



## PROSPECTUS

### Contents

#### **I. General characteristics:**

**I-1 Form of the UCITS**

**I-2 Parties involved**

#### **II. Operating and management procedures:**

**II-1 General characteristics**

**II-2 Specific clauses**

1. GemChina sub-fund page 7
2. GemEquity sub-fund page 17
3. GemAsia sub-fund page 27
4. GemBond sub-fund page 37

#### **III. Commercial Information:**

#### **IV. Investment rules:**

#### **V. Overall risk:**

#### **VI. VI. Asset valuation and accounting rules:**

**VI-1 Asset valuation rules**

**VI-2 Accounting method**

#### **VII. Remuneration:**

#### **VIII. Shareholder engagement policy**

#### **VIX Statuts / Articles of Association**

UCITS compliant with European directive  
2009/65/EC 13/07/2009 amended by  
European directive 2014/91/UE 23/07/2014  
(UCITS V)

## I. General characteristics:

### I-1 Form of the UCITS

#### ➤ Name and registered office:

##### **GemFunds**

10, rue de la Paix, 75002 Paris, FRANCE

#### ➤ Legal form and member state in which the UCITS was created:

Open-Ended Investment Company (SICAV) under French law, established as a simplified joint-stock company (*Société par Actions Simplifiées*).

#### ➤ Inception date and expected lifetime:

The SICAV was created on 08/10/2019 for a term of 99 years.

#### ➤ Overview of the management offering: **GemChina**

Share (unit) class	Sub-fund no. 1 GemChina				
	ISIN code	Allocation of distributable amounts	Denomination currency	Target investors	Minimum subscription amount
R share: GemChina	FR0013433067	Capitalisation of net income and net capital gains	Euro	All investors	Nil
I share: GemChina	FR0013433109	Capitalisation of net income and net capital gains	Euro	Intended essentially for institutional investors	1 <sup>st</sup> subscription: Minimum EUR 250 000 (1)(2)
USD R share: GemChina	FR0013433083	Capitalisation of net income and net capital gains	US Dollar	All investors	Nil
USD I share: GemChina	FR0013433117	Capitalisation of net income and net capital gains	US Dollar	Intended essentially for institutional investors	1 <sup>st</sup> subscription: Minimum USD 250 000 (1)(2)
F share: GemChina	FR0013433125	Capitalisation of net income and net capital gains	Euro	Restricted to the founding shareholders of GemChina (3)	1 <sup>st</sup> subscription: Minimum EUR 500 000 (1)(2)
USD S share: GemChina	FR0013455995	Capitalisation of net income and net capital gains	US Dollar	Intended essentially for institutional investors	1 <sup>st</sup> subscription: Minimum USD 20 000 000 (1)(2)
K share: GemChina	FR0050000498	Capitalization of net income and net capital gains	Euro	Share reserved for KIPLINK FINANCE	Initial subscription: Minimum EUR 2 000 000 (3)
N share: GemChina	FR0014002SN5	Capitalization of net income and net capital gains	Euro	All investors	Nil

(1) With the exception of the management company which may subscribe for its own account or for third parties, without being subject to a minimum subscription amount.

(2) In 1/1,000<sup>th</sup> of shares for subsequent subscriptions.

(3) Except for Kiplink Finance employees who may purchase a single unit

➤ **Overview of the management offering: GemEquity**

Share (unit) class	Sub-fund n°2 GemEquity				
	ISIN code	Allocation of distributable amounts	Denomination currency	Investors concerned	Minimum subscription amount
R share: GemEquity	FR0011268705	Capitalization of net income and net capital gains	Euro	All investors	Nil
I share: GemEquity	FR0011274984	Capitalization of net income and net capital gains	Euro	Intended essentially for institutional investors	1 <sup>st</sup> subscription: Minimum EUR 250 000 (1)
USD R share: GemEquity	FR0013082658	Capitalization of net income and net capital gains	US Dollar	All investors	Nil
USD I share: GemEquity	FR0013082666	Capitalization of net income and net capital gains	US Dollar	Intended essentially for institutional investors	1 <sup>st</sup> subscription: Minimum USD 250 000 (1)
USD S share: GemEquity	FR0013246444	Capitalization of net income and net capital gains	US Dollar	Intended essentially for institutional investors	1 <sup>st</sup> subscription: Minimum USD 20 000 000 (1)
K share: GemEquity	FR0013342300	Capitalization of net income and net capital gains	Euro	Share reserved for KIPLINK FINANCE	Initial subscription: Minimum EUR 2 000 000 (2)
D share : GemEquity	FR0013342292	Distribution (annual)	Euro	Intended essentially for institutional investors	1 <sup>st</sup> subscription: Minimum EUR 250 000 (1)
N share : GemEquity	FR0013519931	Capitalization of net income and net capital gains	Euro	All investors	Nil
Action MH : GemEquity	FR001400CCX3	Capitalization of net income and net capital gains	Euro	Intended essentially for Malakoff Humanis	Initial subscription: Minimum EUR 20 000 000 eur (3)
USD Y share: GemEquity	FR001400EWR9	Capitalization of net income and net capital gains	US Dollar	Intended essentially for institutional investors	1 <sup>st</sup> subscription: Minimum USD 50 000 000 (1)

(1) With the exception of the management company, its shareholders and its employees who may purchase a single unit

(2) Except for Kiplink Finance employees who may purchase a single unit

(3) Except for Malakoff Humanis employees who may purchase a single unit

➤ **Overview of the management offering: GemAsia**

Share (unit) class	Sub-fund n°3 GemAsia				
	ISIN code	Allocation of distributable amounts	Denomination currency	Investors concerned	Minimum subscription amount
R share: GemAsia	FR0013291861	Capitalisation of net income and net capital gains	Euro	All investors	Nil
I share: GemAsia	FR0013291879	Capitalisation of net income and net capital gains	Euro	Intended essentially for institutional investors	1 <sup>st</sup> subscription: Minimum EUR 250 000 (1)
USD R share: GemAsia	FR0013291887	Capitalisation of net income and net capital gains	US Dollar	All investors	Nil
USD I share: GemAsia	FR0013291895	Capitalisation of net income and net capital gains	US Dollar	Intended essentially for institutional investors	1 <sup>st</sup> subscription: Minimum USD 250 000 (1)
M share: GemAsia	FR0013291903	Capitalisation of net income and net capital gains	Euro	Share reserved for Meeschaert AM feeder fund	1 <sup>st</sup> subscription: Minimum EUR 20 000 000 (1)
USD S share: GemAsia	FR0013291911	Capitalisation of net income and net capital gains	US Dollar	Intended essentially for institutional investors	1 <sup>st</sup> subscription: Minimum USD 20 000 000 (1)
N share: GemAsia	FR0014002SM7	Capitalisation of net income and net capital gains	Euro	All investors	Nil

Action MH : GemAsia	FR001400CCW5	Capitalisation of net income and net capital gains	Euro	Intended essentially for Malakoff Humanis	Initial subscription: Minimum EUR 20 000 000 eur (2)
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- (1) With the exception of the management company, its shareholders and its employees who may subscribe to a single share.  
(2) Except for Malakoff Humanis employees who may purchase a single unit

➤ **Overview of the management offering: GemBond**

Share (unit) class	Sub-fund n°4 GemBond				
	ISIN code	Allocation of distributable amounts	Denomination currency	Investors concerned	Minimum subscription amount
R share GemBond	FR00140059X9	Capitalisation of net income and net capital gains	Euro	All investors	Nil
I share GemBond	FR00140059W1	Capitalisation of net income and net capital gains	Euro	Intended essentially for institutional investors	1 <sup>st</sup> subscription: Minimum EUR 250 000 (1)
R USD share GemBond	FR00140059V3	Capitalisation of net income and net capital gains	US Dollar	All investors	Nil
I USD share GemBond	FR00140059U5	Capitalisation of net income and net capital gains	US Dollar	Intended essentially for institutional investors	1 <sup>st</sup> subscription: Minimum USD 250 000 (1)
F share GemBond	FR00140059T7	Capitalisation of net income and net capital gains	Euro	Restricted to the founding shareholders of GemBond. Closed at the end of March 2022.	1 <sup>st</sup> subscription: Minimum EUR 250 000 (1)
S USD share GemBond	FR00140059S9	Capitalisation of net income and net capital gains	US Dollar	Intended essentially for institutional investors	1 <sup>st</sup> subscription: Minimum USD 20 000 000 (1)
D share GemBond	FR0014007SB9	Annual distributing share	Euro	All investors	Nil

- (1) With the exception of the management company, its shareholders and its employees who may subscribe to a single share.

➤ **Address at which the latest annual and interim reports can be obtained:**

The latest annual and interim documents are sent within eight working days on written request by the unitholder to:

GEMWAY ASSETS  
10, rue de la Paix – 75002 Paris, FRANCE

These documents are also available on the company's website [www.gemway.com](http://www.gemway.com).

Where necessary, further information can be obtained by contacting the management company on +33 (0)1 86 95 22 98 (sales team).

**I-2. Parties involved:**

➤ **Depository and custodian:**

**BNP PARIBAS S.A**

Partnership limited by shares (*Société en Commandite par Actions*) with its registered office at 16, Boulevard des Italiens 75009 PARIS, FRANCE  
Postal address: Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, FRANCE

BNP PARIBAS S.A is a credit institution authorised by the French Prudential Supervision and Resolution Authority (ACPR). It is also the issuance account keeper (UCITS' liabilities) and the centralising agent appointed to act on behalf of the SICAV.

Description of the custodian's responsibilities and potential conflicts of interest:

The custodian exercises three types of responsibilities, namely checking and ensuring the legality of the decisions taken by the management company (as defined under Article 22.3 of the UCITS V directive), monitoring the UCITS' cash flows (as defined in Article 22.4 of the said directive) and the safekeeping of the UCITS' assets (as defined in Article 22.5 of the said directive). The main objective of the custodian is to protect the interests of shareholders (unitholders) / investors of the UCITS, which shall always prevail over any commercial interests.

Conflicts of interest may arise in particular when the management company also maintains business relationships with BNP Paribas S.A concurrently to the latter's appointment as custodian, which may be the case when BNP Paribas S.A is appointed by the management company to calculate the net asset value of the UCITS of which it is the custodian.

To manage these situations, the custodian has implemented and maintains up to date a conflict of interest management policy aimed at:

- identifying and assessing potential situations of conflicts of interest;
- recording, managing and monitoring these situations by complying with permanent measures in place to manage conflicts of interest such as segregation of duties, separation of reporting and operating lines, and monitoring of internal insider lists and specific IT environments. It implements on a case-by-case basis appropriate and preventive measures such as the creation of special watchlists and new information barriers ("Chinese Walls"), or by checking that transactions are properly processed and/or by notifying the relevant clients or refusing to manage activities that may give rise to conflicts of interest.

Description of any safekeeping tasks delegated by the custodian, the list of delegates and sub-delegates and identification of any conflicts of interest that may arise from such a delegation:

The custodian of the UCITS, BNP Paribas S.A SCA, is responsible for the safekeeping of the assets (as defined in Article 22.5 of the abovementioned directive). To provide asset custody services in a large number of countries, which allow UCITS to meet their investment objectives, BNP Paribas S.A SCA has appointed sub-custodians in countries where it has no local presence. These entities are listed on the following website:

<http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-and-trustee-serv.html>.

The appointment and supervision process of sub-custodians meets the surpeest quality standards, including the management of any conflicts of interest that may arise as a result of these appointments. Up-to-date information on the two previous points may be sent to the investor on request.

➤ **Statutory Auditor:**

PricewaterhouseCoopers Audit firm  
Represented by Mr. Frédéric SELLAM  
63, rue de Villiers, 92208 Neuilly sur Seine, FRANCE

➤ **Marketer:**

GEMWAY ASSETS  
10, rue de la Paix,  
75002 Paris, FRANCE

The list of marketers is not exhaustive, especially given that the UCITS is admitted for trading on Euroclear. This means that some marketers may not be appointed by or known to the management company.

➤ **Delegates:**

**Financial Manager:**

GEMWAY ASSETS 10, rue de la Paix, 75002 Paris, FRANCE

The management company was authorised by the French Financial Markets Authority (AMF) on 18/09/2012 under number GP-12000025.

**Administrative and accounting management:**

SOCIETE GENERALE S.A

French limited liability company (*Société Anonyme*), Immeuble Colline Sud – 10, passage de l'Arche, 92034 Paris La Défense Cedex, FRANCE

The accounting management delegate carries out the administrative tasks related to the sub-funds (recognition, calculation of net asset value).

➤ **Advisers:** Nil.

➤ **Centralising agent for subscription and redemption orders by delegation of the Management company:**

BNP PARIBAS S.A is responsible for receiving subscription and redemption orders.

➤ **Members of the SICAV's administrative, management and supervisory bodies:**

The SICAV's senior executives and their main duties are listed in the SICAV's annual report. This information is provided under the sole responsibility of each listed member.

## **II. Operating and management procedures:**

### **II-1 General characteristics:**

#### **➤ Characteristics of shares:**

**Nature of the right attached to the share class:** Each shareholder has a co-ownership right to the SICAV's assets in proportion to the number of shares owned.

**Liability accounting:** The custodian, BNP PARIBAS S.A, is responsible for liability accounting. Euroclear France is responsible for the administration of the shares.

**Voting rights:** Each share entitles the holder to vote and to be represented at general meetings under the conditions set by law and the Articles of Association.

**Form of shares:** Bearer shares.

**Fraction of shares:** Subscriptions and redemptions of shares are allowed in thousandths of shares.

#### **➤ Year-end:**

The last trading day on the Paris stock market in December each year.

#### **➤ End of the first financial year:**

The last trading day on the Paris stock market in December 2020.

#### **➤ Tax regime:**

This prospectus is not intended to outline the tax implications for each investor pertaining to the subscription, redemption, holding or sale of any share(s) of one of the SICAV's sub-fund. These tax implications will vary depending on the prevailing laws and practices in the shareholder's country of residence, domicile or incorporation, and on the shareholder's personal situation.

Depending on your tax regime, country of residence or the jurisdiction from which you invest in this SICAV, any capital gains and income pertaining to the holding of any share(s) of one of the SICAV's sub-fund may be subject to taxation. We advise you to consult a tax adviser regarding the potential consequences of purchasing, holding, selling, or redeeming any share(s) of one of the SICAV's sub-fund according to the laws of your country of tax residence, ordinary residence or domicile.

Neither the management company nor the marketers shall be held liable in any way whatsoever for the tax implications that may arise for any investor as a result of a decision to purchase, hold, sell or redeem any share(s) of one of the SICAV's sub-fund.

The SICAV offers accumulation shares through its various sub-funds. All holders are advised to consult their tax adviser regarding the prevailing regulations in their country of residence, in compliance with the rules applicable to their personal situation (individuals, legal entities subject to corporate tax, other situations, etc.). The rules applying to French resident investors are set by the French General Tax Code.

In general, investors are advised to consult their usual tax adviser or account manager in order to clarify the tax rules applicable to their individual situation.

Under the U.S. FATCA regulation (Foreign Account Tax Compliance Act), investors may be required to provide the UCI, the management company or their agent with information on their personal identity and places of residence (domicile and tax residence), for the purpose of identifying 'U.S. persons' within the meaning of the FATCA. This information may be provided to the U.S. tax authorities by the French tax authorities. Failure by any investor to comply with this requirement may result in the deduction of a 30% withholding tax on U.S. source income. Notwithstanding the procedures carried out by the management company under the FATCA, investors are advised to ensure that the financial intermediary they have used to invest in the UCI qualifies as a Participating FFI. For more information, investors should contact a tax adviser.

#### **➤ Policy for the selection of intermediaries:**

Intermediaries and counterparties are selected on a competitive basis from a pre-defined list. This list is drawn up according to specific selection criteria provided for in the market intermediaries selection policy available on the management company's website.

Pursuant to Regulation (EU) No. 2016/679 of April 27, 2016 and Law No. 7817 of January 6, 1978, natural persons have a right of access, rectification, erasure, opposition or limitation of the processing of personal data concerning them. This right can be exercised by mail to the following address: AMF Data Protection Officer - 17 place de la Bourse, 75002 Paris; and via the "personal data" form accessible on the AMF website. You can also lodge a complaint about the processing of your data with the CNIL.

## II-2 Specific clauses:

### 1. GemChina sub-fund

#### ➤ ISIN codes:

R share ISIN code: FR0013433067  
I share ISIN code: FR0013433109  
USD R share ISIN code: FR0013433083  
USD I share ISIN code: FR0013433117  
F share ISIN code: FR0013433125  
USD S share ISIN code: FR0013455995  
K share ISIN code: FR0050000498  
N share ISIN code: FR0014002SN5

#### ➤ Classification:

International Equities

➤ 75% minimum exposure to international equities of OECD or non-OECD countries that have a connection with Chinese markets, of all capitalisations and from all economic sectors with up to 15% in small- and mid-cap companies.

#### ➤ Investment objective:

GemChina is a dynamic UCITS seeking long-term performance through exposure to securities mainly from China. The objective is to achieve a return net of management fees which outperforms the benchmark index, MSCI China AllShares Net Total Return, (converted into euros, net dividends reinvested) over the recommended investment period (more than five years) by investing at least 90% in stocks selected on the basis of extra-financial criteria according to an SRI methodology, arising from long term trends affecting society and the economy by taking into account environmental, social and governance ("ESG") considerations.

#### ➤ Benchmark index:

The MSCI China Allshares Net Total Return Index (converted into euros, net dividends reinvested) is an index that represents the mid- to large-cap stocks listed as: A-shares, B-shares, H-shares, Red-chips, P-chips and Chinese securities listed overseas. The index aims to show all the opportunities of Chinese share classes listed on the stock markets of Hong Kong, Shanghai, Shenzhen and outside China (e.g. New York and Singapore).

The benchmark index does not currently incorporate specific ESG criteria. However, the choice of the MSCI China All Shares Net Total Return index remains relevant, particularly due to its controlled weighting, which helps limit concentration risk. The weighting of each entity belonging to the same group is capped at 10%, and the combined weight of all group entities individually exceeding 5% cannot exceed 40% of the index.

The Bloomberg code of the benchmark index is: M1CNAL Index.

The index is converted into EUR for EUR class shares and directly expressed in USD for USD class shares. This conversion into EUR may have an impact on the management objective (as well as on the outperformance fee).

Since the management of the SICAV is not index-based, the SICAV's performance may differ substantially from the benchmark index, which is used only for comparison purposes.

The benchmark index does not include specific ESG criteria at this stage.

#### ➤ Investment strategy:

##### 1. Strategies used

The management focuses mainly on the Chinese equity markets, with a willingness to take advantage of the long-term trend of rising purchasing power of the country's population.

The investment strategy consists in selecting the securities that offer the best current or potential growth, leaders on major markets in the Asian geographical areas. This approach naturally leads the manager to invest mainly in sustainable growth stocks at the expense of cyclical stocks.

Most of the securities selected will be listed on the Hong Kong, Shanghai, Shenzhen and New York markets, but also on other financial markets.

GemChina is managed according to a rigorous selection of securities, known as stock picking, through a process that involves direct meetings with the companies in which the sub-fund invests.

The sub-fund invests in stocks selected based on extra-financial criteria according to the SRI method by systematically integrating environmental, social and governance (E.S.G.) factors into financial investment.

At least 90% of the stocks in the portfolio have obtained an ESG rating by the fund management company or one of its non-financial data providers.

The examples of indicators selected for each of the E, S and G criteria are as follows:

- Environmental indicators: environmental policy and actions, results of action plans implemented by the company, carbon footprint, exposure of suppliers to environmental risks, positive or negative impact of products on the environment.
- Social indicators: training hours per employee, employee loyalty (turnover rate), anti-discrimination efforts (feminization rate), average salary, proportion of temporary workers.
- Governance indicators: competence of the management team, number of independent directors, shareholders quality / profile, feminization of the board of directors.

The sub-fund endeavors, through a so-called "Best in universe" approach, to select well rated companies and/or those who have demonstrated substantial improvements from the extra-financial point of view. The sub-fund applies two extra-financial filters to its stock selection: after exclusion of controversial sectors and practices, the candidate company must comply with the minimum ESG rating.

The ESG investment process applied, excludes the 25% of the lowest rated companies in each sector from the investment universe.

These ratings are determined internally by the fund management team for all stocks in our investment portfolio. Given our frequent exchanges with these companies, we believe that we are particularly well positioned to perform these ratings. For stocks not included in the portfolio, especially those who are benchmark index components, the ratings are based on MSCI' recommendation.

The GemChina sub-fund has been awarded French government SRI label.

In addition to sectoral and thematic research carried out internally, fund managers also rely on extra-financial data provided by data specialists: MSCI (for extra-financial data), Trucost and CDP (for carbon footprints).

In the event that a company's rating drops below the minimum required for the sub-fund by the fund management company, the position in the issuer shall be liquidated within a maximum period of three months in the best interests of shareholders.

The main methodological limitation of the extra-financial strategy is that the fund management company relies on the data providers such as MSCI, and Trucost and CDP to determine the internal rating.

For further information on the rating methodology implemented in the sub-fund, investors are invited to consult Gemway Assets Transparency Code available on the website [www.gemway.com](http://www.gemway.com)

The investment strategy aims to eliminate sustainability risk

This sub-fund is classified **under Article 8 of the European Regulation (EU) No 2019/2088 ("Disclosure Regulation")**. Sustainability risk is measured for each issuer and/or UCI concerned based on a set of criteria on the Environmental, Social and Governance pillars that may have an impact on its valuation due to the level of financial risks they represent (including physical and transition risks related to climate change and, progressively, risks related to biodiversity). These criteria cover both endogenous and exogenous factors.

The results of this assessment are made available to managers so that they can consider the impact of their investments on the change in the level of sustainability risk in their portfolios.

The level of likely impact of sustainability risks on the performance of this Fund has been assessed as: Low

The principle consists of 'not causing considerable harm' only applying to underlying investments where the financial product considers the criteria of the European Union for economic activities on the environmental plan. Most investments (For example in emerging countries) of this financial product don't consider the criteria of the European union in their environmental plan.

For more detailed information on the rating methodology implemented in the sub-fund, investors are invited to refer to the Gemway Assets Transparency Code available on the website [www.gemway.com](http://www.gemway.com).

Investors can also access the shareholder engagement policy and report, ESG report, and CSR policy on the website <https://www.gemway.com/fr/approche-esg-isr> or are available upon request.

#### **"Information: Regulation (EU) 2020/852 known as "Taxonomy":**

The European Union Taxonomy (Regulation (EU) 2020/852) (hereinafter the "Taxonomy") aims to identify economic activities considered environmentally sustainable.

The Taxonomy identifies these activities according to their contribution to six major environmental objectives:

- mitigation of climate change.
- adaptation to climate change;
- sustainable use and protection of water and marine resources;
- transition to a circular economy (waste, prevention and recycling);
- prevention and reduction of pollution;
- protection and restoration of biodiversity and ecosystems.

In order to be considered environmentally sustainable, an economic activity must demonstrate that it makes a significant contribution to the achievement of one or more of these six objectives while not harming the achievement of the others (principle of no significant harm). For an activity to be compliant under this taxonomy, it is also necessary that it respects internationally guaranteed social and human rights (the minimum social guarantees).

The Sub-Fund is able to contribute to the achievement of these objectives of economic and social sustainability through its investments and integrates the Taxonomy into its investment decision-making process without however constituting a sustainable investment according to the definition of Regulation (EU) 2020/852 .

However, both the construction of the portfolio and the technical verification criteria limit the possibilities of evaluating the contribution to environmental objectives and prevent any evaluation of the contribution to social objectives.

Furthermore, the lack of information provided directly by the issuers as well as the shortcomings of the calculation methodologies do not for the moment make it possible to guarantee the accuracy, precision and comparability of the information communicated, it is not expected at this stage that a minimum proportion of the Sub-Fund's assets are aligned with the criteria of the European Taxonomy.

The other investments underlying this Fund do not consider the Union criteria European Commission on environmentally sustainable economic activities.

The Gemfunds SICAV is committed to 0% Taxonomy alignment

A periodic report relating to extra-financial characteristics is made available to investors.

If necessary, add: For any further information, please refer to the ESG policy on our website at [www.gemway.com](http://www.gemway.com)

A case-by-case fundamental analysis is then carried out, focusing mainly on five criteria, which are:

- the quality of the company management,
- the quality of its financial structure,
- visibility on the company's future earnings and especially its ability to produce sustainable Free Cash Flows in the future,
- growth prospects in its line of business,
- and the speculative aspect of the security.

Therefore, the investment strategy is primarily based on the selection of securities but also on a macro-economic approach in order to refine the sectoral allocation of assets.

Portfolio construction does not take account of the aforementioned index. Between 30 and 80 securities are selected (stock-picking) without any restriction in terms of the size of market capitalisation, type of sector or reference to market indexes. This conviction management may cause significant variations from the index. The weight of each company in the portfolio is entirely independent of the weight of that company in the index; it is possible that a company in the portfolio is not included in the said index, or that a company which features prominently in it is excluded from the sub-fund's portfolio.

Up to 100% of the sub-fund may be exposed to non-euro currencies. The main currencies to which it will be exposed are the Hong Kong and U.S. dollars, the Chinese renminbi and the Japanese yen.

GEMWAY ASSETS being a management company with fewer than 500 employees, the consideration of PAI is carried out on a voluntary basis. The management company is therefore not required to take into account negative sustainability impacts. When the company chooses not to follow the provisions of the regulation, it is required to explain why the implementation is not relevant at its scale under the principle of "Comply or Explain".

The financial product is not required to take into account the negative impacts currently and given the geographical area concerned, i.e. emerging countries, the information is not available with as much transparency as in the area where the publication legislation is in force. However, the financial product undertakes not to invest directly in coal exploration companies. Companies involved in the exploration and production of unconventional fossil fuels are also excluded, with a tolerance threshold of a maximum of 5% of turnover.

The financial product collects and tracks more than 10 environmental and social indicators such as Scope 1, 2 and 3 greenhouse gas emissions; carbon footprint ; carbon intensity; dangerous waste ; water consumption ; water recycling; case by case assessment of the principles of the United Nations Global Compact and the guidelines of the Organization for Economic Co-operation and Development (OECD) for multinational enterprises; pay gap between men and women; additional health coverage.

The financial product also undertakes to maintain the carbon intensity measured by the WACI 20% below the level of the benchmark index.

We have worked to improve data quality in collaboration with various providers, including MSCI and will publish PAIs during 2025 for the period ending December 2024.

## **2. Assets (excluding derivatives)**

### A/ Equities:

At least 75% of the GemChina sub-fund is exposed to listed equities of Chinese companies in all economic sectors and of all market capitalisations.

However, the sub-fund is entitled to invest up to 15% in small- to mid-caps (less than 1 billion dollars).

The sub-fund may also be exposed to equity risk through investments on international equity markets specific to OECD or non-OECD countries that have a connection with Chinese markets.

#### B/ Debt securities and money market instruments:

Depending on market developments and situations, up to 25% of the GemChina sub-fund may be exposed to:

- bonds without a restriction on their duration, at a fixed or variable interest rate, which are mainly issued by countries, deemed "investment grade", i.e. rated no lower than BBB- by Standard & Poor's or equivalent; in this regard, particular attention will be given to the credit quality of the companies issuing these securities;
- negotiable debt securities without a restriction on their duration, at a fixed or variable interest rate.

The ratings mentioned above are those used by the manager at the time of the initial investment. If a rating is downgraded over the life of the investment, the manager will conduct a case-by-case analysis of each situation and decide whether or not to maintain the position concerned. As a result, the investment limits defined according to the assessment of credit risk by the rating agencies may be slightly adjusted in accordance with the management team's own analysis.

The management is not subject to any restriction in the distribution between sovereign and private issuers. The manager does not set any particular constraints with respect to the geographical areas of the issuers but will prefer investments in leading international markets.

The holding of securities deemed 'speculative' or non-rated must remain incidental.

The sensitivity range retained is between -1 and +2.

#### C/ Holding of shares or units in other UCITS or investment sub-funds:

The sub-fund may hold up to 10% of its assets in units or shares in the following UCITS or investment sub-funds:

- French or international UCITS
- French or European AIFs or investment sub-funds complying with the criteria set by the French Monetary and Financial Code.

These UCITS and investment sub-funds may invest up to 10% of their assets in UCITS, AIFs or investment sub-funds. They may be managed by the management company.

### **3. Derivatives used to achieve the management objective**

#### A/ Derivative financial instruments

The sub-fund is entitled to operate on forward financial instruments traded on international regulated markets, non-regulated and/or over-the-counter markets in order to expose the portfolio to and/or hedge it against equity market risk or currency risk.

Derivative instruments may also be used to make adjustments to the portfolio in the event of significant subscription/redemption transactions. Overall exposure (directly owned securities and forward instruments) to equity markets may not exceed 100% of the net assets.

1. Type of markets where the fund operates:
  - ☒ Regulated
  - ☒ Organised
  - ☒ Over the counter
2. Risks on which the manager decides to operate:
  - ☒ Equity
  - ☐ Interest rate
  - ☒ Currency
  - ☐ Credit
3. Type of operations:
  - ☒ Hedging: currency, equity
  - ☒ Exposure: equity
  - ☐ Arbitrage
4. Type of instruments used:
  - ☒ Futures: on indexes
  - ☒ Options: index, equity and foreign exchange (currency)
  - ☒ Foreign exchange forward: purchase and sale of currencies
5. Strategy using derivatives to achieve the management objective:
  - ☒ Total or partial portfolio hedging
  - ☒ Reconstitution of synthetic exposure to assets and risks (equity, currency)
  - ☐ Increase in exposure to equity and currency markets

Financial instruments are entered into with intermediaries selected by the management company who have no power over the mix or management of the SICAV's portfolio.

## B/ Securities with embedded derivatives

The manager may invest in European convertible bonds and/or international convertible bonds, in particular those of emerging countries.

The manager may invest in securities with embedded derivatives (warrants, subscription certificates, convertible bonds, etc.) traded on regulated or over the counter eurozone and/or international markets.

In this regard, the manager may take positions to hedge and/or expose the portfolio to business sectors, geographical areas, interest rate, equities (all types of capitalisation), foreign exchange, securities, etc. in order to achieve the management objective.

The use of securities with embedded derivatives, as opposed to the other derivative instruments listed above, shall be justified in particular by the manager's decision to optimise hedging, or, where necessary, to boost the portfolio by reducing the cost associated with the use of these financial instruments in order to achieve the management objective.

In all cases, the amounts invested in securities with embedded derivatives may not exceed more than 20% of the net assets.

### **4. Deposits: Nil**

### **5. Cash borrowing:**

The sub-fund may borrow cash. Although the sub-fund is not a structural cash borrower, it may find itself temporarily in debit due transaction-related cash flows (ongoing investments and divestments, subscription/redemption transactions, etc.) within a limit of 10% of the net assets.

### **6. Temporary purchases and sales of securities: Nil**

## **➤ Risk profile:**

The list of risks below is not exhaustive: it is the responsibility of investors to assess the risk associated with each investment and to draw their own conclusions.

By investing in the sub-fund, the main risks to which investors are exposed are as follows:

#### **Risk of capital loss:**

The loss of capital arises when a unit is sold at a lower price than its purchase value. Unitholders are notified that the capital initially invested may not be returned. The sub-fund has no capital guarantee or protection.

#### **Equity risk:**

At least 75% of the GemChina sub-fund is exposed to equities. If the equities or indexes to which the portfolio is exposed fall, the sub-fund's net asset value may fall.

#### **Risks associated with investments in emerging markets and especially the China risk:**

There is a risk associated with investing in emerging markets, deriving essentially from the operating and supervisory conditions of these markets, which may differ from the standards prevailing on the major international markets, or political and regulatory factors.

This may cause the net asset value to fall.

#### **Liquidity risk:**

The markets in which the fund is invested may be subject to a temporary lack of liquidity. These market disruptions may impact the pricing conditions under which the fund may be required to liquidate, initiate or modify its positions.

#### **Risk associated with investments in small- to mid-cap equities:**

As the number of listed securities on small- to mid-cap markets is relatively small, downward market movements are amplified and more abrupt than for large capitalisations. The sub-fund's net asset value may consequently fall more rapidly and more sharply.

#### **Risk associated with the holding of convertible bonds:**

The value of convertible bonds depends on several factors: interest rate level, change in the price of underlying shares and of the derivative embedded in the convertible bond. These various factors may lead to a fall in the sub-fund's net asset value.

#### **Risk associated with the investment in high-yield speculative securities:**

High yield securities are securities which are rated below BBB- by S&P (or equivalent by major rating agencies) or considered of equivalent quality by the management company, or unrated securities. They are subject to higher risk of default. They may also be subject to significant changes in valuation. They are not sufficiently liquid to be sold at any time at the best price. Therefore, the sub-fund's value may be significantly affected by the fall in the value of high yield securities held in the portfolio.

#### **Currency risk:**

This is the risk of a fall in the investment currencies against the euro, the portfolio's benchmark currency. If a currency falls against the euro, it may result in a decline in the net asset value.

#### **Risk related to discretionary management:**

The discretionary management style applied to the sub-fund is based on stock selection. There is a risk that GemChina may not be always invested in the best-performing securities. The sub-fund's performance may therefore fall below the management objective. The sub-fund's net asset value may also show negative performance.

