THREE HORIZONS CAPITAL · RESEARCH

# Same Values. New Wrapper.

Faith-based investors are keeping their screens and changing how they hold them. Across 209 faith-screened funds in four traditions, ETFs hold 15% of the assets but took in $5.3bn of net new money in a year, while mutual funds saw net outflows. The shift shows up in every faith in our data, and it tells product and distribution teams where faith-based demand will arrive next.

## 15% and +$5.3bn

ETFs' share of faith-screened fund assets, and their net inflows over the 12 months to 30 September 2026

## 47 of 50

Faith-screened ETFs that took in money over the year, against 81 of 157 mutual funds

## +$3.6bn

Net inflows into Islamic ETFs, the largest block of new money, almost all of it in Irish and US funds

**THE FINDING IN ONE LINE**

Faith-based demand is growing, and it is arriving in ETFs: the screen still decides what investors buy, and the wrapper now decides where they buy it.

Three Horizons Capital, Portfolio Construction. Fund-level data: 209 faith-screened funds, $130.5bn, in 9 fund domiciles. Net flows over the 12 months to 30 September 2026; fund sizes at 9 November 2026. Research, not investment advice.

## 01 Faith-screened funds hold $130.5bn in our data, and the new money is growing

Faith-based investing is one of the oldest forms of values-based investing, and it is usually discussed one tradition at a time. We put the four traditions side by side. Our data holds 209 funds whose mandate applies a religious screen, holding $130.5bn across 9 fund domiciles.

| TRADITION | FUNDS | ASSETS | NET FLOWS, LATEST 12 MONTHS | NET FLOWS, PRIOR 12 MONTHS |
|---|---|---|---|---|
| Christian (Protestant and Evangelical) | 86 | $60.5bn | +$67m | +$0.39bn |
| Islamic | 76 | $44.1bn | +$4,967m | +$2.8bn |
| Catholic | 46 | $25.6bn | –$586m | +$0.03bn |
| Jewish | 1 | $0.3bn | +$66m | +$0.14bn |
| All faith-screened funds | 209 | $130.5bn | +$4.5bn | +$3.4bn |

Together the funds took in +$4.5bn over the 12 months to 30 September 2026, up from +$3.4bn the year before. Islamic funds led with +$5.0bn, 11.3% of their assets, and nearly double the prior year. Christian funds were steady overall and Catholic funds saw net outflows. The next three sections show that these totals hide one common direction.

## 02 Four traditions screen in four different ways

What makes a fund faith-screened differs by tradition. The descriptions below summarise the published screens of the fund families in our data.

- **Islamic.** Sector exclusions cover conventional banking and insurance, alcohol, pork, gambling and adult entertainment. Financial-ratio limits then cap a company's debt, cash and receivables, commonly at around a third of its market value. Income from non-compliant sources is calculated and given to charity, a step called purification. Sukuk funds hold asset-backed instruments in place of conventional bonds.
- **Catholic.** Screens follow the US bishops' investment guidelines on protecting human life: abortion, contraception and embryonic stem cell research, together with pornography. Many managers add screens on weapons, labour standards and predatory lending.
- **Christian (Protestant and Evangelical).** Screens are set by each sponsor and its denomination. Common exclusions are alcohol, tobacco, gambling, adult content and abortion; some sponsors add positive tilts toward companies they judge to serve their communities.
- **Jewish.** The fund in our data takes a shareholder-advocacy approach: it holds a broad US market and engages companies on antisemitism and inclusion.

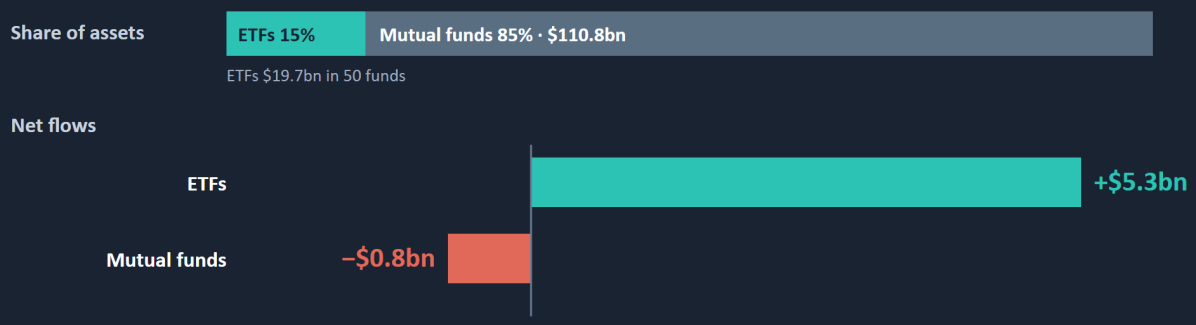
The Islamic screen is the most standardised of the four, and it adds tests on a company's balance sheet to the list of excluded activities. The Catholic and Christian screens are built around conduct, and the Jewish fund around engagement.

