

ASIA GROWTH AND
INCOME STRATEGIES



FUND FACTS

Ticker	MAPIX
CUSIP	577-125-107
Inception Date	10/31/06
Assets	\$322.0 million
NAV	\$12.06
Total # of Positions	63
Weighted Average Market Cap	\$18.1 billion

Portfolio Turnover Ratio

Fiscal Year 2008 25.07%¹

Gross Expense Ratios

Fiscal Year 2008 1.35%²

Fiscal Year 2008

After Contractual Fee Waiver 1.32%³

Benchmark

MSCI AC Asia Pacific Index⁴

Redemption Fee

2% within first 90 calendar days of purchase

INVESTMENT APPROACH

Matthews International Capital Management, LLC, the advisor to Matthews Asia Funds, believes in the long-term growth of Asia, one of the world's fastest-growing regions. Since 1991, we have focused our efforts and expertise exclusively in these countries, investing through a variety of market environments. Matthews is the largest dedicated Asia-only investment specialist in the United States. With \$11.5 billion in assets under management as of December 31, 2009, Matthews employs a bottom-up, fundamental investment philosophy with a focus on long-term investment performance.

Matthews Asia Dividend Fund*

December 31, 2009

Fund Objective

Under normal market conditions, the Matthews Asia Dividend Fund seeks to achieve its investment objective by investing at least 80% of its total net assets, which include borrowings for investment purposes, in income-paying equity securities of companies located in the Asia Pacific region. The Fund may also invest in convertible fixed-income securities.

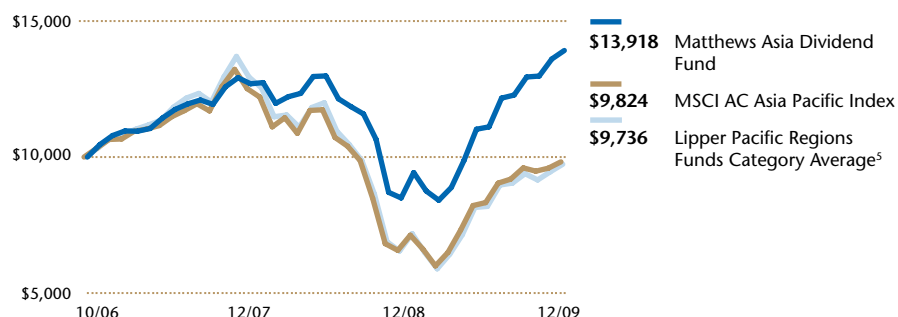
Investing in international markets may involve additional risks, such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation. In addition, single-country and sector funds may be subject to a higher degree of market risk than diversified funds because of concentration in a specific industry, sector or geographic region.

*To better reflect its investment objective, the Fund's name changed from Matthews Asia Pacific Equity Income Fund to Matthews Asia Dividend Fund on November 30, 2009.

PERFORMANCE AS OF DECEMBER 31, 2009

	Average Annual Total Returns			
	3 Months	1 Year	3 Years	Inception 10/31/06
Matthews Asia Dividend Fund	7.53%	47.59%	8.86%	11.00%
MSCI AC Asia Pacific Index	2.31%	37.86%	-2.65%	-0.56%

GROWTH OF A \$10,000 INVESTMENT SINCE INCEPTION



The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on dividends, capital gain distributions or redemption of fund shares. Values are in US\$. All data calculated from 10/31/06.

- The lesser of fiscal year 2008 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.
- The Advisor has contractually agreed to waive fees and reimburse expenses to the extent needed to limit total annual operating expenses to 1.50% until August 31, 2010.
- The Matthews Asia Funds do not charge 12b-1 fees.
- The MSCI All Country Asia Pacific Index is a free float-adjusted market capitalization-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 Matthews Asia Dividend Fund invests in countries that are not included in the MSCI All Country Asia Pacific Index. Source: Index data from Morgan Stanley Capital Management; total return calculations performed by PNC Global Investment Servicing (U.S.) Inc. It is not possible to invest directly in an index.
- The Lipper Category Average does not reflect sales charges and is based on total return, including reinvestment of dividends and capital gains for the stated periods.

Performance assumes reinvestment of all dividends and/or distributions before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the return figures quoted. Returns would have been lower if certain of the Fund's fees and expenses had not been waived. For the Fund's most recent month-end performance visit matthewsasia.com.

