

FINANCIAL REPORT

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CHAIRMAN'S MANAGEMENT REPORT TO THE SUPERVISORY BOARD AND FOR THE ATTENTION OF THE GENERAL MEETING

(French Commercial Code – L. 232-1 et seq.)

FINANCIAL YEAR 2015

With this report, I present to you the activities of your company during the financial year ended 31 December 2015 and submit for your approval the annual accounts of the said financial year.

In their reports, your statutory auditors will provide you with all necessary information on the regularity of the annual accounts presented to you.

The financial statements and their notes are enclosed with this report. Please refer to the notes for further information on the accounting principles used.

1. ECONOMIC ENVIRONMENT OF COVÉA FINANCE

In 2015, the economic environment worldwide remained at generally moderate levels. In the USA, activity levels lost a bit of their impetus due to the combined impact of the strength of the dollar and the difficulties encountered by the oil industry, which was negatively impacted by the falling oil prices (over the year Brent fell by nearly 35%, hitting \$37 per barrel at the end of December). In the eurozone, activity was relatively resilient, although still somewhat modest, sustained by the weakness of the euro (down over 10% for the year against the dollar, finishing at €1.09 to the dollar), and by increasingly accommodating policies from the ECB. The environment worsened in emerging countries with the marked risk from mid-year of a hard landing for the Chinese economy and sustained difficult economic conditions in Russia and Brazil.

In greater detail about the USA, annual growth slowed throughout the year finishing just above 2%. Despite the disappearance of support limiting the potential for economic growth to gather pace, data on US household consumption maintained a positive trend: consumer confidence continues, retail sales remain solid and unemployment continues to fall finishing at 5% of the workforce. One of the main events of the year concerned monetary policy with the hike in the Federal Funds Base Rate at its 16 December meeting. The range for the Federal Funds Base Rate moved to between 0.25% and 0.5%, after 7 years of stability between 0% and 0.25%. However, the Fed has stressed the gradual nature of future rate hikes.

In the eurozone, a cyclical upturn took hold in 2015, driven by consumption. Confidence indicators proved to be very resilient, suggesting a positive, although moderate, outlook for growth. Activity levels rose towards year end at a growth rate of 1.6%. Inflation remained low and, confronted with the risk of deflation, in January the ECB announced a sovereign bonds purchase programme totalling €60 billion per month until the end of September 2016 at the earliest. During its December meeting, it intensified measures notably by extending the duration of its purchase programme until March 2017, or beyond if required.

In the UK, economic activity was relatively robust. Retail sales remained strong and employment continued to rise, although without leading to notably higher wages.

In Japan, economic activity remained sluggish over the year. Consumption and industrial output remained low with exports falling off towards year-end. The central bank maintained its annual monetary base growth target at ¥80,000 billion (around €610 billion). But at year-end it announced the extension of the average maturity of the debt securities it purchases and the creation of a new programme for the purchase of ¥300 billion of ETFs (in addition to the existing ¥30,000 billion programme), favouring companies making investments.

In China, financial risks weighed heavily on the economy with structural slowdown continuing through the year. This amplified until October, when the government and the central bank were forced to introduce support measures by the end of the summer. The government also devalued the yuan in August making the currency more flexible. Annual growth in industrial output remained relatively weak compared to historical figures, ending the year at 6%.

Against this background, having listened to its clients' and shareholders' needs and with their full approval, Covéa Finance decided to reduce its exposure to European and US equity markets while generating significant financial income without reducing the resistance of its portfolios to lower equity market performance. At the same time and as already announced, in the spring of 2015 we reduced our exposure to Chinese risk and maintained this strategy throughout the year.

With the benefit of the financial income generated, we were able to profit from the downturns in the market that punctuated the second half of the year, although without exceeding the figures achieved at the start of the year.

We pursued a major development channel by strengthening the diversification of investments in the geographical regions already prioritised by us in 2013 and 2014. Using the dollars collected at the start of the year, we increased our exposure to the American market, profiting from the same downturn phases observed. As was the case last year, these investments were made via mutual funds and multi-fund management but also via direct investment in major global companies.

PRINCIPAL OECD INDEXES AND INDICATORS – VALUES AND CHANGES

	Values			Variations		Extremes Since 31/12/2014		Differences	
	31/12/2015	EFO 15/10/15	31/12/2014	Since 15/10/15	Since 31/12/14	High	Low	Max - last point	Max - start of year
Base rate (%)									
ECB	0.05%	0.05%	0.05%	0.00	0.00	0.05%	0.05%	0.00	0.00
FED	0.50%	0.25%	0.25%	0.25	0.25	0.50%	0.25%	0.00	0.25
BOE	0.50%	0.50%	0.50%	0.00	0.00	0.50%	0.50%	0.00	0.00
BOJ	0.10%	0.10%	0.10%	0.00	0.00	0.10%	0.10%	0.00	0.00
Bank of Korea	1.50%	1.50%	2.00%	0.00	-0.50	2.00%	1.50%	0.50	0.00
<i>Difference (United States - Eurozone)</i>	0.45	0.20	0.20						
10-year interest rates (%) and Iboxx									
United States	2.27%	2.02%	2.17%	0.25	0.10	2.48	1.64	0.21	0.31
France OAT	0.99%	0.92%	0.83%	0.06	0.16	1.31	0.35	0.33	0.49
Germany	0.63%	0.55%	0.54%	0.08	0.09	0.98	0.08	0.35	0.44
United Kingdom	1.96%	1.77%	1.76%	0.19	0.20	2.19	1.33	0.23	0.43
Japan	0.27%	0.32%	0.33%	-0.06	-0.06	0.54	0.20	0.27	0.21
South Korea	2.09%	2.06%	2.61%	0.02	-0.52	2.66	2.02	0.57	0.05
<i>Difference (United States - France)</i>	1.28%	1.09%	1.35%						
Iboxx Eur Global Index	220.7	220.4	218.5	0.1%	1.0%	226.5	214.9	5.77	8.0
Equities									
S&P (\$)	2,043.9	2,023.9	2,058.9	1.0%	-0.7%	2,130.8	1,867.6	86.9	71.9
S&P (€)				5.9%	10.6%				
Nikkei 300 (Yen)	311.1	300.9	284.5	3.4%	9.4%	343.2	274.4	32.1	58.7
Nikkei 300 (€)				7.2%	21.4%				
CAC 40	4,637.1	4,675.3	4,272.8	-0.8%	8.5%	5,268.9	4,083.5	631.8	996.2
DAX	10,743.0	10,064.8	9,805.6	6.7%	9.6%	12,374.7	9,427.6	1,631.7	2,569.2
MSPE (€)	1,145.6	1,142.1	1,102.7	0.3%	3.9%	1,327.6	1,065.2	182.0	224.9
KOSPI (Won) - South Korea	1,961.3	2,033.3	1,915.6	-3.5%	2.4%	2,173.4	1,829.8	212.1	257.8
KOSPI (€) - South Korea				-2.7%	5.9%				
Foreign Exchange									
Euro/\$ (1 Euro = ...\$)	1.0862	1.1386	1.2098	-4.6%	-10.2%	1.21	1.05	0.12	0.0
\$ / ¥ (1 \$ = ...Yen)	120.22	118.90	119.78	1.1%	0.4%	125.6	116.2	5.4	5.8
\$/Won (\$1 = ...Wons)	1,175.06	1,130.30	1,090.98	4.0%	7.7%	1,213.3	1,068.5	38.2	122.3
Oil									
Oil (Brent, \$ per barrel)	36.46	48.71	57.33	-25.1%	-36.4%	67.8	36.1	31.3	10.4

Source: Covéa Finance, Bloomberg

PRINCIPAL BRIC INDEXES AND INDICATORS – VALUES AND CHANGES

	Values			Variations		Extremes Since 31/12/2014		Differences	
	31/12/2015	EFO 15/10/15	31/12/2014	Since 15/10/15	Since 31/12/14	High	Low	Max - last point	Max - start of year
Base rate (%)									
Brazil	14.25%	14.25%	11.75%	0.00	2.50	14.25	11.75	0.00	2.50
Russia	11.00%	11.00%	17.00%	0.00	-6.00	17.00	11.00	6.00	0.00
India	6.75%	6.75%	8.00%	0.00	-1.25	8.00	6.75	1.25	0.00
China	4.35%	4.60%	5.60%	-0.25	-1.25	5.60	4.35	1.25	0.00
10-year rate									
Brazil	16.39	15.71	12.48	0.69	3.92	16.91	11.70	0.5	4.4
Russia	9.39	9.94	13.52	-0.55	-4.13	15.35	9.35	6.0	1.8
Foreign Exchange against \$*									
Real (\$1 =...Reals)	3.96	3.81	2.66	3.8%	48.9%	4.18	2.57	0.22	1.52
Rouble (1 \$ =...Roubles)	73.2	61.4	60.7	19.3%	20.6%	73.2	49.1	0.00	12.49
Rupee (1 \$ =...Rupees)	66.4	64.8	63.0	2.4%	5.3%	67.1	61.4	0.71	4.06
Yuan (1 \$ =...Yuan)	6.49	6.35	6.21	2.2%	4.5%	6.49	6.19	0.01	0.29
Equities									
Brazil - Bovespa	43,654.0	46,710.4	50,007.4	-6.5%	-12.7%	58,051.6	43,200.0	14,397.6	8,044.2
Russia - MICEX	1,763.4	1,731.9	1,396.6	1.8%	26.3%	1,868.1	1,396.6	104.7	471.5
India - SENSEX	26,079.5	26,779.7	27,499.4	-2.6%	-5.2%	29,681.8	24,893.8	3,602.3	2,182.4
China - Shanghai	3,572.9	3,338.1	3,234.7	7.0%	10.5%	5,166.4	2,927.3	1,593.5	1,931.7
Hong Kong - Hang Seng	21,999.6	22,888.2	23,605.0	-3.9%	-6.8%	28,442.8	20,556.6	6,443.1	4,837.7
MSCI - BRIC*	751.7	802.4	877.7	-6.3%	-14.4%	1,038.4	721.7	286.7	160.7

Source: Covéa Finance, Bloomberg

Note on equity indexes: 1/Brazil Bovespa - non-sectoral index, the only one in Brazil; 2/Russia Micex - non-sectoral index, the most representative; 3/India Sensex - non-sectoral index 30 companies; 4/China Shanghai Composite - sectoral index (property, raw materials, utilities, manufacturing, "conglomerates") the most widely used to reflect the performance of the Shanghai stock market; 5/Hong Kong Hang Seng - sectoral index (raw materials, utilities, manufacturing, financial), the only one in Hong Kong; 6/South Korea Kospi - main index, sectoral.

* A negative exchange variation indicates an appreciation of the country's currency, i.e. a depreciation of the \$.

2. POSITION AND ACTIVITY OF THE COMPANY

2.1 DEVELOPMENT OF THE COMPANY'S POSITION

In early 2015, Covéa Finance established a Strategic Intelligence and External Relations Division and reorganised its fund management departments and trading desks.

At the same time, Covéa Finance continued to upgrade its entire information system, notably with the introduction of an enhanced version of its order processing/position-keeping tool, integrating the new requirements as expressed by Internal Control.

Similarly, in 2015, Covéa Finance pushed ahead with its ambitious recruitment policy that commenced in 2012, bringing its workforce to 142 by year-end.

During the year, Covéa Finance took possession of a new floor at the company's head office, providing 810 m² of additional floor space. This extra surface area made it possible to renovate, secure and enhance the technical architecture of the other floors at the site while maintaining operational continuity. These operations, alongside successive moves throughout 2015, will be completed during H1 2016.

We also conducted two merger operations within the Covéa Finance mutual fund range.

Finally, the procedure for liquidating the SICAV under Luxembourg Law, MMA Alternative Fund, which began in December 2015, has been approved by the local regulatory authority.

