

Matthews Asia Funds | Annual Report

31 March 2014

ASIA GROWTH AND INCOME STRATEGIES

Asia Dividend Fund
China Dividend Fund

ASIA GROWTH STRATEGIES

Pacific Tiger Fund
China Fund
India Fund

ASIA SMALL COMPANY STRATEGIES

Asia Small Companies Fund
China Small Companies Fund





General Information

Matthews International Capital Management, LLC (“Matthews”), formed under the laws of Delaware and regulated by the U.S. Securities and Exchange Commission, acts as Investment Manager to the Matthews Asia Funds (the “Fund”). Matthews believes in the long-term growth of Asia. Since Matthews was founded in 1991 by Paul Matthews, the firm has focused its efforts and expertise within the Asian region, investing through a variety of market environments. As an independent, privately owned firm, Matthews is the largest dedicated Asia investment specialist in the United States.

The Fund has an “umbrella” structure comprising a number of separate Sub-Funds. As at the year end, seven Sub-Funds were available for investment: Asia Dividend Fund, China Dividend Fund, Pacific Tiger Fund, China Fund, India Fund, China Small Companies Fund and Asia Small Companies Fund. This report covers the year from 1 April 2013 to 31 March 2014. The last day on which official prices were calculated was 31 March 2014. The figures presented in the financial statements are as at that date.

The annual general meeting of Shareholders will be held at the registered office of the Fund in Luxembourg on the third Tuesday of the month of June of each year at 2:00 p.m. or, if any such day is not a Business Day in Luxembourg, on the next following Business Day; or, following notice to shareholders, on such other day as determined by the Fund’s Board. Notices of all general meetings will be published to the extent required by Luxembourg Law, and in such other newspaper as the Board of Directors shall determine and will be sent to the Shareholders of registered Shares in accordance with Luxembourg Law to their addresses shown on the register of Shareholders. Such notices should include the agenda and will specify the time and place of the meeting and the conditions of admission. They will also refer to the rules of quorum and majorities required by Luxembourg Law.

Each Share confers the right to one vote. The vote on the payment of a dividend on a particular Class requires a separate majority vote from the meeting of Shareholders of the Class concerned. Any change in the Articles of Incorporation affecting the rights of a Sub-Fund must be approved by a resolution of both the general meeting of the Fund and the Shareholders of the Sub-Fund concerned.

Annual reports and audited financial statements shall be published within four months following the end of the accounting year and unaudited semi-annual reports shall be published within two months following the period to which they refer. The annual reports and the semi-annual reports shall be made available at the registered office of the Fund during ordinary office hours.

The Fund’s accounting year ends on 31 March in each year.

The Base Currency of the Fund is U.S. dollars (USD). The aforesaid reports will comprise consolidated accounts of the Fund expressed in USD as well as individual information on each Sub-Fund expressed in the Base Currency of each Sub-Fund.

Shares have not been registered under the United States Securities Act of 1933, as amended, nor the Investment Companies Act of 1940, as amended, and may not be offered directly or indirectly in the United States of America (including its territories and possessions) to nationals or residents thereof or to persons normally resident therein, or to any partnership or persons connected thereto unless pursuant to any applicable statute, rule or interpretation available under United States Law.

The Board of Directors confirms adherence to the ALFI Code of Conduct for Luxembourg investment funds.

Contents

| | |
|---|----|
| Management and Administration | 2 |
| Investment Manager's Report | 3 |
| Report of the <i>Réviseur d'entreprises agréé</i> | 5 |
| Fund Manager Report and Schedule of Investments: | |
| ASIA GROWTH AND INCOME STRATEGIES | |
| Asia Dividend Fund | 6 |
| China Dividend Fund | 9 |
| ASIA GROWTH STRATEGIES | |
| Pacific Tiger Fund | 12 |
| China Fund | 15 |
| India Fund | 18 |
| ASIA SMALL COMPANY STRATEGIES | |
| Asia Small Companies Fund | 21 |
| China Small Companies Fund | 24 |
| Statement of Assets and Liabilities | 27 |
| Statement of Operations and Changes in Net Assets | 29 |
| Statement of Changes in Number of Shares | 31 |
| Statement of NAV per Share and Net Asset Statistics | 32 |
| Notes to Financial Statements | 33 |
| Performance and Expenses (unaudited) | 38 |
| Disclosures and Index Definitions (unaudited) | 39 |

Cover photo: Jinnamgwon Pavilion, the largest single-story pavilion in Korea

This report does not constitute or form part of any offer of shares or an invitation to apply for shares of Matthews Asia Funds (the "Fund"). Subscriptions are to be made on the basis of the Key Investor Information Documents accompanied by the current full prospectus, and supplemented by the latest Annual Report or the most recent Semi-Annual Report.

The views and opinions in this report were current as at 31 March 2014. They are not guarantees of performance or investment results and should not be taken as investment advice. Investment decisions reflect a variety of factors, and the managers reserve the right to change their views about individual stocks, sectors and the markets at any time. As a result, the views expressed should not be relied upon as a forecast of a Fund's future investment intent.

The subject matter contained herein has been derived from several sources believed to be reliable and accurate at the time of compilation. Matthews International Capital Management, LLC does not accept any liability for losses either direct or consequential caused by the use of this information.

The most current Key Investor Information Documents, full prospectus, and most recent Semi-Annual Report and Annual Report for the Fund, can be found at global.matthewsasiasia.com. Please read the Key Investor Information Documents and current full prospectus carefully before investing.

In Singapore, this document is available to, and intended for Institutional Investors under Section 304 of the SFA, and to Relevant Persons pursuant to section 305 of the SFA, as those terms are used under the relevant law.

Matthews Asia Funds

Management and Administration

BOARD OF DIRECTORS

Chairman

William J. Hackett, Chief Executive Officer
Matthews International Capital Management, LLC
Four Embarcadero Center, Suite 550
San Francisco, CA 94111, United States of America

Directors

Richard Goddard, Independent Director
The Directors' Office, S.A.
19, rue de Bitbourg, L-1273 Luxembourg
Grand Duchy of Luxembourg

John P. McGowan, Senior Vice President
Matthews International Capital Management, LLC
Four Embarcadero Center, Suite 550
San Francisco, CA 94111, United States of America

Timothy B. Parker, General Counsel
Matthews International Capital Management, LLC
Four Embarcadero Center, Suite 550
San Francisco, CA 94111, United States of America

Conducting Officers

Richard Goddard
Timothy B. Parker

INVESTMENT MANAGER AND GLOBAL DISTRIBUTOR

Matthews International Capital Management, LLC
Four Embarcadero Center, Suite 550
San Francisco, CA 94111, United States of America

INVESTMENT ADVISOR

Matthews Global Investors S.à r.l.
19, rue de Bitbourg
L-1273 Luxembourg
Grand Duchy of Luxembourg

CUSTODIAN, ADMINISTRATIVE AGENT AND LISTING AGENT

J.P. Morgan Bank Luxembourg S.A.
European Bank & Business Centre
6c, route de Trèves
L-2633 Senningerberg
Grand Duchy of Luxembourg

CABINET DE REVISION AGREE

Deloitte Audit
Société à responsabilité limitée
560, rue de Neudorf
L-2220 Luxembourg
Grand Duchy of Luxembourg

LEGAL ADVISOR

Elvinger, Hoss & Prussen
2, Place Winston Churchill
L-1340 Luxembourg
Grand Duchy of Luxembourg

REGISTERED OFFICE

J.P. Morgan Bank Luxembourg S.A.
European Bank & Business Centre
6c, route de Trèves
L-2633 Senningerberg
Grand Duchy of Luxembourg



Investment Manager's Report

Dear Valued Shareholder,

Last year, events from the world's three largest economies dominated market news: first, there was tighter money in the U.S., or "tapering;" second, looser money in Japan, or "Abenomics;" and third was China's attempt to rein in credit growth, which was really more about capital market reform than tight money. So far this year, these trends have continued.

Nevertheless, analysts and investors would probably be well-served to look beyond the headlines. Whereas it is true that tapering in the U.S. represents tighter money, it is also a signal that the U.S. Federal Reserve expects nominal GDP growth to improve. That should mean more demand, sales, exports, jobs and higher wages, and should be good news both for the U.S. and the world. Tapering impacted portfolios in two major ways. The first was a drag on yield-related strategies. However, to the extent that yield and growth were mixed together in a strategy, it held up better. It was really a headwind for high yield, and the investment styles that seemed to do better were more focused on sustainable growth of quality franchises. By now, however, some of the overvaluation of the higher-yielding equities seems to have corrected so tapering is likely to pose somewhat less impact on investment styles.

However, tapering is likely to continue as there appears to be increased optimism for nominal GDP growth, judging by U.S. Federal Reserve Chair Janet Yellen's recent comments as well as the movements in U.S. and European stock markets. For the most part, investor sentiment seems to be treating this as a reason to buy developed markets and shun emerging. However, if U.S. and Europe continue to recover, it is likely to boost Asia's exports and relieve some external funding pressure in places like India and Indonesia. Indeed, the current account deficits in these two countries have narrowed significantly and they have rallied strongly as a result. Broadly speaking, the less-developed Asian economies have been leading performance thus far in 2014.

For Japan, we continue to question the importance of demographics versus economic slack. Japan's market is among the weakest performers in the region this year. Concerns remain over whether wage hikes can sustain growth. Some fret over tax hikes and fiscal contraction. Others wonder how much of Japan's economic funk has been due to deflation and how much to an aging workforce. At current valuations, a significant amount of optimism over Abenomics may already be built into stock prices. Ultimately, it comes down to the businesses that you own and whether or not they are being profitably run. Macroeconomists who are convinced of the efficacy of monetary policy to cure Japan's deflationary woes will blanch at the suggestion that supply-side reforms, in the form of corporate governance/restructuring, are the most crucial adjustment necessary. They are unlikely to do any harm if the monetary policy is right and they are likely to unlock the most value for equity investors.

We have addressed much of the cyclical and secular issues in China in our recent white paper: "China—Separating Fact from Fiction." Whilst these issues are unresolved in the minds of investors, two discrete data points have emerged to further depress sentiment toward China. First, there is the default of a corporate bond for a solar power company; second, the bankruptcy of a small property developer. These have been taken by some as a sign of China's teetering economy. But, in reality, does it not just suggest that China has a problem, as does the U.S., with certain parts of the solar industry? Property developers facing bankruptcy also should not be seen as uncommon. It may actually be quite useful for authorities to allow some to go bankrupt to prevent excessive risk-taking.



Investment Manager's Report *(Continued)*

"Buy on the rumour; sell on the news," thus the age-old adage on trading goes. However, does it work in reverse? "Sell on the rumour; buy on the news"? For some time now, the markets have been under a steady drumbeat of negativity over China that has driven down valuations. But rather than reverse course on the news of a bond default or a developer bankruptcy, selling has arguably intensified. Perhaps this is partly due to the level of hyperbole involved.

Semantics

And there certainly is hyperbole: rather than having non-bank financial institutions, China has "shadow financing." Rather than urban redevelopment, eminent domain and overbuilding, China has "ghost cities." At best, it makes China sound like a Peter Jackson movie; at worst like a Stephen King novel.

Concerns have even stretched to the renminbi (RMB), which shows the extreme nature of the bearishness. The RMB is backed by vast currency reserves—US\$4 trillion. Recent short but sharp depreciations have been a deliberate tool used by authorities to try to deter offshore borrowing. So, even when the Chinese take prudent measures at an early stage (offshore borrowing is a tiny part of the Chinese economy), they get no credit for it; such is the conviction that China's economy is a house of cards. Recently, noted China analyst Andy Rothman joined Matthews Asia to share his views on China's politics and economy, and to help cut through the hyperbole and offer a more balanced view of China.

Finally, it all comes down to valuation, and there are many ways you can look at valuation discrepancies between the U.S. and Asia—While they were fairly close even three years ago, the U.S. is starting to look distinctly more expensive now; with the U.S. at 16.2X forward earnings¹, Asia Pacific at 11.7X and Asia ex Japan at 10.9X (for the Asia Pacific and Asia ex Japan universes as defined by FactSet). Asia Pacific and ex Japan both yield about 2.5% versus nearly 1.8% for the U.S.² So, what may explain this? It is the recent run-up in corporate profits in the U.S., and the fact that Asia's earnings per share have grown but slightly. Yet, over a longer time horizon, Asia has clearly outperformed in earnings growth.

So, given that the key themes from last year have carried over to the first quarter of this year, one might be tempted to expect "more of the same." But at some point, I suspect, those valuation differentials are going to count for something.

Robert Horrocks, PhD
Chief Investment Officer
Matthews International Capital Management, LLC

¹ Forward earnings are calculated by dividing current market price per share by expected earnings per share over the next 12 months.

² Yields for FactSet aggregates do not represent or predict the yield for any Fund. It is not possible to invest in an index or aggregate of indices.

Report of the Réviseur d'entreprises agréé

To the Shareholders of Matthews Asia Funds

c/o J.P. Morgan Bank Luxembourg S.A.
European Bank & Business Centre
6c, route de Trèves
L-2633 Senningerberg
Grand Duchy of Luxembourg

Following our appointment by the general meeting of the Shareholders dated 24 July 2013, we have audited the accompanying financial statements of Matthews Asia Funds (the "SICAV") and of each of its Sub-Funds, which comprise the Statement of Assets and Liabilities and the Schedule of Investments as at 31 March 2014 and the Statement of Operations and Changes in Net Assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

Responsibility of the Board of Directors of the SICAV for the financial statements

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the *réviseur d'entreprises agréé's* judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Matthews Asia Funds and of each of its Sub-Funds as of 31 March 2014, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

Other matter

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

For Deloitte Audit, *Cabinet de révision agréé*

Luxembourg, 24 June 2014

Johnny Yip, *Réviseur d'entreprises agréé*

Partner
Société à responsabilité limitée
RCS Luxembourg B 67.895
Autorisation d'établissement: n°88607
Member of Deloitte Touche Tohmatsu

PORTFOLIO MANAGERS

Yu Zhang, CFA

Lead Manager

Robert Horrocks, PhD

Lead Manager

Vivek Tanneeru

Co-Manager

Note: Managers shown reflect changes effective
April 30, 2014.

Asia Dividend Fund

Fund Manager Report

Performance figures discussed in any of the Fund Manager Commentaries reflect that of the Institutional Accumulation Class Shares (USD).

For the one-year period ended 31 March 2014, the Asia Dividend Fund returned 1.53%*, while its benchmark, the MSCI All Country Asia Pacific Index, returned 4.58%.

For the quarter ended 31 March 2014, the Fund fell -2.21%* while its benchmark fell -1.64%.

Two main themes drove the Asia Pacific equity markets during the year: decisions by the U.S. Federal Reserve (Fed) over tapering and the revival of Japan. In May 2013, initial comments by the Fed rattled global equity markets. Asian economies with weak current accounts and a reliance on external funding, such as Indonesia, saw an aggressive sell-off of their currencies as investors feared foreign capital withdrawal. As a result, the Indonesian rupiah ended 2013 down 20%. Since that time, however, both the currency and stock markets have recovered on better macroeconomic data as well as on expectations of growth on the back of forthcoming elections. Conversely, political instability in Thailand and slowing economics have hurt stock market performance.

Taiwan was the best-performing large market in Asia Pacific as investors increasingly turned positive on the strength of the U.S. recovery and the potential for it to boost exports. In Japan, bold economic policies promoted by Prime Minister Shinzo Abe, dubbed "Abenomics," were largely credited with driving the stock market growth. Under the lead of a new governor installed by the Abe government, the Bank of Japan launched a US\$1.4 trillion quantitative easing programme, devaluing Japan's yen. Whether Abenomics can lead to a sustainable improvement of Japan's GDP growth rate is still unclear. However, asset reflation backed by ultra-easy monetary policy led to a rally in risky assets, such as equities.

During the year, we exited some of the Japanese holdings that we felt were overvalued while initiating others in several firms with strong business fundamentals, improving shareholder return policies and attractive valuations. One such addition was information technology firm, Hoya, which is currently transitioning its focus from IT components to life sciences and medical device products. This shift may position it for better earnings stability and potential growth. Hoya has a net cash balance sheet and generates strong free cash flow, giving the company the potential to pay higher dividends and/or buy back shares.

The preferred share class of LG Chem of South Korea was the top contributor to performance during the year. The firm is well-diversified and has an efficiently run petrochemical and IT materials and battery business. Apart from the fundamentals, a narrowing of a wide discount between its preferred and common shares was perceived by the market as excessive and drove the preferred share class price higher during the year. Japanese holdings, such as ORIX and Pigeon, also saw significant appreciation in their share prices, as they continued to deliver solid operational results.

The top performance detractor was Australian general insurance company QBE Group. We exited QBE after the company issued another earnings downgrade and disclosed a sizeable goodwill write-off in its North America operations. As the company is focusing on repairing its balance sheet, it no longer meets our dividend growth expectations.

Looking ahead, many uncertainties remain in Asia. In addition, a U.S. monetary regime change poses another challenge to dividend investors globally. However, as bottom-up, patient and long-term investors, we remain optimistic on Asia's dividend growth outlook.

* Performance is based on swung net asset value per Share, see note 11.

Asia Dividend Fund

31 March 2014

Schedule of Investments (Audited)

Transferable securities and money market instruments admitted to official exchange listing or dealt in on another regulated market. As at 31 March 2014, expressed in U.S. dollars.

