

# Responsible Investments

## Review of Key Changes

**31 March 2022**

AUSTRALIA & NEW ZEALAND

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## About the Responsible Investments Review of Key Changes Report

The Responsible Investments Review of Key Changes report shows changes in Responsible Investment Market fund size from quarter to quarter, by reconciling total inflows, outflows, investment earnings, net transfers and adjustments to history. We identify updates to data collection and reporting of new companies, new funds, terminated funds, additions to historical data and name changes.

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# Overview of Key Changes

## Market Summary

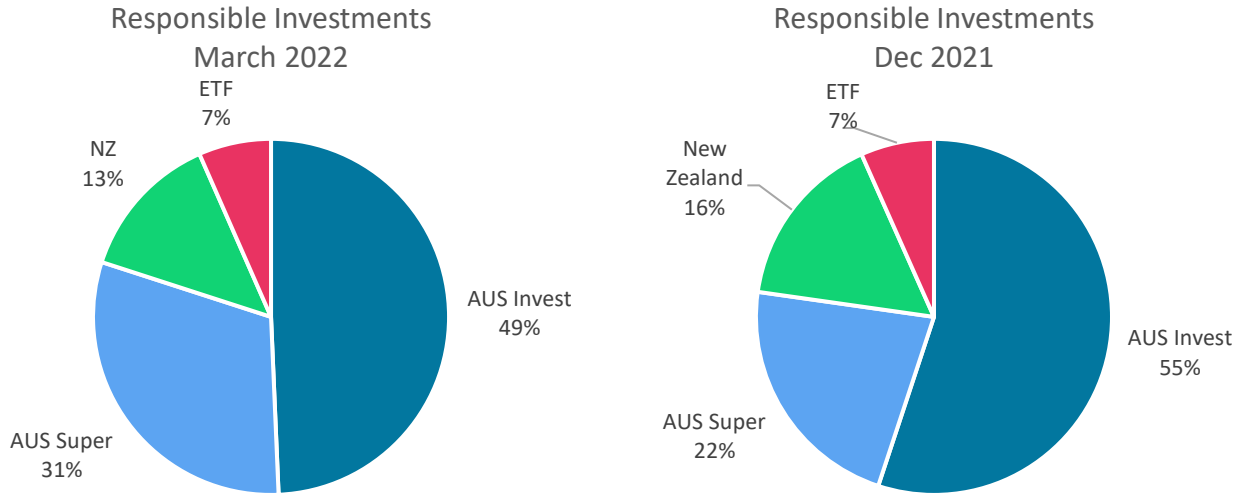
At 31 March 2022, the Overall Responsible Investment Market finished the past year 43.6% higher to stand at \$120.0bn and Annual Inflows up almost 74% on the previous year at \$29.7bn. This growth has markedly outpaced that of the wider market, both over the latest year when Responsible FUM rose 43.6% compared to 10.6% for the comparable broader market, and over the past 5 years with CAGR rates of 22.0% and 9.9% respectively. Although currently a relatively top-heavy market, with 73% of FUM held by the Top 15 players, much of the growth has been attributable to mid-size players and the burgeoning ETF market.

## Reconciliation from our December Data

In overall terms the change in Funds Under Management over the quarter can be summarised as follows:

