



Investments involve risk. Past performance is no guarantee of future results. Investing in international, emerging and frontier markets may involve additional risks, such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation. Additionally, investing in emerging and frontier securities involves greater risks than investing in securities of developed markets, as issuers in these countries generally disclose less financial and other information publicly or restrict access to certain information from review by non-domestic authorities. Pandemics and other public health emergencies can result in market volatility and disruption. Emerging and frontier markets tend to have less stringent and less uniform accounting, auditing and financial reporting standards, limited regulatory or governmental oversight, and limited investor protection or rights to take action against issuers, resulting in potential material risks to investors. Pandemics and other public health emergencies can result in market volatility and disruption. Investing in Chinese securities involve risks. Heightened risks related to the regulatory environment and the potential actions by the Chinese government could negatively impact performance.

Today's Speakers



Andy Rothman
Investment Strategist

Andy Rothman is an Investment Strategist at Matthews Asia. He is principally responsible for developing research focused on China's ongoing economic and political developments while also complementing the broader investment team with in-depth analysis on Asia. In addition, Andy plays a key role in communicating to clients and the media the firm's perspectives and latest insights into China and the greater Asia region. Prior to joining Matthews Asia in 2014, Andy spent 14 years as CLSA's China macroeconomic strategist where he conducted analysis into China and delivered his insights to their clients. Previously, Andy spent 17 years in the U.S. Foreign Service, with a diplomatic career focused on China, including as head of the macroeconomics and domestic policy office of the U.S. Embassy in Beijing. In total, Andy has lived and worked in China for more than 20 years. He earned an M.A. in public administration from the Lyndon B. Johnson School of Public Affairs and a B.A. from Colgate University. He is a proficient Mandarin speaker.

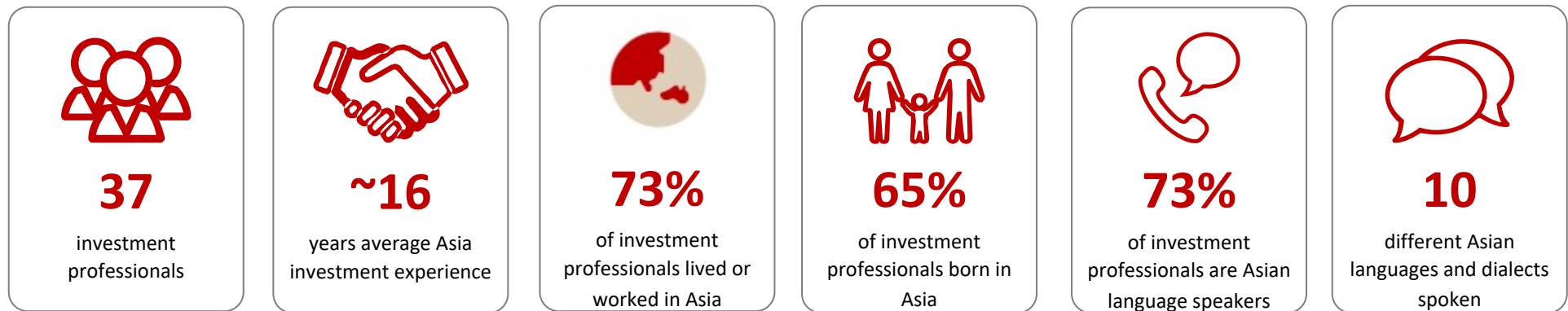


Winnie Chwang
Portfolio Manager

Winnie Chwang is a Portfolio Manager at Matthews Asia and manages the firm's China Small Strategy and co-manages the China and Pacific Tiger Strategies. She joined the firm in 2004 and has built her investment career at the firm. Winnie earned an MBA from the Haas School of Business and received her B.A. in Economics with a minor in Business Administration from the University of California, Berkeley. She is fluent in Mandarin and conversational in Cantonese.

Your Partner For Investing in China

MATTHEWS ASIA—INVESTMENT TEAM OVERVIEW*



MATTHEWS ASIA—CHINA LOCAL KNOWLEDGE AND EXPERIENCE*

- * **30%** born in China
- * **43%** lived or worked in China
- * **38%** Chinese language speakers



MATTHEWS ASIA—HISTORY OF INVESTING IN CHINA



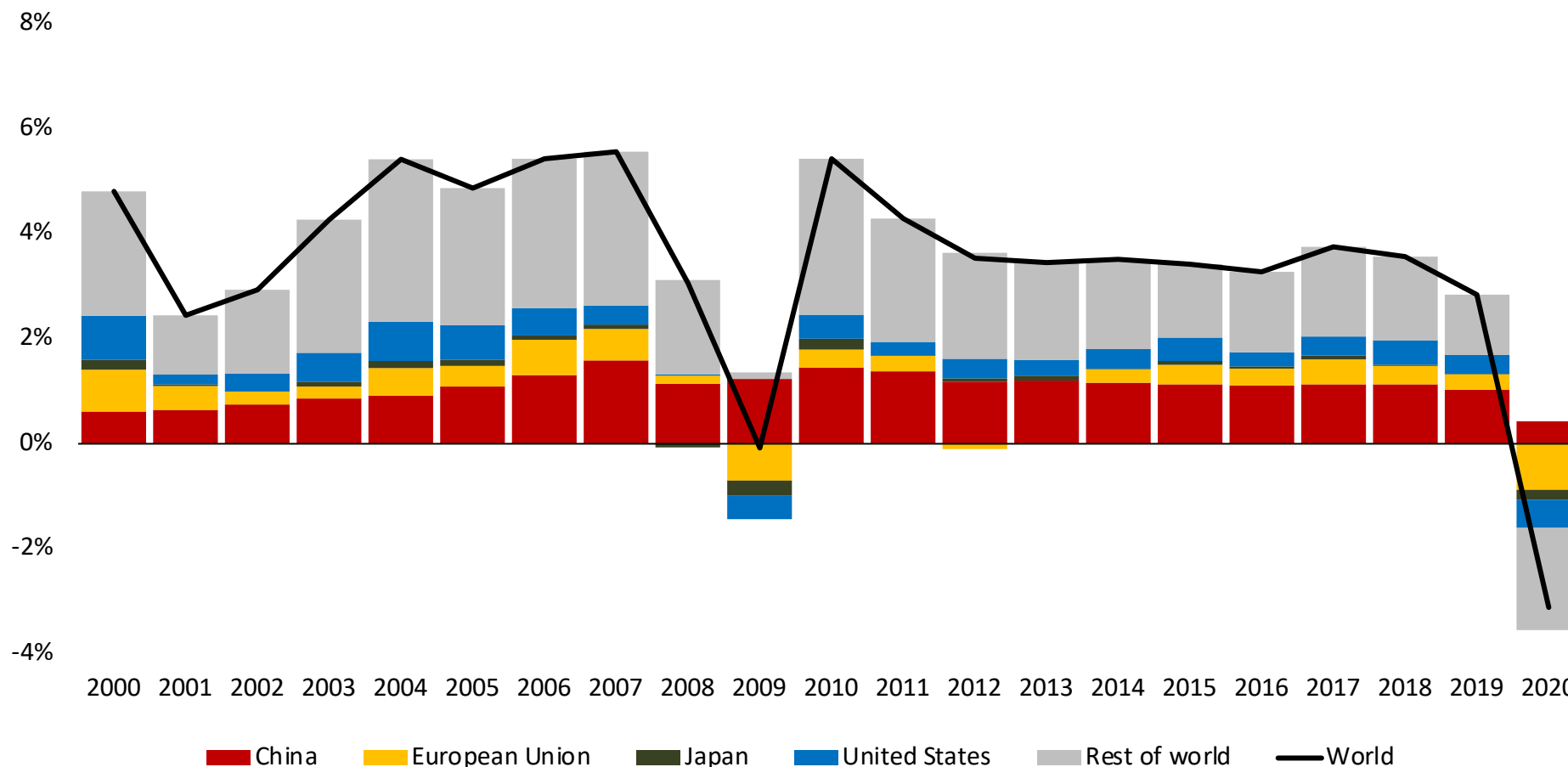
*Investment team data as of February 25, 2022
Source: Matthews Asia



Why It's Important To Get China Right: China Drives Global Growth

China accounts for about one-third of global economic growth, more than the *combined* share from the U.S., Europe and Japan

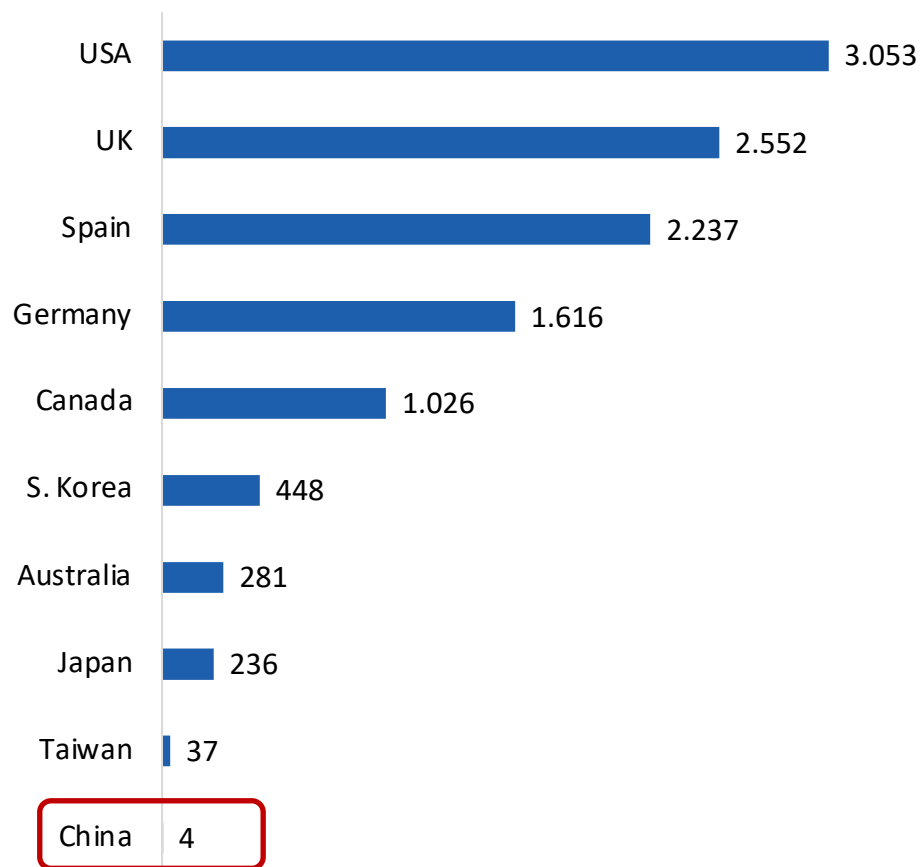
CONTRIBUTION TO GLOBAL GROWTH (PERCENTAGE POINTS)



