

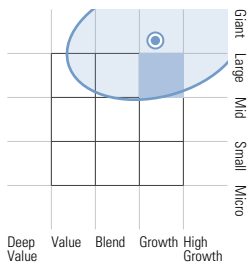
# Matthews Asia Funds - Pacific Tiger Fund I USD Acc

LU0491816475

**Morningstar Analyst Rating**  
 Silver  
 4 Jun 2020  
 10:03, UTC-0500

<b>Morningstar Category</b> Asia ex-Japan Equity	<b>Category Index</b> MSCI AC Asia Ex Japan NR USD	<b>Total Assets</b> 476.36 Mil USD	<b>Current Yield %</b> —	<b>Inception Date</b> 30/04/10	<b>Domicile/Currency</b> LUX/USD	<b>Morningstar Rating</b> ★★★★
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## Equity Style Map



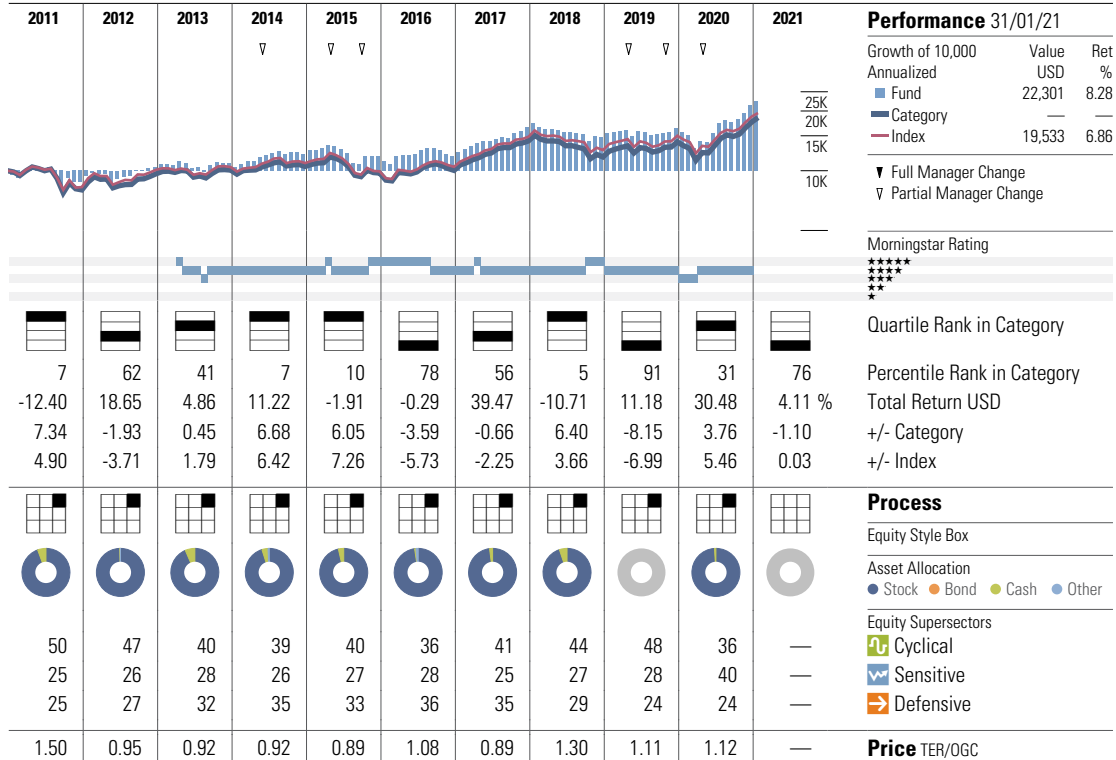
## People

Sharat Shroff	04/10
Raymond Z. Deng	04/19
In-Bok Song	10/19

Total Named Managers 3

## Morningstar Pillars

Process	High
Performance	—
People	Above Average
Parent	Above Average
Price	—



## Analyst View

**William Samuel Rocco**, Senior Analyst  
**Andrew Daniels, CFA, CMA**, Associate Director

## A good Asia ex-Japan equity strategy for the long haul.

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### Morningstar Analyst Rating

Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum



The Morningstar Analyst Rating for Funds is a forward-looking analysis of a fund. Morningstar has identified five key areas crucial to predicting the future success of a fund: People, Parent, Process, Performance, and Price. The pillars are used in determining the Morningstar Analyst Rating for a fund. Morningstar Analyst Ratings are assigned on a five-tier scale running from Gold to Negative. The top three ratings, Gold, Silver, and Bronze, all indicate that our analysts think highly of a fund; the difference between them corresponds to differences in the level of analyst conviction in a fund's ability to outperform its benchmark and peers through time, within the context of the level of risk taken over the long term (defined as a full market cycle or at least five years). Neutral represents funds in which our analysts don't have a strong positive or negative conviction over the long term (defined as a full market cycle or at least five years) and Negative represents funds that possess at least one flaw that our analysts believe is likely to significantly hamper future performance over the long term (defined as a full market cycle or at least five years). Past performance of a security may or may not be sustained in future and is no indication of future performance. For detailed information about the Morningstar Analyst Rating for Funds, please visit <http://global.morningstar.com/managerdisclosures>

Jun 04, 2020 | Matthews Asia Funds Pacific Tiger benefits from a strong management team and a superior process. All of its share classes continue to merit Morningstar Analyst Ratings of Silver.

