



## ISSUER

MATTHEWS INTERNATIONAL CAPITAL MANAGEMENT, LLC

August 2021

*This statement provides you with key information about this product.**This statement is a part of the offering document.**You should not invest in this product based on this statement alone.*

## QUICK FACTS

**Management Company:** Carne Global Fund Managers (Luxembourg) S.A.**Investment Manager:** Matthews International Capital Management, LLC**Depository:** Brown Brothers Harriman (Luxembourg) S.C.A.

<b>Ongoing Charges Over a Year<sup>^</sup>:</b>	Class A Acc USD*	1.79%	Class A Acc GBP**	1.73%
	Class A Dist USD*	1.79%	Class A Dist GBP**	1.73%
	Class I Acc USD*	1.00%	Class I Acc GBP*	0.99%
	Class I Dist USD*	1.01%	Class I Dist GBP*	0.96%
	Class I Acc EUR**	0.90%		

**Dealing Frequency:** Every Valuation Day which is also a Hong Kong Business Day**Base Currency:** USD**Dividend Policy:** No dividends will be declared or distributed for accumulation (“Acc”) shares.

Dividends for distribution (“Dist”) shares will be discretionary. It is currently intended that distributions will be made at least annually (and usually on a quarterly basis). Investors should note that there is no guarantee that a distribution payment will be made for the “Dist” shares at each period. Dividends (if any) may be distributed to the relevant Shareholders or reinvested into the Sub-Fund (defined below). Distributions may be paid out of capital or effectively out of capital and, if so, may reduce the Sub-Fund’s net asset value (“NAV”).

**Financial Year End of the Sub-Fund:** 31 March**Minimum Investment:****Initial Investment    Subsequent Investment**

	Initial Investment	Subsequent Investment
Class A USD:	USD 1,000	USD 100
Class A GBP:	GBP 500	GBP 50
Class I GBP (for non-UK residents):	GBP 50,000	GBP 50
Class I GBP (for UK residents):	GBP 500	GBP 50
Class I USD (for non-UK residents):	USD 100,000	USD 100
Class I USD (for UK residents):	USD 1,000	USD 100
Class I EUR (for non-UK residents):	EUR 100,000	EUR 100
Class I EUR (for UK residents):	EUR 1,000	EUR 100

<sup>^</sup> The ongoing charges figures for Class A Shares and Class I Shares are capped at 2.00% and 1.50% respectively, per annum of the average NAV of the relevant share class and shall not exceed such maximum level. Should the actual ongoing charges figure exceed such maximum level, the Investment Manager shall waive fees and/or reimburse expenses to the extent necessary to limit the ongoing charges to the stated maximum.

\* The ongoing charges figure is based on expenses for the 12 months ended 31 March 2021 and is the total expense ratio as stated in the Fund’s annual report dated 31 March 2021. This figure may vary from year to year.

\*\*Because this share class is recently launched and has not yet been in existence for a full fiscal year, the ongoing charges figure is an annualised estimate only. The actual figure will be calculated based on the total fees and expenses borne by the share class over a twelve (12) month period divided by the average NAV of the share class for the corresponding period. The actual figure may vary from year to year.

**WHAT IS THIS PRODUCT?**

Matthews Asia Funds - Asia ex Japan Dividend Fund (the “**Sub-Fund**”) is a sub-fund of the Matthews Asia Funds (the “**Fund**”) which is constituted in the form of an umbrella mutual fund. It is domiciled in Luxembourg and its home regulator is the *Commission de Surveillance du Secteur Financier*.

**OBJECTIVE AND INVESTMENT STRATEGY****Objective**

The Sub-Fund seeks to achieve total return with an emphasis on providing current income.

**Strategy**

Under normal market conditions, the Sub-Fund seeks to achieve its investment objective by investing primarily (i.e. at least 65% of its total net assets) directly, or indirectly through collective investment schemes or other similar instruments, in income-paying publicly traded common stocks, preferred stocks, convertible preferred stocks and other equity-related instruments (including investment trusts and other financial instruments) of companies located in or with substantial ties to the Asia ex Japan region that exhibit attractive dividend yields and/or the potential (in the Investment Manager’s judgment) to grow dividends over time.

