ASIA GROWTH STRATEGIES

Matthews China Small Companies Fund

December 31, 2021

Investment Objective

Long-term capital appreciation.

Strategy

Under normal market conditions, the Fund seeks to achieve its investment objective by investing at least 80% of its net assets, which include borrowings for investment purposes, in the common and preferred stocks of Small Companies located in China. China includes its administrative and other districts, such as Hong Kong. The Fund defines Small Companies as companies with market capitalization no higher than the greater of $5 billion or the market capitalization of the largest company included in the Fund's primary benchmark, the MSCI China Small Cap Index.

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. 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. 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. Investing in Chinese securities involve risks. Heightened risks related to the regulatory environment and the potential actions by the Chinese government could negatively impact performance.These and other risks associated with investing in the Fund can be found in the prospectus.

FUND FACTS

	Investor Class	Institutional Class
Ticker	MCSMX	MICHX
CUSIP	577125404	577125842
Inception	05/31/11	11/30/17
NAV	$16.44	$16.47
Initial Investment	$2,500	$100,000
Gross Expense Ratio	1.52%	1.37%
Net Expense Ratio[1]	1.43%	1.20%

Portfolio Statistics

Net Assets	$381.2 million
Portfolio Turnover	152.9%[2]

Benchmark

MSCI China Small Cap Index[3]

PORTFOLIO MANAGEMENT

Winnie Chwang	**Andrew Mattock, CFA**
Lead Manager	Lead Manager

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 $25.2 billion in assets under management as of December 31, 2021 Matthews Asia employs a bottom-up, fundamental investment philosophy with a focus on long-term investment performance.

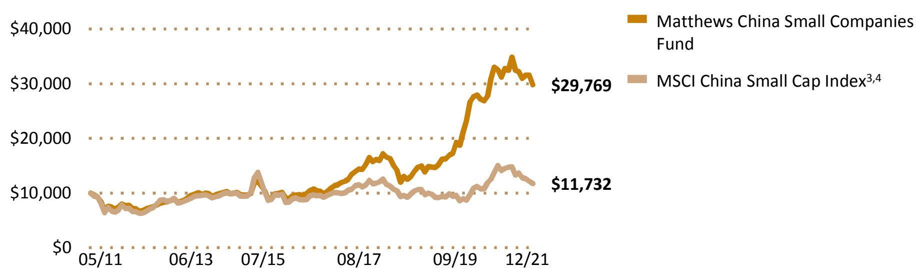
Portfolio characteristics for the Fund may vary from time to time from what is shown. It should not be assumed that any investment in the securities listed was or will be profitable.

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 matthewsasia.com. Please read the prospectus carefully before investing.

PERFORMANCE AS OF DECEMBER 31, 2021

			Average Annual Total Returns					
	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Since Inception
Investor Class	-3.83%	-3.59%	-3.59%	33.57%	24.73%	15.50%	10.85%	05/31/11
Institutional Class	-3.79%	-3.35%	-3.35%	33.85%	n.a.	n.a.	19.94%	11/30/17
MSCI China Small Cap Index	-8.47%	-6.26%	-6.26%	8.34%	4.98%	6.08%	1.52%[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.

1 Matthews has contractually agreed to waive fees and reimburse expenses to limit the Total Annual Fund Operating Expenses until April 30, 2022. Please see the Fund's prospectus for additional details.
2 The lesser of fiscal year 2020 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.
3 The MSCI China Small Cap Index is a free float-adjusted market capitalization-weighted small cap index of the Chinese equity securities markets, including H shares listed on the Hong Kong exchange, B shares listed on the Shanghai and Shenzhen exchanges, Hong Kong-listed securities known as Red Chips (issued by entities owned by national or local governments in China) and P Chips (issued by companies controlled by individuals in China and deriving substantial revenues in China), and foreign listings (e.g., ADRs). Index is for comparative purposes only and it is not possible to invest directly in an index.
4 Calculated from 5/31/11.

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 Small Companies Fund

December 31, 2021

TOP TEN HOLDINGS[5]

	Sector	% of Net
Alchip Technologies, Ltd.	Information Technology	3.6%
Pan Jit International, Inc.	Information Technology	3.3%
Zhejiang HangKe Technology, Inc., Co.	Industrials	3.3%
Chailease Holding Co., Ltd.	Financials	2.9%
Silergy Corp.	Information Technology	2.8%
Airtac International Group	Industrials	2.6%
China State Construction International Holdings, Ltd.	Industrials	2.6%
ACM Research, Inc.	Information Technology	2.5%
ENN Natural Gas Co., Ltd.	Utilities	2.5%
China Yongda Automobiles Services Holdings, Ltd.	Consumer Discretionary	2.3%
% OF ASSETS IN TOP TEN		28.4%

