



Inside Australia's Super Funds

An Ethical Review of Investment Portfolios

Summary Report
May 2026

Disclaimer: This report is intended to convey factual information for the dominant purpose of presenting data relating to environmental, social, ethical and governance attributes of investments. It aims to enhance transparency on investment for the benefit of the Australian public. It is not intended to provide financial product advice. You should obtain independent advice before making any financial decisions.

About Mindful Investing

This report summarises data from a pilot project, analysing the portfolios of 15 large super funds. Mindful Investing, the publisher of the report, is part of Mindful Money NZ, which is a program of New Zealand registered charity, Sustainable Initiatives Aotearoa. The aim of Mindful Investing is to improve transparency of retail investment information, with the expectation that informed investors are more likely to be ethical investors, and generate social and environmental benefits.

There is a more detailed breakdown of the data to the level of specific company holdings in portfolios. This is presented online at: www.mindfulinvesting.au.

If there is demand for this information and support for the project, Mindful Investing intends to provide updates of this information on super funds every six months when portfolio holdings are updated.

www.mindfulinvesting.au

email: info@mindfulinvesting.au

About Mindful Money NZ

Mindful Money NZ is an independent charity that aims to provide transparency for investors and to enable more investment that has positive outcomes for people and the planet. Mindful Money NZ started with providing transparency for New Zealanders' holdings in KiwiSaver funds (superannuation schemes) and managed funds.

Engagement with fund managers includes research, notably on annual surveys on public attitudes to ethical investment, investor climate surveys and reports on ocean harm, deforestation and fossil fuels. Our current research focus for 2026 supports the addition of companies generating positive outcomes onto Mindful Money's NZ website. Mindful Money NZ also holds annual awards for ethical and impact investing, including awards for overseas funds marketed in New Zealand.

Mindful Money NZ's outreach approach embodies 'education for action'. Public outreach aims to educate and engage the public in ways they can understand where their funds are invested and make informed investment choices.

This report and website mark the first major focus on the superannuation sector in Australia. We seek to work with partners in Australia to build greater transparency on portfolio holdings and enable informed investors to align their investment with their values.

www.mindfulmoney.nz

© Mindful Money 2026

Published under a Creative Commons Attribution Non-Commercial Licence 4.0

<https://creativecommons.org/licenses/by-nc/4.0/>

Research and drafting was undertaken by the Mindful Money team of Barry Coates, Kate Vennell, Karen Swainson, Tash McGowan, Callum Hobbs, Alex Coaton and Sophie Auckram.

The suggested citation for this report is: Mindful Money. 2026. Inside Australia's Super Funds: An Ethical Review of Investment Portfolios. Mindful Money, Aotearoa New Zealand

Table of Contents

Executive Summary	4
Scope of the analysis	6
Findings	7
Total issues of concern: MySuper Investment Options	7
Total issues of concern: Ethical Investment Options.....	7
Super funds investment in Issues of Concern to the Australian public	8
Fossil fuels	9
Human rights violations	9
Environmental harm	9
Social harm	9
Animal cruelty	9
Weapons.....	10
Issues of Concern in Portfolios	11
Introduction	12
About ethical investment	12
Financial returns	12
Aims for this report.....	13
Methodology	14
Approaches to investing ethically.....	14
Sourcing funds	15
Portfolio analysis	15
Mapping the issues of concern.....	15
Categories for issues of concern	16
Identifying specific issues through tags	16
Identifying companies	16
What Australians Want	17
Superannuation and ethics	18
Superannuation is important.....	18
The disclosure problem.....	18
Conclusions	20
References	21

Executive Summary

Australian superannuation has grown rapidly in scale and is now an important source of capital for members and the Australian economy. It is one of the largest pools of funds globally. Where super funds are invested matters, not only for local and international capital flows, but also for the real world consequences of those investment decisions.

This report traces investment flows from major super funds into what we describe in this report as 'issues of concern'. These issues are widely recognised in ethical investing and public debate and reflected in the results of a national survey of Australians' attitudes to superannuation and ethical investing (Lonergan Research, 2026). In that survey, respondents considered it is important that super funds avoid investments in issues such as human rights violations, animal cruelty, environmental harm, weapons, social harm and fossil fuels. The report refers to these as 'issues of concern', referring to concerns held by the Australian public.

The survey shows over 80% of respondents want to avoid most of the issues of concern, with fossil fuels at 69% and social harm issues at 62-75%. This level of concern extends far beyond those members that specifically choose an ethical investment option (36%). Overall, over 84% want their super funds to be invested ethically.

The analysis in this report is focused on 15 major non-self managed (SMSF) super funds (around \$2.1 trillion, 70% of the total) and specifically 31 options (\$882 billion). It assesses company-level exposures for the portion of each portfolio that can be identified from available disclosures (read more about the scope of the analysis on page 6).

Investments in these issues of concern totalled \$89 billion at June 2025. Extrapolating to the superannuation system as a whole, including SMSFs, suggests total investment of around \$450 billion in issues of public concern across all super funds. **There is a significant gap between the expectations of super fund members and the reality of where their funds are invested.**

The gap has been obscured by limited transparency. Although three quarters of Australians say they want to know where their money is invested, most super funds disclose only the minimum required information, often in formats that are difficult to read and virtually impossible for members to interpret. Portfolio disclosure regulations should be strengthened. Current regulated reporting falls well short of international good practice. Super funds should also do more to make holdings information accessible to members and prospective members. Many funds claim to invest ethically and may highlight a small number of positive holdings but provide little context about where most of the portfolio is invested.

The gap is most pronounced in the largest investment categories. In this sample of 31 investment options, fossil fuel investments total \$46 billion and are heavily concentrated (76%) in major coal, oil and gas companies that are still expanding their production, decades after most claimed they were transitioning to renewable energy.

The second highest category is human rights violations at \$22 billion, even though this is a high-priority issue for Australians to avoid. This category includes the use of data in surveillance and conflict situations, as well as modern slavery and community-level impacts of mining.

