



# Matthews Asia

## FUND FACTS (USD)

Total Fund Assets	\$22.0 million
Total # of Positions	29
Modified Duration <sup>1</sup>	3.6
Yield <sup>2</sup>	5.28%
Benchmark	J.P. Morgan Asia Credit Index
Management Fee	1.20%
Minimum Initial Investment	\$1,000/£500
Minimum Subsequent Investment	\$500/£250
Fund Domicile	Luxembourg
Available Share Classes	A, I
Base Currency	USD
Additional Dealing Currencies	GBP
Net Asset Value	
A Dist (USD)	\$10.65

## PORTFOLIO MANAGEMENT

**Teresa Kong, CFA**  
Lead Manager

**Satya Patel**  
Lead Manager

## RISKS

An investment in the Fund is subject to credit interest rate and currency risks. Credit risk is the change in the value of debt securities reflecting the ability and willingness of issuers to make principal and interest payments. Interest rate risk is the possibility that a Fund's yield will decline due to falling interest rates and the potential for bond prices to fall as interest rates rise. Currency risk is a decline in value of a foreign currency relative to the Fund's base currency which reduces the value of the foreign currency and investments denominated in that currency. Where a Class of Shares is denominated in a currency other than the Fund's base currency, additional currency risk may exist. The Fund may invest in the following: derivatives which can be volatile and affect Fund performance; high yield bonds (junk bonds) which can subject the Fund to substantial risk of loss; and structured investments which can change the risk or return, or replicate the risk or return of an underlying asset. Investments involve risk. The value of an investment in the Fund can go down as well as up.

## MATTHEWS ASIA

Matthews International Capital Management, LLC ("Matthews Asia"), the Investment Manager to Matthews Asia Funds, 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 bottomup, fundamental investment philosophy with a focus on long-term investment performance. As of 31 October 2017, Matthews Asia had US\$32.6 billion in assets under management.

# Asia Credit Opportunities Fund

## Class A Shares

Matthews Asia Funds

31 October 2017

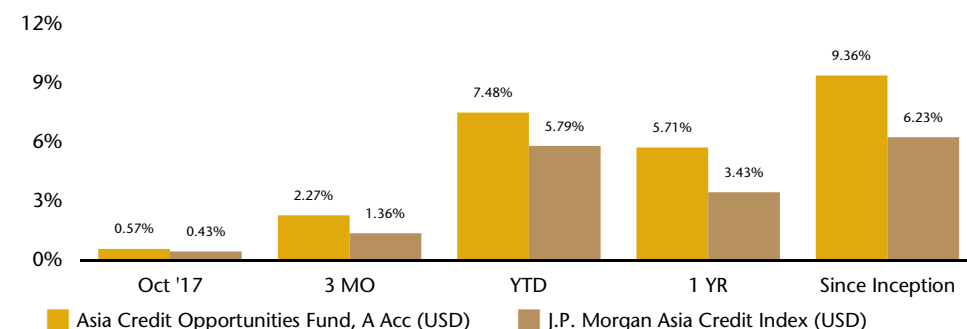
## Investment Objective

Total return over the long term.

## Available Share Classes

Share Class	ISIN	SEDOL	CUSIP
A Dist (USD)	LU1275262571	BYM0J64	L6263R304

## Performance as of 31 October 2017<sup>†</sup>



Asia Credit Opportunities Fund	Oct '17	3 MO	YTD	1 YR	3 YR	5 YR	Since Inception	Inception
A Dist (USD)	0.57%	2.27%	7.48%	5.71%	n.a.	n.a.	9.36%	30 Sep 2015
J.P. Morgan Asia Credit Index (USD)	0.43%	1.36%	5.79%	3.43%	n.a.	n.a.	6.23%	n.a.

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

Asia Credit Opportunities Fund	2016	2015	2014	2013	2012
A Dist (USD)	9.93%	n.a.	n.a.	n.a.	n.a.
J.P. Morgan Asia Credit Index (USD)	5.81%	n.a.	n.a.	n.a.	n.a.

<sup>†</sup> All returns over 1 year are annualised

- Modified duration measures the percent change in value of the fixed income portion of the portfolio in response to a 1% change in interest rates. In a multi-currency denominated portfolio with sensitivities to different interest rate regimes, modified duration will not accurately reflect the change in value of the overall portfolio from a change in any one interest rate regime. Source: FactSet Research Systems, Bloomberg. For detailed modified duration exposures by currency, please see the next page.
- Yield is yield to worst, which is the lowest potential yield that can be received on a bond without the issuer actually defaulting. Yield to worst is for the bond-only portion of the portfolio and is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer. It does not represent the yield that an investor should expect to receive. Source: FactSet Research Systems

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-local currency 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. Source: Brown Brothers Harriman (Luxembourg) S.C.A.

The J.P. Morgan Asia Credit Index (JACI) tracks the total return performance of the Asia fixed-rate dollar bond market. JACI is a market cap-weighted index comprising sovereign, quasi-sovereign and corporate bonds and is partitioned by country, sector and credit rating. JACI includes bonds from the following countries: China, Hong Kong, India, Indonesia, Korea, Philippines, Thailand and Singapore. Index is for comparative purposes only it is not possible to invest directly in an index. Source: Index data from J.P. Morgan; total return calculations performed by Brown Brothers Harriman (Luxembourg) S.C.A.

