



# Matthews Asia

## RATINGS

Overall Morningstar Rating™ ★ ★ ★

## FUND FACTS (USD)

Total Fund Assets	\$184.0 million
Benchmark	MSCI China Small Cap Index
Management Fee	1.00%
Minimum Initial Investment	\$1,000/€500
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)	\$20.16
I Acc (GBP)	£9.63

## PORTFOLIO MANAGEMENT

<b>Winnie Chwang</b>	<b>Andrew Mattock, CFA</b>
Lead Manager	Lead Manager
<b>Sherwood Zhang, CFA</b>	<b>Hardy Zhu</b>
Co-Manager	Co-Manager

## KEY 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, emerging and frontier market securities may involve risks such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation, which may adversely affect the value of the Fund's assets. Investing in Chinese securities involve risks. Heightened risks related to the regulatory environment and the potential actions by the Chinese government could negatively impact performance. 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. 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. The Fund invests in smaller companies, which are more volatile and less liquid than larger companies. Pandemics and other public health emergencies can result in market volatility and disruption. 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 bottom-up, fundamental investment philosophy with a focus on long-term investment performance. As of 30 June 2024, Matthews Asia had US\$8.0 billion in assets under management.

# China Small Companies Fund

Matthews Asia Funds

## Class I Shares

30 June 2024

## Investment Objective

Long-term capital appreciation.

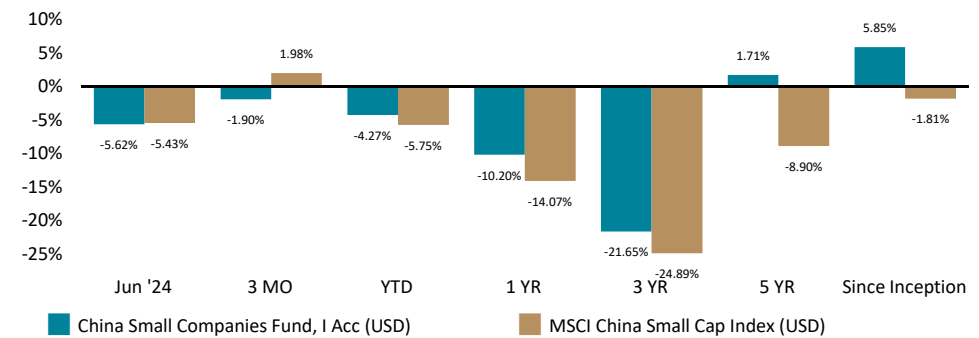
## Sustainability

The Fund promotes environmental and social characteristics according to Article 8 of SFDR. Furthermore, the Fund uses both activity- and norm-based exclusions. Information relating to the environmental and social characteristics of this Fund is available in the prospectus on our website.

## Available Share Classes

Share Class	ISIN	SEDOL	CUSIP
I Acc (USD)	LU0721876877	B6T9RS6	L6263Q652
I Acc (GBP)	LU2075925870	BJN4L97	L6258V187

## Performance as of 30 June 2024<sup>†</sup>



China Small Companies Fund	Jun '24	3 MO	YTD	1 YR	3 YR	5 YR	Since Inception	Inception
I Acc (USD)	-5.62%	-1.90%	-4.27%	-10.20%	-21.65%	1.71%	5.85%	29 Feb 2012
I Acc (GBP)	-5.12%	-1.93%	-3.70%	-10.17%	-19.21%	n.a.	-0.85%	30 Jan 2020
MSCI China Small Cap Index (USD)	-5.43%	1.98%	-5.75%	-14.07%	-24.89%	-8.90%	-1.81% <sup>1</sup>	n.a.

## Rolling 12 Month Returns (For the period ended 30 June 2024)

China Small Companies Fund	2024	2023	2022	2021	2020
I Acc (USD)	-10.20%	-20.87%	-32.32%	31.74%	71.81%
I Acc (GBP)	-10.17%	-24.24%	-22.51%	16.60%	n.a.
MSCI China Small Cap Index (USD)	-14.07%	-25.81%	-33.53%	52.68%	-2.99%

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

<sup>1</sup> Index calculated from 29 February 2012

**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.

# China Small Companies Fund

30 June 2024

TOP TEN HOLDINGS <sup>2</sup>		
	Sector	% of Net Assets
Yangzijiang Shipbuilding Holdings, Ltd.	Industrials	4.9%
Kanzhun, Ltd.	Communication Services	3.9%
ENN Natural Gas Co., Ltd.	Utilities	3.9%
China Overseas Property Holdings, Ltd.	Real Estate	3.6%
Giant Biogene Holding Co., Ltd.	Consumer Staples	3.6%
KE Holdings, Inc.	Real Estate	3.5%
Yantai Jereh Oilfield Services Group Co., Ltd.	Energy	3.2%
Hongfa Technology Co., Ltd.	Industrials	3.0%
Tongcheng Travel Holdings, Ltd.	Consumer Discretionary	3.0%
ACM Research, Inc.	Information Technology	2.9%
% OF ASSETS IN TOP TEN		35.5%
Source: Brown Brothers Harriman (Luxembourg) S.C.A.		

