

Press release

The French SRI market boasts spectacular growth of over 70% in 2009

Paris, June 8 2010 - Novethic releases the results of its annual study of the French SRI market. The assets under management owned by French residents exceeded the EUR 50 billion mark for the first time, boasting a 70% growth. Performance, inflows and conversion of existing funds to SRI fuelled this growth, attesting to the buoyancy of the SRI market. With a financial performance in line with the market, SRI is attracting a growing number of investors in times of both economic crisis and recovery.

Market shift back to mutual funds

The French SRI market, thus far driven by the development of mandates, or separate-account management, reversed back to mutual funds, and investment in SRI funds by both retail and institutional investors. The annual study, which surveys all market players on a yearly basis, assessed the growth in assets under collective management (mutual funds) at 113% (EUR 28.9 billion versus EUR 13.5 billion in 2008), representing 57% of the SRI market in France. The main driving force behind this turnaround is the conversion of major funds to SRI, notably money market funds, with their share rising from 19% in 2008 to 27% in 2009. This trend is also due to inflows (EUR 3.4 billion excluding employee savings plans) and a shift towards better market performances (EUR 1.6 billion). As no major SRI mandates were launched in 2009, separate account assets grew, albeit less rapidly, by "only" 33%.

Retail investors gain ground

The assets under management of retail investors jumped by 111% to reach EUR 15.6 billion, as against EUR 7.4 billion in 2008. This sudden development reveals the efforts made by banks and insurers that have started to sell SRI products to retail investors - notably through life insurance - and the expansion of SRI employee savings.

Institutional investors are not far behind, again leading the SRI market this year: 69% of assets under management are held by this category of investors. Up by 56%, the EUR 35.1 billion held by institutional investors benefits from the strength and involvement of insurers, which, for the first time since Novethic has conducted this study, own the largest portion of SRI assets under management (28%) amongst institutional investors.

Development of SRI employee savings steps up

While total employee savings were up by 21%, SRI employee savings nearly doubled between 2008 and 2009. At EUR 6.5 billion (versus EUR 3.3 billion in 2008), it now represents 13% of total employee savings. Once again, the conversion of funds to SRI fuelled this rise, as did the French law recently passed requiring companies to offer at least one solidarity fund, which is often an SRI fund, in employee savings schemes.

Click here to view the summary highlights of the survey:

http://www.novethic.com/novethic/v3_uk/upload///Highlight%20_French_SRI_Market_2009.pdf

About Novethic: As part of Caisse des Dépôts, Novethic is the leading research center in France on Socially Responsible Investment (SRI). In 2009, Novethic launched France's first SRI label, which is awarded to mutual funds that fully integrate ESG factors and provide exhaustive information on their extra-financial characteristics and portfolio holdings. For more information visit www.novethic.com

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