

COVÉA OBLIGATIONS CONVERTIBLES

French Mutual Fund

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KEY CHARACTERISTICS OF THE UCI

Management Company	COVÉA FINANCE SASU 8-12, rue Boissy d'Anglas - 75008 Paris
Promoter	COVÉA FINANCE SASU (Entity of COVÉA Group) 8-12, rue Boissy d'Anglas - 75008 Paris
Depository and custodian	CACEIS BANK 1-3 place Valhubert - 75013 Paris Institutions in charge of centralising subscription and redemption orders: CACEIS BANK 1-3 place Valhubert - 75013 Paris Institution in charge of keeping share registers (UCI liabilities) CACEIS BANK 1-3 place Valhubert - 75013 Paris
Auditors	KPMG Audit Tour Egho – 2 avenue Gambetta – CS 60055 92066 – Paris la Défense
Administration and Accounting Manager	CACEIS FUND ADMINISTRATION 1-3 place Valhubert - 75013 Paris

KEY INVESTOR INFORMATION

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

COVÉA OBLIGATIONS CONVERTIBLES

ISIN Part I(D) code: FR0013317674

UCITS managed by COVÉA FINANCE, a management company
part of the COVÉA Group

Objectives and investment policy

The UCITS has the objective of seeking to procure for unit holders, over an investment horizon of at least 5 years, a stake in the performance of interest rate and stock markets, by investing on a discretionary basis in convertible bonds. The management objective is inconsistent with the existence of a benchmark indicator. However, for information purposes and with hindsight, the performance of the UCITS may be compared to the Bloomberg EMEA Convertibles Europe Total Return Unhedged EUR index (calculated net coupons reinvested), which is representative of the composition and liquidity of the convertible bonds market of member countries of the Euro zone.

The management of the UCITS is proactive and discretionary.

The investment strategy is informed by the following:

- Firstly, an analysis of macroeconomic scenarios, inflation forecasts and the geographical distribution performed via the Economic and Financial Outlooks (EFOs); and
- Secondly, the key financials of the companies, their technical characteristics and valuation via the investment committees.

The interest rate risk exposure may be up to 110% of net assets.

The foreign exchange risk exposure is limited to 50% of net assets.

The equity risk exposure will not exceed 60% of net assets.

The portfolio of the UCITS may be invested in its entirety in convertible or exchangeable bonds of all geographic areas, all economic sectors, and on companies of all sizes.

The UCITS is exposed to convertible bonds (classified as rate instruments) within a range of 0 to 110% of the net assets. The equity risk exposure is limited to 60 % of net assets. This involves Large Caps, as well as Small and Mid Caps to a maximum threshold of 30% of net assets. Investments in Small or Mid Caps does not exceed 30% of net assets.

The lifespan of the securities acquired must enable respect for the constraint of overall sensitivity to the interest rate from 0 to 8. The UCITS

is subject to foreign exchange risk up to a maximum threshold of 50% of net assets.

The UCITS may use forward and/or conditional financial instruments (futures, options, swaps, forward foreign exchange) traded on French or foreign regulated, organised or private markets authorised by the legislation in force, within the commitment limit of 100% of its net assets, with the aim of hedging, exposure or arbitrage of equity, credit, interest rate, foreign exchange and volatility risks.

The UCITS may equally use securities with embedded derivatives within a maximum limit of 40% of its net assets with the aim of hedging or exposure to equity, rate or credit risks, such as debt securities or EMTNs with indexed earnings or redemption, warrants, puttable bonds, medium-term debt securities with earnings and/or a valuation contingent upon the aforementioned underlyers and indices reflecting these underlyers. The UCITS may use callable or puttable bonds up to a maximum threshold of 100% of net assets, and may also invest in conventional or synthetic convertible bonds within a range of 0 to 100% of net assets.

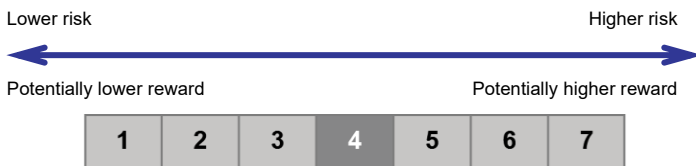
The net earnings and the net capital gains generated by the UCITS will systematically be reinvested for the "I(C)" unit.

The subscription and redemption orders are centralised with CACEIS Bank every business day before 1pm. They are executed daily on the basis of the net asset value calculated on the next day (D+1) from the closing prices of the date of subscription/redemption (D) and dated D.

This fund may not be appropriate for investors who plan to withdraw their money within five years.

Other information: The contribution of environmental, social and governance (ESG) criteria is taken into account in making investment decisions, in addition to the financial analytics, although it is not a systematic determining factor in such decision-making.

Risk and reward profile



The risk level of the UCITS reflects the market risk of the convertible bonds to which the UCITS may be exposed in their entirety.

Historical data such as that used to calculate the level of risk may not be considered to be a reliable indication of the future risk profile of the fund. The risk category associated with your fund is not guaranteed and may change over time. The lowest category does not mean a "risk-free" investment.

The major risks to the UCITS that are not taken into account in this indicator are as follows:

Credit risk: This represents the risk of a sudden deterioration in the creditworthiness of an issuer and the risk that the issuer may not be able to make repayments, thereby leading to a fall in the price of the instrument and hence a fall in the fund's asset value.

Counter-party risk: This represents the risk of failure of a market participant, preventing it from honouring its commitments.

Risk arising from use of derivatives: Using derivatives may increase or decrease the portfolio's capacity to expand market movements.

The occurrence of one of these risks may lower the net asset value of your portfolio

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COVÉA OBLIGATIONS CONVERTIBLES

ISIN Part I(C) code: FR0011070762

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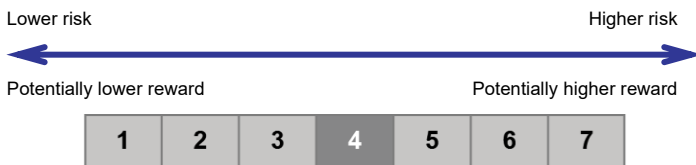
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COVÉA OBLIGATIONS CONVERTIBLES

ISIN Part A(C) code: FR0000978736

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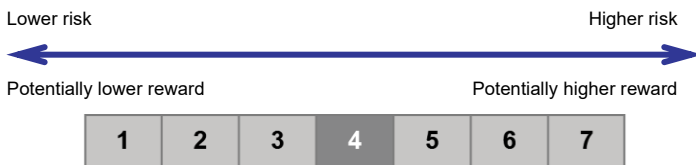
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INVESTMENT AND MANAGEMENT INFORMATION CHANGES

- Annual update of fees and performance;
- Compliance with Taxonomy Regulation;
- Reformulation of currency swap strategy.

UPCOMING CHANGES

- Publication of the PRIIPS KID replacing the KIID;
- Publication of SFDR annex.

MANAGEMENT REPORT

ECONOMIC ENVIRONMENT

In 2022, the gradual dissipation of health risk in most economies (with the prominent exception of China) was replaced by other hazards. The escalating geopolitical tensions materialized in the form of Russia's invasion of Ukraine. This event highlighted the polarization of the world, accentuated geopolitical uncertainties and deepened the economic imbalances caused by the health crisis. Soaring energy and commodity prices and tensions in supply chains drove up prices dramatically. Domestic inflationary pressures gradually took over from external pressures, leading to a broad tightening of monetary policies by most major central banks throughout the year. However monetary restrictions and rising prices impacted demand in the second half of 2022. The economic slowdown, coupled with reduced access to liquidity, posed an increasingly tangible financial risk on liabilities accumulated before and during the health crisis by public and private players. On foreign exchange markets, the euro declined against the dollar by 5.8%, closing at \$1.066 per euro. The price of a barrel of Brent crude oil rose by 10.45%, closing out the year at \$85.91.

In the United States, the Federal reserve (Fed) embarked on a new round of monetary tightening in the face of inflationary pressures. Price increases intensified amidst persistent supply-demand imbalances, with inflation peaking at 9.1% in June. Consumption held up, largely due to surplus savings following exceptional fiscal support in 2020. Nevertheless, the new inflationary context is weighing on household purchasing power and eroding this surplus savings. On the labour market side, demand for labour remained strong throughout the year, leading to wage growth, which is not showing any sign of slowing down yet. Against this backdrop, the FED proceeded to quickly raise its key rates, raising it by 425 basis points over the year. This tightening movement should continue. Individual forecasts by members of the Federal Open Market Committee (FOMC) in the December meeting indicate that the key rate may be raised to [5.00; 5.25%] by the end of 2023, i.e. an increase of 50 bps compared to the trajectory presented in September in the previous set of forecasts. This tightening of financing conditions has severely penalised the US real estate sector. On the budgetary front, the senators adopted the Biden administration's plan entitled the "Inflation Reduction Act" which aims to reduce the impact of price increases and allow for a reduction in the public deficit of about \$300bn in 10 years. Finally, the midterm elections in November gave the Republicans a majority in the House of Representatives while Democrats retained a majority in the Senate. This new configuration suggests a legislative status quo for the remainder of President Biden's term, with each side neutralizing the other's plans.

In the United Kingdom, political turmoil was compounded by the economic downturn. Coming to power in the summer of 2022, following the resignation of Boris Johnson, Liz Truss held the shortest term in British history as Prime Minister. Her fiscal policy announcement led to pressure on sovereign rates and the British pound.

The Bank of England intervened to put an end to this financial panic by buying sovereign securities over a very short period. These events led to the resignation of L. Truss, replaced by Rishi Sunak. At the same time, economic difficulties have accumulated, particularly for households, which have seen their purchasing power decline sharply due to inflation. Against this backdrop, the Bank of England has made several increases in its key rate, and during its last meeting highlighted that the labour market remains tight and that inflationary pressures are increasingly driven by domestic factors, thereby justifying further tightening of monetary policy.

