

For immediate release

French market for sustainable development funds: With more than 5 billion euros in invested assets, institutionals are the predominant force

May 17, 2006 (Paris) – Novethic presents the findings of its exclusive annual survey on SRI assets and trends in the SRI market in France (mutual and dedicated fund management). Total SRI assets* held by French residents have reached **8.8 billion euros**, of which **58%** by institutional investors. These statistics attest to the growing interest on the part of institutional investors for vehicles that incorporate extra-financial criteria in the stock-picking process.

The SRI market in France continues to grow

In all, the French SRI market—on the demand side and not in terms of the suppliers present in the domestic market, since the latter group both French and non-French clients in their assets under management—had reached **8.8 billion euros** by year-end 2005. This represents growth of **27%** in one year.

Institutional investors drive the French SRI market

Of the total, institutional investors account for **5.15 billion euros (58%)**. Most of these assets are invested in SRI mutual-type funds, which had amassed 3.47 billion euros in funds by year-end 2005, a **22%** increase in one year. Dedicated fund management, which rose by **35%** in one year, is the preferred solution for certain types of institutional investors, namely foundations, non-profit organizations and NGOs.

Are extra-financial criteria being taken into account outside the SRI world?

This trend is expected to get stronger in 2006, as several of France's largest institutional investors have announced plans to commit funds to SRI management. They include the FRR (*Fonds de Réserve pour les Retraites*) and the RAFP (*Etablissement de Retraite Additionnelle de la Fonction Publique*). In parallel, some investors in dedicated funds are asking asset management firms to integrate extra-financial criteria, both across the board and on a case-by-case basis, into their stock-picking process. These integrated SRI approaches represented more than **5 billion euros** at year-end 2005.

Funds under management for employee savings programs show notable rise

Employee savings under SRI management totaled **1.29 billion euros** at year-end 2005, an **increase of 61%** since year-end 2004. The emergence of a full-fledged market for socially responsible employee savings vehicles, expected since 2002 when the CIES (*Comité Intersyndical de l'Épargne Salariale*) was formed, seems to have really taken off in 2005. Indeed, growth in the socially responsible employee savings investment sector fueled the 30% rise in the global retail investment market, which now has **3.6 billion euros** under SRI management.

The survey sent on demand.

***Socially Responsible Investment (SRI):** Socially responsible investment integrates social and environmental criteria into investment decisions. These criteria supplement rather than supplant financial considerations, with the aim of limiting the risks involved in investing and enhancing global performance. For more information, visit the Novethic web site: [click here](http://www.novethic.fr).

About Novethic:

A subsidiary of *Caisse des Dépôts et Consignations*, Novethic is a leading center for resources, information and expertise pertaining to SRI and corporate social and environmental responsibility. Its web site (www.novethic.fr) is a comprehensive resource for responsible economic actors.