COMMON EQUITIES: 97.5%

| | Shares | Value | % of Net Assets |
|---|------------|--------------------|-----------------|
| CHINA/HONG KONG: 30.0% | | | |
| HSBC Holdings PLC ADR | 396,100 | 20,257,694 | 2.8 |
| China Mobile, Ltd. ADR | 419,800 | 19,141,987 | 2.6 |
| China Shenhua Energy Co., Ltd. H Shares | 6,019,500 | 17,385,855 | 2.4 |
| Minth Group, Ltd. | 7,936,000 | 16,161,745 | 2.2 |
| Shenzhou International Group Holdings, Ltd. | 4,968,000 | 15,790,208 | 2.2 |
| Yum! Brands, Inc. | 206,700 | 15,383,619 | 2.1 |
| Television Broadcasts, Ltd. | 2,482,500 | 14,856,215 | 2.1 |
| Dongfeng Motor Group Co., Ltd. H Shares | 8,700,000 | 12,318,867 | 1.7 |
| Guangdong Investment, Ltd. | 12,120,000 | 11,582,818 | 1.6 |
| Jiangsu Expressway Co., Ltd. H Shares | 8,682,000 | 9,900,507 | 1.4 |
| Haitian International Holdings, Ltd. | 4,640,000 | 9,305,872 | 1.3 |
| Far East Horizon, Ltd. | 10,656,000 | 7,825,367 | 1.1 |
| Springland International Holdings, Ltd. | 17,400,000 | 7,715,023 | 1.1 |
| Yuexiu Transport Infrastructure, Ltd. | 14,952,000 | 7,708,836 | 1.1 |
| Greatview Aseptic Packaging Co., Ltd. | 14,438,000 | 7,667,147 | 1.1 |
| The Link REIT | 1,520,500 | 7,478,711 | 1.0 |
| Cafe' de Coral Holdings, Ltd. | 2,462,000 | 7,441,022 | 1.0 |
| Xingda International Holdings, Ltd. H Shares | 13,566,000 | 6,784,425 | 0.9 |
| Cheung Kong Holdings, Ltd. | 129,000 | 2,138,622 | 0.3 |
| Total China/Hong Kong | | 216,844,540 | 30.0 |

JAPAN: 23.3%

| | | | |
|-------------------------------|-----------|--------------------|-------------|
| ITOCHU Corp. | 2,370,700 | 27,734,817 | 3.8 |
| Japan Tobacco, Inc. | 841,200 | 26,433,304 | 3.6 |
| ORIX Corp. | 1,423,500 | 20,086,916 | 2.8 |
| Suntory Beverage & Food, Ltd. | 556,200 | 19,144,863 | 2.6 |
| Hoya Corp. | 558,800 | 17,413,058 | 2.4 |
| Pigeon Corp. | 368,600 | 16,644,712 | 2.3 |
| Toyo Suisan Kaisha, Ltd. | 447,000 | 14,924,898 | 2.1 |
| NTT DoCoMo, Inc. | 579,100 | 9,141,029 | 1.2 |
| Lawson, Inc. | 109,000 | 7,710,405 | 1.1 |
| Miraca Holdings, Inc. | 162,900 | 7,132,325 | 1.0 |
| EPS Corp. | 264,500 | 2,882,644 | 0.4 |
| Total Japan | | 169,248,971 | 23.3 |

SINGAPORE: 8.4%

| | | | |
|---|-----------|-------------------|------------|
| United Overseas Bank, Ltd. | 767,000 | 13,195,064 | 1.8 |
| Singapore Technologies Engineering, Ltd. | 4,203,500 | 12,753,566 | 1.8 |
| Ascendas REIT | 5,823,000 | 10,456,290 | 1.4 |
| CapitaRetail China Trust, REIT | 7,240,720 | 8,051,880 | 1.1 |
| ARA Asset Management, Ltd. | 4,076,710 | 5,971,796 | 0.8 |
| Super Group, Ltd. | 2,045,000 | 5,654,101 | 0.8 |
| Ascendas India Trust | 7,681,000 | 4,696,032 | 0.7 |
| Total Singapore | | 60,778,729 | 8.4 |

AUSTRALIA: 8.1%

| | | | |
|---------------------------|-----------|-------------------|------------|
| Ansell, Ltd. | 1,192,707 | 20,267,747 | 2.8 |
| Primary Health Care, Ltd. | 4,004,913 | 17,408,444 | 2.4 |
| Coca-Cola Amatil, Ltd. | 1,100,699 | 11,205,267 | 1.6 |
| Breville Group, Ltd. | 1,094,831 | 9,640,663 | 1.3 |
| Total Australia | | 58,522,121 | 8.1 |

INDONESIA: 7.6%

| | | | |
|--|------------|-------------------|------------|
| PT Indofood Sukses Makmur | 27,523,800 | 17,619,359 | 2.5 |
| PT United Tractors | 7,987,100 | 14,516,335 | 2.0 |
| PT Perusahaan Gas Negara Persero | 19,597,500 | 8,811,431 | 1.2 |
| PT Bank Rakyat Indonesia Persero | 5,880,120 | 4,940,493 | 0.7 |
| PT Telekomunikasi Indonesia Persero ADR | 114,600 | 4,537,820 | 0.6 |
| PT Telekomunikasi Indonesia Persero | 23,075,500 | 4,479,578 | 0.6 |
| Total Indonesia | | 54,905,016 | 7.6 |

TAIWAN: 5.6%

| | | | |
|---|-----------|-------------------|------------|
| Chunghwa Telecom Co., Ltd. ADR | 528,460 | 16,264,196 | 2.3 |
| Taiwan Semiconductor Manufacturing Co., Ltd. ADR | 663,100 | 13,078,057 | 1.8 |
| St. Shine Optical Co., Ltd. | 266,000 | 5,930,328 | 0.8 |
| Johnson Health Tech Co., Ltd. | 2,073,988 | 4,970,148 | 0.7 |
| Total Taiwan | | 40,242,729 | 5.6 |

SOUTH KOREA: 4.7%

| | | | |
|--------------------------|---------|-------------------|------------|
| KT&G Corp. | 230,438 | 17,305,346 | 2.4 |
| LG Chem, Ltd., Pfd. | 121,611 | 16,968,312 | 2.3 |
| Total South Korea | | 34,273,658 | 4.7 |

INDIA: 3.2%

| | | | |
|-----------------------|-----------|-------------------|------------|
| Tata Motors, Ltd. DVR | 4,525,714 | 15,290,953 | 2.1 |
| Titan Co., Ltd. | 947,070 | 4,153,164 | 0.6 |
| Bharti Infratel, Ltd. | 1,047,569 | 3,556,891 | 0.5 |
| Total India | | 23,001,008 | 3.2 |

THAILAND: 2.4%

| | | | |
|---|------------|-------------------|------------|
| Thai Beverage Public Co., Ltd. | 29,388,000 | 14,116,899 | 1.9 |
| Total Access Communication Public Co., Ltd. NVDR | 997,000 | 3,582,008 | 0.5 |
| Total Thailand | | 17,698,907 | 2.4 |

MALAYSIA: 2.4%

| | | | |
|-----------------------|-----------|-------------------|------------|
| AMMB Holdings BHD | 7,878,100 | 17,327,235 | 2.4 |
| Total Malaysia | | 17,327,235 | 2.4 |

PHILIPPINES: 1.1%

| | | | |
|--------------------------|---------|------------------|------------|
| Globe Telecom, Inc. | 204,825 | 7,611,184 | 1.1 |
| Total Philippines | | 7,611,184 | 1.1 |

Schedule of Investments (Audited) (continued)**COMMON EQUITIES** (continued)

| | Shares | Value | % of Net Assets |
|--|-----------|--------------------|-----------------|
| LUXEMBOURG: 0.7% | | | |
| L'Occitane International SA | 2,064,250 | 5,087,623 | 0.7 |
| Total Luxembourg | | 5,087,623 | 0.7 |
| TOTAL COMMON EQUITIES | | | |
| | | 705,541,721 | |
| (Cost \$680,446,300) | | | |
| TOTAL INVESTMENTS: 97.5% | | | |
| | | 705,541,721 | |
| (Cost \$680,446,300) | | | |
| CASH AND OTHER ASSETS, LESS LIABILITIES: 2.5% | | | |
| | | 18,105,458 | |
| NET ASSETS: 100.0% | | | |
| | | 723,647,179 | |

ADR: American Depositary Receipt

BHD: Berhad

DVR: Differential Voting Rights

H Shares: Mainland Chinese companies listed on the Hong Kong stock exchange but incorporated in mainland China

REIT: Real Estate Investment Trust

Pfd: Preferred shares

NVDR: Non-Voting Depositary Receipt

The accompanying notes form an integral part of these financial statements.

PORTFOLIO MANAGERS

Yu Zhang, CFA

Lead Manager

Sherwood Zhang, CFA

Co-Manager

Note: Managers shown reflect changes effective
April 30, 2014.

China Dividend Fund

Fund Manager Report

Performance figures discussed in any of the Fund Manager Commentaries reflect that of the Institutional Accumulation Class Shares (USD).

For the one-year period ending 31 March 2014, the China Dividend Fund rose 6.01%, while its benchmark, the MSCI China Index returned 2.52%. For the quarter ending 31 March 2014, the Fund fell -4.24% while its benchmark declined -5.87%.

After Chinese policymakers resolved a liquidity crunch among China's inter-bank funding market in June, Chinese equities experienced a relief rally during the second half of 2013. However, the first quarter of 2014 again proved challenging for Chinese equity markets. The possibility of a hard landing was raised again, following weaker macroeconomic data pointing to slowing growth. As policymakers in Beijing took measures to control credit growth, investors were left to wonder whether such a deleveraging process would cause unintended consequences and pose a systemic risk to China's overall financial system.

During the fiscal year, the portfolio's industrial sector holdings were the biggest contributors to Fund performance. Among the Fund's top five individual contributors, three were industrial companies with leading positions in their respective areas. These included Boer Power, an electrical distribution system manufacturer and solution provider, Haitian International, a manufacturer of plastic injection molding machines, and Sporton International, an electronic product testing service provider. These companies underscore our belief that industry leaders tend to gain market share and solidify their leading positions despite uncertain macroeconomic conditions.

On a relative basis, the Fund's low exposure to the information technology sector posed the largest drag on performance during the fiscal year. While the overall Chinese economy is experiencing some adjustment, technology-related businesses, especially Chinese Internet companies, are still enjoying healthy growth rates. Many of these Internet companies are becoming disruptive forces to traditional offline business models, and being rewarded by investors with richer valuation multiples. However, we believe that the stock prices of some of the Internet-related companies are starting to reflect ambitious earnings expectations. While the strategy's performance has benefited from the absolute return of our holdings in the sector, we decided to exit Boyaa Interactive International, an online gaming company, as we believe it became overvalued shortly after its IPO. The Fund's holding in Pacific Online, an operator of "vertical search" websites that focus on specific genres of content, was also reduced on a valuation basis, following a rapid appreciation of its stock price.

We have made several portfolio changes during the fiscal year. We initiated positions in two Taiwan-listed companies that have their main manufacturing assets based in mainland China: Airmate International, a leading small home appliance maker, and Voltronic Power Technology, which makes uninterruptible power system (UPS) products. Far East Horizon, a financial leasing company was also added to the portfolio as we view the financial leasing industry to hold higher potential growth than China's traditional banking industry. In the transportation infrastructure industry, we replaced China Merchants Holdings with Guangshen Railway, as we are encouraged by potential market-oriented reforms facing China's railway industry. Taiwan Hon Chuan Enterprise was also replaced by Greatview Aseptic Packaging, as the latter company enjoyed a much higher technological barrier to entry in the beverage packaging business.

We believe current valuations of many Chinese stocks have already priced in significant downside risk. Using our total return approach, we are seeing Chinese stocks currently offering both attractive yields and a solid growth profile in underlying dividends.

China Dividend Fund

31 March 2014

Schedule of Investments (Audited)

Transferable securities and money market instruments admitted to official exchange listing or dealt in on another regulated market. As at 31 March 2014, expressed in U.S. dollars.

COMMON EQUITIES: CHINA/HONG KONG: 77.9%

| | Shares | Value | % of Net Assets |
|---|-----------|------------------|-----------------|
| CONSUMER DISCRETIONARY: 26.5% | | | |
| Hotels, Restaurants & Leisure: 9.3% | | | |
| Shanghai Jinjiang International Hotels Development Co., Ltd. B Shares | 350,518 | 502,706 | 3.3 |
| Yum! Brands, Inc. | 6,600 | 491,204 | 3.2 |
| Cafe' de Coral Holdings, Ltd. | 140,000 | 423,128 | 2.8 |
| | | 1,417,038 | 9.3 |
| Auto Components: 5.7% | | | |
| Mint Group, Ltd. | 312,000 | 635,391 | 4.1 |
| Xingda International Holdings, Ltd. H Shares | 488,000 | 244,051 | 1.6 |
| | | 879,442 | 5.7 |
| Textiles, Apparel & Luxury Goods: 3.4% | | | |
| Shenzhou International Group Holdings, Ltd. | 164,000 | 521,255 | 3.4 |
| | | 521,255 | 3.4 |
| Multiline Retail: 3.1% | | | |
| Springland International Holdings, Ltd. | 1,071,000 | 474,873 | 3.1 |
| | | 474,873 | 3.1 |
| Media: 2.9% | | | |
| Television Broadcasts, Ltd. | 74,300 | 444,639 | 2.9 |
| | | 444,639 | 2.9 |
| Automobiles: 2.1% | | | |
| Dongfeng Motor Group Co., Ltd. H Shares | 222,000 | 314,344 | 2.1 |
| | | 314,344 | 2.1 |
| Total Consumer Discretionary | | 4,051,591 | 26.5 |
| INDUSTRIALS: 16.4% | | | |
| Electrical Equipment: 3.9% | | | |
| Boer Power Holdings, Ltd. | 447,000 | 601,286 | 3.9 |
| | | 601,286 | 3.9 |
| Road & Rail: 3.5% | | | |
| Guangshen Railway Co., Ltd. H Shares | 1,018,000 | 430,318 | 2.8 |
| Guangshen Railway Co., Ltd. ADR | 5,100 | 109,881 | 0.7 |
| | | 540,199 | 3.5 |
| Machinery: 3.2% | | | |
| Haitian International Holdings, Ltd. | 244,000 | 489,361 | 3.2 |
| | | 489,361 | 3.2 |
| Transportation Infrastructure: 3.0% | | | |
| Yuexiu Transport Infrastructure, Ltd. | 560,000 | 288,720 | 1.9 |
| Jiangsu Expressway Co., Ltd. H Shares | 138,000 | 157,368 | 1.1 |
| | | 446,088 | 3.0 |
| Air Freight & Logistics: 2.8% | | | |
| Shenzhen Chiwan Petroleum B Shares | 213,853 | 430,289 | 2.8 |
| | | 430,289 | 2.8 |
| Total Industrials | | 2,507,223 | 16.4 |

| | Shares | Value | % of Net Assets |
|---|---------|------------------|-----------------|
| FINANCIALS: 10.8% | | | |
| Banks: 3.4% | | | |
| HSBC Holdings PLC ADR | 10,200 | 521,657 | 3.4 |
| | | 521,657 | 3.4 |
| Diversified Financial Services: 3.1% | | | |
| Far East Horizon, Ltd. | 649,000 | 476,601 | 3.1 |
| | | 476,601 | 3.1 |
| Real Estate Management & Development: 2.8% | | | |
| Cheung Kong Holdings, Ltd. | 26,000 | 431,040 | 2.8 |
| | | 431,040 | 2.8 |
| Real Estate Investment Trusts: 1.5% | | | |
| The Link REIT | 44,500 | 218,877 | 1.5 |
| | | 218,877 | 1.5 |
| Total Financials | | 1,648,175 | 10.8 |

| | | | |
|--|---------|----------------|------------|
| CONSUMER STAPLES: 5.3% | | | |
| Food Products: 3.0% | | | |
| Vitasoy International Holdings, Ltd. | 316,000 | 458,830 | 3.0 |
| | | 458,830 | 3.0 |
| Beverages: 2.3% | | | |
| Yantai Changyu Pioneer Wine Co., Ltd. B Shares | 145,649 | 354,437 | 2.3 |
| | | 354,437 | 2.3 |
| Total Consumer Staples | | 813,267 | 5.3 |

| | | | |
|------------------------------|---------|----------------|------------|
| UTILITIES: 3.9% | | | |
| Water Utilities: 3.9% | | | |
| Guangdong Investment, Ltd. | 620,000 | 592,520 | 3.9 |
| | | 592,520 | 3.9 |
| Total Utilities | | 592,520 | 3.9 |

| | | | |
|--|---------|----------------|------------|
| ENERGY: 3.4% | | | |
| Oil, Gas & Consumable Fuels: 3.4% | | | |
| China Shenhua Energy Co., Ltd. H Shares | 182,500 | 527,107 | 3.4 |
| | | 527,107 | 3.4 |
| Total Energy | | 527,107 | 3.4 |

| | | | |
|---|---------|----------------|------------|
| INFORMATION TECHNOLOGY: 3.3% | | | |
| Internet Software & Services: 3.3% | | | |
| Pacific Online, Ltd. | 809,000 | 502,334 | 3.3 |
| | | 502,334 | 3.3 |
| Total Information Technology | | 502,334 | 3.3 |

| | | | |
|---|---------|----------------|------------|
| MATERIALS: 3.2% | | | |
| Containers & Packaging: 3.2% | | | |
| Greatview Aseptic Packaging Co., Ltd. | 910,000 | 483,246 | 3.2 |
| | | 483,246 | 3.2 |
| Total Materials | | 483,246 | 3.2 |

*Schedule of Investments (Audited) (continued)***COMMON EQUITIES: CHINA/HONG KONG (continued)**

| | Shares | Value | % of Net Assets |
|--|---------|----------------|-----------------|
| HEALTH CARE: 2.7% | | | |
| Pharmaceuticals: 2.7% | | | |
| Tianjin ZhongXin Pharmaceutical Group Corp., Ltd. S Shares | 410,000 | 434,440 | 2.7 |
| | | 434,440 | 2.7 |
| Total Health Care | | 434,440 | 2.7 |

TELECOMMUNICATION SERVICES: 2.4%

| | | | |
|--|-------|----------------|------------|
| Wireless Telecommunication Services: 2.4% | | | |
| China Mobile, Ltd. ADR | 7,900 | 360,223 | 2.4 |
| | | 360,223 | 2.4 |
| Total Telecommunication Services | | 360,223 | 2.4 |

TOTAL COMMON EQUITIES: CHINA/HONG KONG:**11,920,126**

(Cost \$11,550,386)

COMMON EQUITIES: SINGAPORE: 3.0%**FINANCIALS: 3.0%**

| | | | |
|--|---------|----------------|------------|
| Real Estate Investment Trusts: 3.0% | | | |
| CapitaRetail China Trust, REIT | 407,340 | 452,973 | 3.0 |
| | | 452,973 | 3.0 |
| Total Financials | | 452,973 | 3.0 |

TOTAL COMMON EQUITIES: SINGAPORE**452,973**

(Cost \$514,582)

COMMON EQUITIES: TAIWAN: 17.6%**HEALTH CARE: 4.7%**

| | | | |
|---|---------|----------------|------------|
| Health Care Equipment & Supplies: 4.7% | | | |
| Pacific Hospital Supply Co., Ltd. | 168,000 | 447,758 | 2.9 |
| St. Shine Optical Co., Ltd. | 12,000 | 267,534 | 1.8 |
| | | 715,292 | 4.7 |
| Total Health Care | | 715,292 | 4.7 |

CONSUMER DISCRETIONARY: 4.6%**Household Durables: 3.2%**

| | | | |
|--|---------|----------------|------------|
| Airmate Cayman International Co., Ltd. | 186,000 | 496,443 | 3.2 |
| | | 496,443 | 3.2 |

Leisure Equipment & Products: 1.4%

| | | | |
|-------------------------------------|--------|----------------|------------|
| Johnson Health Tech Co., Ltd. | 87,095 | 208,716 | 1.4 |
| | | 208,716 | 1.4 |
| Total Consumer Discretionary | | 705,159 | 4.6 |

COMMON EQUITIES: TAIWAN (continued)

| | Shares | Value | % of Net Assets |
|------------------------------------|---------|----------------|-----------------|
| INDUSTRIALS: 4.4% | | | |
| Professional Services: 3.4% | | | |
| Sporton International, Inc. | 108,900 | 521,928 | 3.4 |
| | | 521,928 | 3.4 |
| Electrical Equipment: 1.0% | | | |
| Voltronic Power Technology Corp. | 25,840 | 156,532 | 1.0 |
| | | 156,532 | 1.0 |
| Total Industrials | | 678,460 | 4.4 |

TELECOMMUNICATION SERVICES: 2.7%

| | | | |
|---|--------|----------------|------------|
| Diversified Telecommunication Services: 2.7% | | | |
| Chunghwa Telecom Co., Ltd. ADR | 13,600 | 418,562 | 2.7 |
| | | 418,562 | 2.7 |
| Total Telecommunication Services | | 418,562 | 2.7 |

INFORMATION TECHNOLOGY: 1.2%**Semiconductors & Semiconductor Equipment: 1.2%**

| | | | |
|--|--------|----------------|------------|
| Taiwan Semiconductor Manufacturing Co., Ltd. | 49,000 | 190,623 | 1.2 |
| | | 190,623 | 1.2 |
| Total Information Technology | | 190,623 | 1.2 |

TOTAL COMMON EQUITIES: TAIWAN**2,708,096**

(Cost \$2,585,193)

TOTAL COMMON EQUITIES**15,081,195****TOTAL INVESTMENTS: 98.5%****15,081,195**

(Cost \$14,650,062)

CASH AND OTHER ASSETS, LESS LIABILITIES: 1.5%**225,139****NET ASSETS: 100.0%****15,306,334**

ADR: American Depositary Receipt

B Shares: Mainland China companies listed on the Shanghai and Shenzhen stock exchanges, available to both China and non-Chinese investors

H Shares: Mainland China companies listed on the Hong Kong stock exchange but incorporated in mainland China

REIT: Real Estate Investment Trust

S Shares: Mainland China companies listed on the Singapore stock exchange but incorporated in mainland China.

