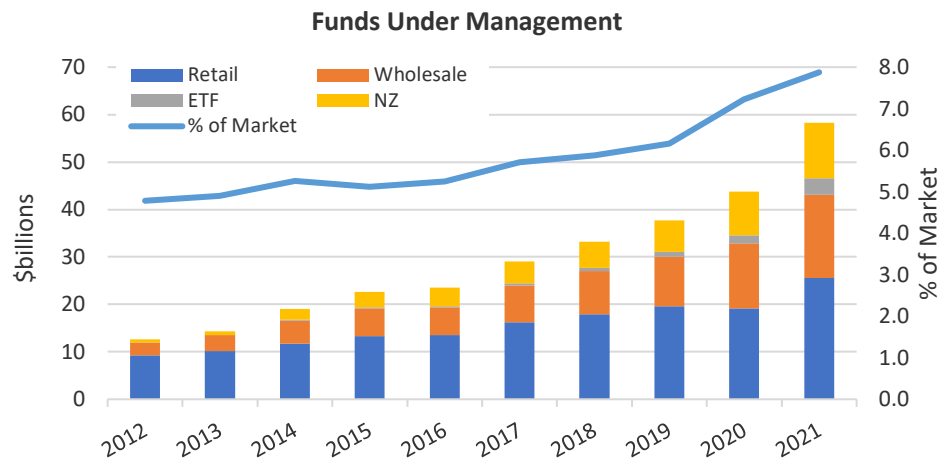


# Responsible Investment Funds in Australia & NZ

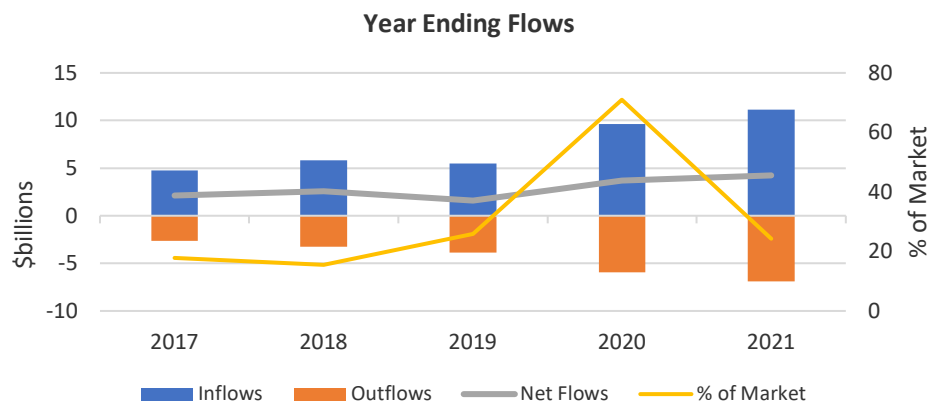
## FUM, Flows and Performance Q1-2021

The Responsible Investment Funds in Australia & NZ quarterly report outlines industry data on market size (FUM), flows and performance of responsible, ethical and impact investment products that have been certified by the Responsible Investment Association Australasia (RIAA) and compares these results with the broader Australian & NZ managed funds markets over the 10 years to 31 March 2021.

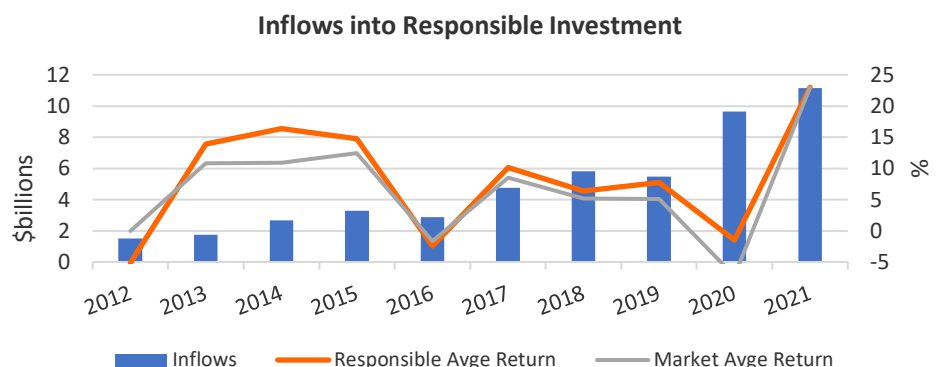
Responsible Funds Under Management have grown to over \$58.2bn as at the end of March 2021, driven by strong investment performance and robust Inflows, accounting for 7.9% of the comparative market<sup>1</sup>. FUM has grown 147% over the past 5 years and more than quadrupled over the past 10.



Inflows into Responsible products have experienced strong growth – Inflows over the past 5 years more than triple that of the previous 5 years, and Annual Net Flows having remained positive since 2012.



Annual Inflows into Responsible Investment funds tracked against average annual returns demonstrates that Inflows have maintained a steady upward trend even as market returns fluctuate.

