



# Matthews Asian Growth and Income Fund

September 30, 2021

## Investment Objective

Long-term capital appreciation. The Fund also seeks to provide some current income.

## Strategy

Under normal circumstances, the Matthews Asian Growth and Income Fund seeks to achieve its investment objective by investing at least 80% of its total net assets, which include borrowings for investment purposes, in dividend-paying common stock, preferred stock and other equity securities, and convertible securities as well as fixed-income securities, of any duration or quality, of companies located in Asia, which consists of all countries and markets in Asia, including developed, emerging, and frontier countries and markets in the Asian region. The Fund attempts to offer investors a relatively stable means of participating in a portion of the Asian region's growth prospects, while providing some downside protection, in comparison to a portfolio that invests purely in common stocks. The strategy of owning convertible bonds and dividend-paying equities is designed to help the Fund to meet its investment objective while helping to reduce the volatility of its portfolio.

## 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.

### FUND FACTS

	Investor Class	Institutional Class
Ticker	MACSX	MICSX
CUSIP	577130206	577130842
Inception	09/12/94	10/29/10
NAV	\$17.56	\$17.53
Initial Investment	\$2,500	\$100,000
Gross Expense Ratio	1.09%	0.96%

### Portfolio Statistics

Total # of Positions	57
Net Assets	\$1.2 billion
Weighted Average Market Cap	\$128.4 billion
Portfolio Turnover	36.3% <sup>1</sup>

### Benchmark

MSCI All Country Asia ex Japan Index<sup>2</sup>

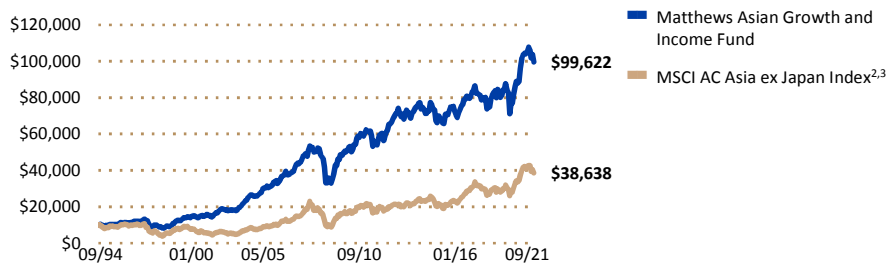
### INVESTMENT APPROACH

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 \$28.7 billion in assets under management as of September 30, 2021 Matthews Asia employs a bottom-up, fundamental investment philosophy with a focus on long-term investment performance.

### PERFORMANCE AS OF SEPTEMBER 30, 2021

	Average Annual Total Returns							
	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Since Inception
Investor Class	-6.10%	-2.07%	13.13%	7.56%	5.80%	6.46%	8.87%	09/12/94
Institutional Class	-6.11%	-2.01%	13.21%	7.70%	5.95%	6.61%	5.09%	10/29/10
MSCI AC Asia ex Japan Index	-9.23%	-3.32%	14.73%	9.50%	10.44%	8.80%	5.12% <sup>3</sup>	n.a.

### 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.

- 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.
- Calculated from 8/31/94.

**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.

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

	Country	% of Net Assets
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	7.4%
Tencent Holdings, Ltd.	China/Hong Kong	5.3%
AIA Group, Ltd.	China/Hong Kong	3.8%
Samsung Electronics Co., Ltd.	South Korea	3.8%
Housing Development Finance Corp., Ltd.	India	2.6%
Macquarie Korea Infrastructure Fund	South Korea	2.5%
JD.com, Inc.	China/Hong Kong	2.4%
Tata Consultancy Services, Ltd.	India	1.9%
Techtronic Industries Co., Ltd.	China/Hong Kong	1.8%
HKT Trust & HKT, Ltd.	China/Hong Kong	1.8%
<b>% OF ASSETS IN TOP TEN</b>		<b>33.3%</b>

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

	Fund	Benchmark	Difference
China/Hong Kong	47.5	46.4	1.1
South Korea	10.3	14.5	-4.2
Taiwan	10.2	16.6	-6.4
India	8.7	14.0	-5.3
Singapore	7.0	2.9	4.1
France	3.2	0.0	3.2
Indonesia	2.5	1.6	0.9
Australia	2.3	0.0	2.3
United States	1.6	0.0	1.6
Malaysia	1.3	1.5	-0.2
Philippines	1.3	0.7	0.6
Thailand	1.1	1.9	-0.8
Cash and Other Assets, Less Liabilities	2.9	0.0	2.9

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

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

	Fund	Benchmark	Difference
Information Technology	20.0	23.8	-3.8
Financials	18.7	18.9	-0.2
Consumer Discretionary	17.4	15.9	1.5
Communication Services	10.0	10.3	-0.3
Real Estate	7.7	3.9	3.8
Industrials	7.4	6.1	1.3
Consumer Staples	7.4	5.0	2.4
Health Care	4.7	5.2	-0.5
Utilities	2.7	2.6	0.1
Materials	1.1	5.4	-4.3
Energy	0.0	3.1	-3.1
Cash and Other Assets, Less Liabilities	2.9	0.0	2.9

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)	48.8	63.8	-15.0
Large Cap (\$10B-\$25B)	15.6	20.4	-4.8
Mid Cap (\$3B-\$10B)	25.4	14.4	11.0
Small Cap (under \$3B)	6.0	1.3	4.7
Unassigned	1.3	0.0	1.3
Cash and Other Assets, Less Liabilities	2.9	0.0	2.9

Source: FactSet Research Systems

## ASSET TYPE BREAKDOWN (%)<sup>5,7</sup>

Common Equities and ADRs	86.9
Convertible Bonds	9.7
Preferred Equities	0.5
Cash and Other Assets, Less Liabilities	2.9

Bonds are not included in the benchmark index.

Source: FactSet Research Systems

<sup>4</sup> Holdings may combine more than one security from the same issuer and related depositary 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> Bonds are not included in the MSCI All Country Asia ex Japan Index.

## PORTFOLIO MANAGEMENT

**Robert J. Horrocks, PhD**

Lead Manager

**Kenneth Lowe, CFA**

Lead Manager

**Satya Patel**

Co-Manager

**Siddharth Bhargava**

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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