

Thematic Investing | Ageing Population



Overview

With life expectancy continuing to increase and birth rates decreasing globally, we are set to experience an increasingly ageing population. According to WHO (World Health Organisation) the proportion of the world's population over 60 years of age will nearly double from 12% to 22% between 2015 and 2050¹

This puts increasing strain on economies to support this demographic and increases demand for sectors such as assisted living & nursing homes, medical facilities and pharmaceuticals. These sectors are expected to benefit from an ageing population due to an increase in demand, especially since they receive a high amount of government funding. Each of these sectors have listed companies that can be invested in, with investments in assisted living and nursing homes typically done through REITS.

Benefits

- **Growing demand:** An aging population leads to increased demand for aged care services, creating potential opportunities for growth and long-term sustainability.
- **Government:** These sectors are highly supported by government funding which would be expected to increase.
- **Barriers to entry:** High barriers to entry and protective moats across a number of these sectors.
- **Social impact:** Investing in aged care contributes to supporting elderly individuals' well-being and quality of life, fostering a positive social impact.

Challenges

- **Increasing demand and costs:** An ageing population places greater demands on aged care services, leading to rising costs and potential financial strains.
- **Regulatory complexities:** Compliance with changing regulations and standards in the aged care industry can be challenging for investors.
- **Quality and reputation:** Maintaining high-quality care and a positive reputation is crucial but can be affected by staffing issues and incidents impacting trust.

Shortlist of ETFs to gain exposure to this theme

Ticker	Name	Net Assets (US\$)*	Holdings	Fee*	Link to Factsheet
AGNG US	Global X Aging Population ETF	\$44.54m	97	0.50%	AGNG US
AGED LN	iShares Ageing Populating UCITS ETF	\$684m	360	0.40%	AGEN LN

*Data as at 1 October 2023



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[1] Source: [World Health Organisation](#).

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