

MATTHEWS ASIA FUNDS
Société d'Investissement à Capital Variable
Registered office: 80, route d'Esch
L-1470 Luxembourg
Grand Duchy of Luxembourg
R.C.S. Luxembourg B 151.275
(the "Fund")

This document is important and requires your immediate attention. If in doubt, you should seek independent professional financial advice.

The Board of Directors of the Fund accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.

NOTICE TO THE SHAREHOLDERS
OF
MATTHEWS ASIA FUNDS

Luxembourg, 29 June 2023

To the Shareholders of the Sub-Funds listed below,

Capitalized terms not otherwise defined herein shall bear the same meaning as in the Fund's prospectus (the "**Prospectus**").

1) Update of SFDR¹ Pre-Contractual Disclosures

Please be informed that the board of directors of the Fund (the "**Board**") has decided to implement amendments to the SFDR Pre-Contractual Disclosures (the "**PCDs**") appended to the Prospectus, as set out in this information notice.

We believe that the clarifications described below will enhance your understanding of the exclusion policy /activity-based negative screening applied by the below-mentioned Sub-Funds.

Please note that these amendments have been decided for clarification purposes only, and there will therefore not be any changes to the actual investment process or approach of the below-mentioned Sub-Funds.

- **Pacific Tiger Fund**
- **China Fund**
- **Japan Fund**
- **Asia ex Japan Total Return Equity Fund**
- **China A-Share Fund**

The above-listed Sub-Funds apply an exclusion policy whereby they exclude direct investment in certain corporate issuers, as further detailed in their PCDs. This exclusion policy provides for an exclusion based on the principles of the United Nations Global Compact. For clarification purposes, additional detail has been provided to better describe how the Investment Manager considers and applies the exclusion policies:

- The Investment Manager may choose to exclude companies that may be viewed as inconsistent with the principles of the United Nations Global Compact.
- However, the Investment Manager may choose to invest in, or hold, such companies if it determines that the company provides positive sustainability outcomes that may outweigh other non-sustainable issues.

¹ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended

It is also specified that such determination may be based on utilization of data and research, including from third party sustainability service providers and/or engagement with the company's management.

- **Asia Sustainable Future Fund**

The investment selection process of this Sub-Fund includes an activity-based negative screening whereby the Investment Manager excludes direct investment in certain corporate issuers. It has been decided to clarify this activity-based negative screening by specifying that the Investment Manager will exclude direct investment in corporate issuers deriving:

- Any revenue from alcohol (manufacturing)
- Revenues exceeding 5% of total annual revenues from gambling
- Revenues exceeding 5% (instead of 50%) of total annual revenues from trading and/or wholesale of tobacco (product retail)
- Revenues exceeding 10% (instead of 50%) of total annual revenues from palm oil production and distribution.

It has also been decided to remove from the list of exclusions applied by this Sub-Fund the reference to issuers deriving more than 10% of total annual revenues from significant ownership of controversial weapons as these issuers are already excluded through the stricter exclusion targeting issuers deriving any revenue from controversial weapons.

2) Addition of a secondary benchmark for the India Fund

It has been decided to add the MSCI India Index as a secondary benchmark for the India Fund. This secondary benchmark is intended for performance comparison only; the Sub-Fund does not intend to track or replicate the Index. The purpose of the addition is to facilitate comparison to this commonly utilized benchmark.

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These changes will be reflected in a new version of the Prospectus dated and effective from 30 June 2023 ("**Effective Date**").

A copy of the Prospectus will be available free of charge at the registered office of the Fund from the Effective Date.

Yours faithfully,
Board of Directors
Matthews Asia Funds