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The Rise of Faith-Based ETFs

An Expanding Marketplace for Values-Aligned Investors

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Overview

Faith-Based Investing is not new. For generations, religious individuals and institutions have sought to align financial resources with moral and religious principles. What is changing is the range of investment structures available to implement those principles at scale.

Historically, Faith-Based Investing was implemented through separately managed accounts, denominational investment programs, and specialized mutual funds. Faith-based ETFs are now emerging as a more accessible implementation vehicle, offering religiously aligned investors the transparency, liquidity, and portfolio flexibility of the ETF structure while incorporating religious principles into security selection and portfolio construction.

Our research identified 48 U.S.-domiciled faith-based ETFs representing Christian, Catholic, Jewish, and Islamic investment approaches, as reflected in the Sage listing of U.S. faith-based ETFs featured at the end of this paper. Recent expansion has broadened available exposures from domestic large-cap equities to growth, value, small- and mid-cap stocks, international equities, factor strategies, real estate, corporate and core fixed income, and sukuk. The market is beginning to move from a narrow set of screening-oriented products toward a more complete faith-based investment ecosystem.

This expansion is occurring alongside one of the most important structural shifts in investment management: the continued growth of the ETF market. The Investment Company Institute reported that U.S. ETF assets reached approximately $15.70 trillion on June 30, 2026, up $4.21 trillion, or 36.6%, from June 2025. The number of U.S. ETFs increased from 4,000 to 5,059 over the same period.

Faith-based ETFs remain a small part of this larger marketplace. Even so, broader ETF adoption, demand for religious alignment, and ongoing product innovation provide a foundation for future growth.

A Small but Growing Investment Marketplace

Morningstar's July 2026 research report on the global faith-based landscape provides useful perspective on the size and direction of the trend. They reported that assets in the broader global universe of faith-based investment strategies grew at a compound annual rate of approximately 18% over the 30 years through March 2026, while the number of strategies grew by approximately 11% annually. As of April 30, 2026, Morningstar identified 853 active faith-based funds across the United States, Middle East, Asia, and Europe: 650 Shariah strategies, 114 non-denominational Christian strategies, 87 Catholic strategies, and one Jewish strategy.

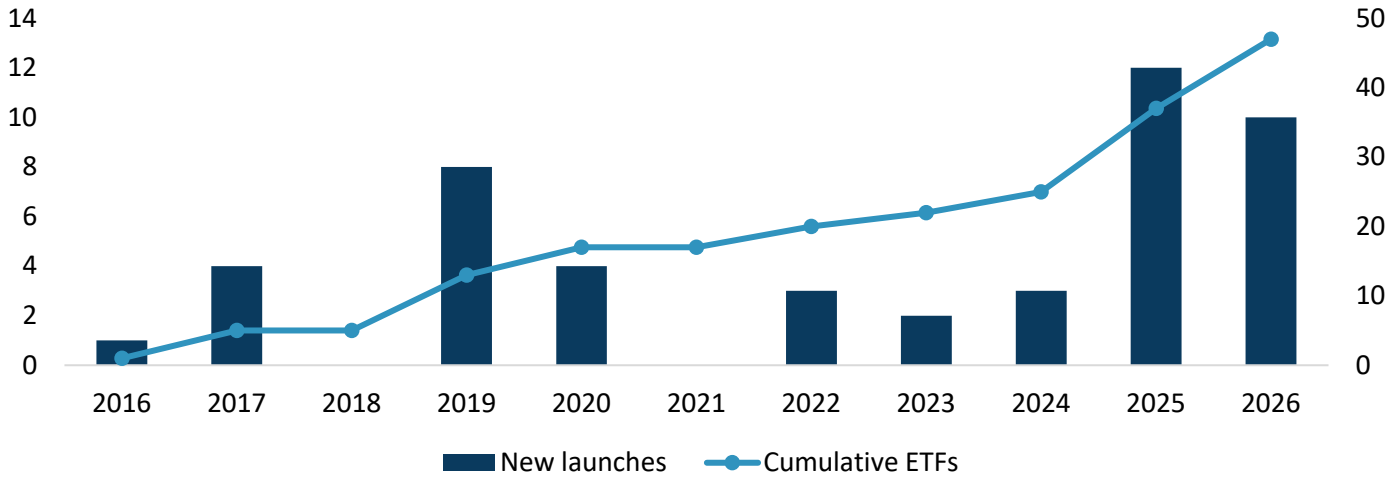
Those figures include mutual funds and other vehicles in addition to ETFs, so they should not be read as the size of the U.S. faith-based ETF market. They nevertheless show that religiously aligned investing is a persistent and growing investor preference, not merely a recent product-development trend.

