# Asia Dividend Fund

Matthews Asia Funds

## Class A Shares

28 February 2022

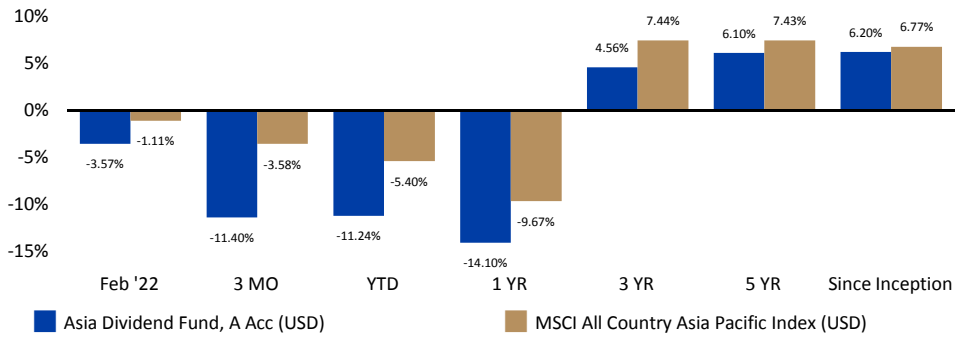
## Investment Objective

Seeks total return with an emphasis on providing current income.

## Available Share Classes

| Share Class | ISIN | SEDOL | CUSIP |
|---|---|---|---|
| A Acc (USD) | LU0491817952 | B46KTM6 | L6263Q108 |
| A Acc (GBP) | LU0594556309 | B3SX454 | L6263Q488 |
| A Dist (USD) | LU0491818091 | B3QJ0P6 | L6263Q223 |
| A Dist (GBP) | LU0594556481 | B41BLZ1 | L6263Q496 |

## Performance as of 28 February 2022†




| Asia Dividend Fund | Feb '22 | 3 MO | YTD | 1 YR | 3 YR | 5 YR | Since Inception | Inception |
|---|---|---|---|---|---|---|---|---|
| **A Acc (USD)** | -3.57% | -11.40% | -11.24% | -14.10% | 4.56% | 6.10% | 6.20% | 26 Aug 2010 |
| **A Acc (GBP)** | -3.34% | -11.73% | -10.61% | -10.54% | 4.34% | 4.54% | 7.68% | 28 Feb 2011 |
| **A Dist (USD)** | -3.59% | -11.40% | -11.23% | -14.11% | 4.54% | 6.10% | 6.20% | 26 Aug 2010 |
| **A Dist (GBP)** | -3.31% | -11.74% | -10.58% | -10.54% | 4.30% | 4.51% | 7.67% | 28 Feb 2011 |
| MSCI AC Asia Pacific Index (USD) | -1.11% | -3.58% | -5.40% | -9.67% | 7.44% | 7.43% | 6.77%[1] | n.a. |

## Rolling 12 Month Returns (For the period ended 31 December 2021)

| Asia Dividend Fund | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| **A Acc (USD)** | -2.60% | 30.42% | 9.93% | -13.47% | 32.88% |
| **A Acc (GBP)** | -1.29% | 25.89% | 6.72% | -8.55% | 21.19% |
| **A Dist (USD)** | -2.62% | 30.43% | 9.91% | -13.46% | 32.82% |
| **A Dist (GBP)** | -1.34% | 25.95% | 6.56% | -8.52% | 21.20% |
| MSCI AC Asia Pacific Index (USD) | -1.19% | 20.07% | 19.74% | -13.25% | 32.04% |

† All returns over 1 year are annualised

1 Index calculated from 26 August 2010

**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.

Matthews Asia

### RATINGS

Overall Morningstar Rating™ ★★★

FE fundinfo Crown Fund Rating

### FUND FACTS (USD)

| | |
|---|---|
| Total Fund Assets | $199.7 million |
| Benchmark | MSCI All Country Asia Pacific Index |
| Management Fee | 1.25% |
| 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 | |
| A Acc (USD) | $19.98 |
| A Acc (GBP) | £22.57 |
| A Dist (USD) | $15.58 |
| A Dist (GBP) | £17.50 |

### PORTFOLIO MANAGEMENT

**Yu Zhang, CFA**
Lead Manager

**S. Joyce Li, CFA**
Lead Manager

**Robert J. Horrocks, PhD**
Co-Manager

**Sherwood Zhang, CFA**
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. 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. 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. 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 bottomup, fundamental investment philosophy with a focus on long-term investment performance. As of 28 February 2022, Matthews Asia had US$22.7 billion in assets under management.