Overall, while ethical options have a lower level of issues of concern than the MySuper option, there is considerable variation in those options labelled as an ethical (or sustainable or socially responsible) option. Our analysis of human rights violations and animal cruelty shows that the proportion of holdings is often similar for both ethical options and the MySuper option. This suggests that these issues are not consistently prioritised in ethical analysis and are not reliably excluded from ethical option portfolios.

Concern about these issues relates not only to the harm they contribute to, but also the associated financial risks. Evidence over several decades (summarised on page 12) shows that the long-term returns from ethical investing are at least as high as those from traditional investing and the risks are often lower. This reflects, for example, stranded assets associated with the fossil fuel economy, reputational and brand risks from controversies such as human rights and animal cruelty, and regulatory risks associated with issues such as gambling.

This analysis by Mindful Investing is the first wide-ranging assessment of super fund

holdings. The findings are summarised in this report and are also available to the public at www.mindfulinvesting.au. This allows super fund members to explore their holdings and see which companies are in their portfolios. The site is quick and easy to use and entirely free.

Mindful Investing is a program of the New Zealand charity, Mindful Money NZ, which has been providing this information to the New Zealand public over the past seven years. Our aim is to promote transparency by informing the public about where their hard-earned savings are invested and enabling them to understand more about the types of investments in their portfolios. Our experience is that informed investors are ethical investors. Members with concerns over the companies or types of investments in their portfolio should contact their super fund.

This analysis is not a recommendation to purchase ethical funds. Returns will always vary, and different funds will generate different results. All investments carry risk, and ethical investing is no exception. Past performance is not a reliable indicator of future performance.

Scope of the analysis

This analysis focuses on part of the superannuation system where the majority of member capital is held. Fifteen APRA-regulated super funds were selected, together managing \$2.1 trillion in funds under management, 70% of total APRA-regulated non-SMSF superannuation assets. The selected providers are those with a combination of the largest funds under management, the largest number of members and available to retail investors (APRA 2025). The analysis also included specialist ethical investment super funds¹ as well as Vanguard, a new market entrant.

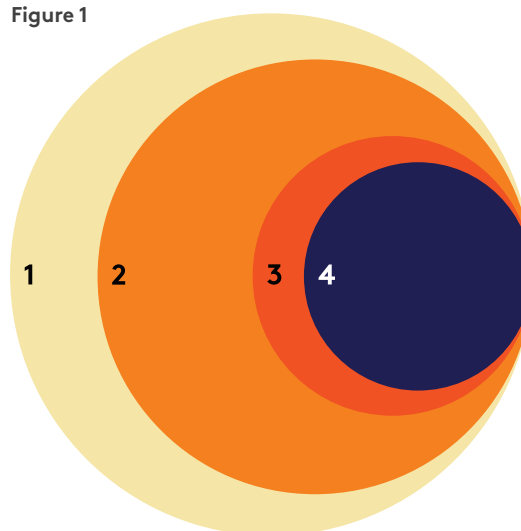
From these 15 providers, the MySuper option was chosen, as well as one or two ethical investment options (depending on fund availability)². A total of 31 individual investment options were analysed, covering \$882 billion, 29% of the total APRA-regulated non-SMSF superannuation system.

Within these investment options, the analysis identified the companies held in each portfolio where disclosure allowed. This enabled coverage of approximately two-thirds of total fund value. The remaining holdings could not be assessed due to insufficient public disclosure (see disclosure discussion on page 18).

The coverage figure shown for each investment option reflects the proportion of the portfolio for which company-level holdings could be identified, drawn from Portfolio Holdings Disclosures (PHDs) at end June 2025.

Scope of super fund analysis

Figure 1



- 1 All APRA-regulated super funds offered to the public \$3.0 trillion
- 2 15 super fund providers
Funds under management: \$2.1 trillion
70% of APRA-regulated super funds
- 3 31 investment options
Funds under management: \$882 billion
29% of APRA-regulated super funds
- 4 Mindful Investment analysis
Funds holdings disclosed \$573 billion
19% of APRA-regulated super funds

It should be noted that the level of disclosure needs to be taken into account when looking at % issues of concern. Where disclosure is limited and coverage is low, the reported level of exposure to companies of concern is likely to be understated relative to investment options with more comprehensive disclosure.

1 It was not possible to include Future Super funds. Although they provided good practice disclosure through listing companies managed by external providers, the disclosures did not include a valuation of holdings for each portfolio

2 It was not possible to include an AMP ethical investment option. The AMP Pandal Sustainable Balanced fund included only one substantive investment, the Pandal Sustainable Balanced Fund at 100% of the portfolio, with no breakdown provided.

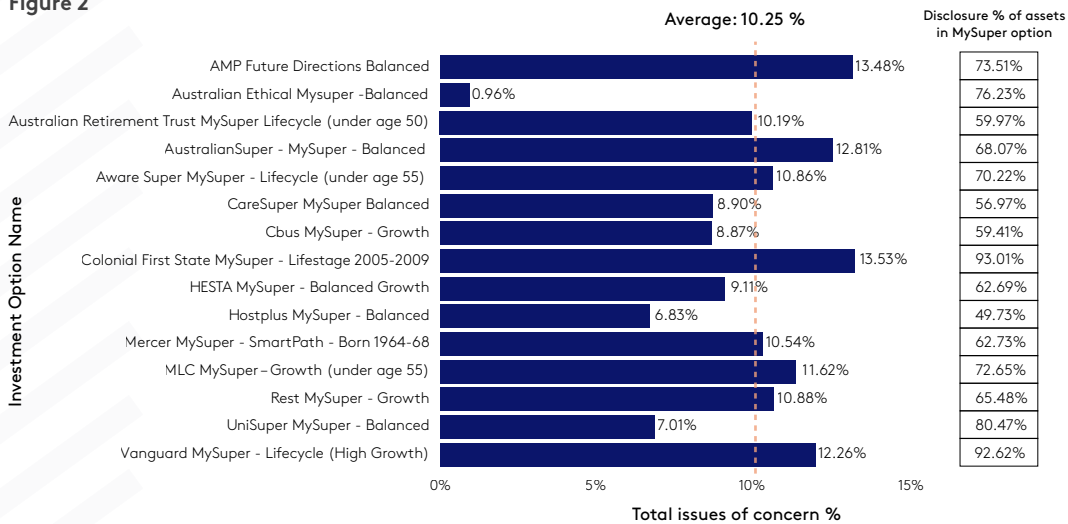
Findings

The analysis of super fund investment options is presented separately below for MySuper options (Figure 2) and Ethical investment options (Figure 3).

