

Matthews Asia Funds | Annual Report

31 March 2015

ASIA GROWTH AND INCOME STRATEGIES

Asia Dividend Fund
China Dividend Fund

ASIA GROWTH STRATEGIES

Pacific Tiger Fund
China Fund
India Fund
Asia Focus Fund

ASIA SMALL COMPANY STRATEGIES

Asia Small Companies Fund
China Small Companies Fund

ASIA FIXED INCOME STRATEGY

Asia Strategic Income Fund



Matthews Asia

Société d'investissement à Capital Variable
Luxembourg

RCS Luxembourg B 151 275

Special Notice to Investors

Please note that the Annual Report is a global document and therefore also contains information concerning the Asia Strategic Income Fund and Japan Fund which are not authorized in Hong Kong and are not available to Hong Kong residents.



General Information

Matthews International Capital Management, LLC (“Matthews”), formed under the laws of Delaware and regulated by the U.S. Securities and Exchange Commission, acts as Investment Manager to the Matthews Asia Funds (the “Fund”). Matthews believes in the long-term growth of Asia. Since Matthews was founded in 1991 by Paul Matthews, the firm has focused its efforts and expertise within the Asian region, investing through a variety of market environments. As an independent, privately owned firm, Matthews is the largest dedicated Asia investment specialist in the United States.

The Fund has an “umbrella” structure comprising a number of separate Sub-Funds. As at the date of this report, nine Sub-Funds were available for investment: Asia Dividend Fund, China Dividend Fund, Pacific Tiger Fund, China Fund, India Fund, China Small Companies Fund, Asia Small Companies Fund, Asia Focus Fund and Asia Strategic Income Fund. This report covers the year from 1 April 2014 to 31 March 2015. The last day on which official prices were calculated was 31 March 2015. The figures presented in the financial statements are as at that date.

The annual general meeting of Shareholders will be held at the registered office of the Fund in Luxembourg on the third Tuesday of the month of August of each year at 2:00 p.m. or, if any such day is not a Business Day in Luxembourg, on the next following Business Day; or, following notice to Shareholders, on such other day as determined by the Fund’s Board of Directors. Notices of all general meetings will be published to the extent required by Luxembourg Law, and in such other newspaper as the Board of Directors shall determine and will be sent to the Shareholders of registered Shares in accordance with Luxembourg Law to their addresses shown on the register of Shareholders. Such notices should include the agenda and will specify the time and place of the meeting and the conditions of admission. They will also refer to the rules of quorum and majorities required by Luxembourg Law.

Each Share confers the right to one vote. The vote on the payment of a dividend on a particular Class requires a separate majority vote from the meeting of Shareholders of the Class concerned. Any change in the Articles of Incorporation affecting the rights of a Sub-Fund must be approved by a resolution of both the Shareholders at the general meeting of the Fund and the Shareholders of the Sub-Fund concerned.

Annual reports and audited financial statements shall be published within four months following the end of the accounting year and unaudited semi-annual reports shall be published within two months following the period to which they refer. The annual reports and the semi-annual reports shall be made available at the registered office of the Fund during ordinary office hours.

The Fund’s accounting year ends on 31 March in each year.

The Base Currency of the Fund is U.S. dollars (USD). The aforesaid reports will comprise combined accounts of the Fund expressed in USD as well as individual information on each Sub-Fund expressed in the Base Currency of each Sub-Fund.

Shares have not been registered under the United States Securities Act of 1933, as amended, nor the Investment Companies Act of 1940, as amended, and may not be offered directly or indirectly in the United States of America (including its territories and possessions) to nationals or residents thereof or to persons normally resident therein, or to any partnership or persons connected thereto unless pursuant to any applicable statute, rule or interpretation available under United States Law.

The Board of Directors confirms adherence to the ALFI Code of Conduct for Luxembourg investment funds.

June 2, 2015

Report of the Custodian to the Shareholders

We have enquired into the conduct of Matthews Asia Funds SICAV ("the Company") for the year ended March 31st 2015 in our capacity as Custodian to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Custodian

Luxembourg SICAV's that distribute into Hong Kong, such as the Company, are required by the local regulator to enquire into the conduct of the SICAV in each annual accounting period and report thereon to shareholders.

Our report shall state whether, in our opinion the Company has been managed in that period, in all material respects in accordance with the provisions of the Company's constitutive documents. It is the overall responsibility of the Company to comply with these provisions. If the Company has not complied we, as Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

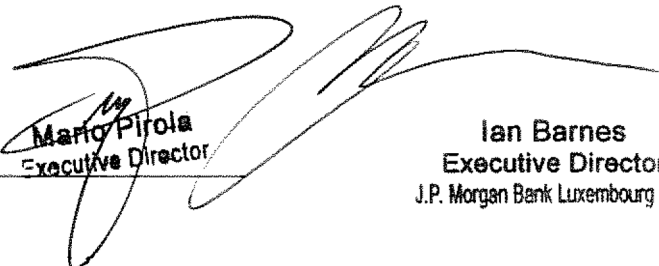
Basis of Custodian Opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to ensure that, in all material respects, the Company has been managed in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutive documents.

Opinion

In our opinion, the Company has been managed during the year, in all material respects in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutive documents.

Yours faithfully,


Mario Pirola
Executive Director

Ian Barnes
Executive Director
J.P. Morgan Bank Luxembourg S.A.

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J.P. Morgan Bank Luxembourg S.A.

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Cover photo: Ancient architecture, China

This report does not constitute or form part of any offer of shares or an invitation to subscribe for shares of Matthews Asia Funds (the "Fund"). Subscriptions are to be made on the basis of the Key Investor Information Documents accompanied by the current full prospectus, and supplemented by the latest Annual Report or the most recent Semi-Annual Report.

The views and opinions in this report were current as at 31 March 2015. They are not guarantees of performance or investment results and should not be taken as investment advice. Investment decisions reflect a variety of factors, and the managers reserve the right to change their views about individual stocks, sectors and the markets at any time. As a result, the views expressed should not be relied upon as a forecast of a Fund's future investment intent.

The subject matter contained herein has been derived from several sources believed to be reliable and accurate at the time of compilation. Matthews International Capital Management, LLC does not accept any liability for losses either direct or consequential caused by the use of this information.

The most current Key Investor Information Documents, full prospectus, and most recent Semi-Annual Report and Annual Report for the Fund, can be found at hk.matthewsasia.com. Please read the Key Investor Information Documents and current full prospectus carefully before investing.

In Singapore, this document is available to, and intended for Institutional Investors under Section 304 of the SFA (Securities and Futures Act), and to Relevant Persons pursuant to section 305 of the SFA, as those terms are used under the relevant law.

Matthews Asia Funds

Management and Administration

BOARD OF DIRECTORS

Chairman

William J. Hackett, Chief Executive Officer
Matthews International Capital Management, LLC
Four Embarcadero Center, Suite 550
San Francisco, CA 94111, United States of America

Directors

Richard Goddard, Independent Director
The Directors' Office, S.A.
19, rue de Bitbourg, L-1273 Luxembourg
Grand Duchy of Luxembourg

John P. McGowan, Senior Vice President
Matthews International Capital Management, LLC
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Timothy B. Parker, Director, International Strategy, Product
and Operations
Matthews International Capital Management, LLC
Two Pacific Place, Suite 3602
88 Queen's Way, Admiralty, Hong Kong

Conducting Officers

Richard Goddard
Timothy B. Parker

INVESTMENT MANAGER AND GLOBAL DISTRIBUTOR

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INVESTMENT ADVISOR

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CUSTODIAN, ADMINISTRATIVE AGENT AND LISTING AGENT

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CABINET DE REVISION AGREE

Deloitte Audit
Société à responsabilité limitée
560, rue de Neudorf
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Grand Duchy of Luxembourg

LEGAL ADVISOR

Elvinger, Hoss & Prussen
2, Place Winston Churchill
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Grand Duchy of Luxembourg

REGISTERED OFFICE

J.P. Morgan Bank Luxembourg S.A.
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Investment Manager's Report

Dear Valued Investors,

There is a popular notion at the moment that we are in an artificial world. Artificial in the sense that zero interest rates and incredibly easy monetary policies are creating immense distortions in financial markets, and that soon the day of reckoning will come when this fake edifice will come crashing down in a financial crisis. How this will happen is uncertain—an inflationary catastrophe? Or maybe rising interest rates? So pervasive is this idea that some people are arguing for an early rise in rates to get the inevitable pain over with sooner rather than later. I am not convinced that this view of the world's economies and markets is right.

In fact, in speaking with CEOs at a conference in Hong Kong in March, I found myself thinking just how “normal” things appear. I did not hear many stories from these executives that would fit with a “bubble-like” view of the world. 2014 was not, in the eyes of many, a particularly easy year. By and large, capital expenditure plans that companies are outlining for the coming years do not appear overly optimistic or based on assumptions that they can easily pile on new debt. Rather, they are more cautious and sober. Despite the low interest rates across the world, this is not 1997 revisited—not in general. Now, I realise that we can point to some parts of the region where taking on U.S. dollar debt because of low funding has been increasing. Thailand and Indonesia spring to mind. But I don't see those excesses shared across all companies in those countries. “We've learnt our lesson!” one company representative told us, even as he admitted that others had perhaps backtracked. I have no reason to disbelieve him and I do not think that the excesses we see in some companies are repeated generally across the region. China, for sure, has increased its use of U.S. dollar debt dramatically, if one looks at the year-on-year growth, but the actual amounts are small in relation to GDP.

Nor do I hear the signs of hubris, either from CEOs or from the policymakers. Here, China is a good example. The slowdown in headline growth will continue, we are told. Stimulus is not the answer. What is needed is greater transparency and predictability in China's markets and legal institutions, in order to engender trust in its market economy among both domestic and foreign investors. We hear similar kinds of views from policymakers in Japan, South Korea and from the Association of Southeast Asian Nations (ASEAN). It is remarkable that Asia continues to embark on supply-side reform and institutional improvements, such as refocusing on corporate governance and driving economic efficiency. It is not the sort of thing that one usually associates with “easy money” environments in markets and economies.

If anything, one would be tempted to think that money has been anything but easy in the last three years. Prices for commodities—coal, oil and metals—are falling. Just recently, I heard quite a deal of sensitivity from mid- to lower-wage consumers toward price increases for the products of an ASEAN food and beverage company. Plans for cost-cutting and rationalisation are commonplace in the discussions I have. Investors also do not seem “starry-eyed” lately. A shrug, a deep exhale and a wrinkling of the nose, appear to be the most commonplace response to the question: “What do you think about the markets?” Nobody seems to have unrealistic expectations.

My view on this is that sentiment gets like this in Asia when the U.S. dollar is strong and headline growth is weak. And we have been going through this for the past three years. But we have not had a crisis of confidence, nor have we seen economies slump. Rather, we are seeing companies competing in a tough pricing environment and in a regulatory environment that is pushing for more market-oriented reforms. Government and corporates are doing the hard yards—one is stimulating more competition; the other is trying to fight it off! Isn't this how things are supposed to be? This smacks to me of



Investment Manager's Report *(Continued)*

"normal" capitalistic growth in a low inflation world. I can see very little that is artificial about this. Rather the contrary! Indeed headline inflation rates in Asia have been falling along with nominal GDP growth rates. To use a well-known metaphor: the tide has been receding and weaknesses on individual corporate balance sheets, in the banking systems, or in government debt are generally exposed to all, if unable to be calculated exactly.

So, where do we get this idea that the markets are supercharged by false monetary policies? In my view, it is the confusion between interest rates as a policy tool and as an expression of current conditions. For, even as policy rates are close to zero, inflation rates are still low and long bond yields are tumbling in some parts of the world, as lower growth and deflation expectations are setting in. No, this is not a fake environment of easy money. If anything, the risks to global and Asian economies come from a further tightening of policy.

You can also see this in the reaction of the markets. As headline growth has been harder for companies to come by and as price competition has intensified, the valuations of companies that are able to maintain pricing power and continue to grow more predictably have held up. Those in weaker competitive positions have seen their operating results, and the valuations placed on them in the markets, diverge from their more competitive peers quite significantly. This has been helpful for the performance of our portfolios. It is not that we are trying to time this phenomenon, by any means. Rather, due to our singular focus on the region and our strategic view of stock selection, we are naturally drawn to those companies that we think are better able to navigate the bad times, instead of trying to pick those companies that rise to the top only in the good times.

So, it might be true that the last two to three years have not been as easy for Asia's markets as appears to have been the case for the U.S. But, in my view, creative destruction, where the strong replace the weak, has been hard at work in Asia recently. There may be more hard grind in the months ahead, but I do believe that it is laying the groundwork for better growth in the future.

As always, it is a privilege to act as your advisor for Asian investments.

Robert Horrocks, PhD
Chief Investment Officer
Matthews Asia

Report of the Réviseur d'entreprises agréé To the Shareholders of Matthews Asia Funds

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Following our appointment by the general meeting of the Shareholders dated 19 August 2014, we have audited the accompanying financial statements of Matthews Asia Funds (the "SICAV") and of each of its Sub-Funds, which comprise the Statement of Assets and Liabilities and the Schedule of Investments as at 31 March 2015 and the Statement of Operations and Changes in Net Assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

Responsibility of the Board of Directors of the SICAV for the financial statements

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the *réviseur d'entreprises agréé*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the *réviseur d'entreprises agréé's* judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Matthews Asia Funds and of each of its Sub-Funds as at 31 March 2015, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

Other matter

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

For Deloitte Audit, *Cabinet de révision agréé*

Luxembourg, 29 June 2015

Johnny Yip, *Réviseur d'entreprises agréé*

Partner
Société à responsabilité limitée
RCS Luxembourg B 67.895
Autorisation d'établissement: n°88607
Member of Deloitte Touche Tohmatsu



PORTFOLIO MANAGERS

Yu Zhang, CFA
Lead Manager

Robert Horrocks, PhD
Lead Manager

Vivek Tanneeru
Co-Manager

Asia Dividend Fund

Fund Manager Report

Performance figures discussed in any of the Fund Commentaries reflect that of the Institutional Accumulation Class Shares (USD).

For the 12 months ended 31 March 2015, the Asia Dividend Fund returned 9.06%, outperforming its benchmark, the MSCI All Country Asia Pacific Index, which returned 8.89%.

Market Environment:

While major economies in the Asia Pacific region generally experienced muted growth during 2014, individual equity market performance was rather uneven. Many Emerging Asia economies, most notably India, delivered solid outperformance, as investor sentiment turned more bullish on high expectations that the newly elected government of Narendra Modi would kick-start structural market reforms. Japan, on the other hand, struggled to sustain its economic growth momentum following the consumption tax hike in April. However, a policy-led asset allocation decision by Japan's domestic pension funds to move away from fixed income products and into equities sent the Nikkei Index to a multi-year high. Resource-dependent economies, such as Australia and Malaysia, faced some near-term headwinds, as energy and commodity prices corrected globally. The sell-off in those currencies also exacerbated the underperformance of their local equity markets.

The biggest surprise for Asia's markets, however, came from China. Despite its slowing economy, its domestic A-share market was the best-performing market globally in 2014 – driven partly by the shifting of domestic liquidity away from real estate investment and wealth management products and flowing into the A-share market. The current government's market reform policies, which address a change in China's growth model, also started to take shape.

Performance Contributors and Detractors:

During the financial year, our holdings in Japan benefited Fund performance the most. In addition to strong buying support from domestic institutional investors, such as pension funds, another driver of Japanese stocks was the emergence of better shareholder return policies. A government-led push for better corporate governance standards has seen more listed Japanese companies start to emphasise return metrics, such as return on equity, and to increase dividend payouts and conduct share buybacks. We have long maintained that many Japanese companies with solid business fundamentals could become good potential "dividend growers," once the willingness to pay dividends is demonstrated via progressive shareholder return policies. We think such positive change is gaining further momentum.

On the flip side, the Sub-Fund's holdings in Australia were the largest detractors to Fund performance during the 12-month period. Breville Group, an electrical kitchen appliance manufacturer, experienced a slowdown in its North American business, a main growth driver for the company. Furthermore, the departure of its CEO also surprised the market, adding further pressure on the stock price. While recognising its near-term headwind, our review of the company's performance and business strategy has convinced us that Breville remains an attractive investment with its strong product innovation, largely untapped growth options in overseas markets and online channels, and a sustainable high dividend payout with a net-cash balance sheet. Its latest CEO appointment should also alleviate market concerns over Breville's strategic direction. We remain a substantial shareholder of the company.

**Notable Portfolio Changes:**

The Sub-Fund exited some holdings in Japan and Southeast Asia during the second half of the financial year, as we believe the valuation on those stocks already fully reflected the underlying business fundamentals. Instead, we initiated several positions in China and Hong Kong companies, whose businesses could benefit from an easing monetary cycle and from potential market-driven reforms in China. We also initiated a position in Kao, a Japanese household product and cosmetics manufacturer. In addition to strong business fundamentals, underpinned by Kao's popular household products (such as baby diapers and female hygiene products), the company has been a standout among Japanese companies in terms of its capital management policy. The company has consistently returned most of its excess free cash flow to shareholders in the form of cash dividends and share buybacks. With a potential turnaround of its underperforming cosmetics division, we believe we could still see further upside on earnings as well as on dividend growth.

Outlook:

In 2015, several external uncertainties may pose challenges for Asian equity investors, including the potential for an interest rate hike by the U.S. Federal Reserve, the recent collapse of global energy and resource prices – and a corresponding stronger U.S. dollar – in addition to prolonged Euro-zone weakness. Therefore, we believe it is important for investors to focus on long-term fundamentals, instead of being swayed too much by short-term market volatility. As dividend-focused investors, we believe the key issue is whether Asian companies today offer us attractive dividend yields, and whether those dividends can grow over time in a sustainable fashion through business cycles. Today, Asia still offers investors higher dividend yields than some developed markets. With ongoing improvements to the region's shareholder return policies, strong companies in Asia are also well-positioned to deliver on faster dividend growth, and we remain optimistic.

There is no guarantee that the Fund or the companies in its portfolio will pay or continue to pay dividends. Past performance is no guarantee of future results.

