



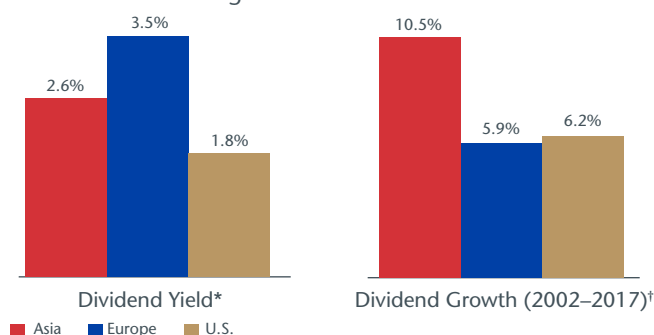
### Risk Considerations

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 may, at its discretion, pay dividends out of the capital or effectively out of capital in respect of the distribution shares. Payment of dividends out of capital and/or effectively out of capital represents a return or withdrawal of part of an investor's original investment, or from any capital gains attributable to that original investment. Such dividends may result in an immediate reduction of the net asset value per share of the Fund. | 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 material alone. Please contact Matthews Global Investors (Hong Kong) Limited for further details of the risk factors.

## Why Invest in the Matthews Asia Dividend Fund?

### 1. Asia: An Attractive Source of Yield and Dividend Growth

The portfolio blends stable dividend "payers" with attractive dividend "growers."



\*Trailing dividend yield estimates for 2018, as of 13/7/18, based on Bloomberg.  
†Compound annual growth rate (CAGR) based on index constituents of Europe (Bloomberg European 500 Index), Asia Pacific (MSCI AC Asia Pacific Index), U.S. (S&P 500 Index), as of 31/12/02, excluding those that are no longer in existence as of fiscal year 2017.

Sources: FactSet Research Systems, MSCI, S&P, Bloomberg

### 2. Uncover the Next Generation of Sustainable Dividend-Paying Companies

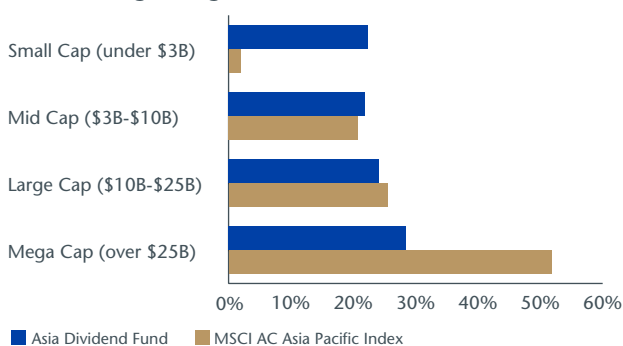
Structural reform efforts and an increasing emphasis on shareholder returns support better corporate governance practices.

- Japan** | **South Korea**  
A shift in government policies or family ownership structures are encouraging a higher dividend payout and higher shareholder returns.
- China**  
Deeper capital markets and opening of the A-share market are expanding investible universe of dividend-paying companies.
- Taiwan** | **Australia**  
Tax regimes encourage companies to pay higher dividends.
- ASEAN**  
Family-owned businesses are common where largest shareholders have incentive to extract value via dividends as income.

Source: Matthews Asia

### 3. Unconstrained All-Cap Approach

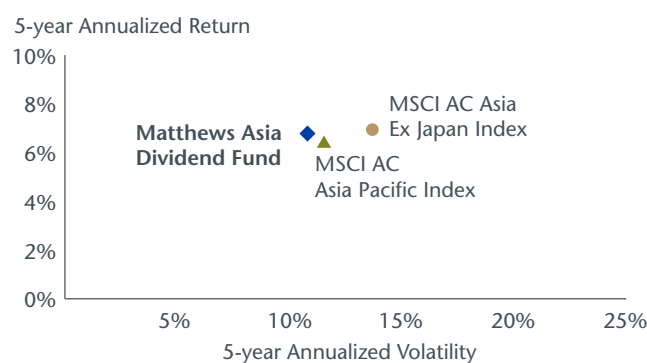
The portfolio has a strategic focus on small- to mid-cap stocks to capitalize on Asia's domestic consumption story and the burgeoning middle class.



Source: FactSet Research Systems, Bloomberg, Data as of 30/9/18; Equity market cap of issuer.

### 4. Track Record of Strong Returns Over the Long Term

Dividend-paying companies offer the opportunity to tap into Asia's growth potential.



Data as of 30/9/18. Performance reflects Class I (ACC) Shares, USD.  
Source: Morningstar

Annual returns for the 12 month period ended 31 December	2017	2016	2015	2014	2013
Matthews Asia Dividend Fund (I Acc, USD)	33.49%	4.09%	3.87%	-0.96%	12.26%
MSCI All Country Asia Pacific Index	32.04%	5.21%	-1.68%	0.29%	12.19%

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

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.

Additional performance, attribution, liquidity, value at risk (VaR), security classification and holdings information is available on request for certain time periods.

Performance details provided are based on a NAV-to-NAV basis with any dividends reinvested, and are net of management fees and other expenses. Performance data has been calculated in the respective currencies stated above, including ongoing charges and excluding subscription fee and redemption fee you might have to pay. Volatility is the standard deviation of return.

\*Overall Morningstar Ratings are reflective of the I (ACC) USD share class.

## MATTHEWS ASIA DIVIDEND FUND

### Strategy Highlights

- Total Return Approach**  
The portfolio blends stable dividend yielders with attractive dividend growers in seeking to provide both capital growth and a sustainable dividend yield.
- Dividends Validate Corporate Governance**  
Dividends are a useful lens through which we assess a company's earnings, cash flow and commitment to minority shareholders.
- Highly Experienced Team**  
Yu Zhang, CFA, is the Lead Manager and Robert Horrocks, PhD; Sherwood Zhang, CFA; and Vivek Tanneeru are Co-Managers of the Fund, with over 60 years of combined investment experience.
- Long-term Track Record of Strong Returns with a Focus on Downside Protection**  
Matthews Asia has offered a dedicated Asia dividend strategy since 2006. The Asia Dividend Fund has outperformed its benchmark in 5-year and since inception periods.\*

\*As of 30/9/18. Inception date: 30/04/10, annualised. Performance reflects Class I (ACC) Shares, USD.  
Source: Brown Brothers Harriman (Luxembourg) S.C.A.

### Why Matthews Asia?

- 25 years of Experience Investing in Asian Equity Markets**  
We have invested in dividend-paying equity income strategies since 1994 and have offered our dedicated Asia Dividend Strategy since 2006.
- Specialist Firm Focused Solely on Investing in Asia**  
Independent and privately owned, Matthews Asia has a 45+ person investment team dedicated to investing in Asia.
- Clear Investment Philosophy**  
We believe that a long-term investment horizon and benchmark-agnostic approach provides value creation opportunities for our clients. This is reflected in a portfolio with low turnover and high active share.
- Research-driven, Bottom-up Approach**  
Our disciplined process is anchored in an active, bottom up approach to stock picking. Our dedicated investment team holds over 2,500 company meetings per year.

<b>FUND FACTS (USD)</b>	<b>Total Fund Assets</b>	\$514.0 million	<b>ISIN</b>	LU0491818331 (USD)	<b>Benchmark</b>	MSCI All Country Asia Pacific Index
<b>Class I (ACC) Shares</b>	<b>Total # of Positions</b>	67		LU0594556648 (GBP)		
	<b>Inception</b>	30 April 2010		LU0491818174 (EUR)		

### Important Information

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