



Matthews Asia

Article 10 (SFDR)
Website disclosure for an article 8 fund

Asia ex Japan Dividend Fund

Product name: **Asia ex Japan Dividend Fund**
 Legal entity identifier: **549300V2TS8TS5EUXP98**

Does this financial product have a sustainable investment objective?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: __% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it had a proportion of __% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: __%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



A. No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective a sustainable investment.



B. Environmental or social characteristics of the financial product

What are the environmental or social characteristics promoted by this financial product?

The characteristics promoted by this Fund include sound corporate governance and a commitment to have a GHG intensity profile lower than the Index. This Fund invests in companies with a strong commitment to reducing their ecological footprint as well as companies with little involvement in fossil fuel exploitation. Additionally, the Fund intends to invest in companies that take steps to mitigate climate change.

Furthermore, the Fund uses both activity- and norm-based exclusions, further detailed in the investment strategy below.

The primary benchmark index is the MSCI All Country Asia ex Japan Index and is indicated for performance comparison only. This Index does not take into account the ESG characteristics promoted by the Fund, which are intended to be achieved by the investment process followed by the Investment Manager. A description of the Index methodology can be found on the website of the index provider.

What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

The sustainability indicators used to measure the attainment of the environmental and social (“E&S”) characteristics promoted are the following:

1. the aggregated GHG intensity of the Fund and the GHG intensity of the Index;
2. the share of investee companies having a lower GHG intensity than the Index;
3. the share of investments having a significant exposure to the fossil fuel sector;
4. the share of investments being EU Taxonomy eligible;
5. the share of investments having exposure to, or ties with the sectors described in the Activity-based exclusion list; and
6. the share of investments in companies that are in severe breach of any of the ten principles of the UN Global Compact.

Does this financial product take into account principal adverse impacts on sustainability factors?

Yes

The Investment Manager commits to report at least annually on the indicators considered and on the actions taken. The focus will be made on indicators considered by the Investment Manager as relevant/material.

At the moment, the indicators considered are the following:

1. GHG intensity of investee companies;
2. Exposure to companies active in the fossil fuel sector; and
3. Companies that are in violations of UN Global Compact principles or the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

Additional indicators may be considered over time.

The Investment Manager aims at mitigating the adverse impacts of its investment decision on sustainability factors by engaging with the investee companies. The Investment Manager engages with portfolio companies where there is room for improvement on relevant PAIs, depending on the industry in which the investee operates. The results of the engagement strategy will be provided annually in the Principal Adverse Impact Report.

Investors’ attention is drawn to the fact that data gathering in emerging markets remains a challenge. Therefore, in the absence of data, the Investment Manager may rely on modeled/estimated data, which may not fully reflect the reality.

No



C. Investment strategy

What investment strategy does this financial product follow?

Investee companies are selected by the Fund in accordance with the following process:

1. By utilizing issuer disclosures and third-party research, investment manager understands an issuer's impact on society and the environment, its management of human capital, its use of natural resources, etc., as well as its compliance with international, national, or local regulations;
2. Screening out the companies with poor governance practices and controversial behaviour and controversial products based on our exclusion policy detailed below and by selecting companies with strong commitment to reducing their ecological footprint as well as companies with little involvement in fossil fuel exploitation. Additionally, the Fund intends to invest in companies that take steps to mitigate climate change. Notably, the Fund invests in companies that engage in EU taxonomy eligible activities¹ and anticipates a future alignment but the lack of data disclosure by the investee companies presents a challenge. Examples of EU Taxonomy eligible activities include electric vehicle manufacturers, EV chipmakers, EV battery manufacturers, and battery equipment manufacturers so as to reduce carbon emissions, increase energy efficiency, and contribute to the circular economy;
3. Analyzing portfolio holdings and their operating environments on a regular basis;
4. Expressing ESG concerns that have been identified during the research process; and/or
5. When applicable, voting for proxy proposals for securities that are aligned with their ESG engagement activities.

Exclusion policy:

The Investment Manager will exclude direct investment in corporate issuers which have exposure to, or ties with, certain sectors, namely issuers deriving:

Any revenue from:

- Controversial Weapons
- Weapons production (civilian and military firearms)
- Tobacco products (manufacturing)

Revenues exceeding 5% of total annual revenues from:

- Adult Entertainment
- Artic oil, gas exploration and extraction, shale energy and oil sands extraction methods (for example, fracking)
- Thermal coal extraction

¹ Investors' attention is drawn to the fact that taxonomy eligibility differs from taxonomy alignment and there can therefore be a substantial discrepancy between both concepts. The eligibility of an activity implies that such activity is included in the delegated acts on climate change mitigation or climate change adaptation but does not mean that such activity/investment qualifies as sustainable investment, nor that it is aligned with the Taxonomy.

