

ARTICLE 10 (SFDR)
INFORMATION FOR A FUND REFERRED TO IN SFDR ARTICLE 8
GEMCHINA

Name of the product: GEMCHINA

Legal entity identifier: 9695001RNK4QJYIF2X20

A. Summary

The GemChina fund is a dynamic mutual fund seeking long-term performance through exposure to equities mainly issued in China. The objective is to outperform its performance indicator, the MSCI China AllShares Net Total Return (converted into euro, net dividends reinvested), net of management fees, over the recommended investment horizon (more than 5 years) by investing at least 90% of its assets in securities selected on the basis of extra-financial criteria using an SRI methodology, stemming from trends that have a lasting impact on society and the economy by taking into account environmental, social and governance (ESG) aspects.

The fund focuses on the equity markets of Asia ex Japan, with the aim of taking advantage of the long-term trend towards wealthier populations in these countries.

GemChina's investment approach relies on rigorous stock picking based on a process that involves direct contacts with the companies in which the fund invests.

The fund invests in securities selected on the basis of extra-financial criteria, in accordance with the SRI method, by systematically integrating environmental, social and governance (ESG) criteria into the financial management.

At least 90% of the securities in the portfolio have been given an ESG rating by the asset management company or by one of its providers of extra-financial data.

The following are examples of indicators used for each of the ESG criteria:

- Environmental indicators: environmental policy and actions, outcomes of the action plans established by the company, carbon footprint, exposure of suppliers to environmental risks, positive or negative impact of products on the environment.
- Social indicators: number of hours of training per employee trained, employee retention (turnover rate), fight against discrimination (feminization rate), average salary, share of temporary employees.
- Governance indicators: competence of the management team, number of independent directors, quality/type of shareholders, number of women on the board of directors.

The fund endeavours, through a best-in-class approach, to select issuers with a good rating and/or having improved from an extra-financial point of view within their business sector. The fund applies two extra-financial filters when selecting securities: after the exclusion of controversial sectors and practices, the companies must have a minimum ESG rating.

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

These ratings are determined internally by the portfolio management team for all of the portfolio's securities. In fact, given our frequent discussions with these companies, we consider that that we are particularly well placed to produce these ratings. For securities not held in the portfolio, in particular securities making up the benchmark index, the ratings used are those proposed by Sustainalytics.

The GemChina fund has obtained the French government's SRI label.

In 2022, 23.2% of the GemEquity portfolio was invested in sustainable companies, in accordance with our definition (at least 20% of women in the workforce, at least 20 hours of training, companies disclosing their scope 1 & 2 emissions, WACI 20% less than that of the benchmark index and net zero target). **GemChina undertakes to invest at least 15% in sustainable companies according to our definition.**

GemChina does not undertake to invest in transitional and enabling activities. However, 12.1% of the portfolio was invested in thematic activities of this kind in December 2022.

There is no designated benchmark index for the fulfilment of the environmental or social characteristics promoted by the financial product.

B. No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have a sustainable investment objective as defined by the EU Taxonomy. However, the financial product undertakes to invest at least 15% in companies that we regard as sustainable in accordance with our own definition (at least 20% of women in the workforce, at least 20 hours of training, companies disclosing their scope 1 & 2 emissions, WACI 20% less than that of the benchmark index and net zero target).

C. The financial product's environmental or social characteristics

- ***What are the environmental or social characteristics 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 account of environmental risks, reducing the environmental impact of companies with regard to air pollution, improving working conditions, promoting gender parity, and employee protection.

The financial product's benchmark index is the MSCI Emerging Markets Net Total Return. The index does not promote specific environmental and social characteristics.

D. Investment strategy

- ***What investment strategy does this financial product use in order to adhere to the environmental or social characteristics promoted by the financial product?***

The financial product implements a financial strategy based on investing in emerging market growth stocks, selected in particular for the sustainability of their business model and the quality of their management. The financial product's investment theme is the growing prosperity of the middle classes in emerging countries. This financial product systematically integrates ESG criteria into the financial management. This has an impact on the selection of the securities in the portfolio.

The extra-financial approach integrated into this financial product's investment strategy is detailed below. First of all, the following norm and sector-based exclusions are applied when selecting securities:

Normative exclusions:

- Controversial weapons (anti-personnel land mines and cluster munitions) *
- Military equipment and defence systems
- Non-conventional hydrocarbons
- Genome technology
- Pornographic content

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- Tobacco and cigarette production
- Direct investment in a coal mining company
- Palm oil *
- 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...).

