



Matthews Asia

**RATINGS**

Overall Morningstar Rating™ ★★☆☆



**FUND FACTS (USD)**

Total Fund Assets	\$17.1 million
Total # of Positions	42
Weighted Average Market Cap	\$66.7 billion
Benchmark	MSCI China Index
Management Fee	0.75%
Minimum Initial Investment	\$100,000*
Minimum Subsequent Investment	\$100*
Fund Domicile	Luxembourg
Available Share Classes	A, I
Base Currency	USD
Net Asset Value	
I Acc (USD)	\$19.75
I Dist (USD)	\$16.35

**PORTFOLIO MANAGEMENT**

**Sherwood Zhang, CFA**

Lead Manager

**Yu Zhang, CFA**

Co-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. 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.

# China Dividend Fund

Matthews Asia Funds

## Class I Shares

30 September 2020

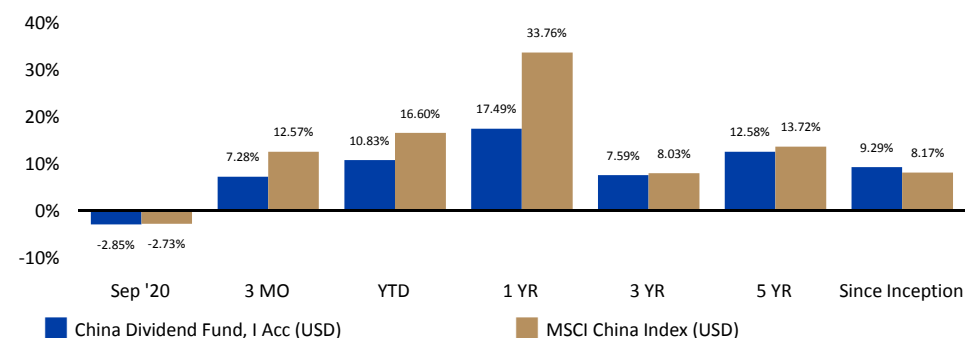
### Investment Objective

Seeks total return with an emphasis on providing current income.

### Available Share Classes

Share Class	ISIN	SEDOL	CUSIP
I Acc (USD)	LU0871673488	B99JYB9	L6263Q678
I Dist (USD)	LU0875301086	B8N3J04	L6263Q694

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



China Dividend Fund	Sep '20	3 MO	YTD	1 YR	3 YR	5 YR	Since Inception	Inception
I Acc (USD)	-2.85%	7.28%	10.83%	17.49%	7.59%	12.58%	9.29%	31 Jan 2013
I Dist (USD)	-2.85%	7.28%	10.80%	17.51%	7.59%	12.59%	9.29%	31 Jan 2013
MSCI China Index (USD)	-2.73%	12.57%	16.60%	33.76%	8.03%	13.72%	8.17%	n.a.

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

China Dividend Fund	2020	2019	2018	2017	2016
I Acc (USD)	17.49%	0.84%	5.11%	21.35%	19.69%
I Dist (USD)	17.51%	0.77%	5.16%	21.37%	19.71%
MSCI China Index (USD)	33.76%	-3.77%	-2.05%	33.27%	13.18%

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

† 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.

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.

# China Dividend Fund

30 September 2020

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

	Sector	% of Net Assets
Tencent Holdings, Ltd.	Communication Services	7.7%
Shanghai Baosight Software Co., Ltd.	Information Technology	4.3%
China International Capital Corp., Ltd.	Financials	3.4%
Huaxin Cement Co., Ltd.	Materials	3.1%
Tsingtao Brewery Co., Ltd.	Consumer Staples	3.0%
Livzon Pharmaceutical Group, Inc.	Health Care	3.0%
Minth Group, Ltd.	Consumer Discretionary	3.0%
Powerlong Commercial Management Holdings, Ltd.	Real Estate	3.0%
KWG Group Holdings, Ltd.	Real Estate	2.9%
SITC International Holdings Co., Ltd.	Industrials	2.9%
<b>% OF ASSETS IN TOP TEN</b>		<b>36.3%</b>

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

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

SAR (Hong Kong)	41.6
H Shares	22.2
B Shares	10.1
A Shares	5.5
China-affiliated corporations (CAC)	4.5
Overseas Listed Companies (OL)	2.9
Unassigned	7.2
Cash and Other Assets, Less Liabilities	6.1

Source: FactSet Research Systems

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

	Fund	Benchmark	Difference
Mega Cap (over \$25B)	21.5	72.5	-51.0
Large Cap (\$10B-\$25B)	19.0	16.0	3.0
Mid Cap (\$3B-\$10B)	29.1	10.1	19.0
Small Cap (under \$3B)	24.3	1.4	22.9
Cash and Other Assets, Less Liabilities	6.1	0.0	6.1

Source: FactSet Research Systems

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

2.87%

Source: Factset Research Systems, Bloomberg, Matthews Asia

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

	Fund	Benchmark	Difference
Communication Services	20.0	20.6	-0.6
Consumer Discretionary	17.9	37.3	-19.4
Industrials	10.8	4.6	6.2
Information Technology	9.8	5.1	4.7
Financials	7.1	13.3	-6.2
Health Care	5.9	5.3	0.6
Real Estate	5.9	4.2	1.7
Consumer Staples	5.7	4.1	1.6
Materials	4.7	1.9	2.8
Energy	4.3	1.8	2.5
Utilities	1.8	1.7	0.1
Cash and Other Assets, Less Liabilities	6.1	0.0	6.1

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	13.7x
P/E Using FY2 Estimates	11.2x

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 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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- 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.
- 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) 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 Fund and does not reflect the actual yield an investor in the Fund would receive. There can be no guarantee that companies that the Fund invests in, and which have historically paid dividends, will continue to pay them or to pay them at the current rate in the future. A positive distribution yield does not imply positive return, and past yields are no guarantee of future yields.

The MSCI China Index is a free float-adjusted market capitalization—weighted index of Chinese equities that includes H shares listed on the Hong Kong Exchange, and B shares listed on the Shanghai and Shenzhen exchanges, Hong Kong-listed securities known as Red chips (issued by entities owned by national or local governments in China) and P Chips (issued by companies controlled by individuals in China and deriving substantial revenues in China) and foreign listings (e.g. ADRs). Index is for comparative purposes only and it is not possible to invest directly in an index.