The expansion has become particularly visible in the launch calendar. More than half of the 48 ETFs identified in our U.S. master universe began operations during 2024–2026, indicating that the current product shelf is being built in real time rather than merely inherited from earlier generations of faith-based funds.

Figure 1. More than half of the identified U.S. faith-based ETF universe, 25 of 48 funds, launched during 2024–2026.

Faith-Based ETF Launches Accelerated Sharply in 2024-2026

Source: August 2026 Faith-Based ETF Master Universe. 25 of 47 identified ETFs launched In 2024-2026.



The comparison with the broader ETF market requires perspective. Faith-based ETFs remain a small share of total U.S. ETF assets, particularly within an industry that is itself expanding rapidly. Even so, the U.S. faith-based ETF universe is becoming more diverse across religious orientation, asset-class exposure, and investment design. The current universe has approximately $12.6 billion in combined assets and a median fund size of approximately $121 million.

Figure 2. Indexed growth shows that faith-based ETF assets have accelerated alongside the broader expansion of the U.S. ETF market.

Religious ETF Assets Have Expanded Faster Than the Broader ETF Base

Source: Morningstar Direct chart, data through April 30, 2026 (religious ETF AUM; approximate digitization): ICI Fact Book and June 2026 ETF data (U.S. ETF data (U.S. ETF assets). 2026 dates differ.

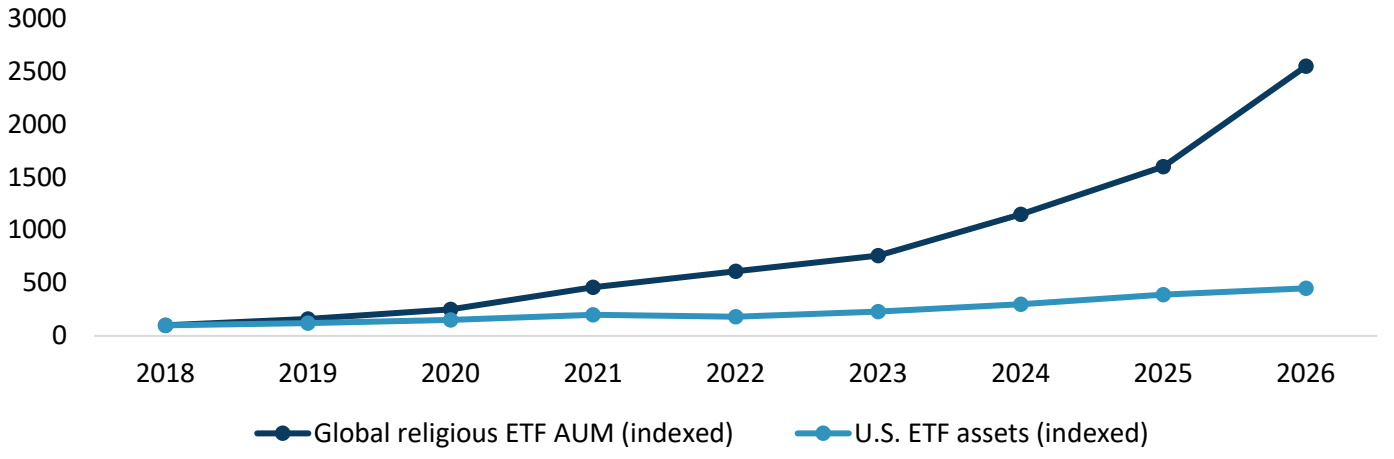


Figure 2 highlights two reinforcing trends: faith-based ETFs are participating in the broader migration toward ETF adoption while also benefiting from a distinct source of demand — investors' desire to align investment portfolios with religious principles. Public ETF commentary has reached a similar conclusion, noting that faith-based ETFs are gaining advisor attention because they combine religious alignment with ETF attributes such as transparency, liquidity, cost efficiency, and scalable implementation.

These trends suggest that investors are most willing to adopt faith-based ETFs when the product combines a clearly defined religious methodology, familiar market exposure, practical implementation, and competitive cost.