This Asia ex-Japan equity strategy enjoys a significant personnel advantage over most of its competitors. Sharat Shroff, who has served as lead manager or co-lead manager for 12 years (via the U.S.-domiciled vehicle), is a talented Asia-investing specialist. He has succeeded during his 14-year tenure as a manager on Bronze-rated U.S.-domiciled Matthews India, and he did a good job as a comanager of Silver-rated U.S.-domiciled Matthews Asia Growth from 2007 to 2019. Though Rahul Gupta gave up his comanager position and left Matthews earlier this year, Raymond Deng remains in place and former comanager Inbok Song returned to the firm in 2019, resuming her position on this strategy, so Shroff works with two well-credentialed comanagers. Moreover, Shroff, Deng, and Song have exceptional support, including two seasoned analysts that focus on this strategy.

The process that Shroff, Deng, and Song use is sound, distinctive, and proven. In particular, the managers focus on strong and sustainable growers with reasonable valuations. They pay

ample attention to opportunities in Asia's smaller markets, favor companies that will benefit from rising income levels, readily consider mid-cap names, and allow their stock selection to lead to atypical country and sector exposure. Several other Matthews strategies have earned good long-term risk-adjusted returns with this process, including a number that have considerable geographic overlap with this one, such as Matthews India and Matthews Asia Growth.

This process hasn't served the strategy well over the shorter term, largely because the penchant for investing in smaller markets has been burdensome, but it has paid off over the longer term, thanks to Shroff and his comanagers' stock selection. This Luxembourg-domiciled vehicle's I USD Acc share class has posted better risk-adjusted returns than the MSCI AC Asia ex Japan Index and its typical Asia ex-Japan equity Morningstar Category rival since Shroff became the sole lead manager in 2014 and since its April 2010 inception.

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## Process: Approach

**Morningstar Category**  
Asia ex-Japan Equity

**Category Index**  
MSCI AC Asia Ex Japan  
NR USD

**Index Proxy**  
iShares MSCI All  
Country Asia ex Jpn ETF

### Topnotch.

**Process Pillar** High

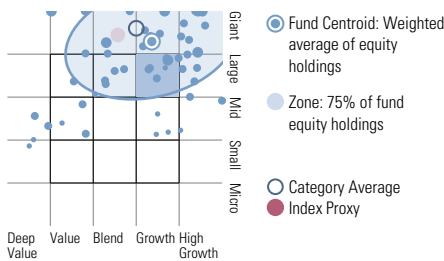
Jun 04, 2020 | This process is sound, distinctive, and has demonstrated its merits at several Matthews offerings, and it earns a High rating for Process. This Asia ex-Japan equity strategy employs the same stock-selection strategy that Silver-rated U.S.-domiciled Matthews Asia Growth and several other growth-oriented offerings in

Matthews' all-Asia lineup have used to produce superior long-term results. Specifically, Sharat Shroff, Raymond Deng, and Inbok Song pursue strong and sustainable growers from across Asian economies that are selling at moderate valuations. They pay significant attention to mid-cap stocks and readily consider opportunities in the region's smaller markets. They pay particular attention to firms that will benefit from rising income levels in Asia. They're willing to load up on areas that are packed with compelling growers, run a fairly focused portfolio of approximately 60

to 75 names, and move at a measured pace. As is the case at Matthews' other growth-oriented funds, the portfolio usually stands out. Indeed, this portfolio's average market cap is often somewhat smaller than those of its typical Asia ex-Japan equity category rival and the MSCI AC Asia ex Japan Index. It usually has several notable country over- and underweightings as well as distinctive sector exposure, including relatively high stakes in the consumer staples and healthcare areas.

### Equity Style 30/09/20

#### Holdings-Based Style Map

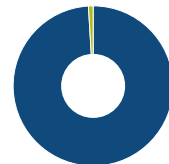


#### Equity Style Box Factors

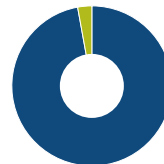
	Fund	3-Yr Avg	Category	Proxy
<b>Market Cap</b>				
Giant/Large	91.0	88.4	91.1	92.6
Mid	9.0	11.4	8.1	7.4
Small/Micro	0.0	0.2	0.8	0.0
Avg Market Cap Bil USD	49.3	28.1	86.5	68.1
<b>Value Measures</b>				
Price/Prospect. Earnings	25.6	18.9	19.0	17.1
Price/Book	3.5	2.6	2.4	1.9
Price/Sales	2.6	1.7	2.3	1.7
Price/Cash Flow	7.7	8.3	12.2	10.3
Dividend Yield	1.5	2.1	1.6	1.9
<b>Growth Measures</b>				
Long-Term Earnings %	15.9	13.4	12.2	11.1
Historical Earnings %	7.7	10.3	4.3	1.2
Sales %	7.6	3.1	8.4	4.7
Cash Flow %	14.8	4.4	1.7	13.0
Book-Value %	10.8	7.3	9.7	8.2

