



Press Release

The Executive Board

March 2013

The net assets of the Fonds de Réserve pour les Retraites at 31 December 2012 totalled 36.6 billion euros.

Given that its net assets totalled 35.1 billion euros at 31 December 2011, **the FRR has posted a net increase of 1.5 billion euros in the value of its investments, after payment of the 2.1 billion euros owed to CADES during the course of 2012.**

In 2012, the FRR achieved a performance of +10.5%, net of management costs.

This performance can be attributed to two factors:

- a strong result from the performance component asset classes: +12.7% in 2012, achieved almost exclusively over the second half of the year and which offset the fall of 5.9% recorded in 2011.
- the fall in sovereign bond rates and yield premiums on non-sovereign issuers enabling the hedging component to post a rise of 10.1%.

In 2012, the FRR pursued its cautious management strategy for its very diversified assets ensuring its liabilities are hedged to a great extent.

The FRR's annualised performance since inception is now at 3.5%.

The gearing ratio measuring the FRR's capacity to service its liabilities (net assets/ value of liabilities) is currently 135%, close to the starting point for the new asset allocation (138% on 10 December 2010).

Given how the markets have progressed, the hedging component represented 58.6% of total assets as at 31 December and the performance component, 41.4% on the same date.

The Fonds de Réserve pour les Retraites is a public administrative establishment of the State created by law in 2001. Governed by a Supervisory Board and a 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 old-age pension system.

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