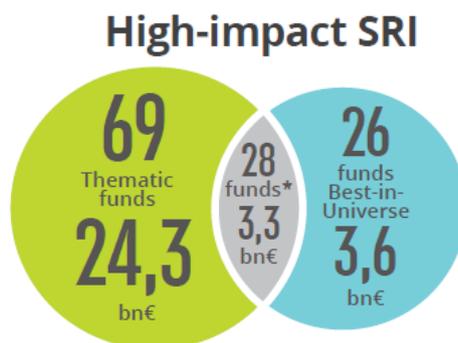
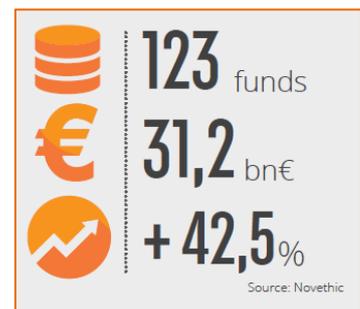


+ 42,5%
GROWTH IN 2017

HIGH-IMPACT SRI ATTRACTS INVESTORS

Paris, 19 February 2018. The 123 funds classified by Novethic as high-impact SRI have shown dynamic growth in 2017 that is significantly higher than all 404 SRI funds distributed in the French market (+14%), totalling almost a quarter of the SRI market.

High-impact SRI funds provide investors with portfolios built with strong and assumed ESG biases: thematic investing of environmental and social funds, as well as "best-in-universe" selection. Novethic has focused its "Indicator" analysis on this dynamic segment of the SRI fund market since 2016. Far from focusing on asset volumes, the aim is to focus Novethic's expert analysis on an innovative and market-driven dynamic.



Strong growth and solid performance. The strong growth in high-impact SRI, which now accounts for almost a quarter of the SRI fund market, is based on a dual dynamic: a strong cash flow of € 6.4 billion and a solid performance.

Thematic funds as a driver. Thematic funds constitute more than half of the high-impact SRI offers and are more often environment-related rather than social, but it is interesting to note the growing prominence of the Best-in-Universe SRI fund offerings.

Climate Change, an accelerator for the environmental funds collected. The last quarter of 2017 brought the issue of climate change financing back to the forefront. It resulted in an increase in inflows totalling €4.5 billion over the course of the year (+€1.8 billion in the last quarter). This acceleration gives new visibility to green finance but exposes it to "greenwashing" risks that are likely to tarnish its reputation. This is why environmental guarantees provided by the TEEC public label play a key role for end-investors by combining taxonomy, climate reporting and exclusions. The phenomenon is still emerging as only seven high-impact SRI funds carry the TEEC label.

Increased attractiveness for the Best-in-Universe approach. This approach consists of applying the ESG analysis to a given investment universe in order to retain only the best-rated issuers regardless of their activity sectors. Unlike Best-in-Class, the Best-in-Universe approach

allows fund managers to focus on specific positive impact areas and discard others. Over the course of one year, this approach has seen the strongest asset growth (+ 51%). These diversification assets make it the most attractive strategy since alone it represents 25% of the high-impact SRI funds collected.

It should also be noted that market developments confirm that the Sustainable Development Goals (SDGs) are becoming an investment benchmark. 2017 saw the emergence of the first impact funds based on SDGs and the trend seems to be continuing in 2018.

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