Schedule of Investments

EQUITIES

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing			
AUSTRALIA			
Ansell, Ltd.	554,714	11,589,649	1.84
Breville Group, Ltd.	1,309,929	7,490,330	1.19
Primary Health Care, Ltd.	2,020,420	8,429,310	1.33
Spotless Group Holdings, Ltd.	2,676,785	4,616,592	0.73
		32,125,881	5.09

CHINA/HONG KONG

Café de Coral Holdings, Ltd.	2,074,000	7,422,705	1.18
China Machinery Engineering Corp. H Shares	6,410,000	6,479,531	1.03
China Mobile, Ltd.	97,000	1,265,716	0.20
China Mobile, Ltd. ADR	165,900	10,677,024	1.69
China Power International Development, Ltd.	11,268,000	5,902,466	0.94
Far East Horizon, Ltd.	9,642,000	8,830,102	1.40
Fuyao Glass Industry Group Co., Ltd.	71,600	175,451	0.03
Greatview Aseptic Packaging Co., Ltd.	14,505,000	7,520,284	1.19
Guangdong Investment, Ltd.	9,350,000	12,251,683	1.94
Haitian International Holdings, Ltd.	3,505,000	8,032,502	1.27
HKBN, Ltd.	1,796,635	2,233,713	0.36
Hopewell Holdings, Ltd.	849,500	3,188,209	0.51
HSBC Holdings PLC ADR	162,500	6,963,723	1.10
Jiangsu Expressway Co., Ltd. H Shares	4,610,000	6,200,496	0.98
Minth Group, Ltd.	6,974,000	13,779,427	2.19
Qualcomm Inc.	162,000	11,090,149	1.76
Shenzhou International Group Holdings, Ltd.	4,266,000	19,256,588	3.05
Springland International Holdings, Ltd.	30,000	9,170	-
Television Broadcasts, Ltd.	2,096,900	12,952,236	2.05
The Link REIT	850,500	5,239,526	0.83
Xingda International Holdings, Ltd. H Shares	9,478,000	2,595,863	0.41
Yuexiu Transport Infrastructure, Ltd.	12,688,000	8,100,071	1.28
Yum! Brands, Inc.	182,700	14,398,682	2.28
		174,565,317	27.67

INDIA

Bharti Infratel, Ltd.	1,022,554	6,297,925	1.00
ITC, Ltd.	1,652,812	8,615,722	1.37
Tata Motors, Ltd. - A - DVR	2,031,217	10,773,476	1.71
Titan Co., Ltd.	630,081	3,947,204	0.62
		29,634,327	4.70

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
INDONESIA			
PT Bank Rakyat Indonesia Persero	4,970,020	5,041,281	0.80
PT Perusahaan Gas Negara Persero	20,811,500	7,636,101	1.21
PT Telekomunikasi Indonesia Persero	28,828,100	6,366,624	1.01
PT Telekomunikasi Indonesia Persero ADR	133,800	5,832,238	0.92
PT United Tractors	5,807,900	9,684,276	1.54
		34,560,520	5.48

JAPAN

Anritsu Corp.	945,900	6,597,765	1.05
Bridgestone Corp.	378,800	15,146,073	2.40
Hoya Corp.	477,100	19,081,241	3.02
ITOCHU Corp.	1,131,600	12,232,314	1.94
Japan Tobacco, Inc.	824,900	25,993,391	4.12
Kao Corp.	248,500	12,400,784	1.97
Lawson, Inc.	91,600	6,345,641	1.01
NTT DoCoMo, Inc.	561,700	9,729,860	1.54
Pigeon Corp.	275,300	23,119,078	3.67
Recruit Holdings Co., Ltd.	201,200	6,274,781	0.99
Suntory Beverage & Food, Ltd.	480,200	20,552,262	3.26
Toyo Suisan Kaisha, Ltd.	324,800	11,404,091	1.81
Toyota Motor Corp.	229,700	15,982,374	2.53
Toyota Motor Corp. ADR	16,263	2,293,771	0.36
		187,153,426	29.67

LUXEMBOURG

L'Occitane International SA	4,355,750	12,414,970	1.97
		12,414,970	1.97

PHILIPPINES

Globe Telecom, Inc.	189,825	8,542,103	1.35
		8,542,103	1.35

SINGAPORE

ARA Asset Management, Ltd.	4,349,710	5,110,791	0.81
Ascendas India Trust	6,691,000	4,381,157	0.70
Ascendas REIT	4,536,800	8,548,790	1.36
CapitaRetail China Trust, REIT	5,826,320	6,824,573	1.08
Super Group, Ltd.	6,940,000	7,523,172	1.19
United Overseas Bank, Ltd.	133,000	2,225,536	0.35
		34,614,019	5.49

SOUTH KOREA

BGF Retail Co., Ltd.	72,576	7,389,166	1.17
GS Retail Co., Ltd.	189,030	5,688,545	0.90
KT&G Corp.	193,225	15,442,262	2.45
LG Chem, Ltd., Pfd.	99,811	13,633,715	2.16
		42,153,688	6.68

Schedule of Investments (continued)**EQUITIES (continued)**

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
TAIWAN			
Chunghwa Telecom Co., Ltd. ADR	423,660	13,433,133	2.13
St. Shine Optical Co., Ltd.	388,000	6,238,269	0.99
Taiwan Semiconductor Manufacturing Co., Ltd. ADR	568,400	13,134,686	2.08
		32,806,088	5.20
THAILAND			
Thai Beverage Public Co., Ltd.	20,636,000	11,485,296	1.82
Total Access Communications Public Co., Ltd. Foreign	792,900	1,997,534	0.32
Total Access Communications Public Co., Ltd. NVDR	2,567,200	6,467,486	1.02
		19,950,316	3.16
VIETNAM			
Vietnam Dairy Products JSC	1,639,994	8,078,037	1.28
		8,078,037	1.28

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
TOTAL EQUITIES		616,598,692	97.74
TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING			
		616,598,692	97.74
TOTAL INVESTMENTS		616,598,692	97.74
CASH AND OTHER ASSETS, LESS LIABILITIES		14,227,013	2.26
TOTAL NET ASSETS		630,825,705	100.00

ADR: American Depositary Receipt

DVR: Differential Voting Rights

H Shares: Mainland Chinese companies listed on the Hong Kong stock exchange but incorporated in mainland China

REIT: Real Estate Investment Trust

Pfd: Preferred shares

NVDR: Non-Voting Depositary Receipt

Schedule of Investments (continued)

Country Allocation	% of Net Assets
Japan	29.67
China/Hong Kong	27.67
South Korea	6.68
Singapore	5.49
Indonesia	5.48
Taiwan	5.20
Australia	5.09
India	4.70
Thailand	3.16
Luxembourg	1.97
Philippines	1.35
Vietnam	1.28
Total Investments	97.74
Cash and Other Assets, Less Liabilities	2.26
Total	100.00



PORTFOLIO MANAGERS

Yu Zhang, CFA
Lead Manager

Sherwood Zhang, CFA
Co-Manager

China Dividend Fund

Fund Manager Report

Performance figures discussed in any of the Fund Commentaries reflect that of the Institutional Accumulation Class Shares (USD).

For the 12 months ended 31 March 2015, the China Dividend Fund returned 12.60%, underperforming its benchmark, the MSCI China Index, which returned 24.34%.

Market Environment:

During the last financial year, we witnessed a significant divergence in performance between China's headline GDP growth numbers and Chinese equity markets. Investors, especially local Chinese investors, were initially encouraged by the government's effort to enact financial sector reforms aimed at lowering the cost of funding. Also welcomed by market participants were new policy initiatives that connected Shanghai and Hong Kong markets, offering new mutual access. The renewed optimism, however, quickly turned into a liquidity-driven market rally that pushed China's A-share market to a seven-year high after the central bank began a monetary easing policy, cutting both interest rates and the required reserve ratio for bank deposits. Additionally, the Hong Kong stock market moved higher after China's securities regulator announced its consent in late March for domestic mutual funds to invest in the Hong Kong stock market through the Shanghai-Hong Kong Stock Connect Programme.

Performance Contributors and Detractors:

It is noteworthy that four out of five top contributors to Fund performance during the financial year were either state-owned enterprises (SOEs) or former SOEs. They are: Shanghai Baosight Software, a traditional IT system integrator that has ventured into the large-scale data center business; Guangdong Investment, a large conglomerate with its core earnings derived from a highly stable water business; Shanghai Jinjiang International Hotels Development, a leader in China's budget hotel business, and Yantai Changyu Pioneer Wine, the country's leading wine maker. SOEs with the optimal incentive structures to align interests between majority and minority shareholders may be attractive investments, especially in places like China where the government still owns a large amount of high quality assets. Due to the negativity associated with SOEs, we pay extra attention to their levels of corporate governance for evidence of continued improvement.

In terms of detractors, Airmate International, a small household appliance maker; Pacific Online, a provider of Internet software and services; and Springland International, a regional retail operator, were the largest detractors to Fund performance. We believe these companies have lost their competitive position in their respective market place, and we exited these investments during the financial year.

Notable Portfolio Changes:

During the annual financial year, we increased our exposure to China's financial sector, adding China Construction Bank, Huishang Bank and China Everbright, a financial holding company.

We believe some Chinese banks have taken the correct approach to underperforming assets, shedding such assets from their balance sheets. While this might impact near-term earnings growth, we believe it should increase investor confidence in terms of asset quality. In addition, a series of financial reform measures, including a debt swap program to allow local governments to issue municipal bonds to replace high cost loans, may further improve the capital adequacy of Chinese banks. This had been a major concern on the sustainability of dividend payments.



In terms of China Everbright, outside of its legacy investments in banking and securities businesses, the company's management team has been growing its asset management business in recent years with fast-growing assets under management and a successful track record of private equity and venture capital investing in China. We believe that the potential of China Everbright's asset management business has not yet been fully realized by the market.

Outlook:

We are encouraged by the improved stability of China's macroeconomic outlook. While we are in agreement that a decreased risk-free rate and cost of capital will support the re-rating of Chinese equities, momentum investors in mainland China have driven share prices of some smaller-capitalization companies listed in China's domestic A-share market to risky levels. If this extreme optimism spreads into Hong Kong's market through programs such as the Shanghai–Hong Kong Connect Programme, Hong Kong-listed Chinese equities may be driven more by the exuberance in market sentiment rather than actual underlying fundamentals. Fortunately, stable dividends usually do little to attract momentum investors. Thus, we aim to seek more value in those stable businesses with high levels of sustainable payout.

Schedule of Investments

EQUITIES

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing			
CONSUMER DISCRETIONARY			
Auto Components			
Fuyao Glass Industry Group Co., Ltd.	9,600	23,524	0.40
Minth Group, Ltd.	82,000	162,018	2.76
		185,542	3.16
Diversified Consumer Services			
New Oriental Education & Technology Group, Inc. ADR	6,200	140,480	2.39
		140,480	2.39
Hotels, Restaurants & Leisure			
Café de Coral Holdings, Ltd.	44,000	157,473	2.68
Shanghai Jinjiang International Hotels Development Co., Ltd. B Shares	65,399	136,030	2.32
Yum! Brands, Inc.	2,200	173,383	2.95
		466,886	7.95
Textiles, Apparel & Luxury Goods			
Shenzhou International Group Holdings, Ltd.	47,000	212,157	3.61
		212,157	3.61
Total Consumer Discretionary		1,005,065	17.11
CONSUMER STAPLES			
Beverages			
Yantai Changyu Pioneer Wine Co., Ltd. B Shares	54,149	193,167	3.29
		193,167	3.29
Food Products			
Vitasoy International Holdings, Ltd.	102,000	159,439	2.71
		159,439	2.71
Total Consumer Staples		352,606	6.00
ENERGY			
Oil, Gas & Consumable Fuels			
PetroChina Co., Ltd. H Shares	108,000	119,454	2.03
		119,454	2.03
Total Energy		119,454	2.03

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
FINANCIALS			
Banks			
China Construction Bank Corp. H Shares	245,000	203,524	3.47
HSBC Holdings PLC ADR	3,700	158,559	2.70
Huishang Bank Corp., Ltd.	255,000	114,801	1.95
		476,884	8.12
Capital Markets			
China Everbright, Ltd.	54,000	141,136	2.40
		141,136	2.40
Diversified Financial Services			
Far East Horizon, Ltd.	191,000	174,917	2.98
		174,917	2.98
Real Estate Investment Trusts (REITs)			
CapitaRetail China Trust, REIT	73,440	86,023	1.46
The Link REIT	15,500	95,488	1.63
		181,511	3.09
Total Financials		974,448	16.59
HEALTH CARE			
Health Care Equipment & Supplies			
Pacific Hospital Supply Co., Ltd.	54,000	119,389	2.03
St. Shine Optical Co., Ltd.	5,000	80,390	1.37
		199,779	3.40
Pharmaceuticals			
Tianjin ZhongXin Pharmaceutical Group Corp., Ltd. S Shares	112,100	129,475	2.20
		129,475	2.20
Total Health Care		329,254	5.60
INDUSTRIALS			
Air Freight & Logistics			
Shenzhen Chiwan Petroleum B Shares	73,353	174,774	2.97
		174,774	2.97
Construction & Engineering			
China Machinery Engineering Corp. H Shares	162,000	163,757	2.79
		163,757	2.79
Electrical Equipment			
Boer Power Holdings, Ltd.	133,000	198,289	3.38
Voltronic Power Technology Corp.	13,582	134,251	2.28
		332,540	5.66

Schedule of Investments (continued)**EQUITIES (continued)**

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
INDUSTRIALS (continued)			
Industrial Conglomerates			
Hopewell Holdings, Ltd.	29,000	108,838	1.85
		108,838	1.85
Machinery			
Haitian International Holdings, Ltd.	49,000	112,295	1.91
Shanghai Mechanical and Electrical Industry Co., Ltd. B Shares	58,708	145,537	2.48
		257,832	4.39
Professional Services			
Sporton International, Inc.	20,658	111,573	1.90
		111,573	1.90
Road & Rail			
Guangshen Railway Co., Ltd. ADR	1,700	40,278	0.68
Guangshen Railway Co., Ltd. H Shares	210,000	97,436	1.66
		137,714	2.34
Transportation Infrastructure			
Yuexiu Transport Infrastructure, Ltd.	180,000	114,913	1.96
		114,913	1.96
Total Industrials		1,401,941	23.86
INFORMATION TECHNOLOGY			
Communications Equipment			
Qualcomm Inc.	1,700	116,378	1.98
Sercomm Corporation	49,000	105,345	1.79
		221,723	3.77
Electronic Equipment, Instruments & Components			
Sunny Optical Technology Group Co., Ltd.	71,000	128,903	2.20
		128,903	2.20
Semiconductors & Semiconductor Equipment			
Taiwan Semiconductor Manufacturing Co., Ltd.	15,000	69,522	1.18
		69,522	1.18
Software			
BAIOO Family Interactive, Ltd.	498,000	66,275	1.13
Shanghai Baosight Software Co., Ltd. B Shares	43,800	165,520	2.82
		231,795	3.95
Total Information Technology		651,943	11.10

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
MATERIALS			
Containers & Packaging			
Greatview Aseptic Packaging Co., Ltd.	316,000	163,834	2.79
		163,834	2.79
Total Materials		163,834	2.79
TELECOMMUNICATION SERVICES			
Diversified Telecommunication Services			
HKBN, Ltd.	101,758	126,513	2.15
		126,513	2.15
Wireless Telecommunication Services			
China Mobile, Ltd. ADR	2,300	148,024	2.52
		148,024	2.52
Total Telecommunication Services		274,537	4.67
UTILITIES			
Independent Power and Renewable Electricity Producers			
China Power International Development, Ltd.	282,000	147,719	2.52
		147,719	2.52
Water Utilities			
Guangdong Investment, Ltd.	96,000	125,793	2.14
		125,793	2.14
Total Utilities		273,512	4.66
TOTAL EQUITIES		5,546,594	94.41
TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING			
		5,546,594	94.41

ADR: American Depositary Receipt

B Shares: Mainland China companies listed on the Shanghai and Shenzhen stock exchanges, available to both China and non-Chinese investors

H Shares: Mainland China companies listed on the Hong Kong stock exchange but incorporated in mainland China

REIT: Real Estate Investment Trust

S Shares: Mainland China companies listed on the Singapore stock exchange but incorporated in mainland China.

Schedule of Investments (continued)**CONVERTIBLE BONDS**

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
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Transferable securities and money market instruments dealt in on another regulated market.

FINANCIALS**Real Estate Management & Development**

E-House China Holdings, Ltd., Cnv., 2.750%, 12/15/2018	100,000	87,830	1.50
		<u>87,830</u>	<u>1.50</u>
Total Financials		87,830	1.50

TOTAL CONVERTIBLE BONDS	87,830	1.50
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TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS DEALT IN ON ANOTHER REGULATED MARKET	87,830	1.50
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TOTAL INVESTMENTS	5,634,424	95.91
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CASH AND OTHER ASSETS, LESS LIABILITIES	240,497	4.09
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TOTAL NET ASSETS	5,874,921	100.00
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Schedule of Investments (continued)

Sector Allocation	% of Net Assets
Industrials	23.86
Financials	18.09
Consumer Discretionary	17.11
Information Technology	11.10
Consumer Staples	6.00
Health Care	5.60
Telecommunication Services	4.67
Utilities	4.66
Materials	2.79
Energy	2.03
Total Investments	95.91
Cash and Other Assets, Less Liabilities	4.09
Total	100.00



PORTFOLIO MANAGERS*

Sharat Shroff, CFA
Lead Manager

Richard H. Gao
Co-Manager

In-Bok Song
Co-Manager

* Please see Note 12: *Subsequent Events* for changes to Portfolio Managers.

Pacific Tiger Fund

Fund Manager Report

Performance figures discussed in any of the Fund Commentaries reflect that of the Institutional Accumulation Class Shares (USD).

For the 12 months ended 31 March 2015, the Pacific Tiger Fund returned 16.33%, outperforming its benchmark, the MSCI All Country Asia ex Japan Index, which returned 11.02%.

Market Environment:

The health of the Chinese economy, expectations around rising rates in the U.S. and the prospects of structural reforms in India and Indonesia were key factors affecting Asia's capital markets over the past 12 months.

The Chinese government is continuing to steer the economy away from investments, and toward consumption. This has resulted in overall slower economic activity with weakness driven by the industrials sectors; however, the consumption-related economy remains more resilient as is evident in continually increasing demand for new types of services like health care and tourism. It is noteworthy that despite weaker headline numbers, the Chinese government has been steadfast in avoiding large-scale stimulus measures to boost short-term growth. Rather, it has focused on maintaining a healthy transition. Toward the latter half of 2014, some of these worries took a back seat to events such as asymmetric interest rate reductions in November and a partial opening up of the Shanghai Stock Exchange to foreign investors, which led domestic Chinese markets to become the best-performing market in the region.

As expected by many analysts, interest rates in the U.S. did not rise; although the prospect of an increase was enough to serve as a wakeup call for some countries, like India and Indonesia, to take corrective action by maintaining attractive real rates of interest. These countries also embarked on structural reforms by reducing their energy subsidies in order to improve productivity and reduce fiscal drag.

Gains in the MSCI Asia ex Japan Index were negatively impacted by widespread currency depreciation in Asia, versus the U.S. dollar during much of the Fund's financial year. The Malaysian ringgit was one of the worst-performing currencies over the year-ended 31 March.

Performance Contributors and Detractors:

For the 12-month period, the portfolio's outperformance was led by holdings in South Korea and India. For example, Korean beauty products company Amorepacific saw continued traction with consumers in China as some of its prior marketing initiatives began to translate into market share gains for its skin care products. Meanwhile, in India, the prospect of a recovery in growth led by the government's reform initiatives was a primary factor behind the recovery in valuation for some of the portfolio's holdings.

On the flip side, some of our Taiwanese holdings proved to be detractors to relative Fund performance. In Taiwan, the free cash flow yields across several of the holdings compressed over the past 12 months, and as investors started to anticipate higher rates globally, the constricted yields were less attractive.

One of the worst performing stocks for the portfolio was China Resources Enterprise, a Chinese conglomerate focused on retailing and beverages. The supermarket segment has turned into a tough operating sector and, at the same time, the company has been focused on growing its business. Its recent acquisition of British multinational Tesco's assets in China business led to increased concerns over the outlook of the firm.



Notable Portfolio Changes:

During the financial year, we took advantage of lower market valuations in consumer and health care sectors, particularly in China, to acquire new positions. One such example is Yum! Brands, which is continuing to solidify its position as a premier restaurant chain. We saw some recent setbacks at Yum! Brands around food quality as an opportunity for the management team to establish better controls, and distinguish the firm's offerings from the competition.

We exited Megastudy, a provider of education services in South Korea. While we appreciated efforts to enhance shareholder value, we believe continuous changes in the regulatory environment eventually impaired the company's business model.

We also exited Keppel Land, a Singaporean real estate company. Keppel is being privatised by its parent company at a significant premium, which caused us to tender our shares. Another newer addition to the Fund was insurance company AIA, a company that has a diversified presence across many parts of Asia.

Outlook:

Over the past few years, one of the key factors depressing Asian equity markets has been steady erosion in corporate profitability as measured by return on equity. However, some of the factors that have been working against Asian businesses are turning increasingly favorable. The fall in commodity prices, especially oil, is supportive of margins, although the extent of the benefit varies. In addition, real rates of interest are still fairly high in countries like China and India, and lower inflation expectations give some leeway to central banks to loosen monetary policy. This may lead to lower funding costs for some of the companies. While these two factors are supportive, the uneven recovery in domestic demand continues to pose a challenge to companies across the region. Income growth has slowed and fiscal government budgetary pressures may constrain their ability to engage in widespread stimulus programmes. This is where the attempts in countries like India and Indonesia to steer the fiscal budget away from wasteful subsidies into more long-term investments can be helpful.

