



Matthews Asia

**RATINGS**

Overall Morningstar Rating™ ★★★★★

**FUND FACTS (USD)**

Total Fund Assets	\$14.8 million
Total # of Positions	55
Weighted Average Market Cap	\$42.3 billion
Benchmark	MSCI China 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)	\$16.20
A Dist (USD)	\$14.03

**PORTFOLIO MANAGEMENT**

**Sherwood Zhang, CFA**  
Lead Manager

**Yu Zhang, 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 currency, 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. There is no guarantee that the Fund or the companies in its portfolio will pay or continue to pay dividends. Investments in a single-country fund may be subject to a higher degree of market risk than diversified funds because of concentration in a specific country. 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 2018, Matthews Asia had US\$32.5 billion in assets under management.

# China Dividend Fund

Class A Shares

Matthews Asia Funds  
30 September 2018

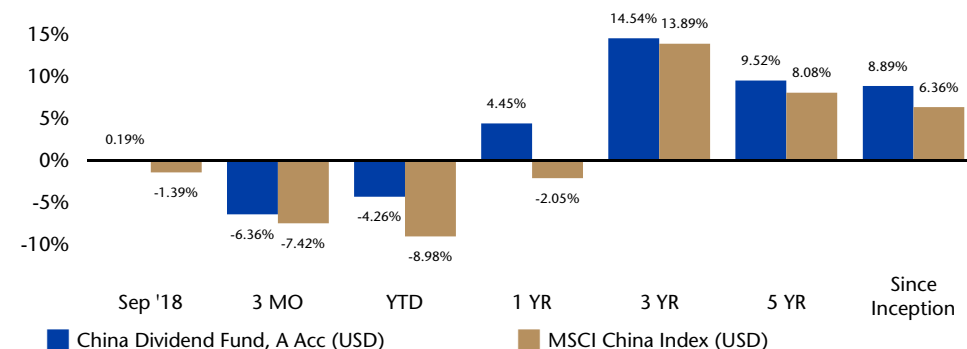
*Investment Objective*

Seeks to provide a level of current income that is higher than the yield generally available in China's equity markets over the long term.

*Available Share Classes*

Share Class	ISIN	SEDOL	CUSIP
A Acc (USD)	LU0871673132	B72X7Q0	L6263Q660
A Dist (USD)	LU0875300609	B7R57P0	L6263Q686

*Performance as of 30 September 2018†*



China Dividend Fund	Sep '18	3 MO	YTD	1 YR	3 YR	5 YR	Since Inception	Inception
A Acc (USD)	0.19%	-6.36%	-4.26%	4.45%	14.54%	9.52%	8.89%	31 Jan 2013
A Dist (USD)	0.21%	-6.34%	-4.22%	4.49%	14.55%	9.53%	8.90%	31 Jan 2013
MSCI China Index (USD)	-1.39%	-7.42%	-8.98%	-2.05%	13.89%	8.08%	6.36%	n.a.

*Annual Returns (For the 12 month period ended 30 September)*

China Dividend Fund	2018	2017	2016	2015	2014
A Acc (USD)	4.45%	20.79%	19.11%	-1.64%	6.61%
A Dist (USD)	4.49%	20.70%	19.19%	-1.62%	6.60%
MSCI China Index (USD)	-2.05%	33.27%	13.18%	-4.83%	4.87%

† 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.

