

The sustainable funds market doubles its size in 2021 but innovation stalls

Market Data

Novethic publishes its 2021 Market Data, an analysis of the sustainable funds market. The growth in assets under management is spectacular in the three perimeters analyzed: sustainable funds available in France, European green funds and European labelled funds. Furthermore, this past year the market remained true to its usual characteristics, despite the growing importance of European regulations on sustainable finance.

2021 confirms the strong appeal of sustainable funds in France

The growth of sustainable funds has continued spectacularly over 2021, both in terms of assets under management and number of funds. There are currently 1,186 funds on the French market with nearly 900 billion euros invested. The four asset management companies dominating this market remain, since 2019: Natixis IM, La Banque Postale AM, BNP Paribas AM and Amundi.

896 ↑ +94%
€bn of AUM

The French PACTE law stipulated that, by 2022, the range of labelled funds offered in life insurance should extend to the three French labels: SRI, Greenfin and Finansol. But the latter two are only awarded to around thirty listed funds, whereas the French SRI label captures two third of the sustainable funds distributed in France.

1186
funds

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The market for European labelled funds is slowly adopting the SFDR classification of sustainable funds

The new European SFDR regulation, requires sustainable funds to be classified as either article 8 (broad sustainable characteristics) or article 9 (sustainability objective with impact indicators), but it does not lead all of the 1,799 European labelled funds to adopt strong sustainable ambitions. Only 22% have placed themselves under the article 9 banner. While the SRI label remains the label with the largest number of funds, it is massively attributed to funds managed in France. Whereas, the other labels, starting with Toward Sustainability, have a more varied geographical focus.

1330 ↑ +90%
€bn of AUM

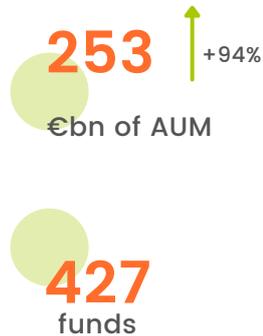
1799
funds

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European "green funds" are still looking for their scope and are developing less rapidly

The launch of the green taxonomy will undoubtedly shake the current state of the market, but in the meantime, its size remains modest. The European green funds market represents below 2% of the total of European assets under management and less than half of the volume of sustainable funds distributed in France. Moreover, it is characterized by a multitude of environmental strategies described in the study published by Novethic in November 2021, with the support of ADEME.

The European Green Funds Market Data figures allow us to review the different approaches and their respective attraction capacity.



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About Novethic, 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.

Visit our website: novethic.com

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.

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