

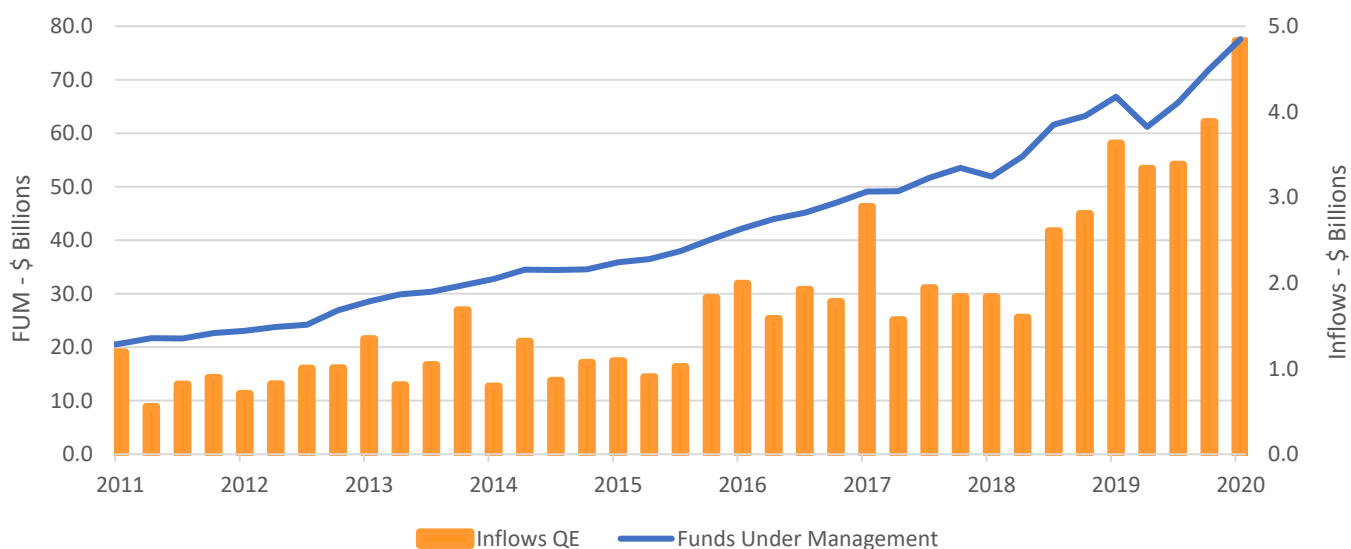
Market Overview

Release Date: 28 April 2021

Analysis of Australian & New Zealand Responsible Funds at Dec-20

16.1% 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 \$77.6bn of Funds Under Management at the end of 2020, up 16.1% over the past year driven by sustained growth in investment markets and record Inflows. On average, annual growth in Responsible Funds has exceeded the wider market by 6.7% p.a. consistently over the past 3 years and total Responsible Funds have had negative quarterly Net Flows only twice since 2014.



Australian Investment Responsible funds, including both Retail and Wholesale Unit Trusts, account for almost 56% of the Responsible market and while posting slower annual growth than the ETF and NZ sub-markets, still rose 14.6% amidst a wider Investment market that gained only 1.1% over the past year.

The corresponding **Australian Super** Responsible sub-market increased 11.2% over the latest year and recorded a 5 year CAGR of 11.5% and holds almost 24% of overall Responsible Investment Funds Under Management.

ETFs have been slower to embrace Responsible Investment as a focus but are growing rapidly in terms of both FUM and products, now with 19 products making up the current total and FUM rising 67% over the past year.

New Zealand Responsible Funds now comprise \$12.8bn of Funds Under Management, which is over 16% of the total NZ Retail market and have defied fluctuating investment markets to post significant growth including 27% 5 year CAGR.

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Funds Under Management								
\$millions	2020		2019		2015		Growth Rates	
							Annual	5yr CAGR
Australian Investment	43,127	55.58%	37,618	56.30%	20,777	57.95%	14.65%	15.73%
Australian Super	18,544	23.90%	16,676	24.96%	10,761	30.01%	11.21%	11.50%
New Zealand	12,776	16.46%	10,630	15.91%	3,903	10.89%	20.18%	26.76%
Exchange Traded Funds	3,153	4.06%	1,887	2.82%	413	1.15%	67.06%	50.17%
Totals	77,600	100.00%	66,811	100.00%	35,854	100.00%	16.15%	16.70%

Responsible International Equity Trusts have on average clearly outperformed comparable Trusts over the past 5 years, displaying both higher peaks and superior performance during falling markets although the gap has closed over recent quarters.



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About the Market Overview

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Contact for more information:

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

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Data Collection and Estimation Techniques 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.