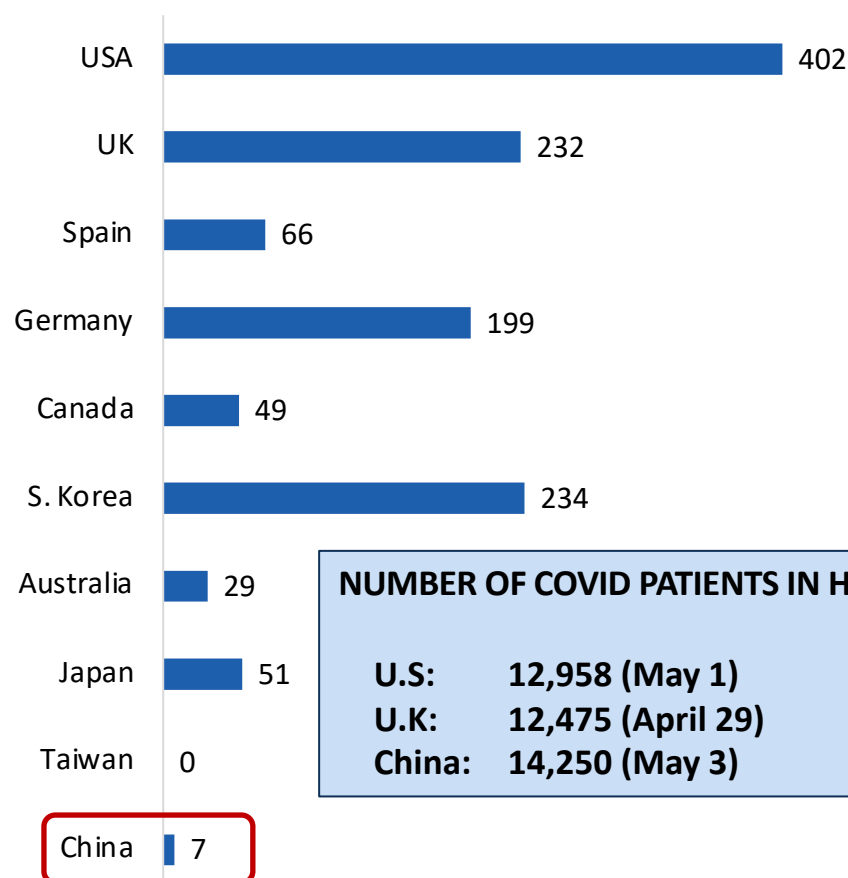
Source: International Monetary Fund
As of October 15, 2021

Prior To Omicron “Zero-COVID” Was Very Successful

**COVID-19 DEATHS PER 1 MILLION POPULATION
AS OF MAY 3, 2022**



**DAILY AVERAGE COVID-19 DEATHS
IN APRIL, 2022**



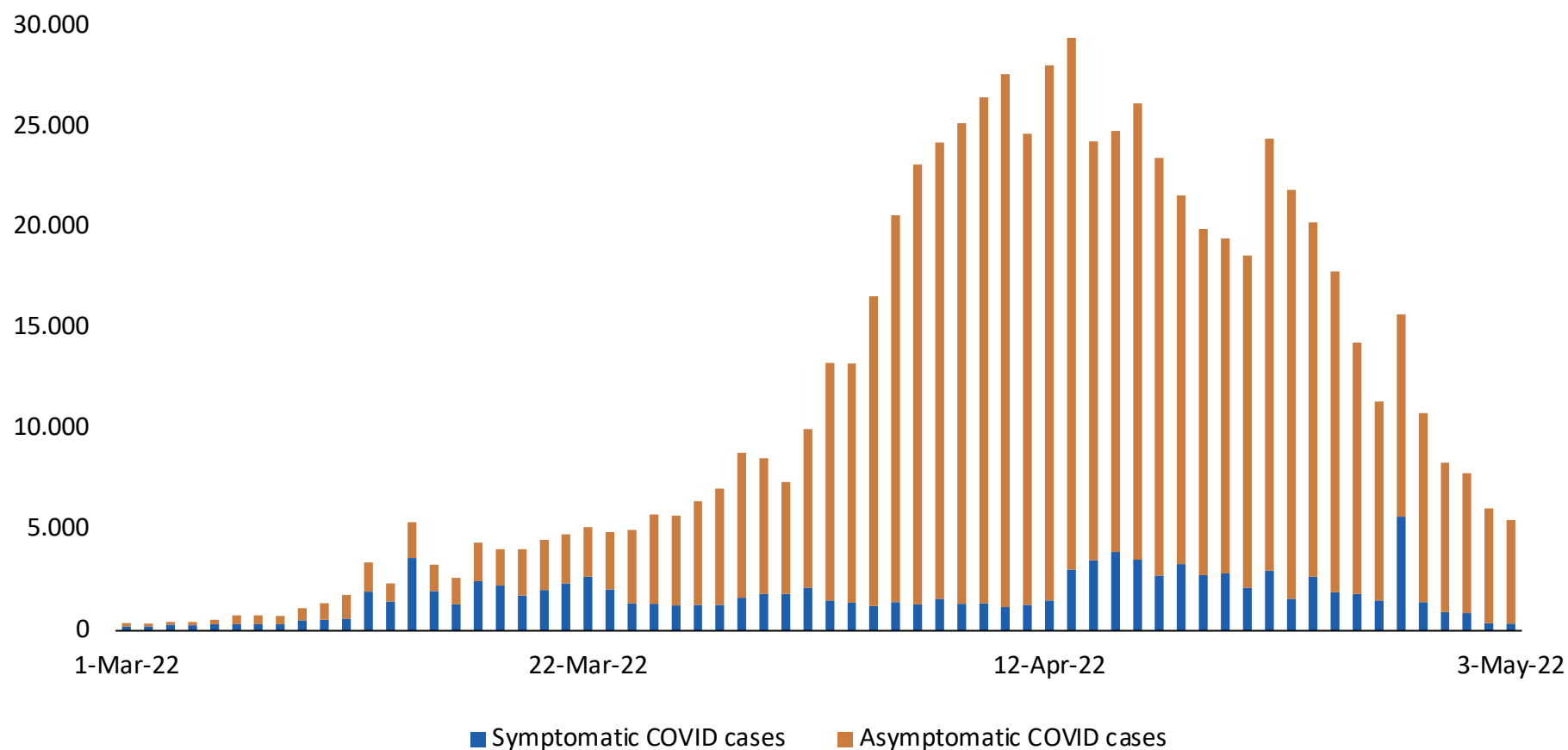
NUMBER OF COVID PATIENTS IN HOSPITAL

U.S: 12,958 (May 1)
U.K: 12,475 (April 29)
China: 14,250 (May 3)

Source: NHC, Worldometers, Our world in data.
As of May 4, 2022

Omicron Challenges Low Vaccination Rate Among China's Elderly

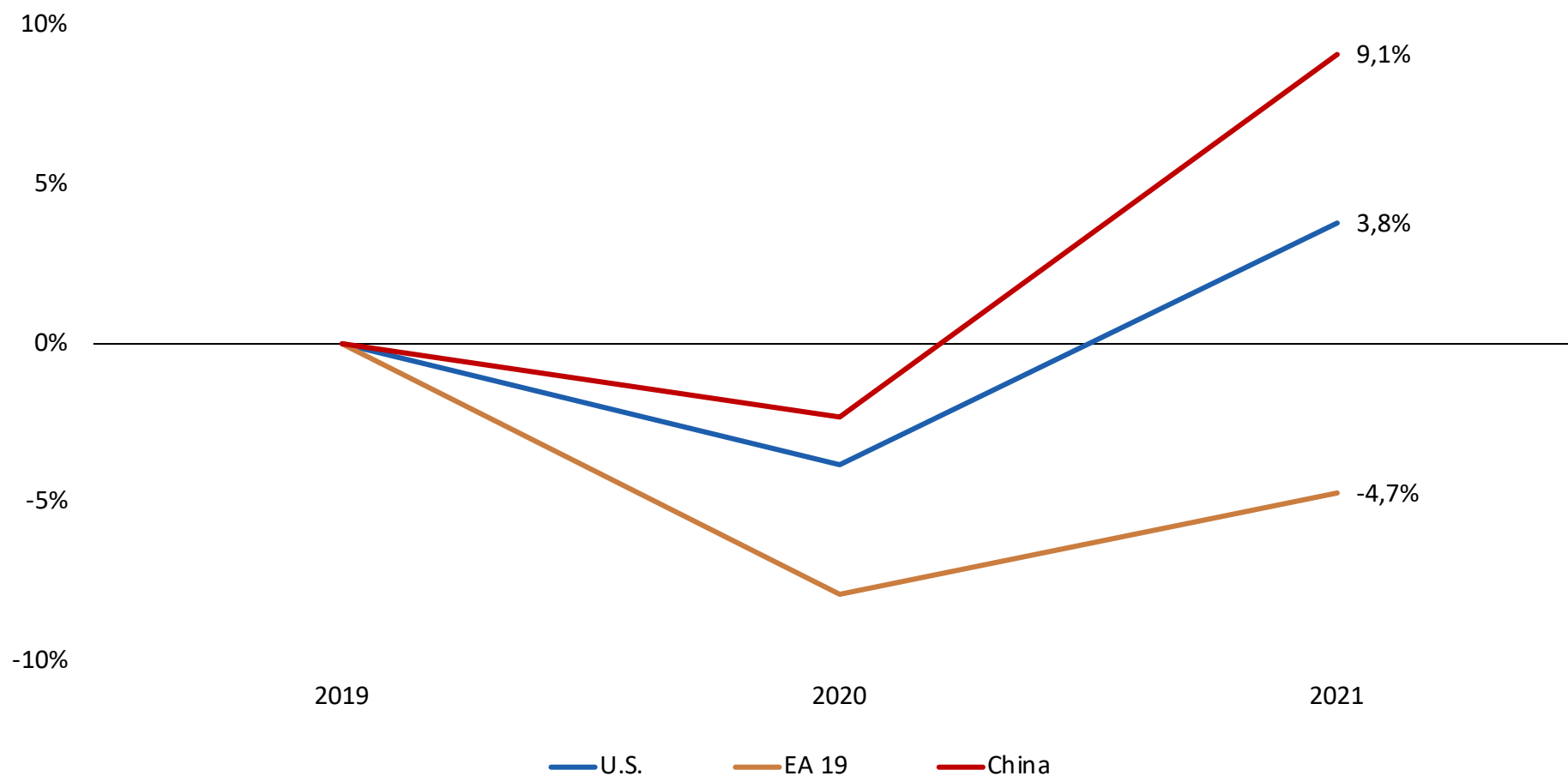
30 million aged 80+ and only 20% have been boosted.



