

FONDS DE RÉSERVE POUR LES RETRAITES

Paris, 19/12/2003

PRESS RELEASE

The first phase of the selection for applicants following the call-for-tenders relating to the attribution of 27 management mandates launched by the Fonds de Réserve pour les Retraites (French Pensions Reserve Fund - FRR). The Executive Board of the FRR has, after advice given by the Selection Committee, transmitted the results to the applicants. Draft management agreements pertaining to the relevant categories of assets have also been sent to those companies whose applications were accepted for the second phase following the selection process, along with the questionnaires which will enable the FRR to assess the quality of the offers made by applicants after careful analysis. Applicants will have until next February 2nd to complete their offer(s) and transmit them to the FRR.

The communication of these results to applicants was subject to the publication of a decree affording, in particular, the FRR a greater degree of flexibility in setting the duration of its mandates which were previously capped at three years. Said decree was published in the Official Journal of December 19th 2003. Accordingly, the Executive Board of the FRR has retained the following durations:

- three years for "eurozone equities, large caps, passive management" (lot 1) and "US equities, large caps, passive management" (lot 4);
- five years for "eurozone equities, small and mid caps, active management" (lot 2) and "US equities, mid caps, active management" (lot 5);
- four years for all other mandates.

The FRR has been delighted by the interest shown to its call-for-tenders by assets managers across all of the major markets to and by the quality of the applications it has received for all of the lots. The Executive Board retained 137 applicants among the 410 received. The criteria set in the tender regulations were the following: proven experience in the financial management of similar mandates, the solidity and stability of applicant companies and the organisational fit of applicants with the functional requirements of the FRR.

Lastly, the Executive Board will continue to pay close attention to any conclusions drawn by the regulatory authorities as a result of the inquiries they have initiated following the uncovering of certain practices within the US mutual fund industry.