

STATEMENT: PUBLICATION OF FDC'S ANNUAL REPORT 2024

FDC's annual report 2024 sets out the highlights of the past year as well as FDC's year-end results.

Indeed, the geopolitical tensions of 2023 continued into 2024, although inflation appears to have been brought under control over the course of the year in most economic areas. The prospects of artificial intelligence and the share prices of technology giants similarly continued to have a strong influence on stock markets, which performed exceptionally well despite political developments and uncertainties.

ECONOMIC ENVIRONMENT AND FINANCIAL MARKETS

2024 was an exceptional year for stock investors. The bull market that began in 2023 has continued unabated in 2024, unaffected by the wars in the Middle East and Ukraine, the economic tightening and government disruption in Germany, the slowdown in China or the budget turmoil in France.

This is mainly due to a second year of strong gains of US equities, underpinned by strong economic and corporate earnings growth, as well as the ongoing exceptional momentum of the so called magnificent seven, Apple, Microsoft, Nvidia, Meta, Alphabet, Tesla, Netflix and Amazon, with growth finally extending beyond given seven names.

Bonds faced a rather challenging year despite rate cuts. Whilst interest rates have fallen in all the major economies this year, some bond investors struggled as they had counted on more monetary easing than central banks eventually implemented, whereas inflation remained more persistent than expected.

FDC's real estate investments, though, were able to recover, taking advantage of the falling interest rate environment and subsequent lower borrowing and financing costs.

FDC'S RESULTS

In this context, the net income generated by FDC in 2024 amounted to 2.96 billion euros. Overall, FDC's annual rate of return was 11.24% for the year 2024. Since the SICAV was set up in 2007, FDC's annualised rate of return has reached 5.10%. These rates of return are well above the target return set by FDC's investment strategies.

As of 31st December 2024, FDC managed a pension reserve of 29.38 billion euros. Adding the balance of the *Caisse nationale d'assurance pension*, the overall reserve of the general pension insurance scheme amounted to 30.67 billion euros and represented 4.39 times the amount of annual pension benefits at the end of the year 2024.

MAIN ACTIVITIES

In addition to the financial management of the pension reserve, the past year was mainly dedicated to finalising the implementation of FDC's revised investment strategy for the years 2023 to 2027 and enhancements to its responsible investor policy, drawing FDC's second Sustainable Investor Report, reviewing and updating certain governance documents as well as continuing the development of FDC's major real estate projects, notably the second phase of the *Cité de la sécurité sociale* and the development of the *Nei Hollerich* district, which includes the former site of the *Caisse nationale de santé*.

Indeed, FDC's Sustainable Investor Report 2024, with its detailed climate audit and assessment of extra-financial risks and transitions trajectories, shows that further significant improvements have been achieved. Sound governance, monitoring and risk management have made it possible for FDC to create significant positive impacts, further mitigate non-financial risks, reduce carbon footprints as well as continue to move towards a 2°C aligned investment portfolio.