net flows have been negative. The firm was purchased in late 2016 by Eaton Vance, which adds both investment and distribution resources. In 2017, though, estimated outflows were nearly \$1 billion, more than half of that coming out of actively managed equity funds with mediocre performance records—Calvert Equity, Calvert International, and Calvert Mid Cap. Most of the firm's outflows occurred in the first six months of 2017. In fact, Calvert posted positive estimated flows of \$53 million in the second half. That's a modest number, but perhaps reflects Eaton Vance's added distribution muscle starting to kick in. Calvert covers a range of asset classes and categories with its lineup, which includes five index funds, green-bond and bank-loan funds, emerging-markets equity, and several sector funds. Combine that with its thorough approach to ESG incorporation and focus on demonstrating impact, and it has a good story to tell advisors getting themselves oriented to sustainable investing.

TIAA, which also owns Nuveen, has made some big moves in the sustainable-investing space recently, upping its open-end fund and ETF AUM to \$5.2 billion. That pales in comparison with the \$15 billion the firm has in its variable insurance fund, the CREF Social Choice Account, which has been in existence since 1984. CREF Social Choice is a traditional 60/40 balanced fund. In its mutual fund lineup, TIAA runs U.S. Social Choice Equity and U.S. Social Choice Bond funds patterned after the stock and bond sleeves in the CREF fund, as well as international and low-carbon social-choice equity funds. The equity funds are all passively managed based on ESG criteria and then optimized to make sure key fund characteristics are close to those of their benchmarks. Social Choice Bond is actively managed and devotes a significant 40% of assets to high social-impact bonds while maintaining an intermediate investment-grade profile. On the ETF side, the firm has launched eight NuShares portfolios that cover five U.S. style box categories, international developed markets and emerging markets, and an intermediate-bond fund, allowing investors to create model ESG ETF portfolios. Collectively, the ETFs have pulled in \$320 million in their first year. After modest outflows in 2016, TIAA's sustainable funds garnered \$1.1 billion in estimated flows in 2017. As a percentage of AUM, that's the best showing of any firm on the list.

Pax World, which launched the first socially responsible fund in 1971, today has a lineup of 11 funds that total \$4.6 billion in assets. Its flagship Pax Balanced fund became a fund of funds this year, transitioning from a traditional 60/40 balanced fund, but as a seasoned fund with \$2 billion in assets, it has been in net outflows for a number of years. Pax World gathered a lot of assets in 2015 and 2016 on the strength of Pax Small Cap and the Pax MSCI EAFE ESG Leaders Index fund. After poor performances in 2016, both were less attractive to investors in 2017, especially Small Cap, which was cash-flow-negative. Nonetheless, Pax World managed to add more than \$100 million in flows in 2017. In September, London-based Impax Asset Management announced that it planned to acquire Pax World. Impax had been subadvising the Pax Impax Environmental fund since 2008, so it was familiar with the firm. While the acquisition is not on the scale of Eaton Vance's acquisition of Calvert, it should let Pax continue to be Pax while providing more resources and possible entree into the U.K. and European markets.

Small Funds. At the other end of the spectrum, the sustainable funds group includes many small funds, a function of so many of them being new. Of the 235 funds in the group, 100 had less than \$50 million in assets at the end of 2017. Most of those, 78 funds, do not have three-year performance results. A strong initial track record can drive assets, but until the young funds establish that track record, many of them will find it hard to reach scale. And if that initial track record is poor, a fund may be headed for the scrap heap.

In the meantime, new funds must emphasize the attractiveness of the concept and their particular approach to sustainable investing, the firm's experience in the space, and the track records of the portfolio managers on similar strategies. Passive funds can emphasize the records of the indexes they follow, but many indexes are back-tested and have no live record prior to the fund that mimics it being launched.

Exhibit 10 Sustainable Funds Reaching or Nearing Scale in 2017

Name	Morningstar Category	AUM	
		12/2016	12/2017
Funds Reaching Scale in 2017 (\$50 million)			
SPDR MSCI EAFE Fossil Fuel Free ETF	Foreign Large Blend	30,031,024	50,856,622
BlackRock Impact US Equity Institutional	Large Blend	24,608,640	50,983,953
JHancock ESG Core Bond I	Intermediate-Term Bond	15,091,612	51,817,114
FlexShares STOXX Gbl ESG Impact ETF	World Large Stock	7,791,862	52,114,422
Calvert Floating-Rate Advantage I	Bank Loan	—	52,507,727
Praxis Small Cap Index I	Small Blend	47,909,864	52,900,299
Calvert US Mid Cap Core Rspnb Idx I	Mid-Cap Blend	11,151,784	54,824,323
TIAA-CREF Social Choice Intl Eq Instl	Foreign Large Blend	25,489,460	55,164,738
Calvert US Large Cap Growth Rspnb Idx I	Large Growth	42,414,588	56,601,409
JHancock ESG International Equity I	Foreign Large Blend	15,053,420	56,919,815
Calvert International Responsible Idx I	Foreign Large Blend	6,169,358	67,318,119
Mirova Global Sustainable Equity Y	World Large Stock	49,750,594	67,758,678
Thornburg Better World International I	Foreign Large Blend	36,875,367	76,278,414
Funds Reaching Scale in 2017 (\$100 million)			
Calvert Green Bond I	Intermediate-Term Bond	54,459,273	105,987,396
Calvert Absolute Return Bond I	Nontraditional Bond	72,486,213	109,700,589
Miller/Howard Income-Equity I	Large Value	74,062,804	111,271,622
Nationwide Max Divers US Cor Eq ETF	Large Blend	—	113,687,088
PowerShares WilderHill Clean Energy ETF	Miscellaneous Sector	84,837,519	114,190,621
iShares Global Clean Energy ETF	Miscellaneous Sector	71,256,783	140,346,266
PowerShares Cleantech ETF	Miscellaneous Sector	78,694,098	145,980,355
iShares MSCI EM ESG Optimized ETF	Diversified Emerging Mkts	38,114,339	169,270,526
American Beacon Gbl Evl Ftr Mks Inc Inst	Emerging Markets Bond	60,222,606	181,121,953
Funds About to Reach Scale in 2018 (\$50 million)			
NuShares ESG Intl Dev Mkts Eq ETF	Foreign Large Blend	—	40,275,183
NuShares ESG Large-Cap Growth ETF	Large Growth	6,227,121	40,318,880
Walden International Equity	Foreign Large Blend	14,713,207	41,026,160
NuShares ESG Small-Cap ETF	Small Blend	11,074,270	41,227,471
UBS International Sustainable Equity P	Foreign Large Blend	24,209,476	41,475,619
NuShares ESG US Aggregate Bond ETF	Intermediate-Term Bond	—	42,382,684
Columbia US Social Bond Inst	Muni National Long	31,711,634	44,432,289
Walden SMID Cap	Mid-Cap Blend	38,453,502	45,634,245
Shelton Green Alpha	Mid-Cap Growth	33,559,869	46,218,784
Walden Midcap	Mid-Cap Growth	39,059,618	46,565,651
Global X Conscious Companies ETF	Large Blend	34,181,072	49,291,574
Funds About to Reach Scale in 2018 (\$100 million)			
First Trust NASDAQ Cln Edge GrnEngyETF	Miscellaneous Sector	51,835,489	91,260,428
Eventide Multi-Asset Income I	Allocation—50% to 70% Equity	64,350,173	95,088,650
TIAA-CREF Social Choice LwCrbn Eq Instl	Large Blend	54,560,403	97,850,077
Walden Small Cap	Small Growth	85,200,965	98,138,307
First Trust Global Wind Energy ETF	Miscellaneous Sector	74,981,052	98,202,463

Source: Morningstar Direct. Data as of 12/31/2017.

Heading into 2018, 11 funds had between \$40 million and \$50 million in assets, putting the \$50 million mark within reach this year if equity markets and investor flows maintain their momentum. For gatekeepers to make a fund available on a platform, \$50 million is generally the minimum size required, although it is sometimes considerably higher. Four of the funds nearing the \$50 million mark are NuShares ETFs, which have already demonstrated healthy growth rates. That leaves 88 funds that ended 2017 with \$40 million or less in assets. Five funds that have more than \$50 million in assets have a good shot at reaching the \$100 million mark in 2018, based on their end-of-year assets. In 2017, 13 funds in the group reached the \$50 million AUM mark and nine surpassed \$100 million.

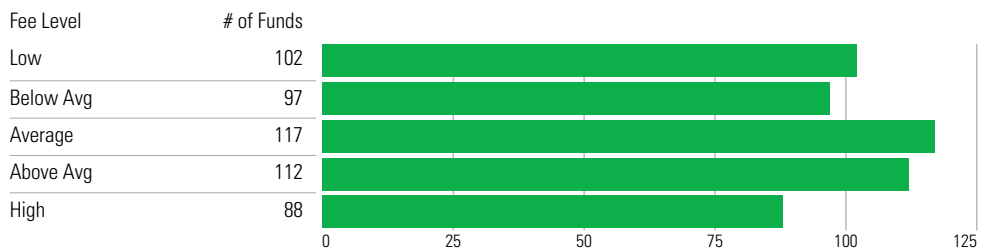
Performance and Expenses

Expenses

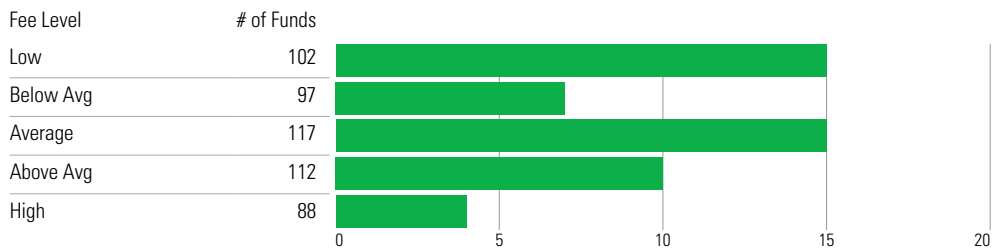
Despite having so many new funds with small asset bases, sustainable funds in the U.S. are competitive on price. On the whole, the distribution of sustainable funds expense ratios is similar to that of the overall fund universe for open-end mutual funds, but higher for ETFs. For open-end funds in the sustainable group, we analyzed expense ratios using the Morningstar Fee Level, which compares the expense ratios of a fund’s share classes relative to a peer group based on both the fund’s style (such as U.S. large cap or world stock) and type of share class (such as no-load, front-load, institutional, or retirement). The result is a percentile ranking from 1 (least expensive) to 100 (most expensive). Each share class is assigned a fee level based on the percentile ranking, ranging from Low (the cheapest quintile) to High (the most expensive quintile).¹⁸

Exhibit 11 Sustainable Open-End Fee Levels About Average

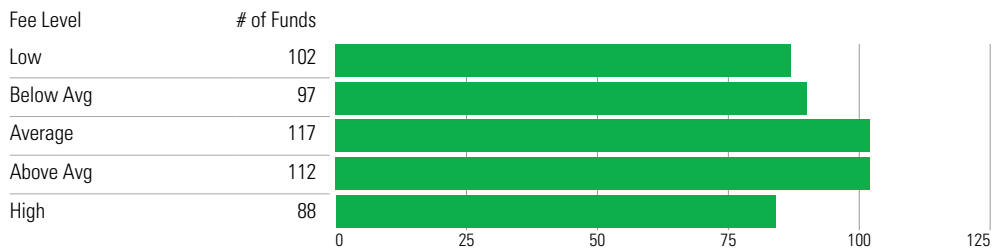
All Share Classes



Share Classes > \$500 mil



Share Classes < \$500 mil



Source: Morningstar Direct. Data as of 12/31/2017.

¹⁸ <https://corporate1.morningstar.com/ResearchLibrary/article/823651/morningstar-fee-level-for-funds-methodology---us/>

The Morningstar Fee Levels of all sustainable fund share classes is shown in Exhibit 11. Their Fee Levels are distributed about evenly from Low to High. There are 102 sustainable fund share classes with Low Fee Levels and 88 with High Fee Levels; by that comparison, sustainable funds fare a little better than average. Comparing the two lowest-fee quintiles with the two highest-fee quintiles, though, the distribution is 199 share classes in the lower-fee group and 200 share classes in the higher-fee group, with 117 in the middle quintile.

Controlling for size or asset class does not change the results significantly, although share classes with \$500 million or more in assets were more likely to have Low Fee Levels than High Fee Levels. Equity funds were slightly more likely to have lower Fee Levels than were bond funds. Among the largest share classes of each fund, more of them had Low Fee Levels than High Fee Levels, but the overall distribution was relatively equal across quartiles.

Exhibit 12 Sustainable ETF Fee Levels are Higher than Average

Fee Level	# of Funds			
	U.S. Equity	Non-U.S. Equity	Sector Equity	All Sustainable ETFs
Low	0	7	0	7
Below Average	2	5	0	7
Average	2	1	1	4
Above Average	8	0	4	12
High	2	0	9	11

Source: Morningstar Direct. Data as of 12/31/2017.

Morningstar does not calculate a Fee Level for ETFs, but it is not difficult to construct one. We placed the ETF universe into three groups—U.S. diversified equity, U.S. sector equity, and international equity—then categorized ETF expense ratios by quintiles to construct a fee-level calculation similar to the one used above for open-end funds. As shown in Exhibit 12, sustainable ETF fees are higher than those of the overall ETF universe, with 21 funds having Fee Levels of High or Above Average, and 14 having Fee Levels of Low or Below Average. Most of the higher fees are those of sector funds. Diversified U.S. equity ETFs also have mostly above-average fees and, because there are so many ultralow-fee market-cap-weighted ETFs in the category, none of the sustainable U.S. equity ETFs make it into the Low Fee Level group. Non-U.S. sustainable equity ETFs on the other hand, fare much better, as 12 of 13 have Fee Levels of Low or Below Average.

Performance

The performance of sustainable investments is often debated, but the weight of the research evidence suggests no systematic performance penalty associated with sustainable investing and possible avenues for outperformance based on reduced risk or added alpha.¹⁹ The performance of sustainable funds is consistent with that observation. The funds performed well as a group in 2017. More than half (54%) ranked in the top half of their Morningstar Category for the year, and that showing was consistent across stock and bond funds. The group overall has performed similarly in the past three calendar years, even as it has grown from 119 funds with full-year records in 2015 to 184 in 2017.

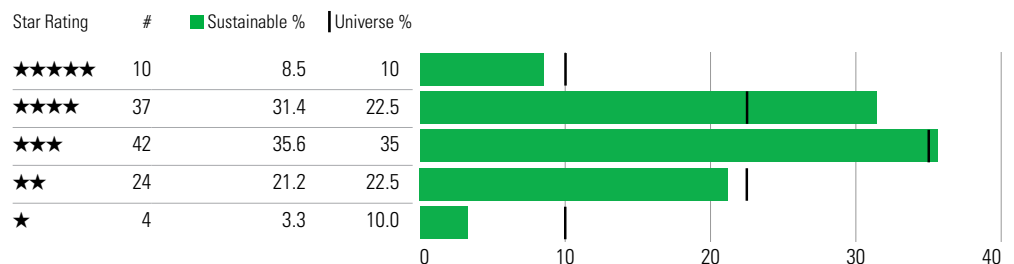
Exhibit 13 Sustainable Funds Performance Relative to Morningstar Category, 2015-2017

	2017		2016		2015	
	#	%	#	%	#	%
Top Quartile	45	24	41	28	33	28
2nd	55	30	39	27	35	29
3rd	47	26	44	30	29	24
Bottom Quartile	37	20	21	15	22	19
N=	184		145		119	

Source: Morningstar Direct. Data as of 12/31/2017.

Sustainable funds also have Morningstar Ratings (“star ratings”) that skew positive. The star rating is a measure of risk-adjusted return relative to Morningstar Category and requires at least a three-year record. For older funds, the star rating is a combination of three-year, five-year, and, if applicable, 10-year records. At the end of 2017, 118 sustainable funds had star ratings. Forty percent had 4- or 5-star ratings, while just 24.5 percent had 1- or 2-star ratings. On average across the entire fund universe, those numbers are roughly equal at 33%.

Exhibit 14 Sustainable Funds Morningstar Rating Skew Positive



Source: Morningstar Direct. Data as of 12/31/2017. Note: Oldest share classes, n=118.

¹⁹ See “Sustainable Investing Research Suggests No Performance Penalty,” Morningstar, 2016, <http://corporate1.morningstar.com/ResearchLibrary/article/779995/sustainable-investing-research-suggests-no-performance-penalty/>; “ESG – Environmental, Social & Governance Investing: A Quantitative Perspective of how ESG can Enhance your Portfolio,” J.P. Morgan, 2016, <https://yoursri.com/media-new/download/jpm-esg-how-esg-can-enhance-your-portfolio.pdf>.

Here's a closer look at how sustainable funds performed last year in five Morningstar Categories that have at least a dozen options.

U.S. Large Blend. Sustainable funds in the large-blend category performed on par with conventional funds. Of the 38 large-blend sustainable funds, 33 of them posted full-year returns in 2017 and nine of them beat the S&P 500's 21.8% return. As usual, especially during a bull market, the S&P 500 was a tough bogy in 2017 not only for sustainable large-blend funds but for all large-blend funds. Of all funds in the category, only about 27% had returns that beat those of the index. Sustainable funds had the same rate of outperformance. American Century Sustainable Equity and Vanguard FTSE Social Index were the top performing sustainable funds.











