



## FUND FACTS

|                                | Investor Class | Institutional Class |
|--------------------------------|----------------|---------------------|
| Ticker                         | MASGX          | MISFX               |
| CUSIP                          | 577130727      | 577130719           |
| Inception                      | 04/30/15       | 04/30/15            |
| NAV                            | \$17.10        | \$17.09             |
| Initial Investment             | \$2,500        | \$100,000           |
| Gross Expense Ratio            | 1.42%          | 1.29%               |
| Net Expense Ratio <sup>1</sup> | 1.38%          | 1.20%               |

## Portfolio Statistics

|                             |                    |
|-----------------------------|--------------------|
| Total # of Positions        | 51                 |
| Net Assets                  | \$112.5 million    |
| Weighted Average Market Cap | \$31.1 billion     |
| Portfolio Turnover          | 84.6% <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 \$31.9 billion in assets under management as of June 30, 2021 Matthews Asia employs a bottom-up, fundamental investment philosophy with a focus on long-term investment performance.

# Matthews Asia ESG Fund

June 30, 2021

## Investment Objective

Long-term capital appreciation.

## Strategy

Under normal circumstances, the Matthews Asia ESG Fund seeks to achieve its investment objective by investing at least 80% of its net assets, which include borrowings for investment purposes, in the common and preferred stocks of companies of any market capitalization located in Asia that Matthews believes satisfy one or more of its environmental, social and governance ("ESG") standards. The Fund seeks to invest in companies across the market capitalization spectrum that Matthews believes to be undervalued but of high quality and run by management teams with good operating and governance track records. In addition, the Fund seeks to invest in those Asian companies that have the potential to profit from the long-term opportunities presented by global environmental and social challenges as well as those Asian companies that proactively manage long-term risks presented by these challenges.

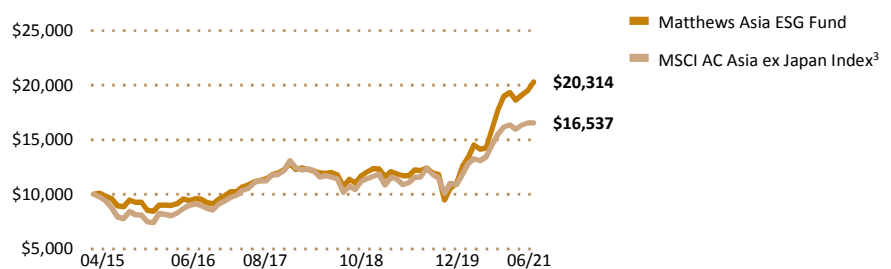
## Risks

*Matthews Asia ESG Fund's consideration of ESG factors in making its investment decisions may impact the Fund's relative investment performance positively or negatively. Investments in Asian securities may involve risks such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation. Investing in emerging and frontier markets involves different and greater risks, as these countries are substantially smaller, less liquid and more volatile than securities markets in more developed markets.*

## PERFORMANCE AS OF JUNE 30, 2021

|                             | Average Annual Total Returns |        |        |         |         |          |                 |
|-----------------------------|------------------------------|--------|--------|---------|---------|----------|-----------------|
|                             | 3 Months                     | YTD    | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception |
| Investor Class              | 8.99%                        | 14.46% | 62.50% | 19.27%  | 17.32%  | n.a.     | 12.18%          |
| Institutional Class         | 9.06%                        | 14.54% | 62.77% | 19.46%  | 17.57%  | n.a.     | 12.42%          |
| MSCI AC Asia ex Japan Index | 3.66%                        | 6.51%  | 40.03% | 12.54%  | 14.82%  | n.a.     | 8.50%           |

## GROWTH OF A HYPOTHETICAL \$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.

- Matthews has contractually agreed to waive fees and reimburse expenses to limit the Total Annual Fund Operating Expenses until April 30, 2022. Please see the Fund's prospectus for additional details.
- The lesser of fiscal year 2020 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, Malaysia, Pakistan, Philippines, Singapore, South Korea, Taiwan and Thailand. Index is for comparative purposes only and it is not possible to invest directly in an index.