### Asset Allocation 30/09/20

#### Current Allocation



#### 3-Year Average



Net Assets %	Fund	3-Yr Avg	Category	Proxy
Equity	99.1	97.2	92.2	99.9
Fixed Income	0.0	0.0	0.0	0.0
Cash	0.9	2.8	1.4	0.1
Other	0.0	0.0	6.3	0.0

### Regional Exposure 30/09/20

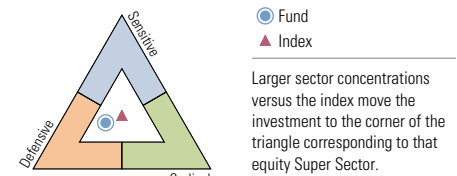
Market Type Equity %	Fund	3-Yr Avg	Category	Proxy
Developed	33.1	29.4	39.9	39.5
Emerging	66.9	70.6	60.1	60.5
<b>Top 5 Countries Equity %</b>				
China	47.3	36.2	43.5	44.8
Korea, Republic Of	12.8	12.6	14.0	14.9
Taiwan, Republic Of	12.0	5.5	13.0	14.8
China India	11.1	17.0	11.7	10.0
Hong Kong, China	6.6	7.1	7.9	6.7

### Key Ratios 30/09/20

	Fund	3-Yr Avg	Category	Proxy
Net Margin %	19.6	18.3	16.8	16.0
ROA %	9.2	8.2	7.1	6.2
Debt/Total Capital %	19.2	20.3	20.9	22.5
ROE %	18.7	18.4	14.7	13.3

### Sectors 30/09/20

#### Sector Delta




Equity Sectors	Fund	3-Yr Avg	Category	Proxy
<b>Defensive</b>	<b>23.6</b>	<b>28.5</b>	<b>11.2</b>	<b>12.6</b>
Consumer Defensive	13.8	18.8	6.7	5.6
Healthcare	6.7	6.4	3.8	5.0
Utilities	3.2	3.3	0.7	2.0
<b>Sensitive</b>	<b>40.0</b>	<b>28.4</b>	<b>44.5</b>	<b>43.4</b>
Communication Serv.	12.1	7.5	11.8	12.5
Energy	0.0	0.0	1.7	2.4
Industrials	4.7	4.8	5.1	5.0
Technology	23.2	16.0	25.9	23.5
<b>Cyclical</b>	<b>36.4</b>	<b>43.1</b>	<b>44.3</b>	<b>44.0</b>
Basic Materials	2.8	0.8	3.4	4.2
Consumer Cyclical	14.5	13.4	18.5	19.0
Financial Services	13.3	21.8	19.3	17.1
Real Estate	5.8	7.0	3.1	3.8

### Economic Moat 30/09/20

	Fund	3-Yr Avg	Category	Proxy
Wide Moat	39.0	36.1	40.1	40.8
Narrow Moat	36.9	35.6	29.1	31.7
No Moat	24.1	28.3	30.8	27.4
Coverage Ratio	64.0	50.0	61.2	61.3

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## Process: Portfolio

**Morningstar Category**  
Asia ex-Japan Equity

**Category Index**  
MSCI AC Asia Ex Japan  
NR USD

**Index Proxy**  
iShares MSCI All  
Country Asia ex Jpn ETF

### Different.

#### Process Pillar

 High

Jun 04, 2020 | This strategy normally has a distinctive portfolio, and it certainly did as of March 2020. For starters, the managers have continued to focus further down the market-cap ladder than most of their Asia ex-Japan equity category peers and the MSCI AC Asia ex Japan Index. As of March 2020, this portfolio had an average market











cap of USD 32.0 billion, in fact, whereas the typical peer had an average market cap of USD 54.0 billion, and the figure for the index was USD 41.9 billion. The managers have invested in an array of Indian stocks, including top-25 holdings Housing Development Finance Corp, HFDC Bank, Kotak Mahindra Bank, and Titan (an eyewear, jewelry and watch manufacturer and retailer). Thus, this portfolio had a 12% stake in India as of March 2020, higher than the typical peer's and index's respective weightings of 10% and 8%. This strategy also had more exposure to Indonesia, the

Philippines, and Thailand than both its average rival and the benchmark, as well as less exposure to Singapore and Taiwan. Elsewhere, the portfolio's 52% combined stake in China and Hong Kong compared with 54% for its average rival and 55% for the index. Finally, partly because of the managers' ongoing interest in firms that are benefiting from rising income levels across Asia, this portfolio had a 15% allocation in the consumer staples sector, whereas its average peer and the index both had 5% stakes.

### Similarity to Index Proxy 30/09/20

Index Proxy Overlap	Number of Equity Holdings	Largest Common Holdings	Fund %	Proxy %	Largest Distinct Holdings	Fund %
 <p>Circle size represents number of holdings.</p>	Fund	Tencent Holdings Ltd	6.30	6.60	Alibaba Group Holding Ltd Ordinary Shares	7.09
	Index Proxy	Samsung Electronics Co Ltd	5.16	3.98	Midea Group Co Ltd Class A	2.16
	Fund Overlap With Index Proxy	Taiwan Semiconductor Manufacturing Co Ltd	4.85	6.41	Central Pattana PCL	1.58
	Holdings Overlap	AIA Group Ltd	3.36	2.09	Tata Power Co Ltd	1.33
	Asset Overlap	Hong Kong Exchanges and Clearing Ltd	3.19	0.96	Vietnam Dairy Products JSC	1.26