Exhibit 15 Top Performing Sustainable Funds, U.S. Large Blend, 2017

Name	2017 Return %	Sustainability Rating
American Century Sustainable Equity A	25.52	★★★★★
Vanguard FTSE Social Index Inv	24.11	★★★★★
ProShares S&P 500 ex-Energy	23.26	★★★★
Global X Conscious Companies ETF	23.04	★★★★★
Glenmede Responsible ESG US Equity	22.84	★★★★★
SPDR S&P 500 Fossil Fuel Rsrv Free ETF	22.88	★★★★
iShares MSCI USA ESG Select ETF	22.52	★★★★★
Aspiration Redwood	22.50	★★★★★
Pax ESG Beta Quality Ind Inv	21.89	★★★★★
S&P 500 TR USD	21.83	
% of Sustainable Funds beating index	27	
% of Large Blend Funds beating index	27	

Source: Morningstar Direct. Data as of 12/31/2017.

World Large Cap. The sustainable world large-cap group did especially well in 2017. The 22 funds in this group invest in both U.S. and non-U.S. equities, most of the latter in developed markets. Sixteen of the 18 sustainable funds with full-year records beat the 22.5% return of the Morningstar Developed Markets Large Cap Index, and 12 of the 18 beat the 24.04% return of the Morningstar Global Markets Large Cap Index, which includes emerging markets. Only about 54% of all funds in the category had returns greater than those of the developed-markets index, and only about 41% beat the global-markets index.

Exhibit 16 Top Performing Sustainable Funds, World Large Cap, 2017






Name	2017 Return %	Sustainability Rating
Morgan Stanley Inst Global Opp I	49.44	
AB Sustainable Global Thematic A	37.16	
RBC Global Opportunities I	34.27	
Mirova Global Sustainable Equity Y	30.75	
Portfolio 21 Global Equity R	27.86	
Oppenheimer Global ESG Revenue ETF	27.73	
iShares MSCI Global Impact ETF	26.93	
Touchstone Sustainability & Imp Eq A	25.74	
Pax Ellevest Global Women's Idx Indv Inv	24.86	
Nationwide Global Sust Eq R6	24.62	
Morningstar Global Markets Large Cap Index NR USD	24.04	
% of Sustainable Funds beating index	67	
% of World Large Cap Funds beating index	41	

Source: Morningstar Direct. Data as of 12/31/2017.

Top performers included Morgan Stanley Institutional Global Opportunities, which added ESG criteria to its prospectus in May 2017, AB Global Sustainable Thematic, and Mirova Global Sustainable Equity, which is also one of the funds used in the Natixis Sustainable Future target-date series.

Diversified Emerging Markets. The sustainable emerging-markets group also outperformed its category peers. With recent adaptations of ESG by existing funds run by J.P. Morgan, Hartford Schroders, and RBC, the number of sustainable funds in the diversified emerging markets category has grown to 11. Of the 10 with full-year records, seven outperformed the Morningstar Diversified Emerging Markets Index, which returned 35.5% in 2017. Calvert Emerging Markets Equity led the pack with a 44.7% return. Only 46% of all funds in the category managed returns that beat the index.

Exhibit 17 Top Performing Sustainable Funds, Diversified Emerging Markets, 2017

Name	2017 Return %	Sustainability Rating
Calvert Emerging Markets Equity I	44.71	
JPMorgan Emerging Markets Equity A	42.14	
Hartford Schroders Emerging Mkts Eq I	40.87	
SPDR MSCI Em Mkts Fossil Fuel Free ETF	38.38	
iShares MSCI EM ESG Optimized ETF	37.89	
Morningstar Diversified Emerging Markets Index NR USD	35.50	
% of Sustainable Funds beating index	70	
% of Diversified Emerging Market Funds beating index	46	

Source: Morningstar Direct. Data as of 12/31/2017.

Intermediate-Term Bond. The sustainable funds group now includes 14 U.S. intermediate-bond funds, 11 with full-year records. Five posted 2017 returns better than those of the Bloomberg Barclays U.S. Aggregate Bond Index. That slightly lagged the overall category, in which 56% of funds had returns greater than those of the index. The two leaders were TIAA-CREF Social Choice Bond and PIMCO Total Return ESG. Both of those funds have conventional siblings run in a substantially similar way except without any explicit sustainability criteria. TIAA-CREF Social Choice Bond outperformed TIAA-CREF Bond by 4 basis points, while PIMCO Total Return ESG lagged PIMCO Total Return by about 20 basis points.

Exhibit 18 Top Performing Sustainable Funds, Intermediate-Term Bond, 2017

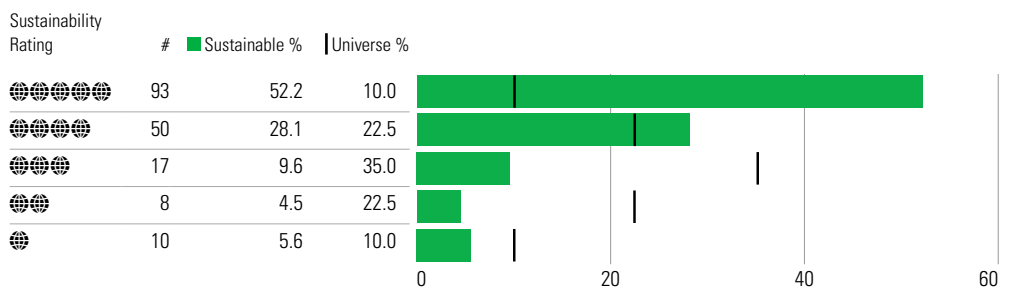
Name	2017 Return %
TIAA-CREF Social Choice Bond Instl	4.51
PIMCO Total Return ESG Instl	4.46
Calvert Bond A	4.19
Touchstone Total Return Bond Y	3.94
Domini Impact Bond Inv	3.84
Bloomberg Barclays U.S. Aggregate Bond Index TR USD	3.54
% of Sustainable Funds beating index	46
% of Intermediate-Term Bond Funds beating index	56

Source: Morningstar Direct. Data as of 12/31/2017.

Sustainable Funds and the Morningstar Sustainability Rating

To what extent are sustainable funds actually investing in sustainable companies and to what extent do they differ from the rest of the universe of funds that do not explicitly consider ESG factors? The Morningstar Sustainability Rating can help us answer these questions. The Morningstar Sustainability Rating is a tool to evaluate funds based on sustainability criteria. A rating is given to all funds that meet the coverage threshold,²⁰ enabling investors to evaluate virtually the entire universe of equity funds, as well as corporate-bond funds. The Morningstar Sustainability Rating can also be helpful in evaluating the extent to which sustainable funds are investing in sustainable companies. Exhibit 19 compares the Morningstar Sustainability Rating distribution of the sustainable funds universe with that of the overall fund universe in the U.S.

Exhibit 19 Most Sustainable Funds Have Top Morningstar Sustainability Ratings



Source: Morningstar Direct. Rating as of 11/30/17.

As measured by the Morningstar Sustainability Rating, sustainable funds are investing in sustainable companies to a much greater degree than their conventional peers. Funds in this group are five times more likely to have a sustainability rating of 5 globes than funds overall. Four of five sustainable funds have sustainability ratings of at least 4 globes, and just 10% have sustainability ratings of 1 or 2 globes. In the normally distributed overall universe, one third of funds have sustainability ratings of 4 or 5 globes and one third of funds have sustainability ratings of 1 or 2 globes. These results confirm that the vast majority of sustainable funds are holding companies that have better sustainability profiles than those of their conventional fund peers.

A closer look at the 18 funds in the sustainable universe that have low or below average Morningstar Sustainability Ratings reveals that these funds fall into three groups. Six of the 18 are repurposed funds that have only recently added ESG criteria to their prospectuses. As their sustainability ratings make clear, adding ESG criteria does not ensure that they will select highly rated ESG companies for their portfolios. Given the relatively brief mention of ESG in some of these prospectuses, their lower ratings suggest that ESG may not be a primary consideration. Another possibility is that having only recently adopted ESG criteria, the portfolios do not yet reflect that through improved sustainability scores.

²⁰ To receive a rating, a fund and at least nine other funds in its Morningstar Category must have at least 50% of assets covered by a Sustainalytics company-level ESG rating.

Ten of the funds with low sustainability ratings are sector funds or pursue esoteric strategies that are placed in homogenous categories where the distance between high and low ratings is minimal, or in extremely heterogenous categories like the catch-all Miscellaneous Sector Category, where relative comparisons may not be meaningful.

That leaves only two cases of diversified equity funds with low scores (both have 2 globes) and neither of these appear to apply ESG criteria as stringently as most other sustainable funds do. Both, in fact, rely on avoidance criteria. DFA U.S. Sustainability Core 1's primary criterion is to avoid stocks with high carbon-intensity, which does not exclude many companies in a portfolio with more than 2,100 holdings.²¹ Another fund, Nationwide Maximum Diversification U.S. Core Equity ETF uses a "blacklist" to exclude companies that produce coal or coal-based energy and those responsible for severe environmental damage, serious human rights violations, or gross violations of ethical norms, but that does not appear to exclude many companies.²²

Because of their intentional, on-going focus on sustainability criteria, most sustainable funds have Morningstar Sustainability Ratings that are not only high, but that have also been consistently high. To date, the sustainability rating has been calculated monthly, based on the most-recent Sustainalytics company data and the most-recent fund portfolio holdings. Funds receive new ratings every month and those ratings could easily fluctuate from month to month, because of trading activity, particularly in funds that do not use sustainability criteria in their approach.









We examined the monthly Morningstar Sustainability Ratings of sustainable funds over the 12 months from October 2016 through September 2017. During that one-year period, 44 sustainable funds received 5 globes in each of the 12 months. They are listed in Appendix A4. Another 16 received 5 globes in every month in which they received a rating over the period.²³ Add to that 26 funds that had ratings over the previous 12 months that averaged 4.5 globes or higher, and thereby can be rounded up to a 5-globe 12-month rating. By these measures, 48% of the sustainable funds received consistent 5-globe ratings over the past year. Another 33 funds had average 12-month ratings of between 4 and 4.49 globes, bringing the total of sustainable funds with average 12-month ratings higher than 4 globes to 67%. Adding in another 17 whose average 12-month rating would round up to 4 globes, we have a total of 76% of the funds in our sustainable universe that have average 12-month Morningstar Sustainability Ratings of 4 globes or 5 globes.

²¹ <https://prospectus-express.broadridge.com/summary.asp?clientid=dimenll&doctype=pros&fundid=233203215>

²² https://www.sec.gov/Archives/edgar/data/1540305/000089418917003246/nationwide-ess_485a.htm

²³ These are funds that launched within the 12-month period or funds with portfolios that did not qualify for a rating in every month because less than 50% of assets were able to be scored.

Exhibit 20 Sustainable Funds Have Consistently High Morningstar Sustainability Ratings

Name	Sustainability Rating		
5 Globes (all 12 months)		44	} 48%
5 Globes (every month rated < 12)		16	
4.5 to 4.99 Globes (ave 12 month)		26	
4 to 4.49 Globes (ave 12 month)		33	} 29%
3.5 to 3.99 Globes (ave 12 month)		17	
2.5 to 3.49 Globes (ave 12 month)		24	14%
1.5 to 2.49 Globes (ave 12 month)		7	4%
1 to 1.49 Globes (ave 12 month)		11	6%

Source: Morningstar Direct. Based on Morningstar Sustainability Ratings, 10/2016-9/2017.

The highly rated sustainable funds also exhibit a higher level of consistency than the fund universe as a whole. Sustainable funds accounted for only 3.2% of all U.S. funds and ETFs that had sustainability ratings last month, yet they accounted for about 15% of the funds with 5-globe ratings. Over the past 12 months, they account for a full 20% of all funds that have posted consistent 5-globe ratings. Because funds with Portfolio Sustainability Scores that rank in the top 10% of each category receive 5 globes, there are typically more 5-globe slots to fill in a given category than there are sustainable funds. As a result, many conventional funds also receive 5 globes in any given rating period, but over time, sustainable funds have greater consistency.

Conclusion

This survey of the U.S. sustainable funds landscape leads to three broad conclusions. First, individual investors can find suitable sustainable funds to meet their investment needs more easily than ever before, given the number of fund choices now available across asset classes and investment styles and given their competitive performance. While the open-end funds in the group also have competitive fees, the ETFs tend to be more expensive. In an extremely competitive fee environment, small funds in the group that are not competitive on price may have trouble attracting enough assets to survive. Sustainable funds, of course, do not uniformly outperform, but, in general, their performance is good. In 2017, sustainable funds outperformed in foreign large blend and diversified emerging markets, and performed on par with the broader universe in U.S. large blend and intermediate bond. Across all categories, more sustainable funds have placed in their categories' top half than bottom half in each of the past three calendar years. And as measured by their star ratings, sustainable funds tend to have better risk-adjusted performance than the fund universe as a whole.

Second, while the range of sustainable investing choices now available is good for investors, it poses a due-diligence challenge. In this report, we have bucketed 235 funds as broadly defined sustainable investments, but their varied approaches quickly become apparent simply by comparing their prospectus language. They range from ESG as recently added-on supplement to an existing process to those that take a more outcome-oriented approach that aims to deliver a sustainability or impact return alongside financial return. The more-basic approach could serve the needs of many investors who simply want to add sustainability criteria as a consideration in their investments. Others are going to prefer more impactful outcome-oriented strategies. Those filling their entire asset allocation with sustainable funds, including model-builders, will have to decide whether to use only funds with more comprehensive approaches to sustainability or a mix of approaches depending on the asset class or investment category. This means that due diligence cannot be limited to simply analyzing the risk-return characteristics of sustainable funds, it must also consider and understand the differences in their approach to sustainability.

Finally, the sustainable funds universe still has room to grow in terms of AUM if not in the number of funds. Even the largest funds in the group have plenty of capacity. The group remains tiny compared with the overall fund universe, accounting for only about 3% of funds overall and less than 1% of overall AUM. Of our list of 235 funds, 102 lack three-year records and 100 have less than \$50 million in AUM. Those funds that build competitive track records will likely attract more assets and reach scale, but it would not be surprising to see some of the funds fail to do so.

Many larger asset managers are still considering how they want to approach sustainable investing. Virtually all of the largest fund companies in the U.S. are now signatories to the Principles for Responsible Investment, which commits them to incorporating ESG criteria into their investment processes. Most of their existing sustainable-investing assets are at the institutional level, but asset managers generally prefer to align their institutional and mutual-fund strategies. As a result, it would

not be surprising to see ESG criteria added to the prospectuses of more existing funds. This could also be a way for a fund company to resuscitate some of its inventory of actively managed funds that are experiencing ongoing outflows, enabling it to establish a sustainable-funds business without the costs of launching new funds.

Sustainable investing has plenty of potential for continued growth. From an individual investor standpoint, younger investors and women have the highest levels of interest in sustainable investing. Both of these demographics are increasing in prominence as investors. As their investable assets grow, more assets are likely to move into sustainable funds. Few defined-contribution retirement plans currently offer sustainable-fund options, less than 10% by one estimate.²⁴ Adding such options to DC plans can add to a firm's overall sustainability profile, which helps with employee engagement and attracts talent. As demand from plan participants grows, more viable options become available, including target-date funds, and plan administrators and gatekeepers become more comfortable with sustainable investing, more DC plans are likely to add sustainable funds to their lineups. ■■

²⁴ "How America Saves 2017," The Vanguard Group, 2017, <https://pressroom.vanguard.com/nonindexed/How-America-Saves-2017.pdf>.

