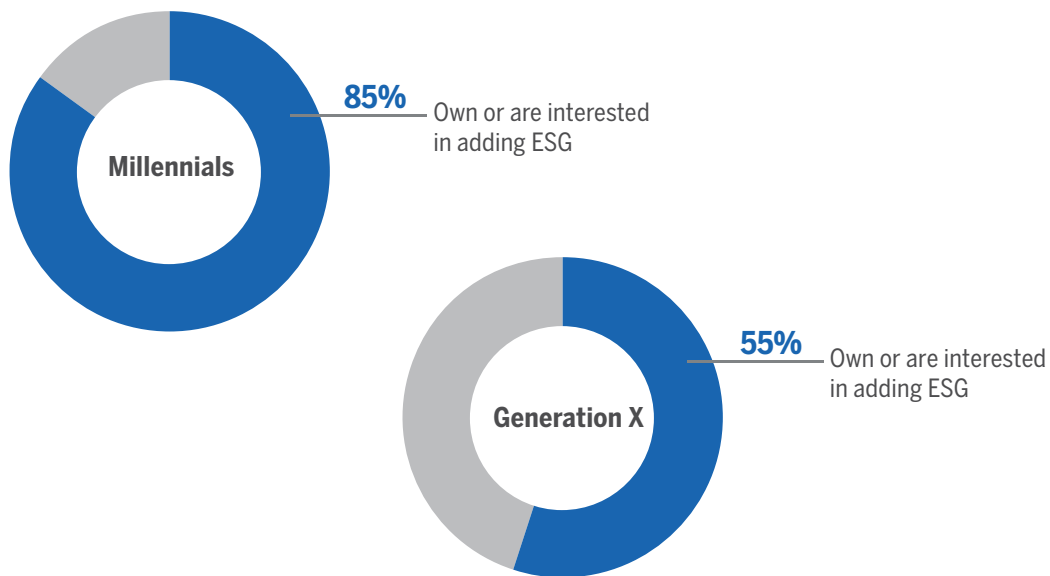


Money in Motion—ESG is a Destination

One of the largest transfers of wealth—an estimated \$30 trillion over the next few decades—will occur as Baby Boomers pass money to younger generations. What do you think the younger generations value?

Intergenerational Wealth Transfer: Increasingly Oriented to ESG



Source: 2016 U.S. Trust Insights on Wealth and Worth Survey

- U.S. assets invested according to ESG—environmental, social and governance—principals soared to \$8.7 trillion, an increase of 33% from 2014 to 2016, as the high level of interest in sustainability has translated to actual investing.¹
- Many younger investors are mindful of a company’s social and environmental impact when making investment decisions. Two reasons they cite are “It’s the right thing to do,” and “Companies that have a positive impact have better financial performance.”²
- An eight-year study³ released in 2016 assessed the hypothetical performance of a portfolio that “tilted” toward, or over-weighted, ESG names. The portfolio’s return exceeded the MSCI World Index over the eight-year period by 1.06% per year, *about 40% of which was due to stock-specific contribution.*

¹ U.S. SIF Foundation, “Report on Sustainable and Responsible Investing Trends in the United States,” 2016

² 2016 U.S. Trust Insights on Wealth and Worth Survey, 2016. Of Millennials, 28% own ESG, 57% are interested in adding ESG. Of Generation X, 24% own ESG, 31% are interested in adding ESG.

³ The Journal of Investing, “Can ESG Add Alpha,” Zoltan Nagy, Altat Kassam, Linda-Eling Lee; Summer 2016



The MSCI World Index captures large and mid cap representation across 23 Developed Markets (DM) countries. With 1,652 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

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