# 03 The new money went to ETFs: 15% of the assets, +$5.3bn of the flows

EXHIBIT 1 | WHERE THE ASSETS SIT, AND WHERE THE MONEY WENT

## ETFs hold 15% of faith-screened assets and took in $5.3bn; mutual funds, with 85%, saw net flows of −$0.8bn

Share of assets, and net flows over the 12 months to 30 September 2026, by wrapper



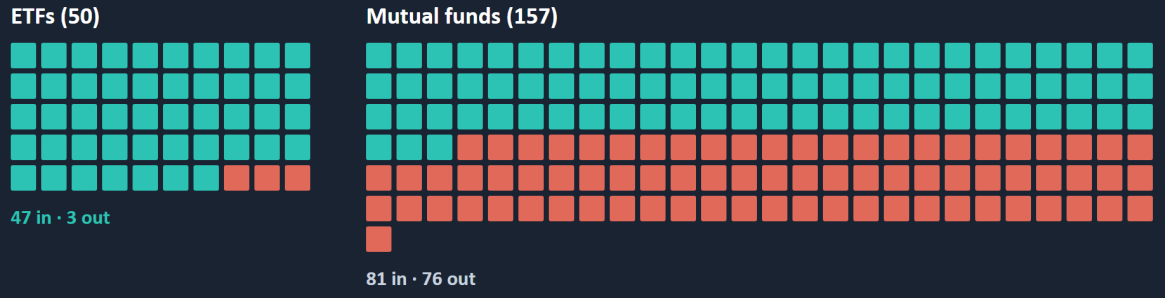

Faith-screened funds in our data: 209 funds, $130.5bn. Net flows over the 12 months to 30 September 2026; fund sizes at 9 November 2026.
Source: Three Horizons Capital analysis of fund-level data. Flows are not returns. Research, not investment advice.

ETFs hold $19.7bn, 15% of faith-screened assets, and took in +$5.3bn over the year, up from +$2.9bn the year before: new money equal to 27% of their assets. Mutual funds hold the other 85%, $110.8bn, and saw −$0.8bn, after +$0.5bn the year before.

EXHIBIT 3 | BREADTH

## 47 of 50 faith ETFs took money in; mutual funds split 81 in, 76 out

One square per fund with flow data. Teal = net inflow, red = net outflow, 12 months to 30 September 2026




Faith-screened funds in our data: 209 funds, $130.5bn. Net flows over the 12 months to 30 September 2026; fund sizes at 9 November 2026.
Source: Three Horizons Capital analysis of fund-level data. Flows are not returns. Research, not investment advice.

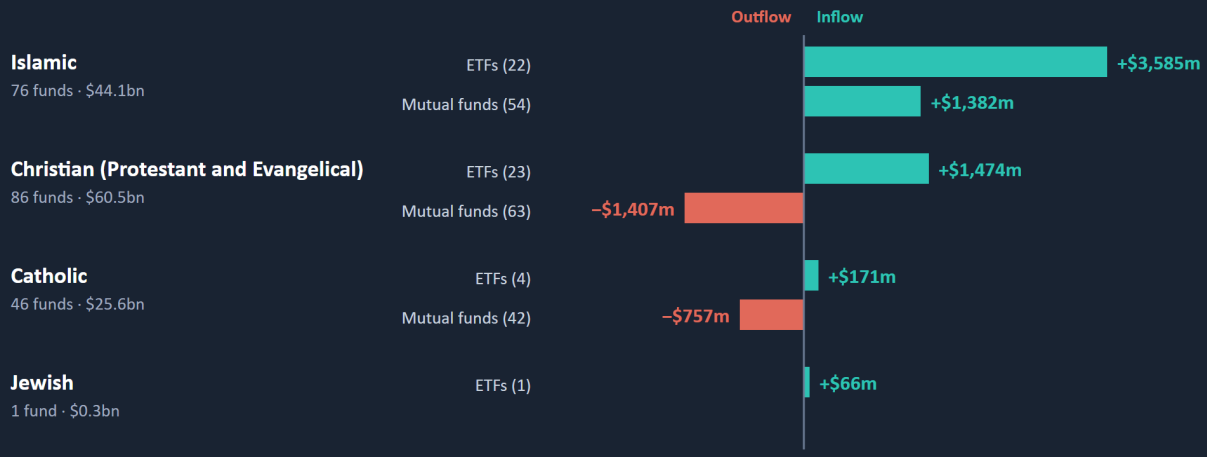
The breadth matters as much as the total. 47 of 50 faith-screened ETFs took in money. Mutual funds split almost evenly, 81 in and 76 out. A total can be carried by one large fund; a count of 47 of 50 cannot.