Under exceptional circumstances (e.g. market crash or major crisis), the Sub-Fund may invest temporarily up to 100% in liquid assets such as cash, bank deposits, certificates of deposit, commercial paper or treasury bills for cash flow management purposes.

For the purpose of this Sub-Fund, the “Asia ex Japan region” shall be deemed to consist of all countries and markets in Asia, excluding Japan but including all developed, emerging and frontier countries and markets in Asia.

On an ancillary basis, the Sub-Fund may invest in other permitted assets on a worldwide basis including equities, and other securities which are transferrable, collective investment schemes, and/or other similar instruments admitted to or dealt in on a Regulated Market<sup>†</sup>, and other assets which are considered by the Sub-Fund to be of good potential growth in its value and which may, thus, increase the overall value of the Sub-Fund’s investment portfolio.

The Management Company or the Investment Manager has latitude in determining whether a company is “located in or with substantial ties to” the Asia ex Japan region, taking into account factors including (i) the region, country or jurisdiction in which it is organized; (ii) the primary market in which its equity securities are listed, quoted or traded; (iii) the region, country or jurisdiction from which it derives at least 50% of its revenues or profits; (iv) the region, country or jurisdiction in which at least 50% of its assets are located; (v) the primary region, country or jurisdiction from which its risks may be derived; and (vi) where the issuer is a governmental entity, the region, country or jurisdiction of which it is an agency, instrumentality or political subdivision.

The choice of stocks and equity-related instruments held by the Sub-Fund would not be restricted by industry/sector of the issuers. There is also no focus or limits on any particular market capitalisation of the companies that the Sub-Fund may invest in. The Sub-Fund may invest significantly in smaller companies with growth potential and good investment value.

The primary benchmark index for the Sub-Fund is the MSCI All Country Asia ex Japan Index and is indicated for performance comparison only. The Sub-Fund is actively managed and does not aim to replicate or track the primary benchmark. Consequently, the Investment Manager may freely select the securities in which it invests, and the Sub-Fund’s portfolio composition and performance may deviate materially from the benchmark.

The Sub-Fund may invest (whether directly or indirectly) in China A Shares, either directly via a Qualified Foreign Investor (“**QFI**”) license awarded to a Matthews group entity, or via the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect programs (collectively the “**Stock Connects**”), or indirectly via investment in access products. Under normal market conditions, it is expected that the Sub-Fund will hold (directly and indirectly) less than 30% of its net assets in aggregate in China A and B Shares.

The Sub-Fund is permitted to use financial derivative instruments (“**FDIs**”) for investment, hedging or efficient portfolio management purposes. In particular, although it does not currently intend to engage in hedging at the Sub-Fund level,

<sup>†</sup>“Regulated Market” generally includes a regulated market in any Member States of the EU or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania, which operates regularly and is recognized and open to the public.

the Board of Directors of the Fund in its entire discretion may, in the future, seek to reduce currency risk from the Sub-Fund's portfolio holdings denominated in local currency by hedging such risk to the Sub-Fund's base currency.

#### USE OF DERIVATIVES

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's NAV.

#### WHAT ARE THE KEY RISKS?

**Investment involves risks. Please refer to the offering document for details including the risk factors.**

- **General Investment Risk**

The Sub-Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee of the repayment of principal.

- **Dividend Paying Equities Risk**

There can be no guarantee that companies that the Sub-Fund invests in, and which have historically paid dividends, will continue to pay them or to pay them at the current rates in the future. A reduction or discontinuation of dividend payments may have a negative impact on the value of the Sub-Fund's holdings in these companies and, consequently, the NAV of the Sub-Fund.

- **Equity Market Risk**

The Sub-Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

- **Concentration Risk**

The Sub-Fund's investments are concentrated in the Asia ex Japan region. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Asia ex Japan region.

- **Risk Associated with High Volatility of the Equity Market in the Asia ex Japan Region**

High market volatility and potential settlement difficulties in the markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Sub-Fund.

