

Matthews Asia Funds | Remuneration Policy  
December 2023



Matthews Asia

## 1. Definitions

<b>Board</b>	The Board of Directors of the Fund.
<b>Fund</b>	Matthews Asia Funds, a <i>société d'investissement à capital variable</i> , an investment company with variable capital operating under the 2010 Luxembourg law.
<b>Identified Staff</b>	Categories of staff, including senior management, risk takers, control functions and any employee (i) receiving total remuneration that falls within the remuneration bracket of senior management and risk takers, and (ii) whose professional activities have a material impact on the risk profile of the Fund (as listed in Appendix I).
<b>Investment Manager</b>	Matthews International Capital Management, LLC, appointed by the Fund with discretionary investment authority to invest the assets of the Fund in furtherance of the investment objectives and in accordance with the investment policies of the Fund as described in the Fund's prospectus.
<b>Policy</b>	The remuneration policy of the Fund.

## 2. Applicable Regulations

<b>2010 Luxembourg law</b>	Law of 17 December 2010 relating to undertakings for collective investment, as amended by the Law of 10 May 2016 transposing the Directive 2014/91/EU.
<b>CSSF Circular 10/437</b>	Guidelines concerning the remuneration policies in the financial sector.
<b>ESMA Guidelines</b>	ESMA Final Report titled "Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD" published 31 March 2016 (ESMA/2016/411).
<b>SFDR</b>	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.
<b>UCITS Regulations</b>	The European Communities Undertakings for Collective Investment in Transferable Securities Regulations 2011, as amended and as may be further amended, consolidated, or substituted from time to time and any regulations or notices issued by the authority for the time being in force.

## UCITS V

Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as regards depositary functions, remuneration policies and sanctions.

### 3. Introduction

The Fund is a public limited company ("**société anonyme**") qualifying as an investment company organized with variable share capital ("**société d'investissement à capital variable**") within the meaning of the 2010 Luxembourg Law. The Fund is structured as an umbrella fund comprising of several separate sub-funds and has appointed Carne Global Fund Managers (Luxembourg) S.A. ("Carne") as its external management company ("Management Company").

Pursuant to the transposition of the UCITS V Directive into the 2010 Luxembourg Law, the Fund is required to have in place remuneration policies and practices that comply with the UCITS Regulations. The UCITS Regulations require investment companies to have in place remuneration policies and practices for certain categories of staff whose professional activities have a material impact on the risk profile of the investment company. This document sets out the remuneration policy of the Fund (the "**Policy**") including the principles governing the remuneration practices adopted by the Fund in accordance with the UCITS Regulations, ESMA Guidelines, and SFDR.

### 4. Purpose and Objective

The purpose of the Policy is to establish a framework for remuneration that complies with UCITS Regulations and meets the objectives outlined below.

The objective of the Policy is to ensure that the Fund's remuneration principles and practices are consistent with and promote sound and effective risk management principles that (i) ensures common, uniform and consistent application of the provisions on remuneration in the UCITS V Directive; (ii) discourages excessive risk taking which is inconsistent with the investment policy and risk profile of the relevant Sub-Funds; (iii) are in line with the business strategy, objectives, values and interests of the Fund; and (iv) aligns the interests of the Fund and investors with those of the Identified Staff to achieve and maintain a sound financial situation.

The Policy concerns all forms of payments or benefits paid by the Fund to Identified Staff in exchange for professional services rendered to the Fund.

### 5. Governance of Remuneration Function and Review

The Policy has been drafted and subsequent measures to comply with the remuneration principles established in the UCITS Regulations have been implemented in a way and to the extent that is appropriate to the size, internal organization and the nature, scope, and complexity of the activities of the Fund.

The Board considered various factors including the size, number of staff, internal organization and legal structure, any variable and fixed remuneration of Identified Staff, and complexity of the Fund in establishing the appropriate remuneration function. Following ESMA Guidelines and in consideration of these factors, the Board determined that a remuneration committee was not necessary.

The Policy has been approved and adopted by the Board and any revisions to the Policy require the approval of the Board. The Board reviews the Policy on at least an annual basis.

## **6. Identified Staff**

The Fund is responsible for identifying employees and members of the Fund that fall within the definition of Identified Staff as that term is defined in the UCITS Regulations and includes, but is not limited to, senior management, risk takers, control functions and any employees receiving total remuneration that takes them in the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profile of the Fund.

The Fund has determined that only the members of the Board and the Money Laundering Reporting Officer fall within the definition of Identified Staff. The Board consists of four directors, two of which are independent directors. The Fund pays a fixed remuneration for the independent director services but no variable remuneration. The fixed fees are set at local industry standard and at par with the rest of the market, and reflect the qualifications and contribution required in view of the Fund's scale of activities and extent of responsibilities, including the additional responsibilities of the Chairman, who is an independent director.

The two remaining members of the Board are employees of the Investment Manager and do not receive remuneration, fixed or variable, in respect of their services as directors to the Fund.

The Money Laundering Reporting Officer is not separately remunerated by the Fund. Her services are provided for by the Engagement Letter for AML/CFT Compliance Officer Services with Carne.

The Fund currently has no employees. Should the Fund hire staff members, the Policy and remuneration practices will be adapted accordingly.

## **7. Disclosure**

The Board strongly believes in promoting Environmental, Social, and Corporate Governance ("ESG") issues and long-term sustainability at all levels of the organization. ESG responsibilities are therefore ingrained within the Board's oversight of the Investment Manager. Individual performance at the Investment Manager is evaluated based on various parameters of which ESG is an important component. The Board assesses that this Policy is consistent with the integration of sustainability risks.

The Fund's prospectus and key investor information documents will include a statement to the effect that the Fund's remuneration policy will be available on the Fund's website. The annual report issued by the Fund will contain the total amount of compensation for the financial year paid by the Fund for the services of the Board and other Identified Staff, if applicable.

**Appendix I List of Identified Staff**

<b>Name</b>	<b>Position</b>
Hanna E. Duer	Independent Director
Richard Goddard	Independent Director
J. Cooper Abbott	Director
John P. McGowan	Director
Karin Gehlert	Money Laundering Reporting Officer