Source: CEIC, as of May 4, 2022

Prior To Lockdowns, A Strong Consumption Recovery In China

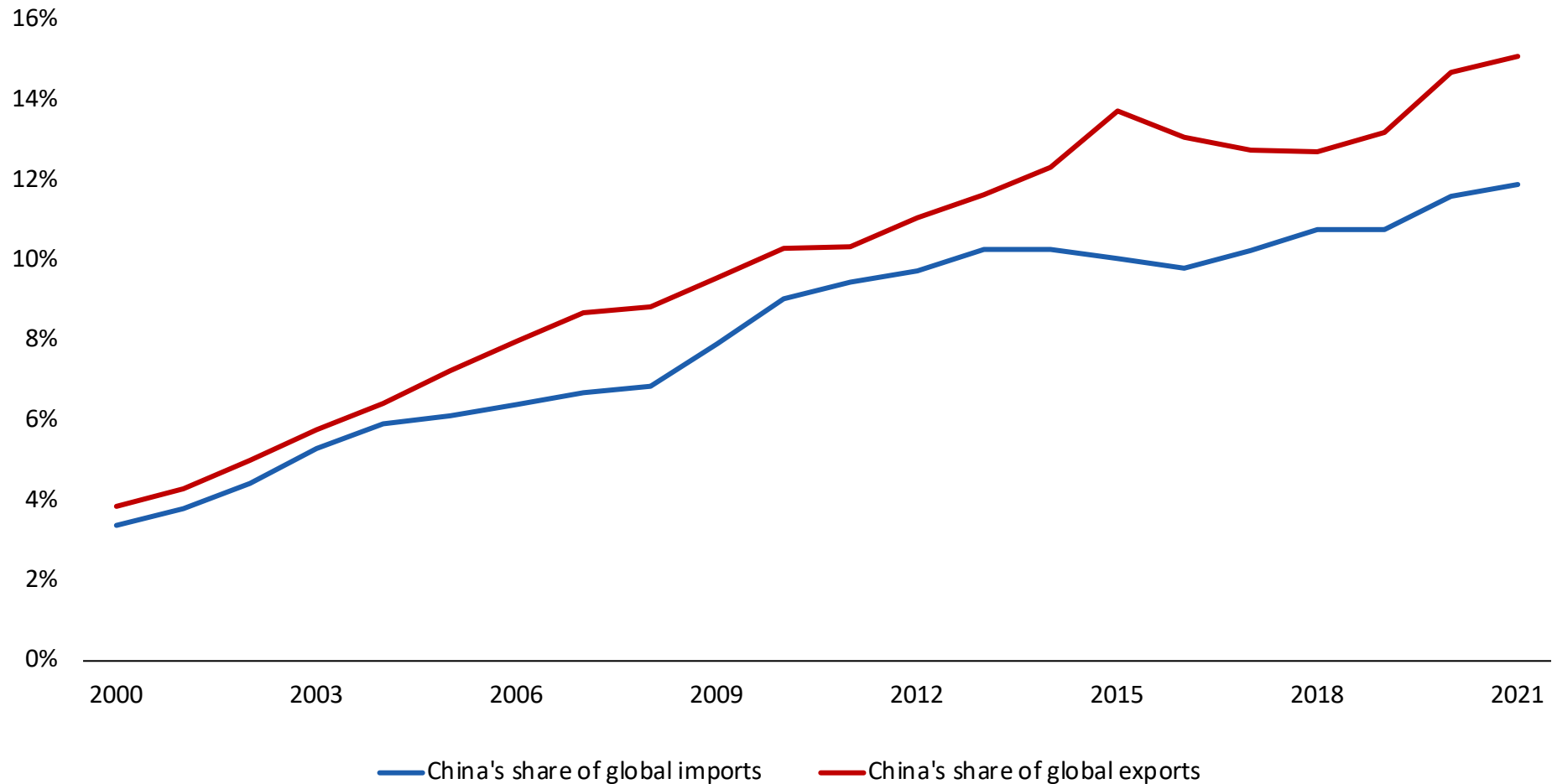
REAL PRIVATE CONSUMPTION GROWTH, IN % OF 2019 LEVEL



Source: CEIC, Matthews Asia

China's Share of Global Exports Hit a Record High

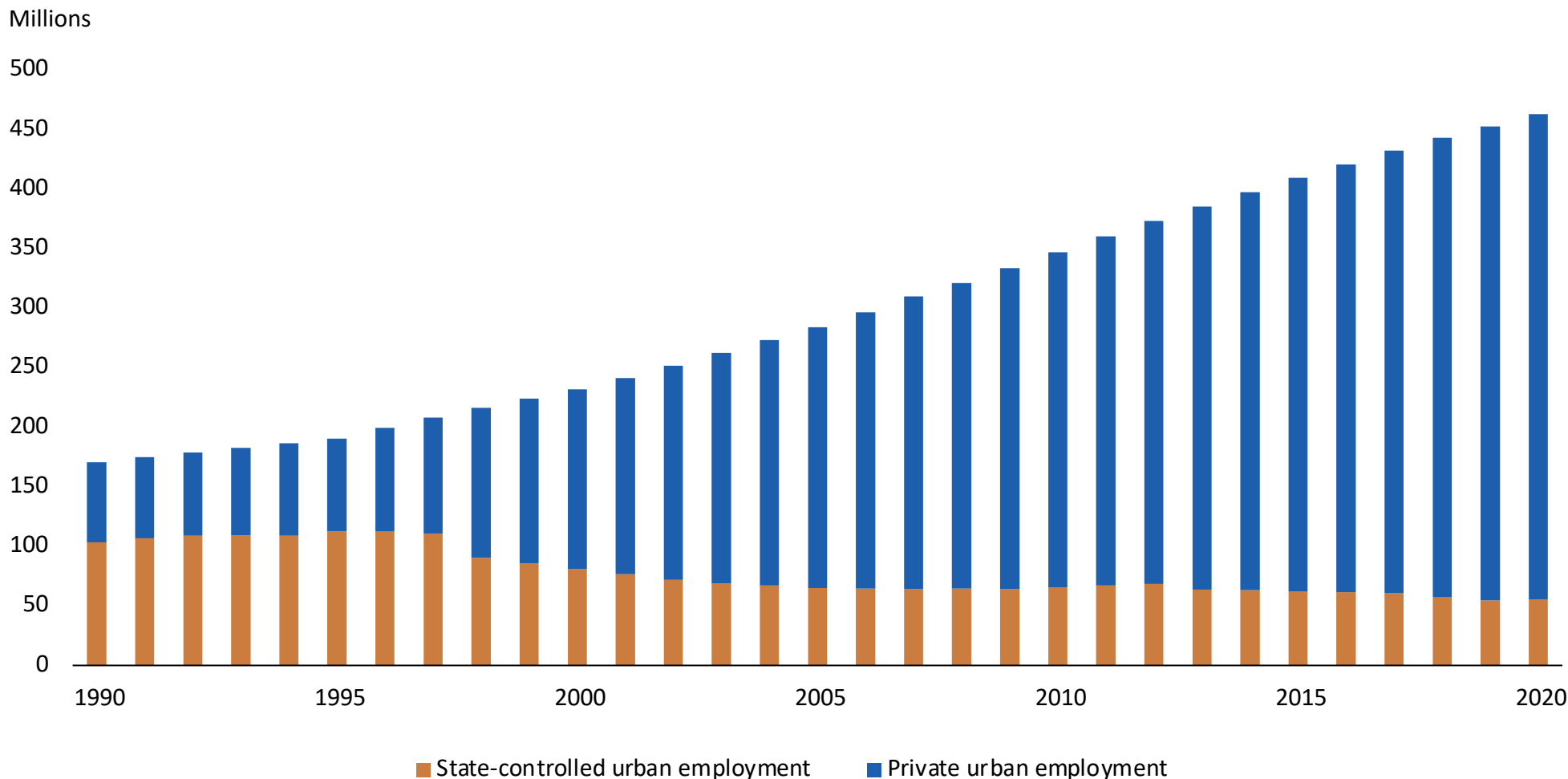
- ✧ Continuing to support global supply chains
- ✧ 49% of trade conducted by private firms; up from 28% a decade ago and 7% two decades ago