Appendix

Exhibit A1 Sustainable Funds

Name	Morningstar Category	Inception Date	AUM–2017-12	Annual Return		Morningstar Rating Overall	Morningstar Sustainability Rating
				2017	% Rank Cat 2017		
1919 Socially Responsive Balanced B	Allocation–50% to 70% Equity	1/30/87	128,212,166	15.33	22	★★	🌐🌐🌐🌐
AB Impact Municipal Income	High Yield Muni	9/12/17	21,716,665	—	—	—	—
AB Sustainable Global Thematic A	World Large Stock	3/1/82	918,130,553	37.16	4	★★★★	🌐🌐🌐🌐
Access Capital Community Investment I	Intermediate Government	6/23/98	652,113,392	1.75	40	★★★★	—
AGF Global Sustainable Growth Equity I	World Large Stock	11/1/17	755,832	—	—	—	—
AIG ESG Dividend A	Large Value	12/16/16	27,263,278	13.65	77	—	🌐🌐🌐🌐🌐
Alger Responsible Investing A	Large Growth	12/4/00	61,541,040	27.44	52	★★	🌐🌐🌐🌐
AllianzGI Global Sustainability Instl	World Large Stock	12/9/14	28,433,183	24.52	37	★★★★	🌐🌐🌐🌐🌐
Amana Developing World Institutional	Diversified Emerging Mkts	9/25/13	31,036,552	21.71	94	★	🌐🌐🌐🌐🌐
Amana Growth Investor	Large Growth	2/3/94	1,699,016,531	28.98	42	★★★	🌐🌐🌐🌐🌐
Amana Income Investor	Large Blend	6/23/86	1,362,649,597	21.69	32	★★★★	🌐🌐🌐🌐🌐
American Beacon Glb Evt Ftr Mks Inc Inst	Emerging Markets Bond	2/25/14	181,121,953	15.26	2	★★★★	—
American Century Sustainable Equity A	Large Blend	11/30/04	239,905,663	25.52	6	★★★	🌐🌐🌐🌐🌐
AMG Managers Fairpointe ESG Equity I	Mid-Cap Value	12/24/14	8,036,643	18.50	10	★★★	🌐🌐🌐🌐🌐
Appleseed Investor	World Allocation	12/8/06	186,533,722	17.42	20	★★★★	🌐
Arabesque Systematic USA Institutional	Tactical Allocation	5/2/17	18,779,859	—	—	—	🌐🌐🌐
Aspiration Redwood	Large Blend	11/16/15	49,594,455	22.50	21	—	🌐🌐🌐🌐🌐
Baillie Gifford Global Select Eq Instl	World Large Stock	12/14/17	3,045,204	—	—	—	—
Baillie Gifford Positive Change Eq Instl	World Large Stock	12/14/17	1,016,366	—	—	—	—
Baywood Socially Responsible Instl	Large Value	1/3/05	8,639,466	16.73	43	★★	🌐🌐🌐🌐🌐
BlackRock Impact Bond K	Intermediate-Term Bond	8/23/16	23,954,132	3.38	69	—	🌐🌐🌐🌐
BlackRock Impact US Equity Institutional	Large Blend	10/5/15	50,983,953	21.61	34	—	🌐🌐🌐🌐
Boston Common International	Foreign Large Blend	12/29/10	232,566,777	26.39	35	★★	🌐🌐🌐🌐🌐
Boston Common US Equity	Large Growth	4/30/12	35,462,110	20.65	90	★★	🌐🌐🌐🌐🌐
Brown Advisory Sustainable Bond Investor	Intermediate-Term Bond	8/7/17	22,909,992	—	—	—	—
Brown Advisory Sustainable Growth I	Large Growth	6/29/12	497,517,621	28.10	47	★★★★	🌐🌐🌐🌐
Calvert Absolute Return Bond I	Nontraditional Bond	9/30/14	109,700,589	3.59	60	★★★★	—
Calvert Aggressive Allocation A	Allocation–85%+ Equity	6/30/05	145,223,754	20.26	41	★★★	—
Calvert Balanced A	Allocation–50% to 70% Equity	10/21/82	704,149,189	11.52	76	★★★	🌐🌐🌐🌐
Calvert Bond A	Intermediate-Term Bond	8/24/87	989,608,015	4.19	31	★★★	—
Calvert Conservative Allocation A	Allocation–30% to 50% Equity	4/29/05	197,476,516	9.65	59	★★★★	—
Calvert Emerging Markets Equity I	Diversified Emerging Mkts	10/31/12	517,768,047	44.71	7	★★★★★	🌐🌐🌐🌐
Calvert Equity A	Large Growth	8/24/87	2,207,510,449	25.79	61	★★★	🌐🌐🌐🌐🌐
Calvert Floating-Rate Advantage I	Bank Loan	10/10/17	52,507,727	—	—	—	—
Calvert Global Energy Solutions I	World Small/Mid Stock	5/31/07	89,363,065	29.64	27	★	🌐🌐🌐🌐
Calvert Global Water A	Natural Resources	9/30/08	471,132,115	18.88	46	★★★★	🌐🌐🌐🌐🌐
Calvert Green Bond I	Intermediate-Term Bond	10/31/13	105,987,396	3.37	63	★★★★	—
Calvert High Yield Bond I	High Yield Bond	7/9/01	188,125,878	6.09	64	★★★	—
Calvert Income A	Corporate Bond	10/12/82	505,301,151	6.57	26	★★	🌐🌐🌐🌐🌐
Calvert International Equity A	Foreign Large Value	7/2/92	218,624,762	21.25	65	★★	🌐🌐🌐🌐🌐

Exhibit A1 Sustainable Funds (Continued)

Name	Morningstar Category	Inception Date	Annual Return		% Rank Cat 2017	Morningstar Rating Overall	Morningstar Sustainability Rating
			AUM—2017-12	2017			
Calvert International Opportunities I	Foreign Small/Mid Blend	5/31/07	231,185,183	38.51	4	★★★	🌐🌐🌐🌐
Calvert International Responsible Idx I	Foreign Large Blend	10/30/15	67,318,119	25.30	49	—	🌐🌐🌐🌐🌐
Calvert Long-Term Income A	Long-Term Bond	12/31/04	87,350,732	9.47	60	★★★	—
Calvert Mid-Cap A	Mid-Cap Blend	10/31/94	253,780,776	11.70	88	★★	🌐🌐🌐🌐🌐
Calvert Moderate Allocation A	Allocation—50% to 70% Equity	4/29/05	279,988,416	15.07	25	★★★	—
Calvert Responsible Municipal Income A	Muni National Interm	8/23/83	144,516,144	5.00	32	★★★	—
Calvert Short Duration Income A	Short-Term Bond	1/31/02	1,339,322,995	2.17	23	★★★★	—
Calvert Small-Cap A	Small Blend	10/1/04	319,137,202	13.20	42	★★★★	🌐🌐🌐🌐
Calvert Ultra-Short Duration Income A	Ultrashort Bond	10/31/06	971,983,991	1.39	48	★★★★★	—
Calvert US Large Cap Core Rspnb Idx I	Large Blend	6/30/00	1,039,352,298	21.18	44	★★★★	🌐🌐🌐🌐🌐
Calvert US Large Cap Growth Rspnb Idx I	Large Growth	6/19/15	56,601,409	27.39	52	—	🌐🌐🌐🌐
Calvert US Large Cap Value Rspnb Idx I	Large Value	6/19/15	145,497,565	15.16	62	—	🌐🌐🌐🌐🌐
Calvert US Mid Cap Core Rspnb Idx I	Mid-Cap Blend	10/30/15	54,824,323	19.14	18	—	🌐🌐🌐🌐🌐
CCM Alternative Income Institutional	Multialternative	5/31/13	32,929,475	5.01	49	★★★	🌐🌐
ChangeFin Divrs Impact US LC Fossil Fuel Fr ETF	Large Blend	10/9/17	2,805,384	—	—	—	🌐🌐🌐🌐🌐
ClearBridge Dividend Strategy ESG ETF	Large Value	5/22/17	2,758,826	—	—	—	🌐🌐🌐🌐🌐
ClearBridge Large Cap Growth ESG ETF	Large Growth	5/22/17	2,923,745	—	—	—	🌐🌐🌐🌐🌐
ClearBridge Sustainability Leaders I	Large Growth	3/31/15	8,350,250	21.47	87	—	🌐🌐🌐🌐🌐
Columbia Sustainable Global Eq Inc ETF	World Large Stock	6/13/16	7,518,140	21.69	62	—	🌐🌐🌐🌐
Columbia Sustainable Intl Eq Inc ETF	Foreign Large Value	6/13/16	15,240,924	24.69	31	—	🌐🌐🌐🌐🌐
Columbia Sustainable US Equity Inc ETF	Large Value	6/13/16	4,413,507	19.67	15	—	🌐🌐🌐🌐
Columbia US Social Bond Inst	Muni National Long	3/26/15	44,432,289	6.25	37	—	—
CRA Qualified Investment CRA	Intermediate Government	8/30/99	2,131,921,276	2.17	19	★★★	—
DFA Intl Sustainability Core 1	Foreign Large Blend	3/12/08	811,178,505	27.26	26	★★★★	🌐🌐🌐
DFA US Sustainability Core 1	Large Blend	3/12/08	1,269,769,113	21.35	41	★★★★	🌐🌐
Domini Impact Bond Investor	Intermediate-Term Bond	6/1/00	153,091,513	3.84	45	★★	—
Domini Impact Equity Investor	Large Blend	6/3/91	874,672,132	15.42	92	★★	🌐🌐🌐🌐🌐
Domini Impact International Equity Inv	Foreign Large Value	12/27/06	1,258,616,301	24.60	32	★★★★★	🌐🌐🌐🌐🌐
Dreyfus Sustainable US Equity Z	Large Blend	3/29/72	311,754,686	15.16	93	★★	🌐🌐🌐🌐
Ecological Strategy ETF	Miscellaneous Sector	6/18/12	8,294,233	20.85	—	—	🌐🌐🌐🌐🌐
Essex Environmental Opportunities Instl	World Large Stock	9/1/17	5,643,388	—	—	—	🌐
Etho Climate Leadership US ETF	Mid-Cap Growth	11/18/15	23,686,696	23.55	55	—	🌐🌐🌐🌐
Eventide Gilead N	Mid-Cap Growth	7/1/08	1,584,438,968	32.85	6	★★★★	🌐🌐🌐
Eventide Global Div Opportunities I	World Large Stock	9/29/17	2,817,570	—	—	—	—
Eventide Healthcare & Life Sciences I	Health	12/27/12	457,403,086	45.83	2	★★★	🌐
Eventide Multi-Asset Income I	Allocation—50% to 70% Equity	7/15/15	95,088,650	11.98	69	—	🌐🌐🌐🌐🌐
Fidelity® Intl Sustainability Idx Instl	Foreign Large Blend	5/9/17	22,478,578	—	—	—	🌐🌐🌐🌐🌐
Fidelity® Select Envir and Alt Envy Port	Industrials	6/29/89	185,054,499	25.25	19	★★★	🌐🌐🌐🌐🌐
Fidelity® U.S. Sustainability IndexInstl	Large Blend	5/9/17	24,743,995	—	—	—	🌐🌐🌐🌐🌐
First Trust Global Wind Energy ETF	Miscellaneous Sector	6/16/08	98,202,463	16.28	—	—	🌐🌐🌐🌐
First Trust NASDAQ® Cln Edge® GrnEngyETF	Miscellaneous Sector	2/8/07	91,260,428	31.73	—	—	🌐
First Trust NASDAQ® Cln Edge®StGidlfsETF	Miscellaneous Sector	11/16/09	33,113,798	28.19	—	—	🌐🌐🌐🌐
First Trust Water ETF	Miscellaneous Sector	5/8/07	298,770,373	24.26	—	—	🌐🌐
Firsthand Alternative Energy	Technology	10/29/07	5,896,151	27.35	82	★	🌐🌐🌐
FlexShares STOXX Gbl ESG Impact ETF	World Large Stock	7/13/16	52,114,422	23.86	43	—	🌐🌐🌐🌐

Exhibit A1 Sustainable Funds (Continued)

Name	Morningstar Category	Inception Date	Annual Return		% Rank Cat 2017	Morningstar Rating Overall	Morningstar Sustainability Rating
			AUM–2017-12	2017			
FlexShares STOXX US ESG Impact ETF	Large Blend	7/13/16	14,135,656	21.37	40	—	🌐🌐🌐🌐
FundX Sustainable Impact	World Allocation	3/31/17	12,120,904	—	—	—	—
Gabelli ESG I	Large Blend	6/1/07	65,049,193	13.52	96	★★	🌐🌐🌐🌐
Glenmede Responsible ESG US Equity	Large Blend	12/22/15	14,916,906	22.84	17	—	🌐🌐🌐🌐🌐
Glenmede Women in Leadership US Eq	Large Value	12/22/15	12,975,170	23.19	3	—	🌐🌐🌐🌐🌐
Global X Conscious Companies ETF	Large Blend	7/11/16	49,291,574	23.04	16	—	🌐🌐🌐🌐🌐
GMO Climate Change III	World Large Stock	4/5/17	20,161,481	—	—	—	🌐🌐🌐🌐🌐
Green Century Balanced	Allocation–50% to 70% Equity	3/18/92	241,201,331	12.78	61	★★★	🌐🌐🌐🌐🌐
Green Century Equity	Large Growth	9/13/95	244,145,052	21.95	85	★★★	🌐🌐🌐🌐🌐
Green Century MSCI Intl Indx Instl	Foreign Large Blend	9/30/16	39,478,904	24.13	69	—	🌐🌐🌐🌐🌐
Guggenheim S&P Global Water ETF	Miscellaneous Sector	5/14/07	614,478,734	26.74	—	—	🌐🌐🌐🌐
Guggenheim Solar ETF	Miscellaneous Sector	4/15/08	445,528,781	54.22	—	—	🌐
Hartford Environmental Opportunities Y	World Small/Mid Stock	2/29/16	39,909,929	21.86	67	—	🌐🌐🌐🌐🌐
Hartford Global Impact I	World Small/Mid Stock	2/28/17	29,475,238	—	—	—	🌐🌐🌐🌐
Hartford Schroders Emerging Mkts Eq I	Diversified Emerging Mkts	3/31/06	2,867,186,636	40.87	19	★★★★	🌐🌐
Hartford Schroders International Stk I	Foreign Large Blend	12/20/85	194,033,305	29.69	10	★★★★	🌐🌐🌐🌐
Invesco Global Responsibility Equity Y	World Large Stock	7/1/16	6,926,875	24.10	41	—	🌐🌐🌐🌐🌐
iShares ESG 1-5 Year USD Corp Bd ETF	Short-Term Bond	7/11/17	13,674,601	—	—	—	🌐🌐🌐🌐🌐
iShares ESG USD Corporate Bond ETF	Corporate Bond	7/11/17	10,109,078	—	—	—	🌐🌐🌐🌐🌐
iShares Global Clean Energy ETF	Miscellaneous Sector	6/24/08	140,346,266	20.48	—	—	🌐🌐🌐
iShares MSCI ACWI Low Carbon Target ETF	World Large Stock	12/8/14	497,668,418	23.71	44	★★★	🌐🌐🌐
iShares MSCI EAFE ESG Optimized ETF	Foreign Large Blend	6/28/16	135,716,157	25.21	52	—	🌐🌐🌐🌐🌐
iShares MSCI EM ESG Optimized ETF	Diversified Emerging Mkts	6/28/16	169,270,526	37.89	32	—	🌐🌐🌐🌐🌐
iShares MSCI Global Impact ETF	World Large Stock	4/20/16	26,432,729	26.93	25	—	🌐🌐🌐🌐🌐
iShares MSCI KLD 400 Social ETF	Large Blend	11/14/06	1,005,981,801	20.96	51	★★★★	🌐🌐🌐🌐🌐
iShares MSCI USA ESG Optimized ETF	Large Blend	12/1/16	20,342,059	21.25	43	—	🌐🌐🌐🌐🌐
iShares MSCI USA ESG Select ETF	Large Blend	1/24/05	643,722,447	22.52	21	★★★	🌐🌐🌐🌐🌐
JHancock ESG All Cap Core R6	Large Growth	6/6/16	21,019,271	18.56	95	—	🌐🌐🌐🌐🌐
JHancock ESG Core Bond I	Intermediate-Term Bond	12/14/16	51,817,114	1.82	96	—	—
JHancock ESG International Equity I	Foreign Large Blend	12/14/16	56,919,815	30.63	6	—	🌐🌐🌐
JHancock ESG Large Cap Core R6	Large Blend	6/6/16	39,134,264	16.63	87	—	🌐🌐🌐🌐🌐
JPMorgan Corporate Bond I	Corporate Bond	3/1/13	858,581,378	6.88	22	★★★★	🌐🌐🌐🌐
JPMorgan Emerging Markets Equity A	Diversified Emerging Mkts	9/28/01	4,806,092,495	42.14	14	★★★★	🌐🌐🌐🌐
JPMorgan Intrepid Sustainable Equity I	Large Blend	2/28/03	20,661,896	21.28	42	★★★	🌐🌐🌐🌐🌐
JPMorgan Municipal Income I	Muni National Interm	2/9/93	239,852,247	3.80	74	★★★	—
KraneShares MSCI China Environment ETF	China Region	10/13/17	6,391,374	—	—	—	🌐🌐🌐
Matthews Asia ESG Institutional	Pacific/Asia ex-Japan Stk	4/30/15	18,060,778	30.72	72	—	🌐🌐🌐🌐
Miller/Howard Income-Equity I	Large Value	12/31/15	111,271,622	13.59	78	—	🌐🌐🌐🌐🌐
Mirova Global Green Bond Y	World Bond	2/28/17	25,987,591	—	—	—	—
Mirova Global Sustainable Equity Y	World Large Stock	3/31/16	67,758,678	30.75	14	—	🌐🌐🌐🌐
Morgan Stanley Inst Asia Opp I	Pacific/Asia ex-Japan Stk	12/29/15	19,208,887	76.82	1	—	🌐
Morgan Stanley Inst EMkts Ldrs I	Diversified Emerging Mkts	1/6/15	90,130,064	26.01	86	—	🌐🌐🌐🌐🌐
Morgan Stanley Inst Global Opp I	World Large Stock	5/30/08	1,818,559,155	49.44	1	★★★★★	🌐
Morgan Stanley Inst International Opp I	Foreign Large Growth	3/31/10	619,987,336	53.38	1	★★★★★	🌐
Morgan Stanley Inst Intl Advgt I	Foreign Large Growth	12/28/10	316,251,715	44.75	4	★★★★★	🌐

Exhibit A1 Sustainable Funds (Continued)

