

PRESS RELEASE

ERAFP launches a call for tenders to select three Asia-Pacific SRI Equity investment managers and five euro-denominated SRI Bond investment managers

Paris, 23 June 2014 – As part of the process of renewing its maturing mandates and of broadening its investment universe, the French public service additional pension scheme (ERAFP) has launched a restricted call for tenders for the award of eight investment management mandates.

To select the investment management companies to be awarded these mandates, the ERAFP call for tenders comprises two lots: the investment objective of the “Asia-Pacific SRI Equities” lot will be to outperform the MSCI AC Asia Pacific index over the long term, while the euro-denominated SRI Bonds lot will follow a “buy and hold” investment style in order to maximise yields at the time of purchase and minimise default risk.

The mandates will have an initial five-year term, with the option for ERAFP to extend them by three successive periods of one year each.

In line with the choice of fully-SRI investments, the new mandates will be specifically tailored to incorporate ERAFP’s SRI requirements.

➔ Lot 1 – SRI Asia-Pacific Equities

For the first lot, the selection of stocks must be based on a fundamental analysis of companies and on regular contact with their management. Investments must be made based on a long-term view and must meet ERAFP’s SRI requirements.

To take full account of the specific nature of the investment universe, the manager will focus in particular on the compliance by portfolio companies with international standards on human rights and environmental protection, as well as on ongoing dialogue with portfolio companies to ensure improvements in their environmental, social and governance practices.

The majority of investments must be made in OECD member states in the Asia-Pacific region (Australia, Japan, New Zealand and South Korea).

By way of indication, the initial investment will be some €400 million, split between two managers. The third manager will have a stand-by mandate.

➔ Lot 2 – Euro-denominated SRI Bonds

For the second lot, the portfolio must comprise essentially investment-grade bonds. Investments may also be made for diversification purposes in non-investment grade bonds, EuroPP-type private placements, non-rated securities and European securitisation issues.

Investments must be made with a view to being held-to-maturity and the portfolio’s rotation rate will, therefore, be very low.

By way of indication, the initial investment will be some €2.5 billion, split between three managers with a minimum of €400 million per active mandate. An indicative minimum amount for the two stand-by mandates has not been set. The managers will receive the initial investment in the form of an existing euro-denominated bond portfolio and/or a cash investment.

The consultation file is available on www.achatpublic.com. A link to that platform is also available on ERAFP's website (www.rafp.fr).

ERAFP: the leading French public pensions fund and 100% SRI institutional investor

With more than €16 billion invested in accordance with a wholly socially responsible investment approach, ERAFP is Europe's leading SRI institutional investor. As from the pension fund's creation in 2005, its Board of Directors opted to optimize the performance of its portfolio of financial assets in accordance with SRI principles. A signatory of the UN Principles for Responsible Investment, in 2006 ERAFP adopted an SRI Charter based on the following five fundamental values: respect of the right of law and human rights; social progress, social democracy, the environment; and proper governance and transparency.

ERAFP is also one of the largest public pension funds in the world in terms of members with nearly 4.5 million beneficiaries, 45,000 employers and close to €1.77 billion in contributions each year. A mandatory, points-based pension scheme, since 1 January 2005 ERAFP has managed the supplementary pension benefits for civil servants, local authorities and the public hospitals sector.

For further information about ERAFP → www.rafp.fr

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