# Asia Credit Opportunities Fund

31 October 2017

TOP TEN POSITIONS <sup>3</sup>			
	Sector	Currency	% of Net Assets
DFCC Bank PLC, 9.625%, 10/31/2018	Financials	USD	5.2%
Debt and Asset Trading Corp., 1.000%, 10/10/2025	Financials	USD	4.8%
China Hongqiao Group, Ltd., 6.875%, 05/03/2018	Materials	USD	4.8%
Listrindo Capital BV, 4.950%, 09/14/2026	Utilities	USD	4.6%
Delta Invt Horizon Int'l, Ltd., Cnv., 3.000%, 05/26/2020	Telecom Services	USD	4.6%
Modernland Overseas Pte, Ltd., 6.950%, 04/13/2024	Real Estate	USD	4.4%
Wanda Properties Int'l Co., Ltd., 7.250%, 01/29/2024	Real Estate	USD	4.4%
TBG Global Pte, Ltd., 5.250%, 02/10/2022	Telecom Services	USD	4.2%
Theta Capital Pte, Ltd., 6.750%, 10/31/2026	Real Estate	USD	4.1%
Sri Lanka Government Bond, 6.125%, 06/03/2025	Foreign Govt Bonds	USD	3.9%
% OF ASSETS IN TOP TEN			45.0%
Source: Brown Brothers Harriman (Luxembourg) S.C.A.			

COUNTRY ALLOCATION (%) <sup>4,5</sup>		CURRENCY (%) <sup>1,4,5</sup>		
By Issuer's country of risk			Weight	Modified Duration <sup>1</sup>
China/Hong Kong	31.3	U.S. Dollar	83.7	3.6
Indonesia	26.1	China Renminbi	9.1	3.6
Sri Lanka	12.3	Cash and Other Assets, Less Liabilities	7.1	0.0
Vietnam	9.6			
Thailand	3.8			
Japan	3.2			
Philippines	2.9			
Singapore	2.0			
United States	1.5			
Cash and Other Assets, Less Liabilities	7.1			
Source: FactSet Research Systems		<sup>1</sup> Fixed income portion of the portfolio Source: FactSet Research Systems		

QUALITY DISTRIBUTION (%) <sup>6</sup>		SECTOR ALLOCATION (%) <sup>4,5</sup>	
Rating			
BBB-	3.2	Real Estate	21.7
BB+	3.3	Financials	19.8
BB	4.6	Telecom Services	13.5
BB-	13.3	Utilities	9.1
B+	16.8	Foreign Government Bonds*	8.6
B	16.7	Consumer Staples	5.8
B-	4.8	Materials	4.8
Not Rated	30.1	Industrials	4.6
		Consumer Discretionary	2.8
		Energy	2.0
		Cash and Other Assets, Less Liabilities	7.1
Source:Factset Research Systems, Moody's, S&P and Fitch		*Foreign Government Bonds includes supranationals Sector data (excluding Government Bonds) 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	

ASSET TYPE BREAKDOWN (%) <sup>4,5</sup>	
Corporate Bonds	73.0
Convertible Bonds	11.2
Government Bonds	8.6
Cash and Other Assets, Less Liabilities	7.1
Source: FactSet Research Systems	

- 3 Holdings may combine more than one security from the same issuer and related depository receipts.
- 4 Percentage values in data are rounded to the nearest tenth of one percent; the values may not sum to 100% due to rounding.
- 5 Cash and Other Assets may include the mark-to-market value of forward currency exchange contracts and certain derivative instruments.
- 6 Credit quality is provided for the underlying bond holdings of the Fund and does not include common equities, cash and other assets and percentage values will not total 100%. Credit quality rating symbols reflect that of S&P and generally credit ratings range from AAA (highest) to D (lowest). When ratings from Moody's, S&P and Fitch are available for a bond in the Fund, the middle rating of the three is used. When two ratings are available, the lowest rating is used. When only one rating is provided, that one is used. Foreign government bonds without a specific rating are assigned the country rating provided by one of the three agencies. Securities that are not rated by any one of the three agencies are reflected as such.

## DISCLOSURES

The Fund is a sub-fund of Matthews Asia Funds SICAV, an umbrella fund, with segregated liability between sub-funds, established as an open-ended investment company with variable capital and incorporated with limited liability under the laws of Luxembourg. It is authorised by the Commission de Surveillance du Secteur Financier (CSSF) as a UCITS and is only registered for public offer and sale in Finland, France, Germany, Luxembourg, Spain, Sweden and the United Kingdom. Not all share classes are registered in each jurisdiction. For investors in Singapore, the Matthews Asia Funds (the "Funds") are not authorised or recognised by the Monetary Authority of Singapore, and Shares of the Funds are not allowed to be offered to the retail public. Shares in the Funds may only be offered to (i) to an accredited investor or other relevant person, or (ii) to an institutional investor. **NOT FOR SALE IN THE U.S. OR TO U.S. PERSONS.**

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