Name	Morningstar Category	Inception Date	Annual Return			Morningstar Rating Overall	Morningstar Sustainability Rating
			AUM—2017-12	2017	% Rank Cat 2017		
Nationwide Global Sust Eq R6	World Large Stock	1/28/94	57,408,854	24.62	36	★★★	🌐🌐🌐🌐
Nationwide Max Divers US Cor Eq ETF	Large Blend	9/15/17	113,687,088	—	—	—	🌐🌐
Natixis Sustainable Future 2015 N	Target-Date 2015	2/28/17	4,421,018	—	—	—	—
Natixis Sustainable Future 2020 N	Target-Date 2020	2/28/17	4,477,514	—	—	—	—
Natixis Sustainable Future 2025 N	Target-Date 2025	2/28/17	3,394,352	—	—	—	—
Natixis Sustainable Future 2030 N	Target-Date 2030	2/28/17	2,906,903	—	—	—	—
Natixis Sustainable Future 2035 N	Target-Date 2035	2/28/17	2,968,711	—	—	—	—
Natixis Sustainable Future 2040 N	Target-Date 2040	2/28/17	2,941,433	—	—	—	—
Natixis Sustainable Future 2045 N	Target-Date 2045	2/28/17	2,432,013	—	—	—	—
Natixis Sustainable Future 2050 N	Target-Date 2050	2/28/17	2,377,040	—	—	—	—
Natixis Sustainable Future 2055 N	Target-Date 2055	2/28/17	2,395,198	—	—	—	—
Natixis Sustainable Future 2060 N	Target-Date 2060+	2/28/17	2,444,087	—	—	—	—
Neuberger Berman AMT Social Responsive I	Large Growth	2/18/99	465,492,556	18.43	95	★★★	🌐🌐🌐🌐
Neuberger Berman Socially Rspns Inv	Large Growth	3/16/94	2,357,059,897	18.57	95	★★★	🌐🌐🌐🌐
New Alternatives A	World Small/Mid Stock	9/3/82	205,998,858	21.23	69	★★	🌐🌐🌐
Northern Global Sustainability Index	World Large Stock	3/5/08	378,480,895	21.20	67	★★★	🌐🌐🌐🌐🌐
Northern US Quality ESG	Large Blend	10/2/17	12,513,657	—	—	—	—
NuShares ESG Emerging Markets Equity ETF	Diversified Emerging Mkts	6/6/17	37,935,555	—	—	—	🌐🌐🌐🌐🌐
NuShares ESG Intl Dev Mkts Eq ETF	Foreign Large Blend	6/6/17	40,275,183	—	—	—	🌐🌐🌐🌐🌐
NuShares ESG Large-Cap Growth ETF	Large Growth	12/13/16	40,318,880	25.27	65	—	🌐🌐🌐🌐🌐
NuShares ESG Large-Cap Value ETF	Large Value	12/13/16	39,916,193	16.48	45	—	🌐🌐🌐🌐🌐
NuShares ESG Mid-Cap Growth ETF	Mid-Cap Growth	12/13/16	39,411,853	19.66	79	—	🌐🌐🌐🌐🌐
NuShares ESG Mid-Cap Value ETF	Mid-Cap Value	12/13/16	37,924,942	15.08	30	—	🌐🌐🌐🌐🌐
NuShares ESG Small-Cap ETF	Small Blend	12/13/16	41,227,471	16.62	12	—	🌐🌐🌐🌐🌐
NuShares ESG US Aggregate Bond ETF	Intermediate-Term Bond	9/29/17	42,382,684	—	—	—	—
Oppenheimer ESG Revenue ETF	Large Blend	10/28/16	24,812,595	18.32	78	—	🌐🌐🌐🌐🌐
Oppenheimer Global ESG Revenue ETF	World Large Stock	10/27/16	23,308,561	27.73	21	—	🌐🌐🌐🌐🌐
Parnassus	Large Blend	12/27/84	1,085,879,775	16.08	90	★★★★	🌐🌐🌐🌐
Parnassus Asia	Diversified Pacific/Asia	4/30/13	16,362,557	20.39	89	★	🌐🌐🌐🌐
Parnassus Core Equity Investor	Large Blend	8/31/92	16,157,259,603	16.58	88	★★★★	🌐🌐🌐🌐
Parnassus Endeavor Investor	Large Blend	4/29/05	5,210,147,475	19.81	66	★★★★★	🌐🌐🌐🌐
Parnassus Fixed-Income	Intermediate-Term Bond	8/31/92	229,527,833	3.10	72	★★	🌐🌐🌐🌐
Parnassus Mid-Cap	Mid-Cap Blend	4/29/05	2,802,512,071	15.79	57	★★★★	🌐🌐🌐🌐
Pax Balanced Individual Investor	Allocation—50% to 70% Equity	8/10/71	2,001,914,346	13.16	56	★★★	—
Pax Core Bond Fund Institutional	Intermediate-Term Bond	12/16/16	698,694,703	2.82	82	—	—
Pax Ellevest Global Women's Idx Indv Inv	World Large Stock	10/1/93	182,013,529	24.86	34	★★★★	🌐🌐🌐🌐🌐
Pax ESG Beta Dividend Fund Institutional	Large Blend	12/16/16	149,531,373	19.44	69	—	🌐🌐🌐🌐🌐
Pax ESG Beta Quality Individual Investor	Large Blend	6/11/97	212,601,380	21.89	27	★★★	🌐🌐🌐🌐🌐
Pax Global Environmental Mkts Instl	World Small/Mid Stock	3/27/08	609,328,664	26.79	38	★★★	🌐🌐🌐🌐🌐
Pax High Yield Bond Individual Investor	High Yield Bond	10/8/99	412,214,544	6.37	56	★★	—
Pax Large Cap Fund Institutional	Large Blend	12/16/16	719,386,989	20.96	51	—	🌐🌐🌐🌐🌐
Pax Mid Cap Institutional	Mid-Cap Blend	3/31/16	139,661,273	13.91	71	—	🌐🌐🌐🌐🌐
Pax MSCI EAFE ESG Leaders Index Instl	Foreign Large Blend	1/27/11	683,751,877	23.34	77	★★★	🌐🌐🌐🌐🌐
Pax Small Cap Institutional	Small Blend	3/27/08	831,521,718	9.10	79	★★★★	🌐🌐🌐
PIMCO Low Duration ESG Institutional	Short-Term Bond	12/31/96	221,229,553	1.69	45	★★★★	—

Exhibit A1 Sustainable Funds (Continued)

Name	Morningstar Category	Inception Date	Annual Return		% Rank Cat 2017	Morningstar Rating Overall	Morningstar Sustainability Rating
			AUM–2017-12	2017			
PIMCO Total Return ESG Institutional	Intermediate-Term Bond	5/1/91	979,516,532	4.46	24	★★★★	—
Portfolio 21 Global Equity R	World Large Stock	9/30/99	501,040,945	27.86	20	★★★	🌐🌐🌐🌐
PowerShares Cleantech ETF	Miscellaneous Sector	10/24/06	145,980,355	30.26	—	—	🌐🌐🌐🌐
PowerShares Global Clean Energy ETF	Miscellaneous Sector	6/13/07	58,945,790	27.76	—	—	🌐🌐🌐
PowerShares Global Water ETF	Miscellaneous Sector	6/13/20017	191,642,700	26.17	—	—	🌐🌐🌐🌐
PowerShares Water Resources ETF	Miscellaneous Sector	12/6/05	839,692,432	23.56	—	—	🌐🌐🌐
PowerShares WilderHill Clean Energy ETF	Miscellaneous Sector	3/3/05	114,190,621	39.79	—	—	🌐
PowerShares WilderHill Prog Engy ETF	Miscellaneous Sector	10/24/06	21,551,104	5.11	—	—	🌐🌐
Praxis Genesis Balanced A	Allocation–50% to 70% Equity	12/31/09	71,985,614	13.38	53	★★★	—
Praxis Genesis Conservative A	Allocation–30% to 50% Equity	12/31/09	22,715,309	8.36	78	★★	—
Praxis Genesis Growth A	Allocation–70% to 85% Equity	12/31/09	63,504,053	16.71	47	★★★	—
Praxis Growth Index I	Large Growth	5/1/07	257,993,053	26.78	56	★★★★	🌐🌐🌐🌐
Praxis Impact Bond A	Intermediate-Term Bond	5/12/99	522,737,025	3.11	72	★★★	—
Praxis International Index I	Foreign Large Blend	12/31/10	281,619,914	25.67	42	★★	🌐🌐🌐
Praxis Small Cap Index I	Small Blend	5/1/07	52,900,299	11.22	64	★★	🌐🌐🌐
Praxis Value Index A	Large Value	5/1/01	188,254,478	16.31	47	★★★	🌐🌐🌐🌐
ProShares S&P 500® ex-Energy ETF	Large Blend	9/22/15	6,962,696	23.26	15	—	🌐🌐🌐🌐
RBC BlueBay High Yield Bond I	High Yield Bond	11/30/11	38,301,626	6.72	48	★★★★	—
RBC Emerging Markets Equity I	Diversified Emerging Mkts	12/20/13	623,828,992	35.12	50	★★★	🌐🌐🌐🌐
RBC Emerging Markets Small Cap Eq I	Diversified Emerging Mkts	12/20/13	6,343,647	25.77	87	★★	—
RBC Global Opportunities I	World Large Stock	12/3/14	10,050,579	34.27	7	★★★★★	🌐🌐
RBC Impact Bond I	Intermediate-Term Bond	12/18/17	4,995,770	—	—	—	—
RBC International Opportunities I	Foreign Large Growth	12/3/14	64,483,884	33.13	29	★★	🌐🌐🌐🌐
Riverbridge Eco Leaders® Institutional	Mid-Cap Growth	12/31/14	2,760,195	23.98	52	★★★★	🌐🌐🌐🌐
Sage ESG Intermediate Credit ETF	Corporate Bond	10/30/17	9,945,439	—	—	—	🌐🌐🌐🌐
Saturna Sustainable Bond	World Bond	3/27/15	23,266,467	5.90	64	—	—
Saturna Sustainable Equity	World Large Stock	3/27/15	5,210,677	23.76	44	—	🌐🌐🌐🌐
Shelton California Tax-Free Income	Muni California Intermediate	12/4/85	72,000,994	3.35	87	★★★	—
Shelton Green Alpha	Mid-Cap Growth	3/12/13	46,218,784	29.52	14	★★	🌐🌐🌐🌐
Sit ESG Growth I	Large Growth	7/1/16	5,745,938	23.72	77	—	🌐🌐🌐🌐
SPDR® MSCI ACWI Low Carbon Target ETF	World Large Stock	11/25/14	152,856,888	23.63	45	★★★★★	🌐🌐🌐
SPDR® MSCI EAFE Fossil Fuel Free ETF	Foreign Large Blend	10/24/16	50,856,622	24.70	61	—	🌐🌐🌐🌐
SPDR® MSCI Em Mkts Fossil Fuel Free ETF	Diversified Emerging Mkts	10/24/16	24,288,653	38.38	28	—	🌐🌐🌐
SPDR® S&P 500 Fossil Fuel Rsrv Free ETF	Large Blend	11/30/15	200,404,168	22.88	17	—	🌐🌐🌐🌐
SPDR® SSGA Gender Diversity ETF	Large Blend	3/7/16	360,692,371	19.68	67	—	🌐🌐🌐🌐
TCW Developing Markets Equity I	Diversified Emerging Mkts	6/30/15	6,475,173	35.66	45	—	🌐🌐🌐🌐
TCW New America Premier Equities I	Large Growth	1/29/16	19,364,507	38.04	3	—	🌐🌐🌐🌐
Thornburg Better World International I	Foreign Large Blend	9/30/15	76,278,414	22.87	81	—	🌐🌐🌐🌐
TIAA-CREF Social Choice Bond Instl	Intermediate-Term Bond	9/21/12	1,715,087,422	4.51	23	★★★★★	—
TIAA-CREF Social Choice Eq Instl	Large Blend	7/1/99	3,059,067,271	20.93	51	★★★	🌐🌐🌐🌐
TIAA-CREF Social Choice Intl Eq Instl	Foreign Large Blend	8/7/15	55,164,738	24.52	63	—	🌐🌐🌐🌐
TIAA-CREF Social Choice LwCrbn Eq Instl	Large Blend	8/7/15	97,850,077	20.86	53	—	🌐🌐🌐🌐
Touchstone Premium Yield Equity A	Large Value	12/3/07	124,049,297	12.43	86	★★	🌐🌐🌐🌐
Touchstone Sustainability & Imp Eq A	World Large Stock	12/19/97	769,656,145	25.74	29	★★★★	🌐🌐🌐
Touchstone Total Return Bond Y	Intermediate-Term Bond	11/15/91	280,853,162	3.94	40	★★★★	—

Exhibit A1 Sustainable Funds (Continued)

Name	Morningstar Category	Inception Date	Annual Return		% Rank Cat 2017	Morningstar Rating Overall	Morningstar Sustainability Rating
			AUM–2017-12	2017			
Trillium Small/Mid Cap Institutional	Mid-Cap Growth	8/31/15	14,516,056	18.97	86	—	
UBS International Sustainable Equity P	Foreign Large Blend	8/31/93	41,475,619	31.21	5	★★★★	
UBS US Sustainable Equity P	Large Blend	2/22/94	31,060,519	19.11	72	★★	
VanEck Vectors Environmental Svcs ETF	Industrials	10/10/06	17,299,350	15.78	94	★★	
VanEck Vectors Global Alt Energy ETF	Miscellaneous Sector	5/3/07	87,351,507	21.89	—	—	
VanEck Vectors Green Bond ETF	World Bond	3/3/17	13,446,507	—	—	—	—
Vanguard FTSE Social Index Inv	Large Blend	5/31/00	3,905,146,250	24.11	10	★★★★★	
Vert Global Sustainable Real Estt Instl	Global Real Estate	10/31/17	4,176,874	—	—	—	—
Walden Asset Management	Allocation–70% to 85% Equity	6/18/99	121,436,641	14.88	71	★★★★★	
Walden Equity	Large Blend	6/18/99	197,421,761	20.77	55	★★★★	
Walden International Equity	Foreign Large Blend	6/9/15	41,026,160	19.92	92	—	
Walden Midcap	Mid-Cap Growth	8/1/11	46,565,651	19.62	81	★★★	
Walden Small Cap	Small Growth	10/24/08	98,138,307	11.50	94	★★	
Walden SMID Cap	Mid-Cap Blend	6/28/12	45,634,245	16.94	42	★★★	
Workplace Equality ETF	Large Blend	2/24/14	18,026,898	20.65	57	★★★	

Source: Morningstar Direct. Data as of 12/17/2017.

