



## FUND FACTS

Ticker	MCDFX
CUSIP	577-125-305
Inception Date	11/30/09
Assets	\$14.4 million
NAV	\$10.22
Total # of Positions	39
Weighted Average Market Cap	\$25.2 billion

## Portfolio Turnover Ratio

Fiscal Year 2009 0.00%<sup>1</sup>

## Gross Expense Ratios<sup>2</sup>

Fiscal Year 2009 10.10%  
After Fee Waiver,  
Reimbursement and  
Recoupment 1.50%

## Benchmark

MSCI China Index<sup>3</sup>

## 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 China Dividend Fund

June 30, 2010

## Fund Objective

Under normal market conditions, the Matthews China 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 China and Taiwan. China includes its administrative and other districts, such as Hong Kong.

*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

	Actual Return, Not Annualized	
	3 Months	Inception 11/30/09
Matthews China Dividend Fund	-1.06%	3.39%
MSCI China Index	-4.48%	-5.55%

The performance data does 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 11/30/09.

## TOP TEN HOLDINGS<sup>4</sup>

	Sector	% of Net Assets
Cheung Kong Infrastructure Holdings, Ltd.	Utilities	5.3%
China Mobile, Ltd.	Telecommunication Services	4.8%
Chunghwa Telecom Co., Ltd.	Telecommunication Services	4.0%
Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology	3.8%
Television Broadcasts, Ltd.	Consumer Discretionary	3.6%
CapitaRetail China Trust, REIT	Financials	3.6%
Jiangsu Expressway Co., Ltd.	Industrials	3.4%
HSBC Holdings PLC	Financials	3.4%
Café de Coral Holdings, Ltd.	Consumer Discretionary	3.3%
The Link REIT	Financials	3.2%
<b>% OF ASSETS IN TOP TEN</b>		<b>38.4%</b>

- 1 Not annualized. The Fund commenced operations on November 30, 2009. 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 Advisor has contractually agreed to waive fees and reimburse expenses to the extent needed to limit total annual operating expenses to 1.50% until November 30, 2012. The Matthews Asia Funds do not charge 12b-1 fees.
- 3 The MSCI China Index is a free float-adjusted market capitalization-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. Source: Index data from Morgan Stanley Capital Management; total return calculations performed by BNY Mellon Investment Servicing Inc. It is not possible to invest directly in an index.
- 4 Holdings may combine more than one security from the same issuer and related depositary receipts.

*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](http://matthewsasia.com).*

# Matthews China Dividend Fund

June 30, 2010

## SECTOR ALLOCATION (%)<sup>5</sup>

	Fund	Benchmark	Difference
Financials	18.1	38.1	-20.0
Utilities	13.5	2.0	11.5
Consumer Discretionary	13.3	5.4	7.9
Information Technology	13.3	4.8	8.5
Telecommunication Services	11.8	13.3	-1.5
Industrials	7.4	7.5	-0.1
Health Care	5.9	0.9	5.0
Consumer Staples	5.6	6.2	-0.6
Energy	5.0	16.8	-11.8
Materials	2.5	5.0	-2.5
Cash and Other Assets, Less Liabilities	3.6	0.0	3.6

Sector data based on MSCI's revised Global Industry Classification Standards. For more details, visit [www.msci.com](http://www.msci.com).

Source: FactSet Research Systems

## MARKET CAP EXPOSURE (%)<sup>5,6</sup>

	Fund	Benchmark	Difference
Large Cap (over \$5B)	43.7	75.5	-31.7
Mid Cap (\$1B-\$5B)	33.7	23.8	9.9
Small Cap (under \$1B)	19.0	0.7	18.3
Cash And Other Assets, Less Liabilities	3.6	0.0	3.6

Source: FactSet Research Systems

## BREAKDOWN BY SECURITY TYPE (%)<sup>5</sup>

Common Equities and ADRs	96.4
Cash and Other Assets, Less Liabilities	3.6

Source: FactSet Research Systems

## P/E RATIOS<sup>7</sup>

P/E Using FY1 Estimates	13.0x
P/E Using FY2 Estimates	11.6x

Source: FactSet Research Systems

<sup>5</sup> Percentage values in data are rounded to the nearest tenth of one percent; the values may not sum to 100% due to rounding.

<sup>6</sup> Equity market cap of issuer.

<sup>7</sup> 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

Richard Gao  
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](http://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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