



FUND FACTS

Ticker	MCHFX
CUSIP	577-130-701
Inception Date	2/19/98
Assets	\$2.6 billion
NAV	\$25.50
Total # of Positions	65
Weighted Average Market Cap	\$25.2 billion

Portfolio Turnover Ratio

Fiscal Year 2008 7.91%¹

Gross Expense Ratio

Fiscal Year 2008 1.23%²

Benchmark

MSCI China Index³

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 China Fund

December 31, 2009

Fund Objective

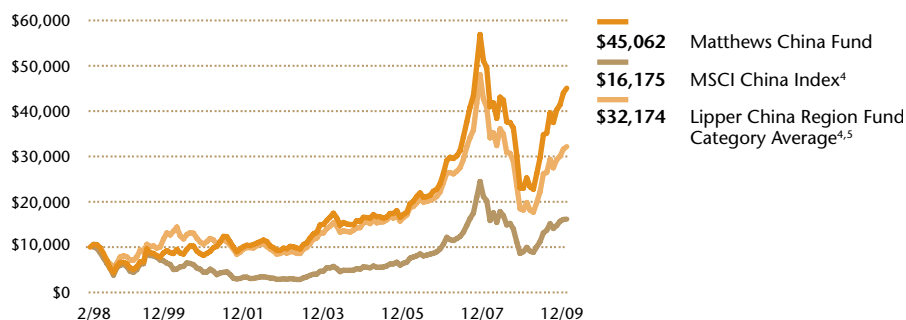
Under normal market conditions, the Matthews China Fund seeks to achieve its investment objective by investing at least 80% of its total net assets, which include borrowings for investment purposes, in the common and preferred stocks of companies located in China and Taiwan. China includes its administrative 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 DECEMBER 31, 2009

	Average Annual Total Returns					
	3 Months	1 Year	3 Years	5 Years	10 Years	Inception 2/19/98
Matthews China Fund	11.89%	78.30%	15.70%	22.23%	17.18%	13.53%
MSCI China Index	9.56%	62.63%	9.96%	23.83%	9.72%	4.14% 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 2008 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 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 PNC Global Investment Servicing (U.S.) Inc. It is not possible to invest directly in an index.
- 4 Calculated from 2/28/98.
- 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 China Fund

December 31, 2009

TOP TEN HOLDINGS^{6,7}

	Sector	China Exposure	% of Net Assets
Dongfeng Motor Group Co., Ltd.	Consumer Discretionary	H	3.4%
ZTE Corp.	Information Technology	H	3.1%
Tingyi (Cayman Islands) Holding Corp.	Consumer Staples	SAR	3.0%
Tencent Holdings, Ltd.	Information Technology	SAR	2.5%
China Life Insurance Co., Ltd.	Financials	H	2.5%
Golden Eagle Retail Group, Ltd.	Consumer Discretionary	SAR	2.5%
China Resources Enterprise, Ltd.	Consumer Discretionary	CAC	2.5%
China Mobile, Ltd.	Telecom Services	CAC	2.4%
China Merchants Holdings International Co., Ltd.	Industrials	CAC	2.3%
Ping An Insurance (Group) Co. of China, Ltd.	Financials	H	2.3%
% OF ASSETS IN TOP TEN			26.5%

SECTOR ALLOCATION (%)⁸

	Fund	Benchmark	Difference
Consumer Discretionary	25.2	5.3	19.9
Financials	19.2	37.8	-18.6
Information Technology	12.6	5.9	6.7
Industrials	12.0	8.5	3.5
Consumer Staples	11.2	4.5	6.7
Energy	6.3	17.6	-11.3
Utilities	5.7	2.0	3.7
Telecom Services	3.5	12.2	-8.7
Health Care	1.9	0.2	1.7
Materials	0.7	6.0	-5.3
Cash, Cash Equivalents and Other Assets	1.7	0.0	1.7

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 (%)^{8,9}

	Fund	Benchmark	Difference
Large Cap (over \$5B)	65.6	79.5	-13.9
Mid Cap (\$1B-\$5B)	30.1	19.8	10.1
Small Cap (under \$1B)	2.6	0.7	1.9
Cash, Cash Equivalents and Other Assets	1.7	0.0	1.7

Source: FactSet Research Systems

P/E RATIOS¹⁰

P/E Using FY1 Estimates	22.1x
P/E Using FY2 Estimates	18.5x

Source: FactSet Research Systems

CHINA EXPOSURE⁷

H Share SAR (Hong Kong)	33.8
SAR (Hong Kong)	40.1
China-affiliated Corporations	15.4
B Share	1.5
Overseas Listed	7.5
Cash, Cash Equivalents and Other Assets	1.7

Source: FactSet Research Systems

- 6 Holdings may combine more than one security from same issuer and related depository receipts.
- 7 SAR (Hong Kong) companies are companies that conduct business in Hong Kong and/or mainland China. **China-affiliated Corporations [CAC]**, also known as "Red Chips," are mainland China companies with partial state ownership listed in Hong Kong, and incorporated in Hong Kong. **H Shares** are mainland China companies listed on the Hong Kong exchange but incorporated in mainland China. **B Shares** are mainland Chinese companies listed on the Shanghai and Shenzhen stock exchanges, available to both Chinese and non-Chinese investors. **Overseas Listed [OL]** companies are companies that conduct business in mainland China but listed in overseas markets such as Japan, Singapore, Taiwan and the United States.
- 8 Percentage values in data are rounded to the nearest tenth of one percent; the values may not sum to 100% due to rounding.
- 9 Equity market cap of issuer.
- 10 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

Richard H. Gao
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.



Matthews AsiaTM

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