



Press Release

The Executive Board

1st March 2016

The FRR achieved a performance of + 3.08% in 2015

In 2015, the FRR achieved a performance of +3.08% led by equities during a year that was highly volatile. This performance underlined the robustness of its management model.

At 31 December 2015, the FRR's net assets totalled 36.3 Bn€, a fall of 900 M€ compared to the figure achieved at 31 December 2014. Given that, as in each year, the FRR paid 2.1 Bn€ to CADES (*Caisse d'Amortissement de la Dette Sociale*), its financial investments achieved a net return of 1.22 Bn€ in 2015, an **annual performance of 3.08%**.

Following the 2010 pension reforms, the FRR, which held assets totalling 37 Bn€ as of 1st January 2011 and has not since received any further contributions, has paid 10.5 Bn€ to CADES. During this same period, the FRR achieved **a net financial gain of 9.8 Bn€** which has enabled it to stabilise the value of its portfolio up until 2014 and thereafter to limit any decrease.

In 2015, the FRR's total asset performance derived almost exclusively from a good performance by the **performance component's** asset class indexes (**+ 5.4%**).

Conversely, the asset value of the portfolio's hedging component stagnated (+0.1%): this was the result of interest rates remaining at historically low levels and the increase in corporate bond risk premiums which wiped out the majority of the holding return on these securities.

Since 1st January 2011 when its liabilities were fixed (annual payments of 2.1 Bn€ to CADES), the FRR's annualised performance has reached 5.5%.

The gearing ratio measuring the FRR's capacity to service its liabilities (net assets/value of liabilities) stands at 156% indicating **a surplus after payment of liabilities of 13.1 Bn€ at 31 December 2015**, an increase of 930 M€ compared to 31 December 2014.

Against this background, the FRR has pursued its strong commitment towards financing the French economy.

200 M€ were contributed to the intermediate housing financing fund and an investment of 145 M€ was made in the NOVI private placement fund. These two emblematic initiatives are in addition to its continued investment in loans to the economy (275 M€) and its 155 M€ acquisition in shares of listed small and medium-sized enterprises.

FRR's commitments will continue in 2016 and beyond as part of a 2 Bn€ scheme for investment in non-listed French assets (private equity, corporate loans, real estate or infrastructure).

The FRR is a public administrative establishment of the State created by law in 2001. Governed by a Supervisory Board and Executive Board, its mission is to manage the funds allocated to it until 31 December 2010 in order to build up reserves to contribute to the long-term sustainability of the retirement pension system.

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