For Institutional/Professional Investor Use Only

# Asia Dividend Fund

28 February 2022

## TOP TEN HOLDINGS[2]

| | Country | % of Net Assets |
|---|---|---|
| Taiwan Semiconductor Manufacturing Co., Ltd. | Taiwan | 5.1% |
| Minth Group, Ltd. | China/Hong Kong | 4.5% |
| Minda Industries, Ltd. | India | 3.3% |
| Tencent Holdings, Ltd. | China/Hong Kong | 2.8% |
| KATITAS Co., Ltd. | Japan | 2.8% |
| FPT Corp. | Vietnam | 2.7% |
| Asia Commercial Bank JSC | Vietnam | 2.6% |
| Link REIT | China/Hong Kong | 2.5% |
| MISUMI Group, Inc. | Japan | 2.5% |
| Breville Group, Ltd. | Australia | 2.3% |
| % OF ASSETS IN TOP TEN | | 31.1% |

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

## COUNTRY ALLOCATION (%)[3]

| | Fund | Benchmark | Difference |
|---|---|---|---|
| China/Hong Kong | 29.1 | 25.0 | 4.1 |
| Japan | 26.4 | 32.0 | -5.6 |
| Taiwan | 10.9 | 10.5 | 0.4 |
| Vietnam | 8.9 | 0.0 | 8.9 |
| Singapore | 5.8 | 1.8 | 4.0 |
| Australia | 5.6 | 10.5 | -4.9 |
| India | 5.3 | 8.1 | -2.8 |
| South Korea | 2.2 | 8.0 | -5.8 |
| Indonesia | 1.9 | 1.1 | 0.8 |
| Bangladesh | 1.1 | 0.0 | 1.1 |
| Malaysia | 0.7 | 1.0 | -0.3 |
| Thailand | 0.0 | 1.2 | -1.2 |
| Philippines | 0.0 | 0.5 | -0.5 |
| New Zealand | 0.0 | 0.3 | -0.3 |
| Cash and Other Assets, Less Liabilities | 2.1 | 0.0 | 2.1 |

Source: FactSet Research Systems

## SECTOR ALLOCATION (%)[3]

| | Fund | Benchmark | Difference |
|---|---|---|---|
| Consumer Discretionary | 26.6 | 14.8 | 11.8 |
| Financials | 15.6 | 18.2 | -2.6 |
| Information Technology | 14.4 | 19.0 | -4.6 |
| Industrials | 12.7 | 11.2 | 1.5 |
| Communication Services | 7.7 | 8.8 | -1.1 |
| Real Estate | 7.7 | 4.0 | 3.7 |
| Health Care | 6.3 | 6.4 | -0.1 |
| Materials | 4.2 | 7.3 | -3.1 |
| Consumer Staples | 2.8 | 5.7 | -2.9 |
| Energy | 0.0 | 2.5 | -2.5 |
| Utilities | 0.0 | 2.1 | -2.1 |
| Cash and Other Assets, Less Liabilities | 2.1 | 0.0 | 2.1 |

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

Source: FactSet Research Systems

## MARKET CAP EXPOSURE (%)[3,4]

| | Fund | Benchmark | Difference |
|---|---|---|---|
| Mega Cap (over $25B) | 35.3 | 60.0 | -24.7 |
| Large Cap ($10B-$25B) | 17.1 | 22.3 | -5.2 |
| Mid Cap ($3B-$10B) | 30.8 | 17.0 | 13.8 |
| Small Cap (under $3B) | 14.8 | 0.7 | 14.1 |
| Cash and Other Assets, Less Liabilities | 2.1 | 0.0 | 2.1 |

Source: FactSet Research Systems

## PORTFOLIO CHARACTERISTICS

| | Fund | Benchmark |
|---|---|---|
| Number of Positions | 59 | 1,539 |
| Weighted Avg. Market Cap (in billions) | $71.3 | $102.4 |
| Active Share[5] | 86.8 | n.a. |
| P/E Using FY1 Estimates[6] | 16.2x | 13.2x |
| P/E Using FY2 Estimates[6] | 14.8x | 12.5x |
| Price/Cash Flow[7] | 13.4 | 9.4 |
| Price/Book[8] | 2.3 | 1.6 |
| Return on Equity[9] | 18.6 | 13.9 |
| EPS Growth (3 Years)[10] | 5.1% | 1.1% |

Source: FactSet Research Systems

## DIVIDEND YIELD[11]

1.71%

Source:Factset Research Systems, Bloomberg, Matthews Asia

2 Holdings may combine more than one security from the same issuer and related depositary receipts.

3 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.

4 Equity market cap of issuer.

5 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.

6 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.

7 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.

8 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.

9 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.

10 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.

11 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.

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# Asia Dividend Fund

Matthews Asia Funds

## CONTACT INFORMATION

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FE Crown Fund Rating as of 24/01/2022.

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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.

The MSCI All Country Asia Pacific Index is a free float—adjusted market capitalization—weighted index of the stock markets of Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Pakistan, Philippines, Singapore, South Korea, Taiwan and Thailand. 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, 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.**

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