



Matthews Asia

#### RATINGS & AWARDS\*

Best Equity Fund House



Awards  
2021

#### FUND FACTS (USD)

|                               |                    |
|-------------------------------|--------------------|
| Total Fund Assets†            | \$106.6 million    |
| Benchmark                     | MSCI Japan Index   |
| Management Fee                | 0.75%              |
| Minimum Initial Investment    | \$100,000/€100,000 |
| Minimum Subsequent Investment | \$100/€100         |
| Fund Domicile                 | Luxembourg         |
| Available Share Classes       | I                  |
| Base Currency                 | USD                |
| Additional Dealing Currencies | EUR                |
| Net Asset Value‡              |                    |
| I Acc (USD Hedged)            | \$23.67            |
| I Acc (EUR Hedged)            | €20.71             |

Source:

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

#### PORTFOLIO MANAGEMENT

|                          |                     |
|--------------------------|---------------------|
| <b>Shuntaro Takeuchi</b> | <b>Donghoon Han</b> |
| Lead Manager             | 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 bottom-up, fundamental investment philosophy with a focus on long-term investment performance. As of 29 February 2024, Matthews Asia had US\$8.5 billion in assets under management.

## Japan Fund

Class I Shares - Hedged

Matthews Asia Funds

29 February 2024

### Investment Objective

Seeks to achieve long-term capital appreciation.

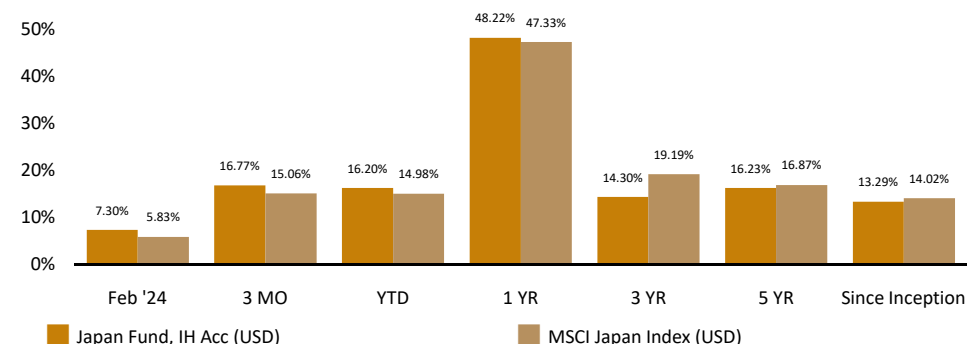
### Sustainability

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.

### 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 companies located in Japan. The value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Japan market.
- 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 29 February 2024†



| Japan Fund                          | Feb '24 | 3 MO   | YTD    | 1 YR   | 3 YR   | 5 YR   | Since Inception     | Inception   |
|-------------------------------------|---------|--------|--------|--------|--------|--------|---------------------|-------------|
| I Acc (USD Hedged)                  | 7.30%   | 16.77% | 16.20% | 48.22% | 14.30% | 16.23% | 13.29%              | 03 Apr 2017 |
| I Acc (EUR Hedged)                  | 7.14%   | 16.15% | 15.89% | 45.23% | 12.57% | 14.36% | 11.12%              | 03 Apr 2017 |
| MSCI Japan 100% Hedged to USD (USD) | 5.83%   | 15.06% | 14.98% | 47.33% | 19.19% | 16.87% | 14.02% <sup>1</sup> | n.a.        |
| MSCI Japan 100% Hedged to EUR (EUR) | 5.71%   | 14.77% | 14.88% | 44.69% | 17.07% | 14.61% | 11.60% <sup>1</sup> | n.a.        |

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

| Japan Fund                          | 2023   | 2022    | 2021   | 2020   | 2019   |
|-------------------------------------|--------|---------|--------|--------|--------|
| I Acc (USD Hedged)                  | 35.89% | -14.54% | 9.63%  | 25.29% | 26.94% |
| I Acc (EUR Hedged)                  | 32.96% | -15.79% | 8.65%  | 24.18% | 23.10% |
| MSCI Japan 100% Hedged to USD (USD) | 36.24% | -1.62%  | 13.96% | 10.14% | 21.81% |
| MSCI Japan 100% Hedged to EUR (EUR) | 33.32% | -4.06%  | 13.13% | 8.27%  | 18.17% |