Total issues of concern: MySuper investment options

Issues of concern as % of total portfolio FUM

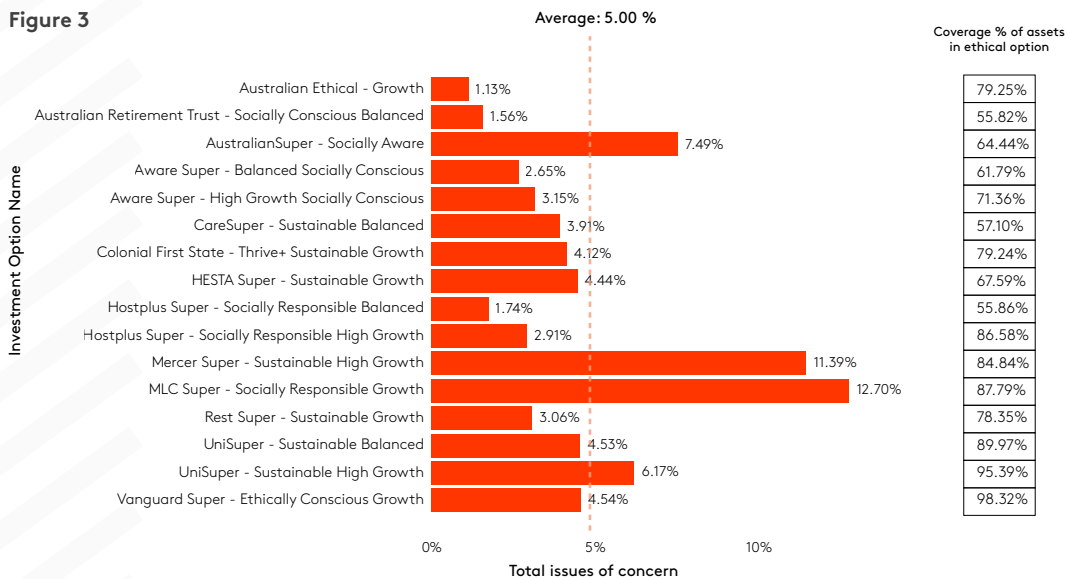
Figure 2



Total issues of concern: Ethical investment options

Issues of concern as % of total portfolio FUM

Figure 3



Note: Companies of concern are identified from the available disclosures, meaning that the results are likely to be under-stated for funds with lower level of disclosure

Figure 2 lists the MySuper options for the 15 super funds analysed. It shows a large difference in holdings of issues of concern, ranging from over 13% of portfolio value to less than 1%.

Overall, the level of investment in issues of concern is high, especially in the context of the large proportion of the population who want to avoid these investments.

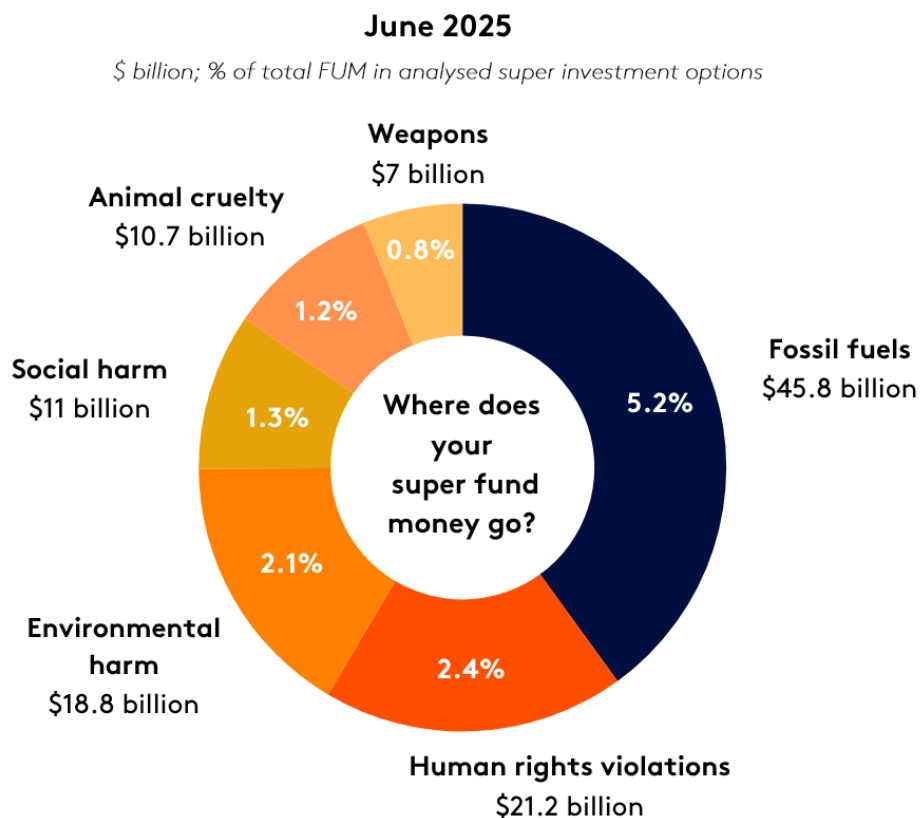
As Figure 3 shows, the investment options designated as ethical hold fewer issues of concern than their MySuper equivalents. The average is 5% for ethical options compared with over 10% for the MySuper options. There is, however, considerable difference across the range of ethical options. Some investors may be concerned that the funds labelled as ethical still have significant holdings of companies that most Australians want to avoid.