NB: a ceiling of 5% of the consolidated turnover is imposed (either directly, or through subsidiaries), unless the sector is marked with an "*", in which case an exposure of 0% is required.

Best-in-class exclusion:

The securities in the reference universe are classified by business sector and the 20% lowest rated companies are eliminated. The ratings used are those provided by Sustainalytics.

Moreover, the financial product monitors controversies with the support of Sustainalytics. This score measures the level of severity of the controversies of a company rated from 0 to 5 (5 being the most serious controversy). Where a company is involved in a level 5 controversy the holding in that company is sold as quickly as possible. In the case of a level 4 controversy the company is subject to close monitoring. When a security is not covered by Sustainalytics, the entire analysis is handled in-house.

The management company Gemway Assets undertakes to hold around 300 meetings a year with emerging market companies in order to obtain first-hand information and establish close contacts in the field and a direct dialogue with the management teams.

For the financial product, the ESG analyses are intrinsically a risk management tool. In 2015, the firm signed the UN PRI and the CDP. Since then, the firm has teamed up with Sustainalytics and Trucost (now S&P Global) in order to measure the ESG parameters. In January 2021 the financial product was awarded the French government's SRI label in recognition of its sustainable investment.

The ESG rating coverage rate of the portfolio securities must at all times be 100%.

The companies in the portfolio are rated internally, while using the Sustainalytics rating as the starting point. It is a rating based on the ESG risks. The portfolio management team follows the Sustainalytics classifications (corporate governance, ethics, product governance, supply chain, human rights, etc.) and then adjusts the final rating to take account of the Sustainable Development Objectives promoted by the company at operational level and in terms of turnover. An ESG bonus is awarded for the quality of communication and transparency, as well as according to the nature of the business activity. Any activity which contributes to reducing greenhouse gas emissions and inequalities between men and women receives a bonus. In contrast, any activity that is detrimental in terms of these two main criteria is penalised. A penalties system also applies to controversies.

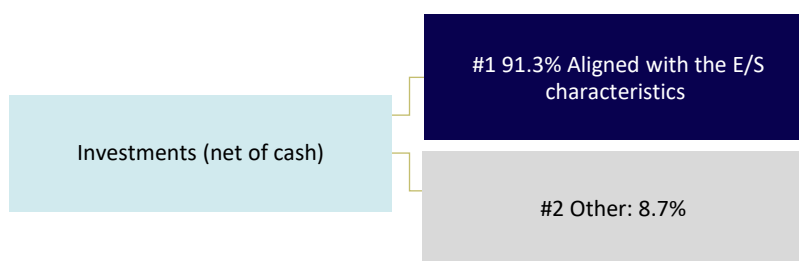
This produces an internal score called EM ESG.

• ***What is the policy for evaluating good governance practices of investee companies?***

The governance criterion represents 60% of our ESG score. To attribute a score, the investment team also takes account of several factors such as the quality and experience of the management and the board of directors, respect for the rights of minority shareholders, the separation between shareholders and management, the identity of the shareholders, the existence of shares pledged by the founders, the regulatory risk, the level of gender parity and the existence of diversity and parity policies, the transparency of communication with investors, the remuneration and independence of the board of directors, employment benefits and tax

compliance. We gather as much information as possible on these subjects through our ESG questionnaire and during our ESG meetings with investee companies.

E. Proportion of investments



#1 Aligned with the E/S characteristics: this includes the financial product's investments used to fulfil the environmental or social characteristics promoted by the financial product.

#2 Other: this includes the financial product's remaining investments, which are neither aligned with environmental or social characteristics, nor deemed to be sustainable investments.

- ***What is the minimum extent to which sustainable investments having an environmental objective are aligned with the EU Taxonomy?***

This financial product may invest in environmentally sustainable economic activities, but this financial product's investments do not take account of the European Union's criteria for environmentally sustainable economic activities. **This financial product's commitment to an alignment with European Taxonomy is 0%.**

- ***What is the minimum proportion of investments in transitional and enabling activities?***

Non applicable

- ***What investments are included in the category "#2 Other", what is their purpose and are there any minimum environmental or social guarantees?***

The investments under the heading "#2 Other" are linked to fossil fuels and mining. Given that the portfolio as a whole is subject to a best-in-class approach, companies operating in both of these sectors are also selected according to ESG criteria. The environmental and social analyses are particularly rigorous in these sectors.

F. Control of the environmental or social characteristics

How are the environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the fulfilment of each of them controlled throughout the life cycle of the financial product and what are the related internal or external control mechanisms?