Source: WTO, as of April 26, 2022

Private Firms Create China's Jobs, Innovation and Wealth

- ✧ 88% of urban employment now in small, privately-owned, entrepreneurial companies
- ✧ Investment by private firms has increased every year for a decade
- ✧ Economic freedom has led to greatly expanded personal freedom

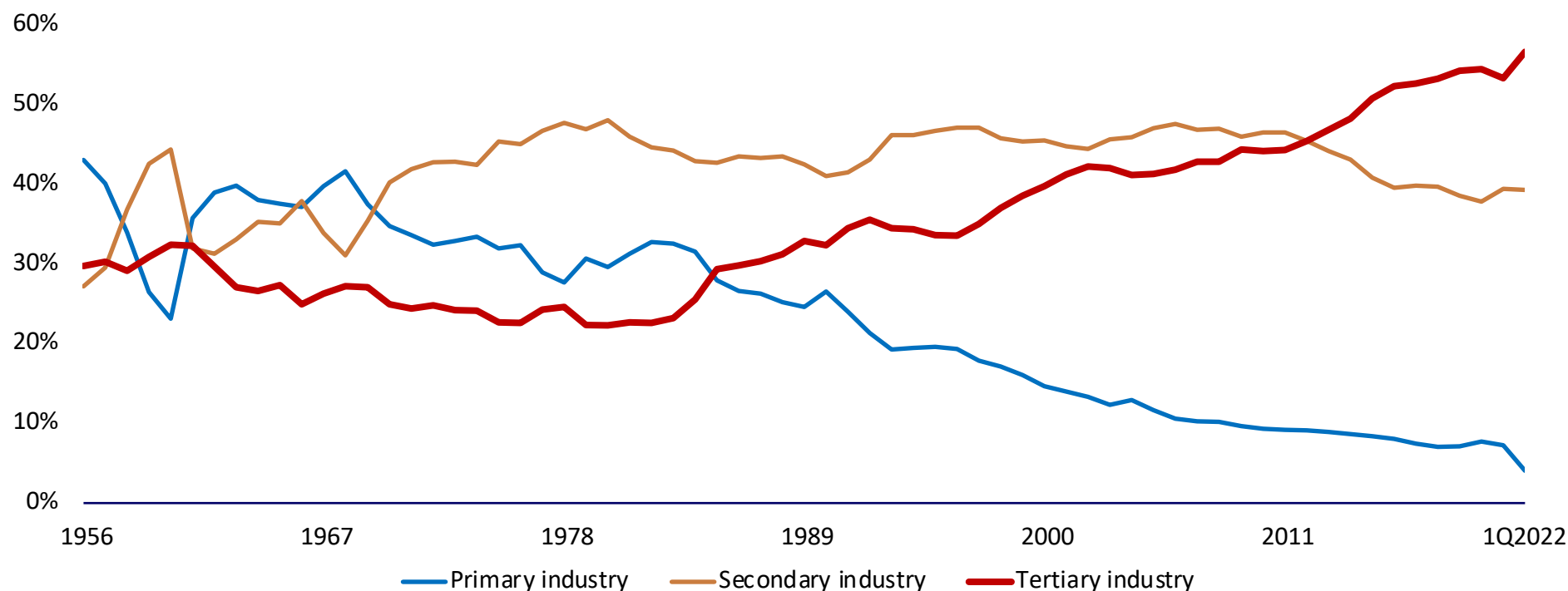


Source: CEIC, as of October 27, 2021

China's Economic Rebalancing Continues

Domestic consumption has been the largest part of the economy for 10 years

SHARE OF GDP BY PRODUCTION APPROACH



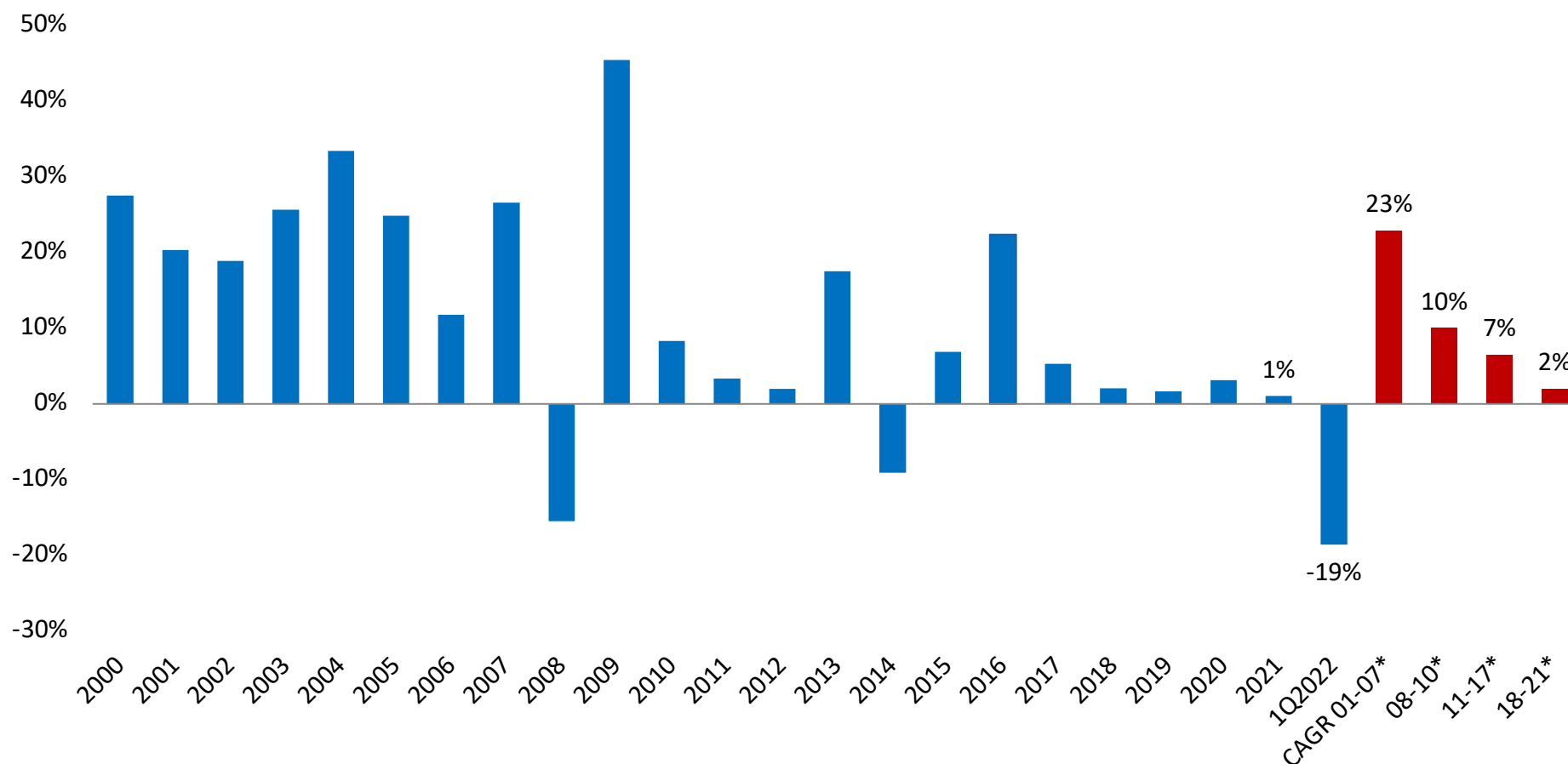
- **Primary industry** refers to agriculture, forestry, animal husbandry and fishery and services in support of these industries
- **Secondary industry** refers to mining and quarrying, manufacturing, production and supply of electricity, water and gas, and construction
- **Tertiary industry** refers to all other economic activities not included in the primary or secondary industries, including real estate, finance, wholesale and retail, transportation and other service industries

Source: CEIC, as of April 18, 2022

Residential Property Market Fundamentals Remain Healthy

- ✧ Growth rate of residential floor space sold decelerating along with the rest of the economy
- ✧ Average new home prices up 4% YoY in 2021; 12% over 2 years; 44% over 5 years; and 107% over 10 years

