



# Matthews Asia

## RATINGS

Overall Morningstar Rating™ ★★★

## FUND FACTS (USD)

|                               |                                      |
|-------------------------------|--------------------------------------|
| Total Fund Assets             | \$1.1 million                        |
| Total # of Positions          | 34                                   |
| Weighted Average Market Cap   | \$82.2 billion                       |
| Benchmark                     | MSCI All Country Asia ex Japan Index |
| Management Fee                | 1.25%                                |
| Minimum Initial Investment    | \$1,000/£500                         |
| Minimum Subsequent Investment | \$500/£250                           |
| Fund Domicile                 | Luxembourg                           |
| Available Share Classes       | A, I                                 |
| Base Currency                 | USD                                  |
| Net Asset Value               |                                      |
| A Acc (USD)                   | \$11.27                              |

## PORTFOLIO MANAGEMENT

**Kenneth Lowe, CFA**

Lead Manager

**S. Joyce Li, CFA**

Co-Manager

## RISKS

The value of an investment in the Fund can go down as well as up and possible loss of principal is a risk of investing. Investments in international and emerging market securities may involve risks such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation. The Fund invests in holdings denominated in foreign currencies, and is exposed to the risk that the value of the foreign currency will increase or decrease. The Fund invests primarily in equity securities, which may result in increased volatility. Investments in focused funds may be subject to greater share price volatility as a larger portion of their assets may be invested in the securities of a single issuer compared to diversified funds. These and other risks associated with investing in the Fund can be found in the Prospectus.

## MATTHEWS ASIA

Matthews Asia believes in the long-term growth of Asia, one of the world's fastest-growing regions. Since 1991, we have focused our efforts and expertise in these countries, investing through a variety of market environments. Matthews Asia employs a bottomup, fundamental investment philosophy with a focus on long-term investment performance. As of 30 June 2018, Matthews Asia had US\$33.9 billion in assets under management.

# Asia Focus Fund

Class A Shares

Matthews Asia Funds

30 June 2018

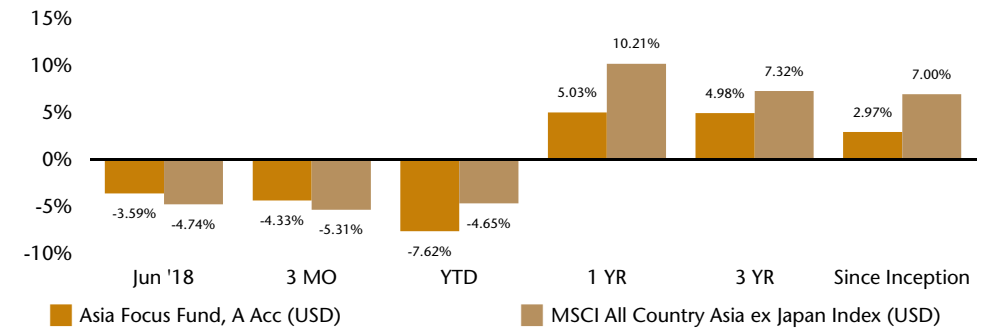
## Investment Objective

Long-term capital appreciation.

## Available Share Classes

| Share Class | ISIN         | SEDOL   | CUSIP     |
|-------------|--------------|---------|-----------|
| A Acc (USD) | LU1061980048 | BMJ6P18 | L6263Q702 |

## Performance as of 30 June 2018†



| Asia Focus Fund                   | Jun '18 | 3 MO   | YTD    | 1 YR   | 3 YR  | 5 YR | Since Inception | Inception   |
|-----------------------------------|---------|--------|--------|--------|-------|------|-----------------|-------------|
| A Acc (USD)                       | -3.59%  | -4.33% | -7.62% | 5.03%  | 4.98% | n.a. | 2.97%           | 30 May 2014 |
| MSCI AC Asia ex Japan Index (USD) | -4.74%  | -5.31% | -4.65% | 10.21% | 7.32% | n.a. | 7.00%           | n.a.        |