MANAGEMENT REPORT

In the eurozone, the conflict in Ukraine starkly revealed the energy dependence of European countries. The geopolitical landscape and Europe's resolve to reduce Russian energy imports led to a surge in energy prices. Inflationary pressures gradually spread to the economy as a whole and the eurozone experienced record inflation of 10.6% in October. The energy shock, combined with the high uncertainties looming over the conflict, led to moderate economic activity and deterioration of survey indicators, which were particularly pronounced in Germany. Against this backdrop, the European Central Bank followed the lead of its peers and proceeded to raise its key rates several times from the summer of 2022. The tightening cycle is expected to continue at least into the first half of 2023. On the fiscal front, many governments have announced measures to support households and businesses in the face of rising energy prices. Additionally, EU Member States agreed on a number of measures to reduce their dependence on Russian energy and curb rising energy costs, including joint gas purchases and introduction of a gas price cap of €180/MWh. On the political front, the year was dominated by the accession to power in Italy of the eurosceptic "Italian Brotherhood" party, led by Georgia Meloni.

In China, economic activity was dampened by the government's "zero-COVID" health policy. Restrictions related to the different epidemic waves in 2022 hampered both internal demand and production capacity. However, the authorities decided to abandon this health policy at the end of the year, but the ensuing surge in contamination is unlikely to allow activity to normalise in the short term. In the meantime, the Chinese real estate sector continued to decline, despite government support.

In Japan, monetary policy remained the same running counter to that of the other major developed economies. This monetary policy differential resulted in a sharp depreciation of the yen, which led the authorities to intervene on foreign exchange markets. Nevertheless, the Bank of Japan surprised us during its last meeting of the year by announcing a relaxation of its policy of controlling the rate curve, by increasing the range of fluctuation rates on 10-year sovereign bonds from ± 0.25 pt around 0% to ± 0.5 pt around 0%. On the operational front, the economy is struggling to return to its pre-crisis level but showed signs of recovery during the final months of the year.

Data sources: Refinitiv, Bloomberg, US Bureau of Labor Statistics, US Bureau of Economic Analysis, Eurostat, ECB, S&P Global, Statistics Bureau of Japan, Japan Cabinet Office, National Bureau of Statistics of China.

MANAGEMENT REPORT

FINANCIAL MARKETS

The year 2022 was marked by a severe rise in rates related to soaring inflation, which affected all risky assets.

Initiated in 2021 against a backdrop of overstretched post-COVID supply chains and favourable fiscal and monetary policies, the movement was amplified by the geopolitical and energy shock following Russia's invasion of Ukraine. In the Eurozone, inflation, initially perceived as temporary, rose from 5% at the beginning of the year to peak at 10.6% in October. In response, the ECB raised its key interest rates by 250 bp over the year, the largest cumulative increase since its inception. On the other side of the Atlantic, we have to go back to the 1980s to find increases comparable to those made by the Federal Reserve, which totalled 425 bp.

These increases, accompanied by restrictive speeches and announcements of balance sheet reductions, heavily penalised the bond markets, which posted their worst performance in 20 years at global level.

They also eroded the other performance drivers of European convertible bonds: credit risk premia widened sharply (+232 bp for the iTraxx Europe Crossover index) while equity markets declined. The Stoxx 600 index, including dividends, lost 9.88%, with significant heterogeneity among the sectors. Energy (+30.4%), basic resources (+11.3%) and financials (+5.6% for insurance, +2.5% for banks) logically took advantage from the environment, while sectors with high multiples and sensitive to rising interest rates were at the bottom of the ranking: -27.5% for technology, -30.1% for retail, -37.8% for real estate. Against this backdrop, our benchmark index fell by 13.68% over the year.

Lastly, primary activity fell sharply in terms of number and volume of issues. Despite a rebound from September to November, the European market accounted for only 21 issues totalling €7.9bn versus €19.3bn in 2021 and an average of €18.5bn between 2016 and 2020.

MANAGEMENT REPORT

MANAGEMENT POLICY

In line with our Economic and Financial Outlook (EFO), we maintained a lower sensitivity to the equity market and interest rates than the benchmark throughout the year.

We have also maintained very tight discipline in terms of stock selection, by being demanding on the credit quality of issuers. Since our aim was to maximise the medium-term risk/reward profile, we opted to discard securities for which we felt our outlook was insufficient even where the technical profile may have seemed attractive, particularly during primary issues.

Throughout the financial year, we looked for investments that could meet the Fund's objectives. As a result, we were engaged in the opportunities available on the primary market, where we were satisfied with the fundamentals of the issuers. More specifically, we subscribed to the new issues Elis 2029, Ubisoft 2028, RAG Stiftung/Evonik 2029 and Iberdrola 2027.

Due to the EHPAD controversy, we sold our lines on Orpea 2027 and Korian 2027 convertibles.

Among the significant equity transactions, we opted for the conversion of Snam 2022 bonds at maturity, Engie/GTT 2024 (exercise of the issuer call) and contributed our EDF 2024 shares to the buyback offer related to the renationalisation.

In terms of sector and geographic allocation, we maintained a defensive position on UK and real estate exposure due to our expectations as described in our EFOs.

MANAGEMENT REPORT

OUTLOOK

Monetary policies are expected to continue normalising in 2023, as central banks have already announced, in the US and in Europe, but the movements seem to us to be fairly well anticipated by the market. The start of the year, which has been rich in new issues, particularly on the long end of the curve, prompted us to maintain a lower sensitivity than the benchmark in the short term. We are attentive to the deformation of the yield curve and alert to movements in the credit market and the quality of issuers in the portfolio. Depending on market conditions, we may have to increase our exposure to private issuers which now offer an attractive additional yield.

MANAGEMENT REPORT

PERFORMANCE AND INFORMATION ON THE

UCI PERFORMANCE

In 2022, COVÉA OBLIGATIONS CONVERTIBLES performance stood at -9.45% for the AC unit, -8.90% for the IC unit and -8.90 for the ID unit.

The performance of its benchmark index, Bloomberg EMEA Convertibles Europe (unhedged) net coupons reinvested, was -13.68%.

The performance achieved over the period is no indicator of future results of the UCI.

EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES

For FY2022, the UCI used listed derivatives: exposure to currency risk (USD, GBP, CHF) was actively managed according to the expectations of the currency committees with the implementation of forward currency transactions, while management of the portfolio's equity exposure was fine-tuned with the use of equity market futures (Eurex).

At the end of the year, the fund had a long position of 50 Eurostoxx 50 futures contracts, representing an exposure of 0.49%.

Cash assets were primarily invested in money market funds (6.0% in money market funds at 30/12/2022).

The COVID-19 health crisis had no material impact on the fund during the year.

TRANSPARENCY OF SECURITIES FINANCING TRANSACTIONS AND REUSE OF FINANCIAL INSTRUMENTS (SFTR)

During the financial year ended at 30 December 2022, the UCI did not carry out any transactions that fall under the SFT Regulation.

MAIN PORTFOLIO MOVEMENTS DURING THE YEAR

Securities	Mouvements ("Devises de comptabilité")	
	Acquisitions	Disposals
FREN REP PRES ZCP 29-06-22	36 072 695,78	36 000 000,00
FREN REP PRES ZCP 22-02-23	38 000 000,00	
TELECOM ITALIA SPA EX OLIVETTI 1.125% 26-03-22		15 700 000,00
TOTALENERGIES SE 0.5% 02-12-22 CV		12 715 885,37
ELIS EX HOLDELIS ZCP 06-10-23	4 211 755,65	6 912 702,90
ENI ZCP 13-04-22 EMTN		10 000 000,00
IBERDROLA INTERNATIONAL BV ZCP 11-11-22 CV		9 262 460,90
IBERDROLA FINANZAS SAU 0.8% 07-12-27 CV	8 010 500,00	
COVEA SÉCURITÉ G	5 483 772,00	1 794 614,70
SNAM	4 500 000,00	2 600 283,83

INFORMATIONS RÉGLEMENTAIRES

OVERALL RISK CALCULATION METHOD

The UCI's overall risk exposure is measured by the method of calculation of commitments.

INFORMATION ON SELECTION POLICY FOR EXECUTION INTERMEDIARIES AND EXECUTION POLICY

In line with its business obligations as defined by the Monetary and Financial Code and the General Regulations of the Autorité des Marchés Financiers in performing its activities as a portfolio management company, Covéa Finance annually publishes and reviews policies describing the organisation and outlining the criteria used to protect its customers' interests when executing an order arising from its management decisions.

These policies on the best selection of execution intermediaries and best execution (hereinafter referred to as the "Policies") are available on the Covéa Finance website in the section "Our reports and policies".

Pursuant to these Procedures, the Management Company's negotiating teams are required to carry out their transactions on financial markets via intermediaries whose names appear on an authorised list drawn up by an indexing committee.

A selection and evaluation committee meets once a year to assess the performance of the intermediaries selected based on several quantitative criteria. The latter committee meets in the presence of the negotiating teams responsible for the selection and evaluation of the intermediaries as well as managers, middle office heads, legal officers and internal auditors.

Monthly ad hoc committee meetings may also be held, particularly in case of a major change in the performance of an authorised intermediary, market conditions or a specific development at Covéa Finance.

Compliance with the list of intermediaries is subject to control by the Compliance and Internal Audit Officer.

Pursuant to the applicable provisions of the General Regulations of the Autorité des Marchés Financiers, a report on intermediation fees is available on the Covéa Finance website in the section "Our reports and policies".

POLICY ON VOTING RIGHTS

Pursuant to the provisions of Article L533-22 of the French Monetary and Financial Code, the rights attached to the status of UCITS shareholder and, particularly voting rights have been exercised freely in the interest of the unit holders in accordance with the shareholder commitment policy available on the Covéa Finance website in the section "Our reports and policies".

NON-FINANCIAL INFORMATION

With regard to sustainability information stemming from the European Regulation "SFDR", this European regulation seeks to enhance and harmonise transparency among financial market players on social and environmental responsibility.

Sustainability transparency in financial products:

To make it easier for investors to identify financial products that match their expectations on environmental and social issues, the Sustainability Regulation ("SFDR") requires each entity to place each of its products in one of the following three categories:

- Article 9: products with a sustainable investment objective,
- Article 8: products addressing environmental and/or social issues,
- Article 6: other products without the promotion of environmental and/or social characteristics as their primary objective and without sustainable investment as their management objective.