Although valuations have generally expanded across Asia, on a country-by-country basis, there are some differences. In China, valuations remain at an acceptable level while India stands at a slightly higher-than-fair level compared to historical levels. Meanwhile, valuations in the Philippines look more challenging at this point. We continue to be watchful of valuations levels, particularly with respect to corporate fundamentals for the businesses we find attractive.

Schedule of Investments

EQUITIES

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
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Transferable securities and money market instruments admitted to an official exchange listing

CHINA/HONG KONG

AIA Group, Ltd.	1,574,000	9,891,102	1.32
Alibaba Group Holding, Ltd. ADR	110,000	9,148,721	1.22
Baidu, Inc. ADR	84,370	17,597,191	2.34
China Mobile, Ltd. ADR	208,541	13,421,322	1.79
China Resources Enterprise, Ltd.	3,494,000	6,844,244	0.91
China Resources Land, Ltd.	5,359,111	15,155,508	2.02
China Vanke Co., Ltd. H Shares	2,183,290	5,194,344	0.69
Dairy Farm International Holdings, Ltd.	1,587,600	14,907,564	1.99
Digital China Holdings, Ltd.	697,000	761,884	0.10
Dongfeng Motor Group Co., Ltd. H Shares	2,820,000	4,515,340	0.60
Fuyao Glass Industry Group Co., Ltd.	84,800	207,797	0.03
Hang Lung Group, Ltd.	2,132,000	9,720,572	1.29
Hengan International Group Co., Ltd.	1,660,000	19,956,063	2.66
Hong Kong Exchanges and Clearing, Ltd.	307,200	7,532,514	1.00
Lenovo Group, Ltd.	11,812,000	17,244,811	2.30
Ping An Insurance Group Co. of China, Ltd. H Shares	1,660,500	19,970,155	2.66
Sinopharm Group Co., Ltd. H Shares	4,978,000	20,319,782	2.71
Swire Pacific, Ltd. A Share Class	461,500	6,280,866	0.84
Tencent Holdings, Ltd.	479,800	9,090,321	1.21
Tingyi (Cayman Islands) Holding Corp.	3,960,000	8,518,864	1.13
WuXi PharmaTech Cayman, Inc. ADR	222,524	8,523,710	1.14
Yum! Brands, Inc.	123,600	9,740,980	1.30
		234,543,655	31.25

INDIA

Container Corp. of India, Ltd.	604,642	15,320,628	2.04
Dabur India, Ltd.	1,478,067	6,279,006	0.84
GAIL India, Ltd.	2,043,333	12,676,444	1.69
HDFC Bank, Ltd.	164,599	2,692,936	0.36
HDFC Bank, Ltd. ADR	29,400	1,701,424	0.23
Housing Development Finance Corp.	502,669	10,580,093	1.41
ITC, Ltd.	2,382,889	12,421,443	1.65
Kotak Mahindra Bank, Ltd.	815,116	17,124,478	2.28
Sun Pharmaceutical Industries, Ltd.	905,754	14,836,051	1.98
Tata Power Co., Ltd.	13,826,447	17,053,576	2.27
Thermax, Ltd.	341,884	5,844,734	0.78
Titan Co., Ltd.	1,696,618	10,628,629	1.41
		127,159,442	16.94

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
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INDONESIA

PT Astra International	15,717,500	10,297,046	1.37
PT Bank Central Asia	10,221,300	11,582,022	1.54
PT Indofood CBP Sukses Makmur	7,340,000	8,232,213	1.10
PT Mitra Keluarga Karyasehat Tbk	58,100	98,878	0.01
PT Perusahaan Gas Negara Persero	27,410,900	10,057,535	1.34
PT Telekomunikasi Indonesia Persero	42,859,000	9,465,318	1.26
PT Telekomunikasi Indonesia Persero ADR	23,800	1,037,423	0.14
		50,770,435	6.76

MALAYSIA

Genting BHD	5,413,000	13,144,521	1.75
IHH Healthcare BHD	5,321,700	8,628,589	1.15
Public Bank BHD	1,431,050	7,295,322	0.97
		29,068,432	3.87

PHILIPPINES

GT Capital Holdings, Inc.	296,745	8,882,434	1.18
SM Prime Holdings, Inc.	17,033,175	7,613,486	1.02
		16,495,920	2.20

SINGAPORE

Hyflux, Ltd.	2,582,000	1,718,829	0.23
		1,718,829	0.23

SOUTH KOREA

Amorepacific Corp.	8,413	25,395,969	3.38
Cheil Worldwide, Inc.	542,627	11,741,198	1.56
Dongbu Insurance Co., Ltd.	355,922	15,834,825	2.11
Green Cross Corp.	73,239	11,613,926	1.55
Naver Corp.	31,025	18,731,852	2.50
Orion Corp.	17,339	18,065,993	2.41
Samsung Electronics Co., Ltd.	13,147	17,014,992	2.27
Yuhan Corp.	13,568	2,286,027	0.30
		120,684,782	16.08

SWITZERLAND

DKSH Holding, Ltd.	270,449	21,897,299	2.92
		21,897,299	2.92

TAIWAN

Delta Electronics, Inc.	2,454,000	15,452,922	2.06
President Chain Store Corp.	2,028,000	15,229,876	2.03
Synnex Technology International Corp.	9,202,297	12,414,594	1.65
Taiwan Semiconductor Manufacturing Co., Ltd.	1,550,000	7,183,910	0.96
		50,281,302	6.70

*Schedule of Investments (continued)***EQUITIES (continued)**

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
THAILAND			
Central Pattana Public Co., Ltd.	13,326,300	17,500,890	2.33
Kasikornbank Public Co., Ltd.	8,100	56,969	0.01
Kasikornbank Public Co., Ltd. NVDR	1,235,800	8,691,707	1.16
The Siam Cement Public Co., Ltd.	684,600	10,767,390	1.43
		<u>37,016,956</u>	<u>4.93</u>
UNITED STATES			
Cognizant Technology Solutions Corp. Class A	151,800	9,529,551	1.27
		<u>9,529,551</u>	<u>1.27</u>
VIETNAM			
Vietnam Dairy Products JSC	1,377,228	6,783,744	0.90
		<u>6,783,744</u>	<u>0.90</u>
TOTAL EQUITIES		<u>705,950,347</u>	<u>94.05</u>
WARRANTS			
MALAYSIA			
Genting BHD, expires 12/18/18	93,950	46,423	–
		<u>46,423</u>	<u>–</u>
TOTAL WARRANTS		<u>46,423</u>	<u>–</u>
TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING		<u>705,996,770</u>	<u>94.05</u>

EQUITIES

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
Other transferable securities and money market instruments			
PHILIPPINES			
GT Capital Holdings, Inc. Rights, expires 4/8/2015	296,745	–	–
		<u>–</u>	<u>–</u>
TOTAL EQUITIES		<u>–</u>	<u>–</u>
TOTAL OTHER TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS			
		<u>–</u>	<u>–</u>
TOTAL INVESTMENTS		<u>705,996,770</u>	<u>94.05</u>
CASH AND OTHER ASSETS, LESS LIABILITIES		<u>44,632,263</u>	<u>5.95</u>
TOTAL NET ASSETS		<u>750,629,033</u>	<u>100.00</u>

A: A Share Class

ADR: American Depositary Receipt

BHD: Berhad

H Shares: Mainland China companies listed on The Hong Kong Stock exchange but incorporated in mainland China

NVDR: Non-Voting Depositary Receipt

The accompanying notes form an integral part of these financial statements.

Schedule of Investments (continued)

Country Allocation	% of Net Assets
China/Hong Kong	31.25
India	16.94
South Korea	16.08
Indonesia	6.76
Taiwan	6.70
Thailand	4.93
Malaysia	3.87
Switzerland	2.92
Philippines	2.20
United States	1.27
Vietnam	0.90
Singapore	0.23
Total Investments	94.05
Cash and Other Assets, Less Liabilities	5.95
Total	100.00



PORTFOLIO MANAGERS*

Richard H. Gao
Lead Manager

Henry Zhang, CFA
Co-Manager

Winnie Chwang
Co-Manager

* Please see Note 12: *Subsequent Events* for changes to Portfolio Managers.

China Fund

Fund Manager Report

Performance figures discussed in any of the Fund Commentaries reflect that of the Institutional Accumulation Class Shares (USD).

For the 12 months ended 31 March 2015, the China Fund returned 10.93%, underperforming its benchmark, the MSCI China Index, which returned 24.34%.

Market Environment:

For the financial year, China's macroeconomics and the stock market headed in opposite directions. On the macroeconomic side, major indicators continued to paint a negative picture on the growth momentum in the country. In order to stabilise the economy from further weakness, the central bank reacted more proactively by cutting the bank reserve ratio for the first time since 2012. It also cut interest rates twice during the period.

Chinese equity markets, especially the domestic A-share market, responded positively to the monetary easing trend. Supported mostly by Fund flows from domestic retail investors, China's A shares reached a seven-year high during the first three months of 2015. Meanwhile, Hong Kong-listed Chinese equities also moved higher, albeit less significantly compared to the A shares.

Performance Contributors and Detractors:

The financials, industrials and information technology sectors were the biggest contributors to Fund performance for the period. Hong Kong Exchanges & Clearing, the main operator of the securities and derivatives market in Hong Kong, was among the top contributors to Fund performance, and should benefit most from China's new Hong Kong-Shanghai mutual stock trading programme. Information technology holdings, such as Lenovo Group, China's largest PC manufacturer, and NetEase, a major online gaming developer, also did well.

Fund performance in the consumer discretionary and consumer staples sectors continued to disappoint, and were among the biggest detractors of relative performance. Among them, Sands China, a major casino operator in Macau, fell under continued selling pressure during the period as near-term revenues were negatively affected by China's anti-corruption campaign. Other consumer names like budget hotel operator HomeInns Hotel Group and hypermarket operator Sun Art Retail Group were also among the major detractors. The weakness in consumer names became more prolonged than many investors had expected. We continue to hold solid names in the industry and our conviction in the long-term potential of the country's consumer sectors remains unchanged.

Notable Portfolio Changes:

During the financial year, we exited China Resources Enterprise as we believed the company had been less competitive in supermarket and hypermarket operations. We also sold sports shoe and apparel manufacturer Li Ning due to its disappointing turnaround strategy. We added e-commerce giant Alibaba to the portfolio as we believe the company will benefit most from the enormous growth opportunities in China's e-commerce space. We also added a new position, China Everbright International. This company operates in the environmental protection industry and focuses on industrial waste-to-energy projects as well as waste water treatment ventures.

Outlook:

Given that there are no strong signs of macroeconomic recovery thus far in 2015, we believe further monetary easing and fiscal stimulus should be carried out by the central government later in the year. As the Chinese premier pointed out during the National People's Congress, China has a full "tool



kit” at its disposal and will use it if growth nears the lower end of its guidance. From recent company earnings results and our on-the-ground site visits, we have seen the operating environment on the corporate side begin to improve, given lower energy and raw material costs as well as easing monetary conditions. We continue to stick to our approach of finding long-term winners in various Chinese industries with a focus on the domestic consumption and service sectors.

Schedule of Investments

EQUITIES

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing			

CONSUMER DISCRETIONARY**Auto Components**

Fuyao Glass Industry Group Co., Ltd.	10,400	25,485	0.04
		25,485	0.04

Automobiles

Dongfeng Motor Group Co., Ltd. H Shares	514,000	823,009	1.34
		823,009	1.34

Diversified Consumer Services

New Oriental Education & Technology Group, Inc. ADR	31,600	715,996	1.16
		715,996	1.16

Hotels, Restaurants & Leisure

Café de Coral Holdings, Ltd.	412,000	1,474,520	2.40
Homeinns Hotel Group ADR	41,400	982,291	1.60
Sands China, Ltd.	208,000	861,107	1.40
		3,317,918	5.40

Internet & Catalog Retail

Jumei International Holding, Ltd. ADR	14,600	225,355	0.37
		225,355	0.37

Media

Television Broadcasts, Ltd.	67,000	413,849	0.67
		413,849	0.67

Multiline Retail

Golden Eagle Retail Group, Ltd.	392,000	477,178	0.78
		477,178	0.78

Textiles, Apparel & Luxury Goods

Belle International Holdings, Ltd.	733,000	854,207	1.39
		854,207	1.39

Total Consumer Discretionary

		6,852,997	11.15
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CONSUMER STAPLES**Beverages**

Tsingtao Brewery Co., Ltd. H Shares	104,000	697,890	1.13
		697,890	1.13

Food & Staples Retailing

Sun Art Retail Group, Ltd.	579,000	504,049	0.82
		504,049	0.82

Food Products

China Mengniu Dairy Co., Ltd.	232,000	1,232,752	2.01
Tingyi (Cayman Islands) Holding Corp.	458,000	985,262	1.60
		2,218,014	3.61

Personal Products

Hengan International Group Co., Ltd.	97,500	1,172,118	1.91
		1,172,118	1.91

Total Consumer Staples

		4,592,071	7.47
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Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
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ENERGY**Energy Equipment & Services**

China Oilfield Services, Ltd. H Shares	318,000	528,751	0.86
		528,751	0.86

Oil, Gas & Consumable Fuels

CNOOC, Ltd.	453,000	639,823	1.04
		639,823	1.04

Total Energy

		1,168,574	1.90
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FINANCIALS**Banks**

BOC Hong Kong Holdings, Ltd.	288,000	1,026,960	1.67
China Construction Bank Corp. H Shares	1,355,340	1,125,896	1.83
China Merchants Bank Co., Ltd. H Shares	575,610	1,405,502	2.29
		3,558,358	5.79

Diversified Financial Services

Hong Kong Exchanges and Clearing, Ltd.	37,600	921,948	1.50
		921,948	1.50

Insurance

China Life Insurance Co., Ltd. ADR	20,400	1,352,572	2.20
China Life Insurance Co., Ltd. H Shares	396,000	1,734,285	2.82
Ping An Insurance Group Co. of China, Ltd. H Shares	201,000	2,417,345	3.93
		5,504,202	8.95

Real Estate Management & Development

China Resources Land, Ltd.	652,666	1,845,732	3.00
China Vanke Co., Ltd. H Shares	775,653	1,845,384	3.00
Hang Lung Group, Ltd.	166,000	756,855	1.23
Swire Pacific, Ltd. A Share Class	48,000	653,265	1.06
		5,101,236	8.29

Total Financials

		15,085,744	24.53
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HEALTH CARE**Health Care Equipment & Supplies**

Ginko International Co., Ltd.	40,000	459,019	0.75
Mindray Medical International, Ltd. ADR	31,350	852,077	1.38
		1,311,096	2.13

Health Care Providers & Services

Sinopharm Group Co., Ltd. H Shares	431,600	1,761,755	2.87
		1,761,755	2.87

Pharmaceuticals

Luye Pharma Group, Ltd.	736,500	890,026	1.45
Sino Biopharmaceutical, Ltd.	1,188,000	1,201,373	1.95
		2,091,399	3.40

Total Health Care

		5,164,250	8.40
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*Schedule of Investments (continued)***EQUITIES (continued)**

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets	Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
INDUSTRIALS				TELECOMMUNICATION SERVICES			
Airlines				Diversified Telecommunication Services			
Air China, Ltd. H Shares	1,228,000	1,252,752	2.04	China Communications Services Corp., Ltd. H Shares	936,000	414,972	0.68
		1,252,752	2.04			414,972	0.68
Commercial Services & Supplies				Wireless Telecommunication Services			
China Everbright International, Ltd.	444,000	744,989	1.21	China Mobile, Ltd.	62,500	815,539	1.32
		744,989	1.21	China Mobile, Ltd. ADR	14,500	933,194	1.52
Construction & Engineering						1,748,733	2.84
China State Construction International Holdings, Ltd.	450,000	626,797	1.02	Total Telecommunication Services		2,163,705	3.52
		626,797	1.02	UTILITIES			
Industrial Conglomerates				Electric Utilities			
NWS Holdings, Ltd.	436,500	726,384	1.18	Cheung Kong Infrastructure Holdings, Ltd.	178,000	1,530,068	2.49
		726,384	1.18			1,530,068	2.49
Machinery				Gas Utilities			
Airtac International Group	100,000	800,318	1.30	Hong Kong & China Gas Co., Ltd.	296,885	686,912	1.12
CSR Corp., Ltd. H Shares	1,306,000	1,724,779	2.81			686,912	1.12
		2,525,097	4.11	Independent Power and Renewable Electricity Producers			
Transportation Infrastructure				CGN Power Co., Ltd.			
China Merchants Holdings International Co., Ltd.	338,000	1,323,913	2.15	China Longyuan Power Group Corp. H Shares	1,287,000	1,401,629	2.28
Yuexiu Transport Infrastructure, Ltd.	2,156,000	1,376,399	2.24			2,344,466	3.81
		2,700,312	4.39	Total Utilities		4,561,446	7.42
Total Industrials		8,576,331	13.95	TOTAL EQUITIES			
INFORMATION TECHNOLOGY						59,503,140	96.78
Communications Equipment				TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING			
ZTE Corp. H Shares	484,680	1,110,438	1.81			59,503,140	96.78
		1,110,438	1.81	TOTAL INVESTMENTS			
Electronic Equipment, Instruments & Components						59,503,140	96.78
Hollysys Automation Technologies, Ltd.	34,700	708,062	1.15	CASH AND OTHER ASSETS, LESS LIABILITIES			
		708,062	1.15			1,981,624	3.22
Internet Software & Services				TOTAL NET ASSETS			
Alibaba Group Holding, Ltd. ADR	14,300	1,189,334	1.94			61,484,764	100.00
Baidu, Inc. ADR	6,200	1,293,144	2.10				
NetEase, Inc. ADR	12,350	1,287,294	2.09				
Sina Corp.	11,650	373,737	0.61				
Tencent Holdings, Ltd.	158,600	3,004,846	4.89				
		7,148,355	11.63				
Software							
Kingdee International Software Group Co., Ltd.	2,826,800	1,182,776	1.92				
		1,182,776	1.92				
Technology Hardware, Storage & Peripherals							
Lenovo Group, Ltd.	814,000	1,188,391	1.93				
		1,188,391	1.93				
Total Information Technology		11,338,022	18.44				

The accompanying notes form an integral part of these financial statements.

Schedule of Investments (continued)

Sector Allocation	% of Net Assets
Financials	24.53
Information Technology	18.44
Industrials	13.95
Consumer Discretionary	11.15
Health Care	8.40
Consumer Staples	7.47
Utilities	7.42
Telecommunication Services	3.52
Energy	1.90
Total Investments	96.78
Cash and Other Assets, Less Liabilities	3.22
Total	100.00



PORTFOLIO MANAGERS

Sunil Asnani
Lead Manager

Sharat Shroff, CFA
Co-Manager

India Fund

Fund Manager Report

Performance figures discussed in any of the Fund Commentaries reflect that of the Institutional Accumulation Class Shares (USD).

For the 12 months ended 31 March 2015, the India Fund rose 50.22%, outperforming its benchmark, the S&P Bombay Stock Exchange 100 Index, which returned 25.08%.

Market Environment:

The majority of the market gain during the year came during the run-up to the national elections held early in 2014. First, in anticipation, and then through the formation, of a strong central government that is both business- and governance-friendly, market gains were very strong. During the second half of 2014, however, markets were up only moderately. Perhaps investors transitioned into a “wait-and-see” mode over how the new government would execute on highly anticipated economic reforms. So far, the government has succeeded in making incremental reforms, such as improving bureaucratic efficiency and accountability. But more structural, legislative reforms, such as those that pertain to land, labor and taxation have not come through. The ruling party lacks a majority in the Upper House of Parliament and in various state legislatures, making consensus over complex reforms more challenging.

Performance Contributors and Detractors:

The portfolio’s relative outperformance during the financial year was primarily due to the strategy’s sizeable allocation to small- and mid-capitalization holdings, as well as due to the Fund’s limited exposure to reform-dependent sectors. Small- and mid-cap stocks have generally traded at a discount to large-caps, in part due to a differential in fundamentals; but in recent years, this gap had widened beyond what is normal. Over the past year, we have witnessed a correction of this anomaly. The Fund has had a significant allocation to smaller companies; and historically, we have found many good companies available in this universe at fair valuations.