The accompanying notes form an integral part of these financial statements.



PORTFOLIO MANAGERS

Sharat Shroff, CFA

Lead Manager

Richard H. Gao

Co-Manager

In-Bok Song

Co-Manager

Note: Managers shown reflect changes effective April 30, 2014.

Pacific Tiger Fund

Fund Manager Report

Performance figures discussed in any of the Fund Manager Commentaries reflect that of the Institutional Accumulation Class Shares (USD).

For the one-year period ended 31 March 2014, the Pacific Tiger Fund returned 3.67%*, while its benchmark, the MSCI All Country Asia ex Japan Index, returned 3.07%. For the quarter ended 31 March 2014, the Fund gained 1.88%* while its benchmark fell -0.68%.

The slightly positive performance of the Index for the fiscal year masks the underlying volatility as well as the sharp divergence between the equity performance of export-oriented economies like South Korea and Taiwan against economies such as Indonesia, which are more consumption-driven.

Both India and Indonesia carry deficits on their fiscal and current accounts. As investors start pricing in a gradual return to improving economic conditions in the U.S., there is concern that capital flows that have helped finance the deficit may start to reverse. Earlier in the fiscal year, the concern caused a sharp depreciation in the Indian rupee and the Indonesian rupiah, but is also forcing some difficult decisions like the reduction of wasteful energy subsidies. Gradual improvements in certain macroeconomic indicators have minimised anxieties over India and Indonesia, and helped a partial recovery in their currencies and equity prices during the first three months of 2014. This is a start, but there is more that needs to be done to accomplish sustained growth for the next several years in both countries. Some of the portfolio's Indonesian holdings like conglomerate Astra International and Perusahaan Gas Negara Persero, a state-owned gas and energy company, were detractors to performance during the year.

Further broad-based sell-offs could lead to more attractive valuations, particularly in Thailand and the Philippines. Thailand is in the middle of a stalemate with its political parties holding public demonstrations instead of working out differences within the Parliamentary process. The end game is unclear, but we believe both tourists and strategic investors will continue to be attracted to Thailand over the long run.

One of the biggest contributors to the portfolio's performance during the year was a Korean Internet-related holding, Naver (previously NHN). The firm has been a long-term holding for the Fund, and is a rare example of a service-oriented South Korea business that has gained traction with consumers abroad. Its recent success in monetising its mobile communication services is testament to its investments in R&D, and its willingness to hire talent locally in places like Japan. We believe the expectations for their LINE platform are achievable, but the recent gains in valuations leave little room for mistakes.

As we look ahead, one of the key questions that we wrestle with is: does Asia deserve to trade at a significant discount to many other parts of the world? Undoubtedly, growth has been disappointing these past few years, leading to lower profitability at the firm level. More importantly, growth is becoming more fragmented, and perhaps less visible in headline indices. As an example, we are more convinced about the favourable outlook for health care firms and consumer-related sectors in China than about the pace of growth for the overall economy. Meanwhile, valuations particularly in China, are at historic lows relative to many parts of the world, and are not based on seemingly ambitious analyst expectations. Liquidity and flow of capital may continue to test Asia's capital markets and political events in India and parts of ASEAN may pose unquantifiable risks. However, the underlying virtuous cycle of savings-led investment growth in Asia has not been altered. We would view any pickup in volatility as an opportunity to invest with businesses that continue to deliver secular growth.

* Performance is based on swung net asset value per Share, see note 11.

Schedule of Investments (Audited)

Transferable securities and money market instruments admitted to official exchange listing or dealt in on another regulated market. As at 31 March 2014, expressed in U.S. dollars.

COMMON EQUITIES: 92.6%

| | Shares | Value | % of Net Assets |
|---|-----------|-------------------|-----------------|
| CHINA/HONG KONG: 24.8% | | | |
| Ping An Insurance Group Co. of China, Ltd. H Shares | 785,000 | 6,508,127 | 3.0 |
| Dairy Farm International Holdings, Ltd. | 433,800 | 4,225,161 | 1.9 |
| China Resources Enterprise, Ltd. | 1,448,000 | 4,087,218 | 1.9 |
| Hang Lung Group, Ltd. | 798,000 | 4,015,906 | 1.8 |
| Hengan International Group Co., Ltd. | 380,000 | 3,936,703 | 1.8 |
| Sinopharm Group Co., Ltd. H Shares | 1,391,600 | 3,808,293 | 1.8 |
| Baidu, Inc. ADR | 24,670 | 3,738,952 | 1.7 |
| Tingyi (Cayman Islands) Holding Corp. | 1,182,000 | 3,389,625 | 1.6 |
| Lenovo Group, Ltd. | 2,978,000 | 3,293,140 | 1.5 |
| Dongfeng Motor Group Co., Ltd. H Shares | 2,034,000 | 2,880,066 | 1.3 |
| China Mobile, Ltd. ADR | 61,500 | 2,804,269 | 1.3 |
| China Resources Land, Ltd. | 1,004,000 | 2,202,504 | 1.0 |
| Hong Kong Exchanges and Clearing, Ltd. | 141,500 | 2,145,172 | 1.0 |
| Tencent Holdings, Ltd. | 29,000 | 2,017,295 | 0.9 |
| China Vanke Co., Ltd. B Shares | 1,039,290 | 1,724,343 | 0.8 |
| Digital China Holdings, Ltd. | 1,639,000 | 1,652,441 | 0.8 |
| Swire Pacific, Ltd. A | 131,000 | 1,526,904 | 0.7 |
| Total China/Hong Kong | | 53,956,119 | 24.8 |

| | | | |
|-------------------------------------|-----------|-------------------|-------------|
| INDIA: 17.7% | | | |
| Tata Power Co., Ltd. | 3,905,728 | 5,551,669 | 2.5 |
| Kotak Mahindra Bank, Ltd. | 376,835 | 4,913,229 | 2.3 |
| ITC, Ltd. | 808,222 | 4,760,556 | 2.2 |
| GAIL India, Ltd. | 596,780 | 3,746,250 | 1.7 |
| Housing Development Finance Corp. | 221,597 | 3,269,670 | 1.5 |
| Container Corp. of India, Ltd. | 195,599 | 3,168,668 | 1.5 |
| Thermax, Ltd. | 248,816 | 3,107,656 | 1.4 |
| Titan Co., Ltd. | 676,687 | 2,967,460 | 1.4 |
| Sun Pharmaceutical Industries, Ltd. | 230,630 | 2,212,747 | 1.0 |
| Dabur India, Ltd. | 726,698 | 2,179,305 | 1.0 |
| HDFC Bank, Ltd. | 108,937 | 1,361,690 | 0.6 |
| HDFC Bank, Ltd. ADR | 29,400 | 1,194,753 | 0.5 |
| Tata Power Co., Ltd. | 397,104 | 175,003 | 0.1 |
| Total India | | 38,608,656 | 17.7 |

| | | | |
|-------------------------------|---------|-------------------|-------------|
| SOUTH KOREA: 17.3% | | | |
| Amorepacific Corp. | 6,335 | 7,492,960 | 3.4 |
| Dongbu Insurance Co., Ltd. | 120,640 | 6,247,033 | 2.9 |
| Samsung Electronics Co., Ltd. | 4,142 | 5,220,544 | 2.4 |
| Cheil Worldwide, Inc. | 189,344 | 4,252,368 | 2.0 |
| Naver Corp. | 5,798 | 4,207,959 | 1.9 |
| Green Cross Corp. | 31,951 | 3,777,450 | 1.7 |
| Hyundai Mobis | 9,358 | 2,764,344 | 1.3 |
| Orion Corp. | 2,700 | 2,074,974 | 1.0 |
| Yuhan Corp. | 9,196 | 1,565,248 | 0.7 |
| MegaStudy Co., Ltd. | 1,452 | 97,047 | 0.0 |
| Total South Korea | | 37,699,927 | 17.3 |

| | Shares | Value | % of Net Assets |
|--|-----------|-------------------|-----------------|
| TAIWAN: 8.7% | | | |
| Delta Electronics, Inc. | 996,000 | 6,149,290 | 2.8 |
| President Chain Store Corp. | 838,000 | 5,919,404 | 2.8 |
| Synnex Technology International Corp. | 2,763,297 | 4,447,902 | 2.0 |
| Taiwan Semiconductor Manufacturing Co., Ltd. | 461,000 | 1,793,409 | 0.8 |
| Yuanta Financial Holding Co., Ltd. | 1,086,962 | 547,952 | 0.3 |
| Total Taiwan | | 18,857,957 | 8.7 |

| | | | |
|---|------------|-------------------|------------|
| INDONESIA: 7.1% | | | |
| PT Astra International | 5,932,500 | 3,834,022 | 1.7 |
| PT Perusahaan Gas Negara Persero | 7,193,400 | 3,234,297 | 1.5 |
| PT Telekomunikasi Indonesia Persero | 15,819,900 | 3,071,070 | 1.4 |
| PT Indofood CBP Sukses Makmur | 3,026,800 | 2,681,826 | 1.2 |
| PT Bank Central Asia | 2,757,100 | 2,562,981 | 1.2 |
| PT Telekomunikasi Indonesia Persero ADR | 6,400 | 253,421 | 0.1 |
| Total Indonesia | | 15,637,617 | 7.1 |

| | | | |
|---|-----------|-------------------|------------|
| THAILAND: 5.8% | | | |
| Central Pattana Public Co., Ltd. | 3,705,600 | 5,369,789 | 2.5 |
| Siam Cement Public Co., Ltd. | 267,700 | 3,450,984 | 1.6 |
| Kasikornbank Public Co., Ltd. NVDR | 408,900 | 2,244,598 | 1.0 |
| PTT Exploration & Production Public Co., Ltd. | 186,814 | 904,571 | 0.4 |
| Siam Cement Public Co., Ltd. NVDR | 49,400 | 636,827 | 0.3 |
| Kasikornbank Public Co., Ltd. | 8,100 | 44,464 | 0.0 |
| Total Thailand | | 12,651,233 | 5.8 |

| | | | |
|-----------------------|-----------|------------------|------------|
| MALAYSIA: 4.0% | | | |
| Genting BHD | 1,457,100 | 4,463,389 | 2.1 |
| IHH Healthcare BHD | 1,691,900 | 1,995,307 | 0.9 |
| Public Bank BHD | 338,800 | 1,988,375 | 0.9 |
| IHH Healthcare BHD | 126,000 | 144,203 | 0.1 |
| Top Glove Corp. BHD | 38,600 | 58,524 | 0.0 |
| Total Malaysia | | 8,649,798 | 4.0 |

| | | | |
|---------------------------|-----------|------------------|------------|
| PHILIPPINES: 2.2% | | | |
| SM Prime Holdings, Inc. | 8,368,975 | 2,728,629 | 1.2 |
| GT Capital Holdings, Inc. | 121,150 | 2,125,130 | 1.0 |
| Total Philippines | | 4,853,759 | 2.2 |

| | | | |
|--------------------------|--------|------------------|------------|
| SWITZERLAND: 2.3% | | | |
| DKSH Holding, Ltd. | 61,709 | 4,917,928 | 2.3 |
| Total Switzerland | | 4,917,928 | 2.3 |

| | | | |
|----------------------------|---------|------------------|------------|
| VIETNAM: 1.6% | | | |
| Vietnam Dairy Products JSC | 536,157 | 3,585,399 | 1.6 |
| Total Vietnam | | 3,585,399 | 1.6 |

*Schedule of Investments (Audited) (continued)***COMMON EQUITIES (continued)**

| | Shares | Value | % of Net Assets |
|------------------------|---------|------------------|-----------------|
| SINGAPORE: 1.1% | | | |
| Keppel Land, Ltd. | 639,000 | 1,705,133 | 0.8 |
| Hyflux, Ltd. | 707,000 | 687,745 | 0.3 |
| Total Singapore | | 2,392,878 | 1.1 |

| | |
|------------------------------|--------------------|
| TOTAL COMMON EQUITIES | 201,811,271 |
| (Cost \$192,604,887) | |

WARRANT: 0.0%

| | | | |
|-------------------------------|--------|---------------|------------|
| MALAYSIA: 0.0% | | | |
| Genting BHD, expires 12/18/18 | 93,950 | 83,460 | 0.0 |
| Total Malaysia | | 83,460 | 0.0 |

| | |
|----------------------|---------------|
| TOTAL WARRANT | 83,460 |
| (Cost \$57,559) | |

| | |
|---------------------------------|--------------------|
| TOTAL INVESTMENTS: 92.6% | 201,894,731 |
| (Cost \$192,662,446) | |

| | |
|--|-------------------|
| CASH AND OTHER ASSETS, LESS LIABILITIES: 7.4% | 16,066,483 |
|--|-------------------|

| | |
|---------------------------|--------------------|
| NET ASSETS: 100.0% | 217,961,214 |
|---------------------------|--------------------|

A: A Share Class

ADR: American Depositary Receipt

B Shares: Mainland China companies listed on the Shanghai and Shenzhen stock exchanges, available to both Chinese and non-Chinese investors

BHD: Berhad

H Shares: Mainland China companies listed on the Hong Kong Stock exchange but incorporated in mainland China

NVDR: Non-Voting Depositary Receipt

The accompanying notes form an integral part of these financial statements.



PORTFOLIO MANAGERS

Richard H. Gao

Lead Manager

Henry Zhang, CFA

Co-Manager

Winnie Chwang

Co-Manager

Note: Managers shown reflect changes effective April 30, 2014.

China Fund

Fund Manager Report

Performance figures discussed in any of the Fund Manager Commentaries reflect that of the Institutional Accumulation Class Shares (USD).

For the year ending 31 March 2014, the China Fund declined -0.28% underperforming its benchmark, the MSCI China Index, which rose 2.52%. For the quarter ending 31 March 2014, the Fund returned -8.06% versus -5.87% for the Index.

During the fiscal year, Chinese equity markets experienced meaningful volatility along with slowing economic growth. This was mainly driven by a combination of a weak global economy and less accommodative fiscal and monetary policies. China's equity market started to recover during the second half of 2013 as some macro indicators improved, but weaker conditions re-emerged early in 2014.

The most important economic event during the fiscal year stemmed from the central government's Third Plenum meeting in November, during which it clearly stated intentions to allow markets to play a more decisive role in allocating resources. Its related report outlined reforms in a wide range of industries, including supporting growth in the private sector.

During the year, the Fund's information technology holdings were the biggest contributors to performance. The sector is a key area of focus for the portfolio as we are attracted to firms that can deliver sustainable growth. E-commerce is gaining traction in China and is supported by the country's remarkable online usage rate. Among the Fund's top performers for the year were Internet-related firms Tencent, a leading online social platform; Sina, an online media provider; and Netease, which provides online game services.

Over the past two years, China's overall consumer-related sectors have come under pressure. The weak operating environment for consumer companies improved only marginally in 2013. The Fund maintains an overweight position in the consumer staples sectors, which performed relatively well. China Mengniu, China's dairy industry leader, was among the top contributors to Fund performance in the fiscal year, benefiting from an increasing demand for dairy products.

The Fund's consumer discretionary sector, on the other hand, was a detractor to overall performance. Holdings such as Belle International, a leading women's shoe retailer and Golden Eagle, a domestic department store chain both suffered from weak consumer sentiment as well as rising competition from e-commerce retailers. In light of such developments, we consolidated our consumer discretionary holdings and exited Li & Fung, as well as Parkson Department Store.

Meanwhile, we selectively increased our holdings in the health care, education and industrial automation areas. For example, we added Airtac International Group, a pneumatics equipment and components manufacturer in Taiwan that derives most of its revenue from China.

Economic indicators for 2014 in China are still mixed although we believe that a gradual slowdown is inevitable for the government to achieve its goal of rebalancing the economy. We will be closely monitoring the developments in Chinese banks' liquidity and the execution and implementation of the ambitious reform measures announced during the Plenum. While the path to reform may be challenging, we are encouraged by China's stated determination to transition its economy, and believe the measures should ultimately be greatly beneficial toward the country's long-term sustainable growth.

Schedule of Investments (Audited)

Transferable securities and money market instruments admitted to official exchange listing or dealt in on another regulated market. As at 31 March 2014, expressed in U.S. dollars.