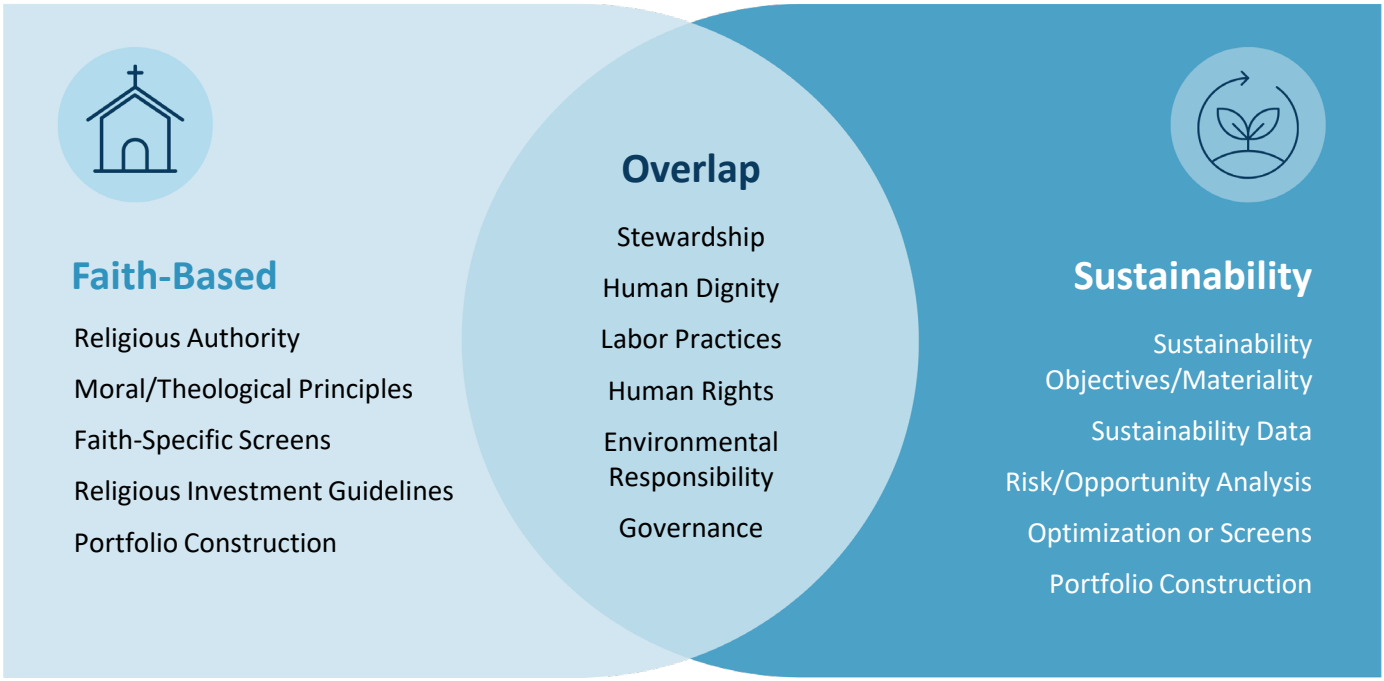
Faith-Based Investing Is Not Sustainable Investing with a Different Name

One of the most important distinctions in evaluating this marketplace is also one of the easiest to overlook. Faith-Based Investing and Sustainable Investing sometimes employ similar techniques and may sometimes produce similar portfolio outcomes. They are nevertheless fundamentally different investment philosophies.

Morningstar research recognized this distinction. Both approaches can use exclusions, impact investing, stewardship, and risk mitigation. Sustainable Investing strategies, however, address a broad and variable set of environmental, social, and governance issues. Faith-based strategies begin from a different source of authority: adherence to defined religious convictions.

The distinction is more than semantic. A Catholic investor may consider environmental stewardship, worker treatment, and human dignity — issues that also appear in Sustainable Investing analysis — but may simultaneously exclude activities inconsistent with Catholic teaching. A Christian or Biblically Responsible strategy may apply moral exclusions whose precise interpretation varies by sponsor. Islamic investing provides an even clearer illustration: Shariah strategies exclude prohibited businesses and debt-laden companies, which can materially alter sector and style exposures.

Figure 3. Faith-Based and Sustainable Investing may use similar tools and produce some overlap, but they begin from different sources of authority and pursue distinct objectives.



