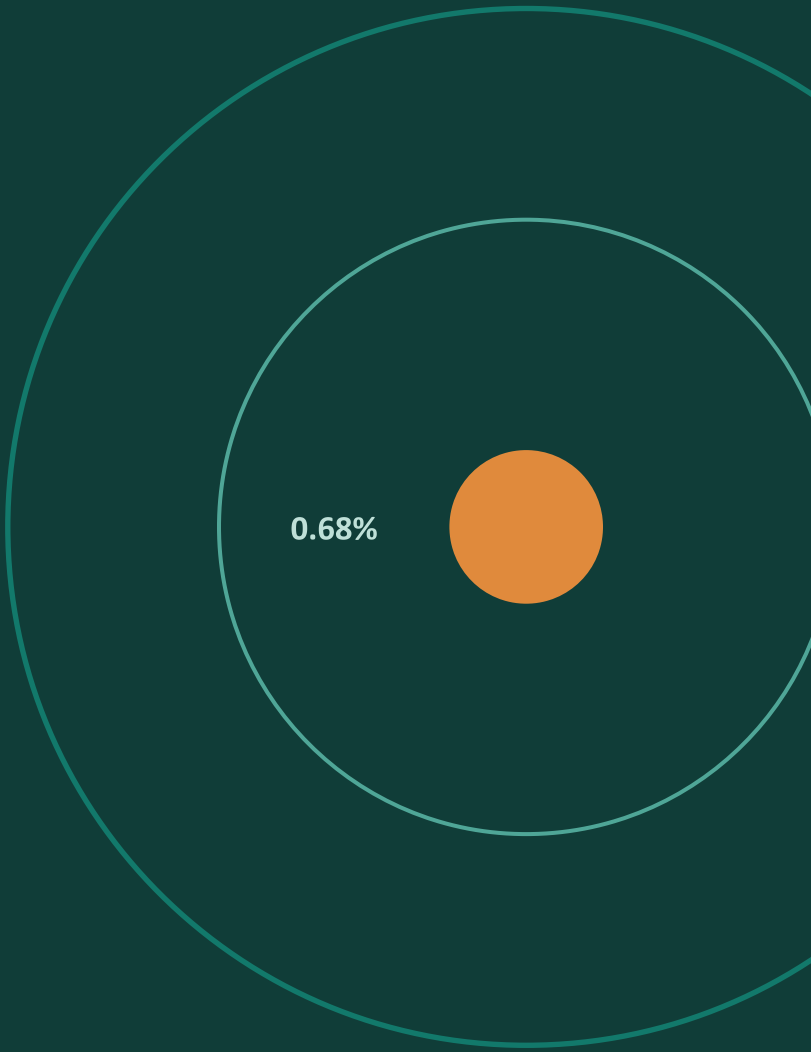
CARBON COLLECTIVE INVESTING × C4S

US Retail Access to Global South Green Bonds



How much of the LMIC (ex-China) green, climate & sustainability-linked bond universe actually reaches US retail investors.

Carbon Collective Investing for Capital for Sustainability · June 2026

THE HEADLINE FINDING

Almost none of it reaches US retail investors

$340B

raised by LMIC ex-China green, climate & SL bonds

→

$2.3B

held by US-accessible bond funds (ETFs & mutual funds)

→

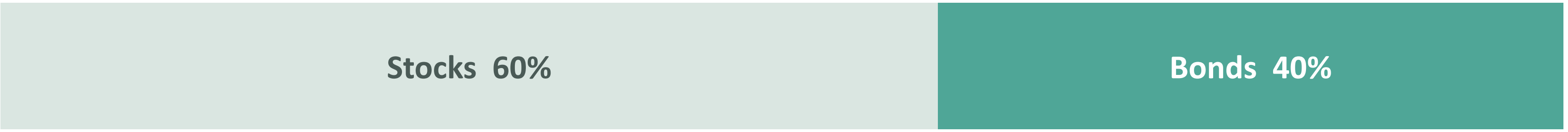
0.68%

of total issuance reaches US retail investors

Of roughly $340 billion raised, US-accessible funds hold about $2.3 billion — and the slice owned on behalf of US retail investors is well under one percent.