Residential floor space sold in sqm, YoY

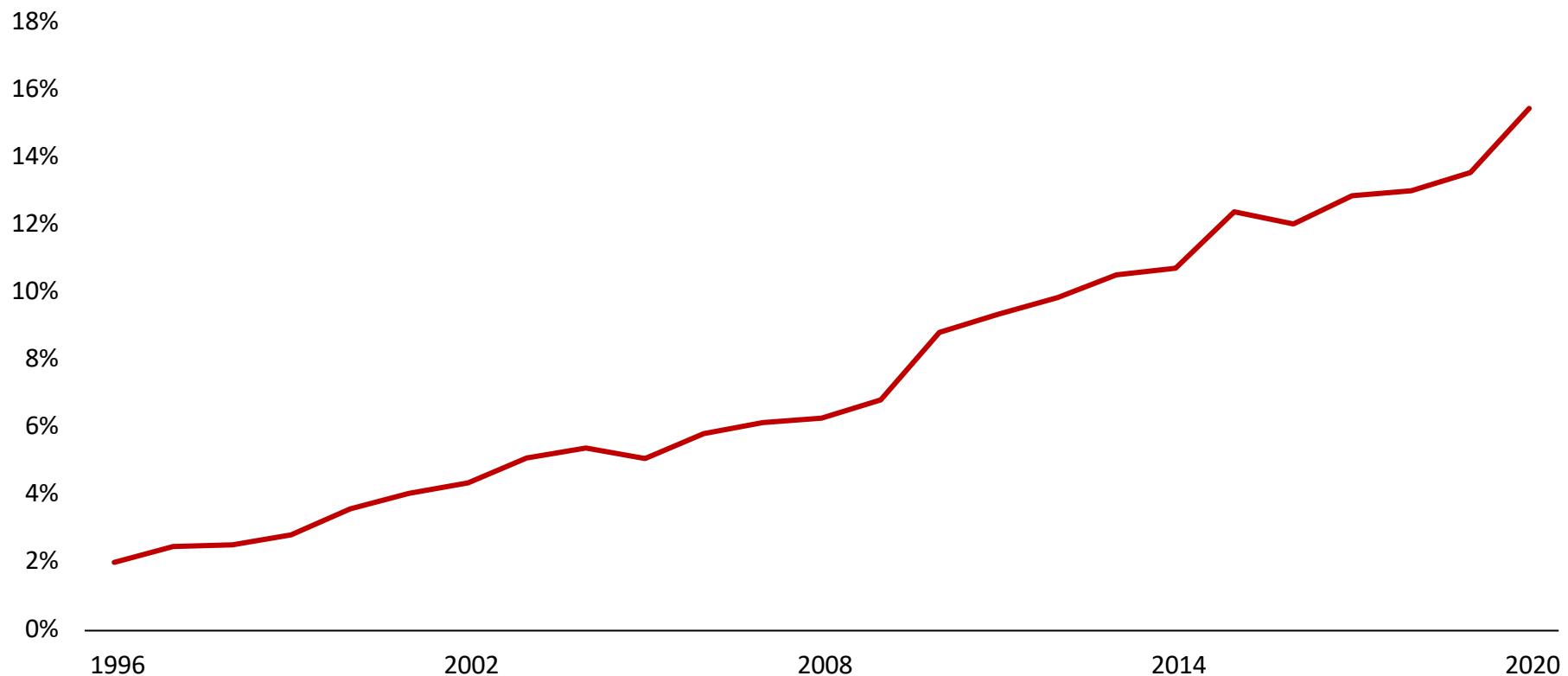


*Compound Annual Growth Rates
Source: CEIC, as of April 18, 2022

Education Mitigates Declining Workforce Impact

College graduates accounted for 15% of China's total population in 2020, up from 2% in 1996. Share of *working age* population with tertiary degree: India 12%, China 22%, U.S. & UK 48%, South Korea 50%, Japan 53%.

COLLEGE GRADUATES AS % OF POPULATION



Sources: CEIC, OECD

Inflation Pressure Remains Subdued For China

* In 2021, China's CPI rose 0.9% compared to 4.7% in the U.S.

* In 1Q22, China's CPI was up 1.1% vs. 8% in the U.S.

U.S.

Oil price (%)

200%

150%

100%

50%

0%

-50%

-100%

US CPI-U (%)

10%

8%

6%

4%

2%

0%

-2%

Jan 09

Apr 12

Aug 15

Nov 18

Mar 22

Oil price(LHS) US CPI-U

CHINA

Oil price (%)

200%

150%

100%

50%

0%

-50%

-100%

China CPI-U (%)

10%

8%

6%

4%

2%

0%

-2%

Jan 09

Apr 12

Aug 15

Nov 18

Mar 22

Oil price(LHS) China CPI

Oil price is spot crude oil price : West Texas Intermediate(WTI)

Sources: CEIC, St. Louis Fed, as of Apr 13, 2022

Geopolitical Headwinds



Source: Nikkei montage/AP

Taiwan Security Risks In Context

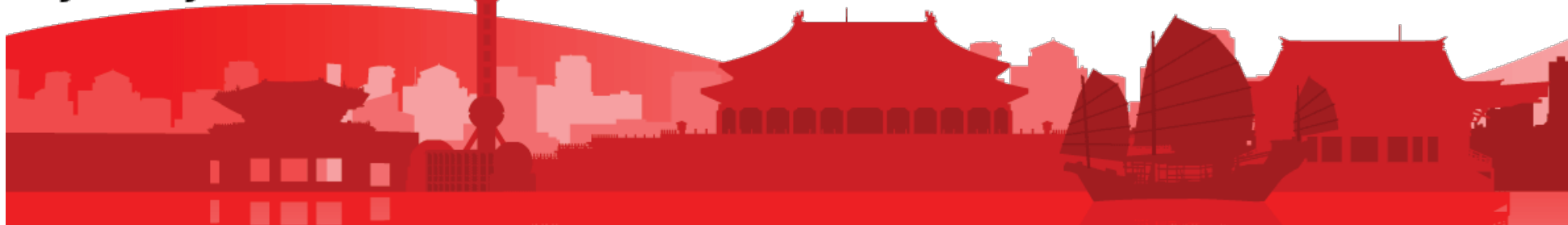
- ✧ **DOMESTIC POLITICS:** No pressure on Xi to use force
- ✧ **MILITARY:** Use of force would be very risky for Beijing from a military perspective
- ✧ **ECONOMIC:** An invasion would trigger an economic disaster. For example, China is dependent on imported semiconductors, and Taiwan accounts for more than two-thirds of chip imports



Source: US Library of Congress

Sinology

by Andy Rothman



Sinology by Andy Rothman is a publication designed to provide investors with a framework for understanding the Chinese economy and the impact on the global economy. The focus will be on longer-term trends, to help put in context the daily flood of China news.

Recent Issues of *Sinology*

Planning for '22 with Lessons from '21

Andy Rothman discusses how last year's experiences can help us plan for China's 2022 economic prospects.

China 2022: Competing Weather Patterns

In this issue of *Sinology*, Andy Rothman explains why China's 2022 investment environment will be defined by two competing weather patterns.

What is Xi Jinping Thinking?

We explain why it is unlikely that the recent regulatory crackdown is Xi's attempt to roll back the private sector. Rather, we think Xi is trying to address the same socio-economic concerns that most democracies are wrestling with.

China's Macro Prospects: 5 Key Questions

Five topics to think about the policy and macro environment for the next few quarters.

Video: On the Ground with Andy Rothman

Investment Strategist Andy Rothman discusses how Matthews Asia draws upon extensive on-the-ground research to uncover investment opportunities in one of the world's fastest growing regions.



Risks China Needs to Manage Through

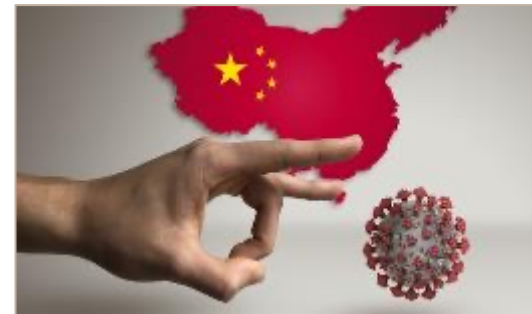
✧ **Geopolitics**

- Hard to manage for



✧ **Zero Covid Policy**

- Likely to linger for longer
- Easing may happen only with better vaccination strategy



✧ **Stabilizing the Property Market**

- Lower mortgage rates and faster mortgage approvals underway
- Property market consolidation will likely continue

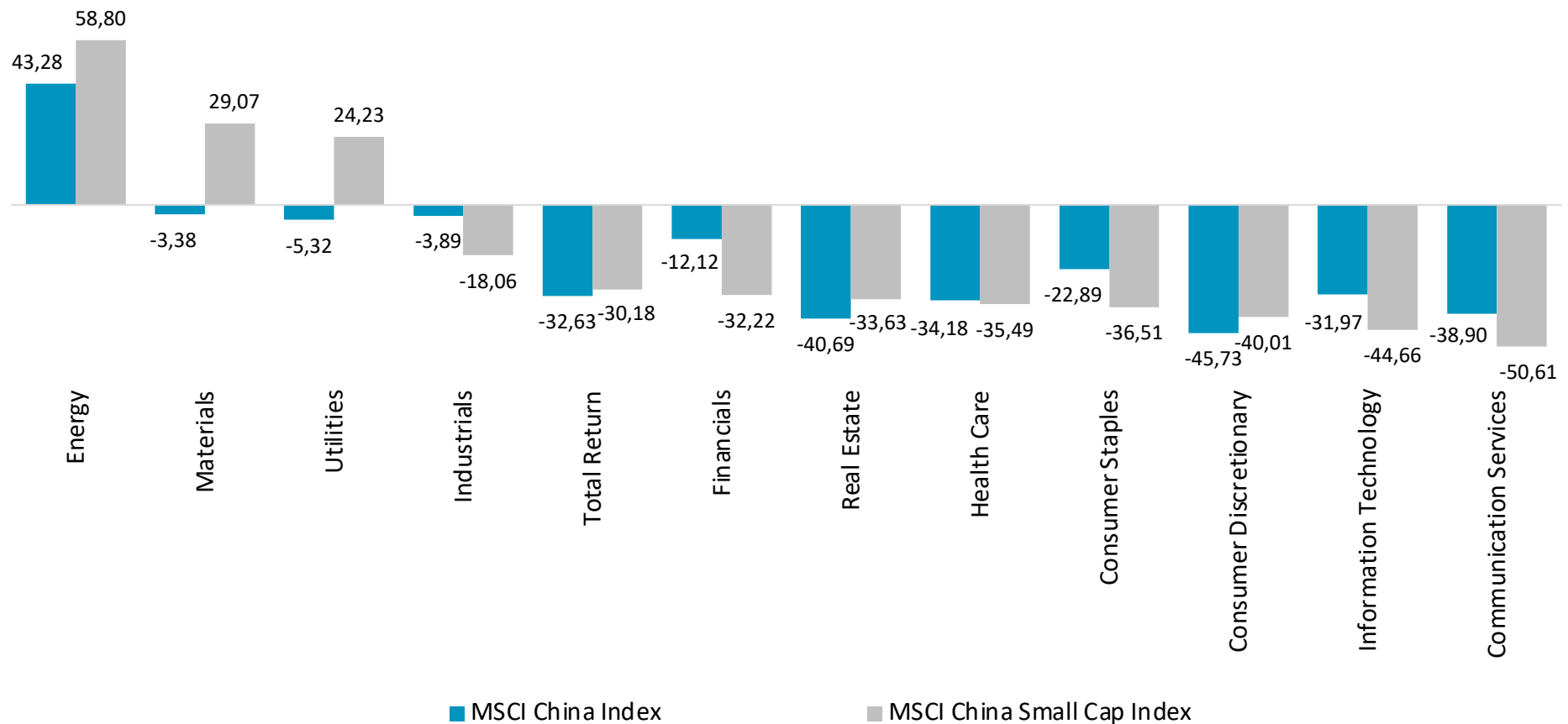


The statements above are based on the beliefs and assumptions of our portfolio management team and on the information currently available to our team at the time of such statements. Although we believe that the expectations reflected in these statements are reasonable, we can give no assurance that these expectations will prove to be correct.

