



# Press Release

The Executive Board

14<sup>th</sup> February 2018

## **The FRR achieved a performance of + 7.16% in 2017**

**In 2017, the FRR achieved a performance of +7.16% led mainly by equities. This performance underlined the soundness of its management model.**

**At 29 December 2017, the FRR's net assets totalled €36.4 billion**, an increase of €453 million compared to the amount achieved at 30 December 2016. Given that, as in each year, the FRR paid €2.1 billion to CADES (*Caisse d'Amortissement de la Dette Sociale*), its financial investments achieved a net return of €2.55 billion in 2017, **an annual performance net of all expenses of 7.16%**.

Following the 2010 pension reforms, the FRR, which held assets amounting to €37 billion as of 1<sup>st</sup> January 2011 and has not since received any further contributions, has paid €14.7 billion to CADES. During this same period, the FRR has achieved **a net financial gain of €14.1 billion** which has thus enabled it to reduce the anticipated decrease in value of its portfolio to a very significant extent.

In 2017, the FRR's total asset performance resulted from an increase of **13% by the performance component asset classes**, which represented 56% of the FRR's portfolio by year-end and an increase of **1.5% by the bond assets in the hedging component**.

**Since 1<sup>st</sup> January 2011 when its liabilities were fixed (annual payments of €2.1 billion to CADES), the FRR's annualized performance has reached 5.66%.**

The gearing ratio measuring the FRR's capacity to service its liabilities (net assets/value of liabilities) stands at 183% indicating **a surplus after payment of liabilities of €16.5 billion at 29 December 2017**, an increase of €2.2 billion compared to 30 December 2016.

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

More than €1 billion have been committed towards the financing of the French economy in unlisted assets, in particular following the award of private debt fund mandates in an amount of €600 million and private equity fund-of-fund mandates in an amount of €350 million. At the same time, the FRR has continued to invest directly in collective funds, including in two infrastructure funds in an amount of €45 million each.

The FRR's commitment will continue in 2018 with the establishment of dedicated innovation capital funds and the award of development capital fund mandates, through tender procedures currently underway. The FRR will also continue to invest directly in collective funds.

Finally, the FRR will extend the decarbonisation of its portfolio and increase the proportion of its investments having a social and environmental impact.

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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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