Exhibit A2 Sustainable Funds Ranked by Inception Date

Name	Morningstar Category	Inception Date	Annual Return			Morningstar Rating Overall	Morningstar Sustainability Rating
			AUM—2017-12	2017	% Rank Cat 2017		
RBC Impact Bond I	Intermediate-Term Bond	12/18/17	4,995,770	—	—	—	—
Baillie Gifford Global Select Eq Instl	World Large Stock	12/14/17	3,045,204	—	—	—	—
Baillie Gifford Positive Change Eq Instl	World Large Stock	12/14/17	1,016,366	—	—	—	—
AGF Global Sustainable Growth Equity I	World Large Stock	11/1/17	755,832	—	—	—	—
Vert Global Sustainable Real Estt Instl	Global Real Estate	10/31/17	4,176,874	—	—	—	—
Sage ESG Intermediate Credit ETF	Corporate Bond	10/30/17	9,945,439	—	—	—	●●●●●●●●
KraneShares MSCI China Environment ETF	China Region	10/13/17	6,391,374	—	—	—	●●●●
Calvert Floating-Rate Advantage I	Bank Loan	10/10/17	52,507,727	—	—	—	—
ChangeFin Divrs Impact US LC Fossil Fuel Fr ETF	Large Blend	10/9/17	2,805,384	—	—	—	●●●●●●●●
Northern US Quality ESG	Large Blend	10/2/17	12,513,657	—	—	—	—
Eventide Global Div Opportunities I	World Large Stock	9/29/17	2,817,570	—	—	—	—
NuShares ESG US Aggregate Bond ETF	Intermediate-Term Bond	9/29/17	42,382,684	—	—	—	—
Nationwide Max Divers US Cor Eq ETF	Large Blend	9/15/17	113,687,088	—	—	—	●●●●
AB Impact Municipal Income	High Yield Muni	9/12/17	21,716,665	—	—	—	—
Essex Environmental Opportunities Instl	World Large Stock	9/1/17	5,643,388	—	—	—	●●
Brown Advisory Sustainable Bond Investor	Intermediate-Term Bond	8/7/17	22,909,992	—	—	—	—
iShares ESG 1-5 Year USD Corp Bd ETF	Short-Term Bond	7/11/17	13,674,601	—	—	—	●●●●●●●●
iShares ESG USD Corporate Bond ETF	Corporate Bond	7/11/17	10,109,078	—	—	—	●●●●●●●●
NuShares ESG Emerging Markets Equity ETF	Diversified Emerging Mkts	6/6/17	37,935,555	—	—	—	●●●●●●●●
NuShares ESG Intl Dev Mkts Eq ETF	Foreign Large Blend	6/6/17	40,275,183	—	—	—	●●●●●●●●
ClearBridge Dividend Strategy ESG ETF	Large Value	5/22/17	2,758,826	—	—	—	●●●●●●●●
ClearBridge Large Cap Growth ESG ETF	Large Growth	5/22/17	2,923,745	—	—	—	●●●●●●●●
Fidelity® Intl Sustainability Idx Instl	Foreign Large Blend	5/9/17	22,478,578	—	—	—	●●●●●●●●
Fidelity® U.S. Sustainability IndexInstl	Large Blend	5/9/17	24,743,995	—	—	—	●●●●●●●●
Arabesque Systematic USA Institutional	Tactical Allocation	5/2/17	18,779,859	—	—	—	●●●●●
GMO Climate Change III	World Large Stock	4/5/17	20,161,481	—	—	—	●●●●●●●●
FundX Sustainable Impact	World Allocation	3/31/17	12,120,904	—	—	—	—
VanEck Vectors Green Bond ETF	World Bond	3/3/17	13,446,507	—	—	—	—
Hartford Global Impact I	World Small/Mid Stock	2/28/17	29,475,238	—	—	—	●●●●●●●●
Mirova Global Green Bond Y	World Bond	2/28/17	25,987,591	—	—	—	—
Natixis Sustainable Future 2015 N	Target-Date 2015	2/28/17	4,421,018	—	—	—	—
Natixis Sustainable Future 2020 N	Target-Date 2020	2/28/17	4,477,514	—	—	—	—
Natixis Sustainable Future 2025 N	Target-Date 2025	2/28/17	3,394,352	—	—	—	—
Natixis Sustainable Future 2030 N	Target-Date 2030	2/28/17	2,906,903	—	—	—	—
Natixis Sustainable Future 2035 N	Target-Date 2035	2/28/17	2,968,711	—	—	—	—
Natixis Sustainable Future 2040 N	Target-Date 2040	2/28/17	2,941,433	—	—	—	—
Natixis Sustainable Future 2045 N	Target-Date 2045	2/28/17	2,432,013	—	—	—	—
Natixis Sustainable Future 2050 N	Target-Date 2050	2/28/17	2,377,040	—	—	—	—
Natixis Sustainable Future 2055 N	Target-Date 2055	2/28/17	2,395,198	—	—	—	—
Natixis Sustainable Future 2060 N	Target-Date 2060+	2/28/17	2,444,087	—	—	—	—
AIG ESG Dividend A	Large Value	12/16/16	27,263,278	13.65	77	—	●●●●●●●●
Pax Core Bond Fund Institutional	Intermediate-Term Bond	12/16/16	698,694,703	2.82	82	—	—
Pax ESG Beta Dividend Fund Institutional	Large Blend	12/16/16	149,531,373	19.44	69	—	●●●●●●●●
Pax Large Cap Fund Institutional	Large Blend	12/16/16	719,386,989	20.96	51	—	●●●●●●●●
JHancock ESG Core Bond I	Intermediate-Term Bond	12/14/16	51,817,114	1.82	96	—	—

Exhibit A2 Sustainable Funds Ranked by Inception Date (Continued)

Name	Morningstar Category	Inception Date	Annual Return		% Rank Cat 2017	Morningstar Rating Overall	Morningstar Sustainability Rating
			AUM–2017-12	2017			
JHancock ESG International Equity I	Foreign Large Blend	12/14/16	56,919,815	30.63	6	—	●●●●
NuShares ESG Large-Cap Growth ETF	Large Growth	12/13/16	40,318,880	25.27	65	—	●●●●●●
NuShares ESG Large-Cap Value ETF	Large Value	12/13/16	39,916,193	16.48	45	—	●●●●●●
NuShares ESG Mid-Cap Growth ETF	Mid-Cap Growth	12/13/16	39,411,853	19.66	79	—	●●●●●●
NuShares ESG Mid-Cap Value ETF	Mid-Cap Value	12/13/16	37,924,942	15.08	30	—	●●●●●●
NuShares ESG Small-Cap ETF	Small Blend	12/13/16	41,227,471	16.62	12	—	●●●●●●
iShares MSCI USA ESG Optimized ETF	Large Blend	12/1/16	20,342,059	21.25	43	—	●●●●●●
Oppenheimer ESG Revenue ETF	Large Blend	10/28/16	24,812,595	18.32	78	—	●●●●●●
Oppenheimer Global ESG Revenue ETF	World Large Stock	10/27/16	23,308,561	27.73	21	—	●●●●●●
SPDR® MSCI EAFE Fossil Fuel Free ETF	Foreign Large Blend	10/24/16	50,856,622	24.70	61	—	●●●●●
SPDR® MSCI Em Mkts Fossil Fuel Free ETF	Diversified Emerging Mkts	10/24/16	24,288,653	38.38	28	—	●●●●
Green Century MSCI Intl Indx Instl	Foreign Large Blend	9/30/16	39,478,904	24.13	69	—	●●●●●●
BlackRock Impact Bond K	Intermediate-Term Bond	8/23/16	23,954,132	3.38	69	—	●●●●●●
FlexShares STOXX GIBL ESG Impact ETF	World Large Stock	7/13/16	52,114,422	23.86	43	—	●●●●●●
FlexShares STOXX US ESG Impact ETF	Large Blend	7/13/16	14,135,656	21.37	40	—	●●●●●●
Global X Conscious Companies ETF	Large Blend	7/11/16	49,291,574	23.04	16	—	●●●●●●
Invesco Global Responsibility Equity Y	World Large Stock	7/1/16	6,926,875	24.10	41	—	●●●●●●
Sit ESG Growth I	Large Growth	7/1/16	5,745,938	23.72	77	—	●●●●●●
iShares MSCI EAFE ESG Optimized ETF	Foreign Large Blend	6/28/16	135,716,157	25.21	52	—	●●●●●●
iShares MSCI EM ESG Optimized ETF	Diversified Emerging Mkts	6/28/16	169,270,526	37.89	32	—	●●●●●●
Columbia Sustainable Global Eq Inc ETF	World Large Stock	6/13/16	7,518,140	21.69	62	—	●●●●●●
Columbia Sustainable Intl Eq Inc ETF	Foreign Large Value	6/13/16	15,240,924	24.69	31	—	●●●●●●
Columbia Sustainable US Equity Inc ETF	Large Value	6/13/16	4,413,507	19.67	15	—	●●●●●●
JHancock ESG All Cap Core R6	Large Growth	6/6/16	21,019,271	18.56	95	—	●●●●●●
JHancock ESG Large Cap Core R6	Large Blend	6/6/16	39,134,264	16.63	87	—	●●●●●●
iShares MSCI Global Impact ETF	World Large Stock	4/20/16	26,432,729	26.93	25	—	●●●●●●
Mirova Global Sustainable Equity Y	World Large Stock	3/31/16	67,758,678	30.75	14	—	●●●●●●
Pax Mid Cap Institutional	Mid-Cap Blend	3/31/16	139,661,273	13.91	71	—	●●●●●●
SPDR® SSGA Gender Diversity ETF	Large Blend	3/7/16	360,692,371	19.68	67	—	●●●●●●
Hartford Environmental Opportunities Y	World Small/Mid Stock	2/29/16	39,909,929	21.86	67	—	●●●●●●
TCW New America Premier Equities I	Large Growth	1/29/16	19,364,507	38.04	3	—	●●●●●●
Miller/Howard Income-Equity I	Large Value	12/31/15	111,271,622	13.59	78	—	●●●●●●
Morgan Stanley Inst Asia Opp I	Pacific/Asia ex-Japan Stk	12/29/15	19,208,887	76.82	1	—	●
Glenmede Responsible ESG US Equity	Large Blend	12/22/15	14,916,906	22.84	17	—	●●●●●●
Glenmede Women in Leadership US Eq	Large Value	12/22/15	12,975,170	23.19	3	—	●●●●●●
SPDR® S&P 500 Fossil Fuel Rsrv Free ETF	Large Blend	11/30/15	200,404,168	22.88	17	—	●●●●●●
Etho Climate Leadership US ETF	Mid-Cap Growth	11/18/15	23,686,696	23.55	55	—	●●●●●●
Aspiration Redwood	Large Blend	11/16/15	49,594,455	22.50	21	—	●●●●●●
Calvert International Responsible Idx I	Foreign Large Blend	10/30/15	67,318,119	25.30	49	—	●●●●●●
Calvert US Mid Cap Core Rspnb Idx I	Mid-Cap Blend	10/30/15	54,824,323	19.14	18	—	●●●●●●
BlackRock Impact US Equity Institutional	Large Blend	10/5/15	50,983,953	21.61	34	—	●●●●●●
Thornburg Better World International I	Foreign Large Blend	9/30/15	76,278,414	22.87	81	—	●●●●●●
ProShares S&P 500® ex-Energy	Large Blend	9/22/15	6,962,696	23.26	15	—	●●●●●●
Trillium Small/Mid Cap Institutional	Mid-Cap Growth	8/31/15	14,516,056	18.97	86	—	●●●●●●
TIAA-CREF Social Choice Intl Eq Instl	Foreign Large Blend	8/7/15	55,164,738	24.52	63	—	●●●●●●

Exhibit A2 Sustainable Funds Ranked by Inception Date (Continued)

Name	Morningstar Category	Inception Date	Annual Return		% Rank Cat 2017	Morningstar Rating Overall	Morningstar Sustainability Rating
			AUM–2017-12	2017			
TIAA-CREF Social Choice LwCrbn Eq Instl	Large Blend	8/7/15	97,850,077	20.86	53	—	🌐🌐🌐🌐🌐
Eventide Multi-Asset Income I	Allocation–50% to 70% Equity	7/15/15	95,088,650	11.98	69	—	🌐🌐🌐🌐🌐
TCW Developing Markets Equity I	Diversified Emerging Mkts	6/30/15	6,475,173	35.66	45	—	🌐🌐🌐🌐
Calvert US Large Cap Growth Rspnb Idx I	Large Growth	6/19/15	56,601,409	27.39	52	—	🌐🌐🌐🌐
Calvert US Large Cap Value Rspnb Idx I	Large Value	6/19/15	145,497,565	15.16	62	—	🌐🌐🌐🌐🌐
Walden International Equity	Foreign Large Blend	6/9/15	41,026,160	19.92	92	—	🌐🌐🌐🌐🌐
Matthews Asia ESG Institutional	Pacific/Asia ex-Japan Stk	4/30/15	18,060,778	30.72	72	—	🌐🌐🌐🌐
ClearBridge Sustainability Leaders I	Large Growth	3/31/15	8,350,250	21.47	87	—	🌐🌐🌐🌐🌐
Saturna Sustainable Bond	World Bond	3/27/15	23,266,467	5.90	64	—	—
Saturna Sustainable Equity	World Large Stock	3/27/15	5,210,677	23.76	44	—	🌐🌐🌐🌐🌐
Columbia US Social Bond Inst	Muni National Long	3/26/15	44,432,289	6.25	37	—	—
Morgan Stanley Inst EMkts Ldrs I	Diversified Emerging Mkts	1/6/15	90,130,064	26.01	86	—	🌐🌐🌐🌐🌐
Riverbridge Eco Leaders® Institutional	Mid-Cap Growth	12/31/14	2,760,195	23.98	52	★★★★	🌐🌐🌐🌐
AMG Managers Fairpointe ESG Equity I	Mid-Cap Value	12/24/14	8,036,643	18.50	10	★★★	🌐🌐🌐🌐🌐
AllianzGI Global Sustainability Instl	World Large Stock	12/9/14	28,433,183	24.52	37	★★★★	🌐🌐🌐🌐🌐
iShares MSCI ACWI Low Carbon Target ETF	World Large Stock	12/8/14	497,668,418	23.71	44	★★★	🌐🌐🌐
RBC Global Opportunities I	World Large Stock	12/3/14	10,050,579	34.27	7	★★★★★	🌐🌐
RBC International Opportunities I	Foreign Large Growth	12/3/14	64,483,884	33.13	29	★★	🌐🌐🌐🌐
SPDR® MSCI ACWI Low Carbon Target ETF	World Large Stock	11/25/14	152,856,888	23.63	45	★★★	🌐🌐🌐
Calvert Absolute Return Bond I	Nontraditional Bond	9/30/14	109,700,589	3.59	60	★★★★	—
American Beacon Glb Evl Ftr Mks Inc Inst	Emerging Markets Bond	2/25/14	181,121,953	15.26	2	★★★★	—
Workplace Equality ETF	Large Blend	2/24/14	18,026,898	20.65	57	★★★	🌐🌐🌐🌐🌐
RBC Emerging Markets Equity I	Diversified Emerging Mkts	12/20/13	623,828,992	35.12	50	★★★	🌐🌐🌐🌐🌐
RBC Emerging Markets Small Cap Eq I	Diversified Emerging Mkts	12/20/13	6,343,647	25.77	87	★★	—
Calvert Green Bond I	Intermediate-Term Bond	10/31/13	105,987,396	3.37	63	★★★★	—
Amana Developing World Institutional	Diversified Emerging Mkts	9/25/13	31,036,552	21.71	94	★	🌐🌐🌐🌐🌐
CCM Alternative Income Institutional	Multialternative	5/31/13	32,929,475	5.01	49	★★★	🌐🌐
Parnassus Asia	Diversified Pacific/Asia	4/30/13	16,362,557	20.39	89	★	🌐🌐🌐🌐
Shelton Green Alpha	Mid-Cap Growth	3/12/13	46,218,784	29.52	14	★★	🌐🌐🌐🌐🌐
JPMorgan Corporate Bond I	Corporate Bond	3/1/13	858,581,378	6.88	22	★★★★	🌐🌐🌐🌐
Eventide Healthcare & Life Sciences I	Health	12/27/12	457,403,086	45.83	2	★★★	🌐
Calvert Emerging Markets Equity I	Diversified Emerging Mkts	10/31/12	517,768,047	44.71	7	★★★★★	🌐🌐🌐🌐
TIAA-CREF Social Choice Bond Instl	Intermediate-Term Bond	9/21/12	1,715,087,422	4.51	23	★★★★★	—
Brown Advisory Sustainable Growth I	Large Growth	6/29/12	497,517,621	28.10	47	★★★★	🌐🌐🌐🌐
Walden SMID Cap	Mid-Cap Blend	6/28/12	45,634,245	16.94	42	★★★	🌐🌐🌐🌐
Ecological Strategy ETF	Miscellaneous Sector	6/18/12	8,294,233	20.85	—	—	🌐🌐🌐🌐🌐
Boston Common US Equity	Large Growth	4/30/12	35,462,110	20.65	90	★★	🌐🌐🌐🌐🌐
RBC BlueBay High Yield Bond I	High Yield Bond	11/30/11	38,301,626	6.72	48	★★★★	—
Walden Midcap	Mid-Cap Growth	8/1/11	46,565,651	19.62	81	★★★	🌐🌐🌐🌐
Pax MSCI EAFE ESG Leaders Index Instl	Foreign Large Blend	1/27/11	683,751,877	23.34	77	★★★	🌐🌐🌐🌐🌐
Praxis International Index I	Foreign Large Blend	12/31/10	281,619,914	25.67	42	★★	🌐🌐🌐
Boston Common International	Foreign Large Blend	12/29/10	232,566,777	26.39	35	★★	🌐🌐🌐🌐🌐
Morgan Stanley Inst Intl Advtg I	Foreign Large Growth	12/28/10	316,251,715	44.75	4	★★★★★	🌐
Morgan Stanley Inst International Opp I	Foreign Large Growth	3/31/10	619,987,336	53.38	1	★★★★★	🌐
Praxis Genesis Balanced A	Allocation–50% to 70% Equity	12/31/09	71,985,614	13.38	53	★★★	—

Exhibit A2 Sustainable Funds Ranked by Inception Date (Continued)

