

Transparency Code

UCITS managed by
Gemway Assets

February 2021

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1. UCITS concerned by the Transparency Code

Name of the SICAV: GemEquity (compartment of GemFunds SICAV)				
Dominant approche(s)	Classification	Exclusions applied by the SICAV	AUM 12/31/2020	Links to documents related to the SICAV
<input checked="" type="checkbox"/> Integration	<input checked="" type="checkbox"/> International equities (Global Emerging Market Equities)	<input checked="" type="checkbox"/> Anti-personnel mines <input checked="" type="checkbox"/> Military equipment and defense solutions <input checked="" type="checkbox"/> Fur products <input checked="" type="checkbox"/> Nuclear energy <input checked="" type="checkbox"/> Companies involved in the violation of human rights <input checked="" type="checkbox"/> Direct investment in mining companies involved in coal mining	1 280 M€	- Key Investor Information Document (KIID) - Prospectus - Financial reporting - Extra financial reporting
Name of the SICAV: GemAsia (compartment of GemFunds SICAV)				
Dominant approche(s)	Classification	Exclusions applied by the SICAV	AUM 12/31/2020	Links to documents related to the fund
<input checked="" type="checkbox"/> Integration	<input checked="" type="checkbox"/> International equities (Asia ex Japan Equities)	<input checked="" type="checkbox"/> Anti-personnel mines <input checked="" type="checkbox"/> Military equipment and defense solutions <input checked="" type="checkbox"/> Fur products <input checked="" type="checkbox"/> Nuclear energy	89 M€	- Key Investor Information Document (KIID) - Prospectus - Financial reporting

		<input checked="" type="checkbox"/> Companies involved in the violation of human rights <input checked="" type="checkbox"/> Direct investment in mining companies involved in coal mining		- Extra financial reporting
Name of the SICAV: GemChina (compartment of GemFunds SICAV)				
Dominant approche(s)	Classification	Exclusions applied by the SICAV	AUM 12/31/2020	Links to documents related to the SICAV
<input checked="" type="checkbox"/> Integration	<input checked="" type="checkbox"/> International equities (Chinese Equities)	<input checked="" type="checkbox"/> Anti-personnel mines <input checked="" type="checkbox"/> Military equipment and defense solutions <input checked="" type="checkbox"/> Fur products <input checked="" type="checkbox"/> Nuclear energy <input checked="" type="checkbox"/> Companies involved in the violation of human rights <input checked="" type="checkbox"/> Direct investment in mining companies involved in coal mining	86 M€	- Key Investor Information Document (KIID) - Prospectus - Financial reporting - Extra financial reporting

Note: if the UCITS are invested in holding companies whose subsidiaries may be involved in the coal mining activity, this activity must be marginal and limited to a maximum of 5% of the consolidated turnover.

2. General data on the management company

2.1 Name of the management company in charge of the UCITS to which this Code applies

GEMWAY ASSETS

10, rue de la Paix

75002 Paris

Website: www.gemway.com

2.2 What are history and principles about sustainable investor approach of the management company?

Gemway Assets is an independent management company created in 2012 by Bruno Vanier and Michel Audeban. The main management objective is to invest in quality stocks with sustainable growth in emerging countries. These are therefore mainly stocks linked to technology and consumption. The underlying intuition is to benefit from the increasing purchasing power of emerging populations.

The integration of ESG criteria in the analysis process allows Gemway Assets management team to determine a more complete picture of a company and to take into consideration, in a systematic way, all the risks and all the opportunities associated to these criteria.

Gemway Assets achieve the integration of ESG criteria by considering these elements, particularly in terms of risk for the same reasons as traditional financial factors.

The Responsible Investment Policy of Gemway Assets is available [here](#).

2.3 How did the management company formalize its approach as a sustainable investor?

In 2015, Gemway Assets signed the UN-PRI, then joined the CDP (ex Carbon Disclosure Project). That same year, Gemway Assets signed a partnership with Sustainalytics for the supply of extra-financial data. Gemway Assets' 2021 -Transparency Report is available [here](#).

In 2017, Gemway Assets chose Trucost to calculate the carbon footprint of GemEquity (which has since been extended to all the managed UCITS).

In 2018, Gemway Assets implemented a voting policy. This updated policy and its execution are available [here](#).

Early 2020, all the funds managed by Gemway Assets ie GemEquity, GemAsia and GemChina (100% of AUM) get the French Label ISR (SRI)

2.4 How is the question of ESG risks / opportunities, including those linked to climate change, comprehended by the management company

Gemway Assets considers ESG risk management as a building block of fundamental business analysis, complementary to financial analysis. Thus, analyst-managers take into consideration the ESG rating and the information on controversies supplied by the provider and systematically conduct a social and governance analysis.

