



## FUND FACTS

	Investor Class	Institutional Class
Ticker	MAFSX	MIFSX
CUSIP	577125701	577125800
Inception	04/30/13	04/30/13
NAV	\$10.89	\$10.97
Initial Investment	\$2,500	\$100,000
Gross Expense Ratio	2.45%	2.27%
Net Expense Ratio <sup>1</sup>	1.50%	1.25%

## Portfolio Statistics

Total # of Positions	34
Net Assets	\$7.8 million
Weighted Average Market Cap	\$76.1 billion
Portfolio Turnover	28.42% <sup>2</sup>

## Benchmark

MSCI All Country Asia ex Japan Index<sup>3</sup>

## INVESTMENT APPROACH

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 is the largest dedicated Asia-only investment specialist in the United States. With \$32.5 billion in assets under management as of September 30, 2018 Matthews Asia employs a bottom-up, fundamental investment philosophy with a focus on long-term investment performance.

# Matthews Asia Focus Fund

September 30, 2018

## Investment Objective

Long-term capital appreciation.

## Strategy

Under normal market conditions, the Matthews Asia Focus Fund seeks to achieve its investment objective by investing at least 80% of its total assets, which include borrowings for investment purposes, in the common and preferred stocks of companies located in Asia Ex Japan, which consists of all countries and markets in Asia excluding Japan but including all other developed, emerging and frontier countries and markets in the Asian region. The Fund seeks to invest in companies capable of sustainable growth based on fundamental characteristics. Companies in which the Fund invests typically possess, in the portfolio managers' judgment, such attributes as a high quality management team, strong corporate governance standards, sustainable return on capital over an extended period, strong free cash flow generation and an attractive valuation in relation to growth prospects and intrinsic value. The Fund is currently expected to hold stocks of between 25 and 35 companies under normal market conditions.

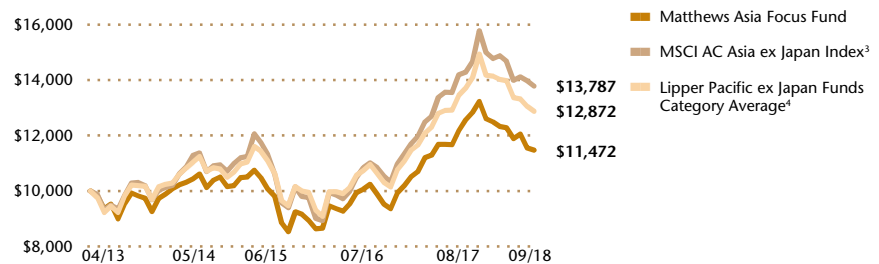
## Risks

All investments involve risks, including possible loss of principal. Investing in international and emerging markets may involve additional risks, such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation. In addition, focused funds may be subject to a greater risk of loss because a single security's increase or decrease in value may have a greater impact on the Fund's value and total return.

## PERFORMANCE AS OF SEPTEMBER 30, 2018

	Average Annual Total Returns							
	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Since Inception
Investor Class	-3.54%	-10.59%	-1.72%	10.39%	3.74%	n.a.	2.57%	04/30/13
Institutional Class	-3.43%	-10.38%	-1.45%	10.68%	4.02%	n.a.	2.83%	04/30/13
MSCI AC Asia ex Japan Index	-1.45%	-6.03%	1.74%	13.62%	6.93%	n.a.	6.11%	n.a.

## GROWTH OF A \$10,000 INVESTMENT SINCE INCEPTION — INVESTOR



The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on dividends, capital gain distributions or redemption of fund shares. Values are in US\$. Source: BNY Mellon Investment Servicing (US) Inc.

- After contractual fee waiver, expense reimbursement and/or recoupment effective through April 30, 2019.
- The lesser of fiscal year 2017 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.
- The MSCI All Country Asia ex Japan Index is a free float—adjusted market capitalization—weighted index of the stock of 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.
- The Lipper Category Average does not reflect sales charges and is based on total return, including reinvestment of dividends and capital gains for the stated period.