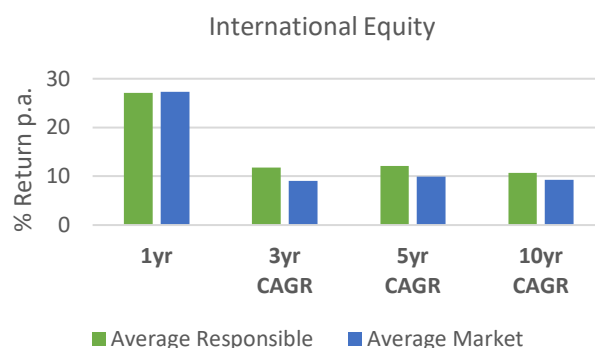
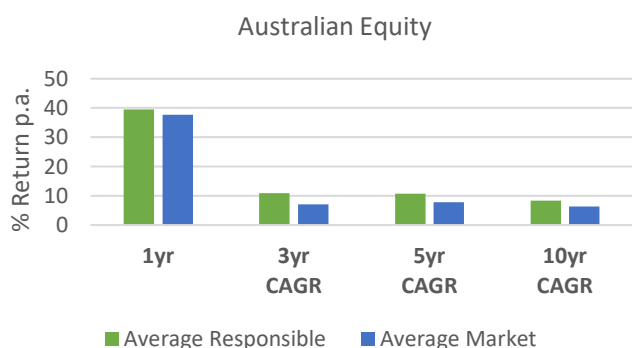


# Responsible Investment Funds in Australia & NZ

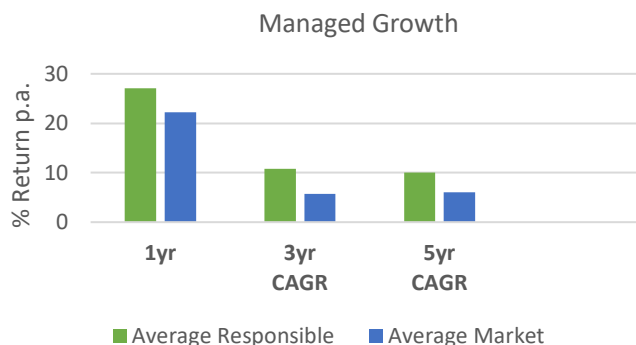
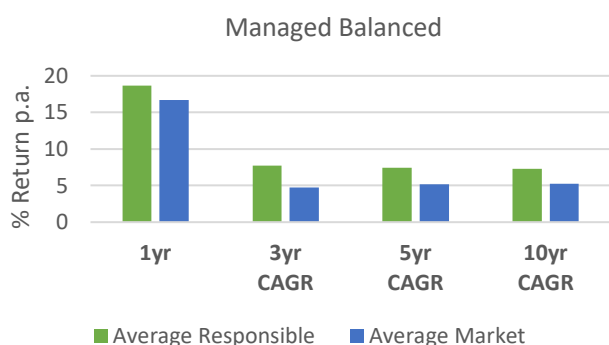
## FUM, Flows and Performance Q1-2021

As at the end of March 2021 with investment markets now more than recovered from early 2020 losses, 86% of Responsible funds outperformed the average return achieved across the combined Responsible and Non-Responsible market within their asset class based on 3-year CAGR, while 52% and 67% of funds outperformed the market based on 5-year and 10-year CAGR respectively, highlighting the longer-term focus of investing with an emphasis on ESG factors.

The **Australian Equity** asset class displayed outperformance at all time points, especially on a 3-year basis where 88% of Responsible funds outperformed the market with an average return of +3.8% higher compared to the benchmark. Average outperformance on a 10-year basis was also marked at with 89% of Responsible funds achieving this, however only by +1.9% on average. Responsible **International Equity** funds outperformed the wider market over longer time periods, most impressively over the past 3 years where over 88% of funds outperformed the market, and by an average of +2.8%. Over the past year Responsible funds were below the market average although only slightly by -0.3%.



**Managed Balanced** Responsible funds similarly outperformed the market average over all time periods, with over 60% of funds achieving this over every period, and over 90% over 3 and 10-years. The scale of outperformance ranged from +3.0% over the 3-year period to +2.0% achieved over the 1 and 10-year periods. Fewer Responsible funds fall within the **Managed Growth** asset class, all of which outperformed the wider market over the 3 and 5-year periods. 53% of funds outperformed over the past year, higher on average by +4.8% compared to the benchmark.



# Responsible Investment Funds in Australia & NZ



## FUM, Flows and Performance Q1-2021

### About this Report

This report has been prepared by Plan For Life, an ISS Market Intelligence brand. Plan For Life collects data directly from fund managers and publishes quarterly analysis on Responsible Investment funds. This report is based on responsible, ethical and impact investment products that have been certified by the Responsible Investment Association Australasia as delivering on their responsible investment promise and meeting the Australian and New Zealand Standard for responsible investing (these products are all featured on [www.responsiblereturns.com.au](http://www.responsiblereturns.com.au)).

The performance charts provide an overview of average Responsible fund performance compared to comparable average market benchmark performance – please note that market returns include both Responsible funds and those without a responsible focus. Full market reporting is available covering all Retail, Wholesale, New Zealand and ETF products. For more information see <https://www.pflresearch.com/responsible-investments>.

<sup>1</sup>The comparative market used to calculate “% of Market” FUM and Net Flow figures is based on product sub-markets from which Responsible Investment funds have been identified, including Wholesale Trusts, Retail Trusts, ETF’s and NZ KiwiSaver, rather than the total Australia & NZ Managed Funds market.

Please note that the NZ Super Fund, although RIAA accredited, has been excluded as sovereign wealth funds currently lie outside the scope of this reporting; FUM in this product is currently NZ\$55.8bn.

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