Regarding environmental risk and especially climate risk, the UCITS can be less carbon intensive because they are mainly invested in companies benefiting from the development of mass consumption and the middle classes in emerging countries. A Posteriori, measurement of average carbon intensity of the portfolio, based on S&P Trucost data, is used to validate the positioning of the UCITS.

2.5 Which teams are involved in the responsible investment activity of the management company?

The 4 analyst-managers are all involved in the SRI analysis of the funds. The CEO, also RCCI, is also strongly involved in the sustainable investment process, ensuring relations with investor associations, such as PRI, AFG (Board Member and ESG referent for the Sales and Distribution commission) and ESG rating agencies.

2.6 How many SRI analysts and how many SRI managers are employed by the management company?

The 4 analyst-managers, including President of Gemway Assets, all provide their share of SRI analysis. Gemway Assets' deep conviction is that of a global analysis that integrates the financial and the extra-financial, in order to avoid any antagonism. There is therefore no SRI analyst or SRI managers. Analyst-managers carry out SRI analyzes, controls and verifications as part of their duties.

The CEO, in charge of the Risks, Compliance and Internal Control function, is responsible for running and coordinating the company's SRI approach.

Gemway Assets' SRI research is based on proprietary corporate interviews (> 300 per year), each one including a part dedicated to ESG, but also on external data from two extra financial rating agencies : Sustainalytics and Trucost.

2.7 In which initiatives concerning the Responsible Investment of the management company is involved?

Generalist initiatives	Environmental/climate initiatives	Social initiative	Governance initiative
<input checked="" type="checkbox"/> PRI - Principles for Responsible Investment	<input checked="" type="checkbox"/> CDP - Carbon Disclosure Project (carbon)		

2.8 and 2.9 What is the total SRI AUM of the management company?

As of 12/31/2019, SRI assets represent the following amounts in absolute and relative terms:

Name of the fund	SRI outstanding as of 12/31/2020 (in M€)

GemEquity (compartment of GemFunds SICAV)	1 280
GemAsia (compartment of GemFunds SICAV)	89
GemChina (compartment of GemFunds SICAV)	86
Total	1 455

All the UCITS managed by Gemway Assets are under SRI management. They all obtained the French state Label ISR in January 2020. AUM represent 100% of the management company's assets.

2.10 Which SRI funds, open to the public, are managed by the management company?

Gemway Assets manages three UCITS open to public, each certified by the French state "Label ISR":

- GemEquity SICAV;
- GemAsia SICAV ;
- GemChina SICAV

They are all under SRI management.

3. General data on SRI UCITS presented in Transparency Code

3.1 What is (are) the objective (s) sought by integrating ESG criteria within UCITS?

Gemway Assets' UCITS are mainly invested in structural growth companies linked to emerging countries. Taking ESG criteria into account reduces risk and seizes growth opportunities in emerging markets.

The ESG rating, provided internally and by the external provider Sustainalytics, measures both the level of ESG risk linked to the activity of the company and the company managerial capacity to manage this risk. The companies targeted by Gemway Assets' UCITS are mainly of lower than average ESG risk. However, Gemway Assets do not limit its strategy to underweight ESG risk. It is also expressed by specific in-depth analysis.

Regarding social aspect, an almost systematic analysis of turnover on key people or staff makes it possible to avoid investing in companies whose human resource management practices are detrimental to employee loyalty, and therefore to customers. Such an analysis makes it possible to build more reliable hypothesis on the endogenous growth of the company.

Concerning governance aspect, it should be ensured that company is not controlled by its majority shareholders, without any control possibility for its minority shareholders. This analysis allows us to guard against announcements concerning the company evolution and benefit sharing.

Finally, regarding environmental area, measuring of the carbon footprint allows to verify exact activity of company and its various subsidiaries. It also allows to reduce unpleasant surprises linked to activities potentially not identified in the first analysis.

More broadly, integration of ESG or human rights controversies assign to consider concrete evolution of the company faced with its real risks (operational and legal). Once again, it allows to assess the reactivity of the company and, if the company does not manage properly this immediate risk, to sell the stock in order not to be exposed any longer to an uncontrolled risk.

3.2 What are the external and internal resources used for the ESG assessment of issuers forming the investment universe of UCITS?

Internal resources

ESG analysis is integrated into stocks fundamental analysis in which Gemway Assets is invested. The ESG analysis is carried out by 4 experienced analyst-managers, presented on [this page](#).

