

## WEBSITE DISCLOSURE OF A FUND THAT PROMOTES E/S CHARACTERISTICS

### EASTSPRING INVESTMENTS – ASIAN DYNAMIC FUND

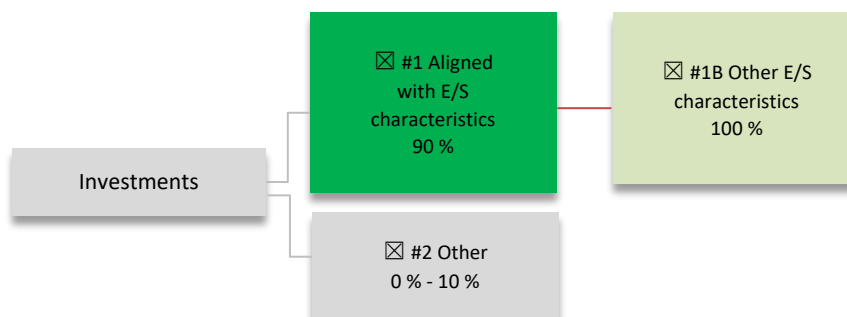
#### Summary

Eastspring Investments Asian Dynamic Fund is a fund qualifying as Article 8 fund within the meaning of Sustainable Finance Disclosure Regulation (EU 2019/2088), promoting environmental (E) and Social (S) characteristics without engaging into sustainable investing. The Sub fund promotes E S characteristics, including but not limited to, factors affecting climate change (carbon emissions, pollution, waste management, energy efficiency, sustainable production practices), and resource management; corporate governance issues such as board independence, alignment of interests to goals besides shareholder profits and gender diversity; and social objectives including diversity and inclusion, health and wellbeing, safety and security, fair labour practices and more equal access to financial services; from here on known as “ESG Characteristics”.

This Sub-Fund aims to generate long-term capital growth through a concentrated portfolio of equities, equity-related securities, bonds, and currencies. The Sub-Fund will invest primarily in securities of companies which are incorporated, listed in or have their area of primary activity in the Asia Pacific ex-Japan Region.

Exclusions, Positive ESG selection, ESG integration and ESG engagement / proxy voting are the binding elements of the strategy used to select the investments to attain each of the environmental or social characteristics.

The Sub-Fund shall invest up to a maximum of 100% in equity and equity-related securities with a possibility to hold a maximum of 10% in cash as allowed under Luxembourg regulations. The Investment Manager shall ensure that 100% of equity and equity-related securities holdings of the Sub-Fund or a minimum 90% of the assets of the Sub-Fund will be aligned with environmental or social characteristics.



ESG characteristics are considered and integrated in the investment process based on the assessment and due diligence framework employed by the investment manager, who also commits to monitor the investee company’s progress using both quantitative and qualitative criteria to measure improvement as well as any financially material environmental and social factors as part of the research, portfolio construction and ongoing portfolio risk review.

The Investment Manager utilizes dedicated sets of data and methodologies to address sustainability indicators, to identify environmental and social characteristics and integrates

