



Matthews Asia

RATINGS

Overall Morningstar Rating™ ★★★

FUND FACTS (USD)

Total Fund Assets	\$16.8 million
Total # of Positions	39
Modified Duration ¹	2.5
Yield ²	6.13%
Benchmark	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)	\$10.88
A Dist (USD)	\$8.78

PORTFOLIO MANAGEMENT

Teresa Kong, CFA

Lead Manager

Satya Patel

Co-Manager

Wei Zhang

Co-Manager

RISKS

The value of an investment in the Fund can go down as well as up and possible loss of principal is a risk of investing. Investments in international and emerging market securities may involve risks such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation. Fixed income investments are subject to additional risks, including, but not limited to, interest rate, credit and inflation risks. 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 invests in holdings denominated in foreign currencies, and is exposed to the risk that the value of the foreign currency will increase or decrease. These and other risks associated with investing in the Fund can be found in the Prospectus.

MATTHEWS ASIA

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 employs a bottomup, fundamental investment philosophy with a focus on long-term investment performance. As of 30 June 2018, Matthews Asia had US\$33.9 billion in assets under management.

Asia Strategic Income Fund

Class A Shares

Matthews Asia Funds

30 June 2018

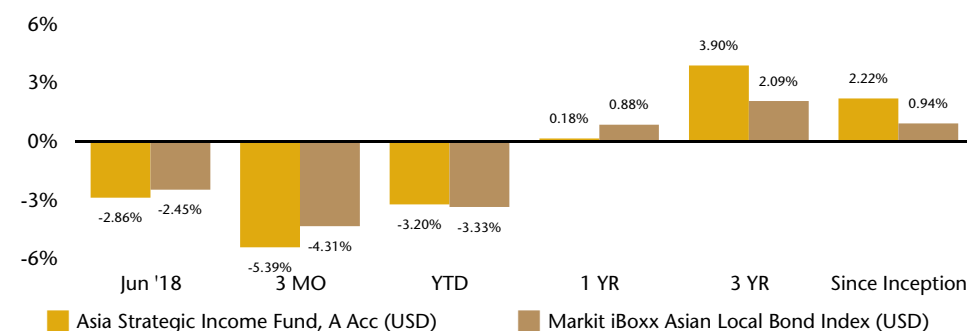
Investment Objective

Seeks 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 June 2018[†]



Asia Strategic Income Fund	Jun '18	3 MO	YTD	1 YR	3 YR	5 YR	Since Inception	Inception
A Acc (USD)	-2.86%	-5.39%	-3.20%	0.18%	3.90%	n.a.	2.22%	29 Aug 2014
A Dist (USD)	-2.85%	-5.33%	-3.19%	0.18%	3.92%	n.a.	2.23%	29 Aug 2014
Markit iBoxx Asian Local Bond Index (USD)	-2.45%	-4.31%	-3.33%	0.88%	2.09%	n.a.	0.94%	n.a.

Annual Returns (For the 12 month period ended 30 June)

Asia Strategic Income Fund	2018	2017	2016	2015	2014
A Acc (USD)	0.18%	7.85%	3.81%	n.a.	n.a.
A Dist (USD)	0.18%	7.84%	3.87%	n.a.	n.a.
Markit iBoxx Asian Local Bond Index (USD)	0.88%	0.89%	4.55%	n.a.	n.a.

[†] All returns over 1 year are annualised

¹ 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.

² Yield is yield to worst, which 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

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 with any dividends reinvested, and are net of management fees and other expenses. Source: Brown Brothers Harriman (Luxembourg) S.C.A.

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 Markit iBoxx Asian Local Bond Index includes bonds from the following countries: Korea, Hong Kong, India, Singapore, Taiwan, Malaysia, Thailand, Philippines, Indonesia and China. Index is for comparative purposes only, it is not possible to invest directly in an index. Source: Brown Brothers Harriman (Luxembourg) S.C.A., Index data from iBoxx (Markit).