# China Dividend Fund

30 September 2018

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

	Sector	% of Net Assets
HKBN, Ltd.	Telecom Services	4.1%
China Petroleum & Chemical Corp.	Energy	4.0%
CITIC Telecom International Holdings, Ltd.	Telecom Services	3.4%
Postal Savings Bank of China Co., Ltd.	Financials	3.3%
HSBC Holdings PLC	Financials	3.1%
Tencent Holdings, Ltd.	Information Technology	2.9%
Sun Art Retail Group, Ltd.	Consumer Staples	2.7%
Guangdong Provincial Expressway Development Co., Ltd.	Industrials	2.5%
China Mobile, Ltd.	Telecom Services	2.5%
Bank of China, Ltd.	Financials	2.4%
<b>% OF ASSETS IN TOP TEN</b>		<b>30.9%</b>

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

## CHINA EXPOSURE (%)<sup>2,5</sup>

SAR (Hong Kong)	31.2
H Shares	18.9
China-affiliated corporations (CAC)	14.9
Overseas Limited Companies (OL)	14.8
B Shares	9.3
A Shares	7.5
Unassigned	0.1
Cash and Other Assets, Less Liabilities	3.2

Source: FactSet Research Systems

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

	Fund	Benchmark	Difference
Mega Cap (over \$25B)	24.3	67.6	-43.3
Large Cap (\$10B-\$25B)	7.8	15.9	-8.1
Mid Cap (\$3B-\$10B)	12.7	14.3	-1.6
Small Cap (under \$3B)	51.9	2.2	49.7
Cash and Other Assets, Less Liabilities	3.2	0.0	3.2

Source: FactSet Research Systems

## DIVIDEND YIELD<sup>6</sup>

3.97%

Source: FactSet Research Systems, Bloomberg, Matthews Asia

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

	Fund	Benchmark	Difference
Financials	18.4	22.6	-4.2
Industrials	12.4	5.4	7.0
Consumer Staples	11.7	2.6	9.1
Information Technology	10.5	36.5	-26.0
Telecom Services	10.0	5.1	4.9
Consumer Discretionary	8.5	8.5	0.0
Energy	6.3	6.0	0.3
Health Care	5.9	3.3	2.6
Materials	5.0	2.0	3.0
Real Estate	4.8	5.1	-0.3
Utilities	3.1	2.7	0.4
Cash and Other Assets, Less Liabilities	3.2	0.0	3.2

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

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

P/E Using FY1 Estimates	11.5x
P/E Using FY2 Estimates	10.1x

Source: FactSet Research Systems (P/E est. as of 30/09/18)

- Holdings may combine more than one security from the same issuer and related depository 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.
- SAR** (Hong Kong) companies are companies that conduct business in Hong Kong and/or mainland China. **China affiliated Corporations [CAC]**, also known as "Red Chips," are mainland China companies with partial state ownership listed in Hong Kong, and incorporated in Hong Kong. **China A Shares** are Mainland Chinese companies incorporated in China and listed on the Shanghai or Shenzhen exchanges, available mostly to local Chinese investors and qualified institutional investors. **H Shares** are mainland Chinese companies listed on the Hong Kong exchange but incorporated in mainland China. **B Shares** are mainland Chinese companies listed on the Shanghai and Shenzhen stock exchanges, available to both Chinese and non-Chinese investors. **Overseas Listed [OL]** companies are companies that conduct business in mainland China but listed in overseas markets such as Japan, Singapore, Taiwan and the United States.
- The Dividend Yield (trailing) for the portfolio is the weighted average sum of the dividends paid by each equity security held by the Fund over the last 12 months divided by the current price as of report date. The annualised dividend yield for the Fund is for the equity-only portion of the portfolio. Please note that this is based on gross equity portfolio holdings and does not reflect the actual yield an investor in the Fund would receive. A positive distribution yield does not imply positive return, and past yields are no guarantee of future yields. Information provided is unaudited.

The MSCI China Index is a free float-adjusted market capitalization—weighted index of Chinese equities that includes China—affiliated corporations and H shares listed on the Hong Kong Exchange, and B shares listed on the Shanghai and Shenzhen exchanges and P Chips and foreign listings (e.g. ADRs). 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 Luxembourg, Finland, France, Germany, 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.

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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Portfolio characteristics for the Fund may vary from time to time from what is shown. It should not be assumed that any investment in the securities listed was or will be profitable.

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