2.2 ASSETS UNDER MANAGEMENT

At 31 December 2015, the amount of assets under fund management came to €90.1 billion and is broken down as follows:

- 26 fund management mandates on behalf of the companies of the MAAF - MMA - GMF groups, or partner mutual insurers, totalling €80.1 billion;
- 55 mutual funds, including 11 employee mutual funds (FCPEs), totalling €10 billion.

Variations in assets under fund management in relation to the previous financial year are presented below:

Assets under fund management in billions of euros			
	31/12/2015	31/12/2014	Variations
Mandates	80.1	77.7	+3.1%
Mutual funds	10.0	10.1	-0.5%
TOTAL	90.1	87.8	+2.7%

Readers will find in the notes details of the mutual funds managed and their performance.

In 2015, Covéa Finance obtained various awards for the quality and performance of its fund management, the most noteworthy of which are:

Alpha League Table France 2015:

- 10th place among fund management companies for the ability to generate alpha in their Equities fund management.

Le Revenu awards:

- Gold trophy in the International Equity category for best product range over 3 years;
- Bronze trophy for best International Equity fund over 10 years for Covéa Actions Investissements.

Lipper Fund Awards 2015 – France:

- Best fund award for Real Estate Equities Europe over 10 years for the Covéa Multi Immobilier A.

Les Globes de la Gestion awards 2015:

- Silver globe in the World Bonds category for Covéa Oblig Inter.

2.3 ACTIVITY OF THE COMPANY

Highly sensitive to changing asset values, notably equities, the operating income of Covéa Finance grew strongly in 2015: +13.2% (with outstanding asset value growth of 2.7%), mainly driven by the strong performance of equity investments.

Assets managed in equity and similar portfolios, including mutual funds and mandates, totalled €14.8 billion at the end of 2015, a drop of 12.9%, resulting from equity divestments made in the spring of 2015.

Bond assets and other fixed income are valued at €75.3 billion, an increase of 6.4% over 2014.

Multi-fund management activities concerned 12 mutual funds with managed assets of €2.8 billion, an increase of 4.7%.

Regarding employee savings schemes, the 11 FCPEs (employee savings funds) managed represented total assets of €447 million, up 11.7%.

Operating costs rose 8.7% during the financial year 2015. This increase is mainly due to costs related to higher average asset values, costs inherent to the premises extension, and higher salary costs resulting from the increased headcount.

In this context of a significant increase in income and a more moderate rise in costs, the operating income for 2015 significantly increased (+21.6%) against the previous financial year. It rose from €27,725k in 2014 to €33,703k in 2015.

The accounting income, after taking into account financial income, extraordinary income, taxes and profit sharing rose to 20.3%. In 2015, it stood at €20,972k versus €17,427k in 2014.

3. RESULTS OF THE ACTIVITY

3.1 OPERATING INCOME

Operating income for fiscal 2015 amounted to €89,888k against €79,411k in 2014, representing a significant increase of 13.2%.

Operating income breaks down as follows:

(In €k)	2015	2014	Variation
Management fees (mandates)	10,869	10,464	+3.9%
Management fees (mutual funds)	75,814	64,445	+17.6%
Incidental income	3,205	4,501	-28.7%

This increase in income, stemming from management fees on mandates and mutual funds, was due to the rise in the average value of assets managed between the two periods, particularly equities.

The significant reduction in incidental income is due to the cessation of certain services performed in the past on behalf of the Group.

3.2 STAFF COSTS

Staff costs stood at €13,497k, an increase of 4.0% over the previous period.

This increase is mainly due to a 6.7% increase in the company's workforce, which now stands at 142 as at 31 December 2015 over 2 sites, compared to 133 in 2014.

Furthermore, the Covéa Group incentive agreement signed on 14/06/2013 provides employees with a share of Group earnings. To this end, the expense recognised in the accounts in 2015 is €169k.

Finally, Covéa Finance benefited from a tax credit for competitiveness and employment (CICE) that reduced staff costs.

3.3 GENERAL OPERATING COSTS

Business expenses and other operating costs, excluding tax, amortisation and remuneration, amounted to €39,471k at the end of 2015, an increase of 10.39% for the year.

This increase is mainly due to the rise in costs indexed against assets and to costs inherent to the premises extension over the period.

The most significant operating cost items are:

- Retrocessions amounting to €15,089k, were up 27.6%;
- IT operating costs of €14,155k remained stable;
- Rent amounting to €3,139k, was up by 25.1%;
- Inherent costs applicable to mutual funds, valuers and custodians amounted to €2,734k, a fall of 25%;
- Fees (professional and statutory auditors, including mutual funds) amounted to €1,144k, up 27.1%.

3.4 FINANCIAL AND EXTRAORDINARY RESULTS

Financial result amounted to €834k. This is mainly comprised of capital gains made on the sale of mutual funds and from accrued coupons resulting from investing the company's equity.

It should be noted that the company has no debt over one year.

The extraordinary result stands at -€849k, due to various provisions for risks constituted during the period.

3.5 TAXES AND DUTIES

Taxes and duties, excluding corporation tax, amounted to €3,005k.

Taxable income stood at €32,323k.

The amount of corporation tax was €11,104k.

3.6 NET PROFITS

After extraordinary income and corporation tax, net profits for 2015 amounted to €20,972k, up 20.3% over 2014.

3.7 EMPLOYEE PROFIT SHARING

The legal profit-sharing reserve that may be distributed for fiscal 2015 amounted to €1,618k.

3.8 EMPLOYEE INCENTIVE SCHEME

The calculation criteria as defined in the Covéa Finance incentive agreement dated 20 June 2013, which trigger payment, were not met.

3.9 SUPPLIER PAYMENT TERMS

Under French legislation on the modernisation of the economy (the "LME" law), it should be noted that the payment terms for Covéa Finance suppliers are a maximum of 60 days from the date of invoice.

In the last two financial years, there were no trade payables with due payment date in excess of 30 days.

	Less than 1 month	Between 1 and 3 months	Between 3 and 6 months	Greater than 6 months	TOTAL
Financial year 2014	€5,089k	€0k	€0k	€0k	€5,089k
Financial year 2015	€7,304k	€0k	€0k	€0k	€7,304k

3.10 ACCOUNTS RECEIVABLE PAYMENT TERMS

In accordance with Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, below we present the balance of accounts receivable as of the balance sheet date, broken down by due date:

	Less than 1 month	Between 1 and 3 months	Between 3 and 6 months	Greater than 6 months	TOTAL
Financial year 2014	€6,852k	€36k	€0k	€0k	€6,888k
Financial year 2015	€6,908k	€8k	€21k	€0k	€6,937k

3.11 RESEARCH AND DEVELOPMENT ACTIVITIES (ART. L. 232-1 OF THE FRENCH COMMERCIAL CODE)

The company performed no research and development activity during the period.

3.12 NOTIFICATION OF "EXCESSIVE" COSTS AND EXPENDITURES (ART. 223 QUATER AND 39-4 OF THE FRENCH GENERAL TAX CODE)

The company incurred no expenditures or costs that are non-tax deductible under Article 39-4 of the French General Tax Code.

3.13 NOTABLE POST-BALANCE SHEET EVENTS

No significant event occurred since the balance sheet date that is likely to materially affect the financial statements.

4. ALLOCATION OF EARNINGS

I would like the Supervisory Board to propose to the shareholders the allocation of the net profits as follows:

• Profits for the financial year	€20,971,801.47
• Retained earnings from the previous financial year	€25,151,035.01
• Total to be allocated	€46,122,836.48
• Allowance for the statutory reserve	€0.00
• Dividends (€29 per share)	€17,193,723.00
• Retained earnings after allocation	€28,929,113.48
• Total	€46,122,836.48

For the financial year 2014, Covéa Finance distributed a dividend of €13,932,844.

For the financial year 2013, Covéa Finance distributed a dividend of €18,972,384.

For the financial year 2012, Covéa Finance distributed a dividend of €14,703,597.

5. BREAKDOWN OF CAPITAL

At 31 December 2015, the company's capital was unchanged and amounted to €7,114,644 divided into 592,887 shares, as follows:

Shareholders	Number of shares	Percentage of holding
COVÉA COOPÉRATIONS	431,114	72.71%
GMF Assurances	40,425	6.82%
MMA IARD	40,425	6.82%
MMA Vie	40,422	6.82%
GMF Vie	40,418	6.82%
MAAF Assurances SA	81	0.01%
Miscellaneous	2	0.00%

6. THE INTERNAL CONTROL AND RISK MANAGEMENT MECHANISM

At Covéa Finance, the internal control and risk management mechanism is defined and coordinated by the Executive Committee and is part of the everyday work of each employee. It is based on three levels of controls and two main areas of focus:

- The control of market risks, under the responsibility of Mr Franck Ibalot, Director, member of the Executive Committee;
- Internal control and regulatory compliance, under the responsibility of Mr Ludovic Jacquier, Director, member of the Executive Committee and Compliance Officer in charge of periodic control and Mr Sébastien Desbois, Compliance Officer, in charge of compliance and permanent control.

The first of the three control levels consists of permanent and operational controls carried out within the framework of transaction processing. It focuses on the processing and management of transactions during the day and on the satisfactory completion of the transactions and their correct incorporation in the accounting and summary systems at the end of the day. These first level controls are performed by the operational personnel within the normal course of their responsibilities, as well as by the Front Office, Middle Office, Back Office, other support functions and subcontractors.

At Level 2, Permanent Internal Control and Risk management perform controls not integrated within the "production processes" and therefore carried out subsequently, on a periodic or random basis, by an entity not operationally involved.

Verification by Permanent Internal Control consist of controls on both substance and form in order to validate compliance of the process and the processing methods related to a transaction or to a case and to evaluate the operational risks, each control produces a summary report and supporting documentation is retained in a separate file for each control. A quarterly summary of the permanent control activity, including the follow-up of any recommendations issued, is forwarded to the Executive Committee. Verification by risk management consist of evaluating market risks and complex asset pricing and of specifically monitoring the various risks inherent in the portfolios.

Each team within its own area of responsibility checks the compliance (regulatory and in terms of operational or financial risk) of the transactions carried out by the portfolio fund management company, of its organisation and of its internal procedures with the professional obligations defined by the laws, regulations and professional rules applicable to the performance of its activities in addition to all the decisions made by its senior managers and the contractual commitments related to fund management activities for third parties.

There are varieties of participants at Level 3:

- The compliance and periodic control (or internal audit) function evaluates the effectiveness of the permanent control mechanisms, and carries out itself or delegates audits requested by the Executive Committee or risk surveys;
- The executive officers of the company, members of the Executive Committee and employees of the company define the company's management strategy. The Executive Committee defines the action plan of the Compliance Officer and

of the Internal Control Officer and monitors its achievement. It is the recipient of the reports on the permanent and periodic controls performed, of any alert concerning shortcomings or malfunctions and of the annual reports on the status of the control mechanism and participates in the Risks Committee coordinated by Risk Fund management;

- The Covéa Finance Supervisory Board examines the company's management strategy, investments, performance, regulatory changes submitted for approval, budgets and the internal control mechanism. To this end, it is the recipient of the report on the status of the internal control mechanism produced annually by the Compliance Officer as well as any specific report requested by the AMF;

- Group General Control carries out the Control of Controls function at Group level. Its mission is to ensure that the risks associated with the Group's activities are controlled in compliance with the rules. It performs annual audits on all or part of the company's activities, and therefore its risks.

In 2015, Risk management strove to improve the work of the Risk Committee that it coordinates and on optimising and guaranteeing the reports produced for fund managers and executives, and also on the implementation of new risk reports within the framework of the European EMIR and AIFM Directives.

