

ASIA GROWTH AND INCOME STRATEGIES



FUND FACTS

Ticker	MACSX
CUSIP	577-130-206
Inception Date	9/12/94
Assets	\$2.8 billion
NAV	\$15.82
Total # of Positions	86
Weighted Average Market Cap	\$18.7 billion

Portfolio Turnover Ratio	
Fiscal Year 2009	17.51% ¹

Gross Expense Ratios ²	
Fiscal Year 2009	1.17%

Benchmark	
MSCI AC Asia ex Japan Index ³	

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 \$12.9 billion in assets under management as of June 30, 2010, Matthews employs a bottom-up, fundamental investment philosophy with a focus on long-term investment performance.

Matthews Asian Growth and Income Fund

June 30, 2010

Fund Objective

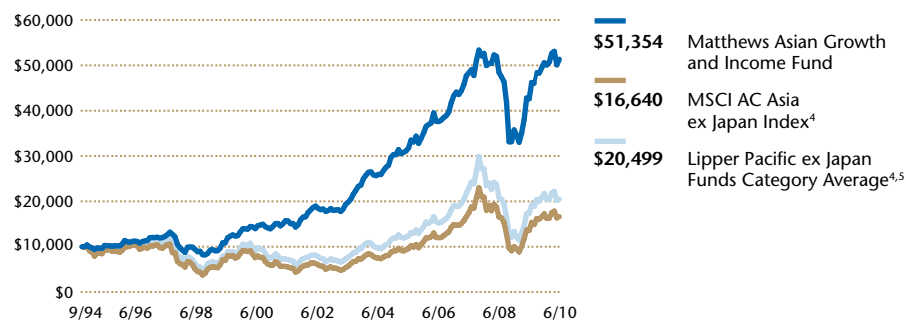
Under normal market conditions, the Matthews Asian Growth and Income Fund seeks to achieve its investment objective by investing at least 80% of its total net assets, which include borrowings for investment purposes, in dividend-paying common stock, preferred stock and other equity securities and convertible securities, of any duration or quality, of companies located in Asia. Examples of convertible securities are convertible bonds and debentures which may, under specific circumstances, be converted into the common or preferred stock of the issuer of the bond.

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.

PERFORMANCE AS OF JUNE 30, 2010

	Average Annual Total Returns					
	3 Months	1 Year	3 Years	5 Years	10 Years	Inception 9/12/94
Matthews Asian Growth and Income Fund	-2.51%	20.50%	2.04%	10.04%	13.38%	10.91%
MSCI AC Asia ex Japan Index	-4.86%	22.42%	-1.63%	11.65%	7.64%	3.27% ⁴

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\$.

- 1 The lesser of fiscal year 2009 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.
- 2 The Matthews Asia Funds do not charge 12b-1 fees.
- 3 The MSCI All Country Asia ex Japan Index is a free float-adjusted market capitalization-weighted index of the stock markets of China, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan and Thailand. It is not possible to invest directly in an index. The Matthews Asian Growth and Income Fund invests in countries that are not included in the MSCI All Country Asia ex Japan Index. Source: Index data from Morgan Stanley Capital Management; total return calculations performed by BNY Mellon Investment Servicing Inc.
- 4 Calculated from 8/31/94.
- 5 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 Asian Growth and Income Fund

June 30, 2010

TOP TEN HOLDINGS⁶

	Country	% of Net Assets
Singapore Technologies Engineering, Ltd.	Singapore	3.2%
CLP Holdings, Ltd.	China/Hong Kong	2.9%
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	2.6%
Hisamitsu Pharmaceutical Co., Inc.	Japan	2.5%
China Petroleum & Chemical Corp. (Sinopec), Cnv., 0.000%, 04/24/2014	China/Hong Kong	2.4%
Hongkong Land CB 2005, Ltd., Cnv., 2.750%, 12/21/2012	China/Hong Kong	2.4%
Keppel Corp., Ltd.	Singapore	2.2%
HSBC Holdings PLC	United Kingdom	2.1%
Rafflesia Capital, Ltd., Cnv., 0.000%, 10/04/2011	Malaysia	2.1%
Hang Seng Bank, Ltd.	China/Hong Kong	2.0%
% OF ASSETS IN TOP TEN		24.4%

COUNTRY ALLOCATION (%)⁷

	Fund	Benchmark	Difference
China/Hong Kong	29.8	37.2	-7.4
Singapore	15.5	7.0	8.5
Japan	10.5	0.0	10.5
India	10.3	11.6	-1.3
South Korea	7.9	18.9	-11.0
Taiwan	6.0	15.1	-9.1
Malaysia	5.4	4.1	1.3
Thailand	3.9	2.1	1.8
United Kingdom	2.1	0.0	2.1
Vietnam	2.0	0.0	2.0
Australia	1.4	0.0	1.4
Indonesia	1.3	3.4	-2.1
Philippines	1.2	0.6	0.6
Cash and Other Assets, Less Liabilities	2.7	0.0	2.7

Source: FactSet Research Systems

SECTOR ALLOCATION (%)⁷

	Fund	Benchmark	Difference
Financials	27.8	31.5	-3.7
Industrials	17.0	10.1	6.9
Information Technology	11.3	18.1	-6.8
Telecom Services	11.0	7.0	4.0
Consumer Discretionary	8.7	7.8	0.9
Consumer Staples	6.6	5.1	1.5
Utilities	5.9	4.1	1.8
Health Care	5.0	0.8	4.2
Energy	2.4	8.0	-5.6
Materials	0.6	7.5	-6.9
Unclassified	1.0	0.0	1.0
Cash and Other Assets, Less Liabilities	2.7	0.0	2.7

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)	51.8	77.6	-25.8
Mid Cap (\$1B-\$5B)	34.4	21.6	12.8
Small Cap (under \$1B)	10.2	0.8	9.4
Unclassified	1.0	0.0	1.0
Cash and Other Assets, Less Liabilities	2.7	0.0	2.7

Source: FactSet Research Systems

BREAKDOWN BY SECURITY TYPE (%)⁷

Common Equities and ADRs	65.8
Convertible Bonds	25.6
Preferred Equities	3.1
Corporate Bonds	1.5
Government Bonds	1.0
Warrants	0.3
Cash and Other Assets, Less Liabilities	2.7

Source: FactSet Research Systems

P/E RATIOS⁹

P/E Using FY1 Estimates	13.0x
P/E Using FY2 Estimates	11.8x

Source: FactSet Research Systems

- Holdings may combine more than one security from same issuer and related depository receipts.
- Percentage values in data are rounded to the nearest tenth of one percent; the values may not sum to 100% due to rounding.
- Equity market cap of issuer.
- 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

Andrew Foster
Lead Manager

Robert J. Horrocks, PhD
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 Asia Science and 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 matthewsasia.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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