



Responsible Investment and Stewardship Policy

Matthews Approach to Responsible Investment and Stewardship

As an active asset manager with a long-term investment horizon, Matthews seeks to champion investment solutions designed to build wealth for our global clients over the long term. We believe that consideration of corporate governance and sustainability (i.e., environmental and social) factors in our investment decisions when we believe they are relevant and material, and, along with other factors, is important for long term value creation.

Active ownership, including direct engagement, proxy voting and stewardship, is an integral part of this responsible investment framework. We believe that responsible investing and a deep understanding of governance and sustainability factors can lead to better-informed investment decisions and more effective management of the associated risks. We believe this can help deliver better outcomes for our clients consistent with our fiduciary duty as an investment adviser.

Matthews' approach to responsible investment is based on the view that:

- ✿ Flexibility is key as corporate governance, environmental, and social issues are complex and evolving concepts that are not defined in the same way for every strategy and individual investor;
- ✿ We invest across many geographies at different stages of development and what may be appropriate for one country and government may not be appropriate for another;
- ✿ Transparent corporate governance can attract domestic and foreign capital and enhance economic progress;
- ✿ Stewardship and active engagement are integral to responsible investment; and
- ✿ Education and continued learning are positive ways to incorporate responsible investment concepts into our research and analysis of the value of a holding.

The degree to which sustainability considerations factor into investment decision-making for a portfolio will depend on the strategy, and specific client or fund.

In our "integrated strategies," governance and sustainability considerations are one set of inputs among many that we evaluate, where applicable. In these integrated strategies, Matthews researches the fundamental characteristics of individual companies to help to understand the foundation of a company's growth. This may include consideration of non-financial information, such as governance and sustainability factors, as part of its investment process, when it believes such information is likely to have a material financial impact on a company's value. Such factors may be used as inputs alongside other factors and may not be determinative on investment decisions of the Funds. Matthews evaluates potential portfolio holdings on the basis of their individual merits and seeks to invest in companies that it believes are positioned to help a Fund achieve its investment objective.

Certain of our portfolios have a principal investing strategy of sustainable investing. In these "sustainable investing strategies," governance and sustainability considerations are a central part of portfolio construction and are used to help identify companies that we believe contribute (or have the potential to contribute) to a sustainable future by addressing global environmental, social and/or governance challenges. For more information on how corporate governance and

sustainability factors are incorporated in our UCITS Funds, refer to the UCITS Funds' ESG-Related Investment Policy.

While the methodologies used to define governance and sustainability factors or to implement strategies that consider such factors continue to evolve and are subject to change, the current definitions of "E", "S" and "G" and current evaluation methodology used by Matthews are noted below. The definitions and considerations included are indicative of the types of risks and opportunities faced generally by an issuer that may be attributable to corporate governance and sustainability related matters. They are not intended to be prescriptive or exhaustive in nature. We define "issuer" as any company or entity that issues the securities held in our portfolios.

Governance

We view governance ("G") as the framework of rules and practices by which a board of directors ensures accountability, fairness and transparency in an issuer's relationship with all its stakeholders (e.g., financiers, customers, management, employees, government, community).

As part of our investment research process, we typically consider an issuer'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

Our process of assessing governance is holistic. We do not believe there is a single optimal model of governance as shareholder structures, regulatory environments and legal frameworks vary across markets; but rather, we focus on the effectiveness of the structure and whether that structure is in line with best practices. We believe governance also influences an issuer's approach to environmental and social risks and opportunities. We seek to engage with portfolio companies where we believe better alignment with best practice may enhance shareholder value.

Environmental and Social

We seek to understand an issuer's impact on society and the environment, its management of human capital, and its use of natural resources, as well as its compliance with international, national, and/or local regulations, where applicable. To do this we use available information (including Third-Party Data and,

where applicable, visits and direct engagement with company management, which enable us to identify what we believe may be material risks related to a company's societal and environmental impact and to understand the ways through which the issuer may seek to manage its material risks.

Environmental

We view the environmental ("E") portion to typically include consideration of how an issuer stewards natural capital. It involves an issuer's use of natural resources and its impact on the physical environment, including air, water, soil and living things, including its impact on systemic issues such as climate change. For example, we believe that there is more than one way to incorporate climate considerations in portfolios. For example, focusing on green revenue by investing in climate change mitigation and adaptation enablers or solutions may be relied upon in one strategy, while focusing on portfolio level emissions or intensity metrics may be more appropriate for another. In addition, the stage of development of many emerging countries may present challenges when balancing economic growth, energy security and sustainability. This leads us to avoid a one-size fits all approach.

Social

We view the social ("S") portion to typically include consideration of the effects of an issuer on human and social capital. It may involve an issuer's workforce, human rights of the people and wellbeing of the communities it touches, supply chain practices, health and safety, and product quality and stewardship.

