

ASIA GROWTH AND INCOME STRATEGIES



FUND FACTS

| | Investor Class | Institutional Class |
|--------------------------------|----------------|---------------------|
| Ticker | MAPIX | MIPIX |
| CUSIP | 577125107 | 577130750 |
| Inception | 10/31/06 | 10/29/10 |
| NAV | \$18.81 | \$18.81 |
| Initial Investment | \$2,500 | \$100,000 |
| Gross Expense Ratio | 1.03% | 0.92% |
| Net Expense Ratio ¹ | 1.02% | 0.91% |

Portfolio Statistics

| | |
|-----------------------------|---------------------|
| Total # of Positions | 67 |
| Net Assets | \$7.0 billion |
| Weighted Average Market Cap | \$37.0 billion |
| Portfolio Turnover | 28.11% ² |

Benchmark

MSCI All Country Asia Pacific Index³

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 \$32.5 billion in assets under management as of September 30, 2018 Matthews Asia employs a bottom-up, fundamental investment philosophy with a focus on long-term investment performance.

Matthews Asia Dividend Fund

September 30, 2018

Investment Objective

Total return with an emphasis on providing current income.

Strategy

Under normal market conditions, the Matthews Asia Dividend Fund seeks to achieve its investment objective by investing at least 80% of its total net assets, which include borrowings for investment purposes, in income-paying equity securities 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 may also invest in convertible debt and equity securities. The Fund seeks to provide a level of current income that is higher than the yield generally available in Asian equity markets over the long term.

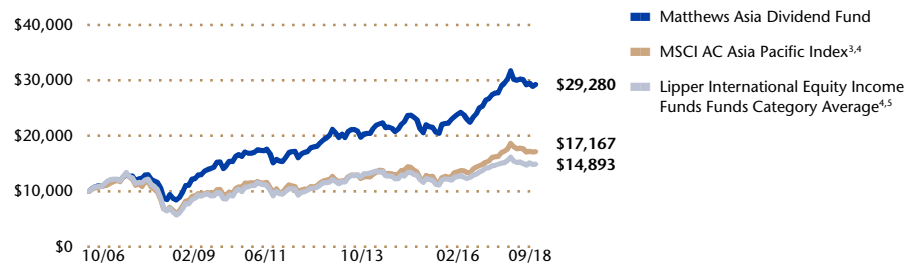
Risks

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. There is no guarantee that the Fund or the companies in its portfolio will pay or continue to pay dividends.

PERFORMANCE AS OF SEPTEMBER 30, 2018

| | Average Annual Total Returns | | | | | | | |
|----------------------------|------------------------------|--------|--------|---------|---------|----------|--------------------|-----------------|
| | 3 Months | YTD | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception | Since Inception |
| Investor Class | 0.31% | -3.15% | 5.46% | 12.51% | 7.10% | 10.64% | 9.44% | 10/31/06 |
| Institutional Class | 0.40% | -3.01% | 5.58% | 12.65% | 7.23% | n.a. | 7.55% | 10/29/10 |
| MSCI AC Asia Pacific Index | 0.62% | -2.62% | 5.36% | 13.12% | 6.42% | 7.30% | 4.64% ⁴ | n.a. |

GROWTH OF A \$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.

- 1 After contractual fee waiver, expense reimbursement and/or recoupment effective through April 30, 2019.
- 2 The lesser of fiscal year 2017 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.
- 3 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, Korea, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, Taiwan and Thailand. Index is for comparative purposes only and it is not possible to invest directly in an index.
- 4 Calculated from 10/31/06.
- 5 The Lipper Category Average does not reflect sales charges and is based on total return, including reinvestment of dividends and capital gains for the stated period.

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.

