

# PRESS RELEASE

## ERAFP awards three management mandates for hedging the foreign exchange risk of its assets

Paris, 19 April 2018 – ERAFP, the French public sector additional pension scheme, has awarded an active management mandate to Millennium Global and two standby management mandates to BNP Paribas AM and Russell Investments for hedging the foreign exchange risk of its assets.

In keeping with its fiduciary duty, ERAFP's objective was to select three service providers to ensure overall management of hedging of foreign exchange risk of its assets. The strategy implemented will include both a passive component and a dynamic component of foreign exchange risk hedging.

Following the selection process launched in December 2017, the tender submitted by Millennium Global appeared to best satisfy ERAFP's requirements given, in particular, the robustness of the proposed management process. The principal mandate was therefore awarded to that company. The two other managers awarded a standby mandate are BNP Paribas AM and Russell Investments.

The notional amount hedged at the start of the mandate 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.

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

*With almost EUR 30 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 EUR1.8 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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