The Fund has also had limited exposure to sectors such as utilities, metals and energy. These sectors have seen reduced capital expenditures, hurt by falling commodity prices, and tend to be policy-dependent. We generally prefer companies with management teams that have more control over the companies’ destinies and can better navigate macroeconomic headwinds. Such companies tend to benefit from growth sparked by reforms. But these companies are not necessarily uprooted if reforms fail to take place.

Notable Portfolio Changes:

During the year, we added to a number of stocks across a variety of sectors, such as health care, industrial, financials, consumer and technology. One notable addition was IndusInd Bank, a private sector bank that – after experiencing a management change a few years ago – has improved profitability while maintaining asset quality. Notably, it has achieved this all while enduring a tough credit and interest rate environment.

One of the cornerstones of our investment process is to keep a keen eye on corporate governance. During the year, we exited a few positions in companies in which we had been losing conviction in this regard. One company, for instance, still had fundamentals in line with peers, but its management compensation was increasing to levels that were higher than average.

Outlook:

Looking ahead, we feel that the market may be placing too much emphasis on the extent and speed of reforms. We are watching a number of other market factors over the short term: First, investors may face disappointment if



reforms are not implemented within the timeframe that the market has anticipated. The incremental benefits of an efficient and accountable bureaucracy could have some impact on accelerating growth. Second, falling commodity prices have led to moderating inflation during the year and the Reserve Bank of India may continue to ease its stance on monetary policy. Third, short-term global factors may be mixed for India. Falling oil prices, for instance, would be largely positive considering that India imports the majority of its oil. Conversely, if the U.S. Federal Reserve intends to tighten interest rates, we expect a neutral to negative impact on India's equity markets.

But over the long term, company fundamentals should prevail, which is why we continue to focus on bottom-up fundamentals, and why we remain benchmark-agnostic, long-term investors in India.

Schedule of Investments

EQUITIES

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing			
CONSUMER DISCRETIONARY			
Auto Components			
Exide Industries, Ltd.	117,659	334,569	0.48
		334,569	0.48
Household Durables			
Symphony, Ltd.	52,445	2,176,245	3.13
		2,176,245	3.13
Media			
Jagran Prakashan, Ltd.	171,487	353,207	0.51
		353,207	0.51
Textiles, Apparel & Luxury Goods			
Kewal Kiran Clothing, Ltd.	5,499	187,006	0.27
Page Industries, Ltd.	6,579	1,445,154	2.08
Titan Co., Ltd.	358,737	2,247,343	3.23
Vaibhav Global, Ltd.	22,654	290,233	0.41
		4,169,736	5.99
Total Consumer Discretionary		7,033,757	10.11
CONSUMER STAPLES			
Food Products			
Zydus Wellness, Ltd.	91,574	1,491,392	2.15
		1,491,392	2.15
Personal Products			
Bajaj Corp., Ltd.	229,090	1,678,870	2.42
Dabur India, Ltd.	324,509	1,378,553	1.98
Emami, Ltd.	165,372	2,648,703	3.81
Marico, Ltd.	108,456	669,283	0.96
		6,375,409	9.17
Tobacco			
ITC, Ltd.	645,593	3,365,325	4.84
VST Industries, Ltd.	18,940	476,121	0.68
		3,841,446	5.52
Total Consumer Staples		11,708,247	16.84
FINANCIALS			
Banks			
HDFC Bank, Ltd.	99,490	1,627,714	2.34
IndusInd Bank, Ltd.	212,605	3,013,407	4.33
Kotak Mahindra Bank, Ltd.	122,446	2,572,424	3.70
		7,213,545	10.37
Consumer Finance			
Shriram City Union Finance, Ltd.	113,316	3,562,357	5.12
Sundaram Finance, Ltd.	28,927	702,189	1.01
		4,264,546	6.13

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
FINANCIALS (continued)			
Diversified Financial Services			
CRISIL, Ltd.	62,327	2,004,315	2.88
IDFC, Ltd.	483,458	1,291,206	1.86
Multi Commodity Exchange of India, Ltd.	850	15,263	0.02
		3,310,784	4.76
Real Estate Management & Development			
Ascendas India Trust	537,400	351,881	0.51
		351,881	0.51
Thriffs & Mortgage Finance			
GRUH Finance, Ltd.	168,620	658,187	0.94
Housing Development Finance Corp.	123,514	2,599,702	3.74
		3,257,889	4.68
Total Financials		18,398,645	26.45
HEALTH CARE			
Health Care Equipment & Supplies			
Poly Medicare, Ltd.	75,907	612,987	0.88
		612,987	0.88
Pharmaceuticals			
Ajanta Pharma, Ltd.	143,372	2,818,816	4.05
Caplin Point Laboratories Ltd.	18,303	300,209	0.43
Sun Pharma Advanced Research Co, Ltd.	229,208	1,804,220	2.60
Sun Pharmaceutical Industries, Ltd.	82,710	1,354,772	1.95
Taro Pharmaceutical Industries, Ltd.	21,400	3,053,598	4.39
		9,331,615	13.42
Total Health Care		9,944,602	14.30
INDUSTRIALS			
Air Freight & Logistics			
Blue Dart Express, Ltd.	12,196	1,424,138	2.05
		1,424,138	2.05
Machinery			
AIA Engineering, Ltd.	127,259	2,549,964	3.66
Ashok Leyland, Ltd.	763,929	895,793	1.29
Thermax, Ltd.	70,029	1,197,192	1.72
		4,642,949	6.67
Road & Rail			
Container Corp. of India, Ltd.	43,634	1,105,613	1.59
		1,105,613	1.59
Transportation Infrastructure			
Gujarat Pipavav Port, Ltd.	412,669	1,597,929	2.30
		1,597,929	2.30
Total Industrials		8,770,629	12.61

*Schedule of Investments (continued)***EQUITIES (continued)**

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
INFORMATION TECHNOLOGY			
Internet Software & Services			
Info Edge India, Ltd.	131,311	1,764,328	2.54
		1,764,328	2.54
IT Services			
CMC, Ltd.	2,521	77,227	0.11
Cognizant Technology Solutions Corp. Class A	47,100	2,956,797	4.25
eClerx Services, Ltd.	109,735	2,783,400	4.00
Mindtree, Ltd.	117,101	2,442,149	3.51
		8,259,573	11.87
Total Information Technology		10,023,901	14.41
MATERIALS			
Chemicals			
Asian Paints, Ltd.	51,796	672,246	0.97
Castrol India, Ltd.	86,013	651,737	0.94
Supreme Industries, Ltd.	63,689	726,040	1.04
		2,050,023	2.95
Construction Materials			
Grasim Industries, Ltd.	5,777	334,767	0.48
		334,767	0.48
Metals & Mining			
NMDC, Ltd.	843,882	1,738,119	2.50
		1,738,119	2.50
Total Materials		4,122,909	5.93
TOTAL EQUITIES		70,002,690	100.65
TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING			
		70,002,690	100.65
TOTAL INVESTMENTS		70,002,690	100.65
LIABILITIES IN EXCESS OF CASH AND OTHER ASSETS		(450,958)	(0.65)
TOTAL NET ASSETS		69,551,732	100.00

The accompanying notes form an integral part of these financial statements.

Schedule of Investments (continued)

Sector Allocation	% of Net Assets
Financials	26.45
Consumer Staples	16.84
Information Technology	14.41
Health Care	14.30
Industrials	12.61
Consumer Discretionary	10.11
Materials	5.93
Total Investments	100.65
Liabilities in Excess of Cash and Other Assets	(0.65)
Total	100.00



PORTFOLIO MANAGERS

Kenneth Lowe, CFA
Lead Manager

Michael J. Oh, CFA
Co-Manager

Sharat Shroff, CFA
Co-Manager

Asia Focus Fund

Fund Manager Report

Performance figures discussed in any of the Fund Commentaries reflect that of the Institutional Accumulation Class Shares (USD).

The Asia Focus Fund was launched on 30 May 2014. From its inception through 31 March 2015, the Sub-Fund returned 2.00% while its benchmark, the MSCI All Country Asia ex Japan Index, returned 5.92%.

Market Environment:

The preceding 12 months were once again dominated by monetary policy and politics, with plunges in prices across the commodity complex further compounding this volatility. Much of this has added to deflationary concerns throughout the globe as a U.S. recovery remains somewhat tepid. At the same time, the European Central Bank has started to engage in its own experimental quantitative easing program – purchasing 60 billion euros of sovereign debt every month in order to try to quell these concerns and kick-start growth. In Asia, economic growth has weakened, leading many central banks to engage in rate cuts given this benign inflationary backdrop. More pleasingly, on the political front, we witnessed the election of new pro-reform governments in India and Indonesia, whilst China and Japan have also undergone supply-side reform to some degree.

All of these changes led India and China to become the region's best performers during the financial year. For India, hopes that new Prime Minister Narendra Modi could “reignite the animal spirits” of the economy and realise the nation's potential drove markets higher. Whilst in China, expectations for stimulus and retail investor flows boosted markets. Some of Asia's weakest markets during the period were those that were net losers of the drop in commodity prices, such as Australia and Malaysia.

Performance Contributors and Detractors:

The largest contributor to returns since the Sub-Fund's inception came from our holdings in Hong Kong. AIA Group, a pan-Asian life insurance company was particularly strong. Despite the widely held belief that its large exposure to the developed markets of Singapore and Hong Kong would impede growth, an excellent management team, strong brand and impressive distribution capability continued to surprise the market and deliver robust operational growth. This progress has been measured across various metrics, such as value of new business as well as capital generation.

Newly purchased Hong Kong industrial conglomerate holding Hutchison Whampoa was also a meaningful contributor. We initiated a position in the stock toward the end of 2014 as we believed that it was a quality business at a valuation below its intrinsic value. Although we were fortunate on the timing of our entry, it is pleasing to have this view somewhat vindicated as management has decided to try to realise value through a US\$24 billion restructuring and simplification of its business. They have also engaged in an acquisition in the U.K. wireless market in order to become a larger and better-placed competitor.

Information technology holdings also helped drive returns with Chinese search engine Baidu and Taiwanese semiconductor foundry TSMC both performing well.

Compagnie Financiere Richemont was the largest drag on performance as the Swiss luxury goods brand owner and manufacturer sputtered. This was primarily due to the Swiss National Bank's decision to abandon the franc's peg to the euro, which caused the currency to appreciate, and hurt exporters like Richemont. Beyond this, our Malaysian holdings were also a drag on Fund



performance, with commercial bank AMMB Holdings the weakest of these, on expectations that a soft economy will cause nonperforming loans to increase.

Notable Portfolio Changes:

During the period, we made no notable additions or deletions to the portfolio.

Outlook:

In prior commentaries we have discussed the changes underway across much of Asia, where domestic institutions are engaging in structural reform. As the global demand backdrop remains sanguine with deflationary forces that are likely here to stay, a continuation of these steps toward greater liberalisation and economic freedom will be vital in ensuring sustainable growth over the long term. All too frequently we encounter Asian companies and governments too focused on near-term growth and not on its longer term sustainability or important metrics, including return on capital, and improving competitiveness. The ensuing couple of years will prove pivotal in understanding how committed governments across the region are to this change rather than continuing to loosen monetary policy and creating ever larger debt levels in order to assuage growth concerns.

Against this backdrop, there remains some scope for disappointment in corporate earnings. This makes active stock picking vital in navigating inevitably volatile markets, and we believe that the Fund remains well-placed to cope with such volatility given its strong focus on seeking to buy quality businesses, at attractive price points, that create economic value for their minority shareholders.

Schedule of Investments

EQUITIES

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing			
AUSTRALIA			
Ansell, Ltd.	1,773	37,043	3.64
Insurance Australia Group, Ltd.	5,845	27,056	2.66
Orica, Ltd.	1,206	18,277	1.79
		82,376	8.09
CHINA/HONG KONG			
AIA Group, Ltd.	11,600	72,895	7.16
Baidu, Inc. ADR	200	41,714	4.10
Hang Lung Group, Ltd.	6,000	27,356	2.69
HSBC Holdings PLC	3,200	27,445	2.69
Hutchison Whampoa, Ltd.	3,000	41,632	4.09
Jardine Matheson Holdings, Ltd.	800	50,560	4.96
Samsonite International SA	12,000	41,675	4.09
VTech Holdings, Ltd.	2,500	35,660	3.50
Yum! Brands, Inc.	540	42,558	4.18
		381,495	37.47
INDIA			
Tata Motors, Ltd. ADR	700	30,822	3.03
		30,822	3.03
INDONESIA			
PT Bank Rakyat Indonesia Persero	33,000	33,473	3.29
PT Indofood Sukses Makmur	52,500	29,895	2.93
		63,368	6.22
MALAYSIA			
AMMB Holdings BHD	15,500	26,618	2.61
Axiata Group BHD	13,900	26,550	2.61
Genting Malaysia BHD	27,100	30,930	3.04
Guinness Anchor BHD	7,800	29,889	2.94
		113,987	11.20
SINGAPORE			
SIA Engineering Co., Ltd.	7,000	20,400	2.01
Singapore Telecommunications, Ltd.	14,000	44,581	4.38
United Overseas Bank, Ltd.	1,000	16,733	1.64
United Overseas Bank, Ltd. ADR	300	10,098	0.99
		91,812	9.02
SOUTH KOREA			
Samsung Electronics Co., Ltd.	24	31,061	3.05
		31,061	3.05
SWITZERLAND			
Cie Financiere Richemont SA	405	32,875	3.23
		32,875	3.23

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
TAIWAN			
Taiwan Semiconductor Manufacturing Co., Ltd.	8,000	37,078	3.64
		37,078	3.64
THAILAND			
Kasikornbank Public Co., Ltd.	4,400	30,946	3.04
		30,946	3.04
UNITED KINGDOM			
BHP Billiton PLC	911	19,932	1.96
		19,932	1.96
UNITED STATES			
Mead Johnson Nutrition Co.	400	40,466	3.97
		40,466	3.97
TOTAL EQUITIES		956,218	93.91
TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING			
		956,218	93.91

EQUITIES

Transferable securities and money market instruments dealt in on another regulated market

CHINA/HONG KONG			
Jardine Matheson Holdings, Ltd. ADR	300	18,927	1.86
		18,927	1.86
TOTAL EQUITIES		18,927	1.86
TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS DEALT IN ON ANOTHER REGULATED MARKET			
		18,927	1.86
TOTAL INVESTMENTS		975,145	95.77
CASH AND OTHER ASSETS, LESS LIABILITIES			
		43,115	4.23
TOTAL NET ASSETS		1,018,260	100.00

ADR: American Depositary Receipt

BHD: Berhad

The accompanying notes form an integral part of these financial statements.

Schedule of Investments (continued)

Country Allocation	% of Net Assets
China/Hong Kong	39.32
Malaysia	11.20
Singapore	9.02
Australia	8.09
Indonesia	6.22
United States	3.97
Taiwan	3.64
Switzerland	3.23
South Korea	3.05
Thailand	3.04
India	3.03
United Kingdom	1.96
Total Investments	95.77
Cash and Other Assets, Less Liabilities	4.23
Total	100.00



PORTFOLIO MANAGERS

Lydia So, CFA
Lead Manager

Kenichi Amaki
Co-Manager

Beini Zhou, CFA
Co-Manager

Asia Small Companies Fund

Fund Manager Report

Performance figures discussed in any of the Fund Commentaries reflect that of the Institutional Accumulation Class Shares (USD).

For the 12 months ended 31 March 2015, the Asia Small Companies Fund returned 8.66%, outperforming its benchmark, the MSCI All Country Asia ex Japan Small Cap Index, which returned 4.95%.

Market Environment:

Asia small capitalization equities started off strong early in the financial year. However, various macroeconomic factors, such as concerns over the potential increase in U.S. interest rates, renewed worries over moderating global growth, and sharp corrections in commodity prices, somewhat dampened the risk appetite in Asian markets toward the second half of the year. Political developments dictated market movements, most noticeably in India where the victory of its Narendra Modi-led government propelled strong gains in the equity markets. In Indonesia, the reform-minded Joko Widodo was elected to lead the country. While some uncertainties in the market have been removed, the broader direction as to which public policies will shift has yet to crystalize. In Hong Kong, the equities market was largely trading sideways over uncertainty of slowing growth in China until financial year-end when the market started to witness a huge rally propelled by the recently-initiated Shanghai-Hong Kong Connect programme.

Performance Contributors and Detractors:

During the year, our overall stock selection along with an overweight in India, contributed the bulk of absolute performance to the portfolio. India's outperformance was due to a combination of improving company fundamentals, along with bullish investor sentiment thanks to the perception that the new political landscape would be conducive to investments and reforms. For example, Gujarat Pipavav Port and AIA Engineering, both industrial holdings, performed well thanks to impressive operational and profitability improvements, hence their valuation multiples expanded sharply. Another company-specific performance contributor was Sunny Optical Technology Group in China. The stock performed well, due to strong demand in camera modules for handsets and lens components installed in automobiles.

Broadly, almost all sectors performed well and contributed positively toward the Fund's performance in the year. One of our long-term holdings, Super Group, a Singapore-based instant coffee manufacturer, underperformed due to intense competition and short-term operational issues that disrupted its production. While the stock was penalized by investors, we continue to hold the company due to its ongoing efforts to invest in its various brands and its distribution network, which should sustain its competitive positioning in the market. Its share price rebounded strongly towards year end.

Notable Portfolio Changes:

After the run-up in valuations in our holdings in India during the year, we have trimmed our positions in order to take profits. We believe that the company fundamentals of our holdings in India remain strong. However, valuations might be stretched as much optimism is attached to the newly elected government's potential reforms to re-ignite the country's growth momentum.

After short-term share price weakness, we added to several existing positions, such as Malaysian convenience store operator, 7-Eleven Malaysia Holdings. We like the company's ability to enhance store efficiencies and profitability. We believe that its business model is well-positioned to capitalize on changing consumption patterns among the middle class.



Toward the end of the year, we initiated a position in Taiwan's Finetek, a process automation components maker specialized in a particular type of sensor. These are level sensors, which are used across many diverse end markets, including food and beverage industries. The majority of Finetek's products are custom designed so they are relatively sticky once they are designed into a customer's equipment or systems. China accounts for half of its business, and we believe the firm is well-positioned to capitalize on China's rising automation trend over the medium to long term.

Outlook:

All eyes are watching and waiting to detect movement related to an interest rate hike from the U.S. Federal Reserve. Any student of past interest rate cycles would be rightly concerned about emerging markets at this juncture, including those in Asia. There is strong attention being paid to when U.S. rates indeed may start to rise and when we may potentially see capital flight out of emerging markets follow. We have no crystal ball in front of us. As bottom-up stock pickers, current macroeconomic uncertainty actually presents us not only with challenges but with unique opportunities as well. We remain focused on picking companies that we believe can generate high return on capital, are run by sensible capital allocators and trade at reasonable valuations. Most of our portfolio holdings are beneficiaries of lower oil and commodity prices and, with strong balance sheets, tend to be insulated from rising cost of capital. Therefore, bumpy as the journey may be over the short term, we are enthusiastic regarding the long-term prospects of our Asia small-cap investments.

Investing in small- and mid-size companies is more risky than investing in large companies as they may be more volatile and less liquid than larger companies.

