



Matthews Asia Statement on Investing in Cluster Munitions

A. Scope

Matthews Asia, which includes Matthews International Capital Management, LLC (MICM), all of its direct and indirect subsidiaries (“Matthews Asia”) and portfolios managed (including sub-advised) by Matthews Asia (“Portfolios”) adhere to this Statement on Investing in Cluster Munitions (“Statement”).

B. Convention on Cluster Munitions

The Convention on Cluster Munitions (CCM) is a legal instrument that prohibits all use, production, transfer and stockpiling of cluster munitions. It was adopted in Dublin, Ireland in May 2008 and entered into force on August 1, 2010, six months after it was ratified by 30 states. The CCM has been ratified by 106+ states and continues to be open for ratification.¹

Article 2 of the CCM defines “cluster munition” as “a conventional munition that is designed to disperse or release explosive submunitions each weighing less than 20 kilograms, and includes those explosive submunitions”. (This definition covers both the container as well as the submunition contained within it.) Article 3 defines “explosive submunition” as “a conventional munition that in order to perform its task is dispersed or released by a cluster munition and is designed to function by detonating an explosive charge prior to, on or after impact”.

C. Matthews Asia’s Ban on Cluster Munitions

All portfolios managed or sub-advised by Matthews Asia are prohibited from holding, acquiring, investing in, transacting in and/or financing public companies that are engaged in the use, production, transfer and/or stockpiling of cluster munitions (“Companies”). Matthews Asia relies on a reputable, third party to identify such Companies and reviews the list of Companies at least quarterly. The Companies are coded into the trading Compliance systems, which restricts the Portfolio from trading in them.

¹ A list of states that have ratified and/or signed the CCM is available at www.clusterconvention.org.