**Interest rate risk:**

Up to 25% of GemChina's assets are exposed to interest rate products. The sub-fund's net asset value may fall if interest rates rise.

**Credit risk:**

Up to 25% of the sub-fund is exposed to money-market instruments or bonds. Credit risk is the risk that a private issuer's credit quality falls or the risk of default on the latter's part. The value of the debt or bond securities in which the sub-fund is invested may fall, causing the net asset value to fall.

**Counterparty risk:**

Counterparty risk involves the use, via this sub-fund, of forward financial instruments traded over the counter and/or temporary purchases and sales of securities. These transactions may potentially expose the sub-fund to a default risk of one of the counterparties.

**Sustainability risk:** It is characterized by an environmental, social or governance event or situation that, if occurs, could have a material negative impact, real or potential, on the value of the investment.

**Environmental factors:** environmental impact, which may include wafer usage, pollution, waste treatment, energy efficiency, gas emissions and climate change.

**Social factors:** Human rights, health and safety, working conditions, community impact, diversity, demographic change, consumption patterns and shareholder reputation.

**Governance factors:** Independence of the board of directors and its diversity, alignment of shareholders' interest with those of managers, remuneration, shareholder rights, transparency and disclosure, ethics or business culture.

**Risk related to ESG data:**

The fund management team bases its analysis on information integrating ESG criteria, partly sourced from third-party data providers. This information may be incomplete, inaccurate, or unavailable. As such, there is a risk that fund management team may add (exclude) a holding to (from) portfolio based on non-exhaustive, inappropriate, or unavailable elements. The fund management team mitigates this risk by including its proprietary analysis.

➤ **Guarantee or protection:** Nil

➤ **Target investors and typical investor profile:**

**Target investors:**

- R, N share: all investors,
- I share: intended essentially for institutional investors,
- USD R share: all investors,
- USD I share: intended essentially for institutional investors,
- F share: restricted to the founding shareholders of GemChina,
- S share: intended essentially for institutional investors.

**Typical investor profile:**

The sub-fund is intended for individuals or institutional investors who are aware of the risks involved in holding shares in such a sub-fund, which represents a high risk due to the investment in equities listed worldwide.

GemChina may be used for unit-linked individual variable life insurance products.

GemChina may also be used as an investment vehicle for UCITS managed by GEMWAY ASSETS.

The sub-fund is entitled to invest in UCITS managed by GEMWAY ASSETS.

Shares of this UCITS are not and shall not be registered in the United States pursuant to the U.S. Securities Act of 1933 as amended (1933 Securities Act) or eligible under any law of the United States. These shares shall not be offered, sold or transferred in the United States (including its territories and possessions) or benefit, directly or indirectly, any U.S. Person (within the meaning of Regulation S under the U.S. Securities Act of 1933).

The amount that may be reasonably invested in GemChina depends on the personal situation of unitholders. In order to determine this amount, they are advised to take into consideration their personal and any business assets, their cash requirements at the time and over the next five years, and whether they are willing to take risks on equity markets. Investors are also strongly encouraged to diversify their investments sufficiently in order to avoid exposing them to the risks of the sub-fund only.

**Recommended investment period:** more than 5 years

➤ **Procedure for determining and allocating income:**

Net income for the financial year is equal to the amount of interest payments, arrears, dividends, premiums and prizes, attendance fees and all income from the securities held in the sub-fund's portfolio plus income from sums currently available minus management fees and borrowing costs.

The amounts available for distribution are equal to:

1. Net income plus retained earnings, plus or minus the balance of accrued income;
2. Capital gains, net of fees, minus capital losses, net of fees, recognised in the financial year, plus net capital gains of the same type recognised in previous financial years which have not been distributed or capitalised, minus or plus the balance of accrued capital gains.

Distributable amounts are fully capitalised, except for amounts subject to distribution required by law.

➤ **Characteristics of shares:** (denomination currency, split, etc.)

Share (unit) class	Sub-fund no. 1 GemChina				
	ISIN code	Denomination on currency	Fraction of shares	Initial NAV	Minimum subscription amount
R-shares: GemChina	FR0013433067	Euro	1/1,000 <sup>th</sup>	EUR 100	Nil
I-shares: GemChina	FR0013433109	Euro	1/1,000 <sup>th</sup>	EUR 100	1 <sup>st</sup> subscription: Minimum EUR 250 000 (1)(2)
USD R-shares: GemChina	FR0013433083	USD Dollar	1/1,000 <sup>th</sup>	USD 100	Nil
USD I-shares: GemChina	FR0013433117	USD Dollar	1/1,000 <sup>th</sup>	USD 100	1 <sup>st</sup> subscription: Minimum USD 250 000 (1)(2)
F shares: GemChina	FR0013433125	Euro	1/1,000 <sup>th</sup>	EUR 100	1 <sup>st</sup> subscription: Minimum EUR 500 000 (1)(2)
USD S-shares: GemChina	FR0013455995	USD Dollar	1/1,000 <sup>th</sup>	USD 1000	1 <sup>st</sup> subscription: Minimum USD 20 000 000 (1)(2)
K-shares: GemChina	FR0050000498	Euro	1/1,000 <sup>th</sup>	EUR 100	1 <sup>st</sup> subscription: Minimum EUR 2 000 000 (3)
N-shares: GemChina	FR0014002SN5	Euro	1/1,000 <sup>th</sup>	EUR 100	Nil

- (1) With the exception of the management company which may subscribe for its own account or for third parties, without being subject to a minimum subscription amount.
- (2) In 1/1,000<sup>th</sup> of shares for subsequent subscriptions.
- (3) Except for Kiplink Finance employees who may purchase a single unit

➤ **Subscription and redemption procedures:**

Subscriptions and redemptions are allowed in thousandths of shares and in amount.

The minimum amount of the initial subscription of "I" shares is EUR 250 000, with the exception of the management company, its shareholders and employees who may subscribe to a single share. Subsequent subscriptions may be made in thousandths of shares.

The minimum amount of the initial subscription of "USD I" shares is USD 250 000, with the exception of the management company, its shareholders and employees who may subscribe to a single share. Subsequent subscriptions may be made in thousandths of shares.

The minimum amount of the initial subscription of "F" shares is EUR 500 000, with the exception of the management company, its shareholders and employees who may subscribe to a single share. Subsequent subscriptions may be made in thousandths of shares.

Subscription and redemption applications are centralised from Monday to Friday before 6 pm (CET/CEST) by the custodian:

BNP PARIBAS S.A

Partnership limited by shares (*Société en Commandite par Actions*) with its registered office at 16, Boulevard des Italiens 75009 PARIS  
Postal address: Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, FRANCE

They are executed on the basis of the subsequent net asset value established on the next trading day.

Subscription and redemption applications received after 6 pm (CET/CEST) are executed on the basis of the net asset value subsequent to that mentioned above.

Orders are executed in accordance with the table below:

D-1	D: Date on when the NAV is established	D+1 working days	D+2 working days
Centralisation of subscription and redemption orders before 6 pm	Date of NAV (calculated on D+1)	Calculation and publication of the net asset value dated D	Settlement of subscriptions and redemptions

➤ **Date and frequency of establishment and calculation of the net asset value:**

The net asset value is calculated on a daily basis except on days when the Paris Stock Exchange and/or Hong Kong Stock Exchange and/or the Chinese Stock Exchanges of Shanghai and Shenzhen are closed (according to the official calendar of Euronext Paris S.A., Hong Kong Stock Exchange and Shanghai and Shenzhen Stock Exchanges).

➤ **Procedures for switching from one sub-fund (or share) to another**

Requests for a switch (sale followed by a simultaneous purchase) from one sub-fund to another (or between two shares in the same sub-fund) are allowed.

However, these transactions will only be possible:

- on orders expressed in quantities,
- on shares of sub-funds expressed in the same currency,
- on sub-funds with the same net asset value frequency and the same centralisation date,
- on sub-funds with the same subscription/redemption cut-off times.

Orders are carried out based on the subsequent calculated net asset value.

It should be noted that in the event of a switch:

- any prior notice is not applied,
- the redemption's settlement/delivery date is applied to both legs (subscription and redemption).

Investors are reminded that, depending on their country's tax regime, this transaction may trigger the application of tax on capital gains or losses on financial instruments.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code, the sub-fund's redemption of its own shares as well as the issue of new shares may be temporarily suspended by the management company where exceptional circumstances and the interest of shareholders so require.

The net asset value is available on request by contacting the management company on +33 (0)1.86.95.22.98 or on the management company's website ([www.gemway.com](http://www.gemway.com)).

➤ **Repurchase capping system ("gates")**

The Sub-Fund has a redemption capping mechanism. ("gates")

In the event of exceptional circumstances and when the interests of shareholders require it or of the public, the SICAV may implement on behalf of the Sub-Fund a so-called "Gates" system which allows shareholder redemption requests to be spread out. of the Compartment on several net asset values since the redemption requests are such that, with regard to the liquidity conditions of the Compartment's assets, these could not be honored under conditions preserving the interests of shareholders and ensuring a fair treatment to them, or when redemption requests arise in circumstances that undermine the integrity of the market.

The spread of redemption movements (Gates mechanism) may be decided by the SICAV on behalf of the Sub-Fund after having assessed the relevance in particular with regard to the consequences on liquidity management in order to guarantee the management balance of the SICAV and therefore equal treatment of shareholders.

If during centralization the redemption requests (net of subscriptions) emanating simultaneously from one or more shareholders represent more than 8% of the net assets, it being specified that the "Gates" system will not be triggered systematically in case of exceeding this threshold: if liquidity conditions permit, the SICAV may decide to honor redemptions beyond the trigger threshold.

The maximum duration of application of the Gates is set at 8 net asset values over 6 months with an estimate of the maximum capping time set at 2 months.

In the event of activation of the mechanism by the management company, redemption requests for all categories of shares combined not fully honored on the date of establishment of the net asset value will be automatically carried over to the next net asset value for those which exceed the Gate activation threshold and processed without order of priority for the same proportion for each order.

As the Sub-Fund has several share categories, the trigger threshold will be the same for each share category. On each date of establishment of the net asset value, if the amount of redemptions less the amount of subscription orders on the same net asset value is greater than or equal to 8% of the net assets of the SICAV, the management company may reduce each redemption order within the maximum redemption limit of the SICAV. The SICAV will then proportionally reduce all redemption orders up to the maximum redemption limit. Redemption requests will thus be reduced proportionally and expressed as a whole number of shares (rounded up).

The maximum redemption limit of the SICAV on each date of establishment of the net asset value is defined as being 8% of the net assets of the SICAV or a higher amount at the decision of the SICAV if market liquidity allows it.

The residual portion of redemptions exceeding the maximum redemption limit is not canceled and will be automatically carried over to the next net asset value and treated in the same way as redemption orders that have been placed on the next net asset value. Orders thus postponed cannot be canceled and will not have priority over subsequent redemption requests. Under these conditions, the shareholders affected by the reduction of orders are informed of the amount of their order postponed, individually, as soon as possible by the Centralizer, on instructions from the management company.

The activation of the triggering of the Gates mechanism is the subject of information on the management company's website in the SICAV section.

Case of exemption from the trigger mechanism: In the case of a round trip on the same net asset value, namely a concurrent share redemption request linked to a subscription request on the same net asset value date, the same ISIN code, the same number of shares, the same intermediary and on the same account, will not be part of the Gates calculation mechanism and will therefore be honored as such.

Illustrative example of gate mechanism

If on the centralization date, redemption orders (net of subscriptions) represent 20% of the net assets of the SICAV and the management company decides to activate the mechanism for capping redemptions up to 10% of the net assets of the SICAV:

- after the net asset value date, each investor who has submitted a redemption order will receive payment equal to 50% (i.e. 10% divided by 20%) of the requested redemption amount;
- the remaining 50% will be carried over to the next net asset value date. If, on the following centralization, redemption orders net of subscriptions (new orders + balance of orders carried over) represent 50% of the net assets of the SICAV and the management company decides to cap redemptions at 40% , all orders, including the balance of previously postponed orders, will be honored at 80% (i.e. 40% divided by 50%).

#### ➤ **Swing pricing and anti-dilution levies**

The Sub-Fund has no swing pricing and anti-dilution levies system in place.

#### ➤ **Charges and fees:**

Subscription and redemption fees:

Fees payable by investors on subscriptions and redemptions	Basis	Rate
Subscription fee not retained by the UCITS	net asset value × number of shares	R, N and USD R shares: 2% maximum I, USD I, K, S USD, shares: 1% maximum F shares: 4% maximum
Subscription fee retained by the UCITS	Nil	Nil
Redemption fee not retained by the UCITS	net asset value × number of shares	R, N, USD R, I and USD I, K shares: 1% maximum F shares: 2% over 2 years from the sub-fund's inception date
Redemption fee retained by the UCITS	Nil	Nil

Operating costs and management fees:

These fees include all fees charged directly to the sub-fund, except for transaction costs. Transaction costs include intermediation costs (brokerage, etc.) and transaction fees, where applicable, which may be paid to the custodian and the management company.

The following may be added to the operating costs and management fees:

- outperformance fees, which are paid to the management company when the sub-fund has exceeded its performance targets and are thus charged to the sub-fund;
- transaction fees charged to the sub-fund.

Fees charged to the UCITS		Basis	Rate
1	Financial management fees	Net assets	R and USD R shares: 2.10% incl. taxes maximum I and USD I, K shares: 1.05% incl. taxes maximum F shares: 0.6% incl. taxes maximum N shares: 1.15% incl. taxes maximum USD S shares: 0.9%
	Administrative fees external to the management company (statutory auditor, custodian, distribution, lawyers)		
2	Maximum indirect fees (management fees and costs)	Net assets	Immaterial *
3	Transaction fees	Payable on each transaction	For the Management Company: NIL
			Custodian fees payable: 6 to 80 euros incl. taxes depending on the country
4	Outperformance fees	Net assets	<u>R, N, I, K and F shares:</u> 15% including taxes of the Fund's outperformance relative to its benchmark index, the MSCI China AllShares Net Total Return USD Index, converted into euros.
			<u>USD R and USD I shares:</u> 15% including taxes of the Fund's outperformance relative to its benchmark index, the MSCI China AllShares Net Total Return USD Index. <u>USD S shares:</u> No outperformance fees

\* the sub-fund investing less than 10% of its assets in other UCIs.

#### Outperformance commission calculation method:

Calculated according to the indexed method, the outperformance commission is set up over reference periods running from the last net asset value in December of the year to the last net asset value in December of the following year. The reference periods may not be less than 1 year.

Variable part linked to outperformance: 15% including tax of the outperformance of shares as defined below. For the share of the sub-fund denominated in Euros:

The outperformance fee is based on the comparison between the performance of the GemChina sub-fund's performance and the Notional Asset achieving the performance of the benchmark index (MSCI China AllShares Net Total Return USD Index, converted into euros)

Coupon included in Euros over the reference period and recording the same subscription and redemption transactions as the actual fund.

For the share of the sub-fund denominated in Dollars:

The outperformance fee is based on the comparison between the performance of the GemChina sub-fund's performance and the Notional Asset achieving the performance of the benchmark index (MSCI China AllShares Net Total Return USD Index)

Coupon included in Dollars over the reference period and recording the same subscription and redemption transactions as the actual fund.

- If the sub-fund achieves performance above the Notional Asset and which is positive over the financial year, the management company will collect, after deduction of the fixed management fees, an outperformance fee based on a 15% rate including taxes. Note: Investors should note that an outperformance fee will be deducted when the fund outperforms the benchmark, even if the fund records a negative performance.

- In the event of underperformance, this underperformance will be carried over to the catch-up period.

- The variable management fee will only be charged if the net asset value has increased more than the Notional Asset during the year. If the performance since the beginning of the catch-up period exceeds the performance of the benchmark, a provision of 15% of this performance is made.

- The performance fee is accrued at the time of each net asset value calculation.

- The performance fee is paid annually to the management company on the basis of the last net asset value of the financial year and, therefore, the provision is reset to zero every year.

- In the event of redemption of shares by an investor during the financial year, the share of the outperformance fee is paid to the management company and deducted at the end of the financial year.

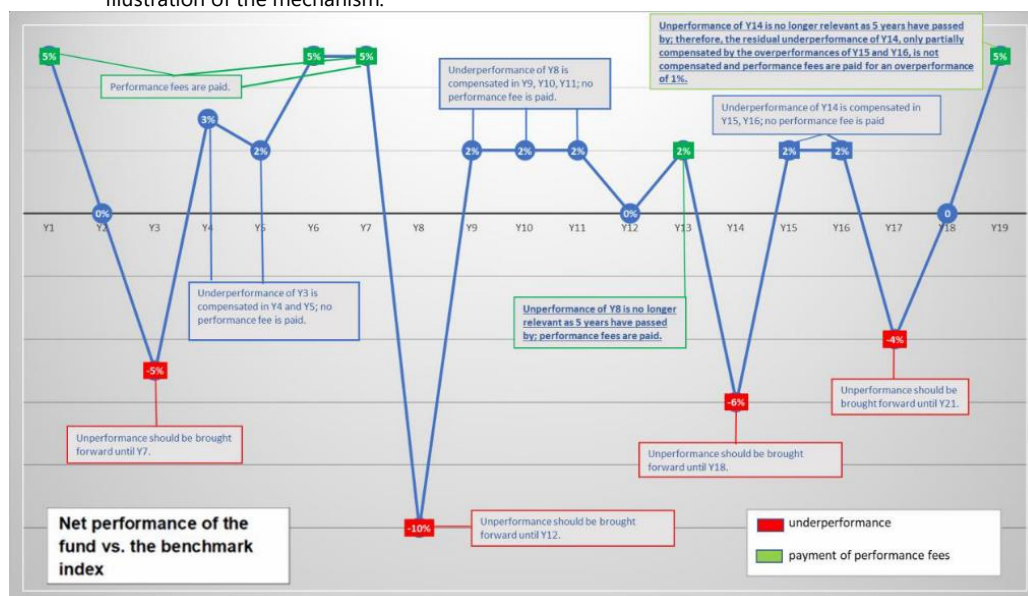
- Each period of underperformance opens a new period of 1 to 5 years maximum after which, if the 5 year old underperformance has not been made up, it can be forgotten. If another year of underperformance has occurred within this first 5 year period and has not been recovered by

the end of this first period, a new period of up to 5 years opens from this new year of underperformance. Each year of relative underperformance must be made up over a period of 5 years (or less if it is made up sooner).

In the event of underperformance relative to the benchmark, the provision is reduced by the amount of allocations made since the beginning of each catch-up period;

The method for calculating the variable management fee is made available to shareholders.

Illustration of the mechanism:



- Over/under performance - annual      Under performance to be compensated      Payment of annual variable variable management fee

Y1	5%	0%	YES
Y2	0%	0%	NO
Y3	-5%	-5%	NO
Y4	3%	-2%	NO
Y5	2%	0%	NO
Y6	5%	0%	YES
Y7	5%	0%	YES
Y8	-10%	-10%	NO
Y9	2%	-8%	NO
Y10	2%	-6%	NO
Y11	2%	-4%	NO
Y12	0%	0% <sup>29</sup>	NO
Y13	2%	0%	YES
Y14	-6%	-6%	NO
Y15	2%	-4%	NO
Y16	2%	-2%	NO
Y17	-4%	-6%	NO
Y18	0%	-4% <sup>30</sup>	NO
Y19	5%	0%	YES

- The underperformance to be compensated in year 12 is not -4% because the residual underperformance of year 8 has still not been compensated at the end of a 5 year period and can therefore be reset to zero

- The residual performance of year 14 has still not been compensated in year 18 so it is reset to zero. However, another year of underperformance occurred within this first 5-year period (-4% in Y17) and was not made up for at the end of this first period, so a new period of up to 5 years opens from this new year of underperformance. The underperformance to be caught up in Y18 is therefore the cumulative underperformance of Y17 and Y18, i.e. -4%.

## **Procedure for selecting intermediaries:**

Gemway Assets evaluates brokers twice a year.

The evaluation criteria set by Gemway Assets are:

1. the ability to find liquidity (especially block trading, flow list, etc.) and the quality of order execution
2. assistance with meetings with companies
3. the successful settlement of transactions
4. the quality of analysis and sales support

## **2. GemEquity sub-fund**

### **➤ ISIN codes:**

GemEquity R share ISIN code:	FR0011268705
GemEquity I share ISIN code:	FR0011274984
GemEquity USD R share ISIN code:	FR0013082658
GemEquity USD I share ISIN code:	FR0013082666
GemEquity USD S share ISIN code:	FR0013246444
GemEquity K share ISIN code:	FR0013342300
GemEquity D share ISIN code:	FR0013342292
GemEquity N share ISIN code:	FR0013519931
GemEquity MH share ISIN code:	FR001400CCX3
GemEquity USD Y share ISIN code:	FR001400EWR9

### **➤ Classification:**

International Equities

75% minimum exposure to international equities from emerging countries or members of the OECD or non-OECD countries that have a connection with the markets of Asia, Latin America, the Caribbean, Eastern Europe, the Middle East, or from Africa. The fund will invest in stocks of all capitalisations and from any economic sector. Up to 10% of the fund may, however, be reserved for investment in small and mid-caps.

### **➤ Investment objective:**

GemEquity is a dynamic fund seeking long-term performance through exposure to securities mainly from emerging countries (Asia, Latin America, the Caribbean, Eastern Europe - including Russia and the countries of the former USSR, Middle East, Africa) by investing at least 90% in stocks selected on the basis of extra-financial criteria arising from long term trends affecting society and the economy by taking into account environmental, social and governance ("ESG") considerations.

### **➤ Benchmark index:**

The performance of the GemEquity sub-fund can be compared to the MSCI Emerging Markets Index (USD), net dividends reinvested. Calculated by MSCI, this index is weighted by market capitalization and considers the performance of the various emerging market exchanges in the broad sense.

The Bloomberg code of the benchmark index is: NDUEEGF Index HP

The index is converted into EUR for EUR class shares and directly expressed in USD for USD class shares. This conversion into EUR may have an impact on the management objective (as well as on the outperformance fee).

Since the management of the sub-fund is not index-based, the fund's performance may differ substantially from the benchmark index, which is used only for comparison purposes.

### **➤ Investment strategy:**

#### **1. Strategies used**

The management is oriented towards the emerging equity markets, with a willingness to take advantage of the long-term trend of rising purchasing power of these countries.

GemEquity sub-fund is managed according to a rigorous selection of securities, known as stock picking, through a process that involves direct meetings with the companies in which the sub-fund invests.

The sub-fund invests in stocks selected based on extra-financial criteria by systematically integrating environmental, social and governance (E.S.G.) factors into financial investment.

At least 90% of the stocks in the portfolio have obtained an ESG rating by the fund management company or one of its non-financial data providers.

The examples of indicators selected for each of the E, S and G criteria are as follows:

- Environmental indicators: environmental policy and actions, results of action plans implemented by the company, carbon footprint, exposure of suppliers to environmental risks, positive or negative impact of products on the environment.
- Social indicators: training hours per employee, employee loyalty (turnover rate), anti-discrimination efforts (feminization rate), average salary, proportion of temporary workers.
- Governance indicators: competence of the management team, number of independent directors, shareholders quality / profile, feminization of the board of directors.

The sub-fund endeavors, through a so-called "best in class / best in progress" approach, to select well rated companies and/or those who have demonstrated substantial improvements from the extra-financial point of view. The sub-fund applies two extra-financial filters to its stock selection: after exclusion of controversial sectors and practices, the candidate company must comply with the minimum ESG rating.

The ESG investment process applied, excludes the 20% of the lowest rated companies in each sector from the investment universe.

These ratings are determined internally by the fund management team for all stocks in our investment portfolio. Given our frequent exchanges with these companies, we believe that **we** are particularly well positioned to perform these ratings. For stocks not included in the portfolio, especially those who are benchmark index components, the ratings are based on MSCI' recommendation.

In addition to sectoral and thematic research carried out internally, fund managers also rely on extra-financial data provided by data specialists: MSCI (for extra-financial data), Trucost and CDP (for carbon footprints).

In the event that a company's rating drops below the minimum required for the sub-fund by the fund management company, the position in the issuer shall be liquidated within a maximum period of three months in the best interests of shareholders.

The main methodological limitation of the extra-financial strategy is that the fund management company relies on the data providers such as MSCI, and Trucost and CDP to determine the internal rating.

For further information on the rating methodology implemented in the sub-fund, investors are invited to consult Gemway Assets Transparency Code available on the website [www.gemway.com](http://www.gemway.com)

The investment strategy aims to eliminate sustainability risk

This sub-fund is classified **under Article 8 of the European Regulation (EU) No 2019/2088 ("Disclosure Regulation")**. Sustainability risk is measured for each issuer and/or UCI concerned on the basis of a set of criteria on the Environmental, Social and Governance pillars that may have an impact on its valuation due to the level of financial risks they represent (including physical and transition risks related to climate change and, progressively, risks related to biodiversity). These criteria cover both endogenous and exogenous factors.

The results of this assessment are made available to managers so that they can consider the impact of their investments on the change in the level of sustainability risk in their portfolios.

The level of likely impact of sustainability risks on the performance of this Fund has been assessed as: Low

For more detailed information on the rating methodology implemented in the sub-fund, investors are invited to refer to the Gemway Assets Transparency Code available on the website [www.gemway.com](http://www.gemway.com).

Investors can also access the shareholder engagement policy and report, ESG report, and CSR policy on the website <https://www.gemway.com/fr/approche-esg-isr> or are available upon request.

#### **"Information: Regulation (EU) 2020/852 known as "Taxonomy":**

The European Union Taxonomy (Regulation (EU) 2020/852) (hereinafter the "Taxonomy") aims to identify economic activities considered environmentally sustainable.

The Taxonomy identifies these activities according to their contribution to six major environmental objectives:

- mitigation of climate change.
- adaptation to climate change;
- sustainable use and protection of water and marine resources;
- transition to a circular economy (waste, prevention and recycling);
- prevention and reduction of pollution;
- protection and restoration of biodiversity and ecosystems.

In order to be considered environmentally sustainable, an economic activity must demonstrate that it makes a significant contribution to the achievement of one or more of these six objectives while not harming the achievement of the others (principle of no significant harm). For an activity to be compliant under this taxonomy, it is also necessary that it respects internationally guaranteed social and human rights (the minimum social guarantees).

The Sub-Fund is able to contribute to the achievement of these objectives of economic and social sustainability through its investments and integrates the Taxonomy into its investment decision-making process without however constituting a sustainable investment according to the definition of Regulation (EU) 2020/852 .

However, both the construction of the portfolio and the technical verification criteria limit the possibilities of evaluating the contribution to environmental objectives and prevent any evaluation of the contribution to social objectives.

Furthermore, the lack of information provided directly by the issuers as well as the shortcomings of the calculation methodologies do not for the moment make it possible to guarantee the accuracy, precision and comparability of the information communicated, it is not expected at this stage that a minimum proportion of the Sub-Fund's assets are aligned with the criteria of the European Taxonomy.

The other investments underlying this Fund do not take into account the Union criteria European Commission on environmentally sustainable economic activities.

A periodic report relating to extra-financial characteristics is made available to investors.

If necessary, add: For any further information, please refer to the ESG policy on our website at [www.gemway.com](http://www.gemway.com)

A case-by-case fundamental analysis is then carried out, focusing mainly on five criteria, which are:

- the quality of the company management,
- the quality of its financial structure,
- visibility on the company's future earnings and especially its ability to produce sustainable Free Cash Flows in the future,
- growth prospects in its line of business,
- and the speculative aspect of the security.

The selected files are thus subject to a very selective and qualitative process, but the investment strategy also integrates a macroeconomic approach in order to refine the asset allocation.

The GemEquity portfolio comprises a selection of 40 to 80 different stocks.

The selected files were subject to a very selective and qualitative process.

The investment strategy focuses on selecting securities that offer the best current or potential growth and are leaders on major markets in the emerging geographical areas. This approach leads naturally the investment manager to invest mainly in companies able to generate sustainable and growing Free Cash Flows at the expense of cyclical stocks.

The stocks will essentially be large caps. However, the fund reserves the right to select small and mid-caps (under USD 1 billion) within a limit of 10%.

GemEquity has exposure of at least 75% to markets of emerging and eurozone countries and/or international equity markets.

Depending on market trends and situations, GemEquity may also invest up to 25% of its net assets in bond securities, mainly issued by States, deemed to be investment grade bonds, i.e. rated at least BBB- by Standard & Poor's or equivalent.

Lastly, within the context of its cash management, the fund reserves the right to invest:

- up to 25% of its assets in investment grade negotiable debt securities
- in units or shares of French or European UCITS and AIFs or investment sub-fund meeting the criteria set by the Monetary and Financial Code within the limit of 10%.

GemEquity may use derivative instruments as part of equity market risk hedging and exposure and/or as part of currency risk hedging.

It is specified that the fund may be exposed to up to 100% in currencies other than the euro. The main currencies to which it will be exposed are the Hong Kong dollar, the US dollar, the Brazilian real, the Indian rupee, the Russian rouble, the South African rand, the Korean won, Chinese renminbi, Japanese yen, Saudi riyal, Taiwan dollar, Philippine peso, Thai baht, Malaysian ringgit and Singapore dollar.

GEMWAY ASSETS being a management company with fewer than 500 employees, the consideration of PAI is carried out on a voluntary basis. The management company is therefore not required to take into account negative sustainability impacts. When the company chooses not to follow the provisions of the regulation, it is required to explain why the implementation is not relevant at its scale under the principle of "Comply or Explain".

The financial product is not required to take into account the negative impacts currently and given the geographical area concerned, i.e. emerging countries, the information is not available with as much transparency as in the area where the publication legislation is in force. However, the financial product undertakes not to invest directly in coal exploration companies. Companies involved in the exploration and production of unconventional fossil fuels are also excluded, with a tolerance threshold of a maximum of 5% of turnover.

The financial product collects and tracks more than 10 environmental and social indicators such as Scope 1, 2 and 3 greenhouse gas emissions; carbon footprint ; carbon intensity; dangerous waste ; water consumption ; water recycling; violations of the principles of the United Nations Global Compact and the guidelines of the Organization for Economic Co-operation and Development (OECD) for multinational enterprises; pay gap between men and women; additional health coverage.

The financial product also undertakes to maintain the carbon intensity measured by the WACI 20% below the level of the benchmark index.

We have worked to improve data quality in collaboration with various providers, including MSCI and will publish PAIs during 2025 for the period ending December 2024.

## **2. Assets (excluding derivatives)**

### A/Equities:

GemEquity is constantly exposed to 75% equity risks through investments in the shares of companies listed mainly in emerging countries (Asia, Latin America, the Caribbean, Eastern Europe, the Middle East and Africa). The fund may also be exposed to equity risks through investments on the international equity markets of OECD and non-OECD countries, as well as on markets which are not in emerging countries, and which are linked to the markets of emerging countries.

The fund will invest in stocks of all capitalisations and from any economic sector. Up to 10% of the fund may, however, be reserved for investment in small and mid-caps.

The securities selected may or may not have voting rights.

### B/Debt securities and money market instruments:

Within a limit of 25% in accordance with its investment strategy, the fund may invest:

- in negotiable debt securities of unrestricted duration receivables, with fixed or variable rates.
- in bonds of unrestricted duration, with fixed or variable rates. Within this framework, special attention is given to the credit quality of corporate issuers of such securities. Eligible securities are "investment grade", they have a minimum BBB rating according to Standard & Poor's or equivalent.

Management sets no limits in the breakdown between sovereign and private issuers. The manager does not set any particular constraints with respect to the geographical areas of the issuers but will prioritize investments into leading international markets.

The ratings mentioned above are those used by the manager at the time of the initial investment. If a rating is downgraded over the life of the investment, the manager will conduct a case-by-case analysis of each situation and decide whether or not to maintain the position concerned. As a result, the investment limits defined according to the assessment of credit risk by the rating agencies may be slightly adjusted in accordance with the management team's own analysis. As a result, the investment limits defined according to the assessment of credit risk by the rating agencies may be slightly adjusted in accordance with the management team's own analysis.

Information relating to the financial guarantees of the UCITS:

In the context of temporary acquisitions and sales of securities and OTC derivative transactions, the UCITS may receive securities and cash as collateral. The cash collateral received is reinvested in accordance with the applicable rules. Securities received as collateral may not be sold, reinvested or pledged as collateral. These securities must be liquid, transferable at all times and diversified and must be issued by high quality issuers that are not an entity of the counterparty or its group.

### C/ Ownership of units or shares in other UCITS or investment compartments

The sub-fund may hold up to 10% of its assets in the following units or shares of the following UCITS or investment sub-fund:

- French or foreign UCITS
- French or European AIF or investment sub-fund meeting the criteria set by the Monetary and Financial Code.

These UCITS and investment sub-fund may invest up to 10% of their assets in UCITS or AIFs or investment sub-fund. They can be managed by the management company

## **3. The derivatives used to achieve the management company objective**

### Derivative financial instruments

The sub-fund is entitled to operate on forward financial instruments traded on international regulated markets, unregulated and/or over-the-counter markets to expose and/or hedge the portfolio at the risk of the equity or currency risk.