SECTOR ALLOCATION (%)[6]

	Fund	Benchmark	Difference
Information Technology	27.4	7.6	19.8
Industrials	23.7	11.0	12.7
Consumer Discretionary	12.8	18.2	-5.4
Health Care	8.8	15.2	-6.4
Financials	7.2	5.4	1.8
Real Estate	6.3	18.1	-11.8
Materials	6.2	6.3	-0.1
Consumer Staples	3.2	3.0	0.2
Utilities	2.5	7.0	-4.5
Communication Services	2.1	6.6	-4.5
Energy	0.0	1.5	-1.5
Liabilities in Excess of Cash and Other Assets	-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)	11.2	0.0	11.2
Mid Cap ($3B-$10B)	47.4	6.1	41.3
Small Cap (under $3B)	41.6	93.9	-52.3
Liabilities in Excess of Cash and Other Assets	-0.2	0.0	-0.2

Source: FactSet Research Systems

CHINA EXPOSURE (%)[6,14]

A Shares	33.6
SAR (Hong Kong)	31.3
Overseas Listed Companies (OL)	6.0
H Shares	5.9
China-affiliated corporations (CAC)	4.7
Unassigned	18.6
Liabilities in Excess of Cash and Other Assets	-0.2

Source: FactSet Research Systems

PORTFOLIO CHARACTERISTICS

	Fund	Benchmark
Number of Positions	66	251
Weighted Avg. Market Cap (in billions)	$5.2	$1.6
Active Share[8]	95.2	n.a.
P/E Using FY1 Estimates[9]	13.6x	n.a.
P/E Using FY2 Estimates[9]	11.5x	n.a.
Price/Cash Flow[10]	14.5	6.4
Price/Book[11]	2.3	0.9
Return on Equity[12]	15.4	5.9
EPS Growth (3 Years)[13]	42.3%	12.9%

Source: FactSet Research Systems

Matthews Asia

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Investing in emerging and frontier securities involves greater risks than investing in securities of developed markets, as issuers in these countries generally disclose less financial and other information publicly or restrict access to certain information from review by non-domestic authorities. Emerging and frontier markets tend to have less stringent and less uniform accounting, auditing and financial reporting standards, limited regulatory or governmental oversight, and limited investor protection or rights to take action against issuers, resulting in potential material risks to investors. Investing in small- and mid-size companies is more risky than investing in larger companies as they may be more volatile and less liquid than large companies. In addition, single-country funds may be subject to a higher degree of market risk than diversified funds because of concentration in a specific industry, sector or geographic location. Pandemics and other public health emergencies can result in market volatility and disruption.

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. The Portfolio's market cap exposure breakdown presented is used for comparison purposes and the definition of the capitalization breakdown is from MSCI. The Fund defines Small Companies as companies with market capitalization no higher than the greater of US$5 billion or the market capitalization of the largest company included in the Fund's primary benchmark, the MSCI China Small Cap Index.

8 Active Share is calculated by taking the absolute value of the difference between portfolio holdings and benchmark weights, summing all of these differences, and dividing by two. The calculation will result in an active share number between 0%, which indicates the portfolio perfectly replicates the benchmark, and 100%, which indicates there is no overlap whatsoever between the portfolio and the index. Active Share was calculated including cash held in the Fund.

9 The P/E Ratio is the share price of a stock as of the report date, divided by the forecasted earnings per share for a 12-month period (FY1) or a 24-month period (FY2). For the Fund, this is the weighted harmonic average estimated P/E ratio of all the underlying stocks in the Fund, excluding negative earners. There is no guarantee that the composition of the Fund will remain unchanged, or that forecasted earnings of a stock will be realized. Information provided is for illustrative purposes only.

10 A measure of the market's expectations of a firm's future financial health. Because this measure deals with cash flow, the effects of depreciation and other non-cash factors are removed. Similar to price/earnings ratio, this measure provides an indication of relative value.

11 Price-to-Book Ratio (P/B Ratio) is used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share. A lower P/B ratio could mean that the stock is undervalued.

12 Return on Equity (ROE) is the amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested, and is calculated as net income divided by shareholder's equity.

13 Earnings Per Share (EPS) is the amount of annual profit (after tax and all other expenses) attributable to each share in a company. EPS is calculated by dividing profit by the average number of shares in a company. Earnings growth is not a measure of a fund's future performance.

14 **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. **China A Shares** are Mainland Chinese companies incorporated in China and listed on the Shanghai or Shenzhen exchanges, available mostly to local Chinese investors and qualified institutional investors. **H Shares** are mainland Chinese 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.