**Performance assumes reinvestment of all dividends and/or distributions before taxes. 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 their original cost. Current performance may be lower or higher than the return figures quoted. Returns would have been lower if certain of the Fund's fees and expenses had not been waived. For the Fund's most recent month-end performance visit [matthewsasia.com](http://matthewsasia.com).**

# Matthews Asia Focus Fund

September 30, 2018

## TOP TEN HOLDINGS<sup>5</sup>

	Country	% of Net Assets
AIA Group, Ltd.	China/Hong Kong	6.4%
Tencent Holdings, Ltd.	China/Hong Kong	4.8%
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	4.7%
Broadcom, Inc.	United States	3.8%
CK Hutchison Holdings, Ltd.	China/Hong Kong	3.4%
United Overseas Bank, Ltd.	Singapore	3.4%
Cie Financiere Richemont SA	Switzerland	3.2%
Sheng Siong Group, Ltd.	Singapore	3.2%
Singapore Technologies Engineering, Ltd.	Singapore	3.2%
China Mobile, Ltd.	China/Hong Kong	3.2%
<b>% OF ASSETS IN TOP TEN</b>		<b>39.3%</b>

## COUNTRY ALLOCATION (%)<sup>6</sup>

	Fund	Benchmark	Difference
China/Hong Kong	41.1	46.5	-5.4
Singapore	12.8	4.0	8.8
South Korea	7.7	16.9	-9.2
Taiwan	6.1	13.9	-7.8
United States	6.0	0.0	6.0
India	5.4	9.7	-4.3
Switzerland	3.2	0.0	3.2
Thailand	2.8	2.8	0.0
Indonesia	2.7	2.2	0.5
Malaysia	2.6	2.8	-0.2
Philippines	2.6	1.1	1.5
United Kingdom	2.5	0.0	2.5
Australia	2.5	0.0	2.5
Pakistan	0.0	0.1	-0.1
Cash and Other Assets, Less Liabilities	1.8	0.0	1.8

Not all countries are included in the benchmark index.  
Source: FactSet Research Systems

## SECTOR ALLOCATION (%)<sup>6</sup>

	Fund	Benchmark	Difference
Financials	30.4	23.3	7.1
Information Technology	21.7	30.6	-8.9
Consumer Discretionary	18.5	8.3	10.2
Industrials	12.0	6.9	5.1
Telecom Services	8.6	4.1	4.5
Consumer Staples	4.8	4.9	-0.1
Real Estate	2.2	5.8	-3.6
Energy	0.0	5.1	-5.1
Materials	0.0	4.9	-4.9
Health Care	0.0	3.1	-3.1
Utilities	0.0	3.1	-3.1
Cash and Other Assets, Less Liabilities	1.8	0.0	1.8

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>6,7</sup>

	Fund	Benchmark	Difference
Mega Cap (over \$25B)	60.8	52.9	7.9
Large Cap (\$10B-\$25B)	8.5	24.9	-16.4
Mid Cap (\$3B-\$10B)	13.0	18.9	-5.9
Small Cap (under \$3B)	15.9	3.3	12.6
Cash and Other Assets, Less Liabilities	1.8	0.0	1.8

Source: FactSet Research Systems

## P/E RATIOS<sup>8</sup>

P/E Using FY1 Estimates	15.1x
P/E Using FY2 Estimates	13.5x

Source: FactSet Research Systems (P/E est. as of 09/30/18)

- 5 Holdings may combine more than one security from the same issuer and related depositary receipts.  
6 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.  
7 Equity market cap of issuer.  
8 The P/E figures represent the Weighted Harmonic Average P/E—which measures the price/earnings ratio of the Fund's entire portfolio, excluding negative earners—weighted by the size of the company's position within the portfolio. P/E estimates are forward looking. There is no guarantee that portfolio composition will remain unchanged or P/E estimates will be realized.

## PORTFOLIO MANAGEMENT

**Kenneth Lowe, CFA**  
Lead Manager

**S. Joyce Li, CFA**  
Co-Manager

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.

**You should carefully consider the investment objectives, risks, charges and expenses of the Matthews Asia Funds before making an investment decision. A prospectus or summary prospectus with this and other information about the Funds may be obtained by visiting [matthewsasiasia.com](http://matthewsasiasia.com). Please read the prospectus carefully before investing as it explains the risks associated with investing in international and emerging markets.**

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