COMMON EQUITIES: CHINA/HONG KONG: 97.5%

| | Shares | Value | % of Net Assets |
|---|-----------|------------------|-----------------|
| FINANCIALS: 20.7% | | | |
| Real Estate Management & Development: 7.7% | | | |
| China Vanke Co., Ltd. B Shares | 500,453 | 830,329 | 2.5 |
| China Resources Land, Ltd. | 312,000 | 684,443 | 2.0 |
| Hang Lung Group, Ltd. | 113,000 | 568,668 | 1.7 |
| Swire Pacific, Ltd. A | 39,000 | 454,575 | 1.5 |
| | | 2,538,015 | 7.7 |
| Insurance: 5.6% | | | |
| Ping An Insurance Group Co. of China, Ltd. H Shares | 120,500 | 999,018 | 3.0 |
| China Life Insurance Co., Ltd. H Shares | 206,000 | 583,041 | 1.7 |
| China Life Insurance Co., Ltd. ADR | 7,000 | 295,933 | 0.9 |
| | | 1,877,992 | 5.6 |
| Commercial Banks: 5.5% | | | |
| China Merchants Bank Co., Ltd. H Shares | 439,610 | 796,616 | 2.4 |
| China Construction Bank Corp. H Shares | 850,340 | 595,261 | 1.8 |
| BOC Hong Kong Holdings, Ltd. | 160,000 | 455,725 | 1.3 |
| | | 1,847,602 | 5.5 |
| Diversified Financial Services: 1.9% | | | |
| Hong Kong Exchanges and Clearing, Ltd. | 42,400 | 642,794 | 1.9 |
| | | 642,794 | 1.9 |
| Total Financials | | 6,906,403 | 20.7 |
| INFORMATION TECHNOLOGY: 18.1% | | | |
| Internet Software & Services: 8.0% | | | |
| Tencent Holdings, Ltd. | 16,800 | 1,168,640 | 3.5 |
| NetEase, Inc. ADR | 9,450 | 646,320 | 1.9 |
| Sina Corp. | 9,450 | 560,432 | 1.7 |
| Baidu, Inc. ADR | 1,900 | 287,961 | 0.9 |
| | | 2,663,353 | 8.0 |
| Software: 3.4% | | | |
| Kingdee International Software Group Co., Ltd. | 2,954,800 | 1,131,355 | 3.4 |
| | | 1,131,355 | 3.4 |
| Electronic Equipment, Instruments & Components: 2.4% | | | |
| Digital China Holdings, Ltd. | 717,000 | 722,880 | 2.1 |
| Hollysys Automation Technologies, Ltd. | 4,400 | 90,087 | 0.3 |
| | | 812,967 | 2.4 |
| Communications Equipment: 2.3% | | | |
| ZTE Corp. H Shares | 404,480 | 785,189 | 2.3 |
| | | 785,189 | 2.3 |
| Technology Hardware, Storage & Peripherals: 2.0% | | | |
| Lenovo Group, Ltd. | 598,000 | 661,282 | 2.0 |
| | | 661,282 | 2.0 |
| Total Information Technology | | 6,054,146 | 18.1 |

| | Shares | Value | % of Net Assets |
|---|---------|------------------|-----------------|
| CONSUMER DISCRETIONARY: 15.5% | | | |
| Hotels, Restaurants & Leisure: 7.4% | | | |
| Sands China, Ltd. | 126,400 | 944,186 | 2.8 |
| Cafe' de Coral Holdings, Ltd. | 246,000 | 743,498 | 2.2 |
| Home Inns & Hotels Management, Inc. ADR | 19,300 | 611,995 | 1.8 |
| Shangri-La Asia, Ltd. | 110,000 | 179,970 | 0.6 |
| | | 2,479,649 | 7.4 |
| Automobiles: 1.8% | | | |
| Dongfeng Motor Group Co., Ltd. H Shares | 434,000 | 614,527 | 1.8 |
| | | 614,527 | 1.8 |
| Textiles, Apparel & Luxury Goods: 1.4% | | | |
| Li Ning Co., Ltd. | 680,000 | 459,250 | 1.4 |
| | | 459,250 | 1.4 |
| Specialty Retail: 1.4% | | | |
| Belle International Holdings, Ltd. | 456,000 | 454,613 | 1.4 |
| | | 454,613 | 1.4 |
| Media: 1.2% | | | |
| Television Broadcasts, Ltd. | 67,000 | 400,954 | 1.2 |
| | | 400,954 | 1.2 |
| Multiline Retail: 1.2% | | | |
| Golden Eagle Retail Group, Ltd. | 281,000 | 387,462 | 1.2 |
| | | 387,462 | 1.2 |
| Diversified Consumer Services: 1.1% | | | |
| New Oriental Education & Technology Group, Inc. ADR | 12,600 | 372,530 | 1.1 |
| | | 372,530 | 1.1 |
| Total Consumer Discretionary | | 5,168,985 | 15.5 |

CONSUMER STAPLES: 10.6%

| | | | |
|--|---------|------------------|-------------|
| Food Products: 5.1% | | | |
| China Mengniu Dairy Co., Ltd. | 203,000 | 1,016,728 | 3.1 |
| Tingyi (Cayman Islands) Holding Corp. | 234,000 | 671,043 | 2.0 |
| | | 1,687,771 | 5.1 |
| Food & Staples Retailing : 2.2% | | | |
| China Resources Enterprise, Ltd. | 190,000 | 536,306 | 1.6 |
| Sun Art Retail Group, Ltd. | 166,000 | 208,594 | 0.6 |
| | | 744,900 | 2.2 |
| Beverages: 1.8% | | | |
| Tsingtao Brewery Co., Ltd. H Shares | 80,000 | 584,997 | 1.8 |
| | | 584,997 | 1.8 |
| Personal Products: 1.5% | | | |
| Hengan International Group Co., Ltd. | 49,500 | 512,807 | 1.5 |
| | | 512,807 | 1.5 |
| Total Consumer Staples | | 3,530,475 | 10.6 |

*Schedule of Investments (Audited) (continued)***COMMON EQUITIES: CHINA/HONG KONG (continued)**

| | Shares | Value | % of Net Assets |
|---|---------|------------------|-----------------|
| INDUSTRIALS: 10.1% | | | |
| Transportation Infrastructure: 3.4% | | | |
| China Merchants Holdings International Co., Ltd. | 194,000 | 666,342 | 2.0 |
| Yuexiu Transport Infrastructure, Ltd. | 918,000 | 473,295 | 1.4 |
| | | 1,139,637 | 3.4 |
| Machinery : 3.2% | | | |
| CSR Corp., Ltd. H Shares | 967,000 | 812,857 | 2.5 |
| Airtac International Group | 24,000 | 248,690 | 0.7 |
| | | 1,061,547 | 3.2 |
| Industrial Conglomerates: 1.6% | | | |
| NWS Holdings, Ltd. | 313,500 | 528,278 | 1.6 |
| | | 528,278 | 1.6 |
| Airlines: 1.4% | | | |
| Air China, Ltd. H Shares | 766,000 | 452,146 | 1.4 |
| | | 452,146 | 1.4 |
| Construction & Engineering: 0.5% | | | |
| China State Construction International Holdings, Ltd. | 106,000 | 179,570 | 0.5 |
| | | 179,570 | 0.5 |
| Total Industrials | | 3,361,178 | 10.1 |
| HEALTH CARE: 6.6% | | | |
| Health Care Providers & Services: 2.7% | | | |
| Sinopharm Group Co., Ltd. H Shares | 327,200 | 895,425 | 2.7 |
| | | 895,425 | 2.7 |
| Health Care Equipment & Supplies: 2.3% | | | |
| Mindray Medical International, Ltd. ADR | 25,450 | 813,962 | 2.3 |
| | | 813,962 | 2.3 |
| Pharmaceuticals: 1.6% | | | |
| Sino Biopharmaceutical, Ltd. | 616,000 | 524,814 | 1.6 |
| | | 524,814 | 1.6 |
| Total of Health Care | | 2,234,201 | 6.6 |
| ENERGY: 5.8% | | | |
| Oil, Gas & Consumable Fuels: 4.0% | | | |
| Kunlun Energy Co., Ltd. | 324,000 | 542,257 | 1.6 |
| China Shenhua Energy Co., Ltd. H Shares | 146,500 | 423,129 | 1.3 |
| CNOOC, Ltd. | 255,000 | 383,350 | 1.1 |
| | | 1,348,736 | 4.0 |
| Energy Equipment & Services: 1.8% | | | |
| China Oilfield Services, Ltd. H Shares | 258,000 | 604,876 | 1.8 |
| | | 604,876 | 1.8 |
| Total Energy | | 1,953,612 | 5.8 |

| | Shares | Value | % of Net Assets |
|---|-----------|-------------------|-----------------|
| UTILITIES: 5.5% | | | |
| Independent Power Producers & Energy Traders: 2.2% | | | |
| China Longyuan Power Group Corp. H Shares | 728,000 | 732,721 | 2.2 |
| | | 732,721 | 2.2 |
| Electric Utilities: 1.9% | | | |
| Cheung Kong Infrastructure Holdings, Ltd. | 100,000 | 637,677 | 1.9 |
| | | 637,677 | 1.9 |
| Gas Utilities : 1.4% | | | |
| Hong Kong & China Gas Co., Ltd. | 218,987 | 477,451 | 1.4 |
| | | 477,451 | 1.4 |
| Total Utilities | | 1,847,849 | 5.5 |
| TELECOMMUNICATION SERVICES: 4.6% | | | |
| Wireless Telecommunication Services : 2.8% | | | |
| China Mobile, Ltd. | 62,500 | 572,058 | 1.7 |
| China Mobile, Ltd. ADR | 8,000 | 364,783 | 1.1 |
| | | 936,841 | 2.8 |
| Diversified Telecommunication Services: 1.8% | | | |
| China Communications Services Corp., Ltd. H Shares | 1,294,000 | 598,984 | 1.8 |
| | | 598,984 | 1.8 |
| Total of Telecommunication Services | | 1,535,825 | 4.6 |
| TOTAL COMMON EQUITIES | | 32,592,674 | |
| (Cost \$31,461,866) | | | |
| TOTAL INVESTMENTS: 97.5% | | 32,592,674 | |
| (Cost \$31,461,866) | | | |
| CASH AND OTHER ASSETS, LESS LIABILITIES: 2.5% | | 843,738 | |
| NET ASSETS: 100.0% | | 33,436,412 | |

A: A Share Class

ADR: American Depositary Receipt

B Shares: Mainland China companies listed on the Shanghai and Shenzhen stock exchanges, available to both Chinese and non-Chinese investors

H Shares: Mainland China companies listed on the Hong Kong stock exchange but incorporated in mainland China

The accompanying notes form an integral part of these financial statements.

PORTFOLIO MANAGERS

Sunil Asnani

Lead Manager

Sharat Shroff, CFA

Co-Manager

Note: Managers shown reflect changes effective April 30, 2014.

India Fund

Fund Manager Report

Performance figures discussed in any of the Fund Manager Commentaries reflect that of the Institutional Accumulation Class Shares (USD).

For the one-year period ending 31 March 2014, the India Fund gained 6.67%* while its benchmark, the Bombay Stock Exchange 100 Index, rose 9.31%. For the quarter ending 31 March 2014, the Fund rose 11.81% versus 9.83% for the benchmark.

The market rallied amid rising foreign inflows and favourable pre-election sentiment, with positive correlations across most sectors. The rupee depreciated 9.75% during the year amid reaction to news of U.S. Fed tapering decisions. The rupee is one of the region's more volatile currencies, which reflects persistent inflation issues and India's over-reliance on shorter-term foreign capital inflows.

The portfolio's relative underperformance could be attributed to its sector allocation strategy and some stock-specific factors. Among the contributors were higher allocations to industrials and capital goods, which helped performance amid optimism that a decisive election outcome would lead to investment reforms and increased infrastructure activity.

One of the portfolio's better performers, Gujarat Pipavav Port, has benefited from the anticipation of a pickup in import-export and investment-related activity. The company's management has been successful in expanding its core business and has obtained the requisite clearances for further capacity expansion. We expect it may also benefit from such projects as the Dedicated Freight Corridor (DFC) rail project, a public-private partnership that has recently overcome hurdles in funding and land acquisition. We believe this US\$13 billion construction project will enhance productivity in a country where infrastructure development, while long-anticipated, has faced many delays. For the past few years, we have selectively built exposure to businesses that may benefit from a recovery in investment demand. We believe longer-term economic progress hinges on progress in this sector.

During the year, our high allocation to the consumer sector was a main detractor to relative Fund performance. For example, our overweight in Exide Industries versus the benchmark was a drag on performance. A leader in the production of automotive and industrial batteries, the firm has begun facing rising competition from a formidable opponent in an environment of slowing growth. The retirement last year of its chief executive officer may have also been a distraction, and we are monitoring its progress in dealing with competitive forces, especially in the current environment of a domestic economic slowdown.

The portfolio has held between 30 to 40 holdings for many months, and became more concentrated during the year. We do see opportunity in small- and mid-capitalisation stocks, which have historically traded at a noticeable discount to large caps. We question whether the size of the discount continues to be warranted, however, given improvements in their relative fundamentals. We may choose to increase our number of holdings slightly over time.

For the time being, the broader market seems overly focused on India's election results, and much less appreciative of the role of institutions, such as the Reserve Bank of India, and various other policymaking channels. We believe the Indian economy is not as fragile as many fear. Last year's currency weakness helped export growth while curbs on gold imports contributed to a reduction in the current account deficit by over 2% of GDP. For now, some of the tail risks stemming from a potential reversal of capital flows may have been reduced. But a forceful recovery in economic activity is predicated on a rejuvenation of investment-related demand, which may be closer to a recovery as there are efforts already underway to reduce policy-related delays. Meanwhile, market valuations seem to be in line or below historical averages, which in our view, presents a good opportunity to scout for long-term growth.

* Performance is based on swung net asset value per Share, see note 11.

Schedule of Investments (Audited)

Transferable securities and money market instruments admitted to official exchange listing or dealt in on another regulated market. As at 31 March 2014, expressed in U.S. dollars.

COMMON EQUITIES: INDIA: 92.8%

| | Shares | Value | % of Net Assets |
|---|---------|------------------|-----------------|
| FINANCIALS: 22.9% | | | |
| Commercial Banks: 11.5% | | | |
| Kotak Mahindra Bank, Ltd. | 73,096 | 953,036 | 6.2 |
| HDFC Bank, Ltd. | 65,527 | 819,074 | 5.3 |
| | | 1,772,110 | 11.5 |
| Consumer Finance: 5.0% | | | |
| Shriram City Union Finance, Ltd. | 42,097 | 773,389 | 5.0 |
| | | 773,389 | 5.0 |
| Diversified Financial Services: 4.8% | | | |
| IDFC, Ltd. | 335,442 | 684,547 | 4.5 |
| Multi Commodity Exchange of India, Ltd. | 6,398 | 52,771 | 0.3 |
| | | 737,318 | 4.8 |
| Thriffs & Mortgage Finance: 1.6% | | | |
| Housing Development Finance Corp. | 16,223 | 239,371 | 1.6 |
| | | 239,371 | 1.6 |
| Total Financials | | 3,522,188 | 22.9 |

INDUSTRIALS: 20.4%

| | | | |
|--|---------|------------------|-------------|
| Machinery: 10.2% | | | |
| AIA Engineering, Ltd. | 88,812 | 828,522 | 5.4 |
| Thermax, Ltd. | 50,787 | 634,318 | 4.1 |
| Ashok Leyland, Ltd. | 258,057 | 101,879 | 0.7 |
| | | 1,564,719 | 10.2 |
| Transportation Infrastructure: 4.0% | | | |
| Gujarat Pipavav Port, Ltd. | 422,750 | 619,605 | 4.0 |
| | | 619,605 | 4.0 |
| Road & Rail: 3.8% | | | |
| Container Corp. of India, Ltd. | 35,567 | 576,179 | 3.8 |
| | | 576,179 | 3.8 |
| Industrial Conglomerates: 2.4% | | | |
| MAX India, Ltd. | 106,393 | 369,503 | 2.4 |
| | | 369,503 | 2.4 |
| Total Industrials | | 3,130,006 | 20.4 |

CONSUMER STAPLES: 18.3%

| | | | |
|--------------------------------|---------|------------------|-------------|
| Personal Products: 9.8% | | | |
| Emami, Ltd. | 105,489 | 766,536 | 5.0 |
| Dabur India, Ltd. | 195,024 | 584,860 | 3.8 |
| Bajaj Corp., Ltd. | 40,175 | 145,664 | 1.0 |
| | | 1,497,060 | 9.8 |
| Tobacco: 5.3% | | | |
| ITC, Ltd. | 138,785 | 817,466 | 5.3 |
| | | 817,466 | 5.3 |
| Food Products: 3.2% | | | |
| Zydus Wellness, Ltd. | 59,011 | 488,844 | 3.2 |
| | | 488,844 | 3.2 |
| Total Consumer Staples | | 2,803,370 | 18.3 |

| | Shares | Value | % of Net Assets |
|-------------------------------------|--------|------------------|-----------------|
| MATERIALS : 10.2% | | | |
| Chemicals: 5.9% | | | |
| Asian Paints, Ltd. | 38,519 | 352,333 | 2.3 |
| Castrol India, Ltd. | 55,192 | 286,486 | 1.9 |
| Supreme Industries, Ltd. | 31,017 | 260,102 | 1.7 |
| | | 898,921 | 5.9 |
| Construction Materials: 2.9% | | | |
| Grasim Industries, Ltd. | 9,240 | 445,465 | 2.9 |
| | | 445,465 | 2.9 |
| Metals & Mining: 1.4% | | | |
| NMDC, Ltd. | 93,932 | 218,346 | 1.4 |
| | | 218,346 | 1.4 |
| Total Materials | | 1,562,732 | 10.2 |

CONSUMER DISCRETIONARY: 9.2%

| | | | |
|---|---------|------------------|------------|
| Household Products: 3.0% | | | |
| Symphony, Ltd. | 37,833 | 464,284 | 3.0 |
| | | 464,284 | 3.0 |
| Auto Components: 2.6% | | | |
| Exide Industries, Ltd. | 199,356 | 403,171 | 2.6 |
| | | 403,171 | 2.6 |
| Textiles, Apparel & Luxury Goods: 2.5% | | | |
| Titan Co., Ltd. | 87,068 | 381,817 | 2.5 |
| | | 381,817 | 2.5 |
| Media: 1.1% | | | |
| Jagran Prakashan, Ltd. | 97,159 | 167,135 | 1.1 |
| | | 167,135 | 1.1 |
| Total Consumer Discretionary | | 1,416,407 | 9.2 |

INFORMATION TECHNOLOGY: 6.0%

| | | | |
|---|--------|----------------|------------|
| IT Services: 3.8% | | | |
| MindTree, Ltd. | 26,339 | 580,883 | 3.8 |
| | | 580,883 | 3.8 |
| Internet Software & Services: 2.2% | | | |
| Info Edge India, Ltd. | 32,685 | 338,062 | 2.2 |
| | | 338,062 | 2.2 |
| Total Information Technology | | 918,945 | 6.0 |

HEALTH CARE: 3.2%

| | | | |
|-------------------------------------|--------|----------------|------------|
| Pharmaceuticals: 3.2% | | | |
| Sun Pharmaceutical Industries, Ltd. | 50,548 | 484,976 | 3.2 |
| | | 484,976 | 3.2 |
| Total Health Care | | 484,976 | 3.2 |

UTILITIES: 2.6%

| | | | |
|----------------------------|--------|----------------|------------|
| Gas Utilities: 2.6% | | | |
| GAIL India, Ltd. | 63,787 | 400,419 | 2.6 |
| | | 400,419 | 2.6 |
| Total Utilities | | 400,419 | 2.6 |

TOTAL COMMON EQUITIES: INDIA 14,239,043

(Cost \$13,124,643)

Schedule of Investments (Audited) (continued)**COMMON EQUITIES: SINGAPORE: 1.6%**

| | Shares | Value | % of Net Assets |
|---|---------|-------------------|-----------------|
| FINANCIALS: 1.6% | | | |
| Real Estate Management & Development: 1.6% | | | |
| Ascendas India Trust | 407,000 | 248,833 | 1.6 |
| | | 248,833 | 1.6 |
| Total Financials | | 248,833 | 1.6 |
| TOTAL COMMON EQUITIES: | | | |
| SINGAPORE | | 248,833 | |
| (Cost \$254,013) | | | |
| TOTAL COMMON EQUITIES | | | |
| | | 14,487,876 | |
| TOTAL INVESTMENTS: 94.4% | | | |
| | | 14,487,876 | |
| (Cost 13,376,56) | | | |
| CASH AND OTHER ASSETS, | | | |
| LESS LIABILITIES: 5.6% | | 855,702 | |
| NET ASSETS: 100.0% | | 15,343,578 | |

The accompanying notes form an integral part of these financial statements.