A breakdown of issues of concern into categories shows a concentration of most investment in a few issues, notably fossil fuels and human rights. Apart from fossil fuels, the highest investments are in the categories that relate to harmful company practices (human rights, animal cruelty and environment). These are also the issues of highest concern for the public.

There are lower levels of investments in company products and services which have traditionally been regarded as the key ethical concerns, such as gambling, tobacco, alcohol, pornography and weapons. These are the issues that appear in most negative screens used by super fund providers.

Super Funds Investment in issues of concern to the Australian Public

Figure 4



Investments in issues of concern account for \$89 billion, which is 10.1% of \$882 billion in 31 options analysed. Some companies are cited for more than one issue of concern. The total of \$89 billion counts companies once.

The Social harm category comprises tobacco, gambling, alcohol and pornography.

Source: Mindful Investing analysis

Fossil fuels

There is substantial investment in fossil fuels, although far less held in ethical investment options (an average of 0.4% in ethical options compared with 4.8% in MySuper options).

Even with this limited sample of 31 investment options, \$46 billion was invested in fossil fuel companies at end June 2025. Mindful Investing's analysis breaks down the fossil fuel investments into three categories:

- Those on a transition pathway to 1.5 degrees C of global temperature rise
- Those still expanding their production of coal, oil and gas
- Other fossil fuel companies.

Those transitioning and expanding are shown by tags on the Mindful Investing online platform for each fund.

This analysis shows 76% of the investment in fossil fuel producers goes into the expanders (also see Market Forces, 2025). Amongst the companies attracting the most investment are Woodside Energy, planning to massively expand gas production at its North West Shelf project in Western Australia, and Santos, planning expansion in Australia, Papua New Guinea and Alaska.

Investment in fossil fuels, particularly in the expanders, not only contributes to the climate crisis but also carries financial risks. There have been warnings of the losses from stranded assets for more than a decade - assets such as reserves, production infrastructure and storage are likely to fall in value when demand peaks and declines, as is inevitable. The risks grow as companies double down on fossil fuels rather than transitioning to clean energy. The volatility of oil and gas markets illustrates the importance of a rapid transition to a more stable, resilient, lower cost and climate safe energy supply.

Human rights violations

The second largest category of investment is human rights, primarily driven by global mining and IT companies. The largest investment goes into Rio Tinto which has a pattern of harmful community-related incidents in West Papua, South Africa, Canada, the US and Serbia. In 2020, Rio Tinto destroyed ancient Aboriginal cave paintings at sacred sites in the Pilbara region.

There are other significant investments in companies contributing to violations of the rights of Palestinian people. These are shown on the online platform for each fund using an OPT tag. There are significant investments by the selection of super funds in Booking Holdings (support for tourism to illegal Israeli settlements), Amphenol (military equipment used in conflicts) and Motorola Solutions (surveillance systems used by the Israeli military).

Environmental harm

Issues of toxic chemicals, severe pollution, plastic waste and community harm are included within the Environmental harm category. There is significant super fund investment in companies such as BHP (mining pollution), Unilever (plastic packaging) and Coca Cola (plastic packaging).

Social harm

Most of the investment in this category, comprising tobacco, gambling, alcohol and pornography, is in the gambling sector including Aristocrat and The Lottery Corp.

Animal cruelty

The Animal Cruelty category includes testing on animals for non-medical purposes, factory farming, fur and hides and the use of animals for entertainment. There are significant investments in luxury goods companies such as L'Oréal, Hermès and LVMH.

Weapons

Weapons categories comprise controversial weapons (such as landmines, cluster munitions and nuclear weapons), firearms and military equipment. There are large investments in nuclear weapons producers and components including Airbus, Safran and RTX Corporation.

Mindful Investing's online platform shows the investment by category for each fund above, and breaks it down further, by showing investment in the specific companies.

Breakdown of issues of concern in portfolios

The breakdown of issues of concern for each fund (Figure 5) shows a further level of detail. There are several patterns that can be seen across all of the investment options that can be identified:

- Traditional ethical issues, such as social harm, show significant differences between MySuper and ethical option holdings, but far less so for issues such as human rights, where the level of holdings are similar
- The pattern of investments across the categories is similar, except for fossil fuels which shows the greatest variability between the fund options.

Further details, including the specific companies in each of the categories is shown on the website at www.mindfulinvesting.au