Schedule of Investments

EQUITIES

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
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Transferable securities and money market instruments admitted to an official exchange listing

CHINA/HONG KONG

51job, Inc. ADR	8,200	267,319	1.30
Airtac International Group	36,210	289,795	1.41
BitAuto Holdings, Ltd., ADR	400	19,787	0.10
China Biologic Products, Inc.	4,000	368,009	1.79
Convenience Retail Asia, Ltd.	404,000	255,934	1.25
Fairwood Holdings, Ltd.	132,500	345,189	1.68
Goldpac Group, Ltd.	504,000	296,478	1.44
Kerry Logistics Network, Ltd.	281,500	413,756	2.02
Lee's Pharmaceutical Holdings, Ltd.	282,500	408,063	1.99
Lifetech Scientific Corp.	1,456,000	262,925	1.28
Minh Group, Ltd.	142,000	280,568	1.37
Pacific Online, Ltd.	550,000	231,244	1.13
Qingdao Port International Co., Ltd.	351,000	172,746	0.84
Stelux Holdings International, Ltd.	879,000	197,509	0.96
Sunny Optical Technology Group Co., Ltd.	237,000	430,281	2.10
Towngas China Co., Ltd.	421,000	385,531	1.88
Vitasoy International Holdings, Ltd.	266,000	415,791	2.02
YGM Trading, Ltd.	124,000	199,904	0.97
		5,240,829	25.53

INDIA

AIA Engineering, Ltd.	14,384	288,221	1.40
Bajaj Corp., Ltd.	43,840	321,278	1.57
Berger Paints India, Ltd.	54,201	180,916	0.88
CRISIL, Ltd.	5,965	191,823	0.93
Emami, Ltd.	18,141	290,558	1.42
GRUH Finance, Ltd.	60,662	236,786	1.15
Gujarat Pipavav Port, Ltd.	65,630	254,131	1.24
Ipca Laboratories, Ltd.	19,171	195,007	0.95
Mindtree, Ltd.	13,646	284,588	1.39
Page Industries, Ltd.	1,183	259,860	1.27
Supreme Industries, Ltd.	25,211	287,400	1.40
		2,790,568	13.60

INDONESIA

PT AKR Corporindo	571,400	223,988	1.09
PT Arwana Citramulia	4,062,800	251,711	1.23
PT Astra Otoparts	576,500	158,743	0.77
PT Bank Tabungan Pensiunan Nasional	739,000	238,533	1.16
PT Modern Internasional	3,446,700	154,224	0.75
PT Selamat Sempurna	686,900	233,800	1.14
PT Sumber Alfaria Trijaya	2,455,400	107,050	0.52
PT Ultrajaya Milk Industry & Trading Co.	371,800	112,736	0.55
PT Wisnilak Inti Makmur	3,052,800	125,972	0.62
		1,606,757	7.83

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
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MALAYSIA

7-Eleven Malaysia Holdings BHD	770,300	332,666	1.62
Alliance Financial Group BHD	241,500	312,349	1.52
Karex BHD	254,000	314,799	1.54
KPJ Healthcare BHD	194,560	223,489	1.09
Oldtown BHD	372,600	173,045	0.84
		1,356,348	6.61

PHILIPPINES

Philippine Seven Corp.	28,620	70,558	0.34
RFM Corp.	2,405,800	284,824	1.39
Security Bank Corp.	100,416	386,233	1.88
Vista Land & Lifescapes, Inc.	1,923,200	368,954	1.80
		1,110,569	5.41

SINGAPORE

ARA Asset Management, Ltd.	299,000	351,317	1.71
ISEC Healthcare, Ltd.	427,000	147,563	0.72
OSIM International, Ltd.	166,800	237,852	1.16
Petra Foods, Ltd.	97,900	272,288	1.33
Raffles Medical Group, Ltd.	119,800	342,535	1.67
Super Group, Ltd.	305,600	331,280	1.61
		1,682,835	8.20

SOUTH KOREA

Bingrae Co., Ltd.	4,255	314,966	1.54
Ezelfare Co., Ltd.	24,003	179,717	0.88
Hy-Lok Corp.	11,761	301,474	1.47
Interpark INT Corporation	4,834	90,593	0.44
i-SENS, Inc.	6,106	269,211	1.31
Medy-Tox, Inc.	833	246,700	1.20
Pyeong Hwa Automotive Co., Ltd.	16,631	246,757	1.20
SaraminHR Co., Ltd.	18,959	191,319	0.93
		1,840,737	8.97

TAIWAN

Addcn Technology Co., Ltd.	18,000	216,933	1.06
Aerospace Industrial Development Corp.	201,000	231,099	1.13
Finetek Co., Ltd.	53,000	219,966	1.07
Merida Industry Co., Ltd.	33,000	259,079	1.26
PChome Online, Inc.	41,000	531,815	2.59
Sinmag Equipment Corp.	54,532	321,214	1.56
Sporton International, Inc.	61,380	331,512	1.62
TSC Auto ID Technology Co., Ltd.	39,000	320,016	1.56
Voltronic Power Technology Corp.	33,700	333,106	1.62
Yungtay Engineering Co., Ltd.	132,000	306,034	1.49
		3,070,774	14.96

Schedule of Investments (continued)**EQUITIES (continued)**

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets	Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
THAILAND				TOTAL EQUITIES			
Aeon Thana Sinsap Thailand Public Co., Ltd.	6,300	20,127	0.10			19,828,437	96.61
Aeon Thana Sinsap Thailand Public Co., Ltd. NVDR	57,700	184,335	0.90	TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING			
Bangkok Chain Hospital Public Co., Ltd.	1,027,800	252,577	1.23			19,828,437	96.61
Siam Global House Public Co., Ltd.	573,375	163,799	0.80	TOTAL INVESTMENTS			
Supalai Public Co., Ltd.	331,900	219,170	1.07			19,828,437	96.61
Tisco Financial Group Public Co., Ltd.	146,400	205,833	1.00	CASH AND OTHER ASSETS, LESS LIABILITIES			
		1,045,841	5.10			695,787	3.39
VIETNAM				TOTAL NET ASSETS			
DHG Pharmaceutical JSC	20,000	83,179	0.40			20,524,224	100.00
		83,179	0.40	ADR: American Depositary Receipt			
				BHD: Berhad			
				NVDR: Non-Voting Depositary Receipt			

The accompanying notes form an integral part of these financial statements.

Schedule of Investments (continued)

Country Allocation	% of Net Assets
China/Hong Kong	25.53
Taiwan	14.96
India	13.60
South Korea	8.97
Singapore	8.20
Indonesia	7.83
Malaysia	6.61
Philippines	5.41
Thailand	5.10
Vietnam	0.40
Total Investments	96.61
Cash and Other Assets, Less Liabilities	3.39
Total	100.00



PORTFOLIO MANAGERS*

Richard Gao
Lead Manager

Henry Zhang, CFA
Co-Manager

* Please see Note 12: *Subsequent Events* for changes to Portfolio Managers.

China Small Companies Fund

Fund Manager Report

Performance figures discussed in any of the Fund Manager Commentaries reflect that of the Institutional Accumulation Class Shares (USD).

For the 12 months ended 31 March 2015, the China Small Companies Fund declined -0.39%, underperforming its benchmark, the MSCI China Small Cap Index, which returned 6.41%.

Market Environment:

China's economic growth decelerated to 7.4% in 2014, from 7.7% in 2013. For 2015, China further lowered its growth target to about 7%, and will continue to try to strike a balance between a reasonably high growth rate and structural economic reform. Chinese Premier Li Keqiang has stated that the government will lower taxes for small businesses, cut red tape and encourage entrepreneurship in China. Given recent deflationary risks and property market slowdown, China's central bank cut benchmark deposit and lending rates by 25 basis points (0.25%), marking the second interest rate cut in less than four months.

Toward the end of March, China's regulators allowed mainland mutual funds to invest in Hong Kong stocks through the Shanghai-Hong Kong Connect, a programme launched in late 2014. Investors were positively surprised by the news, and Hong Kong stocks mounted a significant rally at the end of March as Hong Kong-listed shares have generally traded at a deep discount to their mainland peers.

Performance Contributors and Detractors:

During the period, our holdings in the information technology, industrials and health care sectors benefited portfolio performance most. Electronic payment solution provider PAX Global Technology was the top contributor to performance. PAX has continued to deliver strong growth through its innovative products and solutions. It maintains a leading position in China and has also gained a strong foothold in large developing markets.

Conversely, consumer discretionary and utilities were detractors to Fund performance. Hotel chain operator China Lodging Group suffered from declining room rates and weak results, as the soft economy led to less business and leisure travel, and intensified price competition. City gas distributor Towngas China also performed poorly, although it delivered reasonable results. Investors were mostly concerned that weak industrial demand and low oil prices could hurt natural gas demand this year.

Notable Portfolio Changes:

During the period, we exited two Macau-related holdings: Future Bright and Louis XIII. Future Bright is Macau's largest restaurant chain operator, and Louis XIII is a Macau gaming company that plans to build a luxury hotel and casino destination in the Special Administrative Region. Both firms were negatively impacted by China's weak economic environment and anti-corruption campaign, and reported disappointing results.

The Fund remains significantly overweight in the health care sector compared to the benchmark, expressing our strong conviction in the long-term growth of the sector.

Outlook:

The recent news over the new policy to allow mainland mutual funds to invest in Hong Kong will likely add ample liquidity to the Hong Kong market in the short term, as Hong Kong stocks have traded at a deep discount to mainland peers. While mainland inflows may introduce more volatility to the market over time, we are generally encouraged by the news as it marks further government opening of its capital markets.



While China may continue to experience modest growth for the remainder of the year, the service sector is likely to remain robust. In light of the low-inflation environment, the government should have more flexibility in stimulating the economy. We believe health care, education, e-commerce and other services-related businesses will continue to be among the fastest-growing areas of the Chinese economy. These are areas of the economy in which smaller-sized companies, run by entrepreneurs, now have the opportunity to thrive. We remain focused on finding small companies with sustainable growth and quality management teams.

Schedule of Investments

EQUITIES

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing			
CONSUMER DISCRETIONARY			
Auto Components			
Minth Group, Ltd.	38,000	75,082	2.91
		75,082	2.91
Diversified Consumer Services			
China Distance Education Holdings, Ltd. ADR	5,500	89,341	3.47
New Oriental Education & Technology Group, Inc. ADR	1,800	40,784	1.58
TAL Education Group ADR	1,100	36,937	1.44
		167,062	6.49
Hotels, Restaurants & Leisure			
China Lodging Group, Ltd. ADS	2,600	51,957	2.02
Fairwood Holdings, Ltd.	19,500	50,801	1.97
Homeinns Hotel Group ADR	600	14,236	0.55
Tao Heung Holdings, Ltd.	52,000	23,339	0.91
		140,333	5.45
Specialty Retail			
Formosa Optical Technology Co., Ltd.	19,000	49,429	1.92
		49,429	1.92
Textiles, Apparel & Luxury Goods			
ANTA Sports Products, Ltd.	6,000	10,973	0.43
		10,973	0.43
Total Consumer Discretionary		442,879	17.20
CONSUMER STAPLES			
Food Products			
China Modern Dairy Holdings, Ltd.	36,000	11,989	0.46
Vitasoy International Holdings, Ltd.	10,000	15,631	0.61
		27,620	1.07
Total Consumer Staples		27,620	1.07
ENERGY			
Energy Equipment & Services			
Hilong Holding, Ltd.	53,000	12,827	0.50
		12,827	0.50
Total Energy		12,827	0.50
FINANCIALS			
Diversified Financial Services			
Chailease Holding Co., Ltd.	12,320	30,634	1.19
		30,634	1.19
Real Estate Management & Development			
Franshion Properties China, Ltd.	340,000	103,144	4.01
K Wah International Holdings, Ltd.	86,000	42,469	1.65
KWG Property Holding, Ltd.	112,000	79,436	3.08
		225,049	8.74
Total Financials		255,683	9.93

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
HEALTH CARE			
Biotechnology			
China Biologic Products, Inc.	900	82,802	3.22
		82,802	3.22
Life Sciences Tools & Services			
WuXi PharmaTech Cayman, Inc. ADR	1,800	68,948	2.68
		68,948	2.68
Pharmaceuticals			
CSPC Pharmaceutical Group, Ltd.	82,000	69,155	2.69
Lee's Pharmaceutical Holdings, Ltd.	97,500	140,836	5.47
Lijun International Pharmaceutical Holding Co., Ltd.	198,000	86,568	3.36
Luye Pharma Group, Ltd.	9,000	10,876	0.42
Sino Biopharmaceutical, Ltd.	144,000	145,621	5.65
Tianjin ZhongXin Pharmaceutical Group Corp., Ltd. S Shares	10,000	11,550	0.45
		464,606	18.04
Total Health Care		616,356	23.94
INDUSTRIALS			
Air Freight & Logistics			
Shenzhen Chiwan Petroleum B Shares	28,100	66,952	2.60
		66,952	2.60
Electrical Equipment			
Boer Power Holdings, Ltd.	75,000	111,818	4.35
Voltronic Power Technology Corp.	9,250	91,431	3.55
		203,249	7.90
Machinery			
Airtac International Group	10,210	81,712	3.17
CIMC Enric Holdings, Ltd.	8,000	7,807	0.30
Haitian International Holdings, Ltd.	5,000	11,459	0.45
Yungtay Engineering Co., Ltd.	5,000	11,592	0.45
		112,570	4.37
Marine			
SITC International Holdings Co., Ltd.	64,000	33,757	1.31
		33,757	1.31
Professional Services			
51job, Inc. ADR	2,400	78,240	3.04
Sporton International, Inc.	14,280	77,126	3.00
		155,366	6.04
Transportation Infrastructure			
Yuexiu Transport Infrastructure, Ltd.	130,000	82,993	3.22
		82,993	3.22
Total Industrials		654,887	25.44

Schedule of Investments (continued)**EQUITIES (continued)**

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
INFORMATION TECHNOLOGY			
Electronic Equipment, Instruments & Components			
PAX Global Technology, Ltd.	122,000	127,606	4.96
Sunny Optical Technology Group Co., Ltd.	67,000	121,641	4.72
		249,247	9.68
Internet Software & Services			
HC International, Inc.	12,000	12,691	0.49
		12,691	0.49
Technology Hardware, Storage & Peripherals			
Goldpac Group, Ltd.	49,000	28,824	1.12
		28,824	1.12
Total Information Technology		290,762	11.29
MATERIALS			
Containers & Packaging			
Greatview Aseptic Packaging Co., Ltd.	17,000	8,814	0.34
		8,814	0.34
Total Materials		8,814	0.34

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
UTILITIES			
Gas Utilities			
Towngas China Co., Ltd.	164,000	150,183	5.83
		150,183	5.83
Total Utilities		150,183	5.83
TOTAL EQUITIES		2,460,011	95.54
TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING			
		2,460,011	95.54
TOTAL INVESTMENTS		2,460,011	95.54
CASH AND OTHER ASSETS, LESS LIABILITIES		114,896	4.46
TOTAL NET ASSETS		2,574,907	100.00

ADR: American Depositary Receipt

ADS: American Depositary Share

B Shares: Mainland Chinese companies listed on the Shanghai and Shenzhen stock exchanges, available to both Chinese and non-Chinese investors

S Shares: Mainland Chinese companies listed on the Singapore stock exchange but incorporated in mainland China.

The accompanying notes form an integral part of these financial statements.

Schedule of Investments (continued)

Sector Allocation	% of Net Assets
Industrials	25.44
Health Care	23.94
Consumer Discretionary	17.20
Information Technology	11.29
Financials	9.93
Utilities	5.83
Consumer Staples	1.07
Energy	0.50
Materials	0.34
Total Investments	95.54
Cash and Other Assets, Less Liabilities	4.46
Total	100.00



PORTFOLIO MANAGERS

Teresa Kong, CFA
Lead Manager

Gerald M. Hwang, CFA
Co-Manager

Satya Patel
Co-Manager

Asia Strategic Income Fund*

Fund Manager Report

Performance figures discussed in any of the Fund Manager Commentaries reflect that of the Institutional Accumulation Class Shares (USD).

The Asia Strategic Income Fund was launched on 29 August 2014. From its inception through 31 March 2015, the Fund returned -2.40% while its benchmark, the HSBC Asian Local Bond Index (ALBI) returned -1.79%.

Market Environment:

We noted a period of transition for Asia's credit, currency and interest rate markets during the course of the latter half of 2014 and first three months of 2015. The direction and magnitude of the decline in U.S. Treasury yields caught market participants by surprise, with the 10-year U.S. Treasury bond falling from 2.34% at inception to 1.93% at the end of March. While a U.S. recovery appears to be steady and tepid, the rest of the world, including Asia, is seeing growth slow instead of accelerate. Because interest rates have relatively more room to fall than rise across most of Asia, expectations of nominal interest rate differentials between the U.S. and rest of the world widened, driving the appreciation of U.S. dollar (USD) relative to most Asian currencies. In summary, there appears to be a difference of opinion between interest rates and currency markets regarding the relative strength of the U.S. economy. Interest rates appear to be pricing in a slower path to U.S. monetary normalization than the currency markets.

On the credit side, an overall small rise in Asian credit spreads masked a relatively volatile year and an increasing divergence between investment grade and high yield credit spreads. Credit spreads in investment grade bonds widened only 13 basis points (0.13%) while high yield spreads widened 89 basis points (0.89%) over this period. Finally, almost every major Asian currency depreciated relative to the USD. Notably, the Australian dollar (AUD), the Malaysian ringgit and the Japanese yen depreciated by 19%, 15%, and 13%, respectively. The best-performing currency was the Hong Kong dollar because of its peg to the USD.

Performance Contributors and Detractors:

Given the dynamics described above, the Fund underperformed its benchmark since inception to the end of March 2015. This was primarily based on our under-allocation to USD investment grade bonds. This position reflected our view that interest rates had a higher probability of rising than falling, and as such, we wanted the least exposure to USD investment grade bonds, which would suffer most in a rising rate environment. Given the fall in U.S. interest rates, both our under-allocation to USD investment grade bonds as well as our short U.S. Treasury position contributed to our underperformance. Lastly, our investments in ringgit-denominated Malaysian government bonds underperformed as the precipitous fall in oil prices led to worries about the country's fiscal and current accounts. We have since cut both our short U.S. Treasury position as well as our exposure to Malaysian government bonds as we felt that the dynamics are likely to persist.

The biggest contributors to returns since inception included our investments in Axis Bank Tier 2 capital paper and Biostime's convertible bonds. Axis Bank bond did well over this period as demand continued to outstrip the supply of Tier 2 capital paper of India banks issued under Basel II. The convertible bonds of Biostime, an infant formula company based in China, improved as both the sentiment surrounding the company and China improved, leading to a revaluation of the bonds.

* Not authorized in Hong Kong and not available to Hong Kong residents.

**Notable Portfolio Changes:**

Since inception and through first three months of 2015, we increased our exposure to USD-denominated debt and convertible bonds. We sold local currency bonds, including AUD-denominated corporates and KRW-denominated government bonds, to fund purchases of USD-denominated corporate bonds.

Outlook:

Many of the trends that we saw in 2014 have continued into the start of 2015. However, we have no further clarity on whether they will carry on through year-end than we did at the end of 2014. The USD has continued to outperform Asian currencies, but considering that nominal rates between German Bunds and U.S. Treasuries have narrowed, could this appreciation run out of steam without an actual rise in U.S. rates? While the consensus view is that the U.S. will have stable-to-rising rates and Asia will have stable-to-falling rates, given deteriorating fundamentals in Europe, and a slowing, albeit rebalancing, China driving down aggregate demand, could the U.S. afford to tighten monetary policy? As the year progresses, U.S. rates will be closely watched as they will influence many of the world's economies, and while the direction of U.S. rates is hard to call in the short term, we expect volatility to increase. With more macroeconomic uncertainty in Asia and globally, we are rebalancing our portfolio, on the margin, toward U.S. dollar-denominated credits with strong competitive advantages, ample liquidity on the balance sheet and low operating leverage that we expect to thrive regardless of the macro environment. We are also increasing our allocation to convertible bonds as these have the least sensitivity to rising rates and provide the most upside.

Fixed income investments are subject to additional risks, including, but not limited to, interest rate, credit and inflation risks. Investing in emerging markets involves different and greater risks, as these countries are substantially smaller, less liquid and more volatile than securities markets in more developed markets.

