

Annual Report on the Top Five Investment Firms for the year 2020

Regulatory Framework and Scope of the Annual Report

- This report complies with the requirements of the European Commission's Delegated Regulation (EU) 2017/576 of 8 June 2016 (RTS 28), supplementing Directive 2014/65/EU of the European Parliament and of the Council (Article 27, paragraph 10, subsection b) with the regulatory technical standards concerning the annual publication by investment firms of information on the identity of execution platforms and execution quality.
- As a portfolio management company belonging to the Covéa group, Covéa Finance performs management services on behalf of third parties and is publishing this annual report on the top five investment firms for the year 2020, along with consolidated data on all its portfolios (discretionary management and mutual funds).
- In accordance with Article 65 of the European Commission's Delegated Regulation (EU) 2017/565 of 25 April 2016, as a portfolio management company, Covéa Finance is requested to specify:
 - **the top five investment firms** (hereinafter "intermediaries") in terms of the trading volume for each category of financial instruments on which Covéa Finance has forwarded orders on behalf of its customers from its own investment decisions, in the year 2020;
 - **summary information on the quality of execution** obtained from the market intermediaries who executed the orders placed by Covéa Finance for each category of financial instruments during the year 2020.

**Quantitative and qualitative evaluation by instrument category
(RTS 28, Art. 3 and Art. 3-3 (a))**

- Equities and similar instruments

Category of instruments	Equities and similar instruments				
Indicate whether < 1 order executed on average per working day of the previous year	No				
Top five investment firms ranked by volumes traded	Proportion of volume of orders executed as a percentage of the total volume in this category (%)	Proportion of number of orders executed as a percentage of the total number in this category (%)	Percentage of passive orders (%)	Percentage of aggressive orders (%)	Percentage of directed orders (%)
GOLDMAN SACHS (W22LROWP2IHZNBB6K528)	22	23	N/A	N/A	N/A
UBS (REYPIEJN7XZHSUI0N355)	22	21	N/A	N/A	N/A
VIRTU ITG EUROPE (213800EEC95PRUCEUP63)	16	16	N/A	N/A	N/A
SOCIÉTÉ GÉNÉRALE (O2RNE8IBXP4R0TD8PU41)	7	8	N/A	N/A	N/A
LIQUIDNET (213800ZIRB79BE5XQM68)	4	7	N/A	N/A	N/A

Covéa Finance places orders with selected brokers electronically, in accordance with the best selection and best execution policy. Client orders may be executed at different execution venues based on the criteria listed below.

The execution analysis criteria used for this asset class are:

- Price
- Access to liquidity
- Speed
- Cost according to order type
- Probability of payment

The following characteristics, which may influence categorisation, are considered in addition to the following criteria:

- Execution of blocks of shares
- Use of algorithms provided by third parties
- Use of Program Trading Services

- Debt instruments (bonds, money market instruments)

Category of instruments	Debt instruments: Bonds				
Indicate whether < 1 order executed on average per working day of the previous year	No				
Top five investment firms ranked by volumes traded	Proportion of volume of orders executed as a percentage of the total volume in this category (%)	Proportion of number of orders executed as a percentage of the total number in this category (%)	Percentage of passive orders (%)	Percentage of aggressive orders (%)	Percentage of directed orders (%)
NOMURA (549300B3CEAHYG7K8164)	13	3	N/A	N/A	N/A
CACIB (1VUV7VQFKUOQSJ21A208)	11	9	N/A	N/A	N/A
JP MORGAN (K6Q0W1PS1L1O4IQL9C32)	9	7	N/A	N/A	N/A
BofA SECURITIES EUROPE (549300FH0WJAPEHTIQ77)	8	7	N/A	N/A	N/A
SOCIÉTÉ GÉNÉRALE (O2RNE8IBXP4R0TD8PU41)	8	6	N/A	N/A	N/A

Covéa Finance places orders on the market electronically or verbally through a competitive bidding process between multiple authorised brokers.

The execution analysis criteria used for this asset class are:

- Price
- Access to liquidity
- Speed
- Probability of payment

Brokers were used for all fixed income products in both government and private debt. The latter provided liquidity in the context of our competitive bidding processes for large orders.