The bottleneck isn't bonds — it's emerging-market specificity

A typical 60 / 40 portfolio



↓ *Only ~16% of the Bloomberg Global Aggregate bond exposure is emerging-market*

6.4%
of the portfolio in EM bonds

That is the entire emerging-market bond allocation to begin with before any green-label or currency filter narrows it toward LMIC green bonds.

The point: it isn't that bonds fail to reach US retail investors, it's that emerging- and frontier-market bonds barely feature in a standard portfolio to begin with. And of that small slice, only USD-denominated green issues are reachable, which shrinks LMIC green exposure further still.

WHAT WE ANALYZED

A whole-of-market cross-reference

1

1,688 bonds

LMIC ex-China green, climate & sustainability-linked bond ISINs

→

2

60 funds

the largest US emerging-market bond & green-bond funds, by AUM

→

3

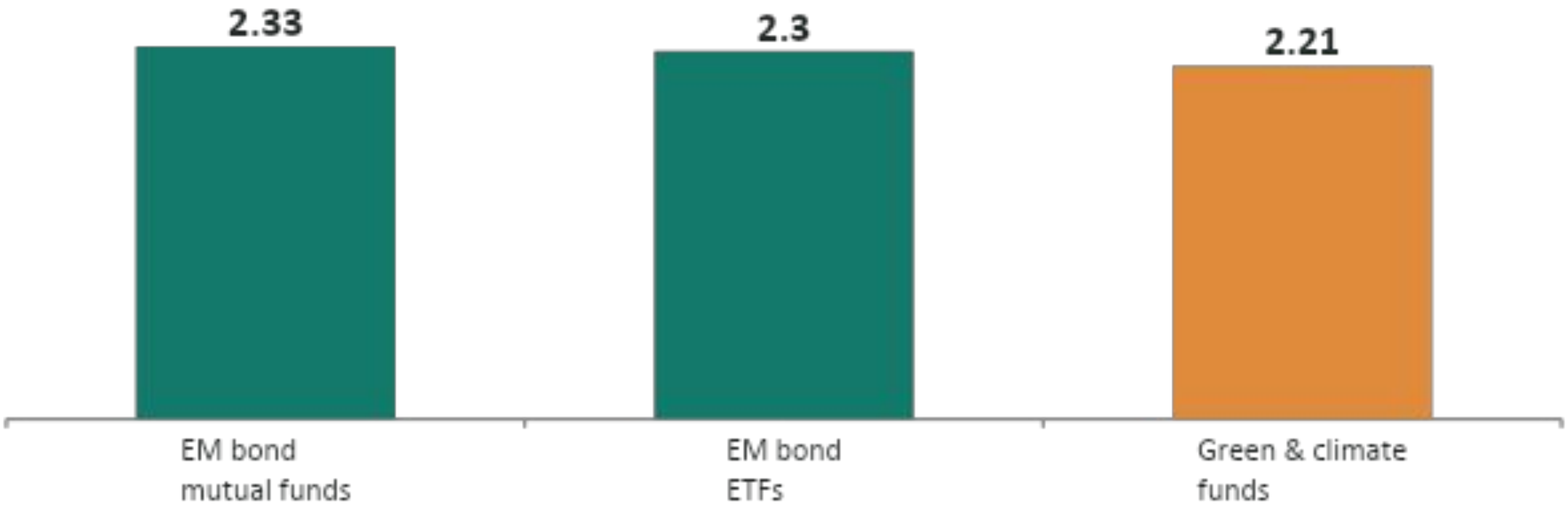
~14% held

of those bonds are held by even one of the 60 funds

Each bond's ISIN was matched against the full portfolio holdings of all 60 funds. Most of the universe (86%) is held by no US fund at all.