Matthews Asia Dividend Fund

September 30, 2018

| TOP TEN HOLDINGS ⁶ | | |
|--|-----------------|-----------------|
| | Country | % of Net Assets |
| Shenzhou International Group Holdings, Ltd. | China/Hong Kong | 3.9% |
| Minth Group, Ltd. | China/Hong Kong | 3.6% |
| China Petroleum & Chemical Corp. | China/Hong Kong | 3.2% |
| Hyundai Mobis Co., Ltd. | South Korea | 3.0% |
| NTT DoCoMo, Inc. | Japan | 3.0% |
| Taiwan Semiconductor Manufacturing Co., Ltd. | Taiwan | 3.0% |
| Kao Corp. | Japan | 2.9% |
| Japan Tobacco, Inc. | Japan | 2.7% |
| BGF Retail Co., Ltd. | South Korea | 2.5% |
| Pigeon Corp. | Japan | 2.5% |
| % OF ASSETS IN TOP TEN | | 30.3% |

| COUNTRY ALLOCATION (%) ⁷ | | | |
|---|------|-----------|------------|
| | Fund | Benchmark | Difference |
| China/Hong Kong | 33.8 | 23.2 | 10.6 |
| Japan | 32.1 | 38.9 | -6.8 |
| South Korea | 10.7 | 8.5 | 2.2 |
| Taiwan | 4.0 | 7.0 | -3.0 |
| Singapore | 3.5 | 2.0 | 1.5 |
| India | 2.4 | 4.8 | -2.4 |
| Australia | 2.1 | 10.7 | -8.6 |
| Indonesia | 1.9 | 1.1 | 0.8 |
| Thailand | 1.3 | 1.4 | -0.1 |
| Philippines | 1.3 | 0.5 | 0.8 |
| Vietnam | 1.3 | 0.0 | 1.3 |
| Bangladesh | 1.0 | 0.0 | 1.0 |
| Malaysia | 0.0 | 1.4 | -1.4 |
| New Zealand | 0.0 | 0.3 | -0.3 |
| Pakistan | 0.0 | 0.0 | 0.0 |
| Cash and Other Assets, Less Liabilities | 4.5 | 0.0 | 4.5 |

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

| MARKET CAP EXPOSURE (%) ^{7,8} | | | |
|---|------|-----------|------------|
| | Fund | Benchmark | Difference |
| Mega Cap (over \$25B) | 28.3 | 51.8 | -23.5 |
| Large Cap (\$10B-\$25B) | 23.8 | 25.5 | -1.7 |
| Mid Cap (\$3B-\$10B) | 21.5 | 20.8 | 0.7 |
| Small Cap (under \$3B) | 21.9 | 1.9 | 20.0 |
| Cash and Other Assets, Less Liabilities | 4.5 | 0.0 | 4.5 |

Source: FactSet Research Systems

| P/E RATIOS ⁹ | |
|-------------------------|-------|
| P/E Using FY1 Estimates | 15.1x |
| P/E Using FY2 Estimates | 13.6x |

Source: FactSet Research Systems (P/E est. as of 09/30/18)

| SECTOR ALLOCATION (%) ⁷ | | | |
|---|------|-----------|------------|
| | Fund | Benchmark | Difference |
| Consumer Staples | 20.7 | 6.6 | 14.1 |
| Consumer Discretionary | 20.3 | 12.1 | 8.2 |
| Financials | 11.7 | 20.4 | -8.7 |
| Information Technology | 9.0 | 20.2 | -11.2 |
| Telecom Services | 8.3 | 4.4 | 3.9 |
| Industrials | 6.8 | 12.3 | -5.5 |
| Utilities | 4.9 | 2.5 | 2.4 |
| Energy | 4.7 | 3.8 | 0.9 |
| Materials | 4.3 | 6.8 | -2.5 |
| Health Care | 3.2 | 5.9 | -2.7 |
| Real Estate | 1.4 | 5.1 | -3.7 |
| Cash and Other Assets, Less Liabilities | 4.5 | 0.0 | 4.5 |

Sector data based on MSCI's revised Global Industry Classification Standards. For more details, visit www.msci.com.
Source: FactSet Research Systems

| ASSET TYPE BREAKDOWN (%) ⁷ | |
|---|------|
| Common Equities and ADRs | 92.7 |
| Preferred Equities | 2.9 |
| Cash and Other Assets, Less Liabilities | 4.5 |

Source: FactSet Research Systems

PORTFOLIO MANAGEMENT

Yu Zhang, CFA
Lead Manager

Robert J. Horrocks, PhD
Co-Manager

Vivek Tanneer
Co-Manager

Sherwood Zhang, CFA
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 matthewsasia.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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⁶ Holdings may combine more than one security from the same issuer and related depository receipts.
⁷ 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.
⁸ Equity market cap of issuer.
⁹ 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.