

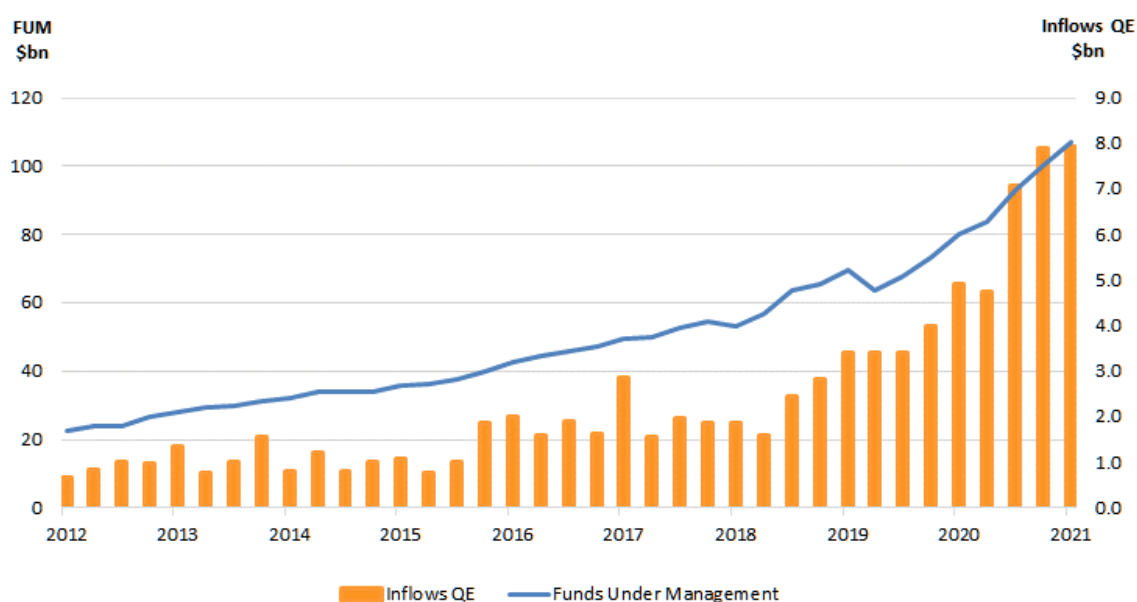
12 May 2022

Market Overview

Analysis of Australian & New Zealand Responsible Funds at December 2021

33.6% 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 \$107.1bn of Funds Under Management at the end of December 2021, up 33.6% over the past year driven by continuing growth in investment markets and record Inflows. On average, annual growth in Responsible Funds has exceeded the wider market by 9.0% p.a. consistently over the past 3 years and total Responsible Funds have not experienced negative quarterly Net Flows since 2015.



Australian Investment Responsible funds, including both Retail and Wholesale Unit Trusts, account for over 55% of the Responsible market and while posting slower annual growth than the ETF and NZ sub-markets, still rose 36.0% which was significantly higher than that of the wider Investment market that grew 20.9% over the past year.

The corresponding **Australian Super** Responsible sub-market increased 19.9% over the latest year and recorded a 5 year CAGR of 13.1% but, as the slowest-growing sub-market, now represent only 22% of overall Responsible Investment Funds Under Management, down from over 30% 5 years ago.

ETFs have been slower to embrace Responsible Investment as a focus but are growing rapidly in terms of both FUM and products, now with 26 products making up the current total and FUM rising 126.7% over the past year.

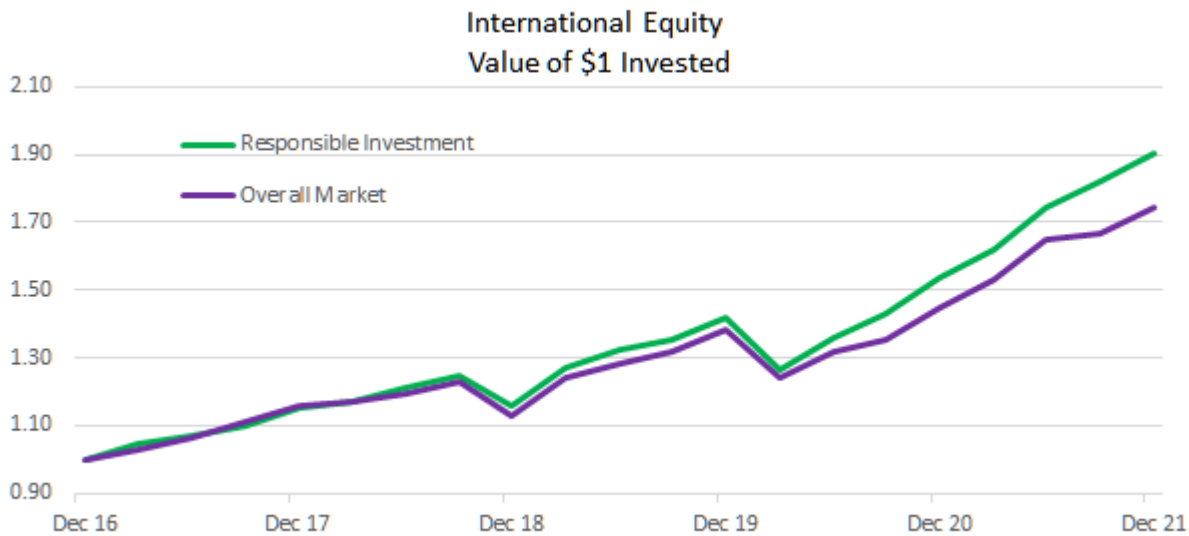
New Zealand Responsible Funds now comprise \$17.2bn of Funds Under Management, which is 11.5% of the total NZ Retail market and have defied fluctuating investment markets to post significant growth including a 30.4% 5 year CAGR.

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Funds Under Management								
\$millions	December 2021		December 2020		December 2016		Growth Rates	
							Annual	5yr CAGR
Australian Investment	59,006	55.07%	43,378	54.10%	24,777	57.94%	36.03%	18.95%
Australian Super	23,762	22.18%	19,824	24.72%	12,863	30.08%	19.86%	13.06%
New Zealand	17,229	16.08%	13,830	17.25%	4,567	10.68%	24.58%	30.41%
Exchange Traded Funds	7,147	6.67%	3,153	3.93%	553	1.29%	126.69%	66.84%
Totals	107,144	100.00%	80,185	100.00%	42,760	100.00%	33.62%	20.17%

Although the performance of Responsible International Equity trusts has on average tracked very closely to comparable trusts in the wider market for most of the past 5 years, an outperformance gap has developed over the past year. Historically, similar outperformance is seen during periods of stagnant or negative growth in the wider market where responsible trusts tend to enjoy extended peaks and less dramatic falls.



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About the Market Overview

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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.