Derivative instruments may also be used to make adjustments to the portfolio in the event of significant subscription/redemption transactions. Overall exposure (directly owned securities and forward instruments) to equity markets may not exceed 100% of the net assets.

#### 1. Type of the markets where the fund operates:

- ☒ Regulated
- ☒ Organised
- ☒ Over the counter

#### 2. Risks in which the manager decides to operate:

- ☒ Equity
- ☐ Interest Rate
- ☒ Currency

☐ Credit

3. Type of operations:
- ☒ Hedging: currency, equity
  - ☒ Exposition: equity
  - ☐ Credit
4. Type of the instrument used:
- ☒ Futures: on indexes
  - ☒ Options: index, equity and foreign exchange (currency)
  - ☒ Foreign exchange forward: purchase and sale of currencies
5. Strategy using derivatives to achieve the management objective:
- ☒ Total or partial portfolio hedging
  - ☒ Reconstitution of synthetic exposure to assets and risks (equity, currency)
  - ☐ Increase in exposure to equity and currency markets

The underlying will be important indices representative of the geographic areas or countries the fund invests in.

Financial instruments are entered into with intermediaries selected by the management company who have no power over the mix or management of the SICAV's portfolio.

#### B/ Securities with embedded derivatives

The manager may invest in European and/or international convertible bonds, particularly in the emerging countries.

The manager may invest in securities with embedded derivatives (warrants, subscription certificates, convertible bonds etc.) traded on euro zone and/or international regulated or over-the-counter markets.

In this regard, the manager may take positions to hedge and/or expose the portfolio to business sectors, geographical areas, interest rate, equities (all types of capitalisation), foreign exchange, securities, etc. in order to achieve the management objective.

The use of securities with embedded derivatives, rather than other derivative instruments mentioned above, shall be justified notably by the manager's aim to optimise hedging or if necessary, to stimulate the portfolio by reducing the cost associated with the use of these financial instruments in order to achieve the management objective.

In all cases, investments in securities with embedded derivatives must not exceed 20% of the net assets.

#### **4. Deposits: Nil**

#### **5. Cash borrowing:**

The fund may borrow cash. Without aiming to be a structural cash borrower, the fund may find itself in a debit position due to transaction-related cash flows (ongoing investments and divestments, subscription/redemption transactions, etc.) up to a limit of 10% of the net assets.

#### **6. Temporary purchase and sale transactions: Nil**

#### **7. Use of Total Return Swap: Nil**

### ➤ **Risk profile:**

The list of risks below is not exhaustive: it is the investors' duty to assess the risks inherent to each investment and to draw their own conclusion:

By investing in the sub-fund, the main risks to which investors are exposed are as follows:

#### Risks of capital loss:

The loss of capital arises when a unit is sold at a lower price than its purchase value. Unitholders are notified that the capital initially invested may not be returned. The sub-fund has no capital guarantee or protection.

#### Equity risk:

At least 75% of the GemEquity sub-fund is exposed to equities. If the equities or indexes to which the portfolio is exposed fall, the sub-fund's net asset value may fall.

#### Risks associated with investments in emerging markets:

There is a risk associated with investing in emerging markets, deriving essentially from the operating and supervisory conditions of these markets, which may differ from the standards prevailing on the major international markets, or political and regulatory factors.

#### Risks associated with investing in small and mi-caps equities:

As the number of listed securities on small- to mid-cap markets is relatively small, downward market movements are amplified and more abrupt than for large capitalisations. The sub-fund's net asset value may consequently fall more rapidly and more sharply.

Risk associated with the holding of convertible bonds:

The value of convertible bonds depends on several factors: interest rate level, change in the price of underlying shares and of the derivative embedded in the convertible bond. These various factors may lead to a fall in the sub-fund's net asset value.

Risk associated with the investment in high-yield speculative securities:

High yield securities are securities which are rated below BBB- by S&P (or equivalent by major rating agencies) or considered of equivalent quality by the management company, or unrated securities. They are subject to higher risk of default. They may also be subject to significant changes in valuation. They are not sufficiently liquid to be sold at any time at the best price. Therefore, the sub-fund's value may be significantly affected by the fall in the value of high yield securities held in the portfolio.

Currency risk:

This is the risk of a fall in the investment currencies against the euro, the portfolio's benchmark currency. If a currency falls against the euro, it may result in a decline in the net asset value.

Risk arising from discretionary management:

The discretionary management style applied to the sub-fund is based on stock selection. There is a risk that GemEquity may not be invested in the best-performing securities at all times. The sub-fund's performance may therefore fall below the management objective. The sub-fund's net asset value may also show negative performance.

Interest rate risk:

GemEquity has exposure of no more than 25% to fixed-income products. The sub-fund's net asset value may fall if interest rates rise.

Credit risk:

Up to 25% of the sub-fund is exposed to money-market instruments or bonds. Credit risk is the risk that a private issuer's credit quality falls or the risk of default on the latter's part. The value of the debt or bond securities in which the sub-fund is invested may fall, causing the net asset value to fall.

Counterparty risk:

Counterparty risk involves the use, via this sub-fund, of forward financial instruments traded over the counter and/or temporary purchases and sales of securities. These transactions may potentially expose the sub-fund to a default risk of one of the counterparties.

Sustainability risk: It is characterized by an environmental, social or governance event or situation that, if occurs, could have a material negative impact, real or potential, on the value of the investment.

Environmental factors: environmental impact, which may include wafer usage, pollution, waste treatment, energy efficiency, gas emissions and climate change.

Social factors: Human rights, health and safety, working conditions, community impact, diversity, demographic change, consumption patterns and shareholder reputation.

Governance factors: Independence of the board of directors and its diversity, alignment of shareholders' interest with those of managers, remuneration, shareholder rights, transparency and disclosure, ethics or business culture.

#### Risk related to ESG data:

The fund management team bases its analysis on information integrating ESG criteria, partly sourced from third-party data providers. This information may be incomplete, inaccurate, or unavailable. As such, there is a risk that fund management team may add (exclude) a holding to (from) portfolio based on non-exhaustive, inappropriate, or unavailable elements. The fund management team mitigates this risk by including its proprietary analysis.

➤ **Guarantee or protection:** Nil

➤ **Target investors and typical investor profile:**

#### **Investors concerned:**

- GemEquity R unit: all investors.
- GemEquity I unit: intended essentially for institutional investors.
- GemEquity R USD unit: all investors.
- GemEquity I USD unit: intended essentially for institutional investors.
- S-GemEquity USD unit: intended essentially for institutional investors.
- GemEquity K unit: action reserved for the KIPLINK FINANCE Feeder Funds
- GemEquity D unit: intended essentially for institutional investors.
- GemEquity N unit: all investors
- GemEquity MH unit: action reserved for Malakoff Humanis
- GemEquity Y USD unit: intended essentially for institutional investors.

#### **Typical investor profile:**

The fund is aimed at individual or institutional investors who are aware of the inherent risks in holding units in such a fund, which represents a high risk due to its investments in equities listed throughout the world.

GemEquity may be used within unit-linked individual variable-capital life-insurance contracts.

GemEquity can be used to support investment in UCITS managed by GEMWAY ASSETS.

The fund reserves the right to invest in UCITS managed by GEMWAY ASSETS.

The units of this UCITS are not and will not be registered in the United States under the US Securities Act of 1933 as amended (the "1933 Securities Act") or listed under any other law of the United States. These units shall not be offered, sold or transferred in the United States (including its territories and possessions) or benefit, directly or indirectly, any US Person (as defined by regulation S of the 1933 Securities Act).

The amount that may reasonably be invested in GemEquity depends on holders' individual circumstances. In order to determine this amount, prospective investors are advised to take into consideration their personal and professional assets and wealth, their cash needs at present and over the next 5 years, as well as the degree to which they are willing to take equity market risks or not. They are also strongly advised to diversify their investments sufficiently so as not to expose them solely to the risks of this fund.

**Recommended investment period:** more than 5 years

#### ➤ **Procedures for determining and allocating income:**

Net income for the financial year is equal to the amount of interest payments, arrears, dividends, premiums and prizes, attendance fees and all income from the securities held in the sub-fund's portfolio plus income from sums currently available minus management fees and borrowing costs.

The amounts available for distribution are equal to:

1. Net income plus retained earnings, plus or minus the balance of accrued income;
2. Capital gains, net of fees, minus capital losses, net of fees, recognised in the financial year, plus net capital gains of the same type recognised in previous financial years which have not been distributed or capitalised, minus or plus the balance of accrued capital gains.

Distributable amounts are fully capitalised, except for amounts subject to distribution required by law.

#### ➤ **Characteristics of shares:** (denomination currency, split, etc.)

Share (unit) class	Sub-fund n°2 GemEquity				
	ISIN code	Denomination currency	Fraction of shares	Initial NAV	Minimum subscription amount
R share: GemEquity	FR0011268705	Euro	1/1,000 <sup>th</sup>	EUR 100	Nil
I share: GemEquity	FR0011274984	Euro	1/1,000 <sup>th</sup>	EUR 100	1 <sup>st</sup> subscription: Minimum EUR 250 000 (1)
R USD share: GemEquity	FR0013082658	US Dollar	1/1,000 <sup>th</sup>	USD 100	Nil
I USD share: GemEquity	FR0013082666	US Dollar	1/1,000 <sup>th</sup>	USD 100	1 <sup>st</sup> subscription: Minimum USD 250 000 (1)
S USD share: GemEquity	FR0013246444	US Dollar	1/1,000 <sup>th</sup>	USD 1 000	1 <sup>st</sup> subscription: Minimum USD 20 000 000 (1)
K share: GemEquity	FR0013342300	Euro	1/1,000 <sup>th</sup>	EUR 100	1 <sup>st</sup> subscription: Minimum EUR 2 000 000 (2)
D share: GemEquity	FR0013342292	Euro	1/1,000 <sup>th</sup>	EUR 100	1 <sup>st</sup> subscription: Minimum EUR 250 000 (1)
Action N : GemEquity	FR0013519931	Euro	1/1000 <sup>ème</sup>	EUR 100	Nil
Action MH : GemEquity	FR001400CCX3	Euro	1/1000 <sup>ème</sup>	EUR 100	1 <sup>st</sup> subscription: Minimum EUR 20 000 000 (3)
Y USD share: GemEquity	FR001400EWR9	US Dollar	1/1,000 <sup>th</sup>	USD 1 000	1 <sup>st</sup> subscription: Minimum USD 50 000 000 (1)

(1) With the exception of the management company, its shareholders and its employees who may purchase a single unit

(2) With the exception of Kiplink Finance employees who may purchase a single unit

(3) With the exception of Malakoff Humanis employees who may purchase a single unit

➤ **Subscription and redemption procedures:**

Subscriptions and redemptions are allowed in thousandths of shares and in amount.

The minimum amount of the initial subscription of "I" , "D" shares is EUR 250 000, with the exception of the management company, its shareholders and employees who may subscribe to a single share. Subsequent subscriptions may be made in thousandths of shares.

The minimum amount of the initial subscription of "USD I" shares is USD 250 000, with the exception of the management company, its shareholders and employees who may subscribe to a single share. Subsequent subscriptions may be made in thousandths of shares.

The minimum amount of the initial subscription of "S" shares is EUR 20 000 000, with the exception of the management company, its shareholders and employees who may subscribe to a single share. Subsequent subscriptions may be made in thousandths of shares.

The minimum amount of the initial subscription of "y" shares is EUR 50 000 000, with the exception of the management company, its shareholders and employees who may subscribe to a single share. Subsequent subscriptions may be made in thousandths of shares.

Subscription and redemption requests are centralized each trading day before noon by the custodian:

BNP PARIBAS S.A

Partnership limited by shares (*Société en Commandite par Actions*) with its registered office at 16, Boulevard des Italiens 75009 PARIS  
Postal address: Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, FRANCE

They are executed on the basis of the subsequent net asset value established on the next trading day.

Subscription and redemption applications received after noon are executed on the basis of the net asset value following that mentioned above.

Orders are executed in accordance with the table below:

D	D: date on when the NAV is established	D+1 working days	D+2 working days
Centralisation before noon of subscription and redemption applications	Date of NAV (calculated on D+1)	Calculation and publication of the net asset value dated D-1	Settlement of subscriptions and redemptions

➤ **Date and frequency of establishment and calculation of the net asset value:**

The net asset value is calculated daily apart from on days on which the Paris stock exchange is closed (according to the calendar of Euronext Paris S.A.).

➤ **Procedures for switching from one sub-fund (or share) to another:**

Requests for a switch (sale followed by a simultaneous purchase) from one sub-fund to another (or between two shares in the same sub-fund) are allowed.

However, these transactions will only be possible:

- on orders expressed in quantities,
- on shares of sub-funds expressed in the same currency,
- on sub-funds with the same net asset value frequency and the same centralisation date,
- on sub-funds with the same subscription/redemption cut-off times.

Orders are carried out based on the subsequent calculated net asset value.

It should be noted that in the event of a switch:

- any prior notice is not applied,
- the redemption's settlement/delivery date is applied to both legs (subscription and redemption).

Investors are reminded that, depending on their country's tax regime, this transaction may trigger the application of tax on capital gains or losses on financial instruments.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code, the sub-fund's redemption of its own shares as well as the issue of new shares may be temporarily suspended by the management company where exceptional circumstances and the interest of shareholders so require.

### ➤ **Repurchase capping system ("gates")**

The Sub-Fund has a redemption capping mechanism. ("gates")

In the event of exceptional circumstances and when the interests of shareholders require it or of the public, the SICAV may implement on behalf of the Sub-Fund a so-called "Gates" system which allows shareholder redemption requests to be spread out. of the Compartment on several net asset values since the redemption requests are such that, with regard to the liquidity conditions of the Compartment's assets, these could not be honored under conditions preserving the interests of shareholders and ensuring a fair treatment to them, or when redemption requests arise in circumstances that undermine the integrity of the market.

The spread of redemption movements (Gates mechanism) may be decided by the SICAV on behalf of the Sub-Fund after having assessed the relevance in particular with regard to the consequences on liquidity management in order to guarantee the management balance of the SICAV and therefore equal treatment of shareholders.

If during centralization the redemption requests (net of subscriptions) emanating simultaneously from one or more shareholders represent more than 8% of the net assets, it being specified that the "Gates" system will not be triggered systematically in case of exceeding this threshold: if liquidity conditions permit, the SICAV may decide to honor redemptions beyond the trigger threshold.

The maximum duration of application of the Gates is set at 8 net asset values over 6 months with an estimate of the maximum capping time set at 2 months.

In the event of activation of the mechanism by the management company, redemption requests for all categories of shares combined not fully honored on the date of establishment of the net asset value will be automatically carried over to the next net asset value for those which exceed the Gate activation threshold and processed without order of priority for the same proportion for each order.

As the Sub-Fund has several share categories, the trigger threshold will be the same for each share category. On each date of establishment of the net asset value, if the amount of redemptions less the amount of subscription orders on the same net asset value is greater than or equal to 8% of the net assets of the SICAV, the management company may reduce each redemption order within the maximum redemption limit of the SICAV. The SICAV will then proportionally reduce all redemption orders up to the maximum redemption limit. Redemption requests will thus be reduced proportionally and expressed as a whole number of shares (rounded up).

The maximum redemption limit of the SICAV on each date of establishment of the net asset value is defined as being 8% of the net assets of the SICAV or a higher amount at the decision of the SICAV if market liquidity allows it.

The residual portion of redemptions exceeding the maximum redemption limit is not canceled and will be automatically carried over to the next net asset value and treated in the same way as redemption orders that have been placed on the next net asset value. Orders thus postponed cannot be canceled and will not have priority over subsequent redemption requests. Under these conditions, the shareholders affected by the reduction of orders are informed of the amount of their order postponed, individually, as soon as possible by the Centralizer, on instructions from the management company.

The activation of the triggering of the Gates mechanism is the subject of information on the management company's website in the SICAV section.

Case of exemption from the trigger mechanism: In the case of a round trip on the same net asset value, namely a concurrent share redemption request linked to a subscription request on the same net asset value date, the same ISIN code, the same number of shares, the same intermediary and on the same account, will not be part of the Gates calculation mechanism and will therefore be honored as such.

Illustrative example of gate mechanism

If on the centralization date, redemption orders (net of subscriptions) represent 20% of the net assets of the SICAV and the management company decides to activate the mechanism for capping redemptions up to 10% of the net assets of the SICAV:

- after the net asset value date, each investor who has submitted a redemption order will receive payment equal to 50% (i.e. 10% divided by 20%) of the requested redemption amount;
- the remaining 50% will be carried over to the next net asset value date. If, on the following centralization, redemption orders net of subscriptions (new orders + balance of orders carried over) represent 50% of the net assets of the SICAV and the management company decides to cap redemptions at 40% , all orders, including the balance of previously postponed orders, will be honored at 80% (i.e. 40% divided by 50%).

### ➤ **Swing pricing and anti-dilution levies**

The Sub-Fund has no swing pricing and anti-dilution levies system in place.

➤ **Charges and fees:**

Subscription and redemption fees:

Fees charged to the investor, deducted upon subscription and redemption	Basis	Rate
Subscription fee not retained by the UCITS	net asset value X number of units	R, and R USD shares: maximum 3% I, D, I USD, S USD and K shares: maximum 1% N shares: maximum 2% MH, Y USD shares: nil
Subscription fee retained by the UCITS	Nil	Nil
Redemption fee not retained by the UCITS	net asset value X number of units	R and R USD shares: 2% maximum I, I USD, S USD, K, N and D shares: 1% maximum MH, Y USD shares: nil
Redemption fee retained by the UCITS	Nil	Nil

Operating costs and management costs:

These fees cover all fees billed directly to the sub-fund, except for transaction costs. Transaction costs include intermediation costs (brokerage, etc.) and the transaction commission, if applicable, which may be collected by the depositary and the management company.

The following may be added to the operating and management fees:

- Outperformance fees which are paid to the management company when the sub-fund has exceeded its performance targets and are this charged to the sub-fund;
- Transactions fees charged to the sub-fund.

For more details on the fees charged to the sub-fund, please refer to the Key Investor Information Document.

Fees charged to the UCITS	Basis	Rate
Financial Management fees		
Management fees other than management company fees (auditors, custodian, distribution, lawyers)	Net assets	R, R USD shares: 2,10% incl. taxes maximum I, I USD, D and K shares: 1,05% incl. taxes maximum N shares: 1,15% incl. taxes maximum S USD shares: 0,9% TTC incl. taxes maximum MH shares: 0,7% TTC incl. taxes maximum Y USD shares: 0,5% TTC incl. taxes maximum
Maximum indirect fees (advisory fees and commissions)	Net assets	Not significant *
Transaction fees	Deducted on each transaction	For the management company: NIL Commission charged by the depositary: Between 6- and 80-euros including tax depending on the country
Outperformance fees	Net assets	<u>R, I, K, N et D shares:</u> 15% including taxes of the Fund's outperformance relative to its benchmark index the MSCI Emerging Markets Index, converted into euros, net dividends reinvested <u>R USD, Y USD et I USD shares:</u> 15% including taxes of the Fund's outperformance relative to its benchmark index the MSCI Emerging Markets Index, converted into USD, net dividends reinvested <u>S USD and MH shares:</u> Nil

\* the sub-fund investing less than 10% of its assets in other UCITS.

**Outperformance commission calculation method:**

Calculated according to the indexed method, the outperformance commission is set up over reference periods running from the last net asset value in December of the year to the last net asset value in December of the following year. The reference periods may not be less than 1 year.

Variable part linked to outperformance: 15% including tax of the outperformance of shares as defined below. For the share of the sub-fund denominated in Euros:

The outperformance fee is based on the comparison between the performance of the GemEquity sub-fund's performance and the Notional Asset achieving the performance of the benchmark index (MSCI Emerging Markets Index converted into euros)

Coupon included in Euros over the reference period and recording the same subscription and redemption transactions as the actual fund.

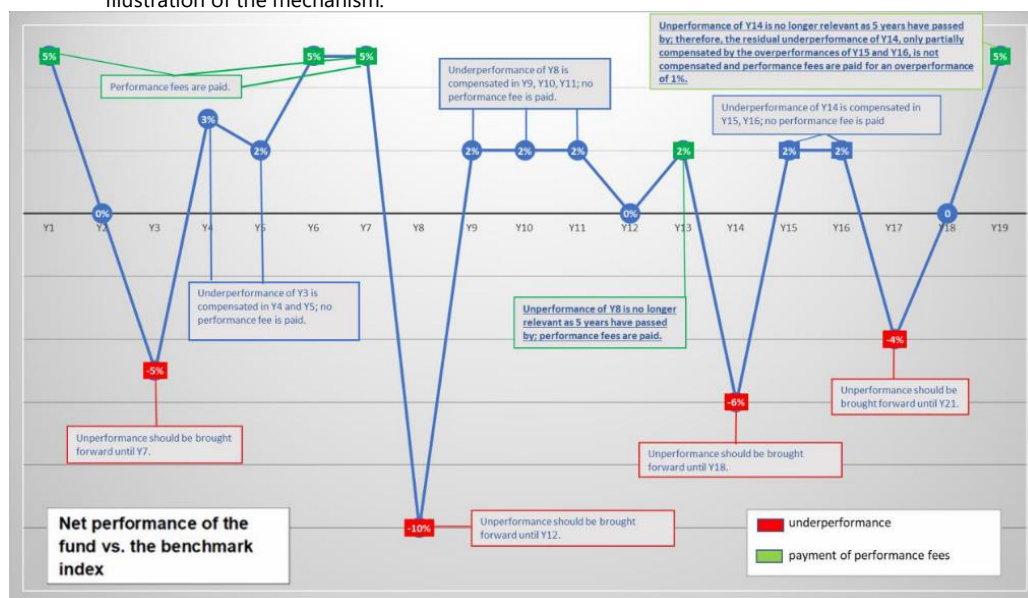
For the share of the sub-fund denominated in Dollars:

The outperformance fee is based on the comparison between the performance of the GemEquity sub-fund's performance and the Notional Asset achieving the performance of the benchmark index (MSCI Emerging Markets Index USD)

Coupon included in Dollars over the reference period and recording the same subscription and redemption transactions as the actual fund.

- If the sub-fund achieves performance above the Notional Asset and which is positive over the financial year, the management company will collect, after deduction of the fixed management fees, an outperformance fee based on a 15% rate including taxes. Note: Investors should note that an outperformance fee will be deducted when the fund outperforms the benchmark, even if the fund records a negative performance.
  - In the event of underperformance, this underperformance will be carried over to the catch-up period.
  - The variable management fee will only be charged if the net asset value has increased more than the Notional Asset during the year. If the performance since the beginning of the catch-up period exceeds the performance of the benchmark, a provision of 15% of this performance is made.
  - The performance fee is accrued at the time of each net asset value calculation.
  - The performance fee is paid annually to the management company on the basis of the last net asset value of the financial year and, therefore, the provision is reset to zero every year.
  - In the event of redemption of shares by an investor during the financial year, the share of the outperformance fee is paid to the management company and deducted at the end of the financial year.
  - Each period of underperformance opens a new period of 1 to 5 years maximum after which, if the 5 years old underperformance has not been made up, it can be forgotten. If another year of underperformance has occurred within this first 5 years period and has not been recovered by the end of this first period, a new period of up to 5 years opens from this new year of underperformance. Each year of relative underperformance must be made up over a period of 5 years (or less if it is made up sooner).
- In the event of underperformance relative to the benchmark, the provision is reduced by the amount of allocations made since the beginning of each catch-up period;
- The method for calculating the variable management fee is made available to shareholders.

Illustration of the mechanism:



- Over/under performance  
- annual

Under performance  
to be compensated

Payment of annual variable  
variable management fee

Y1	5%	0%	YES
Y2	0%	0%	NO
Y3	-5%	-5%	NO
Y4	3%	-2%	NO
Y5	2%	0%	NO
Y6	5%	0%	YES
Y7	5%	0%	YES
Y8	-10%	-10%	NO
Y9	2%	-8%	NO
Y10	2%	-6%	NO
Y11	2%	-4%	NO
Y12	0%	0% <sup>29</sup>	NO
Y13	2%	0%	YES
Y14	-6%	-6%	NO
Y15	2%	-4%	NO
Y16	2%	-2%	NO
Y17	-4%	-6%	NO
Y18	0%	-4% <sup>30</sup>	NO
Y19	5%	0%	YES

- The underperformance to be compensated in year 12 is not -4% because the residual underperformance of year 8 has still not been compensated at the end of a 5 year period and can therefore be reset to zero

- The residual performance of year 14 has still not been compensated in year 18 so it is reset to zero. However, another year of underperformance occurred within this first 5-year period (-4% in Y17) and was not made up for at the end of this first period, so a new period of up to 5 years opens from this new year of underperformance. The underperformance to be caught up in Y18 is therefore the cumulative underperformance of Y17 and Y18, i.e. -4%.

#### **Procedure for selecting intermediaries:**

Gemway Assets evaluates brokers twice a year.

The evaluation criteria set by Gemway Assets are:

1. the ability to find liquidity (especially block trading, flow list, etc.) and the quality of order execution
2. assistance with meetings with companies
3. the successful settlement of transactions
4. the quality of analysis and sales support

### **3. GemAsia sub-fund**

#### **➤ ISIN codes:**

R share ISIN code:	FR0013291861
I share ISIN code:	FR0013291887
USD R share ISIN code:	FR0013291887
USD I share ISIN code:	FR0013291895
M share ISIN code:	FR0013291903
USD S share ISIN code:	FR0013291911
N share ISIN code:	FR0014002SM7
MH shares ISIN code:	FR001400CCW5

#### **➤ Classification:**

International Equities

75% minimum exposure to equities from Asian countries excluding Japan or international, of all capitalisations and of all economic sectors with up to 10% in small- and mid-cap companies.

## ➤ **Investment objective:**

GemAsia is a dynamic fund seeking long-term performance through exposure to securities primarily issued in Asia ex Japan countries. Objective is to realize a better performance than its benchmark, the MSCI AC Asia ex Japan (converted in euros, net dividends reinvested) on the recommended period (5years), ongoing charges considered by investing at least 90% in stocks selected on the basis of extra-financial criteria arising from long term trends affecting society and the economy by taking into account environmental, social and governance ("ESG") considerations.

## ➤ **Benchmark index:**

The performance of GemAsia may be compared to the MSCI AC Asia ex Japan Index (USD), net dividends reinvested. Calculated by MSCI, this index is weighted by stock market capitalisation and takes into account the performance of the different stock markets of Asia ex Japan countries in the broadest sense.

Bloomberg code is: M1ASJ Index.

The benchmark index is converted into EUR for EUR class units and remains in USD for USD class units. This conversion may have an impact on investment objective (as well as outperformance fee).

As the fund's management is not index-linked, its performance may depart significantly from the benchmark, which serves only for comparison purposes.

The benchmark index does not include specific ESG criteria at this stage.

## ➤ **Investment strategy:**

### **1. Strategy used**

The management focuses on Asia ex Japan equity markets aim to benefit from the long-term trend of rising purchasing power of Asia ex Japan countries population.

The management of GemAsia is based on a rigorous selection of securities known as stock-picking, with the stocks chosen as a result of implementing a process involving direct meetings with the companies in which the fund invests.

The sub-fund invests in stocks selected based on extra-financial criteria by systematically integrating environmental, social and governance (E.S.G.) factors into financial investment.

At least 90% of the stocks in the portfolio have obtained an ESG rating by the fund management company or one of its non-financial data providers.

The examples of indicators selected for each of the E, S and G criteria are as follows:

- Environmental indicators: environmental policy and actions, results of action plans implemented by the company, carbon footprint, exposure of suppliers to environmental risks, positive or negative impact of products on the environment.
- Social indicators: training hours per employee, employee loyalty (turnover rate), anti-discrimination efforts (feminization rate), average salary, proportion of temporary workers.
- Governance indicators: competence of the management team, number of independent directors, shareholders quality / profile, feminization of the board of directors.

The sub-fund endeavors, through a so-called "best in class / best in progress" approach, to select well rated companies and/or those who have demonstrated substantial improvements from the extra-financial point of view. The sub-fund applies two extra-financial filters to its stock selection: after exclusion of controversial sectors and practices, the candidate company must comply with the minimum ESG rating.

The ESG investment process applied, excludes the 20% of the lowest rated companies in each sector from the investment universe. These ratings are determined internally by the fund management team for all stocks in our investment portfolio. Given our frequent exchanges with these companies, we believe that we are particularly well positioned to perform these ratings. For stocks not included in the portfolio, especially those who are benchmark index components, the ratings are based on MSCI' recommendation.

In addition to sectoral and thematic research carried out internally, fund managers also rely on extra-financial data provided by data specialists: MSCI (for extra-financial data), Trucost and CDP (for carbon footprints).

In the event that a company's rating drops below the minimum required for the sub-fund by the fund management company, the position in the issuer shall be liquidated within a maximum period of three months in the best interests of shareholders.

The main methodological limitation of the extra-financial strategy is that the fund management company relies on the data providers such as MSCI, and Trucost and CDP to determine the internal rating.

For further information on the rating methodology implemented in the sub-fund, investors are invited to consult Gemway Assets Transparency Code available on the website [www.gemway.com](http://www.gemway.com)

The investment strategy aims to eliminate sustainability risk

This sub-fund is classified **under Article 8 of the European Regulation (EU) No 2019/2088 ("Disclosure Regulation")**. Sustainability risk is measured for each issuer and/or UCI concerned on the basis of a set of criteria on the Environmental, Social and Governance pillars that may have an impact on its valuation due to the level of financial risks they represent (including physical and transition risks related to climate change and, progressively, risks related to biodiversity). These criteria cover both endogenous and exogenous factors.

The results of this assessment are made available to managers so that they can consider the impact of their investments on the change in the level of sustainability risk in their portfolios.

The level of likely impact of sustainability risks on the performance of this Fund has been assessed as: Low

For more detailed information on the rating methodology implemented in the sub-fund, investors are invited to refer to the Gemway Assets Transparency Code available on the website [www.gemway.com](http://www.gemway.com).

Investors can also access the shareholder engagement policy and report, ESG report, and CSR policy on the website <https://www.gemway.com/fr/approche-esg-isr> or are available upon request.

#### **"Information: Regulation (EU) 2020/852 known as "Taxonomy":**

The European Union Taxonomy (Regulation (EU) 2020/852) (hereinafter the "Taxonomy") aims to identify economic activities considered environmentally sustainable.

The Taxonomy identifies these activities according to their contribution to six major environmental objectives:

- mitigation of climate change.
- adaptation to climate change;
- sustainable use and protection of water and marine resources;
- transition to a circular economy (waste, prevention and recycling);
- prevention and reduction of pollution;
- protection and restoration of biodiversity and ecosystems.

In order to be considered environmentally sustainable, an economic activity must demonstrate that it makes a significant contribution to the achievement of one or more of these six objectives while not harming the achievement of the others (principle of no significant harm). For an activity to be compliant under this taxonomy, it is also necessary that it respects internationally guaranteed social and human rights (the minimum social guarantees).

The Sub-Fund is able to contribute to the achievement of these objectives of economic and social sustainability through its investments and integrates the Taxonomy into its investment decision-making process without however constituting a sustainable investment according to the definition of Regulation (EU) 2020/852 .

However, both the construction of the portfolio and the technical verification criteria limit the possibilities of evaluating the contribution to environmental objectives and prevent any evaluation of the contribution to social objectives.

Furthermore, the lack of information provided directly by the issuers as well as the shortcomings of the calculation methodologies do not for the moment make it possible to guarantee the accuracy, precision and comparability of the information communicated, it is not expected at this stage that a minimum proportion of the Sub-Fund's assets are aligned with the criteria of the European Taxonomy.

The other investments underlying this Fund do not consider the Union criteria European Commission on environmentally sustainable economic activities.

A periodic report relating to extra-financial characteristics is made available to investors.

If necessary, add: For any further information, please refer to the ESG policy on our website at [www.gemway.com](http://www.gemway.com)

A fundamental analysis of each file then follows, focusing mainly on five criteria which are:

- the management quality of the company;
- the quality of its financial structure;
- visibility of the company's future results and particularly its ability to generate free cash flows which are sustainable in the future;
- the prospects for growth in its sector;
- and the speculative aspect of the stock.

The selected files are thus subject to a very selective and qualitative process, but the investment strategy also integrates a macroeconomic approach in order to refine the asset allocation.

GEMWAY ASSETS being a management company with fewer than 500 employees, the consideration of PAI is carried out on a voluntary basis. The management company is therefore not required to take into account negative sustainability impacts. When the company chooses not to follow the provisions of the regulation, it is required to explain why the implementation is not relevant at its scale under the principle of "Comply or Explain".

The financial product is not required to take into account the negative impacts currently and given the geographical area concerned, i.e. emerging countries, the information is not available with as much transparency as in the area where the publication legislation is in force. vigor. However,

the financial product undertakes not to invest directly in coal exploration companies. Companies involved in the exploration and production of unconventional fossil fuels are also excluded, with a tolerance threshold of a maximum of 5% of turnover.

The financial product collects and tracks more than 10 environmental and social indicators such as Scope 1, 2 and 3 greenhouse gas emissions; carbon footprint ; carbon intensity; dangerous waste ; water consumption ; water recycling; violations of the principles of the United Nations Global Compact and the guidelines of the Organization for Economic Co-operation and Development (OECD) for multinational enterprises; pay gap between men and women; additional health coverage.

