



Q&A for the Matthews Asia Strategic Income Fund Q1 2015 Distribution

Matthews Asia has developed the following Q&A to provide investors with further information regarding the size of the income distribution for the first quarter of 2015 for the Matthews Asia Strategic Income Fund (the "Fund").

Q

Did the Matthews Asia Strategic Income Fund receive income during the quarter?

A

Yes, the Matthews Asia Strategic Income Fund did receive income from income-producing holdings within the portfolio during the quarter. However, primarily because of tax rules related to currency losses from sales of the Fund's foreign bond holdings, the amount of the Fund's income distribution for Q115 was impacted.

Q

Does this mean that the income from the securities of the Matthews Asia Strategic Income Fund was lost?

A

No, the income from the income-producing securities of the Matthews Asia Strategic Income Fund was received and is reflected in the Fund's Net Asset Value.

Q

Does the Fund always distribute on a quarterly basis?

A

The investment objective of the Matthews Asia Strategic Income Fund is to generate total return over the long term, with an emphasis on income. The Fund seeks to achieve its investment objective by investing at least 80% of its total assets in income-producing securities across currencies and capital structure. Investments may be denominated in any currency, and may represent any part of a company's capital structure from debt to equity or with features of both.

The Fund generally distributes its net investment income quarterly in March, June, September and December. Any net realized gain from the sale of portfolio securities and net realized gains from foreign currency transactions are distributed at least once each year unless they are used to offset losses carried forward from prior years.

There is no guarantee that the Fund or the companies in its portfolio will pay or continue to pay dividends. Past performance is no guarantee of future results.

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 matthewsasia.com. Please read the prospectus carefully before investing as it explains the risks associated with investing in international and emerging markets.

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.

An investment in the Fund is subject to credit, currency, and interest rate 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. Currency risk is a decline in value of a foreign currency relative to the U.S. dollar which reduces the value of the foreign currency and investments denominated in that currency. 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. 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. The Fund is subject to risks associated with investing in a concentrated fund, and the value of the Fund will be greatly affected by the fluctuations in the value of a single security.

Please consult your tax advisor regarding the effects of an investment on your tax situation.

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