### Portfolio Holdings 30/09/20

Previous Portfolio Date	Equity Holdings	Bond Holdings	Other Holdings	Assets in Top 10 Holdings	Turnover Ratio (Reported)				
30/06/20	58	0	1	42%	-28%				
Top 10 Equity Holdings	Country	Assets % 30/09/20	Assets % 30/06/20	Proxy % 30/09/20	First Bought	Days Trading	Economic Moat	Sector	1-Yr Total Ret %
Alibaba Group Holding Ltd Ordinary Shares	CHN	7.09	5.24	—	06/20	<1	Wide	 Consumer Cyclical	23.33
Tencent Holdings Ltd	CHN	6.30	7.31	6.60	03/15	<1	Wide	 Communication Serv.	83.29
Samsung Electronics Co Ltd	KOR	5.16	4.52	3.98	09/10	<1	Narrow	 Technology	60.57
Taiwan Semiconductor Manufacturing Co Ltd	TWN	4.85	2.88	6.41	11/19	<1	Wide	 Technology	102.61
AIA Group Ltd	HKG	3.36	3.37	2.09	05/15	<1	No	 Financial Services	22.40
Hong Kong Exchanges and Clearing Ltd	HKG	3.19	4.30	0.96	09/17	<1	Wide	 Financial Services	95.06
⊖ NAVER Corp	KOR	3.09	4.14	0.55	12/13	<1		 Communication Serv.	103.84
WuXi Biologics (Cayman) Inc Registered Shs Unitary 144A/Reg S	CHN	2.86	2.12	0.42	02/20	<1	No	 Healthcare	229.58
China Resources Beer (Holdings) Co Ltd	CHN	2.85	2.79	0.16	09/10	<1	No	 Consumer Defensive	89.77
⊖ China Resources Land Ltd	CHN	2.80	2.96	0.24	12/10	<1	No	 Real Estate	-1.71

Change since previous portfolio: ⊕ Increase ⊖ Decrease ✨ New

New Holdings Largest Purchases	% Assets	Sector	Eliminated Holdings Largest Sales	% Assets	Sector	Largest Position Changes	Current %	Prior %
LG Chem Ltd	2.03		PT Telekomunikasi Indonesia (Persero)	1.36		⊕ LG Chem Ltd	2.03	0.00
Venture Corp Ltd	0.81		Tbk Class B			⊖ PT Telekomunikasi Indonesia (Persero) Tbk Class B	0.00	1.36
Asmedia Technology Inc	0.77		Fuyao Glass Industry Group Co Ltd	1.17		⊖ Fuyao Glass Industry Group Co Ltd	0.00	1.17
PI Industries Ltd	0.70		Guotai Junan Securities Co Ltd H	0.93		⊖ Guotai Junan Securities Co Ltd H	0.00	0.93
Info Edge (India) Ltd	0.43		Hugel Inc	0.77		⊖ Hugel Inc	0.00	0.77
			GT Capital Holdings Inc	0.75				

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## Performance

**Morningstar Category**  
Asia ex-Japan Equity

**Category Index**  
MSCI AC Asia Ex Japan NR USD

**Subpar over the shorter run but solid over the longer run.**

### Performance Pillar

Jun 04, 2020 | The Luxembourg-domiciled I USD Acc share class trailed well behind the MSCI AC Asia ex Japan Index and the typical member of the Asia ex-Japan equity category over the year-to-date, one-year, and three-year periods through May 2020. In the trailing three-year period, in fact, the vehicle posted a 0.2% annualized loss

versus annualized gains of 1.4% and 0.5% for the index and its typical peer, respectively. That's disappointing. But this vehicle's geographic breadth—particularly its propensity to invest less in China as well as more in India and other small/midsize markets than most of its peers and the index—put it at a significant disadvantage. The Chinese market has markedly outperformed the past three years, while the Indian and some other smaller markets in Asia have lagged. Meanwhile, the vehicle performed well in various market environments earlier in lead manager Sharat Shroff's

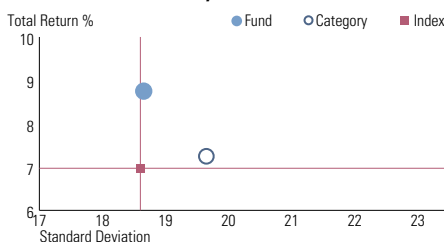
tenure. Since he took over as the sole lead manager in April 2014, its total returns are similar to those of its benchmarks, while its risk-adjusted returns are better. What's more, since the Luxembourg vehicle's May 2010 inception, though May 2020, its 5.0% annualized gain beat the index's 4.3% return as well as 73% of peers. It was one of the least volatile options during the period (per its standard deviation of returns), so its Sharpe ratio of 0.36 was better than the index's 0.30 and 68% of its peers.

