

Article 10 (SFDR)

Website disclosure for an Article 8 fund

AIA Asia (Ex Japan) Equity Fund

Version	Date	Explanation
1.0	1 February 2025	N.A.



Product name: AIA Asia (Ex Japan) Equity Fund (the “Sub-Fund”)

Legal entity identifier: 549300BWI7DEA28LUE61

Does this financial product have a sustainable investment objective?

☐ Yes

☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective: __%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective: __%**

☐ 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

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



A. Summary

No sustainable investment objective

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

Environmental or social characteristics of the financial product

The environmental and social (“E/S”) characteristics promoted by the Sub-Fund are the exclusion of controversial activities, which includes coal mining and / or coal-fired power generation, the manufacturing of tobacco or tobacco products as well as the manufacturing and / or development of cluster munitions.

Investment strategy

The Sub-Fund aims to generate long-term total returns through a portfolio of equities and equity-related securities issued primarily by Asian companies and to consider environmental, social and/or governance criteria as part of their investments within the meaning of Article 8 of the SFDR by applying exclusions.

Proportion of Investments

In order to achieve its investment objective, the Sub-Fund will invest at least 90% of the portfolio in issuers which are aligned with E/S characteristics by virtue of the binding elements of the Sub-Fund’s investment strategy.



Monitoring of environmental or social characteristics

The quantitative assessment includes a review of all current Invesco holdings' adherence to the exclusion policy. If an issuer is flagged for a certain exclusion, the ESG research team will assign the issuer a score as to how well they are addressing the poor performance. Those issuers that receive the lowest scores are then identified as engagement targets and if no improvement is established through such corporate engagement, then the Sub-Fund may proceed to divest and/or exclude investments.

Methodologies

To measure the attainment of the environmental characteristics promoted by the Sub-Fund, the sub-investment manager will calculate and report on an annual basis the percentage of the Sub-Fund's investments in sectors and activities in the exclusion list.

Data sources and processing

Invesco uses a combination of external data providers to assess compliance. This data is used to place trade restrictions on issuers that breach the defined thresholds. While there is broad coverage across various systems, there is no system that has complete coverage of the entire investment universe. As a result, investment teams will be responsible for assessing companies for which data is not available while including relevant estimations where necessary.

Limitations to methodologies and data

ESG data and methodologies can present certain limitations, including standardization concerns, data integrity, data availability, timeliness of data, subjectivity in interpretation, the limited scope of data, or reliance on estimates. Despite these limitations, ESG data remains essential to our investment analysis and does not affect how the Sub-Fund meets its environmental or social characteristics due to the measures put in place to address such limitations.

Due diligence

There are multiple levels of controls in place to help ensure that the Sub-Fund does not invest in securities issued by issuers that violate or breach the exclusionary criteria, including the review of the data received from ESG data vendors, restriction of issuers that breach the exclusionary criteria which can then not be purchased by the compliance team. Special compliance processes are in place for securities which a portfolio manager wishes to include in the Sub-Fund but are not covered by an ESG data vendor, as well as for data challenges where the portfolio manager believes there is a factual error in the ESG vendor's data.

Engagement policies

Those issuers that receive the lowest scores on how they are addressing poor performance with respect to a certain exclusion are identified as engagement targets and are primarily engaged through methods such as letters, meetings, proxy voting. If no improvement is established through such corporate engagement, then the Sub-Fund may proceed to divest and/or exclude investments.

Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted.



B. No sustainable investment objective

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



C. Environmental or social characteristics of the financial product

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

The environmental and social (“E/S”) characteristics promoted by the Sub-Fund are the exclusion of controversial activities, which includes coal mining and / or coal-fired power generation, the manufacturing of tobacco or tobacco products as well as the manufacturing and / or development of cluster munitions. Alignment with those characteristics is ensured by applying the ESG screens further described below.



D. Investment strategy

What investment strategy does this financial product follow?