For their part, the Compliance Officers have further updated their respective action plans and initiatives in the area of the prevention of the risk of conflicts of interest through the publication of a new policy covering the management of conflicts of interest.

In parallel to the permanent control plan, periodic control assignments were conducted or outsourced in the following areas: audit of Middle-Office, recommendations-audit of the Trading Desk, audit of the implementation of the recommendations issued in 2013 regarding improves to the internal control system. Our regulatory body completed investigations and an audit assignment without challenging or sanctioning our establishment or employees. Finally, as part of the Covéa Finance employee-training plan, a course was held covering market abuse. This course was run in collaboration with a consultancy firm specialising in this field.

7. PROGRESS ACHIEVED AND DIFFICULTIES ENCOUNTERED

After three consecutive and particularly difficult years for the fund management industry in France, 2014 saw a recovery in mutual fund assets under fund management (UCITS and AIFs) and French Mandates (+3.7%), confirmed in 2015 by a return to positive net inflows in both France and Europe with a slight improve in the profitability of stock market players.

This return to profitability by players in the French market remains fragile due to the demands of costly regulatory developments over the period 2015-2018 (EMIR, AIFM, UCITS V, MIF II, FATCA, PRIIPs) and as a result of competition from markets in Europe and Asia with less onerous administrative and fiscal constraints.

In this context, in 2015, Covéa Finance continued its reorganisation process, controlled the growing increase of its assets under fund management and pushed ahead with its recruitment plan, IT investments and premises extensions. The objectives are to deal with the new challenges posed by the company's growth, to adapt to the requirements of the growth of the Group itself and to the various European regulatory requirements and to prepare the company for a less promising market.

The fund management teams were reorganised throughout 2015:

- Creation of a Strategic Intelligence and External Relations Division, enabling us to intensify our active collaboration in initiatives introduced by the Paris market;
- Reorganisation of the Fixed Rate and Equities trading desks supported by the introduction of a new order placement procedure, a new intermediary selection policy and a new execution policy, accompanied by systems upgrades;
- Reorganisation of the fund management teams around three divisions (Fixed Rate, International Equities and European Equities) while enhancing collaboration between the teams and widening the cross-functionality of fund management under mandate.

In parallel, Covéa Finance was able to successfully focus its sales efforts around two complementary areas:

- Continued promotion of the Covéa Patrimoine mutual fund created in 2014;
- Continued support for the distribution networks of the Group's life insurance companies.

In spite of a historically high departure rate, in the area of human resources, Covéa Finance strengthened its expertise by revising its 3-year recruitment plan in an upwards direction, based on the historic 20% growth in numbers over the past 3 years, with 142 employees at 31 December 2015.

Furthermore, within the context of our "internal university", a training plan was implemented for our managers with the objective of uniting them around shared values and culture, the 35 new employees underwent an induction programme and all employees received training in the use of the new IT systems. A total of over 3,300 hours of training was provided. To round off the process, a comprehensive analysis of the quality of life at work accompanied by an assessment of occupational risks was conducted in collaboration with personnel representatives in order to implement concrete action plans in 2016.

In the field of IT, Covéa Finance completed on time and on budget its migration project to an enhanced version of its order processing/position-keeping tool, notably enabling the implementation of additional fund management support functionalities and enhanced automation of permanent controls.

Finally, work continued in 2015 and went live in 2016 to adapt securities accounting systems, "value" reference framework management systems and data provision systems (data warehouse), enabling the different companies of the Covéa Group to meet the constraints imposed by the Solvency II Directive.

The deployment of communications tools continued in 2015 with the delivery of an English version of the website and a mobile version.

8. OUTLOOK

As we already announced in the presentation of the Economic and Financial Outlooks, uncertainty in the financial markets will continue into 2016 with low interest rates.

The ECB and the Bank of Japan will continue to influence returns in an unfavourable international environment that displays slow world growth, lack of buoyancy in world trade and stagnant growth in emerging countries.

2016 once again appears to offer numerous challenges for Covéa Finance as well as for the wider fund management industry and institutional investors. Low returns are affecting the profitability of fund management companies, and our corporate model in particular, under which the assets being managed are predominantly invested in fixed income securities. Profitability is under twice as much pressure in an increasingly strict regulatory climate (EU Directives: UCITS V, MIF II, Money Market Funds, PRIIPs, etc.), producing a significant increase in the cost of attracting and recruiting new skills (internal auditor, risk controller, IT, value framework, reporting) and of rolling out new tools. Investment in an effective and secure information system has become a long-standing objective and a source of major expense.

Fund management income is therefore likely to be under even more pressure in 2016. In this context, due to the objective set by its shareholders, Covéa Finance is well placed to be able to provide high-performance and prudent fund management of the funds entrusted to it at the lowest cost and in full compliance with its regulatory environment. This objective led the fund management of Covéa Finance to maintain its utmost vigilance over costs, even though additional expenditures were unavoidable.

In the short-term however, our principal challenge will be to retain invested capital by taking risks at a fair price, thereby ensuring the profitability of our insurers' investments. The challenge is significant given the macroeconomic and financial environment: negative short and medium-term interest rates, nervous and fragile equity markets and an environment among the companies we invest not conducive to informed long-term decision-making.

At the same time, within a difficult competitive environment, Covéa Finance will continue to sell its mutual funds by supporting not only the distribution networks of the Group's life insurance companies, but other institutional players as well.

Another major issue for 2016: Covéa Finance will review and broaden its Environmental, Social and Governance (ESG) policy in order to better integrate non-financial risks in addition to financial risks within its portfolios. We will respond to legislative changes in this area in line with our own economic model structured around "finance at the service of insurance".

In the light of the issues and challenges facing Covéa Finance and its environment, in 2016, we will push ahead with our 3-year plan established in the autumn of 2013 structured around two central themes:

- Controlling risk by developing optimum execution capacity;
- Implementation of effective communication based on extensive reporting.

Indeed, communication is of the utmost importance to the Covéa Finance management team, and is considered to be a key element of risk management. Accordingly, the Covéa Finance internal university completed its training programme for managers – the very conduits and guarantors of effective communication between employees and senior fund management.

As already stated, having modernised our fund management, trading, and control systems, 2016 should see standard reporting suites being extended throughout the company, enabling each individual to effectively manage their area of responsibility, to communicate with their superiors and colleagues, and also be able to better understand and implement the objectives of our day-to-day activities.

2015 REPORT ON THE REMUNERATION POLICY OF COVÉA FINANCE

As a fund manager, Covéa Finance places particular importance on complying with all of the provisions covering remuneration as set out in Directive 2011/61/UE of the European Parliament and of the Council dated 8 June 2011, as applicable to alternative investment fund managers (the “AIFM Directive”). The objective of these rules, which cover the fund manager’s structures, practices and remuneration policy, is to enhance the healthy and effective fund management of the risks faced by both the fund management company and the fund.

1. REMUNERATION PAID BY THE FUND MANAGEMENT COMPANY TO ITS PERSONNEL

During the period, the total amount of remuneration announced by Covéa Finance for all its personnel (142 at 31/12/2015) amounted to €8,552,268. This amount breaks down as follows:

- €7,544,278, namely 88% of the total remuneration paid by the company to all its personnel, took the form of fixed remuneration;
- €1,007,990, namely 12% of the total remuneration paid by the fund management company to all its personnel, took the form of variable remuneration. The payment of variable remuneration for fiscal 2014 payable in 2015 concerned 71 people.

Of the total remuneration announced by the fund management company for the period, €1,703,527 concerned salaried senior management of Covéa Finance whose activities have a significant impact on the funds’ risk profile, as defined in our remuneration policy.

2. AMOUNT OF REMUNERATION PAID BY THE FUND TO THE PERSONNEL OF THE FUND MANAGEMENT COMPANY

Covéa Finance does not operate any incentive scheme for realised capital gains (or carried interest) nor is any remuneration (fixed or variable) paid by the fund to the fund managers.

3. IMPACT OF THE REMUNERATION POLICY AND PRACTICES ON THE RISK PROFILE OF THE FUND AND ON THE MANAGEMENT OF CONFLICTS OF INTEREST

In 2015, Covéa Finance adopted a new policy that became effective in 2016 covering remuneration practices that comply with the latest statutory, regulatory, and doctrinal developments issued by the regulatory authorities while conducting a project to identify which of its employees are affected by the new remuneration provisions as set out in the AIFM Directive and its transposition texts (the “Identified Population”). This process covers employees who meet both of the following conditions:

- They belong to a category of personnel likely to have an impact on the risk profile of the fund management company or managed fund;
- They receive variable remuneration in excess of €100,000 as a result of their level of responsibility over the risk profile.

Where the remuneration of the Identified Population varies in line with performance, the total amount is established by the fund management company by combining the assessment of the performance of the employee concerned, that of the operational unit to which they belong, and/or that of the portfolio basket (mutual fund, AIF, mandate) with the performance of the fund manager as a whole. This individual performance assessment also takes into account both financial and non-financial criteria.

The range of principles is defined in the Covéa Finance remuneration policy that may be consulted on its website.

The remuneration policy is reviewed annually by the Remuneration Committee as defined in the articles of association of Covéa Finance.

REPORT ON INTERMEDIATION FEES

FINANCIAL YEAR 2015

In accordance with Article 314-82 of the General Regulations of the AMF, Covéa Finance is required to report on the intermediation fees paid during the financial year 2015 where the total exceeds €500,000.

Intermediation fees are the fees, including tax, received directly or indirectly by the investment service providers working for Covéa Finance:

- Costs associated with order execution services;
- Costs associated with investment decision-making services.

The selection of intermediaries for the execution of orders on the organised or over-the-counter markets is made by an ad hoc committee composed of the head of fund management, fund managers, traders, a Legal Manager, an Internal Auditor and the head of Middle Office unit or a deputy.

Twice a year, this committee examines the ratings established in an objective manner of the investment service providers regarding the quality of the research and advice and the quality of execution, and validates the quality of settlement-delivery. Meetings are arranged in accordance with the provisions set out in the intermediary selection procedure.

For the equity markets including ETF and programme trading, the intermediation fees related to order execution and decision-making support services are mainly included in the brokerage allocated to each intermediary on the list.

Based on the responses to our independent circular to the intermediaries concerned, intermediation fees related to the order execution service in 2015 represented an average of around 38% of the total commission excluding tax.

The shared commissions paid to investment assistance service providers, pursuant to Article 314-81 of the General Regulations of the AMF, represented at most 3.63% of the total amount of intermediation fees for the year 2015.

The objective of the intermediary selection procedure is also to prevent and manage any potential conflicts of interest. To this end, Covéa Finance applies a single scale for intermediation fees structured by asset class and geographical region.

REPORT ON THE EXECUTION POLICY

Intermediaries are selected for execution activities from among the investment service providers chosen during half-yearly assessments in line with the criteria set out in the intermediary selection procedure. The investment service provider selection policy of Covéa Finance was reviewed in July 2015.

In Article 314-75 paragraph VI of the General Regulations of the AMF, it is stated that *“The investment services provider shall regularly verify the effectiveness of the policy established in accordance with paragraph V of this article, notably the quality of execution of the entities selected within the context of the said policy.”*

MONITORING THE ORDER EXECUTION POLICY

No regulatory changes have taken place since the execution policy was last verified and implemented.

The activity program of the fund management company has not been modified since the implementation of the execution policy.

Since the implementation of the execution policy there have been no changes to the financial instruments employed.

Interest Rate Trading executed 2,958 tickets, 1,985 of which were executed orally, and 973 via an electronic platform.

All tickets were executed using financial service providers on the valid Interest Rate service provider list. In accordance with our execution policy, these service providers were validated on a half-yearly basis in 2015.

Equity Trading executed 4,799 orders.

