**What Are ESG Funds and Why Are They Under Scrutiny?**

**Management trends, ESG, transparency**

Description: Investors propelled environmental, social, and governance (ESG) funds to new heights in recent years, and federal agencies are watching. Stakeholders are increasingly demanding that firms operate sustainably, address social issues, and communicate transparently. The Wall Street Journal explains why regulators have ethical and sustainable investment funds under review.

*Use with:* <https://www.youtube.com/watch?v=2DgiAIbTuRE>

1. What is ESG in a general sense and how does it differ from social responsibility?
2. How can investors use ESG?
3. What are ESG funds?
4. Why is there rising interest in ESG funds?
5. Why are ESG funds under scrutiny?
6. Describe the following strategies for building ESG funds: exclusionary, single theme, and best in class.