GREEN VS. GENERIC

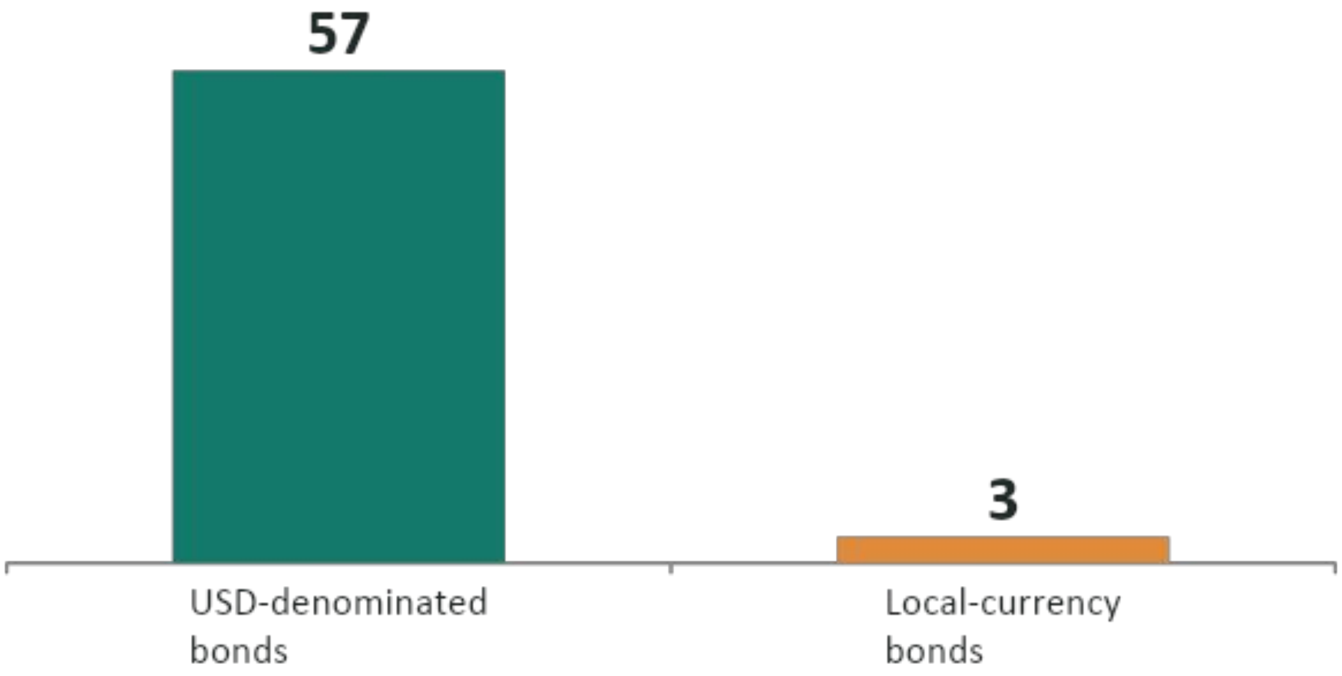
A “green bond fund” gets you no more exposure



Share of fund assets invested in LMIC ex-China green bonds (asset-weighted, incl. sustainability-linked bonds). Dedicated green & climate funds hold no more — and slightly less — than generic emerging-market bond funds.

THE DECISIVE PATTERN

The barrier is currency, not country



Share of each pool held by at least one fund

More than half of USD-denominated LMIC green bonds are held by these funds — but only about 3% of the far larger local-currency market, and under 1% in the biggest local markets.