# 04 In every faith, the ETFs took money in

EXHIBIT 2 | BY FAITH

## In every faith, the ETFs took money in

Net flows over the 12 months to 30 September 2026, $m, ETFs and mutual funds




Number of funds in brackets. The Jewish tradition is represented by one fund in our data, an ETF.
Faith-screened funds in our data: 209 funds, $130.5bn. Net flows over the 12 months to 30 September 2026; fund sizes at 9 November 2026.
Source: Three Horizons Capital analysis of fund-level data. Flows are not returns. Research, not investment advice.

- **Islamic: both wrappers grew, ETFs faster.** Islamic ETFs took in +$3.6bn and Islamic mutual funds +$1.4bn. The largest single inflow in the whole set went to the SP Funds S&P 500 Sharia Industry Exclusions ETF (+$1,191m), followed by the iShares MSCI World Islamic UCITS ETF (+$591m).
- **Christian: the money changed wrapper.** Christian ETFs took in +$1.5bn, led by the Inspire 500 ETF (+$337m), while Christian mutual funds saw −$1.4bn. ETFs are 9% of Christian assets and took in more than the mutual funds lost.
- **Catholic: the same direction, at an earlier stage.** Catholic ETFs took in +$171m, led by the Global X S&P 500 Catholic Values ETF (+$144m), while Catholic mutual funds saw −$757m. ETFs are 7% of Catholic assets.
- **Jewish: one fund, an ETF.** The one Jewish fund in our data is an ETF and took in +$66m.

Inside mutual funds, the inflows also lean toward lower-cost index strategies: the two largest mutual fund inflows went to the GuideStone Funds Growth Equity Index (+$468m) and Value Equity Index (+$443m) funds.

## 05 Islamic ETF demand sits in two markets: Ireland and the US

| FUND DOMICILE | FUNDS | ASSETS | NET FLOWS, LATEST 12 MONTHS |
|---|---|---|---|
| United States | 132 | $96.6bn | +$1,642m |
| Ireland | 31 | $17.9bn | +$2,537m |
| Luxembourg | 19 | $7.8bn | −$295m |
| United Kingdom | 7 | $4.0bn | −$154m |
| South Africa | 10 | $2.5bn | +$152m |
| Canada | 3 | $0.7bn | +$161m |
| Singapore | 5 | $0.7bn | +$458m |
| India | 1 | $0.4bn | n/a |
| Hong Kong | 1 | $0.02bn | +$13m |

Ireland took the most new money of any domicile, +$2,537m, on $17.9bn of assets, and most of it went into Islamic UCITS ETFs: 13 Irish Islamic ETFs took in +$1.7bn. In the US, 8 Islamic ETFs took in +$1.8bn. The same screen reaches two different sets of buyers through two different listings, one for international and European investors and one for US investors.

## 06 The screen is the product; the wrapper is how it reaches the investor

For product and distribution teams, four things follow.

- **Keep the screen, offer the wrapper.** Investors are not leaving their faith screens. They are choosing the same screens in an ETF, in every tradition in our data.
- **Islamic demand sits in two markets.** A UCITS listing and a US listing reach different buyers of the same screen, and both gathered over the year.
- **Christian and Catholic shelves are at an earlier stage of the same move.** ETFs are 9% and 7% of their assets, against 28% for Islamic funds, so the room to grow in the wrapper is larger.
- **The mutual fund base is still 85% of the assets.** Index mutual funds gathered too, so cost and simplicity matter as much as the wrapper.