Revenues exceeding 10% of total annual revenues from:

- Military contracting for weapons, related products and/or services
- Thermal coal power generation, unless a transition plan towards renewable energy is in place

Revenue exceeding 50% of total annual revenues from:

- Trading and/or wholesale of tobacco (product retail)
- Palm oil production and distribution

In addition, the Investment Manager will exclude companies that are in severe breach of any of the ten principles of the UN Global Compact.

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?

The binding elements of the investment strategy are the systematic exclusions of certain companies on the basis of the exclusion policy detailed above. In addition, the Investment Manager committed to have a GHG intensity profile lower than the Index.

What is the policy to assess good governance practices of the investee companies?

The Fund makes investments in companies of various market capitalizations that are undervalued, of high quality, and are managed by top management teams with excellent operational and governance records.

As part of our proprietary investment research, we typically consider a company's:

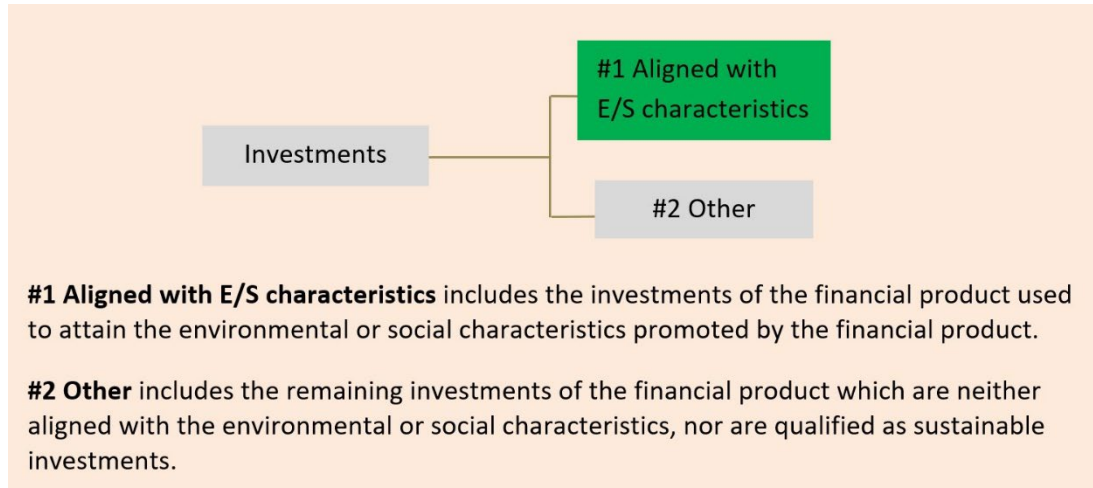
- Track record for allocating capital
- Board quality, diversity and composition
- Alignment of incentives for controlling shareholders, minority shareholders and management
- History of protecting minority stakeholder rights, especially in a crisis
- Ability to attract and retain talent
- Exposure to regulatory, market and other risks
- Management of material environmental and social risk
- Potential for successfully entering new areas of business by leveraging existing strengths

To develop a 360-degree view of investee companies, our due diligence process includes meetings with one or more of the following stakeholders: company management, employees, customers, suppliers, research and civic organizations. This helps us gauge the strength and quality of management teams, as well as the viability of a company's business model. We may also consider a company's potential for successfully entering new areas of business by leveraging existing strengths. In markets that are rapidly growing and still inherently inefficient, we believe identifying companies with strong corporate governance is essential to helping manage our clients' investments.



D. Proportion of investments

What is the planned asset allocation for this financial product?



The Fund will invest at least 85% of its NAV in companies aligned with the E&S characteristics promoted (#1). Hence, the remaining portion (< 15%) will be made of (#2) “Other” investments.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

“Other” investments include cash, cash equivalents, investments for diversification purposes or investments for which data is lacking and does not follow any minimum E&S safeguards.



E. Engagement policies

Is engagement part of the environmental or social investment strategy?

- Yes
 No

If so, what are the engagement policies? (Including any management procedures applicable to sustainability-related controversies in investee companies)

The Investment Manager may engage with its portfolio companies on sustainability matters through active dialogue and by encouraging enhanced ESG disclosure and implementation. The Investment Manager also incorporates its ESG team’s analysis on how Sustainability Risks and opportunities may differ between issuers within regional and sector peer groups. In certain cases, the Investment Manager, if it deems necessary, may exercise its voting rights in accordance with its sustainability standards, or engage with the investee company when (1) the company is not acting in line with the above-described activity-based and/or norms-based exclusions; or (2) the company is found to be involved in material ESG controversies that have arisen.

The Investment Manager may determine to maintain the Sub-Fund's investment in investee companies that are in breach of the above exclusion policy criteria, and continue to monitor such company if the company provides a reasonable plan to eliminate or mitigate the causes for the failure within a reasonable period of time.



F. Reference benchmark

Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?

Yes

No