Schedule of Investments

EQUITIES

Investments	Currency	Quantity/ Nominal Value	Market Value USD	% of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing				
PHILIPPINES				
Alliance Global Group, Inc.	PHP	120,000	71,044	0.71
			71,044	0.71
THAILAND				
Advanced Info Service Public Co., Ltd.	THB	12,000	87,400	0.87
			87,400	0.87
TOTAL EQUITIES			158,444	1.58

BONDS

CHINA/HONG KONG				
FPT Finance, Ltd., 6.375%, 9/28/2020	USD	400,000	435,995	4.35
Longfor Properties Co., Ltd., 6.75%, 05/28/2018	CNY	2,000,000	308,069	3.07
MCE Finance, Ltd., 5.000%, 2/15/2021	USD	300,000	282,000	2.81
Shimao Property Holdings, Ltd., 6.625%, 1/14/2020	USD	300,000	300,090	2.99
Value Success International, Ltd., 4.750%, 11/4/2018	CNY	2,000,000	319,328	3.18
Wynn Macau, Ltd., 5.250%, 10/15/2021	USD	400,000	379,000	3.78
Yum! Brands, Inc., 5.350%, 11/1/2043	USD	300,000	332,287	3.31
			2,356,769	23.49
INDIA				
Axis Bank, Ltd./ Singapore 7.125%, 6/28/2022	USD	500,000	517,955	5.16
Housing Development Finance Corp., 8.900%, 8/18/2020	INR	25,000,000	405,260	4.04
Power Grid Corp. of India, Ltd., Series B, 9.300%, 9/4/2024	INR	18,000,000	307,194	3.06
Rural Electrification Corp., Ltd., 9.340%, 8/25/2024	INR	18,000,000	305,559	3.05
TML Holdings Pte, Ltd., 5.750%, 5/7/2021	USD	269,000	283,929	2.83
			1,819,897	18.14

Investments	Currency	Quantity/ Nominal Value	Market Value USD	% of Net Assets
INDONESIA				
Alam Synergy Pte, Ltd., 6.950%, 3/27/2020	USD	250,000	239,375	2.39
PT Astra Sedaya Finance, 8.600%, 2/21/2017	IDR	3,500,000,000	264,923	2.64
PT Bank Rakyat Indonesia Persero, 2.950%, 3/28/2018	USD	300,000	301,238	3.00
Indonesia Treasury Bond, 9.000%, 3/15/2029	IDR	7,000,000,000	601,163	5.99
TBG Global Pte, Ltd., 4.625%, 4/3/2018	USD	250,000	256,250	2.55
Theta Capital Pte, Ltd., 7.000%, 05/16/2019	USD	250,000	259,587	2.59
			1,922,536	19.16
JAPAN				
Softbank Corp., 4.500%, 4/15/2020	USD	250,000	253,125	2.52
			253,125	2.52
PHILIPPINES				
ICTSI Treasury B.V., 4.625%, 01/16/2023	USD	300,000	300,876	3.00
SM Investments Corp., 4.250% 10/17/2019	USD	300,000	301,521	3.00
			602,397	6.00
SINGAPORE				
Global Logistic Properties, Ltd., 3.375%, 05/11/2016	CNY	2,000,000	315,386	3.14
			315,386	3.14
SOUTH KOREA				
Korea Treasury Bond, 3.500%, 3/10/2024	KRW	300,000,000	300,397	2.99
			300,397	2.99
SRI LANKA				
DFCC Bank, 9.625%, 10/31/2018	USD	400,000	424,276	4.23
National Savings Bank, 8.875%, 9/18/2018	USD	500,000	542,605	5.40
			966,881	9.63
TOTAL BONDS			8,537,388	85.07

Schedule of Investments (continued)**CONVERTIBLE BONDS**

Investments	Currency	Quantity/ Nominal Value	Market Value USD	% of Net Assets
CHINA/HONG KONG				
Biostime International Holdings, Ltd., Cnv., 0.000%, 2/20/2019	HKD	2,000,000	243,432	2.43
China Singyes Solar Technologies Holdings, Cnv., 5.00%, 8/8/2019	CNY	1,000,000	160,728	1.60
			404,160	4.03
TOTAL CONVERTIBLE BONDS			404,160	4.03

TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING			9,099,992	90.68
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BONDS

Transferable securities and money market instruments dealt in on another regulated market

SRI LANKA				
Sri Lanka Government Bond, 10.60%, 9/15/2019	LKR	70,000,000	559,413	5.58
			559,413	5.58
TOTAL BONDS			559,413	5.58

TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS DEALT IN ON ANOTHER REGULATED MARKET			559,413	5.58
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TOTAL INVESTMENTS			9,659,405	96.26
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CASH AND OTHER ASSETS, LESS LIABILITIES			375,524	3.74
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TOTAL NET ASSETS			10,034,929	100.00
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The accompanying notes form an integral part of these financial statements.

Schedule of Investments (continued)

Country Allocation	% of Net Assets
China/Hong Kong	27.52
Indonesia	19.16
India	18.14
Sri Lanka	15.21
Philippines	6.71
Singapore	3.14
South Korea	2.99
Japan	2.52
Thailand	0.87
Total Investments	96.26
Cash and Other Assets, Less Liabilities	3.74
Total	100.00

Statement of Assets and Liabilities

As at 31 March 2015

	Asia Dividend Fund (USD)	Pacific Tiger Fund (USD)	China Fund (USD)	India Fund (USD)	Asia Small Companies Fund (USD)
ASSETS					
Investment in securities at value (note 2C)	616,598,692	705,996,770	59,503,140	70,002,690	19,828,437
At cost	551,562,222	635,104,789	52,679,180	69,805,261	19,177,238
Cash and cash equivalent at bank	12,654,187	50,372,467	2,071,641	513,007	1,072,652
Amount receivable on sales of investments	2,295,399	290,466	456	1,977	1,305
Interests and dividends receivable	2,262,859	585,674	15,200	6,843	13,701
Subscriptions receivable	481,626	1,102,710	99,170	159,574	132,460
Formation expenses (note 2I)	626	626	–	9,810	–
Prepaid expenses and other receivables	302,029	167,471	27,439	37,444	48,232
TOTAL ASSETS	634,595,418	758,516,184	61,717,046	70,731,345	21,096,787
LIABILITIES					
Amounts payable on purchases of investments	933,224	5,151,909	–	528	132,174
Redemptions payable	669,222	115,611	10,732	609,217	256,051
Management fees and administration fees (note 4)	933,969	945,623	73,435	51,737	27,205
Payable for foreign taxes (note 7B)	87,193	1,114,016	–	421,039	108,687
Accrued expenses and other payables	1,146,105	559,992	148,115	97,092	48,446
TOTAL LIABILITIES	3,769,713	7,887,151	232,282	1,179,613	572,563
TOTAL NET ASSETS	630,825,705	750,629,033	61,484,764	69,551,732	20,524,224

The accompanying notes form an integral part of these financial statements.

Statement of Assets and Liabilities *(Continued)*

As at 31 March 2015

	China Small Companies Fund (USD)	China Dividend Fund (USD)	Asia Focus Fund (USD)	Asia Strategic Income Fund (USD)	Combined (USD)
ASSETS					
Investment in securities at value (note 2C)	2,460,011	5,634,424	975,145	9,659,405	1,490,658,714
At cost	2,246,133	4,919,375	972,368	9,872,224	1,346,338,790
Cash and cash equivalent at bank	105,648	180,153	41,658	180,068	67,191,481
Amount receivable on sales of investments	11,287	76,845	–	57,239	2,734,974
Interests and dividends receivable	–	4,502	4,544	163,597	3,056,920
Subscriptions receivable	–	3,245	–	–	1,978,785
Formation expenses (note 2I)	–	–	–	–	11,062
Prepaid expenses and other receivables	45,358	48,561	27,608	22,250	726,392
TOTAL ASSETS	2,622,304	5,947,730	1,048,955	10,082,559	1,566,358,328
LIABILITIES					
Amounts payable on purchases of investments	–	20,605	–	–	6,238,440
Redemptions payable	–	–	–	–	1,660,833
Management fees and administration fees (note 4)	5,194	7,805	1,666	15,088	2,061,722
Payable for foreign taxes (note 7B)	–	–	6,907	7,036	1,744,878
Accrued expenses and other payables	42,203	44,399	22,122	25,506	2,133,980
TOTAL LIABILITIES	47,397	72,809	30,695	47,630	13,839,853
TOTAL NET ASSETS	2,574,907	5,874,921	1,018,260	10,034,929	1,552,518,475

The accompanying notes form an integral part of these financial statements.

Statement of Operations and Changes in Net Assets

For the year/period ended 31 March 2015

	Asia Dividend Fund (USD)	Pacific Tiger Fund (USD)	China Fund (USD)	India Fund (USD)	Asia Small Companies Fund (USD)
NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD	723,647,179	217,961,214	33,436,412	15,343,578	1,901,422
INCOME					
Dividends income, net (foreign tax withholding) (note 2G)	19,309,065	4,962,119	798,186	71,167	144,122
Interest income, net (note 2G)	405	1,309	154	–	–
TOTAL INCOME	19,309,470	4,963,428	798,340	71,167	144,122
EXPENSES					
Overdraft interest on bank accounts	1	–	–	1,142	155
Management fees and administration fees (note 4)	8,257,972	4,417,859	445,700	120,667	123,514
Domiciliation, Administration and Transfer agency fees	271,842	121,788	62,211	57,703	57,266
Professional fees	269,695	77,588	37,597	42,389	53,192
Printing fees	210,151	75,947	16,829	5,206	2,132
Custodian fees	212,877	73,129	21,101	21,803	23,399
Amortization of formation expenses (note 2I)	7,869	7,869	7,201	7,869	–
Taxe d'abonnement (note 7A)	499,292	257,729	40,870	11,795	5,478
Transaction costs (note 8)	1,055,801	1,002,981	74,315	267,748	50,809
Other expenses	565,393	187,739	70,755	30,055	46,534
TOTAL EXPENSES	11,350,893	6,222,629	776,579	566,377	362,479
Fee waiver (note 2H)	291,122	(438,980)	44,429	149,037	155,047
NET INVESTMENT INCOME/(LOSS)	8,249,699	(1,698,181)	66,190	(346,173)	(63,310)
Net realised gain/(loss) on investments	14,135,936	1,657,089	(1,209,371)	2,446,826	173,874
Net realised gain/(loss) on forward currency exchange contracts	(276,480)	(31,937)	4,465	(7,401)	(9,033)
Net realised gain/(loss) on foreign exchanges	(29,159)	(369,545)	(3,035)	(80,712)	(25,982)
Net realised gain/(loss) on futures	–	–	–	–	–
Net realised gain/(loss) for the year/period	13,830,297	1,255,607	(1,207,941)	2,358,713	138,859
Net change in unrealised gain/(loss) on investments	39,941,049	61,659,696	5,693,152	(911,791)	566,846
Net change in unrealised gain/(loss) on foreign tax provision (note 7B)	(254,668)	(614,221)	–	(630,636)	(104,580)
Net change in unrealised gain/(loss) on foreign exchanges	(11,849)	14,824	(3)	(4,704)	(22)
Net change in unrealised gain/(loss) for the year/period	39,674,532	61,060,299	5,693,149	(1,547,131)	462,244
Increase/(decrease) in net assets as a result of operations	61,754,528	60,617,725	4,551,398	465,409	537,793
Subscriptions	155,877,940	665,891,696	26,003,886	82,798,992	18,717,211
Redemptions	(307,378,811)	(193,841,602)	(2,506,932)	(29,056,247)	(632,202)
Dividend distributions (note 10)	(3,075,131)	–	–	–	–
NET ASSETS AT THE END OF THE YEAR/PERIOD	630,825,705	750,629,033	61,484,764	69,551,732	20,524,224

The accompanying notes form an integral part of these financial statements.

Statement of Operations and Changes in Net Assets *(Continued)*

For the year/period ended 31 March 2015

	China Small Companies Fund (USD)	China Dividend Fund (USD)	Asia Focus Fund* (USD)	Asia Strategic Income Fund** (USD)	Combined (USD)
NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD	2,289,386	15,306,334	–	–	1,009,885,525
INCOME					
Dividends income, net (foreign tax withholding) (note 2G)	52,571	152,314	20,325	9,800	25,519,669
Interest income, net (note 2G)	–	527	–	266,300	268,695
TOTAL INCOME	52,571	152,841	20,325	276,100	25,788,364
EXPENSES					
Overdraft interest on bank accounts	53	105	20	6	1,482
Management fees and administration fees (note 4)	41,749	59,874	10,521	67,872	13,545,728
Domiciliation, Administration and Transfer agency fees	50,419	58,748	11,895	10,657	702,529
Professional fees	30,361	36,943	8,531	6,923	563,219
Printing fees	1,501	8,156	171	640	320,733
Custodian fees	20,891	21,101	4,679	2,934	401,914
Amortization of formation expenses (note 2I)	–	–	–	–	30,808
Taxe d'abonnement (note 7A)	1,884	13,235	510	3,282	834,075
Transaction costs (note 8)	15,830	50,318	7,813	6,327	2,531,942
Other expenses	46,333	38,389	13,287	14,210	1,012,695
TOTAL EXPENSES	209,021	286,869	57,427	112,851	19,945,125
Fee waiver (note 2H)	147,153	162,373	44,373	23,935	578,489
NET INVESTMENT INCOME/(LOSS)	(9,297)	28,345	7,271	187,184	6,421,728
Net realised gain/(loss) on investments	237,479	419,780	12,027	(179,563)	17,694,077
Net realised gain/(loss) on forward currency exchange contracts	129	(1,200)	(38)	3,034	(318,461)
Net realised gain/(loss) on foreign exchanges	(159)	385	(396)	(11,275)	(519,878)
Net realised gain/(loss) on futures	–	–	–	(36,909)	(36,909)
Net realised gain/(loss) for the year/period	237,449	418,965	11,593	(224,713)	16,818,829
Net change in unrealised gain/(loss) on investments	(230,290)	283,916	2,777	(212,819)	106,792,536
Net change in unrealised gain/(loss) on foreign tax provision (note 7B)	–	–	(3,343)	(4,105)	(1,611,553)
Net change in unrealised gain/(loss) on foreign exchanges	(6)	(19)	(38)	(464)	(2,281)
Net change in unrealised gain/(loss) for the year/period	(230,296)	283,897	(604)	(217,388)	105,178,702
Increase/(decrease) in net assets as a result of operations	(2,144)	731,207	18,260	(254,917)	128,419,259
Subscriptions	2,328,948	458,140	1,000,000	10,413,156	963,489,969
Redemptions	(2,041,283)	(10,555,390)	–	(526)	(546,012,993)
Dividend distributions (note 10)	–	(65,370)	–	(122,784)	(3,263,285)
NET ASSETS AT THE END OF THE YEAR/PERIOD	2,574,907	5,874,921	1,018,260	10,034,929	1,552,518,475

* For the period from 30 May 2014 (date of launch) to 31 March 2015.

** For the period from 29 August 2014 (date of launch) to 31 March 2015.

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Number of Shares

For the year/period ended 31 March 2015

	I Acc (USD)	I Dist (USD)	A Acc (USD)	A Dist (USD)	C Acc (USD)	I Acc (GBP)	I Dist (GBP)	A Acc (GBP)	A Dist (GBP)
ASIA DIVIDEND FUND									
Shares outstanding at the beginning of the year	22,151,242	5,791,360	15,739,257	1,633,760	8,004,916	165,589	1,186,286	91,220	262,802
Shares subscribed	6,289,725	1,477,090	2,326,164	209,520	–	85,926	469,304	184,131	6,973
Shares redeemed	10,408,061	3,663,472	6,932,199	808,200	–	116,978	318,525	38,423	156,116
Shares outstanding at the end of the year	18,032,906	3,604,978	11,133,222	1,035,080	8,004,916	134,537	1,337,065	236,928	113,659
PACIFIC TIGER FUND									
Shares outstanding at the beginning of the year	14,555,549	–	435,745	n.a.	n.a.	1,247,234	–	6,821	n.a.
Shares subscribed	35,573,986	1,887,490	6,704,647	n.a.	n.a.	1,253,779	1,048,790	8,038	n.a.
Shares redeemed	11,434,295	14,141	531,822	n.a.	n.a.	769,787	97,353	3,363	n.a.
Shares outstanding at the end of the year	38,695,240	1,873,349	6,608,570	n.a.	n.a.	1,731,226	951,437	11,496	n.a.
CHINA FUND									
Shares outstanding at the beginning of the year	3,095,344	n.a.	57,176	n.a.	n.a.	703	n.a.	1,645	n.a.
Shares subscribed	2,097,021	n.a.	55,269	n.a.	n.a.	92,687	n.a.	3,149	n.a.
Shares redeemed	192,441	n.a.	18,640	n.a.	n.a.	11,219	n.a.	2,088	n.a.
Shares outstanding at the end of the year	4,999,924	n.a.	93,805	n.a.	n.a.	82,171	n.a.	2,706	n.a.
INDIA FUND									
Shares outstanding at the beginning of the year	1,597,210	n.a.	9,137	n.a.	n.a.	849	n.a.	32,654	n.a.
Shares subscribed	3,826,949	n.a.	143,998	n.a.	n.a.	1,028,304	n.a.	257,912	n.a.
Shares redeemed	1,500,210	n.a.	21,792	n.a.	n.a.	589,085	n.a.	132,286	n.a.
Shares outstanding at the end of the year	3,923,949	n.a.	131,343	n.a.	n.a.	440,068	n.a.	158,280	n.a.
ASIA SMALL COMPANIES FUND									
Shares outstanding at the beginning of the year	93,769	n.a.	85,683	n.a.	n.a.	–	n.a.	n.a.	n.a.
Shares subscribed	1,092,443	n.a.	146,250	n.a.	n.a.	267,366	n.a.	n.a.	n.a.
Shares redeemed	17,860	n.a.	34,404	n.a.	n.a.	2,118	n.a.	n.a.	n.a.
Shares outstanding at the end of the year	1,168,352	n.a.	197,529	n.a.	n.a.	265,248	n.a.	n.a.	n.a.
CHINA SMALL COMPANIES FUND									
Shares outstanding at the beginning of the year	77,171	n.a.	104,603	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Shares subscribed	81,039	n.a.	104,236	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Shares redeemed	45,521	n.a.	116,749	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Shares outstanding at the end of the year	112,689	n.a.	92,090	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
CHINA DIVIDEND FUND									
Shares outstanding at the beginning of the year	1,129,534	244,024	61,452	40,714	n.a.	n.a.	n.a.	n.a.	n.a.
Shares subscribed	5,887	13,975	21,194	955	n.a.	n.a.	n.a.	n.a.	n.a.
Shares redeemed	960,119	30,120	17,727	157	n.a.	n.a.	n.a.	n.a.	n.a.
Shares outstanding at the end of the year	175,302	227,879	64,919	41,512	n.a.	n.a.	n.a.	n.a.	n.a.

Statement of Changes in Number of Shares *(Continued)*

For the year/period ended 31 March 2015

	I Acc (USD)	I Dist (USD)	A Acc (USD)	A Dist (USD)	C Acc (USD)	I Acc (GBP)	I Dist (GBP)	A Acc (GBP)	A Dist (GBP)
ASIA FOCUS FUND*									
Shares outstanding at the beginning of the period	–	n.a.	–	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Shares subscribed	50,000	n.a.	50,000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Shares redeemed	–	n.a.	–	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Shares outstanding at the end of the period	50,000	n.a.	50,000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ASIA STRATEGIC INCOME FUND**									
Shares outstanding at the beginning of the period	–	–	–	–	n.a.	n.a.	n.a.	n.a.	n.a.
Shares subscribed	278,926	256,410	251,200	256,412	n.a.	n.a.	n.a.	n.a.	n.a.
Shares redeemed	–	–	54	–	n.a.	n.a.	n.a.	n.a.	n.a.
Shares outstanding at the end of the period	278,926	256,410	251,146	256,412	n.a.	n.a.	n.a.	n.a.	n.a.

* For the period from 30 May 2014 (date of launch) to 31 March 2015.

** For the period from 29 August 2014 (date of launch) to 31 March 2015.

The accompanying notes form an integral part of these financial statements.

