

# Report on anti-money laundering and combatting the financing of terrorism

## Financial year 2018

— 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 3, Chapter V of Volume III of the French Financial Markets Authority and Title VI of Volume V, Chapters I to IV 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.

## The role of the AML/CFT compliance officer

Maxime PERRON is responsible for AML/CFT compliance, and is the appointed Tracfin informant. He is in charge of the entire anti-money laundering mechanism, including legal watch and the training of personnel, and also for the analysis of any suspicious transaction reports made by employees before forwarding them to Tracfin.

## 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 unitholders 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 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 AMF that are intermediaries, counterparts 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 clients' lack of awareness or of the origin of funds are low.

Covéa Finance's investments are placed in assets of listed companies having their headquarters in countries of the OECD, mainly in Europe and North America.

In 2018, as part of the periodic inspections, an evaluation of the anti-money laundering and terrorism financing system was carried out in the form of a compliance audit mission conducted by an external firm.

The anti-money laundering and terrorism financing procedure was adjusted at the end of the year, taking the improvement proposals issued by the external auditors into account.

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

## Information and training personnel

Training is given to all new employees (salaried, temporary, and trainees) on arrival. On this occasion, they receive a copy of the AML/CFT procedure. In 2018, 33 employees received such training. As part of continuous training, Covéa Finance also ran seven "Recycling" sessions for 99 collaborators. At the same time, these procedures are also available to all personnel through the document management system, the suspicious transaction alert, and the reporting process modelled on the procedures intranet.