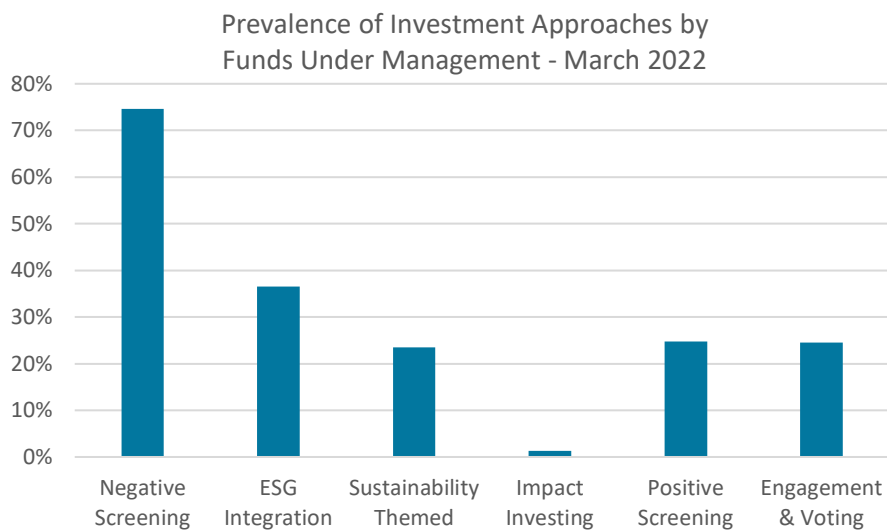
		<u>\$bn</u>
<b>Funds at December 2021</b>		<b>107.1</b>
+ Adjustments to history at December 2021		-0.1
+ Inflows	6.88	
- Outflows	4.42	
+ Net Funds Flow		2.5
+ Investment Earnings and Net Transfers		<u>10.5</u>
<b>= Funds at March 2022</b>		<b><u>120.0</u></b>

## Market Split: December 2021 to March 2022



## Investment Approaches

*Negative Screening* is by far the most widespread approach, with 83% of products (accounting for 81% of FUM) adopting it, often used in conjunction with the next most used approaches in *ESG Integration* and *Positive Screening* which are used respectively by 35% and 23% of funds. Interestingly, *ESG Integration* accounts for 43% of FUM with *Positive Screening* only 20%, suggesting a bias for larger funds adopting the former and smaller (or newer) funds the latter.



## New Companies & Products

### Apostle Asset Management

The \$103m People and Planet Diversified Fund has been included this quarter.

### Australian Ethical

The \$4m Australian Ethical High Conviction ETF has been included this quarter.

### Bell Asset Management

The following wholesale funds have been included this quarter:

- Global Emerging Companies \$260m
- Global Equities \$79m
- Global Equities Platform \$27m
- Global Sustainable Hedged Class Units \$0.5m
- Global Sustainable Unhedged Class Units \$0.5m

### BNP Paribas

The \$7m Green Bond Wholesale Fund has been included this quarter.

### Booster

The following KiwiSaver options have been included this quarter:

- Socially Responsible Investment Growth \$0.5m
- Socially Responsible Investment Geared Growth \$0.3m

### Colonial First State

The \$134m Acadian Australian Long only Wholesale Fund has been included this quarter.

### First Sentier Investors

The \$53m Global Credit Fund has been included this quarter.

## GSFM

The \$36m Munro Climate Change Leaders Fund has been included this quarter.

## Harbour Asset Management

The \$3m Sustainable Impact Fund has been included this quarter.

## Janus Henderson Investors

The following products have been included this quarter:

- Net Zero Transition Resources Active ETF \$0.5m
- Net Zero Transition Resources Fund \$27m

## Nanuk Asset Management

The \$26m Nanuk New World ETF has been included this quarter.

## Pendal Group

The following products have been included this quarter:

- Sustainable Australian Fixed Interest Class W Wholesale Fund \$41m
- Australian Shares Responsible Investments Institutional \$50m

## Plato Investment Management

The \$7m Global Net Zero Hedge Fund has been included this quarter.

## Robeco

The \$33m Global Developed Sustainable Enhanced Index Equity Wholesale Fund has been included this quarter.



## State Street Global Advisors

The following ETF's have been included this quarter:

- SPDR Dow Jones Global Real Estate ESG Fund \$468m
- SPDR S&P Emerging Markets Carbon Control Fund \$20m
- SPDR S&P World ex Australia Carbon Control (Hedged) Fund \$143m
- SPDR S&P World ex Australia Carbon Control Fund \$276m

## UniSuper

The following options have been included this quarter:

- Global Environmental Opportunities \$2.9bn
- Sustainable Balanced \$5.6bn
- Sustainable High Growth \$5.1bn



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