Name	Morningstar Category	Inception Date	Annual Return		% Rank Cat 2017	Morningstar Rating Overall	Morningstar Sustainability Rating
			AUM–2017-12	2017			
Praxis Genesis Conservative A	Allocation–30% to 50% Equity	12/31/09	22,715,309	8.36	78	★★	—
Praxis Genesis Growth A	Allocation–70% to 85% Equity	12/31/09	63,504,053	16.71	47	★★★	—
First Trust NASDAQ® Cln Edge®StGdlfsETF	Miscellaneous Sector	11/16/09	33,113,798	28.19	—	—	🌐🌐🌐🌐
Walden Small Cap	Small Growth	10/24/08	98,138,307	11.50	94	★★	🌐🌐🌐🌐🌐
Calvert Global Water A	Natural Resources	9/30/08	471,132,115	18.88	46	★★★★	🌐🌐🌐🌐🌐
Eventide Gilead N	Mid-Cap Growth	7/1/08	1,584,438,968	32.85	6	★★★★	🌐🌐🌐
iShares Global Clean Energy ETF	Miscellaneous Sector	6/24/08	140,346,266	20.48	—	—	🌐🌐🌐
First Trust Global Wind Energy ETF	Miscellaneous Sector	6/16/08	98,202,463	16.28	—	—	🌐🌐🌐🌐
Morgan Stanley Inst Global Opp I	World Large Stock	5/30/08	1,818,559,155	49.44	1	★★★★★	🌐
Guggenheim Solar ETF	Miscellaneous Sector	4/15/08	445,528,781	54.22	—	—	🌐
Pax Global Environmental Mrkts Instl	World Small/Mid Stock	3/27/08	609,328,664	26.79	38	★★★	🌐🌐🌐🌐🌐
Pax Small Cap Institutional	Small Blend	3/27/08	831,521,718	9.10	79	★★★★	🌐🌐🌐
DFA Intl Sustainability Core 1	Foreign Large Blend	3/12/08	811,178,505	27.26	26	★★★★	🌐🌐🌐
DFA US Sustainability Core 1	Large Blend	3/12/08	1,269,769,113	21.35	41	★★★★	🌐🌐
Northern Global Sustainability Index	World Large Stock	3/5/08	378,480,895	21.20	67	★★★	🌐🌐🌐🌐🌐
Touchstone Premium Yield Equity A	Large Value	12/3/07	124,049,297	12.43	86	★★	🌐🌐🌐🌐🌐
Firsthand Alternative Energy	Technology	10/29/07	5,896,151	27.35	82	★	🌐🌐🌐
PowerShares Global Clean Energy ETF	Miscellaneous Sector	6/13/07	58,945,790	27.76	—	—	🌐🌐🌐
PowerShares Global Water ETF	Miscellaneous Sector	6/13/20017	191,642,700	26.17	—	—	🌐🌐🌐🌐🌐
Gabelli ESG I	Large Blend	6/1/07	65,049,193	13.52	96	★★	🌐🌐🌐🌐
Calvert Global Energy Solutions I	World Small/Mid Stock	5/31/07	89,363,065	29.64	27	★	🌐🌐🌐🌐
Calvert International Opportunities I	Foreign Small/Mid Blend	5/31/07	231,185,183	38.51	4	★★★	🌐🌐🌐🌐
Guggenheim S&P Global Water ETF	Miscellaneous Sector	5/14/07	614,478,734	26.74	—	—	🌐🌐🌐🌐
First Trust Water ETF	Miscellaneous Sector	5/8/07	298,770,373	24.26	—	—	🌐🌐
VanEck Vectors Global Alt Energy ETF	Miscellaneous Sector	5/3/07	87,351,507	21.89	—	—	🌐🌐🌐
Praxis Growth Index I	Large Growth	5/1/07	257,993,053	26.78	56	★★★★	🌐🌐🌐🌐
Praxis Small Cap Index I	Small Blend	5/1/07	52,900,299	11.22	64	★★	🌐🌐🌐
First Trust NASDAQ® Cln Edge® GrnEngyETF	Miscellaneous Sector	2/8/07	91,260,428	31.73	—	—	🌐
Domini Impact International Equity Inv	Foreign Large Value	12/27/06	1,258,616,301	24.60	32	★★★★★	🌐🌐🌐🌐🌐
Appleseed Investor	World Allocation	12/8/06	186,533,722	17.42	20	★★★★	🌐
iShares MSCI KLD 400 Social ETF	Large Blend	11/14/06	1,005,981,801	20.96	51	★★★★	🌐🌐🌐🌐🌐
Calvert Ultra-Short Duration Income A	Ultrashort Bond	10/31/06	971,983,991	1.39	48	★★★★★	—
PowerShares Cleantech ETF	Miscellaneous Sector	10/24/06	145,980,355	30.26	—	—	🌐🌐🌐🌐
PowerShares WilderHill Prog Engy ETF	Miscellaneous Sector	10/24/06	21,551,104	5.11	—	—	🌐🌐
VanEck Vectors Environmental Svcs ETF	Industrials	10/10/06	17,299,350	15.78	94	★★	🌐🌐
Hartford Schroders Emerging Mkts Eq I	Diversified Emerging Mkts	3/31/06	2,867,186,636	40.87	19	★★★★	🌐🌐
PowerShares Water Resources ETF	Miscellaneous Sector	12/6/05	839,692,432	23.56	—	—	🌐🌐🌐
Calvert Aggressive Allocation A	Allocation–85%+ Equity	6/30/05	145,223,754	20.26	41	★★★	—
Calvert Conservative Allocation A	Allocation–30% to 50% Equity	4/29/05	197,476,516	9.65	59	★★★★	—
Calvert Moderate Allocation A	Allocation–50% to 70% Equity	4/29/05	279,988,416	15.07	25	★★★	—
Parnassus Endeavor Investor	Large Blend	4/29/05	5,210,147,475	19.81	66	★★★★★	🌐🌐🌐🌐
Parnassus Mid-Cap	Mid-Cap Blend	4/29/05	2,802,512,071	15.79	57	★★★★	🌐🌐🌐🌐🌐
PowerShares WilderHill Clean Energy ETF	Miscellaneous Sector	3/3/05	114,190,621	39.79	—	—	🌐
iShares MSCI USA ESG Select ETF	Large Blend	1/24/05	643,722,447	22.52	21	★★★	🌐🌐🌐🌐🌐
Baywood Socially Responsible Instl	Large Value	1/3/05	8,639,466	16.73	43	★★	🌐🌐🌐🌐

Exhibit A2 Sustainable Funds Ranked by Inception Date (Continued)

Name	Morningstar Category	Inception Date	Annual Return		% Rank Cat 2017	Morningstar Rating Overall	Morningstar Sustainability Rating
			AUM–2017-12	2017			
Calvert Long-Term Income A	Long-Term Bond	12/31/04	87,350,732	9.47	60	★★★	—
American Century Sustainable Equity A	Large Blend	11/30/04	239,905,663	25.52	6	★★★	🌐🌐🌐🌐
Calvert Small-Cap A	Small Blend	10/1/04	319,137,202	13.20	42	★★★★	🌐🌐🌐🌐
JPMorgan Intrepid Sustainable Equity I	Large Blend	2/28/03	20,661,896	21.28	42	★★★	🌐🌐🌐🌐
Calvert Short Duration Income A	Short-Term Bond	1/31/02	1,339,322,995	2.17	23	★★★★	—
JPMorgan Emerging Markets Equity A	Diversified Emerging Mkts	9/28/01	4,806,092,495	42.14	14	★★★★	🌐🌐🌐🌐
Calvert High Yield Bond I	High Yield Bond	7/9/01	188,125,878	6.09	64	★★★	—
Praxis Value Index A	Large Value	5/1/01	188,254,478	16.31	47	★★★	🌐🌐🌐🌐
Alger Responsible Investing A	Large Growth	12/4/00	61,541,040	27.44	52	★★	🌐🌐🌐🌐
Calvert US Large Cap Core Rspnb Idx I	Large Blend	6/30/00	1,039,352,298	21.18	44	★★★★	🌐🌐🌐🌐
Domini Impact Bond Investor	Intermediate-Term Bond	6/1/00	153,091,513	3.84	45	★★	—
Vanguard FTSE Social Index Inv	Large Blend	5/31/00	3,905,146,250	24.11	10	★★★★	🌐🌐🌐🌐
Pax High Yield Bond Individual Investor	High Yield Bond	10/8/99	412,214,544	6.37	56	★★	—
Portfolio 21 Global Equity R	World Large Stock	9/30/99	501,040,945	27.86	20	★★★	🌐🌐🌐🌐
CRA Qualified Investment CRA	Intermediate Government	8/30/99	2,131,921,276	2.17	19	★★★	—
TIAA-CREF Social Choice Eq Instl	Large Blend	7/1/99	3,059,067,271	20.93	51	★★★	🌐🌐🌐🌐
Walden Asset Management	Allocation–70% to 85% Equity	6/18/99	121,436,641	14.88	71	★★★★★	🌐🌐🌐🌐
Walden Equity	Large Blend	6/18/99	197,421,761	20.77	55	★★★★	🌐🌐🌐🌐
Praxis Impact Bond A	Intermediate-Term Bond	5/12/99	522,737,025	3.11	72	★★★	—
Neuberger Berman AMT Social Responsive I	Large Growth	2/18/99	465,492,556	18.43	95	★★★	🌐🌐🌐🌐
Access Capital Community Investment I	Intermediate Government	6/23/98	652,113,392	1.75	40	★★★★	—
Touchstone Sustainability & Imp Eq A	World Large Stock	12/19/97	769,656,145	25.74	29	★★★★	🌐🌐🌐🌐
Pax ESG Beta Quality Individual Investor	Large Blend	6/11/97	212,601,380	21.89	27	★★★	🌐🌐🌐🌐
PIMCO Low Duration ESG Institutional	Short-Term Bond	12/31/96	221,229,553	1.69	45	★★★★	—
Green Century Equity	Large Growth	9/13/95	244,145,052	21.95	85	★★★	🌐🌐🌐🌐
Calvert Mid-Cap A	Mid-Cap Blend	10/31/94	253,780,776	11.70	88	★★	🌐🌐🌐🌐
Neuberger Berman Socially Rspns Inv	Large Growth	3/16/94	2,357,059,897	18.57	95	★★★	🌐🌐🌐🌐
UBS US Sustainable Equity P	Large Blend	2/22/94	31,060,519	19.11	72	★★	🌐🌐🌐🌐
Amana Growth Investor	Large Growth	2/3/94	1,699,016,531	28.98	42	★★★	🌐🌐🌐🌐
Nationwide Global Sust Eq R6	World Large Stock	1/28/94	57,408,854	24.62	36	★★★	🌐🌐🌐🌐
Pax Ellevest Global Women's Idx Indv Inv	World Large Stock	10/1/93	182,013,529	24.86	34	★★★★	🌐🌐🌐🌐
UBS International Sustainable Equity P	Foreign Large Blend	8/31/93	41,475,619	31.21	5	★★★★	🌐🌐🌐🌐
JPMorgan Municipal Income I	Muni National Interm	2/9/93	239,852,247	3.80	74	★★★	—
Parnassus Core Equity Investor	Large Blend	8/31/92	16,157,259,603	16.58	88	★★★★	🌐🌐🌐🌐
Parnassus Fixed-Income	Intermediate-Term Bond	8/31/92	229,527,833	3.10	72	★★	🌐🌐🌐🌐
Calvert International Equity A	Foreign Large Value	7/2/92	218,624,762	21.25	65	★★	🌐🌐🌐🌐
Green Century Balanced	Allocation–50% to 70% Equity	3/18/92	241,201,331	12.78	61	★★★	🌐🌐🌐🌐
Touchstone Total Return Bond Y	Intermediate-Term Bond	11/15/91	280,853,162	3.94	40	★★★★	—
Domini Impact Equity Investor	Large Blend	6/3/91	874,672,132	15.42	92	★★	🌐🌐🌐🌐
PIMCO Total Return ESG Institutional	Intermediate-Term Bond	5/1/91	979,516,532	4.46	24	★★★★	—
Fidelity® Select Envir and Alt Engy Port	Industrials	6/29/89	185,054,499	25.25	19	★★★	🌐🌐🌐🌐
Calvert Bond A	Intermediate-Term Bond	8/24/87	989,608,015	4.19	31	★★★	—
Calvert Equity A	Large Growth	8/24/87	2,207,510,449	25.79	61	★★★	🌐🌐🌐🌐
1919 Socially Responsive Balanced B	Allocation–50% to 70% Equity	1/30/87	128,212,166	15.33	22	★★	🌐🌐🌐🌐
Amana Income Investor	Large Blend	6/23/86	1,362,649,597	21.69	32	★★★★	🌐🌐🌐🌐

Exhibit A2 Sustainable Funds Ranked by Inception Date (Continued)

Name	Morningstar Category	Inception Date	Annual Return		% Rank Cat 2017	Morningstar Rating Overall	Morningstar Sustainability Rating
			AUM–2017-12	2017			
Hartford Schroders International Stk I	Foreign Large Blend	12/20/85	194,033,305	29.69	10	★★★★	🌐🌐🌐🌐
Shelton California Tax-Free Income	Muni California Intermediate	12/4/85	72,000,994	3.35	87	★★★	—
Parnassus	Large Blend	12/27/84	1,085,879,775	16.08	90	★★★★	🌐🌐🌐🌐
Calvert Responsible Municipal Income A	Muni National Interm	8/23/83	144,516,144	5.00	32	★★★	—
Calvert Balanced A	Allocation–50% to 70% Equity	10/21/82	704,149,189	11.52	76	★★★	🌐🌐🌐🌐
Calvert Income A	Corporate Bond	10/12/82	505,301,151	6.57	26	★★	🌐🌐🌐🌐🌐
New Alternatives A	World Small/Mid Stock	9/3/82	205,998,858	21.23	69	★★	🌐🌐🌐
AB Sustainable Global Thematic A	World Large Stock	3/1/82	918,130,553	37.16	4	★★★★	🌐🌐🌐🌐
Dreyfus Sustainable US Equity Z	Large Blend	3/29/72	311,754,686	15.16	93	★★	🌐🌐🌐🌐
Pax Balanced Individual Investor	Allocation–50% to 70% Equity	8/10/71	2,001,914,346	13.16	56	★★★	—

Source: Morningstar Direct. Data as of 12/17/2017.

Exhibit A3 Sustainable Funds Ranked by AUM

Name	Morningstar Category	Inception Date	Annual Return		% Rank Cat 2017	Morningstar Rating Overall	Morningstar Sustainability Rating
			AUM–2017-12	2017			
Parnassus Core Equity Investor	Large Blend	8/31/92	16,157,259,603	16.58	88	★★★★	🌐🌐🌐🌐
Parnassus Endeavor Investor	Large Blend	4/29/05	5,210,147,475	19.81	66	★★★★★	🌐🌐🌐🌐
JPMorgan Emerging Markets Equity A	Diversified Emerging Mkts	9/28/01	4,806,092,495	42.14	14	★★★★	🌐🌐🌐🌐
Vanguard FTSE Social Index Inv	Large Blend	5/31/00	3,905,146,250	24.11	10	★★★★	🌐🌐🌐🌐🌐
TIAA-CREF Social Choice Eq Instl	Large Blend	7/1/99	3,059,067,271	20.93	51	★★★	🌐🌐🌐🌐🌐
Hartford Schroders Emerging Mkts Eq I	Diversified Emerging Mkts	3/31/06	2,867,186,636	40.87	19	★★★★	🌐🌐
Parnassus Mid-Cap	Mid-Cap Blend	4/29/05	2,802,512,071	15.79	57	★★★★	🌐🌐🌐🌐🌐
Neuberger Berman Socially Rspns Inv	Large Growth	3/16/94	2,357,059,897	18.57	95	★★★	🌐🌐🌐🌐
Calvert Equity A	Large Growth	8/24/87	2,207,510,449	25.79	61	★★★	🌐🌐🌐🌐🌐
CRA Qualified Investment CRA	Intermediate Government	8/30/99	2,131,921,276	2.17	19	★★★	—
Pax Balanced Individual Investor	Allocation–50% to 70% Equity	8/10/71	2,001,914,346	13.16	56	★★★	—
Morgan Stanley Inst Global Opp I	World Large Stock	5/30/08	1,818,559,155	49.44	1	★★★★★	🌐
TIAA-CREF Social Choice Bond Instl	Intermediate-Term Bond	9/21/12	1,715,087,422	4.51	23	★★★★★	—
Amana Growth Investor	Large Growth	2/3/94	1,699,016,531	28.98	42	★★★	🌐🌐🌐🌐🌐
Eventide Gilead N	Mid-Cap Growth	7/1/08	1,584,438,968	32.85	6	★★★★	🌐🌐🌐
Amana Income Investor	Large Blend	6/23/86	1,362,649,597	21.69	32	★★★★	🌐🌐🌐🌐🌐
Calvert Short Duration Income A	Short-Term Bond	1/31/02	1,339,322,995	2.17	23	★★★★	—
DFA US Sustainability Core 1	Large Blend	3/12/08	1,269,769,113	21.35	41	★★★★	🌐🌐
Domini Impact International Equity Inv	Foreign Large Value	12/27/06	1,258,616,301	24.60	32	★★★★★	🌐🌐🌐🌐🌐
Parnassus	Large Blend	12/27/84	1,085,879,775	16.08	90	★★★★	🌐🌐🌐🌐
Calvert US Large Cap Core Rspnb Idx I	Large Blend	6/30/00	1,039,352,298	21.18	44	★★★★	🌐🌐🌐🌐🌐
iShares MSCI KLD 400 Social ETF	Large Blend	11/14/06	1,005,981,801	20.96	51	★★★★	🌐🌐🌐🌐🌐
Calvert Bond A	Intermediate-Term Bond	8/24/87	989,608,015	4.19	31	★★★	—
PIMCO Total Return ESG Institutional	Intermediate-Term Bond	5/1/91	979,516,532	4.46	24	★★★★	—
Calvert Ultra-Short Duration Income A	Ultrashort Bond	10/31/06	971,983,991	1.39	48	★★★★★	—
AB Sustainable Global Thematic A	World Large Stock	3/1/82	918,130,553	37.16	4	★★★★	🌐🌐🌐🌐
Domini Impact Equity Investor	Large Blend	6/3/91	874,672,132	15.42	92	★★	🌐🌐🌐🌐🌐
JPMorgan Corporate Bond I	Corporate Bond	3/1/13	858,581,378	6.88	22	★★★★	🌐🌐🌐🌐
PowerShares Water Resources ETF	Miscellaneous Sector	12/6/05	839,692,432	23.56	—	—	🌐🌐🌐
Pax Small Cap Institutional	Small Blend	3/27/08	831,521,718	9.10	79	★★★★	🌐🌐🌐
DFA Intl Sustainability Core 1	Foreign Large Blend	3/12/08	811,178,505	27.26	26	★★★★	🌐🌐🌐
Touchstone Sustainability & Imp Eq A	World Large Stock	12/19/97	769,656,145	25.74	29	★★★★	🌐🌐🌐🌐
Pax Large Cap Fund Institutional	Large Blend	12/16/16	719,386,989	20.96	51	—	🌐🌐🌐🌐🌐
Calvert Balanced A	Allocation–50% to 70% Equity	10/21/82	704,149,189	11.52	76	★★★	🌐🌐🌐🌐
Pax Core Bond Fund Institutional	Intermediate-Term Bond	12/16/16	698,694,703	2.82	82	—	—
Pax MSCI EAFE ESG Leaders Index Instl	Foreign Large Blend	1/27/11	683,751,877	23.34	77	★★★	🌐🌐🌐🌐🌐
Access Capital Community Investment I	Intermediate Government	6/23/98	652,113,392	1.75	40	★★★★	—
iShares MSCI USA ESG Select ETF	Large Blend	1/24/05	643,722,447	22.52	21	★★★	🌐🌐🌐🌐🌐
RBC Emerging Markets Equity I	Diversified Emerging Mkts	12/20/13	623,828,992	35.12	50	★★★	🌐🌐🌐🌐🌐
Morgan Stanley Inst International Opp I	Foreign Large Growth	3/31/10	619,987,336	53.38	1	★★★★★	🌐
Guggenheim S&P Global Water ETF	Miscellaneous Sector	5/14/07	614,478,734	26.74	—	—	🌐🌐🌐🌐
Pax Global Environmental Mrkts Instl	World Small/Mid Stock	3/27/08	609,328,664	26.79	38	★★★	🌐🌐🌐🌐🌐
Praxis Impact Bond A	Intermediate-Term Bond	5/12/99	522,737,025	3.11	72	★★★	—
Calvert Emerging Markets Equity I	Diversified Emerging Mkts	10/31/12	517,768,047	44.71	7	★★★★★	🌐🌐🌐🌐
Calvert Income A	Corporate Bond	10/12/82	505,301,151	6.57	26	★★	🌐🌐🌐🌐🌐

