



# Matthews Asia

## RATINGS

Overall Morningstar Rating™ **★★★★**



## FUND FACTS (USD)

|                               |  |
|-------------------------------|--|
| Total Fund Assets             | \$17.0 million                                 |
| Total # of Positions          | 66   |
| Weighted Average Market Cap   | \$3.9 billion                                  |
| Benchmark                     | MSCI All Country Asia ex Japan Small Cap Index |
| Management Fee                | 1.00%  |
| Minimum Initial Investment    | \$100,000/£50,000*                             |
| Minimum Subsequent Investment | \$100/£50*                                     |
| Fund Domicile                 | Luxembourg                                     |
| Available Share Classes       | A, I   |
| Base Currency                 | USD  |
| Additional Dealing Currencies | GBP  |
| Net Asset Value               |  |
| I Acc (USD)                   | \$15.45  |
| I Acc (GBP)                   | £19.09   |

## PORTFOLIO MANAGEMENT

**Vivek Tanneeru**

Lead 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. Fixed income investments are subject to additional risks, including, but not limited to, interest rate, credit and inflation risks. The Fund may invest in the following: derivatives which can be volatile and affect Fund performance; high yield bonds (junk bonds) which can subject the Fund to substantial risk of loss; and structured investments which can change the risk or return, or replicate the risk or return of an underlying asset. 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. 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 September 2020, Matthews Asia had US\$23.7 billion in assets under management.

# Asia Small Companies Fund

Matthews Asia Funds

## Class I Shares

30 September 2020

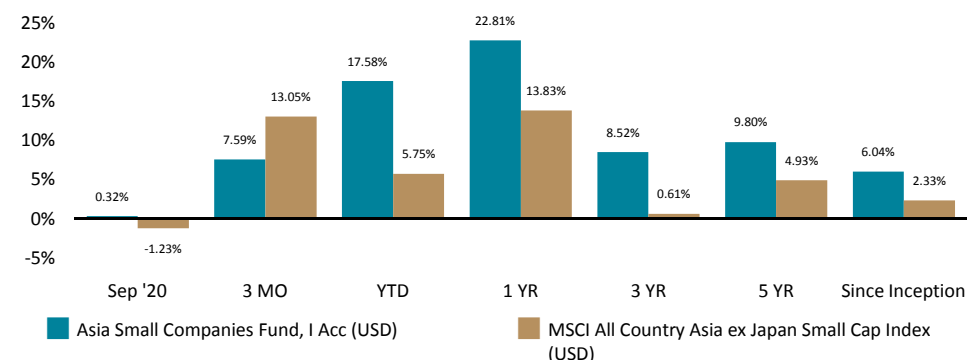
## Investment Objective

Long-term capital appreciation.

## Available Share Classes

| Share Class | ISIN         | SEDOL   | CUSIP     |
|-------------|--------------|---------|-----------|
| I Acc (USD) | LU0871674296 | B8BDQ61 | L6258V146 |
| I Acc (GBP) | LU0871674379 | BLRZYX5 | L6258V153 |

## Performance as of 30 September 2020<sup>†</sup>



| Asia Small Companies Fund                   | Sep '20 | 3 MO   | YTD    | 1 YR   | 3 YR   | 5 YR   | Since Inception    | Inception   |
|---|---------|--------|--------|--------|--------|--------|--------------------|-------------|
| I Acc (USD)                                 | 0.32%   | 7.59%  | 17.58% | 22.81% | 8.52%  | 9.80%  | 6.04%              | 30 Apr 2013 |
| I Acc (GBP)                                 | 4.26%   | 2.97%  | 21.05% | 17.84% | 10.08% | 13.56% | 10.60%             | 30 Apr 2014 |
| MSCI AC Asia ex Japan Small Cap Index (USD) | -1.23%  | 13.05% | 5.75%  | 13.83% | 0.61%  | 4.93%  | 2.33% <sup>1</sup> | n.a.        |

## Rolling 12 Month Returns (For the period ended 30 September 2020)

| Asia Small Companies Fund                   | 2020   | 2019   | 2018   | 2017   | 2016   |
|---|--------|--------|--------|--------|--------|
| I Acc (USD)                                 | 22.81% | 3.71%  | 0.33%  | 11.33% | 12.19% |
| I Acc (GBP)                                 | 17.84% | 9.98%  | 2.94%  | 7.76%  | 31.36% |
| MSCI AC Asia ex Japan Small Cap Index (USD) | 13.83% | -8.40% | -2.33% | 13.03% | 10.51% |

\* For U.K. residents only, the minimum initial investment is \$1,000/£500 and the minimum subsequent investment is \$100/£50.

<sup>†</sup> All returns over 1 year are annualised

<sup>1</sup> Index calculated from 30 April 2013

**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.

Due to current market volatility associated with the COVID-19 pandemic, funds may experience significant negative short-term performance.

FE Crown Fund Rating as of 20/07/2020.