All executions were performed with investment service providers on the valid Equity service provider list. In accordance with our execution policy, these service providers were validated on a half-yearly basis in 2015, with the exception of the assessment committee meeting for European Equities in June 2015. Following the Executive Committee meeting on 21 May, it was decided that European Equities fund management would not vote in June for counterparties. This decision was taken due to the significant personnel changes that had taken place within this team.

All execution contracts complied with our execution policy.

Verifications performed by Internal Control on the transaction execution prices did not reveal any anomalies.

A full report on execution policy is available on request.

REPORT ON THE EXERCISE OF VOTING RIGHTS

FINANCIAL YEAR 2015

Pursuant to the provisions of Article L. 533-22 of the French Monetary and Financial Code and Articles 314-100 to 314-104 and 319-21 to 319-25 of the French Financial Markets Authority, we hereby present our report for the financial year 2015 on the conditions under which Covéa Finance decided to exercise the voting rights attached to the securities held in the UCITS and AIF portfolios and mandates managed by it.

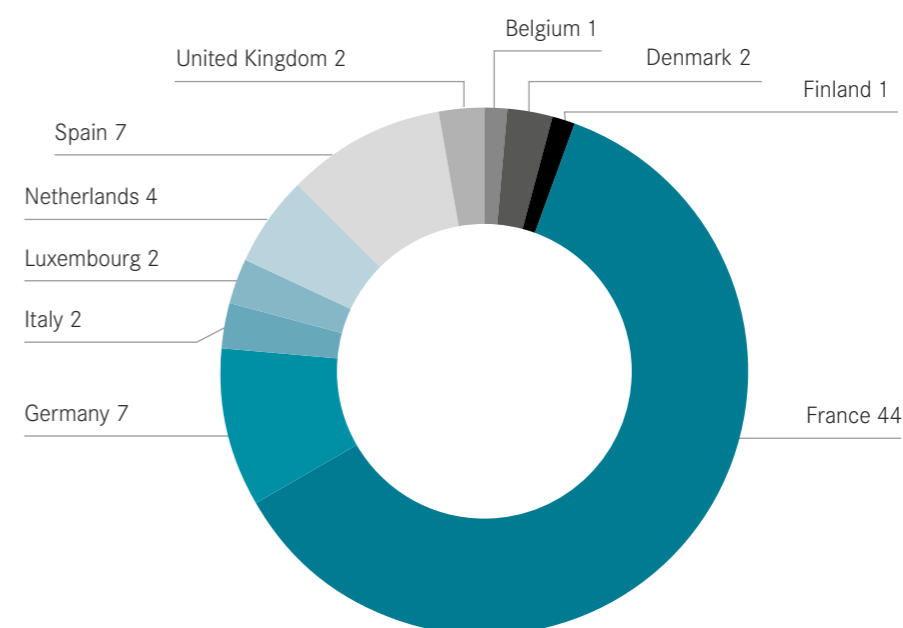
Within the framework of its “Voting Policy” document, Covéa Finance committed for the tenth year to compulsory voting for the portfolio management companies to vote in accordance with the following criteria:

- To vote in the meetings of its twenty largest positions accumulated in companies of the European Union in UCITS, AIF and mandate portfolios as at 31 December 2014 (unless these securities were sold as of the date of the General Meeting);
- Only to take account of registered securities;
- To make every effort to exercise voting rights in listed European companies supported by Covéa Finance on a long-term basis and notably mid-cap companies in which Covéa Finance has a significant holding of greater than 1.5% of the capital and voting rights.

General Meetings voted:

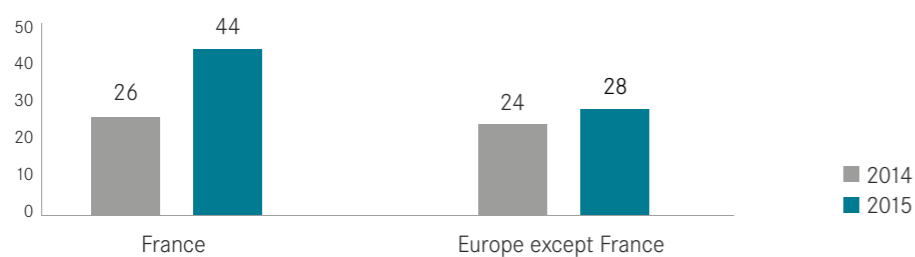
At 31 December 2015, Covéa Finance exercised its voting rights at 72 European meetings, of which 44 French General Meetings and 28 outside of France.

General Meetings voted in 2015 – breakdown by country



The total of the General Meetings at which Covéa Finance voted increased in the financial year 2015 compared to the previous year.

Changes in the exercise of voting rights – 2014/2015



At 31 December 2014, the total number of companies in which Covéa Finance had voting rights stood at 532, representing a volume of listed shares of €10,040,915,134.71 (provided that the shares on the date of the meeting scheduled in 2015 were included in a mandate, AIF or UCITS portfolio).

Participation rate72/532
Rate restricted to the scope defined by the fund management company72/20

• Breakdown of votes

Resolutions in favour 868
Resolutions against 348
Abstentions 1
Total number of resolutions voted 1,217
Of a total number of approved resolutions of 1,204
Resolutions not approved by the Board – vote in favour 4
Resolutions not approved by the Board – vote against 9

*N.B.: Resolutions approved = resolutions previously validated by the Board of Directors.
Resolutions not approved = resolutions for which the Board of Directors issued a negative recommendation or did not issue a prior opinion.*

REASONS FOR VOTES AGAINST (348 VOTES):

Subject of resolution	France	European Union	Europe outside European Union
Appointment of the members of the Board of Directors or Supervisory Board	40	5	-
Appointment and remuneration of statutory auditors	6	1	-
Amendments to the Articles of Association having a negative impact on the rights of shareholders	5	3	-
Approval of statutory agreements	3	-	-
Capital transactions considered an anti-takeover mechanism*	16	-	-
Financial transactions/mergers	134	15	-
Remuneration of directors and employee share ownership	57	2	-
Employee shareholding	6	-	-
Approval of financial statements and allocation of earnings	7	39	-
External resolutions (not approved by the Board)	8	1	-

* The transactions taken into account are the following: delegations to the Board to issue subscription warrants; authorisations concerning the buy-back of shares up to 10%; amendment to the Articles of Association concerning double voting rights.

CASES WHERE COVÉA FINANCE WAS UNABLE TO COMPLY WITH THE PRINCIPLES SET OUT IN ITS VOTING POLICY:

Covéa Finance had to vote contrary to its voting policy* in 15 cases, broken down as follows:

Subject of resolution	France	European Union	Europe outside European Union
Appointment of the members of the Board of Directors or Supervisory Board	1	1	-
Appointment and remuneration of statutory auditors	-	-	-
Amendments to the Articles of Association having a negative impact on the rights of shareholders	-	-	-
Approval of statutory agreements	-	-	-
Capital transactions considered an anti-takeover mechanism	-	-	-
Financial transactions/mergers	6	1	-
Remuneration of directors and employee share ownership	2	-	-
Approval of financial statements and allocation of earnings	4	-	-
Other	-	-	-

* The discrepancies between our voting policy and actual votes emanates from technical problems associated with the configuration of our electronic voting system.

Details of the general meetings concerned:

Oeneo	22-Jul-15
Tarkett	24-Apr-15
Weborama	12-May-15
Grenobloise d'électronique et d'automatismes (GEA)	31-Mar-15
Industria de Diseno Textil (INDITEX)	14-Jul-15
Compagnie industrielle et financière d'ingénierie Ingenico	06-May-15
Vinci	14-Apr-15
SES SA	02-Apr-15
BioMérieux	28-May-15
NextRadio TV	21-May-15

Covéa Finance will provide shareholders with details of the votes on request.

CASES WHERE COVÉA FINANCE FOUND ITSELF IN A SITUATION OF CONFLICT OF INTEREST:

None

N.B.: This report does not cover strategic Covéa Group holdings.

REPORT ON THE ANTI-MONEY LAUNDERING MECHANISM

FINANCIAL YEAR 2015

This report covers the provisions made by Covéa Finance in terms of the fight against money laundering and the financing of terrorism, pursuant to Section 6, Chapter V of Book III of the French Financial Markets Authority and Title VI of Book V, Chapters I to III of the French Monetary and Financial Code and European Directives 2005/60/EC transposed into French law by Order no. 2009-104 and their various implementation legislation.

It should be noted that all of these provisions will be enhanced by 26 June 2017 at the latest, after the transposition into French law of the 4th Directive 2015/849/EC adopted on 20 May 2015 by the European Parliament.

THE FUNCTION OF THE ANTI-MONEY LAUNDERING OFFICER

Jean-Philippe Rougier, an experienced executive, is also the Anti-Money Laundering Officer and is identified as the Tracfin declarer/contact. He is in charge of the entire anti-money laundering mechanism, including the legal watch, the training of personnel, and also the analysis of any suspicious transaction reports made by employees before forwarding to Tracfin. He is also a member of the Covéa Group AML-CFT Coordination Committee, enhancing the exchange of information within the Group.

RISKS AT COVÉA FINANCE

Covéa Finance is a portfolio management company that neither keeps accounts nor receives or sends orders on behalf of third parties. Similarly, Covéa Finance does not have direct contact with the unit holders of the UCITS and does not directly market or sell these UCITS to private individuals.

The third parties with which Covéa Finance is in contact are mainly experienced institutional players based in OECD countries:

- The companies of SGAM Covéa (mutual insurance group consisting of MAAF, MMA and GMF) for which Covéa Finance manages an asset portfolio under formal mandate;
- Companies external to SGAM but which have preferred relationships with one of the mutual insurers of the Group for which Covéa Finance also manages a portfolio of assets under mandate;
- UCITS that have delegated financial fund management to Covéa Finance for which the companies of SGAM Covéa, with their own anti-money laundering mechanism, are promoters, with CACEIS as the main custodian;
- Investment services providers approved by the French Financial Markets Authority that are intermediaries or counterparties or fund management companies in the various market transactions, including in multi management.

Given the procedures in force, no fund manager can work with a third party that has not previously undergone internal accreditation. This accreditation may only be obtained after the formal compilation of a third-party information file. To date, the risks related to the absence of client understanding or of the origin of funds are low.

However, 2015 was marked by a comprehensive review of the AML-CFT procedure following the assignment performed by an external firm, the conclusions of which led to appropriate modifications and additions in compliance with regulations and market practices as applicable to asset fund management companies.

Controls performed on transactions did not reveal any notable anomalies and did not therefore lead to any declarations of suspicious activity to Tracfin.

PERSONNEL COMMUNICATION AND TRAINING

On arrival, each new employee (salaried staff, temporary personnel and trainees) is given an induction training course, which was substantially extended during 2015.

In 2015, 33 employees (including 3 trainees) received such training, during which they receive a copy of the anti-money laundering and combating the financing of terrorism procedure.

These procedures are also made available to all personnel through the document management system and the suspicious transaction alert and reporting process modelled on the procedures intranet.