The financial product also undertakes to maintain the carbon intensity measured by the WACI 20% below the level of the benchmark index.

We have worked to improve data quality in collaboration with various providers, including MSCI and will publish PAIs during 2025 for the period ending December 2024.

## **2. Assets (excluding derivatives)**

### A/Equities

The GemAsia portfolio comprises a selection of 30 to 100 different stocks.

The selected files were subject to a very selective and qualitative process.

The investment strategy focuses on selecting securities that offer the best current or potential growth and are leaders on major markets in the Asia ex Japan geographical areas. This approach leads naturally the investment manager to invest mainly in companies able to generate sustainable and growing Free Cash Flows at the expense of cyclical stocks.

The stocks will essentially be large caps. However, the fund reserves the right to select small and mid-caps (under USD 1 billion) within a limit of 10%.

GemAsia has at least 75% market exposure to Asia ex Japan and/or international equity markets.

Depending on market trends and situations, GemAsia may also invest up to 25% of its net assets in fixed-income securities, mainly issued by governments, deemed to be investment grade, i.e. rated at least BBB- by Standard & Poor's or equivalent.

Lastly, within the context of its cash management, the fund reserves the right to invest:

- up to 25% of its assets in investment grade negotiable debt securities
- up to 10% of its assets in units or shares of coordinated or non-coordinated French and/or European UCITS.

GemAsia may use derivative instruments as part of equity market risk hedging and/or as part of currency risk hedging.

It is specified that the fund may be exposed to up to 100% in currencies other than the euro. The main currencies to which it will be exposed are the Hong Kong dollar, the US dollar, the Indian rupee, the Chinese renminbi, the Taiwan dollar, the Indonesian rupee, the Philippine peso, the Thai baht, the Malaysian ringgit, the Singapore dollar and the Korean won.

GemAsia is constantly exposed to 75% equity risks through investments in the shares of companies listed mainly in Asia ex Japan countries (South Korea, Taiwan, China, Hong Kong, Singapore, Philippines, Indonesia, Malaysia, Thailand, Vietnam, Cambodia, India, Bangladesh, and Pakistan). The fund may also be exposed to equity risks through investments on the international equity markets of OECD and non-OECD countries, as well as on markets which are not in Asia ex Japan countries and which are linked to the markets of Asia ex Japan countries.

The fund will invest in stocks of all capitalizations and from any economic sector. Up to 10% of the fund may, however, be reserved for investment in small and mid-caps.

The securities selected may or may not have voting rights.

### B/Debt securities and money market instruments:

Within a limit of 25% in accordance with its investment strategy, GemAsia may invest:

- in negotiable debt securities of unrestricted duration receivables, with fixed or variable rates.
- in bonds of unrestricted duration, with fixed or variable rates. Within this framework, special attention is given to the credit quality of corporate issuers of such securities. Eligible securities are "investment grade", that is to say they have a minimum BBB rating according to Standard & Poor's or equivalent. In this context, particular attention will be paid to the credit quality of the companies issuing these securities.

The ratings mentioned above are those used by the manager at the time of the initial investment. If a rating is downgraded over the life of the investment, the manager will conduct a case-by-case analysis of each situation and decide whether or not to maintain the position concerned. As a result, the investment limits defined according to the assessment of credit risk by the rating agencies may be slightly adjusted in accordance with the management team's own analysis. As a result, the investment limits defined according to the assessment of credit risk by the rating agencies may be slightly adjusted in accordance with the management team's own analysis.

The management is not subject to any restriction in the distribution between sovereign and private issuers. The manager does not set any particular constraints with respect to the geographical areas of the issuers but will prefer investments in leading international markets.

The sensitivity range retained is between -1 and +2.

### C/ Ownership of units or shares in other UCITS or investment compartments

The sub-fund may hold up to 10% of its assets in the following units or shares of the following UCITS or investment sub-fund:

- French or foreign UCITS
- French or European AIF or investment sub-fund meeting the criteria set by the Monetary and Financial Code.

These UCITS and investment sub-fund may invest up to 10% of their assets in UCITS or AIFs or investment sub-fund. They can be managed by the management company.

### **3. Derivatives used to achieve the management objective**

#### A/ Derivative financial instruments

The sub-fund is entitled to operate on forward financial instruments traded on international regulated markets, non-regulated and/or over-the-counter markets in order to expose the portfolio to and/or hedge it against equity market risk or currency risk.

Derivative instruments may also be used to make adjustments to the portfolio in the event of significant subscription/redemption transactions. Overall exposure (directly owned securities and forward instruments) to equity markets may not exceed 100% of the net assets.

1. Type of markets where the fund operates:
  - ☒ Regulated
  - ☒ Organized
  - ☒ Over the counter
2. Risks on which the manager decides to operate:
  - ☒ Equity
  - ☐ Interest rate
  - ☒ Currency
  - ☐ Credit
3. Type of operations:
  - ☒ Hedging: currency, equity
  - ☒ Exposure: equity
  - ☐ Arbitrage
4. Type of instruments used:
  - ☒ Futures: on indexes
  - ☒ Options: index, equity and foreign exchange (currency)
  - ☒ Foreign exchange forward: purchase and sale of currencies
5. Strategy using derivatives to achieve the management objective:
  - ☒ Total or partial portfolio hedging
  - ☒ Reconstitution of synthetic exposure to assets and risks (equity, currency)
  - ☐ Increase in exposure to equity and currency markets

Financial instruments are entered into with intermediaries selected by the management company who have no power over the mix or management of the SICAV's portfolio.

#### B/Securities with embedded derivatives

The manager may invest in European and/or international convertible bonds, particularly in the Asia ex Japan countries.

The manager may invest in securities with embedded derivatives (warrants, subscription certificates, convertible bonds etc.) traded on euro zone and/or international regulated or over-the-counter markets.

In this regard, the manager may take positions to hedge and/or expose the portfolio to business sectors, geographical areas, interest rate, equities (all types of capitalisation), foreign exchange, securities, etc. in order to achieve the management objective.

The use of securities with embedded derivatives, as opposed to the other derivative instruments listed above, shall be justified in particular by the manager's decision to optimise hedging, or, where necessary, to boost the portfolio by reducing the cost associated with the use of these financial instruments in order to achieve the management objective.

In all cases, investments in securities with embedded derivatives must not exceed 20% of the net assets.

### **4. Deposits: Nil**

### **5. Cash borrowing:**

The fund may borrow cash. Without aiming to be a structural cash borrower, the fund may find itself in a debit position due to transaction-related cash flows (ongoing investments and divestments, subscription/redemption transactions, etc.) up to a limit of 10% of the net assets.

**(4) Temporary purchase and sale transactions:** None

**(5) Use of Total Return Swap:** None

➤ **Risk profile:**

The list of risks below is not exhaustive: it is the investors' duty to assess the risks inherent to each investment and to draw their own conclusion:

By investing in the sub-fund, the main risks to which investors are exposed are as follows:

Risks of capital loss:

The loss of capital arises when a unit is sold at a lower price than its purchase value. Unitholders are notified that the capital initially invested may not be returned. The sub-fund has no capital guarantee or protection.

Equity risk:

At least 75% of the GemAsia sub-fund is exposed to equities. If the equities or indexes to which the portfolio is exposed fall, the sub-fund's net asset value may fall.

Risks associated with investments in Asian ex Japan markets:

There is a risk associated with investing in Asian ex Japan markets, deriving essentially from the operating and supervisory conditions of these markets, which may differ from the standards prevailing on the major international markets, or political and regulatory factors.

Risks associated with investing in small and mi-caps equities:

As the number of listed securities on small- to mid-cap markets is relatively small, downward market movements are amplified and more abrupt than for large capitalisations. The sub-fund's net asset value may consequently fall more rapidly and more sharply.

Liquidity risk:

The markets in which the Fund operates may be affected by a temporary lack of liquidity. These market disturbances can impact the price conditions under which the fund may liquidate, initiate or modify positions.

Risk associated with the holding of convertible bonds:

The value of convertible bonds depends on several factors: interest rate level, change in the price of underlying shares and of the derivative embedded in the convertible bond. These various factors may lead to a fall in the sub-fund's net asset value.

Risk associated with the investment in high-yield speculative securities:

High yield securities are securities which are rated below BBB- by S&P (or equivalent by major rating agencies) or considered of equivalent quality by the management company, or unrated securities. They are subject to higher risk of default. They may also be subject to significant changes in valuation. They are not sufficiently liquid to be sold at any time at the best price. Therefore, the sub-fund's value may be significantly affected by the fall in the value of high yield securities held in the portfolio.

Currency risk:

This is the risk of a fall in the investment currencies against the euro, the portfolio's benchmark currency. If a currency falls against the euro, it may result in a decline in the net asset value.

Risk arising from discretionary management:

The discretionary management style applied to the sub-fund is based on stock selection. There is a risk that GemEquity may not be invested in the best-performing securities at all times. The sub-fund's performance may therefore fall below the management objective. The sub-fund's net asset value may also show negative performance.

Interest rate risk:

GemEquity has exposure of no more than 25% to fixed-income products. The sub-fund's net asset value may fall if interest rates rise.

Credit risk:

Up to 25% of the sub-fund is exposed to money-market instruments or bonds. Credit risk is the risk that a private issuer's credit quality falls or the risk of default on the latter's part. The value of the debt or bond securities in which the sub-fund is invested may fall, causing the net asset value to fall.

Counterparty risk:

Counterparty risk involves the use, via this sub-fund, of forward financial instruments traded over the counter and/or temporary purchases and sales of securities. These transactions may potentially expose the sub-fund to a default risk of one of the counterparties.

Sustainability risk: It is characterized by an environmental, social or governance event or situation that, if occurs, could have a material negative impact, real or potential, on the value of the investment.

Environmental factors: environmental impact, which may include wafer usage, pollution, waste treatment, energy efficiency, gas emissions and climate change.

Social factors: Human rights, health and safety, working conditions, community impact, diversity, demographic change, consumption patterns and shareholder reputation.

Governance factors: Independence of the board of directors and its diversity, alignment of shareholders' interest with those of managers, remuneration, shareholder rights, transparency and disclosure, ethics or business culture.

Risk related to ESG data:

The fund management team bases its analysis on information integrating ESG criteria, partly sourced from third-party data providers. This information may be incomplete, inaccurate, or unavailable. As such, there is a risk that fund management team may add (exclude) a holding to (from) portfolio based on non-exhaustive, inappropriate, or unavailable elements. The fund management team mitigates this risk by including its proprietary analysis.

➤ **Guarantee or protection:** Nil

➤ **Investors concerned and typical investor profile:**

**Investors concerned:**

- GemAsia R unit: all investors.
- GemAsia I unit: institutional investors.
- GemAsia R USD unit: all investors.
- GemAsia I USD unit: institutional investors.
- MAM-GemAsia M unit: Meeschaert AM feeder fund only
- S-GemAsia USD unit: institutional investors.
- GemAsia N unit: all investors.

**Target investor profile:**

The fund is aimed at individual or institutional investors who are aware of the inherent risks in holding units in such a fund, which represents a high risk due to its investments in equities listed throughout the world.

GemAsia may be used within unit-linked individual variable-capital life-insurance contracts.

GemAsia can be used to support investment in UCITS managed by GEMWAY ASSETS.

The fund reserves the right to invest in UCITS managed by GEMWAY ASSETS.

The units of this UCITS are not and will not be registered in the United States under the US Securities Act of 1933 as amended (the "1933 Securities Act") or listed under any other law of the United States. These units shall not be offered, sold or transferred in the United States (including its territories and possessions) or benefit, directly or indirectly, any US Person (as defined by regulation S of the 1933 Securities Act).

The amount that may reasonably be invested in GemAsia depends on holders' individual circumstances. In order to determine this amount, prospective investors are advised to take into consideration their personal and professional assets and wealth, their cash needs at present and over the next 5 years, as well as the degree to which they are willing to take equity market risks or not. They are also strongly advised to diversify their investments sufficiently so as not to expose them solely to the risks of this fund.

**Recommended investment period:** more than 5 years

➤ **Methods of determining and allocating revenues:**

The net profit for the financial year is equal to the amount of interest, arrears, dividends, bonuses and prizes, directors' fees as well as all products relating to the securities constituting the portfolio of the sub-fund plus the product of the sums temporarily available and reduced by the management fees and the cost of borrowing.

Distributable sums are made up of:

- 1 ° The net result increased by the retained earnings and increased or decreased by the balance of the income adjustment account;
- 2 ° The capital gains realized, net of costs, reduced by the capital losses realized, net of costs, recognized during the financial year, increased by the net capital gains of the same kind recognized during previous financial years not subject to distribution or capitalization and reduced or increased by the balance of the capitalization adjustment account.

Distributable sums are fully capitalized except for those that are subject to compulsory distribution under the law.

➤ **Characteristics of shares** (denomination currencies, split etc.):

Units	Sub-fund n°3 GemAsia
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	ISIN code	Denomination on currency	Fraction of shares	Initial NAV	Minimum subscription amount
R share: GemAsia	FR0013291861	Euro	1/1000 <sup>th</sup>	EUR 100	Nil
I share: GemAsia	FR0013291879	Euro	1/1000 <sup>th</sup>	EUR 100	1 <sup>st</sup> subscription: Minimum EUR 250 000 (1)
R USD share: GemAsia	FR0013291887	USD Dollar	1/1000 <sup>th</sup>	USD 100	Nil
I USD share: GemAsia	FR0013291895	USD Dollar	1/1000 <sup>th</sup>	USD 100	1 <sup>st</sup> subscription: Minimum USD 250 000 (1)
M share: GemAsia	FR0013291903	Euro	1/1000 <sup>th</sup>	EUR 100	1 <sup>st</sup> subscription: Minimum EUR 20 000 000 (2)
S USD share: GemAsia	FR0013291911	USD Dollar	1/1000 <sup>th</sup>	USD 1 000	1 <sup>st</sup> subscription: Minimum USD 20 000 000 (1)
N share: GemAsia	FR0014002SM7	Euro	1/1000 <sup>th</sup>	EUR 100	Nil
Action MH GemAsia	FR001400CCW5	Euro	1/1000 <sup>ème</sup>	EUR 100	1 <sup>st</sup> subscription: Minimum EUR 20 000 000 (3)

- (1) With the exception of the management company, its shareholders and its employees who may subscribe to a single share.  
(2) With the exception of Meeschaert AM employees who may purchase a single unit  
(3) With the exception of Malakoff Humanis employees who may purchase a single unit

#### ➤ Subscription and redemption procedures:

Subscriptions and redemptions are allowed in thousandths of shares and in amount.

The minimum amount of the initial subscription of "I" shares is EUR 250 000, with the exception of the management company, its shareholders and employees who may subscribe to a single share. Subsequent subscriptions may be made in thousandths of shares.

The minimum amount of the initial subscription of "USD I" shares is USD 250 000, with the exception of the management company, its shareholders and employees who may subscribe to a single share. Subsequent subscriptions may be made in thousandths of shares.

The minimum amount of the initial subscription of "M" shares is EUR 20 000 000, with the exception of the management company, its shareholders and employees who may subscribe to a single share. Subsequent subscriptions may be made in thousandths of shares.

The minimum amount of the initial subscription of "S" shares is EUR 20 000 000, with the exception of the management company, its shareholders and employees who may subscribe to a single share. Subsequent subscriptions may be made in thousandths of shares.

Subscription and redemption applications are centralised from Monday to Friday before 6 pm (CET/CEST) by the custodian:

BNP PARIBAS S.A

Partnership limited by shares (*Société en Commandite par Actions*) with its registered office at 16, Boulevard des Italiens 75009 PARIS  
Postal address: Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, FRANCE

They are executed on the basis of the subsequent net asset value established on the next trading day.

Subscription and redemption applications received after 6 pm (CET/CEST) are executed on the basis of the net asset value subsequent to that mentioned above.

Orders are executed in accordance with the table below:

D-1	D: date on when the NAV is established	D+1 working days	D+2 working days
Centralisation before 6 pm of subscription and redemption applications	Date of NAV (calculated on D+1)	Calculation and publication of the net asset value dated D	Settlement of subscriptions and redemptions

#### ➤ Date and frequency of establishment and calculation of the net asset value:

The net asset value is calculated on a daily basis except on days when the Paris Stock Exchange and/or Hong Kong Stock Exchange (according to the official calendar of EURONEXT PARIS S.A. and Hong Kong Stock Exchange).

In accordance with the rules in force, the Management Company has also put in place, in partnership with centralizing correspondent, an internal control system on late trading orders as well as a system of arbitrage on net asset value (market timing) in order to ensure the equal treatment of investors.

In application of Article L. 214-8-7 of the French Monetary and Financial Code, the fund's redemption of its own units, as well as the issue of new units, may be temporarily suspended by the management company where required by exceptional circumstances and in the interests of the holders.

The net asset value is available at the management company and published on its website: [www.gemway.com](http://www.gemway.com).

#### ➤ **Procedures for switching from one sub-fund (or share) to another**

Requests for a switch (sale followed by a simultaneous purchase) from one sub-fund to another (or between two shares in the same sub-fund) are allowed.

However, these transactions will only be possible:

- on orders expressed in quantities,
- on shares of sub-funds expressed in the same currency,
- on sub-funds with the same net asset value frequency and the same centralization date,
- on sub-funds with the same subscription/redemption cut-off times.

Orders are carried out based on the subsequent calculated net asset value.

It should be noted that in the event of a switch:

- any prior notice is not applied,
- the redemption's settlement/delivery date is applied to both legs (subscription and redemption).

Investors are reminded that, depending on their country's tax regime, this transaction may trigger the application of tax on capital gains or losses on financial instruments.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code, the sub-fund's redemption of its own shares as well as the issue of new shares may be temporarily suspended by the management company where exceptional circumstances and the interest of shareholders so require.

The net asset value is available on request by contacting the management company on +33 (0)1.86.95.22.98 or on the management company's website ([www.gemway.com](http://www.gemway.com)).

#### ➤ **Repurchase capping system ("gates")**

The Sub-Fund has a redemption capping mechanism. ("gates")

In the event of exceptional circumstances and when the interests of shareholders require it or of the public, the SICAV may implement on behalf of the Sub-Fund a so-called "Gates" system which allows shareholder redemption requests to be spread out. of the Compartment on several net asset values since the redemption requests are such that, with regard to the liquidity conditions of the Compartment's assets, these could not be honored under conditions preserving the interests of shareholders and ensuring a fair treatment to them, or when redemption requests arise in circumstances that undermine the integrity of the market.

The spread of redemption movements (Gates mechanism) may be decided by the SICAV on behalf of the Sub-Fund after having assessed the relevance in particular with regard to the consequences on liquidity management in order to guarantee the management balance of the SICAV and therefore equal treatment of shareholders.

If during centralization the redemption requests (net of subscriptions) emanating simultaneously from one or more shareholders represent more than 8% of the net assets, it being specified that the "Gates" system will not be triggered systematically in case of exceeding this threshold: if liquidity conditions permit, the SICAV may decide to honor redemptions beyond the trigger threshold.

The maximum duration of application of the Gates is set at 8 net asset values over 6 months with an estimate of the maximum capping time set at 2 months.

In the event of activation of the mechanism by the management company, redemption requests for all categories of shares combined not fully honored on the date of establishment of the net asset value will be automatically carried over to the next net asset value for those which exceed the Gate activation threshold and processed without order of priority for the same proportion for each order.

As the Sub-Fund has several share categories, the trigger threshold will be the same for each share category. On each date of establishment of the net asset value, if the amount of redemptions less the amount of subscription orders on the same net asset value is greater than or equal to

8% of the net assets of the SICAV, the management company may reduce each redemption order within the maximum redemption limit of the SICAV. The SICAV will then proportionally reduce all redemption orders up to the maximum redemption limit. Redemption requests will thus be reduced proportionally and expressed as a whole number of shares (rounded up).

The maximum redemption limit of the SICAV on each date of establishment of the net asset value is defined as being 8% of the net assets of the SICAV or a higher amount at the decision of the SICAV if market liquidity allows it.

The residual portion of redemptions exceeding the maximum redemption limit is not canceled and will be automatically carried over to the next net asset value and treated in the same way as redemption orders that have been placed on the next net asset value. Orders thus postponed cannot be canceled and will not have priority over subsequent redemption requests. Under these conditions, the shareholders affected by the reduction of orders are informed of the amount of their order postponed, individually, as soon as possible by the Centralizer, on instructions from the management company.

The activation of the triggering of the Gates mechanism is the subject of information on the management company's website in the SICAV section.

Case of exemption from the trigger mechanism: In the case of a round trip on the same net asset value, namely a concurrent share redemption request linked to a subscription request on the same net asset value date, the same ISIN code, the same number of shares, the same intermediary and on the same account, will not be part of the Gates calculation mechanism and will therefore be honored as such.

#### Illustrative example of gate mechanism

If on the centralization date, redemption orders (net of subscriptions) represent 20% of the net assets of the SICAV and the management company decides to activate the mechanism for capping redemptions up to 10% of the net assets of the SICAV:

- after the net asset value date, each investor who has submitted a redemption order will receive payment equal to 50% (i.e. 10% divided by 20%) of the requested redemption amount;
- the remaining 50% will be carried over to the next net asset value date. If, on the following centralization, redemption orders net of subscriptions (new orders + balance of orders carried over) represent 50% of the net assets of the SICAV and the management company decides to cap redemptions at 40% , all orders, including the balance of previously postponed orders, will be honored at 80% (i.e. 40% divided by 50%).

#### ➤ **Swing pricing and anti-dilution levies**

The Sub-Fund has no swing pricing and anti-dilution levies system in place.

#### ➤ **Charges and Fees:**

##### Subscription and redemption fees:

Fees payable by investors on subscriptions and redemptions	Basis	Rate
Subscription fee not retained by the UCITS	net asset value × number of shares	R, N and USD R shares: 2% maximum I and USD I shares: 1% maximum USD S shares: 4% maximum M and MH shares: Nil
Subscription fee retained by the UCITS	Nil	Nil
Redemption fee not retained by the UCITS	net asset value × number of shares	R, N, USD R, I, USD I and USD S shares: 1% maximum M and MH shares: Nil
Redemption fee retained by the UCITS	Nil	Nil

##### Operating costs and management fees:

These fees include all fees charged directly to the sub-fund, except for transaction costs. Transaction costs include intermediation costs (brokerage, etc.) and transaction fees, where applicable, which may be paid to the custodian and the management company.

The following may be added to the operating costs and management fees:

- outperformance fees, which are paid to the management company when the sub-fund has exceeded its performance targets and are thus charged to the sub-fund;

- transaction fees charged to the sub-fund.

For more information on fees charged to the sub-fund, please refer to the Key Investor Information Document.

Fees charged to the UCITS		Basis	Rate
1	Financial management fees	Net assets	R and USD R shares: 2.10% incl. taxes maximum I and USD I shares: 1.05% incl. taxes maximum USD S shares: 0.90% incl. taxes maximum N shares: 1.15% incl. taxes maximum M shares: 0.65% incl. taxes maximum MH shares: 0.7% incl. taxes maximum
	Administrative fees external to the management company (statutory auditor, custodian, distribution, lawyers)		
2	Maximum indirect fees (management fees and costs)	Net assets	Immaterial *
3	Transaction fees	Payable on each transaction	For the Management Company: NIL
			Custodian fees payable: between 6- and 80-euros incl. taxes depending on the country
4	Outperformance fees	Net assets	<u>R, N and I shares:</u> 15% including taxes of the Fund's outperformance relative to its benchmark index the MSCI AC Asia ex Japan Market Net Total Return USD Index, converted into euros.
			<u>USD R and USD I shares:</u> 15% including taxes of the Fund's outperformance relative to its benchmark index the MSCI AC Asia ex Japan Markets Net Total Return USD Index.
			<u>M shares:</u> 10% including taxes of the Fund's outperformance relative to its benchmark index the MSCI AC Asia ex Japan Market Net Total Return USD Index, converted into euros.
			<u>USD S and MH shares:</u> Nil

\* the sub-fund investing less than 10% of its assets in other UCIs.

#### Outperformance commission calculation method:

Calculated according to the indexed method, the outperformance commission is set up over reference periods running from the last net asset value in December of the year to the last net asset value in December of the following year. The reference periods may not be less than 1 year.

Variable part linked to outperformance: 15% including tax of the outperformance of shares as defined below.

10% including tax of the outperformance of M shares defined below

For the share of the sub-fund denominated in Euros:

The outperformance fee is based on the comparison between the performance of the GemAsia sub-fund's performance and the Notional Asset achieving the performance of the benchmark index (MSCI AC Asia ex Japan Market Net Total Return USD Index, converted into euros.)

Coupon included in Euros over the reference period and recording the same subscription and redemption transactions as the actual fund.

For the share of the sub-fund denominated in Dollars:

The outperformance fee is based on the comparison between the performance of the GemAsia sub-fund's performance and the Notional Asset achieving the performance of the benchmark index (MSCI AC Asia ex Japan Markets Net Total Return USD Index)

Coupon included in Dollars over the reference period and recording the same subscription and redemption transactions as the actual fund.

- If the sub-fund achieves performance above the Notional Asset and which is positive over the financial year, the management company will collect, after deduction of the fixed management fees, an outperformance fee based on a 15% rate including taxes. Note: Investors should note that an outperformance fee will be deducted when the fund outperforms the benchmark, even if the fund records a negative performance.

- In the event of underperformance, this underperformance will be carried over to the catch-up period.

- The variable management fee will only be charged if the net asset value has increased more than the Notional Asset during the year. If the performance since the beginning of the catch-up period exceeds the performance of the benchmark, a provision of 15% of this performance is made.

- The performance fee is accrued at the time of each net asset value calculation.

- The performance fee is paid annually to the management company on the basis of the last net asset value of the financial year and, therefore, the provision is reset to zero every year.

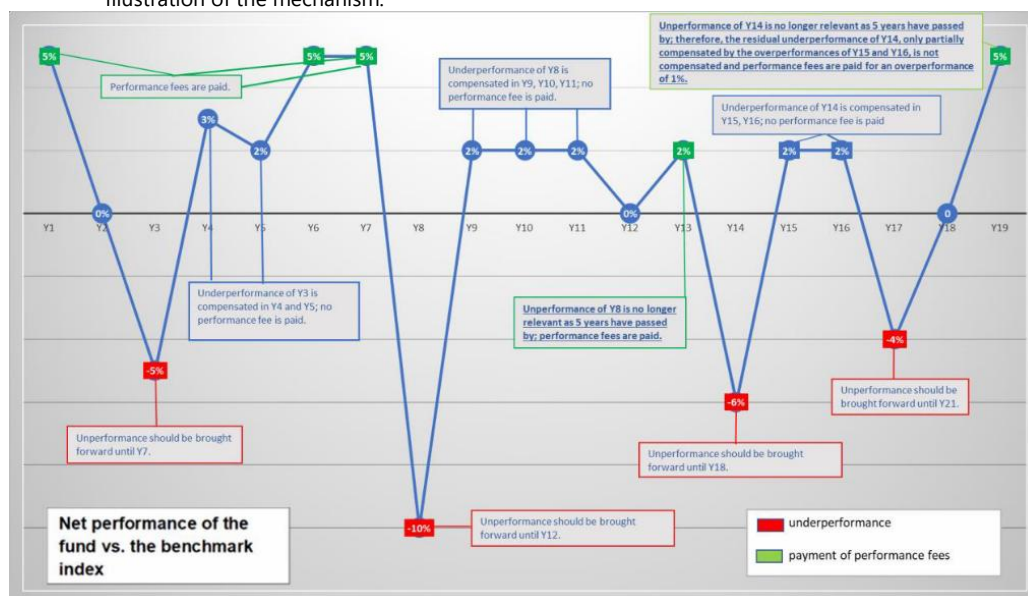
- In the event of redemption of shares by an investor during the financial year, the share of the outperformance fee is paid to the management company and deducted at the end of the financial year.

- Each period of underperformance opens a new period of 1 to 5 years maximum after which, if the 5 year old underperformance has not been made up, it can be forgotten. If another year of underperformance has occurred within this first 5 year period and has not been recovered by the end of this first period, a new period of up to 5 years opens from this new year of underperformance. Each year of relative underperformance must be made up over a period of 5 years (or less if it is made up sooner).

In the event of underperformance relative to the benchmark, the provision is reduced by the amount of allocations made since the beginning of each catch-up period;

The method for calculating the variable management fee is made available to shareholders.

Illustration of the mechanism:



- Over/under performance      Under performance      Payment of annual variable  
- annual                              to be compensated                              variable management fee

Y1	5%	0%	YES
Y2	0%	0%	NO
Y3	-5%	-5%	NO
Y4	3%	-2%	NO
Y5	2%	0%	NO
Y6	5%	0%	YES
Y7	5%	0%	YES
Y8	-10%	-10%	NO
Y9	2%	-8%	NO
Y10	2%	-6%	NO
Y11	2%	-4%	NO
Y12	0%	0% <sup>29</sup>	NO
Y13	2%	0%	YES
Y14	-6%	-6%	NO
Y15	2%	-4%	NO
Y16	2%	-2%	NO
Y17	-4%	-6%	NO
Y18	0%	-4% <sup>30</sup>	NO
Y19	5%	0%	YES

- The underperformance to be compensated in year 12 is not -4% because the residual underperformance of year 8 has still not been compensated at the end of a 5 year period and can therefore be reset to zero

- The residual performance of year 14 has still not been compensated in year 18 so it is reset to zero. However, another year of underperformance occurred within this first 5-year period (-4% in Y17) and was not made up for at the end of this first period, so a new period of up to 5 years opens from this new year of underperformance. The underperformance to be caught up in Y18 is therefore the cumulative underperformance of Y17 and Y18, i.e. -4%.

#### Procedure for selecting intermediaries:

Gemway Assets evaluates brokers twice a year.

The evaluation criteria set by Gemway Assets are:

1. the ability to find liquidity (especially block trading, flow list, etc.) and the quality of order execution
2. assistance with meetings with companies
3. the successful settlement of transactions
4. the quality of analysis and sales support

## 4. GemBond sub-fund

### ➤ ISIN Codes:

ISIN Code R Share:	FR00140059X9
ISIN Code I Share:	FR00140059W1
ISIN Code R Share USD:	FR00140059V3
ISIN Code I Share USD:	FR00140059U5
ISIN Code F Share:	FR00140059T7
ISIN Code S Share USD:	FR00140059S9
Code ISIN Action D :	FR0014007SB9

### ➤ Classification:

International bonds and other debt securities

### ➤ Management objective:

The objective of the sub-fund is to outperform its benchmark, the JP Morgan EMBI Global Diversified, over the recommended investment period (3 years), after taking into account ongoing charges.

The sub-fund will invest in bonds and other debt securities issued by emerging countries denominated mainly in reserve currencies such as USD and EUR and, on an ancillary basis, in local currencies of emerging markets, through the implementation of active investment management.

The sub-fund will invest mainly in sovereign and quasi-sovereign debt issued by emerging countries and, on an ancillary basis, in debt issued by companies located in emerging countries (Asia, Latin America, Central and Eastern Europe, Africa and the Middle East). The fund's objective is to outperform its benchmark, the JP Morgan EMBI Global Diversified, over the recommended investment period (3 years), after taking into account ongoing charges.

### ➤ Benchmark index:

The performance of the GemBond sub-fund may be compared to the JP Morgan Emerging Market Bond Index Global Diversified for equities denominated in USD. This index, weighted by capitalisation according to a diversification methodology favouring a more homogenous distribution of weightings between countries in the index, represents sovereign and quasi-sovereign bonds denominated in USD issued by the various emerging countries included in its composition.

It is expressed in USD including coupons.

J.P. Morgan EMBI Global Diversified (markets.jpmorgan.com, Bloomberg): Bloomberg ticker JPEIDIVR Index. Index administrator: J.P. Morgan, registered with ESMA.

The performance of the GemBond sub-fund may be compared to the JP Morgan Emerging Market Bond Index Global Diversified hedged Euro Index for equities denominated in EUR. This index, weighted by capitalisation according to a diversification methodology favouring a more homogenous distribution of weightings between countries in the index, represents the sovereign and quasi-sovereign bonds denominated in USD issued by the various emerging countries included in its composition.

It is expressed in EUR, including coupons. It corresponds to the USD index hedged in EUR.

J.P. Morgan EMBI Global Diversified Hedged EUR (markets.jpmorgan.com, Bloomberg): Bloomberg ticker JPEIGDEU Index. Index administrator: J.P. Morgan, registered with ESMA.

The benchmark index does not include specific ESG criteria at this stage.

As the sub-fund is not managed on an index basis, the performance of the sub-fund may vary significantly from the benchmark, which is only a comparison indicator.

### ➤ Investment strategy:

#### 1. Strategies used

The sub-fund is actively managed in relation to the benchmark index in order to take advantage of opportunities in the emerging country government and corporate bond markets.

Depending on his investment convictions and following a thorough top-down macroeconomic and bottom-up microeconomic analysis of the market, the manager may take a more active stance in terms of interest rate and/or credit sensitivity, geographical and/or sectoral allocation or issuers compared to the benchmark index. The performance of the sub-fund may vary significantly from the benchmark, which is only a comparison indicator. The top-down macroeconomic analysis aims to identify the main economic trends by geographical area and by sector of activity in order to determine the absolute and relative target exposure to interest rate and credit risks.