The ESG indicators and ESG rating of each company in this financial product's portfolio are regularly monitored, with particular attention paid to the company's progress and objectives. The database is accessible to the portfolio managers-analysts so that they can refer to the investable universe. Every quarter we update the ESG ratings of our investment universe to exclude the 20% lowest rated companies as part of our best-in-class approach. Our quarterly best-in-class exclusion process is submitted to our in-house compliance officer for

approval. Our compliance and internal control consultant (external service provider) also checks compliance semi-annually.

G. Methods

- ***What are the methods used to determine to what extent the environmental or social characteristics promoted by the financial product have been fulfilled?***

Gemway Assets uses sustainability indicators to determine to what extent the environmental or social characteristics promoted by this financial product have been fulfilled. For this financial product, research on environmental and social criteria is carried out using official corporate publications, exchanges between the fund's portfolio management teams and the management teams of said companies, and with the support of ratings agencies such as Sustainalytics and S&P Global (formerly Trucost). All of the companies promoted by this financial product are rated and analysed in-house. The main sustainability indicators used to measure the fulfilment of each of the environmental or social characteristics promoted by the financial product are the following:

Environment:

The company's business activity is the starting point for the environmental analysis. Because of its investment theme (detailed in the section "What is this financial product's investment strategy?"), the financial product invests in companies that have a minimal environmental impact.

The main environmental indicators are as follows:

Carbon intensity or WACI (Weighted Average Carbon Intensity): this indicator measures CO₂ emissions in relation to the company's turnover. For our calculations we rely on the data of S&P Global (formerly Trucost). Therefore, to be considered sustainable, the company's carbon intensity must be 20% less than that of the benchmark index.

Net zero CO₂ emission target ("Net Zero"): with the signature of the Paris Agreement, a number of countries have undertaken to reduce and eventually neutralise their CO₂ emissions. A growing number of companies are following these recommendations. Accordingly, in order to be deemed to be a sustainable investment, a company must have a target of zero emissions.

Scope 1 & 2 GHG emissions: CO₂ emissions are divided into three groups in terms of measurability. Scope 1 covers the greenhouse gas emissions directly linked to the manufacture of products and provision of services. Scope 2 covers the greenhouse gas emissions linked to the consumption of energy for the purpose of manufacturing the product or providing the service. Companies must publish both indicators in order to be eligible within the framework of sustainable investment.

Energy consumption and production: when analysing a company, the portfolio management teams take into consideration in the rating the source of the energy used in the production process and/or the contribution of the products to renewable energy.

Social:

Training rate: the financial product promotes lifelong learning of employees and their well-being. Therefore, a training rate of at least 20 hours per year per employee is required for a company to be classified as a sustainable investment.

Gender parity: the financial product undertakes to promote the participation of women in the working world. Accordingly, a company is deemed to be a sustainable investment when the number of female employees is higher than 20% of the salary base. We also monitor the proportion of women on the board of directors and, for any company where the proportion of women is less than 10%, we undertake to vote "against" the appointment of at least one male member at general meetings.

Human rights: with the support of the Sustainalytics platform, the financial product excludes any company involved in a level 5 controversy (as per Sustainalytics) in the field of human rights.

H. Data sources and processing

- ***What are the data sources used to fulfil each of the environmental or social characteristics promoted by the financial product and the measures taken to guarantee the quality of the data, what are the data processing arrangements and what proportion of the data is estimated?***

In support of the sectoral and thematic studies carried out in-house, based in particular on the information collected during our meetings with companies, the portfolio manager also relies on the extra-financial data of specialised service providers: Sustainalytics (for extra-financial data), S&P Global (formerly Trucost) and CDP (for carbon footprints). Once collected this data is processed and stored using an internal data management system.

In connection with the calculation of the carbon footprint, WACI, around 30% of the data provided by S&P Global (formerly Trucost) is estimated.

I. Methodological and data limitations

- ***What are the limitations of the methods and data sources and how do these limitations affect the extent to which the environmental or social characteristics promoted by the financial product are fulfilled?***

There are limitations on the availability and quality of the data of emerging market companies, since the heterogeneity of regulations on the mandatory disclosure of corporate ESG data between the various emerging countries can be a constraint when it comes to obtaining comparable and similar environmental and social indicators.

Similarly, some listed companies that do not disclose their ESG data receive, from the ratings agencies that we use, ESG ratings that do not reflect their actions and their impact. Thanks to our meetings with companies and ESG questionnaires, we are able to better evaluate the ESG dimension of companies.

