

## European sustainable fund market continues to grow, increasing by +20% in Q1 2021

Paris, 6 May 2021. On the three markets monitored by NOVETHIC MARKET DATA - Sustainable Funds France, Sustainable Labels Europe and Green Funds Europe - the average growth of assets under management reached +20%. A level that testifies to the growing interest of investors in investments with a sustainable dimension.

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### Heading towards clarifying the promises of sustainable funds available to French savers

The market for responsible savings products in France reached €522 bn in assets under management for 962 investment funds in the first quarter of 2021. During this quarter, many management companies have adapted the communication around their sustainable fund offer. The month of March 2021 was marked by the deadline for bringing fund regulatory documentation into line with AMF recommendations and by the implementation of the European Sustainable Finance Disclosure Regulation (SFDR).



### *20% of sustainable funds "classified as Article 9" at this stage*

The SFDR aims to classify sustainable investment products according to two categories: the more ambitious "Article 9" category, which includes funds with a resolutely sustainable investment objective; and the second "Article 8" category, which includes funds that incorporate environmental or social characteristics. Novethic analysed an initial sample representing just over half of the French sustainable fund market and found less than 200 funds classified under "Article 9", i.e. 20% of the sample. Three quarters of them are thematic funds.

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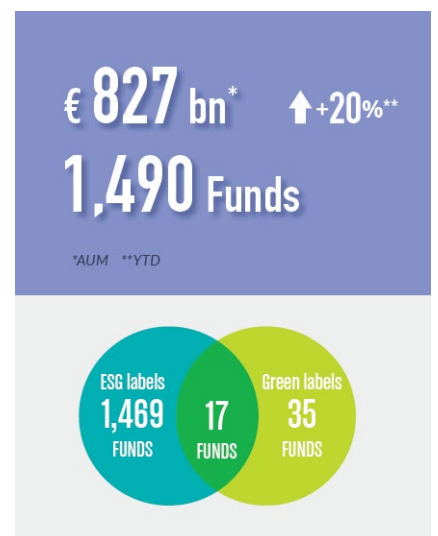
### Nearly 20% of funds now have at least a double label

The market of funds holding at least one European sustainable finance label now represents 827 billion euros of assets under management for nearly 1,500 investment funds. Among the 9 labels monitored by Novethic, the Belgian Towards Sustainability label and the French SRI label continue to dominate the market, with 44 additional funds for the former and 35 for the latter.

A report by the French Inspection Générale des Finances (IGF) on the SRI label was published at the end of March, which is expected to lead to substantial changes in its standards and governance.

### *Nearly 20% of funds now have at least a double label*

More than 150 funds have both the SRI label and the Towards Sustainability standard. The phenomenon of dual labelling, which is gaining ground in Europe, is also present in German-speaking countries, with the Austrian Umweltzeichen and the German FNG-Siegel. Both certify the quality of the SRI/ESG management process thanks to a points-based scale and include fossil fuel exclusions.



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## Growth in green funds driven by ETFs and green bonds

With inflows of 25 billion euros in the first quarter, i.e. already half of the inflows for 2020, European green funds, which total 158 billion euros in assets under management, are continuing to grow at a steady pace. Although the creation of new funds has not been the main feature of this year, old dynamics are confirmed, such as the consolidation of investment strategies centred on the green bond segment, or the growth of environmental ETFs, which offer a combination of access to environmental performance and the advantages of passive management.



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### About Novethic Market Data

As a long-time observer of the responsible investment market, Novethic has reviewed best market practices since 2004, comparing fund strategies and carrying out studies to identify best practices and compare different approaches. Following the publication of the French Responsible Investment Market Figures and the Novethic Indicator for Sustainable Funds available to individual investors, the launch of Market Data helps us support a new stage in the development of sustainable finance by offering accurate and reliable market data.



**Sustainable transformation accelerator.** Novethic guides financial institutions, companies, and citizens in their sustainable transformation. A pioneer in the certification of sustainable investment funds in Europe, Novethic is committed to strengthening the transparency, reliability, and confidence of public, private, and individual investors. Through the development and audit of ambitious and strict sustainable finance labels, Novethic's objective is to accelerate the transition to a low-carbon and inclusive economy.