



# Matthews Asia

## RATINGS\*

Overall Morningstar Rating™ ★★★★★

## FUND FACTS (USD)

Total Fund Assets‡	\$15.3 million
Total # of Positions‡	77
Weighted Average Market Cap††	\$1.3 billion
Benchmark	MSCI All Country Asia ex Japan Small Cap Index
Management Fee	1.00%
Minimum Initial Investment	\$1,000,000, or equivalent/£500,000
Minimum Subsequent Investment	\$250,000, or equivalent/£125,000
Fund Domicile	Luxembourg
Available Share Classes	A, I
Base Currency	USD
Additional Dealing Currencies	GBP
Net Asset Value‡	
I Acc (USD)	\$13.36
I Acc (GBP)	£15.42

Source:

‡ Brown Brothers Harriman (Luxembourg) S.C.A

†† FactSet Research Systems

## PORTFOLIO MANAGEMENT

**Lydia So, CFA**

Lead Manager

**Tiffany Hsiao, CFA**

Co-Manager

**Beini Zhou, CFA**

Co-Manager

## 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 April 2018, Matthews Asia had US\$34.9 billion in assets under management.

## CONTACT INFORMATION\*\*

**Brown Brothers Harriman (Hong Kong) Limited**

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# Asia Small Companies Fund

Class I Shares

Matthews Asia Funds

30 April 2018

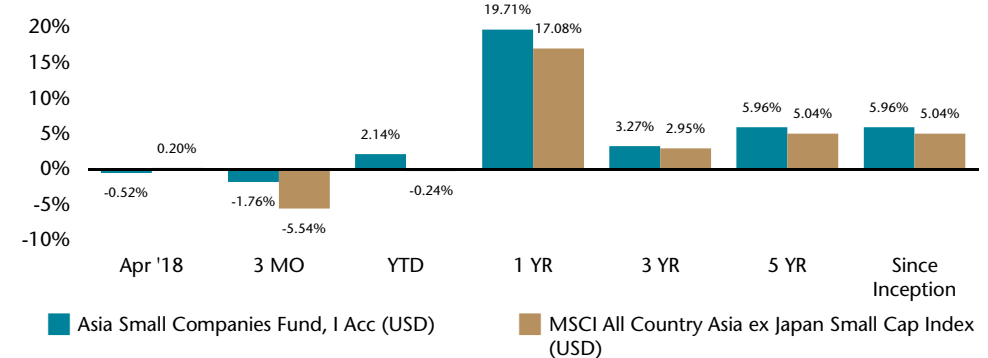
## Investment Objective

Long-term capital appreciation.

## Risk Considerations

- ✳ Investment involves risk. It is possible to lose the principal capital of your investment.
- ✳ The Fund invests primarily in Asian countries and economies. Investment in such emerging markets may be subject to increased risks such as political, tax, economic, market, liquidity, custody and settlement, currency, legal and regulatory risks.
- ✳ The Fund invests primarily in equity securities which may result in increased volatility.
- ✳ The Fund may invest in smaller companies, which are likely to carry higher risks than larger companies.
- ✳ The Fund does not hedge to attempt to offset certain market risks. This may expose the Fund to the risk of full losses resulting from a decline in a security's value.
- ✳ Investors should not invest in the Fund solely based on the information in this document.

## Performance as of 30 April 2018†



Asia Small Companies Fund	Apr '18	3 MO	YTD	1 YR	3 YR	5 YR	Since Inception	Inception
I Acc (USD)	-0.52%	-1.76%	2.14%	19.71%	3.27%	5.96%	5.96%	30 Apr 2013
I Acc (GBP)	1.98%	1.38%	0.52%	12.80%	7.36%	n.a.	11.43%	30 Apr 2014
MSCI AC Asia ex Japan Small Cap Index (USD)	0.20%	-5.54%	-0.24%	17.08%	2.95%	5.04%	5.04% <sup>1</sup>	n.a.

## Annual Returns (For the Years Ended 31 December)

Asia Small Companies Fund	2017	2016	2015	2014	2013
I Acc (USD)	30.80%	-1.09%	-11.08%	11.14%	2.30%‡
I Acc (GBP)	19.38%	18.87%	-6.49%	15.60%‡	n.a.
MSCI AC Asia ex Japan Small Cap Index (USD)	33.84%	-2.05%	-3.28%	2.56%	-1.42%‡

† All returns over 1 year are annualised

<sup>1</sup> Index calculated from 30 April 2013

‡ Performance shown from share class launch date to calendar year end.

