

# PRESS RELEASE

## ERAFP launches a call for tenders to award three management mandates for hedging the foreign exchange risk of its assets

Paris, 5 December 2017- Based on a fiduciary duty towards its beneficiaries whose contributions it invests, ERAFP, the French public sector additional pension scheme, is launching a call for tenders to award one active and two standby management mandates for hedging the foreign exchange risk of its assets.

The macroeconomic situation in recent years has brought to light the importance of currency risk incurred by investors in their portfolios.

In this context, management of foreign exchange hedging for the assets in ERAFP's consolidated portfolio has three main objectives: first, reduce the overall exposure to foreign exchange risk by decreasing the exposure to foreign currencies; secondly, better coordinate foreign exchange hedging and, lastly, reduce the cost of this hedging.

Through this call for tenders, ERAFP's aim is to select three investment companies in the currencies asset class, one active manager and two standby managers.

The active contract holder will be tasked with creating and managing a mutual fund for managing the foreign exchange risk of ERAFP's assets through a global strategy that consists of a passive hedging strategy and, where applicable, a dynamic hedging strategy.

The notional amount hedged at the start of the mutual fund is expected to be around €2 billion. The initial term of the mandates will be four years, with ERAFP having the option to renew the contract for two successive two-year periods.

The tender documents are available at [www.achatpublic.com](http://www.achatpublic.com). A link to this platform can be accessed from the RAFP's website, [www.rafp.fr](http://www.rafp.fr), Calls for tender section. The submission deadline is 19 January 2018 at noon (Paris time).

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### **ERAFP: France's number one public service pension scheme and full-SRI institutional investor**

With almost EUR 28 billion in financial assets wholly invested in accordance with a fully socially responsible investment approach, ERAFP is Europe's leading SRI institutional investor. From its inception in 2005, ERAFP's board of directors has sought to maximise returns on its financial asset portfolio in accordance with SRI-driven principles. As a signatory of the UN Principles for Responsible Investment, ERAFP adopted an SRI Charter in March 2006 hinging on five values: respect for the rule of law and human rights; social progress; social democracy; environment; and standards of governance and transparency.

ERAFP is also one of the world's largest public pension funds in terms of member numbers, with over 4.5 million beneficiaries, 44,000 employers and nearly EUR 1.8 billion in annual contributions. As a mandatory points-based pension scheme, it has been managing supplementary pension benefits for French civil servants in state-run bodies, local authorities and public hospitals since 1 January 2005.

For more information about ERAFP → [www.rafp.fr](http://www.rafp.fr)

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