	<p>this information into the investment decision-making process and ongoing monitoring of the Sub-Fund.</p> <p>With regards to assessment of good governance practices, the Investment Manager uses direct dialogue with investee company management to influence policies on ESG, including areas covered by the ESG Characteristics of the Sub-Fund. Where necessary, the Investment Manager may choose to vote for or against policies that impact these ESG Characteristics and references ISS (or similar) shareholding services to inform the vote and ensure that voting is conducted in the best interests of clients.</p> <p>Quantifiable metrics are generated in-house and are supported by market-leading third-party data providers, including but not limited to, MSCI Sustainability indices and ESG ratings on individual companies, Sustainable Accounting Standards Board (SASB) financial materiality measures, which help identify material ESG evaluation criteria where data is available and relevant, and Institutional Shareholder Services (ISS) for guidance on exclusions and voting.</p> <p>Where data is limited, incomplete or deemed inaccurate, the Investment Manager will use its judgment and qualitative knowledge of the company and sector to estimate material ESG impacts on the business. The proportion of estimated data will also vary depending on the market and over time, based on the holdings of the Sub-Fund.</p> <p>The Investment Manager utilizes desk top tools, combining a range of ESG data sources to monitor for changes that may impact the portfolio and applies judgement in assessing the portfolio. Where applicable, company engagement is also used to monitor for progress and to promote sustainable business practices. The Risk and Compliance function utilizes the same desk top tools to monitor for portfolio exposures. The Risk Oversight function incorporates the monitoring of environmental and social factor exposures in portfolios and is a forum for a dialogue with the Investment Manager.</p> <p>The investment manager recognizes that data coverage and availability will vary across markets and will vary over time, based on the holdings of the Sub-Fund. Where data availability is limited estimations provided by data vendors may be utilized.</p> <p>On the Due Diligence side, the investment manager will test aspects that are material to a company's ability to fund its longer-term operations: changes in its level of capital efficiency; its ability focus on parts of the business that are core to the future drivers of profitability; the ability and willingness of management to respond in a competitive market environment; potential impacts from the quality of corporate governance; and the risks associated with environmental and social business performance that may impact a company's "social agency"—its ongoing franchise and the likely impact of management's behaviour on longer-term returns.</p> <p>No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.</p>
<p><b>No sustainable investment objective</b></p>	<p>This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.</p>

<b>E/S characteristics of the financial product</b>	<p>The Sub-Fund seeks to promote environmental characteristics, including but not limited to, factors affecting climate change (carbon emissions, pollution, waste management, energy efficiency, sustainable production practices), and resource management; corporate governance issues such as board independence, alignment of interests to goals besides shareholder profits and gender diversity; and social objectives including diversity and inclusion, health and wellbeing, safety and security, fair labour practices and more equal access to financial services; from here on known as “ESG Characteristics”. The Sub-Fund may seek to promote other ESG Characteristics not included in the list above, if they are considered financially material.</p> <p>The Sub-Fund does not have a reference index designated for the purpose of attaining the environmental or social characteristics which it promotes.</p>
<b>Investment Strategy</b>	<p>This Sub-Fund aims to generate long-term capital growth through a concentrated portfolio of equities, equity-related securities, bonds, and currencies. The Sub-Fund will invest primarily in securities of companies which are incorporated, listed in or have their area of primary activity in the Asia Pacific ex-Japan Region.</p> <p>The Sub-Fund may also invest in depository receipts including ADRs and GDRs, convertible bonds, preference shares, warrants and fixed income securities issued by Asian entities (both in US dollars and Asian currencies).</p> <p>Below is the list of binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics:</p> <ul style="list-style-type: none"> <li>• <b>Negative Exclusions:</b> The Sub-Fund complies with Eastspring Investments’ Exclusions Policy (<a href="https://www.eastspring.com/about-us/responsible-investment">https://www.eastspring.com/about-us/responsible-investment</a>), that is based on exclusion criteria with regards to certain businesses and their activities that Eastspring Investments believe are of detriment to the communities and wider society that they operate in. This means that the Sub-Fund has 0% exposure to excluded securities.</li> <li>• <b>Positive ESG Selection and ESG Integration:</b> ESG selection criteria are integrated into the Sub-Fund’s investment process. Each investment team integrates ESG Characteristics in a way that is most consistent with its investment process or style. The common elements across the investment teams are the evaluation of the ESG Characteristics that have a material impact on financial profitability. The Investment Manager seeks to identify material ESG issues that may impact a company’s performance over time and is guided by materiality frameworks provided by third-party providers such as SASB. Such frameworks help the Investment Manager identify material ESG issues based on a company’s sector, industry and sub-industry and the relevant metrics for measuring and monitoring the company’s progress on remedying these issues. Material ESG issues may include carbon emissions, land and water pollution, natural resource usage, waste management, labour management, human rights, corruption, and corporate governance. SASB (or similar) is augmented with data from other providers, such as MSCI ESG ratings for individual companies in the portfolio, in addition to judgment from the Investment Manager where the framework or scores may have limitations for implementation.</li> </ul>