The bottom-up microeconomic analysis consists of the following:

- i) for sovereign issuers, a detailed country risk analysis combining systematic relative analysis and specific analysis to identify relative vulnerabilities. This detailed analysis, which is instantaneous and dynamic in its approach, is based on five areas of sovereign risk assessment: the economic context, public finances, external constraints, the financial sector and the institutional framework
- ii) for private issuers, a detailed quantitative and qualitative analysis: management quality, financial structure, cash flow generation capacity, liquidity situation, etc.

The selection of securities in the portfolio is based on both financial analysis criteria and extra-financial criteria that systematically take into account environmental, social and governance (ESG) criteria. Within the portfolio, 90% of securities issued by governments and securities issued by private or quasi-sovereign entities have been rated ESG by the management company or one of its extra-financial data providers.

The investment universe for public issuers will represent at least 80% of the net assets of the sub-fund,  
The investment universe for private issuers will represent a maximum of 20% of the net assets of the sub-fund

The examples of indicators used for each of the E, S and G criteria are as follows:

- Environmental indicators (E): energy intensity, carbon intensity
- Social indicators (S): access to drinking water, electricity, gender equality
- Governance indicators (G): respect for the law, corruption, competence of management teams,

The sub-fund focuses on,

- (i) through a "Best in universe" approach for States and quasi-sovereign issuers (hold at 100% by states), to select issuers with good ratings and/or improving from an extra-financial point of view within the entire emerging countries investment universe
- (ii) through a "Best in class" approach for private issuers to select issuers with good ratings and/or improving from an extra-financial point of view within their sector of activity.

These approaches should lead to a reduction of at least 20% of the investment universe.

In addition to in-house research, the manager also relies on specialist service providers for extra-financial data and/or for controversial risks and norm-based exclusions.

This sub-fund is classified **under Article 8 of the European Regulation (EU) No 2019/2088 ("Disclosure Regulation")**. Sustainability risk is measured for each issuer and/or UCI concerned on the basis of a set of criteria on the Environmental, Social and Governance pillars that may have an impact on its valuation due to the level of financial risks they represent (including physical and transition risks related to climate change and, progressively, risks related to biodiversity). These criteria cover both endogenous and exogenous factors.

The results of this assessment are made available to managers so that they can consider the impact of their investments on the change in the level of sustainability risk in their portfolios.

The level of likely impact of sustainability risks on the performance of this Fund has been assessed as: Low

For more detailed information on the rating methodology implemented in the sub-fund, investors are invited to refer to the Gemway Assets Transparency Code available on the website [www.gemway.com](http://www.gemway.com).

Investors can also access the shareholder engagement policy and report, ESG report, and CSR policy on the website <https://www.gemway.com/fr/approche-esg-isr> or are available upon request.

Gembond's communication is reduced in accordance with Recommendation DOC 2020-03 (a "not significantly engaging" approach which requires "reduced communication" on the use of ESG criteria in regulatory and commercial documents.)

#### **"Information: Regulation (EU) 2020/852 known as "Taxonomy":**

The European Union Taxonomy (Regulation (EU) 2020/852) (hereinafter the "Taxonomy") aims to identify economic activities considered environmentally sustainable.

The Taxonomy identifies these activities according to their contribution to six major environmental objectives:

- mitigation of climate change.
- adaptation to climate change;
- sustainable use and protection of water and marine resources;
- transition to a circular economy (waste, prevention and recycling);
- prevention and reduction of pollution;
- protection and restoration of biodiversity and ecosystems.

In order to be considered environmentally sustainable, an economic activity must demonstrate that it makes a significant contribution to the achievement of one or more of these six objectives while not harming the achievement of the others (principle of no significant harm). For an activity to be compliant under this taxonomy, it is also necessary that it respects internationally guaranteed social and human rights (the minimum social guarantees).

The Sub-Fund is able to contribute to the achievement of these objectives of economic and social sustainability through its investments and integrates the Taxonomy into its investment decision-making process without however constituting a sustainable investment according to the definition of Regulation (EU) 2020/852 .

However, both the construction of the portfolio and the technical verification criteria limit the possibilities of evaluating the contribution to environmental objectives and prevent any evaluation of the contribution to social objectives.

Furthermore, the lack of information provided directly by the issuers as well as the shortcomings of the calculation methodologies do not for the moment make it possible to guarantee the accuracy, precision and comparability of the information communicated, it is not expected at this stage that a minimum proportion of the Sub-Fund's assets are aligned with the criteria of the European Taxonomy. The other investments underlying this Fund do not take into account the Union criteria European Commission on environmentally sustainable economic activities.

Range of interest rate sensitivity within which the fund is managed	between 5 and 10
Geographical area of issuers of securities to which the sub-fund is exposed	Emerging countries: [75% ;100%] Developed countries: [0% ;25%]
Currency of denomination of securities in which the sub-fund invests	USD or EUR: [85% ;100%] Local currencies: [0% ;15%]
Level of currency risk borne by the sub-fund	After hedging, the active exposure to currencies other than that of the share class may not exceed 5%.

Up to 100% of the assets, the sub-fund reserves the right to trade in forward financial instruments traded on international regulated markets or over-the-counter markets in order to expose and/or hedge the portfolio to interest rate or currency risk.

Up to 50% of the net assets, the sub-fund reserves the right to trade in securities containing derivatives in order to increase the portfolio's exposure to the interest rate or credit markets.

For ACTION-R, ACTION-F and ACTION-I units, currency hedging is in place with the aim of limiting the impact of changes in the DOLLAR / EUR exchange rate on the performance of the Sub-Fund. The objective of this part is therefore to hedge as much as possible over the life of the Sub-Fund the DOLLAR / EUR exchange rate risk that may affect performance.

The financial product is not currently required to take negative impacts into account, and given the geographical area concerned, i.e. emerging countries, the information is not available with as much transparency as in the area where the publication legislation is in force. However, the financial product collects and tracks for sovereign assets: carbon intensity, countries subject to social violations, as well as 11 environmental criteria and 11 social criteria, such as: energy mix; water consumption; protection of biodiversity; access to water and electricity; sanitation; Food Safety; air pollution; advancement of women.

In addition, the financial product collects and monitors violations of the principles of the United Nations Global Compact for private companies and public companies.

We have worked to improve data quality in collaboration with various providers, including MSCI and will publish PAIs during 2025 for the period ending December 2024.

## 2. Assets (excluding derivatives)

A/Equities:

Nil

B/ Debt securities and money market instruments:

The sub-fund invests at least 85% of its assets in fixed or variable rate bonds issued by governments or companies established or carrying out a large part of their activities in emerging countries.

Bonds issued by sovereign, quasi-sovereign or corporate issuers held by the sub-fund are denominated in reserve currencies (mainly in USD, occasionally in EUR).

However, the sub-fund may hold up to 15% of its net assets in bonds issued by emerging countries and/or supranational issuers (International Bank for Reconstruction and Development, Asian Development Bank, etc.) denominated in emerging market currencies (Chinese renminbi, Brazilian real, Mexican peso, Polish zloty, etc.).

Bonds issued by companies (with the exception of wholly state-owned public companies) may not represent more than 20% of the sub-fund's assets. The sub-fund invests in investment grade debt securities and in high yield securities, which are riskier speculative bonds. However, investments in securities with a rating of less than B- by S&P or an equivalent rating by Moody's or Fitch or, in the absence of a rating, considered to be of equivalent quality by the management company, may not exceed 10% of total assets.

Bonds with a median rating (if 3 ratings) or minimum rating (if 2 ratings) above Ba1/BB+/BB+ from the main financial rating agencies (Moody's/S&P/Fitch), or otherwise deemed equivalent by the management company, are considered to be "investment grade".

The ratings mentioned above are those retained by the manager at the time of the initial investment. In the event of a rating downgrade during the life of the investment, the manager will analyse each situation on a case-by-case basis and decide whether or not to retain the line concerned. The investment limits defined on the basis of the rating agencies' assessment of credit risk may thus be slightly modified according to the management team's own analysis.

C/ Holding shares or units of other UCITS or investment sub-funds:

In order to manage cash or to access specific markets, the sub-fund may invest up to 10% of its assets in units or shares of French or foreign UCITS that comply with Directive 2009/65/EC and which themselves invest a maximum of 10% of their assets in units or shares of other UCIs or investment funds, or in units or shares of other French or foreign UCIs or investment funds governed by foreign law that meet the conditions set out in 1° to 4° of Article R. 214-13 of the French Monetary and Financial Code. They may be managed by the management company.

### 3. Derivatives used to achieve the management objective

#### A/ Derivative financial instruments

The sub-fund is entitled to operate on forward financial instruments traded on international regulated markets or over-the-counter markets and/or hedge it against interest rate or currency market risk.

Derivative instruments may also be used to make adjustments to the portfolio in the event of significant subscription/redemption transactions.

Overall exposure (directly owned securities and forward instruments) to interest rate markets may not exceed 100% of the net assets.

##### Type of markets where the fund operates:

- ☒ Regulated
- ☒ Organized
- ☒ Over-the-counter

##### Risks on which the manager wishes to operate:

- ☐ Equity
- ☒ Interest rate
- ☒ Currency
- ☐ Credit

##### Type of instruments used:

- ☒ Hedging: currency, interest rate
- ☒ Exposure: currency, interest rate
- ☐ Arbitrage

##### Type of instruments used:

- ☒ Futures: interest rate, currency
- ☒ Options: interest rate, currency
- ☒ Forward currency: purchase and sale of currencies

##### Strategy for using derivatives to achieve the management objective:

- ☒ General or partial portfolio hedging: interest rate, currency
- ☐ Reconstitution of synthetic exposure to assets and risks: interest rate, currency
- ☒ Increasing exposure to interest rate and currency markets: interest rate, currency

Financial instruments are entered into with intermediaries selected by the Management Company who have no power over the composition or management of the Fund's portfolio.

#### B/ Securities with embedded derivatives

Type of instruments used: callable and putable bonds. These negotiable debt securities include an optional component allowing, under certain conditions (holding period, occurrence of a specific event, etc.), early repayment of the principal at the issuer's initiative (callable bonds) or at the investor's request (putable bonds).

Area of operation: credit

Type of operation: exposure

Strategy for using embedded derivatives to achieve the management objective: increase exposure to credit risk.

In all cases, the amount of investments in securities incorporating derivatives (callable / putable bonds) may not exceed 50% of net assets.

4. Deposits: Nil

5. Cash borrowing:

The sub-fund may borrow cash. Although the sub-fund is not intended to be a structural cash borrower, it may temporarily be in a debit position due to transactions linked to its paid-in flows (ongoing investments and divestments, subscriptions/redemptions, etc.), up to a limit of 10% of net assets.

6. Temporary purchases and sales of securities: Nil

7. Use of Total Return Swaps: Nil

8. > Risk profile:

The risks described below are not exhaustive: it is up to investors to analyse the risk inherent in each investment and to form their own opinion.

Through the sub-fund, investors are mainly exposed to the following risks:

Interest rate risk:

The GemBond sub-fund is exposed to 100% of its assets in interest rate products. The net asset value of the sub-fund may fall if interest rates rise.

Risk of capital loss: Capital loss occurs when a unit is sold at a lower price than its purchase value. Unitholders are notified that the capital initially invested may not be returned. The sub-fund has no capital guarantee or protection.

Credit risk: Risk of a downgrade in the credit rating of an issuer or its default, which may lead to a fall in the value of the associated financial instruments.

Risks associated with investments in emerging markets:

There is a risk associated with investing in emerging markets, deriving essentially from the operating and supervisory conditions of these markets, which may differ from the standards prevailing on major international markets, or political and regulatory factors.

This may cause the net asset value to fall.

Liquidity risk: This risk arises from the difficulty of selling a security at its fair value and within a reasonable period of time due to a lack of buyers.

Counterparty risk: related to the ability of the counterparty in the OTC markets to meet its commitments such as payment, delivery or redemption.

Operational risk associated with asset safekeeping: Some markets offer less security than most international regulated markets; safekeeping and liquidation services performed on behalf of the sub-fund invested in these markets may be more risky.

Risk associated with derivatives: The sub-fund may use forward financial instruments, which may lead to a risk of a more significant and rapid fall in the net asset value of the sub-fund than that of the markets in which the sub-fund is invested.

Operational risk: This is the risk of direct or indirect loss resulting from inadequate or failed processes, people and systems, including those related to the safekeeping of assets or resulting from external events.

Risk related to the sustainability characteristics of companies: the sub-fund may concentrate its investments in companies selected under certain sustainability themes and which demonstrate compliance with environmental, social and governance practices. The investment universe of the sub-fund may therefore be smaller than that of other funds and may lead to underperformance of the market.

Risk of investing in speculative high yield securities:

High yield securities are riskier speculative bonds and are rated below BBB- by S&P (or equivalent by the major rating agencies) or deemed equivalent by the Management Company or are unrated. They present an increased risk of default. They are likely to be subject to frequent significant changes in valuation. They are not sufficiently liquid to be sold at all times at the best price. The value of the sub-fund may therefore be significantly affected if the value of the "high yield" securities held in the portfolio falls.

Currency risk: Investors who purchase shares in a currency other than the base currency of the sub-fund are exposed to currency risk. Fluctuations in exchange rates may affect investment returns. If the currency of this share class is different from the currency of your country, it should be noted that due to exchange rate fluctuations, the indicated performance may increase or decrease when converted into the local currency.

Sustainability risk: This is characterised by an environmental, social or governance event or situation which, if it occurs, could have a material adverse effect, whether actual or potential, on the value of the investment.

Environmental factors: Impact on the environment, which may include water use, pollution, waste management, energy efficiency, gas emissions and climate change.

Social factors: Human rights, health and safety, employee working conditions, community impact, diversity, changing demographics, consumption patterns and shareholder reputation.

Governance factors: Board independence and diversity, shareholder and management alignment, compensation, shareholder rights, transparency and disclosure, business ethics or culture.

#### **ESG data risk:**

Management bases its analysis on ESG-related information that is partly sourced from third party information providers which may be incomplete, inaccurate, unavailable. As a result, there is a risk that management may include or exclude a stock from the portfolio based on incomplete, inappropriate or unavailable information. Management mitigates this risk by including its own analysis.

**Guarantee or protection:** Nil

#### **Investors concerned and typical investor profile:**

Subscribers concerned:

R share: all investors

I Share: intended more particularly for institutional investors

R share USD: all investors

D share: all investors

I Share USD: intended for institutional investors in particular

F Share: reserved for Founding Shareholders of the GemBond sub-fund

S Shares USD: intended for institutional investors in particular

Typical Investor Profile:

The sub-fund is aimed at individuals or institutional investors who are aware of the risks inherent in holding shares in such a sub-fund, which are high due to the investment in emerging bonds worldwide.

The GemBond sub-fund may be used as a support for individual unit-linked variable capital life insurance contracts.

The GemBond sub-fund may be used as an investment vehicle for UCITS managed by GEMWAY ASSETS.

The GemBond sub-fund reserves the right to invest in UCITS managed by GEMWAY ASSETS.

The shares of this UCITS have not been and will not be registered in the United States under the U.S. Securities Act of 1933, as amended ("Securities Act 1933") or admitted to trading under any U.S. law. Such shares may not be offered, sold or transferred in the United States (including its territories and possessions) or to, or for the benefit of, any US Person (as defined in Regulation S under the Securities Act of 1933).

The amount that is reasonable to invest in the GemBond sub-fund depends on the personal circumstances of the holder. To determine this, they should take into consideration their personal and professional assets and wealth, their cash needs at present and over the next 3 years, as well as the degree to which they are willing to take emerging bond market risks or not. They are also strongly advised to diversify their investments sufficiently so as not to expose them solely to the risks of this sub-fund.

Recommended investment period: over 3 years

#### **➤ Methods of determining and allocating revenues:**

The net income for the financial year is equal to the amount of interest, arrears, dividends, premiums and lots, directors' fees and all income relating to the securities in the sub-fund's portfolio, plus the proceeds of sums currently available, less management fees and borrowing costs.

The distributable sums are made up of:

1° Net income plus retained earnings plus or minus the balance of the income adjustment account.

2° Realised capital gains, net of expenses, less realised capital losses, net of expenses, recorded during the financial year, plus net capital gains of the same kind recorded during previous financial years which have not been distributed or capitalised and less or more than the balance of the adjustment account for capital gains.

The distributable amounts are fully capitalized, apart from those which are subject to mandatory distribution by law.

➤ Characteristics of shares: (denomination currency, split, etc.)

Category of share	Sub-fund n°4 GemBond					
	ISIN code		Denom. currency	Fraction of shares	Initial NAV	Minimum subscription amount
R share GemBond	FR00140059X9	(2)	Euro	1/1000 <sup>th</sup>	100 Euros	Nil
I share GemBond	FR00140059W1	(2)	Euro	1/1000 <sup>th</sup>	100 Euros	1 <sup>st</sup> subscription : 250 000 euros minimum (1)
R USD share GemBond	FR00140059V3		US Dollar	1/1000 <sup>th</sup>	100 Dollars	Nil
I USD share GemBond	FR00140059U5		US Dollar	1/1000 <sup>th</sup>	100 Dollars	1 <sup>st</sup> subscription : 250 000 dollars minimum (1)
F share GemBond	FR00140059T7	(2)	Euro	1/1000 <sup>th</sup>	100 Euros	1 <sup>st</sup> subscription : 250 000 euros minimum (1)
S USD share GemBond	FR00140059S9		US Dollar	1/1000 <sup>th</sup>	1 000 Dollars	1 <sup>st</sup> subscription : 20 00 000 dollars minimum (1)
D share GemBond	FR0014007SB9	(2)	Euro	1/1000 <sup>th</sup>	100 Euros	Nil

(1) Apart from the management company, its shareholders and employees who may subscribe for a single share.

(2) The, R, F, D and I part is hedged against the dollar / euro exchange risk in order to limit variations in performance compared to the dollar part, however with a residual exchange risk of up to 5%.

➤ **Subscription and redemption procedures:**

Subscriptions and redemptions are allowed in thousandths of shares and in amount.

The minimum amount for the initial subscription of "I" shares is EUR 250 000, with the exception of the management company, its shareholders and employees who may subscribe for a single share. Subsequent subscriptions may be made in thousandths of shares.

The minimum amount for the initial subscription of "I USD" shares is USD 250 000, with the exception of the management company, its shareholders and employees who may subscribe for a single share. Subsequent subscriptions may be made in thousandths of shares.

The minimum amount for the initial subscription of "F" shares is EUR 250,000, except for the management company, its shareholders and employees who may subscribe for a single share. Subsequent subscriptions may be made in thousandths of shares. Please note the temporary nature of this limited share. Launching share to be closed 3 months after the initial net asset value.

The minimum amount for the initial subscription of "S" shares is USD 20 000 000, with the exception of the management company, its shareholders and employees who may subscribe for a single share. Subsequent subscriptions may be made in thousandths of shares.

Subscription and redemption requests are received from Monday to Friday before 18.00 (Paris time) by the custodian:

BNP PARIBAS S.A

Partnership limited by shares (SCA - Société en Commandite par Actions) with its registered office at 16, Boulevard des Italiens 75009 PARIS

Postal address: Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, FRANCE

and are executed on the basis of the subsequent net asset value established the following day.

Subscription and redemption applications received after 18.00 (Paris time) are executed on the basis of the net asset value according to what is mentioned above.

Orders are executed in accordance with the table below:

D-1	D: date on when the NAV is established	D+1 working days	D+2 working days
Centralisation before 18.00 for subscription and redemption orders	Date of NAV (calculated on D+1)	Calculation and publication of the net asset value dated D-1	Settlement of subscriptions and redemptions

Date and frequency for establishing and calculating the net asset value:

The net asset value is calculated daily, except on days when the Paris and/or New York stock exchanges close (according to the official calendar of EURONEXT PARIS S.A. and the New York Stock Exchange) and on legal holidays in the USA.

In accordance with applicable regulations, the management company, in conjunction with the centralising agent, has set up a system for monitoring orders placed outside the time limit (late trading) as well as a system for monitoring arbitrage transactions on net asset values (market timing) with the aim of treating investors fairly.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code, the redemption of shares by the SICAV and the issue of new shares may be temporarily suspended by the management company when exceptional circumstances so require and if the interests of shareholders so dictate. Net asset values are available from the management company or on the company's website: [www.gemway.com](http://www.gemway.com)

Procedures for switching from one sub-fund (or share) to another (switch)

Requests for a switch (sale followed by a simultaneous purchase) from one sub-fund to another (or between two shares in the same sub-fund) are allowed.

However, these transactions will only be possible:

- on orders expressed in quantities,
- on shares of sub-funds expressed in the same currency,
- on sub-funds with the same net asset value frequency and the same centralisation date,
- on sub-funds with the same subscription/redemption cut-off times.

Orders are executed on the basis of the next calculated net asset value.

It should be noted that in the event of a switch:

- any prior notice is not applied,
- the redemption's settlement/delivery date is applied to both legs (subscription and redemption).

Finally, investors are reminded that, depending on their country's tax regime, this transaction may trigger the application of tax on capital gains or losses on financial instruments.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code, the sub-fund's redemption of its own shares as well as the issue of new shares may be temporarily suspended by the management company where exceptional circumstances and the interest of shareholders so require.

The net asset value is available on request by contacting the management company on +33 (0)1 86 95 22 98 or on the management company's website ([www.gemway.com](http://www.gemway.com)).

### ➤ Repurchase capping system ("gates")

The Sub-Fund has a redemption capping mechanism. ("gates")

In the event of exceptional circumstances and when the interests of shareholders require it or of the public, the SICAV may implement on behalf of the Sub-Fund a so-called "Gates" system which allows shareholder redemption requests to be spread out. of the Compartiment on several net asset values since the redemption requests are such that, with regard to the liquidity conditions of the Compartiment's assets, these could not be honored under conditions preserving the interests of shareholders and ensuring a fair treatment to them, or when redemption requests arise in circumstances that undermine the integrity of the market.

The spread of redemption movements (Gates mechanism) may be decided by the SICAV on behalf of the Sub-Fund after having assessed the relevance in particular with regard to the consequences on liquidity management in order to guarantee the management balance of the SICAV and therefore equal treatment of shareholders.

If during centralization the redemption requests (net of subscriptions) emanating simultaneously from one or more shareholders represent more than 8% of the net assets, it being specified that the "Gates" system will not be triggered systematically in case of exceeding this threshold: if liquidity conditions permit, the SICAV may decide to honor redemptions beyond the trigger threshold.

The maximum duration of application of the Gates is set at 8 net asset values over 6 months with an estimate of the maximum capping time set at 2 months.

In the event of activation of the mechanism by the management company, redemption requests for all categories of shares combined not fully honored on the date of establishment of the net asset value will be automatically carried over to the next net asset value for those which exceed the Gate activation threshold and processed without order of priority for the same proportion for each order.

As the Sub-Fund has several share categories, the trigger threshold will be the same for each share category. On each date of establishment of the net asset value, if the amount of redemptions less the amount of subscription orders on the same net asset value is greater than or equal to 8% of the net assets of the SICAV, the management company may reduce each redemption order within the maximum redemption limit of the SICAV. The SICAV will then proportionally reduce all redemption orders up to the maximum redemption limit. Redemption requests will thus be reduced proportionally and expressed as a whole number of shares (rounded up).

The maximum redemption limit of the SICAV on each date of establishment of the net asset value is defined as being 8% of the net assets of the SICAV or a higher amount at the decision of the SICAV if market liquidity allows it.

The residual portion of redemptions exceeding the maximum redemption limit is not canceled and will be automatically carried over to the next net asset value and treated in the same way as redemption orders that have been placed on the next net asset value. Orders thus postponed cannot be canceled and will not have priority over subsequent redemption requests. Under these conditions, the shareholders affected by the reduction of orders are informed of the amount of their order postponed, individually, as soon as possible by the Centralizer, on instructions from the management company.

The activation of the triggering of the Gates mechanism is the subject of information on the management company's website in the SICAV section.

Case of exemption from the trigger mechanism: In the case of a round trip on the same net asset value, namely a concurrent share redemption request linked to a subscription request on the same net asset value date, the same ISIN code, the same number of shares, the same intermediary and on the same account, will not be part of the Gates calculation mechanism and will therefore be honored as such.

#### Illustrative example of gate mechanism

If on the centralization date, redemption orders (net of subscriptions) represent 20% of the net assets of the SICAV and the management company decides to activate the mechanism for capping redemptions up to 10% of the net assets of the SICAV:

- after the net asset value date, each investor who has submitted a redemption order will receive payment equal to 50% (i.e. 10% divided by 20%) of the requested redemption amount;
- the remaining 50% will be carried over to the next net asset value date. If, on the following centralization, redemption orders net of subscriptions (new orders + balance of orders carried over) represent 50% of the net assets of the SICAV and the management company decides to cap redemptions at 40% , all orders, including the balance of previously postponed orders, will be honored at 80% (i.e. 40% divided by 50%).

#### ➤ **Swing pricing and anti-dilution levies**

The Sub-Fund has no swing pricing and anti-dilution levies system in place.

#### ➤ **Charges and fees:**

Subscription and redemption fees:

Fees charged to the investor, deducted upon subscription and redemption	Basis	Rate
Subscription fee not retained by the UCITS	net asset value X number of units	R and R USD shares: maximum 2% I, D and I USD shares: maximum 1% S USD shares: maximum 4% F shares: maximum 4%
Subscription fee retained by the UCITS	net asset value X number of units	Nil
Redemption fee not retained by the UCITS	net asset value X number of units	R, R USD, I, D, I USD and S USD shares: 1% maximum F shares: 2%
Redemption fee retained by the UCITS	net asset value X number of units	Nil

#### Operating and management fees:

These fees cover all fees billed directly to the sub-fund, except for transaction costs. Transaction costs include intermediation costs (brokerage, etc.) and the transaction commission, where applicable, which may be collected by the depositary and the management company.

The following may be added to the operating and management fees:

- Outperformance fees which are paid to the management company when the sub-fund has exceeded its performance targets and are this charged to the sub-fund;
- Transactions fees charged to the sub-fund.

For more details on the fees charged to the sub-fund, please refer to the Key Investor Information Document.

\* The sub-fund invests less than 10% of its assets in other UCIs.

Outperformance commission calculation method:

Calculated according to the indexed method, the outperformance commission is set up over reference periods running from the last net asset value in December of the year to the last net asset value in December of the following year, apart from the first reference period which will cover the period between the launch date of the sub-fund and 31/12/2022. The reference periods may not be less than 1 year.

Variable part linked to outperformance: 15% including tax of the outperformance of shares as defined below. For the share of the sub-fund denominated in Euros:

The outperformance fee is based on the comparison between the performance of the GemBond sub-fund's performance and the Notional Asset achieving the performance of the benchmark index (J.P. Morgan EMBI Global Diversified hedged Euro Index)

Coupon included in Euros over the reference period and recording the same subscription and redemption transactions as the actual fund.

For the share of the sub-fund denominated in Dollars:

The outperformance fee is based on the comparison between the performance of the GemBond sub-fund's performance and the Notional Asset achieving the performance of the benchmark index (J.P. Morgan EMBI Global Diversified)

Coupon included in Dollars over the reference period and recording the same subscription and redemption transactions as the actual fund.

- If the sub-fund achieves performance above the Notional Asset and which is positive over the financial year, the management company will collect, after deduction of the fixed management fees, an outperformance fee based on a 15% rate including taxes. Note: Investors should note that an outperformance fee will be deducted when the fund outperforms the benchmark, even if the fund records a negative performance.

- In the event of underperformance, this underperformance will be carried over to the catch-up period.

- The variable management fee will only be charged if the net asset value has increased more than the Notional Asset during the year. If the performance since the beginning of the catch-up period exceeds the performance of the benchmark, a provision of 15% of this performance is made.

- The performance fee is accrued at the time of each net asset value calculation.

- The performance fee is paid annually to the management company on the basis of the last net asset value of the financial year and, therefore, the provision is reset to zero every year.

- In the event of redemption of shares by an investor during the financial year, the share of the outperformance fee is paid to the management company and deducted at the end of the financial year.

- Each period of underperformance opens a new period of 1 to 5 years maximum after which, if the 5 year old underperformance has not been made

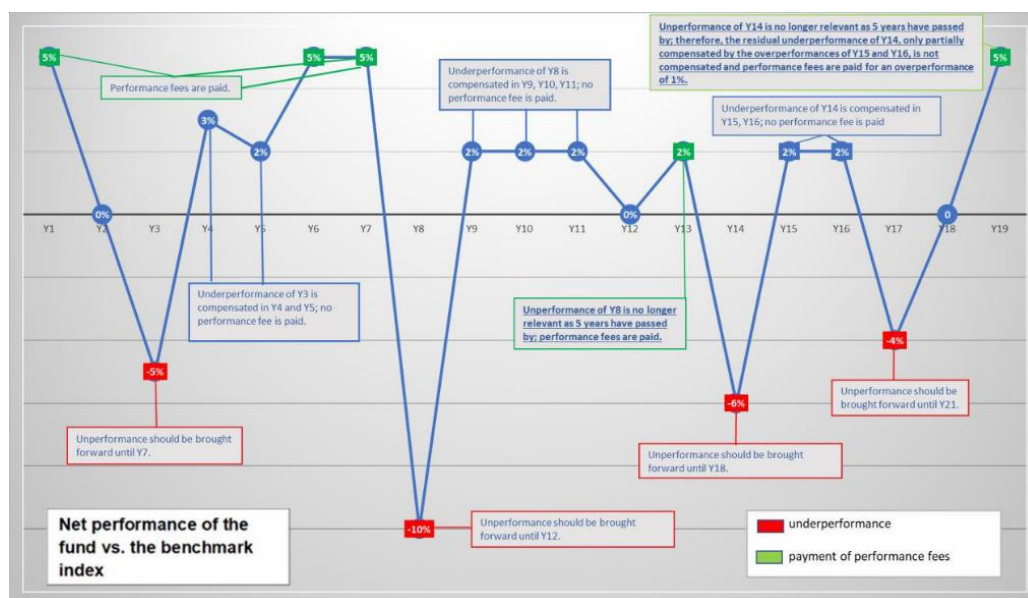
Fees charged to the UCITS			
	Financial Management fees		
1	Management fees other than management company fees (auditors, custodian, distribution, lawyers)	Net assets	R and R USD shares: 1.60% incl. taxes maximum I,D and I USD shares: 0.80% incl. taxes maximum S USD shares: 0.60% incl. taxes maximum F shares: 0.40% incl. taxes maximum
2	Maximum indirect fees (advisory fees and commissions)	Net assets	Not significant *
3	Transaction fees	Deducted on each transaction	For the management company: NIL
4	Outperformance fees	Net assets	Commission charged by the depositary: Between 6 and 80 euros including tax depending on the country  <u>R, I,D and F shares:</u> 15% including taxes of the Fund's outperformance relative to its benchmark index the J.P. Morgan EMBI Global Diversified hedged Euro Index <u>R USD et I USD shares:</u> 15% including taxes of the Fund's outperformance relative to its benchmark index the J.P. Morgan EMBI Global Diversified hedged Euro Index

up, it can be forgotten. If another year of underperformance has occurred within this first 5 year period and has not been recovered by the end of this first period, a new period of up to 5 years opens from this new year of underperformance. Each year of relative underperformance must be made up over a period of 5 years (or less if it is made up sooner).

In the event of underperformance relative to the benchmark, the provision is reduced by the amount of allocations made since the beginning of each catch-up period;

The method for calculating the variable management fee is made available to shareholders.

Illustration of the mechanism:



- Over/under performance      Under performance      Payment of annual variable  
- annual                              to be compensated                              variable management fee

Y1	5%	0%	YES
Y2	0%	0%	NO
Y3	-5%	-5%	NO
Y4	3%	-2%	NO
Y5	2%	0%	NO
Y6	5%	0%	YES
Y7	5%	0%	YES
Y8	-10%	-10%	NO
Y9	2%	-8%	NO
Y10	2%	-6%	NO
Y11	2%	-4%	NO
Y12	0%	0% <sup>29</sup>	NO
Y13	2%	0%	YES
Y14	-6%	-6%	NO
Y15	2%	-4%	NO
Y16	2%	-2%	NO
Y17	-4%	-6%	NO
Y18	0%	-4% <sup>30</sup>	NO
Y19	5%	0%	YES

- The underperformance to be compensated in year 12 is not -4% because the residual underperformance of year 8 has still not been compensated at the end of a 5 year period and can therefore be reset to zero
- The residual performance of year 14 has still not been compensated in year 18 so it is reset to zero. However, another year of underperformance occurred within this first 5-year period (-4% in Y17) and was not made up for at the end of this first period, so a new period of up to 5 years opens from this new year of underperformance. The underperformance to be caught up in Y18 is therefore the cumulative underperformance of Y17 and Y18, i.e. -4%.

Procedure for selecting intermediaries::

Gemway Assets evaluates brokers twice a year.