BALANCE SHEET

AT 31 DECEMBER 2015

ASSETS	Note	31/12/2015			31/12/2014
		GROSS AMOUNT	AMORTISATION OR PROVISION	NET AMOUNT	
Intangible fixed assets	A1	797,872.83	797,775.45	97.38	1,265.94
Tangible fixed assets	A1	3,216,299.47	696,354.71	2,519,944.76	340,591.21
Financial fixed assets	A3	2,912,262.03	6.24	2,912,255.79	4,296,343.71
TOTAL 1		6,926,434.33	1,494,136.40	5,432,297.93	4,638,200.86
Accounts receivable	A2	6,936,747.47	0.00	6,936,747.47	6,888,359.12
Other receivables	A2	2,628,551.17	0.00	2,628,551.17	5,998,284.15
Marketable securities	A3	65,402,645.11	408,495.19	64,994,149.92	47,316,409.92
Liquid assets	A4	402,782.33	0.00	402,782.33	2,129,985.25
Prepaid expenses		1,666,392.68	0.00	1,666,392.68	928,861.00
Accrued interest		212,473.00	0.00	212,473.00	205,278.00
Cost differences Assets		0.00	0.00	0.00	0.00
TOTAL 2		77,249,591.76	408,495.19	76,841,096.57	63,467,177.44
GRAND TOTAL		84,176,026.09	1,902,631.59	82,273,394.50	68,105,378.30

LIABILITIES	Note	31/12/2015		31/12/2014
Capital		7,114,644.00		7,114,644.00
Statutory reserve		711,464.40		711,464.40
Unavailable reserve		28,163.70		28,163.70
Carry forward		25,151,035.01		21,657,327.65
Other reserves		946,484.70		946,484.70
Merger premium		4,296,781.71		4,296,781.71
Contribution premium		454,202.98		454,202.98
Earnings for the period	A7	20,971,801.47		17,426,551.86
Investment provisions		0.00		0.00
TOTAL 1		59,674,577.97		52,635,621.00
Provision for liabilities		1,234,232.00		400,000.00
Provision for charges		0.00		0.00
TOTAL 2		1,234,232.00		400,000.00
Loans and debts with credit institutions	A4	8,229.92		0.00
Equities, dividends to be distributed		0.00		0.00
Debts	A5	21,356,354.61		15,069,757.30
Translation difference Liabilities		0.00		0.00
TOTAL 3		21,364,584.53		15,069,757.30
GRAND TOTAL		82,273,394.50		68,105,378.30

INCOME STATEMENT

2015 (IN LIST FORM)

DEBIT	Note	Financial year 2015	Financial year 2014
Operating income	B1		
Management fees on mandates		10,869,328.34	10,464,313.03
Management fees on mutual funds		75,813,616.50	64,445,759.58
ESU/FCPE invoicing		196,178.21	971,839.74
Administrative and accounting fees		2,180,118.51	2,640,106.79
Ancillary income		824,414.11	823,827.82
Other incidental income		4,282.26	3,568.10
Reversal of operating provisions		0.00	62,041.17
TOTAL I		89,887,937.93	79,411,456.23
Operating costs			
Other external costs	B3	39,471,252.07	35,797,529.73
Taxes, duties and related payments	B4	3,005,581.04	2,719,476.08
Staff costs		13,496,920.23	12,981,671.26
Other costs	B3	67.04	8.38
Allocations to depreciation		206,535.70	184,787.23
Allowances for provisions on disputes		0.00	0.00
Directors fees		4,278.00	3,565.00
TOTAL II		56,184,634.08	51,687,037.68
OPERATING RESULT (I - II)		33,703,303.85	27,724,418.55
Financial income			
Other income and interest	B2	376,740.68	384,331.08
Capital gains from the sale of marketable securities	B2-1	619,969.15	37,802.57
Exchange gains		148,824.70	164,789.66
Reversals of provisions financial fixed asset depr.		101,533.50	148,737.05
Reversals of provisions, financial charges and liabilities		0.00	0.00
TOTAL III		1,247,068.03	735,660.36
Financial expenses			
Other interest	B2	17.88	20.78
Capital losses on the sale of securities	B2-1	0.00	131,600.00
Other financial expenses		857.57	12,309.24
Allowances for provisions financial fixed asset depr.		408,501.43	101,533.50
Allowances on provisions for translation risk		0.00	0.00
Exchange losses		3,196.40	1,728.85
TOTAL IV		412,573.28	247,192.37
FINANCIAL RESULT (III - IV)		834,494.75	488,467.99

DEBIT	Note	Financial year 2015	Financial year 2014
Extraordinary income			
Reversals of provisions for risks		0.00	0.00
Other extraordinary income		5,675.30	53,284.67
Earnings from previous financial years		0.00	0.00
Earnings from assets sold – financial assets	B2-1	77.18	0.00
TOTAL V		5,752.48	53,284.67
Extraordinary costs			
Allowances for regulated provisions		0.00	0.00
Extraordinary costs on fund management transactions		17,092.97	27,170.43
Extraordinary costs from previous financial years		0.00	0.00
Fines & tax penalties		0.00	0.00
Book value of the assets sold – capital assets		2,950.31	0.00
Book value of the assets sold – financial assets		83.45	0.00
Provisions for extraordinary liabilities and charges		834,232.00	0.00
TOTAL VI		854,358.73	27,170.43
EXTRAORDINARY RESULT (V - VI)		- 848,606.25	26,114.24
EARNINGS BEFORE TAX (I - II + III - IV + V - VI)	B7	33,689,192.35	28,239,000.78
Tax on profits (VII)	B7	11,104,628.00	9,361,248.00
Employee profit-sharing (VIII)		1,618,398.00	1,460,266.00
Training credit earnings (IX)		0.00	0.00
Gains from tax consolidation		11.00	17.00
Transferred expenses		5,624.12	9,048.08
TOTAL INCOME (I + III + V)		91,146,393.56	80,209,466.34
TOTAL COSTS (II + IV + VI + VII + VIII - IX)		70,174,592.09	62,782,914.48
PROFIT		20,971,801.47	17,426,551.86

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended December 31, 2015

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information presented below is the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,
Covéa Finance SAS
12, rue Boissy d'Anglas
75008 Paris

In compliance with the assignment entrusted to us by the shareholders, we hereby report to you for the year ended December 31, 2015 on:

- The audit of the accompanying financial statements of Covéa Finance (the Company);
- The justification of our assessments;
- The specific verifications and information required by law.

These financial statements have been approved by the Chairman. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of December 31, 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you that the assessments we made were related to appropriateness of accounting principles followed and to the reasonableness of significant estimates made. The assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of the unqualified opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Chairman, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Neuilly-sur-Seine, April 14, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit
Philippe Chevalier

Deloitte et Associés
Olivier Galienne

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

Shareholders' meeting to approve annual accounts for the year ended December 31, 2015

This is a free translation into English of the Statutory Auditors' special report issued in the French language and is provided solely for the convenience of English speaking readers.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders
Covéa Finance SAS
12, rue Boissy d'Anglas
75008 Paris

In our capacity as statutory auditors of your Company, we hereby report on regulated agreements with third parties. It is our responsibility to communicate to you, based on information provided to us, the principal terms and conditions of these agreements brought to our attention which we or may have identified as part of our engagement, without expressing an opinion on their usefulness or their merit or searching for other agreements. It is your responsibility to assess the interest of entering into these agreements with a view to approving them.

We conducted the procedures we deemed necessary in accordance with professional standards applicable in France.

AGREEMENTS TO BE AUTHORIZED BY THE SHAREHOLDERS' MEETING

We inform you that we were not advised of any regulated agreements covered by the article L. 227-10 of the French Commercial Code (Code de Commerce).

Neuilly-sur-Seine, April 14, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit
Philippe Chevalier

Deloitte et Associés
Olivier Galienne

GENERAL SHAREHOLDERS' MEETING

29 April 2016

TEXT OF THE RESOLUTIONS

Decisions covered by the voting rules of simple majority

First resolution

The General Meeting, after being read the Chairwoman's management report and observations made on this report by the Supervisory Board giving its opinion on the financial statements for the financial year ended 31 December 2015 and on the business of the company during the said financial year and after being read the statutory auditors' report on the performance of their audit during this financial year, approves the said financial statements as they are presented, in addition to the transactions recognised in these statements and summarised in these reports.

Consequently, it discharges the Chairwoman and the members of the Supervisory Board from the performance of their duties for the said financial year.

Second resolution

The General Meeting, after being read the special report of the statutory auditors on the agreements provided in Article L. 227-10 et seq of the French Commercial Code, approves the conclusions of the said report.

Third resolution

On the proposal of the Supervisory Board, the General Meeting decides to allocate the profits of the financial year as follows:

Profit for the financial year	€20,971,801.47
Retained earnings from previous financial year	€25,151,035.01
Total to be allocated	€46,122,836.48
Allowance for the statutory reserve	€0
Dividends (€29 per share)	€17,193,723.00
Retained earnings after allocation	€28,929,113.48
TOTAL	€46,122,836.48

For information, the dividends paid in respect of the last three financial years were as follows:

2014:	€13,932,844.50
2013:	€18,972,384.00
2012:	€14,703,597.60

Fourth resolution

The General Meeting noted that the supervisory board mandate of the company GMF Vie has expired. It decided to renew the term for a period of 6 years, namely until the conclusion of the General Meeting called to approve the financial statements for the year ending 31 December 2021.

Fifth resolution

The General Meeting noted that the term on the supervisory board of the company MMA IARD SA has expired. It decided to renew the term for a period of 6 years, namely until the conclusion of the General Meeting called to approve the financial statements for the year ending 31 December 2021.

NOTES TO THE ANNUAL ACCOUNTS

Sixth resolution

The General Meeting noted that the term on the supervisory board of the company MMA IARD AM has expired. It decided to renew the term for a period of 6 years, namely until the conclusion of the General Meeting called to approve the financial statements for the year ending 31 December 2021.

Seventh resolution

The General Meeting noted that the term on the supervisory board of the company MMA Vie SA has expired. It decided to renew the term for a period of 6 years, namely until the conclusion of the General Meeting called to approve the financial statements for the year ending 31 December 2021.

Eighth resolution

The General Meeting noted that the term on the supervisory board of the company MMA Vie AM has expired. It decided to renew the term for a period of 6 years, namely until the conclusion of the General Meeting called to approve the financial statements for the year ending 31 December 2021.

DECISIONS COVERED BY THE VOTING RULES OF QUALIFIED MAJORITY

Ninth resolution

Having examined the draft articles of association of the company, the General Meeting decided to adopt all of the provisions thereof article by article, and more specifically Article 13 (amended), which removes the posts of Deputy CEO and specifies the rules of procedure for the Executive Committee and Remuneration Committee.

DECISIONS COVERED BY THE VOTING RULES OF SIMPLE MAJORITY

Tenth resolution

The General Meeting gives all powers to the bearer of a copy or an extract of these minutes for the purpose of completing all legal or administrative formalities.

The balance sheet before distribution of the financial year ended 31 December 2015 totalling €82,273,394.50 and the income statement totalling earnings of €91,146,393.56 recognising a profit of €20,971,801.47.

The notes and the tables below constitute the Notes. They are an integral part of the annual accounts. Only significant information is produced.

1. HIGHLIGHTS OF THE FINANCIAL YEAR

Covéa Finance benefited from a tax credit for competitiveness and employment (CICE). The impacts were a reduction in staff costs and a reduction in corporation tax to be paid totalling €104,186.56.

2. POST BALANCE SHEET EVENTS

None.

3. ACCOUNTING PRINCIPLES AND METHODS USED

3.1 GENERAL PRINCIPLES

This balance sheet and the income statement were prepared in accordance with the provisions of Articles L.123-12 and L.123-13 of the French Commercial Code and pursuant to the general rules of preparation and presentation of annual accounts.

The general rules for preparing and presenting the annual accounts were established in accordance with the new chart of accounts as per Regulation no. 2014-03 of 5 June 2014.

The general principles of prudence, regularity, sincerity and true image have been complied with based on the following assumptions:

- Going concern;
- Consistency of accounting methods from one year to another;
- Independence of financial years.

3.2 ACCOUNTING METHODS USED

The base method retained to evaluate items written in the accounts is the historic costs method.

For marketable securities, the gross value is made up of the purchase cost excluding additional expenses.