- **ESG Engagement and Proxy Voting:** The Investment Manager uses direct dialogue with investee company management to influence policies on ESG, including areas covered by the ESG Characteristics of the Sub-Fund. Where necessary, the Investment Manager may choose to vote for or against policies that impact these ESG Characteristics and references ISS (or similar) shareholding services to inform the vote and ensure that voting is conducted in the best interests of clients.

*Assessment of good governance practices*

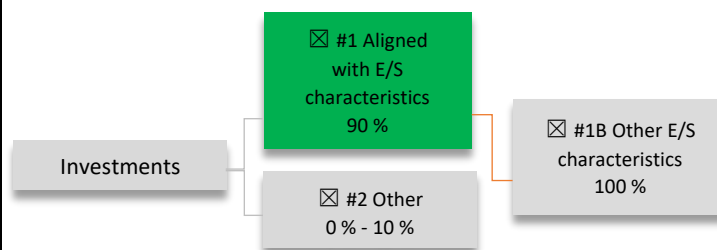
The Investment Manager engages directly with investee companies on a regular basis and monitors their governance practises over time. The Investment Manager tracks and logs company answers to questions related to good governance practices that may impact the company's ESG Characteristics, such as at the minimum, factors affecting climate change (carbon emissions, pollution, waste management, energy efficiency, sustainable production practices), resource management, social factors including diversity and inclusion, health and wellbeing, safety and security, fair labour practices, equal access to financial services; governance factors such as board independence, alignment of interests to goals besides shareholder profits and gender diversity.

The Investment Manager commits to monitoring a company's progress and uses both quantitative and qualitative assessments to measure improvement. Engagement is the cornerstone of good governance and is an integral component of the Investment Manager's stewardship standards.

In addition, the Investment Manager uses direct dialogue with investee company management to influence policies on ESG, including areas covered by the ESG Characteristics of the Sub-Fund.

**Proportion of investments**

The Sub-Fund shall invest up to a maximum of 100% in equity and equity-related securities with a possibility to hold a maximum of 10% in cash as allowed under Luxembourg regulations. The Investment Manager shall ensure that 100% of equity and equity-related securities holdings of the Sub-Fund or a minimum 90% of the assets of the Sub-Fund will be aligned with environmental or social characteristics.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

	<p><b>#2 Other</b> includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.</p> <p>The investments included under “Other” represent the maximum allowable cash position under Luxembourg regulations. Direct cash holdings, short term instruments, liquidity funds and money market funds may not be aligned with ESG Characteristics, and neither environmental nor social safeguards have been considered for their inclusion.</p>
<b>Monitoring of environmental or social characteristics</b>	<p>Consistent with the investment approach, the Investment Manager monitors financially material environmental and social factors as part of the research, portfolio construction and ongoing portfolio risk review. The Investment Manager utilizes desk top tools, combining a range of ESG data sources to monitor for changes that may impact the portfolio and applies judgement in assessing the portfolio. Where applicable, company engagement is also used to monitor for progress and to promote sustainable business practices. The Risk and Compliance function utilizes the same desk top tools to monitor for portfolio exposures. The Risk Oversight function incorporates the monitoring of environmental and social factor exposures in portfolios and is a forum for a dialogue with the Investment Manager.</p>
<b>Methodologies</b>	<p>The Investment Manager predominantly utilizes datasets and methodologies developed by MSCI to address sustainability indicators under SFDR requirements. The Investment Manager utilizes tools and methodologies, combining a range of ESG data sources, to identify environmental and social characteristics of investee companies and integrates this information into the investment decision-making process and ongoing monitoring of the Sub-Fund.</p> <p>The firm uses the Sustainable Accounting Standards Board (SASB) measures of financial materiality, which help identify material ESG evaluation criteria where data is available and relevant. This is supported by market-leading third-party data providers including but not limited to, MSCI Sustainability metrics and indices and ESG ratings on individual companies, and Institutional Shareholder Services (ISS) for guidance on exclusions and voting. Availability and accuracy of published data on environmental and social criteria may be more limited in some emerging markets than is commonly available elsewhere. Where data is limited, incomplete or deemed inaccurate, the Investment Manager may use other data sources or rely on its own judgment and qualitative knowledge of the company and sector to estimate material ESG impacts on the business.</p>
<b>Data sources and processing</b>	<ul style="list-style-type: none"> <li>(a) The Investment Manager predominantly utilizes datasets and methodologies developed by MSCI to address sustainability indicators under SFDR requirements.</li> <li>(b) Eastspring Investments undergoes third party risk profiling due diligence and assessment prior to entering into contractual arrangements.</li> <li>(c) Data management protocols allow for straight through processing of data into front office desk top tools, which reduces the potential for errors in processing data.</li> <li>(d) We recognize that data coverage and availability will vary across markets and will vary over time, based on the holdings of the Sub-Fund. Where data availability is limited, we may utilize estimations provided by our data vendor. The proportion of estimated data will also vary depending on the market and over time, based on the holdings of the Sub-Fund.</li> </ul>

