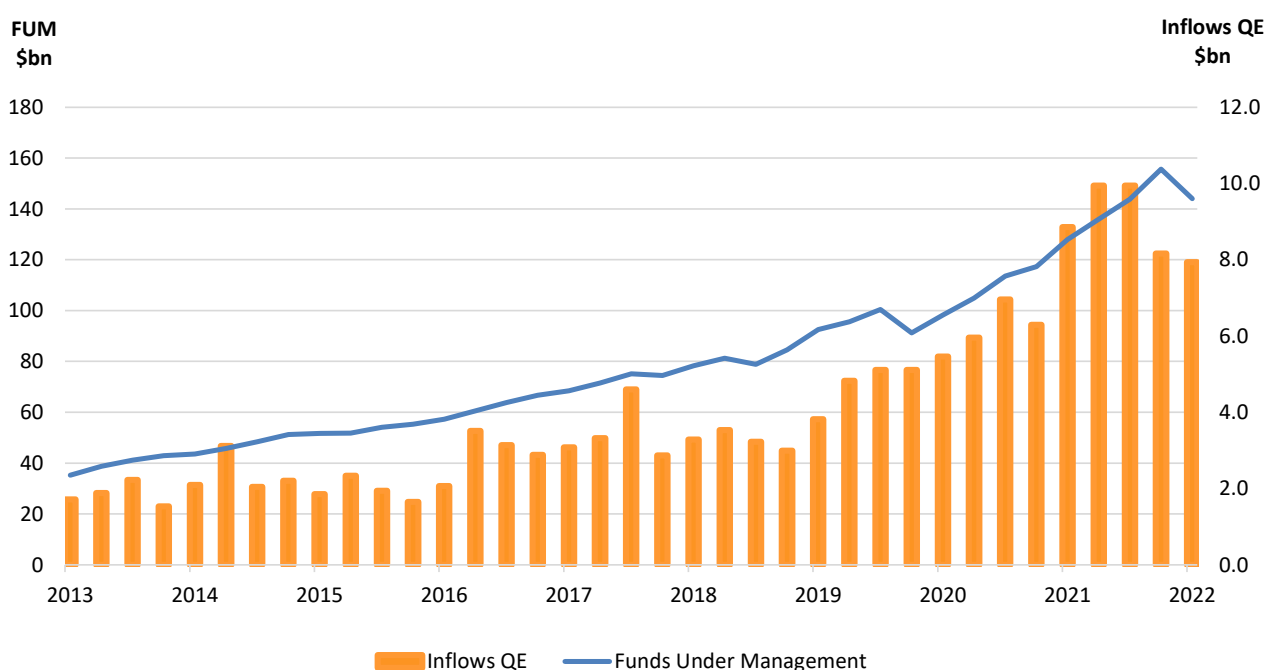


Market Overview

Analysis of Australian & New Zealand Responsible Funds at June 2022

12.6% Annual Growth in Responsible Investment Funds Outperforming the Wider Market

The Responsible Investment Managed Funds market, as captured by Plan For Life across Australia and New Zealand, accounted for \$144.1bn of Funds Under Management at the end of June 2022, up 12.6% over the past year despite investment markets falling for the second consecutive quarter, while Inflows remained strong despite a small dip compared to 2021. On average Responsible Funds grew 16% p.a. over the past 5 years compared to 8% p.a. for the wider market, while total Responsible Funds have not experienced negative quarterly Net Flows since 2013.



Australian Investment Responsible funds, including both Retail and Wholesale Unit Trusts, account for almost 40% of the Responsible market and while posting slower annual growth than the ETF and Super sub-markets, still rose 12.1% compared to the wider Investment market which fell 6.6% over the past year.

The corresponding **Australian Super** Responsible sub-market increased 47.1% over the latest year (partly due to the inclusion of UniSuper responsible options) and recorded a 5 year CAGR of 19.4% while representing over 23% of overall Responsible Investment Funds Under Management.

Responsible thematic **ETFs** are growing rapidly in terms of both FUM and products, now with 34 products making up the current total and FUM rising 47.7% over the past year.

After significant recent inclusions **New Zealand** Responsible Funds now comprise \$46.1bn of Funds Under Management, which is 31% of the total NZ Retail market and although FUM fell 6.3% over the past year, 5 year CAGR remains strong at 13.2%.