Category of instruments	Debt instruments: Money market instruments				
Indicate whether < 1 order executed on average per working day of the previous year	No				
Top five investment firms ranked by volumes traded	Proportion of volume of orders executed as a percentage of the total volume in this category (%)	Proportion of number of orders executed as a percentage of the total number in this category (%)	Percentage of passive orders (%)	Percentage of aggressive orders (%)	Percentage of directed orders (%)
CACIB (1VUV7VQFKUOQSJ21A208)	28	17	N/A	N/A	N/A
SOCIÉTÉ GÉNÉRALE (O2RNE8IBXP4R0TD8PU41)	11	7	N/A	N/A	N/A
CITI (N1FBEDJ5J41VKZLO2475)	7	14	N/A	N/A	N/A
HSBC (MP6I5ZYZBEU3UXPYFY54)	6	5	N/A	N/A	N/A
NATWEST (RR3QWICWWIPCS8A4S074)	6	5	N/A	N/A	N/A

Covéa Finance places orders with selected brokers electronically or verbally in accordance with the best selection and best execution policy.

The execution analysis criteria used for this asset class are:

- Price
- Access to liquidity
- Probability of payment

- Interest rate derivatives

Category of instruments	Interest rate derivatives: Futures and Options admitted to a trading platform				
Indicate whether < 1 order executed on average per working day of the previous year	No				
Top five investment firms ranked by volumes traded	Proportion of volume of orders executed as a percentage of the total volume in this category (%)	Proportion of number of orders executed as a percentage of the total number in this category (%)	Percentage of passive orders (%)	Percentage of aggressive orders (%)	Percentage of directed orders (%)
SOCIÉTÉ GÉNÉRALE (O2RNE8IBXP4R0TD8PU41)	56	48	N/A	N/A	N/A
UBS EUROPE SE (REYPIEJN7XZHSUI0N355)	29	37	N/A	N/A	N/A
GOLDMAN SACHS (W22LROWP2IHZNBB6K528)	15	15	N/A	N/A	N/A

Covéa Finance places orders with selected brokers electronically, in accordance with the best selection and best execution policy.

The execution analysis criteria used for this asset class are:

- Price
- Access to liquidity
- Speed
- Cost according to order type

- Currency derivatives

Category of instruments	Currency derivatives: Futures and Options admitted to a trading platform				
Indicate whether < 1 order executed on average per working day of the previous year	Yes				
Top five investment firms ranked by volumes traded	Proportion of volume of orders executed as a percentage of the total volume in this category (%)	Proportion of number of orders executed as a percentage of the total number in this category (%)	Percentage of passive orders (%)	Percentage of aggressive orders (%)	Percentage of directed orders (%)
SOCIÉTÉ GÉNÉRALE (O2RNE8IBXP4R0TD8PU41)	71	35	N/A	N/A	N/A
UBS EUROPE (REYPIEJN7XZHSUI0N355)	16	53	N/A	N/A	N/A
GOLDMAN SACHS (W22LROWP2IHZNBB6K528)	13	12	N/A	N/A	N/A

Covéa Finance places orders with selected brokers electronically, in accordance with the best selection and best execution policy.

The execution analysis criteria used for this asset class are:

- Price
- Access to liquidity
- Speed
- Cost according to order type

Category of instruments	Currency derivatives: Swaps, Forwards and other OTC currency derivatives				
Indicate whether < 1 order executed on average per working day of the previous year	Yes				
Top five investment firms ranked by volumes traded	Proportion of volume of orders executed as a percentage of the total volume in this category (%)	Proportion of number of orders executed as a percentage of the total number in this category (%)	Percentage of passive orders (%)	Percentage of aggressive orders (%)	Percentage of directed orders (%)
SOCIÉTÉ GÉNÉRALE (O2RNE8IBXP4R0TD8PU41)	55	32	N/A	N/A	N/A
CACIB (1VUV7VQFKUOQSJ21A208)	17	28	N/A	N/A	N/A
HSBC (MP6I5ZYZBEU3UXPYFY54)	17	20	N/A	N/A	N/A
NATIXIS (KX1WK48MPD4Y2NCUIZ63)	5	7	N/A	N/A	N/A
BNP PARIBAS (R0MUWSFPU8MPRO8K5P83)	5	13	N/A	N/A	N/A

Covéa Finance places orders with our brokers electronically through a competitive bidding process, in accordance with the best selection and best execution policy.

