



# Matthews Asia

## RATINGS & AWARDS\*

Overall Morningstar Rating™ **★★★★**

Best Equity Fund House



**Awards 2021**

## FUND FACTS (USD)

Total Fund Assets‡	\$212.5 million
Total # of Positions‡	53
Weighted Average Market Cap††	\$46.0 billion
Benchmark	MSCI Japan Index
Management Fee	0.75%
Minimum Initial Investment	\$100,000/£50,000
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)	\$17.91
I Acc (GBP)	£19.97

Source:

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

†† FactSet Research Systems

## PORTFOLIO MANAGEMENT

**Taizo Ishida**

Lead Manager

**Shuntaro Takeuchi**

Lead 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 31 August 2021, Matthews Asia had US\$29.8 billion in assets under management.

## CONTACT INFORMATION

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# Japan Fund

Class I Shares

Matthews Asia Funds

31 August 2021

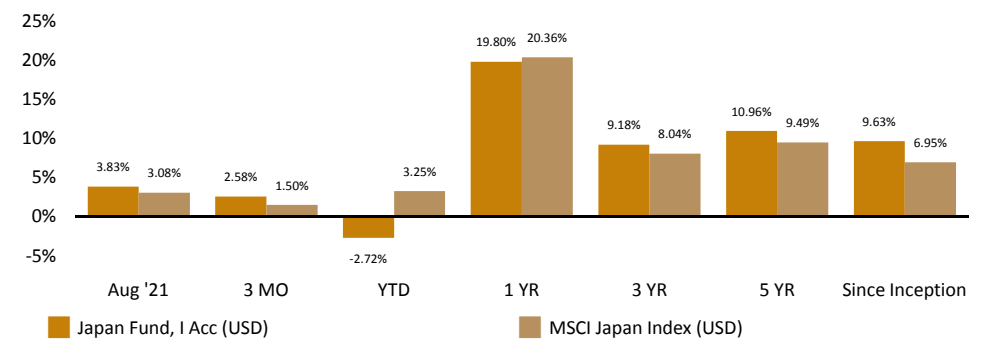
## Investment Objective

Seeks to achieve long-term capital appreciation.

## Risk Considerations

- Investment involves risk. Past performance is not a guide to future performance. It is possible to lose the principal capital of your investment.
- The Fund invests primarily in Japan-related companies. Investments in such companies may be subject to increased risks such as political, social, tax, economic, policy, market, liquidity, trading, 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 may invest in financial derivative instruments ("FDIs"). Risk associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. Exposure to FDIs may lead to a high risk of significant loss by the Fund.
- The Fund may use hedging techniques to attempt to offset certain market risks but there is no guarantee that hedging techniques will fully and effectively achieve their desired result.
- Pandemics and other public health emergencies can result in market volatility and disruption.
- Investors should not invest in the Fund solely based on the information in this document.

## Performance as of 31 August 2021<sup>†</sup>



Japan Fund	Aug '21	3 MO	YTD	1 YR	3 YR	5 YR	Since Inception	Inception
I Acc (USD)	3.83%	2.58%	-2.72%	19.80%	9.18%	10.96%	9.63%	30 Apr 2015
I Acc (GBP)	5.05%	5.55%	-3.62%	15.84%	6.98%	9.82%	11.53%	30 Apr 2015
MSCI Japan Index (USD)	3.08%	1.50%	3.25%	20.36%	8.04%	9.49%	6.95% <sup>1</sup>	n.a.

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

Japan Fund	2020	2019	2018	2017	2016
I Acc (USD)	32.83%	25.54%	-20.58%	33.40%	0.19%
I Acc (GBP)	28.30%	21.61%	-16.16%	21.57%	20.43%
MSCI Japan Index (USD)	14.91%	20.07%	-12.58%	24.39%	2.73%

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

<sup>1</sup> Index calculated from 30 April 2015

**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-USD 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. Performance data has been calculated in the respective currencies stated above, including ongoing charges and excluding any subscription fee and redemption fee you might have to pay. Source: Brown Brothers Harriman (Luxembourg) S.C.A.

# Japan Fund

31 August 2021

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

	Sector	% of Net Assets
Sony Group Corp.	Consumer Discretionary	4.8%
Recruit Holdings Co., Ltd.	Industrials	3.9%
Shin-Etsu Chemical Co., Ltd.	Materials	3.8%
Toyota Motor Corp.	Consumer Discretionary	3.4%
ORIX Corp.	Financials	3.2%
Hoya Corp.	Health Care	3.1%
Toyota Industries Corp.	Consumer Discretionary	2.8%
Keyence Corp.	Information Technology	2.6%
JSR Corp.	Materials	2.5%
Olympus Corp.	Health Care	2.5%
<b>% OF ASSETS IN TOP TEN</b>		<b>32.6%</b>

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

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

	Fund	Benchmark	Difference
Industrials	19.7	22.2	-2.5
Consumer Discretionary	18.9	18.8	0.1
Information Technology	14.6	14.5	0.1
Health Care	14.4	10.3	4.1
Communication Services	9.2	8.0	1.2
Materials	8.8	5.0	3.8
Financials	7.5	8.9	-1.4
Consumer Staples	1.5	7.1	-5.6
Real Estate	0.0	3.5	-3.5
Utilities	0.0	1.0	-1.0
Energy	0.0	0.6	-0.6
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)	42.1	58.8	-16.7
Large Cap (\$10B-\$25B)	18.7	24.4	-5.7
Mid Cap (\$3B-\$10B)	23.7	16.8	6.9
Small Cap (under \$3B)	10.1	0.0	10.1
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	20.6x
P/E Using FY2 Estimates	18.6x

Source: FactSet Research Systems (P/E est. as of 31/08/21)

- 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 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.

## 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.

Matthews Asia is the brand for Matthews International Capital Management, LLC and its direct and indirect subsidiaries.

The information contained herein has been derived from sources believed to be reliable and accurate at the time of compilation, however, no representation or warranty (express or implied) is made, including, without limitation, that the information is complete or timely. Matthews Asia and its affiliates do not accept any liability for losses either direct or consequential caused by the use of this information. Information contained herein is sourced from Matthews Asia and as of the report date unless otherwise stated.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund before making an investment decision. The current prospectus, Supplement for Hong Kong Investors, Product Key Facts Statements ("Hong Kong Offering Document") or other offering documents contain this and other information and can be obtained by visiting [hk.matthewsasias.com](http://hk.matthewsasias.com). Please read the Hong Kong Offering Document or other offering documents carefully for 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.

The MSCI Japan Index is a free float-adjusted market capitalisation—weighted index of Japanese equities listed in Japan. 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 © 2021 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.

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\*\*Please contact the Hong Kong Representative for information on the Fund including the Fund's financial reports and offering document, and relevant circulars, notices and announcements where applicable.

Please contact your financial adviser for specific information and documents as disclosed in the Hong Kong Offering Document of the Matthews Asia Funds.

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)	LU1220257130	BWX5XW8	L6263Q793
I Acc (GBP)	LU1220257486	BWX5XY0	L6263Q819