## Annual Returns (For the 12 month period ended 30 June)

| Asia Focus Fund                   | 2018   | 2017   | 2016    | 2015   | 2014 |
|-----------------------------------|--------|--------|---------|--------|------|
| A Acc (USD)                       | 5.03%  | 17.52% | -6.26%  | -2.99% | n.a. |
| MSCI AC Asia ex Japan Index (USD) | 10.21% | 27.06% | -11.72% | 4.14%  | n.a. |

† All returns over 1 year are annualised

**All performance quoted represents past performance and is no guarantee of future results.** Investment return and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than the original cost. Current performance may be lower or higher than performance shown. Investors investing in Funds denominated in non-local currency should be aware of the risk of currency exchange fluctuations that may cause a loss of principal.

Performance details provided are based on a NAV-to-NAV basis with any dividends reinvested, and are net of management fees and other expenses. Source: Brown Brothers Harriman (Luxembourg) S.C.A.

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Overall Morningstar Ratings are reflective of the USD Accumulation Share class.

Fund ratings represent an opinion only and are not a recommendation to buy or sell any fund.

# Asia Focus Fund

30 June 2018

## TOP TEN HOLDINGS<sup>1</sup>

|   | Country         | % of Net Assets |
|---|-----------------|-----------------|
| AIA Group, Ltd.   | China/Hong Kong | 6.7%            |
| Tencent Holdings, Ltd.                                  | China/Hong Kong | 6.6%            |
| Broadcom, Inc.  | United States   | 4.3%            |
| Xiabuxiabu Catering Management China Holdings Co., Ltd. | China/Hong Kong | 4.2%            |
| Macquarie Group, Ltd.                                   | Australia       | 3.5%            |
| United Overseas Bank, Ltd.                              | Singapore       | 3.4%            |
| Jardine Matheson Holdings, Ltd.                         | China/Hong Kong | 3.3%            |
| PT Matahari Department Store                            | Indonesia       | 3.2%            |
| Taiwan Semiconductor Manufacturing Co., Ltd.            | Taiwan          | 3.1%            |
| Coway Co., Ltd.   | South Korea     | 3.0%            |
| <b>% OF ASSETS IN TOP TEN</b>                           |                 | <b>41.3%</b>    |

Source: Brown Brothers Harriman (Luxembourg) S.C.A.

## SECTOR ALLOCATION (%)<sup>2</sup>

|   | Fund | Benchmark | Difference |
|---|------|-----------|------------|
| Financials                              | 28.5 | 22.8      | 5.7        |
| Information Technology                  | 21.6 | 31.6      | -10.0      |
| Consumer Discretionary                  | 21.6 | 8.9       | 12.7       |
| Industrials                             | 10.8 | 6.5       | 4.3        |
| Telecom Services                        | 8.1  | 3.7       | 4.4        |
| Consumer Staples                        | 5.5  | 5.0       | 0.5        |
| Real Estate                             | 2.2  | 6.0       | -3.8       |
| Materials                               | 0.0  | 4.7       | -4.7       |
| Energy                                  | 0.0  | 4.5       | -4.5       |
| Health Care                             | 0.0  | 3.2       | -3.2       |
| Utilities                               | 0.0  | 3.1       | -3.1       |
| Cash and Other Assets, Less Liabilities | 1.7  | 0.0       | 1.7        |

Sector data based on MSCI's revised Global Industry Classification Standards. For more details, visit [www.msci.com](http://www.msci.com).  
Source: FactSet Research Systems