Information on the double materiality principle related to 1) sustainability risks and 2) negative sustainability impacts can be found in the Sustainability Risk Statement available on the Management Company's website in the section "Our Reports and Policies".

Since 10 March 2021, the Fund is classified under Article 8 of the SFDR ("products addressing environmental and/or social issues").

Consideration of sustainability risks and factors, as defined in the EU Regulation 2019/2088 of the European Parliament and of the Council of 27 November 2019, is fully embodied in Covéa Finance's Sustainability Risk and ESG policy.

Sustainability risk monitoring is mainstreamed into Covéa Finance's investment decision and value chain.

Covéa Finance's investment policy seeks to mitigate sustainability risk through a system based mainly on implementation of exclusion filters (normative, sectoral and/or thematic) applicable to any direct investment in shares or bonds and accessible on the website, combined with implementation of non-financial selection criteria in addition to financial selection criteria.

All the information on how the management company deals with criteria on compliance with environmental, social and governance (ESG) objectives in its investment process is available on the Covéa Finance website in the section "Our reports and policies".

In light of developments and work in progress, the categorisation of UCIs in the range may vary depending on the UCI.

Pursuant to Article 50 of the SFDR Level 2 Delegated Regulation, information on achievement of the environmental or social characteristics promoted by the financial product is available in the annex to this report.

The objective of the European Union Taxonomy is to identify business activities considered as environmentally sustainable. The Taxonomy identifies these activities according to their contribution to six broad environmental objectives: Climate Change Mitigation, Climate Change Adaptation, Sustainable Use and Protection of Water and Marine Resources, Transition to the Circular Economy (waste, prevention and recycling), Pollution Prevention and Control, and Protection of Healthy Ecosystems.

Currently, Technical Screening Criteria have been developed for some business activities that can substantially contribute to two of these objectives: climate change mitigation and climate change adaptation. These criteria are currently awaiting publication in the Official Journal of the European Union. Therefore, the data presented below only reflects alignment with these two objectives, based on criteria that have not been conclusively published, as submitted to the European co-legislators. We will update this information in case of changes to these criteria, development of new review criteria for these two objectives, as well as during implementation of criteria for the other four environmental objectives.

To be considered sustainable, a business activity must demonstrate that it makes a substantial contribution to the achievement of one of the 6 objectives, while not harming any of the other five (the so-called DNSH (Do No Significant Harm) principle). For any activity to be considered aligned with the European Taxonomy, it must also respect the human and social rights guaranteed under international law.

The Fund has not currently made any commitments to align its activity with the EU Taxonomy. The percentage of alignment with climate change mitigation and climate change adaptation objectives is currently low. The proportion of investments aligned with the Taxonomy, from an environmental perspective, hinges on incremental and continuous access to data reported by issuers. As and when issuers provide such data, the fund will be in a position to determine an alignment target in line with the regulations and effective from the entry into force of the Technical Standards scheduled for 1 January 2023.

The principle of not causing significant harm applies only to investments underlying financial products that reflect the European Union's criteria for environmentally sustainable business activities. The investments underlying the remaining portion of this financial product do not reflect EU criteria for environmentally sustainable business activities.

INFORMATION ON REMUNERATION POLICY

As a managing company, Covéa Finance places a special premium on compliance with all the remuneration provisions mentioned in Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers (hereinafter the "AIFM Directive") and in the Directive 2014/91/EU of 23 July 2014 on UCITS managers (hereinafter referred to as the "UCITS V Directive"). The regulations on the management company's remuneration structures, practices and policies are mainly aimed at fostering a sound, efficient and disciplined management of the risks to which the management company and the fund are both exposed.

1. Remuneration amounts paid by the Management Company to its employees

During the 2022 financial year, the total amount of remuneration announced by Covéa Finance to all its employees (headcount as at 31/12/2022) amounted to €15,293,424. This amount is broken down as follows:

- €12,245,120, i.e. 80% of the total amount paid by the company to its employees was fixed pay; while
- EUR 3,048,304, i.e. 20 % of the total amount paid by the company to its employees was variable pay. Variable pay for the 2021 financial year was made to 164 employees. One employee received variable pay in arrears for 3 years.

Out of the total payment made by the management company for the year, EUR 8,314,762 was paid to senior staff of Covéa Finance whose activities have a substantial incidence on the Fund's risk profile as outlined in our 2022 Remuneration Policy.

2. Remuneration amounts paid by the Fund to the Management Company's employees

Covéa Finance does not effect any profit-sharing on capital gains (or *carried interest*) and the Fund does not pay any (fixed or variable) salary to managers.

3. Implications of remuneration policy and practices on the Fund's risk profile and management of conflicts of interest

In February 2017, Covéa Finance aligned its current remuneration policy with Directive 2014/91/EU of 23 July 2014 (UCITS V Directive), revised the rules of procedure of its Remuneration Committee and implemented remuneration practices in line with the latest legislative, regulatory and doctrinal developments introduced by the regulatory authorities. It also identified persons working under its employees who were affected by the new remuneration provisions in the AIFM Directive, the UCITS V Directive and its transposition laws (hereinafter the These are employees who meet the following two criteria:

- (i) Belong to an employee category with a variable pay and whose activities are likely to impact the risk profile of the management company or the Fund managed; and
- (ii) Have a variable pay above EUR 200,000, thereby reflecting the level of responsibility for the risk profile.

Where the Identified Population's remuneration varies based on performance, the total amount, which is capped at a level below their fixed pay, is determined by the manager by combining the performance assessments of the employee concerned, their operational unit and/or the portfolio basket (UCI, AIF and "Mandate") with assessments of the overall performance of the management company. The individual performance assessment is based on both financial and non-financial criteria.

All the principles are outlined in the Covéa Finance Remuneration Policy, which is available on its website.

4. Governance and management of remuneration principle

The remuneration policy is reviewed yearly by the Remuneration Committee provided for in the Covéa Finance articles of association. It comprises:

- A representative of the Supervisory Board of Covéa Finance;
- Two representatives of Covéa Group, who are independent from Covéa Finance, at least one of whom must sit on the Covéa Group Remuneration Committee; and
- The Chairperson of Covéa Finance.

Pursuant to the regulations, most members of the Remuneration Committee neither hold any executive position within Covéa Finance nor earn any salary as employees of the latter.

FEES AND TAXES

ADDITIONAL INFORMATION ON TAX REGIME OF THE COUPON

None.

ADDITIONAL INFORMATION (PEA, others...)

None.

AUDITOR'S REPORT



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Fonds Commun de Placement COVEA OBLIGATIONS CONVERTIBLES

*Statutory auditor's report on the financial
statements
Year ended 30 December 2022
(free translation of a French language original)*

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*This is a translation into English of the statutory auditors' report on the financial statements of the Fund issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

Fonds Commun de Placement COVEA OBLIGATIONS CONVERTIBLES

8-12, rue Boissy d'Anglas - 75008 Paris

Statutory auditor's report on the financial statements Year ended 30 December 2022 (free translation of a French language original)

To shareholders,

Opinion

In compliance with the engagement entrusted to us by the board of directors of the Fund's management company, we have audited the accompanying financial statements of the "organisme de placement collectif" COVEA OBLIGATIONS CONVERTIBLES created as a "fonds commun de placement" for the year ended 30 December 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Fund as at 30 December 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors rules applicable to us, for the period from 1st January 2022 to the date of our report.

Justification of Assessments

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you that, in our professional judgment, the most significant assessments we have made pertain to the appropriateness of the accounting principles applied, in particular with respect to the financial instruments in the portfolio, and to the presentation of all the accounts, in accordance with the accounting plan of an open-end mutual fund.

These matters were addressed in the context of our audit of the financial statements as a whole, established in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Verification of the Management Report of the Fund's management company

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 Fund's management company.

Responsibilities of the Management Company for the Financial Statements

The management company is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Fund or to cease operations.

The financial statements were approved by the management company.

Statutory Auditor's Responsibilities for the Audit of the Financial Statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Fund or the quality of management of the affairs of the Fund.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management company in the financial statements.
- Assesses the appropriateness of the management company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Paris la Défense, on the 7 April 2023

The statutory auditor

French original signed

by Pascal Lagand

Partner

FINANCIAL STATEMENTS

BALANCE SHEET ASSETS AT 30/12/2022 (EUR)

	30/12/2022	31/12/2021
NET ASSETS		
DEPOSITS		
FINANCIAL INSTRUMENTS	357 379 509,48	375 039 525,99
Shares and similar securities	15 515 961,79	7 507 054,79
Traded on a regulated or similar market	15 515 961,79	7 507 054,79
Not traded on a regulated or similar market		
Bonds and similar securities	265 922 769,62	328 096 270,88
Traded on a regulated or similar market	265 922 769,62	328 096 270,88
Not traded on a regulated or similar market		
Debt securities	37 918 050,67	3 178 325,32
Traded on a regulated or similar market	37 918 050,67	3 178 325,32
Negotiable debt securities:	37 918 050,67	3 178 325,32
Other debt securities		
Not traded on a regulated or similar market		
Undertakings for Collective Investment (UCIs)	37 946 727,40	35 960 125,00
TOTAL UCITS and general purpose FIA intended for non-professionals and equivalents in other countries	29 556 807,40	26 572 285,00
Other Funds intended for non-professionals and equivalents in other EU Member States		
Professional general purpose funds and equivalents in other EU member countries and listed securitisation vehicles	8 389 920,00	9 387 840,00
Other professional investment funds and equivalents in other EU Member States and unlisted securitisation vehicles		
Other non-European vehicles		
Temporary securities transactions		
Debts representing securities received through repurchases		
Debts representing securities lent		
Securities borrowed		
Repurchase agreements		
Other temporary transactions		
Financial futures	76 000,00	297 750,00
Traded on a regulated or similar market	76 000,00	297 750,00
Other transactions		
Other financial instruments		
RECEIVABLES	17 908 381,41	6 998 576,48
Foreign exchange forward contracts	17 709 135,61	6 024 045,58
Others	199 245,80	974 530,90
FINANCIAL ACCOUNTS	25 983 950,06	39 711 027,06
Cash	25 983 950,06	39 711 027,06
TOTAL ASSETS	401 271 840,95	421 749 129,53