This Sub-Fund applies the following investment strategy:

- The Sub-Fund applies ESG screening to implement exclusions. The sub-investment Manager will ensure that the Sub-Fund will not directly hold or acquire any of the following:
 - Cluster munitions: issuers manufacturing or developing cluster munitions.
 - Tobacco: issuers which manufacture tobacco or tobacco products as the primary source of their business.
 - Coal: issuers which are coal mining and/or coal-fired power generation (or which may become such companies through their activities including, without limitation, mergers and acquisitions). The exclusion will be based on the following key criteria:
 - a) Companies engaged in coal mining and/or coal fired power plant operations (regardless of the % of revenue / earnings contribution)
 - b) Companies that own subsidiaries and/or have a majority equity stakes in companies that operate coal mining and/or coal fired power plant operations; and resultantly



recognize or receive revenue, profits and/or dividends from coal mining and/or coal fired power plant operations.

The sub-investment manager will utilize data points provided by a third-party vendor to identify and exclude companies for the purpose of these criteria.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental and/or social characteristics promoted by this financial product?

The binding element of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this Sub-Fund is the commitment to follow the exclusions described above.

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

Companies are assessed on a range of good governance principles which may vary, for example due to differing business profiles or operating jurisdictions. Investment teams can utilise both qualitative and quantitative measures with appropriate action taken where material concerns around governance exist. The assessment of good governance includes sound management structures, employee relations, remuneration of staff and tax compliance.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, the Sub-Fund considers principal adverse impacts on sustainability factors (PAIs) by carrying out a qualitative and quantitative review of key metrics (primarily the 14 indicators as defined in Table 1 of the Annex I of the regulatory technical standards for Regulation 2019/2088). The quantitative review includes a review of all current holdings of the sub-investment manager and the relevant PAI data. Through this initial review an absolute threshold is set that will flag issuers that fail to meet minimum standards, as well as companies that flag on a binary output (such as controversial weapons or UN Global Compact violations). Once issuers are flagged for the quantitative review, an assessment is completed to understand if there is publicly available information from the issuer that we are aware of that can be shown to be addressing the poor performance on the flagged PAI. The sub-investment manager's ESG research team will assign the issuer a score as to how well they are addressing the poor performance. Those issuers that receive the lowest scores are then identified as engagement targets and are primarily engaged through methods such as letters, meetings, proxy voting. If no improvement is established through such corporate engagement, then the Sub-Fund may proceed to divest and/or exclude investments.



Information on principal adverse impacts on sustainability factors will be available in the annual reports of the Sub-Fund.

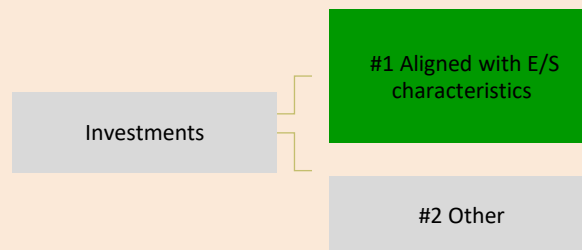
☐ No



E. Proportion of investments

What is the asset allocation planned for this financial product?

The exclusions will be screened to the full investment universe, representing at least 90% of the portfolio (#1 Aligned with E/S characteristics) by virtue of the binding elements of the Sub-Fund's investment strategy. Ancillary liquid assets and money market instruments which are held for cash management/liquidity purposes may not be assessed for compliance with the above exclusion framework (#2 Other). The purpose of the remaining proportion of the investments, including a description of any minimum environmental or social safeguards is described below in the section "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".



#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.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund does not currently commit to invest in EU Taxonomy aligned investments.



The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU Criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

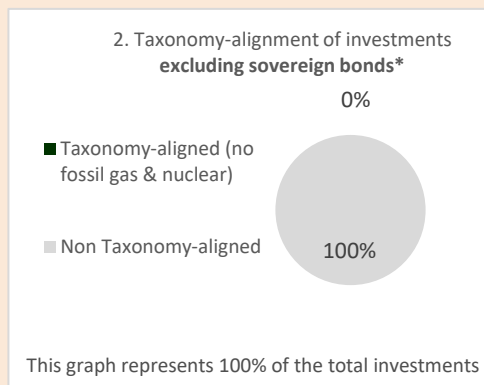
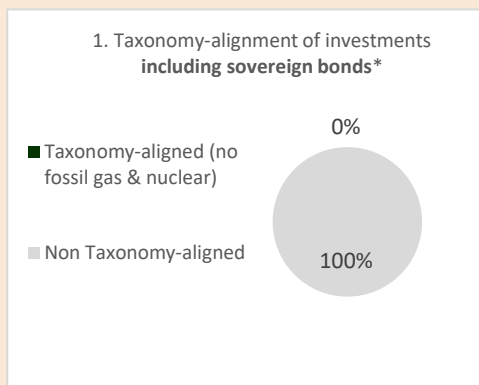
Does the financial product invest in fossil gas and/ or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



**** For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures.***

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



What is the minimum share of investments in transitional and enabling activities?