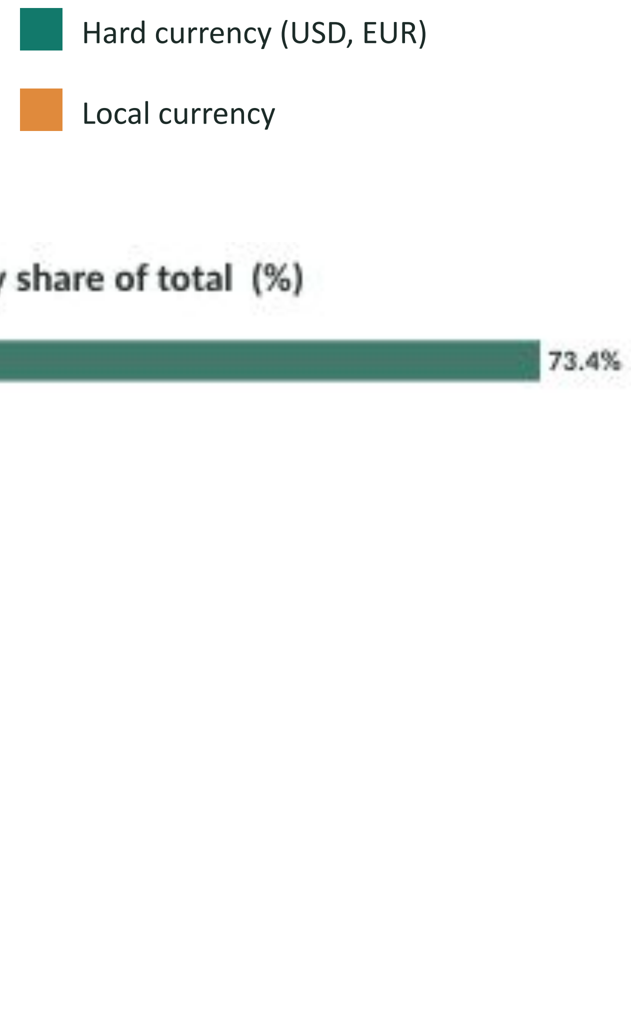
Funds listed on US exchanges avoid non-USD bonds to sidestep currency risk.

% of bonds in each currency pool held by ≥1 of the 60 funds (incl. SLBs).

WHAT THE FUNDS ACTUALLY HOLD

The holdings are a hard-currency story

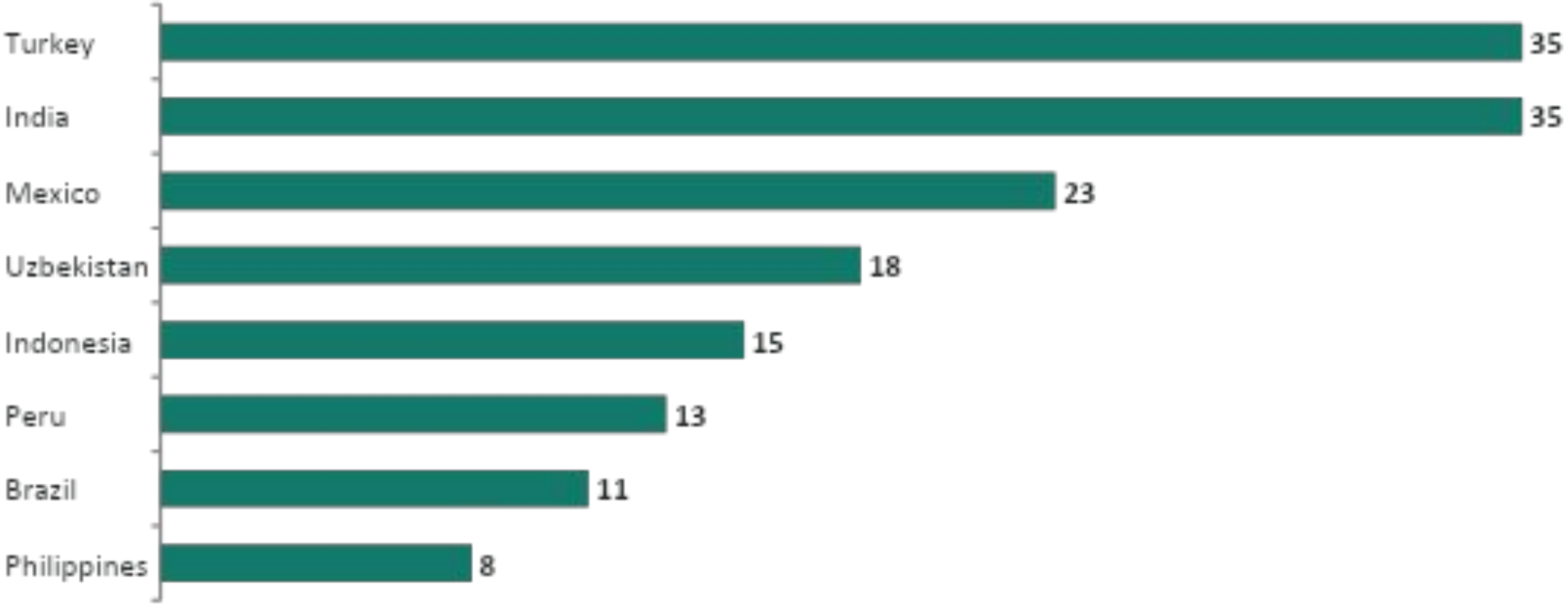
$2.67B held across the 60 funds, spread over 12 currencies.