The execution analysis criteria used for this asset class are:

- Price
- Access to liquidity
- Speed

- Structured financial instruments

Category of instruments	Structured financial instruments				
Indicate whether < 1 order executed on average per working day of the previous year	No				
Top five execution platforms ranked by trading volume	Proportion of volume of orders executed as a percentage of the total volume in this category (%)	Proportion of number of executed orders as percentage of the total number in this category (%)	Percentage of passive orders (%)	Percentage of aggressive orders (%)	Percentage of directed orders (%)
JP MORGAN (K6Q0W1PS1L1O4IQL9C32)	75	55	N/A	N/A	N/A
SOCIÉTÉ GÉNÉRALE (O2RNE8IBXP4R0TD8PU41)	25	45	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

- Equity derivatives

Category of instruments	Equity derivatives: Futures and Options admitted to a trading platform				
Indicate whether < 1 order executed on average per working day of the previous year	No				
Top five investment firms ranked by volumes traded	Proportion of volume of orders executed as a percentage of the total volume in this category (%)	Proportion of number of orders executed as a percentage of the total number in this category (%)	Percentage of passive orders (%)	Percentage of aggressive orders (%)	Percentage of directed orders (%)
UBS EUROPE (REYPIEJN7XZHSUI0N355)	50	43	N/A	N/A	N/A
SOCIÉTÉ GÉNÉRALE (O2RNE8IBXP4R0TD8PU41)	26	37	N/A	N/A	N/A
GOLDMAN SACHS (W22LROWP2IHZNBB6K528)	24	20	N/A	N/A	N/A

Covéa Finance places orders with selected brokers electronically, in accordance with the best selection and best execution policy.

The execution analysis criteria used for this asset class are:

- Price
- Access to liquidity
- Speed
- Cost according to order type

- Exchange traded products (ETP)

Category of instruments	Exchange traded funds (ETF)				
Indicate whether < 1 order executed on average per working day of the previous year	Yes				
Top five investment firms ranked by volumes traded	Proportion of volume of orders executed as a percentage of the total volume in this category (%)	Proportion of number of orders executed as a percentage of the total number in this category (%)	Percentage of passive orders (%)	Percentage of aggressive orders (%)	Percentage of directed orders (%)
MORGAN STANLEY EUROPE (54930056FHWP7GIWYY08)	41	32	N/A	N/A	N/A
HSBC (MP6I5ZYZBEU3UXPYFY54)	16	8	N/A	N/A	N/A
JP MORGAN (549300SOGM3USX5DOD03)	15	23	N/A	N/A	N/A
KEPLER CHEUVREUX (9695005EOZG9X8IRJD84)	15	16	N/A	N/A	N/A
JANE STREET (549300ZHEHX8M31RP142)	10	16	N/A	N/A	N/A

Covéa Finance places orders electronically, either to the market, through a broker selected for execution, or through a competitive bidding process among multiple authorised counterparties.

The execution analysis criteria used for this asset class are:

- Price
- Access to liquidity
- Speed
- Cost according to order type (NAV: net asset value)
- Probability of payment

- Other instruments: FX Spot

Category of instruments	Other instruments: FX Spot				
Indicate whether < 1 order executed on average per working day of the previous year	No				
Top five investment firms ranked by volumes traded	Proportion of volume of orders executed as a percentage of the total volume in this category (%)	Proportion of number of executed orders as percentage of the total number in this category (%)	Percentage of passive orders (%)	Percentage of aggressive orders (%)	Percentage of directed orders (%)
SOCIÉTÉ GÉNÉRALE (O2RNE8IBXP4R0TD8PU41)	32	33	N/A	N/A	N/A
CACIB (1VUV7VQFKUOQSJ21A208)	21	20	N/A	N/A	N/A
NATIXIS (KX1WK48MPD4Y2NCUIZ63)	12	9	N/A	N/A	N/A
BNP PARIBAS (R0MUWSFPU8MPRO8K5P83)	9	13	N/A	N/A	N/A
GOLDMAN SACHS (W22LROWP2IHZNBB6K528)	9	5	N/A	N/A	N/A

Covéa Finance places orders with brokers electronically through a competitive bidding process, in accordance with the best selection and best execution policy.