SECTOR ALLOCATION (%) <sup>3</sup>				MARKET CAP EXPOSURE (%) <sup>3,4</sup>			
	Fund	Benchmark	Difference		Fund	Benchmark	Difference
Industrials	23.5	15.0	8.5	Mega Cap (over \$25B)	0.0	0.0	0.0
Consumer Discretionary	17.8	11.6	6.2	Large Cap (\$10B-\$25B)	3.5	0.0	3.5
Real Estate	11.1	10.9	0.2	Mid Cap (\$3B-\$10B)	56.4	6.5	49.9
Information Technology	10.5	9.8	0.7	Small Cap (under \$3B)	40.0	93.5	-53.5
Consumer Staples	9.5	6.6	2.9	Cash and Other Assets, Less Liabilities	0.1	0.0	0.1
Communication Services	8.8	7.3	1.5				
Health Care	6.4	19.4	-13.0				
Materials	4.7	9.3	-4.6				
Utilities	3.9	3.4	0.5				
Energy	3.7	1.8	1.9				
Financials	0.0	4.8	-4.8				
Cash and Other Assets, Less Liabilities	0.1	0.0	0.1				
Sector data based on MSCI's revised Global Industry Classification Standards. For more details, visit <a href="http://www.msci.com">www.msci.com</a> .				Source: FactSet Research Systems			
Source: FactSet Research Systems							

PORTFOLIO CHARACTERISTICS			CHINA EXPOSURE (%) <sup>3,11</sup>	
	Fund	Benchmark		
Number of Positions	57	234	Hong Kong Listed Companies	48.1
Weighted Avg. Market Cap (in billions)	\$4.7	\$1.5	Mainland China Listed Companies	28.5
Active Share <sup>5</sup>	89.3	n.a.	ADR/GDR	9.8
P/E Using FY1 Estimates <sup>6</sup>	11.9x	7.5x	Other	13.7
P/E Using FY2 Estimates <sup>6</sup>	10.4x	6.6x		
Price/Cash Flow <sup>7</sup>	8.4	4.3	Cash and Other Assets, Less Liabilities	0.1
Price/Book <sup>8</sup>	1.7	0.6		
Return on Equity <sup>9</sup>	15.8	6.2		
EPS Growth (3 Years) <sup>10</sup>	22.1%	4.9%		
Source: FactSet Research Systems			Source: FactSet Research Systems	

ESG CHARACTERISTICS				
As of 03/31/2024	Fund	Fund Coverage	Benchmark	Benchmark Coverage
Business Involvement				
Controversial Weapons <sup>12</sup>	0.0%	99%	0.0%	97%
Tobacco <sup>13</sup>	0.0%	99%	0.3%	97%
Sustainability Attributes				
UN Global Compact Violators <sup>14</sup>	0.0%	100%	0.0%	95%
GHG Intensity tCo2e/Rev(€M) <sup>15</sup>	85.1	99%	382.6	88%
Board Diversity <sup>16</sup>	21.5%	100%	16.5%	99%

- 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 Portfolio's market cap exposure breakdown presented is used for comparison purposes and the definition of the capitalization breakdown is from MSCI. The Fund defines Small Companies as companies with market capitalization no higher than the greater of US\$5 billion or the market capitalization of the largest company included in the Fund's primary benchmark, the MSCI China Small Cap Index.
- Active Share is calculated by taking the absolute value of the difference between portfolio holdings and benchmark weights, summing all of these differences, and dividing by two. The calculation will result in an active share number between 0%, which indicates the portfolio perfectly replicates the benchmark, and 100%, which indicates there is no overlap whatsoever between the portfolio and the index. Active Share was calculated including cash held in the Fund.
- 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) or a 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.
- A measure of the market's expectations of a firm's future financial health. Because this measure deals with cash flow, the effects of depreciation and other non-cash factors are removed. Similar to price/earnings ratio, this measure provides an indication of relative value.
- Price-to-Book Ratio (P/B Ratio) is used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share. A lower P/B ratio could mean that the stock is undervalued.
- Return on Equity (ROE) is the amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested, and is calculated as net income divided by shareholder's equity.
- Earnings Per Share (EPS) is the amount of annual profit (after tax and all other expenses) attributable to each share in a company. EPS is calculated by dividing profit by the average number of shares in a company. Earnings growth is not a measure of a fund's future performance.
- Mainland China listed Companies** include A Shares and B Shares. **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. **B Shares** are mainland Chinese companies listed on the Shanghai and Shenzhen stock exchanges, available to both Chinese and non-Chinese investors. **ADRs** are American Depositary Receipts and **GDRs** are Global Depositary Receipts. **Hong Kong Listed Companies** include SAR (Hong Kong) companies, China-affiliated corporations, and H Shares. SAR 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. H Shares are mainland Chinese companies listed on the Hong Kong exchange but incorporated in mainland China. **Other** represents Chinese companies listed in other countries or non-China companies with a majority of revenue coming from China such as Japan, Singapore, Taiwan and the United States or other non-China companies.
- Controversial weapons include companies with involvement in the following: anti-personnel mines; biological and chemical weapons; cluster weapons; depleted uranium; nuclear weapons and white phosphorus. A company is excluded if it is directly involved in the production, selling and/or distribution of (parts of) controversial weapons and this involvement concerns the core weapon system, or components/services of the core weapon system that are tailor-made and essential for the lethal use of the weapon. Sourced from Sustainalytics, ISS and MSCI.
- This represents companies that generate more than 5% of revenue from tobacco manufacturing exposure to or production or that generate more than 50% of revenue from tobacco retail. Sourced from Sustainalytics.
- This represents companies that have been assessed as failing to comply with the 10 United Nations Global Compact Principles by ISS-ESG Norms-Based-Research. Different ESG research providers may come to different conclusions on the severity of the violation.
- The factor identifies the normalized portfolio's total weighted average (scope 1 + scope 2) carbon emissions intensity, using the most recently available data (emissions data from 2020, 2021). Carbon intensity represents the issuer's total carbon emissions per EUR million of revenue (tCO2e divided by EUR million in revenue). Sourced from ISS ESG. Where not covered by external data providers, we have tried to source these data points.
- Represents the weighted average ratio of female board members in investee companies.