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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 Small Companies Fund

30 September 2020

## TOP TEN HOLDINGS<sup>2</sup>

|  | Country         | % of Net Assets |
|--|-----------------|-----------------|
| Silergy Corp.                                  | China/Hong Kong | 4.5%            |
| Kingdee International Software Group Co., Ltd. | China/Hong Kong | 2.9%            |
| Flat Glass Group Co., Ltd.                     | China/Hong Kong | 2.8%            |
| Crompton Greaves Consumer Electricals, Ltd.    | India           | 2.5%            |
| Dr. Lal PathLabs, Ltd.                         | India           | 2.5%            |
| Innovent Biologics, Inc.                       | China/Hong Kong | 2.4%            |
| Phoenix Mills, Ltd.                            | India           | 2.3%            |
| Peijia Medical, Ltd.                           | China/Hong Kong | 2.3%            |
| ASMedia Technology, Inc.                       | Taiwan          | 2.1%            |
| Joyoung Co., Ltd.                              | China/Hong Kong | 2.1%            |
| <b>% OF ASSETS IN TOP TEN</b>                  |                 | <b>26.4%</b>    |

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

## SECTOR ALLOCATION (%)<sup>3</sup>

|   | Fund | Benchmark | Difference |
|---|------|-----------|------------|
| Information Technology                  | 26.9 | 20.7      | 6.2        |
| Health Care                             | 22.7 | 10.8      | 11.9       |
| Industrials                             | 15.5 | 13.8      | 1.7        |
| Consumer Discretionary                  | 11.0 | 14.2      | -3.2       |
| Consumer Staples                        | 7.8  | 4.9       | 2.9        |
| Real Estate                             | 6.1  | 11.3      | -5.2       |
| Communication Services                  | 2.8  | 4.3       | -1.5       |
| Materials                               | 1.8  | 9.4       | -7.6       |
| Financials                              | 0.7  | 6.9       | -6.2       |
| Utilities                               | 0.0  | 2.2       | -2.2       |
| Energy                                  | 0.0  | 1.4       | -1.4       |
| Cash and Other Assets, Less Liabilities | 4.6  | 0.0       | 4.6        |

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>3</sup>

|   | Fund | Benchmark | Difference |
|---|------|-----------|------------|
| China/Hong Kong                         | 49.0 | 22.1      | 26.9       |
| India                                   | 16.2 | 14.1      | 2.1        |
| Taiwan                                  | 14.5 | 25.7      | -11.2      |
| South Korea                             | 8.6  | 20.6      | -12.0      |
| Vietnam                                 | 3.0  | 0.0       | 3.0        |
| Philippines                             | 1.7  | 0.8       | 0.9        |
| United States                           | 1.1  | 0.0       | 1.1        |
| Singapore                               | 1.0  | 7.0       | -6.0       |
| Thailand                                | 0.4  | 3.6       | -3.2       |
| Malaysia                                | 0.0  | 3.6       | -3.6       |
| Indonesia                               | 0.0  | 1.8       | -1.8       |
| Pakistan                                | 0.0  | 0.6       | -0.6       |
| Cash and Other Assets, Less Liabilities | 4.6  | 0.0       | 4.6        |

Source: FactSet Research Systems

## MARKET CAP EXPOSURE (%)<sup>3,4</sup>

|   | Fund | Benchmark | Difference |
|---|------|-----------|------------|
| Large Cap (\$10B-\$25B)                 | 6.1  | 0.0       | 6.1        |
| Mid Cap (\$3B-\$10B)                    | 40.7 | 10.3      | 30.4       |
| Small Cap (under \$3B)                  | 48.6 | 89.7      | -41.1      |
| Unassigned                              | 0.1  | 0.0       | 0.1        |
| Cash and Other Assets, Less Liabilities | 4.6  | 0.0       | 4.6        |

Source: FactSet Research Systems

## P/E RATIOS<sup>5</sup>

|                         |       |
|-------------------------|-------|
| P/E Using FY1 Estimates | 27.5x |
| P/E Using FY2 Estimates | 22.0x |

Source: FactSet Research Systems (P/E est. as of 30/09/20)

## 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, Italy, 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.

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Investors should consider the Fund's investment objectives, risks, charges, and expenses carefully before investing. The prospectus, Key Investor Information Document or other offering documents ("Offering Documents") contain this and other information about the Fund. To obtain the Offering Documents, please contact Matthews Asia or your financial professional. Please read the Offering Documents carefully before investing. Fees and expenses vary among Funds and share classes.

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<sup>2</sup> Holdings may combine more than one security from the same issuer and related depositary receipts.

<sup>3</sup> 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.

<sup>4</sup> Equity market cap of issuer. Effective 25 May 2020, the Fund defines Small Companies as any company that has a market capitalization no higher than the greater of \$5 billion or the market capitalization of the largest company included in the Fund's primary benchmark, the MSCI AC Asia ex Japan Small Cap Index. The Portfolio's market cap exposure breakdown presented is used for comparison purposes and the definition of the capitalization breakdown is from MSCI.

<sup>5</sup> 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 Small Cap Index is a free float—adjusted market capitalization—weighted small cap index of the stock markets of China, Hong Kong, India, Indonesia, Malaysia, Pakistan, Philippines, Singapore, South Korea, Taiwan and Thailand. Index is for comparative purposes only and it is not possible to invest directly in an index.