The evaluation criteria set by Gemway Assets are:

1. the ability to find liquidity (especially block trading, flow list, etc.) and the quality of order execution
2. assistance with meetings with companies
3. the successful settlement of transactions
4. the quality of analysis and sales support

### **III. Commercial Information:**

Requests for information and documents related to the sub-fund may be made directly to the management company:

GEMWAY ASSETS  
10, rue de la Paix,  
75002 Paris, FRANCE  
[www.gemway.com](http://www.gemway.com)

The sub-fund's net asset value is available on request to the management company or on the company's website [www.gemway.com](http://www.gemway.com).

Shareholders of the UCITS may obtain additional information from the management company's website ([www.gemway.com](http://www.gemway.com)) in relation to the inclusion in GEMWAY ASSETS' investment policy of environmental, social and quality of governance criteria as well information on the company's voting policy

#### **Investment restrictions**

The shares have not been and shall not be registered under the U.S. Securities Act of 1933 (hereinafter "the 1933 Act") or under any law applicable in a U.S. state, and the shares shall not be directly or indirectly transferred, offered or sold in the United States of America (including its territories and possessions) to any U.S. Person (hereinafter "U.S. Person"), as defined by U.S. Regulation S under the 1933 Act adopted by the Securities and Exchange Commission (SEC), except if the shares were registered or an exemption was applied with the consent of the management company of the sub-fund.

The sub-fund is not and shall not be registered under the U.S. Investment Company Act of 1940. Any sale or transfer of the shares in the United States of America or to a U.S. Person may constitute a breach of U.S. law and requires the prior written consent from the management company of the sub-fund. The persons who wish to purchase or subscribe shares will have to certify in writing that they are not U.S. Persons.

The management company of the sub-fund has the power to impose restrictions on (i) the ownership of shares by a U.S. Person and may thus compulsorily redeem the shares held, or on (ii) the transfer of shares to a U.S. Person. This power extends to any person who (a) appears to be directly or indirectly in breach of the laws and regulations of any country or government authority, or (b) may, in the opinion of the management company of the sub-fund, cause damage to the sub-fund that it would not have otherwise suffered or incurred.

The offering of the shares has not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have such authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of the documents related to this offering. Any representation to the contrary is a criminal offence in the United States.

Any shareholder must immediately notify the management company of the sub-fund if it becomes a U.S. Person. Any shareholder who becomes a U.S. Person shall no longer be permitted to acquire new shares and may be required to dispose of its shares at any time to anyone who is not a U.S. Person. The management company is entitled to compulsorily redeem any shares directly or indirectly held by a U.S. person, or if the holding of the shares by any person is unlawful or detrimental to the interests of the sub-fund.

### **IV. Investment rules:**

In accordance with the investment rules and limits set forth in Articles L 214-20 and R 214-1 et seq. of the French Monetary and Financial Code, the UCITS must always comply with the rules on asset mix provided for by the said code and the rules on risk-spreading. If a breach in these limits should occur that is beyond the management company's control or as a result of the exercise of subscription rights, the management company shall immediately rectify the situation, taking due account of the interests of the UCITS' unitholders.

### **V. Overall risk:**

The SICAV calculates overall risk using the commitment method.

### **VI. Asset valuation and accounting rules:**

#### **VI-1 - Asset valuation rules**

##### **A – Valuation method**

- Financial instruments and securities traded on a regulated market are valued at market price.

However, the instruments listed below are valued using specific methods:

- Negotiable debt securities and similar instruments that are not traded in large volumes are valued according to the actuarial method, where the rate used is that applied to issues of equivalent securities, plus or minus, where applicable, a differential reflecting the specific characteristics of the issuer.  
However, negotiable debt securities with a residual maturity of less than or equal to three months and with no particular sensitivity may be valued according to the straight-line method.
- Negotiable debt securities with a maturity of less than three months are valued at their market rate at time of purchase. Any discount or premium is amortised on a straight-line basis over the life of the instrument.
- Negotiable debt securities with a maturity of more than three months are valued at market rate.
- Units or shares of UCITS are valued at the last known net asset value.

- Securities under temporary purchase or sale agreements are valued according to the prevailing regulations under the terms of the original agreement.
- Warrants or subscription certificates granted free of charge during private investments or capital increases shall be valued as of their listing on a regulated market or the establishment of an over-the-counter market.
- Contracts:
  - Futures are valued at their settlement price and options are valued based on the security used.
  - The market price for futures is equal to the price in euro multiplied by the number of contracts.
- The market price for options is equal to their conversion into the underlying equivalent.
- Interest rate swaps are valued at market rate, in accordance with the contractual provisions.
- Off-balance-sheet transactions are valued at market price.
- Financial instruments whose price has not been recorded on the valuation date or whose price has been adjusted are valued at their probable trading value under the responsibility of the management company's board of directors. The statutory auditor receives these valuations and their justification when carrying out its audits.

#### B - Practical rules

- Shares and bonds are valued on the basis of prices taken from the Finalim and Bloomberg databases according to their listing market. The research options are supplemented by data from Telekurs (FinXS) and Reuters (Securities 3000):
  - Asia-Oceania: extraction at midday for a listing at the closing price for that day;
  - America: extraction at 9 am for a listing at the closing price for the previous day, extraction at 4.45 pm for a listing at the opening price for that day;
  - Europe (except France): extraction at 7.30 pm for a listing at the closing price for that day, extraction at 2.30 pm for a listing at the opening price for that day,
  - France: extraction at 9 am for a listing at the closing price for the previous day; extraction at midday and 4 pm for a listing at the opening price for that day,
  - Contributors: extraction at 5.40 pm for a listing at the closing price for that day; extraction at 2 pm for a listing based on price availability.
- Positions on futures markets at each net asset value are valued on the basis of the settlement price for that day. Positions on options markets at each net asset value are valued according to the principles used for their underlying asset.
  - Asia-Oceania: extraction at midday;
  - America: extraction on the next day at 9 am;
  - Europe (except France): extraction at 7.30 pm;
  - France: extraction at 6 pm.

#### **VI-2 - Accounting method**

- The accounting method used for recording income from financial instruments is the 'coupons received' method.
- The accounting method for recognising transaction costs excludes fees.
- The SICAV's accounting currency is in EUR for "R", "I" and "F" shares, and in USD for "USD R" and "USD I" shares.

The Renminbi Qualified Foreign Institutional Investor program, which provides an opportunity to invest directly in Chinese equity markets, currently allows the conversion from offshore RMB (CNH) to onshore RMB (CNY) and vice-versa without applying an exchange rate. The CNH is used as a base currency between USD and EUR currencies and the CNY. There can be no guarantee that conversion from CNH to CNY and vice-versa will still be possible in the future without applying an exchange rate.

#### **VII. Information on remuneration:**

The management company's remuneration policy is consistent with sound and effective risk management and does not encourage risk-taking that would be inconsistent with the risk profiles, the regulations or the instruments of incorporation of the UCITS managed by the management company.

The remuneration policy is compliant with the economic strategy, objectives, values and interests of the management company and the UCITS it manages as well as those of the investors in those UCITS, and includes measures designed to prevent conflicts of interest. The remuneration policy has been set up in order to:

- actively support the management company's strategy and objectives;
- support the management company's competitiveness on the market in which it operates;
- attract, develop and retain skilled and motivated employees.

The management company's staff receive remuneration that includes an appropriately balanced fixed and variable component, reviewed annually and based on individual and collective performance.

The principles of the remuneration policy are reviewed on a regular basis and adjusted according to regulatory changes.

The remuneration policy has been approved by the management company's board of directors.

Details of the remuneration policy are available on the following website: [www.gemway.com](http://www.gemway.com). A written copy of the remuneration policy is available free of charge on request.

## VIII. Shareholder engagement policy

In accordance with articles L.533-22 and R.533-16 of the Monetary and Financial Code, Gemway Assets has developed a shareholder engagement policy available on the website [www.gemway.com](http://www.gemway.com)

Shareholder engagement policy report: The document is available on request from Gemway Assets as well as on the management company's website [www.gemway.com](http://www.gemway.com)

Gemway Assets is a portfolio management company whose core business is stock picking. On average, we carry out more than 350 annual interviews with emerging companies including ESG subjects.

### Terms of application of the voting policy

In order to clearly show its commitment to the Voting Policy, Gemway Assets undertakes to exercise its voting rights at at **least 2/3 of the AGMs** of the companies in which the funds are invested.

The exercise of voting rights will be carried out systematically as soon as the management company, through the UCITS it manages, holds more than 1% of the capital or voting rights of a company.

This management consists of a rigorous selection of securities through the implementation of a process which combines stock selection and a macro-economic approach. The selection of stocks preferably involves direct meetings with the companies in which the fund invests. A fundamental analysis of each file follows, supported by a discussion with specialized analysts. Thus, when Gemway Assets UCITS managers invest in listed securities, it is because they have full confidence in the managers and are in agreement with the strategy set by them.

The management company invests in companies that create value for their shareholders.

Each resolution submitted to the vote is the subject of careful consideration with regard to the principles of Gemway Assets' voting policy. The management team uses the Broadridge information and postal voting platform (Proxyedge). Voting on resolutions is entirely internalized; we do not use a proxy voting service provider.

# ARTICLES OF ASSOCIATION OF GemFunds

Open-Ended Investment Company (SICAV) Simplified joint-stock company (*Société par actions simplifiées*) Registered office: 10 rue de la Paix, 75002 Paris, FRANCE

PARIS TRADE AND COMPANIES REGISTER: RCS PARIS 878 462 183

## TITLE 1 – FORM, PURPOSE, NAME, REGISTERED OFFICE, TERM OF THE COMPANY

### Article 1 – Form and Purpose

The owners of the shares hereinafter created and those which might be created subsequently have formed an open-ended investment company (*société d'investissement à capital variable*) (hereinafter the "SICAV"), governed by the prevailing laws and regulations, in particular the provisions of the French Commercial Code on simplified joint-stock companies (Book II – Title II – Chapter VII), the French Monetary and Financial Code (Book II – Title I – Chapter IV – section I), their implementing provisions and their subsequent texts, and by these articles of association ("Articles of Association").

The Company may comprise one or more sub-funds (each of them a "Sub-fund"). Each Sub-fund gives rise to the issuance of one or more share classes representing the assets of the Company that are allocated to it.

A separate account is kept for each Sub-fund within the Company's accounts. It may be kept in any currency unit.

The purpose of this Company is to form and manage a portfolio of financial instruments and deposits.

**Article 2 – Name**

The name of the Company is “GemFunds” and is followed or not by the wording “SICAV” (SICAV) and/or “Société d’Investissement à Capital Variable” (Open-Ended Investment Company).

**Article 3 – Registered office**

The registered office is at 10 rue de la Paix, 75002 Paris, FRANCE.

It may be transferred to any other location in the same department or an adjoining department in France by a decision of the board of directors.

**Article 4 – Term**

The Company’s term is ninety-nine (99) years from its registration in the trade and companies register, barring early dissolution or extension as provided for in these Articles of Association.

## TITLE 2 – CAPITAL, CHANGES IN CAPITAL, CHARACTERISTICS OF SHARES

### Article 5 – Share capital

The SICAV's initial capital amounts to the sum of € 550,000 divided into 5,500 fully paid-up shares of the GemChina Sub-fund.

It is made up of cash payments.

Subsequent sub-funds may be formed by payments in cash and/or contributions of assets.

The characteristics of the various share classes and their access conditions are set out in the SICAV's prospectus (the "Prospectus").

The various share classes may:

- benefit from different methods of income distribution (distribution or capitalization);
- be denominated in different currencies;
- bear different management fees;
- bear different subscription and redemption fees;
- have a different par value;
- include systematic total or partial risk hedging, set forth in the Prospectus; said hedging is provided by means of financial instruments that reduce to a minimum the impact of hedging transactions on other unit classes of the UCITS;
- be reserved for one or more marketing networks.

The board of directors may decide to split the shares into tenths, hundredths, thousandths or ten-thousandths, which are referred to as fractional shares. The provisions of the Articles of Association governing the issue and redemption of shares are applicable to fractional shares whose value shall be proportional at all times to that of the share they represent. All the other provisions of the Articles of Association relating to the shares apply automatically to the fractional shares, unless specified otherwise.

The board of directors may also decide, at its sole discretion, to split the shares by issuing new shares, which will be allocated to shareholders in exchange for their former shares. The Company's or a Sub-fund's shares may also be pooled by decision of the Board of Directors.

### Article 6 – Changes in the capital

The capital amount may be subject to change, resulting from the issuance by the Company of new shares and reductions following the redemption of shares by the Company to shareholders who so request.

### Article 7 – Issuances and redemptions of shares

Shares are issued at any time on request of the shareholders based on their net asset value plus any subscription fees, where applicable.

Subscriptions and redemptions are carried out under the terms and conditions set forth in the Prospectus.

Redemptions may be carried out in cash and/or in kind. If the redemption in kind corresponds to a representative portion of the portfolio's assets, the SICAV or Management Company needs only obtain written consent signed by the selling shareholder. If the redemption in kind does not correspond to a representative portion of the portfolio's assets, all the shareholders must confirm in writing that they authorise the selling shareholder to obtain the redemption of its shares against certain specific assets, as defined explicitly in the agreement.

In general, the assets redeemed are valued according to the rules laid down in Article 9 and the redemption in kind is carried out on the basis of the first net asset value calculated after acceptance of the securities concerned.

To be valid, any subscription of new shares must be fully paid up and the shares issued must carry the same rights as the existing shares on the day of issuance.

Pursuant to Article L. 214-7-4 of the French Monetary and Financial Code, the company's redemption of its own shares, as well as the issue of new shares, may be temporarily suspended by the board of directors where exceptional circumstances and the interest of shareholders so require.

Where the net assets of the SICAV (or a Sub-fund where applicable) are less than the amount set by the regulations, no share may be redeemed (on the Sub-fund concerned, where applicable).

Pursuant to Articles L. 214-7-4 of the French Monetary and Financial Code and 411-20-1 of the AMF General Regulation, the Management Company may decide to cap redemptions where exceptional circumstances and the shareholders' or the public's interest so require.

The methods for operating the cap mechanism and informing shareholders must be described in detail.

The SICAV's board of directors may decide a minimum subscription under the terms set out in the Prospectus.

The SICAV may cease to issue shares pursuant to paragraph 3 of Article L. 214-7-4 of the French Monetary and Financial Code, temporarily or permanently, partially or totally, in situations that objectively require the closure of subscriptions, such as when the maximum number of shares has been issued, the maximum amount of assets has been reached or a specific subscription period has expired. Existing shareholders shall be notified by any means of the triggering of such a procedure, of the threshold and of the objective situation that led to the decision of partial or total closure. In the event of partial closure, this notification shall by any means explicitly state the terms under which existing shareholders may continue to subscribe for the duration of said partial closure. Shareholders shall also be notified by any means of the decision by the SICAV or the Management Company to end the total or partial closure of subscriptions (once they have fallen below the

trigger threshold) or not to end it (in the event of a change of threshold or change in the objective situation that led to activation of the procedure). Any change to the invoked objective situation or to the trigger threshold must always be made in the best interest of shareholders. The notification shall by any means specify the exact reasons for these changes.

#### **Article 8 - Calculation of the net asset value**

The net asset value of shares is calculated in accordance with the valuation rules set out in the Prospectus.

Contributions in kind may comprise only securities or instruments admitted for inclusion in the assets of UCITS; they are valued in accordance with the valuation rules used for calculating the net asset value.

#### **Article 9 – Form of shares**

Shares may be held in either registered or bearer form, at the subscribers' discretion.

Pursuant to Article L. 211-4 of the French Monetary and Financial Code, the securities must be entered in accounts, held either by the issuer or an authorised intermediary.

The rights of holders will be represented by an account entry in their name:

- with their chosen intermediary for bearer securities; or
- with the issuer and, if they so wish, with their chosen intermediary for registered securities.

Pursuant to Article L.211-5 of the French Monetary and Financial Code, the Company may request, at its own expense, the name, nationality and address of the SICAV's shareholders, as well as the quantity of securities held by each of them.

#### **Article 10 – Rights and obligations attached to shares**

Each share gives entitlement, in the ownership of the corporate assets or the Sub-fund concerned and in the sharing of the SICAV's or the Sub-fund's profits, to a portion corresponding to the fraction of the capital which it represents.

The rights and obligations attached to the share are transferred from owner to owner.

Wherever it is necessary to own several shares in order to exercise any right, and particularly in the event of exchange or pooling, the owners of isolated shares or fewer shares than the required number may exercise such rights only if they personally arrange for the pooling, and where relevant the purchase or sale of any necessary shares.

By decision of the Board of Directors, the SICAV may be a feeder UCITS.

#### **Article 11 – Indivisibility of shares**

All joint holders of any share or their beneficiaries are required to be represented with regard to the Company by a single person appointed by agreement between them or, failing that, by the presiding judge of the commercial court with jurisdiction where the registered office is located.

The owners of fractional shares may group together, in which case they must be represented under the conditions specified in the paragraph above by a single person who shall, for each group, exercise the rights attached to the ownership of a whole share.

The voting right attached to the share belongs to the usufructuary for decisions within the remit of the ordinary general meeting and to the bare owner for decisions within the remit of the extraordinary general meeting.

However, holders of shares whose ownership is divided may agree between them on any other distribution for the exercise of voting rights at general meetings.

In such case, they must bring their agreement to the attention of the SICAV by registered letter with acknowledgement of receipt sent to the registered office, the SICAV being required to comply with this agreement for any meetings held after expiry of a period of one (1) month following dispatch of the registered letter, the post office stamp being considered proof of the sending date.

Notwithstanding the above provisions, the bare owner is entitled to attend all meetings.

### **TITLE 3 – ADMINISTRATION AND MANAGEMENT OF THE COMPANY**

#### **Article 12 - Administration**

The Company is administered by a board of directors (having at least three and at most eighteen members) appointed by the general meeting. Throughout the Company's lifetime, directors are appointed or reappointed at the ordinary general meeting of shareholders.

Directors may be natural persons or legal entities. When appointed, legal entities must designate a standing representative who is subject to the same conditions and obligations and incurs the same civil and criminal liability as if he/she were a member of the board of directors in his/her own right, without prejudice to the liability of the legal entity that he/she represents.

The term of office of such standing representative is concurrent with the term of office of the legal entity that he/she represents. Should the legal entity revoke its representative's term of office, it must immediately notify the SICAV by registered letter of the fact and of the identity of its new standing representative. The same shall apply if the standing representative dies, resigns or is indisposed for an extended period of time.

### **Article 13 – Term of office of directors – Reappointment of the board**

Subject to the provisions of the last paragraph of this article, the term of office of directors is three years for the first directors and no more than six years for subsequent directors, each year being understood as the interval between two consecutive annual general meetings.

If one or more directorships become vacant between two general meetings, as a result of death or resignation, the board of directors may make temporary appointments.

A director temporarily appointed by the board to replace another director remains in office only for the remainder of its predecessor's term of office. Its appointment is subject to approval at the next general meeting.

Any outgoing director may be re-elected. Directors may be dismissed at any time by the ordinary general meeting.

The duties of each member of the board of directors end on conclusion of the ordinary general meeting of shareholders called to approve the financial statements for the past financial year and held in the year during which its term of office expires, given that if the meeting has not taken place that year, said duties of the relevant member end on 31 December of the same year, all subject to the exceptions hereinafter.

Any director may be appointed for fewer than six years where that is necessary to ensure that the board is renewed as regularly as possible and entirely within each six-year period. This will apply in particular if the number of directors is increased or reduced and if the regularity of renewal is affected as a result.

If the number of members of the board of directors falls below the statutory minimum, the remaining member or members shall immediately call an ordinary general meeting of shareholders in order to make up the numbers of the board.

The term of office of directors will cease automatically at the time of the annual general meeting called to approve the financial statements for the financial year during which they reach the age of 75.

The board of directors may be renewed by rotation.

If a director resigns or dies and the number of directors remaining in office is greater than or equal to the minimum as set out herein, the board may replace said director temporarily for the remainder of the current term of office.

### **Article 14 – Officers of the board**

The board elects a chair who must be a natural person from among its members, for whatever term it sees fit provided that it does not exceed his/her term as director.

The chair of the board of directors organises and supervises the work carried out by the board, which he/she reports to the general meeting. He/she ensures the smooth operation of the corporate bodies and in particular that the directors are qualified to perform their duties.

If it deems it appropriate, the board of directors may appoint a deputy chair and choose a secretary, who need not be a board member.

If the chair is temporarily indisposed, resigns or dies, board meetings are chaired by the CEO.

Failing this, the board of directors may delegate a director to fulfil the duties of the chair.

In the event of temporary indisposition, this delegation is given for a limited period and may be renewed.

In the event of death, it is valid until a new chair has been elected.

### **Article 15 – Meetings and resolutions of the board**

The board of directors meets when convened by the chair as often as the Company's interests require, at the registered office or at any other place specified in the notice of meeting.

If it has not met for more than two months, at least one-third of its members may ask the chair to convene the board for a specific agenda. The CEO may also ask the chair to convene the board of directors for a specific agenda. The chair is bound by these requests.

Rules of procedure may, in accordance with the laws and regulations, determine the conditions for organizing board meetings, which may take place by videoconferencing except for the adoption of decisions expressly excluded by the French Commercial Code.

Meetings may be convened by any means, including verbally.

Resolutions are valid provided that at least half of the members attend. Decisions are made by a majority vote of members present or represented. Each director has one vote. Where voting is tied, the chair has the casting vote.

If videoconferencing is allowed, the rules of procedure may specify, in accordance with the prevailing regulations, that directors who attend the board meeting by videoconferencing are deemed present when calculating the quorum and majority.

### **Article 16 – Records**

The Records are drawn up and copies of or excerpts from the resolutions are issued and certified in accordance with the law.

### **Article 17 – Powers of the board of directors**

The board of directors sets the Company's business strategy and oversees its implementation. Within the limits of the corporate purpose and subject to the powers expressly assigned by law to general meetings of shareholders, the board considers all matters concerning the operation of the Company and settles issues through its resolutions.

The board of directors carries out the checks and verifications which it deems appropriate. The chair or the CEO of the Company must provide each director with all the documentation and information necessary for them to perform their duties. Any director may be legally represented by any other board member to vote in its place at a specified board meeting, each director being allowed only one proxy per session.

#### **Article 18 – General management – Non-voting members**

The chair of the board of directors or any other natural person appointed by the board of directors and bearing the title of CEO is responsible for the general management of the Company.

The choice between the two methods of general management is made by the board of directors under the conditions set out in these Articles of Association for a term ending on the expiry of the duties of the chair of the board of directors in office. Shareholders and third parties are notified of said choice under the conditions specified by the prevailing laws and regulations.

Depending on the choice made by the board of directors in accordance with the provisions set out above, general management is exercised by either the chair or a CEO.

If the board of directors chooses to separate the duties of chair and CEO, it appoints the CEO and determines his/her term of office.

Where the chair of the board of directors is responsible for the general management of the Company, the following provisions related to the CEO apply to him/her.

Subject to the powers which the law expressly assigns to general meetings of shareholders and the powers which it specifically reserves for the board of directors, and within the limits of the corporate purpose, the CEO is invested with full powers to act in any circumstance on the Company's behalf. He/she exercises said powers within the limits of the corporate purpose and subject to the powers which the law expressly assigns to general meetings of shareholders and the board of directors. He/she represents the Company in its relations with third parties.

The CEO may grant any partial delegations of his/her powers to any person of his/her choice.

The CEO may be removed by the board of directors at any time.

On a proposal from the CEO, the board of directors may appoint up to five natural persons as deputy CEOs to support the CEO.

The deputy CEOs may be removed by the board at any time on a proposal from the CEO.

In agreement with the CEO, the board of directors determines the scope and term of the powers conferred on deputy CEOs. Such powers may comprise the right of partial delegation. In the event of termination of duties or impediment on the part of the CEO, they keep their duties and powers until the new CEO has been appointed, unless the board decides otherwise.

The deputy CEOs have the same powers as the CEO with respect to third parties.

The CEO's term of office ends on conclusion of the ordinary general meeting called to approve the financial statements for the financial year during which he/she reaches the age of 75. The same age limit applies to deputy CEOs.

#### **Advisers (Non-voting members):**

The general meeting may appoint natural persons or legal entities as advisers who form an advisory board. The advisers' term of office is three years and may be renewed, each year being understood as the interval between two consecutive annual general meetings.

The board of directors may itself temporarily appoint advisers subject to ratification by the next ordinary general meeting of shareholders. Advisers are called to all board meetings and may take part in resolutions, though solely in an advisory capacity. In the event of death, resignation or termination of duties for any other reason of one or more advisers, the board of directors may co-opt their successor, the appointment being put to the next general meeting for ratification.

#### **Article 19 – Allowances and remuneration of the board of directors and advisers**

Board members may receive fixed annual remuneration, the total amount of which for the board is set by the general meeting. Said amount is maintained until the general meeting decides otherwise. The board of directors shares the amount between its members as it deems fit. Advisers may receive fixed annual remuneration under the same conditions. Said remuneration is divided amongst them by the board of directors.

#### **Article 20 – Custodian**

The custodian is appointed by the board of directors.

The custodian performs the tasks for which it is responsible pursuant to the prevailing laws and regulations, as well as those contractually assigned to it by the SICAV or the Management Company. The custodian shall ensure in particular that the portfolio management company's decisions are compliant. The custodian shall, where appropriate, take any protective measures it deems necessary. In the event of a dispute with the Management Company, the custodian shall inform the French Financial Markets Authority.

#### **Article 21 – The prospectus**

The board of directors, or the Management Company if the SICAV has delegated its overall management, has all powers to make any amendments to the prospectus that are required to ensure proper management of the Company, in accordance with the legal and regulatory provisions specific to SICAVs.

### **TITLE 4 – STATUTORY AUDITOR**

#### **Article 22 – Appointment – Powers – Remuneration**

The statutory auditor is appointed for six financial years by the board of directors following approval by the French Financial Markets Authority and is chosen among the persons authorised to exercise such duties in commercial companies.  
It certifies the consistency and accuracy of the financial statements.  
Its term of office may be renewed.

The statutory auditor is required to notify the French Financial Markets Authority at the earliest opportunity of any fact or decision concerning the UCITS that comes to its attention over the course of the audit, which may:

1. constitute a breach of the laws or regulations applicable to this UCITS and have a significant impact on its financial position, performance or assets,
2. affect the conditions or continuity of its operation,
3. entail reservations or a refusal to certify the financial statements.

Asset valuations and the determination of exchange ratios in any transactions involving a conversion, merger or demerger are carried out under the statutory auditor's supervision.

The statutory auditor assesses any contribution or redemption in kind under its own responsibility, except for redemptions in kind for an ETF on the primary market.

It reviews the asset mix and other elements prior to publication.

The statutory auditor's fees are determined by mutual agreement between the latter and the SICAV's board of directors on the basis of a work programme specifying the audits deemed necessary.

The statutory auditor verifies the financial positions which are used as a basis for interim payments.

## **TITLE 5 – GENERAL MEETINGS**

### **Article 23 – General meetings**

General meetings are called and held as required by law.

The annual general meeting, which must approve the Company's financial statements, must be held within four months of the closing of the financial year. Meetings are held at either the registered office or any other place specified in the notice of meeting.

Any shareholder may attend meetings, in person or by proxy, on proof of his/her identity and ownership of his/her securities, in the form of an entry in the registered securities accounts held by the Company or an entry in the bearer securities accounts, at the places mentioned in the notice of meeting; these formalities must be completed two days before the meeting date.

Shareholders may be represented in accordance with the provisions of Article L. 225-106 of the French Commercial Code.

Shareholders may also vote by post under the conditions provided for by the prevailing regulations.

Meetings are chaired by the chair of the board of directors or, in his/her absence, by a deputy chair or a director delegated for that purpose by the board. Failing that, the meeting will elect its own chair.

Minutes of meetings are drawn up and their copies are certified and issued in accordance with the law.

## **TITLE 6 – ANNUAL FINANCIAL STATEMENTS**

### **Article 24 – Financial year**

The financial year begins on the day after the last Paris trading day of December and ends on the last Paris trading day of the same month of the following year (Euronext Paris calendar).

However, the first financial year shall exceptionally include all transactions carried out from the inception date until 31/12/2020.

### **Article 25 – Procedures for the allocation of distributable amounts**

The board of directors determines the net income for the financial year which, in accordance with the provisions of the law, is equal to the amount of interest payments, arrears, premiums and prizes, dividends, attendance fees and all other income from the securities forming the SICAV's portfolio (and/or, where appropriate, of each Sub-fund) plus income from sums currently available minus management fees, borrowing costs and any depreciation expense.

Distributable amounts comprise:

- 1) net income plus retained earnings, if any, plus or minus the balance of accrued income for the financial year ended,
- 2) capital gains, net of fees, recognized in the financial year, plus net capital gains of the same type recognized in previous financial years which have not been distributed or capitalized, minus or plus the balance of accrued capital gains.

Amounts 1) and 2) above may be distributed, where applicable, in full or in part, each independently of the other.

For each share class, where applicable, the SICAV may opt, for each of the amounts mentioned in 1) and 2), for one of the following formulas: Capitalisation: Distributable amounts are fully capitalised, except for amounts that must be distributed by law;

Distribution: Amounts are fully distributed, after rounding. The board of directors may decide during the financial year to distribute one or more interim amounts without exceeding the net income recognised on the date the decision is made;

Distribution and/or capitalisation: Each year, the general meeting decides the allocation of the amounts mentioned in 1) and 2). The board of directors may decide during the financial year to distribute one or more interim amounts without exceeding the net income recognised on the date the decision is made.

The specific terms and conditions for the allocation of distributable amounts are contained in the Prospectus.

Payment of distributable amounts is made within a maximum of five months after the end of the financial year.

Any dividends not claimed within five years of becoming payable are forfeited in accordance with the law.

## **TITLE 7 – EXTENSION – DISSOLUTION – LIQUIDATION**

### **Article 26 – Extension or early dissolution**

The board of directors may, at any time and for any reason whatsoever, propose the extension, early dissolution or liquidation of the SICAV to an extraordinary general meeting.

The issuance of new shares and redemption by the SICAV of shares from shareholders who so request cease on the day of publication of the notice to attend the general meeting at which the early dissolution and liquidation of the Company are proposed, or on expiry of the Company's term.

### **Article 27 – Liquidation**

The terms and conditions of liquidation are established in accordance with the provisions of Article L.214-12 of the French Monetary and Financial Code.

The sub-funds' assets are allocated to the respective shareholders of those sub-funds.

## **TITLE 8 – DISPUTES**

### **Article 28 – Competence – Election of domicile**

Any disputes arising during the period of operation of the Company or during its liquidation, either between the shareholders and the Company, or between the shareholders themselves, shall be settled in accordance with the law and subject to the jurisdiction of the competent courts..

## **TITLE 9 – AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

### **Article 29 – Amendments to the Articles of Association**

Amendments to the Company's Articles of Association are within the competence of the extraordinary general meeting. By way of an exception to the foregoing, the annexes to these Articles of Association relating to the forming of the Company and in particular the designation of the founding members and appointment of the first senior executives and the first statutory auditors will be automatically deleted when the Articles of Association are next updated.

### **Article 30 – Legal personality**

The SICAV will have legal personality as of its registration in the trade and companies register.

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Done at Paris, on 09/10/2019

In one (1) original copy

# Offering Memorandum Addendum for Switzerland

## **IMPORTANT INFORMATION FOR INVESTORS IN SWITZERLAND**

The Fund is considered foreign investment schemes pursuant to Art. 119 of the Swiss Federal Collective Investment Schemes Act (CISA). No application has been submitted to the Federal Financial Market Supervisory Authority (FINMA) to obtain approval within the meaning of Art. 120 CISA to publicly advertise, offer or distribute the investment in or from Switzerland, and no other steps have been taken in this direction. As a result, the investment is not registered with FINMA. Any offer or sale must therefore be in strict compliance with Swiss law, and in particular with the provisions of the Collective Investment Schemes Act and its implementing ordinances, and FINMA circular 2013/9 on distribution of collective investment schemes. Pursuant to the Collective Investment Schemes Act and its implementing ordinances, the units may not be offered, marketed or distributed to the public in or from Switzerland, but only to qualified investors according to art. 10 sections 3, 3bis and 3ter CISA.

### **SWISS REPRESENTATIVE:**

**Waystone Fund Services (Switzerland) SA** Av. Villamont 17, 1005 Lausanne, Switzerland has been appointed as Swiss Representative of the Fund.

### **PAYING AGENT IN SWITZERLAND:**

Banque Cantonale de Genève, 17, quai de l'Ile, 1204 Geneva, Switzerland has been appointed as Paying Agent of the Fund in Switzerland.

#### **PLACE WHERE THE RELEVANT DOCUMENTS MAY BE OBTAINED**

Any Fund Documentation, including the Prospectus, the Articles of Incorporation and annual reports issued by the Fund from time to time may be obtained free of charge from the Swiss Representative in Lausanne.

#### **RETROCESSIONS**

Retrocessions are deemed to be payments and other soft commissions paid by the Fund management company and its representatives for distribution activities in respect of fund units. Retrocessions are normally paid from the management fee, the performance fee and/or the distribution fee, and on the basis of a written contract.

In respect of distribution in Switzerland, the granting of retrocessions is permitted, irrespective of the contractual relationship between the recipient of the retrocession and the investor (asset management agreement, advisory agreement, execution only) and irrespective of whether the service qualifies as distribution or is not deemed to be distribution pursuant to Art. 3 CISA.

