

FONDS DE RÉSERVE POUR LES RETRAITES

The Executive Board

Paris, July 29, 2004

After conducting an analysis of each proposal received last June and having taken into consideration the opinion issued by the Manager Selection Committee, the Executive Board of the Fonds de Réserve pour les Retraites has awarded ⁽¹⁾ an overlay mandate to State Street Global Advisors France for a period of three years.

The overlay manager will ensure currency risk management and tactical management for the portfolios of the Fund. Accordingly, it will provide macroeconomic and financial advice and implement the tactical decisions made by the Fund's Executive Board. It will also be responsible for hedging the currency risk.

The mandate was awarded in accordance with a process known as "competitive dialogue," defined in Articles 36, 40 and 67 of the French Procurement Contracts Code (*Code des Marchés Publics*). Experts from the FRR analyzed the proposals submitted in connection with the mandate, with the support from a financial consultant (Mercer Investment Consulting) and a legal counsel (Allen & Overy).

The FRR thanks all of the candidates for the quality of their proposals, which, along with the advice offered throughout this process, have resulted in technically sophisticated and innovative specifications.

⁽¹⁾ In accordance with regulations in force governing this FRR process, notification of the mandate awarded is binding on the FRR and will take place after the related contract has been finalized with the investment management firm whose proposal has been retained.