



Matthews Asia

RATINGS

Overall Morningstar Rating™ ★★★★★

FUND FACTS (USD)

| | |
|-------------------------------|------------------|
| Total Fund Assets | \$13.6 million |
| Total # of Positions | 50 |
| Weighted Average Market Cap | \$40.6 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) | \$15.37 |
| A Dist (USD) | \$13.31 |

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 November 2018, Matthews Asia had US\$30.0 billion in assets under management.

China Dividend Fund

Class A Shares

Matthews Asia Funds

30 November 2018

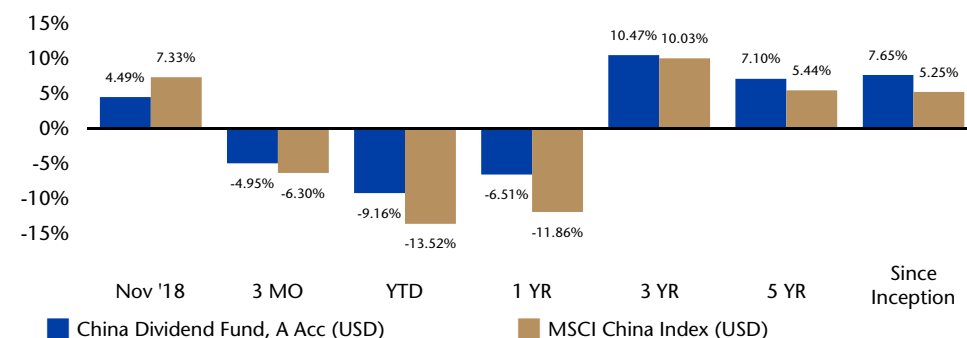
Investment Objective

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 November 2018†



| China Dividend Fund | Nov '18 | 3 MO | YTD | 1 YR | 3 YR | 5 YR | Since Inception | Inception |
|------------------------|---------|--------|---------|---------|--------|-------|-----------------|-------------|
| A Acc (USD) | 4.49% | -4.95% | -9.16% | -6.51% | 10.47% | 7.10% | 7.65% | 31 Jan 2013 |
| A Dist (USD) | 4.47% | -4.93% | -9.14% | -6.46% | 10.50% | 7.11% | 7.66% | 31 Jan 2013 |
| MSCI China Index (USD) | 7.33% | -6.30% | -13.52% | -11.86% | 10.03% | 5.44% | 5.25% | 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 November 2018

TOP TEN HOLDINGS¹

| | Sector | % of Net Assets |
|--|------------------------|-----------------|
| HKBN, Ltd. | Communication Services | 3.8% |
| CITIC Telecom International Holdings, Ltd. | Communication Services | 3.7% |
| Tencent Holdings, Ltd. | Communication Services | 3.4% |
| HSBC Holdings PLC | Financials | 3.2% |
| China Petroleum & Chemical Corp. | Energy | 3.0% |
| China Resources Power Holdings Co., Ltd. | Utilities | 3.0% |
| China Mobile, Ltd. | Communication Services | 3.0% |
| Sun Art Retail Group, Ltd. | Consumer Staples | 2.7% |
| Bank of China, Ltd. | Financials | 2.7% |
| Inner Mongolia Yili Industrial Group Co., Ltd. | Consumer Staples | 2.6% |
| % OF ASSETS IN TOP TEN | | 31.1% |

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

CHINA EXPOSURE (%)^{2,5}

| | |
|---|------|
| SAR (Hong Kong) | 34.1 |
| China-affiliated corporations (CAC) | 18.8 |
| H Shares | 14.7 |
| Overseas Limited Companies (OL) | 11.9 |
| B Shares | 9.2 |
| A Shares | 7.1 |
| Unassigned | 0.1 |
| Cash and Other Assets, Less Liabilities | 4.0 |

Source: FactSet Research Systems

MARKET CAP EXPOSURE (%)^{2,3}

| | Fund | Benchmark | Difference |
|---|------|-----------|------------|
| Mega Cap (over \$25B) | 19.8 | 67.8 | -48.0 |
| Large Cap (\$10B-\$25B) | 9.2 | 14.3 | -5.1 |
| Mid Cap (\$3B-\$10B) | 13.9 | 15.8 | -1.9 |
| Small Cap (under \$3B) | 53.1 | 2.1 | 51.0 |
| Cash and Other Assets, Less Liabilities | 4.0 | 0.0 | 4.0 |

Source: FactSet Research Systems

DIVIDEND YIELD⁶

4.26%

Source: FactSet Research Systems, Bloomberg, Matthews Asia

SECTOR ALLOCATION (%)²

| | Fund | Benchmark | Difference |
|---|------|-----------|------------|
| Financials | 15.0 | 23.2 | -8.2 |
| Communication Services | 13.9 | 26.9 | -13.0 |
| Consumer Staples | 12.6 | 2.4 | 10.2 |
| Industrials | 11.1 | 5.4 | 5.7 |
| Consumer Discretionary | 10.9 | 20.1 | -9.2 |
| Health Care | 6.2 | 3.2 | 3.0 |
| Information Technology | 6.1 | 2.7 | 3.4 |
| Real Estate | 6.0 | 5.6 | 0.4 |
| Materials | 5.2 | 1.9 | 3.3 |
| Energy | 4.5 | 5.6 | -1.1 |
| Utilities | 4.5 | 3.0 | 1.5 |
| Cash and Other Assets, Less Liabilities | 4.0 | 0.0 | 4.0 |

Sector data based on MSCI's revised Global Industry Classification Standards. For more details, visit www.msci.com.

Source: FactSet Research Systems

P/E RATIOS⁴

| | |
|-------------------------|-------|
| P/E Using FY1 Estimates | 11.4x |
| P/E Using FY2 Estimates | 10.2x |

Source: FactSet Research Systems (P/E est. as of 30/11/18)

- 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.**

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CONTACT INFORMATION

Matthews International Capital Management, LLC
4 Embarcadero Center, Suite 550
San Francisco, CA 94111 USA
Phone: +1 (415) 954-4510
Email: globalfunds@matthewsasiasia.com
Web: global.matthewsasiasia.com