



Working together to serve our customers



CO
vea Finance



Covéa Finance, a portfolio management company serving insurance and its client shareholder Covéa, set itself several major three-year objectives at the beginning of 2017 in order to meet the challenges brought about by a complex economic and regulatory environment. Thanks to the resulting action plans, the company has managed to establish its own image and reputation well beyond the Covéa universe, whilst bearing in mind that the Group remains its major customer and the one for which it puts “finance at the service of insurance” every single day.

To be a driver of sustainable growth was central to these objectives. The projects implemented in this respect have in particular enabled Covéa Finance to position itself with a wider customer base, while observing two requirements: on the one hand, maintaining the confidence of the Covéa Group by guaranteeing the quality of service it owes it, and on the other hand, ensuring the profitability of its actions and joining the technological shift towards digitisation and digitalisation.

But Covéa Finance would not have achieved the significant results of this three-year plan without having played the collective card, a value on which the company has been able to capitalise throughout these three years. Faithful to two of its founding principles, team spirit and cooperation, Covéa Finance has been able to apply them to all of its major cross-functional projects. Cross-fertilisation and communication between all of the company's business lines have thus provided the ground for the success of this plan, the success of which will enable the company to approach the future with serenity, a serenity that is essential to resolutely confront the effects of the pandemic on our economies and businesses. Working together will be a value more than necessary to face and successfully overcome the tricky times likely to arise ahead.



Ghislaine Bailly,
Chairwoman of Covéa Finance

STAKE NO. 1

The ‘Core’ Target

Between 2017 and 2019, Covéa Finance stepped up its openness to the outside world and created new funds, tackling new geographies and financial products. While remaining true to its motto: “Finance at the service of insurance”.

The diversification of Covéa Finance's customer base in France and abroad was in line with its corporate objective of: “To be a driver of sustainable growth”. The three-year sales and marketing plan provided for the roll-out of actions in addition to the support provided by the Covéa Group's Life networks: an approach that resulted in investments from institutional investors, both in France and abroad.

At the same time, Covéa Finance created new funds. Its European range has thus been enhanced by the addition of four funds with an environmental theme (Covéa Aeris, Covéa Aqua, Covéa Solis and Covéa Terra). Its international range has developed its fund management on the themes of disruptions in production, distribution and consumption modes through Covéa Ruptures, and on the theme of protection against a possible break-up of the euro area with Covéa Ultra Flexible. Finally, multi-management launched its first dedicated private equity fund of funds, Covéa Accompagnement (see page 33 of the annual report), while fixed-income management created Covéa Rendement Réel. These are new investment vehicles that focus the company's analytical and investment capacity on new, sometimes distant, geographies, on new sectors and financial products.

2019 Review



By Francis Jaisson,
Managing Director in charge
of Asset Management, Marketing,
Trading and Research

“A particularly striking feature of the past three years has been the integration of ESG criteria into our fund management process through the securities selection process, particularly for the SRI and themed ranges, but also through the enrichment of our analysis grids. This significant development was facilitated by the strengthening of the dedicated team of ESG analysts, which integrated the Research department in 2019 alongside the Quantitative, Microeconomic and Macroeconomic Research Analysts, and by their participation on the same basis as other members of the Research department in the various fund management and themed committees.”

STAKE NO. 2

The 'Steering Tools' Target

Dashboards, proprietary databases, decision support tools: the three-year plan has given rise to a number of steering tools that reinforce the reliability of Covéa Finance's processes and its visibility on its various ongoing projects.

In order to optimise the management of its business, Covéa Finance took advantage of its 2017-2019 three-year plan to put in place new structuring tools, like the dashboard for controlling and measuring company costs, which enables a detailed analysis of the return on investment of each cross-functional project. Produced quarterly by Management Control, this dashboard provides an exhaustive summary of internal and external costs whilst tracking the progress of projects.

Another steering tool created, this time on the Data Governance chapter: a market data inventory tool, the aim of which is to control the challenges related to costs and data providers. Created and developed in-house, this solution will enable us to accurately monitor all contract deadlines, but also to validate supplier invoices, and finally to better monitor the scope of market data. Other key tools directly linked to the three-year objectives include the company-level crisis management plan, which has now been validated and tested.

2019 Review



By Yannick Tatibouët,
Executive Director, Director of Strategic Intelligence, External Relations, ESG and Research

“Over the three-year plan, according to the priorities we had identified over time, the projects to create steering tools evolved, adapting to the context and new issues that emerged. The focus was always on cost control, visibility over the business and on cross-functional projects (around thirty over three years), but also on the willingness to give priority to proprietary tools, created and developed by us.”