Examples	*Common Emphases*
abortion • pornography • riba/interest pork • Shariah ratios • denominational teaching	carbon intensity • transition risk • climate metrics • board structure

This distinction also highlights the diversity within faith-based investing. While many strategies use familiar tools — such as exclusions, stewardship, and impact analysis — their authority comes from religious teaching, denominational guidance, or Shariah principles. Investors should therefore look beyond a fund's screens to understand how the sponsor defines religious alignment, applies its methodology, engages companies, and manages investment risk.

The point is straightforward: sustainability information may serve as an analytical input, but it is not the moral authority behind a faith-based investment process. Faith-Based Investing is not Sustainable Investing with a religious label. Instead, it begins with religious authority, policy guidance, and disciplined implementation.

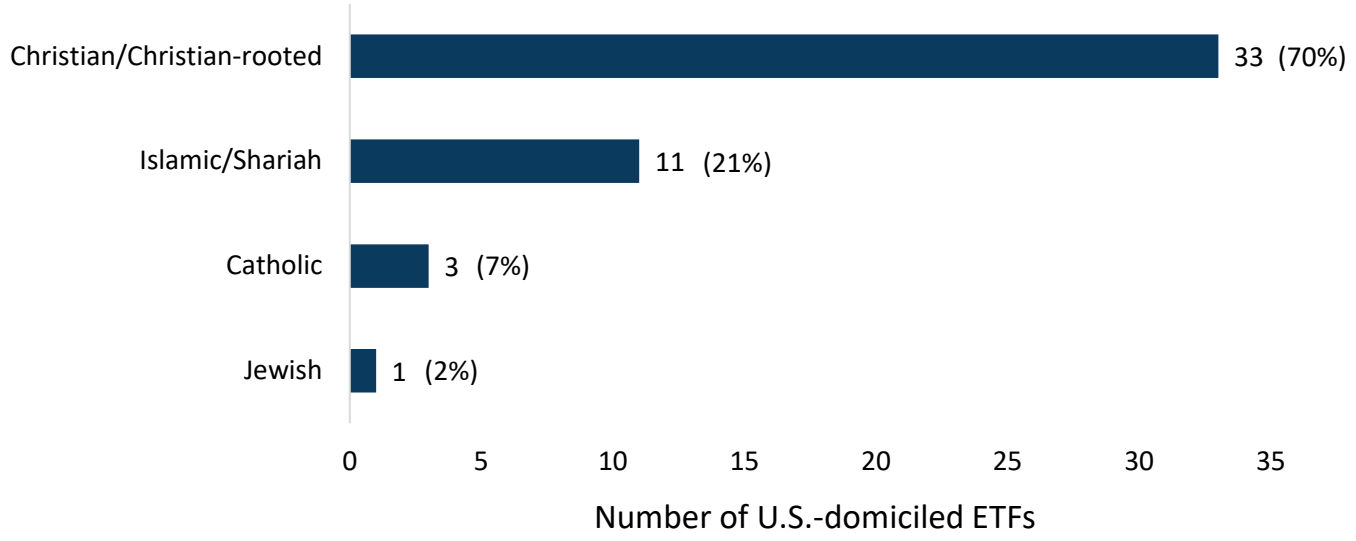
A Diverse Marketplace — Not a Single Investment Methodology

The U.S. faith-based ETF universe also demonstrates why these products should not be treated as a homogeneous category. Our research identified 48 U.S.-domiciled ETFs distributed across four broad religious orientations.

Figure 4. Christian-oriented strategies account for most U.S. faith-based ETF products, while Islamic/Shariah strategies represent the second-largest segment.

Christian Strategies Dominate the U.S. Faith-Based ETF Shelf

Source: August 2026 Faith-Based ETF Master Universe. Classification reflects explicit religious orientation, not generic sustainability or values-only funds.



The Christian category is the largest, but also the most varied. Sponsors use methodologies that range from biblical negative screening to positive-impact scoring, stakeholder analysis, corporate engagement, and active security selection. Catholic investing benefits from a more clearly articulated institutional framework. Islamic investing is the second-largest U.S. ETF segment in our database and includes equities, real estate, and sukuk. Jewish ETF representation remains limited, making it one of the clearer areas for future product development.

The universe remains unevenly developed. Islamic ETFs account for less than one-quarter of listed products but roughly 41% of assets, reflecting the scale benefits of a clearly codified framework. Catholic ETF assets total approximately $1.37 billion, with nearly 95% concentrated in CATH, indicating both proven demand and limited product breadth. Although nearly half of listed ETFs launched in 2025 or 2026, these newer funds represent less than 10% of total AUM. As a result, the next phase will depend less on more launches and more on scalable products that combine clear religious alignment, institutional-quality implementation, and practical portfolio utility. In short, the market is maturing from product availability toward portfolio relevance.