Hard-currency bonds (USD + EUR) are 81% of everything these funds hold; all ten local currencies combined are under 19%. Of the bonds using USD, 57% are found in these funds. Only 3% of the bond universe using a non-USD currency were found in these funds.

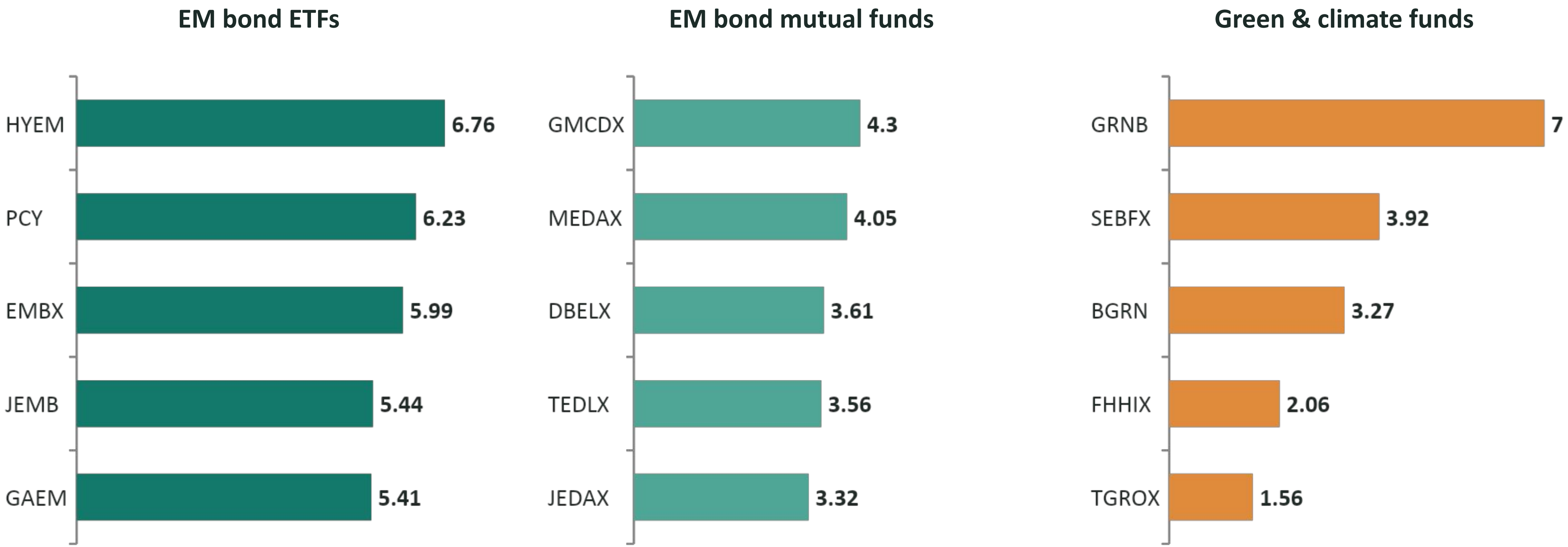
WHERE THE REACHABLE BONDS COME FROM

A short list of issuer countries



Number of distinct LMIC ex-China green bonds held by at least one fund, by issuer country (top 8). All reachable bonds are in USD here.

Even the leaders top out around 7%



Highest-exposure funds in each segment, % of assets in LMIC ex-China green bonds (incl. SLBs). No single fund offers US retail investors a focused way in.

THE TAKEAWAY

A market that exists, but barely connects

57% vs 3%	Currency, not country, is the bottleneck — USD bonds are reachable; local-currency bonds almost never are.
~2%	Green-labeled funds offer no edge: exposure is about the same whether a fund is “green” or a generic EM fund.
<1%	Under one percent of LMIC green-bond issuance reaches US retail investors through these vehicles.

Next for C4S: a public database of LMIC green bonds and how US investors can reach them.