Mitteilung an alle Anteilseigner der Matthews Asia Fonds:

Anbei finden Sie die Information der Fondsgesellschaft, folgende Fonds sind betroffen:

LU0721876364 Matthews Asia China Sm Comp A Acc
LU0871673132 Matthews Asia China Div A USD Acc
LU0721876877 Matthews Asia China Sm Comp I Acc

Details können Sie der beigefügten Anlage entnehmen.
Dear Shareholder,

We are writing to inform you of the following updates regarding your Fund.

1. Appointment of Matthews Global Investors (Hong Kong) Limited as investment sub-manager of the China Dividend Fund

Matthews International Capital Management, LLC (MICM), in its capacity as the investment manager of the China Dividend Fund, will appoint Matthews Global Investors (Hong Kong) Limited (MGI HK) as investment sub-manager of the China Dividend Fund. MGI HK is a wholly owned subsidiary of MICM, and is licensed and regulated in Hong Kong by the Securities and Futures Commission to carry out advising on securities and asset management activities. This appointment will be made to provide portfolio management continuity in this Sub-Fund, as the former lead portfolio manager of the China Dividend Fund from MICM recently relocated to Hong Kong and joined MGI HK. This appointment will have no impact on the China Dividend Fund’s investment objective, strategy, risk profile or investment management fees.

2. Revision of the definition of “Small Company” for the China Small Companies Fund and Asia Small Companies Fund

For each of the China Small Companies Fund and the Asia Small Companies Fund, a company is considered to be a “Small Company” if it has a market capitalization no higher than the greater of USD 3 billion or the market capitalization of the largest company included in the Sub-Fund’s primary benchmark index. The market capitalization threshold in the definition of “Small Company” will be changed from USD 3 billion to USD 5 billion. As a result, after the change goes into effect, a company will be considered to be a “Small Company” if it has a market capitalization no higher than the greater of USD 5 billion or the market capitalization of the largest company included in the Sub-Fund’s primary benchmark index. The purpose of this change is to allow these Sub-Funds to have more flexibility to continue to hold investments in small companies that grow in size after the Sub-Fund’s initial investment.

In addition, existing holdings by the China Small Companies Fund and the Asia Small Companies Fund of securities of a company which grows beyond the definition of a “Small Company” as described above will continue to be considered holdings of a "Small Company" for the purpose of their respective investment policies. This allows the investment manager...
flexibility to decide whether and when to reduce the holdings of such company in the best interest of the Shareholders, as opposed to an immediate disinvestment once the market capitalization of such company exceeds the relevant threshold, which may not be beneficial to the Shareholders. However, if additional purchases of a security of the same company are made, all holdings (including prior purchases) of that company will be re-classified as those of a "non-Small Company" with respect to that company’s market capitalization at the time of the last purchase in the event such market capitalization exceeds the definition of a “Small Company” as described above. The investment manager will closely monitor the market capitalization of the companies invested by the China Small Companies Fund and the Asia Small Companies Fund to ensure these two Sub-Funds are primarily invested in companies with market capitalization no higher than the greater of USD 5 billion or the market capitalization of the largest company included in the relevant primary benchmark index in accordance with their investment policies and that “non-Small Companies” (i.e. companies with market capitalization exceeding the definition of a “Small Company”) are held on an ancillary basis.

3. Name and Benchmark Change of Asia Strategic Income Fund

The name of the Asia Strategic Income Fund will be changed to Asia Total Return Bond Fund to better reflect the Sub-Fund’s investment objective and strategy. Please note that this will be a change to the Sub-Fund’s name only and not a change to the Sub-Fund’s investment objective or strategy. In addition, the primary benchmark index of the Asia Total Return Bond Fund (formerly known as the Asia Strategic Income Fund) will change from the Markit iBoxx Asian Local Bond Index to a blended benchmark comprised of 50% Markit iBoxx Asian Local Bond Index and 50% J.P. Morgan Asia Credit Index. The primary benchmark change does not represent a change in the investment objective or strategy of the Sub-Fund, but we believe the change better reflects the Sub-Fund’s investment objective and strategy for performance comparison purposes. The Sub-Fund does not aim to replicate or track the primary benchmark.

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These updates will be reflected in a new version of the Prospectus, and, where relevant, the Key Investor Information Documents, all of which will enter into effect as of, 25 May 2020, and copies of which will be available during normal office hours at the registered office of the Fund or at the offices of foreign representatives on and after the effective date of the Prospectus.

Capitalized terms used in this notice shall have the meaning ascribed to them in the Prospectus, unless the context otherwise requires.

The Board accepts responsibility for the accuracy of the information contained in this notice.

Should you have any questions or concerns about the foregoing, please contact the Fund at its registered office in Luxembourg or the representative of the Fund in your jurisdiction. You should inform yourself of, and where appropriate take advice on, the tax consequences of the foregoing in your country of citizenship, residence or domicile.

Yours sincerely

[Signature]

On behalf of the Fund
Matthews Asia Funds