

STATEMENT: PUBLICATION OF FDC'S ANNUAL REPORT 2022

FDC's annual report 2022 sets out the highlights of the past year as well as FDC's year-end results.

2022 has undoubtedly been a difficult year for investors, with a negative performance in both equity and bond markets, against a backdrop of high inflation, low growth, tightening of monetary policies and geopolitical risks.

ECONOMIC ENVIRONMENT AND FINANCIAL MARKETS

Overall, the fact that the FED and European central banks seem to have been slow to raise rates has turned the second half of 2022 into a period of "catch-up" with negative repercussions for financial markets and global growth, which has slowed sharply in 2022.

Heavy losses in the fixed income and credit markets have thus been recorded. The S&P U.S. Treasury Bond Index recorded a negative return of 10.9% in 2022, while the corresponding returns for the government bond markets in the Eurozone reached -16.8%. The Global Developed Sovereign Bond Index recorded a negative return of 12.5%, while the Bloomberg Emerging Market Debt Index in US dollars registered a negative return of 15.1%.

Equity markets also experienced significant losses in 2022, so the sound principle of risk diversification failed to protect investors' portfolios. The S&P 500 fell by almost 20% and the EuroStoxx 50 dropped by 11% over the year. In Asia, the Nikkei showed a negative return of 9.4% and the Chinese market was under pressure with a Shanghai Composite down by 15.1%.

FDC'S RESULTS

In this very difficult context, the income generated by FDC in 2022 amounted to 52 million euros, while FDC's operating costs represented almost 23 million euros. **Taking into account the decrease of net assets of FDC's SICAV of 3.17 billion euros, a negative net income of 3.15 billion euros had to be recorded by the FDC**, yielding an annual rate of return of -11.93%. Thus, the year 2022 neutralised the effects of an excellent financial year 2021, which ended with a return of 11.44%. Since its launch in 2004, FDC has posted an annualised rate of return of 4.00%. This rate of return is above the target return set by FDC's successive investment strategies.

As of 31 December 2022, 23.49 billion euros of the pension reserve were managed by FDC and the balance of around 1.05 billion euros by the Caisse nationale d'assurance pension (CNAP). **The overall reserve of the general pension insurance scheme, thus amounting to 24.54 billion euros, represented 4.29 times the amount of annual pension benefits at the end of the year 2022.**

MAIN ACTIVITIES

In addition to the financial management of the pension reserve, which was particularly challenging given the aforementioned environment and the sanctions imposed on Russia, **the past year was also dedicated to the review of FDC's investment strategy and responsible investor policy**, the closure and new launch of major public tenders for various portfolio management mandates, the finalisation of work on good governance with regard to the fight against money laundering and the financing of terrorism, and the development of FDC's major real estate projects, including in particular the Cité de la sécurité sociale.

In addition to an increased focus on sustainability, by enlarging the scope of exclusions of companies deemed not to comply with international conventions such as the United Nations Guiding Principles on Business and Human Rights and the United Nations Global Compact, by introducing an engagement policy towards the largest greenhouse gas emitting companies and by creating a second Paris Agreement aligned sub-fund, **this new strategy also intends investing in a new asset class with a strategic quota of 2%, namely infrastructure dedicated to renewable energies.**