Exhibit A3 Sustainable Funds Ranked by AUM (Continued)

Name	Morningstar Category	Inception Date	Annual Return		% Rank Cat 2017	Morningstar Rating Overall	Morningstar Sustainability Rating
			AUM–2017-12	2017			
Portfolio 21 Global Equity R	World Large Stock	9/30/99	501,040,945	27.86	20	★★★	🌐🌐🌐🌐
iShares MSCI ACWI Low Carbon Target ETF	World Large Stock	12/8/14	497,668,418	23.71	44	★★★	🌐🌐🌐
Brown Advisory Sustainable Growth I	Large Growth	6/29/12	497,517,621	28.10	47	★★★★	🌐🌐🌐🌐
Calvert Global Water A	Natural Resources	9/30/08	471,132,115	18.88	46	★★★★	🌐🌐🌐🌐
Neuberger Berman AMT Social Responsive I	Large Growth	2/18/99	465,492,556	18.43	95	★★★	🌐🌐🌐🌐
Eventide Healthcare & Life Sciences I	Health	12/27/12	457,403,086	45.83	2	★★★	🌐
Guggenheim Solar ETF	Miscellaneous Sector	4/15/08	445,528,781	54.22	—	—	🌐
Pax High Yield Bond Individual Investor	High Yield Bond	10/8/99	412,214,544	6.37	56	★★	—
Northern Global Sustainability Index	World Large Stock	3/5/08	378,480,895	21.20	67	★★★	🌐🌐🌐🌐
SPDR® SSGA Gender Diversity ETF	Large Blend	3/7/16	360,692,371	19.68	67	—	🌐🌐🌐🌐
Calvert Small-Cap A	Small Blend	10/1/04	319,137,202	13.20	42	★★★★	🌐🌐🌐🌐
Morgan Stanley Inst Intl Advtg I	Foreign Large Growth	12/28/10	316,251,715	44.75	4	★★★★★	🌐
Dreyfus Sustainable US Equity Z	Large Blend	3/29/72	311,754,686	15.16	93	★★	🌐🌐🌐🌐
First Trust Water ETF	Miscellaneous Sector	5/8/07	298,770,373	24.26	—	—	🌐🌐
Praxis International Index I	Foreign Large Blend	12/31/10	281,619,914	25.67	42	★★	🌐🌐🌐
Touchstone Total Return Bond Y	Intermediate-Term Bond	11/15/91	280,853,162	3.94	40	★★★★	—
Calvert Moderate Allocation A	Allocation–50% to 70% Equity	4/29/05	279,988,416	15.07	25	★★★	—
Praxis Growth Index I	Large Growth	5/1/07	257,993,053	26.78	56	★★★★	🌐🌐🌐🌐
Calvert Mid-Cap A	Mid-Cap Blend	10/31/94	253,780,776	11.70	88	★★	🌐🌐🌐🌐
Green Century Equity	Large Growth	9/13/95	244,145,052	21.95	85	★★★	🌐🌐🌐🌐
Green Century Balanced	Allocation–50% to 70% Equity	3/18/92	241,201,331	12.78	61	★★★	🌐🌐🌐🌐
American Century Sustainable Equity A	Large Blend	11/30/04	239,905,663	25.52	6	★★★	🌐🌐🌐🌐
JPMorgan Municipal Income I	Muni National Interm	2/9/93	239,852,247	3.80	74	★★★	—
Boston Common International	Foreign Large Blend	12/29/10	232,566,777	26.39	35	★★	🌐🌐🌐🌐
Calvert International Opportunities I	Foreign Small/Mid Blend	5/31/07	231,185,183	38.51	4	★★★	🌐🌐🌐🌐
Parnassus Fixed-Income	Intermediate-Term Bond	8/31/92	229,527,833	3.10	72	★★	🌐🌐🌐🌐
PIMCO Low Duration ESG Institutional	Short-Term Bond	12/31/96	221,229,553	1.69	45	★★★★	—
Calvert International Equity A	Foreign Large Value	7/2/92	218,624,762	21.25	65	★★	🌐🌐🌐🌐
Pax ESG Beta Quality Individual Investor	Large Blend	6/11/97	212,601,380	21.89	27	★★★	🌐🌐🌐🌐
New Alternatives A	World Small/Mid Stock	9/3/82	205,998,858	21.23	69	★★	🌐🌐🌐
SPDR® S&P 500 Fossil Fuel Rsrv Free ETF	Large Blend	11/30/15	200,404,168	22.88	17	—	🌐🌐🌐🌐
Calvert Conservative Allocation A	Allocation–30% to 50% Equity	4/29/05	197,476,516	9.65	59	★★★★	—
Walden Equity	Large Blend	6/18/99	197,421,761	20.77	55	★★★★	🌐🌐🌐🌐
Hartford Schroders International Stk I	Foreign Large Blend	12/20/85	194,033,305	29.69	10	★★★★	🌐🌐🌐🌐
PowerShares Global Water ETF	Miscellaneous Sector	6/13/20017	191,642,700	26.17	—	—	🌐🌐🌐🌐
Praxis Value Index A	Large Value	5/1/01	188,254,478	16.31	47	★★★	🌐🌐🌐🌐
Calvert High Yield Bond I	High Yield Bond	7/9/01	188,125,878	6.09	64	★★★	—
Appleseed Investor	World Allocation	12/8/06	186,533,722	17.42	20	★★★★	🌐
Fidelity® Select Envir and Alt Engy Port	Industrials	6/29/89	185,054,499	25.25	19	★★★	🌐🌐🌐🌐
Pax Ellevest Global Women's Idx Indv Inv	World Large Stock	10/1/93	182,013,529	24.86	34	★★★★	🌐🌐🌐🌐
American Beacon Glb Evtl Ftr Mks Inc Inst	Emerging Markets Bond	2/25/14	181,121,953	15.26	2	★★★★	—
iShares MSCI EM ESG Optimized ETF	Diversified Emerging Mkts	6/28/16	169,270,526	37.89	32	—	🌐🌐🌐🌐
Domini Impact Bond Investor	Intermediate-Term Bond	6/1/00	153,091,513	3.84	45	★★	—
SPDR® MSCI ACWI Low Carbon Target ETF	World Large Stock	11/25/14	152,856,888	23.63	45	★★★	🌐🌐🌐
Pax ESG Beta Dividend Fund Institutional	Large Blend	12/16/16	149,531,373	19.44	69	—	🌐🌐🌐🌐

Exhibit A3 Sustainable Funds Ranked by AUM (Continued)

Name	Morningstar Category	Inception Date	Annual Return		% Rank Cat 2017	Morningstar Rating Overall	Morningstar Sustainability Rating
			AUM–2017-12	2017			
PowerShares Cleantech ETF	Miscellaneous Sector	10/24/06	145,980,355	30.26	—	—	🌐🌐🌐🌐
Calvert US Large Cap Value Rspnb Idx I	Large Value	6/19/15	145,497,565	15.16	62	—	🌐🌐🌐🌐🌐
Calvert Aggressive Allocation A	Allocation–85%+ Equity	6/30/05	145,223,754	20.26	41	★★★	—
Calvert Responsible Municipal Income A	Muni National Intern	8/23/83	144,516,144	5.00	32	★★★	—
iShares Global Clean Energy ETF	Miscellaneous Sector	6/24/08	140,346,266	20.48	—	—	🌐🌐🌐
Pax Mid Cap Institutional	Mid-Cap Blend	3/31/16	139,661,273	13.91	71	—	🌐🌐🌐🌐🌐
iShares MSCI EAFE ESG Optimized ETF	Foreign Large Blend	6/28/16	135,716,157	25.21	52	—	🌐🌐🌐🌐🌐
1919 Socially Responsive Balanced B	Allocation–50% to 70% Equity	1/30/87	128,212,166	15.33	22	★★	🌐🌐🌐🌐
Touchstone Premium Yield Equity A	Large Value	12/3/07	124,049,297	12.43	86	★★	🌐🌐🌐🌐🌐
Walden Asset Management	Allocation–70% to 85% Equity	6/18/99	121,436,641	14.88	71	★★★★★	🌐🌐🌐🌐🌐
PowerShares WilderHill Clean Energy ETF	Miscellaneous Sector	3/3/05	114,190,621	39.79	—	—	🌐
Nationwide Max Divers US Cor Eq ETF	Large Blend	9/15/17	113,687,088	—	—	—	🌐🌐
Miller/Howard Income-Equity I	Large Value	12/31/15	111,271,622	13.59	78	—	🌐🌐🌐🌐🌐
Calvert Absolute Return Bond I	Nontraditional Bond	9/30/14	109,700,589	3.59	60	★★★★	—
Calvert Green Bond I	Intermediate-Term Bond	10/31/13	105,987,396	3.37	63	★★★★	—
First Trust Global Wind Energy ETF	Miscellaneous Sector	6/16/08	98,202,463	16.28	—	—	🌐🌐🌐🌐
Walden Small Cap	Small Growth	10/24/08	98,138,307	11.50	94	★★	🌐🌐🌐🌐🌐
TIAA-CREF Social Choice LwCrbn Eq Instl	Large Blend	8/7/15	97,850,077	20.86	53	—	🌐🌐🌐🌐🌐
Eventide Multi-Asset Income I	Allocation–50% to 70% Equity	7/15/15	95,088,650	11.98	69	—	🌐🌐🌐🌐🌐
First Trust NASDAQ® Cln Edge® GrnEngyETF	Miscellaneous Sector	2/8/07	91,260,428	31.73	—	—	🌐
Morgan Stanley Inst EMkts Ldrs I	Diversified Emerging Mkts	1/6/15	90,130,064	26.01	86	—	🌐🌐🌐🌐🌐
Calvert Global Energy Solutions I	World Small/Mid Stock	5/31/07	89,363,065	29.64	27	★	🌐🌐🌐🌐
VanEck Vectors Global Alt Energy ETF	Miscellaneous Sector	5/3/07	87,351,507	21.89	—	—	🌐🌐🌐
Calvert Long-Term Income A	Long-Term Bond	12/31/04	87,350,732	9.47	60	★★★	—
Thornburg Better World International I	Foreign Large Blend	9/30/15	76,278,414	22.87	81	—	🌐🌐🌐🌐
Shelton California Tax-Free Income	Muni California Intermediate	12/4/85	72,000,994	3.35	87	★★★	—
Praxis Genesis Balanced A	Allocation–50% to 70% Equity	12/31/09	71,985,614	13.38	53	★★★	—
Mirova Global Sustainable Equity Y	World Large Stock	3/31/16	67,758,678	30.75	14	—	🌐🌐🌐🌐
Calvert International Responsible Idx I	Foreign Large Blend	10/30/15	67,318,119	25.30	49	—	🌐🌐🌐🌐🌐
Gabelli ESG I	Large Blend	6/1/07	65,049,193	13.52	96	★★	🌐🌐🌐🌐
RBC International Opportunities I	Foreign Large Growth	12/3/14	64,483,884	33.13	29	★★	🌐🌐🌐🌐
Praxis Genesis Growth A	Allocation–70% to 85% Equity	12/31/09	63,504,053	16.71	47	★★★	—
Alger Responsible Investing A	Large Growth	12/4/00	61,541,040	27.44	52	★★	🌐🌐🌐🌐
PowerShares Global Clean Energy ETF	Miscellaneous Sector	6/13/07	58,945,790	27.76	—	—	🌐🌐🌐
Nationwide Global Sust Eq R6	World Large Stock	1/28/94	57,408,854	24.62	36	★★★	🌐🌐🌐🌐
JHancock ESG International Equity I	Foreign Large Blend	12/14/16	56,919,815	30.63	6	—	🌐🌐🌐
Calvert US Large Cap Growth Rspnb Idx I	Large Growth	6/19/15	56,601,409	27.39	52	—	🌐🌐🌐🌐
TIAA-CREF Social Choice Intl Eq Instl	Foreign Large Blend	8/7/15	55,164,738	24.52	63	—	🌐🌐🌐🌐🌐
Calvert US Mid Cap Core Rspnb Idx I	Mid-Cap Blend	10/30/15	54,824,323	19.14	18	—	🌐🌐🌐🌐🌐
Praxis Small Cap Index I	Small Blend	5/1/07	52,900,299	11.22	64	★★	🌐🌐🌐
Calvert Floating-Rate Advantage I	Bank Loan	10/10/17	52,507,727	—	—	—	—
FlexShares STOXX Global ESG Impact ETF	World Large Stock	7/13/16	52,114,422	23.86	43	—	🌐🌐🌐🌐
JHancock ESG Core Bond I	Intermediate-Term Bond	12/14/16	51,817,114	1.82	96	—	—
BlackRock Impact US Equity Institutional	Large Blend	10/5/15	50,983,953	21.61	34	—	🌐🌐🌐🌐
SPDR® MSCI EAFE Fossil Fuel Free ETF	Foreign Large Blend	10/24/16	50,856,622	24.70	61	—	🌐🌐🌐🌐




Exhibit A3 Sustainable Funds Ranked by AUM (Continued)