<b>Limitations to methodologies and data</b>	<p>Potential limitations to the methodologies or data sources generally relate to the level and quality of disclosures by investee entities, timing delays in the assessment of such data by vendors, and differences in estimation processes between vendors where such data is not supplied.</p> <p>These limitations are ameliorated by the careful selection of industry leading vendors with broad coverage of issuer data, interaction with vendors in relation to questionable data points and direct engagement with portfolio companies on their environmental and social characteristics. In addition, many of these limitations are expected to be resolved as the International Sustainability Standards Board standards become mandatory throughout markets.</p>
<b>Due Diligence</b>	<p>Eastspring Investments' Global Emerging Markets and Regional Asia Value Equity team incorporates ESG issues into our fundamental analysis and decision-making process when we believe they could have a material impact on a company's valuation and financial performance. The team's approach is to gain a deep understanding of the medium to longer term sustainable earnings potential of a company by applying detailed fundamental analysis with a long-term perspective. We require significant valuation support to compensate for material risks to longer sustainable earnings.</p> <p>ESG issues and their potential impact differ across companies. We have adopted a framework and tools that assist in the efficient identification of ESG issues related to the companies we research. We currently use the SASB framework supported by MSCI ESG research and data in our due diligence, which includes preparation for company engagement.</p> <p>As part of our due diligence, we test aspects that are material to a company's ability to fund its longer-term operations: changes in its level of capital efficiency; its ability focus on parts of the business that are core to the future drivers of profitability; the ability and willingness of management to respond in a competitive market environment; potential impacts from the quality of corporate governance; and the risks associated with environmental and social business performance that may impact a company's "social agency"—its ongoing franchise and the likely impact of management's behaviour on longer-term returns. We test the sensitivity of our valuation to changes in our trend assumptions, which informs the level of confidence (or conviction) we may gain for the longer-term trend valuation of a company.</p> <p><b><u>ESG Risk Management</u></b></p> <p>At a portfolio level, ESG factors are monitored and managed primarily by the investment team using a range of desktop tools and analytics. Our proprietary portfolio analytics database, QPS Central, has a range of portfolio level data that the investment team can use to understand portfolio ESG factor profiles on an ongoing basis and to ensure it is aligned with mandates. The Risk and Compliance function utilises desktop tools to monitor portfolio exposures. The Risk Oversight function incorporates the monitoring of environmental and social factor exposures in portfolios and is a forum for a dialogue with the investment team and Eastspring Investments' Management.</p>

**Engagement policies**

Eastspring Investments has standards and policies which address engagement activities. These may be found on our Responsible Investment website on the link below:  
<https://www.eastspring.com/about-us/responsible-investment>