4. ADDITIONAL INFORMATION CONCERNING THE BALANCE SHEET

4.1 STATEMENT OF FIXED ASSETS

A - Intangible and tangible fixed assets

ITEM	Gross value of fixed assets at start of year	Acquisitions	Disposals	Gross value of fixed assets at end of year
Tangible fixed assets	2,480,668.24	2,387,671.01	1,652,039.78	3,216,299.47
Installations	709,662.87	2,012,312.06	686,080.49	2,035,894.44
Equipment	385,298.72	0.00	79,699.78	305,598.94
Fixtures and fittings	751,111.30	87,440.43	400,167.10	438,384.63
Furniture	620,092.54	287,918.52	486,092.41	421,918.65
Prints	14,502.81	0.00	0.00	14,502.81
Intangible fixed assets	1,647,925.70	0.00	850,052.87	797,872.83
Software	1,647,925.70	0.00	850,052.87	797,872.83
TOTAL	4,128,593.94	2,387,671.01	2,502,092.65	4,014,172.30

Amortisation

ITEM	Value of amortisation at the beginning of the period	Allowances for the period	Reversals for the period	Value of amortisation at end of period
Tangible fixed assets	2,140,077.03	205,367.14	1,649,089.46	696,354.71
Installations	679,340.78	103,606.30	695,863.52	87,083.56
Equipment	382,892.16	2,406.55	79,699.77	305,598.94
Fixtures and fittings	510,322.72	66,503.81	387,604.35	189,222.18
Furniture	567,521.37	32,850.48	485,921.82	114,450.03
Intangible fixed assets	1,646,659.76	1,168.56	850,052.87	797,775.45
Software	1,646,659.76	1,168.56	850,052.87	797,775.45
TOTAL	3,786,736.79	206,535.70	2,499,142.33	1,494,130.16

Fixed asset entry values are recognised at historic cost.

Acquisitions in Covéa Finance:

- Software applications are depreciated over 12 months using the declining-balance method;
- Installations, furniture and fixtures are depreciated over 5 years using the straight-line method;
- Equipment is depreciated over 5 years using the declining-balance method. The fixed assets acquired since 2001 are depreciated using the declining-balance method at 35% instead of 40% in accordance with the new tax regulations.

B - Financial fixed assets

Description of securities	Cost price 31/12/2014	Investments 2015	Disposals 2015	Cost price 31/12/2015	Unrealised gain/loss at 31/12/2015
COVÉA PROFIL OFFENSIF 4DEC	58,052.04	0.00	0.00	58,052.04	24,858.01
COVÉA HORIZON DURABLE	49,881.00	0.00	0.00	49,881.00	32,154.92
COVÉA ACTIONS INVESTISSEMENT	1,500,027.36	0.00	0.00	1,500,027.36	708,689.20
APJ	138.60	0.00	0.00	138.60	506.76
AZUR PATRIMOINE	83.45	0.00	83.45	0.00	0.00
FIDELIA SERVICES	64.00	0.00	0.00	64.00	1,431.36
COVÉA ACTIONS FRANCE	199,660.86	0.00	0.00	199,660.86	55,165.95
COVÉA MULTI EMER I 4D	133.62	0.00	0.00	133.62	7.74
COVÉA PATRIMOINE I 4D	1,000,000.00	0.00	0.00	1,000,000.00	51,300.00
COVÉA TRÉSOR A 4D	0.00	166.44	0.00	166.44	0.06
COVÉA ACT RDM 4D	0.00	100.00	0.00	100.00	- 6.24
SECURITY DEPOSIT (Boissy Royale)	97,662.60	0.00	97,662.60	0.00	0.00
DÉPÔT DE GARANTIE (drinks distributor)	38.11	0.00	0.00	38.11	0.00
GEMI WORKING CAPITAL	7,918.97	0.00	7,918.97	0.00	0.00
AGSI WORKING CAPITAL	1,382,688.20	0.00	1,278,688.20	104,000.00	0.00
TOTAL FINANCIAL FIXED ASSETS	4,296,348.81	266.44	1,384,353.22	2,912,262.03	874,107.76

Financial fixed assets mainly comprise the investments in Covéa Actions Investissement totalling €1,500,027.36, in Covéa Actions France totalling €199,660.86, in Covéa Patrimoine totalling €1,000,000 and AGSI working capital totalling €104,000.

4.2 RECEIVABLES BY SENIORITY

	Gross Amount	One year and less	One to 5 years	Over 5 years
Accounts receivable	6,936,747.47	6,936,747.47	-	-
Trade payables	87,582.86	87,582.86	-	-
Personnel, advances and prepayments	648.09	648.09	-	-
Personnel Opposition on salaries	1,660.49	1,660.49	-	-
Personnel salaries	0.00	0.00	-	-
Personnel travel expenses	0.00	0.00	-	-
Works Council	0.00	-	-	-
Corporate bodies	26.97	-	26.97	-
Deductible VAT	0.00	-	-	-
VAT collected	0.00	-	-	-
VAT to be paid	0.00	-	-	-
Contribution to Value Added	0.00	0.00	-	-
CICE tax credits	104,186.56	104,186.56	-	-
Current accounts		0.00	-	-
Miscellaneous trade payables	26,521.80	26,521.80	-	-
Suspense accounts		-	-	-
Accrued income	2,407,924.40	2,407,924.40	-	-
TOTAL RECEIVABLES	9,565,298.64	9,565,271.67	26.97	0.00

4.3 MARKETABLE SECURITIES

Description of securities	Cost price 31/12/2014	Investments 2015	Disposals 2015	Cost price 31/12/2015	Unrealised gains at 31/12/2015	Unrealised losses at 31/12/2015
COVÉA SÉCURITÉ C4D	23,614,186.94	93,998,517.80	76,753,956.10	40,858,748.64	2,083.05	0.00
COVÉA ACTIONS AMÉRIQUE	1,005,516.00	0.00	0.00	1,005,516.00	961,248.00	0.00
COVÉA MOYEN TERME C4D	11,624,828.68	0.00	0.00	11,624,828.68	605,317.32	0.00
COVÉA OBLIGATIONS C4D	408,157.20	0.00	0.00	408,157.20	178,160.40	0.00
SOCGEN 4%	2,171,380.00	0.00	0.00	2,171,380.00	0.00	91,229.40
SANOFI 4.5%	2,233,200.00	0.00	0.00	2,233,200.00	0.00	143,111.00
TOTAL bonds 2.875%	1,594,801.22	0.00	1,594,801.22	0.00	0.00	0.00
Bonds CR AGR 3.5%	1,467,850.29	0.00	1,467,850.29	0.00	0.00	0.00
Bonds EADS FINAN 4.625%	2,194,060.00	0.00	0.00	2,194,060.00	0.00	101,921.20
Bonds AFD 1.125%	1,103,803.15	0.00	0.00	1,103,803.15	279,546.26	0.00
COVÉA SÉCURITÉ AD 4D	154.84	0.00	0.00	154.84	0.00	0.05
Bonds NESTLÉ 2.125%	0.00	1,923,055.10	0.00	1,923,055.10	0.00	42,576.18
Bonds LINDE 1.50%	0.00	1,879,741.50	0.00	1,879,741.50	0.00	29,657.36
TOTAL MARKETABLE SECURITIES	47,417,938.32	97,801,314.40	79,816,607.61	65,402,645.11	2,026,355.03	408,495.19

At the end of the financial year, the subscription value is compared to the liquidation value. If there are any losses, a provision would be made.

Unrealised gains are not recognised.

Liquid assets

Any liquid assets in foreign currencies at the end of the financial year are converted into national currency at the spot rate. Any translation differences are recognised in the income statement.

4.4 INFORMATION ON EQUITY

	31/12/2014	Increases	Decreases	31/12/2015
Share capital	7,114,644.00	0.00	0.00	7,114,644.00
Merger premium	4,296,781.71	0.00	0.00	4,296,781.71
Contribution premium	454,202.98	0.00	0.00	454,202.98
Statutory reserve	711,464.40	0.00	0.00	711,464.40
Unavailable reserve	28,163.70	0.00	0.00	28,163.70
Other reserves	946,484.70	0.00	0.00	946,484.70
Retained earnings	21,657,327.65	3,493,707.36	0.00	25,151,035.01
Earnings for the period	17,426,551.86	20,971,801.47	17,426,551.86	20,971,801.47
TOTAL	52,635,621.00	24,465,508.83	17,426,551.86	59,674,577.97

4.5 STATEMENT OF PROVISIONS

Description	01/01/2015	Depreciation Allowances	Reversals	31/12/2015	Comments
Provision for dispute on valuation methods	400,000.00	0.00	0.00	400,000.00	
Provision for industrial tribunals or disputes	0.00	529,232.00	0.00	529,232.00	
Provision for disputes over contractual termination	0.00	305,000.00	0.00	305,000.00	
TOTAL	400,000.00	834,232.00	0.00	1,234,232.00	

4.6 DEBTS BY SENIORITY

	Gross Amount	One year and less	One to 5 years	Over 5 years
Suppliers	7,303,521.94	7,303,521.94	-	-
Trade receivables	0.00	-	-	-
Current accounts	4,083,681.00	4,083,681.00	-	-
Miscellaneous accrued expenses	312,899.00	312,899.00	-	-
Personnel Salaries	-	-	-	-
Personnel travel expenses	0.00	-	-	-
Personnel, profit-sharing	1,618,398.00	1,618,398.00	-	-
Personnel, incentive scheme premium	168,943.00	168,943.00	-	-
Personnel, advances and prepayments	0.00	-	-	-
Works Council	4,164.34	4,164.34	-	-
Miscellaneous trade receivables	31,518.22	31,518.22	-	-
Suspense accounts	3,747.40	-	1,247.40	2,500.00
Provisions on salaries	6,436,224.59	6,436,224.59	-	-
Corporate bodies	580,413.22	571,142.14	9,271.08	-
VAT to be paid	448,337.00	448,337.00	-	-
Income tax	364,506.90	364,506.90	-	-
TOTAL DEBTS	21,356,354.61	21,343,336.13	10,518.48	2,500.00

4.7 PREPAYMENTS AND ACCRUALS

The balance of prepayments and accruals breaks down as follows:

- Prepaid expenses: €1,666,392.68;
- Accrued income: €2,407,924.40 – equating to the invoicing during the second half of the year of administration and accounting fees, FCPE (employee mutual fund) management fees and proceeds from related activities.

5. ADDITIONAL INFORMATION ON THE INCOME STATEMENT

5.1 OPERATING INCOME

The item amounted to €89,887,937.93 and represents:

- Management fees on mandates €10,869,328.34
- Fees on mutual fund assets €75,813,616.50
- ESU/FCPE invoicing €196,178.21
- Administration and accounting fees €2,180,118.51
- Ancillary income €824,414.11
- Other incidental income €4,282.26
- Reversal of operating provisions €0.00

5.2 INCOME AND INTEREST

This item amounted to €376,740.68 and represents:

- Bank interest €0.00
- Revenue from shareholdings €34.00
- Accrued bond coupons €362,034.86
- Other financial income €14,671.82
- Interest on EIG advances €0.00

5.3 NET INCOME FROM DISPOSALS OF MARKETABLE SECURITIES

The item amounted to €619,969.15 and represents realised capital gains.

5.4 EXTRAORDINARY INCOME

The item amounted to €5,752.48 and represents:

- Extraordinary income on fund management transactions €5,675.30
- 2005 outstanding invoices reversal €0.00
- Risk provision reversal €0.00
- Proceeds on asset disposal – financial fixed assets €77.18

5.5 STAFF COSTS

Salaries and social security contributions amounted to €13,496,920.23.

5.6 FINANCIAL EXPENSES

This item amounted to €412,573.28 and is broken down as follows:

- Capital losses on disposals of securities €0.00
- Currency exchange losses €3,196.40
- Other interest €17.88
- Provisions on financial fixed assets €408,501.43
- Share of EIG financial income €857.57

5.7 EXTRAORDINARY COSTS

This item amounted to €854,358.73 and is broken down as follows:

- Incident on share subscriptions €16,800.00
- Other extraordinary costs €292.97
- Provision for risks €834,232.00
- Net book value of disposed assets – capital assets €2,950.31
- Net book value of disposed assets – financial assets €83.45
- Tax fines and penalties €0.00

5.8 TAX AND TAX CONSOLIDATION

The tax recognised in the income statement for the earnings for the period corresponds to the tax payable for the financial year according to the tax regulations in force.