- **Risk Associated with Regulatory Requirements of the Equity Market in the Asia ex Japan Region**

Securities exchanges in the Asia ex Japan region typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Sub-Fund.

- **Emerging Markets Risk**

The Sub-Fund invests in emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

- **Currency Risk**

Underlying investments of the Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund. Also, a class of shares may be designated in a currency other than the base currency of the Sub-Fund. The NAV of the Sub-Fund may be affected unfavorably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

- **Risk Associated with Smaller Companies**

Larger portions of smaller companies may be held by a small number of investors (including founders and management) in such companies than is typical of larger companies. As a result, the rights of minority owners may be restricted or not fully respected in corporate governance or corporate actions. Securities of smaller companies may trade less frequently, in lower volumes and with less liquidity and be subject to greater price movements than more widely held securities or the securities of larger, more established companies, or the market indices in general.

• **Risk Relating to Dividends Paid out of Capital**

Payment of dividends out of capital and/or effectively out of capital amounts to a return or withdrawal of part of an investor’s original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction of the NAV per share of the Sub-Fund.

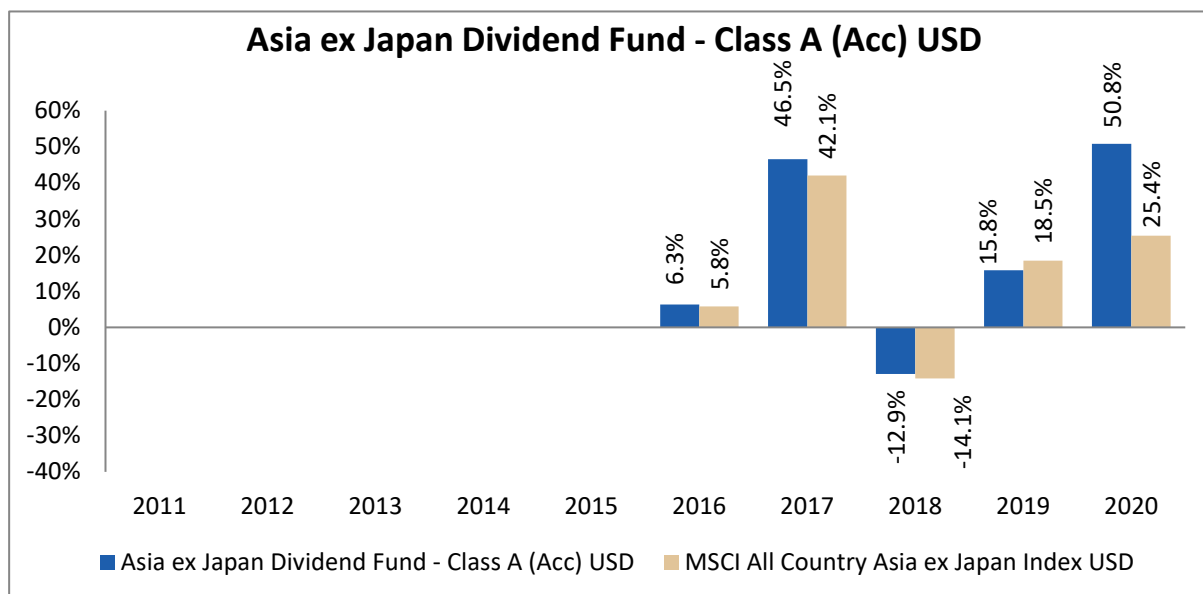
• **Risk Associated with Investment in FDIs**

Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDIs by the Sub-Fund. Exposure to FDIs may lead to a high risk of significant loss by the Sub-Fund.

• **Hedging Risk**

The Sub-Fund may use hedging techniques to attempt to offset certain market risks. For example, although the Sub-Fund does not currently intend to engage in hedging at the Sub-Fund level, the Sub-Fund may, in the future, enter into hedging transactions which seek to reduce the currency risk arising from the difference and/or fluctuations between the currencies of the underlying investments of the Sub-Fund and the base currency of the Sub-Fund. However, there is no guarantee that hedging techniques will fully and effectively achieve their desired result. The success of hedging much depends on the Investment Manager’s expertise and hedging may become inefficient or ineffective. This may have adverse impact on the Sub-Fund and its investors.