STAKE NO. 3

The 'Adaptation to change' target

The 2017-2019 three-year plan has resulted in changes to Covéa Finance's organisational structure and led to conducting highly structuring projects involving many business lines, from Communication to Risk Control.

To adapt to the changes in its environment, Covéa Finance has embarked on an ambitious project to take all of its content online, which led the company, in turn, to question the digitisation of its processes. In addition to the significant reduction in paper consumption, this project has enabled each team to question its work methodology in order to optimise it. Digitisation has also changed the communication strategy, with increased digitalisation actions (re-designed website, campaigns on social media). It has also had an impact on risk monitoring, since cybersecurity is now the subject of a dedicated chapter in Covéa Finance's security policy.

On a purely organisational level, significant work has been carried out since 2017 on cost control and optimisation, particularly in the area of contracts and market data, including the inclusion of a new role: financial data engineer.

Finally, on the risk control side, a vast modernisation project has made it possible to review all the risks in the portfolios, resulting in a new alert system being set up.

2019 Review



By Franck Ibalot,
Executive Director, Director of Risk, Operations and Information Systems

“With its three-year plan for 2017-2019, Covéa Finance embarked on a major adaptation process that will enable the company to face future changes in its environment. In short, we have made ourselves adaptable in order to anticipate the new constraints and changes that await us in the future. This plan has initiated structuring projects, the success of which will enable us to approach the years to come with confidence.”

The 'Regulatory' Target

Adapting Covéa Finance to the new regulatory environment was at the heart of the three-year objectives. Well beyond simple compliance, it led all the business lines to reflect together on the company's organisation and processes.

Covéa Finance's three-year plan for 2017-2019 aimed in particular at adapting the business lines to the new regulatory environment put in place following the 2009 financial crisis. This focus has mobilised all of the company's business lines, well beyond the Legal and Compliance department, through major projects carried out with task forces.

Among the major regulatory issues addressed, the data protection aspect has been the subject of much work, in order to anticipate the impacts of the GDPR*. On this important topic, Covéa Finance has decided to set up a dedicated in-house officer. Another project involving the EMIR Directive, which governs the financial environment for derivatives, provided the company with an opportunity to modernise its asset management. The MiFID2 project, which concerns research and execution, has enabled the teams to reflect on the fund management and investment process. The finalisation of the regulatory reform of monetary funds has, by extension, led to a modernisation of risk control. These are just some of the many projects that have gone far beyond mere compliance and have had actual impacts on processes.

* General Data Protection Regulation.

2019 Review



By Ludovic Jacquier,
Managing director, in charge of
all Support and Control functions

"Regulatory projects have the virtue of encouraging businesses to evolve. Of course, there is a basic constraint, but this is mainly a starting point for reflection. How can we not just endure it and turn it into a progress factor? How can we organise the business, modernise it, work differently in order to comply and be more efficient at the same time? For example, the overhaul of the reporting fact sheets was seen by the teams as an opportunity to update our tools and to better market our products. This is how we approach every project."

2020 Outlook

Faced with the upheavals taking place in the world of asset management and in order to meet the multiple challenges in the future, Covéa Finance has formalised its objectives in a new strategic plan called "Ambition 2026", a strategic plan that will integrate the changes that the global pandemic will bring.

While the two previous three-year cycles had prepared Covéa Finance to face the future with determination, they also enabled the company to measure the changes taking place in the asset management world, whether at the global, European or French level. "Negative long-term interest rates, like the decline in the number of listed companies, pose challenges for market participants. Our world is changing and we cannot stay inactive" says Ghislaine Bailly, Chairwoman of Covéa Finance.

To face these challenges, Covéa Finance has put itself in a battle mode. The company knows how to capitalise on its strengths: committed teams, the will to defend the interests of its clients, a strong independence of mind resisting fads, a proven fund management process based on the collective and a strong ability to anticipate.

In this beginning of a new decade, "Covéa Finance is part of an offensive strategy for the years to come with strong development objectives", Ghislaine Bailly explains. Working on behalf of its clients in the largest financial markets, Covéa Finance has the means, methods and long experience of economic and financial crises. It is therefore in a position to prepare for the changes that the global pandemic will bring about on the world economies and financial markets.

With this in mind, the company will work in five directions through the "Ambition 2026" project: firstly, rethinking the world in the light of the current crisis; secondly, winning the battle for assets under management by securing the flows of its shareholders and customers and by going further in opening up outside the Covéa Group; thirdly, developing in Europe; fourthly, strengthening its attractiveness and innovation; and fifthly, continuing to play the collective card, the key to its success. All this whilst keeping its costs under control, anticipating the necessary adaptation to a more stringent regulatory environment and encouraging employee support and collaborative initiatives.



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