

ISSUER

MATTHEWS INTERNATIONAL CAPITAL MANAGEMENT, LLC

December 2018

This statement provides you with key information about this product.

This statement is a part of the offering document.

You should not invest in this product based on this statement alone.

QUICK FACTS

Fund Manager: Matthews International Capital Management, LLC

Depository: Brown Brothers Harriman (Luxembourg) S.C.A.

Ongoing Charges Over a Year[^]: Class A Acc USD* 2.00% Class A Acc GBP* 2.00%
 Class I Acc USD* 1.50% Class I Acc GBP* 1.50%

Dealing Frequency: Every Valuation Day which is also a Hong Kong Business Day

Base Currency: USD

Dividend Policy: No dividends will be declared or distributed for accumulation (“**Acc**”) shares.
 Dividends for distribution (“**Dist**”) shares will be discretionary and if distributed will be made at least annually. Dividends (if any) may be distributed to the relevant Shareholders or reinvested into the Sub-Fund (defined below). Distributions may be paid out of capital or effectively out of capital and, if so, may reduce the Sub-Fund’s net asset value (“**NAV**”).

Financial Year End of the Sub-Fund: 31 March

Minimum Investment:

	Initial Investment	Subsequent Investment
Class A GBP:	GBP 500	GBP 50
Class A USD:	USD 1,000	USD 100
Class I GBP:	GBP 50,000	GBP 50
Class I USD:	USD 100,000	USD 100

[^] The ongoing charges figure for Class A Shares and Class I Shares are capped at 2.00% and 1.50% respectively, per annum of the average NAV of the relevant share class and shall not exceed such maximum level. Should the actual ongoing charges figure exceed such maximum level, the Fund Manager shall waive fees and/or reimburse expenses to the extent necessary to limit the ongoing charges to the stated maximum.

* The ongoing charges figure is based on expenses for the fiscal year ended 31 March 2018 as stated in the Fund’s annual report dated 31 March 2018 and expressed as a percentage over the average NAV of the relevant share class for the corresponding period. This figure may vary from year to year.

WHAT IS THIS PRODUCT?

India Fund (the “**Sub-Fund**”) is a sub-fund of the Matthews Asia Funds (the “**Fund**”) which is constituted in the form of an umbrella mutual fund. It is domiciled in Luxembourg and its home regulator is the *Commission de Surveillance du Secteur Financier*.

OBJECTIVE AND INVESTMENT STRATEGY

Objective

The Sub-Fund seeks to achieve long-term capital appreciation.

Strategy

Under normal market conditions, the Sub-Fund seeks to achieve its investment objective by investing primarily (i.e. at least 65% of its total net assets) directly or indirectly through collective investment schemes, convertible securities or other similar instruments, in publicly traded common stocks, preferred stocks and convertible securities of companies located in or with substantial ties to India. On an ancillary basis, the Sub-Fund may invest in other permitted assets on a worldwide basis including equities, and other securities which are transferrable, collective investment schemes, and/or other similar instruments admitted to or dealt in on a Regulated Market*, and other assets which are considered by the Sub-Fund to be of good potential growth in its value and which may, thus, increase the overall value of the Sub-Fund’s investment portfolio.

Investments in contingent convertible bonds are allowed up to 20% of the Sub-Fund’s net assets.

The Fund Manager has latitude in determining whether a company is “located in or with substantial ties to” India, taking into account factors including (i) the region, country or jurisdiction in which it is organized; (ii) the primary market in which its equity securities are listed, quoted or traded; (iii) the region, country or jurisdiction from which it derives at least 50% of its revenues or profits; (iv) the region, country or jurisdiction in which at least 50% of its assets are located; (v) the primary region, country or jurisdiction of its risks; and (vi) where the issuer is a governmental entity, the region, country or jurisdiction of which it is an agency, instrumentality or political subdivision.

The Sub-Fund may invest significantly in smaller companies with growth potential and good investment value. Larger portions of stocks of such smaller companies may be held by a small number of investors (including founders and management) in the companies than is typical of larger companies.

The Sub-Fund is permitted to use financial derivative instruments (“**FDIs**”) for investment, hedging or efficient portfolio management purposes. However, it is intended that the Sub-Fund will not use FDIs extensively for investment purposes.

WHAT ARE THE KEY RISKS?

Investment involves risks. Please refer to the offering document for details including the risk factors.

General Investment Risk

The Sub-Fund’s investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee of the repayment of principal.

