

Press release

At EUR 30 billion, the French SRI market is undergoing a major transformation

Paris, 4 June 2009 - Novethic presents its annual review of the French SRI market. Total SRI assets under management held by French residents rose from EUR 22 billion to EUR 29.9 billion between end-2007 and end-2008. Enjoying growth of over 37% despite the crisis, as against 30% in 2007, SRI confirms its status as a safe haven. SRI owes its success in 2008 to the conversion of major funds to SRI and new institutional mandates.

Market shift to dedicated management

For the first time since Novethic began publishing these annual reviews, dedicated management has pulled ahead of collective management (55% versus 45%), with EUR 16.4 billion in assets under management. This shows that institutional investors now wish to integrate SRI into their investment approaches. They favour tailored strategies through either delegated (+39%) or in-house (+119%) management.

SRI funds are proving their resistance amidst the current economic crisis. Out of the EUR 12.1 billion on the market for collective management, EUR 2 billion are new asset inflows and EUR 3.2 billion from the conversion of major money market funds to SRI.

Dominance of institutional investors

2008 figures attest to the overpowering dominance of institutional investors due to the arrival of new heavyweights on the market. Accounting for nearly 75% of the market with EUR 22.5 billion in SRI assets under management, institutional volumes have risen by 54%. However, assets under management held by individual investors (excluding employee savings) have fallen for the first time, down 13% to their 2006 levels.

Fixed income edges ahead

While in 2007 equities accounted for half of the assets, the market is now veering towards fixed income products. Bonds, with 50% growth, and money market funds have more than quadrupled in one year. Together, they now represent two-thirds of the assets under management at end-2008.

However, the development of fixed income products raises new issues for SRI relating to the extra-financial ratings of issuers other than companies and their specific SRI management methods.

Significant shift in SRI employee savings

SRI employee savings made a significant jump between 2007 and 2008, from EUR 2.5 billion to EUR 3.3 billion, up 31%. This is all the more telling as overall employee savings dropped slightly, yet another example where SRI did not track market trends. It now represents 8% of total employee savings.

Read the annual review: http://www.novethic.com/novethic/v3_uk/upload/2008_Annual_Study_of_the_French_SRI_Market.pdf

About Novethic: As the sole source of analytical and statistical information on the French SRI market, Novethic is the leading research center in France on Socially Responsible Investment (SRI) and Corporate Social Responsibility (CSR). Created in 2001 as a subsidiary of Caisse des Dépôts, Novethic produces research studies and organises events to mobilise business leaders, investors and NGOs on these key issues related to CSR and SRI. www.novethic.com