PORTFOLIO MANAGERS

Lydia So, CFA

Lead Manager

Kenichi Amaki

Co-Manager

Beini Zhou, CFA

Co-Manager

Note: Managers shown reflect changes effective April 30, 2014.

Asia Small Companies Fund

Fund Manager Report

Performance figures discussed in any of the Fund Manager Commentaries reflect that of the Institutional Accumulation Class Shares (USD).

The Asia Small Companies Fund was launched on 30 April 2013. Since inception until 31 March 2014, the Fund returned 6.20%, outperforming its benchmark, the MSCI All Country Asia ex Japan Small Cap Index, which returned 1.69%. For the quarter ending 31 March 2014, the Fund rose 3.81% while the benchmark returned 3.16%.

Following the Fund's inception in April, volatility in Asia's markets continued into the late summer, as investors reacted to U.S. Federal Reserve "tapering" of quantitative easing measures. Countries with high current account deficits, particularly India and Indonesia, were perceived to be most negatively impacted given the possibility of reversal in capital flows. China's slowdown also continued to dampen investor enthusiasm for Asian equities. Accordingly, valuations were also reflective of the respective macroeconomic challenges facing different parts of Asia.

As we entered 2014, the bearish sentiment shifted somewhat on the margin. Our holdings in India were the main drivers of absolute performance for the recent quarter, owing to both good stock selection and a favourable currency effect. India's Gujarat Pipavav Port was among the top performance contributors for this period because of strong operational improvements. Our holdings in Pacific Online, a Chinese Internet company, also helped the Fund's absolute performance as the sector's valuation multiples expanded strongly.

Despite the fact that the market was preoccupied with macroeconomic issues, we stayed consistent with our approach of selecting quality businesses with solid fundamentals and avoid directly applying "top-down" views in terms of allocating investments based on short-term news. Our stock selection in industrials, health care, and Internet-related segments enabled the Fund to outperform its benchmark for the period since inception. For example, Airtac International, one of China's largest pneumatic components makers, was the largest performance contributor. Demand for the company's products were strong as the manufacturing sector's needs for more automation continued to rise in light of rising wages. Meanwhile, a combination of company-specific factors and political uncertainty caused holdings in Thailand to be the main performance detractors for the period. Oishi Group Public of Thailand was a main detractor to performance. The company, which operates Japanese restaurants and manufactures ready-to-drink teas, has been facing keen competition and has seen profitability suffer recently.

During the most recent quarter, we continued to find investment ideas with attractive secular growth prospects. One such example is i-SENS, a medical device company, which we believe has the potential to generate sustained revenue growth from different geographies and also holds an attractive profitability profile. We also initiated a position in Singapore's OSIM International, a specialty retailer focused on lifestyle and wellness products. The company has a retail network across the Asian region, and we believe its products, such as massage chairs, appeal to the region's growing middle class consumers. On the flip side, we decided to exit Kiwoom Securities, an online brokerage company in Korea that may continue to struggle to improve its profitability, in our view.

Looking forward, we will continue to monitor China's progress in various economic reforms, as well as any potential policy implications arising from election results in India and Indonesia. However, our approach for uncovering opportunities in industries with long-term structural growth potential remains unchanged.

Asia Small Companies Fund

31 March 2014

Schedule of Investments (Audited)

Transferable securities and money market instruments admitted to official exchange listing or dealt in on another regulated market. As at 31 March 2014, expressed in U.S. dollars.

COMMON EQUITIES: 96.8%

| | Shares | Value | % of Net Assets |
|--|--------|----------------|-----------------|
| CHINA/HONG KONG : 24.2% | | | |
| Towngas China Co., Ltd. | 49,000 | 59,878 | 3.1 |
| Lee's Pharmaceutical Holdings, Ltd. | 35,000 | 40,626 | 2.1 |
| Minth Group, Ltd. | 18,000 | 36,657 | 1.9 |
| Vitasoy International Holdings, Ltd. | 24,000 | 34,848 | 1.8 |
| Airtac International Group | 3,210 | 33,262 | 1.7 |
| Sunny Optical Technology Group Co., Ltd. | 31,000 | 30,174 | 1.6 |
| Stelux Holdings International, Ltd. | 85,000 | 26,191 | 1.4 |
| Pacific Online, Ltd. | 41,000 | 25,458 | 1.3 |
| Haitian International Holdings, Ltd. | 12,000 | 24,067 | 1.3 |
| Convenience Retail Asia, Ltd. | 34,000 | 23,821 | 1.3 |
| Fairwood Holdings, Ltd. | 11,500 | 23,246 | 1.2 |
| 51job, Inc. ADR | 300 | 21,544 | 1.1 |
| ASR Holdings, Ltd. | 97,500 | 19,730 | 1.0 |
| YGM Trading, Ltd. | 9,000 | 18,561 | 1.0 |
| Yip's Chemical Holdings, Ltd. | 24,000 | 16,581 | 0.9 |
| KWG Property Holding, Ltd. | 26,500 | 14,549 | 0.8 |
| Lifetech Scientific Corp. | 10,000 | 12,967 | 0.7 |
| Total China/Hong Kong | | 462,160 | 24.2 |

| | | | |
|----------------------------|--------|----------------|-------------|
| INDIA : 16.5% | | | |
| Gruh Finance, Ltd. | 7,930 | 39,091 | 2.1 |
| Page Industries, Ltd. | 320 | 34,666 | 1.8 |
| Ipca Laboratories, Ltd. | 2,442 | 34,440 | 1.8 |
| Gujarat Pipavav Port, Ltd. | 23,463 | 34,389 | 1.8 |
| Supreme Industries, Ltd. | 4,054 | 33,996 | 1.8 |
| Emami, Ltd. | 4,563 | 33,157 | 1.7 |
| AIA Engineering, Ltd. | 3,031 | 28,276 | 1.5 |
| Berger Paints India, Ltd. | 6,835 | 26,225 | 1.4 |
| CRISIL, Ltd. | 1,227 | 25,192 | 1.3 |
| MindTree, Ltd. | 1,128 | 24,877 | 1.3 |
| Total India | | 314,309 | 16.5 |

| | | | |
|--|---------|----------------|-------------|
| INDONESIA : 10.9% | | | |
| PT Bank Tabungan Pensiunan Nasional | 85,400 | 32,074 | 1.7 |
| PT AKR Corporindo | 63,100 | 26,708 | 1.4 |
| PT Arwana Citramulia | 264,600 | 21,838 | 1.1 |
| PT Wismilak Inti Makmur | 322,000 | 20,881 | 1.1 |
| PT Sarana Menara Nusantara | 59,300 | 20,456 | 1.1 |
| PT Selamat Sempurna | 57,400 | 20,052 | 1.1 |
| PT Sumber Alfaria Trijaya | 398,800 | 18,111 | 1.0 |
| PT Astra Otoparts | 51,300 | 17,967 | 0.9 |
| PT Ultrajaya Milk Industry & Trading Co. | 42,000 | 14,416 | 0.8 |
| PT Modern Internasional | 255,900 | 13,857 | 0.7 |
| Total Indonesia | | 206,360 | 10.9 |

| | | | |
|-----------------------------------|--------|----------------|-------------|
| TAIWAN : 10.5% | | | |
| PChome Online, Inc. | 5,000 | 37,425 | 2.0 |
| Sinmag Equipment Corp. | 6,200 | 36,235 | 1.9 |
| Yungtay Engineering Co., Ltd. | 12,000 | 34,435 | 1.8 |
| Pacific Hospital Supply Co., Ltd. | 10,000 | 26,652 | 1.4 |
| Sporton International, Inc. | 5,000 | 23,964 | 1.2 |
| St. Shine Optical Co., Ltd. | 1,000 | 22,294 | 1.2 |
| TSC Auto ID Technology Co., Ltd. | 2,000 | 19,113 | 1.0 |
| Total Taiwan | | 200,118 | 10.5 |

| | | | |
|---------------------------------|-------|----------------|------------|
| SOUTH KOREA : 8.2% | | | |
| Binggrae Co., Ltd. | 360 | 31,084 | 1.6 |
| Hy-Lok Corp. | 988 | 28,525 | 1.5 |
| SaraminHR Co., Ltd. | 2,402 | 28,387 | 1.5 |
| Pyeong Hwa Automotive Co., Ltd. | 1,295 | 26,719 | 1.4 |
| i-SENS, Inc. | 521 | 25,897 | 1.4 |
| Cheil Worldwide, Inc. | 670 | 15,047 | 0.8 |
| Total South Korea | | 155,659 | 8.2 |

| | | | |
|-----------------------------|--------|----------------|------------|
| SINGAPORE : 8.2% | | | |
| Petra Foods, Ltd. | 12,000 | 35,158 | 1.9 |
| ARA Asset Management, Ltd. | 24,000 | 35,157 | 1.9 |
| Super Group, Ltd. | 12,000 | 33,178 | 1.7 |
| OSIM International, Ltd. | 14,000 | 28,791 | 1.5 |
| Raffles Medical Group, Ltd. | 9,000 | 22,939 | 1.2 |
| Total Singapore | | 155,223 | 8.2 |

| | | | |
|---|---------|----------------|------------|
| THAILAND : 7.3% | | | |
| Bangkok Chain Hospital Public Co., Ltd. | 140,600 | 30,791 | 1.6 |
| Siam Global House Public Co., Ltd. | 56,916 | 25,273 | 1.3 |
| Supalai Public Co., Ltd. | 43,500 | 23,883 | 1.3 |
| PTG Energy Public Co., Ltd. | 159,200 | 17,678 | 0.9 |
| Aeon Thana Sinsap Thailand Public Co., Ltd. | 6,300 | 17,003 | 0.9 |
| Tisco Financial Group Public Co., Ltd. | 11,600 | 14,581 | 0.8 |
| Oishi Group Public Co., Ltd. | 3,500 | 9,175 | 0.5 |
| Total Thailand | | 138,384 | 7.3 |

| | | | |
|------------------------------|--------|----------------|------------|
| MALAYSIA : 6.0% | | | |
| Dialog Group BHD | 27,800 | 30,572 | 1.6 |
| Alliance Financial Group BHD | 20,500 | 27,693 | 1.5 |
| Oldtown BHD | 40,000 | 24,261 | 1.3 |
| KPJ Healthcare BHD | 19,160 | 17,550 | 0.9 |
| LPI Capital BHD | 2,700 | 13,729 | 0.7 |
| Total Malaysia | | 113,805 | 6.0 |

Schedule of Investments (Audited) (continued)**COMMON EQUITIES** (continued)

| | Shares | Value | % of Net Assets |
|-------------------------------|---------|---------------|-----------------|
| PHILIPPINES : 5.0% | | | |
| Vista Land & Lifescapes, Inc. | 285,400 | 33,588 | 1.8 |
| Security Bank Corp. | 10,706 | 25,364 | 1.3 |
| RFM Corp. | 188,800 | 24,580 | 1.3 |
| Philippine Seven Corp. | 5,060 | 11,074 | 0.6 |
| Total Philippines | | 94,606 | 5.0 |

| | |
|------------------------------|------------------|
| TOTAL COMMON EQUITIES | 1,840,624 |
| (Cost \$1,756,430) | |

| |
|----------------------|
| WARRANT: 0.0% |
|----------------------|

| | | | |
|--------------------------------------|-------|------------|------------|
| MALAYSIA : 0.0% | | | |
| KPJ Healthcare BHD, expires 01/23/19 | 1,120 | 213 | 0.0 |
| Total Malaysia | | 213 | 0.0 |

| | |
|----------------------|------------|
| TOTAL WARRANT | 213 |
| (Cost \$54) | |

| | |
|---------------------------------|------------------|
| TOTAL INVESTMENTS: 96.8% | 1,840,837 |
| (Cost \$1,756,484) | |

| | |
|--|---------------|
| CASH AND OTHER ASSETS, LESS LIABILITIES: 3.2% | 60,585 |
|--|---------------|

| | |
|---------------------------|------------------|
| NET ASSETS: 100.0% | 1,901,422 |
|---------------------------|------------------|

ADR: American Depositary Receipt
BHD: Berhad



PORTFOLIO MANAGERS

Richard Gao
Lead Manager

Henry Zhang, CFA
Co-Manager

China Small Companies Fund

Fund Manager Report

Performance figures discussed in any of the Fund Manager Commentaries reflect that of the Institutional Accumulation Class Shares (USD).

For the one-year period ending 31 March 2014, the China Small Companies Fund returned 22.53% while its benchmark, the MSCI China Small Cap Index, returned 12.01%. For the quarter ending 31 March 2014, the Fund declined -1.09% while the benchmark lost -0.16%.

China's economy experienced rather modest growth over the past 12 months. Amid such an environment, private sector companies fared substantially better than state-owned enterprises and demonstrated resilient profit growth. In November, the Communist party passed an ambitious reform package, which outlined a blueprint for the country's future growth and encouragingly highlighted the importance of developing a more market-oriented economy.

In a related development, the renminbi (RMB) depreciated about 2.6% in the last quarter of the fiscal year. As the currency's reference rate is set by China's central bank, the deliberate move by the People's Bank of China caught many investors by surprise considering that the RMB had appreciated consistently for the past four years. While the rapid fall of the RMB increased short-term volatility in the market, it should help shake out some currency speculators and help the RMB become a more market-driven currency.

By sector, health care, consumer discretionary and industrials made the largest contribution to absolute returns in the past 12 months. TAL Education, one of leading education service providers for K-12 students in China, was among the top contributors to performance. The company has been able to expand its facilities while maintaining its margins and profitability. In our view, TAL Education should remain a long-term beneficiary of increasing spending on education. Medical research outsourcing company Wuxi PharmaTech was another significant contributor to Fund performance for the fiscal year. The firm delivered solid operating results, given strong execution capabilities and growing demand in medicinal chemistry and biologics research.

Within the industrials sector, Airtac International, a pneumatic equipment and component manufacturer, was one of top contributors to Fund performance. The company has benefited from the increasing demand for automation in China. As Airtac continues to broaden its product offerings and optimise its production processes, we believe there is a strong tailwind behind the company's long-term growth.

Conversely, holdings in the financials and materials sectors performed poorly. Real estate developer China Overseas Grand Oceans was the largest detractor to Fund performance. The company suffered a continued sell-off as investor sentiment toward China's real estate market remained weak, particularly among lower-tier cities where the company is mainly focused. However, given the government's ongoing urbanisation effort and the company's strong ability to execute, we believe the share price already reflects most of the negative factors and we, therefore, continue to hold this position.

China's current administration seems to have a larger tolerance for lower growth, allowing for some necessary adjustments to the economy. One of the key objectives of the government's reform package is to promote the development of small and medium enterprises, and to level the playing field for private sector firms. We expect that non-state-owned enterprises will continue to benefit from China's economic reforms and the government's deregulation of state-dominated sectors. Finding small companies with sustainable growth and quality management teams remains our top objective for the strategy.

China Small Companies Fund

31 March 2014

Schedule of Investments (Audited)

Transferable securities and money market instruments admitted to official exchange listing or dealt in on another regulated market. As at 31 March 2014, expressed in U.S. dollars.

