

**Carmignac Gestion: partnering Debory-Eres in its second publication of the
*Observatoire des Retraites Européennes***

As a leading player in the European asset management industry, Carmignac Gestion remains committed to debate over the future of pensions, reaffirming its support for Debory-Eres' *Observatoire des Retraites Européennes*, the second edition of which is entitled "*La fin de l'âge d'or des retraités*" (The End of the Golden Age for Pensioners).

"Our commitment to debate over the future of retirement savings instruments and systems in Europe is part of a wider promotion of long-term savings", says Eric Le Coz, Deputy Managing Director of Carmignac Gestion. "Debory-Eres' second comparative study of European long-term savings products reveals a need to encourage the development of dynamic, diversified investment solutions that can be easily accessed anywhere in Europe through an open architecture".

Debory-Eres' *Observatoire des Retraites Européennes* carries out in-depth analyses of EU countries' pension systems. It seeks to provide a measure of the progress of State pay-as-you-go scheme reforms, the development of local collective and individual retirement savings plans, and the best practices and key initiatives for success that could be implemented at a European level. The second edition covers seven EU countries (Belgium, France, Germany, Italy, Spain, the Netherlands and the United Kingdom) and two non-EU countries (Switzerland and the United States), as well as the three pillars on which pension schemes are built: State pay-as-you-go pensions, company collective retirement savings plans, and individual retirement savings products.

The main points to be taken from the second edition are:

- By 2060, pay-as-you-go pension plans will converge towards a replacement rate (amount of pension received expressed as a percentage of the pre-retirement income) that on average will be no more than 40% of wages according to the projections taken with comparable macro-economic data. In France, the replacement rate is estimated at 48% for 2060, compared with 63% in 2007. In Italy, the change would be from 68% in 2007 to 47% in 2060. In Germany, from 51% to 41%. In Poland, from 56% to 26%. In 2060, the replacement rate will be 37% in the United Kingdom and 32% in the United States.
- The EU pension shortfall is estimated at 100% to 200% of the European Union's GDP.
- As such, there is no other choice than to increase the number of years spent working and to encourage part-time work in retirement. The example of the United States reveals that one third of pensioners' income already comes from work, i.e. a greater percentage than from savings, which must nevertheless be increased rapidly.
- Local company pension savings schemes are hindered by overly restrictive guarantee requirements.
- Pan-European pension funds will not be a solution in themselves. Of the 140,000 pension funds surveyed in the 27 EU countries, just 78 came under the IORP directive at the end of 2010.

As an active member of EFAMA (the European Fund and Asset Management Association) – a status shared with several leading independent management companies in Europe – Carmignac Gestion also demonstrates its commitment to the European pensions debate by helping to promote the common retirement savings standards established by EFAMA. The publication of the European Commission's white paper on pensions will give EFAMA an opportunity to promote this pan-European regulatory framework conducive to the development of a dynamic long-term savings market. Indeed, OCERP (Officially Certified European Retirement Plan) criteria offer a common basis for establishing a format of pan-European individual retirement savings accounts that may be transferred from collective to individual plans (and vice versa), from one country to another and between asset managers. At the end of 2010, the results of Debory-Eres' first *Observatoire des Retraites Européennes* showed that it would be relatively easy, technically, to define a common regulatory framework to create this type of certified European retirement savings vehicle.

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About Debory-Eres

Debory-Eres specialises in the engineering and independent management of company savings and pensions, as well as employee shareholding plans. With 20 senior professionals, more than 6,000 corporate clients from the CAC40 to SMEs, and €600 million in assets under management at the end of 2011, it is the fastest growing company on the French retirement savings and company pension market.

About Carmignac Gestion

Founded in 1989 by Edouard Carmignac, Carmignac Gestion is one of the leading independent asset management companies in Europe today. Its share capital is entirely held by its management team and staff. In this way, the company's long-term viability is ensured by a stable shareholding structure, reflecting its spirit of independence. This fundamental value is of utmost importance to the company as it ensures the freedom required for successful and renowned portfolio management.

With over 45 billion EUR in assets, Carmignac Gestion has developed a comprehensive range of 19 funds across all asset classes - equities, bonds and multi-strategy, as well as mandate offering. Our funds are actively marketed in 11 European countries: France, Luxembourg, Switzerland, Belgium, Italy, Germany, Spain, Austria, The Netherlands, Sweden and United Kingdom. Within the context of its international development, Carmignac Gestion has a subsidiary in Luxembourg and two offices in Madrid and Milan, and recently registered its range of products for professional investors in Singapore.