Matthews' Process of Evaluating Governance and Sustainability Factors

Matthews implements a top-down as well as a bottom-up approach to evaluating governance and sustainability factors. The top-down approach leverages Matthews' in-depth knowledge of local markets which helps us to evaluate and prioritize factors according to their potential impact on holdings in portfolios we manage. The bottom-up approach includes our proprietary investment research, which is more fully described below. The proprietary investment research is typically supplemented with public information, third-party research, third-party ESG metrics/statistics, forensic accounting, specialist governance research, proxy advice and/or other third-party reports (collectively referred to herein as "Third-Party Data") and meetings typically with one or more of the following stakeholders: company management, employees, customers, suppliers, research, and civic organizations. These meetings are one factor which helps us to gauge the strength and quality of management teams, as well as the viability of an issuer's business model.

Matthews' investment professionals assess corporate governance and sustainability risk when he or she believes

it is a significant element of the overall thesis and/or the risk is material to the long-term value of an investment.

Use of Third Party Data

The investment team may use Third-Party Data to provide context in analyzing portfolio holdings and their operating environments. While the third-party data provides a catalyst for further research and discussions, it does not provide the definitive view of an issuer's sustainability performance. Such data may also be used as a tool in the engagement process with issuers. For many of the markets in which we invest, third-party data is not always available or of high quality.

On a monthly basis, the investment team meets with Investment Risk and the Head of Responsible Investment and Stewardship to review relevant corporate governance and sustainability related news and third-party ESG scores where available for portfolio holdings. The investment team has the responsibility to review and consider such information as part of their overall analysis of a company where it is a significant element of the overall thesis and/or the risk is material. A low ESG score or rating assigned by a third-party data provider does not necessarily exclude an issuer from a portfolio's investable universe as third-party assessments are often backward looking, infrequently updated, and may sometimes lack issuer specific context.

Screening Process

We employ norms-based and activities-based screens for certain strategies. When considering governance and sustainability factors in our sustainable investing strategies and our UCITS funds we use a combination of norms-based and activities-based exclusionary screens and data from various third-party providers and Matthews' own internal analysis to help select what we believe are the most appropriate investments for client portfolios. We do not impose the constraints of mandatory exclusionary screens in our other pooled investment vehicles. When requested by our separate account clients, we will employ tailored screens and exclusions according to specific client-directed criteria. However, even for those portfolios that do not apply mandatory ESG screens, poor corporate governance will likely exclude an issuer from consideration due to the associated risks to shareholder value. In addition, all of our portfolios prohibit investment in cluster munitions (this Policy is available on our website).

Active Ownership and Engagement

We believe that responsible investing often requires active, direct engagement with portfolio companies throughout the investment lifecycle in order to achieve a more complete understanding of a company's risk and opportunities that may impact its long-term profitability and wealth creation.

As a long-term investor, we seek to build trust and promote open and constructive dialogue with our portfolio companies, with a goal to share our views on issues that we believe impact financial outcomes, which could include a broad range of governance and sustainability factors. As part of the ordinary course of conducting research on currently held and prospective portfolio companies, we may meet with company management. In such meetings, material governance and sustainability-related issues, among other issues, are discussed with company management to help deepen our understanding of the issuer's practices and goals and to hopefully help enhance shareholder value by sharing our thoughts and views. However, Matthews does not use engagement as a way to control publicly traded companies

When we present our views to an issuer's management to help the issuer identify potential areas of improvements and the issuer does not respond in a manner that we deem adequate to address the risks identified, we may decide to divest or reduce our holding in the issuer. We do not maintain a prescriptive framework with rigid milestones for engagement escalation because we view every engagement as a unique endeavor and opportunity to better understand any issues we deem to be financially material.

Matthews may decide to engage with issuers on a one-on-one basis or with other financial institutions or organizations as part of a larger collaborative group. The decision on how best to engage is made on a case-by-case basis with consideration of relevant facts. We generally engage in collective stewardship where it is difficult to engage with an issuer individually, or where we are seeking expertise from other organizations. When we consider doing collaborative engagements, we are mindful of the time and resources spent, as well as the possible outcomes that the collaborative engagements could bring to the issuers. In conducting collaborative engagements, we consider and take precautions designed to ensure that rules with respect to shareholder activism and acting in concert are not breached.

Engagement typically involves one of the following methods which may vary by region:

- ✿ One-to-one meetings with company representatives (e.g., senior executives, Investor Relations, board members, managers of specialist areas such as a sustainability or environmental manager)
- ✿ Written correspondence
- ✿ Discussions with company advisers and stakeholders
- ✿ Voting
- ✿ Collective engagement with other investors
- ✿ Events to educate companies or collaborate on new reporting frameworks

The investment team is responsible for engaging with issuers and prospective portfolio companies and documenting engagement activities.

