

ASIA SMALL COMPANY
STRATEGY



FUND FACTS

Ticker	MSMLX
CUSIP	577-125-206
Inception Date	9/15/08
Assets	\$354.6 million
NAV	\$20.04
Total # of Positions	77
Weighted Average Market Cap	\$1.4 billion

Ratios

Portfolio Turnover	21.39% ¹
Gross Expense Ratio ² After Contractual Fee Waiver	2.10% 2.00%

Benchmark

MSCI AC Asia ex Japan
Small Cap 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 in these countries, investing through a variety of market environments. Matthews is the largest dedicated Asia-only investment specialist in the United States. With \$16.9 billion in assets under management as of September 30, 2010, Matthews employs a bottom-up, fundamental investment philosophy with a focus on long-term investment performance.

Matthews Asia Small Companies Fund

September 30, 2010

Fund Objective

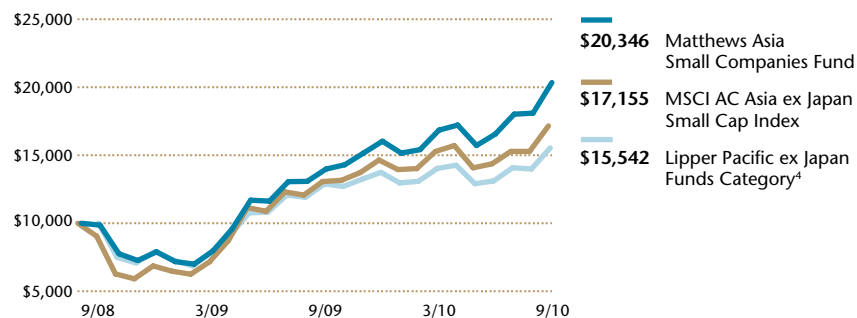
Under normal market conditions, the Matthews Asia Small Companies Fund seeks to achieve its investment objective by investing at least 80% of its total net assets, which include borrowings for investment purposes, in the common and preferred stocks of small companies located in Asia, excluding Japan, which includes China, Hong Kong, India, Indonesia, Malaysia, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand and Vietnam.

Investing in small companies is more risky and volatile than investing in large companies. 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.

PERFORMANCE AS OF SEPTEMBER 30, 2010

	Average Annual Total Returns		
	3 Months	1 Year	Inception 9/15/08
Matthews Asia Small Companies Fund	22.87%	45.53%	41.62%
MSCI AC Asia ex Japan Small Cap Index	19.41%	31.30%	30.27%

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\$.

- The lesser of fiscal year 2009 long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.
- The Advisor has contractually agreed to waive Matthews Asia Small Companies Fund's fees and reimburse expenses until April 30, 2012 to the extent needed to limit total annual operating expenses to 2.00%. Matthews Asia Funds does not charge 12b-1 fees.
- 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, Philippines, Singapore, South Korea, Taiwan and Thailand. It is not possible to invest directly in an index. Source: Index data from Morgan Stanley Capital International and Bloomberg; total return calculations performed by BNY Mellon Investment Servicing (US) Inc.
- 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. Calculated from 9/30/08.

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 matthewsasia.com.

Matthews Asia Small Companies Fund

September 30, 2010

PORTFOLIO MANAGEMENT

Lydia So
Lead Manager

Michael Han, CFA
Co-Manager

TOP TEN HOLDINGS⁵

	Country	% of Net Assets
St. Shine Optical Co., Ltd.	Taiwan	2.8%
SATS, Ltd.	Singapore	2.7%
Yip's Chemical Holdings, Ltd.	China/Hong Kong	2.0%
Vinda International Holdings, Ltd.	China/Hong Kong	1.9%
TXC Corp.	Taiwan	1.9%
Simplo Technology Co., Ltd.	Taiwan	1.8%
Chroma ATE, Inc.	Taiwan	1.8%
Synnex Technology International Corp.	Taiwan	1.8%
Comba Telecom Systems Holdings, Ltd.	China/Hong Kong	1.8%
Xinyi Glass Holdings Co., Ltd.	China/Hong Kong	1.8%
% OF ASSETS IN TOP TEN		20.3%

COUNTRY ALLOCATION (%)⁶

	Fund	Benchmark	Difference
China/Hong Kong	30.6	29.4	1.2
India	18.6	14.6	4.0
Taiwan	14.5	22.3	-7.8
South Korea	14.5	15.6	-1.1
Singapore	9.3	7.4	1.9
Malaysia	5.6	3.7	1.9
Indonesia	2.0	2.7	-0.7
Thailand	1.1	3.3	-2.2
Philippines	0.0	1.0	-1.0
Cash and Other Assets, Less Liabilities	3.8	0.0	3.8

Source: FactSet Research Systems

SECTOR ALLOCATION (%)⁶

	Fund	Benchmark	Difference
Consumer Discretionary	21.0	17.1	3.9
Information Technology	18.4	17.5	0.9
Industrials	15.2	17.4	-2.2
Financials	14.0	19.0	-5.0
Health Care	9.9	4.5	5.4
Materials	9.3	12.4	-3.1
Consumer Staples	6.8	6.2	0.5
Utilities	1.6	2.6	-1.0
Energy	0.0	2.3	-2.3
Telecom Services	0.0	1.0	-1.0
Cash and Other Assets, Less Liabilities	3.8	0.0	3.8

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
Large Cap (over \$5B)	1.5	0.4	1.1
Mid Cap (\$1B-\$5B)	46.9	35.5	11.4
Small Cap (under \$1B)	47.8	64.2	-16.4
Cash and Other Assets, Less Liabilities	3.8	0.0	3.8

Source: FactSet Research Systems

P/E RATIOS⁸

P/E Using FY1 Estimates	15.7x
P/E Using FY2 Estimates	12.9x

Source: FactSet Research Systems

⁵ Holdings may combine more than one security from same issuer and related depository 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.

⁷ Equity market cap of issuer.

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.

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.

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