- **India Investment Risk**

The Sub-Fund invests primarily in companies located in India. Investing in India exposes the Sub-Fund to its political, social, economic and regulatory risks. It may involve different and greater risks than investing in more developed markets because, among other things, India is often less stable politically and economically, and the India market is smaller and less developed and is of greater price volatility.

The Indian government has exercised, and continues to exercise, significant influence over many aspects of the economy. Global factors and foreign actions may inhibit the flow of foreign capital on which India is dependent to sustain its growth. Large portions of many Indian companies remain in the hands of their founders (including members of their families). Corporate governance standards of family-controlled companies may be weaker and less

* “Regulated Market” generally includes a regulated market in any Member States of the EU or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania, which operates regularly and is recognized and open to the public.

transparent, which increases the potential for loss and unequal treatment of investors.

Investment in Indian securities is restricted for foreign investors and foreign entities. The Sub-Fund invests in securities listed on Indian stock exchanges via the Foreign Institutional Investor (“FII”) licensed status of the Fund Manager granted to it by the Indian securities regulator. Investment in India may be subject to the withdrawal or non-renewal of such licensed status. Investments made via such licensed status are also subject to applicable local statutory or regulatory limits or changes imposed from time to time. If the Sub-Fund’s investments reach FII statutory limits, it may be required to seek approval from the Reserve Bank of India for any subsequent purchase, and such approval may not be forthcoming. This may restrict the investment options of the Sub-Fund.

These risks may have a negative impact on the value of the Sub-Fund’s investments in India, and hence, the NAV of the Sub-Fund.

- **Currency Risk**

Underlying investments of the Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund, mainly the Indian rupee. Currency controls in India may artificially affect the value of the Sub-Fund’s holdings and may negatively impact the Sub-Fund’s ability to calculate its NAV. Such controls may also restrict or prohibit the Sub-Fund’s ability to repatriate both investment capital and income. This, in turn, may undermine the value of the Sub-Fund’s holdings.

Also, a class of shares may be designated in a currency other than the base currency of the Sub-Fund. The NAV of the Sub-Fund may be affected unfavorably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

- **Equity Market Risk**

The Sub-Fund’s investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

- **Concentration Risk**

The Sub-Fund’s investments are concentrated in companies located in India. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Indian region.

- **Emerging Markets Risk**

The Sub-Fund invests primarily in companies located in India which is an emerging market. Investing in emerging markets may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

- **Risk Associated with High Volatility of the Equity Market in India**

High market volatility and potential settlement difficulties in the Indian equity markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Sub-Fund.

- **Risk Associated with Regulatory Requirements of the Equity Market in India**

Securities exchanges in India typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Sub-Fund.

- **Risk Associated with Smaller Companies**

Larger portions of smaller companies may be held by a small number of investors (including founders and management) in such companies than is typical of larger companies. As a result, the rights of minority owners may be restricted or not fully respected in corporate governance or corporate actions. Securities of smaller companies may trade less frequently, in lower volumes and with less liquidity and be subject to greater price movements than more widely held securities or the securities of larger, more established companies, or the market indices in general.

• **Risk Associated with Contingent Convertible Bonds**

The Sub-Fund may invest up to 20% of its net assets in contingent convertible bonds (“CoCos”). CoCos generally provide for mandatory or automatic conversion into common stock of the issuer under certain circumstances or may have principal write down features. Because the timing of conversion may not be anticipated, and conversion may occur when prices are unfavorable, reduced returns or losses may occur. Some CoCos may be leveraged, which can make those CoCos more volatile in changing interest rate or other conditions.

• **Risk Relating to Dividends Paid out of Capital**

Payment of dividends out of capital and/or effectively out of capital amounts to a return or withdrawal of part of an investor’s original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction of the NAV per share of the Sub-Fund.

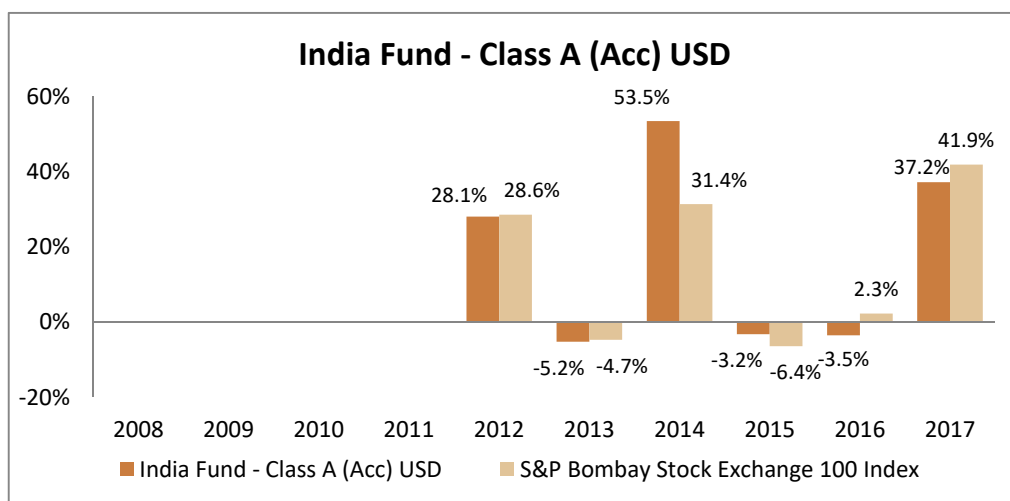
• **Risk Associated with Investment in FDIs**

Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDIs by the Sub-Fund. Exposure to FDIs may lead to a high risk of significant loss by the Sub-Fund.

• **Hedging Risk**

The Sub-Fund may use hedging techniques to attempt to offset certain market risks. There is no guarantee that hedging techniques will fully and effectively achieve their desired result. The success of hedging much depends on the Fund Manager’s expertise and hedging may become inefficient or ineffective. This may have adverse impact on the Sub-Fund and its investors.

HOW HAS THE SUB-FUND PERFORMED?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The performance shown is for the representative Class A (Acc) USD. Class A (Acc) USD is selected as the representative share class as it is open for investment by Hong Kong retail investors and broadly indicative of the Sub-Fund’s performance characteristics. Past performance for all other share classes is available in English only from the Hong Kong Representative upon request.
- The bar chart shows the representative share class’ yearly returns. The returns are provided for all the years for which performance data is available for the complete calendar year since the launch of the representative share class. Where no past performance is shown, there is insufficient data available in that year to provide a useful indication of past performance to investors.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends

reinvested.	
<ul style="list-style-type: none"> • Performance figures have been calculated in USD, including ongoing charges and excluding any subscription fee and redemption fee you might have to pay. • The Benchmark for the Sub-Fund is the S&P Bombay Stock Exchange 100 Index. • Sub-Fund launch date: 30 June 2011. • Class A (Acc) USD launch date: 30 June 2011. 	
IS THERE ANY GUARANTEE?	
This Sub-Fund does not have any guarantees. You may not get back the full amount of money you invest.	
WHAT ARE THE FEES AND CHARGES?	
Charges which may be payable by you	
You may have to pay the following fees when dealing in the shares of the Sub-Fund.	
Fee	What you pay
Subscription fee (Initial Sales Charge)	Up to 5% of the amount you buy
Switching fee (Conversion Charge)	Up to 1% of the NAV of the share to be converted
Redemption fee	N/A
Ongoing fees payable by the Sub-Fund	
The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the return you get on your investments.	
Management Fee	Annual rate (as a % <i>per annum</i> of the Sub-Fund's value)
The Sub-Fund pays a management fee (the “ Management Fee ”) to Matthews Global Investors S.à.r.l., (the “ Investment Advisor ”). The Fund Manager is entitled to a fee payable by the Investment Advisor out of the Management Fee.	1.25% for Class A (Acc) USD, GBP 0.75% for Class I (Acc) USD, GBP
Depositary Fee	Up to 2% (excluding transaction costs)
Performance Fee	N/A
Administration Fee	Up to 0.25%
The Sub-Fund pays an administration fee to the Investment Advisor (the “ Administration Fee ”). The Fund Manager is entitled to a fee payable by the Investment Advisor out of the Administration Fee.	
Other fees	
You may have to pay other fees when dealing in the shares of the Sub-Fund.	
ADDITIONAL INFORMATION	
<ul style="list-style-type: none"> • You generally buy and redeem shares at the Sub-Fund’s next-determined NAV after the Hong Kong Representative receives your request in good order on or before 6:00PM (Hong Kong Time) on a Valuation Day which is also a Hong Kong Business Day, being the dealing cut-off time. Third party distributors may impose different dealing 	

deadlines for receiving requests from investors.

- The NAV of this Sub-Fund is calculated, and the price of shares published in the South China Morning Post and the Hong Kong Economic Journal in Hong Kong, on each Valuation Day which is also a Hong Kong Business Day.
- The composition of dividends (*i.e.* the relative amounts paid out of net distributable income and capital), if any, paid on the distribution shares of the Sub-Fund for the preceding 12 months is available from the Fund or the Hong Kong Representative upon request.

IMPORTANT

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.