BALANCE SHEET LIABILITIES AT 30/12/2022 (EUR)

	30/12/2022	31/12/2021
EQUITY		
Capital	392 811 911,96	407 822 016,26
Previous net unrealized gains and losses (a)		
Retained earnings (a)		
Net unrealized gains and losses for the year (a,b)	-8 452 157,42	8 395 423,79
Retained earnings (a,b)	-912 715,80	-1 249 314,68
TOTAL EQUITY *	383 447 038,74	414 968 125,37
<i>*Amount representing net assets</i>		
FINANCIAL INSTRUMENTS		
	76 000,00	297 750,00
Disposals of financial instruments		
Temporary securities transactions		
Debts representing repurchase agreements		
Debts representing securities borrowings		
Other temporary transactions		
Financial futures	76 000,00	297 750,00
Traded on a regulated or similar market	76 000,00	297 750,00
Other transactions		
LIABILITIES	17 748 802,21	6 483 254,16
Foreign exchange forward contracts	17 445 572,42	6 270 896,19
Others	303 229,79	212 357,97
FINANCIAL ACCOUNTS		
Current bank borrowings		
Loans		
TOTAL LIABILITIES	401 271 840,95	421 749 129,53

(a) Including accruals

(b) Less payments on account for the year

OFF BALANCE SHEET ITEMS AT 30/12/2022 (EUR)

	30/12/2022	31/12/2021
HEDGING		
Commitments on regulated or similar markets		
Futures contracts		
EURO STOXX 50 0321		
Commitments on over-the-counter markets		
Other commitments		
OTHER TRANSACTIONS		
Commitments on regulated or similar markets		
Futures contracts		
EURO STOXX 50 0322		12 862 500,00
EURO STOXX 50 0323	1 892 500,00	
Commitments on over-the-counter markets		
Other commitments		

INCOME STATEMENT AT 30/12/2022 (EUR)

	30/12/2022	31/12/2021
Income on financial transactions		
Income from deposits and financial accounts	76 763,05	
Income on equities and similar securities	383 063,30	269 521,56
Income on bonds and similar securities	1 139 353,88	912 551,30
Income on debt securities	247,02	29,94
Income from temporary purchases and sales of securities		
Income from forward financial instruments		
Other financial income		
Total (1)	1 599 427,25	1 182 102,80
Expenses on financial transactions		
Expenses on temporary purchases and sales of securities		
Expenses on forward financial instruments		
Expenses on financial debt	106 682,79	127 227,42
Other financial expenses		
Total (2)	106 682,79	127 227,42
PROFIT FROM FINANCIAL TRANSACTIONS (1 - 2)	1 492 744,46	1 054 875,38
Other income (3)		
Management fees and depreciation and amortization (4)	2 400 735,85	2 268 829,81
NET INCOME FOR THE YEAR (L. 214-17-1) (1 - 2 + 3 - 4)	-907 991,39	-1 213 954,43
Regularization of income for the year (5)	-4 724,41	-35 360,25
Interim payments made for the period (6)		
PROFIT OR LOSS (1 - 2 + 3 - 4 + 5 + 6)	-912 715,80	-1 249 314,68

APPENDICES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The annual financial statements are presented in the formats prescribed by the amended Regulation ANC 2014-01.

The general principles of accounting apply, including:

- fair view, comparability, business continuity,
- correctness, good faith,
- caution,
- consistency of methods from one year to another.

The accounting method used for recording profits from fixed income securities is that of interest received.

The inputs and sales of securities are recorded exclusive of fees.

The base currency of the portfolio is the Euro.

The financial year is 12 months.

Information on impact of the COVID-19 crisis

The accounts were prepared by the management company on the basis of available information in the context of the evolving COVID-19 crisis.

Asset valuation rules

Financial instruments are recorded in the accounts using the historical cost method and are carried at their present value. This is determined by taking the last known market value or, if no market exists, by taking any external measure or by using financial models.

Differences between current values used in the calculation of the NAV and the historic cost of the securities at the time they were added to the portfolio are recorded in the "valuation differentials" accounts.

The securities that are not in the portfolio's currency are valued in accordance with the principle set out below, then converted into the portfolio's currency at the exchange rate on the valuation day.

Deposits:

Deposits with a residual maturity term or equal to 3 months are valued using the linear method.

Shares, bonds and other securities traded on a regulated market:

For the calculation of the net asset value, equities and other securities traded on a regulated or similar market are valued based on the last trading day.

Bonds and other similar securities are valued at the closing price supplied by various financial service providers. The interest accrued by bonds and similar securities is calculated up to the stock market net asset value date of the day.

Shares, bonds and other securities not traded on a regulated or similar market:

Securities not traded on a regulated market are valued under the management company's responsibility using the methods based on the asset value and the yield, taking into consideration the prices at the time of recent significant transactions.

APPENDICES TO THE FINANCIAL STATEMENTS**Negotiable debt securities:**

Negotiable debt securities and similar securities:

- i. Treasury bonds and similar securities (BTF, T-bill, Letras, BOTS, etc.), as well as medium-term marketable securities and similar securities with a maturity above one year are all valued at the market price based on contributed rates.
- ii. Short-term marketable securities and similar securities (ECP, NEU CP, etc.) with a maturity below one year are valued daily using a spread and a representative composite yield curve in the investment universe.

UCI units held:

UCI units or shares are valued at the last known net asset value.

Securities received under repurchase agreements are recorded as assets in "Debts representing securities received through repurchases" for the amount specified in the contract plus accrued interest receivable.

Securities sold under repurchase agreements are recorded as securities purchased at their current value. Debts representing securities sold under repurchase agreements are recorded as securities sold at the value set in the contract plus accrued interest payable.

Securities lent are valued at their current value and are recorded as assets in "Debts representing securities lent" at their current value, plus any accrued interest receivable.

Securities borrowed are recorded as assets under "Borrowed securities" for the amount specified in the contract, and liabilities under the heading "Debts representing securities borrowed" for the amount specified in the contract plus accrued interest payable.

Derivative financial instruments:**Derivative financial instruments traded on a regulated or similar market:**

Derivative financial instruments traded on regulated markets are valued at the settlement price of the day.

Derivative financial instruments not traded on a regulated or similar market:**Swaps:**

Interest rate swap contracts and / or currency swaps are valued at market value based on the price calculated by discounting future interest payments of interest and / or currency market rates. This price is adjusted by the risk signature.

Index swaps are measured actuarially, based on a reference rate provided by the counter-party.

Other swaps are valued at their market value or at an estimated value under arrangements specified by the management company.

Off-balance sheet commitments:

Futures contracts are recorded at their market value as off-balance sheet commitments at the rate used in the portfolio.

Conditional forward transactions are translated into the equivalent underlying.

Commitments on swaps are presented at their nominal value or, in the absence of nominal value for an equivalent amount.

APPENDICES TO THE FINANCIAL STATEMENTS

Management fees

Management and operating expenses cover all expenditure related to the UCI: financial, administrative, accounting, custodial, distribution, audit...

These expenses are charged to the UCI's profit or loss account.

Management fees do not include transaction costs. For further information on the fees effectively charged to the UCI, kindly refer to the prospectus.

They are recognised on a pro rata temporis basis at each net asset value calculation.

The total amount of these expenses are in line with the maximum fee rate for the net assets outlined in the Fund's prospectus or regulations, namely:

FR0013317674 - COVEA OBLIGATIONS CONVERTIBLES ID: Maximum fee rate of 0.40% incl. VAT;

FR0011070762 - COVEA OBLIGATIONS CONVERTIBLES IC: Maximum fee rate of 0.40% incl. VAT;

FR0000978736 - COVEA OBLIGATIONS CONVERTIBLES AC: Maximum fee rate of 1% incl. VAT;

Allocation of amounts available for distribution

Definition of distributable amounts

Distributable amounts consist of:

Profit:

Net profit for the year equals the amount of interest, arrears, premiums, dividends, fees and all other income relating to securities in the portfolio, plus income generated by temporary cash holdings, less any management costs and borrowing fees.

It is increased by the retained earnings and increased or decreased by the revenue accruals.

Gains and Losses:

Capital gains, net of expenses, decreased by the losses made, net of expenses, recorded during the year, increased by the net gains generated of the same nature recorded during previous financial years, which were not distributed or capitalised and decreased or increased by the balance of the capital gains adjustment account.

Allocation of distributable amounts:

Unit(s)	Allocation of net income	Allocation of net capital gains or losses
COVÉA OBLIGATIONS CONVERTIBLES AC units	Capitalisation	Capitalisation
COVÉA OBLIGATIONS CONVERTIBLES IC units	Capitalisation	Capitalisation
COVÉA OBLIGATIONS CONVERTIBLES ID units	Distribution	Capitalisation

2. CHANGES IN NET ASSETS (in EUR) at 30/12/2022

	30/12/2022	31/12/2021
NET ASSETS AT BEGINNING OF YEAR	414 968 125,37	329 534 134,88
Subscriptions (including subscription fees paid to UCI)	28 259 169,07	98 990 905,82
Redemptions (including redemption fees paid to the fund)	-21 418 666,69	-32 109 947,00
Gains on deposits and financial instruments	1 598 404,99	7 996 676,25
Losses on deposits and financial instruments	-10 744 547,92	-1 337 113,26
Capital gains on forward financial instruments	1 860 702,40	1 023 836,48
Capital losses on forward financial instruments	-2 734 138,63	-209 097,02
Transaction fees	-5 141,27	-3 668,31
Exchange differences	4 025 194,26	4 878 514,19
Changes in the valuation differential of deposits and financial instruments	-31 080 321,45	7 170 587,77
Difference in estimates year N	-4 258 170,11	26 822 151,34
Estimated difference in financial year N-1	-26 822 151,34	-19 651 563,57
Variations in estimated difference in financial futures	-373 750,00	247 250,00
Difference in estimates year N	-76 000,00	297 750,00
Estimated difference in financial year N-1	-297 750,00	-50 500,00
Distribution over the previous year on net capital gains and losses		
Prior period distribution		
Net income for the period before adjustment accounts	-907 991,39	-1 213 954,43
Advance payments made during the year on net capital gains and losses		
Advance payments made from income during the year		
Other items		
NET ASSETS AT END OF YEAR	383 447 038,74	414 968 125,37