Issues of concern in portfolios

Figure 5

Companies of Concern, % FUM in Total Options Analysed							
Investment Option Name	Fossil Fuels	Human Rights Violations	Environmental Harm	Social Harm	Animal Cruelty	Weapons	Total issues of concern
AMP Future Directions - Balanced	7.51%	3.26%	2.51%	1.15%	1.29%	1.08%	13.48%
Australian Ethical - Growth	0.01%	1.12%	0.00%	0.00%	0.00%	0.00%	1.13%
Australian Ethical MySuper - Balanced	0.01%	0.95%	0.00%	0.00%	0.00%	0.00%	0.96%
Australian Retirement Trust - Socially Conscious Balanced	0.46%	0.43%	0.22%	0.00%	0.67%	0.00%	1.56%
Australian Retirement Trust MySuper - Lifecycle (under age 50)	6.06%	1.95%	2.90%	1.16%	1.10%	0.80%	10.19%
AustralianSuper - Socially Aware	2.25%	2.43%	0.84%	0.47%	1.62%	1.08%	7.49%
AustralianSuper MySuper - Balanced	7.04%	3.14%	2.58%	1.66%	1.37%	1.02%	12.81%
Aware Super - Balanced Socially Conscious	0.17%	1.39%	0.09%	0.00%	0.96%	0.06%	2.65%
Aware Super - High Growth Socially Conscious	0.21%	1.65%	0.11%	0.00%	1.13%	0.07%	3.15%
Aware Super MySuper - Lifecycle (under age 55)	4.99%	2.81%	2.39%	1.15%	1.14%	1.26%	10.86%
CareSuper - Sustainable Balanced	2.62%	1.27%	1.96%	0.05%	0.37%	0.02%	3.91%
CareSuper MySuper - Balanced	4.69%	1.91%	2.01%	1.16%	1.37%	0.42%	8.90%
Cbus MySuper - Growth	4.11%	2.17%	1.99%	1.13%	1.03%	0.73%	8.87%
Colonial First State - Thrive+ Sustainable Growth	1.40%	3.64%	0.00%	0.00%	0.49%	0.00%	4.12%
Colonial First State MySuper - Lifestage 2005-2009	8.45%	2.18%	3.77%	1.10%	1.57%	1.25%	13.53%
HESTA MySuper - Balanced Growth	4.58%	2.45%	2.11%	0.86%	1.16%	0.61%	9.11%
HESTA Super - Sustainable Growth	0.38%	2.08%	0.39%	0.20%	1.35%	0.19%	4.44%
Hostplus MySuper - Balanced	4.03%	0.96%	1.44%	1.28%	1.09%	0.14%	6.83%
Hostplus Super - Socially Responsible Balanced	0.02%	1.26%	0.02%	0.00%	0.46%	0.00%	1.74%
Hostplus Super - Socially Responsible High Growth	0.03%	2.11%	0.04%	0.00%	0.77%	0.00%	2.91%
Mercer MySuper SmartPath - Born 1964-68	5.69%	2.36%	2.64%	1.06%	1.50%	0.54%	10.54%
Mercer Super - Sustainable High Growth	2.60%	4.62%	0.75%	0.00%	3.50%	0.52%	11.39%
MLC MySuper - Growth (under age 55)	6.22%	2.68%	3.35%	1.00%	1.62%	0.92%	11.62%
MLC Super - Socially Responsible Growth	7.25%	3.41%	3.67%	0.00%	1.87%	0.78%	12.70%
Rest MySuper - Growth	5.92%	2.19%	2.47%	1.17%	1.34%	0.82%	10.88%
Rest Super - Sustainable Growth	0.19%	0.69%	0.33%	0.25%	1.39%	0.49%	3.06%
UniSuper - MySuper Balanced	2.35%	2.23%	0.61%	1.38%	0.69%	0.88%	7.01%
UniSuper - Sustainable Balanced	0.18%	2.29%	0.43%	0.00%	1.81%	0.17%	4.53%
UniSuper - Sustainable High Growth	0.14%	3.12%	0.62%	0.00%	2.55%	0.22%	6.17%
Vanguard MySuper - Lifecycle (High Growth)	5.40%	3.73%	1.18%	1.35%	2.03%	0.86%	12.26%
Vanguard Super - Ethically Conscious Growth	0.15%	2.76%	0.77%	0.00%	1.13%	0.02%	4.54%

The analysis covers those disclosed investments that can be analysed. The level of issues of concern is likely to be higher, particularly for those funds that have low levels of disclosure coverage.

The columns may not add up to the total, since some companies are cited for more than one category of Issues of concern.

Introduction

About ethical investment

Ethical investment is achieved when investors' values related to the real world impact of their investments are aligned with their investment choices. Many Australians are already conscious about aligning their purchasing choices with their values, such as reducing energy use, choosing fair trade or reducing plastic waste. Ethical investing extends these choices to their investments, including their superannuation.

Super fund investments have real-world consequences, whether the investments are in small unlisted companies or large international corporations. As with any market, the influences of supply and demand work in financial markets. This is especially the case when there are large investment institutions, such as super funds, and when investment preferences are influenced by coordinated movements for change, such as those on slavery, apartheid, fossil fuels, tobacco, controversial weapons and a range of other issues. Investment choices and the values of investors can have a powerful influence over investment decisions.

There are different aspects of values that underlie those choices. A range of different words are used to describe them, often interchangeably. Mindful Investing uses the term 'ethical' as a term to describe characteristics such as sustainable, ESG (environment, social, governance), socially responsible and socially conscious investment.

Financial returns

Large reviews of research suggest ethical and ESG investing can deliver returns that are broadly comparable to conventional investing, and on average, skew towards higher returns. In some cases, the inclusion of ethical and ESG risk analysis can improve the risk and return balance over time.

Evidence includes large datasets of comparative studies such as:

- New York University Stern Centre for Sustainable Business (2021) examined more than 1,000 research papers published between 2015 and 2020 on ESG and financial performance. The review found that 59% reported positive or neutral results, while only 14% reported negative outcomes
- Hamburg University (2025) analysed 2,200 comparative studies and found the majority show higher returns for responsible investing
- Morgan Stanley's Institute for Sustainable Investing (2019) examined 11,000 studies and found that responsible investment funds have comparable or better returns than conventional funds
- The European Securities and Markets Authority (2024) compared ESG and non-ESG active equity funds in Europe during the sharp market fall and recovery around the early COVID period. The research found ESG funds performed slightly better than non-ESG peers during the stressed period.

In summary, across a large body of evidence, **ethical/ESG approaches are more often linked to outcomes that are similar to, or better than, conventional investing than they are linked to underperformance.**

This analysis is not a recommendation to purchase ethical funds. Returns will always vary, and different funds will generate different results. All investments carry risk, and ethical investing is no exception. Past performance is not a reliable indicator of future performance.

Aims for this report

Mindful Money New Zealand is an independent charity, operating in Australia as Mindful Investing. We have developed a strong track record of providing free information to the public showing where their superannuation funds are invested. Around 500,000 Kiwis have used our research so far. We have had numerous requests to use our expertise to analyse Australian super funds. As we have found, there are no initiatives analysing super fund portfolios across a range of issues to show where the money goes, and certainly none that make that information available free to the public.