Where Are We Today? Performance by Sector

Sectors driving returns in China

PERFORMANCE BY SECTOR, MARCH 31, 2021 TO MARCH 31, 2022, %



Past performance is no guarantee of future results.

Indexes are unmanaged and it is not possible to invest directly in an index.
Source: Bloomberg; data for time period March 31, 2021 through March 31, 2022

Portfolio Characteristics | China Small Companies Fund

As of March 31, 2022

SECTOR BREAKDOWN (%)

	Fund	Benchmark	Difference
Industrials	24.2	13.7	10.5
Information Technology	23.1	8.9	14.2
Consumer Discretionary	10.7	16.6	-5.9
Health Care	9.3	12.9	-3.6
Real Estate	7.3	18.3	-11.0
Financials	7.3	5.8	1.5
Materials	4.9	7.3	-2.4
Consumer Staples	4.1	3.2	0.9
Utilities	2.4	5.7	-3.3
Communication Services	2.2	5.6	-3.4
Energy	0.0	2.0	-2.0
Cash and Other Assets, Less Liabilities	4.7	0.0	4.7

CHINA EXPOSURE (%)

	Fund
A Shares	36.0
SAR (Hong Kong)	26.8
China-affiliated corporations (CAC)	6.4
H Shares	6.0
Overseas Listed Companies (OL)	3.6
Unassigned	16.5
Cash and Other Assets, Less Liabilities	4.7

SAR (Hong Kong) companies are companies that conduct business in Hong Kong and/or mainland China. **China-affiliated Corporations (CAC)**, also known as "Red Chips," are mainland China companies with partial state ownership listed in Hong Kong, and incorporated in Hong Kong. **H Shares** are mainland China companies listed on the Hong Kong exchange but incorporated in mainland China. **B Shares** are mainland Chinese companies listed on the Shanghai and Shenzhen stock exchanges, available to both Chinese and non-Chinese investors. **Overseas Listed (OL)** companies are companies that conduct business in mainland China but are listed in overseas markets such as Japan, Singapore, Taiwan and the United States.

Benchmark: MSCI China Small Cap Index

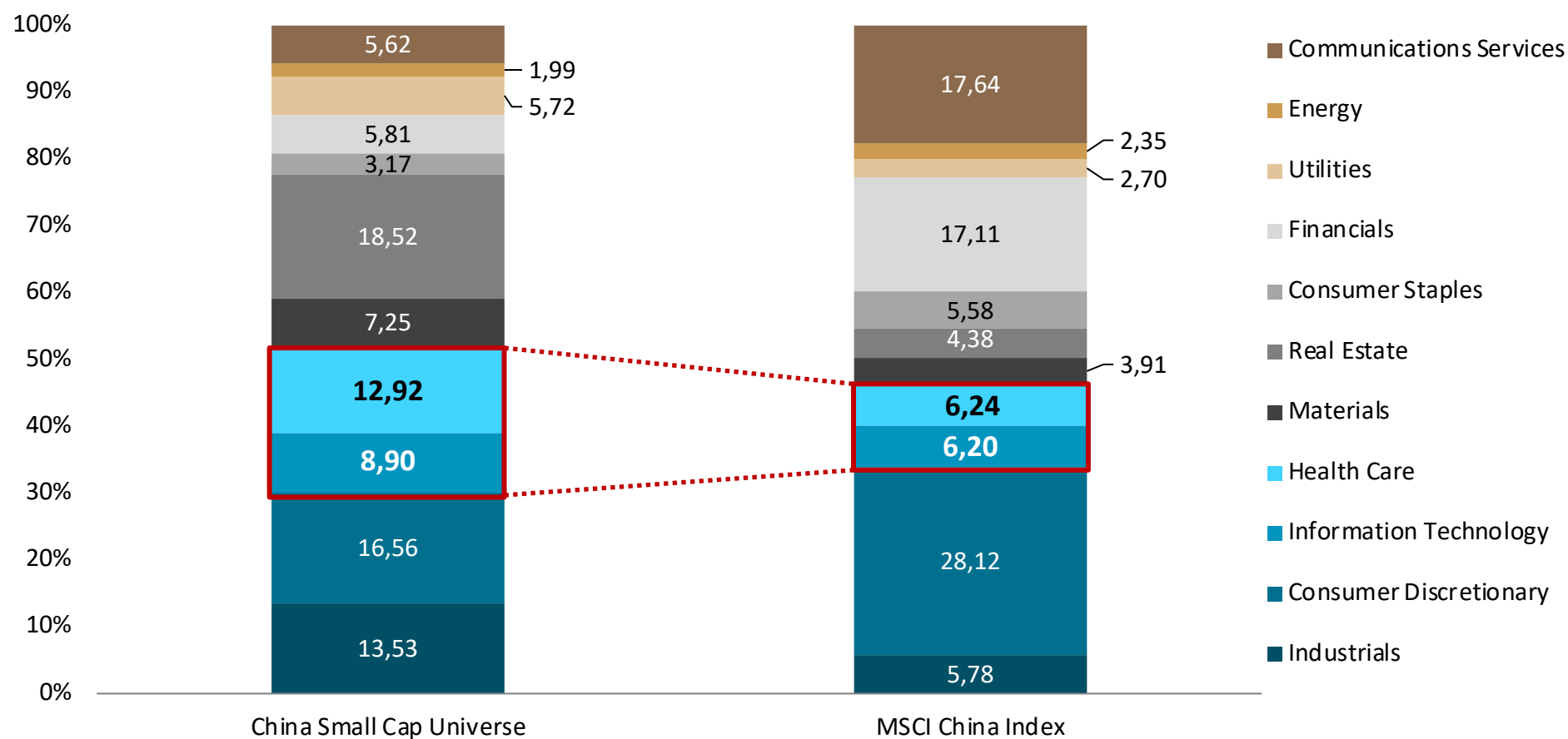
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The information contained in this presentation does not, in any way, constitute investment advice. Portfolio characteristics for the Fund may vary from time to time from what is shown. Sector data based on MSCI's revised Global Industry Classification Standards. For more details, visit www.msci.com. Percentage values in data are rounded to the nearest tenth of one percent; the values may not sum to 100% due to rounding.

Source: FactSet Research Systems

China Small Caps Universe vs China All-Cap Index

China Small Caps are more prominent in IT and Health care



China Small Universe defined as companies within US\$1-\$5bn in market cap, totaling 1,700 companies
 Indexes are unmanaged and it is not possible to invest directly in an index.
 Source: Data from Bloomberg as of March 31, 2022

Potentially Unstoppable Trends in China Today

Evolving trends give rise to innovation



Continued Consumer Upgrades

- Rising demand for quality products & services



Hyper-Connectivity and Indigenous Tech Innovation

- Data and Semiconductors
- Productivity tools and Software



Investing in Longevity

- Next generation drug manufacturing
- Robotics and automation



A Greener China

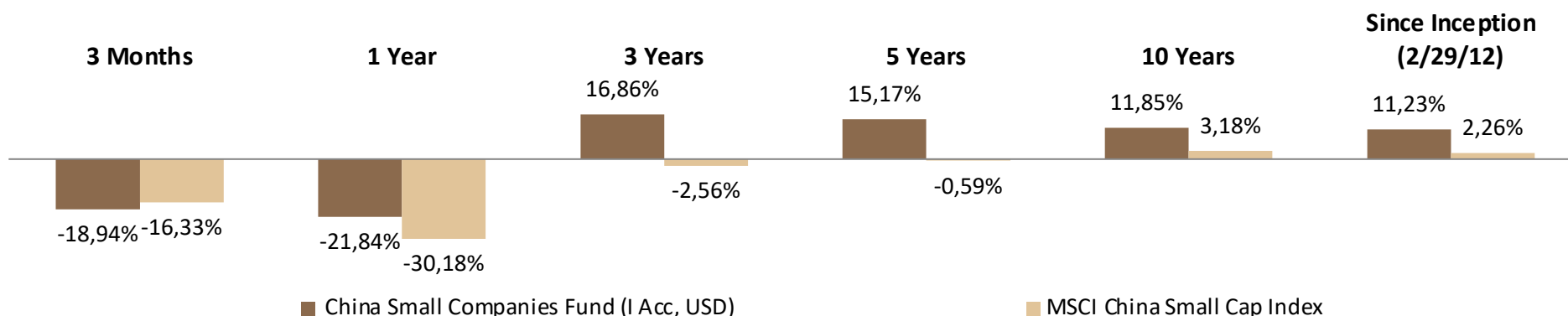
- Carbon neutrality 2060
- Energy self-sufficiency plans

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Investment Returns | China Small Companies Fund

As of March 31, 2022

AVERAGE ANNUAL TOTAL RETURNS



Calendar Year Returns (for the year ended December 31)

	2021	2020	2019	2018	2017
China Small Companies Fund (I Acc, USD)	-2.88%	77.70%	31.36%	-18.79%	56.47%
MSCI China Small Cap Index (USD)	-6.26%	27.21%	6.63%	-19.53%	24.62%

Annualized 12-Month Returns (for the period ended March 31)