# China Small Companies Fund

Matthews Asia Funds

## CONTACT INFORMATION

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

Copyright © 2024 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is provided for reference purposes only. Past performance is no guarantee of future results.

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.

The MSCI China Small Cap Index is a free float-adjusted market capitalization-weighted small cap index of the Chinese equity securities markets, including H shares listed on the Hong Kong exchange, 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.

## IMPORTANT INFORMATION

*This is a marketing communication. This document is not a Prospectus/Offering Document and does not constitute an offer to the public. No public offering or advertising of investment services or securities is intended to have taken effect through the provision of these materials. Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund before making an investment decision. The current prospectus, Key Information Document or Key Investor Information Document, or other offering documents ("Offering Documents") contain this and other information. Please refer to the Offering Documents before making any final investment decisions.*

The Fund is a sub-fund of Matthews Asia Funds, 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 registered for public offer and sale in certain jurisdictions only. Not all share classes are registered in each jurisdiction. **GENERALLY 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.

Investing in emerging and frontier securities involves greater risks than investing in securities of developed markets, as issuers in these countries generally disclose less financial and other information publicly or restrict access to certain information from review by non-domestic authorities. Emerging and frontier markets tend to have less stringent and less uniform accounting, auditing and financial reporting standards, limited regulatory or governmental oversight, and limited investor protection or rights to take action against issuers, resulting in potential material risks to investors.

This material does not constitute or contain an offer, solicitation, recommendation or investment advice with respect to the purchase of the Funds described herein or any security. Prospective investors should carefully review the information contained in the Offering Documents and consult their professional legal, tax and financial advisers as to the suitability of any investment in light of their particular circumstances and applicable citizenship, residence or domicile, including any tax or foreign exchange control restrictions. The Fund's shares may not be sold to citizens or residents of the United States or in any other state, country or jurisdiction where it would be unlawful to offer, solicit an offer for, or sell the shares. No securities commission or regulatory authority has in any way passed upon the merits of an investment in the Fund or the accuracy or adequacy of this information or the material contained herein or otherwise. Neither this factsheet nor the Offering Documents have been approved in any jurisdiction where the Fund has not been registered for public offer and sale. Application for shares may only be made by way of the Fund's most recent Offering Documents. 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.

The information contained herein has been derived from sources believed to be reliable and accurate at the time of compilation, but no representation or warranty (express or implied) is made as to the accuracy or completeness of any of this information. Matthews Asia and its affiliates do not accept any liability for losses either direct or consequential caused by the use of this information.

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.

Matthews International Capital Management, LLC is the Investment Manager to the Matthews Asia Funds, and is a U.S.-based investment adviser registered with the U.S. Securities and Exchange Commission who has not represented and will not represent that it is otherwise registered with any other regulator or regulatory body. Registration does not imply a certain level of skill or training.

In Singapore, this document is available to, and intended for Institutional Investors under Section 304 of the Securities and Futures Act. It should not be circulated or distributed to the retail public in Singapore. This advertisement has not been reviewed by the Monetary Authority of Singapore.

In the UK, this document is only made available to professional clients and eligible counterparties as defined by the Financial Conduct Authority ("FCA"). Under no circumstances should this document be forwarded to anyone in the UK who is not a professional client or eligible counterparty as defined by the FCA. Issued in the UK by Matthews Global Investors (UK) Limited, which is authorised and regulated by the FCA, FRN 667893.



Matthews Asia