From 1 January 2008, Covéa Finance joined the tax consolidation group of which SGAM Covéa is the consolidating company.

5.9 STATUTORY EMPLOYEE PROFIT-SHARING

Profit sharing amounted to €1,618,398.

5.10 INCENTIVE PAYMENT

The incentive/salary ratio was more than 0.14; there is therefore no incentive payment.

5.11 ALLOCATION OF EARNINGS FOR THE FINANCIAL YEAR

The Supervisory Board proposes to allocate the net profits as follows:

- Profits for the financial year €20,971,801.47
- Carry forward from the previous financial year €25,151,035.01
- **Total to be allocated..... €46,122,836.48**

- Allowance for the statutory reserve €0.00
- Dividends..... €17,193,723.00
- Carry forward after allocation..... €28,929,113.48
- **Total..... €46,122,836.48**

5.12 WORKFORCE

Covéa Finance has 142 employees:

- 25 non-executive grade;
- 117 executive grade.

5.13 REMUNERATION OF SENIOR MANAGEMENT

The confidentiality of senior management remuneration does not allow us to state the remuneration paid to each of the members of the company's administrative and management bodies.

Senior management remuneration is determined and monitored by the independent Remuneration Committee, appointed by the Supervisory Board.

6. OFF-BALANCE SHEET COMMITMENTS

- Pension commitments €256,819.00
- Funded (Cité Européenne policy)..... €287,267.00
- Deficit..... €30,448.00

The company's commitments are valued using an actuarial method that takes account of the turnover and salary increase rate. The discount rate used is the benchmark iBoxx eurocorporate AA 10 and +, which went from 1.78% in 2014 to 1.89% in 2015.

The preferential method recommended by the CNC recommendation no. 20036-R-01 is not applied.

The company's commitments are partially covered by an insurance policy taken out with GMF-VIE (formerly Cité Européenne).

In the off-balance sheet commitments table attached, the actuarial commitments plus social security contributions are compared to the fund constituted of the insurance premiums paid. The resulting shortfall is covered by a provision in the contributory accounts.

7. OTHER SIGNIFICANT INFORMATION

7.1 BREAKDOWN OF SHARE CAPITAL

	Number of shares	Nominal value	Total value
COVÉA COOPÉRATIONS	431,114	12	5,173,368.00
GMF ASSURANCES	40,425	12	485,100.00
MMA IARD SA	40,425	12	485,100.00
MMA VIE SA	40,422	12	485,064.00
GMF VIE	40,418	12	485,016.00
MAAF ASSURANCES S.A.	81	12	972.00
Miscellaneous	2	12	24.00
TOTAL	592,887	12	7,114,644.00

7.2 CONSOLIDATION

The accounts of Covéa Finance are included by way of full consolidation in the combined accounts of SGAM COVÉA (86-90 rue Saint-Lazare – 75009 PARIS).

7.3 - STATUTORY AUDITORS' FEES

The impact of the statutory auditors' fees on the income statement was €334,239.46 broken down as follows

- Audit of the Covéa Finance accounts:..... €72,518.99
- Audit of the mutual funds:..... €261,720.47

COMPANY'S RESULTS FOR THE LAST FIVE FINANCIAL YEARS

NATURE OF INFORMATION	2011	2012	2013	2014	2015
Capital at the end of the financial year					
Share capital	7,114,644.00	7,114,644.00	7,114,644.00	7,114,644.00	7,114,644.00
Number of existing ordinary shares	592,887	592,887	592,887	592,887	592,887
Number of existing priority dividend shares (without voting right)	0.00	0.00	0.00	0.00	0.00
Maximum number of future shares to be created	0.00	0.00	0.00	0.00	0.00
By conversion of bonds	0.00	0.00	0.00	0.00	0.00
By exercising subscription rights	0.00	0.00	0.00	0.00	0.00
By distribution of dividends in shares	0.00	0.00	0.00	0.00	0.00
Transactions and results of the financial year					
Revenue before tax	66,476,403.55	71,445,239.28	78,287,375.47	79,345,846.96	89,883,655.67
Earnings before tax, employee profit-sharing and allowances for amortisation and provisions	27,375,050.68	31,335,586.45	39,190,512.93	28,323,608.37	35,042,563.10
Tax on profits	7,457,096.00	9,447,277.00	12,825,924.00	9,361,248.00	11,104,628.00
Employee profit-sharing due for the financial year	1,181,081.00	1,370,525.00	1,840,048.00	1,460,266.00	1,618,398.00
Earnings after tax, employee profit-sharing and allowances for amortisation and provisions	13,977,066.27	17,698,353.86	23,860,169.22	17,426,551.86	20,971,801.47
Earnings distributed in cash	9,486,192.00	14,703,597.60	18,972,384.00	13,932,844.50	17,193,723.00
Earnings distributed in shares	0.00	0.00	0.00	0.00	0.00
Earnings per share					
Earnings after tax, employee profit-sharing but before allowances for amortisation and provisions	31.60	34.61	41.36	29.52	37.65
Earnings after tax, employee profit-sharing and allowances for amortisation and provisions	23.57	29.85	40.24	29.39	35.37
Dividend allocated to each share (in cash)	16.00	24.80	32.00	23.50	29.00
Dividend allocated to each share (in shares)	0.00	0.00	0.00	0.00	0.00
Personnel					
Average workforce strength during the financial year	108	119	123	133	142
Payroll for the financial year	6,708,489.00	7,692,722.45	8,059,544.99	8,661,732.38	8,921,526.99
Amount of sums paid as social benefits during the financial year (social security, social works, etc.)	4,456,227.56	4,131,479.09	4,200,898.69	4,319,938.88	4,575,393.24

NOTES TO THE MANAGEMENT REPORT PERFORMANCE OF MUTUAL FUNDS AT 31/12/2015

(SOURCE MORNINGSTAR)

	Morningstar Classification	Benchmark index	Morningstar stars	Mutual fund 52-week volatility	Morningstar category 52-week volatility	PERFORMANCE OVER THE YEAR 2015		
						Mutual funds	Morningstar category	Benchmark index
FIXED INCOME MUTUAL FUNDS								
UCITS								
COVÉA EURO SOUVERAIN (AC)	Government Loans Euro bonds	FTSE MTS Global 16h00 net coupons reinvested	★★★★	6.05%	4.56%	0.97%	1.00%	1.67%
COVÉA EURO SOUVERAIN (AD)	Government Loans Euro bonds	FTSE MTS Global 16h00 net coupons reinvested	★★★★	6.03%	4.56%	0.94%	1.00%	1.67%
COVÉA EURO SPREAD (AC)	Private Loans Euro bonds	IBOXX Corp net coupons reinvested	★★★★	3.21%	3.70%	0.00%	-0.48%	-0.66%
COVÉA EURO SPREAD (AD)	Private Loans Euro bonds	IBOXX Corp net coupons reinvested	★★★★	3.33%	3.70%	0.03%	-0.48%	-0.66%
COVÉA HAUT RENDEMENT (IC)	International High Yield bonds	IBOXX Euro High Yield Fixed Rate coupons reinvested	★★	4.09%	17.65%	1.84%	12.93%	0.10%
COVÉA MOYEN TERME (AC)	Short Term Diversified EUR bonds	FTSE MTS 1-3 years 16h00 net coupons reinvested	★★★★	1.34%	1.05%	0.05%	0.08%	0.72%
COVÉA OBLIGATIONS (AC)	Diversified euro bonds	FTSE MTS 5-7 years 16h00 net coupons reinvested	★★★★★	3.59%	3.83%	0.43%	0.33%	2.07%
COVÉA OBLIGATIONS (AD)	Diversified euro bonds	FTSE MTS 5-7 years 16h00 net coupons reinvested	★★★★★	3.59%	3.83%	0.43%	0.33%	2.07%
COVÉA OBLIG INTER (AD)	International Bonds	Merrill Lynch Global Gvt Bond Index (hedged in euros) net coupons reinvested	★★★★★	8.19%	9.86%	5.19%	5.25%	1.02%
COVÉA SÉCURITÉ (AC)	Money markets euros	EONIA Capitalised		0.01%		0.01%		-0.11%
COVÉA SÉCURITÉ (AD)	Money markets euros	EONIA Capitalised		0.02%		0.13%		-0.11%
AIF								
MAAF OBLIGATIONS 1 (AD)	International Bonds	EuroMTS 3-5 years 16h00 net coupons reinvested		2.03%		0.01%		1.39%
MAAF OBLIGATIONS 4 (AD)	International Bonds	EuroMTS 3-5 years 16h00 net coupons reinvested		2.01%		-0.01%		1.39%
MAAF STRATÉGIE TAUX (AC)	Euro bonds	EuroMTS 1-3 years 16h00 net coupons reinvested		0.61%		0.31%		0.72%

PERFORMANCE OVER THE YEAR 2015

	Morningstar Classification	Benchmark index	Morningstar stars	Mutual fund 52-week volatility	Morningstar category 52-week volatility	Mutual funds	Morningstar category	Benchmark index
DIVERSIFIED MUTUAL FUNDS								
UCITS								
COVÉA OBLIGATIONS CONVERTIBLES (AC)	Europe convertibles	Exane ECI Europe net coupons reinvested	★★★★	8.01%	7.75%	5.41%	6.03%	7.60%
COVÉA OBLIGATIONS CONVERTIBLES (IC)	Europe convertibles	Exane ECI Europe net coupons reinvested	★★★★	8.01%	7.75%	6.05%	6.03%	7.60%
AIF								
COVÉA PRIVILÈGE (AD)	Mixed Euro Aggressive	60% DJ Euro Stoxx + 40% FTSE MTS Global 16h00 net dividends and coupons reinvested	★★★★	12.36%	13.13%	10.76%	7.83%	7.11%
COVÉA PATRIMOINE (AC)	Allocation EUR flexible - international			6.87%	9.29%	1.48%	1.91%	
EQUITIES MUTUAL FUNDS								
UCITS								
COVÉA ACTIONS AMÉRIQUE (AC)	US Equities Large Cap Growth	S&P 500 (in euros) net dividends reinvested	★★★	18.92%	18.83%	13.45%	14.34%	12.35%
COVÉA ACTIONS AMÉRIQUE (IC)	US Equities Large Cap Growth	S&P 500 (in euros) net dividends reinvested	★★★	18.95%	18.83%	14.70%	14.34%	12.35%
COVÉA ACTIONS AMÉRIQUE MID CAP (IC)	US Equities Mid Cap	Russell Midcap (in euros) net dividends reinvested	★★	19.47%	18.46%	11.15%	7.65%	8.29%
COVÉA ACTIONS ASIE (AC)	Asian equities excl. Japan	MSCI Asia ex-Japan (in euros) net dividends reinvested	★★★★	19.25%	20.62%	6.80%	3.08%	1.29%
COVÉA ACTIONS CROISSANCE (AC)	Eurozone Equities Large Cap	95% DJ Euro Stoxx + 5% CAC Small net dividends reinvested	★★★★	16.37%	18.74%	17.53%	11.32%	11.22%
COVÉA ACTIONS CROISSANCE (AD)	Eurozone Equities Large Cap	95% DJ Euro Stoxx + 5% CAC Small net dividends reinvested	★★★★	16.36%	18.74%	17.54%	11.32%	11.22%
COVÉA ACTIONS EURO (AC)	Eurozone Equities Large Cap	DJ Euro Stoxx net dividends reinvested	★★★★	17.13%	18.74%	12.64%	11.32%	10.33%
COVÉA ACTIONS EURO (IC)	Eurozone Equities Large Cap	DJ Euro Stoxx net dividends reinvested	★★★★	17.14%	18.74%	13.66%	11.32%	10.33%
COVÉA ACTIONS EUROPE (AC)	Europe Equities Large Cap Mixed	MSCI Pan-Euro (in euros) net dividends reinvested	★★★★	17.34%	17.41%	11.88%	11.12%	6.71%
COVÉA ACTIONS EUROPE (AD)	Europe Equities Large Cap Mixed	MSCI Pan-Euro (in euros) net dividends reinvested	★★★★	17.35%	17.41%	11.89%	11.12%	6.71%