### Morningstar Rating and Risk 31/01/21

Period	Morningstar Ret vs Cat	Morningstar Risk vs Cat	Morningstar Rating
3 Years	Avg	Below Avg	★★★★
5 Years	Avg	Below Avg	★★★
10 Years	Above Avg	Low	★★★★
Overall Rating			★★★★

### Risk Analysis 31/01/21

#### 3-Year Return and Risk Analysis



#### 3-Year Risk Measures

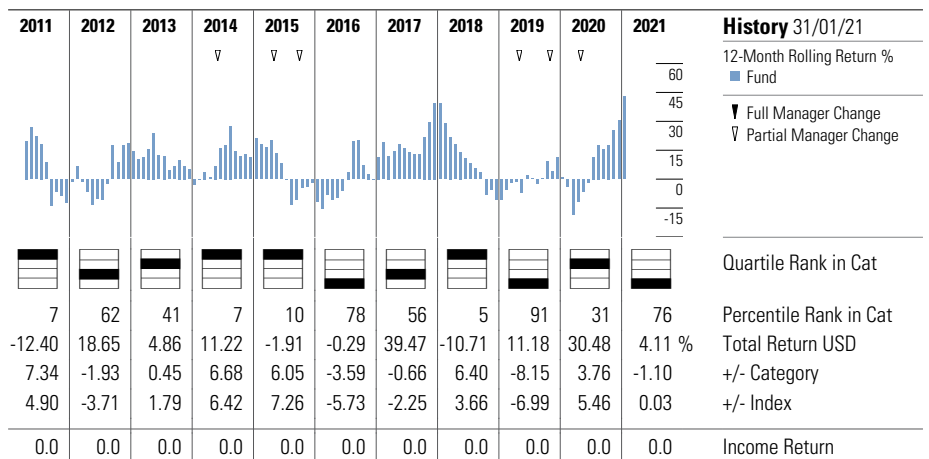
	Fund	Category	Index
Standard Deviation	18.65	19.65	18.60
Sharpe Ratio	0.46	0.40	0.37
R-Squared	90.90	92.50	—
Beta	0.96	1.00	—
Alpha	1.95	-0.21	—

#### Maximum Drawdown

	Fund	Category	Index
Max Drawdown (%)	-25.46	-25.95	-26.10
Peak Date	02/18	05/11	05/15
Valley Date	03/20	09/11	02/16
Max Drawdown (Months)	26	5	10

#### Upside/Downside

	Fund	Category	Index
Upside Capture Ratio	94.5	98.3	—
Downside Capture Ratio	85.9	99.4	—

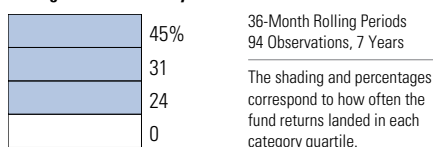


### Returns 31/01/21

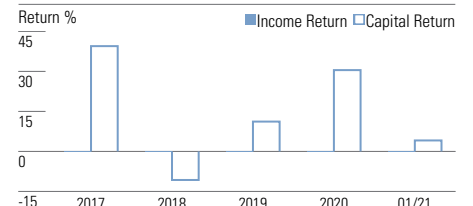
#### Trailing Returns

	Total Ret %	Investor Ret %	Rank in Cat	Cat Ret %	Index Ret %
1 Year	42.93	6.91	33	39.46	36.18
3 Years	8.75	2.74	35	7.25	6.97
5 Years	14.83	5.88	63	15.84	16.33
10 Years	8.90	2.69	19	6.56	7.03
Tenure 04/10	9.31	—	—	—	7.99
Inception 04/10	9.31	—	—	—	7.99

#### Rolling-Returns Summary




### Income and Capital Returns



Year	Income Ret %	Income % Rank in Cat	Capital Ret %	Capital % Rank in Cat
2017	0.00	63	39.47	51
2018	0.00	16	-10.71	4
2019	0.00	36	11.18	88
2020	0.00	100	30.48	29
01/21	0.00	24	4.11	73

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## People

**Morningstar Category**  
Asia ex-Japan Equity

**Category Index**  
MSCI AC Asia Ex Japan  
NR USD

### Strong.

#### People Pillar

 Above Average

Jun 04, 2020 | Sharat Shroff joined this strategy's management team as a co-lead manager in 2008 (via the U.S.-domiciled vehicle) and became the sole lead manager in 2014. He has been a manager on Bronze-rated U.S.-domiciled Matthews India since 2006 and has posted superior results during his tenure there. Shroff, who joined Mat-

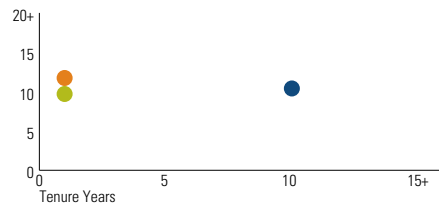
thews in 2005, has more than two decades of investment experience and is fluent in Hindi and Bengali. Raymond Deng became a comanager on this strategy in 2019 after several years as one of its analysts. He joined Matthews in 2014, has 12 years of relevant experience, and is fluent in Mandarin. Inbok Song, who previously spent roughly 5.5 years as an analyst at Matthews and 1.5 years as a comanager on this strategy before leaving the firm in 2015, returned to Matthews in 2019 and once again became a comanager on this strategy. She has 15 years of experience and is

fluent in Korean. Analyst Elli Lee has been at Matthews since 2016, serves as a comanager on Bronze-rated U.S.-domiciled Matthews Korea and has 14 years of experience, while analyst Jeremy Sutch has been at the firm since 2015 and has 25 years of experience. This five-person team has 34 Asia-investing experts to draw on for support. Because of Shroff's resume, his comanagers' and analysts' credentials, and the size and skill of the overall investment team, this strategy earns an Above Average People rating.