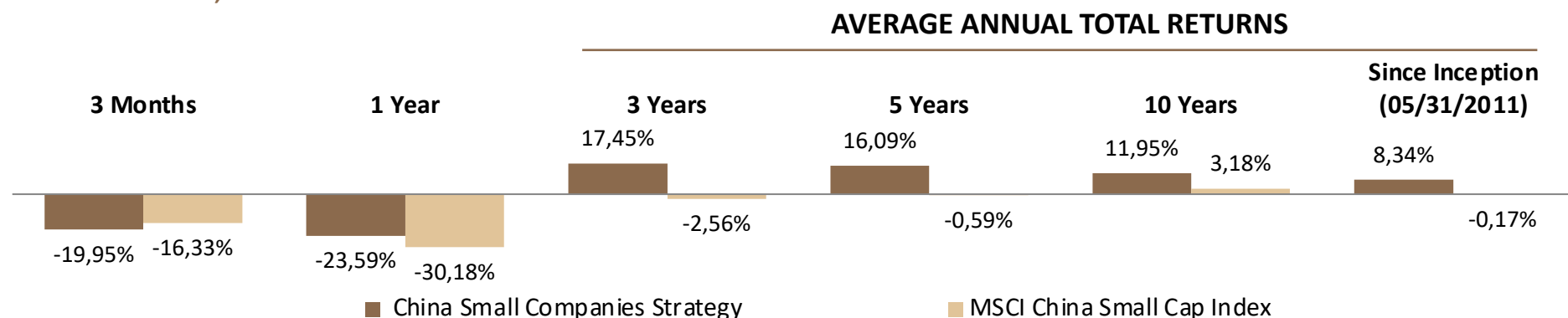
	2022	2021	2020	2019	2018
China Small Companies Fund (I Acc, USD)	-21.84%	62.23%	25.87%	-10.72%	42.20%
MSCI China Small Cap Index (USD)	-30.18%	64.63%	-19.51%	-10.05%	16.63%

An investment in Matthews Asia Funds is subject to risks. Please refer to the cover slide for a more detailed outline of the associated risks. **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. Index is for comparative purposes only and it is not possible to invest directly in an index. Please refer to disclosures for index definition.

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

Investment Returns | China Small Companies Strategy

As of March 31, 2022



Calendar Year Returns (for the year ended December 31)

	2021	2020	2019	2018	2017
China Small Companies Strategy	-3.59%	82.52%	35.41%	-17.68%	53.88%
MSCI China Small Cap Index (USD)	-6.26%	27.21%	6.63%	-19.53%	24.62%

Annualized 12-Month Returns (for the period ended March 31)

	2022	2021	2020	2019	2018
China Small Companies Strategy	-23.59%	66.82%	27.1%	-8.96%	42.95%
MSCI China Small Cap Index (USD)	-30.18%	64.63%	-19.51%	-10.05%	16.63%

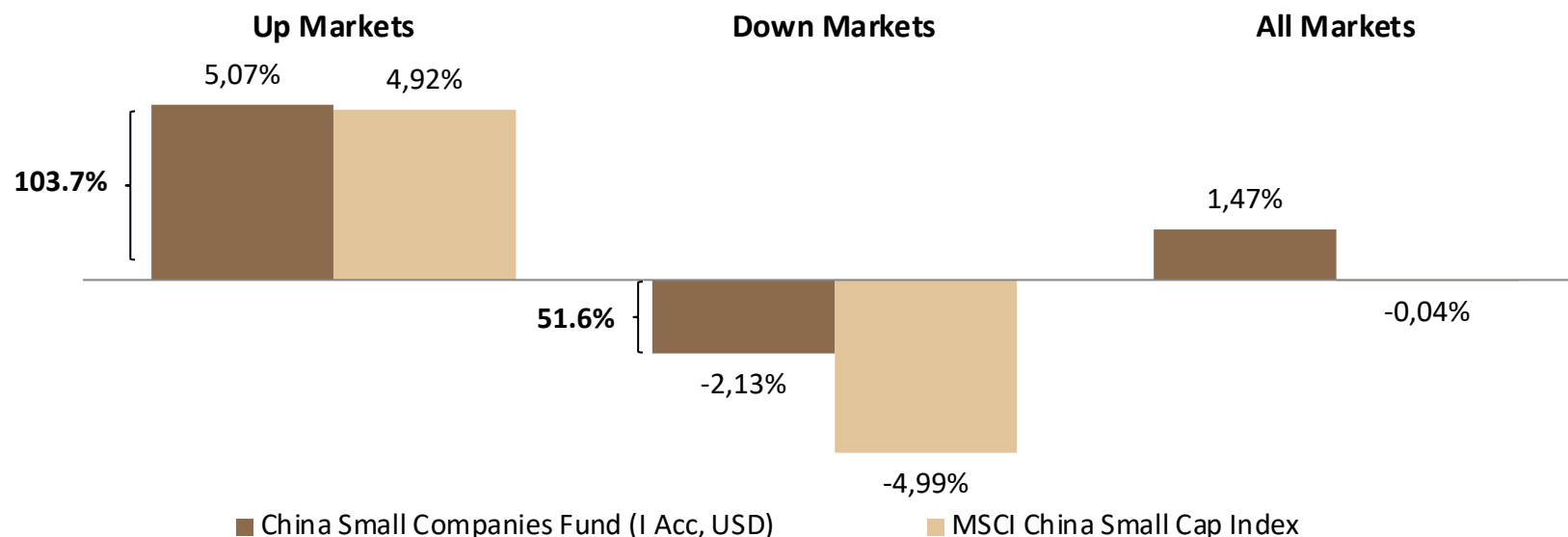
An investment in Matthews Asia Funds is subject to risks. Please refer to the cover slide for a more detailed outline of the associated risks. The performance information above is for a representative portfolio in the noted strategy based on AUM managed by Matthews International Capital Management, LLC. The performance information of the representative portfolio is shown for the purpose of indicating a longer past track record and for reference only. Advisory fees may vary depending on the size and nature of the assets and account. All performance is in US\$ and includes all dividends and interest accrued income, realized and unrealized gains or losses, accrued expenses, and are net of all brokerage commissions and execution costs and advisory and other fees. Individual account performance will vary. **Performance quoted represents past performance and is no guarantee of future results.** This performance information does not, and it is not intended to, represent performance of the Matthews China Small Companies Fund, which commenced operations on 2/29/12. For performance information for the Matthews China Small Companies Fund, please see the previous slide or visit matthewsasias.com. Performance results, portfolio characteristics, and holdings information for the Matthews China Small Companies Fund may vary from the representative account for the strategy. Indexes are for comparative purposes only and it is not possible to invest directly in an index. Please refer to disclosures for index definition.

Sources: BNY Mellon Investment Servicing, Bloomberg

Historical Results | China Small Companies Fund

Attempts to offer more stable means to Asia's growth while providing some downside protection

UPSIDE/DOWNSIDE CAPTURE MARCH 31, 2019 TO MARCH 31, 2022



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The up and down capture is a measure of how well a manager was able to replicate or improve on phases of positive average monthly benchmark returns, and how adversely the manager was affected by phases of negative average monthly benchmark returns. Inception to date, the Fund had a 103.7% upside capture and a 51.6% downside capture.

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, and are net of management fees and other expenses. Indexes are unmanaged and it is not possible to invest directly in an index. Please refer to the disclosure for index definition. Volatility is the standard deviation of returns.

Sources: Morningstar, Zephyr StyleADVISOR

Portfolio Characteristics | China Small Companies Fund

As of March 31, 2022

MARKET CAP EXPOSURE (%)

	Fund	Benchmark	Difference
Mega Cap (over \$25B)	0.0	0.0	0.0
Large Cap (\$10B-\$25B)	11.1	0.0	11.1
Mid Cap (\$3B-\$10B)	41.7	6.0	35.7
Small Cap (under \$3B)	42.5	94.0	-51.5
Cash and Other Assets, Less Liabilities	4.7	0.0	4.7

Market cap exposure: equity market cap of issuer

PORTFOLIO CHARACTERISTICS

	Fund
Weighted Average Market Cap	\$4.6 billion
P/E using FY1 Estimates*	11.3x
P/E using FY2 Estimates*	9.9x

Benchmark: MSCI China Small Cap Index

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*The P/E Ratio is the share price of a stock as of the report date, divided by the forecasted earnings per share for a 12-month period (FY1) and 24 month period (FY2). For the Fund, this is the weighted harmonic average estimated P/E ratio of all the underlying stocks in the Fund, excluding negative earners. There is no guarantee that the composition of the Fund will remain unchanged, or that forecasted earnings of a stock will be realized. Information provided is for illustrative purposes only.

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Sources: FactSet Research Systems, Bloomberg



Top Ten Holdings | China Small Companies Fund

As of March 31, 2022

Company	Sector	%
China Overseas Property Holdings, Ltd.	Real Estate	4.0
China State Construction International Holdings, Ltd.	Industrials	3.6
Chailease Holding Co., Ltd.	Financials	3.5
Pan Jit International, Inc.	Information Technology	3.1
Alchip Technologies, Ltd.	Information Technology	2.9
Airtac International Group	Industrials	2.6
Yuexiu Transport Infrastructure, Ltd.	Industrials	2.5
ENN Natural Gas Co., Ltd.	Utilities	2.4
ACM Research, Inc.	Information Technology	2.3
Morimatsu International Holdings Co., Ltd.	Industrials	2.3
Total for Top 10		29.2%

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This information does not, in any way, constitute investment advice. Holdings may combine more than one security from the same issuer and related depositary receipts. Portfolio holdings 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. The information does not constitute a recommendation to buy or sell any securities mentioned.

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

Today's Speakers



Andy Rothman
Investment Strategist

Andy Rothman is an Investment Strategist at Matthews Asia. He is principally responsible for developing research focused on China's ongoing economic and political developments while also complementing the broader investment team with in-depth analysis on Asia. In addition, Andy plays a key role in communicating to clients and the media the firm's perspectives and latest insights into China and the greater Asia region. Prior to joining Matthews Asia in 2014, Andy spent 14 years as CLSA's China macroeconomic strategist where he conducted analysis into China and delivered his insights to their clients. Previously, Andy spent 17 years in the U.S. Foreign Service, with a diplomatic career focused on China, including as head of the macroeconomics and domestic policy office of the U.S. Embassy in Beijing. In total, Andy has lived and worked in China for more than 20 years. He earned an M.A. in public administration from the Lyndon B. Johnson School of Public Affairs and a B.A. from Colgate University. He is a proficient Mandarin speaker.