Investment Considerations: Faith and Fiduciary Responsibility

The growth of the marketplace does not reduce the need for traditional investment discipline. If anything, product proliferation makes institutional due diligence more important. A faith-based ETF should first be evaluated as an investment, including performance, risk, fees, liquidity, assets under management, benchmark fit, portfolio construction, tracking, sponsor resources, and product viability.

Morningstar's research identified several issues that require particular attention. Religious funds are, on average, more expensive than non-religious counterparts, and the average fee level for faith-based passive strategies is generally about twice that of comparable non-religious strategies. This difference is partly attributable to smaller fund sizes and limited scale economics. Public ETF research on the faith-based marketplace also compares funds by RIA adoption, AUM growth, flows, trading volume, liquidity, and expense ratios, reinforcing the need to evaluate both religious alignment and conventional ETF fundamentals.

Investment performance track records also require careful interpretation. Our research found that nearly half of faith-based funds available in the market today were launched during the past 10 years, contributing to shorter average manager tenures. Yet shorter tenure does not necessarily imply limited investment experience, because well-established investment management firms are providing sub-advisory services in support of newer faith-based products. [1]

These observations reinforce the need to evaluate performance against both an appropriate market benchmark and a relevant peer group. For index-oriented strategies, an institutional framework can compare results across three levels: the conventional market benchmark, the faith-based strategy index, and the ETF itself. This approach helps separate the return impact of religious screening from ETF implementation effects, including expenses, tracking differences, sector and factor exposures, and active management decisions. Religious alignment should therefore be integrated into a broader fiduciary process that includes governance, manager and product due diligence, ongoing monitoring, stewardship alignment, and reporting.

The Next Phase of the Faith-Based ETF Market

Recent growth is encouraging, but new launches alone will not determine long-term success. The next phase will depend on whether faith-based ETFs can attract durable assets, establish credible track records, maintain competitive costs and liquidity, and earn placement with advisors, platforms, and institutions. In other words, the market must move from product availability to durable implementation.

Faith alignment can create demand, but scale requires investment utility. Products are most likely to gain adoption when they combine clear religious methodology with recognizable market exposure, competitive fees, adequate liquidity, platform access, and a well-defined portfolio role. Investors should therefore apply a dual lens: whether the fund faithfully translates its religious principles into methodology, screening, stewardship, and reporting; and whether it meets the fiduciary standards expected of any core allocation, including cost, risk control, benchmark fit, and implementation discipline.

Morningstar's findings underscore both the opportunity and the challenge. Faith-based strategies have generated substantial long-term asset growth, yet the marketplace remains relatively small, fees can be higher, track records are often shorter, and flows may be affected by the launch or asset movement of only a few strategies.

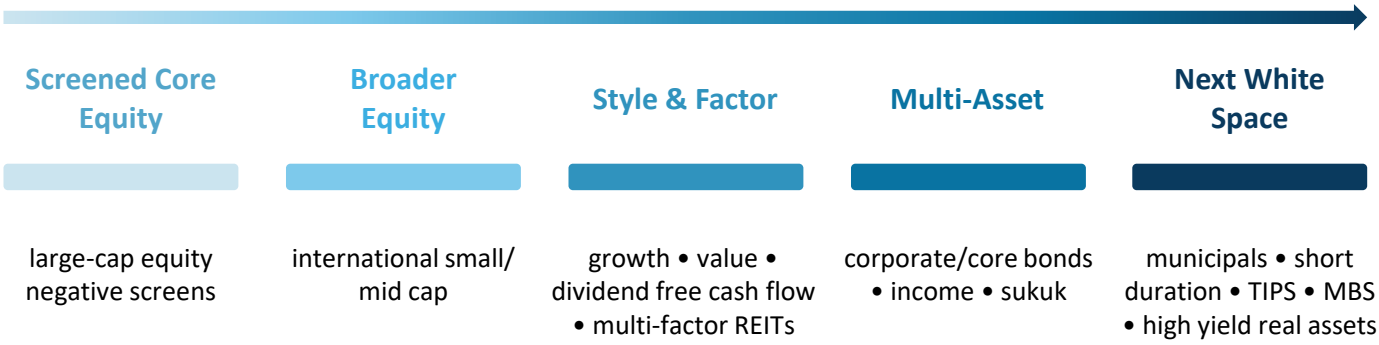
These dynamics suggest a category moving from specialization toward institutionalization. The most important development is not simply that more faith-based ETFs exist, but that investors can increasingly use them as building blocks in diversified portfolios while retaining the liquidity, transparency, and accessibility of the ETF structure. This evolution will require clearer policy translation, religious-alignment reporting, proxy-voting alignment, engagement oversight, and ongoing accountability.