By delivering greater transparency to the Australian public, Mindful Investing aims to channel funding away from harm and towards positive social and environmental impacts. It is our experience that informed investors are generally ethical investors. Finding out where super funds are actually invested is a foundation for understanding whether investment is ethical by delivering greater transparency.

Mindful Investing is part of an independent charity that provides well-researched portfolio information so that investors are able to

make informed decisions. This report is based on factual research and analysis, not on our opinion.

Mindful Investing is grateful for the support provided for this project from a range of organisations. Australian Ethical Investment contributed funding that helped cover the cost of the analysis and the digital tool. This funding did not confer any ability to influence the research methodology, analysis, rankings or findings. Mindful Investing independently conducted the research and retains full editorial control over the report and tool. Many other organisations and individuals have also helped us understand the Australian market in order to compile the research and report, including Equity Generation Lawyers, ASFA, Ethical Advisers Coop, ACCR and Market Forces.

This current analysis of the largest super funds is a pilot project. Mindful Investing aims to extend this analysis to all funds offered to the public by APRA-regulated superannuation providers. We would appreciate feedback on this report and our website. We are also seeking partnerships and funding that will enable us to provide regular updates and to make the analysis available as a free service to the Australian public.



Methodology

Approaches to investing ethically

There are three main ways that super funds can invest ethically - by avoiding companies that have harmful impact, engaging with companies to improve their practices, or investing in companies that have positive outcomes for people and planet.

This report focuses primarily on the choice of companies that super funds invest in. An ethical approach can be achieved by screens or analytical tools (such as ESG management) that exclude harmful sectors or companies or tilt portfolio choices towards better companies.

This is the approach most widely understood and valued by the public. Surveys show that a large majority (75%) of Australians want to know where their money is invested (RIAA, 2024). Most (84%) superannuation members want their funds to be invested in companies that invest in an ethical, responsible or sustainable way (Lonergan Research, 2026). The results of this analysis suggest there is a significant gap between members' expectations and where their funds are invested.

Most fund managers also recognise they have corporate governance responsibilities. In managing a pooled fund, their equity investments make them the owners of the shares and therefore part owners of the company. A stewardship approach uses their influence as owners or potential owners to influence the company towards higher ESG standards, using voting on shareholder resolutions or engagement with companies.

Stewardship can be a powerful lever for change, particularly if it is undertaken collaboratively. However, Mindful Investing does not currently include stewardship in our portfolio analysis because it has not been possible to find robust, objective and comparable measures.

In particular, it is difficult to assess the stewardship impact. There is patchy information on stewardship activities, such as whether a fund votes on resolutions or writes letters to companies, and it is even harder to find out whether the activities have influenced the practices of the company towards reducing harm or social benefit (ACCR, 2019). An example of the difficulty has been shown through individual fund and collective engagements with the major oil and gas companies. Despite decades of promises and pledges, there has been little change to their core business practices and the harm they cause.

Mindful Investing considers that funds, even those using external fund managers, need to ensure good governance in investee companies and high social and environmental standards. However, where sufficient change to avoid harm cannot be achieved through stewardship, super funds should divest from those companies.

The third major approach to investing ethically is to invest in companies that create positive climate, social, cultural and environmental outcomes. This is important for a growing number of investors and for creating real world change.

Mindful Money NZ is introducing positive outcome investments for funds on our New Zealand website, showing the public the companies investing in climate solutions, nature regeneration, social priorities (such as affordable housing), health care and the circular economy. However, this is currently not possible in Australia because of limited public disclosure.

Sourcing funds

As noted in the scoping chapter above, the analysis used APRA statistics to identify the largest super funds, focusing on the regulated funds that are offered to the public, and added the largest ethical specialists. In most cases, we analysed a MySuper option and at least one ethical option where it was offered. The analysis covered 31 investment options from 15 super funds, representing 70% of funds under management.

The analysis started with fund disclosures. Super funds are obliged to report their portfolio holdings every six months. We downloaded the latest holdings from fund websites, for the end of June 2025. Due to limited disclosures, our analysis mainly focused on internally-managed investments, such as equity investments in listed companies.

Unfortunately, disclosure rules in Australia lag behind best practice internationally. They do not require funds to disclose adequate information on externally managed investments or unlisted investments. Even so, our analysis covered two thirds of total portfolio holdings across all selected funds.

Without analysis, the published disclosure does little to inform investors about how their hard-earned super funds are invested. It provides just a list of company names, many of which do not mean anything to investors.

Portfolio analysis

The Mindful Investing approach has five stages:

- **Fund disclosures:** We review publicly available portfolio holdings from super funds - the holdings used for this analysis are from 30th June 2025
- **Issues of concern:** We match these against the priority issues that the public wants to avoid in their investments, measured through public surveys
- **Company research:** We track the activities and revenue sources of companies held in fund portfolios to identify the companies of concern within the priority categories
- **Matching:** We match the holdings to the company database and prepare information that is objective and accessible
- **Super fund engagement:** We communicate directly with super funds to verify the portfolio analysis and, where necessary, undertake further research and dialogue.

The draft analysis has been shared with super funds before the report is published and the website goes live. This is an important stage to ensure fund managers have a chance to review the analysis of their published portfolio holdings.

Mapping the issues of concern

We used nationally representative consumer research to identify the priority issues of concern that Australians want to avoid funding through their super. These are as follows:

- **Animal cruelty:** Companies involved in animal testing, fur and specialty leather, factory farming, and animal welfare issues
- **Human rights violations:** Companies operating in occupied territories or with records of significant human rights abuses such as risks to labour rights or public safety
- **Environmental harm:** Companies involved in deforestation, the use of highly hazardous pesticides, palm oil production, GMOs, and in harming the ocean through plastic pollution, overfishing and waste dumping
- **Weapons:** Companies involved in the production and distribution of weapons, which can contribute to the perpetuation of armed conflicts and pose risks to global peace and security
- **Social harm:** Companies operating within the sectors of tobacco, gambling, alcohol, adult entertainment, and predatory lending
- **Fossil fuels:** Companies involved in extracting, producing, refining and distributing carbon-based fuels e.g. coal, oil and natural gas. This category includes companies providing services for production and distribution and power companies generating electricity from fossil fuels.

