



THE EXECUTIVE BOARD

PRESS RELEASE

A PERFORMANCE OF 9.66% IN 2019

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In 2019, the FRR achieved a performance of 9.66% due mainly to the very strong return on performance assets (and equities more specifically) which increased by 17.9%, whereas quality bond assets again rose by 3%.

The annualised performance of the portfolio, since 1 January 2011 is +4.9% net of all expenses, a much higher level than the cost of public debt borne by CADES (1.05%). Since the end of 2010, performance and quality bond assets have increased respectively by 84.7% and 33.4%.

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At 31 December 2019, the FRR's assets totalled 33.6 billion euros. They increased by around 1.1 billion euros over the year (its assets at 31/12/2018 totalled 32.65 billion euros), after paying 2.1 billion euros to CADES (*Caisse d'Amortissement de la Dette Sociale*) on 25/04/2019. **The change in the total assets adjusted for this payment therefore equals +3.2 billion euros.**

Following the 2010 pension reforms, the FRR, which held assets amounting to **37 billion euros** as of 1 January 2011 and has not since received any contributions, has paid **18.1 billion euros** to CADES. During this same period, the FRR has achieved **a net financial gain of 15.6 billion euros** which has thus enabled it to reduce the anticipated decrease in value of its portfolio to a very significant extent.

The gearing ratio measuring the FRR's capacity to service its liabilities (net assets/value of liabilities) **increased by 25 percentage points, from 185% to 210%**, representing a **surplus after payment of liabilities of 17.6 billion euros at 31 December 2019**, an increase of 2.6 billion euros compared to 2018. In 9 years, it has increased by 86%, which is more than 7% per year.

In 2019, the FRR has pursued its very strong commitment to financing the French economy by accelerating its investments from a long-term and responsible investment perspective.

As a responsible investor, the FRR has renewed all of the active management mandates of its equities portfolio by selecting managers in particular having regard to their ability to take concrete actions in relation to their portfolio on the environment (carbon footprint, fossil fuels, energy transition, tobacco...), but also on the other social and governance aspects. In its requests for proposals, there were 54 questions concerning climate risk, ESG, engagement, voting policy, reporting requirements for TCFD¹ purposes and under Article 173 of the French energy transition law.

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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¹ Task Force on Climate-related Financial Disclosures.