



Matthews Asia Small Companies Fund

December 31, 2020

Investment Objective

Long-term capital appreciation.

Strategy

Under normal circumstances, the Matthews Asia Small Companies Fund seeks to achieve its investment objective by investing at least 80% of its total assets, which include borrowings for investment purposes, in the common and preferred stocks of Small Companies located in Asia Ex Japan, which consists of all countries and markets in Asia excluding Japan but including all other developed, emerging and frontier countries and markets in the Asian region. The Fund seeks to invest in smaller companies capable of sustainable growth based on the fundamental characteristics of those companies, including balance sheet information; number of employees; size and stability of cash flow; management's depth, adaptability and integrity; product lines; marketing strategies; corporate governance; and financial health.

Risks

All investments involve risks, including possible loss of principal. Investing in international and emerging markets may involve additional risks, such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation. Investing in small- and mid-size companies is more risky and volatile than investing in large companies as they may be more volatile and less liquid than larger companies.

FUND FACTS

	Investor Class	Institutional Class
Ticker	MSMLX	MISMX
CUSIP	577125206	577125867
Inception	09/15/08	04/30/13
NAV	\$25.93	\$25.87
Initial Investment	\$2,500	\$100,000
Gross Expense Ratio	1.60%	1.46%
Net Expense Ratio ¹	1.41%	1.20%

Portfolio Statistics

Total # of Positions	70
Net Assets	\$207.1 million
Weighted Average Market Cap	\$5.0 billion
Portfolio Turnover	59.10% ²

Benchmark

MSCI All Country Asia ex Japan Small Cap Index³

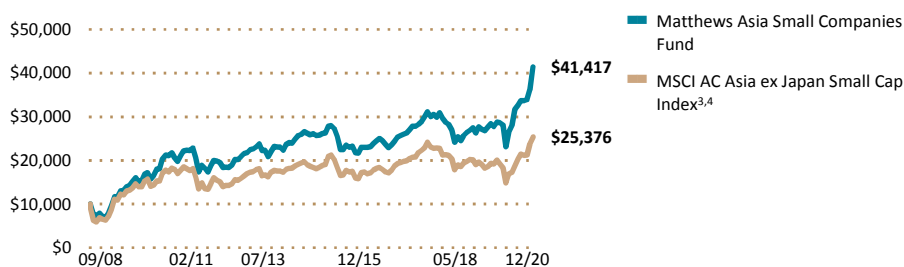
INVESTMENT APPROACH

Matthews Asia believes in the long-term growth of Asia, one of the world's fastest-growing regions. Since 1991, we have focused our efforts and expertise in these countries, investing through a variety of market environments. Matthews Asia is the largest dedicated Asia-only investment specialist in the United States. With \$28.4 billion in assets under management as of December 31, 2020 Matthews Asia employs a bottom-up, fundamental investment philosophy with a focus on long-term investment performance.

PERFORMANCE AS OF DECEMBER 31, 2020

	Average Annual Total Returns							Since Inception	Since Inception
	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception		
Investor Class	22.90%	43.68%	43.68%	11.39%	12.21%	6.66%	12.25%	09/15/08	
Institutional Class	22.94%	43.90%	43.90%	11.62%	12.44%	n.a.	8.15%	04/30/13	
MSCI AC Asia ex Japan Small Cap Index	19.72%	26.60%	26.60%	3.49%	7.76%	3.35%	7.87% ⁴	n.a.	

GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT SINCE INCEPTION — INVESTOR



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\$. Source: BNY Mellon Investment Servicing (US) Inc.

- After contractual fee waiver, expense reimbursement and/or recoupment effective through April 30, 2021.
- The lesser of fiscal year 2019 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.
- 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, Pakistan, Philippines, Singapore, South Korea, Taiwan and Thailand. Index is for comparative purposes only and it is not possible to invest directly in an index.
- Calculated from 9/15/08.

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 matthewsasias.com.

Due to current market volatility associated with the COVID-19 pandemic, funds may experience significant negative short-term performance.