3. ADDITIONAL INFORMATION

3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC TYPE

	Amount	%
ASSETS		
BONDS AND SIMILAR SECURITIES		
Convertible bonds traded on a regulated or similar market	265 922 769,62	69,35
TOTAL BONDS AND SIMILAR SECURITIES	265 922 769,62	69,35
DEBT SECURITIES		
Treasury bill	37 918 050,67	9,89
TOTAL DEBT SECURITIES	37 918 050,67	9,89
LIABILITIES		
DISPOSALS OF FINANCIAL INSTRUMENTS		
TOTAL DISPOSALS OF FINANCIAL INSTRUMENTS		
OFF-BALANCE SHEET		
HEDGING		
TOTAL HEDGING TRANSACTIONS		
OTHER TRANSACTIONS		
Equities	1 892 500,00	0,49
TOTAL OTHER TRANSACTIONS	1 892 500,00	0,49

3.2. BREAKDOWN BY TYPE OF RATES OF ASSETS, LIABILITIES AND OFF BALANCE SHEET ITEMS

	Fixed rate	%	Variable rate	%	Revisable rate	%	Others	%
ASSETS								
Deposits								
Bonds and similar securities	265 922 769,62	69,35						
Debt securities	37 918 050,67	9,89						
Temporary securities transactions								
Financial Accounts						25 983 950,06	6,78	
LIABILITIES								
Temporary securities transactions								
Financial Accounts								
OFF-BALANCE SHEET								
Hedging								
Other transactions								

3. ADDITIONAL INFORMATION

3.3. BREAKDOWN BY RESIDUAL MATURITY OF ASSETS, LIABILITIES AND OFF BALANCE SHEET ITEMS

	<3 months	%]3 months - 1 year]	%] 1-3 years]	%] 3-5 years]	%	> 5 years	%
ASSETS										
Deposits										
Bonds and similar securities	23 035 079,44	5,55	39 267 609,35	9,46	113 141 200,03	27,27	103 550 240,54	24,95	49 102 141,52	11,83
Debt securities	37 918 050,67	9,89								
Temporary securities transactions										
Financial Accounts	25 983 950,06	6,78								
LIABILITIES										
Temporary securities transactions										
Financial Accounts										
OFF-BALANCE SHEET										
Hedging										
Other transactions										

Rate futures positions are presented according to the underlying maturity.

3.4. BREAKDOWN BY LISTING OR VALUATION CURRENCY OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS (EXCL. EUR)

	Currency 1 USD		Currency 2 GBP		Currency 3 CHF		Currency N OTHER(S)	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Deposits								
Shares and similar securities								
Bonds and similar securities	42 443 113,55	11,07	7 645 413,00	1,99	13 939 665,05	3,64		
Debt securities								
UCI								
Temporary securities transactions								
Receivables								
Financial Accounts	165 381,35	0,04	4 744 877,89	1,24	1 015 591,94	0,26		
LIABILITIES								
Disposals of financial instruments								
Temporary securities transactions								
Liabilities	9 344 226,50	2,44			8 101 345,92	2,11		
Financial Accounts								
OFF-BALANCE SHEET								
Hedging								
Other transactions								

3. ADDITIONAL INFORMATION

3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Type of debit / credit	30/12/2022
RECEIVABLES		
	Receivables from currency forwards	17 709 135,61
	Guarantee deposits in cash	199 245,80
TOTAL RECEIVABLES		17 908 381,41
LIABILITIES		
	Currency forwards	17 445 572,42
	Fixed management fees	193 229,79
	Collateral	110 000,00
TOTAL LIABILITIES		17 748 802,21
TOTAL LIABILITIES AND RECEIVABLES		159 579,20

3.6. EQUITY

3.6.1. Number of securities issued or redeemed

	Units	Amounts
COVÉA OBLIGATIONS CONVERTIBLES AC units		
Units subscribed during the year	16,1650	370 997,29
Units redeemed during the year	-11,7441	-267 696,76
Net balance of subscriptions / redemptions	4,4209	103 300,53
Number of units outstanding at end of year	5 864,6926	
COVÉA OBLIGATIONS CONVERTIBLES IC units		
Units subscribed during the year	831,0000	20 788 171,78
Units redeemed during the year	-138,0000	-3 584 224,21
Net balance of subscriptions / redemptions	693,0000	17 203 947,57
Number of units outstanding at end of year	5 038,3476	
COVÉA OBLIGATIONS CONVERTIBLES ID units		
Units subscribed during the year	64 376,2355	7 100 000,00
Units redeemed during the year	-165 190,3248	-17 566 745,72
Net balance of subscriptions / redemptions	-100 814,0893	-10 466 745,72
Number of units outstanding at end of year	1 295 995,6895	

3. ADDITIONAL INFORMATION

3.6.2. Subscription and/or redemption fees

Amounts

COVÉA OBLIGATIONS CONVERTIBLES AC units	
Total remaining fees	
Subscription fees earned	
Redemption fees earned	
COVÉA OBLIGATIONS CONVERTIBLES IC units	
Total remaining fees	
Subscription fees earned	
Redemption fees earned	
COVÉA OBLIGATIONS CONVERTIBLES ID units	
Total remaining fees	
Subscription fees earned	
Redemption fees earned	

3. ADDITIONAL INFORMATION**3.7. MANAGEMENT FEES**

30/12/2022

COVÉA OBLIGATIONS CONVERTIBLES AC units

Guarantee fees	
Fixed management fees	1 332 567,84
Percentage of fixed management fees	1,00
Variable management fees	
Retrocession of management fees	

COVÉA OBLIGATIONS CONVERTIBLES IC units

Guarantee fees	
Fixed management fees	479 002,56
Percentage of fixed management fees	0,40
Variable management fees	
Retrocession of management fees	

COVÉA OBLIGATIONS CONVERTIBLES ID units

Guarantee fees	
Fixed management fees	589 165,45
Percentage of fixed management fees	0,40
Variable management fees	
Retrocession of management fees	

3.8. COMMITMENTS RECEIVED AND MADE**3.8.1. Guarantees received by UCI:**

None.

3.8.2. Other commitments received and / or made:

None.

3. ADDITIONAL INFORMATION**3.9. OTHER INFORMATION****3.9.1. Current value of financial instruments pertaining to a temporary acquisition**

30/12/2022

Securities purchased under resale agreements

Securities borrowed

3.9.2. Current value of financial instruments comprising guarantee deposits

30/12/2022

Financial instruments given as guarantee and kept in their original entry

Financial instruments received as collateral and not recorded on balance sheet:

3.9.3. Financial instruments held, issued and/or managed by the Group

	ISIN Code	Description	30/12/2022
Equity			
Bonds			
TCN			
UCI			23 175 807,40
	FR0000931412	COVÉA SECURITE G	23 175 807,40
Financial futures			
Total Group securities			23 175 807,40

3. ADDITIONAL INFORMATION

3.10. ALLOCATION OF DISTRIBUTABLE AMOUNTS

Allocation of share of distributable amounts from profits

	30/12/2022	31/12/2021
Amounts still to be allocated		
Retained earnings		
Profit	-912 715,80	-1 249 314,68
Total	-912 715,80	-1 249 314,68

	30/12/2022	31/12/2021
COVÉA OBLIGATIONS CONVERTIBLES AC units		
Allocation		
Distribution		
Retained earnings for the year		
Capitalisation	-838 089,38	-981 997,35
Total	-838 089,38	-947 253,32

	30/12/2022	31/12/2021
COVÉA OBLIGATIONS CONVERTIBLES IC units		
Allocation		
Distribution		
Retained earnings for the year		
Capitalisation	-35 312,26	-111 786,94
Total	-35 312,26	-111 786,94

	30/12/2022	31/12/2021
COVÉA OBLIGATIONS CONVERTIBLES ID units		
Allocation		
Distribution		
Retained earnings for the year		
Capitalisation	-39 314,16	-155 530,39
Total	-39 314,16	-155 530,39

3. ADDITIONAL INFORMATION

Allocation of share of distributable amounts from net gains and losses

	30/12/2022	31/12/2021
Amounts still to be allocated		
Previous net unrealised gains and losses		
Net capital gains and losses for the financial year	-8 452 157,42	8 395 423,79
Advance payments on net capital gains and loss for the financial year		
Total	-8 452 157,42	8 395 423,79

	30/12/2022	31/12/2021
COVÉA OBLIGATIONS CONVERTIBLES AC units		
Allocation		
Distribution		
Undistributed net capital gains and losses		
Capitalisation	-2 875 706,49	2 915 052,46
Total	-2 875 706,49	2 915 052,46

	30/12/2022	31/12/2021
COVÉA OBLIGATIONS CONVERTIBLES IC units		
Allocation		
Distribution		
Undistributed net capital gains and losses		
Capitalisation	-2 638 696,23	2 291 787,72
Total	-2 638 696,23	2 291 787,72

	30/12/2022	31/12/2021
COVÉA OBLIGATIONS CONVERTIBLES ID units		
Allocation		
Distribution		
Undistributed net capital gains and losses		
Capitalisation	-2 937 754,70	3 188 583,61
Total	-2 937 754,70	3 188 583,61