The management company has set up an ESG file allowing all analysts-managers to have real-time access to ESG ratings and controversial information, as well as internal ESG analyzes, across the entire portfolio.

External resources

Gemway Assets relies on external ESG rating agencies: Sustainalytics for ESG analysis, Trucost for energy transition:

- Sustainalytics: Gemway Assets supplier since 2015 in environmental, social and governance data and rating. Sustainalytics grades are updated gradually (<http://www.sustainalytics.com>). Sustainalytics provides ESG ratings, but also an analysis of controversies, detailing their degree of severity, their perception by shareholders and their evolution, depending on the managerial responsiveness of the company.
- Trucost: Gemway Assets provider since 2017 (carbon footprint). Since 2019, we opt for a real time access to their data base. Hence we can monitor on request carbon specific stock or portfolio carbon footprint. We also communicate a bi-annual measurement of each portfolio carbon footprint (<http://www.trucost.com>).

3.2 Which ESG criteria are considered by the UCITS?

During the fundamental analysis of the company, the analyst-manager performs the following checks:

1) Verification of ESG rating (either made internally or based on Sustainalytics) and the state of the controversies

2) Gemway Assets social and governance internal audit

Sustainalytics' ESG rating is very comprehensive since it considers both the company's ESG risk exposure and quality of risk management. Sustainalytics analysts are experienced and their choice of analysis criteria in ESG score reflects this sectoral expertise, to know how to identify among their 150 criteria, which are the most relevant for each sector. However, these analyzes are not always updated.

That is why internal analysis by Gemway Assets analysts-managers allows to verify that social conditions are not undermining growth. For example, too high turnover does not guarantee enough level of service quality to guarantee sustainable growth. Another example, governance in which the main shareholder does not have a counterweight among the other shareholders could decide to appropriate for himself a substantial part of the profits made by the company to the detriment of the minority shareholders.

Based on this internal analysis, analysts-managers may have to modify the companies ESG rating due to additional internal information and updating the Sustainalytics rating. Two points may be subject to re-evaluation:

- Risk incurred lower than the risk perceived by Sustainalytics
- Quality of risk management higher than that noted by Sustainalytics

The ratings changes are argued and established at monthly ESG management committees with RCCI participation.

3.3 Which principles and criteria related to climate change are integrated in the UCITS management?

UCITS presents a structurally better carbon performance than benchmark due to the choice of investing in growth stocks linked to consumption and the development of a middle class in the emerging countries (or in the specific area / country of investment). Beyond this observation, Gemway Assets seeks to contribute to the attribution of companies' carbon performance. For example, managers do not hesitate to confront the management of issuing companies with their carbon results as provided by Trucost. Following one of these confrontations, Gemway Assets also conducted a successful shareholder dialogue action in 2018 with the company Pampa Energia (Argentina).

In terms of ESG analysis and rating in the strict sense, climate change issues are one of the key elements of the ESG risk analysis methodology, and therefore of the ESG rating, conducted by Sustainalytics. The two tables on the following page show how the carbon issue is taken into consideration in the energy and agro-food sectors.

In the energy sector, carbon represents 25% of the score.

Issue Name	Contribution to						ESG Risk Rating	Risk Category
	ESG Risk Rating	Subindustry Exposure	Company Exposure	Excess Exposure	Manageable Risk Factor	Management Score		
Corporate Governance	17.6%	9.0	9.0	-	100%	48.3	4.7	
Carbon - Products and Services	15.1%	9.0	9.0	-	60%	92.5	4.0	
Occupational Health and Safety	13.2%	8.0	8.4	0.4	80%	73.1	3.5	
Emissions, Effluents and Waste	10.6%	10.0	10.5	0.5	90%	81.6	2.8	
Carbon - Own Operations	10.1%	10.0	10.5	0.5	80%	93.1	2.7	
Bribery and Corruption	9.8%	7.0	7.4	0.4	80%	81.0	2.6	
Community Relations	8.0%	8.0	8.4	0.4	90%	83.3	2.1	
Human Capital	7.5%	5.0	5.3	0.3	95%	65.3	2.0	
Business Ethics	6.1%	3.0	3.2	0.2	95%	51.5	1.6	
Resource Use	1.7%	2.0	2.1	0.1	80%	98.1	0.5	
Land Use and Biodiversity	0.4%	2.0	2.1	0.1	100%	95.0	0.1	
Overall	100.0%	73.0	75.8	2.8	-	76.8	26.5	Medium

In the agro-food sector, carbon represents 9% of the score.