The execution analysis criteria used for this asset class are:

- Price
- Access to liquidity
- Speed
- Probability of payment

- Convertible

Category of instruments	Convertible bonds				
Indicate whether < 1 order executed on average per working day of the previous year	Yes				
Top five investment firms ranked by volumes traded	Proportion of volume of orders executed as a percentage of the total volume in this category (%)	Proportion of number of orders executed as a percentage of the total number in this category (%)	Percentage of passive orders (%)	Percentage of aggressive orders (%)	Percentage of directed orders (%)
UNICREDIT (2ZCNRR8UK83OBTEK2170)	37	34	N/A	N/A	N/A
EXANE (969500UP76J52A9OXU27)	9	12	N/A	N/A	N/A
Bank of America Merrill Lynch (549300FH0WJAPEHTIQ77)	9	5	N/A	N/A	N/A
CACIB (1VUV7VQFKUOQSJ21A208)	8	7	N/A	N/A	N/A
BARCLAYS (G5GSEF7VJP5I7OUK5573)	8	7	N/A	N/A	N/A

Covéa Finance places orders with brokers electronically through a competitive bidding process, in accordance with the best selection and best execution policy.

The execution analysis criteria used for this asset class are:

- Price
- Access to liquidity
- Probability of payment

General information on the execution quality obtained during 2020 (RTS 28, Art. 3-3 b-h)

So that it can act in the best interests of its clients when executing an order through a broker, Covéa Finance has implemented a best selection and best execution policy, which can be found on its website.

Brokers are selected by a Selection Committee for Executing Brokers and approved by a Referencing Committee according to the inclusion criteria defined in the best selection and best execution policy.

Covéa Finance endeavours to take all steps necessary during the execution of an order by a broker to obtain the best possible result, taking into account the following qualitative criteria: price, cost, speed, probability of execution and payment, order size, order type, probability of payment.

Those factors that influence the selection of an execution venue for executing an order are: the price, the need for execution as soon as possible, the liquidity of the market, the order size and type and whether or not the client has consented to off-market execution.

(b) Description of any close links, conflicts of interest and joint interest with one or more of the executing brokers used to execute orders:

Covéa Finance has no close links to or interests in any brokers used for placing orders. No conflict of interest situation has been identified.

(c) Description of any special agreement entered into with executing brokers concerning payments made or received, discounts, rebates or non-monetary benefits obtained

Covéa Finance has not signed any special agreement with brokers selected for the placement of orders or execution platforms concerning special advantages (discounts or non-monetary benefits obtained).

(d) Explanation of the factors that led to the change in the list of execution venues mentioned in the execution policy

The list of execution venues mentioned in the 2020 best execution and section policy has not been changed.

(e) Explanation of how order execution varies by customer category

Covéa Finance processes all orders in the same way, whether they are made by professional or non-professional clients.

(f) Indication of whether or not other criteria were favoured over price and immediate costs when executing retail client orders and an explanation of how these other criteria were a deciding factor in achieving the best result possible in terms of total cost for the client

Not applicable.

(g) Explanation of how the investment firm used data or tools related to execution quality, including data published under RTS 27

Covéa Finance monitors execution quality when it places orders with executing brokers. As such, it uses tools made available by negotiation platforms (e.g.: Pre-trade analysis, market impact model, real-time liquidity analysis tools) to track data related to costs and execution venues.

(h) An explanation of how the investment firm used information from a consolidated tape provider

Covéa Finance did not use any information from a Consolidated Tape Provider (CTP) in 2020.
