



# Press release

**The Executive Board**

10 March 2011

The FRR's annualised performance net of expenses (determined as at 31st December 2010) since it commenced investment operations in June 2004 is +3%<sup>1</sup>. The Fund's performance over the year 2010 is +4.2%.

2010 confirmed the economic upturn that began in mid-2009. In the first semester, the uncertainties relating to sovereign risk and the implementation of tax consolidation strategies in Eurozone countries triggered a significant increase in volatility on the bond and equity markets. In the second semester, the FRR's investments were helped by more reassuring growth forecasts and a fall in the volatility of the equity markets, following the creation of the European Financial Stability Fund, publication of *stress tests* for European banks and the implementation of a second wave of quantitative easing by US monetary policy makers.

As at 31 December 2010, the FRR's assets totalled 37 Bn euros<sup>2</sup> :

- performance assets represented 38.8% of net assets (of which 32.3% equities, 3.2% commodities, 2.1% real estate and 1.2% emerging markets debts);
- liability hedging assets accounted for 61.2% of net assets.

Pension reforms in 2010 clarified the FRR's liabilities which now entail 14 annual payments of 2.1 billion euros to the *Caisse d'amortissement de la dette sociale* –CADES– (2011 to 2024) and confirmed the lump sum contribution owed by CNIEG to the CNAV in 2020.

The FRR therefore adopted its strategic allocation plan on 13 December 2010 with a view to meeting its liabilities and achieving as high as possible a return on its investments by 2024. The search for performance will be driven by its assets (equities and bonds of developed and emerging economies, high yield bonds, real estate and commodities) which represent 40% of its portfolio (37.5 Bn euros) as at the beginning of March 2011.

Press contact:  
01 58 50 99 86  
[www.fondsdereserve.fr](http://www.fondsdereserve.fr)

---

<sup>1</sup> Estimated data.

<sup>2</sup> 33.3 Bn euros as at 31 December 2009.