

PFM app Plum adds two sustainable funds

Article

The UK-based personal finance management (PFM) app added two funds, Balanced Ethical and Growth Ethical, which group companies committed to ethical, social and governance (ESG) criteria, [per](#) Finextra. Plum already offers 10 funds, including Tech Giants, Best of British, and ESG-focused Clean and Green. In addition to investing, Plum links to users' bank accounts via an API and uses AI to analyze transactional data and automate round-ups into a free, easy-access 0.25% annual equivalent return (AER) savings account or a 0.40% AER account for £1 (\$1.28) a month.

With the new funds, Plum is banking on growing consumer interest in ESG investing: 30% of Plum investors in October ranked ESG funds as their preferred investing option, per Finextra, underscoring how adding sustainable investing options is key to Plum's and other fintechs' user growth going forward, as Insider Intelligence [expected](#).

Broadening its ESG offering will also help attract millennial investors, its [main](#) user base: [95%](#) of millennials expressed interest in sustainable investing in 2019, and they will soon become the largest investor cohort, with [\\$68 trillion](#) set to move from parents to their next of kin over the next 25 years.

To avoid getting lost among other sustainable portfolios, like [Moneybox](#) and [Nutmeg](#), and boost adoption of its new pension, Plum should add more personalized insights. Personalization is key to maximizing [ROI](#) on PFM tools, and here, Plum could use its AI capabilities to offer insights into each users' investment decisions, such as the environmental impact of their portfolio. More personalized ESG investing options could also boost adoption of its upcoming Self Invested Personal Pension ([SIPP](#)), which lets users make their own investment decisions by picking which Plum funds to invest in. Online pension provider [PensionBee](#), for example, launched a fossil fuel-free fund after users pledged £100 million (\$128.2 million) worth of retirement savings, highlighting the popularity of green investing in pensions.

Trust in Robots for Money Management Among Adults Worldwide, Dec 2020

% of respondents

77% trust robots more than finance teams

67% trust robots more than humans to manage finances

63% trust robots more than personal finance advisors

Note: n=9,001

Source: Oracle, "Money and Machines: 2021 Global Study" conducted by Savanta, Feb 10, 2021

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