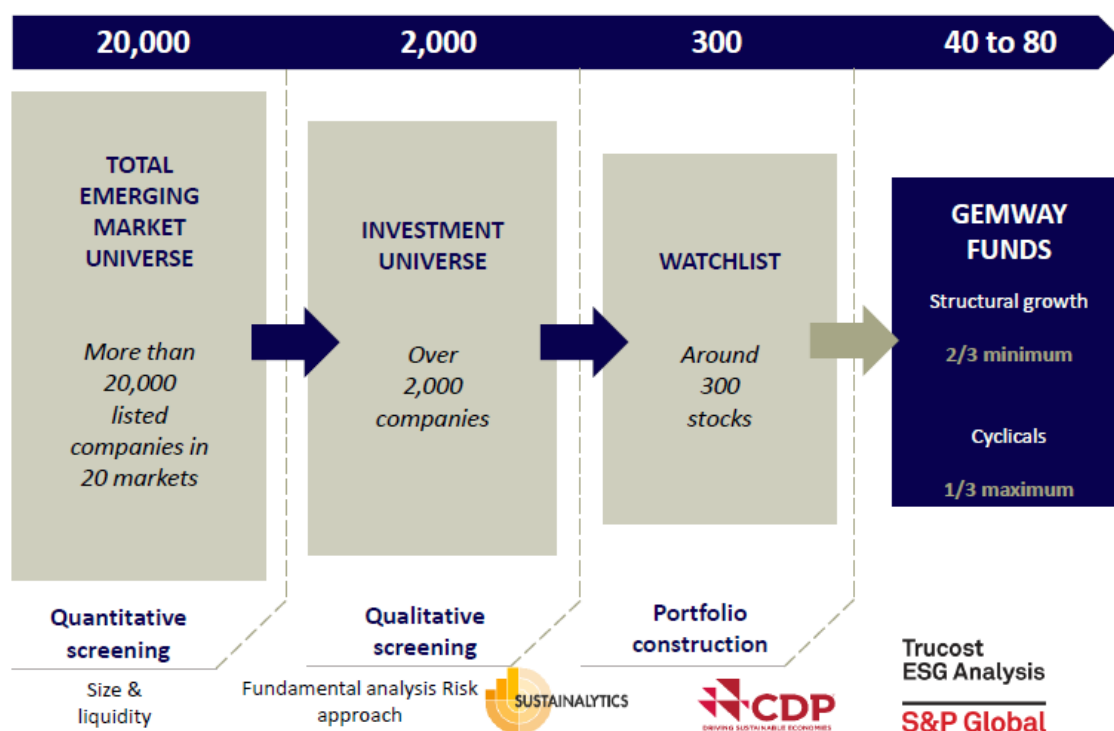
Lastly, we have selected characteristics that the majority of the companies in the portfolio disclose and which we can quantify.

J. Due diligence

- ***What is the due diligence carried out concerning the financial product's underlying assets and what are the internal and external controls regarding this due diligence?***

Our ESG process :

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SUSTAINALYTICS	CDP	Internal research	Controls
Investment Universe rating (for each portfolio)	Trucost ESG Analysis	Governance Management reputation and quality Analysis of the board of directors Insider trading, etc.	Monthly meetings with Risk & Compliance Officer for portfolio monitoring
Elimination of 20% of the lowest rated stocks (by sector)	S&P Global	Vote at general meetings (20 minimum per year)	
Detailed rating of stocks in portfolios + adjustments following company interviews	Carbon footprint	Social initiatives Number of hours of training per employee Board feminization rate	Semi annual validation of investment universe by Risk & Compliance Officer
Monitoring of controversies (0 = 5)	Environmental data		

K. Engagement policies

- Is engagement part of the environmental or social investment strategy and what are the engagement policies implemented? Do the investee companies have management procedures in place for dealing with sustainability controversies?***

Engagement is part of our environmental and social investment strategy. In 2022, we held around 26 meetings devoted solely to ESG issues. For that we use a proprietary questionnaire adjusted according to the company's business activity and the current level of transparency. Nevertheless, issues such as gender equality and governance remain at the heart of our discussions.

In 2022, Gemway Assets exercised its voting rights at 105 general meetings, i.e. 68% of all possible general meetings. This figure considerably exceeds our commitment (50%). This level of engagement is particularly significant in the emerging equities asset class.

In our portfolio, no company has a level 5 controversy as per Sustainalytics. In the event of a level 4 controversy the company is closely monitored.

L. Designated benchmark index

- ***Has an index been designated as benchmark index for the fulfilment of the environmental or social characteristics promoted by the financial product?***

No index has been designated as benchmark index for the fulfilment of the environmental or social characteristics promoted by the financial product.