Winnie Chwang
Portfolio Manager

Winnie Chwang is a Portfolio Manager at Matthews Asia and manages the firm's China Small Strategy and co-manages the China and Pacific Tiger Strategies. She joined the firm in 2004 and has built her investment career at the firm. Winnie earned an MBA from the Haas School of Business and received her B.A. in Economics with a minor in Business Administration from the University of California, Berkeley. She is fluent in Mandarin and conversational in Cantonese.

Disclosure

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The Fund invests primarily in Asian countries and economies. The Fund invests primarily in equity securities, which may result in increased volatility. Additionally, investing in emerging and frontier securities involves greater risks than investing in securities of developed markets, as issuers in these countries generally disclose less financial and other information publicly or restrict access to certain information from review by non-domestic authorities. Emerging and frontier markets tend to have less stringent and less uniform accounting, auditing and financial reporting standards, limited regulatory or governmental oversight, and limited investor protection or rights to take action against issuers, resulting in potential material risks to investors. Pandemics and other public health emergencies can result in market volatility and disruption.

Disclosure

The Fund may invest in financial derivative instruments (“FDIs”). Risk associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. Exposure to FDIs may lead to a high risk of significant loss by the Fund. The Fund may use hedging techniques to attempt to offset certain market risks but there is no guarantee that hedging techniques will fully and effectively achieve their desired result.

The Fund may, at its discretion, pay dividends out of the capital or effectively out of capital in respect of the distribution shares. 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 distribution may result in an immediate reduction of the net asset value per share of the Fund.

An investment in the Matthews Asia Funds may not be suitable for all investors. Investors should carefully consider the investment objectives, risks, charges and expenses of the Matthews Asia Funds before making an investment decision. The current prospectus, Key Investor Information Document or Product Key Facts Statements or other supplements (“Offering Document”) contain this and other information and can be obtained by visiting matthewsasiasia.com. Fees and expenses vary among Funds and share classes. Portfolio characteristics for the Fund may vary from time to time from what is shown. Investors should not invest in a Fund solely based on the information in this document. Please read the relevant Offering Document and other offering documents carefully for further details including risk factors before investing.

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Disclosure *continued*...

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The MSCI All Country Asia Pacific Index is a free float-adjusted market capitalization-weighted index of the stock markets of Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Pakistan, Philippines, Singapore, South Korea, Taiwan and Thailand.

The MSCI All Country Asia ex Japan Index is a free float-adjusted market capitalization-weighted index of the stock markets of China, Hong Kong, India, Indonesia, Malaysia, Pakistan, Philippines, Singapore, South Korea, Taiwan and Thailand.

The S&P Bombay Stock Exchange 100 (S&P BSE 100) Index is a free float-adjusted market capitalization-weighted index of 100 stocks listed on the Bombay Stock Exchange.

The MSCI All Country Asia ex Japan Small Cap Index is a free float-adjusted market capitalization-weighted small cap index of the stock markets of China, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan and Thailand.

The MSCI China Index is a free float-adjusted market capitalization-weighted index of Chinese equities that includes H shares listed on the Hong Kong exchange, B shares listed on the Shanghai and Shenzhen exchanges, Hong Kong-listed securities known as Red chips (issued by entities owned by national or local governments in China) and P Chips (issued by companies controlled by individuals in China and deriving substantial revenues in China), and foreign listings (e.g. ADRs).

The MSCI China All Shares Index captures large and mid-cap representation across China A shares, B shares, H shares, Red chips (issued by entities owned by national or local governments in China), P chips (issued by companies controlled by individuals in China and deriving substantial revenues in China), and foreign listings (e.g. ADRs). The index aims to reflect the opportunity set of China share classes listed in Hong Kong, Shanghai, Shenzhen and outside of China.

The MSCI China Small Cap Index is a free float-adjusted market capitalization-weighted small cap index of the Chinese equity securities markets, including H shares listed on the Hong Kong exchange, B shares listed on the Shanghai and Shenzhen exchanges, Hong Kong-listed securities known as Red Chips (issued by entities owned by national or local governments in China) and P Chips (issued by companies controlled by individuals in China and deriving substantial revenues in China), and foreign listings (e.g., ADRs).

The JP 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, Malaysia, Philippines, Thailand and Singapore.

The MSCI Japan Index is a free float-adjusted market capitalization-weighted index of Japanese equities listed in Japan.

The MSCI Japan Value Index captures large and mid cap Japanese securities exhibiting overall value style characteristics. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. With 173 constituents, the index targets 50% coverage of the free float-adjusted market capitalization of the MSCI Japan Index.

The Markit iBoxx Asian Local Bond Index tracks the total return performance of a bond portfolio consisting of local-currency denominated, high quality and liquid bonds in Asia ex-Japan. The Markit iBoxx Asian Local Bond Index includes bonds from the following countries: Korea, Hong Kong, India, Singapore, Taiwan, Malaysia, Thailand, Philippines, Indonesia and China.

The Barclays Capital U.S. Aggregate Bond Index is commonly used as a benchmark by both passive and active investors to measure portfolio performance relative to the U.S. dollar-denominated investment grade fixed-rate taxable bond market.

The Barclays Global Aggregate Index (GAI) provides a broad-based measure of the global investment grade fixed-rate debt markets. The GAI contains three major components: The U.S. Aggregate Index, the Pan-European Aggregate Index, and the Asian-Pacific Aggregate Index. In addition to securities from these three benchmarks (94% of the overall Global Aggregate market value as of December 31, 2010), the Global Aggregate Index includes Global Treasury, Eurodollar, Euro-Yen, Canadian and Investment Grade 144A index-eligible securities not already in the three regional aggregate indices.

The Barclays Municipal Bond Index is a market-value-weighted index for the long-term tax-exempt bond market. To be included in the index, bonds must have a minimum credit rating of Baa. They must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a dated-date after December 31, 1990, and must be at least one year from their maturity date.

The Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS. The U.S. Aggregate rolls up into other Barclays Capital flagship indices such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt. The U.S. Aggregate Index was created in 1986, with index history backfilled to January 1, 1976.

The Barclays U.S. Treasury Index is an unmanaged index of prices of U.S. Treasury bonds with maturities of one to 30 years.

The Bank of America Merrill Lynch Corporate Master Index is an unmanaged index comprised of approximately 4,256 corporate debt obligations rated BBB or better. These quality parameters are based on composites of ratings assigned by Standard and Poor's Ratings Group and Moody's Investors Service, Inc. Only bonds with minimum maturity of one year are included.

Disclosure *continued*...

The Bank of America Merrill Lynch Mortgage Master Index tracks the performance of U.S. dollar-denominated fixed rate and hybrid residential mortgage pass-through securities issued by U.S. agencies in the U.S. domestic market having at least \$5billion per generic coupon and \$250 million outstanding generic production year.

The Bank of America Merrill Lynch U.S. High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

The Bank of America Merrill Lynch 5-Year U.S. Treasury Bond Index tracks the total return of current coupon 5-year U.S. Treasury bond.

The Bloomberg European 500 Index is a free float capitalization-weighted index of the 500 most highly capitalized European companies.

The Commodity Index (DJ-UBSCI) is composed of commodities traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME). The DJ-UBSCI is calculated on an excess return basis.

The Global Aggregate Index (GAI) provides a broad-based measure of the global investment grade fixed-rate debt markets. The GAI contains three major components: The U.S. Aggregate Index, the Pan-European Aggregate Index, and the Asian-Pacific Aggregate Index. In addition to securities from these three benchmarks (94% of the overall Global Aggregate market value as of December 31, 2010), the Global Aggregate Index includes Global Treasury, Eurodollar, Euro-Yen, Canadian and Investment Grade 144A index-eligible securities not already in the three regional aggregate indices.

The J.P. Morgan Emerging Markets Bond Index Global ("EMBI Global") tracks total returns for traded external debt instruments in the emerging markets and includes US dollar-denominated Brady bonds, loans, and Eurobonds with an outstanding face value of at least \$500 million. The EMBI Global defines emerging markets countries with a combination of World Bank-defined per capita income brackets and each country's debt-restructuring history.

The MSCI Australia Index is a free float-adjusted, market capitalization-weighted index of equity market performance in Australia.

The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization-weighted index of the stock markets of Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, South Korea, Taiwan, Thailand, Turkey and United Arab Emirates.

The MSCI Europe Small Cap Index captures small cap representation across the 15 Developed Markets (DM) countries in Europe. With 985 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in the European equity universe.

The MSCI India Small Cap Index is designed to measure the performance of the small cap segment of the Indian market. With 253 constituents, the index represents approximately 14% of the free float-adjusted market capitalization of the India equity universe.

The MSCI Japan Growth Index is a free-float weighted equity index.

The MSCI United Kingdom Index is a free float-adjusted market capitalization index designed to measure the performance of the large and mid-cap segments of the UK market.

The Russell 2000 index is an index measuring the performance approximately 2,000 small-cap companies in the Russell 3000 Index, which is made up of 3,000 of the biggest U.S. stocks. The Russell 2000 serves as a benchmark for small-cap stocks in the United States. The weighted average market capitalization for companies in the Russell 2000 is about US\$1.3 billion and the index itself is frequently used as a benchmark for small-cap mutual funds.

The S&P 500 Index includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities.

SPDR Gold Shares Trust is designed to track the price of gold bullion (net of Trust expenses).

The U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS. The U.S. Aggregate rolls up into other Barclays Capital flagship indices such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt. The U.S. Aggregate Index was created in 1986, with index history backfilled to January 1, 1976.

Indexes are unmanaged and it is not possible to invest directly in an index.