3. ADDITIONAL INFORMATION

3.11. PROFITS AND OTHER KEY INFORMATION OF THE ENTITY DURING THE LAST FIVE YEARS

	31/12/2018	31/12/2019	31/12/2020	31/12/2021	30/12/2022
Global net assets in EUR	219 269 222,50	280 318 008,98	329 534 134,88	414 968 125,37	383 447 038,74
COVÉA OBLIGATIONS CONVERTIBLES AC EUR units					
Net assets	123 273 147,44	135 682 933,47	136 972 791,06	143 693 577,82	130 218 612,13
Number of shares	5 846,0917	5 846,0917	5 850,5523	5 860,2717	5 864,6926
Unit net asset value	21 086,42	23 209,16	23 411,94	24 519,95	22 203,82
Unit capitalisation on net capital gains/losses	38,14	174,57	288,22	497,42	-490,34
Unit capitalisation on profit	-43,46	-128,62	-161,90	-167,56	-142,90
COVÉA OBLIGATIONS CONVERTIBLES IC EUR units					
Net assets	41 322 269,13	47 977 734,69	53 236 808,58	113 441 887,53	119 824 044,85
Number of shares	1 874,0000	1 965,0000	2 148,5780	4 345,3476	5 038,3476
Unit net asset value	22 050,30	24 416,14	24 777,69	26 106,51	23 782,40
Unit capitalisation on net capital gains/losses	39,26	183,23	305,04	527,41	-523,72
Unit capitalisation on profit	93,40	6,44	-27,42	-25,72	-7,00
COVÉA OBLIGATIONS CONVERTIBLES ID EUR units					
Net assets	54 673 805,93	96 657 340,82	139 324 535,24	157 832 660,02	133 404 381,76
Number of shares	572 028,6541	914 633,2170	1 299 140,2142	1 396 809,7788	1 295 995,6895
Unit net asset value	95,57	105,67	107,24	112,99	102,93
Unit capitalisation on net capital gains/losses	0,04	0,79	1,32	2,28	-2,26
Unit payout on profit	0,34	0,05			
Unit tax credit					
Unit capitalisation on profit		-0,01	-0,11	-0,11	-0,03

3. ADDITIONAL INFORMATION

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS (EUR)

Name of Security	Currency	Quantity or Nominal	Present Value	% of Net Assets
Shares and similar securities				
Shares and similar securities traded on a regulated or similar market				
GERMANY				
SYMRISE AG	EUR	12 596	1 280 383,40	0,34
GERMANY TOTAL			1 280 383,40	0,34
FRANCE				
GAZTRANSPORT ET TECHNIGA SA	EUR	78 643	7 848 571,40	2,05
L'OREAL	EUR	7 000	2 335 200,00	0,61
ORANGE	EUR	70,000	649 670,00	0,17
FRANCE TOTAL			10 833 441,40	2,83
ITALIE				
SNAM	EUR	439 065	1 987 647,26	0,52
TOTAL ITALIE			1 987 647,26	0,52
UNITED KINGDOM				
UNILEVER PLC	EUR	30 179	1 414 489,73	0,36
TOTAL UNITED KINGDOM			1 414 489,73	0,36
TOTAL Shares and similar securities traded on a regulated or similar market			15 515 961,79	4,05
TOTAL Shares and similar securities			15 515 961,79	4,05
Bonds and similar securities				
Shares and similar securities traded on a regulated or similar market				
GERMANY				
ADIDAS AG 0.05% 12/09/2023 CV	EUR	5 000 000	4 905 523,97	1,28
BASF 0.925% 09-03-23 EMTN	USD	6 500 000	6 064 569,27	1,58
DEUTSCHE LUFTHANSA AG 2.0% 17-11-25 CV		3 700 000	3 966 646,73	1,04
DEUTSCHE POST AG 0.05% 30/06/2025	EUR	8 500 000	8 124 714,52	2,12
FRESENIUS SE ZCP 31-01-24	EUR	6 600 000	6 348 507,00	1,66
MTU AERO ENGI 0.125% 17-05-23	EUR	300 000	490 870,83	0,12
MTU AERO ENGINES GMBH 0.05% 18-03-27	EUR	5 100 000	4 664 172,51	1,21
RAG STIFTUNG ZCP 1.875% 16-11-29	EUR	5 000 000	5 045 780,94	1,31
RAG STIFTUNG ZCP 02-10-24 CV	EUR	5 300 000	4 953 035,50	1,29
RAG STIFTUNG ZCP 17-06-26 CV	EUR	1 200 000	1 085 220,00	0,29
TOTAL GERMANY			45 649 041,27	11,90
BELGIUM				
UMICORE ZCP 23-06-25 CV	EUR	7 000 000	6 400 065,00	1,67
TOTAL BELGIUM			6 400 065,00	1,67
SPAIN				
CELLNEX TELECOM 0.5% 05-07-28 CV	EUR	5 800 000	5 763 710,27	1,87
CELLNEX TELECOM 1.5% 16-01-26 CV	EUR	4 100 000	4 851 697,09	1,74
IBERDROLA FINANZAS SAU 0.8% 07-12-27 CV	EUR	8 000 000	7 994 214,25	1,18
INDR SIST 1.25% 07-10-23	EUR	7 300 000	7 235 117,44	1,18
SPAIN TOTAL			25 844 739,05	6,74

3. ADDITIONAL INFORMATION

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS (EUR)

Name of Security	Currency	Quantity or Nominal	Present Value	% of Net Assets
FRANCE				
AIR FRANCE KLM 0.125% 25-03-26	EUR	360 000	5 881 320,00	1,53
ARCHER OBLIGATIONS ZCP 31-03-23	EUR	3 400 000	3 982 590,00	1,04
CARREFOUR SA ZCP 14-06-23 CV	USD	4 600 000	4 209 909,99	1,10
CARREFOUR ZCP 27-03-24 CV	USD	5 000 000	4 479 631,54	1,17
CIE GEN DES ETS MICHELIN ZCP 10-11-23	USD	9 800 000	8 813 200,83	2,29
EDENRED ZCP 06-09-24 CV	EUR	120 905	7 450 347,46	1,94
EDF ZCP 14-09-24 CV	EUR	532 982	8 245 764,52	2,15
ELIS EX HOLDELIS 2.25% 22-09-29	EUR	7 000 000	7 560 065,21	1,97
ELIS EX HOLDELIS ZCP 06-10-23	EUR	244 907	7 562 238,35	1,98
MAISON DU MONDE SAS 0.125% 06-12-23	EUR	25 150	1 168 871,40	0,30
SAFRAN 0.875% 15-05-27 CV	EUR	33 262	4 370 527,01	1,14
SAFRAN ZCP 01-04-28 CV	EUR	65 000	10 685 285,00	2,79
SCHNEIDER ELECTRIC SE 0.0% 15-06-26	EUR	44 569	8 202 411,91	2,14
SOITEC ZCP 01-10-25 CV	EUR	41 000	7 816 568,00	2,04
UBISOFT ENTERTAINMENT 2.375% 15-11-28	EUR	4 000 000	4 171 292,33	1,09
UBISOFT ZCP 24-09-24 CV	EUR	68 000	7 122 082,00	1,86
VEOLIA ENVIRONNEMENT ZCP 01-01-25	EUR	212 209	6 484 470,41	1,69
WORLDLINE ZCP 30-07-25 CV	EUR	51 818	5 553 412,79	1,45
WORLDLINE ZCP 30-07-26 CV	EUR	92 379	8 208 428,42	2,14
FRANCE TOTAL			121 968 417,17	31,81
ITALY				
NEXI 1.75% 24-04-27 CV	EUR	4 200 000	3 590 111,54	0,94
PRYSMIAN 0.0000010% 02-02-26	EUR	5 700 000	5 929 111,50	1,55
ITALY TOTAL			9 519 223,04	2,49
LUXEMBOURG				
LAGFIN SCA 2.0% 02-07-25 CV	EUR	6 100 000	6 679 359,62	1,74
TOTAL LUXEMBOURG			6 679 359,62	1,74
NETHERLANDS				
AMERICA MOVIL BV ZCP 02-03-24	EUR	9 300 000	9 401 044,50	2,45
QIAGEN NV 1.0% 13-11-24 CV	USD	6 000 000	6 701 390,71	1,75
QIAGEN NV ZCP 17-12-27 CV	USD	3 000 000	2 644 604,35	0,69
NETHERLANDS TOTAL			18 747 039,56	4,89
UNITED KINGDOM				
BP CAP MK 1.0% 28-04-23	GBP	6 300 000	7 645 413,00	1,99
TOTAL UNITED KINGDOM			7 645 413,00	1,99
SWITZERLAND				
SIKA AG 0.15% 05-06-25 CV	CHF	10 900 000	21 201 094,36	5,11
STMICROELECTRONICS NV ZCP 04-08-25	USD	3 600 000	3 550 114,38	0,93
STMICROELECTRONICS NV ZCP 04-08-27	USD	6 200 000	5 979 692,48	1,56
TOTAL SWITZERLAND			23 469 471,91	6,12
TOTAL Bonds and similar securities traded on a regulated or similar market			265 922 769,62	69,35
TOTAL Bonds and similar securities			265 922 769,62	69,35

3. ADDITIONAL INFORMATION

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS (EUR)

Name of Security	Currency	Quantity or Nominal	Present Value	% of Net Assets
Debt securities				
Debt securities traded on a regulated or similar market				
FRANCE				
FREN REP PRES ZCP 22-02-23	EUR	38 000 000	37 918 050,67	9,89
TOTAL FRANCE			37 918 050,67	9,89
TOTAL Debt securities traded on a regulated or similar market			37 918 050,67	9,89
TOTAL Debt securities			37 918 050,67	9,89
Undertakings for Collective Investment (UCIs)				
TOTAL UCITS and general purpose FIA intended for non-professionals and equivalents in other countries				
FRANCE				
COVÉA SECURITE G	EUR	105 800	23 175 807,40	6,04
MULTI UNIT FRANCE SICAV LYXOR-CAC 40 DR ETF UCITS Dist	EUR	100 000	6 381 000,00	1,67
FRANCE TOTAL			29 556 807,40	7,71
TOTAL UCITS and FIA with a general purpose established for non-professionals and equivalents in other countries			29 556 807,40	7,71
Professional general purpose funds and equivalents in other EU member countries and listed securitisation vehicles				
LUXEMBOURG				
Xtrackers Stoxx Europe 600 UCITS ETF 1CC	EUR	84 000	8 389 920,00	2,18
TOTAL LUXEMBOURG			8 389 920,00	2,18
TOTAL Professional general purpose funds and equivalents in other EU member countries and listed securitisation vehicles			8 389 920,00	2,18
TOTAL Undertakings for Collective Investment (UCIs)			37 946 727,40	9,89
Financial futures				
Firm forward commitments				
Firm forward commitments on regulated or similar markets				
EURO STOXX 50 0321	EUR	50	-76 000,00	-0,02
TOTAL Firm forward commitments on regulated or similar markets			-76 000,00	-0,02
TOTAL firm forward commitments			-76 000,00	-0,02
TOTAL Financial futures			-76 000,00	-0,02
Margin call				
APPEL MARGE CACEIS	EUR	76 000	76 000,00	0,02
TOTAL Margin call			76 000,00	0,02
Receivables			17 908 381,41	4,67
Liabilities			-17 748 802,21	-4,63
Financial Accounts			25 983 950,06	6,78
Net assets			383 447 038,74	100,00

Environmental and/or social characteristics

Sustainable investment refers to any investment in a business activity that pursues an environmental or social objective, provided it does not materially harm either of these objectives and the recipient companies apply good governance practices.