Core U.S. equity remains the market's center of gravity, with the largest products generally offering broad U.S. equity exposure. This pattern suggests that adoption is easiest when investors can substitute a faith-aligned ETF for an existing portfolio allocation rather than create a new category.

That substitution logic also highlights remaining implementation gaps. As shown in Figure 5, municipal bonds, short-duration fixed income, TIPS, mortgage-backed securities, high yield, emerging-market debt, and real assets remain underrepresented, while Catholic and Jewish investors have fewer ETF choices than broader Christian and Islamic segments. These gaps create room for new products, but they also mean many investors still need complementary vehicles to build diversified, faith-aligned portfolios.

Against that backdrop, new product formation is encouraging but not sufficient. Nearly half of listed ETFs launched in 2025 or 2026, yet these funds represent less than 10% of total AUM. As sponsors fill remaining gaps, the key tests will be distribution, platform access, advisor adoption, and durable asset gathering.

Figure 5. The product shelf is evolving from isolated screens toward a broader portfolio-implementation toolkit, although important implementation gaps remain.



Conclusion

Faith-based ETFs remain a small segment of the U.S. ETF marketplace, but they are emerging at the intersection of two durable trends: continued ETF adoption and longstanding demand among religious investors to align investment portfolios with religious principles. With U.S. ETF assets now exceeding $15 trillion and Morningstar reporting approximately 18% annualized growth in broader faith-based investment assets over the 30 years through March 2026, the category has both structural momentum and a persistent investor base.

The opportunity is no longer simply to offer products that exclude activities inconsistent with religious principles. The more important task is to build investment solutions that translate those principles into transparent methodology, disciplined portfolio construction, credible stewardship, competitive fees, and practical portfolio roles.

This distinction underscores a central point of the paper: Faith-Based Investing is not simply Sustainable Investing repackaged for religious investors. The two approaches may overlap on issues such as environmental stewardship, worker treatment, human dignity, governance, and community impact, but they begin from different sources of authority and can lead to different investment conclusions.

As the market matures, the central question is shifting from whether a faith-aligned ETF exists to whether it can serve a durable role in a portfolio. The strongest strategies will combine religious-methodology clarity, religious authenticity, investment discipline, and fiduciary accountability. **Faithfulness and fiduciary rigor are not competing objectives; in a mature faith-based ETF marketplace, each depends on the other.**

Faith-Based ETF Sourcebook: Comparison of Available Funds and Investment Approaches