Name	Morningstar Category	Inception Date	Annual Return		% Rank Cat 2017	Morningstar Rating Overall	Morningstar Sustainability Rating
			AUM–2017-12	2017			
Aspiration Redwood	Large Blend	11/16/15	49,594,455	22.50	21	—	🌐🌐🌐🌐🌐
Global X Conscious Companies ETF	Large Blend	7/11/16	49,291,574	23.04	16	—	🌐🌐🌐🌐🌐
Walden Midcap	Mid-Cap Growth	8/1/11	46,565,651	19.62	81	★★★	🌐🌐🌐🌐🌐
Shelton Green Alpha	Mid-Cap Growth	3/12/13	46,218,784	29.52	14	★★	🌐🌐🌐🌐🌐
Walden SMID Cap	Mid-Cap Blend	6/28/12	45,634,245	16.94	42	★★★	🌐🌐🌐🌐
Columbia US Social Bond Inst	Muni National Long	3/26/15	44,432,289	6.25	37	—	—
NuShares ESG US Aggregate Bond ETF	Intermediate-Term Bond	9/29/17	42,382,684	—	—	—	—
UBS International Sustainable Equity P	Foreign Large Blend	8/31/93	41,475,619	31.21	5	★★★★★	🌐🌐🌐🌐🌐
NuShares ESG Small-Cap ETF	Small Blend	12/13/16	41,227,471	16.62	12	—	🌐🌐🌐🌐🌐
Walden International Equity	Foreign Large Blend	6/9/15	41,026,160	19.92	92	—	🌐🌐🌐🌐🌐
NuShares ESG Large-Cap Growth ETF	Large Growth	12/13/16	40,318,880	25.27	65	—	🌐🌐🌐🌐🌐
NuShares ESG Intl Dev Mkts Eq ETF	Foreign Large Blend	6/6/17	40,275,183	—	—	—	🌐🌐🌐🌐🌐
NuShares ESG Large-Cap Value ETF	Large Value	12/13/16	39,916,193	16.48	45	—	🌐🌐🌐🌐🌐
Hartford Environmental Opportunities Y	World Small/Mid Stock	2/29/16	39,909,929	21.86	67	—	🌐🌐🌐🌐🌐
Green Century MSCI Intl Indx Instl	Foreign Large Blend	9/30/16	39,478,904	24.13	69	—	🌐🌐🌐🌐🌐
NuShares ESG Mid-Cap Growth ETF	Mid-Cap Growth	12/13/16	39,411,853	19.66	79	—	🌐🌐🌐🌐🌐
JHancock ESG Large Cap Core R6	Large Blend	6/6/16	39,134,264	16.63	87	—	🌐🌐🌐🌐🌐
RBC BlueBay High Yield Bond I	High Yield Bond	11/30/11	38,301,626	6.72	48	★★★★★	—
NuShares ESG Emerging Markets Equity ETF	Diversified Emerging Mkts	6/6/17	37,935,555	—	—	—	🌐🌐🌐🌐🌐
NuShares ESG Mid-Cap Value ETF	Mid-Cap Value	12/13/16	37,924,942	15.08	30	—	🌐🌐🌐🌐🌐
Boston Common US Equity	Large Growth	4/30/12	35,462,110	20.65	90	★★	🌐🌐🌐🌐🌐
First Trust NASDAQ® Cln Edge®StGidlfsETF	Miscellaneous Sector	11/16/09	33,113,798	28.19	—	—	🌐🌐🌐🌐
CCM Alternative Income Institutional	Multialternative	5/31/13	32,929,475	5.01	49	★★★	🌐🌐
UBS US Sustainable Equity P	Large Blend	2/22/94	31,060,519	19.11	72	★★	🌐🌐🌐🌐🌐
Amana Developing World Institutional	Diversified Emerging Mkts	9/25/13	31,036,552	21.71	94	★	🌐🌐🌐🌐🌐
Hartford Global Impact I	World Small/Mid Stock	2/28/17	29,475,238	—	—	—	🌐🌐🌐🌐
AllianzGI Global Sustainability Instl	World Large Stock	12/9/14	28,433,183	24.52	37	★★★★★	🌐🌐🌐🌐🌐
AIG ESG Dividend A	Large Value	12/16/16	27,263,278	13.65	77	—	🌐🌐🌐🌐🌐
iShares MSCI Global Impact ETF	World Large Stock	4/20/16	26,432,729	26.93	25	—	🌐🌐🌐🌐🌐
Mirova Global Green Bond Y	World Bond	2/28/17	25,987,591	—	—	—	—
Oppenheimer ESG Revenue ETF	Large Blend	10/28/16	24,812,595	18.32	78	—	🌐🌐🌐🌐🌐
Fidelity® U.S. Sustainability IndexInstl	Large Blend	5/9/17	24,743,995	—	—	—	🌐🌐🌐🌐🌐
SPDR® MSCI Em Mkts Fossil Fuel Free ETF	Diversified Emerging Mkts	10/24/16	24,288,653	38.38	28	—	🌐🌐🌐
BlackRock Impact Bond K	Intermediate-Term Bond	8/23/16	23,954,132	3.38	69	—	🌐🌐🌐🌐
Etho Climate Leadership US ETF	Mid-Cap Growth	11/18/15	23,686,696	23.55	55	—	🌐🌐🌐🌐
Oppenheimer Global ESG Revenue ETF	World Large Stock	10/27/16	23,308,561	27.73	21	—	🌐🌐🌐🌐🌐
Saturna Sustainable Bond	World Bond	3/27/15	23,266,467	5.90	64	—	—
Brown Advisory Sustainable Bond Investor	Intermediate-Term Bond	8/7/17	22,909,992	—	—	—	—
Praxis Genesis Conservative A	Allocation–30% to 50% Equity	12/31/09	22,715,309	8.36	78	★★	—
Fidelity® Intl Sustainability Idx Instl	Foreign Large Blend	5/9/17	22,478,578	—	—	—	🌐🌐🌐🌐🌐
AB Impact Municipal Income	High Yield Muni	9/12/17	21,716,665	—	—	—	—
PowerShares WilderHill Prog Engy ETF	Miscellaneous Sector	10/24/06	21,551,104	5.11	—	—	🌐🌐
JHancock ESG All Cap Core R6	Large Growth	6/6/16	21,019,271	18.56	95	—	🌐🌐🌐🌐🌐
JPMorgan Intrepid Sustainable Equity I	Large Blend	2/28/03	20,661,896	21.28	42	★★★	🌐🌐🌐🌐🌐
iShares MSCI USA ESG Optimized ETF	Large Blend	12/1/16	20,342,059	21.25	43	—	🌐🌐🌐🌐🌐

Exhibit A3 Sustainable Funds Ranked by AUM (Continued)

Name	Morningstar Category	Inception Date	Annual Return			Morningstar Rating Overall	Morningstar Sustainability Rating
			AUM–2017-12	2017	% Rank Cat 2017		
GMO Climate Change III	World Large Stock	4/5/17	20,161,481	—	—	—	●●●●●●●●
TCW New America Premier Equities I	Large Growth	1/29/16	19,364,507	38.04	3	—	●●●●●●●●
Morgan Stanley Inst Asia Opp I	Pacific/Asia ex-Japan Stk	12/29/15	19,208,887	76.82	1	—	●●
Arabesque Systematic USA Institutional	Tactical Allocation	5/2/17	18,779,859	—	—	—	●●●●
Matthews Asia ESG Institutional	Pacific/Asia ex-Japan Stk	4/30/15	18,060,778	30.72	72	—	●●●●●●
Workplace Equality ETF	Large Blend	2/24/14	18,026,898	20.65	57	★★★	●●●●●●●●
VanEck Vectors Environmental Svcs ETF	Industrials	10/10/06	17,299,350	15.78	94	★★	●●●
Parnassus Asia	Diversified Pacific/Asia	4/30/13	16,362,557	20.39	89	★	●●●●●●
Columbia Sustainable Intl Eq Inc ETF	Foreign Large Value	6/13/16	15,240,924	24.69	31	—	●●●●●●●●
Glenmede Responsible ESG US Equity	Large Blend	12/22/15	14,916,906	22.84	17	—	●●●●●●●●
Trillium Small/Mid Cap Institutional	Mid-Cap Growth	8/31/15	14,516,056	18.97	86	—	●●●●●●
FlexShares STOXX US ESG Impact ETF	Large Blend	7/13/16	14,135,656	21.37	40	—	●●●●●●
iShares ESG 1-5 Year USD Corp Bd ETF	Short-Term Bond	7/11/17	13,674,601	—	—	—	●●●●●●●●
VanEck Vectors Green Bond ETF	World Bond	3/3/17	13,446,507	—	—	—	—
Glenmede Women in Leadership US Eq	Large Value	12/22/15	12,975,170	23.19	3	—	●●●●●●●●
Northern US Quality ESG	Large Blend	10/2/17	12,513,657	—	—	—	—
FundX Sustainable Impact	World Allocation	3/31/17	12,120,904	—	—	—	—
iShares ESG USD Corporate Bond ETF	Corporate Bond	7/11/17	10,109,078	—	—	—	●●●●●●●●
RBC Global Opportunities I	World Large Stock	12/3/14	10,050,579	34.27	7	★★★★★	●●●
Sage ESG Intermediate Credit ETF	Corporate Bond	10/30/17	9,945,439	—	—	—	●●●●●●●●
Baywood Socially Responsible Instl	Large Value	1/3/05	8,639,466	16.73	43	★★	●●●●●●●●
ClearBridge Sustainability Leaders I	Large Growth	3/31/15	8,350,250	21.47	87	—	●●●●●●●●
EcoLogical Strategy ETF	Miscellaneous Sector	6/18/12	8,294,233	20.85	—	—	●●●●●●●●
AMG Managers Fairpointe ESG Equity I	Mid-Cap Value	12/24/14	8,036,643	18.50	10	★★★	●●●●●●●●
Columbia Sustainable Global Eq Inc ETF	World Large Stock	6/13/16	7,518,140	21.69	62	—	●●●●●●
ProShares S&P 500® ex-Energy	Large Blend	9/22/15	6,962,696	23.26	15	—	●●●●●●
Invesco Global Responsibility Equity Y	World Large Stock	7/1/16	6,926,875	24.10	41	—	●●●●●●●●
TCW Developing Markets Equity I	Diversified Emerging Mkts	6/30/15	6,475,173	35.66	45	—	●●●●●●
KraneShares MSCI China Environment ETF	China Region	10/13/17	6,391,374	—	—	—	●●●●
RBC Emerging Markets Small Cap Eq I	Diversified Emerging Mkts	12/20/13	6,343,647	25.77	87	★★	—
Firsthand Alternative Energy	Technology	10/29/07	5,896,151	27.35	82	★	●●●●
Sit ESG Growth I	Large Growth	7/1/16	5,745,938	23.72	77	—	●●●●●●●●
Essex Environmental Opportunities Instl	World Large Stock	9/1/17	5,643,388	—	—	—	●●
Saturna Sustainable Equity	World Large Stock	3/27/15	5,210,677	23.76	44	—	●●●●●●●●
RBC Impact Bond I	Intermediate-Term Bond	12/18/17	4,995,770	—	—	—	—
Natixis Sustainable Future 2020 N	Target-Date 2020	2/28/17	4,477,514	—	—	—	—
Natixis Sustainable Future 2015 N	Target-Date 2015	2/28/17	4,421,018	—	—	—	—
Columbia Sustainable US Equity Inc ETF	Large Value	6/13/16	4,413,507	19.67	15	—	●●●●●●
Vert Global Sustainable Real Estt Instl	Global Real Estate	10/31/17	4,176,874	—	—	—	—
Natixis Sustainable Future 2025 N	Target-Date 2025	2/28/17	3,394,352	—	—	—	—
Baillie Gifford Global Select Eq Instl	World Large Stock	12/14/17	3,045,204	—	—	—	—
Natixis Sustainable Future 2035 N	Target-Date 2035	2/28/17	2,968,711	—	—	—	—
Natixis Sustainable Future 2040 N	Target-Date 2040	2/28/17	2,941,433	—	—	—	—
ClearBridge Large Cap Growth ESG ETF	Large Growth	5/22/17	2,923,745	—	—	—	●●●●●●●●
Natixis Sustainable Future 2030 N	Target-Date 2030	2/28/17	2,906,903	—	—	—	—

Exhibit A3 Sustainable Funds Ranked by AUM (Continued)

Name	Morningstar Category	Inception Date	Annual Return			Morningstar Rating Overall	Morningstar Sustainability Rating
			AUM-2017-12	2017	% Rank Cat 2017		
Eventide Global Div Opportunities I	World Large Stock	9/29/17	2,817,570	—	—	—	—
ChangeFin Divrs Impact US LC Fossil Fuel Fr ETF	Large Blend	10/9/17	2,805,384	—	—	—	
Riverbridge Eco Leaders® Institutional	Mid-Cap Growth	12/31/14	2,760,195	23.98	52	★★★★	
ClearBridge Dividend Strategy ESG ETF	Large Value	5/22/17	2,758,826	—	—	—	
Natixis Sustainable Future 2060 N	Target-Date 2060+	2/28/17	2,444,087	—	—	—	—
Natixis Sustainable Future 2045 N	Target-Date 2045	2/28/17	2,432,013	—	—	—	—
Natixis Sustainable Future 2055 N	Target-Date 2055	2/28/17	2,395,198	—	—	—	—
Natixis Sustainable Future 2050 N	Target-Date 2050	2/28/17	2,377,040	—	—	—	—
Baillie Gifford Positive Change Eq Instl	World Large Stock	12/14/17	1,016,366	—	—	—	—
AGF Global Sustainable Growth Equity I	World Large Stock	11/1/17	755,832	—	—	—	—

Source: Morningstar Direct. Data as of 12/17/2017.

Exhibit A4 Sustainable Funds with Morningstar Sustainability Ratings of Five Globes in Every Month
(Oct. 2016-Sep. 2017)

Name	Morningstar Category	Morningstar Rating Overall	Morningstar Sustainability Rating
AllianzGI Global Sustainability Instl	World Large Stock	—	🌐🌐🌐🌐🌐
Amana Growth Investor	Large Growth	★★★★	🌐🌐🌐🌐🌐
Amana Income Investor	Fund Large Blend	★★★★	🌐🌐🌐🌐🌐
American Century Sustainable Equity A	Large Blend	★★★	🌐🌐🌐🌐🌐
Boston Common US Equity	Large Growth	★★	🌐🌐🌐🌐🌐
Calvert Equity A	Large Growth	★★★	🌐🌐🌐🌐🌐
Calvert International Equity A	Foreign Large Value	★★	🌐🌐🌐🌐🌐
Calvert International Responsible Idx I	Foreign Large Blend	—	🌐🌐🌐🌐🌐
ClearBridge Sustainability Leaders I	Large Growth	—	🌐🌐🌐🌐🌐
Domini Impact International Equity Inv	Foreign Large Value	★★★★★	🌐🌐🌐🌐🌐
Eventide Multi-Asset Income I	Allocation—50% to 70% Equity	—	🌐🌐🌐🌐🌐
Glenmede Responsible ESG US Equity	Large Blend	—	🌐🌐🌐🌐🌐
Green Century Equity	Large Growth	★★★	🌐🌐🌐🌐🌐
Green Century MSCI Intl Indx Instl	Foreign Large Blend	—	🌐🌐🌐🌐🌐
iShares MSCI EAFE ESG Optimized ETF	Foreign Large Blend	—	🌐🌐🌐🌐🌐
iShares MSCI EM ESG Optimized ETF	Diversified Emerging Mkts	—	🌐🌐🌐🌐🌐
iShares MSCI Global Impact ETF	World Large Stock	—	🌐🌐🌐🌐🌐
iShares MSCI KLD 400 Social ETF	Large Blend	★★★	🌐🌐🌐🌐🌐
iShares MSCI USA ESG Select ETF	Large Blend	★★★	🌐🌐🌐🌐🌐
JHancock ESG Large Cap Core R6	Large Blend	—	🌐🌐🌐🌐🌐
Miller/Howard Income-Equity I	Large Value	—	🌐🌐🌐🌐🌐
Neuberger Berman Socially Rspns Inv	Large Growth	★★★	🌐🌐🌐🌐🌐
Northern Global Sustainability Index	World Large Stock	★★★	🌐🌐🌐🌐🌐
Oppenheimer ESG Revenue ETF	Large Blend	—	🌐🌐🌐🌐🌐
Parnassus Mid-Cap	Mid-Cap Blend	★★★★	🌐🌐🌐🌐🌐
Pax Ellevest Global Women's Idx Indv Inv	World Large Stock	★★★	🌐🌐🌐🌐🌐
Pax ESG Beta Quality Individual Investor	Large Blend	★★★	🌐🌐🌐🌐🌐
Pax Global Environmental Mrkts Instl	World Small/Mid Stock	★★★	🌐🌐🌐🌐🌐
Pax MSCI EAFE ESG Leaders Index Instl	Foreign Large Blend	★★★	🌐🌐🌐🌐🌐
Portfolio 21 Global Equity R	World Large Stock	★★★	🌐🌐🌐🌐🌐
Saturna Sustainable Equity	World Large Stock	—	🌐🌐🌐🌐🌐
Shelton Green Alpha	Mid-Cap Growth	★★	🌐🌐🌐🌐🌐
Sit ESG Growth I	Large Growth	—	🌐🌐🌐🌐🌐
TCW New America Premier Equities I	Large Growth	—	🌐🌐🌐🌐🌐
TIAA-CREF Social Choice Eq Instl	Large Blend	★★★	🌐🌐🌐🌐🌐
TIAA-CREF Social Choice Intl Eq Instl	Foreign Large Blend	—	🌐🌐🌐🌐🌐
Touchstone Premium Yield Equity A	Large Value	★	🌐🌐🌐🌐🌐
UBS International Sustainable Equity P	Foreign Large Blend	★★★★	🌐🌐🌐🌐🌐
Walden Equity	Large Blend	★★★★	🌐🌐🌐🌐🌐
Walden International Equity	Foreign Large Blend	—	🌐🌐🌐🌐🌐
Walden Midcap	Mid-Cap Growth	★★★	🌐🌐🌐🌐🌐
Walden Small Cap	Small Growth	★★	🌐🌐🌐🌐🌐
Walden SMID Cap	Mid-Cap Blend	★★★★	🌐🌐🌐🌐🌐
Workplace Equality ETF	Large Blend	★★★	🌐🌐🌐🌐🌐

Source: Morningstar Sustainability Ratings data, 10/31/2016-9/30/2017, Star Rating as of 12/31/2017.
Oldest share class used for Morningstar Rating.



22 West Washington Street
Chicago, IL 60602 USA

©2018 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. The information, data, analyses, and opinions presented herein do not constitute investment advice; are provided solely for informational purposes and therefore are not an offer to buy or sell a security; and are not warranted to be correct, complete, or accurate. The opinions expressed are as of the date written and are subject to change without notice. Except as otherwise required by law, Morningstar shall not be responsible for any trading decisions, damages, or other losses resulting from, or related to, the information, data, analyses, or opinions or their use. The information contained herein is the proprietary property of Morningstar and may not be reproduced, in whole or in part, or used in any manner, without the prior written consent of Morningstar. To license the research, call +1 312 696-6869.