**HOW HAS THE SUB-FUND PERFORMED?**



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The performance shown is for the representative Class A (Acc) USD. Class A (Acc) USD is selected as the representative share class as it is open for investment by Hong Kong retail investors and broadly indicative of the Sub-Fund’s performance characteristics.
- The bar chart shows the representative share class’ yearly returns. The returns are provided for all the years for which performance data is available for the complete calendar year since the launch of the representative share class. Where no past performance is shown, there is insufficient data available in that year to provide a useful indication of past performance to investors.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends reinvested.
- These performance figures show by how much the representative share class increased or decreased in value during the calendar year being shown. Performance figures have been calculated in USD, including ongoing charges and excluding any subscription fee and redemption fee you might have to pay.

<ul style="list-style-type: none"> <li>The primary benchmark index for the Sub-Fund is the MSCI All Country Asia ex Japan Index.</li> <li>Sub-Fund launch date: 30 November 2015.</li> <li>Class A (Acc) USD launch date: 30 November 2015.</li> </ul>	
<p><b>IS THERE ANY GUARANTEE?</b></p> <p>This Sub-Fund does not have any guarantees. You may not get back the full amount of money you invest.</p>	
<p><b>WHAT ARE THE FEES AND CHARGES?</b></p> <p><b>Charges which may be payable by you</b></p> <p>You may have to pay the following fees when dealing in the shares of the Sub-Fund.</p>	
<b>Fee</b>	<b>What you pay</b>
<b>Subscription fee (Initial Sales Charge)</b>	Up to 5% of the amount you buy
<b>Switching fee (Conversion Charge)</b>	Up to 1% of the NAV of the share to be converted
<b>Redemption fee</b>	N/A
<p><b>Ongoing fees payable by the Sub-Fund</b></p> <p>The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the return you get on your investments.</p>	
	<b>Annual rate (as a % <i>per annum</i> of the Sub-Fund's value)</b>
<b>Management Company Fee</b>	Up to 0.02%
<b>Management Fee</b>	1.25% for Class A Shares
The Sub-Fund pays a management fee to the Investment Manager for the investment management services that the Investment Manager provides to the Sub-Fund.	0.75% for Class I Shares
<b>Depository Fee</b>	Up to 2% (excluding transaction costs)
<b>Performance Fee</b>	N/A
<b>Administration Fee</b>	Up to 0.25%
The Sub-Fund pays an administration fee to the Investment Manager for the shareholder servicing and administration services that the Investment Manager provides to the Sub-Fund.	
<p><b>Other fees</b></p> <p>You may have to pay other fees when dealing in the shares of the Sub-Fund.</p>	
<p><b>ADDITIONAL INFORMATION</b></p> <ul style="list-style-type: none"> <li>You generally buy and redeem shares at the Sub-Fund's next-determined NAV after the Hong Kong Representative receives your request in good order on or before 6:00PM (Hong Kong Time) on a Valuation Day which is also a Hong Kong Business Day, being the dealing cut-off time. Third party distributors may impose different dealing deadlines for receiving requests from investors.</li> </ul>	

- The NAV of this Sub-Fund is calculated, and the price of shares published in the South China Morning Post and the Hong Kong Economic Journal in Hong Kong, and on the Fund's website <https://hk.matthewsasiasia.com/#>, on each Valuation Day which is also a Hong Kong Business Day.
- You may obtain the past performance information of other share classes offered to Hong Kong investors from the Hong Kong Representative upon request (available in English only) or on the Fund's website <https://hk.matthewsasiasia.com/#>.
- The composition of dividends (*i.e.* the relative amounts paid out of net distributable income and capital), if any, paid on the distribution shares of the Sub-Fund for the preceding 12 months is available from the Hong Kong Representative upon request or on the Fund's website <https://hk.matthewsasiasia.com/#>.

# The Fund's website has not been reviewed by the SFC.

**IMPORTANT**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.