### Management Team

#### Experience and Asset Load

Total AUM Bil in Funds Managed



Number of Managers	Longest Tenure	Manager Retention Rate	Average Manager Tenure
3	10.83 Years	5-Year —%	4.67 Years

Advisor	Subadvisor
Matthews International Cap Mgmt LLC	—

#### ● Sharat Shroff 04/10 to Present

Years of Experience	Years on Fund
14	10

Fund AUM	Current Funds Managed
10,397.20 Mil USD	5

Largest Funds Managed	Tenure Dates	Role	Fund Size Bil USD	Investment Mil USD	Tenure Ret %	Index Ret %
Matthews Pacific Tiger Fund	01/08 to Present	1 of 3	9.22	<0.5	7.60	2.53
Matthews India Fund	06/06 to Present	1 of 2	0.68	<0.5	9.73	4.72
Matthews Asia Funds Pacific Tiger	04/10 to Present	1 of 3	0.48	—	9.31	7.99
Matthews Asia Funds India	06/11 to Present	1 of 2	0.02	—	6.24	4.37
ZI Matthews Pacific Tigers	10/11 to Present	1 of 3	0.00	—	9.35	9.48

#### ● In-Bok Song 10/19 to Present

Years of Experience	Years on Fund
6	1

Fund AUM	Current Funds Managed
9,694.71 Mil USD	3

Largest Funds Managed	Tenure Dates	Role	Fund Size Bil USD	Investment Mil USD	Tenure Ret %	Index Ret %
Matthews Pacific Tiger Fund	12/19 to Present	1 of 3	9.22	—	30.98	9.92
Matthews Asia Funds Pacific Tiger	10/19 to Present	1 of 3	0.48	—	34.61	31.11
ZI Matthews Pacific Tigers	05/14 to Present	1 of 3	0.00	—	9.24	9.74

#### ● Raymond Z. Deng 04/19 to Present

Years of Experience	Years on Fund
1	1


  

Fund AUM	Current Funds Managed
11,727.72 Mil USD	3

Largest Funds Managed	Tenure Dates	Role	Fund Size Bil USD	Investment Mil USD	Tenure Ret %	Index Ret %
Matthews Pacific Tiger Fund	04/19 to Present	1 of 3	9.22	—	19.81	10.45
Matthews Asia Innovators Fund	08/20 to Present	1 of 3	2.03	—	33.58	13.71
Matthews Asia Funds Pacific Tiger	04/19 to Present	1 of 3	0.48	—	20.96	18.55

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## Parent

**Morningstar Category**  
Asia ex-Japan Equity

**Category Index**  
MSCI AC Asia Ex Japan NR USD

### Fundholders are treated well here.

#### Parent Pillar

 Above Average

Aug 13, 2019 | Matthews International Capital Management has grown considerably since it opened in 1991. It has \$30 billion in assets under management and 17 funds on its all-Asia roster. The roster is diverse within an Asia context, with two funds that focus on bonds, six offerings that concentrate on stocks from a single country, and

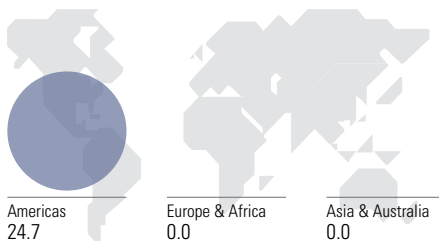
nine funds that invest in equities from most or all the region's markets. Roughly three fourths of the funds employ the same attractive and distinctive growth strategy, while the other funds use appealing, risk-conscious strategies. The firm's funds have delivered strong long-term risk-adjusted returns overall, and all 11 of its offerings that have Morningstar Analyst Ratings are Morningstar Medalists.

Matthews has lost a few portfolio managers and analysts in recent years, but it also has added some and its investment team is excep-

tionally sizable and strong. It has 27 managers, 12 analysts, one research principal, and two macro strategists on staff, and the team is seasoned overall with all sorts of Asia expertise. Manager ownership of funds is good, especially given that many of the funds are specialized offerings. The firm has never hesitated to close funds to ensure that their strategies are not compromised. And its older and larger funds have attractive expense ratios.

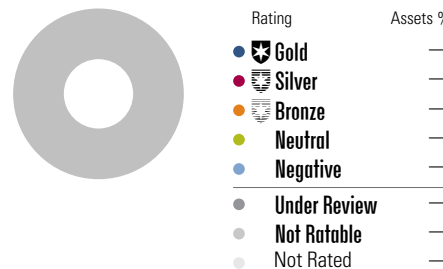
Matthews treats fundholders well overall, and it receives a Positive Parent rating.

