



Matthews Asia

FUND FACTS (USD)

Total Fund Assets	\$11.0 million
Total # of Positions	29
Modified Duration ¹	4.3
Yield to Worst ²	5.93%
Benchmark ³	Markit iBoxx Asian Local Bond Index
Management Fee	1.20%
Minimum Initial Investment	\$1,000/£500
Minimum Subsequent Investment	\$500/£250
Fund Domicile	Luxembourg
Available Share Classes	A, I
Base Currency	USD
Net Asset Value	
A Acc (USD)	\$10.58
A Dist (USD)	\$9.50

PORTFOLIO MANAGEMENT

Teresa Kong, CFA
Lead Manager
Gerald M. Hwang, CFA
Co-Manager
Satya Patel
Co-Manager

RISKS

An investment in the Fund is subject to credit, interest rate and currency 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. 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. Currency risk is a decline in value of a foreign currency relative to the Fund's base currency which reduces the value of the foreign currency and investments denominated in that currency. Where a Class of Shares is denominated in a currency other than the Fund's base currency, additional currency risk may exist. 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.

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.

Asia Strategic Income Fund

Class A Shares

Matthews Asia Funds
30 September 2016

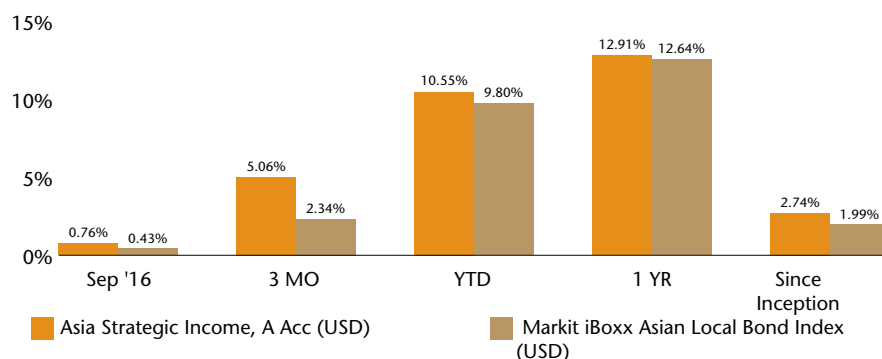
Investment Objective

Total return over the long term, with an emphasis on income.

Available Share Classes

Share Class	ISIN	SEDOL	CUSIP
A Acc (USD)	LU1061982689	BPXRBP4	L6263Q769
A Dist (USD)	LU1061982762	BPXRBQ5	L6263Q777

Performance as of 30 September 2016*



Asia Strategic Income Fund	Sep '16	3 MO	YTD	1 YR	3 YR	5 YR	Since Inception	Inception
A Acc (USD)	0.76%	5.06%	10.55%	12.91%	n.a.	n.a.	2.74%	29 Aug 2014
A Dist (USD)	0.78%	5.06%	10.62%	12.91%	n.a.	n.a.	2.75%	29 Aug 2014
Markit iBoxx Asian Local Bond Index (USD)	0.43%	2.34%	9.80%	12.64%	n.a.	n.a.	1.99%	n.a.

*All returns over 1 year are annualised

Annual Returns (For the Years Ended 31 December)

Asia Strategic Income Fund	2015	2014	2013	2012	2011
A Acc (USD)	-1.54%	n.a.	n.a.	n.a.	n.a.
A Dist (USD)	-1.55%	n.a.	n.a.	n.a.	n.a.
Markit iBoxx Asian Local Bond Index (USD)	-3.17%	n.a.	n.a.	n.a.	n.a.

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.

- Modified duration measures the percent change in value of the fixed income portion of the portfolio in response to a 1% change in interest rates. In a multi-currency denominated portfolio with sensitivities to different interest rate regimes, modified duration will not accurately reflect the change in value of the overall portfolio from a change in any one interest rate regime. Source: FactSet Research Systems, Bloomberg. For detailed modified duration exposures by currency, please see the next page.
- Yield to worst is the lowest potential yield that can be received on a bond without the issuer actually defaulting. Yield to worst is for the bond-only portion of the portfolio and is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer. It does not represent the yield that an investor should expect to receive. Source: FactSet Research Systems
- For the Matthews Asia Strategic Income Fund, the Index Performance reflects the returns of the discontinued predecessor HSBC Asian Local Bond Index up to December 31, 2012 and the returns of the successor Markit iBoxx Asian Local Bond Index thereafter.

Asia Strategic Income Fund

30 September 2016

TOP TEN POSITIONS

	Sector	Currency	% of Net Assets
Indonesia Treasury Bond, 8.375%, 03/15/2034	Foreign Govt Bonds	IDR	5.4%
Sprint Communications, Inc., 6.000%, 11/15/2022	Telecom Services	USD	5.1%
National Savings Bank, 8.875%, 09/18/2018	Financials	USD	4.9%
Axis Bank, Ltd./Singapore 7.125%, 6/28/2022	Financials	USD	4.7%
Ctrip.com Int'l, Ltd., Crnv., 1.000%, 07/01/2020	Consumer Discretionary	USD	4.5%
Standard Chartered PLC, 6.500%, 12/29/2049	Financials	USD	4.3%
Debt and Asset Trading Corp., 1.000%, 10/10/2025	Financials	USD	4.1%
HSBC Holdings PLC, 6.375%, 12/29/2049	Financials	USD	4.1%
DFCC Bank PLC, 9.625%, 10/31/2018	Financials	USD	3.9%
Harvest Operations Corp., 6.875%, 10/01/2017	Energy	USD	3.7%
% OF ASSETS IN TOP TEN			44.7%

