

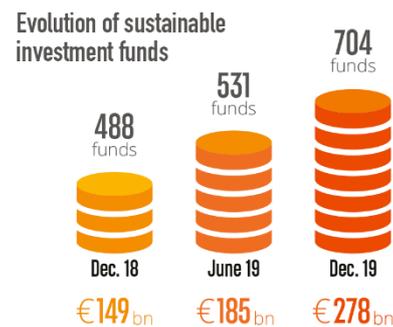
Sustainable funds market in France: all signals on green

Paris, 17 February 2020. Novethic publishes its annual Indicator analysing the Socially Responsible Investment Funds distributed in France. The development of this market is accelerating. In one year, its assets under management have almost doubled, reaching €278 billion at the end of 2019, and the number of sustainable funds has increased by almost 50%, with 704 funds. The number of international players continues to grow, accentuating competition in a rapidly expanding market. Two other strong trends should be noted: the emergence of ESG index funds and the growing attractiveness of environmental and social thematic funds.

► Sustainable funds' assets under management almost doubled in 2019 ◀

The number of sustainable funds available to French savers rose by 44%. Financial performance was excellent with +22% for all asset classes excluding money market funds.

This growth momentum was particularly strong in the second semester, both in terms of the range of funds on offer and the number of labelled funds. This acceleration can be attributed to the PACTE law, which requires the distribution of at least one labelled product in the life insurance sector.



Source: Novethic

► Strong and distinct dynamics for the two State-owned labels ◀

In 2019, the public SRI label was awarded to 117 additional funds, bringing the total number of labelled funds to 263, with €128 billion in assets under management. The label is becoming an element of penetration of the French market as non-French players are increasingly present. 62 SRI-labelled funds are managed by companies located outside of France.



The year also saw an escalation in the offer of SRI-labelled ranges of products for at least three management companies (BNP Paribas AM, La Banque Postale AM, Natixis IM), each of which has had more than 20 funds labelled. The SRI terminology, which covers funds that incorporate ESG (Environmental, Social and Governance) dimensions, remains rather confusing for labelled funds. 179 funds do not use the term SRI in their name, and of these, 64 are thematic funds, including 19 environmental funds. The explanation probably lies in the absence of exclusion of fossil fuels in the label's reference framework (coal, oil, gas).

18 funds
€6 bn



Assets under management in Greenfin-labelled funds have quadrupled in one year, reaching €6 billion at the end of December 2019. This is a significant development for this label, which guarantees the environmental quality of the funds and which benefited in 2019 from a change of name and visual, contributing to its good growth.

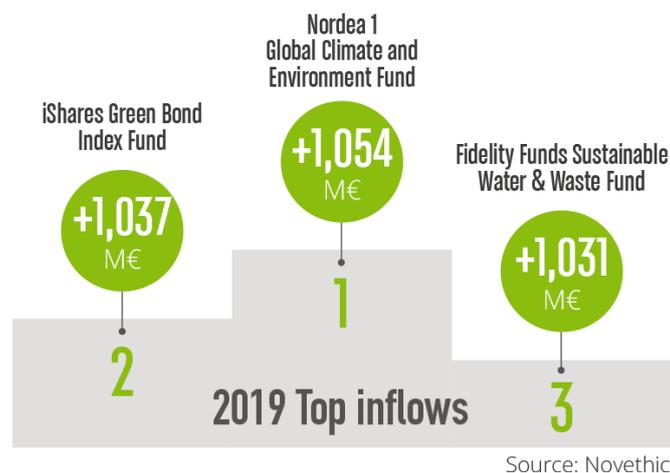
Another sign of a developing market and a notable fact of 2019 is the labelling of the first fund of funds, AXA Sélection Obligations Monde, composed exclusively of Greenfin-labelled funds.

► An increased attractiveness for thematic funds ◀



The development of the sustainable funds market is particularly based on thematic funds, which account for 25% of funds and assets under management. Attractiveness is based in particular on the good performance of the funds (+29% on average for 94 funds) but also on their readability with more clearly identifiable investment themes.

The ranking of the biggest environmental fund collectors in 2019 places three foreign asset managers at the top, including two American companies, Fidelity and BlackRock. The three funds together represent a total of €4.8 billion, or 12% of assets under management for thematic funds.



Environmental thematic funds are developing strongly, particularly for the themes of water, renewable energy and energy efficiency. But the notable phenomenon in 2019 is the increase in funds with social themes, in which the theme of education distinctly emerges with nearly €1bn collected in 2019.

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Press Contact: communication@novethic.fr



Sustainable Transformation Accelerator of the Caisse des Dépôts Group. As an expert in sustainable finance and a media reference in France for economics, business & sustainability, Novethic combines approaches to offer financial players, companies and their employees the keys to sustainable transformation. A pioneer in responsible investment certification for funds in Europe, Novethic is committed to enhancing the transparency, reliability and trust of public, private and individual investors. Novethic strives to accelerate the transition to a low-carbon and inclusive economy through

the development and auditing of ambitious responsible certification labels for financial products.