#### Assets By Region, By Domicile Bil USD



#### Fund Family Details Europe (\*)

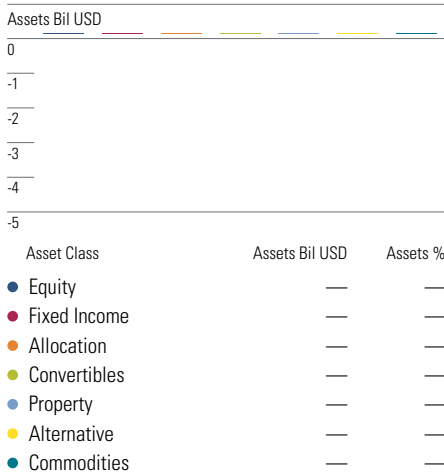
##### Morningstar Analyst Rating Breakdown



##### Morningstar Rating Breakdown



#### Asset Class Breakdown Europe (ex Money Mkt)



#### Fund Family Details Europe

Top Performing Funds	Category Name	Fund Size Mil USD	Return % 3-Year	Rank in Cat % 3-Year
Matthews Asia Funds - China Small Companies Fund I USD Acc	China Equity	—	23.09	4
Matthews Asia Funds - Asia Ex Japan Dividend Fund I USD Acc	Asia ex-Japan Equity	—	15.01	5
Matthews Asia Funds - Asia Small Companies Fund I USD Acc	Asia ex-Japan Small/Mid-Cap Equity	—	13.76	5

Largest Funds	Category Name	Fund Size Mil USD	Return % 3-Year	Rank in Cat % 3-Year
Matthews Asia Funds - Asia Ex Japan Dividend Fund I USD Acc	Asia ex-Japan Equity	—	19.85	30/11/15
Matthews Asia Funds - Asia Credit Opportunities Fund I USD Dist	Asia High Yield Bond	—	5.51	30/09/15
Matthews Asia Funds - Japan Fund I GBP Acc	Japan Large-Cap Equity	—	10.93	30/04/15


Recent Fund Launches	Category Name	Fund Size Mil USD	Return % Inception	Inception Date
Matthews Asia Funds - Asia Ex Japan Dividend Fund I USD Acc	Asia ex-Japan Equity	—	19.85	30/11/15
Matthews Asia Funds - Asia Credit Opportunities Fund I USD Dist	Asia High Yield Bond	—	5.51	30/09/15
Matthews Asia Funds - Japan Fund I GBP Acc	Japan Large-Cap Equity	—	10.93	30/04/15

(\*) All data is based on Branding name and refers to funds domiciled in Europe.

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# Matthews Asia Funds - Pacific Tiger Fund I USD Acc

LU0491816475

**Morningstar Analyst Rating**  
 4 Jun 2020  
 10:03, UTC-0500

## Price

**Morningstar Category**  
Asia ex-Japan Equity

**Category Index**  
MSCI AC Asia Ex Japan  
NR USD

### Price Pillar

Jun 04, 2020 | It's critical to evaluate expenses, as they come directly out of returns. The share class on this report levies a fee that ranks in its Morningstar category's second-cheapest quintile. Based on our assessment of the fund's People, Process and Parent pillars in the context of these fees, we think this share class will be able to deliver positive alpha relative to the category benchmark index, explaining its Morningstar Analyst Rating of Silver.

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	<b>Expense History</b>
1.50	0.95	0.92	0.92	0.89	1.08	0.89	1.30	1.11	1.12	—	
3.2	9.7	64.7	476.7	355.5	345.6	521.9	770.6	802.2	476.4	476.4	TER/OGC
-5.9	5.4	54.7	375.8	-53.0	-11.5	38.1	315.6	-62.9	—	0.0	Net Assets Mil USD
											Net Flows Mil USD

### Expense Breakdown

<b>Ongoing charge</b>	
Ongoing charge 30/09/20	1.12

### Selected Components

Max Management Fee	0.75
Performance Fee	—

### Fee Level

Fee Level	Peer Group
—	—

### Fee Level Breakpoints

High	>0.00
Above Average	0.00-0.00
Average	0.00-0.00
Below Average	0.00-0.00
Low	<0.00
◀ Fund	1.12
◀ Peer Median	—

### Share Class Information

Share Class	Identifier	Morningstar Category	TER/OGC	Max Mgmt Fee	Performance Fee	Maximum Inital Charge	Minimum Initial Inv	Assets Bil USD
<b>Matthews Pacific Tiger Fd I USD Acc</b>	<b>LU0491816475</b>	<b>Asia ex-Japan Equity</b>	<b>1.12</b>	<b>0.75</b>	—	<b>0.00</b>	<b>100,000</b>	<b>0.30</b>
Matthews Pacific Tiger Fund I GBP Acc	LU0594555756	Asia ex-Japan Equity	1.12	0.75	—	0.00	50,000	0.06
Matthews Pacific Tiger Fund I JPY Acc	LU1576347550	Asia ex-Japan Equity	1.11	0.75	—	—	100,000	0.05
Matthews Pacific Tiger Fund I GBP Dis	LU0594555830	Asia ex-Japan Equity	1.14	0.75	—	0.00	50,000	0.03
Matthews Pacific Tiger Fund A USD Acc	LU0491815824	Asia ex-Japan Equity	1.76	1.25	—	5.00	1,000	0.02
Matthews Pacific Tiger Fund I USD Dis	LU0491816558	Asia ex-Japan Equity	1.13	0.75	—	0.00	100,000	0.01

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	2019	2020	2021
 Gold			
 Silver			
 Bronze			
Neutral			
Negative			
Under Review			
Not Notable			

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The date shown next to the Morningstar Analyst Rating is the date on which Morningstar Manager Research Analyst assigned or reaffirmed the current rating for the fund based on the analyst's latest review and research report for the fund.

