

PRESS RELEASE

ERAFP awards four mandates to manage USD-denominated SRI credit bonds

Paris, 5 January 2023 – In connection with the renewal of its mandates, the French public service additional pension scheme (ERAFP) has awarded four mandates (two active and two stand-by) to manage a portfolio of USD-denominated SRI credit bonds.

In November 2021, ERAFP launched a call for tenders to award mandates to manage USD-denominated credit bond funds.

Following the selection process, the Scheme has awarded the active mandates to AXA Investment Managers and FundLogic, which will delegate financial management to Eaton Vance Management, the latter two entities both being subsidiaries of Morgan Stanley IM. The stand-by mandates have been awarded to Amundi and BlackRock.

The portfolios will be invested mainly in USD-denominated bonds of issuers located in OECD countries, with the exception of bonds issued or guaranteed by a sovereign state or local authority.

Each asset manager will be responsible for building a portfolio on the basis of a fundamental analysis of each issuer and a technical analysis of the bonds, ensuring sector diversification and compliance with ERAFP's SRI framework. The selected managers must also make every effort to support ERAFP in implementing its commitments as part of the Net Zero Asset Owner Alliance (NZAOA).

The indicative amount for the active mandates will be approximately EUR1.2 billion. As mentioned above, two of the four mandates awarded are stand-by mandates, which give ERAFP the option to activate them, notably with a view to spreading risk.

The mandates awarded are for an initial term of six years; ERAFP may renew the contracts for a period of two years.

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

With almost €37 billion in financial assets wholly invested in accordance with a fully socially responsible investment approach, ERAFP is one of the leading SRI institutional investors. From the pension scheme's inception in 2005, ERAFP's board of directors has sought to maximise returns on its financial asset portfolio in accordance with SRI 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 high standards of governance and transparency.

ERAFP is also one of the world's largest public pension funds in terms of member numbers, with almost 4.5 million beneficiaries, 43,000 employers and nearly EUR2 billion in annual contributions in 2020. 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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