Statement of NAV per Share and Net Asset Statistics

	Inception Dates	As at 31 March 2015			As at 31 March 2014		
		Net Assets	NAV per Share	Shares Outstanding	Net Assets	NAV per Share	Shares Outstanding
ASIA DIVIDEND FUND							
I Acc (USD)	30 April 2010	USD 261,468,378	USD 14.50	18,032,906	USD 292,541,034	USD 13.21	22,151,242
I Dist (USD)	26 August 2010	USD 48,044,214	USD 13.33	3,604,978	USD 72,133,495	USD 12.46	5,791,360
A Acc (USD)	26 August 2010	USD 157,623,512	USD 14.16	11,133,222	USD 203,976,154	USD 12.96	15,739,257
A Dist (USD)	26 August 2010	USD 13,706,145	USD 13.24	1,035,080	USD 20,329,738	USD 12.44	1,633,760
C Acc (USD)	20 September 2010	USD 112,982,043	USD 14.11	8,004,916	USD 102,528,181	USD 12.81	8,004,916
I Acc (GBP)	28 February 2011	GBP 1,985,479	GBP 14.76	134,537	GBP 1,976,015	GBP 11.93	165,589
I Dist (GBP)	28 February 2011	GBP 18,095,897	GBP 13.53	1,337,065	GBP 13,305,599	GBP 11.22	1,186,286
A Acc (GBP)	28 February 2011	GBP 3,424,896	GBP 14.46	236,928	GBP 1,070,956	GBP 11.74	91,220
A Dist (GBP)	28 February 2011	GBP 1,531,055	GBP 13.47	113,659	GBP 2,952,198	GBP 11.23	262,802
PACIFIC TIGER FUND							
I Acc (USD)	30 April 2010	USD 582,183,292	USD 15.05	38,695,240	USD 188,211,877	USD 12.93	14,555,549
I Dist (USD)	31 October 2014	USD 19,622,598	USD 10.47	1,873,349	n.a	n.a	n.a
A Acc (USD)	26 August 2010	USD 93,410,487	USD 14.13	6,608,570	USD 5,324,752	USD 12.22	435,745
I Acc (GBP)	28 February 2011	GBP 26,558,467	GBP 15.34	1,731,226	GBP 14,592,549	GBP 11.70	1,247,234
I Dist (GBP)	31 October 2014	GBP 10,764,427	GBP 11.31	951,437	n.a	n.a	n.a
A Acc (GBP)	28 February 2011	GBP 172,560	GBP 15.01	11,496	GBP 78,634	GBP 11.53	6,821
CHINA FUND							
I Acc (USD)	26 February 2010	USD 59,030,808	USD 11.81	4,999,924	USD 32,841,016	USD 10.61	3,095,344
A Acc (USD)	26 August 2010	USD 1,017,559	USD 10.85	93,805	USD 560,082	USD 9.80	57,176
I Acc (GBP)	28 February 2011	GBP 941,591	GBP 11.46	82,171	GBP 6,421	GBP 9.13	703
A Acc (GBP)	28 February 2011	GBP 30,359	GBP 11.22	2,706	GBP 14,791	GBP 8.99	1,645
INDIA FUND							
I Acc (USD)	30 June 2011	USD 54,510,987	USD 13.89	3,923,949	USD 14,770,705	USD 9.25	1,597,210
A Acc (USD)	30 June 2011	USD 1,790,395	USD 13.63	131,343	USD 83,336	USD 9.12	9,137
I Acc (GBP)	30 June 2011	GBP 6,627,218	GBP 15.06	440,068	GBP 7,551	GBP 8.90	849
A Acc (GBP)	30 June 2011	GBP 2,338,746	GBP 14.78	158,280	GBP 286,500	GBP 8.77	32,654
ASIA SMALL COMPANIES FUND							
I Acc (USD)	30 April 2013	USD 13,439,603	USD 11.50	1,168,352	USD 995,763	USD 10.62	93,769
A Acc (USD)	30 April 2013	USD 2,251,112	USD 11.40	197,529	USD 905,659	USD 10.57	85,683
I Acc (GBP)	30 April 2014	GBP 3,270,636	GBP 12.33	265,248	n.a	n.a	n.a
CHINA SMALL COMPANIES FUND							
I Acc (USD)	29 February 2012	USD 1,426,675	USD 12.66	112,689	USD 977,747	USD 12.67	77,171
A Acc (USD)	29 February 2012	USD 1,148,232	USD 12.47	92,090	USD 1,311,639	USD 12.54	104,603
CHINA DIVIDEND FUND							
I Acc (USD)	31 January 2013	USD 2,059,487	USD 11.75	175,302	USD 11,741,762	USD 10.40	1,129,534
I Dist (USD)	31 January 2013	USD 2,594,658	USD 11.39	227,879	USD 2,514,536	USD 10.30	244,024
A Acc (USD)	31 January 2013	USD 754,978	USD 11.63	64,919	USD 635,031	USD 10.33	61,452
A Dist (USD)	31 January 2013	USD 465,798	USD 11.22	41,512	USD 415,005	USD 10.19	40,714
ASIA FOCUS FUND*							
I Acc (USD)	30 May 2014	USD 510,193	USD 10.20	50,000	n.a	n.a	n.a
A Acc (USD)	30 May 2014	USD 508,067	USD 10.16	50,000	n.a	n.a	n.a
ASIA STRATEGIC INCOME FUND**							
I Acc (USD)	29 August 2014	USD 2,721,268	USD 9.76	278,926	n.a	n.a	n.a
I Dist (USD)	29 August 2014	USD 2,438,859	USD 9.51	256,410	n.a	n.a	n.a
A Acc (USD)	29 August 2014	USD 2,443,086	USD 9.73	251,146	n.a	n.a	n.a
A Dist (USD)	29 August 2014	USD 2,431,716	USD 9.48	256,412	n.a	n.a	n.a

Statement of NAV per Share and Net Asset Statistics *(Continued)*

As at 31 March 2013					
	Inception Dates	Net Assets	NAV per Share	Shares Outstanding	
ASIA DIVIDEND FUND					
I Acc (USD)	30 April 2010	USD 141,057,180	USD 13.00	10,846,388	
I Dist (USD)	26 August 2010	USD 31,407,246	USD 12.49	2,513,627	
A Acc (USD)	26 August 2010	USD 115,335,104	USD 12.83	8,987,379	
A Dist (USD)	26 August 2010	USD 26,142,354	USD 12.49	2,093,032	
C Acc (USD)	20 September 2010	USD 100,744,165	USD 12.59	8,004,916	
I Acc (GBP)	28 February 2011	GBP 2,998,605	GBP 12.92	232,015	
I Dist (GBP)	28 February 2011	GBP 8,907,454	GBP 12.37	720,101	
A Acc (GBP)	28 February 2011	GBP 262,186	GBP 12.79	20,498	
A Dist (GBP)	28 February 2011	GBP 1,692,208	GBP 12.40	136,438	
PACIFIC TIGER FUND					
I Acc (USD)	30 April 2010	USD 11,029,555	USD 12.52	880,854	
I Dist (USD)	31 October 2014	n.a	n.a	n.a	
A Acc (USD)	26 August 2010	USD 1,118,208	USD 11.89	94,025	
I Acc (GBP)	28 February 2011	GBP 2,682	GBP 12.45	215	
I Dist (GBP)	31 October 2014	n.a	n.a	n.a	
A Acc (GBP)	28 February 2011	GBP 39,268	GBP 12.34	3,183	
CHINA FUND					
I Acc (USD)	26 February 2010	USD 34,279,946	USD 10.64	3,221,673	
A Acc (USD)	26 August 2010	USD 247,486	USD 9.87	25,071	
I Acc (GBP)	28 February 2011	GBP 2,168	GBP 10.07	215	
A Acc (GBP)	28 February 2011	GBP 19,604	GBP 9.96	1,968	
INDIA FUND					
I Acc (USD)	30 June 2011	USD 13,611,132	USD 8.70	1,564,937	
A Acc (USD)	30 June 2011	USD 8,617	USD 8.62	1,000	
I Acc (GBP)	30 June 2011	GBP 5,722	GBP 9.20	622	
A Acc (GBP)	30 June 2011	GBP 23,308	GBP 9.12	2,556	
ASIA SMALL COMPANIES FUND					
I Acc (USD)	30 April 2013	n.a	n.a	n.a	
A Acc (USD)	30 April 2013	n.a	n.a	n.a	
I Acc (GBP)	30 April 2014	n.a	n.a	n.a	
CHINA SMALL COMPANIES FUND					
I Acc (USD)	29 February 2012	USD 517,224	USD 10.34	50,000	
A Acc (USD)	29 February 2012	USD 669,967	USD 10.29	65,115	
CHINA DIVIDEND FUND					
I Acc (USD)	31 January 2013	USD 21,091,779	USD 9.81	2,149,161	
I Dist (USD)	31 January 2013	USD 245,320	USD 9.81	25,000	
A Acc (USD)	31 January 2013	USD 387,906	USD 9.80	39,564	
A Dist (USD)	31 January 2013	USD 339,463	USD 9.81	34,618	
ASIA FOCUS FUND*					
I Acc (USD)	30 May 2014	n.a	n.a	n.a	
A Acc (USD)	30 May 2014	n.a	n.a	n.a	
ASIA STRATEGIC INCOME FUND**					
I Acc (USD)	29 August 2014	n.a	n.a	n.a	
I Dist (USD)	29 August 2014	n.a	n.a	n.a	
A Acc (USD)	29 August 2014	n.a	n.a	n.a	
A Dist (USD)	29 August 2014	n.a	n.a	n.a	

* For the period from 30 May 2014 (date of launch) to 31 March 2015.

** For the period from 29 August 2014 (date of launch) to 31 March 2015.

The accompanying notes form an integral part of these financial statements.

Notes to Financial Statements

As at 31 March 2015

1. GENERAL

MATTHEWS ASIA FUNDS (the “Fund”) is a self-managed investment company organised under the laws of the Grand Duchy of Luxembourg as a “société d’investissement à capital variable” (SICAV) and is authorised under Part I of the amended Luxembourg Law of 17 December 2010 relating to collective investment undertakings, as amended. The Fund was incorporated on 5 February 2010.

The Fund’s articles of incorporation have been deposited with the Luxembourg Registre du Commerce et des Sociétés and were published in the *Mémorial C, Recueil des Sociétés et Associations* (the “Mémorial”) on 25 February 2010 and the last update was published on 12 May 2014.

The Fund has been registered under number B-151275 with the Luxembourg Trade and Companies Register.

The objective of the Fund is to provide investors with access to the markets of the Asia Pacific region, through diversification of investments. Each Sub-Fund will have a specific investment objective.

At the date of the report, nine Sub-Funds were available for investments.

Each Sub-Fund offers the following Classes of Shares:

SHARE CLASS	Asia Dividend Fund	Pacific Tiger Fund	China Fund	India Fund	Asia Small Companies Fund	China Small Companies Fund	China Dividend Fund	Asia Focus Fund	Asia Strategic Income Fund
I Acc (USD)	X	X	X	X	X	X	X	X	X
I Dist (USD)	X	X					X		X
A Acc (USD)	X	X	X	X	X	X	X	X	X
A Dist (USD)	X						X		X
I Acc (GBP)	X	X	X	X	X				
I Dist (GBP)	X	X							
A Acc (GBP)	X	X	X	X					
A Dist (GBP)	X								
C Acc (USD)	X								

The Sub-Fund may offer both accumulation (“Acc”) and distribution Shares (“Dist”), but in relation to Shares referenced as “Acc” Shares, no distributions will be made and all interests and other income earned by the Sub-Fund will be reflected in the Net Asset Value of such Shares. In relation to Shares referenced as “Dist” Shares, it is the intention of the Board of Directors to periodically distribute substantially all the income earned on investments. All classes belonging to the same Sub-Fund will be commonly invested in adherence with the specific investment objective of the relevant Sub-Fund but may differ with regard to fee structure, minimum subscription amount, dividend policy or other particular features described in the Fund’s prospectus.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) PRESENTATION OF FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Luxembourg law and regulations relating to Undertakings for Collective Investment and generally accepted accounting principles.

B) COMBINED FINANCIAL STATEMENTS

The Combined Statement of Assets and Liabilities and Combined Statements of Operations and Changes in Net Assets are expressed in USD.

C) VALUATION OF THE INVESTMENTS IN SECURITIES AND MONEY MARKET INSTRUMENTS

The Fund’s equity securities are valued based on market quotations or at fair value as determined in good faith by or under the direction of the Board of Directors (the “Board”) when no market quotations are available or when market quotations have become unreliable.

Market values for equity securities are determined based on the last sale price on the principal (or most advantageous) market on which the security is traded. If a reliable last sale price is not available, market values for equity securities are determined using the mean between the last available bid and asked price. Securities are valued through valuations obtained from a commercial pricing service or at the most recent mean of the bid and asked prices provided by investment dealers in accordance with the Fund’s Pricing Policies.

Notes to Financial Statements *(Continued)*

As at 31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

C) VALUATION OF THE INVESTMENTS IN SECURITIES AND MONEY MARKET INSTRUMENTS *(Continued)*

Events affecting the value of foreign investments may occur between the time at which they are determined and the Fund's valuation point of 2:00 p.m. Luxembourg time. When such events occur, the Sub-Fund may fair value its securities if the impact of such events can be reasonably determined. Notwithstanding the foregoing, the Fund may determine not to fair value securities where it believes that the impact of doing so would not have a material impact on the calculation of a Sub-Fund's NAV on that day.

The Board has delegated the responsibility of making fair value determinations to the Investment Manager's Valuation Committee (the "Valuation Committee"), subject to the Fund's Pricing Policies. The Fund has retained third-party pricing services that may be utilized by the Valuation Committee under circumstances described in the Pricing Policies to provide fair value prices for certain securities held by the Fund. When fair value pricing is used, the prices of securities used by a Sub-Fund to calculate its Net Asset Value ("NAV") differ from quoted or published prices for the same securities for that day. All fair value determinations are made subject to the Board's oversight.

D) NET REALISED AND UNREALISED GAIN/(LOSS) ON SALES OF INVESTMENTS

Realised and unrealised gains or losses on sales of investments are calculated on the basis of first in first out cost method of the investments sold.

E) CONVERSION OF FOREIGN CURRENCIES

The books and records of the Fund are maintained in USD.

Transactions denominated in foreign currencies are recorded at the current prevailing exchange rates. All assets and liabilities denominated in foreign currencies are translated into USD at the current exchange rate.

Translation gains or losses resulting from changes in the exchange rate during the reporting year and realised gains and losses on the settlement of foreign currency transactions are reported in the results of operations for the current year.

The Fund does not isolate that portion of gains and losses on investments in equity securities that are due to changes in the foreign exchange rate from those that are due to changes in market prices of equity securities.

The accounting records and the financial statements of each Sub-Fund are expressed in the currency indicated below:

	CURRENCY
Asia Dividend Fund	USD
Pacific Tiger Fund	USD
China Fund	USD
India Fund	USD
Asia Small Companies Fund	USD
China Small Companies Fund	USD
China Dividend Fund	USD
Asia Focus Fund	USD
Asia Strategic Income Fund	USD

Bank accounts, other net assets and market value of the investments in securities expressed in currencies other than the currency of a Sub-Fund are converted at the exchange rates prevailing on the date of the Statement of Assets and Liabilities. Income and expenses in currencies other than the currency of a Sub-Fund are converted at the rate of exchange prevailing at the transaction date.

Net realised and unrealised gains and losses on foreign exchange transactions represent: (i) foreign exchange gains and losses from the sale and holding of foreign currencies; (ii) gains and losses between trade date and settlement date on securities transactions and (iii) gains and losses arising from the difference between amounts of dividends and interest recorded and the amounts actually received.

F) COST OF INVESTMENTS IN SECURITIES

Cost of investments in securities in currencies other than the currency of a Sub-Fund is converted into the Sub-Fund's currency at the exchange rate applicable at purchase date.

G) INCOME

Interest income is accrued on a daily basis and may include the amortisation of premiums and accretions of discounts. Bank and time deposits interest income are recognised on an accrual basis.

Dividends are credited to income on the date upon which the relevant securities are first listed as 'ex dividend' provided that the amount of a dividend is known with reasonable certainty. This income is shown net of any withholding taxes, except where the withholding tax has been received or is receivable.

Notes to Financial Statements *(Continued)*

As at 31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

H) FEE WAIVER

The Investment Advisor may, for such time as it considers appropriate, choose to waive all or part of the fees that it is entitled to receive, as well as other Sub-Fund expenses, in order to reduce the impact such fees and expenses may have on the performance of the Share Class. The Investment Advisor will reimburse on a monthly basis the amount of the fee waiver to the respective Sub-Fund. Fees that have been previously reimbursed may be recovered by the Investment Advisor.

The amount of such fee waiver is separately disclosed as a "Fee Waiver" in the Statements of Operations and Changes in Net Assets.

I) FORMATION EXPENSES

The cost of establishing the Fund amounted to USD 157,391. The establishment costs are amortised on a straight line basis over five years from the date of which the Fund commenced business.

J) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

3. EXCHANGE RATES

The exchange rates used in the financial statements as at 31 March 2015 are:

Australian Dollar (AUD)	1.3162	Indian Rupee (INR)	62.510	Singapore Dollar (SGD)	1.3745
Swiss Franc (CHF)	0.9739	Japanese Yen (JPY)	119.97	Thai Bhat (THB)	32.540
Chinese Yuan (CNY)	6.1999	South Korean Won (KRW)	1,109.9	Taiwan New Dollar (TWD)	31.323
British Pound (GBP)	0.6767	Sri Lankan Rupee (LKR)	133.08	Vietnamese Dong (VND)	21,520
Hong Kong Dollar (HKD)	7.7537	Malaysian Ringgit (MYR)	3.7035		
Indonesian Rupiah (IDR)	13,074	Philippines Peso (PHP)	44.700		

4. MANAGEMENT FEES AND ADMINISTRATION FEES

The Investment Advisor receives an amount corresponding to the Management Fee, which may be up to 1.50% per annum of the NAV of the Sub-Fund calculated (before deduction of accrued Management and Advisory Fees) on each Valuation Day.

	I Acc (USD)	I Dist (USD)	A Acc (USD)	A Dist (USD)	C Acc (USD)	I Acc (GBP)	I Dist (GBP)	A Acc (GBP)	A Dist (GBP)
Asia Dividend Fund	0.75%	0.75%	1.25%	1.25%	0.75%	0.75%	0.75%	1.25%	1.25%
Pacific Tiger Fund	0.75%	0.75%	1.25%	—	—	0.75%	0.75%	1.25%	—
China Fund	0.75%	—	1.25%	—	—	0.75%	—	1.25%	—
India Fund	0.75%	—	1.25%	—	—	0.75%	—	1.25%	—
Asia Small Companies Fund	1.00%	—	1.50%	—	—	1.00%	—	—	—
China Small Companies Fund	1.00%	—	1.50%	—	—	—	—	—	—
China Dividend Fund	0.75%	0.75%	1.25%	1.25%	—	—	—	—	—
Asia Focus Fund	0.75%	—	1.25%	—	—	—	—	—	—
Asia Strategic Income Fund	0.65%	0.65%	1.20%	1.20%	—	—	—	—	—

In addition, the Investment Advisor receives an Administration Fee, which may be up to 0.25% per annum of the NAV of the Sub-Fund calculated (before deduction of accrued Management and Advisory Fees) on each Valuation Day. The Management and Administration fees in the table represent the effective fees paid to the Investment Advisor, which are then paid out to the Investment Manager.

Notes to Financial Statements *(Continued)*

As at 31 March 2015

4. MANAGEMENT FEES AND ADMINISTRATION FEES (Continued)

Sub-Fund	
Asia Dividend Fund	0.25%
Pacific Tiger Fund	0.25%
China Fund	0.25%
India Fund	0.25%
Asia Small Companies Fund	0.25%
China Small Companies Fund	0.25%
China Dividend Fund	0.25%
Asia Focus Fund	0.25%
Asia Strategic Income Fund	0.25%

5. CUSTODIAN AND CENTRAL ADMINISTRATION FEES

The Custodian and the Administrative Agent receive from the Fund aggregate fees that amount to a maximum of 2% per annum of the total net assets of each Sub-Fund. Transaction costs are charged separately. The fees effectively charged to each Sub-Fund are disclosed in the annual report of the Fund. The Custodian and Administration Agent fees are payable monthly in arrears.