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

COUNTRY ALLOCATION (%)^{4,5}

By Issuer's country of risk

China/Hong Kong	26.1
Indonesia	19.1
India	17.8
Sri Lanka	16.7
South Korea	6.5
United States	5.1
Vietnam	4.1
Cash and Other Assets, Less Liabilities	4.6

Source: FactSet Research Systems

CURRENCY (%)^{1,4,5}

	Weight	Modified Duration*
U.S. Dollar	66.6	4.2
Indian Rupee	10.5	4.9
Indonesian Rupiah	7.8	6.6
Sri Lanka Rupee	5.2	1.6
Korean Won	2.9	6.6
Hong Kong Dollar	2.5	0.4
Cash and Other Assets, Less Liabilities	4.6	0.0

*Fixed income portion of the portfolio
Source: FactSet Research Systems

QUALITY DISTRIBUTION (%)⁶

Rating	
AA-	2.9
BBB-	15.9
BB+	4.3
BB	4.7
BB-	6.1
B+	16.6
B	11.3
CCC	3.7
Not Rated	30.2

Source: FactSet Research Systems, Moody's, S&P and Fitch

SECTOR ALLOCATION (%)^{4,5}

Financials	33.8
Foreign Government Bonds*	19.3
Consumer Discretionary	16.9
Telecom Services	7.6
Utilities	6.0
Energy	3.7
Materials	3.3
Consumer Staples	2.5
Real Estate	2.3
Cash and Other Assets, Less Liabilities	4.6

*Foreign Government Bonds includes supranationals
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 (%)^{4,5}

Corporate Bonds	65.7
Government Bonds	19.3
Convertible Bonds	10.5
Cash and Other Assets, Less Liabilities	4.6

Source: FactSet Research Systems

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 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.**

Investors should consider the Fund's investment objectives, risks, charges, and expenses carefully before investing. The prospectus, Key Investor Information Document or other offering documents ("Offering Documents") contain this and other information about the Fund. To obtain the Offering Documents, please contact Matthews International Capital Management, LLC or your financial professional. Please read the Offering Documents carefully before investing. Fees and expenses vary among Funds and share classes.

This material does not constitute or contain an offer, solicitation, recommendation or investment advice with respect to the purchase of the Funds described herein or any security. Prospective investors should carefully review the information contained in the Offering Documents and consult their professional legal, tax and financial advisers as to the suitability of any investment in light of their particular circumstances and applicable citizenship, residence or domicile, including any tax or foreign exchange control restrictions. The Fund's shares may not be sold to citizens or residents of the United States or in any other state, country or jurisdiction where it would be unlawful to offer, solicit an offer for, or sell the shares. No securities commission or regulatory authority has in any way passed upon the merits of an investment in the Fund or the accuracy or adequacy of this information or the material contained herein or otherwise. Neither this factsheet nor the Offering Documents have been approved in any jurisdiction where the Fund has not been registered for public offer and sale. This information is not, and under no circumstances is to be construed as the Offering Documents, a public offering or an offering memorandum as defined under applicable securities legislation. Application for shares may only be made by way of the Fund's most recent Offering Documents which is available from Matthews International Capital Management, LLC.

The subject matter contained herein has been derived from several 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 International Capital Management, LLC does not accept any liability for losses either direct or consequential caused by the use of this information.

In Singapore, this document is available to, and intended for Institutional Investors under Section 304 of the Securities and Futures Act ("SFA"), and to Relevant Persons pursuant to section 305 of the SFA, as those terms are used under the relevant law. It should not be circulated or distributed to the retail public in Singapore.

In the UK, this document is only made available to professional clients and eligible counterparties as defined by the Financial Conduct Authority ("FCA"). Under no circumstances should this document be forwarded to anyone in the UK who is not a professional client or eligible counterparty as defined by the FCA. Issued in the UK by Matthews Global Investors (UK) Limited, which is authorised and regulated by the FCA, FRN 667893.

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 ALBI includes bonds from the following countries: Korea, Hong Kong, India, Singapore, Taiwan, Malaysia, Thailand, Philippines, Indonesia and China. It is not possible to invest directly in an index.

CONTACT INFORMATION

Matthews International Capital Management, LLC
4 Embarcadero Center, Suite 550
San Francisco, CA 94111 USA
Phone: +1 (415) 954-4510
Email: globalfunds@matthewsasias.com
Web: global.matthewsasias.com

4 Percentage values in data are rounded to the nearest tenth of one percent; the values may not sum to 100% due to rounding.

5 Cash and Other Assets may include the mark-to-market value of forward currency exchange contracts and certain derivative instruments.

6 Credit quality is provided for the bond holdings of the Fund and percentage values will not total 100%. Generally credit ratings range from AAA (highest) to D (lowest). When ratings from Moody's, S&P and Fitch are available for a bond in the Fund, the middle rating of the three is used. When two ratings are available, the lowest rating is used. When only one rating is provided, that one is used. Securities that are not rated by any one of the three agencies are reflected as such.