Categories for issues of concern

The website provides further information on issues of concern through descriptive categories. For example, animal cruelty issues include animal testing for non-medical purposes, use of animals for entertainment, livestock exports, factory farming and fur and specialty leather.

Identifying specific issues through tags

We use tags to provide further information about the type of harm that companies cause, or to specify important topics relevant to the public.

- 1.5°C : Companies whose strategy is consistent with a +1.5°C scenario for global warming and the company has committed to targets to reduce its carbon emissions to zero emissions targets by 2050 (or earlier). An example is an electricity provider who is transitioning its power generation from use of fossil fuels to renewable energy sources
- !! : Companies expanding their fossil fuel production. This means their carbon emissions are not aligned with global carbon reduction targets

- OPT : Companies complicit in severe breaches of civilian human rights in Occupied Palestinian Territories. We have used UN reports and other reputable sources to identify companies where there is strong evidence of severe failures to protect human rights through services or products
- Oceans: Companies engaged in the five major drivers of ocean degradation: plastic pollution, waste dumping, physical destruction of marine habitats, overfishing, and climate emissions.

The website provides further detail on the methodology, including definitions, thresholds and specific measures applied to each issue of concern.

Identifying companies

Mindful Investing uses international research from Morningstar Sustainalytics, Norwegian Sovereign Fund and other credible sources to map the super fund portfolio holdings against those issues of concern, and report the results on our free online platform www.mindfulinvesting.au. Summary tables are presented in this report but those interested are encouraged to see a deeper level of detail for each fund on the platform, including specific company investments under each issue of concern.

What Australians Want

In January 2026, Lonergan Research undertook a survey of Australians' attitudes to superannuation, ethical investment, and the role of funds in society. The full analysis is published separately (Lonergan Research, 2026). Comprehensive surveys have also been undertaken over the past thirteen years by the Responsible Investment Association of Aotearoa (RIAA). The following are the key findings:

84% of Australians expect their superannuation to be managed ethically (Lonergan Research, 2026).

This high level of expectation is also consistent with a level of 88% reported in RIAA's 2024 survey and similar data in previous surveys. This level of expectation has been stable over time, reflecting a consistent public expectation about management of superannuation.

71% of Australians say they would switch investment options, or change funds entirely, if they discovered their super was invested in sectors or activities they believe should be avoided (Lonergan Research, 2026).

Surveys suggest that investors' expectations can translate into a readiness to act. Gen Z and Millennials are more likely to want to switch super funds than other age groups. Given the context that almost half of all respondents chose their current fund because it was recommended by their employer, there may be a significant number of investors who would take action if they had access to credible information.

Only 5% say they would never consider investing ethically (RIAA, 2024).

Demand for ethical investing is likely to continue to remain strong in future. There is little sign that political criticism of ethical investment will erode consumer demand in Australia.

There has been an increase in the priority issues that the public want to avoid in their investments.

A central question in the survey asked Australians what kinds of company activities they would want their super fund to avoid. The responses form the foundation of Mindful Investment's analytical framework for this report.

The following are the key priorities from the survey (Lonergan Research, 2026):

- Animal cruelty (88%)
- Human rights violations (87%)
- Environmental harm (85%)
- Weapons and firearms (80%)
- Social harm (62-75%)
- Fossil fuel mining and power generation (69%).

Concerns over fossil fuel production have increased markedly in recent years, reflecting the growing awareness of climate change and its impacts.

75% of Australians want to know what companies their super fund invests in (RIAA, 2024).

A similar proportion (76%) say they would be disappointed to discover their fund was invested in areas they believe should be avoided. The gap between expectations and the data in this portfolio analysis shows the importance of readily available information for consumers.

Providing Australians with the independent, accessible information they need to make choices that genuinely reflect their values is a core purpose of the Mindful Investing platform.

Superannuation and ethics

Superannuation is Important

Australia's superannuation system is one of the most significant pools of investment capital in the world. With an estimated \$4.5 trillion in managed and self-managed assets — approximately 150% of GDP — Australia holds the fourth-largest superannuation pool globally, behind only the United States and closing on the United Kingdom and Canada (ASFA, 2025). The sector is highly concentrated - just 29 fund providers with assets above \$20 billion account for 94.5% of total industry assets, excluding self-managed funds.

The number of APRA-regulated funds has fallen from around 1,500 in 2004 to just 81 by end 2025, driven largely by mergers (Mercer, 2026). A small number of very large institutions now make investment decisions that carry profound consequences, for individual retirement outcomes, for the domestic economy, and for the global markets in which they are increasingly active.

For most Australians, superannuation is the foundation of financial security in retirement and often the largest asset they hold outside the family home. Super funds are also central to the national economy — among the largest sources of long-term capital available for infrastructure, equity investment, and business development (ASFA, 2025). Domestic infrastructure holdings alone total \$118 billion. As the system has matured, funds have expanded their international exposure, with approximately 48% of assets now invested overseas — a proportion that continues to grow as portfolios are rebalanced to reflect Australia's 2% share of global GDP.

That scale creates both responsibility and opportunity. Even small shifts in how this money is invested can create significant pressure on companies to change their behaviour and redirect capital away from harmful industries

toward sustainable alternatives. With trillions of dollars under management, Australia's super funds have the capacity to direct capital toward the long-term challenges that will define the country's future, including long term energy security and the transition to a net zero economy.

The report shows there is a significant gap between the expectations of investors for how their super funds will be managed and the reality of their funds being invested in issues they want to avoid. Concern about greenwashing has grown accordingly. 78% of Australians are concerned about greenwashing in investment, up from 72% in 2022 (RIAA, 2024). There has been a regulatory response, notably in the form of ASIC's enforcement action against entities making misleading sustainability claims. However, the agency of investors is being overlooked. Currently members cannot easily verify whether their fund's holdings match the fund's claims and their own values.