6. DIRECTOR FEE

The three Directors who are employees of Matthews International Capital Management, LLC do not receive additional compensation in respect of their roles as Directors of the Fund.

The Director who is independent of Matthews International Capital Management, LLC is remunerated as a Conducting Officer, and not separately as a Director of the Fund. His remuneration as Conducting Officer totals EUR 47,000 on an annual basis.

7. TAXATION

A) TAXE D'ABONNEMENT

The subscription tax is payable quarterly and calculated on the total net assets of each Sub-Fund at the end of the relevant quarter at a rate of 0.05% per annum.

This rate is reduced to 0.01% (i) for Sub-Funds or individual classes of shares reserved to one or more institutional investors or (ii) funds or Sub-Funds having the exclusive object to invest in money market instruments as defined by the amended law of 17 December 2010 relating to undertakings of collective investment.

B) PROVISION FOR FOREIGN TAXES

The Sub-Funds may be subject to short-term capital gains tax in India on gains realised upon disposal of Indian securities held for a period of one year or less. The tax is computed on net realised gains; any realised losses in excess of gains may be carried forward for a period of up to eight years to offset future gains. Any net taxes payable must be remitted to the Indian government prior to repatriation of sales proceeds. The Sub-Funds that invest in Indian securities accrue a deferred tax liability for net unrealised short-term gains in excess of available carry forwards on Indian securities. This accrual may reduce a Sub-Fund's net asset value. As at 31 March 2015, the Asia Dividend Fund has recorded a payable of USD 92,360, the Pacific Tiger Fund a payable of USD 1,127,659, the India Fund a payable of USD 412,234 and the Asia Small Companies Fund a payable of USD 105,549 as an estimate for potential future Indian capital gains taxes.

Those amounts have been recorded as a reduction of "Dividend Income, Net".

Notes to Financial Statements *(Continued)*

As at 31 March 2015

8. TRANSACTION COSTS

For the year ended 31 March 2015, the Sub-Funds incurred transaction costs which have been defined as brokerage fees and custody transaction fees relating to purchase or sale of transferable securities or other eligible assets as follows:

Sub-Fund (USD)	Transaction costs	Custody transaction fees	Brokerage fees and commissions
Asia Dividend Fund	1,055,801	57,900	997,901
Pacific Tiger Fund	1,002,981	47,172	955,809
China Fund	74,315	8,505	65,810
India Fund	267,748	28,288	239,460
Asia Small Companies Fund	50,809	12,828	37,981
China Small Companies Fund	15,830	9,480	6,350
China Dividend Fund	50,318	13,190	37,128
Asia Focus Fund	7,813	6,166	1,647
Asia Strategic Income Fund	6,327	–	6,327

9. SOFT COMMISSION ARRANGEMENTS

The Investment Manager may effect transactions with or through the agency of another person with whom the Investment Manager or an entity affiliated to the Investment Manager has arrangements under which that person will, from time to time, provide to or procure for the Investment Manager and/or an affiliated party goods, services or other benefits such as research and advisory services, specialised computer hardware or software. No direct payment may be made for such goods or services but the Investment Manager may undertake to place business with that person provided that person has agreed to provide best execution with respect to such business and the services provided must be of a type which assist in the provision of investment services to the Fund. The total monetary value of these arrangements for the year ended 31 March 2015 are USD 165,472.14.

10. DIVIDENDS

The Fund intends to declare and distribute dividends representing substantially all of the investment income attributable to Distributing Shares. Dividends in respect of these Shares will normally be payable quarterly or semi-annually, will be declared in the currency of denomination of the relevant Sub-Fund and will be recorded on ex-date. Interim dividends in respect of the Distributing Shares of any particular Sub-Fund may be paid from the attributable net investment income and realised capital gains with a frequency and at such intervals as the Board of Directors may decide.

The Securities and Futures Commission of Hong Kong (“SFC”) requires disclosure of the composition of dividends distributed by SFC authorized funds. This disclosure should include the amount of the distribution per share as well as the portion of the dividend paid out of capital on a rolling twelve-month period.

Notes to Financial Statements *(Continued)*

As at 31 March 2015

10. DIVIDENDS (Continued)

The following dividend payments were made during the twelve months ended 31 March 2015:

Asia Dividend Fund	Currency	Ex-Date	Date of dividend payment	Dividend per Share	Dividend paid out of distributable income for the period (%)	Dividend paid out of capital (%)
I Dist	USD	6/18/14	6/26/14	0.110410	46.55%	53.45%
I Dist	USD	9/17/14	9/24/14	0.111616	66.69%	33.31%
I Dist	USD	12/10/14	12/17/14	0.056103	32.94%	67.06%
I Dist	USD	3/19/15	3/26/15	0.058325	11.97%	88.03%
A Dist	USD	6/18/14	6/26/14	0.119569	31.82%	68.18%
A Dist	USD	9/17/14	9/24/14	0.116008	50.50%	49.50%
A Dist	USD	12/10/14	12/17/14	0.057066	4.11%	95.89%
A Dist	USD	3/19/15	3/26/15	0.048509	0.00%	100.00%
I Dist	GBP	6/18/14	6/26/14	0.091297	44.61%	55.39%
I Dist	GBP	9/17/14	9/24/14	0.105492	66.78%	33.22%
I Dist	GBP	12/10/14	12/17/14	0.054717	34.64%	65.36%
I Dist	GBP	3/19/15	3/26/15	0.049313	27.62%	72.38%
A Dist	GBP	6/18/14	6/26/14	0.098597	31.26%	68.74%
A Dist	GBP	9/17/14	9/24/14	0.110697	50.47%	49.53%
A Dist	GBP	12/10/14	12/17/14	0.058429	3.24%	96.76%
A Dist	GBP	3/19/15	3/26/15	0.049477	0.00%	100.00%
China Dividend Fund						
I Dist	USD	6/18/14	6/26/14	0.116327	65.68%	34.32%
I Dist	USD	12/10/14	12/17/14	0.132590	38.21%	61.79%
A Dist	USD	6/18/14	6/26/14	0.105375	51.61%	48.39%
A Dist	USD	12/10/14	12/17/14	0.127794	15.71%	84.29%

11. SWING PRICING

The Board of Directors of the Fund implemented a price adjustment policy in order to protect the interests of the Fund's Shareholders. The purpose of the price adjustment policy is to allocate the costs associated with large inflows and outflows to investors transacting that day, thereby protecting the long-term Shareholders from the worst effects of dilution. It achieves this purpose by adjusting the price at which deals in a Sub-Fund are transacted. In other words, Sub-Funds' prices may be adjusted up or down depending on the level and type of investor transactions on a particular day. In this way the existing and remaining Shareholders do not suffer an inappropriate level of dilution. The Fund will only trigger an adjustment in the price when there are net flows. The adjustment will be based on the normal dealing costs for the particular assets in which a Sub-Fund is invested but will not exceed 2% of the price. Once an adjustment is made to the price, that price is the official price for that Sub-Fund for all deals that day.

As at 31 March 2015, swing pricing was applied on the NAV per share of the following Sub-Funds: Pacific Tiger Fund, Asia Dividend Fund, India Fund, China Small Companies Fund, China Dividend Fund, Asia Small Companies Fund and China Fund.

Notes to Financial Statements *(Continued)*

As at 31 March 2015

11. SWING PRICING (Continued)

The following table compares the unswung and the swung NAV per share as at 31 March 2015:

Sub-Fund	Share Class	Unswung NAV	Swung NAV
Asia Dividend Fund	I Acc (USD)	USD 14.50	USD 14.45
	I Dist (USD)	USD 13.33	USD 13.28
	A Acc (USD)	USD 14.16	USD 14.11
	A Dist (USD)	USD 13.24	USD 13.20
	C Acc (USD)	USD 14.11	USD 14.06
	I Acc (GBP)	GBP 14.76	GBP 14.71
	I Dist (GBP)	GBP 13.53	GBP 13.49
	A Acc (GBP)	GBP 14.46	GBP 14.40
	A Dist (GBP)	GBP 13.47	GBP 13.42
Pacific Tiger Fund	I Acc (USD)	USD 15.05	USD 15.10
	I Dist (USD)	USD 10.47	USD 10.51
	A Acc (USD)	USD 14.13	USD 14.18
	I Acc (GBP)	GBP 15.34	GBP 15.39
	I Dist (GBP)	GBP 11.31	GBP 11.35
	A Acc (GBP)	GBP 15.01	GBP 15.06
China Fund	I Acc (USD)	USD 11.81	USD 11.77
	A Acc (USD)	USD 10.85	USD 10.81
	I Acc (GBP)	GBP 11.46	GBP 11.42
	A Acc (GBP)	GBP 11.22	GBP 11.18
India Fund	I Acc (USD)	USD 13.89	USD 13.94
	A Acc (USD)	USD 13.63	USD 13.68
	I Acc (GBP)	GBP 15.06	GBP 15.11
	A Acc (GBP)	GBP 14.78	GBP 14.83
Asia Small Companies Fund	I Acc (USD)	USD 11.50	USD 11.54
	A Acc (USD)	USD 11.40	USD 11.44
	I Acc (GBP)	GBP 12.33	GBP 12.37
China Small Companies Fund	I Acc (USD)	USD 12.66	USD 12.62
	A Acc (USD)	USD 12.47	USD 12.42
China Dividend Fund	I Acc (USD)	USD 11.75	USD 11.71
	I Dist (USD)	USD 11.39	USD 11.35
	A Acc (USD)	USD 11.63	USD 11.59
	A Dist (USD)	USD 11.22	USD 11.18

12. SUBSEQUENT EVENTS

The Japan Fund was launched on 30 April 2015.

As of 1 July 2015 the Portfolio Managers for the Pacific Tiger Fund, the China Fund, and the China Small Companies Fund are as follows:

Pacific Tiger Fund: Sharat Shroff, CFA - Lead Manager; In-Bok Song - Co-Manager; Rahul Gupta - Co-Manager.

China Fund: Andrew Mattock, CFA - Lead Manager; Henry Zhang, CFA - Co-Manager; Winnie Chwang - Co-Manager.

China Small Companies Fund: Tiffany Hsiao, CFA - Lead Manager; Henry Zhang, CFA - Co-Manager; Kenichi Amaki - Co-Manager.

Further Information

STATEMENT OF CHANGES IN PORTFOLIO

A copy of the changes in the securities portfolio for the year is available free of charge at the registered office of the Fund.

Performance and Expenses *(Unaudited)*

As at 31 March 2015

	Average Annual Total Return ¹					Inception Date	Portfolio Turnover Ratio ²	Total Expense Ratio ³
	3 Months	1 year	3 years	5 years	Since Inception			
ASIA DIVIDEND FUND								
I Acc (USD)	7.68%	9.06%	9.06%	n.a.	7.77%	30 Apr 2010	10.61%	1.30%
I Dist (USD)	7.66%	9.01%	9.05%	n.a.	8.31%	26 Aug 2010	10.61%	1.30%
A Acc (USD)	7.55%	8.46%	8.49%	n.a.	7.78%	26 Aug 2010	10.61%	1.81%
A Dist (USD)	7.54%	8.49%	8.50%	n.a.	7.78%	26 Aug 2010	10.61%	1.80%
C Acc (USD)	7.82%	9.42%	9.43%	n.a.	7.82%	20 Sept 2010	10.61%	0.95%
I Acc (GBP)	13.50%	22.79%	12.04%	n.a.	9.91%	28 Feb 2011	10.61%	1.33%
I Dist (GBP)	13.59%	22.81%	12.04%	n.a.	9.90%	28 Feb 2011	10.61%	1.30%
A Acc (GBP)	13.48%	22.24%	11.42%	n.a.	9.34%	28 Feb 2011	10.61%	1.77%
A Dist (GBP)	13.39%	22.24%	11.45%	n.a.	9.35%	28 Feb 2011	10.61%	1.78%
MSCI AC Asia Pacific Index (USD)	6.79%	8.89%	7.86%	n.a.	6.00% ⁴			
PACIFIC TIGER FUND								
I Acc (USD)	6.56%	16.33%	10.24%	n.a.	8.74%	30 Apr 2010	-91.88%	1.30%
I Dist (USD) ⁵	6.59%	n.a.	n.a.	n.a.	5.10%	31 Oct 2014	-91.88%	1.16%
A Acc (USD)	6.46%	15.66%	9.64%	n.a.	7.90%	26 Aug 2010	-91.88%	1.86%
I Acc (GBP)	12.34%	31.09%	13.23%	n.a.	11.13%	28 Feb 2011	-91.88%	1.29%
I Dist (GBP) ⁵	12.38%	n.a.	n.a.	n.a.	13.50%	31 Oct 2014	-91.88%	1.21%
A Acc (GBP)	12.14%	30.16%	12.63%	n.a.	10.54%	28 Feb 2011	-91.88%	2.00%
MSCI AC Asia ex Japan Index (USD)	4.90%	11.02%	7.11%	n.a.	6.20% ⁴			
CHINA FUND								
I Acc (USD)	5.09%	10.93%	3.78%	2.04%	3.25%	26 Feb 2010	6.63%	1.50%
A Acc (USD)	4.95%	10.31%	3.25%	n.a.	1.71%	26 Aug 2010	6.63%	2.00%
I Acc (GBP)	10.77%	25.08%	6.63%	n.a.	3.30%	28 Feb 2011	6.63%	1.50%
A Acc (GBP)	10.69%	24.36%	6.06%	n.a.	2.77%	28 Feb 2011	6.63%	2.00%
MSCI China Index (USD)	8.12%	24.34%	10.87%	n.a.	6.45% ⁴			
INDIA FUND								
I Acc (USD)	8.74%	50.22%	18.82%	n.a.	9.25%	30 June 2011	-182.81%	1.50%
A Acc (USD)	8.66%	49.51%	18.22%	n.a.	8.71%	30 June 2011	-182.81%	2.00%
I Acc (GBP)	14.64%	69.20%	22.05%	n.a.	11.62%	30 June 2011	-182.81%	1.50%
A Acc (GBP)	14.61%	68.52%	21.44%	n.a.	11.07%	30 June 2011	-182.81%	2.00%
S&P BSE 100 Index (USD)	4.55%	25.08%	11.56%	n.a.	3.67% ⁴			
ASIA SMALL COMPANIES FUND								
I Acc (USD)	1.50%	8.66%	n.a.	n.a.	7.75%	30 Apr 2013	9.57%	1.75%
A Acc (USD)	1.42%	8.23%	n.a.	n.a.	7.27%	30 Apr 2013	9.57%	2.25%
I Acc (GBP) ⁶	7.01%	n.a.	n.a.	n.a.	23.70%	30 Apr 2014	9.57%	1.75%
MSCI AC Asia ex Japan Small Cap Index (USD)	5.57%	4.95%	n.a.	n.a.	3.45% ⁴			
CHINA SMALL COMPANIES FUND								
I Acc (USD)	1.77%	-0.39%	9.78%	n.a.	7.83%	29 Feb 2012	-20.88%	1.75%
A Acc (USD)	1.55%	-0.96%	9.23%	n.a.	7.28%	29 Feb 2012	-20.88%	2.25%
MSCI China Small Cap Index (USD)	6.61%	6.41%	11.97%	n.a.	8.51% ⁴			
CHINA DIVIDEND FUND								
I Acc (USD)	6.84%	12.60%	n.a.	n.a.	7.58%	31 Jan 2013	72.61%	1.50%
I Dist (USD)	6.87%	12.80%	n.a.	n.a.	7.60%	31 Jan 2013	72.61%	1.50%
A Acc (USD)	6.72%	12.20%	n.a.	n.a.	7.06%	31 Jan 2013	72.61%	2.00%
A Dist (USD)	6.68%	12.17%	n.a.	n.a.	7.06%	31 Jan 2013	72.61%	2.00%
MSCI China Index (USD)	8.12%	24.34%	n.a.	n.a.	7.48% ⁴			

Performance and Expenses *(Unaudited) (Continued)*

As at 31 March 2015

	Average Annual Total Return ¹					Inception Date	Portfolio Turnover Ratio ²	Total Expense Ratio ³
	3 Months	1 year	3 years	5 years	Since Inception			
ASIA FOCUS FUND⁷								
I Acc (USD)	2.10%	n.a.	n.a.	n.a.	2.00%	30 May 2014	18.76%	1.50%
A Acc (USD)	2.01%	n.a.	n.a.	n.a.	1.60%	30 May 2014	18.76%	2.00%
MSCI AC Asia ex Japan Index (USD)	4.90%	n.a.	n.a.	n.a.	5.92% ⁴			
ASIA STRATEGIC INCOME FUND⁸								
I Acc (USD)	0.31%	n.a.	n.a.	n.a.	-2.40%	29 Aug 2014	76.08%	1.25%
I Dist (USD)	0.28%	n.a.	n.a.	n.a.	-2.45%	29 Aug 2014	76.08%	1.25%
A Acc (USD)	0.10%	n.a.	n.a.	n.a.	-2.70%	29 Aug 2014	76.08%	1.75%
A Dist (USD)	0.06%	n.a.	n.a.	n.a.	-2.76%	29 Aug 2014	76.08%	1.75%
HSBC Asian Local Bond Index (USD)	0.32%	n.a.	n.a.	n.a.	-1.79% ⁴			

1 Annualised performance for periods of at least one year, otherwise cumulative.

2 The Portfolio Turnover Ratio is calculated in accordance with the CSSF Circular 03/122 i.e. the aggregated sales and purchases less aggregated subscriptions and redemptions, divided by average net assets of the year. The portfolio turnover ratio may be negative as a result of shareholder transactions exceeding the investment transactions for the accounting year.

3 The Total Expense Ratio includes such fees as the Management and Administration fee, Domiciliation, Administration and Transfer agency fees, Professional fees, Printing fees, Custodian fee and Taxe d'abonnement. The Total Expense Ratio reported is for the year ended 31 March 2015 and is annualised for periods of less than 12 months.

4 Based on the Inception Date of the I Acc (USD) Share Class.

5 Pacific Tiger Fund I Dist (USD) and I Dist (GBP) launched on 31 Oct 2014.

6 Asia Small Companies Fund I Acc (GBP) launched 30 April 2014.

7 Asia Focus Fund and its 2 Share Classes launched on 30 May 2014.

8 Asia Strategic Income Fund and its 4 Share Classes launched on 29 Aug 2014.

Disclosures and Index Definitions *(Unaudited)*

Investor Disclosure

All performance quoted represents past performance and is no guarantee of future results. The performance data do not take into account the commissions and costs incurred on the issue and redemption of shares. Investment returns and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than the original cost. Current performance may be lower or higher than the return figures quoted. Investors investing in Sub-Funds denominated in non-local currency should be aware of the risk of currency exchange fluctuations that may cause a loss of principal.

Performance details provided for the Sub-Funds are based on a NAV to NAV basis, assuming reinvestment of dividends and capital gains, and are net of management fees and other expenses.

Calculation Method of the Risk Exposure

The methodology used in order to calculate the global exposure is the commitment approach in accordance with the CSSF Circular 11/512.

Index Definitions

It is not possible to invest directly in an index.

The **MSCI All Country Asia Pacific Index** is a free float-adjusted market capitalisation-weighted index of the stock markets of Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan and Thailand.

The **MSCI All Country Asia ex Japan Index** is a free float-adjusted market capitalisation-weighted index of the stock markets of China, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan and Thailand.

The **MSCI China Index** is a free float-adjusted market capitalisation-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.

The **S&P Bombay Stock Exchange 100 (S&P BSE 100) Index** is a free float-adjusted market capitalisation-weighted index of the 100 stocks listed on the Bombay Stock Exchange.

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.

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, and 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).

The **HSBC Asian Local Bond Index (ALBI)** tracks the total return performance of a bond portfolio consisting of local-currency denominated, high quality and liquid bonds in Asia ex-Japan. The ALBI includes bonds from the following countries: Korea, Hong Kong, India, Singapore, Taiwan, Malaysia, Thailand, Philippines, Indonesia and China.



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