Issue Name	Contribution to						ESG Risk Rating	Risk Category
	ESG Risk Rating	Subindustry Exposure	Company Exposure	Excess Exposure	Manageable Risk Factor	Management Score		
Corporate Governance	15.5%	9.0	9.0	-	100%	58.7	3.7	
Resource Use	16.2%	5.0	7.5	2.5	80%	60.3	3.9	
E&S Impact of Products and Services	14.8%	5.0	5.5	0.5	100%	35.6	3.5	
Product Governance	12.7%	8.0	10.0	2.0	100%	69.6	3.0	
Human Rights - Supply Chain	9.6%	4.0	4.0	-	80%	53.2	2.3	
Carbon - Own Operations	8.9%	6.0	6.3	0.3	100%	66.0	2.1	
Human Capital	7.7%	4.0	4.2	0.2	95%	59.0	1.8	
Land Use and Biodiversity - Supply Chain	4.3%	3.0	3.0	-	80%	81.7	1.0	
Occupational Health and Safety	4.1%	3.0	2.9	-0.2	95%	68.8	1.0	
Business Ethics	3.2%	3.0	3.2	0.2	95%	79.7	0.8	
Resource Use - Supply Chain	2.7%	2.0	2.0	-	80%	84.0	0.7	
Overall	100.0%	52.0	57.5	5.5	-	62.6	23.9	Medium

3.4 What is the ESG analysis and assessment methodology for issuers (construction, rating scale, etc.)?

Sustainalytics provides an ESG rating to companies based on elements such as (not exhaustive):

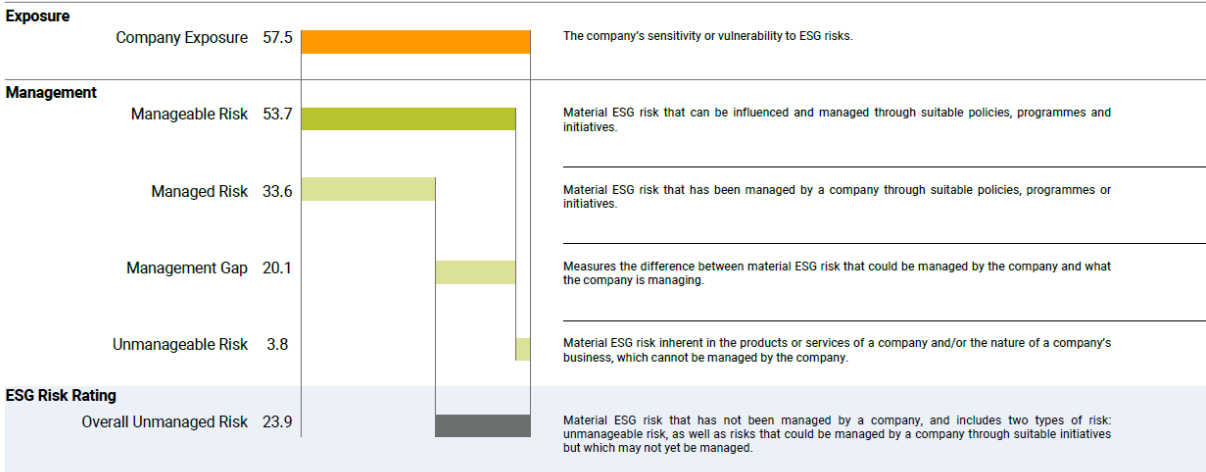
E: carbon footprint; own operations and product services

S: human capital; human right; supply chain

G: product governance; business ethics; corruption; data confidentiality

As explained in the diagram below, the ESG rating of Sustainalytics seeks to measure the exposure to ESG risk (company exposure), the risk that can be considered (manageable risk) and the quality of risk management (managed risk). ESG risk is then the difference between risk exposure and quality of management.

This provides both a score for other companies in the sector and an absolute score for ESG risk incurred, as well as an estimation of future financial consequences.



Level of Sustainalytics ESG risk scores is understood as follows: 0-10 = Negligible; 10-20 = Weak; 20-30 = Medium; 30-40 = High; 40-100 = Severe.

3.5 How often is the ESG assessment of issuers revised? How are controversies handled?

Sustainalytics' ESG ratings are updated annually and revised gradually. Each month, Gemway Assets updates considers the permanent reviews of Sustainalytics. In fact, a monthly ESG management committee validates, withRCCI, companies' ratings for which the managers have more updated or more complete information than those of Sustainalytics. Based on the managers' reasoned analyzes, the committee may have to modify these notes.

4. Management process

4.1 How ESG research results are integrated in building the portfolio?

The results of ESG research are considered in portfolio construction through a best in class approach. From the investment universe (GemEquity: global emerging equities; GemAsia: Asian equities ex Japan; GemChina: Chinese equities), Gemway Assets first of all adds other stocks, either outside the pure universe (ex: Hermès) or not rated stocks by Sustainalytics on which Gemway Assets performs an ESG rating (ex: Vincom Retail).