This report is a step towards addressing this gap. But the analysis undertaken in this report could go further by covering the full portfolio, rather than two thirds of it. A reform of Portfolio Holdings Disclosure would enhance the public's access to information about how their savings are invested.

The disclosure problem

The problem is two-fold. Firstly, the overwhelming impression is that super fund managers are reluctant for their investors or potential investors to see what they invest in. Typically, the Portfolio Holdings Disclosures (PHDs) are not easy to find and very difficult to read. There is no interpretation of the disclosures or discussion about specific companies, other than a selected few that are given as examples of companies with a positive impact.

Secondly, super funds do not have to identify details of all their investments. For example, if their investments are through an external manager, they only have to provide the name of the external manager and not the fund. Some external managers have hundreds of funds, with significant differences between them. Transparency is likely to be further restricted as super fund mergers continue and contracting out to external managers becomes more prevalent.

In addition, no valuation of direct investments in unlisted assets is required, only a valuation of the overall category. Most private equity and venture funds undertake quarterly valuations, so a requirement for super funds to report on valuations each six months is unlikely to be a major problem for a large proportion of the unlisted assets.

It is unsurprising that a 2023 Morningstar report ranking 26 global markets on fund disclosure standards placed Australia as the only market in the 'Poor' category (Morningstar, 2023). The Portfolio Holdings Disclosure (PHD) regulations, introduced in 2022, improved disclosure but Morningstar's assessment concluded that Australia had "blown a chance" to reform disclosure meaningfully. A subsequent analysis gave Australian super funds a higher rating, but portfolio holdings transparency was only one of 154 questions in the survey (Global Pension Transparency Benchmark, 2025).

The last reform of PHD took several years and was strongly contested. The aim of providing public disclosure has not yet been achieved. Extending the PHD in the future would enable super fund members to understand more about where their funds are invested.



Conclusions

This is the first portfolio analysis of super funds undertaken by Mindful Investing. We hope that it will be useful for members of the public in learning where their funds are invested, and taking action as a result.

We also hope that having this analysis in the public domain will encourage super fund providers to review their portfolios and divest from those where progress on reducing harm is not possible within a defined timescale, or if they are making progress on issues of concern, to provide information to the public.

This report highlights the extensive gap between the expectations of members and the investments of their funds. Australians should have access to information on where their funds are invested and confidence that the holdings of the funds are consistent with the ethical standards they expect.

We look forward to extending the transparency in future reports and contributing to closing the gap.

References

- ACCR. Vote like you mean it. May 2019. <https://www.accr.org.au/downloads/ACCR-Vote-Like-You-Mean-It-2019-FINAL.pdf>
- APRA. Annual Fund-level Superannuation statistics. June 2025. <https://www.apra.gov.au/annual-fund-level-superannuation-statistics>
- ASFA. Superannuation and the Australian Economy. April 2025. <https://www.superannuation.asn.au/policy/research-papers/>
- ESMA. Working paper 2: ESG funds during the 2020 COVID19 market turmoil: performance and flows. February 2024. https://www.esma.europa.eu/sites/default/files/2024-02/ESMA50-524821-3127_Working_Paper_ESG_fund_during_the_2020_COVID-19_market_turmoil.pdf
- Global Pensions Transparency Benchmark. Benchmark report 2025. <https://global-pension-transparency-benchmark.top1000funds.com/>
- Hamburg University. ESG and Financial Performance. October 2025. <https://www.tandfonline.com/doi/full/10.1080/20430795.2015.1118917#:~:text=The%20results%20show%20that%20the%20business%20case,of%20studies%20find%20a%20nonnegative%20ESG%E2%80%93CFP%20relation.>
- Lonergan Research. Survey of the Australian public. January 2026. <https://mindfulmoney.nz/s/australia/docs/Lonergan%20Survey%20of%20the%20Australian%20Public%20Jan%202026.pdf>
- Market Forces. Compare Super Funds. December 2025. <https://www.marketforces.org.au/superfunds/>
- Market Forces. Hot air: How pumped-up active ownership claims are failing our climate. April 2024. <https://www.marketforces.org.au/info/reports/hot-air-how-pumped-up-active-ownership-claims-are-failing-our-climate/>
- Mercer. Shaping Super: Australian Superannuation industry analysis. 2026. <https://www.mercer.com/en-au/insights/superannuation-and-retirement/future-of-superannuation/shaping-super/>
- Mindful Investing. Online platform. April 2026. <https://www.mindfulinvesting.au/>
- Mindful Money. Methodology. April 2026. <https://www.mindfulmoney.nz/learn/tag/methodology/>
- Morgan Stanley Institute for Sustainable Investing. Sustainable Reality: Analysing Risk and Returns from Sustainable Funds. 2019. https://www.morganstanley.com/content/dam/msdotcom/ideas/sustainable-investing-offers-financial-performance-lowered-risk/Sustainable_Reality_Analyzing_Risk_and_Returns_of_Sustainable_Funds.pdf
- Morningstar. Global Investor Experience Update: Fund Disclosures. 2020 <https://www.morningstar.com/business/insights/research/global-investor-experience-disclosure>
- NYU Stern Center for Sustainable Business & Rockefeller Asset Management. ESG and Financial Performance. 2021. https://www.stern.nyu.edu/sites/default/files/assets/documents/NYU-RAM_ESG-Paper_2021%20Rev_0.pdf
- RIAA (Responsible Investment Association of Australasia). From Values to Riches 2024: Charting consumer demand for responsible investing in Australia. January 2024. <https://www.responsibleinvestment.org/research-and-resources/resource/from-values-to-riches-2024-charting-consumer-demand-for-responsible-investing-in-australia>

Inside Australia's Super Funds
An Ethical Review of Investment Portfolios