COMMON EQUITIES: CHINA/HONG KONG: 82.5%

| | Shares | Value | % of Net Assets |
|---|---------|----------------|-----------------|
| CONSUMER DISCRETIONARY: 20.3% | | | |
| Hotels, Restaurants & Leisure: 5.1% | | | |
| China Lodging Group, Ltd. ADS | 2,600 | 61,784 | 2.7 |
| Tao Heung Holdings, Ltd. | 51,000 | 33,657 | 1.6 |
| Home Inns & Hotels Management, Inc. ADR | 600 | 19,026 | 0.8 |
| | | 114,467 | 5.1 |
| Auto Components: 4.4% | | | |
| Minth Group, Ltd. | 42,000 | 85,533 | 3.7 |
| Xingda International Holdings, Ltd. H Shares | 32,000 | 16,003 | 0.7 |
| | | 101,536 | 4.4 |
| Diversified Consumer Services: 4.3% | | | |
| TAL Education Group ADR | 3,400 | 76,833 | 3.3 |
| China Distance Education Holdings, Ltd. | 1,300 | 22,618 | 1.0 |
| | | 99,451 | 4.3 |
| Multiline Retail: 2.3% | | | |
| Springland International Holdings, Ltd. | 117,000 | 51,877 | 2.3 |
| | | 51,877 | 2.3 |
| Internet & Catalog Retail: 1.7% | | | |
| Qunar Cayman Islands, Ltd. ADR | 1,342 | 39,814 | 1.7 |
| | | 39,814 | 1.7 |
| Leisure Equipment & Products: 1.7% | | | |
| Goodbaby International Holdings, Ltd. | 72,000 | 38,430 | 1.7 |
| | | 38,430 | 1.7 |
| Textiles, Apparel & Luxury Goods: 0.8% | | | |
| ANTA Sports Products, Ltd. | 11,000 | 18,346 | 0.8 |
| | | 18,346 | 0.8 |
| Total Consumer Discretionary | | 463,921 | 20.3 |
| INDUSTRIALS: 15.9% | | | |
| Machinery: 6.3% | | | |
| Airtac International Group | 10,210 | 105,797 | 4.6 |
| Haitian International Holdings, Ltd. | 14,000 | 28,078 | 1.2 |
| CIMC Enric Holdings, Ltd. | 8,000 | 11,281 | 0.5 |
| | | 145,156 | 6.3 |
| Professional Services: 2.6% | | | |
| 51job, Inc. ADR | 800 | 57,449 | 2.6 |
| | | 57,449 | 2.6 |
| Air Freight & Logistics: 2.5% | | | |
| Shenzhen Chiwan Petroleum B Shares | 28,100 | 56,539 | 2.5 |
| | | 56,539 | 2.5 |
| Transportation Infrastructure: 2.0% | | | |
| Yuexiu Transport Infrastructure, Ltd. | 90,000 | 46,402 | 2.0 |
| | | 46,402 | 2.0 |
| Electrical Equipment: 1.7% | | | |
| Zhuzhou CSR Times Electric Co., Ltd. H Shares | 6,000 | 20,241 | 0.9 |
| Boer Power Holdings, Ltd. | 14,000 | 18,832 | 0.8 |
| | | 39,073 | 1.7 |
| Marine: 0.8% | | | |
| SITC International Holdings Co., Ltd. | 40,000 | 19,282 | 0.8 |
| | | 19,282 | 0.8 |
| Total Industrials | | 363,901 | 15.9 |

| | Shares | Value | % of Net Assets |
|---|---------|----------------|-----------------|
| HEALTH CARE: 15.4% | | | |
| Pharmaceuticals: 12.3% | | | |
| Sino Biopharmaceutical, Ltd. | 104,000 | 88,605 | 3.9 |
| Lee's Pharmaceutical Holdings, Ltd. | 70,000 | 81,251 | 3.5 |
| CSPC Pharmaceutical Group, Ltd. | 82,000 | 72,611 | 3.2 |
| Lijun International Pharmaceutical Holding Co., Limited | 70,000 | 28,611 | 1.2 |
| Tianjin ZhongXin Pharmaceutical Group Corp., Ltd. S Shares | 10,000 | 10,596 | 0.5 |
| | | 281,674 | 12.3 |
| Life Sciences Tools & Services: 3.1% | | | |
| WuXi PharmaTech Cayman, Inc. ADR | 2,000 | 70,335 | 3.1 |
| | | 70,335 | 3.1 |
| Total Health Care | | 352,009 | 15.4 |
| INFORMATION TECHNOLOGY: 13.7% | | | |
| Electronic Equipment, Instruments & Components: 7.9% | | | |
| PAX Global Technology, Ltd. | 109,000 | 55,495 | 2.5 |
| Truly International Holdings, Ltd. | 78,000 | 52,497 | 2.3 |
| Sunny Optical Technology Group Co., Ltd. | 53,000 | 51,588 | 2.3 |
| Digital China Holdings, Ltd. | 19,000 | 19,155 | 0.8 |
| | | 178,735 | 7.9 |
| Internet Software & Services: 3.6% | | | |
| 21Vianet Group, Inc. ADR | 1,800 | 48,405 | 2.1 |
| Sina Corp. | 400 | 23,722 | 1.0 |
| Autohome, Inc. ADR | 300 | 11,333 | 0.5 |
| | | 83,460 | 3.6 |
| Software: 2.2% | | | |
| Kingsoft Corp., Ltd. | 13,000 | 51,201 | 2.2 |
| | | 51,201 | 2.2 |
| Total Information Technology | | 313,396 | 13.7 |
| FINANCIALS: 8.6% | | | |
| Real Estate Management & Development: 8.6% | | | |
| Franshion Properties China, Ltd. | 234,000 | 78,111 | 3.4 |
| K Wah International Holdings, Ltd. | 64,000 | 42,896 | 1.9 |
| China Overseas Grand Oceans Group, Ltd. | 64,000 | 42,073 | 1.8 |
| KWG Property Holding, Ltd. | 62,500 | 34,315 | 1.5 |
| | | 197,395 | 8.6 |
| Total Financials | | 197,395 | 8.6 |
| UTILITIES: 5.3% | | | |
| Gas Utilities: 5.3% | | | |
| Towngas China Co., Ltd. | 99,000 | 120,977 | 5.3 |
| | | 120,977 | 5.3 |
| Total Utilities | | 120,977 | 5.3 |

China Small Companies Fund

31 March 2014

Schedule of Investments (Audited) (continued)

COMMON EQUITIES: CHINA/HONG KONG (continued)

| | Shares | Value | % of Net Assets |
|--|--------|---------------|-----------------|
| MATERIALS: 2.0% | | | |
| Containers & Packaging: 1.3% | | | |
| Greatview Aseptic Packaging Co., Ltd. | 57,000 | 30,269 | 1.3 |
| | | 30,269 | 1.3 |
| Chemicals: 0.7% | | | |
| Yip's Chemical Holdings, Ltd. | 24,000 | 16,581 | 0.7 |
| | | 16,581 | 0.7 |
| Total Materials | | 46,850 | 2.0 |
| ENERGY: 1.2% | | | |
| Energy Equipment & Services: 1.2% | | | |
| Hilong Holding, Ltd. | 53,000 | 29,106 | 1.2 |
| | | 29,106 | 1.2 |
| Total Energy | | 29,106 | 1.2 |
| TOTAL COMMON EQUITIES: CHINA/HONG KONG: 1,887,555 | | | |
| (Cost: \$1,471,216) | | | |

COMMON EQUITIES: TAIWAN: 12.9%

| | | | |
|---|--------|----------------|------------|
| HEALTH CARE: 6.3% | | | |
| Health Care Equipment & Supplies: 6.3% | | | |
| Ginko International Co., Ltd. | 6,000 | 103,425 | 4.5 |
| St. Shine Optical Co., Ltd. | 1,000 | 22,294 | 1.0 |
| Pacific Hospital Supply Co., Ltd. | 7,000 | 18,656 | 0.8 |
| | | 144,375 | 6.3 |
| Total Health Care | | 144,375 | 6.3 |
| INDUSTRIALS: 4.4% | | | |
| Machinery: 3.4% | | | |
| Yungtay Engineering Co., Ltd. | 27,000 | 77,480 | 3.4 |
| | | 77,480 | 3.4 |
| Professional Services: 1.0% | | | |
| Sporton International, Inc. | 5,000 | 23,964 | 1.0 |
| | | 23,964 | 1.0 |
| Total Industrials | | 101,444 | 4.4 |
| FINANCIALS: 2.2% | | | |
| Diversified Financial Services: 2.2% | | | |
| Chailease Holding Co., Ltd. | 20,200 | 48,475 | 2.2 |
| | | 48,475 | 2.2 |
| Total Financials | | 48,475 | 2.2 |

| | |
|--|------------------|
| TOTAL COMMON EQUITIES: TAIWAN | 294,294 |
| (Cost: \$266,465) | |
| TOTAL COMMON EQUITIES | 2,181,849 |
| TOTAL INVESTMENTS: 95.3% | |
| 2,181,849 | |
| (Cost: \$1,737,681) | |
| CASH AND OTHER ASSETS, LESS LIABILITIES: 4.7% | 107,537 |
| NET ASSETS: 100.0% | 2,289,386 |

ADR: American Depositary Receipt

B Shares: Mainland Chinese companies listed on the Shanghai and Shenzhen stock exchanges, available to both Chinese and non-Chinese investors

H Shares: Mainland Chinese companies listed on the Hong Kong exchange but incorporated in mainland China

S Shares: Mainland Chinese companies listed on the Singapore stock exchange but incorporated in mainland China.

The accompanying notes form an integral part of these financial statements.

Statement of Assets and Liabilities

As at 31 March 2014

| | Asia Dividend Fund (USD) | Pacific Tiger Fund (USD) | China Fund (USD) | India Fund (USD) |
|--|-----------------------------|-----------------------------|---------------------|---------------------|
| ASSETS | | | | |
| Investment in securities at value (note 2C) | 705,541,721 | 201,894,731 | 32,592,674 | 14,487,876 |
| At cost | 680,446,300 | 192,662,446 | 31,461,866 | 13,378,656 |
| Cash and cash equivalent at bank | 13,814,377 | 11,279,690 | 868,486 | 204,790 |
| Amount receivable on sales of investments | 2,791,950 | 223,179 | – | 778,079 |
| Interests and dividends receivable | 3,928,424 | 111,163 | 27,272 | – |
| Subscriptions receivable | 1,495,880 | 37,955,574 | – | 5,868 |
| Formation expenses (note 2I) | 8,495 | 8,495 | 7,202 | 17,680 |
| Prepaid expenses and other receivables | 365,104 | 56,122 | 44,859 | 41,220 |
| TOTAL ASSETS | 727,945,951 | 251,528,954 | 33,540,493 | 15,535,513 |
| LIABILITIES | | | | |
| Amounts payable on purchases of investments | 858,611 | 27,587,204 | – | – |
| Redemptions payable | 2,318,555 | 5,170,117 | – | 6,975 |
| Management fees and administration fees (note 4) | 561,170 | 114,243 | 21,627 | 7,659 |
| Payable for foreign taxes (note 7B) | – | 513,437 | – | 93,255 |
| Accrued expenses and other payables | 560,436 | 182,739 | 82,454 | 84,046 |
| TOTAL LIABILITIES | 4,298,772 | 33,567,740 | 104,081 | 191,935 |
| TOTAL NET ASSETS | 723,647,179 | 217,961,214 | 33,436,412 | 15,343,578 |

The accompanying notes form an integral part of these financial statements.

Statement of Assets and Liabilities *(Continued)*

As at 31 March 2014

| | Asia Small Companies Fund* (USD) | China Small Companies Fund (USD) | China Dividend Fund (USD) | Combined (USD) |
|--|--|--|------------------------------|----------------------|
| ASSETS | | | | |
| Investment in securities at value (note 2C) | 1,840,837 | 2,181,849 | 15,081,195 | 973,620,883 |
| At cost | 1,756,484 | 1,737,681 | 14,650,062 | 936,093,495 |
| Cash and cash equivalent at bank | 18,041 | 102,497 | 228,154 | 26,516,035 |
| Amount receivable on sales of investments | 71 | 80 | 73,263 | 3,866,622 |
| Interests and dividends receivable | 1,552 | – | 12,882 | 4,081,293 |
| Subscriptions receivable | 24,819 | 24,811 | – | 39,506,952 |
| Formation expenses (note 2I) | – | – | – | 41,872 |
| Prepaid expenses and other receivables | 65,712 | 37,803 | 52,574 | 663,394 |
| TOTAL ASSETS | 1,951,032 | 2,347,040 | 15,448,068 | 1,048,297,051 |
| LIABILITIES | | | | |
| Amounts payable on purchases of investments | 14,094 | 35,450 | – | 28,495,359 |
| Redemptions payable | – | – | 97,049 | 7,592,696 |
| Management fees and administration fees (note 4) | 1,873 | 2,513 | 12,899 | 721,984 |
| Payable for foreign taxes (note 7B) | 11,027 | – | – | 617,719 |
| Accrued expenses and other payables | 22,616 | 19,691 | 31,786 | 983,768 |
| TOTAL LIABILITIES | 49,610 | 57,654 | 141,734 | 38,411,526 |
| TOTAL NET ASSETS | 1,901,422 | 2,289,386 | 15,306,334 | 1,009,885,525 |

* For the period from 30 April 2013 (date of launch) to 31 March 2014.

The accompanying notes form an integral part of these financial statements.

Statement of Operations and Changes in Net Assets

For the year/period ended 31 March 2014

| | Asia Dividend Fund (USD) | Pacific Tiger Fund (USD) | China Fund (USD) | India Fund (USD) |
|---|-----------------------------|-----------------------------|---------------------|---------------------|
| NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD | 435,670,083 | 12,211,274 | 34,560,395 | 13,663,700 |
| INCOME | | | | |
| Dividends income, net (foreign tax withholding) | 21,077,467 | 470,032 | 754,215 | 200,649 |
| Interest income, net | 1,386 | 169 | 89 | 1,172 |
| TOTAL INCOME | 21,078,853 | 470,201 | 754,304 | 201,821 |
| EXPENSES | | | | |
| Overdraft interest on bank accounts | 956 | 678 | 54 | 1,641 |
| Management fees and administration fees (note 4) | 8,528,226 | 529,408 | 347,697 | 113,888 |
| Domiciliation, Administration and Transfer agency fees | 301,673 | 71,397 | 68,278 | 62,503 |
| Professional fees | 100,994 | 17,144 | 18,617 | 12,823 |
| Printing fees | 219,358 | 2,486 | 3,958 | 4,714 |
| Custodian fees | 221,695 | 21,480 | 20,839 | 20,828 |
| Amortization of formation expenses (note 2I) | 7,934 | 7,934 | 7,934 | 7,934 |
| Taxe d'abonnement (note 7A) | 165,426 | 6,082 | 3,607 | 1,195 |
| Transaction costs (note 8) | 1,146,971 | 408,871 | 20,750 | 65,168 |
| Other fees | 286,472 | 32,220 | 45,046 | 25,248 |
| TOTAL EXPENSES | 10,979,705 | 1,097,700 | 536,780 | 315,942 |
| Fee waiver (note 2H) | 232,461 | (63,871) | (2,043) | 88,228 |
| NET INVESTMENT INCOME/(LOSS) | 10,331,609 | (691,370) | 215,481 | (25,893) |
| Net realised gain/(loss) on investments | 4,612,999 | 819,360 | (470,819) | (1,133,430) |
| Net realised gain/(loss) on foreign exchanges | (379,332) | (138,320) | (964) | (46,696) |
| Net realised gain/(loss) for the year/period | 4,233,667 | 681,040 | (471,783) | (1,180,126) |
| Net change in unrealised gain/(loss) on investments | (16,620,528) | 8,089,969 | (4,338) | 1,654,820 |
| Net change in unrealised gain/(loss) on foreign tax provision (note 7B) | – | (510,638) | – | (79,538) |
| Net change in unrealised gain/(loss) on foreign exchanges | 5,806 | (6,264) | 21 | 4,628 |
| Net change in unrealised gain/(loss) for the year/period | (16,614,722) | 7,573,067 | (4,317) | 1,579,910 |
| Increase/(decrease) in net assets as a result of operations | (2,049,446) | 7,562,737 | (260,619) | 373,891 |
| Subscriptions | 651,808,483 | 206,691,033 | 1,385,478 | 8,502,000 |
| Redemptions | (359,714,327) | (8,503,830) | (2,248,842) | (7,196,013) |
| Dividend distributions (note 10) | (2,067,614) | – | – | – |
| NET ASSETS AT THE END OF THE YEAR/PERIOD | 723,647,179 | 217,961,214 | 33,436,412 | 15,343,578 |

The accompanying notes form an integral part of these financial statements.

Statement of Operations and Changes in Net Assets *(Continued)*

For the year/period ended 31 March 2014

| | Asia Small Companies Fund* (USD) | China Small Companies Fund (USD) | China Dividend Fund (USD) | Combined (USD) |
|---|--|--|------------------------------|----------------------|
| NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD | – | 1,187,192 | 22,064,469 | 519,357,113 |
| INCOME | | | | |
| Dividends income, net (foreign tax withholding) | 20,153 | 26,641 | 746,447 | 23,295,604 |
| Interest income, net | – | – | 36 | 2,852 |
| TOTAL INCOME | 20,153 | 26,641 | 746,483 | 23,298,456 |
| EXPENSES | | | | |
| Overdraft interest on bank accounts | 41 | 4 | – | 3,374 |
| Management fees and administration fees (note 4) | 16,274 | 24,830 | 239,126 | 9,799,449 |
| Domiciliation, Administration and Transfer agency fees | 31,544 | 52,324 | 57,553 | 645,272 |
| Professional fees | 10,337 | 19,777 | 30,878 | 210,570 |
| Printing fees | 46 | 641 | 628 | 231,831 |
| Custodian fees | 9,053 | 20,822 | 18,661 | 333,378 |
| Amortization of formation expenses (note 2I) | – | – | – | 31,736 |
| Taxe d'abonnement (note 7A) | 324 | 538 | 2,717 | 179,889 |
| Transaction costs (note 8) | 13,204 | 8,491 | 86,975 | 1,750,430 |
| Other fees | 19,157 | 15,467 | 19,118 | 442,728 |
| TOTAL EXPENSES | 99,980 | 142,894 | 455,656 | 13,628,657 |
| Fee waiver (note 2H) | 73,872 | 107,459 | 34,602 | 470,708 |
| NET INVESTMENT INCOME/(LOSS) | (5,955) | (8,794) | 325,429 | 10,140,507 |
| Net realised gain/(loss) on investments | 34,947 | (1,168) | 421,488 | 4,283,377 |
| Net realised gain/(loss) on foreign exchanges | (2,872) | (465) | (5,250) | (573,899) |
| Net realised gain/(loss) for the year/period | 32,075 | (1,633) | 416,238 | 3,709,478 |
| Net change in unrealised gain/(loss) on investments | 84,353 | 294,113 | 547,703 | (5,953,908) |
| Net change in unrealised gain/(loss) on foreign tax provision (note 7B) | (11,027) | – | – | (601,203) |
| Net change in unrealised gain/(loss) on foreign exchanges | 35 | – | (3) | 4,223 |
| Net change in unrealised gain/(loss) for the year/period | 73,361 | 294,113 | 547,700 | (6,550,888) |
| Increase/(decrease) in net assets as a result of operations | 99,481 | 283,686 | 1,289,367 | 7,299,097 |
| Subscriptions | 1,825,458 | 1,230,827 | 7,921,162 | 879,364,441 |
| Redemptions | (23,517) | (412,319) | (15,944,800) | (394,043,648) |
| Dividend distributions (note 10) | – | – | (23,864) | (2,091,478) |
| NET ASSETS AT THE END OF THE YEAR/PERIOD | 1,901,422 | 2,289,386 | 15,306,334 | 1,009,885,525 |

* For the period from 30 April 2013 (date of launch) to 31 March 2014.