**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.

# Asia Small Companies Fund

30 April 2018

## TOP TEN HOLDINGS<sup>2</sup>

	Country	% of Net Assets
Cosmecca Korea Co., Ltd.	South Korea	2.0%
GRUH Finance, Ltd.	India	2.0%
Shanghai Haohai Biological Technology Co., Ltd.	China/Hong Kong	2.0%
Vitasoy International Holdings, Ltd.	China/Hong Kong	2.0%
Merck, Ltd.	India	2.0%
Times Property Holdings, Ltd.	China/Hong Kong	2.0%
Silergy Corp.	China/Hong Kong	1.9%
Value Added Technology Co., Ltd.	South Korea	1.9%
Incross Co., Ltd.	South Korea	1.8%
CLIO Cosmetics Co., Ltd.	South Korea	1.8%
<b>% OF ASSETS IN TOP TEN</b>		<b>19.4%</b>

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

## SECTOR ALLOCATION (%)<sup>3</sup>

	Fund	Benchmark	Difference
Information Technology	19.4	18.1	1.3
Health Care	14.1	10.2	3.9
Consumer Discretionary	12.9	17.1	-4.2
Financials	12.0	8.9	3.1
Industrials	11.7	13.5	-1.8
Consumer Staples	10.4	5.3	5.1
Real Estate	5.8	11.6	-5.8
Materials	5.3	9.4	-4.1
Energy	2.9	2.0	0.9
Utilities	0.0	2.8	-2.8
Telecom Services	0.0	1.1	-1.1
Cash and Other Assets, Less Liabilities	5.4	0.0	5.4

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

## MARKET CAP EXPOSURE (%)<sup>3,4</sup>

	Fund	Benchmark	Difference
Mega Cap (over \$25B)	0.0	0.0	0.0
Large Cap (\$10B-\$25B)	0.0	0.0	0.0
Mid Cap (\$3B-\$10B)	9.8	14.0	-4.2
Small Cap (under \$3B)	84.8	86.0	-1.2
Cash and Other Assets, Less Liabilities	5.4	0.0	5.4

Source: FactSet Research Systems

## COUNTRY ALLOCATION (%)<sup>3</sup>

	Fund	Benchmark	Difference
China/Hong Kong	32.0	29.9	2.1
Taiwan	14.5	18.3	-3.8
India	12.3	15.4	-3.1
South Korea	11.4	18.9	-7.5
Thailand	5.9	4.0	1.9
Indonesia	4.9	2.5	2.4
Japan	3.8	0.0	3.8
Malaysia	3.4	3.5	-0.1
United States	1.8	0.0	1.8
Vietnam	1.6	0.0	1.6
Philippines	1.2	0.9	0.3
Singapore	1.0	5.8	-4.8
Australia	1.0	0.0	1.0
Pakistan	0.0	0.9	-0.9
Cash and Other Assets, Less Liabilities	5.4	0.0	5.4

Source: FactSet Research Systems

## P/E RATIOS<sup>5</sup>

P/E Using FY1 Estimates	15.1x
P/E Using FY2 Estimates	12.2x

Source: FactSet Research Systems (P/E est. as of 30/04/18)

## DISCLOSURES

The Fund is a sub-fund of Matthews Asia Funds, an open end umbrella fund with variable capital and incorporated with limited liability under the laws of Luxembourg. NOT FOR SALE IN THE U.S. OR TO U.S. PERSONS. This document does not constitute or contain an offer, solicitation or investment advice with respect to the purchase of the Fund described herein or any security. This information is not to be construed as a prospectus, a public offering or an offering memorandum as defined under applicable securities legislation.

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Investments involve risk. Past performance is not a guide to future performance. The value of an investment in the Fund can go down as well as up.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Matthews Asia Funds before making an investment decision. The current prospectus, Supplement for Hong Kong Investors, Product Key Facts Statements or other offering documents ("Hong Kong Offering Document") contain this and other information and can be obtained by visiting [hk.matthewsasiasia.com](http://hk.matthewsasiasia.com). Please read the Hong Kong Offering Document carefully for further details including risk factors before investing. Prospective investors should consult professional legal, tax and financial advisers as to the suitability of any investment in light of your particular circumstances and applicable citizenship, residence or domicile. Fees and expenses vary among Funds and share classes. 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.

The MSCI All Country Asia ex Japan Small Cap Index is a free float—adjusted market capitalisation—weighted small cap index of the stock markets of China, Hong Kong, India, Indonesia, Korea, Malaysia, Pakistan, the Philippines, Singapore, Taiwan and Thailand. Index is for comparative purposes only and it is not possible to invest directly in an index.

\*Overall Morningstar Rating™ is reflective of the USD Accumulation Share class. Fund ratings represent an opinion only and are not a recommendation to buy or sell any fund. Copyright © 2018 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.

\*\* You are invited to contact Matthews Global Investors (Hong Kong) Limited at (852)-3901-0880, Email: [globalfunds@matthewsasiasia.com](mailto:globalfunds@matthewsasiasia.com) directly for more information relating to the Fund only if you are categorized as a professional investor in Hong Kong.

This document is issued by Matthews Global Investors (Hong Kong) Limited and has not been reviewed by the Securities and Futures Commission.

## Available Share Classes

Share Class	ISIN	SEDOL	CUSIP
I Acc (USD)	LU0871674296	B8BDQ61	L6258V146
I Acc (GBP)	LU0871674379	BLRZYX5	L6258V153

<sup>2</sup> Holdings may combine more than one security from the same issuer and related depository receipts.

<sup>3</sup> 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.

<sup>4</sup> Equity market cap of issuer. The Fund defines Small Companies as companies with market capitalization generally between US \$100 million and US \$3 billion or the largest company included in the Fund's primary benchmark, the MSCI AC Asia ex Japan Small Cap Index. The Portfolio's market cap exposure breakdown presented is used for comparison purposes and the definition of the capitalization breakdown is from MSCI.

<sup>5</sup> 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.