The **EU taxonomy** is a classification system established by Regulation (EU) 2020/852, which lists **environmentally sustainable business activities**. However, the regulation does not list socially sustainable business activities. Sustainable investments with an environmental objective are not necessarily aligned with the taxonomy.

Did this financial product have a sustainable investment objective?

●● <input type="checkbox"/> Yes	●● <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: N/A <ul style="list-style-type: none"> <input type="checkbox"/> in business activities considered to be environmentally sustainable under the EU taxonomy <input type="checkbox"/> in business activities not considered to be environmentally sustainable under the EU taxonomy <input type="checkbox"/> It made sustainable investments with a social objective: N/A	<input type="checkbox"/> It promoted environmental and social (E/S) characteristics although it does not pursue a sustainable investment objective, it will contain a minimum proportion of N/A sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in business activities considered to be environmentally sustainable under the EU taxonomy <input type="checkbox"/> with an environmental objective in business activities not considered to be environmentally sustainable under the EU taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promoted E/S characteristics, but will not make any sustainable investments



To what extent have the environmental and/or social characteristics promoted by this financial product been achieved?

This product uses the following sustainability indicators to measure how effectively its environmental or social characteristics have been achieved:

1. The share of non-conventional oil and gas producers (based on the definition, thresholds and tiers specified in Covéa Finance's exclusion policy) in the product's direct investments.

2. The share of companies engaged in a partially coal-related activity (excluding energy companies and based on the definition, thresholds and tiers specified in Covéa Finance's exclusion policy) in the product's direct investments.

Implementation of Covéa Finance's exclusion policy helped to exclude from the investment universe of this product non-conventional oil and gas producers that did not meet the criteria specified in this policy. It also helped to exclude companies engaged in a partially coal-related activity (excluding energy companies) pursuant to the same policy.

These environmental characteristics have therefore been achieved.

3. The average ESG rating of the product's directly-held portfolio (compared to the rating of the starting universe).

This product pursues an "ESG rating enhancement" approach using the current rating methodology, which rates all issuers holding a position in the product's investment universe. As at 31/12/22, its average ESG rating was higher than that of its investment universe. This environmental characteristic has therefore been achieved.

4. The share of ESG bonds (e.g. green, social, sustainable, Sustainability-Linked Bonds) in the product's direct investments in debt securities (stock).

Sustainability indicators measure how effectively the environmental and social characteristics promoted by the product have been achieved.

In line with the product investment philosophy, which also seeks to uphold its ESG creed via specific investments, ESG bonds (e.g. green, social, sustainable, Sustainability-Linked Bonds) represented 9% of its direct investments in debt securities as at 30/12/2022.

5. The share of countries (and similar parties) that have ratified (or taken equivalent action on) the Paris Agreement in the product's direct investments.

As at 31/12/22, all sovereign investments were made in debt securities issued by countries that have ratified (or taken equivalent action on) the Paris Agreement.

6. The average per capita carbon intensity of countries (and similar parties) issuing sovereign debt in which the product is invested.

The average per capita carbon intensity of the countries is becoming a particularly important piece of information for the management teams, in order to be able to identify the dynamics of the countries year after year and to take this into account in the overweighting of certain sovereign investments.

7. The average Gender Inequality Index of countries (and similar parties) issuing sovereign debt in which the product is invested.

As at 31/12/22, the majority of the product's sovereign investments were made in debt securities issued by countries ranked at least in the second category of the Gender Inequality Index ("High human development").

8. The average number of patents filed annually in countries (and similar parties) issuing sovereign debt in which the product is invested.

As at 31/12/22, the product's sovereign investments prioritised countries with the highest number of patents filed annually worldwide.

What was the performance on sustainability indicators?

Sustainability indicators	30/12/2022
Share of companies exposed to unconventional oil and gas	0.0%
Share of companies exposed to coal (excluding energy companies)	0.0%
Share of ESG bonds (e.g. green, social, sustainable, Sustainability-Linked Bonds) in the product's direct investments in debt securities (stock)	9.2%
Share of countries (and similar parties) that have ratified (or taken equivalent action on) the Paris Agreement in the product's direct investments.	100.0%
Average per capita carbon intensity of countries (and similar parties) issuing sovereign debt in which the product is invested (CO2 tonnes per capita)	3.817
Average Gender Inequality Index of countries (and similar parties) issuing sovereign debt in which the product is invested	0.083
Average number of patents filed annually in countries (and similar parties) issuing sovereign debt in which the product is invested	49,115
Average ESG rating of portfolio	0.52
Average ESG rating of universe	0.42

Sources: Covéa Finance, ISS, Urgewald, UNCTC, UNDP, IEA, WIPO

The **principal adverse impacts** include the most material adverse impacts of investment decisions on sustainability factors related to environmental, social and labour issues, respect for human rights, and anti-corruption concerns.

The EU taxonomy establishes a "do no harm" principle whereby taxonomy-aligned investments should not cause significant harm to the objectives of the EU taxonomy and is underpinned by specific EU criteria.

The "do no significant harm" principle applies solely to the investments underlying the financial product that reflects EU criteria for environmentally sustainable business activities. The

investments underlying the remaining portion of this financial product do not reflect EU criteria for environmentally sustainable business activities.



How has this financial product captured and tackled principal adverse impacts on sustainability factors?

According to the information in the pre-contractual annex of the product, the product did not deal with PAIs during FY2022.



What were the main investments in this financial product?

The list includes investments that made up **the largest proportion of investments** in this financial product during the reference period, namely:

Issuer's name	Sector	% assets	Country
BTF 22/02/2023	Countries or Quasi-countries	10.00%	FRANCE
COVÉA SECURITE G	Others	6.00%	FRANCE
EUR EURO	Others	5.00%	-
SIKASW 0.15% 05/06/2025 CV	Materials	4.00%	SWITZERLAND
SAFFP 0% 01/04/2028 CV	Industry	3.00%	FRANCE
V USD EUR 08/02/23_ICAT0001MFAH	Others	2.00%	-
AMXLMM 0% 02/03/2024 CV	Communication services	2.00%	NETHERLANDS
MLFP 0% 10/11/2023 CV	Discretionary consumption	2.00%	FRANCE
DB X-TRACKERS STO EUR 600 UCITS ETF 1CC	Others	2.00%	LUXEMBOURG
EDF 0% 14/09/2024 CV	Services to local governments	2.00%	FRANCE
V CHF EUR 06/01/23_ICAT0001KVPP	Others	2.00%	-
WLNFP 0% 30/07/2026 CV	Information technologies	2.00%	FRANCE
SUFPP 0% 15/06/2026 CV	Industry	2.00%	FRANCE
DPWGR 0.05% 30/06/2025 CV	Industry	2.00%	GERMANY
IBESM 0.8% 07/12/2027 CV	Services to local governments	2.00%	SPAIN

Excluding derivatives



What was the proportion of sustainability-related investments?

How were assets allocated?

Asset allocation

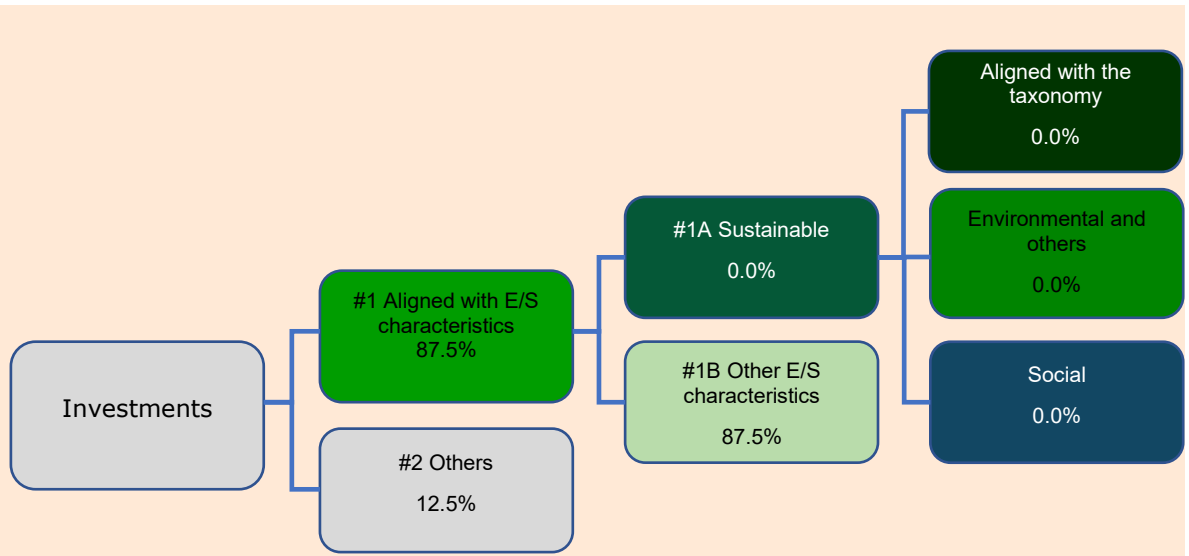
describes the share of investments in specific assets.