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Number of Shares

For the year/period ended 31 March 2014

| | I Acc (USD) | I Dist (USD) | A Acc (USD) | A Dist (USD) | C Acc (USD) | I Acc (GBP) | I Dist (GBP) | A Acc (GBP) | A Dist (GBP) |
|---|----------------|-----------------|----------------|-----------------|----------------|----------------|-----------------|----------------|-----------------|
| ASIA DIVIDEND FUND | | | | | | | | | |
| Shares outstanding at the beginning of the year | 10,846,388 | 2,513,627 | 8,987,379 | 2,093,032 | 8,004,916 | 232,015 | 720,101 | 20,498 | 136,438 |
| Shares subscribed | 26,820,368 | 4,912,184 | 13,579,742 | 1,281,319 | – | 48,744 | 1,618,777 | 76,627 | 140,966 |
| Shares redeemed | 15,515,514 | 1,634,451 | 6,827,864 | 1,740,591 | – | 115,170 | 1,152,592 | 5,905 | 14,602 |
| Shares outstanding at the end of the year | 22,151,242 | 5,791,360 | 15,739,257 | 1,633,760 | 8,004,916 | 165,589 | 1,186,286 | 91,220 | 262,802 |
| PACIFIC TIGER FUND | | | | | | | | | |
| Shares outstanding at the beginning of the year | 880,854 | n.a. | 94,025 | n.a. | n.a. | 215 | n.a. | 3,183 | n.a. |
| Shares subscribed | 14,289,359 | n.a. | 364,944 | n.a. | n.a. | 1,269,373 | n.a. | 5,735 | n.a. |
| Shares redeemed | 614,664 | n.a. | 23,224 | n.a. | n.a. | 22,354 | n.a. | 2,097 | n.a. |
| Shares outstanding at the end of the year | 14,555,549 | n.a. | 435,745 | n.a. | n.a. | 1,247,234 | n.a. | 6,821 | n.a. |
| CHINA FUND | | | | | | | | | |
| Shares outstanding at the beginning of the year | 3,221,673 | n.a. | 25,071 | n.a. | n.a. | 215 | n.a. | 1,968 | n.a. |
| Shares subscribed | 84,367 | n.a. | 32,231 | n.a. | n.a. | 488 | n.a. | 2,575 | n.a. |
| Shares redeemed | 210,696 | n.a. | 126 | n.a. | n.a. | – | n.a. | 2,898 | n.a. |
| Shares outstanding at the end of the year | 3,095,344 | n.a. | 57,176 | n.a. | n.a. | 703 | n.a. | 1,645 | n.a. |
| INDIA FUND | | | | | | | | | |
| Shares outstanding at the beginning of the year | 1,564,937 | n.a. | 1,000 | n.a. | n.a. | 622 | n.a. | 2,556 | n.a. |
| Shares subscribed | 871,507 | n.a. | 50,545 | n.a. | n.a. | 267 | n.a. | 36,791 | n.a. |
| Shares redeemed | 839,234 | n.a. | 42,408 | n.a. | n.a. | 40 | n.a. | 6,693 | n.a. |
| Shares outstanding at the end of the year | 1,597,210 | n.a. | 9,137 | n.a. | n.a. | 849 | n.a. | 32,654 | n.a. |
| ASIA SMALL COMPANIES FUND* | | | | | | | | | |
| Shares outstanding at the beginning of the period | – | n.a. | – | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Shares subscribed | 93,769 | n.a. | 88,021 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Shares redeemed | – | n.a. | 2,338 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Shares outstanding at the end of the period | 93,769 | n.a. | 85,683 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| CHINA SMALL COMPANIES FUND | | | | | | | | | |
| Shares outstanding at the beginning of the year | 50,000 | n.a. | 65,115 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Shares subscribed | 27,171 | n.a. | 72,769 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Shares redeemed | – | n.a. | 33,281 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Shares outstanding at the end of the year | 77,171 | n.a. | 104,603 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| CHINA DIVIDEND FUND | | | | | | | | | |
| Shares outstanding at the beginning of the year | 2,149,161 | 25,000 | 39,564 | 34,618 | n.a. | n.a. | n.a. | n.a. | n.a. |
| Shares subscribed | 500,202 | 234,604 | 23,007 | 15,730 | n.a. | n.a. | n.a. | n.a. | n.a. |
| Shares redeemed | 1,519,829 | 15,580 | 1,119 | 9,634 | n.a. | n.a. | n.a. | n.a. | n.a. |
| Shares outstanding at the end of the year | 1,129,534 | 244,024 | 61,452 | 40,714 | n.a. | n.a. | n.a. | n.a. | n.a. |

* For the period from 30 April 2013 (date of launch) to 31 March 2014.

The accompanying notes form an integral part of these financial statements.

Statement of NAV per Share and Net Asset Statistics

| | | | As at 31 March 2014 | | | As at 31 March 2013 | |
|----------------------------|-------------------|-----------------|---------------------|--------------------|-----------------|---------------------|--------------------|
| | Inception Dates | Net Assets | NAV per Share | Shares Outstanding | Net Assets | NAV per Share | Shares Outstanding |
| ASIA DIVIDEND FUND | | | | | | | |
| I Acc (USD) | 30 April 2010 | USD 292,541,034 | USD 13.21 | 22,151,242 | USD 141,057,180 | USD 13.00 | 10,846,388 |
| I Dist (USD) | 26 August 2010 | USD 72,133,495 | USD 12.46 | 5,791,360 | USD 31,407,246 | USD 12.49 | 2,513,627 |
| A Acc (USD) | 26 August 2010 | USD 203,976,154 | USD 12.96 | 15,739,257 | USD 115,335,104 | USD 12.83 | 8,987,379 |
| A Dist (USD) | 26 August 2010 | USD 20,329,738 | USD 12.44 | 1,633,760 | USD 26,142,354 | USD 12.49 | 2,093,032 |
| C Acc (USD) | 20 September 2010 | USD 102,528,181 | USD 12.81 | 8,004,916 | USD 100,744,165 | USD 12.59 | 8,004,916 |
| I Acc (GBP) | 28 February 2011 | GBP 1,976,015 | GBP 11.93 | 165,589 | GBP 2,998,605 | GBP 12.92 | 232,015 |
| I Dist (GBP) | 28 February 2011 | GBP 13,305,599 | GBP 11.22 | 1,186,286 | GBP 8,907,454 | GBP 12.37 | 720,101 |
| A Acc (GBP) | 28 February 2011 | GBP 1,070,956 | GBP 11.74 | 91,220 | GBP 262,186 | GBP 12.79 | 20,498 |
| A Dist (GBP) | 28 February 2011 | GBP 2,952,198 | GBP 11.23 | 262,802 | GBP 1,692,208 | GBP 12.40 | 136,438 |
| PACIFIC TIGER FUND | | | | | | | |
| I Acc (USD) | 30 April 2010 | USD 188,211,877 | USD 12.93 | 14,555,549 | USD 11,029,555 | USD 12.52 | 880,854 |
| A Acc (USD) | 26 August 2010 | USD 5,324,752 | USD 12.22 | 435,745 | USD 1,118,208 | USD 11.89 | 94,025 |
| I Acc (GBP) | 28 February 2011 | GBP 14,592,549 | GBP 11.70 | 1,247,234 | GBP 2,682 | GBP 12.45 | 215 |
| A Acc (GBP) | 28 February 2011 | GBP 78,634 | GBP 11.53 | 6,821 | GBP 39,268 | GBP 12.34 | 3,183 |
| CHINA FUND | | | | | | | |
| I Acc (USD) | 26 February 2010 | USD 32,841,016 | USD 10.61 | 3,095,344 | USD 34,279,946 | USD 10.64 | 3,221,673 |
| A Acc (USD) | 26 August 2010 | USD 560,082 | USD 9.80 | 57,176 | USD 247,486 | USD 9.87 | 25,071 |
| I Acc (GBP) | 28 February 2011 | GBP 6,421 | GBP 9.13 | 703 | GBP 2,168 | GBP 10.07 | 215 |
| A Acc (GBP) | 28 February 2011 | GBP 14,791 | GBP 8.99 | 1,645 | GBP 19,604 | GBP 9.96 | 1,968 |
| INDIA FUND | | | | | | | |
| I Acc (USD) | 30 June 2011 | USD 14,770,705 | USD 9.25 | 1,597,210 | USD 13,611,132 | USD 8.70 | 1,564,937 |
| A Acc (USD) | 30 June 2011 | USD 83,336 | USD 9.12 | 9,137 | USD 8,617 | USD 8.62 | 1,000 |
| I Acc (GBP) | 30 June 2011 | GBP 7,551 | GBP 8.90 | 849 | GBP 5,722 | GBP 9.20 | 622 |
| A Acc (GBP) | 30 June 2011 | GBP 286,500 | GBP 8.77 | 32,654 | GBP 23,308 | GBP 9.12 | 2,556 |
| ASIA SMALL COMPANIES FUND* | | | | | | | |
| I Acc (USD) | 30 April 2013 | USD 995,763 | USD 10.62 | 93,769 | n.a. | n.a. | n.a. |
| A Acc (USD) | 30 April 2013 | USD 905,659 | USD 10.57 | 85,683 | n.a. | n.a. | n.a. |
| CHINA SMALL COMPANIES FUND | | | | | | | |
| I Acc (USD) | 29 February 2012 | USD 977,747 | USD 12.67 | 77,171 | USD 517,224 | USD 10.34 | 50,000 |
| A Acc (USD) | 29 February 2012 | USD 1,311,639 | USD 12.54 | 104,603 | USD 669,967 | USD 10.29 | 65,115 |
| CHINA DIVIDEND FUND | | | | | | | |
| I Acc (USD) | 31 January 2013 | USD 11,741,762 | USD 10.40 | 1,129,534 | USD 21,091,779 | USD 9.81 | 2,149,161 |
| I Dist (USD) | 31 January 2013 | USD 2,514,536 | USD 10.30 | 244,024 | USD 245,320 | USD 9.81 | 25,000 |
| A Acc (USD) | 31 January 2013 | USD 635,031 | USD 10.33 | 61,452 | USD 387,906 | USD 9.80 | 39,564 |
| A Dist (USD) | 31 January 2013 | USD 415,005 | USD 10.19 | 40,714 | USD 339,463 | USD 9.81 | 34,618 |

* For the period from 30 April 2013 (date of launch) to 31 March 2014.

The accompanying notes form an integral part of these financial statements.

Notes to Financial Statements

As at 31 March 2014

1. GENERAL

MATTHEWS ASIA FUNDS (the “Fund”) is a self-managed investment company organised under the laws of the Grand Duchy of Luxembourg as a “société d’investissement à capital variable” (SICAV) and is authorised under Part I of the amended Luxembourg Law of 17 December 2010 relating to collective investment undertakings, as amended. The Fund was incorporated on 5 February 2010.

The Fund’s articles of incorporation have been deposited with the Luxembourg Registre du Commerce et des Sociétés and were published in the *Mémorial C, Recueil des Sociétés et Associations* (the “Mémorial”) on 25 February 2010 and the last update was published on 12 May 2014.

The Fund has been registered under number B-151275 with the Luxembourg Trade and Companies Register.

The objective of the Fund is to achieve long-term capital appreciation through diversification of investments. Each Sub-Fund will have a specific investment objective.

At the end of the financial year, seven Sub-Funds were available for investments.

The Fund offers the following Classes of Shares:

| SHARE CLASS | Asia Dividend Fund | Pacific Tiger Fund | China Fund | India Fund | Asia Small Companies Fund | China Small Companies Fund | China Dividend Fund |
|--------------|--------------------|--------------------|------------|------------|---------------------------|----------------------------|---------------------|
| I Acc (USD) | x | x | x | x | x | x | x |
| I Dist (USD) | x | | | | | | x |
| A Acc (USD) | x | x | x | x | x | x | x |
| C Acc (USD) | x | | | | | | |
| A Dist (USD) | x | | | | | | x |
| I Acc (GBP) | x | x | x | x | | | |
| I Dist (GBP) | x | | | | | | |
| A Acc (GBP) | x | x | x | x | | | |
| A Dist (GBP) | x | | | | | | |

The Fund may offer both accumulation (“Acc”) and distribution Shares (“Dist”), but in relation to Shares referenced as “Acc” Shares, no distributions will be made and all interests and other income earned by the Sub-Fund will be reflected in the Net Asset Value of such Shares. In relation to Shares referenced as “Dist” Shares, it is the intention of the Board of Directors to periodically distribute substantially all the net income earned on investment. All classes belonging to the same Sub-Fund will be commonly invested in adherence with the specific investment objective of the relevant Sub-Fund but may differ with regard to fee structure, minimum subscription amount, dividend policy or other particular features described in the Fund’s prospectus.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) PRESENTATION OF FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Luxembourg regulations relating to Undertakings for Collective Investment and generally accepted accounting principles.

B) COMBINED FINANCIAL STATEMENTS

The Combined Statement of Assets and Liabilities and Combined Statements of Operations and Changes in Net Assets are expressed in USD.

C) VALUATION OF THE INVESTMENTS IN SECURITIES AND MONEY MARKET INSTRUMENTS

The Fund’s equity securities are valued based on market quotations or at fair value as determined in good faith by or under the direction of the Board of Directors (the “Board”) when no market quotations are available or when market quotations have become unreliable.

Market values for equity securities are determined based on the last sale price on the principal (or most advantageous) market on which the security is traded. If a reliable last sale price is not available, market values for equity securities are determined using the mean between the last available bid and asked price. Securities are valued through valuations obtained from a commercial pricing service or at the most recent mean of the bid and asked prices provided by investment dealers in accordance with the Fund’s Pricing Policies.

Notes to Financial Statements *(Continued)*

As at 31 March 2014

Events affecting the value of foreign investments may occur between the time at which they are determined and the Fund's valuation point of 2:00 p.m. Luxembourg. When such events occur, the Fund may fair value its securities if the impact of such events can be reasonably determined. Notwithstanding the foregoing, the Fund may determine not to fair value securities where it believes that the impact of doing so would not have a material impact on the calculation of a Fund's NAV on that day.

The Board has delegated the responsibility of making fair value determinations to the Investment Manager's Valuation Committee (the "Valuation Committee"), subject to the Fund's Pricing Policies. The Fund has retained third-party pricing services that may be utilized by the Valuation Committee under circumstances described in the Pricing Policies to provide fair value prices for certain securities held by the Fund. When fair value pricing is used, the prices of securities used by a Sub-Fund to calculate its NAV differ from quoted or published prices for the same securities for that day. All fair value determinations are made subject to the Board's oversight.

D) NET REALISED AND UNREALISED GAIN/(LOSS) ON SALES OF INVESTMENTS

Realised and unrealised gains or losses on sales of investments are calculated on the basis of first in first out cost method of the investments sold.

E) CONVERSION OF FOREIGN CURRENCIES

The books and records of the Fund are maintained in USD.

Transactions denominated in foreign currencies are recorded at the current prevailing exchange rates. All assets and liabilities denominated in foreign currencies are translated into USD at the current exchange rate.

Translation gains or losses resulting from changes in the exchange rate during the reporting year and realised gains and losses on the settlement of foreign currency transactions are reported in the results of operations for the current year.

The Fund does not isolate that portion of gains and losses on investments in equity securities that are due to changes in the foreign exchange rate from those that are due to changes in market prices of equity securities.

The accounting records and the financial statements of each Sub-Fund are expressed in the currency indicated below:

| | CURRENCY |
|----------------------------|----------|
| Asia Dividend Fund | USD |
| Pacific Tiger Fund | USD |
| China Fund | USD |
| India Fund | USD |
| Asia Small Companies Fund | USD |
| China Small Companies Fund | USD |
| China Dividend Fund | USD |

Bank accounts, other net assets and market value of the investments in securities expressed in currencies other than the currency of a Sub-Fund are converted at the exchange rates prevailing on the date of the Statement of Assets and Liabilities. Income and expenses in currencies other than the currency of a Sub-Fund are converted at the rate of exchange prevailing at payment date.

Net realised and unrealised gains and losses on foreign exchange transactions represent: (i) foreign exchange gains and losses from the sale and holding of foreign currencies; (ii) gains and losses between trade date and settlement date on securities transactions and (iii) gains and losses arising from the difference between amounts of dividends and interest recorded and the amounts actually received.

F) COST OF INVESTMENTS IN SECURITIES

Cost of investments in securities in currencies other than the currency of a Sub-Fund is converted into the Sub-Fund's currency at the exchange rate applicable at purchase date.

G) INCOME

Interest income is accrued on a daily basis and may include the amortisation of premiums and accretions of discounts. Bank and time deposits interest income is recognised on an accrual basis.

Dividends are credited to income on the date upon which the relevant securities are first listed as 'ex dividend' provided that the amount of a dividend is known with reasonable certainty. This income is shown net of any withholding taxes, except where the withholding tax has been received or is receivable.

Notes to Financial Statements *(Continued)*

As at 31 March 2014

H) FEE WAIVER

The Advisor may, for such time as it considers appropriate, choose to waive all or part of the fees that it is entitled to receive, as well as other Fund expenses, in order to reduce the impact such fees and expenses may have on the performance of the Share Class. The Advisor will reimburse on a monthly basis the amount of the fee waiver to the respective Sub-Fund. Fees that have been previously reimbursed may be recovered by the advisor.

The amount of such fee waiver is separately disclosed as a "Fee Waiver" in the Statements of Operations and Changes in Net Assets.

I) FORMATION EXPENSES

The cost of establishing the Fund amounted to USD 157,391. The establishment costs are amortised on a straight line basis over five years from the date of which the Fund commenced business.

J) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

3. EXCHANGE RATES

The exchange rates used in the financial statements as at 31 March 2014 are:

| | | | | | |
|-------------------------|--------|-------------------------|---------|-------------------------|--------|
| Australian Dollar (AUD) | 1.0835 | Indian Rupee (INR) | 59.905 | Singapore Dollar (SGD) | 1.2594 |
| Swiss Franc (CHF) | 0.8840 | Japanese Yen (JPY) | 103.22 | Thai Bhat (THB) | 32.420 |
| British Pound (GBP) | 0.6007 | South Korean Won (KRW) | 1,065.3 | Taiwan New Dollar (TWD) | 30.457 |
| Hongkong Dollar (HKD) | 7.7584 | Malaysian Ringgit (MYR) | 3.2645 | Vietnamese Dong (VND)* | 21,085 |
| Indian Rupee (INR) | 59.905 | Philippine Peso (PHP) | 44.780 | | |

*Please refer to note 2E.