Ticker	ETF Name	Religious Community	Religious Framework	Asset Category	Management	Market Benchmark	Inception Date	Expense Ratio (%)	AUM $MM (approx.)
CLCG	Crossmark Large Cap Growth ETF	Christian	Traditional Values	U.S. Large Growth	Active	Russell 1000 Growth Index	2025-07-23	0.5	29M
CLCV	Crossmark Large Cap Value ETF	Christian	Traditional Values	U.S. Large Value	Active	Russell 1000 Value Index	2025-07-23	0.5	17M
ELCV	Eventide High Dividend ETF	Christian	Business 360	U.S. Dividend/Value	Active	BB U.S. 1000 Value TR Index	2025-06-04	0.49	250M
ESIM	Eventide International ETF	Christian	Business 360	International Equity	Active/Systematic	BB U.S. Large & Mid Cap TR Index	2025-10-01	0.59	23M
ESLG	Eventide Large Cap Growth ETF	Christian	Business 360	U.S. Large Growth	Active/Systematic	BB U.S.1000 Value TR Index	2025-10-01	0.39	26M
ESLV	Eventide Large Cap Value ETF	Christian	Business 360	U.S. Large Value	Active/Systematic	BB U.S.1000 Growth TR Index	2025-10-01	0.39	14M
ESSC	Eventide Small Cap ETF	Christian	Business 360	U.S. Small Cap	Active/Systematic	BB U.S. 2000 Total Return Index	2025-10-01	0.49	37M
ESUM	Eventide US Market ETF	Christian	Business 360	Broad U.S. Equity	Active/Systematic	BB U.S. 3000 Total Return Index	2024-12-17	0.39	182M
BRIB	FIS Bright Portfolios Core Bond ETF	Christian	Christian Values	Core Bond	Active	Laddered Core Bond	2025-12-19	0.49	56M
BRIF	FIS Bright Portfolios Focused Equity ETF	Christian	Christian Values	Focused Equity	Active	MSCI USA Equity Index	2024-12-20	0.65	157M
PRAY	FIS Christian Stock ETF	Christian	Christian Values	U.S./Global Equity	Active	MSCI World Index	2022-02-07	0.69	80M
FTHB	FIS Faith Income ETF	Christian	Christian Values	Income/Fixed Income	Active	BB Aggregate Bond Mkt Index	2026-03-18	0.65	12M
ACTS	FIS Tactical Equity ETF	Christian	Christian Values	Tactical Equity	Active	S&P 500 Equity Index	2026-03-18	0.69	11M
BIBL	Inspire 100 ETF	Christian	Biblically Responsible	U.S. Large Cap	Index	Inspire 100 Equity Index	2017-10-30	0.35	479M
PTL	Inspire 500 ETF	Christian	Biblically Responsible	U.S. Large Cap	Index	Inspire 500 Equity Index	2024-03-25	0.09	895M
RISN	Inspire Capital Appreciation ETF	Christian	Biblically Responsible	Tactical/Allocation	Active	S&P Target Risk Moderate Index	2020-07-14	0.72	73M
IBD	Inspire Corporate Bond ETF	Christian	Biblically Responsible	Corporate Bond	Index	Inspire Corp Bond Equal Wt.Impact Index	2017-07-10	0.41	496M
FDLS	Inspire Fidelis Multi Factor ETF	Christian	Biblically Responsible	U.S. Multi-Factor	Index	Inspire WI Fidelis Multi-Cap/ Multi-Factor Index	2022-08-23	0.66	250M
BLES	Inspire Global Hope ETF	Christian	Biblically Responsible	Global Large Cap	Index	Inspire Global Hope Large Cap Equal Weight Index	2017-02-27	0.6	167M
GLRY	Inspire Growth ETF	Christian	Biblically Responsible	U.S. Growth	Active	MSCI USA Mid-Cap Growth Index	2020-12-07	0.8	155M
WWJD	Inspire International ETF	Christian	Biblically Responsible	International Equity	Index	Inspire Global Hope Ex-US Index	2019-09-30	0.61	575M
ISMD	Inspire Small/Mid Cap ETF	Christian	Biblically Responsible	PRXI inde	Index	Inspire Small/Mid Cap Impact Equal Weight Index	2017-02-07	0.53	342M
PRXI	Praxis Impact International ETF	Christian	Anabaptist/Mennonite Stewardship	Developed International	Index/Optimized	Morningstar Dev. Mkts ex-North America Target Mkt Index	2026-06-24	0.54	5M
PRXG	Praxis Impact Large Cap Growth ETF	Christian	Anabaptist/Mennonite Stewardship	U.S. Large Growth	Index/Optimized	CRSP U.S. Large Cap Growth Index	2025-04-07	0.36	86M
PRXV	Praxis Impact Large Cap Value ETF	Christian	Anabaptist/Mennonite Stewardship	U.S. Large Value	Index/Optimized	CRSP US Large Cap Value Index	2025-04-07	0.36	76M

Faith-Based ETF Sourcebook: Comparison of Available Funds and Investment Approaches