Matthews Asia Dividend Fund

December 31, 2009

TOP TEN HOLDINGS⁶

	Country	% of Net Assets
SK Telecom Co., Ltd.	South Korea	3.1%
China Mobile, Ltd.	China/Hong Kong	3.1%
Chunghwa Telecom Co., Ltd.	Taiwan	3.0%
Globe Telecom, Inc.	Philippines	2.9%
PT Telekomunikasi Indonesia	Indonesia	2.7%
Cheung Kong Infrastructure Holdings, Ltd.	China/Hong Kong	2.5%
HSBC Holdings PLC	United Kingdom	2.4%
Monex Group, Inc.	Japan	2.3%
Esprit Holdings, Ltd.	China/Hong Kong	2.3%
Mint Group, Ltd.	China/Hong Kong	2.2%
% OF ASSETS IN TOP TEN		26.5%

COUNTRY ALLOCATION (%)⁷

	Fund	Benchmark	Difference
China/Hong Kong	25.2	15.8	9.4
Japan	20.4	40.7	-20.3
Taiwan	10.4	7.1	3.3
South Korea	8.5	8.0	0.5
Thailand	7.6	0.8	6.8
Singapore	6.2	2.9	3.3
Indonesia	4.7	1.2	3.5
Malaysia	4.5	1.7	2.8
Australia	3.3	16.6	-13.3
Philippines	2.9	0.3	2.6
United Kingdom	2.4	0.0	2.4
India	0.0	4.7	-4.7
New Zealand	0.0	0.2	-0.2
Cash, Cash Equivalents, and Other Assets	3.9	0.0	3.9

Source: FactSet Research Systems

SECTOR ALLOCATION (%)⁷

	Fund	Benchmark	Difference
Consumer Discretionary	19.8	11.9	7.9
Financials	14.9	27.5	-12.6
Telecom Services	14.8	4.6	10.2
Information Technology	13.1	13.9	-0.8
Consumer Staples	12.0	5.6	6.4
Health Care	7.7	3.1	4.6
Utilities	7.1	4.1	3.0
Industrials	5.0	12.7	-7.7
Energy	1.7	5.1	-3.4
Materials	0.0	11.5	-11.5
Cash, Cash Equivalents, and Other Assets	3.9	0.0	3.9

Sector data based on MSCI's revised Global Industry Classification Standards. For more details, visit www.msci.com.

Source: FactSet Research Systems

MARKET CAP EXPOSURE (%)^{7,8}

	Fund	Benchmark	Difference
Large Cap (over \$5B)	37.8	80.7	-42.9
Mid Cap (\$1B-\$5B)	34.3	18.9	15.4
Small Cap (under \$1B)	24.0	0.3	23.7
Cash, Cash Equivalents and Other Assets	3.9	0.0	3.9

Source: FactSet Research Systems

BREAKDOWN BY SECURITY TYPE (%)⁷

Common Equities and ADRs	93.5
Convertible Bonds	2.6
Cash, Cash Equivalents and Other Assets	3.9

Source: FactSet Research Systems

P/E RATIOS⁹

P/E Using FY1 Estimates	15.9x
P/E Using FY2 Estimates	14.1x

Source: FactSet Research Systems

⁶ Holdings may combine more than one security from same issuer and related depositary receipts.

⁷ Percentage values in data are rounded to the nearest tenth of one percent; the values may not sum to 100% due to rounding.

⁸ Equity market cap of issuer.

⁹ The P/E figures represent the Harmonic Average P/E—which measures the price/earnings ratio of the Fund's entire portfolio, excluding negative earners—weighted by the size of the company's position within the portfolio.

PORTFOLIO MANAGEMENT

Jesper O. Madsen, CFA
Lead Manager

Andrew Foster
Co-Manager

STRATEGIES FOR INVESTING IN ASIA

ASIA GROWTH AND INCOME

- ✿ Matthews Asian Growth and Income Fund
- ✿ Matthews Asia Dividend Fund
- ✿ Matthews China Dividend Fund

ASIA GROWTH

- ✿ Matthews Asia Pacific Fund
- ✿ Matthews Pacific Tiger Fund
- ✿ Matthews China Fund
- ✿ Matthews India Fund
- ✿ Matthews Japan Fund
- ✿ Matthews Korea Fund

ASIA SMALL COMPANY

- ✿ Matthews Asia Small Companies Fund

ASIA SPECIALTY

- ✿ Matthews Asian Technology Fund

✿ *Regional fund designed for use as a core portfolio holding*

✿ *Asian fund designed to complement core portfolio holdings*

You should carefully consider the investment objectives, risks, charges and expenses of the Matthews Asia Funds before making an investment decision. A prospectus with this and other information about the Funds may be obtained by visiting matthewsasiasia.com. Please read the prospectus carefully before investing as it explains the risks associated with investing in international markets.

The information provided in this fact sheet is current as of the date of publication and is subject to change. This fact sheet does not provide information reasonably sufficient upon which to base an investment decision and should not be considered a recommendation to purchase or sell any particular security.



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