



Employees Savings

New !

Better performance and reduced costs

January 2022



The CFDT obtains the introduction of “passive” management of employees savings

The CFDT had proposed to switch from “active” management to “passive” management in order to improve the profitability of the employee savings plans.

The PERCOL/PEG Supervisory Board followed this suggestion and asked Epsens (PERCOL) and Amundi (PEG) to make concrete proposals.

Epsens did so at the Supervisory Board meeting of November 18, 2021, followed by Amundi at the Supervisory Board meeting of January 20, 2022.

This change of management type is expected to improve the performance of the employee savings by up to 15 to 20% over a timeframe of 10 years.



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Explanations :

“Active” management:

The sums placed in PERCOL or PEG funds are managed under so-called “active” management. It is the fund manager who decides which shares, bonds, etc., he buys or sells, and thus obtains at the end of the year a performance which is compared to that of an index of reference.

Problem :

For years, this performance has most often been lower than that of the benchmark, moreover, it is further reduced by fixed annual management fees.

“Passive” management:

There is a so-called “passive” management based on ETF funds (also called “trackers”) which not only ensures performance identical to that of the benchmark, but also with annual management fees significantly lower than those of “active” management.

Recent studies have shown that over the long term, active fund managers underperform their benchmark in more than 80% of cases, despite the high fees they charge their clients.

Your comments are welcome ! Write to syndicat.cfdt@airbus.com



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The CFDT Position

The CFDT considers that employees have a lot to gain with “passive” management (ETF), even if it is less profitable for Epsens and Amundi. **This is what the CFDT has demanded relentlessly for more than a year, in particular through the Supervisory Boards of the PEG and PERCOL and has fortunately been followed by the other Union organizations and by Management.**

Epsens and Amundi propositions:

Epsens:

- The AIRBUS Diversified fund will be fully invested in ETFs for stocks and bonds.
- The new AIRBUS Actions SRI fund (merger of EPSSENS Actions SRI and EPSSENS Emploi Santé Solidaire) will be invested in ETFs for the equity portion outside the Euro zone.

Epsens showed that if ETFs had been adopted 5 years ago, the AIRBUS Diversified fund would be worth 11% more than today.

In addition, for the AIRBUS Diversified fund, **the annual fees will fall from 1.31% to 0.70%, i.e. a reduction of nearly 50% and for AIRBUS Actions ISR, the reduction will be around 20%.**

These proposals will be effective from the next employee savings campaign in May 2022.

Amundi has proposed to bring the percentage of ETF to over 70% in both the PEG Airbus Actions and PEG Airbus Diversifié funds.

Management fees will be reduced by -50% for the Airbus Actions fund (from 0.76% to 0.37%). If it had been applied in 2021, the fees would have gone from €925k to €468k, i.e. a saving of nearly half a million € for the benefit of employees.

For the Airbus Diversified fund, the expected fee reduction is closer to -60% (from 0.71% to 0.31%), i.e. a reduction of around €300k.

In total, the reduction in costs represents approximately €800k annually redistributed to employees.

These proposals will be effective from the next employee savings campaign in May 2022.

Conclusion :

The CFDT is delighted that the Supervisory Board has taken into account our request to introduce “passive” management, in order to allow employees to benefit from it next year. **This change in management method is likely to improve the performance of the concerned funds by around 15 to 20% over a period of 10 years.** One-third of this saving coming from lower fees and two-thirds coming from an improved yield.