PERFORMANCE OVER THE YEAR 2015

	Morningstar Classification	Benchmark index	Morningstar stars	Mutual fund 52-week volatility	Morningstar category 52-week volatility	Mutual funds	Morningstar category	Benchmark index
COVÉA ACTIONS EUROPE HORS EURO (AC)	Europe Equities Large Cap Mixed	DJ Stoxx Excl. Euro net dividends reinvested	★★★★	17.57%	17.41%	14.18%	11.12%	8.98%
COVÉA ACTIONS EUROPE OPPORTUNITÉS (AC)	Europe Equities Flexible Capitalisations	MSCI Pan-Euro (in euros) net dividends reinvested	★★★★	15.34%	15.77%	18.93%	15.69%	6.71%
COVÉA ACTIONS EUROPE OPPORTUNITÉS (IC)	Europe Equities Flexible Capitalisations	MSCI Pan-Euro (in euros) net dividends reinvested	★★★★	15.34%	15.77%	20.12%	15.69%	6.71%
COVÉA ACTIONS FRANCE (AC)	France Equities Large Cap	SBF 120 net dividends reinvested	★★★★	17.93%	18.39%	13.13%	13.63%	11.33%
COVÉA ACTIONS FRANCE (AD)	France Equities Large Cap	SBF 120 net dividends reinvested	★★★★	17.95%	18.39%	13.12%	13.63%	11.33%
COVÉA ACTIONS FRANCE (IC)	France Equities Large Cap	SBF 120 net dividends reinvested	★★★★	17.94%	18.39%	14.24%	13.63%	11.33%
COVÉA ACTIONS INVESTISSEMENT (AC)	International Equities Large Cap Mixed	60% S&P 500 + 40% MSCI Pan-Euro net dividends reinvested	★★★★	16.91%	17.28%	12.36%	8.99%	10.11%
COVÉA ACTIONS JAPON (AC)	Japan Equities Large Cap	Nikkei 300 (in euro) dividends not reinvested	★★	21.07%	20.43%	14.95%	21.78%	21.17%
COVÉA ACTIONS MONDE (AC)	International Equities Large Cap Mixed	55% S&P 500 + 30% MSCI Pan-Euro + 15% MSCI Asia (in euros) dividends reinvested	★★★★	17.06%	17.28%	13.88%	8.99%	10.48%
COVÉA ACTIONS MONDE (IC)	International Equities Large Cap Mixed	55% S&P 500 + 30% MSCI Pan-Euro + 15% MSCI Asia (in euros) dividends reinvested	★★★★	17.07%	17.28%	15.14%	8.99%	10.48%
COVÉA ACTIONS RENDEMENT (AC)	Equities Europe Yield	MSCI Pan-Euro (in euros) net dividends reinvested	★★★	16.68%	17.65%	7.35%	12.93%	6.71%
COVÉA ESPACE ISR (AC)	France Equities Large Cap	CAC All-Tradable net dividends reinvested	★★★★	17.12%	17.36%	13.69%	11.68%	11.66%
COVÉA HORIZON DURABLE (AC)	Allocation EUR Flexible - International	-	★★★★	15.76%	9.29%	13.11%	1.91%	
COVÉA PERSPECTIVES PME (AC)	France Equities Small and Med. Cap.	CAC Mid & Small net dividends reinvested	★★★	12.02%	13.61%	27.02%	23.35%	25.12%
AIF								
COVÉA ACTIONS EUROPE INSTIT (AC)	Europe Equities Large Cap Mixed	MSCI Pan-Euro (in euros) net dividends reinvested		15.95%		15.68%		6.71%
COVÉA ACTIONS EUROPE INSTIT II (AC)	Europe Equities Large Cap Mixed	MSCI Pan-Euro (in euros) net dividends reinvested		15.84%		16.44%		6.71%

						PERFORMANCE OVER THE YEAR 2015		
	Morningstar Classification	Benchmark index	Morningstar stars	Mutual fund 52-week volatility	Morningstar category 52-week volatility	Mutual funds	Morningstar category	Benchmark index
COVÉA ACTIONS EUROPE INSTIT III (AD)	Europe Equities Large Cap Mixed	MSCI Pan-Euro (in euros) net dividends reinvested		15.83%		15.94%		6.71%
COVÉA ACTIONS SOLIDAIRES (AC)	France Equities Large Cap	SBF 120 net dividends reinvested	☆☆☆	16.68%	17.36%	9.32%	11.68%	11.33%
MULTI MANAGEMENT AND PROFILES MUTUAL FUNDS								
UCITS								
COVÉA MULTI EUROPE (AC)	Europe Equities Large Cap Mixed	DJ Stoxx 600 net dividends reinvested	☆☆☆	16.36%	17.41%	11.50%	11.12%	9.60%
COVÉA MULTI IMMOBILIER (AC)	Property – indirect eurozone	70% EPRA eurozone + 30% EPRA Europe dividends reinvested	☆☆☆☆	18.00%	17.05%	15.35%	16.23%	17.26%
COVÉA MULTI IMMOBILIER (IC)	Property – indirect eurozone	70% EPRA eurozone + 30% EPRA Europe dividends reinvested	☆☆☆☆	18.01%	17.05%	16.28%	16.23%	17.26%
COVÉA MULTI MONDE (AC)	International Equities Large Cap. Mixed	MSCI AC World (in euros) net dividends reinvested	☆☆☆☆	17.12%	17.28%	7.67%	8.99%	8.88%
COVÉA MULTI SMALL CAP EUROPE (AC)	Europe Equities Mid Cap	Euromoney Smaller Europe net dividends reinvested	☆☆☆	14.32%	17.65%	21.07%	12.93%	21.34%
COVÉA MULTI SMALL CAP EUROPE (IC)	Europe Equities Mid Cap	Euromoney Smaller Europe net dividends reinvested	☆☆☆	14.34%	17.65%	22.04%	12.93%	21.34%
COVÉA PROFIL DYNAMIQUE (AC)	Allocation EUR Aggressive – International	60% MSCI World + 40% FTSE MTS Global 16h00 net dividends and coupons reinvested	☆☆☆	9.99%	12.66%	7.39%	4.89%	7.22%
COVÉA PROFIL DYNAMIQUE (AD)	Allocation EUR Aggressive – International	60% MSCI World + 40% FTSE MTS Global 16h00 net dividends and coupons reinvested		9.99%	12.66%	7.39%	4.89%	7.22%
COVÉA PROFIL ÉQUILIBRE (AC)	Allocation EUR moderate – International	40% MSCI World + 60% FTSE MTS Global 16h00 net dividends and coupons reinvested	☆☆☆☆	7.13%	8.65%	5.00%	2.48%	5.44%
COVÉA PROFIL ÉQUILIBRE (AD)	Allocation EUR moderate – International	40% MSCI World + 60% FTSE MTS Global 16h00 net dividends and coupons reinvested	☆☆☆	7.11%	8.65%	5.09%	2.48%	5.44%

						PERFORMANCE OVER THE YEAR 2015		
	Morningstar Classification	Benchmark index	Morningstar stars	Mutual fund 52-week volatility	Morningstar category 52-week volatility	Mutual funds	Morningstar category	Benchmark index
COVÉA PROFIL OFFENSIF (AC)	Allocation EUR Aggressive – International	80% MSCI World + 20% FTSE MTS Global 16h00 net dividends and coupons reinvested	☆☆☆☆	13.24%	12.66%	9.69%	4.89%	8.92%
COVÉA PROFIL OFFENSIF (AD)	Allocation EUR Aggressive – International	80% MSCI World + 20% FTSE MTS Global 16h00 net dividends and coupons reinvested	☆☆☆☆	13.25%	12.66%	9.70%	4.89%	8.92%
AIF								
COVÉA MULTI ABSOLUTE RETURN (ID)	Other	-		1.72%		-0.81%		
COVÉA MULTI ÉMERGENTS (AD)	Emerging Equities Markets	MSCI Emerging Markets (in euros) net dividends reinvested	☆☆☆	15.44%	19.06%	-1.03%	-4.73%	-5.12%
COVÉA MULTI ÉMERGENTS (ID)	Emerging Equities Markets	MSCI Emerging Markets (in euros) net dividends reinvested	☆☆☆	15.45%	19.06%	-0.35%	-4.73%	-5.12%
COVÉA MULTI HAUT RENDEMENT (AD)	International High Yield Bonds hedged in euros	Merrill Lynch Global HY & EM Sovereign (hedged in euros) net coupons reinvested	☆☆☆	7.68%	5.58%	-0.19%	-3.66%	-1.82%
EMPLOYEE SAVINGS FUNDS								
AIF								
COVÉA PRUDENCE E.S. (AC)	Allocation EUR Prudent – International	-		3.76%	5.45%	2.05%	1.72%	
COVÉA DYNAMIQUE E.S. (AC)	Allocation EUR Aggressive – International	60% MSCI World + 40% FTSE MTS Global 16h00 net dividends and coupons reinvested		10.23%	12.66%	6.69%	4.89%	7.22%
COVÉA ÉQUILIBRE E.S. (AC)	Allocation EUR moderate – International	40% MSCI World + 60% FTSE MTS Global 16h00 net dividends and coupons reinvested		7.14%	8.65%	4.49%	2.48%	5.44%
COVÉA INVESTISSEMENT E.S. (AC)	International Equities Large Cap Mixed	60% S&P 500 + 40% MSCI Pan-Euro net dividends reinvested		16.83%	17.28%	11.50%	8.99%	10.11%
COVÉA SÉCURITÉ MONÉTAIRE E.S. (AC)	Money markets euros	EONIA Capitalised		0.00%	0.04%	0.00%	-0.01%	-0.11%
COVÉA SOLIDAIRE E.S. (AC)	France Equities Large Cap	SBF 120 net dividends reinvested		14.77%	9.52%	8.47%	3.48%	11.33%

						PERFORMANCE OVER THE YEAR 2015		
	Morningstar Classification	Benchmark index	Morningstar stars	Mutual fund 52-week volatility	Morningstar category 52-week volatility	Mutual funds	Morningstar category	Benchmark index
MAAF PARTICIPATIF 1 (AC)	MAAF shareholdings	-		1.69%		2.46%		0.00%
MMA SALARIÉS ÉQUILIBRE (AC)	Allocation EUR moderate – International	40% MSCI World + 30% EuroMTS Global 16h00 + 30% Citigroup WGBI hedged in euros		6.56%		6.27%		5.27%
MMA SALARIÉS MONÉTAIRE (AC)	Money markets euros	EONIA Capitalised		0.10%		0.10%		-0.11%
MMA SALARIÉS OFFENSIVE (AC)	Allocation EUR Aggressive – International	80% MSCI World + 10% EuroMTS Global 16h00 + 10% Citigroup WGBI hedged in euros		12.22%		11.65%		8.87%
MMA SALARIÉS PRUDENCE (AC)	Allocation EUR Prudent	10% DJ Euro Stoxx + 50% EONIA + 40% EuroMTS Global 16h00 divid. and coup. reinv.		1.92%		2.11%		1.78%