4. MANAGEMENT FEES AND ADMINISTRATION FEES

The Investment Advisor receives an amount corresponding to the Management Fee, which may be up to 1.50% per annum of the NAV of the Sub-Fund calculated (before deduction of accrued Management and Advisory Fees) on each Valuation Day. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears. These fees also represent the effective fees paid to the Advisor. The Investment Advisor will remunerate the Investment Manager out of this fee.

| | I Acc (USD) | I Dist (USD) | A Acc (USD) | A Dist (USD) | C Acc (USD) | I Acc (GBP) | I Dist (GBP) | A Acc (GBP) | A Dist (GBP) |
|----------------------------|----------------|-----------------|----------------|-----------------|----------------|----------------|-----------------|----------------|-----------------|
| Asia Dividend Fund | 0.75% | 0.75% | 1.25% | 1.25% | 0.75% | 0.75% | 0.75% | 1.25% | 1.25% |
| Pacific Tiger Fund | 0.75% | — | 1.25% | — | — | 0.75% | — | 1.25% | — |
| China Fund | 0.75% | — | 1.25% | — | — | 0.75% | — | 1.25% | — |
| India Fund | 0.75% | — | 1.25% | — | — | 0.75% | — | 1.25% | — |
| Asia Small Companies Fund | 1.00% | — | 1.50% | — | — | — | — | — | — |
| China Small Companies Fund | 1.00% | — | 1.50% | — | — | — | — | — | — |
| China Dividend Fund | 0.75% | 0.75% | 1.25% | 1.25% | — | — | — | — | — |

In addition, the Investment Advisor receives an Administration Fee, which may be up to 0.25% per annum of the NAV of the Sub-Fund calculated (before deduction of accrued Management and Advisory Fees) on each Valuation Day. Such fees and any and all properly incurred expenses are payable out of the assets of the Sub-Fund monthly in arrears. These fees also represent the effective fees paid to the Advisor. The Investment Advisor pays the Administration Fee to the Investment Manager.

| Sub-Fund | |
|----------------------------|-------|
| Asia Dividend Fund | 0.25% |
| Pacific Tiger Fund | 0.25% |
| China Fund | 0.25% |
| India Fund | 0.25% |
| Asia Small Companies Fund | 0.25% |
| China Small Companies Fund | 0.25% |
| China Dividend Fund | 0.25% |

Notes to Financial Statements *(Continued)*

As at 31 March 2014

5. CUSTODIAN AND CENTRAL ADMINISTRATION FEES

The Custodian and the Administrative Agent receive from the Fund aggregate fees that amount to a maximum of 2% per annum of the total net assets of each Sub-Fund. Transaction costs will be charged separately. The fees effectively charged to each Sub-Fund will be disclosed in the annual report of the Fund. The Custodian and Administration Agent fees are payable monthly in arrears.

6. DIRECTOR FEE

The three Directors who are employees of Matthews International Capital Management, LLC do not receive additional compensation in respect of their roles as Directors of the Fund.

The Director who is independent of Matthews International Capital Management, LLC is remunerated as a Conducting Officer, and not separately as a Director of the Fund. His remuneration as Conducting Officer totaled EUR 43,000 during the financial year to 31 March 2014.

7. TAXATION

A) TAXE D'ABONNEMENT

The subscription tax is payable quarterly and calculated on the total net assets of each Sub-Fund at the end of the relevant quarter at a rate of 0.05% per annum.

This rate is reduced to 0.01% (i) for Sub-Funds or individual classes of shares reserved to one or more institutional investors or (ii) funds or Sub-Funds having the exclusive object to invest in money market instruments as defined by the amended law of 17 December 2010 relating to undertakings of collective investment.

B) PROVISION FOR FOREIGN TAXES

The Sub-Funds may be subject to short-term capital gains tax in India on gains realised upon disposal of Indian securities held for a period of one year or less. The tax is computed on net realised gains; any realised losses in excess of gains may be carried forward for a period of up to eight years to offset future gains. Any net taxes payable must be remitted to the Indian government prior to repatriation of sales proceeds. The Sub-Funds that invest in Indian securities accrue a deferred tax liability for net unrealised short-term gains in excess of available carry forwards on Indian securities. This accrual may reduce a Sub-Fund's net asset value. As at 31 March 2014, the Matthews Asia Funds Pacific Tiger Fund has recorded a payable of USD 513,437, the Matthews Asia Funds India Fund a payable of USD 93,255 and the Matthews Asia Funds Asia Small companies Fund a payable of USD 11,027 as an estimate for potential future India capital gains taxes.

Those amounts have been recorded as a reduction of "Dividend Income, Net".

8. TRANSACTION COSTS

For the year ended 31 March 2014, the Fund incurred transaction costs which have been defined as brokerage fees and custody transaction fees relating to purchase or sale of transferable securities or other eligible assets as follows:

| Sub-Fund (USD) | Transaction costs | Custody transaction fees | Brokerage fees and commissions |
|----------------------------|-------------------|--------------------------|--------------------------------|
| Asia Dividend Fund | 1,146,971 | 73,531 | 1,073,440 |
| Pacific Tiger Fund | 408,871 | 36,457 | 372,414 |
| China Fund | 20,750 | 2,600 | 18,150 |
| India Fund | 65,168 | 9,538 | 55,630 |
| Asia Small Companies Fund | 13,204 | 8,844 | 4,360 |
| China Small Companies Fund | 8,491 | 5,939 | 2,552 |
| China Dividend Fund | 86,975 | 22,312 | 64,663 |

9. SOFT COMMISSION ARRANGEMENTS

The Investment Manager may effect transactions with or through the agency of another person with whom the Investment Manager or an entity affiliated to the Investment Manager has arrangements under which that person will, from time to time, provide to or procure for the Investment Manager and/or an affiliated party goods, services or other benefits such as research and advisory services, specialised computer hardware or software. No direct payment may be made for such goods or services but the Investment Manager may undertake to place business with that person provided that person has agreed to provide best execution with respect to such business and the services provided must be of a type which assist in the provision of investment services to the Fund. The total monetary value of these arrangements for the year ended 31 March 2014 are USD 136,983.

Notes to Financial Statements *(Continued)*

As at 31 March 2014

10. DIVIDENDS

The Fund intends to declare and distribute dividends representing substantially all of the investment income attributable to Distributing Shares. Dividends in respect of these Shares will normally be payable quarterly or semi-annually, will be declared in the currency of denomination of the relevant Fund and will be recorded on ex-date. Interim dividends in respect of the Distributing Shares of any particular Fund may be paid from the attributable net investment income and realised capital gains with a frequency and at such intervals as the Board of Directors may decide.

The following dividend payments were made during the twelve months ended 31 March 2014:

| Asia Dividend Fund | Currency | Ex-Date | Date of dividend payment | Dividend per Share | Dividend paid out of net distributable income for the month (%) | Dividend paid out of capital (%) |
|----------------------------|----------|----------|--------------------------|--------------------|---|----------------------------------|
| I Dist | USD | 6/19/13 | 6/26/13 | 0.103118 | 100% | 0% |
| I Dist | USD | 9/18/13 | 9/25/13 | 0.087778 | 100% | 0% |
| I Dist | USD | 12/11/13 | 12/18/13 | 0.005968 | 100% | 0% |
| I Dist | USD | 3/19/14 | 3/26/14 | 0.034220 | 100% | 0% |
| A Dist | USD | 6/19/13 | 6/26/13 | 0.078571 | 100% | 0% |
| A Dist | USD | 9/18/13 | 9/25/13 | 0.074034 | 100% | 0% |
| A Dist | USD | 3/19/14 | 3/26/14 | 0.016929 | 100% | 0% |
| I Dist GBP | GBP | 6/19/13 | 6/26/13 | 0.090032 | 100% | 0% |
| I Dist GBP | GBP | 9/18/13 | 9/25/13 | 0.092037 | 100% | 0% |
| I Dist GBP | GBP | 12/11/13 | 12/18/13 | 0.005383 | 100% | 0% |
| I Dist GBP | GBP | 3/19/14 | 3/26/14 | 0.028321 | 100% | 0% |
| A Dist GBP | GBP | 6/19/13 | 6/26/13 | 0.082513 | 100% | 0% |
| A Dist GBP | GBP | 9/18/13 | 9/25/13 | 0.066411 | 100% | 0% |
| A Dist GBP | GBP | 3/19/14 | 3/26/14 | 0.015627 | 100% | 0% |
| China Dividend Fund | | | | | | |
| I Dist | USD | 6/19/13 | 6/26/13 | 0.041924 | 100% | 0% |
| I Dist | USD | 12/11/13 | 12/18/13 | 0.043196 | 100% | 0% |
| A Dist | USD | 6/19/13 | 6/26/13 | 0.106094 | 100% | 0% |
| A Dist | USD | 12/11/13 | 12/18/13 | 0.032209 | 100% | 0% |

The Securities and Futures Commission of Hong Kong ("SFC") requires disclosure of the composition of dividends distributed by SFC authorized funds. This disclosure should include the amount of the distribution per share as well as the portion of the dividend paid out of capital on a rolling twelve-month period.

11. SWING PRICING

The Board of Directors of the Fund implemented a price adjustment policy in order to protect the interests of the Fund's Shareholders. The purpose of the price adjustment policy is to allocate the costs associated with large inflows and outflows to investors transacting that day, thereby protecting the long-term Shareholders from the worst effects of dilution. It achieves this purpose by adjusting the price at which deals in a Sub-Fund are transacted. In other words, Sub-Fund prices may be adjusted up or down depending on the level and type of investor transactions on a particular day. In this way the existing and remaining Shareholders do not suffer an inappropriate level of dilution. The Fund will only trigger an adjustment in the price when there are net flows. The adjustment will be based on the normal dealing costs for the particular assets in which a Sub-Fund is invested but will not exceed 2% of the price. Once an adjustment is made to the price, that price is the official price for that Sub-Fund for all deals that day.

As at year end, swing pricing was applied on the NAV per share of the following Sub-Funds: Pacific Tiger Fund, Asia Dividend Fund and India Fund.

Further Information

STATEMENT OF CHANGES IN PORTFOLIO

A copy of the changes in the securities portfolio for the year is available free of charge at the registered office of the Fund.

12. SUBSEQUENT EVENTS

The following significant changes were made after year end:

Fund launch

- On 30 May 2014 Asia Focus Fund commenced operations.

Performance and Expenses *(Unaudited)*

As at 31 March 2014

| | Average Annual Total Return ¹ | | | | | Inception Date | Portfolio Turnover ² | Total Expense Ratio ³ |
|---|--|--------|---------|---------|---------------------|----------------|---------------------------------|----------------------------------|
| | 3 Months | 1 year | 3 years | 5 years | Since Inception | | | |
| ASIA DIVIDEND FUND | | | | | | | | |
| I Acc (USD) | -2.21% | 1.53% | 6.72% | n.a. | 7.45% | 30 Apr 2010 | -48.21% | 1.17% |
| I Dist (USD) | -2.22% | 1.53% | 6.75% | n.a. | 8.12% | 26 Aug 2010 | -48.21% | 1.18% |
| A Acc (USD) | -2.33% | 1.01% | 6.24% | n.a. | 7.59% | 26 Aug 2010 | -48.21% | 1.71% |
| A Dist (USD) | -2.36% | 1.03% | 6.23% | n.a. | 7.59% | 26 Aug 2010 | -48.21% | 1.70% |
| C Acc (USD) | -2.13% | 1.74% | 7.24% | n.a. | 7.37% | 20 Sept 2010 | -48.21% | 0.95% |
| I Acc (GBP) | -2.84% | -7.63% | 5.58% | n.a. | 6.03% | 28 Feb 2011 | -48.21% | 1.17% |
| I Dist (GBP) | -2.85% | -7.60% | 5.58% | n.a. | 6.02% | 28 Feb 2011 | -48.21% | 1.17% |
| A Acc (GBP) | -3.05% | -8.26% | 5.02% | n.a. | 5.45% | 28 Feb 2011 | -48.21% | 1.77% |
| A Dist (GBP) | -3.04% | -8.22% | 5.03% | n.a. | 5.47% | 28 Feb 2011 | -48.21% | 1.72% |
| MSCI AC Asia Pacific Index (USD) | -1.64% | 4.58% | 3.42% | n.a. | 5.27% ⁴ | | | |
| PACIFIC TIGER FUND | | | | | | | | |
| I Acc (USD) | 1.88% | 3.67% | 4.30% | n.a. | 6.88% | 30 Apr 2010 | -57.39% | 1.50% |
| A Acc (USD) | 1.66% | 3.11% | 3.74% | n.a. | 5.83% | 26 Aug 2010 | -57.39% | 2.00% |
| I Acc (GBP) | 1.12% | -5.78% | 3.08% | n.a. | 5.34% | 28 Feb 2011 | -57.39% | 1.50% |
| A Acc (GBP) | 1.05% | -6.24% | 2.61% | n.a. | 4.84% | 28 Feb 2011 | -57.39% | 2.00% |
| MSCI AC Asia ex Japan Index (USD) | -0.68% | 3.07% | 1.05% | n.a. | 5.00% ⁴ | | | |
| CHINA FUND | | | | | | | | |
| I Acc (USD) | -8.06% | -0.28% | -2.79% | n.a. | 1.46% | 26 Feb 2010 | 10.48% | 1.50% |
| A Acc (USD) | -8.15% | -0.71% | -3.25% | n.a. | -0.56% | 26 Aug 2010 | 10.48% | 2.00% |
| I Acc (GBP) | -8.79% | -9.33% | -3.88% | n.a. | -2.91% | 28 Feb 2011 | 10.48% | 1.48% |
| A Acc (GBP) | -8.92% | -9.74% | -4.37% | n.a. | -3.39% | 28 Feb 2011 | 10.48% | 2.00% |
| MSCI China Index (USD) | -5.87% | 2.52% | -1.44% | n.a. | 2.49% ⁴ | | | |
| INDIA FUND | | | | | | | | |
| I Acc (USD) | 11.81% | 6.67% | n.a. | n.a. | -2.68% | 30 June 2011 | 17.41% | 1.50% |
| A Acc (USD) | 11.59% | 6.15% | n.a. | n.a. | -3.17% | 30 June 2011 | 17.41% | 2.00% |
| I Acc (GBP) | 11.07% | -2.93% | n.a. | n.a. | -4.03% | 30 June 2011 | 17.41% | 1.50% |
| A Acc (GBP) | 10.83% | -3.51% | n.a. | n.a. | -4.54% | 30 June 2011 | 17.41% | 2.00% |
| S&P BSE 100 Index (USD) | 9.83% | 9.31% | n.a. | n.a. | -3.17% ⁴ | | | |
| ASIA SMALL COMPANIES FUND | | | | | | | | |
| I Acc (USD) | 3.81% | n.a. | n.a. | n.a. | 6.20% | 30 Apr 2013 | 53.03% | 1.75% |
| A Acc (USD) | 3.63% | n.a. | n.a. | n.a. | 5.70% | 30 Apr 2013 | 53.03% | 2.25% |
| MSCI AC Asia ex Japan Small Cap Index (USD) | 3.16% | n.a. | n.a. | n.a. | 1.69% ⁴ | | | |
| CHINA SMALL COMPANIES FUND | | | | | | | | |
| I Acc (USD) | -1.09% | 22.53% | n.a. | n.a. | 12.02% | 29 Feb 2012 | -11.49% | 1.75% |
| A Acc (USD) | -1.18% | 21.87% | n.a. | n.a. | 11.47% | 29 Feb 2012 | -11.49% | 2.25% |
| MSCI China Small Cap Index (USD) | -0.16% | 12.01% | n.a. | n.a. | 9.53% ⁴ | | | |
| CHINA DIVIDEND FUND | | | | | | | | |
| I Acc (USD) | -4.24% | 6.01% | n.a. | n.a. | 3.43% | 31 Jan 2013 | 17.04% | 1.50% |
| I Dist (USD) | -4.28% | 5.87% | n.a. | n.a. | 3.31% | 31 Jan 2013 | 17.04% | 1.50% |
| A Acc (USD) | -4.44% | 5.41% | n.a. | n.a. | 2.83% | 31 Jan 2013 | 17.04% | 2.00% |
| A Dist (USD) | -4.41% | 5.32% | n.a. | n.a. | 2.85% | 31 Jan 2013 | 17.04% | 2.00% |
| MSCI China Index (USD) | -5.87% | 2.52% | n.a. | n.a. | -5.20% ⁴ | | | |

1 Annualised performance for periods of at least one year, otherwise cumulative and performance is based on swung net asset value per share, see note 11.

2 The Portfolio Turnover is calculated in accordance with the CSSF Circular 03/122 i.e. the aggregated sales and purchases less aggregated subscriptions and redemptions, divided by average net assets. The portfolio turnover ratio may be negative as a result of shareholder transactions exceeding the investment transactions for the accounting period.

3 The Total Expense Ratio include such fees as the Management and Administration fee, Domiciliation, Administration and Transfer agency fees, Professional fees, Printing fees, Custodian fee, Taxe d'abonnement, Transaction costs and Other expenses including Waiver fee. The total expense ratio is annualised for periods of less than 12 months.

4 Based on the Inception Date of the I Acc (USD) Share Class.

Disclosures and Index Definitions *(Unaudited)*

Investor Disclosure

All performance quoted represents past performance and is no guarantee of future results. The performance data do not take into account the commissions and costs incurred on the issue and redemption of units. Investment returns 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 the return figures quoted. Investors investing in Sub-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 for the Sub-Funds are based on a NAV to NAV basis, assuming reinvestment of dividends and capital gains, and are net of management fees and other expenses.

Calculation Method of the Risk Exposure

The methodology used in order to calculate the global exposure is the commitment approach in accordance with the CSSF Circular 11/512. As of 31 March 2014, the Sub-Funds did not hold any derivatives.

Index Definitions

It is not possible to invest directly in an index.

The **MSCI All Country Asia Pacific Index** is a free float-adjusted market capitalisation-weighted index of the stock markets of Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan and Thailand.

The **MSCI All Country Asia ex Japan Index** is a free float-adjusted market capitalisation-weighted index of the stock markets of China, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan and Thailand.

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.

The **S&P Bombay Stock Exchange 100 (S&P BSE 100) Index** is a free float-adjusted market capitalisation-weighted index of the 100 stocks listed on the Bombay Stock Exchange.

The **MSCI All Country Asia ex Japan Small Cap Index** is a free float-adjusted market capitalization-weighted small cap index of the stock markets of China, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan and Thailand.

The **MSCI China Small Cap Index** is a free float-adjusted market capitalization-weighted small cap index of the Chinese equity securities markets, including H shares listed on the Hong Kong Exchange, B shares listed on the Shanghai and Shenzhen exchanges, and 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).



Matthews Asia

global.matthewsasiasia.com

©2014 Matthews Asia Funds (SICAV)

G-AR001-0314