

PRESS RELEASE

ERAFP increases its investments in real estate by awarding a management mandate to Ampère Gestion (CDC Habitat* subsidiary)

Paris, 12 February 2018 – In line with the strategy adopted by its Board of Directors, ERAFP, the French public sector additional pension scheme, continues to deepen and expand its policy of investing in real estate assets introduced five years ago, by selecting one active manager and two standby managers to set up a portfolio of residential real estate assets in France.

In May 2017, ERAFP launched a call for tenders to award three real estate asset management mandates, with a substantial share of investments in intermediate housing. Following the selection process, ERAFP decided to award the active mandate to Ampère Gestion and the two standby mandates to La Française and Swiss Life REIM.

According to Philippe Desfossés, CEO of ERAFP, “*awarding this contract gives us another opportunity to work with one of the leading players in the industry. It is also an opportunity to go a step further in implementing reservation mechanisms for civil servants, along the lines of the agreement signed in January 2017 between ERAFP, the French Directorate-General for Government Administration and the Civil Service (DGAFP) and CDC Habitat.*”

A public pension fund for all civil servants, ERAFP will ensure that the scheme tested in the Paris region is extended to employees of local and regional governments and hospitals in all parts of the country where rents are high relative to incomes.

According to Vincent Mahé, Chief Administrative Officer of CDC Habitat and Chairman of Ampère Gestion, “*this mandate will help to increase the supply of affordable housing in tight areas. It reflects our strong belief that the optimal strategy of a long-term savings manager and, in particular, of a pension organisation – whether public or private – must include a real estate segment in which residential property has its place. CDC Habitat, the housing leader in France, is pleased to share its experience with ERAFP by enabling it to benefit from the profitability and resilience that this asset class demonstrates over the long term.*”

As an indication, the amounts to be invested over the first three years will be around 200 million euros minimum. These investments must be made in a long-term perspective and comply with the institution's SRI rules.

By recognising the socioeconomic implications of investing in real estate, particularly residential property, ERAFP is decidedly taking the long view. Given the limits in the short term and the obsession with market movements, at a time when the role of pension and savings schemes in the economy is being questioned, ERAFP is showing that it is possible to mobilise resources in order to build patient capitalism that serves society.

ERAFP plans to continue to play this role, and even intensify its efforts, by expanding its share of investments in real estate, to the extent that its regulatory constraints so allow.

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, 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 ERAFP → www.rafp.fr

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AMPERE Gestion, a wholly-owned subsidiary of CDC Habitat, is a portfolio management company accredited by the French regulator (Autorité des marchés financiers - AMF). After creating the first two regulated funds dedicated to intermediate housing, with an investment capacity of more than €4 billion, it is developing an additional range of real estate investment funds.

For more information: www.amperegestion-groupe.sni.fr

*The SNI group is now CDC Habitat