Continuous Learning

The Matthews investment team seeks to continuously expand its knowledge of corporate governance and sustainability topics and keep abreast of developments in the sustainable investing space. As part of their ongoing education, the investment team members receive training from internal and external sources and mentoring regarding the integration of corporate governance and sustainability and our own analysis, as well as engagement-related questions that can contribute to informative dialogue with management as part of the standard research process. In addition, investment team members' performance reviews include a training goal.

Commitments and Reporting

We seek to take an active role in key organizations that we believe can advance and protect the interests of our clients. We strive to maintain active relationships with relevant market institutions, governmental and public bodies that may be helpful for keeping up to date with local legislation and market practice for improving the institutional framework for investors. This includes staying abreast of minority shareholder rights in the markets where we invest, including regulations around influencing management and reporting obligations (i.e., restrictions around shareholder activism such as acting in concert or exercising control). We also support different forums for promotion of good market practice, corporate governance, responsible practices, and other relevant topics that may be in the best interest of our clients.

The firm became a signatory to the United Nations supported Principles for Responsible Investment ("PRI") in February 2016, underlining our firm's commitment to consider corporate governance and sustainability information as part of our investment process consistent with our fiduciary duty. As a signatory to the PRI, we are committed to reporting our responsible investing activities every year. Our transparency report is publicly available at the following URL address: <https://www.unpri.org/signatories/reporting-and-assessment/public-signatory-reports>.

We strive to provide investors with regular communication about issues that impact financial performance, including corporate governance and sustainability topics. To educate and engage our clients, we publish insights, commentaries and articles describing our investment approach and philosophy. Each year we also produce a [Stewardship Report](#), which details Matthews' proxy voting activities and provides examples of our engagement activities throughout the year. Our most recent Stewardship Report is available on our website.

Proxy Voting

As active investment managers, we recognize our responsibility to make appropriate use of voting rights. For clients who delegate authority to us to vote proxies on their behalf, we have adopted written Proxy Voting Policies and Procedures ("Proxy Policies") to assist us in exercising shareholder voting rights and evaluating shareholder proposals in light of the best interests of our clients.

Matthews has adopted the International Proxy Voting Guidelines of ISS (the "Proxy Guidelines") which establish standing voting instructions for proxy issues. Matthews also retains the services of other independent proxy consultants and considers their proxy voting guidelines and proxy advisory recommendations to augment research in China and India. After careful review and study, the investment team will make a final decision for how to vote the proxies for securities held within their respective portfolios based on all available information, which may include other sources of information such as proxy materials, company engagement discussions, and other third-party research and data.

There may be circumstances under which we believe that it is in the best interest of a client to vote proxies in a manner inconsistent with the Proxy Guidelines. In such event, the investment team has the authority to "override" the Proxy Guidelines; provided that the override is in compliance with the conflicts of interest provisions of the Proxy Policies.

The Matthews investment team is responsible for monitoring and identifying situations that could give rise to a conflict of interest when voting proxies. The Proxy Policies address conflicts of interest arising in the context of proxy voting. Where Matthews itself has a conflict of interest with a specific portfolio or other client on whose behalf it is voting, or the company being voted on, we will follow the voting recommendations of a third-party (which will be the supplier of our proxy voting processing and research service). However, Matthews may override the recommendations of the third-party if it believes it is in the interests of the fund/client to do so. Matthews always seeks to act in the interests of the specific fund/client.

As a general practice, we typically do not file shareholder proposals, in part due to the substantial variation and complexity around the process of doing so across the countries in which we invest, and in part due to the various regulatory restrictions related to shareholder activism. Instead, we generally take an in-person approach to issuer engagement, which we generally find to be more productive than filing shareholder resolutions.

For more information on proxy voting refer to the Matthews Proxy Voting Policy.

Review of Third-Party ESG Research and ESG Data Providers and Oversight of Proxy Voting Advisors

We review our use of Third-Party ESG Research and ESG Data Providers at least annually. We also perform oversight of our proxy voting advisors and benchmark them against peers.

Governance and Oversight

The Responsible Investment and Stewardship (“RI&S”) Sub-committee meets quarterly and was established to oversee matters related to corporate engagement, proxy voting, stewardship and active ownership, including the consideration of corporate governance and sustainability factors in the investment process when they are a significant element of the overall thesis and/or they pose a risk that is material to the long-term value of an investment. At least once a year, the RI&S Sub-committee chair updates the Matthews board of directors on its responsible investment program, including proxy voting activity.

The Corporate Citizenship and Sustainability Committee (“CCSC”), to which the RI&S Sub-committee reports, monitors Matthews’ responsible investing activities. The CCSC is responsible for overall strategic direction of the firm’s on-going commitment to environmental protection, occupational health and safety, corporate social responsibility and governance, sustainability, and other public policy matters deemed relevant to the firm.