> **IF THIS IS USEFUL**
>
> If you run or distribute a faith-screened range, we can show where the demand for your screen sits, by wrapper and by market, and walk through it on a call in the coming weeks. Get in touch

## 07 What this does and does not show

This paper maps where faith-based money is going, by tradition, wrapper and domicile. It does not measure performance.

- **Flows are not returns.** Net flows show where money went, not how any fund performed.
- **The universe is the funds in our data.** It covers open-end funds and ETFs in 9 fund domiciles. Faith-based products sold in other markets, separately managed accounts and private vehicles sit outside it.
- **Faith-screened means the mandate applies a religious screen,** confirmed against each sponsor's own description of its screen.
- **One large faith-affiliated sponsor is shown separately.** Its faith-based portfolios are built from other managers' funds, so its own range of 31 funds, $46.5bn, is not counted in these totals.
- **The Jewish tradition is one fund** in our data, so its figures describe that fund.
- **Screen descriptions summarise published methods.** Each fund's prospectus sets its own rules.
- **Data dates.** Net flows over the 12 months to 30 September 2026 and the 12 months before; fund sizes at 9 November 2026.

## 08 What we measured

- **Universe:** 209 funds whose mandate applies an Islamic, Catholic, Christian (Protestant and Evangelical) or Jewish screen, found by fund name and by sponsor, and each sponsor's screen confirmed from its own published description. Funds are counted once each, not once per share class.
- **Assets:** fund size at 9 November 2026, converted to US dollars at that date's exchange rates. Where one size was reported for a whole umbrella, we used the sum of each fund's share classes.
- **Flows:** net flows per fund, one value per fund per month, summed over the 12 months to 30 September 2026 and the 12 months before. Funds launched during the window count from their launch.
- **Wrapper:** ETF or mutual fund, as listed. Domicile is where the fund is legally based.
- Source: Three Horizons Capital analysis of fund-level data. Past performance is not indicative of future results. This paper is research, not investment advice, and not an offer or a recommendation to buy or sell any security.

## 09 The data behind the exhibits

Table 1. ETFs and mutual funds, all faith-screened funds (Exhibits 1 and 3)

| WRAPPER | FUNDS | ASSETS | SHARE OF ASSETS | NET FLOWS, LATEST 12 MONTHS | NET FLOWS, PRIOR 12 MONTHS | FUNDS WITH INFLOWS |
|---|---|---|---|---|---|---|
| ETFs | 50 | $19.7bn | 15% | +$5.3bn | +$2.9bn | 47 of 50 |
| Mutual funds | 159 | $110.8bn | 85% | −$0.8bn | +$0.5bn | 81 of 157 |

Table 2. ETFs and mutual funds by tradition, net flows over the 12 months to 30 September 2026 (Exhibit 2)

| TRADITION | ETFS | ETF ASSETS | ETF NET FLOWS | MUTUAL FUNDS | MUTUAL FUND ASSETS | MUTUAL FUND NET FLOWS |
|---|---|---|---|---|---|---|
| Islamic | 22 | $12.2bn | +$3,585m | 54 | $31.9bn | +$1,382m |
| Christian (Protestant and Evangelical) | 23 | $5.5bn | +$1,474m | 63 | $55.0bn | −$1,407m |
| Catholic | 4 | $1.7bn | +$171m | 42 | $23.9bn | −$757m |
| Jewish | 1 | $0.3bn | +$66m | | | |

Table 3. By asset class, all faith-screened funds, net flows over the 12 months to 30 September 2026

| ASSET CLASS | FUNDS | ASSETS | NET FLOWS, LATEST 12 MONTHS |
|---|---|---|---|
| Equity | 128 | $87.8bn | +$3.5bn |
| Bond (including sukuk) | 38 | $18.9bn | +$1.8bn |
| Multi-asset | 40 | $23.2bn | −$0.7bn |

## More research

- **Same Values. New Wrapper. on our website**: the short read, with the exhibits.
- **Five ETFs. Five Different Jobs.**: where ETF demand is moving in the US, Europe and the UK.

> **IF THIS IS USEFUL**
>
> This read joins fund-level assets and flows across four faith traditions and 9 fund domiciles on one platform. If you run or distribute a faith-screened range and want the same view of your own funds, by wrapper and by market, talk to us. **Get in touch**