Matthews Asia Small Companies Fund

December 31, 2020

TOP TEN HOLDINGS⁵

	Country	% of Net Assets
Flat Glass Group Co., Ltd.	China/Hong Kong	4.5%
Silergy Corp.	China/Hong Kong	4.5%
Kingdee International Software Group Co., Ltd.	China/Hong Kong	3.1%
Phoenix Mills, Ltd.	India	3.1%
Innovent Biologics, Inc.	China/Hong Kong	3.1%
Shriram City Union Finance, Ltd.	India	2.6%
Airtac International Group	China/Hong Kong	2.5%
Peijia Medical, Ltd.	China/Hong Kong	2.4%
Crompton Greaves Consumer Electricals, Ltd.	India	2.3%
Andes Technology Corp.	Taiwan	2.2%
% OF ASSETS IN TOP TEN		30.3%

COUNTRY ALLOCATION (%)⁶

	Fund	Benchmark	Difference
China/Hong Kong	48.5	19.5	29.0
India	20.6	17.6	3.0
Taiwan	14.5	24.0	-9.5
South Korea	8.7	21.2	-12.5
Vietnam	2.2	0.0	2.2
Indonesia	1.5	2.4	-0.9
Philippines	1.4	1.0	0.4
Thailand	1.3	3.9	-2.6
Singapore	0.9	6.1	-5.2
Malaysia	0.3	3.8	-3.5
Pakistan	0.0	0.5	-0.5
Cash and Other Assets, Less Liabilities	0.2	0.0	0.2

Not all countries are included in the benchmark index.

Source: FactSet Research Systems

SECTOR ALLOCATION (%)⁶

	Fund	Benchmark	Difference
Information Technology	32.7	20.9	11.8
Health Care	21.0	10.1	10.9
Industrials	16.9	15.0	1.9
Consumer Discretionary	10.6	12.0	-1.4
Real Estate	6.0	10.6	-4.6
Consumer Staples	5.5	4.7	0.8
Financials	4.6	8.0	-3.4
Materials	1.5	10.4	-8.9
Communication Services	0.9	4.1	-3.2
Utilities	0.0	2.4	-2.4
Energy	0.0	1.7	-1.7
Cash and Other Assets, Less Liabilities	0.2	0.0	0.2

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 (%)^{6,7}

	Fund	Benchmark	Difference
Mega Cap (over \$25B)	0.0	0.0	0.0
Large Cap (\$10B-\$25B)	15.2	0.0	15.2
Mid Cap (\$3B-\$10B)	38.5	14.4	24.1
Small Cap (under \$3B)	46.1	85.6	-39.5
Cash and Other Assets, Less Liabilities	0.2	0.0	0.2

Source: FactSet Research Systems

P/E RATIOS⁸

P/E Using FY1 Estimates	30.2x
P/E Using FY2 Estimates	22.7x

Source: FactSet Research Systems (P/E est. as of 12/31/20)

⁵ Holdings may combine more than one security from the same issuer and related depositary receipts.

⁶ Percentage values in data are rounded to the nearest tenth of one percent; the values may not sum to 100% due to rounding. Percentage values may be derived from different data sources and may not be consistent with other Fund literature.

⁷ Equity market cap of issuer. Effective January 8, 2020, the Fund defines Small Companies as companies with market capitalization generally between \$100 million and \$5 billion or the largest company included in the Fund's primary benchmark, the MSCI AC Asia ex Japan Small Cap Index. The Portfolio's market cap exposure breakdown presented is used for comparison purposes and the definition of the capitalization breakdown is from MSCI.

⁸ The P/E figures represent the Weighted Harmonic Average P/E—which measures the price/earnings ratio of the Fund's entire portfolio, excluding negative earners—weighted by the size of the company's position within the portfolio. P/E estimates are forward looking. There is no guarantee that portfolio composition will remain unchanged or P/E estimates will be realized.

PORTFOLIO MANAGEMENT

Vivek Tanneeru

Lead Manager

Portfolio characteristics for the Fund may vary from time to time from what is shown. It should not be assumed that any investment in the securities listed was or will be profitable.

You should carefully consider the investment objectives, risks, charges and expenses of the Matthews Asia Funds before making an investment decision. A prospectus or summary 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 and emerging markets.

Matthews Asia is the brand for Matthews International Capital Management, LLC and its direct and indirect subsidiaries.

The information contained herein has been derived from sources believed to be reliable and accurate at the time of compilation, but no representation or warranty (express or implied) is made as to the accuracy or completeness of any of this information. Matthews Asia and its affiliates do not accept any liability for losses either direct or consequential caused by the use of this information.

Matthews International Capital Management, LLC is the advisor to the Matthews Asia Funds.

Matthews Asia Funds are distributed in the United States by Foreside Funds Distributors LLC, Berwyn, PA

Matthews Asia Funds are distributed in Latin America by HMC Partners



Matthews Asia

800.789.ASIA | matthewsasiasia.com