## The Five (5) Pillars

Morningstar has identified five key areas that we believe are crucial to predicting the future success of funds: People, Parent, Process, Performance, and Price. Each pillar is evaluated when assessing a fund as well as the interaction between the pillars, which we believe is crucial to understanding a fund's overall merit.

### People

The overall quality of a fund's investment team is a significant key to its ability to deliver superior performance relative to its benchmark and/or peers. Evaluating a fund's investment team requires that analysts assess several relevant items including how key decisions are made.

### Parent

We believe the parent organization is of utmost importance in evaluating funds. The fund's management set the tone for key elements of our evaluation, including capacity management, risk management, recruitment and retention of talent, and incentive pay. Beyond these operational areas, we prefer firms that have a culture of stewardship and put investors first to those that are too heavily weighted to salesmanship.

### Process

We look for funds with a performance objective and investment process (for both security selection and portfolio construction) that is sensible, clearly defined, and repeatable. In addition, the portfolio should be constructed in a manner that is consistent with the investment process and performance objective.

### Performance

We do not believe past performance is necessarily predictive of future results, and this factor accordingly receives a relatively small weighting in our evaluation process. In particular, we strive not to anchor on short-term performance. However, we do believe that the evaluation of long-term return and risk patterns is vital to determining if a fund is delivering to our expectations.

### Price

To reflect actual investor experience, price is evaluated within the context of the relevant market or cross-border region—for example, the United States, Australia, Canada, or Europe. In recognition of differences in scale and distribution costs in various markets, the level at which a fund is penalised for high fees or rewarded for low fees can vary with region. In Europe, for example, funds are penalised if they land in the most expensive quintile of their Morningstar category and are rewarded if they land in the cheapest quintile. The assessment is made using annual expense ratios, but in the case of funds with performance fees, expenses are evaluated excluding any performance fees and then the structure of the performance fee is evaluated separately.



**Morningstar Analyst Ratings**

Morningstar Analyst Ratings are assigned on a five-tier scale running from Gold to Negative. The top three ratings, Gold, Silver, and Bronze, all indicate that our analysts think highly of a fund; the difference between them corresponds to differences in the level of analyst conviction in a fund's ability to outperform its benchmark and peers through time, within the context of the level of risk taken.

**Gold**

Represents funds that our analyst has the highest-conviction in for that given investment mandate. By giving a fund a Gold rating, we are expressing an expectation that it will outperform its relevant performance benchmark and/or peer group within the context of the level of risk taken over the long term (defined as a full market cycle or at least five years). To earn a Gold rating, a fund must distinguish itself across the five pillars that are the basis for our analysis.

**Silver**

Represents funds our analyst has high-conviction in, but not in all of the five pillars. With those fundamental strengths, we expect these funds will outperform their relevant performance benchmark and/or peer group within the context of the level of risk taken over the long term (defined as a full market cycle or at least five years).

**Bronze**

Represents funds that have advantages that clearly outweigh any disadvantages across the pillars, giving analyst the conviction to award them a positive rating. We expect these funds to beat their relevant performance benchmark and/or peer group within the context of the level of risk taken over a full market cycle (or at least five years).

**Neutral**

Represents funds in which our analysts don't have a strong positive or negative conviction. In our judgment, these funds are not likely to deliver standout returns, but they aren't likely to seriously underperform their relevant performance benchmark and/or peer group either.

**Negative**

Represents funds that possess at least one flaw that our analysts believe is likely to significantly hamper future performance, such as high fees or an unstable management team. Because of these faults, we believe these funds are inferior to most competitors and will likely underperform their relevant performance benchmark and/or peer group, within the context of the level of risk taken, over a full market cycle.

Morningstar may also use two other designations in place of a rating:

**Under Review**

This designation means that a change that occurred with the fund or at the fund company requires further review to determine the impact on the rating.

**Not Ratable**

This designation is used only where we are providing a report on a new strategy or on a strategy where there are no relevant comparators, but where investors require information as to suitability.

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**Equity-Related Data Points**

The Report lists the fund's top ten holdings as of the dated noted. For each underlying holding, a series of data points is provided including, where applicable, that security's Economic Moat as of the date noted.

**Economic Moat**

The concept of an economic moat plays a vital role in our equity analyst's qualitative assessment of a firm's long-term investment potential, but also in the actual calculation of its fair value estimate. An economic moat is a structural feature that allows a firm to sustain excess profits over a long period of time. We define economic profits as returns on invested capital (or ROIC) over and above our estimate of a firm's cost of capital, or weighted average cost of capital (or WACC). Without a moat, profits are more susceptible to competition. We have identified five sources of economic moats: intangible assets, switching costs, network effect, cost advantage, and efficient scale.

Companies with a *narrow moat* are those we believe are more likely than not to achieve normalized excess returns for at least the next 10 years. *Wide-moat* companies are those in which we have very high confidence that excess returns will remain for 10 years, with excess returns more likely than not to remain for at least 20 years. The longer a firm generates economic profits, the higher its intrinsic value. We believe low-quality, *no-moat* companies will see their normalized returns gravitate toward the firm's cost of capital more quickly than companies with moats.

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