**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 [matthewsasias.com](http://matthewsasias.com). Due to current market volatility associated with the COVID-19 pandemic, funds may experience significant negative short-term performance.**

# Matthews Asia ESG Fund

June 30, 2021

## TOP TEN HOLDINGS<sup>4</sup>

|                                      | Country         | % of Net Assets |
|--------------------------------------|-----------------|-----------------|
| Samsung SDI Co., Ltd., Pfd.          | South Korea     | 6.7%            |
| Shriram City Union Finance, Ltd.     | India           | 6.1%            |
| Hong Kong Exchanges & Clearing, Ltd. | China/Hong Kong | 5.1%            |
| Bandhan Bank, Ltd.                   | India           | 4.1%            |
| IndusInd Bank, Ltd.                  | India           | 4.0%            |
| Phoenix Mills, Ltd.                  | India           | 3.3%            |
| Legend Biotech Corp.                 | United States   | 3.1%            |
| Micron Technology, Inc.              | United States   | 3.0%            |
| Andes Technology Corp.               | Taiwan          | 2.9%            |
| Wuxi Biologics Cayman, Inc.          | China/Hong Kong | 2.8%            |
| <b>% OF ASSETS IN TOP TEN</b>        |                 | <b>41.1%</b>    |

## COUNTRY ALLOCATION (%)<sup>5</sup>

|  | Fund | Benchmark | Difference |
|--|------|-----------|------------|
| China/Hong Kong                                | 32.3 | 50.3      | -18.0      |
| India  | 28.7 | 11.3      | 17.4       |
| Taiwan   | 12.2 | 15.7      | -3.5       |
| South Korea                                    | 8.4  | 15.1      | -6.7       |
| United States                                  | 6.1  | 0.0       | 6.1        |
| Bangladesh                                     | 3.8  | 0.0       | 3.8        |
| Japan  | 3.3  | 0.0       | 3.3        |
| Singapore                                      | 2.7  | 2.4       | 0.3        |
| Indonesia                                      | 2.7  | 1.3       | 1.4        |
| Vietnam  | 1.0  | 0.0       | 1.0        |
| Thailand                                       | 0.0  | 1.8       | -1.8       |
| Malaysia                                       | 0.0  | 1.4       | -1.4       |
| Philippines                                    | 0.0  | 0.7       | -0.7       |
| Liabilities in Excess of Cash and Other Assets | -1.1 | 0.0       | -1.1       |

Not all countries are included in the benchmark index.

Source: FactSet Research Systems

## SECTOR ALLOCATION (%)<sup>5</sup>

|  | Fund | Benchmark | Difference |
|--|------|-----------|------------|
| Information Technology                         | 25.9 | 23.2      | 2.7        |
| Financials                                     | 23.2 | 17.6      | 5.6        |
| Industrials                                    | 18.0 | 6.0       | 12.0       |
| Health Care                                    | 13.3 | 5.3       | 8.0        |
| Consumer Discretionary                         | 10.0 | 18.5      | -8.5       |
| Real Estate                                    | 6.9  | 3.8       | 3.1        |
| Consumer Staples                               | 2.4  | 4.8       | -2.4       |
| Communication Services                         | 1.3  | 11.2      | -9.9       |
| Materials                                      | 0.1  | 4.8       | -4.7       |
| Energy   | 0.0  | 2.5       | -2.5       |
| Utilities                                      | 0.0  | 2.3       | -2.3       |
| Liabilities in Excess of Cash and Other Assets | -1.1 | 0.0       | -1.1       |

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>5,6</sup>

|  | Fund | Benchmark | Difference |
|--|------|-----------|------------|
| Mega Cap (over \$25B)                          | 25.5 | 65.7      | -40.2      |
| Large Cap (\$10B-\$25B)                        | 16.1 | 19.4      | -3.3       |
| Mid Cap (\$3B-\$10B)                           | 23.5 | 14.2      | 9.3        |
| Small Cap (under \$3B)                         | 36.1 | 0.7       | 35.4       |
| Liabilities in Excess of Cash and Other Assets | -1.1 | 0.0       | -1.1       |

Source: FactSet Research Systems

## P/E RATIOS<sup>7</sup>

|                         |       |
|-------------------------|-------|
| P/E Using FY1 Estimates | 20.5x |
| P/E Using FY2 Estimates | 16.0x |

Source: FactSet Research Systems (P/E est. as of 06/30/21)

<sup>4</sup> Holdings may combine more than one security from the same issuer and related depository receipts.

<sup>5</sup> 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.

<sup>6</sup> Equity market cap of issuer.

<sup>7</sup> 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

**Vivek Tanneeru**

Lead 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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