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Overall Morningstar Ratings are reflective of the USD Accumulation Share class.

Fund ratings represent an opinion only and are not a recommendation to buy or sell any fund.

Asia Strategic Income Fund

30 June 2018

TOP TEN POSITIONS³

	Sector	Currency	% of Net Assets
Ctrip.com Int'l, Ltd., Cnv., 1.250%, 09/15/2022	Consumer Discretionary	USD	5.0%
China Overseas Finance Invnt Cayman V, Ltd., Cnv., 0.000%, 01/05/2023	Real Estate	USD	5.0%
Franshion Brilliant, Ltd., 5.200%, 03/08/2021	Real Estate	CNY	4.5%
China Southern Power Grid Co., Ltd., 3.140%, 03/11/2021	Utilities	CNY	4.3%
Debt and Asset Trading Corp., 1.000%, 10/10/2025	Financials	USD	4.1%
Wanda Properties Int'l Co., Ltd., 7.250%, 01/29/2024	Real Estate	USD	4.0%
CP Foods Holdings, Ltd., Cnv., 0.500%, 09/22/2021	Consumer Staples	USD	3.7%
Zhongsheng Group Holdings, Ltd., Cnv., 0.000%, 05/23/2023	Consumer Discretionary	HKD	3.7%
CIFI Holdings (Group) Co., Ltd., 6.875%, 04/23/2021	Real Estate	USD	3.6%
National Savings Bank, 5.150%, 09/10/2019	Financials	USD	3.5%
% OF ASSETS IN TOP TEN			41.4%

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

COUNTRY ALLOCATION (%)^{4,5}

By Issuer's country of risk	Weight
China/Hong Kong	56.3
Indonesia	9.5
Vietnam	6.1
Sri Lanka	6.0
Thailand	5.9
Malaysia	5.7
India	3.9
Japan	1.8
South Korea	1.7
United States	1.7
Cash and Other Assets, Less Liabilities	1.6

Source: FactSet Research Systems

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

	Weight	Modified Duration ¹
US Dollar	60.4	2.5
China Renminbi	12.3	2.7
Hong Kong Dollar	6.1	1.8
Malaysian Ringgit	5.7	2.9
Indonesian Rupiah	4.3	3.4
Indian Rupee	3.9	2.1
Thai Baht	2.1	0.5
Vietnam Dong	1.9	3.2
Korean Won	1.7	5.1
Cash and Other Assets, Less Liabilities	1.6	0.0

¹Fixed income portion of the portfolio

Source: FactSet Research Systems

QUALITY DISTRIBUTION (%)⁶

Rating	Weight
AA-	2.6
A-	5.7
BBB	4.3
BBB-	4.5
BB+	2.9
BB	3.4
BB-	5.9
B+	8.9
B	14.2
Not Rated	46.0

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

SECTOR ALLOCATION (%)^{4,5}

Real Estate	30.4
Financials	16.9
Foreign Government Bonds*	14.5
Consumer Discretionary	14.0
Utilities	6.9
Industrials	5.0
Consumer Staples	3.7
Telecom Services	3.5
Health Care	2.1
Information Technology	1.2
Cash and Other Assets, Less Liabilities	1.6

*Foreign Government Bonds includes supranationals Sector data (excluding Government Bonds) 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	53.3
Convertible Bonds	26.5
Government Bonds	18.7
Cash and Other Assets, Less Liabilities	1.6

Source: FactSet Research Systems

- Holdings may combine more than one security from the same issuer and related depository receipts.
- 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.
- Cash and Other Assets may include the mark-to-market value of forward currency exchange contracts and certain derivative instruments.
- Credit quality is provided for the underlying bond holdings of the Fund and does not include common equities, cash and other assets and percentage values will not total 100%. Credit quality rating symbols reflect that of S&P and 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. Foreign government bonds without a specific rating are assigned the country rating provided by one of the three agencies. Securities that are not rated by any one of the three agencies are reflected as such.

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IMPORTANT INFORMATION

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