Ticker	ETF Name	Religious Community	Religious Framework	Asset Category	Management	Market Benchmark	Inception Date	Expense Ratio (%)	AUM $MM (approx.)
TPFI	Timothy Plan Fixed Income ETF	Christian	Biblically Responsible	Fixed Income	Active	US Intermediate Core-Plus Bond/NI	2026-05-04	0.55	24M
TPFC	Timothy Plan Free Cash Flow ETF	Christian	Biblically Responsible	U.S. Factor/Free Cash Flow	Index	Victory Free Cash Flow BRI Index	2026-05-04	0.39	42M
TPFG	Timothy Plan Free Cash Flow Growth ETF	Christian	Biblically Responsible	U.S. Growth/Factor	Index	Victory Free Cash Flow Growth BRI Index	2026-05-04	0.59	38M
TPHD	Timothy Plan High Dividend Stock ETF	Christian	Biblically Responsible	U.S. Dividend Equity	Index	Victory US Large Cap High Dividend Volatility Weighted BRI Index	2019-04-19	0.52	367M
TPIF	Timothy Plan International ETF	Christian	Biblically Responsible	Developed International	Index	Victory International Volatility Weighted BRI Index	2019-12-02	0.62	269M
TPLC	Timothy Plan U.S. Large/Mid Cap Core ETF	Christian	Biblically Responsible	U.S. Large/Mid Cap	Index	Victory U.S. Large/Mid Cap Volatility Weighted BRI Index	2019-04-19	0.52	315M
TPSC	Timothy Plan U.S. Small Cap Core ETF	Christian	Biblically Responsible	U.S. Small Cap	Index	Victory US Small Cap Volatility Weighted BRI Index	2019-12-02	0.62	269M
AMEM	Amana Developing World ETF	Islamic	Sharia	Developing/ Emerging Markets	Active	MSCI Emerging Markets Equity Index	2026-06-24	0.91	4M
AMEI	Amana Equity Income ETF	Islamic	Sharia	Equity Income	Active	MSCI World Equity Index	2026-06-24	0.76	5M
AMGR	Amana Growth ETF	Islamic	Sharia	Growth Equity	Active	BB 500 Equity Total Return Index	2026-06-24	0.61	7M
UMMA	Wahed Dow Jones Islamic World ETF	Islamic	Sharia	International/Global ex-U.S.	Index	DJ Islamic Mkt Int'l Titans 100 Index	2022-01-07	0.65	207M
HLAL	Wahed FTSE USA Shariah ETF	Islamic	Sharia	U.S. Large Cap	Index	FTSE USA Shariah Index	2019-07-16	0.5	788M
SPSK	SP Funds Dow Jones Global Sukuk ETF	Islamic	Sharia/AAOIFI	Global Sukuk	Index	Dow Jones Sukuk Index	2019-12-27	0.55	456M
SPUS	SP Funds S&P 500 Sharia Industry Exclusions ETF	Islamic	Sharia/AAOIFI	U.S. Large Cap	Index	S&P 500 Shariah Index	2019-12-17	0.45	3B
SPRE	SP Funds S&P Global REIT Sharia ETF	Islamic	Sharia/AAOIFI	Global REIT	Index	S&P Global All Equity REIT Shariah Capped Index	2020-12-29	0.55	179M
SPTE	SP Funds S&P Global Technology ETF	Islamic	Sharia/AAOIFI	Global Technology	Index	S&P Global 1200 Shariah Info Tech Capped Index	2023-11-30	0.55	234M
SPWO	SP Funds S&P World ex-US ETF	Islamic	Sharia/AAOIFI	International ex-U.S.	Index	S&P DM Ex-U.S. & EM 50/50 Shariah Index	2023-12-18	0.45	213M
MNZL	Manzil Russell Halal USA Broad Market ETF	Islamic	Sharia/AAOIFI	U.S. Large Cap	Index	Russell Ideal Ratings 1000 Islamic Equity Index	11/18/2025	0.4	28M
SHRD	Arimathea Catholic Core Bond ETF	Catholic	Catholic Social Teaching	Core Bond	Active	BB Aggregate Bond Index	2026-06-12	0.52	13M
CATH	Global X S&P 500 Catholic Values ETF	Catholic	USCCB	U.S. Large Cap	Index	S&P 500 Catholic Values Index	2016-04-18	0.29	1.3B
CHRI	Global X S&P 500 Christian Values ETF	Christian	Evangelical Christian Values	U.S. Large Cap	Index	S&P 500 Christian Values Screened Index	2025-09-23	0.29	8M
CEFA	Global X S&P Catholic Values Developed ex-U.S. ETF	Catholic		Developed ex-U.S.	Index	S&P Developed ex-U.S. Catholic Values Index	2020-06-22	0.35	59M
TOV	JLens 500 Jewish Advocacy U.S. ETF	Jewish	Jewish Values & Advocacy	U.S. Large Cap	Index	JLens 500 Jewish Advocacy U.S. Index	2025-02-26	0.18	273M

Sources

1. Investment Company Institute. “Exchange-Traded Fund Data, June 2026.” July 30, 2026.
2. Morningstar. “Faith-Based Investing Is a Small, But Growing, Niche.” July 21, 2026. Morningstar Direct data through April 30, 2026.
3. Sage listing of U.S. faith-based ETFs. Consultant research universe. August 2026.
4. Public faith-based ETF and investment-industry commentary. Reviewed August 2026.

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