In respect of distribution in Switzerland, the Fund management company and its representatives could pay retrocessions for distribution activities to distributors or distribution partners.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution. On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the investors concerned.

#### **REBATES**

Rebates are defined as payments by the Fund management company and their representatives directly to investors from a fee or cost charged to the Fund with the purpose of reducing the said fee or cost to a contractually agreed amount.

In respect of distribution in or from Switzerland, the Fund management company and their representatives do not pay any rebates to investors.

#### **PLACE OF EXECUTION AND JURISDICTION:**

The place of performance for the shares of the SICAV offered in and from Switzerland is at the registered office of the representative in Switzerland. The forum for any dispute relating to shares of the SICAV offered in and from Switzerland is at the registered office of the representative in Switzerland or at the registered office or domicile of the investor.

## **Austrian Country Supplement**

### **Supplement to the prospectus for Austrian investors only**

This Austrian country supplement is supplemental to, forms part of and should be read in conjunction with the Prospectus of GemFunds SICAV who described shares offering. The Asset Management company is Gemway Assets.

All capitalized terms shall have the same meaning herein as in the Prospectus.

#### **Right to market shares in Austria**

The Company is notified its intention to market Shares in Austria. Since completion of the notification process the Company has the right to market Shares in the following Fund in Austria:

- GemEquity I EUR
- GemEquity R EUR
- GemEquity I USD
- GemEquity R USD
- GemEquity N EUR

- GemAsia I EUR
- GemAsia R EUR
- GemAsia N EUR
- GemChina I EUR
- GemChina R EUR
- GemChina N EUR

## **Additional information for Austrian Investors**

### ***Facility in Austria:***

Facility in Austria according to EU directive 2019/1160 article 92:

Erste Bank der oesterreichischen Sparkassen AG

Am Belvedere 1,

A-1100 Vienna/Austria

E-Mail: [foreignfunds0540@erstebank.at](mailto:foreignfunds0540@erstebank.at)

Redemption applications may be sent to the Austrian facility. Shareholders residing in Austria may request that they receive payments (redemption proceeds, distributions, if any, and any other payments) from the Company through the Austrian facility.

Copies of the certificate of incorporation, constitution, the Prospectus, the Key investor information documents in relation to the Shares registered in Austria as well as the most recent annual and semi-annual reports (if applicable) may be obtained free of charge at the Austrian facility.

The subscriptions and redemptions prices as well as shareholder notifications and other information to shareholders that shareholders are entitled to receive at the registered office of the Company are available in Austria at the Austrian facility. The most recent subscription and redemption prices are as well as shareholder notifications will be published on the company's website [www.gemway.com](http://www.gemway.com) / Bloomberg / Reuters / [daten@mountain-view.com](mailto:daten@mountain-view.com) / [daten@software-systems.at](mailto:daten@software-systems.at) / [software-systems@aon.at](mailto:software-systems@aon.at)

## ANNEX II

# TEMPLATE PRE-CONTRACTUAL DISCLOSURE FOR THE FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852

Product name: GEMEQUITY

Legal entity identifier: 969500N1B6C986BLVK65

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Does this financial product have a sustainable investment objective?

☐ Yes

☐ It will make a minimum of **sustainable investments with an environmental objective: \_\_\_\_%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with an social objective: \_\_\_\_%**

☒ No

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investment

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

The responsible investment strategy is based on ESG criteria highlighting the environmental and/or social characteristics promoted by this financial product, such as companies taking into account environmental risks, reducing the environmental impact of companies in terms of air pollution, improving working conditions, promoting gender equality, protecting employees.

The benchmark for the financial product is the MSCI Emerging Markets. The index does not promote specific environmental and social characteristics.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Within the framework of this financial product, research on environmental and social criteria is carried out through official publications of the companies, exchanges between the fund's management team and the management team of these companies, as well as with the support of rating agencies such as MSCI. All companies promoted by the financial product are rated and analysed internally. The main sustainability indicators used to measure the achievement of each of the environmental or social characteristics promoted by the financial product are the following:

**Environment:**

The company's activity is the starting point for the environmental analysis. Due to its investment theme (detailed in the section "What investment strategy does this financial product follow?"), the financial product invests in companies with low environmental impact.

The main environmental indicators are the following:

Carbon intensity or WACI (Weighted Average Carbon Intensity): This indicator measures CO2 emissions in relation to the company's turnover. Our calculations are based on data from MSCI. Thus, to be considered sustainable, the company's carbon intensity must be 20% lower than that of the benchmark.

Net Zero CO2 Emissions target: With the signing of the Paris Agreements, a number of countries have committed to reduce and eventually neutralise their country's CO2 emissions. A growing number of companies are following these recommendations. Thus, in order to be considered a sustainable investment, a company must have a zero emissions target.

Scope 1 & 2 GHG emissions: CO2 emissions are divided into 3 measurability groups. Scope 1 includes greenhouse gas emissions directly related to the manufacturing of products or services. Scope 2 groups together the greenhouse gas emissions linked to the energy consumption required to manufacture the product or service. Companies must publish both indicators in order to be eligible for the sustainable investment framework.

Energy consumption and production: while analysing the company, the management teams consider for the rating the source of energy used in the production process and/or the contribution of renewable energy to the products.

**Social :**

Training rate: the financial product promotes the continuous education of employees and their well-being. Thus a training rate of at least 20 hours per year per employee is required for a company to qualify as a sustainable investment.

Gender parity: the financial product is committed to promoting the participation of women in the workplace. Thus, a company is considered a sustainable investment when the number of women employees exceeds 20% of the salary base. Also, we monitor the share of women on the board of directors and for any company where the share of women is less than 10%, we commit to vote against the appointment of a male member at the General Meetings.

Human rights: with the support of the MSCI platform, the financial product excludes any company with a severe level of 0/10 in human rights controversies.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The sustainable investment objectives that the financial product partially intends to achieve are to contribute to the achievement of the United Nations Sustainable Development Goals (SDGs). The focus is on five goals in particular. The adoption of the SDGs is systematically recommended to emerging companies. The latter are assessed on the scope of their commitment based on internal rating but also with the analysis of specialised partners (MSCI)

The fund also aims to encourage and strengthen companies' commitment to sustainability. For example, on the social aspect, the promotion of gender parity is considered a cornerstone, as well as the reduction of GHG emissions regarding environmental commitment.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

To ensure that the sustainable investments of the financial product will not significantly harm an environmental or social objective (DNSH), Gemway Assets has established a list of normative and sectoral exclusions: tobacco production, controversial weapons, military equipment, non-conventional hydrocarbons, pornography, genome technology, coal exploration, palm oil, coal power generation.

- ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

As Gemway Assets is a management company with less than 500 employees, the consideration of PAIs is voluntary. The management company is therefore not required to consider negative sustainability impacts. Where the company chooses not to follow the provisions of the regulation, it is required to explain why implementation is not relevant to its scale under the "Comply or Explain" principle.

In this context, the Fund is currently not required to take negative impacts into account. Given the geographical area in question, namely emerging markets, the available information lacks transparency compared to regions where reporting legislation is in force. We therefore decided not to publish the PAIs in 2024, considering that the quality of the data was insufficient and that our exclusion list provided effective protection against the main negative impacts of the most high-risk sectors.

At the same time, we have been working to improve data quality in collaboration with various providers, including MSCI. Today, we are satisfied with the level of quality of the accessible data and will publish the PAIs during 2025 for the period ending in December 2024.

- ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The portfolio managers monitor the alignment of the companies in which the financial product invests with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the ten principles of the UN Global Compact. The financial product is based on data published by the supplier Sustainalytics.

The financial product has not set a minimum threshold. However, as of December 2024, 89.2% of the financial product is aligned with the ten principles of the United Nations Global Compact, 8.4% is on the watchlist, and no company is non-aligned with the ten principles of the United Nations Global Compact (source: MSCI)..

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **Does this financial product consider principal adverse impacts on sustainability factors?**

X

Yes, the financial product takes into account the principal adverse impacts on sustainability factors. We will publish the PAIs during 2025 for the period ending in December 2024.

Specifically, we rely on a combination of normative and sectoral exclusion policies, integration of ESG ratings into the investment process, as well as engagement and voting approaches:

- Exclusion: We have formalized a rigorous exclusion policy, including the exclusion of the most problematic sectors and companies with a very high level of controversy.
- Integration of ESG factors: We integrate ESG factors into our investment decisions by relying on our proprietary ESG rating system, ESGEM, for all portfolio holdings. We apply a Best-In-Class approach to all our funds and strictly adhere to our sectoral and normative exclusion policy.
- Controversies: We regularly monitor controversies, assessing their evolution and severity with data provided by MSCI. This monitoring is periodically reviewed by our RCCI. In addition to excluding companies with the highest level of controversy (0/10 on MSCI), we maintain regular dialogue with these companies to encourage them to change their behavior or improve their communication with rating agencies.
- Engagement: Engagement is a targeted process aimed at influencing the activities and behaviors of portfolio companies. We believe that shareholder dialogue is the most effective way to act. To this end, we organize one-on-one meetings with companies to discuss their environmental, social, or governance practices. Additionally, we occasionally participate in collective initiatives offered by the Principles for Responsible Investment (PRI) collaborative engagement platform.
- Voting: We are committed to exercising our voting rights at least two-thirds of the general meetings of the companies in which the fund is invested. We carefully examine all resolutions that could be detrimental to the interests of the company or minority shareholders. We are particularly vigilant about issues related to governance quality and environmental concerns, as outlined in our Voting Policy.

No



### **What investment strategy does this financial product follow?**

The financial product implements a financial strategy based on investment in emerging growth stocks, selected in particular for the sustainability of their business model and the quality of their management. The investment theme of the financial product is the enrichment of the middle classes in emerging

countries. Thus the financial product systematically integrates ESG criteria into its financial management which has an impact on the selection of securities in the portfolio.

The extra-financial approach integrated into the investment strategy of this financial product is detailed below. The selection of securities is subject to normative and sectoral exclusions.

First, the reference universe is adjusted for normative and sectoral exclusions:

- Controversial weapons (landmines and cluster munitions) from the first euro of revenue.
- Military equipment and defense solutions, with a threshold set at 5% of revenue.
- Unconventional hydrocarbons: No issuer deriving more than 10% of their fossil energy production from unconventional hydrocarbons.
- Source: Global Oil and Gas Exit List (GOGEL)
- Genome technology, with a threshold set at 5% of revenue.
- Pornographic content, with a threshold set at 5% of revenue.
- Tobacco and cigarette production, with a threshold set at 5% of revenue.
- Coal extraction, with a threshold set at 5% of revenue.
- Source: Global Coal Exit List (GCEL)
- Electricity production from coal, with a threshold set at 10% of revenue.
- Source: Global Coal Exit List (GCEL)
- Palm oil, with a threshold set at 5% of revenue.
- Companies involved in an MSCI controversy at level 0/10 (the highest level of controversy illustrating (1) severe human rights violations, such as forced labor, (2) severe biodiversity damage, such as water pollution, (3) activities in conflict zones, (4) cases of corruption, etc.).

However, in the event of a significant improvement in the company's situation regarding a Level 0/10 controversy, which would logically lead to an almost certain reduction in the controversy level by MSCI, we reserve the right to invest in this company.

In a second step, the financial product applies a Best In Class selection. The securities in the reference universe are then classified by sector and the lowest 20% of companies are eliminated. Hence the universe is being adjusted. The rating is achieved through the rating provided by MSCI.

The financial product also monitors controversies with the support of MSCI. This score measures the severity level of a company's controversies and ranges from 0 to 10 (0 being the most severe controversy). Any company that falls into a level 0 controversy is divested as quickly as possible. A level 1 controversy results in the company being placed under close monitoring. If the management team considers the controversy to pose an operational risk to the company, it is divested. When a company is not covered by MSCI, the entire analysis is conducted internally.

Gemway Assets is committed to conducting nearly 300 interviews with emerging companies per year to ensure first-hand information and proximity to the field and management teams.

For the financial product, ESG analyses are inherently a risk management tool. In 2015, the company signed the UN PRI and the CDP. The company partnered with Sustainalytics and Trucost (now S&P Global) to measure ESG parameters. In January 2021, the financial product received the ISR Label, the French state label for sustainable investment. In 2024, we decided to change ESG data providers and replace the two previously used agencies with MSCI. We have chosen not to retain the ISR Label for this fund. This change will take effect on December 31, 2024. Operating in emerging markets, we

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

believe that the new V3 framework of the ISR Label does not align with our vision of responsible ESG management while contributing to long-term sustainable performance, as we apply it to this fund.

The ESG rating coverage of the portfolio must be 100% at all times. The companies in the portfolio are rated internally, using the MSCI rating as a starting point. This is an ESG risk-based rating. The management teams follow the MSCI classifications (corporate governance, ethics, product governance, supply chain, human rights etc.). The management team then adjusts the final rating taking into account the Sustainable Development Goals promoted by the company at operational and revenue level. The quality of communication and transparency is a source of ESG bonus, as is the nature of the activity. Any activity that reduces greenhouse gas emissions and gender inequality receives a bonus. Conversely, any activity that is detrimental to these two main criteria is penalised by a malus. Controversies are also a source of malus.

The result is an internal score called EM ESG.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

As mentioned in the previous section, constraints are imposed by the policy of normative and sectoral exclusions, the Best In Class approach and controversies. They narrow the investment universe.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

With our Best in Class approach, the investment universe of the financial product is adjusted by excluding the bottom 20% of companies in each sector. The analysis of the benchmark universe is based on the MSCI rating.

- ***What is the policy to assess good governance practices of the investee companies?***

The governance criterion accounts for 60% of our ESG score. In assigning a score, the investment team considers several factors such as the quality and experience of management and the board of directors, respect for minority shareholders, separation between shareholders and management, identity of shareholders, existence of founder pledges, regulatory risk, level of gender parity and existence of diversity and parity policies, transparency of communication with investors, remuneration and benefits, and other factors, regulatory risk, level of gender balance and existence of diversity and gender policies, transparency of investor communication, board remuneration and independence, employee turnover and remuneration structure, benefits and tax compliance. We gather as much information as possible on these topics through our ESG questionnaire and during our dedicated ESG interviews with investee companies.



### ***What is the asset allocation planned for this financial product?***

The investment universe of the financial product is adjusted by excluding the 20% least performing companies in terms of EM ESG scores within each sector. The analysis of the reference universe is based on MSCI ratings.

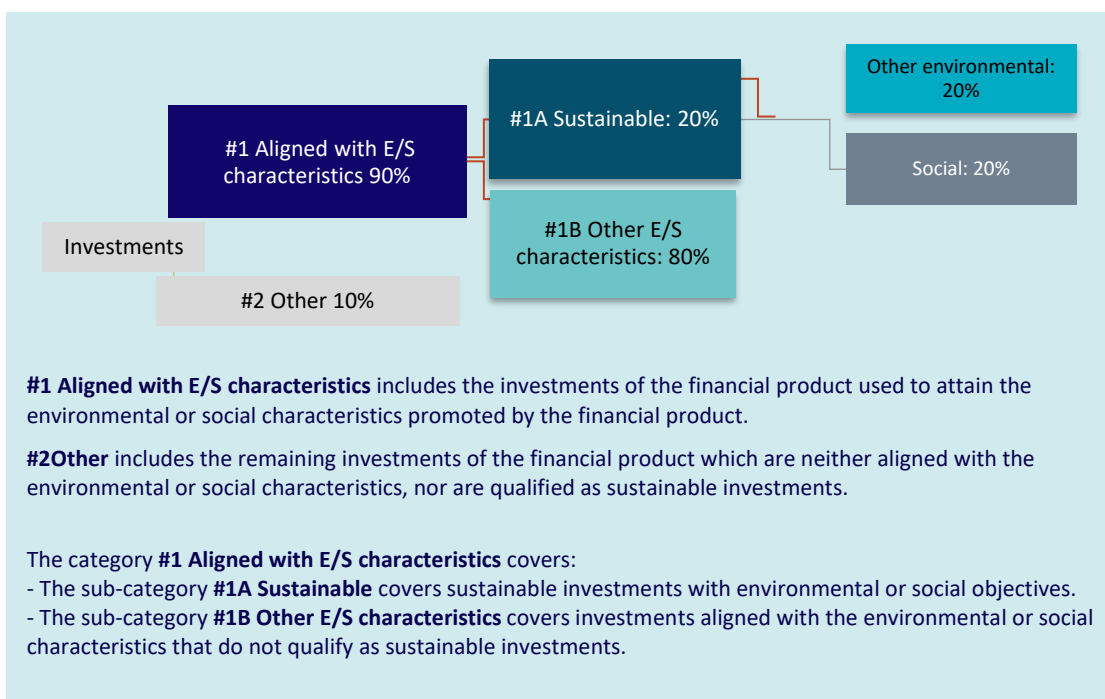
The financial product invests at least 90% of its net assets in assets that have been considered "eligible" according to the ESG process in place - i.e. in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with I/O characteristics).

A maximum of 10% of the net assets are not aligned with these characteristics (#2 Other).

The financial product invests at least 20% of its assets in assets that have been deemed to be sustainable investments (#1A Sustainable).

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

GemEquity may invest in environmentally sustainable economic activities, however the investments of this financial product do not take into account the EU criteria for environmentally sustainable economic activities. GemEquity is committed to a 0% alignment with the European Taxonomy.

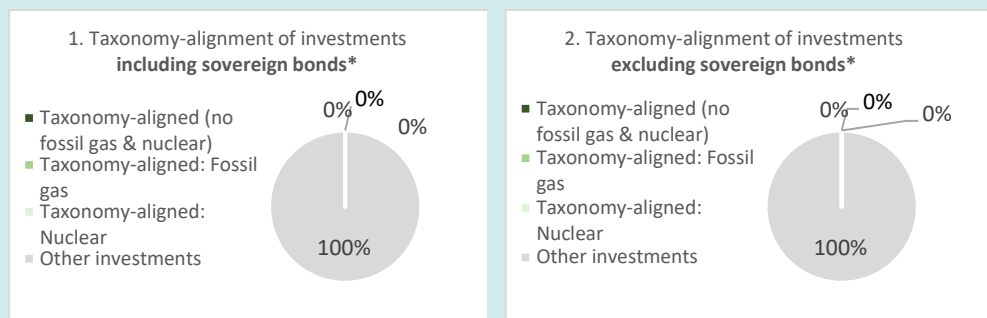
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with EU Taxonomy?**

<input type="checkbox"/>	Yes				
		In	fossil	gas	In nuclear energy
<input checked="" type="checkbox"/>	No				

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- **What is the minimum share of investments in transitional and enabling activities?**

Not applicable



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The minimum proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 20% for the 2024 fiscal year. For the 2023 fiscal year, the minimum proportion was 15%.



**What is the minimum share of socially sustainable investments?**

The minimum proportion of socially sustainable investments is 20% for the 2024 fiscal year. For the 2023 fiscal year, the minimum proportion was 15%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Investments under “#2 Other” are related to fossil fuels and mining as well as cash. As the entire portfolio is subject to a best-in-class approach, companies invested in these two sectors are also selected according to ESG criteria. Environmental and social analyses are particularly rigorous in these sectors.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Not applicable

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable

- ***How does the designated index differ from a relevant broad market index?***

Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



### **Where can I find more product specific information online?**

More information on the management company's extra-financial approach can be found in ESG documents such as the ESG Report, the Article 29 Report, the Transparency Code and the SFDR - Article 10 policy, which are available on the management company's website (<https://www.gemway.com/fr/approche-esg-isr>).

# TEMPLATE PRE-CONTRACTUAL DISCLOSURE FOR THE FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852

Product name: GEMASIA

Legal entity identifier: 969500W9WJSGOAGUWR10

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Does this financial product have a sustainable investment objective?

☒ ☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective: \_\_\_\_%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with an social objective: \_\_\_\_%**

☒ ☐ **No**

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investment

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

The responsible investment strategy is based on ESG criteria highlighting the environmental and/or social characteristics promoted by this financial product, such as companies taking into account environmental risks, reducing the environmental impact of companies in terms of air pollution, improving working conditions, promoting gender equality and protecting employees.

The benchmark for the financial product is the MSCI AC Asia ex Japan. The index does not promote specific environmental and social characteristics.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Within the framework of this financial product, research on environmental and social criteria is carried out through official publications of the companies, exchanges between the fund's management team and the management team of these companies, as well as with the support of rating agencies such as MSCI. All companies promoted by the financial product are rated and analysed internally. The main sustainability indicators used to measure the achievement of each of the environmental or social characteristics promoted by the financial product are the following:

#### **Environment:**

The company's activity is the starting point for the environmental analysis. Due to its investment theme (detailed in the section "What investment strategy does this financial product follow?"), the financial product invests in companies with low environmental impact.

The main environmental indicators are the following:

Carbon intensity or WACI (Weighted Average Carbon Intensity): This indicator measures CO2 emissions in relation to the company's turnover. Our calculations are based on data from MSCI. Thus, to be considered sustainable, the company's carbon intensity must be 20% lower than that of the benchmark.

Net Zero CO2 Emissions target: With the signing of the Paris Agreements, a number of countries have committed to reduce and eventually neutralise their country's CO2 emissions. A growing number of companies are following these recommendations. Thus, in order to be considered a sustainable investment, a company must have a zero emissions target.

Scope 1 & 2 GHG emissions: CO2 emissions are divided into 3 measurability groups. Scope 1 includes greenhouse gas emissions directly related to the manufacture of products and services. Scope 2 groups together the greenhouse gas emissions linked to the energy consumption required to manufacture the product or service. Companies must publish both indicators in order to be eligible for the sustainable investment framework.

Energy consumption and production: while analysing the company, the management teams considers for the rating the source of energy used in the production process and/or the contribution of renewable energy to the products.

#### **Social :**

Training rate: the financial product promotes the continuous education of employees and their well-being. Thus, a training rate of at least 20 hours per year per employee is required for a company to qualify as a sustainable investment.

Gender parity: the financial product is committed to promoting the participation of women in the workplace. Thus, a company is considered a sustainable investment if the number of women employees exceeds 20% of the salary base. We also monitor the share of women on the board of directors and for any company where the share of women is less than 10%, we commit to vote against the appointment of a male member at the General Meetings.

Human rights: with the support of the MSCI platform, the financial product excludes any company with a severe level of 0/10 in human rights controversies.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The sustainable investment objectives that the financial product partially intends to achieve are to contribute to the achievement of the United Nations Sustainable Development Goals (SDGs). The focus is on five goals in particular. The adoption of the SDGs is systematically recommended to emerging companies. The latter are assessed on the scope of their commitment based on internal rating but also with the analysis of specialised partners (MSCI).

The fund also aims to encourage and strengthen companies' commitment to sustainability. For example, on the social aspect, the promotion of gender parity is considered a cornerstone, as well as the reduction of GHG emissions regarding environmental commitment.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

To ensure that the sustainable investments of the financial product will not significantly harm an environmental or social objective (DNSH), Gemway Assets has established a list of normative and sectoral exclusions: tobacco production, controversial weapons, military equipment, non-conventional hydrocarbons, pornography, genome technology, coal exploration, palm oil, coal power generation.

- ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

As Gemway Assets is a management company with less than 500 employees, the consideration of PAIs is voluntary. The management company is therefore not required to consider negative sustainability impacts. Where the company chooses not to follow the provisions of the regulation, it is required to explain why implementation is not relevant to its scale under the "Comply or Explain" principle.

In this context, the Fund is currently not required to take negative impacts into account. Given the geographical area in question, namely emerging markets, the available information lacks transparency compared to regions where reporting legislation is in force. We therefore decided not to publish the PAIs in 2024, considering that the quality of the data was insufficient and that our exclusion list provided effective protection against the main negative impacts of the most high-risk sectors.

At the same time, we have been working to improve data quality in collaboration with various providers, including MSCI. Today, we are satisfied with the level of quality of the accessible data and will publish the PAIs during 2025 for the period ending in December 2024.

- ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The portfolio managers monitor the alignment of the companies in which the financial product invests with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the ten principles of the UN Global Compact. The financial product is based on data published by the supplier Sustainalytics

The financial product has not set a minimum threshold. However, as of December 2024, 89% of the financial product is aligned with the ten principles of the United Nations Global Compact, 9,3% is on the watchlist, and no company is non-aligned with the ten principles of the United Nations Global Compact (source: MSCI).

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### ***Does this financial product consider principal adverse impacts on sustainability factors?***

X

Yes, the financial product takes into account the principal adverse impacts on sustainability factors. We will publish the PAIs during 2025 for the period ending in December 2024.

Specifically, we rely on a combination of normative and sectoral exclusion policies, integration of ESG ratings into the investment process, as well as engagement and voting approaches:

- Exclusion: We have formalized a rigorous exclusion policy, including the exclusion of the most problematic sectors and companies with a very high level of controversy.
- Integration of ESG factors: We integrate ESG factors into our investment decisions by relying on our proprietary ESG rating system, ESGEM, for all portfolio holdings. We apply a Best-In-Class approach to all our funds and strictly adhere to our sectoral and normative exclusion policy.
- Controversies: We regularly monitor controversies, assessing their evolution and severity with data provided by MSCI. This monitoring is periodically reviewed by our RCCI. In addition to excluding companies with the highest level of controversy (0/10 on MSCI), we maintain regular dialogue with these companies to encourage them to change their behavior or improve their communication with rating agencies.
- Engagement: Engagement is a targeted process aimed at influencing the activities and behaviors of portfolio companies. We believe that shareholder dialogue is the most effective way to act. To this end, we organize one-on-one meetings with companies to discuss their environmental, social, or governance practices. Additionally, we occasionally participate in collective initiatives offered by the Principles for Responsible Investment (PRI) collaborative engagement platform.
- Voting: We are committed to exercising our voting rights at least two-thirds of the general meetings of the companies in which the fund is invested. We carefully examine all resolutions that could be detrimental to the interests of the company or minority shareholders. We are particularly vigilant about issues related to governance quality and environmental concerns, as outlined in our Voting Policy.

No



### ***What investment strategy does this financial product follow?***

The financial product implements a financial strategy based on investment in emerging growth stocks, selected in particular for the sustainability of their business model and the quality of their management. The investment theme of the financial product is the enrichment of the middle classes

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

in emerging countries. Thus the financial product systematically integrates ESG criteria into its financial management, which has an impact on the selection of securities in the portfolio.

The extra-financial approach integrated into the investment strategy of this financial product is detailed below. The selection of securities is subject to the normative and sectoral exclusions.

Initially, the reference universe is adjusted based on normative and sectoral exclusions:

- Controversial weapons (landmines and cluster munitions) from the first euro of revenue.
- Military equipment and defense solutions, with a threshold set at 5% of revenue.
- Unconventional hydrocarbons: No issuer deriving more than 10% of their fossil energy production from hydraulic fracturing or oil sands extraction.
- Source: Global Oil and Gas Exit List (GOGEL)
- Genome technology, with a threshold set at 5% of revenue.
- Pornographic content, with a threshold set at 5% of revenue.
- Tobacco & cigarette production, with a threshold set at 5% of revenue.
- Coal extraction, with a threshold set at 5% of revenue.
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- Electricity production from coal, with a threshold set at 10% of revenue.
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- Companies involved in an MSCI controversy at level 0/10 (the highest level of controversy illustrating (1) severe human rights violations, such as forced labor, (2) severe biodiversity damage, such as water pollution, (3) activities in conflict zones, (4) cases of corruption, etc.).

However, in the event of a significant improvement in the company's situation regarding a Level 0/10 controversy, which would logically lead to an almost certain reduction in the controversy level by MSCI, we reserve the right to invest in this company.

In a second step, the financial product applies a Best In Class selection. The securities in the reference universe are then classified by sector and the lowest 20% of companies are eliminated. Hence the universe is being adjusted. The rating is achieved through the rating provided by MSCI.

The financial product also monitors controversies with the support of MSCI. This score measures the severity level of a company's controversies and ranges from 0 to 10 (0 being the most severe controversy). Any company that falls into a level 0 controversy is divested as quickly as possible. A level 1 controversy results in the company being placed under close monitoring. If the management team considers the controversy to pose an operational risk to the company, it is divested. When a company is not covered by MSCI, the entire analysis is conducted internally.

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For the financial product, ESG analyses are inherently a risk management tool. In 2015, the company signed the UN PRI and the CDP. The company partnered with Sustainalytics and Trucost (now S&P Global) to measure ESG parameters. In January 2021, the financial product received the ISR Label, the French state label for sustainable investment. In 2024, we decided to change ESG data providers and replace the two previously used agencies with MSCI. We have chosen not to retain the ISR Label for this fund. This change will take effect on December 31, 2024. Operating in emerging markets, we

believe that the new V3 framework of the ISR Label does not align with our vision of responsible ESG management while contributing to long-term sustainable performance, as we apply it to this fund.

**Asset allocation**  
describes the share  
of investments in  
specific assets.

The ESG rating coverage rate of the securities in the portfolio must be 100% at all times. The ESG rating coverage of the portfolio must be 100% at all times. The companies in the portfolio are rated internally, using the Sustainalytics rating as a starting point. This is a rating based on ESG risks. The management teams follow the Sustainalytics classifications (corporate governance, ethics, product governance, supply chain, human rights etc.). The management team then adjusts the final rating taking into account the Sustainable Development Goals promoted by the company at operational and revenue level. The quality of communication and transparency is a source of ESG bonus, as is the nature of the activity. Any activity that reduces greenhouse gas emissions and gender inequality receives a bonus. Conversely, any activity that is detrimental to these two main criteria is penalised with a malus. Controversies are also a source of malus.

The result is an internal score called EM ESG.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

As mentioned in the previous section, constraints are imposed by the policy of normative and sectoral exclusions, the Best In Class approach and controversies. They narrow the investment universe.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

With our Best in Class approach, the investment universe of the financial product is adjusted by excluding the bottom 20% of companies in each sector. The analysis of the benchmark universe is based on the MSCI rating.

- ***What is the policy to assess good governance practices of the investee companies?***

The governance criterion accounts for 60% of our ESG score. In assigning a score, the investment team considers several factors such as the quality and experience of management and the board of directors, respect for minority shareholders, separation between shareholders and management, identity of shareholders, existence of founder pledges, regulatory risk, level of gender parity and existence of diversity and parity policies, transparency of communication with investors, remuneration and benefits, and other factors, regulatory risk, level of gender balance and existence of diversity and gender policies, transparency of investor communication, board remuneration and independence, employee turnover and remuneration structure, benefits and tax compliance. We gather as much information as possible on these topics through our ESG questionnaire and in our ESG meetings with investee companies.



### ***What is the asset allocation planned for this financial product?***

The investment universe of the financial product is adjusted by excluding the 20% least performing companies in terms of EM ESG scores within each sector. The analysis of the reference universe is based on MSCI ratings.

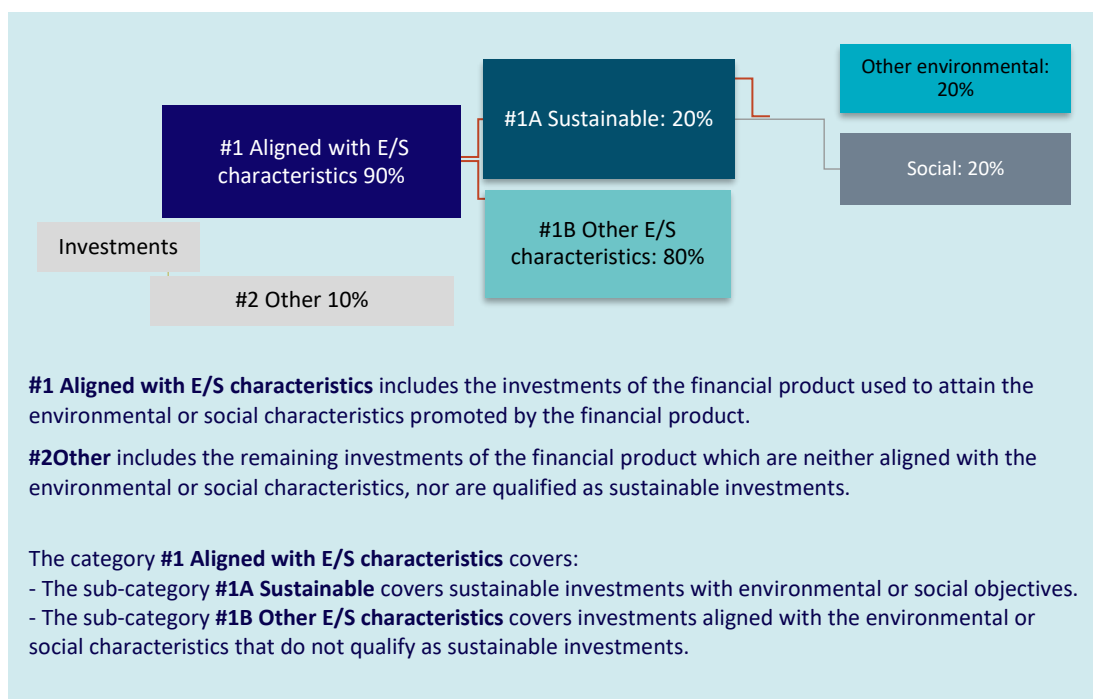
The financial product invests at least 90% of its net assets in assets that have been considered as promoted environmental and social characteristics (#1 Aligned with I/O characteristics).