The Sub-Fund does not currently commit to invest in transitional and enabling activities.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-Fund promotes environmental and social characteristics but does not commit to making any sustainable investments. Therefore, the Sub-Funds does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

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

The Sub-Fund may hold up to 10% maximum in ancillary liquid assets or money market instruments for cash management/liquidity purposes which will not be assessed for compliance with the above exclusion framework. Due to the neutral nature of the assets, no minimum safeguards have been put in place.



F. Monitoring of environmental or social characteristics

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 each of the environmental and social characteristics promoted are:

- the percentage of the Sub-Fund’s NAV in companies involved in coal mining and / or coal-fired power generation companies (or which may become such companies through their activities including, without limitation, mergers and acquisitions);
- the percentage of the Sub-Fund’s NAV in companies involved in manufacturing tobacco or tobacco products as the primary source of their business; and
- the percentage of the Sub-Fund’s NAV in companies involved in manufacturing or developing cluster munitions.



How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product?

The environmental and/or social characteristics are monitored internally and externally in a variety of ways. The Sub-Fund uses business activity-based exclusions to support the attainment of the promoted environmental and/or social characteristics, and these are implemented on a continuous basis through ongoing compliance with, and monitoring of, the binding commitments. The Investment Compliance team within the sub-investment manager monitors compliance with the policy on assessing breaches of the exclusion policy and will review/investigate any potential breaches and liaise with the investment team for immediate rectification. Whenever there is a data challenge or potential breach, the Investment Compliance team works with ESG research team analysts and/or the investment managers within the sub-investment manager and uses a third-party data feed (updated quarterly), supplemented by internal research to ensure compliance or take necessary actions.



G. Methodologies

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

To measure the attainment of the environmental characteristics promoted by the Sub-Fund, the sub-investment manager will calculate and report on an annual basis the percentage of the Sub-Fund's investments in sectors and activities in the exclusion list.

Therefore, with this methodology, the sub-investment manager will ensure that the Sub-Fund will not directly hold or acquire any of the following:

- Cluster munitions: issuers manufacturing or developing cluster munitions.
- Tobacco: issuers which manufacture tobacco or tobacco products as the primary source of their business.
- Coal: issuers which are coal mining and/or coal-fired power generation (or which may become such companies through their activities including, without limitation, mergers and acquisitions).



H. Data sources and processing

What are the data sources used to attain each of the environmental or social characteristics?

To assess companies around the above activities, Invesco uses a combination of Sustainalytics and ISS (Institutional Shareholder Services) to assess compliance. However, this can be supplemented with other service providers where appropriate. This data is used to place trade restrictions on



issuers that breach the defined thresholds. While there is broad coverage across various systems, there is no system that has complete coverage of the entire investment universe. As a result, investment teams will be responsible for assessing companies for which data is not available, under the appropriate supervision and oversight of Invesco's investment compliance team and the global ESG team. It is expected that the number of companies for which data will not be available will remain limited, but the team is not in a position to quantify this proportion, as the data may evolve over time.

Invesco has also implemented a challenge process where, if there is disagreement between a data vendor's analysis of a company and the portfolio manager's analysis of the company in relation to the above exclusionary criteria, the portfolio manager can request a review of the data leading to the restriction. This data review is done independently of the portfolio manager and of the compliance team and is handled by the global ESG research team. If the global ESG research team determines that the restriction should not be applied to a particular issuer, the trade restriction is then lifted.

The Sub-Fund's investment universe will be covered and assessed against the exclusion framework with the only exception of asset classes (including cash management and index derivatives) that are not aligned with the environmental or social characteristics promoted by the Sub-Fund.



I. Limitations to methodologies and data

What are the limitations to the methodologies and data sources?