† All returns over 1 year are annualised

<sup>1</sup> Index calculated from 03 April 2017

**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

29 February 2024

| TOP TEN HOLDINGS <sup>2</sup>                       |                        |                 |
|---|------------------------|-----------------|
|   | Sector                 | % of Net Assets |
| Shin-Etsu Chemical Co., Ltd.                        | Materials              | 5.3%            |
| Keyence Corp.                                       | Information Technology | 4.9%            |
| Tokio Marine Holdings, Inc.                         | Financials             | 4.4%            |
| Hitachi, Ltd.                                       | Industrials            | 4.3%            |
| Tokyo Electron, Ltd.                                | Information Technology | 4.2%            |
| Mitsubishi UFJ Financial Group, Inc.                | Financials             | 3.4%            |
| Toyota Motor Corp.                                  | Consumer Discretionary | 3.1%            |
| Renesas Electronics Corp.                           | Information Technology | 3.0%            |
| Mitsubishi Corp.                                    | Industrials            | 3.0%            |
| FUJIFILM Holdings Corp.                             | Information Technology | 3.0%            |
| % OF ASSETS IN TOP TEN                              |                        | 38.6%           |
| Source: Brown Brothers Harriman (Luxembourg) S.C.A. |                        |                 |

| SECTOR ALLOCATION (%) <sup>3</sup>   |      |           |            |
|--|------|-----------|------------|
|  | Fund | Benchmark | Difference |
| Industrials  | 21.5 | 21.9      | -0.4       |
| Information Technology   | 21.4 | 15.4      | 6.0        |
| Consumer Discretionary   | 18.7 | 19.6      | -0.9       |
| Financials   | 12.6 | 13.0      | -0.4       |
| Materials  | 7.4  | 4.8       | 2.6        |
| Health Care  | 6.1  | 8.1       | -2.0       |
| Communication Services   | 3.9  | 7.1       | -3.2       |
| Consumer Staples   | 3.8  | 5.3       | -1.5       |
| Real Estate  | 2.6  | 2.9       | -0.3       |
| Utilities  | 0.0  | 1.0       | -1.0       |
| Energy   | 0.0  | 0.8       | -0.8       |
| Cash and Other Assets, Less Liabilities  | 2.0  | 0.0       | 2.0        |
| 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   |      |           |            |

| MARKET CAP EXPOSURE (%) <sup>3,4</sup>  |      |           |            |
|---|------|-----------|------------|
|   | Fund | Benchmark | Difference |
| Mega Cap (over \$25B)                   | 64.1 | 65.5      | -1.4       |
| Large Cap (\$10B-\$25B)                 | 15.1 | 21.5      | -6.4       |
| Mid Cap (\$3B-\$10B)                    | 14.7 | 13.0      | 1.7        |
| Small Cap (under \$3B)                  | 4.0  | 0.0       | 4.0        |
| Cash and Other Assets, Less Liabilities | 2.0  | 0.0       | 2.0        |
| Source: FactSet Research Systems        |      |           |            |

| PORTFOLIO CHARACTERISTICS              |        |           |
|--|--------|-----------|
|  | Fund   | Benchmark |
| Number of Positions                    | 45     | 225       |
| Weighted Avg. Market Cap (in billions) | \$60.6 | \$70.7    |
| Active Share <sup>5</sup>              | 64.4   | n.a.      |
| P/E Using FY1 Estimates <sup>6</sup>   | 18.6x  | 16.0x     |
| P/E Using FY2 Estimates <sup>6</sup>   | 17.0x  | 14.9x     |
| Price/Cash Flow <sup>7</sup>           | 12.4   | 10.6      |
| Price/Book <sup>8</sup>                | 2.0    | 1.5       |
| Return on Equity <sup>9</sup>          | 13.9   | 12.3      |
| EPS Growth (3 Years) <sup>10</sup>     | 17.7%  | 13.7%     |
| Source: FactSet Research Systems       |        |           |

- 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.

## Available Share Classes

| Share Class        | ISIN         | SEDOL   | CUSIP     |
|--------------------|--------------|---------|-----------|
| I Acc (USD Hedged) | LU1525503915 | BDRKS80 | L6258X852 |
| I Acc (EUR Hedged) | LU1525504053 | BDRKSC1 | L6258X837 |

# Japan Fund

29 February 2024

## CONTACT INFORMATION

### Hong Kong Representative\*\*

Brown Brothers Harriman (Hong Kong) Limited  
13/F Man Yee Building  
68 Des Voeux Road Central  
Hong Kong  
Phone: +852-3756-1755

### For Advisors and Institutions:

Matthews Global Investors (Hong Kong) Limited  
Phone : +852-3901-0880  
Email : globalfunds@matthewsasiasia.com

## 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.matthewsasiasia.com](http://hk.matthewsasiasia.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.

\*Morningstar Awards, 2021© Morningstar, Inc. All Rights Reserved. Awarded to Matthews Asia for Best Equity Fund House, Hong Kong.

\*\*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.



Matthews Asia