

ASIA GROWTH AND INCOME STRATEGIES



FUND FACTS

	Investor Class	Institutional Class
Ticker	MCDFX	MICDX
CUSIP	577125305	577130735
Inception	11/30/09	10/29/10
NAV	\$19.64	\$19.64
Initial Investment	\$2,500	\$100,000
Gross Expense Ratio	1.15%	1.01%

Portfolio Statistics

Total # of Positions	47
Net Assets	\$384.6 million
Weighted Average Market Cap	\$67.7 billion
Portfolio Turnover	65.69% ¹

Benchmark

MSCI China Index²

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 \$28.4 billion in assets under management as of December 31, 2020 Matthews Asia employs a bottom-up, fundamental investment philosophy with a focus on long-term investment performance.

Matthews China Dividend Fund

December 31, 2020

Investment Objective

Total return with an emphasis on providing current income.

Strategy

Under normal circumstances, the Matthews China 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 China. China includes its administrative and other districts, such as Hong Kong. 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 Chinese equity markets over the long term.

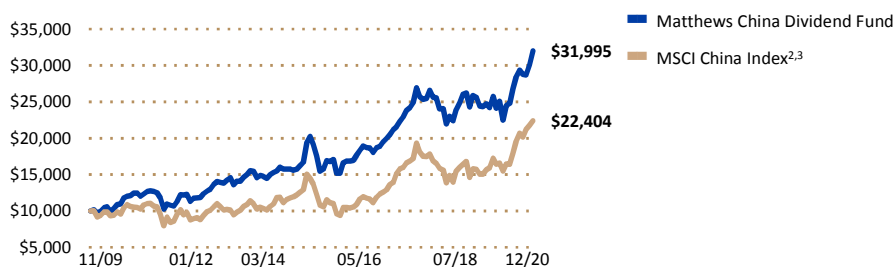
Risks

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. In addition, single-country and sector funds may be subject to a higher degree of market risk than diversified funds because of concentration in a specific industry, sector or geographic region. There is no guarantee that the Fund or the companies in its portfolio will pay or continue to pay dividends.

PERFORMANCE AS OF DECEMBER 31, 2020

	Average Annual Total Returns							Since Inception	Since Inception
	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception		
Investor Class	11.12%	24.22%	24.22%	8.75%	13.36%	9.88%	11.06%	11/30/09	
Institutional Class	11.12%	24.37%	24.37%	8.90%	13.53%	10.07%	10.31%	10/29/10	
MSCI China Index	11.21%	29.67%	29.67%	9.22%	15.25%	7.84%	7.55% ³	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 2019 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.
- 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, and 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). Index is for comparative purposes only and it is not possible to invest directly in an index.
- Calculated from 11/30/09.

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. Due to current market volatility associated with the COVID-19 pandemic, funds may experience significant negative short-term performance.

Matthews China Dividend Fund

December 31, 2020

TOP TEN HOLDINGS ⁴		
	Sector	% of Net Assets
Tencent Holdings, Ltd.	Communication Services	7.3%
Shanghai Baosight Software Co., Ltd.	Information Technology	4.0%
SITC International Holdings Co., Ltd.	Industrials	3.9%
Tsingtao Brewery Co., Ltd.	Consumer Staples	3.4%
Minth Group, Ltd.	Consumer Discretionary	3.4%
China International Capital Corp., Ltd.	Financials	3.1%
Postal Savings Bank of China Co., Ltd.	Financials	3.0%
Gree Electric Appliances, Inc. of Zhuhai	Consumer Discretionary	2.8%
MediaTek, Inc.	Information Technology	2.7%
Leader Harmonious Drive Systems Co., Ltd.	Industrials	2.7%
% OF ASSETS IN TOP TEN		36.3%

SECTOR ALLOCATION (%) ⁵				MARKET CAP EXPOSURE (%) ^{5,6}			
	Fund	Benchmark	Difference		Fund	Benchmark	Difference
Consumer Discretionary	21.0	35.2	-14.2	Mega Cap (over \$25B)	23.8	73.9	-50.1
Communication Services	14.7	20.1	-5.4	Large Cap (\$10B-\$25B)	15.6	16.0	-0.4
Industrials	14.1	4.5	9.6	Mid Cap (\$3B-\$10B)	35.0	9.2	25.8
Financials	10.5	13.5	-3.0	Small Cap (under \$3B)	22.8	1.0	21.8
Information Technology	10.2	6.7	3.5	Cash and Other Assets, Less Liabilities	2.9	0.0	2.9
Consumer Staples	6.3	4.5	1.8				
Real Estate	6.0	3.6	2.4				
Health Care	4.8	6.5	-1.7				
Materials	4.8	2.1	2.7				
Energy	2.6	1.6	1.0				
Utilities	2.1	1.8	0.3				
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.

Source: FactSet Research Systems

Source: FactSet Research Systems

ASSET TYPE BREAKDOWN (%) ⁵		CHINA EXPOSURE (%) ^{5,8}	
Common Equities and ADRs	97.1	SAR (Hong Kong)	45.4
Cash and Other Assets, Less Liabilities	2.9	H Shares	21.0
		A Shares	9.8
		B Shares	9.5
		China-affiliated corporations (CAC)	4.0
		Overseas Listed Companies (OL)	1.4
		Unassigned	6.0
		Cash and Other Assets, Less Liabilities	2.9

Source: FactSet Research Systems

Source: FactSet Research Systems

⁴ Holdings may combine more than one security from the same issuer and related depository receipts.

⁵ 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.

⁶ Equity market cap of issuer.

⁷ 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.

⁸ **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. **China A Shares** are Mainland Chinese companies incorporated in China and listed on the Shanghai or Shenzhen exchanges, available mostly to local Chinese investors and qualified institutional investors. **H Shares** are mainland Chinese 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 listed in overseas markets such as Japan, Singapore, Taiwan and the United States.

PORTFOLIO MANAGEMENT

Sherwood Zhang, CFA

Lead Manager

Yu Zhang, CFA

Co-Manager

S. Joyce Li, 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 matthewsasiasia.com. Please read the prospectus carefully before investing as it explains the risks associated with investing in international and emerging markets.

Matthews Asia is the brand for Matthews International Capital Management, LLC and its direct and indirect subsidiaries.

The information contained herein has been derived from sources believed to be reliable and accurate at the time of compilation, but no representation or warranty (express or implied) is made as to the accuracy or completeness of any of this information. Matthews Asia and its affiliates do not accept any liability for losses either direct or consequential caused by the use of this information.

Matthews International Capital Management, LLC is the advisor to the Matthews Asia Funds.

Matthews Asia Funds are distributed in the United States by Foreside Funds Distributors LLC, Berwyn, PA

Matthews Asia Funds are distributed in Latin America by HMC Partners



Matthews Asia

800.789.ASIA | matthewsasiasia.com