## COUNTRY ALLOCATION (%)<sup>2</sup>

|   | Fund | Benchmark | Difference |
|---|------|-----------|------------|
| China/Hong Kong                         | 41.5 | 48.3      | -6.8       |
| Singapore                               | 11.6 | 3.9       | 7.7        |
| South Korea                             | 7.8  | 16.5      | -8.7       |
| Taiwan                                  | 5.6  | 13.1      | -7.5       |
| Indonesia                               | 5.6  | 2.2       | 3.4        |
| India                                   | 5.5  | 9.7       | -4.2       |
| United States                           | 4.3  | 0.0       | 4.3        |
| Australia                               | 3.5  | 0.0       | 3.5        |
| Switzerland                             | 2.8  | 0.0       | 2.8        |
| Japan                                   | 2.7  | 0.0       | 2.7        |
| Thailand                                | 2.5  | 2.5       | 0.0        |
| Philippines                             | 2.5  | 1.1       | 1.4        |
| Malaysia                                | 2.4  | 2.6       | -0.2       |
| Pakistan                                | 0.0  | 0.1       | -0.1       |
| Cash and Other Assets, Less Liabilities | 1.7  | 0.0       | 1.7        |

Source: FactSet Research Systems

## MARKET CAP EXPOSURE (%)<sup>2,3</sup>

|   | Fund | Benchmark | Difference |
|---|------|-----------|------------|
| Mega Cap (over \$25B)                   | 55.3 | 53.2      | 2.1        |
| Large Cap (\$10B-\$25B)                 | 9.5  | 25.4      | -15.9      |
| Mid Cap (\$3B-\$10B)                    | 16.6 | 18.1      | -1.5       |
| Small Cap (under \$3B)                  | 17.0 | 3.4       | 13.6       |
| Cash and Other Assets, Less Liabilities | 1.7  | 0.0       | 1.7        |

Source: FactSet Research Systems

## P/E RATIOS<sup>4</sup>

|                         |       |
|-------------------------|-------|
| P/E Using FY1 Estimates | 15.0x |
| P/E Using FY2 Estimates | 13.6x |

Source: FactSet Research Systems (P/E est. as of 30/06/18)

- Holdings may combine more than one security from the same issuer and related depositary receipts.
- Percentage values in data are rounded to the nearest tenth of one percent; the values may not sum to 100% due to rounding. Percentage values may be derived from different data sources and may not be consistent with other Fund literature.
- Equity market cap of issuer.
- The P/E Ratio is the share price of a stock as of the report date, divided by the forecasted earnings per share for a 12-month period (FY1) and 24 month period (FY2). For the Fund, this is the weighted harmonic average estimated P/E ratio of all the underlying stocks in the Fund, excluding negative earners. There is no guarantee that the composition of the Fund will remain unchanged, or that forecasted earnings of a stock will be realized. Information provided is for illustrative purposes only.

The MSCI All Country Asia ex Japan Index is a free float—adjusted market capitalization—weighted index of the stock of markets of China, Hong Kong, India, Indonesia, Korea, Malaysia, Pakistan, the Philippines, Singapore, Taiwan and Thailand. Index is for comparative purposes only and it is not possible to invest directly in an index.

## IMPORTANT INFORMATION

The Fund is a sub-fund of Matthews Asia Funds SICAV, an umbrella fund, with segregated liability between sub-funds, established as an open-ended investment company with variable capital and incorporated with limited liability under the laws of Luxembourg. It is authorised by the Commission de Surveillance du Secteur Financier (CSSF) as a UCITS and is only registered for public offer and sale in Finland, France, Germany, Luxembourg, Spain, Sweden and the United Kingdom. Not all share classes are registered in each jurisdiction. For investors in Singapore, the Matthews Asia Funds (the "Funds") are not authorised or recognised by the Monetary Authority of Singapore, and Shares of the Funds are not allowed to be offered to the retail public. Shares in the Funds may only be offered to (i) to an accredited investor or other relevant person, or (ii) to an institutional investor. **NOT FOR SALE IN THE U.S. OR TO U.S. PERSONS.**

Matthews Asia is the brand for Matthews International Capital Management, LLC and its direct and indirect subsidiaries.

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