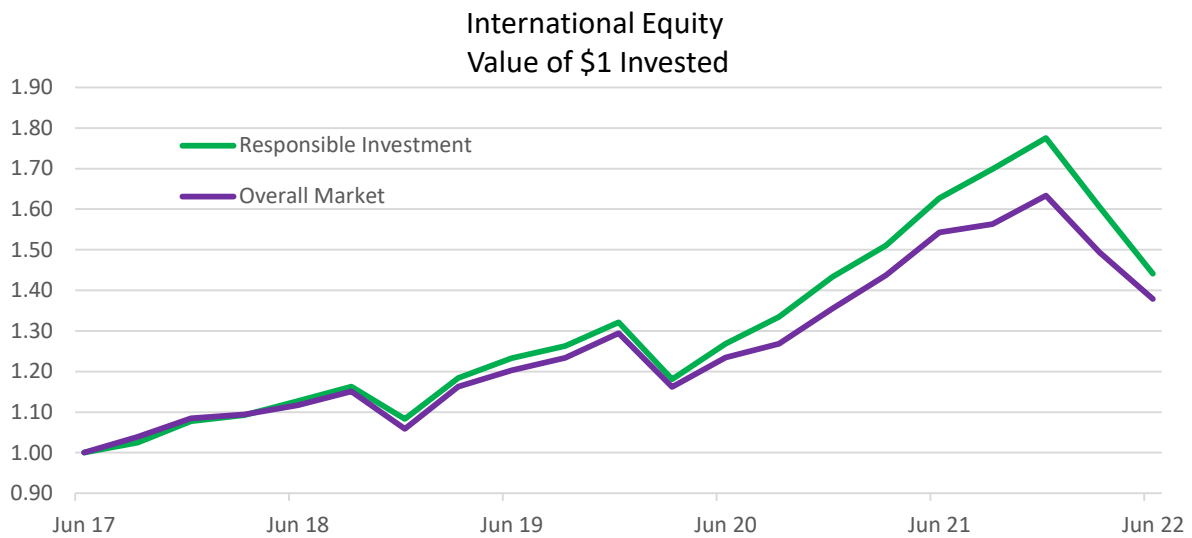
1 November 2022

Market Overview

Analysis of Australian & New Zealand Responsible Funds at June 2022

Funds Under Management								
\$millions	June 2022		June 2021		June 2017		Growth Rates	
							Annual	5yr CAGR
Australian Investment	56,958	39.54%	50,815	39.73%	29,181	42.64%	12.09%	14.31%
Australian Super	33,563	23.30%	22,817	17.84%	13,823	20.20%	47.10%	19.41%
New Zealand	46,130	32.02%	49,238	38.50%	24,809	36.25%	-6.31%	13.21%
Exchange Traded Funds	7,413	5.15%	5,018	3.92%	630	0.92%	47.73%	63.72%
Totals	144,064	100.00%	127,888	100.00%	68,443	100.00%	12.65%	16.05%

Responsible International Equity trusts displayed a similar overall trend to comparable trusts over the past 5 years but on average have clearly outperformed since 2020, exhibiting extended peaks and quicker recoveries from market troughs compared to the wider market.



1 November 2022

Market Overview

Analysis of Australian & New Zealand Responsible Funds at June 2022

About the Market Overview

This Market Overview is provided by Plan For Life, Actuaries and Researchers. Plan For Life is an ISS Market Intelligence brand (ISS MI), part of Institutional Shareholder Services (ISS). [Read more about ISS.](#)

Plan For Life are specialists in collecting data and reporting accurate statistical information and analyses covering financial services, funds management and life insurance markets. This Market Overview is designed to give managing directors, marketing managers and other senior managers a timely and comprehensive overview of the performance of individual companies and the overall market. Plan For Life is an ISS Market Intelligence brand (ISS MI), part of Institutional Shareholder Services (ISS). <https://www.pflresearch.com/>

Contact for more information:

Daniel Morris, Senior Manager, Daniel.Morris@issgovernance.com Ph: +61 3 9886 4400

Disclaimer and Conditions of Use

This report and material have been prepared by Plan For Life, an ISS Market Intelligence brand (Asset International Australia Pty Ltd, ACN 147 440 140, ABN 42 147 440 140) ("Vendor"). Vendor has taken all reasonable care in preparing this Report and takes no responsibility for inadvertent errors and omissions, or those due to information received from other parties. If any errors or omissions are found, these should be brought to our attention so that appropriate corrective action can be taken. Vendor takes no responsibility for the subsequent use of the material provided.

Vendor, its employees and associated persons make no recommendations, representations, warranties nor provide opinions, implied or otherwise about the suitability in general terms of a particular asset type or insurance and its suitability for any particular individual or organization. This report is provided as an information service and is not suitable to be acted upon as life insurance advice without additional input from an Authorised Representative of an Australian Financial Services Licence Holder. In particular, Vendor advises that in preparing this report it did not take into account the individual goals and objectives, anticipated resources, current situation, attitudes or other circumstances of any particular person. In this regard any such user must consult with an appropriate Authorised Representative of an Australian Financial Services Licence Holder. The information provided on financial products does not constitute financial product advice and users of this information should obtain independent advice before making any financial decision.

Vendor is an Australian Financial Services Licence Holder; none of its employees and associated persons are currently Authorised Representatives of a Licence Holder. Vendor is a research company. Actuarial services are provided by and under the independent control of Somari Systems Pty Ltd ABN 97 006 233 923 (Simon Solomon & Associates). No part of this publication may be reproduced or distributed in any form without express prior written consent from Vendor. Acknowledgement is given to APRA for cross-reference to items appearing in its Annual and Half-annual Reports on Life Companies.

Data is collected from companies in the managed funds market covering funds under management, gross inflows, gross outflows, net inflows unit prices and investment return rates. Gross Inflows represents an indication of new business sales. Data is thoroughly checked and queries are raised with data providers if data is significantly different from trends or compared to other companies. Where inflow or outflow data is unavailable, we make estimates based on market behaviour from similar investments in compatible markets. When companies provide actual inflow and outflow data these replace estimates. This estimation procedure, coupled with our rigorous direct data collection, enables us to prepare high quality, reasonable and comprehensive data for every Manager.