For each fund, and for each related benchmark (presented in the table below), Gemway Assets only uses the first 8 deciles of companies in each Sustainalytics sector in order to obtain the ESG investment universe, and removes at least 20% of the companies in each sector. It is a best-in class approach.

From the ESG investment universe, Gemway Assets applies an exclusion policy (see 1) and then a stock selection based on financial and extra financial criteria (see 3.1) in order to obtain each portfolio.

Despite the high quality of Sustainalytics' analysis, some data and information are not always updated. It is the role of internal analysis, nourished by systematic meetings of analysts-managers with companies (more than 300 interviews per year), to always get up-to-date information. This information is used to develop environmental, social or governance analyzes which can lead to rating changes. These modified notes are validated and monitored by a monthly committee, whose reports are duly signed by the CEO / RCCI and archived.

When a stock becomes ineligible for the ESG investment universe, Gemway Assets gives itself a maximum of 3 months to remove this stock from the Reference portfolio.

OPCVM	Benchmark index
GemEquity	MSCI Emerging Markets
GemAsia	MSCI Asia ex Japan
GemChina	MSCI China

4.2 How are climate change criteria are integrated in building the portfolio?

First, by construction, the portfolio is invested in stocks illustrating consumption growth in emerging countries. These sectors (especially technology, consumption) are not among the most emitter sectors.

However, Gemway Assets' UCITS may be marginally invested in sectors such as oil and gas. In these cases, Gemway Assets is particularly attentive to the results of shareholder dialogue established with the issuer. For example, Gemway Assets conducted a shareholder dialogue initiative with the company Pampa Energia in 2018. This dialogue led the company Pampa Energia to join the CDP and cooperate with Trucost. If this dialogue had not resulted in a positive outcome, Gemway Assets would have sell its position on this stock.

Carbon footprint of each portfolio tends to be by far lower than the benchmark one (close to 1/3 of benchmark carbon footprint).

4.3 How are issuers present in the UCITS portfolio that are not subject to an ESG analysis (excluding UCIs) taken into consideration?

In accordance with good SRI management practices, issuers with an ESG rating represent 100% of the portfolio. Some small market capitalization issuers may not be tracked by Sustainalytics. But these stocks do not represent more than a dozen values. The score is formed by internal analysis using the Sustainalytics rating criteria, as well as the weighting of the sector.

4.4 Has the ESG assessment process and / or management process changed in the past twelve months?

The evaluation process has been formalized in the past twelve months, with the implementation of GA votes in 2018 and the publication of a shareholder dialogue report in 2019.

4.5 Is a part of the assets of the UCITS invested in solidarity organizations?

No.

4.6 Does the UCITS lend securities?

No.

4.7 Does the UCITS use derivative instruments?

No

4.8 Does the UCITS invest in UCIs?

No.

5. ESG controls

5.1 What internal and/or external control procedures have been implemented to ensure portfolio compliance with ESG rules set for UCITS management?

First-level control is provided each month by fund managers, with assistance of RCCI, as to the ESG score of the portfolio components and the exposure to ESG controversies.

6. ESG impact measurement and reporting

6.1 How is the ESG quality of the UCITS measured?

The Gemway Assets' ESG file calculates the average ESG score of the portfolio in real time.

Each semester, Gemway Assets measures its direct impact, by calculating four environmental, social and governance data:

- Environment: weighted average carbon intensity (source: Trucost)
- Social: number of training hours per employee per year (source: Gemway Assets)
- Governance: independence and feminization of the Board of Directors (source: Gemway Assets)
- Human rights: level 4 and 5 controversies (source: Sustainalytics).

6.2 Which ESG impact indicators are used by the UCITS ?

Gemway Assets has been monitoring four ESG impact indicators every six months since 2018:

- Environment: weighted average carbon intensity of the portfolio
- Social: number of hours of training per employee per year
- Governance: independence and feminization ratings of the Board of Directors.
- Human rights: level 4 and 5 controversies (source: Sustainalytics).

The results can be obtained on the page: <https://www.gemway.com/presentation-gemway-assets/>

6.3 What media are used to inform investors about UCITS SRI management?

Communication on the performance of UCITS is available on the Gemway Assets website. <https://www.gemway.com/gemequity/>

6.4 Does the management company publish results of its voting and commitment policies?

Gemway Assets develops and implements a single voting policy for all its UCITS. Voting policy and the voting report are available on the following page:

<https://www.gemway.com/informations-reglementaires/>