Activities aligned with the taxonomy are expressed as a percentage:

- **of turnover** to reflect the share of revenue from green activities of the investment recipient companies;

- **investment expenditure** (CapEx) to present green investments by investment recipient companies, e.g. in the transition to a green economy;

- **operating expenditure** (OpEx) to reflect green operational activities of the investment recipient companies.



Category **#1 Aligned with E/S characteristics** includes investments in the financial product used to achieve the environmental or social characteristics promoted by the financial product.

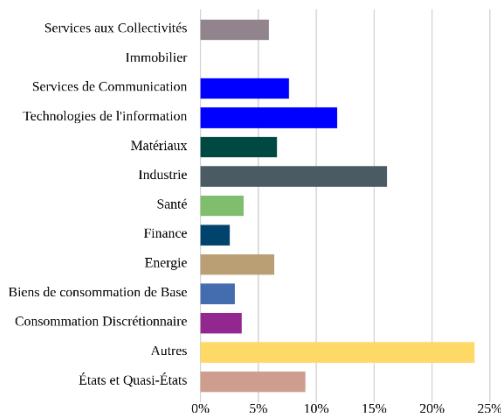
Category **#2 Others** includes the remaining investments in the financial product that are neither aligned with environmental or social characteristics nor considered sustainable investments.

Category **#1 Aligned with E/S characteristics** comprises:

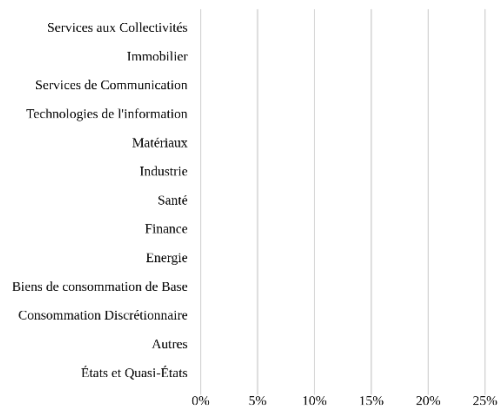
- Subcategory **#1A Sustainable** covering sustainable investments with environmental or social objectives;
- Subcategory **#1B Other E/S characteristics** covering investments aligned with environmental or social characteristics that are not considered sustainable investments.

In which business sectors were the investments made?

Sector Exposure - Overall breakdown



Sector Exposure - Fossil Fuels



Excluding derivatives

Sources: Covéa Finance, ISS

Sub-sectors GICS 2	Overall breakdown	Fossil fuels
Energy	6.35%	0.00%
Materials	6.62%	0.00%
Capital goods	8.21%	0.00%
Commercial and Professional Services	3.61%	0.00%
Transportation	4.29%	0.00%
Automobiles and automotive components	2.11%	0.00%
Consumer Durables and Clothing	1.17%	0.00%

Consumer Services	0.00%	0.00%
Retail	0.28%	0.00%
Retail of Food and Basic Necessities	2.08%	0.00%
Food, Beverage and Tobacco	0.00%	0.00%
Household and Personal Care Products	0.90%	0.00%
Health Equipment and Services	1.52%	0.00%
Pharmaceutical, Biotechnological and Biological Sciences	2.23%	0.00%
Banking	0.00%	0.00%
Diversified Financial Services	2.55%	0.00%
Insurance	0.00%	0.00%
Software and Services	7.66%	0.00%
Information Technology Hardware and Equipment	0.00%	0.00%
Semiconductors and Semiconductor Equipment	4.14%	0.00%
Telecommunication Services	4.94%	0.00%
Media & Entertainment	2.70%	0.00%
Services to local governments	5.91%	0.00%
Real Estate	0.00%	0.00%
Others	23.67%	0.00%
Countries and Quasi-countries	9.06%	0.00%

Excluding derivatives



To what extent were sustainable investments with an environmental objective aligned with the EU taxonomy?

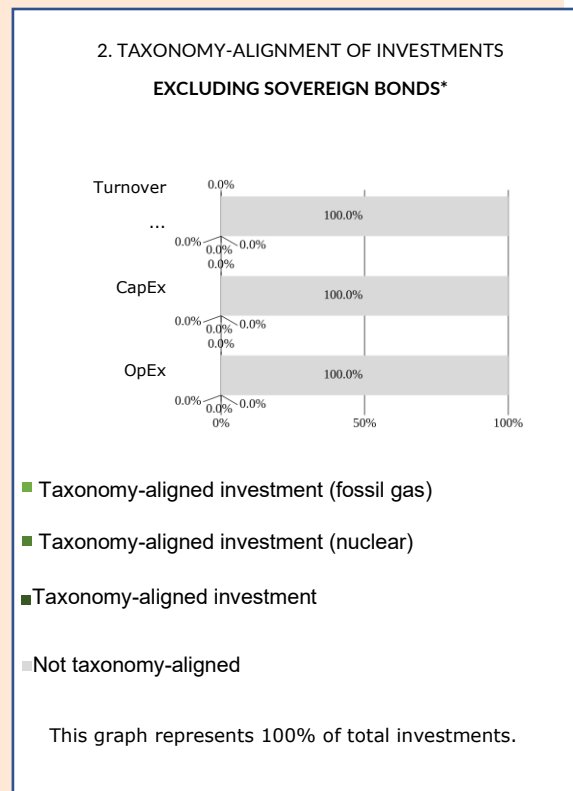
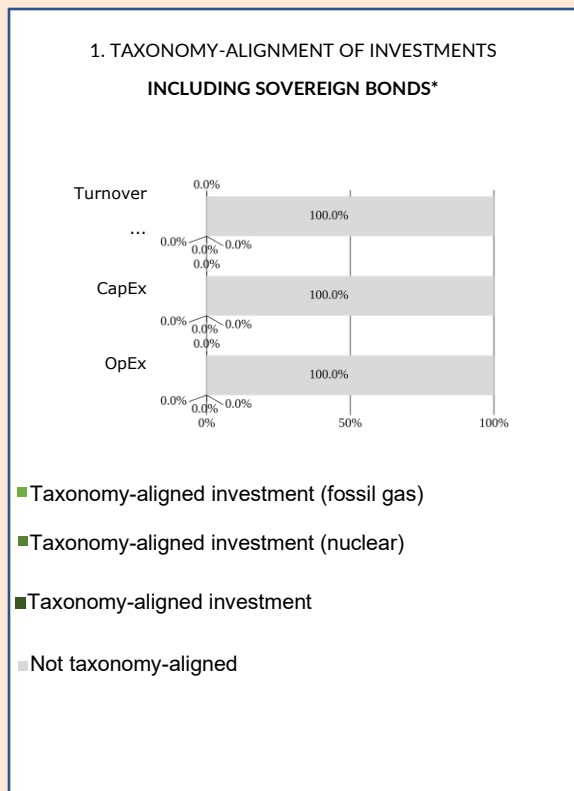
Enabling activities

direct allow other activities to make a substantial contribution to achievement of an environmental objective.

Transitional activities

are activities for which low-carbon solutions do not yet exist and which inter alia have greenhouse gas emission levels equivalent to the best performance.

The graphs below show in green the percentage of investments aligned with the EU taxonomy. As there is no appropriate methodology to determine the alignment of sovereign bonds* with the taxonomy, the first graph shows alignment with the taxonomy in relation to all investments in the financial, including sovereign bonds, while the second graph represents alignment with the taxonomy only in relation to investments in the financial product other than sovereign bonds.



*For the purposes of these charts, "sovereign bonds" include all sovereign exposures

Covéa Finance does not calculate the Taxonomy-aligned share for 2022.



Which investments were included in the "Other" category, what was their purpose and were there any minimum environmental or social safeguards?

The following investments were included in the category "#2 Other":

- Cash (held on an ancillary basis to meet the management objective);
- deposits (may be used to earn interest on cash);
- UCIs (excluding the portion of any investments in category #1B of the Covéa Sécurité money-market fund);
- derivatives;
- investments that were not ESG-rated.

Derivatives are used for hedging, exposure or arbitrage purposes. These instruments form part of the investment process because of their liquidity and cost effectiveness.

There are no minimum environmental or social safeguards applicable to these instruments. However, they may be ESG-assessed.



What measures were taken to comply with environmental and/or social characteristics during the reporting period?

The following measures were taken to comply with environmental and/or social characteristics:

1. Application of the Management Company's policy of normative and sectoral exclusion, particularly exclusion of private issuers related to non-conventional energies (e.g. oil, shale gas) or coal (excluding energy producers).

Covéa Finance has an operational process that allows it to manage its exclusion policy, which is drawn up and reviewed annually with the Research, Management and Compliance teams and applies to all portfolios. Exclusion lists are updated quarterly to identify any issuers to be excluded from the portfolios. A specific methodology for eliminating issuers in positions newly subject to exclusion has been established and implemented so that all portfolios reflect Covéa Finance's overall philosophy in these areas.

2. The extra-financial rating ("ESG rating") of issuers is based on an internal rating performed by the internal research team using a best-in-universe approach that entails prioritising the best-rated issuers from an extra-financial point of view, regardless of their business sector.

All management teams rely on the ESG rating methodology implemented by Covéa Finance, which enables them to consider the ESG characteristics of each issuer.

3. Bond selection of bonds may also include those with extra-financial characteristics, such as Sustainability Bonds and/or Social Bonds.

The Research team analyses ESG bonds issued by issuers (at issuance and during their lifetime) to ascertain their extra-financial characteristics. The results of these analyses are shared with the management teams, who then prioritise investments in this type of instrument insofar as possible.

4. Preference may be given to investments in countries that:

- have ratified the Paris Agreement and are in the process of reducing their carbon intensity;
- are advanced in terms of gender equality;
- are promoting innovation in their economy.

The Research team conducts an annual study of countries in which Covéa Finance has invested or is likely to invest, using a proprietary methodology. This analysis pays heed to ratification of the Paris Agreement by these countries, their carbon intensity per capita, their gender inequality index and the number of patents filed during the year. The results of this study are shared with the management teams, who may then prioritise investment in the most advanced countries on one or more of these four indicators.