

PRESS RELEASE

ERAFF launches call for tender to select three SRI emerging market bond portfolio managers

Paris, 26 April 2018 – in keeping with its policy to broaden its investment universe and its SRI procedure, *Établissement de Retraite additionnelle de la Fonction publique (ERAFF)*, France’s public sector additional pension scheme, has launched a restricted tender procedure to award mandates to manage an emerging market bond portfolio.

The three asset management companies selected for the mandates will run a non-benchmarked emerging market bond portfolio, using conviction-based management, on behalf of ERAFF. The objective will be to obtain the best possible return while minimising the risk of default, in compliance with the institution’s SRI rules for this asset class.

The portfolios will be invested mainly in “hard” currency bonds (USD, EUR, etc.) issued by private and/or quasi sovereign issuers belonging to emerging regions.

The asset management firm will have to build the portfolio chiefly on the basis of the fundamental analysis of each issuer and each bond, ensuring broad diversification and complying with ERAFF’s SRI framework.

On an indicative basis, the initial committed amounts will be around €160 million, with a target of €300 million in three years. These amounts could be revised upwards or downwards, depending on factors such as decisions made by ERAFF’s Board of Directors, ERAFF’s market forecasts and the asset manager’s performance.

The mandates’ initial length will be 5 years and could be renewed by ERAFF for two successive one-year periods. Two of the three mandates awarded will be “stand-by” mandates, which means that ERAFF reserves the right to activate them, in particular for risk spreading purposes.

The consultation file is available on www.achatpublic.com. A link to this platform is also available on RAFF’s website (www.rafp.fr).

ERAFF: 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, ERAFF is Europe’s leading SRI institutional investor. From its inception in 2005, ERAFF’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, ERAFF 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.

ERAFF 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 ERAFF → www.rafp.fr

PRESS CONTACT Alice Blais - T 00 33 1 58 50 96 36 E alice.blais@erafp.fr