

PRESS RELEASE

A new investment regulatory framework for ERAFP

Paris, 18 September 2019 – The order of 31 July 2019 has changed certain investment ratios for the French public service additional pension scheme (ERAFP), enlarging its capacity for asset diversification.

Effective 9 August 2019, the order of 31 July 2019 – amending the order of 26 November 2004 implementing decree no. 2004-569 of 18 June 2004 on the French public service additional pension scheme – reforms ERAFP's investment framework by changing the investment limits applicable to the categories of assets in which ERAFP is authorised to invest its funds. This is intended to boost its potential returns and increase its contribution to the financing of companies.

ERAFP's limit on investments in equities and funds of unlisted assets has increased from 40% to 45%, that on real estate investments from 12.5% to 15% and, concerning its real estate leverage, the ratio of its total real estate debt to its investments' book value has been raised from 25% to 50%.

Lastly, the cap on ERAFP's direct investment in undertakings for collective investment (UCI) has increased from 3% to 10%.

ERAFP's board of directors and management welcome this development, which increases its investment policy's scope for maintaining a well-balanced portfolio over time as well as its responsiveness – particularly useful additions in the current economic environment.

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

With more than EUR 33 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 maximize 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, more than 44,000 employers and nearly EUR2 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

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