A maximum of 10% of the net assets is not aligned with these characteristics (#2 Other).

The financial product invests at least 20% of its assets in assets that have been deemed to be sustainable investments (#1A Sustainable).

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

GemAsia may invest in environmentally sustainable economic activities, however the investments of this financial product do not take into account the EU criteria for environmentally sustainable economic activities. GemAsia is committed to a 0% alignment with the European Taxonomy.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with EU Taxonomy?**

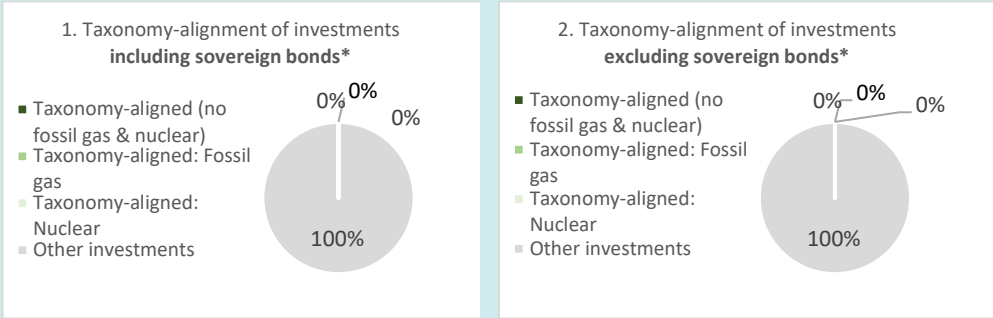
<input type="checkbox"/>	Yes
<input type="checkbox"/>	In fossil gas <input type="checkbox"/> In nuclear energy
<input checked="" type="checkbox"/>	No

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

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



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

• **What is the minimum share of investments in transitional and enabling activities?**

The minimum share of investments in transitional and enabling activities in GemAsia is 0%.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The minimum proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 20% for the 2024 fiscal year. For the 2023 fiscal year, the minimum proportion was 15%.



**What is the minimum share of socially sustainable investments?**

The minimum proportion of socially sustainable investments is 20% for the 2024 fiscal year. For the 2023 fiscal year, the minimum proportion was 15%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Investments under the heading "#2 Other" are related to fossil fuels and mining. As the entire portfolio is subject to a best-in-class approach, investee companies in these two sectors are also selected according to ESG criteria. Environmental and social analyses are particularly rigorous in these sectors.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Not applicable

• **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable

• **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable

- ***How does the designated index differ from a relevant broad market index?***

Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable



### **Where can I find more product specific information online?**

More information on the management company's extra-financial approach can be found in ESG documents such as the ESG Report, the Article 29 Report, the Transparency Code and the SFDR - Article 10 policy, which are available on the management company's website (<https://www.gemway.com/fr/approche-esg-isr>).

## ANNEX II

# TEMPLATE PRE-CONTRACTUAL DISCLOSURE FOR THE FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852

Product name: GEMCHINA

Legal entity identifier: 9695001RNK4QJYIF2X20

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Does this financial product have a sustainable investment objective?



☐ It will make a minimum of **sustainable investments with an environmental objective**: %

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investment

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promotes E/S characteristics, but **will not**



### What environmental and/or social characteristics are promoted by this financial product?

The responsible investment strategy is based on ESG criteria highlighting the environmental and/or social characteristics promoted by this financial product, such as companies taking into account environmental risks, reducing the environmental impact of companies in terms of air pollution, improving working conditions, promoting gender equality, protecting employees.

The benchmark for the financial product is the MSCI China Allshares. The index does not promote specific environmental and social characteristics.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Within the framework of this financial product, research on environmental and social criteria is carried out through official publication of the companies, exchanges between the fund's management teams and the management teams of these companies, as well as with the support of rating agencies such as MSCI. All companies promoted by the financial product are rated and analysed internally. The main sustainability indicators used to measure the achievement of each of the environmental or social characteristics promoted by the financial product are the following:

#### **Environment:**

The company's activity is the starting point for the environmental analysis. Due to its investment theme (detailed in the section "What investment strategy does this financial product follow?"), the financial product invests in companies with low environmental impact.

The main environmental indicators are the following:

Carbon intensity or WACI (Weighted Average Carbon Intensity): This indicator measures CO2 emissions in relation to the company's turnover. Our calculations are based on data from MSCI. Thus, to be considered sustainable, the company's carbon intensity must be 20% lower than that of the benchmark.

Net Zero CO2 Emissions target: With the signing of the Paris Agreements, a number of countries have committed to reduce and eventually neutralise their country's CO2 emissions. A growing number of companies are following these recommendations. Thus, in order to be considered a sustainable investment, a company must have a zero emissions target.

Scope 1 & 2 GHG emissions: CO2 emissions are divided into 3 measurability groups. Scope 1 includes greenhouse gas emissions directly related to the manufacture of products and services. Scope 2 groups together the greenhouse gas emissions linked to the energy consumption required to manufacture the product or service. Companies must publish both indicators in order to be eligible for the sustainable investment framework.

Energy consumption and production: while analysing the company, the management teams considers for the rating the source of energy used in the production process and/or the contribution of renewable energy to the products.

#### **Social :**

Training rate: the financial product promotes the continuous education of employees and their well-being. Thus a training rate of at least 20 hours per year per employee is required for a company to qualify as a sustainable investment.

Gender parity: the financial product is committed to promoting the participation of women in the workplace. Thus, a company is considered a sustainable investment if the number of women employees exceeds 20% of the salary base. We also monitor the share of women on the board of directors and for any company where the share of women is less than 10%, we commit to vote against the appointment of a male member at the General Meetings.

Human rights: with the support of the MSCI platform, the financial product excludes any company with a severe level of 0/10 in human rights controversies.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The sustainable investment objectives that the financial product partially intends to achieve are to contribute to the achievement of the United Nations Sustainable Development Goals (SDGs). The focus is on five goals in particular. The adoption of the SDGs is systematically recommended to emerging companies. The latter are assessed on the scope of their commitment based on internal rating but also with the analysis of specialised partners (MSCI).

The fund also aims to encourage and strengthen companies' commitment to sustainability. For example, on the social side, the promotion of gender parity is considered a cornerstone, as well as the reduction of GHG emissions regarding environmental commitment.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

To ensure that the sustainable investments of the financial product will not significantly harm an environmental or social objective (DNSH), Gemway Assets has established a list of normative and sectoral exclusions: tobacco production, controversial weapons, military equipment, non-conventional hydrocarbons, pornography, genome technology, coal exploration, palm oil, coal power generation.

- ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

As Gemway Assets is a management company with less than 500 employees, the consideration of IAPs is voluntary. The management company is therefore not required to consider negative sustainability impacts. Where the company chooses not to follow the provisions of the regulation, it is required to explain why implementation is not relevant to its scale under the "Comply or Explain" principle.

In this context, the Fund is currently not required to take negative impacts into account. Given the geographical area in question, namely emerging markets, the available information lacks transparency compared to regions where reporting legislation is in force. We therefore decided not to publish the PAIs in 2024, considering that the quality of the data was insufficient and that our exclusion list provided effective protection against the main negative impacts of the most high-risk sectors.

At the same time, we have been working to improve data quality in collaboration with various providers, including MSCI. Today, we are satisfied with the level of quality of the accessible data and will publish the PAIs during 2025 for the period ending in December 2024.

- ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The portfolio managers monitor the alignment of the companies in which the financial product invests with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the ten principles of the UN Global Compact. The financial product is based on data published by the supplier Sustainalytics.

The financial product has not set a minimum threshold. However, as of December 2024, 76,4% of the financial product is aligned with the ten principles of the United Nations Global Compact, 18,6% is on the watchlist, and no company is non-aligned with the ten principles of the United Nations Global Compact (source: MSCI).

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **Does this financial product consider principal adverse impacts on sustainability factors?**

X

Yes, the financial product takes into account the principal adverse impacts on sustainability factors. We will publish the PAIs during 2025 for the period ending in December 2024.

Specifically, we rely on a combination of normative and sectoral exclusion policies, integration of ESG ratings into the investment process, as well as engagement and voting approaches:

- Exclusion: We have formalized a rigorous exclusion policy, including the exclusion of the most problematic sectors and companies with a very high level of controversy.
- Integration of ESG factors: We integrate ESG factors into our investment decisions by relying on our proprietary ESG rating system, ESGEM, for all portfolio holdings. We apply a Best-In-Universe approach to all our funds and strictly adhere to our sectoral and normative exclusion policy.
- Controversies: We regularly monitor controversies, assessing their evolution and severity with data provided by MSCI. This monitoring is periodically reviewed by our RCCI. In addition to excluding companies with the highest level of controversy (0/10 on MSCI), we maintain regular dialogue with these companies to encourage them to change their behavior or improve their communication with rating agencies.
- Engagement: Engagement is a targeted process aimed at influencing the activities and behaviors of portfolio companies. We believe that shareholder dialogue is the most effective way to act. To this end, we organize one-on-one meetings with companies to discuss their environmental, social, or governance practices. Additionally, we occasionally participate in collective initiatives offered by the Principles for Responsible Investment (PRI) collaborative engagement platform.
- Voting: We are committed to exercising our voting rights at least two-thirds of the general meetings of the companies in which the fund is invested. We carefully examine all resolutions that could be detrimental to the interests of the company or minority shareholders. We are particularly vigilant about issues related to governance quality and environmental concerns, as outlined in our Voting Policy.



No



### **What investment strategy does this financial product follow?**

The financial product implements a financial strategy based on investment in emerging growth stocks, selected in particular for the sustainability of their business model and the quality of

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

their management. The investment theme of the financial product is the enrichment of the middle classes in emerging countries. Thus the financial product systematically integrates ESG criteria into its financial management which has an impact on the selection of securities in the portfolio.

The extra-financial approach integrated into the investment strategy of this financial product is detailed below. The selection of securities is subject to normative and sectoral exclusions.

Initially, the reference universe is adjusted for normative and sectoral exclusions:

- Controversial weapons (landmines and cluster munitions) from the first euro of revenue.
- Military equipment and defense solutions, with a threshold set at 5% of revenue.
- Conventional and unconventional hydrocarbons: No issuer producing conventional or unconventional hydrocarbons.
- Source: Global Oil and Gas Exit List (GOGEL)
- Genome technology, with a threshold set at 5% of revenue.
- Pornographic content, with a threshold set at 5% of revenue.
- Tobacco & cigarette production, with a threshold set at 5% of revenue.
- Coal extraction, with a threshold set at 5% of revenue.
- Source: Global Coal Exit List (GCEL)
- Electricity production from coal, with a threshold set at 10% of revenue.
- Source: Global Coal Exit List (GCEL)
- Palm oil, with a threshold set at 5% of revenue.
- Companies involved in an MSCI controversy at level 0/10 (the highest level of controversy illustrating (1) severe human rights violations such as forced labor, (2) severe biodiversity damage such as water pollution, (3) activities in conflict zones, (4) cases of corruption, etc.).

However, in the event of a significant improvement in the company's situation regarding a Level 0/10 controversy, which would logically lead to an almost certain reduction in the controversy level by Sustainalytics, we reserve the right to invest in this company.

In a second step, the financial product applies a Best In Universe selection. The securities in the reference universe are then classified by ESG scores and the lowest 25% of companies are eliminated. Hence the universe is being adjusted. The rating is achieved through the rating provided by MSCI.

The financial product also monitors controversies with the support of MSCI. This score measures the severity level of a company's controversies and ranges from 0 to 10 (0 being the most severe controversy). Any company that falls into a level 0 controversy is divested as quickly as possible. A level 1 controversy results in the company being placed under close monitoring. If the management team considers the controversy to pose an operational risk to the company, it is divested. When a company is not covered by MSCI, the entire analysis is conducted internally.

Gemway Assets is committed to conducting nearly 300 interviews per year with emerging companies to ensure first-hand information and proximity to the field and management teams.

For the financial product, ESG analyses are inherently a risk management tool. In 2015, the

company signed the UN PRI and the CDP. The company partnered with Sustainalytics and Trucost (now S&P Global) to measure ESG parameters. In January 2021, the financial product received the ISR Label, the French state label for sustainable investment. In 2024, we decided to change ESG data providers and replace the two previously used agencies with MSCI. We have chosen to retain the ISR Label for this fund, subject to validation by the certifying body during 2025, in accordance with the V3 framework.

The ESG rating coverage of the portfolio must be 100% at all times. The companies in the portfolio are rated internally, using the Sustainalytics rating as a starting point. This is an ESG risk-based rating and the management teams follow the Sustainalytics classifications (corporate governance, ethics, product governance, supply chain, human rights etc.). The management team then adjusts the final rating taking into account the Sustainable Development Goals promoted by the company at operational and revenue level. The quality of communication and transparency is a source of ESG bonus, as is the nature of the activity. Any activity that reduces greenhouse gas emissions and gender inequality receives a bonus. Conversely, any activity that is detrimental to these two main criteria is penalised with a malus. Controversies are also a source of malus.

The result is an internal score called EM ESG.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

As mentioned in the previous section, constraints are imposed by the policy of normative and sectoral exclusions, the Best In Universe approach and controversies. They narrow the investment universe.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

With our Best in Universe approach, the investment universe of the financial product is adjusted by excluding the bottom 25% of companies. The analysis of the benchmark universe is based on the MSCI rating.

- ***What is the policy to assess good governance practices of the investee companies?***

The governance criterion accounts for 60% of our ESG score. In assigning a score, the investment team considers several factors such as the quality and experience of management and the board of directors, respect for minority shareholders, separation between shareholders and management, identity of shareholders, existence of founder pledges, regulatory risk, level of gender parity and existence of diversity and parity policies, transparency of communication with investors, remuneration and benefits, and other factors, regulatory risk, level of gender balance and existence of diversity and gender policies, transparency of investor communication, board remuneration and independence, employee turnover and remuneration structure, benefits and tax compliance. We gather as much information as possible on these topics through our ESG questionnaire and in our ESG meetings with investee companies.

**Good governance**  
practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation**  
describes the share of investments in specific assets.



### ***What is the asset allocation planned for this financial product?***

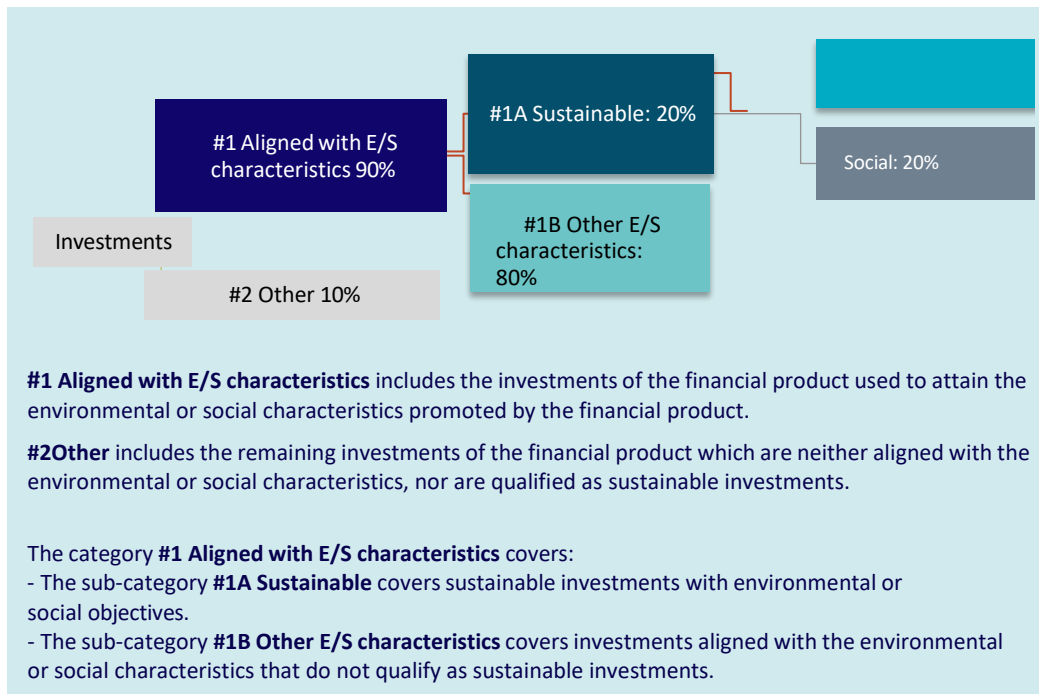
With our Best-in-Universe approach, the investment universe of the financial product is adjusted by excluding the 25% least performing companies. The analysis of the reference universe is based on MSCI ratings.

The financial product invests at least 90% of its net assets in assets that have been considered

"eligible" according to the ESG process in place - i.e. in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with I/O characteristics).

A maximum of 10% of the net assets are not aligned with these characteristics (#2 Other).

The financial product invests at least 20% of its assets in assets that have been deemed to be sustainable investments (#1A Sustainable).



- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable



### **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

GemChina may invest in environmentally sustainable economic activities, however the investments of this financial product do not take into account the EU criteria for environmentally sustainable economic activities. GemChina is committed to a 0% alignment with the EU Taxonomy.

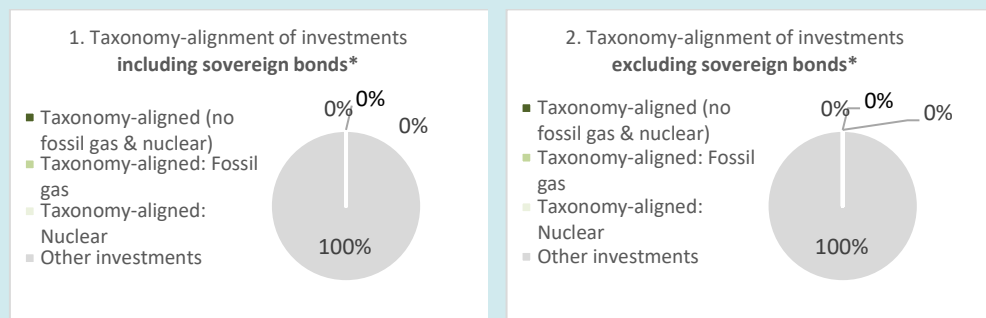
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with EU Taxonomy?**

☐ Yes

☐ In fossil gas ☐ In nuclear energy

☒ No

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



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

### • What is the minimum share of investments in transitional and enabling activities?

Not applicable



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 20% for the 2024 fiscal year. For the 2023 fiscal year, the minimum proportion was 15%.



### What is the minimum share of socially sustainable investments?

The minimum proportion of socially sustainable investments is 20% for the 2024 fiscal year. For the 2023 fiscal year, the minimum proportion was 15%.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments under the heading “#2 Other” are related to fossil fuels and mining. As the entire portfolio is subject to a best-in-universe approach, companies invested in these two sectors are also selected according to ESG criteria. Environmental and social analyses are particularly rigorous in these sectors.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**WAV**  
S

**GemChina – Annexe II SFDR Article 8**  
January 2025

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable

- ***How does the designated index differ from a relevant broad market index?***

Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable



### **Where can I find more product specific information online?**

More information on the management company's extra-financial approach can be found in ESG documents such as the ESG Report, the Article 29 Report, the Transparency Code and the SFDR - Article 10 policy, which are available on the management company's website (<https://www.gemway.com/fr/approche-esg-isr>).

## ANNEX II

# TEMPLATE PRE-CONTRACTUAL DISCLOSURE FOR THE FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852

Product name: GEMBOND

Legal entity identifier: 96950058EW1GCEFG7C82

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Does this financial product have a sustainable investment objective?

☐ Yes

☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_%

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investment

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It will make a minimum of **sustainable investments with an social objective**: \_\_\_\_%

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

The sustainable investment strategy is based on ESG criteria highlighting the environmental and/or social characteristics promoted by this financial product, such as:

- Governments' consideration of natural disaster risk, natural resource use, biodiversity protection, food, and energy security, women's advancement, or perceived corruption.

- The consideration by private and public companies of environmental risks, the reduction of the environmental impact of companies, the improvement of working conditions, the promotion of gender equality, and the protection of employees.

The benchmark for the financial product is the JP Morgan Emerging Market Bond Index Global Diversified. The index does not promote specific environmental and social characteristics.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Within the framework of this financial product, research on environmental and social criteria is carried out mainly through official publications provided by the World Bank and the United Nations and secondarily by NGOs (Freedom House) or Think Tanks (Institute for Economics and Peace), with the support of the rating agency Sustainalytics.

The environmental and social indicators are as follows:

**Carbon intensity or WACI (Weighted Average Carbon Intensity):**

This indicator measures CO2 emissions per capita. Our calculations are based on data from Our World in Data and Global Carbon Project.

In 2024, GemBond's portfolio WACI was 5.54 tons of CO2 per capita compared to 6.95 for the benchmark, an average improvement of 21%.

**Human Rights:**

The financial product seeks to promote people's access to political rights and civil liberties, as measured by the Global Freedom Scores published by the non-governmental organization Freedom House.

In 2024, the GemBond portfolio freedom index was 55.9 compared to 51 for the benchmark index, an average improvement of 10%. 71% of the countries in the portfolio were considered free or partially free.

In addition, with the support of the Sustainalytics platform, the financial product excludes any company with a level 5 controversy.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The sustainable investment objectives that the financial product partially intends to achieve are to contribute to the achievement of the United Nations Sustainable Development Goals (SDGs). The focus is on two goals in particular:

- SDG 13: Measures to combat climate change
- SDG 16: Peace, justice, and effective institutions

To contribute to these objectives, sustainable investment favors the best performers in terms of carbon intensity and respect for human rights based on the sustainability indicators selected.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

To ensure that the sustainable investments of the financial product will not significantly harm an environmental or social objective (DNSH), Gemway Assets has established a list of normative and sectoral exclusions: tobacco production, controversial weapons, military equipment, non-conventional hydrocarbons, pornography, genome technology, coal exploration, palm oil, coal power generation.

- ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

As Gemway Assets is a management company with less than 500 employees, the consideration of PAIs is voluntary. The management company is therefore not required to consider negative sustainability impacts. Where the company chooses not to follow the provisions of the regulation, it is required to explain why implementation is not relevant to its scale under the "Comply or Explain" principle.

In this context, the Fund is not required to consider negative impacts at present. Given the geographical area concerned, i.e. emerging markets, information is not available with the same transparency as in the area where disclosure legislation is in force. However, the financial product collects and tracks for sovereign assets: carbon intensity, countries subject to social violations, as well as 11 environmental and 11 social criteria, such as energy mix; water consumption; biodiversity protection; access to water and electricity; sanitation; food security; air pollution; promotion of women.

In addition, the financial product collects and tracks violations of the UN Global Compact principles for private companies.

- ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The portfolio managers monitor the alignment of the companies in which the financial product invests with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the ten principles of the UN Global Compact. The financial product is based on data published by the supplier Sustainalytics.

The financial product has not established a minimum threshold. However, as of the end of December 2024, no company is non-aligned with the ten principles of the United Nations Global Compact (source: Sustainalytics).

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



## Does this financial product consider principal adverse impacts on sustainability factors?

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

X

Yes, the financial product takes into account the principal adverse impacts on sustainability factors. We will publish the PAIs during 2025 for the period ending in December 2024.

Specifically, we rely on a combination of normative and sectoral exclusion policies, and integration of ESG ratings into the investment process:

- Exclusion: We have formalized a rigorous exclusion policy, including the exclusion of the most problematic sectors and companies with a very high level of controversy.
- Integration of ESG factors: We integrate ESG factors into our investment decisions by relying on Sustainalytics rating system for all portfolio holdings. We apply a Best-In-Universe approach for sovereign and quasi-sovereign issuers and a Best-In-Class approach for private issuers.
- Controversies: We regularly monitor controversies, assessing their evolution and severity with data provided by Sustainalytics.

No



## What investment strategy does this financial product follow?

The financial product implements a financial strategy focused on investing in bonds issued by emerging countries, selected in particular for the quality of their governance and the sustainability of their debt. The product may also invest in corporate bonds from emerging countries. The investment theme of the financial product is to support the economic development of emerging countries. This financial product systematically integrates ESG criteria into its financial management which has an impact on the selection of bonds in the portfolio.

The extra-financial approach integrated into the investment strategy of this financial product is detailed below. As previously mentioned, the selection of securities is subject to normative and sectoral exclusions.

For private issuers, the reference universe is adjusted for normative and sectoral exclusions:

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

- Controversial weapons (landmines and cluster munitions) from the first euro of revenue.
- Military equipment and defense solutions, with a threshold set at 5% of revenue.
- Unconventional hydrocarbons: No issuer deriving more than 10% of their fossil energy production from unconventional hydrocarbons.
- Source: Global Oil and Gas Exit List (GOGEL)
- Genome technology, with a threshold set at 5% of revenue.
- Pornographic content, with a threshold set at 5% of revenue.
- Tobacco and cigarette production, with a threshold set at 5% of revenue.
- Coal extraction, with a threshold set at 5% of revenue.
- Source: Global Coal Exit List (GCEL)
- Electricity production from coal, with a threshold set at 10% of revenue.
- Source: Global Coal Exit List (GCEL)
- Palm oil, with a threshold set at 5% of revenue.
- Company involved in violation of human rights or in Sustainalytics level 5 controversies (maximum level of controversy illustrating (1) a severe infringement of human rights - use of forced labor for example, (2) a severe infringement of biodiversity - water pollution for example, (3) activities in conflict zones, (4) cases of corruption, etc...).

Also, the financial product applies a Best in Universe selection for countries and Best in Class for private companies. The 20% of the lowest-rated countries are not systematically excluded from the reference universe but are subject to specific monitoring and cannot represent within the fund an exposure higher than that of the reference universe.. For private companies, the bonds in the reference universe are classified by sector of activity and the lowest-rated 20% companies are eliminated. The reference universe is then adjusted. The evaluation is carried out for both governments and companies thanks to the rating provided by Sustainalytics.

The financial product also tracks Controversies with the support of Sustainalytics. This score measures the level of severity of a company's controversies rated from 0 to 5 (5 being the strongest controversy). Any private company that falls into a Level 5 Controversy is divested as soon as possible. A Level 4 Controversy results in the company being placed on Close Watch. If the management team deems the controversy to be an operational risk for the company, the company is divested.

For the financial product, ESG analyses are inherently a risk management tool.

In 2015, the company signed the UN PRI and CDP.

The ESG rating coverage rate of countries and companies in the portfolio must be above 95% at all times.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

As mentioned in the previous section, constraints are imposed on governments by the Best in Universe approach and on companies by the Best-in-Class approach, the policy of normative and sectoral exclusions, and controversies. These elements reduce the investment universe.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The investment universe of the financial product is adjusted by excluding, based on ESG assessments, 20% of the worst-performing private companies within each sector. The analysis of the reference universe is based on Sustainalytics ratings.

- ***What is the policy to assess good governance practices of the investee companies?***

The management team uses ESG assessments provided by Sustainalytics. These give predominant weight to the governance criterion with a six-pillar analysis of companies: quality and integrity of the board of directors and management, board structure, organization and shareholder structure and rights, compensation policy, quality of financial publications, and stakeholder management.

For the ESG assessments of countries, the governance criterion is weighted at 50%. The rating agency's evaluation of this criterion is based on 3 pillars (institutional strength, rights and freedoms, peace and security) grouping together 10 factors (government effectiveness, regulatory quality, rule of law, corruption, ease of doing business, political rights, civil liberties, voice and accountability, political stability, level of peace).

**Good governance**  
practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## **What is the asset allocation planned for this financial product?**

The investment universe of the financial product is adjusted by excluding, based on ESG assessments, the 20% least performing companies within each sector and up to 20% of the least performing states. The analysis of the reference universe is based on Sustainalytics ratings.

The financial product invests at least 90% of its net assets in assets that have been considered "eligible" according to the ESG process in place - i.e. in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with I/O characteristics).

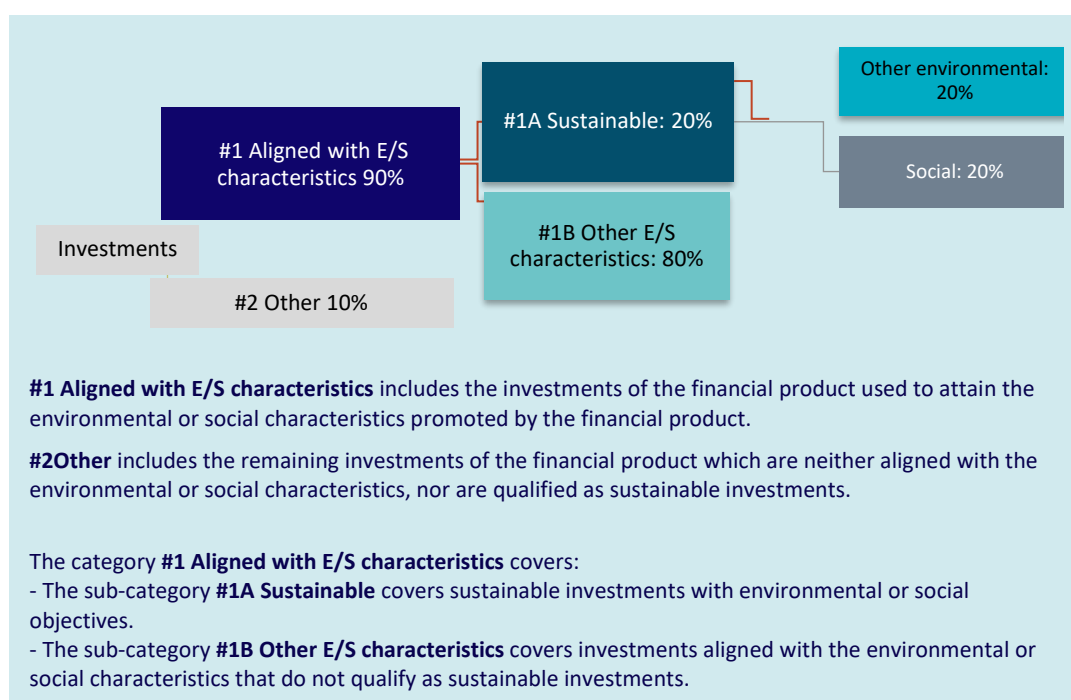
A maximum of 10% of the net assets are not aligned with these characteristics (#2 Other).

The financial product invests at least 20% of its assets in assets that have been deemed to be sustainable investments (#1A Sustainable).

**Asset allocation**  
describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives used for hedging and/or exposure to currency and interest rate risks only involve currencies and rates of countries aligned with the environmental and social characteristics promoted by the financial product.



### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

GemBond may invest in environmentally sustainable economic activities, however the investments of this financial product do not take into account the EU criteria for environmentally sustainable economic activities. GemBond is committed to a 0% alignment with the European Taxonomy.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with EU Taxonomy?**

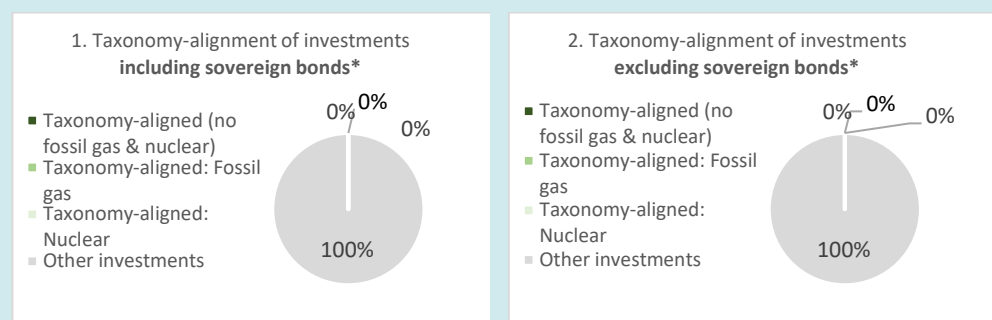
☐ Yes
 ☐ In fossil gas
 ☐ In nuclear energy

☒ No

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

• **What is the minimum share of investments in transitional and enabling activities?**

Not applicable



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The minimum proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 20% for the 2024 fiscal year. For the 2023 fiscal year, the minimum proportion was 15%.



**What is the minimum share of socially sustainable investments?**

The minimum proportion of socially sustainable investments is 20% for the 2024 fiscal year. For the 2023 fiscal year, the minimum proportion was 15%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Investments under “#2 Other” are related to:

- Fossil fuels and mining. Since the entire portfolio is subject to a Best-in-Class approach, companies invested in these two sectors are also selected according to ESG criteria;
- Issuers that have recently been downgraded to “ineligible” status. These are issuers that were aligned with environmental and social characteristics at the time of investment. These exposures are intended to be removed from the financial product within a reasonable period in the holders' best interest.
- Tactical, non-permanent exposures to « non-eligible » sovereign issuers intended solely to hedge the fund's risk relative to its investment universe in specific situations of asymmetry in risk/return profiles.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable



**Where can I find more product specific information online?**

More information on the management company's extra-financial approach can be found in ESG documents such as the ESG Report, the Article 29 Report, the Transparency Code and the SFDR - Article 10 policy, which are available on the management company's website (<https://www.gemway.com/fr/approche-esg-isr>).