

Investment Objective

Long-term capital appreciation.

FUND FACTS (USD)

Total Fund Assets	\$15.9 million
Total # of Positions	41
Weighted Average Market Cap	\$95.2 billion
Benchmark	MSCI China Index
Management Fee	0.75%
Minimum Initial Investment	\$1,000,000/£500,000
Minimum Subsequent Investment	\$250,000/£125,000
Fund Domicile	Luxembourg
Available Share Classes	A, I
Base Currency	USD
Additional Dealing Currencies	GBP
Net Asset Value	
I Acc (USD)	\$11.32
I Acc (GBP)	£12.52

PORTFOLIO MANAGEMENT

Andrew Mattock, CFA
Lead Manager

Winnie Chwang
Co-Manager

Henry Zhang, CFA
Co-Manager

MATTHEWS ASIA

Matthews International Capital Management, LLC ("Matthews Asia"), the Fund 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 bottom-up, fundamental investment philosophy with a focus on long-term investment performance. As of 30 September 2016, Matthews Asia had US\$28.1 billion in assets under management.

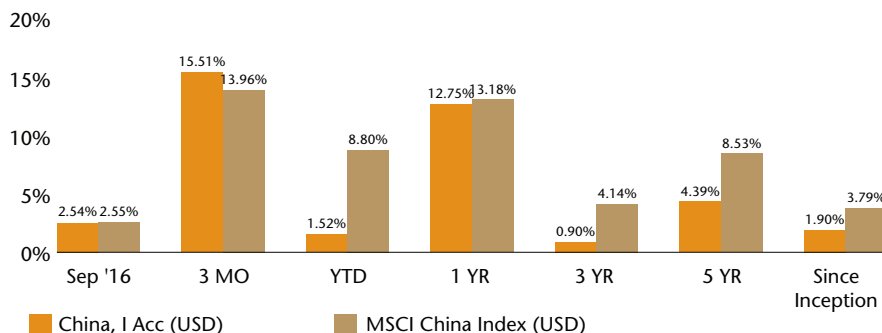
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Available Share Classes

Share Class	ISIN	SEDOL	CUSIP
I Acc (USD)	LU0491817440	B457JT5	L6263Q165
I Acc (GBP)	LU0594556135	B4627Y0	L6263Q421

Performance as of 30 September 2016*



China Fund	Sep '16	3 MO	YTD	1 YR	3 YR	5 YR	Since Inception	Inception
I Acc (USD)	2.54%	15.51%	1.52%	12.75%	0.90%	4.39%	1.90%	26 Feb 2010
I Acc (GBP)	3.81%	19.69%	16.03%	31.93%	8.54%	8.33%	4.11%	28 Feb 2011
MSCI China Index (USD)	2.55%	13.96%	8.80%	13.18%	4.14%	8.53%	3.79% ¹	n.a.

*All returns over 1 year are annualised
1 Index calculated from 26 February 2010.

Annual Returns (For the Years Ended 31 December)

China Fund	2015	2014	2013	2012	2011
I Acc (USD)	-0.45%	-2.95%	6.75%	11.90%	-18.00%
I Acc (GBP)	4.66%	3.00%	4.49%	7.16%	n.a.
MSCI China Index (USD)	-7.62%	8.26%	3.96%	23.10%	-18.24%

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

China Fund

30 September 2016

TOP TEN HOLDINGS ²		
	Sector	% of Net Assets
Tencent Holdings, Ltd.	Information Technology	10.1%
Alibaba Group Holding, Ltd.	Information Technology	8.2%
Ping An Insurance Group Co. of China, Ltd.	Financials	5.5%
China Construction Bank Corp.	Financials	5.1%
China Life Insurance Co., Ltd.	Financials	4.7%
Industrial & Commercial Bank of China, Ltd.	Financials	3.8%
China Merchants Bank Co., Ltd.	Financials	3.3%
Chongqing Rural Commercial Bank Co., Ltd.	Financials	3.1%
China Overseas Land & Inv't, Ltd.	Real Estate	3.0%
NetEase, Inc.	Information Technology	3.0%
% OF ASSETS IN TOP TEN		49.8%
Source: Brown Brothers Harriman (Luxembourg) S.C.A.		

SECTOR ALLOCATION (%) ³			
	Fund	Benchmark	Difference
Information Technology	30.6	33.7	-3.1
Financials	30.1	26.0	4.1
Consumer Discretionary	11.5	8.2	3.3
Industrials	6.9	5.4	1.5
Real Estate	5.9	3.9	2.0
Energy	4.7	6.1	-1.4
Materials	4.1	1.2	2.9
Telecom Services	2.9	8.2	-5.3
Health Care	2.5	2.1	0.4
Utilities	1.8	2.9	-1.1
Consumer Staples	0.0	2.3	-2.3
Liabilities in Excess of Cash and Other Assets	-0.9	0.0	-0.9
Sector data based on MSCI's revised Global Industry Classification Standards. For more details, visit www.msci.com . Source: FactSet Research Systems			

P/E RATIOS ⁶	
P/E Using FY1 Estimates	11.8x
P/E Using FY2 Estimates	10.6x
Source: FactSet Research Systems (P/E est. as of 30/09/16)	

MARKET CAP EXPOSURE (%) ^{3,4}			
	Fund	Benchmark	Difference
Mega Cap (over \$25B)	63.3	71.6	-8.3
Large Cap (\$10B-\$25B)	10.9	9.8	1.1
Mid Cap (\$3B-\$10B)	21.8	17.0	4.8
Small Cap (under \$3B)	4.9	1.5	3.4
Liabilities in Excess of Cash and Other Assets	-0.9	0.0	-0.9
Source: FactSet Research Systems			

CHINA EXPOSURE (%) ^{3,5}	
H Shares	40.8
Overseas Listed Companies (OL)	24.1
SAR (Hong Kong)	17.8
China-affiliated corporations (CAC)	11.4
A Shares	4.4
B Shares	2.5
Liabilities in Excess of Cash and Other Assets	-0.9
Source: FactSet Research Systems	

- 2 Holdings may combine more than one security from the same issuer and related depositary receipts.
- 3 Percentage values in data are rounded to the nearest tenth of one percent; the values may not sum to 100% due to rounding.
- 4 Equity market cap of issuer.
- 5 **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 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.
- 6 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 achieved.

The MSCI China Index is a free float-adjusted market capitalisation-weighted index of Chinese equities that includes China affiliated corporations and H shares listed on the Hong Kong Exchange, and B shares listed on the Shanghai and Shenzhen exchanges. It is not possible to invest directly in an index.

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, Switzerland 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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