ESG data and methodologies can present certain limitations, including the following:

- Standardization concerns: varying ESG reporting methodologies across companies can impede comparative analytics and evaluations.
- Data integrity: ESG data accuracy is contingent on reliable company disclosures.
- Data availability: selective ESG disclosure by entities can limit the insight into potential ESG-related risks and opportunities.
- Timeliness of data: the reporting lag in ESG data can impact the ability to react promptly to shifting scenarios.
- Subjectivity in interpretation: the inherent subjectivity of ESG factors can lead to varied interpretations, thereby posing challenges to maintaining consistent ESG-related investment strategies.
- Scope of data: ESG reporting is not standardized among issuers. This lack of standardization means that there can be a difference in available data between issuers.



- Reliance on estimates: largely due to the lack of standardization in disclosure and the potential data gaps found in certain ESG related datasets, many ratings and analyses often rely on estimates. This has the benefit of filling in missing information in a dataset, however various methodologies behind these estimates introduce an additional level of complexity. Direct company disclosure is always preferred.

Despite these limitations, ESG data remains essential to our investment analysis and does not affect how the Sub-Fund meets its environmental or social characteristics. We incorporate ESG data as part of a comprehensive analysis process alongside key elements such as financial performance and market trends. In addition, we conduct multiple checks on the data prior to being loaded into our proprietary ESG platform. Our investment analysts and portfolio managers can challenge the ESG data, overseen by a dedicated team of independent ESG analysts. This multifaceted approach diminishes the potential impact of data limitations.



J. Due diligence

What is the due diligence carried out on the underlying assets?

There are multiple levels of controls in place to help ensure that the Sub-Fund does not invest in securities issued by issuers that violate or breach the exclusionary criteria. The first step in this due diligence process is the review of the data received from ESG data vendors to help ensure that each update file is as complete as possible before ingestion into internal systems. This includes an analysis of the changes between the current data file and previous data files, highlighting significant changes and potentially requesting confirmation of these changes.

Issuers that breach the exclusionary criteria and thresholds are then restricted from being purchased by the compliance team. Where there is a security that a portfolio manager wishes to include in the Sub-Fund but is not covered by an ESG data vendor, the portfolio manager will do primary research on the issuer and determine if the issuer should pass or fail based on the exclusionary criteria. This initial review is then cross-checked by Invesco's dedicated global ESG research team. If the global ESG research team agrees with the portfolio manager's assessment, the security is allowed. If the global ESG team disagrees with the portfolio manager's assessment, the review will be escalated to the Chief Investment Officer overseeing the Sub-Fund for a final determination. A similar process is in place for data challenges where the portfolio manager believes there is a factual error in the ESG vendor's data.



K. Engagement policies

Is engagement part of the environmental or social investment strategy?

☒ Yes

☐ No



What are the engagement policies?

The investment team engages with companies as part of their fundamental analysis of companies. The engagement process is designed to identify compelling investment opportunities but also to assess the risks and opportunities from an Environmental, Social, and Governance (ESG) perspective. The team prioritise their engagement efforts by establishing a focus list which begins with a quantitative screening phase, where ESGintel is utilized to flag companies with high ESG ratings (4 or 5) and those discussed in semi-annual ESG meetings. Companies with the highest greenhouse gas (GHG) emissions and carbon intensity, including those under the Net Zero (NZ) framework, are prioritized, as well as companies not aligned with the Transition Pathway Initiative (TPI). Additionally, companies involved in or prone to controversies requiring greater scrutiny regarding their internal policies and practices are identified. Following the quantitative screening, a qualitative assessment is conducted to refine the list of target companies further. This involves selecting companies with the highest risk to 'fair value,' where ESG issues could materially impact their financial performance and valuation, and those with the potential to make significant improvements in their ESG performance, where engagement is most likely to be rewarded with positive changes. By combining these quantitative and qualitative screening methods, the engagement efforts are focused on the most impactful areas, driving meaningful improvements and enhancing long-term value.

Once identified as engagement targets, these issuers are primarily engaged through methods such as letters, meetings, and proxy voting. If no improvement is established through such corporate engagement, the Sub-Fund may proceed to divest and/or exclude investments. Information on principal adverse impacts on sustainability factors is available in the annual report of the Sub-Fund.



L. Reference benchmark

Has a specific index designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product?

☐ Yes

☒ No

Where can more product-specific information be found?

More product-specific information can be found on the website:

<https://investment.aia.com/sg/index.html>